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MERCE

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

RAY, 5 FEBRUARY, 1955 PRICE Rs. 1/8

OMINATE THE LD?

pretation of socialism is not in conso- the popular conception, others may in a different manner and raise false e minds of the people. As a result, f events may compel them to yield round in favour of doctrinaire

theory that, in order to bring about e distribution of wealth and to prevent ation of economic power, the public nust establish new industries and occupy nant place in the industrial field is as out e as the Marxist notion of democracy, y, increasing poverty amidst increasing h. A modern State has various means ugh which it can prevent the evils referred without itself starting and owning industries. can prevent excessive concentration of ealth through taxation, provided it has an efficient machinery to collect taxes. It can prevent concentration of economic power by providing adequate incentives and proper opportunities for new *entrepreneurs* to come into the field. It can minimise chances of corruption and profiteering by following appropriate monetary, trade and fiscal policies. It can protect the interests of the working class by legislating for fair wages, working hours and amenities. It is by these means that the Western democratic countries have brought about economic progress without undermining the freedom of man. There is no reason to believe that this system will not yield satisfactory results if followed by this country. India has already been trying it with gratifying success and will find the results as satisfactory as in Western Europe or North America if the system is given a fair trial for some years.

Experience of Western democracies which tried what India wants to do now has not been quite satisfactory. State ownership of industries actually arrested progress, for the simple reason that red-tapism is an inescapable evil of Government administration for which there is no remedy. This evil will persist in some form or other even in a dictatorship or monolithic State as Russia. It is a pity that the powers-that-be in this country are unwilling to profit by the experience of other countries. Their argument that India is different from other countries is not convincing. Human beings are the same all over the world. Indeed, if, even in countries such as the U.K., France and Australia which are not lacking in administrative talent, the public sector in the field of commerce and industry was not an unqualified success, the chances of its success in India, where the Administration is weak and inexperienced in the art of industrial management, are remote. It can be safely predicted that, if India were to depend upon the public sector to play a prominent role in industrialisation, the progress would be painfully slow and the cost would be heavy. The economic history of the world clearly shows that economic progress is best achieved within the framework of a free society where private enterprise enjoys a large measure of freedom and not under a totalitarian system. This is confirmed even by this country's limited experience of its State-owned industrial factories such as the machine tool factories at Bangalore and Ambernath, the shipyard at Vizagapatam, the locomotive works at Chittaranjan, and even the fertiliser factory at Sindri. Some of these are doubtless producing goods and a great show of it is being made by the Government. If, however, a fair picture of their working is to be had, one must take into account their financial results. If this test were applied, one would find that the public is paying a heavy price.

The protagonists of the public sector argue that, as the private sector has its own limitations, it will not be able to undertake large industrial projects as speedily as the country needs and that, therefore, it is necessary for the Government to establish industries. Now what is it that the Government has which the private sector has not? Financial resources, of course. Even here it is not that the Government has them in plenty. What makes it easier for the Government to raise resources is its power to command credit and create money. Excepting this one superiority over the private sector, it has no other qualification for running industries. But money alone is not sufficient to plan and establish large industries. It requires able administrators who are well versed in the art of business and who can take quick decisions to perform these complicated tasks. No Government can fulfil this requirement, much less that of an underdeveloped country. The officials of the Government of India are usually overworked with a multitude of functions. They have no intimate knowledge of trade or industry. They are answerable only to the ministers and, as the latter keep on changing in a democracy, they are, for all practical purposes, accountable to no one. Even the officials themselves are frequently changed, with the result that it is difficult to pin down irregularities to any one official. To give an instance, in the case of the Sindri Fertiliser, in which nearly Rs. 30 crores are invested, the key post of managing director has been held by no less than three officials in a short period of three years. It is difficult to understand how such changes will be conducive to efficiency. Indeed, it is inconceivable that, in an industry of this magnitude under the private sector, such frequent changes will take place.

In the case of industrial undertakings in the private sector, the officials are responsible to the board of directors through the managing director and the directors are responsible to shareholders. If they fail to show good results, the shareholders raise a hue and cry and draw the

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was pointed out by us last week, political; the Congress probably wants to adopt a slogan that appeals to the public. With the general elections not far away, this is perfectly understandable. But its aftermath may be injurious to the country.

Although socialism is a term flexible enough to permit several interpretations, it has come to be associated with a definite ideology and, when a Government adopts it, the public expects it to act in consonance with that ideology. In principle, socialism means that individual freedom should be completely subordinated to the interests of the community. One of the basic features of socialistic society is to substitute co-operative for competitive production, a feature totally opposed to a private enterprise society in which competition is given a high place as an element for raising the efficiency of the society. Once the goal of the Government is expressed to be socialism or socialistic pattern of society—the difference between the two is no more than that between tweedledum and tweedledee—it automatically places private enterprise at a disadvantage. For it will encourage the critics of private enterprise to bring down the private sector in the estimation of the people. It will make it difficult for the Government to help and encourage the private sector, even when it wants to, as the Government of India professes now. Psychology and sentiment are important factors in a democracy and it will be suicidal in the long run for a political party to mislead the people or speak in two voices. Although it is not the intention of the present Government to make any drastic changes in the Constitution in regard to the people's property rights, already there are suggestions by some that the Constitution must be suitably amended in order to establish a socialistic pattern of society. Mr. Nehru and his colleagues in the Centre, as well as in some of the States, are doubtless reasonable people. There is no need to question their sincerity. Their definition of socialism and socialistic pattern of society is such as to evoke the acceptance of their goal by the private sector. But the danger is that, as

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Government to show satisfactory results, the cost of such failure being quietly borne by the taxpayer. That things will go on in a leisurely fashion in the public sector will be evident from the fact that precious little has been done in regard to the establishment of the steel factory at Rourkela, though well over a year has passed since the agreement was signed with the German firm of Krupp and Demag. This is in striking contrast to the speed with which the Tata-Mercedes-Benz project for the manufacture of heavy trucks is being implemented. There is also the instance of the Industrial Credit and Investment Corporation, a project of private enterprise, and the National Industrial Development Corporation, sponsored by the Government. Whereas the former has made quick progress and will start functioning in a few days, nothing is known of the latter, except that it has been registered. Then, there are several projects which the Government has been keen on establishing, as, for instance, the one for the manufacture of heavy power machinery, but which show no prospect of seeing the light of day in the near future. As regards the British and the Russian offers for the establishment of steel plants, the British offer was the result of successful negotiations conducted by the private sector within a short period of a few weeks; it is doubtful whether any official of the Government of India would have achieved such success. If the Russian offer has now fructified into a preliminary agreement, it is more because of the accommodating attitude displayed by Russia than due to any great skill or enterprise displayed by the Government; for political reasons, the Soviet Government was very keen on clinching the deal. It remains to be seen how long the Government will take to complete these projects and bring the plants into production.

The Government is trying to meet the lack of right type of personnel to plan, negotiate, implement and manage industrial undertakings by obtaining the co-operation of business men more or less in an honorary capacity. If the public sector expands on such a large-scale as is now envisaged, this arrangement will hardly be able to cope with the situation. That apart, this is not a satisfactory way of filling the gap. For one thing, so long as there is no stake of their own, it is unnatural to expect the non-officials to give of their best to the Government-owned industries, as they would do if the industries belonged to them; they will also be chary of advising the Government to go ahead in those cases where some risk is involved, lest they should be blamed later, if anything were to go wrong. For another, such advisory roles for non-official business men mean more opportunities for the Government to confer privileges. This in turn will lead to such undesirable practices as favouritism and anti-social elements in the private sector trying to appease the Government by offering their services in order to hide their questionable activities. These tendencies will not be conducive to the growth of democracy on healthy lines.

In the last two or three years, in particular, the private sector has displayed admirable initiative in expanding the existing industries, as well as in establishing new ones. If it has not been able to do more, it is because of the Government's unhelpful economic policy and of its frequent attack on private enterprise. In fine, the Government has not cared to provide the right climate for private enterprise all these years. Taxation has been continued at a high level. Prices and profits have been controlled, without paying adequate attention to the needs of industries for building up reserves. Regulations over production, expansion and establishment of new industries have not always been administered in a diligent manner and without causing a feeling of exasperation among industrialists. Labour legislation has been carried too far, in that the employer has been deprived of his powers to ensure efficiency and to punish promptly misdemeanours. There have no doubt been instances where the Government has rendered handsome assistance to industries in the private sector. But these are exceptions and not the rule.

Generally speaking, the attitude of the Government and that of the party-in-power towards the private sector has been one of distrust; they have been tolerating it, as though it is a necessary evil. In these circumstances, it is not fair for the protagonists of the public sector to say that the State has to step in because the private sector is not capable of rising to the occasion. Given the freedom, incentive, measure of financial assistance and ce of no nationalisation, the private capable of industrialising the far more rapidly and at a relatively smaller cost to the public. After all, the private sector has already proved that it can establish almost all the heavy industries the country needs such as coal, iron and steel, petroleum, shipbuilding, automobiles, machine tools, chemicals and electric power.

In the light of what has been stated above it will be seen that it is unnecessary for public sector to hold a dominating position the industrial and commercial sector, that private sector is in a position to rise to occasion and that this development need necessarily stand in the way of the establishment of a Welfare State, without glaring inequalities in the distribution of wealth is, the Government has assumed the responsibilities in regard to agriculture, port and power, besides the customary a modern democratic State. These more than what a young democracy can If the Government is wise, it will be with discharging these responsibilities ly, instead of taking on its shoulders dens which can be conveniently left private sector to carry.

EMPLOYMENT AND RIVER PR

IT is not altogether in keeping with the of urgency for economic improvement the Central Government wants to incu the officials and the public that the auth deliberately adopt a go-slow policy in exe the large irrigation projects committed to charge. A recent instance, which has co public notice through Press reports, is the progress of the Gandhi Sagar Dam. It would appear that the construction of the Dam, tended to serve the arid deserts of Rajasthan is proceeding at the proverbial snail's pace. A the present rate of progress, it is computed that it will take nine years to complete the project, whereas projects of much bigger size have been either completed or proposed to be completed in a shorter period.

This leisurely bullock-cart pace, it is stated, is not altogether accidental. It is not due to any peculiar physical obstacles which stand in the way of progress. It is attributed partly to the Government's desire to see that the project remains uncompleted for as long a period as possible, so that it may serve as a source of employment for a conveniently long period of time and partly to the supposed superiority of the masonry (which is employed in the project) over concrete construction. Perhaps, it is best to leave the technical aspect of the question for discussion by the pundits in constructional engineering. But the much larger question is: What consideration should be taken into account in embarking upon a river project? This question raises at least three fundamental issues—the question of the expeditious completion of a project, the cost of the project, and of its employment potential.

Strictly speaking, all the three problems are "financial" rather than physical. After all, financial considerations cannot be altogether ignored in a money economy, except perhaps when a State is dealing with defence policies. The break-up of the problem into the three elements is made here only for purposes of clarity. To take the question of expeditious completion first. It should be clear that speed is the very essence of these constructional activities. The country cannot afford to wait for long till the authorities choose to complete the project taking "their own" time to do the job. What must strike even a casual observer as extremely odd about the deliberate delay is that it is so incongruous with the Government's own exhortations for speed. Indeed, it is anomalous, to say the least, that Government spokesmen should regard sober audit objections as a spanner in the wheel of progress and insist, in a mood of enthusiasm for rapid progress, that even financial considerations may be sacrificed at the altar of speed and, at the same time, pursue a conscious go-slow policy in carrying out certain projects.

It is not contended here that all considerations—such, for instance, as cost and technical efficiency—should be sacrificed for the sake of speed in construction. What is suggested is that, if the use of modern methods of construction can cut out unnecessary waste of time, the Government should not hesitate to employ them. The only consideration here is that one should weigh the advantage of the economy in time through the use of modern methods of constructional engineering against the possible

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The slow execution of the projects is sometimes defended on the ground that it thereby provides employment for a larger number of people. The sooner this fallacy is exposed the better it will be for all concerned. The implementation of a river valley project, as such, should not be looked upon as a source of employment. It will no doubt provide employment opportunities. But such opportunities will at best be only temporary. It would, therefore, be wrong to over-emphasise this aspect. What a project should do, and what it certainly could do, is to provide the means for better utilisation of the land and for industrialisation, so that a prosperous agricultural-cum-industrial community may grow up. It is the quantum of employment in the secondary and tertiary stages that really matters in the long run.

The size of this employment potential and the speed with which it can be raised will be indirectly determined by the cost of the water and power services in the region, and the speed with which the projects are completed. Incidentally, it is also wrong to argue that, by making the projects labour intensive, some new and beneficial purchasing power is created. "A worker who gets restricted wages and cannot, therefore, have much of a surplus," as Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, points out in an article to the Congress Number of the *Indian Express*, "would hardly become a consumer of articles other than food articles and the argument that the worker engaged in labour intensive industries is a potential consumer of consumption goods has an extremely limited validity." Although these remarks were made in a different context, namely, large-scale *vs.* small-scale industries, they are quite valid to the case under discussion. The workers employed in the execution of a project can form neither a prosperous nor a permanent class of consumers. It would, therefore, be more expedient to concentrate on the early completion of the projects—and at minimum cost.

PRECIPITOUS FALL IN COTTON MARKET

I.C.I.C.—SHELL REFINERY—NEW RAYON VENTURE

THURSDAY, 5 P.M.

OVER the week, equity values have receded to some extent not only in Bombay but also in Calcutta. After a continuous rise over a long period, tea shares have begun to slide down. This is not surprising, because the boom in tea has reached the zenith and the 1955-56 season may well see a definite break in tea prices. Wise investors do not wait till this event comes to pass; they generally sell in a rising market. In any case, the present is not the time for making fresh investments in tea, even if the yields seem attractive. The yield on tea shares is usually 2 per cent. higher than that on other equities, for tea is after all an agricultural crop and agriculture is a gamble in the monsoon. As all agricultural crops do, tea prices fluctuate over a wide range. But the cost of production has become rigid owing to high labour costs. There is also a risk of tea being taxed further by the Government. Significantly enough, the latest speculation on the Taxation Enquiry Commission's recommendations is that an increase in indirect taxes has been advocated on the ground that there is no further scope for raising direct taxes.

MARKET GOSSIP

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In the Bombay share market, all the leading counters have staged a retreat, the fall being heavier in textiles than in steels. Many reasons are mentioned for this week's decline in share values, but the most important, in our opinion, is pre-budget uncertainty. The bulls, who were rather optimistic about the budget proposals a week ago, are now a little perturbed. They fear that Mr. Deshmukh may try to implement the measures necessary for establishing the socialistic pattern of society and for distributing economic power in the forthcoming budget itself. The other factors which have upset the market are: (a) The resignation of Mr. T. T. Krishnamachari from the Central Cabinet; the city is unanimous that the country will lose the services of an able Minister. It regards this as a sign of victory to that school of thought which, in the name of employment, wants to perpetuate low productivity and uneconomic means of production. In other words, Mr. Krishnamachari's walk out does not augur well for industries in the private sector. (b) The signing of the agreement with the Russian Government for establishing a steel plant in India; this event, too, is regarded as an adverse factor to the market, inasmuch as the Russian influence may strengthen the hands of communists in the country. Further, it is feared that Russia may purposely underquote the prices of its plant and machinery, in order to place the private sector in this country at a disadvantage. And (c) the sharp fall in prices of cotton and a substantial decline in those of oilseeds; apart from the fact a slump in commodity markets has its sympathetic effect on shares, operators feel that, if the present low prices persist, the purchasing power in the hands of farmers will decline which in turn will affect the consumption of industrial manufactures and construction of houses.

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A notable development of the week has been the publication of the prospectus of the Industrial Credit and Investment Corporation of India Ltd., inviting subscriptions from the public to the tune of Rs. 1.50 crores. The shares are in units of Rs. 100 each, the issue price being at par. The subscription list, which opened today, will close on Monday the 14th inst. The issue to the public constitutes only 30 per cent. of the total, the remaining 70 per cent. having already been booked by institutional investors in India, the U.K. and the U.S., as per particulars published on pages 220 and 221 of this issue. As the objects and functions are clearly set out in the prospectus, it is unnecessary to restate them here. Suffice it to highlight here some of the investment merits of this new issue:

(1) The scope for an industrial investment corporation in India is very good. There are many industries which need long-term and medium-term loans for expansion and modernisation. A number of new projects are waiting to be promoted. Within a few weeks after its coming into existence, the Company will, we understand, underwrite the capital issue of a new rayon and staple fibre company, to which we shall presently refer.

(2) The Company's Board of Directors is as strong as the private sector in India can produce. Accordingly, the Company is in good hands.

(3) The Company is assured of the services and guidance of foreign experts.

(4) A long-term interest-free loan of Rs. 7.5 crores is being made available to the Company by the Government of India. The bulk of its resources is thus free of charge.

(5) Although a creditor to the Company, the Government of India has agreed to stand on the same footing as the shareholders, in the event of the Company going into liquidation, in respect of any balance of the loan that may remain unpaid.

(6) The resources required by the Company are strengthened by the loan of $10 million agreed to by the World Bank; this loan is to be drawn by the Company at its convenience.

(7) The Company seems to be assured of a steady flow of income. Even if its opening resources of Rs. 12.3 crores are invested in Government securities, the interest thereon will be sufficient to pay a minimum dividend of 4 to 4.5 per cent. in the very first year of working. It is not surprising, therefore, that the Government has unhesitatingly declared these shares as approved investment for insurance companies.

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Several investors, it would appear, have already taken note of these merits of the aforesaid shares and we will not be surprised if the issue to the public is oversubscribed. As it is the desire of the Company's Board that the shares should be held as widely as possible, small investors may be given full allotment.

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It is reliably understood that the Burmah-Shell Refinery will shortly issue cumulative preference shares for Rs. 2 crores. Arrangements are being made with a prominent investment trust to get the issue underwritten. The dividend on these shares is likely to be fixed at 6 per cent. and the issue price at par.

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In about twenty-seven months from now, a new unit will commence production of rayon yarn and staple fibre. This project is the one which has been sponsored by the Silk and Art Silk Mills Association (S.A.S.M.A.), Bombay, in combination with an Italian firm and about which references have already been made in the Press. It is now learned that the capital issue permit and the necessary licence for the project have already been secured and, in about a couple of weeks' time, the Company will be registered. The location of the plant is yet to be decided. Recently, a team of technical experts from Italy surveyed some of the areas in the Bombay State. The team has selected five sites, two in Bombay and three round about Surat. The final report of the team is expected within a month. The aggregate capital outlay of the project is estimated at about Rs. 6 crores, of which the Italian firm will provide Rs. 1 crore in the form of equity capital. The member firms of the S.A.S.M.A. will subscribe Rs. 2 crores. This amount is proposed to be raised by means of a levy of 10 per cent. on the import licences for rayon yarn. The balance of Rs. 3 crores is expected to be raised from the public. It is reported that the newly-formed Industrial Credit and Investment Corporation has already been approached to underwrite this issue to the public. In all probability, this will be the first underwriting business to be done by this Corporation.

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The total installed capacity of the proposed unit is more than 8 million lbs. of rayon yarn and an equal quantity of staple fibre per annum. Considering the wide gap that exists between the present rate of output of rayon yarn and the actual demand, the combined efforts of the Bombay rayon weaving mills to establish a yarn-producing unit on a co-operative basis are, indeed, commendable. The annual domestic requirements of rayon yarn in 1955-56 are estimated by the Planning Commission at 55 million lbs.—the S.A.S.M.A. places the estimate of the weaving industry (excluding the handlooms) alone at 60 million lbs. on a two-shift basis—while the actual rate of output is not more than 10 million lbs. The gap in supplies is thus of the order of 45 million lbs. Practically the entire quantity is now being imported from abroad. During the financial year 1953-54, India imported 38.40 million lbs. of rayon yarn, valued at Rs. 12.04 crores. With the commencement of full-scale production by the new unit, as also with the successful implementation of (a) the plan for doubling the existing capacity of the National Rayon Corporation (Bombay) within three to four years, and (b) of the project by the Century Spinning and Weaving Mills, the dependence on foreign imports of rayon yarn will be greatly reduced and much precious foreign exchange saved.

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For sometime now, it has been practically a one-way traffic for cotton prices. I.C.C. February opened the current calendar year at Rs. 617½ and I.C.C. May at Rs. 608½. Since then, cotton prices have steadily declined, the fall during the week being precipitous. A week ago, I.C.C. February was standing at Rs. 607; today it touched a low of Rs. 563, before finishing at Rs. 569-8, a loss of Rs. 37-8 per candy over the week. Similarly, I.C.C. May slipped from Rs. 599 to Rs. 562-8 and finally closed at Rs. 570-8. Even the fact that there were no tenders against the February contract for the second time in succession has failed to impart any strength to the market. In the last week of January, the traders entertained hopes of a smart recovery following the Central Government's announcement of fresh quotas to mills, which would enable spinners to buy domestic cotton to the extent of their Indian cotton consumption last season or up to 115 per cent. of the official allocations made to them in 1952-53. But this expectation did not materialise. In the spot section, too, prices have shown a declining trend. Thus, since the commencement of the year, Jarilla has declined from Rs. 687 per candy to Rs. 633, Jayadhar from Rs. 822 to Rs. 758 and Laxmi from Rs. 862 to Rs. 803.

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The persistent downward trend in cotton prices has caused, naturally enough, some anxiety among the traders. Since the futures prices are only about Rs. 70 above the floor level (Rs. 495), it is feared that, if the present trend were to continue, it would not be long before the prices reach the floor. The Government would then be compelled to honour its commitment, namely, to buy all cotton offered at that level. It is asked as to why the Government should wait till the unhappy moment arrives and not act in time to prevent a further fall in prices. In this connection, three issues dominate cotton men's minds, the revision of the hedge contract, the scope for further exports of cotton and provision of facilities for an additional consumption of cotton by mills.

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The present hedge contract, it is pointed out by a section of the trade, is needlessly bearish. Since it was conceived in war years and at a time when the problem was to prevent prices piercing the ceilings, the contract has come to possess certain bearish features. These features are thus an anachronistic survival of the war years. In the altered condition of ample supply of cotton, the sooner these features are modified the better it will be for all concerned. There are, however, some who point out that the present debacle in cotton prices is the result of natural forces of demand and supply, and the blame cannot be altogether laid on the nature of the hedge contract. The present fall in prices is attributed to the large size of the current season's crop (44½ to 45 lakh bales), a larger carry-over (about 17½ lakh bales). On the one hand, the demand is restricted partly by the control on export and partly through the system of allocation of quotas to mills which reduces the competition among mills. Nonetheless, it is generally admitted that the hedge contract is defective, in the sense that it registers prices which have no relation to the prices in the spot market. It is this defect which makes the contract both unattractive and unsafe as a hedge. But any tendency to look upon the revision of the hedge contract alone as a panacea for King Cotton's ills, it is held, is nothing short of a belief in market quackery.

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Although no modification of the hedge contract will, by itself, influence the course of prices, it is generally thought that some modification is necessary in order to make the contract fulfil effectively its purpose as a hedge against fluctuations in prices. The East India Cotton Association has invited the suggestions of the members of the Association for the modification of the contract. Tracing the history of the hedge contract, the Association points out how there were three different types of contract in the pre-war years. These were: (1) Fully Good Broach in which the basic variety was Broach Deshi and the other staple varieties were tenderable upto to ⅞" staple; (2) Fine Oomra in which the Oomra and C.P. Deshi were principally tenderable; and (3) Fully Good Bengals. During World War II, outlets for exports were gradually reduced and, on account of the food problem, the area under cotton not only underwent curtailment but steps were in fact taken to discourage short-staple cottons known as Deshi and to encourage the production of medium and long-staple cottons. To suit the altered needs of the country, the short-staple contracts had to be abandoned and in their place a single hedge contract was evolved, namely, the Indian Cotton Contract, in 1942, with Fine M.G. Jarilla ⅞" staple as basis without tolerance. Other varieties were tenderable at: (a) a discount of 18¾ per cent. of the premia for staple upto ⅞" only; (b) a discount of 18¾ per cent. of the premia fixed in case of 'premium' varieties; at an increased discount of 18¾ premia in case of 'discount' varieties; and (c) Full 'ON' or 'OFF' allowance for class.

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Originally the volume of cotton tenderable against the I.C.C. was about 29 lakh bales, which included what is now Pakistan growths, out of a total crop of about Rs. 50 lakh bales. After Partition in 1947, the volume of tenderable cotton was reduced to 12 lakh bales out of a crop of 22 lakh bales. With the continued effort of the Government to reach self-sufficiency, the production was progressively increased during the last three years and the volume of the tenderable crop against the hedge contract has now exceeded 31 lakh bales, as against an estimated crop of 42½ lakh bales. In the Korean inflation period, all the commodity markets throughout the world sky-rocketed and the result was that, in May 1950, the contract had to be closed out. It was only after the general slump in 1952 that futures trading was reopened for the season 1952-53 and at the time of reopening, the contract was broadened and varietal and staple premia weightages were abolished. It may be added that, in 1948-49, the basis of the contract was altered to Fine Jarilla 25/32" with a tolerance of 1/32" staple which tolerance was not available previously.

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The Association, however, emphasises that the suggestions for reform of the hedge contract should be made bearing in mind the fact that the control on prices of cotton still remains and the demand for cotton is limited by the export quota and restriction on mill buying by means of a quota system. As a result of the quota system, there is an arbitrarily predetermined limitation of demand. The rigidity of this was brought home last season when in May, June and July some mills desperately needed Indian cotton, quota allocations for which was denied to them in spite of a fall by about Rs. 100 in cotton prices. Simultaneously some other mills did not utilise their quotas fully. A failure to utilise the quotas fully brings no repercussions on the mills so that in effect the quota means a reservation from the crop for each individual mill throughout the year to be utilised, if and when they choose to do so, and to the extent that they may desire.

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In responsible trade quarters, it is felt that the reform of the hedge contract should begin with changing the basis of the contract. The whole trouble about the contract, it is stated, arises from the multiplicity of the varieties tenderable against the contract. They thus suggest that there should be two hedge contracts, namely, a long-staple contract and medium-staple contract. The number of tender-

(*Continued on page 243*)

DULL CONDITIONS IN SHARE MARKET

SELLING PRESSURE AT CLOSE

(From Our Own Correspondent)

BOMBAY, *3rd February*

LISTLESS conditions prevailed on the Stock Exchange during the week under review. After having kept up the cheerful sentiment for over a week, operators preferred to be cautious in extending their support further. The undertone was, therefore, quietly steady and fluctuations were confined to a narrow range. Today, however, there was a wave of selling pressure which pruned down the previous week's gains partially in some cases, and completely in others.

The sudden outburst of selling today was described as technical correction. A section of the market would appear to be apprehensive of the signing of the Indo-Russian pact on the setting up of a steel plant. Further, the reported submission of resignation by Mr. T. T. Krishnamachari, rumours that the Taxation Enquiry Commission's report would be published before this week-end, weakness of cotton, bullion and commodity markets and option settlement considerations cumulatively dampened the enthusiasm of operators.

In the steel section, Tata Ordinaries hardened early in the week from Rs. 238-12 to Rs. 239-4, but lost some ground to Rs. 235-8 on Monday this week. Revival of speculative buying at lower levels restored Tata Ordinaries to Rs. 238-8 yesterday. The recurrence of selling pushed the shares back at the close today to Rs. 234-12, disclosing thus a loss of Rs. 4 over the week. After a recession from Rs. 33-13½ to Rs. 33-4 on Tuesday, Indian Irons attracted some support which lifted them to Rs. 33-9½. But this gain could not be consolidated in the face of selling pressure today which brought the shares down to Rs. 33-6½ at the close.

Barring a bout of speculative support to leading counters yesterday, textiles were generally easy, with prices tending downwards. The selling pressure which ensued today aggravated the downward trend, resulting in widespread losses over the week. Bombay Dyeings, for instance, gave way from Rs. 485 to Rs. 473-12, before strong speculative support lifted them yesterday to Rs. 483-12. Today, however, the shares dropped to Rs. 476-4 at the close. Kohinoors were marked down from Rs. 330-4 to Rs. 325, though they had touched, during the week, Rs. 331-8. Central Indias lost Rs. 3 to Rs. 125-8, Gokaks Rs. 3 to Rs. 223-8 and Indu Ordinaries As. 1½ to Rs. 11. Khataus dropped Rs. 2-8 to Rs. 152-8, New Creats Rs. 6-8 to Rs. 167 and Shree Niwas Rs. 5-10 to Rs. 231-4. Simplex declined by Rs. 3 to Rs. 148, Standards by Rs. 5 to Rs. 353-12, Svadeshis by Rs. 4 to Rs. 207-8 and Tata Mills by Re. 1-8 to Rs. 62-8.

The banking section was featureless, and enquiries were selective. Barodas lost a fraction to Rs. 102. Centrals put on a fraction to Rs. 52-3, while their new shares were unchanged at Rs. 53-4. Imperial Fully Paids advanced by Rs. 7-8 to Rs. 1,632-8, while the Partly Paids receded by Rs. 5 to Rs. 400. Bank of Indias dropped Re. 1-12 to Rs. 148-4 and United Commercials Re. 1 to Rs. 46-8. Punjab Nationals were marked up by As. 4 to Rs. 37-4.

Business in insurance shares was restricted. New Indias suffered further recession from Rs. 56-8 to Rs. 54-8. After last week's sharp rise, Orientals shed a fraction of the gain and closed Rs. 15 lower at Rs. 7,485. There was hardly any variation in other counters.

The electricity section was featureless, but the undertone was steady with enquiries in selective counters. Ahmedabad Electrics were well held at Rs. 114-1 on persistent enquiries. Due to paucity of sellers, not much business was reported. Bombay Suburbans changed hands As. 10 higher at Rs. 133-2 and their new shares As. 8 better at Rs. 100-8. Surat Electrics gained As. 10 to Rs. 129-6. Tata Hydros were unchanged at Rs. 148, while Tata Powers put on Rs. 5 to Rs. 1,498-12. Andhra Valleys shed Re. 1-4 to Rs. 1,406-4.

The miscellaneous section followed the general pattern of the market, disclosing losses over a wide front. Sugar shares were easy, Belapurs receding from Rs. 317 to Rs. 313-8, Phaltans dropping Rs. 2 to Rs. 113-8 and Walchandnagars Rs. 5 to Rs. 225. Cement shares were quiet. A.C.C. drifted lower from Rs. 184 *cum-div.* to Rs. 174 *ex-div.* (dividend Rs. 8-8). Digvijays were a fraction lower at Rs. 170-4. Shipping shares fared no better, despite the news of a possible general upward revision of freight rates. Scindias were placed As. 5 lower at Rs. 15-13. Great Eastern Shippings were As. 6 down at Rs. 17 and Bharat Lines lost As. 8 to Rs. 84. In the engineering group, Alcocks changed hands Rs. 5 lower at Rs. 300. Premier Constructions moved down by Rs. 3-12 to Rs. 155. Among mining shares, B.B. Petrols were depressed a little at Rs. 3-14½. Indian Coppers attracted good enquiries on reports of a sharp rise in copper prices and satisfactory production at the Company's mines. The shares, as a result, appreciated by As. 1½ to Rs. 3-8½. Shivrajpurs showed no change at Rs. 75-8. Among miscellaneous industrials, Bombay Burmahs met heavy realising and dropped from Rs. 474-6 to Rs. 463-2. B.I.Cs were quiet at Rs. 8-14. Killicks shed Re. 1-4 to Rs. 178-12. National Rayons were on offer and suffered a fall from Rs. 207-12 to Rs. 201-8. Tata Chemicals were fairly steady at Rs. 16-15½ on reports of the Government's decision to give protection to bleaching powder and caustic soda and improvements in prices of soda ash. Tata Oils drifted lower by As. 12 to Rs. 40-12. Wimcos had business Re. 1-4 lower at Rs. 212-8.

Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, *2nd February*

With tea shares continuing in the lead, steady conditions were again witnessed on the Calcutta Stock Exchange during the week under review. Anticipations of a favourable budget, likelihood of a settlement in the Indo-Pakistani disputes which can improve trade prospects for Indian consumer goods in Pakistan, and the general belief that the conflict in Formosa would not lead to World War III, were factors which aided sentiment, although investors preferred to be cautious. Much attention is given to reports regarding Formosa, as if fighting breaks out among the big powers, India's industrial progress will be severely hampered. Since Monday, a slightly easier trend was in evidence. A cause for the pause was the reported submission of resignation by Mr. T. T. Krishnamachari, Union Commerce and Industry Minister, over disagreement on matters of policy. His exit would cause regret in both business and industry circles. The lack of business in jute goods for export resulted in a featureless jute section. Engineerings were in good form, as were miscellaneous industrials.

One of the strong features in the tea section was provided by Naga Hills, which, following the declaration of a satisfactory interim dividend, spurted to Rs. 52-2 from Rs. 39-8 previously. At Rs. 325, Hoolungoorees added Rs. 22, and Methonis with an attractive interim dividend of 10 per cent., realised Rs. 28, marking a gain of Rs. 2. Jutlibaris advanced from Rs. 23-12 to Rs. 24-10, Betjans from Rs. 51-8 to Rs. 52, Gungarams from Rs. 455 to Rs. 465, and Birparas from Rs. 295 to Rs. 304; subsequently, some of these counters lost their gains in part. Further support was given to Roopacherras, which, as a result, improved from Rs. 27-12 to Rs. 30. Nagaisurrees hardened to Rs. 392 from Rs. 383, and good attention was shown to Sungmas at Rs. 13. Hantaparas, at Rs. 405-8, were stronger by ten points. Banarhats moved up to Rs. 616 from Rs. 603. Other particularly interesting advances were Carrons at Rs. 322, Killicotts at Rs. 44-12, Central Cachars at Rs. 157 and Teliaparas at Rs. 212. In profit-taking, Bormahjans receded to Rs. 21-14 from Rs. 23.

In the engineering section, Indian Irons opened at Rs. 33-8 and soon touched Rs. 33-13 but profit-taking intervened and reduced the gain to Rs. 33-9 by Monday and to Rs. 33-5 by Tuesday. Today these shares recovered to Rs. 33-7. An impressive feature was provided by a jump to Rs. 126 from Rs. 94 in Indian Standard Wagons. Burn & Cos. were marked higher at Rs. 255, while Indian Galvanizings, at Rs. 20-15, registered a fractional improvement. On the other hand, Texmacos were shaded to Rs. 15-11 from Rs. 16-8, but regained today to finish at Rs. 16. Braithwaites after giving way to Rs. 24-6 from Rs. 24-9 recovered to Rs. 24-8.

In the jute section, a number of transactions reported losses. Speculative Howrahs were thrown back to Rs. 29-7 from Rs. 30-4 as were Nationals to Rs. 32-8 from Rs. 33-5. In the latter counter there was a subsequent recovery to Rs. 32-14. Reliances were lower at Rs. 14-8 as against Rs. 15 earlier. Barnagores realised Rs. 177, marking a loss of Rs. 2-8, while Nuddeas were supported at Rs. 51-8 as against Rs. 54 earlier. Indias were reduced to Rs 227 from Rs. 232, and Budge Budges to Rs. 188 from Rs. 195. However, Anglo-Indias, at Rs. 226, forged ahead by two points. Champdanies met with business at Rs. 168.

In common with the general trend, miscellaneous industrials after remaining firm up to the week-end began to record lower levels since Monday. Martin Burns were at one time better at Rs. 23-10 but subsequently were pulled down to Rs. 22-15. Imperial Tobaccos fluctuated between Rs. 11-8 and Rs. 11-12, closing at Rs. 11-12. Niccos were quiet at Rs. 22, Indian Cables returning Rs. 24-1 from Rs. 24-3. Indian Coppers were the forefront, maintaining a fractionally higher of Rs. 3-9, Sone Valley Cements being around at Rs. 7-12.

Carews in the sugar section rose to Rs. 19 from Rs. 10-4 on dividend rumours but reacted to Rs. 10-9. Belsunds were steady at Rs. 10-9 and Balrampores were traded at Rs. 9-8.

Among paper mills, India Paper Pulps were raised to Rs. 248 from Rs. 240 previously, while Titaghurs fluctuated between Rs. 41-10 and Rs. 42-6, and closed today at the lower rate. Orients were unchanged at Rs. 26-5. Profit-taking continued in Indo-Burmas in the oil section, and the rate was further lower at Rs. 124-8.

In the coal section, a slightly steadier trend was in evidence in view of the lower levels. New Beerbhoums were bought at Rs. 20-4 earlier but today lost the gain of As. 4. Pench Valleys at Rs. 24-7 added three annas. Bengals were shown attention at Rs. 505 but the improvement of one rupee was lost today. East Indias were hammered down to Rs. 28-3 from Rs. 28-12, Talchers being sought at Rs. 3-6.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, *2nd February*

The moderate enquiry witnessed last week on the Madras Stock Exchange gathered some further strength this week. Led by teas, most of the planting shares headed forward on sustained support from Bombay and North Indian operators. The recent imposts on tea and the levy of agricultural income-tax from the forthcoming financial year had very little effect on the trend of the market. Textile scrips too were slightly in favour on good enquiries from the various consuming centres in India. They would have been better if overseas enquiries for cloth had been encouraging. The miscellaneous scrips, however, turned out to be a solitary exception in that they ruled virtually listless. But the undertone in others was generally strong.

The textile section was very active. Thus, Ashers improved from Rs. 100 to Rs. 105 and Bangalore Woollens from Rs. 407 to Rs. 408. Radhakrishnas Rs. 100 paid-up put on Rs. 2-8 to Rs. 220 and 'B' Rs. 2 to Rs. 110. Rangavilas gathered Rs. 4 to Rs. 64 and Venkatesas Rs. 3 to Rs. 115. Saradas were done higher at Rs. 78 as against Rs. 75. Dhanalakshmis, however, lost Rs. 4-8 to Rs. 303, Lakshmis, Rs. 50 paid-up, Rs. 2 to Rs. 144 *cum-div.* and Lakshmis 'A', Rs. 25 paid-up, As. 12 to Rs. 72 Rajalakshmis eased from Rs. 139 to Rs. 138.

Among plantings, teas presented a firm tone. Coorg teas gathered As. 3 to Rs. 9-15 and Haileyburias As. 4 to Rs. 28-12. Highlands were better by As. 8 at Rs. 17-4 and Nilgiri teas by As. 4 at Rs. 16-8. Non such teas improved from Rs. 35-12 to Rs. 36-8 and Parksides from Rs. 22-4 to Rs. 24-2. Peermades gained Re. 1-8 to Rs. 47 and Talyars As. 9 to Rs. 17. United Nilgiri teas changed hands at Rs. 298 *cum-div.*, as against Rs. 290 *ex-div.*

Rubbers revealed selective buying. Be Bes hardened by As. 2 to Rs. 3-14 and Cochin Malabars by an anna to Rs. 7-5½. Mercaras were higher by As. 5 at Rs. 5-13 and Vaikundams by Re. 1-4 at Rs. 23-8. Vellimalais gathered As. 4 to Rs. 6. Nenmenys, however, lost As. 2 to Rs. 11-10 and Rajagiris an anna to Rs. 14-6. Kallas were lower at Rs. 5-6 as against Rs. 3-7.

In the coffee section, Coffee Lands advanced from Rs. 16-4 to Rs. 16-11 and Cochin Malabars from Rs. 7-4½ to Rs. 7-5½. Puthuttotams gained an anna to Rs. 4-9. But Kadur Coffees were quiet at Rs. 1-10½ and Mysore Coffees at Rs. 1-11½.

Miscellaneous scrips, however, lacked enquiry. Mysore Gold lost As. 8 to Rs 3-6 and Mysore Papers As. 4 to Rs. 17-12. Rallis declined from Rs. 50 to Rs. 48. Mysore Glass and Enamels were lower by an anna at Rs. 3-13 and Aluminium Industries by As. 2 at Rs. 17-14 *cum-div.* Bruntons, however, put on As. 4 to Rs. 5-12 and Travancore Cements As. 3 to Rs. 7-9. Mettur Chemicals were slightly better at Rs. 8-13 *cum-div.* Textools shot up from Rs. 95 to Rs. 100.

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CORRESPONDENTS ALL OVER THE WORLD

CZECH EXHIBITION OPENS IN BOMBAY

Intending Indian importers of Czechoslovak manufactures, especially plant and machinery, will have an opportunity of making up their minds after the firsthand, on-the-spot study of the goods at the Czech Industrial Exhibition which opened on the 4th inst. The exhibition is housed in a semi-cylindrical building, completely made of wood, specially imported from Czechoslovakia. The building was constructed by Czech technicians under the personal guidance of Mr. Jan Buda, Director of the Czechoslovak Chamber of Commerce. In it will be on show, as stated last week, £200,000 worth of goods ranging from mighty aeroplanes and heavy machinery to exquisite and fragile glassware and ceramic works. Many of the heavy machinery on show in the 3,000-square yard pavilion will be seen in action.

An outstanding feature of the exhibition is the novel shuttleless jet loom. This loom has a performance of 400 revolutions a minute which is almost twice the speed of the best shuttle looms today. As a major producer of textiles in the world, India should be interested in this new type of loom.

NEWS IN BRIEF

INDIA'S total tea crop in 1954-55 is estimated at 639 million pounds.

The annual production of wool in the country is estimated at between 50 and 55 million pounds.

The Government of India sanctioned loans aggregating about Rs. 16.96 crores and grants amounting to Rs. 2.30 crores to the various States for taking up different types of minor irrigation schemes in 1953-54.

About 1,29,000 acres of land were reclaimed and 4,00,000 acres brought under irrigation within two years of the implementation of the Community Projects and National Extension Service schemes, i.e., up to October, 1954.

The Central Government has decided to make export allocations to established exporters at Bombay Port of manganese dioxide/peroxide for quantities equal to 85 per cent. of their best year's exports during the calendar years 1952 and 1953. The quotas will be valid for shipment till 31st December, 1955.

Exports of iron and steel drums and barrels will be licensed freely for export, as an experimental measure till the end of April, 1955. Export licences will be granted subject to the condition that no extra steel, in addition to what they are entitled to under the normal distribution scheme, is claimed by manufacturers to replace the quantity consumed for export.

Applications for the export of the following semi-manufactures and manufactures of non-ferrous metals will be considered by the Government of India on an *ad hoc* basis till the end of June, 1955: (1) sheets and circles of copper, brass and aluminium; (2) strips, plates, bars, rods, pipes and tubes of copper and brass; (3) copper wire; and (4) copper manufactures.

A shipment of 3,600 tons of rails, first to be imported from Japan since the war, out of nearly 40,000 tons ordered by the Union Government from Japanese manufacturers, has been received in Bombay. The entire consignment is earmarked for the Western Railway. 6,000 tons of Japanese steel consigned to the Government of India have also been received in Bombay.

The Madhya Pradesh Government's proposals for advance implementation of certain electrification schemes, which are at present included in the second Five-year Plan, were examined last week by Mr. S. V. Ramamurthi, Adviser, Planning Commission. This advance implementation is said to be necessary, in view of the rapidly increasing demand for power in the State. All the electricity schemes included in the first Five-year Plan have been completed.

The Government of India has decided to allow further export of a limited quantity of pulses. Internal dealers in pulses, who had a minimum turnover of Rs. 50,000 in any of the three years 1951, 1952 or 1953, will be permitted to export, subject to a maximum allotment of 50 tons to any one shipper from Bombay, Calcutta and Madras and 25 tons from Jamnagar, Cochin, Tuticorin and Visakhapatnam.

The all-India first estimate of small millets for the year 1954-55 puts the current year's area at 10,124,000 acres, as against the corresponding estimate of 9,796,000 acres for the previous year, thereby showing an increase of 328,000 acres or 3.3 per cent. This is the first time that the all-India first estimate of small millets is being issued. The estimate does not cover the entire area sown to these crops. It relates to *kharif* small millets only and does not include area sown to *rabi* small millets, information for which will be included in the second estimate.

The Government of Mysore has approached the Centre for the imposition of a total ban on private trading in silk yarn imported from Japan. This was disclosed by Mysore's Industries Minister at a Press conference in Bangalore recently. The entire Japanese imports, the Minister opined, should be held as a Central reserve and released gradually, as demand develops, at competitive rates. The above suggestion is based on the ground that Mysore produces nearly 60 per cent. of silk fabrics made in India, and it cannot afford speculation and price cutting which may be caused by the import of 2 million lbs. of Japanese silk yarn for which permit has been given.

The Government of India has decided to set up a committee, with Mr. G. B. Kotak as Chairman, to advise it on the more intensive utilisation of indigenous capacity for railway equipment, particularly for the manufacture of special types of wagons, narrow-gauge locomotives and other stock in-and fittings used on railways, which are still imported. The terms of reference of this Committee will include problems relating to self-sufficiency in the production of railway equipment to the maximum extent possible. It will specifically locate idle capacity in India for the manufacture of railway equipment and rolling stock which are at present imported; and suggest ways and means of expanding the existing plants and/or of setting up new industries in India for producing items of railway equipment which cannot at present be manufactured with the existing resources.

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From Abroad

The European Coal-Steel Community has once again raised the prices of certain steel products, some of them above those in the German domestic market.

Corporate cash dividends in the U.S. paid during 1954 were 8 per cent. higher than in 1953, the aggregate payments being $9,198 million, as against $8,501 million. It is believed that payments in 1955 will be still larger.

Industrial investments of about £15 million have been financed in Belgium under the State-aid scheme brought into operation in August, 1953. Under the scheme, advances to industrialists are provided at reduced rates of interest or under Government guarantee.

The Ceylon Government has expressed a desire to negotiate with China a revised price for the rubber exported in barter for rice under its five-year barter deal with China. The market price of rubber in Singapore is now over 3d. above the barter price of 27d. per lb.

Orders for 266 ships representing 634,000 gross tons were booked by British shipbuilders during 1954. Of these, more than half were placed in the last quarter. The total order books of U.K. shipyards at the end of the year stood at 773 ships, or 4.3 million tons, valued at £500 million, as compared with 5.5 million tons a year before and the peak of over 7 million tons in mid-1952.

An agreement on the necessity of carrying through a still more restrictive credit policy was reached between the Riksbank and Sweden's commercial banks on 18th January. The general principles now in force concerning the liquidity of the banks will be prolonged until further notice. A system of voluntary credit restrictions has formed part of the country's economic policy since 1952.

Investments in Norway in 1953 amounted to 35.4 per cent. of the national production, according to an economic analysis issued by the Research Department of the Norwegian Central Bureau of Statistics. The corresponding figure for 1952 was 28 per cent., as compared with Great Britain 12, Belgium 15, Denmark 17, Netherlands 17, the U.S. 18, Sweden 21 and Western Germany 25.

Caltex Limited is likely to take up oil exploration in Pakistan. Negotiations between the Pakistan Government and Caltex Limited, now going on for some time, are reported to be nearing a successful end. The terms to be offered are expected to be similar to those offered to Standard-Vacuum Oil Co., the first American concern to join the search for oil in Pakistan. The S.V.O.C. has started operations to explore 10,000 sq. miles each in both wings of the country.

A new Colonial Development and Welfare Bill introduced in the House of Commons on 26th January and read a first time provides an extra £80 million from the U.K. for colonial projects during the next five years. The funds, in fact, available during that period will, it is pointed out, amount, under this heading, to nearly £120 million; for, in addition to the £80 million of new money now announced, nearly £40 million provided and fully allocated under the existing Acts will be carried over into the new period.

A report has been drawn up in Britain which proposes that scales of pay for a section of women employees be increased by seven equal annual instalments, so that, on the payment of the seventh instalment, the scales for women become identical with those for men. Subject to the final acceptance of the proposals by the staff side, the British Government proposes to put them into operation as from 1st January, 1955. The process will then be completed on 1st January, 1961. The proposals apply to the non-industrial civil service only. For the industrial civil service, the Government considers it essential to follow the fair-wage principle and to continue to pay women employees in accordance with the general practice in the trade concerned.

Industrial investments in Sweden during 1954 are estimated at Kr. 2,488 million (£172 million), or about 10 per cent. more than in the preceding year, according to an investigation by the Swedish Board of Trade into 4,000 enterprises representing 80 per cent. of the country's total industrial labour force. Estimates for 1955 foreshadow aggregate investments of Kr. 2,740 million. Most of the increase in investments in 1954 related to machinery. Investments in buildings went up by 12 per cent. and in power-plant construction by 7 per cent., while investments in housing for workers and employees were lower than in 1953. The scheme for 1955 indicate a rise for practically all kinds of investments, including a 50 per cent. increase for industrial buildings, while the purchase of new machinery is likely to remain more or less unchanged at Kr. 1,135 million.

The President of the Board of Trade, U.K., said in the House of Commons last week that he had no evidence that the export duty on Indian and Ceylon tea had had any significant effect on the price at auctions in London and Calcutta. He added that he had not discussed the export duty with the Governments of India and Ceylon. This was a revenue matter for the Indian Government. There was a limit to the extent to which Britain could protest about a revenue action of this kind, he observed. The Economic Secretary to the Treasury added that he saw no reason for an enquiry into the profits of tea companies. There did not appear to have been any significant increase in profits from the blending, packing and distribution of tea in Britain. The price of tea reflected the current strength of international demand and supply. Producers were, therefore, unable to control prices.

PERSONAL

MR. John Sherman Cooper, former Republican Senator of Kentucky, has been nominated U.S. Ambassador to India and Nepal.

Mr. F. C. Badhwar, former Chairman of the Railway Board, has been invited by the Ceylon Government to advise it on the ways and means of improving the transport facilities in the Island.

Mr. Hammad Tewfik Hammad, Finance Minister of Sudan, arrived in Bombay on Tuesday this week on a goodwill mission. He will also seek to re-establish trade contacts between the two countries.

Mr. Frederick C. E. Goss, technical assistant and signal engineer of the Westinghouse Brake and Signal Company, London, has been appointed principal lecturer at the U.N. Railway Training Centre in Lahore.

Mr. N. Sundaresan, recently retired Deputy Governor of the Reserve Bank of India, will shortly join the Colombo Plan Administration and advise the Ceylon Government on matters relating to its finances and public debts.

Mr. Lalchand Hirachand, Chairman, and Mr. V. M. Meswani, General Manager, of the Premier Automobiles Ltd., Bombay, left for the U.K. and the U.S. early this week for further discussions with their associates in connection with the Company's manufacturing programme.

Mr. Harekrushna Mahtab, former Chief Minister of Orissa and Union Minister for Commerce and Industry, has been appointed Governor of Bombay. Mr. Mahtab is expected to assume charge in the first week of March next.

Mr. S. J. Wright, Consulting Engineer to the Royal Agricultural Society, arrived from the U.K. last week to advise the Union Government in connection with the tractor testing station proposed to be set up near New Delhi. The services of Mr. Wright have been made available under the Technical Co-operation Scheme of the Colombo Plan.

Mr. G. D. Somani of the Shree Niwas Cotton Mills Ltd. and Mr. J. C. Burns of the Finlay group of mills have been elected Chairman and Vice-Chairman, respectively, of the Millowners' Association, Bombay, for 1955-56. The other members of the Committee are: Messrs. Vithal N. Chandavarkar, T. V. Baddeley, Dharamsey Mulraj Khatau, Krishnaraj M. D. Thackersey, Neville N. Wadia, Ramnath A. Podar, Radhakrishna Ramnarain Ruia, Motilal Tapuriah, S. P. Jain, E. D. Sheppard, Pratap Bhogilal, Arvind N. Mafatlal, Naval H. Tata, Babulal Bubna, F. H. Kemple, R. L. Coghlan, E. F. Morrey, and R. S. Khaitan.

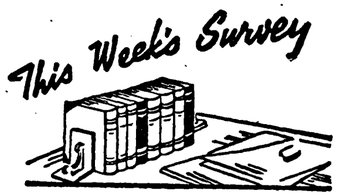
"COMMERCE" 1930

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *1st February*

Tea Trade Troubles

We await with considerable interest—with a certain amount of anxiety also—the receipt of Brooke Bond's annual report on the tea trade. The London correspondents of the *Statesman* and the *Englishman* have cubbed brief exerpts from this pronouncement; but beyond the statement that Mincing Lane is profoundly disturbed by the large crops grown and the big stocks held, we are left unenlightened as regards today's actual position. The information we ourselves have received from London is, in point of fact, far more disconcerting than what Messrs. Brooke Bond state in their review. The total stocks of tea in London alone are about 35,000,000 lbs. greater than at this time last year. As an addition to the burden thus created the amount of tea afloat for London is also in excess of the quantity for the corresponding period of last year. For some considerable time past many estates have been selling their crops at prices materially below production cost, and it is believed by Mincing Lane experts that, of the total quantity of tea put forward, about 80 per cent. has been sold at a loss. These factors are sufficient to justify the tentative restriction scheme (formally entitled "limitation of output") which has been officially recommended. The tea industry is no stranger to the idea of regulating output by concerted arrangements between producers, and its experience has, on the whole, been successful—as a temporary expedient, at any rate. The reason is not far to seek. Until the war the policy of the bulk of Indian producers was framed on the most conservative lines, the disastrous reversal of which, dictated originally by war-time necessities, is the key to most of the industry's post-war vicissitudes.



NEW U.S. AMBASSADOR TO INDIA

THE U.S. has been singularly well represented by its ambassadors in India. The choice has always fallen on the right man. In one sense, the choice is really not so easy to make. For, more than the ambassador of any other country in India, the U.S. Ambassador must learn to interpret his country to India and India to the U.S. This is a particularly delicate task. The small differences in the international outlook of the two countries are easily magnified, whereas the abiding common elements in the outlook of the two countries are apt to be ignored. The U.S. Ambassadors in India have displayed a commendable capacity to see the Indo-U.S. relations in the correct perspective. This tradition will no doubt be enriched by the new U.S. Ambassador, Mr. John Sherman Cooper.

Mr. Cooper enjoys a wide reputation as a man of liberal outlook. He was one of the few Republicans openly to challenge Senator McCarthy. He has had a long career of public service dating back to 1928 when he was first elected, at the age of 26, to the legislature of Kentucky. He has held several judicial appointments and has been a member of a law firm. He served in the Army (1942-46) and assisted in reorganising the German judicial system, after the cessation of hostilities. He has also had wide experience in the field of international affairs. He was the U.S. delegate to the U.N. General Assembly in 1949, and alternate delegate in the following two years. In the Senate, to which he was elected in 1946 and after a defeat in 1948 was re-elected in 1952, he was a member of the Special Committee considering recommendations for revision of the U.N. Charter. A firm believer in the U.N., Mr. Cooper has frequently expressed the view that the world's economy would not be restored until the U.S. exercised its full leadership and was "prepared to make some sacrifices in terms of money."

SECOND FIVE-YEAR PLAN

Now that the first Five-year Plan is drawing to a close, there has been considerable speculation about the size and the nature of the next plan. This is as it should be, considering that, if it has to be free from the shortcomings which vitiated the present plan, much thought and care should go into the preparation of the next. The lesson of the first Plan, as is now becoming increasingly clear, is that it is not enough merely to earmark money for a project. What is equally necessary is that the project should have been carefully thought out and the men to carry it out found for the job.

Wisely, the Central Government has lost no time in consulting the several interests concerned about the shape that the next Plan is to take. Among the groups that are being consulted, the academic economists are one. A Panel of Economists has been constituted with the Finance Minister as Chairman, to discuss questions relating to the formulation of the second Plan. Addressing the Panel, which held its meeting in New Delhi last week, Mr. Deshmukh admitted that it could not be said that the first Plan had provided for optimum utilisation of the available physical resources of the country. The main question, he said, was to what extent a physical approach to the Plan would produce better results in terms not only of national income but also of employment.

Apparently, there has been some confusion between the so-called "financial" emphasis in the first Plan and the so-called "physical" emphasis that is sought to be laid—or that some interests want to be laid—in the next Plan. The over-enthusiastic planner is likely to ignore financial considerations, while a too conservative planner is likely to be so unimaginative as not to undertake any planning at all. But "physical" considerations in any sound plan cannot be isolated from financial considerations. From this point of view, the Panel of Economists did well to emphasise that the physical and financial approaches to planning were complementary and not mutually exclusive, and that, in a money economy, the financial aspects of planning should receive careful consideration along with the physical possibilities and the resources available. This was one of the conclusions which emerged from a review of the econometric studies prepared by the Indian Institute of Statistics. Another important conclusion that emerged from the discussion was that the objectives of the second Plan must be to increase in incomes, together with a substantial expansion in employment, and that these twin objectives should be related to the pattern of income distribution that is felt to be socially desirable.

Following these discussions, the Planning Commission has appointed a Standing Committee of the Panel of Economists to map out the studies which the economists will undertake urgently in the field of economic policy and institutional changes. Besides the Finance Minister, who will be the Chairman, the Committee will consist of Mr. J. J. Anjaria, Prof. C. N. Vakil, Dr. V. K. R. V. Rao, Dr. B. K. Madan, Dr. Balakrishna, Mr. D. G. Karve, Dr. S. K. Muranjan, and Mr. A. K. Das Gupta. This Committee, it is stated, will suggest a programme of studies to be commenced immediately. It will set up for this purpose working groups of economists to work in co-operation with the economic staff of the Planning Commission and in the Ministry of Finance. A continuous liaison between the Standing Committee and the Indian Statistical Institute will also be established. The joint contribution of this committee and the Institute —these two bodies consist of well-known economists in the country—to the task of formulating the Plan will be watched with interest.

AFTER-SALES SERVICE OF TRACTORS

After nearly two years of labour, the Committee on servicing of tractors (Chairman: Mr. M. R. Bhide, Joint Secretary in the Union Ministry of Food and Agriculture) has submitted its report. The most important feature of the Report is the prescription of standards to regulate the after-sales service of tractors in India. For, without such standards, the progress of mechanisation of agriculture is bound to be retarded. As the Committee itself has significantly pointed out, a high percentage of tractors has been rendered idle, after giving satisfactory service for a short time, for want of proper maintenance and service facilities. The result is a growing number of dissatisfied customers and the consequent slowing down of the progress of mechanisation of agriculture.

Accordingly, the Committee has recommended that every importer of diesel and other type of tractor will have to make arrangements for maintaining an adequate stock of spare parts with the dealer, distributor, or sub-distributor in the district, *taluq* or *mofussil* headquarters for being made available to customers at reasonable prices within a reasonable period from the time of receipt of an order. The Committee has stressed that the importer should maintain properly equipped service stations for repairs at convenient centres. The dealer or the importer should give a guarantee concerning the service arrangements when effecting sale of machinery. Similarly, a guarantee to replace defective parts noticed within the first six months should be given. The sellers should also undertake to give three free servicings in the first six months. The Committee has suggested that the proposal for tractor testing station should be finalised and the station opened as soon as possible. It emphasises that such an organisation is essential for exercising proper control over the various types and makes of tractors.

It is true the Committee admits that, as in the case of pricing of spare parts, the servicing charges depend on so many variable factors. Nevertheless, it has felt that it should be possible to prepare an estimate of charges for standard items of work required in the repairing and servicing of tractors, while special items can be covered by separate charges. The standard charges should cover only labour and supervision, the cost of spares used being charged for separately. As most of the repairs are to be carried out in or near the area of operation, the importers of tractors and spare parts should be willing to make available to farmers the services of an experienced travelling mechanic in an emergency.

Another significant recommendation of the Committee is that active steps should be taken to develop the internal production of tractors, tractor-drawn and similar agricultural implements and spare parts so as to achieve self-sufficiency in respect of these items within the minimum possible time. It wants this very important matter to be examined at the appropriate level by the concerned Ministers of the Government of India at an early date.

The Committee has also stressed the [illegible] for making available proper training fac[illegible] It has pertinently held that arrangement[illegible] the training of drivers on the particular types of machine should be made by the importers at frequent intervals. Although the ideal arrangement would be to train the farmer himself in the art of driving and servicing of tractors, it has felt that it would, perhaps, be too much to expect it at this stage. It may, however, be possible for the dealers to give further training to the drivers in the servicing of tractors, especially during the off-season.

WORLD WHEAT PACT

Will it be advisable on the part of the United Kingdom to continue to keep out of the International Wheat Agreement (I.W.A.)? According to the National Federation of Corn Trade Associations, it would be so, so long as the major exporting countries continue their monopolistic selling policies. The Federation has pointed out that, during the entire period of the first Agreement between 1949 and 1953, the exporting countries had charged the maximum price of $1.80 a bushel. Thus, the minimum price, according to the Federation, was of little significance. It has further held, that the very fact that, during the currency of the second Agreement, the exporting countries have not been able to maintain the new maximum price of $2.05 a bushel has amply justified the U.K.'s decision to keep out of the Agreement. The price has actually fallen to $1.72 a bushel, as against the maximum price of $2 a bushel, which the U.K. wanted the exporters to fix and which was refused by them. The Federation has, therefore, urged the U.K. not to participate in the Agreement.

In this connection, some wonder whether the I.W.A. has served to maintain a stable level of prices at all. They hold that the I.W.A., at least during the currency of the first Agreement, far from providing stability to wheat prices, which was the objective of the Agreement, had merely imposed a certain rigidity on prices. In fact, it is this consideration that leads these observers to conclude that price stability can be better achieved through a free market than through such pacts. For they say that shortages are only a temporary phenomenon and that they are best eliminated by high prices; the higher the price, the greater the economy in consumption, the bigger the incentive for the use of substitutes and finally the greater the desire to produce more in order to take advantage of the high level of prices, which would inevitably bring down the price levels in the end.

There are, however, others who argue that it is wrong to say that the first I.W.A. failed in its purpose. They point to the fact that, during the currency of the first Agreement, there was no obligation at all on the part of the U.K., or for that matter any importing member, to buy wheat from the U.S., Canada or other exporting member at the maximum price; it was free to import from Russia, Argentina, Turkey or any other non-member. It avers that the forces that pushed the prices towards the maximum were external to the I.W.A. Demand and supply forces, rather than the I.W.A. or exporters, should be held responsible for prices fluctuating near the maximum levels. Had there been no ceiling price, they feel that the consuming countries would have had to pay much higher than I.W.A. maximum. In fact, the free market prices, they point out, were higher than the I.W.A. price. According to this school of thought, the rigidity of the Agreement admirably served the interests of the U.K. at that time. They further argue that the present fall in wheat prices of the I.W.A. would have occurred even if the U.K. had joined the Pact.

GERMANY CUTS TARIFFS

At long last, the West German Lower House has passed the Bill which seeks to reduce import tariff rates on more than 1,000 items. The reduction was scheduled to come into effect last autumn, but a "quarrel" about the procedure between the Government party and the Opposition had held up the passing of the Bill. Most of the reductions now envisaged apply for a period of one year with effect from 1st April, 1955, and cover one-sixth of all German tariff items. The steepest cut in tariff is in respect of lorries weighing 13 tons and over; these will bear a duty of 15 per cent., as against 30 per cent.

Motor cars (up to 2,000 c.c.) also bear a lower rate of duty of 22 per cent., as against 30 per cent. Duties are proposed to be cut from 18½ per cent. to 15 per cent. on steel bars, from 25 per cent. to 20 per cent. on steel strips, from 28 per cent. to 18 per cent. on cold rolled sheet (1 mm. or thicker) and from 25 per cent. to 22 per cent. on rayon staple fabrics. The other items on which the tariff rates are proposed to be cut include, among others, a wide range of textiles, glass, chemicals, household appliances, musical instruments, agricultural implements, cutlery and jewellery. All rates of over 30 per cent. are also to be reduced by varying degrees.

Presumably, W. Germany now feels that it is economically strong enough to liberalise imports. Recent indications are that industrial output has been steadily moving up. The index of industrial production (Base: 1950=100) during September, 1954—the latest month for which statistics are available—stood at 164, as against 150 a year before. The improvement has been shared principally by investment goods and other producer goods, the indices of which during the one-year period under review have gone up from 165 and 140 to 188 and 164, respectively. The index of consumer goods production, too, has risen, albeit slightly, from 152 to 157.

Already, W. Germany is offering stiff competition in world markets for several goods and commodities. An indication of this is provided by the marked increase in exports of late. During the month of September, 1954, for instance, W. Germany exported goods worth 1,838 million DM., as compared with 1,504 million DM. in the same month in 1953, representing a rise of 22.2 per cent. The increase in the value of exports followed the rise in the quantum of exports, the index of which over the year ended September, 1954, advanced from 180 to 226, or an increase of 25.6 per cent. Thanks to the increase in exports, the foreign exchange assets of W. Germany have recorded a distinct improvement; these assets aggregated $1,903 million at the end of September, 1954, which compare favourably with $1,434 million a year before. It is this marked improvement in foreign exchange resources and the high degree of efficiency achieved by German industries which may have prompted the West German Government to bring about a downward revision in tariffs.

PRIVATE ENTERPRISE

It was only last week that we observed, while editorially commenting upon the resolutions passed at the Sixtieth Session of the Congress, that a definite place had been accorded to the private sector and that the need for encouraging it to play its role effectively had been recognised. This view is also shared by Mr. N. S. Shodhan, President of the Gujarat Chamber of Commerce. In the course of his speech at the recent annual meeting of the Chamber, Mr. Shodhan maintained that, in the society of a socialistic pattern as envisaged by the Government, private enterprise had a place and an opportunity for expansion. He, therefore, exhorted the business community to understand the changing times when such a socialistic economic pattern had been adopted by the Government as a definite policy. He rightly felt that private enterprise could contribute substantially to the industrialisation of the country, provided this socialistic policy was implemented on right principles. In this connection, Mr. Shodhan alluded to some disturbing features of the Government's economic policy. He pointed out that, "when proposals to replace the existing Articles 31, 31A and 305 of the Constitution of India are before Parliament, proposed amendments in the Companies Act are awaiting Parliament's confirmation, attempts to disband the managing agency system which has contributed largely to the industrialisation of the country are made, and the industries are taxed heavily, it is problematic how far the private enterprise will be able to contribute its share." He hoped that the Government would tackle these issues in a realistic manner, so as to enable the private sector to play its role in the development of the country.

Proceeding, Mr. Shodhan urged the Government to give due importance and consideration to the views of the business community. He cited the instance of the British Government which never hesitated to consult commercial bodies before any step affecting the trade and industry of the country was taken, and wanted the Government of India also to adopt the same policy. By doing so, the Government would, he said, be in a position to appreciate the difficulties of trade and industry.

OFF THE RECORD

By "Rover"

THERE is something radically amiss with Mr. Nehru's official family at New Delhi. I also cannot escape the impression that, at no time since Mr. Nehru formed his second Government in 1952, has the Union Cabinet worked as a happy family or a harmonious team. It takes more than a mere theoretical agreement about some vague and not very clearly defined principles and policies, for a got-together group of men and women, each with his own rough edges and sharp corners, to coalesce into a single design or pattern. The Prime Minister does command respect from all of them. He has attained a position where he is able to exercise almost unquestioned authority in the final disposal of great and small issues. But neither respect for a leader nor the authority wielded by him can so weld a group together as to function as a single personality. Perhaps, a greater degree of nearness, warmth and intimacy might achieve this alchemy.

But this very greatness of the Prime Minister and the increasing aloofness which surreptitiously but almost inevitably results from it, have possibly rendered it difficult for him to radiate this warmth and intimacy to all but a very few of his colleagues. Most of them have not been able to keep pace with him either emotionally or in his flights of thought. I suspect that at least some of them by this time have come to feel a lack of response, understanding and even cordiality, from one who leads them. They, perhaps, have come to feel that they are being asked merely to follow in the dark, in unlighted and tortuous labyrinths and round unfamiliar corners. Some of them, the lone ones especially, falter and fall and get up, all bruised and hurt and humiliated; the distance between the members of the team or the small groups into which it is being broken up widens. Some who have cause to feel more unfriended and depressed are apt to want to fall out and end what looked like a glorious adventure at the outset.

It may be that I have given full rein to my imagination and allowed it to run riot. The grimness of the picture I have drawn of the Union Government being in the process of virtual disintegration may be overdone. But I insist that the sketch, in its outlines and its essence, is not unreal. I might as well confess that I have stumbled upon this explanation, in my search for the key of the riddle of the repeated reports of Mr. T. T. Krishnamachari's resignation from the Cabinet.

I would like you to recall that there was a time when Mr. Deshmukh, the Finance Minister, did not feel comfortable, if not altogether unhappy and frustrated, in his present job. I doubt if this has happened only once in his case during the comparatively short life of the present Government and wonder if even now he is not uneasy about things in general. Mr. Giri, a comparatively mild and yielding man, though a likeable one, was never allowed to feel at home in his billet, as a result of a series of machinations of certain fellow workers in his own chosen field. Disillusioned and unhappy, this sincere and selfless worker in a good cause was driven so desperate that he came to resign on a wrong issue and sought relief in the wilderness.

And now Mr. T. T. Krishnamachari, a really capable man in charge of the Commerce and Industry portfolio, has found it necessary, for the second time in three months, to express his desire to be relieved of his responsibilities. The last straw on the camel's back which breaks him is not necessarily the heaviest. The specific issue on which a Minister takes this desperate step of jeopardising his public career is nothing more than this last straw. It is only the immediate cause and one has to look deeper to understand the cumulative force of various tangled issues and suppressed and subconscious emotional strains, which have brought about the final decision. Human behaviour, even at its most rational level, is never patterned on a purely logical sequence of thought. It is, therefore, not to logic but to psychology and, may be, even to psychiatry, that one must look for a valid and satisfactory explanation for it.

Mr. Krishnamachari may have resigned, as is reliably reported, because of the Prime Minister's reluctance to undertake immediately an urgent reorganisation of certain Ministries dealing with industries, which would secure a unified and rationalised direction of industrial development as a whole under a single Ministry. On purely logical grounds, nobody could resist this wise suggestion. At present, the position of the Minister for Industry is very anomalous indeed. Today, he is not really the Minister for Industry but a mere watchdog of the Government standing on guard duty over the private sector, which is disliked and distrusted by a large number of his colleagues. He is on police duty, as it were, and not allowed any scope for a constructive build-up of industry as a whole.

Unless there is a proper co-ordination and constant adjustment on agreed lines between the two sectors, there could be no worthwhile development. It is bad enough that there should be no single authority, short of the Cabinet as a whole, to bring about this adjustment at various levels and to provide the requisite degree of co-ordination; it is much worse when Ministers in charge of the various sequestered chunks of industry, though belonging to the same party, have basic differences in outlook and attitude, especially on economic matters. This state of affairs is bound to make for friction and irritations and give rise to a feeling of frustration to those who have strong convictions and are not given to join cliques or groups within the bigger and rather omnibus body like the Central Cabinet.

Mr. Krishnamachari, as he comes from a different world and lives on an entirely different mental plane from some of his more bigoted colleagues, with single-track minds unlike his own, possibly finds himself isolated and unfriended. And when the Chief has tended recently to lean more and more towards the radically leftist group, which has been strengthened with the addition of the new Labour Minister and emotionally to get farther and farther away from his Industry and Commerce Minister, one should not be surprised at the decisive step taken by Mr. Krishnamachari. The drift will not end with the exit of this able Minister. We are heading for high and heavy seas and I have a fear that the ship of State will roll and pitch perilously before it reaches calm waters again.

Republic Day Honours

It warms the cockles of my heart to know that we have got a Government in the country, which is not altogether impervious to public opinion. I find it somewhat reassuring to know that authority, so far, is not past the stage, where it is not prepared to acknowledge its mistakes, and, where possible, to make amends for them. I hasten to acknowledge this because evidence of such enlightenment on the part of Governments is a matter of very rare occurrence. Except for the few—very few, indeed—amongst political leaders, who are moved by the spirit of genuine humility, most men and institutions who succeed in climbing to positions of power soon come to believe in their own infallibility. They are also encouraged to do so by the many satellites who surround them. Even where the errors are so glaring that they cannot be easily ignored, considerations of prestige weigh heavily with Governments and Ministers and make any form of atonement not only difficult but painful for them. Unfortunately, our idols are never ethically and intellectually as integrated as we fondly take them to be.

I was, like many of my fellow citizens, agreeably surprised last week at some of the features of the Republic Day honours list. To begin with, the list was not crowded by names of officials. This is a definite break in tradition and has to be heartily welcomed. All of us must be glad that the ugly feature of classifying the recipients of the Order of Padma Vibhushan as first class, second class and third class has been wisely done away with. For a democratic republic, this did sound rather inappropriate, even if not downright vulgar. For those who were placed in the second or the third class, it seemed more like a subtle humiliation than an actual honour. The whole idea of the Independence Day honours and awards must have been hastily worked up at the last moment, otherwise such a solecism on so happy an occasion could not have passed muster with so many men of culture and refinement in the Government of India and at the Rashtrapati Bhuvan. Happily now, instead of this crude and offensive numerical qualification, we have the artistically appealing cadres of Padma Vibhushan, Padma Bhushan and Padma Shri elaborating the Order of the Padma. My congratulations to whoever is responsible for this very apt and urgently called for innovation.

My qualified gratification, however, springs not merely from these changes in the pattern of awards, but primarily from the fact that the Republic Day honours list does not repeat the harsh injustice of pointedly marking out and deliberately degrading an important section of society, by its studied exclusion from the earlier list last August. I commented bitterly then on this pariah-like treatment meted out to the business community. I wrote in the issue of 21st August, 1954, in this column:

"As the list is fairly long, the omission is frightfully significant. It seems that every society, classless or caste-ridden, must have its own pariah group, and the followers of Gandhiji, in uplifting the Harijans, have obviously considered it necessary and politic to restore the balance of the new social structure by declassing business men and industrialists. Nobody can pretend that the absence of a single name from amongst a dozen or more leaders of this community of outstanding merit and records of service as valuable as that of any in the list, is a result of accident or oversight. It defines more clearly and more ominously than anything else the attitude of those in authority in the country towards commerce and industry, as well as those engaged in promoting these highly useful and socially valuable activities.... It is the political crowd with its cheap clap-trap and slogans, which is responsible for this deliberate slight to a useful section of society on such an auspicious day of universal rejoicing. I consider it a bad augury for the future, when the ruling clique in a country cannot lay aside its prejudices and sets out studiedly to ignore a whole class, without whose service and active assistance it cannot do even for a day."

Having felt so strongly on this matter, it was but natural that I should derive some satisfaction from the award of Bharat Ratna to that doyen of industrialists, Dr. M. Visvesvaraya, and of Padma Vibhushan to the more youthful but equally idealistic Mr. J. R. D. Tata in the Republic Day honours last week. This is, perhaps, about as much as one can expect from the Government, conscious of its dignity and prestige, by way of admission of its original mistake or atonement for the wanton and undeserved slight shown to a class which had given the country its present industrial and commercial structure, by its irrepressible spirit of adventure and tenacity of purpose against heavy odds.

At the same time, I cannot help feeling that this admission could have been made more

(*Continued on page 233*)

MR. T. T. KRISHNAMACHARI'S EXIT FROM CABINET WILL BE A SERIOUS LOSS

HIS CONTRIBUTION TO INDIA'S ECONOMIC PROGRESS SUBSTANTIAL

From A Special Correspondent

NEW DELHI, 1st *February*

THERE is considerable regret in well-informed circles at the reported decision of Mr. T. T. Krishnamachari, Minister for Commerce and Industry, to leave the Government of India That the Nehru Cabinet will doubtless become poorer by his departure does not require emphasis in these columns. During the last three years of his stewardship, Mr. Krishnamachari has acquitted himself creditably in the handling of his portfolio and is easily one of the ablest of the many Ministers who have had the privilege of working in the Government of India during the post-war period. Himself being a shrewd business man, he has displayed considerable vigour, drive, imagination and originality in the tackling of many difficult problems that confronted the Ministry of Commerce and Industry during the last three years. It is to be hoped that wiser counsels will prevail and that Mr. Krishnamachari will be enabled to retain his Ministership during the coming years, when several large-scale industries have to be established in the country.

DELHI LETTER

That Mr. Krishnamachari has both been an idealist and a realist may be seen from the fact that he was the first to say that the target for the steel and cement industries should be fixed at six million and ten million tons, respectively. These targets have now more or less become an accepted fact, although the present rate of production of steel hardly stands at 1.25 million tons per annum. In cement also, India has to more than double the current production, in order to reach his target. Ever since he assumed charge of the office, he has been devoting considerable attention to increase industrial production by removing the bottlenecks wherever he found them. That the present rate of production stands nearly 50 per cent. higher than that prevailing some three years ago, is a tribute to his work and careful planning.

Industrial Development Corporation

The idea of setting up an institution for the promotion of industries at a rapid pace was at first conceived by Mr. Krishnamachari. He also gave practical shape to this idea by getting the consent of the Cabinet for registering the National Industrial Development Corporation in October last. Although not much progress has since been made by this institution, it is felt that this Corporation, if developed with care, could play a notable part in the industrialisation of the country. The main object of this Corporation, as conceived by Mr. Krishnamachari, is to bring about a close co-operation between the public and private sectors in a number of industries and establish a tradition for the orderly progress of Indian industries in the coming years.

Yet another contribution of Mr. Krishnamachari to increase industrial production in the country was the appointment of an Engineering Committee which was entrusted with the task of investigating the idle capacity in many engineering industries and giving suggestions for the proper utilisation of the surplus machinery. In other words, the idea of the Minister was to narrow the gap between the installed capacity and actual production, by encouraging the industries to take up other lines of production by the installation of some additional machinery in their factories. As a result of the efforts of this Committee, Government has been able to co-ordinate production and many concerns have been able to benefit considerably by following the advice of this Committee. The Government, too, helped them in the procurement of foreign technical personnel through the U.S. Technical Aid Scheme and also through the Colombo Plan Consultative Committee.

Small-scale and cottage industries have not been neglected either. Mr. Krishnamachari has been paying particular attention to stabilise these industries. It was only a few months ago that he reconstituted various bodies such as the Handicrafts Board, All-India Handloom Board, etc., to devote special interest in the development of various industries. Again, the Small-scale Industries Board has recently been constituted on account of the efforts of the Minister and the four Regional Institutes for small-scale industries, together with various proposed branch institutes, are expected to improve the position of these industries in the coming months.

Being an experienced business man, Mr. Krishnamachari is fully aware that costs could be brought down and the income of the persons engaged in the industries be raised only by improved methods of production. It is from this angle that he approached the problem of the handloom industry. He impressed on the people working in this industry to form as many co-operatives as possible and gave liberal grants and loans to these societies for improving production of handloom goods and also for providing more marketing facilities for their products. He might have given greater help to these co-operatives but for the fact that they have not been able to utilise profitably the loans given by Government. In regard to *khadi* also, Mr. Krishnamachari has been able to provide liberal help for its promotion.

Foreign Capital

In another sphere, too, Mr. Krishnamachari's initiative has brought fruitful results. He has been a strong believer in associating foreign industrialists with their Indian counterparts, in the establishment of new industries. It is common knowledge that through his intervention, a number of successful deals has been effected during the last three years between the industrialists of this country and foreign *entrepreneurs* with the result that India has been able to secure the necessary technical know-how from abroad for strengthening its industrial structure. Further, he has been successful in impressing upon and persuading foreign commercial concerns in the country that they should adopt a more friendly and liberal policy in the matter of 'Indianisation' in the higher ranks of their staff. During the last two years, the progress in this sphere is reported to have been fairly satisfactory and a good deal of credit for this state of affairs must go to Mr. Krishnamachari.

In the foreign trade sector also, the Minister, who now wants to leave the Cabinet, has been able to leave the impress of his personality. That India has now been able to step up exports of cloth to very near 1,000 million yards per annum is largely due to his efforts. He took special interest in establishing Export Promotion Councils. The first organisation in respect of textiles has already been functioning satisfactorily. Mr. Krishnamachari provided stimulus to the export trade by allowing a drawback of duty on several imported items used in the manufacture of articles exported from the country. By this and also by abolishing export duty in a number of cases, he tried to increase the competitive capacity of Indian goods in foreign markets. He also sent special trade delegations to foreign countries in order to establish personal contacts.

In the import trade sector, the Minister provided liberal quotas for the import of essential raw materials which were necessary for increasing the tempo of industrialisation in the country. That the import trade control began to function smoothly without vociferous complaints from the trading public after the advent of Mr. Krishnamachari to this Ministry bears evidence of his ability to restore order amidst chaos. He tried to be fair to consumers by diversifying the import trade as much as possible. It is during his period that black-marketing in consumer goods began to give way gradually. He also backed the Finance Ministry when it began to raise the import duties on a number of consumer goods articles, imports of which were liberalised. He also increased the quantum of goods available to the consumer whenever their prices were pushed up by unscrupulous traders. The normalcy that has now come to prevail in the import trade is largely due to the sagacious policy pursued by the Minister during the last three years.

THE ART OF BANKING

VIEWS OF BARCLAYS' BANK CHAIRMAN

(*From Our Own Correspondent*)

LONDON, 22nd *January*

MR. Anthony Tuke, Chairman of Barclays Bank Ltd., has been one of the first this year to give us the annual commentary by Lombard Street on the way we conduct our affairs. The Big Five range far and wide over the economic field, but the real interest in Mr. Tuke's speech lay in the part he devoted to the attitude of the banks in making private loans. There is still in existence the Capital Issues Committee of the Bank of England, which has complete powers of yea or nay over the whole investment field. These powers even reach down into the realm of the banker's own direct loans, in that the Committee gives advice as to types of loans considered undesirable in connection with the current policy being pursued by the Chancellor of the Exchequer, as, for example, hire-purchase loans or Stock Exchange loans. But, as Mr. Tuke said, "the directives under which this Committee works are not . . . very readily distinguishable from the doctrines of sound banking as laid down in the text-books written by eminent bankers of past generations."

LONDON LETTER

And these directives apart, the banks in this country have complete freedom on the making of advances and on whether the advances should be secured or not. The criticism is made that banks are not ready-enough lenders and that they are too anxious to demand security. On the first point, banks would much rather lend than not, since, as Mr. Tuke admitted readily, "advances give us a better yield than any other of our current assets." The nub of the matter is the second point—how far are the banks today prepared to lend "on a man's face"? The Chairman of Barclays knew that he was dealing with what has been before, and may be again, made a political matter: If the commercial banks will not lend to enterprising businesses without security, then, for the good of British industry, they had better be nationalised. Only the individual banker—and that means the branch manager as much as the head office—can be the judge of whether an advance should be unsecured or not. A bank looks at the assets of a concern (in banking parlance are they quick or slow?), it looks at the capital resources in relation to the size of the loan, it looks at the purpose of the loan (to tide over a seasonal shortage of cash?), it looks at the general history of the business and the general history of the industry of which the business is a part—and all these things add up to creditworthiness.

Farm Finance

Farm finance is a classic example. The big development in farming in this country (50 per cent. over 1939) has only been achieved by heavy capitalisation in which the banks have played a not inconsiderable part—but only where their knowledge of the farmer's skill and prospects assured them that an unsecured loan was safe. Indeed, the point has been made before that the so-called unsecured loan is probably a better investment than that backed by collateral. But the argument put up by Mr. Tuke was that only the individual bank could apply the sort of test by which unsecured loans could be made, in spite of the criticism that it was too much power to put into private hands to decide whether a firm should or should not have finance. Mr. Tuke revealed that between one-quarter and one-fifth of his bank's advances were unsecured and he contended that, if this business had to be put onto some formal and impersonal footing, the whole basis of assessment for creditworthiness would disappear.

The Chairman of Barclays will not have ended the controversy about public control over bank lending. But he has made a notable contribution to a clear understanding of the principles on which a bank can work in making unsecured advances. A great gap, however, remains—the need for some positive risk-taking at present left (in spite of the city finance corporations) to private investors. Even where the management is sound but the risks are obvious, the banker cannot lend without security—this is where there is room for a body with the resources of a bank to step in and, while only holding a watching brief over the fortunes of a concern, to help it step out of deep water.—*All Rights Reserved.*

AMERICAN LETTER

FORMOSA DOMINATES THE SCENE

FURTHER INDUSTRIAL INVESTMENTS PLANNED

By Our Own Correspondent

NEW YORK, *27th January*

THE question of defence of Formosa with the support of United States' naval forces is developing a crisis here. The nub of the question, as pointed out to me, is not love for Generalissimo Chiang Kai-shek, but strictly a matter of strategy. If the General did not exist, he would have to be invented. Formosa, it is argued in military and naval circles, was used by Japan as a spring board for the invasion of the Philippines and it is only a few hundred miles from Okinawa, another U.S. bastion on the defence perimeter. Hence, it must be maintained in friendly hands.

That, in effect, is the motivation behind U.S. action. However, as on various occasions in the past, there is a lack of consistency. The Seventh U.S. Fleet has been despatched into the troubled waters, but the precise tactical purpose has not been announced. Moreover, both the legislative and executive branch of the Washington Government are disinclined to bolster the defence of Formosa with U.S. ground troops, against the 2 million Chinese Communist soldiers, reported poised for invasion on the mainland.

Commitment of American troops would not be political expediency for an Administration which prides itself on having stopped the war in Korea and has dissipated much of the previously existing atmosphere of emergency, even though it has not regained the initiative which is still in the hands of the Communists, it is generally admitted. It is, therefore, no wonder that there are grave question marks in the minds of the average persons what the turn of events will be in the near future.

The stated philosophy of Mr. John Foster Dulles, U.S. Secretary of State, is that the Chinese Communists are bluffing and will back down after a show of strength by the U.S. What has not been said is what is likely to happen if the Chinese Communists think the U.S., too, is bluffing. There are increasing demands for the recall of General Douglas MacArthur who knows the Far East better than any other military man.

This chain of events had its impacts on the U.S. economy, coupled with the upsurge in domestic business which has taken place in the past month or two. There is again talk of an inflationary threat which had not been heard of in the past 18 months.

As a result, the Federal Reserve board has tightened its credit policy. Short-term interest rates in such areas as bankers' acceptances and commercial paper have gone up. Bond prices have been falling and yields, conversely, have been rising. The forthcoming Treasury financing to refund its February and March maturities are expected to conform to this pattern.

G.M. Offers to Buy Back Its Cars from Dealers

The current increase in production is, in part, due to greater output in the automobile industry. This great production effort is based not only on better sales, but on the fear of a major strike later this year. That automobile sales are not on boom levels was demonstrated the other day when General Motors offered to buy back from registered dealers any cars which could not be sold in the new 1955 line. This was to prevent price cutting in new models which has been a regular procedure for some time. Naturally, the companies want to prevent this.

Clearance sales are continuing to help retail trade sales push beyond the levels of last year. The demand for suits and dresses is good and better than last year, but the long ailing clothing industry is still operating at only 70 per cent. of capacity.

In two areas, it is quite prosperous—in the very expensive lines where dresses retail for $100 to $250 and above and in the low and lowest priced lines. Everything in between is most competitive.

Confidence in Future

Recent moves by business echoed President Eisenhower's confidence in the future as expressed in his messages to Congress. The New York Telephone Company, largest unit of the Bell system, announced plans for record expansion outlays of $200 million in 1955. The previous high was $194 million in 1952. The National Biscuit Company is stepping up its expansion programme to $20 million this year, against $15 million in 1954. Aluminium companies are pushing construction of new multi-million dollar units to cope with expanding markets. This, in turn, requires expansion of utilities to satisfy the rising electric demand. General Motors Corporation, also thinking of expansion, announced a forthcoming $435 million common stock issue, one of the largest in U.S. corporate history.

Other Favourable Indices

There are other favourable indices. In December, industrial production topped the year earlier level for the first time in 1954. Further gain is indicated for January by rising steel and auto output. The Federal Reserve production index for December was 128 per cent. of the 1947-48 level in December, against 124 per cent. 12 months previously. Auto output is a large factor in this index and, as indicated above, the large production in this field is a gamble against a major strike later this year.

Building and construction are still booming. Work was started in December on 91,000 dwellings in the U.S., a new high for the month. The boom is supported by the new extremely easy mortgage credit terms which run directly counter to the tighter money policy being pursued by the authorities in other segments of the market. There are voices of warnings from various quarters that terms are too liberal and that buyers are over-extending themselves. Future events will tell whether or not this is true.

Press Conference on Television

In closing, Indian readers may be interested to know that public response to the first White House Press Conference on television was overwhelmingly favourable. It seems here to stay, unless there is some egregious blunder. The first one went so well that about 70 per cent. of the film taken on the spot was released for television use after clearance with the President. The decision to do this came after months of soul-searching by President Eisenhower and his staff. In my opinion, it was a very smart move for the President to make himself available regularly to millions of listeners since he makes an infinitely better impression being seen and heard than merely heard or read.

Barring the outbreak of a shooting war around Formosa, the outlook for the U.S. economy is for continued stability and for greater liberalisation of world trade now being discussed in Congress. Extension of the Reciprocal Trade Agreements Act is favoured by a large segment of the business community and, therefore, passage by Congress seems to be assured. Worsening of the Far Eastern situation may change the minds of the legislators, however.—*All Rights Reserved.*

U.S. MAJOR CONTRIBUTOR TO INDIAN DEVELOPMENT

The figures released by the Government of India in connection with the fifth anniversary of the Indian Republic show that the United States has provided approximately 75 per cent. of the foreign economic aid received by India. No aid from Communist countries is listed. Outside aid towards India's economic development during the three-year period ended last July was put at some $497 million, half of which was in the form of grants. The remainder was in loans, including a U.S. emergency wheat loan of $190 million and a World Bank loan of $56,700,000. U.S. grant aid of $171 million was given for such things as iron and steel, railway equipment, fertilisers, tube-wells and hydro-electric equipment. About $18 million in U.S. technical aid was provided in addition.

Other contributors included Canada, Australia, New Zealand, and Norway. Aid was given by non-governmental agencies and organisations such as the Ford Foundation, which allocated funds to aid India's community development programme and kindred social, education and health projects. As for aid in the year which began last July, the review noted that an allocation of $60.5 million had been made by the United States, in addition to continued technical assistance. U.S. economic and technical aid is being given to India in accordance with specific agreements made by the two Governments.

PAKISTAN NOTES

SOLVING ECONOMIC PROBLEMS

ASSURANCE TO BUSINESS COMMUNITY

THE business community in Pakistan has reason to feel gratified at the speech of the Commerce Minister, Mr. Habib Ibrahim Rahimtoola, delivered on the occasion of the recent annual meeting of the Associated Chambers of Commerce of Pakistan, held at Karachi on Thursday last week. For, in the course of the speech, the Minister gave the assurance that the Government's policy was to keep in close touch with trade and industry, "so that the collective wisdom of all concerned is brought to bear upon problems that confront the country."

The Commerce Minister gave the assurance that the difficulties in the balance of payments position would soon be overcome and that import policy would be liberalised. He said: "We are allocating a major portion of the foreign exchange available for commercial imports for requirements of industries. Generous U.S. aid will enable us to fill the gaps in supplies and give substantial relief to the industrialist as well as the consumer."

Mr. Rahimtoola made particular reference to the jute trade and stated that, while the Government's machinery for enforcement of regulations and collection of crop statistics was being tightened, the trade too should desist from doing anything calculated to depress prices unduly. Claiming that the jute market had been firm in the past four months, he pointed out that jute exports up to date had been satisfactory and the year would close without any carry-over. This factor had been borne in mind in fixing the target of production for the next season. Enough jute would be permitted to be sown to meet the likely world demand. Incidentally, the Commerce Minister referred to the jute industry and stated that the target of 6,000 looms set for June, 1957, would be achieved ahead of schedule. Six jute mills comprising 4,750 looms have already gone into production and the remaining 1,750 looms are being installed.

Alluding to the cotton market, the Commerce Minister pointed out that, as the market had been persistently bullish, buyers of cotton were turning to other sources of supply. He observed: "I wonder whether trade has taken note of the fact that speculative resistance built up in the hope of big business to follow is pricing our cotton out of the export market. There is, therefore, need for correction here and I hope the trade will not allow things to deteriorate beyond remedy."

Speaking earlier, Mr. B. Fane Saunders, President of the Chambers, recalled the several disquieting problems facing the country in the past year. According to him, the continued shortage of foreign exchange, the unfortunate dispute with India over the use of the river waters of the Indus Valley, and the legal and constitutional problems are but some of the difficulties with which the Government has had to contend. Mr. Fane Saunders praised the hard and sincere work of the Government officials in preserving law and order and in maintaining the country's economic life.

Commodity Controls

The Government of Pakistan, it is learned, has decided to lift controls on a variety of imported consumer goods and other commodities by the end of this month. The decision is said to be a sequel to the improvement in the supply position. The items that are likely to be decontrolled include, among others, imported cloth, dyes, chemicals, tubes, tyres, baby foods and mechanically-propelled vehicles. As regards cement, however, supplies are said to be not satisfactory and no removal of control is, therefore, contemplated.

Oil Exploration

A Press report from Karachi avers that Caltex Limited is likely to take up oil exploration in Pakistan. Negotiations between this Company and the Government of Pakistan, it is said, are nearing a successful end and the necessary agreement is to be signed shortly. The first American concern to join the search for oil in Pakistan was the Standard-Vacuum Oil Company which has already commenced operations to explore 10,000 square miles each in both the wings of the country. Terms similar to those which the Government offered to this Company are expected to be offered to Caltex Limited.

BANKING TRENDS IN U.K. SINCE PRE-WAR

SIR OLIVER FRANK'S INTERESTING ANALYSIS

SINCE our reference last week to the annual statements of the chairmen of some British banks, the statements of a few more bankers have reached our hands. These statements, too, as did the others, highlight some of the interesting aspects of the British economy in 1954. Two of them, incidentally, contain a comparative study of certain changes that have occurred during the past two or three decades. The statement of Lloyds Bank Chairman, Sir Oliver Frank, gives a vivid picture of the changes which have taken place in the operations of the Bank itself since 1938. In the other statement, the Right Hon'ble Lord Harleck, Chairman of the Midland Bank, looks back in order to compare the economic situation of Britain today with that prevailing in 1928. Another Chairman, namely, Lord Aldenham of the Westminster Bank Ltd., however, confines himself to a review of the gold and dollar reserve position of the U.K. during the past two years and concludes that convertibility is still a distant goal.

In this issue, we propose to deal with the changes in the banking activities of Lloyds Bank since 1938 as outlined by Sir Oliver. For these changes may be taken as typical of the experience of the British banking system as a whole. The sixteen-year period from 1938-54 has, according to Sir Oliver, been one of monetary upheaval. The deficit financing practised in this period started a fall in the purchasing power of the pound which even today has not been completely arrested. With this method of financing followed a general expansion of bank credit. Lloyds Bank's share of the total deposits of 11 London clearing banks is slightly higher today than just before the war. The total movement of cash between the various offices and between these and the head office has risen enormously. Again, while deposits have trebled since 1938, the monetary turnover passing through the Bank's books has quadrupled and cheques drawn now amount to £34,000 millions a year. Before the war, the Bank had more than a million current accounts and about an equal number of deposit and savings accounts. The current accounts have since risen by more than half, while there has been a decline in the number of deposit and savings accounts. As a result of these changes the Bank is conducting today about 2.5 million accounts of all kinds of which 66 per cent. are current accounts.

Changes in Employment

There have been also changes in employment trends since 1938. Male staff today is smaller than before the war. But there are many managerial posts to be filled today. At least one in three joining the Bank will be required for management. Many more than in previous generations will step on to the ladder of promotion at an early age. The old dismal practice of 15-year or 20-year apprenticeship has now been ended. There is now the prospect of wider opportunity and accelerated promotion for the staff. Greatly increased use of machinery and expansion of female staff have, however, offset the disadvantage caused by non-availability of male staff in adequate numbers and have enabled the Bank to serve its clientele with a high degree of speed and efficiency. Some 500 of the Bank's branches are now fully mechanised, 300 of them since 1938. The Bank is constantly exploring new methods and devices and it is its intention to extend the process of mechanisation still further. The female staff has nearly trebled since 1938; there were then four men for every woman but now the numbers are moving towards equality.

Some notable changes are seen in the sphere of earnings and expenditure. These changes fall under two periods, namely, (a) 1938 to 1948, and (b) 1948 to 1954. An increase in deposits does not necessarily mean a proportionate rise in the earnings of banks, because much depends on the trend of costs. Large-scale increase in deposits is usually followed by a general rise in the price level and this affects a bank in more than one way. If prices rise, expenses, too, rise, though not necessarily in the same way. In other words, as Sir Oliver put it, whether an expansion in deposits will or will not benefit a bank's earning capacity depends on whether the earnings on additional resources exceed or fall short of the accompanying addition to its costs. Now, in the case of Lloyds Bank, the period between 1938 and 1948 witnessed almost the whole of expansion in deposits during the 16-year period. Thanks to rationing and controls, the rise in prices was less than proportionate to the expansion in credit. This should have actually led to a sharp expansion in the Bank's earnings. But actually it was not so, because strong forces were operating in the other direction. If costs were lagging, so were earnings on the additional deposits. The fall in the ratio of advances, the main earning asset of a bank, for instance, declined from over two-fifths to little more than one-fifth of deposits. The additional deposits had their counterpart largely in Treasury Deposits Receipts or money market assets earning a fraction of 1 per cent. Throughout these years, the rate of return fell steeply so that an increase in commission charges became necessary.

Recent Trends

In the second period, 1948 to 1954, the trends have been exactly opposite to those in the first. Thus, there has been little further expansion of credit. Over the past six years, the rise in the Bank's deposits has been no more than 11 per cent. This break upon credit expansion has not, in the opinion of Sir Oliver, sufficed to ensure monetary stability, inasmuch as (a) the volume of bank deposits in 1948 was abnormally high in relation to the then current level of incomes and prices and (b) the velocity of bank deposits has been increasing. Accordingly, retail prices have risen by some 33 per cent. This is three times as great as that in the deposits. Further, a combination of stationary deposits with steeply rising costs has reduced earnings. But the downward pressure on earnings has been mitigated to some extent by the rise in short-term interest rates. This has restored the yield on money market assets to more remunerative levels. With interest rates at their present levels, a more normal balance has been restored between current earnings and current outgoings. When the Bank rate was raised, the overdraft rates, too, moved up, though they have since come down from the peak levels. Sir Oliver's statement on this point brings out the interesting fact that the average rate on the Bank's advances in the second half of 1954, when the Bank rate was 3 per cent., was only ½ per cent. more than that in the second half of the cheap money year 1938 when the Bank rate stood at only 2 per cent.

It is common knowledge that "inflation destroys a large part of the real value of past savings." As a result, the capital and reserves of a bank depreciate in real value and require to be reinforced. In 1938, Lloyds Bank's paid-up capital was £15.8 million and the reserve fund £9.5 million, a total of £25.3 million of published resources; besides this, it had internal reserves, the magnitude of which was not known but which Sir Oliver modestly describes as adequate. The Bank has now decided to capitalise a part of its invisible reserves and with the amount transferred to reserves from the profit for 1954, the published resources will be raised to £34 million, an increase of about 36 per cent. In this context, the Chairman deals with the interesting question whether the capital of a bank should be raised in tune with the expansion in its activities. As this question is of some importance to banks in India also, his remarks on this question bear reproduction. He said:

"It is true that there is no rule-of-thumb method of deciding the size of the capital funds which a bank needs in order to carry on its business. The guiding principles are that the resources, as a whole, must be sufficient to provide absolute security for our depositors and the reserves sufficient to meet fluctuations in our trading from year to year.

"Obviously, the great growth in our deposits since before the war does not call for a commensurate increase in our capital resources, since for the most part the additional deposits have had their counterpart in Government obligations. Upon these, the question of ultimate loss does not arise, though provision must nonetheless be made against the difficulties associated with fluctuations in the market price of gilt-edged securities."

Role of Banks in National Economy

The banks have a vital role to play in their national economy. Sir Oliver contends that the British banks have been fulfilling this role to the extent justified by normal commercial risks. His analysis of the changes in the character of advances of his Bank makes interesting reading and shows to what extent lending to the public is the most difficult of a bank's several functions. The changes since 1938, referred to by him, are significant. Expressed as a percentage of the Bank's total lending, the iron and steel and engineering industries show a threefold growth, while agriculture is two-thirds more. On the other hand, the share of personal and professional advances has fallen by nearly half. Many millions of pounds are involved in these changes, for the total advances themselves are double the 1938 level and almost three times the low point reached towards the end of the war. Further, the swing from personal lending against realisable security to the greater hazards of lending to commerce, industry and agriculture—with nothing more tangible than an assessment of a balance-sheet position—involves now a greater measure of risk.

In recent years, there has been an increase in fresh demand for money. The reopening of the commodity markets, the derationing of foodstuffs and the resumption of building activities have resulted in placing additional calls for funds on banks. The removal of borrowing restrictions upon hire-purchase companies in 1954 has also led to an increase in lending in that field. In short, Sir Oliver claimed that bank advances today "are making a more valuable contribution to the national economy than ever before, especially in the sphere of productive industry. But the administration of these vast sums—and the banking system as a whole is lending almost £2,000 million—calls for a high degree of knowledge and skill on the part of officials, if undue losses are to be avoided." This, therefore, emphasise the need for maintaining strong reserves to meet the various contingencies.

HABIB BANK MAKES STRIDENT PROGRESS

The results of the Habib Bank Ltd. (General Manager: Mr. Razak H. Mahomed, Karachi) for the year ended 31st December, 1954, are excellent. They disclose that the past year was the most prosperous one so far in the history of the Bank. The profit has not only staged a rise of nearly Rs. 20 lakhs over that for the previous year but reached a record high level of Rs. 78.52 lakhs. The results reflect an impressive expansion in the Bank's activity. A rise of about Rs. 6 crores has occurred in the deposits. Advances have gone up by about Rs. 4 crores to a level not seen before. The liquid resources have also been considerably strengthened, so that the liquidity ratio is at the remarkably high level of 82.6 per cent. For the fourth year in succession the dividend has been maintained at 20 per cent. A sum of Rs. 50 lakhs has been transferred from the profit and loss account to the capital account.

A bird's-eye view of the Bank's progress during the past three years can be had from the following comparative table:

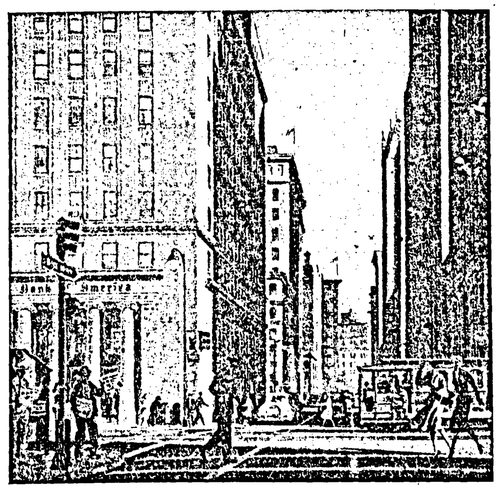
(In lakhs of Pak. rupees)

—	For the year ended 31st December			
	1954	1953	1952	1951
Gross income ..	163.74	134.30	139.23	137.62
Interest paid ..	21.59	20.30	16.66	17.12
Expenses	63.63	55.11	52.67	50.82
Profit	78.52	58.88	69.91	69.68
Provision for—				
Depreciation ..	2.35	2.22	2.28	2.31
Taxation ..	30.00	28.00	40.00	28.00
To reserve ..	..	..	..	15.00
Transfer to capital	50.00	..	..	..
Dividend	21.87	20.00	20.00	20.00
	(20%)	(20%)	(20%)	(20%)
Carry forward ..	1.00	26.77	19.11	10.48

—	As on 31st December			
	1954	1953	1952	1951
Capital	1,50.00	1,00.00	1,00.00	1,00.00
Reserve funds ..	1,00.00	1,00.00	1,00.00	1,00.00
Deposits	43,18.51	37,27.00	34,57.84	43,92.31
Advances and bills purchased and discounted ..	11,70.55	7,74.34	7,72.06	11,45.20
Investments ..	27,03.82	24,03.45	20,24.80	23,11.41
Cash	8,62.43	7,99.74	9,82.81	13,33.76
Balance-sheet total.	50,19.98	47,09.02	43,81.51	62,01.01
Ratio to deposits of	%	%	%	%
Advances	27.1	20.8	22.3	20.1
Investments ..	62.6	66.9	58.5	52.7
Cash	20.0	21.4	28.4	30.4

The Bank's gross income has gone up by Rs. 29.44 lakhs to Rs. 163.74 lakhs, the highest earned by the Bank in its history so far. Interest paid by the Bank is up by only Rs. 1.29 lakhs and expenses have risen by Rs. 8.52 lakhs, so that the profit discloses a rise of Rs. 19.64 lakhs. This marked rise in profit has more than made good the fall of Rs. 11.03 lakhs noted a year ago from the previous record profit of Rs. 69.91 lakhs earned in 1952. The provision for taxation has been stepped up by Rs 2 lakhs to Rs. 30 lakhs. With a

(Continued on page 243)



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Condensed Statement of Condition December 31, 1954
(Figures of Overseas Branches are as of December 24, 1954)

RESOURCES

Cash and Due from Banks	$1,456,524,519.87
United States Government Securities and Securities Guaranteed by the Government	2,414,191,925.87
Federal Agency Securities	167,123,060.20
State, County, and Municipal Securities	565,439,454.38
Other Securities	114,137,926.86
Stock in Federal Reserve Bank	10,500,000.00
Loans Guaranteed or Insured by the United States Government or its Agencies	1,230,573,393.30
Other Loans and Discounts	2,812,738,751.23
Accrued Interest and Accounts Receivable	38,266,946.53
Bank Premises, Furniture, Fixtures, and Safe Deposit Vaults	74,421,807.25
Other Real Estate Owned	1,802,647.53
Customers' Liability on Account of Letters of Credit and Acceptances, and on Endorsed Bills and Notes	275,838,505.00
Other Resources	1,796,351.47
TOTAL RESOURCES	$9,163,355,289.49

LIABILITIES

Capital	$150,000,000.00	
Surplus	200,000,000.00	
Undivided Profits	111,140,888.22	
Reserves	5,455,800.10	
TOTAL CAPITAL FUNDS		$466,596,688.32
Reserve for Possible Loan Losses		62,618,458.13
DEPOSITS — Demand	$4,192,260,317.72	
DEPOSITS — Savings and Time	4,078,274,433.42	8,270,534,751.14
Liability for Letters of Credit and as Acceptor of and Endorser on Acceptances, Bills, and Notes		278,554,052.21
Reserve for Interest Received in Advance		30,660,665.00
Reserve for Interest, Taxes, etc.		54,390,674.69
TOTAL LIABILITIES		$9,163,355,289.49

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Condensed Statement of Condition December 31, 1954

RESOURCES

Cash and Due from Banks	$ 58,992,847.06
United States Government Obligations, direct and fully guaranteed	29,285,414.30
Other Securities	47,976.62
Loans and Discounts	86,924,157.21
Accrued Interest	334,154.73
Customers' Liability on account of Letters of Credit and Acceptances, and on Endorsed Bills and Notes	45,529,148.88
Other Resources	297,661.43
TOTAL RESOURCES	$188,408,334.06

LIABILITIES

Capital	$ 10,000,000.00
Surplus	3,000,000.00
Undivided Profits	943,353.35
TOTAL CAPITAL FUNDS	$ 13,943,353.35
Reserve for Possible Loan Losses	807,299.64
Deposits	126,594,914.27
Liability for Letters of Credit and as Acceptor of and Endorser on Acceptances Bills and Notes	45,522,431.63
Reserve for Interest Received in Advance	231,418.99
Reserve for Interest, Taxes, etc.	513,403.98
TOTAL LIABILITIES	$188,408,334.06

COMBINED RESOURCES OVER $9,300,000,000

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BA-3

COTTON MILL INDUSTRY'S CAPACITY EXPANDS FURTHER

RISE OF RS. 3.28 CRORES IN PAID-UP CAPITAL

THE cotton year ended August, 1954, witnessed a further expansion in the Indian cotton mill industry's capacity, although the pace of such expansion was somewhat slower than that in the previous year. The number of spindles in existence as at 31st August, 1954, was 11,888,165, which compares favourably with 11,721,139 on the same date in 1953, according to the latest annual Mill Statement (priced at Rs. 5) of the Millowners' Association, Bombay. The increase in spindleage during the year under review was thus 167,026, as against 294,105 in 1952-53. The number of looms was also higher at 207,763, as against 207,250, the net rise over the year being only 513; in the previous year, as many as 3,464 looms had been added. The addition to the number of mills in existence was four, same as in 1952-53.

The slower pace at which the capacity of the mill sector of the cotton textile industry expanded during 1953-54 is understandable. For, as readers are aware, the development programme for this sector in the first Five-year Plan does not envisage establishment of new composite mills. Whatever increase in the spindles and looms that took place in 1953-54 probably represents the completion of programmes that had already been initiated, before the formulation of the Five-year Plan. The number of mills in course of erection and/or registered at the end of August, 1953, was higher at 22, as against 17 a year before.

Quantitative Progress

The quantitative progress recorded by the cotton mill industry during the year under review, as compared with that in the preceding two years, is indicated in the following statement:

	As on 31st August		
	1952	1953	1954
Total number of mills	453	457	461
No. of mills in course of erection..	22	17	22
No. of mills idle	19	20	23
Paid-up capital (in crores of Rs.)	106.93	109.61	112.89
Spindles installed	11,427,034	11,721,139	11,888,165
Spindles working	10,104,719	10,292,112	10,502,832
Looms installed	203,786	*207,250	207,763
Looms working	187,282	188,606	189,548
Cotton consumption (in bales of 392 lbs.)	4,132,632	4,518,702	4,688,866
No. of hands employed (day shift).	432,588	435,138	435,421

The foregoing table reveals that, despite the slower pace of expansion in capacity, the paid-up capital of the mill sector improved by Rs. 3.28 crores, that is, from Rs. 109.61 crores in 1952-53 to Rs. 112.89 crores during the year under review. Practically the whole of this improvement seems to represent capitalisation of reserves, as no new capital was issued to our knowledge. The number of spindles and looms actually working was higher by 230,720 and 1,042, respectively, as compared with the previous year. Reflecting such a trend, the number of persons employed in day shift alone rose from 435,138 to 435,421, notwithstanding the increase in the mills remaining idle from 20 to 23.

The latest picture of the size and composition of the Indian cotton mill industry, as presented by the Bombay Millowners' Association's Statement, will be all the more interesting, if it is compared with the position that obtains in the other leading textile producing countries of the world. The table below shows the place which India occupies on the world textile map. (The figures relating to other countries refer to the middle of 1953.)

(Spindles in millions; looms in thousands)

	Spindles		Looms	
	Installed	Working	Installed	Working
U.K.	55.02	24.15	347	259
U.S.	22.83	22.14*	309†	239†
India	11.89	10.50	208	190
Japan	7.56	5.91	324	275
Germany	7.19	N.A.	141†	150†
Italy	5.51	4.86	186	101

* 1951. † End of 1952. N.A.—Not available.

It will be seen from the foregoing table that India possesses the largest number of spindles in the world, next only to the United Kingdom and the United States. It, however, ranks as the fourth country having the largest number of looms, preceded, in the order of size, by the U.K., the U.S. and Japan. The share of India in the aggregate world cotton spindleage—amounting to 129.44 million—is 9.2 per cent. and that in loomage—amounting to 2.73 million—7.6 per cent.

The expansion in the spinning capacity of cotton mills during 1953-54, as noted above, was shared by all the States. In Bombay, for instance, the number of spindles installed as at 31st August, 1954, was higher at 6,547,984, as against 6,506,959 a year before, although the number of mills remained the same (211) and although the number of idle mills rose from 10 to 12. In the States of Madras and W. Bengal, the number of mills increased by two each to 95 and 40, respectively. Similarly, spindles installed in these two States moved up from 2,034,864 and 505,944 to 2,109,704 and 508,868. While the number of mills in existence in all the other States remained the same as in the previous year, spindles installed showed improvement. As regards looms, with the exception of Bombay, Madhya Bharat and Bhopal, Punjab(I), and Hyderabad, the other States showed an increase. The fall in the number of looms in some of the States, including Bombay, indicates that the looms must have become worn-out and scrapped, without being replaced.

Capacity Actually Utilised

Although the installed capacity of cotton mills expanded at a slower pace than in the previous year, the capacity actually utilised was more. Thus, as against a rise of 167,026 spindles installed, the spindles actually working were higher by 210,720. The experience in regard to looms also was likewise. Whereas the number of looms installed moved up by 513 only, that of looms working improved by 1,042. The extent of the actual utilisation of installed capacity during 1953-54 was smaller in the case of spindles, being 88.4 per cent., than in the case of looms where it was 91.2 per cent. The corresponding figures for the previous year were 87.8 per cent. and 91.0 per cent. The increase in utilisation of the looms installed is evidently due to the restriction placed on erection of new looms, with a view to reserving a part of the market for handlooms. Since no new looms were allowed, the industry has apparently brought into use even the old looms.

The improvement in spindles and looms actually working was due to the prevalence of several favourable factors, such as comfortable raw cotton supply position, absence of any labour dispute of magnitude, better transport situation, improved position in respect of power and fuel, complete freedom accorded to the mills following the removal of all controls on prices and distribution of all varieties of cloth, greater demand for cloth from both the internal and the external markets. This improvement is reflected in a substantial rise in output. Thus, during the year ended August, 1954, 4,944 million yards of cloth and 1,542 million lbs. of yarn were produced, as against 4,902 million yards and 1,507 million lbs. in the previous year. An indication of the marked rise in cotton textiles production in the mills is also provided by the increase in the quantity of cotton consumed which, during 1953-54, aggregated 4,688,866 bales (of 392 lbs. each), as against 4,518,702 bales in 1952-53.

An idea of how the different States figure on the Indian cotton textile map can be had from the following statement:

Situation	No. of mills	Spindles installed	Looms installed	Average number of hands employed
Bombay—				
Bombay City and Island.	65	2,026,044	65,571	118,048
Ahmedabad	74	2,067,200	42,907	79,090
Saurashtra	11	189,244	2,639	6,861
Other States	61	1,225,496	24,071	45,498
Total Bombay State..	211	6,547,984	135,988	241,384
Madras	95	2,109,704	9,268	59,209
W. Bengal	40	508,868	10,576	22,468
Uttar Pradesh	29	612,581	13,289	29,883
Madhya Bharat and Bhopal	18	450,928	11,322	22,105
Madhya Pradesh	11	378,068	7,329	17,711
Rajasthan, Ajmer and P.E.P.S.U.	12	170,614	3,880	7,938
Punjab	11	227,800	5,060	5,743
Mysore	11	321,440	3,458	12,870
Travancore-Cochin ..	10	184,884	717	3,929
Hyderabad	7	158,060	3,228	8,197
Bihar and Orissa	3	78,660	1,611	2,788
Pondicherry	3	86,118	2,047	4,064
Grand Total ..	461*	11,888,165	207,763	435,421

* This number does not include 22 mills which have either been registered and/or in course of erection.

As will be seen from the above figures, Bombay is the major seat of the cotton mill industry. This State accounts for 55.8 per cent. of India's aggregate spindleage and 65.4 per cent. of loomage, although its share in the number of mills is only 45.7 per cent. It is thus evident that the average size of cotton mills in Bombay is larger than that in other States and that the mills are well-balanced composite units. It is no wonder, therefore, that Bombay accounts for the major portion of the woven goods manufactured in India.

WOOL AND WOOLLEN GOODS

With the release of the 1955 edition of *India and Pakistan Wool, Hosiery and Fabrics*, this annual publication of Messrs. John Worral Ltd., Oldham, England (Agents in India: Messrs. W. H. Brady & Co., Ltd., 12/14, Veer Nariman Road, Fort, Bombay 1. Price: Rs. 7 plus Rs. 2 for sales tax and packing and forwarding charges wherever it is necessary), has completed six years of useful existence. The utility of the publication lies in the fact that it provides a comprehensive and authoritative review of the recent trends in raw wool economy, and in the different sectors of the woollen industry, the wool, worsted, carpet and hosiery sections, a subject on which not much literature is available in this country. It also covers raw wool production, classification, marketing, and import-export trade. In the edition under review, the publishers have spared no efforts to bring up-to-date the statistical material on various aspects of the wool and woollen industries in India and Pakistan, as also the directory of individual firms, factories and associations concerned with these industries. The publishers have revised, too, the list of advertisers' trade marks and designs and the alphabetical lists of trade and brand names.

The publication contains several interesting feature articles written by experts in the line. There is, for instance, an article on foreign investment in India. The importance of wool and wool products in earning foreign exchange for India is lucidly analysed in another article. Mention may also be made of articles such as "Wool—a tribute to the fibre", "Carding in the production of woollen and worsted yarns," and "Effects of artificial lighting on wool fabrics." Two other interesting articles which deserve mention are "Some characteristic wool fabrics" by Mr. George Priestley and "Power-loom weaving of woollen and worsted fabrics" by Mr. D. C. Snowden. The deliberations of the 23rd conference of the International Wool Textile Organisation are covered in some detail in a separate article.

AHMEDABAD TEXTILE LABOUR'S DEMANDS

The 70,000-strong Ahmedabad Textile Labour Association has demanded a 25 per cent. increase in the emoluments of the workers of 20 textile mills in Ahmedabad whose "balance sheets showed losses" in 1953. The Association has served notices on these mills following the failure of the parties to renew the two-and-a-half-year-old collective bargaining agreement. Mr. Somnath Dave, Secretary of the Labour Association, said recently that, as the mills which had shown losses were exempted from payment of bonus to their workers by the decision of the Appellate Tribunal, the Association had preferred to demand increment in the emoluments so that the workers could be compensated for the deferred wages. The Association has also suggested that a committee of three persons—representing the employers and the workers headed by a neutral arbitrator or a judge of the industrial court—be appointed to enquire into the working of the mills which have shown losses and to recommend measures to avoid losses. The Association has also served notices demanding bonus and introduction of a scheme of gratuity in the textile mills.

YARN PURCHASE BY MILLS

It is reported that the Government of India has prohibited purchase of yarn by those who own spinning plants except with the permission of the Textile Commissioner. This step has been taken in order to make available sufficient quantity of yarn to the handloom industry in the country. Composite mills which wish to purchase yarn are now required to apply to the Textile Commissioner for permission to make any such purchases. In granting or refusing permission for such purchases, the Textile Commissioner will, among other things, take into consideration (a) the number of looms installed or working in the undertaking, (b) the productive capacity of the unit, and (c) whether the yarn is required for purpose of weaving a variety of cloth different from any of the varieties which are normally manufactured by the producer and for the manufacture of which a special type of yarn is needed.

U.K. MAN-MADE FIBRE FABRICS

The outlook for British exports of fabrics made from man-made fibres does not appear to be bright. In the course of a report published in its latest official journal, the British Man-made Fibres Federation observes that exporters of these fabrics are now encountering grave difficulties in developing trade in cheap mass-produced goods. "We," quote the Federation, "are now being priced out of most colonial markets by Japan and we are meeting intensive competition from Germany, whose industrial recovery has been very rapid and efficient, from Italy, and even from the American domestic trade which could be sold at prices which bear little relation to world standards." In view of such competition, it feels that the main opportunities for developing exports of man-made fibre fabrics lies in specialities in construction and design and "in being quicker off the mark with new ideas than our competitors."

DECLINE IN TEXTILE EXPORTS

IMPORTS OF UNBLEACHED CLOTH MOVE UP

By Our Special Correspondent

MANCHESTER LETTER

MANCHESTER, 25th *January*

A SHARP upturn in exports of British cotton goods which occurred last month, after the decline in November due to the dock strike, failed to make any impression on the annual shipments for 1954 which were substantially lower than for several years back. Earnings from all types of cotton goods amounted to £112,033,348 last year compared with £117,063,474 in 1953.

Cotton cloth shipments for the year amounted to 637,272,000 square yards against 709,905,000 yards in 1953. The value was £81,927,497, an average of 30.85*d*. per square yard, as compared with £87,926,319 in the previous year, averaging 29.73*d*. per square yard. Yarn exports were 40,460,798 lbs., earning £17,326,854 at an average price of 102.78*d*. per lb., as compared with 41,919,789 lbs. worth £17,013,605, an average of 99.51*d*. per lb. The following table shows the quarterly figures by volume in recent years:

Cloth (in sq. yds.)

	1952	1953	1954
1st quarter	211,616,000	173,407,000	176,756,000
2nd "	162,226,000	169,694,000	165,249,000
3rd "	151,549,000	183,020,000	151,035,000
4th "	185,207,000	183,925,000	142,644,000
Total (adjusted to nearest million)	711,000,000	710,000,000	637,000,000

Yarn (in lbs.)

	1952	1953	1954
1st quarter	12,190,500	9,879,300	11,174,900
2nd "	7,330,200	9,942,200	10,184,300
3rd "	8,756,000	9,857,300	9,004,500
4th "	9,319,200	12,385,400	10,044,700
Total (adjusted as above)..	36,000,000	42,000,000	40,000,000

Had it not been for the improvement with Australasia these results would have been poorer still. Australia remained the chief buyer of British-made cotton cloth taking 122,344,000 square yards against 96,100,000 yards in 1953. Other main customers were (in square yards with 1953 comparisons):

South Africa 83,376,000 (85,784,000), Nigeria 55,258,000 (80,496,000), New Zealand 37,864,000 (38,618,000), Gold Coast 35,488,000 (49,935,000), and Southern Rhodesia 19,126,000 (16,242,000).

More yarn shipments went to Australia than any other country, takings rising from 5,969,000 lbs. to 7,249,000 lbs. Other leading buyers were (with 1953 comparisons): Western Germany 3,328,000 lbs. (2,709,000 lbs.), Canada 2,773,000 lbs. (3,999,000 lbs.), New Zealand 2,149,000 lbs. (1,433,000 lbs.) and Finland 2,089,000 lbs. (1,278,000 lbs.).

Rising Imports

Important as exports are in shaping the trend of the industry in Lancashire, the growing volume of imports of foreign cloth has been a major factor in the situation and one which cannot fail to have a vital bearing on prospects. In December last, arrivals of grey cloth from abroad exceeded 30,000,000 yards for the first time in a month since 1951. This brought the total imports of unbleached material for the year to 236,417,000 square yards, valued at £13,301,244. In 1953 the yardage was 76,240,000 and the value £5,134,347.

Finished cotton goods reaching this country from abroad last year amounted to nearly 31,000,000 square yards, so that imports of all types of cotton fabrics amounted to over 267,000,000 yards, which represents more than 40 per cent. of corresponding exports.

This proportion is slightly lower than in 1951 when arrivals reached a peak of 377,000,000 square yards, but exports in that year were correspondingly higher at 864,000,000 yards. India then supplied 105,000,000 yards and Japan 85,000,000 yards. Detailed figures are not yet available about 1954 but the quantity from India has already exceeded the 1951 total.

Imports of all types of cotton goods last year cost £21,654,704—more than twice as much as in 1953. Supplies of foreign yarn increased substantially from 3,502,175 lbs. to 10,718,053 lbs.

Those who contend that too much fuss is being made about these purchases of cotton goods from abroad should study these figures. They will find that the movement gathered speed very markedly in the later months of last year. The anxiety of traders is not entirely concerned with the existing position but fear of the future should this trend continue with its demoralising effect upon the price structure in Lancashire.

Spindle Census

No radical change took place in the total number of cotton spinning spindles in place throughout the world in the six months which ended last July, according to the latest statistics issued by the International Cotton Federation. Compared with 12 months previously, spindleage was nearly 200,000 higher.

Lancashire, however, continues in the van of progress and can record a larger number of spindles in course of erection than any other country, with the exception of India. Last July, 64,000 spindles were being erected in Britain purely as an increase and 241,000 spindles were being substituted for existing machinery. In India the comparable figures were 187,000 new spindles being erected and 133,000 replacements.

Estimates of the total number of cotton spinning spindles in the United Kingdom showed an increase of nearly 110,000 spindles on the six months while, in the United States, there was a fall of over 200,000 spindles. In India, no appreciable change took place but, in Japan, spindleage increased by nearly 90,000.

Reflecting the slacker state of trade in the rayon industry, the number of spindles spinning *rayon staple fibre in Britain fell sharply from* the high peak of 3,812,000 spindles in January last year to 1,822,000 spindles in July. This total, however, remains by far the largest of any country, the only comparable figure being 1,144,000 spindles producing spun rayon yarn in the United States.

Despite the large quantity of machinery in place in Britain, which exceeds the entire spinning capacity of North America, and is only slightly less than the plant installed in Asia, the mills in this country still work shorter hours than any others in the world. There was a further fall in the spindle-hours worked in the six months to the end of July to 860 as compared with 974 in the previous half-year. In comparison, spindles in Hong Kong worked nearly 4,000 hours, while among Lancashire's main rivals, Indian mills worked 2,820 hours, the United States 2,493 hours and Japan 2,276 hours.

More Competition

British exporters of fabrics produced from man-made fibres are being priced out of most Colonial markets by Japan, the British Man-Made Fibres Federation said this week in a report. Exporters were encountering "grave difficulties" in developing trade in cheap mass-produced goods.

Apart from Japanese rivalry in the Colonial markets, intensive competition was coming from Germany, whose industrial recovery had been rapid and effective, from Italy, and even from America the surplus of which from its domestic trade could be sold at prices which had little relation to world standards.

"It is becoming increasingly obvious that the main opportunities for developing exports of fabrics in man-made fibres lies in specialities in construction and design and in being quicker off the mark with new ideas than our competitors," said the report.

Short-Time Predicted

A forecast of short-time working in some sections of the British cotton textile industry in the next few weeks was linked with the belief that there would be no repetition of the trade recession of 1952 in a report by the Executive Council of the Cardroom Workers' Amalgamation, the largest union in the spinning industry.

Mr. Alfred Roberts, the union's General Secretary, said the extended stoppages at some mills at Christmas, involving an estimated 15,000 workers, had "disturbed and concerned" union officials but they did not share the view that these presaged a trade recession similar to that experienced three years ago. "Today there are no really large stocks to be disposed of and apart from the bad summer which has undoubtedly had a considerable effect on sales, the economy of the country is buoyant enough to justify a belief that our home trade at least will recover fairly quickly," stated Mr. Roberts.

Export trade, however, had shown a further decline and the industry was now faced with the possibility of serious competition in the home market as a result of cloth and yarn imports from India, Hong Kong and elsewhere.

The most serious threat came from the Indian imports which, if the rate of import of October, 1954, was maintained throughout the whole of 1955, would amount to 191,000,000 yards, equal to 8 per cent. of Lancashire's total cotton cloth production. The availability of raw cotton to Indian mills at prices well below the world level enabled them to sell cloth to the United Kingdom at approximately 3*d*. a yard less than comparable Lancashire cloth.—*All Rights Reserved.*

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INCREASE IN ACTIVITIES OF COTTON TECHNOLOGICAL LABORATORY

LARGER NUMBER OF SAMPLES TESTED

AN all-round increase in the routine and research activities of the Cotton Technological Laboratory of the Indian Central Cotton Committee is revealed by the Report of the Director of the Laboratory for the year ended 31st May, 1954, just published. After referring to the "all-round progress" of the work of the Laboratory, the Director observes that it has become a "very important link in the cotton-breeding work in this country." A large number of samples of new and improved varieties were received from the cotton-breeding stations and their spinning quality evaluated by determining the fibre properties and the spinning characteristics.

The total number of samples received in 1953-54 for testing at the Laboratory was 2,405, as against 1,894 in the previous year. These figures include the number of experimental strains received from the States' Agricultural Departments which was 1,285 in 1953-54, as against 1,022 in 1952-53. There was also a considerable increase in the number of samples received in the Testing House for tests on payment of fees, the number received during the year being 598 as against 413 in the previous year, thus showing an increase of 45 per cent. In addition to these samples, 146 samples were received from the East India Cotton Association, Bombay, for staple length and staple irregularity tests, the reports on which had to be sent very expeditiously. Here again, compared to 102 samples received in 1952-53, there was an increase of 45 per cent. in the number of samples received and tested in 1953-54. Most of the testing work related to the evaluation of the quality of the new strains and improved varieties which would be of immense use to the agricultural officers for selecting suitable strains for further propagation.

Technical Advice

As usual, the Laboratory was called upon by the trade and the industry to give technical advice on various problems and this was successfully done. Further, the large increase in the work of the Testing House is a clear indication of the increasing utility of the Laboratory to the trade and the industry as well. There is also additional evidence to this effect as may be seen from the fact that some of the mills are setting up quality control laboratories in their mills by taking technical advice from the Laboratory, besides equipping their laboratories with the instruments, such as A.N. stapling apparatus and its attachment and strength tester, which have been designed at the Laboratory. Furthermore, orders for a large number of other equipments (also designed at the Laboratory), such as, ginning percentage balance and model gin, have been received during the year.

Technological bulletins on trade varieties of fair average quality usually handled by the trade and on standard cottons grown in the experimental stations in the principal cotton-growing tracts were published for general information. Technological circulars on each trade variety were also issued as soon as tests on them were completed. These publications proved valuable to the cotton trade and the textile industry. Since several enquiries were received both from the cotton trade and the Union Government regarding the ginning percentages of all important trade varieties, these values have been added for the first time in the trade bulletins published by the Laboratory.

Research Work

As regards the research work carried out at the Laboratory, substantial progress was made under each item and several technological investigations were carried to the stage of completion, despite the heavy increase in the routine tests. This was, however, made possible because the arrears of routine work had been cleared in the previous year to some extent by running a double shift in the spinning and testing sections.

Pre-clearing and ginning tests were carried out on Kalyan cotton. The tests on this cotton in single-roller gin, after converting it from double action to single action, confirmed the previous finding that it increased the output per hour and reduced labour charges and attention during ginning. In an investigation on the neppiness due to different types of ginning, it was found that the saw-ginned lint gave the highest number of neps, followed by the roller-ginned lint and the hand-ginned lint.

Attempts are being made, it is stated, to measure the maturity of raw cotton with the air-permeator. An experiment to study the spinning performance of mixing of Indian cottons in relation to their fibre-properties and those of the pure cottons in the mixing is in progress. The ordinary ballistic tester was suitably modified to test the ballistic work of rupture of single yarns.

Experiments are being conducted with a view to ascertaining the possibility of breeding varieties that would give almost nep-free lint. An apparatus for easy examination of neps in cotton lint, yarn, etc., was designed and fabricated. Combing tests were conducted on Laxmi and Madras Uganda 1 varieties, in order to ascertain whether the fabrics prepared from them could come up to the same quality as those prepared at present by the industry from carded African cottons. It is gratifying to be told that the "test results are very encouraging."

The Laboratory continues to attract many foreign visitors who are generally very favourably impressed by the work that is being done by the research and other members of the Laboratory's staff. A team of American cotton technologists, led by Dean Malcolm E. Campbell, visited the Laboratory last year. The leader of the team testified to the fact that the Laboratory had a "very high reputation in America." Dr. Burt Johnson, a member of the team and a distinguished cotton technologist, stated that the Laboratory "fully lives up to the world-wide reputation it has."

LIVERPOOL COTTON MARKET

It is now nearly eight months since the Liverpool cotton market commenced functioning; forward trading in the market was resumed in May, 1954, after a break of 13 years. The monthly turnover in futures in the market is estimated at £15 million. Although this is a considerable achievement in the face of many problems and risks, differing from those of pre-war years, it is stated that there is urgent need for a broadening of activity in the market. This view has been stressed by the Liverpool representative of the London *Financial Times*. Reviewing the working of the market since it was resumed in May last, he points out that the current volume of trading is, by any previous standards, narrow.

At present, some of the trading in Liverpool is being carried through without the intervention of professional operators. Thus, considerable quantities of cotton are being bought by the large combine spinners directly through their own operators on the market floor. These large-scale operations are the natural results of the decision by the Liverpool Cotton Association to admit to the floor private limited liability companies, a radical departure from the pre-war pattern in which individual responsibility was the basis of membership. It is, however, recognised that the inclusion of limited companies was essential to the organisation of a futures market because of the need to attract capital.

An increase in the volume of trade, it is stated, is regarded by experts as essential to the long-term success and usefulness of the market. Also, an increase in professional operations would flow from, and in turn encourage, the growth in trading. It is further pointed out that the problem of an export subsidy on American cotton, though frequently shelved temporarily, cannot for ever be ignored. At some future date, the U.S. authorities will be compelled to deal with the question of surplus cotton. When that occasion arises, a Liverpool hedge, it is stated, "would seem superior, and the better that hedge can be made, the stronger the protection against such outside influences."

FORWARD TRADING IN COTTON

The Government of India and the Forward Markets Commission have recognised, as is well known, for purposes of forward trading in cotton, only the East India Cotton Association, Bombay. The Commission, however, has invited applications from cotton trading associations in other centres for recognition as bodies under which forward trading could be carried on. In this connection, the Commission, consisting of Dr. B. V. Narayanaswamy Naidu, Chairman, and Mr. W. R. Natu, Member, visited the three cotton marketing centres in Berar, namely, Khamgaon, Akola and Amravati The Commission recorded evidence on the basis of applications received from the cotton trading associations in the three towns.

The Government of Madhya Pradesh, it is stated, has informed the Commission that it would shortly submit a memorandum on the subject to the Commission. The Madhya Pradesh Millowners' Association has already submitted a memorandum to the Commission. Since cotton textile industry has spread to the cotton-growing areas of the country, the system of marketing of cotton, according to this Association, cannot be properly handled by one or two centralised markets located far away from the cotton-growing areas. The Association has, therefore, emphasised that decentralisation of cotton marketing has become necessary and that cotton exchanges should be organised at one centre each in Southern, Central and Northern India. The existing State enactment in cotton should be replaced by a uniform Central legislation.

Emphasising the importance of Madhya Pradesh in the country's cotton economy, the Association has pointed out that the State accounts for over 60 per cent. of the total production of Jarilla cotton and about 25 per cent. of the total Indian crop. The State, therefore, holds a "unique and important" position in the Indian economy, in so far as cotton is concerned. In view of this consideration, the Association has stressed that the need for establishing a cotton exchange in Madhya Pradesh under the Forward Contracts (Regulation) Act cannot be overestimated.

COTTON WEED KILLERS

Experiments conducted by research scientists at the Beltsville, Maryland, experiment station of the United States Department of Agriculture (U.S.D.A.) indicate, according to reports from Washington, that several carbamate and urea derivatives will control weeds effectively in cotton and other crops when sprayed on the soil before weeds emerge. Several of the most promising experiments, which can be made applicable to entire fields, controlled weed growth up to 90 days with little or no injury to the cotton plants. Tests are continuing on weed killers for cotton and other plants. The new chemicals are most effective when applied as pre-emergence sprays or to weeds in the seedling stage. In general, the chemicals have proved most effective against the annual weedy grasses which thrive in cotton fields.

Greenhouse experiments have been completed with more than 200 new chemical compounds. The U.S.D.A. scientists have evaluated them for control of weeds generally found in cotton, soyabeans, wheat and maize. The most promising have been given further study in field tests for 30 of the most important crops. The U.S. chemical industry is producing experimental quantities of the compounds for these field tests. While none of the compounds is yet available for commercial use, the scientists feel that only a little more trial effort is needed before growers will use the compounds in their fields.

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	Issue limited to	Issue Price
4 per cent. 1965-67 Debentures	Rs. 24 lakhs	Rs. 98.0
4¼ per cent. 1965-75 Debentures	Rs. 16 lakhs	Rs. 99.8

The issue is open for subscription till 28th February, 1955 and will be closed earlier when subscriptions to the 4 per cent. Debentures amount approximately to Rs. 24 lakhs and subscriptions to 4¼ per cent. Debentures amount approximately to Rs. 16 lakhs.

The Debentures are Trust Securities under the Indian Trusts Act and are also approved Securities under the Insurance Act 1938, and the Banking Companies Act of 1949. A Redemption Fund will be constituted to pay off the Debentures on maturity.

Full amount is to be remitted with the application. Other particulars and application forms can be had from the Secretary or from any Banker or Broker.

M. DATTATRAYULU, *Secretary.*

STUDY OF INCOME-TAX RATES IN SOME COUNTRIES

INDIA'S DEVELOPING ECONOMY NEEDS SPECIAL RELIEFS AND ALLOWANCES

THE need for altering the structure of income-tax in India with a view to making it conform to the requirements of the country's developing economy, has been stressed in a comparative study, undertaken by the Association of Indian Trade and Industry, of the taxation of income of individuals and corporations in different countries, including India, the U.K., the U.S., Japan and W. Germany. The broad conclusion of the study, published under the title *Income-Tax Rates Compared*, is that the system of taxation of income in India does level down incomes, but not without reducing the economic incentive of the persons in the highest ranges of income, causing considerable hardship to large middle-class families, diminishing the capacity of the private sector to save and to invest directly out of its own savings, and substantially reducing the inducement to invest—especially in risky ventures. Confiscatory rates of taxation, such as those imposed on persons in India in high income groups, might, in the short run, serve to mop up private savings for the purpose of public investment; but, in the long run, they inhibit productive effort as well as the process of saving and investment. The study avers: "What can be saved must first be produced, and confiscatory taxation discourages the productive effort that makes such saving possible."

The study makes suggestions for suitable changes in the present income-tax law, in order to provide incentive for the private sector to work, save and invest. These include reduction of tax rates on the income of individuals now subjected to very high rates, introduction of allowances for dependents, medical expenses and investment in approved undertakings, and increased allowances for earned income relief, life insurance premia and contributions to charities; permission for carrying back losses and for setting off losses from any source carried forward or back against income from other sources, the conversion of initial depreciation allowances into investment allowances, as has been done in the U.K., and reduction in the rates of taxes on corporations, the provision of non-distribution relief to public companies, and the extension of the limit of profit retention for private companies.

Individual Income

A comparison of tax on income borne by a married man with two children in the countries covered by the study shows that the rates of tax on individual income between Rs. 1.50 lakhs and Rs. 10 lakhs are higher in India than in any other country except the U.K.; the rates of tax on individual income between Rs. 25,000 and Rs. 1.50 lakhs rise more steeply in India than in the other countries; and the allowances, rebates and reliefs allowed to individuals are fewer in India than in most other countries, although this hardship is, to some extent, mitigated by low rates of tax on persons in the lower ranges of income up to Rs. 25,000, in whose case such concessions are most significant.

There are no allowances in India for wife, children and other dependents, infirmity, old age and medical expenditure. Only personal allowances, insurance rebates, earned income relief, and allowance for contributions to approved charities are available in India. In view of the absence of social security in India, the study regards it worthwhile to consider the introduction of allowances for dependents and for medical attention, and the liberalisation of existing allowances in respect of earned income relief, insurance and other forms of saving, and contributions to approved charities. At present, losses from any source cannot be carried back, but can be carried forward and set off against future income only from the same source. The study suggests facilities for carrying back of losses and permitting losses from one source, carried forward or back, to be set off against income from any other source.

Corporate Income

In the countries covered by the study, the rate of tax on corporate income is higher in India at 43.4 per cent., than in other countries except the U.K. (57.5 per cent.), the U.S.A. (48.8 per cent.) and Canada (44.2 per cent.). It is higher than the rate even in industrially more advanced countries such as Japan (42 per cent.), France (34 per cent.) and Norway (30 per cent.). For an underdeveloped country, the rate in India is regarded as on the high side.

Moreover, the present practice of calculating depreciation on the basis of the original cost instead of the replacement cost of fixed assets has, in the background of severe inflation, led to the overvaluation of the real profits of old concerns, and, consequently, to overtaxation, which has caused extensive erosion of capital in the old industries. This may be illustrated by an example. Replacement of machinery purchased in 1939 for Rs. 10 lakhs would cost in 1954 about three times the original value, that is, Rs. 30 lakhs. Assuming that the entire original cost is written off, the company would have as depreciation reserves Rs. 10 lakhs. The remaining Rs. 20 lakhs would have to be found from other reserves. But, in order to set aside free reserves of Rs. 20 lakhs, the company would have to earn additional profits of Rs. 53.5 lakhs during the period 1939-54, from which Rs. 33.5 lakhs would have to be paid as tax. Thus, the company would have to earn as profits more than six times the original value of the assets during the period 1939-54 merely to keep its capital intact, and not to distribute any dividend or effect expansion.

No country has found a permanent solution of this problem yet, although expedients have been tried in almost all countries. The most common method is to allow accelerated depreciation on, or quick writing off of, new machinery. This method defers, but does not extinguish, tax liability, as it does not allow revaluation of old assets. Another method, tried out in Japan, France and Italy, allows revaluation of old assets for the purpose of depreciation. This is more realistic, but it cannot be adopted in India. The measure most suitable in the case of India is the conversion of the present 20 per cent. "initial depreciation allowances" into "investment allowances," as has been done in the U.K., so that industries may be partly compensated for the capital erosion they have suffered due to fiscal errors.

As rates of taxation of individual incomes have become more progressive, the saving capacity of individuals has been considerably reduced. Companies have, therefore, been compelled to rely increasingly in recent years on undistributed profits to provide for their modernisation and expansion needs. In the U.K., non-distribution relief is given to public companies from profits tax. It will be worthwhile introducing in India measures providing non-distribution relief to public companies.

In the case of private companies, the provisions in India militate against retention of profits. While other countries allow private companies to retain a reasonable proportion of profits at the discretion of the tax authorities, the tax provisions in India require a minimum distribution of 60 per cent. of a year's profits, and 100 per cent. distribution after the accumulated retained profits equal paid-up capital. It is advisable to empower tax authorities in India to allow in justifiable cases retention of profits by private companies in excess of the statutory limit.

The study regards as equitable the method now obtaining in India, the U.K. and certain other countries of giving credit to shareholders for income-tax paid by the company on its income distributed as dividends, as it does not result in double taxation of corporate income, and also as it enables shareholders to be taxed at rates appropriate to their income level. The old practice in the U.S.A. and certain other countries of not allowing any credit to shareholders for tax paid by companies on income distributed as dividends not only results in the double taxation of the income of shareholders, but also the taxation of their dividend income at a flat rate irrespective of their total income. The trend seems to be in favour of allowing credit to shareholders for tax paid by companies, and this year, the U.S. Government has introduced the method of allowing partial credit to shareholders for income-tax paid by companies in respect of their income distributed as dividends.

The study comes to the conclusion that, at present, there is no case in India for taxing bonus shares. In the first place, bonus shares are issued against the capitalisation of undistributed profits which have already borne tax. Secondly, shareholders do not get any cash or other benefit when they receive bonus shares, nor does the market value of their aggregate investment (original shares plus bonus shares) increase owing to the issue of bonus shares. Thirdly, any revenue income by way of profit received by shareholders on the sale of their holdings—including profit that may be attributed to a speculative price rise due to the issue of bonus shares—is already being subjected to income-tax.

Effects of Taxation

On examining the trend of individual and corporate income-tax rates in India in recent years, the study finds that, although personal allowances were increased and earned income relief was introduced during the war and immediate post-war years, the rates on the ranges of income from Rs. 50,000 and over are at present more than double the corresponding 1939-40 level in the case of individuals, and slightly less than double in the case of corporations.

This trend may be attributed to the equalitarian bias in Government policy and the need to prevent oversaving in the pre-war period, and to prevent inflation and to finance defence expenditure in the war years and to provide for reconstruction expenditure in the post-war years. However, in the last three or four years, a reversal of this trend is noticeable in the U.K., the U.S.A., West Germany and other countries, which are trying to restore incentives and stimulate savings, with a view to enabling industry to modernise and improve its competitive position in international markets. The rates have also been brought down in most underdeveloped countries. But the rates still remain high in India. These high rates reduce the saving capacity of the private sector, and act as a disincentive to enterprise and effort.

Finally, the study stresses that India's taxation system should be readjusted to suit the country's special circumstances. Thus, India does not have a mature economy, but a developing economy. Also, in view of the vital role that is expected to be given in the second Five-year Plan to the private sector in the field of industrialisation, on which the emphasis will now be shifted, the study expresses the hope that the Government will, in rationalising its tax policy, consider the need to provide for the private sector adequate incentives to work, save and invest.

THE BANK OF BARODA LTD.

ESTABLISHED IN 1908

Capital Authorised .. .. Rs. 2,40,00,000
Capital Issued & Subscribed .. Rs. 2,00,00,000
Capital Called Up and Paid Up. Rs. 1,00,00,000
Reserve Funds .. .. .. Rs. 1,28,00,000

HEAD OFFICE: BARODA

SAFE DEPOSIT LOCKERS

AVAILABLE AT OUR VARIOUS BRANCHES

Sterling and Dollar credits arranged and foreign bills negotiated for approved customers.

General Banking Business Transacted

MATHEW E. D'SOUZA, *General Manager.*

The House of Lords has dismissed an appeal filed by the Government of India against the dismissal by Mr. Justice Valsey and the Court of Appeal of its application for an order to compel the liquidators of the Delhi Electric Traction and Supply Company to allow proof in the members' voluntary winding up of the Company for a sum of about £120,000 which was alleged to be due by way of Indian income-tax and capital gains tax.

Viscount Simonds, who delivered the judgment, said that he was greatly surprised to hear it suggested that English Courts would entertain a foreign State's suit to recover tax. There was a well-established rule of law that English Courts would not regard the revenue laws of other countries. It was a rule enforced with the knowledge that in foreign countries the same rule was observed. In this case, the liquidator could discharge only legally enforceable claims and had no discretion in regard to those which were not so enforceable.

SUGAR SUPPLY POSITION COMFORTABLE

OUTPUT ESTIMATED AT 1.35 MILLION TONS

REFERRING to the prospects for the sugar industry and trade for the season 1954-55, we observed, in our last *Annual*, that the season would witness a distinct improvement in production. Alluding, in particular, to the estimate of 1.3 million tons of sugar, made by a section of the trade, we said that the estimate was quite a reasonable one. The trend of output during the three months that have elapsed since the season began on 1st November, 1954, seems to bear out this expectation. The quantity of sugar actually produced during the period up to 15th January, 1955, for instance, was 476,000 tons, which compares very favourably with 382,000 tons in the corresponding period of the previous season. Indeed, a section of the sugar trade estimates the current season's output at 1.35 million tons. Some even expect it to be 1.40 million tons.

The anticipated rise in sugar production is based on the justificable assumption that supplies of sugarcane to the factories will be larger in the current season, thanks to the improvement in sugarcane crop and to the diversion of cane in factory zones from *gur* to sugar production, owing to the relatively low prices commanded by *gur*. The aggregate output of cane during the season under review is expected to amount to 49.91 million tons, as against 46 11 million tons, that is, an increase of 8.2 per cent. This increase is attributed partly to a rise in acreage and partly to an improvement in the per-acre yield. Thus, the area devoted to sugarcane during 1954-55 is estimated at 3.81 million acres, as against 3.60 million acres, or a rise of 5.8 per cent. The anticipated per-acre yield is 13.1 tons, as against 12.8 tons. Another favourable factor pointing to the possibility of a larger flow of cane to sugar factories this season than in the past season is the low level of *gur* prices. At Hapur, the principal *gur* market, *gur* is now quoted at Rs. 10 per maund—this is the support price fixed by the Government of Uttar Pradesh —as against over Rs. 15 quoted a year before. As a result of the fall in *gur* prices, several sugarcane growers may find it more profitable to supply their cane direct to the sugar factories, instead of converting it into *gur* themselves or selling it to other *gur* manufacturers.

Available Supplies

Sugar production during the current season, as already stated, is estimated at 1.35 million tons. The Government of India has already contracted to purchase 450,000 tons of foreign sugar. Moreover, 100,000 tons of sugar are expected to be produced from the 131,000 tons of raw sugar for which licences have been granted to the factories. There are, besides, the opening stocks of 41,000 tons of sugar. The aggregate quantity of sugar available for consumption during the 1954-55 season will thus come to about 1.94 million tons, as against 1.87 million tons in the previous season. If it is assumed that the consumption of sugar will be 1.83 million tons, same as in the 1953-54 season, the carry-over stocks at the end of the current season may be estimated at 260,000 tons.

In view of the comfortable supply position, consumers do not seem to be experiencing any difficulty in getting adequate quantities of sugar at prices lower than those paid in the previous season. An idea of the fall in sugar prices in the last one year can be had from the following table which gives the latest mill delivery rates (per maund) prevailing at Hapur, as compared with those a year before:

	2nd February, 1954 Rs.	a.	*24th January,* 1955 Rs.	a.
Simbhauli	31	0	29	14
Jaswant	30	14	29	11
Daurala	32	0	31	2
Mansoorpur	32	4	31	8
Rampur	33	8	32	8
Mowana	31	0	29	12
Amroha	30	12	29	4

It is rather difficult to say whether the downward trend in sugar prices now prevailing will persist in the coming months. Much will depend on the way in which the controls over the releases of sugar are administered. As readers are aware, while there is no control on sugar prices as well as on distribution, the release of sugar from factories is being regulated by Government through the issue of quotas. The Government's policy is to keep a reserve of 25 per cent. of the sugar produced with factories from which, if need arises, the Government would requisition sugar at fair *ex*-factory prices to be fixed for controlled distribution. This policy of reservation has been criticised by several sugar interests. In its latest Annual Report, the Bombay Sugar Merchants Association Ltd., for instance, observes that the policy does not help the consumer. In its opinion, the experience of last year was not happy and hence its advice that "the Government needs to be vigilant." There is no exaggeration whatever in this view. As we had ourselves pointed cut while commenting on the Centre's sugar policy for the current season—*vide* page 1168 of issue dated 18th December, 1954—the administration of the control on this reserve portion of output left much to be desired. The consumer did not get the benefit of the low price at which the Government directed the factories to sell the reserve sugar to its nominees. Most of it went to the middlemen who got it as unearned profits and probably paid no tax to the Government on them. It is to be hoped that, in the current season at least, the Government will profit from its past mistakes.

DISTRIBUTION OF IMPORTED SUGAR

With effect from the 1st inst., the system of distributing imported sugar f.o.r. destination stations has been discontinued. Under the revised system, imported sugar is sold on *ex*-docks *ex*-godown basis at different ports at the reduced price of Rs. 29-8 per maund for British refined, East German, Polish and French qualities and at Rs. 29 per maund for Cuban sugar. The minimum quantity released to any party has been raised to 60 tons and the earnest money to be deposited with the tender is fixed at Rs. 2-8 per maund, the balance of price being payable before delivery. As regards tenders received before the 1st inst., however, supplies will continue to be made f.o.r. destinations at the rates prevailing prior to this date.

The special scheme of distribution in Calcutta through depots has been terminated with effect from the 1st inst. The ban on the movement of sugar from Calcutta to mofussil areas has also been lifted.

CENTRAL PALM *GUR* TRAINING SCHOOL

The Central Palm Gur Training School has been shifted from Cuddalore to Dahanu Road in Thana district, Bombay State. The school, it will be recalled, was started in August, 1949, and is run by the All-India *Khadi* and Village Industries Board. Since its inception, about 400 trainees from different parts of the country have been trained in the art of making palm *gur*, improved methods white sugar confectionery, etc. The problems facing the industry, such as saving in fuel consumption, preservation of palm juices, improvement in quality of *gur*, are being tackled in the research laboratory.

SUGAR STOCKS

The stocks of sugar with the factories on 15th January, 1955, stood at 424,000 tons, as against 348,000 tons on the same date last year.

The production of crystal sugar amounted to 476,000 tons and arrivals of imported sugar to 184,000 tons up to 15th January, 1955, in the current season. The figures for the corresponding period of the last season (1953-54) were 382,000 tons and 124,000 tons, respectively. Despatches of sugar from factories during the same period were 109,000 tons, as compared with 229,000 tons in the corresponding period of the last season.

SUGARCANE VARIETIES FOR NEW AREAS

The Sugarcane Research Station, Shahjehanpur, has been successful in developing a number of sugarcane varieties for dry areas. Experiments have shown that Co. 453 possesses a high degree of drought endurance, with Co. S. 510, Co. S. 321 and Co. S. 443 coming next best. All these varieties, it is claimed, have given fairly high yields under deficient irrigation (two irrigations during premonsoon period).

COALFIELD IN EAST MADHYA PRADESH

An analytical work of the coal bearings in East Madhya Pradesh carried out by the Coal Survey Station at Bilaspur has disclosed that most of the coal is of the highly volatile non-coking variety, suitable for combustion power generation and complete gasification. Such coal also occurs in Hyderabad, Vindhya Pradesh and in the Raniganj coalfields in Bihar. It will be noted that the Bilaspur Coal Survey Station is one of the five established on the recommendations of the Indian Coalfields Committee. It is administered by the Fuel Research Institute, Dhanbad.

U.K. COAL OUTPUT RISES

The output of coal in the United Kingdom in 1954 was a little higher than in 1953. At 223,795,000 tons, it compared favourably with the 223,519,000 tons in the previous year. Although open-cast production fell from 11,690,000 tons in 1953 to 10,230,000 tons last year, deep-mined output showed a rise of 1,700,000 tons.

FUEL SITUATION IN SOUTH

STEPS TO OVERCOME SHORTAGE

IT is common knowledge that one of the reasons why the pace of industrial development in South India is somewhat slower than in certain other regions of the country is the comparative short supply of coal in the South. Any development which serves to improve the fuel position of the southern region is of great significance to India's national economy, in general, and the economy of the South, in particular. Such a development will certainly facilitate industrial progress. It will open vast fields of employment opportunity to the unemployed and the underemployed population in the South and thus facilitate improvement of their living standards.

Viewed in this light, the constitution by the Government of India, in consultation with the Madras Government, of a project co-ordinating committee for the lignite project in South Arcot District of Madras is welcome. The Committee, with Mr. Jagannathan, I.C.S., Joint Secretary, Ministry of Production, as the Chairman, will prepare a project report on the most economical and suitable scheme for mining and utilisation of the lignite. In this work, the Committee will receive technical assistance from the consultants who have been appointed for the purpose. The Committee may also consult other experts, if such consultation is found necessary.

The Committee will carry out and complete, in co-operation with the Government of Madras, all the necessary investigations at Neiveli. The investigations will include the determination of the extent, situation and the nature of lignite depositions and ground water conditions. The Committee will also carry out the analysis and other tests on the nature of lignite and suitable methods for processing it.

Concealed Coalfields

From the point of view of the economy of the South, another important development is that the Geological Survey of India, at the request of the Hyderabad Government, has taken a resurvey of the coal-bearing formations, with a view to arriving at a fairly correct estimate of the entire coal reserves of the State. According to geologists, Hyderabad has large deposits of concealed coalfields.

The Government of Hyderabad has also undertaken a scheme for modernising the Singareni group of collieries. With the completion of this expansion scheme, the coal output in this area is bound to increase sizably. It is estimated that, in another three years' time, the coal production of the State will exceed 2,000,000 tons. In this connection, it may be mentioned that in the first 11 months of 1954, as much as 1,381,306 tons of coal were produced, as against 1,331,143 tons in the whole of 1953.

Coal Deposits in Godavari Valley

Further reports from Kurnool indicate that the Government of Andhra has sanctioned about Rs. 1 lakh for prospecting coal deposits in the Godavari Valley. Geologists are of the opinion that the coalfields of Hyderabad have extended southwards into Andhra, but are hidden by the thick alluvium. According to a report prepared by the Geological Survey of India, coal is known to occur in the Godavari valley near Lingala, Gavaridevipeta, Bedadanuru and Zangareddigudem, but the potentialities of the fields are yet to be explored. Mr. A. K. Dey, Superintending Engineer, Geological Survey of India, has suggested that the Government should take the initiative in undertaking deep boring operations in Godavari basin before it takes up the execution of the Rampadasagar scheme. If these operations yield anticipated results, he says, not only will there be great scope for industrial expansion but the construction of the Rampadasagar dam itself will be facilitated. Thus, the construction of the dam will benefit from the power available from the Godavari coal and limestone deposits existing in the neighbourhood for making cement. If coal is not found in sufficient quantities, then the plans for industrial development in Andhra will require reconsideration.

Thus, there appear to be good prospects for the improvement of the coal situation in South India. But they depend on the pace of measures to be taken by the authorities in exploring and exploiting the fuel reserves of the South. Clearly from the point of view of the Southern region, one of the major planks of the second Five-year Plan should be the development of fuel resources of South India.

Habib Bank Limited

KARACHI

Authorised Capital .. .. .. Pak Rs. 3,00,00,000 — **Paid-up Capital .. Pak Rs. 1,50,00,000**

Issued and Subscribed Capital .. „ „ 1,50,00,000 — **Reserve Funds .. „ „ 1,00,00,000**

Deposits as on 31-12-1954 .. Pak Rs. 43,18,00,000

THIRTEENTH REPORT OF DIRECTORS FOR THE YEAR ENDED 31st DECEMBER, 1954

TO THE SHAREHOLDERS,

The Directors have pleasure in submitting herewith the Thirteenth Balance Sheet and Profit and Loss Account of the Bank for the year ended 31st December, 1954, together with the Auditors' Report.

	Pak Rs.	a.	p.
Net profit for the year 1954	46,16,246	1	2
Amount brought forward from last year's account	26,77,148	7	8
Total .. Pak Rs.	72,93,394	8	10
Appropriations made during the year :—			
Amount transferred to share capital account during the year	50,00,000	0	0
Interim dividend paid during the year	16,25,000	0	0
The Directors now propose :—			
Payment of final dividend for the year ended 31st December, 1954, at As. 12 per share on 7,50,000 shares	5,62,500	0	0
To carry forward to next year's account	1,05,894	8	10
Total .. Pak Rs.	72,93,394	8	10

By the Grace of God the Bank has shown good progress during the year.

In accordance with Article 83 of the Articles of Association, Mr. Hamid D. Habib and Mr. Hyder Mahomedali, Directors of the Bank, retire and, being eligible, offer themselves for re-election.

In accordance with Article 91 of the Articles of Association, Mr. Ahmed Habib, Mr. Dawood Ebrahim Parekh and Mr. Mahomedali Habib, Directors of the Bank, retire by rotation and, being eligible, offer themselves for re-election.

You are requested to appoint Auditors for the year 1955 and fix their remuneration.

The Directors place on record their appreciation of the enthusiasm, loyalty and devotion to duty of the officers and other members of the staff.

By Order of the Board,
AHMED HABIB,
Chairman.

KARACHI, *dated 24th January*, 1955.

BALANCE SHEET AS AT 31st DECEMBER, 1954

LIABILITIES	Pak Rs.	a.	p.	Pak Rs.	a.	p.
AUTHORISED CAPITAL—						
15,00,000 Shares of Rs. 20 each	3,00,00,000	0	0			
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—						
7,50,000 Shares of Rs. 20 each				1,50,00,000	0	0
RESERVE FUNDS				1,00,00,000	0	0
CURRENT, SAVINGS BANK, FIXED DEPOSITS AND OTHER ACCOUNTS..				43,18,51,102	10	7
BILLS PAYABLE AND OTHER SUMS DUE BY THE BANK				2,16,76,706	8	6
BILLS FOR COLLECTION as per contra				1,72,54,297	12	0
BANKER'S LIABILITY FOR ACCEPTANCES AND GUARANTEES as per contra				6,55,45,856	7	2
PROFIT AND LOSS ACCOUNT—						
As per Balance Sheet as at 31st December, 1953	31,77,148	7	8			
Less—Payment of Dividend	5,00,000	0	0			
Balance brought forward ..	26,77,148	7	8			
NEW PROFIT FOR THE YEAR 1954	46,16,246	1	2			
	72,93,394	8	10			
Less—Transferred to Share Capital Account (Pak Rs. a. p. 50,00,000 0 0) Payment of Interim Dividend (16,25,000 0 0) ..	66,25,000	0	0	6,68,394	8	10
CONTINGENT LIABILITIES—						
Pak Rs. 500/- is on Investment in Shares of Joint Stock Companies.						
Total .. Pak Rs.				56,19,96,357	15	1

ASSETS	Pak Rs.	a.	p.	Pak Rs.	a.	p.
CASH ON HAND				1,08,19,450	0	8
CASH WITH BANKERS				7,54,23,393	0	6
PAKISTAN GOVERNMENT 3 MONTHS TREASURY BILLS						
INVESTMENTS AT COST OR MARKET VALUE whichever is lower ..				8,62,42,843	1	2
(a) Government, Municipal and Trustee Securities	21,68,04,752	2	9			
(b) Shares in Joint-Stock Companies ..	71,60,052	12	9			
(c) Bullion	42,72,240	1	7			
				4,21,45,512	14	0
INTEREST ACCRUED ON INVESTMENTS				22,82,37,045	1	1
LOANS, OVERDRAFTS, CASH CREDITS AND OTHER ADVANCES ..				6,74,484	2	9
BILLS DISCOUNTED AND PURCHASED				10,27,96,894	2	5
				1,42,58,058	15	0
				11,70,54,953	1	5
Particulars Required by Act VII of 1913 —						
1. Debts considered good and in respect of which the Bank is fully secured ..	Pak Rs.	a.	p.			
This amount includes debts fully secured, due by Firms or Companies in which Directors of the Bank are Partners or Directors	84,54,257	12	4	10,52,69,385	14	4
2. Debts considered good, secured by the personal liability of one or more parties in addition to the personal security of the debtors						
This amount includes Bills Discounted and Purchased	1,53,000	0	0	50,39,764	7	6
The Liability of Directors or their Firms under this head is	*Nil*					
3. Debts considered good in respect of which the Bank holds no security other than the debtors' personal security				67,45,802	11	7
This amount includes Bills Discounted and Purchased	18,74,139	11	11			
The liability of Directors or their Firms under this head is	*Nil*					
4. Debts considered doubtful				*Nil*		
5. Debts considered bad				*Nil*		
6. Debts due by Officers of the Bank other than Directors (fully secured)	16,722	1	6			
BILLS LODGED FOR COLLECTION as per contra				1,72,54,297	12	0
CUSTOMERS' LIABILITY FOR ACCEPTANCES AND GUARANTEES as per contra				6,55,45,856	7	2
LANDED PROPERTIES (at cost as at 31st December, 1953)				30,25,072	9	5
Additions during the year				1,19,684	13	10
				31,44,757	7	3
Less—Depreciation for the year				1,03,973	7	3
				30,40,784	0	0
FURNITURE AND FIXTURES—						
Balance as per last Balance Sheet				21,57,883	13	9
Additions during the year				93,617	11	8
				22,51,501	9	5
Less—Depreciation— Written off up to date				9,92,503	0	8
				12,58,998	8	9
STOCK OF STATIONERY AND STAMPS				5,41,581	14	9
Total .. Pak Rs.				56,19,96,357	15	1

Profit and Loss Account for the Year ended 31st December, 1954

	Pak Rs.	a.	p.
Interest Paid	21,59,417	9	2
Salaries, Allowances, Contribution to Provident Fund and Bonus to Staff	38,49,219	6	1
Directors' Fees	9,500	0	0
Directors' Remuneration	1,81,784	0	0
Auditors' Fees	5,000	0	0
Rent, Insurance, Lighting and Telephone Charges	5,22,458	6	7
Printing, Stationery and Advertisement Charges	3,57,358	5	0
Postages, Telegrams, Conveyance, Travelling, Law and Miscellaneous Expenses ..	14,37,573	14	11
Depreciation on Furniture, Fixtures and Buildings	2,35,942	12	1
Provision for Taxation	30,00,000	0	0
Balance (Net Profit)	46,16,246	1	2
Total .. Pak Rs.	1,63,74,093	8	0

	Pak Rs.	a.	p.
Interest, Discount, Commission, Exchange and Miscellaneous Receipts	1,63,71,063	8	0
Transfer Fees and Splitting Charges on Shares	3,030	0	0
Total .. Pak Rs.	1,63,74,093	8	0

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the above Balance Sheet of Habib Bank Limited, as at 31st December, 1954, and also the above Profit and Loss Account of the Company for the year ended on that date, in which are incorporated the certified Returns of all the Branches and report that:

(a) We have obtained all the information and explanations we have required; (b) in our opinion, the above Balance Sheet and Profit and Loss Account are drawn up in conformity with the law; (c) such Balance Sheet exhibits a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company, and (d) in our opinion, books of account have been kept by the Company as required by Section 130 of the Companies Act, 1913.

AHMED E. KHAN & CO.,
Registered Accountants,
Auditors.

KARACHI, 19th *January*, 1955.

AHMED HABIB *Chairman.*

DAWOOD E. PAREKH, ALI AKBAR H. EBRAHIM, HUSEINALI A. JUMANI, YUSUF QASIM, FIDAHUSEIN I. HAJI, YUSUF AHMED, HAMID DAWOOD, HYDER MAHOMEDALI — *Directors.*

MAHOMEDALI HABIB, RASHID D. HABIB — *Managing Directors.*

RAZAK H. MAHOMED, *General Manager.*

S. H. MAHOMED, *Deputy General Manager.*

M. R. PIRBHAI, *Secretary.*

H. S. JAMANI, *Chief Inspector.*

M. Y. KHERATI, *Agent, Foreign Exchange Branch.*

A. HAKIM, *Superintendent of Foreign Exchange.*

BRIGHT OUTLOOK FOR RUBBER MANUFACTURERS

PROBLEM OF RAW MATERIAL

THOUGH young in age, the Indian rubber manufacturing industry has made commendable progress during a short period. It was in 1920 that the industry was started in a small way, but it was not until the 'thirties that any appreciable development occurred. Between the years 1933 and 1940, some of the present-day big manufacturers entered the field in a relatively large way. A large number of smaller manufacturing concerns entered the field only after 1940 and today they number over 100. The production now covers a wide variety of goods. Last year, the rubber manufacturers planned some new projects and these are now in operation. The industry is now said to be in a healthy state and no insurmountable difficulties are being encountered in the matter of securing raw materials for manufacturing purposes. Its consumption of raw rubber during 1954 exceeded 25,000 tons (25,487 tons to be precise), an unprecedented quantity in its history, as against only 17,735 tons in 1950.

This, in short, is the history of the Indian rubber manufacturing industry, to which Mr. Cecil Stack, Chairman of the Association of Rubber Manufacturers in India, made a reference in his speech at the annual general meeting of the Association held in Calcutta last week. He foresaw brighter prospects for the industry. For, the increasing expansion of Indian economy, the implementation of the first Five-year Plan and the emphasis upon industry in the second Five-year Plan have, according to Mr. Stack, accentuated the importance of the rubber manufacturing industry in India. Agriculture and industry alike were making and would continue to make demands which manufacturers would have to meet by increased output and by the production of a wider range of articles, he added. In view of this bright prospect, Mr. Stack called for co-operation between the members of the Association and other bodies connected with the industry in framing a wise plan, in order to ensure that this industry can keep pace with the development of industry as a whole and the plans contemplated by the Government. He also laid emphasis on production of quality articles and said, in effect, that a certain amount of keen competition was needed among the manufacturers, in order to raise the quality of their products.

Raw Rubber

With a bright outlook on the demand side, the industry is naturally concerned with prospects for an adequate supply of raw materials. While happy to record that the quality of most of the rubber produced in India (with the exception of some latex) was comparable with that available from other markets, Mr. Stack pointed out that there was a shortfall of about 3,000 tons in the production of indigenous rubber. The statistics of the Indian Rubber Board, however, show that the production during 1954, at 21,493 tons, fell short of consumption by 3,994 tons. The following figures of production and consumption for the past three years show that the gap has been widening:

(In tons)

	Production	Consumption
1952	19,863	21,061
1953	21,136	22,373
1954	21,493	25,487

The shortage during 1954 was met, to a large extent, by imports, which aggregated 3,500 tons, made up of 1,850 tons against over-all shortage and 1,650 tons against dry rubber content of goods exported in 1953. The gap between production and consumption is likely to widen. Mr. Cecil Stack, therefore, drew the attention of the Government and the Indian Rubber Board to make urgent efforts to see that long-term plans for replanting with high-yielding strains were encouraged and every assistance given to the large number of small holders to modernise their methods and so increase their output and quality. A rapid increase in indigenous production is not possible, because alongside the increased crop from new plantings, there will be a decline in production by the felling of old trees for re-planting. This is no doubt a healthy process for increasing production, but it will affect the over-all production until a large area is thus brought under cultivation when the yield from new planting will be much more than the loss through felling of old trees. It is, therefore, inevitable that, during the interim period, imports will have to be allowed to meet the shortage.

There is another aspect of this question of imports. It is the rising trend in world prices of rubber. The price of spot rubber on the London Rubber Exchange stood last week-end at 30*d*. per lb. or Rs. 166.66 per 100 lbs. (as against 16¼*d*. or Rs. 90.28 per 100 lbs. a year ago), while the statutory Indian price has remained unchanged at Rs. 138 per 100 lbs. for R.M.A. 1 f.o.b. Cochin since October, 1952. The price at Singapore during this period has fluctuated between a minimum of Rs. 84 per 100 lbs. in March, 1954, and a maximum of Rs. 142 at the end of December, 1954. The Association of Rubber Manufacturers in India imported, during the past year, from Singapore, on behalf of some of its members, at an average price of Rs. 110 per 100 lbs. c.i.f. Calcutta for R.M.A. 2. Thus, the rubber manufacturers had a price advantage on their imports, but this advantage has now been lost, with the rise in world price over the Indian statutory price.

Synthetic Rubber

Mr. Cecil Stack, however, did not refer to this problem of imports or to the price difference thereon. He merely suggested that, at the same time the natural rubber position was safeguarded, equal thought and attention should be given to the place which would be occupied in future by synthetic rubber. He said that it was important that goods produced should be equal in quality to those manufactured overseas and where such goods required the use of synthetic rubber there should be no question of restriction on the import of this material. If the importation of synthetic was hampered, manufacturers might be placed at a serious disadvantage in the export market, a market so vital to the national economy.

The suggestion of Mr. Stack regarding import of synthetic rubber may be unpalatable to some of the natural rubber producers. Mr. Stack, however, believed that there was no reason whatsoever why natural rubber should not co-exist amicably with synthetic. Both had their uses, he added, and he did not envisage a time in the foreseeable future when there would be an unconsumable surplus of natural rubber. This is rather a controversial question, but, so long as demand for natural rubber in India exceeds production, it is only of academic importance. All the same, all fair-minded rubber producers will concede that it is important for India to develop its export trade in rubber manufactures and that the latter should be enabled to compete effectively in the overseas markets. If, for this purpose, the industry requires certain quantities of synthetic, it should be permitted to get it. After all, it is in the interest of Indian rubber producers themselves that rubber goods manufacturers should be in a strong and sound position, as they will be if they are helped to develop an export market for their products.

(*Concluded from next column*)

to the crop and on expectations of shortfall in the total supply, prices improved to about £90 per ton. The upward trend persisted and, from the end of September onwards, owing to a steady demand from overseas and slow import of supplies to marketing centres, raw jute quotations tended to harden and export firsts moved up to £105 per ton. At these levels, the cultivator received about Rs. 20 per maund for his produce and, with the present low prices for rice, he was, Mr. Boldy observed, in the happy position of being able to purchase about 3 maunds of rice for every maund of jute sold. This improvement in prices, we may mention here, should have a stimulating effect on the jute grower to bring under raw jute more land this year.

PAKISTAN JUTE CROP

DISCREPANCY IN ESTIMATES FOR 1953-54

WHILE reviewing official estimates of raw jute crop in Pakistan, we have often maintained, as readers are aware, that the figures did not always reveal the true position of supplies of raw jute. This view of ours has been substantiated by Mr. A. D. Boldy, President, Pakistan Jute Association, Narayanganj. The members of this Association and their associates, it may be noted, account for 95 per cent. of the volume of jute exports overseas and 80 per cent. of the jute business with India. The organisation consists of Pakistan, European, and Indian firms.

Speaking at the fifth annual meeting of the Association held at Narayanganj on 24th January last, Mr. Boldy pointed out a glaring discrepancy in the official figures of raw jute supplies during 1953-54. The crop forecast for this year issued by the Provincial Government put, he said, the carry-over at the end of June, 1953, at 2.2 million bales and the crop during 1953-54 at 2.5 million bales or a total of 4.7 million bales. As against this, it was later clear that by the end of June, 1954, the country had exported 5.2 million bales. In other words, the exports were 500,000 bales more than the estimated available supplies of 4.7 million bales!

Highlighting the discrepancy in the Government's figures thus, Mr. Boldy proceeded to consider the trade estimates. He said that the general view of the trade was that the carry-over at the end of June, 1953, was about 2.8 million bales and the crop during the year was 4.0 million bales. By March last year, it became, Mr. Boldy said, apparent that the Government forecast was inaccurate and that the jute available was possibly a little more than the trade forecast. In all about 5.2 million bales having been exported, and about 300,000 bales locally consumed, "we estimated the carry-over to be in the region of 1.3 million bales." Speaking of the crop in 1954-55, Mr. Boldy stated that, as the recent floods were unprecedented, it was still not clear whether there would be sufficient jute available to satisfy the world demand. However, he added that "it has now become clear that there will be little carry-over, if any, into the season 1955-56, and plans for future sowing should be based on that assumption."

Mr. Boldy next dealt with the difficulties created by Government action. Listing the actions of the Government, he pointed out that there had been a sudden announcement banning export of all *kutcha* bales without sufficient prior notice. Again, the procedure for obtaining the State Bank's permission to export through E.P.C. forms and export licences from the Jute Board had become lengthy and unwieldy. It was still difficult to get the State Bank to allow remittances to buyers of their legitimate claims. The Customs Department which had evolved an efficient and expeditious system of checking documents and passing jute was "delaying consignments where there is the slightest reason." All these difficulties, he added, were having an adverse effect on consumers of jute and causing confusion and uncertainty not only within Pakistan but also in the trade and industry all over the world. These remarks of Mr. Boldy underline the need for a thorough review of the position by those in India who are entrusted with the work of negotiating a new trade agreement with Pakistan.

The President of the Pakistan Jute Association dismissed as "loose-talk" all suggestions of nationalisation or semi-nationalisation of jute trade through an export corporation. He drew pointed attention to the fact that in the past many plans had been drawn up in this regard by theorists, and that they were all impracticable.

Reviewing the position of raw jute trade, Mr. Boldy said that, by March, 1954, it was clear that, despite Governments declaration of licensing a sufficient area to grow only 4.2 million bales, little attempt was being made properly to regulate the crop and the cultivators were sowing in excess. The trade feared then the crop might have been 5.5 million bales. Consequently, prices of raw jute commenced to recede. In July prices were at a very low level and caused considerable anxiety to the Pakistan Jute Board. In consultation with the Jute Association, the Board agreed to instruct the State Bank of Pakistan not to pass E.P.C. forms below the minimum of £80 per ton for export firsts. Meanwhile, prices continued to remain at a low level till the end of August. In this month, the unprecedented floods caused damage

(*Continued in previous column*)

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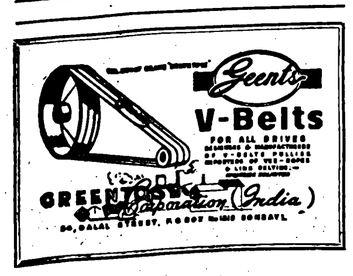

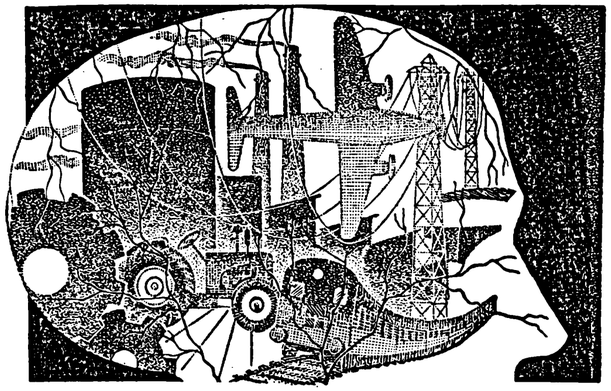

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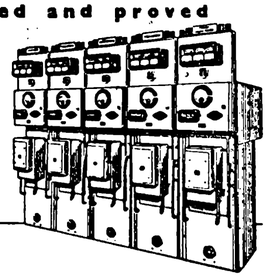

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PEACEFUL USES OF ATOMIC ENERGY

RESULTS OF LATEST EXPERIMENTS

THERE is probably no modern development as that relating to atomic energy in the case of which the time-lag between the discovery and its industrial application has been very little. It is now well known how soon the discovery of atomic power led to its use as a weapon of war. Now tremendous progress has been made both in the U.S. and the U.K. in the astounding peaceful uses to which atomic energy can be put. The United States Atomic Energy Commission (A.E.C.) has evolved a system of research and development which is expected to lead to production at an early date of power plants that can compete with other power sources. According to the Commission's 17th semi-annual report, just published, extensive material progress has been made in the field of reactor development during the past six months. Ground has been broken for the nation's first nuclear power plant. The country's first atomic submarine has begun its sea trials and private enterprise has taken an active interest in investing its funds in the study of peaceful applications of atomic energy. In fact, in the past six months, an increasing number of industrial firms has invested their money in the field of reactor technology approved by the Commission. Special interest is being shown in the Commission's power reactor programme. Under this programme, the Commission will consider bearing a portion of the expense of reactor plants "leading to the demonstration of the practical value of such facilities for industrial and commercial purposes."

The programme for industrial participation through study groups has been so broadened as "to allow a wider segment of industry to take advantage of the available technology." It would appear that five types of plants, which are most likely to lead to production of nuclear power economically, have been chosen and three are in the construction phase. One type, the pressurised water reactor, will be, it is stated, the nation's first full-scale civilian atomic power plant. The remaining four types are still in experimental stages.

Spreading Knowledge

This is not all. Pending the establishment of an international atomic energy agency to promote the atom-for-peace programme, proposed by President Eisenhower, the U.S. Atomic Energy Commission is proceeding with a number of projects designed to spread knowledge of how atomic energy can be used for man's benefit. This project includes:

1. The establishment of a reactor training school at the Argonne Natibnal Laboratory, near Chicago, scheduled to be opened in March, 1955. The school, will give a four-month training programme in the broad fields of reactor technology followed by a three-month session of applied engineering projects. The first session will have about 30 students, 20 of whom may come from other countries. In the fall of 1955, the course will be given to 80 students, 50 of whom may come from abroad.

2. A special session for persons from other countries of the four-week course in radio isotope techniques at the Oak Ridge, Tennessee, Institute of Nuclear Studies. This will begin on 2nd May, 1955.

3. Training courses in the utilisation of atomic energy in the fields of biology, medicine and agriculture.

4. Training courses in industrial medicine and hygiene.

5. Invitations to a number of doctors, surgeons and specialists to spend about two months in the United States visiting the Argonne and Oak Ridge Cancer Hospitals and other research centres.

6. Presentation of a number of A.E.C. technical libraries to countries or regional groups.

Rapid progress is being made in the United Kingdom also in developing new methods of using industrial energy for power production and other industrial purposes. A special group has been formed at the Atomic Energy Research Establishment, Harwell, to study new methods of harnessing nuclear energy by using it to produce power by the development of high temperatures instead of using it to produce electricity. According to the Scientific Correspondent of the *Financial Times*, London, heat-resistant ceramic coatings which prevent the uranium fuel from corroding and special uranium alloys which can withstand temperatures considerably in excess of the 400 degrees centigrade, which is the limit the aluminium canisters in which the uranium fuel of the older types of nuclear reactors is enclosed, have also been successfully developed. Work is also being undertaken on the possibility of controlling the activity of nuclear reactors by using a system in which the cooling fluid, or gas, which flows through the reactor and draws off the heat, can be made to stop the activity inside the reactor if the temperature gets too hot. Preparations are already being made for the effective wide-scale use of the fission products or "ash" from the nuclear reactors which will be built as part of the U.K. Atomic Energy programme. The first successful separation of one of these radio-active waste products so that it can be used for medical and industrial purposes is already nearing completion.

Work on Plastics

Research and development work on the improvement of the physical properties of plastics, such as polythene, nylon and silicone rubbers (which can be vulcanised by irradiation without the use of vulcanising agents) is being undertaken by commercial firms. It is pointed out, in this connection, that in the case of polythene, nylon and polyvinyl chloride, the exposure to the radio-activity thrown off by radio isotopes gives them, improved strength, greater resistance to both heat and to solvents which would otherwise dissolve them. The polythene insulation of cables would normally melt at 70 degrees centigrade, but cables which are insulated with irradiated polythene can be used at temperatures up to 200 and 300 degrees centigrade. Irradiated polystyrene can carry up to 100 times its own weight after irradiation as well as having improved heat resistance. Although such irradiation causes plastics to become more brittle it can be very accurately controlled and so enables any particular set of qualities desired to be achieved.

Other plastics, such as Perspex, can be broken down by irradiation to cause solid foam-like materials which are especially suitable for certain forms of electric insulation. The use of radio-active sources to eliminate "static electricity" is also increasing rapidly. The use of radio isotopes in industrial radiography is receiving good attention. They are used, for instance, in examining welds in pipes, in places where electricity is not readily available.

Particular success is being achieved at Harwell in experiments in sterilisation of drugs, such as penicillin, which are difficult to sterilise by other means, by exposing them to radio activity, as well as in pasteurisation and sterilisation of food. While food cannot be sterilised without giving heavy doses of radiation, it can be pasteurised fairly rapidly with relatively small doses. Experiments on the prevention of sprouting in potatoes over winter are also stated to have proved successful.

MACHINERY FOR RIVER VALLEY PROJECTS

The Government has accepted the principle of standardisation of mechanical equipment used on river valley projects in the country, subject to the condition that the position will normally be reviewed after every five years or earlier, if necessary. This decision has been taken in accordance with the recommendations of the first meeting of the Co-ordination Board of Ministers for River Valley Projects held in October, 1954. The Government has accordingly constituted a Standing Committee, with Mr. Kanwar Sain, Chairman, Central Water and Power Commission, as Chairman, for recommending the standardised makes of equipment to be used on projects now under execution or to be taken up in future.

The Committee will examine the question in the light of the recommendations of the Construction, Plant and Machinery Committee, and the discussions at the meeting of the Co-ordination Board of Ministers with specific reference to the following points:

(1) Neither inflation of prices nor other disadvantages should result from the proposal of standardisation;

(2) equipment manufactured in India should get overriding priority as soon as it is available in the country;

(3) safeguards should be provided against any adverse results arising out of monopolistic tendencies;

(4) the number of standardised makes of equipment should normally be from two to five, these limits not being wholly binding in each case;

(5) the interested firms should be given an opportunity to represent their cases; and

(6) it should be ensured that manufacturers whose equipment is standardised carry adequate stocks of spare parts and enter into price agreements with the Director-General of Supplies and Disposals.

The Committee is to submit its first report by 31st March, 1955.

MINERAL RESOURCES OF ANDHRA

REPORT OF GEOLOGICAL SURVEY OF INDIA

MR. A. K. Dey, Superintending Geologist, Geological Survey of India, has prepared a report on the mineral resources of Andhra. It would appear from Press versions of it that the Report is fairly exhaustive and contains valuable suggestions for exploration and exploitation of these mineral reserves. The Report discloses that, although Andhra does not generally compare favourably with those of the other States in the matter of mineral resources, a judicious exploration and exploitation will go a long way in expediting the industrial expansion of the infant Andhra State.

A significant feature of the Report is that, while the metallic reserves are meagre, there are considerable deposits of non-metallic deposits. In fact, according to Mr. Dey, the outlook for non-metallic minerals is bright. In his opinion, Nellore mica, under improved mining and marketing conditions, can obtain a large share of the world's trade in this mineral. Mr. Dey testifies to the abundance of structural minerals, such as ceramic, glass, earthenware and pottery used in building and other civil engineering constructions. Granites of Nellore and Chittoor, quartz and sandstones of Anantapur and Kurnool, limestone of Kurnool and Cuddapah, marbles of Anantapur and Madugula regions, are already famous throughout India, nay, even in some parts of the world.

The reserves of iron ore are limited and they are also of poor quality. Nor are there large deposits of copper, lead or zinc. Recent investigations of the old copper mines of Vinukonda in Guntur District have, however, yielded promising results. But they need confirmation by test drilling. Coal deposits are known to exist in certain places but their potentialities are yet to be explored.

There are some deposits of manganese. It will be recalled that Srikakulam District was the earliest producer of manganese in India. Between 1892 and 1951, this region produced 1,954,408 tons of manganese ore. Considerable quantity of this ore is still expected to be lying underground. It is estimated that at least 250,000 tons of ore, with 35 to 55 per cent. of manganese are available in the Kodur mine. But, as the high phosphorus content of the ore precludes its use within the country at present, Mr. Dey has suggested that it would be better to export it whenever possible. In order to obtain maximum prices for the ore, he has suggested that the ore may be upgraded by proper treatment and blended with better grades before export.

A few ancient gold workings near Palacheruvu and in Chittoor District are under investigation of the Geological Survey. The prospects for gold mining at Ramagiri in Anantapur District will depend upon an investigation into the causes that led to the closing of the mines in or about 1924. Between 1804 and 1902, quartz veins near Bisanattam in Chittoor District were opened down to a depth of 750 ft., and 10,000 tons of ore were crushed, yielding 6,000 ozs. of gold. Several further attempts were made during the past 30 years but, so far, there has not been any perceptible success.

To sum up, in the absence of considerable reserves of iron ore and coal, there are little prospects of establishing an iron and steel plant in Andhra. In fact, as the known reserves of iron ore are of poor quality, they can as well be exported wherever it is marketable. Although the deposits of copper, lead and zinc are not likely to be available in substantial quantities, yet, in view of the deficiency of these metals in India and its consequent dependence on imports, it will be worth our while to carry out intensive exploration for these reserves and try to exploit them at as economic a cost as possible. Mr. Dey has suggested the constitution of a central organisation to explore and exploit the ores available in small pockets throughout the State and make arrangements for their smelting at some appropriate centre or send them for smelting abroad.

One great difficulty, under which the search for valuable minerals in Andhra is subject to, is the lack of exposures of solid rock. A reason for this, in the opinion of Mr. Dey, is that the rivers in Andhra have reached their base levels of erosion. Further, the vast tracts in the country have become covered with thick blankets of surface decomposition products which effectually hide the underlying strata and demand the application of costly methods.

NEW PRODUCTS AND PROCESSES

"Atomic Clocks" Seek Time of Earth's Origin

WITH the assistance of "atomic clocks," Columbia University's new Lamont Geological Observatory near New York City is delving into mystery-enshrouded events which occurred billions of years ago. Through the intricate process of atomic "dating," scientists hope to "date" the origin of continents and seas, the beginning and development of man's life on earth and even the origin of the earth itself. Inside the new observatory, largest of its kind, are complex measuring instruments, massive electronic devices and the "atomic clocks," which are tomb-like enclosures where the radio-activity in ancient objects is measured. Minute samples of thousands of different materials, from one to billions of years old, are being "dated" in a series of tests. "Atomic clocking" dates back less than ten years and, although the methods used are complex, its theory is simple. Everything on earth contains radio-activity that can be measured—air, water, rocks, bones, petroleum, sulphur, volcanic ash, shells, pieces of wood. As these materials age, their radio-activity dies out at a definite rate. Through the use of atomic devices, their age can be computed accurately, possibly back to the beginning of time. Thousands of samples are being "dated" by the Observatory, ranging from rocks, ocean mud and fossils to mummy cloths and ancient objects of art and architecture. As the atomic examinations continue, scientists hope to learn the answers to many questions—how long the ice age lasted, how and when the crust of the earth was formed, where and when man first lived on earth, built homes, monuments, tombs, when and where he first learned to record thoughts and events in writing, sculpture and painting.

Trap for Car Thieves

An inventor from Vienna has designed a new kind of safety device against the theft of automotive vehicles. The new device is of most striking design, and as soon as the accelerator is pressed down by an unauthorised person, the ignition circuit is shut off and the electric circuit for the horn is closed so that it is impossible to drive away, because the horn begins to hoot incessantly. The most remarkable feature of this invention is, however, the fact that, at the same time, two steel cuffs clasp the legs of the thief and pin him down. All the parts of this trap can be installed in a perfectly invisible manner. The trap itself is completely immune against vibrations or even hard shocks, so that it is impossible that it might come into action unintentionally during normal driving. The trap functions only when the two steel cuffs have been adjusted accordingly. The device can also be used for safeguarding other objects, such as safes. Practical tests have shown the high value of this invention and the police authorities have given a written favourable statement on the serviceability of the device.

New Drug For High Blood Pressure

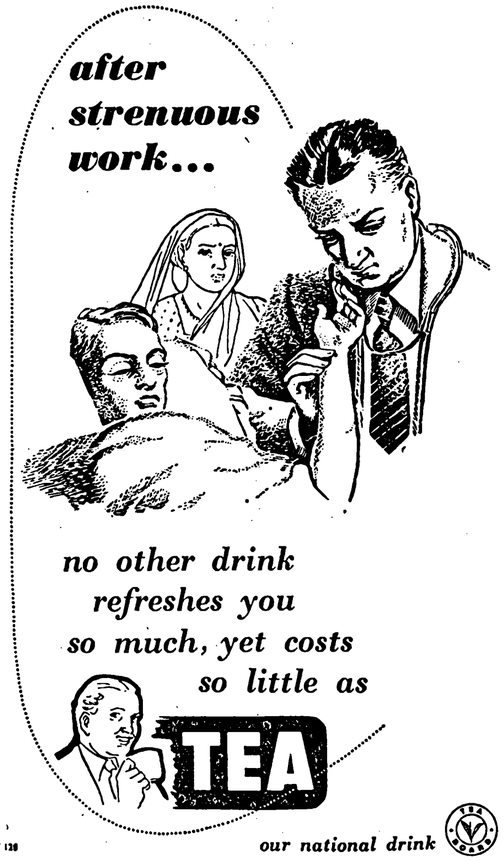
One small tablet of a new drug, Su-3088, taken before breakfast will reduce high blood pressure throughout the day, according to Dr. Keith S. Grimson of the Duke Hospital at Durham, South Carolina. Until Su-3088 was developed, hexamethonium had been widely used as the drug that most consistently reduced blood pressure. But four to six tablets of this drug must be taken each day. A small dose of Su-3088—50 to 100 milligrams—produces longer-lasting effect than hexamethonium. There are several drugs that can be injected to reduce blood pressure, but no drug in tablet form will reduce the pressure after a single dose as effectively as Su-3088, according to Dr. Grimson.

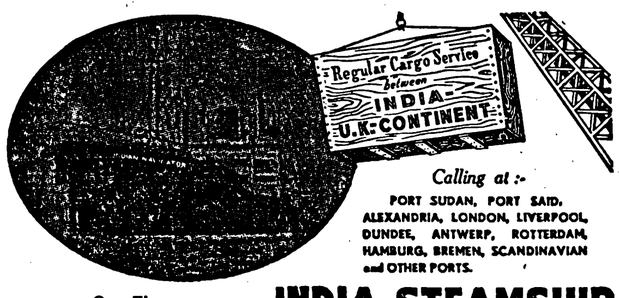
Machine for Turning Out Rolls of Wrapping Paper

An engineering works at Eerbeek (the Netherlands) has taken into production a machine with which large preprinted rolls of wrapping paper can rapidly be rewound to small rolls, ready for use in shops or storerooms. The paper runs from the mother roll *via* the guide rollers along the couch roller to the smooth winding shaft. This shaft can be removed and exchanged very rapidly. When the roll has been wound to the desired diameter, which is preset, the machine stops automatically. Then, within 20 seconds, the wound-up roll is ready for use and the machine is running again for the next winding operation. The winding speed of the paper is about 500 m. (1,640 ft.), per minute; the working width is 70 cm. (27½ in.), but other widths can be supplied to order. The diameter of the mother roll is normally 900 mm. (35½ in.), but can be made larger if desired. The diameter of the wound-up rolls is about 250 mm. (nearly 10 in.). A timing test showed that it takes 1½ minutes to make a 10-kg. (22-lb.) roll of 50 g/sq.m. (1¾ oz./10¾ sq. ft.) paper, 50 cm. (19½ in.) wide. On this basis, the capacity is thus 45 shop-counter rolls per hour. The machine is operated by one person.

New Door Seal for Dust Protection

An automatic door seal which protects rooms and passages against draughts and dust, is a new household invention in Australia which is now being marketed in South Australia. It consists of a steel plate, which is placed across the bottom of the door and holds a felt draught and dust stopper. When the door is closed, the steel plate on the door frame activates a small roller at the end of the plate. The plate gently forces down the felt stopper to the floor and seals the narrow opening between the door-bottom and floor level. On opening the door, a concealed spring automatically raises the stopper again and allows the door to clear the floor as it swings backwards or forwards.





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STAGNANT CONDITIONS IN GENERAL INSURANCE BUSINESS

CONTROLLER DEPRECATES EVIL OF REBATING

AN analysis of the progress of life and general insurance business in 1953, covered by the latest issue of the *Indian Insurance Year Book*, 1954, shows that, while the new life business established a new record at Rs. 154.5 crores, as against Rs. 146.7 crores in the previous year, the general insurance business recorded no great improvement over the previous year. Thus, the premium income of the general insurers showed a small decline of Rs. 11 lakhs to Rs. 21 34 crores. This decline is, however, entirely due to the unsatisfactory performance of the marine insurance section, in which the premium income declined from Rs. 4.84 crores in 1952 to Rs. 4 38 crores in the following year. There was, however, a slight improvement in the premium income in the fire and miscellaneous insurance business. Fire premium income moved up from Rs. 10.49 crores to Rs. 10 59 crores in 1953 and miscellaneous premium income from Rs. 6.10 crores to Rs. 6.37 crores.

Indian insurers are gradually extending their operations to neighbouring countries, such as African territories, Burma, Ceylon and other South-East Asian countries. They derive a substantial part of their premium income from their overseas portfolio as the table below will show:

Premium Income

(Rs. in lakhs)

	Total premium income	Indian business	Foreign business
Fire Section—			
1953	7,87 (100.0)	2,43 (31%)	5,44 (69%)
1952	7,86 (100.0)	2,65 (35%)	5,02 (65%)
Marine Section—			
1953	2,73 (100.0)	1,26 (46%)	1,47 (54%)
1952	2,83 (100.0)	1,28 (45%)	1,54 (55%)
Miscellaneous Section—			
1953	4,46 (100.0)	3,08 (69%)	1,38 (31%)
1952	4,12 (100.0)	3,07 (75%)	1,05 (25%)

No significant variations were witnessed in the claims ratio, commission ratio and expense ratio of the general insurers, all of which remained practically at the same level as in the previous year. The following table gives the premium income, claims ratio, commission ratio and expense ratio in 1953 with corresponding figures for previous year within brackets:

General Insurance

	Premium Income (Rs. in lakhs)*	Claim ratio	Commission ratio	Expenses ratio
Fire Section	10,59	35 (32)	15 (15)	33 (33)
Of which—				
Indian insurers ..	2,67	86 (35)	17 (17)	30 (30)
U.K. insurers ..	2,06	23 (24)	8 (8)	38 (37)
Marine Section ..	4,38	56 (57)	6 (9)	24 (27)
Of which—				
Indian insurers ..	2,72	67 (64)	5 (5)	26 (26)
U.K. insurers ..	92	38 (48)	14 (13)	27 (25)
Miscellaneous Section ..	6,36	50 (49)	15 (15)	29 (29)
Of which—				
Indian insurers ..	4,46	49 (51)	16 (15)	29 (30)
U.K. insurers ..	1,63	48 (43)	15 (15)	28 (27)

* Net premium income.

It will be seen from the table above that, in the fire department, the expense ratio of Indian insurers at 30 per cent. is below that of the British insurers at 38 per cent. But the claims ratio of Indian insurers is higher at 38 per cent., as against 23 per cent. for British insurers. In the marine department, the expense ratio of both classes of insurers is nearly the same, about 28 per cent. But the claims ratio, as in the fire section, is much higher for Indian insurers—about 67 per cent., as against 38 per cent. for British. In the miscellaneous business, the performance of the two classes of insurers reveals little variation, in that the expense ratio and the claims ratio are about equal at 29 per cent. and 49 per cent., respectively.

A much fuller analysis of the experience of general insurers in respect of expenses has been made available this year. This analysis, however, refers to 1952 and 1951. In 1952, the number of insurers who spent less than the basic limit laid down under rule 17E of the Insurance Rules was 125, as against 142 in the previous year. Thus, the number of insurers who spent less than the basic limit went down. Also, of the 125 insurers who spent less than the basic limit in 1952, a large majority, namely, 75 insurers, spent only about 5 per cent. less than the basic limit. This suggests that, in the case of a large number of these insurers, the margin between the actual expenses and the expenses permitted is very narrow.

The number of insurers who spent in excess of the basic limit increased from 50 in 1951 to 78 in 1952. Although a large majority—about 47 insurers—exceeded the basic limit only by about 5 per cent., the fact remains that the number of insurers who transgressed the limits of expenses has increased between 1951 and 1952. Further, the number of insurers who exceeded the limit by 5 per cent. increased from 16 to 47 which shows that more and more insurers are beginning to think that a slight excess over the basic limit is not a serious offence.

An increase in expenses, if it is accompanied by an increase in business, is not, of course, a trend of which one should be perturbed. But experience shows that there has not been any significant improvement in the volume of business. Indeed, there is so much competition for available business that it has led to the evil of rebating. The main problem which has engaged the attention of the Executive Committee of the General Insurance Council is this widely prevailing practice of granting rebates of premium. A code of conduct was drawn up and it has been in force for some time now. An administrative machinery with investigating officers in Bombay, Calcutta, Delhi and Madras has also been set up to enforce the Code. The machinery, though it works under the supervision of the Executive Committee, is being run under the direct charge of the representatives of insurers in different regions.

It would appear that very few actual complaints of diversion of business through grant of rebates have been received by the Administrative Sub-Committee, though it is known that the "evil has not been checked to any great extent." The local sub-committees are still engaged in screening the salaried field workers and branches of insurers. It will take some time, it is stated, before the "check on bogus appointments will become effective." Also, the new accounting procedure which will enable the detection of false accounts has not yet been put into practice. Commenting on the evil of unfair business practices and the scheme which has been adopted for checking it, the Controller of Insurance says: "Ultimately, the success of the scheme must depend on the extent to which the insurers themselves are in earnest in eradicating an evil which, if it is allowed to go unchecked, is bound to prove suicidal to themselves."

The Controller has referred to the setting up of the Executive Committee and the Tariff Committee as an "experiment in autonomy" and says that it is designed to see that the representatives of the trade, in association with the Government, set their home in order and introduce healthy business methods and practices in a vital "auxiliary sector of the country's economy." Finally, he warns that if that experiment fails, it "will clearly be necessary to consider whether Government should assume greater police powers over insurers in the interest of the insuring public." This wholesome warning, it is to be hoped, will have the intended effect, for, unless the evil of rebating is checked, the future of general insurance is bleak indeed. But this will remain a vain hope, so long as there are far too many insurers competing for a limited volume of business. From this point of view, the solution probably lies in a wholesome and judicious reduction in premium rates, in encouraging the merger of smaller insurers so as to form larger groups and in merger of smaller insurers with certain larger insurers.

HEALTH INSURANCE SCHEME

Last week, the Employees' State Insurance Scheme was extended to two more areas in the country, namely, Coimbatore town (Madras State) and Madhya Bharat State. About 600,000 workers have been brought under the scheme so far, including the 30,000 workers who would now be covered with the coming into force of the scheme in Coimbatore town and the Madhya Bharat State. Inaugurating the Scheme in Coimbatore, Mr. M. Bhaktavatsalam, Minister for Labour, Government of Madras, observed that the Scheme was the most important step which the Government of India had taken towards protecting the workers against social and economic evils. In Madras State, Coimbatore town has been chosen as the centre for implementing the Scheme, because it is one of the most important industrial towns in the State and is full of potentialities for further expansion.

About 45 doctors have been chosen to work as panel doctors and 10 whole-time and part-time dispensaries have been started in the suburbs. To cater to the needs of the employees residing in out-of-the-way places and for sparsely populated areas, a mobile dispensary will be running with all necessary equipment, doctor and other members of medical staff. For indoor treatment, arrangements have been made for the time being with the Government Hospital. An independent hospital is, however, to be provided in the near future, with sufficient number of beds for general and serious sickness, T.B. and maternity.

For disbursing cash benefits to employees, four local offices have been opened in Coimbatore from where the workers can demand their cash benefits. In case an employee is unable to go to a local office to receive payment, he can get the same through his authorised representative. Payments will also be made in deserving cases by money order at the cost of the Corporation. The intention, it is stated, is that the employees should get the medical and other benefits "as easy and as best a manner as possible." Local committees will also be formed with a view to ensuring quicker and efficient administration of the Scheme in this area.

As regards the demand for extending the benefits under the Scheme to the families of the insured workers, Mr. Bhaktavatsalam said: "I can assure you that the Corporation and the State Government are considering this question very actively and it may be possible to extend the medical aid to the families of employees also sooner or later." Finally, he appealed to all the interests concerned, the employees, the employers and the doctors, to give their "co-operation and assistance to make this scheme a grand success."

In Madhya Bharat, the Scheme was inaugurated by Mr. V. V. Dravid, Minister for Development and Labour. Speaking at a meeting organised for this purpose in Gwalior, Mr. Dravid said that their cherished goal was the establishment of a Welfare State and the implementation of the scheme was an important step in that direction.

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DEFICIT FINANCE IN ASIA—II

SCOPE NOT VERY GREAT—NEED FOR RAISING YIELD FROM TAXATION

By Frederic Benham

THE Working Party gave the following outline of the course which the development of most countries in the area is likely to take:

"First, the output of food will increase. This will come about by the reduction of losses through such causes as bad storage and pests and floods, by increasing yields per acre through the application of better methods of cultivation, and by bringing new land into cultivation or making possible two crops instead of one. Under-employment on the land may be reduced by the adoption of more labour-intensive methods of cultivation and in some areas by the expansion of mixed farming, with livestock. By these means, the populations will receive a more adequate and a better balanced diet.

"Second, the increased output of food will give the cultivators a larger surplus above their own needs and this surplus will provide the purchasing-power for a home market for local manufactures and other products. Some under-employed workers will be attracted off the land into other occupations. They will need training, and they will also need capital, in order to employ them in non-agricultural activities.

"These developments will be facilitated by the improvement of means of transport and communication and by the provision of more electric power.

"In countries which export a large proportion of their output, the development may take place largely in improving the efficiency and expanding the capacity of their export industries, thus enabling them to buy more food and other goods from abroad."

In am in complete agreement with this outline. The primary need is for more and better food. The average daily consumption in India is less than 1,600 calories, far too little for health and efficiency, and in most countries of the area it is not much higher. Moreover, the diet consists mainly of rice and other cereals and starchy vegetables. It contains relatively little meat, fish, or other protein and relatively little fats, milk, and leafy vegetables. Most of the people suffer from under-nourishment and consequent lack of energy and stamina. The remedy for this situation is a marked expansion of agricultural output.

Agriculture

In this respect, the situation in these countries resembles that of Great Britain before the industrial revolution. So long as one family's labour on the land provides little more than enough food for themselves, the great bulk of the population must be engaged in agriculture. Higher yields in agriculture are essential before much industrialisation can take place. In this area, there is considerable under-employment in agriculture but nevertheless yields per acre are much lower than in western countries. As they increase, a surplus of purchasing-power will be created with which to buy the products of workers who are being trained for, and will gradually be moving into, other occupations.

The conclusion which the Working Party drew from its analysis was that "development programmes framed on these broad lines will inevitably include a large number of projects which will only gradually expand output, although eventually they may give a high return. Hence a considerable and continued expansion in the money supply is almost certain to have inflationary consequences."

The Working Party felt that a moderate amount of inflation might do little harm, and might indeed stimulate private investment, provided that the public appreciates the paramount need for carrying out developmental projects and is convinced that the money is being invested wisely. "However, when the rate of inflation exceeds a certain magnitude, it will exercise an undesirable and distorting influence on the economy." Resources will be used wastefully in order to reap inflationary profits; there will be speculative hoarding; there may be balance of payments difficulties; rates of interest may rise, destroying the domestic market for Government bonds; and "if wage-earners and others find their real incomes considerably reduced by the rise in prices, there may be serious social unrest, and administrative and productive efficiency may suffer." Hence the section concludes with a warning: "Extreme caution should, therefore, be exercised to prevent inflation from becoming of such a magnitude that it distorts the economy, weakens confidence in the currency, reduces the incentives to saving and to productive investment, and inflicts hardships on large sections of the community."

Foreign Trade

One effect of an inflationary increase in money supply is to stimulate imports. The volume of imports tends to rise, because money incomes are higher and possibly also because the prices of domestic products which compete with imports tend to rise. At the same time, the costs of the export industries may be raised, somewhat curtailing the volume of exports. Hence foreign exchange reserves will tend to fall.

The importance of this factor, the Working Party points out, will vary with the proportion of national income which is spent on imports and with the extent to which increases in money incomes are spent on imports rather than on domestic products. In a country such as Ceylon or, to a less extent, Indonesia, with a high proportion of foreign trade, the fall in foreign exchange reserves is likely to be the first and most powerful check on inflation. In a country such as India, which exports only 5 to 10 per cent. of its output, this factor will be of less importance. Malaya is rather a special case. She relies heavily on foreign trade but has no central bank with powers of credit creation.

The points made by the Working Party are illustrated by the recent history of Ceylon. The story is told frankly in the annual reports published by the Central Bank of Ceylon. Briefly, the Government maintained its expenditure at a high level after the recession in export prices following the end of the Korean boom, running large budget deficits financed by credit creation. In 1952 and 1953, says the report published by the Central Bank, Ceylon maintained consumption at a much higher level than could be justified. "The result was that the country sacrificed external assets which it could have put to better use." External assets, which stood at Rs. 1,209 millions at the end of January, 1952, had fallen to Rs. 605 millions by the end of November, 1953.

In July, 1952, the Government took a series of measures which tended to restore equilibrium. The most important of these was the virtual abolition of the food subsidies, which had been accounting for nearly a quarter of all Government expenditure, although this meant raising the price of rationed rice from 25 cents to 70 cents a measure. Other reductions were made in non-developmental expenditure; taxes were increased; the charges for postal, railway, and electricity services were raised. Aided by some improvement in the terms of trade, the balance of payments gradually recovered.

Of course, a country may seek to protect its external reserves by imposing severe restrictions on imports. More than one deficit-finance country in the area is following this policy at the present time. Another possible course, followed, for example, by Indonesia two years ago, is to devalue the currency. But, in so far as the volume of imports is reduced, the internal pressure of inflation is correspondingly increased.

Conclusions

I have referred so much to the views of the Working Party that I should add that they discussed also several other questions, which I shall mention very briefly. They began by considering various concepts of a budget deficit and concluded that the most useful definition for their purpose was the decrease in the cash holdings of the Government plus Government borrowing from the central bank. They discussed indicators of inflation and concluded that the most sensitive indicator, together with a good overall index (if available) of domestic prices, is numerical estimates of factors accounting for changes in money supply, such as increases in foreign exchange reserves and in bank loans and decreases in the cash balances of all Government bodies and in savings deposits.

They discussed controls, to counteract or suppress the effects of inflation. They agreed that the effectiveness of such controls would vary between countries according to the efficiency with which they were administered. "If controls were not efficiently administered, they would lead to various abuses and injustices and would distort the economy without achieving their objectives. It was considered, therefore, that, to begin with, suitable means should be explored for checking inflation by designing the fiscal policy in such a way that a large portion of the excess income created by inflation would be mopped up by taxation or by borrowing from the public."

The countries of this area are certainly faced with a dilemma. Developmental expenditure is essential to increase their outputs and standards of living. It is difficult for them to find adequate resources to meet this expenditure without having resort to deficit finance. Yet, in my view at least, the scope for deficit finance is not very great; the limits beyond which the inflationary effects become harmful are soon reached.

Obviously, each Government must decide for itself how much it spends on such purposes as defence and social services rather than on developmental activities (including technical training). However, there is a possibility that more could be raised in taxation and similar ways as an alternative to deficit finance. Services provided by Governments or other public authorities, for example, postal services and rail transport and electric power, are not always charged for at rates which cover their full costs, including their capital costs. It may seem hard to charge such rates for, say, irrigation water provided to poverty-stricken peasants, but if the benefit to them is greater than the cost (as it should be if the schemes are sound), then there seems no reason for subsidising them and thereby diminishing the resources available for development elsewhere. On the same reasoning, it would seem that land which has been raised in annual value by developmental projects should contribute a large part of that increase in taxation.

Taxes on Semi-luxuries

There may be considerable scope in some countries for increased taxes on semi-luxuries such as tobacco. In most countries of South and South-East Asia, the personal exemption level for income-tax is two or three times as high as in the United Kingdom and only a tiny minority of the population pays any income-tax. A poor country cannot be expected to take as high a proportion of its national income in taxation as a relatively rich country. At the same time, it is a remarkable fact that, in most countries of the area (Burma, Ceylon, and Malaya are exceptions) the total yield of taxation, both central and local, is well under 10 per cent. of their national income.

There are undoubtedly great political and administrative difficulties in the way of increasing the yield from taxation, whether by higher rates of tax or by more effective methods of collection. Nevertheless, it would seem that further efforts in this direction might be made.

Finally, it is very clear that a substantial measure of external aid to the area is essential during these critical and formative years.—By courtesy of *Lloyds Bank Review*.

(*Concluded*)

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"Consent of the Central Government has been obtained to this issue by an Order of which a complete copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that in giving this consent the Government of India do not take any responsibility for the financial soundness of any schemes or for the correctness of any of the statements made or opinions expressed with regard to them."

A copy of this Prospectus has been filed with the Registrar of Companies, Bombay, as required by section 92 (2) of the Indian Companies Act, VII of 1913.

The Subscription List will open on Thursday the Third day of February, 1955, and will close on Monday the Fourteenth day of February, 1955.

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The Central Government has declared, by a notification in the Official *Gazette*, the Shares comprised in the present issue to be an approved investment for the purpose of section 27A of the Insurance Act, 1938.

Out of the above Issue and on the terms of this Prospectus :—

(a) Several Indian Banks and Insurance Companies and certain of the Directors of the Company and their friends and associates have agreed to take up 2,00,000 Ordinary Shares of Rs. 100 each.

(b) Certain Nationals and Corporations of the United States of America have agreed to subscribe for 50,000 Ordinary Shares of Rs. 100 each.

(c) The British Eastern Exchange Banks and certain United Kingdom and other Commonwealth Insurance Companies and other British Companies have agreed to subscribe for 1,00,000 Ordinary Shares of Rs. 100 each.

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S. BHOOTHALINGAM, I.C.S., (*Government Director*), Ministry of Commerce and Industry, New Delhi. Special Secretary to the Government of India, Ministry of Commerce and Industry.

GENERAL MANAGER

PERCIVAL SPENCER BEALE, The Industrial Credit and Investment Corporation of India Limited, Fort House, 221, Dadabhoy Naoroji Road (Hornby Road), Bombay, 1.

AUDITORS

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MESSRS. RAY & RAY, 6, Church Lane, Calcutta, 1.

BANKERS

BANK OF BARODA, LTD.
BANK OF INDIA, LTD.
CENTRAL BANK OF INDIA, LTD.
INDIAN OVERSEAS BANK, LTD.
NATIONAL BANK OF INDIA, LTD.
PUNJAB NATIONAL BANK, LTD.
UNITED COMMERCIAL BANK, LTD.

SOLICITORS

MESSRS. AMARCHAND AND MANGALDAS, Lentin Chambers, Dalal Street, Fort, Bombay.

MESSRS. KHAITAN & CO., 1B, Old Post Office Street, Calcutta, 1.

REGISTERED OFFICE

FORT HOUSE, 221, DADABHOY NAOROJI ROAD (HORNBY ROAD), BOMBAY, 1.

PROSPECTUS

OBJECT

1. The Company has been incorporated on the 5th day of January 1955 for the objects mentioned in the Memorandum of Association and particularly for the purpose of carrying on the business of assisting industrial enterprises within the private sector of industry in India

in general by

(i) assisting in the creation, expansion and modernisation of such enterprises;
(ii) encouraging and promoting the participation of private capital both internal and external, in such enterprises;
(iii) encouraging and promoting private ownership of industrial investments and the expansion of investment markets;

and in particular by

(i) providing finance in the form of long- or medium-term loans or equity participation;
(ii) sponsoring and underwriting new issues of shares and securities;
(iii) guaranteeing loans from other private investment sources;
(iv) making funds available for re-investment by revolving investments as rapidly as prudent;
(v) furnishing managerial, technical and administrative advice and assisting in obtaining managerial, technical and administrative services to Indian industry.

GOVERNMENT AGREEMENT

2. Under Articles of Agreement hereinafter referred to and to be entered into between the President of India of the one part and the Company of the other part, the Government of India have agreed to advance to the Company a sum of Rs. 7,50,00,000 (Rupees Seven Crores and Fifty Lakhs) free of interest repayable in fifteen equal annual instalments commencing from and after the expiry of fifteen years from the date of receipt of the advance by the Company. The said advance of Rs. 7,50,00,000 (Rupees Seven Crores and Fifty Lakhs) shall rank for payment and shall be payable only after payment of all outstanding debts and liabilities of the Company and the amount of the paid-up share capital of the Company together with any premiums payable thereon; Provided, however, that each annual instalment as it falls due (and the entire advance if it should fall due pursuant to the provisions of the said Agreement) will become a debt of the Company and will cease to be treated as part of the advance outstanding for purposes of the said Agreement. In the event of the Company being wound-up voluntarily or by or subject to the supervision of a Court, any surplus assets shall be divided between the holders of the Ordinary Shares of the Company and the Government of India in proportion to the amount paid-up on the Ordinary Shares and the amount of the advance or part thereof outstanding at the commencement of the winding-up. By the said Agreement it is further provided that if, as a result of the report of the Accountants it is found that the capital of the Company (including the said advance of Rs. 7,50,00,000 [Rupees Seven Crores and Fifty Lakhs] or part thereof then outstanding) has been impaired and:—

(i) If liabilities exceed assets by twenty per cent. of the aggregate of the paid-up share capital of the Company and the amount of the said advance then outstanding, a consultation will take place between the Government of India, the Company and The International Bank for Reconstruction and Development (hereinafter called "the Bank") to examine the situation of the Company and its prospects and to determine what remedial action may be recommended to the Board of Directors of the Company;
(ii) If the capital of the Company is further impaired and such impairment reaches thirty per cent., the Government of India in consultation with the Bank and the Company will have the right to apply to the Court for an Order for the winding-up of the Company in accordance with and subject to the provisions of the Indian Companies Act, 1913 (hereinafter called "the Act").

By the said Agreement it is also provided that so long as the said advance or any part thereof shall be outstanding, the Government of India shall have the right to appoint, maintain in office and remove from time to time one Director on the Board of Directors of the Company to represent the Government of India and the Director so appointed shall not be liable to retire by rotation nor be required to hold any share qualification.

AGREEMENT WITH THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

3. Under Articles of Agreement hereinafter referred to and to be entered into between the Bank of the one part and the Company of the other part, the Bank has agreed to lend and advance to the Company from time to time an amount in various currencies equivalent to $10,000,000 (that is, Dollars one Crore) upon the terms and conditions therein contained.

GUARANTEE AGREEMENT

4. Under Articles of Agreement hereinafter referred to and to be entered into between India acting by its President of the one part and the Bank of the other part, the Government of India have stood guarantee for repayment of the principal, interest and other charges on the loan to be made by the Bank to the Company upon the terms and conditions therein contained.

MINIMUM SUBSCRIPTION

5. In the opinion of the Directors the amount to be provided (exclusive of any amounts payable, if any, otherwise than for cash) for the following, namely:—

(a) Preliminary expenses (inclusive of brokerage), and

(b) Working capital,

is Rs. 5,00,00,000 (Rupees Five Crores), which will be provided from the proceeds of the present issue.

BROKERAGE

6. Brokerage at the rate of Re. 1 per Ordinary Share in respect of Shares offered for public subscription will be paid by the Company on allotment made in respect of applications bearing the stamp of any Bank or any registered Broker or Brokers of a recognised Stock Exchange.

PRELIMINARY EXPENSES

7. The estimated amount of preliminary expenses (excluding brokerage) is Rs. 3,00,000 (Rupees Three Lakhs).

CONTRACTS

8. The following contracts (terms whereof have been negotiated) will be entered into:—

(i) Agreement between the Bank of the one part and the Company of the other part;
(ii) Agreement between India acting by its President of the one part and the Bank of the other part;
(iii) Agreement between the President of India of the one part and the Company of the other part.

Drafts of the Agreements referred to above may be inspected at the Registered Office of the Company at Fort House, 221 Dadabhoy Naoroji Road (Hornby Road), Bombay 1, at any time during usual business hours (except on Sundays and holidays).

INTEREST OF DIRECTORS

8A. No Director is interested in the promotion of the Company except to the extent of the remuneration payable to him as hereinafter specified.

PROVISIONS IN THE ARTICLES OF ASSOCIATION

Director's Qualification and Remuneration

9. The Articles of Association provide as follows:—

(i) *Article 118.* The qualification of a Director of the Company (other than the Government Director or any Debenture Director) shall be the holding of shares in the Company of the aggregate nominal value of Rs. 5,000. A Director may act before acquiring his qualification, but shall in any case acquire the same within two months from his appointment.

Article 119. The ordinary remuneration of a Director for his services shall be at the rate of Rs. 250 per month irrespective of the number of meetings of the Board attended by him. No Director who is a Government servant shall be entitled to receive any remuneration under this Article or under any other provisions of these presents except as authorised by his Government.

Article 120. Subject to the provisions of the Article 119 in the case of a Government servant the Directors may allow and pay to any Director who is not a *bona fide* resident of the place where a meeting is held and who shall come to such place for the purpose of attending a meeting such sum as the Directors may consider fair compensation for travelling expenses in addition to his remuneration as above specified and the Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the Directors in terms of these presents and may pay the same.

Article 121. Subject to the provisions of the Article 119 in the case of a Government servant if any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going out or residing at a particular place or otherwise for any of the purposes of the Company, the Company may remunerate such Director either by a fixed sum or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration above provided.

(ii) The Directors may fix the remuneration of local boards appointed by them.

Voting Rights and Restrictions on Transfer

10. (A) The Articles of Association provide as under:—

Article 100. (i) Upon a show of hands every member entitled to vote and present in person or (in the case of a corporation) by attorney or proxy shall have one vote.

(ii) Upon a poll every member entitled to vote and present in person or by attorney or by proxy shall have one vote for every share held by him.

Article 101. Any member who is a corporation present by a representative duly authorised by a resolution of the Directors of such corporation in accordance with the provisions of section 80 of the Act may vote on a show of hands as if he was a member of the Company. The production at the meeting of a copy of such resolution duly signed by one Director of such corporation and certified by him as being a true copy of the resolution shall on production at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment.

Article 102. Subject to the provisions of the Act no member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or attorney or as a proxy or attorney for any other member or be reckoned in a quorum whilst any call or other sum shall be overdue and payable to the Company in respect of any of the shares of such member for more than one month.

Article 48. Subject to the provisions of Agreement recited in Article 4 (1) (a) of these presents the Directors may at their absolute and uncontrolled discretion decline to register or acknowledge any transfer of shares and shall not be bound to give any reason for such refusal and in particular may so decline in respect of shares upon which the Company has a lien or whilst any member executing the transfer is either alone or jointly with any other person or persons indebted to the Company on any account whatsoever or whilst any moneys in respect of the shares desired to be transferred or any of them remain unpaid or unless the transferee is approved by the Directors and such refusal shall not be affected by the fact that the proposed transferee is already a member. The registration of a transfer shall be conclusive evidence of the approval by the Directors of the transferee.

(B) The said provisions of the said Agreement *inter alia*, as follows:—

"It is the mutual intention of the Government of India and the Corporation that the membership of the Corporation shall, so far as practicable, be broadly distributed and that there shall be no undue concentration of control. To that end, the Corporation agrees that:

(a) The Board of Directors shall at all times exercise their rights under the Articles of Association of the Corporation with respect to registration of transfer of shares so as to prevent any one person or company or group of affiliated persons or companies from acquiring effective control of the Corporation.
(b) Any dispute between the Government of India and the Corporation as to whether effective control of the Corporation shall have been acquired by any one person or company or group of affiliated persons or companies may be referred to arbitration under Clause 15 of this Agreement and in such event the arbitrator, if he shall determine that such control shall have been so acquired, shall order the outstanding balance of the Government advance to be repaid by the Corporation forthwith upon the expiration of a reasonable period fixed by the arbitrator unless prior thereto appropriate remedial measures prescribed by or satisfactory to the arbitrator shall have been taken or the winding-up of the Corporation shall have commenced. Any such order shall be binding on the Corporation."

(C) No restrictions are imposed by the Articles of Association upon the Directors of the Company in respect of their powers of management save and except such restrictions as are imposed upon them by law as also save and except the restrictions imposed upon them by Articles 13, 69 and 151 which run as follows:—

Article 13. Any unclassified shares (whether forming part of the original capital or of any increased capital of the Company) may be issued either with the sanction of the Company in General Meeting or by the Directors and upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting sanctioning the issue of such shares be directed and, if no such direction be given and in all other cases, as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of the assets of the Company and with a special or without any right of voting and any preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed, provided however that (1) no shares shall be issued pursuant to this Article without the sanction of the Company in General Meeting unless they shall be offered to the members in proportion to the existing shares held by each member (irrespective of class) and (2) no unclassified shares shall without the sanction of the Company in General Meeting be issued as preference shares if the aggregate nominal amount of issued preference shares would thereby exceed the aggregate nominal amount of the issued ordinary shares of the Company.

Article 69. Subject to the provisions of these presents the Directors may from time to time at their discretion borrow any sum or sums of money for the purposes of the Company: Provided that the Directors shall not subject to any restrictions imposed by the terms of the *Agreements mentioned in Article 4(1) (a) and (b) borrow or guarantee any sum of money which after such borrowing or guarantee will make the amount borrowed and guaranteed by the Company and at that date outstanding exceed an amount equal to three times the aggregate of (1) the unimpaired capital of the Company, (2) the amount at the time outstanding of the special advance from the Government of India referred to in the Agreement mentioned in Article 4(1) (a) and, (3) the surplus and reserves of the Company; Provided however that no lender or other person dealing with the Company shall be concerned to see or inquire whether any of these limits are observed or be bound by such limits. For the purpose of this Article, the amounts of the unimpaired capital and of the surplus and reserves of the Company shall be those ascertained and certified by the Company's Auditors at the time of such certification or if the Company so desires at the time of the last annual audits of the Company's books (not being more than eighteen months prior to the certification as aforesaid) as an evaluation of the Company's assets and liabilities in accordance with sound accounting practices on the basis that the Company is a going concern.

Article 151. The Directors shall every year after the expiry of five years from the incorporation of the Company before recommending any dividend, set aside out of the profits of the Company for that year, which would be otherwise available for dividend a minimum of twenty-five per cent. thereof towards a Reserve Fund to meet contingencies and for such other purposes other than the payment of dividends as the Directors shall in their absolute discretion think conducive to the interests of the Company until the total sum standing to the credit of such Reserve Fund shall amount to a sum equal to the amount at the time being remaining unpaid of the Government advance referred to in the Agreement recited in Article 4 (1) (a) of these presents.

*Being the Agreements referred to in clause 8 above.

APPLICATION

11. Application for shares should be made on the form accompanying this Prospectus or on the form which may be obtained at the Registered Office of the Company and sent in accordance with the directions contained therein with a remittance of the amount payable on application. Where no allotment is made the deposit will be returned in full and where the number of shares allotted is less than the number applied for the balance of the deposit will be returned. The shares when issued will be subject to the Memorandum and Articles of Association of the Company, a copy of which can be inspected at the Registered Office of the Company during office hours.

12. The Company shall, within nine months after the allotment of shares of the present issue, complete and have ready for delivery the certificates in respect of such shares.

No shares are under option or agreed to be put under option and no payment has been made or agreed to be made to any promoter except reimbursement of travelling expenses.

Application will be made to recognised Stock Exchanges in India in due course for the quotation of the shares.

*Attached to this Prospectus and forming part of it is a copy of the Memorandum of Association of the Company.

ARCOT RAMASWAMI MUDALIAR.
A. D. SHROFF.
GHANSHYAMDAS BIRLA.
KASTURBHAI LALBHAI by his constituted attorney Arcot Ramaswami Mudaliar.
BIREN MOOKERJEE.
J. G. BEEVOR by his constituted attorney Arcot Ramaswami Mudaliar.
WILLIAM ROBERT COCKBURN by his constituted attorney Arcot Ramaswami Mudaliar.
RUSSEL G. SMITH by his constituted attorney Arcot Ramaswami Mudaliar.
DHARAMSEY MULRAJ KHATAU by his constituted attorney Arcot Ramaswami Mudaliar.
BADRIDAS GOENKA
S. BHOOTHALINGAM.

Dated this Twentieth day of January, 1955.

*Copies of the Memorandum of Association of the Company are available for inspection at the Registered Office of the Corporation.

APPLICATION FORM

This Form should be filled up (along with two specimen signatures as required below) and forwarded entire with cheque or Banker's draft or cash to the undermentioned Bankers and their respective Branches:—

(1) Bank of Baroda, Ltd.; (2) Bank of India, Ltd.; (3) Bank of Mysore, Ltd.; (4) Central Bank of India, Ltd.; (5) Chartered Bank of India, Australia and China; (6) Devkaran Nanjee Banking Co., Ltd.; (7) Hind Bank, Ltd.; (8) Hyderabad State Bank; (9) Imperial Bank of India; (10) Indian Bank, Ltd.; (11) Indian Overseas Bank, Ltd.; (12) Mercantile Bank of India, Ltd.; (13) National Bank of India, Ltd.; (14) Punjab National Bank, Ltd.; (15) United Bank of India, Ltd.; and (16) United Commercial Bank, Ltd.

THE INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA LIMITED

FORM OF APPLICATION FOR ORDINARY SHARES

No.....

To

The Directors of
The Industrial Credit and Investment Corporation of India Limited,
Fort House, 221, Dadabhoy Naoroji Road (Hornby Road), Bombay, 1.

Gentlemen,

I/We send herewith a sum of Rs..... being a deposit of Rupees One Hundred per Share on.....Ordinary Shares in the abovenamed Company and request you to allot me/us the said number of shares on the terms of the Company's Memorandum and Articles of Association and Prospectus, and I/we agree to accept the said shares or any smaller number that may be allotted to me/us and I/we authorise you to register me/us as holder/holders of the shares allotted to me/us hereunder.

(Signature).....

.....

(Full Name in Block letters)
(Starting with SURNAME) .....

(Occupation) .....

(Address in full).....

.....

(Date).....

(*Applicant's Specimen Signature*)	(*Applicant's Specimen Signature*)
.....	.....
.....	.....
.....	.....

THE INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA LIMITED

Fort House, 221, Dadabhoy Naoroji Road (Hornby Road), Bombay, 1.

SHARES APPLICATION DEPOSIT RECEIPT

No.....

RECEIVED this.....day of.....1955 from.....
the sum of Rs.....(Rupees.....) being a deposit of Rs. 100 per share on.....
Ordinary Shares of Rs. 100 each in the above Company.

This Receipt must be carefully preserved by the holder as the Company requires to have it returned duly discharged before delivering the Share Certificates.

For and on behalf of
THE INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA LIMITED.

NEW PUBLICATIONS

Fundamentals of Business Organisation. By Dr. B. V. Narayanaswami Naidu and Prof. H. K. Datta. Published by Messrs. M. Seshachalam & Co., 7, Sunkurama Chetty Street, Madras-1. Price: Rs. 11-8.

THE fact that this publication has entered the third edition in the course of such a short period as seven years—the first edition was published in December, 1947—indicates its wide popularity. In the latest edition, the authors have thoroughly revised the analysis of the problems of business organisation in the light of the developments that have occurred in recent years. Special mention, for instance, may be made of the inclusion of important recommendations of the Company Law Committee and the main clauses of the Indian Companies Bill (Bill No. 46 of 1953), together with the author's own comments at the appropriate places. A perusal of these will, there is no doubt, enable one to follow the discussion in Parliament when the Bill comes up for consideration.

The authors begin their analysis with a brief description of the nature and formation of business units and proceed to a detailed discussion of joint-stock companies. They have devoted a separate chapter to the study of the managing agency system. The study reveals the notable part which the system has been playing in the industrial history of India. Emphasising the importance of managing agents in the matter of industrial finance, the authors observe: "In the absence of any other specialised type of financial institutions such as industrial banks or indirect agencies like investment trusts or fixed trusts, in good number, the help given by the managing agents is always welcome and has also become indispensable, even though it manifests some bad features." These, indeed, are pertinent remarks which the critics of the managing agency system will do well to note. The authors of the publication under review have also made a fairly detailed study of such subjects as industrial and corporation finance, combinations, co-operative institutions, public utilities, scientific management, rationalisation, problem of distribution, exports and imports, organised markets, etc.

A special chapter is devoted to the examination of the problem of State and industry. Commenting on the Government of India's industrial policy of April, 1948, the authors refer, in particular, to the second category of industries. They point out that the operation of industries by both private bodies and the State simultaneously will lead to unequal competition, "due to the privileges and prestige attached to the undertakings owned and managed by the State." The authors feel that it is better to avoid the possibility of such competition and, therefore, suggest that the State should combine with private bodies for establishing new industrial undertakings in this sector, subject to regulation and control of the Government. They are also of the view that the period of immunity (10 years) given to industries is too short to encourage the existing private concerns to invest funds in the development of their institutions. Indeed, the authors go to the length of remarking that "it has made the business community nervous and apprehensive of investment in those industries, as all the industries mentioned in the group require heavy capital outlay which pays but slowly. The period of immunity ought to have been longer."

Although the book is primarily intended for students of commerce, it will surely be found useful to business men. Even the lay public will find the book useful, since the authors have taken care to adhere rigidly to brevity and simplicity of style and to avoid use of technical jargon.

Economic Review, Congress Diamond Jubilee Session Number. Editor: H. D. Malaviya. Published by the All-India Congress Committee, 7, Jantar Mantar Road, New Delhi. Price: As. 12.

This Diamond Jubilee Number of the *A.I.C.C. Economic Review* is a bumper issue, containing contributions mostly from persons who are high in the hierarchy of the Congress Party. The highlight of the issue is the authoritative articles from the Chief Ministers of a number of States, namely, Mr. Morarji B. Desai, Mr. Srikrishna Sinha, Dr. B. C. Roy, Mr. Bhakshi Gulam Mohammed, Mr. Bhim Sen Sachar, Mr. Ravishankar Shukla, Mr. Mohanlal Sukhadia, Mr. Shambhu Nath Shukla, and Mr. Mishri Lal Gangwal. The articles give a survey of the economic progress since Independence in their respective States. They provide a good historical background for the student of economic history of India, as they cover the achievements in each State, in the sphere of industry, agriculture, health, education, communication, etc. The writers have paid particular attention to the progress made in their States during the first three or four years of the Plan.

Besides, as many as four full pages of the journal have been devoted to spotlighting India's march towards economic freedom under Congress leadership. The utility of this section would have been greater, if a reference had been made to the difficulties under which the Party had to work in order to achieve the results and the fields in which progress has been slow.

The *Economic Review* under reference will be noted also for the views of the Prime Minister on the task before the Congress. The note is written in a philosophical vein urging the Congress worker to "search his heart and seek an answer to the question as to how far he has kept up to the standards of old." In another article, Pandit Govind Ballabh Pant lays emphasis on the importance of cottage industries to the economy of the country and professes his belief that both large-scale and cottage sectors could exist together and supplement each other's efforts to raise the economic level of the country. Mr. V. L. Mehta's views expressed in another article on the same subject make interesting reading.

The journal contains, besides, other outstanding contributions on a wide variety of economic topics and from persons distinguished in public service. Thus mention may be made here of "the National Extension Movement" by Mr. V. T. Krishnamachari, "Democracy in Planning" by Mr. G. L. Mehta and "Growing Rice the Japanese Way" by Dr. Punjabrao Deshmukh.

Vocational Guidance in France. International Labour Office, Geneva, Switzerland. Available in India: Mr. V. K. R. Menon, 1, Mandi House, New Delhi. Price: Rs. 4.

When the International Labour Conference adopted the Vocational Guidance Recommendation, 1949, it also adopted a resolution recommending the Governing Body, among other things, to instruct the Office to assist member-States by conducting surveys and publishing manuals on vocational guidance. The present study on vocational guidance in France has been prepared in furtherance of the above resolution. The report gives a detailed description of vocational guidance in France and provides extensive illustrations of procedures and methods used in that country.

A careful study of the report discloses that the present state of vocational guidance in France is by no means final. It is still in the process of growth. The French vocational guidance services have undertaken an objective review of their methods. Here the aim is only to estimate how much of the task has been done in relation to the objectives set, to measure the road covered towards the ultimate goal and to define, where appropriate, the causes of any delay.

Guidance facilities have been made available to adult workers up to now only in exceptional cases. The main task at the moment is guidance of the disabled, which has been pursued energetically during recent years. It is not, however, possible to estimate with any degree of accuracy the extent of the needs and the proportion in which they have been met. The position is different in the case of juvenile guidance, where the competent services have had their goal laid before them by legislation, that is to say, the guidance of all young people who have not decided at the end of their compulsory primary schooling (at the age of 14) to go on to secondary schools and are faced, before leaving school, with a choice between preparing for an occupation through further training and immediate employment.

The expansion of vocational guidance in France and its extension to cover the entire juvenile population are no longer hampered by lack of technical personnel, which represented a serious problem in the period immediately following the war. There is now sufficient systematically trained personnel available to cover present employment opportunities, so that the number of pupils admitted to the National Labour Research and Vocational Guidance Institute has had to be deliberately cut down. If material resources were to allow an expansion of the services, however, it would be relatively easy to obtain staff, since the number of would-be trainees at the Institute is constantly increasing, thus showing the prestige attaching to this kind of training. The main obstacle hampering the extension of vocational guidance in France today, it is stated, is financial. This is true of many other countries too.

The "Eastern Economist" Annual Number, 1954. Editor: E. P. W. da Costa. Published by the "Eastern Economist," 52, Queensway, New Delhi. Price: Rs. 5.

The *Eastern Economist Annual Number*, 1954, is devoted to a study of the recent trends in Indian and South-East Asian economy. "The moral of this *Annual Number*," the Editor says, "is that India needs to associate herself more closely with her friends in South-East Asia." This cannot certainly be done without adequate knowledge of the South-East Asian economy. From this point of view, the *Number* is bound to be read with interest, for it describes the agricultural, industrial and educational problems in South-East Asia. This is followed by an economic survey of India in 1954. A notable feature of the publication is that it gives a series of statistical tables relating to different aspects of Indian and South-East Asian economy, supplemented by graphical representation of economic data presented in a manner illuminating to the mind and pleasing to the eye.

Report of the Bombay Chamber of Commerce, 1953. Published by L. A. Boult, Secretary, Bombay Chamber of Commerce, Ballard Estate, Bombay.

The Report continues to be a valuable reference work on official policy regarding industry, trade and commerce of India. It contains Government notifications, information on committees appointed by the Government during the year. It carries also the Chamber's replies to the various questionnaires circulated to it, and the views of the Chamber on some of the legal measures which appeared before the Indian Parliament in 1953. The stand taken by the Chamber on most controversial economic issues is well balanced and its suggestions, if implemented by the authorities, would go a long way towards solving many economic problems. Its views on the various provisions of the Bombay Sales Tax Amendment Bill, 1953, deserve special mention. The Chamber's statistical returns have always been found very useful by trade and industry.

Honduras—June, 1954. Overseas Economic Survey. By J. P. Coghill. Published by Her Majesty's Stationery Office, London. Price: 1s. 3d.

Although Honduras is one of the small Central American Republics, considerable opportunities exist for trade with the U.K. The principal British goods which find a ready sale in Honduras are whisky, motor cars, bicycles, diesel engines, cotton thread, tropical worsteds, sanitary ware, and cheap cotton goods. It may also be possible to secure a larger share of the market at present supplied from the U.S. These facts, together with full information about the finance, industry, and general conditions in the Republic, are given in the publication under review.

Life Insurance Directory. Edited by Ashutosh Banerjea. Published by Chaya Publications Ltd., 21, Mission Row, Calcutta. Price: Rs. 3-8.

This is the twelfth edition of the *Directory* which continues to be an increasingly useful publication. The earlier sections of the Directory give the lists of insurers, actuaries, fellows of the Chartered Insurance Institute, London, and their addresses, registers to be maintained under the Insurance Act as well as the important provisions of the Act. The bulk of the book is taken up by the summary of the results of working of the individual insurance companies and their premium tables. For each company, a summary of the latest valuation report as well as of the revenue account and balance-sheet is given. The *Directory* is thus a good reference work.

THE BANK OF MYSORE LTD.
(ESTABLISHED 1913)
(Incorporated in Mysore State, Liability of members is limited.)
Bankers to the Government of Mysore

Authorised Capital	... ...	Rs. 1,00,00,000
Subscribed Capital	... ...	,, 50,00,000
Paid-up Capital	... ...	,, 50,00,000
Reserve Fund	... ...	,, 84,00,000

Head Office: BANGALORE
BOMBAY BRANCH: 24-26, Dalal Street.

Branches at:—Anikere (Bangalore:—(1) City, (2) Chickpet, (3) Fort, (4) Lady Curzon Road, (5) South Parade), Bangarpet, Bhadravati, Bellary, Channapatna, Chickballapur, Chickmagalur, Chintamani, Chitaldroog, Coimbatore, Cochin, Devangere, Hassan, Kolar, Krishnarajanagar, Madras, Mandya, Madanapalle, Mysore (Market Branch—Mysore), Oorgaum, Sagar, Sakleipur, Shimoga, Tiptur and Tumkur.

Current Accounts:—Are opened and interest at ½ per cent. per annum allowed on balances up to Rs. 1,00,000.

Fixed Deposits.—Fixed Deposits are received on terms which may be ascertained on application.

Savings Bank:—Accounts are opened and interest allowed at the rate of 1½ per cent. per annum on monthly minimum balances upto Rs. 5,000.

Loans and Cash Credits:—Are granted on Government and other approved securities.

EVERY KIND OF BANKING BUSINESS UNDERTAKEN

S. S. RAGHAVAN, Branch Manager. B. V. NARAYANA REDDY, General Manager.

L. PALAZZINI
298, Bazargate Street
City Ice Building, Fort
BOMBAY-1
Telegrams: RAPCREDIT
Phone: . . . 30156

★

Representative of the
CREDITO ITALIANO
one of the leading banks in Italy
established 1870
Head Office: MILAN, ITALY
262 Branches throughout Italy

★

Representatives also in:
Buenos Aires, Frankfurt a/M, London, New York, Paris, Sao Paulo, Zurich.

THE BOMBAY STATE CO-OPERATIVE BANK LIMITED
ESTABLISHED IN 1911.
HEAD OFFICE:
9, BAKE HOUSE LANE, FORT, BOMBAY—1.
Telegrams: FARMERBANK Telephone: 28381, 28383
Post Box No. 472
Money deposited with this Bank helps the Indian Agriculturists and Co-operatives.

PAID-UP SHARE CAPITAL:	Rs.	Rs.
Subscribed by the Shareholders	34,08,750	
Subscribed by Government of Bombay ..	26,00,000	
		60,08,750
RESERVE AND OTHER FUNDS ..		57,64,800
TOTAL DEPOSITS		7,90,25,300
WORKING CAPITAL		12,70,27,000

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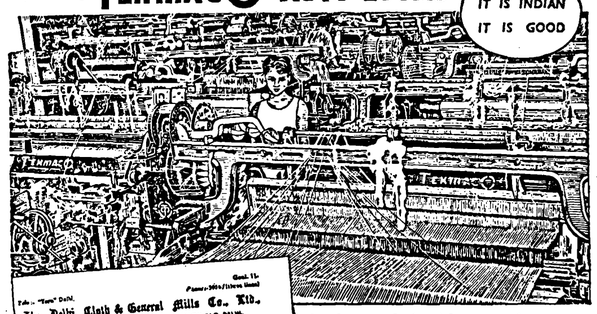

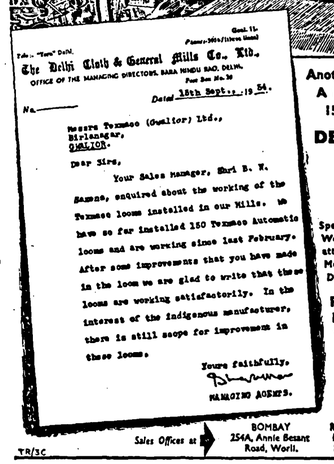
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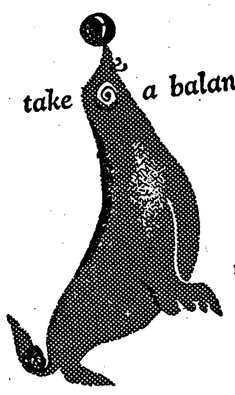

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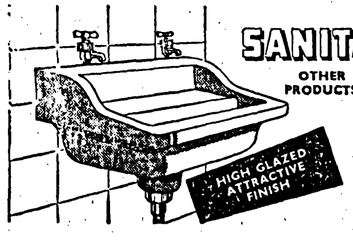

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CAUSTIC SODA AND BLEACHING POWDER

PROTECTION GRANTED FOR FOUR YEARS

THE Government of India has accepted almost all the recommendations of the Tariff Commission on the question of granting protection to the caustic soda and bleaching powder industry. On the basis of the present tariff value of Rs. 28 per cwt. of caustic soda, an import duty of 32.37 per cent. *ad valorem* was considered as sufficient for providing adequate protection to the domestic industry. The Tariff Commission, however, did not recommend protection to this extent, as it would cause hardship to the consumer. In order to maintain the prices of caustic soda at a reasonable level, the Commission suggested that the existing preferential duty of 27.3 per cent. *ad valorem* on caustic soda of U.K. origin should be converted into a protective duty, the standard rate of duty being fixed in accordance with the terms of the relevant trade agreements. Further, it added that, if at any time it was found necessary to change the tariff value, the rates of duty should be so adjusted as to restore the quantum of tariff protection afforded to the domestic industry by the present rates of duty.

With regard to bleaching powder, the Tariff Commission's findings revealed that the fair ex-works price for this product for 1954-56 would be lower than the c.i.f. price of imported bleaching powder. In spite of this fact, actual output was very low and costs of production was, therefore, high. Part of the low output was found to be due to consumer's prejudice against the domestic product. The Commission, therefore, recommended that a protective duty of 15 per cent. *ad valorem* should be imposed on bleaching powder.

Tariff Protection for the First Time

In both the cases, the protective duties were recommended to be in force up to 31st December, 1958. Since the protective duties mentioned above came into effect on 28th January, 1955, the industry will enjoy protection for nearly four years. This, of course, is the first time that the industry is having tariff protection. It may be recalled, in this connection, that the late Tariff Board had recommended a subsidy at the rate of Rs. 2 per cwt. of caustic soda and Rs. 1-13 per cwt. of bleaching powder for a period of 15 months from 1st October, 1946, on the basis of actual sales. The grant of this subsidy was, however, subject to the condition that the Company would sell these chemicals at prices no higher than those of the imported products. No subsidy was recommended for liquid chlorine. The Government of India, in its resolution dated 22nd March, 1947, accepted the condition, but added a further provision that, if, upon examination of accounts, it was found that the only unit concerned had made profits on the sale of liquid chlorine, in excess of the profits allowed by the Board for this item in making its estimates of fair selling prices, the subsidy would be reduced. On an examination, in 1948, it was found that the conditions laid down by Government were not fulfilled by the unit concerned. The subsidy was, therefore, not paid. Again, in 1952, the industry claimed protection. This was considered and the Tariff Commission recommended certain protective duties. But by the time the Government was able to take a decision, the c.i.f. prices had risen so high that the Government considered that there was no need to give protection to the industry then.

Ancillary Recommendations

In addition to accepting the above suggestions, the Government has approved of a number of other ancillary recommendations. These include, among others, the formulation and implementation by the Government of an integrated plan for expanding the production of soda ash and caustic soda. This suggestion is a sequel to the fact that the domestic production of caustic soda is, at present, sufficient to meet only 35 per cent. of the domestic requirements. There is need, therefore, for the industry considerably to expand before the country can become self-sufficient in regard to caustic soda. Nearly 90 per cent. of the present production of caustic soda is by the electrolytic process. The scope for expansion of the electrolytic section, however, is severely restricted, owing to the relatively small demand for chlorine, a by-product of this process. The alternative process of causticisation is free from this drawback, but is, at present, uneconomical, because of the high cost of indigenous soda ash. The purpose of the integrated plan above is to see to it that the production of caustic soda by causticisation becomes economical. In this context, the Government has been advised to keep a careful watch over the prices of caustic soda (both solid and liquid) and bleaching powder and take, if necessary, suitable measures under the Industries (Development and Regulation) Act to regulate them.

Another recommendation of the Commission suggested that the Government should review the railway and coastal freights on caustic soda and chlorine products, particularly hydrochloric acid. The Commission considered that this was quite necessary, in order to minimise the burden on the consumer and also to assist the fuller utilisation of chlorine which is vital to the development of the electrolytic section of the caustic soda industry. The industry should also be provided with transport facilities for its raw materials and finished products. The Government in its resolution states that this, as well as the suggestion regarding the integrated plan mentioned above, has been taken note of by it and that it proposes to pursue the suggestions further.

Refund of Salt Cess

The Government has, however, not taken its decision in regard to either the granting of a rebate on the salt cess or exempting empty cylinders required by the industry for filling and exporting liquid chlorine from import duty, provided these are re-exported within a specified period. The rebate on salt cess was considered desirable by the Commission, as it would encourage expansion of the industry and reduce burden to the consumer. These two suggestions are stated to be under the examination of the Government.

Among other ancillary recommendations is included the grant of additional assistance by means of import control, so long as such control is, in any case, maintained for balance of payments reason. This suggestion seems to be intended for safeguarding the interests of the industry to which the protective duty fixed is less than the rate of duty necessary for providing adequate protection. Further, the Government of Madras has been advised to give special consideration to the requirements of the Mettur Chemical and Industrial Corporation for electric power. And the Union Government has been requested by the Commission to initiate special measures for developing industries which require large quantities of chlorine. Besides, emphasis has been laid on the necessity for paying due regard to the supply and demand position of chlorine in any region from which applications are received for setting up electrolytic plants. For liquid chlorine is the by-product of this process and its transport over long distances would be both costly and difficult.

Tata Chemicals

The Government has also been advised to examine the scheme of Tata Chemicals for manufacturing caustic soda from imported Magadi ash. The Company tendered evidence during the enquiry to the effect that, by using Magadi ash, it would make available for domestic consumption larger quantities of light ash now used for the production of caustic soda, on account of the difference between the costs of imported light ash and Magadi ash as well as the reduction in imports of caustic soda. The Company maintained that, if sufficient imports of Magadi ash were allowed to enable it to utilise its full capacity in the causticisation plant, its cost of production of chemical caustic soda would come down on account of the use of cheaper material and the reduction in overheads and would be comparable with the average cost of production of electrolytic caustic soda.

The Government has also been requested to assist starting the production of high test hypochlorite. It is stated that early consideration should be given to the question of installing washing plants at the Sambhar Salt Works.

The attention of manufacturers has been drawn by the Government to the necessity for intensifying efforts to develop new uses of chlorine, examining the suitability of salt at Kandla for producing caustic soda, adopting measures for improving the quality of caustic soda and the methods of packing it and for improving the strength and stability of the bleaching powder produced by them.

The Tariff Commission expects the demand for caustic soda to go up from 65,000 tons in 1954 to 94,000 tons by 1956. The demand for chlorine is expected to increase from 16,000 tons to 24,000 tons in the same period. As against this, the annual rated capacity of 8 caustic soda factories is 34,512 tons which is to increase to 40,671 tons by 1956. In addition, 4 paper mills have caustic soda units with a total annual capacity of 4,805 tons. Besides, a new unit with a capacity of 2,000 tons is under construction and plans for setting up two more units (with a total capacity of 5,600 tons) are under consideration of Government.

The total production of caustic soda, inclusive of the production by the 4 paper mills for their own use, amounted to 13,485 tons in 1950, and the quantity rose to 22,831 tons in 1953. On the basis of their present production programmes, the total production of caustic soda by the 8 existing units is expected to be 35,900 tons by 1956.

The annual rated capacity of three factories for the production of bleaching powder is 8,170 tons at present. Actual production amounted to 3,247 tons in 1950. This is expected to go up to 4,300 to 4,800 tons by 1956.

While the demand for chlorine by 1956 is, as already stated, estimated at 24,000 tons only, its output is expected to increase to 26,000 tons, leaving a surplus of 2,000 tons. The actual surplus will be much larger when account is taken of the production of chlorine by paper mills and by the new units. This emphasises the need for finding new uses for chlorine and for exporting liquid chlorine as pointed out above.

Before concluding, it may be mentioned here that caustic soda is used as an important raw material in the manufacture of soaps, textiles, paper, *vanaspati*, rayon, petroleum refining, chemicals including dyestuffs, aluminium and a few other products. The quality of indigenous caustic soda still does not compare favourably with that of the imported product. Owing to certain difficulties, the quality of bleaching powder too is stated to be not up to the mark. Its strength deteriorates in storage. This prevents municipalities in remote corners of the country from buying the indigenous product. Bleaching powder is needed, it may be mentioned, for sanitation or water purification. Hence the Tariff Commission's emphasis on the need for unsparing efforts by the domestic manufacturers at improving the quality of their products.

HYDROQUINONE INDUSTRY'S CASE FOR FURTHER PROTECTION

While examining the cases for continuance of protection to Indian industries, nothing makes a scribe feel gratified as the favourable report on the quality of the goods produced by them. For the enquiries taken up by the Commission generally reveal that, in the case of practically every indigenous industry that appears before it, there is still considerable scope for improving the quality of its product. In the context of this general experience, the remarks of Mr. M. D. Bhat, Chairman of the Tariff Commission, on the quality of hydroquinone make pleasant reading. Thus, in the course of his speech at the public enquiry into the question of continuance of protection to this industry, held on 27th January, 1955, Mr. Bhat said:

"In its last report the Commission observed that the quality of indigenous hydroquinone had attained a satisfactory standard. According to two of the leading importers and distributors of hydroquinone, the quality of indigenous hydroquinone differs in no way from imported hydroquinone and these two importing firms are also selling hydroquinone produced by Satyadev Chemicals Ltd. Consumers have also no complaint in regard to the quality of hydroquinone produced by Satyadev Chemicals Ltd. which conforms to the standard specifications laid down by the Indian Standards Institution."

It is evident from the above that the hydroquinone industry has won the approbation of the importer. It may be mentioned here that no testimonial, certifying the quality of the indigenous product, will be better than the one granted by the importer. For it is the importer who, in order to safeguard his interests in the trade, will lose no opportunity to find out the defects of the indigenous product and place them before his consumers. Consequently, half the battle will have been won by the indigenous manufacturer if he satisfies the import trader as to the quality of his goods. And it must be said to the credit of the indigenous producer of hydroquinone in India that he has done this. Accordingly, this industry deserves to occupy a high place among the protected industries. The example of this industry also strengthens the belief that given protection and the necessary assistance, Indian industrialists will not lag behind their confreres in other countries in producing quality goods.

Hydroquinone is an organic fine chemical. It is used as a developer of film and photographic negatives and positives and as a developer of dry plates in printing. It is used also as a dye intermediate, as an antioxidant in the rubber, paint and plastic industries, as an antiseptic and preserver of anæsthetic ether. It has thus a high economic value in the country and is being produced by only one firm, Satyadev Chemicals Ltd., Baroda. Prior to

(*Continued on page 243*)

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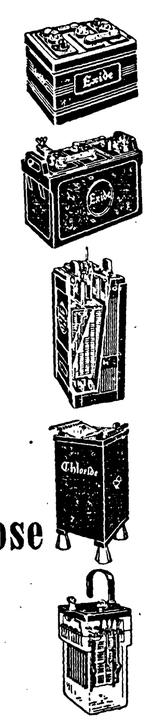

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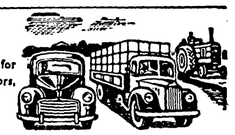

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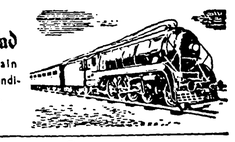

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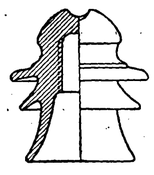

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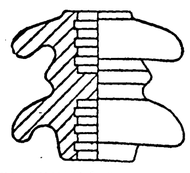

EXPLOITATION OF LIGNITE IN SOUTH ARCOT

FOUR ALTERNATIVE SCHEMES SUGGESTED

THE Report of the British consulting engineers, Powell Duffryn Technical Services Ltd., on a programme for industrial development of Madras State, based on the exploitation of the Neyveli lignite deposits, has just been published. It will be recalled that the services of these Consultants were obtained under the Colombo Plan early in 1954. The Consultants began their work in May, 1954, and submitted the Report to the Government of India in November, last year, that is, in a period of about six months. This is, indeed, a commendable performance and another striking instance of Britain's valuable contribution to the economic growth of India. From the Press summary it would appear that the Report is comprehensive and deals with all aspects of the problems of exploiting lignite in South Arcot, including financial. The Consultants have recommended four alternative schemes for the exploitation of lignite deposits.

The first scheme envisages production of lignite to be used as fuel for generating electricity. The second, along with its two variants, provides for generation of electricity and production of ammonium sulphate. Under the third scheme, in addition to the generation of power and production of fertilisers, the production of lignite briquettes to be used both as domestic and industrial fuel is recommended. The fourth and the last scheme provides for a synthetic oil plant in addition to power generation, production of fertilisers and of lignite briquettes for domestic and industrial fuel.

In drawing up the schemes, the Consultants have, we are told, taken into account such factors as the quality and quantity of labour required, the need to train men for skilled jobs, the advantages of integration resulting from more than one scheme being taken in hand, the potential demand for electricity in the Madras area, the existing fuel supply in the State and the market for fertilisers and synthetic fuel. This shows that the Consultants have viewed the project from all angles. This is only as it should be, for, if the project is to be a profitable proposition commercially, it is necessary to examine not merely the technical feasibility of raising and using the lignite deposits but also the economic aspects, such as the cost of production, demand for the product, etc.

Third Alternative

Of the recommended schemes, the third alternative is generally considered to be economically the most suitable and, therefore, regarded as deserving adoption. This scheme envisages production of 3,273,000 tons of lignite needed to generate 211,000 kw. of power, to supply an ammonium sulphate plant producing 200,000 tons a year and a briquetting plant to make 714,000 tons a year of lignite briquettes. The briquettes will be processed in a low temperature carbonisation plant to yield annually 380,000 tons of carbonised briquettes, 43,000 tons char dust, 6,400 tons motor spirit, 51,300 tons tar and 1,032 tons phenol. This scheme is estimated to cost Rs. 58.30 crores.

Scheme No. 1 envisages the production of 1,070,000 tons of lignite per year to be used as fuel, an electricity generating station of 200,000 kw. installed capacity. This would entail a capital expenditure of Rs. 29.15 crores.

Under the second scheme, called 2A in the Report, 1,370,000 tons of lignite will be mined every year to supply a 200,000-kw. power station and an ammonium sulphate plant with a capacity of 100,000 tons a year. Scheme 2B, which is a partial modification of 2A, provides for a lignite production of 1,630,000 tons a year to produce 200,000 kw. of electric power and 200,000 tons of ammonium sulphate a year. The cost in this case goes upto Rs. 44.29 crores. The next scheme, 2C, which again is a variant of scheme 2A, envisages the production of 1,460,000 tons of lignite a year for producing 200,000 kw. of electric power and supplying a fertiliser plant producing 100,000 tons of ammonium sulphate and 20,000 tons of urea. This scheme, it is estimated, will cost Rs. 41.42 crores.

Under the last scheme, 6,268,000 tons of lignite will be mined every year. The power production will amount to 263,000 kw. Besides, 100,000 tons of ammonium sulphate and 20,000 tons of urea will be produced per year. Further, 1,428,000 tons of dried lignite briquettes will be made, of which one half will be sold and the other half will be processed in a low temperature carbonisation plant to yield 380,000 tons carbonised briquettes, 43,000 tons char dust, 6,400 tons motor spirit, 51,300 tons tar and 1,032 tons phenol. A synthetic oil plant to work on the Fischer-Tropsch system will also be installed to produce 85,000 tons motor spirit, 15,000 tons diesel oil, 12,000 tons tar and 7,300 tons sulphuric acid every year. This scheme will cost Rs. 85.40 crores.

Return on Capital

The estimated total return on capital varies from 4.76 per cent. under the first scheme to 15.12 per cent. under the third scheme. The return on capital has been based on the assumption that each of the projects for which the schemes have been prepared would operate as a single undertaking. The following table gives financial estimates and the expected return on capital at a glance.

Scheme	1	2A	2B	2C	3	4
Total capital requirement (in lakhs of Rs.)	2,915	3,710	4,429	4,142	5,830	8,540
Margin before deducting any interest on capital (in lakhs of Rs. per annum)	139	236	377	296	882	1,180
Annual return on total capital (percentage)	4.76	6.38	8.53	7.15	15.12	13.81

Regarding mining operations, the Report estimates that, for a production period of 30 years, lignite reserves of 33 million tons will have to be worked under the first scheme, while reserves of 190 million tons will have to be worked under the last scheme. The Report says that, in view of the prevailing ground and ground water conditions at Neyveli, production by open-cut mining is the obvious choice. It further states that, for large-scale production by modern open-cut mining method, the production cost can be kept low by complete mechanisation and the full employment of high capacity equipment for stripping, loading and transport. The Report has worked out schemes for the two open-cut mining methods now most commonly practised, namely, the dragline power shovel method and the excavator and dredger method.

The electric power station to be set up will supply power to the Madras grid system, which at present consists of four hydro-electric stations and two thermal stations. The four hydro-electric stations are Pykara, Moyar, Mettur and Papanasam and the thermal stations are at Madras and Madurai. The proposed station at Neyveli will have the advantage of using the low-grade fuel to be mined on the spot. The situation of the station is favourable as regards load development in the State in addition to meeting the demand for considerable quantities of power required for the mine and other associated plants.

Thermal Generation

The Consultants are of the opinion that additional thermal generation capacity is necessary for the adequate security of electric supply in Madras State and the proposed lignite burning station will fulfil this need admirably. Even after the Periyar and Kundah hydro-electric power schemes are executed in due course, a large thermal station will still be valuable for stabilising the system and levelling out the fluctuation in generation due to water availability.

It is estimated that the Neyveli power station will supply about 80,000 kw. of power to the Madras grid. The cost of generation per unit at the Neyveli station is estimated at As. 0.48 under the last scheme and As. 0.79 under the first scheme. This compares with the cost of generation at Pykara which is As. 0.29 and at Madras which is As. 1.09.

About the production of fertilisers, the Consultants recommend that the production of ammonium sulphate and urea should be considered for the Neyveli project. The immediate demand for fertilisers in Madras is estimated at 75,000 tons, while the demand in the neighbouring State of Andhra is even greater, that is, 100,000 tons. This demand is bound to increase as more fertilisers are consumed not only in these States but in the rest of the country. Since the smallest economic unit for the manufacture of ammonium sulphate should have a capacity of 100,000 tons per year the Report recommends the setting up of a plant of that capacity as well as a plant for the manufacture of 20,000 tons of urea. A plant to produce 200,000 tons of ammonium sulphate alone is also recommended.

Regarding the process of producing fertiliser, the Report advocates the adoption of the gypsum method and considers the Trichinopoly gypsum to be economically the best source of supply to a factory located at Neyveli. But, if it is confirmed that the supply of gypsum from indigenous sources is out of question, the production of ammonium sulphate should according to the Consultants be based on import of sulphur or alternatively on import of gypsum. The Report also estimates that the ammonium sulphate produced will cost Rs. 244-12 per ton.

Domestic and Industrial Fuel

Referring to raw lignite briquettes, the Consultants have opined that, if a good smokeless substitute for wood charcoal were available at an attractive price, there should be a ready sale for about 350,000 tons of briquettes, of which 300,000 tons would be for domestic use and the remaining 50,000 tons for buses and lorries. At present, Madras State is an importer of fuels, wood being the only indigenous fuel available. A new fuel produced locally will not only meet the local demand but relieve the strain on the railways transport capacity for carrying coal from the West Bengal-Bihar coalfields.

Discussing the use of lignite as industrial fuel, the Report says that it can be confidently said that raw lignite briquettes can be effectively substituted for existing fuel supplies in the existing stationary boilers and furnaces without entailing any major plant modifications. It estimates that about 400,000 tons of imported coal could be replaced by 475,000 tons of raw lignite briquettes. The Report does not consider it feasible for the railways to use lignite briquettes but says that a more attractive possibility is to assist the railway system by further electrification and in considering the demand for power this factor has been taken into consideration.

Dealing with the question of synthetic liquid fuels, the Report points out that the proposed plant would be of excellent quality. The motor spirit would be superior to that now used in South India which is obtained from crude petroleum. The plant will yield about 85,000 tons of motor spirit and 15,000 tons of diesel oil, in addition to 12,000 tons of tar and 7,300 tons of sulphuric acid.

On the basis of drilling records, the Consultants place the reserves of lignite in South Arcot at 200 million tons, which can be mined under relatively satisfactory conditions by a single mining operation in a zone in the lignite field, about 1½ miles wide from north-west to north-east. Describing the quality of the Neyveli lignite, the Report remarks that the moisture content in the lignite 'as mined' is 56 per cent., ash 2.5 per cent., volatile matter 22.4 per cent. and fixed carbon 19.1 per cent. Because of the high water content, the Consultants are of the considered opinion that the South Arcot lignite must be consumed or processed near the mine.

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Notices

CAREW AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, 4, Fairlie Place, Calcutta, on Tuesday the 22nd day of February, 1955, at 12 noon, for the purpose of:—

1. Receiving the Directors' Report and passing the Accounts for the year ended 30th June, 1954.
2. Declaring Dividends on the 6½ per cent. Cumulative Redeemable Preference Shares and Ordinary Shares.
3. Electing Auditors for the current year and fixing their remuneration.
4. Election of Directors.
5. Transacting such other business as may be brought before the Meeting.

The Transfer Books of the Company will be closed from 12th February, 1955, to 22nd February, 1955, both days inclusive.

Preference Shareholders and/or Ordinary Shareholders and holders of Preference Shares and/or Ordinary Shares under Blank transfer should note that upon the declaration of the Dividends the Dividend Warrants will be posted to Registered Preference Shareholders and/or Registered Ordinary Shareholders or their Mandatees. No application for payment will be necessary.

GLADSTONE LYALL & CO., LTD.,
Managing Agents.

4, FAIRLIE PLACE,
CALCUTTA, *27th January*, 1955.

TO ALL SHAREHOLDERS AND IN PARTICULAR TO THOSE SHAREHOLDERS WHO HAVE NO REGISTERED ADDRESS IN INDIA.

BALLY JUTE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventy-third Ordinary General Meeting of the Shareholders of the Bally Jute Company, Limited, will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Wednesday the 2nd March, 1955, at 11-45 a.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 30th September, 1954, and the Balance Sheet as at that date.
(2) To declare a Dividend on the Preference Shares.

The Share Transfer Books of the Company will be closed from 16th February, 1955, to 2nd March, 1955, both days inclusive.

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

4, CLIVE ROW,
CALCUTTA, *21st January*, 1955.

Note.—Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 2nd day of March, 1955, or to their Mandatees.

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

HOWRAH MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and twenty-eighth Half-yearly Ordinary General Meeting of Shareholders of Howrah Mills Company, Ltd., will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Wednesday the 2nd March, 1955, at 12 noon, for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 30th September, 1954, and the Balance Sheet as at that date.
(2) To declare Dividends.

The Share Transfer Books of the Company will be closed from 16th February, 1955, to 2nd March, 1955, both days inclusive.

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

CALCUTTA, *21st January*, 1955.

Note.—Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 2nd day of March, 1955, or to their Mandatees.

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

THE RELIANCE JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-sixth Half-yearly Ordinary General Meeting of Shareholders of The Reliance Jute Mills Company, Ltd., will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Wednesday the 2nd March, 1955, at 12-15 p.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 30th September, 1954, and the Balance Sheet as at that date.
(2) To declare a Dividend on the Preference Shares.

The Share Transfer Books of the Company will be closed from 16th February, 1955, to 2nd March, 1955, both days inclusive.

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

CALCUTTA, *21st January*, 1955.

Note.—Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 2nd day of March, 1955, or to their Mandatees.

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

THE MEGNA MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixty-seventh Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 16, Strand Road, Calcutta, on Wednesday the 23rd February, 1955, at 3-00 p.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 30th September, 1954.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 8th day of February, 1955, to the 23rd day of February, 1955, both days inclusive.

Holders of Scrip under blank transfer are reminded to send in their shares for registration in the books of the Company as soon as possible.

By Order of the Board,
MACKINNON, MACKENZIE & CO., LTD.,
K. M. CAMPBELL,
Managing Director,
Managing Agents.

CALCUTTA, *25th January*, 1955.

THE INDIA JUTE COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Seventy-fifth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 16, Strand Road, Calcutta, on Wednesday the 23rd February, 1955, at 3-15 p.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 30th September, 1954.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 8th day of February, 1955, to the 23rd day of February, 1955, both days inclusive.

Holders of Scrip under blank transfer are reminded to send in their shares for registration in the books of the Company as soon as possible.

By Order of the Board,
MACKINNON, MACKENZIE & CO., LTD.,
K. M. CAMPBELL,
Managing Director,
Managing Agents.

CALCUTTA, *25th January*, 1955.

INDIA GENERAL NAVIGATION AND RAILWAY COMPANY, LIMITED

NOTICE

THE COMPANY'S CALCUTTA STOCK Transfer Registers will be closed from Friday the 18th February to Thursday the 3rd March, 1955, both days inclusive.

KILBURN & CO., LTD.,
Managing Agents.

SHARP SETBACK IN EARNINGS OF SCINDIA STEAM NAVIGATION

DIVIDEND CUT—OUTLOOK BETTER

THE sudden slump in the value of the shares of the Scindia Steam Navigation Company, Ltd., from Rs. 17-3 to Rs. 14-3 in the last week of November, 1954, reflected the shareholders' disappointment over the cut in the Company's dividend for the year ended 30th June, 1954, from As. 12 to As. 8 per share. There were two reasons for their disappointment. First, it was only last year that they had the good fortune of having their distribution stepped up after the Company returned to the dividend list in the preceding year, after a break of three years, with a distribution of As. 8 per share. Secondly, the dividend for the year under review is on the enhanced paid-up value of Rs. 20 per share, raised during the year from Rs. 15 per share by the capitalisation of a part of the Company's reserves and consolidation of the shares and as such it works out to no more than 2½ per cent. per annum, which is the lowest rate paid by the Company for several years, barring, of course, the three years 1948-49, 1949-50 and 1950-51, for which no dividend was paid.

The aforesaid cut in dividend for the year under review was, however, fully justified by the financial results of the Company, which show a sharp setback in the earnings. Thus, the gross profit has dropped from Rs. 242.29 lakhs to Rs. 159.35 lakhs and the net profit (after providing for Agents' commission, depreciation, deferred taxation reserve and debenture sinking fund) from Rs. 38.08 lakhs to Rs. 23.45 lakhs. No allocations have been made to the fleet replacement reserve and the dividend equalisation reserve which had received in the previous year Rs. 10 lakhs and Rs. 11.75 lakhs, respectively. Nevertheless, the net profit is hardly sufficient to pay even the dividend of As. 8 per share.

Accounts Not Comparable

The Directors point out that the accounts of the Company for the year under review are not comparable with those for the previous year, because the previous year's accounts included the entire working results of the former Bombay Steam Navigation Company, Ltd., whereas those of the year under review include only part of the activities of the B.S.N. Company, Ltd., as a result of the formation of two new wholly-owned subsidiaries to take over the business of the former B.S.N. Company, Ltd. Nonetheless, a broad idea of the Company's working during the year under review can be had from the following table which presents the salient features of the year's results, against the background of those of the previous three years.

(In lakhs of rupees)

	For the year ended 30th June			
	1954	1953	1952	1951
Freight and passage money ..	9,17.87	11,41.74	9,84.07	7,56.00
Other income	34.92	1,07.81	1,30.88	1,85.18
Expenses	7,93.44	10,07.25	8,23.67	8,55.59
Gross profit	1,59.35	2,42.29	2,42.79	88.03
Agents' commission	15.08	20.57	17.01	8.80
Provision for depreciation ..	81.32	93.84	72.68	64.47
Deferred taxation reserve ..	29.50	60.00	..	..
Debenture sinking fund ..	10.00	10.00	10.00	10.00
Net profit	23.45	58.08	1,43.10	4.75
Provision for taxation written back	..	..	10.55	..
Loss on sale of shipyard written off	..	..	41.02	..
Fleet replacement account ..	..	10.00	..	..
Dividend equalisation fund ..	..	11.75	..	..
Dividend	23.46	35.18	22.00	..
	(2½%)	(5%)	(3½%)	..
Carry forward	2.73	2.74	1.58	—89.05

N.B.—Expenses for 1951-52 and 1950-51 include the amount transferred to capital account, namely, Rs. 1.52 lakhs and Rs. 2.54 lakhs, respectively.

The decline in the main income of the Company, namely, freight and passage money, is attributed partly to the exclusion of the income from passage money by the B.S.N., following the formation of the subsidiary, the B.S.N. Company (1953) Ltd., to look after the passenger service on the Konkan Coast and partly to the decline in the cargo carried and freight earned thereon. The comparative figures of the cargo lifted and freight earned for the past two years are as follows:

		1953-54	1952-53
Cargo	Tons	1,910,998	2,166,978
Freight earned ...	Rs.	8,42,82,239	9,81,75,315

Referring to the decline in cargo and freight earnings, the Directors observe:

"The sharp decline in both tonnage and earnings is attributable to (i) continued malpractices on the coast, particularly the West Coast, where the scramble for cargo assumed serious proportions, (ii) steep drop in our rice liftings induced by lesser imports of rice from Burma to India, and (iii) unavailability of remunerative charter engagements on the Pacific which it was our good fortune to secure in the preceding year. Apart from the above, there has been a reduction in the level of freight rates, particularly for bulk commodities like salt and cement, on the coast and exported ores and imported fertilisers—this has also affected the freight earnings."

The decline of Rs. 72.89 lakhs noted in "other income" is mainly accounted for by the absence of any revenue from workshop which brought an income of Rs. 73.92 lakhs in 1952-53, following the formation of the subsidiary, namely, Scindia Workshop Ltd., to take *over* ship repairing workshop. The formation of the two subsidiaries is also responsible for the decline in expenses noted from the foregoing table. Nevertheless, the expenses are said to have gone up so far as the working of the Scindia Steam Navigation alone is concerned. The Directors observe, in this connection, as follows:

"On the expenditure side, the trend of rising stevedoring costs has been further accentuated without any advantage by way of increased output to set off against such additional costs. The position has, in fact, been aggravated by the 'go-slow' tactics resorted to, from time to time, by both stevedore and port labour, almost in a planned fashion which have added heavily to the unremunerative port time, resulting in loss of the earning capacity of our vessels and in increased cost for marine dues."

The rise in stevedoring costs and marine dues and deleterious effect of the 'go-slow' tactics of labour on the earning capacity of vessels are not features peculiar to the Scindia Steam Navigation alone. They have been having a baneful effect on the working of the shipping industry as a whole.

Delay in Shipyard

The working of the Company would have been somewhat more encouraging had there been no delay in the delivery of the five 7,000-ton diesel vessels ordered from the Hindustan Shipyard Ltd.—the State-owned shipyard at Vizag. The Directors point out that the delay has, in some measure, affected the availability of tonnage that could have been employed in a profitable manner.

The following synopsis of the Company's balance-sheet as on 30th June, 1954, reflects its financial position:

LIABILITIES	Rs.	ASSETS	Rs.
Capital	9,40,10,673	Gross block	14,02,76,428
Reserves and surplus	6,76,50,843	*Less*—Depreciation ..	3,71,00,000
Deferred taxation reserve	1,11,50,000	Net block	11,21,76,428
Debentures	4,45,46,483	Stores and spares ..	23,53,777
Provision for taxation	2,41,122	Investments ..	4,78,78,932
Liabilities	3,67,42,766	Debenture trustees account	8,51,80,626
		Debts, deposits and advances	8,45,94,024
		Cash	1,99,80,313
		Debenture issue expenses	19,76,687
	Rs.25,41,50,887		Rs.25,41,50,887

The paid-up capital is higher by Rs. 2.35 crores, due to the capitalisation of a like amount, made up of Rs. 137.64 lakhs being the entire amount standing to the credit of the capital *reserve* and Rs. 97.36 lakhs being part of the amount standing to the credit of the premium on shares. The reserves and surplus stand depleted by Rs. 188.66 lakhs, mainly on account of (1) the capitalisation of the entire capital reserve and part of the premium on shares as stated above, (2) an increase of Rs. 34.05 lakhs in fleet replacement reserve, being the excess over the written-down value of ships sold and scrapped during the year, and (3) an increase of Rs. 11.65 lakhs in the debenture sinking fund. The deferred taxation reserve has been strengthened by Rs. 29.50 lakhs being the amount transferred from the year's profit. There has been a decline of Rs. 2.28 crores in current liabilities, mainly accounted for by the fall of Rs. 2.06 crores in the liability to the B.S.N. debenture and preference shareholders. The gross block shows a decrease of Rs. 2.28 crores, mainly due to sale or scrapping of ships and other assets. Investments disclose a decline of Rs. 1.31 crores, while debenture trustees account reveals a rise of Rs. 1.93 crores. Debts, deposits and advances account for an increase of Rs. 1.04 crores, while cash balances have shrunk by Rs. 62 lakhs.

Two Ships Sold

During the year under review, the Company sold two ships to the Eastern Shipping Corporation Ltd. In order to maintain the service in the U.K.-Continental trade, two cargo ships were chartered. Orders for two fast cargo ships to replace the ships sold to the Eastern Shipping Corporation have been placed in Germany. Two other cargo ships were replaced. The Directors have decided to borrow upto Rs. 6 crores for the construction of five fast cargo vessels to be put on the India-U.K.-Continent run—two for which orders have been placed in Germany and three in replacement of "Liberty" vessels which it is proposed to transfer to the coast in due course. This, the Directors observe, will enable the Company to modernise the overseas services.

The outlook for the Company for the current year is good, consequent on the general rise in freight rates and the heavy demand for movement of cargo.

The Rs. 20 paid-up shares of the Company are being currently quoted at Rs. 16 *cum-div.* On an *ex-div.* basis, the yield works out to 3.2 per cent. per annum, free of income-tax.

PROFIT OF CAWNPORE SUGAR DROPS

SUGAR OUTPUT DWINDLES

A DROP of Rs. 14.71 lakhs to Rs. 12.60 lakhs in gross profit is disclosed by the financial results of the Cawnpore Sugar Works, Ltd. (Managing Agents: Messrs. Begg, Sutherland & Co., Ltd., Kanpur) for the year ended 31st October, 1954. This setback is in distinct contrast with the rise of Rs. 14.16 lakhs noted a year ago and may cause not a little disappointment among the shareholders. But to those who have known how unkind nature had been to the sugar industry in U.P. during the past season, the aforesaid performance of the Company may not come as a surprise. The net profit, too, has suffered a sharp recession to Rs. 4.41 lakhs from Rs. 11.68 lakhs for 1952-53, to which level it had risen from Rs. 5.36 lakhs for 1951-52. It has, however, been augmented by a sum of Rs. 3.70 lakhs being taxation and other provisions written back, so that the Directors have been able to plough back Rs. 5 lakhs to the rehabilitation reserve from the amount available for distribution, without drastically cutting the dividend on ordinary shares.

The dividend has, no doubt, been reduced to 7½ per cent. from 20 per cent. paid for the two previous years, to which level it had been brought down from 30 per cent. paid for 1950-51. But it must be remembered that the latest dividend is on a higher capital doubled in August, 1954, by the capitalisation of a part of the reserves and the issue of a scrip-for-scrip bonus. The latest dividend thus represents a return of 15 per cent. on the old capital and does not, therefore, constitute a drastic cut from that paid for the previous two years.

The following comparative table gives an idea of the Company's progress in recent years:

(In lakhs of rupees)

—	For the year ended 31st October			
	1954	1953	1952	1951
Sale proceeds	116.41	234.28	128.17	180.50
Government subsidy on sugar ..	..	6.04	..	..
Other income	2.30	2.14	1.73	2.01
Stocks	1.78	8.71	57.03	21.97
Manufacturing and other expenses	63.12	127.03	133.89	137.21
U.P. and Bihar Governments' cane cess	5.70	11.67	8.83	9.49
Sugar excise duty	9.92	28.12	9.09	12.29
Gross profit	12.60	27.31	13.15	42.51
Managing Agents' remuneration	1.44	2.38	1.30	3.00
Depreciation	3.25	2.76	3.00	5.00
Taxation	3.50	10.50	3.50	17.50
Net profit	4.41	11.68	5.36	16.41
Other receipts	3.70	..	1.50	1.61
To reserves	5.00	7.66	3.00	13.20
Dividends—				
8 per cent. preference ..	0.80	0.80	0.80	0.80
Ordinary	2.25	3.00	3.00	4.50
	(7½%)†	(20%)	(20%)	(30%)
Carry forward	0.00	0.54	0.32	0.29

† On the higher capital of Rs. 30 lakhs doubled by the capitalisation of Rs. 15 lakhs.

The sharp setback in the earnings of the Company, as noted above, has been due to the substantial fall in the quantity of cane crushed and the rise in cost of production. The quantity of cane crushed by the Company's two factories was the lowest for some years past and was due to adverse weather conditions that prevailed during the monsoon of 1953, and in the case of the factory at Marhowrah, to heavy floods. The quantity of cane crushed at the two factories, the sugar produced and the yield for the past two years are as follows:

—	1953-54			1952-53		
	Cane crushed (Mds.)	Sugar produced (Mds.)	Yield %	Cane crushed (Mds.)	Sugar produced (Mds.)	Yield %
Marhowrah ..	1,920,390	199,528	10.39	3,613,618	882,416	10.58
Gauri ..	1,121,882	118,161	10.53	2,309,918	244,715	10.59

The sugar output at the Marhowrah factory was the lowest for the past six years and that at the Gauri factory the lowest for the past 15 years. The decline in the yield of sugar was also the result of adverse weather conditions. The number of crushing days at the Marhowrah and Gauri factories was 93 and 65, respectively, as against 169 and 132, in the previous season. The crushing period was the shortest for the past some years.

Commenting on the cane price fixed by the Government of India, the Directors observe:

"The cane prices fixed by the Government of India were Re. 1-7 per maund for gate cane and Re. 1-5 per maund for cane delivered at outstations. The sugar policy of the Government of India was announced before the crushing season commenced. The additional excise duty levied in the previous season was removed and the cane price raised to Re. 1-7 per maund at the factory gate and Re. 1-5 per maund at outstations. This, in effect, increased the cost of production by As. 4 per maund; controlled sugar prices, however, remained constant at Rs. 27 per maund."

The Company's distilleries worked for longer periods during the year under review, although stoppages occurred due to shortage of coal. While the Marhowrah distillery is stated to have continued to work at a modest profit, the Cawnpore distillery incurred a loss on account of higher cost of molasses.

The quantity of cane crushed by the Company has been varying from season to season. The variation is also rather wide, with the result that the production of sugar has been unsteady which has its effect on the Company's financial results. This problem has been receiving the attention of the Managing Agents for some time and a cane development scheme for execution during the next five years has, therefore, been drawn up and approved by the Board of Directors. Referring to this scheme, the Directors observe:

"The main object of the scheme is to bring about a considerable increase in the yield of cane per acre in the areas serving the Company's factories, with a corresponding increase in the quantity of cane crushed, and a consequent improvement in the Company's financial results. The requirements of finance for execution of the scheme will be substantial, however, and your Directors have also had those requirements in view while recommending the transfer to rehabilitation reserve of the sum of Rs. 5 lakhs from the amount available for distribution."

The financial position of the Company is impressive. Notwithstanding the capitalisation of a sum of Rs. 15 lakhs in August last, the reserves and surplus stand at Rs. 53.63 lakhs, as against the paid-up capital of Rs. 40 lakhs. The provision for taxation amounts to Rs. 3.83 lakhs and current liabilities aggregate Rs. 14.54 lakhs. The gross block, at Rs. 100.12 lakhs, including an addition of Rs. 3.48 lakhs during the year, has been substantially written down to Rs. 18.80 lakhs. The current assets aggregate Rs. 93.19 lakhs, of which cash balances alone, amounting to Rs. 34.57 lakhs, exceed the current liabilities and provision for taxation by a handsome margin of Rs. 16.20 lakhs.

The Rs. 20 paid-up ordinary shares of the Company are being currently quoted on the Calcutta Stock Exchange at Rs. 18-8 *ex-div.* At this rate and on the basis of the latest dividend, the yield works out to 4.1 per cent. per annum, free of tax.

INDIA GENERAL NAVIGATION AND RAILWAY CO., LTD.

Messrs. Kilburn & Co., Ltd., Managing Agents, have received advice from the Head Office of the India General Navigation and Railway Company, Limited, informing them that the Directors have decided to recommend a dividend on account of the year ended 31st December, 1953, of six per cent. on preference stock less standard rate of income-tax at nine shillings in the pound. The dividends will be payable in sterling on 11th March, 1955, to stockholders on the Company's Registers on the 18th February, 1955.

NEW INDIA SUGAR MILLS LTD.

In the summary of the Directors' report and audited accounts of the New India Sugar Mills Ltd. for the year ended 30th June, 1954, published in *our* issue of 22nd January, 1955, (*vide* page 134); the amount of outstanding debentures was shown as Rs. 9,60,543. This is not quite correct. The debentures outstanding aggregate only Rs. 1,000, the balance of Rs. 9,59,543 representing loan taken from the Imperial Bank of India.

ESTATE DUTY

An important question, under the Estate Duty Act, whether the properties attached to an office and enjoyed by the holder of the office are liable for levy of estate duty by reason of the death of his predecessor is to be decided by the Madras High Court under a writ petition admitted by the Court and filed by the Zamorin of Kozhikode, challenging the order issued by the Controller of Estate Duty levying estate duty on the properties attached to the office of the Zamorin.

The Controller of Estate Duty, according to the petitioner, called upon the present Zamorin to furnish accounts as regards the estate and about the properties passed on to his predecessor and to him in succession for assessments. The petitioner, in his reply, said that he was not in possession of the estate belonging to the two previous Zamorins. The properties attached to the office of the Zamorin were enjoyed by him as he was the present holder of the office. The petitioner further submitted that he could not do anything with the property but only enjoy the income derived from the property to maintain the dignity of the office. Under the Estate Duty Act, properties belonging to the holder of an office or a corporation were exempt from such duty. As such, the claim of the Controller of Estates Duty was illegal and without jurisdiction. The petitioner added that the explanation to section 7(4) of the Act, under which the present proceedings were taken, infringed the fundamental rights guaranteed under the Constitution. He prayed for an appropriate writ prohibiting the respondent from initiating any proceedings against him for assessment.

The Court admitted the writ, granted interim stay and issued *rule nisi.*

Points From The Chair

Monetary Upheaval

"THE sixteen-year period from 1938 to 1954 has been one of monetary upheaval. In this, as in other countries, the deficit finance of the war and early post-war years started a fall in the purchasing power of our currency which even today has not been completely arrested. The clearing banks are the chief instruments of Governments borrowing through the banking system. From the annual balance-sheets you will be familiar with the resulting expansion in our deposits; they are more than three times as large as before the war. In this process the clearing banks have, of course, been largely passive agents. It is decisions on the part of the monetary authorities which regulate the volume of bank deposits, since deposits cannot expand unless the authorities provide the necessary scaffolding of additional cash reserves and other liquid assets. When official policies bring about a general expansion of bank credit, an individual bank will share in it only so far as it can hold its own in competition with others."

SIR OLIVER FRANKS,
Lloyds Bank Ltd.

Gentle Inflation

"The idea of a 'gently inflationary' economy for Britain is not without its supporters. There are some people who think we ought to reconcile ourselves to a permanent condition of gradually rising prices. What this seems to me to amount to is that wage earners and profit earners would constantly be increasing their slice of the cake at the expense of pensioners, of other persons with fixed incomes, and of future savers. And the size of that cake would most likely become smaller and smaller as high costs led to the loss of overseas markets and ultimately to the depreciation of the pound sterling. A rise in Bank rate would seem to me much less undesirable than inflation."

LORD ALDENHAM,
Westminster Bank Ltd.

British Shipping Industry

"Shipowners face the new year in a much more cheerful frame of mind. Tramp shipping freights, time-charter rates and tanker rates have been rising steeply in the last quarter of the year from the unremunerative level at which they stood in the middle of the year. Good profits can now be earned even by older ships and, as a result of rising freight rates, the value of second-hand ships has risen steeply. The cost of new tonnage continues to mount and the 20 per cent. investment allowance for new ships is especially welcome to shipowners. Shipbuilders are now facing severe competition from the Continent and close co-operation between workers and management will be needed, if they are to surmount it when the present arrears of orders have been completed."

SIR ERIC A. CARPENTER,
Williams Deacon's Bank Ltd.

Road System in the U.K.

"In spite of the fact that for many years the Exchequer has collected by way of indirect taxation many millions of pounds from the transport industry, practically nothing has been done to provide an efficient road system in this country and thereby improve generally the nation's industrial efficiency. Apart altogether from the tragic loss of life and serious injury caused by road accidents, the state of the roads in this country today is such that they are inadequate to cope with the immense volume of traffic now operating upon them. There is little doubt that by far the largest percentage of all manufactured goods in this country move on our roads at some stage between producer and consumer. Road transport is now the major partner in the business of transportation."

LORD BRABAZON OF TARA,
Associated Commercial Vehicles, Ltd.

Unsatisfactory Features of British Economy

"There are, however, certain unsatisfactory features of our economy which cannot be ignored. The fall in the internal purchasing power of the pound has not been arrested; only slowed up. Whatever the successes achieved by the new monetary policy, a fall in purchasing power is hardly one of them. Of course, it can be argued that such a decline is only a small price to pay for full employment and freer trade conditions. From this it is but a step towards accepting the comfortable doctrine that we can afford a mild degree of inflation each year so long as production increases. But experience has shown that the promised objectives are not necessarily attained by such policy. The theory implies a precision in economic management that has yet to be displayed; it bumps up against a number of very baffling problems."

D. J. ROBARTS,
National Provincial Bank Ltd.

COMPANY MEETINGS AND DIVIDENDS

CAWNPORE SUGAR WORKS LTD. Annual General Meeting, Kanpur, U.P., 11th February, 1955. Dividend: As. 12 per share. Transfer books remain closed from 27th January to 11th February, 1955, both days inclusive.

JEYPORE SUGAR CO., LTD. Annual General Meeting, Rayagada, 14th February, 1955. Dividend: Re. 1 per share. Transfer books remain closed from 28th January to 14th February, 1955, both days inclusive.

SOUTH KARANPURA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 15th February, 1955. Dividend: As. 2 per share. Transfer books remain closed from 1st to 15th February, 1955, both days inclusive.

ANGELO BROS. LTD. Annual General Meeting, Calcutta, 16th February, 1955. Transfer books remain closed from 3rd to 16th February, 1955, both days inclusive.

CHEMICAL, INDUSTRIAL AND PHARMACEUTICAL LABORATORIES LTD. Annual General Meeting, Bombay, 16th February, 1955. Dividend: Rs. 5 per share. Transfer books remain closed from 1st to 16th February, 1955, both days inclusive.

BRITISH INDIA CORPORATION LTD. Annual General Meeting, Kanpur, U.P., 26th March, 1955. Transfer books will remain closed from 26th February to 26th March, 1955, both days inclusive.

ATTOCK OIL CO., LTD. Interim dividend of 5 per cent. less income-tax at 9s. in the £ payable on 3rd March, 1955.

HATTIKHIRA TEA CO., LTD. *Ad-interim* dividend of Re. 1 per share, for season 1954, payable on 15th February, 1955. Transfer books remain closed from 3rd to 15th February, 1955, both days inclusive.

OODLABARI CO., LTD. *Ad-interim* dividend of Re. 1 per share, for season 1954, payable on 23rd February, 1955. Transfer books will remain closed from 14th to 23rd February, 1955, both days inclusive.

TEEN ALI TEA CO., LTD. *Ad-interim* dividend of Re. 1 per share, payable on 23rd February, 1955. Transfer books will remain closed from 14th to 23rd February, 1955, both days inclusive.

HASIMARA TEA CO., LTD. Interim dividend of Re. 1 per share, payable on 21st February, 1955. Transfer books will remain closed from 7th to 21st February, 1955, both days inclusive.

DARJEELING TEA AND CINCHONA ASSOCIATION LTD. Interim dividend of Rs. 2-8 per share, for season 1954.

NEW TERRAI ASSOCIATION LTD. Interim dividend of Re. 1 per share, for season 1954.

PAHARGOOMIAH TEA ASSOCIATION LTD. Interim dividend of Re. 1 per share, for season 1954.

PASHOK TEA CO., LTD. Interim dividend of As. 4 per share, for season 1954.

CHAMPDANY JUTE CO., LTD. Dividend of Rs. 3 per share, for the half-year ended 30th September, 1954.

INDIA PAPER PULP CO., LTD. Dividend of Rs. 7 per share, for the half-year ended 30th September, 1954.

COMPANY REGISTRATIONS

ADITYA TEXTILE INDUSTRIES LTD. (First Director: Mr. S. M. Parekh) Business: Cotton spinners, doublers, woollen spinners, etc. Authorised capital: Rs. 25,00,000. Private company. Registered office of the Company will be situated in the State of Bombay.

GOPIDAS NARSINGDAS LTD. (First Director: Mr. Gopidas Narsingdas Binnany.) Business: Importers, exporters and dealers in all kinds of metals and non-ferrous metals, ores, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 53, 2nd Bhoiwada Lane, Bombay.

KOSMEK PLASTICS MANUFACTURING LTD. (First Director: Mr. Hariprasad Vrajlal Mehta. Business: Manufacturers, buyers, sellers, importers, exporters and dealers of bottles and containers of plastics and polytainers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Signal Hill Avenue, Sewri (old Mukund Iron and Steel Company's compound), Bombay, 15.

MINING BY SOUTH KARANPURA COAL BECOMING UNECONOMIC

ALLIANCE JUTE RAISES DIVIDEND LEVEL

South Karanpura Coal Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st August, 1954.

As much as 99,663 (1,05,393) tons of coal were raised and 96,490 (1,00,523) tons were despatched during the period compared with 1,00,734 tons raised and 90,855 tons despatched during the previous half-year.

Transport was slightly better as will be seen from the above figures, but directionwise restrictions continue.

The Company's quarries are beginning to approach the stage at which this type of mining becomes uneconomic and plans are in hand to resume under-cover extraction. This method will obviate the maintenance of a large labour force with attendant expenditure on subsidised food, housing, etc., but no immediate action can be taken without incurring heavy expenditure by way of compensation to workmen and pending the outcome of the Tribunal now in session on the All-India dispute between colliery labour and management.

Electric Power.—The directors report that negotiations with the State owned power house have resulted in a decrease in the cost per unit supplied. It is anticipated that power from the D.V.C. will be available shortly.

The profit and loss account after providing Rs. 32,469 (Rs. 31,444) for depreciation, bringing in Rs. 20,000 (*nil*) from stock adjustment reserve and Rs. 15,000 (*nil*) from provision against bad and doubtful debts and including the sum of Rs. 278 (Rs. 26,614) brought forward from last half-year shows an available balance of Rs. 25,728 (Rs. 50,663) which the directors propose to dispose of as follows:—

In paying a dividend at the rate of 2½ (2½) per cent. per annum without any deduction for income-tax paid by the Company Rs. 21,875 (Rs. 21,875) and in carrying forward Rs. 3,853 (Rs. 28,788).

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	17,50,000	Block ...	22,65,528
Reserves ...	10,35,425	Capital expenditure-in-progress ...	11,551
Provision for taxation ...	19,048	Stock-in-trade	1,71,237
Liabilities ...	7,41,229	Stores and spare parts	2,67,892
Profit and loss account ...	3,853	Debts, deposits and advances ...	8,69,198
		Investments	4,031
		Cash ...	13,120
Rs.	36,02,555	Rs.	36,02,555

Alliance Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1954.

The profit for the half-year, after making provision for doubtful debts Rs. 50,000 (nil) and providing for depreciation Rs. 1,28,000 (Rs. 1,50,000) amounts to Rs. 3,32,336 (Rs. 5,85,243) to which must be added the credit balance brought forward from the previous half-year of Rs. 35,656 (debit of Rs. 11,66,135), amounts overprovided in respect of liabilities in previous period Rs. 12,144 (Rs. 15,379) and amount received on account of post-war E.P.T. refund (net) Rs. 11,572 (Rs. 3,94,562), making a total of Rs. 4,11,708 (debit of Rs. 1,70,951). From this sum the directors have transferred to general reserve account Rs. 1,25,000 (nil), leaving an available balance of Rs. 2,86,708 (debit of Rs. 1,70,951). This sum the directors recommend should be distributed as follows:—

Dividend on 15,000 preference shares at Rs. 3 (*nil*) per share for the half-year ended 30th June, 1954 Rs. 45,000 (*nil*), dividend on 30,000 ordinary shares at 12 (*nil*) per cent. per annum for the half-year ended 30th June, 1954, or Rs. 6 (*nil*) per share Rs. 1,80,000 (*nil*) and leaving to be carried forward Rs. 61,708 (debit of Rs 1,70,951).

Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 30th June 1954, have been valued at market price.

In accordance with the main and supplementary working time agreements of the Indian Jute Mills' Association, working hours were 42½ hours per week with 12½ per cent. of the total looms sealed. Due to a re-allocation of loom hours on a group basis and the purchase of loom hours, the mills worked 45 hours per week with 12½ per cent. of their total looms sealed.

Trading conditions remained difficult throughout the half-year, but there was a marked improvement in heavy goods prices in the latter half of the period. The anticipated shortage of raw material did not materialise, and prices declined rapidly during May-June with reports of a large 1954-55 crop. Subsequent reports of flooding in the main jute growing areas and consequent shortage of and damage to the jute crop again raised prices. The Indian Jute Mills' Association announced increases in mill working hours as from 12th July, 1954 to 45 hours per week, and as from 18th October, 1954 to 48 hours per week.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	45,00,000	Block ...	27,02,895
Reserves ...	7,35,000	Stocks ...	56,27,943
Liabilities ...	60,28,757	Stores ...	12,02,754
Profit and loss account ...	61,708	Debts, deposits and advances ...	12,27,649
		Investments ...	2,10,000
		Cash ...	3,54,224
Rs.	1,13,25,465	Rs.	1,13,25,465

Naskarpara Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Howrah Trading Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th April, 1954.

The accounts showed a profit of Rs. 1,03,626 (loss of Rs. 1,52,890 exclusive of Rs. 5,104 being credit balance brought forward) inclusive of Rs 5,970 (credit of Rs. 5,104) being the carry forward of the last half-year after providing Rs. 50,000 (*nil*) for depreciation and Rs. 1,96,893 (Rs. 1,52,953) for interest, commission, allowance and other expenses, which the directors disposed of in payment of a dividend on 2,00,000 ordinary shares (free of income-tax) As. 8 (*nil*) per share Rs. 1,00,000 (*nil*) and carried forward Rs. 3,826 (net loss of Rs. 1,47,786).

During the period the mills have worked in accordance with the supplemental working time agreement of the Indian Jute Mills' Association.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	20,00,000	Block ...	11,41,407
Debentures ...	5,00,000	Stocks ...	27,72,396
Reserves ...	15,05,000	Stores and spare gear	7,35,935
Provision for taxation ...	4,56,492	Tools, etc. ...	22,569
Liabilities ...	35,31,026	Other assets	7,883
Profit and loss account ...	1,03,826	Debts, deposits and advances ...	22,58,010
		Investments	48,774
		Cash ...	11,09,370
Rs.	80,96,344	Rs.	80,96,344

Fort William Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bangur Brothers Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1954.

The net result after providing for depreciation reveals a profit of Rs. 9,39,351 (Rs. 8,11,513) and adding to it the previous balance of Rs. 6,934 (debit of Rs 4,98,601), there remains a net credit of Rs. 9,46,285 (credit of Rs. 3,12,912). From this amount the directors propose to transfer to general reserve account Rs. 7,00,000 (Rs. 1,00,000), pay dividend on 10,000 7 per cent. cumulative preference shares for the half-year ended 30th September, 1954 at Rs 3-8 (Rs. 3-8) per share Rs. 35,000 (Rs. 1,40,000 for four half-years), pay dividend on 14,000 ordinary shares for the half-year ended 30th September, 1954 at Rs. 10 (Rs. 5) per share Rs. 1,40,000 (Rs. 70,000) and carry forward the balance of Rs. 71,285 (Rs. 2,912).

In accordance with the main and supplementary working time agreements of the Indian Jute Mills' Association, 12½ per cent. of the total looms continued to remain sealed and the mills worked 42½ hours per week upto 10th July, 1954. As already reported, the working hours were increased to 45 hours per week from Monday the 12th July, 1954. These were again increased from Monday the 18th October, 1954 to 48 hours per week to meet the demand from the consuming centres.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	24,00,000	Block ...	32,85,919
Reserves ...	13,00,000	Stock-in-trade	22,77,019
Liabilities ...	37,63,885	Stores and spare gears	5,50,181
Profit and loss account ...	71,285	Debts and advances ...	10,93,383
		Investments	1,07,221
		Cash ...	2,13,447
Rs.	75,33,170	Rs.	75,35,170

Chemical, Industrial and Pharmaceutical Laboratories, Ltd.

The directors of the above Company (Managing Agents: Messrs. Hamilsons Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st October, 1954.

During the year under review there has been a slight improvement in the sales, both inland and foreign. The management has been making all possible efforts to fight the competition of foreign medicines which the directors regret to point out has not decreased in spite of protests from the industry. More and more foreign medicines are being allowed to come into India and used in the country.

The Pharmaceutical Enquiry Committee appointed by the Union Government to go into the problems facing this industry has submitted its report to the Government. Although the directors do not fully agree with many of the findings of this Committee and with some of the recommendations, they, however, hope that an early implementation of the recommendations would help the industry. In their opinion, if the import of foreign drugs similar to those which are made in India and also the activities of the foreign manufacturing concerns in this country are restricted, the indigenous pharmaceutical industry will substantially develop both in the volume of trade as well as research.

The directors are glad that in spite of many handicaps and difficulties which the management had to encounter, the Company's sales during the year amounted to Rs. 30,83,000 as against approximately Rs. 29 lakhs last year, yielding a profit of Rs. 4,73,145. The directors have made a provision of Rs. 80,000 (Rs. 1,00,000) for depreciation and Rs. 2,00,000 (Rs. 95,000) for income-tax, and Rs. 10,000 (Rs. 10,600) for bad and doubtful debts, leaving a net profit of Rs. 1,83,145 (Rs. 2,25,026). From this amount, the directors propose to make the following allocations:—

To provision for distribution of bonus to staff and workers Rs. 36,625 (Rs. 33,000), provision for special efficiency allowance Rs. 12,800 (Rs. 12,000), provision for declaration of dividend on 6,000 preference shares at Rs. 5 (Rs. 5) per share, free of income-tax Rs. 30,000 (Rs. 30,000), and provision for declaration of dividend on 18,773 ordinary shares at Rs. 5 (Rs. 5) per share free of income-tax Rs. 93,865 (Rs. 93,865), leaving a balance of Rs. 9,855 from this year's profit. Added to this last year's balance carried forward of Rs. 45,561 and Rs. 37,763 being the refund of post-war excess profits tax, the balance carried forward this year amounts to Rs. 93,180 (Rs. 45,561).

The directors inform that the chairman, Dr. K. A. Hamied, was deputed to visit the Foromycene Manufacturing Company in Glucksburg, near the Danish Border in Germany, to study and bring full information regarding the methods of sale and details of production of foromycene and also to renew the contract with the foromycene establishment in Switzerland. This has been done and it is hoped that now foromycene manufacture would be started if no other difficulties arise in the way. The chairman also was deputed to meet the President of the firm who are the Company's Agents in U.S.A. This meeting took place in Zurich and again in London. The arrangements arrived at shall be useful and prove very profitable to the Company. Contacts have also been made oy the chairman with firms in Germany and U.K. for export of the Company's products.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	24,77,300	Block ...	22,68,338
Reserves ...	3,88,150	Stock-on-hand	12,97,183
Depreciation reserve ...	7,24,000	Other assets	39,732
Provision for taxation ...	2,95,165	Debts, deposits and advances ...	6,66,217
Liabilities ...	4,96,460	Cash ...	2,02,806
Profit and loss account ...	93,181		
Rs.	44,74,256	Rs.	44,74,256

Northbrook Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs Bird & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September, 1954.

After providing Rs. 1,76,455 (Rs. 39,000) for taxation, Rs. 47,000 (Rs. 67,000) for reserve for taxation contingencies and Rs. 1,55,108 (Rs. 1,84,332) for depreciation, the profit and loss account showed a profit of Rs. 2,61,309 (Rs. 2,34,509) to which was added the amount brought forward from previous half-year of Rs. 33,023 (Rs. 30,203), making a total of Rs. 2,94,332 (Rs. 2,64,712). From this sum is transferred to general reserve Rs. 50,000 (Rs. 1,00,000) and to jute stock reserve Rs. 33,556 (nil), leaving an available balance of Rs. 2,10,776 (Rs. 1,64,712). The directors disposed of this sum as follows:—

Paid a dividend on the preference shares at the rate of 5½ per cent. per annum, without any deduction for income-tax paid by the Company Rs 41,250 (Rs. 41,250), a dividend on the ordinary shares of As. 12 (As. 8) per share, without any deduction for income-tax paid by the Company Rs. 1,25,956 (Rs. 83,968) and carried forward Rs. 43,570 (Rs. 39,494).

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	31,79,880	Block ...	64,35,690
Debentures ...	20,00,000	Capital expenditure-in-progress ..	33,995
Reserves ...	51,05,696	Stock-in-trade	12,20,423
Provision for taxation ...	1,71,153	Stores and spare gear	7,88,498
Liabilities ...	5,93,843	Oil and coal	10,007
Profit and loss account ...	43,570	Debts and advances ...	11,77,296
		Investments	3,41,120
		Cash ...	11,08,513
Rs.	1,10,94,142	Rs.	1,10,94,142

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

STRINGENCY IN MONEY

(From Our Own Correspondent)

BOMBAY, *2nd February*

The short-term money market experienced very free expansion in activity during the week under review. The turnover continued to be small, due to the absence of any broadening of demand for funds. Nevertheless, conditions were a little more stringent than in the previous week as the available funds fell short of even the restricted demand.

In the inter-bank call money sector, very few banks appeared as borrowers, while others were neither borrowers nor lenders. Even these few borrowers were not able to get their requirements in full. Inter-bank borrowings were done mostly at 3 per cent, while occasional transactions passed at 2½ per cent. House money at call was bid at 3 per cent. Short-term deposits were placed at 3 per cent. for 1 to 6 months and at 2½ for longer periods. Some banks, however, offered no more than 2½ per cent. for periods over 6 months.

The Government of India Treasury Bill borrowing rate, however, dropped a fraction this week from Rs. 2-8-6 per cent. to Rs. 2-8-3 per cent. per annum. The amount offered against an invitation for Rs. 1 crore aggregated Rs. 137.75 lakhs, as against Rs. 121 lakhs in the previous week. Tenders for Rs. 1 crore have been invited for next week also.

Minor variations are disclosed by the statement of affairs of the Reserve Bank of India for the week ended 28th January, 1955, as compared with that for the previous week. Thus, in the Issue Department, notes in circulation are lower by Rs. 1.75 crores, while notes held in the Banking Department have gone up by Rs. 1.91 crores. The small rise of Rs. 16 lakhs in total notes issued is covered by a similar change in rupee coin. In the Banking Department, deposits of the Central Government show a rise of Rs 67 lakhs and those of other Governments Rs. 4.59 crores. There has, however, been a shrinkage of Rs. 5.50 crores in deposits of banks. Cash balances disclose an increase of Rs. 1.91 crores, while balances held abroad have gone down by Rs. 3.68 crores. Loans and advances to Governments have declined by Rs. 98 lakhs. Other loans and advances are up by only Rs. 1.32 crores, of which outstanding advances to Scheduled banks against usance bills account for a mere Rs. 23 lakhs. The total amount of advances availed of by Scheduled banks against usance bills since 1st January, 1955, is Rs. 2.89 crores. Investments have dropped by Rs. 56 lakhs.

The Scheduled banks' statement for the week ended 21st January, 1955, reflects the paucity of seasonal demand for funds on banks. Demand deposits disclose an expansion of Rs. 8.87 crores over the week and time deposits Rs. 1 51 crores. Inter-bank borrowings are up by Rs. 1.43 crores. Borrowings from the Reserve Bank are down by Rs. 1.45 crores, while there has been no variation in borrowings from the Imperial Bank. On the assets side, loans and advances have gone down by Rs. 1.02 crores. Inland bills purchased and discounted are, however, higher by Rs. 86 lakhs and foreign bills purchased and discounted by Rs. 2.92 crores. Investments have been strengthened by Rs. 1.23 crores. Money at call and short notice disclose a rise of Rs. 1.48 crores. Total cash balances have increased by Rs. 4.30 crores and balances with other banks in current account by Rs. 57 lakhs.

The Gilt-edged market continued to maintain steady conditions during the week under review also, with further slight marking up in prices in many securities. The volume of business did not, however, show any large expansion. 2½ per cent. 1960 put on an anna to Rs. 94-9, as also 2½ per cent. 1962 to Rs. 92-9. 3 per cent. 1957 had business at the unchanged rate of Rs. 99-4. 3 per cent. 1958 gained an anna to Rs. 99-3, but attracted sellers at that level. 3 per cent. 1959-61 changed hands an anna better at Rs. 97-5. 3 per cent. 1963-65 and 3 per cent. 1964 had small offerings, but the quotation was unchanged at Rs. 93-11. The Reserve Bank raised its selling rate for 3 per cent. 1966-68 and 3 per cent. 1970-75, by an anna to Rs. 90-9 and Rs. 86-15, respectively. 3 per cent. 1986 Conversion Loan was an exception to the general trend, in that it dropped an anna to Rs. 81-3. 3½ per cent. 1961 National Plan Bond appreciated by As. 3 to Rs. 99-10. 3½ per cent. 1964 National Plan Loan had sellers at Rs. 98-9. The market completely ignored the rise in Bank rate in Britain last week.

In the foreign exchange section, there was no change in the rupee-U S. dollar rates, while sterling appreciated a fraction in terms of the dollar. Thus, in New York, spot sterling moved up from $2.78.5/16—2.78.7/16 to $2.78.7/16—2 78.9/16 and forward sterling (three months) from $2.78.5/16—$2.78.7/16 to $2.78½—2.78½. Transferable sterling rose from $2.71¼—2.72 to $2.71½—2.72½.

SLOW OFFTAKE IN HIDES

(From Our Own Correspondent)

MADRAS, *31st January*

Arrivals of cow hides have been on a moderate scale, but offtake slow, due to sellers quoting unworkable prices. U.K. carriers state that they are unable to sell dressed kip leather profitably at current levels and are, therefore, said to resist advances in prices required at origin. As stocks are accumulating in the local bazaar, it is not unlikely that Madras prices will ease slightly and come into line with U.K. levels ruling last week. Tanned cow calf, buff calf and buff hides rule firm, as arrivals have been small.

In the January London public sales, prices of goat skins weighing under 12 lbs. per dozen average and over 20 lbs. advanced by 6d. to 12d., while others ruled unchanged on December levels. Sale of tanned sheep skins will be taken up this week.

In the local market, prices of tanned goat skins ordinary and superior classes, as also of lining sheep, are firmer.

GOLD FIRM

(From Our Own Correspondent)

BOMBAY, *2nd February*

The deadlock in the bullion market referred to in these columns last week, having been resolved, following the settlement reached between the Board and the protesters as stated in the last report, trading was resumed on Thursday, 25th January. The political situation in the Far East soon fanned the bullish enthusiasm and, in broad and active dealings, prices forged ahead. The bullish forces exerted themselves more strongly in gold than in silver, as the good demand for the yellow metal from Calcutta also strengthened the sentiment. Towards the close, the weakness of commodity markets induced some heavy selling which erased a part of the earlier gains. Nevertheless, the yellow metal disclosed a rise of Re. 1-2 per tola over the week, while silver was better by no more than As. 8 per 100 tolas.

Forward silver (8th February settlement) opened the week at Rs. 160-7 and soon advanced to Rs. 161-10. Profit-taking at this level brought it down to Rs. 160-9 on Saturday. After a further rise to Rs. 161-8 on Monday, forward silver relapsed today to Rs. 160-14 at the close. Trading in the next settlement opened on Monday at Rs. 161-6, the carry forward charges being against buyers at As. 2, and closed today at Rs. 160-11, the budli charges having turned in favour of buyers.

Ready silver (.996 mint) was quoted on par with the forward rates for the current settlement, the opening and closing prices being Rs. 160-7 and Rs. 160-14, respectively. The floating stocks of silver are estimated at 2,500 bars. The daily average arrivals were 15 bars, while the offtake was 10 to 15 bars on an average.

Opening at Rs. 90-15, forward gold hardened to Rs. 91-14 and, after a temporary reaction to Rs. 91-6, resumed its upward trend touching a high of Rs. 92-7 yesterday. Today, however, it lost some ground closing at Rs. 91-13. Business in the next settlement opened on Monday at Rs. 91-10. After touching Rs. 92, forward gold for this settlement closed today at Rs. 91-6. The budli charges were throughout in favour of buyers widening from As. 5½ on Monday to As. 7 today.

Ready gold opened at Rs. 91-2 and closed at Rs. 92-2, the highest and the lowest levels touched being Rs. 92-10 and Rs. 91-1, respectively. The floating stocks of gold are estimated at 35,000 tolas. The daily average arrivals and offtake were even at 3,000 tolas.

In London, silver suffered a decline after several weeks from 74¼d. to 73¾d. per fine ounce for spot and from 74d. to 73¾d. for forward. Gold also dropped a little from £12 11s. 8d. to £12 11s. 7½d. per fine ounce.

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

	2-2-55	Highest	Lowest	25-1-55
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	92 2	92 10	91 1	91 0
Forward*	91 13	92 7	90 14	90 11
Sovereign	58 12	58 12	58 0	58 0
SILVER				
Ready (.996 fine Mint) ..	160 14	161 10	160 6	160 6
Forward†	160 14	161 10	160 6	160 6
London Silver Ready ..	73¾d.	74¼d.	73¾d.	74¼d.
London Forward	73¾d.	74d.	73¾d.	74d.
London Gold	251s. 7½d.	251s. 8½d.	251s. 7½d.	251s. 8d.
New York Ready	85½c.	—	—	85½c.

* 7th February settlement.
† 8th February settlement.
N. B.—Foreign bullion prices shown in the above table relate to the previous day.

Notice

THE BANK OF INDIA LIMITED

BOMBAY

NOTICE IS HEREBY GIVEN THAT THE Forty-ninth Annual Ordinary General Meeting of the Shareholders of THE BANK OF INDIA LIMITED will be held at the Registered Office of the Bank, Mahatma Gandhi Road, Fort, Bombay, on Thursday the 3rd March, 1955, at 4 o'clock in the afternoon (Standard Time):—

(1) To receive the Report of the Directors and the Audited Accounts for the year ended 31st December, 1954,

(2) To declare a dividend,

(3) To elect Mr. Madanmohan Mangaldas who vacates his seat as a Director under Article 85 of the Articles of Association and who is eligible and offers himself for re-election,

(4) To elect Directors in place of those retiring by rotation, and

(5) To appoint Auditors and fix their remuneration.

NOTICE is also given that the Transfer Books of the Bank will be closed from Monday the 21st February, 1955, to Tuesday the 8th March, 1955, both days inclusive.

D. R. THOM,
General Manager.

BOMBAY, *3rd February, 1955.*

SLUMP IN COTTON PRICES

(From Our Own Correspondent)

BOMBAY, *2nd February*

It looks as though the morale of the Bombay cotton market has been lost. The past week has witnessed a heavy slump in cotton prices, the net decline over the week being as much as Rs. 23-4 in I.C.C. February contract and Rs. 22-12 in I.C.C. May contract. This is surprising, considering the continued high level of activity which prevails on the textile production and export fronts. To some extent, the slump in prices was due to the fact that the rejection of appeals against the room rates by the East India Cotton Association disappointed the bulls who exercised considerable pressure on the market by liquidating their holdings. The bulls were reported to have been reluctant to weigh over cotton against the February contract. They were busy squaring up their commitments by transferring their purchases to May contract. Curiously enough, yesterday there was no issuance of any tenders against the maturing delivery, thanks to the unwillingness of stockists to tender cotton in futures at the present unremunerative rates. Even this development failed to induce any recovery and cotton prices continued their downward march.

What then are the factors which have been responsible for the precipitous drop in cotton prices? The general trend of opinion among cotton circles is that, since the expectation of Government intervention to prevent the rot in the market has not materialised, bears have become very aggressive. Disappointment, for instance, is expressed at the inordinate delay in the announcement of an export quota for Jarillas and of additional quotas for the permissible short-staple varieties. Another important bearish factor is said to be that, being assured of plentiful quotas (115 per cent.), the mills do not appear to be in any hurry to cover their requirements. Apparently, they seem to be waiting for a further decline in cotton prices. The continued all-pervading bearish atmosphere has led the cotton interests once again to urge the immediate adoption of some corrective measures, instead of waiting till prices reach floor levels and thus be compelled to purchase cotton. To quote a well reputed firm of cotton dealers:

"With effective demand restricted and the entire crop reserved by individual quotas to mills, so that even competition among mills is reduced, the price level has to give way to which the bottom can only be the Government 'floor'. No wonder then that the Government's decision to give additional quotas to mills has fallen flat on the market and the tendering differences fixed for February have failed to arrest the sagging tendency. The East India Cotton Association has circulated all members inviting their suggestions for a revision of the contract. Shrewdly enough, the E.I.C.A. have taken care to elaborate the background of the working of the controls, within the highly rigid restrictions of which the futures are obliged to function with whatever degree of efficiency it is possible to achieve. In the context of the changed circumstances from the abnormal shortages of the post-war period, the real solution lies not merely in modifying the constitution of the contract, which is merely a means of registering prices, but in simultaneously persuading the authorities to take cognisance of the altered situation and radically modify their cotton policy by abolishing internal control on cotton and allowing increased exports of cotton upto ¾" in staple."

The forward section of the Bombay cotton market ruled distinctly weak during the week under review. The bull operators were reluctant to weigh cotton against their purchases of futures and were eager to sell in the February contract with a view to avoiding taking delivery. Spot houses and option dealers also joined the ranks of sellers, so much so that there was a stampede of selling and cotton values suffered a severe break. I.C.C. February contract opened at Rs. 602 and, after improving to Rs. 607 on Friday, fell to Rs. 563-8 today, the lowest level touched since forward business was resumed on 7th October, 1954. At low levels, profit-taking set in and the contract recovered slightly to Rs. 568-8 at the close. The net loss over the week was Rs. 33-4. I.C.C. May contract, which stood at Rs. 599 on the 27th inst., slumped to touch a low of Rs. 563 today before recovering to Rs. 567-12, the net loss over the week being Rs. 22-12. As selling pressure was relatively less in distant delivery, the spread between the two contracts narrowed down from Rs. 11-4 last week-end to As. 12 today.

The following is the trend of prices during the week under review:

		25-1-55	High	Low	2-2-55
I.C.C. February ...	Rs.	601¾	607	563¼	568¼
I.C.C. May ...	Rs.	590¼	597½	563	567¾

Spot cotton evoked little demand, although domestic qualities were on offer at prices lower than those a week ago. Small lots of 197/3 and 216F changed hands. Forward business was limited in Vijay and Surat-Navsari both for February-March delivery. Some mills purchased small quantities of Lakshmi, Vijay and Surti stocks of last season's crop at cheaper prices. Overseas enquiries were negligible, business being confined to a very few lots of Bengal and C.P. deshi. Foreign cottons failed to evoke the interest of local spinners. Spot prices of cotton yarn staged a precipitous fall during the week under review:

The following table gives today's closing rates, as compared with those eight days and fourteen days before:

(In Rs. per candy of 784 lbs.)

	2-2-55	25-1-55	19-1-55
Bengal deshi	580	600	610
Berar Jarillas	650	675	680
Khandesh	650	700	715
Vijay	730	770	780
Oomra deshi	600	625	640
Moglai	580	620	620

Exports of Indian cotton during the period 1st September, 1954 to 15th January, 1955, amounted to 64,965 bales, as against 51,157 bales in the same period last season. Of this quantity, 35,030 bales were shipped to Japan, 14,565 bales to the Continental countries, 6,837 bales to the U.K., 6,710 bales to the U.S., 1,383 bales to China and 440 bales to other countries.

The distinctly bearish trend depicted by the Karachi cotton market last week persisted this week too. Overseas enquiries continued to be absent. Exports of cotton from Karachi during the period 1st September, 1954 to 20th January, 1955, amounted to only 216,180 bales, as against 436,011 bales in the corresponding period last season. The decline in exports, coupled with reports of heavy accumulations of stocks in Karachi, pushed down prices of cotton further. A look at the table below gives an idea of the extent of the fall during the week under review:

(In Pakistan Rs. per 82 lbs. weight)

	1-2-55	24-1-55
Sind *deshi*	68 8	69 0 to 70 0
Punjab *deshi*	63 8	64 0
4F Punjab R.G.	68 0	69 6
S.G.	72 0	73 6 to 75 6
L.S.S. Punjab S.G.	76 8	77 6
N.T. R.G.	73 4	74 6
289F Punjab R.G.	76 0	77 6
S.G.	80 0	81 6

The Alexandria cotton market was active this week. Karnak and Giza 30 continued to evoke good attention of overseas buyers. Spot premiums and also premiums for entitlement currencies were fully maintained. China is reported to have bought last week about 3,000 bales, mainly Karnak. The Egyptian Government has declared that the basis for its selling prices on New York futures will remain unchanged. The Government, it is reported, is at present engaged in reviewing the cotton situation in consultation with the trade. The Ministry of Finance has already held discussions with several cotton interests. Cotton circles, it is stated, are generally in favour of the reopening of the Alexandria futures market.

The first auction of the 1954-55 crop Sudan cotton will be held at Khartoum on Wednesday next, according to the Sudan Gezira Board. The aggregate quantity to be offered for sale is estimated at 75,000 bales. Of this, long-staple cotton—consisting of 4,500 bales each of Gezira S and L and 1,200 bales of AL/WL L—accounts for 10,200 bales. The balance of 4,800 bales will comprise American types (Nuba Mountains) available for February-March shipment. The quality of the cottons is expected to be the fair average of the season. Reserve prices will be announced shortly before the date of the auction. The Board proposes to commence auctions of higher grades only after a few weeks, that is when buyers have had the opportunity of sampling cotton from individual lots.

At Liverpool, a fair volume of spot and forward business in actual cotton was reported. Spot transactions were principally in U.S., Brazilian-Sao Paulo, Russian and Argentine cottons. Shipment trading was mostly in American types, including U.S. longer staples, Mexican and Brazilian-Sao Paulo. A large part of the business covered February and later shipments. The cotton futures market was subjected to alternative bouts of selling and buying. Initially, prices had drifted lower on account of occasional bursts of selling mainly against outside growths, but prices recovered subsequently, following weaker sterling—dollar exchange rate and a fair amount of trade price fixing. The sentiment of the market is reported to be somewhat unsettled at present. The latest available quotations from the Liverpool market are: March-April 32.42d.; May-June 32.44d.; July-August 32.35d.; October-November 32.20d.

There are two developments worth nothing this week in so far as the New York cotton market is concerned. First, the U.S. Department of Agriculture announced that cotton has been put on the montly list of American surplus commodities for export, enabling private traders to sell it to foreign countries in exchange for the currencies of the countries concerned. Secondly, it is reported that the U.S. Agriculture Secretary has expressed his stiff opposition to any upward revision in acreage allotments for this year's cotton crop. The opposition, it is believed, is based on three grounds. First, the area of 18.1 million acres is the level indicated by law. Secondly, in the national referendum last month, 92 per cent. of cotton growers approved the allotment. Finally, current estimates indicate that there will be a carry-over stock of 9.8 million bales on 1st August next which is more than the domestic requirements for one year.

The aforesaid developments would appear to have had no marked effect on the New York cotton market. While the spot section remained firm, the futures section presented slightly easy conditions. This trend in the forward market was due to scattered liquidation, hedging in current crop deliveries and some profit-taking in new crops. Yesterday's quotations of futures were lower than those eight days before.

The U.S. cotton growers have urged for a more energetic operation of the surplus disposal programme. At a recent meeting of the cotton producers in Memphis, it was resolved to ask the Congress to fix and achieve an export goal of at least 5 million bales annually. The State Department was criticised for its lethargy in expediting sales under Public Law 480. It is understood that the Secretary of Agriculture has promised to consider a proposal to supply exporters with limited quantities of Government cotton for export at competitive world prices.

President Eisenhower recently reported to Congress on the authorised programme for disposal of $1,000 million worth of surplus farm products over a period of three years through sales and gifts. The report for the first six months of the plan showed that sales of surpluses aggregating $453 million had been or were being negotiated, while grants for surpluses valued at $125 million were being arranged to help friendly countries in need. It is expected that raw cotton will account for about 28 per cent. of the programme in the first year, indicating a figure for cotton of 850,000 bales at current prices. Sales of C.C.C.-owned cotton so far negotiated under the Surplus Disposal Programme appear to be: Under Public Law 480 (to Japan) approximately 175,000 bales and under Section 402 (to India, Spain, Yugoslavia, Formosa and Israel) approximately 270,000 bales.

The following are the latest available quotations for the New York market, as compared with those eight days and fourteen days before:

(In cents per lb.)

	1-2-55	24-1-55	18-1-55
Spot	35.10	34.57	34.95
March	34.59	34.64	34.44
May	34.90	34.94	34.75
July	35.12	35.13	34.93
October	35.13	34.93	34.73

SUGAR PRICES IMPROVE

(From Our Own Correspondent)

BOMBAY, 2nd *February*

The distinctly downward trend displayed by the sugar market in the past six weeks was checked to some extent during the week under review, thanks to prompt Government action. On Monday last, the Union Food Ministry announced discontinuance of the f.o.r. destination system for distributing imported sugar. Sugar will henceforth be sold on *ex*-docks *ex*-godown basis. Accordingly, traders in the interior wayside stations will, in future, have to come to the ports to make their purchases of sugar. This means that the demand for sugar in Bombay City will broaden in the coming weeks. The expectation of such enlarged demand led to a fractional rise in market quotations which had hitherto been forced down below the Government's issue prices. The Government's decision to reduce the price of imported sugar had no adverse effect, as it had been well discounted in advance and as the cut was not as much as had been anticipated.

In the spot section, small grain indigenous sugar improved by As. 8 to As. 87-8 per bag (inclusive of sales tax). Medium grain sugar was quoted at Rs. 88-Rs. 90, as against Rs. 86-Rs. 89 last week. Large grain sugar was fully steady at Rs. 92-Rs. 103. Among foreign sugars, French small grain advanced by a rupee to Rs. 79 per bag of 220 lbs. (exclusive of sales tax). Czechoslovakian small grain sugar spurted by a like amount to Rs. 85 per bag of 220 lbs. and large grains were steady at Rs. 88. Polish and German sugars were quoted at Rs. 79 per bag of 220 lbs. There was no stock of British refined sugar in sound bags. The cut and slack bags were sold at Rs. 82-8 per 224 lbs.

The Food Ministry's announcement stated that, with effect from the 1st inst., the issue prices for foreign sugar would be as follows:

Rs. 29-8 per maund *ex*-docks for British refined, East German, French and Polish qualities; Rs. 29 per maund *ex*-docks for Cuban sugar.

Sugar for *Maha* delivery rose from Rs. 81 to Rs. 81-8 *Fagan* delivery gathered As. 12 to Rs. 81-14 before finishing at Rs. 81-12.

Arrivals of indigenous sugar during the week under review were larger, being 4,800 bags, as against 4,100 bags a week before and 3,000 bags two weeks before.

The Regional Directorate (Food) sold by tenders about 28,000 bags of cut and slack bags of all imported varieties at rates ranging from Rs. 25 to Rs. 28-13 per Bengal maund for delivery *ex*-Government godowns in the city.

COTTON YARN EASY

(From Our Own Correspondent)

BOMBAY, 2nd *February*

The reported ban on purchases of cotton yarn by spinning units imparted easiness to the cotton yarn market this week. There were, besides, two other unhelpful factors, namely, continued weakness of raw cotton and lower yarn offtake by weavers. Some selling pressure was, therefore, in evidence and cotton yarn values staged a retreat. Among 80 count yarns, Elphinstones dropped Re. 1-12 to Rs. 59-4. Moderns lost As. 2 to Rs. 64-10. Among 60s, Moderns declined by As. 8 to Rs. 59-8. Finlays were quiet at Rs. 60, Srirams at Rs. 55-6 and Raghuvamshis at Rs. 55-6. Deals in 40s were done at prices lower than those a week before. Vasantas eased by As. 3 to Rs. 25-4 and Moderns by As. 2 to Rs. 25-10. Among 20s, Centurys fell by As. 3 to Rs. 16-8. Maduras and Raghuvamshis finished As. 2 lower each, the former at Rs. 17-14 and the latter at Rs. 17-2. Moderns and Seksarias lost an anna each to Rs. 17-2 and Rs. 16-6, respectively. Among 10s, Moderns gave way from Rs. 13-10 to Rs. 13-9. Yarns of 30 counts, however, proved an exception and tended to look up on buying support. Maduras picked up As. 2 to Rs. 23. Prakashs were fully steady at Rs. 20-12 and Sarojas at Rs. 21-4.

As stated at the outset, the Central Government is reported to have banned the purchase of yarn by those units which have their own spinning plants, except with the permission of the Textile Commissioner. This step, it is said, has been taken in order to make available sufficient quantities of yarn to the handlooms. Special permission for purchase of yarn by composite mills will, however, be given after considering, among other things, the number of looms installed or working in the mill, the productive capacity of the unit, and the question whether yarn is required for purposes of weaving a variety of cloth different from any of the varieties which are normally manufactured by the producer and for the production of which used in the type of yarn is needed.

The rayon yarn market continued to pitter-patter under pressed again this week too. The sentiment into the operators was adversely affected by the reduction of 3d. per lb. in superfine deniers and of 2d. in medium deniers by the Continental producers of viscose rayon yarns and the report of the latter's eagerness to book orders for forward delivery at the reduced prices. Nor were buying enquiries from consuming centres quite encouraging. Even the normal demand was on a reduced scale, on account of the stringency in the money market. Traders were somewhat nervous and indulged in unloading their stocks, while buyers were very much reserved, as they preferred to await the outcome of the bulk-purchase negotiations between the Silk and Art Silk Mills' Association and the overseas suppliers. Consequently, rayon yarn prices suffered a further decline. In the spot section, 120 Japan slided down by As. 2 to Rs. 4. 150 Italy dropped an anna and a half to Rs. 3-12-6. 150 Japan receded from Rs. 4-1 to Rs. 3-15-9. 120 Italy lost an anna to Rs 3-15. Among indigenous yarns, National Rayons Bt. Hanks first grade were lower by half an anna at Rs. 13-11-6. Rayon yarn (150 deniers) for March delivery was nominally quoted at Rs. 730.

Thanks largely to the depressed conditions in the rayon yarn market and also to slackness in demand from consuming centres, the staple fibre yarn section depicted an easy tone. Values suffered an all-round decline. In the forward section, 40 x 2 February contract slumped by Rs. 16 to Rs. 600 before closing at Rs. 801. Business in March contract commenced at Rs. 613 on Tuesday. The contract declined to Rs. 604 today, although, towards the close, it was a rupee higher. January contract terminated at Rs. 601 on Monday, as against Rs. 610 on the 27th inst. Spot staple fibre yarn (40 x 2) prices were also depressed. Among foreign yarns, Suicos were hammered down by As. 2-8 to Rs. 4. Shinces decreased by an anna to Rs. 3-15. Among indigenous yarns, Kohinoors fell by As. 2-9 to Rs. 2-15 and Citys by As. 2 to Rs. 3-4-9. Centurys lost an anna to Rs. 3-0-9. New Greats eased by nine pies to Rs. 3-3.

The table below gives the prices of art silk staple fibre and cotton yarns quoted today, as compared with those eight days before:

	2 2 1955	25-1-1955
	Rs. a.	Rs. a.
Art silk yarn—		
150 February (per case of 200 lbs.) ..	730 0*	730 0*
120 Japan (per lb.)	4 0	4 4
150 Japan (per lb.)	3 15½	4 1
120 Italy (per lb.)	3 15	4 0
150 Italy (per lb.)	3 12½	3 14
Staple fibre yarn—		
40 x 2 February (per case of 200 lbs.) ..	601 0	614 0
40 x 2 March	605 0	—
Suico (per lb.)	4 0	4 2½
New Great (per lb.)	3 3	3 3½
Cotton yarn (per bundle of 10 lbs.)—		
10s Moderns	13 9	13 10
20s Seksaria	16 6	16 7
30s Madura	21 0	22 14
40s Modern	25 10	25 13
60s Modern	59 8	60 0
80s Elphinstone	59 6	61 0

* Nominal.

OILSEEDS BEARISH

(From Our Own Correspondent)

BOMBAY, 2nd *March*

Once again the oilseeds market came under a wave of heavy bear pressure this week. Operators were generally hesitant to commit themselves, following larger arrivals of the seeds and the withdrawal of monopoly trading in non-transferable specific delivery contracts in groundnuts and linseed under the auspices of the Bombay Oilseeds Exchange. The monopoly hitherto enjoyed by this body was lost to it in pursuance of the notification issued by the Centre on 25th January. On the other hand, this notification rendered it possible for the Grain and Oilseeds Merchants' Association, Bombay, to commence trading in these seeds. This organisation, in fact, started trading in non-transferable specific delivery contracts today, after a lapse of four years. While operators watched further developments in trading here, rumours that the deliveries against February-March groundnut would be greater than anticipated created a feeling of nervousness among them. On top of this, the weakness of the cotton market today served as the last straw on the camel's back to cause a sharp break in values. The undertone of the market, therefore, remained weak.

In distinct contrast to last week's recovery to somewhat encouraging levels, the performance of the groundnut section this week was extremely disappointing. Groundnut Bold declined from Rs. 20-10 to Rs. 18-14. February-March delivery was lower at Rs. 18-14 as against Rs. 20-15 and April-May at Rs. 20-2 as compared with Rs. 22. Groundnut oil, ready delivery, eased from Rs. 11-2 to Rs. 10-2. Groundnut oil was reported to be enquired in the Continent at £103, as against £105 a week back. H.P.S. was quoted at about £88.

Partly in sympathy with the groundnut section and partly due to lack of buying interest in linseed oil in the Continent, the linseed section also ruled easy. Bold ready disclosed a loss of as much as Rs. 2-2 at Rs. 21-8. February-March delivery receded from Rs. 22-8 to Rs 21-8 and April-May from Rs. 21-10 to Rs. 20-4. Linseed oil, January-February delivery, was reported nominally quoted at £94 (seller).

In the castorseed section, May delivery opened the week at Rs. 76 as against Rs 77. After fluctuating between Rs. 79-4 and Rs. 74-14, it closed at Rs. 75-4, touching thereby the lowest level for some years. The clearing rate for this delivery was today fixed at Rs. 75, that is Re 1 lower than the previous rate. F.A.Q. fell from Rs. 13-4 to Rs. 15. Madras quality, after minor fluctuations, closed quiet at Rs. 15-4. Castoroil First Pressure declined by As. 3 to Rs. 9-1. Commercial quality, however, put on As. 2 to Rs. 8-12, following good enquiries from the Continent. Commercial quality reported enquired there at £81 against £75 a week.

Among other seeds, *kardi* ready eased from Rs. 15-8 to Rs. 15 and Niger F.A.Q. from Rs. 18-12 to Rs. 17-8. Madras quality was down by Re. 1 at Rs. 18-8.

The following table shows the price of oilseeds and oil today, as compared with those at the end of the previous two weeks:

	2-2-55	25-1-55	19-1-55
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	19 4	20 14	19 14
February/March	18 14	20 15	20 0
April-May	20 2	22 0	20 13
Linseed—			
Bold Ready (per cwt.) ..	21 8	23 10	24 0
February/March	21 8	22 8	22 8
April-May	20 4	21 10	21 2
Castorseeds—			
May 1955	75 4	77 0	76 8
Madras (per cwt.)	15 4	15 4	15 0
Groundnut oil—			
Ex-mill Ready (per quarter) ..	10 2	11 2	10 8
Castor Oil—			
Commercial (per quarter) ..	8 12	8 10	8 7
Linseed Oil—			
A.S.R.	12 8	13 5	13 6

FOODGRAINS QUIET TO STEADY

(From Our Own Correspondent)

HAPUR, 31st *January*

The foodgrains markets ruled quiet to steady during the week under review and reports of widespread winter rains benefiting the *rabi* crops have been received. Owing to a slight failure of rice in the West Bengal and Bihar, there had been a heavy outflow of rice from the U.P. in the past one month, which accounted for the improvement in rice prices, which, at the beginning of the new rice season, had recorded an easing tendency. Again, there was good demand for wheat from east U.P. and the prices of *dara* quality improved by As. 4 per maund to Rs. 13-8 and fine quality was quoted at Rs. 14-12. The week's offtake amounted to 7 *khaties*, leaving a balance of 24 *khaties*. Gram also elicited moderate demand at Rs. 7 for local quality and at Rs. 7-12 for Punjab quality, resulting in despatches of 3 *khaties* to outside centres and the local gram stock is now estimated at 19 *khaties*.

The coarse grain prices, however, ruled easy at Hapur and in other parts of the country. In Bihar, maize prices declined from Rs. 23 to Rs. 22 per bag and in Silligurhi (Assam) from Rs. 8-12 per maund to Rs. 8-6 per maund. The U.P. Government is faced with heavy quantity of rice and other grains which it wants to dispose of at an early date. About 5,000 tons of rice purchased on behalf of the Union Government some three years ago, the prices of which have gone down appreciably, 10,000 tons of gram and barley, and 2,000 tons of imported wheat meant for austerity provisioning and hill provisioning schemes, which has since then been dropped, are to be cleared at an early date.

The prices of pulses also continued to rule depressed in the absence of ready demand and the loading facilities in the case of peas, too, being very restricted. The local stock of peas and *arhar* remained unchanged. The latest prices are: Barley Rs. 6-8, *bejhar* Rs. 6, maize Rs. 7-8, *bajra* Rs. 7-10, peas *dara* Rs. 5-8, white Rs. 6, *arhar* Rs. 6-8, *urd* Rs. 10-4, *moong* Rs. 8 to Rs. 9-8, *massor* Rs. 6 to Rs. 8-8. Stocks: Barley 1 *khati*, *bejhar* 3 *khaties*, peas 27 *khaties* and *arhar* 9 *khaties*.

Listless conditions prevailed in the futures section of pulses during the week in the absence of fresh incentive and trading was also limited. There were narrow fluctuations and the latest quotations are: Peas *jeth* Rs. 5-8, *arhar jeth* Rs. 6-5, *urd maha* Rs. 9-7 and *urd baisakh* Rs. 9-11.

FURTHER FALL IN SUGAR PRICES

(From Our Own Correspondent)

HAPUR, 31st *January*

Sugar prices continued to rule depressed and there was a fractional fall in mill-delivery rates here. Arrivals of crystal sugar were sufficient to meet the demand, but buying interest was dormant. Buyers are hesitant to enter into long-term commitments, as fresh quotas of indigenous sugar are expected to be released shortly. The latest figures available prove that the production of crystal sugar is expected to increase considerably. Up to 15th January, 1955, production amounted to 476,000 tons, as against 382,000 tons in the previous season during this period. The stocks with the factories on 15th January stood at 424,000 tons, as against 348,000 tons last year. Reacting to the weakness in the sugar market, the prices of *khandsari* have also gone down by about Re. 1 to Re. 1-8 per maund and are now quoted at Rs. 23 to Rs. 26 per maund. The latest mill-delivery rates are: Jaswant Rs. 29-11, Simbhauli Rs. 29-12, Mowana Rs. 29-12, Daurala Rs. 31, Amroha Rs. 29, Bijnore Rs. 29-2, Mansoorpur Rs. 31, Rampur Rs. 32-6 and retail Rs. 33-8.

Ready *gur* prices were depressed further and were quoted below Rs. 10 per maund, but, as yet, no U.P. Government purchases have been made. The State Co-operative Federation has been entrusted with the work of *gur* purchases and it is hoped that arrangements for the same at Hapur will be made shortly. Permission of exporting a total of 30,000 tons of *gur* from the States of Andhra, Madras and Northern Indian States had already been given by the Union Government and Bombay trade interests have represented to the State Government to recommend to the Central Government for permitting 50,000 tons of export from that State. Ready *gur* is now quoted at Rs. 9-11 per maund and the daily arrivals are also poor, partly due to fall in prices but mostly due to cloudy weather for most part of the week. Prices of *gur* in markets in the South have also gone down very much and are quoted Akloze (Sholapur) Rs. 8-8 to Rs. 10, Koppergaon and Shrirampur at Rs. 8-8 to Rs. 11 and Rs. 9 to Rs. 12, respectively, and Kolhapur at Rs. 9 to Rs. 13 per maund.

Future *gur* prices have also staged a downward trend in line with the fall in ready section and are now quoted at Rs. 10-1 for *phagun* delivery, as against Rs. 10-6 last week-end and *baisakh* delivery is quoted at Rs. 10-11.

LINSEED FIRM

(Messrs. A. Bradley and Co.)

CALCUTTA, 31st *January*

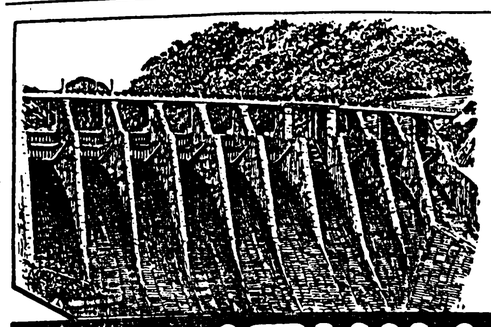
There has been very little change in the linseed market during the week. Although firm prices are maintained, trading has been small. Upcountry markets have remained firm and despatches to this centre are very scarce. Enquiries from local mills for ready goods have resulted in small daily turnover. The oil market is rather dull, with the export demand greatly diminished at these levels. There have been small enquiries from local consumers.

Latest quotations are: February Rs. 17 and April-May Rs. 16-8 per maund.

OFF THE RECORD

(Concluded from page 203)

graciously and the atonement more generously, had the Government undisguisedly recognised Messrs. Visvesvaraya and Tata as outstanding figures in the world of industry. Instead, it has tried to dissociate them from this world by designating one as an engineer and the other as merely a pioneer of civil aviation. I regard this as nothing short of a face-saving device, calculated to keep up the pretence that private enterprise, as such, is outside the pale and unworthy of being taken notice of or accorded any recognition by the powers-that-be, when it comes to honouring those who have served the country in some outstanding manner. To my mind, all that this proves is that our political leaders, great as they are, can still be so petty-minded on occasions, as not to be able to transcend class prejudices.—*All Rights Reserved.*



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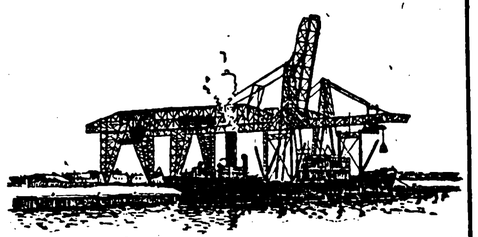

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	21st Jan., 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,210.47	1,224.51	1,195 62	1,154.84
Notes held in Banking Department ..	35.05	15 89	10 44	30 88	19.40
Foreign Securities ..	39 50	653 21	653 21	663 15	618 15
Rupee Securities ..	37.89	437.63	437.63	417.75	421.88
Banking Department					
Deposits of:					
Government of India	14.89	55 30	55 47	62 53	98 85
Other Governments	..	18 13	13 94	13 72	21 90
Balances held abroad	10.08	80 08	76.56	67.01	114.19
SCHEDULED BANKS					
Demand Liabilities ..	134.37	582 91 (10 79)†	572.56 (9.32)†	574 98 (12 67)†	523 00 (8 01)†
Time Liabilities ..	102.84	364 61 (2 88)†	367.14 (2 87)†	367 26 (3 30)†	328 95 (1 42)†
Borrowings from Reserve Bank ..	..	6 71 (3.14)‡	8 16 (3.54)‡	1 46 (0.90)‡	10 82 (1.19)‡
Borrowings from Imperial Bank ..	..	3 00	3.03	3 41	9 78
Cash in India	6.71	32.95	32.25	32.03	32.12
Balances with Reserve Bank ..	25.28	61.77	58.16	65 63	40 24
Excess over statutory limits	15.52	25.25	22.18	29.54	7.51
Balances with other banks in current account in India ..	..	10.94	10.37	10.69	11.15
Money at call and short notice in India ..	..	18.83	17.85	22.39	12.27
Investments (at book value) ..	..	352 38	351.13	348 98	324 16
Advances and bills ..	105.09	555 45	552.70	537.14	492.12*
IMPERIAL BANK					
Deposits ..	87.76	234 30	230 50	232 63	299 42
Investments ..	51 99	110 66	110 19	108 75	91 23
Advances ..	30 37	103 93	104 19	100 68	114 42
Cash	14 60	34 78	31 12	38 75	16 19

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes foreign bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	28th January, 1955		21st January, 1955	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,31,468	49 06,00,000	x 65 059	53 02,48,000
Calcutta ..	1,15,785	44 20,46,375	1,53,731	63,07,47,428
Madras ..	76,620	7,50,86,683	82,731	7,89,99,007
All Centres—				
1952 ..	..	..	1,06,41,941	26,79,51,57,000
1953 ..	..	..	1,14,83,214	26,45,05,03,000
Sept. 1954..	..	..	29,19,000	6,02,84,00,000
Oct. „ ..	..	..	25,84,000	5,36,78,00,000
Nov. „ ..	..	..	30,47,000	6,51,40,00,000

Reserve Bank of India

Statement of Affairs for the week ended 28th Jan., 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up ..	5,00,00,000
Reserve Fund ..	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government ..	54 02,58,000
(2) Other Governments ..	20 70,09,000
(b) Banks ..	68,13,72,000
(c) Others ..	84,05,79,000
Bills Payable ..	8 01,52,000
Other Liabilities ..	18,55,88,000
Rupees ..	199,46 37,000

ASSETS	Rs.
Notes ..	17,80 02 000
Rupee Coin ..	20,73 000
Subsidiary Coin ..	13,32,000
Bills Purchased and Discounted—	
(a) Internal ..	50,30,000
(b) External ..	....
(c) Government Treasury Bills ..	2 04,56,000
Balances held abroad* ..	70 89 73,000
Loans and Advances to Governments ..	70,00,000
Other Loans and Advances ..	19 96,11,000
Investments ..	70 06 81,000
Other Assets ..	11,75,79,000
Rupees ..	199,46,37,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 2,56,50,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 2,89,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department ..	17,60 02 000	
Notes in circulation ..	1217,71,94,000	
Total Notes issued ..		1235,31,96,000
Total Liabilities ..		1235,31,96,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion:		
(a) Held in India ..	40,01,71,000	
(b) Held outside India ..		
Foreign Securities ..	653,21,86,000	
Total of A ..		693,23,07,000
B. Rupee Coin ..		104,46,30,000
Government of India Rupee Securities ..		437,62,59,000
Internal Bills of Exchange and other commercial paper ..	....	....
Total Assets ..	....	1235,31,96,000

Ratio of Total of A to Liabilities: 56 118 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 21st Jan., 1955

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India ..	10 79,40,000†
(ii) Other demand liabilities ..	572,11,02,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India ..	2,62,57,000†
(ii) Other time liabilities ..	365,78,21,000
3. Borrowings in India from the Imperial Bank of India:	
(i) Demand liabilities ..	3,89,42,000
(ii) Time liabilities ..	25 000
4. Cash in India ..	32,04,52,000
5. Balances with the Reserve Bank in India ..	61,76,62,000
6. Balances with other banks in current account in India ..	10 94 18,000
7. Money at call and short notice in India ..	18,83,81,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	352,36,08,000
9. Advances in India ..	473 00 48,000
10. Inland Bills purchased and discounted in India ..	47,55,47,000
11. Foreign Bills purchased and discounted in India ..	32,80,19,000

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

EXCHANGE RATES

	1st February 1955	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot. s.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months .. s.	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months .. s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months .. s.	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	4 81 1/4	4 80 3/8
Buyers T.T. .. Rs.	477	476 1/8
London on New York.. $	2.78 1/16-2.78 1/8	2.78 1/16-2.78 1/8
London on Paris .. Frs	974-974 1/2	976
London on Berne .. Sw. Frs	12 24 1/2-12 25	12 24 1/2
New York on London.. $	2 78 1/16-2 78 1/8	2.78 1/16-2.78 1/8

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India† ..	'51-'52	359 33	..	9,000	274 5
Pakistan ..	1949	75 04	..	1,671	223
Burma ..	1952	18 86	Kyats 8,556	356	188
Ceylon ..	1953	8 16	..	442	541
Japan ..	1952	85 50	Y. 5,282,400	7,014	820
Philippines ..	1953	21 02	Ps. 7,375	1,654	787
New Zealand ..	1953	2 05	£ (N.Z.) 727	960	4,727
Australia ..	1952	9 13	£ (A) 8,521	8,841	4,207
U.K. ..	1953	50 86	£ 14,719	10,625	3,854
U.S.A. ..	1953	156 83	$ 365,000	146,700	9,108
Canada ..	1953	14 78	$ 19,043	8,407	5,688
France ..	1952	42 55	F.Fr. 10,197,000	14,118	3,321
W. Germany..	1953	48 09	Dm. 96,100,000	11,705	2,389
Italy ..	1953	47 02	Lr. 8,967,000	6,832	1,453
Norway ..	1953	3.36	Kr. 16,861	1,132	3,369
Sweden ..	1953	7 17	Kr. 26,957	3,422	4,772
Netherlands ..	1953	10 49	Grs. 19,360	2,451	2,036
Denmark ..	1953	4 37	Kr. 22,484	1,951	8,572
Switzerland ..	1953	4 88	Sw.Fr. 20,500	2,268	4,664

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, September, 1954.
† Estimates are based on the first issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 21st Jan., 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up ..	3,00,00,000
Reserve Fund ..	3,00,00,000
Deposits:—	
(a) Central Government ..	28 03,03,000
(b) Provincial Governments ..	2 02,78,000
(c) Banks ..	10,95,13,000
(d) Others ..	4,00,38,000
Bills Payable ..	18,27,000
Other Liabilities ..	4,00,58,000
Rupees ..	55,87,15,000

ASSETS	Rs.
Notes ..	4,90,71,000
Rupee Coin ..	7,000
Subsidiary Coin ..	9,000
Bills Purchased and Discounted:—	
(a) Internal ..	....
(b) External ..	....
(c) Government Treasury Bills ..	2,23,000
Loans and Advances to Governments ..	6,15,50,000
Provincial Governments' Debtor Balances ..	4,47,79,000
Other Loans and Advances ..	17,74 00,000
Investments ..	14,77,20 000
Other Assets ..	7,88,67,000
Rupees ..	55,87,15,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department ..	4,90,71,000	
Notes in circulation ..	243,77,79,000	
Total Notes issued ..		248,68,50,000
Total Liabilities ..		248,68,50,000

ASSETS	Rs.	Rs.	Rs.
I. A. Gold Coin and Bullion ..			
Silver Bullion ..	7,91,42,000		
Sterling Securities ..	40,10,15,000		
Government of India Securities ..	21,41,41,000		
India Notes representing assets receivable from the Reserve Bank of India ..	29,98,01,000		
B. Rupee Coin ..			99,41,59,000
Government of Pakistan Securities ..	4,51,02,000		
Internal bills of exchange and other commercial paper ..	140,50,24,000		
....	....		145,01,86,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—			
Gold Coin and Bullion ..	19,02,000		
Sterling Securities ..	3,06,12,000		
Government of India Securities ..	70,10,000		
Rupee Coin ..	29,51,000		
			4,24,75,000
Total Assets ..			248,68,50,000

Ratio of Gold Coin and Bullion, Silver Bullion Sterling Securities and approved Foreign Exchange to total notes issued: 41.57 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina ..	1st Mar., 1936	..	3½
Austria ..	3rd June, 1954	4	3½
Belgium ..	20th Oct., 1953	3	2½
Bolivia ..	30th Sept., 1950	5	6
Canada ..	17th Oct., 1950	1½	2
Ceylon ..	11th June, 1954	3	2½
Chile ..	13th June, 1935	4	4½
Colombia ..	18th July, 1933	5	4
Costa Rica ..	1st Feb., 1950	5	4
Denmark ..	22nd June, 1954	4½	5½
Ecuador ..	14th May, 1948	7	10
Egypt ..	15th Nov., 1952	3½	3
El Salvador ..	22nd Mar., 1950	4	3
Finland ..	16th Dec., 1951	7½	5½
France ..	2nd Dec., 1954	3½	3
Greece ..	1st Jan., 1954	12	10
India ..	15th Nov., 1951	3	3½
Indonesia ..	1st April, 1946	4	3
Ireland ..	25th Mar., 1952	2½	3½
Italy ..	6th April, 1950	4½	4
Japan ..	1st Oct., 1951	5.11	5.84
Mexico ..	4th June, 1942	4	4½
Netherlands ..	7th April, 1948	3	2½
New Zealand ..	26th Nov., 1954	3½	4
Norway ..	9th Jan., 1946	3	2½
Pakistan ..	1st July, 1948	..	3
Peru ..	13th Nov., 1947	5	6
Portugal ..	12th Jan., 1944	3	2½
South Africa ..	27th Mar., 1952	3½	4
Spain ..	1st July, 1954	4	3½
Sweden ..	20th Nov., 1953	3	2½
Switzerland ..	20th Nov., 1936	4	1½
Turkey ..	20th Feb., 1951	2	8
United Kingdom ..	27th Jan., 1955	3	3½
U.S.S.R. ..	1st July, 1938	8	4
U.S.A. ..	16th April, 1954*	1½	1½
West Germany ..	20th May, 1954	3½	3

* Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE

GOVERNMENT OF INDIA

(In crores of Rs.)

	November, 1953	November, 1954	Eight months, April to Nov., 1953	Eight months, April to Nov., 1954
Import Duties:				
Revenue ..	9.58	12.42	72 55	79.28
Protective ..	0.46	0.76	3 95	5.10
On surplus disposals	—	—	0.10	0 13
Total import duties ..	9 90	13 20	76.60	84 50
Export Duties ..	3.13	5.20	26.59	22 26
Land Customs ..	0.19	0.23	1.22	1 27
Miscellaneous ..	0 05	0.07	0.49	0.78
Gross total customs ..	13 36	18.70	104 90	108 75
Refunds and drawbacks	0.16	0 17	1 29	0 90
Net Customs ..	13 20	18 53	103 61	107 85
Gross excise ..	7 67	8.73	59 82	66 93
Refunds ..	0 09	0 20	0 89	1 19
Net Excise ..	7.58	8.53	60 23	65.78
Net total of customs and excise ..	20.78	27.06	163.84	173.58

Imperial Bank of India

Statement of Affairs for the week ended 28th Jan., 1955

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid ..	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares ..	5,62,50,000	
Reserve Fund and other Reserves ..		6,85,00,000
Deposits and other Accounts ..		231,03,16,000
Borrowings from other Banking Companies Agents		21,57,000
Bills Payable ..		4,86,98,000
Bills for Collection being Bills Receivable as per contra ..		40,06,000
Acceptances, Endorsements and Other Obligations as per contra ..		81,000
Other Liabilities (including Inter-Office Adjustments) ..		2,65,85,000
Total .. Rs.		262 06,83,000

*PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		25,35,67,000
Balances with other Banks ..		8,86,10 000
Money at Call and Short Notice ..		2,26,87,000
INVESTMENTS—		
Government and other Trustee Securities ..	99,26,47,000	
Other Authorised Investments ..	11,44,99,000	
		110,71,46,000
Advances—		
Loans, Cash Credits and Overdrafts, etc. ..	98,75,07,000	
Bills Discounted and Purchased..	6,98,89,000	
		105,74,86,000
Bills Receivable being Bills for Collection as per contra ..		40,06,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		81,000
Premises less Depreciation ..		1,80,11,000
Furniture and Fixtures less Depreciation ..		43 96 000
Other Assets (including Inter-Office Adjustments).		1,98,03,000
Total .. Rs.		262,06,83,000

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS‖

	National Savings Certificates 5-Year† Outstandings*	5-Year† Receipts	7-Year †† Outstandings*	7-Year †† Receipts	12-Year ‡ Outstandings*	12-Year ‡ Receipts	Savings Bank Deposits Outstandings@	Cash Certificates Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	5½% Ten-year Treasury Savings Deposit Certificates § Receipts	5½% Ten-year Treasury Savings Deposit Certificates § Outstandings*	10-Year National Plan Certificates ‡ Receipts	10-Year National Plan Certificates ‡ Outstanding*
1948-49 ..	1,47	76	75	20.40	22,95	85,86	29.91	— 12.81	..	..	..	..
1952-53 ..	6,62	65	3.26	23.64	84 17	1,13,85	92.03	— 31.07	7,55	25,64	..	..
1953-54 ..	9,01	1,50	4.28	26,54	1,04,88	1,17,97	1,06.29	— 34.20	6,94	32,11	..	..
October 1953	6,50	11	3.57	1.97	95,82	8,58	98,74	— 33.00	56	29,93	..	..
November „	6,57	10	3.64	2.02	97,35	7,68	99,56	— 33.25	46	30,34	..	..
December „	6,26	14	3.74	2.23	98,98	9,85	99,33	— 33.54	45	30,75	..	..
January, 1954 ..	6,15	12	3.81	2.06	1,00,45	6,91	1,00.25	— 33.78	50	31.23	..	..
February „ ..	6,03	11	3.89	2.12	1,02,09	9.49	1,01,89	— 33.97	54	31.78	..	..
March „ ..	5,91	46	4.28	2.05	1,04,38	10,29	1,06,29	— 34.20	44	32.11	..	..
April „ ..	5,81	11	4.20	2.18	1,05,94	10,70	1,07,51	— 34.40	70	32.77	..	..
May „ ..	5,71	10	4.21	1.71	1,07,05	10,02	1,07,13	— 34.57	54	33.28	34	34
June „ ..	5,62	9	4.23	1.89	1,08,40	10,46	1,04,23	— 34.78	80	33.81	49	83
July „ ..	5,47	12	4.29	2.27	1,10,18	11,40	1,11,02	— 34.98	46	34.03	76	1 56
August „ ..	5 36	12	4.39	2.17	1,11,88	10,23	1,18,07	— 35.17	46	34.44	89	2 48
September „ ..	5,24	10	4.51	2.44	1,13,76	10 23	1,14,23	— 35.36	54	34.94	1,57	4 05
October „ ..	5,16	11	4.57	1.90	1,15,09	8,96	1,14,98	— 35.51	42	35.33	60	4.65
November „ ..	..	..	..	..	..	..	..	..	37	35 64	..	..

* At the end of period. @ Transferable net repayments at the end of period from 15th August, 1947. † Issued from 1st June, 1948 to 30th June 1953. †† Issued from 1st June, 1948. § Issued from 1st February, 1951. ‡ Issued from 10th May, 1954.
‖ Figures from 1948-49 relate to the Indian Union. Outstandings do not include Indian Union's share of the pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 23-1-'54	25-12-'54	15-1-'55	22-1-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES ..	89.3	90.5	90 6	90.6
1. Government of India ..	90.1	90.3	90 5	90 5
2. Indian States ..	95.6	96.0	96.0	96.1
3. Municipal, Port Trust, etc. ..	89.3	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS ..	101 7	100.7	100.7	100.7
1. Electricity ..	103 2	102 0	102 0	102.0
2. Cotton ..	96 5	98.8	98 8	98.8
3. Jute ..	99 6	99 6	99 6	99 6
4. Plantations ..	100.7	99.3	99.3	99 3
5. Sugar ..	90.6	90.6	90.6	90 6
6. Cement ..	103.1	101.0	101.0	101.0
7. Shipping ..	100.1	100 2	100.2	100.2
8. Others ..	100.3	100 3	100 6	100 8
PREFERENCE SHARES ..	97 6	98 8	98 4	98 2
1. Electricity ..	96 7	96 8	96.9	97 3
2. Cotton ..	85 9	79 5	79.1	78 6
3. Jute ..	90 8	88.8	88.8	88 4
4. Coal ..	90 8	89 4	90 2	91 0
5. Iron and Steel ..	90.1	90.1	90 1	89 8
6. Sugar ..	74.7	84 0	84 5	85 1
7. Paper ..	90.1	91.2	90 4	90 4
8. Plantations ..	89.7	97.0	95 5	95 6
9. Miscellaneous ..	87.4	87.2	87 5	87.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	98 4	116 2	115 3	115 1
(a) Financial ..	87.7	88 8	88 7	88 5
1. Banks ..	87.8	85 4	85.9	86 1
2. Insurance ..	96.7	109 8	111.4	109 0
3. Investment Trust ..	74.1	94 0	96 5	97 9
(b) Public Utilities ..	107.1	113 4	115.4	115 3
1. Electricity ..	115.7	123.7	124.4	124 2
2. Shipping and other Transport ..	96.1	93 3	101.9	102 0
3. Railways ..	82.5	87.5	87.7	87 9
(c) Manufacturing Industries.	100 3	117.7	118.8	118.5
1. Cotton, Woollen and Silk ..	97 7	105.8	105.4	105 1
2. Jute ..	81.2	100 3	101 1	99 6
3. Iron and Steel ..	111.1	130 3	140 1	140 1
4. Paper ..	107.5	213 9	216.2	214 8
5. Cement ..	119 3	145 5	147 8	147 7
6. General Engineering.	122.4	157 4	158 0	158 9
7. Sugar and Brewaries.	86 5	105 8	106 7	106.3
8. Chemicals ..	104.9	137.5	138.6	138 3
(d) Non-Manufacturing Industries ..	104.7	150 3	153 8	154 4
1. Coal ..	76 5	80 1	81 2	81 6
2. Mining and Oil ..	146 9	189 5	195 9	193 6
3. Plantations ..	104 3	175.9	179 7	181 5
(e) Miscellaneous ..	91.8	100.3	99 2	99 1
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.8	89.9	90 1	90 1
1. Bombay ..	90.2	90 4	90 6	90 5
2. Calcutta ..	90.5	90.7	90.9	90.9
3. Madras ..				
DEBENTURES OF INDUSTRIAL CONCERNS:	109 4	99.3	99 3	99 3
1. Bombay ..	102 3	101.3	101.3	101 3
2. Calcutta ..	100.1	100.5	100.5	100.5
3. Madras ..				
PREFERENCE SHARES:	91.7	91 7	91.7	91 6
1. Bombay ..	84.9	85 2	85 3	85 0
2. Calcutta ..	88.8	94.6	93.6	93.5
3. Madras ..				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	107.7	117.5	118.8	118 7
1. Bombay ..	106	107 8	109 5	109 1
2. Calcutta ..	96 8	110 7	110 8	110 6
3. Madras ..	95 6	112.6	113 2	113 4
4. Delhi ..				

Source: Department of Research and Statistics, Reserve Bank of India.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,893	12,806,704
1951 ..	1,071	801,321	3,818,928
1952 ..	903	809,242	3 336,961
1953 ..	772	466,958	3 352,903
October 1952 ..	94	78,181	249 618
November „ ..	83	48,766	272,245
December „ ..	81	27,525	155,017
January 1953 ..	85	42,343	244,414
February „ ..	45	26,177	124 411
March „ ..	67	54,231	216,207
April „ ..	72	49,132	213,853
May „ ..	89	34,917	276,216
June „ ..	99	80,357	252,279
July „ ..	87	48,066	131,122
August „ ..	74	53,043	225,154
September „ ..	108	44,863	467,273
October „ ..	101	80,211	402,116
November „ ..	88	41,431	345,211
December „ ..	81	40,750	475,352
January 1954† ..	84	51,973	325,514
February „ ..	85	41 351	344 295
March „ ..	91	34,202	331,419
April „ ..	101	34,063	207,847
May „ ..	80	40,073	216,062
June „ ..	81	31,349	204,935
July „ ..	120	29 931	275 508
August „ ..	78	51 073	322 545
September „ ..	94	49,865(a)	351,1 9(b)
October „ ..	81	39,767(c)	272,944(d)

† Figures for 1954 are provisional. * Revised.
(a) Not known in 7 cases. (b) Not known in 9 cases.
(c) Not known in 3 cases. (d) Not known in 8 cases. (Nil in 3 cases).

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‖	Units generated‡	Units Sold
1948-49 ..	409	4,881.1	3,777.7
1952-53 ..	614	5,801.4	5,134.9
1953-54 ..	648	6,876.8	5,572.7
April 1953..	618	530.9	436.1
May „ ..	620	560.4	456 1
June „ ..	625	548 8	450 2
July „ ..	627	588.0	471 0
August „ ..	629	587 9	468.9
September „ ..	633	576 5	464 1
October „ ..	634	583 1	468 7
November „ ..	637	563 1	455.7
December „ ..	640	603.6	486.9
January 1954 ..	640	589.7	476.0
February „ ..	642	551 4	451.4
March „ ..	648	593 6	483.5
April „ ..	651	613 3	504.4
May „ ..	650	629 4	510.2
June „ ..	660	633 4	515 5
July „ ..	667	635 0	510 5
August „ ..	669	647.6	523.3

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	15th Jan., 1955	8th Jan., 1955	16th Jan., 1954	December, 1953	December, 1954	Percentage of increase (+) or decrease (—) in Dec., 1954 as compared with Dec., 1953	Annual Average 1953	Annual Average 1954
Food Articles ..	313.6	312.0	383.5	367.0	318.0	—13 4	380.8	358 3
Cereals ..	353	347	442	429	364	—15.2	451	404
Pulses ..	240	233	440	424	236	—44.3	494	318
Other ..	271	277	288R	269	268	+ 0.4	265	298
Industrial Raw Materials ..	437.4	437.4R	483.2	459.3	438.3	— 5.0	459.7	447 1
Fibres ..	470	467	495	441	468	+ 6.1	420	444
Oil seeds ..	375	383	550	511	391	—23.5	573	468
Minerals ..	451*	451*	455	450	417	— 8 6	453	429
Others ..	473	476R	411	397	442	+11.3	365	410
Semi-Manufactures ..	345.3	345 3R	381.4	358.5	347.4	— 2.8	359.3	356.4
Leather ..	386	383R	398	391	381	— 2.6	410	377
Mineral oils ..	221	221	221	221	221	—	224	221
Vegetable oils ..	412	410R	551	526	411	—21.9	524	464
Cotton yarn ..	453	452	437	432	453	+ 4.9	441*	454
Metals ..	241	240	237	236	240	+ 1.7	226	239
Oil cakes ..	301	315	420	418	373	—10.8	430	416
Others ..	332	321	305	305	318	+ 4.3	262	305
Manufactured Articles ..	375.4	374.7R	394.7	383.8	375.1	+ 3.1	367.0	375.5
Textiles ..	419	418R	402	400	418	+ 4.5	404	418
Jute ..	457	450	425	427	451	+ 5.6	398	438
Cotton ..	411*	411*R	397*	412*	411*	+ 3.8	407*	413*
Rayon and Silk ..	455*	455*	424*	406*	447*	+ 10 1	435*	448*
Woollen ..	310	310	313	313	310	— 1.0

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop		Acreage 1953-54 Final	Acreage 1952-53 Final	Outturn 1953-54 Final	Outturn 1952-53 Final
Rice	tons	76,646	74,209	27,079	22,495
Wheat	,,	26,098	24,265	7,792	7,383
Jowar	,,	42,990	43,339	7,691	7,260
Bajra	,,	28,820	28,550	4,246	3,150
Barley	,,	6,190	6,010	2,721	2,949
Maize	,,	8,892	8,697	2,854	2,823
Ragi	,,	5,472	5,428	1,564	1,238
Small Millets	,,	13,167	12,431	2,183	1,905
Total cereals	,,	210,385	203,149	56,130	49,103
Kharif	,,	176,077	170,854	45,617	38,871
Rabi	,,	34,288	32,295	10,513	10,232
Gram	,,	18,893	18,014	4,551	4,165
Rabi Pulses*	,,	11,130	11,185	2,075	2,042
Jute	bales	1,706	1,817	8,128	4,605
Cotton	,,	17,027	15,693	3,935	3,131
Sugarcane	tons	3,598	4,272	4,614	5,019
Groundnut	,,	11,304	11,600	3,772	2,864
Linseed	,,	3,369	3,395	355	359
Castorseed	,,	1,368	1,357	107	106
Rape and Mustard Seed	,,	5,373	5,199	828	837
Sesamum	,,	6,132	5,860	531	460
Total oilseeds	,,	27,546	27,661	5,591	4,646
Tobacco	,,	890	895	258	241
Black Pepper	,,	209	205	22	22
Ginger	,,	47	48	15	14
Dry Chillies	,,	1,326	1,235	310	284

Source: Ministry of Food and Agriculture.

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

* Excluding gram and Tur.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Dec., 1954	98.9
	Corresponding month, 1953	77.8
	Six months ended Dec., 1954	498.5
	Corresponding period, 1953	433.1
Stocks	At the end of December, 1954	69.7
	Corresponding month, 1953	98.6
		(In 000 bags)
Exports (Jute Bags)	Week ended 25th Dec., 1954	5,196
	Corresponding week, 1953	6,131
	From 1st Jan. to 25th Dec., 1954	443,543
	Corresponding period, 1953	285,110
		(In 000 sq. yds.)
Exports* (Jute Cloth)	Week ended 25th Dec., 1954	6,406
	Corresponding week, 1953	20,707
	From 1st Jan. to 25th Dec., 1954	1,377,391
	Corresponding period, 1953	1,415,148
	RAW JUTE	(In 000 bales)
Exports*	Week ended 25th Dec., 1954	—
	Corresponding week, 1953	—
	During October, 1954	—
	Corresponding period, 1953	—
Consumption by Mills†	Dec., 1954 (in lakh bales)	5.45
	Corresponding month, 1953	4.52
	Six months ended Dec., 1954	28.74
	Corresponding period, 1953	25.12

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do 31st March, 1954	11,84,000	10,70,200	7,80,000
Nine months ended Dec., 1954	8,45,400	7,73,300	5,79,000
June 1953	90,400	82,600	59,000
July ,,	91,100	86,100	64,800
August ,,	94,100	83,400	63,700
September ,,	94,200	91,100	61,900
October ,,	99,600	94,000	66,800
November ,,	1,00,300	95,800	68,400
December ,,	1,01,400	95,100	71,700
June 1954	90,900	80,600	61,200
July ,,	96,300	86,900	66,100
August ,,	96,700	90,400	67,100
September ,,	86,300	82,400	63,800
October ,,	96,600	89,200	66,500
November ,,	98,800	90,500	68,000
December ,,	1,05,800	95,000	73,800
Indian Iron and Steel Co.			
Year ended 31st March, 1953	6,25,710	4,81,480	3,12,940
Do. 31st March, 1954	5,80,020	3,49,930	2,92,440
Nine months ended Dec., 1954	5,50,841	3,84,412	3,40,957
April 1953	52,210	30,880	19,000
May ,,	57,810	32,550	19,700
June ,,	36,730	23,940	13,020
Three months ended Sept., 1953	1,83,390	1,18,850	11,640
April ,, Dec., 1953	1,81,530	1,15,900	1,06,940
April 1954	61,950	41,070	37,600
May ,,	62,450	35,940	35,260
June ,,	58,970	41,160	34,920
Three months ended Sept., 1954	1,80,018	1,29,741	1,12,861
,, ,, ,, Dec., 1954	1,88,053	1,36,801	1,20,816

FOREIGN TRADE OF INDIA

Particulars	October, 1953	October, 1954	Seven months, April to Oct., 1953	Seven months, April to Oct., 1954
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	7,51	12,25	76,95	47,48
Raw materials	12,83	14,28	100,54	119,70
Manufactures	23,10	25,19	155,43	167,13
Other Items	34	21	2,19	1,60
Total	43,58*	51,91*	344,41*	335,95*
By land	2,03	2,81	13,82	11,23
Total Imports	45,61	54,72	358,23	347,17
Exports:				
By sea and air—				
Foodstuffs	16,17	18,80	82,97	97,51
Raw materials	8,45	9,23	62,61	56,08
Manufactures	21,68	18,25	148,46	142,22
Other items	57	35	2,28	2,44
Total	46,67	46,63	291,31	298,15
By land	68	61	5,59	5,88
Total Exports	47,35	47,14	296,20	301,43
Total Re-exports	68	37	3,09	3,10
Balance of trade in merchandise	+ 2,44	− 6,75	− 67,72	− 42,77
Balance of transactions in private treasure	— 1	...	— 7	— 1
Total visible balance of trade	+ 2,43	− 6,75	− 67,79	− 42,78
Imports:‡§				
Total C'wealth countries	25,80	21,63	169,08	148,09
Total Foreign countries	19,78	30,28	175,33	187,86
Exports:‡§				
Total C'wealth countries	25,34	26,36	144,76	165,88
Total Foreign countries	21,33	19,77	145,85	132,33

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

‡ Excludes Trade by Land.

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (In thousands)	No. of Ton Miles (Millions)	Total No of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1948-1949	1,132	36,925	104,286	22,364	9,089	2,116	780	172	142	...	...	...
1952-1953	1,164	34,408	129,773	22,839	11,413	2,635	949	171	169	209	169	297
1953-1954	1,179	35,215	129,009	29,365	11,186	2,513	921	154	158	168	190	343
August 1953	97	2,614	10,436	2,360	884	208	78	9	10	15	18	26
September ,,	93	2,633	10,252	2,284	894	221	72	9	10	12	15	28
October ,,	89	2,588	10,479	2,427	916	239	69	9	9	15	15	29
November ,,	87	2,539	9,923	2,366	908	216	64	15	14	17	12	27
December ,,	93	2,747	10,990	2,476	1,002	210	64	16	14	18	14	33
January 1954	94	2,781	11,281	2,531	998	202	72	16	17	16	15	34
February ,,	101	3,157	10,313	2,274	933	178	76	13	16	14	14	30
March ,,	106	3,325	14,383	3,808	1,018	215	83	17	18	12	16	34
April ,,	..	..	..	..	953	211	83	20	15	10	15	34
May ,,	..	..	..	..	932	215	76	14	15	10	13	32
June ,,	..	..	..	..	909	210	71	10	13	7	15	32
July ,,	..	..	..	..	935	234	76	11	10	7	13	34
August ,,	..	..	..	..	935	245	79	11	9	7	11	31
September ,,	..	..	..	..	914	241	66	11	9	12	12	31

Equated to M. G. Wagons (1 B. G. = 2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 27th January, 1955	51,526
	Corresponding week, 1954	43,853
	1st Sept., 1954 to 27th Jan., 1955	498,298
	Corresponding period, 1953-54	543,129
Cotton Exports	Week ended 27th Jan., 1955	11,821
	Corresponding week, 1954	6,597
	1st Sept., 1954 to 27th Jan., 1955	115,041
	Corresponding period, 1953-54	99,985
Mill Consumption	1st Sept., 1954 to 27th Jan., 1955	504,885
	Corresponding period, 1953-54	518,484
Stock (with exporters, dealers and mills) in Bombay	On 27th Jan., 1955	866,068
	Corresponding date, 1954	292,957
Cotton Exports from Bombay (by sea)	During October, 1954	32,782
	1st Sept., to 31st October, 1954	47,568
	1st Sept., to 31st October, 1953	24,166
Karachi (Pakistan)—		
Receipts	1st Sept., 1954 to 20th Jan., 1955	708,007
	Corresponding period, 1953-54	912,252
Exports	1st Sept., 1954 to 20th Jan., 1955	216,180
	Corresponding period, 1953-54	436,011

Particulars	From 1st Sept., 1954 to 31st January, 1955 Bales	From 1st Sept., 1953 to 31st January, 1954 Bales
From Bombay		
Cotton Exports to—		
United Kingdom	10,465	6,087
Continent	18,429	13,847
China	1,409	251
Japan	41,483	31,754
U.S.A.	8,177	9,143
Other Countries	760	1,452
Total to all foreign countries	80,723	62,534
Coastal Ports	42,717	54,766

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	November, 1954	348,017
Foreign		62,113
Indian	Three months ended Nov., 1954	998,258
Foreign		177,903
Indian	Same Period 1953	942,954
Foreign		174,094
Stocks (Mills and Elsewhere)—		
Indian	As on 30th November, 1954	850,221
Foreign		161,141
Indian	As on 30th November, 1953	700,968
Foreign		195,002
Cotton Pressed in India † (in running bales)	Week ended 21st Jan., 1955	21,941
	Corresponding week, 1954	128,083
	1st Sept., 1954 to 21st Jan., 1955	1,018,948
	Corresponding period, 1953-54	1,485,615

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,06,64,000	1955-60	101½
4% Bonds	1929-43	63,30,26,000	1960-70	101 [illegible]
3 % Loan	1938-39	1,16,17,46,000	1968-83	98 [illegible]
3 % Loan	1950	30,83,10,000	1964	98 [illegible]
3 % Loan	1948	1,10,11,78,000	1966-68	90 [illegible]
2½ % V. Loan	1944	1,14,06,89,000	1957	99½
3 % Loan	1945	1,15,05,83,000	1970-75	88 [illegible]
3 % Loan	1945	1,13,65,65,000	1959-61	97 [illegible]
3 % Loan	1951	50,35,63,000	1958	99 [illegible]
2½% Loan	1946	45,08,07,000	1960	94 [illegible]
2½% Loan	1946	57,00,60,000	1961	91 [illegible]
2½% Loan	1945	14,77,48,000	1976	82
2½% Loan	1947	75,86,72,000	1962	92½
2½% Loan	1948	60,45,01,000	1965	90½
3½% Loan (N.P. Bonds)	1953	75,00,00,000	1961	99¼
3½% N.P. Loan	1954	156,76,00,000	1964	98 [illegible]
NON-TERMINABLE LOANS				
2 % Loan	1896-97	8,93,86,000	At option of Government after three months' notice. On September, 1956 or later at option of Government after three months' notice.	81 [illegible]
3 % Loan	1948	248,91,90,000		81 [illegible]
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,20,000	1958-68***	103½
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,800	18th Sept. 1955	99 [illegible]
3 % Bombay	1948	3,96,00,000	14th Sept. 1956	99 [illegible]
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97
3 % Bombay	1949	5,00,15,000	1st Aug. 1962	93½
3 % Bombay	1950	3,01,87,700	31st July 1960	94 [illegible]
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98½
4 % Bombay	1953	5,00,00,000	15th July 1963	101½
4 % Bombay	1952	3,56,72,700	1st Aug. 1964	101
2 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98½
3½% Cochin	1936	70,09,000	1st June 1956-61	99½
3½% Howrah Bridge (New)	1936-37	2,81,07,100	1956-66	95½
3 % Madras	1939	1,23,95,600	21st June 1959	94½
3 % Madras	1942	1,23,25,000	18th Sept. 1955	99 [illegible]
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99
3 % Madras	1944	1,07,95,000	15th Aug. 1958	97½
3 % Madras	1945	2,78,44,000	14th Sept. 1960	94½
2½% Madras	1946	3,81,77,200	1st Sept. 1961	91 [illegible]
2½% Madras	1950	4,58,25,400	31st July 1960	94½
3½% Madras	1951	3,01,49,300	17th Sept. 1962	97 [illegible]
4 % Madras	1953	5,00,00,000	15th July 1963	100 [illegible]
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100-[illegible]
5 % Mysore (*f*)	1930	1,65,44,800	1st Nov. 1955	102½
3 % Mysore (*f*)	1933	2,95,95,100	1st Dec. 1953-63	101 [illegible]
3 % Mysore (*f*)	1936	5,99,72,900	30th April 1956-61	99-[illegible]
4 % Mysore	1947	3,06,05,700	25th Jan. 1958	99 [illegible]
4 % Mysore	1958	5,00,00,000	15th July 1963	99½
3 % M.P.	1942	50,00,000	18th Sept. 1955	99
3 % M.P.	1943	50,54,200	14th Sept. 1956	98½
3 % M.P.	1944	52,89,800	15th Aug. 1958	97
3 % M.P.	1948	2,03,00,000	16th Sept. 1964	92½
3 % M.P.	1950	1,00,28,800	31st July 1960	94
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97½
4 % M.P.	1953	1,00,00,000	15th July 1963	99½
2 % Punjab**	1938-44	3,49,87,200	18th Aug. 1958	98 N
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99 [illegible] N
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99 N
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	97½N
2½% Travancore	1936	50,00,000	15th Aug. 1956	99 [illegible]
4 % Travancore-Cochin	1953	3,00,00,000	15th July 1963	99½
3 % U.P.	1936	1,89,89,800	15th Sept. 1961-66	90½
3 % U.P.	1944	3,23,96,800	15th Aug. 1958	97
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	91 [illegible] N
3½% U.P.	1951	2,00,00,000	17th Sept. 1962	97½
4 % U.P.	1952	4,11,33,000	1st Aug. 1964	100½
4 % U.P.	1953	3,00,00,000	15th July 1963	100 [illegible]
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100[illegible]

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1906	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½ N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
70,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,85,876	4	1913*	1960	D
80,00,000	4	1914	1975	99½N
88,25,000	4	1914	1975	99½N
10,00,000	4	1915*	1960	
55,00,000	4	1916*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,28,000	3½	1926*	1960	
85,00,000	5½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931	1961	
13,50,000	5½	1932*	1962	
34,50,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1939*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,800	4	1914	1974	98½
76,90,100	4	1916	1975	98½
1,50,00,000C	3††	1921	1981	81
88,02,300C	5½	1921	1981	144N
1,24,06,300	6	1925	1955-85	102
98,21,600	5½	1926	1956-86	102
99,94,300D	5	1926	1956-86	101½
1,49,49,500D	5	1927	1957-87	102½
1,49,80,000	5	1929	1959-89	103
80,00,000	4½	1931	1991	95
50,00,000	4½	1935	1985	96
25,00,000	3	1938	1968-88	90
50,00,000	5	1945	2005	74N
50,00,000	3	1945	1975	84
50,00,000	3	1946	1976	84
50,00,000	3	1946	2006	78½N
50,00,000C	3½	1947	1977	78
50,00,000	3	1948	1978	82½
50,00,000	3	1949	1959	98
50,00,000C	3	1950	1980	81½
1,00,00,000	3	1950	1960	95½
1,00,00,000	3	1950	1960	95½
50,00,000	3	1951	1981	81
1,50,00,000	3½	1951	1961	97½
50,00,000	4	1953	1963	99½
50,00,000	4	1958	1968	98
STERLING LOANS				
£892,800	5	1923	1953-83	£87½
£901,000	5	1924	1954-84	£87½
£835,100	5½	1928	1962	£96
MADRAS				
Rs.				Rs.
31,47,169	3½	1947	1977	
9,88,000	4	1948	1978	
3,00,000	3	1949	1979	A
45,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
80,00,000	4	1901	1961	
80,00,000	4	1902	1962	
80,00,000	4	1903	1963	
80,00,000	4	1904	1964	
80,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
10,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
40,00,000	4	1917	1957-72	118N
60,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	118N
25,00,000	4	1927	1961-76	98N
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95½N
£333,000	4	1910	1970	£95½N
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	108
25,00,000	5½	1926	1959	107
50,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1962	91
20,00,000	3	1938	1968-88	90
80,00,000	4	1952	1962	99½

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,00,000	4	1913-15	1974	90½
20,00,000	4	1913-15	1965	100
25,00,000	5	1920	1980	118
26,14,000	5	1926	1958	104½
6,45,500	5	1929	1954-59	100
25,21,500	5	1929	1959	
8,25,00,000	3½	1937	1977	86½
2,50,00,000	3½	1940	1979	80½
4,00,00,000	3½	1941	1981	82
2,50,00,000	3	1952	1964	100 [illegible]
2,00,00,000	3½	1951	1966	97
1,80,00,000	4	1953	1968	100 [illegible]
1,00,00,000	4	1952	1964	99 [illegible]
1,00,00,000	4	1954	1966	99½
CALCUTTA				
Rs.				Rs.
84,70,000	5	1925	1955	102
86,00,000	5	1928	1958	103
25,00,000	5	1929	1957	102½
25,00,000	5	1929	1958	102½
10,00,000	5½	1932	1962	108
25,01,000	3½	1935	1965	94
60,00,000	3	1936	1966	90
47,60,000	3	1938	1968	90
20,87,700	3	1938	1955	98½
15,56,900	3	1939	1956	98
15,56,900	4	1940	1957	99½
17,64,400	3½	1941	1959	96½
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1960	97
16,83,000	3½	1951	1961	97½
66,86,000	3½	1951	1966	97
87,36,000	4	1952	1962	99½
72,60,000	4½	1954	1979	100
MADRAS				Rs.
71,700	6	1925	1955	100N
2,87,800	6	1925	1955	101N
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

ABBREVIATIONS.

N—Nominal.

A—Held by Government of India. B—Taken up by Imperial Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.

(*f*) Income-tax free. * Loans held entirely by the Trustees. **Quotations in Pak. Currency. ***Rupee Counterparts.

† Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June, 1944.

‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. § = Interest free for first 12 years. ‡ = Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901		Mar. Sept.	136	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	70N	100
Carew & Co.	8,00,000(b)	1873	6½	Mar. Sept.	100	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	151	100
Deccan Sugar & Abkhari* A	7,00,000	1920	7	July Apr.	116½	100
†East India Distilleries	£500,000	1897	7	Jan. July	17/-d	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec.	70	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec.	70	100
Purabhore Co.	6,00,000	1922	10	Oct.	16½	10
Ramnagar Case	4,00,000	1933-34	6	Aug.	107	100
Ravalgaon Sugar	3,00,000	1936	7(a)	Oct. Apr.	75N	100
South Behar Sugar	14,99,135	1946	5(c)	Dec.	16	10
Travancore	12,00,000	1932	5	Dec.	90N	100
Upper Ganges	15,00,000	1946	5(a)	Dec.	70N	100
Do.						
COAL						
Bengal-Nagpur	1,12,500	1903	7	Jan. July	121	100
Borsen	4,00,000	1896-97	6½	Oct. Apr.	117	100
Burakur (1st)	82,99,800	1901-19	7	Apr. Oct.	121	100
Do. (2nd)	4,50,000	1946	6(a)	..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	121	100
Karanpura Collieries	7,50,000	1946	5½(a)	..	6⅝	75(pp)§
††Khas Kajora	2,00,000	1920	5	Jan. July	12½	10
New Beerbhoom	2,00,000	1896-99	6½	Apr. Oct.	114	100
Oudal						
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1884	6	Jan. July	130	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8½	10
Benares Cotton	1,05,200	1919	7	July Jan.	63	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	120½d	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	140	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	87	100
Bradbury	14,75,000	1919	7	June Dec.	325	250
Buckingham & Carnatic	21,30,300	1920	7½	Jan. July	137½	100
Cambodia	1,00,000	1918	7	Apr. ..	125	100
Central India	50,00,000	1913	5	Apr. Oct.	49½	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	117½	100
Elgin	11,00,000	1912	8	May Nov.	143xd	100
Do. 'B' Pref.	4,50,000	1943	3	July Jan.	9 9/16xd	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	88	100
Experam	29,52,500	1947	4	Nov. ..	87	100
Khatau Makanji (2nd)	12,00,000	1937	6	Nov. ..	10	10
Kothari's	16,00,000	1898	5(a)	..	23½	250
Lakshmi Cotton (Bombay)	17,15,000	1947	4½	January	80	100
Morarjee Goculdas Spg. & Wvg.	50,00,000	1900	6	Jan. July	81N	100
Muir Mill	7,45,050	1944	4½	..	30	50
Mysore Spg.	1,74,64,700	1947	3	..	85½	100
National Rayon	6,00,000	1913	5½(a)	Mar. ..	185	200
New Great	26,03,500	1920	8	Apr. Oct.	3½	5
New Victoria	10,00,000	1943	4	Feb. ..	77	100
Podar Mills	2,00,000	1932	6½	Apr. ..	53	50
Rajnikahmi	4,80,000	1944	4	..	..	100
Shree Nivas Cotton	32,00,000	1943	3(a)	..	96	100
Swadeshi	15,00,000	1933	5	Ap

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
80,00,000	3,74,976	63,22,382	43,05,372	—2,74,488	Rajputana Textiles (Agencies) Ltd.	47,512	8,981	Apollo Mills	2½	2	0 4(c)	0–4 (c)			12	W.
40,00,000	24,00,000	1,34,85,581	73,23,655	—5,76,311	B. R. Sons, Ltd.	50,596	1,021	B. R. Cotton Mills	52	100	Nil	Nil	Nil		12	Y.P.T.
8,50,98,000	2,37,32,823	3,91,24,744	3,31,78,249	2,00,087	Nowrosjee Wadia & Sons, Ltd. ..	1,89,680	4,855	Bombay Dyeing & Mfg.	48½	850	20 0	22 8*	7 8		12	Y.
10,00,000	27,36,559	55,58,179	48,57,495	2,48,761	Ramnarain Sons, Ltd.	42,008	860	Bradbury Mills	805	850	100 0	100 0	75 0		3	Y.
1,09,42,800	2,27,88,985	2,55,92,095	1,73,24,388	12,81,159	Birla Bros., Ltd.	1,25,936	2,698	Century Spg. & Mfg. ..	378½	100	20 0	22 0	8 01		12	V.
49,00,000	16,04,856	1,06,30,358	59,37,373	3,066(d)	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill ..	62½	100	Nil	Nil			12	W.
26,00,000	13,33,380	64,51,450	44,36,747	21,158	Cowasjee Jehangir & Co., Ltd.	30,130	680	Crown Spg. & Wvg. ..	117½	100	7 8	7 8	7 8		3	W.
16,00,000	25,08,261	64,39,890	50,46,041	38,562	Ramnarain Sons, Ltd.	38,304	..	Dawn Mills	91	50	6 0	6 0			12	W.
84,00,000	27,75,000	68,55,752	60,73,724	16,489	Purannal Radhakishen & Co. ..	50,296	928	Edward Textiles	250	500	15 0	15 0			12	Y.
89,97,750	11,93,292	1,09,90,311	73,99,225	17,999	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	40	50	3 0	Nil	2 81		12	V.P.
50,00,000	63,61,875	86,92,384	68,51,296	5,74,369	James Finlay & Co., Ltd. ..	46,072	784	Finlay Mills	254	100	20 0	16 0			12	W.
11,84,000	75,99,589	1,20,85,307	91,11,500	8,850	Thackersey Mooljee & Co. ..	49,672	1,126	Hindoostan Spg. & Wvg. Mills	3,875xd	8,000	200 0*	225 0*	225 0		12	W.
16,00,000									850N	850	50 0	56 4*	55 4			
8,00,00,000	1,13,27,881	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,38,030	6,278	India United Mills ..	104	10	Nil	0 10			12	W.
50,00,000									1–5½	1D	All	0 1				
8,65,000	71,99,043	1,22,31,586	83,39,000	3,551	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	3,600xd	1,000	200 0*	225 0*	225 0		3	V.P.
35,000									850	500	100 0	112 8*	112 8			
59,85,000	40,74,767	2,15,86,170	1,74,28,943	23,212	Khatau Makanji & Co., Ltd. ..	54,604	1,513	Khatau Makanji Spg. & Wvg.	152½	100	10 0	10 0	8 0		6	V.P.
1,00,00,000	1,35,00,000	3,27,03,182	2,22,21,802	2,11,423	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	331½	100	18 0	20 0*	8 01		12	W.
28,80,000A	84,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	84½	100A	6 4	6 4			6	V.P.
3,60,000B									20B	1	1 4	1 4				
22,13,050	11,30,929	1,10,76,967	48,72,195	12,177	N. Sirur & Co., Ltd.	48,676	644	Modern Mills	85N	50	5 0	5 0			10	Y
31,75,000	32,62,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	221½	100	12 0	12 0	14 0		6	Y.P.
1,60,40,600	2,63,011	4,93,70,648	1,10,00,000	3,01,242	Chinai & Co., Ltd.			National Rayon Corporation	204	100	Nil	9 0			12	Y.P.
24,00,000	28,60,686	73,05,163	44,43,840	15,887	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg.	168½	100	10 0	10 0			12	Y.
30,00,000	21,42,060	88,88,899	60,97,098	1,339	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg.	169	100	10 0	10 0			12	Y.P.
12,70,100	36,36,004	42,69,552	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd.	54,100	873	New Union Mills	32	10	1 4				12	W.
48,00,000	36,07,273	1,42,08,882	91,59,811	30,475	Ramnarain Sons, Ltd.	66,324	1,190	Phenix Mills	115½	100	8 0	8 0			12	W.
40,00,000	43,42,741	24,64,450	23,50,000	2,99,184	Podar Sons, Ltd.	32,600	930	Podar Mills	155	100	10 0	10 0			12	Y.P.
5,00,000	8,64,062	21,20,749	18,99,340	2,590	Davd Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	16	10	1 4	0 12			12	V.
25,00,000	69,06,474	1,24,22,606	81,47,282	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg. ..	35	10	1 4	1 8			12	V.
60,00,000	66,20,061	57,30,546	48,31,044	2,69,922	Marwar Textiles (Agency) Ltd. ..	46,836	1,640	Shree Niwas Cotton Mills ..	235	100	12 8	14 0			12	V.P.
62,00,000	38,80,000	80,15,073	68,69,000	21,940	Forbes, Forbes Campbell & Co., Ltd.	29,436	1,274	Simplex Mills	149	50	15 0(p)	15 0	11 0		3	V.
36,00,000	1,19,87,137	1,55,60,577	1,03,73,256	32,648	Mafatlal Gagalbhai & Sons ..	57,288	1,633	Standard Mills	356½	100	20 0	20 0			12	Y.P.
8,00,00,000	1,18,72,086	1,70,99,941	90,25,820	40,896	Tata Industries Ltd.	67,872	2,000	Swadeshi Mills	210½	100	16 0	16 0			12	Y.P.
36,00,000	60,78,465	93,47,153	58,93,668	9,74,757	James Finlay & Co., Ltd. ..	38,828	552	Swan Mills	330	100	30 0	20 0			12	V.
52,37,438	49,90,352	1,53,47,827	43,36,553	4,665	Tata Industries Ltd.	61,792	1,800	Tata Mills	62½	25	1 0	1 8			12	Y.
12,00,000	62,55,708	98,83,823	74,63,000	4,219	Thackersey Mooljee Sons & Co. ..	54,424	1,181	Western India Spg. & Mfg. ..	3,875xd	1,000	200 0*	225 0*	225 0		3	Y.P.

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
83,00,000	25,97,650	96,80,904	55,37,028	5,660	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills ..	173½	100	10 0	10 0*	5 0		6	Y.P.
10,00,000	90,53,638	89,83,424	65,39,087	7,878	P. M. Hutheesing & Sons, Ltd. ..	42,768	912	Aruna Mills	530	100	20 0*	20 0*			12	Y.P.
26,25,000	2,23,86,002	1,33,18,915	89,73,000	47,546	Narottam Lalbhai & Co. ..	62,448	1,218	Arvind Mills	1,120	100	25 0	25 0			12	Y.P.
80,00,000	38,43,340	99,44,276	56,25,000	3,90,074	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning & Mfg. ..	278½	200	15 0	15 0			12	Y.P.
12,00,000	1,03,36,021	82,38,139	68,69,231	1,31,842	Lalbhai Dalpatbhai & Co. ..	37,968	916	Asoka Mills	590	100	22 0	22 0*			12	Y.P.
4,24,77,852	99,56,762	3,97,51,801	2,72,53,344	83,51,386	Karamchand Premchand Ltd. ..	1,39,120	2,372	Bela Co.	1,102	125	18 0	20 0	8 01		12	Y.P.
45,00,000	1,00,00,000	1,59,98,883	1,20,30,000	8,391	Tricumlal Bhogilal & Co., Ltd.	45,836	867	New Commercial Mills ..	1,082½	750	70 0	70 0			12	Y.P.
89,00,000	70,78,354	94,79,263	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	51,152	865	New Shorrock Spg. & Wvg.	702	125	35 0				12	Y.P.
5,00,000	61,15,982	46,72,745	31,76,001	700	Jagabhai Bhogilal Nanavaty & Co.											
12,50,000	1,09,22,589	79,71,738	52,25,077	32,522	Lalbhai Dalpatbhai & Co. ..	24,840	572	Nutan Mills	204	100	30 0*	30 0*			11	Y.P.
12,00,000	13,93,067	74,95,069	39,67,450	—13,90,510	Rajpur Mfg.	31,120	634	Rajpur Mfg.	876½	100	25 0	8 0			12	Y.P.
32,50,000	16,74,825	84,83,940	52,67,803	4,020	Mangaldas Gudhardas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	110	250	Nil				12	Y.P.
88,98,150	1,83,42,259	1,53,66,919	1,17,07,000	42,133	Lalubhai Gordhandas Ltd. ..	33,114	648	Rohit Mills	141½	100	9 0	9 0			12	Y.P.
89,52,500	52,12,167	41,33,831	48,71,801	8,070	Narsvallabhdas Kalidas & Co. ..	97,332	1,781	Sarabhai Cotton Mills ..	357	50	16 0	18 0			12	Y.P.
					Mafatlal Chandulal & Co. (Ahmedabad), Ltd. ..	36,624	720	Shorrock Spg & Mfg.	347½	100	20 0				12	W.
88,00,000	89,08,070	81,15,078	47,72,055	16,259	Haridas Achratlal & Co., Ltd. ..	36,176	760	Vijaya Mills	530	400	33 0*				12	W.P.

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
15,00,000	1,88,479	34,10,729	19,47,810	41,227	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	5	10	Nil	0 4			12	V.P.P
7,11,200	2,95,369	40,98,098	23,80,978	47,818	Bengal Textile Agency, Ltd. ..	32,352	936	Bengal Lusmi Cotton Mills ..	31N	40	3 0	Nil	4 0		3	V.
6,00,000	22,75,078	80,45,219	51,32,000	—18,86,726	Kettlewell Bullen & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills	415	100	Nil	Nil	Nil		6.12	H.P
19,00,000	25,15,226	97,91,258	69,83,080	—10,45,860	Kettlewell Bullen & Co., Ltd	42,544	518	Dunbar Mills	215	100	Nil	Nil	Nil		6.12	H.
8,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	70,040	1,990	Keoram Cotton Mills	23½	15	1 12	Nil			3	V.
6,00,000										25	1 4½	1 12				
83,94,988	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	10	0 8				3	V.P.
19,47,750									12	10	0 8½	0 8½			12	V.P.
5,00,000D	5,75,000	41,85,833	19,32,788	13,666	Hazaremull Heeralall	23,196	795	Rampooria Cotton Mills ..	4N	1D	Nil	Nil			9	V.

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
11,00,000	6,72,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills ..	3	10	Nil				12	V.P.
15,00,000	9,09,109	39,21,613	21,03,246	2,736	Rajwal & Co., Ltd.	35,000	..	Alagappa Textiles (Cochin) Ltd.	61	10					12	V.P.P
71,94,000	51,99,334	2,04,06,796	30,52,372	2,771	Industrial Trust Fund, ...	36,136	750	Assam Jute Mills	68	100	6 0	6 0			9	W
40,50,000	1,74,49,038	3,06,08,237	2,13,61,355	2,40,393	Binny & Co. (Madras), Ltd. ..	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	408	100	15 0	25 0	10 01		12	V.P.
87,00,000	20,75,000	76,97,724	52,93,724	87,088	Shaw, Wallace & Co., Ltd. ..	29,936	782	Bengal-Nagpur Cotton Mills ..	12½	10	0 8	0 4½			6,12	H.P.P
15,00,000	1,07,71,676	1,01,44,941	67,39,141	2,07,265	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	70N	10	0 4	Nil			3	Y.
1,78,47,840	1,44,80,321	5,91,55,208	3,09,15,101	2,52,842	Binny & Co. (Madras), Ltd. ..	1,20,356	2,744	Buckingham & Carnatic ..	159	100	4 0	10 0	4 01		12	V.P.Y.
20,00,000	20,00,781	32,98,201	17,91,411	35,637	Peirce, Leslie & Co., Ltd ..	47,376	..	Cambrook Mills	13½	10	1 0	0 12			12	V.P.
14,99,229	4,75,000	42,54,384	15,27,257		Malabar Industrial Syndicate	16,800	..	Cannanore Spg. & Wvg.	130	100	12 0	12 0			3	Y.
30,00,000	28,49,773	31,86,118	47,94,813	24,773	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8½	5	0 9	0 9	0 8		3	V.
12,00,000	19,83,494	28,94,635	21,58,900		R. Bheema Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	285	100	9 0	20 0			3	V.P.
20,00,000	13,90,000	33,17,361	19,08,703	3,400	T. R. N. Naidu & Co.	21,978	..	Coimbatore Pioneer Mills ..	203	100	9 0	13 0	10-0/		6	V.P.
20,76,900	4,36,646	1,14,48,334	68,90,010	4,76,905	R. G. S. Naidu & Co.	72,198	407	Coimbatore Spg. & Wvg.	72½	50	Nil	Nil	3f		6	V.
48,97,500	61,78,247	2,34,42,659	1,51,56,858	14,071	Tata Industries, Ltd.	1,15,188	2,062	Central India	126½	100	2 0	3 0	2 0		6	V.P.
9,38,36,225										2,000	200 0*	225 0*	225 0		12	W.
1,00,563	2,63,12,465	8,55,97,662	4,42,00,000	1,69,241	B. R. Charat Ram & Co., Ltd. ..	1,16,636	2,355	Delhi Cloth & General Mills ..	36½	25	1 4½	0 2 4½	0 3 3½		6	V.P
24,14,900	24,09,342	42,39,039	30,16,981	9,452	M. N. Chettiar & Sons	32,164	201	Dhenuka Lakshmi Mills	307½	100	20 0	20 0			12	V.
83,00,000	53,27,872	1,46,96,492	1,21,71,631	65,279	Begg, Sutherland & Co., Ltd.	53,768	1,198	Elgin Mills	17½	10	1 8	1 0	1 0		9	V.P.
89,04,760	43,25,176	81,87,379	62,09,070	85,193	Forbes, Forbes Campbell & Co., Ltd.	72,904	3	Gokak Mills	223½	100	17 0*	17 8			12	W.
80,00,000	12,75,743	1,25,73,688	88,01,206	12,371	Govindram Seksaria (Indore)	31,190	1,420	Indore Malwa United	96½	100	6 0	6 0			12	V.
8,90,000	11,61,067	26,01,326	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd. ..	23,784	..	Janardana Mills	80	50	3 12	80			12	Y.
24,00,000	15,75,000	64,03,081	12,00,000	20,004	Kothari & Sons	30,512	200	Kothari Textiles	128	10	0 12	0 8	0 8		6	V.P.
32,00,000	71,10,521	1,43,07,561	1,01,44,340	32,367	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg. ..	527½	100	37 8	37 8	7 8		12	V.P.
17,92,050									146xd	50	5 0	5 0	10 0			
8,75,02,480	3,93,81,878	5,45,66,244	3,28,28,290	9,36,093	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	72xd	85	2 8	2 8	5 0		3	V.
13,00,000	4,17,363	27,72,881	16,02,069	1,14,098	A. & F. Harvey Ltd.	4,63,852	100	Madura Mills	47½xd	15	3 0	3 0			12	V.
40,00,000	69,00,000	61,38,483	39,86,352	30,133	A. L. A. R. S. Chettiar and 2 others	22,547	603	Malabar Spg. & Wvg. ..	125	800	8 0	8 0			12	V.
29,80,884	28,14,137	76,14,218	44,82,685	12,036	W. A. Beardsell & Co., Ltd. ..	25,656	704	Meritur Industries Ltd. ..	246	100	12 8	12 8	22 8*		3	V.
64,91,850	27,24,404	1,61,29,118	78,81,528	—7,44,932	N. Sirur & Co., Ltd.	39,200	704	Minerva Mills	105	100	5 0	7 0*			12	V.
30,00,000	52,19,400	1,53,39,572	1,05,91,651	—7,77,240	Banaiial Abuchand Dedabhoy & Co.	31,340	955	Model Mills (Nagpur) ..	133½	250	7 8	7 8*	5 0(c)		12	V.
84,93,500	36,39,566	95,25,192	61,37,444	22,997	Indian Textile Syndicate Ltd. ..	18,840	1,834	Muir Mills	110½	100					12	V.P.
13,61,780	2,36,745	39,42,992	15,27,000	3,986	N. Sirur & Co., Ltd.	49,664	500	Mysore Spg. & Mfg. ..	122½	50	10 0*	10 0*	8 0*		3	V.P.
22,89,882						6,000	..	Mysore Spun Silk Mills ..	5½	10	Nil	Nil	Nil		3	V.
3,07,095	25,82,532	1,02,16,296	58,90,719	—39,62,329	N. Suryanarayana Rao Esq. Manager				1½	1						
87,03,400	87,08,000	1,64,48,327	62,62,651	19,819	J. P. Srivastava & Sons, Ltd. ..	49,676	1,198	New Victoria Mills	—	O. 1	Nil	Nil			12	V.P.
6,00,000A									70	100	7 0	4 0			9	V.
8,00,000B	7,50,000	33,81,578	18,80,484	551	Industrial Trust Fund	37,788	847	Osmanshahi Mills	114	10A	7 8	12 8*				
13,00,000	8,56,920	32,56,378	16,53,848	4,411	Bhagbyalakshmi & Co.	29,924	..	Palani Andavar Mills ..	160	75B	11 4	18 0			12	V.P.
16,81,200A									91	100						
8,49,200B	20,58,884	39,68,909	31,35,638	1,458	C. S. R. Mudaliar & Sons ..	27,990	..	Prakash Mills Ltd.	220	100A	6 0	8 0			12	V.
					A. G. Gurusamy Naidu & Co. ..	46,384	501	Radhakrishna Mills	110	50B	3 0	4 0			12	V.
15,00,000	23,00,896	22,62,213	14,88,315	—63,946	B. R. Naidu & Sons	25,896	..	Rajalakshmi Mills	139	50	Nil				12	V.
82,11,229	11,60,000	37,49,983	10,42,148	41,727	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	93	100	6 0	6 0			12	V.
60,00,000	62,66,504	98,49,367	35,63,291	—19,59,428	J. P. Srivastava & Sons (Rampur).	33,984	600	Raza Textiles	4 9½	10	Nil	Nil			12	V.P.
									1,605	2,000						
16,00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Mormurka & Co.	86,048	2,234	Shahpoor Spg. & Wvg. ..	300	300	N'l	Nil	Nil		9	V.P.
36,69,700	11,45,000	75,40,039	49,25,631	26,144	B. N. Pallavan, Esq.	31,668	797	Sri Krishnarajendra Mills ..	76	50	4 0*	4 0*	4 8		3	V.
26,14,800	2,00,246	35,18,906	17,73,000	—2,46,777	Gopaldas Lilachar & Co., Ltd. ..	17,680	440	Shree Sajjan Mills	72N	100	Nil	Nil	Nil		3	Y.
15,00,000	2,49,73,985	87,38,169	62,02,085	31,22,917	Birla Brothers, Ltd.	36,212	1,242	Jubilee Cotton Mills	76	10	4 0	4 0	5 0		3	V.
17,50,000	2,20,00,000	4,32,93,265	1,56,70,740	2,87,165	Jalpurie Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	8½	100	Nil	0 8				
1,57,50,000									8½	10P.O.	Nil	0–14 2½			12	V.P.
99,92,020	3,25000	2,71,91,025	76,93,946	41,430	Emmes & Sons (Travancore), Ltd.			Travancore Rayons	10½	10	Nil	0 8			12	V.P.Y.
13,99,660	8,18,232	13,19,240	9,97,510	4,009	Mooljee Rampee & Sons ..	16,256	..	Trichonopoly Mills	12½	10	0 11 1/3	0 11 1/3			12	V.
81,00,000	32,67,608	49,31,870	32,72,308	28,000	R. K. S. Cherty & Brothers ..	33,704	270	Vasanta Mills	218	100	12 0	12 0			12	V.P.
82,00,000	47,34,135	1,34,36,953	89,30,678	1,848	Bombay Co., Ltd.	34,280	1,337	Vishnu Cotton	121½	100	10 0	4 0			12	V.P.

* Includes bonus. (a) Subject to taxation and workers' bonus. (c) Paid out of reserves.
Has mortgage loan of Rs. 80 lakhs against mortgage of fixed assets. (p) Interim dividend of Rs. 3 per share was paid on 62,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

BREWERIES AND DISTILLERIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
13,28,000	16,64,000	1,09,25,186	50,37,363	21,554	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	33	25	2 13p	Nil	Nil	Nil	5	V.P.
6,64,000	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	5½	10	1 2p	Nil	Nil	Nil		V.
16,20,830							17½	3	0 6	0 5	0 5		8	W.
580,000A	£668,781	£1,193,278	£500,508	£59,690	Parry's Holdings Ltd.	East India Distilleries and Sugar	29½	A. 16ab.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5			V.P.
£500,000B								B. 41	Sh. 3	Sh. 3	Sh. 4			
24,00,000	8,14,510	33,30 482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	Nil				6	V.
4,00,000	9,63,000	11,63,313	11,63,307	4,057	Vittal Mallya, Esq. (Chairman)	United Breweries	170	75	7 8	15 0	15 0	15 0	3	V.

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
11,37,700A	8,69,857	75,78,738	45,89,342	4,636	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	130	A. 100	7 8	7 8	10 0*		12	V.P.H.
39,67,420B							13½	B. 10	0 12	0 12	1 0*			
43,14,600C

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1951	1952	1953	1954	Accounts Closed	Reference
Rs	Rs	Rs.	Rs	Rs			Rs	Rs	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	25,36,841	1,98,78,118	1,37,10,118	1,50,325	Balmer Lawrie & Co.	Bengal Paper Mills	62	25	1 9 / 1 9	1 9 / Nil	Nil / 1 9	1 9t	6,12	H.P.T.
80,00,000	31,69,805	1,05,17,526	70,27,591	2,16,318	Andrew Yule & Co., Ltd.	India Paper Pulp	248	100	5 0 / 5 0	5 0 / 6 0	7 0 / 5 0	7 0f	3,9	H
25,00,000	16,12,500	1,18,13,367	47,51,061	49,179	B. P. Ramakrishnan Esq.	Mysore Paper Mills	18	10	0 12 / 1 0*	1 0*	0 12*	3		W.
1,46,82,500	1,53,71,781	3,56,00,806	85,37,779	2,56,680	Birla Bros.	Orient Paper	26½	10	1 0 / 1 0	1 0 / 1 0	0 7	3,9	6,12	H.P.T.
90,06,290	78,16,849	1,11,54,742	42,73,807	2,83,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	16½XR	10	0 12 / 0 12	0 12 / 0 12f			6,12	H.P.T.
80,00,000 / 10,00,000A.	7,02,430	30,37,167	28,55,530	9,798	Bajoria & Co.	Star Paper Mills	13 / 13	O. 10 / A. 10	Nil / 0 4	0 4 / 0 4	0 6 /		3,9	H.P.T.
56,00,000A. / 56,04,800B. / 4,37,500P.O.	2,81,41,763	3,07,10,815	3,02,69,315	73,747	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	41½ / 41½	A. 10 / B. 10	1 0 / 1 0	1 0 / 1 0*	1 0* / 1 0*	0 12f / 0 12f	3,9	H.P
4½							4½	P.O. 2½	0 2 / 0 2	0 2 / 0 2	0 2 / 0 2	0 2f		
PRESSING														
8,00,000	6,12,365	15,78,488	10,90,381	20,403	Andrew Yule & Co.	Calcutta Hydraulic	85	100	3 0	5 0	8 0	4 0	6	V.
4,30,000	1,00,000	6,89,526	4,73,036	2,354	Pype & Sons	Camperdown	93N	100	6 0	7 0	7 0		7	V.
5,00,000	1,55,000	10,91,811	9,30,377	12,962	Andrew Yule & Co.	Central Hydraulic	87	100	5 0	5 0	4 0	5 0	6	V.
PROPERTY AND LAND														
10,00,780O. / 8,00,000D.	6,02,582	42,65,284	19,09,280	619	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10 / 1½	O. 10 / D. 1	0 9 3/5 / Nil	0 8 / Nil			9	Y.P.
60,00,000	18,90,038	84,21,366	15,00,000	350	David Sassoon & Co., Ltd.	Port Canning Land	18½xd	100	1 8	1 8	1 8	1 8	4	V
94,00,000	35,36,934	96,49,123	1,06,646	95,262	Andrew Yule & Co.	Midnapore Zamindary	41	100	3 0	2 0	1 8	4 0	4	V.P
SAW MILLS AND TIMBER														
13,99,998	28,19,726	25,86,404	6,94,804	—97,203	Bird & Co.	Assam Saw Mills	6¼	3	0 8	0 4	Nil		9	V.
50,00,000 / 42,00,000	4,08,84,385	3,05,42,310	1,22,52,525	56,875	Wallace & Co.	Bombay-Burmah Trading Corpn.	47½ / 165	Old 125 / New 50	37 8 / 15 0	22 8 / 9 0	15 0 / 6 0	20 0 / 8 0	5	V.
6,00,000	....	2,90,768	1,76,945	—5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	41N	100	Nil	Nil	Nil		6	V.P
80,00,000	16,15,487	17,44,613	12,66,634	1,63,401	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	36½	10	8 8	3 0	2 8	1 0t	9	V.
SUGAR (U.P. and Bihar)														
14,00,000	13,55,921	30,50,924	27,77,928	23,527	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	9½	3	1 0	Nil	Nil	0 12		V
18,00,000A. / 8,00,000B.	29,17,686	68,08,551	51,92,428	4,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	151N / 134N	A. 100 / B. 10	10 0 / 1 0	10 0 / 1 0	10-0 / 1-0		4	V
19,49,050	5,00,000	82,06,093	21,68,136	1,66,138	Bangur Bros., Ltd.	Belsund Sugar	10½	74	0 10	0 12	0 12		9	V.
15,00,000	13,85,319	45,47,836	11,37,841	26,084	Cotton Agents Ltd.	Bharat Sugar	19½xdN	10	1 8	1 8	1 8	1 8	6	V.P.
82,00,000	25,28,938	1,30,88,037	85,30,469	66,210	Gladstone Lyall & Co., Ltd.	Carew & Co.	10½	Nil	Nil	Nil	Nil		6	V.P.T.
15,00,000	53,02,981	1,00,12,353	81,32,451	59,696	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	18½xd	10	3 0	2 0	2 0	0 12	10	V.P.
18,00,000	33,88,892	67,14,964	30,49,402	24,329	Begg, Sutherland & Co., Ltd.	Champarun Sugar	29	10	1 8	2 0	1 0	1 0	6	V.
5,99,452	8,18,562	22,66,286	14,01,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	8N	10	0 8	0 8	0 8		8	V.T.
85,00,000A. / 10,00,000O.	33,25,000	69,95,552	43,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	175N / —	'A' 100 / O. 100	9 0 / 9 0	12 0* / 12 0*	15 0* / 15 0*		6	V.P
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	57N / 30N	80 / 40	4 0 / 2 0	Nil / NW	Nil / Nil		7	V.P.
7,89,100	23,05,922	29,32,672	17,61,033	64,888	Cotton Agents Ltd.	New India Sugar Mills	34N	10	2 8	2 8	2 8	2 8	6	V.P.
11,00,000	4,20,000	37,49,397	24,14,065	8,769	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 10	0 8	0 8		5	V.
1,087,500 A. / 8,71,875 B.	47,59,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills	220N / 55N	100 / 25	20 0 / 5 0	20 0 / 5 0	20 0 / 5 0		6	V
77,48,500	50,22,414	1,68,14,115	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	115N	100	11 0	6 0	11 0		7	V.P.
12,00,000	12,71,178	38,94,458	18,81,746	66,000	Nanang Bros. & Co., Ltd.	Punjab Sugar	100N	100	10 0	10 0			10	V.
9,00,000	15,93,919	35,23,095	29,32,249	3,957	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	18N	10	2 0	1 0	1 0	0 12	10	V.P.
8,00,000	6,54,762	25,43,782	21,01,613	24,340	Begg, Sutherland & Co., Ltd.	Ryam Sugar	20N	10	2 8	1 0	0 8	0 8t	6	V.P.
11,99,000	17,75,737	38,17,360	22,17,129	13,455	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	13½	10	2 0	0 8	0 8	0 8	7	V.
20,00,000	21,68,360	1,04,96,727	55,25,283	3,337	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	17½	10	1 0	1 8	1 8		7	V.P.T.
9,99,950	61,825	27,77,628	12,85,342	—1,89,266	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6½	10	0 8	0 6t	Nil		6	V.
7,95,462	16,32,940	29,95,970	16,32,168	92,009	Karamchand Thapar & Bros.	Shri Sitaram Sugar	25½ / 1N	10 / O. 10	1 0 / Nil	1 0	2 0*		8	V.T
6,50,000O. / 1,75,000D.	47,623	25,93,296	11,46,770	—14,94,408	N. K. Jain & Co., Ltd.	South Bihar Sugar	4N	D. 2½	Nil				10	V.P.
8,00,000	20,87,588	83,26,115	50,99,754	48,719	Cotton Agents Ltd.	Upper Ganges Sugar	30N	10	2 0	2 0	0 8	2 8	6	V.P
16,00,000	7,59,778	31,12,569	24,59,651	5,181	James Finlay & Co., Ltd.	United Provinces Sugar	25½	10	2 0	1 8	0 8		9	W
Other Centres														
46,99,750	65,29,871	1,40,80,073	84,87,647	33,628	W. H. Brady & Co., Ltd.	Belapur Company	31½	50	14 0	16 0	16 0	16 0	9	V.
15,93,900	2,43,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	45N	100	3 0	3 0	Nil	Nil	6	V.P.
10,00,000	30,25,085	25,07,464	18,53,439	2,32,019	India Sugar Agencies Ltd.	India Sugar and Refineries	16½ / —	10 / 5	2 8 / 1 8	2 8 / 1 8	2 8 / 1 8		9	V.P
33,57,580	42,47,476	41,33,220	19,37,712	3,477	Govan Bros. (Rampur), Ltd.	Buland Sugar	15½N	10	1 0	0 12	1 0		10	Y.
10,52,2000 / 2,57,190D.	67,50,000	84,86,942	27,56,542	2,346	V. Ramakrishna, Esq.	K. C. P. Ltd.	135 / 75	O 100 / D 10	7 8 / 10 0	7 8 / 10 0	7 8 / 10 0	7 8 / 10 0	6	Y.P.
81,79,280	90,22,871	1,21,03,930	73,11,305	2,28,221	M. S. Swaminathan, Esq. (Managing Director)	Mysore Sugar	48½	10	2 0	2 0	2 0	2 0	6	V.
30,00,000	47,49,631	1,07,50,631	55,61,246	15,411	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	11½	10	0 8	0 8	0 8	0 8	9	V.
16,59,820	27,50,830	48,81,755	83,79,327	93,198	Anderson Wright Ltd.	Ramnagar Cane and Sugar	28½	10	0 12	2 0	2 0		8	V.P.T.
20,00,000O. / 4,00,000D.	24,80,121	80,59,224	48,81,892	1,00,533	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	93N / 79N	O. 50 / D. 10	9 0	9 0 / 3 12	Nil / Nil		9	V.P.T
19,99,600	46,07,818	45,46,104	19,83,541	3,144	Govan Bros. (Rampur), Ltd.	Raza Sugar	101N	10	1 4	0 12	1 0		10	V.
50,00,000	10,37,776	59,76,254	17,47,159	—32,224	Parry & Co., Ltd.	Travancore Sugars	6½	10	Nil	Nil	Nil	Nil	7	V.P
83,50,000														
77,50,000A.	51,98,517	1,80,88,459	96,57,110	1,72,670	Premier Construction Co., Ltd.	Walchandnagar Industries	226½	O. 100 / D. 100	14 0 / 14 0	14 0 / 14 0	14 0 / 14 0		9	V.P.W.
TRANSPORT														
20,00,000	1,10,13,336	1,33,34,106	11,00,616	1,23,403	Andrew Yule & Co.	Bengal-Assam Steamship Co.	166	100	12 8	12 8	10 0	10 0	10	V.P.
1,00,00,000	31,17,771	3,57,24,932	1,60,89,471	69,556	Dinshaw Ltd.	Bharat Line	84	100	4 0	5 0	5 0		12	V.
50,00,000	24,35,838	1,83,20,489	63,44,422	1,09,704	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	17	10	1 0	1 0	1 0	1 0	6	V.
£655,580	£1,123,727	£3,428,105	£1,332,999	£13,172	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	107	£10	Nil	8a.10			12	V.
2,25,00,000	74,99,233	4,41,60,669	1,52,36,755	1,64,940	Lionel Edwards Ltd.	India Steamship Co.	7½	10	Nil	0 8	0 8	Nil	3	V.P.
9,40,19,673	7,83,28,023	14,92,76,428	3,71,00,000	2,72,820	Nowrosjee Monarjee & Co.	Scindia Steam Navigation Co.	16½	20	Nil	0 8	0 12	0 8	6	V.T.
8,40,000O. / 8,10,200P.O.	17,33,073	10,83,408	6,54,056	1,88,899	E. A. Smith, Esq., (Manager)	Watford Transport Ltd.	1½ / 1½	O. 1 / P.O. 1	as 1 19/25 / as 1 9/25	as 1 3/25 / as 1 9/25	as 1 3/25 / 9/25		12	V.
UNCLASSIFIED (Bombay)														
2,40,000	95,000	5,35,957	3,89,000	760	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	30 0	35 0	32 0	32 0	9	V.
15,98,860	2,04,173	2,18,255	80,000	40,555	Parekh Agencies Ltd.	Bombay-Uganda	70N	80	4 0	4 0	3 0		12	V.
15,00,000	1,80,000	25,30,018	13,483	8,047	Dana Sons, Ltd.	Devkaran Nanji Investment Co.	10½	25	0 12	0 12	0 12	0 12	3	V.
14,98,840	3,09,622	26,42,753	18,13,000	74,466	Chooniilal Manilal Ltd.	Eastern Batteries	35N	50	3 0	2 8	Nil	3 8	3	V.P.
99,99,250	18,80,149	1,27,94,992	11,966	2,11,031	Premchand Roychand & Sons	Industrial Investment Trust	81	100	4 8	4 8	4 8		12	V.
1,00,00,000	31,25,000	21,31,427	7,78,349	18,107	E. D. Sheppard, Esq. (Mg. Director)	Kilick Industries	17½	100	8 8	10 0	10 0	11 0	6	Y.
2,07,00,200A. / 10,00,000B.	5,29,603	2,64,35,763	98,15,035	—13,44,485	Aero-Auto Ltd.	Premier Automobiles	75N / —	A. 100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil	Nil / Nil	6	W
10,21,200	5,36,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	25	20	3 0	3 0			12	V.
2,75,00,000	69,25,548	8,49,75,164	1,49,74,930	4,28,761	T. Rydin, Esq. (Managing Director)	Western India Match Co.	212½	100	11 0*	11 0*	11 0*		12	V.
45,00,000	34,64,847	1,24,608	1,07,108	63,107	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	21 0		12	V.
Other Centres														
47,50,000 / 2,50,000	15,00,000	1,88,63,301	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	61 / 24N	O. 10 / D. 2½	Nil	Nil	Nil.	Nil	9	Y.P.T.
30,00,000	40,60,690	31,77,196	21,11,902	2,39,798	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	20½	10	2 8	1 4	1 4	1 4	8	Y.
30,80,000	7,75,000	29,21,795	19,64,081	1,34,529	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	21½	10	1 4*	1 4*	1 4*		12	Y.
28,00,000	23,47,883	1,00,29,510	59,87,830	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	41N	10	0 9 3/5	0 4	0 3 1/5	0 3 1/5	3	Y.P.T.
90,00,000O. / 10,00,000P.O.	1,11,62,712	59,55,515	30,55,515	5,43,847	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	161 / —	25 / D. 40	20 0* / 6 0*	20 0* / 6 0*	20 0* / 6 0*		12	W.
20,00,000	7,97,945	56,17,513	1,11,692	1,11,692	Lovelock & Lewis	Birds Investment Ltd.	18½xd	10	1 4	1 4	1 4		9	Y.P.
30,64,680	37,09,223	1,02,29,699	26,95,003	1,61,901	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	134XR	10	1 4	0 12	0 8	1 0	3	Y.P.T.
25,00,000	95,00,000	2,36,70,347	1,97,14,167	3,58,733	Sir Homi Mody	British India Corporation Ltd.	81	5	0 12	0 10	0 10		12	Y.P.
1,60,00,000	1,49,00,000	4,34,79,386	2,79,42,308	10,82,833	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	35½	10	1 8	1 8	1 8		12	V.T.
51,24,000	31,50,934	1,29,31,258	....	3,11,873	Bird & Co., Ltd.	Eastern Investments Ltd.	156	100	9 0	9 0	9 0		12	V.P.
14,00,000	9,97,000	32,78,212	17,93,356	48,285	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	205	100	12 12 / 15 0	12 12 / 10 0	10 0 / 10 0	7 8t	3	H.
65,00,000	38,00,000	18,19,106	6,87,888	1,58,072	K. R. Fettes, Esq.	Ollianders Arbuthnot & Co., Ltd.	114	100	10 0	10 0	7 8	7 8	3	V.
30,00,000	11,42,354	68,39,613	29,41,525	9,14,791	B. P. R. Syndicate	Great Eastern Hotel	258	250	15 0	15 0	15 0	6 4	3	V.
12,42,808	7,07,964	70,51,010	47,39,848	19,013	Birla Bros., Ltd.	Hind Cycles	108N	100	7 8	8 0	8 0		12	V.P.
4,96,12,650		3,05,00,214	60,32,719	4,54,999	Birla Bros., Ltd.	Hindustan Motors	81	10	Nil	Nil	Nil		12	V.P.T.
1,60,00,000	36,77,754	3,45,57,905	1,35,50,172	9,14,791	J. W. Cameron, Esq.	Indian Aluminium Co.	18½	100	5 0	5 0	Nil		12	Y.P.
1,52,09,220	1,09,40,984	1,32,87,233	46,27,452	19,70,064	A. R. Dykes, Esq.	Indian Cables	24½	10	1 0	1 0	1 0*	1 0*	3	Y.P.
8,27,970	5,38,000	15,79,995	8,39,426	17,480	G. S. Monkton & Co. (India), Ltd.	Indian Rubber Manufacturers	19	10	1 0	1 0	0 8	0 8	3	V.P.
2,00,00,000	52,62,941	31,49,487	7,53,287	5,26,226	G. M. Mackinlay, Esq.	Jardine Henderson	117	100	10 0	10 0	7 8	7 8	3	V.P
6,34,000O. / 3,48,343	3,48,343	6,39,830	4,31,766	2,340	James & Co., Ltd.	Macfarlane & Co.	2½ / 225xd	O. 5 / D. 1 / O. 100 / D.O. 10	Nil	Nil	Nil		3	W.
66,000D. / 40,00,000O. / 5,00,000P.	66,88,146	25,22,837	7,33,942	1,07,086	C. L. Bajoria, Esq.	McLeod & Co.			12 8 / 0 12	7 8 / 0 4	10 0 / 0 8		12	V.P.
1,20,60,250	39,90,212	18,32,139	6,86,923	2,41,090	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	23½	10	1 2	1 6	1 6*		9	Y.P.
1,15,00,000	39,01,000	1,56,11,388	59,32,798	13,11,211	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	19½xd	10	1 0	1 0	1 0	1 0	3	Y.P.
6,35,255	1,72,448	7,82,942	2,60,987	—71,442	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	8½	10	Nil	Nil	Nil		12	V.
4,88,040	8,84,829	9,73,621	3,93,609	2,059	G. Chandy, Esq. (Controller)	Mysore Lamp Works	14½	10	1 0	1 0	1 0		3	V.P.
10,00,000	....	11,45,854	3,93,996	11,329	E. V. Ganapathy Iyer, Esq.	Mysore Tobacco	10½	10	1 0	1 0			3	V.T.
20,00,000	49,41,539	53,81,362	37,19,098	1,75,176	Associated Industrial Development Co., Ltd.	National Insulated Cable	22	10	0 8	0 12	1 0	1 0	3	Y.P.T.
79,97,000	28,68,388	69,70,031	3,78,836	18,42,030	B. N. Elias & Co., Ltd.	National Tobacco Co.	10½	10	0 8	Nil	Nil		12	Y.P.T.
40,00,000	27,00,000	44,15,474	19,71,434	1,31,468	Coromandel Investment Trust Ltd.	Parry & Co.	4½	10	0 10½	0 4½	0 4½		12	V.P.T.
2,25,00,000	13,27,473	1,65,91,429	46,13,194	17,649	T. A. Lyttaniapulo, Esq.	Rallis (India) Ltd.	46½	100	3 0	Nil	Nil		6	V.P.
1,14,00,000	1,08,11,658	6,70,23,808	2,57,86,415	78,206	Saha Jain Ltd.	Rohtas Industries	23½	10	0 12	1 0	1 4		10	V.P.T.
40,00,000	93,51,062	1,19,12,218	70,10,822	4,56,537	G. W. Stephenson, Esq.	Spencer & Co., Ltd.	17½xd	10	1 0	1 8	1 8	1 8	6	V.P.
75,00,000	38,50,000	12,22,398‖	3,20,543	3,67,879	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	14½	10	1 0	1 8			12	V.P.
9,98,380	1,50,000	14,27,407	3,01,599	—1,06,343	Ogale Bros., Ltd.	Travancore Ogale Glass	4	10	Nil	Nil	Nil		12	Y

‖ Includes investments at cost. * Includes bonus. † Excluding goodwill at cost Rs 20 lakhs.
‡ Excluding goodwill (written down Rs. 80 lakhs. § Excluding Rs 1,49,00,000 which represent shares in the firm of Shah Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1951	1952	1953	1954	Accounts Closed	Reference
Rs	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,35,700	6,11,774	9,59,057	4,78,517		McLeod & Co., Ltd.	825	Amluckie	600xdN	100	Nil	7 8	25 0	30 0t	12	W.P.
2,75,500	4,50,000	7,71,948	3,05,709	31,218	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	47	10	0 12	0 12	1 4	4	12	V.
3,30,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	41	10	3 0	Nil	2 8		12	V.
3,50,000	7,21,416	16,60,355	5,32,872	—75,110	McLeod & Co., Ltd.	513	Baghmari	27½	10	Nil	Nil	Nil		12	V.
3,40,000	8,20,000	11,50,416	2,98,096	70,514	Andrew Yule & Co., Ltd.	369	Basmasia	40½	10	2 8	2 0	2 8		12	V.
3,30,000	3,70,000	9,24,5[illegible]	5,59,593	61,395	Williamson Magor & Co.	569	Betell	25	5	0 8	0 4	2 0		12	V.
3,20,000	5,70,000	9,38,920	2,13,496	1,59,547	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	52	10	1 8	Nil	2 0		12	V.
16,50,000	20,60,000	52,30,169	22,95,169	3	Williamson Magor & Co.	3,967	Bishnauth	40	10	0 8	Nil	3 8		12	V.
6,00,000	3,500	10,38,918	1,85,067	63,716	Octavius Steel & Co., Ltd.	485	Bokakhat	18½	10	Nil	Nil	Nil		12	V.
7,50,000	4,50,000	8,36,160	2,32,708	5,960	McLeod & Co., Ltd.	450	Bormah Jan Tea	21½	10	1 8	Nil	0 12		12	Y.P.T.
85,00,000	11,92,045	73,80,473	19,49,496	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	17½	10	1 0	1 0	0 8	1 4	6	Y.P.
1,20,000	1,95,097	4,60,080	1,69,074	—16,624	McLeod & Co., Ltd.	282	Dejoo Valley	42	10	Nil	Nil	1 0		12	V.
6,00,000	7,97,300	25,17,843	16,06,120	36,977	Jardine Henderson Ltd.	1,220	Desai & Parbattia	390	100	22 8	10 0	20 0		12	V.
17,33,440	7,04,519	21,43,185	2,52,779	10,336	James Warren & Co., Ltd.	620	Dheakhat	22½	10	1 3½	1 0	1 8		12	V.
4,68,970	2,70,000	4,34,259	8,732	1,854	James Finlay & Co., Ltd.	633	Dhunseri	27½	10	1 0	Nil	2 0		12	Y.P.
4,50,000	3,25,400	11,71,408	2,35,483	16,852	McLeod & Co., Ltd.	458	Dibrugarh	32½	10	0 8	Nil	1 0	1 0t	12	V.
2,16,700	4,75,000	8,80,047	4,70,047	43,918	Williamson Magor & Co.	625	Dimakuchi	38	10	1 8	1 0	4 8		12	Y.P.
3,60,500	6,05,000	10,40,747	2,19,747	1,14,476	Williamson Magor & Co.	615	Duffla ghur	54½	10	4 0	2 0	4 0		12	Y.P.
10,00,000	4,65,000	21,78,081	8,83,081	38,641	Williamson Magor & Co.	1,177	Esa India Tea	33½	10	2 4	0 4	2 8		12	V.
3,60,000	3,50,000	8,18,664	4,01,797	13,832	Andrew Yule & Co., Ltd.	407	Gillapukri	47	10	0 8	Nil	1 12		12	V.
3,38,000	5,60,000	13,95,316	6,19,316	79,542	Williamson Magor & Co.	546	Gohpur	52	10	3 0	1 8	3 0		12	V.
A.4,94,360 / B.2,40,790	14,22,810	18,09,304	5,63,575	23,354	Octavius Steel & Co., Ltd.	1,393	Grob	41½ / 20½	A.10 / B.5	2 0 / 1 0	2 0 / 1 0	3 0 / 1 8	0 12f / 0 6f	12	V.
2,00,000	7,00,000	7,04,481	2,29,888	48,032	Andrew Yule & Co., Ltd.	476	Hoograjuli	31	10	3 0	1 8	3 0		12	V.
4,35,000	8,54,314	18,50,196	9,84,270	24,921	Andrew Yule & Co., Ltd.	1,290	Hoolongoorie	323½	100	17 8	Nil	12 8		12	V.
7,50,000	5,85,000	13,96,777	2,44,299	58,941	Gillanders Arbuthnot & Co., Ltd.	938	Jutlibari	24	10	0 8	Nil	Nil		12	V.
2,40,000	80,000	11,43,851	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,166	Kigosley-Golaghat (Assam)	350N	100	Nil	Nil	Nil		12	P.V.
6,90,000	4,94,113	6,79,844	1,29,844	72,557	Duncan Bros. & Co., Ltd.	1,037	Ledo	28½	10	Nil	Nil	7 0		12	V.
4,80,000	40,000	8,84,211	84,211	14,238	Duncan Bros. & Co., Ltd.	671	Mohesma	16½	10	Nil	Nil	Nil		12	Y.P.
1,50,000	4,47,344	7,54,419	4,05,697	16,982	Kettlewell Bullen & Co., Ltd.	433	Moibola	640N	100	35 0	Nil	40 0	15 0t	12	V.
O. 50,000 / P.O. 2,00,000	4,05,000	8,98,088	5,22,218	34,889	Andrew

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	55,00,000	96,99,205	51,47,202	54,436	B. N. Elias & Co., Ltd.	879	Agarpara	15	10	1+1	1½+½	½f		3, 9	H.T.P.
12,00,000	27,00,000	45,81,286	32,42,838	54,874	Saha Jain Ltd.	498	Albion	172	100	8+10	12+12	12f		5, 11	H.P.
6,00,000	5,35,000	51,04,592	33,39,395	10,062	McLeod & Co., Ltd.	446	Alexandra	245	100	Nil	Nil+2½	2½f		6, 12	H.P.T.
30,00,000	7,35,000	1,17,45,964	90,43,069	61,708	McLeod & Co., Ltd.	1,264	Alliance	182xd	100	Nil	Nil+5	6f		6, 12	H.P.
49,20,700	82,13,386	2,54,81,317	1,78,09,000	1,47,643	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	226	100	10+10	7½+5	2½+5		3, 9	H.P.
40,00,000	40,52,240	1,63,99,837	84,16,116	7,674	Bird & Co., Ltd.	810	Auckland	142	100	5+4	2+2	1+2½		3, 9	H.P.T.
20,00,000	26,41,915	98,22,700	64,76,883	28,495	Jardine Henderson & Co.	959	Bally	192	100	Nil	4+Nil	Nil f		3, 9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,889	Barnagore	177	£5	£1	£1			3	Y.P.
28,00,000	35,49,623	89,78,590	48,75,855	53,467	Andrew Yule & Co., Ltd.	820	Belvedere	210	100	7½+7½	7½+7½	5f		6, 12	H.P.
45,00,000	35,95,000	54,87,801	27,48,864	2,45,983	Soorajmull Nagarmull	600	Bengal	15½	10	3	1+4			6	Y.P.T
91,26,000	2,08,61,400	3,18,53,661	1,29,13,354	1,26,903	Birla Bros., Ltd.	1,373	Birla	18½	10	3	3	1		3	Y.P.
36,00,000	29,12,926	1,10,97,308	71,56,743	8,579	Andrew Yule & Co., Ltd.	991	Budge-Budge	190	100	6½+6½	6+4	4f		4, 10	H.P.
7,47,380	3,36,424	40,92,864	28,33,216	—48,461	Dalsaram & Sons	502	Calcutta Jute Mfg.	15N	10	0+8	Nil f			6, 12	H.P.T.
18,00,000	31,81,234	77,10,392	39,28,208	50,057	Andrew Yule & Co., Ltd.	616	Caledonian	242	100	6+6	6+6	4f		5, 11	H.
59,16,400	1,02,43,478	1,87,32,424	1,07,35,707	27,976	James Finlay & Co., Ltd.	600	Champdany	171	100	7+8	3+3	Nil f		3, 9	H.
15,95,000	28,39,282	80,46,499	55,31,033	1,26,424	Andrew Yule & Co., Ltd.	530	Cheviot	330	100	6+6	6+6	6f		5, 11	H.P.
30,15,000	27,75,000	60,14,632	44,94,094	86,036	McLeod & Co., Ltd.	500	Chitavalsah	14	10	2½+1½	1½+½	½f		6, 12	H.T.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	17½	10	2	Nil			3	Y.P.
31,49,200	62,11,927	1,28,98,802	63,22,413	15,344	Bird & Co., Ltd.	766	Dalhousie	136	100	6+1	1+3	1+1½		3, 9	H.P.
28,00,000	44,74,179	74,06,535	46,15,779	30,225	Andrew Yule & Co., Ltd.	779	Delta	255	100	10+10	10+10	6f		5, 11	H.P.
15,00,000	33,25,000	76,36,813	56,35,731	56,215	McLeod & Co., Ltd.	500	Empire	26½	10	1+½	1+½	½f		6, 12	H.T.P.
21,00,000	53,28,948	2,70,49,518	1,81,05,210	40,839	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	480N	100	10+Nil	Nil	Nil		3, 9	H.P.
14,00,000	13,00,000	82,13,305	49,27,586	71,285	Bangur Bros., Ltd.	1,014	Fort William	370xd	100	Nil	Nil+5	10+10		3, 9	H.T.P.
24,32,100	2,73,755	2,11,52,730	1,36,01,908	5,930	Macneill & Barry Ltd.	1,709	Ganges Mfg.	87½	100	Nil	Nil+Nil	Nil+½		3, 9	H.P.
10,80,000	28,00,000	71,47,356	47,46,252	4,743	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	890	300	30	15			12	Y.
24,00,000	31,83,104	2,20,06,557	1,67,50,294	1,56,427	Macneill & Barry Ltd.	1,394	Gourepore	320	100	1½+Nil	Nil+3½	2½+7½		3, 9	H.P.
40,00,000	55,68,234	72,95,746	48,30,613	2,95,107	Bangur Bros., Ltd.	1,078	Hastings	115N	100	10	10	10+0		3	Y.P.
16,80,000	18,52,626	66,38,235	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	49	10	½	½	½		3	Y.P.
65,62,500	56,32,540	1,56,88,740	1,13,05,620	1,35,078	Jardine Henderson Ltd.	1,940	Howrah	29¾	10	1+½	½+½	½f		3, 9	H.P.
52,50,000	20,00,000	2,42,25,884	1,49,75,884	1,64,711	Ramdutt Ramkissendas	2,272	Hukumchand	25	7½	3	3	2		3	Y.P.T.
D. 87,00,000	18,63,065	1,11,47,021	74,60,607	8,536	Mackinnon Mackenzie & Co.	1,076	India	232	125	3½+3½	3½+3½	Nil f		3, 9	H.
O. 30,000								—	1	½+½	½+½				
24,00,000	27,62,899	1,37,48,710	1,20,61,507	32,488	Jardine Henderson Ltd.	1,797	Kamarhatty	195	100	8½+6	6+3	3f		6, 12	H.P.
B 19,20,000								176	'B' 100	8½+6	6+3				
30,00,000								145	100	6+4	5+2½	2½f		6, 12	H.P.
B 24,00,000	17,86,954	1,32,65,521	97,46,515	68,418	Jardine Henderson Ltd.	1,527	Kankinarrah	138	'B' 100	6+4	5+2½				
21,00,000	48,25,000	1,05,38,484	74,86,276	1,19,643	McLeod & Co., Ltd.	703	Kelvin	338	100	7½+7½	7½+7½	10f		6, 12	H.P.
54,00,000	22,83,375	1,63,66,931	1,12,52,500	94,623	Anderson Wright Ltd.	1,530	Khardah	202	100	10½+5	10+7½	7½f		3, 9	H.P.
48,00,000	1,02,14,684	2,29,23,597	1,08,98,211	29,674	F. W. Heilgers & Co.	1,250	Kinnison	201	100	10+7	4+5	2+5		3, 9	H.P.T.
24,48,000	48,31,837	1,39,26,497	78,80,252	4,428	Bird & Co., Ltd.	931	Lansdowne	138	100	7+3	2+5	1+1		3, 9	H.P.
20,00,000	59,56,165	1,14,93,720	63,14,525	12,683	Bird & Co., Ltd.	840	Lawrence	156	100	11+4	2+3	2+4		3, 9	H.P.
10,00,000	38,51,301	50,69,247	35,78,126	58,324	Andrew Yule & Co., Ltd.	358	Lothian	475	100	15+15	15+15	15f		5, 11	H.P.
81,65,200	26,06,533	1,92,07,155	1,16,57,955	—77,165	Mackinnon Mackenzie & Co.	1,008	Megna	113	100	2½+2½	2½+2½	Nil f		3, 9	H.
29,98,900	41,13,783	1,72,83,489	94,88,274	—7,08,068	F. W. Heilgers & Co.	815	Naihati	124	100	6+Nil	Nil	Nil		3, 9	H.
20,00,000	15,05,000	28,13,067	16,73,660	3,826	Howrah Trading Co., Ltd.	425	Naskarpur	13xd	10	½+½	Nil+½	½f		4, 10	H.T.
35,00,000	44,29,326	28,15,511	9,40,481	1,30,538	Andrew Yule & Co., Ltd.	852	National	32½	10	1+1	1+1	1f		4, 10	H.P.
26,25,000	22,75,000	26,82,794	18,86,219	1,23,399	McLeod & Co., Ltd.	316	Nellimarla Jute	13	10	2+1	1+½	½f		6, 12	H.P.T.
31,50,000	34,13,033	49,75,722	24,95,902	84,459	Saha Jain Ltd.	709	New Central	166	100	10+12	12+12	12f		6, 12	H.P.
16,79,880	51,05,696	1,23,66,779	59,31,089	43,570	Bird & Co., Ltd.	367	Nonbirook	15	10	1+½	½+½	½+½		3, 9	H.P.T.
66,79,500	31,70,094	2,15,09,993	1,38,37,886	33,079	Macneill & Barry Ltd.	1,092	Nuddea	51½	50	1+Nil	Nil+½	Nil+½		3, 9	H.
24,91,000	26,36,049	71,24,111	49,10,197	1,08,030	Andrew Yule & Co., Ltd.	601	Orient	198	100	1+6	6+6	3f		5, 11	H.P.
25,00,000	4,99,002	80,67,981	62,60,461	5,641	McLeod & Co., Ltd.	400	Presidency	7½	5	Nil	Nil+½	½f		6, 12	H.T.
20,00,000	58,659	26,15,293	7,67,493	—2,36,541	Mr. R. N. Banerjee	303	Rameshwara	7½	10	Nil	Nil			3, 9	H.P.
49,50,000	4,78,745	1,23,45,925	56,55,998	—1,03,826	Jardine Henderson Ltd.	1,276	Reliance	14½	10	Nil	½+½	Nil		3, 9	H.P.T.
£600,000	£1,093,713	£1,228,258‡		£93,425	Thomas Duff & Co. (India), Ltd.	2,013	Samnuggur	15½	£1	10%	10%			12	Y.P.
30,00,000	13,09,335	1,02,97,586	68,34,213	16,678	Bagaria More & Co., Ltd.	911	Shree Ambica	15½	10	1+1	1+½	½f		3, 9	H.P
14,00,000	10,29,608	48,33,752	37,62,133	2,34,934	Hindustan Investment Corporation.	401	Soorah	16N	10	Nil	½			12	Y.P.T
23,19,600	47,29,578	1,01,23,059	57,01,016	1,112	Bird & Co., Ltd.	650	Standard	149	100	8+1	1+1	1+1		3, 9	H.P.
£600,000	£925,119‡	£992,042		£108,310	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	12½	£1	10%	10%			12	Y.P.
35,98,600	£5,79,790	1,93,34,618	76,50,486	9,515	Bird & Co., Ltd.	1,326	Union	202	100	10+1	1+4	1+5		3, 9	H.P.T.
£400,000	£688,035‡	£1,086,826		£112,138	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	13	£1	10%	10%			12	Y.P.
2,50,000	4,95,000	55,94,678	37,77,741	35,624	McLeod & Co., Ltd.	465	Waverley	7½	1	Nil	Nil+½	½f		6, 12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs. *	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1951 Rs.	1952 Rs.	1953 Rs.	1954 Rs.	Accounts Closed	Reference
25,50,000	19,50,000	79,56,993	53,16,993	21,441	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	22	10	1+½	½+½	½+½		3, 9	H.
12,00,000	8,49,582	38,20,987	35,11,987	31,068	Jardine Henderson Ltd.	Bararee Coke	21	10	½+½	1/5+½	7/10+7/10	½f	3, 9	H.
4,49,350	70,000	8,49,159	3,37,466	3,819	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6½N	10	½+½	½+½		½f	6, 12	H.
1,00,00,000	1,22,00,000	5,55,96,857	3,58,72,103	5,30,259	Andrew Yule & Co., Ltd.	Bengal Coal	505	200	17½+17½	20+20	17½+15*	15*	4, 10	H.P.
2,25,000	5,10,369	25,37,614	22,43,053	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	13	10	½+½	½+½	Nil	Nil	6, 12	H.P.
15,97,000	5,10,369	25,37,614	22,43,052	25,529	H. V. Low & Co., Ltd.	Bhalgora	5½	10	½	½			9	Y.
40,00,000	14,81,010	1,26,82,109	63,11,074	6,280	Saha Jain Ltd.	Bharat Collieries	8½	10	½	½			6	Y.T.P.
7,15,000	14,41,318	51,73,261	36,39,224	—2,04,456	F. W. Heilgers & Co., Ltd.	Bhulanbararee	14N	10	½+½	½ Nil	Nil	Nil f	6, 12	H.
16,00,000	16,22,936	68,16,454	39,74,841	—1,36,132	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	9	10	Nil	Nil f			6, 12	H.T.
7,50,000	22,09,390	41,57,477	25,36,282	98,663	F. W. Heilgers & Co., Ltd.	Borera	29½	10	1½+1½*	1½+1½*	1½+1½*	1f	6, 12	H. P.
50,92,480	1,70,76,208	4,10,36,356	1,71,71,586	1,49,910	Bird & Co., Ltd.	Burrakur	12½	10	½+½	½+½	½+½	½f	6, 12	H.P.T.
49,97,750		34,81,955	257,645	5,907	Hindustan Investment Corpn., Ltd.	Central India	7½	10	Nil	Nil	½	½	3	Y.
8,00,000	13,54,302	49,10,414	32,63,934	82,768	Anderson, Wright & Co., Ltd.	Central Kurkend	14½N	10	Nil	Nil	½+½		6, 12	H.
6,00,000	1,43,341	7,25,000k		25,618	F. W. Heilgers & Co., Ltd.	Churia	2½	4	½+½	½+½	½+½	½f	6, 12	H.
16,00,000	1,20,000	30,63,761	27,27,536	—1,91,155	Macneill & Barry Ltd.	Dhemo Main	9½	10	½+½	Nil	Nil	Nil	6, 12	H.
£240,000	£362,496	£244,003	£11,181	£63,577	Jardine Henderson Ltd.	East Indian	2½	£1	½	3½ (i)	2½	2½	4	Y.
29,63,760	71,99,925	3,66,52,739	2,81,14,367	1,85,653	Macneill & Barry Ltd.	Equitable	32½	10	2½+2½	2+1½	1+½	½f	6, 12	H.P.
10,00,000	2,11,139	9,72,721	3,23,963	40,284	Bhatter's Agency Ltd.	Ghusick and Muslia	15N	10	½	½	½		3	Y.
12,00,000	1,22,000	37,04,970	19,00,221	445	Killick Industries Ltd.	Hingir-Rampur	39½	50	½	½	½	Nil	3	Y.P.
8,00,000	3,75,000	21,42,381	18,13,083	62,148	Macneill & Barry Ltd.	Hurriladih	18½	10	½+½	½+½	½+½	½f	6, 12	H.
22,00,000	1,08,577	31,70,015	10,56,245	—1,95,248	Bajpaie Trust Ltd.	Jogta Coal	3	10	Nil	Nil			12	Y.P.
3,50,000	4,26,351	14,85,445	6,91,521	....	Andrew Yule & Co., Ltd.	Kalapahari	29½N	10	1½+1½	1½+1½	1½+1	Nil	2, 8	H.
20,00,000	9,375	26,40,669	2,46,630	3,145	Bird & Co., Ltd.	Karanpura Collieries	9½	100	Nil	Nil	Nil	Nil	2	Y.P.
5,00,000	13,60,000	44,39,243	34,62,230	91,518	Andrew Yule & Co., Ltd.	Katras Jherriah	48	10	1½+1½	2+2	2+2	2+2	1, 7	H.
1,38,400	5,72,960	12,85,941	5,72,960	—2,60,236	Beriwala & Co.	Khas Kajora	5N	10	½+½	Nil	Nil		6, 12	H.P.
11,00,240	50,000	16,58,578	10,36,512	—34,300	H. V. Low & Co., Ltd.	Kusedi	7N	10	3½	½	Nil		6	Y.
9,00,000	11,64,450	28,33,250	22,78,337	1,683	H. V. Low & Co., Ltd.	Lakurka	10½N	10	1	½			4	Y.
7,48,240	1,50,000	11,58,128	8,95,686	25,598	S. P. Tantia, Esq.	Naira		10	½+½	½	½		6, 12	H.
17,76,230	17,63,263	1,14,39,802	83,98,181	42,594	Andrew Yule & Co., Ltd.	New Beerbhoom	20½	10	Nil	Nil+½	½+½	½f	4, 10	H.P.
6,00,000	1,25,000	32,17,687	19,65,424	4,644	Octavius Steel & Co., Ltd.	New Manbhoom	9	10	Nil	Nil	Nil	Nil	3, 9	H.
1,15,000	2,35,818	12,68,928	7,89,621	—10,185	Andrew Yule & Co., Ltd.	North West	11N	10	½+½	½+½	½+Nil	Nil	3, 9	H.
1,57,500							7½N	7½	½+½	½+½	½+Nil			
7,50,000	11,79,228	3,97,666	2,77,666	96,307	F. W. Heilgers & Co., Ltd.	Ondal	22½N	10	1½+1	1+½	1+1	½f	6, 12	H.P.
10,00,000	1,10,000	37,18,080	16,07,868	38,140	K. C. Thapar & Bros.	Oriental Coal	11½N	10	1	½	½		12	Y.T.
8,34,000	1,32,942	17,23,281	6,78,407	5,618	Deepchand Kishenlall	Parasea	9½	10	Nil	Nil	½		6, 12	H.P.
15,75,000	13,00,000	44,14,803	31,19,803	22,304	Shaw Wallace & Co., Ltd.	Pench Valley	24½	10	½+½	½+½	½+½	½	3, 9	H.
23,99,500	17,17,105	1,16,31,468	80,43,780	72,003	B. N. Elias & Co., Ltd.	Raneegunge	12	10	Nil	Nil	Nil	½f	3, 9	H.
13,50,000	7,88,385	30,74,660	25,05,660	27,848	Shaw Wallace & Co., Ltd.	Sawa	22	10	½+½	½+½	1+1		6, 12	H.
20,00,000	3,95,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Samla Collieries	9½	10	1+½	1+1	½f		6, 12	H.
1,25,000	1,85,000	12,10,180	10,21,182	19,527	Gillanders Arbuthnot & Co., Ltd.	Searsole	10½N	10	½	½			1	Y.
2,80,000	7,06,598	29,25,114	16,85,969	25,643	Andrew Yule & Co., Ltd.	Seebpore	25½	7	2+2	2+1	1+1		6, 12	H.P.
8,00,000	8,75,468	36,88,786	26,51,462	—1,22,722	F. W. Heilgers & Co., Ltd.	Sendra	10N	10	½+Nil	Nil	Nil	Nil f	6, 12	H.T.
63,21,450	15,01,620	3,51,42,302	2,49,62,544	—6,49,301	Industrial Trust Fund (Government of Hyderabad)	Singareni	7½	10	½	½	Nil		12	Y.T.
17,50,000	10,85,425	37,23,396	14,57,868	3,853	Bird & Co., Ltd.	South Karanpura	10½	10	½+½	½+½	½+½	Nil+½	2, 8	H.
8,00,000	14,72,339	1,69,570	23,510	59,039	F. W. Heilgers & Co., Ltd.	Standard	21½	10	½+½	½+½	1+½	½f	6, 12	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Talcher	3½	2½	Nil				9	Y.
3,50,000	7,15,000	15,33,367	10,93,567	81,859	Williamson Magor & Co.	Union	22½	10	1½+1½	1½+1½	1+1		6, 12	H.
49,98,000	21,916	47,68,934	16,41,545	65,727	Hindustan Investment Corpn., Ltd.	Western Bengal	6½	10	½	½			3	Y.
7,00,000	3,57,000	50,89,488	21,36,223	582	Macneill & Barry Ltd.	West Jamuria	16	10	½+½	Nil	Nil	Nil f	6, 12	H.

* Including bonus. (k) Investments. ‡ For ten months ended 31st December 1951.

(j) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s) For seven months ended 31st March, 1954.

*The olowing explanatory notes relate to the abbreviations and marks shown on page 244 in the debentures section:—

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

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 199)

should also be reduced. No variety ion of which is below one lakh bales allowed to be tendered. The long-staple should be applicable to varieties with length of 7/8" and above, with a staple tol- ce of 1/32" and with premium for better staples maximum 2/32". The basis should be Vijay 7/32" or any other suitable standard cotton. The suggested delivery periods are February, May and August. The medium-staple contract should have Jarilla 25/32" as basis, with tolerance of 1/32" and premium for better staples upto a maximum of 2/32". The suggested delivery periods are January, March and July. The weightage should be increased to 18¾ per cent. or at least to 12½ per cent. The provision to double the weightage in case of a bear raid and to abolish it altogether in case of a bull squeeze should be reintroduced. It is further pointed out that, when fixing the tendering differences, the spot rate of the basic cotton should be taken into account to a far greater extent than hitherto.

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No change in the form of the contract alone, as has been pointed out already, will alter the trend of prices. From this point of view, it is suggested that the Government should allow more exports of cotton. For the current season, the supply of cotton at 62 lakh bales, made up of 44½ to 45 lakh bales of crop (commercial) and carry-over of 17½ lakh bales, far exceeds the optimistic estimate of mill consumption at 40½ to 41 lakh bales. It is, therefore, argued that the Government could safely allow further exports of cotton, without in any way jeopardising the mills' interests. It could allow, at the first instance, 50,000 bales of Oomras, 50,000 bales of Dholleras, Mathias and Kalagins and 50,000 bales of Bengals and free exports of Cocanadas, and review the position at a later stage. Another suggestion is that the Government should stimulate mill consumption of cotton through facilitating exports of yarn. If yarn exports were more freely permitted, it is argued, the consumption of cotton could conceivably move up by 50,000 bales. Yet another suggestion is that the Government should raise the floor level or support the market without waiting for any further fall in prices. Since the Government cannot be an unconcerned spectator of a decline in cotton prices, it will do well to consider these suggestions for stemming the rot in the cotton market. It is needless to add that, if prices are allowed to fall further, farmers may grow less cotton next year, whereas the country will need more cotton.

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The Forward Markets Commission has done well to clarify the Government notification regarding the application of the Forward Contracts (Regulation) Act to various oilseeds and oils last week. Incidentally, the Act has been made applicable to a few other commodities, too. These are: spices, wheat, gram, sugar, cotton cloth and cotton yarn. This development, however, makes no important change in the present position of trading in these commodities. The only main departure has been in respect of trading in non-transferable specific delivery contracts in linseed and groundnut in Bombay, as will be clear from the following extract issued by the Forward Markets Commission last week:

"Forward trading in transferable specific delivery contracts in other oilseeds, such as groundnut, linseed, mustard seed, sesamum seed, rapeseed, copra and cottonseed, has remained closed under the Essential Supplies (Temporary Powers) Act, 1946, while non-transferable specific delivery contracts in these commodities have been freely permitted. This position will also be maintained under the notifications issued. In the case of Greater Bombay, non-transferable specific delivery contracts in these oilseeds also required to be conducted only through the Bombay Oilseeds Exchange. The notifications issued on the 25th January, 1955, however, permit such contracts in linseed and groundnut to be freely carried on through any association. This permission is granted to give effect to the recommendations made by the Forward Markets Commission in the reports submitted by it with respect to these commodities. Non-transferable specific delivery contracts in mustard seed, sesamum seed, rapeseed, copra and cottonseed will, however, continue to be conducted for the time being only through the Bombay Oilseeds Exchange. These commodities have not yet been taken up for study by the Forward Markets Commission, and it was considered undesirable to make any major change in the existing position unless such study was completed."

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Hitherto trading in forward delivery contracts in groundnuts and linseed was being carried on under the auspices of only one exchange, namely, the Bombay Oilseeds Exchange. But now the Commission has abolished this 'monopoly' and allowed any association to trade in these two commodities. No reasons are given as to why the Commission decided to take this retrograde step. One trading body has already availed itself of this freedom and commenced trading in non-transferable specific delivery contracts both in linseed and groundnuts. This is not a healthy development, in that it will lead to excessive speculation.

MARKET REPORTS

RAW JUTE QUIET

(From Our Own Correspondent)

CALCUTTA, 1st February

That overseas buyers of Indian jute goods are not prepared to support the present high prices is the conclusion that should unmistakably be derived from the trend displayed in the market this week. In spite of this, hessians did not yield any visible ground, as stockists believed that the stock position with mills being good from the market angle, foreign consumers would have to lift at least their day-to-day requirements. One of the causes for the high prices is certainly the very high rates quoted for raw jute, which have touched unrealistic levels, mainly because of the difficulty of getting jute from East Bengal. Considering the future of the mill industry, it is felt that the authorities in India should, without further delay, be able to persuade the East Bengal Government to continue to permit exports of raw jute in *kutcha* bales to India at least for the rest of the current season. At the same time, cultivators in India should be encouraged to grow as much as possible during the next season. Of course, if raw jute prices continue at present levels, this aim will be automatically achieved.

The Indian Central Jute Committee takes the view that there is enough jute to feed mills all over the world for the rest of the season, but that there is unlikely to be any carry-over both in India and in Pakistan. It ascribes the present tightness in India to manipulations by interested dealers for temporary gains. Such an appreciation of the present situation is readily admitted, but the whole confusion commenced from the lack of imports from East Pakistan for the reason already indicated. Of the annual imports of 1½ million bales from East Bengal, India has to get still a moderate quantity. During this season, which has four months more, this figure will hardly be reached because of poor *pucca* baling facilities in East Bengal.

In view of buyers' disinclination to support the higher prices for jute goods, the raw jute market was extremely quiet this week. Mills were silent and, although stockists were confident of realising higher prices, there were instances of discounted quotations. Latest rates given below show a recession of about As. 8 to Re. 1 for most varieties:

	Middles Rs. a.	Bottoms Rs. a.
Pakistani:		
Northern	40 0	36 0
District	41 0	37 0
Indian:		
Northern	38 8	35 8
Assam Upper	38 0	35 0
Assam Lower	38 8	35 8
Daissee	38 8	35 8
Murshidabad	37 0	34 0
Western	36 8	33 8
Jungli	36 0	33 0
Orissa	39 0	36 0
Uttar Pradesh	36 0	33 0
Bimli f.a.q.	32 0	

Ready 40" 10 oz. hessians after fractionally losing to Rs. 47, maintained that rate for most part of the week, but gave way to Rs. 46-14 yesterday. Eight oz. hessians were priced at Rs. 37-8. April-June 10 oz. varieties receded to Rs. 46-6 from Rs. 46-10 but closed at Rs. 46-8. March offers were one or two annas lower than the April-June rate. Business that was put through with overseas buyers was insignificant. The rates for heavy goods were visibly affected by the lack of business. Ready B. twills lost to Rs. 123-2 from Rs. 124, the closure for the week-end being at Rs. 123-6. Yesterday, a movement to Rs. 123-12 was recorded, although this was not due to the realisation of actual business. In contrast with hessian, the forward rates for B. twills were higher than the spot, April-June quoting Rs. 123-10 and February Rs. 123-8 over the week-end.

HEAVY DEMAND FOR KANPUR COW HIDES

(From Our Own Correspondent)

KANPUR, 29th January

The hides and skins market continued to experience a heavy demand for wet salted cow during the week under review also. The fresh arrival was quite considerable. The trend of price for cow was definitely upward. The main parties behind the transactions were the local tanners. There was a heavy demand for goat and sheep also which fetched fancy prices. As far as wet salted buff was concerned there was no notable features. The latest quotation are as follows:—

Wet salted cow, 1st grade heavy Rs. 440 to Rs. 450, 1st grade light Rs. 320 to Rs. 360, 2nd grade heavy Rs. 300 to Rs. 320 and 2nd grade light Rs. 200 per score; wet salted buff, 1st grade 1 lb. 6 ozs, 2nd grade 1 lb. 9 ozs. to 1 lb. 12 ozs., and 3rd grade 2 lbs. 8 ozs. per rupee; goat skins, 1st grade Rs. 300 to Rs. 330 and 2nd grade Rs. 275 to Rs. 300 per 100 pieces; and sheep skins Rs. 250 per 100 pieces.

BANKING

(Concluded from page 206)

sizable surplus of Rs. 26.77 lakhs brought in from the previous year to supplement the profit available for distribution, the Directors have chosen not to strengthen the reserves for the third year in succession. They have, on the other hand, capitalised a sum of Rs. 50 lakhs out of the profit. This is not the first time they are doing this. For, on three previous occasions, the Directors had followed this remarkably unique policy. Thus, in 1947 they straightaway transferred from the profit to the capital account a sum of Rs. 12.5 lakhs, Rs. 17.5 lakhs in

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Referenc
16,00,000	1,06,22,808	13,71,702	Allahabad Bank	350	100	18 0	18 0	18 0	9 0‡	12	Y.P.
14,50,000				100	50	9 0	9 0	9 0	4 8‡		
1,01,000	13,16,000	2,18,671	Andhra Bank	11fcd	100	6 0	6 0	6 8	3 8‡	6.12	H.
23,99,000				60rd	50	3 0	3 0	3 4	1 12‡		
1,00,00,000	1,29,00,000	2,33,380	Bank of Baroda	102‡	50	6 0‡	6 0	6 0‡	2 8‡	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	121N	25	0 12	0 12	0 12	—	12	Y.
2,50,00,000	3,52,00,000	7,29,778	Bank of India	148	50	7 0	7 0	7 0	3 0‡	6.12	R.L.Y
15,30,375	25,00,000	63,001	Bank of Indore	65N	25	3 0‡	3 0	3 0	—	12	Y.
80,00,000	17,00,000	46,178	Bank of Jaipur	26	50	1 8	1 8	1 8	—	12	Y.
50,00,000	84,00,000	8,55,177	Bank of Mysore	239	100	16 0‡	16 0‡	16 0‡	8 0‡	12	Y.
59,99,150	51,83,240	20,609	Bombay State Co-operative Bank	55	50	2 8	2 8	2 8	—	6	Y.P.T.
15,00,000	21,00,000	14,042	Canara Bank Ltd.	80	50	4 8	4 8	4 8	—	12	P.Y.
7,50,000	10,50,000	6,878	Canara Banking Corporation Ltd.	90	50	5 0‡	5 0‡	5 0‡	—	12	Y.P.
2,62,11,875	3,99,79,642	16,49,868	Central Bank of India Ltd.	52½	25	3 8	3 8	3 0	1 8‡	12	R.L.Y.
52,42,750 'A'				53	25	3 8	3 8	3 0	1 8‡		
50,00,000	26,00,000	1,55,862	Devkaran Nanjee Banking Co.	23½	50	1 12	1 12	2 0	—	12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (F)	72XRN	20	4 0	4 0	4 0	4 0	12	Y.
1,25,00,000	15,20,000	15,160	Hindustan Commercial Bank	10½	50	—	—	—	—	12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	15	50	—	—			12	Y.
75,00,000	76,00,000	1,08,750	††Hyderabad State Bank	106N	100	6 0‡	5 0	5 0	6 0‡	9	Y.
3,75,00,000	6,85,00,000	23,65,704	Imperial Bank of India	1,630	500	80 0	80 0	80 0	40f	6.12	R.L.H.
1,87,50,000				402½	125	20 0	20 0	20 0	10f	6.12	R.L.H.
24,00,000	17,00,000	1,23,088	Indian Bank	150cd	100	12 0‡	12 0‡	12 0‡	6 0‡	6.12	R.L.H.
17,00,000				147cd	85	10 3‡	10 3‡	10 3‡	5 1‡		
16,80,000	22,50,000	2,25,271	Indian Overseas Bank	102½cd	60	7 3‡	7 3‡	7 3‡	3 9‡		
49,04,925				104½cd	100	6 0	6 0	6 0	—	6.12	R.L.H.
6,25,000	6,33,939	1,880	Indo-Commercial Bank	50	100(A)	7 8	6 0			6.12	H.
2,50,000				15	25(B)	1 14	1 8				
10,00,000				29	50(C)	3 0	3 0	1 8‡			
87,50,000	90,00,000	8,10,289	Punjab National Bank	84‡	25	1 0	1 8	2 0	1	12	Y.
1,00,00,000	13,75,000	92,592	Travancore Bank	15	25	—	—	0 10		12	Y.
40,00,000	31,50,000	1,80,225	Union Bank of India	6-8½	5	0 5‡	0 5‡	0 5‡		12	Y.
2,00,00,000	80,00,000	1,52,820	United Commercial Bank	40½	50	2 0	2 0	2 0		12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,500,000	£5,000,000	£403,518	Chartered Bank of India, Australia and China	£3-6-7½	£1	14†	16†	14†	7½†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£10	£5	0†	7†	8†	—	12	R.L.Y.
H.K. $20,000,000	H.K. $96,000,000	H.K. $9,859,542	Hongkong and Shanghai Banking Corporation	£12½	H.K. $125	5*	5*	5*	2*‡	12	Y.
£14,272,058	£16,500,000	£555,760	Lloyds Bank	£3-8-10½	£1	12†	12†	14†	7†‡	12	R.L.Y.
£1,437,296				£1-7-8		5†	5†	5†	2½†‡	12	R.L.Y.
£875,000 'A'	£1,500,000	£200,980	Mercantile Bank of India	£5	A £5	12†	14†	14†	7†‡	12	R.L.Y.
£375,000 'B'				£5	B £5	12†	14†	14†	7†‡		
£300,000 'C'				£14	C £5	12†	14†	14†	7†‡		
£2,281,250	£9,875,000	£328,703	National Bank of India	£1-6-4½	sh. 12½	16†	16†	16†	7†‡	12	R.L.Y.

‡ Includes bonus. † Less Tax. (F) Pakistan Currency. R-L—Reserve liability on shares. †† O.S. Currency. (i) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR		
19,50,000	6	1st March and 18th September	Carew & Co.	100	1st June .. 1968
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	95	25th February .. 1960(y)
8,00,000	5½	30th June and 30th December	Ram nagar Cane & Sugar Co., Ltd.	99½	30th December .. 1958
10,00,000	6	1st August and 1st February	Navalgarh Sugar	102	27th December .. 1962-63
10,00,000	4	1st May and 1st November	Navalgarh Sugar (New)	88	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	102½	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	98½	1st November .. 1959-64
			COAL		
30,00,000	4½	30th April and 31st October	Bharat Collieries	96	30th June .. 1956
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	91½	30th June .. 1957
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	101	14th December .. 1958
			COTTON		
6,50,000	5½	30th June and 31st December	Bassein Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4½	15th May and 15th November	Bengal-Nagpur	99	15th November .. 1958(e)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	100½	1st January .. 1957-72
13,62,500	5½		Jaysheer Textiles	90N	1st January .. 1966-69
60,00,000	5	1st June	Tata Mills	101	 1966-71
			ELECTRICS		
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	98½	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	100½	14th June .. 1960
98,25,100	4	1st April and 1st October	Andhra Valley Power Supply Co.	97½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964
2,45,01,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	100½	1st January .. 1970
25,00,000	4	30th June and 31st December	Gourej ere Electric Supply Co., Ltd.	87	31st December .. 1970
18,00,000	5	1st January and 1st July	Sijua (Dhanbad) Electric Supply Co., Ltd.	96	30th June .. 1978
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	99	 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	99	1st October .. 1964
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	 1962-68
6,63,600	4½	1st April and 1st October	South Madras Electric Supply	94	1st July .. 1967-67
47,75,000	4	1st April and 1st October	Tata Power	100	15th September .. 1961-85(s)
8,50,000	4	1st April and 1st October	Tata Power	92	15th September .. 1963-70
			ENGINEERING		
5,00,000	6	30th June and 31st December	Britannia Engineering	99	10th December .. 1958
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	101½	1st July .. 1957-62*
81,48,540	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	696	31st December .. 1966(d)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	88½	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	101½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	100½	31st December .. 1960
			JUTE		
12,00,000	4½	1st October and 1st April	Agarpara	100	31st March .. 1969
8,00,000	5½	30th June and 31st December	Alexandra	100	30th June .. 1960(A)
15,00,000	4	31st December and 30th June	Auckland Co., Ltd.	95	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1965
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	88½	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	92	31st July .. 1959(e)
10,80,000	5	30th June and 31st December	Chitavalsah Jute Mills	99	30th June .. 1969
25,00,000	5½	31st March and 30th September	Dalhousie Jute Co.	99	31st March .. 1969
8,06,000	5	30th June and 31st December	Empire	95	15th July .. 1966
25,00,000	5½	1st January and 1st July	Hukumchand	98½	30th June .. 1967
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	96½	31st December .. 1964
25,00,000	5½	30th June and 31st December	Kelhati	100	31st March .. 1967
8,00,000	4	14th November and 14th May	Kelvinaria Jute Mills Co., Ltd.	99	14th May .. 1963
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	93	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	88	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	98	30th September .. 1965
8,00,000	4½	14th March and 14th September	Sagar Jute	90	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	96	30th June .. 1957(d)*
10,00,000	5½	31st January and 31st July	Waverley	94½	31st July .. 1960(s)
			RAILWAYS; STEAMSHIP AND TRAMWAYS		
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	90N	1st July .. 1956(f)
£350,000	4½	1st January and 1st July	Calcutta Tramways	£60N	At 105% at any time on 6 months' notice or at par or every seventh year. 1900
£180,368	5	1st April and 1st October		£77N	1st October .. 1974 1933
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	90½	31st December .. 1958 1945
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£85N	1905
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	98	1st September) ..C.96
			PLANTING		
10,00,000	5½	30th June and 31st December	Consolidated Coffee	102	1st July .. 1957-63
5,00,000	6	31st March and 30th September	Nilgiri Tea	100½	1st April .. 1954-56
4,01,000	5½	30th June	Ouchterlony	104	30th June .. 1954-59
9,00,000	5	31st March and 30th September	Periakaramalai	100½	31st March .. 1958-63
1,80,700	5½	31st March and 30th September	Teekoy	100	31st March .. 1949-59
			MISCELLANEOUS		
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	100	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December .. 1965
28,80,000	4½	1st April and 1st October	Associated Hotels of India	88	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	96½	30th June .. 1957(1)†
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	102½	1st September .. 1962-69
21,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1st February .. 1964
21,84,000	4½	1st July and 1st January	Clive Buildings	89	1st July .. 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September .. 1960
1,00,00,000	6	31st March and 30th September	Dalmia Cement Ltd.	90	 1960
1,80,00,000	5	1st January and 1st July	Dunlop Rubber	102	1st January .. 1971
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	104	30th June .. 1969
12,75,000	5	15th March and 15th September	Mysore Chemical Industries	96	 1964
30,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	920	30th September .. 1976
48,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	500 (per note)	31st December .. 1972
£5,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	1st April .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	98	31st March .. 1961
1,00,00,000	5	30th June and 31st December	Robins Industries Ltd.	93	31st December .. 1959
1,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	102½	1st May .. 1968

Note—See page 243 for explanations to abbreviation marks.

WEEK'S STOCK EXCH

THE following quotations ind. transactions on the Bombay during the week ended 3rd Februa.

—	Closing quotations 27-1-1955	High	Low	
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	125	—	—	123‡
Apollo (2)	2 1/16	2 1/16	2½	2-14½
B.N. Cotton Mills (100)	45	52	48	52
Bombay Dyeing (250)	485	487½	473‡	476½
Central India (100)	128½	129	126	126½
Century Mills (100)	885	889‡	872½	878
Colaba (100)	62½	62½	61½	61‡
Edward Textile (200)	250	—	—	250
Elphinstone (50)	40	—	—	40
Finlay (100)	256	254½	254	254
Gokak (100)	226½	226½	223	223½
Ind. Untd. Defd. (1)	1-6½	1-6½	1-5½	1-5½
Ind. Untd. Ord. (10)	11-1½	11	10½	11
Indore Malwa (100)	97½	98½	95‡	95‡
Khatau (100)	155	155	152½	152½
Kohinoor (100)	330½	333½	324	325
Lakshmi (250)	530	—	—	527½
Madhusudhan (100)	84½	—	—	84½
Minerva Mills (100)	105	—	—	105
Model Nagpur (250)	133‡	—	—	133‡
Morarji (100)	22½	—	—	22½
Mysore (50)	12½	—	—	12½
National Rayons (100)	207½	208‡	201‡	201½
New City (100)	199½	—	—	199½
New Great (100)	173½	172	167	167
New Union (10)	22	—	—	22
Phoenix (100)	115½	—	—	115½
Podar Mills (100)	155	155	153‡	154½
Sassoon Silk (10)	16	—	—	16
Sassoon Spg. (10)	35	—	—	35
Sholapur (1,000)	1,805	—	—	1,805
Shrinivas (100)	236½	235½	231½	231½
Simplex (50)	151	151	147½	148
Standard (100)	358½	360	353½	353‡
Swadeshi (100)	211½	213	207	207½
Swan (100)	330	—	—	330
Tata Mill (25)	64	64	62½	62½
Vishnu (100)	121½	121½	120	121½
Western India (1,000)	3,875	—	—	3,875
BANKS				
Bank of India (50)	150	150	148	148½
Bank of Baroda (50)	109½	109½	108	109
Central (25)	52½	52½	52½	52½
Central 'A' (25)	53½	53½	53	53½
Dena Bank (50)	33½	—	—	33½
Imperial (P.Pd.) (500)	1,635xd	1,640	1,630	1,632½
Imperial (P.Pd.) (125)	405xd	407½	397‡	400
Punjab National (25)	37	37½	30‡	37½
Union Bank (5)	6‡	6‡	6‡	6-6‡
United Com. (50)	47½	47½	40‡	49‡
ELECTRIC COS.				
Ahmedabad (100)	114½	114‡	113‡	114½
Ahmedabad (10)	11-4‡	11-4‡	11‡	11‡
Andhra Valley (1,000)	1,407½	1,407½	1,405	1,406
Bom. Sub-El. (100)	132½	133½	132‡	133½
Surat (100)	120½	120½	117‡	120½
Tata Hydro (100)	148	148	147	148
Tata Power (1,000)	1,503‡	1,505	1,495‡	1,498‡
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	680	—	—	680
Ind. Mercantile (20)	44‡	—	—	44‡
Jupiter (10)	11‡	—	—	11‡
New India (15)	56‡	56	54	54‡
Oriental (200)	7,500	7,485	7,475	7,485
Universal (10)	9‡	—	—	9‡
Vulcan (10)	15	—	—	15
STEEL COS.				
Ind. Iron (10)	23-13‡	23-12‡	23‡	23-5‡
Tata Steel Ord. (75)	230‡	230‡	224‡	231‡
SUGAR COS.				
Belapur (50)	317	316	313	313‡
Bhopal (10)	15‡	15‡	15‡	15‡
Dhafan (50)	116‡	116‡	113‡	113‡
Walchand Ind. (100)	230	231‡	225	225
CEMENT COS.				
Associated Cts. (100)	184	176	173‡	174xd
Digvijay (100)	170‡	170‡	169	170‡
MISCELLANEOUS				
Alcock Ashdown (100)	305	305	297‡	300
Bom. Burmah (125)	474‡	477‡	463‡	469‡
Do. (New) (50)	165	166	163‡	163‡
Br. B. Petrol (4 sh.)	4-0‡	4	3-13‡	3-14‡
Br. L. Corpn. (5)	8-1‡	8-1‡	8-13‡	8‡
C. P. Bly. (100)	101‡	101‡	101	101
Indian Copper (2 sh.)	8-0‡	8-0‡	8-0‡	8-0‡
Ind. Inv. Tr. (100)	80‡	81	80‡	81
Kamp (200)	240	—	—	240
Killick (100)	180	181	178‡	178‡
Polson (100)	140	—	—	140
Port Canning (100)	19	19	18‡	18‡
Premier Cos. (30)	158‡	159	154‡	159
Scindia (20)	18‡	18‡	18‡	18‡
Silvertown (10)	76‡	76	76	76‡
Tata Chemicals (10)	17	17‡	16‡	16-15‡
Tata Oil (25)	41‡	41‡	40‡	40‡
W. I. Match (100)	213‡	213‡	212‡	212‡

GOVERNMENT SECURITIES	28-1-55	Gross Yield Earlier Redemption	Gross Yield Later Redemption	3-2-55
	Rs.			Rs.
2½% 1955	99‡	—	3 50	99‡
2½% 1961	91	—	3 07	91‡
2½% 1960	94‡	—	3 06	94½
2½% 1962	92‡	—	3 07	92‡
2½% 1976	82	—	3 01	82
3% 1957	99½	—	3 29	99½
3% 1958	90‡	—	3 23	90‡
3% 1959-61	97½	3.65	3 44	97½
3% 1963	93‡	—	3 60	93‡
3% 1963-65	93‡	3.89	3 73	93‡
3% 1966-68	90‡	4.02	3 90	90‡
3% 1970-75	86‡	4.16	3 98	86‡
3% 1986 Con. Loan	81‡	—	3 70**	81‡
4% 1960-70	101‡	3.67	3 85	101‡
4% 1955-60	101	3.10	4.24	101
4% 1968-69	103‡	3.50	4 17	103‡
3½% 1961 N.P. Bonds	99½	—	3 53	99½
3½% 1964 N.P. Loan	98‡	—	3.68	98‡

BRITISH GOVERNMENT SECURITIES

	28-1-55 £	High £	Low £	1-2-55 £
2½% Brit. Consols	65	65	64‡	64‡
3% Brit. Transport 1978-88	86‡	86‡	86‡	86‡
3% War Loan 1955-59	101‡	101‡	101‡	101‡
3½% War Loan 1952	96‡	96‡	96‡	96‡
3½% Brit. Iron and Steel 1979-81	96‡	96‡	95‡	96‡
4% Funding 1960-90	102‡	103‡	102‡	102‡

*Current Income. x.d.—Ex-dividend. ° Rupee Counterparts.

COMMERCE

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

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INDO-SOVIET STEEL PACT

IT is premature to feel elated over the Indo-Soviet steel pact signed last week. The agreement is too detailed to be called a preliminary one; yet, in effect, it is nothing more than preliminary and, if, for some reason or other, it fails to result in a final agreement, India will lose as much as Rs. 80 lakhs. No technical mission from India has visited Russia and satisfied for itself whether that country can supply what India needs. This is very unbusinesslike. No business man will enter into a deal with a party whom he does not know very well, without first verifying whether the party concerned is in a position to deliver the goods he wants. It is true that no such thing was done by the Government of India when it entered into a deal with a West German combine of steel producers for establishing a steel factory at Rourkela in Orissa State. But none who knows this job endorsed it as the ideal method of negotiating such agreements. In any case, there was at least no doubt about the ability of the German firms to manufacture and put up a modern steel plant, all these firms being well known throughout the world for their high degree of efficiency in the manufacture of various types of steel. As Russia has been a closed country, the outside world is generally in the dark about its capability to build plants of original design. Prudence, therefore, demanded that India should have first taken steps to check up Russian claims to carry out the task efficiently before entering into even a preliminary agreement. If the Soviet Government was unwilling to permit a technical team from India to visit its steel and metallurgical factories before concluding such an agreement, India should not have bothered to have any further talks on that subject.

Such a prior study of the conditions in Russia becomes all the more important because of the peculiar nature of the present deal with Russia. Under the agreement, India has committed itself to buy from Russia all the plants required for a steel factory, except those which can be fabricated in its domestic factories. A steel works consists of several plants such as coke ovens, blast furnaces, steel mills, machinery for casting, handling and tripping ingots, billet mills, sintering plants, plants for the production, supply and transmission of power, water gas, etc. All such plant and machinery which India is not in a position to manufacture—and these are many—will have to be bought only from Russia. In other words, India has entered into a package deal with Russia. Suppose that, during the course of the plants manufactured by Russia, the Indian technical team finds that some of the plants are not of modern type or that some other countries are in a position to supply us with better types of plants; in such an event, India cannot place orders with the latter countries, for the agreement, according to our reading, is specific on this point. If it wishes to buy a plant outside Russia for incorporation in this project, then the whole agreement will have to be terminated. In effect, this means that India will have to buy from Russia both good and bad.

In actual practice, this may prove to be a great disadvantage to India, especially as prices are not to be determined through the system of global tenders. The prices are, of course, subject to negotiation between the two countries, but how is India to determine what are fair prices if no global tenders are to be invited for plants of predetermined specifications. In this respect, the Indo-Soviet agreement is in striking contrast with the Indo-German agreement. The latter specifically provides for purchases of plant and equipment on a competitive basis, supply being arranged after the issue of global tenders. If, in the case of a particular plant, the blast furnace, for instance, the Swedish quotation is more favourable than the German, or the Swedish plant is superior to the German plant, there is nothing to prevent India from accepting the Swedish offer. Such a thing will not be possible under the agreement with Russia. It will be interesting to know whether the Public Accounts Committee will endorse a deal with such a condition. If the Government wishes to avoid a censure at the hands of this body at a later date, it will be well advised to take a ruling from the Committee in advance or to place it on record that it is deliberately endorsing this defective method of buying a steel works.

One will do well to bear in mind this important drawback before being carried away by the Russian offer to give India a long-term credit for 12 years at a low rate of interest, namely, 2½ per cent. per annum. For credits of this nature, the World Bank, for instance, will charge 4.5 per cent., including the commission of 1 per cent., a part of which will come back to India one of these days in the form of dividend on its share capital, or a reduction in the rate of interest on its borrowings. It is, of course, true that a difference of 2 per cent. in the rate of interest is not negligible. But that is not such a great concession as is made out by many, including the Government spokesmen. In the first place, repayment of the principal (the cost of the plants), as well as interest thereon, starts right from the first year after the delivery of the plants and not after the whole factory goes into production. Thus, the amortisation will begin even as the various plants and equipment arrive at the site, whereas, in the case of loans from the World Bank, it starts 5 to 10 years after the credit is drawn.

Even granting for argument's sake that the early commencement of amortisation is not such a great disadvantage and that there is some net gain in interest charges, the drawback of signing a package deal may more than neutralise this gain. If even one of the main plants of a steel works bought from Russia is of a sub-standard variety, this gain will not be there. Supposing, for instance, the coke ovens bought from Russia are of a variety in which the wear and tear are great and which, in consequence, require to be relined at short intervals of a few years, it is obvious that the saving made in the interest rate will then prove to be negligible, as compared with the cost of, and the temporary loss of production consequent on, relining the coke ovens.

No idea can, of course, be had at present of the cost of the steel project under reference. The figure of Rs. 43.40 crores is a tentative estimate. It excludes the cost of transport from Russia, as also that of the machinery and equipment that will be manufactured in India. It does not include the cost of opening up mines, laying down roads and communications and of town building. The Government has given no estimate of these capital expenditures. Accordingly, it is not possible to give any idea of the magnitude of the total capital investment involved. Perhaps, some information on this question will be forthcoming when the final project report is received from the Russian team in another nine months. Meanwhile, the country is being led to believe that the rates quoted by Russia will be cheaper than those given by other countries. There is hardly any precedent for nursing that belief; its quotations will in all probability be on a par with world rates, which are more or less equal to the American prices. The rates quoted by Russia, and already accepted by India, in regard to expenses incurred by its technical mission in preparing the reports and the service charges seem to substantiate our contention. In both the cases, the rates are higher than those accepted by the German combine for putting up the plant at Rourkela. The Russians are to be paid their actual expenses, subject to a ceiling of Rs. 80 lakhs, besides Rs. 2.50 crores by way of service charges; the corresponding figures in the agreement with the Germans are Rs. 70 lakhs and Rs. 2.10 crores, respectively. The difference may be small; nonetheless, it is significant of the trend. In saying this, we do not suggest that the agreement with the Germans is an acme of perfection. It is now admitted in all knowledgeable circles that the Government has committed some costly blunders in that agreement.

Great satisfaction has been expressed in some circles over the speed with which the Russians completed their exploratory work in India and submitted their first report, the basis for the preliminary agreement under review. They have doubtless done good work and a careful reading of the agreement shows that they are clever negotiators. This agreement is quite characteristic of their thoroughness. The fact that, in almost every section relating to time-limit for specific performances, they have made provisos to protect themselves against delays that may occur on the Indian side shows that they are fully aware that, in India, there is more talk and less action and that in this country things move very slowly, especially if it has anything to do with the Government. While giving credit to the Russians for their speed and devotion to work, it is necessary to add that the Russian effort had the advantage of the considerable spade-work that was done before in connection with the various delegations which visited India for putting up steel plants. The work done with the Russian team has doubtless enriched India's experience in negotiating such deals and will, perhaps, be of some assistance in negotiating the proposed deal with British manufacturers of metallurgical equipment.

It is gratifying to find that the Government of India has taken note of at least two important suggestions made by Mr. Padamji Ginwala in an article to this journal two weeks ago. One is the need for safeguarding India from the possibility of infringement of patents relating both to the designs of the plants and to the process of manufacture. Suitable provision has been made in the agreement to protect India. The other suggestion of Mr. Ginwala was that

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a team of competent consulting engineers should be deputed to Russia to inspect Russian steel plants, with a view to satisfying themselves that the equipment in use in that country is reasonably up-to-date and that the engineering workshops where the plants are likely to be fabricated are of the right type to guarantee the quality of work and timely delivery. This suggestion, too, has been accepted in a way, in that the Government proposes to send a technical team consisting of Indians, who, while having very good experience of the steel industry, are not consulting engineers of the type recommended by Mr. Ginwala. While we realise the political difficulties involved in asking Russia to receive an inspection team from India consisting of U.S., British or German nationals, it should be possible for the Government of India to strengthen its technical team by including in it, with the consent of Russia, one or two consulting engineers belonging to a neutral country such as Sweden which has a fund of rich experience in steel-making. The Government of India is taking a grave political risk in accepting the Russian offer for reasons so ably stated by Mr. Ginwala in his article to this journal. The country has already been warned of the danger involved in taking aid from Soviet Russia. None who sought its assistance has been free from its domination. Yet, the Government of India has boldly decided to expose the country to this danger. Let the country, however, have the satisfaction that, at least on the technical and financial sides, the deal is not faulty. It behoves the Government of India to take adequate steps for this purpose.

OUTLOOK FOR RICE

THE radical change in the statistical position of rice, which has been noticed in the past year or two, is a notable development. The shortage in supply persisted for a long time after the cessation of World War II, but it has now been more than wiped out, and many rice-producing countries are faced with the problem of disposal of their surplus stocks. Even India, which not long ago seemed to be suffering from a chronic scarcity of rice, is no exception to the rule. Last week, Mr. M. V. Krishnappa, Deputy Minister for Food, pointed out how the comfortable position of rice supplies in the country had enabled the Government to lift the ban on exports of rice, and even to encourage them by reducing the export duty on this cereal. "For the first time after a period of over a decade," Mr. Krishnappa said, "India will be exporting rice to the tune of two to three lakh tons."

India is not, of course, a large-scale exporter of rice, though it has been one of the leading importers of rice in recent years and continues to be one of the important rice-growing countries. The emergence of India as a country with a rice surplus underlines the change in the world rice position from one of acute scarcity to moderate surplus. World production (excluding output in China and the U.S.S.R.) of unhusked rice (paddy), which increased from 100.5 million tons in pre-war years to 110.4 million tons in 1952, further increased to 119.2 million tons in 1953. The area under rice, too, moved up from 65.8 million hectares in pre-war years to 76.0 million in 1952 and still further to 78.7 million hectares in 1953. The following table gives the world rice (paddy) production in 1934-38 (average), 1952 and 1953:

World Rice (Paddy) Production
(In 000 tons paddy)

	1934-38 Average	1952	1953
*World Total**	100,582	110,400	119,200
Of which			
Asia	94,500	98,200	106,500
Of which			
Cambodia	1,260	1,471	1,503
Viet-Nam	2,210	2,633	2,463
Burma	6,971	5,841	5,616
Ceylon	340	494	553
India	34,182	34,282	41,268
Java and Madura	6,081	6,406	6,452
Japan	11,501	12,404	10,298
South Korea	2,726	2,900	3,400
Pakistan	11,169	12,416	13,996
Thailand	4,357	6,602	8,239
South America	1,820	4,410	4,400
Of which			
Brazil	1,365	3,072	3,100
Africa	2,180	3,200	3,400
Of which			
Madagascar	613	1,021	1,100
N. and C. America	1,180	2,790	3,060
Of which			
U.S.	956	2,182	2,383
Europe	1,140	1,850	1,730
Of which			
Italy	753	930	928
Oceania	50	100	110
Of which			
Australia	43	76	86

* Excluding China and U.S.S.R.

It will be seen from the table above how nearly all the rice-growing countries shared the increase in output. The U.N. Food and Agriculture Organisation, in its latest number (devoted to rice) in the series *Commodity Reports*, draws attention to the fact that the scarcity of, and the accompanying high prices for, rice which prevailed in the early post-war years have stimulated governments and farmers to devote considerable attention to growing more rice, while the same causes have reduced the effective demand for rice by inducing the governments and consumers to turn to other foods. Weather conditions in the past two years have also been favourable to rice crops.

The increase in rice production has, of course, been unevenly distributed amongst rice-growing countries. But it is noteworthy that the increase was fairly evenly divided between the group of exporters and that of importers. The exporting group, which includes Burma, Thailand, Cambodia and Viet Nam, Brazil, the U.S., Egypt and Italy, improved their paddy output from 38.3 million tons in 1952 to 41.7 million tons in 1953. The production in the importing group, which includes India, Japan and Ceylon, improved from 58.5 million tons to 63.4 million tons.

Judging by the trend in exports, it seems that there must have been a decline in world trade in rice. Evidently, this reflects the growing tendency on the part of the rice-importing countries to meet their needs from domestic production. World exports of milled rice aggregated 4.4 million tons (preliminary) in 1953, as against 5.0 million tons in 1952, 5.2 million tons in 1951 and 9.7 million tons in pre-war years. Many exporting countries have not yet regained their pre-war export status. Burma is the most notable among them. As against its pre-war exports of 3 million tons, it was able to export only 1.3 million tons in 1952 and 971,000 tons in 1953. Among the countries which have increased their export trade in rice, mention must be made of the U.S. which exported 694,000 tons in 1953 (72,000 tons in pre-war years) and Italy which increased its exports from 149,000 tons (in 1952) to 217,000 tons.

A sizable increase is reflected in the estimate of the exportable surplus in rice in 1954. This surplus is estimated at 5.7 million tons (milled rice), as against 4.2 million tons in 1953. Burma and Thailand account for the major portion of the surplus, the totals of these countries being 1.4 million tons and 1.9 million tons, respectively. Both these countries have important trade agreements which assure them markets for a good part of their surplus. Burma, for instance, has such agreement with Ceylon, China, India, Indonesia and Japan. Thailand has similar agreements with British territories, Indonesia, Japan and the Netherlands. It must, however, be pointed out here that, although recent changes in marketing have tended towards the relaxation of restrictions on rice, there is at present no world-wide rice market.

An interesting trend in the export trade in rice is the trade in certain by-products of rice. Large quantities of broken rice have been available, particularly in Thailand, and the Thai Government has made special reductions in the export prices for this category of rice. In order to reduce its cost of rice imports, Japan specifically asked the U.S. to send rice, with a percentage of broken rice, so that the latter country was compelled to buy such rice from Thailand for purposes of mixing. Another by-product of rice is coarse flour, which the Bangkok millers are producing out of broken rice. It would appear that the flour finds a ready market in Europe and Malaya as animal feeding stuff. Burma is a chief supplier to the U.K. of another by-product, rice bran. Again, recent Italian developments in the industrial use of treated rice husks, it is stated, suggest the possibility of an international trade in this article, of which no use is being made at present in many countries.

What about the outlook for 1955? The supplies of rice available for export this year, according to the Report, will depend mainly on the 1954 crop and the carryover of the previous years. A survey of the position of the main participants in the international trade in rice indicates that exportable supplies in 1955 are likely to be greater than the quantities actually exported in 1954. Imports, on the other hand, are expected to fall off considerably. The "chief unknown" factor is stated to be India's policy of building reserves and consumption. As regards the reserve policy, Krishnappa has stated that the Government would hold as reserve stocks to the tune of 1½ million tons of rice and that the Government had no intention of allowing large imports. The Report asks: "Will the abolition of rationing gradually lead to greater consumption?" The answer to this question, of course, depends upon the trend of prices in the rice market. If prices are sufficiently low, consumption will doubtless show a perceptible rise. Although there has been a substantial fall in prices, they are still high as compared with the capacity of the majority of consumers.

As regards the wider outlook, the Report observes that, in view of the pursuit of the ideal of self-sufficiency in many rice-importing countries, it is probable that increasing exportable supplies might be confronted with a shrinking demand for imports. Here also, the principal factor is price. The Report itself points out that the population in the main rice-eating region has increased faster than rice production, so that the supplies in this region have had to be augmented by a reversal in the direction of trade; till very recently, this region, which used to be an exporter of rice once, had to import it. Surely, it can consume more, provided rice becomes available at reasonable prices.

TIP TO EMPLOYERS

RECENT investigations by sociologists and industrial psychologists have served to show that the causes of strikes and lockouts are deeper than the mere economic issues which precipitate them. The causes are at least as much psychological as they are economic. The modern economic system has frequently been condemned for creating conditions under which the worker has to work for one who does not care for him and for whom he does not care either. In the context of the rapid growth of industries in India, there is need for both labour leaders and industrialists to re-assess the value and importance of appreciation of their common economic problems. Perhaps, the one reason why State interference in the shape of all the costly apparatus of industrial courts and labour tribunals flourishes is that the employee seldom feels confident of being able to get, in his office or factory, a hearing, much less justice, from the employer. He feels, on the other hand, that, in a court at least, he can enjoy a certain sense of equality with the employer, denied to him in his office.

How to correct the deep-seated prejudices from which the employees, no less than the employers, suffer is a problem that is a challenge to all those who value industrial peace. The M.R.A. (Moral Re-Armament Movement) offers a solution, which, even if it borders on the mystical, is so essentially human that it appeals to more and more men. Speaking at a meeting in the city, Mr. Frits Philips, a well-known Dutch industrialist, gave his personal experience in handling labour problems. Towards the workers, the management adopted the attitude—"I will give all that is right to give; I will use only those arguments in negotiation in which I believe myself." Gradually, they gained the confidence of the workers. "In our last collective agreement," he said, "we were able to abolish strikes and lockouts, and to settle all disputes by negotiation." He added: "Our experience is that, when we are serious and really care for the people who work for us, we can succeed."

Mr. Philips then asked a very pertinent question, and that was: "Who is making the plans for the future of the world?" Answering the question, he deplored that, whereas the industrialists, as a class, possess great ability and experience, they shirk responsibility and keep out of politics. "And when the decisions are taken by the Government," he said, "we are full of criticism." He rightly held that industrialists must have a "global vision," in order that their efforts might match those of others who are planning on a world scale. Surely, the challenge of extremist political ideologies can be met only by a higher ethical sense on the part of industrialists, combined with a zeal for promoting the interests of the common man.

BUDGET APPREHENSIONS UPSET SHARES

MORE ABOUT CORNERING OF ASSAM TEA

THURSDAY, 5 P.M.

OWING to pre-budget uncertainty, coupled with the prospects of a cut in textile dividends, share markets have become unsettled. There has been a fairly general marking down of prices.

MARKET GOSSIP

The fall has been rather heavy in textiles and a few miscellaneous counters, moderate in steels and fractional in the rest. Market circles report that there has been a heavy turnover in Tata Ordinaries and Indian Irons, as some of the leading operators indulged in large-scale jobbing. Budget expectations range from subdued optimism to distinct pessimism. During the last monsoon months, almost everyone was confident that the Government would provide more incentive to the private sector, in order to stimulate expansion of existing industries and establishment of new ones. This optimism, of course, petered out in the last quarter of the year, following the shift of emphasis in the Government's policy towards the private sector. Now, market circles are afraid that more taxes would be imposed, with a view to achieving the objective of a socialistic pattern of society. They are afraid that Mr. Deshmukh will be required to trim the Government's fiscal policy to suit this end. With the budget only a little more than a fortnight ahead, this fear is growing and the majority of speculators prefer not to keep a long position. Indeed, the fear of taxes being stepped up is so much at present that, even if Mr. Deshmukh merely maintains the *status quo*, it will heave a sigh of relief.

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A year ago, market circles used to regard Mr. C. D. Deshmukh as the watchdog of the private sector in a Government and Parliament dominated by persons leaning more and more towards the left and by idealists who got accustomed to preach vague socialism during the days of our struggle against the British. They were confident that, so long as he was the Finance Minister, he would not allow any measures designed to starve the milch cow or to deprive it of its hearth and home. But now they are not so sure. They feel that Mr. Deshmukh has changed considerably. He does not now strike them to be that level-headed and practical-minded administrator he was till a couple of years ago. On the contrary, he has come to be regarded as one who has allowed idealism to get the better of him, without having regard to the realities of the situation. It is this impression of the person in charge of the portfolio of finance and taxation that has given rise to the fear that the forthcoming budget will not be conducive to the vigorous growth of the private sector, as is understood by the business community. There are some who fear that the new fiscal policy, which is expected to inform the budget for 1955-56, will not be in consonance even with the spirit in which a place has been provided for the private sector in the economic policy propounded at the Avadi session of the Congress.

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Whether or not there is any basis for such apprehensions is a question for which no answer can be given now. One will have to wait till 6 p.m. on Monday the 28th inst., when Mr. Deshmukh will unfold his taxation proposals. There are, however, some who feel that the budget will not be so bad as the majority thinks. Although they admit that there has been a complete transformation in the attitude of Mr. Deshmukh towards the private sector, they feel that he will not be so unrealistic as to kill the goose that lays golden eggs. They also argue, rather crudely, that the private sector is still the real backbone of the Congress Party and that such a shrewd Finance Minister as Mr. Deshmukh will not do anything that will weaken the keystone of the arch, especially when the next General Elections are not far off. Further, they stand convinced that the scope for fresh taxation is so limited that, willy-nilly, Mr. Deshmukh will have to plump for deficit financing to implement the development plans; and since deficit financing carries with it inflationary implications to the economy, these operators are inclined not to sell short. They have, on the contrary, been making discreet purchases of the leading speculative counters, albeit on a small scale, at every setback.

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It is probably in view of the face of pre-budget uncertainty that the market has practically ignored certain developments favourable to the Tata Iron and Steel Co., Ltd. The Central Cabinet has approved in principle that the Company should be given permission to undertake further expansion of its productive capacity up to 2 million tons of steel ingots. The details of the scheme are under discussion with the Government. It is reliably learned that the Government does not intend to provide any interest-free loan to the Company for implementing this scheme, as is rumoured in the share market. The Government has, however, agreed to assist the Company in raising finance in world markets or in getting a sizable loan from the World Bank. The broad picture of the Company's source of finance for this purpose would appear to be (*a*) suppliers' credit from countries where plant and equipment would be bought, (*b*) a long-term loan from the World Bank, and (*c*) some equity capital from Indian investors. It is very likely that, as the Company is now embarking on such a large-scale expansion programme, it may not be very keen on establishing a ferro-manganese industry, requiring a capital investment of Rs. 2 to Rs. 3 crores.

A fortnight ago, it was stated in these columns that the decisions of the Labour Appellate Tribunal on dearness allowance and bonus for 1952 would so severely drain the liquid resources of mills that it might adversely affect the dividends of cotton textile companies for the past year. It is not, therefore, surprising that the dividend of the New Great Mill, belonging to the Brady group of cotton mills, for 1954 has been reduced by 25 per cent., that is, from Rs. 10 per share (of Rs. 100 each) for 1953 to Rs. 7-8 per share. It would appear that, as a result of the aforesaid Awards, the Company has to pay its workers about Rs. 6.5 lakhs which has nearly wiped out its profit for 1954. We think that, in order to pay even this very modest dividend of 7½ per cent., the Directors must have drawn from the reserves built up in previous years. The New City Mill, belonging to the same group, has, we learn, maintained the dividend at 10 per cent. per annum. The effect of the Labour Awards on this Company is not so adverse as in the case of the New Great, because it has not to pay any bonus, as it made no profit in 1952. Nevertheless, even its profit could not have been large enough to absorb the cost of additional dearness allowance and still pay the same dividend as last year, without transferring from the reserves a sizable amount. The market has quickly reacted to the cut in New Great's dividend by marking down the value of the Company's shares to Rs. 155 from Rs. 167 a week before; at one time today, it touched a low of Rs. 153. A fortnight ago, this share was standing at Rs. 173.

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Among cotton mill shares, New Greats are by no means the only scrip to go down in value so *substantially. The other more active counters, too,* have shed quite a few points. Thus, Kohinoors have gone down from Rs. 333 to Rs. 321, the lowest touched today being Rs. 319-8. Bombay Dyeings have receded from Rs. 492-8 to Rs. 471-14, the lowest level seen being Rs. 468-12. Similarly, Centurys have gone down from Rs. 389 to Rs. 369-8. It would appear that the additional amount payable to workers by Kohinoors is about Rs. 16 lakhs, Bombay Dyeings about Rs. 24 to Rs. 25 lakhs and Centurys about Rs. 18 lakhs. Market circles are now reconciled to a cut of Rs. 2 or Rs. 3 in the dividends of Kohinoors and Centurys, though they are hoping that Bombay Dyeings will maintain the dividend.

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It now seems that the group of Indian operators which had cornered a large block of shares of the Assam Company—a sterling tea company—has practically lost the battle. As a result, the £1 ordinary shares of this Company have come crashing down on the London Stock Exchange from 57s., the highest level touched a few days ago, to 41s. 6d. with sellers over. The Indian interests are associated with Mr. Haridas Mundhra, an Indian business man, who has been extremely lucky in recent years and who has helped some of the foreign investors in Indian companies to repatriate their capital to their homeland with a handsome profit. Last week, he was reported to have succeeded in getting a large block of shares of Messrs. Jessop & Co., one of the leading structural and mechanical engineering companies in this country. It is reported that, although Mr. Mundhra has acquired a 40 per cent. control of the Jessop Company, there will be no change in its management and that the present Directors will continue to manage it as before, at any rate for the present.

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To revert to the Assam Company. It is stated that Mr. Mundhra—he and his associates are already said to have cornered about 40 per cent. of the shares—has gone to London to sue for peace with the Board of Directors of the Company. He is believed to have told them that it is not his intention to transfer the Company to India or otherwise to upset the present management and that he will be satisfied if he and his friends are given adequate representation on the Board of the Company. It is not known what response he received for his proposal from the Directors in London. Earlier reports from London stated that no arrangements had been made for Mr. Mundhra to meet the Board. He is unlikely to have met with any success in his mission, for, at the meeting held in London on Monday this week, the stockholders of the Company approved of the Board's scheme for creating a special class of one million 1s. ordinary shares and issuing one-for-two scrip issue. The scheme provides also for alloting 750,000 of the new 1s. ordinary shares, which will carry one-third of the total voting power, to the trustees of the staff pension fund. As the Board felt there was some validity in the criticism that the 1s. shares put one-third of the voting rights into the hands of the trustees in perpetuity, it reached an agreement with the trustees by which, after seven years, the ordinary stockholders could call upon the trustees to consolidate the 1s. shares into £1 units. At this meeting, the trustees would not use their voting power. Despite some opposition from a section of shareholders, which criticised the scheme on the ground that it was contrary to established practice, the resolution was carried on a show of hands. This means that the present management has secured its position with a comfortable majority.

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In the light of the above development, it remains to be seen what Mr. Mundhra will do. Will he fight the Board in a Court of Law under the British Company Law which contains provisions forbidding "oppressive" treatment of minority shareholders or will he quietly wait and gradually liquidate his holdings in the Company? It will be interesting to see what he does. Mr. Mundhra, however, can make an outright take-over bid to the Board, but he is said to be unwilling to do so, as that will cost him more and require large resources. It may be mentioned here that the new scheme of capital increase just adopted by the Company contains a provision to enable its Board to negotiate a take-over bid. Thus, the new 1s. shares will have no say on accepting or rejecting a take-over bid.

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The Government of India took a few welcome steps yesterday to arrest the downward trend in the price of cotton, though these steps have not yet yielded the desired result. It has abolished the quota system for mills, thereby enabling free competition among the mills for the available supply of cotton. It has allowed some more short-staple cotton to be exported, besides a small quantity of 25,000 bales of old crop of staple length up to ⅞". But these measures have had no effect on the market. Since the export demand for Indian cotton is not very keen, the liberalisation of the export quota has failed to have any stimulating influence on price. If the Government had simultaneously reduced the export duty from Rs. 150 per bale to Rs. 75 per bale, it would have had a tonic effect on the market. Similarly, the Government should have followed up the abolition of the quota system for the mills by entering the market as a Buyer. The mere announcement that the Government would buy cotton even on the basis of Rs. 550 for *Jarilla* would have induced a number of mills to enter the market. Now that the mills are the sole buyers of cotton, they are biding time in the hope that they will be able to buy it at still lower prices. Indian cotton is the cheapest in the world and yet the Government is diffident of investing some amount on this commodity. This attitude shows that the Government is chicken-hearted and is lacking in foresight. After all, the statistical position of Indian cotton is still healthy and the consumption of this cotton is steadily going up. If the Government decides to support cotton, it will be serving two purposes: *one, the hard-pressed cotton grower will get* some benefit and, secondly, it will provide an outlet through which the money supply can be increased, which, in turn, may arrest the sagging trend displayed by the other commodity markets as well. There is nothing wrong in the Government buying commodities at rates above its declared floor prices. Just as it buys its loans in the Gilt-edged market even at well above its national floor rates, so also it can buy cotton at above the floor levels, if the situation warrants, as it certainly does now, such a course of action.

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This has been a disappointing week to the shareholders of Rallis India Ltd. for they have suffered a further heavy loss in the value of their holdings. This Company's scrip (Rs. 100 paid-up) which has consistently been quoted below par for several months now, stood at Rs. 51 early this year. It slumped gradually to Rs. 45-8 on 7th February, and in the next two days, declined to touch a low of Rs. 39 yesterday, though it recovered to Rs. 42 today. The fact that the share of so well-established a trading concern as Rallis India should suffer such precipitous fall in prices has been causing concern in market circles. The management of the Company has, however, promptly issued an interim report to its members, explaining the trend in the Company's earnings. They observe that the accounts of the Company for the year ended 31st August, 1954, will, when they are published, reveal a serious loss of about Rs. 52 lakhs, inclusive of Rs. 8 lakhs paid in compensation to the staff who have been retrenched.

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It would appear that, after absorbing the general reserve and the profit and loss balance brought forward from the previous year, there will still remain a large debit balance on the profit and loss account of about Rs. 43 lakhs. Besides this, there are also arrears of depreciation. It may be mentioned here that the result of the Company's working during the year ended 31st August, 1953, resulted in a trading loss of Rs. 12.8 lakhs, after providing for Rs 10.35 lakhs as full depreciation of fixed assets. All this is, as the Directors themselves point out, a very serious development. But it is "more serious because it is only partly due to factors which may be regarded as non-recurring." The Directors have, therefore, decided to close down the Calcutta branch of the Company and have also indicated that they will make a proposal, at the appropriate time, for reconstructing the Company's capital structure with a view to writing off the losses incurred and to bringing the Company "back on to the dividend-paying list as soon as profits are available." Giving their reasons for this decision, the Directors observe:

"The year covered by the accounts was a difficult one for merchants in India. Owing to the intensity of competition, even small earnings were often hard to secure on the Company's business and, to do business often involved substantial market risks, some of which gave adverse results. The drastic curtailment of exports of oil was unfavourable to the working of the Company's oil mills and the restrictions referred to last February, imposed at one time by the Central Government on the Company's trading activities, had a most damaging effect, particularly on earnings from raw cotton. As a result of all these conditions, earnings were sharply reduced from Rs. 99.8 lakhs the previous year to about Rs. 41 lakhs. While some improvement in future earnings can reasonably be expected, the changed pattern of trade in India has adversely affected the scope and prospect of your Company in its traditional lines of trade. Efforts have been made to utilise premises and staff rendered surplus by loss of ground in some directions, by ventures into new fields of activity, but these have not all proved successful. On this picture your Directors cannot, therefore, encourage

(Continued on page 291)

SHARE MARKET EASY

PRICES REACT AFTER INITIAL RISE

(From Our Own Correspondent)

BOMBAY, 10th *February*

AFTER presenting a steady trend during the first two sessions of the week under review, the Stock Exchange developed easiness on Monday which persisted practically till the close today. The initial steadiness was due mainly to technical considerations which induced some replacement buying and short covering. Equity values, therefore, tended to rise. The upward trend was, however, halted on the 7th inst., when the market once again came under the influence of several unhelpful factors. Fears regarding the nature of tax proposals in the forthcoming budget and rumours of an increase in the excise duties on a number of items of daily use, for instance, had a deterrent effect on trading in shares generally. Again, the prospect of a reduction in dividends of many textile mills as indicated by the decision of the Board of Directors of the New Great Mills recommending a lower dividend of Rs. 7-8 for 1954, as against Rs. 10 in 1953—thanks to the impact of the recent award of the Labour Appellate Tribunal—depressed dealings, particularly in textiles. On top of these came reports of lower domestic and overseas offtake in piecegoods in recent weeks. Persistent weak advices from the cotton and other commodity markets, discouraging corporate news, and end-of-account considerations—all cumulatively influenced the operators to exercise much restraint on fresh business. In the result, the turnover was greatly restricted and values of shares drifted lower. Today's closing quotations of most of the scrips were thus lower than those a week ago.

In the steel section, Tata Ordinaries which had improved from Rs. 234-12 last week-end to Rs. 238 on the 5th inst., gradually receded to Rs. 226 on Tuesday. After staging a slight recovery to Rs. 230-8 yesterday, owing to technical correction, the shares reacted today to Rs. 227-4 before finishing a shade higher at Rs. 228. The net loss over the week was Rs. 6-12. Indian Irons opened firm at Rs. 33-8-6, as against Rs. 33-6-6, and advanced to Rs. 33-11-6 on Saturday. Selling pressure that ensued thereafter brought down the quotation to Rs. 32-11 on Tuesday. Following encouraging Calcutta advices, Indian Irons staged a recovery today. The recovery, however, was not sufficient to make up for the earlier loss, so that today's closing rate of Rs. 33 was As. 6-6 lower than that last week.

Textile shares were subjected to considerable selling pressure. New Greats reacted very adversely to reduced dividend announcement and their values were marked down by Rs. 12 to Rs. 155. Swadeshis were the next to suffer most, with a loss of Rs. 9 to Rs. 198-8. Gokaks slumped by Rs. 7 to Rs. 216-8. Srinivas dropped Rs. 6-4 to Rs. 225. Bradburys fell by Rs. 5 to Rs. 800 and Bombay Dyeings by Rs. 4-6 to Rs. 471-14. Finlays and Kohinoors declined by Rs. 4 each to Rs. 250 and Rs. 321, respectively. Centurys lost Rs. 3-8 to Rs. 369-8, Tata Mills Rs. 3-4 to Rs. 59-4 and Standards Rs. 2-8 to Rs. 351-4. Indores and Phoenix finished Re. 1-14 lower, the former at Rs. 93-12 and the latter at Rs. 113-12. Simplex shares eased by Re. 1-8 to Rs. 146-8 and Swans by Re. 1-4 to Rs. 328-12. Khataus were quiet at Rs. 152-8. Morarjis, however, met with special buying support and were lifted up by Rs. 3-12 to Rs. 225. Models were also favoured Re. 1-14 higher at Rs. 135-10. Central Indias, too, put on As. 8 to Rs. 126.

Bank shares failed to evoke support. Imperial Bank Fully Paids were pruned down to the extent of Rs. 35 to Rs. 1,597-8. New shares were poorer by Rs. 7-8 at Rs. 392-8. Barodas changed hands As. 4 lower at Rs. 101-12. Central Banks, United Commercials and Bank of Indias each lost a like amount to Rs. 52-4, Rs. 46-4 and Rs. 148, respectively. Union Banks were a shade easy at Rs. 6-8. Central Banks (new) were quiet at Rs. 53-4. Punjab National Banks, however, proved an exception. Following buying support, induced by higher dividend announcement, the shares of this Bank registered a handsome rise of Rs. 4 to Rs. 41-4.

There was very little activity in the insurance section. Orientals had more sellers than buyers and were hammered down by as much as Rs. 595 to Rs. 689. New Indias were unchanged at Rs. 54-8. Universals received good buying enquiries and improved by As. 10 to Rs. 9-14. Indian Mercantiles rallied As. 4 to Rs. 45.

Electricity shares were very much depressed this week. Tata Powers slipped by Rs. 16-4 to Rs. 1,482-8. Bombay Suburbans were pushed down by Rs. 6-14 to Rs. 126-4 and Andhra Valleys by Rs. 6-4 to Rs. 1,400. Surat Electrics gave way from Rs. 129-6 to Rs. 127-8. Tata Hydros lost As. 8 to Rs. 147-8 and Ahmedabad Electrics by As. 5 to Rs. 113-12.

In sympathy with the generally weak trend, business in the miscellaneous section was greatly subdued and there was all-round decline in prices. Among mining shares, Bombay Burmah old shares receded by Rs. 9-6 to Rs. 453-12 for want of support and B.B. Petrols eased by As. 2 to Rs. 3-12-6. Shivrajpurs failed to evoke the interest of operators, despite good demand for manganese, and shed As. 8 to Rs. 75. Indian Coppers lost As. 2-6 to Rs. 3-6. Deals in engineering shares were also done at lower prices. Alcock Ashdowns moved down by Rs. 9-6 to Rs. 453-12. Premier Constructions fell by Rs. 4 to Rs. 151. Sugar shares were neglected. Belapurs changed hands at Rs. 309-8, as against Rs. 313-8 last week. Walchandnagars lost Re. 1-4 to Rs. 223-12. Phaltans came down by As. 8 to Rs. 113. Scrips of cement companies, too, were weak. Digvijays were down by Rs. 5-4 at Rs. 165. Associated Cements dropped Rs. 3-4 to Rs. 170-12. Shipping shares were dull. Scindia Steams shed As. 2 to Rs. 15-11. Bharat Lines were quiet at Rs. 84 and Great Eastern Shippings at Rs. 17. Among miscellaneous scrips, National Rayons met with selling pressure, following weak advices from the rayon yarn market, and dropped Rs. 3-8 to Rs. 198. Killick Industries receded by Rs. 2-12 to Rs. 176. B.I.Cs. retreated from Rs. 8-14 to Rs. 7-14-6, following rumours that no dividend would be declared this year. Port Cannings weakened by As. 14 to Rs. 17-6. Wimcos declined by As. 10 to Rs. 211-14. India Investment Trusts were done at Rs. 80-8, as against Rs. 81. Tata Chemicals lost As. 3-6 to Rs. 16-12. Tata Oils, on the other hand, were favoured, their quotation moving up by As. 4 to Rs. 41.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, 9th *February*

Earlier in the week the Calcutta Stock Exchange experienced a sharp reaction which restricted the volume of business. However, on both Saturday and Monday, the market struck a lively note and prices recovered. Various rumours were current about the Taxation Enquiry Commission's recommendations, including the possibility of its seeing the light of day earlier than the budget. There was naturally a keen desire among operators even to postpone ordinary business; but when the publication did not come off by the week-end, the pause was broken and on Monday a larger volume of business was put through. However, at this stage, Bombay demonstrated poor leadership, and, as a result, during the sessions yesterday and today prices declined.

A notable news of the week has been the change of hands of about 44 per cent. of the shares of Jessop & Co. from British to Indian ownership. This was reflected in the shares receding by about three points, although the price in the above deal was stated to be about Rs. 40. The downward trend was by way of the immediate reaction of the market to the prospect of Indian predominance in the affairs of this premier engineering concern. Another weak spot in the market this week was provided by Rallis, which is to close down its Calcutta business as from June next, following heavy loss in trading last year. The losses were due to the intensity of competition and to the cut in export quotas which adversely affected the working of the Company's oil mills. The Directors have, therefore, decided to close down the Calcutta branch, because they state that the country's pattern of trade has changed in such a way that the chances of revival of the Company's former earning capacity are remote.

Good business was recorded in the engineering section; shrewd operators considered the present lower levels touched due to pre-budget caution were a fine opportunity to buy. They expected that, judged from the Congress's economic policy resolution at Avadi, nothing unfavourable to the business community would be revealed in the budget this month-end. As such, the belief was that the budget would be followed by steady rises in the market. Speculative Indian Irons opened at Rs. 33-11 and after moving down to Rs. 33-7 rose to close for the week-end at Rs. 33-13. On Monday, Bombay advices were far from helpful and the rate fell to Rs. 33-6. Yesterday the quotation was further lower at Rs. 32-14, and today it, however, rose fractionally to Rs. 33-1.

For the reason already stated, Jessops recorded several transactions. Opening at Rs. 34-13, the quotation was hammered down to Rs. 34-2. At this stage, bulls appeared and their continued buying pushed the rate to Rs. 34-10. But since Monday, there has been a drop to Rs. 33-6. From Rs. 130 Indian Standard Wagons were done to Rs. 90-8 but subsequently recovered to Rs. 121. Indian Galvanizings were shifted from Rs. 20-15 to Rs. 21-6. Burn & Cos. maintained the higher rate of Rs. 256, Texmacos being lost to Rs. 15-5 from Rs. 16. Kumardhubis were fractionally lower at Rs. 11-5.

Jutes demonstrated weakness. Howrahs came down from Rs. 29-11 to Rs. 29-8. At Rs. 190, Kamarhattis were lower by Rs. 3 while Nationals, after realising Rs. 33-1, receded to Rs. 32-15. Birlas were quiet at Rs. 17-11, as were Agarparas at Rs. 14-8. Ganges were unchanged at Rs. 88, while Champdanys were transacted at Rs. 166-8.

Coals also registered a weakening tendency. Bengals realised Rs. 500 as against Rs. 504 a week ago. Raneegunges lost to Rs. 12 from Rs. 12-3, while Khatras Jherriahs were fractionally better at Rs. 48-2. New Beerbhooms were sought at Rs. 20. Burrakurs gave way to Rs. 12-1 from Rs. 12-5.

Miscellaneous industrials attracted attention at lower levels. Rallis were taken down to Rs. 39 after opening at Rs. 45-12 but subsequently recovered to Rs. 41-4. Niccos were traded between Rs. 21-8 and Rs. 22-2. This company has announced its decision to repay 10,000 cumulative redeemable preference shares at a premium of Rs. 15 a share. British India Corporations were affected by lower dividend prospects and at Rs. 8-4 lost As. 12. Dunlop Rubbers were reduced to Rs. 34-8 from Rs. 34-13, F. & C. Oslers being quiet at Rs. 15-15. Rohtas Industries eased to Rs. 22-10 from Rs. 23-2, and Martin Burns after moving down to Rs. 23-3 returned to the opening level of Rs. 23-8.

A zigzag movement was recorded in India General Navigations, which after opening at Rs. 101 lost to Rs. 99-8, subsequently recovered to Rs. 105 and closed lower at Rs. 102. Titaghur Papers showed strength by moving to Rs. 43-8 from Rs. 41-10. Indian Coppers, after being firm at Rs. 3-9, closed at Rs. 3-5.

Teas continued to reveal their active character. Rajgarhs spurted from Rs. 45-12 to Rs. 55, following interested transactions. At Rs. 36-6, Tezpores improved by Re. 1-10, while East Indians eased to Rs. 32 from Rs 33-14. At Rs. 452, Gungarams were marked lower by Rs. 12, Patrakolas being quiet at Rs. 240. Choonabhuttis were at one time higher at Rs. 500 but closed at Rs. 497. Hantaparas gave way from Rs. 422 to Rs. 400.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, 8th *February*

The moderate enquiry witnessed last week on the Madras Stock Exchange persisted during the earlier part of this week. But, subsequently, it petered out as there was a mild wave of selling pressure in almost all sections. A majority of the scrips, including textiles, therefore, registered a downward trend and disclosed losses over the week. The decline in textiles was presumably due to weaker advices from cloth markets. The Select Committee's recommendations on the Madras Agricultural Income-tax Bill had a softening effect on trading in planting shares. The miscellaneous scrips too were colourless in that the fluctuations were limited to a narrow range. The only encouraging feature of the week was the support lent to a few popular scrips in an otherwise declining market, which helped to prevent any serious fall in prices. The undertone was quiet.

In the textile section, Buckinghams lost Rs. 4 to Rs. 155 and Cambodias Re. 1 to Rs. 12-6. Colmbatore Pioneers eased from Rs. 203 to Rs. 200 and Coimbatore Spinnings from Rs. 72 to Rs. 71-4. Dhanalakshmis disclosed a loss of Rs. 3 at Rs. 300 and Janardanas Rs. 2 at Rs. 78. Krishnarajendras were down by Re. 1 at Rs. 75 and Maduras by As. 14 at Rs. 46-6 *cum-div.* Lakshmis, Rs. 50 paid up, declined by Rs. 3 to Rs. 141 *cum-div.* and 'A' (Rs. 25 paid up) by As. 4 to Rs. 71-12 *cum-div.* Mettups receded by Rs. 2 to Rs. 284 and Rajalakshmis by Rs. 6 to Rs. 132. Ashers, however, gained Rs. 14 to Rs. 119 and Premiers Rs. 9-8 to Rs. 151-8. Rajapalayams and Venkatesas advanced by Re. 1 each to Rs. 75 and Rs. 116, respectively. Cannanores gathered As. 8 to Rs. 131.

Among plantings, teas presented a mixed trend. Coonoor teas rallied Re. 1 to Rs. 31-8 and Udayagiris As. 14 to Rs. 19-14. Coorg Teas put on an anna to Rs. 10 and Emerald Valleys As. 2½ to Rs. 7-12. Haileyburias were better by Re. 1 at Rs. 29-12 and Parksides by As. 4 at Rs. 24-6. Devasholas, however, lost As. 8 to Rs. 27-12 *cum-div.* and Nonsuch Teas As. 12 to Rs. 35-12. Highland Produces receded from Rs. 17-4 to Rs 16-12 and Peermades from Rs. 47 to Rs. 46-4. United Nilgiri Teas suffered Re. 1 to Rs. 297 *cum-div.*

Be Bes, among rubbers, gained As. 2 to Rs. 4 and Nilamburs As. 4 to Rs. 11. Peninsulars advanced from Rs. 15 to Rs. 16-4 and Vellimalais from Rs. 6 to Rs. 6-4. But Cochin Malabars lost an anna and a half to Rs. 7-4, Kailas As. 2 to Rs. 5-4 and Rajgiris As. 7 to Rs. 13-15. Vaikundams eased from Rs. 23-8 to Rs. 23-4.

In the coffee section, Coffee Lands declined from Rs. 16-11 to Rs. 16-6 and Consolidated Coffees from Rs. 17-12 to Rs. 17-6. Puthutotams, however, were fractionally better at Rs. 4-9½. Amalgamated Coffees were quiet at Rs. 5-2 and Kadur Coffees at Re. 1-10½.

Miscellaneous scrips also were wanting in support. Rallis lost Rs. 7 to Rs. 41 and Spencers As. 2 to Rs. 17-2. Mysore Papers were down by As. 4 at Rs. 17-8 and India Cements by As. 6 at Rs. 20-14. Andhra Cements 'B' suffered As. 3 to Rs. 13-3. Mysore Chemicals and Manufacturings, however, put on As. 2 to Rs. 16-8 and Mysore Golds As. 3 to Rs. 3-9. Travancore Cements were better by an anna at Rs. 7-10.

BANK OF AMERICA

The Bank of America, San Francisco, California, a world-wide banking organisation, has extended its activities to India by establishing a Representative Office in New Delhi. Started 50 years ago in California by Mr. A. P. Giannini, a man of vision, courage and foresight, the Bank has grown so widely that today it has 543 branches in the State of California alone. In the international banking field, it provides every type of banking service through its branches, representatives and correspondents located in more than 300 cities all over the globe.

The office of the Bank's representative in New Delhi is in charge of Mr. M. R. Ahuja, a retired diplomat who acted for the Government of India in various capacities abroad. Mr. Ahuja has to his credit wide knowledge of trade and commerce in foreign countries and is expected to be of considerable assistance to Indian business men and industrialists wishing to do business outside India, especially with the United States.

NEWS IN BRIEF

DURING 1953-54, 17,980 cwts. of *vanaspati* valued at Rs. 21,10,000 were exported from India.

India's annual requirement of paints and varnishes amounts to 33,000 tons, all of which is met from indigenous production.

The average *per capita* consumption of fish in India is only 3.98 lbs., as compared with 83.3 lbs. in Japan, 70 lbs. in Burma and 16 lbs. in Ceylon.

The Government of India has decided to set up a new oil and natural gas division to expedite the oil survey and prospecting work in the country.

The Government of India has decided to release a quota of 5,000 tons of salad oil for export outside India by manufacturers of salad oil.

The Committee set up by the Government of India in October last to investigate the possibility of increasing tea auction in India has submitted its report to the Government.

The Government of India, as a result of a further review, has decided to license export of cane *jaggery* and cane *jaggery* powder (*gur*) freely on shipping bills for shipment upto the end of March, 1955.

The Union Government has decided to release further quota of *kardi* and *niger* seed for export. Licensing will be done on shipping bills from the ports of Bombay, Calcutta and Madras within a ceiling, subject to a maximum allotment of 500 tons to any one shipper from all the ports and on production of evidence of having booked shipping space.

669 public utility power stations in India generated during October, 1954 electricity aggregating 624.3 million kw.h., of which 511.6 million kw.h. were sold to ultimate consumers. As compared to September, the electricity output decreased by 21 million kw.h. The corresponding figures of output and sale for October, 1953, were 572.0 million kw.h. and 468.7 million kw.h. and for October, 1939, 216.4 million kw.h. and 180 million kw.h., respectively.

The Government of India has decided to allow further export of a limited quantity of pulses from the ports of Bombay, Calcutta, Madras, Rajkot and Cochin. Export will be allowed by internal dealers in pulses who had a minimum turn-over of over Rs. 50,000 in any of the three years 1951, 1952 and 1953, subject to a maximum allotment of 50 tons to any one shipper from Bombay, Calcutta and Madras and 25 tons from Jamnagar, Cochin, Tuticorin and Visakhapatnam.

The Punjab State Government's draft plan for industrialisation of the State, involving an overall expenditure of Rs. 40 crores during the second Five-year Plan period, was approved by the State industrialists at a two-day conference held last week. The various schemes, which include the setting up of a number of heavy industries, will be further scrutinised by the State planning experts before being forwarded to the Planning Commission for approval.

The first newsprint factory of India, the NEPA Mills at Chandni, Madhya Pradesh, has made trial production of newsprint with imported chemical pulp. The management proposes to send to important newspaper concerns sample rolls, enough for one day's consumption, with a view to getting their opinion on the quality of the production. The mill, when it goes into full production—100 tons of newsprint daily—will be able to meet about one-third of India's present annual consumption of newsprint.

The Reserve Bank of India has decided to treat the debentures of land mortgage banks, where these have been guaranteed by State Governments, as on a par with Government securities for the specific purpose of grant of accommodation under section 17(4) (*a*) of the Act which governs the Bank. This decision, which should help to improve the marketability of such debentures and, therefore, strengthen co-operative long-term credit for agriculture, has been taken in pursuance of one of the recommendations contained in the Report on the All-India Rural Credit Survey.

The General Manager of the B.E.S.T. Undertaking has sought the approval of the B.E.S.T. Committee, to apply the recent decision of the Labour Appellate Tribunal in respect of textile workers, increasing the dearness allowance by 10 per cent. with retrospective effect from May, 1953, to the employees of the B.E.S.T. Undertaking. The Undertaking follows the Millowners' scale of dearness allowance, which is based on the working class cost of living index number from month to month, in respect of employees drawing a basic salary/wages of less than Rs. 200 per month. This move on the part of the Undertaking will involve an additional cost of Rs. 22 lakhs to give retrospective effect and a further expenditure of Rs. 1 lakh per month hereafter.

Chittaranjan Locomotive Works, which had been manufacturing eight W.G. type broad-gauge goods locomotives every month since May, 1954, stepped up the production to ten locomotives last month. The W.G. is one of the heaviest types of locomotives in use on the Indian Railways—ten of these equating to 12.5 average size locomotives. The increased rate of production established at Chittaranjan is thus equivalent to the manufacture of 150 average size locomotives per year, as against 120 which was initially set as the target. Arrangements are well in hand for increasing the equipment and capacity which will enable Chittaranjan to reach in the near future the annual target of 200 locomotives and 100 boilers, as recently laid down by the Government of India.

The output of coal in collieries in India reached the peak figure of 3,503,459 tons in December, 1954, according to statistics released by the Chief Inspector of Mines. The output in the previous month was 3,321,715 tons. Despatches of coal amounted to 2,746,588 tons in December, 1954, as against 2,728,291 tons in the preceding month. Coal stocks at pitheads rose from 3,161,153 tons to 3,467,898 tons. Coke plants at collieries and elsewhere produced 369,320 tons of hard, soft and other kinds of coke during the month and despatched 169,049 tons. The number of workers employed on an average in 830 collieries, working during the period, was 349,271. The output per man-shift was estimated to be about 1.09 tons for miners and loaders, 0.60 ton for all workers underground and in open-workings, and 0.38 tons for all persons employed including surface workers. The percentage of absenteeism was 12.38.

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From Abroad

Lancashire textile mills produced 2,774.6 million yards of cotton and rayon cloth in 1954, as against 2,632.2 million yards in 1953.

The Indonesian Government has reintroduced an extra levy of 10 per cent. on rubber exports, which was withdrawn last year. This extra levy will be effective as from 1st March next.

The British rayon industry's production reached a record level of 447.7 million lbs. in 1954. This represented an increase of 6 per cent. over that of 419.3 million lbs. in 1953.

The daily output of steel in Germany during January amounted to 62,561 tons, the highest on record, even exceeding the peak touched shortly before the war.

A synthetic rubber plant will shortly be built near Ravenna in Italy at a cost of about $75 million. The plant will use natural gas from the Po Valley. The plant will be finished in two years and will supply butadiene for the production of 30,000 tons of synthetic rubber. It will also make about 350,000 tons of nitrogen fertilisers per annum.

Production of paper and pulp in Norway during 1954 established new records. Paper, with subsidiary items, amounted to about 570,000 tons, 11.5 per cent. more than in the previous best year, 1951. Mechanical pulp output at 643,000 tons and chemical pulp at 590,000 tons were also the biggest production figures ever recorded in Norway.

The target of 900,000 tons of rice earmarked for shipment to India, under the rice agreement between Burma and India, is nearing completion and the agreement will be fulfilled by the end of March. The State Agricultural Marketing Board of Burma will be opening a branch office in Hong Kong shortly to handle consignments of rice directly with that port.

Four U.S. concerns propose to invest $5.5 million in Japan mainly in chemical and glass industries, the first investment to be made through the Foreign Operations Administration's Guarantee Investment Programme to stimulate the flow of dollars to Japanese industries. Under this programme, these four companies will be insured against nationalisation and any liability to convert their income into dollars.

The South African Government has formally ended its guarantee to sell a minimum of £50 million sterling worth of gold per year to Britain. The agreement was made in 1949 when there was exceptional pressure on sterling. There is no need for continuing the agreement any longer, as Britain is again in a position to buy the major portion of South Africa's gold output in open competition with the rest of the world.

Australia has arranged to raise a second public loan in Switzerland of 60 million Swiss francs (£A6 million). The loan will be for 15 years, with the option of repayment after 10 years. The issue price will be 99½ per cent. and the rate of interest will be 3½ per cent. The proceeds of the loan will be used for public works. The last occasion when Australia borrowed a similar amount in Switzerland was in November, 1953.

Sales of British bicycles abroad are estimated to have reached 2,100,000 machines in 1954, as compared with the export of 2,019,685 machines in 1953, according to the British Cycle and Motorcycle Manufacturers Union. Sales of motor cycles were a near-record at about 76,000 machines. The total amount paid by overseas customers for British bicycles and motor cycles in 1954 is estimated at £3.63 million. Total production of the industry is calculated at 3,150,000 bicycles (compared with 2,996,000 in 1953) and 190,000 motor cycles (152,935 in 1953).

PERSONAL

MR. B. K. Kapur, Political Officer in Sikkim, has been appointed Charge d'Affaires at The Hague.

The Earl of Inchcape, Senior Director, Messrs. Mackinnon Mackenzie and Co., Ltd., arrived in Bombay last week-end on a month's business tour of India.

Mr. Ivar Rooth, Managing Director, International Monetary Fund, will arrive at New Delhi on the 15th inst. During his ten days' stay in India, he will visit Nangal Project, Agra and other places including Bombay.

Mr. O. G. Stoner of the Ministry of External Affairs and Mr. R. Cavel of the Department of Commerce and Industry, Canada, have arrived in India to confer with Indian officials on new projects under the Colombo Plan.

Mr. Arthur S. Kleeman, President, Colonial Trust Company, New York, arrived in Bombay this week in the course of a month-long business tour of India. He has already visited Madras and Calcutta.

Mr. P. V. S. Sarma, formerly Under-Secretary in the Union Ministry of Commerce and Industry, has been appointed Chairman of the Coir Board, in the vacancy caused by the death of Mr. M. C. Thomas.

Mr. T. S. Parasuraman, Deputy Secretary, Union Ministry of Transport, left for New York last week to attend a session of the Transport and Communication Commission of the U.N. Economic and Social Council.

Mr. Peter Richard Heydon has been appointed High Commissioner for Australia in India, in succession to Mr. W. R. Crocker, who will become the head of the Australian diplomatic mission in Indonesia.

Mr. U. K. Ghoshal, Chairman of the Indian Tea Board and Chairman of the Tea Auction Committee appointed by the Government of India to examine steps for increasing tea auctions in India, has returned from the U.K. after completing enquiries there.

Mr. Neville N. Wadia, Chairman, Bombay Dyeing and Manufacturing Co., Ltd., has been elected Chairman of the Millowners' Association, Bombay, in the vacancy caused by the resignation of Mr. Vithal N. Chandavarkar. Mr. Wadia will hold this office till the ensuing Annual General Meeting of the Association in April, 1955. Thereafter, Mr. G. D. Somani, M.P., who had earlier been elected Chairman for the year 1955-56, will take over.

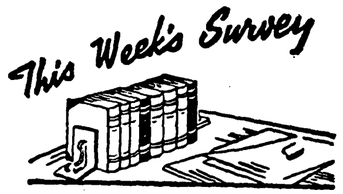
"COMMERCE" 1930

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 8th *February*

Silver's New Low Record

The tribulations of the silver market have not yet terminated for the price of the metal fell at the end of last week to a still lower level—it fell by three-eighths of a penny to 1s. 8d. per ounce, the lowest price on record. The recovery, which had previously taken place since the birth of the new year, had been largely due to a little Indian buying; but, as the Indian demand is now limited, the London market has relied upon China as the chief consumer, and it has been generally anticipated that the imports into that country during 1929 would prove to have been maintained at a high level. At the same time, this continued large demand is regarded as having been only the direct outcome of the low prices prevailing and the present tendency would seem to indicate that even in China saturation point may be coming within reach. The present weakness of the silver market constitutes another bond of sympathy between Mexico and China. The "Mexican dollar," with its large silver content, has been a popular currency in the Far East for a long time past. Now Mexico is perturbed on account of the effect of the price drop on its important silver-mining industry. This threatens to become unremunerative, which would lead to a considerable number of men being thrown out of employment. China sees a large part of its wealth, held in the form of silver, diminishing rapidly in value, with dire results to its exchange and, therefore, to its foreign commercial transactions. This arises from the fact that, in China, payments are very largely made by weight of silver, not by count of coin. The tael, in reference to which the Shanghai exchange rate is quoted, is itself really a native weight, and its value thus varies almost directly with the price of silver. Even in the early days of the war it went no lower than 2s. 1½d., but is now below 1s. 11-15/16d. and the "flight" from various Continental currencies, with which we were familiar a few years ago, seems now to be paralleled by a flight from silver on the part of some of the Chinese speculators in Shanghai. The continued severe decline in price has caused, indeed, a serious situation on the Shanghai Exchange.



OUTLOOK FOR CLOTH EXPORTS

EXPORTS of cotton textiles figured prominently in the address of Mr. Chinoobhai C. Javeri, President of the All-India Exporters' Association, at the twelfth annual meeting of the Association held at Bombay on Thursday last. This is not surprising, considering the recent growth of severe competition in the world cotton textile markets. It is true that shipments of cloth from India during the calendar year 1954 were substantially higher than in 1953, a detailed reference to which is made on page 256 of this issue. But, from this, one should not rush to the conclusion that the outlook for cloth exports is quite bright. On the contrary, it is none too happy. That there is no exaggeration whatever in this statement will be clearly evident from the lucid and interesting observations of Mr. Javeri. He said:

"India has already lost some of her traditional markets and is in danger of losing others in future. Since the textile industry here has not been able to discard the worn-out and outmoded equipment and keep pace with modernisation of textile industry in other major exporting countries, Indian cotton textiles will have to face severe competition as regards quality and price offered by such countries. Of late, demand from abroad has not been quite satisfactory and the problem of selling Indian cloth in world markets against increasing international competition is a great challenge to India.... Japan is making a fresh bid for recapturing former markets. Japan has practically recaptured her markets in Sudan, Burma and Indonesia. Exports of Indian cloth to Indonesia are greatly handicapped on account of complicated exchange restrictions and special regulations regarding the issue of import licences, and India has been able to export only 29.85 million yards to Indonesia upto 30th November, 1954, as against 259.61 million yards exported by Japan. Our exports to Iran account for 9.28 million yards during the first eleven months, as against 36.43 million yards from Japan exported during the first ten months only."

Mr. Javeri did well to draw the attention of Indian cotton textile exporters to three distinctive trends in world textile trade. First, there has been an increase in the world cloth output with more countries, such as Russia and even China, entering the field of export. Pakistan may not only cease to be India's potential buyer but also turn out to be an effective competitor. Secondly, there is growth of domestic industry under protective tariffs in several countries, as, for example, Egypt, Iran and Iraq. Sudan, a cotton-growing country, is also reported to be seriously considering schemes for setting up cotton textile mills inviting foreign money and technical aid. Thus, the countries which either grow cotton or are near cotton-growing areas are anxious to build up textile industry of their own. Thirdly, several countries are placing import barriers, necessitated by balance of payments and other considerations.

The aforesaid brief account of the recent trends in the world textile economy, as reviewed by Mr. Javeri, will clearly emphasise the utmost need for hard work and concentrated attention on the part of Indian cotton textile interests. A pertinent suggestion which Mr. Javeri put forward related to determined efforts to develop the export trade in those varieties of cloth in which India can effectively compete in foreign countries—the varieties which are manufactured from Indian cotton owing to its price advantage. Since quality and price are the two factors which regulate and promote the country's exports, he stressed that the quality of cotton textiles should be such as is approved by overseas buyers and the price should be competitive. Mr. Javeri rightly emphasised that these objects could be achieved partly by rationalising the industry and partly by supplying goods according to the sample and by delivering the same within the scheduled period contracted for. To quote him: "The major item that determines the price is the cost of production and there is no royal way to bring it down, save by increasing efficiency of men, machines and management and by rationalising wages and profits."

Incidentally, Mr. Javeri chose for special comment the issue relating to the formulation of a uniform standard contract form for export, which he considered was indispensable for promoting exports of cloth according to sample and within the stipulated time. Alluding, in particular, to the existing contract of the Millowners' Association, Bombay, he revealed that, in actual practice, many complaints had been received from buyers abroad which, he felt, could not be met and solved satisfactorily on the basis of that contract. In his opinion, it could not be gainsaid that the principles of equity and fair-play were not observed by sellers and buyers had often to suffer. Mr. Javeri, therefore, thought it imperative to evolve a uniform standard contract for export in collaboration with the different Millowners' Associations of the major cloth producing centres and the representatives of the Exporters' Organisations. This suggestion seems to have found favour with the Union Government. In response to a communication received from the Textile Commissioner, the All-India Exporters' Association, we are told, has prepared a draft contract for export on the basis of the Bombay Millowners' contract of 1953 by amending the latter in the light of the experience gained in its working. Mr. Javeri hoped that the Textile Commissioner would help evolve a uniform contract for export on an equitable basis acceptable to all the interests concerned.

PRINTING INDUSTRY

In this country, where five out of every six persons are illiterate, it is hardly surprising that the printing industry should languish for want of a clientele. If it is assumed that only a person with a middle school education is a potential buyer of books, there are not many who possess even this knowledge; only one in every forty persons, according to the results of the last (1951) census, has received that education. Depressing as these facts are, they serve at the same time to show what spread of literacy will mean to the fortunes of this primarily basic industry. Surely, there is wide scope for the development of the printing industry, as well as for the other allied industries and trades, namely, the paper and ink industries, the publishing trade and the book shop.

It is, however, small comfort to the industry to be told that it has—or that it deserves to have—a bright future. What causes the industry concern is that it has many pressing problems. Some of these figured prominently in the address of Mr. Kasturi Srinivasan, who presided over the All-India Printers' Conference, held recently at Madras. He pointed out how the way in which the import control on paper, the main "raw material" for the industry, had been worked, was not "as happy as one would wish." Only a part of the total consumption of 30,000 tons of paper is now met by the domestic industry, the rest having to be imported from abroad. He also deplored the "varied interpretations" of the customs tariff, which caused considerable harassment to the importers. "It is high time," he said, "the Government scrapped the present Tariff Classifications and drew up an entirely new one to meet present-day needs, on a rational basis."

Despite its many handicaps, the Indian printing industry does turn out some work which can stand comparison with the best in the world. Some units, notably those in which the *Times of India*, the *Hindu* and the *Statesman* are printed, and some others, among which the Caxton Press, in which this journal is printed, deserves mention, do show remarkable craftsmanship. Nevertheless, much shoddy work, euphemistically called "printing," continues to be done in this country. Such work is as remote from printing as the Neanderthal man from his civilised descendant. It is seldom realised that a good piece of printing, like a thing of beauty, is a joy for ever. But the fault in all cases of bad printing is not always the printer's. He has often to work with second-rate tools. Although it is true that he is a bad workman who quarrels with his tools, it is also true that even the best workman can produce only second-rate results if he has to work with bad tools. As Mr. Srinivasan said: "Tropical weather conditions obtaining in India do not help produce good results. Added to that, poor quality of paper, cheap grade inks and ricketty presses are some of the contributory causes of bad printing."

It must not, however, be forgotten that, in the final analysis, it is not the machine but the printer that matters. Many Indian workers do succeed in acquiring a very high degree of skill. It is the more remarkable, because some of them, as Mr. Srinivasan said, have "barely a knowledge of the alphabet." Nevertheless, systematic training in well-equipped institutions will ensure a steady supply of skilled workers for the industry. Mr. Srinivasan welcomed, in this connection, the Central Government's decision to establish regional centres to impart instruction and to give training in printing technology. He suggested that master craftsmen from foreign countries should be employed to train a "band of energetic and enthusiastic young men here, who, in their turn, could pass on the tradition to others." He also pleaded for the establishment of courses of training, on a higher level, such as will cover management training, machine maintenance, press work, book planning, designs, printers' accounts and estimating. In commending these suggestions to the Government's attention, we wish to emphasise that, in organising courses in printing technology, the Government should lay special stress on practical training for the prospective printers. Sound printing traditions, it is wise to recognise, are not built overnight. Intensive training and facilities for continuous research form the basis on which such traditions can be built up and maintained.

RETRENCHMENT OF WORKMEN

Have the Labour Appellate Tribunal, under section 22 of the Industrial Disputes (Appellate Tribunal Act, 1950, and the adjudicating authorities under section 33 of the Industrial Disputes Act, 1947, powers to impose conditions when they permit retrenchment of workmen? The Supreme Court held that they did not possess such powers. The case arose out of two appeals, one by the Automobile Products of India, Ltd., Bombay Branch, and the other by its workers against the decision of the Labour Appellate Tribunal, which permitted retrenchment of the workers subject to certain conditions only. The Company objected to the stipulation of any conditions. As these conditions only partially met their demands, the workmen appealed to the Supreme Court to enforce all their demands.

A brief review of the facts of the case discloses that, being unable to secure import licences for cars in knocked down condition to be assembled in India for sale, following the removal of the Company from the list of manufacturers by the Government of India, the Company was unable to provide employment for all its workers. Consequently, it laid-off a number of workers from November, 1953. Further, as there were no prospects of any increase in the scope of its operations, which would provide employment for workers who had been laid-off, it made an application to the Labour Appellate Tribunal under section 22 of the Industrial Disputes (Appellate Tribunal) Act for permission to retrench the workers, as there was already an appeal pending before the Tribunal arising out of a dispute between the Company and its workmen.

Section 22 of the Industrial Disputes (Appellate Tribunal) Act forbids employers from altering during the pendency of an appeal the workers' service conditions, to their prejudice or from discharging or punishing them without the permission of the Appellate Tribunal. Section 33 of the Industrial Disputes Act requires such permission to be obtained from the Conciliation Officer, Board or Tribunal before whom the adjudication is pending.

While admitting that retrenchment was inevitable and the application for it was *bona fide* and could not be refused, the Tribunal granted permission to retrench the workers subject to certain conditions. The conditions were that each worker should be paid at the rate of half the basic wages plus dearness allowance from the date of lay-off upto the date of retrenchment. Against this decision, both the Company and the workers went in appeal to the Supreme Court by reason of the special leave granted under Article 136 of the Constitution.

Delivering the judgment of the Supreme Court, Mr. Justice Das said that the object of section 22 of the 1950 Act and that of section 33 of the 1947 Act, as amended, was to protect the workmen concerned in disputes which formed the subject matter of pending proceedings against victimisation by the employers on account of their having raised industrial disputes or their continuing the pending proceedings. It was further the object of the two sections to ensure that proceedings in connection with industrial disputes already pending should be brought to a termination in a peaceful atmosphere and that no employer should, during the pendency of those proceedings, take any action of the kind mentioned in the sections which might give rise to fresh disputes likely to further exacerbate the already strained relations between the employer and the workmen.

In order to achieve this object, His Lordship said that a ban had been imposed upon the ordinary right which the employer had under the ordinary law governing a contract of employment. Section 22 of the 1950 Act and section 33 of the 1947 Act, which imposed the ban, also provided for the removal of that ban by granting express permission in writing in appropriate cases by the authority mentioned therein. The purpose of these two sections being to determine whether the ban should be removed or not, all that was required of the authority exercising jurisdiction under these sections was to accord or withhold permission. His Lordship was, therefore, of the view that the imposition of conditions was only collateral to this purpose and the authority could not impose any condition. Consequently, he allowed the appeal of the Company, set aside the decision of the Tribunal and remanded the case back to the Tribunal for appropriate orders according to law.

It would appear from this judgment that the Appellate Tribunal has no powers to prescribe the quantum of compensation under section 22 of the 1950 Act. Nor has the Adjudicating Authority such powers under section 33 of the 1947 Act. All that they have to decide is whether retrenchment is permissible or not and, if permissible, they should direct it to be done according to law. The question of detemination of the quantum of compensation can be referred to the Appellate Tribunal or the adjudicating authority only if it results in an industrial dispute. But, if there is only a difference in interpretation of the relevant provisions of the law, it is the Presidency Magistrates' Court that has to decide the case.

SMALL INDUSTRIES

The two-pronged drive to rehabilitate small-scale industries launched by the Government of India deserves to be watched with interest. Owing to long neglect, small-scale industries are having precarious existence. Lack of capital, outmoded processing, antiquated tools, uneconomic marketing methods have handicapped progress of small-scale industries. Consequently they have not been able to play a role that is expected of them in building up the national economy. In view of their immense potentialities to provide employment to the people, the Government invited a team of international experts to examine the position of these industries and recommend suitable measures for their uplift. The team made several recommendations, one of the most important of them being the establishment of a Small Industries Corporation and the setting up of four regional institutes. The latter, which form one prong of the drive to help small industries, have already been established. The other prong, namely, the Small Industries Corporation, has just been registered as a private limited company under the Indian Companies Act.

The function of the Small Industries Corporation is a dual one. On the one hand, it will accept contracts for supplying goods to the Government and then issue sub-contracts for these goods to small-scale industrial units. It will provide these units with loans, technical assistance, etc., so that the articles turned out by them are of the required standards. On the other, the Corporation will try to secure co-ordination in a similar way between large-scale and small-scale industries, so as to enable the small industries to manufacture ancillaries, components and other articles required by large units.

The Corporation will have an authorised capital of Rs. 10 lakhs which will be subscribed entirely by the Government of India. It is empowered to underwrite and guarantee loans to such units from banks and similar institutions.

The four regional institutes already established will soon start functioning and recommend improvements in the technique, organisation of production and marketing of small-scale industries.

They are expected to serve as servicing agencies to improve the competitive capacity of the existing small industries. They will help the industries in getting the right kind of raw materials and give them correct specifications for production.

The immediate aim of the two-pronged drive is to revive defunct or derelict industries and put them on their feet. Such of the industries the managements of which are unable to raise them would be bought over by the Government and handed over to co-operatives, the membership of which will be confined to only those working in that particular industry. Thus an attempt will be made to encourage industrial co-operatives also.

It is evident from the above that the scheme has been very well conceived. But its success depends on the personnel that man the Corporation as well as the Institutes. If the personnel is enthusiastic, energetic and eager to help the small man and is fully equipped with the requisite technical know-how, the scheme is bound to succeed.

IMPORT OF SODA ASH, RAW SILK AND CAUSTIC SODA

The decisions of the Government of India in regard to the import of caustic soda, soda ash and raw silk during January-June 1955 have now been announced. The Government has decided to continue to give a small quota of 7½ per cent. of caustic soda to established importers. Licences will also be issued to actual users of caustic soda to meet half of their requirements. In respect of sodium bicarbonate, a quota of 10 per cent. for established importers has already been announced. In addition, a certain quantity of caustic soda and sodium bicarbonate has been reserved for being licensed on an *ad hoc* basis. As regards light soda ash, the Government has decided that imports should be canalised through importer-stockists, who will be required to keep buffer stocks and effect sales in a manner, so as to eliminate fluctuations in prices and supplies experienced by consumers in the recent past.

The Tata Oil Mills Co., Ltd., and I.C.I. (India) Ltd. have been selected as selling organisations for this purpose. These two selling organisations have agreed to procure soda ash from suppliers selected by the Government on the basis of offers which are being invited by means of a public notice. The soda ash so imported will be stocked at convenient centres and sold in accordance with the general directions that may be issued by the Government from time to time. The sale price will be fixed by the Government on *f.o.r.* port basis and the importer-stockists will be paid remuneration for their services at the rate of 12½ per cent. of the landed cost, additional profits if any on the transaction being made over to the Government. In regard to raw silk, the Government has decided to canalise imports through the Central Silk Board.

An objectionable feature of the Government's decisions relates to the monopoly granted to the Tata Oil Mills and I.C.I. (India) for importing light soda ash. This monopoly has presumably been granted because these two firms are the best selling organisations. But this consideration, the traders contend, is no justification for restricting the scope of private imports of the product. Perhaps, the Government feels that the smaller importers were responsible for the fluctuations in the price of soda ash which occurred in the recent past. But this is a questionable assumption. For, it is pointed out that the fluctuations were mainly due to the changes in import policy followed by the Government, sometimes in favour of importers and at others in favour of manufacturers. It may be that the Government's decision has been taken following the manufacturers' demand to arrest the present downward trend in the price of light soda ash. But the traders and consumers insist that the manufacturers of soda ash, on their part, should realise that the consumer has paid in the last three years about Rs. 22-12 per cwt., the importers' price, as against Rs. 16-12 which was fixed by the Tariff Commission after providing for a profit of 10 per cent. Consequently, they feel that the manufacturers should not feel aggrieved if the price has declined to Rs. 19 per cwt. from Rs. 35 per cwt., the high level, which was reached in April-May last year following the stoppage of production and shortage of wagons for transport of soda ash. Besides, it is alleged that I.C.I. has charged during the past three years £5 more than the normal imported price of £15 per ton *c.i.f.* Indian ports. It has now agreed to import soda ash at £15, as competition from Japan and from East German sources has forced it to quote that price. As the imported price is 15s. per cwt. *c.i.f.* (Rs. 10) Indian ports, the selling price of soda ash will come to about Rs. 18-14, inclusive of import duty, clearing charges and 12½ per cent. profit. This is about the level at which the price for light soda ash has now stabilised. Thus, it is felt that there is no need for giving any monopoly preference to one or two interests. In fact, after the announcement of monopoly trading, the price has shot up to Rs. 21 per cwt.

Almost similar objections have been raised against the grant of monopoly to the Central Silk Board for import of raw silk. While this may be welcome by raw silk producers, as the Central Silk Board consists of a majority of producers, the manufacturers of silk yarn have questioned this policy. They admit that recently there has been serious speculation in the raw silk market which has precipitated the downtrend in raw silk prices. But they ask: Does the remedy lie in canalising imports through a single body? They feel that it does not and that the Government is extremely ill-advised in embarking upon a business in which it has no previous experience. Also, they are opposed to the principle of monopoly trading, whether by the State or a quasi-official body.

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PRIVATE ENTERPRISE IN U.S.

It is seldom that an Indian with the intellectual background and technical equipment of the kind that Mr. Narayana Prasad possesses gets an opportunity to stay long enough in the U.S. and study closely the working of the economic institutions in that country. As the Indian Executive on the International Monetary Fund, Mr. Prasad has had that opportunity. Speaking at the Rotary Club this week, Mr. Prasad gave his impressions of the working of private enterprise in that leading industrial nation, the economy of which is based upon private initiative and responsibility. He commended the techniques and methods of U.S. private enterprise as being of a very high order. He expressed his considered opinion that private enterprise in India, which was under a cloud of suspicion, could acquit itself creditably, if it were to adopt the techniques and methods of private enterprise in the U.S., which had contributed immensely to the present economic strength of that country. Judged by the maxim of the "greatest good of the greatest number," that achievement of U.S. private enterprise, he claimed, was significant. He added: "Private enterprise has come to enjoy widespread popularity as an institution, which functioned efficiently both as an economic machine and as an instrument providing for the welfare of the people." What is the cause for the efficient and creditable functioning of private enterprise in the U.S.? Answering this poser, Mr. Prasad remarked that this was chiefly due to protection granted by the Government to new enterprises, particularly in their early stages. Rigid Government regulations relating to the quality of products, such as foodstuffs, for instance, were also a contributory factor.

Mr. Prasad disclosed that the production and distribution sides of private enterprise in the U.S. would give one an impression of two monopolistic organisations competing with each other to provide the utmost to the consumer. There was, he said, a constant endeavour to produce more goods of a better quality at a cheaper price and, at the same time, to encourage larger consumption. The industrialists, insurance and banking organisations as well as distributors, had embarked on a bold programme of extending credit to consumers and had evolved a system of deferred payment to the great benefit of the consumer.

The one aspect which struck him most was the cordial relations which existed between employers and employees. He said that labour appeared by and large to be treated on the enlightened principle of "giving as much as possible to the worker and taking advantage of the resultant higher efficiency and turn-out." In this context, it is hardly surprising that Mr. Prasad found that, in the U.S., the workers did not suffer from the kind of inferiority complex which was a source of much misunderstanding between employers and labour in other countries.

MODERNISATION OF COTTON MILLS

ONE MORE ENQUIRY COMMITTEE APPOINTED

From A Special Correspondent

NEW DELHI, *8th February*

DELHI LETTER

AN important step taken by Mr. T. T. Krishnamachari, the Union Minister for Commerce and Industry, towards the stabilisation and improvement of the country's premier industry, is the setting up of a survey party, with powers to collect data on the condition of machinery and equipment in cotton textile mills and also on their financial position, with a view to assessing their requirements for renovation where necessary. Two teams, consisting of both technical and economic personnel, have been sanctioned by the Government for this purpose. They are expected to start work immediately and will work under the direction of the Textile Commissioner of Bombay.

The establishment of this body appears to have been the outcome of indecision, conflicting views and divided counsel on the part of the Government as to the line of action it should take in regard to rationalisation and rehabilitation of the textile industry. This question has been pending with the Government for the last five years and more. As early as in November, 1949, Government appointed the Working Party under the chairmanship of Dr. A. Ramaswami Mudaliar. The Party submitted its report in April, 1952. This Report was kept pending as the Government appointed another committee under the chairmanship of Mr. Nityananda Kanungo, now Deputy Minister for Commerce and Industry to go into the problems confronting different sectors of the textile industry and to recommend a co-ordinated action for their rehabilitation. The Kanungo Committee submitted its report in September 1954, in which it devoted great attention to the modernisation of the handloom industry. No doubt it advocated the conversion of present looms in the mills into automatic looms at the rate of 5,000 per annum, but desired the non-extension of the weaving section of the mills. It proposed that the weaving section of the industry should be decentralised as much as possible. It also wanted the establishment of about 85 spinning mills in order to supply more yarn to the handloom industry.

The Commerce and Industry Ministry could not apparently take any decisive action on these two reports, due to the unhelpful attitude displayed, from time to time, by the spokesmen of labour. Although Mr. T. T. Krishnamachari got a resolution passed by Parliament on the rationalisation of the textile industry, he could not pursue it further owing to the very critical attitude taken by the doctrinaire section of the Congress Party. Meanwhile, the apparent prosperity of the cotton textile industry, as evidenced by high production and increased exports during the last two years and more, would appear to have diverted the attention of Government away from the ticklish question of the rehabilitation of the mill industry. The doctrinaire section of the Congress Party which has all along been displaying keen interest in protecting and safeguarding the interests of labour, appears to have overlooked the fact that the present prosperity of the textile industry, as also that during the war period, has largely been the result of control over raw cotton prices far below those of world levels.

Be that as it may, the Working Party for the Cotton Textile Industry has already investigated into the conditions of textile machinery in representative mills and suggested various measures towards the renovation of outworn machinery. Although it is nearly three years since this Committee made its recommendations, the progress of rehabilitation of the cotton textile machinery has not been impressive. Imports of cotton textile machinery during the last three or four years have averaged about Rs. 7.5 crores per annum, out of which spinning machinery has accounted for between 40 and 50 per cent. of the total. It will be remembered that the Millowners' Association of Bombay, in a memorandum submitted to the Working Party, stated that the requirements of the mills in Bombay City and Island alone for the renovation of the textile industry would amount to Rs. 80 crores and that the funds available in reserves and other funds would come approximately to Rs. 30 crores. The position has not changed much since then. Since the Bombay City area is responsible for about one-third of cloth production in the country and as the machinery of this industry in other areas is relatively of later type, it can be safely estimated that the cotton textile industry would require, even on a modest estimate, between Rs. 150 and Rs. 200 crores for purposes of modernisation in the coming years. At least half of this above sum will have to be incurred during the next Plan period. This sum does not include the cost of spinning mills which have to be set up during the next few years, in order to support the handloom industry.

Meanwhile, new developments have been taking place in the country's cotton economy. In the next few years, better staple cotton will be grown in considerable quantity in the Punjab and northern parts of Rajasthan, as also in a number of places in Bombay, Gujarat, Andhra, Madras, etc. Electricity will also be available in these areas in abundance. In the new set-up, many of the backward parts of the country will doubtless clamour for the establishment of new cotton mills.

In these circumstances, the Commerce and Industry Ministry and the Planning Commission will have to study the problems of the industry from different angles and evolve a suitable production policy for the mills in such a way as to reduce the intensity of competition among themselves. For instance, mills established in Bombay and very near coastal areas may be asked to concentrate their attention on the production of good quality cloth and such other varieties which are in demand in the leading export markets. Interior mills may be asked to produce such popular types of cloth as could easily be marketed in local areas. Such a system will also economise the transport needs of the country.

The Working Party in their report recommended that "a dozen textile centres distributed evenly over the country would serve the best interests of the industry and maintain the industry at a highly competitive level in the world market." It further stated that the centres should cover sufficiently large areas to provide country surroundings to the factory and houses to the workers. It did not desire the establishment of stray mills in many parts and suggested that a few mills at least should be located in particular areas. In this context, it remarked:

"If we consider the case of any country, it could be noted that industrial towns have developed only because of the centralisation of the industry. Even cottage industries are centralised in certain districts, towns and villages and not spread over the whole country. The handloom industry in the South produce cotton, silk, art silk and gold thread fabrics of exquisite colour, patterns, designs and textures. This is the result of centralisation and not isolation. Without centralisation, there cannot be much industrial progress."

The Working Party also made a number of recommendations towards the replacement and renovation of machinery. It is possible that the new survey party might also suggest more or less similar measures. The measures suggested by the former were:

Machinery prior to 1910 is obsolete in design and completely worn out and should be replaced by modern equipments at the earliest. Blow room process should be made continuous by adding blending feeders, hoppers, condensers, reserve boxes and automatic distributors. Cards and combers of the years upto 1925 should be replaced as they could not be set close enough. Size of the can should be changed over to 12 inches for the card, the comber and the draw frames. Slubbing frames must be scrapped and the existing intermediate frames in good condition converted to zone drafting. Ring frames should be equipped with high drafting tape drive and changed over to larger package. Reeling machines should be changed over to power drive. Ordinary winding and warping machines should be replaced by modern high speed machines. Slashers should be equipped with automatic controls to regulate cooking, level, temperature, stretch and moisture content. Warp stop motion and auto-pirn change device should be equipped on looms in sound mechanical conditions.

If the above improvements were effected, it was stated that the quality of yarn and cloth would not only be improved appreciably but there would also be an increase in production.

In view of what has been stated above, it is not clear why the Government should appoint another committee to go into this question. What is urgently needed is the Government's permission to the mills to go ahead with their modernisation plans. Surely, the managements of mills know better than the Government officials and investigators what is best for them.

PLANNING BRITISH TRANSPORT

NEW SCHEME FOR RAILWAYS

From Our Own Correspondent

LONDON, *5th February*

LONDON LETTER

THIS Government of private enterprise has now turned planner perforce in the matter of transport. It has been slowly making some progress with denationalising road transport by selling back the road haulage undertakings acquired by the Labour Government when they were in power. This process it proposes to continue where it can find buyers willing to pay an economic price for the trucks now operated by British Road Services. But it has never contemplated attempting to denationalise the railways, since no one can see any prospect of making these pay at present and without an expenditure on capital improvement which would not be found privately.

So the Government has now undertaken to find £800 million for railway modernisation over the next fifteen years, to which the railways will add £400 million from their own revenues, to give a total programme of £1,200 million. The Government is convinced that when this money has been spent British railways will once again be second to none. It has also calculated that in 15 years' time, the railways will, as a result of this modernisation, increase their revenues by £85 million and, after allowing for the capital charges on the money borrowed and depreciation on the new investment, should still leave a net £30 million increase which would make the railways solvent once again and even enable them to pay off some of their past deficits.

The Government is, therefore, presenting to the country that it now has a plan for the railways that will make them both as efficient as possible and a paying proposition. Cynics may remark that though the plan is with us now the results of it on the Government's own analysis will not be with us for another 15 years. Many things may happen between now and then, but one thing is clear and that is that the railways are likely to find themselves in financial difficulties which means possible repetitions of the same difficulties they have recently had with labour for many years to come.

On the road side, although the Government considers that private enterprise can operate road haulage more efficiently than a central nationalised body, it also recognises that the road system of the country is in an even more parlous condition than the railway system. It has conceded that a vast road modernisation plan must accompany the modernisation plan for the railways and over the next 15 years it is going to spend another £200 million. This gives an average rate of £13 million a year on new construction compared with something like the £3 million of recent years.

What this means is difficult to assess without more details of what will in fact be done with the money, but a comparison can be made this way: In addition to the Government's £3 million, Local Authorities have been spending about £3 million a year recently, thus a total of £6 million has been going on the roads, and this total will be raised to an average of £16 million so that something rather less than three times as much money is likely to be spent in due course. As regards the actual rate at which the money will be spent in practice, plans always tend to run very far ahead of reality. At present there is more than £20 million of authorised expenditure which has yet to be spent and, although the Government has said that in the next financial year £27 million will be allocated to capital expenditure by it, only one-third of this money will, in fact, be spent on actual construction. The figure may be doubled the following year, trebled the year after that, and quadrupled in four years' time.

What this country still needs is a long-term road plan in terms of real road mileage, but the Labour Opposition cannot even offer that. Their solution is to co-ordinate road and rail transport and having sorted out the goods traffic which should be transferred from road to rail to start planning then. The Government rudely calls this a scheme to subsidise the railways out of the roads, but the analogy is hardly fair, since heavy road transport is not required to pay its way as is rail transport. The only reality which the man in the street gets out of these polemics is that heavy goods vehicles block the antiquated British highways at present and there is little assurance that they will not go on doing so for ever!—*All Rights Reserved.*

PAKISTAN NOTES

IMPACT OF DEVELOPMENT OUTLAY ON NATIONAL INCOME

FALL IN "PER CAPITA" INCOME EXPECTED

THE large-scale development expenditure incurred by the Central, Provincial and State Governments in Pakistan in the past seven years—covering the period 1947-48 to 1954-55—would appear to have had no significant effect on the national income of the country. Thus, while the development expenditure is estimated at Rs. 476 crores, the rise in the national income has been only Rs. 80 crores, according to Mr. M. L. Qureshi, Chief Economist of the Pakistan Planning Board. Giving these figures, in the course of his address at the recent Peshawar meeting of the Pakistan Economic Association, Mr. Qureshi stated that, as compared with the Government estimate of Rs. 1,800 crores for 1951-52, the rise of Rs. 80 crores in the national income represented only 4.4 per cent.

The analysis of the different fields in which the public development expenditure of Rs. 476 crores was incurred, as made by Mr. Qureshi, reveals that the development outlay of Rs. 98 crores on defence—one-fifth of the total expenditure—is unproductive, in that the increase in national income brought about by it is negligible. The capital-output ratio of civil works and town development is very high, being 12 : 1, so that the annual addition to the national income, resulting from an expenditure of Rs. 52 crores, is about Rs. 4 crores only. Education and health accounted for Rs. 35 crores, refugee rehabilitation for Rs. 24 crores, and other social and beneficial services for Rs. 14 crores. These together aggregate Rs. 73 crores or 15 per cent. of the total development expenditure. This essential "social overhead" expenditure has resulted in the building up of social capital in the country. Since it has affected national income indirectly by improving the efficiency of the workers, it is not possible to estimate the increase in national income brought about by it. The expenditure of Rs. 90 crores on transport and communications has made a direct contribution to national income. Taking the capital-output ratio at 4 : 1, the annual addition to national income is estimated at Rs. 23 crores. The amount spent on projects which are directly productive is Rs. 157 crores, of which the share of electricity and industry is Rs. 72 crores and that of irrigation and agriculture Rs. 85 crores. Assuming that the capital-output ratio is 3 : 1, the annual addition to national income is assessed at Rs. 52 crores.

Population Rising

The population of Pakistan is rising at the rate of 1.5 per cent. per annum. The increase in the last seven years is over 10 per cent. It, therefore, follows that the rise in national income brought about by the development expenditure of the Governments is much less than the increase in population.

In addition to the development expenditure incurred by the Governments, a good deal of investment has taken place in the private sector of the economy. No reliable data relating to this are available. From indirect evidence, it is gathered that investment has been "very substantial." A large part of this investment has been in house-building, the capital-output ratio of which is "very unfavourable" and, by and large, unproductive. The rest of private investment is probably made in directly productive fields and must have, therefore, made a substantial contribution to the improvement in national income. There is, however, no evidence to suggest that net private investment in productive fields, after allowance is made for disinvestment involved in the deterioration of evacuee property, is large enough to compensate for the small development expenditure in the public sector relatively to the growth of population. It is, therefore, concluded that the *per capita* income after 1954-55 will be less than what it was about seven years ago.

In the opinion of Mr. Qureshi, the inequalities in incomes has increased since the Partition. This is due partly to the large profits made by the business community during the Korean boom and partly to the fabulous profits earned by the industrialists after the import of consumer goods were restricted. The high rate of exchange of the Pakistan rupee has also contributed to a shift of income from the agricultural classes to the business community. As the increase in national income has not kept pace with the increase in population, it may be considered that the national income relatively to the size of population has fallen. As this smaller national income is more unequally distributed than before, the living standards of the masses of the people, which were already very low, must have deteriorated still further.

Mr. Qureshi has put forward several suggestions for implementation in future. According to him, expenditure on civil works and luxury building constructions on both public and private accounts should be severely curtailed. Outlay on transport and communications must be restricted to the removal of existing bottlenecks and those that are likely to arise as a result of development programme. The projects which take a long time to implement, such as big irrigation schemes, should be deferred unless they are absolutely essential. Studies should be undertaken immediately to determine capital-output ratios in the various productive fields. The scope for the use of improved techniques of production in various fields should be clearly examined. Development expenditure should be concentrated on directly productive projects having low capital-output ratio.

World Bank Loan

It is reported that the Government of Pakistan is seeking a loan of Rs. 3.6 crores from the World Bank for renovating the east wharf of Karachi port. An official delegation, headed by Mr. F. M. Khan, is expected to leave Karachi for Washington towards the end of this month to negotiate the loan which is said to cover foreign exchange expenditure of the project. The aggregate outlay of the project is estimated at Rs. 7.8 crores. The implementation of the project, it is stated, will be expedited and completed within six years.

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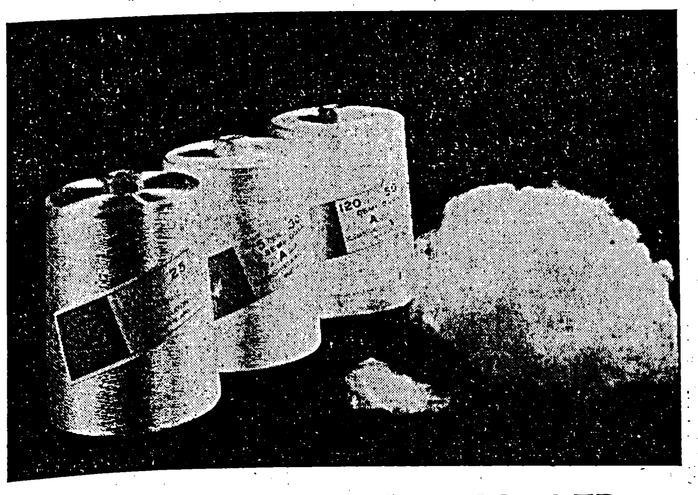

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CO-OPERATIVE MOVEMENT IN MADRAS

COMMITTEE APPOINTED TO REVIEW PROGRESS

THE Government of Madras has done well in appointing a committee to review the progress made by the co-operative movement in the State since 1940 when the Vijayaraghavachariar Committee submitted a report on the same subject. The case for reviewing the position of the movement in the State is quite convincing. In fact, the political and economic changes which have taken place during the last 15 years in the State, which led other States in giving a lead to the movement, necessitate a review of its position.

Since the appointment of the Vijayaraghavachariar Committee three major events have taken place and these have had profound effect on the progress of the co-operative movement in the State. These are: the Second World War, the attainment of Independence by the country, and the partition of Madras. The war brought about scarcity of foodgrains and other materials necessary for living. This, in its turn, raised prices and necessitated Government controls. Co-operatives were, in most cases, called in to assist the Government in mitigating the evils of scarcity in commodities. The partition of Madras for carving out the new State of Andhra created opportunities for the more intensive economic development of a compact area. Against this background, the co-operative movement in Madras requires to be examined now, in order to assess the effects of these events on the movement and the opportunities for progress afforded by them, as well as the need to provide safeguards against abuses creeping into the movement.

There is also another good reason why the movement in Madras deserves to be studied at present. In order to raise the standard of living of the masses, the country has launched a Five-year Plan of which three years have been completed already and another Five-year Plan is on the point of formulation. The first Plan, as well as the coming one, looks to co-operative institutions as the right kind of agencies which can be used in the work of building up the economy of the country. Besides, other agencies such as the National Extension Service, the Community Projects, the All-India Handloom Board and similar other Boards established for helping small industries are all anxious to make increasing use of the co-operative movement to achieve their objects and to promote the economic welfare of the people. And what is more, the Reserve Bank of India, which has been entrusted with the work of providing rural credit to the farming classes, has taken on itself the responsibility not only to provide credit through the co-operative institutions but also to reorganise the movement itself on sound lines. In fact, the Bank appointed in 1951 the Gorwala Committee to survey the position of rural credit and and this Committee, as readers are aware, after a comprehensive enquiry, has made a number of suggestions to create a climate most suited to the rapid development of the movement. The findings of this Committee are bound to be of immense use to the Committee now appointed by the Government of Madras.

The State Government will stand to benefit from knowing how far the co-operative movement in the State has availed itself fully of the opportunities for expansion and development provided by the various national agencies enumerated above. Besides, it is desirable that the Government should know also the lines on which the movement can effectively participate in the working of these agencies. In these two respects it can expect guidance from the investigations conducted by the Committee it has now appointed.

The Committee consists of seven non-official members and one official member, and will be headed by Mr. T. M. Narayanaswami Pillai as Chairman. The members are: Mr. T. M. Chinniah Pillai, Mr. B. Venkataraman, Mr. M. Shiva Rao (South Kanara), Prof. R. Balakrishna, Dr. P. Natesan, Mr. Vasu Menon (Palghat) and Mr. A. Palaniappa Mudaliar, Registrar of Co-operative Societies. The Committee has been authorised to co-opt as members the Director of Agriculture, the Director of Industries and Commerce, the Commissioner of Labour and the Director of Harijan Welfare, whenever necessary. It will also co-opt members who are interested in co-operation, whenever any important deliberations of the Committee take place in mofussil districts and whenever such a course is found to be advantageous or beneficial to arrive at conclusions. A striking feature of the personnel of the Committee is the absence of any co-operator of all-India standing. This, by itself, should not be construed as a handicap. For the members chosen appear to be men who have a thorough knowledge of local conditions under which the movement has spread and as such it should be an added qualification.

The Committee has been appointed for a period of three months and will function from Madras where it will have its headquarters. The terms of reference to the Committee are very comprehensive, as they seek detailed information regarding every aspect of the co-operative movement in the State relating to the primaries at the bottom and the apex institutions at the top. Broadly stated, the terms of reference require the Committee not only to review the progress of the movement since 1940 but also to enquire into its present needs, difficulties and problems and to make recommendations regarding its consolidation, development and reform. The terms of reference are:

(1) to review the working of village credit societies and to make recommendations for their reorganisation so that they might function as economic units and cater to the essential economic needs of the agriculturists; (2) to examine the working of the co-operative central banks, the State Bank and the land mortgage banks, and the position in regard to the consumers movement in the State; (3) to review the progress made by co-operative housing societies with reference to the policy of the Government in regard to financing them; (4) to examine the working of land colonisation societies in the State, the progress made by co-operative marketing societies, the working of the weavers' co-operative societies and to formulate measures for their improvement with particular reference to the financial assistance provided by Government, (5) to make recommendations for carrying on propaganda, education, training and research in co-operation; (6) to consider the adequacy of the present cadres of officers to man the various posts in the movement; (7) to explore the possibilities of applying the co-operative method to development plans particularly in the fields of agriculture, cottage and small-scale industries and the amelioration of the economic condition of the Depressed Classes; (8) to examine the need for and the adequacy of concessions and privileges granted by the Government to co-operative institutions; (9) to examine the present system of audit and to make recommendations for any change considered necessary; (10) to examine the claim of industrial co-operatives for exemption from various labour laws; (11) to examine whether co-operative societies, more particularly consumers' co-operative societies, should confine their activities and service to members; (12) to examine whether non-co-operative organisations should be allowed to join together and form co-operatives; (13) to review the working of co-operative land colonisation societies and motor transport societies for ex-servicemen and to make recommendations for placing them on a firm footing; and (14) to examine whether any amendment or modification is necessary to the Madras Co-operative Societies Act and the rules framed thereunder.

In view of the importance attached to the co-operative movement in rebuilding the Indian economy, it is advisable if other States in the country where the movement has been in existence for a considerably long time also take up an enquiry similar to the one now undertaken by the Government of Madras. The findings of such enquiries are bound to make available a fund of useful information which could be used effectively in reforming the movement in India on right lines.

FINANCIAL CORPORATION SET UP IN U.P.

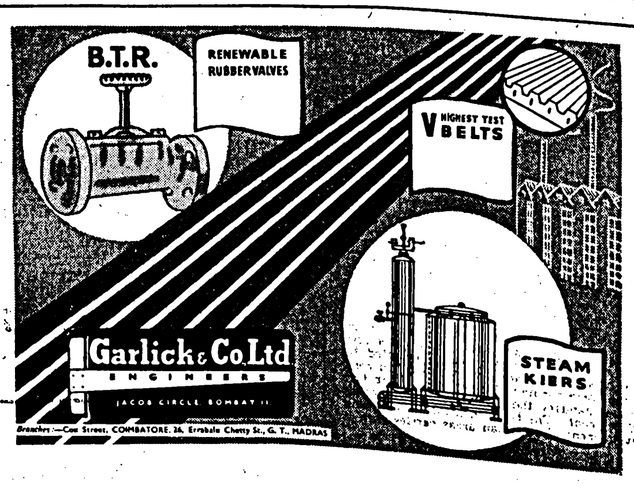
The role of small-scale industries and the importance of providing them with financial facilities through State Financial Corporation were emphasised by Mr. C. B. Gupta, Minister for Planning and Industries, U.P., inaugurating the U.P. Financial Corporation at Kanpur on 31st January last. In pleading the case for promoting small-scale industries, the Minister did not overlook the advantages of mass production in large-scale industries. His only grouse against these was that they were not labour-intensive. The country had, therefore, to look to rural and small industries for putting its large number of unemployed in gainful occupations. But even here the scope of village industries for absorbing unemployed, was limited, because they were confined to artisans and craftsmen. Consequently, it was only small- and medium-scale industries which offered a vast and unexplored field to educated and trained persons with initiative and drive. The 12 million new jobs in the country envisaged in the next Five-year Plan depended for nearly 50 per cent. on these very industries. To Mr. Gupta the role of small- and medium-scale industries was thus dual. One was to occupy an important place in the existing industrial set-up and the other to provide jobs and reduce unemployment in the ranks of educated classes.

The Minister then said that small- and medium-scale industries were being mostly run by private limited companies, joint-family concerns or sole proprietorships. The scope and pace of development of these industries had been restricted, he remarked, by the absence of adequate credit facilities. It was to cover this lacuna that the U.P. Financial Corporation was set up. But he took care to add that, for achieving any remarkable success, it must play a "dynamic role."

Mr. Gupta visualised that the new Financial Corporation would have to face many knotty problems, in regard to both policy and day-to-day operations. One of the main difficulties would be clearly to demarcate its sphere of action. In this context, he said: "We should, in the practical field, try to form a sort of pyramid for industrial financing, with industrial co-operatives and Government loans and grants for village industries at base, the State Financial Corporation for small and medium industries in the middle and the Financial Corporation of India for large-scale industries at the apex. There should be perfect co-ordination and understanding among all these agencies at every stage in order to avoid the overlapping and unplanned growth of industries. Mr. Gupta emphasised that these agencies should work for a common production programme—a programme which varied from industry to industry—taking into consideration the efficiency of large- and small-scale production, the scope of development through small-scale methods, solutions of unemployment problem and other socio-economic aspects.

"RESERVE BANK OF INDIA BULLETIN"

The Research and Statistics Department of the Reserve Bank of India has done well to enhance the utility of the monthly *Bulletin* by revising and enlarging the current statistics section with a view to making it more exhaustive. Thus, the latest issue of the *Bulletin* includes some of the more important series given in the *Banking and Monetary Statistics of India*. Moreover, for a number of tables, graphs are shown alongside the data to facilitate easy comprehension. The new tables included now relate to advances made by the Reserve Bank to scheduled banks and State co-operative banks under sections 17 and 18 of the R.B.I. Act, advances of scheduled banks against principal commodities, and bullion, business of State co-operative banks maintaining accounts with the R.B.I., money supply with the public on a monthly basis, movements in foreign exchange reserves, currency area-wise distribution of India's foreign trade, and liabilities and assets of State Banks in Japan and Germany. The existing tables have also been changed suitably and made more complete.



BUSINESS CONDITIONS IN THE U.S.

NATIONAL CITY BANK'S MONTHLY LETTER ON OUTLOOK FOR 1955

THE new year is off to a good start, with business in some quarters showing more strength than even the optimists had expected. The most striking report made during January comes from the Department of Commerce, which estimates that December retail sales aggregated $18 billion, more than a billion dollars greater than any previous month on record. Post-Christmas volume also has been exceptionally good. In the first three weeks of January department store sales averaged 10 per cent. above a year ago, and reports from other retailers including automobile dealers leave little doubt that total consumer purchases during the month have broken all January records.

Passenger automobile sales, estimated at 570,000 cars in December, have contributed heavily to the good showing. Seldom if ever have new automobile models been met with such a rush of buying. The big business is attributable not only to new designs and improvements, and to high consumer buying power, but to an unprecedented sales effort, including widespread price discounts given by dealers to keep abreast of competition and stimulate volume.

Optimistic forecasts for 1955 were the rule at the year-end, and the forecasters placed their chief reliance upon expanding consumer demand rather than upon business spending. As far as they go, the figures of recent weeks suggest that this reliance is not misplaced. In the end the controlling influences upon consumer purchases will be found in the figures of employment, hours worked, and consumer income; and indications are that jobs and wage payments will continue to increase in the next few months, except where the seasonally low level of outdoor work is a factor. The Federal Reserve Board's seasonally adjusted index of industrial production advanced to 130 in December (1947-49=100.) At that point, it had recovered half of the loss from the 1953 peak of 137 to the 1954 low of 123. Probably, it rose a little further in January. In the months just ahead, seasonal improvement in industrial output is expected.

Steel and Autos

The steel and automobile industries have been consistently accounting for the lion's share of production gains. In mid-January steel ingot output was exceeding 2 million tons a week, and automobile assembly lines were turning out a near record of 163,000 passenger cars a week. By all signs these industries will be running strongly during the next three months at least. The purchasing power created, directly and indirectly, by their demands for labour, materials, and services will flow around the circle.

In other lines, the improvement already realised is being held or moderately extended. Construction activity is giving greater support to general business than ever before. The textile and many of the other non-durable goods industries, which had a good upturn in the fourth quarter of 1954, entered 1955 in a good position. Activity in consumers' durable goods other than automobiles, after a marked recovery, seems to have stabilised at the higher level. Output of producers' equipment and military goods has been stable since early fall when the decline levelled off. Even the machine tool industry, which is expected to be one of the laggards in 1955, reported increased sales in December and January.

Business Forecasts

With reports of this kind, the predictions that 1955 will be a better year than 1954 now seem to have a secure basis, and are accepted almost everywhere. In judging how much further the rise has to go, two reasons for moderation appear. One is that the improvement has already been substantial; the 1955 upswing, instead of being wholly in the future, has already occurred to a considerable extent. The recovery, within about four months, of one-half of the ground lost during the recession, is an impressive performance. It has come about wholly through private demand since Government purchases of goods and services, currently at an annual rate around $74 billion against the 1953 high point of $86.6 billions, were still declining at the year-end.

The second reason for moderation is that the recovery has been so heavily influenced by the automobile and steel industries, and must be expected to slow down unless operations expand further in a wider variety of industries. Automobile output eventually must slacken. It may be curtailed by strikes, if the union demands for a guaranteed annual wage are pushed that far; otherwise, it will be curtailed by overstocking of dealers, since no one expects that a production equivalent to 8,000,000 passenger cars a year can be absorbed. Steel operating rates will be influenced by automobile requirements. These two industries account directly for almost 10 per cent. of the industrial output of the country. A summer let-up, exceeding the usual seasonal dimensions, is a reasonable expectation.

In construction, builders' plans promise an active spring. In the last five months of 1954 residential construction contract awards reported by the F. W. Dodge Corporation ran nearly 50 per cent. above the corresponding 1953 figures. In the first 22 days of January the gain over a year earlier was 29 per cent. The boom in home building and the development of suburban areas carries with it a great increase in construction of shopping centres, public utilities, schools, roads, hospitals and churches, to say nothing of household equipment and furnishings.

But in construction, as in other lines mentioned, there is a question as to how much improvement, other than seasonal, can be expected on top of the levels already reached. Government agencies estimate total construction expenditures in 1955 at $39.5 billion, a substantial increase over the $37.2 billion recorded in 1954 which in turn compared with $35.3 billion in 1953. However, the expected 1955 level was almost achieved in December, when on a seasonally adjusted basis the annual rate reached $39.1 billion. Approximately the same relationships are shown in the figures of housing starts. A total of 1,215,000 new homes were started in 1954, up from 1,104,000 in 1953 and second only to the 1950 record. December starts, seasonally adjusted, were at the rate of 1,473,000 per year. To hold this rate through 1955 would be a phenomenal performance.

Cumulative Influences

Since a broader industrial and trade advance will be required to carry the recovery beyond the summer, the outlook for the second half-year may turn not only on consumer demand, but on business spending as well. As order volumes increase, a tendency to take off the shelf plans which have been held in abeyance frequently appears. We have already referred to scattered indications of this kind, and to what is seemingly the end of inventory liquidation. Both of these illustrate the cumulative nature of recovery, in which each line of production and trade gives support to other lines and the whole stimulates an increase in investment and building up of stocks that cannot always be foreseen when the recovery starts. Such cumulative influences operate to carry on the upward movement.

The degree to which inventory replenishment is carried will have a great deal to do with the level of business in the coming months. It is also the most incalculable influence in the outlook. A general spread of forward buying would lift the business figures and prolong the rise. For the long run, however, it would also present hazards. Experience has shown that a rapid and general rise in inventories tends to go to excess, and usually proves to be an element of instability. Fortunately, fear of scarcities is playing little if any part in the improvement in buying. Copper comes nearer to being a scarce commodity than any other major industrial material, but strikes in this country and Chile last year, and in Rhodesia currently, are largely responsible. Given labour peace, and with the expansion plans under way, the tightness will ease in due course.

Meanwhile, recovery is promoted by success in attracting consumer demand, by offering new and better things, pricing them competitively, and selling them effectively. This is the sound way of expanding trade and realising the economy's potential for growth. It provides a solid basis for continuing recovery and real prosperity, in contrast to the weaknesses that must eventually appear if the construction boom is carried to excess or inventory accumulation is over-stimulated.—*Courtesy of the Monthly Letter (February Issue) of the National City Bank of New York.*

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CLOTH PRODUCTION AND EXPORTS

RISE IN BOTH IMPRESSIVE DURING 1954

IN our last annual review of the Indian cotton textile situation, we estimated the output of mill-made cloth during the calendar year 1954 at 5,000 million yards on the basis of the figures for the first ten months. The production statistics now available for the whole of 1954 reveal that the estimate has very nearly proved correct, the quantity of cloth actually produced during the year being 5,011 million yards—an all-time record in the history of industry—as against 4,890 million yards in 1953 and the target of 4,779 million yards fixed in the first Five-year Plan for 1955-56. It will be interesting to note that the actual output represents nearly 102 per cent. of the rated capacity of 4,922 million yards for 1953-54. In respect of cotton yarn output also, our estimate has proved correct. Thus, as against the estimate of 1,545 million lbs., the quantity of yarn actually spun during 1954 was 1,565 million lbs. This figure, however, falls short of the Planning Commission's target and the actual installed capacity by 75 million yards and 216 million yards, respectively.

As a detailed reference to the factors responsible for the marked improvement in the cotton textile production has been made in the annual review, it is unnecessary to make a further reference here. Briefly, the main contributory factors are: Comfortable raw cotton supply position, improvement in labour-management relations, bettter transport facilities, availability of larger supplies of power and fuel, abolition of controls, and grant of some tax relief.

Trend of Output

The following table indicates the trend of cloth and yarn output—month by month, during 1954, as compared with the previous year:

(Cloth in million yards; yarn in million lbs.)

	Cloth		Yarn	
	1953	1954	1953	1954
January	416	418	131	132
February	379	397	115	122
March	399	405	118	125
April	417	424	122	129
May	422	428	124	129
June	414	419	125	128
July	436	441	133	136
August	414	416	127	132
September ..	396	412	126	131
October	407	379	130	123
November ..	369	421	120	135
December ..	421	451	126	143
Total ..	4,890	5,011	1,506	1,565

Statistical data relating to the different varieties of cloth produced in the Indian mills in the whole of 1954 are not yet available. Indications are that the improvement in mill-cloth output during the year was accounted for entirely by medium and superfine counts. The production of coarse and fine varieties, on the other hand, recorded a fall.

Exports

Thanks to the impressive rise in output, as also to the abolition of the 10 per cent. export duty on medium count cloth and withdrawal of import duty on foreign cotton, the export trade in mill-made cotton piecegoods registered a substantial increase during 1954. The quantity actually shipped in that year was 897.72 million yards, which compares very favourably with 700.60 million yards in the previous year, or a rise of over 28 per cent. The trend of exports of cloth in the twelve months of 1954 and 1953 is indicated below:

(In million yards)

	1953	1954
January	43.4	80.5
February	38.6	84.1
March	53.9	68.2
April	63.6	69.5
May	64.5	60.2
June	56.1	62.8
July	52.9	102.6
August	61.8	52.3
September	62.0	83.2
October	58.2	85.4
November	68.7	59.8
December	76.6	89.1
Total ..	700.6	897.7

A comparative statement relating to exports of different categories of cloth in the past two years is furnished below:

(In million yards)

	1953	1954*
Coarse	260.7	187.2
Medium	273.2	607.7
Fine	152.5	77.6
Superfine	14.2	25.2
Total	700.6	897.7

* Provisional

The export of 898 million yards of mill cloth, together with the estimated export of 55 million yards of handloom cloth, brings the total exports of cotton piecegoods during 1954 to 953 million yards, which fall short of the Buxton target by just 47 million yards. During the year under review, India is claimed to have ranked as the second largest cloth-exporting country in the world, preceded only by Japan which is estimated to have exported 1,200 million yards.

TEXTILE OUTPUT IN GERMANY

The past year was quite a favourable one for the German textile industry. For the year witnessed a marked rise in both production and exports The output of "textile yarn" (cotton as well as others), for instance, aggregated 637,000 tons, as against 599,000 tons in 1953, representing an increase of 6.4 per cent. Textile exports also were higher, the actual value of shipment during the first 11 months of 1954 being 1,326 million marks, as compared with 1,032 million marks in 1953 and 942 million marks in 1952. The rise in textile yarn output was accompanied by a corresponding advance in consumption which was shared by all categories, with the exception of fabrics for furniture. The largest increase was accounted for by carpet weavers, being 30.3 per cent. Cotton weavers used 4.1 per cent. more yarn than in 1953 and velvet and silk factories 3.5 per cent. more. During 1954, the cotton weavers produced 1,420 million square metres (a square metre=1.1196 sq. yd.) of fabrics valued at 2,500 million marks, as against 1,379 million square metres valued at 2,400 million marks. On an average, the prices were a shade below those in 1953.

The year under review was also favourable for man-made fibres. The output of staple fibre and rayon was higher by 12 per cent. and 17 per cent. at 134,000 tons and 59,000 tons, respectively. The output of fully synthetic fibres (other than staple fibre and rayon) is estimated at 7,400 tons. It is now reported to be at an annual rate of 10,000 tons. The most important synthetic fibres are said to be "Tai-shan" rayon fabric—the qualities of this come close to those of pure silk—and "orlon-dacron" type. There are three major trade marks of woollen-type fully synthetic fibres on the market or on the point of reaching the market. These are "dralon," "diolen" and "pan." Polyacrylnitril is also being manufactured under the trade marks "Redon" and "Dolan." Yet another fully synthetic fibre is "perlon" filament.

AHMEDABAD TEXTILE LABOUR DISPUTE

At its meeting held at Ahmedabad on Wednesday last week, the Ahmedabad Millowners' Association decided to reopen negotiations with the Labour Association on the issue of bonus to 120,000 textile workers for the year 1953 and for the renewal of the mutual arbitration agreement for settlement of disputes. A high-power committee of three members, including the Chairman, Mr. Surottam Hutheesing, was appointed for the purpose. This decision followed the notices served by the Ahmedabad Textile Labour Association on the mills, a reference to which was made in these columns last week. The 2½-year-old mutual arbitration agreement lapsed on 20th January, 1955, since the Millowners Association refused to renew it. The Labour Association, therefore, decided to withdraw all cases pending before the mutual arbitration machinery and take them to Industrial Courts.

The Government of Bombay has appointed a Committee under the chairmanship of Mr. P. D. Vyas to hold enquiries and advise it in the matter of fixing minimum rates of wages in respect of employment in any cotton ginning or cotton pressing manufactory in the State. The committee is to submit its report within six months.

The Central Government has decided to canalise imports of raw silk through the Central Silk Board.

TEXTILE TRADE IN U.S.

CUT-THROAT COMPETITION

CUT-THROAT competition seems to be the order of the day in the American textile economy. In the course of an interesting article published in *Textile Industries*, Atlanta (U.S.A.), Mr. Ringgold Arden points out that, at first, the members of the textile industry were busy trying to cut their competitors' throats, but, more recently, they have also been cutting their own. The fundamental cause of this problem of the U.S. textile industry today, Mr. Ringgold Arden says, is its ability to produce more goods than a peacetime economy can consume. According to him, although it is the same problem that arose just after the First World War, there is a tremendous difference between the over-production problems then and those facing the industry now. Thus, there is at present no considerable high-cost New England textile production to be wiped out to reduce the supply of goods to a manageable point. The cotton mills in the U.S. are now fighting each other on a fairly even basis, instead of under the unequal conditions which existed when a weaver was running 8 looms in Fall River and 80 looms in South Carolina. To quote the author: "The problem today seems to be much more of a dog-eat-dog proposition than it was then, when the Southern cotton industry could destroy the New England industry to save itself, while, today, it has only itself to destroy . . . the trouble with the cotton industry does not seem to be so much a matter of demand as of demand in proportion to the over-expanded capacity to produce."

According to Mr. Ringgold Arden, although the U.S. cotton textile industry operates on a very small margin of manufacturing profit, the price paid by the consumer is very high, as the cost of distribution is enormous. This statement bears out the remark made by an Indian industrialist, who had been to the U.S. recently, that profit-margins of retail dealers in the U.S. are many times higher than in India. So large is the retailers' margin in that country that the author of the article under reference observes that, by the time cotton goods reach the consumer, it is doubtful if the ultimate buyer can ever tell the difference in his price at which the mills will make or lose money. A cotton mill management, which will be happy to net a 5 per cent. profit for the production of goods, will see a department store mark its goods higher by 100 per cent. "just to move them from the rail-road car to the customer's parcel." The margin between a price which will keep the mills alive and that which will destroy them does not make much difference in the ultimate cost of what the consumer buys. The author says:

"If third-shift operation is generally continued and if the present cut-throat price situation continues for another year or so, a very large number of textile mills are going out of business, and it is doubtful if it would be good for the country to destroy a lot of these mills and leave the rest of them running three shifts, and may be overtime, to take care of the demand, when the experience of two wars has so definitely proved the absolute need for a tremendous and immediate expansion of textile production when war occurs. . . . It looks very much as if we are headed for another dose of Government interference with the affairs of our industry. If we seem determined to strangle ourselves with wilful overproduction and ruinous under-pricing, a wave of bankruptcies will be followed by an inevitable appeal to the Government to step in and save us."

The Solution

Mr. Ringgold Arden is strongly opposed to such Government interference, as also to the establishment of an industrial cartel or a labour cartel. He firmly believes in competition but stresses that such competition should stop short of the throat-cutting stage, where business people throw reason and prudence to the winds and sell the products of their factories at utterly ruinous prices. Competition, he opines, is what largely determines quality and regulates prices, and it has been primarily responsible for the development of the vaunted standard of living.

In the considered opinion of the author, the answer to the present problem of ruinous prices is a simple application of common sense, but this is very hard to apply when everybody wants everybody else to apply it while he overproduces. He observes: "If everybody insists on overproducing, everybody will probably go broke within a reasonable length of time, because it seems that, in the entire textile industry, there are virtually no manufacturers who are capable of saying 'no' to ruinous prices." The author considers that the simple resolution to refuse to sell anything at a loss and a general agreement to eliminate third-shift operation ought to relieve most of the pre-

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sent acute trouble and get textile markets stabilised. In this connection, he emphasises that the U.S., as the leading world power needs, and must have, a strong flexible textile industry. He suggests that the industry should be planned as a two-shift operation, "so that, in time of national emergency, we can increase textile production by approximately 50 per cent. with a third shift."

GROWING AGITATION AGAINST IMPORTS OF CLOTH

EXPORTS OF TEXTILE MACHINERY DECLINE

By A Special Correspondent

MANCHESTER, 1st February

MANCHESTER LETTER

MORE developments have occurred in Manchester during the past week in connection with the agitation by Lancashire industrialists over the importation of foreign cloth into Britain. As in the past, the main criticism has been levelled against purchases of Indian fabric.

The Minister of State at the Board of Trade, Mr. A. R. W. Low, has accepted an invitation from the cotton employers' organisations to meet them in Manchester to discuss the threat to Lancashire from the heavy imports of cotton grey cloth from India and other cotton manufacturing countries. The meeting will take place on 15th February.

Mr. G. B. Fielding, Director of the Cotton Spinners and Manufacturers' Association, announcing this, following a meeting of the Association's Central Committee, said it was likely leaders of the cotton unions would also be invited to take part in the discussion. "The Association will hold consultations with the Master Spinners' Federation and with the unions before the meeting to decide what can be done to bring our anxiety about the position more prominently to the notice of the Government," said Mr. Fielding. On his visit to Manchester Mr. Low will also meet the Directors of the Manchester Chamber of Commerce and probably members of the Cotton Board.

Plea to London

The support of every Lancashire M.P. is also being sought by cotton leaders in a renewed attempt to impress upon the Government the serious situation which is likely to confront the cotton textile industry unless the heavy imports into Britain of foreign cloth and yarn are curbed. The Federation of Textile Works Managers has warned the M.P.s in a letter that the position is serious and calls for immediate action.

"The effect of this is now being seriously felt in Lancashire," the M.P.'s have been told. The federation says: "Some spinners, doublers and manufacturers are already working short time and confidence in the future is being weakened as prices are depressed by this volume of yarn and cloth on our home market. If nothing is done to check these imports the ultimate effect can only be to reduce the amount of cloth produced in Lancashire, causing widespread hardship and unemployment in the industry." It adds:

"We are well aware of the difficulties facing the Government but there is a growing feeling in Lancashire that the industry is being sacrificed and that the Government is refusing to impose quotas for fear of invoking restrictions on the exports of the engineering, motor-car and aircraft industries."

The Federation urges the M.P.'s to demand immediate action to remedy what is described as "this unfair position." They are also asked to continue to press for the removal of purchase tax on textiles.

More Short-time

The introduction of short-time working at a Stalybridge (Ches.) mill has been linked with the growing volume of Indian cloth reaching Britain at a cotton union meeting in Manchester. The Legislative Council of the United Textile Factory Workers' Association had been summoned to discuss the situation arising out of increased imports of overseas cloth and to hear an account of discussions which took place in London between the Minister of State at the Board of Trade, Mr. A. R. W. Low, and a Lancashire textile delegation.

The Stalybridge mill, it was stated, is a unit of the Lancashire Cotton Corporation and some 300 operatives would be affected. The type of yarn spun at the mill was similar to that used in many of the Indian fabrics now being imported into this country, it was stated.

Mr. William Roberts, the Association President, said after the meeting: "As long as there is no ceiling on these imports it is inevitable that we shall feel the draught very considerably." Mr. Harold Bradley, the Association Secretary, said: "If Lancashire order books continue to shorten there is bound to be unemployment in the spring."

Latest Import Figures

An analysis of cotton cloth imports into the United Kingdom during November by country of origin shows that while Indian shipments declined, arrivals from Japan and Hong Kong were among the highest recorded for these two suppliers during 1954. Total arrivals for the month were 23,794,000 square yards, including 21,092,000 yards of grey cloth. India's contribution was 8,374,000 yards compared with 15,848,000 yards in the previous month.

Japan's shipments of 8,125,000 yards (including 8,122,000 yards for re-export after finishing in the United Kingdom) were the second highest of the year while the volume of Hong Kong cloth arriving, at 3,075,000 yards, was the largest of the year. Belgian mills shipped 1,429,000 yards while Russia's textile industry sent 479,000 yards during the month, the largest amount recorded from this country during the year.

Plant Shipments

Textile machinery exports from Britain last year continued the decline from the peak recorded in 1952. Total shipments were 79,316 tons compared with 84,367 tons in 1953, respective values being £39,442,769 and £40,796,807. The tonnage exported in 1952 exceeded 112,000 and the value set up an all-time record of over £50,000,000.

An interesting development which may well foreshadow future events is the fact that Pakistan has ousted India as the leading buyer of British-made textile plant after India has held this position for many years past. Shipments to Pakistan increased from 193,662 cwt. to 312,983 cwt., while corresponding exports to India fell from 312,945 cwt. to 303,234 cwt.

Other leading buyers last year were (with 1953 comparisons): Italy 79,772 cwt. (150,733 cwt.), France 62,064 cwt. (75,131 cwt.), Australia 57,477 cwt. (55,439 cwt.), the Netherlands 54,341 cwt. (46,760 cwt.), and Western Germany 50,914 cwt. (47,191 cwt.). A marked drop occurred in shipments to Brazil which registered only 11,223 cwt. against 118,975 cwt. in the previous year.

Shipments of different types of plant were all affected by the reduced trend of exports. Preparatory machinery amounted to 206,178 cwt. against 244,617 cwt. in 1953, spinning machinery totalled 133,542 cwt. against 178,874 cwt. and looms and other weaving plant were 253,603 cwt. against 307,048 cwt.

Production Trends

An indication of the likely trend of activity in the Lancashire cotton trade was given at a meeting of the Bolton and District Productivity Committee by Colonel W. A. Grierson, a Director of several textile firms. He suggested that the future lay in halving the number of mills in Lancashire and the introduction of double-shift working on a wide scale.

In his view shrinkage in the number of mills was inevitable as there were 500 spinning mills, 1,400 weaving sheds and 500 finishing works in the British cotton industry. The majority were working single-day shifts while in other rival textile producing countries two and three-shift working was the rule.

In the national interest, Colonel Grierson continued, new machinery should be put into 250 spinning mills. This would not cause any hardship on the workers because the same number would be employed nor would there be any hardship for the foremen or technical management. It is not the first time such conditions have been put forward by the speaker but the revolutionary scheme now submitted caused a good deal of controversy in Lancashire textile circles.

The last few weeks have seen a revival of the moves to integrate more mills by take-over transactions. In some cases, at least, the eventual plan is to merge machine capacity in a smaller number of units so as to economise in labour and overheads and cut out redundant plant. This has certainly been the trend in recent years, although the movement has been slow. Even slower still has been the switch to two-shift working, despite the consideration given to such schemes both nationally and locally. Many millowners are deterred from trying out the system by the belief that it would not be economic because of the restrictions on hours imposed by the trade unions.—*All Rights Reserved.*

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WINTER SESSION OF INDIAN CENTRAL COTTON COMMITTEE

CHAIRMAN REVIEWS RESEARCH SCHEMES

AN optimistic note about the possibility of reaching the targets for cotton production fixed by the Planning Commission for the 1954-55 cotton year was struck by Mr. R. S. Krishnaswami, Vice-President of the Indian Council of Agricultural Research, who presided over the winter session of the Indian Central Cotton Committee (I.C.C.C.), held last week in Bombay. In view of the fact that what the country needs is not merely a quantitative increase in cotton—this has been achieved in a fairly satisfactory manner, in any case—but the qualitative improvement in cotton, the President did well to emphasise the need for taking special measures for encouraging the production of long-staple varieties of cotton.

The targets of area and production, fixed by the Planning Commission for 1954-55, are 17.5 million acres and 39.8 lakh bales (of 400 lbs. each). The prospects of a bumper crop have been spoiled by the heavy rains during August and September in some parts of the country. Even so, the final area under cotton may be expected to be around 18.5 million acres. No official estimates of cotton production during the current season are available. The crop this season, according to trade estimates, is expected to be about a lakh bales higher than in the last season when the crop was estimated at 39.35 lakh bales (official). The President said: "As far as can be foreseen at present, the Planning Commission's target of area and production for the current season may be fully realised." It may be mentioned here that official estimates are always lower than the trade estimates which place the current season's crop at 44½ to 45 lakh bales, as against a little over 43½ lakh bales in the last season.

As regards the pattern of cotton consumption, the President referred to the notable development, namely, the increase in the consumption of Indian cotton and the decline in the consumption of foreign cotton. During 1953-54, mill consumption of Indian cotton was the highest at 38.9 lakh bales and that of foreign cotton the lowest at 7.2 lakh bales, since the Partition. The importance of this development to the national economy, he said, could be visualised from the fact that, whereas in 1951-52 imports of cotton amounted to 12.4 lakh bales, valued at Rs. 124 crores, they declined in 1953-54 to 6.9 lakh bales valued at Rs. 56 crores.

Proceeding, the President emphasised the need for taking special measures for encouraging the production of long-staple varieties of cotton like 170—Co. 2 and 134—Co. 2-M grown in Gujerat. He observed that, in connection with the recommendations made by the Committee for raising the production of extra-long-staple cotton (1⅛ inches and above) proposals for new schemes for the production of hybrid seed had been received from the Bombay and Madras States. It would appear that the Agricultural Research Sub-Committee of the I.C.C.C. has recommended the acceptance of the advice of Dr. S. C. Harland, Professor of Botany, Manchester University, who is now in India to advise the Committee on its research schemes, that the Committee might go slow with projects for production of hybrid seed until his final views in the matter are available.

The President did well to draw the attention of the Committee to several complaints of "watering" of cotton, particularly in Bombay and Madhya Bharat States. The State Governments concerned, it is stated, have been requested to investigate these complaints and to adopt suitable preventive measures. In these States, legislation already exists which prohibits watering of cotton. What is therefore necessary is to enforce the law. The President expressed the hope that steps would be taken to tighten up the administration of the relevant provisions of cotton legislation in the interests of maintaining the quality and reputation of Indian cotton and assuring to the grower full value for the cotton he produced.

The Committee reviewed the progress of the Cotton Extension Schemes in the States during the current season and the State Governments' plans for 1955-56. It approved two proposals relating to the multiplication and distribution of seed of Laxmi cotton in the Western tracts of the Andhra State and of H.14 American cotton in the Punjab. This cotton—that is, A14 cotton—is intended to replace 216F. The former is earlier maturing than the 216F cotton and is, therefore, said to be in a much better position to escape damage from pink bollworm attack.

The I.C.C.C. generally endorsed the recommendations of the Cotton Forecast, Cotton Ginning and Pressing Factories and Technological Research Sub-committees as well as of the Agricultural Research Sub-committee. The Cotton Forecast Sub-committee reiterated its previous recommendation that the introduction of crop estimating surveys on cotton in all the major cotton-growing States was the only method of improving the accuracy of the official estimates of production of cotton. It considered the question of undertaking a three-year co-ordinated scheme in different cotton-growing regions on the lines of the pilot survey already conducted in the Akola District of Madhya Pradesh and to obtain estimates of cost of production of cotton in different tracts from year to year. The need for such a survey was accepted in principle. In view of the large expenditure involved, it was recommended that the Planning Commission should be requested to allot the necessary funds to the Committee. The Agricultural Research Sub-Committee accepted proposals for the improvement of Western cotton in Mysore State and for expansion of medium-staple 35/1 and long-staple 216F variety in Uttar Pradesh. Increase of cotton production by use of honey bees was also discussed and the Sub-committee recommended that experiments might be conducted in certain selected areas to find out whether the honey bee would help increase the yield of cotton.

In view of the growing research activities of the Committee, which involve considerable expenditure, there is some controversy as to the manner in which the activities should be financed. It would appear that the Central Government has suggested that, after March, 1956, the research schemes (except those in respect of extra-long-staple cotton) should be financed on a 50-50 basis by the Indian Central Cotton Committee and the State Governments concerned, and that the research activities in respect of extra-long-staple cotton should be financed by the Committee for a 15-year period. The Committee has urged upon the Government the need for continuing the existing practice according to which research schemes are financed by the Committee for an initial period of 10 years and for a subsequent period of five years by the States concerned and the Committee on a 50-50 basis.

Another important resolution adopted by the Committee relates to the recent fall in cotton prices. Moved by Mr. Chimanlal B. Parikh, Vice-President of the Committee, the resolution expressed its "grave concern" over the fall in cotton prices and urged the Government to revise its cotton policy. It stressed the need for stabilisation of prices of cottonseed and stated that the absence of hedging facilities in cottonseed seriously depressed the prices of *kapas* in a period of heavy marketing. The resolution pleaded for the abolition of the system of allotment of cotton to mills by quotas and for a further export quota to the tune of one lakh bales of such varieties as were not wanted by the mills. It is true the abolition of the quota system will not, by itself, help improve cotton prices. But it will certainly create the right atmosphere. From this point of view, the Government has done well to abolish the quota system till the end of May, 1955, and also to release for export 50,000 bales of cotton of 11/16" and below, besides an additional quota of 25,000 bales of old crop of ¾" and below.

FREE WORLD'S COTTON OUTPUT

Because of recent increased estimates in the U.S., Mexico and Pakistan, the International Cotton Advisory Committee has placed the free world cotton production during the 1954-55 season at 28.5 million bales (of 478 lbs. each), an increase of 700,000 bales over its own previous estimate. This compares with the 1953-54 season's crop of 30 million bales. Despite the decline in production, the free world supply in the current season is computed at 46.3 million bales, the highest post-war level. This includes the output of 28.5 million bales and carry-over stocks of 17.8 million bales. In the last season, the supply was estimated at 45.3 million bales, made up of production of 30 million bales and carry-over stocks of 15.3 million bales.

The Committee estimates the supply in the U.S. at 23.1 million bales, consisting of a crop of 13.5 million bales and carry-over stocks of 9.6 million bales, as against 22.0 million bales (a crop of 16.4 million bales and stocks of 5.6 million bales) in the 1953-54 season. In the rest of the free world, the supply is placed at 23.2 million bales (production 15.0 million bales and carry-over stocks 8.2 million bales), as against 23.3 million bales (production 13.6 million bales and carry-over stocks 9.7 million bales) in the last season.

The gap between free world production and consumption is expected to be narrowed this season. Production, as already stated, is placed at 28.5 million bales or a decline of 1.5 million bales from the last season. Consumption, on the other hand, is expected to increase by some half a million bales. Taking account of cotton destroyed and exports to communist countries, production and total disappearance, according to the Committee, are likely to be in balance in the current season. Thus, for the first time since 1951, there should be little change in aggregate end-season stocks.

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TECHNOLOGICAL RESEARCH IN SUGAR

WORK OF KANPUR INSTITUTE

CONSIDERING the imperative need for enhancing the technical efficiency of the Indian sugar industry, the part played by the Institute of Sugar Technology, Kanpur, is of great importance. This Institute, it will be recalled, was established as far back as in 1936. Since its inception, the Institute has been carrying on research work on (1) problems of sugar technology, with special reference to the requirements of Indian sugar factories, (2) utilisation of by-products, and (3) general problems of sugar engineering and technology. Thanks to the research work, the technical efficiency of the Indian sugar industry has gone up considerably in recent years. Thus, it is claimed that the milling results—one of the vital determinants of the efficiency of sugar manufacture—have improved, which means that the cane-crushing plants have worked well, although there is said to be still ample scope for further improvement in the milling efficiency. The pol. (sucrose) loss in bagasse—another index of the efficiency of sugar production—has recorded a fall. The loss of sugar in press cake and the loss of sugar in molasses are also believed to have been reduced. Indeed, it is stated that, on the whole, Indian factories compare favourably with the factories in foreign countries in this respect. Similarly, in the sulphitation factories, consumption of sulphur, filter cloth and lubricants has decreased. The percentage of extra fuel, namely, coal and firewood consumed by the factories has also receded. As a result of the improvements effected in technical efficiency, the quality of sugar now being produced is far superior to that produced several years ago.

This brief account reveals that the research and developmental work on sugar technology done by the Kanpur Institute has been satisfactory. There is, however, still a vast field which needs further and more intensive research. In view of the importance of the sugar industry, which is the second largest industry in the country, and also in view of the need for continuous research in this industry, the research and development wing of the Institute should be strengthened. It is also important to ensure that the results of research undertaken actually reaches the manufacturer at the factory without delay.

Research Work

Viewed thus, it is, indeed, gratifying to be told that the laboratories at the Indian Institute of Sugar Technology, Kanpur, are now well equipped with instruments required for research on sugar and allied products. The Institute is at present carrying out large-scale trials of the new technique of cane juice clarification as applied to mixed juice invented by Prof. J. N. Saha, Professor of Sugar Technology and Director of the Institute. These trials are being conducted in several sugar factories. The Institute is also conducting investigations on the methods of determining micro quantities of sugar by paper chromatographic and colorimetric devices, with the ultimate object of applying to all products of sugarcane. The other important problems on which research work is being done relate to cleaning of evaporator tubes on the steam chest side, physico-chemical studies of surface-active substances, and study on the production of citric acid by the action of Asp. Niger on saccharine raw materials. With regard to molasses, the Institute is examining waste molasses, with a view to reducing matter and nitrogenous bodies by paper chromatography and by analysing the physico-chemical aspects of the exhaustibility of molasses. The research study pertaining to sugarcane covers three aspects, namely, (1) pretreatment of cane sets prior to planting with different carbo-hydrate solutions and its effect on germination yield and juice quality, (2) effect of spraying different fertilisers on cane leaves at different stages of growth on the yield and quality of the harvest, and (3) polysaccharides (plant gums).

In addition to the foregoing research projects, the Kanpur Institute is engaged in the task of analysing the factors responsible for excessive fuel consumption in the sugar factories, with the primary object of making the factories self-sufficient on bagasse fuel only. Yet another field of useful activity is the scheme for extension lectures. Under this scheme, eminent persons are invited every year to deliver a series of two to four lectures on subjects germane to sugar and allied industries.

The Institute collects, compiles and publishes the technical data relating to the working of sugar factories. It also gives technical assistance and advice on various aspects of the sugar industry to mills, private parties, and the Central and State Governments. Among the more important types of work which the Institute undertakes for rendering technical assistance to the sugar industry are promotion of new factories, extensions and alterations of the existing units, improvements in the working of plant and machinery, improvement in and control of manufacturing operations, reduction in working expenses and cost of production, investigation of special problems, and analytical work. The results of the various experimental and research work carried out in the Institute are published every year in the Annual Report of the Institute.

Training Facilities

The Institute provides facilities for imparting training in sugar technology, with a view to meeting the needs of the industry in respect of trained technical personnel. There are three courses of training—associateship in sugar technology, pan boiling and sugar engineering certificate course. The syllabus of these courses is claimed to be exhaustive. Facilities for research are also provided and guidance is given in respect of even advanced research leading to the Ph.D. degree. In order to afford adequate facilities to the sugar factories for selecting properly qualified staff and, at the same time, reduce unemployment among the educated technical workers in the industry, the Institute maintains an Employment Bureau which collects authentic information about the qualifications and experience of persons seeking employment in the sugar industry and makes it available free of charge to the factories on receipt of enquiries.

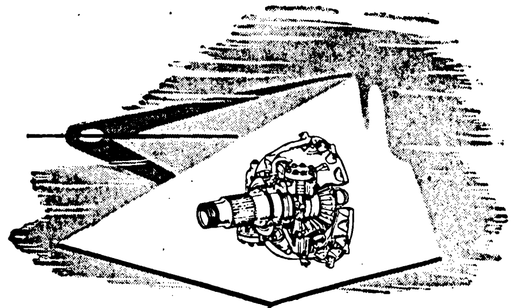
Attached to the Institute are the experimental sugar factory, workshop, Bureau of Sugar Standards (B.S.S.) and the section for research on problems of *gur* and *khandsari* industries. The functions of the B.S.S. are preparation and supply of sugar standards every year, publication of annual review of the quality of sugar manufactured, and maintenance of a museum of samples of sugar and sugar products.

DISTRIBUTION OF IMPORTED SUGAR

The Central Government's decision to distribute imported sugar on *ex*-docks basis at different ports, instead of on f.o.r. destination basis, has evoked criticism at the hands of a section of trade. In the course of a communication addressed to the Secretary, Union Ministry of Food and Agriculture, the Madura-Ramnad Chamber of Commerce, Madurai (South India), points out, for instance, that the new scheme of distribution will entail increase in the cost of sugar "which is not justified by circumstances." To quote it: "The new scheme is full of dangers to the sugar economy, especially from the point of view of the consumer." The Chamber considers that the previous system had been working very well to the satisfaction of all interests concerned. The system, it says, enabled the consumer who is far away from the ports to get his sugar at the same price as at the ports. According to it, with prices fixed f.o.r. *ex*-docks or *ex*-godowns, the transport charges would add to the cost of sugar and there will, therefore, be no uniformity in prices. Besides raising prices, the new system would create artificial scarcity of sugar in certain areas. In view of these, the Chamber urges the Government to continue the previous system of distributing imported sugar on f.o.r. destination basis.

The Chamber also wants the Government to fix the minimum quantity released to any party at 10 tons as before, instead of the present 60 tons. In support of this plea, it observes: "The old level of 10 tons enabled all dealers, big and small, to get sugar and, in the resultant healthy competition, the sale price of sugar was maintained at fairly reasonable levels. Now, with the raising of the minimum limit to 60 tons, small trades would be automatically eliminated and the trade in sugar would be confined to a few big dealers, with the possibility of cornering of stocks and sale price artificially maintained at a higher level, a state of affairs to be devoutly avoided."

A further quantity of 90,000 tons of sugar produced in India has been released for sale in the free market. This brings the total releases so far made by the Government to 30 per cent. of the sugar produced by all the factories up to 22nd January, 1955.



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FUEL RESOURCES OF ASIA AND FAR EAST

INADEQUATE KNOWLEDGE RETARDS ECONOMIC DEVELOPMENT

THAT there is inadequate knowledge about the fuel resources of Asia and the Far East and that, if the economic development of this region were to be assured, steps must be taken to estimate the exploitable reserves of fuel and plan for their mining is abundantly clear. The discussions at the seventeenth session of the Committee on Industry and Trade of Economic Commission for Asia and the Far East (E.C.A.F.E.) on the fuel situation in the E.C.A.F.E. region, to be held in Tokyo from 15th to 24th March, will, therefore, be watched with interest by both Governments and private circles in the region.

It is, however, common knowledge that coal resources of this region are very meagre. Taking the coal in the lowest form (peat) into consideration, all countries of the region have some coal, though the quality and quantity vary. In most countries, low-grade coals predominate. Only China, India, Indo-China, Japan and Korea have some substantial reserves of high-grade coals. Coking coal reserves are, however, limited to China and India. So far as the quantity of coal reserves is concerned, China occupies the foremost position, followed by India, Indo-China and Japan. A conservative estimate made by the Geological Survey of China, including seams of only 3" and over in thickness and taking into consideration a depth of 3,000 ft., places China's reserves at 265,000 million metric tons. A more recent estimate, however, places them at 445,000 million tons. But, in view of the dense population of the region, China has, in terms of *per capita* reserves, only 965 tons, in striking contrast with over 34,000 tons in the U.S. Indo-China has 740 tons per head and India 187 tons. A rough estimate of coal reserves in the various countries of Asia and the Far East is given below:

(In million metric tons)

Burma	265
Ceylon	51
China	444,511
India	67,702
Indo-China	20,000
Indonesia	2,500
Japan	20,948
Korea (South)	1,001
Malaya	61
North Borneo	17
Pakistan	168
Philippines	42
Sarawak	20
Total ..	557,286

Latterly, intensive efforts are being made to exploit reserves of coal, especially lignite, in a number of countries. We are even told that the recommendations of the Study Group of Lignite Experts, which visited lignite mining fields in Australia recently, have already been implemented in several countries of the region including China, Taiwan, Japan, the Philippines and Thailand. There is also a proposal to send a team of mining and geological experts to selected countries in Europe, including the U.S.S.R. to study methods of lignite mining, etc. The U.S.S.R., has already agreed in principle to have the study tour undertaken in 1955 and the proposal is being considered favourably by the United Nations Technical Assistance Commission.

There is no gainsaying the fact that there is a need for a well co-ordinated programme, in every country of the E.C.A.F.E. region, not limited only to intensive geological survey and improved methods of exploration, but also including mining development, preparation and utilisation. Co-ordination between Government and industry in the mineral exploration programme is desirable. Attention should be paid to increased mechanisation of mines, in order to bring down costs of production. As pointed out pertinently by the United Nations' Report on coal and iron ore reserves of Asia and the Far East, published in 1953, no modern underground mines can operate efficiently without proper mechanisation of basic services, such as power house, hoist apparatus, pumping facilities and ventilation equipment. The Report has pointed out that excessive number of separate producing units in relation to the total tonnage produced is a situation which should be remedied at an early date. It has also emphasised the economic value of strip mining.

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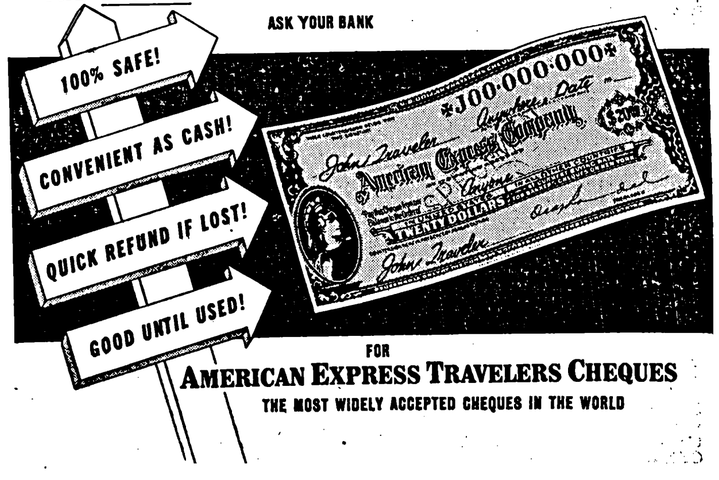

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IMPROVING QUALITY OF JUTE

I.C.J.C.'S WORK IN 1953-54

THE Annual Report of the Indian Central Jute Committee for the year 1953-54 gives, as usual, an interesting account of the good work that is being done by the Committee. The main responsibility that has devolved on it, following the disastrous consequences of the Partition to the jute industry, is to improve the quality of raw jute and increase the yield of this jute per acre, so that the minimum area of land the country can afford to leave at the disposal of jute might be utilised effectively and usefully. Although the successful discharge of this responsibility rests on the various wings of this body such as the Jute Agricultural Research Institute, the Technological Research Institute, the Economic and Marketing Research Section and the Publicity Branch, the report under review provides evidence of continued efforts at attaining the chief objective.

Work in the Jute Agricultural Research Institute proceeded apace especially in connection with the schemes already under implementation. During the year an area of 55 acres out of 101.4 acres of the Institute's farm was under cultivation. Besides jute, other crops, including substitute fibres, were grown in the *kharif* and *rabi* seasons in connection with studies in crop rotation, double and triple cropping and pests and diseases. A model scheme for the improvement of green manuring crops was taken up. Besides, a pilot scheme on extension of improved methods of jute cultivation of cultivators' plots at Barrackpore, Baraset and Basirhat centres was also taken up. The Government of India sanctioned Rs. 4,48,189 for setting up a seed multiplication farm under the Institute. As the land selected could not be made available in time, the farm could not be started.

Research work carried on in the Institute related to diseases and pests, soil studies, manuring and extension work on improved methods of jute cultivation.

On the technological side, the results of further work on the mechanism of the root softening process with ammonium phosphate supported the earlier theory. Some details have also been worked out of the process of woollenisation of jute fibre. The rough estimate of cost has come to about a rupee per pound of woollenised jute in the finished-air-dry state. A number of mill trials given to the fibre is stated to have revealed encouraging results. Some progress has been made in devising a method for the accurate determination of fineness of jute fibre. The results are reported to be fairly satisfactory, but the method adopted consumes, we are told, a good deal of time.

The Planning Commission entrusted to Mr. K. C. Basak, Director of Economic Research, an enquiry into the economics of farm management in the 24-Paraganas and Hooghly Districts of West Bengal. This enquiry will be conducted by him for about two years.

The investigation into the economics of jute growing completed its sixth year in 1953-54. It is interesting to note that the average cost of production of jute at the five centres of investigation—Belakoba, Purnea, Monoharpur, Nowgong and Kendrapara—was about Rs. 18 per maund in 1953-54, as compared with about Rs. 22 per maund in the previous season. The reduction in the cost was due to the lower wage rates and slightly higher average yield rate. With costs thus reduced and prices realised going up by about Rs. 2 per maund, jute cultivation in 1953-54 was considered generally profitable, though the disparity between jute and rice prices still adversely affected the jute growers as buyers of rice or paddy. Nevertheless, their position was somewhat better since parity ratio of jute and rice prices was in favour of jute growers in 1953-54 than in 1952-53. We may add here that in 1954-55 raw jute prices (Assam bottoms now ruling at about Rs. 38 per maund) are very much in favour of the jute grower. As was pointed out in these columns last week, the grower is now in the happy position of being able to purchase about three maunds of rice for every maund of jute.

The work on improved methods of jute cultivation at the five investigation centres was very much affected by the adverse weather conditions. However, the comparative results of improved, as against the traditional, methods were in favour of the former. The operation of the seed-drill was on the whole satisfactory. Only, seed rate should be regulated further, so as to make it suitable for the cultivator's plots. It was also found that the wheel hoe required further improvement, as the present one could not be operated in soils which are moist and full of weeds. The report observes that "the yield can no doubt be increased and cost reduced by improved methods in fair weather, but further research seems to be necessary for evolving methods that will attain the desired objective also in adverse weather so very common in our country."

The year 1953-54 opened, for raw jute, with a declining price trend which was temporarily halted; but it asserted itself again in September and October. Thereafter it improved and the improvement persisted upto February, 1954. After a pause in that month, the upward course continued in March and April, owing to drought conditions. On reports of larger sowings, however, a quiet trend was in evidence in the last two months of the season.

It will not be out of place to mention here the Indian Central Jute Committee's new scheme launched this season (1954-55) for educating growers in jute grading. This scheme is in operation in West Bengal, Bihar, Assam, Orissa and U.P., and has dual objectives, namely, teaching cultivators the know-how of grading and imparting to them a sound knowledge of the preparation of clean good fibre. The object of the grading scheme is to enable growers to prepare a good fibre and to place them in a better bargaining position to sell their jute.

The grading scheme is being worked in close collaboration with the jute development personnel of the States. It is also intended to expedite the Centre's plan for getting growers to realise the economic benefits of quality improvement. The Central and State Governments have been expending considerable funds with a view to creating conditions necessary for increasing internal supply of high grade jute by excavating new retting tanks and renovating old ones by multiplying seeds of high-yielding strains and by popularising improved cultivation methods and cultural practices with seed-drills, wheel-hoes, etc. The scheme is intended to take advantage of the work being done by the Central and State Governments.

All the five jute-growing States have been allotted itinerant grading parties consisting of expert assorters. Already thousands of propaganda leaflets in different regional languages explaining the direction and purpose of the scheme have been distributed among growers, and demonstrations have also been held. The grading parties are to select some central villages as their temporary headquarters, wherefrom they cover other neighbouring villages. Assortment will be taught on the basis of existing mill standards. Each grower's jute will be handled at a time and graded separately. In this process, the principal factors that go to constitute different mill grades as also the common faults found in jute will be demonstrated. The growers will be told the difference in price between the various grades and to sell jute on the grade basis. The scheme is thus expected to improve the earnings of jute growers.

MADRAS AGRICULTURAL INCOME-TAX

SELECT COMMITTEE'S RECOMMENDATIONS

THE Select Committee, to which the Bill to levy income-tax on agricultural incomes from plantations in the Madras State was referred by the Madras Assembly in August last, has submitted its recommendations, after deliberations prolonged over a period of six months. The Committee has made an important recommendation on the levy of income-tax on individual incomes, joint family incomes and company incomes, in that no distinction has been made among them so far as rate of duty is concerned. It has suggested that a uniform rate of tax should be levied on all these classes of assessees. It has raised the number of slabs of income on which a sliding scale of tax is leviable from six to seven and has also raised the maximum rate of income-tax from As. 4 to As. 5½ in the rupee. While thus raising the maximum rate of income-tax, the Select Committee has recommended the abolition of the levy of super-tax as contemplated under the Bill. The Committee has also suggested the abolition of land revenue surcharge on plantations.

The following comparative table will bring out clearly the changes in the rates of income-tax applicable to different slabs of income:

(On every rupee of the total agricultural income)

As proposed in the original Bill	As. Ni	*As recommended by the Select Committee*	As. Ni
On the first Rs. 1,500 ..	Nil	On the first Rs. 1,500 ..	Nil
On the next Rs. 3,500 ..	2	On the next Rs. 3,500 ..	2
,, Rs. 5,000 ..	1½	,, Rs. 5,000 ..	1½
,, Rs. 5,000 ..	2½	,, Rs. 5,000 ..	2½
,, Rs. 5,000 ..	3½	,, Rs. 5,000 ..	3½
On the balance ..	4	,, Rs. 5,000 ..	4½
		On the balance ..	5½

Under the original Bill, no agricultural income-tax was payable on a total agricultural income which was less than Rs. 3,000. In the case of joint family, the limit below which no tax was leviable was Rs. 6,000. The Bill had also provided that, in the case of every company, agricultural income-tax was payable at the maximum rate of As. 4 on the whole of the total agricultural income. A super-tax was also leviable, if the income exceeded Rs. 25,000. The Select Committee has not only removed the above exemption limits but has abolished the levy of super-tax, although it has raised the maximum rate of income-tax from As. 4 to As. 5½ in the rupee.

Although the above exemption limits have been removed, the Select Committee has taken care to give relief to small holders of plantations. Thus, it has proposed to exempt holdings of five acres in respect of tea and of 15 acres each in respect of rubber, coffee, cardamom and cinchona plantations from the payment of any income-tax. It has also provided for the compounding of income-tax on an acreage basis for the different plantation crops on the following basis, the assessee having in the alternative the option to submit the return and have the assessment fixed:

Tea: 5 to 10 acres, Rs. 10 per acre; 10 to 20 acres, Rs. 15 per acre. Rubber, coffee, cardamom and cinchona: 15 to 30 acres, Rs. 3 per acre; 30 to 60 acres, Rs. 5 per acre.

Another important recommendation of the Select Committee is the removal of differentiation made under clause 3 of the Bill in respect of joint families. It has suggested that such families should be treated as one unit for purposes of taxation. The aforesaid clause provides that in the case of a joint family whose income exceeds Rs. 6,000, the tax should be assessed at the average rate applicable to the share of income due a single member or to Rs. 6,000, whichever is higher. The Committee says that the dividend received by an individual from a plantation company cannot be treated as plantation income and, therefore, cannot be made liable for agricultural income-tax under the Bill. It is only collectively on a company that the State can levy a tax under the Bill. If a company can be treated as one unit, the Committee sees no reason why a joint Hindu family should not be treated as a single unit for purposes of this tax.

The Select Committee has also made some important recommendations on the computation of total agricultural income. In computing such income, it has suggested that provision should be made for deducting also the interest paid on the amount borrowed for current expenditure and the bonus paid to workers. The Committee has also recommended that deduction should be allowed for replanting expenditure, subject to a maximum of 2½ per cent. of the

(Continued in previous column)

(Concluded from next column)

acreage for rubber and coffee, 1¾ per cent. for tea, 8½ per cent. for cardamom and 10 per cent. for cinchona. A proviso has also been added by the Select Committee to the effect that no depreciation would be allowed under this Bill, if any depreciation is allowable under the Income-tax Act.

Yet another recommendation made by the Select Committee is in respect of land revenue payable by those who are liable for agricultural income-tax. The Bill did not exclude plantations from the purview of the Madras State Land Revenue Surcharge Bill of 1954. The Select Committee has felt the necessity for removing such an anomaly and has, accordingly, added a clause to the Bill which provides that where a landholder is liable to pay land revenue both in respect of a plantation and land which is not a plantation, surcharge under the Bill should be levied only on the land revenue payable in respect of such land, but at the average rate applicable to the aggregate of the land revenue payable in respect of such land and such plantation. In cases where a person owns only plantations, the Committee has recommended that he should be exempt from the payment of surcharge on the land revenue payable on plantations.

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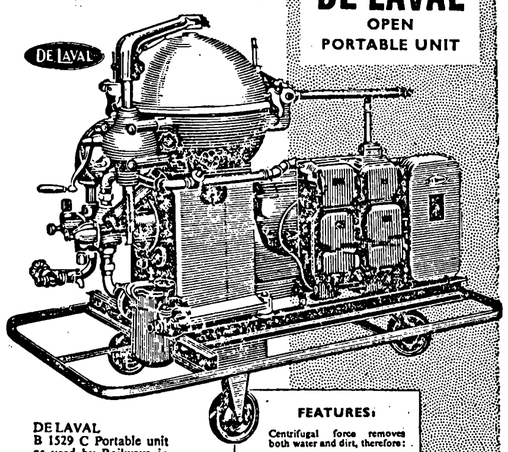

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INDO-SOVIET PACT ON STEEL PROJECT

ONE-MILLION-TON PLANT TO BE SET UP

ALL eyes the world over are set on the agreement entered into on the 2nd inst. between the Government of India and the Union of Soviet Socialist Republics for the setting up of a modern integrated iron and steel plant with an initial capacity of 1,000,000 tons of ingots, equivalent to about 750,000 tons of rolled products, and ultimate capacity of 1,000,000 tons of rolled products. For this is the first time that the Soviet Union has ventured to aid a non-communist country with its capital and technical know-how. It is stated that an attractive feature of the agreement is the low interest rate of 2½ per cent. at which Russia is prepared to give credit to India for purchasing the equipment needed from it and for technical aid. The agreement is not, according to Mr. K. C. Reddy, Union Production Minister, "in the nature of a turn key job, throwing the entire responsibility for the establishment of the plant on the Russians." The Indian authorities have an equal responsibility to perform in bringing the factory into existence. India has reserved for itself the right to reject the final project report, if it is not satisfied in regard to price or any other aspect. This, however, is a provision, in the opinion of Mr. Reddy, for meeting a "remote contingency" for every effort would be made to resolve points of difference.

It will be recalled that the Russian steel experts team, which arrived in this country in the later half of November, 1954, submitted a preliminary report early in January, 1955, together with its recommendations for the location of the new steel plant. The preliminary project report outlines the general, technical and economic considerations underlining the project, reserving the more detailed questions for further study and treatment in the final project report, which is to be submitted in another nine months' time. In the meantime, in accordance with the recommendations made by the experts, the Government of India has decided to locate the steel plant in Bhilai in Madhya Pradesh State.

Analysis of the Agreement

An analysis of the text of the agreement discloses that the two Governments have agreed to collaborate in establishing the plant with a capacity of 1,000,000 tons of steel ingots with the following general pattern of products, with provision for expansion to a capacity of 1,000,000 tons finished products, besides 100,000 to 300,000 tons of foundry pig iron for sale:

		Tons
(1)	Rails	100,000
(2)	Heavy structurals including, if possible, broad-flanged beams upto ...	175,000
(3)	Sleeper bars and crossing sleepers	90,000
(4)	Merchant bars	235,000
(5)	Billets	150,000
	Total	750,000

It is estimated that the cost of the plant, machinery and equipment that will be supplied by Russia will be about Rs. 43.40 crores f.o.b. Black Sea and Baltic Sea. Notwithstanding any such estimate, the actual price will be determined by mutual negotiation and agreement. The plant and equipment to be supplied from the U.S.S.R. are to be paid for in 12 equal annual instalments. The rate of interest on the amount outstanding each year will be calculated at 2½ per cent. per annum. The payment is to be effected in Indian rupees to be paid into a special account opened for this purpose in the Reserve Bank of India. The amounts thus credited to this account may be utilised for the purchase of goods in India and/or to be freely convertible into pounds sterling. If the parity of the Indian rupee (0.186621 grammes of fine gold per one Indian rupee) in terms of gold changes, the amount of the abovementioned account with the Reserve Bank of India will be revalued proportionately to the changes which may take place. This part of the agreement covers Russia against the risk of fluctuation in the official exchange value of the rupee. The price payable to plant and equipment are to be negotiated on presentation of the final project report.

India has agreed to pay for Soviet services, including those relating to the drawing up of the detailed project report, communications within the works boundary, power supply, gas supply, water-supply, buildings and foundations and erection drawings and spare part drawings for the machinery and equipment, the sum of Rs. 2.5 crores. This sum will be payable as follows: (1) On submission of the detailed project report Rs. 35 lakhs; (2) on acceptance of the detailed project report Rs. 45 lakhs; (3) annual payment thereafter for four years Rs. 120 lakhs; (4) on commissioning of the works and completion of guarantee Rs. 50 lakhs. The cost of the salaries, travelling and other allowances and expenses of the Soviet personnel for rendering the technical assistance and supervision in India will be determined additionally according to the number of Soviet specialists required and the period of their work in India.

There is provision for full association of Indian experience and talent at all the stages of planning, construction, erection, operation and other matters related to the execution of the project. The Soviet authorities have agreed to prepare a scheme for training Indian nationals. They will also provide qualified instructors at suitable centres of training in India, as well as in the U.S.S.R., for training under that scheme Indian personnel selected by Indian authorities for the operation and maintenance of each department of the works and, in particular, afford such training in works where the plant and equipment of the type selected for the works are in use. The question of the payment of the cost of such training will be decided by mutual agreement after the cost has been determined. The Soviet authorities will make available in India and the U.S.S.R. such number of experts as may be mutually agreed upon from time to time.

Visits By Indian Experts

There is a provision for visits by Indian experts to the U.S.S.R. to examine plants of a nature similar to the one to be set up in India which are in operation as well as factories manufacturing metallurgical equipment. The latest reports from New Delhi disclose that the Government of India has already deputed Mr. Sondhi, an officer of the Geological Survey of India, who is now in the Soviet Union, to visit some of the Russian steel plants and have a "look round them." He is expected to study the various plants connected with the processing of raw materials for the blast furnace and particularly sintering plant.

The Soviet Union will guarantee that the performance of the plant, machinery and equipment supplied from the U.S.S.R. will be according to their respective stated capacities. The guarantee will be fulfilled by the operation of each individual item of the plant, machinery and equipment for a period of two months as well as by the integrated operation of the complete works for a minimum period of six months. Both the above kinds of trial operations will be conducted under the technical supervision of the Soviet experts. Should the guarantee be not fulfilled to the satisfaction of the Indian authorities, in accordance with the accepted detailed project report and the contracts for the supply of the plant, machinery and equipment (the Indian authorities may for this purpose obtain such technical advice as they consider necessary), the Soviet Union will undertake at its own cost to correct the defects pointed out or to replace such plant or machinery as may be found unsatisfactory, or alternatively, reimburse the Indian authorities the cost of such rectification or replacement as the case may be.

The Soviet Union will post at its own cost a sufficient number of experts for a period up to three years after the works go into full operation for rendering such technical supervision and consultant services as may be required by the Indian authorities. The number of such experts shall be decided by mutual agreement from time to time.

Should any existing patent or other right subsisting in respect of any of the items of the plant or machinery supplied by the Soviet Union or made according to specifications provided be deemed to have been infringed in any part of the world and should any civil suit or action result therefrom, the Soviet Union would indemnify and keep the Indian authorities sufficiently indemnified against any claims, demands or liabilities arising therefrom. All costs, charges and expenses on account of such proceedings shall also be borne by the Soviet Union.

If the performance of this agreement were to be interfered with for any length of time by wars, enemy action, embargoes, blockades or any other cause beyond the reasonable control of either party, the representatives of the Government of India and the Government of the U.S.S.R. would immediately consult with each other and agree upon the action to be taken. If such agreement could not be reached within a reasonable period, the Indian authorities might complete the project and the works in such a manner as may be deemed necessary and, in such an event, the rights and liabilities of the parties arising under this agreement till then would remain in force.

The Government of India has reserved for itself the option of accepting, or otherwise, the scheme outlined in the final project report. In case the detailed project report is not accepted, India will have to pay the Soviet authorities all expenses in connection with the preparation of the project report, subject to a maximum of Rs. 80 lakhs.

With the conclusion of this agreement, further headway has been made towards the implementation of the Government's policy of creating a productive capacity of 6,000,000 tons of steel during the second Five-year Plan. The present output is 1,200,000 tons and, when the existing expansion programmes of the Tata Iron and Steel Works, the Steel Corporation of Bengal and the Mysore Iron and Steel Works are completed, it will be 2.3 million tons. But India will be short by nearly 4 million tons more to reach the target of 6,000,000 tons. For this, the Rourkela plant is proposed to be expanded straightaway to 1,000,000 tons capacity. The British, who have offered help for a third plant, have been contacted and invited to send a team of technical experts to India; this team is expected to come in March or April next. If the negotiations for the third project were to prove a success, India will be assured of another 1,000,000 tons. Besides, Tatas have proposed to expand their capacity by another 1,000,000 tons of steel ingots. All these will raise India's output of steel to 6,000,000 tons.

EXPLORATORY TUBE-WELL PROGRAMME

The execution of the project of the Government of India for sinking 350 exploratory tube-wells in 16 States throughout the country has begun in the Narmada valley. The first batch of drilling equipment consisting of six rigs of various types, some of which can drill up to a depth of 1,500 feet, has arrived in India and been taken to the valley. The project is being operated by the Government of India departmentally under the Indo-American Technical Assistance Programme and work is likely to be completed by 30th June, 1957. Large-scale tube-well construction in these areas under the second Five-year Plan will depend upon the results and data obtained under this programme. The operations which will cover 16 States throughout the country, started on 7th January this year in the Hoshangabad District in Madhya Pradesh in accordance with the predetermined geophysical observations and the recommendations of the Geological Survey of India. Water-bearing sands at the first bore, made at village Power Khera in the Government Agricultural Farm, were found at a depth of 48 feet and a discharge of 16,000 gallons per hour was obtained at a depression head of nine feet. After drilling up to 119 feet, hard rock was met and further drilling had to be stopped on receiving confirmation of continuity of hard rock below that level. This tube-well will be utilised by the State Government for supplying water to the State Farm and other adjoining areas. The drilling operations at village Samal Khera, about ten miles from the first site, have now started. Equipment worth 7.5 lakh dollars has so far been received and the balance equipment likely to cost another 15 lakh dollars is proposed to be procured on an emergency basis.

BURMAH-SHELL REFINERY GOES INTO PRODUCTION

The crude distillation unit, the second biggest unit in the Rs. 30-crore Burmah Shell Refinery and the main hub of refining operations, went on stream on 30th January, one year ahead of schedule. The first critical moments of the start-up operations in the refinery are now past and initial supplies of the product have begun to flow from the Refinery to the marketing installations. The crude oil intake capacity of the plant in the initial stages will be about 5,000 tons per day. The unit will be producing such petroleum products as raw kerosine for further refining, gasoline for motor spirit, high speed diesel oil, light diesel oil and furnace oil for India's immediate needs. The total output of the two Bombay Refineries, when in full production, will be about 773 million gallons per annum. The Burmah-Shell Refinery alone will produce about 475 million gallons per annum, which is more than 60 per cent. of the refining capacity of the two Bombay refineries, and over 50 per cent. of the total estimated refining capacity of all the three new Refineries which by 1957 are expected to be on full stream. The three refineries, together with India's oldest refinery at Digboi, Assam will meet about 80 per cent. of India's requirements of petroleum products. It will be remembered that the initial planning and investigation work for the refinery began in 1952, and, despite early difficulties, the 450-acre site, consisting of waste and arable land, was acquired in 1953. After clearing and levelling of the site, construction work on the distillation unit was taken in hand in April of the same year, and, by the end of 1954, nearly 20 months later, the major part of the construction work for the whole project was completed.

NEW PRODUCTS AND PROCESSES

New Hearing Aid Mounted in Eyeglass Frame

PEOPLE who are hard of hearing and don't like to admit it can now wear eyeglasses which have a hearing aid concealed in the frame. This new hearing aid was recently put on the market by Otarion, Inc., of Dobbs Ferry, New York. The device contains all the 200 or more parts found in a conventional large-size hearing aid. These are assembled in the eyeglass frame. The microphone is placed inside the frame directly behind the ear. The glasses look like a set of normal spectacles. The device contains two transformers, a special electronic circuit that controls sound, a volume control, and three tiny transistors. Transistors are small pea-size devices containing a small particle of the metal germanium, which are now being widely used in place of vacuum tubes.

Instruments for Physics Demonstrations

It is not only very costly, but also rather inefficient for schools to purchase a complete set of separate instruments for all their physics demonstrations, as most of these only take place a few times a year. The fact that many instruments have, or at least can have, many parts in common, has induced a concern in Amsterdam to manufacture a series of standard parts, which can be built up to complete instruments in a simple manner. The parts are simple, strong and produced in standard sizes and can be assembled without any tools. This build-up set is supplied in five designs: the *Junior* for teaching at elementary and trade schools; the *Standard* for higher-grade elementary education and comparable specialised schools and three *Senior* equipments for university and secondary education and for technical schools. A patent application has been filed.

Parking Meter

A novel type of parking meter is shortly to be launched on the market by the L.M. Ericsson Co., Sweden. Its design is claimed to embody several improved features in comparison with the American types now used in Sweden and the meter has been adopted by the City of Gothenburg for all time-paid parking lots. It is also to be installed on several lots in Stockholm. Being of the conventional two-hour model, the Ericsson parking meter has only one slot, which can be used for either of the three current types of silver coins, namely, 25 öre, 50 öre and 1 krona. The last few coins dropped into the slot are visible in a special window, which makes it possible immediately to detect whether counterfeit coins have been used, while, in addition, faulty or worn-out coins are automatically returned. Another feature is that the clock movement and the time indicator do not stop as soon as the time is out. After the red flag has appeared on the scale, it continues to move for a further ten minutes. This will help parking guards or policemen and make it difficult for drivers to maintain that "the time was out just a few seconds ago."

New All-purpose Footwear

A new type of all-purpose footwear for use by the Swedish soldier is the result of many years of experimenting by the Army's commissariat. Henceforth, two pairs of the new boots will be issued to each soldier instead of one pair of marching boots and one pair of ski boots. The new type combines the features of a flat ski boot with springiness for marching, and it has been designed to give the soldier a chance of wearing the two pairs alternatively. Previously, a conscript having started wearing one type of boots often found them comfortable, kept on using them till they were worn out and then took to wearing the other type. Thus, the purpose of supplying two different kinds of footwear was defeated. For use on leave, the Swedish soldier is issued with shoes that are measured for width as well as for length, each army unit having measuring apparatus available. Each soldier will also be supplied with a pair of crêpe rubber reinforced boots of a type that has been found very useful on manœuvres in soggy terrain.

New Battery Process

An Australian company, Wessberg and Tulander Pty. Ltd., which has been specialising in the manufacture of industrial drying and baking ovens, has installed a wicket oven in its plant at Sydney for treating zinc sheets for incorporation in locally-made batteries. This class of manufacture has not been attempted in Australia, before, and involves the coating of carbon, to a pre-determined thickness, on to the zinc sheets. The carbon is mixed with thermosetting material, and adhesion to the sheets is obtained by the heat treatment from the oven. Only thin coats can be applied so that each sheet must be passed through the oven several times to build up the required thickness. The special type of oven is gas-heated, divided into four heating, and two cooling zones. Fans in each of the heating zones circulate air upward through the wickets to the roof, and then downward to the heating chamber so that the heating of the sheets from top to bottom is very even. The final cooling is obtained by a vertical axial flow fan, blowing through the wickets to a discharge flue leading through the factory roof.

Germs Control Typhus Fever

Some 150 volunteers in the United States and more than 8,000 persons in Peru have now been given "shots" of living typhus fever germs to vaccinate them against the disease. This new vaccine gives protection for at least two years and "neither deaths nor truly serious reactions" are to be expected. The results of trials of the new vaccine were announced by Dr. John P. Fox of Tulane University, New Orleans, at a recent meeting of the American Public Health Association. It is stated that none of the persons treated with living typhus fever germs developed typhus fever, even when given doses of typhus germs big enough to cause typhus fever in unvaccinated persons.

LLOYDS BANK LIMITED

SIR OLIVER FRANKS REVIEWS POST-WAR PROGRESS

THE Annual General Meeting of Lloyds Bank Limited, will be held on 18th February in London.

The following are extracts from the statement by the Chairman, The Right Hon. Sir Oliver Franks, G.C.M.G., K.C.B., C.B.E., accompanying the report and accounts for the year 1954:

"The profit for the year, at £2,186,072, is £102,291 higher than last year. The down-turn in advances, to which reference was made a year ago, has been replaced by a gradual increase throughout the year which, together with the increase in our holdings of British Government securities, has offset to some extent the effect of the fall in interest rates following the reduction in Bank Rate. Business activity has remained at a very high level during the past twelve months and this has improved our earnings in other directions; on the other hand, staff and other expenses continue to increase, a factor which must make for caution in any estimate of future profits.

"A year ago, we were able to increase the dividend on the "A" shares by 2 per cent.; we propose for 1954 a further increase of 1 per cent., making 15 per cent. for the year. We also propose the capitalisation of reserves to the extent of £3,593,239 for the purpose of paying up 5s. per share on the "A" shares of £5 each £1 paid, making the shares £1 5s. paid up.

"In order to dispel any uncertainty in the minds of shareholders, we have already announced our intention to recommend in due course that the dividend on the "A" shares for the current year, subject to maintenance of the Bank's profits, should be at the rate of 12 per cent. per annum on the shares in their new form, being the equivalent of 15 per cent. on these shares in their present form.

"Current, deposit and other accounts show an increase of £41 million and on the assets side loans and advances are up by £12 million and investments by £14 million.

Changes Since 1938

"I feel sure that it will interest you, as shareholders, if I devote my first annual statement to discussing some of the ways in which the Lloyds Bank of today differs from the Lloyds Bank of pre-war days, and say something about the problems the Bank has been having to face.

"Our share of the total deposits of the eleven London clearing banks, or of the five larger banks, is slightly higher today than just before the war. But a large expansion in our resources, when it reflects a general inflationary movement, is by no means the unmixed blessing it is often assumed to be; it can create real problems in our internal finances.

Growth of Activities

"Last year, movements of cash between our various offices totalled £500 million, apart from movements of cash between our own and other banks. In silver alone, we handle over our counters about £100 million (or over eleven thousand tons) a year. While our deposits have about trebled since 1938, the monetary turnover passing through our books has quadrupled; cheques drawn by customers on their current accounts now amount to some £34,000 million a year.

"Since before the 1914 war there has not been a single year in which the number of current accounts has failed to expand. We are today conducting about 2½ million accounts of all kinds, of which two-thirds are current accounts.

Branches in India, Pakistan and Burma

"In spite of the far-reaching political changes in their part of the world, the Eastern branches can show a similar record of growth. Before the war a large part of their business was concerned with the accounts of British personnel in Government offices and the Armed Forces. Most of these accounts have been closed, but a new business has been built up to take their place. The present number of accounts is almost three times as large, and deposits are more than five times as large, as in 1938.

"Basically, the business we conduct is that of an exchange bank and is concerned with financing the movement of commodities in world trade. We have, nevertheless, taken our share in providing finance required for the industrial development of all three countries in which we operate, and have done this not only by making advances directly to private enterprise but also by participating in Government-sponsored ventures.

Credit Expansion

"I pointed out earlier that the threefold expansion in deposits since 1938 is not an unmixed cause for self-congratulation. An expansion of credit on that heroic scale is bound to be associated with a rise in the general price level and this affects the Bank in more than one way.

"If prices rise, our expenses are bound to rise too, though not necessarily in exactly the same ratio. Since 1948 retail prices have risen by some 33 per cent., a percentage increase three times as great as that in our deposits. The combination of more or less stationary deposits with steeply rising costs was calculated to reduce our earnings. But, as things have turned out, the downward pressure on earnings was mitigated by the rise in short-term interest rates which followed the return to more flexible monetary policies in 1951.

"But it is not through its incidence on operating expenses alone that a rising price level affects our finances. For example, there is the problem of pensions. It is obviously desirable that the pension funds should be progressively strengthened so that they can take care of our future pensions liabilities. The Bank has taken action to this end and it is an expensive matter.

"Similar problems arise in connection with the Bank's capital and reserves. Obviously, the great growth in our deposits since before the war does not call for a commensurate increase in our capital resources, since for the most part the additional deposits have had their counterpart in Government obligations. It is different with our lending to the public. The Bank has a vital role to play in the national economy and in fulfilling that role we take, as is proper, normal commercial risks.

Need for Strong Reserves

"Given the growth in our figures, something more has been needed than the additions to our published reserves, and throughout the period the increase of the internal reserves has continued to be a priority for us.

"I hope that I have shown that the Bank recognises its obligations to the various sections of the community with which it has dealings and does its best to meet them. For our customers we provide a first-class banking service at a reasonable cost. In the last two years we have been able to raise the payment to our shareholders, many of whom are themselves among the worst sufferers from rising prices. Within the limits set by our earning capacity, in competition with our rivals, we have been able to give both to the active and to the retired staff some relief against successive increases in the cost of living. But our over-riding duty is, and must always be, to maintain the strength and the stability of our great organisation."

TAX RELIEF FOR PREMIUMS

NEED FOR RAISING PRESENT LIMITS

IN India, as in certain other countries, the income-tax law provides for relief in respect of contributions to provident fund or of premiums on the policies taken out by the assessee. This relief, as is well known, is limited to one-sixth of income, with a maximum of Rs. 6,000 in the case of an individual and Rs. 12,000 in the case of a joint Hindu family; the rebate is allowed for only income-tax and not for super-tax. From time to time, the interests concerned have pointed out that the relief is inadequate and have accordingly pleaded for more liberal relief. This plea gains additional support through the findings of the Association of Indian Trade and Industry which studied the systems of income-tax in different countries and their comparative incidence and published its findings in a publication referred to in our last issue.

At the outset, it would be useful to set down briefly the quantum of relief from tax granted in different countries for premium payments. The following are details of such reliefs:

U.K.: An allowance of two-fifths of premiums paid, with a maximum allowable premium at one-sixth of the total income—the rebate allowed on income-tax and not on super-tax; *Pakistan*: allowance of premiums and contributions to provident fund upto one-fifth of income, with a maximum of Rs. 11,530 (P. Rs. 8,000) but not for super-tax; *Ceylon*: nil; *U.S.*: nil; *Canada*: contribution to provident fund allowed with a maximum of Rs. 4,434 (C.$900); *New Zealand*: allowance of 15 per cent. of income, with a maximum of Rs. 2,337 (£175); *Australia*: allowance of insurance premium and contributions to provident fund, with a maximum of Rs. 2,146 (A£200); *South Africa*: deduction from normal taxes given at the rate of 1s. 3d. per £ of premium paid, or subscriptions to sickness fund, etc., or contributions to unemployment fund, with a maximum of £7 10s.; *Japan*: premiums on policies for the family upto Rs. 106 (yen 8,000) deductable; *Norway*: premium upto Rs. 200 (Kr. 300) for an individual, and Rs. 333 (Kr. 500) for an individual with dependents; *Israel*: tax credit of 23 per cent. (40 per cent. in the case of taxpayers who maintain children) of the amount paid, upto 20 per cent. of the taxpayer's income, with a maximum of Rs. 2,671 (I.£200) plus 12½ per cent. (20 per cent. in the case of taxpayers who maintain children) of the excess upto 15 per cent. of the taxpayer's total income—tax credit also granted on approved long-term savings deposits.

When these provisions are studied, it might appear at first sight that the relief for payment of premiums, granted in this country, is by no means small. But such a conclusion would be wrong. In the first place, the quantum of relief granted in this country does not take into account the fact that the habit of insurance is not as widespread as in other countries and that insurance, therefore, deserves a certain special consideration. Secondly, in other countries there are, besides the relief for premium payment, special allowances, such as allowances for dependent relations and medical relief allowance, whereas there are no such allowances in this country. Also, the State itself provides old-age pensions and other forms of social security. If the tax relief for premium payments granted in this country is set against the background of the absence of a nation-wide system of social security and of special allowances, it will be seen that the relief is by no means a generous one.

In the U.K., for instance, where the relief for premium payments is practically the same as in this country, there is a free health service, and provision for "dependent" allowances which consist of Rs. 1,202 (£90) for wife, Rs. 1,135 (£85) per dependent child and Rs. 801 (£60) per dependent relative or housekeeper. Such special reliefs are not available in this country. In New Zealand and Australia, where the relief for premium payments is less than in India, both free medical service and old-age pensions are provided by the State. Nevertheless, some rebate in tax is granted for old-age pensions and medical relief in Australia and for provision against old age in New Zealand.

In sharp contrast to the practice in other countries, dependent, infirmity, old-age and medical allowances are not available in India. Only personal allowance, insurance rebate, earned income relief and allowance for contributions to approved charities are provided by the tax system in this country. There are thus no family and dependent allowances in India. This state of affairs is particularly deplorable, because "large families are common and tradition requires earners to support non-earning relatives." Because of the absence of these allowances, a married person with two children, having an income below Rs. 9,000, it has been computed, has to "pay more tax in India than in any other Commonwealth country and the U.S.A." Considering these special circumstances, it is, as the Association rightly suggests, certainly worthwhile to examine the need for introducing in India allowances for dependents, medical relief and investments in approved undertakings and also for "increasing allowances for earned relief, life insurance premia and other forms of savings and contributions to charity."

The need for raising the present limit of relief for premium payments is particularly urgent, because the limit was fixed in pre-war years when the cost of living was very much lower than what it is today. It is this consideration which prompted the Indian Life Assurance Offices Association to plead for raising the limits to one-fifth of the income with a maximum of Rs. 10,000 for an individual and Rs. 20,000 for joint Hindu family. The increased limits suggested by the Association would, if conceded, provide the incentive for the upper middle class to effect savings by investing more sums in the purchase of life insurance policies. This would, in its turn, make available larger funds for investment in Government securities and approved securities and in the nation-building activities. Thus, any slight loss in revenue, which the Government may have to suffer through an increase in the tax-exemption limits for insurance premium, will be more than made good in other ways.

HEALTH INSURANCE IN BOMBAY

A conference of representatives of all the interests concerned with the working of the Health Insurance Scheme in Bombay was held early this year, in order to review the progress of the Scheme and also to consider the complaints of some defects in its working. The Minister for Health and Labour, Mr. Shantilal Shah, who presided over the Conference, agreed to several suggestions made at the Conference. Several misunderstandings were also removed and the ground prepared for closer co-operation and co-ordination in the working of the Scheme.

An analysis of the progress of the Scheme reveals that the total number of insured employees is 420,456. About 40,929 acceptance cards have not yet been received. This is attributed to the assumption by some employees that they need be enrolled only when they get sick, the delayed issue of certificates by employers, and to the fact that some employees are on long leave. The total number of panel practitioners is 903 at present, including 124 Ayurvedic practitioners and six Unani practitioners. Fresh applications are to be invited every three months. As many as 284 beds have been reserved in 13 general hospitals while 100 beds have been reserved in two T.B. hospitals. Among the hospitals are included a number of well-equipped and leading Government hospitals and they have been instructed not to refuse admission to emergency cases even if the reserved beds were found occupied. Non-emergency cases are admitted when admission is recommended by the specialists and when there are vacancies.

So far as married insured women employees are concerned, ante-natal care is provided up to seven months of pregnancy at the diagnostic centres and then by the hospitals. Domiciliary confinements are provided by the registered midwife engaged by the panel practitioner in charge of the case. There are six diagnostic centres including one in Thana. Facilities for laboratory and X-ray examinations have been provided at these centres. Specialists in surgery, medicine, T.B., E.N.T., eye, gynæcology and radiology are attached to the centres. The services of specialists in T.B. and medicine are available for four days in a week while the others attend twice a week. T.B. clinics are also established at each of the centres. A free blood transfusion service has also been established for the benefit of insured patients.

Available figures show that the number of laboratory tests increased from 1,859 in October to 4,165 in November. The number of persons for whom X-ray plates were taken was 93 in October which increased to 495 in the next month. The corresponding figures for patients screened during the two months are 443 and 847, respectively. The total number of various tests carried out at the six centres was 2,395 in October and 5,507 in November.

The scale of medical benefit provided under the Scheme in Bombay, it is stated, is much above that envisaged under the rules or that provided elsewhere under the Scheme. The rule provides for general medical service only and hospital treatment for emergency cases alone. The diagnostic services and consultation services have been provided over and above the scale of medical benefit required under the rules. The hospital beds provided under the Scheme are in the ratio of 1 per thousand persons. This is much above the existing facilities for the general public, which is 1 bed per 4,000 persons in Bombay. It is intended also to increase the hospital beds for insured persons to 1 per 800 persons.

Under the terms of service, a panel practitioner is required to supply all medicines necessary for the treatment of the insured persons on his list. But with a view to preventing him from supplying only ordinary medicines, the Government has arranged, through 153 approved chemists all over Greater Bombay and its suburbs, to supply costly drugs, numbering 66, direct to the insured persons when the drugs are prescribed by the panel practitioner to meet a genuine need. Moreover, many other costly drugs are supplied free to insured persons when they are admitted in a hospital or when they are recommended by a specialist. Certain restrictions have been placed on the supply of a few costly drugs with a view to preventing toxic effects from indiscriminate use, and with a view to using such drugs only in genuine and deserving cases.

It is also intended to utilise the employer's medical facilities that are not lower in standard than those provided by the State Government. Out of about 1,600 factories in Greater Bombay and its suburbs, only about 20 have full-time doctors in their dispensaries and about 65 have part-time doctors. Under the Factories Act, factories with 500 or more employees should have an ambulance room with a medical officer for treatment of emergency cases and accidents and, therefore, the existing factory medical services should not be discontinued.

NATIONAL INSURANCE IN U.K.

Labour leaders in the U.K. have consistently realised the need for and the value of co-operating with the authorities in implementing Britain's comprehensive national insurance and industrial injuries schemes. Ever since these schemes began to operate in 1948, writes Mr. Herbert Tracey, member of the Trade Union Congress, it was generally recognised that their working might reveal anomalies that would have to be put right and that, from time to time, changes and improvements would need to be made. That the schemes should work well was the responsibility of the Government, and the Minister of National Insurance, in particular. But, in order to help him, advisory committees were appointed. The 17-member Industrial Injuries Advisory Council, for instance, which considers proposals for new regulations and passes opinion on the working of the Industrial Injuries Act, has four members appointed on the nomination of the Trade Union Congress as well as nominees from among the doctors, employers and other interested parties.

At local level, too, there are more than 220 representative committees on which trade unionists serve to advise the Minister on the working of the national insurance and industrial injuries schemes with particular reference to local conditions. In addition, local Appeal Tribunals of three people, which include representatives of insured persons and employers, deal not only with a whole range of disputed claims under the National Insurance Act, but also with claims arising under the Industrial Injuries Act. Most of those insured persons on the panel from which the Minister appoints to the tribunal are nominated by trade unions or trades councils.

For many years the T.U.C. has maintained a department which works closely with a committee of the General Council on national insurance, industrial health, and related questions. Many unions, too, particularly those in heavy industries, have also had departments busy with cases of workmen's compensation, particularly before the new post-war legislation came into force in 1948.

THE BRITISH INDIA GENERAL INSURANCE COMPANY, LIMITED
(INCORPORATED IN INDIA)
HEAD OFFICE:—MEHTA HOUSE, APOLLO STREET, BOMBAY
Chairman: JAL H. MEHTA General Manager: M. S. DASTUR

The Bank of India, Ltd.
ESTABLISHED 7th SEPTEMBER, 1906.

CAPITAL SUBSCRIBED	Rs. 5,00,00,000
CAPITAL PAID-UP	Rs. 2,50,00,000
RESERVE FUND	Rs. 3,52,00,000

Head Office:
MAHATMA GANDHI ROAD, FORT, BOMBAY.

BRANCHES IN INDIA
AHMEDABAD, Bhadra (Main Office), Ellis Bridge, Gandhi Road, Manek Chowk, Station Branch
AMRITSAR
BOMBAY, Andheri, Bandra, Bullion Exchange, Colaba, Kalbadevi, Malabar Hill
BHUJ (Kutch)
CALCUTTA, 11-8, Netaji Subhas Road (Main Office), Bara Bazar, Chowringhee Square
COIMBATORE
DELHI
GANDHIDHAM (Kutch)
HYDERABAD (Deccan)
JAMSHEDPUR
JUNAGADH
KOZHIKODE (Late Calicut)
MADRAS
NAGPUR, Kingsway, Itwari Bazar
NEW DELHI
PALANPUR
POONA, POONA CITY
RAJKOT
SURAT
SHOLAPUR
VERAVAL

FOREIGN BRANCHES:
LONDON—17, Moorgate, London, E.C.2.
ADEN, JINJA, KAMPALA, KARACHI, MOMBASA, NAIROBI, OSAKA, SINGAPORE, TOKYO.

DIRECTORS
SIR COWASJEE JEHANGIR, Baronet, G.B.E., K.C.I.E., (Chairman).
Mr. AMBALAL SARABHAI.
SIR JOSEPH KAY, K.B.E.
Mr. DINSHA K. DAJI.
Mr. RAMNIWAS RAMNARAIN.
Mr. BHAGVANDAS CHUNILAL MEHTA.
Mr. KRISHNARAJ M. D. THACKERSEY.
Mr. A. D. SHROFF.
Mr. MADANMOHAN MANGALDAS.

Current Deposit Accounts.—Except at certain places interest is allowed on daily balances from Rs. 500 to Rs. 1,00,000 at ½ per cent. per annum. No credit will be given for interest amounting to less than Rs. 3 per half-year.

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

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

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

General Banking Business transacted.

D. R. THOM, General Manager.

THE SOUTH INDIA INSURANCE COMPANY, LIMITED
(Incorporated in India)
(Established 1934)
Transacts
Fire, Marine, Accident and Miscellaneous Insurance Business

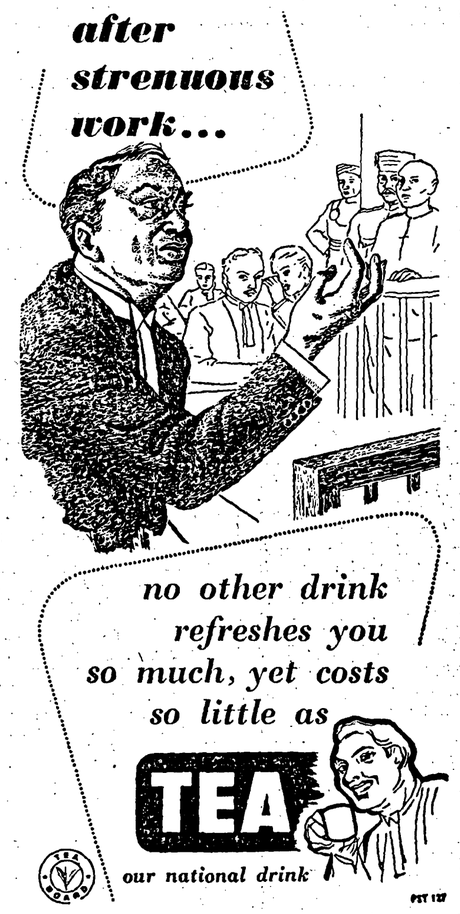
Authorised Capital	Rs.	1,00,00,000
Subscribed Capital	"	50,00,000
Paid-up Capital	"	10,00,000

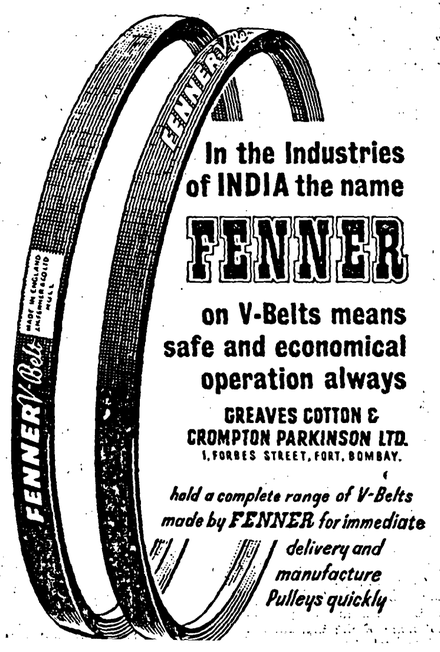
Head Office:
New India Assurance Building
Mahatma Gandhi Road
Fort, BOMBAY

THE BANK OF INDORE LIMITED
INDORE
(Incorporated in Indore 1920)

Authorised Capital	Rs. 50,00,000
Subscribed Capital	" 30,40,750
Paid-up Fund	" 15,30,375
Reserve Fund	" 25,00,000

Head Office: Prince Yashwant Road, Indore City
Bombay Offices: 44, Hamam Street and Jai Hind Estate, Bhuleshwar.
Branch Offices: Cloth Market, Siyaganj and Sanyogitaganj (Indore City).
Branches: Anjar, Dhar (Madhya Bharat), Khargone, Mhow, Ratlam, Sanawad, Tarana and Ujjain.
Pay Offices: Sandhwa and Jaora (Madhya Bharat).
SAFE DEPOSIT LOCKERS are available at Head Office, Siyaganj, Cloth Market, Indore, Branch Offices Mhow, Ujjain, Ratlam, and Tarana on favourable terms.
BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED
N. D. JOSHI, Manager.





TRAINING FOR EXECUTIVES

THE "KASH" APPROACH FORMULA EXPLAINED

By B. K. Shah

GENERAL MANAGER, NEW INDIA ASSURANCE COMPANY, LTD.

THE concept of individualism is fast giving place to a corporate concept in every sphere of modern life, be it political, social or economic. The corporate concept deals with group actions. It is, therefore, imperative that every corporate activity is clearly planned to fulfil a precisely defined objective, and that, to this end, it functions in a well set up organisation. Necessarily, the organisation of a corporate body is complex, and highly specialised in many spheres. The organisation pattern as a whole is, therefore, divided into very clearly stated areas of responsibility and authority, with a well-trained competent team of executives to control and direct the functions and performances of each area of operation. There is no better model to demonstrate the corporate concept, and the divisions of responsibilities and of authorities into various constituent areas, each with a presiding executive directing and controlling it, than the human organism. Another good model will be the administrative and executive set-up of a Government. You know what a difference in performance it makes, if the functional set-up is well demarcated, and every functional area is presided over by a well-qualified executive with definite responsibility and authority.

It is the experience of all the progressive countries that the development of national life in all its spheres, entirely depends upon the organising ability of the people. It is rightly said that the qualities of individuals make up the national character. In the present era of mass organisation and mass production, however, the potency of the national character entirely depends upon the organising ability and the leadership quality of the people. It is these two qualities, organising ability and leadership, alone that can weld the individual strengths into a surging ocean of organised and potent strength. History has revealed, from time to time, that, despite the superiority in strength of the individuals constituting a group, victories and success have crowned those who, although inferior in individual strengths, knew the techniques of leadership, of sound organisation, and of co-operating and integrating the performance strengths of the individuals into a competent, massive and irresistible phalanx. Superior organisation, direction and control of the Task Force makes all the difference between success and failure. The fundamental principles of techniques in administration, organisation and management are common to all corporate undertakings, although they might assume varying forms. The basic concepts are thus applicable to every sphere of human corporate activity, including industry and commerce.

Textile Industry

Let us take the example of the textile industry to realise the efficacy of an executive in the corporate concept. Examine the problems facing an isolated individual plying his spinning wheel, on the one hand, and those of a textile unit, on the other. In the case of the former, the man can be absolutely self-sufficient in every way. He can throw a few cotton seeds in his backyard or farm, and pick up sufficient cotton to be used on his spinning wheel for the year round. He has no mechanical breakdown problems; he has no marketing problems; he has no time schedule to keep. All the motivation that he has to do is by himself, so that he will run the spinning wheel at least for some hours each day. He cares not for fashion, nor for quality; he worries not whether the count is uniform or not. He goes on from day to day much the same way as has been doing for generations. In sharp and vivid contrast to this, a textile unit is a very complex organism. It is a unit of responsibility, and represents a combination of techniques, both of production and personnel calling for integration and co-ordination at every level.

It is the responsibility of the textile unit to harness the efforts and the energies of a few thousands to work under one roof, to produce planned results. It has the responsibility of giving to its workmen the finest tools to enable them to yield the maximum output per man-hour; of purchasing raw materials in the cheapest market; of fashioning its produce to suit the taste of the consumer at home and abroad; of scheduling the work and keeping the time schedule, so that none of the thousands is held up in his part of the job, because someone else had failed in keeping to his schedule. The unit has to keep a very close watch on the price fluctuations, so that the sale price of the produce is competitive and does yield some profit. The most important of all these various operations need, on the one hand, substantial capital and prudent management of finances at every stage; on the other, a sound human understanding and management of men working in the organisation is called for to develop their know-hows, attitudes, skills of operations and sound habits of work through proper training, discipline and motivation.

Management and Men

In order to execute these various operations in an organised and productive manner, the unit has to have, above all, efficient management personnel competent to put the knowledge of technical processes to maximum use and to run the business in the most economic manner in a competitive market. The science of management, which I have attempted to detail earlier at some length, will remain largely ineffective in the absence of a high calibre managerial manpower. This aspect of the problem which we may call the art of management, where, through well equipped, well-chosen and capable executive staff, the science of management receives its character, form and purpose, is not sufficiently appreciated. We think, perhaps overthink, in terms of machines. It is time we thought in terms of management and men. It will be surprising to many that, according to investigations carried out in the United States, 50 to 70 per cent. of the wastes in certain enterprises, including textiles, is attributable to shortcomings on the part of management.

It is only the combination of the vital factors referred to above that makes it possible for a textile worker, in a textile mill, to produce per man-hour fifty or hundred-fold of what his prototype does on the spinning wheel. It is the method of the mill and not the way of the wheel which every progressive country prefers, whether it be a capitalistic, socialistic or communistic society. However, the former definitely demands, as has been seen, a very carefully planned organisation with areas of responsibility and authority clearly defined and in charge of a well-trained executive. Unlike the individual concerned with his spinning wheel, who organises all functions, a modern textile unit has to have a number of top executives to look after the planning and the co-ordination of the work of the organism as a whole, assisted by sub-executives, each responsible for the efficient management of his area, which is well defined.

It is thus clear that the progress and prosperity of any section of the national economy and of the national economy as a whole today vary in direct proportion to the quality and the adequacy of the executives the country can build up. Not only that. It is the general experience of all that at every crisis, political, social or economic, calling for rapid shifting from one form or phase of activity to another, or in any period of rapid industrial expansion, the main responsibility of organising and implementing the policies devolves on the executives. And it is invariably found that the most difficult bottleneck even in the highly industrially advanced countries is the lack of trained executives.

Productivity

We, in India, are passing through the most momentous times, and facing the most intricate problems of reorganising and remoulding our way of life. The most challenging problem on the economic front, is the problem of productivity. It is a national problem *par excellence*. We have got to tackle this problem and that, too, at a much faster pace than has been the case with many other countries in the past. The complexity of our task is multiplied manifold by the personnel problems, which call for the development of the technique of successfully controlling and guiding men and machines into channels of maximum output. As we grow from strength to strength, the complexity of our problems will grow, too. It is the executives, whose responsibility it will be to tackle these fast growing tasks. Our national progress, both immediate and future, therefore, entirely depends upon the army of executives we can build up and the pace with which we can build it up.

It is a matter for grave concern that this basic factor, so imperative for the success of a national life, a national economy, or a corporate enterprise, is not fully appreciated in our country. The earlier we realise the need of a sound organisation, administered and managed by well trained executives, the better and the easier it will be for the progress of the country's economy. Having defined the importance of a well-planned executive team, the most important problems every enterprise has to face are: (a) What are the functions of executives? and (b) how to induct and train them?

During the last two decades, there has been a marked change in the concept of an executive's functions. Against the concept and responsibility of an executive, two decades ago, which mainly centred round the material side of production, there has been an epoch-making evolution following the infinitely developing complexity of modern industrial mechanism.

Although the fundamental principles underlying execution and supervision do not change, their philosophies do. The social and industrial development of the past few years has led to a tremendous change, both in the attitudes of the men whose work the executive directs and in the methods of execution.

The executive occupies the key position in industry today, representing the management to the men and the men to the management. His job is essentially one of human engineering, or human relations. His success is primarily governed by his ability to sell himself to and manage the men, working both above and under him. He has to adapt his technique to changing conditions and the rapidly changing human attitude. Unlike in the past, he has to deal with better educated employees more conscious than ever of their rights, acting in the spirit and technique of collective bargaining, enjoying and demanding higher standards of living, and passing through momentous social and political changes. The executive's fundamental approach in a human relations programme has, therefore, to be adapted to fit in with these new conditions. While the executive of today is a leader and a planner, he is, of necessity, a student of the men at work.

Intricate Problems

It is pertinent to observe that the problems, in this country, are more intricate than in many other countries, primarily because we are backward in the technical aspects of industry. We have still to learn (1) to understand and harness machinery, and to develop elaborate production lines; (2) to design the machinery, tools and dies; (3) to train employees to handle the equipment; (4) to develop the techniques to successfully control and guide the men and machines into channels of maximum performance; and (5) to properly service the consumer.

Moreover, with the liberation of the country, there has been, as was but to be expected, an upsurge and a re-expression of the values and way of life among the masses. Perhaps, the swing of the pendulum has run too far, resulting in negative attitude, lack of positive and constructive response, and lack of regard for the larger interests of the enterprise and of the community. The problems facing the executive in this country, therefore, have been rendered more complex and intricate. The most vital part an executive in India, apart from his other functions, has to play is to correct these negatives and indoctrinate the men into positive and fundamental attitudes, viz., that their first and primary responsibility is to the community they serve, and that their well-being is directly dependent upon the performance they are able to give per man-hour.

USE
THE COSMIC RAY FOR ALL SKIN DISEASES!

AND

AMRUTANJAN

THE ATOM BOMB PAIN BALM

The problem of co-ordinating men and machinery is, therefore, far more difficult than it would be if we were passing through more normal times and normal conditions.

It is necessary to realise that the basic functions of executives will be the same, with some adjustments in detail, for the different spheres of activity in our national life. To give a more realistic picture, I propose to narrate an insurance company's needs of the executive staff, how they are inducted and how they are trained.

Certain major and general responsibilities, that every executive has to discharge in an insurance company, or in an industrial unit or elsewhere, are as follows:

(1) responsibility of assisting the top executive to make plans for his own area of operations;

(2) responsibility of fulfilling the plans and for maximising production;

(3) responsibility for the creation and maintenance of a suitable working environment and working conditions for men working under him, to ensure their health and safety and create a sense of general well-being;

(4) responsibility for development of morale, or proper mental attitude, in his men;

(5) responsibility for co-operation with management, fellow executives and supervisors, and his own subordinates;

(6) responsibility for training and developing his subordinates; and

(7) responsibility for keeping records, interpreting these records, and making reports.

In inducting and training our would-be executives, it is necessary to see that the men we induct are qualified enough to face the responsibilities referred to, in addition to a thorough grasp of the *modus operandi* of the job concerning them and the operations making up the job.

The work of an insurance company basically divides itself into two main groups—(1) administration, and (2) sales organisation.

As regards the administration, we, in the New India, have a system of a sectional head or a leader for each five or six assistants, a staff assistant for each group of four or five sectional heads, and a superintendent for each group of three or four staff assistants. There is an assistant manager in charge of the department. Persons in the superintendent's grade and above are regarded as executives, and given responsibility and authority for executive functions. In view of our rapid development, we realise we will need scores of more well trained executives and supervisory officials.

As regards the sales organisation, we have a system of a group of Agents working under an inspector, eight inspectors working under a superintendent of agencies, three superintendents of agencies working under a branch secretary, five branch secretaries working under a deputy superintendent of branches, and, at the top, one superintendent of branches to control three deputy or joint superintendents of branches. Under the development plans we have recently drawn up, we have estimated our overall requirements at about 80,000 agents, 3,200 special agents (or sub-inspectors), 3,200 inspectors, 800 superintendents of agencies, 300 branch secretaries, 65 deputy superintendents of branches and 15 superintendents of branches.

Both in the field of administration and sales organisation, the majority of our man-power requirements have to be built up anew.

How New India Is Doing It

It is customary to build up the supervisory and executive staff out of the existing personnel. Some managements will refuse to undertake programmes of expansion in the absence of an adequate supply of men who are already fully qualified or who can be easily built up. In our case, we had to give an answer to this all-important question. The conclusion we reached was that we did not have with us adequate raw material to build up the supervisory and the executive staff necessary even for our normal expansion—much less to meet the requirements of our rapidly growing business, and still less to answer the demands of the vast expansion programme we have envisaged for the immediate future. The problem for building up the supervisory and executive staff had, therefore, to be tackled on unconventional, unorthodox and, may be, on revolutionary lines. Our decision was to develop the executive and the supervisory staff simultaneously with the expansion on the production front. I must admit that this decision has meant placing a very high degree of strain on the management, executive and supervisory staff. I must also admit that our performances in the various fields are not as thorough as they should or could have been, if our development programmes were not so ambitious.

But, at the same time, I must point out that our overall results have been exceedingly satisfactory, and such as we can be legitimately proud of, even after making allowances for our shortcomings and lack of thoroughness in some cases. To illustrate, the New India Life Department stepped up its new life business underwriting capacity from Rs. 20 crores in 1953 to over Rs. 42 crores in 1954. I am using the phrase "new business underwriting capacity" and not "new business," because we are planning for the year 1955 a minimum new life business of our last year's magnitude. The building up of the requisite man-power, and the supervisory and executive staff will be, as it has been, a hard task. To put it allegorically—it will mean "blood, sweat and tears" for some of us. But we have learned all through the line one thing that "it can be done"—and we are doing it. Necessity is the mother of invention, and I must confess that, in our search for unorthodox revolutionary methods, we have developed some most novel approaches in induction and training.

In the induction of our new men, particularly in the sales organisation, we adopt a combination of open or competitive selection plus nomination methods. We request all our officials to look out for men who answer to our requirements, and nominate one or two candidates each. We also request hundreds of our friends to nominate young men who, in their opinion, will make good. These efforts for nomination are seconded by a well planned method of competitive selection through advertisement. I am pleased to say that this combination has worked fairly well. We now propose to include in our induction programme, a short film depicting "career possibilities in the New India," so that our message of the fine jobs going in the New India can be conveyed to thousands of young men in search of careers, and our nomination and advertising methods can be more effective.

One will naturally like to know how we propose to build up the task force and the supervisory and executive staff, simultaneously. Uptil now, we just used to select from whatever material that was readily available for supervisory and executive functions. However, beginning from this year, we are inducting under a well-devised system, along with our task force, a sufficient number of young men of suitable higher qualifications, who can be trained up as supervisors and executives. These men answer to some of our requirements for these higher positions, except the knowledge and know-how of insurance. We propose to put the young men selected for higher positions as monitors to each batch of eight or 10 ordinary trainees, who will also undergo a similar course of training preliminary to taking up their jobs, and whom they will be ultimately required to direct and control. During the period of their training for technical know-how, care has been taken to see that those selected for supervisory positions are helped to develop the personality for leadership and other essential qualities necessary in such responsible jobs.

"Kash" Approach

Regarding training methods. In the New India, we have adopted what we call "Kash Approach," in all our training programmes. This formula embodies the following qualities basic to success:

K—Knowledge;
A—Attitude;
S—Skills of work; and
H—Habits of work.

THE TRAVANCORE BANK
LIMITED

THRIFT DEPOSIT SCHEME

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We have found that, in every sphere of human operations, this formula adapts itself most fittingly. Thus, we have planned to indoctrinate our executives into theory and theoretical knowledge through practice of technical problems of supervision and executive actions selected from our past experience.

K—Knowledge: We have deemed it necessary to impart a thorough know-how of the job to everyone functioning in the New India. We have come to realise that every job can be divided into easy operations, and that by adopting what we call the "problem method" of training, we can train an average man within one-fifth or one-tenth of the time ordinarily taken up by the usual "learning through licking stamps" method of instruction. The concept of the problem method of training is very akin to what you call in industry a pilot plan method.

A—Attitude: We attach great importance to the attitude of every man, working in or representing the company. We sell security and service. It is, therefore, imperative that our men have correct attitudes towards the public with whom they deal on behalf of the company. It is also imperative that they have a positive attitude towards the company, meaning thereby loyalty to the institution and organising themselves and harnessing their talents and abilities to make the best possible contribution to the goodwill, good name and success of the company.

Since the executives report to the top management the performances and problems of the men working under them, and since they interpret the policies of the company to the latter, it is vital that the executives are discerning, constructive and loyal in their attitude towards both. They must radiate their personality, their enthusiasm and their goodwill to the men working under them, so that the latter are inspired to give of their best. Otherwise, their lack of these qualities will undermine the efficacy and the morale of the unit as a whole. The two most important requirements in their attitude are:

(1) a spirit of leadership to lead the men working under them into enthusiasm and team work; and (2) a spirit of co-operation between various executives, so that there is the necessary measure of co-ordination in the work of the company as a whole.

S—Skills of work: Skills of work are essential, if the work is to be done spontaneously and effortlessly, and if high performance standards are to be established. Skills can be built up by repeating the same operation over and over again, through the use of the problem method of study. By making our would-be executives work out hundreds of such problems, we feel, we have found an easy solution to this requirement.

H—Habits of work: Our experience suggests that the contribution of good habits of work to the performance standards of everyone, right from the top executive to those at the bottom of the ladder, is substantial. There is no other alternative between good and bad habits. During the period of training, we take the utmost care to see that good habits of work are inculcated, and come natural to the staff. It is not possible to teach these things by theorising; the only way is to make them realise what is a good habit in the fulfilment of their responsibility, and to drill them accordingly.

The "Kash" formula of training is also applied to the training of the staff at all levels, including the assistants.

I have mainly referred to the art of management, as distinct from its science. I have attempted to show what our problems in induction and training are; how indispensable a competent executive is to a business unit, as elsewhere; how on the fulfilment of this condition depend the progress and the future of a national economy. This is the most urgent problem facing any country. The urgency is all the more with us in India, as we are pledged to various schemes of expansion both in the private and public sectors. In this context, I would venture to emphasise one aspect of the problem under discussion, which I have only touched in passing and with which I may fittingly end. Our prime interest and objective should be production and ever-higher production, rather than profits. An executive is but a tool in the national workshop; he is the means to a higher end, if I may say so, to a nobler end. This objective, it is said, is often lost sight of in a capitalistic society. Through higher production alone can the national standards of living be raised and the national policies underlining a Welfare State, including employment for all and equitable distribution, fulfilled. We cannot divide poverty, but we can certainly aspire to share prosperity. It is for us to work for this prosperity. I appeal to all those who are in charge of the tasks of production, including the captains of industry, executives and labour, to appreciate this essential social function, so that service to the community with provision of plenty for all may come to be accepted as a professional objective.

[The foregoing is the text of a talk given by the author at Ahmedabad early this week under the auspices of the Ahmedabad Textile Industries' Research Association.—Ed.]

AGRICULTURAL LABOUR IN INDIA

POSITION WORSE IN SOUTH AND EAST

THE report on agricultural labour enquiry into rural man-power and occupational structure prepared by the Union Ministry of Labour is undoubtedly a document of outstanding value. The background of the rural economy it provides will be of immense use in framing the right kind of economic policies for improving the standard of living of the masses in India—the main objective of the Five-year Plan. It is common knowledge that a great majority of people in India derive their livelihood from agriculture and allied occupations, but agriculture is mostly a means of mere subsistence, as the average holdings are small and cultivation of land depends almost entirely on human labour. The enquiry enables one to ascertain the approximately correct position as to the number of people depending on agriculture, the area of land they hold, the means of their earnings, the extent of livestock they own and the type of implements they use, etc. It also provides us an idea as to the areas in which agricultural workers form a larger proportion than in others and the probable reasons for this phenomenon.

The agricultural labour enquiry, embodying the report under review, was conducted by the Central Labour Ministry in 1950-51, in three stages through different surveys. The three surveys were the "General Village," the "General Family" and the "Intensive Family." The present report relates to the "General Family" survey. The object of this survey was to assess the general economic conditions and occupational structure in the sample villages and to delimit the agricultural labour families living there.

The survey covered all the families in the 812 villages in the Indian Union that were selected for enquiry on the basis of stratified random sampling. The families surveyed numbered in all 103,548. A family was taken as a "household," with an independent common kitchen and living under the same roof, including temporary absentees but excluding guests. The villages consisted predominantly of agricultural families who formed 79.8 per cent. of the total. Agricultural landowners accounted for 22.2 per cent. and agricultural tenants 27.2 per cent. The percentage of agricultural workers to the total was 30.4. Non-agricultural families formed 20.2 per cent. This class includes artisans, village officers, teachers, domestic servants and petty traders. Of this group, the families depending on wages, that is, those who were not self-employed, constituted 5.5 per cent.

Rural Families

The table below gives the percentage distribution of rural families by the various categories:

Zones	Percentage Distribution of Families					
	Agricultural land owners	Agricultural tenants	Agricultural Labourers			Non-agriculturists
			With land	Without land	Total	
North India	7.7	56.1	5.7	8.6	14.8	21.9
East India	16.8	29.9	19.0	13.7	32.7	21.1
South India	23.0	6.1	27.3	22.8	50.1	20.8
West India	44.8	18.4	8.8	11.6	20.4	16.4
Central India	25.0	22.0	14.6	22.1	36.7	16.3
N-West India	42.2	25.0	2.7	7.1	9.8	23.0
	22.2	27.2	15.2	15.2	30.4	20.2

N.B.—The States falling under the six zones are as follows:
North-India: U.P.
East India: Assam, Bihar, Orissa, West Bengal, Manipur, Tripura.
South India: Madras, Mysore, Travancore-Cochin, Coorg.
West India: Bombay, Saurashtra, Kutch.
Central India: Madhya Pradesh, Madhya Bharat, Hyderabad, Bhopal, Vindhya Pradesh.
North-West India: Punjab, PEPSU, Rajasthan, Ajmer, Delhi, Bilaspur, Himachal Pradesh, Jammu and Kashmir.

The table above strikingly brings out certain disquieting features which deserve the attention of policy-makers, so that suitable action may be taken to eliminate them. The most important feature is the high proportion of agricultural workers to the total number of agricultural classes. It is as high as 50.1 per cent. in South India, 36.7 per cent. in Central India, 32.7 per cent. in East India, 20.4 in West India, 14.3 in North India and 9.8 per cent. in North-West India. The report says that the estimated total number of rural families in the Indian Union was 58 million. Of this, agricultural workers' families formed about 17.6 million. Among these families, those cultivating a plot of land numbered 8.8 million and the remaining 8.8 million were landless. Among the different zones, South India had the largest number of agricultural families, namely, 6.2 million. Out of these, as many as 5.1 million lived in the State of Madras alone. There were 5 million families in East India of whom 50 per cent. belonged to Bihar. Nearly 3 million families were in Central India, while North-West India had only between 1 to 2 million.

While there is evidence that, in pre-British India, there was no class of agricultural labourers as such in the rural areas, this class of population has since come into existence in different proportions in different zones as stated above. The report says that it is difficult to ascertain the precise reasons for these differences. According to it, the system of land tenure may be an important factor in the growth of agricultural labour. During the British period, the communal settlement came into being in northern areas. The *zamindari* settlement was superimposed in the eastern areas and the *ryotwari* settlement in southern parts of the country. While settlement operations in eastern areas were completed in the nineteenth century, the same took about 30 years more in the southern areas and about half a century in the northern areas. The alienation of land and, consequently, the growth of agricultural labour population was, according to the report, rather rapid in *ryotwari* areas, while the chance of alienation in the *zamindari* system was slightly less. It was lower still in the northern areas where communal settlement was prevalent.

Man-land Ratio

Another cause for the growth of agricultural workers' families is stated to be the man-land ratio. For example, in the southern and eastern parts, the growth of population during the last few decades had been more rapid than in the north and north-west regions. With the proportion of the population dependent on agriculture to the rapidly expanding total population remaining more or less constant during these decades, the conditions of agricultural classes deteriorated more in the south and in the east than in the north and north-west. Intensive cultivation made possible by the network of canals also arrested in a way such deterioration in the north-west regions of the country. These findings evidently point to the need for giving high priorities to the south and eastern regions in drafting development schemes in the second Five-year Plan. It is to be hoped that this aspect will not be lost sight of by those who are now busy preparing the Plan.

The report reveals that about 52 per cent. of the total rural population were males. Persons of 15 to 55 years accounted for 54 per cent. of the total, while those under 15 and above 55 accounted for 38 per cent. and 8 per cent. respectively. In other words, the working age group had to provide subsistence not only for itself but also for the non-working group of which the size was nearly as large as itself. The families of agricultural workers formed, as stated already, 30.4 per cent. of the total agricultural families. Of this, 25.8 per cent. was casual and 4.6 per cent. attached.

The average size of the rural family in India was 5.01 persons consisting of 1.84 men, 1.48 women and 1.91 children. The size of the family was larger in the case of owners and tenants at 5.5 persons and 5.4 persons, respectively. These compared with 4.7 persons per family of agricultural workers. The size of the family was the largest in North-West India at 5.2 and smallest in South and North India at 4.9.

Earnings

Of the 5.01 persons in a family, there were 1.57 earners, 0.96 were helpers and 2.48 dependents. In the agricultural labour family 2.42 persons out of 4.70 were earners. The average working strength for all India was 2.7 for agricultural labour families, 2.6 in the case of owners and tenants and 2 for families of non-agriculturists.

Of the total earners in the rural families, about 26 per cent. had subsidiary occupations of a non-agricultural character. In a few cases, cultivation of land was the subsidiary occupation. Only 21 per cent. of the agricultural labourers had subsidiary occupations but 50 per cent. of these were engaged in land cultivation.

Details of landholdings reveal that the average size of the holding was 7.5 acres of which 6.6 acres were cultivated and the rest uncultivated. The area actually owned accounted for 4.3 acres and land taken on rent 3.1 acres. The average size of the holding for the families of agricultural owners was 11.4 acres and for tenants 7.7 acres. It was only 2.9 acres in the case of agricultural workers. 59 per cent. of the total number of holdings were less than even 5 acres, indicating that the scope for employment of hired agricultural labourers was limited. On an average, a rural family had 0.7 ploughs, 2.2 head of cattle, 1.3 sheep and goats and 0.9 poultry.

The problem of housing is acute in rural areas. The majority of the houses is made of thatched roof and mud walls. They account for 84 per cent. of the total houses occupied. Again, most of them are single-room tenements. The average number of persons per room is 2.8.

The report thus bears full testimony to the backwardness of the bulk of the rural population in India. It emphasises the urgency for the rehabilitation of the agricultural worker whose position seems to have deteriorated considerably in recent years. Those in authority are fully conscious of the magnitude of the problem. The Five-year Plan, in fact, seeks to tackle it by pressing into service the Co-operative Movement, National Extension Service Schemes, Community Projects, rural industries and rural credit projects. These schemes, however, have been on trial only for a short period of two years. It is, therefore, premature to venture an opinion on the achievements of these agencies.

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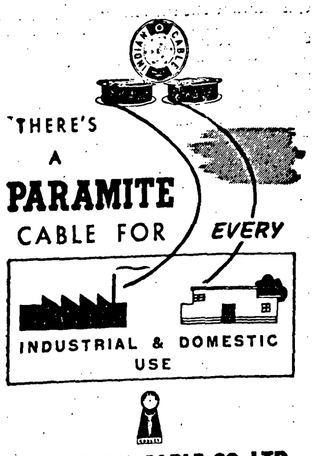
The organisers give the greatest attention to the reception of visitors, ensuring, from the outset, that their particular interests receive sympathetic consideration, thus avoiding useless fatigue and loss of time in an exhibition of such considerable size.



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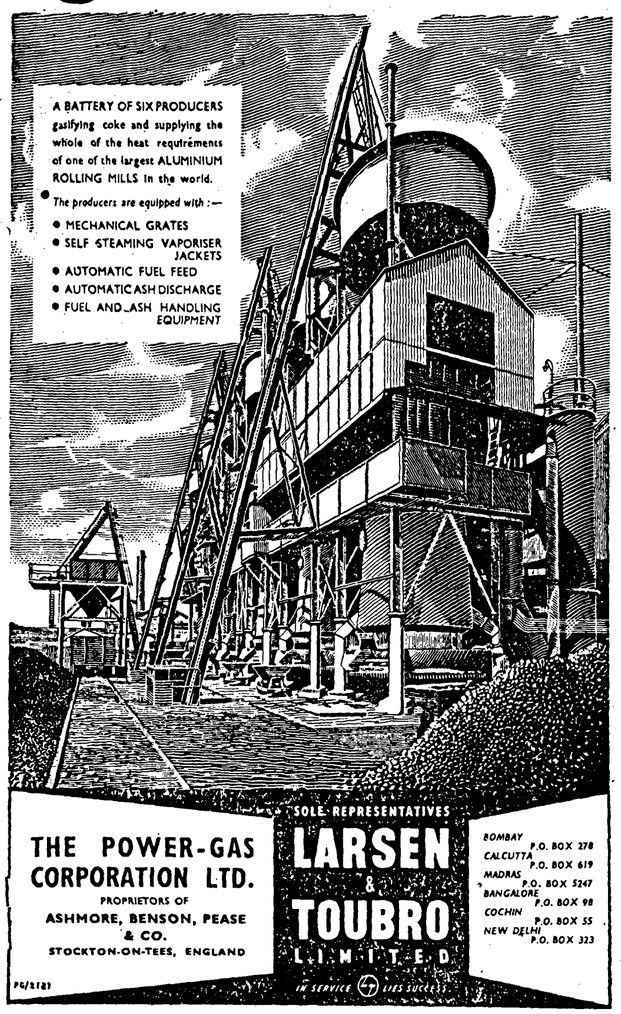
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DEVELOPMENT OF DYESTUFF INDUSTRY

PROTECTION FOR TEN YEARS GRANTED

CONSIDERING the fact that it would take 15 to 20 years for establishing a full-fledged dyestuff industry, the grant of protection to this industry for a period of 10 years by the Government of India, on the recommendations of the Tariff Commission, should cause no surprise at all. Lest this should encourage complacency in the industry, the Government has done well to impose a condition that such protection would be subject to periodical review by the Tariff Commission. This is the first industry in the post-war years to be granted protection for such a long period as a decade. In doing so, the Commission and the Government have reverted to the practice that was followed by the *ad-hoc* Tariff Boards in the inter-war years. It will be recalled that a suggestion to the effect that, for key and other important industries, protection should be given for fairly long periods extending over seven to ten years was made by Mr. Padamji Ginwala, a member and then President of the first Tariff Board (1923), in a series of articles to this journal in August, 1953. It is gratifying to find that this suggestion has been accepted by the authorities, at least in the case of dyestuffs which are doubtless a key industry.

Two other recommendations accepted by the Government are: (1) the prevailing revenue duty of 12 per cent. *ad valorem* on fast colour salts, rapid fast dyes, rapidogen dyes, and the solubilised vat dyes assessable under the Indian Customs Tariff item No. 30(1) should be converted into a protective rate and (2) the duty on congo red, acid azo dyes, direct azo dyes and sulphur black, which are assessable under item No. 30(13) of the above schedule should be raised from 12 per cent. to 20 per cent. *ad valorem* and converted into a protective rate.

Another recommendation accepted by the Government relates to the reduction of the standard rate of duty on certain specified intermediates used exclusively in the manufacture of dyes from 37.8 per cent. to 10 per cent. *ad valorem*. This concession will, however, remain in force until 31st December, 1955, when the position will be reviewed again.

In recommending the above changes in the Customs Tariffs, the Tariff Commission has suggested that the Government should take the necessary steps to secure complete freedom of action to impose such customs duties as are necessary on dyes, intermediates and other articles included in the Customs Tariff item Nos 30(1) and 30(13) when any new agreements are entered into with foreign countries on the expiry of the present General Agreement on Tariffs and Trade. The Commission opines that it is not possible to finalise the scheme of protection for the dyestuff industry until the necessary release from commitments in respect of the above items has been secured. In the absence of such release, the alternative form of protection which can be considered is, in its opinion, the grant of subsidies. But the amount of subsidy to be granted would itself depend on the quantum of protection which can be afforded to the industry by means of customs duties.

Release From G.A.T.T. Necessary

Although the rates of duties on dyes are bound under the G.A.T.T. at present, it will be possible, says the Commission, to determine the appropriate rates of duties when the commitments under the G.A.T.T. expire at the end of June, 1955. The Commission adds that a decision in regard to the protection to be granted to the industry by means other than tariffs has to be deferred until the rates of customs duties to be levied on dyes are determined. It, therefore, recommends that a fresh enquiry into this industry should be held by the Commission towards the close of 1955. Meanwhile, the scheme of protection mentioned at the outset is to continue to remain in force in addition to the continuance of the prevailing restrictions on imports of dyes.

The Commission has been informed that, as a result of negotiations completed by the Government of India with the other contracting parties, the duty on dyes included in the Customs Tariff item No. 30(13) can be increased to 20 per cent. *ad valorem*. The Commission seems to be of the view that nothing short of securing a complete freedom from the G.A.T.T. for these items will meet the situation facing the dyestuff industry. As the G.A.T.T. will continue to remain in session for a month more, Indian delegates can make a move to get a release from the commitments under the Agreement, as has been suggested by the Commission.

It will be interesting to recall here the considerations which prompted the Tariff Commission to recommend protection to the dyestuff industry in the manner stated above. The Commission emphasises that it is in the national interest that the industry should be firmly established in this country. The industry forms the nucleus for developing the organic chemical industry. Its progress is linked with the development of other essential chemical industries, such as the heavy inorganic chemical industry and coal-tar industry, on the one hand, and the fine chemical and pharmaceutical industry, explosives, synthetic plastics and solvent industries, on the other. It is undoubtedly a strategic industry, capable of serving the national economy in times of both war and peace. It has already made some progress and, in order to enable it to consolidate its position, conditions favourable for further expansion should be created. It is, at present, in the initial stage of manufacturing dyes from imported complex intermediates, but, unless protection and assistance are given to it at this stage, it might not be possible for it to make this stage of manufacture commercially successful and take up the next stage of manufacture, in the face of competition from foreign manufacturers who have combined themselves into international cartels.

Foreign Competition

The dyestuff industry has been well established in the U.S., the U.K., Germany, Switzerland for several decades. In these countries, it is backed by large investments, and has at its disposal highly trained and experienced technical personnel as well as vast resources of well organised research. It has, besides, built up extremely efficient sales organisations on a national scale and has entered into international cartellised arrangements for strengthening its position. The Indian dyestuff industry, on the contrary, has entered the field very late. It does not possess either the know-how, or the financial backing, technical skill, organised research or efficient sales service. Consequently, the industry in India will hardly be able to survive unless adequate protection and assistance are given to it by the State.

A peculiar feature of the dyestuffs industry is the long period needed for it to develop into a full-fledged industry. The development consists of several stages, namely, manufacture of dyes, intermediates and basic raw materials. At present, the industry is confined to the final stage of producing dyes out of imported complex intermediates. But it should plan and progressively develop the production of dyes from primary intermediates and basic raw materials. In other words, the scope for manufacture should be extended backwards so as to cover eventually the stage of primary intermediates and basic raw material as well. This would require heavy capital investment in each stage and, unless production is found to be commercially successful at each stage, sufficient financial resources might not be available to the industry to extend the scope of manufacture. At the same time, it is necessary to ensure that the manufacture of intermediates is not postponed or delayed unduly. The dependence on imported intermediates of the Indian industry has so far been a hindrance to the setting up of a nucleus around which other organic chemical industries can develop.

Large Units Needed

For any quick progress, production in this industry, the Commission says, should be concentrated in a few large units of the dyestuff industry, because the organisation and processes of production are such that the larger the scale of production, the lower will be the cost of production. And what is more, large units can secure heavy capital investment, which is beyond the reach of small units. In this connection, the Commission suggests that Atul Products Ltd. should draw up a revised programme on a long-term basis for the manufacture of dyes and intermediates on the lines suggested above. Similar programmes should be had from other units also. When these programmes are received, they should be referred to a committee of Government experts for examination in collaboration with the technical experts of the various units. This report should be made available to the Commission before the position of the industry is reviewed by it at the end of this year.

The dyestuff industry in India consists of eight units. Of these, Atul Products Ltd., Bulsar, and Associated Research Laboratories, Bhatghar, produce a fairly large range of dyes and account for most of the present capital investment in the dyestuff industry. The range of dyes covered by the industry includes (1) acid azo dyes, (2) direct dyes, (3) azoic dyes; fast colour salts, rapid fast dyes, rapidogen dyes, (4) solubilised vat dyes, (5) sulphur black and (6) others. The current demand for the various groups of dyes has been estimated at 11,402,000 lbs. The installed capacity and actual production in 1953 were 4,451,472 lbs. and 1,483,127 lbs. respectively. The quality of the dyes produced in India is considered to be generally satisfactory, but there is room for improvement in respect of stability and consistency in strength and shades.

With regard to fixation of c.i.f. prices, the Commission finds that it is not possible in the case of dyes to follow the usual procedure for obtaining c.i.f. prices and landed costs for the purpose of comparison with the fair ex-works prices of indigenous products. Absence of standard nomenclature for dyes and lack of recognised standards of strength of dyes make the tasks of selecting comparable c.i.f. prices difficult and complicated. Dyes are generally imported in concentrated forms and are subsequently processed to obtain varying strengths and shades. The strength of the product which is sold in the market, therefore, is not the same as that of the product which is imported. Again, the same product which is imported from different sources varies in strength, and, frequently, there are variations in the strength of the product imported from the same source. Since the strength of some of the dyes produced in the country differs greatly from that of the imported dyes, the Commission feels that it is necessary to adjust the c.i.f. prices on the basis of the relative strengths. It, therefore, obtained from the importers information regarding the strength of the imported dye as compared to that of the dye produced in the country. In some cases, it was considered necessary to give importers samples of indigenous dyes so that they might specify the relative strengths.

The Right Way

The Commission then adopted the lowest price of the latest consignment from important sources for each dye. It obtained quotations of the c.i.f. prices and landed costs of dyes and the information regarding the relative strengths as noted above of various dyes from the principal importing firms. Such data covered as many as 41 dyes imported from the U.K., Germany, Switzerland, Japan, and U.S.S.R. For estimating fair ex-works prices, three units were selected for carrying on cost investigation. After arriving at the required data, before fixing the quantum of protection, the Commission had to take two more factors into consideration. First, the tariff values of imported dyes, on which the import duties are levied, were higher than the c.i.f. prices. Secondly, the system of tariff values which results in the same amount of duty being charged per lb. of dye, even when different consignments of the same dye are imported in varying strengths and consequently, at varying c.i.f. prices, makes it economical for importers to import dyes as high a strength as possible. In view of these difficulties and complications, it felt that the right way will be to work out the rates of protective duties, on the basis of c.i.f. prices of imported dyes of strengths comparable to those of the corresponding indigenous dyes and then apply the rates to tariff values, provided

(1) the tariff values are fixed on the basis of the highest strengths in which the dyes are imported and

(2) they approximate to the actual c.i.f. prices for such strength over a period.

As the relevant data for this purpose are incomplete, the Commission has recommended that the Government should make the necessary arrangements for the selection of samples of indigenous dyes by an independent agency and for the testing of their quality by a well-equipped institution. The Indian Standards Institution should try to evolve standards of strength by which the actual strength of indigenous or imported dyes can be determined. Lastly, the Government has been advised to take steps to ensure that the tariff values for imported dyes are fixed on the basis of the highest strengths in which the dyes are imported. The Government should also arrange to record the strength adopted for the purpose of fixing tariff values. Meanwhile, the Commission has recommended, as already stated, that the scheme of protection suggested by it should be continued pending its next enquiry at the end of this year.

A FEW MORE CHANGES IN EXPORT POLICY

Once again, the Government of India has announced a number of changes in its export policy. These changes include a reduction of one-sixth of the normal rate of six annas per pound in the excise duty on certain varieties, other than the biri varieties of the 1953-54 crop on non-flue cured tobacco. This concession, however, is applicable only to such tobacco varieties as were lying with producers on 5th February and which were purchased from them for warehousing or are cleared on payment of duty on or after that date. Evidently, the reduction is intended to aid producers already in distress. It is stated that this concession is liable to withdrawal at any time.

(Continued on page 291)

Hopkinsons' VALVES FOR ALL PRESSURES & TEMPERATURES

PARALLEL-SLIDE LINK-VALVES
For compressed air, steam, water, oil or thick heavy liquids. Opens with less than a quarter turn of the handle: easy to operate under all conditions.

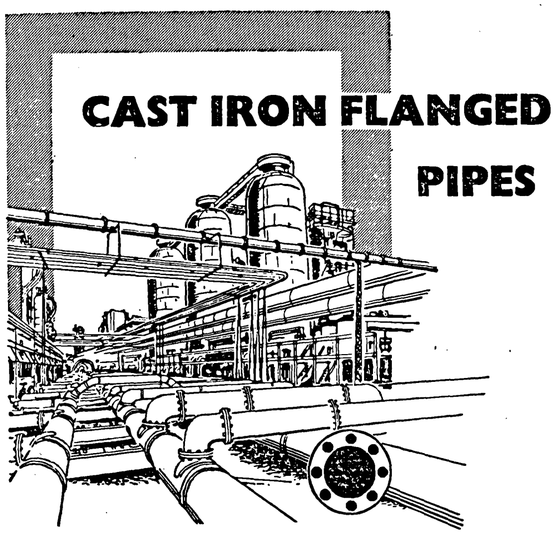
'S.T.S' VALVES
A general purpose valve of simple design and sturdy construction. Can be relied upon for long, fluid-tight service. Sizes 1/2" to 3" bore. Supplied with flanged or screwed connections.

PARALLEL-SLIDE VALVE
One of the best known valves in the world—designed and patented by Hopkinsons in 1881. Maintains fluid tightness under severe working conditions without wedging action.

The valves illustrated are a typical selection of the Hopkinson range of products.

Full details from:
W. H. BRADY & CO., LTD.
CHURCHGATE ST., BOMBAY.
• CALCUTTA • MADRAS • AHMEDABAD • KANPUR • COIMBATORE

CAST IRON FLANGED PIPES



Cast Iron Pipes with flanged joints are impervious to rust and corrosion and particularly suitable for pumping and high pressure mains as well as for conveying acid, sugarcane juice and other liquids of commercial value. They are manufactured at Kulti to British Standard Specification.

THE INDIAN IRON & STEEL CO. LTD.
ISCO
Sales Office: 12, Mission Row, Calcutta 1
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CAPACITOR TYPE
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CEILING FANS
36", 48", 56" & 60" SWEEPS
• HIGH QUALITY • HIGH POWER FACTOR • LOW CURRENT CONSUMPTION
P.O. BOX 91 BOMBAY P.O. BOX 166 CALCUTTA
GREAVES COTTON & CROMPTON PARKINSON LTD.

DHOLE & CO'S
RINGWORM & ECZEMA OINTMENT
CUTA-TONE FOR CUTS-PAINS-BURNS &c.
NEEM OINTMENT FOR ITCHES & SORES
BARNAGORE CALCUTTA.

Notices

W. H. BRADY AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-second Ordinary General Meeting of the Company will be held at the Registered Office of the Company, Brady House, 12-14, Veer Nariman Road, Bombay, on Monday the 7th day of March, 1955, at 10-30 a.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st December, 1954.
2. To sanction the payment of a Dividend.
3. Messrs. R. S. Smith and E. F. Morrey, Whole-time Service Directors and Technical Advisers, retire, and being eligible offer themselves for re-election.
4. To appoint Auditors for the ensuing year and to fix their remuneration.

The Transfer Books of the Company will be closed from Saturday the 19th February to Friday the 11th March, 1955, both days inclusive.

By Order of the Board,
JOSEPH KAY,
Managing Director.

BOMBAY, *4th February*, 1955.

To the Shareholders of W. H. Brady and Company, Ltd., and in particular to:—

F. W. Bennetts, Mrs. A. A. Dickinson, Mrs. O. M. Sharpe, T. W. Bennetts, Mrs. L. B. Postlethwaite, Mrs. I. C. Foxley, Mrs. J. A. Shelton, Warren H. Brady, Mrs. E. O. Cock, Mrs. M. M. Katgara, Sir A. G. Gray, A. V. Crowle, S. J. Crowle, Mrs. B. J. Peek, Mrs. Margaret Vernon, Mr. P. H. Cheetham, Mr. Joaquim Pinto, Mr. Peter Young Lyle.

THE EMPIRE DYEING AND MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-fifth Ordinary General Meeting of the Shareholders of THE EMPIRE DYEING AND MANUFACTURING COMPANY, LIMITED, will be held at the Registered Office of the Company, BRADY HOUSE, 12-14, Veer Nariman Road, FORT, BOMBAY, on Monday, the 7th day of March, 1955, at 12-15 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Accounts for the year ended 31st December, 1954.
2. To sanction the declaration of a Dividend.
3. To appoint Directors in place of Mr. Maneklal Premchand and Mr. Kantilal Nahalchand, who retire by rotation in accordance with Article 135 of the Articles of Association, but are eligible for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from Saturday the 19th February to Friday the 11th March, 1955, both days inclusive.

By Order of the Board,
W. H. BRADY & CO., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, *7th February*, 1955.

N.B.—The Dividend when declared will be made payable at the Registered Office of the Company on and after 22nd day of March, 1955. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 11th March, 1955.

To the Shareholders of The Empire Dyeing and Manufacturing Company, Ltd., and in particular to:—

Mr. A. H. Baker, Mr. H. G. H. Everitt, Mr. W. L. A. Radcliffe, Mr. J. Slater, Mrs. J. S. Forrest and Mrs. M. Philon.

G. CLARIDGE AND COMPANY LIMITED
BOMBAY

NOTICE IS HEREBY GIVEN THAT THE THIRTY-FIFTH ANNUAL ORDINARY GENERAL MEETING of the Shareholders of the above Company will be held at the Registered Office of the Company, Brady House, Veer Nariman Road, Fort, Bombay, on MONDAY the 7th day of March, 1955, at 12-30 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st December, 1954.
2. To sanction the payment of a Dividend.
3. To appoint Directors in place of Mr. Jehangir P. Patel and Mr. Maneklal Premchand, who retire by rotation, but are eligible for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from Saturday the 19th February, 1955, to Friday the 11th March, 1955, both days inclusive.

By Order of the Board,
W. H. BRADY & CO., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, *7th February*, 1955.

N.B.—The Dividend when declared will be made payable at the Registered Office of the Company on and after the 22nd day of March, 1955. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 11th day of March, 1955.

To the Shareholders of G. Claridge & Co., Ltd., and in particular to:—

A. H. Baker, Esq.,
Warren Hollinshed Brady, Esq.

THE NEW CITY OF BOMBAY MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fiftieth Ordinary General Meeting of the Shareholders of the New City of Bombay Manufacturing Company, Limited, will be held at the Company's Registered Office, "Brady House," 12-14, Veer Nariman Road, Fort, Bombay, on Monday the 7th March, 1955, at 2-30 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and the Statement of Accounts for the year ended 31st December, 1954.
2. To sanction the payment of Dividend.
3. To appoint Directors in place of Sir Jamsetjee Jejeebhoy, Bart., and Mr. Maneklal Premchand, who retire by rotation in accordance with Article 140 of the Articles of Association, but are eligible for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from Saturday the 19th February, 1955, to Friday the 11th March, 1955, both days inclusive.

By Order of the Board,
W. H. BRADY & CO., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, 8*th February*, 1955.

N.B.—The Dividend when declared will be made payable through the Bank of India Ltd., Bombay, on and after 22nd March, 1955. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 11th day of March, 1955.

To the Shareholders of the New City of Bombay Manufacturing Company, Ltd., and in particular to:—

Mrs. Amy Blance Connell, Mr. Francisco Xavier Domingos Quadros and Mr. Jose Vetarino Alvares E. Britto.

THE NEW GREAT EASTERN SPINNING AND WEAVING COMPANY, LTD.

NOTICE IS HEREBY GIVEN THAT THE Eighty-first Ordinary General Meeting of the Shareholders of the New Great Eastern Spinning and Weaving Company, Limited, will be held at the Company's Registered Office, Brady House, 12-14, Veer Nariman Road, Fort, Bombay, on Monday the 7th March, 1955, at 3-30 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st December, 1954.
2. To declare a Dividend on Preference and Ordinary Shares of the Company.
3. To approve the appointment of Mr. E. F. Morrey as Director of the Company.
4. To elect two Directors in place of those who retire by rotation but are eligible for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from Saturday the 19th February, 1955, to Friday the 11th March, 1955, both days inclusive.

By Order of the Board,
W. H. BRADY & CO., LTD.,
JOSEPH KAY,
Managing Director,
Secretaries and Agents.

BOMBAY, *9th February*, 1955.

N.B.—The Dividend when declared will be made payable through the Bank of India Ltd., Bombay, on and after Tuesday the 22nd March, 1955. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on 11th March, 1955.

To the Shareholders of The New Great Eastern Spinning and Weaving Company, Ltd., and in particular to:—

Mrs. Ailu Faredoon Dastur, Domingos Roque De Souza, Esq., Jose Joaquim de Piedade Falleiro Esq., Mrs. Meherbanoo P. Dubash, Antonio Augusto de Rego, Esq., H. G. H. Everitt, Esq., Miss Dina B. Sethna, Miss Freny B. Sethna, Mrs. Bessie Julia Peck.

THE BRADY ENGINEERING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninth Ordinary General Meeting of the Shareholders of The Brady Engineering Company, Ltd., will be held at the Registered Office of the Company, Brady House, 12-14, Veer Nariman Road, Fort, Bombay, on Monday the 7th March, 1955, at 4-45 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December, 1954.
2. To sanction the payment of a Dividend.
3. To confirm the appointment of Mr. W. Jenkins as a Director of the Company under Article 146 of the Articles of Association.
4. To appoint Directors in place of Mr. Ramniwas Ramnarain and Mr. W. Jenkins, who retire by rotation in accordance with Article 140 of the Articles of Association, but are eligible for re-election.
5. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from Saturday the 19th February, to Friday the 11th March, 1955, both days inclusive.

By Order of the Board,
W. H. BRADY & CO., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, *7th February*, 1955.

N.B.—The Dividend when declared will be made payable through the Bank of India Ltd., Bombay, on and after the 22nd day of March, 1955. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 11th day of March, 1955.

To the Shareholders of The Brady Engineering Company, Ltd., and in particular to:—

Arthur Henry Baker, Esq., William Vans Agnew, Esq., Rustom Merwanjee Damboat, Esq., George Albert Carter, Esq., H. G. H. Everitt, Esq.

THE GANGES ROPE COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE ONE Hundred and Fourth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Tuesday, 1st March, 1955, at 11-00 a.m., for the following purposes:—

(1) To receive and consider the Directors' Report and the Accounts for the half-year ended 30th September, 1954.
(2) To declare a Dividend.
(3) To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 19th February to 1st March, 1955, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, 31*st January*, 1955.

BHARAT COLLIERIES LIMITED

NOTICE

THE Tenth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Dalmianagar on Friday, the 4th March, 1955, at 3 p.m., to receive and adopt the Directors' Report and Audited Accounts for the year ended 30th June, 1954, to declare dividends at 5½ per cent. (less Income-tax) on the Preference and 6½ per cent. (Tax-free) on Ordinary Shares, to elect a Director and to appoint Auditors.

Share Transfer Books of the Company will remain closed from 25th February, 1955, to 4th March, 1955, both days inclusive.

By Order of the Board of Directors,
For BHARAT COLLIERIES LTD.,
For SAHU JAIN LTD.,
A. K. JAIN,
Director,
Managing Agents.

DALMIANAGAR,
4*th February*, 1955.

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Forty-fourth Half-yearly Ordinary General Meeting of Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 3-00 p.m., on Wednesday, 9th March, 1955, for the following purposes:—

1. To receive the Directors' and Auditors' Reports and pass the Accounts for the half-year ended 30th September, 1954.
2. To declare Dividends.
3. To transact any other ordinary business that may be brought before the Meeting.

The Share Transfer Registers of the Company will be closed from the 24th February, 1955, to the 9th March, 1955, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, *2nd February*, 1955.

Printed copies of the Report and Accounts will be despatched to Shareholders on or about 15th February, 1955.

Dividends will be paid to Registered Shareholders only.

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 2nd February, 1955, the following Dividends were recommended to be paid for the half-year ended 30th September, 1954, without any deduction for Income-tax paid by the Company:—

On First Preference Shares ...	8% per annum
On Second Preference Shares	4½% per annum
On Preferred Ordinary Shares	10% per annum
On 'A' and 'B' Ordinary Shares	As. 12 per share

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

BURMAH-SHELL REFINERIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5¼ per cent. Debentures 1965-69 will be closed for transfers from 21st February, 1955, to 28th February, 1955, both days inclusive.

P. A. ENGINEER,
Secretary & Treasurer,
Imperial Bank of India.
Agents for Burmah-Shell Refineries Ltd., for the management of the Debentures.

IMPERIAL BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, 4*th February*, 1955.

WANTED

QUALIFIED ENGINEER REQUIRED BY Sole Representatives in India of Leading British Industrial Instrument Organisation, to fill the position of Chief Service Engineer.

Applications are invited from Engineers with the following qualifications:—

(a) Recognised Electrical or Mechanical Engineering Degree, preferably with special training in modern instrument technology.

(b) A considerable experience in practical instrument workshop engineering. Preference being given to candidates with repair, testing and calibration experience of modern industrial instruments and controllers.

(c) Essentially possessing ability to be actively interested in the application of instruments and controllers to modern plants in widely differing fields.

The selected candidate will reside in Bombay and must be prepared to travel throughout India as necessary.

Comprehensive training will be arranged in U.K. on completion of a satisfactory probationary period in India.

Only those prepared to combine technical, administrative and practical work will be considered.

Applications giving full details of qualifications in chronological order and salary expected should be received not later than 28th February, 1955, and interviews with prospective candidates will be arranged during the succeeding weeks. Apply Box No. 949, c/o "Commerce", 12-14, Veer Nariman Road, Fort, Bombay.

THE GOKAK MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the Company will be closed from the 4th March, 1955, to 24th March, 1955, both days inclusive.

The Dividend, if sanctioned, will be paid to those Shareholders whose names stand on the Register of the Company on the 24th March, 1955.

By Order of the Board,
FORBES FORBES CAMPBELL & CO., LTD.,
Agents.

BOMBAY, *7th February*, 1955.

SPENCER & CO., LTD.

MR. S. W. EDWARDS REVIEWS COMPANY'S RESULTS

ADDRESSING the ordinary shareholders of Spencer and Company, Ltd., at their Fifty-seventh Ordinary General Meeting, which was held on 21st January, 1955, at the registered office of the Company at Madras, Mr. S. W. Edwards, Chairman of the Company, said:—

"It gives me great pleasure in welcoming you here this morning, and it is particularly gratifying to see Mr. A. E. Thompson with us again.

"Mr. Thompson retired from the Board at the end of last year and I take this opportunity of wishing him good health, long life, and happiness in his retirement. He wide knowledge of our many ramifications and his wise counsel will be greatly missed.

"It is not as yet intended to fill the vacancy so caused.

"And now to the accounts. To get a true comparison with 1953 it has been necessary to adjust figures to the same method that is now applied by our auditors. The figures against sales, selling expenses, and unclaimed credit balances have been adjusted in the profit and loss account and the figures against book debts and liabilities for taxation have been adjusted in the balance-sheet.

"You will see that sales show a drop of some Rs. 11 lakhs and a drop in gross profit of approximately 2 per cent., as compared with the 1953 results. This I forecast at our last meeting and I think we are entitled to be pleased that repercussions have not been worse. During the year, our trading activities have been reduced by the cessation of our lesseeship of the Malabar Hotel, which we had held from its inception in 1935. Later in the year, we were forced, through continued adverse trading, to terminate our contracts for railway catering of some 75 restaurants throughout India. This, after over fifty years of service in that capacity. The effect will be to the advantage of your Company. The demand for Western style catering over the past few years had declined to such an extent that it was no longer possible to carry on profitably, but it is sad that contacts, such as these, should have to lapse after pleasant and co-operative relations of over half a century.

"The effect of legislation which involves liabilities carrying retrospective application has been felt during the year in respect of retrenchment of personnel at the Malabar Hotel, in the railway catering section and at our Kanpur factory. This is an example of what I had in mind when I referred to this point last year. It has hit us during the year of account, and will also be felt in the current year.

"For the future, I will not forecast, except to say that, if trading continues as it has begun in the first six months of our current year, our position at the close, in so far as trading goes, will be encouraging.

"In conclusion, I would like to register my appreciation of the loyal and willing support extended to my Board and myself to all those who have helped so indefatigably in the results attained."

The accounts and balance-sheet as at 30th June, 1954, were unanimously approved and adopted. A further and final dividend of 10 per cent., free of income-tax, on the ordinary shares as recommended by the Directors, was declared, making in all a total dividend of 15 per cent., free of income-tax, for the year.

SURVEY OF TEXTILE MILLS

The Union Ministry of Commerce and Industry has decided to conduct a survey of units in the textile industry in India. The survey is intended to collect data on the condition of machinery and equipment in cotton textile mills and also on their financial position, with a view to assessing their requirements for rehabilitation where necessary. Two teams, consisting of both technical and economic personnel, have been sanctioned for this purpose. The teams would start work immediately. They would form part of the Textile Commissioner's Organisation. The question of increasing the number of such teams will be considered later on the basis of the initial investigations conducted by these two teams.

PROFIT OF ANGELO BROTHERS NEARLY MAINTAINED

DIVIDEND REPEATED—FINANCES SOUND

ESTABLISHED in 1907 and registered in 1944 as a public limited company, Messrs. Angelo Brothers Ltd. (Managing Agents: Messrs. Turner, Morrison & Co., Ltd., Calcutta) is a leading shellac manufacturing and refining company in India, the shares of which have been very popular in Calcutta, as well as in other share markets. It had a very prosperous career until a few years ago, its turnover and earnings reaching record levels in the year ended 31st August, 1951. Since then, the Company has been experiencing unfavourable working conditions, resulting in a sharp setback in earnings. The gross profit had dwindled from the record level of Rs. 38.79 lakhs in 1950-51 to a low of Rs. 5.76 lakhs in 1952-53, a drop of Rs. 32 lakhs in two years.

The sharp rise in shellac price since March last had led to the hope that the Company would turn the corner and the profit for 1953-54 would be substantially higher. This, coupled with the general buoyancy of the market, pushed up the value of the Company's shares on the Calcutta Stock Exchange from about Rs. 17 to Rs. 25-12 in the last week of August. Later on, the operators seemed to have revised their opinion about the Company's performance and this was responsible for the drop in the value of its shares which stood at Rs. 20-8 in the last week of January this year. The marked steadiness in the value of the shares since the publication of the results—the shares are being currently placed at Rs. 19-8 *ex-div.*, as against Rs. 20-8 *cum-div.* a week ago—however, reflects the shareholders' satisfaction that the Company's financial results have not turned to be as disappointing as they had expected them to be. The gross profit has, no doubt, suffered a further small recession from Rs. 5.76 lakhs to Rs. 5.25 lakhs for the year under review, but this shrinkage compares well with the drop of Rs. 4.16 lakhs noted a year ago and of Rs. 28.87 lakhs two years ago. The profit for the year under review is the lowest for the last one decade of the Company's history since its formation as a public limited company. Nevertheless, the profit can be deemed to be satisfactory, considering the difficult trading conditions under which the shellac industry as a whole had to work.

An idea of the Company's progress during the past three years can be gained from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st August			
	1954	1953	1952	1951
Sale proceeds ..	178.43	126.82	217.95	271.73
Other income	1.58	1.78	3.06*	3.14
Cost of production and factory expenses ..	165.20	113.60	201.81	224.73
Other expenses ..	9.58	9.14	9.78	11.85
Gross profit ..	5.23	5.76	9.02	38.79
Managing Agents' commission ..	0.35	0.40	0.90	3.69
Provision for—				
Depreciation	1.06	1.24	1.38	1.37
Taxation ..	1.75	1.81	2.45	13.35
Net profit ..	2.09	2.32	5.19	19.88
Provisions and reserves written back ..	..	1.06†	0.25‡	..
To reserves ..	0.10§	0.83§	1.75	11.25
Dividend ..	2.75	2.75	2.75	7.50
	(D. 12½%)	(D. 12½%)	(D. 12½%)	(D. 12½% + B. 12½%)
Carry forward ..	2.40	4.25	5.25	5.81

* Includes E.P.T. refund of Rs. 1.50 lakhs.
† Transfer from advertisement reserve.
‡ Provision for taxation no longer required.
§ Bad debts reserve.

The net profit works out to Rs. 2.09 lakhs, as against Rs. 2.32 lakhs for the previous year. The Directors have not transferred, as in the previous year, anything to the reserves. The dividend has, however, been maintained at 12½ per cent., the sizable surplus brought forward from the previous year having served to augment the profit available for distribution. This is the third year in succession for which the distribution to the shareholders is being paid at this rate, to which level it had been reduced from 25 per cent., made up of a dividend of 12½ per cent. and a bonus of 12½ per cent., paid for 1950-51. The Company has a good dividend record to its credit, as the following table would show:

Year ended August	Dividend %	Bonus %	Year ended August	Dividend %	Bonus %
1945 ..	10	+ 7.5	1950 ..	10	+ 7.5
1946 ..	10	+ 7.5	1951 ..	12.5	+12.5
1947 ..	10	+ 2.5	1952 ..	12.5	+ *Nil*
1948 ..	10	+ *Nil*	1953 ..	12.5	+ *Nil*
1949 ..	19	+ *Nil*	1954 ..	12.5	+ *Nil*

The dividends for the years 1947-48 and 1948-49 shown above were the maximum permissible under the Dividend Limitation Ordinance of 1948. It may also be noted that the dividends from 1947-48 onwards are on the higher capital of Rs. 30 lakhs raised by the capitalisation of Rs. 10 lakhs from out of the reserves in February, 1948.

The sale proceeds for the year under review show an increase of Rs. 51.61 lakhs over those for the previous year, thus reversing the downward trend noted in the previous two years, thanks to the favourable prices of shellac and larger offtake from the U.K. and Continental markets. The benefit of such an increase has, however, been offset by the sharp rise in price of the raw material which has raised the cost of production, as seen from the table.

Commenting on trading conditions, in the face of the speculative fluctuations in prices, the Directors observe, in their report to the shareholders, as follows:

"T.N. was quoted at Rs. 104 per maund at the beginning of the season, and declined to Rs. 87 during March, 1954, when it was rumoured that the main crop was likely to be larger than first estimates. By July, 1954, it was obvious that the crop had not come up to expectations, and the price rose to Rs. 147. At the close of the season 31st August it was quoted at Rs. 140.

"Since then, the market has seen a sudden rise to Rs. 183 in December and at these high levels consumer resistance has become very obvious. There is considerable danger of users changing over to cheaper synthetic resins, if such prices persist. Speculative activity undoubtedly played a large part in exciting the market. Shortly before this report was written, it was learnt that the Government of India had used the powers conferred on it by the Forward Contracts (Regulation) Act, 1952, to ban forward shellac contracts other than non-transferable specific delivery ones. This has made *fatka* transactions impossible, and seems to have had a stabilising influence on the market which should be beneficial to the Company and all genuine shellac traders. As far as can be seen at the time of writing this report, the difficulties in obtaining supplies of raw material at reasonable parity will, however, remain until there are satisfactory crops, and the market is hoping for better conditions after the next crop in March/April, 1955."

Thanks to the favourable periods of working until three years ago, the Company has built up a sound financial position. Even after the capitalisation of Rs. 10 lakhs in 1948, the reserves and surplus now aggregate Rs. 40.61 lakhs, against a paid-up capital of Rs. 30 lakhs. The provision for taxation stands at Rs. 1.77 lakhs. The current liability amounts to no more than Rs. 8.27 lakhs. The gross block of the value of Rs. 31.68 lakhs has been written down to Rs. 10.57 lakhs. The current assets amount to Rs. 70.08 lakhs, of which stocks and stores account for Rs. 12.33 lakhs, book debts, deposits and advances for Rs. 39.98 lakhs, investments for Rs. 9.76 lakhs and cash balances for Rs. 7.92 lakhs. Thus, the current assets are nearly seven times the current liabilities and provision for taxation.

The Rs. 10 fully paid-up shares are being currently quoted at Rs. 19-8 *ex-div.* On this basis the latest dividend gives an attractive yield of 6.4 per cent. per annum.

MARSHALL SONS & CO. (INDIA) LTD.

A further small setback in earnings is disclosed by the audited accounts of Messrs. Marshall Sons & Co. (India), Ltd. [Managing Agents: Marshalls (Direction, Ltd., Calcutta], for the year ended 30th June, 1954. Thus, the gross profit, which had declined in the previous year from Rs. 4.14 lakhs for 1951-52 to Rs. 2.70 lakhs, has dwindled to Rs. 1.54 lakhs for the year under review. In fact, the profit of the Company has been on a downward trend since 1948-49, when the gross profit touched a peak of Rs. 26.21 lakhs. The general business recession in the years 1949-50 and 1950-51, which was further aggravated by the slump in the tea industry—the Company is an important supplier of machinery needed by this industry—was responsible for the setback during the last five years. Although the tea industry has retrieved its position substantially during the last two years, the Company has not yet recovered from the effects of the shake-out in its business.

A sum of Rs. 61,310 has been provided for depreciation out of the profit for the year under review, as compared with Rs. 63,915 set aside for the previous year. No provision for taxation had been made last year, as the Directors felt that, in view of the provisions made in the earlier years and actual assessments received, coupled with the low level of trading, no provision for taxation was necessary. Subsequently, the Company's income-tax assessments were completed up to the end of the accounting year 1952 and the Directors have now found it necessary to make good the short provision in previous years. Accordingly, they have set aside Rs. 70,000 for this purpose out of the profit for the year under review. Thus, the net profit amounts to only about Rs. 23,000, as against Rs. 2.06 lakhs for the previous year. The Directors have transferred Rs. 20,000 from the provision for bad and doubtful debts and Rs 30,000 from the contingency reserve. After making adjustments in respect of previous years, the Directors have maintained the dividend at 12½ per cent., to which level it had been raised last year from 3 per cent. paid for 1951-52. The Directors feel justified in repeating the dividend at 12½ per cent., in view of the brighter prospects.

The following comparative table shows the progress of the Company during the last three years:

(In lakhs of rupees)

	For the year ended 30th June			
	1954	1953	1952	1951
Sale proceeds	128.70	131.11	108.67	246.12
Other income	5.46	5.52	4.40	2.29
Expenses*	132.62	131.64	109.01	237.72
Gross profit	1.54	2.70	4.14	9.69
Provision for—				
Depreciation	0.61	0.64	1.73	1.48
Taxation	0.70	..	1.83	4.00
Net profit	0.23	2.06	0.58	4.21
Transfer from reserves and provisions	0.50	0.20	0.10	..
To adjustment in respect of previous years	0.48	0.86	0.15	0.27
To reserves	..	..	..	0.50
To staff fund	..	..	..	1.00
To dividend	1.81	1.81	0.52	2.02
Carry forward	(12½%) 0.94	(12½%) 1.30	(5%) 1.87	(25%) 1.86

Commenting on the working of the Company during the year under review, the Directors observe, in their latest report, as follows:

"During the year, the Company's trading continued to be affected by the general market recession, and the difficulty experienced in obtaining sufficient import licence facilities. Sales for the year in question show a decrease, being Rs. 1,29,00,000, as against Rs. 1,31,00,000 for the previous year. There was, however, an improvement in trading towards the latter part of the year; such orders, not having been executed, do not reflect in the trading results covered by this report.

"Although there is an increase in expenditure, your Directors have continued their efforts to reduce expenses where economically wise, and the increase of approximately Rs. 2,25,000 is due to expenditure incurred in connection with retiring senior staff and on account of advertising, which is considered an essential to keep your Company's name before the public."

The Directors have, however, taken active steps to improve the turnover. In order to offset the difficulties experienced in respect of import licence, they have finalised an all-India sales agreement with the Britannia Engineering Company, Ltd., for the sale of tea machinery and spare parts thereof manufactured by them in India. Arrangements have also been made for the manufacture in India by the Company of electric motors of the sizes which are banned for import, under the name of "Marshall." The Company is also actively pursuing arrangements for the manufacture in India of other machinery, such as pumps, tar boilers, etc., all of which are expected to assist the Company in maintaining its future turnover.

A subsidiary company under the name and style of John Fowler (India) Ltd. has been formed to acquire the selling and other rights of John Fowler & Co. (India) Ltd. The authorised capital of the Company is Rs. 10 lakhs, of which Rs. 2.50 lakhs has been fully paid. The formation of this subsidiary will be of benefit to the Company, in that it will retain the turnover in supply of parts for and servicing of plant and equipment which had in past years been imported by John Fowler & Co. (India) Ltd. Further agencies are being sought to increase the activities of this subsidiary.

Referring to the outlook for the current year, the Directors observe thus:

"The trading position is still difficult, but shows signs of improvement, particularly in regard to the tea industry, and to maintain turnover and meet competition, it has been necessary to reduce margins of profit considerably which should benefit the overall sales figures for the ensuing year, although profits cannot be expected to show a comparative increase, as would have been the case during a sellers' market period."

Manufactured by

THE MYSORE LAMP WORKS, LTD.

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BHOPAL SUGAR

A gross profit of Rs. 5.87 lakhs is disclosed by the audited accounts of the Bhopal Sugar Industries Ltd. [Managing Agents: Messrs. A. H. Bhiwandiwala & Co. (Bombay), Ltd., Sehore, Bhopal] for the year ended 30th September, 1954, as against a loss of Rs. 2.30 lakhs in the previous year. It must, however, be noted that the results for the year under review are not comparable with those for the previous year, in that there was no crushing of sugarcane in the previous season, as no cane was available owing to acute drought in Bhopal. The year 1951-52 is the last one in which there was crushing and the results of which are, therefore, strictly comparable with those for the year under review. Such a comparison shows that the gross profit for 1953-54 falls short by about Rs. 92,000, although production was higher than in 1951-52.

The net profit, after providing for depreciation and taxation, is Rs. 2.80 lakhs. After adjusting the loss of Rs. 1.82 lakhs brought forward from the previous year, the balance available for appropriation has been supplemented by a sum of Rs. 1.78 lakhs drawn from the dividend equalisation fund. A dividend of 10 per cent. per annum, free of income-tax, on the ordinary shares has been recommended by the Directors. Last year, a dividend at the rate of 6¼ per cent. was paid, despite the adverse results, as against 10 per cent. paid for 1951-52 (by drawing from the dividend equalisation fund). The dividend for 1953-54 has thus been restored to the level paid for 1951-52.

The following comparative table shows, at a glance, the progress of the Company during the past three years:

(In lakhs of rupees)

	For the year ended 30th September			
	1954	1953	1952	1951
Sale proceeds	29.70	18.59	30.97	83.51
Stocks	8.28	0.04	11.25	9.65
Other income	0.46	0.58	0.40	0.28
Expenses	27.53	5.21	26.20	32.50
Gross profit (+) or loss (—)	+5.87	—2.80	+6.79	+4.98
Managing Agents' commission	0.44	..	0.47	0.82
Depreciation	1.50	..	2.08	1.62
Taxation	1.13	..	0.75	0.75
Net profit (+) or loss (—)	+2.80	—2.80	+2.49	+2.09
To reserve	..	..	1.00	..
Transfer from reserves ..	1.78	1.78	..	..
Dividends—				
5% preference	0.62	0.62	0.62	0.62
Ordinary	1.75 (10%)	1.00 (6¼%)	1.75 (10%)	2.19 (12½%)
Carry forward	0.38	—1.82	0.48	0.86
Cane crushed .. mds.	1,110,480	..	1,102,115	1,215,412
Sugar production. bags	87,904	..	86,268	46,065
Recovery .. .. %	9.45	..	9.08	9.50

The quantity of cane crushed and output of sugar had shown a declining trend since 1948-49, when they touched a high of 1,586,602 maunds and 52,313 bags, respectively. This trend was reversed during the year under review. The Directors expect a production of 42,000 to 45,000 bags of sugar during the season 1954-55, because the cultivators' cane area has been gradually enlarging since the last drought.

The latest balance-sheet shows that the reserves and surplus aggregate Rs. 10.49 lakhs, as against a paid-up capital of Rs. 30 lakhs. The Company had a dividend equalisation fund of Rs. 3.30 lakhs as at the end of 1951-52, but this has since been utilised towards payment of dividends for 1952-53 and 1953-54. The gross block has been written down from Rs. 31.69 lakhs to a book value of Rs. 11.93 lakhs. The current assets aggregate Rs. 34.08 lakhs, exceeding the current liabilities (Rs. 4.84 lakhs) and provision for taxation by a large margin.

The Rs. 10 paid-up ordinary shares of the Company are being currently quoted at Rs. 15-12 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 6.7 per cent. per annum, free of tax.

ORIENT PAPER

The Orient Paper Mills Ltd. (Managing Agents: Messrs. Birla Bros., Ltd., Calcutta) proposes to issue 80,000 first preference shares of Rs. 100 each. The shares, which will be offered at par, will carry tax-free interest at the rate of 5½ per cent. The present paid-up capital of the Company is Rs. 121.95 lakhs, made up of 419,500 ordinary shares of Rs. 10 each, 20,000 5½ per cent. tax-free, cumulative preference shares of Rs. 100 each and 60,000 5½ per cent. taxable cumulative preference shares of Rs. 100 each, both redeemable.

Points From The Chair

Modernisation of Banking Methods

"FROM time to time there have appeared in the Press suggestions that banks are slow to modernise their methods, and in particular to take advantage of new processes and inventions that might readily be adapted to their purposes. The test to be applied in all such cases is a very obvious one, comparable to that which is accepted in other branches of business. It is provided by the answer to the question whether, in the particular circumstances, a given operation will be performed more efficiently and economically in terms of manpower, and with no less security and convenience for customers. Put in this way, it will be seen that only the standardised, repetitive operations, carried out on a large scale, are a suitable subject for mechanical installations which entail substantial capital outlay. In banking, operations of this kind make up a big part of the total work, and extensive use has, therefore, been made of a great variety of new mechanical aids."

LORD HARLECH,
Midland Bank Limited.

Profit in an Inflationary Economy

"In an inflationary economy, the profit, expressed as a percentage of its capital, earned by a business which gives necessary services to the community, must have a natural tendency to increase; but the increase in the percentage, and any attendant increase in distribution of dividend, is no direct measure of increase in real advantage to the recipients. Such a distribution appears to your Board to be in the interest of the public, as well as that of our shareholders. The discount market has limited functions and little plant. There is an optimum of the amount of capital which can usefully be employed in it. So long as that optimum, which must of course include ample reserves, is maintained, it is to the advantage of the national economy that profits should be released as dividends, to add to the supply of capital available for useful investment elsewhere."

LORD KENNET OF THE DENE,
Union Discount Company of London.

Curbing Inflation

"As the year approached its end, sterling showed an increasing tendency to weaken in terms of dollars, and the discount market progressively reduced the price of their tender for Treasury Bills. In this action, while we hope that we made some contribution to the solution of a national problem, no doubt, the market had in mind the possibility of a rise in the Bank rate, and the danger of end-of-the-year credit stringency with its resulting necessary recourse for loans from the Bank of England for at least seven days at Bank rate. This recourse did, in fact, prove to be necessary. In the result, an element of uncertainty was introduced into the whole structure of money rates on the London market. Time alone will show whether this technique is, in fact, effective either in curbing inflation or in dealing with the national problem of external balances."

SIR ERIC GORE BROWNE,
Alexanders Discount Co., Ltd.

Industrial Earnings

"Price control under the Iron and Steel Board is severe and tends to be arbitrary and doctrinaire. It is theoretical rather than practical, so that we have to work near to full capacity in order to earn a normal profit. Below this point the earning of profit is made impossible by the heavy burden of almost inflexible charges such as the guaranteed week, national insurance contributions, holidays with pay, pension schemes, etc. We can bear these charges under rigid price control only so long as demand is maintained and we are able to operate at a high proportion of capacity. In the event of a recession the effect would be very serious, for the charges mentioned above would continue to operate, but would become a heavier burden relative to the reduced sales. Plant replacement and new development should be provided out of earnings and good times should be made to provide for bad. That, as I understand it, is how this and many other fine businesses have been built up in the past. With such a high level of taxation as operates at present, high earnings are essential if industry is to be maintained in a state of efficiency and new developments made possible."

G. WILTON LEE,
Arthur Lee & Sons Ltd.

Synthetic Fibres

"The question of synthetic fibres continues to be of interest to every worsted spinner. While we are convinced that these synthetic fibres have come to stay in certain branches of the industry, including those for which we cater, the highest class end of the trade still prefers wool and pure wool. This is particularly true in the United States where eventually a substantial proportion of the yarns we spin find their way in the form of the highest quality cloth. We know that among manufacturers there is much experiment still going on in the proper use of synthetic fibres blended with pure wool and we have no doubt that new fabrics of this kind have yet to come."

LORD WILMOT OF SEL-MESTON,
Illingworth, Morris & Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

BHOPAL SUGAR INDUSTRIES LTD. Annual General Meeting, Sehore, Bhopal, 19th February, 1955. Dividend: Re. 1 per share. Transfer books remain closed from 5th to 19th February, 1955, both days inclusive.

CAREW & CO., LTD. Annual General Meeting, Calcutta, 22nd February, 1955. Dividend: As. 12 per share. Transfer books will remain closed from 12th to 22nd February, 1955, both days inclusive.

MEGNA MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 23rd February, 1955. Transfer books remain closed from 8th to 23rd February, 1955, both days inclusive.

INDIA JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 23rd February, 1955. Transfer books remain closed from 8th to 23rd February, 1955, both days inclusive.

KIL KOTAGIRI TEA AND COFFEE ESTATES CO., LTD. Annual General Meeting, Kozhikode, 26th February, 1955. Dividend: As. 4-4/5 per share. Transfer books will remain closed from 16th to 26th February, 1955, both days inclusive.

TRAVANCORE SUGARS AND CHEMICALS LTD. Annual General Meeting, Trivandrum, 28th February, 1955. Dividend: *Nil.*

GANGES ROPE CO., LTD. Half-yearly General Meeting, Calcutta, 1st March, 1955. Transfer books will remain closed from 19th February to 1st March, 1955, both days inclusive.

HOWRAH MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 2nd March, 1955. Transfer books will remain closed from 16th February to 2nd March, 1955, both days inclusive.

RELIANCE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 2nd March, 1955. Transfer books will remain closed from 16th February to 2nd March, 1955, both days inclusive.

BALLY JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 2nd March, 1955. Transfer books will remain closed from 16th February to 2nd March, 1955, both days inclusive.

BHARAT COLLIERIES LTD. Annual General Meeting, Dalmianagar, 4th March, 1955. Dividend: As. 10 per share. Transfer books will remain closed from 25th February to 4th March, 1955, both days inclusive.

TITAGHUR PAPER MILLS LTD. Dividend: As. 12 per share on "A" and "B" ordinary shares for the half-year ended 30th September, 1954.

METHONI TEA CO., LTD. *Ad-interim* dividend: Re. 1 per share for the year 1954. Transfer books will remain closed from 16th to 28th February, 1955, both days inclusive.

COMPANY REGISTRATIONS

HITKARI BUILDINGS LTD. (First Director: Mr. Balakram Tulsiram Hitkari.) Business: Purchase, Lease and Exchange of Lands, Buildings, etc. Private. Authorised capital: Rs. 5,00,000. Address: Ghatkopar Road, Chembur, Bombay.

GOPIDAS NARSINGDAS LTD. (First Director: Mr. Gopidas Narsingdas Binnany.) Business: Importers and Exporters of all kinds of metals. Private. Authorised capital: Rs. 5,00,000. Address: 53, 2nd Bholwada Lane, Bombay.

FANCY NETS LTD. (First Director: Mr. Udaikant M. D. Thackersey.) Business: Manufacturers of nets from cotton yarn, silk or art silk. Public. Authorised capital: Rs. 25,00,000. Address: Sir Vithaldas Chambers, 2nd Floor, 16, Apollo Street, Fort, Bombay 1.

SIRUR AGENCIES LTD. (First Director: Mr. Raghavesh Venkatrao Sirur.) Business: Cotton trading and commission agency. Private. Authorised capital: Rs. 11,00,000. Address: Opposite Municipal Office Narayanpur, Hubli.

TRAVANCORE SUGARS AND CHEMICALS SUFFER LOSS AGAIN

JEYPORE SUGAR TO RAISE FRESH CAPITAL

Travancore Sugars and Chemicals Ltd.

THE directors of the above Company (Secretaries and Treasurers: Messrs. Parry & Co., Ltd., Thiruvalla) submit the audited accounts of the Company for the year ended 31st July, 1954.

The year under review has again been a difficult one, mainly due to the small quantity of cane available for crushing and the poor quality thereof, and the directors report that the result of the year's working has been a small loss.

The loss for the year was Rs. 2,962 (Rs. 50,242) to which has to be added the adverse balance brought forward from last year of Rs. 29,262 (credit of Rs. 20,980) giving an adverse balance to be carried forward to next year of Rs. 32,224 (Rs. 29,262).

The accounts for the year under review are the first fully to reflect the saving achieved by the closure of the Trivandrum Office. In the year ended 31st July, 1952, the expenses of this office were Rs. 1,23,238 and the reduction to Rs. 44,602 during the year ended 31st July, 1953, was the result of the closure during the financial year. This item of expenditure has been eliminated for the year under review without a corresponding increase in expenditure under any other head.

Review of Operations.—A summary of the activities of the departments of the Company during the year under review is as follows:—

Sugar.—Crushing for the 1953-54 season commenced on the 2nd November, 1953, and closed on the 20th December, 1953, the factory thus working only for 49 days, during which period 30,695 tons of cane were crushed and 2,189 tons of sugar produced, at the low recovery rate of 7.13 per cent. This represents a further deterioration as compared with the previous season, when 53,053 tons of cane were crushed in 85 days at a recovery rate of 7.32 per cent., yielding 3,814 tons of sugar.

Once again, owing to the high price of jaggery, ryots who had good quality cane available, diverted their crop from the factory for the purpose of sale in the form of jaggery, and the cane becoming available to the factory was mostly of low quality.

As a result of the non-availability of cane for crushing and the low recovery achieved, the cost of production of sugar was appreciably higher than its realisable value. The Government of India assisted by requisitioning only 5 per cent. of the Company's production for sale at controlled prices and by allowing this sugar to be sold at a rate in excess of the normal controlled price of Rs. 27-2 per maund. Despite this assistance, the Company's trading in sugar during the year resulted in a substantial loss.

Spirit.—Sales of arrack were restricted during the year, as a result of the continuance of the quota system imposed by the Government of Travancore-Cochin, thereby reducing the profitability of the Company's activities in this sphere of operations. In June 1954, the Company was asked to supply arrack in the area of the former Cochin State, but the supply commenced so near to the end of the financial year that its effect is not reflected in the accounts under review.

Pharmaceuticals.—The Company's Pharmaceutical Works reopened in Tiruvalla towards the end of the previous financial year, but manufacture of spirituous products did not commence until the 1st September, 1953 and, since that date, the Company has supplied the bulk of the requirements of the Government of Travancore-Cochin. The directors report, that the Company has now largely regained the pharmaceutical market on the West Coast of India which had been lost temporarily whilst the Pharmaceutical Works were closed for the move from Trivandrum to Tiruvalla.

The Company's financial position remains sound, and its liquid position has been improved by a reduction in stocks during the year of some Rs. 4 lakhs; this improvement has been offset to some degree by an increase of some Rs. 2 lakhs in its debtors, due to the recommencement of its manufacture of pharmaceuticals and to larger advances to cane ryots as a result of the greater acreage of cane registered for supply to the factory during the 1954-55 season.

Dividends.—The directors regret that, in view of the loss for the year ended 31st July, 1954, no dividend on the preference share capital has been declared and they are unable to recommend to the shareholders payment of an ordinary dividend for the year.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	45,00,000	Block ...	41,89,095
Reserves* ...	10,37,776	Plantation at cost ...	15,453
Provision for taxation ...	15,879	Stocks ...	14,34,757
Liabilities ...	6,92,214	Other assets	1
		Debts, deposits and advances ...	5,74,884
		Cash ...	31,679
Rs.	62,45,869	Rs.	62,45,869

*The adverse balance of Rs. 32,224 in the profit and loss account has been deducted from reserves.

Jeypore Sugar Co., Ltd.

The directors of the above company (Managing Agents: R. S. Industrial Corporation Ltd., Rayagada) submit the audited accounts of the Company for the year ended 30th June, 1954.

The accounts show that a profit of Rs. 1,69,622 has been made for the year 1953-54 after providing a sum of Rs. 2,10,000 for taxation and three months' salary as bonus to staff, to which has to be added amount brought forward from the year 1952-53 of Rs. 1,24,353, making total of Rs. 2,93,974. From this is deducted the dividends on preference shares upto 30th June, 1953, Rs. 12,000, dividend on ordinary shares for 1952-53 Rs. 97,838 and dividend on cane growers' ordinary shares for 1952-53 Rs. 8,487, leaving an available balance of Rs. 1,75,649. The directors now recommend the payment of a dividend of 6 per cent. free of income-tax on preference shares, due for the year 1953-54 Rs. 12,000, dividend of 10 per cent. free of income-tax on the ordinary shares for the year 1953-54 Rs. 97,838, dividend of 10 per cent. free of income-tax on cane growers' ordinary shares for the year 1953-54 Rs. 8,487 and transfer to dividend equalisation fund (raising it to Rs. 1,35,000) Rs. 52,000, leaving a balance of Rs. 5,324 to be carried forward to the next year.

The Factory crushed 31,375 tons of sugarcane during the season 1953-54 as against 29,348 tons crushed in the previous season.

During the year under report the directors took steps to acquire a controlling interest for the Jeypore Sugar Co., Ltd., in the Jeypore Mining Syndicate Ltd., Rayagada under the following circumstances:—

For a long time past the Company has been experiencing difficulty in securing the required quantities of sugarcane for crushing. In fact, only in a very few seasons the Sugar Factory has been able to obtain the full quantity of sugarcane. Moreover, the directors felt that in the post-war set up of Sugar Industry the size of the Company's Sugar Factory was somewhat uneconomic, the Factory having a capacity of only 250 tons crushing per day. They therefore thought it advisable to take to other lines of business such as textiles and manufacture of ferro-manganese in order to improve the Company's earning capacity. Accordingly they took steps to get the Objects Clause of the Memorandum of Association of the Company altered suitably. With a view to undertake the manufacture of ferro-manganese the directors acquired a controlling interest during the year under report for the Company in the Jeypore Mining Syndicate Ltd., which has extensive mining rights in the Koraput District, Orissa State. At that time this appeared to be the most appropriate policy for the Company's directors to pursue. Since then, however, the Government of India's policy in regard to the expansion of Sugar Industry has undergone considerable change. In view of this, the directors had to reconsider their policy and come to the conclusion that it was best for the Company to concentrate on Sugar manufacture. They therefore applied to and got sanction of the Government of India for the extension of the plant now in operation at Rayagada to 600 tons a day crushing capacity, and also for erecting a new Factory of 800 tons a day crushing capacity in Repalle Tq., Guntur District, Andhra State. They have consequently dropped the idea of the Company undertaking the manufacture of ferro-manganese and have also decided to give up the controlling interest in the Jeypore Mining Syndicate Ltd., at a suitable time, in order to conserve the financial resources of the Company for the Sugar undertakings.

The directors report that the Government of Orissa have sanctioned an irrigation scheme which will irrigate about 2,500 acres of sugarcane lands situated near the Factory and capable of yielding about 60,000 tons of sugarcane a year.

In view of the heavy development programme on hand, the directors thought that the time was opportune to apply to the Controller of Capital Issues, New Delhi, for permission to the Company for the issue of bonus shares in the proportion of 4 ordinary shares for every 5 ordinary shares now held by the shareholders by the capitalisation of Rs. 8,50,600 out of the Company's existing reserves of Rs. 10,78,785, and also for the issue of a fresh capital of Rs. 10 lakhs consisting of 1,00,000 ordinary shares of Rs. 10 each at par to the existing shareholders for payment in cash. In case the existing shareholders do not subscribe fully for these shares, arrangements will be made for issuing the balance of unsubscribed shares to the sugarcane growers in the factory areas and others.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	12,63,942	Block ...	19,71,514
Reserves ...	11,61,785	Stock-in-trade ...	7,85,731
Provision for taxation ...	4,32,647	Stores and spares ...	3,51,262
Liabilities ...	12,79,514	Cultivation-in-progress ...	93,723
Profit and loss account ...	1,75,649	Debts, deposits and advances ...	3,15,231
		Investments ...	5,31,675
		Cash ...	64,401
Rs.	43,13,537	Rs.	43,13,537

Bengal Nagpur Cotton Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June, 1954.

The Company sustained a loss for the half-year of Rs. 5,23,389 (profit of Rs. 58,354) which on deducting the credit balance of Rs. 27,088 (Rs. 15,831) brought forward was reduced to Rs. 4,96,301 (profit of Rs. 74,185). The directors transferred from the general reserve Rs. 5,23,000 (after adding Rs. 23,808 being provisions no longer required), making an available balance of Rs. 28,699 (Rs. 97,993). The directors recommended a dividend at the rate of 7 per cent. per annum free of income-tax on the cumulative preference shares absorbing Rs. 10,500 (Rs. 10,500), leaving to be carried forward Rs. 18,199, making a total of Rs. 28,699) (Rs. 19,993, after paying a dividend of Rs. 87,500 at the rate of 5 per cent. per annum.)

Falling cloth and yarn prices and higher cotton costs provided margins insufficient to cover the production costs, which remained high, due to the volume of sale being too low to dispose of the stock already accumulated or to permit a higher rate of production.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	30,00,000	Block ...	23,53,000
Reserves ...	15,50,000	Stocks ...	35,76,921
Debentures ...	4,00,000	Stores ...	11,30,577
Provision for taxation ...	1,80,000	Debts, deposits and advances ...	5,17,914
Liabilities ...	26,30,704	Investments ...	36,500
Profit and loss account ...	18,199	Cash ...	1,63,991
Rs.	77,78,903	Rs.	77,78,903

Lansdowne Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September, 1954.

After providing Rs. 66,873 (Rs. 65,198) for depreciation, the profit and loss account showed a loss of Rs. 53,836 (profit of Rs. 3,23,264) which was reduced by the amount brought forward from previous half-year Rs. 5,230 (credit of Rs. 22,344), transfer from general reserve Rs. 1,30,000 (Rs. 75,000), leaving an available balance of Rs. 81,394 (Rs. 2,20,308). Out of this sum the directors paid a dividend on the preference shares at the rate of 7 per cent. per annum, without any deduction for income-tax paid by the Company Rs. 52,500 (Rs. 52,500), a dividend on the ordinary shares of Re. 1 (Rs. 5) per share, without any deduction for income-tax paid by the Company Rs. 24,466 (Rs. 1,22,325) and carried forward Rs. 4,428 (Rs. 45,483).

In accordance with the working time agreement of the Indian Jute Mills' Association the mill worked 42½ hours a week from 1st April to 10th July, 1954. As from 12th July working hours were increased to 45 hours weekly and these hours remained in operation up to 14th August. From 16th August, the mill worked 48 hours weekly up to the end of the half-year in order to make up part of the loom hours lost during the strike. During the full period 12½ per cent. of total looms remained sealed.

From the labour angle the half-year was an extremely difficult one. Instigated by extremist propaganda a number of breaches of discipline occurred, culminating in a strike when working hours were increased throughout the industry from 42½ hours to 45 hours weekly from 12th July. Due to the prompt action of the authorities the sit-down strikers were cleared from the mill and no damage was done to the mill property. Work was resumed on 21st July but was followed by a period of "go-slow" work so that production did not return to normal levels until the end of August. The above labour difficulties had a serious effect on the financial results of the half-year, and were directly responsible for the loss sustained.

The directors have sanctioned a scheme for the partial modernisation of the mill. Tenders have been called for and plans to implement the scheme will be finalised at an early date.

The finance required for this scheme will be found partly from the Company's own resources and partly by the issue of a Rs. 25,00,000 debenture loan bearing interest at the rate of 5½ per cent. per annum and redeemable in 15 years.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	39,48,000	Block ...	60,46,245
Reserves ...	48,31,839	Capital expenditure-in-progress ...	2,646
Provision for taxation ...	1,21,401	Stock-in-trade	13,41,217
Liabilities ...	14,14,087	Stores and spare gear	11,62,339
Profit and loss account ...	4,428	Oil and coal	44,534
		Debts and advances ...	14,13,070
		Investments ...	1,62,697
		Cash ...	1,46,907
Rs.	1,03,19,755	Rs.	1,03,19,755

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

STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, 9th February

Stringent conditions continued to prevail in the short-term money market during the week under review also. Though there was no broadening of activity to any appreciable extent, there was a steady demand for funds, which could not, however, be fully met by the available supply. Banks had to seek accommodation from the Reserve Bank or Imperial Bank, while some of them even preferred to sell sterling on London.

Inter-bank call money was bid throughout the week at 3 per cent. among all sections of banks. House money rate was maintained at 3 per cent., as also short-term deposit rate for 1 to 6 months.

The stringency in the market is further reflected in the hardening of the Treasury Bill rate this week. The average rate of accepted tenders for Rs. 1 crore of three months' Government of India Treasury Bills, which had declined last from Rs. 2-8-6 per cent. to Rs. 2-8-3 per cent. per annum, rose back to Rs. 2-8-6 per cent. per annum this week. The amount offered was, however, slightly higher at Rs. 159.25 lakhs, than in the previous week when it aggregated Rs. 137.75 lakhs. This may be due partly to the maturity of the bills amounting to Rs. 1.50 crores offered at the first sale in November when Treasury Bill borrowing was resumed. Tenders for a further sum of Rs. 1 crore have been invited for next week also.

After receding successively for two weeks, notes in circulation have risen by Rs. 14.10 crores during the week ended 4th February, 1955, as seen from the Reserve Bank's statement for that week. Notes held in the Banking Department have shrunk by Rs. 4.81 crores, so that the total notes issued are up by Rs. 9.29 crores. This is covered by a rise of Rs. 9.94 crores in foreign securities and a decline of Rs. 65 lakhs in rupee coin. In the Banking Department, the most outstanding feature is the decline in the Central Government's deposits to below the Rs. 50-crore level, considered to be the irreducible minimum. These deposits have dropped by Rs. 5.19 crores over the week to Rs. 48.84 crores, the lowest level for many years. The lowest level witnessed last year was Rs. 51.33 crores, as seen from the statement for the week ended 16th April, 1954. Deposits of other Governments also have declined by Rs. 1.41 crores. A drop of Rs. 3.25 crores is noted in deposits of banks. Cash balances have shrunk by Rs. 4.91 crores and balances held abroad by Rs. 4.68 crores. Ways and means advances to Governments are up by Rs. 1.29 lakhs and other loans and advances by Rs. 1.29 crores, of which advances to Scheduled banks against usance bills account for Rs. 1.22 crores. Investments are lower by Rs. 47 lakhs.

The Scheduled Bank's statement for the week ended 28th January, 1955, as compared with that for the previous week, discloses a decline of Rs. 2.39 crores in demand deposits and a rise of Rs. 1.73 crores in time deposits. Inter-bank borrowings are lower by Rs. 47 lakhs, while borrowings from Reserve Bank are up by Rs. 1.44 crores and those from the Imperial Bank by Rs. 31 lakhs. Loans and advances have risen by Rs. 6.01 crores. No notable variation is seen in inland bills purchased and discounted, but a decline of Rs. 1.54 crores is noted in foreign bills, purchased and discounted. Investments are better by Rs. 43 lakhs, while cash on hand and balances with the Reserve Bank have together declined by Rs. 2.89 crores, balances with other banks in current account have receded by Rs. 78 lakhs and so also money at call and short notice by Rs. 1.32 crores.

The Gilt-edged market presented steady, but listless, conditions during the week under review. Some small improvements were noted in selected counters and the volume of business was restricted. 3 per cent. 1957 changed hands a fraction higher at Rs. 99-4½. 3 per cent. 1958 improved by an anna to Rs. 99-4. 3 per cent. 1959-61 had small business at Rs. 97-6. 3 per cent. 1963-65 an anna better at Rs. 93-11 and 3 per cent. 1964 at had sellers at Rs. 93-10½. 3 per cent. 1966-68 was unchanged at Rs. 90-9 and 3 per cent. 1970-75 at Rs. 86-15. 3 per cent. 1986 Conversion Loan was, however, marked down by As. 3 to Rs. 81. 3½ per cent. 1961 National Plan Bond was done an anna lower at Rs. 99-9, while 3½ per cent. 1964 National Plan Loan had sellers at Rs. 98-9.

The rupee-U.S. dollar exchange rates were unchanged during the week, while sterling weakened a little in terms of the dollar. Thus, in New York, spot sterling dropped from $2.78.7/16-2.78.9/16 to $2.78½-2.78¾, forward sterling (three months) from $2.78¾-2.78½ to $2.78.3/16-2.78.5/16 and transferable sterling from $2.71½-2.72½ to $2.71½-2.71¾.

KIPS STEADY

(From Our Own Correspondent)

MADRAS, 7th February

The kip market ruled steady, due to good clearance of stocks by shippers. U.K. buyers are reported to have paid a penny more for light-weight kips. Trading with the U.K. has been irregular, due to higher prices demanded by shippers for fresh business which U.K. importers stoutly resist. Madras tanners are not able to meet U.K. prices for lower grade cow hides. Arrivals of buffs have been meagre and prices are 2d. above U.K. levels. There has been no change in the cow calf or buff calf section where top marks continue to attract attention.

In the London public sales, prices of tanned sheep skins advanced by 1d. all round on the opening and closed generally on December levels, excepting on common tannages 8/10 lbs. where the decline was 6d. per lb.

Shipments (in bales) in the month of January, 1955: To the U.K.: 3,289 td. cow hides, 246 td. cow calf, 124 td. buff hides, 222 td. buff calf, 896 td. goat, 710 td. sheep and 8 dry salted goat; to the Continent: 403 td. goat and 64 tanned sheep; to the U.S.A.: 2 td. cow calf, 50 td. buff hides, 25 td. buff calf, 40 td. goat and 82 dry salted goat; to Japan: 107 td. sheep skins.

BULLION STRONG

(From Our Own Correspondent)

BOMBAY, 9th February

The bullion market presented buoyant conditions during the week under review, with a sharp rise in values of both the metals. Persistent speculative buying and heavy bear covering by local operators, coupled with keen support from Calcutta interests, lifted up the prices of silver and gold to new high levels after many months. Forward silver, for instance, touched today Rs. 164-6, the highest since 25th May, 1953 and forward gold Rs. 93-6, a level not seen since 10th May last. The improvement in the commodity and cotton markets and the tense political situation in the Far East also assisted the bullish sentiment. Although at every bulge profit-taking set in and erased a part of the gains, prices recovered with renewed vigour on revival of buying. Over the week, silver disclosed a gain of Rs. 3 per 100 tolas and gold Re. 1-11 per tola.

There was no trading on Thursday last, though the Bullion Exchange was officially open, as jobbers refrained from trading as a protest against the arrest by the police, on the previous evening, of some brokers and jobbers during late trading. When the market resumed business on Friday, forward silver (February settlement) opened at Rs. 161-2 and advanced to Rs. 162-6 on Saturday. After reacting to Rs. 161-6 on Monday, forward silver appreciated to Rs. 163-2 before the settlement ran out yesterday at Rs. 162-8. Silver for forward delivery in the next settlement (10th March) rose from Rs. 160-13 to Rs. 162-1, before receding to Rs. 161 on Monday this week. The upward trend was, however, soon resumed and forward silver touched a peak of Rs. 164-6 before closing at Rs. 163-13.

Ready silver (.996 Mint) hardened from Rs. 160-14 to Rs. 165-10, but closed at Rs. 164-5. The floating stocks of silver are estimated at 2,400 bars. The daily average arrivals were 10 to 15 bars, while the offtake was placed at 15 to 20 bars on an average.

Gold for forward delivery (7th February settlement) advanced from Rs. 91-13 to Rs. 92-12 on Saturday. After a minor setback to Rs. 92-2 on Monday, forward gold for this settlement closed on that day at Rs. 93, a rate which was Rs. 5 above the starting point for that settlement. The bulls were, therefore, obliged to pay a margin of Rs. 7 per tola. The settlement also ran out on Monday at Rs. 93. Forward gold for the next settlement (8th March) rose from Rs. 91-6 to Rs. 93-6 before closing today at Rs. 93-1.

Ready gold opened at Rs. 92-2 and, after touching a high of Rs. 94-10, finished at Rs. 94-5. The floating stocks of gold are reported to be 25,000 tolas. The daily average arrivals were 3,000 tolas. The daily average offtake was 4,000 tolas.

In London, there was a rise in the price of silver and gold. Spot silver moved up from 73⅞d. to 74d. and forward silver from 73¾d. to 73⅞d. Gold advanced from £12 11s. 7½d. to £12 11s. 9½d. per fine ounce.

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

	9-2-55	Highest	Lowest	2-2-55
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.995 fine Mint) ..	94 5	94 10	92 5	92 2
Forward*	93 1	93 6	91 8	91 13
Sovereign	60 4	60 4	58 12	58 12
SILVER				
Ready (.995 fine Mint) ..	164 5	165 10	161 1	160 14
Forward†	163 13	164 6	160 14	160 14
London Silver Ready ..	74d.	74d.	73¾d	73¾d.
London Forward	73⅞d.	73⅞d.	73½d	73½d.
London Gold	251s. 9½d.	251s. 9½d.	251s. 7½d.	251s. 7½d.
New York Ready	85½c.	—	—	85½c.

* 5th March settlement.
† 10th March settlement.
N. B.—Foreign bullion prices shown in the above table relates to the previous day.

EXPORT DEMAND FOR TEA MODERATE

(From Our Own Correspondent)

CALCUTTA, 8th February

Mixed conditions were in evidence during yesterday's export sale when offerings aggregated 13,199 chests. Demand was moderate. Offerings included some lots of poorer varieties, and only a small proportion had the autumnal character. While the few clean common varieties were steady, the poorer stalky teas eased by half to one anna. Whole leaf grades gave way by half an anna. Mediums realised prices which were favourable as compared to previous rates. Teas of autumnal quality realised valuations and black leaf fannings were shown keen attention by Middle East buyers. Darjeelings of the poorer types were easy, but the few lots that possessed the autumnal flavour were steady. The quotations were: best CTC Assam BP not quotable, medium Assam BP Rs. 3-11-6 (nominal), clean common BP Rs. 3-9-6 (nominal), and clean black pekoe Rs. 3-10-6 to Rs. 3-11 (nominal).

During last week's sale for domestic consumption, dusts offered consisted of 19,408 packages. At the outset, conditions were a note easy, but, as the sale progressed, the trend was towards steadier rates. Support from Egyptian buyers were readily given to black leafy teas. Best liquoring CTC Assams of improved quality were higher by As. 1 to As. 2. The rates were: best Assam CTC Rs. 3 to Rs. 3-1, medium Assam grainy dust Rs. 2-12, and medium Dooars Rs. 2-11.

Leaf offerings amounted to 8,745 packages. Despite good demand prices gave way by As. 1 to As. 2. The poorest teas remained steady. Medium Assam BPs were priced at Rs. 3 and clean common BP Rs. 2-14 (nominal).

FURTHER COTTON EXPORT QUOTAS

(From Our Own Correspondent)

BOMBAY, 9th February

At long last, the Government has intervened to stem the rot in the cotton market. Late in the afternoon yesterday, the Textile Commissioner announced suspension of the quota system for allocating Indian cotton to mills. This means that the mills and traders are now entitled to buy Indian cotton freely. The position is to be reviewed again at the end of May, 1955. The Textile Commissioner also released for export a further 50,000 bales of cotton (Bengal *deshis*, Oomras, Kalagin, Dholleras and Mathias) of old or new crop of 11/16" staple and below, of which the maximum quantity of Bengal *deshi* is fixed at 25,000 bales, and another 25,000 bales of old crop of 1953-54 and earlier years of staple length up to ¾".

The aforesaid measures are in line with the recommendation made by the Indian Central Cotton Committee at its recent meeting held this week. Even the Cotton Advisory Board is reported to have suggested such measures at its meeting yesterday. It is not so much the Government's implementation of these suggestions as its readiness to give effect to them without any loss of time that is to be commended. Evidently, the Government must have been prompted by the consideration that it would be in its own interests to take some corrective measures, instead of waiting till prices reach floor levels and thus be compelled to purchase cotton. The morale of the Bombay cotton market had already been lost, following the persistent precipitous fall in cotton prices. With the removal of quota restrictions for purchase of Indian cotton by mills and the release of further quantities for export, one thought that the downward trend in prices would be arrested. But this expectation has been belied. The market was once again subjected to selling pressure today and cotton prices suffered a severe setback, thanks to the speculative forces at work.

After opening with a weak tone, the forward section of the Bombay cotton market staged an impressive recovery till today when the market developed weakness again. The initial weakness was due to easy upcountry advices, poor spot reports and the general bearish sentiment. There was a wave of selling and cotton prices continued their downward march and touched the lowest levels for the past four months on Thursday. On Friday, the sentiment of operators somewhat improved, as a result of corrective short covering, and prices recovered. The recovery continued in the subsequent sessions also on hopes of Government intervention. It, however, gave way today. The spread between the two contracts which was just As. 12 last week widened to As. 11-6 today.

I.C.C. February contract receded from Rs. 698-8 to touch a low of Rs. 563 on Thursday. After gradually moving up to Rs. 596 yesterday, it reacted to Rs. 584-8 today before finishing at Rs. 585-4. I.C.C. May contract was at the lowest level of Rs. 562-8 on the 3rd inst., as against Rs. 567-12 on Wednesday last. Thereafter, it recovered to Rs. 582-8 yesterday, but finished lower at Rs. 573-12 today.

The following is the trend of prices during the week under review:

	2-2-55	High	Low	9-2-55
I.C.C. February ...	Rs. 568½	596	563	585½
I.C.C. May ...	Rs. 567¾	582½	562½	573¾

During the major part of the week, the spot cotton market ruled quiet, with purchases confined to small quantities. Some business was reported in 197-3 and Jarilla for immediate delivery. Occasional transactions were concluded in Vijay, Surti, and Navsari, Bardoli for March-April delivery. Ahmedabad mills displayed interest in new crop Kalyan. All prices lost further ground this week due to lack of enquiries. Exporters bought a few lots of C.P. and Berar *deshi*, but showed no interest in Bengals. There were some inquiries for Kalagin. Foreign styles had another week of poor demand. The only business transacted was in Giza 30 and low grade Sudans bought by upcountry mills for near shipment. The prices paid were reported to be very unattractive.

Following the announcement of Government measures, mill enquiry is reported to have broadened. Substantial business has been put through in Jarillas and Vijays. Prices, however, were generally lower.

The following table gives today's closing rates, as compared with those a week and a fortnight before:

(In Rs. per candy of 784 lbs.)

	9-2-55	2-2-55	25-1-55
Bengal *deshi*	580	580	600
Berar Jarillas	650	650	675
Khandesh	630	650	700
Vijay	750	730	770
Oomra *deshi*	610	600	625
Moglai	590	580	620

Importance is attached to the recent discussions between the Indian cotton interests and the Sudan Finance Minister and other members of his delegation. In the course of the discussions, the cotton interests emphasised the need for correct grading of Sudan cotton and consistent marketing policy. The Sudan Finance Minister is reported to have given the assurance that he would bear in mind these suggestions and would do all in his power to implement them, so that the Indian cotton interests would buy Sudan cotton on a much larger scale than now.

There was a slight improvement in the sentiment of the Karachi cotton market this week and prices staged a minor recovery. Nevertheless, deals were slow, since foreign enquiries continued to be slack. Shippers were interested in ready cotton. The latest available quotations (in Pakistan rupees per 821 lbs. weight) from the Karachi cotton market as on the 7th inst. are: Sind *deshi* 71 to 72;

Punjab *deshi* 63-4; 4F Punjab R.G. 68-4; S.G. 72-4 to 74-4; L.S.S. R.G. 72-12; S.G. 76-12; N.T. R.G. 73-4; S.G. 77-12; 289F R.G. 76-4; S.G. 80-4.

A recent Press report from Karachi avers that the Sind Chief Court has served show cause notices on the Karachi Cotton Association and its 12 directors stating why action should not be taken against them for alleged disobedience of its orders. The notices follow an order of injunction against the Association restraining them from enforcing a resolution passed by it on 24th January, 1954. Under the resolution, factory selection contracts (transferable) were to be deemed to have terminated the next day. The order of the Court restrains the Association from giving effect to the resolution in respect of contracts entered into by plaintiff. The petition states that defendants proceeded to give effect to the resolution on the 1st inst. and declared the plaintiff as a defaulter without proper notice.

Trading in the Alexandra cotton market was quite active this week too. Fully good Karnak met with renewed buying enquiries. Medium and low grades of Ashmouni were also well favoured. Giza 30, however, was neglected.

The first auction of the 1954-55 crop Sudan cotton is being held at Khartoum today, with offerings aggregating 15,000 bales. On the basis of the official reserve prices for the auction based on May New York 35.00 cents (as announced by the Sudan Gezira Board) and taking into account normal expenses and margins, the equivalent c.i.f. Bombay prices (in pence per lb.) work out thus: XG4 S—53.28; G4S—51.51; XG5S—50.25; G5S—48.93; XG 6S—47.67; G6 S—46.41; G4L—44.84; XG5L—43.18; G5L—42.42; XG 6L—41.51; G6L—40.25. The second auction of the new crop Sudan cotton (f.a.q.) is to be held on the 23rd inst. Total offerings are estimated at 15,600 bales, including 5,100 bales Gezira S cotton, 4,500 bales Gezira L cotton, 1,200 bales AL/WL L cotton and 4,800 bales Nuba Mountains. Reserve prices will be announced nearer the date of the auction and all bids will be considered as on call related to an arbitrary figure of New York futures which will be announced at the same time. Meanwhile, the Sudan Government has given the assurance that the Government and the Board are determined to ensure that the marketing of Sudan cotton is in no way endangered through manipulations. If, at the auctions of the new crop, any such danger were to arise, they would not hesitate to take steps in order to safeguard the "freedom of supply" at world prices to the Sudan's export markets.

At Liverpool, trading was hesitant and cautious, due to uncertainties of the 1955 U.S. cotton acreage allotment and the possibility of some form of export subsidy being introduced to liquidate surplus U.S. cotton stocks. Following Commission house selling and easy advices from New York, cotton prices tended to look down. Turnover of spot and shipment cottons was small, thanks to quiet conditions in textile trade. The offtake in U.S. qualities was limited to shorter to medium staples of rain-grown cotton for forward delivery. Tanguis, Pima and Brazilian-Sao Paulo were among the other varieties of cotton favoured by buyers. Quotations for cotton futures prevailing at Liverpool yesterday are: March-April 32.31d., May-June 32.33d., July-August 32.23d. and October-November 32.05d.

Persistent liquidation of nearby March and switches to forward positions characterised the trading in the New York cotton futures market this week. Commission house participation was limited, reflecting farm legislation and far eastern uncertainties. The mid-January parity price of cotton is 35.22 cents, according to the U.S. Bureau of Agricultural Economics. This figure is 50 points more than the mid-December parity. If, according to the usual practice, the loan rate for the 1955 crop is based on the mid-January parity price, there will, it is stated, be a high support price during the next season also. Based on an average premium of 165 points for Middling 15/16" over Middling 1", the prospective average loan rate for the next season will be 33.35 cents. Cotton circles feel that such a loan rate cannot be reduced but will be raised, should the mid-July parity be higher. In other words, the prospective average loan rate is actually 12 points higher than the current average loan rate of 32.23 cents.

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

(In cents per lb.)

	8-2-55	1-2-55	24-1-55
Spot	34.95	35.10	34.57
March	34.43	34.59	34.64
May	34.73	34.90	34.94
July	34.99	35.12	35.13
October	35.04	35.13	34.93

RAYON YARN BEARISH

(From Our Own Correspondent)

BOMBAY, 9th February

For another week in succession, the rayon yarn market depicted a distinctly bearish trend. The weakness was due to advices from the cotton yarn and staple fibre yarn sections. Reports from other commodity markets too were not helpful. Rayon yarns were, therefore, subjected to selling pressure and values continued their downward march. The fall would have been more marked but for encouraging news from the rayon fabrics market, where hopes of an early Indo-Pakistan trade agreement induced traders to expect possibilities of large exports of fabrics to Pakistan in future.

Trading during the week revealed that spot rayon yarn 150 deniers Japan was hammered down by As. 5 to Rs. 3-11. 150D Italy receded by an anna and a half to Rs. 3-12-6. 150 Japan lost an anna to Rs. 3-15. 120 Italy, which had slumped from Rs. 3-15-6 to Rs. 3-13 yesterday, recovered to Rs. 3-15 today on special buying support. Prices of indigenous rayon yarns were also lower, National Rayons 150 B1. cones first and second grades being quoted at Rs. 3-6-9 and Rs. 3-6-3, respectively. February delivery for viscose yarn was quiet at Rs. 730. Acetate yarns, too, fetched lower prices this week in sympathy with fall in viscose rayon yarn prices and due to unsatisfactory sales policy adopted by local producers. Thanks to reduced offtake, stocks are reported to be accumulating with traders.

Imports of rayon yarn into Bombay port during the month of January, 1955 were slightly less than those in the previous week, being 2,105,182 lbs., as against 2,141,545 lbs. Of this quantity, 604,153 lbs. were imported from Italy, 344,540 lbs. from France, 325,348 lbs. from Holland, 322,876 lbs. from Germany and 288,677 lbs. from the U.K. Imports from Japan were not more than 114,337 lbs.

The expectation of an improvement in staple fibre yarn output, following heavy imports of fibre (against last year's licences) in recent weeks, let loose a wave of selling in the staple fibre yarn section, resulting in a landslide in prices. In the forward section, 40×2 February delivery slumped by 19 points to Rs. 587. March delivery reacted from Rs. 609-8 to Rs. 592. Among foreign yarns in the spot section, Shincos lost half an anna to Rs. 3-14-6. Suicos, however, gained a like amount to Rs. 4-0-6 on special demand. Among indigenous yarns (40×2), Morarjis receded by nine pies to Rs. 2-14-9. New Greats and Citys finished half an anna lower each to Rs. 3-2-6 and Rs. 3-4-3, respectively. Sitarams were a shade easy at Rs. 3, Kohinoors at Rs. 3-5-3 and Srirams at Rs. 3-0-3.

Imports of staple fibre, as already stated, have been larger in recent weeks. The quantity actually imported into Bombay during January, 1955 was 190,164 lbs., as against only 11,849 lbs. in the previous month. The bulk of this quantity, amounting to 150,157 lbs., came from Belgium. Imports from Holland accounted for 39,688 lbs.

Conditions in the cotton yarn market were listless during the week under review. The continued fall in raw cotton prices brought about slackness in the demand for yarn, as buyers withdrew support in anticipation of a fall in yarn prices also. Besides, for the same reason, enquiries from consuming centres were not encouraging. Consequently, cotton yarn values drifted lower, with the exception of coarse count yarns which were fully maintained on enlarged demand. Among 80s, Moderns receded by As. 6 to Rs. 64-4 and Elphinstones by As. 4 to Rs. 59. Among 60s, Raghuvamshis dropped As. 12 to Rs. 54-10. Finlays and Srirams finished each As. 4 lower, the former at Rs. 59-12 and the latter at Rs. 55-8. Deals in 40s were done at reduced prices, Gokaks losing As. 4 to Rs. 25-10 and Moderns As. 2 to Rs. 25-8. Among 30s, Maduras slipped by As. 12 to Rs. 22-4. Prakash were quiet at Rs. 20-12. Among 20s, Maduras lost As. 2 to Rs. 17-12. Moderns, however, were steady at Rs. 17-2, Centurys at Rs. 16-8 and Seksarias at Rs. 16-6. Yarns of ten counts were steady, Moderns and Podars being quoted at Rs. 13-9 and Elphinstones at Rs. 13-4.

The table below gives the prices of art silk staple fibre and cotton yarns quoted today, as compared with those a week before:

	9-2-1955	2-2-1955
	Rs. a.	Rs. a.
Art silk yarn—		
150 February (per case of 200 lbs.) ..	730 0	730 0*
120 Japan (per lb.)	3 11	4 0
150 Japan (per lb.)	3 15	3 15½
120 Italy (per lb.)	3 15	3 15
150 Italy (per lb.)	3 12½	3 12½
Staple fibre yarn—		
40 x 2 February (per case of 200 lbs.) ..	587 0	601 0
40 x 2 March	592 0	605 0
Shincos (per lb.)	3 14½	3 15
New Great (per lb.)	3 2½	3 3
Cotton yarn (per bundle of 10 lbs.)		
10s Modern	13 9	13 9
20s Seksaria	16 6	16 6
30s Madura	22 4	22 0
40s Modern	25 8	25 10
60s Finlay	59 12	60 0
80s Elphinstone	59 0	59 4

* Nominal.

GROUNDNUTS ACTIVE

(From Our Own Correspondent)

BOMBAY, 9th February

The most notable development of the week under review was the announcement of additional export quota of groundnut oil, *kardi* and *niger* seeds. Of particular interest to established shippers was, however, the absence of individual ceiling for groundnut oil export, which would result in the shippers being entitled to the maximum allotment to which they would be eligible on percentage basis. Each shipper is entitled to a quota of 10 per cent. of the best year's exports during any of the four years ended 1952. The decision of the Government to give facilities to crushers to participate in export trade of groundnut oil, subject to a ceiling of 250 tons for shipper, was another interesting feature. The Government also announced export quota for groundnut oilcake and deoiled groundnut meal. It has, besides, imposed a duty of Rs. 230 per ton on the exports of the former and Rs. 175 per ton on those of the latter.

Following the announcement of further export quota of groundnut oil, the groundnut section was very active this week. In fact, the market came in for considerable buying support. Quotations also revealed marked improvement. Groundnut Bold ready advanced from Rs. 18-14 to Rs. 21-6 and Khandesh quality from Rs. 19-4 to Rs. 22. April-May changed hands at Rs. 22-8, as against Rs. 20-2. Groundnut oil ready improved from Rs. 10-2 to Rs. 11-8. The U.K. was interested in groundnut oil at £100 to £101 for March-April delivery and Burma at Rs. 1,340 to Rs. 1,350 per ton for February delivery.

The Joint Chief Controller of Exports, Bombay, has announced that H.P.S. groundnuts in shells will not be allowed for export against the quotas of H.P.S. groundnuts. All exports of H.P.S. groundnuts will accordingly be allowed in the form of *kernels* only.

Traders received the *kardi* and *niger* seed quotas with a sigh of relief. They were, however, deeply concerned at the absence of announcement of total ceiling fixed for export. Although export enquiries at present are almost at a standstill, an improvement is expected in the near future. There have been enquiries for *niger* seed from the Continent at £50 to £51. Japan is reported to have enquired for *kardi* seed. As a result, *kardi* ready Bold improved from Rs. 15 to Rs. 16 and *niger* ready, from Rs. 17-8 to Rs. 18.

The performance of the castorseed section was relatively better this week in sympathy with other seeds. May delivery opened the week quiet at Rs. 75-4. After fluctuating between Rs. 79-10 and Rs. 74-14, it closed at Rs. 79-4. Ready Madras gathered As. 6 to Rs. 15-10 and Kanpur ready As. 4 to Rs. 14-8. Castor oil, First Pressure put on As. 11 to Rs. 9-12 and Commercial As. 8 to Rs. 9-4. U.S. was interested in Commercial quality at 9.75c. and the Continent at £78.

The linseed section proved an exception in that it ruled somewhat colourless. Bold ready lost As. 2 to Rs. 21-6, while April-May gathered As. 6 to Rs. 20-10. Linseed oil suffered As. 2 to Rs. 12-6.

Market circles are very critical of the export duty, particularly on groundnut oil cake. They say that the export duty of Rs. 230 per ton on groundnut oilcake is very heavy and leaves very little margin of profit and, consequently, it will not be possible to export the cake in sizable quantities. They are also disappointed at the cutting down of validity of shipping bills from 15 to 7 days.

The following table shows the price of oilseeds and oil today, as compared with those at the end of the previous two weeks.

	9-2-55	2-2-55	25-1-55
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	22 0	19 4	20 14
February/March	21 6	18 14	20 15
April-May	22 8	20 2	22 0
Linseed—			
Bold Ready (per cwt.) ..	21 6	21 8	22 10
February/March	21 6	21 8	22 8
April-May	20 10	20 4	21 10
Castorseeds—			
May 1955	79 4	75 4	77 0
Madras (per cwt.)	15 10	15 4	15 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	11 8	10 2	11 2
Castor Oil—			
Commercial (per quarter) ..	9 4	8 12	8 10
Linseed Oil—			
Ready	12 6	12 8	13 5

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 9th February

The sugar market ruled steady during the week under review. The steadiness was due to rumours that Cuban sugar per s.s. *Carl Fischer* would be diverted to Malabar and, as such, Bombay would receive varieties of imported sugar priced at Rs. 29-8 per maund. Reduced arrivals of indigenous sugar into the market also aided the sentiment of operators favourably. There was, therefore, some buying support and sugar prices either tended to look up or were fully maintained. The release of 90,000 tons of sugar for free sale, announced by the Union Government on Friday, failed to have any effect on the market.

In the forward section, *Maha* delivery improved from Rs. 81-8 to Rs. 81-14 before finishing at Rs. 81-12 per bag. *Fagan* delivery advanced by As. 10 to Rs. 82-6.

In the spot section, large grain indigenous sugar was done at Rs. 92 to Rs. 105 per bag (inclusive of sales tax), as against Rs. 92 to Rs. 103 last week. Medium grain was fully steady at Rs. 88 to Rs. 90. Small grain was quoted at Rs. 87. Among foreign sugars, German sugar and French small grain put on As. 8 each to Rs. 79-8 per bag of 220 lbs. (exclusive of sales tax). Cuban sugar was done at Rs. 88-12 per bag of 250 lbs. British refined sugar was quoted at Rs. 81-12 per bag of 224 lbs.

Arrivals of indigenous sugar into the market during the week were, as already stated, lower. They amounted to 3,000 bags, as against 4,800 bags in the previous week.

On Wednesday last week, the Central Government announced its decision to licence freely exports of cane *jaggery* and cane *jaggery* powder (*gur*) on shipping bills for shipment up to the end of March, 1955.

PEPPER RECOVERS

(Messrs. Parekh and Co.)

BOMBAY, 8th February

During the earlier part of the fortnight since our last report, Malabar black pepper at Alleppey after showing some animation, exhibited quiet tendency. This was due to America bidding at lower price after buying February shipment at $0.43 by named steamers. Alleppey went down to Rs. 950 after touching Rs. 1,050. Cochin went down to Rs. 170 after rising to Rs. 182½. In the later part, New York having refused to follow the rise in India and the Formosan situation having somewhat eased, the bears in India tried to press down the market. They sold February shipment at $0.41¾, March at $0.42½ and April at $0.43.

Thereafter, however, New York dealers, having waited for some time for lower offers from India, came on the scene, when they realised that India is not in a mood to lower its price, particularly owing to the present uncertainty of the

Formosan situation. They bought February shipment at $0.44. The price in Malabar improved. At Alleppey, business was done at as high as Rs. 1,100. Garbled was done at Rs. 187½. In Bombay, March shipment was done at $0.45¼, while April was paid for up to $0.46¼. There was short covering in February shipment and the shorts bought a sizable quantity for February at $0.45.

In the delivery section, prices also improved in sympathy with primary markets. February and March deliveries were done at Rs. 800 and Rs. 945 respectively.

The Formosan situation seems to have given a timely tonic to the growers. Growers in Tellicherry area are reported not so anxious sellers as expected earlier. They are reserved. Growers in Alleppey area who are usually bullish did not fail to exploit the bull points in the picture and they now quote Rs. 1,075. The weak point in the entire picture is that the Indian consumers are resisting higher prices. They withdraw as buyers as soon as the market goes up.

Following are today's nominal quotations: Ready delivery Rs. 115 (as against Rs. 120 a fortnight ago) per Bengal maund, March Rs. 945 (Rs. 925-35) and April Rs. 960 per candy of 5¼ cwts.

TEA PRICES DECLINE

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 3rd February

Slightly over 1,000,000 lbs. of tea were on offer in sale No. 3 which was held on Tuesday, 1st February. There was some falling away in quality ruary. There was some falling away in quality from the previous sale, although several high-grown invoices maintained some flavour. Although there was a good general demand, prices were generally easier. Common and low medium brokens declined by 1 to 2 annas. Similar fannings showed slightly less decline. Medium teas were As. 2 easier, although stylish fannings were dearer. Best liquoring high-grown teas were well supported at rates which were barely steady and often easier. High-grown pekoes met with some competition and were occasionally dearer. Black, well made, Middle East types met with keen competition and were irregularly dearer. Whole leaf teas met with a poor demand and there were some withdrawals. The following were the quotations:

	1953	1954
	Rs. a. p.	Rs. a. p.
Low-grown Travancore B.O.P.	3 10 0	2 4 6
Medium Travancore B.O.P. ...	3 10 6	2 6 0
Anaimallais B.O.P.	3 13 0	2 10 0
Best liquoring Nilgiri B.O.P.	4 8 0	3 6 0
Well made black leaf O.P. ...	3 9 0	2 10 0

London Market—Sale of 31st January, 1955.—Mediums 1½d., commons 1d. lower.

Sale of 1st February, 1955.—Active market 2d. lower.

Colombo Market.—High-growns slightly easier. Mediums firm. Gulf types considerably dearer. Off grades and stalky teas distinctly lower.

Calcutta Market.—Export.—27,000 packages. Except for Middle East types and stylish whole leaf grades, market irregularly As. 2 to sometimes As. 3 lower.

Dust.—Dust 19,000 packages. Market opened easier, but strengthened as sale progressed and closed half to one anna dearer. Exportable types strongest feature. Leaf 9,000 packages. All types As. 1 to As. 2 easier, except stalkiest being fully firm.

Export quota.—Since our last report the market eased to 108 pies and business was done. The market has now revived to 132 pies, at which figure there are buyers.

Forthcoming Auctions.—Sale No. 4 will be held on Tuesday, 15th February.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd. wire:—

"Dust *Sale C.*—346,000 lbs. Market opened easier, but closed one anna dearer, except milled dusts. Middle East types stronger and dearer."

RAW JUTE BUOYANT

(From Our Own Correspondent)

CALCUTTA, 8th February

With an impressive rise in prices, jute goods were steady during the week under review. In hessians, there was some enquiry from both the United States and the United Kingdom, and small business was put through. Unless prices break off, stimulating business is considered difficult to materialise. Argentina is believed to be in need of a considerable quantity of sackings but that country is postponing its purchases in view of the ruling high prices. However, the star feature in the market was the heavy goods section where the revival of Australian interest made all the difference. Shippers for Australia took possession of some quantity. Much covering business also took place. More orders from Australia were anticipated, but the fact that prices have moved up to very high levels is expected to prevent inflow of large orders by mills. The month of January, taken as a whole, was a good shipping month for jute goods, stocks of which, despite the lack of normal business in view of the higher prices, are believed to indicate little change at the end of January.

The West Bengal Government is believed to have favoured the mills to continue to work 48 hours a week as at present. But the situation in the raw material supply is becoming critical. Not much raw jute is coming from East Bengal, and the ban on the export of *kutcha* bales continuing, imports from Pakistan can be only insignificant for the remaining part of the season. Mills have, therefore, to fall back on the domestic fibre up to July when the new crop would begin reaching the mills. As such, the working of the mills is bound to be affected sooner or later. Prices of raw jute still available from the last crop in India have advanced too much, and mills' margin of profit has been affected rather considerably. Assuming mills are able to carry on somehow or other, possibly with a cut in working hours at least towards the closing months of the season, one thing is certain and that is that there would be no raw jute to be carried forward to the next season. Naturally, sowings of the next crop in India will be for a quantity greater than the harvest of 1954-55. One good thing which Pakistan's ban on the export of *kutcha* bales is doing is that it is teaching India to become self-sufficient.

Last Tuesday, ready B. twills were quoting Rs. 124-2 as against Rs. 123-12 on the previous day. This followed business in cornsacks, cotton packs and grainsacks on Australian account. Speculators rushed to the market and seized the opportunity to buy. Immediately the ready position was pushed to Rs. 125-8, sellers being reserved. On Thursday, there was a spurt to Rs. 127-4, and all positions attracted attention. By Friday, another advance took the price to Rs. 128-8, and the closure for the week-end saw a high of Rs. 129-8. Yesterday, a further gain of As. 2 was recorded to take the rate to Rs. 129-10. The forward positions were a few annas higher than the spot rate. April-June advanced to Rs. 130 from Rs. 124, March to Rs. 129-12 from Rs. 123-14, and one month delivery to Rs. 129-12 from Rs. 123-14. These advances are to be deprecated, but they are a direct result of the trend in raw jute. There were also good enquiries from Egypt, and further business with China was expected. That explains shippers' interest in forward deliveries. Mills were rather unable to meet the demand in full, in view of the uptrend in raw jute.

Hessians were also steady, although not so buoyant as sackings. From Rs. 46-14, the ready position moved to Rs. 47-10 by the week-end by stages only. The higher trend was maintained yesterday. Prices for February and March goods were in parity with the ready position, April-June being only a few annas lower. Thus, while the spot was quoted at Rs. 46-15, April-June was being offered at Rs. 46-10. These rates subsequently rose to Rs. 47-10 and Rs. 47-9 respectively. The eight oz. realised Rs. 38-8.

Raw jute was buoyant. Sellers were reluctant to make offers, and only small business passed. Expectations of shortage towards the closing months of the season were of considerable strength for inducing stockists to stick to their holdings. Latest quotations, showing an increase of 2 to 4 points during the week, are given below:

	Middles		Bottoms	
	Rs.	a.	Rs.	a.
Pakistani:				
Northern	38	8	39	8
District	44	0	40	0
Indian:				
Northern	42	0	39	0
Assam Upper	41	0	38	0
Assam Lower	42	0	39	0
Daissee	42	8	39	8
Murshidabad	40	0	37	0
Western	39	8	36	8
Jungli	39	0	36	0
Orissa	42	8	39	8
Uttar Pradesh	39	0	36	0
Bimli f.a.q.	34	8		

Pucca bales first marks ready Rs. 225 a bale.

FOODGRAINS STEADY TO FIRM

(From Our Own Correspondent)

HAPUR, 7th February

The foodgrain markets ruled steady to firm during the week under review and prices of wheat here and in other parts of the country advanced appreciably. Wheat was very much in request from this centre and consequently, *dara* wheat prices improved by As. 12 to Rs. 14-4 per maund and fine quality is quoted at Rs. 15-8. Most of the despatches during the week were to Bihar and east U.P. After an offtake of 5 *khaties* during the week, the local wheat stock das dwindled to 19 *khaties*. Prices of wheat in the eastern districts of the State have also advanced appreciably, due to diminishing stocks and low arrivals from west U.P. In Punjab, P.E.P.S.U. and Madhya Pradesh markets, wheat prices have also marked an improvement from As. 4 to As. 8 per maund. In sympathy with the rise in wheat prices, barley prices have also advanced here by As. 4 to Rs. 6-12 per maund.

Rice prices continued to rule steady, but the supply position has improved. The Government of India is also anxious to export surplus quantity of rice and has, consequently, announced its decision to permit export of husked rice from all ports, which was hitherto allowed from Bombay and Calcutta only. The export duty on rice has also been reduced from 20 per cent. *ad valorem* to As. 2-3 per maund. It is, therefore, expected that export performance of rice will now improve, and the Union Deputy Food Minister has expressed the hope that exports will be 2 lakh tons. Gram prices have also advanced slightly, due to export quota of pulses announced by the Government. In Madras, prices have improved by Re. 1 per bag. Other coarse grain prices, however, continue to rule depressed and are quoted at: *Bejhar* Rs. 6, maize Rs. 7-4, *bajra* Rs. 7-6 per maund. Stocks: *Bejhar* 2 *khaties*.

In spite of the release of export quota of pulses, the ready peas prices continue to rule depressed due to poor offtake and loading restrictions. Peas *dara* is quoted at Rs. 5-8 and white at Rs. 6 and *arhar* Rs. 6-10 per maund. Some peas was despatched during the week to Madras and the local stock is now peas 24 *khaties* and *arhar* 9 *khaties*. Other pulses also declined fractionally during the week and are now quoted *urd* Rs. 9-12, *moong* Rs. 7-12 to Rs. 8-14 and *massoor* Rs. 6 to Rs. 7-8.

In the absence of new driving force, trading in pulses futures was marked by small turnover and narrow fluctuations. The new support was as yet generally lacking and the tone subdued. The latest quotations are: *Urd baisakh* Rs. 9-8, peas *jeth* Rs. 5-6-6 and *arhar jeth* Rs. 6-6, as against Rs. 9-7, Rs. 5-8 and Rs. 6-5 quoted last Monday, respectively.

SLIGHT RISE IN SUGAR PRICES

(From Our Own Correspondent)

HAPUR, 7th February

There was slight improvement in sugar prices during the week under review. This was due to the fact that the latest quota of 90,000 tons of sugar released by the Government of India for free sale found little place from mills on this side. The supply position, however, is satisfactory and the Government has decided to end the distribution system of imported sugar f.o.r. destination stations. This is likely to broaden the turnover in the market. The reduction in the prices of imported sugar is also a step in the right direction, as imported sugar was being sold at a loss in some centres, but the increase in the limit of minimum quantity released to any party from 20 to 60 tons has disappointed the small traders. Trade interests think that, provided transport is efficient, sugar prices are expected to move downwards during the current season.

The total output during the current season is expected to be around 1.4 million tons, as compared with the previous season's figure of slightly over 1 million tons. This is because sugar mills are getting adequate supply of cane, mostly due to lower *gur* prices. The proposed sugarcane growers' strike from 1st February, 1955, in the State has also been postponed, as the committee is holding further negotiations with the Government. The latest mill delivery prices at Hapur are: Jaswant Rs. 29-13, Simbhauli Rs. 29-13, Mowana Rs. 30, Daurala Rs. 31-4, Amroha and Bijnore Rs. 29-4, Mansoorpur Rs. 31-4 and Rampur Rs. 32-12; retail Rs. 33-4; *khandsari* Rs. 23 to Rs. 26-8. Owing to continued depression in *khandsari* prices, the U.P. *Khandsari* Sugar Association has urged the State Government to exempt *khandsari* sugar from the imposition of sales tax.

Ready *gur* prices slightly improved during the week and the U.P. Government has also arranged purchases here and some quality *gur* has been purchased at Rs. 10-4 per maund. This has improved the tone of the market and *gur* prices are now quoted at Rs. 9-12 to Rs. 10-4. The local arrivals now average 3,000 maunds daily and the local stock is estimated at 50,000 maunds. The Government of India has decided to license export of cane *jaggery* freely and this too had a sober effect on the local *gur* market.

Future *gur* prices also registered a steady tone. Opening at Rs. 10-1 and Rs. 10-11, *phagun* and *baisakh* deliveries are now quoted at Rs. 10-4 and Rs. 10-15.

STRONG DEMAND FOR HIDES

(From Our Own Correspondent)

KANPUR, 6th February

During the week under review, conditions in the hides and skins market continued to be one of confidence. There was a strong demand for all the items. Continuing tension in the Far East had a stimulating effect on the market. Fresh arrival during the week was not as considerable as during the previous week. The country tanners were in for inferior grade cow and the ordinary goat and sheep. The main transactions were done by the local tanners. The latest quotations are as follows:—

Wet salted cow, 1st grade Rs. 430 to Rs. 440, 2nd grade Rs. 340 to Rs. 360 and 3rd grade Rs. 160 to Rs. 180 per score; wet salted buff, 1st grade 1 lb. 7 ozs. and 2nd grade 1 lb. 10 ozs. per rupee; goat skins, 1st grade Rs. 325 to Rs. 350 and 2nd grade Rs. 275 to Rs. 300 per 100 pieces and sheep skins Rs. 200 to Rs. 250 per 100 pieces.

LINSEED EASY

(Messrs. A. Bradley & Co.)

CALCUTTA, 7th February

A generally easier trend has prevailed during the week under review and lower prices have been recorded, owing to poor demand. Upcountry markets indicate keener offerings for new crop delivery, although despatches of ready goods are still poor. Crushers have shown a feeble interest and the volume of trading during the week has been very small. In the oil market, quiet conditions prevail; sellers are fairly keen, but buyers have been cautious in anticipation of lower prices. The latest quotations are as follows:—

February Rs. 16-11 and April-May Rs. 15-14 per maund.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	28th Jan., 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,217.72	1,219.47	1,219.29	1,156.01
Notes held in Banking Department	25.05	17.60	15.89	26.01	18.37
Foreign Securities	89.50	653.21	653.21	643.15	618.15
Rupee Securities	57.89	437.62	437.63	417.75	421.38
Banking Department					
Deposits of:					
Government of India	14.69	54.02	55.36	54.89	101.60
Other Governments	..	20.77	18.18	16.74	23.29
Balances held abroad	10.08	76.40	80.08	67.54	116.17
SCHEDULED BANKS					
Demand Liabilities	134.37	579.97	582.01	573.36	520.09
		(10.24)†	(10.70)†	(6.10)†	(7.66)†
Time Liabilities	102.54	370.43	368.61	368.71	327.97
		(2.91)†	(2.88)†	(3.57)†	(1.62)†
Borrowings from Reserve Bank	..	8.15	6.71	9.63	13.11
		(8.57)‡	(8.14)‡	(2.90)‡	(1.10)‡
Borrowings from Imperial Bank	..	4.21	2.90	2.68	11.34
Cash in India	6.71	33.34	33.95	35.90	31.74
Balances with Reserve Bank	25.23	57.86	61.77	67.54	38.18
Excess over statutory limits	15.52	21.47	25.25	31.50	5.62
Balances with other banks in current account in India	..	10.17	10.94	13.79	10.51
Money at call and short notice in India	..	17.52	18.83	15.76	10.51
Investments (at book value)	..	352.79	352.36	348.04	322.72
Advances and bills	105.00	559.97	555.45	538.41	505.57*
IMPERIAL BANK					
Deposits	57.76	231.93	234.80	231.19	208.70
Investments	51.99	110.71	110.66	108.76	90.19
Advances	50.37	103.75	102.98	100.89	119.22
Cash	14.89	29.22	34.78	32.94	14.85

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes foreign bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	4th February, 1955		28th January, 1955	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,63,852	50,08,96,000	3,81,468	49 96-90,000
Calcutta	1,71,257	76,30,67,870	1,15,783	44 29,46,275
Madras	82,059	8,14,71,000	76,628	7 50,86,683
All Centres—				
1952	..	..	1,06,41,041	96,79,61,57,000
1953	..	..	1,14,88,214	96,45,00,08,000
Sept. 1954	..	..	99,19,000	6,02,84,00,000
Oct.	..	..	85,54,000	5,84,78,00,000
Nov.	..	..	80,47,000	6,51,40,00,000

Reserve Bank of India

Statement of Affairs for the week ended 4th Feb., 1955

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	48,83,07,000
(2) Other Governments	19 85,70,000
(b) Banks	54,89 03,000
(c) Others	84,15,89,000
Bills Payable	4,61,44,000
Other Liabilities	18,84,19,000
Rupees	190 09 96 000

Assets	Rs.
Notes	12,78,95,000
Rupee Coin	11 00 000
Subsidiary Coin	19,44,000
Bills Purchased and Discounted—	
(a) Internal	49,80,000
(b) External	..
(c) Government Treasury Bills	1,71,71,000
Balances held abroad*	71,71,79,000
Loans and Advances to Governments	25,00,000
Other Loans and Advances	21 25 65 000
Investments	69 59 26 000
Other Assets	11 98,58,000
Rupees	190 09,96,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 4,58,80,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 6,89,40,000.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	12,78,95,000	
Notes in circulation	1231,83,11,000	
Total Notes issued		1244,61,06,000
Total Liabilities		1244,61,06,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	60,01,71,000	
(b) Held outside India		
Foreign Securities	648,15,11,000	
Total of A		708,16,82,000
B. Rupee Coin		108,81,85,000
Government of India Rupee Securities		
Internal Bills of Exchange and other commercial paper		487,62,59,000
Total Assets		1244,61,06,000

Ratio of Total of A to Liabilities: 56 497 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 28th Jan., 1955

	Rs.
1. Demand Liabilities in India	
(i) Borrowings from banks other than the Imperial Bank of India	10 24,43,000†
(ii) Other demand liabilities	560,72,19,000
2. Time Liabilities in India	
(i) Borrowings from banks other than the Imperial Bank of India	2 91,05 000†
(ii) Other time liabilities	367,51,47,000
3. Borrowings in India from the Imperial Bank of India:	
(i) Demand liabilities	4,21,28,000
(ii) Time liabilities	4 000
4. Cash in India	23 98,74,000
5. Balances with the Reserve Bank in India	57,97,55,000
6. Balances with other banks in current account in India	10 16 50 000
7. Money at call and short notice in India	17,51,53,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	552,79,15,000
9. Advances in India	561 01 89 000
10. Inland Bills purchased and discounted in India	47,50,56,000
11. Foreign Bills purchased and discounted in India	..
	31,85,56,000

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

EXCHANGE RATES

	7th February 1955	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot. s.	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months s.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months s.	1-6¼	1-6¼
Buyers T.T. 10 to 12 months s.	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	4804	4801
Buyers T.T. Rs.	477	476½
London on New York $	2.78½-2.78¼	2.78½-2.78¼
London on Paris Fcs.	976½-977	976
London on Berne Sw. Fcs.	12 24½-12 24¾	12 24½
New York on London $	2.78½-2.78¼	2.78½-2.78¼

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	'51-'52	359 83	..	9,990	274.5
Pakistan	1949	75 04	..	1,671	223
Burma	1952	18.86	Kyats 8,558	958	168
Ceylon	1953	8.16	..	442	541
Japan	1952	85.50	Y. 5,232,400	7,014	820
Philippines	1952	21 02	Ps. 7,375	1,654	787
New Zealand	1953	2 05	£ (N.Z.) 727	969	4,727
Australia	1952	9 15	£ (A) 3,021	3,841	4,207
U.K.	1952	50 86	£ 14,719	19,625	3,858
U.S.A.	1952	156 03	$ 305,000	146,790	9,196
Canada	1952	14 76	$ 19,043	8,407	5,696
France	1952	42 55	F.Fr. 10,197,000	14,018	3,321
W. Germany	1952	48 99	Dm. 108,000	11,705	2,389
Italy	1952	47 02	Lr. 8,067,000	6,828	1,453
Norway	1952	3 26	Kr. 16,861	1,132	3,469
Sweden	1952	7 17	Kr. 26,953	3,423	4,772
Netherlands	1952	10 49	Grs. 19,360	3,451	3,286
Denmark	1952	4 27	Kr. 22,484	1,551	3,572
Switzerland	1953	4 88	Sw.Fr. 20,800	2,268	4,664

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, September, 1954.
† Estimates are based on the first issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 28th Jan., 1955

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	27,86,17,000
(b) Provincial Governments	2 15,02,000
(c) Banks	11,20,10,000
(d) Others	4,03,39,000
Bills Payable	14,74,000
Other Liabilities	5,20,92,000
Rupees	56,06,84,000

Assets	Rs.
Notes	5,17,10,000
Rupee Coin	7,000
Subsidiary Coin	9,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2 22,000
Loans and Advances to Governments	5,11,50,000
Provincial Governments' Debtor Balances	2,44,52,000
Other Loans and Advances	18 19 50,000
Investments	15,94,89,000
Other Assets	8 12,44,000
Rupees	56,06,84,000

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	5,17,10,000	
Notes in circulation	243,82,76,000	
Total Notes issued		248,79,86,000
Total Liabilities		248,79,86,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	89,72,81,000	
Government of India Securities	21,41,41,000	
India Notes representing assets receivable from the Reserve Bank of India	29,86,91,000	
		99,04,55,000
B. Rupee Coin	4,62,98,000	
Government of Pakistan Securities	140,87,58,000	
Internal bills of exchange and other commercial paper	....	
		145,50,56,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,13,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		248,79,86,000

Ratio of Gold Coin and Bullion, Silver Bullion Sterling Securities and approved Foreign Exchange to total notes issued 41.40 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	3rd June, 1954	4	3½
Belgium	29th Oct., 1953	3	2½
Bolivia	30th Sept., 1950	6	6
Canada	17th Oct., 1950	1½	2
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st Feb., 1950	3	4
Denmark	22nd June, 1954	4½	5½
Ecuador	13th May, 1946	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	16th Dec., 1951	7½	5½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1954	12	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th Mar., 1953	3½	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	6.11	5.84
Mexico	4th June, 1942	4	4½
Netherlands	7th April, 1953	4	3½
New Zealand	26th Nov., 1954	3½	4
Norway	9th Jan., 1946	3	2½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Portugal	12th Jan., 1954	3	2½
South Africa	27th Mar., 1952	3½	4
Spain	1st July, 1954	4	3½
Sweden	26th Nov., 1953	3	2½
Switzerland	26th Nov., 1936	4	3½
Turkey	26th Feb., 1951	3	8
United Kingdom	27th Jan., 1955	3	3½
U.S.S.R.	1st July, 1936	5	4
U.S.A.	16th April, 1954*	1½	1½
West Germany	20th Mar., 1954	3½	3

* Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE

GOVERNMENT OF INDIA

(In crores of Rs.)

	November, 1953	November, 1954	Eight months, April to Nov., 1953	Eight months, April to Nov., 1954
Import Duties:				
Revenue	9.53	12.42	72.55	79.28
Protective	0.49	0.78	3.95	5.10
On surplus disposals	..	..	0.10	0.18
Total import duties	9.99	13.20	76.60	84.50
Export Duties	3.13	5.20	26.29	22.28
Land Customs	0.19	0.22	1.52	1.37
Miscellaneous	0.05	0.07	0.49	0.78
Gross coal customs	13.36	18.70	104.90	108.75
Refunds and drawbacks	0.19	0.17	1.29	0.90
Net Customs	13.20	18.53	103.61	107.85
Gross excise	7.67	8.73	60.82	66.92
Refunds	0.09	0.20	0.59	1.19
Net Excise	7.58	8.53	60.23	65.73
Net total of customs and excise	20.78	27.06	163.84	173.58

Imperial Bank of India

Statement of Affairs for the week ended 4th Feb., 1955

Capital and Liabilities	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		9,86,00,000
Deposits and other Accounts		238,10,87,000
Borrowings from other Banking Companies Agents Bills Payable		4,95,25,000
Bills for Collection being Bills Receivable as per contra		43,62,000
Acceptances, Endorsements and Other Obligations as per contra		85,000
Other Liabilities (including Inter-Office Adjustments)		4,44,43,000
Total .. Rs.		253 92,02,000

*Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		21,91 97,000
Balances with other Banks		8,92 96 000
Money at Call and Short Notice		1,78,33,000
INVESTMENTS—		
Government and other Trustee Securities	101,00,93,000	
Other Authorised Investments	11,49,81,000	
		112,50,74,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	102,03,92,000	
Bills Discounted and Purchased	7,62,09,000	
		109,66,01,000
Bills Receivable being Bills for Collection as per contra		43,62,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		85,000
Premises less Depreciation		1,20,44,000
Furniture and Fixtures less Depreciation		44 16 000
Other Assets (including Inter-Office Adjustments)		1,97,04,000
Total .. Rs.		253,92,02,000

SMALL SAVINGS

(In lakhs or rupees)

	National Savings Certificates 5-Year† Outstandings*	7-Year †† Receipts	7-Year †† Outstandings*	12-Year Receipts	12-Year Outstandings*	Postal Savings Bank Deposits Receipts	Postal Savings Bank Deposits Outstandings*	Cash Certificates Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-year Treasury Savings Deposit Certificates ‡ Receipts	2½% Ten-year Treasury Savings Deposit Certificates ‡ Outstandings*	10-Year National Plan Certificates ‡ Receipts	10-Year National Plan Certificates ‡ Outstandings*
1948-49	75	75	20.40	25.54	24.91	—	12.21	—	..	..	..	..
1949-50	6 92	55	2 26	22.64	44 17	—	21.07	7.55	25.84	..	..	..
1950-51	3.91	1.50	4.28	26.84	1,04.36	—	34.30	6.94	53.11	..	..	..
November 1952	4.87	10	3.54	2.02	97.85	¶ —	23.25	46	30.34	..	..	..
December	6.26	14	3.74	2.29	96.95	¶ —	33.54	45	30.75	..	..	..
January 1954	6.15	12	3.51	2.08	1,01.45	3.91	1,00.25	—	33.78	50	31.29	..
February	6 02	11	3.49	2.12	1,02.09	3.49	1,01.29	—	34.97	54	31.78	..
March	5.91	46	4.28	3.05	1,04.36	18.29	1,06.29	—	34.30	44	32.11	..
April	5.91	11	4.20	2.13	1,05.84	10.70	1,07.41	—	34.40	70	32.77	..
May	5.71	10	4.21	1.71	1,07.05	10.08	1,07.13	—	34.57	54	33.26	34	34
June	5.62	9	4.23	1.89	1,08.40	10.46	1,06.22	—	34.73	99	33.01	49	83
July	5.47	12	4.29	2.37	1,10.16	11.40	1,11.08	—	34.96	46	34.03	76	1 59
August	5.46	15	4.39	2.17	1,11.86	10.23	1,15.07	—	35.17	46	34.44	39	2.45
September	5.24	10	4.51	2.44	1,13.76	10.23	1,14.23	—	35.36	54	34.94	1.57	4.05
October	5.16	11	4.57	1.93	1,15.09	9.94	1,14.86	—	35.51	42	35.33	60	4.65
November	5.06	13	4.64	2.23	1,16.78	10.24	1,16.31	—	35.59	37	35.64	58	5.23
December	..	..	..	..	..	..	..	—	..	40	35.98	..	..

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947. † Issued from 1st June, 1948 to 30th June 1948. †† Issued from 1st June, 1948. ‡ Issued from 1st February, 1951. ‡ Issued from 10th May, 1954.
¶ Figures from 1948-49 relate to the Indian Union. Outstandings do not include Indian Union's share of the pre-partition liabilities. Repayments, however, include those from the pre-partition holdings of Indian investors.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1940-50=100)

Group and Sub-Group	Week ended 30-1-'54	1-1-'54	22-1-'55	29-1-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.3	90.4	90.6	90.6
1. Government of India	90.1	90.3	90.5	90.5
2. Indian States	95.6	96.0	95.0	95.1
3. Municipal, Port Trust, etc.	89.3	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	101.8	100.7	100.7	100.7
1. Electricity	108.1	102.0	102.0	102.0
2. Jute	98.8	96.8	96.8	96.8
3. Plantations	99.6	99.6	99.6	99.6
4. Cotton	100.7	99.8	99.8	99.8
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	103.5	101.0	101.0	101.0
7. Shipping	102.5	100.8	100.8	100.8
8. Other	100.3	98.8	98.8	98.8
PREFERENCE SHARES	87.8	97.3	97.3	97.0
1. Electricity	86.4	78.6	78.6	78.6
2. Cotton	85.3	88.9	88.4	88.5
3. Jute	90.8	89.1	91.0	91.0
4. Coal	90.3	89.8	89.8	90.0
5. Iron and Steel	90.1	85.2	85.1	84.8
6. Sugar	90.1	90.4	90.4	90.4
7. Paper	89.8	97.0	95.6	96.8
8. Plantations	87.4	87.8	87.0	87.4
9. Miscellaneous	100.9	113.6	115.1	115.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	87.8	88.8	89.8	89.7
(a) Financial	87.0	86.1	86.1	86.3
1. Banks	97.0	110.1	109.0	110.0
2. Insurance	75.6	94.0	97.9	98.1
3. Investment Trust	109.0	113.8	118.3	118.7
(b) Public Utilities	116.0	123.8	124.2	124.6
1. Electricity	99.6	98.6	102.0	102.6
2. Shipping and other Transport	83.6	87.5	87.9	88.2
3. Railways	102.3	117.3	118.5	118.9
(c) Manufacturing Industries	100.0	105.1	105.1	105.4
1. Cotton, Woollen and Silk	81.4	99.8	99.6	98.4
2. Jute	115.7	135.7	140.1	142.2
3. Iron and Steel	172.5	209.5	214.8	216.4
4. Paper	117.8	144.9	147.7	147.8
5. Cement	124.7	156.6	158.9	160.4
6. General Engineering	88.1	105.2	106.3	106.6
7. Sugar and Breweries	107.2	137.7	138.3	138.5
8. Chemicals	107.0	148.8	154.4	157.3
(d) Non-Manufacturing Industries	77.1	80.0	81.6	81.6
1. Coal	154.2	188.5	193.6	194.0
2. Mining and Oil	105.6	175.3	181.5	187.2
3. Plantations	88.4	88.1	88.1	88.4
(e) Miscellaneous	..	..	..	..
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.8	—	90.1	90.1
1. Bombay	90.2	90.4	90.5	90.5
2. Calcutta	90.6	90.7	90.9	90.9
3. Madras	..	..	..	..
DEBENTURES OF INDUSTRIAL CONCERNS	102.0	—	99.8	99.8
1. Bombay	102.3	101.3	101.3	101.3
2. Calcutta	100.1	100.5	100.5	100.5
3. Madras	..	..	..	..
PREFERENCE SHARES	91.8	85.3	91.6	91.7
1. Bombay	84.6	..	85.0	85.1
2. Calcutta	88.9	94.4	93.5	93.7
3. Madras	..	..	..	..
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	109.8	—	118.7	119 7
1. Bombay	98.9	107 4	109.1	109.4
2. Calcutta	97.4	110 6	110.9	111.5
3. Madras	99.8	109.6	113.4	114.0
4. Delhi	..	..	..	..

Source: Department of Research and Statistics, Reserve Bank of India.
* Bombay Market was closed during the week.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work	Number of workers involved	Number of man-days lost
1950	814	719,883	12,806,704
1951	1,071	691,321	8,819,928
1952	948	809,242	8,336,961
1953	772	466,507	5,802,038
October 1953	94	78,181	849,618
November	83	49,768	273,245
December	81	27,559	155,017
January 1954	65	42,853	244,414
February	48	28,477	139,611
March	67	83,231	216,207
April	72	49,138	210,048
May	88	38 617	270,216
June	99	50,357	252,279
July	87	48,060	131,122
August	74	53,063	225,154
September	106	44,958	447,373
October	101	80,211	402,116
November	88	41,451	345,211
December	81	40,760	475,553
January 1954†	84	51,972	325,814
February	91	41,351	344,296
March	101	84,928	331,419
April	80	34,963	207,247
May	81	21,949	216,063
June	120	29,921	276,506
July	78	31,078	272,845
August	94	29,797(a)	303,138(b)
September	81	30,803	272,944(d)
October	49	20,803	356,534
November	..	..	..

† Figures for 1954 are provisional.
(a) Not known in 7 cases. (b) Not known in 9 cases. (d) Not known in 3 cases.
(c) Not known in 5 cases. (d) Not known in 6 cases. (All in 3 cases).
* Revised.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns	Units generated	Units Sold
1946-49	469	4,661.1	3,777.7
1949-50	514	5,201.4	4,184.3
1950-51	545	5,578.5	4,575.7
1951-52	616	5,80.9	4,81.1
1952-53	630	5,60.4	4,64.1
1953-54	662	6,25.3	5,17.1
April 1954	625	54.8	47.0
May	627	54.6	46.9
June	627	52.7	46.4
July	629	57.8	49.1
August	633	58.1	49.7
September	634	56.1	48.7
October	637	60.8	52.9
November	640	58.7	47.9
December	640	60.4	51.4
January 1955	643	58.5	48.5
February	645	52.4	44.5
March	651	53.9	45.8
April	651	52.4	44.5
May	660	53.4	45.5
June	663	53.0	45.1
July	667	54.7	46.5
August	669	52.3	44.5
September	669	52.7	44.8
October	..	..	..

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	22nd Jan., 1955	15th Jan., 1955	23rd Jan., 1954	December, 1953	December, 1954	Percentage of increase (+) or decrease (−) in Dec., 1954 as compared with Dec., 1953	Annual Average 1953	Annual Average 1954
Food Articles	308.7	313.8	388.3	367.0	318.0	−13.4	380.8	356.3
Cereals	342	853	445	429	364	−15.2	451	404
Pulses	241	240	424	424	226	−46.5	494	318
Other	273	271	294	269	268	+ 0.4	265	295
Industrial Raw Materials	430.9	437.6	464.3	459.3	436.3	− 5.0	459.7	447.1
Fibres	474	470	464	441	468	+ 6.1	420	444
Oil seeds	561	575	560	511	391	−23.5	573	463
Minerals	411	451*	442	456	417	− 8.6	452	429
Others	481	473	409	397	442	+11.3	365	410
Semi-Manufactures	344.8	345.3	362.9	359.5	347.4	− 2.6	356.3	355.4
Leather	305	305	398	391	381	− 2.6	410	377
Mineral oils	221	221	221	221	221	—	224	221
Vegetable oils	411	412	561	526	411	−21.9	524	464
Cotton yarn	451	453	442	432	453	+ 4.9	441*	454
Metals	240	241	236	236	240	+ 1.7	226	239
Oil cakes	301	301	422	418	373	−10.8	430	416
Others	334	332	305	305	318	+ 4.3	263	305
Manufactured Articles	378.8	375.4	364.7	363.8	376.1	+ 3.1	367.0	378.6
Textiles	421	419	402	400	418	+ 4.5	404	418
Jute	463	457	421	427	451	+ 5.6	398	438
Cotton	411*	411*	398*	397*	412*	+ 3.8	407*	413*
Rayon and Silk	426*	425*	455*	426*	447*	+10.1	455*	468*
Woollen	310	310	313	313	310	− 1.0	309	311
Metal products	340	340	337	337	340	+ 0.9	337	339
Others	256	254	253	253	255	+ 0.7	256	256
Miscellaneous	567.1	568.9	711.4	711.5	579.7	−18.5	661.5	648.8
All Commodities	393.4	395.8	401.9	389.4	397.9	− 5.5	393.9	398.7

R=Revised.
* Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

Year ended August, 1939=100

	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw cotton	Raw Jute†	Groundnut	Linseed	Oil†	Jute manufactures	Cotton manufactures†	Tea and Coffee
1953																		
September	543	564	218	301	416	426	605†	278	312†	1159	456†	357	525	404	357	285	410	269
October	523	564	195	274	397	423	592†	273	301†	1169	450*	347	537	372	357	294	410	269
November	501	565	199	271	396	424	565*	281	279†	1177	436†	402	533	382	357	429	403	269
December	482	579	180	283	357	474	575†	280	225	1177	451†	410	545	419	357	427

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Acreage 1953-54 Final	Acreage 1952-53 Final	Outturn 1953-54 Final	Outturn 1952-53 Final
Rice .. .. .. tons	76,646	74,209	27,079	22,495
Wheat .. .. .. ,,	28,098	24,285	7,702	7,363
Jowar .. .. .. ,,	42,990	43,339	7,091	7,260
Bajra .. .. .. ,,	28,820	28,550	4,246	3,150
Barley .. .. .. ,,	8,190	8,010	2,721	2,849
Maize .. .. .. ,,	8,892	8,897	2,854	2,923
Ragi .. .. .. ,,	5,472	5,428	1,584	1,238
Small Millets .. .. ,,	13,167	12,431	2,189	1,905
Total cereals .. .. ,,	210,305	203,149	56,130	49,103
Gram .. .. .. ,,	176,077	170,864	45,617	36,871
Rabi Pulses* .. .. ,,	24,298	22,205	10,613	10,232
Gram .. .. .. ,,	18,893	18,014	4,551	4,165
Rabi Pulses* .. .. ,,	11,130	11,185	2,075	2,042
Jute .. .. .. bales	1,273†	1,196†	3,153‡	3,120†
Cotton .. .. .. ,,	17,027	15,693	3,035	3,131
Sugarcane .. .. .. tons	3,608	4,272	4,614	5,019
Groundnut .. .. .. ,,	11,356	11,550	3,772	2,884
Linseed .. .. .. ,,	3,369	3,305	355	359
Castorseed .. .. .. ,,	1,388	1,357	107	106
Rape and Mustard Seed ,,	5,373	5,199	826	887
Sesamum .. .. .. ,,	6,132	5,860	531	460
Total oilseeds .. .. ,,	27,598	27,661	5,591	4,646
Tobacco .. .. .. ,,	800	895	256	241
Black Pepper .. .. ,,	200	205	22	22
Ginger .. .. .. ,,	47	46	15	14
Dry Chillies .. .. ,,	1,326	1,235	310	284

Source: Ministry of Food and Agriculture.

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

* Excluding gram and Tur.

‡ Relates to 1954-55. † Relates to 1953-54.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Dec., 1954	93.9
	Corresponding month, 1953	77.8
	Six months ended Dec., 1954	495.5
	Corresponding period, 1953	433.1
Stocks	At the end of December, 1954	89.7
	Corresponding month, 1953	98.6
		(In 000 bags)
Exports (Jute Bags)	Week ended 1st January, 1955	5,496
	Corresponding week, 1954	8,752
	From 1st Jan. to 31st Dec., 1954	448,345
	Corresponding period, 1953	291,362
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 1st January, 1955	37,228
	Corresponding week, 1954	55,863
	From 1st Jan. to 31st Dec., 1954	1,409,209
	Corresponding period, 1953	1,455,045
	RAW JUTE	(In 000 bales)
Exports*	Week ended 1st January, 1955	—
	Corresponding week, 1954	—
	During October, 1954	—
	Corresponding period, 1953	—
Consumption by Mills†	Dec., 1954 (in lakh bales)	5.45
	Corresponding month, 1953	4.52
	Six months ended Dec., 1954	28.74
	Corresponding period, 1953	25.12

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953 ..	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954 ..	11,54,000	10,70,200	7,80,000
Ten months ended Jan., 1955	9,45,000	8,69,100	6,51,200
August 1953	96,100	83,400	63,700
September ,, ...	94,200	91,100	61,900
October ,, ...	99,600	94,000	68,500
November ,, ...	1,00,300	95,800	68,400
December ,, ...	1,01,400	95,100	71,700
January 1954	1,02,800	99,800	71,400
August ,, ...	96,700	90,400	67,100
September ,, ...	88,300	82,400	63,800
October ,, ...	96,500	89,200	68,500
November ,, ...	98,800	90,600	68,000
December ,, ...	1,05,800	95,000	73,800
January 1955	1,02,500	95,800	72,200
Indian Iron and Steel Co.			
Year ended 31st March, 1953 ..	6,28,710	4,31,480	3,17,940
Do. 31st March, 1954 ..	6,80,020	4,49,930	3,92,440
Nine months ended Dec., 1954	5,50,841	3,64,412	3,40,957
April 1953	52,210	30,980	19,090
May ,, ...	57,810	32,850	19,700
June ,, ...	35,730	23,940	13,020
Three months ended Sept., 1953	63,390	18,350	11,640
April ,, 1954	1,81,630	1,15,300	1,06,940
May ,, ...	61,950	41,070	37,800
June ,, ...	62,450	35,640	35,200
Three months ended Sept., 1954	1,80,018	1,29,741	1,12,981
,, ,, ,, Dec., 1954	1,88,053	1,38,801	1,20,816

FOREIGN TRADE OF INDIA

Particulars	October, 1953	October, 1954	Seven months, April to Oct., 1953	Seven months, April to Oct., 1954
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	7,51	12,25	78,95	47,43
Raw materials	12,63	14,26	109,84	119,70
Manufactures	23,10	25,19	155,43	167,18
Other items	34	21	2,19	1,69
Total ..	43,58*	51,91*	344,41*	335,98*
By land	2,03	2,81	13,82	11,28
Total Imports ..	45,61	54,22	358,23	347,17
Exports:				
By sea and air—				
Foodstuffs	18,17	18,80	82,07	97,51
Raw materials	8,45	9,23	62,51	65,98
Manufactures	21,68	18,25	143,45	142,22
Other items	37	35	2,26	2,44
Total ..	48,67	46,63	291,31	298,15
By land	68	51	3,89	3,33
Total Exports ..	47,35	47,14	295,20	301,48
Total Re-exports ..	68	37	3,09	3,10
Balance of trade in merchandise	+ 2,44	— 6,75	— 67,78	— 42,77
Balance of transactions in private treasure	— 1	— 1	— 7	— 1
Total visible balance of trade.	+ 2,43	— 6,75	— 67,79	— 42,78
Imports:‡				
Total C'wealth countries ..	28,80	21,63	169,08	148,09
Total Foreign countries ..	19,78	30,28	175,83	187,86
Exports:‡				
Total C'wealth countries ..	25,34	28,36	144,78	165,82
Total Foreign countries ..	21,83	18,27	146,65	132,33

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

‡ Excludes Trade by Land.

RAILWAY TRAFFIC ‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (in thousands)	No. of Ton Miles (Millions)	Total No of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1948-1949 ..	1,132	36,925	104,286	22,364	9,089	2,115	780	172	142	..	..	..
1952-1953 ..	1,168	34,406	128,778	28,630	11,413	2,635	949	171	169	209	169	207
1953-1954 ..	1,179	35,215	129,009	29,365	11,186	2,613	921	154	158	168	190	343
August 1953 ..	97	2,814	10,436	2,360	864	208	78	9	10	15	18	26
September ,, ..	93	2,633	10,252	2,294	894	221	72	9	10	12	15	23
October ,, ..	80	2,568	10,479	2,427	916	239	69	9	9	15	15	28
November ,, ..	87	2,539	9,923	2,366	908	216	64	15	14	17	12	27
December ,, ..	93	2,747	10,990	2,476	1,002	210	64	16	14	18	14	33
January 1954 ..	94	2,781	11,281	2,531	998	202	72	16	17	16	15	34
February ,, ..	101	3,157	10,313	2,274	933	178	76	13	16	14	14	30
March ,, ..	105	3,325	14,383	3,308	1,018	215	83	17	17	18	12	34
April ,, ..	..	..	..	..	953	211	63	20	15	10	16	34
May ,, ..	..	..	..	..	932	215	78	14	15	10	15	34
June ,, ..	..	..	..	..	909	210	71	10	13	10	13	32
July ,, ..	..	..	..	..	935	234	76	11	10	7	16	32
August ,, ..	..	..	..	..	935	245	79	11	9	7	13	34
September ,, ..	..	..	..	..	914	241	66	11	9	7	11	31
October ,, ..	..	..	..	..	936	241	65	13	10	10	12	31

Equated to M. G. Wagons (1 B. G. = 2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 3rd Feb., 1955 ..	40,504
	Corresponding week, 1954 ..	31,619
	1st Sept., 1954 to 3rd Feb., 1955 ..	540,900
	Corresponding period, 1953-54 ..	575,048
Cotton Exports ..	Week ended 3rd Feb., 1955 ..	16,000
	Corresponding week, 1954 ..	10,513
	1st Sept., 1954 to 3rd Feb., 1955 ..	131,140
	Corresponding period, 1953-54 ..	119,471
Mill Consumption ..	1st Sept., 1954 to 3rd Feb., 1955 ..	528,397
	Corresponding period, 1953-54 ..	542,934
Stock (with exporters, dealers and mills) in Bombay	On 3rd Feb., 1955 ..	874,160
	Corresponding date, 1954 ..	281,915
Cotton Exports from Bombay (by sea)	During October, 1954 ..	32,782
	1st Sept., to 31st October, 1954 ..	47,668
	1st Sept., to 31st October, 1953 ..	24,166
Karachi (Pakistan)—		
Receipts	1st Sept., 1954 to 27th Jan., 1955.	754,796
	Corresponding period, 1953-54 ..	940,118
Exports	1st Sept., 1954 to 27th Jan., 1955.	226,108
	Corresponding period, 1953-54 ..	460,027

Particulars	From 1st Sept., 1954 to 7th February, 1955 Bales	From 1st Sept., 1953 to 7th February, 1954 Bales
From Bombay Cotton Exports to—		
United Kingdom ..	11,597	6,187
Continent ..	18,032	13,847
China	1,409	251
Japan	44,822	34,101
U.S.A.	8,199	9,143
Other Countries ..	760	1,452
Total to all foreign countries	85,579	64,981
Coastal Ports	46,833	58,838

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton— Indian	November, 1954	348,017
Foreign		62,113
Indian	Three months ended Nov., 1954	808,258
Foreign		177,003
Indian	Same Period 1953 ..	842,954
Foreign		174,094
Stocks (Mills and Elsewhere)— Indian	As on 30th November, 1954 ..	850,221
Foreign		161,141
Indian	As on 30th November, 1953 ..	700,066
Foreign		198,002
Cotton Pressed in India † (In running bales)	Week ended 28th Jan., 1955 ..	61,116
	Corresponding week, 1954 ..	127,823
	1st Sept., 1954 to 28th Jan., 1955	1,217,868
	Corresponding period, 1953-54	1,612,038

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,84,000	1955-60	101⅛
4 % Bonds	1926-33	63,30,26,000	1960-70	101⅛
3½% Loan	1936-39	1,16,17,46,000	1965-85	93⅛
3 % Loan	1950	30,33,10,000	1984	93⅛
3 % Loan	1943	1,10,11,78,000	1966-68	90½
3 % Y. Loan	1944	1,14,06,89,000	1957	94⅛
3 % Loan	1946	1,16,06,83,000	1970-75	86½
3 % Loan	1945	1,12,65,64,000	1969-81	97⅞
2½% Loan	1951	60,35,83,000	1958	99⅛
2½% Loan	1946	45,63,07,000	1960	94⅛
2½% Loan	1946	57,00,69,000	1961	91⅛
2½% Loan	1947	14,77,49,000	1976	83
2½% Loan	1947	78,86,72,000	1962	92½
2½% Loan	1948	60,45,01,000	1965	99⅛
2½% Loan (N.P. Bonds)	1953	75,00,00,000	1961	99½
2½% N.P. Loan	1954	156,75,00,000	1964	98½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	81
3 % Loan	1946	248,91,90,000		81
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,20,000	1958-68***	103⅛
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	16th Sept. 1955	99½
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	99½
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97⅞
3 % Bombay	1949	6,00,15,000	1st Aug. 1962	93⅛
3 % Bombay	1950	3,01,87,700	31st July 1960	94⅛
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98⅛
4 % Bombay	1953	5,00,00,000	15th July 1963	101⅛
4 % Bombay	1952	3,66,72,700	1st Aug. 1963	101⅛
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-56	98⅛
3½% Cochin	1936	70,00,000	1st June 1956-61	90⅛
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95⅛
3 % Madras	1939	1,22,05,800	21st June 1959	94⅛
3 % Madras	1942	1,23,25,000	18th Sept. 1955	99½
3 % Madras	1943	1,23,10,000	14th Sept. 1956	99
3 % Madras	1944	1,07,95,000	15th Aug. 1958	97⅞
3 % Madras	1945	2,78,44,000	14th Sept. 1960	94⅛
2½% Madras	1946	2,81,77,200	1st Sept. 1961	91½N
3 % Madras	1950	4,88,25,400	31st July 1960	94⅛
3½% Madras	1951	3,01,49,300	17th Sept. 1962	97½
4 % Madras	1953	5,00,00,000	15th July 1963	100½
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100-99½
5 % Mysore (f)	1930	1,53,44,300	1st Nov. 1955	102½
4 % Mysore (f)	1933	2,95,86,200	1st Dec. 1953-63	101½
3 % Mysore (f)	1936	5,99,72,000	30th April 1956-61	99-94
3 % Mysore	1947	8,08,56,700	25th Jan. 1958	99½
4 % Mysore	1953	5,00,00,000	15th July 1963	99½
3 % M.P.	1942	50,00,000	18th Sept. 1955	90
3 % M.P.	1943	50,54,200	14th Sept. 1956	98½
3 % M.P.	1944	52,89,800	15th Aug. 1958	97
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	92½
3 % M.P.	1950	1,00,28,800	31st July 1960	94
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97⅞
4 % M.P.	1953	1,00,00,000	15th July 1963	99½
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	98 N
3 % Punjab**	1945	2,35,20,000	14th Sept. 1955	99½N
3 % Punjab**	1943	2,48,76,300	14th Sept. 1956	99 N
3 % Punjab**	1945	2,95,81,800	14th Sept. 1960	97½N
3½% Travancore	1936	50,00,000	16th Aug. 1956	99½
4 % Travancore-Cochin	1953	3,00,00,000	15th July 1963	99½
3 % U.P.	1936	1,89,39,800	16th Sept. 1961-66	90½
3 % U.P.	1944	3,23,98,800	15th Aug. 1958	97
3 % U.P.	1945	2,86,31,000	14th Sept. 1960	94
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	91½N
3 % U.P.	1951	2,00,00,000	17th Sept. 1962	97½
4 % U.P.	1952	4,11,33,000	1st Aug. 1964	100½
4 % U.P.	1953	5,00,00,000	15th July 1963	100½
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	5,00,00,000	15th July 1963	100½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs. 36,50,000	4	1904	1964	Rs.
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,85,876	4	1913*	1980	D
80,00,000	4	1913	1974	99½N
98,50,000	4	1914	1975	99½N
10,00,000	4	1915*	1980	
65,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,61,000	4	1924*	1960	
10,35,100	3½	1925*	1960	
85,00,000	3½	1929*	1959	
12,60,000	3½	1930*	1980	D
12,60,000	3½	1931*	1981	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1976	
15,00,000	3½	1936*	1976	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1986	
7,00,000	3½	1941	1971	
CALCUTTA				
90,24,300	4	1914	1974	Rs. 98½
76,00,100	4	1915	1975	98½
1,50,00,000†	3††	1921	1981	81
68,02,300C	6½	1921	1981	144N
1,24,00,800	6	1925	1955-85	102
98,21,600	5½	1926	1955-85	102
99,84,800R	5	1928	1955-85	101½
1,40,40,000R	5	1927	1957-87	102½
1,49,30,000	5	1929	1955-85	102
80,00,000	4‡	1931	1991	95
60,00,000	3½	1935	1985	88
25,00,000	3	1938	1963-68	90
50,00,000	3	1945	2005	74N
50,00,000	3	1948	1965	84
50,00,000	3	1946	1976	84
50,00,000	3	1946	2006	73½N
50,00,000	2½	1948	1977	78
50,00,000	3	1948	1978	82½
50,00,000	3	1949	1959	96
80,00,000C	3	1950	1960	91½
1,00,00,000	3	1950	1960	96½
1,00,00,000	3	1950	1960	96½
50,00,000	3	1951	1981	81
1,50,00,000	3½	1951	1961	97½
50,00,000	4	1953	1963	99½
50,00,000	4	1953	1963	98
STERLING LOANS				
£892,600	5	1923	1953-63	£87½
£501,000	5	1924	1954-64	£87½
£835,100	5½	1932	1962	£95
MADRAS				
Rs. 31,47,100	3½	1947	1977	Rs.
9,66,000	3	1947	1977	
3,00,000	3	1949	1979	A
45,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs. 50,00,000	4	1899	1959	Rs. 100
30,00,000	4	1901	1961	
20,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
20,00,000	4	1905	1965	
15,00,000	4	1906	1966	97½N
40,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1909	1969	
18,00,000	4	1912	1972	
50,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
40,00,000	5	1919	1967-70	118N
66,00,000	6	1920	1958-80	
25,00,000	4	1920	1958-80	118N
25,00,000	4	1927	1961-70	98N
30,00,000	4	1936	1966	
STERLING LOANS				
£666,600	4	1900	1960	£95½N
£333,000	4	1910	1970	£95½N
Rs. **CALCUTTA**				Rs.
50,00,000	6	1920	1955	101½
25,00,000	5½	1929	1959	107
50,00,000	5	1934	1964	90⅞
35,00,000	3½	1936	1966	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1967	91
20,00,000	3	1938	1968	90
80,00,000	4	1952	1962	99½

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,60,000	4	1913-15	1974	99½
10,00,000	5	1913-15	1965	100
10,00,000	5	1920	1968	118
25,00,000	5	1928	1958	104½
30,14,100	5	1929	1949-50	to
8,46,500	5	1929	1964-65	102½
26,21,500	5	1929	1959	
8,22,00,000	3½	1947	1977	86½
2,50,00,000	3½	1949	1979	86½
4,00,00,000	3½	1950	1965	92½
2,50,00,000	4	1952	1964	100½
2,00,00,000	3½	1951	1966	97
1,00,00,000	4	1953	1963	100
1,00,00,000†	4	1953	1964	99½
1,00,00,000†	4	1954	1966	99½
Rs. **CALCUTTA**				Rs.
84,70,000	6	1925	1955	101½
36,00,000	5	1926	1956	103
25,00,000	5	1929	1957	102½
25,00,000	5	1929	1958	102½
10,00,000	5½	1933	1963	106
33,91,000	3½	1935	1965	94
50,00,000	3	1938	1966	90
47,50,000	3	1939	1969	90
10,67,700	3	1938	1965	98½
15,58,800	4	1939	1959	99½
15,66,800	4	1930	1960	99½
15,86,800	4	1940	1957	99½
17,64,400	3½	1942	1959	96½
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1960	97
16,33,000	3½	1951	1961	97½
66,88,000	3½	1951	1966	97½
87,86,000	4	1952	1962	99½
72,50,000	4½	1954	1979	100
Rs. **MADRAS**				Rs.
71,700	6	1925	1955	100N
2,67,300	6	1926	1955	101N
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

N—Nominal.

ABBREVIATIONS.

A—Held by Government of India. B—Taken up by Imperial Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.

(*f*) Income-tax free. * Loans held entirely by the Trustees. **Quotations in Pak. Currency. ***Rupee Counterparts.

† Bombay State Transport. †† Rate of interest reduced from 8 to 6 per cent. with effect from 1st June, 1944.

‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. j—Interest free for first 12 years. t—Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount issued. Rs. or	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901		Mar. Sept.	136	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	10,00,000(b)	1875	6½	Mar. Sept.	100	100
Cawnpore Sugar Works ..	5,00,000	1920	7	Feb. Aug.	151	100
Deccan Sugar & Abkhari* ‡	£200,000	1897	7B	Jan. July	17x6	£1
†East India Distilleries ..	6,75,000(c)	1940	7B	Dec. ..	70	100
Gwalior Sugar	5,00,000	1922	10	Oct. ..	16½	10
Do. (Non-redem.)	6,00,000	1922	6	Aug. ..	107	100
Ferintosh Co.	4,00,000	1933-36	5½	Oct. Apr.	75N	100
Ramnagar Cane	20,00,000	1943	7(a)	Oct. ..	16½	100
Ravalgaon Sugar	5,00,000	1936	5(c)	Dec. ..	8½	10
South Behar Sugar	14,99,135	1946	5	Jan. ..	90N	100
Travancore	12,00,000	1932	3(a)	Dec. ..	70N	100
Upper Ganges	15,00,000	1946				
Do.	3,00,000	1948				
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borera	4,00,000	1896-97	6½	Oct. Apr.	117	100
Burrakur (1st)	22,99,400	1901-19	7	Apr. Oct.	22	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	121½	100
Karanpura Collieries	7,50,000	1946	5½(a)	.. ..	6½	75(pd)
††Khas Kajora	1,93,000	1931	3	Mar. Sept.	3N	10
New Bamboo	12,00,000	1920	7	Jan. July	12½	10
Oudal	3,00,000	1898-99	6½	Apr. Oct.	114	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1884	6	Jan. July	130	100
Bassein Cotton	5,00,000	1938	6½	Nov. ..	8½	10
Bengal-Nagpur	1,05,200	1896	7	July Jan.	63	100
Berar Cotton	3,00,000	1919	7	Apr. Oct.	120xd	100
Bombay "A"	6,00,000	1900	8	Feb. Aug.	140	100
Do. "B"	6,00,000	1900	7	Feb. Aug.	87	100
Buckingham & Carnatic ..	14,75,000	1919	7	June Dec.	325	250
Cambodia	21,30,000	1920	7½	Jan. July	137½	100
Central India	1,00,000	1928	7	Apr. ..	123	100
Coimbatore Pioneer	4,30,000	1913	5	Apr. Oct.	491½	500
Elgin	25,00,000	1919	7(a)	May Nov.	117½	100
Do. "B" Pref.	25,00,000	1919	7	June Dec.	143xd	100
Elphinstone	20,00,000	1947	4	Nov. ..	87	100
Emerson ..

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. e.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1952	1953	1954	1955	Accounts Closed	References
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
80,00,000	3,74,976	63,22,382	43,05,372	—2,24,486	Rajputana Textiles (Agencies) Ltd.	47,512	8,981	Apollo Mills	2½	8	6 4(c)	0–4 (c)			12	W.
40,80,000	24,00,000	1,34,85,581	72,25,655	—2,76,311	B. R. Sons, Ltd.	50,596	1,021	B. R. Cotton Mills	53	100	Nil	Nil	Nil			Y.P.Y.
8,50,98,000	2,32,32,823	3,91,24,744	3,31,78,249	3,00,087	Nowrosjee Wadia & Sons, Ltd.	1,89,680	4,855	Bombay Dyeing & Mfg.	475	850	20 0	22 8*	7 8½		12	Y.P.
10,00,000	27,36,559	35,58,179	48,57,495	2,48,761	Ramnarain Sons, Ltd.	42,008	860	Bradbury Mills	805	850	100 0	100 0	75 0		3	Y.P.
1,99,42,800	2,27,88,989	2,55,92,005	1,73,24,388	12,81,159	Birla Bros., Ltd.	1,25,936	2,698	Century Spg. & Mfg.	373½	100	20 0	22 0	8 0½		12	V.
49,00,000	16,04,856	1,06,30,358	39,37,273	3,066(b)	V. J. Pisai (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	61½	100	Nil	Nil			12	W.
86,00,000	13,33,380	64,51,450	44,36,747	21,158	Cowasjee Jehangir & Co., Ltd.	30,130	680	Coorla Spg. & Wvg.	117½	100	7 8	7 8	7 8		3	V.
16,00,000	25,08,261	64,39,890	30,46,041	38,562	Ramnarain Sons, Ltd.	38,304	..	Dawn Mills	90	50	6 0	6 0			12	V.
84,00,000	27,75,000	68,55,752	60,73,724	16,489	Puranmal Rachakishan & Co.	30,296	928	Edward Textiles	252½	800	15 0	15 0			12	V.
89,97,750	11,93,592	1,09,90,311	73,99,222	3,74,797	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	40	50	3 0	Nil	2 8½		12	W.
80,00,000	63,61,875	86,92,384	68,51,296	3,74,369	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	2493N	100	20 0	16 0			12	V.
11,64,000									3,875xd	1,000	200 0*	225 0*	225 0	40 0½		
16,800	75,99,589	1,20,85,307	91,11,500	8,850	Thackersey Mooljee & Co.	49,672	1,126	Hindoostan Spg. & Wvg. Mills	992½	850	50 0	56 4*	56 4	10 0½	3	V.
8,80,00,000A	1,13,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	11	10	India United Mills	Nil	Nil	Nil	0 10½			12	W.
30,00,000D						1–5½	1D		Nil	0	1					
8,65,000	71,99,043	1,22,31,586	83,59,000	3,551	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	3,800 xd	1,000	200 0*	225 0*	225 0	40 0½	3	V.P.
35,000									992½N	500	100 0	112 8*	112 8			
59,83,000	40,24,767	2,15,86,170	1,74,28,945	23,212	Khatau Makanji & Co., Ltd.	84,604	1,513	Khatau Makanji Spg. & Wvg.	152½	100	10 0	112 8*	8 0		6	V.P.
8,00,00,000	1,55,00,000	3,27,03,182	2,22,21,802	2,11,423	Kilachand Industries Ltd.	1,20,504	1,846	Kohinoor Mills	323½	100	18 0	20 0*	6 0½		12	V.
80,80,000A									84½	100A	4 4	6 4½				
3,60,000B	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	—	20B	1 4	1 4			6	V.P.
27,13,050	41,30,929	1,10,76,967	48,72,195	12,177	N. Sirur & Co., Ltd.	48,676	644	Modern Mills	85N	50	5 0	3 0			10	V.T
51,75,000	32,62,000	1,54,11,154	1,01,72,041	1,09,579	Premal & Sons	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	221½	100	12 0	12 0	14 0		6	V.P.
1,60,40,600	2,63,011	4,93,70,648	1,10,00,000	3,01,243	Chinai & Co., Ltd.	59,000	..	National Rayon Corporation	199	100	Nil	9 0			12	V.P.
84,00,000	28,60,686	73,05,363	44,45,860	15,887	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	168½	100	10 0	10 0			12	V.
80,00,000	21,62,060	88,88,898	60,97,098	1,339	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	160	100	10 0	10 0			12	V.P.
12,70,100	36,36,004	42,69,352	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd.	34,100	873	New Union Mills	32	10	1 4				12	V.
48,00,000	36,07,273	1,42,08,882	91,59,811	30,475	Ramnarain Sons, Ltd.	66,324	1,190	Phoenix Mills	113½	100	8 0	8 0			12	V.
40,00,000	43,62,741	24,64,450	22,50,000	3,99,184	Podar Sons, Ltd.	32,600	930	Podar Mills	154½	100	10 0	10 0			12	V.P.
3,00,000	8,44,062	21,20,749	18,99,340	2,590	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	16	10	1 4	0 12			12	V.
83,00,000	69,06,474	1,24,22,606	81,47,282	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	36½	10	1 4	1 4			12	V.
60,00,000	66,20,061	87,30,546	45,01,044	2,89,922	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills	227½	100	12 8	14 0			12	V.P.
42,00,000	38,80,000	80,15,073	68,69,000	21,940	Forbes, Forbes Campbell & Co., Ltd.	29,436	1,274	Simplex Mills	147	50	15 0(p)	15 0	11 0	4 0½	3	V.
86,00,000	1,19,87,137	1,55,60,577	1,03,73,256	38,648	Mafatlal Gagalbhai & Sons	57,288	1,633	Standard Mills	352½	100	20 0	20 0			12	V.P.
8,00,00,000	1,18,72,086	1,70,99,941	90,23,820	40,896	Tata Industries Ltd.	67,872	2,000	Swadeshi Mills	203	100	16 0	16 0			12	V.P.
40,00,000	60,78,465	93,47,153	38,93,668	38,828	James Finlay & Co., Ltd.	38,828	552	Swan Mills	330	100	30 0	20 0			12	V.
82,57,438	49,90,352	1,53,47,627	43,36,353	6,865	Tata Industries Ltd.	61,792	1,800	Tata Mills	60½	25	1 0	1 8			12	V.T.
12,00,000	62,55,708	98,83,823	74,65,000	4,219	Thackersey Mooljee Sons & Co.	54,424	1,181	Western India Spg. & Mfg.	3,875xd	1,000	200 0*	225 0*	225 0	40 0½	3	V.P.
AHMEDABAD																
83,00,000	25,97,650	96,80,904	55,57,028	3,660	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	122½	100	10 0	10 0*	5 0		6	V.P.
10,00,000	90,33,638	89,83,424	65,39,067	7,878	F. M. Hutheesing & Sons, Ltd.	42,768	932	Aruna Mills	530	100	20 0*	20 0*			12	V.P.
40,25,000	2,23,86,002	1,33,18,915	89,73,000	47,546	Narottam Lalbhai & Co.	62,448	1,218	Arvind Mills	114	100	12 0	15 0			12	V.P.
80,00,000	38,45,340	79,44,376	56,23,000	3,90,074	Sarabhaies & Bros., Ltd.	35,884	884	Bhagatpias Ginning & Mfg.	285	200	13 0	15 0			12	V.P.
12,00,000	1,03,36,021	82,58,319	66,69,531	1,23,642	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	580	100	22 0	22 0*			12	V.P.
8,56,71,000	99,56,783	3,97,31,801	2,72,23,344	23,31,386	Karamchand Premchand Ltd.	1,39,128	2,700	Bombay Mills	326½	125	18 0	20 0	8 0½		12	V.P.
45,00,000	48,43,000	1,05,39,863	72,50,000	4,393	Tricumlal Bhagilal & Co., Ltd.	45,836	867	New Commercial Mills	1,082½	750	70 0	70 0			12	V.P.
89,00,000	70,78,354	96,19,263	74,68,978	1,795	Mafatlal Chandulal & Co., Ltd.	51,152	865	New Shorrock Spg. & Wvg.	702	125	33 0				12	V.
3,00,000	61,15,982	46,72,745	31,76,001	700	Jayabhai Bhagilal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	340	100	30 0*	30 0*			1	Y.P
12,50,000	3,09,22,589	79,71,738	52,25,077	32,522	Lalbhai Dalpatbhai & Co.	31,120	634	Raipur Mfg.	892½	100	25 0	17 8			12	V.P
18,00,000	13,93,067	74,93,069	39,87,450	—19,90,310	Manguldas Girdhardas Parekh Ltd.	47,320	1,098	Rajnagar Spg. Wvg. & Mfg.	110	250	Nil	Nil			12	V.P
32,50,000	16,74,825	84,93,940	52,67,803	4,020	Lallubhai Gordhandas Ltd.	35,156	648	Rohit Mills	141½	100	9 0	9 0			12	V.P
88,50,150	1,83,62,259	1,53,56,919	1,17,07,000	42,133	Harivallabhdas Kalidas & Co.	97,332	1,781	Shri Ambica Mills	353½	50	16 0	18 0			12	V.P.
19,52,500	32,12,167	61,23,831	48,71,861	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg & Mfg.	450N	100	20 0				12	W.
28,00,000	26,43,469	75,32,266	61,24,605	31,806	Haridas Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	530	400	35 0*	35 0*			12	V.P.
WEST BENGAL																
15,00,000	1,88,479	34,10,729	19,47,810	41,227	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	5	10	Nil	0 4			12	V.P.P
7,11,280	3,95,369	40,98,098	23,80,978	47,818	Bengal Textile Agency, Ltd.	32,352	936	Bengal Luxmi Cotton Mills	31N	40	3 0	Nil	4 0		3	V.
6,00,000	22,75,078	80,45,219	51,92,000	—18,86,726	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	404	100	Nil	Nil	Nil		6.12	H.P
19 00 000	25,15,226	97,91,258	69,83,000	—10,45,860	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	215	100	Nil	Nil	Nil		6.12	H.
1,60,00,000	1,98,18,540	3,42,43,338	1,08,56,338	2,15,714	Birla Brothers, Ltd.	70,040	1,990	Kesoram Cotton Mills	23½	20	1 12	1 12	1 12		3	V.P.
6,00,000	9,73,000	84,54,400	67,06,257	3,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	25	1 4½				12	V.P.
81,96,281										25	1 0 8½					
19,47,750	5,75,000	41,85,833	19,32,788	15,666	Hazaremull Heeralall	23,196	795	Rampooria Cotton Mills	12 3N	10	0 8½	0 8½			6	V.
5,00,000D									1D	Nil	Nil					
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	6	10	Nil				12	V.P.
18,00,000	9,09,109	39,21,613	21,03,244	2,736	Ramaiah & Co., Ltd.	35,000	..	Alagappa Textiles (Cochin) Ltd.	61	10					12	V.T.P
71,94,400	31,99,334	3,06,06,796	50,52,372	2,771	Indian Textile Trust Fund.	36,136	750	Indian Jute Mills	68	100	6 0	6 0			9	V
40,50,000	1,74,49,038	3,06,08,237	2,13,61,355	2,40,393	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	408	100	15 0	25 0	10 0½		12	V.P.
27,00,000	15,50,000	77,25,132	53,72,132	18,199	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	12½	10	0 8	0 4½	Nil		6.12	H.P.T
18,00,000	1,07,71,676	1,01,44,941	67,39,141	4,07,265	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	70N	10	0 8	0 8			3	V.
1,78,47,800	1,44,40,321	5,91,55,208	3,09,15,103	2,32,842	Binny & Co. (Madras), Ltd.	1,20,356	2,744	Buckingham & Carnatic	159	100	4 0	10 0	4 0½		12	V.T.T.
20,00,000	20,00,281	32,98,201	17,91,411	39,657	Petrel, Louis & Co., Ltd.	37,336	..	Cambodia Mills	12½	10	1 6	0 12			12	V.P.
14,99,229	4,75,000	42,54,384	13,27,257	..	Malabar Industrial Syndicate	16,800	..	Cannanore Spg. & Wvg.	130½	100	12 0	12 0			3	V.
80,80,000	26,49,773	31,86,118	47,84,815	34,773	Binny, Sutherland & Co., Ltd.	28,796	591	Cawnpore Woollen	8½	5	0 9	0 9	0 8		3	V.
12,00,000	19,85,494	28,94,635	21,58,900	..	R. Bhoma Naidu & Co.	28,864	..	Coimbatore Cotton Mills	290	100	9 0	20 0			12	W.
20,00,000	13,90,000	33,17,381	19,08,703	3,400	T. R. N. Naidu & Co.	21,978	..	Coimbatore Kamani Mills	203	100	0 0	15 0	10-0*		6	V.P.
80,76,900	4,36,644	1,14,48,334	68,90,050	4,76,903	R. G. R. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	71½	50	Nil	Nil	3F		6	V.
44,81,500	61,78,247	2,34,42,659	1,31,56,858	14,071	Tata Industries, Ltd.	1,15,188	2,062	Central India	128	100	2 0	3 0	2 0		6	V.P.
3,38,36,225									83	100	1 0	1 12	2 4½			
1,00,563	2,63,12,465	8,55,97,662	4,42,00,000	1,69,241	B. R. Charat Ram & Co., Ltd.	1,16,636	2,352	Delhi Cloth & General Mills	35½	25	0 1 4/3	0 2 4/3	0 3 3/3		6	V.P.
84,00,000	24,06,342	42,39,039	30 16 081	9,452	M. N. Chettiar & Sons	32,164	..	Dhanalakshmi Mills	507½	100	20 0	20 0			12	V.
69,00,000	53,27,872	1,46,96,492	1,21,71,631	62,777	Begg, Sutherland & Co., Ltd.	53,768	1,198	Elgin Mills	16½	16	1 8	1 0	1 0		9	V.P.
39,04,700	43,25,176	81,87,379	62,09,070	83,195	Forbes, Forbes Campbell & Co., Ltd.	72,904	3	Gokak Mills	219	100	17 0*	17 8			12	V.
80,00,000	12,75,743	1,25,73,688	88,01,206	12,371	Govindram Sakaria (Indore)	31,180	1,420	Indore Malwa United	95	100	6 0	6 0			12	V.
8,90,000	11,61,067	26,01,526	13,55,172	—8,38,201	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	80	50	3 12				12	V.
24,00,000	15,75,000	64,03,081	12,00,000	20,004	Kothari & Sons	30,312	200	Kothari Textiles	128	10	0 12	0 8	0 8		6	V.P.
82,00,000	71,10,521	1,43,07,561	1,01,44,340	32,367	Bombay Co., Ltd.	31,972	1,219	Lakshmi Cotton Mfg.	528½	250	37 8	37 8	7 8½		12	V.P.
83,66,100									141xd	50	3 0	3 0	10 0			
17,82,000	44,00,000	1,00,53,685	69,98,848	23,793	G. K. Naidu & Co.	74,960	200	Lakshmi Mills	713xd	25	2 8	2 8	3 0		3	V.
1,75,02,480	3,93,81,878	5,45,66,244	3,28,28,290	9,36,093	A. & F. Harvey Ltd.	4,63,852	..	Madura Mills	464xd	15	3 0	3 0			12	V.
12,00,000	4,17,363	27,72,881	16,02,069	1,14,098	A. L. A. R. S. Chettiar and Brothers	22,592	100	Maisher Spg. & Wvg.	125	100	8 0	8 0			12	V.
60,00,000	69,00,000	61,38,483	39,86,352	30,153	W. A. Beardsell & Co., Ltd.	23,656	603	Mettur Industries Ltd.	282	100	12 8	12 8	22 8*		12	V.
29,80,884	28,14,157	76,14,218	44 82,683	12,036	N. Sirur & Co., Ltd.	39,200	704	Minerva Mills	105	100	3 0	7 0*			12	V
84,91,850	27,24,404	1,61,29,118	78,81,528	—7,44,932	Ramalal Abirchand Dedabhoy & Co.	31,340	955	Model Mills (Nagpur)	115½	250	7 8	7 8*	5 0(c)		6	V.
20,00,000	52,19,600	1,53,39,372	1,03,91,651	—7,77,290	Indian Textile Syndicate Ltd.	88,640	1,934	Muir Mills	110N	100					12	V.
24,83,500	56,99,566	95,25,192	61,37,444	22,997	N. Sirur & Co., Ltd.	49,644	500	Mysore Spg. & Mfg.	120xd	50	10 0*	10 0*	8 8*	3 0½	3	V.P.
13,61,780	2,38,745	29,42,992	15,27,000	3,986	R. Soryanarayana Rao Esq. Manager	6,000	..	Mysore Spun Silk Mills	35½	10	Nil	Nil	Nil		3	V.
22,89,882									1½	2½	Nil	Nil				
3,07,095	23,42,532	1,02,16,296	58,90,719	—39,62,729	J. P. Srivastava & Sons, Ltd.	49,676	1,598	New Victoria Mills	—	D. 1	Nil	Nil			12	V.
47,03,800	87,08,000	1,64,48,327	62,62,631	15,819	Industrial Trust Fund	27,788	847	Osmanshahi Mills	70	100	7 0	4 0			9	V.
6,00,000A	7,50,000	33,81,378	18,80,484	551	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	114	50A	7 8	12 0			12	V.P.
4,00,000B									160	75B	11 4	18 0				
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Medallar & Sons	27,980	..	Pankaja Mills Ltd.	51	100					12	V.
16,81,200A	20,38,884	39,68,909	31,35,638	1,458	A. O. Gurusamy Naidu & Co.	46,384	301	Radhakrishna Mills	220	100A	6 0	8 0			12	V.
8,49,200B									110	50B	3 0	4 0				
15,00,000	32 25 000	25 50 868	16 48,985	34 422	B. R. Naidu & Sons	25,896	..	Rajalakshmi Mills	132	50	Nil	7 8			12	V.P.
11,60,000	11,60,000	37,49,983	10,42,148	41,727	Rayalaseema Mills	14,800	..	Rayalaseema Mills	93	100	6 0	6 0			12	V.
60,00,000	62,66,508	98,29,567	35,63,291	—19,39,428	J. P. Srivastava & Sons (Rampur)	33,984	600	Tata Mills	4½	10	Nil	Nil			12	V.P.
16,00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Morarka & Co.	86,048	2,234	Sholapoor Spg. & Wvg.	1,605	1,000	500	Nil	Nil	Nil	3	V.P.
									1,605	1,000	500					
36,69,700	11,45,000	73,40,039	49,23,631	26,144	H. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills	75	50	4 0*	4 0*	4 8		3	V.
26,14,800	2,00,246	35,18,906	17,73,000	—2,46,777	Gopaldas Liladhar & Co.	17,880	440	Shree Sajjan Mills	72N	100	Nil	Nil	Nil		3	V.
15,00,000	2,49,73,985	87,38,169	62,02,085	31,22,917	Birla Brothers, Ltd.	36,212	1,242	Sutlej Cotton Mills	76	10	4 0	4 0	5 0		8	V.
57,50,000	2,20,00,000	4,32,93,265	1,56,70,740	2,67,165	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	8½	100	Nil	0 8			12	V.P.
1,57,50,000									5½	10P.O.	Nil	0–14 2/3				
99,92,020	3,25000	2,71,91,025	76,93,946	41,430	Emcem & Sons (Travancore), Ltd.	13½	10	Travancore Rayons	13½	10	0 8	0 8			12	V.P.T.
13,98,660	8,68,332	13,19,240	9,97,510	4,009	Mooljee Ramjee & Sons	16,256	..	Trichinopoly Mills	12½	10	0 11 1/3	0 11½			12	V.
81,00,000	32,67,606	49,31,870	32,52,308	28,000	R. K. S. Chetty & Brothers	33,704	270	Vasanta Mills	218	100	12 0	12 0			12	V.P.
82,00,000	47,34,135	1,34,36,953	89,50,678	3,868	Bombay Co., Ltd.	54,280	1,337	Vishnu Cotton	121½	100	10 0	4 0			12	V.

* Includes bonus.

Has mortgage loan of Rs. 201 lakhs against mortgage of fixed assets.

(b) Subject to taxation and workers' bonus.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each.

(c) Paid out of reserves.

N. R.—Re-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1951	1952	1953	1954	Accounts Closed	References
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	16,64,000	1,09,25,186	50,37,365	21,554	Parry & Co., Ltd.	Deccan Sugar & Abkhari	33	25	2 1½	Nil	Nil	Nil	5	Y.P.
6,64,000	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	13½	10	1 2a	Nil	Nil	Nil		
16,20,630							6½	5	0 8	0 8	0 8		3	W.
690,000A	6668,781	£1,193,278	£500,508	—7,87,632	S. P. Smith, Esq.	East India Distilleries and Sugar	176	A. 16ab.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5			Y.P.
£300,000B							29½	B. 41	Sh. 3	Sh. 3	Sh. 4			
24,00,000	8,14,510	33,30 482	26,13,607	4,057	Vittal Mallya, Esq. (Chairman)	Murree Brewery	4N	5	Nil				6	W.
6,00,000	9,60,000	11,63,513	11,63,207			United Breweries	170	75	7 8	15 0	15 0	15 0	3	W.
CEMENT														
11,37,700A	8,69,857	75,78,758	15,89,342	4,636	Andhra Engineering Co., Ltd.	Andhra Cement Co.	130	A. 100	7 8	7 8	10 0*		12	Y.P.T.
39,67,420B							13½	B. 10	0 12	0 12	1 0*			
63,14,600C	11,14,602	18,53,830	7,23,479	1,20,881	Eastern Corporation Ltd.	Assam Bengal Cement	6½	C. 10	Nil	Nil	Nil		3	Y.T.
4,70,976D							1	D. 1						
42,67,39,333	4,18,90,259	20,42,88,558	7,85,13,157	6,93,281	Cement Agencies Ltd.	Associated Cement Companies	171½	100	9 8	9 8	9 8	8 8	7	W.
60,00,000O							83	O. 10	0 10	0 10	1 0			
26,49,798O	46,39,155	81,39,443	20,01,691	67,792	Hari Brothers Ltd.	Dalmia Cement (Bharat)	2½	O. 2½	0 2½	0 2½	0 4		12	Y.P.H.
3,00,000D							2½	D. 1	Nil	Nil	0 1-3/3			
61,50,000O	4,00,000	1,43,54,423	31,47,637	6,15,163	Essen Ltd.	India Cements Ltd.	20½	O. 25	Nil	1 4	Nil		3	Y.P.
1,50,000D							3½	D. 3	Nil	0 4	Nil			
73,00,000	20,95,000	1,75,91,085	1,37,82,076	6,448	Martin Burn Ltd.	Shree Digvijay Cement	165	100	5 0	6 0	6 0		12	V.P.
						Sonevalley Portland Cement	7½	5	0 6½	0 8	0 6		12	W.
CERAMIC; MINING AND QUARRYING														
31,70,655	1,50,000	60,96,114	23,31,090	13,378	S. Lall Bhagat & Co.	Bengal Potteries	3½	2½	0 2½	0 2½	0 2½		12	W.
							43½	10	0 14	0 14	0 14			
10,00,000	22,81,783	56,54,921	32,63,272	8,804	Bird & Co., Ltd.	Bisra Stone Lime Co.			0 14	0 14	0 14	0 8f	3, 9	H.
							3–6½	Sh. 2	3d.	3d.	2.4d.		12	Y.
	£1,105,500	£1,839,281	£997,997	£76,278	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	21	10	Nil	Nil	Nil	Nil f	6, 12	H.
	26,93,396	43,63,547	4,75,150	26,086	Bird & Co., Ltd.	Karanpura Development	8½	10	1 0	1 0	0 12	0 8	3	V.
10,00,000	2,33,000	8,23,246	12,14,344	603	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs	Paid-up per Share Rs	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	References
						PAPER								
45,00,000	27,36,841	1,98,78,118	1,37,10,118	1,50,325	Balmer Lawrie & Co.	Bengal Paper Mills	62	25	1 9 / 1 9	1 9 / Nil	Nil / 1 9	1 9†	6,12	H.P.T.
80,00,000	31,69,805	1,05,17,526	70,27,591	2,16,318	Andrew Yule & Co., Ltd.	India Paper Pulp	242	100	3 0 / 5 0	5 0 / 5 0	6 0 / 5 0	7 0†	3,9	H.
85,00,000	16,12,500	1,18,13,367	47,51,061	49,179	B. P. Ramakrishnan Esq.	Mysore Paper Mills	17½	10	0 12	1 0*	1 0*	0 12*	3	V.
1,46,82,500	1,53,71,781	3,56,00,806	85,37,779	2,56,680	Birla Bros.	Orient Paper	25½	10	1 0 / 1 0	1 0 / 1 0	1 0 / 1 0	0 7	3,9	H.P.T.
50 06,290	78,16,849	1,11,54,742	62,73,807	2,83,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	16½	10	0 12 / 0 12	0 12 / 0 12	0 12 / 0 12†		6,12	H.P.T
80,00,000 / 80,00,000A.	7,02,430	50,37,167	28,55,530	9,798	Bajoria & Co.	Star Paper Mills	12½ / 12½	O. 10 / A. 10	0 4 / 0 4	0 4 / 0 4	0 4 / 0 4		3,9	H.P.T.
56,00,000A. / 56,04,800B. / 4,37,500F.O.	2,81,41,763	5,07,10,815	3,02,69,315	73,747	P. W. Hellgren & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	43	A. 10 / B. 10	1 0 / 1 0*	1 0 / 1 0*	1 0* / 1 0*	0 12†	3,9	H.P.
							43	P.O. 2½	0 2	0 2	0 2	0 2†		
						PRESSING								
8,00,000	4,12,365	15,78,488	10,90,581	20,403	Andrew Yule & Co.	Calcutta Hydraulic	83	100	3 0	5 0	5 0	4 0	6	V.
4,30,000	1,00,000	4,09,926	4,73,056	2,354	Pyke & Sons	Camperdown	93N	100	6 0	6 0	7 0		7	V.
5,00,000	1,35,000	10,91,811	9,30,377	12,962	Andrew Yule & Co	Central Hydraulic	87	100	5 0	5 0	4 0	5 0	6	V.
						PROPERTY AND LAND								
90,00,780O. / 8,00,000D.	4,02,582	42,65,284	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	11	O. 10 / D. 1	0 9 3/5 / Nil	0 6 3/5 / Nil			9	V.P.
60,00,000	18,90,038	84,21,336	15,00,000	350	David Sassoon & Co., Ltd.	Port Canning Land	1½	100	1 8	1 0	1 8	1 8	4	V.
94,00,000	35,56,934	96,49,125	1,06,646	95,262	Andrew Yule & Co.	Midnapore Zamindary	17½	100	1 8	1 0	1 8	1 8	4	V.P.
						SAW MILLS AND TIMBER	40½	100	3 0	2 0	1 8	4 0	4	V.P.
13,99,998	28,19,726	25,86,404	6,94,804	—97,203	Bird & Co.	Assam Saw Mills	6½	8	0 8	0 4	Nil		9	V.
30,00,000 / 42,00,000	4,08,84,385	3,05,42,310	1,22,52,525	56,875	Wallace & Co.	Bombay-Burmah Trading Corpn.	457½ / 160	Old 125 / New 50	37 8 / 15 0	22 8 / 9 0	13 0 / 6 0	20 0 / 8 0	3	V.
6,00,000	...	2,00,768	1,76,945	—3,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	411N	100	Nil	Nil	Nil	Nil	6	V.P.
80,00,000	16,15,487	17,44,613	12,66,634	1,63,401	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	36	10	3 8	3 0	2 8	1 01	9	V.
						SUGAR (U.P. and Bihar)								
14,00,000	13,55,901	38,50,924	27,77,928	23,527	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	91	5	1 0	Nil	Nil	0 12		V
18,00,000A. / 8,00,000B. / 19,49,000	29,17,634	48,08,531	31,92,426	4,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	131N / 134N	A. 100 / B. 10	10 0 / 1 0	10 0 / 1 0	10-0 / 1-0		4	V.
5,00,000	5,00,000	32,06,095	21,68,136	1,66,158	Bangur Bros., Ltd.	Belsund Sugar	10½	10	0 10	0 12	0 12		9	V.
15,00,000	13,85,319	45,47,836	11,37,841	26,084	Cotton Agents Ltd.	Bharat Sugar	191½dN	10	1 8	1 8	1 8	1 8	6	V.P.
82,00,000	26,79,431	1,35,76,859	88,78,177	61,723	Gladstone Lyall & Co., Ltd.	Canw & Co.	10½cd	10	Nil	Nil	Nil	0 12	6	V.P.T.
13,00,000	33,02,981	1,00,12,353	81,32,451	59,696	Begg, Sutherland & Co., Ltd.	Champerun Sugar	18½	10	3 0	2 0	2 0	0 12	10	V.P.
18,00,000	33,88,092	67,14,964	50,49,402	24,329	Begg, Sutherland & Co., Ltd.	Champarun Sugar	29½	10	1 8	2 0	1 0	1 0	4	V.
3,99,432	6,18,562	22,66,286	14,01,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	8N	10	0 8	0 8	1 0		8	V.T.
93,00,000A. / 10,00,000O.	33,25,000	69,93,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	173N / *A* 100 / O. 100	9 / — / 9	12 0* / 0 12	12 0* / 0 12	15 0* / 15 0*		6	V.P
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	97N	80	4 0	Nil	Nil		7	V.P.
7,89,100	23,05,922	29 32,672	17,61,033	64,888	Cotton Agents Ltd.	New India Sugar Mills	30N	40	2 0	Nil	Nil			
11,00,000	4,20,000	37,49,397	24,14,065	8,769	Karamchand Thapar & Bros., Ltd.	New Savan	34N	10	2 8	2 8	2 8	2 8	6	V.P.
1087,500 A. / 8,71,875 B.	47,59,869	39,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills	64	10	1 0	0 8	0 4		5	V.
77,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	220N	20	20 0	20 0	20 0		9	V
12,00,000	12,71,178	18,94,458	18,81,746	66,000	Narang Bros. & Co., Ltd.	Punjab Sugar	53N	25	5 0	5 0	5 0		7	V.P.
9,00,000	15,93,919	25,23,095	29,32,249	3,957	Begg, Sutherland & Co., Ltd.	Purabpore Co.	115N	100	11 8	6 0	11 0		10	V.
7,00,000	6,54,762	25,43,782	21,01,612	24,340	Begg, Sutherland & Co., Ltd.	Ryam Sugar	104N	100	10 0	10 0	10 0	0 12	10	V.P.
11,99,000	17,75,737	38,17,360	32,17,129	13,453	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	18N	10	2 0	1 0	1 0	0 8	6	V.P.
80,00,000	31,68,360	1,64,98,727	55,25,283	3,337	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	20N	100	7 0	1 0	1 0	0 8	6	V.
8,99,850	61,825	27,77,628	12,85,342	—1,89,266	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	13	10	2 0	1 8	1 8		7	V.P.T.
7,95,462	16,32,940	29,95,970	16,32,168	92,009	Karamchand Thapar & Bros.	Shri Sitaram Sugar	17½	10	1 0	0 6½	Nil		6	V
6,50,000O. / 1,75,000D.	47,623	25 93,296	11,46,770	—14,94,408	N. K. Jain & Co., Ltd.	South Behar Sugar	25½	10	1 8	1 0	2 0*		8	V.T
8,00,000	20,87,588	83,26,115	50,99,754	48,719	Cotton Agents Ltd.	Upper Ganges Sugar	18N / 13N	O. 10 / D. 2½	Nil / Nil				10	V.P.
16,00,000	7,99,778	31,12,569	24,99,851	5,181	James Finlay & Co., Ltd.	United Provinces Sugar	30N	10	2 0	2 0	0 8	2 8	6	V.P.
						Other Centres	25½	10	2 0	1 8	0 8		9	V.
46,99,750	65,29,871	1,40,80,073	84,87,447	33,628	W. H. Brady & Co., Ltd.	Pelapur Company	310½	50	14 0	16 0	16 0	16 0	9	V.
17,50,000	11,90,010	31,68,833	19,76,042	38,000	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	15½	10	1 4	1 0	0 10	1 0	9	V.P.
15,93,900	2,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	45N	100	5 0	3 0	Nil	Nil	6	V.P.
10,00,000	30,23,085	23,07,464	18 53,439	2,32,019	India Sugar Agencies Ltd.	India Sugar and Refineries	17½	10	2 4	2 4	2 8		9	V.P
3,00,000	42,47,476	41,33,220	19,37,712	3,477	Govan Bros. (Rampur), Ltd.	Buland Sugar	13½N	10	1 0	0 12	1 0		10	V.
23,57,387	67,50,000	84,86,942	27,56,542	2,346	V. Ramakrishna Esq.	K. C. P. Ltd.	13½	O 100	7 8	7 8	7 8	7 8	6	V.P.
10,52,200O. / 2,87,190D.	50,22,871	1,21,03,930	73,11,305	2,28,221	M. S. Swaminathan, Esq. (Managing Director)	Mysore Sugar	75	D 10	10 0	10 0	10 0	10 0		
81,79,280	50,00,000	47,49,631	1,07,50,631	55,61,246	Malaulai, Apte and Kandlai Ltd.	Phalton Sugar	48½	10	2 0	2 0	2 0	2 0	6	V.
16,59,320	27,50,830	48,81,755	83,79,327	95,198	Anderson Wright Ltd.	Ramnagar Cane and Sugar	113	50	8 0	8 0	6 0	8 0	9	V.
20,00,000O. / 4,00,000D.	24,80,121	80,59,224	48,81,892	1,00,533	Walchand & Co., Ltd.	Rewalgaon Sugar Farm	28½	10	0 12	2 0	2 0		8	V.P.F
19,99,600	46,07,118	45,46,104	19,83,541	3,144	Govan Bros. (Rampur), Ltd.	Raza Sugar	95N / 7N	O. 50 / D. 10	7 0 / 0 11½	Nil / Nil			9	V.P.F
30,10,000	10,37,776	39,76,224	17,57,159	—32,224	Parry & Co., Ltd.	Travancore Sugars	101N	10	1 4	0 12	1 0		10	V.
83,50,000 / 77,50,000A.	51,98,517	1,80,88,459	96,57,110	1,72,670	Premier Construction Co., Ltd.	Walchandnagar Industries	64	10	Nil	Nil	Nil	Nil	7	V.P
							222½	A. 100 / O. 100	14 0 / 14 0	14 0 / 14 0	14 0 / 14 0		9	V.P.T.
						TRANSPORT								
20,00,000	1,10,13,536	1,33,34,106	11,00,616	1,23,403	Andrew Yule & Co.	Bengal-Assam Steamship Co.	166	100	12 8	12 8	10 0		10	V.P.
1,00,00,000	11,17,773	3,37,24,932	1,60,49,471	69,556	Dinshaw Ltd.	Bharat Line	84	100	4 0	5 0	5 0		12	V.
50,00,000	24,32,838	1,83,20,469	43,44,422	1,09,704	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	164	10	1 0	1 0	8 0	1 0	6	V.
8655,580	61,123,737	43 428,103	43,522,999	413,172	Kilburn & Co. Ltd.	India Steamship Co.	105	610	Nil	58.10	0 8	Nil	12	V.P.
8 25,00,000	24,99,333	4,41,46,669	1,32,76,755	1,64,960	Lionel Edwards Ltd.	Scindia Steam Navigation Co.	71	10	Nil	8 8	0 12	0 8	4	V.P.
9,40,19,673	7,63,28,023	14,92,76,428	3,71,00,000	2,72,820	Narottam Morarjee & Co.	Walford Transport Ltd.	15½	20	Nil	0 8	0 12		4	V.
8,40,000O. / 8,10,200P.O.	17,33,073	10,83,408	6,54,056	1,88,899	E. A. Smith, Esq. (Manager)		1½ / 1½	O. 1 / P.O. 1	xd 19/25 / xd 25/25	xd 1 3/25 / xd 1 3/25	xd 1 3/25 / xd 1 3/25		12	V.
						UNCLASSIFIED (Bombay)								
2,40,000	95,000	3,35,957	3,89,000	760	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	30 0	35 0	32 0	32 0	9	V.
13,98,860	2,04,173	2,18,235	80,000	40,555	Parekh Agencies Ltd.	Bombay Life Assurance	70N	80	4 0	4 0	2 0		12	V.
85,00,000	1,00,000	25,30,071§§	13,483	8,047	Dese Sons, Ltd.	Dwarkaran Nanji Investment Co.	10½	25	0 12	0 12	0 12	0 12	3	V.
14,98,840	3,09,622	26,42,753	18,75,000	74,466	Chocolali Manilal Ltd.	Eastern Banking Corpn.	35N	50	2 0	2 8	Nil	3 8	3	V.P.
89,99,250	18,80,149	1,27,94,592§§	11,946	2,11,031	Premchand Roychand & Sons	Industrial Investment Trust	80½	100	4 0	4 0	4 8		12	V.
1,00,00,000	31,25,000	21,31,427	7,78,349	18,107	E. D. Sheppard, Esq. (Mg. Director)	Killick Industries	176	100	8 8	10 0	10 0	11 0	6	V.
8,07,00,200A. / 10,00,000B.	5,29,603	2,64,35,763	98,19,035	—13,44,485	Auto-Auto Ltd.	Premier Automobiles	75N	A. 100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil		6	V.
10,21,200	5,56,605	16,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	—	20	3 0	3 0			12	V.
8,75,00,000	69,25,548	8,49,75,164	1,49,74,930	4,26,741	T. Rydin, Esq. (Managing Director)	Western India Match Co.	25	10	1 0*	11 0*	11 0*		12	V.
45,00,000	34,64,847	1,24,608	1,07,108	63,107	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	211½	100	11 0*	11 0*	11 0*		12	V.
						Other Centres	350	150	20 0	20 0	21 0		12	V.
47,50,000	15,00,000	1,88,63,301	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	6½ / 2½N	O. 10 / D. 2½	Nil / Nil	Nil / Nil	Nil / Nil	Nil	8	V.P.T.
30,00,000	40 60,690	31,77,196	21,11,902	2,39,758	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	19½	10	2 8	1 4	1 4	1 4	8	V.
50,00,000	7,75,000	29,31,795	19,74,041	1,34,529	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	20½	10	1 4*	1 4*	1 4*		12	V.
20,00,000	23,47,883	1,00,29,510	39,87,830	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	41N	10	0 9 3/5	0 4	0 3 1/5	0 3 1/5	3	V.P.T.
80,00,000C.O. / 10,00,000P.O.	1,11,42,712	39,55,515	30,55,515	5,43,847	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	164 / —	O. 100 / D. 40	25 0* / 8 0*	20 0* / 6 0*	20 0* / 6 0*		12	V.
20,00,000	7 97,945	36,17,513§§		1,11,692	Lovelock & Lewis	Birds Investment Ltd.	184xd	10	1 4	1 4	1 4		9	V.P.
30,64,480	37,09,225	1,02,29,999	24,93,003	1,63,901	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	131½R	10	1 4	0 12	0 8	1 0	3	V.P.T.
8,25,00,000	93,00,000	2,56,70,947	1,97,14,167	3,58,733	Sir Robert Menzies	British India Corporation Ltd.	8½	5	0 12	0 10	0 8		12	V.P.
1,60,00,000	1,49,00,000	4,34,79,384	2,79,62,308	10,82,833	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	34½	10	3 8	1 8	1 8		12	V.P.
51,26,000	51,30,934	1,39,31,350§§	.....	3,11,873	Bird & Co., Ltd.	Eastern Investments Ltd.	161	100	9 0	9 0	9 0		12	V.P.
14,00,000	9,97,000	32,78,212	17,93,356	48,283	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	209½	100	12 8	20 0	10 0	7 8†	3	H.
65,00,000	38,00,000	18,19,106	6,87,888	1,38,072	K. R. Fettes, Esq.	Gillanders Arbuthnot & Co., Ltd.	113½	100	10 0	10 0	10 0		9	V.
12,42,800	7,07,564	90,51,010	47,39,848	19,013	B. P. R. Syndicate	Great Eastern Hotel	258	250	15 0	15 0	15 0	6 4	3	V.
4,96,12,650		3,03,00,214	60,52,719	4,54,999	Birla Bros., Ltd.	Hind Cycles	100N	100	7 8	8 0	8 0		12	V.P.T.
1,60,00,000	36,77,754	3,45,32,905	1,35,90,172	9,14,791	Birla Bros., Ltd.	Hindustan Motors	8½	10	Nil	Nil	Nil		3	V.
1,52,89,220	1,09,40,994	1,31,87,233	46,27,452	19,70,066	L. W. Cameron, Esq.	Indian Aluminium Co.	183	100	3 0	3 0	Nil		12	V.P.
8,27,970	5,38,000	13,39,995	8,39,428	17,480	A. R. Dricsen, Esq.	Indian Cables	23½	10	1 0	1 0	1 0*	1 0*	3	V.P.
2,00,00,000	52,62,941	31,49,487	7,53,287	5,26,226	C. S. Monilton & Co. (India), Ltd.	Indian Rubber Manufacturers	12½	10	1 0	1 0	0 12	0 8	3	V.P.
6,34,000O. / 66,000D.	3,48,343	6,29,830	4,31,766	2,240	C. M. Mackinlay, Esq.	Jardine Henderson	116	100	10 0	10 0	7 8	7 8	3	V.P
40,00,000O. / 9,00,000D.	66,58,146	25,22,837	7,33,942	1,07,086	James & Co., Ltd.	Macfarlane & Co.	2½ / 1½	O. 1 / D. 1	Nil / Nil	Nil / Nil	Nil / Nil	Nil	3	V.
1,30,80,250	39,90,212	18,32,139	6,86,923	2,41,090	C. L. Bajoria, Esq.	McLeod & Co.	223xd	O. 100 / D.O. 10	12 8	7 8	10 0		12	V.P.
1,15,00,000	39,01,000	1,56,11,388	39,32,798	13,11,213	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	25½	10	1 2	1 6	1 6*		9	V.P.
6,35,235	1,72,448	7,87,943	2,60,987	—71,142	H. Chiswell Jones, Esq. (Chairman)	Mesta Textile Co. of India, Ltd.	19½xd	10	1 0	1 0	1 0	1 0	3	V.P.
4,88,040	8,84,829	9,73,621	3,93,009	2,059	O. Chandy, Esq. (Controller)	Mysore Glass and Enamel Works	3½	10	Nil	Nil	Nil		12	V.
10,00,000		11,45,554	3,95,996	11,329	E. V. Ganapathy Iyer, Esq.	Mysore Lamp Works	14½	10	1 0	1 0	1 0		3	V.P.
20,00,000	49,41,539	81,562	37,19,098	1,75,176	Associated Industrial Development Co., Ltd.	Mysore Tobacco	30½	10	1 0	1 0			3	V.T.
79,97,000	28,68,388	69,70,031	3,78,836	10,62,030	B. N. Elias & Co., Ltd.	National Insulated Cable	22	10	0 8	0 12	1 0	1 0	3	V.P.T.
40,00,000	27,00,000	44,15,474	19,71,434	1,31,468	Coromandel Investment Trust Ltd.	National Tobacco Co.	12	10	0 8	Nil	Nil		12	V.P.
2,25,00,000	13,27,473	1,65,91,420	46,13,194	17,649	T. A. Lykiardopulo, Esq.	Parry & Co.	4½	2	0 10½	0 4½	0 4½		12	V.P.T.
1,14,00,000	1,08,11,649	1,08,71,648	6,70,23,808	2,57,86,415	Babu Jain Ltd.	Rallis (India) Ltd.	39½	100	9 0	Nil	Nil		8	V.
40,00,000	93,51,062	1,19,12,218	70,10,822	4,54,377	C. W. Stephenson, Esq.	Rohtas Industries	22½	10	1 4	1 4	1 4		10	V.P.
75,00,000	38,30,000	12,92,346§	3,20,563	3,67,879	R. H. D. Campbell, Esq.	Spencer & Co., Ltd.	17½xd	10	1 0	1 8	1 8	1 8	6	V.
9,98,380	1,50,000	14,27,407	3,01,599	—1,04,545	Shaw Wallace & Co., Ltd.	Travancore Ogale Glass	14½	10	1 0	1 0	1 0		12	V.P.
							4	10	Nil	Nil	Nil		12	V.

§§ Includes investments at cost.
§ Excluding goodwill (written down Rs. 70 lakhs.
* Includes bonus.
† Excluding goodwill at cost Rs 20 lakhs.
‡ Excluding Rs 1,49,00,000 which represent shares in the firm of Shah Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	References
							ASSAM								
4,45,700	6,11,774	9,59 057	4,78,517		McLeod & Co., Ltd.	825	Amluckie	600xdN	100	Nil	7 8	25 0	30 01	12	V.J
2,76,500	4,50,000	7,71,948	3,05,709	31,218	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	47	10	0 12	0 12	1 4		12	V
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	41	10	3 0	Nil	2 8		12	V
3,50,000	7,21,416	16,60,355	5,32,872	—75,110	McLeod & Co., Ltd.	513	Baghmari	26½	10	Nil	Nil	Nil		12	V
3,40,000	8,20,000	11,50,416	2,98,096	70,514	Andrew Yule & Co., Ltd.	369	Baumatia	49½	10	2 8	2 0	2 8		12	V
4,50,000	5,70,000	9,38,920	2,13,496	61,393	Gillanders Arbuthnot & Co., Ltd.	566	Bejan	52	10	0 8	Nil	2 0		12	V
16,50,000	20,60,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co.	3,967	Bishnauth	49	10	0 8	Nil	3 8		12	V
6,00,000	3,500	10,38,918	1,85,067	63,716	Octavius Steel & Co., Ltd.	483	Bokakhat	18½	10	Nil	Nil	Nil		12	V.
7,50,000	4,50,000	8,36,160	2,52,708	3,960	McLeod & Co., Ltd.	450	Bornah Jan Tea	22½	10	1 8	Nil	0 12		12	V.P.T.
33,00,000	11,92,045	73,80,473	19,49,496	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	17½	10	1 0	1 0	0 8	1 4	12	V.P.
1,20,000	1,95,097	4,60,080	1,69,074	—16,626	McLeod & Co., Ltd.	282	Deloo Valley	43	10	Nil	Nil	1 0		6	V.
6,00,000	7,97,500	25,17,843	16,06,120	36,977	Jardine Henderson Ltd.	1,220	Dewal & Parbattia	402	100	22 8	19 8	20 0		12	V.
47,53,440	7,04,519	21,43,185	3,42,779	10,356	James Warren & Co., Ltd.	620	Dhaikhat	22½	10	1 3½	1 0	1 8		12	V.
4,68,970	2,70,000	11,71,408	4,34,259	8,752	James Finlay & Co., Ltd.	633	Dhansiri	26½	10	1 0	Nil	2 0		12	V.P.
4,50,000	3,25,400	6,02,617	2,35,483	16,852	McLeod & Co., Ltd.	458	Dibrugarh	32½	10	0 8	Nil	1 0	1 01	12	V.
2,36,700	4,75,000	8,80,047	4,70,047	43,918	Williamson Magor & Co.	625	Dimakusi	58	10	1 8	1 0	4 8		12	V.P.
5,60,500	6,05,000	17,90,747	10,40,747	1,14,476	Williamson Magor & Co.	615	Duffleghur	54½	10	4 0	3 0	4 0	1 01	12	V.P.
10,00,000	4,65,000	21,78,081	8,83,081	38,641	Williamson Magor & Co.	1,177	East India Tea	33½	10	2 4	0 4	2 0*		12	V.
3,50,000	3,50,000	8,18,664	4,01,797	13,832	Andrew Yule & Co., Ltd.	407	Gillapekri	45½	10	1 0	Nil	1 12		12	V.
3,80,000	5,60,000	13,95,316	6,19,316	79,542	Williamson Magor & Co.	546	Gohpur	31½	10	3 0	1 8	3 0		12	V.
A.4,94,360 / B.2,40,790	14,22,810	18,09,304	5,63,575	23,354	Octavius Steel & Co., Ltd.	1,393	Greb	40½ / 20½	A.10 / B.5	2 0 / 1 0	2 0 / 1 0	3 0 / 1 8	0 12x / 0 6x	12	V.
2,00,000	7,00,000	7,04,481	2,29,888	48,032	Andrew Yule & Co., Ltd.	476	Hoograjuli	31	10	3 0	1 8	3 0		12	V.
4,35,000	8,34,214	18,50,196	9,84,270	24,921	Andrew Yule & Co., Ltd.	1,200	Hoolongooree	325	100	17 8	Nil	12 8		12	V.
7,50,000	3,85,000	13,98,777	2,44,299	58,941	Gillanders Arbuthnot & Co., Ltd.	938	Jutlibari	24½	10	0 8	Nil	Nil		12	V.
2,40,000	80,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,166	Kingsley-Golaghat (Assam)	350N	100	Nil	Nil			12	P.V.
6,30,000	4,94,133	6,79,844	1,29,844	72,557	Duncan Bros. & Co., Ltd.	1,037	Lido	33½	10	Nil	Nil	2 0		12	V.
4,80,000	40,000	8,84,211	84,211	14,238	Duncan Bros. & Co., Ltd.	473	Mohesma	16½	10	Nil	Nil	Nil		12	V.P.
1,50,000	4,47,344	7,34,419	4,05,697	16,982	Kettlewell Bullen & Co., Ltd.	433	Mothola	640½	100	35 0	Nil	40 0	15 0x	12	V.
O. 50,000 / P.O 2,00,000	4,05,000	8,98,088	5,22,218	34,889	Andrew Yule & Co., Ltd.	344	Murphulani	40½ / 44½	O.10 / P.O.10	2 0 / 2 8	2 0 / 2 8	2 0 / 3 8		12	V
4,00,000	3,61,274	6,00,328	3,80,469	9,567	S.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs	Depreciation Rs.	Carried Forward Rs	Managing Agents Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	55,00,000	96,99,205	51,47,202	54,436	B. N. Elias & Co., Ltd.	879	Agarpara	143	10	1+1	1+1	4f		3, 9	H.T.P.
12,00,000	27,00,000	45,81,286	32,42,838	54,874	Sahu Jain Ltd.	498	Albion	172	100	8+10	12+12	15f		5, 11	H.P.
6,00,000	5,35,000	51,04,592	33,39,395	10,062	McLeod & Co., Ltd.	446	Alexandra	245	100	Nil	Nil+2½	2½f		6, 12	H.P.
30,00,000	7,35,000	1,17,45,964	90,43,069	61,708	McLeod & Co., Ltd.	1,264	Alliance	182xd	100	Nil	Nil+5	5f		6, 12	H.
49,20,700	82,83,386	2,54,81,317	1,78,90,000	1,47,643	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	226	100	10+10	7½+5	2½+5		3, 9	H.P.
40,00,000	40,52,240	1,63,99,837	84,16,116	7,674	Bird & Co., Ltd.	810	Auckland	141	100	5+4	2+2	1+2½		3, 9	H.P.
20,00,000	26,41,913	98,22,700	64,76,883	28,495	Jardine Henderson & Co.	959	Bally	182	100	Nil	4+Nil	Nil†		3, 9	H.P.T.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,889	Barnagore	177	£5	£1	£1			3, 9	H.P.
28,00,000	35,49,623	89,78,590	48,75,855	53,467	Andrew Yule & Co., Ltd.	830	Belvedere	210	100	7½+7½	7½+7½	5f		3	Y.P.
45,00,000	35,95,000	54,87,801	27,48,864	2,45,983	Soorajmull Nagarmull	600	Bengal	153	10	1	1			6, 12	H.
91,26,000	2,08,61,400	3,18,53,661	1,29,13,354	1,26,903	Birla Bros., Ltd.	1,373	Birla	17½	10	3	3	1		6	Y.P.T
36,00,000	29,12,926	1,10,97,308	71,56,743	8,579	Andrew Yule & Co., Ltd.	991	Budge-Budge	185	100	6½+6½	6+4	4f		3	Y.P.
7,47,380	3,36,424	40,92,864	28,33,216	—48,461	Dayaram & Sons	502	Calcutta Jute Mfg.	15N	10	0+8	Nil			4, 10	H.P.
18,00,000	31,81,234	77,10,392	39,28,208	50,057	Andrew Yule & Co., Ltd.	616	Caledonian	242	100	6+6	6+6	4f		6, 12	H.P.T.
59,16,400	1,02,43,478	1,87,32,424	1,07,35,707	27,976	James Finlay & Co., Ltd.	600	Champdany	168	100	7+8	3+3	Nil†		5, 11	H.
15,93,000	28,39,282	80,46,499	55,31,033	1,26,424	Andrew Yule & Co., Ltd.	530	Chelmer	310	100	6+6	6+6	6f		3, 9	H.
30,15,000	27,75,000	60,14,632	44,94,094	86,056	McLeod & Co., Ltd.	500	Chitavalsah	138	10	2½+1½	1½+½	1f		5, 11	H.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	137	10	2	2			6, 12	H.T.P.
31,49,200	62,11,927	1,28,98,802	63,22,413	15,344	Bird & Co., Ltd.	766	Dalhousie	136½	100	6+1	1+3	1+1½		3	Y.P.
28,00,000	44,74,179	74,06,535	46,15,779	30,225	Andrew Yule & Co., Ltd.	779	Delta	250	100	10+10	10+10	6f		3, 9	H.P.
15,00,000	33,25,000	76,36,813	56,35,731	56,215	McLeod & Co., Ltd.	500	Empire	26½	10	1+½	1+1	1f		5, 11	H.P.
21,00,000	53,28,948	2,70,49,518	1,81,05,210	40,819	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	480N	100	10+Nil	Nil	Nil		6, 12	H.T.P.
13,00,000	13,00,000	82,13,505	49,27,386	71,283	Bangur Bros., Ltd.	1,014	Fort William	370xd	100	Nil	Nil+3	10+10		3, 9	H.P.T.
24,32,100	2,73,755	2,11,52,730	1,36,01,908	5,930	Macneill & Barry Ltd.	1,709	Ganges Mfg.	88	100	Nil	Nil+Nil	Nil+3		3, 9	H.T.P.
10,80,000	28,00,000	71,47,356	47,46,252	4,743	Gillanders Arbuthnot & Co., Ltd	607	Gondalpara	89	300	30	15			3, 9	H.P.
24,00,000	31,83,104	2,20,06,557	1,67,30,294	1,56,427	Macneill & Barry Ltd.	1,394	Gourepore	320	100	14+Nil	Nil+38	24+7½		12	Y.
40,00,000	55,68,234	72,95,746	48,50,613	2,95,107	Bangur Bros., Ltd.	1,078	Hastings	115N	100	10	10	10+0		3, 9	H.P.
16,80,000	18,52,626	66,38,235	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	49	10	1½	1½			3	Y.P.
63,62,500	56,32,540	1,56,88,749	1,13,05,620	1,35,078	Jardine Henderson Ltd.	1,949	Howrah	29½	10	1+½	1+1	1f		12	H.P.
52,50,000	20,00,000	2,42,25,884	1,49,75,884	1,64,711	Ramdutt Ramkissendas	2,272	Hukumchand	35	75	5	5	3		3, 9	H.P.
D. 87,00,000	18,63,065	1,11,47,021	74,60,607	8,536	Mackinnon Mackenzie & Co.	1,076	India	227	O. 125	3½+3½	3½+3½			3	Y.P.T.
D. 30,000								—	D. 1	1+½	1+½	Nil†		3, 9	H.
24,00,000	27,62,899	1,37,48,710	1,20,61,507	32,488	Jardine Henderson Ltd.	1,797	Kamarhatty	193	100	8½+6	6+3				
B 19,20,000								172	'B' 100	8½+6	6+3	3f		6, 12	H.P.
30,00,000	17,86,954	1,32,65,521	97,46,515	68,418	Jardine Henderson Ltd.	1,527	Kankinarrah	141	100	6+4	3+2½				
B 24,00,000								131	'B' 100	6+4	3+2½	2½f		6, 12	H.P.
21,00,000	48,25,000	1,05,38,484	74,86,276	1,19,643	McLeod & Co., Ltd.	703	Kelvin	338	100	7½+7½	7½+3½	10f		6, 12	H.P.
54,00,000	22,83,375	1,63,66,931	1,12,52,900	94,623	Anderson Wright Ltd.	1,510	Khardah	201	100	10+15	10+7½	7½f		3, 9	H.P.
48,00,000	1,02,14,684	2,29,23,597	1,08,58,211	29,674	F. W. Heilgers & Co.	1,250	Kinnison	201	100	10+7	4+3	2+3		3, 9	H.P.T.
24,48,000	48,31,837	1,39,26,497	78,80,252	4,428	Bird & Co., Ltd.	931	Lansdowne	138	100	7+3	2+5	1+1		3, 9	H.
28,00,000	59,56,165	1,14,93,720	63,14,525	12,683	Bird & Co., Ltd.	840	Lawrence	156	100	11+4	2+3	2+4		3, 9	H.P.
10,00,000	38,51,301	50,69,247	35,78,126	58,324	Andrew Yule & Co., Ltd.	558	Lothian	475	100	15+15	15+15	15f		5, 11	H.P.
81,65,200	26,06,533	1,52,07,155	1,16,57,955	—77,165	Mackinnon Mackenzie & Co.	1,008	Megna	113	100	2½+2½	2½+2½	Nil†		3, 9	H.
29,98,900	41,13,783	1,72,83,489	94,88,274	—7,08,068	F. W. Heilgers & Co.	815	Naihati	124	100	6+Nil	Nil	Nil		3, 9	H.
20,00,000	13,05,000	28,15,067	16,73,660	3,826	Howrah Trading Co., Ltd.	425	Naskarpara	15xd	10	2+4	Nil+½	1f		4, 10	H.T.
35,00,000	44,29,326	28,15,311	9,40,411	1,30,338	Andrew Yule & Co., Ltd.	852	National	32½	10	1+1	1+1	1f		4, 10	H.P.
26,25,000	22,75,000	26,82,794	18,86,219	1,23,594	McLeod & Co., Ltd.	316	Nellimarla Jute	13	10	2+1	1+1	1f		6, 12	H.P.T.
31,50,000	34,13,033	49,75,722	24,95,902	84,459	Sahu Jain Ltd.	709	New Central	166	100	10+12	12+12	2f		6, 12	H.P.T.
16,79,800	31,03,696	1,23,66,779	59,31,089	43,570	Bird & Co., Ltd.	567	Northbrook	24½	10	1+½	1+½			6, 12	H.P.
66,79,300	31,70,094	2,15,09,993	1,38,37,886	33,079	Macneill & Barry Ltd.	1,920	Oriental	31½	10	1+Nil	Nil+½	1+½		3, 9	H.P.T.
24,91,000	26,56,049	71,24,111	49,10,197	1,08,298	Andrew Yule & Co., Ltd.	601	Orient	194	100	1+6	6+6	5f		3, 9	H.
25,00,000	4,99,002	80,67,981	62,60,461	3,641	McLeod & Co., Ltd.	400	Presidency	7½	5	Nil	Nil			5, 11	H.P.
20,00,000	58,659	26,15,293	7,67,493	—2,36,541	Mr. R. N. Banerjee	303	Rameshwar	7½	10	Nil	Nil+½	1f		6, 12	H.T.
49,50,000	4,78,745	1,23,45,925	56,55,998	—1,05,123	Jardine Henderson Ltd.	1,276	Reliance	14½	10	Nil	Nil			3, 9	H.P.
£600,000	£1,093,711	£1,228,258‡		£95,425	Thomas Duff & Co. (India), Ltd.	2,013	Samnuggur	£1	£1	10%	10%	Nil		3, 9	H.P.T.
30,00,000	13,09,335	1,02,97,586	68,34,213	16,678	Bagaria Move & Co., Ltd.	911	Shree Ambica	15½	10	1+1	1+½			12	Y.P.
14,00,000	10,29,608	48,33,752	37,62,133	2,54,934	Hindustan Investment Corporation.	401	Sourabh	16N	10	Nil	Nil+½			3, 9	H.P.
25,19,600	47,29,578	1,01,23,059	57,01,016	1,112	Bird & Co., Ltd.	650	Standard	152	100	8+1	1+1	1+1		12	Y.P.T.
£600,000	£925,119‡	£992,042		£108,310	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	15½	£1	10%	10%			3, 9	H.P.
35,98,600	85,79,790	1,93,34,618	76,30,486	9,515	Bird & Co., Ltd.	1,326	Union	202	100	10+1	4+4	1+5		12	Y.P.
£400,000	£689,035‡	£1,086,826		£112,138	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	15	£1	10%	10%			3, 9	H.P.T.
2,30,000	4,95,000	35,94,678	37,77,741	35,624	McLeod & Co., Ltd.	465	Waverley	7½	1	Nil	Nil+½	1f		6, 12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1951 Rs.	1952 Rs.	1953 Rs.	1954 Rs.	Accounts Closed	Reference
25,50,000	19,50,000	79,56,993	53,16,993	21,441	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	22½	10	1+½	1+½	1+1	1f	3, 9	H.
12,00,000	8,49,582	38,20,987	35,11,987	31,068	Jardine Henderson Ltd.	Barame Coke	21	10	1	5/3	7/10+7/10	1f	3, 9	H.
4,49,350	70,000	8,49,159	5,37,466	3,819	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6½N	10	1+1	1+1	1+1	1f	6, 12	H.
1,00,00,000	1,22,00,000	5,55,96,857	3,58,72,103	5,30,259	Andrew Yule & Co., Ltd.	Bengal Coal	500	200	17½+17½	20+20	17½+17½*	15*	6, 12	H.
2,25,000	5,10,369	25,37,614	22,43,053	13	Andrew Yule & Co., Ltd.	Bengal-Nagpur	13	10	1+1	1+1	Nil	Nil	4, 10	H.P.
15,97,000	5,10,369	25,37,614	22,43,052	25,529	H. V. Low & Co., Ltd.	Bhalgora	3½	10	1	1			6, 12	H.P.
40,00,000	14,81,010	1,26,82,109	63,11,074	6,200	Sahu Jain Ltd.	Bharat Collieries	8½	10	1				6	Y.
7,15,000	14,41,318	51,73,261	36,39,224	—2,04,456	F. W. Heilgers & Co., Ltd.	Bhulanbarareo	14N	10	1+1	1	Nil	Nil	6, 12	Y.T.P.
16,00,000	16,22,936	68,16,454	39,74,841	—1,36,132	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	9	10	Nil	Nil	Nil	Nil†	6, 12	H.
7,50,000	22,09,390	41,37,477	25,36,282	98,663	F. W. Heilgers & Co., Ltd.	Borera	29½	10	1½+1½	1½+1½	1½+1½*	1f	6, 12	H.
90,92,480	1,70,76,208	4,10,36,356	1,71,71,386	1,49,910	Andrew Yule & Co., Ltd.	Burrakur	12½	10	1+1	1+1	1+1	1f	6, 12	H.P.
49,97,750		34,81,955	257,645	5,907	Hindustan Investment Corpn., Ltd.	Central India	6½	10	Nil	Nil	Nil		6, 12	H.P.T.
8,00,000	13,54,302	49,10,414	32,63,954	82,768	Anderson, Wright & Co., Ltd.	Central Kurkend	14½N	10	Nil	Nil	1		3	Y.
6,00,000	1,43,341	7,25,000k	.....	25,618	F. W. Heilgers & Co., Ltd.	Churia	2½	4	1	1	1		5, 12	H.
16,00,000	1,20,090	50,63,761	27,27,936	—1,91,155	Macneill & Barry Ltd.	Dhemo Main	2½	10	1+1	1+1	1+1	1f	6, 12	H.
£240,000	£363,496	£245,903	£11,181	£63,577	Jardine Henderson Ltd.	East Indian	2½	£1	3	1 (i)	Nil	Nil	5, 11	H.
29,63,760	71,99,925	3,66,52,739	2,81,14,367	1,85,653	Macneill & Barry Ltd.	Equitable	32½	10	2½+2½	2+1½	1+1	2½	4, 9	Y.
10,00,000	2,11,139	9,72,721	3,23,963	40,284	Bhatter's Agency Ltd.	Ghusick and Muslia	15N	10	1	1		1f	6, 12	H.P.
12,00,000	1,22,000	37,04,970	19,00,221	445	Killick Industries Ltd.	Hingar-Rampur	30½	10	1	1	1	Nil	6	Y.
8,00,000	3,75,000	21,42,581	18,13,083	62,148	Macneill & Barry Ltd.	Hurriladih	18½	10	1+½	1+½	1+½	1	6, 12	Y.P.
22,00,000	1,08,577	31,70,015	10,56,245	—1,93,248	Bajpate Trust Ltd.	Jagta Coal	5	10	Nil	Nil	Nil	Nil	6, 12	H.
3,50,000	4,26,351	14,85,445	6,91,521		Andrew Yule & Co., Ltd.	Kalapahari	29½N	10	1½+1½	1½+1½	1½+1	Nil	12	H.P.
20,00,000	9,375	26,40,669	2,46,630	3,143	Bird & Co., Ltd.	Karanpura Collieries	10½	100	Nil	Nil	Nil	Nil	2, 8	H.
5,00,000	13,60,000	44,39,543	34,62,230	91,518	Andrew Yule & Co., Ltd.	Katras Jherriah	48	10	1½+1½	2+2	2+2	2+2	2	Y.P.
1,38,400	5,72,960	12,85,941	5,72,960	—2,60,236	Berrwala & Co.	Khas Kajora	2½	10	1+1	Nil	Nil		1, 7	H.
11,00,240	50,000	16,38,578	10,36,512	—34,300	H. V. Low & Co., Ltd.	Kuardi	7½	10	3½		Nil		6, 12	H.P.
9,00,000	11,64,450	28,33,250	22,78,337	1,683	H. V. Low & Co., Ltd.	Lakurka	10½N	10	1	1	1		6	Y.
7,48,240	1,50,000	11,58,128	8,95,686	25,598	S. P. Tantia, Esq.	Nazira		10	1+½	1	1		4	Y.
17,76,230	17,63,263	1,14,39,802	83,98,181	42,594	Andrew Yule & Co., Ltd.	New Beerbhoom	19½	10	Nil	Nil+½	1+½	1f	6, 12	H.
6,00,000	1,25,000	32,17,687	19,65,424	4,644	Octavius Steel & Co., Ltd.	New Manbhoom	8½	10	Nil	Nil	Nil	Nil	4, 10	H.P.
1,15,000	2,35,818	12,68,928	7,89,621	—10,185	Andrew Yule & Co., Ltd.	North West	11½	10	1+½	1+½	1+Nil	Nil	3, 9	H.
1,57,500							7½N	7½	1+½	1+½	1+Nil			
7,50,000	11,79,228	3,97,666	2,77,666	96,307	F. W. Heilgers & Co., Ltd.	Ondal	22½N	10	1½+1	1+1	1+1	1f	6, 12	H.P.
10,00,000	1,10,000	37,18,080	16,07,868	38,140	K. C. Thapar & Bros.	Oriental Coal	11½N	10	1				12	Y.T.
8,34,000	1,32,942	17,23,281	6,78,407	5,618	Deerchand Kishenlall	Parasea	9½	10	Nil	Nil			6, 12	H.P.
15,75,000	13,00,000	44,14,803	31,19,803	22,304	Shaw Wallace & Co., Ltd.	Pench Valley	24½	10	1+½	1+½	1+½	1f	3, 9	H.
23,99,500	17,17,105	1,16,31,468	80,43,780	72,002	B. N. Elias & Co., Ltd.	Raneegunge	12	10	Nil	1	1	1f	3, 9	H.
13,50,000	7,88,365	30,74,660	25,05,660	27,848	Shaw Wallace & Co., Ltd.	Rewa	22	10	1+1	1+1	1+1		6, 12	H.
20,00,000	3,95,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Samla Collieries	9½	10	1+½	1+½			3, 9	H.
1,25,000	1,85,000	12,10,180	10,21,382	19,527	Gillanders Arbuthnot & Co., Ltd.	Searsole	10½N	10	2½	1			6, 12	H.
2,80,000	7,06,598	29,25,114	16,85,969	25,643	Andrew Yule & Co., Ltd.	Seebpore	26½	7	2+2	2+1	1+½	1f	6, 12	Y.
8,00,000	8,75,468	36,88,786	26,51,462	—1,22,722	F. W. Heilgers & Co., Ltd.	Sendra	10N	10	1+Nil	Nil	Nil	Nil†	6, 12	H.P.
63,21,450	13,01,620	3,51,42,502	2,49,62,544	—6,49,301	Industrial Trust Fund (Government of Hyderabad)								6, 12	H.T.
						Singareni	7½	10	1	1	Nil			
17,50,000	10,85,425	37,23,396	14,57,868	3,853	Bird & Co., Ltd.	South Karanpura	10½	10	1+½	1+½	1+½	Nil+½	12	Y.T.
8,00,000	14,72,339	1,69,570	23,510	39,039	F. W. Heilgers & Co., Ltd.	Standard	20	10	1+1	1+1	1+1	1f	2, 8	H.
10,00,000	12,950	30,15,423	13,43,501	—3,84,536	Villiers Ltd.	Talcher	3½	2½	Nil				6, 12	H.
3,50,000	7,15,000	15,33,367	10,93,367	81,859	Williamson Magor & Co.	Union	22½	10	1½+1½	1½+1½	1+1		9	H.
49,98,000	21,916	47,65,934	16,41,545	65,727	Hindustan Investment Corpn., Ltd.	Western Bengal	6½	10	1	1			6, 12	H.
7,00,000	3,57,000	50,89,468	21,36,223	582	Macneill & Barry Ltd.	West Jamuria	16	10	1+1	Nil	Nil	Nil†	6, 12	H.

* Including bonus. (k) Investments. ‡ For ten months ended 31st December 1951.

(i) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (a) For seven months ended 31st March, 1954.

*The following explanatory notes relate to the abbreviations and marks shown on page 292 in the debentures section:—

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

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

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

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

(d) Bearer bonds of Rs. 1,000 each with option of redemption on whole or on part at 7 per on 30th June, 1952 or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1953 on six months notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at 4 per cent. premium after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957.

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

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

MECHANISATION OF BANKING OPERATIONS

SAVING OF STAFF AND LABORIOUS WORK

By Paul Bareau

MECHANISATION is a word normally confined and applied to industrial processes. It recent years, however, the allocation to machinery of routine work done previously by the human hand or brain has made enormous advances in commerce and finance, and particularly in banking. Britain, which can still claim to be the banking capital of the world, has been well in the van of this movement to mechanise as much work as can be handled by machines. Some particularly interesting details of achievements in this field have recently been given by the chairmen of large British commerical banks in their annual statements to stockholders.

Lord Harlech, Chairman of the Midland Bank, the largest of the joint stock banks, gave a comprehensive account of what his institution has done. In the early years of this century, the only mechanical aids for banking were the typewriter and simple adding machines. As early as 1928, the Midland Bank took the initiative in installing machines for posting ledgers which, at the same time, prepared statements of account for depositors.

The laborious work of posting ledgers and pass-books by hand, which had gone virtually unchanged since the dawn of deposit-banking in the Middle Ages, is now vanishing fast; and within a comparatively short time even the smallest bank branches will be mechanised.

Complex Machines

Perhaps the most complex machines are those which help foreign exchange and arbitrage operators who need contrivances that will rapidly calculate minute differences in cross-rates on the basis of which exchange arbitrage between the various foreign exchange markets of the world is effected.

In bank branches where there is a particularly heavy intake of cash, many hours of laborious work are now saved by the use of high-speed note-counting machines. Similarly, at larger branches and at head offices, coin-counting machines are being increasingly used. Notes are also weighed, envelopes addressed and franked, and a host of purely routine jobs entrusted to machines with a considerable saving of staff and costs.

One of the most time-saving aspects of mechanisation has been the introduction of photography in bank operations. By the use of micro-filming, an immense amount of labour is being saved in the listing of details of cheques, dividend warrants, and traders' credits when they are forwarded from one bank office to another. Documents are photographed and the films retained as basic records. In the Midland Bank, departments responsible for this work are filming, on an average, about 300,000 items daily. On peak days, the totals are far larger.

One great advantage of the system is the gain in storage space. Sixteen thousand items are photographed on a single spool, which, with its container, is roughly only the size of a packet of 20 cigarettes. The banks' photographic departments rendered great service during the war, when all documents and ledgers were photographed, and films held in other branches, so that if bombing destroyed the originals—as happened all too often—the whole records of a branch could be reconstituted in a few hours.

Another example of mechanisation in use at some head offices, including the Midland Bank, is the punched-card method of recording, computing, and checking. Large blocks of salaries, pensions, and annuities paid from month to month are handled by this method. The same method allows records to be compiled of coupons paid or unpresented in respect of securities for which banks act as paying agents.

Saving of Staff

The immediate result of mechanisation has been not only a considerable saving of staff but a shift in the kind of tasks allocated to trained and efficient bank employees. Sir Oliver Franks, recently-appointed Chairman of Lloyds Bank, has pointed out that while the Bank's deposits have trebled in number since 1938, with a corresponding expansion in "ledger keeping," the total of the Bank's male staff has been reduced. The reason for this has been the increased use of machines many of which are ideally suited to the care of women employees.

In 1938, Lloyds Bank had about four men to every woman on its staff. Today, the numbers are moving towards equality. Mechanisation and the coming of the woman bank employee have gone together.

There is clearly a limit beyond which mechanisation of banking cannot go. In essence, the true business of banking is least susceptible of mechanisation or even of rule-of-thumb methods. Good banking is a matter of judgment. In the making of bank advances what matters most is not the security put up for a loan, or the figures and balance-sheets submitted by an applicant; far more important is the lender's capacity to assess the character, integrity and assiduity of the prospective borrower.

Mr. Anthony Tuke, Chairman of Barclays Bank, underlined this point most effectively when he answered the critic of banks' advance policy who says that their methods are too haphazard and unscientific, and that too much depends on the whim of the individual branch manager. "He (the critic) would perhaps like the prospective borrower to fill up a complicated form and send it to the appropriate planning authority, where the formula evolved by some clever ignoramus would be applied to it, and after a due lapse of time the bank would be informed how much credit should be allowed to that particular customer." No—said Mr. Tuke, if he were the customer, he would rather put his faith in the decision or recommendation of the manager of his independent competitive bank, however whimsical and unscientific he might be.

That assessment of human values and qualities is something which, fortunately, will never be mechanised. But in those realms of banking where mechanisation is appropriate, Britain has got off to a flying start.

MARKET GOSSIP

(Concluded from page 247)

hopes of a revival in earnings to anything like the extent required to meet present heavy establishment expenses of about Rs. 67 lakhs per annum, and depreciation of assets."

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Notable reductions in the expenses of each of the Company's three branches, at Calcutta, Bombay and Madras, have been made. But it is felt that it is vital that expenses should be reduced further and to a very great extent. The Directors observe that there is "no longer any possibility of retaining an unprofitable department simply to provide employment." The problem is particularly acute in respect of the Calcutta branch of the Company, it is stated. The Directors have, therefore, reluctantly decided to close down that branch. Explaining the reasons for this decision, the Directors add:

"The Calcutta branch, however, shows by far the heaviest loss and has only twice made a profit in the past six years. Its jute organisation and some other lines of its traditional business can no longer make a sufficient contribution towards the large overheads of the branch, which must rely on exports of gunnies for its main revenue, and competition in this article is very keen. All aspects of the problem have been very carefully considered but your Directors see no possibility of the Calcutta branch being run at a profit in the foreseeable future, nor can they see any prospect, under present conditions, of sufficient profits in Bombay and Madras to cover the losses which would be incurred in Calcutta. Your Directors have, therefore, concluded with reluctance that the Company must close the business of its Calcutta branch and the necessary resolution has been passed by the Board, effective on 31st May, 1955. Notice is accordingly being given to staff in the Calcutta area and the up-country jute and seeds organisations working under Calcutta, that their services will not be required after that date."

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Although the Bombay and Madras branches, for the first time since the inception of the Company, have also failed to cover, during the year ended 31st August, 1954, their expenses, it is believed that, with "ordinary fortune" in trading, particularly in cotton, and with a return on profitable working conditions in the Company's oil mills, the results of these branches can be again turned to show a working surplus. The Board, it is further revealed, has under consideration the strengthening of the business of the Bombay and Madras branches, and express the hope that these branches will bring back prosperity to the Company. In view of the long-established connections of this firm with India's rural economy, the traditions of fair dealing the Company has established and the fact that it has been one of the earliest of the foreign trading concerns to invite participation by Indian capital, many will hope that the Company will be able to get over—or the Government will enable it to get over—the serious setback in its fortunes.

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As we go to press, we learn that the Brady Engineering Co., Ltd., has reduced its dividend for 1954 to Re. 1-8 per share from the maiden dividend of Rs. 3 per share paid for 1953. The cut in dividend has been necessitated by the lower profits consequent on the continuous strike for three months by the Company's workers.

COMMERCE AND INDUSTRY

(Concluded from page 273)

The Government has also decided to permit exports of husked rice from all ports in India. So far, that is, since 24th July, 1954, to 4th February, 1955, exports of husked rice were permitted only from the ports of Bombay and Calcutta. Simultaneously the Government has announced a reduction in the export duty on rice from 20 per cent. *ad valorem* to As. 2½ per maund. Besides it has allowed a limited quantity of pulses to be exported abroad and Bombay has been allotted a quota of 3,600 tons.

The Government's decision to reduce the export duty on rice has been welcomed by the trade in the city. The revised duty is considered more or less nominal and hence prospects for exports have brightened to a considerable extent. It is stated that Aden and other buyers in the Middle East would evince greater interest in the near future than hitherto on account of the enhanced competitive position of Indian rice, thanks to the cut in export duty. The bulk of India's exports consists of boiled rice.

But the most important announcement, from the oilseeds market point of view, is the release of an additional quantity of groundnut oil for export through established exporters and crushers by 31st March, 1955. Established shippers of groundnut and groundnut oil have been allotted a quota of 10 per cent. of the best years' exports of the oil during any one of the four years ended March, 1952, subject to a minimum of five tons. No individual ceiling has been fixed for this quota. Shippers, therefore, will be given the maximum allotment to which they would be eligible on the percentage basis.

The Government has also given facilities to crushers to participate in the export trade. These are, however, subject to a ceiling of 250 tons per shipper from all ports. The crusher should produce certificates to prove his having paid cess on groundnut oil crushed by him during any of the three years 1952, 1953 or 1954.

Quotas for the export of oilcake also have been announced. The overall quota has been fixed at 25,000 tons (expeller variety). Licences will be issued for shipments by the end of March, 1955. The applicant should produce evidence of firm contract and of freight having been booked. A ceiling of 1,000 tons has been fixed for each shipper. Besides, exports of deoilled groundnut meal (solvent extracted variety) will also be licensed freely on the same basis as above till the end of March, 1955. This will be in addition to the ceiling of 250,000

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
18,00,000	1,08,22,808	18,71,702	Allahabad Bank	860	100	18 0	18 0	18 0	9 0	12	Y.P.
14,50,000				190	50	9 0	9 0	9 0	4 8		
1,01,000	18,16,000	2,13,671	Andhra Bank	118cd	100	6 0	6 0	6 0	3 8	6.12	H.
23,50,000				60cd	50	3 0	3 0	3 0	1 12		
1,80,00,000	1,35,00,000	2,35,858	Bank of Baroda	101¼	50	6 0	6 0	6 0	2 8	12	Y.
50,00,000	17,00,000	11,785	Bank of Bikaner	12½N	25	0 12	0 12	0 12	0 12	12	Y.
5,00,00,000	3,12,00,000	7,29,778	Bank of India	147½	50	7 0	7 0	7 0	3 0	6.12	R.L.Y
15,30,375	55,00,000	63,001	Bank of Indore	55N	25	3 0	3 0	3 0		12	Y.
50,00,000	17,00,000	46,178	Bank of Jaipur	28	50	1 8	1 8	1 8		12	Y.
50,00,000	84,00,000	3,55,177	Bank of Mysore	230	100	16 0	16 0	16 0	8 0	12	Y.
59,99,180	31,33,240	29,809	Bombay State Co-operative Bank	55	50	2 8	2 8	2 8		4	Y.P.T.
15,00,000	21,00,000	14,042	Canara Bank Ltd.	60	50	4 8	4 8	4 8		12	P.Y.
7,50,000	10,50,000	6,878	Canara Banking Corporation Ltd.	90	50	5 0	5 0	5 0		12	Y.P.
2,92,11,675	3,00,79,642	16,49,566	Central Bank of India Ltd.	52½	25	3 8	3 8	3 0	1 8	12	R.L.Y.
99,43,305 'A'				53	25	3 8	3 8	3 0	1 8		
50,00,000	26,00,000	1,55,862	Devkaran Nanjee Banking Co.	32½	50	1 12	1 12	2 0		12	Y.
1,50,00,000	1,50,00,000	1,05,995	Habib Bank (P)	73 XRN	20	4 0	4 0	4 0	4 0	12	Y.
1,25,00,000	16,20,000	15,160	Hindustan Commercial Bank	10½	50	—	—	—		12	Y.
50,00,000	1,20,000	1,412	Hindustan Mercantile Bank	12½	50					12	Y.
75,00,000	76,00,000	1,08,750	††Hyderabad State Bank	105N	100	5 0†	5 0	5 0	3 0†	9	Y.
3,75,00,000	6,85,00,000	83,65,704	Imperial Bank of India	1,597xd	500	80 0	80 0	80 0	40†	6.12	R.L.H.
1,87,50,000				890xd	125	20 0	20 0	20 0	10†	6.12	R.L.H.
84,08,000				188xd	100	12 0	12 0	12 0	6 0	12	Y.
17,00,000	76,50,000	1,23,088	Indian Bank	147cd	85	10 8¾	10 8¾	10 8¾	5 1¾	6.12	R.L.H.
16,50,000				101xd	60	7 3¾	7 3¾	7 3¾	3 9¾		
49,04,925	23,50,000	2,25,271	Indian Overseas Bank	105cd	100	6 0	6 0	6 0		6.12	R.L.H.
2,25,000				50	100(A)	7 8	8 0				
2,50,000	6,33,989	1,880	Indo-Commercial Bank	15	25(B)	1 14	1 8			6.12	H.
10,00,000				29	50(C)	3 0	3 0	1 8¾			
87,50,000	90,00,000	3,10,289	Punjab National Bank	41	25	1 0	1 8	2 0	7	12	Y.
1,00,00,000	18,75,000	98,592	Travancore Bank	16	25	—	—	0 10		12	Y.
40,00,000	81,50,000	1,80,235	Union Bank of India	6½	5	0 5½	0 5½	0 5½		12	Y.
3,00,00,000	80,00,000	1,52,820	United Commercial Bank	46½	50	3 0	3 0	3 0		12	R.

PRINCIPAL EXCHANGE BANKS

£3,500,000	£5,000,000	£409,513	Chartered Bank of India, Australia and China	£2-10-6	£1	16†	16†	14†	7‡†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£10	£5	6†	7†	3†		12	R.L.Y.
N.Y. $20,000,000	N.Y. $96,000,000	N.Y. $9,559,542	Hongkong and Shanghai Banking Corporation								
£14,272,958				£115½	H.K $125	5*	5*	5*	2*½	12	Y.
£1,437,198	£16,500,000	£558,780	Lloyds Bank	£3-7-10½	£1	12†	12†	14†	7‡†	12	R.L.Y.
£375,000 'A'				£1-7-3		5†	5†	5†	2½†	12	R.L.Y.
£375,000 'B'	£1,500,000	£200,980	Mercantile Bank of India	£5	A £5	13†	14†	14†	7‡†	12	R.L.Y.
£500,000 'C'				£14	B £5	12†	14†	14†	7‡†		
					C £5	12†	14†	14†	7‡†		
£2,281,250	£8,675,000	£823,708	National Bank of India	£1-6-4½	sh. 12½	16†	16†	16†	7‡†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. †† O.S. Currency. (1) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	0	1st December and 1st June	Carew & Co.	100	1st June .. 1968
4,00,000	5½	1st March and 15th September	Carew & Co. (Bad mortgage)	95	25th February .. 1960(?)
8,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	108	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	88	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	101½	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	98½	1st November .. 1959-64
COAL					
30,00,000	4½	30th April and 31st October	Bharat Collieries	96	30th June .. 1956
30,00,000	4½	30th June and 31st December	Burrakur Coal Co.	91½	30th June .. 1957
40,00,000	6½	16th June and 16th December	Equitable Coal Co.	101	14th December .. 1966
COTTON					
5,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	95	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	99	15th November .. 1956(o)
1,00,00,000	6	1st April and 1st October	Buckingham and Carnatic	99	1st January .. 1967-72
12,68,000	5½		Jaykhre Textiles	100½	1st January .. 1955-59
40,00,000	5	1st June	Tata Mills	80N	1st January .. 1956-59
				101	 1966-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	95	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	100½	14th June .. 1960
96,28,000	4½	1st April and 1st October	Andhra Valley Power Supply Co.	57½	1st October .. 1960
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964
5,45,01,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	100½	1st January .. 1970
25,00,000	4	30th June and 31st December	Gwalior Electric Supply Co., Ltd.	87	31st December .. 1970
15,00,000	5	1st January and 1st July	Sijua (Jharkhi) Electric Supply Co., Ltd.	90	30th June .. 1970
7,66,200	5½	1st January and 1st July	South Madras Electric Supply	99	1947-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	99	1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	1955-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1957-67
47,78,000	4	1st April and 1st October	Tata Power	100	15th September .. 1961-66(f)
3,50,000	4	1st April and 1st October	Tata Power	92	15th September .. 1968-70
ENGINEERING					
5,00,000	6	30th June and 31st December	Britannia Engineering	99	10th December .. 1965
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June .. 1958
30,00,000	6½	15th September and 15th March	Indian Hume Pipe (Bad mortgage)	101½	1st July .. 1957-63
61,146,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	62½	31st December .. 1966 (E)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	85½	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	101	1st October .. 1960-68
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	100½	31st December .. 1960
JUTE					
18,00,000	4½	1st October and 1st April	Agarpara	100	31st March .. 1966
6,00,000	5½	30th June and 31st December	Alexandra	100	30th June .. 1966(A)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1966
10,00,000	5	30th June and 31st December	Bengal Jute Mill Co., Ltd.	88	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	92	31st July .. 1959(e)
10,00,000	5	30th June and 31st December	Chitavalah Jute Mills	101	30th June .. 1966
25,00,000	5½	31st March and 30th September	Dalhousie Jute Co.	99	31st March .. 1969
8,46,000	5	30th June and 31st December	Empire	95	14th July .. 1966
22,00,000	5½	1st January and 1st July	Hukumchand	98½	30th June .. 1966
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	96½	31st December .. 1964
25,00,000	5½	30th June and 31st December	Kaisali	98	31st March .. 1967
8,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	88	31st December .. 1964
8,00,000	5	30th June and 31st December	Presidency	98	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	96	5th September .. 1965
6,00,000	4½	14th March and 14th September	Sorath Jute	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	96½	30th June .. 1957(d)
10,00,000	6½	31st January and 31st July	Waverley	95	31st July .. 1960(c)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barsaat-Kasbhal Light Railway	90N	1st July .. 1966
£250,000	4½	1st January and 1st July	Calcutta Tramways	£60N	At 105% at any time on 6 months' notice or at par or every seventh year.
£169,968	5	1st April and 1st October		£77½N	1st October .. 1974
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	80½	31st December .. 1958
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£85½N	
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation*	95	1st September .. 96
PLANTING					
10,00,000	5½	30th June and 31st December	Consolidated Coffee	102	1st July .. 1957-66
5,00,000	6	31st March and 30th September	Nilgiri Tea	102½	1st April .. 1954-56
4,61,000	5½	30th June	Ouchterlony	104	30th June .. 1956-60
5,00,000	6	31st March and 30th September	Peirkhanmalai	100½	31st March .. 1958-62
1,69,700	5½	31st March and 30th September	Teakoy	100	31st March .. 1959-69
MISCELLANEOUS					
16,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	100	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December .. 1965
28,50,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	96½	30th June .. 1957(1)N
8,00,00,000	6½	1st March and 1st September	Burmah-shell	102½	1st September .. 1955-60
21,00,000	5½	1st February and 1st August	Chartered Bank Properties	93	1st February .. 1964
21,54,000	4½	1st July and 1st January	City Buildings	89	1st July .. 1956
60,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September .. 1960
1,00,00,000	6	31st March and 30th September	Dalmia Cement Ltd.	90	 1960
1,80,00,000	5	1st January and 1st July	Dunlop Rubber	102	1st January .. 1971
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	104	30th June .. 1969
10,25,000	5	15th March and 15th September	Mettur Chemical Industries	96	 1964
89,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	520	30th September .. 1978
45,00,000		30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	500 (per note)	31st December .. 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	1st April .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	98	31st March .. 1961
1,00,00,000	5	30th June and 31st December	Rohtas Industries Ltd.	91	31st December .. 1966
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	104	1st May .. 1968

Note—See page 290 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 10th February, 1955.

—	Closing quotations 3-2-1955	High	Low	Closing quotations 10-2-1955
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	125½	125½	122½	122½
Apollo (2)	2-14½	2-14½	2-12	2-12½
B.N. Cotton Mills (100)	55	—	—	55
Bombay Dyeing (250)	470½	485	466½	471½
Central India (100)	135½	133	125	128
Century Mills (100)	878	877½	866½	869½
Colaba (100)	61½	—	—	61
Edward Textile (200)	256	252½	250	251
Elphinstone (50)	40	—	—	—
Finlay (100)	254	254	249½	249½
Gokak (100)	229½	223	216½	216½
Ind. Unitd. Defd. (1)	1-4½	1-4	1-3	1-3
Ind. Unitd. Ord. (10)	11	11	10½	10½
Indore Malwa (100)	95½	95	92	92
Khatau (100)	159½	153½	152½	152½
Kohinoor (100)	325	320	315½	315
Lakshmi (250)	527½	528½	527½	528
Madhusudhan (100)	84½	—	—	—
Minerva Mills (100)	105	—	—	94
Modi Narrur (250)	135½	135½	132½	135
Morarji (100)	221½	225	221½	225
Mysore (50)	122½	—	—	122½
National Rayons (100)	201½	203½	190½	196
New City (100)	159½	—	—	159½
New Great (100)	167	165½	158	158
New India (10)	88	—	—	88
Phoenix (100)	115½	115½	113½	113½
Podar Mills (100)	154½	155	154	154
Sassoon Silk (10)	16	16	15½	15½
Sassoon Spg. (10)	85	86½	85½	86½
Sholapur (1,000)	1,805	—	—	1,805
Shri Ram (100)	231½	230	225	225
Simplex (50)	146½	146½	146	146½
Standard (100)	355½	356½	350	351½
Swadeshi (100)	307½	310	196	198
Tata Mill (25)	82½	330	327½	326½
Vichan (100)	121½	62½	59½	59½
Western India (1,000)	3,875	122½	121½	121½
BANKS		—	—	3,875
Bank of India (50)	148½	148½	147½	148
Bank of Baroda (50)	103	102	101½	101½
Central (25)	62½	62½	62	62
Central 'A' (25)	53½	53½	53	53
Dena Bank (50)	33½	—	—	33
Imperial (F.Pd.) (500)	1,032½	1,027½	1,020	1,027½
Imperial (P.Pd.) (125)	400	398½	390	392½
Punjab National (25)	87½	41½	37	41½
Union Bank (5)	5-8½	5-8½	5-5	5-5
United Com. (50)	46½	46½	45	46½
ELECTRIC COS.				
Ahmedabad (100)	114½	114½	113½	113½
Amalgamated (10)	11½	11½	11½	11½
Andhra Valley (1,000)	1,400	1,407½	1,400	1,400
Bom. Sub-El. (100)	138	130	127½	129½
Surat (100)	129	130½	127½	127½
Tata Hydro (100)	148	—	—	147
Tata Power (1,000)	1,498½	1,500	1,492½	1,492½
INSURANCE COS.				
British India (10)	13½	14	13½	13½
Empire of India (100)	680	—	—	680
Ind. Mercantile (30)	44½	45	44½	45
Jupiter (15)	11½	—	—	11½
New India (15)	54½	56	54½	54½
Oriental (100)	7,485	7,485	6,800	6,800
Universal (10)	9½	9½	9½	9½
Vulcan (10)	15	—	—	15
STEEL COS.				
Ind. Iron (10)	33-9½	33-11½	32-9	33
Tata Steel Ord. (78)	334½	330	320	320
SUGAR COS.				
Belapur (50)	31½	31½	30½	30½
Bhopal (10)	15½	—	—	15½
Phaltan (50)	113½	114½	112½	112
Walchand Ind. (100)	235	235	230	232½
CEMENT COS.				
Associated Cts. (100)	174xd	175½	170	170½
Digvijay (100)	170½	169½	164½	166
MISCELLANEOUS				
Alcock Ashdown (100)	300	300	288½	288½
Bom. Burmah (138)	459½	466	453½	453½
Do. (New) (50)	163½	163½	159½	160
Br. B. Petrol (4sh.)	8-14½	8-11½	8-11	8-12
Br. I. Corp. (5)	8½	8-3½	7-14½	7-14½
G. P. Rly. (100)	101	—	—	101
Indian Copper (5sh.)	8-8½	8-9½	8-5½	8-9½
Ind. Inv. Tr. (100)	81	81	80½	81
Kamp (200)	340	—	—	340
Rilkels (100)	178½	178½	175	176
Poison (100)	140	—	—	140
Port Canning (100)	18½	18	17	17½
Premier Cos. (10)	15½	15½	14½	14½
Scindia (20)	15½	16	15	15½
Shivajee (10)	78½	77	75	75
Tata Chemicals (10)	16-15½	17½	16½	16½
Tata Oil (25)	40½	43	40½	41
W. I. Match (100)	215½	211½	211½	211½

GOVERNMENT SECURITIES	4-2-55	Gross Yield Earlier Redemption	Gross Yield Later Redemption	10-2-55
	Rs.			Rs.
2½% 1955	99½	—	—	99½
2½% 1951	91	—	3.50	90
2½% 1950	94	—	3.97	91
2½% 1952	92½	—	3.84	91
2½% 1953	88	—	3.87	86
2½% 1957	90½	—	3.91	88
2½% 1948	99	—	3.29	98
3% 1959-61	97	3.54	3.25	95
3% 1963	92½	—	3.45	87
3% 1963-65	93	3.89	3.60	90
3% 1966-68	90	4.04	3.72	88
3% 1970-75	84½	4.15	3.90	82
3% 1986 Con. Loan	81½	—	3.92	80
4% 1960-70	103½	3.87	3.86	101
4½% 1958-60	101	3.19	4.24	101
4½% 1964-69*	106	3.50	4.17	103
3½% 1961 N.P. Bonds	99½	—	3.49	98
3½% 1964 N.P. Loan	96	—	3.66	95

BRITISH GOVERNMENT SECURITIES

	2-2-55	High	Low	9-2-55
	£	£	£	£
2½% Brit. Con			53½	53½
3% Brit. Tr. 1978-80	55½	55½	54½	54½
3% War Loan (Sterling Issue)	96½	96½	95½	95½
3½% War Loan 1952-54	100½	100½	100½	100½
3½% Brit. Treasury 1965-68	96½	96½	95½	95½
4% Funding Loan 1960-90	95½	95½	95½	95½
	108½	108½	107½	107½

*Current Issue. x.d.—Ex-dividend. * Rupee Counterparts.

COMMERCE

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

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CENTRAL BUDGET UNINSPIRING

THE budget statement for 1955-56 presented by Mr. C. D. Deshmukh to Parliament on Monday this week is rather disappointing, in that it is not designed to achieve the objective of increasing employment on a large scale as speedily as possible. Speaking on the Government's economic policy, Mr. Deshmukh stated in Parliament on 20th December, 1954, that "the central objective of our economic policy from *now* on must be to create full employment conditions within a measurable period, say, 10 years from *now*. This is, by no means, an overambitious goal. It is, perhaps, the minimum we ought to strive for. In achieving this, there is ample scope for expansion both in the public and the private sectors. This means, in the first place, that we have to create at least two million new jobs, if not more, every year, in order to provide for the annual increase of 1.8 million in the employable labour force. Secondly, it means that we must make some impression on the unemployment and underemployment already existing. These jobs must obviously be created in the non-agricultural sector." Lest one should get away with the impression that these observations of Mr. Deshmukh apply only to the second Five-year Plan, now being talked about, we have advisedly italicised the word "now" in the quotation from his speech. If this means anything, it is that the budget for the coming year itself should aim at fulfilling this need. The question whether the taxation policy that underlines the budget proposals is such as to be conducive to the creation of two million new jobs per annum from now is, therefore, a pertinent one. To us it looks as though the answer to this question is in the negative.

India, which has to find fresh sources of employment for as many as two million people every year, is doubtless an underdeveloped country. But the system of taxation to which it is asked to submit is one that will be found onerous even by a highly developed economy which wishes to maintain its existing standards. Heavy taxation in a free economy requiring large-scale development is not consistent with the goal to be achieved. To give an instance, when the U.S. was recently faced with a rising rate of unemployment, it did not tax more in order to find the resources necessary for creating more jobs, but it actually reduced the taxes. Similarly, when the U.K. wanted more investment in order to improve the productivity of its industries, it lowered the tax burden. In a free economy, additional taxes are generally imposed only when no further expansion of investment is required. A few weeks ago, Sweden, for instance, stepped up the taxes, with a view to curbing fresh investments as it feared that they might lead to scarcity of labour or overemployment. It is common knowledge that lower taxes stimulate enterprise and strengthen the desire to save and that the reverse is the case when taxes are kept at high levels. In other words, incentive is the first prerequisite for a free economy which is anxious to expand employment and raise living standards. Such an incentive is lacking in the budget for 1955-56. And this fundamental need, we are sorry to say, has not received the emphasis that it merits in the report of the Taxation Enquiry Commission which has been the principal basis for Mr. Deshmukh's new taxation proposals.

If employment, by which we mean gainful employment, requires to be expanded, production must go up and production can go up only if what is produced is consumed. This means that, if consumption is restrained, employment cannot be expanded. This is particularly true of a country which is concentrating its energy and resources not on production of defence equipment but on raising the living standards of its people by utilising its latent resources. It is, therefore, essential that the tax system followed by such an economy should be such as not to curtail consumption. The call for austerity and tightening the belt in such an economy will be most inappropriate. Viewed from this angle, the increase in excise duties and the introduction of new excises which account for Rs. 17.70 crores of the Rs. 26.7 crores of new taxation is most ill-advised. It is true that imports of manufactured goods are being replaced by expansion of production within the country, that, as a result, the importance of import duties and export duties on raw materials as a source of revenue to the Government is declining, and that the loss of this revenue requires to be made good. This is the justification for relying more and more on excise duties, a justification fully endorsed by the Taxation Enquiry Commission. There is considerable force in this argument. But there is a limit and time for everything, and the pressing need for *more* revenue has to be reconciled with the equally urgent need for providing more employment. Our contention is that the Finance Minister and his mentor, the Matthai Commission, have not done this job well.

The increases in excises on cloth and sugar are so steep that they may lead to a fall in consumption, resulting in accumulation of stocks and, ultimately, decline in production. In any case, profits will be less, more especially in cotton textiles, and, to that extent, the income and corporation taxes payable by these industries will also decline. The Government, therefore, will not be able to have it both ways. The law of diminishing returns is not a myth. And it is not understandable why the Government should take such chances. It is needless to add that, when the law of diminishing returns operates, it causes considerable hardship to the community. The manufacturer will try to pass on the incidence to consumers and, when he fails to do so, he will try to cut into the cake of raw material producers. When he finds that this also is not possible, he will try to lower the quality of his production, in order to effect a saving in manufacturing costs. When he exhausts all these alternatives, he will work at a loss for some time in the hope of better days and, ultimately, think of curtailing production, with all its attendant evils on employment.

There are serious limitations on the ability of manufacturers of sugar and cotton cloth to pass on the full effect of the increase in excises. To take sugar first. As domestic production is short of consumption, the maximum selling price of sugar is determined by the Government by fixing a price for imported sugar. Already, the Government has reduced the margin that has been in favour of domestic sugar by a rupee per bag by not raising the selling price of imported sugar in proportion to the rise in excise duty. The sugar producer cannot offer a lower price for sugarcane, because of the minimum price for the raw material fixed by the Government. A good part of the increase in excise duty will, therefore, have to be borne by sugar manufacturers themselves. To some extent, the resulting fall in profit may be offset this season by an increase in production, provided the increased production can be sold, which is doubtful in view of the rise in prices. Fortunately for the sugar producer, as the Government, too, is out to make large profits on imported sugar, the selling price of imported sugar will not be reduced substantially. He may not, therefore, have to suffer much. But all this runs counter to the Government's declared policy of cheapening the price of sugar and encouraging consumption. If the Government has reversed this policy—Mr. Deshmukh says that he does not want sugar consumption to go up—then it should say so, so that one need not bother about raising sugarcane production, putting up new factories and expanding the existing ones. Mr. Deshmukh, perhaps, means that he does not want consumption of sugar to run ahead of domestic production. But this line of argument is fallacious, for consumption is not like tap water which can be had whenever one wants by opening the tap. It has to be developed by creating a taste for it and sustained by ensuring adequate supply of the commodity. In any case, why discourage expansion of sugar industry by putting more and more burdens on it, for, being an agro-industry, it is eminently suited for providing employment in those rural areas where the climate is suitable and irrigation facilities are available or can be made available?

The incidence of increased excise on cotton cloth will be more serious than on sugar. Even before the excise rates were increased, mills

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were finding it difficult to sell their production and a downward revision of selling prices was taking place. In these circumstances, it will be difficult for the mills to pass on this additional burden to consumers by a straight increase in prices. They may, therefore, try to shift at least a part of the burden on to the cotton grower, who has already been suffering from a sharp fall in prices. Some of them may also reduce the quality of cloth which is another form of making the consumer pay. The exact amount of this new burden on the industry must be more than the Rs. 9 crores estimated by Mr. Deshmukh. As a result of the change in the unit from linear yard to square yard and the reclassification of the varieties for levying the excise, the additional burden may easily be Rs. 15 crores, provided production is maintained at the current level. It may be further noted that the industry is being asked to bear this burden at a time when the volume of purchasing power in rural areas has appreciably shrunk owing to the fall in commodity prices and when export orders are slackening. During the first two months of this year, exports were only 126 million yards, as against 163.8 million yards in the same period of last year. The reduction in export duty on coarse cloth from 10 to 6¾ per cent. will no doubt lead to a slight improvement in exports, but the relief is meagre, especially because a substantial quantity of cloth hitherto exported as pseudo-medium without payment of duty has now come to be classified as coarse and will be liable to export duty. Unless, therefore, the Finance Minister revises the excise rates in a downward direction, the mills are likely to find themselves in a serious plight.

The extension of excise duty to a wide range of industries, such as woollen textiles, electrical goods, paints and varnishes, sewing machines, dry and storage batteries, and paper, may arrest their progress. Excepting, perhaps, paper, the rest of the industries have been struggling hard, with their production running below installed capacity. Many of these are new industries and deserve to be encouraged both as a source of employment and as consumers of power and raw materials. It was only last year that Mr. Deshmukh subjected, for the first time, cement, footwear, soap, and artificial silk to excise duties. The imposition of excise duties on new industries even before they are firmly established is not calculated to stimulate industrialisation. For, unless these new industries thrive, build up reserves and investors who participated in their establishment receive decent dividends, fresh capital will not be forthcoming for putting up more new industries. The State, therefore, will have to wait till these industries attain maturity and are able to yield luscious fruit. Till then, it will have to be content with whatever direct taxes that can be collected from them. It is definitely premature for the Finance Minister to tap such new industries as woollen goods, sewing machines, electric fans, electric bulbs, electric dry and storage batteries. They have suffered for a long time from consumers' prejudice and are just coming into the limelight. Another reason why they should not have been chosen by the Finance Minister is that most of these goods are subject to heavy sales tax. The increased direct taxes which the middle class have been called upon to pay may also adversely affect the market for them.

By stepping up the direct tax payable by assessees falling within the income range from Rs. 10,000 to Rs. 25,000, the Finance Minister has nearly offset the advantage which the middle class had just started getting by way of some relief in their cost of living. Now even this group is subjected to taxation at rates prevailing in most of the advanced countries. The progressive reduction of the earned income allowance on incomes in excess of Rs. 25,000, leading upto its virtual abolition at the income level of Rs. 45,000, has also the same effect. Similarly, the inclusion of the value of perquisites or benefits, whether convertible into money or not, received by salary earners drawing over Rs. 18,000 per annum and by directors of companies, in the income for assessment of tax, will also add to the burden of honest taxpayers, while it may be easily evaded by less scrupulous persons. There are ways and ways of evading the taxes within the four corners of the law and higher the incidence of tax the greater will be the tendency to evade. The introduction of an allowance for married persons is a welcome innovation long overdue, but the relief is so negligible that it is not worth mentioning, especially in the light of the increase in indirect taxes even on essential consumer goods. It must, however, be conceded that the relief given in the form of higher rebate on payment of premia on life insurance policies and subscriptions to recognised provident funds will mean something to the low-income middle class group. But it is not adequate for the middle class in the middle and upper income groups, in that it will not enable them to obtain sufficient cover to protect their families against unforeseen calamities, such as the sudden death of the breadwinner.

The main argument advanced by the Taxation Enquiry Commission in favour of taxing the middle class as noted above is to bring about "a reduction in the large measure of inequality that exists as between income-tax payers, in general, and the mass of the population." In other words, the Commission wants equality of incomes to be brought about by levelling down, instead of through levelling up. Here is a typical instance of the socialistic pattern of society being put into practice. But, ultimately, this method would only lead to distribution of poverty and eliminate the middle class, which produces *entrepreneurs* and the intelligentsia of the society and stands as a bulwark between democracy and communism. It is the existence of this class which provides a market for a variety of goods, such as motor cars, refrigerators, air-conditioning equipment, radios, sewing machines, etc., that is, goods that are the mark of a modern society and provide the basis for heavy industries planned by the Government and the private sector. Any restriction placed on this section of the society will mean a handicap to these modern industries. It is, indeed, surprising to hear from the Taxation Enquiry Commission that it is an exaggeration to say that higher taxation on the higher-income group acts as a disincentive to hard work. To describe this contention as exaggeration is a facile way of not wanting to face the economic truth. Here, we are, however, not concerned with theoretical niceties, but with the practical effects of levelling down incomes on the industries mentioned above. If this country is going to be a nation of small incomes, then it is idle to talk of and plan for large-scale durable goods industries. At best, such industries can thrive only with State patronage, which will finally end in serfdom for the people.

The only redeeming feature of the budget from the point of view of the need for expanding production and providing more employment is the introduction of 25 per cent. investment allowance on new plant and machinery. But, if full advantage of this facility is to be availed of by the existing industries, the Government's labour policy, in so far as it relates to modernisation and rationalisation of production, must be modified. The Government must be bold enough to tell labour that its opposition to these necessary improvements in the industrial set-up of the country must yield place to co-operation and willingness to face any hardship that may occur, albeit for a short period.

Our opposition to some of the budget proposals does not necessarily mean that we are completely opposed to all forms of additional taxation. Nor does it mean that there is no scope for such taxation. The reintroduction of salt duty, for instance, will have obviated the need for the direct taxation that has now been imposed on the already hard-pressed middle-class people. The grounds on which the Taxation Commission has opposed this tax are sentimental, if not political. Again, the abolition of prohibition will bring in a sizable amount of revenue, besides giving great relief to the police who, because of their preoccupation with enforcement of prohibition, are unable to devote their time to checking crime. Prohibition may be a desirable reform, but its introduction in a workable and more agreeable form can wait till the other pressing needs of the country are satisfied.

There is no need to feel alarmed over the large deficit-financing provided for in the budget, as a result of the increases envisaged in the developmental expenditure. In the first place, past experience shows that the Government may not be in a position to implement all the projects, for its machinery is still not fully geared for that purpose. And, secondly, the increased industrial and agricultural production, coupled with the ready availability of goods in overseas markets, can enable the country to absorb a large dose of created money without upsetting economic stability. Nevertheless, the authorities must take all possible care to check wastage of resources, to ensure that expenditure is incurred on productive projects and to prevent evasion of taxes which is still believed to be quite extensive. From this point of view, the various measures outlined by the Taxation Commission must be implemented expeditiously and vigorously.

THE BEGINNING OR THE END?

MR. R. A. Butler, Chancellor of the British Exchequer, has had to tighten his reins. This has not come as a surprise, for his gentle tug at the end of January failed to have any significant effect either on the stock markets in London or exchange rates abroad. The *Financial Times* share index which stood at 194 at the end of January climbed a further 3 or 4 points early in February. But the extra 1 per cent. on bank rate which has now been added to bring it up to 4½ per cent. puts it at a level not reached since the depression 23 years ago. The Chancellor seems well satisfied with the results—he has already declared that sterling is stronger (although the improved quotations have only been out for a couple of days) and that, while he is not prepared to prophesy, he thought the trade pattern was likely to become satisfactory.

But investors in Britain have been wondering whether the trouble was not entirely in the stock markets. They have seen shares fall nearly 9 per cent. in the past fortnight, tumbling from 196 on the *Financial Times* index on 11th February to 180 on 22nd February, showing a rally the next day, a nose dive on Thursday when the bank rate was put up, and then a small recovery at the end of the week. The institutional investors are not sure that the bottom has been reached. Evidently, they are holding off for the moment to watch the trends.

The higher bank rate was accompanied by a severe restriction both of hire-purchase business and of the finance extended to the companies who give consumer credit. No wonder the Opposition in the House of Commons derided the Chancellor for reversing his previous liberalisation policy—it was too *good a political* point to miss. Yet nothing could have been less fair, for the Chancellor was doing precisely what Mr. Gaitskell (Labour's ex-Chancellor) would have done in his place; "Butskellism," as by-partisan economic policy is called, has come into its own.

There are, according to our London correspondent, bound to be further repercussions on the domestic market. The big catering firms have found business nearly 10 per cent. worse this February than a year ago and a large section of the retail trade has found it some 5 per cent. worse. The exceptions have been the furniture firms and those making radio and television sets, household and electrical goods, motor cars, and other consumer capital goods. It is this sort of spending which the Chancellor is hitting at by his hire-purchase restrictions, though he is being criticised on the grounds that the wiping-out of stock market paper profits should have been sufficient to restrain credit spending. A great deal of such spending is, however, by people who do not invest, and the Chancellor wants to see them added to his army of new savers. He has asked for two million new savers in a nation-wide advertising campaign and so far he has got 1¼ million. As for the goods which the new savers are going to be discouraged from buying, he wants to see them being sold overseas. For it is in the trade balance that the Chancellor's real concern lies. He has seen an active balance diminishing and sterling becoming weaker both in the regular market and in the transferable market. He is now not content to let the raising of bank rates do its work in strengthening the £ by bringing short-term funds to this country for investment in the money market. These funds have already begun to move in but they are too flighty to give the Chancellor the security he demands. He is, therefore, intervening through the exchange equalisation fund to buy not only regular sterling but transferable account sterling as well.

Such a move could be the first step to convertibility, but, in any event, purchases of sterling offered in the market in excess of demand will draw away the gold reserves, unless the factors making for such excess offerings are removed. Too much should, therefore, not be read into the convertibility aspect of the Bank's new excursion into the transferable account field. The real point is that the Chancellor wants to see confidence restored in the overseas strength of sterling and he wants to see the trade balance becoming active once again. The whole policy is as logical and neat a bit of economic control as his political opponents could have devised. It is true that he has abandoned the principle of complete economic freedom at home, but he has recognised that this is not compatible with steering the economy the way it has to go in the interests of a healthy balance of payments.

SOME HIGHLIGHTS OF TAXATION ENQUIRY COMMISSION'S REPORT

BUDGET WELL RECEIVED BY SPECULATORS

THURSDAY, 5 P.M.

MARKET GOSSIP

EXCEPTING for the heavy increase in the excise duty on mill-made cotton cloth and the totally *unexpected* addition to sugar excise, the Central budget for 1955-56 does not contain any painful surprises. To this extent, therefore, the budget has been in accordance with market expectations. Indeed, the budget contains one or two pleasant surprises for the market, namely, the introduction of a development rebate to the tune of 25 per cent., the carry forward of business losses to unlimited period, the restoration of the right to adjust losses on speculation against the gains on business and the increase in the *limit for* rebate allowed for payment of premium on life assurance policies and subscriptions to recognised provident funds. These features of the budget, coupled with the provision for deficit finance to the tune of Rs. 320 crores in the next 12 months, *have imparted* some strength to the market. Most of the equities, except cotton textiles, have registered modest *gains* over the levels prevailing just before the presentation of the budget.

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It will, however, be quite misleading to say that the budget has brought about enthusiasm among *genuine investors*. Much of the rise in prices that has taken place has been confined to leading speculative counters, especially to Tata Steel Ordinaries and Indian Irons. Lest Mr. Deshmukh should make great play of the *rise in equities* in Parliament *and approvingly* quote it as an indicator of the reactions of business men and investors to his budget, the *real factors* responsible for the buoyancy of the market must be clearly stated. As already stated, the rise is due mainly to the technical *position* of the market. Before the budget, a prominent operator had sold short, according to knowledgeable circles in the market, several *lakhs of* Indian Irons and quite a few thousands of Tata Steels. Just on the *eve of* the budget a powerful *group* of speculators entered the market as bulls with the object of squeezing the bear. The bulls entered the ring in the hope that *Mr. Deshmukh* would not introduce a soak-the-rich budget. And Mr. Deshmukh has obliged them. He has not *done* anything to worsen the position of the private sector, though he has not done much to strengthen its hands *either*. Emboldened by this *development*, the bulls are after the blood of the bear. Their plan seems to be to absorb whatever floating *stocks are now* available of both the steel scrips and then pounce upon the bear. In order to create an impression *of buoyancy*, they have also *been buying* some of the other popular counters, too. Once the bear is hounded out and the short position gets squared, *the market* will become hollow and, perhaps, a part of the gains now seen may be wiped out.

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The new taxation proposals are not conducive to the growth of individual savings. On the contrary, the *heavy excise* duties on essential con*sumer* goods and the increase in personal taxation will lead to a reduction *in these* savings, unless the employment position in the middle class section of the population improves perceptibly. The chances for *this are* limited and the progress will *be very* slow. The amount available for investment in equities, *therefore*, is unlikely to show any *significant* expansion. But it must be said that the "development rebate" provides a good incentive to the *development* of industrial enterprise. *This rebate*, amounting to 25 per cent. of the cost of plant and machinery, is allowed as a deduction from the *assessable* profit for the purpose of taxes in respect of new plant and machinery installed in a business after 31st March, 1954, whether the busi*ness itself* is old or new. This "development rebate" is similar to the "investment allowance" given in the United Kingdom, and is in lieu of the *initial* depreciation otherwise available under section 10(2)(vi) of the Income-tax Act in respect of new plant and machinery. The development rebate materially differs from the initial depreciation allowance, in that (i) the allowance is to be made at a higher rate, that is, 25 per cent., instead of at 20 per cent., (ii) the allowance will not be taken *into* account in computing the normal and double depreciation allowances which will continue to be available for the new assets in addition to the development rebate, (iii) the development rebate will not also be taken into account for computing *the* maximum amount of allowances admissible or the balancing charge under section 10(2). The *rebate* is admissible only in cases of *businesses* and not in other cases to which initial depreciation allowances will continue to be available.

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It will be interesting to note here that, though the Taxation Enquiry Commission advocated the "*development* rebate" to be extended only to *select* industries, the *Government* has made it applicable to *all* industries. Since the rebate is allowed as a deduction from the profit, no *deferred* taxation is involved here. It should be particularly welcome to electricity companies which have been *fighting* in vain with the Government for a special element to be *included* in the standard rate of *return on* capital employed for the *deferred* tax liability arising under the system of initial depreciation allowance.

Following the aforesaid concession, the speculators have been concentrating their attention on the shares of those companies, *such as* T.I.S.Co., I.I.S.Co., and A.C.C., which have got large expansion programmes.

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The string of dividend and profit announcements of textile mills for 1954 made this week shows that their performance during the past year was not so bad as in the case of the mills that announced their results earlier. Thus, the Standard Mill has maintained the dividend at Rs. 20 per share; its profit amounts to Rs. 29 lakhs (after providing for increased dearness allowances for 1953 and 1954 and additional bonus for 1952, in terms of the L.A.T. award), as against Rs. 38 lakhs for 1953. Arvind Mill also has repeated the dividend at Rs. 25 per share, with a final distribution of Rs. 17-8; its gross profit is about Rs. 67 lakhs, as against Rs. 71.42 lakhs for the previous year. The Gokak Mill has declared a *dividend of Rs.* 13 per share on an increased capital raised by a 1 : 4 bonus issue, as against Rs. 17 per share for 1953. The profit of the mill (after providing for the managing agents' commission) is said to have dropped from Rs. 16.35 lakhs to Rs. 14.63 lakhs. The distribution to shareholders of the Bombay Dyeings has, however, been pruned from Rs. 22-8 to Rs. 20 per share, by withholding the bonus part (Rs. 2-8) of the final disbursement—the interim dividend having been maintained at Rs. 7-8 per share. The Century Mill, on the other hand, has maintained the distribution for 1954 at Rs. 22 per share, with a final dividend of Rs. 14 per share. The Company has earned a gross profit of Rs. 87.17 lakhs, as against Rs. 96.82 lakhs for 1953. The directors have provided Rs. 3.08 lakhs (as against *nil* in the previous year) for managing agents' commission, Rs. 12 lakhs (Rs. 12.50 lakhs) for depreciation and Rs. 29.50 lakhs (Rs. 32.5 lakhs) for taxation, but they have not transferred *anything* to the reserves which had received Rs. 20.24 lakhs in the previous year. The dividend absorbs

EFFECT OF BUDGET ON SHARES

Scrips	Closing on 24-2-1955	Pre-budget closing 28-2-1955	Lowest after budget	Closing on 3-3-1955
Steel	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Tata, Ordy. ..	232 4	236 0	228 12	237 12
Indian Iron ..	33 7	34 8	33 11½	35 1
Textiles				
Bombay Dyeing ..	468 12	470 10	460 0	461 4
Century ..	365 8	356 12	358 0	372 0
Central India ..	128 8	124 0	126 8	127 0
Finlay	248 0	248 0	244 8	249 0
Gokak	223 0	223 0	222 0	227 0
"Indu" Defd. ..	1 6	1 5½	1 5½	1 6
Ordy. ..	11 0	10 14	11 0	11 14
Kohinoor ..	318 4	314 8	307 0	311 4
National Rayon ..	191 12	192 12	198 0	204 8
Simplex	144 8	144 0	143 0	145 0
Swadeshi	198 0	194 0	188 0	188 8
Miscellaneous				
A.C.C.	171 12	172 8	171 0	178 4
Belapur	315 0	320 0	315 0	323 0
B. Burmah (F.P.) ..	446 14	445 0	441 4	450 6
Central Bank ..	52 4	52 0	52 0	52 8
I. I. C.	7 11	7 8	7 1	7 6
New India	58 8	58 8	57 0	58 8
Scindia	15 13	15 10	15 6	15 9
Tata Oils	43 0	43 0	42 4	42 12
Wimco	207 8	201 14	201 4	205 0

Rs. 24.07 lakhs, leaving to be carried forward Rs. 31.33 lakhs, as against Rs. 12.81 lakhs brought in.

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The report of the Taxation Enquiry Commission, the general recommendations of which are summarised elsewhere in this issue, will, as the Finance Minister pointed out, "deeply colour and affect taxation policy for some time to come." There are many specific and detailed suggestions in the Report which, when they are implemented, are bound to affect one way or another *all taxpayers*. As far as income-tax is concerned, the Commission has made many important suggestions of far-reaching significance to company finance. One such is, of course, the grant of "development rebate" for new industries which figures as part of the latest budget proposals.

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An important question which baffles many an assessee, and on which, if he is an honest taxpayer, he probably feels that the authorities are not always just towards his claims, is the determination of the quantum of income for tax purposes. On this question, the Commission has made several important suggestions. It recognises that it is difficult to give a succinct and workable definition of income. It has, however, suggested that the premium on leases, sale proceeds of patent rights and copyrights, compensation received for termination of managing agency agreements or similar business agreements and compensation for loss of employment should be made chargeable to income-tax. The Government has accepted this recommendation and a suitable provision has been made in the Finance Bill. The Commission has further advocated the taxation, at a special rate, of certain casual benefits, such as lottery prizes. The distinction between agricultural income and non-agricultural income, it is pointed out, should be given up. This suggestion is of interest to plantation companies and sugar *companies* which grow their own cane. It has, however, advocated preferential treatment of irregular and fluctuating receipts such as (a) income of single picture producers, (b) interest on long-term cash certificates issued by banks, and (c) income from *nidhis* and chit funds. The Commission has suggested that the income-tax authorities should be specifically empowered to question the reasonableness of the remuneration paid to employees who are relations of the management.

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Many disputes arise over the scope of admissible deductions for computation of income. In this connection, the Commission has suggested that the cost of acquisition of patent rights and copyrights, premium on leases, legal costs and other expenditure in connection with the acquisition of a lease for a period exceeding one year and cost of collecting securities and dividends should be treated as admissible deductions. Similar relief is recommended for any sum paid to a university, or college or any other approved institution. This recommendation, too, seems to have been accepted by the Government to a substantial extent.

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The Commission has generally accepted the Indian mineral industry's case for tax relief. Accordingly, it has recommended that the mineral industry should be permitted to charge against profits such items of expenditure as (a) capital expenditure incurred for acquiring minerals or the rights to work minerals, (b) expenditure on successful exploration, (c) expenditure on development of mines and (d) cost of the buildings, plant or machinery used for exploration or mining purposes. Expenditure on tangible assets should be admissible for depreciation and that incurred on intangible assets should be amortised. In order to prevent the abuse of these concessions, the Government, in consultation with the Bureau of Mines, should consider the desirability of imposing maximum limits for each industry beyond which expenditure on exploration would not be allowed. There is justification for tax incentives for mineral industries but they should be restricted to selective minerals and limited to undeveloped minerals or to those which are in initial stages of development or the development of which is considered essential for economic or strategic reasons. The concessions, it is further recommended, might also be confined to concerns which undertake to convert the minerals into finished or semi-finished products before export. Many mining companies—gold mining companies, for instance—face the difficulty of mining certain uneconomic ores. In this connection, the Commission has recommended that the extraction of lower grade ores might be encouraged by a rebate in income-tax based on the tonnage of sub-economic grades of ore mined in a year. No general rule for this purpose can be laid down, and each claim will have to be assessed separately. The Commission, however, does not favour the grant of depletion allowance to mineral industries, whether it is based on discovery value or on percentage or gross or net profits, in view of the fact that it has already recommended the amortisation of a large proportion of capital expenditure incurred by mineral industries. It has also suggested that the mineral industries should, subject to certain specific conditions, be eligible for the development rebate which it has recommended for industry in general.

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Insurance companies will accord a mixed reception to the Commission's recommendations. The Commission has held that the present practice whereby the tax-free portion of the valuation surplus—that is, the surplus reserved for policyholders—is limited to 80 per cent. of the surplus is fair and no further increase in this proportion is necessary. Nor does it advocate any change in the existing procedure which applies to life insurance business assessed on the "external incomings" basis. No further tax concessions in favour of mutual life insurance companies, according to the Commission, are called for. This represents the *status* quo part of the Commission's recommendations. Some changes have, however, been recommended. The present exemption of the profits of co-operative insurance business, the Commission says, should be withdrawn. The Government has accepted this recommendation and the necessary amendment has been introduced in the Finance Bill. This is bound to cause regret in co-operative circles. General insurers will welcome the Commission's two recommendations in respect of their business. In the first place, the Commission has recommended that companies carrying on general insurance business should be allowed to add five per cent. of their annual premia to the reserves every year free of tax, until the reserves reach 75 per cent. of the annual premia in respect of fire and miscellaneous business, 100 per cent. in respect of marine cargo business and 150 per cent. in respect of marine and aviation hull business. Secondly, the Commission has recommended that transactions of re-insurance placed by Indian insurers with insurance companies abroad should not be taken to establish a "business connection" within the meaning of section 42 of the Income-tax Act, and that the profits arising from such business should not be subject to tax. It is recognised that such taxation will make foreign re-insurance companies reluctant to accept re-insurance from India. In recommending the grant of exemption to such income, the Commission observes that no amendment of the law is necessary to give effect to the recommendation, for such exemption could be secured by the issue of suitable executive instructions.

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No credit is now given in respect of corporation tax in respect of the income of the shareholder. This, according to some spokesmen, constitutes double taxation of the same income. The Commission has held that there is no substance in this contention. This is because the Courts in India and in the U.K. have held that the company is not an agent of its shareholders. Apart from this legal aspect, the company is also a separate economic entity, the shareholders "resembling less an *entrepreneur* and more a lender of money." The Commission holds that so far from there being a case for the refund of the corporation tax, there is actually justification for scrapping the existing

(*Continued on page* 443)

SHARE MARKET CHEERFUL

REACTION TO BUDGET FAVOURABLE

(From Our Own Correspondent)

BOMBAY, *3rd March*

BARRING the one-hour Budget session on *Monday evening*, the week under review witnessed generally cheerful conditions on the Stock Exchange. In the special session on Budget day, the market reacted bearishly to the first thoughts on the Finance Minister's Budget proposals, as it was not able to make out clearly the net effect of the proposals on industries. In the subsequent sessions, however, equities staged a notable recovery. This was because, on second thoughts, the Budget was interpreted bullishly, and the speculative activity which followed lifted share values. Closing quotations on balance revealed sizable gains over a wide front.

In the pre-Budget trading, the opening day of the week under review was marked by restricted business, due to lack of fresh incentive and the raising of the British Bank rate. Fluctuations in prices were confined to a narrow range. In the following sessions prior to the Budget, however, sentiment became more cheerful, and prices advanced under the lead of steels. Factors such as heavy buying in steel shares, particularly by Calcutta operators, absence of any new tax measures in the Bombay Budget and expectations of a reduction in export duty on cloth all helped to bolster up the sentiment.

The trading during the Budget session was characterised, as stated at the outset, by a minor landslide on initial disappointment over the Budget *proposals*. The additional excise duty on cloth, the increase in excise duty on sugar and the imposition of new excise duties on a host of other articles, the levy on income-tax on entertainment and other allowances drawn by people with income over Rs. 18,000 per annum and the lowering of the super-tax limit were some of the proposals in the Budget which induced nervous selling. The favourable features of the Budget, particularly those relating to industries, would appear to have been overlooked by the market. In the result, the earlier gains in most of the counters were more than wiped out.

The reactionary trend was, however, reversed on the subsequent day, as the market regained confidence on a review of the Budget proposals which were found favourable to industries, particularly those which have expansion programmes. Advices from Calcutta, which did not react unfavourably to the Budget, were helpful in sustaining the bullish *sentiment*. Thus, the development rebate of 25 per cent. allowed on the cost of new plant and machinery installed for business purposes, in place of the present depreciation allowance of 20 per cent., is considered helpful to such companies which have large expansion programmes, such as the two main steel companies, cement industry, rayon industries and some cotton textile mills, such as Bombay Dyeing and Century. Another important concession given to new industries is the carry forward of losses in business indefinitely instead of for six years as at present. The cut of 6¼ per cent. in export duty on cotton cloth is also welcomed. The aforesaid favourable proposals had a bracing effect on many scrips. The inflationary aspects of the deficit financing also induced bullish sentiment. Consequently, activity broadened considerably and sizable advance in prices was recorded over a wide front. Towards the close, however, the disappointing dividends of some textile mills resulting in a sharp setback in these shares and the approach of settlement day induced some caution and, as a result, equities finished below their best levels.

Sectionwise, steel shares gave a lead to the market under a spell of heavy speculative activity. After an initial mild reaction from Rs. 232-4 to Rs. 230-12, Tata Ordinaries advanced to Rs. 236 on the eve of the Budget, but retreated to Rs. 230 during the Budget session. Renewed speculative buying and heavy short-covering, however, lifted them up to Rs. 238-12 before finishing the week at Rs. 237-12. Indian Irons moved up from Rs. 33-7 to Rs. 34-10 on Saturday, but dropped to Rs. 33-15 in the Budget session. Opening still lower at Rs. 33-11½ on Tuesday this week, the scrips rallied to Rs. 35-4½ *today*, but closed at Rs. 35-1.

The textile section, however, presented a mixed pattern, with some of the leading counters showing losses on disappointing corporate news. Bombay Dyeings advanced early in the week from Rs. 468-12 to Rs. 480. Though the shares were marked down to Rs. 457-8 at the close of the Budget session, they subsequently almost recouped the loss with a spurt to Rs. 477-8 yesterday. This was due to the expectation that the Company would benefit from development rebate and that it would issue bonus shares. However, disappointment over the absence of any announcement about the bonus issue and the cut in final distribution for the year ended 31st December, 1954 from Rs. 15 per share to Rs. 12-8 per share, caused a reaction to Rs. 461-4 at the close today, thus resulting in a net loss of Rs. 7-8 over the week. After moving up from Rs. 318-4 to Rs. 319-12, Kohinoors dropped to Rs. 307, reflecting partly the disappointment over the results for 1954 and partly the budgetary reaction. There was, however, a sizable recovery to Rs. 318-8, but the shares fell back to Rs. 311-4 at the close. Centurys displayed remarkable strength, despite the setback during the Budget session, and finished with a gain of Rs. 6-8 at Rs. 372. Central Indias were lower on balance by Re. 1-8 at Rs. 127. Finlays were marked up by a rupee to Rs. 249, Gokaks by Rs. 4 to Rs. 227, Indu Ordinaries by As. 1½ to Rs. 11-1½ and Khataus by Rs. 3-7 to Rs. 158-12. New Greats showed no change, on balance, at Rs. 157.

Bank shares were featureless, but the general undertone was steady. Barodas were unchanged at Rs. 102-8, Centrals gained a fraction to Rs. 52-8, while their New shares were held at Rs. 53-4. Imperial Fully Paids changed hands Rs. 13-8 lower at Rs. 1,377-8, while their Partly Paids held their own at Rs. 390. Bank of Indias put on a fraction to Rs. 149, while United Commercials shed As. 4 to Rs. 43-12.

Electricity shares were buoyant on favourable budget proposals. Ahmedabad Electrics were in good favour and rose by Re. 1-4 to Rs. 115-3. Surat Electrics also gained Re. 1-4 to Rs. 126-4. Bombay Suburbans were, however, unchanged at Rs. 127-8. Tata Hydros put on a fraction to Rs. 147 and their New shares were taken up Re. 1-8 higher at Rs. 112-8. Tata Powers hardened by *Rs. 13-12 to* Rs. 1,513-12 and Andhra Valleys by Rs. 7-8 to Rs. 1,412-8.

In the miscellaneous section, sugar shares were buoyant, despite the increase in excise duty. Thus, Belapurs stood Rs. 8 better at Rs. 323. Phaltans rose by Rs 6 to Rs. 120-8 and Walchandnagars by Re. 1-4 to Rs. 226-4. Among cement shares, A.C.Cs. were concerned in heavy speculative buying and rallied from Rs. 171-12 to Rs. 178-4. Digvijays, on the other hand, dropped Rs. 4-4 to Rs. 169-8. Fractional changes were noted in shipping shares Scindias were lower by As. 4 at Rs. 15-9, while India Steamships put on As. 4 to Rs. 7-12, as also Great Eastern Shippings to Rs. 16-12. Engineering scrips were firm, Alcocks moving up by Rs. 2-8 to Rs. 292-8 and Premier Constructions by Rs. 3-12 to Rs. 157-4. Among mining shares, Indian Coppers scored a gain of As. 11 to Rs. 3-8½, Shivrajpurs As. 8 to Rs. 78. In the other miscellaneous industrial group, Bombay Burmahs were prominent with a rise of Rs. 12-8 to Rs. 459-6. National Rayons advanced by Rs. 12-12 to Rs. 204-8 on strong speculative support.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, *2nd March*

Although industry and trade were expecting some unwelcome surprises in the budget proposals, business and trade circles were not certainly prepared for the plethora of new taxes, the news of which was unfolded by Mr. C. D. Deshmukh on Monday this week. At the special budget session held on the Calcutta Stock Exchange on Monday night, prices were held steady. For, sufficient time had not been allowed for market men to study and assess the effect of the new proposals. Subsequently, it was held that the budget did not increase the burdens in direct taxation on joint-stock companies, and on Tuesday and today conditions were steady, with prices registering fractional gains. The new slab system did not reveal any increase in the export tax on tea, and to this extent tea shares continued to attract both speculative and investment funds.

Due note has been taken in the market of the Finance Minister's statement that Government did not have sufficient time to examine the Taxation Enquiry Commission's report in greater detail, that the budget incorporates only some of the recommendations of the Commission, and that other possibilities arising from the recommendations would be considered and introduced in Parliament in the form of amending Bills from time to time in the light of economic and budgetary considerations. The market has, therefore, lost no time to note that further burdens on industry and trade are in store. Mr. Deshmukh is emphatic that he will look to the products of organised industries in the country to replace the loss from customs resulting from the replacement of imported manufactured goods by indigenous production. This means that excise duties on more varieties of industrial production can be introduced at any time. The excise duties now proposed may be passed on to consumers, but sales would be affected by possible consumer resistance to the higher prices. For, the variety of new taxation proposals is such that they are bound to increase the cost of living. The welcome feature for industry is the 25 per cent. rebate to be allowed on the cost of all new plant and machinery, which, however, replaces the existing provision of 20 per cent. as depreciation allowance. The provision to carry forward losses indefinitely instead of six years only as at present, is also a good feature of the budget.

Trading was lively in teas throughout the week. After the budget was announced, interest widened as the slab system of duty on tea exports did not amount to an increase in the existing levy. Tezpores were raised to Rs. 36-14 from Rs. 34-6 which was the rate in Monday's pre-budget session. At Rs. 407, Hantaparas picked up 32 points. Carrons hardened to Rs. 295 from Rs. 278, and Sonai Rivers to Rs. 24-8 from Rs. 20-8. Good support was accorded to Juttibaris which, as a result, spurted to Rs. 28-2 from Rs. 25-12. From Rs. 582, New Dooars improved to Rs. 608. Central Cachars were favoured at Rs. 164 at which rate the addition was by Rs. 12.

In the engineering section, Indian Irons opened at Rs. 33-6 and were held at that level up to the week-end. On Monday, the quotation gained to Rs. 34-6 and a further As. 6 was gained at the special session the same night. Yesterday's opening was lower at Rs. 33-3 but subsequently the quotation gained to Rs. 34-6. Today, a further support lifted the rate to Rs. 34-15. Jessop & Cos. were in better form at Rs. 35-2 as were Texmacos at Rs. 16-2.

British India Corporations were extremely quiet at Rs. 7-3 and this was due to the announcement of dividend of one anna only. The improvement in Rohtas to Rs. 22-12 from Rs. 22-5 was only temporary, as a recession to Rs. 22-5 followed the budget. Indian Cables were quiet at Rs. 23-8 but rose to Rs. 23-15 today. Nicros were dealt with at rates varying from Rs. 22-1 to Rs. 22-12.

Jutes were featureless, and unless a better relationship is established between the goods and the fibre, the industry has to be content with meeting a diminishing market for its output, at least as far as the dollar area is concerned. Nationals eased to Rs. 32-5 from Rs. 32-8, while Champdanies at Rs. 171 were better by two points.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, *1st March*

Only a few favourites on the Madras Stock Exchange came in for support during the week under review. The rest of the scrips disclosed narrow fluctuations in prices. This trend was in evidence particularly in the textile section. It was due to the fact that, while the Government reduced export duty on coarse cotton cloth, it imposed at the same time the levy on pseudo-medium cloth of certain varieties. The changes in the levy of excise duty also acted as a deterrent factor on trading in textiles. Some selective buying, however, lifted the values of several popular counters in this section. So far as the planting section was concerned, the after-effects of the reduction in export duty on coffee appeared to have had a negligible influence on coffee scrips. The performance of teas and rubbers was not encouraging, as the shares had not still recovered from the effects of the proposed agricultural income-tax. Miscellaneous shares experienced sporadic support and gathered modest gains, while a few others recorded fractional losses. The undertone was quietly steady.

In the textile section, Ashers put on Rs. 10 to Rs. 140 and Bangalore Woollens Rs. 3 to Rs. 415 *cum-div.* Dhanalakshmis rallied Rs. 4 to Rs. 314 *cum-div.* and Vijayakumar Rs. 2 to Rs. 95 *cum-div.* Vijayalakshmis improved from Rs. 80 to Rs. 89. Lakshmis, Rs. 50 paid-up, were better by Re. 1 at Rs. 135 and 'A' (Rs. 10 paid-up) by As. 8 at Rs. 67-8. Buckinghams, however, lost Re. 1 to Rs. 150 and Rangavilas by Re. 1-8 at Rs. 60-8.

Teas, among plantings, were generally easy. Coorg Teas eased from Rs. 9-11 to Rs. 9-4, Hulleyburias from Rs. 28 to Rs. 27-8. Nonsuch Teas were lower by As. 4 at Rs. 34 and Talyars by As. 5 at Rs. 14-5. Blue Mountains lost an anna to Rs. 3-10 and Devasholas As. 4 to Rs. 25-8 *ex-div.*

In the rubber section, Kallas receded by an anna and a half to Rs. 5-6½ and Teekoys by As. 8 to Rs. 8-4. Valkundams declined from Rs. 23 to Rs. 22-14. Be Des, however, rallied an anna to Rs. 4-4 and Nenmenys As. 6 to Rs. 12-6. Rajapore disclosed a gain of As. 4 at Rs. 14-12 and Travancore Rubbers Re. 1 at Rs. 18-4. Malankaras were quiet at Rs. 23-2 and Thirumbadis at Rs. 2-0½.

Among miscellaneous scrips, Bruntons gained As. 8 to Rs. 6-10 and Mysore Chemicals and Manufacturings As. 4 to Rs. 16-12. Textools improved from Rs. 100 to Rs. 103. F.A.C.Ts were better by an anna at Rs. 5-2 and India Cements (Ordinary) by As. 2 at Rs. 20-10.

Notice

THE COCHIN STATE POWER AND LIGHT CORPORATION, LIMITED

(Incorporated in Travancore-Cochin State)

Registered Office:
CABLE HOUSE,
70 Ft. Road, ERNAKULAM

Branch Office:
20, Second Line Beach,
MADRAS-1

INTERIM DIVIDEND ANNOUNCEMENT

THE DIRECTORS HAVE DECIDED TO PAY an Interim Dividend of 5 per cent. per annum or 7 As. and 6 As. per share (free of tax) on Rs. 10 and Rs. 7-8 respectively paid-up shares for the year 1954-55.

The Dividends will be paid on 1st April, 1955, to those shareholders whose names stand on the Register of Members on 20th March, 1955.

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

1st March, 1955.

NEWS IN BRIEF

THE quantity of gold seized by Customs officers during 1954 was 98,472 tolas and 29 prosecutions were launched in this connection.

Of the total cane production in India, about 25 per cent. is used for manufacturing crystal sugar, 55 per cent. for *gur* and 3 per cent. for *khandsari*.

During the first nine months of 1954-55, the Central Government gave Rs. 19,06,300 as grants and Rs. 83,71,890 as loans for the development of small-scale industries.

The consumption of yarn by the handloom industry in India during the first ten months of 1954 amounted to 78,000 bales, as against 73,000 bales in the whole of 1953.

India has improved upon the Japanese method of rice cultivation in several respects. A number of countries have asked India for literature, information and films on the subject.

The Government of India has announced further grants aggregating Rs. 5.5 lakhs and loans amounting to Rs. 2.5 lakhs for the development of handloom, cottage and small-scale industries.

The total amount of compensation expected to be paid to the various air companies, which are nationalised, is about Rs. 6 crores. The estimates have now been worked out and sent to the companies to see whether these would be acceptable to them.

The Geological Department will investigate and verify a report that large quantities of gypsum are found in Bilaspur District, Madhya Pradesh. The availability of gypsum will make the proposed establishment of the fertiliser factory in the State a better business proposition.

India imported about 800,000 tons of foodgrains during 1954, as against 2 million tons in 1953, 3.9 million tons in 1952 and 4.7 million tons in 1951. The stocks of foodgrains with the Central and State Governments as at the close of 1954 amounted to 1.5 million tons.

The Madhya Pradesh Government's Bill introducing multi-point sales tax in place of the existing single-point tax, proposes to impose a uniform rate of Re. 1-4 per cent. at every change of hand of goods. Sales tax on motor cars will, however, be Rs. 3 per cent. and on bullion As. 8 per cent.

India exported 6,930 tons of rice and paddy during the latter half of 1954. They were exported to Mauritius, the Fiji Islands, the U.K., Saudi Arabia, Sudan, Ceylon, Kenya Colony and Aden. During last year, India imported 800,000 tons of rice, wheat and milo from Burma, Australia and the U.S. During the same period, India imported 733,580 tons of sugar valued at Rs. 53.28 lakhs.

The scheduled and non-scheduled air services in India flew about 12 million miles, carrying 281,611 passengers and 4.6 million lbs. of mails during the six months ended 30th June, 1954, as against 11.7 miles flown, and 232,157 passengers and 4.5 million lbs. of mails carried in the previous half-year. There was a slight drop in the freight carried from 82.5 million lbs. in the half-year ended 30th December, 1953 to 82 million lbs. in the first half of 1954.

The Government of India has raised the price of imported sugar by Re. 1 per maund with effect from 1st March, 1955. The increase in price has been effected in view of the increase in the excise duty on sugar from Rs. 3-12 to Rs. 5-10 per cwt., with effect from 1st March, as also in the customs duty from Rs. 11 to Rs. 13 per cwt. Thus, the revised *ex*-dock price of British refined sugar, Rs. 142 maund and that of Cuban sugar Rs. 30 per maund. German sugar and French sugar is Rs. 30-8 per

The Ninth Annual General Meeting of the Indian Confectionery Manufacturers' Association, Calcutta, will be held in New Delhi on 20th March, 1955. Mr. Brahma Swarup, the President of the Association, will preside over the meeting. Besides a review of the developments in the confectionery industry during the outgoing year, the meeting will also take up for consideration certain important resolutions having an important bearing on the future development of the industry.

The Indian telephone industry is exploring the position in Ceylon, Burma and Indonesia to see if a market for its products can be established. The agreement with the Automatic Telephone and Electric Co., Ltd., already provides for the export of the products to Ceylon, Pakistan and Burma, as well as the supply of Indian equipment to Indonesia. If it is found that India can establish a market in any other country, the question of obtaining the Company's concurrence to the export of telephone equipment to that country will be considered.

The Government of India has decided to allow the export of a small quantity of cotton seed oil for export from all ports upto the end of April, 1955. Exports will be allowed by crushers of cotton seed oil on shipping bills on production of evidence of firm sale contract, cess paid and freight booked, subject to a maximum of 300 tons by each crusher. Details of licensing procedure are being notified by the licensing authorities at the ports. The Government has also imposed an export duty of Rs. 60 per ton on cotton seed oil.

The Twenty-second Annual General Meeting of the Indian Sugar Mills Association, Calcutta, will be held in New Delhi on 19th March, 1955. Mr. Gulabchand Hirachand, the President of the Association, will preside over the meeting. Besides a review of the various important developments in the sugar industry during the outgoing year, it is understood that certain important resolutions having a vital bearing on the industry, such as measures for increasing the production of sugar, intensification of cane development work, etc., will also be taken up for discussion. The meeting will be inaugurated by Mr. Ajit Prasad Jain, Minister for Food and Agriculture, Government of India.

India drew $12 million from the sterling area's dollar reserves during 1954 for meeting its obligations in the dollar area, whereas, in 1953, it made a net contribution of $15 million to the reserves. This was due to the fact that, during 1954, India made a special payment of $47 million to the I.M.F. to repurchase a part of its currency from that organisation. The Government of India's intention was to repurchase from the Fund the equivalent of $72 million out of the total of $100 million it had purchased from it in 1948. The Government expects to make a further payment of $25 million this month, leaving an outstanding balance of about $28 million, which will not involve payment of any interest charges.

The question whether the exploitation of the Korba coalfields in the Madhya Pradesh should be undertaken by the private sector or the public sector, if in the latter case, whether by the Central Government or by the State Government, is still undecided. The Madhya Pradesh Government wants to work it as a State enterprise, while the Central Government wants to work a section (an area of 10 miles only) of it as a Central Government concern. Meanwhile, the Vice-President of the Madhya Pradesh Mineral Industry Association has called upon the Government to clarify the position of the private sector, which has been granted prospecting and mining leases. He has also drawn attention to the statement of Mr. K. C. Neogy to the effect that no question of socialising the future coal mining operations has been referred to the Planning Commission.

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From Abroad

The U.S. Department of Agriculture has decided to support the 1955 U.S. cotton crop at 90 per cent. of parity for middling cottons and at 75 per cent. of parity for extra long-staple cotton.

The Tanganyika Government has abolished the tax on coffee with effect from 23rd February last, consequent on the present low price level of the commodity. It was only a few days earlier the tax was reduced.

The United States has made available $7.2 million for technical aid to Indonesia during the current fiscal year. The expanded programme for this year includes $1.5 million for a special malaria control project and $5.7 million for increasing food production, improving public administration, and raising living standards.

In a bid to develop overseas markets for its products, Japan is expected to spend on export promotion 1,000 million yen (£986,000) during the fiscal year 1955-56, as against 310 million yen (£305,000) spent in 1954-55. The Finance Ministry is likely to reduce taxes on incomes from export trade and grant concessions for the export of plant and equipment.

The River Plate and Brazil Conference, which includes in its membership all carriers operating regularly from the U.S. and Canadian Atlantic ports, and the U.S. Gulf ports to east coast, South American ports in Argentina, Brazil, Paraguay and Uruguay, has announced an increase of about 10 per cent. in southbound freight rates with effect from 1st May, 1955.

The Italian Government proposes to introduce a Bill designed to encourage foreign investments in Italy. Under the proposed law, all profits derived from foreign investments in new or existing enterprises will be freely exportable, as well as the original capital invested. The amount of profit exportable from investments of a non-industrial character is to be raised from 6 per cent. to 8 per cent. of the sum invested.

The Statutory Tea Wages Board of Ceylon has given an award raising the daily wages of tea workers by 25 per cent. The increased wages will come into effect after the Government accepts the recommendation of the Board. The increase will raise the wages scale to Re. 1.50 for male workers, to Re. 1.30 for women and Re. 1.05 for children. The Board has also increased the paid holidays from 12 to 15 days per year. The award is expected to benefit over 300,000 workers.

The British iron and steel industry plans to raise its production capacity to 22 million ingot tons of steel per year by 1958. Last year, the output was 18.5 million tons. This programme is based on an expansion of the output of pig iron to 15.15 million tons and an increase of steel-making scrap supplies to 10.8 million tons. The output of tinplate and sheet will be higher by 85 per cent. and 50 per cent., respectively, in 1958. The cost of the schemes already approved is £257 million and the annual rate of additional expenditure over the next few years is expected to be £60 million to £70 million.

PERSONAL

MR. R. E. O. Carey has been appointed Managing Director of the Goodyear Tyre and Rubber Co. of India Ltd.

Mr. K. G. Ambegaokar, I.C.S. assumed charge as Deputy Governor of the Reserve Bank of India on 1st March, 1955.

Dr. P. S. Narayan Prasad, Director of the International Monetary Fund, left for Paris on Saturday last week *en route* to New York.

Mr. Harold E. Stassen, Director of the Foreign Operations Administration of the U.S., paid a brief visit to New Delhi this week on his way from Bangkok.

Mr. Justice P. B. Gajendragadkar, a judge of the Bombay High Court, has been appointed Chairman of the Bank Award Commission to conduct and complete the enquiry entrusted to the late Mr. Justice G. Rajadhyaksha.

Dr. B. K. Madan, Economic Adviser to the Reserve Bank of India, left for the U.S. on Wednesday this week on an invitation by the United Nations to be a member of a group of experts for the preparation of a report on the proposed special United Nations Fund for Economic Development.

Mr. Sam Broers, President of the Firestone International Company and the Firestone Inter-America Company, who is the head of all Firestone interests and operations in overseas markets, arrived in Bombay last week.

Dr. P. J. Thomas has been appointed a member of the Prohibition Enquiry Committee constituted by the Planning Commission in December last to review the working of prohibition and to recommend a programme for prohibition on a national basis.

Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, who had submitted his resignation to the Prime Minister a few weeks ago and left for Madras on 14th February, returned to New Delhi on 27th February and resumed work the next day, in deference to the wishes of the Prime Minister who was very keen that he should continue to be in office.

Mr. N. R. Pillai, Secretary-General of the External Affairs Ministry, Government of India and Governor-Designate of the Reserve Bank of India, will take over the Governorship of the Bank by the middle of May. He will not proceed to England to observe the working of the Bank of England before joining the Reserve Bank, as was originally programmed, due to preoccupations in connection with the Asian-African Conference in Bandung.

Mr. W. H. J. Christie, Vice-Chairman and Deputy Managing Director of the British India Corporation, Ltd., Kanpur, has been elected President of the Upper India Chamber of Commerce for the year 1955. Mr. R. L. Powell, Assistant Managing Director of the B.I.C., Ltd., has been elected Vice-President. Messrs. A. H. Buckland, J. M. Heeramaneck, H. Hill, Ram Narain and P. K. Sahgal have been elected and Messrs. K. Horton, M. L. Soni and J. K. Srivastava have been co-opted as members of the Committee of the Chamber.

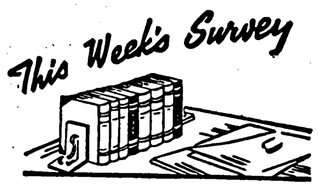
"COMMERCE" 1930

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *8th March*

The Central Budget

As forecast in *Commerce* a couple of weeks ago, the Budget of the Government of India, presented in the Legislative Assembly last week-end, envisages a deficit of nearly six crores of rupees—to be exact, Rs. 552 lakhs. The gap is reduced by Rs. 142 lakhs by ingenious economies effected in civil estimates and military expenditure and the balance is proposed to be met by new taxation. An increase in excise duty on kerosene is expected to yield Rs. 35 lakhs; enhanced duty on sugar, Rs. 180 lakhs; an increase in certain income and super taxes, Rs. 70 lakhs; import duty on silver, Rs. 100 lakhs and the raising, by 4 per cent., of the import duty on cotton piecegoods and an additional protective duty of 5 per cent. on non-British goods with a minimum of 3½ annas per lb. on plain grey goods, Rs. 125 lakhs. This last item introduces, for the first time in Indian fiscal policy, an element of Imperial Preference. Sir George Schuster will certainly be criticised—and criticised severely— for raising more revenue than appears to be immediately needed for actual outgoings; but he proposes to do so with an eye to the future. First, there is the paramount importance of creating reserves to strengthen our resources and credit at the present critical juncture and, secondly, for preparing the way for a more generous allocation to the Provinces of sources of revenue for nation-building services. It has rightly been said that the Reforms introduced by the late Mr. Montagu have failed to achieve their full effect owing to lack of adequate funds in the hands of the Provincial Governments. Sir George Schuster is determined to do all in his power to prepare for better success in the next step. A Finance Member has to suffer the slings and arrows of criticism for his immediate actions and rarely does he receive any meed of praise; but his efforts should be judged by their moral lasting results and Sir George Schuster hopes with confidence that, if his proposals are accepted, his successor from whatever quarter he might come will in the future look back to him with gratitude for his present drastic measures.



BOMBAY BUDGET

A WELCOME feature of the Bombay Budget, presented last week by the State Finance Minister, Dr. Jivraj Mehta, is that it carries no proposals for any new taxes. Also, the revised budget for 1954-55 and the budget for 1955-56 are surplus budgets—the surpluses being Rs. 58 lakhs and Rs. 23 lakhs respectively—unlike the budgets for many other States which show a deficit. The following are the revenue and expenditure figures for the Bombay budget in 1953-54, 1954-55 and 1955-56:

(In crores of rupees)

	Revenue	Expenditure
1953-54 (actuals)	72.27	71.11
1954-55 (budget)	72.38	72.19
1954-55 (revised)	71.80	71.22
1955-56 (estimate)	80.11	79.88

It will be seen that the budget estimates for 1955-56 place both revenue and expenditure at a slightly higher level than in any of the previous years. But these estimates include certain accounting adjustments which mask the real nature of the revenue and expenditure. Thus, the Rs. 3 crores, which the Government proposes to withdraw from the Fund for development schemes in order to finance capital expenditure in 1955-56, appears both on the receipt and expenditure sides. Excluding this adjustment, the revenue and expenditure estimates for 1955-56 will be Rs. 77.11 crores and Rs. 76.88 crores. It is noteworthy that a small decline in tax revenue is anticipated for 1955-56, such being placed at Rs. 52.3 crores, as against Rs. 53.4 crores in 1954-55 (revised estimates).

For the year 1955-56 which is the last year of the Five-year Plan, the State Finance Minister has provided for a capital outlay of Rs. 24.2 crores, which includes a provision of Rs. 2.86 crores for the Kakrapara project, Rs. 2 crores for Mahi project, Rs. 76 lakhs for Ghataprabha project, Rs. 4 crores for Koyna project and Rs. 1 crore for the tube-wells scheme. A provision of Rs. 100 lakhs has been made for the purchase of shares of co-operative sugar factories. The Government has so far contributed to the share capital of two such societies. Under this scheme, the cultivator-members of the societies are expected to raise Rs. 15 lakhs while the Government will contribute a maximum of Rs. 10 lakhs in the form of redeemable share capital. It may, however, be doubted whether the Government should waste its limited capital resources on these ventures, considering that private capital has not been conspicuously shy in this sphere.

The capital expenditure of Rs. 24.2 crores, to which reference is made in the foregoing paragraph, will be financed by borrowing Rs. 12.65 crores from the Central Government, withdrawal of Rs. 3 crores from the Development Fund and of Rs. 58 lakhs from the sugarcane cess and the Milk Fund and by borrowing from the open market to cover the balance. It may be noted here that next year's budget includes a provision of Rs. 2.97 crores for repayment of the Bombay Government Loan, 1955. It will, however, be possible to repay the loan out of the accumulations in the sinking and other funds. It will not, therefore, mean any drawing down of the cash balances or slowing down of capital expenditure. The total outstanding public debt of the Government is about Rs. 69 crores. The debt service charges absorb only 5.4 per cent. of the revenue receipts, so that the Government is certainly in a position to borrow more, though care should be taken to ensure that the funds raised should be put to productive uses.

Now that the 1955-56 budget figures are available, it is possible to assess the State's expenditure under the Five-year Plan which ends in 1955-56. Assuming that the money provided for 1955-56 is spent, the State will have incurred a total expenditure of Rs. 149.2 crores under the Plan, as against the target of Rs. 146.3 crores set by the planners. This means that the State will have exceeded the target by 2 per cent. The breakdown of the total expenditure with the target under the Plan within brackets is as follows:

(In crores of rupees)

Agriculture and rural development 25.69 (28.72); major irrigation and power projects 29.38 (33.00); industries 1.24 (3.53); transport 28.95 (13.89); social services 63.94 (67.17).

This break-down shows clearly that, even if the overall target under the Plan has been exceeded, there has been a shortfall in certain vital sectors such as agriculture and major irrigation projects, under each of which expenditure is only 89 per cent. of the target outlay, and in "industries," under which expenditure is only 35 per cent. of the target. It is true that the expenditure on transport is double the target fixed for it. But it is partly due to the fact that road transport which has been nationalised has absorbed Rs. 5.38 crores, as against Rs. 2 crores provided under the Plan, and not due to any large expansion in the construction of roads.

In the next Plan, the Government will do well to concentrate on implementing the irrigation and power projects more speedily than it has done under the first Plan. Industries also deserve a fresh fillip. Present indications are that the next Plan would involve a higher level of expenditure. Such expenditure would be needed both in order to develop the State's resources and to fight the growing unemployment in the State. Since the State's funds have now been drawn down to low levels, the Government will be compelled to impose fresh taxes. The success of the Government's next Plan will depend on its ability to tap fresh sources of revenue without imposing a too heavy burden on the already overburdened industrial sector of this premier industrial State.

PRIVATE ENTERPRISE IN MIXED ECONOMY

It is becoming increasingly clear that mixed economy has come to stay in the free world. Some even go to the extent of affirming that mixed economy constitutes the golden mean between capitalism of the extreme kind, on the one hand, and communism, on the other. Industrialists have recognised that public ownership has become a part of the social order. As Mr. G. M. Mackinlay significantly observed, in the course of his presidential address to the annual meeting of the Bengal Chamber of Commerce and Industry, "the justification for and the inevitability of a dual pattern of economy, namely, public and private, for the future has been accepted by industrialists operating in the private sector without reserve." He wanted to impress this especially on the many critics who sometimes overlooked "the very marked reorientation that has taken place in the capitalistic outlook of former days." So far as the future of the private sector in India is concerned, he expressed his confidence in the assurances of the Prime Minister and other leaders. On behalf of private enterprise, he assured full co-operation in the development of the nation. He said: "We shall, for our part, do our utmost to ensure that the private sector fulfils its role, given—to quote the Prime Minister—full play within its field which he described as 'wide' and given also the healthy attitude towards the private sector which he recognised to be necessary and counselled his Party to adopt." He desired that, in the second Five-year Plan, the private sector should be accorded, both in policy and administration, the place it deserved, so that it might have full opportunity to serve the nation in the best possible manner.

Mr. Mackinlay also dealt with some aspects of the labour problem. Stressing that only in an atmosphere of genuine encouragement could industry expand, he remarked that encouragement implied co-operation and will to work on the part of all concerned. He deplored the unfortunate tendency on the part of labour to look only to one side of the picture, namely, higher wages, and to forget the other side, that is, exerting greater efforts to increase production. Referring to a memorandum recently submitted by the Indian National Trade Union Congress (I.N.T.U.C.), where it was alleged that wages in India had not improved, in spite of the expansion of industry, he stated that, in jute, tea, coal and paper industries, the level of remuneration of the employees had shown "a substantially greater improvement than the corresponding increase in the cost of living; which was now steady or on the downward trend." He reiterated the view that employers would always be ready to discuss round the table with responsible representatives of labour all common problems, including those relating to norms and standards for industrial wage levels and rationalisation.

Finally, Mr. Mackinlay referred to the proposed policy of "progressive elimination of managing agency system." He put forth a strong plea that, before any drastic or irrevocable step was taken in this connection, due consideration should be given to the evolution of an equally effective and virile means, whereby planning of new industry could be conceived and nurtured and the existing ones maintained and revitalised. This is a point of view which has unfortunately received little attention. In their desire—not altogether ununderstandable—for the elimination of the managing agency system, the authorities are not only trying to throw the child with the tub-water but are making no effort whatever to conceive, much less to create, a system that could fill the void that would follow the disappearance of the useful, even if misused, albeit by some, system of managing agents.

LIQUIDATION OF PUBLIC SECTOR IN WEST GERMANY

In striking contrast to the strong move towards public ownership in India, West Germany has proposed to embark upon what is called a "de-socialisation" scheme. It has already constituted, a new *Bundestag* Sub-Committee to study the problems involved in desocialising the industries and suggest remedies for them. It would appear that the present move is a sequel to the growing pressure from big business for the creation of an atmosphere where private enterprise can play its part with as little restrictions and interference by the State as possible. The liquidation of the public sector, according to them, will create the necessary atmosphere.

At present, West Germany has a substantial number of industries under Government ownership. It is true that there is no precise inventory of the enterprises in the public sector. But it may be roughly stated that, besides the railways and many of the long-distance bus services, West Germany owns fully or partly more than 300 productive enterprises. It is calculated that it owns 75 per cent. of the nation's brown coal production, 30 per cent. of iron ore, and 20 per cent. of the aluminium production. It is the largest distributor of gas and electricity. As a trustee of Volkswagen factory, it is the nation's largest motor-car manufacturer. Dr. Hermann Reusch, head of Gutehoeffnungshuette, has stated that the Federal Government owns shares worth a face value of 1,200 million marks. No one, however, knows how much of the national productive capacity is in the hands of the municipal provincial governments. Dr. Reusch argues that Government participation in production has a dangerous deflationary effect. So far, it has been possible to counter it, because of the generally favourable foreign trade balances.

The biggest problem in the "re-privatisation" of the firms is to find buyers for these properties. It is said that some of the firms are so gigantic in proportion that it will be hard to sell unless they are broken. But it is feared that breaking them would be not only technically but also economically inadvisable. Furthermore, the Germans are emotionally and politically opposed to any breaking up of these industrial concentrations. Consequently, it is conjectured that the best way out of the riddle is to offer small packets of shares to private investors, with an option to buy more and more as they can, until eventually whole companies are transferred to private owners. Present indications are that the Government may be able to sell all the enterprises except the railways and road transport.

Thus, the compromise between Socialism and Capitalism sought by the Nazis during 1920 and 1930 by buying large blocks of industrial shares, particularly in coal and electricity, and building up new businesses, notably the Salzgitter Steel Works and the Volkswagen plant, to which the Bonn Government was the only logical successor, is likely to be given up. One of the objects of the Nazi Government in embarking upon a large scheme of public ownership was also to arrest the serious collapse of price in the early 'thirties and bolster up the morale of the markets. This policy is now being reversed. This "re-privatisation" move is regarded as the boldest experiment ever proposed. It is a challenge to private enterprise to prove its superiority over public enterprises in delivering goods to the common man at a price which benefits the largest number. Perhaps, its success will herald a new era for private enterprise not only in West Germany but the whole of Western Europe. Incidentally, it will also prove to be the biggest eyesore to Communism.

OUTPUT OF WORLD VEGETABLE OILS

World production of vegetable oils is on the trend. In fact, in 1953-54 it was the largest ever recorded. According to the *Review of Vegetable Oils and Oilseeds*, just published by the Commonwealth Economic Committee, world output is provisionally estimated at 3 per cent. over those in 1951-52, the previous peak year, and 4 per cent. over that in 1952-53. As compared with the pre-war period, the increase is approximately 25 per cent. In 1953-54, the Commonwealth is estimated to have accounted for 24 per cent. of world oil and oilseed production, as compared with 23 per cent. in 1952-53 and in pre-war years. In 1953, the Commonwealth provided 33 per cent. of the net supplies of vegetable seeds and oils entering international trade, as against 35 per cent. in the previous year, 26 per cent. in 1951 and the pre-war average of 32 per cent. A significant feature is that, in 1953, for the first time since 1939, there was a Commonwealth export surplus, although it was well below the pre-war level.

There were record harvests in groundnut, cottonseed, sesame and palm *kernel*. The world groundnut harvest in the 1953-54 season was at a record level of 10,900,000 tons, that is, about 10 per cent. higher than in the previous season and 12 per cent. above the quinquennial average of 9,700,000 tons from 1948-49 to 1952-53. Of this, the Commonwealth accounted for 5,300,000 tons or 48 per cent. of the world total, as compared with the 1948-52 average of 4,300,000 tons or 44 per cent.

World cottonseed production in 1953-54 is estimated at the record level of 15,100,000 tons, that is, about 2 per cent. larger than in the previous season and 17 per cent. above the 1948-52 average. The output in the Commonwealth is estimated at 2,300,000 tons, or about 15 per cent. of the world harvest, as against 2,100,000 tons or 14 per cent. in the previous season. India accounted for 1,377,000 tons and Pakistan for 505,000 tons.

Commercial production of palm *kernels* in 1953 is also estimated to have reached the new record figure of 870,000 tons, about 7 per cent. above that in the previous year and 26 per cent. more than in 1938. Commercial production of palm oil too attained a record level and is estimated at 655,000 tons or 28 per cent. larger than in 1938 and 12 per cent. larger than in 1952. The leading producer was Nigeria, with 434,000 tons of palm *kernels* and 212,000 tons of palm oil in 1953.

The Commonwealth production of linseed in 1953-54 is estimated at 630,000 tons, or 21 per cent. of the world total, as against 710,000 tons and 22 per cent. in the previous season, and 470,000 tons and 15 per cent. in 1938-39. India (355,000 tons) and Canada (248,000) were by far the biggest Commonwealth producers.

World production of castorseed (excluding the Soviet Union and China) is estimated at 450,000 tons in 1953-54, as compared with the average for the previous five seasons of 400,000 tons and the pre-war level of some 300,000 tons. India is by far the most important Commonwealth producer, its share in 1953-54 being 107,000 tons.

World production of copra in 1953 is estimated at 2,700,000 tons, which is slightly less than that in the previous year, 8 per cent. below the record total of 2,900,000 tons in 1951 but above the pre-war average of 2,500,000 tons. Commonwealth production of copra in 1953 is estimated at about 870,000 tons, slightly less than in the previous year, but 8 per cent. above the 1948-52 average. Commonwealth countries accounted for 32 per cent. of world total in 1953, as against 31 per cent. in 1948-52 and 33 per cent. in 1938. Ceylon, with an estimated 225,000 tons, was the leading Commonwealth producer in 1953 and the Philippines with 856,000 tons, the leading world producer. India was the second biggest Commonwealth producer with an estimated 190,000 tons.

The report notes that approximately one-fifth of the copra produced in India is for directly edible purposes. The supply of coconut oil for soap-making and other purposes in India has tended to fall short of demand, and the consequent high prices have encouraged increased production and lent impetus to the new planting schemes inaugurated by the Indian Central Coconut Committee.

(*Concluded from third column*)

then considered civilly dead and were legally barred from holding any property. Why not get an ordinance issued that all people should be considered as *sanyasis* at a prescribed age and that their property be treated for Estate Duty purposes as that of civilly deceased persons?—*All Rights Reserved.*

OFF THE RECORD

By "Rover"

AUGUST 15th every year is, and, shall always be, a day of national rejoicing. Republic Day on 26th January is equally so. But lest we should get too frisky and frolicsome, too light-hearted and irresponsible, our dour and austere rulers have wisely tried to maintain a balance, by providing two days of national mourning. It should not be difficult for you to identify these two dark days, which drive us to beat our breasts and rend our hair, seeing that we are all still reeling from the cruel blows inflicted by them. I doubt if there is a single honest citizen, of course, barring the Union and the State Finance Ministers, to whom these two days—one on which the State budget is released, followed close on its heels by the other, when the Union Finance Minister rakes in what is mercifully left to us by his counterpart in each State Government—do not bring severe mental prostration. At the same time, I must concede that the budget does bring some relief as well—relief from the painful nervous tension of the days and weeks preceding its dire disclosures of the new tortures invented by these financial fiends.

I doubt if even hypochondriacs derive any delight from taking medicine. The prospect of a visit to the dentist is certainly more distressing than the toothache which drives us to him. Nobody relishes an encounter in the dark, in a lonely place, with a highwayman. Extraction, whether it be of a diseased molar, which keeps you awake all night, or of a comfortably warm wad of currency notes tucked away safely in your inside pocket, is painful in the extreme. There are, therefore, many who are not unjustifiably inclined to look upon a Finance Minister as a dentist and a privileged bandit rolled into one.

There is no point in offering resistance to any of them—the dentist, the freebooter and the Finance Minister. Your best defence against these benevolent pests, who hold you at their mercy when you are cornered, is your sense of humour, if you happen to be endowed with it. If you can laugh at them, even though inwardly infuriated with rage or quaking with fear, it would at least save you from a sense of humiliation, though not from loss. If you are so unlucky as not to be blessed with this precious gift, all you can do is to look at this whole business philosophically and just shrug your shoulders.

I do not mind confessing that, not being a wealthy, or, even what you would call a well-to-do man, I was looking forward to Mr. Deshmukh's first socialist budget, with some glee. Of course, knowing his very balanced views, I had my own misgivings on this score. However, considering all the noise which was made in Parliament and at the Congress Session at Avadi about the adoption of the goal of a socialistic pattern of society, the echoes of which are still audible on a still night, I was hoping that the Finance Minister would soak the rich and bring some tangible relief for the likes of me. But I find to my utter disappointment that, instead of lightening my burden, he has only added to it.

Having still retained my sweet tooth till this advanced age, I like my morning coffee and afternoon tea sweet. But the recollection of the hateful, heavy additional excise duty will rob these invigorating hot drinks of all their sweetness and possibly make them taste bitter. Similarly, I must now abandon all my fond dreams of a new set of clothes, which I had promised myself for my next birthday. The only consolation left to me is that my wife will now be forced to put off the purchase of a new sewing machine on which she had set her heart. She will now be forced to make do with the old one, which, like our dock workers, threatens now and then to go on strike. But this is hardly a consolation, because, so also goes the new electric fan which we had been jointly planning together for our bedroom, to purchase and install before the dog days preceding the burst of the next monsoon. I don't know how many pleasant dreams of countless poor citizens like ourselves, Mr. Deshmukh must have shattered with his fell excise duties.

But what I have found more galling in the new budget, more exasperating than the many cruel deprivations, is the mockery underlying it. With a great show of consideration, he pretends to come to my succour by raising my existing tax exemption slab from Rs. 1,500 to Rs. 2,000, as a married person. To begin with, this scornful pittance amounts to even less than two rupees a month. And Mr. Deshmukh has the cheek to call this a relief. He must have some very strange ideas regarding the ever recurring and increasing financial burdens imposed by matrimony.

It makes me feel livid, this offer of a rebate of two rupees per month from the Government, to set off against my additional financial responsibilities as a married man. God alone knows how much my spouse has cost me every year in *saris* and blouses and other more intimate feminine garments during all these years. I could have understood and forgiven such miscalculation, if a happy-go-lucky bachelor had occupied the Finance *gadi* at New Delhi. Those living in single blessedness do not know the tortures of the damned: but one had a right to expect a more accurate appraisal of the financial straits of a family man from an experienced person like our present Finance Minister.

I could have borne these impositions with some show of equanimity, if Mr. Deshmukh had dealt with the rich with a greater degree of severity than he has shown to us, the black-coated, white-collared class of salary earners and those engaged in farming, business or industry of their own in a modest way, in the middle-income groups. To me a classless society would reasonably mean gradual approximation of the wealthier and the poorer classes to our class. The politicians, however, seem to view this business differently. Their idea of an approach to the attainment of such a society is the rapid demoralisation and consequent extermination of the middle class.

The politicians forget that, when this hard-working, frugal and patriotic class, which manned and sustained the long struggle for independence, disappears, the inequalities of income and wealth will be even more glaring than what they are now. But even Mr. Deshmukh, who is much more of a statesman than a tub-thumping politician, tries to tell us, by the way in which he has cast his budget, "either get rich or get poor; we have no room for those who are just comfortably off."

Take, for instance, the changes he has effected in the income-tax structure. I can understand his giving some incentives to corporate trade and industry. If we want rapid expansion—and we do want it badly, if for nothing else but to reduce unemployment—it would be highly foolish to go and tax them out of existence. But while framing his budget proposals regarding the modification in the income-tax structure, Mr. Deshmukh seems to have been wholly preoccupied with the middle-income groups.

All his dislike and practically all his demands have been concentrated on those drawing an income of Rs. 7,500 to Rs. 25,000 per annum. Nobody could question his decision to leave alone those earning Rs. 4,200 to Rs. 7,500 per annum. But I for one, fail to understand why those with an income ranging from Rs. 7,500 to Rs. 25,000 should be asked to make the same additional sacrifice as those earning fifty thousand a year or even five lakhs. Apart from the negligible incidence of the earned income allowance, which will disappear gradually in the case of those with an income higher than Rs. 25,000, the additional amount of income-tax for a man earning Rs. 25,000 and a man earning ten times that amount, under the new dispensation, will be the same.

I have, therefore, no hesitation in saying that the budget, admirable as it is from many points of view, suffers from a lack of balance in the distribution of additional revenue to be raised from income-tax. This is all the more so, because there is no significant change in the structure of super-tax, apart from its extension to the Rs. 20,000 to Rs. 25,000 income group. Even in the case of super-tax, the additional amount under this head which a man with an income of Rs. 25,000 or Rs. 30,000 is called upon to pay is the same as that for one earning three lakhs a year. Even amongst higher-income groups, fairness demands that new impositions should have some relation to the magnitude of the income. They should not descend with equal force on a man earning two thousand rupees per month and one so lucky as to have a six-figure income.

I find the same absence of balance also in the industrywise distribution of the extra impost of excise duties. It is not the heavy increase in the total receipts from this source which I question. This was anticipated for some time. It is but natural that, as industries in the country develop, they must make good what is lost by way of decrease in returns from customs duties resulting from reduction in imports. But why pounce upon just two industries—cotton textiles and sugar—for the bulk of the additional revenue required by the country.

Apart from the fact that the products of these two industries are already subject to heavy excise duties, one cannot ignore the fact that the country has quite a number of industries which are capable of bearing a share of this burden. But, out of an anticipated additional revenue of about eighteen crores of rupees, cotton piecegoods and sugar have been burdened to the extent of fourteen crores. I am afraid that, in taking this decision, Mr. Deshmukh has been guided solely by facile considerations of administrative convenience and has given a go-by to the more important principle of a smoothly streamlined tax structure. This will never do, especially if we are going to rely more and more on excise duties as a predominant source of Government revenues.

I should, however, not allow myself to get involved in a serious consideration of the various aspects of the budget. That is and should be the headache of the Editor of this journal. Mr. Deshmukh has placed so much load of taxation on my weak shoulders that, even if I were charitably inclined, I have no intention whatever of taking over even a part of the editorial responsibility. I must, therefore, try and end on a lighter if not a happier note.

What amused and entertained me most while painfully ploughing my way through the long budget speech was the disappointment, voiced by the Finance Minister at the poor return he obtained from his pet Estate Duty. It seems that the really rich people in the country have been singularly unobliging. They refused to die during 1954-55 in sufficiently large numbers for him to realise even his modest target of rupees four crores from this new source. So far only friends and relatives who expected large legacies from wealthy old cronies waited impatiently and possibly prayed for the early demise of these tenacious veterans. Now the whole tribe of Financial Ministers at the Centre and in the States, being in the position of beneficiaries, is added to this list of vultures.

I have a valuable suggestion to make in this respect, which will curtail the period of waiting for the Treasury. My suggestion is perfectly in keeping with the fundamental basis of our ancient civilisation. People at sixty, or thereabout were expected to embrace *sanyas Ashram*. They were

(*Continued in first column*)

AMERICAN LETTER

INDUSTRIAL APPLICATIONS OF ATOMIC ENERGY

GIANT PLAN FOR BUILDING HIGHWAYS

From Our Own Correspondent

NEW YORK, *23rd February*

THE Far Eastern situation dominates thinking and discussion in the United States at this time. The Tachens have been evacuated successfully, to be sure, but the Formosa question is by no means settled. It sounds ominous to American ears that Communist China has turned down invitations to discuss a cease-fire or an armistice in the Straits. Reflecting this general concern over Asia, President Eisenhower's foreign aid message which is not due for several weeks, is understood to emphasise extended help for that part of the world. The figure will run into several hundred millions of dollars. And it is only the first instalment *in a long-range* programme. As a further measure of recognition of the importance of Asia, either Bangkok or Singapore are being considered, at the time of writing, as the permanent seat of the newly formed South-East Asia Treaty Organisation.

The potential explosiveness of the situation is given as the reason why the United States Atomic Energy Commission has not heeded Indian pleas and neutralist sentiment in other countries to stop all hydrogen bomb tests before the whole human race is endangered. In fact, a whole series of experimental explosions is in progress now in the Nevada desert. The first atom-powered submarine, *The Nautilus*, is now afloat. It can outrun any ship above or under water and its regenerative fuel supply is measured in terms of years, not miles.

Industrial applications of atomic energy are also proceeding rapidly. Consolidated Edison Company of New York, the largest public utility concern in the U.S., is building an atom-power plant. Thirty-five other companies have formed a group to study the possible application of this new source of energy for their own individual operations. In addition, isotopes and other atomic ingredients enjoy widespread use in industry, chemistry and medicine.

The two greatest deterrents to still greater use of atom-power is the disposal problem of the waste materials and the huge concrete protective shields required for housing the plants. So far as the first point is concerned, no method is yet known to de-activate the energy. In other words, a room or any other area contaminated by radio-activity can be washed off and the waste material can be transported elsewhere, but it cannot be destroyed. Its effectiveness has to wear off over a period of years. Industries using radio-active oil, for example, place their waste material in huge concrete dumps, but they do not let it run in the ground for fear of contaminating underground water-supplies, for instance. Minor quantities of waste materials are being dumped into the oceans—far offshore.

The second deterrent, that of a concrete protective shield, makes atom-power inapplicable, at the present time, for powering automobiles, planes, even locomotives. It is, of course, possible that in due course a material may be found which is much lighter than concrete and equally effective. Then, the field of propulsion may be revolutionised. At present, there is no such prospect. Water power and coal are still the cheapest mass fuels.

The general business situation in the U.S. continues on an even keel. Industrial production in January showed the fifth monthly rise in terms of the Federal Reserve Index. Auto output early in February was the highest ever for a week, but stocks in dealers' hands are piling up although they are still 22 per cent. below their highest point. The increases in business activity in the last few months of the year and in January have been unexpectedly great. In view of it, the credit and fiscal authorities of the U.S. decided on the issuance of a 40-year 3 per cent. bond. It was an immediate success marketwise, but legislators who want to see the former cheap money policy perpetuated, are protesting loudly.

Owing to the improvement in the business situation, the Federal Reserve Board has adopted a slightly firmer money policy. It cannot be called restrictive in any sense, but it is a departure from the "active ease" of previous months. It is designed to stem the business expansion from becoming a boom. Part and parcel of this picture was the increase in margin requirements from 50 to 60 per cent. for the purchase of listed securities on the New York Stock Exchange. About 52 per cent. of all individuals' transactions on the Exchange, according to a weekly survey in December, were on margin. Speculation, obviously, is quite rampant, but it is backed by huge savings of the speculators which did not exist in 1929, on the eve of the Great Depression.

One of the great sustaining factors in the economy is the segment of building and construction. In the home building field alone, more than one million units are being produced a year and have been for some time. Veterans may acquire houses with no down-payment and 30 years to pay. It is the only segment of the economy which has not yet responded to firmer credit, largely because of existing legislation. But the new long-term Treasury Bond has been a warning signal that, henceforth, money may be a little dearer and lenders on mortgages appear to have become a little more cautious.

Superimposed on the housing programme is President Eisenhower's plan for a 10-year $100,000 million highway construction plan which will be financed by the Federal Government and partly by States, municipalities and private capital. The President considers it essential to have a much more efficient network of highways throughout the U.S. than exists today in case of an atomic attack. Highway construction, even without the atomic threat, needs no excuse. The number of automobiles in the United States has been increasing steadily; plants have been located in outlying areas; nearly everyone is dependent on automotive transportation for his or her daily needs.

The roads out of the major cities in the U.S. are chocked every week-end and virtually every working day so that the premise can be accepted that the requirement for better and more highways is imperative, but the President is already being accused by such people as Senator McCarthy and others of leading the nation further to the Left as even Presidents Roosevelt and Truman did. More and more, official decisions being made at Washington have in view the Presidential elections of 1956. The parties are manœuvring for strategic spots in either confirming or protesting legislation.

The foreign trade programme of President Eisenhower came to a test the other day in the House of Representatives. The President was supported by 140 Democrats and only 66 members of his own party, the Republicans. It depended, in fact, on whether the Representatives came from regions where industries brought pressure for higher tariffs, or from areas where export interests predominated and favoured low tariffs in the hope foreign buyers would spend more.—*All Rights Reserved.*

SCIENTISTS ENDORSE U.S. ATOMIC POOL PLAN

The Federation of American Scientists (F.A.S.) has hailed steps taken by the United States to share the benefits of atomic energy as contributions to both material benefit of the world and to the cause of peace. In an open letter to President Eisenhower which it made public, a few days ago, the F.A.S. endorsed the "clear and positive programme" undertaken by the United States to put into effect President Eisenhower's proposals for an international atomic pool.

The Federation listed as "most significant" the setting aside of enough enriched atomic fuel for the construction of a number of experimental reactors. It also praised the initiative of the United States in bringing about an international scientific conference on atomic energy under sponsorship of the United Nations, the U.S. reactor training course for foreign scientists, and the offer of training for medical experts in the use of atomic energy in the study and treatment of cancer.

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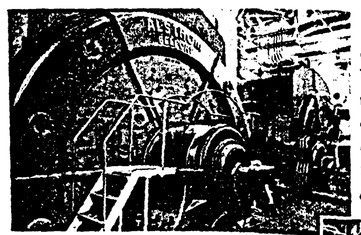

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REVISION OF TAX STRUCTURE

RECOMMENDATIONS OF MATTHAI COMMISSION

THE long-awaited report of the Taxation Enquiry Commission (Chairman: Dr. John Matthai) was published this week. Although the full text of this report has not yet been made available to the Press, the summary of its findings and recommendations, which has been released for publication, shows that the Commission has covered very wide ground. It was a well-deserved tribute that Mr. C. D. Deshmukh, the Union Finance Minister, paid to the Commission, when he said, in the course of his budget speech, that the Report was a "magnificent work" and bore the "impress of a thorough and careful study." He called it a "massive and historic document."

As Mr. Deshmukh pointed out, the Commission's report will "deeply colour and affect taxation policy for sometime to come," even as the report of the last Committee, the Taxation Enquiry Committee, appointed 30 years ago, affected the taxation policy of a generation. The present Commission, it may be recalled, was appointed in 1953 to examine the present structure of taxation—Central, State and Local—and to make such suggestions at it thought necessary in the interest of India's economic development. Briefly, the recommendations made by the Commission are, in the words of the Finance Minister, designed to "widen the base and range of taxation, both direct and indirect," and involve readjustment of the rate structure. Its recommendations also cover the basis and procedure and the rates and rate structure of Central taxation. In so far as they concern the basis and procedure of taxation, effect can be given only by changing the law. In view of this consideration and of the fact that the Government could not, within the limited time it had, apply its mind to such serious study of the Report as the latter deserve, the Finance Minister has been content to give effect only to a few proposals contained in the Report. He, however, gave the assurance that the "remaining proposals will be examined by the Government and amending Bills placed before the House as early as possible."

Considering that the nearly 1400-page report of the Commission consists of three volumes (volume one dealing with tax system as a whole, volume two with general taxes and volume three, with States and local taxes) and that the total number of recommendations is as large as 198, it will be realised that it is difficult to present an adequate summary of the report. The main approach of the Commission to tax problems is that it is necessary to enlarge the role of taxation and borrowing as opposed to deficit financing for implementing the development programme of the public sector. The Commission has also emphasised the need for the longest practicable restraint on consumption by all classes. It also regards the extension of taxation to necessaries as unavoidable. In its opinion, the disincentive effect of higher taxation on the will to work of the higher income groups is generally exaggerated. It however, recognises the need to promote savings and investment through incentives in the income-tax system. In order to encourage productive enterprises, it has suggested the grant of a "development rebate" to concerns in selected industries "to take the place of the present initial depreciation allowance." Such concerns should be allowed to charge to revenue 25 per cent. of the cost of new fixed assets in the year of installation of the assets. It does not favour a tax on salt which, according to it, cannot be justified merely on the ground that its incidence by itself is relatively light, in view of the increase that has occurred and may occur hereafter in commodity taxes.

Volume I commences with an analysis of the tax system and trends in public revenues. The point is made that the sharing of the State Governments in the proceeds of Central taxes and the Institution of substantial grants by the Central Government for both general and specific purposes have imparted a considerably greater measure of elasticity to the State revenues than was the case before the war. In regard to public expenditure, it is pointed out that while the direct contribution to reduction in inequalities of economic circumstance is modest, there is a certain measure of territorial and rural-urban redress of inequalities. Certain broad conclusions regarding incidence of taxation are indicated by the Commission. It has, however, referred to the inadequacy of the data on which it has worked and the limitation of the inferences drawn by it for framing a taxation policy based on them. While no major shift in income between urban and rural areas as a whole can be established to have occurred since the war, certain shifts appear to have taken place *inter se* among the different groups within the respective sectors. The incidence of land revenue is no longer appreciable and there appears to be room for increased taxation of higher rural incomes. The large area of the non-monetised sector in the rural economy is at once the index of the limits of taxation and the pointer to the possibilities of extending taxation to the field of comparative essential with the knowledge that the great mass of the rural population will remain outside its bonds.

The Commission stresses the need to enlarge the role of taxation and borrowing as opposed to deficit financing for implementing the development programme of the public sector. When outlining future tax policy, the Commission emphasises the need for the largest practicable restraint on consumption by all classes. Restraint on the consumption of higher income groups must be greater than in respect of lower income groups. In order to divert the resources from private consumption to public investment, the structure of taxation must be properly diversified with both depth and range. The extension of taxation to necessaries is regarded as unavoidable. Increases in direct taxation also are considered necessary and it is stated that the disincentive effect of higher taxation on the will to work of the higher income groups is generally exaggerated. At the same time, the need to promote savings and investment through incentives in the income-tax system is recognised. Taxable capacity is considered to be related to the purposes for which the proceeds of additional taxes are expended, and the need for efficiency in administration and economy in expenditure is stressed. It is also considered to be relevant that public expenditure in India has been moving increasingly towards beneficient expenditure. The Commission is of opinion that a tax on salt cannot be justified merely on the ground that its incidence by itself is relatively light, in view of the increase that has occurred and may occur hereafter in commodity taxation. The Commission is not in favour as a rule of earmarking of the proceeds of taxes for specific purposes. While differentiation between organised and unorganised industry in the levy of certain excise duties is considered to be justified, the linking of a specific burden on a segment of industry with a benefit to another segment is not recommended.

Non-tax Revenues

There is discussion of the problems of raising non-tax revenues. The Commission is of the view that there is no objection to pricing policies which aim over a long period, at realising a surplus from the operation of State undertakings. Fiscal monopolies are mentioned as a possible alternative to excise duties and an early enquiry into this matter is recommended. As regards fresh avenues of taxation the Commission does not visualise a significant fresh avenue in the sense of an altogether new tax which was not included in one or other of the lists in the Seventh Schedule of the Constitution. It had, however, considered certain new forms of taxation which might be capable of fruitful use in the future but which they did not recommend for immediate adoption. As regards railway fares, the Commission sees no objection in principle to using travel as a basis of taxation although the monopolistic power of the State should not be used to determine fares with a view to maximising profits.

Volume II examines Central taxes in detail. Taxes on income, are considered first and then commodity taxes. In regard to computation of taxable income it is recommended that a specific provision should be inserted in the law for allowing costs of income-tax appeals in certain circumstance. The cost of collecting interest on securities and dividends should also, it is stated, be made an admissible deduction. There are several recommendations regarding the treatment of losses. Carry back is to be allowed with proper safeguards, only in cases where it may be impossible to adjust losses against profits in future years owing to cessation of business, profession or vocation. Such losses may be carried backward for one year and should be set off against profits arising from any source in the preceding year. The existing six-year limit for carry forward of losses should, in the opinion of the Commission, be removed. It is also suggested that the restriction that loss offsets should be against profits from the same business should be removed on certain conditions. It is recommended that carry forward of loss from a business, profession or vocation may be allowed to be set off against non-business income of the following year provided the assessee continues to carry on the business. In regard to depreciation allowance, the Commission is of the opinion that the principle of revalorisation of fixed assets for the purpose of allowing depreciation is not merely defective in theory but also unworkable in practice.

Incentive to Productive Enterprises

Several recommendations are made in order to provide incentives to develop productive enterprises. Concerns engaged in selected industries should, it is suggested, be granted a "development rebate" by being allowed to charge to revenue 25 per cent. of the cost of new fixed assets in the year of installation of the assets. This "development rebate" will be in lieu of the present initial depreciation allowance and it should be available for purchase for fixed assets, whether intended for replacement or for expansion, and to new as well as existing concerns. The additional depreciation allowance should be continued as at present. The criteria laid down for selection of the industries eligible for the development rebate are: (1) The importance of the industries concerned from the point of view of national development and (2) the extent to which they are unlikely to be developed, either by way of expansion of existing concerns or establishment of new concerns—if left to the voluntary effort of private enterprise and without any special stimulus by way of tax relief. Amendments are proposed to Section 15-C of the Income-tax Act to provide for a complete "tax holidays" for six years from the year in which production begins for all new concerns in the selected industries of special national importance. Any given concern will get the benefit either of the development rebate or of the tax exemption under Section 15-C, whichever is larger, but not of both.

There is a discussion of the taxation of special entities and receipts. It is suggested that Hindu undivided families with four or more members entitled to claim partition should be allowed an exemption limit for income-tax equal to three times the general exemption limit. Interest on securities and income from property received by co-operative societies with total annual income below Rs. 20,000 should be exempted from tax. It is suggested that the annual value of owner occupied property should be reduced by half or Rs. 1,800 whichever is less, the assessee being also given the benefit of a further reduction where necessary to 10 per cent. of total income as at present. It is recommended that the exemption from tax now available for two years in favour of income from newly constructed properties should be withdrawn.

In the discussion of the rate structure of income-tax (other than Corporation Tax), the Commission states that certain increase in the schedule of rates seems necessary, having regard to the objectives of tax policy. While the scope for increase in the lowest income ranges is limited the proportionate room for increase in respect of topmost brackets is smaller than for upper middle brackets. A maximum marginal rate of As. 13½ in the rupee or 85 per cent. on incomes above Rs. 1½ lakhs is suggested. The exemption limit should, in the opinion of the Commission, be reduced from Rs. 4,200 to Rs. 3,000. The introduction of a regular system of family allowance is recommended. While this may take time it is suggested that as a beginning, the present tax exempt slice of Rs. 1,500 may be increased to Rs. 2,000 for married assessees and reduced to Rs. 1,000 for unmarried persons. At the same time, the incomes of husband and wife and of the whole family should be aggregated. It is stated that earned income allowance should be given only in respect of incomes below a specified limit, say, Rs. 24,000. Contributions made by the employers maintaining recognised provident funds should not be treated as part of the total income of the employees. It is suggested that the maximum amount for abatement in respect of insurance premia and provident fund contributions may be increased to 1/5th of the total income subject to a maximum of Rs. 16,000 for Hindu undivided families and Rs. 8,000 for other assessees. Besides the increases suggested in direct taxation, a surcharge-cum-compulsory deposit scheme is proposed in respect of incomes of over Rs. 25,000.

Corporate Income

As regards taxation of corporate income the Commission is of opinion that the levy of a special tax on the corporation as at present is justified. The levy of income-tax on bonus shares is not recommended. It is suggested that loans and advances made by companies, in which the public are not substantially interested, to their directors and shareholders should be treated as dividends. The recommendation is made that distributions made out of accumulated profits on the liquidation of a company should be treated as dividends in all circumstances. The rates of Corporation Tax suggested for public companies which declare and pay dividends in India are one anna in the rupee on the first Rs. 25,000 of total income and two annas nine pies in the rupee on the balance. The report also recommends that the principle on which section 23-A of the Income-tax Act requiring distribution of 60 per cent. of income is sound, that necessary changes should be made in the operative part of the section to secure its more effective working than at present.

There are several recommendations relating to the prevention of evasion and avoidance and improvement in income-tax administration. It is, for instance, suggested that there should be a small advisory committee of non-officials attached to each Commissioner of Income-tax in order to discuss matters of administration.

In the discussion of the estate duty, it is recommended that the feasibility of reducing the exemption limit should be kept in mind. The rates of duty should be reviewed with a view to increasing as experience is gained. It is suggested that the period before death during which gifts *inter vivos* become allowable should be increased from two years as at present to five years. The introduction of a gifts tax is not favoured.

With regard to Central commodity taxes, the Commission has proposed increase in the rates of duty on kerosene, sugar, matches, loose and packaged, and all varieties of cloth. An enquiry into the cost of production of small-scale match factories is recommended in order to determine the appropriate preferential rates. The levy of excise duties on sewing machines, vegetable oils, woollen textile, biscuits, paper, dry and storage batteries, electric lamps, aerated waters, electric fans, glass and glassware, paints and varnishes and ceramics is suggested. It is also suggested that an Appellate Tribunal should be established to review the appeals that are at present decided by the Central Government.

Persons chargeable to tax on income from 'salaries' should be allowed the amount actually expended by them on the purchase of books and periodicals upto the extent that they were required for study and reference in the pursuit of their vocations. The concession should be limited to a maximum of Rs. 500 a year.

Dealing with the problem of evasion and avoidance, the Commission has urged that effec-

(*Continued on page* 443)

INDUSTRIAL CREDIT AND INVESTMENT CORPORATION

FINANCE MINISTER ON TERMS OF AGREEMENT

THE statement on the Industrial Credit and Investment Corporation made by the Union Finance Minister in the Lok Sabha is the first authoritative version given to the House after the registration of the Corporation last month in Bombay. Incidentally, the Corporation received considerable attention during the debate on the President's address to Parliament, as one of the members questioned the wisdom of the Government in placing such a large sum of Rs. 7.5 crores without interest at the disposal of such a purely private organisation as the Corporation. The Finance Minister, Mr. Deshmukh, intervening in the debate, clarified the position regarding the issue. Before dealing with this, it is necessary to refer here to the Minister's statement on the Corporation.

The Industrial Credit and Investment Corporation is, as stated by the Minister, a privately owned and privately managed limited liability company which was registered in January this year. It has an authorised share capital of Rs. 25 crores, and a subscribed capital of Rs. 5 crores. Of the subscribed capital, Rs. 3.5 crores, have been raised in India, Rs. 1 crore in the United Kingdom and Rs. 50 lakhs in the U.S. The Government of India will make an advance to the Corporation of Rs. 7.5 crores, voted by Parliament last September. The advance will be free of interest and will be repayable in 15 equal instalments beginning after the lapse of 15 years. The money for this advance will be found from counterpart funds derived from the proceeds of the sale of steel supplied by the Foreign Operations Administration of the U.S. under the Indo-American Technical Co-operation Agreement. In addition, the International Bank for Reconstruction and Development has authorised a loan to this Corporation of the equivalent in foreign currencies of $10 million. This loan will, as is customary with all loans from this Bank, be guaranteed by the Government. The loan and guarantee agreement will, the Finance Minister added, be laid on the table of the House when they are signed this month.

The management of the Corporation, the Minister continued, is in the hands of a board of 11 Directors. Of these, seven represent the Indian shareholders of the Corporation, two the British and one the American, while the eleventh Director is nominated by the Government of India.

The purpose of the Corporation is to assist industrial enterprise within the private sector of industry in India, through providing finance in the form of loans and equity participations or through sponsoring and underwriting new issues of shares. It will also help by furnishing managerial, technical and administrative advice and services to Indian industry.

Dwelling on the agreement with the Corporation, a copy of which he placed on the table of the House, the Finance Minister said that, apart from the provisions dealing with the making and repayment of the advance of Rs. 7.5 crores as already stated above, the main provisions of the agreement provided for:

(1) The Government has the right to apply for the liquidation of the Corporation, if the Corporation defaults in its repayment obligation or if the capital of the Corporation is impaired beyond a certain limit.

(2) The Government is given the right to appoint a Director so long as any part of the Government advance remains outstanding.

(3) The Corporation undertakes to prevent any one group of affiliated persons or companies from acquiring control of the Corporation, the object being to assure that the objective of the Corporation continues to remain that of national development rather than individual profit.

The reference to the advance of Rs. 7.5 crores to the Corporation brought in its wake, during discussions on the President's address in the Lok Sabha as stated at the outset, a controversy over giving the loan without interest. Recalling his statement to the House on a former occasion, on the justification for the interest-free advance, the Finance Minister remarked that the intention obviously was that "the Corporation should be enabled to give loans to new industrial concerns at a reasonable rate of interest." Explaining the point further, the Minister said:

"If one calculates the probable interest on this amount, say at Rs. 20 lakhs or Rs. 25 lakhs, and if one imagines that once the Corporation gets into its stride, its reserves would be of the order of about Rs. 25 crores, then it is easy to see that this might enable them to advance money at 1 per cent. less. Therefore, what the Director on behalf of the Government will have to see is that money is advanced to these industrial concerns at a reasonable rate of interest and that it is in balance with the rate of profit or dividend which the Directors of the Corporation declare for the shareholders. These are matters which come up irrespective of whether there is any particular or specific agreement bearing on this point. There are means open to the Government by way of issue of advice, apart from the deliberations in which the Directors will take part, to ensure that this kind of balance is maintained. Here is money to be advanced to industrial concerns and what we want to ensure is that they get it at a reasonable rate of interest, while the profits of the Corporation in balance are limited.

"In the case of co-operative societies, what we did is to advance money through the Reserve Bank, to the Apex Co-operative Banks at 1½ per cent., so that we ensure, or at least try to ensure, that by the time the money reaches the cultivator, it reaches him at a reasonable rate of interest. The objectives are the same; the methods are slightly different according to the circumstances of the case."

From the Minister's observations quoted above, it is clear that the Government, through its representative on the Board and through the proper enforcement of the various clauses of the agreement as well as the guarantee, can exercise effective control over the activities of the Corporation whenever such do not serve to attain the objective for which the financial institution has been brought into being.

While on this subject, it will be appropriate to mention here the views of Mr. Russel G. Smith, Vice-President of the Bank of America and a Director of the Corporation, representing American shareholders. Mr. Smith who was in the city last week to attend the Directors' meeting, told a Press Conference that the floating of the Corporation was a unique experiment in international investment. It was unique, according to him, in three ways; (a) the mobilisation of international finance, (b) the utilisation of the counterpart funds created from the proceeds of the wheat loaned by the U.S. Government and (c) its establishment for helping private enterprise in the country. Commenting on the counterpart funds, Mr. Smith was glad that India was making very good use of them by utilising them for the country's nation-building activities.

Mr. Smith said that the Corporation would be mainly engaged in helping the medium and small-scale industries. He did not think that it would be possible to finance big projects, some of which might require the entire capital available to the Corporation. These remarks of his are likely to cause some confusion, since medium and small-scale industries are, as is commonly understood in India, the sphere of State Financial Corporations already established in a number of States. It may, however, be mentioned here that Mr. Smith, coming as he does from a country where everything is planned on a gigantic scale, meant, when he talked of medium and small-scale industries, those industries which in India are classified under the term "large-scale."

Dealing with the functions of the Corporation, Mr. Smith stated that the organisation had been established for investment lending or underwriting the stocks of private industries. But he could not say which of these the Corporation would do most. It would depend, he added, on the circumstances and the type of the industry that required such help and might be any one or a combination of these. He was confident that the Corporation would pursue a dynamic policy in making available its funds to industries in whatever form it might be, and expected that it would be a great success. On its success would depend, he averred, the establishment of similar corporations in various other countries.

Speaking on foreign participation in the capital of the Corporation, Mr. Smith observed that the U.S. was contributing only 10 per cent. and the U.K. 20 per cent. of the total shares of the Corporation. This percentage of attribution did not, in his opinion, reflect the capacity of the institutions in the two countries to invest in the Corporation. For only this much was allotted to them, and India was allotted the bulk of the shares—70 per cent. of the total share capital. In the U.S., shares had been contributed to, Mr. Smith said, by the Bank of America and four leading companies manufacturing products internationally well known. The shares were not intended to be sold to the public.

According to an announcement issued by the Corporation, the whole of the issued capital of Rs. 5 crores has been subscribed. The Corporation is now in a position to apply to the Government of India for the advance of Rs. 7.5 crores under the agreement already mentioned above. The Corporation has applied to the Registrar of Joint Stock Companies for a certificate to commence business. It is expected to be in a position shortly to consider applications for financial and other assistance. At a meeting of the Board of Directors held on the 28th ultimo, it was decided to allot 150,000 ordinary shares of Rs. 100 each to the public from whom applications had been invited a few weeks ago. Applications upto 1,000 shares would receive full allotment, while those for a larger number would be allotted approximately 76 per cent. with a minimum of 1,000 shares. These particulars show that the issue of Rs. 1.50 crores thrown open to individual investors had been oversubscribed, an indication of their confidence in the Corporation. This is the more remarkable, because (a) the sponsors did not make any statement in the prospectus about the prospects of profits and dividends and (b) the issue was offered at a time when the investment market was in an unsettled state owing to pre-budget uncertainties and when the money market was tight. This initial success is a good augury for the Corporation.

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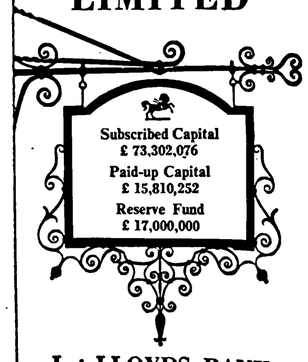

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HYDERABAD CURRENCY CEASES TO BE LEGAL TENDER FROM 1ST APRIL

Hyderabad *Sicca* currency will cease to be legal tender with effect from 1st April, 1955. All monetary transactions in that State on and after that date will be conducted in Indian currency. However, in order to enable the public to exchange their holdings of Hyderabad currency with Indian currency, the Government of India has, in consultation with the State Government, decided to provide facilities for the conversion of Hyderabad currency into Indian currency for a further period of one year from 1st April, 1955, at all the offices of the Hyderabad State Bank and the Treasuries and Sub-treasuries of the State Government. The rate of conversion will be 100 Indian rupees for every 116-10-8 *Hali Sicca* rupees.

The bulk of the Hyderabad currency has already been withdrawn and the small amount which is still in circulation is also expected to be withdrawn, without much difficulty, as a result of the extension of the period for conversion of *Sicca* currency into Indian currency.

MERCANTILE BANK OF INDIA LTD.

The Board of Directors of the Mercantile Bank of India Ltd. has recommended a final dividend of 7 per cent., less income-tax for the year ended 31st December, 1954, thus making the total dividend for the year 14 per cent. This is the third year in succession for which the dividend is being maintained at this rate, after it had been raised from 12 per cent. per annum paid for four consecutive years from 1948 to 1951.

INTERNATIONAL MONETARY FUND

ITS FUNCTIONS AND PROGRESS

By Mr. Ivar Rooth

MANAGING DIRECTOR OF THE I.M.F.

[A lucid analysis of the functions and the progress, that has been made so far, of the International Monetary Fund was given by its Managing Director, Mr. Ivar Rooth, in his address to the Bombay Branch of the Indian Council of World Affairs last week. Mr. Rooth was in India for about 10 days and, after making a rapid survey of India's economic progress, left for Ceylon on Friday, 25th February. During his visit to this country, he met officials and non-officials, including leading bankers, and addressed a Press conference in Bombay. Published on this page is his address to the Indian Council of World Affairs. He has explained therein, in simple language, the purpose for which the Fund was formed, its set-up, its way of working, and its achievements. In brief, it is a factual story of the Fund related by a person with intimate knowledge of the organisation. We have no doubt that it will be read with interest by business men and students of economics alike.—Ed.]

ALL of you have heard of the World Bank or the International Bank as it is often called. I guess, though, that very few knew anything about the International Monetary Fund before this meeting, and only few of those that had heard of the name of the Fund may be aware of what the Fund is trying to do.

Forty-four nations associated in the war, which was then still undecided, met in the summer of 1944 at Bretton Woods, New Hampshire, United States of America, to formulate a programme designed to secure order and stability in international trade and investment, to assist in the reconstruction of war-torn economies and in the development of underdeveloped countries. The programme was conceived as a part of a broader structure with the overriding objective of a prosperous and peaceful world. Of this structure, the United Nations was to be the most important single unit.

At the time of the Bretton Woods Conference, there prevailed an atmosphere of optimism. It was hoped that all nations would live in peace. There was an expectation that part of the resources formerly wasted in war would be devoted to raising the standards of living of people everywhere.

The Fund and the Bank were, as I said, planned for a peaceful world—a world of liberal trade and currency convertibility. They are designed not merely for a transition from war to peace but as a permanent structure for world-wide co-operation in the fields of currency and international investment. The problems of most of the members of the Fund and the Bank have been intensified by the failure of their wartime hope of friendly co-operation between the communist and non-communist nations. But I believe that, in spite thereof, the Fund and the Bank perform important and useful functions for their members. I shall try to describe here how the Fund has been and is operating. Before doing so, I will, however, mention a couple of differences between the Bank and the Fund.

The Bank and the Fund

The Bank lends money for special projects. If the loan is not taken by the Government itself, it has to be guaranteed by the Government. The Fund's main purpose is co-operation in the solution of payments and exchange problems. Therefore, it lends money only to central banks and treasuries in the member-countries, when they have a temporary need of foreign exchange. The Bank has only a small paid-up capital. Therefore, it has to borrow money on the capital markets in various parts of the world. The Fund, on the other hand, has very substantial amounts at its disposal in gold, dollars and other currencies, and will, for the foreseeable future, be able to carry on its business with its present holdings.

Each member of the Fund is assigned a quota. This quota is the basis of its subscription to the Fund and of its voting strength in the Fund and it is the measure of its ability to obtain financial assistance from the Fund. We have a Board of Governors that meet annually. The Governors elect a Board of Executive Directors, at present 16. Each of them have an alternate. The Indian Director is Mr. Prasad. His alternate is Mr. Pendharkar, both from the Reserve Bank. The Executive Board functions on a continuous basis and meets as often as its business requires. The Chairman of the Board is the Managing Director, who is also the head of the operating staff. He has a deputy who acts for him in his absence. The staff is internationally recruited and now numbers approximately 430 people drawn from 40 different countries. We are particularly happy to include in this number 10 employees from India, including Mr. Dey. Formerly on your Tariff Commission, Mr. Dey is Head of our Asian Department.

The Fund constitutes a code of behaviour for its members. This code recognises the importance of stable exchange rates to trade and payments relationships, and it makes the establishment and modification of exchange rates a matter of international responsibility. Members have to agree with the Fund on par values. A member who wishes to change its par value by more than an initial 10 per cent. must obtain the concurrence of the Fund. Members are obligated to maintain stable rates of exchange based on these par values. They are not to permit rates to vary by more than 1 per cent. on either side of the par values. Countries with multiple exchange rates are obliged to consult the Fund and obtain its approval before changing any of these rates. By and large, exchange adjustments since the Fund was established have been conducted in an orderly fashion.

The Fund stands for stability of rates and orderly changes in rates, but not for rigid rates that are to be permanently frozen. When a par value has become inappropriate because of changes in the economic position of a country, the Fund encourages a change to correct the fundamental disequilibrium that has come into being. Since the Fund was established, there has been a remarkable absence of friction in the economic relations of members arising out of adjustments of exchange rates. And competitive devaluation of currencies has been avoided.

Even when the countries have felt that they were no longer in a position to maintain fixed rates of exchange that move only within the narrow margins prescribed by the Fund's rules, they have consulted the Fund, and have explained in detail the difficulties that they face. The Fund has, for instance, raised no objection to the fluctuating rates of Canada and Peru. Both of these countries have no exchange controls.

Exchange Controls

Most Fund members have had elaborate exchange controls for many years and they use them as an important means of dealing with their balance of payments problems and other economic difficulties. One of the Fund's principal goals is ultimately to bring about the removal of all these restrictions on current international payments. The achievements of this goal depends primarily upon the policies followed by the members themselves. Internal financial stability is the essential prerequisite to freedom in exchange transactions. Since the war, the greatest problem that countries have faced in trying to bring about internal financial stability has been the elimination of inflation. It goes without saying that prices rise when the money supply grows more rapidly than the production of goods for consumption, export and investment. Consequently, the excessive demand created by the inflated money supply exerts pressure on the balance of payments through an increased demand for imported goods. During the post-war period, inflationary pressures have arisen partly from central bank financing of Government deficits, sometimes for defence purposes and sometimes as the result of over-ambitious reconstruction and development programmes, and partly from extensive bank credit which the monetary policies have not sufficiently kept in check. The Fund has, throughout this period, consistently urged its members to adopt budgetary and credit policies of a kind that will terminate inflationary pressures.

The Fund can advise and assist its members to bring about internal financial stability, but only the actions of the Governments themselves can accomplish this. Until inflationary pressures are eliminated, a country will find itself in continual balance of payments difficulties, and the excess demand for imports will have to be checked in one way or another. Exchange restrictions have been one of the most widely used techniques for suppressing the demand for imports.

In the Fund Agreement, there are certain transitional arrangements concerning exchange restrictions. Under these arrangements, members are free to maintain exchange restrictions on current transactions and to adjust them to changing circumstances. In exercising this privilege, however, members have to keep in mind the purposes of the Fund and to withdraw, as soon as feasible, their payments restrictions. In addition, members maintaining such exchange restrictions have, since 1952, to consult the Fund each year regarding their continuation. Most of the Fund's members are now involved in these consultations. These consultations are a substantial part of our work. This work is, as most of our work, done quietly and without fanfare.

Convertibility

One big task of the Fund is to help its members in establishing the convertibility of their currencies. The maintenance of general convertibility depends upon the restoration of international balance. That does not mean, of course, that all payments problems have to be solved before any currency can be made convertible. The convertibility of the leading currencies would be a powerful force to induce both the countries immediately concerned and others to put into effect and to continue the sound financial policies that are essential for a lasting solution of their payments problems.

There are today a few major currencies that are approaching the position where they could be made convertible. When a country decides to establish convertibility, it must, indeed, be sure of its ability, even under pressure, to maintain convertibility. The domestic situation must be free of inflationary pressures, the payments position must be strong, the country must have accumulated reserves of its own. The Fund will be happy to give such countries financial support to meet the initial stress or subsequent unforeseen difficulties.

Convertibility is an essential requirement for effective competition in international trade. It is the only way by which countries can sell freely in any market the goods that they produce most efficiently and buy freely in any market at the lowest possible price the goods that they consume. Convertibility would also help create conditions favourable to an expansion of international capital movements. The extension of convertibility is in the direct interest of the countries immediately concerned. But it is also in the interest of the rest of the world. Progress is now being made in establishing the basis for convertibility. The payments position of many countries and regions has been strengthened and the reserves which are indispensable for convertibility are being accumulated. The recovery of the reserves of some of the great trading countries from very low levels has already been an important factor in making possible a liberalisation of their import and exchange

(*Continued on page 426*)

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CORRESPONDENTS ALL OVER THE WORLD

COTTON GROWING PROBLEMS

ECONOMIC IMPORTANCE OF HYBRID SEEDS

THE Conference on cotton-growing problems in India (the sixth of its kind) that was held recently in Bombay discussed several agricultural and economic issues relating to the cultivation of cotton in this country. Dr. S. C. Harland of the Manchester University, a botanist of international reputation, who is now in India to advise the Indian Central Cotton Committee on its research problems, attended the Conference. Many of the leading cotton technologists in India participated in the deliberations of the Conference where about 70 technical papers were read and discussed.

Inaugurating the Conference, Mr. Purshotamdas Thakurdas, President of the East India Cotton Association, traced briefly the development of cotton cultivation in India. He recalled how in the pre-war years, India was known for its short-staple cotton and the entire export trade was based upon it. The war, which closed the export outlets and witnessed an increase in domestic consumption of cotton, brought about a "revolution" in India's cotton economy. He complimented the research workers on their work in improving the quality of cotton. Emphasising the importance of segregating the areas where improved varieties of cotton are grown, Mr. Purshotamdas Thakurdas said:

" ... it often happens that the useful result achieved by the scientists and technicians is being lost in the long run to the detriment of the grower and the country as a whole by the Government in the Centre not segregating the areas for different varieties of cotton and maintaining the purity of the seeds. In a country like India, with diverse soil and climatic conditions, there cannot be one single uniform seed grown for the entire country. But it is possible, given the will to do so, to maintain the purity of the seeds by the application of the Cotton Control Act and the Cotton Transport Act. The need for this is particularly felt in such places as Madhya Pradesh, East Punjab, etc., where due to the admixture of various seeds, the useful work done by the cotton breeders is lost."

Dr. Harland traced the history of cotton research and referred to the important landmarks which were responsible for the building up of modern genetics and plant breeding technique. He used the term "genetical architecture" for describing this development. He defined the "species" as an adaptative complex, precisely adjusted to environment, that is oscillating, and is not static from day to day and year to year. He laid particular emphasis on the need for intimate relationship between the plant breeder and the plant, which he compared to that between mother and children. Explaining the nature of a correct research attitude, he said that "passion" was the word for the research workers. Also, they must have "courage"—the courage to confront the unfamiliar.

The technical papers read at the Conference dealt with the problems of effecting qualitative and quantitative improvement in cotton cultivation. The problems were discussed under five headings—cotton breeding and genetics, cotton statistics, cotton technology, cotton agronomy and cotton pests and diseases—under each of which several papers were read and discussed. The problem of increasing the production of cotton resolves itself into the twin problems of extending the area under cotton and improving the yield of cotton. As regards the land under cotton, it is about 16.1 million acres now, of which less than 10 per cent. is under irrigated cotton. It is anticipated that, when the several irrigation projects, which have been taken in hand, are completed, a portion of the land brought under irrigation will be devoted to cotton. It is expected that there will be an addition of about 1.3 million acres to the area under cotton, inclusive of about 0.5 million acres in the Punjab, 0.2 million acres in P.E.P.S.U., 0.10 million acres in the U.P., 0.23 million acres in Rajasthan and 0.15 million acres in Madras. These are, of course, only rough estimates for much will depend upon price and other considerations.

An interesting development in regard to increasing cotton output is the cultivation of cotton as an off-season crop on paddy lands. An experiment on these lines has been conducted in certain paddy-growing regions of the Madras State. The experiment has shown some promising results. The Committee has already sanctioned a scheme for this purpose. It is believed that it should be possible to grow cotton in the Godavari and the Krishna regions also. It would also appear that cotton cultivation has been tried on an experimental scale in the Kapoli area in the Bombay State where the Tata Power stations are located. By utilising the waters that are running to waste, cultivators were encouraged to grow vegetables for which a good market exists in the two neighbouring important cities—Bombay and Poona. Now, cotton crop has also been tried in this area. What is necessary here is to evolve an early maturing variety which will be suitable for cultivation under the soil and climatic conditions which prevail in this region. Some research is needed in this subject.

Another aspect of the problem of increasing the output of cotton is the one relating to improvement in per-acre yields. Several papers read at the Conference dealt with the many facets of this problem. The effect of pre-sowing treatments of seed, of some hormones and of manures on cotton formed the subject-matter of a few papers. The average yield of cotton can be increased, as is well known, by at least 100 per cent. by providing irrigation facilities. Some experiments have shown that it is possible to increase the yield even by 200 to 300 per cent. by adopting early sowing with irrigation water. Manuring of cotton can increase the yield by 25 to 40 per cent. But this would be successful only in areas under irrigation or with an assured rainfall.

Yet another important aspect of the problem of increasing the output of cotton is the fight against pests and diseases which adversely affect the cotton crop both quantitatively and qualitatively. This aspect was discussed in several papers read at the Conference. Pink and spotted boll-worms inflict considerable damage on the crop. Black arm disease is also one of those diseases which afflict the cotton plant. There is no direct method of attack against this disease. In fighting pests and diseases, one must also take into account the cost of waging the fight. Some fungicides are effective but are too costly to prove of practical benefit to the farmers. Be that as it may, the fight must be carried on relentlessly. Victory would mean a 20 per cent. increase in India's cotton crop.

Continuous efforts are being made to improve the quality of Indian cotton. Much work has been done in the sphere of increasing the output of long-staple cotton. Thus, in the period 1939-44, the output of long-staple cotton (1" and above) formed 19 per cent. of the total output. It now forms about 32 per cent. of the total output. In the Vijay zone in the Bombay State, an improved strain, Digvijay, is gaining in popularity. Lakshmi is slowly supplanting inferior varieties of cotton in the Ceded Districts, in parts of Hyderabad State and Mysore State. This is regarded as a major development in India's cotton economy. A defect noticed in regard to Lakshmi is that it is susceptible to certain bacterial diseases. At the Sirguppa Station, research work is being done in order to evolve a disease-resistant Lakshmi strain. New long-staple varieties 170—Co. 2 and 134—Co. 3M are grown in Gujerat.

The main drawback of Indian cotton economy is the shortage of extra-long-staple cotton (1⅛" and above). Research is being directed towards meeting this shortage. Many papers dealt with this aspect of the cotton problem. A promising line of research is to cross the very long-stapled Sea Island cotton with the long-stapled Lakshmi or Punjab-American or Cambodia in order to evolve extra-long-staple cotton. The three hybrids which have been produced are: Co4—B-40×Quabradinho; Co2×Sea Island; Lakshmi×Sea Island. The first of these three hybrids, according to Mr. N. R. Bhat and Mr. S. R. Kaiwar of the Department of Agriculture, Bombay State, has proved better than either of the other two varieties for cultivation in the grass lands and waste lands of Bombay Karnatak. All the three are suitable for cultivation under irrigation conditions.

A scheme for the production of hybrid seeds which will produce long and superfine cottons capable of spinning 60s to 80s has been sanctioned by the Committee. Commercial production of hybrid seed has begun in Broach (Bombay State). The results of the research in commercial production of hybrid seed in Bombay State have been summarised by Mr. B. J. Thakkar, Cotton Breeder, Broach, and Mr. D. S. Sheth, Cotton Development Officer, Surat. They estimate the expenditure on account of crossing, use of paper bags, threads, picking, ginning, etc., excluding cultivation charges and the land lease at about Rs. 21 per lb. of hybrid seed. They emphasise that the commercial production of hybrid seed should be done under perfect technical control and guidance of experienced plant breeders, so that every hybrid seed so produced is genuine. The authors urge the Central and State Governments to encourage the production of hybrid seeds through the grant of a subsidy for every pound of the right type of hybrid seed produced. It is hardly necessary to add that the economic importance of hybrid seeds would justify the grant of any reasonable subsidy designed to extend and improve their production.

WOOLLEN INDUSTRY IN INDIA

PRODUCTIVE CAPITAL ESTIMATED AT RS. 9.10 CRORES

OUT of the aggregate annual value of India's industrial output, estimated at Rs. 980 crores, the share of the woollen textile industry is about 1.2 per cent. During the calendar year 1954, for instance, the 45 woollen mills—these relate only to factories employing 20 or more workers and using power—in the seven States of Bombay, Madras, Uttar Pradesh, the Punjab, West Bengal, Bihar and Saurashtra produced Rs. 11.68 crores (ex-factory value is assessed at Rs. 11.40 crores) worth of woollen goods. Of this, the share of woollen cloth was Rs. 4.83 crores, the quantity produced being 5.21 million yards. The value of yarn produced was Rs. 3.32 crores (5.76 million lbs.). Another important item consisted of rugs and blankets, the total value of the production of which was Rs. 1.51 crores, the number actually manufactured being 832,654. *Lohis* and shawls accounted for Rs. 1.14 crores, the number being 812,341.

The total productive capital employed in the 45 woollen mills under review amounted to more than Rs. 9.10 crores. Of this, working capital represented as much as 68.3 per cent. or Rs. 6.24 crores, to be precise. Fixed capital amounted to Rs. 2.86 crores or 31.7 per cent. The predominance of working capital is due to the large stocks of raw materials, valued at Rs. 2.83 crores, held by the factories. The funds utilised for holding stocks of finished products and by-products amounted to Rs. 1.96 crores and those of semi-finished products in stock or in process to Rs. 1.10 crores.

The woollen industry provides employment to 15,801 persons, of whom 14,142 are workers and 1,659 are persons other than workers. The total wages and salaries paid every year come to nearly Rs. 2 crores. In other words, the average earning of a worker in the woollen industry is Rs. 1,261 per annum, as against Rs. 1,600 earned by a cotton mill worker in Bombay, while the *per capita* income in India is Rs. 275. The value of the gross output per person employed amounts to Rs. 7,394. The cost of producing a pound of woollen yarn comes to Rs. 5-12 and a yard of cloth to Rs. 9-4.

A break-up of the several elements in the cost of production reveals that wool tops constitute the largest item. During 1952, the woollen mills consumed Rs. 4.03 crores worth of tops (6.95 million lbs.). Consumption of raw wool accounted for Rs. 1.31 crores (6.92 million lbs.), worsted yarn for Rs. 94.93 lakhs (1.06 million lbs.) and others for Rs. 1.58 crores. The value of coal used in the mills was Rs. 9.64 lakhs (27,591 tons), of electricity Rs. 7.31 lakhs (12.53 kw.h.), of lubricating oils Rs. 1.73 lakhs (41,741 gallons) and of others Rs. 10.70 lakhs.

The table below indicates the position of the woollen textile industry in the aforesaid seven States in 1952:

—	Bombay	Madras	U.P.	Punjab	W. Bengal, Bihar and Saurashtra
No. of factories ..	8	3	6	24	4
No. of persons employed ..	6,230	59	2,801	5,155	15,801
Fixed capital (in lakhs of Rs.)	117.34	0.63	19.55	71.75	77.49
Working capital (in lakhs of Rs.) ..	290.65	0.18	133.13	150.90	49.63
Salaries and wages (in lakhs of Rs.)	83.22	0.26	48.13	58.50	11.46
Fuels, etc., consumed (in lakhs of Rs.) ..	15.84	0.01	3.81	7.75	1.96
Materials consumed (in lakhs of Rs.) ..	854.28	0.74	80.31	255.46	96.35
Value of products manufactured (in lakhs of Rs.) ..	474.28	1.21	199.52	381.63	111.77
Value added by manufacture (in lakhs of Rs.) ..	93.80	0.40	101.49	76.36	9.62

MINISTER'S ASSURANCE TO TEXTILE INDUSTRY

LABOUR LEADERS EXPRESS GRAVE CONCERN OVER IMPORTS OF CLOTH

From A Special Correspondent

MANCHESTER, 22nd *February*

MANCHESTER LETTER

THERE has been no slackening in the controversy arising out of imports of foreign cloth into the United Kingdom and cotton traders in Lancashire are still discussing the pros and cons of the situation with great vehemence. The main event of the week has been the decision of employers and workers in the producing sections to protest direct to Sir Winston Churchill over the quantity of Indian cloth imports.

Following a meeting in Manchester with Mr. A. R. W. Low, Minister of State at the Board of Trade, a resolution was unanimously approved expressing "grave concern" at the threat to employment, stability and confidence in the Lancashire cotton industry. The resolution said the meeting had expressed "profound dissatisfaction at the Government's unwillingness to take action to safeguard the vital interests of workpeople and employers in the Lancashire cotton industry."

Addressing the Manchester Chamber of Commerce at its annual luncheon, Mr. Low said the Government's overseas commercial policy was to "hold the doors of world trade open. The situation in Lancashire is causing everyone concern and it is being treated by the Government with all seriousness and sympathy," he said. "But let us not forget the very solid assets which there are on the other side of the balance-sheet. Lancashire cloth commands well over 90 per cent. of the home market—one of the largest textile markets in the world—and she has a substantial export trade in a world which has learned to respect Lancashire quality because it comes from Lancashire. These are themselves good grounds for confidence in any industry but it is not I or the Government who can preach confidence. That is for the leaders of the industry."

Mr. Low, who recently returned from India, said the Indian Government knew we should like a substantial reduction in the duties of 60 to 80 per cent. which Lancashire textiles entering India had to face. "I made it quite clear to the Indian Government that the high rate of their tariff on cotton textiles, quite apart from its actual effect on trade, was bound to seem to everyone to be unfair when compared with the duty-free, quota-free treatment we gave to textiles from India."

Pledging the Government's awareness of the importance of the textile industry to Lancashire, Mr. Low said: "The Government has not written off the Lancashire textile industry nor does it consider the Lancashire textile industry expendable as some people complain." A most careful watch was being kept by the Government on the position in Lancashire but if we imposed quotas we should be encouraging other countries to "slam on a quota against our successful British exporters."

Mr. Low said statistics showed that the main difficulty facing the industry was shortage of export orders rather than imports of foreign cloth. "We are examining the question of what safeguarding action might have to be taken if the situation became too threatening."

Union Viewpoint

In the meantime, Trades Union Congress leaders have been warned that there is a serious threat of widespread unemployment in the Lancashire cotton industry this summer if imports of foreign cloth are allowed to continue at their present rate.

In a survey of conditions in the North-west, sent to Transport House, Mr. Lewis Wright, Weavers' Amalgamation Secretary, says: "Grave concern exists about increasing imports of cloth from India, which were eight times as much last year as in 1953—133 million yards, against 16 million yards. With more than half of this retained in the home market, order books have shortened alarmingly, and underemployment and mill stoppages are showing signs of increasing."

"Traders are suggesting that a limit must be set to imports of foreign cloths if Lancashire is to survive," declares Mr. Wright. Some propose an unofficial boycott of Indian cloth on the pattern of the Indian boycott of Lancashire cloth in the 1930's, which caused 70 per cent. unemployed in some Lancashire towns.

"The Government must move, and declare some positive policy," says Mr. Wright. "Unless some new factors emerge within the next few weeks, unemployment in the cotton industry is likely to increase markedly."

Loyalty Call

From the employers' side came a sharp attack on Lancashire firms who are importing cheap cotton cloth from abroad—"loyalty in the industry is imperative if its good name is to be retained"—was made by Mr. Percy C. Fish, Chairman of J. F. & H. Roberts, the £1,500,000 textile manufacturing and merchanting company, at the annual meeting.

"It is deplorable for large combines and well-established converters to give up the security of the United Kingdom textile trade for the short-lived glamour of Japan, India, Hong Kong or elsewhere. It is unthinkable that the present methods of unfair trading will be allowed to continue indefinitely," declared Mr. Fish, a veteran trade leader.

No other country in the world would tolerate a system which permits their legitimate trade to be sabotaged by granting "such advantageous conditions of trading to its keenest foreign competitors." Calling for "big thinking and big changes" in the Lancashire industry, Mr. Fish told the meeting that his own company refused to handle cheap overseas cloth. "To ask the Government for protection when you have the remedy in your own hands seems nothing less than childish. Quite a lot of these cheap imported cloths have not given discerning customers satisfaction but on account of cheapness inroads have been made into the home trade just as was the case in the export markets."

Urging a scheme which would give the United Kingdom and the Dominions "the opportunity of trading amicably with each other on an equal basis," Mr. Fish said where an importer had bought goods from abroad at less than the current home market price the Government should collect from the importer the difference for revenue purposes. This would have the result of goods made at home or abroad both being sold to the consumer on the same basis of cost.

Signs of Split

It is, however, true that Lancashire is far from unanimous on the subject of foreign cloth imports. This fact has no doubt been transmitted to the Government by Mr. Low when making his report on his exchanges with cotton trade leaders last week. For example, he heard Mr. H. E. Pardoe, President of the Manchester Chamber of Commerce, sum up the long-term advantages of such purchases.

Speaking at the annual meeting of the Chamber he described the present situation as a many-sided problem. In assessing the merits of the case for and against cloth imports, however, it was important to remember that spinners and weavers represented only a part of the cotton industry. The bleaching, dyeing, printing, packing and finishing trades with the converter merchants made up the rest.

"Owing to the inability of the spinners and weavers to increase their production to anything like the required amount it is easy to see that without the aid of this imported cloth there would be redundancy in the finishing trade and many of the converters would lose the hold they are able to maintain on a substantial re-export trade," said Mr. Pardoe.

"On a long-term view it is obviously in the interests of the whole industry that the re-export trade should be continued, especially if, as one would hope, Lancashire one day will again be fully export-minded and interested not only in winning back some of the lost markets but also in opening up new ones."

Mr. Pardoe told the Chamber he felt it would be an act of political wisdom on India's part which would only react to her ultimate benefit if she lowered her tariffs. Otherwise unless there was an unexpected increase in the demand for Lancashire cotton textiles, it was quite possible that the circumstances prevailing would soon be such that the Government would be forced to take action which, while being fully justified, would nonetheless be distasteful because it would be contrary to the principles of G.A.T.T. and the Ottawa Agreement.—*All Rights Reserved.*

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GOVERNMENT OF INDIA'S BUDGET

REVENUE CONTINUES TO EXPAND

NO THREAT OF INFLATION, DESPITE AN OVERALL DEFICIT OF RS. 319 CRORES

THE Central Government's budget for 1955-56 reflects the increasing tempo of development expenditure. Thus, the revenue deficit and the overall deficit are larger than those for any of the post-war years. The year coincides with the last year of the Five-year Plan and the Government has planned to step up the expenditure on development projects, with a view to making good the leeway in previous years. Another feature of this budget is the incorporation of most of the principal recommendations of the Taxation Enquiry Commission. As a result, the number of new taxation proposals is fairly large; besides, there has also been some rationalisation of the existing taxes.

On the basis of taxation prevailing before the announcement of the new taxes, the budget for 1955-56—the fifth to be presented by Mr. C. D. Deshmukh, India's Finance Minister—shows a revenue deficit of Rs. 30.17 crores, as against the revised estimate of Rs. 5 crores and the budget estimate of Rs. 15.36 crores for 1954-55. As development expenditure has been stepped up considerably, the overall deficit for the coming year is placed at Rs. 340 crores, as compared with Rs. 239 crores (budget) and Rs. 208 crores (revised) for the year drawing to a close. The increases in direct taxation, modifications in customs and enhancement of excise duties, as per details that will shortly follow—all these are expected to yield an additional revenue of Rs. 21.70 crores—have, however, reduced the revenue deficit to a modest level of Rs. 8.47 crores and the overall deficit to Rs. 318.30 crores. In other words, if all the expenditure is incurred according to schedule, the Government will have created by the end of the year "paper money" of the order of about Rs. 320 crores. The "if" here is, however, a big one, for experience hitherto has shown that the authorities are incapable of spending such large amounts on development expenditure as is now planned by them.

The following table will enable one to get a bird's-eye view of the Government's revenue and expenditure in 1953-54 (actuals), 1954-55 (budget as well as revised) and 1955-56 budget:

(In crores of rupees)

	1953-54 Actuals	1954-55 Budget	1954-55 Revised	1955-56 Budget
Revenue	415.98	451.73	451.08	468.76
Effect of taxation proposals	..	..	..	21.70
Expenditure	407.48	467.09	456.08	498.93
Surplus (+) or deficit (—)	+8.50	—15.36	—5.00	—8.47

Before proceeding to discuss the accounts for the current year, it may be mentioned here that the actuals for 1953-54 show a revenue surplus of Rs. 8.50 crores, as against a deficit of Rs. 16.96 crores anticipated as per revised estimates for that year. This is an indication of the conservative outlook of Mr. Deshmukh. Throughout his term as Finance Minister he has been underestimating the revenue and overestimating expenditure. It would not be surprising, therefore, if the accounts for 1955-56, when finalised two years hence, were also to show a revenue surplus, instead of the modest deficit of Rs. 8.47 crores now estimated by him.

1954-55

The revised estimates of revenue show hardly any variation as compared with the budget estimates, while those of expenditure disclose a drop of Rs. 11 crores. Consequently, the current year is expected to end with a deficit of only Rs. 5 crores, just one-third of the anticipated amount. Explaining the variations in the revised estimates, as compared with the budget estimates for 1954-55, the Finance Minister stated that the credit of Rs. 9 crores taken in the budget for repayment of the Partition debt by Pakistan had not materialised but this shortfall was partly made up by the increase of Rs. 5 crores under customs revenue due mainly to the enhancement of the export duty on tea and Rs. 3 crores under other miscellaneous heads of revenue. The Finance Minister mentioned that further negotiations with Pakistan for the settlement of the outstanding financial issues were to take place in the near future and that he had every hope that these would result in a satisfactory settlement.

Of the savings of Rs. 11.01 crores in expenditure, Rs. 3.41 crores were in Civil expenditure and Rs. 7.6 crores in Defence expenditure. The former was the net result of a number of variations. There were savings of Rs. 1.18 crores due to the decrease in the share of the Union excise duties payable to the States consequent on the fall of revenue on excise duty on tobacco, Rs. 2.13 crores on educational schemes due to slower progress of expenditure in some States and Rs.4.49 crores in grants to States on Community Development Projects and National Extension Service. These savings were counter-balanced by additional expenditure of Rs. 4 crores on flood and famine relief, Rs. 89 lakhs for expenditure on displaced persons and Rs. 76 lakhs for the former French Establishments in India. The saving in expenditure on Defence Services was mainly due to economies and slower progress in the procurement of stores than anticipated.

The realisation of estate duty was now estimated at Rs. 1.26 crores as against the original

SUMMARY OF FINAL ESTIMATES

(In lakhs of rupees)

	Budget, 1954-55	Revised, 1954-55	Budget, 1955-56
REVENUE			
Customs	1,75,00	1,80,00	1,65,00 —50*
Union Excise Duties	1,03,80	1,03,65	1,23,45 +17,70*
Corporation Tax	38,35	38,41	39,77
Taxes on Income other than Corporation Tax	70,67	70,63	72,46 +4,50*
Estate Duty	25	8	21
Opium	1,85	2,26	2,00
Interest	2,78	3,61	2,91
Civil Administration	10,48	10,81	10,54
Currency and Mint	20,42	20,76	23,18
Civil Works	1,83	1,90	1,90
Other Sources of Revenue	7,02	0,84	19,21
Posts and Telegraphs—Net contribution to general revenues	1,50	1,40	70
Railways—Net contribution to general revenues	7,37	7,08	6,18
Extraordinary Items	10,21	75	1,28
Total—Revenue	4,51,73	4,51,08	4,68,76 +21,70*
EXPENDITURE			
Direct Demands on Revenue	32,19	30,46	33,13
Irrigation	16	14	13
Debt Services	40,00	39,40	30,20
Civil Administration	86,08	83,03	1,11,76
Currency and Mint	2,83	3,40	3,96
Civil Works and Miscellaneous Public Improvements	15,54	15,06	16,33
Pensions	8,46	8,77	9,13
Miscellaneous—Expenditure on Displaced Persons	10,23	11,12	10,37
Other Expenditure	9,74	10,97	23,72
Grant to States, etc.	32,48	32,05	35,93
Extraordinary Items	23,97	22,67	13,19
Defence Services (Net)	2,05,82	1,98,02	2,02,68
Total—Expenditure	4,67,09	4,56,08	4,98,93
Surplus (+) / Deficit (—)	—15,36	—5,00	—8,47

* Effect of Budget Proposals.

estimate of Rs. 4 crores but this did not affect the Central Budget as the proceeds were to go almost entirely to the States. In regard to the principles of distribution of estate duty among the States, the Finance Minister observed that the next Finance Commission would be asked to advise on this issue and that meanwhile, a provisional distribution would be made on the same basis as the States' share of the income-tax. This provisional distribution would be subject to revision by the next Finance Commission and that as the collections were not likely to be large for some time, this would not make any significant difference to the finances of the individual States.

1955-56

For the next year, the revenue is expected to go up by Rs. 38.38 crores to a little under Rs. 500 crores. Of this expansion, the new taxes proposed by the Finance Minister account for Rs. 21.70 crores. The balance of Rs. 16.68 crores is due to expectations of higher export duty on tea and a large profit on sale of sugar on Government account. Explaining the variations in the main sources of revenue for the coming year, the Finance Minister said:

"The revenue from customs in the coming year has been placed at Rs. 165 crores, against the current year's revised estimate of Rs. 180 crores. The recent enhancement of the export duty on tea will bring an additional revenue of Rs. 11 crores over the current year's yield. Imports of motor spirit, kerosene and lubricants will, however, decrease to almost a quarter of the present level, as a result of the second oil refinery at Bombay also coming into full production. In consequence, there will be a drop of about Rs. 20 crores under this head, as compared with the collections of the current year, but a substantial part of this revenue will be realised through excises. Imports of sugar are also expected to be less than in the current year. In the result, the customs revenue will show a net drop of Rs. 15 crores next year. The revenue from excise duty is put at Rs. 123.45 crores next year as compared with the current year's revised estimate of Rs. 103.65 crores. The increase is largely accounted for by revenue from the excises on kerosene and petrol following larger internal production; the collections of tobacco excise are also expected to improve by Rs. 3.3 crores, and, following better production, the collections from sugar by Rs. 1.5 crores.

"Under income-tax, the current year's figure of Rs. 165 crores is being repeated for next year. Collections recently have been somewhat lower than expected due to the progressive clearance of arrears, but I hope that improvement in normal collections will make up for this deficiency. Revenue from estate duty is estimated at Rs. 3 crores next year but, as I have already pointed out, this goes almost wholly to the States. Under currency and mint, profits of the Reserve Bank payable to Government are expected to be Rs. 20 crores next year, as against Rs. 17.5 crores this year, owing to the increased yield on Treasury Bills held by the Issue Department. I am also taking a credit of Rs. 8 crores from profits from the sale of sugar imported on Government account. On the other hand, I am not taking any credit for repayment of Partition debt by Pakistan in view of what has happened in the last two years. If, as I hope, a settlement is reached in the coming year, I shall take the credit into account in my revised estimates."

The expenditure estimates for 1955-56 have gone up by as much as Rs. 42.85 crores to Rs. 498.93 crores, the increase more than offsetting the expansion in revenue, as noted above. Of this increase, Defence expenditure accounts for only Rs. 4.66 crores, so that the bulk of the rise—Rs. 38.19 crores to be precise—will take place in Civil expenditure. The following quotation from the Finance Minister's speech will provide an idea of the increases in the more important items and the reasons for such variations:

"The total expenditure on nation-building and Development Services amounts to Rs. 75.3 crores, against Rs. 50.69 crores in the current year. Allowing for a transfer of about Rs. 4.6 crores from other heads, the net increase here comes to Rs. 20.01 crores. Thus, the budget for education increases by Rs. 7.3 crores to Rs. 18.31 crores which includes provision of Rs. 10 crores for grants to States for basic, social and secondary education, Rs. 3.5 crores for the University Grants Commission and Rs. 1.20 crores for scholarships to students of Scheduled Castes, Scheduled Tribes and other Backward Classes. Expenditure on scientific departments and research schemes increases by Rs. 2.01 crores; Medical and Public Health Services account for an increase of Rs. 1.98 crores; and development of village and small-scale industries will cost an additional Rs. 2.23 crores. For developments of khadi and handloom industries, a total provision of Rs. 4.25 crores has been made which will be met from the fund created out of the special cess on mill-made cloth.

"In addition to the increase of Rs. 20.01 crores under nation-building and Development Services, mentioned above, there is an increase of Rs. 4.44 crores in expenditure on Community Development Projects and National Extension Services; an increase of Rs. 2.41 crores in grants to Part C States, with their own legislatures for financing their development schemes; an increase of Rs. 81 lakhs in grants for the development of Scheduled Tribes and scheduled areas; an increase of Rs. 50 lakhs in grants to States for the development of primary education under the Finance Commission's award and an increase of Rs. 1.1 crores in grants for social welfare and welfare of Backward Classes. The total additional provision for Development Services next year thus aggregates about Rs. 29.27 crores.

"Of the rest of the increase in Civil expenditure, a sum of Rs. 3 crores represents the first instalment of the write off of the trading losses expected on the disposal of the existing rice stocks. . . . Government will be having a stock of about 1.5 million tons of foodgrains, mostly rice, representing partly stocks taken over from the States following decontrol last July and partly imports from Burma under the agreement with the Burma Government. In view of the recent fall in prices, the disposal of this stock, which will take two or three years to effect, is likely to result in substantial losses, which at present prices may be of the order of Rs. 45 crores, although it is not possible to estimate their extent accurately. These losses differ from the food subsidies given in the post-war years which were a part of price control and rationing. They are straight trading losses arising from the peculiar conditions of the current year, when, with a good crop and because of decontrol, we are having to carry large stocks liable to early deterioration in storage. With an improvement in food position, large losses of this nature are not likely in future. It will completely distort the revenue budget if all the losses are taken to revenue as they arise. I consider it both desirable and necessary to spread them over revenue over a reasonable period. Pending the emergence of the final figure of the loss, I have made an *ad hoc* provision of Rs. 3 crores in the revenue budget for meeting the losses."

An important pronouncement was made by the Finance Minister in regard to the separation of Audit from Accounts. He observed:

"We are making a beginning on the 1st April, 1955 with the separation of Audit from Accounts, on which the Public Accounts Committee have rightly been laying stress. As I stated during the budget discussions last year, there is no difference of opinion about the need for separation, but such a fundamental change in a long and well established system which affects both the Centre and the States can be brought about only by stages to avoid dislocation of administration. The Finance Ministry have been in close consultation with the Comptroller and Auditor-General and it has now been decided, as a first step, to introduce the reform in respect of the transactions relating to Supply, Food and Rehabilitation with effect from the 1st April, 1955. Accordingly, Departmental Accounts Offices are being constituted in the respective Ministries. To begin with, the extra staff will be provided for these offices from the Indian Audit Department and the scheme will be implemented in close and continuous consultation with the Comptroller and Auditor-General. The Comptroller and Auditor-General has been in correspondence with the States also for a similar change to be made in the maintenance of the Accounts relating to the States and it is hoped that it will be possible to make a beginning during the next financial year in some of the States as well."

Capital Expenditure

The Finance Minister then gave an account of the Capital expenditure as follows:

"For capital outlay the current year's budget provided for an expenditure of Rs. 145.75 crores. The expenditure is now estimated at Rs. 178.54 crores. The increase is accounted for by a worsening of Rs. 61.59 crores under Government trading schemes largely due to purchase of rice stocks from the State Governments, offset by saving of Rs. 28.80 crores in other items. A provision of Rs. 10 crores was made in the budget for possible purchase of shares in the Hindustan Steel Ltd., but this provision will now remain unutilised during this year. There is a saving of about Rs. 7 crores under civil works mainly due to slower progress in the construction of buildings and roads. For similar reasons, there is a saving of Rs. 4 crores in the grants for industrial housing and of about Rs. 4.7 crores in Defence capital outlay. For next year, Capital expenditure is estimated at Rs. 223.3 crores including Rs. 29 crores for Government trading schemes mostly for our normal imports of wheat for the central reserve. As I remarked earlier, outlay in the final year of the Plan will inevitably increase.

"For railways a provision of Rs. 66 crores has been made against the current year's expenditure of Rs. 32¼ crores. The Five-year Plan for Railways provided for an expenditure of Rs. 400 crores during the Plan period, of which railways were to find Rs. 320 crores from their own resources. While the total outlay during the quinquennium will be only slightly over the original Plan, there has been a shortfall during the period in the resources raised by the railways themselves. This explains the larger allotment for railways next year.

"Compensation to displaced persons in the form of cash and transfer of Government property and write off of loans is estimated at Rs. 31 crores of which about Rs. 9½ crores will be made from sale proceeds of evacuee property, that is, a net figure of about Rs. 21 crores against the current year's net outlay of Rs. 7½ crores. A provision of Rs. 5 crores has been made for investment in the Hindustan Steel Ltd. in addition to a loan of an equivalent amount. A sum of Rs. 7.7 crores will be payable to the Reserve Bank of India next year in lieu of Hyderabad securities forming part of the assets against Hyderabad note issue which has been taken over by the Bank. As part of the settlement for the allocation of assets and liabilities of the Hyderabad State, following its financial integration, it has been decided that this liability for Hyderabad securities which were created *ad hoc* by the State Government before integration for expansion of its currency will be taken over by the Government of India.

"Provision for civil works amounts to Rs. 32 crores against Rs. 24 crores this year, after excluding the adjustment in respect of Government property transferred to displaced persons as part of the compensation scheme. Capital outlay on Defence, next year, is estimated at Rs. 22.38 crores against Rs. 13.09 crores, the increase being due partly to the carry forward from the current year and partly to the normal expansion programme. In addition to the provision for capital outlay just mentioned, the estimates include, against the original provision of Rs. 249 crores, Rs. 306 crores this year and Rs. 355 crores next year for loans to State Governments and others mostly for their development projects."

Ways and Means

Discussing the ways and means position, the Finance Minister disclosed that the revised estimate for the overall deficit was estimated to be of the order of Rs. 208 crores against Rs. 239 crores in the budget estimate. As the opening balance was about Rs. 12 crores less than the minimum of Rs. 50 crores, the expansion of Treasury Bills would amount to about Rs. 220 crores. The response to the 3½ per cent. National Plan Loan 1964, floated this year, was satisfactory. Out of the total subscriptions of Rs. 158 crores realised, Rs. 25½ crores were lent to the State Governments which would otherwise have approached the market individually for their loans. The small savings scheme had also made notable progress and it was likely that for the first time the annual target of Rs. 45 crores, which was set some years ago for collections through small savings, would be exceeded. "While this is heartening" the Finance Minister observed, "I must appeal for still greater effort and for wholehearted cooperation on the part of every one in spreading the movement and making, through it, a massive contribution towards the country's development and prosperity. Mobilisation of small savings, necessary at all times for the country's economy, has now assumed added importance for the fulfilment of the development plans which will need increasingly larger resources."

For the next year, the overall deficit was estimated at Rs. 340 crores. As the cash balance would have no margin to be drawn up, the whole of this gap would have to be met by issue of Treasury Bills. Summarising the ways and means position for the coming year, the Finance Minister said that the Government needed Rs. 30 crores for meeting the revenue deficit, Rs. 578 crores for financing capital outlay and loan requirements of the State Governments and others and Rs. 69 crores for the repayment of the maturing debt. Against this, they hoped to raise Rs. 125 crores from the market loan and Rs. 52 crores from the small savings. Foreign aid expected next year would amount to Rs. 74 crores and other miscellaneous debt and remittance transactions might bring in Rs. 86 crores. This would leave a gap of about Rs. 340 crores in the available resources to balance the budget.

This sizable budgetary deficit, the Finance Minister observed, did not carry any threat of serious inflationary pressures and that the various economic indicators like production, prices, foreign exchange, etc., pointed out that the country could go ahead more boldly. Nevertheless, he assured the House that the situation would be watched constantly and carefully and that while the Government "would take the risk attaching to any significant development effort, it would be a calculated risk combined with caution."

New Taxation Proposals

The Finance Minister then proceeded to announce the new taxation proposals. He began by saying that it was a prudent principle to meet as much of the current expenditure as possible from current taxation and that he proposed to meet the major portion of the revenue deficit by fresh and additional taxation. Answering the question why the whole of the overall deficit should not be left uncovered, he said: "The fact that the various economic indicators suggest that deficit financing could be resorted to without undue risk does not mean that the attempts to mobilise domestic resources to the maximum extent should be given up and prudent finance replaced by the printing press."

Before proceeding to deal with the detailed proposals, the Finance Minister made a brief reference to the Report of the Taxation Enquiry Commission, which was being released with the Budget papers. The Report was a massive and historic document covering the entire field of taxation—Central, State and Local—and bore the impress of a thorough and careful study of the problems in all their aspects. In the field of Central taxation, the Commission's recommendations were broadly in the direction of widening the base and range of taxation, both direct and indirect, and involved readjustment of the rate structure. They related both to the basis and procedure and to the rates and rate structure. It had not been possible, within the short time since the Report was received, to make a detailed study of all the recommendations. In so far as the basis and procedure were concerned, he was implementing a number of recommendations immediately and he gave the assurance that the remaining proposals would be examined by Government and amending Bills placed before the House as early as possible. He added that the rates of taxation suggested or implied by the Commission were more an indication of the possibilities in these directions than in the nature of budget proposals and that the steps that might have to be taken from time to time must necessarily be considered in the light of economic and budgetary considerations.

Changes in Customs Duties

The Finance Minister's first proposal was to raise import duties on a number of goods such as articles made of paper, advertising circulars and cutlery not plated with gold or silver. This was in accordance with the general policy of gradually replacing, wherever possible, at least partly quantitative restrictions by higher import duties. On some items like zip fasteners and tiles of earthernware and porcelain, alternate specific duties were also being prescribed.

He next proposed, in pursuance of the policy of a gradual remission or reduction of duties on essential raw materials, to abolish completely, subject to the margin of preference being maintained where this is bound by agreement, duties on dyeing and tanning substances, gums, resins, plumbago and graphite.

The export duty on cotton cloth was being reduced to 6¼ per cent., as a measure of assistance towards the maintenance of the country's competitive position in world markets.

(*Continued on page 427*)

Statement showing in selected cases tax payable and as a percentage of income or incomes ranging from Rs. 4,200 to Rs. 30,00,000.

Income	Tax at 1954-55 rates on Total Income				Tax at 1955-56 rates on Total Income							
					MARRIED PERSONS				UNMARRIED PERSONS			
	Wholly earned	Per-cent.	Wholly unearned	Per-cent.	Wholly earned	Per-cent.	Wholly unearned	Per-cent.	Wholly earned	Per-cent.	Wholly unearned	Per-cent.
Rs.	Rs.		Rs.		Rs.		Rs.		Rs.		Rs.	
4,200	Nil	..	Nil	..	Nil	..	Nil	..	Nil	..	Nil	..
4,900	110	2.3	155	3.2	86	1.8	131	2.7	133	2.8	178	3.7
5,000	117	2.3	164	3.3	94	1.9	141	2.8	141	2.8	187	3.7
6,000	155	2.6	273	4.6	181	2.2	250	4.1	178	3.0	297	4.9
7,200	217	3.4	405	5.6	224	3.1	381	5.3	271	3.7	428	5.9
8,400	370	4.4	563	6.7	345	4.1	566	6.8	395	4.7	616	7.3
9,600	480	5.0	700	7.2	461	4.8	744	7.7	511	5.3	794	8.3
10,000	517	5.2	746	7.5	508	5.1	804	8.0	557	5.6	853	8.5
12,000	700	5.8	1,140	9.5	744	6.2	1,230	10.2	794	6.6	1,280	10.7
13,200	866	6.5	1,376	10.4	923	7.0	1,487	11.3	972	7.4	1,535	11.6
14,400	1,046	7.2	1,613	11.2	1,128	7.8	1,742	12.1	1,177	8.2	1,791	12.4
15,000	1,140	7.6	1,731	11.5	1,230	8.2	1,870	12.5	1,280	8.5	1,919	12.8
16,800	1,424	8.4	2,203	13.1	1,537	9.1	2,342	13.9	1,586	9.4	2,392	14.2
18,000	1,613	9.0	2,518	14.0	1,743	9.7	2,657	14.8	1,791	9.9	2,707	15.0
20,000	1,993	10.0	3,043	15.2	2,132	10.7	3,182	15.9	2,182	10.9	3,232	16.1
24,000	3,043	12.7	4,093	17.0	3,444	14.4	4,494	18.7	3,494	14.6	4,544	18.9
25,000	3,315	13.2	4,355	17.4	3,772	15.1	4,822	19.3	3,821	15.3	4,872	19.5
30,000	5,603	18.7	6,653	22.2	5,332	21.1	7,119	23.7	5,381	21.3	7,169	23.9
35,000	8,359	23.9	9,409	26.1	9,404	26.1	9,876	27.4	9,453	26.3	9,926	27.6
40,000	10,198	25.5	11,246	28.1	11,451	28.6	11,713	29.3	11,500	28.7	11,763	29.4

Income	Tax at 1954-55 rates on Total Income				Tax at 1955-56 rates on Total Income							
					MARRIED PERSONS				UNMARRIED PERSONS			
	Wholly earned	Per-cent.	Wholly unearned	Per-cent.	Wholly earned	Per-cent.	Wholly unearned	Per-cent.	Wholly earned	Per-cent.	Wholly unearned	Per-cent.
Rs.	Rs.		Rs.		Rs.		Rs.		Rs.		Rs.	
42,000	11,246	26.8	12,296	29.3	12,737	30.3	12,894	30.7	12,786	30.4	12,944	30.8
45,000	12,821	28.5	13,871	30.8	14,667	32.6			14,716	32.7		
48,000	14,398	30.0	15,446	32.2	16,438	34.2			16,488	34.3		
55,000	18,071	32.8	19,121	34.8	20,901	38.0			20,950	38.1		
60,000	21,353	35.6	22,403	37.3	24,182	40.3			24,232	40.4		
66,000	25,290	38.3	26,340	39.9	28,513	43.2			28,563	43.3		
70,000	27,915	39.9	28,965	41.4	31,401	44.8			31,451	44.9		
72,000	29,359	40.8	30,409	42.2	32,844	45.6			32,894	45.7		
84,000	36,021	45.3	39,071	46.5	41,769	49.7			41,819	49.8		
85,000	38,743	45.6	39,793	46.8	42,557	50.1			42,606	50.1		
90,000	42,616	47.2	43,566	48.4	46,494	51.7			46,544	51.7		
98,000	47,045	49.0	48,095	50.1	51,219	53.4			51,269	53.4		
1,00,000	50,084	50.1	51,114	51.1	54,369	54.4			54,419	54.4		
1,50,000	89,439	59.6	90,489	60.3	97,026	64.7			97,076	64.7		
2,00,000	1,30,454	65.2	1,31,504	65.7	1,41,422	70.7			1,41,372	70.7		
2,50,000	1,71,470	68.6	1,72,520	69.0	1,85,618	74.2			1,85,667	74.2		
3,00,000	2,12,485	70.8	2,13,535	71.2	2,29,916	76.6			2,29,966	76.5		
3,50,000	2,53,501	72.4	2,54,551	72.7	2,74,212	78.3			2,74,263	78.3		
4,00,000	2,94,517	73.6	2,95,567	73.9	3,18,509	79.6			3,18,559	79.6		
5,00,000	3,76,548	75.3	3,77,598	75.5	4,07,103	81.4			4,07,153	81.4		
10,00,000	7,86,704	78.7	7,87,754	78.8	8,50,072	85.0			8,50,122	85.0		
20,00,000	16,07,017	80.3	16,08,067	80.4	17,36,009	86.8			17,36,059	86.8		
30,00,000	24,27,829	80.9	24,28,879	80.9	26,21,047	87.4			26,21,097	87.4		

N.B.—For Hindu undivided families, the amount of tax and percentages are also as shown above except that such families are not liable to pay tax if the income is not more than Rs. 8,400 or Rs. 12,600 according as there are at least two or four members entitled to claim partition.

FUTURE OF SUGAR INDUSTRY IN U.P. AND BIHAR

SURVEY FOR ASSESSING CANE COSTS UNDERTAKEN

THE sugar industry in Uttar Pradesh and Bihar owes its present position not a little to the Upper India Chamber of Commerce, Kanpur. Consequently, it is natural that the Chamber should show extreme concern over the future of the sugar industry in the two States. This concern found itself fully expressed in the observations made by Mr. H. Hill, President of the Chamber, in the course of his address at its sixty-seventh annual meeting held at Kanpur on 25th February last. Mr. Hill's anxiety regarding its future stems from two important considerations. One is the Government's policy of extending the installed capacity by licensing new units to be established in the tropical zones of Deccan and South India. The other is the competition from Government-imported sugar; for, in order to protect its own purchases, the Government, he fears, would continue to retain control over marketing of indigenous sugar to the detriment of the industry.

Dwelling on the problem of expanding the rated capacity of the sugar industry, Mr. Hill first refers to the estimated consumption of sugar in the country. In order to obtain a plentiful supply of sugar in India, consumption estimates have been, he says, "the subject of much speculation, and previous estimates have been particularly wide of the mark, since the past year was the first where consumption was free to find its own level without restriction." It is now estimated, Mr. Hill continues, that the consumption is some 1.8 million tons of sugar per annum, although the Sugar Development Council considers that the consumption in the next five years will increase to over 2.5 million tons on account not only of the increase in the population but also of a natural preference among the masses for crystal sugar instead of *gur*. To these observations of Mr. Hill on estimated consumption, we may add the remarks made by Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, in his inaugural address at the meeting of the Indian Central Sugarcane Committee, held at New Delhi on the 26th ultimo. He revealed that the second Five-year Plan had laid the target for white sugar consumption at 2.25 million tons in 1959-60, which is 0.25 million tons less than estimates made by the Sugar Development Council. He added that, even at present, more white sugar than the quantity produced inside the country was being consumed, and placed the current consumption at 1.8 million tons. During the last 25 years, the consumption of sugar including *gur* had, according to him, ranged between 25 and 30 lbs. *per capita* per year. While white sugar consumption had risen by about 50 per cent., that of *gur* had correspondingly decreased; but the total consumption had not, the Minister said, shown any signs of increase and thus the change had been qualitative and not quantitative.

Imports No Permanent Remedy

As against these estimates of consumption, actual production of white sugar in the country has been considerably low. Thus, according to Mr. Jain, production varied between 1 million tons and 1.5 million tons and, in this season, he expected the output to be 1.3 million tons. But even with this additional output, a gap of about 0.5 million tons had to be filled. For the last two years, this gap had been covered by imports of refined sugar and of some raw sugar for refining. This meant, Mr. Jain remarked, frittering away the country's foreign resources which it could not afford. In this context, Mr. Hill's remarks are worth recalling. He observed, in the speech referred to above, that, in order to meet the deficit, "the importation of foreign sugar was made to a considerable extent. It is recognised that such a procedure can only be a short-term policy and that it is essential for the industry in India to increase its capacity to meet the growing consumption." Mr. Hill, thus agrees with Mr. Jain that sugar imports provide no permanent remedy and admits the need for expanding the capacity. In this context he draws the attention of the two Governments to the proposal "to allow the installed capacity to be expanded by the erection of new factories in South and Western India where greater yields of sugarcane per acre are obtained, which would enable the Government to pursue their policy of reducing the price of cane." It is in this proposal that Mr. Hill sees the sugar industry in the U.P. and Bihar facing the danger of extinction. He remarks: "It is not certain that this policy of extending installed capacity will, indeed, solve the problem of cheap and plentiful sugar, since a reduction in the price of cane and the movement of the industry from its present concentration in the U.P. and Bihar would, under the existing conditions, paralyse the industry in these two States."

While scenting this danger, Mr. Hill derives some comfort at the thought that the Governments of the two States are now alive to the problem and that "they propose to take some action to save the situation." This can be only done, he says, by cane development programmes aiming at increasing the yields of cane per acre, so that the growers' cost per maund may be reduced to a figure comparable to that in South India and the Deccan. Mr. Hill opines that this "is not an impossible task, since yields of over a thousand maunds per acre are common in Northern India, although the average yield from *rayotti* cultivation is only some 200 maunds per acre. By doubling the maundage of cane per acre in Bihar and U.P., an almost complete solution to the problem of sugar in India will have been made, and the necessity for the expansion of the industry elsewhere in India need not arise."

Per Acre Yield

That the two States can, if they apply themselves to the work, achieve the aim of "doubling the maundage of cane per acre" is evident from the comparative figures relating to yields placed before the Indian Central Sugarcane Committee, by Mr. P. A. Gopalakrishnan, Joint Secretary, Union Ministry of Food and Agriculture. Presiding over the meeting of the Committee, he said: "Some of the varieties of cane evolved by the Coimbatore Institute have become world famous, with potential yields ranging up to 100 tons per acre and more, and these yields have actually been achieved by progressive cane-growers in certain parts of the country. The figures of maximum yields per acre are: U.P. 60 tons, Bihar 106.8 tons, Bombay 127.4 tons, Madras 94 tons, Andhra 101 tons and the Punjab 57 tons."

The yields per acre achieved in U.P. at 60 tons and in Bihar at 106.8 tons are indeed remarkable. But a point to be noted here is that these are only the maximum yields reaped in some select farms. The average yield is much less—in U.P. and Bihar it is about 12 to 14 tons only. All that the maximum figures given above show is that, under certain ideal conditions, a higher yield per acre than the present one is possible. It is, however, extremely doubtful whether those ideal conditions can ever be created in U.P. and Bihar. Again, the farmers in these two States have been demanding fantastically high rates for sugarcane and, if the whole of India were to depend upon these two States for the increased supply of sugar to meet the expanding demand, it would mean a much higher cost than would be the case, if production of sugar were encouraged in the Deccan, Mysore and South India.

The problem of sugarcane prices has been hanging fire for a long time, without any satisfactory solution being found for it. An important factor which has made it complicated is the introduction of politics into it. And whenever such a difficulty arises, a convenient way of shelving it is to appoint a committee. This is what has been done by the Government in regard to this problem. At the meeting referred to, Mr. Gopalakrishnan observed that no scheme for the development of sugarcane would prove a success, unless the producer got a reasonable price for his cane. Whether the price of cane was reasonable or not, he stated, could not be judged accurately, unless they know the cost of production of cane. Hitherto there had been no satisfactory assessment of this cost. The Central Sugarcane Committee, therefore, had now undertaken, he disclosed, this important survey, and representative samples which had been selected spread over the important sugarcane States of U.P., Bihar and Punjab, P.E.P.S.U., Madras, Andhra and Bombay. The scheme was under the technical control of Dr. V. G. Panse, Statis-

(*Continued on page* 443)

WORKING OF RAILWAY COLLIERIES

SHARP DROP IN PROFIT

THE report on Indian Railways for 1953-54, published by the Railway Board, to which a reference was made last week, contains, as usual, a review of the working of railway collieries. It discloses a severe drop in the profit for 1953-54, as compared with that for 1952-53. Thus, there was a net profit of only Rs. 1,35,163 for the year under review, as against Rs. 61,20,802 in the previous year, that is a drop of Rs. 59,85,639. This precipitous fall is attributed to the following factors:

(1) A landslide in the Bhurkunda colliery resulting in a sizable drop in the output of coal;

(2) writing back of capital to revenue during the year of a sum of Rs. 41,15,478 representing the capital cost of ineffective shaft and "quarry" incline of Jarangadih colliery; and

(3) debit adjustment to revenue during the year of a sum of Rs. 7,24,000, representing the amount of outstanding bills erroneously taken against capital account of Kurasia colliery instead of to revenue (proper head) in the first instance.

There are 11 railway collieries. The following table presents a clear picture of their working during 1953-54:

Colliery	Total capital outlay upto 31st March, 1954	*Profit or loss in working during 1953-54
	Rs.	Rs.
1. Bhurkunda	61,88,509	—3,14,781
2. Karsoli	1,55,42,866	+5,70,484
3. Kurharbaree	69,81,270	—24,97,765
4. Serampore	68,36,202	—24,30,049
5. Bokaro	1,14,21,538	+1,07,57,058
6. Sawang	24,06,170	—3,17,723
7. Jaramadih	40,31,357	—45,05,610
8. Kurasia	42,38,245	—5,07,617
9. Talcher	71,47,163	—4,19,733
10. Aranda	4,13,381	+1,65,926
11. Deulbera	26,02,211	—1,86,371
Total ..	6,76,51,161	+1,35,163

* In arriving at these figures, opening and closing stocks of coal have also been taken into consideration. The *plus* and *minus* signs against the figures represent profit and loss, respectively. The capital invested represents the fixed and floating assets, less sinking fund.

The total output from the principal railway collieries was 3,139,422 tons in 1953-54, as against 3,196,239 tons in 1952-53. This discloses a drop of 56,817 tons or 1.78 per cent. over the previous year's output. Coal despatched by railway collieries during the year under report amounted to 2,797,030 tons. Of this quantity, 2,767,424 tons or 98.9 per cent. were despatched to Indian railways. This represents 24.4 per cent. of the total consumption of coal by the railways during the year under review. The aggregate consumption of coal by Government railways during 1953-54 was 11,276,612 tons, as against 11,036,479 tons in 1952-53, and by non-Government railways 81,393 tons, as compared with 82,463 tons.

A notable feature of the year under review was the maintenance of cordial relations between the labour and the Railway Colliery Administration. The general health of labour and the sanitary conditions at collieries were, it is reported, satisfactory. The following amenities were provided during the year for labour employed in the railway collieries.

(1) As many as 145 blocks of miners' quarters and 290 community latrines for miners' houses were completed in the Sawang colliery. Besides, two Jewel filters were installed and water is being supplied through Jewel filtration plant.

(2) Construction of 17 units of miners' quarters in the Talcher colliery was completed and the construction of a further 17 units is in progress.

(3) One non-combined post office was opened in the Kurasia colliery.

(4) The building of miners' creche in the Kargali colliery was completed.

The surplus labour at deep pit of the Serampore colliery was accommodated in the newly started upper Kurharbaree workings at central pit and Hetla and Khadia inclines, where extension of endless haulage underground has opened up new working faces.

Fifty-six persons from various collieries completed a full course of initial training in rescue and recovery work at Jharia and Sitarampur Rescue Stations during 1953-54, according to the Annual Report on the working of the Rescue Stations Committee which is just published. This brings the total number of persons trained from both the stations to 1,129. The Report says that, during the year, 314 refresher practices and 133 pit practices were held which were attended by 1,879 and 801 persons, respectively. In order to enable the ordinary colliery workers to be helpful to the trained colliery personnel during emergencies, gas mask training was given to them at different colliery premises during the time of refresher practices in pits.

It is understood that the Ministry of Production has pegged the output of coking coals, namely, selected A and B grades, for the year 1955 at 7.35 million tons, as against 7.4 million tons for 1954. It has also decided to peg grades I and II coking coals at 3.95 and 3.05 million tons, respectively.

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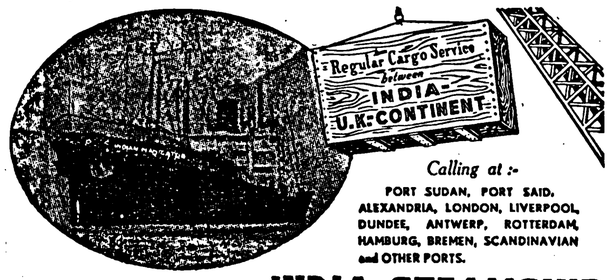

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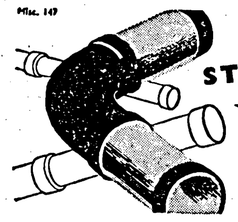

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MADRAS PLANTATIONS AGRICULTURAL INCOME-TAX BILL PASSED

MINISTER'S REPLY TO CRITICISMS

THE Madras Plantations Agricultural Income-tax Bill, 1955, as amended by the Select Committee, has been passed by the Madras Legislature without any important changes. The main provisions of the legislation, as amended by the Select Committee, were referred to in these columns in our issue of the 12th February, 1955 (*vide* page 262). The Bill provides for the levy of agricultural income-tax on a graded scale on agricultural income derived from plantations, such as coffee, tea, rubber, cardamom and cinchona, situated within the State. It will be levied on incomes of not less than Rs. 3,000. The rate of tax will range from 9 pies to As. 5¼ in the rupee, the maximum rate being leviable on incomes over Rs. 25,000. Plantations in the State cover nearly 300,000 acres with an investment of about Rs. 8 crores, and provide employment for about 200,000 workers.

A number of amendments had, no doubt, been moved, but none of them sought to make any vital change in the various provisions. Almost all the amendments were withdrawn or rejected. The House, however, accepted an official amendment relating to the rates for compounding the income-tax on an acreage basis for the different plantation crops. Thus, in the case of plantations used for growing tea, exceeding five acres but not exceeding 10 acres, the rate has now been fixed at Rs. 9 per acre, as against Rs. 10 provided in the Bill. The discussions on the Bill disclosed that there was unanimous support to the principal underlying it. Several members, particularly of the Upper House, made some useful suggestions to the Government. The Minister said that the Government would watch how this measure worked and then extend it to other sections of agriculture.

Some members, however, criticised the decision of the Select Committee to abolish the super-tax, on the ground that in the neighbouring State super-tax was levied on incomes of over Rs. 25,000. They also urged that the rate of tax should be steeper on higher levels of income, while some of them pleaded for raising the exemption limit, with a view to affording relief to small planters. It was pointed out by some of the members that small planters having up to 10 acres should be exempted from the tax. One of them said that the principle of exempting small planters from the levy should not be given up on the ground that the number of exemptions would become very large. According to one member, 10 acres of tea or rubber would not yield sufficient income for maintaining a family. It was also suggested that the tax should be levied on a broad basis of acreage; there was no need to adopt the entire procedure followed in the Indian income-tax law. Another criticism against the levy of agricultural income-tax was that plantation labour in India did not have the housing and other welfare amenities which its counterpart in Ceylon possessed. Realising this, the plantation industry was trying to provide larger amenities for labour. At this juncture, this measure of taxation would take away the incentive of the industry to provide such amenities for the workers.

Again, the Bill was opposed by a member of the Upper House on the ground that it would adversely affect the urgent task of rehabilitation of the estates. According to him, there were over 83,000 acres of tea owned by 2,792 persons. About 150,000 persons owned a little less than 100,000 acres of coffee and in the case of rubber, 340 persons owned over 30,000 acres. In this connection, it may be pointed out that the Select Committee is said to have taken the economic life of tea plants as 60 years, that of coffee and rubber as 40 years, cardamom as 12 years and cinchona as 10 years. This is considered a reasonable estimate. The member observed that almost all plants in these estates were now overaged and replanting was, therefore, essential. The member also pointed out there was scope for expansion of plantations. While not being opposed to the principle of income-tax, he said that the levy at this time would be a deterrent to rehabilitation and expansion of the estates. Some of the members pointed out that the Government could have waited till the recommendations of the Taxation Enquiry Commission and the Plantation Enquiry Commission were available. One of them pointed out that the plantation industry depended largely for its success on the prices they got in the foreign markets. He added that the Government would have done well to provide for passing an annual Act—on the lines of the Income-tax Act—for fixing the rate of tax every year, instead of making the levy a fixed one.

In his speech introducing the Bill and in his reply to the members, the Minister for Revenue explained the object and scope of the measure. He said that this was the first time that the tax was being levied on agricultural income and it was, therefore, considered better not to impose super-tax. In view of the decision not to impose super-tax, he added, it was felt that the maximum rate of tax should be raised from As. 4 to As. 5¼ in the rupee. It was with a view to helping small owners out of the difficulty of maintaining accounts, that those who owned five acres of land under tea and 15 acres under other plantation crops had been exempted from the tax. Larger owners had been given the option to compound agricultural income-tax at concessional rates. The Government of India had pointed out that no agricultural income-tax could be levied on the dividends received by individuals from plantation companies. It was, therefore, decided that agricultural income-tax could be levied on the income of plantation companies collectively and not on individuals. The Government had further decided that joint families could be considered as a unit and that no special concession was necessary for the members thereof. The Minister also drew the attention of the members to the several concessions allowed in computing the agricultural income-tax and, in particular, to the fact that plantations had been exempted from the levy of surcharge under the Land Revenue Surcharge Act of 1954.

Replying to the criticism that the tax should have been levied on acreage basis, instead of on income basis, the Minister pointed out that even the U.P.A.S.I., which represented the plantation interests, had not favoured a rigid per-acre tax and preferred a levy based on income. A flat per-acre tax would result in hardship to many small planters, whereas the progressive method of levy, as contemplated under the Bill, would be just and keep pace with the income. Dealing with the demand for increasing the rate of levy, the Minister said that the plantation industry faced competition from foreign countries. There was, therefore, the danger of killing the industry as a result of imposing a heavy tax. By this Bill, they were making a beginning in this method of taxation. They should proceed cautiously, lest they killed the goose that laid the golden eggs. Referring to plantation labour, the Minister said that the Central Government had passed legislation for providing more facilities and better conditions. The process of improving working conditions had begun, and it would take some time before the conditions improved.

In reply to the criticism that the Government should have awaited the publication of the report of the Taxation Enquiry Commission, the Minister admitted that it could have done so, but he pointed out that there was an "inkling" that the Committee was not "disinclined" towards this Act.

The Minister also referred to the suggestion for making provision for replantation, and drew the attention of the members to a clause in the Bill which had taken into account this consideration along with bonus, capital depreciation, etc. He rejected the plea that the plantation industry was facing a crisis. In this connection, he pointed out that the people who had been affected by this levy had almost agreed to the provisions the Government had made.

As regards the receipts from the levy, the Minister said that he could not give the correct figure at this juncture. At first, the Government thought that it might get about Rs. 15 to Rs. 20 lakhs. According to present indications, the Government might get about Rs. 75 lakhs. Since there was thus great disparity in the estimates, he did not want to give any particular figure. But he expected that it would yield about Rs. 75 lakhs and he considered it a "good income."

U.S. BURLAP IN 1954

CONSUMPTION REVEALS FALL

LATEST figures relating to U.S. purchases of Indian burlap make somewhat encouraging reading. In December, 1954, Calcutta despatches of burlap to the U.S. aggregated 68.6 million yards which were higher by 15.8 million yards, as compared with the clearance in the same month in 1953. With the month's despatches, total quantity shipped during 1954 amounted to 621.3 million yards, as against 599.8 million yards in 1953 or a rise of 3.7 per cent. over the year. The average monthly offtake during 1954 was 51.8 million yards, as compared with 49.9 million yards in the previous year.

The slight improvement in the U.S. offtake of Indian burlap is no doubt welcome. But the statistics relating to U.S. burlap consumption and stocks for December, 1954, as also for the year as a whole, indicate no room for any complacency at all. For they reveal trends which are not helpful to India. During December last year, consumption of burlap, estimated at 69 million yards, though 6 million yards higher than that in November, 1954, was two million yards lower than during December, 1953. Again, the total consumption in 1954 amounted to only 782 million yards, as against 825 million yards in 1953. In other words, during the year under review, consumption of burlap dropped by 43 million yards, representing a fall of about 5 per cent.

The table below gives the U.S. consumption of burlap during each month of 1954, as compared with that in the corresponding month of the previous year.

U.S. Burlap Consumption

(In million yards)

Month	1954	1953	Month	1954	1953
January ..	65	73	July	60	86
February ..	62	58	August ..	70	75
March ..	72	69	September ..	77	80
April	63	64	October ..	66	83
May	57	69	November ..	63	74
June	61	69	December ..	60	71
			Total ..	782	825
			Monthly average ..	65	69

It will be seen from the table that the fall in consumption during the period of August-December—when normally consumption is higher—was rather pronounced. To mention the exact figures during the five months ended December last, consumption amounted to only 345 million yards, as compared with 383 million yards in the same period of 1953, or a decline of 38 million yards. Similarly, the monthly average consumption was just 65 million yards, as compared with 69 million yards in the corresponding period of 1953.

Many factors have been cumulatively responsible for the decline in the U.S. burlap consumption in 1954. Bag consumption registered a heavy decline, principally due to a decrease in the use of burlap feed and potato bags attributed to drought in the Southern States and to restricted purchases by suppliers of animal feed, thanks to a clear winter weather. Besides, the offtake by the armed forces was, it is stated, 10 million yards lower than that in 1953. Thirdly, there was a tendency to use more second-hand bags. Lastly, there were the inroads of multi-wall paper bags, window bags for potatoes and accelerated use of bulk shipment for feed and ingredients.

The reactions to this fall among those connected with the burlap trade in the U.S. are worth recalling here. According to one source, the decline is attributed to the hand-to-mouth buying followed at all levels of the burlap trade since the beginning of 1954. It says: "All levels appear to have shortened their purchases in an effort to avoid piling up inventories. This manifested itself sometimes in buyers preferring to draw upon spot stocks instead of making purchases overseas. Their action has proved successful and present inventories, particularly at the level of the ultimate consumer, are low, which may mean better business in 1955, although it is possible that the current close buying policy will be continued."

The burlap statistics referred to at the outset disclose that U.S. stocks of burlap at the end of December last year, stood higher at 240 million yards, as compared with 222 million yards in November, 1954, and 190 million yards in December, 1953. The increase is attributed chiefly to the fall in consumption mentioned above.

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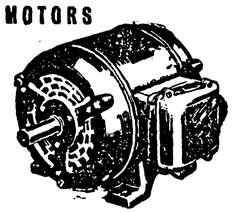
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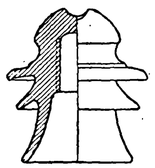
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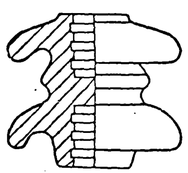

KOLAR GOLD MINING COMPANIES

RECOMMENDATIONS OF SIDDAVEERAPPA COMMITTEE

THE chief recommendation of the Gold Mining Enquiry Committee, which examined the working of the Agreement of 1949 entered into between the Kolar Gold Mining Companies and the Government of Mysore in 1949, is that the Agreement should be revised. Alternatively, the Committee has recommended the replacement of the Agreement by legislation, with the concurrence of the Government of India. The Committee is of the considered opinion that royalty that is being paid by the Companies to the Government of Mysore should be increased by 100 per cent. It has also recommended restriction on the recruitment of non-Indians in the mines.

It will be recalled that the Committee was appointed six months ago, with Mr. H. Siddaveerappa, Minister for Home and Industries, Government of Mysore, as Chairman, to examine the working of the 1949 Agreement and other matters relating to the gold mining industry.

The Kolar Gold Fields are situated in the south-east corner of Mysore State. Although prospecting in this area for gold by Lt. John Warren of the H. M. 33rd Regiment in 1802 may be taken as the forerunner of the modern gold mining industry in Mysore, the date of application of Mr. Michael Fitzgerald Lavele to the Chief Commissioner for Mysore and Coorg for mining rights in the Kolar District, on 20th August, 1873 may be considered as the commencement of this industry in the Mysore State. This application was made after his successful prospecting in 1871, preceded by sporadic prospecting by Europeans for about 60 years with no success. The present operating companies, Messrs. John Taylor and Sons., Ltd., London, took over the management of the mines in the beginning of the present century. At present there are only three gold mines operating, namely, the Mysore Mine, the Nandydroog Mine and the Champion Reef Mine. The fourth one, the Oorgaum Mine, was closed from 1st October, 1953.

Mysore Gold Mining Company

The Mysore Gold Mining Company to operate the Mysore Mine was incorporated in the United Kingdom in 1880 with an authorised capital of £135,000, divided into as many shares of one pound each. Gradually, the share capital was increased, and in 1919, it stood at £610,000. The paid-up capital of the present rupee company, constituted in 1951, was Rs. 81,33,400. The Company commenced crushing of the ore from 1884 and started payment of dividend in the following year. The highest dividend paid so far was 150 per cent. in 1898 and the lowest was in 1944 at five per cent. The total quantity of ore crushed upto the end of 1953 was 124.67 lakh tons, gold yield 78.58 lakh f. ounces, gross value realised Rs. 6,186.14 lakhs and dividends declared Rs. 1,805,79 lakhs.

The Champion Reef Mining Company was incorporated in the United Kingdom in 1889 with a nominal capital of £200,000, divided into as many shares of one pound each. The paid-up capital of the present rupee company was Rs. 43,33,400. The nominal capital was raised, and in 1939 it stood at £325,000. This Company commenced crushing of ores from 1892 and started payment of dividends two years later. In 1934 and 1935 it paid the highest dividend of 160 per cent. The total quantity of ore crushed was 84.73 lakh tons, gold yield 52.95 lakh f. ounces, gross value realised Rs. 4,607.27 lakhs and dividends declared Rs. 939.84 lakhs.

The Nandydroog Mine Company was incorporated in the United Kingdom in 1880 with an authorised capital of £100,000 divided into as many shares. The Company's capital increased to £283,000 by 1921. The paid up capital of the present rupee company was Rs. 37,73,400. The quantity of ore crushed was 78.89 lakh tons, gold yield 41.82 lakh f. ounces, gross value realised Rs. 3,931.84 lakhs and dividends declared Rs. 704.76 lakhs. The Mysore Mine operates in an area of 8,204,093 acres, the Champion Reef in 2,025,795 acres and Nandydroog Mine in 4,428,720 acres.

Overvaluation of Assets

The Committee points out that the overvaluation of assets, coupled with the transfer of disproportionate and unwarranted liabilities to the rupee companies at the time of their formation, had handicapped the new Companies at the very start and had affected their resources adversely. As regards Indianisation of the personnel of the Companies, the position is "not satisfactory" so far as key technical posts are concerned. It has held that the increases which have taken place with regard to certain items of working cost, such as the creation of the pension fund, revision of the scale of pay of covenanted staff, could have been postponed to a more favourable time. It has characterised the absence of provision of contribution to the depreciation development expenditure reserve up to 15 per cent. of working costs in each year, when funds were available, as a "clear violation of the Agreement." Further, it has pointed out that, when the Agreement was entered into, it was expected that, at least about Rs. 30 lakhs per year would accrue to the Government as contribution of the Companies. Actually, the contribution paid so far had in no year come up to anywhere near that figure. The Committee sees no prospect of anything more than bare royalty being paid to the Government so long as the expenditure and the price trends continue to be what they are. In view of these, the Committee is of the unanimous opinion "that the continuance of the Agreement in its present form will not serve any useful purpose." Accordingly, it has suggested to the Government "either to revise the Agreement in a suitable manner with the consent of the Mining Companies or to replace it by legislation with the concurrence of the Government of India." In any future course of action that might be decided upon, the Committee has recommended the following important aspects to be kept in view:

(1) This being the only industry of its kind in India, it may be treated as a national asset and measures for effective supervision over its working by the State and Central Governments should be devised. For this purpose, representatives of the Central and State Governments may be included in the Board of Management, the representative of the State Government being a wholetime Director in continuous touch with the K.G.F. audit unit on one side and the technical Adviser to the State Government on the other.

(2) In order to ensure the longevity of the mines and the working of low-grade ore, which involve technical considerations, the working of the mines should be systematically and continuously watched by the Technical Adviser to the State Government at the K.G.F. and periodically reported upon to the Government.

(3) A duly phased development programme on a planned basis should be drawn up in consultation with the Technical Adviser to Government, keeping in view the long-range objectives of the industry.

(4) The resources required for the development programme should not be dependent only on the surplus available out of the revenue earnings in any year. It is necessary to constitute a development fund on the basis of a predetermined charge at a fixed rate for every ton of ore raised. Accordingly, the existing Depreciation and Development Reserve may be split up into two distinct funds, namely, (a) depreciation reserve fund from which replacements and renewals of capital assets and capital developments will be financed, and (b) revenue development reserve fund from which the developments debitable to revenue will be financed. Development expenditure of a magnitude of a capital nature should, however, be financed from borrowed funds or issue of additional capital.

(5) As regards allocation of expenditure between capital and revenue, there has been no uniformity of practice so far. The correct procedure to be followed should be laid down to avoid doubts and disputes.

(6) So far as shareholders are concerned, they have realised in the form of dividends many times the capital contributed by them. In the case of a wasting asset like the mining industry, a high rate of dividend cannot be maintained for all time. At the present stage of the gold mining industry at K.G.F., the shareholders would not be justified in expecting dividends at a rate higher than what the industry can bear. Any dividend in excess of six per cent. is, in the opinion of the Committee, more than what is fairly due to the shareholders in the circumstances in which the industry is placed.

(7) An equitable allocation of surplus profits, if any, in a year should be made with due regard to the industry's own requirements, revenue needs of the State and the legitimate claims of the staff and labour. Any general increase in the scales of pay and allowances or wages should, however, be permitted only with the previous approval of the Government.

(8) Indianisation of the supervisory staff is a matter of national concern. In view of the fact that this aspect has not received the emphasis and attention it deserves on the fields as compared with other mining industries in the country, the following measures may be considered for adoption: (a) To restrict the recruitment of non-Indians only in exceptional and unavoidable cases; (b) to chalk out a definite programme of selection and training of Indians abroad to fit them for promotion to the posts of First Assistants and Heads of Departments in due course; (c) to fix a time-limit, say five years, within which all the posts of heads of departments and first assistants should be filled up by Indians; (d) to have all cases of recruitment to the covenanted cadre and promotion to selection posts examined by a high power committee composed of representatives of the management and of the State and Central Governments; (e) to fix and approve the qualifications and experience for different posts in advance instead of in ad hoc fashion at the time of advertisement of each post as at present, and (f) to require that an approved gradation and seniority list be maintained and circulated to the State.

Intention Defeated

According to the 1949 Agreement, each of the gold mining companies at Kolar Gold Fields incorporated on 27th December, 1950, in Mysore a rupee company as its wholly-owned subsidiary and sale agreements were executed with them on 23rd January, 1951, for the transfer of leases and of assets situated in the State of Mysore. The transfers came into effect from 1st April, 1951. Referring to this, the Committee has stated that the intention behind the demand for the incorporation of rupee companies in the State was to transfer the seat of management and control from the United Kingdom to Mysore effectively. But the present arrangements under which the sterling companies transferred the undertakings and assets to the rupee companies has "defeated that intention," as the sterling companies have become the holding companies. For, in effecting such transfers, "certain assets were valued in excess of their book values, which was not contemplated in the Agreement." The extent of such addition to the value, according to the Committee, are: Mysore Mine £78,241, Champion Reef Mine £15,960, Nandydroog £44,084 and Ooregaum £125,772. It may be noted that the actual transfers of assets and liabilities effected to the new companies were: (1) all assets situated in Mysore; (2) all liabilities of the sterling companies, except general reserves and unappropriated balances of profit and loss accounts; and (3) all liabilities, actual and contingent, of the sterling companies and also liabilities towards pension fund for initial contribution, annual bonuses, etc.

The sterling companies, according to the Committee, should have taken proportionately more liabilities than they actually did and corresponding to the assets retained by them. They did not do so which in turn increased the liabilities transferred to the newly formed rupee companies. The Committee has pointed out that, as the surplus liquid assets available with the new rupee companies were considerably depleted, the companies had to borrow funds in order to run their business. Thus, they had to incur interest charges, which in turn reduced the profits. The investments which were available before the transfer of assets to the rupee companies and which the sterling companies retained earned further interest for the companies, which added to other profits for the year and thus provided extra funds to the companies. The retention of these investments by the sterling companies, besides reducing the financial resources of the rupee companies, removed extra earnings therefrom also and thus reduced the latter's revenue. This in effect reduced their net surplus. The Committee observes that "the management have not been fair and square and they sacrificed to some extent the future of the industry to enable their shareholders to earn an extraneous income at the time of transfer of the assets to the rupee companies."

The working costs of the industry, the Committee says, have shown an upward trend

(Continued on page 433)

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NEW PRODUCTS AND PROCESSES

Transmitting Handwritten Messages Instantly

"TELAUTOGRAPH" machines—electronically operated instruments that instantly transmit handwritten messages from one point to another up to 12 miles away—are coming into increasing use in the United States. The speedy system of communication is used chiefly by transportation companies, hotels and banks, but is now being installed in large factory buildings. A TelAutograph system was recently installed in the Northrop Aircraft plane-building factory at Hawthorne, California. The system includes sending stations and receivers at 37 places throughout the huge plant. The new system, it is claimed, eliminates the need for telephone service in reporting "delay-causing production problems," and will make it possible to solve such problems more quickly. The system is manufactured by the TelAutograph Corporation of New York City.

Colour-printing on Leather

A method of hand-screening colour prints on leather has been developed by a New York fabric printer for the American Hide and Leather Company at Lowell, Massachusetts. After the pattern has been printed on the calfskin, the tannery puts the leather through a special finishing process that binds the pigment permanently. The resulting leather has the natural beauty and feel of leather and can easily be cleaned with wax polish. The first leather with a floral design pattern in four colours is being used in shoes.

Another New Antibiotic

Scientists have announced the discovery of an antibiotic which they say has produced "impressive" improvement in severe pulmonary tuberculosis cases and "good" results in stubborn infections of the genito-urinary tract. The disclosure was made at the Veterans Administration-Army-Navy Conference on chemotherapy of tuberculosis in Atlanta, Georgia. The scientists have, however, warned that it is still too early to define the medical usefulness of the drug, called "Cycloserine," although early tests have proved promising.

New Pencil

Mechanical pencils that write with liquid lead, instead of solid lead, are now being produced by the Parker Pen Company at Janesville, Wisconsin. The company is so sure that the new pencil will appeal to the public that it has stopped production of conventional pencils and decided to manufacture only the new type hereafter. The Company claims that the new pencil represents the first basic improvement in the "lead" pencil since its discovery in the Middle Ages. The liquid lead pencil provides more than six times as much writing as a conventional lead pencil, and is capable of drawing a straight line three miles in length. The use of liquid lead, or actually liquid graphite, completely eliminates the need for sharpening. Each of the new pencils is loaded with a capsule of liquefied graphite, which is roughly the size of the column of lead in a conventional pencil. The graphite stays wet for the life of the capsule and flows to a ballpoint type pencil tip. The pencil produces more writing than a conventional pencil because all of the liquid graphite can be used, whereas in conventional pencils two inches or more of the graphite near the top of the pencil is not used. The liquefied graphite now being used has writing characteristics that are identical to graphite in solid form, but has one important advantage, inasmuch as it does not smudge.

Electrons for Food Preservation

The U.S. General Electric Company is experimenting with a 1,000,000-volt electron beam generator and is making some interesting discoveries. With electrons shot out through a narrow metal window, the machine becomes the source of a high-energy electron beam, which is being studied for its value in preserving foods, sterilising drugs and surgical equipment, and killing insects. Studies conducted by food processors indicate that electron beams may alter and improve existing food processing methods. There are three basic aims in food preservation: the method used must destroy bacteria and mould, must add little to the cost, and must not change food characteristics. Electron beams seem to fulfil the first two requirements quite well, and extensive research is under way on the third.

Special Resins for Paint and Lacquer Industry

Some time ago, an oil company at The Hague (the Netherlands) started in its Pernis refinery the manufacture of Epikote resins, which form a new and important ingredient for the paint and lacquer industry and for making glues and casting resins. The principal base material required for these resins, namely, diphenylol propane and epichlorohydrin, are substances prepared from products originating from the chemical plants of the petroleum industry. These Epikote resins have made it possible to compound paints and lacquers which provide excellent surface protection. They can be used for the preparation of normal paints drying in the air—so-called teaction lacquers—which are cured without being heated, and of baking enamels. The paints made from these resins excel in adhesion to metal, resistance to chemicals, elasticity and hardness. In accordance with the requirements of application, any one of these properties can be made to come specially to the fore by using the right method of processing. On account of their firm adhesion to a wide variety of materials, these Epikote resins are, it is stated, also suitable as a basis for the adhesives industry, for instance, as laminating resins for the manufacture of laminated materials.

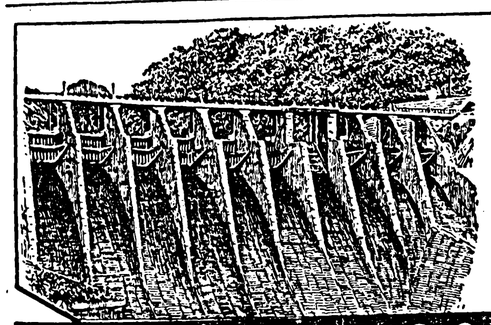
Frozen Milk

A milk products factory at Rotterdam (the Netherlands) has started the supply of milk in frozen condition, especially for remote destinations. In tropical and subtropical areas in particular, where there is a shortage of fresh milk, this product is a valuable supplement, as it is equivalent to fresh milk as regards both composition and taste. The shipment of frozen milk, however, requires the fulfilment of certain conditions. They are as follows: (1) It should be possible to reach the ports of destination from the Netherlands direct by ships provided with deep-freeze holds. (2) It should be possible for the frozen milk to be stored at these ports in warehouses with deep-freeze installations. (3) A milk factory in the neighbourhood of such a warehouse should be capable of treating the frozen milk with adequate expert knowledge before bottling it and distributing it as fresh milk.

Washing Machine which Washes and Dries at the Same Time

A factory at Dieren (the Netherlands) produces a household washing machine, which washes and dries, the lower part being a washer and the top part a centrifugal drier. The latter makes 1,460 r.p.m., the washer about 600. The washing machine is driven by the electromotor hydraulically, thus without a gearbox or driving belt, which makes for greater safety. The clothes cannot be damaged by the agitator, because the latter rotates above the wash. Even if too much washing should be put into the machine, so that the agitator could touch it, the washing is not damaged, as the agitator then slows down and eventually stops. A patent application on this system has been filed. In this machine, the clothes are washed doubly: on the one hand by the rotation in the tub and on the other hand by the injection of air into the soapsuds. This considerably reduces the washing time. The centrifugal drier has three advantages over a wringer: first, there is the absence of personal exertion. Secondly, the washing dries better. Thirdly, no buttons are broken, nor are the clothes wrung to pieces.

The washing time can be set beforehand, due account being taken of the materials constituting the washing. While the first batch is drying, the second batch is washed, etc. The capacity of this machine is about 10 kg. (22 lbs.) per half hour.



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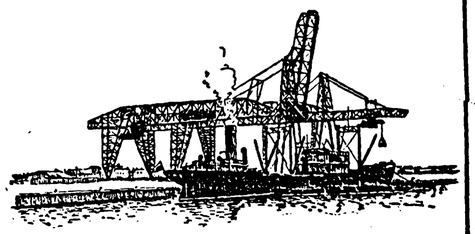

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WORKING RESULTS OF INDIA'S TWO AIR TRANSPORT CORPORATIONS

WHY THIS ENORMOUS DISPARITY?

By "Rudderbar"

THE financial affairs of the two air transport Corporations will, doubtless, come up for discussion during the present session of Parliament. A statement by the Deputy Minister for Communications indicates that, for the first year of operation as nationalised units, Air-India International has shown a surplus of Rs. 65 lakhs and the domestic Corporation a deficit of no less than Rs. 1.25 crores. There will be many who will be surprised and shocked, not without some justification, at the enormous disparity in the results of the two Corporations; this article, then, without attempting to minimise the losses of the Indian Airlines, which, in fact, are considerably heavier than they should be, seeks to show the fundamental differences between the operation of long-haul international services, on the one hand, and short and medium-haul services, as operated by I.A.C., on the other, in so far as financial returns are concerned.

It is, of course, an indisputable fact that generally speaking, long-haul operation is a more profitable undertaking than short-haul. There are those who claim that short-haul cannot be made to pay, unless supported by a proportion of long-haul routes and although, in practice, the financial results of certain domestic operators do not support such an assertion, the general truth of the statement remains unaffected. The underlying reason is that long-haul operation lends itself to better utilisation of the fleet and, consequently, requires a smaller fleet for an equivalent route mileage as compared with short or medium-haul operation. In the particular case of our two Corporations, however, the disparity is far too great to be thus accounted for, and there are other factors of more significance.

Petrol Taxation

Of these, by far the most important is the effect of petrol taxation. By international agreement, signatories to the pact exempt all aircraft operating international services from payment of any local petrol duty or taxation when uplifting fuel for flights which only commence, but do not terminate, within the territory of the State imposing the duty. Thus, Air-India International, on all flights, save those which lie wholly within the boundaries of India—and these constitute a negligible proportion of its total operation—flies on duty-free petrol. Indian Airlines Corporation, on the other hand, is by no means so fortunately placed. The great majority of its routes lie, necessarily, wholly within the boundaries of India, and the bulk of the petro: which it uplifts is, consequently, subject to very heavy taxation, amounting to a fraction under one rupee per gallon. The annual cost of this to the Corporation is in the neighbourhood of Rs. 1 crore, and this factor alone accounts for a large measure of the difference in the respective financial results of the two Corporations. It is not, however, the end of the story, as will be seen hereafter.

When nationalisation took effect in August 1953, Air-India International was a company jointly owned by Air-India and the Government of India. By agreement between the two parties, the management, sales, publicity, traffic handling, aircraft maintenance and overhaul, were all conducted by Air-India on behalf of A.-I.I. Consequently, apart from a small number of pilots, radio officers and hostesses, A.-I.I. had no personnel of its own. Immediately before nationalisation, some transfers in all branches were made so as to enable A.-I.I. to operate more or less independently on the due date. After 1st August, only those employees who had actually been transferred were deemed to belong to A.-I.I. and all the remainder of Air-India's personnel became the employees of Indian Airlines. At first sight, this may not seem to have conferred an advantage on A.-I.I. but, in fact, it did.

Surplus Personnel

It was apparent to all observers acquainted with our civil aviation that, on the integration of nine separate companies into one single unit, namely, I.A.C., there was certain to be a considerable surplus of personnel in almost all categories and particularly in the administrative cadre. In the view of many, then, it seemed unwise on the part of the Government to give an assurance to all employees that, on nationalisation, there would be no retrenchment. Nevertheless, this assurance was given with the natural results that I.A.C. today is more or less bound to continue to employ a by no means negligible number of surplus employees, however hotly this may be denied by the union and others. This effect, moreover, is likely to be accentuated with the introduction of new equipment when fewer aircraft—because faster and of greater carrying capacity—will be required. Be that as it may, I.A.C.'s situation was made no easier when, on account of pressure exerted by the various associations and unions, it was forced to abandon its plan to standardise salaries and wages at a lower level and to agree to perpetuate former pay scales. Nor is this to say that this correspondent does not sympathise with the case which the employees presented, but facts, however distasteful, must be faced and it is clear that, for many years to come, I.A.C. will have to employ a substantial number of surplus employees to the detriment both of its efficiency and finances.

A.-I.I., on the other hand, started on 1st August, 1953, from scratch. It can employ exactly that number of employees which the dictates of efficiency demand; it can lay down a salary and wage scale, in view of its comparative prosperity, of a generous nature and with plenty of scope for incentive; it is now in the process of rapid expansion and competition, to secure employment therein, is keen thus enabling the Corporation to select the best men available. These are assets, though intangible, of immense value.

Type of Aircraft

There remain two other factors advantageous to A.-I.I. The first concerns aircraft. With the exception of a few D.H. Herons, a small "feeder line" aircraft now on order, the whole of I.A.C.'s fleet is obsolescent. This, in view of the lack of competition on the majority of their routes, would be of no great moment were it not for the fact that both the Dakota and the Vikings, which form the great bulk of the fleet, are now uneconomical to operate.

The Dakota, although an excellent aircraft in many ways, has a single engine performance well below accepted modern standards. Its permissible all-up weight is, therefore, restricted by Indian regulations—and, in the opinion of this correspondent, quite rightly—to 26,200 lbs. This, however, precludes the installation of the number of seats which might otherwise be practical and our Dakotas, generally, carry only the standard 21 seats. Our domestic fare structure is, at the same time, one of the lowest in the world and the combination of these two factors requires a very high load factor if the aircraft is to pay its way. Indeed, the "break even" point is probably not less than 75 to 80 per cent., obviously a target which is impractical of achievement. In contrast to this, the British European Airways fly their Dakotas, under British regulations, at a permissible all-up weight of 28,000 lbs. and are thus enabled to fit 32 seats. The European fare structure, moreover, is considerably higher than ours, and the B.E.A. may, in the circumstances, make a very moderate financial success of their Dakota operation, although the point is doubtful. What is not in doubt, however, is that, under Indian conditions, I.A.C. are, more or less, bound to incur a loss on all Dakota operation—and this applies in almost equal measure to Vikings—which will continue till complete fleet re-equipment has been effected. This is, indeed, a grim prospect.

In contrast to this almost hopeless situation, A.-I.I. is equipped with Constellations and Super-Constellations, modern aircraft with a low economic load factor and, in the case of the Super-Constellations at least, fitted with high density seating. Add to this the fact that international fares are on a much higher level than domestic fares, and it will be seen that the working results of the two Corporations are based on entirely different conditions.

Utilisation Factor

The final advantage which A.-I.I. enjoys is a higher utilisation factor, that is to say, the amount of flying which can be obtained from each unit of the fleet, always to be obtained in long-haul operation and to which reference has already been made.

To sum up, then, whereas I.A.C. is obliged to employ personnel in excess of its actual requirements, to operate obsolescent and uneconomical aircraft, to pay approximately 12 per cent. of its gross income in petrol taxation and to submit to a fare structure which bears little relation to the actual costs of operation, Air-India International suffers from none of these disabilities and is solely concerned with the intense competition which prevails on the majority of the international routes which it operates.

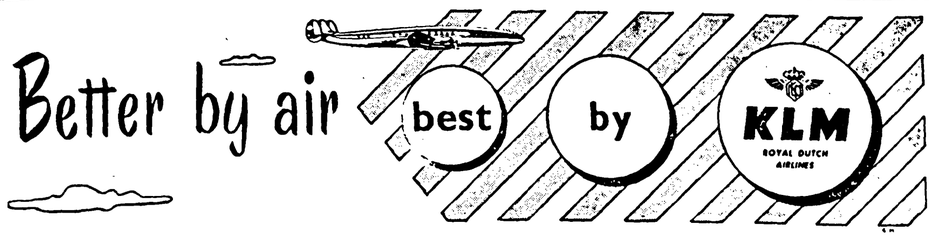
It is as well to bear these facts in mind when judging the relative merits of the two Corporations and in sifting the criticism which will, almost inevitably, be levelled at the domestic Corporation when its financial affairs are discussed in Parliament. At the same time, it is an inescapable fact that, in incurring a deficit substantially larger than the aggregate loss of all the private companies during their last year of operation and taking the petrol rebate which they received into consideration, the domestic Corporation has a great deal to explain.—*All Rights Reserved.*

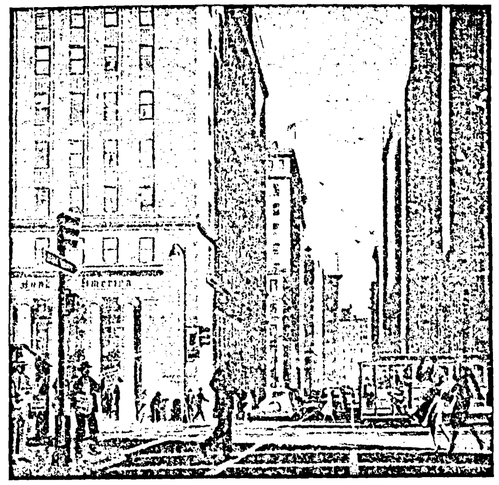
NEW COMETS FOR B.O.A.C.

The B.O.A.C. has decided to instruct the de Havilland Aircraft Company to proceed with the building of a fleet of new Comets. The Comet I aeroplanes, which formed the original B.O.A.C.'s fleet, will not be used again on public passenger service. This is a sequel to the technical finding of the Cohen report on Comet accidents that the failure of Comet I was due to the structural failure of the pressure cabin brought about by fatigue. The new Comets will be so designed as to obviate this defect. They will be heavier being more strongly built than Comet Is. The extra power that will be given by the Rolls-Royce Avon engines with which they will be fitted will, it is stated, give them a performance and range that make them commercially pre-eminent. No precise date, it is stated, can be given for the introduction of the new Comets.

UNLOADING AIRLINERS

An airliner can be emptied of its passengers, baggage, mail, express and freight loads in only four minutes in a newly-developed "Airdock." The process ordinarily takes from 20 to 30 minutes. The "Airdock" is now being tested by United Airlines, a U.S. air transport company. Instead of being unloaded on the airfield by a fleet of trucks, carts and tractors, the plane is towed into a special hangar where ramps, bridges, conveyor belts and hydraulic lifts do the work. Passengers file out on a bridge at the same level as the cabin door. Meanwhile, workers unload baggage and freight onto a conveyor belt. As the passengers walk down from the overhead bridge, their baggage is sorted for claiming.





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Condensed Statement of Condition December 31, 1954
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RESOURCES

Cash and Due from Banks	$1,456,524,519.87
United States Government Securities and Securities Guaranteed by the Government	2,414,191,925.87
Federal Agency Securities	167,123,060.20
State, County, and Municipal Securities	565,439,454.38
Other Securities	114,137,926.86
Stock in Federal Reserve Bank	10,500,000.00
Loans Guaranteed or Insured by the United States Government or its Agencies	1,230,573,393.30
Other Loans and Discounts	2,812,738,751.23
Accrued Interest and Accounts Receivable	38,266,946.53
Bank Premises, Furniture, Fixtures, and Safe Deposit Vaults	74,421,807.25
Other Real Estate Owned	1,802,647.53
Customers' Liability on Account of Letters of Credit and Acceptances, and on Endorsed Bills and Notes	275,838,505.00
Other Resources	1,796,351.47
TOTAL RESOURCES	$9,163,355,289.49

LIABILITIES

Capital	$150,000,000.00	
Surplus	200,000,000.00	
Undivided Profits	111,140,888.22	
Reserves	5,455,800.10	
TOTAL CAPITAL FUNDS		$466,596,688.32
Reserve for Possible Loan Losses		62,618,458.12
DEPOSITS: Demand	$4,192,260,317.72	
DEPOSITS: Savings and Time	4,078,274,433.42	$8,270,534,751.14
Liability for Letters of Credit and as Acceptor of and Endorser on Acceptances, Bills, and Notes		278,554,052.21
Reserve for Interest Received in Advance		30,660,665.00
Reserve for Interest, Taxes, etc.		54,390,674.69
TOTAL LIABILITIES		$9,163,355,289.49

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Condensed Statement of Condition December 31, 1954

RESOURCES

Cash and Due from Banks	$ [illegible]
United States Government Obligations, direct and fully guaranteed	[illegible]
Other Securities	[illegible]
Loans and Discounts	[illegible]
Accrued Interest	[illegible]
Customers' Liability on account of Letters of Credit and Acceptances, and on Endorsed Bills and Notes	[illegible]
Other Resources	[illegible]
TOTAL RESOURCES	$188,406,334.06

LIABILITIES

Capital	$ [illegible]
Surplus	[illegible]
Undivided Profits	[illegible]
TOTAL CAPITAL FUNDS	[illegible]
Reserve for Possible Loan Losses	[illegible]
Deposits	[illegible]
Liability for Letters of Credit and as Acceptor of and Endorser on Acceptances, Bills and Notes	[illegible]
Reserve for Interest Received in Advance	[illegible]
Reserve for Interest, Taxes, etc.	[illegible]
TOTAL LIABILITIES	$188,406,334.06

COMBINED RESOURCES OVER $9,300,000,000

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SA-1

VALUE OF INSURERS' ASSETS CROSSES RS. 300-CRORE MARK

MAJOR PORTION CONTINUES TO BE INVESTED IN GILT-EDGED

A NOTABLE trend in the sphere of Indian insurance is the steady growth of the insurers' total assets. At the end of 1953, to which the latest available figures refer, the assets of insurers crossed the Rs. 300-crore mark and stood at Rs. 315.8 crores, as against Rs. 293.9 crores at the end of the previous year. This is an impressive record which will become even clearer when the present level is compared with the pre-war total of a mere Rs. 70 crores. In recent years, the assets have grown at a rapid rate. Thus, the annual average increase over the 1939-45 period was only Rs. 11½ crores. In the following year, the rate of increase was nearly double this rate. During the 1946-52 period, the average annual increase was as high as Rs. 22½ crores. It is this rapid growth that has enabled the assets to reach an impressive total of Rs. 315 crores.

Assets

This growth in insurers' assets is certainly a matter of great consequence to national economy. Since insurers invest a large proportion of their assets in Government and other gilt-edged securities, they are indirectly participating in the Central and State Governments' national development programme. Indian insurers, as is well known, have to conform to the restrictions, specified in section 27 of the Insurance Act, in respect of investments of their assets. Briefly, this section prescribes a proportion of 25 per cent. in Government securities and 25 per cent. in Government securities or other approved securities. In 1953, insurers' investments in the Central and States Governments' securities formed 47.2 per cent. of their total investments.

The following table shows the investment pattern of insurers' assets in 1952 and 1953:

Insurers' Assets

(Rs. in lakhs)

	1952		1953	
	Amount	Per cent.	Amount	Per cent.
Securities of:				
Central Government ..	1,22,47	41.7	1,28,78	40.1
Part A States	12,67	4.3	19,37	6.0
Part B States	3,80	1.3	3,35	1.1
Foreign Governments ..	5,60	1.9	5,54	1.8
Municipal, Port Trust. ..	17,73	6.0	18,75	5.9
Mortgages on property ..	13,20	4.5	14,59	4.6
Loans on policies	19,76	6.8	23,44	7.4
Loans on stocks and shares ..	24	0.1	22	0.1
Other loans	1,48	0.5	1,64	0.5
Debentures	13,15	4.5	14,84	4.6
Preference shares	10,90	3.7	11,30	3.6
Ordinary shares	17,78	6.1	19,91	6.3
Land and house property ..	15,31	5.2	17,44	5.5
Agents' balances, outstanding premiums, etc.	14,61	5.0	15,46	4.9
Deposit, cash and stamps ..	17,43	5.9	18,55	5.8
Miscellaneous	7,09	2.4	6,89	2.2
Total ..	2,93,91	100.0	3,15,80	100.0

It will be seen from the table above that the bulk of the insurers' assets is invested in what are generally called gilt-edged securities—that is, the Central and States Governments' securities, Municipal, Port Trust and Improvement Trust Loans and securities of foreign Governments. Investments in this class of securities accounted for 54.9 per cent. in 1953, as against 55.2 per cent. in 1953. The share of the Central and State Government securities alone is, as already stated, about 47.2 per cent. of the total assets. This proportion is comparatively higher than that in the U.S. or the U.K.; in the former country, insurers invest only about 17 per cent. in Government securities, the corresponding figure for the U.K. insurers being 41 per cent. In the case of the latter, the share of British Government securities is about 30 per cent. and of Dominion Government securities about 11 per cent. British and American insurers invest a much larger proportion of their assets in industrial shares and debentures. Thus, American insurers' investment in securities of business and industry forms about 43 per cent. of their total assets. British insurers invest 30 per cent. of their total assets in industrial shares and debentures. In the case of Indian insurers, such invesments (that is, investments in debentures, preference shares and ordinary shares of joint-stock companies) form only 14.5 per cent. of the total. Another marked difference between the investment-pattern of Indian insurers and that of British and American insurers is that the latter invest a larger proportion of their assets in mortgages than Indian insurers. Thus, American insurers invest about 28 to 30 per cent. in mortgages and British insurers about 12 per cent. For Indian insurers, this proportion is only 4.6 per cent.

In recent years, the trends in the investment pattern of insurers, whether Indian, British or American, are somewhat similar. There has thus been a continuous decline in the percentage share of Government securities and a corresponding increase in the percentage share of industrial equities. Only, the trend is more marked in the case of British and American insurers than in that of Indian insurers. This will become evident when the pre-war or the early post-war investment pattern is compared with the investment pattern of recent years. In pre-war years, the share of Government securities owned by insurers in the U.S. was 26.7 per cent. of their total assets whereas it is now about 17 per cent. In the case of British insurers, however, the share of British Government securities is higher than in the pre-war years; it is 30.6 per cent. as against the pre-war proportion of 21.6 per cent. But it must be remembered that this proportion had gone up to about 42 per cent. in 1945. Since then, it has declined. In the case of Indian insurers, the share of Central and State Governments' securities was 53.7 per cent. of their total assets in 1939. This share increased, as in the case of the U.K., to about 64 per cent. in 1945 but has steadily declined to about 46 per cent. as at the end of 1953.

Industrial Shares

An upward trend in the proportion of insurers' investments in industrial shares and debentures is noticeable in the last few years. Between 1945 and 1952, the proportion of such investments by American insurers has increased from 27 per cent. to 43 per cent. In the U.K., it has increased from 27 per cent. to about 30 per cent. In India, the share of securities of joint-stock companies in the investments of insurers' assets was 6.8 per cent. in 1939. It advanced to 9.4 per cent. in 1945 and still further to 14.5 per cent. in 1953. Nevertheless, it will be seen that Indian insurers' investments in shares and debentures forms a much smaller proportion of their total assets than the investments of British or American insurers.

An analysis of the maturity distribution of insurers' investments in Government and other approved securities shows that there is a marked preference for short and medium-dated securities. Thus, the bulk of the Indian insurers' investments has gone into securities which mature before 1968; the exact proportion of such investments is as high as 65 per cent.

The following table gives the maturity distribution of the investments (as on 31st December, 1953) of Indian and non-Indian insurers:

Investments

(As on 31st December, 1953)
(Rs. in crores)

Years of maturity	Indian insurers		Non-Indian insurers	
	Amount	Percentage	Amount	Percentage
1954-58	18.73	11.3	8.78	22.8
1959-63	41.46	25.0	11.27	29.2
1964-69	47.68	28.7	7.95	20.6
1970-73	1.66	1.0	2.75	7.2
1974-78	18.51	11.2	5.93	15.4
1979-83	1.42	0.9	0.13	0.3
1984-88	30.86	18.6	0.25	0.6
1989-93	0.43	0.3	..	..
Irredeemable	4.96	3.0	1.50	3.9
Total ..	165.76	100.0	38.57	100.0

Indian insurers' investment of their "controlled fund" are governed by section 27A of the Insurance Act. The clauses of this section set forth the different classes of securities, shares or debentures which came under the list of approved investments.

It will be seen from the table below that Indian insurers invest 64 per cent. of their controlled fund and non-Indian insurers 71 per cent. of their controlled fund in investments defined by clauses (a) and (b) of section 27A. These clauses refer respectively to approved securities and U.K. Government securities. This compendious term "approved securities" covers all securities of the Central and State Governments and Government-guaranteed debentures, whether issued by a statutory corporation, municipal corporation or city improvement trust in any presidency town.

The following table gives the investments (as on 31st December, 1953) of the controlled fund of Indian and non-Indian insurers, classified according to the clauses of section 27A:

Controlled Fund

(As on 31st December, 1953)
(Rs. in lakhs)

	Indian insurers		Non-Indian insurers	
	Amount	Per cent.	Amount	Per cent.
Approved investments classified according to the clauses of sub-section (1) of section 27A:-				
1. (a) and (b)	1,64,24	64	38,65	71
2. (c) and (d)	1,51	..	3	..
3. (e) to (i)	27,57	11	3,25	6
4. (m)	14,70	6	24	1
5. (n)	10,53	6	75	1
6. (o) and (p)	23,03	9	4,32	8
7. (q)	1,98	1	24	..
8. (r) and (s)	2,24	1	6,41	12
	2,51,50	98	53,39	99
Non-approved investments ..	5,96	2	67	1
Total ..	2,57,46	100	54,06	100

Restrictions on Insurers

It should be clear that the bulk of the insurers' investments, whether of their assets or of their controlled fund, goes into the securities of the Central and State Governments, Municipalities and Port Trusts. Only a very small proportion is invested in shares and debentures of joint-stock companies. This is partly due to the statutory restrictions on insurers' investments imposed by the Insurance Act and partly to certain anomalies in the Act itself. In this connection, the Shroff Committee (the Committee on Finance for the Private Sector) recommended that the statutory minimum in Government and approved securities should be reduced from the present level of 50 per cent. to 45 per cent. It also suggested the removal of the anomalies in the Act. One such anomaly, for instance, is that, in certain cases, the debentures (a superior security) of a company may become a non-approved security whereas the ordinary shares and preference shares (an inferior security compared to debentures) may become an approved investment. A judicious relaxation of the present restrictions prescribing the level of investments in Government and approved securities and the removal of the anomalies in these restrictions will certainly enable insurers to increase their investments in industries.

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During the year ended 31st December, 1954, the Company wrote, according to its latest annual report and accounts, Rs. 88.29 lakhs of new life business as against Rs. 50.04 lakhs in the previous year. There has thus been a substantial increase in the Company's new life business. The premium income and income from other sources aggregated Rs. 20.16 lakhs, as against Rs. 17.94 lakhs in 1953. The expense ratio (calculated in accordance with Rule 25 of the Insurance Rules), despite the large increase in new life business, is a modest 12.76 per cent. It is not strictly comparable with last year's expense ratio of 12.87 per cent. which was somewhat on the high side on account of the expenses incurred in connection with the opening of the Company's offices at Bangalore.

The following table gives the progress of the Company's premium income, other income and life fund (at the end of each year) during the 10 years ended 1954:

(Rs. in lakhs)

Year	Premium income	Other income (net)	Life fund at end of year
1945	8.84	0.50	16.24
1946	10.85	0.86	23.43
1947	13.41	0.84	32.27
1948	14.57	1.11	42.11
1949	15.61	1.37	51.60
1950	16.73	1.78	61.91
1951	17.72	1.96	71.92
1952	17.56	2.45	82.49
1953	17.94	3.34	93.80
1954	20.16	3.59	106.49

It is gratifying to note that the life fund has now crossed the Rs. 1-crore mark. It now stands at Rs. 1.06 crores, the net addition to the fund during the year being Rs. 12.69 lakhs. Besides the life fund, the Company has an investment reserve fund of Rs. 3.54 lakhs.

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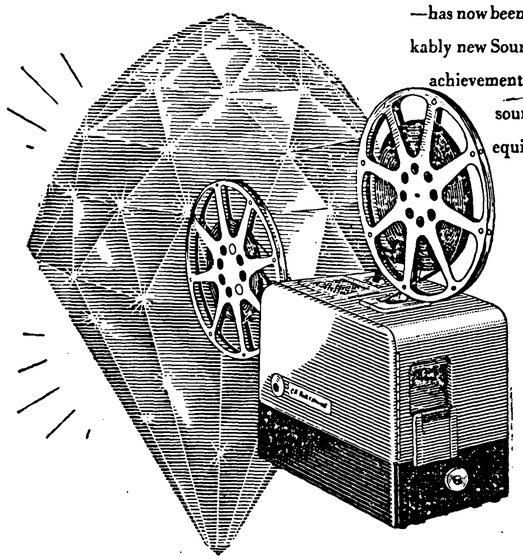

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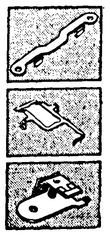

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LAND REFORMS IN SOUTH INDIA

RECOMMENDATIONS OF TAMILNAD CONGRESS

THE question of land reform has been receiving the serious attention of the Congress Party in the South for some time now. The Madras, Mysore and Travancore-Cochin States have been contemplating radical changes in the existing pattern of land tenure. The most important of them relate to the proposed comprehensive land reform legislation, which is being framed by the Madras Government. According to Mr. Manickavelu Naicker, the Revenue Minister, the Bill will deal with virtually all the conceivable problems relating to landlord-tenant relationship. These include, among others, the assurance of tenure to the cultivator, the fixation of ceilings for personal cultivation as well as rents and the circumstances in which the landlord could exercise his right of resumption of lands for personal cultivation.

It will be recalled that the Tamil Nad Congress Land Reforms Committee, constituted in April, 1954, submitted its recommendations to the President of the Tamilnad Congress Committee (T.N.C.C.) early this month. The proposals are to be considered by the Tamilnad Congress Executive Committee. A copy of the proposals has also been forwarded to the Government of Madras for examination by the Revenue Department.

It is said that the recommendations of the Committee are based on the opinions and facts elicited from landowners, on the one hand, and tenants and labourers, on the other. The landowners were sounded on the maximum concessions they were willing to allow, in the interests of agrarian peace, in the matter of rights in land, security of tenure, rents and crop shares, as well as wages of agricultural labour. The *kisans* likewise were sounded on the minimum concessions they required in the interest of a reasonable standard of living. On the basis of the replies from these interests, the Committee is reported to have succeeded in evolving what it believes to be a generally acceptable and just programme of land reforms representing the greatest common measure of agreement.

Recommendations

The following is a rough outline of the proposed recommendations:

(1) All lands in respect of which a landowner is not a "resident landowner," as defined, to be cultivated only by tenants if they are not already so cultivated.

(2) Only "resident landowners" can have lands under their "personal cultivation" upto a certain maximum extent, such personal cultivation being defined to include "cultivation by labour, hired for daily or monthly wages according to the schedule of minimum wages fixed but not for any crop-share, under the resident owner's personal direction and/or supervision."

(3) Well-knit, compact and integrated farms, involving large capital investment, and most efficiently cultivated by their owners, to be exempted from the application of the ceiling limit on the recommendation of a specially constituted Board. Grazing lands reserved for cattle farms and topes to be similarly exempted.

(4) On lands in excess of the ceiling limit proposed, wherever such lands are now personally cultivated, tenants evicted since 1st July, 1951 (the date of publication of the Subramaniam Committee Report) to be fixed up, if they are not already in possession of other lands for cultivation. Next in the order of eligibility for tenancy on the personally cultivated excess lands are the permanent farm labourers, if any, who have been working on those lands.

(5) A "resident landowner" who has all or a part of his lands cultivated by tenants now is to have the right to resume land for personal cultivation upto the ceiling limit prescribed, subject to the conditions: "that he does not exercise this right during the period 1955-58" and "that, if after 30th April, 1958, he wishes to resume land from his tenants, he should do so within a period of three years, at the end of which his right of resumption will lapse automatically if it has not been exercised, such resumption being authorised by Government in such areas as it may notify."

(6) All existing tenants, whether cultivating for a fixed rent or for a crop share, to be confirmed in their possession of the respective holdings subject to the maximum area proposed for tenant-cultivation. An "existing tenant" is defined as a tenant who has cultivated a holding for all the crops in the agricultural year 1954-55 or for the first or the main crop in the agricultural year 1954-55.

(7) All existing tenants, all new tenants fixed up under the reform legislation an all tenants fixed up in future to have permanent security of tenure, subject to (i) payment of fair rents according to the schedule of fair rents proposed; (ii) possible resumption of land by eligible landowners in notified areas; and (iii) some simple grounds for eviction. "Permanent security of tenure" is defined as "a permanent cultivation right which cannot be sublet, partitioned, alienated, mortgaged except to a Government credit agency, or attached." Such a right could, however, be inherited by a major son, widow, or brother, or brother's son, if he or she has not any other holding already under cultivation.

(8) All existing "fixed-rent" tenancies to continue only on the basis of fixed rents according to the schedule of fair rents proposed.

(9) All existing or new *waram* tenancies to be converted into fixed rent tenancies at the end of five years.

(10) No tenants to have in his possession a holding of more than a certain extent of land prescribed.

(11) Failure to pay the rent in full before 30th April every year, sub-letting in any form except in the case of betel vine cultivation wherever necessary, and partitioning or alienating his cultivation right or mortgaging it except to a Government credit agency—these three to be the chief grounds for eviction of a tenant.

(12) No future transaction in land by its owner to be allowed to result in the eviction of a tenant from the concerned holding.

(13) A tenant to have the right to purchase the landowner's interest in the concerned holding, whenever he decides to sell it, at prices agreed upon between the parties concerned and within six months of the owner's notice.

(14) The possibilities of transferring the landowners' interests in their holdings to the concerned tenants under a suitably evolved tenant purchase programme financed by a tenant-purchase fund, to be explored.

(15) Institutional lands to be brought under the management of an autonomous public corporation called the "Land Management Corporation." The cultivating tenants, existing or new, of these lands to have all the prescribed tenant-rights except the right to purchase their holdings. Model co-operative farms to be organised wherever the lands taken over cover an entire village or a major portion thereof.

Land reforms are in the offing in Travancore-Cochin also. The Congress Ministry, which has succeeded the Praja Socialist Party Ministry, has, it is stated, proposed to implement the land reform policy of the defeated Ministry with such modifications as may be required. Refuting the allegation of the ex-P.S.P. Chief Minister that the downfall of his ministry was brought about by the reactionary landlord interests anxious to wreck his ministry's land reform proposals, Mr. P. Govinda Menon, the Chief Minister, stated, in the course of a Press Conference recently, that one reason why he did not want the dissolution of the present legislature of the State was to see that land reform legislations were not shelved. Proceeding, he observed: "The Congress has declared a socialistic pattern of society. To that end, I should strive and I pledge; gentlemen of the Press, that the Congress Party here in office will pursue the policies and programmes to that end." The land reform proposals of the P.S.P. Ministry, which might be revived, consist of seven Bills, framed by the P.S.P. Ministry some of which had already been placed before the State legislature. The chief among them were the *Verupattamdars* Bill and the Restriction on Possession and Ownership of Land Bill. These Bills cover entirely the whole gamut of agrarian reform. Some of the proposals, such as the fixation of the right of possession to 15 acres of double crop wet lands, have become matters of acute controversy.

The Government of Mysore, too, has proposed to bring forward a Bill for limiting landholdings in the State. According to Mr. S. Chenniah, the President of Pradesh Congress Committee, the family holdings should be limited to 25 to 30 acres. As it is, the States Government has already undertaken far-reaching land reforms with a view to ensuring more effective cultivation of land and to make the tiller, as far as possible, the owner of the land. The Personal and Miscellaneous *Inams* Bill is awaiting the assent of the President. The Mysore (Religious and Charitable) *Inams* Bill, as amended by the Select Committee, is on the legislation anvil.

Thus, big changes are in the offing. But the question is how far they would achieve the desired result of ushering in an economic and social pattern based on a better landlord-tenant relationship, without leading to a fall in production.

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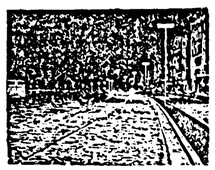

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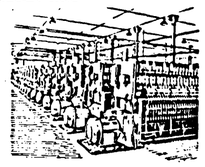

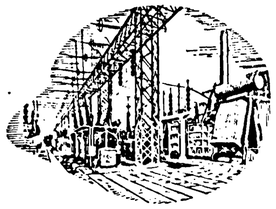

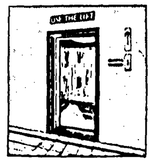

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Subscribed Capital	... ...	" 50,00,000
Paid-up Capital	... ...	" 50,00,000
Reserve Fund	... ...	" 84,00,000

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BOMBAY BRANCH: 24-26, Dalal Street.

Branches at:—Arsikere (Bangalore:—(1) City, (2) Chickpet, (3) Fort, (4) Lady Curzon Road, (5) South Parade) Bangarpet, Bhadravati, Bellary, Channapatna, Chickballapur Chickmagalur, Chintamani, Chisaldroog, Coimbatore, Cochin Davangere, Hassan, Kolar, Krishnarajanagar, Madras, Mandya, Madanapalle, Mysore (Market Branch—Mysore), Oorgaum, Sagar, Sakleshpur, Shimoga, Tiptur and Tumkur.

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CAPITAL

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Subscribed	.. ..	" 72,00,000
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Individuals ..	10,20,300	
Societies ..	24,26,800	
		34,47,100
Subscribed by the Government of Bombay ..		26,00,000
		60,47,100
RESERVE AND OTHER FUNDS ..		57,21,900
TOTAL DEPOSITS		8,94,11,800
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FOOD PRESERVERS MEET IN BOMBAY

PLEA FOR STATE ASSISTANCE

LAST week-end the attention of the city was sought to be evoked by the food preservers by holding their annual meeting and exhibiting their luscious wares with a fanfare. With these activities were associated the elite of the city, including the Governor of Bombay, the Mayor of the Corporation, Mr. B. G. Kher, ex-Chief Minister of the State, and the present Chief Minister, Mr. Morarji Desai. From the speeches made by these dignitaries, it was evident that all of them unanimously agreed that the food preservation industry had a great future before it. This unanimous verdict should spur the food preservers to increase their activities and place their industry on a sound footing.

Inaugurating the twelfth annual conference of the All-India Food Preservers Association—the apex organisation of food preservers in India—Mr. Morarji Desai expressed his confidence that the industry had a good future and urged the Association to realise that the Government, whether Central or State, had to fix priorities under the existing limitations with an eye on the greatest good of the largest number of people. He considered that fruit preservation and canning was essentially a rural industry which could be best promoted through small co-operative societies. If the conference devoted its attention to this aspect and decided to promote the industry on a co-operative basis, it would achieve, he said, a good purpose. Personally, he did not approve of preserved fruits as he preferred fresh ones. This, however, did not mean that he was opposed to the industry and its interests and those who liked the preserved fruit variety were welcome to have their choice satisfied by the products of the industry. While assuring the Association of all possible help from the Bombay Government, he took care to advise them to preserve only surplus foods and fruits and not those which were in short supply.

The importance of the preserved food industry to the Indian economy has been recognised by the Government of India. For the industry was among the earliest to be referred to the post-war Tariff Board for examining its case for protection and, since 1948, it has been enjoying protection. Its case for continuance of protection was reviewed only last year and the Government not only agreed to continue protection but also magnanimously allowed, in respect of two of its categories, the rate of protective duties to remain unchanged, although the Tariff Commission had, after a careful investigation, recommended a lower rate of duty. Besides, the Tariff Commission had requested the Government to remove the extra price charged for charcoal No. 2, as such would enable the prices of cans required for packing foods and fruits to be reduced by Rs. 36 per thousand. This and a number of other ancillary recommendations of the Commission were also accepted by the Government. According to the spokesmen of the industry, however, it would appear that some of the recommendations have not yet been given effect to by the Government.

Of late, it seems that the industry has been passing through bad days. That probably was the provocation for the industry to attempt to build public opinion in its favour for State assistance through holding an exhibition and associating public leaders with it. Its claims for assistance have, of course, been recognised already, as stated above. In the course of his welcome address, Mr. N. S. Pochkhanavala, Vice-President of the Association for the Western Zone, said: "We have put the consumer as the prior consideration and industrial morality required specially of a food factory on the highest pedestal. We insist that the interests of the canners are linked with those of the country. To achieve these aims, we have chalked out a path for our struggle which envisages lowering the costs of production, over which we have no control, and producing goods of high quality under hygienic conditions of manufacture." These aims are noble indeed, but their achievements, according to what the canners say, seems to be a difficult task. This is evident from the enumeration of difficulties facing the industry by the Chairman of the Association, Mr. K. U. Patel, in his address to the meeting.

One of the reasons for the difficult position in which the industry is placed is, according to Mr. Patel, the import of foreign products in substantially large quantities and the release of tinned products imported through Pondicherry port before the merger. Further, tomato products and green peas which are grown in large quantities and processed in this country are being imported into India even today. Another reason is the indiscriminate issue of licences for processing and packing "tinned foods." During the last nine years, the number of such licences has gone up from 248 to 720, and out of this only 15 factories are well equipped, conform to hygienic requirements and employ fully qualified technical personnel. These "factories account for 80 per cent. of the total production of the industry, excluding the production of *morabbas* and *achars*." In terms of rupees these factories account for also "about 75 per cent. of the capital and 100 per cent. of the technical personnel employed," but "suffer for the bad name given to the Indian products by the remaining so-called factories." This defect could be eliminated by taking action under the Fruit Products Control Order. Unfortunately, progress in this direction is stated to be too slow to be effective. Besides, there are also unlincensed factories in a large number which do not conform to any hygienic or quality standards and put in the market spurious products. The effect on human health of these products, it is needless to add, will undoubtedly be injurious and, therefore, virgorous measures must be taken to put an end to such manufacture. Recently, the Ministry of Health published rules and regulations under the Prevention of Food Adulteration Act. The rules are applicable to the fruit industry also. This means the transfer of administration of the Fruit Products Order to the Ministry of Health which in its turn would transfer the same to the States. The industry does not favour this change and wants the administration to be vested, as at present, in the Ministry of Food and Agriculture, Government of India.

High cost of production is another great difficulty facing the industry. This is due partly to the high prices paid by the industry for containers. For instance, both glass and tin comprise about 25 to 30 per cent. of the costs of finished products. The U.K. packer pays, it is stated, Rs. 164 for one thousand A 2½ (2-lb.) cans, whereas the Indian packer has to pay double the amount. Mr. Patel's remedy for this is the removal of the levy under the steel equalisation fund and the extra amount paid by the can manufacturers for charcoal No. 2. The cost of glass bottles, too, is higher by about 50 per cent. as compared with that in the U.K. Further, the glasses made in India are liable to breakage during sterilisation and transit. Sugar is another raw material for which the industry has to pay a higher price, namely, Rs. 30 to Rs. 32 per maund, than that (Rs. 18 per maund by the packer in Australia) paid by the foreign competitors. According to Mr. Patel, if the Government were to grant the remission of excise duty on sugarcane cess and other charges which amount to Rs. 11 per maund of sugar, the industry would get substantial relief on the 7,000 tons of sugar which it needs per annum.

The food preservation industry, too, has a grouse against railways. As railway wagons are covered without ventilation and painted black, heat is absorbed and nearly as much as 15 to 25 per cent. of fruits and vegetables are subject to spoilage in transit from the gardens to the factories. Rough handling and pilferage too add their quota to the high cost of the product. Canned products are clubbed with category No. 12 of the railway tariff schedule meant for luxury goods. Mr. Patel suggests that the products should be placed in a class where the incidence of freight is not more than 2½ to 4 per cent., as against 14 to 20 per cent. as at present for transport over an average distance of a thousand miles.

(*Concluded from next column*)

Be that as it may, Mr. Karmarkar's reply to the debate threw some light on Government's foreign trade policy. He said that, till now it had been of advantage to India to be a member of the G.A.T.T. In the past, no restrictive condition was attached and in future, if there was any such condition, India would certainly reconsider its position. As far as protection of industry was concerned, the G.A.T.T., he said, did not bind the country at all.

Dealing with the question of austerity in getting imports, Mr. Karmarkar remarked that, out of over Rs. 500 crores of imported goods, nonessential consumer goods were of the value of Rs. 14 crores only.

CONTROL OF FOREIGN TRADE

BILL SEEKS FIVE-YEAR EXTENSION

THE Imports and Exports (Control) Amendment Bill, 1955, moved by the Minister for Commerce, Mr. D. P. Karmarkar, in the Rajya Sabha on 22nd February last, seeks to continue for another five years up to 31st March, 1960, the powers at present enjoyed by the Central Government for the control and regulation of exports under the Imports and Exports (Control) Act, 1947. This latter measure, it will be recalled, was introduced in the then Central Assembly by Mr. I. I. Chundrigar, the then Commerce Minister. The purpose of that measure was to put on the Statute Book the control over imports and exports first imposed under Rule 84 of the Defence of India Rules and subsequently sustained by the Emergency Provisions (Continuance) Ordinance 1946, which ceased on 24th March, 1947. It was then considered that the continuation of the control over the foreign trade of India was necessary, in order to avoid any disturbance to economic recovery of the country during the transition from war-time to peace-time conditions.

Explaining the provisions of the Bill, Mr. Karmarkar said that it was a continuing measure and that though the considerations which held good when the control was first introduced might not necessarily hold good today, the need for such controls still remained on other considerations. Regulation of foreign trade had always been an important means of advancing the economic interests of the country. For India, such a control was absolutely essential, as (*a*) the country's foreign exchange was modest indeed as compared with the foreign exchange resources of some of the advanced countries of the West, (*b*) some of the nascent industries required protection through quantitative restrictions on imports, and (*c*) exports had to be regulated and directed to suit the domestic needs of the nation.

The statement of objects and reasons of the Imports and Exports (Control) Amendment Bill, 1955, referred to above, reads as follows:

"The need for the Central Government to have legislative powers to control the foreign trade of the country is as great today as it was in 1947. The balance of payments position, though slightly easier, will need to be watched closely and continuously to ensure availability of foreign exchange for the purchase of goods required to sustain the rapid industrialisation envisaged in the second Five-year Plan. On the export side also, it will continue to be necessary to rely on export controls to safeguard the interest of the consumer in respect of items that are primarily required for home consumption."

It is thus evident from the speech of Mr. Karmarkar as well as from the statement of objects and reasons that, at present, import controls are needed for conserving foreign exchange to finance industrial development of this country and export controls are necessary to safeguard the consumer's interest in respect of primary necessaries. In the debate on the Bill, the Government was criticised by the opposition benches that foreign exchange was being spent on importing luxury goods and goods of secondary importance, and one member went to the extent of suggesting that the Government should resort to State trading, as if that was the panacea for some of the economic ills of India. Another regretted that the country's foreign currency was spent on covering trade deficit, he did not pause even for a moment to consider that a part of the deficit was due to imports or plant and machinery and industrial raw materials required for the country's industrial expansion. A member complained that India was not concentrating attention on promoting trade with Communist countries. Here again he betrayed lack of proper study of the subject. For, as one of the members of the Congress Party pointed out, India had maintained trade relations with all foreign countries irrespective of their political structure. The Communist countries often had, he said, nothing to sell which were needed by India. This was evident, he continued, from available statistics, according to which imports by the Soviet Union were nearly $200 to $250 million in excess of its exports. Besides, it may be mentioned here that there is a good deal of uncertainty regarding prices, quality and the trade policy of the Communist countries, because of dislocation of trade between them and the free world. What is more, since they have State trading systems, it involves many times the association of the Governments of the free world for fulfilling a trade transaction.

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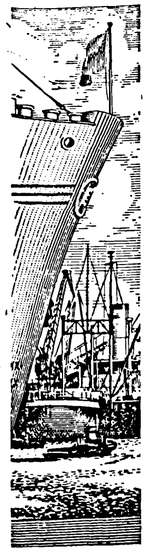

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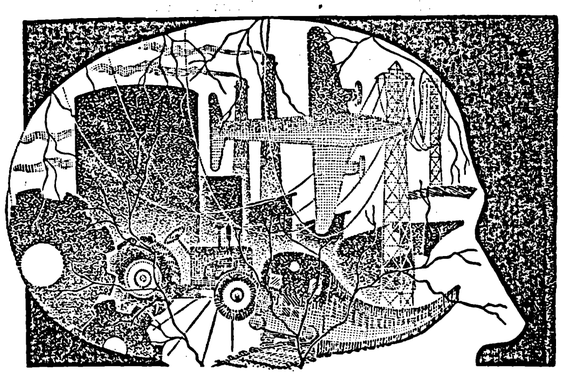

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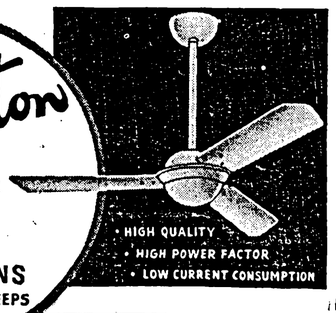

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BANKING

(Concluded from page 407)

policies and it is one of the steps taken towards introducing convertibility.

The Fund is the custodian of assets whose aggregate value is the equivalent of 8.8 billion dollars. These resources are intended to be used by members for short-term assistance in meeting deficits in their current account balance of payments. Members are supposed to use assistance from the Fund to meet the inevitable fluctuations in their external payments position so as to avoid rapid and sometimes difficult adjustments in policy every time there is a change in the pattern of trade or payments. Use of the country's own reserves and help from the Fund can give a country time to make adjustments gradually or to avoid changes in policy which, after a brief period, might prove to have been unnecessary.

Central Bank of Central Banks

The Fund is often referred to as a central bank of the central banks. That is correct in the sense that we deal only with member-Governments and their central banks. But we are not a bank that may give credits to its members along the lines normally followed by central banks or other banks. Nor are we supposed to invest our money to earn interest. All our assets are in gold, non-interest bearing notes of the member-Governments and in non-interest bearing checking accounts with the central banks in the member-countries. A member is on principle supposed to pay 25 per cent. of its quota in gold and the rest in its own currency. The financial assistance that a member gets from the Fund takes the following form:

The member buys from the Fund the currency it needs, be it dollars, sterling or another currency, and credits the Fund's accounts at its central bank with the corresponding amount of its own currency. The member repays the Fund by repurchasing its own currency from the Fund with gold or dollars.

Each time a member draws on the Fund, it has to pay a fee of ½ of 1 per cent. If the Fund has more of a member's currency than 100 per cent., of its quota, the member has also to pay interest on the amount in excess of the quota. These drawings may not normally exceed 25 per cent. of any member's quota in a period of 12 months. Nor are they to exceed for any member a total of 200 per cent. of its quota. The Fund has, however, authority to waive these limits in special cases and has in recent years done so on several occasions.

Drawings are not effected automatically. The Fund has the right to review request for these credits. Such decisions have, as a rule, to be taken within three days. In order to be able to do this, we have continually to follow the economic developments in the member-countries.

The credits may be used only to meet payments deficits that are temporary in character. The policies of the Fund regarding the use of its resources by its members have changed several times in the past and will undoubtedly be changed from time to time in the future. Adjustments are made in these policies as the international economic climate changes, as old problems are resolved and new problems arise for Fund members.

Extent of Activity

Since the Fund began exchange transactions in March, 1947, the total drawings by members have amounted to over 1,100 million dollars. The volume of transactions has varied considerably from year to year. More than half of the total took place in 1947 and 1948—the critical payments period before the Marshall Aid Programme. Most of these drawings were by countries in Europe and the sterling area. In 1948 and 1949, India drew $100 million from the Fund. Almost half of it was repaid in 1954. In 1947 and 1948 the Fund decided to help its members in order that the hardships of those years should, to some extent, be alleviated. When the large-scale aid programme of the United States came into effect the need for assistance from the Fund by countries receiving Marshall Aid declined. Thus, in three years from 1949 to 1951, our transactions amounted to only about 135 million dollars, and were mainly with countries not receiving Marshall Plan grants. Following the end of the large-scale economic aid programme of the United States, Fund operations again increased. During 1952 and 1953, our transactions aggregated more than 310 million dollars. In 1954, when the payments situation of most countries had improved, we had drawings only of less than 40 million dollars. In addition, there are now outstanding stand-by arrangements totalling more than 110 million dollars. Stand-bys are lines of credit opened for a certain period, as a rule six months or a year, on which the country may draw when it needs foreign exchange.

Our resources constitute a second line of reserves for our members. Thus, the central problem for the Fund in developing its credit policy has been to give members an assurance that, when they need temporary balance of payments assistance and are following appropriate policies, these resources will be available to them.

For example, members can now draw on the Fund up to an amount equal to the gold or dollars they have contributed to the Fund. We refer to this as our "gold tranche" policy. Perhaps more important, however, is the system of stand-by arrangements that I mentioned a minute ago. With a stand-by arrangement, a country can take somewhat greater risks regarding the maintenance or introduction of convertibility, or the relaxation of exchange restriction and discrimination, than would otherwise be possible.

Most members have wanted to get dollars from the Fund, and a couple of other currencies, mainly sterling, have also been drawn.

Repayments

On the other side of the ledger, we have, in recent years, developed a series of policy decisions regarding repayments. Of course, the Fund Agreement imposes upon members certain compulsory repurchase obligations depending upon any increase of their reserves at the end of the Fund's fiscal year. Our members also have been made fully aware that, over and above any compulsory repurchase obligations, they are expected voluntarily to repay amounts borrowed from the Fund within a time suited to their payments problem; this period is as a rule three years, with five years as the outside limit. Thus, members know that they must not look to the Fund for long-term loans, but should arrange their policies in such a way that they will be able to repay the Fund in a relatively short time. A member's indebtedness to the Fund is also reduced if other members draw its currency from the Fund. By the end of 1954, total repurchases had amounted to almost 540 million dollars. Over and above that other countries' drawings had reduced the net outstanding obligations of members to the Fund by some 200 million dollars. Thus, the Fund's members are maintaining the original idea of the institution; that its resources should be revolving—easily available and soon repaid.

To make it possible for the Fund to carry out the activities I have just described, it is, of course, as I said before, essential that our staff follow closely economic developments in all of our member-countries. To keep ourselves sufficiently informed, we have established regular procedures for the submission of data by all our member-countries. In addition, our technicians keep in close touch with the technicians of the treasuries and central banks in member-countries. And members of our staff frequently visit the member-countries on whose problems they work.

Some of the information that the Fund collects is, of course, confidential. There is, however, a considerable volume of data not supplied on a confidential basis that the Fund publishes at regular intervals. We publish monthly *International Financial Statistics*, which contains a mass of data on monetary reserves, international trade, prices, money supply, Government expenditures, investment, etc. I think this is a most useful publication. Those that are interested can subscribe to it. In addition, we publish annually a *Balance of Payments Yearbook*. The balance of payments of each member of the Fund, and some non-members appears in this publication in detail and on a basis which permits easy comparison with the payment balances of other countries. We distribute them in loose-leaf form. In co-operation with the International Bank and the United Nations, we publish a monthly bulletin on the *Direction of International Trade*. All of these publications are available to our member-Governments gratis. They are also available to the public on a subscription basis.

In addition, we issue a number of publications generally available without charge which contain valuable statistical data and economic research. Our *Annual Report* to the Board of Governors is such a public document. This contains a description and analysis of the world payments situation and a review of the Fund's activities during the year. We also publish an *Annual Report on Exchange Restrictions* which, among other things, includes a detailed account of the exchange restrictions of each of the Fund members maintaining restrictions. From time to time, we publish a journal called *Staff Papers* containing research papers which we believe are of general interest. And we issue a weekly *International Financial News Survey* now sent to over 10,000 institutions and individuals.

I would also like to say a few words about the role the Fund has been playing in the field of technical assistance. From time to time, members in various parts of the world request that technicians be sent from the Fund to assist them. I expect that these requests for technical assistance will continue to increase in the years ahead, as they have been gradually increasing during recent years. In addition to these technical assistance missions, the Fund has established a trading programme in Washington which annually trains about 15 technicians from the treasuries and central banks of our member-countries. We have had three Indians.

Aside from this regular programme, individuals and groups have been afforded training opportunities tailored to their particular needs. By all of these measures, the Fund is trying gradually to build up a stronger bond of understanding between the Fund and its members and among the members themselves. It is my earnest hope that this bond will continue to grow stronger in the years ahead.

Our working relations with India are excellent. I am very happy to be able to finish this little lecture by saying that the Fund uses as its slogan for our work with the not industrialised countries those words that have always been your motto: "Development with stability."

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THE TATA IRON & STEEL COMPANY LIMITED

TIN 3924

NORWAY PUTS UP BANK RATE

From Monday, 14th February, 1955, the Bank rate in Norway was raised from 2½ to 3½ per cent. It was the first time the Bank rate had been altered in Norway since January, 1946. Whilst interest rates generally are expected to rise, interest on loans by the State Housing Bank remains unchanged. The Government hopes that the increased cost of credit will help to reduce investments, and so ease the pressure on prices and wages and also bring down the level of imports.

On the same day, the Minister of Finance announced in Parliament new tax proposals designed to reduce imports and investments: a 10 per cent. levy on new ships, a 10 per cent. levy on imported motor vehicles, and a 10 per cent. levy on building work (excluding homes, agricultural buildings, and buildings rebuilt or repaired after war damage, fire or natural catastrophe). The Government emphasised that the levies were temporary and that the income from the levies on ships and motor vehicles would be lodged in a special account in the Bank of Norway and not touched without obtaining the special consent of Parliament.

Apart from the special measures approved on Monday, the Minister of Finance announced other steps to reduce imports this year. Imports from Eastern Europe would be kept at the level laid down in the trade agreements, and the liberal licensing policy for additional imports which was followed last year would not be repeated this year. The Minister indicated that steps woul. be taken to reduce lending by the banks. Saving would be encouraged. A State loan of 500,000,000 kroner (£25,000,000) would be floated at a rather higher rate of interest than before. The State would cut its capital expenditure, and the local authorities would be asked to do likewise.

The Minister of Finance said that Norway's foreign payments difficulties and the pressure on prices and wages were the result of the very high level of economic activity, and in particular the high rate of investments. The Norwegian economy was expanding more rapidly than ever before. The nation's capital equipment was better, and production greater, than any time previously. Output in 1954 was 56 per cent. greater than in 1938. The merchant fleet had increased from 4,900,000 to almost 7,000,000 gross tons, and the generation of electricity by almost 100 per cent. as compared with before the war. Private consumption was 30 per cent. greater per head than in 1938.

GOVERNMENT OF INDIA'S BUDGET

(Concluded from page 411)

Lastly, a slab system was being prescribed for export duties on tea in lieu of the existing flat rates. He explained that, while a specific rate tended to become onerous in a period of falling prices, the incidence of the tax in terms of value became, when prices were rising, progressively lighter with a flat rate. On account of the numerous qualities of tea, it had not been possible to devise a system of *ad valorem* assessment, and certain slab rates, varying with value, were being prescribed as a compromise.

The effect of these changes would be a loss of Rs. 50 lakhs in revenue.

Changes in Union Excise Duties

The Finance Minister then dealt with changes in Union excise duties. His first proposal was to raise the existing duty of Rs. 3-12 per cwt. on sugar to Rs. 5-10 per cwt. Consumption of crystal sugar had increased necessitating large imports at considerable expenditure of foreign exchange. The Taxation Enquiry Commission had favoured a substantial increase in duty. The additional revenue was estimated at Rs. 5 crores.

His second proposal was to classify cotton cloth into two categories, superfine and others, and to prescribe the rate of duty on superfine cloth at 2½ annas per *square yard* and on other cloth at one anna per *square yard*. This involved an increase equivalent to about three pies a linear yard on superfine cloth and six pies a linear yard on medium and coarse cloth. He explained that the present classification into four categories as a basis of tax differentiation and as indicating the broad sections of the community using the cloth had become somewhat unrealistic. The Taxation Enquiry Commission had also taken the view that there was a case for enhancement of the rate on all varieties. The special cess of three pies a yard for the development of the handloom industry would be levied in addition. The additional revenue from these readjustments would amount to Rs. 9 crores.

His third proposal was to increase the existing preference margin for the medium-sized and cottage group of match factories. The existing margin in respect of match boxes of 40's for medium-sized factories, which was one anna per gross of boxes, was being increased to two annas per gross of boxes and suitable increases were being made in the margin in respect of other categories. These concessions, which were being given in pursuance of Government's policy of fostering the development of small-scale industries, would result in a loss of revenue of Rs. 50 lakhs of which the States' share would be Rs. 20 lakhs.

His fourth proposal was to readjust certain duties on cigarettes, in accordance with the Taxation Enquiry Commission's recommendations. The temporary surcharge of 3 pies and 6 pies per 10 cigarettes was being removed from the category of the value of Rs. 10 to Rs. 15 per thousand and was being merged with the basic duty on other categories. The duty on the category of cigarettes of the value of Rs. 40 to Rs. 50 per thousand was also being increased suitably. These changes taken together had no revenue significance.

Turning to new excises, Mr. Deshmukh mentioned that the Taxation Enquiry Commission had recommended the imposition of a large number of new excise duties. "I feel myself," he continued, "that an expansion of revenue from excises is, in the context of our requirements and also in the pattern of industrial development in the country, inescapable and that we shall increasingly have to look to the products of organised industries in the country which have grown up under the shadow of protection, both for bringing in additional revenue and replacing the loss from customs resulting from the replacement of imported manufactured goods by indigenous production." He proposed to make a beginning with a number of these new excises in the coming year and to levy a duty of 10 per cent. *ad valorem* on woollen fabrics, sewing machines, electric fans, electric lighting bulbs, electric dry and storage batteries, paper (excluding newsprint) and paper board, and paints and varnishes. The total estimated revenue from these excises would be Rs. 4 crores.

The net additional revenue from the changes in excise duties would amount to Rs. 17.7 crores.

The Finance Minister then came to changes in direct taxation. He said that the broad pattern of adjustments suggested by the Taxation Enquiry Commission had been accepted by Government with such modifications as had been found necessary and desirable. The budget proposals did not cover all the recommendations of the Commission but only such of them as had been found immediately practicable and feasible.

Dealing with the changes in the tax structure, he announced the following:

(i) The existing tax exemption slab of Rs. 1,500 was being raised to Rs. 2,000 for married persons and reduced to Rs. 1,000 for unmarried persons as a first step towards a scheme of family allowances. The net loss of revenue was estimated at Rs. 90 lakhs.

(ii) The existing slab of Rs. 5,000 to Rs. 10,000 was being broken into two, the tax on the slab of Rs. 7,500 to Rs. 10,000 being raised by six pies from one anna nine pies to two annas three pies. This was expected to yield a revenue of Rs. 1.35 crores.

(iii) In the next slab of Rs. 10,000 to Rs. 15,000, the rate was being raised from three annas to three annas three pies. Additional revenue expected was Rs. 85 lakhs.

(iv) As a first step in the abolition of concession of earned income on higher brackets of income, the earned income relief of Rs. 4,000 would be reduced by Rs. 200 for each Rs. 1,000 of income in excess of Rs. 25,000, ceasing altogether when the level of Rs. 45,000 was reached. Additional revenue estimated was Rs. 1.9 crores.

(v) The super-tax slab would be readjusted and the level at which super-tax was attracted reduced from Rs. 25,000 to Rs. 20,000. The changes were estimated to yield an additional revenue of Rs. 5.75 crores.

(vi) The existing limit of one-sixth of income, subject to a ceiling of Rs. 6,000 for rebate, allowed for payment of premia on life insurance policies and subscriptions to provident funds was being raised to one-fifth of income with a ceiling of Rs. 8,000, corresponding increases being given to Hindu undivided families. This concession would cost the exchequer Rs. 25 lakhs.

(vii) Hindu undivided families consisting of four members or more entitled to claim partition would be exempted from tax so long as their income did not exceed Rs. 12,600 and for such families the exemption limit for the payment of surcharge would also be raised from Rs. 14,400 to Rs. 21,600. The financial effect of these concessions was not likely to be substantial.

(viii) A development rebate of 25 per cent. of the cost of all new plant and machinery installed for business purposes would be allowed, instead of the existing initial depreciation allowance of 20 per cent. Losses of business would also be allowed to be carried forward indefinitely, instead of only for six years.

(ix) A number of changes were being made in the direction of rationalising the tax structure. Thus, the tax value of any perquisite or benefit drawn by salary earners drawing over Rs. 18,000 per annum and of directors of companies, and entertainment allowances of all kinds were being made subject to tax; and similarly compensation received for loss of managing agency or other agencies and compensation received for termination of employment would be subject to tax. A flat rate of super-tax of four annas in the rupee was being imposed on the undistributed profits of a company falling under Section 23-A, if 60 per cent. of the profits had not been distributed. Certain further concessions were being given to co-operative societies but co-operative insurance societies would be made subject to tax. The cumulative financial effect was not expected to be appreciable.

The changes in customs duties would result in a loss of Rs. 50 lakhs and the changes in match excise a loss of the same amount, of which Rs. 20 lakhs would be passed on to the States. The new and increased excise duties would yield Rs. 18 crores and changes in income-tax would yield Rs. 8.7 crores of which the States' share would amount to Rs. 4.2 crores. In the result, Central revenues would increase by Rs. 21.7 crores, leaving an uncovered deficit on revenue account of Rs. 8.47 crores.

In the closing portion of his speech, the Finance Minister made a brief reference to the Plan. He said that, like the budget of the previous years, this budget had also been framed with the main purpose of securing the orderly implementation of the Plan. The Plan was formulated under difficult circumstances with inflation, shortages and the like clouding the economy. "The aim," he said, "was to make a good enough beginning and, looking back over the four years, I venture to suggest that this has been done with some success." He said that the next Plan must provide for more accelerated development consistent with the stability of the economy and the country's declared policy of adherence to democratic methods. In his view, the success of the second Five-year Plan would depend upon two main factors, organisation and finance. It was not and could never be a question of formulating physical targets and leaving financial considerations aside. Both had to be correlated and the maximum amount of resources currently raised for investment and production. "It is," he continued, "because the raising of maximum resources is necessary for planned development that I make the large draft which I have made today on the taxpayers' purse."

PROFIT OF KOHINOOR DROPS BY 37 PER CENT.

BONUS TO SHAREHOLDERS NOT REPEATED

A DROP of Rs. 24.30 lakhs, that is, from Rs. 65.22 lakhs to Rs. 40.92 lakhs, in gross profit is disclosed by the financial results of the Kohinoor Mills Company, Ltd. (Agents: Killick Industries Ltd., Bombay), for the year ended 31st December, 1954. Such a recession may not cause any surprise to the shareholders of the Company, inasmuch as they had been well prepared for such an eventuality, what with the declining trend in cloth prices and the burden of the additional excise duty on cotton cloth, the new excise duty on art silk, and the Labour Appellate Tribunal's Award in respect of additional bonus for 1952 and additional dearness allowance for 1953 and 1954. On the other hand, they have every reason to feel gratified that the recession in profit has not been more, as would have been the case if the Labour Appellate Tribunal had upheld the Industrial Court's Award *in toto*. Further, the cut in dividend has not been so drastic as the decline in profit would warrant. As readers are already aware, the distribution to shareholders has been reduced from 20 per cent. (*made up of a dividend of* 18 per cent. and a bonus of 2 per cent.) to 18 per cent. by withholding the bonus.

After providing a larger sum of Rs. 17.76 lakhs for depreciation, as against Rs. 14.97 lakhs in the previous year, and cutting down the provision for taxation from Rs. 17.80 lakhs to Rs. 5.55 lakhs, the net profit amounts to Rs. 13.51 lakhs, as compared with Rs. 25.88 lakhs for 1953. While a sum of Rs. 6 lakhs had been transferred to the reserves last year, the Directors have not allocated anything to the reserves out of the profit for 1954. On the other hand, they have drawn Rs. 1.75 lakhs from the dividend equalisation reserve and Rs. 75,000 from the general reserve to supplement the net profit. Even so, the amount thus available is not sufficient to pay the proposed dividend of 18 per cent. which requires Rs. 18 lakhs. The sum of Rs. 2.11 lakhs brought in from the previous year has, therefore, come in handy for this purpose.

The salient features of the Company's working results for the year under review are compared with those for the previous three years in the following table, which gives an idea of the Company's progress since 1951:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Sale proceeds (net)	681.33	706.74	725.27	814.86
Other receipts	0.67	0.49	1.59	1.46
Cotton and fibre consumed ..	354.11	338.69	432.45	444.33
Silk and other yarn consumed..	15.96	14.33	30.02	22.03
Other expenses	301.00	289.00	240.37	256.46
Gross profit	40.92	65.22	23.22	93.02
Agents' remuneration	4.10	6.56	5.42	9.39
Depreciation	17.76	14.97	14.38	18.22
Taxation	5.55	17.80	3.00	28.00
Net profit	13.51	25.88	0.42	37.41
E.P.T. post-war refund (net) ..	..	..	18.83	..
Transfer from reserves ..	2.50	..	..	..
To reserves	..	6.00	1.00	12.00
Dividend	18.00 (D. 18%)	20.00 (D. 18% + B. 2%)	18.00 (D. 18%)	25.00 (D. 18% + B. 7½)
Carry forward	0.12	2.11	2.29	2.49

Note.—D.—Dividend. B.—Bonus.

The decline in net sale proceeds by Rs. 25.41 lakhs has been offset only partially by the fall of Rs. 14.58 lakhs in cost of cotton and fibre consumed. On the other hand, there has been an increase of Rs. 1.63 lakhs in cost of silk and other yarn consumed and of Rs. 12 lakhs in other expenses. It will be observed that, in the course of the last three years, the net sale proceeds have declined by Rs. 1.33 crores and the cost of raw materials consumed by Rs. 1.26 crores, but expenses have gone up by Rs. 44.54 lakhs. The rise of Rs. 12 lakhs in expenses during 1954 is mainly accounted for by the rise of Rs. 14.89 lakhs in salaries, wages and dearness allowance, against which other expenses have declined by Rs. 2.89 lakhs. A sum of Rs. 2.82 lakhs has been paid on account of additional bonus for 1952 and of Rs. 13.98 lakhs in respect of additional dearness allowance for 1953 and 1954, as per terms of the L.A.T.'s award. But for this additional impost of Rs. 16.80 lakhs, *there* would have actually been a saving of Rs. 1.91 lakhs under salaries, wages and dearness allowance, so that the total expenses, other than raw materials consumed, would have been lower by Rs. 4.80 lakhs. Even so, *that is*, even if the Labour Appellate Tribunal's award had not been there, the profit would have shown a slight shrinkage, as was indicated in our issue dated 19th February (*vide* page 295).

In addition to the aforesaid provision of Rs. 17.76 lakhs for depreciation set aside from the profit for the year under review, the Directors have appropriated a further sum of Rs. 8 lakhs for depreciation from the machinery reserve account. The Directors state that all taxation upto and including the Company's year ended 31st December, 1953, has been agreed to with the income-tax authorities.

Referring to the trading conditions that prevailed during the year under review, the Directors observe as follows:

"The only remaining control, namely, that on production, remained throughout the year, but, as mentioned last year, deviation orders were given fairly freely. The *Dhotis Control Order* remained in force throughout the year, but no further measures were introduced by the Government. Cotton prices remained fairly steady throughout the year, with a tendency for foreign growths to appreciate towards the close and the indigenous growths to weaken. Throughout the year, there has been a downward tendency in the price of fabrics."

The Company's financial position continues to be impressive. Thus, the reserves and surplus, as on 31st December, 1954, aggregate Rs. 144.62 lakhs, as against a paid-up capital of Rs. 100 lakhs. Of the reserves, general reserve (after the transfer of Rs. 75,000 to the profit and loss account) accounts for Rs. 22.25 lakhs, machinery reserve (after transferring Rs. 8 lakhs to depreciation account) for Rs. 90 lakhs, dividend equalisation reserve (after the transfer of Rs. 1.75 lakhs to the profit and loss account) for Rs. 21.25 lakhs and employees' pension and gratuity fund for Rs. 11 lakhs. Provision for taxation is nil and current liabilities aggregate Rs. 143.30 lakhs. There has been an addition of Rs. 23.69 lakhs to the gross block during the year, bringing the total value as at the end of the year to Rs. 349.59 lakhs. This has been written down by Rs. 246.94 lakhs, so that the book value is only Rs. 102.65 lakhs. The current assets aggregate Rs. 285.27 lakhs, of which stock-in-trade and stores, fuel, etc., account for Rs. 253.94 lakhs. The excess of current assets over current liabilities amount to Rs. 141.97 lakhs.

During the year under review, new machinery of the value of Rs. 19.71 lakhs was received and machinery to the value of Rs. 29.60 lakhs, including a sanforising plant, was erected.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 317 *cum-div.* On an *ex-div.* basis, the shares give a yield of 5.9 per cent. per annum, free of tax.

EXCELLENT RESULTS OF MADURA MILLS

PROFIT HIGHEST SINCE 1948

THE year ended 31st December, 1954, has turned out to be one of the most prosperous ones for the Madura Mills Co., Ltd. (Managers: Messrs. A. & F. Harvey, Ltd., Madurai) in its post-war history. Its gross profit for the year under review, for instance, aggregates Rs. 131.90 lakhs, a rise of Rs. 29.77 lakhs over that for the previous year. This increase compares well with that of Rs. 11.65 lakhs noted a year ago. Thus, this is the second year in succession for which the profit has shown an upward trend, after the sharp fall from Rs. 125.45 lakhs earned in 1951 to Rs. 90.48 lakhs in 1952. It will also be noted that the profit for the year under review has exceeded that for 1951 by a handsome margin of Rs. 6.45 lakhs; indeed, it constitutes the highest since 1948, when the profit aggregated Rs. 214.07 lakhs.

The net profit, which had shrunk from Rs. 59.33 lakhs in 1951 to Rs. 45.46 lakhs in 1953, has recovered to Rs. 55.31 lakhs; but it still falls short of that earned in 1951 by Rs. 4.02 lakhs. Notwithstanding the somewhat undulating profit curve, the dividend to shareholders has been kept unchanged at 20 per cent. per annum for the fourth year in succession, after it had been raised in 1951 from 15 per cent. for 1950. It is noteworthy that the dividend has been maintained only after strengthening the reserves by a sizable amount, as will be seen from the following table, wherein the main features of the year's results are presented against the background of those for the previous three years:

(In lakhs of rupees)

	Year ended 31st December			
	1954	1953	1952	1951
Sale proceeds (net)	16,01.79	16,22.48	16,51.70	16,80.56
Raw materials consumed	10,85.04	9,78.44	11,36.46	13,05.97
Wages and other expenses	4,86.84	4,56.11	4,87.03	4,01.59
Gross profit	1,31.91	1,02.13	90.48	1,13.45
Managing Agents' commission ..	13.30	7.99	8.79	12.99
Provision for—				
Depreciation	19.03	17.94	8.71	8.58
Taxation	45.26	30.80	26.71	44.60
Net profit	55.31	45.46	46.24	59.33
To reserves	20.00	10.00	15.00	25.00
Dividend	35.00 (20%)	35.00 (20%)	35.00 (20%)	35.00 (20%)
Carry forward	9.67	9.36	9.36	12.92

A gratifying feature disclosed by the above table is that the Company's earnings for the year under review are higher than those for 1951, despite the fact that its turnover, as indicated by the sale proceeds of yarn and waste, is lower by nearly Rs. 2.30 crores. This is due to the sizable fall (Rs. 2.71 crores) in cost of raw materials consumed. Notwithstanding the decline of about Rs. 13 lakhs during 1954, wages and other expenses are higher than those in 1951 by over Rs. 35 lakhs.

While on the subject of wages and expenses, it will not be out of place to point out that the agreement entered into between the management and the workers' unions in April, 1951, in respect of annual bonus to workers for the years 1950, 1951 and 1952 had expired and the management and the workers' unions were unable to come to a similar agreement in respect of the bonus for 1953. After attempts at negotiations with the unions and conciliation proceedings before the Madras Labour Commissioner had proved unsuccessful, the question was referred to the Madurai Industrial Tribunal. This Tribunal gave its findings in August, 1954, but these have been appealed against and the appeal is at present pending before the Labour Appellate Tribunal. The Directors have, however, made provision in the accounts for the year under review, in accordance with the award of the lower Tribunal. Any relief obtained as a result of the pending appeal will be brought into credit in the accounts for 1955. In the meantime, the Directors are unable to forecast what bonus, if any, will be payable in respect of the year 1954; but, if any bonus is payable in respect of that year, it will be treated as a charge against the trading results for the current year.

The balance-sheet of the Company as on 31st December, 1954, discloses a sound financial position. The paid-up capital is unchanged at Rs. 175.02 lakhs, of which Rs. 115.86 lakhs represent that raised by the capitalisation of reserves. The reserves and surplus aggregate Rs. 423.49 lakhs, made up of a renewal and replacement reserve of Rs. 243.82 lakhs, a general reserve of Rs. 170 lakhs and a surplus of Rs. 9.67 lakhs. The provision for taxation, less taxation advance payments, stands at Rs. 21.76 lakhs. The current liabilities have been reduced from Rs. 176.27 lakhs as at the end of 1953 to Rs. 137.86 lakhs, mainly due to the repayment of the loans from

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banks secured by stocks and guarantee amounting to Rs. 47.23 lakhs, which had remained outstanding at the close of 1953, and a decline of Rs. 9.25 lakhs in sundry creditors. There has been a net addition of Rs. 20.67 lakhs to the fixed assets, bringing the gross value of the block to Rs. 566.33 lakhs. The depreciation provided so far on this block amounts to Rs. 344.90 lakhs; the book value thus stands at Rs. 221.43 lakhs. The current assets aggregate Rs. 536.90 lakhs, made up of stock-in-trade amounting to Rs. 289.45 lakhs, stores and spares Rs. 82.77 lakhs, book debts, deposits and advances Rs. 35.33 lakhs, investments in shares at or below cost Rs. 26.47 lakhs and cash balances Rs. 102.88 lakhs. Thus, the current assets exceed the current liabilities and provision for taxation by a large margin.

The Rs. 15 fully paid-up ordinary shares of the Company are being currently placed on the Madras Stock Exchange at Rs. 46-2 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of nearly 7 per cent. per annum, free of tax.

DECARTELISATION IN SWEDEN

No less than one-third, or 470, of all cartel agreements registered by the Monopoly Investigation Office of the Swedish Board of Trade have been cancelled since its activities started in 1946, reports Mr. Sven Bouvin, head of the office. Last year, 115 new cartels were registered, as against 309 in 1953, while 68 agreements were cancelled. Altogether, 1,247 agreements on monopolistic practices were on record at the end of 1954.

Commenting on the results, Mr. Bouvin states that the voluntary decartelisation in industry and trade—promoted by the Cartel Bureau of the Federation of Swedish Industries—now seems to be functioning satisfactorily. The proportion of cancelled agreements within the total of cartels registered has increased year by year and most fields have now been covered, he says.

KUMERGODE ESTATE PAYS MAIDEN DIVIDEND

PROGRESS SATISFACTORY

THE financial results of the Kumergode Estates Ltd. (Managing Agents and Secretaries: Messrs. Peirce Leslie & Co., Ltd., Kozhikode, Malabar), for the year ended 31st October, 1954, disclose that the progress made by this young company since its inception in June, 1951, has been well consolidated. No doubt the output of coffee, the main produce of the Company, which had increased from 1,316 cwts. in 1950-51 to 1,987 cwts. in 1952-53, shows a slight decline to 1,880 cwts. in the year under review; but the upward trend in earnings has been maintained. Thus, the net profit, after providing for depreciation, which aggregated Rs. 29,369 in 1950-51, has risen to Rs. 69,186 in 1953-54, a rise of Rs. 39,817 in the course of three years.

From the aforesaid profit for the year under review, the Directors have written off the preliminary expenses amounting to over Rs. 24,000, created a general reserve aggregating Rs. 50,000 and declared a maiden dividend of 10 per cent. absorbing Rs. 20,000, leaving a surplus of about Rs. 70,000 to be carried forward.

The following comparative table giving the salient features of the Company's working results for the last three complete years provides an idea of the Company's progress:

	For the year ended 31st October		
	1954	1953	1952
	Rs.	Rs.	Rs.
Proceeds of coffee crop	3,75,902	3,48,554	2,06,523
Proceeds of other crops	2,492	2,775	7,630
Estate expenditure	2,58,552	2,30,270	2,11,840
Other expenses	82,057	39,066	38,645
Gross profit	87,584	76,485	56,858
Managing Agents' commission ..	8,603	6,199	4,708
Depreciation	9,775	9,005	8,737
Taxation	69,186	59,291	42,769
Net profit	24,380	..	..
Preliminary expenses written off..	..	26,846	..
Loss prior to incorporation written off	50,312	..	641
To reserves	20,000	..	..
Dividend	(10%)		
Carry forward	69,575	95,081	72,138
Coffee crop (in cwts.)	1,880	1,987	1,430
Value of coffee per point	Rs. 2-8-0	Rs. 2-4-0	Rs. 2-11-0
Cardamom crop (in lbs.)	132.75	269.50	580.75

The crop of coffee for 1953-54, at 1,880 cwts., shows a decline of only 107 cwts. from the previous year's crop, but is well above the estimate of 1,680 cwts. made a year before. The decline in crop has, however, been more than made good by the increase of As. 4 to Rs. 2-8 per point in the price of coffee, so that the sale proceeds of the crop are better.

The rise in estate expenditure, the bulk of which represents that on coffee, is due to the Company's policy of replanting poor areas and of consolidating and exploiting the good, so as to increase the yields. As will be seen from the table above, such a policy has yielded good results. Within two years, the Company was able to write off the loss prior to incorporation out of the profit for 1952-53. This year, it has been able to write off, as already stated, the preliminary expenses amounting to Rs. 24,380. In addition to the allocation of Rs. 50,000 to the general reserve, the Directors have provided Rs. 312 to the reserve for doubtful debts.

The coffee crop for the year 1954-55 is estimated at 125 tons and the present indications, according to the Directors, are that this estimate will be exceeded and 150 tons of coffee might be harvested.

The following extract from the visiting Agent's report on the Company's progress and the outlook will be read with interest:

"It is pleasant to be able to record the completion of another year of useful progress. Though Robusta crops have been poor, those from Arabica have maintained a steady upward trend, despite acreage drastically reduced by borer losses. This trend will continue in the coming crop and may be expected to improve as supplies and replantings come into bearing year by year from now onwards and also as a result of better manuring and spraying. Our greatest handicap hitherto has been Arabica stem borer, but indications are that we have now got the measure of it. If so, and in view of the factors mentioned above, the future can be viewed with some confidence."

The Company's paid-up capital stands at Rs. 2 lakhs, made up of 100,000 ordinary shares of Rs. 2 each. The reserves and surplus aggregate Rs. 1.25 lakhs. There is a debenture liability of Rs. 3 lakhs, on account of 7½ per cent. first mortgage debentures issued at par. These debentures are liable to be redeemed at par at the rate of Rs. 30,000 per annum commencing from 1st January, 1955, though the Company has the right to redeem them entirely at any time after 1st January, 1955, subject to three months' notice. The current liabilities aggregate Rs. 50,519. The gross block of the value of Rs. 5.74 lakhs has been written down to Rs. 5.44 lakhs. The current assets amount to Rs. 1.39 lakhs and exceed the current liabilities by a comfortable margin.

The Rs. 2 paid-up shares of the Company are being currently quoted at Rs. 4-1 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 5.2 per cent. per annum.

Points From The Chair

Duty on Tobacco

"THE more distant picture is, of course, clouded by the duty question. The Treasury and the Board of Customs and Excise are in no doubt of the views we hold as to the vital need in the interests both of the national revenue and of this industry for a start to be made soon in the process of reducing the rate of duty to a less penal level. There may be some who would say that a year in which the revenue from this duty is showing such buoyancy is a strange time to argue for a reduction. To that I would reply: first, that the apparent buoyancy is chiefly due to a long delayed availability of leaf tobacco in quantities sufficient to enable manufacturers to meet public demand (and partly, of course, to increased stocks in distributors' hands), secondly, that some of the extra revenue from this 'buoyancy' might wisely be regarded as a reserve towards meeting the first cost of a duty reduction that would help to strengthen the basis of future revenue. The demand itself has not grown, and great as, in my judgment, are the positive benefits which smoking can confer on mankind, the price of starting to smoke is made to look unduly high by the present rate of duty."

SIR ROBERT SINCLAIR,
Imperial Tobacco Co. (of Great Britain and Ireland) Ltd.

Steel Industry

"It must be remembered that in a basic industry such as steel the raising of production by a substantial amount entails the expenditure of vast sums of money, and the lapse of several years before the plan can be put into operation. Much has been said as to what should be the output of steel in this country, and widely varying totals have been mentioned, but the great progress in production that has been made since the war should not be overlooked. In 1946, the output was 12,700,000 tons; in 1954, it was 18,520,000 tons, and, with the present plans in contemplation, it is expected that by 1958 it may reach 22,000,000 tons or thereabouts. The whole question of the shortage of steel sheets is being earnestly considered by the industry and an endeavour is being made to forecast on a realistic basis the likely requirements in the next few years."

RICHARD F. SUMMERS,
John Summers & Sons Ltd.

Future of Tanning Industry in the U.K.

"With regard to the future, it must be admitted that the position of the tanning industry continues to give rise to anxiety. The fact that the United States now has an exportable surplus of some 6,000,000 hides a year, whereas before the war it used to import a net 2,000,000, has undoubtedly altered the pattern of the international hide market. As far as this country and Europe are concerned, the availability of these North American hides is greatly determined by the extent to which Governments are able to make dollars available for the purpose. The great increase that has taken place in freight charges, as compared with the charges before the war, has clearly placed the tanning industry in this country at some disadvantage. The seasonal increase in our domestic kill, which in recent years has been so much in evidence during the months of August to December, has also had a disturbing effect upon the market. Over and above all this, it has been difficult to gauge the extent to which substitute materials will replace leather for soling materials."

GEORGE W. ODEY,
Barrow Hepburn & Gale Ltd.

Economic Progress of Britain

"Since I addressed you in March, 1954, it must be a source of satisfaction to us all that the improvement in the country's economic position, to which I then referred, has continued and gathered strength in the year which has since passed. The high level of our export trade, with the related rise in imports, and the considerable increase in our gold and dollar reserves, are matters which entitle us to feel a certain measure of satisfaction. But that must not be accompanied by any feeling of complacency. Ever-increasing efforts are required to maintain, let alone increase, our share of world trade and to keep our prices competitive in world markets. The further increase in productivity recorded during the year is satisfactory, but it cannot be too often emphasised that it is only by greater and more efficient production that real wages can be raised. A mere increase of money wages, followed inevitably by a rise in prices, can only result in a further fall in the purchasing power of the pound and, if pursued, in our pricing ourselves out of world markets. It should also be borne in mind that boom conditions, if continuing too long or carried too far, may result in demand outstripping production—a tendency, which no doubt the recent rise in Bank rate was intended to curb."

THE DUKE OF BUCCLEUCH AND QUEENSBERRY,
The Royal Bank of Scotland.

COMPANY MEETINGS AND DIVIDENDS

HALL AND ANDERSON LTD. Annual General Meeting, Calcutta, 7th March, 1955. Transfer books remain closed from 22nd February to 7th March, 1955, both days inclusive.

KUMERGODE ESTATES LTD. Annual General Meeting, Kozhikode, 9th March, 1955. Dividend: As. 3 1/5 (10 per cent.) per share. Transfer books remain closed from 24th February to 9th March, 1955, both days inclusive.

BENARES ELECTRIC LIGHT AND POWER CO., LTD. Half-yearly General Meeting, Calcutta, 10th March, 1955. Dividend: As. 10 per share. Transfer books remain closed from 4th to 10th March, 1955, both days inclusive.

NATIONAL CO., LTD. Half-yearly General Meeting, Calcutta, 11th March, 1955. Dividend: Re. 1 per share. Transfer books remain closed from 25th February to 11th March, 1955, both days inclusive.

HUMAYAN PROPERTIES LTD. Annual General Meeting, Calcutta, 11th March, 1955. Transfer books remain closed from 4th to 11th March, 1955, both days inclusive.

GUZDAR KAJORA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 14th March, 1955. Dividend: *Nil*. Transfer books remain closed from 3rd to 14th March, 1955, both days inclusive.

PURE SITALPUR COAL CONCERN LTD. Half-yearly General Meeting, Calcutta, 14th March, 1955. Dividend: *Nil*. Transfer books remain closed from 3rd to 14th March, 1955, both days inclusive.

SHREE MAHAKALI COAL MINES LTD. Annual General Meeting, Calcutta, 14th March, 1955. Dividend: *Nil*. Transfer books remain closed from 3rd to 14th March, 1955, both days inclusive.

UNITED MOTORS (INDIA) LTD. Annual General Meeting, Bombay, 15th March, 1955. Transfer books will remain closed from 8th to 22nd March, 1955, both days inclusive.

RALLIS INDIA LTD. Annual General Meeting, Calcutta, 17th March, 1955. Dividend: *Nil*. Transfer books will remain closed from 7th to 17th March, 1955, both days inclusive.

KOHINOOR MILLS CO., LTD. Annual General Meeting, Bombay, 17th March, 1955. Dividend: Rs. 18 per share (includes interim dividend of Rs. 6 per share). Transfer books remain closed from 18th February to 17th March, 1955, both days inclusive.

SAPOI TEA CO., LTD. Interim dividend of Re. 1 per share (10 per cent.), for the year ended 31st December, 1954, payable on 31st March, 1954. Transfer books will remain closed from 18th to 31st March, 1955, both days inclusive.

DHUNSERI TEA CO., LTD. Interim dividend of Re. 1 per share (10 per cent.), for the year ended 31st December, 1954, payable on 31st March, 1955. Transfer books will remain closed from 18th to 31st March, 1955, both days inclusive.

SHIVRAJPUR SYNDICATE LTD. Dividend of Rs. 8 per share (includes bonus of Rs. 3 per share), free of income-tax, for the year ended 30th November, 1954. Transfer books remain closed from 4th to 31st March, 1955, both days inclusive.

AHMEDABAD ELECTRICITY CO., LTD. Final dividend of Rs. 4 per share, for the year ended 30th September, 1954. Transfer books will remain closed from 10th to 28th March, 1955, both days inclusive.

DHANALAKSHMI MILLS LTD. Dividend of Rs. 30 per ordinary share, free of tax, for the year ended 31st December, 1954. Transfer books will remain closed from 7th to 20th March, 1955, both days inclusive.

COMPANY REGISTRATIONS

MAHABIR FINANCE LTD. (First Director: Mr. Prahladrai Poddar.) Business: Investment company. Authorised capital: Rs. 1,00,00,000. Public company. Address: 135 Canning Street, Calcutta.

S. G. COMMERCIAL CO., LTD. (First Director: Mr. K. C. Bagri.) Business: Purchase, sell, etc., and deal in paddy, rice, etc. Authorised capital: Rs. 15,00,000. Private company. Address: 159A, Vivekananda Road, Calcutta.

ASIATIC SHIPPING CO., LTD. (First Director: Pratul Kanti Guha.) Business: Establish and maintain lines of steam and other ships, etc. Authorised capital: Rs. 10,00,000. Private company. Address: P-14, Bentinck Street, Calcutta.

ATLAS LTD. (First Director: Mr. S. B. Bose.) Business: Cinematographic trade. Authorised capital: Rs. 10,00,000. Private company. Address: 11/1/4, Russa Road, Calcutta.

IVY TRADERS (INDIA) LTD. (First Director: Mr. Lalbhai Purshotamdas Patel.) Business: Manufacturers and Dealers in alkaline chromates, bichromates, chromcolours and paints, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Sambhav Chambers, Sir Phirozeshah Mehta Road, Fort, Bombay.

TRICO (EXPORTS) LTD. (First Director: Mr. H. M. Advani.) Business: Exporters and Importers. Authorised capital: Rs. 5,00,000. Private company. Address: Botawala Building No. 2, 2nd Floor, 8, Elphinstone Circle, Bombay.

HERBERT & CO., LTD. (Managing Director: Mr. S. Ezekiel.) Business: Manufacturers and dealers in tea chests, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 67-B Netaji Subhas Road, Calcutta.

NORTH BIHAR TRADING CO., LTD. (First Director: Mr. Kakaranis.) Business: General merchants, etc., Authorised capital: Rs. 5,00,000. Private company. Address: P 23/24, Radha Bazar Street, Calcutta.

PROFIT OF ALKALI AND CHEMICAL WELL MAINTAINED

RAYALASEEMA MILL RAISES DIVIDEND

Alkali and Chemical Corporation of India, Ltd.

THE directors of the above Company (Secretaries: Imperial Chemical Industries (India) Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th September, 1954.

The net profit of the Company for the year, after provision has been made for depreciation, is Rs. 8,37,316 (Rs. 8,14,151) to which has to be added the balance brought forward from the previous year of Rs. 1,03,311 (Rs. 2,51,871) making a total profit available of Rs. 9,40,627 (Rs. 16,08,236). The directors have allocated to reserve for deferred income-tax liabilities due to initial allowances Rs. 3,00,000 (Rs. 3,00,000). Last year, the directors had, in addition to this reserve for deferred taxation liability set aside Rs. 6,77,925 towards adjustment of provision for taxation in respect of previous years and provision for income-tax on sale of Khewra fixed assets. No such provision has been made out of the profit for 1953-54. The dividends paid on preference shares for the year to 30th September, 1954, have absorbed Rs. 1,55,000 (Rs. 1,55,000). The directors now recommended a dividend of 6 (6) per cent. on the ordinary shares for the year which will absorb Rs. 3,72,000 (Rs. 3,72,000), leaving to be carried forward an amount of Rs. 1,13,627 (Rs. 1,03,311).

The year's results reflect the working of the Rishra Factory exclusively. The Khewra Factory in Pakistan was sold in the previous year, and this explains the lower turnover this year.

Sales of caustic soda and chlorine continued to be reasonably satisfactory, though, due to strong competition, the off-take of chlorine was insufficient to allow the newly-extended plant to work at full capacity. Much attention continued to be paid to new outlets for chlorine in the manufacture of other products. The production of hydrochloric acid increased steadily during the year up to the plant's maximum output.

Good progress was made in the operation of the crude BHC plant, and production to full rated capacity has been achieved. Competition continued to be intense. The high reputation of the "Gammexane" formulations, however, assured a good demand for them, particularly for the "Gammexane" water dispersible powder.

In spite of competition in paints, production and sales of "Dulux" and "Duco" products showed an encouraging increase. During the year a complete range of metal pretreatment products was put on the market.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	93,00,000	Block ...	1,51,12,512
Reserves ...	53,00,020	Stock of finished goods ...	30,81,975
Provision for taxation ...	20,272	Stores and raw materials ...	42,50,989
Liabilities ...	1,09,52,745	Debts, deposits and advances ...	30,23,093
Profit and loss account ...	1,13,627	Cash ...	2,38,095
	Rs. 2,56,86,664		Rs. 2,56,86,664

Rayalaseema Mills Ltd.

The directors of the above Company (Managing Agents: The Rayalaseema Development Co., Rayanagar, Adoni) submit the audited accounts of the Company for the year ended 31st December, 1954.

The accounts show that a profit of Rs. 2,42,820 (Rs. 3,99,596) has been made for the year 1954 after meeting all the expenses of operation and management and after providing Rs. 3,82,687 (Rs. 3,15,342) for depreciation to which has to be added the amount of profit for the previous year of Rs. 4,43,981 (Rs. 10,14,238) making a total of Rs. 6,86,800 (Rs. 14,13,834). Out of this amount the following appropriations have been made in the year 1954:—

Bonus to employees Rs. 18,225 (Rs. 35,825), provision for taxes Rs. 50,000 (Rs. 50,000), plant replacement reserve Rs. 1,50,000 (Rs. 1,00,000), dividend equalisation reserve Rs. 50,000 (Rs. 50,000) and payment of dividend Rs. 1,34,028 (Rs. 1,34,028) leaving an available balance of Rs. 2,84,547 (Rs. 4,43,981). The directors now recommend the following appropriations:—

To provision for taxes Rs. 10,000 (Rs. 50,000), plant replacement reserve Rs. 50,000 (Rs. 1,50,000) and to dividend of 9 (6) per cent. on ordinary shares Rs. 2,01,042 (Rs. 1,34,028) leaving a balance of Rs. 23,505 (Rs. 41,727) to be carried forward to next year.

The Company has done satisfactorily during the year under report, inspite of the adverse contions of trade.

Price of cotton during the year 1954 was high. But the price of yarn produced by the mills was fairly steady throughout the year. The Government of India completely stopped all exports and no quota for export of yarn was issued. Contributions to provident fund of the Employees, fees for the State Insurance Scheme which is yet to be introduced in the area, maintenance of a canteen, elementary school, dispensary, creche, etc., are some of the amenities given to the workers of the mill which absorb a sizable portion of the business profits. Under these circumstances shareholders will indeed appreciate the satisfactory results achieved. This year four more godowns have been added in the mill premises for storage of cotton. About hundred quarters have been built for the workers in the Labour Colony site. A new well is being sunk there. Arrangements are being made to give them electric lighting also.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	22,23,375	Block ...	24,69,331
Reserves ...	11,60,000	Stock-in-trade	4,51,100
Provision for taxation ...	1,00,000	Stock of raw materials	8,60,685
Liabilities ...	8,28,048	Stock of mill stores, etc.	1,31,843
Profit and loss account ...	2,84,547	Debts, deposits and advances ...	3,68,548
		Investments	67,612
		Cash ...	2,46,851
	Rs. 45,95,970		Rs. 45,95,970

Benares Electric Light and Power Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1954.

Normal progress is being maintained as will be seen from the following schedule for the past three years:

Half-year ended	Units sold	Revenue
		Rs.
31st December 1951 ...	8,978,556	13,71,950
30th June 1952	9,544,518	12,56,930
31st December 1952 ...	9,926,818	14,50,157
30th June 1953	10,983,183	14,38,649
31st December 1953 ...	11,071,085	16,24,041
30th June 1954	11,233,253	14,49,894

After making adequate provision for liabilities and setting aside Rs. 19,884 (nil) to statutory contingencies reserve, a balance of Rs. 1,48,907 (Rs. 1,44,279) including Rs. 39,618 (Rs. 33,248) brought forward from the previous half-yay remains available, and this the directors recommend be disposed of as follows:—

Payment of a dividend at the rate of 10 (10) per cent. per annum free of income-tax Rs. 85,000 (Rs. 84,995), and additional As. 2 (As. 2) per share Rs. 21,250 (Rs. 21,249) and carrying forward to next half-year Rs. 42,657 (Rs. 38,035).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	17,00,000	Block ...	48,01,744
Debentures ...	12,00,000	Building and machinery under construction ...	8,57,627
Reserves ...	24,24,891	Stores, tools, etc. ...	11,23,769
Provision for taxation ...	1,14,623	Other assets	50,317
Liabilities ...	33,09,114	Debts, deposits and advances ...	15,95,075
Profit and loss account ...	1,48,907	Investments	1,72,168
		Cash ...	2,96,815
	Rs. 88,97,535		Rs. 88,97,535

Arthur Butler and Co. (Mozufferpore) Ltd.

The directors of the above Company (Managing Agents: North Bihar Trading Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st October, 1952.

The profits of the year after providing for depreciation but before provision for taxation, appropriation towards general reserve and provision for dividends on the cumulative preference shares as well as the ordinary shares in the Company for the previous year ended 31st October, 1951, declared on the 24th December, 1953, was Rs. 1,52,744 (Rs. 1,17,737) to which is added the balance brought forward of (Rs. 60,916 being the balance at credit of the profit and loss account as at the closing of the previous year, Rs. 50,000 (Rs. 35,000) being the over provision in taxation in respect of previous years no longer required and Rs. 6,275 being the total amount of miscellaneous receipts and realisations in respect of previous years) Rs. 1,17,191 (Rs. 91,775) making a total of Rs. 2,69,935 (Rs. 2,09,512). Out of the sum of Rs. 2,69,935 (Rs. 2,09,512) after providing a sum of Rs. 81,496 (Rs. 64,496) for taxation, placing a sum of Rs. 50,000 (Rs. 60,000) to general reserve, writing off miscellaneous expenses in respect of previous years amounting to Rs. 3,273 and allowing for the provision for dividends on the cumulative preference shares as well as the ordinary shares in the Company for the previous year ended 31st October, 1951 (for the year 31st October, 1950), amounting to Rs. 24,100 (Rs. 24,100), declared on the 24th December, 1953, there was a sum of Rs. 1,11,065 (Rs. 60,916) available for distribution.

As the Company has had to make heavy investments for purchase of large quantities of steel and other raw materials during the ensuing year for the execution of contract for Railway wagons on account of the Railway Board, Government of India, its liquid resources have been heavily depleted. That apart, the re-organisation and capital investments in plant, machinery, etc., necessitated on account of the new enterprise of wagon building, inevitably retarded the progress during the ensuing year. The directors, therefore, disposed of the amount of Rs. 1,11,065 (Rs. 60,916) available for distribution, as follows:—

Paid dividend on cumulative preference shares at 7 per cent. per annum, free of income-tax, Rs. 9,100 (Rs. 9,100) and carried forward the balance of Rs. 1,01,965 (Rs. 36,816 after paying dividend on ordinary shares at 2½ per cent. absorbing Rs. 15,000).

The directors would have declared a dividend on the ordinary share capital of the Company, but regretted their inability to do so due to the exigencies of circumstances, consequent upon the expansion schemes and the possibilities of a bright future they envisaged have acted as a deterrent factor in this regard which is nothing but a measure of prudence.

During the year, there was considerable improvement in the returns from the Structural Shop. This was due to the fact that an order for rebodying of 500 w.d. wagons for the N.E. Railway, kept this department fully occupied throughout the year. The returns from the other departments, however, have not been discouraging. The transport difficulties for raw materials as well as finished products to and from the works, no doubt, existed during the year, but on the whole, there was some improvement in this respect.

The Government of India, in the Ministry of Railways, has been pleased to place with the Company orders for building complete railway wagons for the next three years. The value of these orders is approximately Rs. 46 lakhs and the shareholders will be happy to learn that for the first time in the history of the Company an attempt to build railway wagons is being made and the progress since made in this direction has indeed been satisfactory. No doubt, switching over the Company on to this new venture calls for heavy capital investment which, the directors trust, will be forthcoming in due course. Situated as the Company's workshop are at Muzaffarpur, North Bihar, and that too on the metre-gauge line, best suited for the manufacture of metre-gauge wagons, which advantage no other wagon manufacturers in India at present enjoy, the directors hope, that this endeavour will in due course of time be crowned with success.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,30,000	Block ...	1,64,074
Debentures	3,00,00,000	Stock ...	13,59,504
Reserves ...	4,46,170	Work-in-progress ...	2,65,697
Provision for taxation ...	2,35,000	Goods-in-transit ...	18,013
Liabilities ...	13,40,599	Other assets	10,614
Profit and loss account ...	1,11,065	Debts, deposits and advances ...	11,34,775
		Investments ...	4,698
		Cash ...	2,05,459
	Rs. 31,62,834		Rs. 31,62,834

National Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st October, 1954.

After providing Rs. 3,30,000 (Rs. 3,15,000) for taxation, there is a balance of Rs. 5,55,626 (Rs. 5,08,618) at the credit of profit and loss account from which the directors recommend payment of dividends on preference shares at Rs. 3-8 per share Rs. 17,500 (Rs. 17,500), and on ordinary shares at Re. 1 (Re. 1) per share Rs. 3,50,000 (Rs. 3,50,000), leaving Rs. 1,88,126 (Rs. 1,41,118) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association the mills worked 42½ hours per week up to 10th July, 1954. From 12th July, 1954, working hours were increased from 42½ hours to 45 hours and again from 45 hours to 48 hours per week from 18th October, 1954. Throughout the period under review 12½ per cent. of the total looms remained sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	18,75,375
Reserves ...	44,29,326	Stock of jute	15,22,438
Provision for taxation ...	4,20,425	Stock of cloth and bags ...	7,46,875
Liabilities ...	11,08,128	Stores and spare gear	9,46,675
Profit and loss account ...	1,88,125	Debts, deposits and advances ...	4,53,379
		Investments	15,69,845
		Cash ...	30,31,417
	Rs. 1,01,46,004		Rs. 1,01,46,004

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

DIVIDENDS OF NETHERLANDS COMPANIES

Of the 443 Netherlands companies whose shares are dealt in on the Amsterdam Stock Exchange and whose dividends for the financial year 1953 were announced in 1954 (the financial year ending in the second half of 1953 or in the first half of 1954), 187 declared a higher, 201 an unchanged and 55 a lower dividend than for the preceding financial year. All the companies in the paper and cardboard industries, the pharmaceutical industry and the rubber-processing industry raised their dividends. Industrial sectors in which more than half the companies increased their dividends included the engineering and metallurgical industries, the chemical and electro-technical industries, the textile industry, the foodstuffs industry, breweries and public utilities.

STRINGENCY IN MONEY

(From Our Own Correspondent)

BOMBAY, 2nd March

After remaining somewhat subdued during the previous week, the short-term money market displayed liveliness once again during the week under review. The demand for funds broadened and almost all banks were keen borrowers. The floating funds were on an attenuated scale, with the result that the requirements of banks remained unsatiated and they had to seek help from the Reserve Bank or the Imperial Bank. The volume of business remained small on account of paucity of supplies.

In the inter-bank call money section, there were keen enquiries from all banks. The Exchange Banks, which were reported to be less interested in paying 3 per cent. at times during the previous week, were active bidders at 3 per cent. during the week under review, particularly after the steep rise in the Bank of England rate from 3½ per cent. to 4 per cent. last Thursday evening. Indian banks continued to offer 3 per cent. There was no change in the short-term deposit rates; these remained at the self-same level of 3 per cent. for one to six months and so also the rate for House Money at 3 per cent.

In the context of the aforesaid conditions, it is not surprising that the response to this week's tenders for the Government of India Treasury Bills showed signs of slackening. The amount offered against the usual invitation for Rs. 1 crore was a little over Rs. 2.76 crores, as against Rs. 3.72 crores offered in the previous week. It is, however, strange that the average rate of accepted tenders should drop from Rs. 2-8 per cent. to Rs. 2-7-8 per cent. per annum. It looks as though some investors in these Bills have been bidding at progressively lower rates in order to make sure of full allotment. This is the third week in succession that the rate has declined. The fall in the amounts tendered, however, shows that those who were keen on getting full allotment must have overestimated the extent of competition. The invitation for next week has been kept unchanged at Rs. 1 crore.

Very negligible variations are disclosed in the Issue Department by the statement of affairs of the Reserve Bank of India for the week ended 25th February, 1955, as compared with that for the previous week. Thus, notes in circulation show an expansion of Rs. 83 lakhs, while notes held in the Banking Department are lower by Rs. 46 lakhs, so that the total notes issued are higher by only Rs. 37 lakhs, which is covered by a corresponding increase in rupee coin. In the Banking Department, deposits of the Central Government are better by no more than Rs. 12 lakhs, while those of other Governments have gone up by no less than Rs. 8.56 crores. Deposits of banks have shrunk by Rs. 2.71 crores. Cash balances are lower by Rs. 42 lakhs and balances held abroad by Rs. 3.08 crores. A decline of Rs. 29 lakhs is noted in loans and advances to Governments, while other loans and advances have risen by Rs. 3.72 crores, of which advances to Scheduled banks against usance bills account for Rs. 1.47 crores. Government Treasury Bills purchased and discounted also disclose an increase of Rs. 2.60 crores. These variations are in tune with the increased demand for bank accommodation.

A rise of Rs. 9.59 crores in demand deposits is disclosed by the Scheduled banks' statement for the week ended 18th February, 1955, as compared with that for the previous week. Time deposits are also up by Rs. 56 lakhs. Inter-bank borrowings have risen by Rs. 25 lakhs, while borrowings from the Reserve Bank are lower by Rs. 1.24 crores. Advances show a decline of Rs. 1.10 crores. Inland bills and foreign bills purchased and discounted have, on the other hand, gone up by Rs. 6.47 crores and Rs. 1.75 crores, respectively. Investments have dropped by Rs. 91 lakhs. Total cash balances have risen by Rs. 1.69 crores and money at call and short notice by Rs. 2.20 crores.

The Gilt-edged market displayed featureless conditions during the week under review, but the undertone remained steady. Interest was confined to a few counters, but even here, the volume of business done was not on such a large-scale as to cause any marked variations in prices. 2½ per cent. 1960 continued to be in favour and rose by As. 2 to Rs. 94-14. 3 per cent. 1957 was placed at Rs. 99-4 *ex*-voucher, as against Rs. 99-5 *cum*-voucher a week ago. 3 per cent. 1958 dropped an anna to Rs. 99-3. 3 per cent. 1959-61 hardened by an anna to Rs. 97-5. 3 per cent. 1963-65 and 3 per cent. 1964 were unchanged at Rs. 93-11. 3 per cent. 1966-68 held its ground at Rs. 90-9 and 3 per cent. 1970-75 at Rs. 86-15. 3 per cent. 1986 Conversion Loan, which had improved by As. 2 to Rs. 81-2 in the previous week, was unchanged at that level. 3½ per cent. 1961 National Plan Bond was maintained at Rs. 99-9 and 3½ per cent. 1964 National Plan Loan at Rs. 98-8.

In the foreign exchange section, the banks' selling rate for the U.S. dollar was unchanged at Rs. 480¾ per $100, while the Bank's buying rate changed from Rs. 477 to Rs. 476½ per $100. Sterling continued to display strength in terms of the dollar. Thus, in New York, spot sterling hardened from $2.78-7/32—2.78-9/32 to $2.78⅞—2.78⅞, forward sterling (three months) from $2.77-9/16—2.77-11/16 to $2.77⅞—2.77⅞ and transferable sterling from $2.71⅞—2.71⅞ to $2.75⅞—2.75⅞.

TANNERS SUPPORT COW AND BUFF

(From Our Own Correspondent)

KANPUR, 27th February

During the week under review, conditions in the local hides and skins market were more or less the same as in the previous week. The supply position was quite satisfactory as far as the main items of the wet salted cow and buff were concerned. The main purchasers were the local tanners.

The latest quotations are as follows:—Wet salted cow 1st grade Rs. 430 to Rs. 440 per score; wet salted cow 2nd grade Rs. 340 to Rs. 360 per score; and 3rd grade: Rs 160 to Rs. 180 per score; wet salted buff 1st grade 1 lb. 8 ozs. per rupee, 2nd grade 1 lb. 10 ozs. to 1 lb. 12 ozs. per rupee, and 3rd grade 1 lb. 12 ozs. to 1 lb. 14 ozs. per rupee; goat 1st grade Rs. 325 and 2nd grade Rs. 275 per 100 pieces; and sheep skins Rs. 200 to Rs. 250 per 100 pieces.

SILVER FIRM

(From Our Own Correspondent)

BOMBAY, 2nd March

The silver section of the bullion market displayed buoyant conditions during the week under review, with a sharp advance in price to a level not seen for the past several months. Gold, on the other hand, was featureless and moved within a narrow range. The undertone of the yellow metal was, nonetheless steady.

The strength of silver was attributed to revival of strong bull support, encouraged by the deadlock in the election of the President of the Bullion Association and absence of any intervening influences. The expectation that the special margin levied on daily outstanding purchases would be removed also strengthened the hands of the speculative operators. Just before the close of the week, that is, today, however, there was a marking down from the week's peak level on renewed fears that the special margin might be enforced in the next settlement also and the graded margin system on the backwardation charges would be enforced with the sanction of the Government.

Gold, however, did not follow the trend of silver, on fears that import of gold might be allowed by the Government and that the Reserve Bank might sell the smuggled gold in its custody. Nevertheless, the good demand in the ready section and support from Calcutta interests were helpful in keeping up the sentiment, till today.

The election to the office of President of the Bullion Association, held last week, ended in a deadlock, as the two contestants got an equal number of votes. The Government Director did not give his casting vote, as is usually done in case of a tie, because he had already given his vote once as an ordinary director. The Government of Bombay, to which the question was referred, tried to bring about a settlement between the contesting parties. Having failed to do so, the Government decided that the Government Director should exercise his casting vote. A lot was taken to decide the contestant in whose favour the Government Director should give his casting vote, and the lot fell in favour of Mr. Jwalaprasad Tiwari. Accordingly, yesterday Mr. Tiwari was elected President for the current year. The Board also decided to continue the special margin on daily outstanding purchases.

To revert to the market trend. Forward silver (10th March settlement) advanced from Rs. 163-1 to Rs. 166 on Saturday last. Pre-Budget fears, however, brought it down to Rs. 163-11 on Monday, but the selling pressure soon abated and forward silver jumped up to Rs. 166 on the same day as the Budget disclosed no burden on this precious metal. The opening of business for the next settlement today disclosed a high carry forward charge of Rs. 2-6 to Rs. 2-7 in favour of bulls. This further strengthened the hands of the bulls who pushed up the price to Rs. 166-8 this morning. Fears about the levy of special margin, however, brought about a reaction and forward silver closed today at Rs. 165-11.

Ready silver (.996 Mint) maintained a premium of As. 8 over the forward throughout the week. Opening at Rs. 164, the ready metal rose to a high of Rs. 167 and finished at Rs. 166-3. The floating stocks of silver are placed at 1,800 bars. The daily average offtake was placed at 13 bars.

Forward gold (8th March settlement) hardened early in the week from Rs. 91-6 to Rs. 92-11. After reacting to Rs. 91-4 on Monday, the yellow metal recouped to Rs. 92-9, but failed to consolidate the gain. Reports of a slackening in offtake and absence of support from Calcutta brought the price down today to Rs. 91-13 at the close.

Ready gold had commanded a premium of As. 13 over the forward at the close of the previous week and the premium widened in the course of the week under review to touch a high of Re. 1-3 yesterday. The premium, however, narrowed to Re. 1 today on a slackening of the offtake. Opening at Rs. 92-7, ready gold rose to a high of Rs. 93-12 yesterday, but closed today at Rs. 92-13. The floating stocks of gold are estimated at 25,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was 4,000 tolas on an average.

In London, silver prices remained unchanged at 74½d. for spot and at 74d. for forward. Gold, however, weakened from £12 11s. 10½d. to £12 11s. 7½d., due to the strength of sterling.

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

	2-3-55	Highest	Lowest	23-2-55
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	92 12	93 12	92 6	91 0
Forward*	91 13	92 9	91 4	91 6
Sovereign	59 6	59 6	59 6	59 6
SILVER				
Ready (.996 fine Mint) ..	166 3	167 0	164 0	163 9
Forward†	165 11	166 8	163 8	163 1
London Silver Ready ..	74½d	—	—	74½d.
London Forward	74d	—	—	74d.
London Gold	251s. 7½d.	251s. 9½d.	251s.6d.	251s. 10½d.
New York Ready	85½c.	—	—	85½c.

* 8th March settlement.
† 10th March settlement.
N. B. — Foreign bullion prices shown in the above table relates to the previous day.

COTTON QUIET

(From Our Own Correspondent)

BOMBAY, 2nd March

It seems correct to describe the cotton market's reaction to the budget as a "wait-and-watch" attitude. So nicely are the bullish and bearish features balanced that the operators are clearly unwilling to make further commitments. The market has noted that there is to be no imposition of import duty on cotton, as was feared at one time. It has been encouraged by the reduction in export duty on cotton cloth from 10 per cent. to 6¼ per cent. The Government's decision to permit exports of yarn for which a good market exists in Aden, China and other countries should stimulate mill consumption of cotton. Further, these measures have come on top of the recent abolition of the quota system of cotton allocations to mills.

Despite these factors, the cotton market has steadily lost ground. I.C.C. May has lost Rs. 16¼ over the week ended today to quote at Rs. 565¼. The reason for this decline is probably to be found in the effect of the excise duty on cloth and of the procedure prescribed for the export of yarn. The Finance Minister announced that cloth would now be classified only into two categories—superfine and others. The rate of duty on superfine cloth would be As. 2½ per square yard (not linear yard) and one anna per square yard on other varieties. The special cess of three pies per yard for the development of the handloom industry will be levied in addition. Explaining the effect of this proposal, the Finance Minister said that it would involve an increase equivalent to nearly three pies a linear yard on superfine cloth and six pies a linear yard on medium and coarse cloth but the actual increase will be more than this. As regards yarn exports, the procedure prescribed is stated to be so rigid that many mills are not likely to be in a position to utilise the export permission. Although no quota, as such, has been prescribed for yarn exports, traders believe that the total export may not exceed 20,000 bales.

After a consideration of all relevant factors, the market seems to have taken a less optimistic view of the prospects for cotton. It would appear that the market was able to assess the importance of all factors only on 1st March. For, in the post-budget session on 28th February, there was no marked variation in values: I.C.C. May opened at Rs. 575 and, after fluctuating between Rs. 578½ and Rs. 573¼, closed at Rs. 574¾. On 1st March, it opened at as low as Rs. 569 and slumped towards the close to Rs. 567. Today, it touched the lowest level of the week at Rs. 561½, though it finished higher at Rs. 565¼.

I.C.C. February went off the boards of the E.I.C.A. on 25th February. It opened the week at Rs. 613 and moved up to touch a high of Rs. 620 on 24th inst. Thereafter, it steadily declined to Rs. 613 on the day of maturity. The total tenders against the February contract were 5,850 bales, consisting of Vijay 4,400 bales, Jarilla, 1,200 bales, P/A Buri 200 bales and L.S.S. 150 bales.

The following table gives the price-fluctuations in the forward section of the cotton market over the week ended today:

	Opening	High	Low	Closing
I.C.C. February	Rs. 613	620	612	613*
I.C.C. May ...	Rs. 581½	583½	561½	565¼

*On 25th February.

The spot market was somewhat dull and prices were generally lower. The following are the latest available quotations from the Sewri market:

Bengal deshi Rs. 570; Berar Jarillas Rs. 625, Khandesh Rs. 640; Vijay Rs. 730; Oomra deshi Rs. 590; Moglai Rs. 580.

The Government's decision to import American cotton was explained by Mr. Jaishukhlal Hathi, Deputy Minister for Irrigation and Power, in his reply to a question on the subject in the Rajya Sabha. He said that it was proposed to import 75,000 bales of cotton of staple length 1-1/16" and above (valued at $12 million) under the American aid programme through normal trade channels on licences issued by the Government of India. The suppliers in the U.S. would be paid by the U.S. Government and the importers in India would deposit the rupee equivalent in a Government account.

Steady conditions were witnessed in the Karachi cotton market. It is stated that there is foreign enquiry only at lower levels. The quantity of cotton endorsed for export from 1st September, 1954, to 2nd February, 1955, was 268,852 bales as against 499,417 bales in the corresponding period in 1953-54. The latest available quotations from the Karachi market are:

Sind *deshi* Rs. 66; Punjab *deshi* Rs. 59; 4F Punjab R.G. Rs. 63-6; S.G. Rs. 68-6 to Rs. 70-6; N.T.R.G. Rs. 68-6; S.G. Rs 72-14; 289F Punjab R.G. Rs. 70-10; S.G. Rs. 73-2.

The Egyptian Government has announced that the present cotton policy will remain unchanged till the end of the current season and that no change in buying and selling prices is contemplated. Following this announcement, there was a movement to liquidate stocks. Consequently, there was a decline in spot premiums for different varieties. There has been for some time now good demand for medium grades of Ashmouni and Giza 30 Fully Good. It is pointed out that there can be no further decline in the prices of Giza 30 and high grades of Ashmouni.

The Liverpool cotton market developed an easier tendency under hedge selling and on weak foreign advices. The latest available quotations are: March-April 32.04; May-June 32.00; July-August 31.83 and October-November 31.50.

In the New York cotton market, values eased under scattered hedge pressure, commission house liquidation and offerings by local traders. Sluggish conditions in the textile market were an additional factor for the decline in values.

A Bill has been introduced to amend Public Law 480 to permit a shipper to sell cotton abroad from his stocks without buying an equal quantity from the C.C.C's stocks.

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

(In cents per lb.)

	1-3-55	21-2-55	15-2-55
Spot	34.70	35.10	35.00
March	34.06	34.44	34.39
May	34.29	34.73	34.71
July	34.54	34.97	34.96
October	34.43	35.08	34.95

STAPLE FIBRE YARN IRREGULAR

(From Our Own Correspondent)

BOMBAY, 2nd March

The notable feature of the yarn market during the week under review was the violent fluctuations witnessed in the staple fibre yarn section. This was due chiefly to three factors. The first was the expectation, earlier in the week, of excise duty on yarns which was, however, belied when the budget proposals were announced. Secondly, the Government invited applications for import of staple fibre yarn from actual users, which had a demoralising effect on the operators in the market. Thirdly, there was the sharp fall in the price of cotton which contributed to the further demoralisation of the market late in the week. These had an unsettling effect on the market. Thus, staple fibre 40 x 2 March delivery opened the week at Rs. 597 as against Rs. 602-8. In the pre-budget session, the prices improved to Rs. 598 on the 28th ultimo. But, after the Budget, it declined to Rs. 585 and the downward trend continued during the rest of the week with the result that the price came down to as low as Rs. 580-8 today, before closing at Rs. 581-12. The tendency of the market was to book profits at every rise. February delivery, which opened at Rs. 591 as against Rs. 597-8, declined to Rs. 581, where it closed. Among foreign yarns, Sulcos gained an anna and nine pies to Rs. 4-2-6. Auroras were quoted an anna higher at Rs. 3-14. Among 40 x 2 yarns, produced in the country, Sitarams lost 9 pies to Rs. 3-0-6. Pankajas eased from Rs. 3 to Rs. 2-14-9. Westerns changed hands lower at Rs. 2-15-9 as against Rs. 3.

The performance of art silk yarn also was not encouraging, for specifically the same reasons as those for staple fibre. 150D Japan fluctuated between Rs. 730 and Rs. 732, before closing at Rs. 731. 120 Japan rallied half an anna to Rs. 3-14. 150D Japan improved from Rs. 4-4 to Rs. 4-8. 120D Italy was, however, colourless at Rs. 4-2 and 150D at Rs. 3-14.

The permission to allow limited exports of cotton yarn failed to enthuse operators in the cotton yarn market. This was because the actual quantum for export was linked to deliveries made by mills to domestic consumers, which was considered rigid. As a result price fluctuations were limited to a narrow range. Among 80s, Finlays were quiet at Rs. 72 and Seksarias at Rs. 54. Moderns, however, lost As. 8 to Rs. 63-8 and Elphinstones As. 2 to Rs. 58-12. Among 60s, Finlays were unchanged at Rs. 59, Moderns at Rs. 59-12, Raghus at Rs. 54-12 and Elphinstones at Rs. 51-2. Among 40s, Gokaks gained As. 2 to Rs. 25, while Moderns were dull at Rs. 25-4, Vasantas at Rs. 24-4 and Seksarias at Rs. 23-8. Among 30s, Maduras were quiet at Rs. 22. Among 20s, Moderns lost an anna to Rs. 17, Maduras As. 2 to Rs. 17-8 and Centurys As. 4 to Rs. 16-4. Among 10s, Moderns were unchanged at Rs. 13-7 and Elphintones at Rs. 13-2.

The table below gives the prices of art silk staple fibre and cotton yarns quoted today, as compared with those a week before:

	2-3-1955	23-2-1955
	Rs. a.	Rs. a.
Art silk yarn—		
120 Japan (per lb.)	3 14	3 13½
150 Japan (per lb.)	4 8	4 4
120 Italy (per lb.)	4 2	4 2
150 Italy (per lb.)	3 14	3 14
Staple fibre yarn—		
40 x 2 March	581 12	602 8
Sulco (per lb.)	4 2½	4 0½
New Great (per lb.)	3 3½	3 2½
Cotton yarn (per bundle of 10 lbs.)		
10s Modern	13 7	13 7
20s Seksaria	16 4	16 4
30s Madura	22 0	22 0
40s Gokak	25 0	24 14
60s Modern	59 12	59 12
80s Finlay	72 0	72 0

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 2nd March

The oilseeds and oils market ruled distinctly easy during the week under review. Despite the absence of any burdens in the Budget proposals for 1955-56 on oilseeds and oils trade, the market lacked nerve. Besides, it expected in the Budget statement of the Finance Minister a reduction in, if not the total abolition of, export duty on castor oil. Absence of any reference to the export duty caused disappointment among operators. They were, therefore, hesitant to commit themselves. This hesitancy was also due to lack of shipping space for export of especially groundnut oil and castor oil and to good arrivals of new groundnut crop from Hyderabad and Saurashtra. Consequently, there was a large volume of floating stocks. Besides, enquiries for linseed oil from the Continent at £92 to £93 per ton and for castor oil, Commercial, from the Continent at 9⅞c per lb. were not quite encouraging. Almost all the sections, therefore, came under a wave of selling pressure. And prices of both oilseeds and oils suffered substantial declines over the week.

In the groundnut section, Bold F.A.Q. eased from Rs. 21-2 to Rs. 20-4. April-May lost Re. 1-4 to Rs. 20-12. Khandesh quality eased from Rs. 21-6 to Rs. 20-10. Groundnut oil, railway receipt, lost As. 8 to Rs. 11-2. March and April deliveries changed hands at Rs. 11-3 and Rs. 11-2 as against Rs. 11-8 and Rs. 11-6, respectively.

Market circles are expecting either extension of the millers' export quota beyond March and upto the end of April or announcement of fresh quota in groundnut oil. They fear that otherwise prices of groundnut and its oil will decline further. Groundnut oil exported from Bombay from 1st January upto 24th February is estimated at 17,750 tons. Burma's quotation for groundnut oil is nominal at Rs. 1,270 per ton.

In the castorseed section, May delivery opened the week at Rs. 79-8 as against Rs. 79. It gradually declined to Rs. 72-2 before closing at Rs. 72-10. Madras quality disclosed a loss of Re. 1 at Rs. 14-4. Castorseed I Pressure eased from Rs. 9-12 to Rs. 9-10 and Commercials from Rs. 9-8 to Rs. 9-2. Exports of castor oil from 1st January up to 24th February are estimated at 3,750 tons.

Bold ready, in the linseed section, retreated from Rs. 22-11 to Rs. 21-8. April-May was lower at Rs. 21-10, as against Rs. 22-11. Small Sutna suffered Re. 1-3 and closed at Rs. 19-8. Linseed oil was down by As. 10 at Rs. 12-12. Exports of linseed oil from 1st January up to 24th February is estimated at 750 tons.

The following table shows the price of oilseeds and oil today, as compared with those at the end of the previous two weeks.

	2-3-55	23-2-55	16-2-55
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	20 10	21 6	22 0
February/March	20 4	21 2	21 8
April-May	20 12	22 0	22 7
Linseed—			
Bold Ready (per cwt.) ..	21 8	22 11	22 2
February/March	21 8	22 11	22 2
April-May	21 10	22 11	22 2
Castorseeds—			
May 1955	72 10	79 0	78 8
Madras (per cwt.)	14 4	15 4	15 10
Groundnut oil—			
Ex-mill Ready (per quarter) ..	11 2	11 10	11 13
Castor Oil—			
Commercial (per quarter) ..	9 2	9 8	9 6
Linseed Oil—			
Ready	12 12	12 6	12 14

SUGAR PRICES RISE

(From Our Own Correspondent)

BOMBAY, 2nd March

Following the announcement of the Finance Minister's Budget proposals, the sugar market registered an all-round increase in prices of both indigenous and imported sugar. This was because the Finance Minister announced an increase of Re. 1-14 per cwt. in the excise duty on sugar, that is from Rs. 3-12 to Rs. 5-10 per cwt. *Pari passu* with this, the import duty on the commodity was increased from Rs. 11 to Rs. 13 per cwt. Besides, the Food Ministry simultaneously announced its decision to raise the selling price of imported sugar by Re. 1 per maund. The announcement added that the price was being raised in view of the changes made in the excise and customs duties on indigenous and imported sugar respectively as mentioned above. The revised ex-dock price of British refined sugar, East German and French sugars would thus, it said, be Rs. 30-8 per maund and that of Cuban sugar Rs. 30 per maund. In other words, the net effect of the changes announced by the Government was an additional burden of Rs. 3-12 per bag on indigenous sugar and of Rs. 2-12 per bag on foreign sugar. Thus the increase in the selling price of imported sugar was not commensurate with the rise in the excise duty on Indian sugar.

The reactions in sugar circles to the disparity in the increase in prices of both the indigenous and imported sugar, were of mixed nature. The sugar trade which was agitating for a reduction in the selling price of imported sugar was gratified to note that the changes mentioned above represented a genuine reduction of Re. 1 per bag of imported sugar. Consumers were, however, highly critical of this burden as it ran counter to the hitherto accepted Government policy of making available to them cheaper sugar. The industry for its part feared that the difference of one rupee in the price in favour of the imported sugar would automatically be a burden on it, apart from the prospect of having to bear a further burden in case there were to be consumer resistance at the higher levels. To the *gur* trade, however, the changes in duties were welcome, in that they arrested further decline in prices of *gur*.

Arrivals of indigenous sugar during the week at 2,400 bags were lower by 1,400 bags as compared with those last week.

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In the forward section, Fagan delivery moved up from Rs. 82-4 to Rs. 84-6 with buyers over. *Chaitra* delivery which fluctuated between Rs. 82-6 and Rs. 82-10, last week, improved this week to Rs. 84-10, an increase of Rs. 2 on balance.

Among indigenous sugar in the spot section, medium grains hardened from Rs. 87-8 to Rs. 89-91 per bag. Large grains were better at Rs. 93-104 per bag, as against Rs. 92 to Rs. 104 per bag last week. Among foreign sugars, British refined rose from Rs. 81-8 to Rs. 83-12 per bag of 224 lbs. and Cuban from Rs. 89-8 to Rs. 91-12 per bag of 250 lbs. French sugar advanced from Rs. 79-8—82 to Rs. 81-12—84 per bag of 220 lbs. German sugar was done at Rs. 81-12, as against Rs. 79-8 and Czech at Rs. 85-8 to Rs. 88, as against Rs. 85—87 per bag of 220 lbs.

N.B.—The rates for Indian sugar are inclusive of sales tax while those for foreign sugar are exclusive of the tax.

TEA DUSTS DECLINE

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, 23rd February

The offerings in dust sale 'D' which was held on Tuesday, 22nd February, amounted to 300,000 lbs. Although there was a good general demand, prices tended easier. Low medium and medium types were irregularly half to one and half annas easier. Better liquoring dusts were about steady. There was slightly less demand for Middle East types and they were generally one anna easier. Milled dusts were often neglected and were difficult of sale.

London Market.—Sale of 21st February, 1955: Good demand with Assams fully firm and others 1d. dearer.

Sale of 22nd February, 1955: By comparison with last Tuesday, prices lower by 2d. to 4d., but market fully firm compared with North Indians yesterday.

Colombo Market:—Opened weak. Later demand improved, particularly medium and better sorts.

Calcutta Market:—*Export.*—25,700 packages. Middle East types again strongest feature. Selling considerably in excess of valuation. Others, commons As. 4 to As. 5 easier, mediums As. 2 to As. 3.

Dust:—17,255 packages. Market generally lower. Exportable types weakest feature. Others As. 2 to As. 3 easier. Closing weaker, especially fibrous sorts. Leaf: 9,628 packages. End of season quality irregularly As. 2 to As. 3 below last week.

Export Quota:—The market has again been irregular and business was done during the week down to 126 pies. The Calcutta market has now recovered to 144 pies with ready buyers and sellers scarce.

Forthcoming Auctions:— Dust sale 'E' will be held on Tuesday, 8th March.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd. wire:

"*Sale* 5.—1,250,000 lbs. Only fair demand. Commons and low mediums As. 5 to As. 6, mediums and best liquoring As. 2 to As. 3 easier. Whole leaf strong. Middle East types good demand at slightly easier rates. Withdrawals heavy."

JUTE GOODS FALL FURTHER

(From Our Own Correspondent)

CALCUTTA, 1st March

Prices of jute goods showed a further decline, as there was no large-scale buying by overseas countries. This made stockists a bit nervous and resulted in selling pressure. Prices, therefore, fell. Raw jute also recorded a further decline, as mills paid little attention to offers of indigenous jute. They preferred to enter into commitments in Pakistani jute in view of its better quality and the very little price difference. This *factor* will, it is thought, bring Indian prices down to reasonable levels. To this belief is added the report that in North Bengal about a million maunds of jute are held up due to shortage of wagons. The Bengal Jute Dealers' Association, Calcutta, has already urged the railways to provide special trains to bring this jute to mills. The inferior varieties are still available in the required quantities, and the crop in *mesta* alone is estimated to have increased to 999,000 bales in 1954-55 from 574,000 bales in 1953-54. The increase has been mainly in West Bengal. Mills are confident that there would be no shortage in raw jute this season and that, in fact, there would be a satisfactory carry-over of at least the poorer quality jute. It is this confidence which arrested the upward tendency and set in motion a down-trend for the last two weeks. No doubt, the Pakistani jute prices have firmed up as Indian mills intensified their buying programme of the East Bengal low varieties.

The news that the Italian jute industry is considering a reduction in output in view of the growing competition in both the export and internal markets as well as of a decline in domestic consumption, following reduced farm output has been duly noted here. This shows that Indian prices are still competitive, and runs counter to recent reports coming from New York that business in burlap was declining and that consumers were considering changing over to substitutes in view of the high quotations from Calcutta. These reports cannot altogether be dismissed as coming from interested quarters, as burlap consumption in the United States has been declining during recent months. In the month of January, the consumption was only 60 million yards, as against 70 and 63 million yards in January and December, respectively of last year. Such a fall in the face of reports of higher agricultural output gives some credence to the reported preference of American consumers for using substitutes.

Prices of heavy goods were subject to fluctuation this week. But excepting for Australian irtest in sackings, there was no other feature. This to covering business, and prices for a time rose. Rs. 130-4 ready B. twills advanced to Rs. 131 on bull support. When actually the volume of business did not materialise in accordance with market expectations, stockists began to liquidate their holdings. By Friday, ready B. twills had fallen to Rs. 129. On Saturday, holders began to unload in greater quantity, and this saw the rate recede to Rs. 127. Yesterday, there was a recovery to Rs. 127-12. When prices were high, April-June goods were a few annas lower than the ready, and March the contrary. But, with the decline by the week-end, April-June reached parity with the spot goods. March goods were also for a time in parity, but by the week-end were quoted at Rs. 127-8 as against Rs. 127 for spot. Hessians were featureless and quiet. From Rs. 47-6, ready hessians 40" 10 oz. gradually lost to close at Rs. 46-2 for the week-end, April-June giving way to Rs. 46-2 from Rs. 47-4 and on one-month delivery to Rs. 46-3 from Rs. 47-7. Yesterday, in sympathy with heavy goods, the ready goods were fractionally higher at Rs. 46-6. The eight oz. was quoted at Rs. 37-4.

Raw jute prices were down by about a point as can be evidenced from latest quotations given below in comparison to those of a week ago given in brackets. There was no buying interest, and mills were enquiring more for the Pakistani fibre. Stockists were not, however, disheartened but derived encouragement from reports of poor arrivals in up-country centres. Unless the transport situation improves, there is no possibility of more imports; and this situation is a direct cause for the maintenance of higher prices. In Narayanganj, there was a slight easing in prices; this would have been more pronounced but for the keen enquiries and subsequent business in jute suitable for Indian consumption. Jat white bottoms declined to Rs. (P) 24-8 from Rs. 28, northern tossa bottoms to Rs. (P) 25-8 from Rs. 29-8, and northern white bottoms to Rs. (P) 21-8 from Rs. 25:

	Middles Rs.	Bottoms Rs.
Pakistani:		
Northern	42 8 (43 8)	38 8 (39 8)
District	43 0 (44 0)	39 0 (40 0)
Indian:		
Northern	41 0 (42 0)	38 0 (39 0)
Assam Upper ...	40 8 (41 0)	37 8 (38 0)
Assam Lower ...	41 0 (42 0)	38 0 (39 0)
Daissee	41 8 (42 8)	38 8 (39 8)
Murshidabad ...	39 8 (40 8)	36 8 (37 8)
Western	39 0 (40 0)	36 0 (37 0)
Jungli	38 8 (39 8)	35 8 (36 8)
Orissa	41 8 (42 8)	38 8 (39 8)
Uttar Pradesh ...	38 8 (39 8)	35 8 (36 8)
Bimli f.a.q.	34 0 (35 0)	

Pucca bale first marks ready Rs. 222-8 (225) per bale.

POOR DEMAND FOR TEA IN EXPORT AUCTIONS

(From Our Own Correspondent)

CALCUTTA, 1st March

Teas on offer during yesterday's export auctions amounted to 18,967 packages. Demand was poor. A small portion of the offerings consisted of autumnal teas and the balance was of poor quality. Prices of tippy sorts, B.O.Ps., stylish whole leaf grades, and fannings were supported at firm levels, but the poorer stalky teas, the better liquoring sorts, and mediums eased by As. 2 to As. 3. Clean commons declined by an anna. Darjeelings received fair support, but, in sympathy with the general trend, eased. A slightly easier trend was also in evidence in pekoes and orange fannings. Quotations are not possible in view of the majority of the offerings being of the poorer types.

Dusts offered at last week's internal sale aggregated 25,298 packages. Despite a fair general demand, prices declined in view of the low quality of teas on offer. Black leafy exportable types were not enquired of by exporters and, as a result, declined by As. 3 to As. 5. Common fibrous teas were lower by As. 3 to As. 4, and commons, medium Assams and Dooars by As. 2 to As. 3. Ordinary C.T.Cs. eased by an anna to As. 2 and those with liquors were sold at firm rates. The rates were: best Assam C.T.C. Rs. 3-1 to Rs. 3-2, medium Assam grainy dust Rs. 2-9 to Rs. 2-9-6, and medium Dooars Rs. 2-8 to Rs. 2-8-6.

Leaf on offer amounted to 10,089 packages, mostly of residue types. Demand was fair, and clean black N.O.Ps. and orange fannings tended to rise above previous rates, but closed easier. Commonest stalkiest teas gave way by about As. 4. Quotations could not be had in view of most lots being below quality.

METALS RULE STEADY

(From Our Own Correspondent)

CALCUTTA, 1st March

With prices remaining steady, trading conditions in the metal market during the week were a little cheerful. As usual, copper received the major attention of the market, and the electrolytic material sputted from Rs. 225 earlier in the week to Rs. 235. However, following lower advices from London, after it was known that in the Rhodesian copper mines about more than half of the workers have resumed their duties and others are expected to follow suit, the gain of Rs. 10 was lost, but the rate at Rs. 225 was firm. In the United States, the supply position continued tight, and the Government there was requested to release some more copper from its stocks. Locally, there was good demand for the virgin metal as well as for scrap. Stockists were disinclined to discount rates. The fire-refined metal was quoted firm at Rs. 220 per cwt. Mercury was priced at Rs. 1,250 a flask of 75 lbs. Reports from foreign markets anticipated an easiness in world prices. Business that was put through was naturally insignificant. Tin steadily improved from Rs. 467 to close at Rs. 472. The uptrend was due to the non-availability of spot metal in the required quantity as well as due to firm advices from the Far Eastern market. Some business was put through. Pig lead was nominally higher at Rs. 70-8, as against Rs. 70 earlier. Electrolytic zinc was firm at Rs. 60-8, at which rate stockists were not inclined to part with their holdings in view of the higher replacement cost.

LINSEED QUIET

(Messrs. A. Bradley & Co.)

CALCUTTA, 28th February

The general tone of the linseed market during the week has been quiet, and activity has been reported on a moderate scale. Lower upcountry advices and improved supplies have resulted in keen selling for forward delivery; crushers, however, have been operating cautiously and a limited daily turnover has been reported. The oil market has been active, with shippers covering their requirements against previous sales; overseas buyers, however, appear to be showing little interest except at lower prices. Latest quotations are as follows:—March Rs. 17-4 and April/May Rs. 16-4 per maund.

KIPS A SHADE EASY

(From Our Own Correspondent)

MADRAS, 28th February

Arrivals of kips have been moderate and clearance slow. Prices locally are a shade easier, but still out of reach of U.K. buyers. Shipment business has been small, in view of importers' sustained price resistance. If this stalemate continues, it is not unlikely that Madras tanners will have to revise their selling prices to meet U.K. levels.

In the tanned skins section, arrivals have met with good clearance. Market for goat has been steady and for sheep slightly weak.

FOODGRAINS WEAK

(From Our Own Correspondent)

HAPUR, 28th February

The foodgrain markets which had ruled quiet during most part of the week declined further in the week-end. Wheat *dara* is today quoted at Rs. 13-6 per maund as against Rs. 14 quoted last week-end. The week's offtake was negligible at one *khati* and the present wheat stock here is estimated at 12 *khaties*. Wheat prices also declined in Madhya Pradesh due to increased arrivals of the new crop and the latest rates are Rs. 32 to Rs. 35 per bag of 2½ maunds. Prices of wheat also declined in Punjab, P.E.P.S.U. and Bihar markets during the week. In the Bhatinda market, Punjab, wheat is quoted at Rs. 12-4 to Rs. 13-4 per maund and in Siwan (Bihar), wheat prices declined from Rs. 19 to Rs. 18 per maund. Rice prices, however, continue to rule steady with fractional advance in the markets in the country due to increased enquiries reported from the shippers for export. The standing crops are reported to be making satisfactory progress. After a fortnight, new crops of peas and other coarse grain will begin to arrive in the market.

The coarse grains also ruled weak, although trading in these commodities was slack due to poor stock positions. Gram, however, elicited small demand and the week's offtake aggregated 3 *khaties* and the local stock is estimated at 7 *khaties* and the prices at last week's level at Rs. 7 to Rs. 7-8 per maund. Barley and *bejhar* prices are quoted at As. 2 per maund lower than last week at Rs. 6-6 and Rs. 5-14 per maund respectively.

Pulses ruled quiet last week and despite good offtake during the week at 4 *khaties* of peas and 2 of *arhar* peas ready prices continued depressed at Rs. 5-8 to Rs. 6 per maund and *arhar* at Rs. 6-8 per maund. The trade is anxiously awaiting for a fresh release of export quotas in the near future. Pulses futures also ruled dull and featureless during the week in the absence of new driving force. The Union Food Minister, Mr. Jain, informed the Lok Sabha that the food supply in India was expected to remain satisfactory during the current year and with complete decontrol of rice and coarse grains and restrictions on the interzonal movement of wheat only, there was no longer any necessity of allotment of foodgrains to any State. Foodgrains from surplus areas would now automatically flow into deficit areas through normal commercial channels.

DECLINE IN SUGAR

(From Our Own Correspondent)

HAPUR, 28th February

There was a slight decline in the ready sugar prices during the week under review and this bearish trend was attributed to plenty of supplies and good prospects of arrivals in the near future. The Government of India announced a further release of 1.25 lakh tons of indigenous sugar for open sale in the market and the Government's announcement to the effect that it contemplated no increase in the sugarcane price in the current season from Rs. 1-7 per maund also acted as a bearish factor. The Central Sugarcane Committee met during the week in New Delhi and the Union Minister for Food, Mr. Ajit Prasad Jain, while inaugurating the Committee, said that he had decided to refer the whole question of fixing sugarcane price and profit-sharing relatively with sugar prices, to a committee of experts. There were objections to the existing formula both by the millowners and cane-growers and the emphasis on increased production had been overshadowed by the price controversy. The latest mill delivery rates here are: Jaswant Rs. 29-8, Simbhauli Rs. 29-10, Mowana Rs. 29-14, Daurala Rs. 31-4, Amroha Rs. 29, Bijnore Rs. 29-1, Mansoorpur Rs. 31, Rampur Rs. 32-12, retail Rs. 33-4 and *khandsari* Rs. 24 to Rs. 27 per maund.

The ready *gur* market continued to show a declining trend although the State Government is still purchasing quality *gur* at Rs. 10-4 per maund, but the dara *gur* prices have declined to Rs. 9-6 per maund quoted today. The State Government is purchasing in very few markets and its agents have been warned not to purchase heavy quantities. Unabated large arrivals here and in other centres coupled with the absence of any demand have imparted an easy tone to the market. The local stock is estimated at 70,000 maunds, including about 25 per cent. on behalf of the State Government. Over 70 per cent. of the entire crop has already reached the market. The daily arrivals average about 5,000 maunds and the loading facilities are too adequate. In line with the ready section, future *gur* markets have also recorded appreciable decline during the week and *gur phagun* and *baisakh* are today quoted at Rs. 9-5½ and Rs. 10-5½ as against Rs. 9-14 and Rs. 10-14½ respectively last Monday. The undertone is still bearish.

ENGINEERING

(Concluded from page 416)

although the 1949 Agreement provided that the "lessees will take all possible action to see that working costs are kept low by enforcing economy wherever possible." The increase in expenditure was due to increase in salaries and wages granted from time to time to employees (this includes grant of amenities like the pension scheme), increases in the price of raw materials as well as in the quantum of consumption and change in the mode of allocation of expenditure between revenue and capital. The Report says that the chief beneficiaries were the non-Indian covenanted personnel.

One of the items of expenditure which contributed to increase in cost since 1951 is the contribution to pension fund. The Government of Mysore has refused to recognise this fund. The Committee says that the creation of the pension scheme at a heavy recurring cost and involving heavy liability for the past periods in respect of which all profits and all investments had been removed by sterling companies had thrown a heavy financial burden on the rupee companies, reduced the surplus due to Government, helped only a small percentage of high-salaried officers, particularly non-Indians, and created discontent among other staff and increased the working costs in violation of the Agreement. The Committee has held that there is no justification for the pension scheme, in addition to the provident scheme, at a time when the price of gold is on the downward trend.

Royalty to the State

The Committee has pointed out that the average income of the Government of Mysore during the two pre-war periods, namely, 1935 and 1939, from the three mines was Rs. 20.63 lakhs and that during the two years, 1952 and 1953 Rs. 23.22 lakhs only, or a small increase of Rs. 2.59 lakhs or about 12.5 per cent. The State Government's total income from royalty, gold duty and contributions from 1881 to 1953 was Rs. 16.44 crores, as against Rs. 34.50 crores earned by the shareholders as dividend. If the duty on gold had not been introduced in 1940, the earnings of the Mysore Government would have been less and those of the shareholders even more. In making these calculations, the amount of income-tax recovered by the Government has, however, not been taken into account, since taxation is an aspect by itself. In the light of these factors, the Committee is of the opinion that a rate of not less than 10 per cent. of the net sale proceeds should be the royalty payable to the State. This means a 100 per cent. increase in the present rate of royalty.

Referring to the position of ore reserves, the Committee has expressed the view that the position of the Mysore Mine is far from satisfactory. With the present rate of depletion of ore reserve, the reserves would appear not to last for more than six years. But taking other factors into consideration, the Committee has felt that the life of the mine might on the most optimistic estimate be about 15 years, unless in the meantime fresh sources of ore were found. The total payable and low-grade reserves at the end of 1953 in the three mines were:

Mysore Mine: 168,000 tons of payable reserves at an average value of 12.76 dwt. and 188,470 tons of low-grade reserves at an average value of 3.68 dwt. per ton.

Champion Reef Mines: Payable reserve 978,722 tons at 9.95 dwt. per ton and low-grade 128,153 tons at 3.93 dwt. per ton.

Nandydroog Mine: 717,203 tons of payable reserves at 8.90 dwt. per ton and 619,027 tons of low-grade ore at 3.49 dwt. per ton.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1953 (pre-war)	18th Feb., 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation.	172.44	1,241.16	1,242.57	1,219.47	1,173.90
Notes held in Banking Department ..	35.05	13.04	11.44	15.69	19.49
Foreign Securities ..	39.50	638.15	638.15	653.21	638.15
Rupee Securities ..	37.89	447.74	447.74	437.63	421.34
Banking Department Deposits of:					
Government of India	16.89	51.74	52.58	55.36	87.24
Other Governments.	..	14.12	11.08	16.18	21.79
Balances held abroad	10.08	68.59	69.88	80.08	103.99
SCHEDULED BANKS					
Demand Liabilities .	134.87	590.91	580.91	582.01	522.80
		(10.17)†	(9.77)†	(10.70)†	(8.80)†
Time Liabilities ..	108.64	371.57	370.95	368.61	331.20
Borrowings from Reserve Bank ..	..	(2.35)† 9.05 (4.97)‡	(2.50)† 10.28 (4.92)‡	(2.83)† 6.71 (3.14)‡	(1.51)† 19.83 (8.26)‡
Borrowings from Imperial Bank ..	..	6.37	6.41	8.90	11.39
Cash in India	5.71	32.06	32.00	32.95	31.96
Balances with Reserve Bank ..	25.28	49.21	47.59	61.77	39.84
Excess over statutory limits	15.52	12.24	11.17	25.25	7.11
Balances with other banks in current account in India .	..	10.00	10.09	10.94	11.03
Money at call and short notice in India ..	..	19.94	17.74	18.83	9.80
Investments (at book value) ..	..	254.83	255.24	252.81	220.14
Advances and bills .	105.09	582.27	575.16	555.45	518.35*
IMPERIAL BANK					
Deposits ..	87.76	232.48	229.34	234.30	210.87
Investments ..	31.99	112.08	112.95	110.66	90.22
Advances ..	50.87	115.52	112.86	102.93	125.32
Cash ..	14.69	21.40	19.20	24.78	13.96

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes foreign bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	Week ended 25th February, 1955		Week ended 18th February, 1955	
	Number of Cheques	Amount	Number of Cheques	Amount
		Rs.		Rs.
Bombay ..	2,54,341	59,86,50,000	2,58,725	57,85,94,000
Calcutta ..	1,52,489	37,62,29,000	1,59,602	61,61,19,000
Madras ..	79,153	7,42,89,927	81,098	8,11,24,000
All Centres—				
1953 ..	..	..	1,14,68,214	26,45,05,08,000
1954 ..	..	..	3,40,72,000	70,64,29,00,000
Dec., 1954 ..	..	..	29,95,000	6,64,03,00,000
Jan., 1955 ..	..	..	29,43,000	6,23,74,00,000

Reserve Bank of India

Statement of Affairs for the week ended 25th Feb., 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up ..	5,00,00,000
Reserve Fund ..	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government ..	51,87,56,000
(2) Other Governments ..	22,68,28,000
(b) Banks ..	48,88 85,000
(c) Others ..	84,31,83,000
Bills Payable ..	4,65,71,000
Other Liabilities ..	23,52,88,000
Rupees ..	195,21 56,000

ASSETS	Rs.
Notes ..	12,57,83,000
Rupee Coin ..	19,66,000
Subsidiary Coin ..	7,09,000
Bills Purchased and Discounted—	
(a) Internal ..	..
(b) External ..	49,05,000
(c) Government Treasury Bills* ..	8,99,35,000
Balances held abroad* ..	65,50 88,000
Loans and Advances to Governments ..	21,00,000
Other Loans and Advances ..	24,19,02,000
Investments ..	66 99,26,000
Other Assets ..	20 29,40,000
Rupees ..	195,21,56,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 6,43,50,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 9,34,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department ..	12,57,83,000	
Notes in circulation ..	1241 99 12,000	
Total Notes issued ..		1254,56,45,000
Total Liabilities ..	.....	1254,56,45,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India ..	40,01,71,000	
(b) Held outside India ..		
Foreign Securities ..	663,15,11,000	
Total of A ..		703,16,82,000
B. Rupee Coin ..		108,65,78,000
Government of India Rupee Securities ..		447,72,85,000
Internal Bills of Exchange and other commercial paper ..	.....	
Total Assets ..	.....	1254,56,45,000

Ratio of Total of A to Liabilities: 56.049 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 18th Feb., 1955

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India ..	10,16,64,000†
(ii) Other demand liabilities ..	580,74,11,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India ..	2,34,55,000†
(ii) Other time liabilities ..	369,02,35,000
3. Borrowings in India from the Imperial Bank of India:	
(i) Demand liabilities ..	6,37,22,000
(ii) Time liabilities ..	10,000
4. Cash in India ..	32,06,38,000
5. Balances with the Reserve Bank in India ..	49,21,47,000
6. Balances with other banks in current account in India ..	10,00,36,000
7. Money at call and short notice in India ..	19,39,56,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts ..	254,82,60,000
9. Advances in India ..	494,90,44,000
10. Inland Bills purchased and discounted in India ..	34,07,24,000
11. Foreign Bills purchased and discounted in India ..	22,59,88,000

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

EXCHANGE RATES

		2nd March 1955	Previous week
Bombay on London—			
Selers T.T. D.D. Spot.	s.	1-5⅜	1-5⅜
Selers T.T. D.D. upto six months ..	s.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months ..	s.	1-5¼	1-5¼
Buyers T.T. 10 to 12 months ..	s.	1-5¼	1-5¼
Bombay on New York—			
Selers T.T. D.D. ..	Rs.	4605	4605
Buyers T.T. ..	Rs.	4755	477
London on New York ..	$	2.78½–2.78¾	2.78½–2.78¾
London on Paris ..	Fcs.	975½–977	974½–975½
London on Berne ..	Sw. Fcs.	12.23½–12.26½	12.24½–12.25
New York on London..	$	2.78¼–2.78½	2.78½–2.78¾

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India† ..	'51-'52	359.23	..	9,990	274.5
Pakistan ..	1949	78.04	..	1,671	222
Burma ..	1952	18.86	Kyats 8,556	856	198
Ceylon ..	1953	8.16	..	442	541
Japan ..	1952	85.50	Y. 5,382,400	7,014	820
Philippines ..	1952	21.03	Ps. 7,878	1,954	737
New Zealand ..	1952	2.06	£ (N.Z.) 727	969	4,787
Australia ..	1952	8.18	£ (A) 5,521	5,841	4,207
U.K. ..	1952	50.56	£ 14,719	19,655	3,888
U.S.A. ..	1952	159.63	$ 305,000	146,790	9,196
Canada ..	1952	14.78	$ 19,048	6,607	5,665
France ..	1952	42.58	F.Fr. 10,197,700	14,018	3,321
W. Germany..	1952	48.99	Dm. 102,000	11,705	2,389
Italy ..	1952	47.09	Lr. 8,967,000	6,383	1,453
Norway ..	1952	3.26	Kr. 16,861	1,182	3,569
Sweden ..	1952	7.17	Kr. 26,957	2,422	4,778
Netherlands ..	1952	10.49	Drs. 15,360	3,451	3,288
Denmark ..	1952	4.37	Kr. 22,484	1,551	3,572
Switzerland ..	1952	4.88	Sw.Fr. 20,800	2,288	4,564

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations. Monthly Bulletin of Statistics, September, 1954.
† Estimates are based on the first issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 18th Feb., 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up ..	3,00,00,000
Reserve Fund ..	3,00,00,000
Deposits:—	
(a) Central Government ..	24,48,92,000
(b) Provincial Governments ..	1,39,77,000
(c) Banks ..	10,92,53,000
(d) Others ..	4,13,43,000
Bills Payable ..	16,54,000
Other Liabilities ..	5,45,14,000
Rupees ..	56,46,33,000

ASSETS	Rs.
Notes ..	7,45,54,000
Rupee Coin ..	7,000
Subsidiary Coin ..	12,000
Bills Purchased and Discounted:—	
(a) Internal ..	....
(b) External ..	....
(c) Government Treasury Bills ..	15,000
Loans and Advances to Governments ..	5,83,50,000
Provincial Governments' Debtor Balances ..	3,77,64,000
Other Loans and Advances ..	17,81,51,000
Investments ..	13,16,57,000
Other Assets ..	8,41,23,000
Rupees ..	56,46,33,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department ..	7,45,54,000	
Notes in circulation ..	246,14,79,000	
Total Notes issued ..		253,58,33,000
Total Liabilities ..		253,58,33,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion ..	7,91,42,000	
Silver Bullion		
Sterling Securities ..	89,72,81,000	
Government of India Securities ..	21,41,41,000	
India Notes representing assets receivable from the Reserve Bank of India ..	29,96,91,000	
B. Rupee Coin ..	4,41,45,000	99,04,55,000
Government of Pakistan Securities ..	145,87,58,000	
Internal bills of exchange and other commercial paper ..	....	
Securities ..	70,10,000	
Rupee Coin ..	29,91,000	
		146,87,59,000
Total Assets ..		253,58,33,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 40.62 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	
Argentina ..	1st Mar., 1936	..	3½
Austria ..	3rd June, 1954	4	3½
Belgium ..	29th Oct., 1953	3	2½
Bolivia ..	20th Sept. 1950	5	6
Canada ..	15th Feb., 1955	2	1½
Ceylon ..	11th June, 1954	3	2
Chile ..	13th June, 1935	4	4½
Colombia ..	18th July, 1928	5	4
Costa Rica ..	1st Feb., 1950	3	4
Denmark ..	22nd June, 1954	4½	5½
Ecuador ..	15th May, 1948	7	10
Egypt ..	15th Nov., 1952	3½	3
El Salvador ..	22nd Mar., 1950	4	3
Finland ..	16th Dec., 1951	7½	5½
France ..	2nd Dec., 1954	3½	3
Greece ..	1st Jan., 1954	12	10
India ..	15th Nov., 1951	3	2½
Indonesia ..	1st April, 1946	4	3
Ireland ..	25th Mar., 1952	2½	2½
Italy ..	6th April, 1950	4½	4
Japan ..	1st Oct., 1951	5.11	5.84
Mexico ..	4th June, 1942	4	4½
Netherlands ..	7th April, 1953	3	2½
New Zealand ..	26th Nov., 1954	3½	4
Norway ..	14th Feb. 1955	2½	3½
Pakistan ..	1st July, 1948	3	3
Peru ..	18th Nov., 1947	5	6
Portugal ..	12th Jan., 1944	3	2½
South Africa ..	27th Mar., 1952	3½	4
Spain ..	1st July, 1954	4	3½
Sweden ..	20th Nov., 1953	3	2½
Switzerland ..	26th Nov., 1936	2	1½
Turkey ..	26th Feb., 1948	4	5
United Kingdom ..	27th Jan., 1955	3	3½
U.S.S.R. ..	1st Jan., 1952	3	4
U.S.A. ..	16th April, 1954*	1½	2
West Germany ..	20th May, 1954	5½	6

* Effective in 12 of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	November, 1953	November, 1954	Eight months, April to Nov., 1953	Eight months, April to Nov., 1954
Import Duties:				
Revenue ..	9.58	12.43	73.54	79.25
Protective ..	0.46	0.76	3.95	5.10
On surplus disposals	..	..	0.10	0.12
Total import duties	9.99	13.20	76.50	84.50
Export Duties ..	5.12	5.20	20.49	22.26
Land Customs ..	0.18	0.22	1.22	1.27
Miscellaneous ..	0.05	0.07	0.49	0.78
Gross total customs	15.34	18.70	104.90	108.78
Refunds and drawbacks	0.15	0.17	1.29	0.90
Net Customs ..	15.20	18.53	103.61	107.88
Revenue ..	7.67	8.78	50.82	56.92
Refunds ..	0.09	0.20	0.49	1.19
Net Excise ..	7.58	8.58	50.33	55.73
Net total of customs and excise ..	22.78	27.06	153.94	173.58

Imperial Bank of India

Statement of Affairs for the week ended 25th Feb., 1955

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 50 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares ..	5,62,50,000	
Reserve Fund and other Reserves		5,62,50,000
Deposits and other Accounts ..		6,33,00,000
Borrowings from other Banking Companies Agents		230,05,08,000
Bills Payable		
Bills for Collection being Bills Receivable as per contra ..		4,63,86,000
Acceptances, Endorsements and Other Obligations as per contra ..		35,76,000
Other Liabilities (including Inter-Office Adjustments) ..		84,000
Total .. Rs.		252 20,80,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		13,76 66,000
Balances with other Banks		8,96,97,000
Money at Call and Short Notice ..		93,33,000
INVESTMENTS—		
Government and other Trustee Securities	97,84,45,000	
Other Authorised Investments ..	11,58,52,000	
		109,20,97,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	108,69,28,000	
Bills Discounted and Purchased ..	12,47,80,000	
		120,16,88,000
Bills Receivable being Bills for Collection as per contra ..		4,63,86,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		35,76,000
Premises less Depreciation ..		64,000
Furniture and Fixtures less Depreciation		1,30,44,000
Other Assets (including Inter-Office Adjustments)		44 44,000
		2,01,98,000
Total .. Rs.		252,20,80,000

SMALL SAVINGS

POSTAL SAVINGS (In lakhs of rupees)

	National Savings Certificates 5-Year† Outstandings*	5-Year† Receipts	7-Year †† Outstandings*	7-Year †† Receipts	15-Year Outstandings*	15-Year Receipts	Savings Bank Deposits Receipts	Savings Bank Deposits Outstandings*	Cash Certificates Defence Savings Certificates and Defence Savings Bank Deposits Outstandings§	2½% Ten-year Treasury Savings Deposit Certificates ‡ Receipts	2½% Ten-year Treasury Savings Deposit Certificates ‡ Outstandings*	10-Year National Plan Certificates ‡ Receipts	10-Year National Plan Certificates ‡ Outstandings*
1948-49 ..	1,46	76	73	20.40	22.88	33.66	29.91	—	12.31	..	..	..	..
1949-50 ..	2.83	85	2.24	22.66	24.17	1,18.55	92.08	—	31.07	7.55	23.64	..	..
1950-51 ..	3.91	1,50	4.38	26.54	1,06.88	1,17.57	1,06.29	—	34.20	6.94	32.11	..	..
January, 1954 ..	8.19	18	8.81	2.06	1,00.46	8.91	1,00.23	—	..	..	..	..	..
February ..	8.02	11	8.89	2.12	1,08.09	9.49	1,01.95	—	32.78	..	..	..	..
March ..	3.91	48	4.26	2.05	1,04.88	16.29	1,06.29	—	32.97	51	31.23	..	..
April ..	3.81	11	4.20	2.18	1,05.84	10.70	1,07.51	—	34.20	51	31.78	..	..
May ..	3.71	10	4.21	1.71	1,07.08	10.02	1,07.18	—	34.40	64	32.11	..	..
June ..	3.62	9	4.23	1.86	1,08.40	10.46	1,08.23	—	34.57	54	32.27	..	..
July ..	3.47	13	4.19	2.27	1,10.16	11.40	1,11.02	—	34.78	..	33.26	34	34
August ..	3.36	16	4.09	2.17	1,11.55	10.23	1,12.07	—	34.96	39	33.61	49	83
September ..	3.24	19	4.01	2.44	1,12.76	10.23	1,14.25	—	35.17	46	34.08	76	1 59
October ..	3.16	11	4.07	1.90	1,13.88	8.96	1,14.86	—	35.34	42	34.44	98	2.45
November ..	3.06	12	4.04	2.25	1,16.76	10.24	1,16.31	—	35.51	43	34.94	1,57	4.03
December ..	4.96	11	4.65	2.34	1,18.40	11.36	1,18.56	—	35.69	37	35.39	60	4.44
January, 1955 ..	..	..	..	..	..	..	..	—	35.87	40	35.84	55	5.23
										43	35.97	57	5.79

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947. † Issued from 1st June, 1948. ‡ Issued from 1st February, 1951. § Issued from 10th May, 1954. †† Issued from 1st June, 1949 to 30th June 1953. ‡‡ Figures from 1948-49 relate to the Indian Union. Outstandings do not include Indian Union's share of the pre-partition liabilities. ‡‡ Figures from 1949-50 onwards relate to the Indian Union. Outstandings do not include Indian Union's share of the pre-partition liabilities.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 20-2-'54	22-1-'55	12-2-'55	19-2-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.2	90.6	90.6	90.6
1. Government of India ..	90.2	90.5	90.5	90.5
2. Indian States ..	95.7	96.1	96.1	96.1
3. Municipal, Port Trust, etc.	89.3	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS ..	101.5	100.7	100.8	100.7
1. Electricity ..	102.9	102.0	102.3	102.0
2. Jute ..	98.8	98.8	98.8	98.8
3. Plantations ..	99.6	99.6	99.6	99.6
4. Sugar ..	100.7	99.8	99.8	99.8
5. Cotton ..	90.4	90.6	90.6	90.6
6. General Engineering ..	103.8	101.0	100.6	100.6
7. Shipping ..	102.3	100.2	100.2	100.5
8. Others ..	100.5	100.8	100.8	100.8
PREFERENCE SHARES ..	88.1	88.2	88.2	88.1
1. Electricity ..	96.4	97.3	97.2	97.2
2. Cotton ..	85.3	78.8	78.8	78.8
3. Jute ..	86.3	88.4	88.5	87.7
4. Coal ..	90.8	91.0	91.8	91.8
5. Iron and Steel ..	91.8	89.8	89.3	89.5
6. Sugar ..	74.1	85.1	82.8	82.8
7. Paper ..	90.1	90.4	90.4	90.5
8. Plantations ..	89.4	95.6	97.7	97.7
9. Miscellaneous ..	87.5	87.0	87.7	87.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	108.2	118.1	114.4	113.5
a) Financial ..	87.7	88.7	88.8	88.8
1. Banks ..	86.0	86.1	86.6	86.0
2. Insurance ..	97.8	109.0	108.6	108.1
3. Investment Trust ..	78.7	95.1	95.1	95.1
(b) Public Utilities ..	111.8	118.3	114.8	114.8
1. Electricity ..	117.8	124.2	124.1	124.2
2. Shipping and other Transport ..	105.5	102.0	100.8	100.4
3. Railways ..	85.4	87.9	87.7	87.8
(c) Manufacturing Industries.	108.8	118.1	118.3	118.5
1. Cotton, Woollen and Silk ..	102.8	108.1	104.0	103.8
2. Jute ..	94.0	99.6	98.8	94.9
3. Iron and Steel	119.2	140.1	139.2	137.7
4. Paper ..	176.2	214.8	214.1	209.9
5. Cement ..	123.3	147.7	141.2	140.1
6. General Engineering.	130.0	158.9	163.2	161.4
7. Sugar and Breweries.	89.4	106.3	105.3	105.4
8. Chemicals ..	110.9	138.8	138.1	137.1
(d) Non-Manufacturing Industries ..	108.3	164.4	157.2	156.1
1. Coal ..	77.0	81.6	80.5	80.5
2. Mining and Oil ..	146.6	193.0	191.4	190.9
3. Plantations ..	105.2	151.5	148.6	148.7
e) Miscellaneous ..	83.7	89.1	88.8	88.4
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay ..	89.8	90.1	90.1	90.1
2. Calcutta ..	90.8	90.5	90.5	90.5
3. Madras ..	90.6	90.9	90.9	90.9
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay ..	101.9	99.8	99.2	99.3
2. Calcutta ..	102.1	101.3	101.6	101.3
3. Madras ..	100.0	100.5	100.5	100.5
PREFERENCE SHARES:				
1. Bombay ..	92.9	91.6	91.2	91.3
2. Calcutta ..	85.1	85.0	85.2	84.9
3. Madras ..	89.0	93.5	93.9	94.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay ..	112.5	118.7	117.1	116.8
2. Calcutta ..	94.1	100.1	100.7	107.8
3. Madras ..	99.1	110.9	110.8	109.9
4. Delhi ..	102.9	118.4	114.4	114.0

Source: Department of Research and Statistics, Reserve Bank of India.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,848	12,806,704
1951 ..	1,071	691,281	5,918,928
1952 ..	963	809,243	8,336,961
1953 ..	772	466,807	3,942,608
October, 1953 ..	94	78,181	849 818
November ..	83	45,766	272,244
December ..	81	57,525	155,017
January 1954 ..	65	42,868	644,414
February ..	48	28,477	139,411
March ..	67	49,231	316,207
April ..	78	49,132	218,983
May ..	88	58 617	276,216
June ..	99	80,357	353,279
July ..	87	48,068	191,122
August ..	74	58,083	225,154
September ..	108	44,868	447,273
October ..	101	80,211	402,116
November ..	88	41,431	345,311
December ..	81	40,790	475,852
January 1954† ..	84	51,972	325,514
February ..	85	41,581	344,205
March ..	91	84,203	331,419
April ..	101	84,983	207,247
May ..	80	40,078	218,035
June ..	81	31,449	204,588
July ..	120	29,981	278 506
August ..	78	31,073	322,848
September ..	94	46,808(a)	308,138(b)
October ..	81	30,787(c)	272,944(d)
November ..	49	30,808	356,534

† Figures for 1954 are provisional. * Revised.
(a) Not Known in 7 cases. (b) Not known in 9 cases.
(c) Not known in 3 cases. (d) Not known in 8 cases. (Nil in 3 cases).

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Consumers	Units generated‡	Units Sold
1948-49 ..	469	4,681.1	3,777.7
1952-53 ..	614	5,301.4	5,134.3
1953-54 ..	645	5,876.5	5,572.7
July 1953 ..	627	488.0	471.0
August ..	629	487 9	468.9
September ..	632	476.5	456.1
October ..	634	468.1	456.7
November ..	637	463 1	453.7
December ..	640	468.8	466.9
January 1954 ..	640	469.7	478.0
February ..	642	451.4	451.4
March ..	646	498 6	488.5
April ..	651	512.3	504.4
May ..	651	530.9	515 5
June ..	660	529 4	510.3
July ..	663	533 4	515 8
August ..	667	535 0	510 9
September ..	668	547 6	523.3
October ..	669	556 5	511 6
November ..	674	556.5	534.6

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1952=100)

Particulars	12th Feb., 1955	5th Feb., 1955	13th Feb., 1954	January, 1955	January, 1954	Percentage of increase (+) or decrease (—) in Jan., 1955 as compared with Jan., 1954	Annual Average 1953	Annual Average 1954
Food Articles ..	308.5	303.4	278.7	310.3	281.5	—18.7	386.8	355.3
Cereals ..	348	340	438	348	440	—20.9	451	404
Pulses ..	242	244	401	239	424	—43.6	464	318
Other ..	267	262	281	269	288	— 6.6	266	298
Industrial Raw Materials ..	442.7	428.5 R	476.0	432.9	481.1	—10.0	459.7	447 1
Fibres ..	407	473	466	469	463	+ 1.3	420	444
Oil seeds ..	366	356 R	530	375	548	—30.9	578	468
Minerals ..	411	411	433	417	440	— 7.1	458	429
Others ..	464	462	406	476	409	+16.4	365	410
Semi-Manufactures ..	340.1	340.8	381.2	344.5 R	381.8	—14.7	386.3	355.4
Leather ..	359	368	398	369 R	397	— 8.0	410	377
Mineral oils ..	221	221	221	221	221	..	224	221
Vegetable oils ..	398	397	505	409	549	—25.4	524	464
Cotton yarn ..	442	444	451	450	439	+ 2.5	441*	454
Metals ..	242	241	237	240	236	+ 1.7	226	239
Oil cakes ..	285	291	430	309	420	—26.4	430	416
Others ..	336	335	306	332	305	+ 8.9	262	305
Manufactured Articles ..	378.8	378.8	367.6	375.5	364·3	+ 3.1	387.0	375 5
Textiles ..	424	421	407	419	401	+ 4.5	404	418
Jute ..	468	467	424	455	423	+ 7.6	366	428
Cotton ..	411*	411*	402*	411*	397*	+ 3.5	407*	413*
Rayon and Silk ..	464*	464*	449*	460*	420*	+ 9.5	455*	458*
Wool ..	310	310	313	310	313	— 1.0	309	311
Metal products ..	340	340	337	340	337	+ 0.9	337	339
Others ..	284	284	283	284	283	+ 0.4	296	286
Miscellaneous ..	548.6	548 8	698.1	568.8	709.8	—19.8	661.5	646.8
All Commodities ..	364.4	359 8 R	388 6	363 9	398.5	— 8.7	393 9	386.7

R=Revised. * Estimated.

IND

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop		Acreage 1953-54 Final	Acreage 1954-55 Final	Outturn 1953-54 Final	Outturn 1954-55 Final
Rice	tons	78,646	74,209	27,079	22,495
Wheat	,,	28,098	24,285	7,792	7,383
Jowar	,,	42,990	43,339	7,691	7,250
Bajra	,,	22,820	23,550	4,248	3,150
Barley	,,	8,190	8,010	2,721	2,849
Maize	,,	8,892	8,897	2,654	2,923
Ragi	,,	5,472	5,428	1,564	1,238
Small Millets	,,	13,167	12,431	2,183	1,906
Total cereals	,,	210,365	205,149	55,130	49,193
Kharif	,,	176,077	170,854	45,617	38,871
Rabi	,,	34,288	32,295	10,513	10,232
Gram	,,	18,893	18,014	4,851	4,165
Other Rabi Pulses*	,,	11,130	11,185	2,075	2,042
Jute	bales	1,273†	1,196†	3,152‡	3,139†
Cotton	,,	17,027	15,693	3,935	3,131
Sugarcane (2nd)	tons	3,617†	3,503†	4,740†	4,209†
Groundnut	,,	11,858	11,550	3,773	2,541
Linseed	,,	3,369	3,395	855	859
Castorseed	,,	1,868	1,857	107	106
Rape and Mustard Seed	,,	5,873	5,199	828	837
Sesamum	,,	6,132	5,880	531	460
Total oilseeds	,,	27,598	27,661	5,591	4,646
Tobacco	,,	890	895	256	241
Black Pepper	,,	209	205	22	22
Ginger	,,	47	48	15	14
Dry Chillies	,,	1,326	1,235	810	284
Potato (2nd)	,,	645	633	1,657	1,698

Source: Ministry of Food and Agriculture.

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

* Excluding gram and Tur.

‡ Relates to 1954-55. † Relates to 1953-54.

INDIAN JUTE STATISTICS

Particular		Period	Quantity
JUTE MANUFACTURES			(In 000 tons)
Production		During Jan., 1955	88.8
		Corresponding month, 1954	67.8
		Seven months ended Jan., 1955	579.3
		Corresponding period, 1954	500.5
Stocks		At the end of January, 1955	76.6
		Corresponding month, 1954	95.7
			(In 000 bags)
Exports (Jute Bags)		Week ended 22nd January, 1955	4,677
		Corresponding week, 1954	5,034
		From 1st to 22nd Jan., 1955	29,933
		Corresponding period, 1954	16,842
			(In 000 yds.)
Exports* (Jute Cloth)		Week ended 22nd January, 1955	9,929
		Corresponding week, 1954	16,044
		From 1st to 22nd Jan., 1955	99,465
		Corresponding period, 1954	88,741
RAW JUTE			(In 000 bales)
Consumption by Mills†		Jan., 1955 (in lakh bales)	4.86
		Corresponding month, 1954	3.91
		Seven months ended Jan., 1955	33.60
		Corresponding period, 1954	29.03

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1955	11,58,000	10,81,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Ten months ended Jan., 1955	9,46,900	8,69,100	6,51,200
August 1953	94,100	88,400	68,700
September ,,	94,200	91,100	61,900
October ,,	99,500	94,000	68,800
November ,,	1,00,300	95,800	68,400
December ,,	1,01,400	98,100	71,700
January 1954	1,02,800	99,800	71,400
August ,,	96,700	90,400	67,100
September ,,	88,300	82,400	58,900
October ,,	98,500	89,200	66,600
November ,,	98,800	90,500	68,000
December ,,	1,05,800	95,000	73,800
January 1955	1,02,500	95,800	72,200
Indian Iron and Steel Co.			
Year ended 31st March, 1955	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954	5,80,020	3,49,980	2,92,440
Nine months ended Dec., 1954	5,50,541	3,54,412	2,40,957
April 1953	52,210	30,980	19,090
May ,,	57,610	32,550	19,700
June ,,	36,780	23,940	13,020
Three months ended Sept., 1953	63,390	18,350	11,640
April ,, 1954 Dec., 1953	1,61,630	1,15,800	1,06,940
May ,, ,,	61,950	41,070	37,800
June ,, ,,	62,450	35,840	35,260
Three months ended Sept., 1954	58,270	41,180	34,620
,, ,, ,, Dec., 1954	1,80,016	1,29,741	1,12,861
,, ,, ,, Dec., 1954	1,58,053	1,36,801	1,20,816

FOREIGN TRADE OF INDIA

Particulars	November, 1953 Rs. (Lakhs)	November, 1954 Rs. (Lakhs)	Eight months, April to Nov., 1953 Rs. (Lakhs)	Eight months, April to Nov., 1954 Rs. (Lakhs)
Imports:				
By sea and air—				
Foodstuffs	3,48	12,08	60,42	59,51
Raw materials	9,89	13,39	119,72	132,09
Manufactures	23,53	32,15	179,06	199,27
Other Item	84	28	2,55	1,97
Total	37,84*	57,90*	361,76*	393,84*
By land	1,72	2,49	15,55	13,71
Total Imports	39,06	60,38	377,29	407,55
Exports:				
By sea and air—				
Foodstuffs	17,14	28,11	100,11	125,68
Raw materials	8,81	16,27	71,42	66,26
Manufactures	21,33	25,82	164,78	169,04
Other Items	87	53	2,55	2,97
Total	47,65	64,73	338,86	362,95
By land	74	53	4,53	5,96
Total Exports	48,39	65,26	343,39	368,81
Total Re-exports	27	37	3,36	3,45
Balance of trade in merchandise	+ 9,61	+ 5,21	—33,11	—37,47
Balance of transactions in private treasure	—	—	— 7	— 1
Total visible balance of trade	+ 9,61	+ 5,21	—33,18	—37,48
Imports:‡				
Total C'wealth countries	16,09	25,41	185,42	173,50
Total Foreign countries	21,25	32,49	196,94	220,84
Exports:‡				
Total C'wealth countries	25,57	38,48	170,31	204,28
Total Foreign countries	22,08	26,80	168,66	158,67

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

‡ Excludes Trade by Land.

RAILWAY TRAFFIC ‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (In thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1948-1949	1,132	36,925	104,286	22,384	9,089	2,115	760	172	142	..	..	497
1952-1953	1,168	34,406	128,773	23,539	11,413	2,635	949	171	169	209	169	543
1953-1954	1,179	35,215	129,009	23,365	11,186	2,613	921	154	158	168	190	548
October 1953	89	2,588	10,479	2,427	916	239	69	9	9	15	14	48
November ,,	87	2,539	9,923	2,366	908	216	64	15	14	17	12	27
December ,,	93	2,747	10,990	2,478	1,002	210	64	16	14	18	14	33
January 1954	94	2,781	11,281	2,531	998	202	72	16	17	16	15	34
February ,,	101	3,157	10,313	2,274	988	178	76	13	18	14	14	30
March ,,	105	3,325	14,383	3,208	1,018	215	83	17	18	12	16	34
April ,,	..	..	..	..	968	211	83	20	15	10	15	34
May ,,	..	..	..	..	932	215	78	14	15	10	15	34
June ,,	..	..	..	..	909	210	71	10	13	12	13	32
July ,,	..	..	..	..	935	224	76	11	10	7	16	32
August ,,	..	..	..	..	935	245	79	11	10	7	18	34
September ,,	..	..	..	..	914	241	66	11	9	12	11	31
October ,,	..	..	..	..	936	241	65	13	10	10	15	32
November ,,	..	..	..	..	991	226	73	15	13	16	9	34

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 28th Feb., 1955	85,093
	Corresponding week, 1954	28,258
	1st Sept., 1954 to 28th Feb., 1955	722,706
	Corresponding period, 1953-54	758,620
Cotton Exports	Week ended 28th Feb., 1955	6,454
	Corresponding week, 1954	13,615
	1st Sept., 1954 to 28th Feb., 1955	161,905
	Corresponding period, 1953-54	149,668
Mill Consumption	1st Sept., 1954 to 28th Feb., 1955	£29,128
	Corresponding period, 1953-54	510,792
Stock (with exporters, dealers and mills) in Bombay	On 28th Feb., 1955	395,406
	Corresponding date, 1954	431,070
Cotton Exports from Bombay (by sea)	During November, 1954	28,210
	1st Sept., to 30th November, 1954	75,778
	1st Sept., to 30th November, 1953	51,957
Karachi (Pakistan)—		
Receipts	1st Sept., 1954 to 17th Feb., 1955	877,443
	Corresponding period, 1953-54	1,097,881
Exports	1st Sept., 1954 to 17th Feb., 1955	284,868
	Corresponding period, 1953-54	532,045

Particulars	From 1st Sept., 1954 to 21st February, 1955 Bales	From 1st Sept., 1953 to 21st February, 1954 Bales
From Bombay		
Cotton Exports to— United Kingdom	12,980	7,087
Continent	20,209	14,747
China	1,409	251
Japan	49,907	27,009
U.S.A.	9,879	9,749
Other Countries	808	1,452
Total to all foreign countries	95,191	70,479
Coastal Ports	57,438	62,780

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton— Indian	November, 1954	848,917
Foreign		68,118
Indian	Three months ended Nov., 1954	948,356
Foreign		177,908
Indian	Same Period, 1953	842,954
Foreign		174,094
Stocks (Mills and Elsewhere)— Indian	As on 30th November, 1954	850,221
Foreign		161,141
Indian	As on 30th November, 1953	700,066
Foreign		195,098
Cotton Pressed in India † (In running bales)	Corresponding week, 1954	49,744
	1st Sept., 1954 to 19th Feb., 1955	195,145
	Corresponding period, 1953-54	1,488,181
		1,086,849

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued Rs.	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,84,000	1955-60	101¼
4 % Bonds	1926-28	68,80,26,000	1960-70	101½
2½% Loan	1935-39	1,16,17,46,000	1965-85	98½
3 % Loan	1950	80,88,10,000	1984	96½
3 % Loan	1948	1,10,11,78,000	1966-68	90¾
2 % Y. Loan	1944	1,14,06,89,000	1957	96
2 % Loan	1946	1,15,08,88,000	1970-75	87
2 % Loan	1945	1,18,65,64,000	1955-61	97½
2½% Loan	1951	80,88,88,000	1968	92½
2½% Loan	1946	45,88,07,000	1960	94
2½% Loan	1948	57,00,69,000	1961	91½
2½% Loan	1949	74,77,48,000	1979	88
2½% Loan	1947	75,86,72,000	1962	92½
2½% Loan	1948§	60,46,01,000	1955	99½
3½% Loan (N.P. Bonds)	1953	75,00,00,000	1961	90½
3½% N.P. Loan	1954	155,75,00,000	1964	90½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	5,93,86,000	At option of Government after three months' notice. On Sept. 1st 1976 or later at option of Government after three months' notice.	81½
3 % Loan‡	1946	248,91,90,000		51½
REPATRIATE STERLING LOANS				
4½% Loan	1925	5,85,20,000	1958-68***	108½
PROVINCIAL LOANS				
3 % Bombay	1943	2,54,23,000	18th Sept. 1955	99½
3 % Bombay	1945	3,50,00,000	14th Sept. 1956	99½
3 % Bombay	1944	3,44,00,000	18th Aug. 1958	97
3 % Bombay	1949	5,00,15,000	1st Aug. 1972	93
3 % Bombay	1950	3,01,87,700	31st July 1960	94
3½% Bombay	1951	3,04,08,900	17th Sept. 1962	98½
3½% Bombay	1952	5,00,00,000	16th July 1963	101
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	101½
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98½
3½% Cochin	1950	70,09,000	1st June 1956-61	99½
3½% Howrah Bridge (New)	1936-37	2,91,07,100	1956-66	95½
3 % Madras	1938	1,23,25,000	21st June 1958	94
3 % Madras	1942	1,23,25,000	18th Sept. 1955	99-10½
3 % Madras	1948	1,55,10,000	14th Sept. 1956	99
3 % Madras	1944	1,07,89,000	16th Aug. 1958	97½
3 % Madras	1945	2,76,44,000	14th Sept. 1960	94½
2½% Madras	1946	2,81,77,200	1st Sept. 1961	91½
3 % Madras	1950	4,88,35,400	31st July 1960	94½
3½% Madras	1951	3,01,49,800	17th Sept. 1962	97½
4 % Madras	1952	5,00,00,000	16th July 1963	100½
4 % Madras	1952	3,24,81,200	1st Aug. 1964	100½
5 % Mysore (J)	1930	1,68,44,800	1st Nov. 1955	102½
4 % Mysore (J)	1938	2,95,85,200	1st Dec. 1958-68	101½
3 % Mysore (J)	1939	5,99,72,000	30th April 1956-61	99-6½
3 % Mysore	1947	5,06,05,700	25th Jan. 1958	99-8½
4 % Mysore	1952	5,00,00,000	16th July 1968	99½
3 % M.P.	1942	50,00,000	12th Sept. 1955	98½
3 % M.P.	1943	50,54,200	14th Sept. 1956	98½
3 % M.P.	1944	52,69,800	16th Aug. 1958	97
3 % M.P.	1948	2,03,00,000	14th Sept. 1964	92½
3 % M.P.	1950	1,00,28,900	31st July 1960	94
4 % M.P.	1951	1,00,00,000	17th Sept. 1962	97½
4 % M.P.	1952	1,00,00,000	16th July 1963	99½
3 % Punjab**	1938-44	2,49,87,300	16th Aug. 1958	98 N
3 % Punjab**	1942	2,85,20,000	12th Sept. 1955	99½ N
3 % Punjab**	1948	2,48,78,300	14th Sept. 1956	98 N
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	97½ N
3½% Travancore-Cochin	1936	50,00,000	16th Aug. 1956	99½
3 % Travancore-Cochin	1953	3,00,00,000	16th July 1963	99½
3 % U.P.	1936	1,69,92,800	16th Sept. 1961-66	90½
3 % U.P.	1944	3,23,06,800	18th Aug. 1958	97
3 % U.P.	1945	2,36,81,900	14th Sept. 1960	94
2½% U.P.	1948	2,41,19,800	1st Sept. 1961	91½ N
2½% U.P.	1951	2,00,00,000	17th Sept. 1962	87½
3 % U.P.	1952	4,11,83,000	1st Aug. 1964	100½
4 % U.P.	1952	5,00,00,000	16th July 1963	100½
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	90
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1952	3,00,00,000	16th July 1963	100½

PORT TRUST LOANS

Amount Rs.	Interest	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
86,24,000	4	1904	1964	D
86,00,000	4	1905	1965	
18,00,000	4	1906	1967	
44,00,000	4	1907	1968	
78,00,000	4	1908	1968	97½ N
40,00,000	4	1909	1970	
50,00,000	4	1910	1971	
78,00,000	4	1911	1972	
1,30,00,000	4	1912	1973	
14,85,878	4	1913	1960	D
80,00,000	4	1918	1976	99½ N
88,88,100	4	1921	1976	99½ N
10,00,000	4	1925	1960	
65,00,000	4	1926	1975	
61,61,000	4	1927	1960	
11,61,000	4	1928	1960	
10,78,100	4	1929	1960	
18,00,000	4	1930	1959	
12,00,000	4	1930	1960	D
12,00,000	4	1931	1961	
18,00,000	4	1932	1962	
26,88,100	4	1935	1975	
15,00,000	4	1936	1976	
48,64,100	4	1938	1960	
20,00,000	3½	1938	1960	
7,00,000	3½	1941	1971	
CALCUTTA				
90,24,800	4	1914	1974	98½
70,00,100	4	1915	1975	98½
1,60,00,000	3½†	1921	1981	81
48,72,000	5½	1921	1981	141N
1,24,06,200	5	1926	1986-88	102
98,21,800	5½	1926	1986-88	108
99,84,800	5	1926	1986-88	101½
1,49,49,800	5	1927	1987-89	102½
1,49,80,000	5	1928	1988-88	108
80,00,000	5½	1928	1991	95
80,00,000	5½	1935	1995	98
85,00,000	5	1938	1943-63	90
80,00,000	3½	1945	2005	74N
80,00,000	3	1946	1976	84
80,00,000	3	1946	1976	84
50,00,000	2½	1946	2006	78½N
50,00,000	2½	1947	1977	78
50,00,000	3	1948	1978	82½
1,00,00,000	3	1948	1969	86
1,00,00,000	3	1949	1959	96
50,00,000	3	1950	1960	91½
1,00,00,000	3	1950	1960	91½
50,00,000	3	1950	1960	91½
50,00,000	3	1951	1961	87½
50,00,000	3½	1951	1961	97½
50,00,000	3	1952	1962	90½
50,00,000	3	1953	1963	88
STERLING LOANS				
£892,800	5	1922	1952-62	£87½
£2,001,000	5	1924	1954-64	£87½
£886,100	5½	1932	1962	£96
MADRAS				
81,47,100	3½	1947	1977	
9,88,000	3	1947	1977	
8,00,000	3	1948	1978	A
48,00,000	4½	1954	1964	

IMPR. TRUST LOANS

Amount Sanctioned Rs.	Interest	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
50,00,000	4	1899	1959	100
80,00,000	4	1901	1961	
80,00,000	4	1902	1962	
60,00,000	4	1903	1963	
80,00,000	4	1904	1964	
80,00,000	4	1905	1965	
20,00,000	4	1906	1966	97½N
40,00,000	4	1907	1967	
80,00,000	4	1908	1968	
28,00,000	4	1912	1972	
18,00,000	4	1914	1974	
50,00,000	4	1915	1975	97½N
20,00,000	4	1916	1976	
20,00,000	4	1917	1957-79	118N
60,00,000	5	1922	1955-80	
25,00,000	5	1926	1956-86	115N
25,00,000	5	1927	1961-70	96N
10,00,000	5½	1936	1966	
STERLING LOANS				
£566,700	4	1909	1969	£68½N
£833,000	4	1910	1970	£68½N
CALCUTTA				
50,00,000	6	1925	1955	101½
25,00,000	5½	1929	1959	107
50,00,000	5	1934	1964	99½
80,00,000	5½	1936	1966	94
80,00,000	5	1936	1966	90
50,00,000	5	1937	1967	91
20,00,000	5	1938	1968	90
80,00,000	5	1938	1968	90
50,00,000	5	1939	1969	90
50,00,000	5	1940	1970	90
50,00,000	5	1941	1971	90
50,00,000	5	1942	1972	90
50,00,000	5	1943	1973	90
18,00,000	5	1944	1974	90
18,00,000	5	1945	1975	90
18,00,000	5	1946	1976	90
18,00,000	5	1947	1977	90
18,00,000	5	1948	1978	90
18,00,000	5	1949	1979	90
18,00,000	5	1950	1980	90
18,00,000	5	1951	1981	90
18,00,000	5	1952	1982	90
18,00,000	5	1953	1983	90
MADRAS				
71,700	5	1925	1955	100N
2,67,000	5	1926	1956	101N
18,00,000	5½	1931	1961	107N
18,00,000	5½	1932	1962	107½N

MUNICIPAL LOANS

Rs.	Interest	Year of Issue	Repayable	Rs.
BOMBAY				
20,60,000	4	1918-19	1974	90½
20,00,000	4	1918-19	1955	100
25,00,000	5	1920	1980	118
25,00,000	5	1921	1981	104½
8,45,500	5	1929	1954-59	to
20,21,500	5	1929	1959	108½
8,28,000	5	1931	1957	89
8,50,000	3½	1949	1979	86
6,00,000	3½	1950	1965	98½
2,50,000	3½	1951	1966	98½
2,00,000	3½	1951	1966	97
1,50,000	4	1952	1968	100
1,00,000	4	1952	1964	99½
1,00,000	4	1954	1966	99½
CALCUTTA†				
64,70,000	6	1925	1955	101½
86,00,000	5	1928	1958	108
25,00,000	5	1929	1957	107½
25,00,000	5	1929	1959	108½
10,00,000	5½	1932	1962	108
18,91,000	5½	1935	1965	94
60,00,000	5	1936	1966	90
47,00,000	5	1938	1968	90
18,00,000	5	1938	1968	90
17,64,400	3½	1942	1959	96½
81,10,000	3½	1942	1972	93
18,49,000	3½	1951	1961	97½
18,83,000	3½	1951	1961	97½
68,80,000	3½	1951	1968	97½
87,26,000	4	1952	1962	99½
78,50,000	4½	1954	1978	100

**These share carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. out of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these share carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

‡These carry the right to cumulative dividend of 7 per cent. and of any surplus profits available after 10 per cent. ordinary capital.

††† These shares can be redeemed, at Rs. 105 any time by special resolution.

§ These shares are entitled to receive 25 per cent. of the divisible profits in addition to the Dividend Capita and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

ABBREVIATIONS.

A—Held by Government of India. B—Taken up by Imperial Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. N—Nominal.

(J) Income-tax free. * Loans held entirely by the Trustees. **Quotation in Pak. Currency. ***Rupee Counterparts.

† Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June, 1954.

‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. j—Interest free for first 12 years. i—Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	136	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1879	6½	Mar. Sept.	93½xd	100
Cawnpore Sugar Works	10,00,000	1903-24	8	Feb. Aug.	143xd	100
Dwarka Sugar & Abkhari* A	7,00,000	1930	7	July Apr.	116½	100
¶East India Distilleries	£300,000	1897	7	Jan. July	17	£1
Gwalior Sugar	4,75,000(c)	1940	7B	Dec. ..	71	100
Do. (Non-redeem.)	3,00,000	1940	7B	Dec. ..	71	100
Partabpore Co.	6,00,000	1922	10	Oct. ..	15½xd	10
Ramnagar Case	4,00,000	1933 34	6	Aug. ..	107	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	73N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	161½	100
Tamaroore	14,99,135	1946	5(c)	Dec. ..	8½	10
Upper Ganges	12,00,000	1932	3	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Burna	4,00,000	1896-97	6½	Oct. Apr	119	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	121	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	6,00,000	1895	6	Mar. Sept.	119	100½
Karanpura Collieries	7,50,000	1946	5½(a)	.. ..	67½	75(pp)
¶Khas Kajora	1,53,000	1931	5	Mar. Sept	9¾	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12½	10
Oudal	5,00,000	1898-99	6½	Apr. Oct.	114	100
COTTON						
Ahmedabad Advance	10,00,000	1939	3	Apr. Oct.	105	100
Bagalore	4,00,000	1888	6	Jan. July	130	100
Banati Cotton	3,00,000	1938	5½	Nov ..	8½	10
Benares Cotton	1,05,200	1919	7	July Jan.	63	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	120½	100
Bowrah 'A'	6,00,000	1900	8	Feb. Aug.	136	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	82	100
Bradbury	16,75,000	1919	7	June Dec.	323	250
Bonlingham & Carnatic	21,30,200	1920	7½	Jan. July	140	100
Cambodias	11,00,000	1928	7	Apr. ..	123	100
Central India	50,00,000	1919	3	Apr. Oct.	490	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	117½	100
Elgin	11,00,000	1912	5	May Nov.	143	100
Do. 'B' Pref.	4,20,000	1943	3	July Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	88	100
Khaitan	20,00,000	1919	7	June Dec.	128

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nothing quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. I=Interim Dividend. F=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and Dec ber, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
80,00,000	3,74,976	43,22,382	45,05,372	—2,24,486	Rajputana Textiles (Agencies) Ltd.	47,512	8,981	Apollo Mills	24	8	8 4(c)	0-4 (c)			12	W.
40,00,000	24,00,000	1,34,85,581	72,25,655	—3,76,311	B. R. Sons, Ltd.	50,596	1,021	B. R. Cotton Mills	54½	Nil	Nil	Nil			12	W.
1,30,98,000	2,37,32,833	3,91,24,744	3,31,78,249	2,00,087	Nowrosjee Wadia & Sons, Ltd.	1,89,680	4,855	Bombay Dyeing & Mfg.	472½	20	20 0*	22 8*	7 8½		12	W.
1,09,42,800	2,37,88,985	2,35,92,095	1,73,24,388	2,48,761	Ramaraina Sons, Ltd.	42,008	960	Bradbury Mills	160	50	100 0	100 0	75 0		12	Y.P.V.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,06(c)	Birla Bros., Ltd.	1,25,936	2,698	Century Sps. & Mfg.	370½	100	20 0	22 0	8 0½		12	V.
					V. J. Pitani (Chairman and Managing Director)										3	V.
86,00,000	13,33,380	64,51,450	44,36,747	21,158	Cowasjee Jehangir & Co., Ltd.	39,408	798	Colaba Land & Mill	59½	100	Nil	Nil			12	V.
16,00,000	25,08,261	64,39,890	50,46,041	38,562	Ramnarain Sons, Ltd.	30,130	680	Coorla Sps. & Wvg.	137½	100	7 8	7 8			12	V.
36,00,000	27,75,000	68,55,752	60,73,724	16,489	Purannal Radhakishan & Co.	38,704		Dawn Mills	90	50	6 0	6 0	7 8		3	V.
89,97,750	11,93,292	1,09,30,311	73,99,225	37,999	K. D. Jalan, Esq. (Chairman)	30,296	928	Edward Textiles	245	800	13 0	13 0			3	V.
11,84,000	63,81,873	86,92,384	68,51,296	3,74,369	James Finlay & Co., Ltd.	43,376	886	Elphinstone Spg. & Wvg.	40	50	Nil	Nil			12	V.
16,000	75,99,589	1,20,85,307	91,11,500	8,850	Thackersey Mooljee & Co.	46,072	784	Finlay Mills	249	100	20 0	16 0	2 8½		12	V.
8,00,00,000 C										1,000	200 0*	225 0*	225 0	40 0½	12	V.
80,00,000 D	1,13,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,38,030	6,278	Hindoosten Spg. & Wvg. Mills	992½	150	50 0	56 4*	56 4	10 0½	12	V.
8,65,000	71,99,043	1,22,31,586	82,39,000	3,951	Damodhar Thackersey Mooljee & Co	56,236	1,192	Indian Mfg.	11½	10	Nil	0 10½			3	V.P.
35,000									11	Nil		0 1				
99,83,000	40,24,767	2,15,86,170	1,74,28,945	23,212	Khatau Makanji & Co., Ltd.	84,604	1,513	India United Mills	1,800 xd	1,000	200 0*	225 0*	225 0		12	V.
1,80,00,000	1,44,50,000	3,49,59,105	2,46,94,456	12,185	Kilick Industries Ltd.	1,20,504	1,846	Khatau Makanji Spg. & Wvg.	992½	300	100 0	112 8*	112 8	40 0½		
39,80,000 A	44,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.	61,516	1,640	Kohinoor Mills	159½	100	10 0	10 0	8 0		3	V.P.
3,40,000 B									313	100	10 0	20 0	8 0			
82,13,050	41,30,929	1,10,76,967	48,72,195	12,177	N. Sirur & Co., Ltd.			Madhusudan Mills	844	100A	20 0*	20 0*	18 0		6	V.P.
31,75,000	32,62,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	48,676	644	Modern Mills	408	100	6 4	6 4			12	V.
8,60,40,600	2,83,011	4,91,70,648	1,10,07,000	3,01,242	Chunilal & Co., Ltd.	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	85N	50	5 0	5 0			6	V.P.
84,00,000	25,60,685	74,52,403	46,04,752	27,546	W. H. Brady & Co., Ltd.			National Rayon Corporation	50	10	12 0	12 0			12	V.
50,00,000	15,47,407	89,82,380	42,42,740	12,515	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	206	Nil	9 0		14 0	10	3	V.
12,70,100	36,36,004	42,69,352	13,16,680	423	Mafatlal Chandulal & Co. (Bombay), Ltd.	49,012	1,018	New Great Spg. & Wvg.	155	100	10 0	10 0	10 0		6	V.P.
48,00,000	36,07,273	1,42,08,882	91,59,811	30,473	Ramnarain Sons, Ltd.	34,100	873	New Union Mills	32	10	1 4		7 8		12	V.
40,00,000	43,62,741	24,64,450	22,50,000	8,99,184	Podar Sons, Ltd.	66,324	1,190	Phoenix Mills	110	100	8 0	8 0			12	V.P.
3,00,000	8,44,062	21,20,749	18,99,340	2,590	David Sassoon & Co., Ltd.	32,400	930	Podar Mills	156½	100	10 0	10 0			12	V.
15,00,000	69,06,474	1,24,72,606	81,47,282	10,145	M. C. Investment Corporation, Ltd.	9,520	277	Sassoon & Alliance Silk Mill	15½	10	1 4	0 12			12	V.
80,00,000	86,20,061	87,30,546	45,31,044	2,99,922	Marwar Textiles (Agency) Ltd.	60,608	1,234	Sassoon Spg. & Wvg.	36½	10	1 4	0 8			12	V.
42,00,000	38,80,000	80,15,075	68,69,000	21,940	Shree Niwas Cotton Mills	66,836	1,640	Shree Niwas Cotton Mills	235	100	12 8	14 0			12	V.
					Forbes, Forbes Campbell & Co., Ltd.										12	V.
86,00,000	1,19,87,137	1,53,60,577	1,03,73,256	32,648	Mafatlal Gagalbhai & Sons	29,436	1,274	Simplex Mills	147½	50	15 0(c)	15 0	11 0	4 0½	12	V.
1,00,00,000	1,18,72,086	1,70,99,941	90,25,820	40,896	Tata Industries Ltd.	57,298	1,633	Standard Mills	377½	100	20 0	20 0			12	V.
86,00,000	60,78,465	93,47,133	58,93,668	3,74,757	Jaffer Finlay & Co., Ltd.	67,872	2,000	Swadeshi Mills	190	100	16 0	16 0			12	V.
32,57,438	49,90,352	1,51,47,927	43,36,553	6,863	Tata Industries Ltd.	38,828	552	Swan Mills	322½	100	30 0	30 0			12	V.
18,00,000	62,55,708	98,83,223	94,65,000	4,219	Thackersey Mooljee Sons & Co.	61,792	1,900	Tata Mills	594½	100	25 0	25 0			12	V.P.
						54,424	1,181	Western India Spg. & Mfg.	3,875xd	1,000	200 0*	225 0*	225 0	40 0½	12	V.
AHMEDABAD																
88,00,000	25,97,650	96,80,904	55,57,028	5,660	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	121½	100	10 0	10 0*	5 0		12	V.
10,00,000	90,53,638	89,83,424	65,39,067	7,878	P. M. Hathisaing & Sons, Ltd.	42,768	912	Arvind Mills	537½	100	20 0*	20 0*			12	V.
86,25,000	2,23,86,002	1,33,18,915	89,13,000	47,548	Narottam Lalbhai & Co.	62,448	1,216	Asoka Mills	1,140	100	25 0	25 0			6	V.P.
80,00,000	38,43,340	79,44,276	56,35,000	3,90,074	Mergaidas & Bros., Ltd.	35,844	1,000	Calico	285N	200	33 0	22 0*			12	V.P.
12,00,000	1,05,36,021	82,38,319	66,69,331	1,22,642	Lakhas Dalpatbhai & Co.	57,368	914	Ganesh Cotton Spinning & Mfg.	580	100	33 0	33 0			12	V.P.
4,24,77,852	99,56,782	3,97,51,801	2,72,33,244	83,51,384	Sarabhchand Premchand Ltd.	1,39,120	2,270	Calico	330½	125	22 0	22 0*			12	V.P.
45,00,000	48,45,000	1,05,39,863	72,50,006	6,391	Tikamlal Sheghal & Co., Ltd.	45,836	867	New Commercial Mills	109½	125	10 0	10 0	4 0½		12	V.P.
89,00,000	70,78,334	99,79,262	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	51,152	865	New Shorrock Spg. & Wvg.	750	70	70 0	70 0			12	V.P.
5,00,000	61,15,982	46,72,743	31,76,001	700	Jayabhai Bhogilal Navasaty & Co., Ltd.				739	125	35 0				12	V.P.
12,50,000	1,09,22,589	79,71,738	52,25,077	32,522	Lalbhai Dalpatbhai & Co.	24,840	572	Nutan Mills	340N	100	30 0*	30 0*			12	V.P.
12,00,000	13,93,067	74,93,069	39,67,450	—13,90,516	Mergaidas Gordhandas Parekh Ltd.	31,120	634	Raipur Mfg.	892½	100	25 0	17 8			12	V.
82,50,000	16,74,525	84,83,940	52,67,803	4,020	Lalbhai Kantilal Cardas Ltd.	42,300	1,095	Rampur Spg., Wvg. & Mfg.	110N	250	Nil				12	V.
88,98,150	1,83,62,239	1,53,66,919	1,17,07,000	4,000	Ramanlalbhai Kalidas & Co.	33,136	648	Robin Mills	137½	100	Nil				12	V.P.
19,92,500	52,12,167	61,33,831	44,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	97,332	1,781	Shri Ambika Mills	358	50	10 0	18 0			12	V.P.
28,00,000	26,43,469	75,32,266	61,24,605	31,806	Harubhai Achariwal & Co., Ltd.	36,624	720	Shorrock Spg. & Mfg.	450N	100	20 0				12	V.P.
						36,176	780	Vijaya Mills	530N	400	35 0*	35 0*			12	V.
WEST BENGAL																
15,00,000	1,88,479	34,10,729	19,47,810	41,227	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	5	10	Nil	0 4			12	V.
7,11,280	3,95,369	40,98,098	23,80,978	47,818	Bengal Textile Agency, Ltd.	32,352	936	Bengal Luxmi Cotton Mills	28N	40	3 0	Nil	4 0		12	V.P.
6,00,000	22,75,078	80,45,279	51,52,000	—19,86,726	Kettlewell Bullen & Co., Ltd.	42,572	841	Bowreah Cotton Mills	405	100	Nil	Nil	Nil		3	V.P.
19,00,000	25,15,726	87,91,258	69,83,080	—10,45,860	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	211	100	Nil	Nil	Nil		6,12	V.
1,60,00,000	1,98,18,540	3,42,43,338	1,08,56,338	2,15,714	Birla Brothers, Ltd.	70,040	1,990	Kesoram Cotton Mills	22½	20	1 12	1 12	1 12		6,12	V.
85,46,700	9,75,000	84,54,400	67,06,237	5,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	20					6,12	V.
19,47,750 C									83	1	1 4				3	V.
3,00,000 D	5,75,000	41,85,833	19,32,788	15,666	Hazaremull Hemraj	23,196	795	Rampooria Cotton Mills	12	10	0 8				12	V.
									8 N	10 D	Nil	0 8 Nil			12	V.P.
SOUTH INDIA AND OTHER CENTRES																
15,00,000	8,09,109	59,21,613	21,03,246	2,736	Rasoal & Co., Ltd.	55,000	750	Alagappa Textiles (Cochin) Ltd.	63	10					6	V.
91,94,400	31,99,334	2,06,04,796	50,52,372	2,771	Industrial Trust Fund,	38,136	1,150	Assam Jute Mills	68	100	6 0	6 0			12	V.P.V.
40,50,000	1,74,49,038	3,06,08,237	2,12,61,355	8,40,393	Binny & Co. (Madras), Ltd.	40,048	1,157	Bangalore Woollen, Cotton and Silk Mills	415cd	100	15 0	23 0	10 0½		12	V.
27,00,000	15,50,000	77,25,132	53,72,132	18,199	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	12½	100	10 0	10 0*			12	V.
15,00,000	1,07,71,076	1,01,44,941	67,39,141	4,07,265	Birla Brothers, Ltd.	39,996	998	Birla Cotton Spg. & Wvg. Delhi	67N	10	6 0	6 0			12	V.P.
1,70,41,300	1,44,80,321	5,91,55,208	3,09,15,105	2,32,842	Binny & Co. (Madras), Ltd.	1,20,356	2,744	Buckingham & Carnatic	150	100	3 0	3 0			6,12	H.P.V.
20,00,000	20,00,181	30,98,329	17,91,411	39,657	Prince, Leslie & Co. Ltd.	37,536		Cambrooke Mills	125	100	4 0	10 0	4 0½		12	V.
14,99,229	4,75,000	42,54,384	19,27,257		Malabar Industrial Syndicate	16,800	591	Cannanore Spg. & Wvg.	12½	10	1 0	0 12			12	V.P.
80,00,000	26,49,973	51,84,118	47,84,815	26,773	Binny & Co. (Madras), Ltd.	28,944		Coimbatore Textiles	129½	100	12 0	12 0			12	V.P.
12,00,000	19,83,494	28,94,435	21,38,908		R. Bhewna Naidu & Co.	28,964		Coin Factory Cotton Mills	5	5	0 0	0 0	0 8		3	V.
80,00,000	13,90,000	33,17,361	19,08,703	3,400	T. R. Naidu & Co.	21,978	407	Coimbatore Pioneer Mills	302	100	9 0	20 0			3	V.
80,75,900	4,38,846	1,14,48,334	68,90,010	4,76,903	R. G. S. Naidu & Co.	72,188	1,407	Coimbatore Spg. & Wvg.	203½	100	9 0	15 0	10-0½		12	V.
48,47,500	61,78,247	2,54,42,657	1,31,36,858	14,071	Tata Industries, Ltd.	1,15,188	2,082	Central India	68½	50	Nil				12	V.P.
3,38,36,225									129	100	2 0	5 0	2 0		6	V.P.
1,00,00,543	2,63,12,465	8,25,97,662	4,42,00,000	1,69,241	B. R. Chorai Ram & Co., Ltd.	1,16,636	2,355	Delhi Cloth & General Mills	35½	100	5 0	5 0	2 0		6	V.
84,34,800	24,06,342	42,39,039	30,16,081	9,457	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	28	1	1 2	1 12	2 4		6	V.
65,00,000	33,27,872	1,46,96,492	1,21,71,631	62,277	Binny, Sutherland & Co., Ltd.	33,768	1,198	Elgin Mills	314cd	100	0 1 4/3	0 4/3	0 3 3/3		6	V.P.
89,04,700	43,23,176	81,87,379	62,05,070	83,195	Forbes, Forbes Campbell & Co., Ltd.				16½	20	1 0	20 0			12	V.
80,00,000	12,93,745	1,25,73,688	88,01,206	12,371	Govindram Sekseria (Indore)	72,904	3	Gokak Mills	227	10	1 0	1 0	1 0		12	V.
8,90,000	10 62,423	28 57,887	14 65,579		G. V. Naidu & Co., Ltd.	51,190	1,420	Indore Malwa United	95	100	17 0*	17 8			9	V.P.
84,00,000	15,73,000	64,03,061	32,00,000	20,004	Kothari & Sons	30,512	200	Janardana Mills	77	100	6 0	6 0			12	V.
32,00,000	71,10,521	1,43,07,561	1,01,44,340	52,367	Bombay Co., Ltd.	51,972	1,219	Kothari Textiles	30	5	2 12	4 0			12	V.
33,44,100									12	10	0 12	0 6			12	V.
17,82,050	44,00,000	1,00,53,685	69,38,848	23,793	G. R. Naidu & Co.	76,960	200	Lakshmi Mills	517½	250	37 0	37 8	0 8		12	V.
1,75,02,480	4,13,81,878	5,66 33 243	3,44 90,463	9,66 800	A. & F. Harvey Ltd.	63,952		Madura Mills	135	50	5 0	5 0	7 8		6	V.P.
40,00,000	4,17,363	27,72,881	16,02,069	1,14,658	A. L. A. R. S. Chettiar and Brothers	22,592	100	Maidan Spg. & Wvg.	81	5	1 8	1 8	10 0		12	V.
89,80,884	28,14,157	76,14,218	44 82,885	50,153	W. A. Beardsell & Co., Ltd.	25,656	603	Meetur Industries Ltd.	46½cd	15	3 0	3 0	5 0		8	V.
84,91,850	27,24,404	1,61,29,118	78,81,528	—7,44,932	N. Sirur & Co., Ltd.	39,200	704	Minerva Mills	800	100	12 0	12 0	3 0		12	V.
80,00,000	52,19,600	1,53,39,272	1,05,51,651	—7,77,250	Bansilal Abirachand Deolalkar & Co.	51,340	955	Model Mills (Nagpur)	125	100	5 0	5 0			12	V.
84 83,000	58 99,966	93,25,192	61 37,444	22,997	Indian Textile Syndicate Ltd.	48,640	1,954	Muir Mills	137½	250	7 0	7 0*	22 8*		12	V.
13,61,780	2,58,745	29,42,993	15,27,000	3,586	N. Sirur & Co., Ltd.	49,644	500	Mysore Spg. & Mfg.	107N	100	7 0	7 8*	5 0(c)		12	V.
22,89,885 C									121½	30	10 0*	10 0*			6	V.
8,07,095 D	23,62,532	1,02,16,296	58,90,719	—39,62,329	R. Sunyasbanyana Rao Esq. Manager	6,000	..	Mysore Spun Silk Mills	45	10	Nil	Nil	8 8*	3 0½	12	V.
67,61,960	87,08,000	1,64,48,327	62,62,651	13,819	J. P. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills	1½	1	Nil	Nil	Nil		3	V.
6,00,000 A									0-2½	D	Nil	Nil	NB		3	V.
6,00,000 B	7,50,000	33,81,578	18,80,484	551	Industrial Trust Fund	57,788	847	Osmanabadi Mills	70	100	7 0	4 8			12	V.
15,00,000	8,56,920	32,54,378	16,53,848	4,411	Bhagwatikhadi & Co.	29,924	..	Palani Andavar Mills	114	50A	7 8	12 8			12	V.
88,11,200 A									160	75B	11 4	18 0			9	V.
8,49,200 B	20,58,884	39,68,909	31,35,638	1,458	A. G. Gurusamy Naidu & Co.	46,384	301	Padubridhan Mills	51	100					12	V.
15 00,000	32 25 000	25 50 868	16 48 985	34 422	B. R. Naidu & Sons	25,996		Rajalakshmi Mills	219	100 A	6 0	8 0			12	V.P.
22 23 375	12 10,000	38 91,395	14,21,264	23 505	Raja Sarma Development Co.	14,800	..	Rayalaseema Mills	108	50B	3 0	4 0			12	V.
60,00,000	62,44,304	98,28,367	35,63 291	—19 39 428	J. P. Srivastava & Sons (Rampur).	33,984	600	Raza Textiles	132	50	Nil	Nil			12	V.
									91½cd	100	6 0	6 0	9 0		12	V.
16,00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Monarka & Co.	84,048	2,234	Sholapoor Spg. & Wvg.	48	10	Nil	Nil			12	V.P.
									1,400	1,000					12	V.
26,69,700	11,43,000	25,40,039	49,25,631	26,144	H. N. Pallevar, Esq.	31,668	792	Sri Krishnapuram Mills	800	Nil	Nil	Nil			12	V.
88,14 800	2,00 246	35,18,908	17,31,000	—2,46,797	Copes Sons Lilladhar & Co., Ltd.	17,880	440	Shree Gajanan Mills	75	50	4 0*	4 0*	4 8		3	V.
15,00,000	2,49,73,985	87,38,169	62,02,083	31,22,917	Birla Brothers, Ltd.	36,212	1,242	Sutlej Cotton Mills	72N	100	Nil	Nil	Nil		12	V.
									76	10	4 0	4 0	3 0		3	V.
17,50,000 C	2,20,00,000	4,32,93,265	1,56,70,740	2,67,165	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	8½	100	Nil	0 8			12	V.
1,57,50,000 D									9	10F.O.		0-14 2/3				
99,92,028	3,25000	2,71,91,023	76,93,946	41,430	Ewenee & Sons (Travancore), Ltd.			Travancore Rayons	13-14½	10	Nil	0 8			12	V.P.
13,98,666	8,48,232	13,19,240	9,97,510	4,009	Meetee Ramjee & Sons	16,256	..	Trichinopoly Mills	12½	10	0 11 1/3	0 11½			12	V.P.V.
81,00,000	32,87,606	49,31,870	92,22,304	88,000	K. R. S. Chetty & Brothers	33,704	270	Vasanta Mills	218	100	12 0	12 0			12	V.
88,00,000	47,34,135	1,34,36,953	89,30,678	1,868	Ben Roy Co., Ltd.	54,260	1,337	Vishnu Cotton	122½	100	10 0	4 0			12	V.P.

* Includes bonus.

Has mortgage loan of Rs. 80 lakhs against mortgage of fixed assets.

(b) Subject to taxation and workers' bonus.

(p) Interim dividend of Rs. 5 per shares was paid on 42,000 shares of Rs. 50 each: final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each.

(c) Paid out of reserves.

X. R.—Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
2,78,000	16,64,000	1,09,25,186	50,37,365	21,554	Parry & Co., Ltd.	Deccan Sugar & Abkhari	31	25	2 13F	Nil	Nil	NB	5	Y.P.
2,54,000	15 83,781	23,47 704	11,58,077	14,143	Mr. K. G. Khanna	Dyer Meakin Breweries	42	10	1 2F	Nil	Nil	Nil	5	V.
16,20,630							17cd	5	0 8	0 8	0 8			
£80,000A	£668,781	£1,193,278	£500,508	£59,690	Parry's Holdings Ltd.	East India Distilleries and Sugar	29½cd	Sh. £1	Sh. 3	Sh. 3	Sh. 4		5	Y.P.
£300,000B							162xd	75	7 8	15 0	15 0	15 0	3	V.
6,00,000	9,60,000	11,63,313	11,63,307	4,057	Vittal Mallya, Esq. (Chairman)	United Breweries								
CEMENT														
11,37,700A	8,69,857	75,78,758	55,89,342	4,636	Andhra Engineering Co., Ltd.	Andhra Cement Co.	130	100	7 8	7 8	10 0*		12	Y.P.V.
39 67,420B							13½	10	0 12	0 12	1 0*			
43,14,600C	11,14,602	18,53,830	7,23,479	1,20,881	Eastern Corporation Ltd.	Assam Bengal Cement	7½	10	Nil	Nil	Nil		3	Y.V.
4,70,976D							1	D.						
£2,67,39,333	4,18,90,259	20,42,88,558	7,85,13,157	6,93,281	Cement Agencies Ltd.	Associated Cement Companies	177½	100	9 8	9 8	9 8	8 8	7	W.
60,00,000O.							12½	O. 10	0 10	0 10	1 0½			
88,49,798O.	46,39,155	81,39,445	20,01,691	67,792	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	3½	O. 2½	0 2½	0 2½	0 4		12	Y.P.V.
5,00,000D.							2	D. 1	Nil	Nil	0 1-3/3			
42,50,000O.	4,00,000	1,43,54,423	31,47,637	6,15,163	Essen Ltd.	India Cements Ltd.	20½	O. 25	Nil	1 4	Nil		3	Y.P.
7,50,000D.							3½	D. 2	Nil	0 4	Nil			
59,84,000	13,00,000	1,67,86,035	51,49,060	1,62,701	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	168½	100	5 0	6 0	6 0		12	V.P.
75,00,000	20,95,000	1,75,91,085	1,37,82,076	6,448	Martin Burn Ltd.	Seonaulley Portland Cement	7½	5	0 4½	0 8	0 6		12	V.
CERAMIC; MINING AND QUARRYING														
81,70,655	1,50,000	60,96,114	23,31,090	15,378	S. Lall Bhagat & Co.	Bengal Potteries	3	2½	0 2½	0 2½	0 2½		12	V.
10,00,000	22,81,783	56,54,921	32,63,272	8,804	Bird & Co., Ltd.	Burn Stone Lime Co.	43½N	10	0 14	0 14	0 14½	0 8F	3,9	H.
£914,200	£1,105,500	£1,839,281	£997,797	£76,278	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3-9½	5	3d.	Nil	2 6d.		12	V.
80,00,000	26,93,396	43,63,547	12,14,544	26,086	Bird & Co., Ltd.	Kanungo Development	19½	10	Nil	Nil	Nil	Nil f	6,12	H.
6,00,000	2,33,000	8,23,246	4,75,150	603	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	8½	10	1 0	1 0	0 12	0 8	3	V.
10,00,000	40,72,476	37,92,892	23,18,629	1,47,081	Bird & Co., Ltd.	Orissa Minerals	25½	10	0 8	1 2	2 0		6,12	H.
								10	0 12	2 0	2 0			
6,00,000	8,62,360	30,62,815	20,25,104	7,622	M.	Reliance Firebrick & Pottery	15½	10	0 8	0 10	Nil	Nil	2,8	H.
7,00,000	36,45,000	33,70,988	15,32,501	33,358	Kilick Indust

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
						PAPER								
45,00,000	22,36,841	1,98,78,118	1,37,10,118	1,50,325	Balmer Lawrie & Co.	Bengal Paper Mills	59½	25	1 9 Nil	1 9	1 9‡		6,12	H.P.T.
80,00,000	31,69,805	1,05,17,526	70,27,591	2,16,318	Andrew Yule & Co., Ltd.	India Paper Pulp	242	100	5 0 6 0 5 0 6 0	7 0†	7 0†		3,9	H
83,00,000	16,12,500	1,18,13,367	47,31,061	49,179	B. P. Ramakrishnan Esq.	Mysore Paper Mills	17½	10	1 0* 1 0*	0 12*			3	V.
1,46,82,500	1,53,71,781	9,56,00,806	85,37,779	2,56,680	Birla Bros.	Orient Paper	24½	10	1 0 1 0 1 0 1 0	0 7			3,9	H.P.T.
80,06,290	78,16,849	1,11,54,742	62,73,807	8,83,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	14½	10	0 12 0 12 0 12 0 12				6,12	H.P.T
40,00,000 10,00,000A.	7,02,430	30,37,167	28,55,530	9,798	Bajoria & Co.	Star Paper Mills	13 A. 10 13 A. 10 41½ A. 10 41½ B. 10 4½ P.O. 2½	O. 10	1 0 0 4 1 0* 0 4 0 6 1 0 1 0* 0 12 1 0* 1 0* 0 12 0 2 0 2 0 2 0 2				3,9	H.P.T
56,00,000A. 56,04,800B. 4,37,500P.O.	2,83,01,797	5,11,76,455	3,06,96,855	3,59,432	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.							3,9	H.P.
						PRESSING								
8,00,000	6,12,365	15,78,488	10,90,581	20,403	Andrew Yule & Co.	Calcutta Hydraulic	85	100	5 0 5 0	4 0			6	V.
4,30,000	1,00,000	6,89,526	4,13,056	2,354	Pyne & Sons	Can-percem	93N	100	7 0 7 0				7	V.
5,00,000	1,55,000	10,91,811	9,30,377	12,962	Andrew Yule & Co	Central Hydraulic	87	100	5 0 4 0	5 0			6	V.
						PROPERTY AND LAND								
10,00,780O. 8,00,000T.	4,02,582	42,65,284	19,09,280	419	E/A. Basil, Esq., & others (Directors)	Humayun Properties	11	O. 10	0 8†					
60,00,000	18,90,038	84,21,336	15,00,000	350	David Sassoon & Co., Ltd.	Port Canning Land	15	D. 1	Nil				9	V.P.
94,00,000	35,56,934	98,49,123	1,06,646	195,262	Andrew Yule & Co.	Midnapore Zamindary	39½	100	1 0 1 8 2 0 1 8	1 8 4 0			4	V
						SAW MILLS AND TIMBER								V.P.
13,99,998	28,19,726	25,86,404	6,94,804	—87,203	Bird & Co.	Assam Saw Mills	6‡	5	0 4	Nil				
30,00,000 42,00,000	4,08,84,385	3,05,42,310	1,22,52,525	56,875	Wallace & Co.	Bombay-Burmah Trading Corpn.	45½ Old 125 160 New 50	22 8 9 0	1 0 6 0	20 0 8 0			9	V.
6,00,000	....	2,00,768	1,76,945	—5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	40N	100	Nil	Nil			5	V.
80,00,000	16,15,487	17,44,613	12,66,634	1,63,401	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	36‡	10	3 0 2 8	1 0‡			6	V.P.
						SUGAR (U.P. and Bihar)							9	V.
14,00,000	13,55,971	38,50,924	27,77,928	23,527	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	9½	5	Nil	Nil	0 12			
12,00,000A. 3,00,000B.	29,18,356	49,46,285	33,16,660	15,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	14‡N A. 100 13½N B. 10	10 0 1 0	10-0 1-0	10-0 1 0			7	V
10,00,000	5,00,000	32,00,095	21,68,136	1,66,138	Banpur Bros. Ltd.	Belsund Sugar	10½	10 0 12	0 12	9			4	V.
15,00,000	13,85,319	45,47,836	11,37,841	26,084	Cotton Agents Ltd.	Bihar Sugar	19½N	10 1 8	1 8	1 8			9	V.
32,00,000	26,79,431	1,35,76,859	88,78,177	61,723	Gladstone Lyall & Co., Ltd.	Caren & Co.	9‡	10	Nil	Nil	0 12		6	V.P.
15,00,000	23,02,981	1,00,12,353	81,32,451	59,696	Begg, Sutherland & Co., Ltd.	Champaran Sugar	18½	10 2 0	2 0	0 12			6	V.P.T.
18,00,000	53,86,692	87,14,964	30,49,402	24,329	Begg, Sutherland & Co., Ltd.	Deoria Sugar	23½	10 2 0	1 0	1 0			10	V.P.
5,99,452	6,18,362	22,66,286	14,01,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	8N	10 0 8	1 0				6	V.
85,00,000A. 10,00,000O.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mill's	175N A. 100 — O. 100	12 0* 12 0*	15 0* 15 0*				8	V.T.
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	87N 30N	80 40	Nil Nil	Nil Nil			7	V.P.
7,89,100	23,05,922	29,32,672	17,61,033	64,888	Cotton Agents Ltd.	New India Sugar Mills	34N	10 2 8	2 8	2 8				
11,00,000	4,20,000	37,49,397	24,14,065	8,769	Karamchand Thapar & Bros. Ltd.	New Swan	6‡	10 0 8	0 8				6	V.P.
10,97,500 A. 2,71,875 B.	49,84,457	63,27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mills	220N 55N	100 25	20 0 5 0	20 0 5 0			5	V.
77,48,500	52,22,414	1,73,96,483	88,00,000	36,923	Cotton Agents Ltd.	Oudh Sugar	115N	100	6 0	3 0	3 0		6	Y.
12,00,000	12,71,178	28,44,658	18,81,746	66,010	Narang Bros. & Co., Ltd.	Punjab Sugar	104N	100	6 0	11 11	2 0		7	V.P.
9,00,000	13,93,919	33,23,095	29,32,249	3,957	Begg, Sutherland & Co., Ltd.	Purnea Sugar Co.	18‡	10	1 0	1 0	0 12		3,9	V.
8,00,000	6,54,762	23,43,782	21,01,613	24,340	Begg, Sutherland & Co., Ltd.	Ryam Sugar	14½N	10	1 0	0 8	0 8		10	V.P.
11,99,000	17,75,737	38,17,360	32,17,129	13,455	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	14‡	10	1 0	0 8	0 8		4	V.P.
80,00,000	21,68,360	1,04,46,721	55,25,293	3,337	Babu Jain Ltd.	Shree Krishna Gyanoday Sugar	17½	10	1 8	1 8			7	V.P.T.
9,99,950	61,825	27,77,628	12,85,342	—1,89,266	H. K. Ghosh, Esq., and P. N. Datta, Esq. (Managing Directors)	Shalpore Sugar	31	10	0 6‡	Nil				
7,95,462	16,32,940	29,95,970	16,32,168	92,009	Karamchand Thapar & Bros.	Shri Sitaram Sugar	25½	10	1 0	2 0*			6	V.
9,15,000O. 4,40,000D.	47,592	27,27,402	11,46,770	—15,50,149	N. K. Jain & Co., Ltd.	South Behar Sugar	1‡N O. 10 1N D. 2½	Nil Nil	Nil Nil				8	V.T
6,00,000	20,87,588	83,26,115	50,99,754	48,719	Cotton Agents Ltd.	Upper Ganges Sugar	31½	10	2 0	0 8	2 8		10	V.P.
16,00,000	7,99,778	81,12,369	84,99,651	5,181	James Finlay & Co., Ltd.	United Provinces Sugar	26	10	1 8	0 8			9	V.
						Other Centres								
6,99,750	65,29,871	1,40,80,073	84,87,447	33,628	W. H. Brady & Co., Ltd.	Belapur Company	325	50	16 0	16 0	16 0			
30,00,000	11,90,010	31,48,813	19,76,942	38,000	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	14½	10	1 0	0 10	1 0		9	V.
15,93,900	2,45,841	39,19,958	20,01,146	31,993	Shri J. Srivastava & Sons (St.B.) Ltd.	Gwalior Sugar	45	100	3 0	Nil	Nil		9	V.P.
30,00,000	30,25,085	25,07,464	18,53,-39	2,32,019	India Sugar Agencies Ltd.	India Sugar and Refineries	17½	10	2 8	2 8			6	V.P.
33,57,780 10,52,200O.	42,47,476	41,33,220	19,37,712	3,477	Govan Bros. (Rampur) Ltd.	Buland Sugar	15½N	10	1 0	1 4			9	V.P
2,87,190O.	67,50,000	84,86,942	27,56,542	2,346	V. Ramakrishna Esq.	K. C. P. Ltd.	135 O. 100 75 D. 10	100 7 8	7 8	7 8			10	V.
81,19,240	90,22,871	1,21,03,930	73,11,303	2,28,221	M. S. Swaminathan, Esq. (Managing Director)	Mysore Sugar	48½	10	3 0	2 0	2 0		6	V.P.
50,00,000	47,49,631	1,07,50,631	55,61,246	15,411	Mahalal, Apte and Bansilal Ltd.	Phalton Sugar	118½	50	8 0	6 0	8 0		6	V.
16,59,820	27,50,830	44,81,755	83,79,327	95,198	Anderson Wright Ltd.	Ram nagger Cane and Sugar	2½	10	2 0	0 8			9,9	V.
20,00,000O. 6,00,000D.	24,80,121	80,59,224	48,81,892	1,00,533	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	95N O. 50 78N D. 10	9 0	Nil				9	V.P.T
19,99,608	46,07,818	45,46,104	19,83,541	3,144	Govan Bros. (Rampur) Ltd.	Rana Sugar	11½N	10	1 0	1 0	1 0		9	V.P.
30,00,000	10,37,776	59,76,214	17,67,159	—37,224	Parry & Co., Ltd.	Travancore Sugars	6‡	10	Nil	Nil		Nil	10	V.
83,50,000 77,50,000A.	91,98,517	1,80,88,459	96,57,110	1,72,670	Walchandnagar Industries	Walchandnagar Industries	228‡	A. 100 O. 100	14 0 14 0	14 0 14 0			7	V.P.
						TRANSPORT							9	V.P.T.
20,00,000	1,08,42,425	1,33,68,272	13,76,183	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co.	160	100	12 8	10 0		8		
1,00,00,000	11,17,773	3,37,24,932	1,00,89,871	69,556	Divitas Ltd.	Bharat Line	84	100	3 0	3 0			10	V.
50,00,000	24,35,838	1,83,20,489	63,44,422	1,09,704	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	168‡	10	1 0	1 0	1 0		6	V.
£655,580	£954,756	£5,633,307	£3,454,207	£3,327	K'tata & Co. Ltd.	India Coastal Navigation & Ply. Co	944	£10	£0 10	Nil			12	V.P.
£,75,000.0	£4,99,233	£4,41,60,669	£,32,36,733	£,64,960	Lionel Edwards Ltd.	India Steamship Co.	78	10	0 8	0 8		Nil	12	V.P.
£,40,19,973	£,83,28,023	£4,92,76,428	£,71,00,000	£,72,820	Parrotton Moranjee & Co.	Scindia Steam Navigation Co.	15-11½	20	0 8	0 12		0 8	6	V.T.
£,40,000O. £,10,200P.O.	17,33,073	10,83,408	6,54,056	1,88,899	E. A. Smith, Esq., (Manager)	Watford Transport Ltd.	1‡ 1‡	O. 1 P.O. 1	as 1 5.2% as 1 9.25%	as 1 3/2% as 1 9/2%			12	V.
						UNCLASSIFIED (Bombay)								
2,40,000	95,000	5,35,957	3,89,000	760	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Sale Deposit	600	200	35 0	32 0	32 0		9	V.
15,98,860	2,04,173	2,18,255	80,000	40,555	Parekh Agencies Ltd.	Bombay Lands	70N	50	4 0	3 0			9	V.
85,00,000	1,00,000	25,30,071	13,483	8,047	Dero Seth Ltd.	Dwarkar Sahu Investment Co.	10½	25	0 12	0 12	0 12		12	V.
14,98,840	3,09,622	26,42,751	18,75,000	74,464	Oriental Trading Ltd.	Estate Investment	35N	50	2 8	Nil	3 8		3	V.P.
99,99,250	18,80,149	1,27,94,592	11,966	2,11,031	Premchand Roychand & Sons	Industrial Investment Trust	80	100	4 0	4 0			5	V.P.
1,00,00,000	31,25,000	21,31,427	7,78,349	18,107	E. D. Sheppard, Esq. (Mg. Director)	Kilick Industries	17½	100	10 0	10 0	11 0		12	V.
8,07,00,200A. 10,00,000B.	5,29,603	2,64,33,763	98,15,035	—15,44,483	Aero-Auto Ltd.	Premier Automobiles	74N A. 100 — B. 10	Nil Nil	Nil Nil	Nil Nil			6	V.
50,21,200	5,56,603	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	25	20	3 0					
2,75,00,000	69,25,368	8,49,75,164	1,49,74,930	4,26,761	T. Rydin, Esq. (Managing Director)	Western India Match Co.	203‡	100	11 0*	11 0*			12	V.
45,00,000	53,74,847	7,24,608	3,07,108	45,948	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	V.
						Other Centres								
47,50,000 2,50,000	15,00,000	1,88,63,301	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	6 2½N O. 10 D. 2½	Nil	Nil	Nil			9	V.P.T.
30,00,000	40 60 690	31,77 196	21,11 902	2,39,798	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	19‡	100	1 4	1 4	1 4		8	V.
30,00,000	7,75,000	29,31,795	19,04,061	1,34,529	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	20½	10	1 4*	1 4*			8	V.
20,00,000	23,47,883	1,00 29 510	39,87,830	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	4½N	10	0 4	0 31/2	0 31/2		12	V.
80,00,000O. 10,00,000P.O.	1,11,62,712	59,55,515	30,55,515	5,43,847	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	165½ O. 100 D. 40	20 0* 0 0*	20 0* 0 0*				12	V.
20,00,000	7,97,945	56,17,513	26,95,000	1,11,692	Lovelock & Lewis	Birds Investment Ltd.	18	10	1 4	1 4				
30,64,680	37,09,222	1,02,29,699	26,95,000	1,63,501	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	12½	10	0 12	0 8	1 0		9	V.P.
8,25,00,000	95,00,000	2,56,70,947	1,97,16,167	3,58,733	Sir Robert Menzies	British India Corporation Ltd.	7½	5	0 10	0 8			9	V.P.
1,60,00,000	1,49,00,000	4,54,79,386	2,79,62,308	10,82,833	Cecil Black, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	37	10	1 0	1 0			12	V.P.
51,26,000	31,50,934	1,29,31,250	.. ..	3,11,873	Bird & Co., Ltd.	Eastern Investments Ltd.	160	100	9 0	9 0			12	V.P.T.
14,00,000	9,97,000	33,12,243	18 66,225	11,238	Macneill & Barry Ltd.	Ganges Rope Co. Ltd.	204	100	10 0	10 0	7 8		3	V.P.
65,00,000	38,00,000	18,10 106	6,87,885	1,38,072	K. R. Pattas Esq.	Gillanders Arbuthnot & Co., Ltd.	114	100	10 0	10 0	7 8		9	H.
30,00,000	11,42,354	68,59,433	29 41,525	1,346	B. P. R. Syrdicar	Great Eastern Hotel	248	250	13 0	13 0	7 8		9	V.P.
12,42,800	7,07,964	70,51 010	47 39,868	19,013	Birla Bros. Ltd.	Hind Cycles	100N	100	6 0	8 0	4 4		3	V.
4,98,12,650		3,05,00,214	60,52,719	4,54,999	Birla Bros. Ltd.	Hindustan Motors	9-15	10	Nil	Nil			12	V.P.T.
1,60,00,000	36,77,754	3,45,57,905	1,35,90,172	9,14,791	J. W. Cameron, Esq.	Indian Aluminium Co.	19½	10	1 4	Nil	Nil		12	V.
1,52,89,220	1,09,40,994	1,32,87,233	46,27,452	19,70,066	A. R. Dirsuan Esq.	Indian Cables	23½	10	3 0	Nil			12	V.P.
8 27,970	2,38,000	15,79,985	8,39,426	11,480	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers	17½	10	1 0	1 0*	1 0*		3	V.P.
8,00,00,000	52,67,941	31,49,487	7,23,287	5,26,226	G. M. Mackinlay, Esq.	Jardine Henderson	116	100	10 0	7 8	7 8		3	V.P.
6,34,000O. 66,000D.	3,48,343	6,39,830	4,31,766	2,240	James & Co., Ltd.	Macfarlane & Co.	2½ O. 5 D. 1	Nil	Nil				9	V.P.
40,00,000O. 5,00,000D.	66,28,146	25,22,837	7,33,942	1,07,086	C. L. Bajoria Esq.	McLeod & Co.	233 O. 100 D.O. 10	7 8 0 4	10 0 8 0				3	V.
1,30,60,250	39 90,212	18,32,139	4,86,923	2,41,090	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	23½	10	1 6	1 6*			12	V.P.
1,15,00,000	39,01,000	1,56,11,388	39,32,798	1,38,111	H. Chowell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	20½	10	1 6	1 0			9	V.P.
14,74,745	1 72 448	7 82 542	2,60 977	—71,447	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3‡	10	1 0	1 0	1 0		3	V.
6 56,250	9,51,113	10,40,250	4,40,947	79	K. T. Handy Esq. (Committee)	Mysore Lamp Works	16	10	1 0	1 0			12	V.
10,00,000	1,20,000	14,37,286	7,19,467	35,598	K. Narayanaswamy, Esq.	Nagarjuna Steels	10½	10	1 0	1 0	1 4		3	V.P.
20,00,000	49,41,339	53,81,362	37,19,098	1,75,176	Associated Industrial Development Co. Ltd.	National Insulated Cable	22½	10	0 12	1 0			12	V.P.
79,97,000	28,68,388	69,70 031	3,78,836	10,62 030	B. N. Elias & Co., Ltd.	National Tobacco Co.	9½	10	Nil	Nil	1 0		3	V.P.T.
40,00,000	27,00,000	44 14 474	10 71 434	1 11 448	Coromandel Investment Trust Ltd.	Parry & Co.	4½	2	0 4½	0 4½			12	V.P.
6,41,684	1,61,45,956	43,79,829	—47,97,067	1,41,000	T. A. Lykkar Oruto, Esq.	Robin (India) Ltd.	38	100	Nil	Nil	Nil		12	V.P.T.
1,00,00,000	1,06,11,948	6,91,23,808	2,57,00,113	2,20,204	Babu Jain Ltd	Robins Industries	72½	10	1 0	1 4			8	V.P.
40,00,000	93,31,062	1,19,12,218	70,10,822	4,54,537	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	17½	10	1 0	1 4			10	V.P.
95,00,000	38,50,000	12,92,1948	3,20,243	3,67,979	R. H. T. Campbell, Esq.	Shaw Wallace & Co., Ltd	15½	10	1 0	1 0	1 8		6	V.P.
9,94,380	1,50,000	14,27,407	3,01,599	—1,04,543	Ogale Brothers, Ltd.	Travancore Ogale Glass	9½	10	Nil	Nil			12	V.P.

‖ Includes investments at cost. * Includes bonus. † Excluding goodwill at cost Rs. 2 lakhs. ‡ Excluding goodwill (written down Rs. 8) lakhs. § Excluding goodwill at cost Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

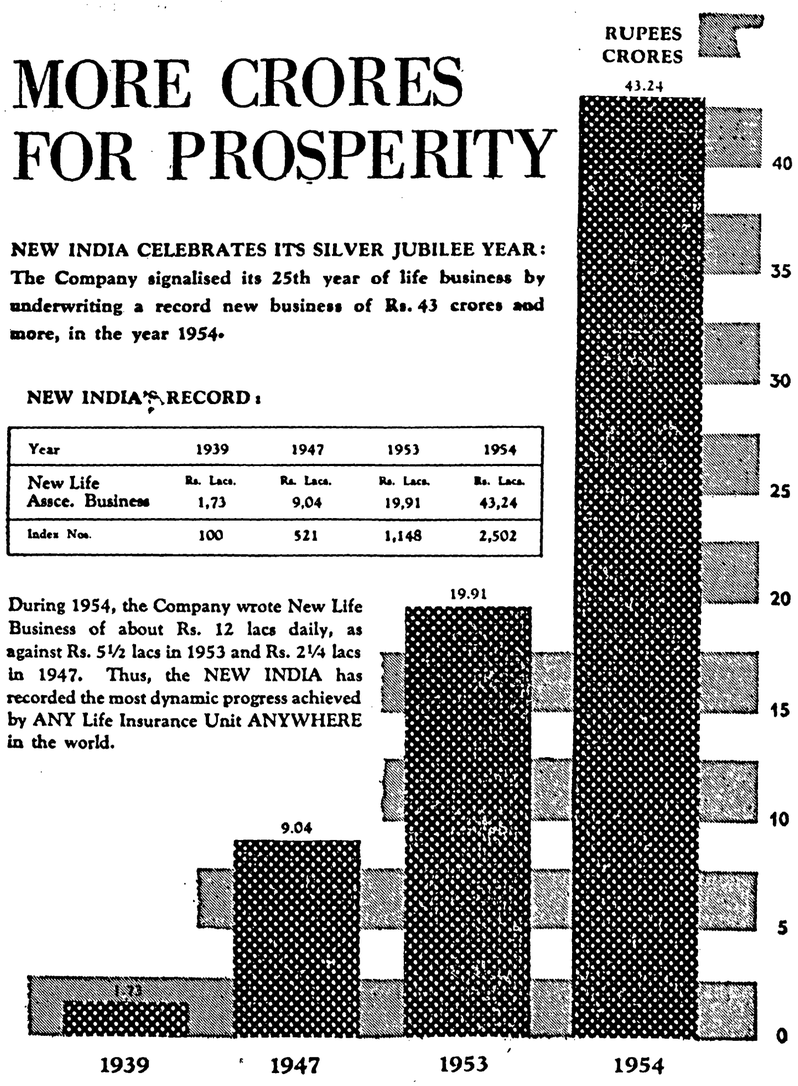
Paid-up Ordinary Capital Rs.	Reserves Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
						ASSAM								
41,414	9,59 057	4,78,517	....	McLeod & Co., Ltd.	825	Amluckie	600N	100	Nil	7 8	25 0	30 0	12	V.P.
8,20,000	10,47,044	3,05,709	7,71 948	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	60	10	0 12	0 12	1 4		12	V.
3,70,000	9 24,593	2,03,058	72,998	Gillanders Arbuthnot & Co., Ltd	420	Ananda Bag	41	10	3 0	Nil	2 8	1 8	12	V.
5,70,000	9,38,920	5,32,872	—75,110	McLeod & Co., Ltd.	313	Baghmari	26½	10	Nil	Nil	Nil		12	V.
20,40,000	52,30,169	22,93,169	1,99,547	Andrew Yule & Co., Ltd.	369	Basmatia	45	10	2 8	2 0	2 8		12	V.
3,500	10,38,918	1,85,063	63,716	Octavius Steel & Co., Ltd.	569	Batell	24½	5	0 8	0 4	2 0		12	V.
4,50,000	8,36,160	2,13,496	61,395	Gillanders Arbuthnot & Co., Ltd.	566	Bejan	52½	10	0 8	Nil	2 0	1 8	12	V.
11,92,045	73 80,473	2,52,708	1,99,547	Williamson Magor & Co.	3,967	Bubhanath	50½	10	0 8	Nil	3 8		12	V.
1,95,097	19,49,496	4,60,080	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	20½	10	Nil	Nil	Nil		12	V.
7,57,500	1,69,074	16,624	36,977	McLeod & Co., Ltd.	282	Deloo Valley	42½	10	Nil	Nil	1 0		12	V.
7,04,519	23,17,843	16,06,120	36,976	Jardine Henderson Ltd.	1,220	Dessai & Purbottie	405	100	22 8	10 0	20 0		12	V.
2,70,000	21,43,185	3,42,779	10,336	James Warren & Co., Ltd.	620	Dhekalhat	22	10	1 3½	1 0	1 8		12	V.
2,70,000	11,71,408	4,34,259	8,732	James Finlay & Co., Ltd.	633	Dhunseri	27½	10	1 0	Nil	1 0	1 0	12	Y.
3,25,000	6,02,617	2,35,483	16,832	McLeod & Co., Ltd.	458	Dibrugarh	31½	10	0 8	Nil	1 0	1 0	12	Y.P.
4,15,000	8,80,047	4,70,047	43,918	Williamson Magor & Co.	625	Dimakusi	61½	10	1 0	1 0	0 8	1 0	12	Y.P.
6,05,000	17,90,747	10,40,747	1,14,496	Williamson Magor & Co.	615	Duffleghur	50	10	1 0	2 0	4 0	1 0	12	V.
4,65,000	21,78,081	8,83,081	38,641	Williamson Magor & Co.	1,177	East India Tea	32½	10	2 4	0 4	2 8		12	V.
3,50,000	8,18,664	4,01,797	13,832	....	407	Gillapukri	46	10	1 0	Nil	1 8	1 12	12	V.
5,60,000	13,95,316	6,19,316	79,542	Williamson Magor & Co.	546	Gohpur	52½	10	3 0	1 8	3 0		12	V.
14,22,810	18,09,304	5,63,573	23,354	Octavius Steel & Co., Ltd.	1,393	Grob	40½ 20½	A.10 B.5	2 0 1 0	2 0 1 0	3 0 1 0	0 12½ 0 6½	12	V.
7,00,000	7,04,481	2,29,888	48,032	Andrew Yule & Co., Ltd.	476	Hoograhil	51½	10	3 0	0 8	3 0		12	V.
8,54,216	18,50,194	2,84,270	24,921	Andrew Yule & Co., Ltd.	1,290	Hoolungooree	345	100	17 8	Nil	12 8		12	V.
3,85,000	13,98,777	2,44,299	58,941	Gillanders Arbuthnot & Co., Ltd.	938	Jutlibari	25½	10	0 8	Nil	Nil	1 0	12	V.
80,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,166	Kingsley-Golaghat (Assam)	330N	100	Nil	Nil	Nil		12	P.T.
4,94,133	1,29,844	12,257	38,641	Duncan Bros. & Co., Ltd.	1,037	Lalji	14½	10	Nil	Nil	Nil		12	V.
40,000	8,84,211	84,211	14,238	Duncan Bros. & Co., Ltd.	673	Mohesna	52½	10	3 0	Nil	4 0	15 0	12	V.
4,47,344	7,34,419	4,05,697	16,982	Kettlewell Bullen & Co., Ltd.	433	Mothola	40½	O.10	2 0	2 0	2 0		12	V.
4,05,000	8,98,088	5,22,218	34,189	Andrew Yule & Co., Ltd.	344	Morphalani	44½	P.O.10	2 8	2 8	2 8			
3,61,274	6,00,328	3,80,669	9,567	B. C. Sen, Esq., Supervising Director	542	Nagalimoa	49½d	10	2 4	Nil	3 0	3 0	12	V.
—	6,78,401	12,71,401	3,053	Shaw Wallace & Co., Ltd.	810	Namburnadi	25	10	Nil	Nil	Nil		12	V.
1,15,000	5,92,221	1,92,221	21,164	Duncan Bros. & Co., Ltd	935	New Chanaiollah	255N	100	Nil	Nil	5 0		12	V.
5,27,500	7,37,172	2,83,495	45,300	Andrew Yule & Co., Ltd.	353	Nitarch	48½	10	1 12	Nil	2 8	1 0	12	V.
4,00,000	6,56,972	17,09,844	16,877	James Finlay & Co., Ltd.	903	Sapoi	37½	10	0 4	Nil	2 8		12	V.
5,55,000	10,90,855	2,91,347	40,143	Octavius Steel & Co., Ltd.	515	Tezu Ali	45½	10	1 0	1 8	3 0	1 0	12	V.
5,98,000	6,22,706	9,92,134	3,39,265	McLeod & Co., Ltd.	495	Telailas	47½	10	1 0	Nil	1 8	1 8	12	V.
4,00,000	6,10,127	9,31,000	46,026	Gillanders Arbuthnot & Co., Ltd.	488	Tengpani	36½	10	1 8	0 12	2 8	1 8	12	V.
13,86,310	12,99,803	12,72,067	39,741	Shaw Wallace & Co., Ltd.	2,132	Tempoo	47½	10	0 12	Nil	2 8	1 0	12	V.P
8,20,000	10,00,000	22,15,368	9,60,625	McLeod & Co. Ltd.	1,050	Tyroon		10	2 0	Nil	1 0	1 8	12	V.
						CACHAR								
3,00,000	1,75,000	5,00,730	1,74,879	—5,24,933	Gillanders Arbuthnot & Co., Ltd.	Arcunipore	16½	10	Nil	Nil	Nil		12	V.
7,00,000	16,500	7,78,531	53,201	—2,82,861	Octavius Steel & Co., Ltd.	Eastern Cachar	13½	10	Nil	Nil	Nil	

MORE CRORES FOR PROSPERITY

NEW INDIA CELEBRATES ITS SILVER JUBILEE YEAR: The Company signalised its 25th year of life business by underwriting a record new business of Rs. 43 crores and more, in the year 1954.

NEW INDIA'S RECORD:

Year	1939	1947	1953	1954
New Life Assce. Business	Rs. Lacs. 1,73	Rs. Lacs. 9,04	Rs. Lacs. 19,91	Rs. Lacs. 43,24
Index Nos.	100	521	1,148	2,502



During 1954, the Company wrote New Life Business of about Rs. 12 lacs daily, as against Rs. 5½ lacs in 1953 and Rs. 2¼ lacs in 1947. Thus, the NEW INDIA has recorded the most dynamic progress achieved by ANY Life Insurance Unit ANYWHERE in the world.

For this magnificent record, the Company expresses its deep gratitude to the public for their co-operation, and to its Field Force, Administrative Services and to all those who make the NEW INDIA Family, for their untiring efforts and fine team-spirit.

IMMENSE POTENTIAL:

And yet, more and more crores can be harnessed to the nation-building tasks. For, there is an immense potential for the growth of Life Assurance in India — AT LEAST 10 TIMES MORE. The NEW INDIA, in keeping with its unique record, is pledged to contribute its utmost to the progress of Indian Life Assurance.

DEDICATION:

The Company's trained representatives have dedicated themselves to bring to every hearth and home in the country a Life-Belt of Security. We invite you to avail of their expert advice and services.

***Insure with the* NEW INDIA**

and participate in the Prosperity and Strength of our World-wide Organisation

THE NEW INDIA ASSURANCE COMPANY LTD.

Mahatma Gandhi Road, Bombay

MARKET GOSSIP

(Concluded from page 399)

of refund of income-tax (paid by a company) to its shareholders. It has not, however, recommended such a drastic measure. It recognises that the discontinuance of the system of refunds of tax would act as a disincentive to equity investment. Rather, it has suggested a means whereby the method of calculating refunds could be simplified and the delay in making refunds reduced. The suggested method is that, when a company declares dividends, it will deduct income-tax at the maximum rate from the gross dividends, distribute the net amount to the shareholders and pay the tax to the credit of Government. The company will pay corporation tax on its total income as at present. The income-tax payable by the company will be calculated on its total income as reduced by the gross dividends. Adjustments could then be made in the course of the companies' income-tax assessments. Some change in the manner of preparing dividend warrants would, however, be involved. But the system, besides simplifying the present grossing procedure, would also lend itself to the grant of exemption certificates to the shareholders in lower income brackets and thus obviate the need for refund claims, the disposal of which is a source of irritation at present.

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There has for some time now been considerable apprehension in certain financial circles over the possibility of taxation of bonus shares. The question here is whether a bonus is a dividend or not, for, if it is the former, there is ground for subjecting it to tax. The Commission has examined this question at some length. It is gratifying to note that its conclusion is that "bonus shares are not income in any sense of the word as understood in income-tax." Further, judicial decisions both in the U.S. and the U.K. support this contention. It says that "there is not sufficient validity in the argument that non-taxation of bonus issues as income in the hands of shareholders leads to any loss of public revenues." It is true that the bonus issue confers some advantage on both the company and the shareholders. There may thus be a case, according to the Commission, for the levy of a small duty on the issue of bonus shares. In the U.K., there was till recently a stamp duty on bonus issues. But it has been given up. The Commission does not, however, favour such a levy. It says: "We are not in favour of levying any such duty here, especially because of the need for encouraging the retention of earnings within the company." Nevertheless, it has urged the Government to exercise control over the issue of bonus shares in such a way as to ensure that there is no overcapitalisation of the company and that any other misuse of the facility is prevented

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After an elaborate discussion of the relative merits of the systems of averaging, carry back and carry forward of losses, the Commission has recommended that, subject to modifications, the existing practice of carrying forward of losses is the most appropriate in the present circumstances, when new undertakings are coming into existence. The Commission has suggested that losses should be carried forward indefinitely instead of for six years as at present; such losses should be adjusted against income from any business instead of the same business as at present. Also, such losses should be allowed to be set off against non-business income for one year. Carry back of losses should be allowed only when there has been a cessation of business arising from circumstances outside the control of the taxpayer. This recommendation is sought to be given effect to by the Government through clause 16 of the new Finance Bill, now before Parliament, which seeks to amend the relevant section (section 24) of the Income-tax Act.

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The Commission has discussed the economic validity of section 23A of the Income-tax Act which is designed to prevent avoidance of super-tax by the shareholders of a closely held company. The section does not apply to a company in which the public have a "substantial interest"—that is, in which 25 per cent. of the voting power is held by the public. In other words, it applies to what are called private limited companies. Briefly, the section is intended to secure that at least 60 per cent. of the assessable income is distributed as dividends. This is to prevent the evasion of personal super-tax by the controlling shareholders of a closely-held company through retention of profits within the company instead of distributing them as dividends. The Commission says that the phrase "substantial public interest" should mean that shares carrying more than 50 per cent. (instead of 25 per cent. as now) of the voting power should be in the hands of the public and that the majority of the shares (that is, over 50 per cent.) should not be held by less than six persons (not close relations). In order to discourage tax evasion by such a company through retention of profits within it, the Commission has suggested an additional tax at a flat rate on the undistributed portion of the "distributable profits." These suggestions have been accepted by the Government. Clause 15 of the Finance Bill, which replaces section 23A of the Income-tax Act, is intended to give effect to the Commission's recommendations relating to definition of "public interest" and to tighten up the provisions for avoidance of super-tax by shareholders of private companies resulting from insufficient distribution or non-distribution of dividends in proper time. The clause further provides that the companies falling under that section shall pay super-tax on the undistributed income, subject to certain adjustments, at a flat rate of four annas per rupee. This super-tax is payable, apart from the income-tax and super-tax payable by the company, on its total income in the ordinary course, and the shareholders will not get any credit for it in their assessment.

REVISION OF TAX STRUCTURE

(Concluded from page 405)

tive liaison between the Income-tax Department and other Central Revenue departments such as Customs and Central Excise, and with State Revenue departments would be very useful. The Income-tax Department should, therefore, exercise the utmost caution in its dealings with informers. Government rewards are not likely to be large and where the evasion involved is considerable, there is a danger of the informer extracting a high price from the assessee.

It is also necessary, according to the Commission, to give additional powers to the Income-tax Department for adequate enforcement. The power to reopen past cases should be extended by eliminating the existing time limit and the need to secure the prior approval of the Income-tax Commissioner. Income-tax authorities should be placed in a position to be able to discover such evidence that was being withheld from them. Income-tax officers should also be authorised, subject to previous sanction of the Commissioner, to enter business premises, inspect the accounts and documents, place identification marks on them, make copies or impound documents and to search premises. They should also be empowered to inspect the contents of safe deposit vaults and lockers with the previous sanction of the Commissioner.

State Taxes

In the third volume of the report, the Commission deals with the sales tax and other State taxes. Complete centralisation is ruled out in view of variations in local conditions. However, it is stated that the Union is concerned when the sales tax of one State impinges administratively on the dealers and fiscally on the consumers of another State. Inter-State sales should be the concern of the Union. The Union should also have power to control the taxation of sales of raw materials which figure significantly in inter-State commerce. Parliamentary legislation will provide for the levy of sales tax on inter-State transactions, assessment and collection being delegated to the State Governments. The rate of Central tax should be low; it may be one per cent. when the inter-State transaction takes place between a registered dealer of one State and a registered dealer in another.

With regard to the State sales tax on goods of special importance in inter-State trade, the main principle of regulation will be that no State shall have a system of levy other than a single point tax on such goods. The tax may be either on sales or purchases but will be recoverable only on the last stage, and the rate should be three pies per rupee. The goods specified are coal, iron and steel, cotton, skins and hides, oil seeds and jute.

Dealing with sales tax, the Commission observes: "We are emphatically of the view that the sales tax cannot be transferred from the States to Central Government." It is recommended that the sales tax should reach a larger number of persons. A multi-point tax at a rate not higher than half per cent. with no exemptions is recommended. All dealers with a turnover exceeding Rs. 5,000 a year should be made liable. In addition a single-point tax with a higher turnover limit is recommended to reach middle and higher incomes.

In regard to the entertainment tax, the substitution of percentage rates for slab rates is recommended.

The Commission points out the decline in the significance of land revenue as an item of contribution to the exchequer and as a burden on the agriculturists. A sliding scale is recommended which aims at making readjustments over relatively long intervals, such as a period of ten years and over relatively larger areas, such as an entire State. Readjustment of assessment is recommended in relation to the dates of resettlement. The revised assessments should continue indefinitely within the limits set for revision and surcharges should be purely by local bodies for local purposes. Initial settlement including survey and classification should be undertaken in all areas where they have not been held so far.

Agricultural Income-tax

An agricultural income-tax on the higher agricultural incomes should be adopted by all the States which have not yet done so. Surcharges should be levied by all States on agricultural income-tax on the basis of the assessee's non-agricultural income. The land revenue charged should be revised once in ten years with reference to changes in price level. Changes in prices by 25 per cent. in either direction should not call for any adjustment; the proportions in which adjustments should be made if prices fluctuate by a wider margin are indicated.

A general principle laid down regarding water charges is that they should be such as to promote economy in the use of canal water and create conditions which will make the maintenance and development of irrigation schemes possible on a larger scale. Water rates must ordinarily cover the maintenance charges. The water rate voluntarily payable on supply of irrigation water should be so fixed as to cover the debit charges and overhead expenses on a project. Rates should be reviewed at not too long intervals.

As regards "State excises" or prohibition, the Commission has not made any recommendation in view of an equal division of opinion among the members. Three members are of the view that the constitutional directive should be implemented as early as practicable. The loss of revenue is counter-balanced by an increase in the welfare and purchasing power of the poor. The other three members, however, think that Prohibition is only one of the directives of the Constitution and the pace of implementation of Prohibition should be viewed in perspective. The relinquishment of revenue entailed by Prohibition is a factor that cannot be ignored.

It is recommended that the quantum of betterment levy may be fixed at a maximum of 50 per cent. of the increase in value of land due to irrigation, although the actual rates may be fixed at a level that will continue to afford an adequate incentive for irrigated farming. Provision should be made for adjustment to price changes.

Local Taxes

In the discussion on local taxes, the principle is laid down that a sound system of local finances should, as a rule, rest on a sound foundation of local taxation. A cautious policy is suggested in regard to the entrusting of functions to village panchayats. It is recommended that the State Governments should allow local bodies to develop exclusively certain taxes. It is stated that normally grants-in-aid should be preferred to assignment of shares of taxes as a method of financing local bodies. The proceeds from Motor Vehicles Tax and land revenue should, however, be shared. Certain principles are laid down for the system of grants-in-aid. The general adoption of a system of Government guarantee of municipal loans is suggested. It is recommended that the maximum limit for profession tax per person per annum should be increased from Rs. 250 to Rs. 500.

In respect of tax on prize competitions, the Commission has recommended the regulation and fixation of prize competitions on lotteries to be taken over by the Central Government. The Commission has no comments to make on the rates or on the arrangement for the collection of betting in different States. It is, however, recommended that the tax should be levied on all stake money including the winnings and not on winnings only as at present in a few States.

SUGAR

(Concluded from page 412)

tical Adviser of the Indian Council of Agricultural Research. On the results of this investigation, it is needless to add, depends the question whether it would be economical for the country as a whole to encourage the development of cane and the sugar industry in the sub-tropical areas of the country.

While on the subject of yields, Mr. Gopalakrishnan did well in emphasising the importance of increasing the sugar content of cane. He said that Bombay and elsewhere, where scientific farming of cane was carried on on a large scale, both the yield and the sugar content of cane were very much more than in other parts of India. The producer of cane had, however, no incentive, he added, to increase the sugar content by better technique, so long as the payment for cane was by weight and not by sugar content. In this connection, he referred to the difficulty of adopting a system of payment for cane based on sugar content, owing to the predominance of small producers supplying cane to factories. He revealed, as did Mr. Jain in his speech, that a Committee of the Development Council for the sugar industry was working on the problem and hoped that some solution would be evolved in the near future.

Mr. Jain's speech is notable particularly for his observations on linking cane prices and profit-sharing with sugar prices. They indicate the Government's attitude towards this vexed problem which is, to quote Mr. Jain, "a perpetual source of controversy." He reminded the Sugarcane Committee that the cane price fixed by the Government was the minimum and that it was always open to the grower to get a better price. In fact, in some cases, the grower got, he said, better prices. He stated that the Government had evolved a system whereby the cane-grower shared the profit resulting from higher prices. There were, however, objections about that formula both from the mill-owners and the cane growers, each side contending that it was unfair to them. The question of profit-sharing, therefore, had, he stated, been referred to a Committee of experts which, he hoped, would do its work with speed. In this context, he took care to warn the growers not to insist merely on increased prices ignoring the inevitability of economic laws. At a certain stage, high prices act, he rightly stressed, as a deterrent on increased production. Apart from the interests of the consumer, it was in the interests of the producer that the consumption must increase. He, therefore, advised the representatives of cane growers not to overwork their case, ignoring these elementary principles. Mr. Jain drew the attention of producers to the need for producing larger quantities of sugar, as its price even after allowing for taxes, was more than that of imported sugar. He pointed out that British refineries imported raw sugar from Cuba and, after refining it, supplied to this country crystal sugar at a comparatively lower rate than was done by the Indian factories. He did not, however, say how this could be done.

Notices

MARTIN BURN LIMITED

NOTICE

THE NINTH ORDINARY GENERAL MEETING of the Shareholders of Martin Burn Ltd. will be held on Tuesday, 29th March, 1955, at 12 noon at the Registered Office of the Company, 12, Mission Row, Calcutta, to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 30th September, 1954.

(2) To declare a Dividend and Cash Bonus.

(3) To elect a Director.

(4) To appoint Auditors for the current year and to fix their remuneration.

SPECIAL BUSINESS

(*As a Special Resolution*): That the Articles of Association of the Company be altered in manner following:—

The following proviso shall be added at the end of Article 150(6):

"Provided however that any Manager appointed under this Article who is also a Director of the Company shall not exercise the power to make calls on shareholders in respect of monies unpaid on shares in the Company, borrow monies except within the limits previously fixed by the Directors at a Board Meeting, make loans except within the limits previously fixed by the Directors at a Board Meeting or invest the funds of the Company except within the limit and upon such investments previously fixed and specified by the Directors at a Board Meeting and further provided that every such investment made by the Director/Manager shall be subject to confirmation by the Board of Directors at the first meeting held after such investment."

The Ordinary Share Registers of the Company will be closed from 22nd to 29th March, 1955, both days inclusive.

By Order of the Board,

A. G. GIDLEY,

Secretary.

CALCUTTA, *4th March*, 1955.

Note.—The Dividend and Cash Bonus, if sanctioned, will be paid on or after 22nd April, 1955, to those Shareholders so entitled whose names appear in the Company's books on the 29th March, 1955, or to their mandatees. No application for dividend warrants will be necessary.

MARTIN BURN LIMITED

NOTICE

AT A MEETING OF THE BOARD OF DIRECTORS of Martin Burn, Limited, held on 24th February, 1955, the Directors recommended the payment of a dividend at the rate of Rupee One Annas Four per share on the Ordinary Shares ranking for dividend for the year ended 30th September, 1954. In addition the Directors have recommended a cash bonus of Two Annas per share on the Ordinary Shares ranking for dividend. These recommendations await sanction by the Shareholders at the Annual General Meeting of the Company to be held on Tuesday, 29th March, 1955.

The Ordinary Shares Transfer Books of the Company will be closed from the 22nd to 29th March, 1955, both days inclusive, and the dividend, if sanctioned, will be paid on or after the 22nd April, 1955.

By Order of the Board,

T. LESLIE MARTIN,

Chairman.

24th February, 1955.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	
16,00,000	1,08,22,208	18,71,708	Allahabad Bank	378	100	18 0	18 0	18 0	8 0‡	12
14,50,000				182‡x‡	50	9 0	9 0	9 0	4 8‡	
1,01,000	18,16,000	2,13,671	Andhra Bank	110cd	100	6 0	6 0	6 0	3 8‡	
23,96,000				60cd	50	3 0	3 0	3 4	1 12‡	6.12
1,00,00,000	1,25,00,000	2,33,380	Bank of Baroda	102‡	50	6 0‡	6 0	6 0‡	2 8‡	
5,50,000	17,00,000	11,795	Bank of Bikaner	121N	25	0 12	0 12	0 12		
15,50,875	24,00,000	9,10,851	Bank of India	140	50	7 0	7 0	7 0	7 0	
50,00,000	17,00,000	48,178	Bank of Indore	55N	25	3 0‡	3 0	3 0		
50,00,000	84,00,000	2,37,018	Bank of Jaipur	28	50	1 8	1 8	1 8		
59,99,150	51,83,540	29,609	Bank of Mysore	286cd	100	16 0‡	16 0‡	16 0‡	16 0‡	
15,00,000	21,00,000	14,042	Bombay State Co-operative Bank	55	50	3 8	3 8	2 8		
7,50,000	10,50,000	8,878	Canara Bank Ltd.	75	50	4 8	4 8	4 8		12
2,07,11,275			Canara Banking Corporation Ltd.	80cd	50	5 0‡	5 0‡	5 0‡		12
53,42,706 'A'	3,09,79,642	16,49,868	Central Bank of India Ltd.	521	25	3 8	3 8	3 0	1 8‡	12
50,00,000	28,00,000	1,85,863	Devkaran Nanjee Banking Co.	55‡	25	3 8	3 8	3 0	1 8‡	12
1,00,00,000	1,00,00,000	1,05,898	Habib Bank (F)	34	50	1 12	1 12	2 0		12
1,25,00,000	16,20,000	15,160	Hindustan Commercial Bank	72XRN	20	4 0	4 0	4 0	4 0	12
50,00,000	1,50,000	1,812	Hindustan Mercantile Bank	10‡	50	—	—	—		12
75,00,000	75,00,000	1,08,750	††Hyderabad State Bank	14‡	50	—	—			12
2,75,00,000	6,85,00,000	33,65,704	Imperial Bank of India	106N	100	6 0‡	6 0	6 0	6 0‡	9
1,87,50,000				1,265	500	80 0	80 0	80 0	40f	6.12
24,08,000	76,50,000	1,23,068	Indian Bank	890	125	20 0	20 0	20 0	10f	6.12
17,00,000				182‡cd	100	12 0‡	12 0‡	12 0‡	6 0‡	
16,80,000				140cd	84	10 8‡	10 8‡	10 8‡	5 3‡	6.12
49,04,925	22,50,000	2,25,271	Indian Overseas Bank	101‡cd	60	7 8‡	7 8‡	7 8‡	3 9‡	
5,25,000				108‡cd	100	8 0	8 0	8 0		
2,50,000	6,33,939	1,850	Indo-Commercial Bank	40	100(Av)	7 8	6 0	6 0		6.12
10,00,000				18	25(B)	1 12	1 8			
37,50,000	90,00,000	8,10,289	Punjab National Bank	24	50(C)	3 0	1 8			6.12
1,00,00,000	13,75,000	92,592	Travancore Bank	30	25	1 0	1 0	1 8‡		
40,00,000	31,50,000	1,50,225	Union Bank of India	15	25		1 8	2 8	1	12
8,00,00,000	80,00,000	1,52,520	United Commercial Bank	6-8‡	5	0 8‡	0 —	0 10		12
				40‡	50	2 0	2 8‡	2 0‡		12
								0 12	0	12

PRINCIPAL EXCHANGE BANKS

						Dividend (p. per cent.)				
£3,500,000	£5,000,000	£403,518	Chartered Bank of India, Australia and China	£2-9-1½	£1	14‡	16‡	14‡		12 R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£9 8	£5	8‡	8‡	8‡	4‡	12 R.L.Y.
H.K. $20,000,000	H.K. $98,000,000	H.K. $9,859,542	Hongkong and Shanghai Banking Corporation	$119‡	H.K. $125	5*	5*	5*	2‡	12
£17,076,195 'A'	£12,906,761	£555,780	Lloyds Bank	£3-6-8	£1	12‡	12‡	14‡	7‡	12 N.L.Y.
£1,437,596				£1-7-9		5‡	5‡	5‡	2‡	12 N.L.Y.
£375,000 'A'	£1,500,000	£200,980	Mercantile Bank of India	£5-1½	A £5	12‡	14‡	14‡	14‡	12 N.L.Y.
£375,000 'B'				£5-1½	B £5	12‡	14‡	14‡	14‡	
£800,000 'C'				£14	C £5	12‡	14‡	14‡	14‡	
£2,281,250	£9,675,000	£823,703	National Bank of India	£1-5-4½	sh 12½	14‡	14‡	14‡	7‡	12 R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. †† O.S. Currency. (1) Interim. * 6 per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR		
10,50,000	3	1st December and 1st June	Carew & Co.	100	1st June .. 1958
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	95	28th February .. 1960(Cy)
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	99‡	30th December .. 1958
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	108	27th December .. 1958-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	90	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	109‡	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	97‡	1st November .. 1959-64
			COAL		
30,00,000	4½	30th April and 31st October	Bhavat Collieries	95‡	30th June .. 1956
50,00,000	4½	30th June and 31st December	Burrakur Coal Co	91½	30th June .. 1957
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	101	14th December .. 1958
			COTTON		
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	99	15th November .. 1956(e)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	100‡	1st January .. 1967-72
18,66,000	5½		Jaykrishna Textiles	90N	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills	101	 1966-71
			ELECTRICS		
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	95	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	100‡	14th June .. 1966
98,56,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	87‡	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964
2,45,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101	14th January .. 1964
25,00,000	4	30th June and 31st December	Covrepore Electric Supply Co., Ltd.	87	31st December .. 1970
15,00,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	96	30th June .. 1970
7,86,200	5½	1st January and 1st July	South Madras Electric Supply	90	1st October .. 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	99	1st October .. 1964
1,00,000	5	1st January and 1st July	South Madras Electri Supply	94½	1st July .. 1955-62
6,63,000	4½	1st April and 1st October	South Madras Electric Supply	94	1st October .. 1957-67
47,78,000	4	1st April and 1st October	Tata Power	106	15th September .. 1951-55(S)
9,50,000	4	1st April and 1st October	Tata Power	102	15th September .. 1966-70
			ENGINEERING		
5,00,000	6	30th June and 31st December	Britannia Engineering	109	10th December .. 1958
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	102	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	102	1st July .. 1957-62
21,146,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	106	31st December .. 1960 (SE)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	88½	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	101‡	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	100‡	31st December .. 1960
			JUTE		
12,00,000	4½	1st October and 1st April	Agarpara	100	31st March .. 1960
6,00,000	5½	30th June and 31st December	Alexandra	100	30th June .. 1960(A)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90‡	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	88½	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	91	31st July .. 1956(f)
10,00,000	5	30th June and 31st December	Chhatrabhan Jute Mills	96	30th June .. 1960
25,00,000	4½	31st March and 30th September	Dalhousie Jute Co.	99	31st March .. 1960
8,86,000	5	30th June and 31st December	Empire	95	31st July .. 1960
25,00,000	5½	1st January and 1st July	Gangadhar	98‡	30th June .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	98‡	31st December .. 1964
25,00,000	5½	30th June and 31st December	Nalhati	98	31st March .. 1967
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	98	14th May .. 1960
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	88	31st December .. 1964
6,00,000	4	30th June and 31st December	Presidency	98	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	98	5th September .. 1962
8,00,000	4½	14th March and 14th September	Sorah Jute	98	14th September .. 1957
12,00,000	4½	30th June and 31st December	Tetos	96	30th June .. 1957(f)
10,00,000	5½	31st January and 31st July	Waverley	95½	31st July .. 1960(s)
			RAILWAYS; STEAMSHIP AND TRAMWAYS		
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	90N	1st July .. 1966
£850,000	4½	1st January and 1st July	Calcutta Tramways	£60N	At 105 % at any time on 6 months' notice or at par or every seventh year.
£189,868	5	1st April and 1st October		£77‡N	
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	90½	1st October .. 1974 31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£55‡N	
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	95	1st September .. 96
			PLANTING		
10,00,000	5½	30th June and 31st December	Consolidated Coffee	102N	1st July .. 1957-62
5,00,000	6	31st March and 30th September	Doiri Tea	100‡	1st April .. 1954-58
4,81,200	5½	30th June	Oochterlony	104	30th June .. 1954-59
9,00,000	5	31st March and 30th September	Periakaramalai	100‡	31st March .. 1958-63
3,69,700	5½	31st March and 30th September	Teekoy	100	31st March .. 1958-59
			MISCELLANEOUS		
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	100	30th September .. 1965
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December .. 1965
38,80,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December .. 1962
4,80,800	4½	30th June and 31st December	Bengal Paper Mills	96½	30th June .. 1967(1)
3,00,00,000	5½	1st March and 1st September	Burmah-shell	102‡	1st September .. 1965-69
81,00,000	5½	1st February and 1st August	Chowringhee Properties	99	1st February .. 1964
21,54,000	4½	1st July and 1st January	Clive Buildings	89	1st July .. 1960
30,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	89	1st January .. 1971
1,80,00,000	5	1st January and 1st July	Dunlop Rubber	102	30th June .. 1969
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	104	31st March .. 1964
17,25,000	5	15th March and 15th September	Metkur Chemical Industries	96	30th September .. 1968
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	88	31st December .. 1978
46,00,000		30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	838 (per note)	1st April .. 1971
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	31st March .. 1961
3,00,00,000	5½	31st March	Orient Paper Mills Ltd.	90	31st December .. 1959
1,00,00,000	4	30th June and 31st December	Robtas Industries Ltd.	90	1st May .. 1966
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	104	

Note—See page 412 of Commerce dated 26th February 1955 for explanations to abbreviation marks.

COMMERCE

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

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BUSINESS MEN ON WELFARE STATE

EVER since the Government started speaking about social control and socialistic pattern of society, its spokesmen have been repeating *ad nauseam* that the days of *laissez faire* are a thing of the past, as though business men in this country are not aware of it or are longing for their return. If any politician thinks that our business men are so backward in their economic thinking as to believe that the State need not or should not regulate their activities, they are adding insult to injury. No business man of any standing has, to our knowledge, asked for *laissez faire*. On the contrary, there is enough evidence to prove that the business community has itself asked for a considerable measure of State regulation to curb the undesirable activities of anti-social elements in its midst, to prevent unhealthy competition and monopolies, and to protect it from the adverse effects of trade cycles. The business community has even welcomed the entry of the State as an investor in certain spheres of industry and finance. It has wholeheartedly voted for a mixed economy and repeatedly expressed itself in favour of a Welfare State. If there are doubts still lingering in the minds of any politicians about this, they have only to read, in order to dispel such doubts the speeches delivered and the resolutions adopted at the twenty-eighth annual session of the Federation of Indian Chambers of Commerce and Industry, held at New Delhi on the 5th inst. Indeed, there are business men who are farsighted enough to realise that, unless the objectives of the economic policy adopted at the Avadi session of the Congress are quickly realised, democracy, without which there can be no private enterprise, will be in danger. Mr. B. M. Birla, who retired as the President of the Federation at its annual session last week, is one of them. In his presidential address, he fully identified himself with the spirit of the resolution adopted by the Congress at its Avadi session and endorsed its objectives.

Addressing himself to Mr. Nehru, in particular, who inaugurated the annual session of the Federation, Mr. Birla averred that business men shared Mr. Nehru's ambition of raising the standard of living of the people in the shortest possible time and that they were no less anxious to translate his ideas into concrete shape and would not lag behind him "in the glorious task of building a prosperous India." He went a step ahead of the Congress Party when he said that "the meaning and content of a Welfare State must quickly reach the masses by way of an improvement in their standard of living." "And we must see," he added, "that, at least in a decade from now, the *per capita* income is doubled." He was convinced that this was not difficult of fulfilment if all the different sections of the community thought and worked steadfastly towards this goal. There is thus no difference of opinion between the Government, or the ruling party, and the business community in regard to either the role of the State or the economic objectives. Where they differ is in regard to the manner of realising the objectives and the extent of State interference in the name of social welfare. This difference arises not because of any doctrinaire approach on the part of business men but because of their clear comprehension of the practical difficulties and the danger of too much State control and ownership leading to autocracy.

Mr. Nehru has repeatedly stated that the socialistic pattern of society envisaged by him is not the same thing as a socialist State as is generally understood throughout the world. Though he is yet to define what exactly he means by a socialistic pattern of society, he has broadly indicated what his objectives are. These are: increase in production, equitable distribution of what is produced, equality of opportunity for learning and finding a means of living, no privileged position to any group or individuals and no excessive concentration of wealth. The sum and substance of Mr. Nehru's ideal is that poverty should be abolished and employment should be found for all. The contention of business men is that all these very desirable objectives can be achieved only through rapid industrialisation, for there can be no Welfare State in an underdeveloped economy. Industries, it may be noted, not only provide employment but also produce goods necessary for use on the welfare front. The Government's economic policy should, therefore, be such as to expedite industrial development. Mr. Birla devoted a good part of his speech to this subject, which is only as it should be, since that is the topic of the day. He indicated not only what should be done by the private sector and how it should be done but also what is expected of the State.

To take the last mentioned topic. A Welfare State has many fronts and advance has to be made simultaneously on all fronts, such as industry, agriculture, transport, education, health, etc. Mr. Birla's suggestion is that the Government should concentrate its attention on the development of agriculture and basic social capital, such as housing, irrigation, power, roads, railways, posts and telegraphs, inland navigation, as also on the provision of civic amenities such as the removal of slums, extension of medical and educational facilities, water-supply and drainage. Then, there is another line in which the State has to take the initiative. It is the exploration of mineral wealth and development of scientific research, in close co-operation with industries. There is so much to be done in these directions that it will keep the State fully engaged for several years to come, leaving very little time to bother itself with the establishment of industries for which it has not the personnel of the right type. If at all it should engage itself in industries, it can usefully employ its talents and resources to the development of nuclear power and its application to industries, a sphere of activity which is not suited to the private sector in this country at present. Where the private sector is unable or unwilling to come forward to take up certain industries, the State, of course, should step in, but, before doing so, it should give a chance to the private sector to establish them by giving it all reasonable assistance. In short, the object of the State in these matters should be to help the people to help themselves. This object can be well served if the forces of creativeness are liberated.

One may ask as to why the State should not establish whatever industries it wishes. Apart from its lack of experience to run commercial enterprises, the inevitable red-tapism and the need for paying undivided attention to the creation of social capital and the provision of civic amenities as already referred to, there is one very good reason why it should not. Mr. Birla stated this very well in his speech when he remarked: "The larger the control over the people through a bureaucracy, the greater will be the tendency towards an authoritarian regime. Even in totalitarian Russia, their new Prime Minister Bulganin has felt it necessary to admit publicly that the cost of Government apparatus has to be reduced and bureaucracy brought to an end. The conclusion is obvious. People themselves must be encouraged to take to business not only to avoid regimentation, but also to decentralise power and authority."

There is scarcely any exaggeration in Mr. Birla's apprehension. Many democratic countries in the West which drifted into State-ownership and social control have realised the danger of this trend ultimately leading to State capitalism, the evils of which are well known, and have reversed their policies in favour of private ownership. In fact, the line which the Congress Party wants to follow in this country now is obsolete. It is a pity that this party, which calls itself a dynamic institution, should still cling to this outmoded idea.

State promotion of industries is supported on the ground that there is not sufficient *entrepreneurial* skill in this country and that increasing dependence on the existing industrial managements will lead to an undesirable concentration of economic power in a few hands. Many seem to be carried away by this argument but it is not free from fallacy. Enough *entrepreneurial* skill will be forthcoming if adequate incentive is offered and if the Government does not subject a person who wants to start industries to too many restrictions and regulations. One must try to float an industry to know what difficulties one has to undergo before getting a licence. If concentration of economic power is to be avoided, the Government should encourage individual savings but, in the budget proposals for 1955-56, the taxes on that very section of the community which saves and invests in industries and which provides *entrepreneurs* have been stepped up, while the taxes on corporations have been left unchanged. In fact, the 25 per cent. investment allowance on new plant and machinery will encourage savings of corporations, a trend which seems to run counter to the Government's desire not to encourage concentration of economic power. Again, the Government is keen on compelling the companies the shares of which are closely held—section 23A companies—to disperse their shareholding over a large number of persons by forcing them to a penal tax. It is not known how the dispersal of ownership can be brought about if the Government dips into the savings of the middle class. It is not suggested here that the Government was wrong in not raising company taxation or in providing the investment rebate. Far from it. What is suggested here is that individual savings, too, should have been encouraged. The observations of Mr. Birla on this subject are quite pertinent and bear reproduction:

"The picture that we have in mind of the future India is of new enterprises springing up all over the country. Therefore, for a bigger spread of the industrial sector and for quicker development of the country, we require more and more of the investing and *entrepreneur* class and all encouragement should be given to investors. While undoubtedly corporate saving is important, a reasonable balance must be kept between

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personal savings and corporate savings and, in the present conditions of our country, the emphasis, indeed, should be on the encouragement of personal savings and risk capital. Risk capital is indispensable to industry and is a prerequisite for industrial advancement. The history of industrially advanced countries amply demonstrates that their industrial development was largely dependent in the initial stages on the supply of personal savings and risk capital and that only latterly corporate savings attained more importance in new investments."

If taxes are reduced, how will the Government find the revenue required for financing its development projects and other commitments? Surely, it is not desirable to depend on deficit financing up to a level which the country cannot absorb. Mr. Birla has a ready answer for this line of argument. Here it is:

"Taxation policy should be related to economic activity. It should be the aim to expand Governmental revenues through greater production in the country. Even with the present rates of taxes, more revenue can be obtained if economic activity is accelerated. In other industrially advanced countries even at lower rates of taxes, Governmental revenue is far higher than ours, because the tempo of economic activity is greater there. The way in which industrial reconstruction and expansion has been taking place in Western Germany provides an object lesson."

If the vicious circle of heavy taxation, less savings and slow development is to be broken, the course advocated by Mr. Birla is the only effective solution.

The improvement in production during the last two or three years seems to have created the impression in certain quarters that Mr. Birla's contention that the present rates of direct taxation and the increases in taxation on consumption act as a disincentive is an exaggeration. This impression does not bear scrutiny. The achievements of the private sector during the past two or three years are, as the Shroff Committee pointed out a few months ago, the result of greater utilisation of installed capacity, mainly in certain consumer goods industries. In terms of additions to the industrial potential of the country, the gains have been much less than those anticipated in the first Five-year Plan. Indeed, they are insignificant, as compared with either the employment needs of this country or with the great strides which several countries in the world have made. If, in the coming years, too, we are going to be content with the same pace of economic progress that had obtained during the last few years, then we should give up talking in terms of doubling our standard of living in a decade and providing two million new jobs every year.

PROBLEMS OF INDIAN SHIPPING

IN the Indian shipping world, the Scindia Chairman's speech at the annual meetings of the Company's shareholders has come to be looked upon as an event of major significance, and justifiably so. For Mr. Dharamsey Khatau speaks not only on behalf of the leading shipping company of India, but also with all the weight of prestige and authority of a leading business man who is well known for his broad outlook and progressive views. Yet the comprehensive survey of our shipping problems which he gave in his speech the other day is likely to evoke mixed feelings in the mind of a thoughtful reader. For the deep appreciation of Mr. Khatau's observations on some points will almost certainly be tempered by a feeling of equally keen disappointment over others.

Like the chairmen of the other shipping companies, Mr. Khatau has drawn pointed attention to the gravity of the dock labour problem. Since the decasualisation scheme was introduced—in Bombay in 1952, in Calcutta in 1953 and in Madras in 1954—the situation has gone from bad to worse; lack of discipline and deliberate "go-slow" tactics have become the order of the day; the output has fallen off almost to one-half, in some cases even lower. An average loss of five days, says Mr. Khatau, on account of poor loading and discharging operations in a round voyage—and this is by no means a high figure in present-day conditions—would, in the case of the Scindia fleet, amount to an aggregate loss of the order of 800 to 900 voyage-days, which is equivalent to 2½ vessels. The delays alone "would result in a virtual immobilisation of 2½ vessels, the maintenance cost of which would approximate to Rs. 20 lakhs." The object of the decasualisation scheme was to better the condition of labour, in order to achieve greater efficiency. These are laudable aims, but it cannot be denied that, in actual practice, the scheme has led to some gross anomalies, mainly because, while recognising the rights of labour, it practically ignored their corresponding obligations and made little or no attempt to relate reward to performance. The official enquiry now instituted into the dock labour question has not come a day too soon. It is our ardent hope that this Enquiry Committee will do its best to end the present one-sided state of affairs at our docks and thereby help rescue Indian shipping from the dangers of a creeping paralysis.

As for taxation policy and its effects on shipping, Mr. Khatau tells us the familiar tale of woe with some plaintive touches of his own—the difficult problem of replacing old tonnage when costs of ships have gone up four to five times as compared with the pre-war level; the inequitable incidence of the amendment of the Income-tax Act which, since 1946, has subjected to tax the sale proceeds as well as the amounts realised from underwriters for marine mishaps, and the need for exempting such amounts from tax when they are utilised for acquiring fresh tonnage; the inadequacy of the "accelerated depreciation allowances," which only serve to put off the evil day but give no net overall tax relief; and the plea for an "investment allowance" similar to what was granted to the British industry last year. On all these points, we find ourselves in substantial agreement with Mr. Khatau. The 'floating factory,' if so heavily loaded with taxes, can hardly be expected to withstand international competition on the high seas. Hardly had the echo of Mr. Khatau's speech died down than the Finance Minister announced his decision to grant a development rebate of 25 per cent. for new plant and machinery installed or acquired after 31st March, 1954. This sorely needed tax relief will be particularly welcome to Indian shipping.

There are other points made in Mr. Khatau's speech on which there could hardly be two opinions: the problem of manning India's expanding fleet and the need for recruiting foreign personnel in higher grades to meet the existing shortage; the necessity of creating one central co-ordinating agency for arranging the ocean transportation of all cargoes owned or controlled by the Government; the need for building up a nucleus tanker fleet in the immediate future, with its operation and management entrusted to some competent shipping company. That it is high time to develop our own tanker trade has been frequently stressed from all quarters, including the shipowners, the Government and the public.

So far, so good. But difficulty arises when we turn to Mr. Khatau's plea for a quota system in the coastal trade, for no charters on the coast, and for no tramp ships for India. Some of the observations made under these captions seem to be sadly lacking in realism. Is the prevalence of malpractices a good enough argument for plumping for a quota system? Will it help build up the stock of India's shipping industry as a private enterprise in the eyes of the public? One could legitimately expect that Scindias as the leader of Indian shipping would give a decisive lead in a matter like this and devise ways and means to end whatever malpractices may now be prevalent. Instead, we find them arguing the other way—because malpractices cannot be stopped, quotas must be resorted to, which is as good as a counsel of despair.

It is true that, before the war, a quota system was at work on the coast, but that was before India's independence and before coastal reservation, when quotas were the only practicable means of protecting India's infant shipping industry against the stifling competition of powerful non-Indian interests. What justification could there be for quotas in the changed political climate of 1955? The quota system, which is often but a prelude to a closed-door policy, will make it hard for new companies to enter into this trade; it will almost certainly affect the future growth of the younger companies. Should this happen, then the Indian shipowners, who often complain of the monopolistic tendencies of foreign conferences, will themselves be faced with similar charges within their own country, so that the accusers in the overseas field will become the accused at home. In such an altered context, the much-advertised "nursery of Indian shipping," too, will need a new metaphor; for the coastal trade will then become more like a strait-waistcoat for this industry.

On the question of employing charters on the coast, Mr. Khatau is quite categorical. None should be allowed to operate from the first of April, 1955, not even as substitutes for owned tonnage when transferred to an overseas [illegible] for "it would defeat the basic purpose of reservation." How and why, Mr. Khat[illegible] not say. In effect, such a thesis is no diffe[illegible] from saying: "Sentiment first, business next." It is clear that, at any given moment, the owned tonnage should be so employed as to yield the best results by way of freight earnings. It is equally clear that there are occasions when transfer of larger boats to the overseas sector and employment of time-charters as temporary substitutes for them on the coast would directly contribute to that end. We fail to see why on such occasions shipowners should be asked to sacrifice freight for what could at best be an intangible emotional satisfaction.

Now to take the case of tramp ships. Mr. Khatau reminds us of the dwindling tramp tonnage of the U.K. Before World War I, tramps accounted for as much as 50 per cent. of the total British tonnage, the percentage fell to 30 by 1935, and to only 15 by 1953-54. Countries like Germany, Italy and America which have developed mercantile marine on the basis of well conceived policy, he goes on to say, have made no special efforts to develop their tramp tonnage. "Tramps," he concludes, "are a dying breed."

But are they? Let us consider, for example, the following remarks made a couple of years ago by the President of the U.K. Chamber of Shipping at the annual meeting of the Chamber: "There is no doubt which way the tide is setting. In 1939, we had 3.5 million tons gross of tramps. In June, 1950, we had 3.1 million. In 1951, 2.8 million. In 1952, 2.4 million.... *This is ominous, not merely statistically, but because tramp tonnage is the shipping reservoir which should be continuously filled from below, by the springs of new ownership* ... and if the answer can be given in one word—and it almost can—the word is the familiar one—taxation." (Italics ours.) Must we draw our inspiration from a trend of development in Britain which its own leaders of shipping frankly deplore, which they want to arrest but have so far been unable to do so? Must we emulate what they look upon as ominous?

The case of post-war America, Germany and Italy is hardly relevant. The U.S.A. has a fleet of some 14 million gross tons in operation, but, in addition, it has some 13 million gross tons laid up as reserve, some of which make occasional sallies as tramps carrying bulk cargo across the oceans. This whole tonnage is, in a sense, nothing but a vast reservoir of potential tramps. Germany and Italy are busy recapturing their places in various conferences which they had to vacate during the war. They are doing so for the very sound reason that, otherwise, these places would be lost to them for good. India is not in that happy position. How to enter into the major conferences still remains its main headache. As Mr. Khatau has himself emphasised, the Indian members of the India/U.K.-Continent Conference cannot accept export cargo from Colombo, Aden and other intervening ports for the U.K.-Continent, and *vice versa*, for the simple reason that, in spite of frequent representations, they have so far failed to enter into these "Zonal Conferences." To think only in terms of liners when even such elementary rights as entry into these sister Conferences have been denied to India, is not a realistic approach.

Britain, as we have seen, has been steadily losing ground as a tramp operator, largely owing to the high level of its taxation. But there are other countries which are promptly stepping into this vacuum. Norway, Japan and Greece rank among the most important tramp operators of the world. Their fleets, which a year ago consisted of 6.0, 3.3 and 1.2 million gross tons, respectively, are still expanding. Besides, some of the leading maritime nations have found it handy to use other countries, especially Panama, Liberia and Honduras, as bases for tramp operation. The following figures for steam and motor vessels of 500 gross tons and over will tell the story:

(In thousand gross tons)

	3rd September, 1939	31st December, 1953
Panama ...	722	3,942
Liberia ...	—	1,619
Honduras ...	—	413

These three countries, which are politically and economically as good as nonentities, have one great thing to offer—low taxation. And so, like a powerful magnet, they have been attracting the tonnage, mostly tramps, from the high-tax areas. The net earning capacity of a vessel is greatly increased as soon as it hoists the flag of one such country. Tramps are not a dying breed, as Mr. Khatau describes them; they are a migrating one.

TARIFF BODY TO CONSIDER AGAIN RETENTION PRICES FOR STEEL

CARRY FORWARD OF LOSSES—INVESTMENT REBATE

THURSDAY, 5 P.M.

TEN days have passed since the budget proposals for 1955-56 were announced. The share markets have thus had sufficient time to study them and understand their significance. The fact that equities have continued to rule firm, with a number of them registering a substantial improvement in their value, shows that the markets refuse to take a pessimistic view. It is true that the technical position of top speculative counters has been in favour of the bulls. But, as there has been an all-round advance in prices, it seems that the rise is based on something more solid than the mere manipulations by a group of bulls. Even textiles, which were visibly hit last week, have recovered. It would appear that many investors who were waiting for budget uncertainties to be over, have been making selective purchases, now that the worst is over. Whether this support will be sustained remains to be seen.

MARKET GOSSIP

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The share markets' second thoughts on the budget seem to be one of subdued optimism. The operators feel that the adverse effects of the increase in taxation payable by the middle class on investments in equities are exaggerated. They attach great value to the development rebate; this concession is regarded as a major one and is expected to benefit many joint-stock companies. They are confidently hoping that the Finance Minister will revise, in a downward direction, some of the excise duties, owing to strong pressure from his party members. They are even ready to believe the report that he may yield a little in regard to the taxation on perquisites, too. The other factors on which the market is taking an optimistic view may be pin-pointed:

(1) The budget is not as bad as was feared at one time.

(2) The uncertainty about the recommendation of the Taxation Enquiry Commission is over. The main suggestions of the Commission, in so far as they relate to Central taxation, have been implemented. Nothing worse is in store from this source.

(3) The Government is reported to have modified its drastic proposals in regard to company law reform in favour of industrial managements.

(4) There will be no taxation of bonus shares and no hitch is likely to be experienced by companies which want to issue them.

(5) Most of the industries are working satisfactorily.

(6) As the Government is determined to step up its development expenditure, more money will be circulating and the demand for consumer goods will be well maintained.

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The present retention prices for the Tata Iron and Steel Company, Ltd., and the Indian Iron and Steel Company, Ltd., hold good only up to 31st March, 1955. What will be the position after this date? Will the price control on steel be removed or modified substantially? If the Government proposes to continue the present system, has it referred the issue to the Tariff Commission? These are some of the questions which are agitating the minds of speculators in the shares of both the companies. It is rumoured that the T.I.S.Co. has already submitted to the Government its demand for an increase of about Rs. 30 per ton in the price of steel. According to our information, the Government is not very keen on giving up the control over the prices of steel, nor is it very anxious to settle the question without first referring it to the Tariff Commission. In short, the present arrangement will be continued. The Tariff Commission is already reported to have commenced its preliminary study of the question and its active consideration is likely to be taken up two or three months hence. It is needless to add that whatever increase in retention prices is finally decided, they will be given retrospective effect from 1st April, 1955.

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The possibility of the recent increase in excise duty on cloth being modified is hinted at by reports from New Delhi. A cut of quarter anna in the enhanced duty on coarse and medium counts is forecast. The Finance Minister is reported to have indicated at a meeting of the Congress Parliamentary Party that he was considering a modification of the duty in deference to the criticism that the poorer sections of the people would be hard hit by the increases effected by him under his budget proposals. In the meantime, the textile industry itself is greatly agitated over the increased levy, because it will have to bear the major portion, if not the whole, of the extra burden, if consumers resist the incidence of the levy being passed on to them. An idea of the extent to which mills will have to pay more in such a case was given by Sir Joseph Kay, Chairman of the New City of Bombay Manufacturing Co., Ltd., in reply to a question from one of the shareholders at the annual general meeting of the Company held on Monday this week. So far as the New City was concerned, the average excise duty paid last year amounted to Rs. 52,000 per month. On the basis of the revised rates per square yard, the duty will amount to Rs. 1 lakh per month. Sir Joseph visualised a none too bright outlook for the industry, because of the mounting costs and dwindling margin of profit. He pointed out, at the aforesaid meeting, as well as at the meeting of the New Great Eastern Spinning and Weaving Co., Ltd., held on the same day, how the recent award of the Labour Appellate Tribunal and other higher costs had affected the profits of both the Companies though production was well maintained.

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One of the grounds on which the shares of the Bombay Dyeing were being consistently supported in recent months was that the Company would issue bonus shares. It was all along believed that, if the Government decided not to tax bonus issues, the Company would plump for capitalisation of reserves. Hopes, therefore, ran high when it was known that bonus issues would not be taxed. They were no doubt shaken a bit last week when the Directors' decision on dividend for 1954 was not accompanied by any announcement about bonus shares. But, subsequently, operators began to console themselves by saying that the Directors might meet again later and vote in favour of the issue. There is, however, no room for any such speculation now, for, at a meeting held today, the Directors decided not to issue bonus shares. The reasons for this decision may be the shrinking margin of profit on cloth and the Company's intention to spend large amounts on modernisation the effect of which on its earnings may not be felt for some years to come.

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Saurashtra will have a soda ash plant in the near future. Preparations for its establishment are in full swing. The project is being promoted by Birlas, who have already registered a company in Bombay for this purpose under the name of Saurashtra Chemicals Ltd. The authorised capital of the Company is Rs. 5 crores, of which Rs. 1 crore is expected to be issued to the public. An approach is likely to be made by the sponsors to the Industrial Credit and Investment Corporation for a part of the finance required for this project. The assistance expected from this source is placed at as high as Rs. 2 crores, but it is too early to say anything definite about that amount. The sponsors also hope to find a part of the finance by buying the plant and machinery on "supplier's credit" basis, repayable in seven or eight years. It is reported that at least three countries—Switzerland, Sweden and Japan—are competing for this business. The plant will be installed at Porbandar; its initial capacity will be 100 tons of soda ash a day, capable of being expanded ultimately to 200 tons a day.

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Although the provision in the Finance Bill which provides for the grant of a development rebate to industries has been generally welcomed in this country, it has been criticised by Dr. V. K. R. V. Rao, a member of the Commission, on the ground that it has been made applicable to all industries instead of to certain selected industries (as suggested by the Commission). Now, clause 8 of the Bill amends section 10 of the Income-tax Act providing for a deduction (called "development rebate") in respect of new plant and machinery installed in a business after 31st March, 1954, whether the business itself is old or new. This rebate is, as was briefly pointed out in these columns last week, similar to the "investment allowance" given in the U.K. and is in lieu of the initial depreciation. The important respects in which it differs from the latter were also mentioned here last week. It is true that the Commission, as Dr. Rao has pointed out, meant this development rebate as a special concession only to industries of national importance. The Commission's approach to the question is that since it has recommended an increase in rates of personal income-tax, it would be necessary to afford specific incentives to productive investment. The Commission's scheme of tax relief deals with three categories of enterprise. The first includes all companies, whether commercial or industrial. They are at present given a rebate of one anna in the rupee on their undistributed profits. Since this concession has been of some use in stimulating a greater retention of corporate profits, it has recommended its continuance. The second category consists of selected industries of national importance. It is to this class of industries that the Commission has urged the grant of development rebate. The Commission has noted that the existing concession under section 15C, the main feature of which is the exemption from tax for profits upto the extent of six per cent. per annum on the capital employed in new undertakings, has not been very useful. In 1952-53, the income exempted under section 15C was no more than Rs. 8.57 lakhs, although it was larger than in the previous year when it was Rs. 3.41 lakhs. The number of assessees who obtained concession under section 15C was again small, being 118 in 1952-53, though it was larger than in the previous year when it was 91.

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After explaining the nature and scope of the development rebate—clause 8 of the Finance Bill, to which reference is made above, incorporates the Commission's recommendation—the Commission has suggested that the criteria for selection of industries for the grant of the rebate should be: (1) the importance of the industries concerned from the point of view of national development and (2) the extent to which they are likely to be developed, if left to the voluntary effort of private enterprise and without any special stimulus by way of tax relief. The Commission has further stated that it would be necessary for an appropriate body constituted by the Government such as the Planning Commission to draw up a list of industries which conform to the criteria for selection laid down by it. The third category includes only a small number of industries selected from time to time by the Government as of special national importance, the Commission's intention being to give a somewhat greater stimulus to this group as compared to either of the other two categories. Accordingly, it has recommended for the third category a complete tax holiday (that is, exemption from tax). This category would include producers' goods and capital goods industries.

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Such, in brief, is the outline of the Commission's scheme for tax relief to industries. It will be clear that the Commission's intention is to give development rebate to the second category of industries only. But the Government seeks to extend it to all industries. Thus, the Government's decision is a significant departure from the Commission's recommendation. Commenting on this decision, Dr. Rao says:

"The Commission had wanted to use the development rebate as a specific form of tax incentive for promoting investment in selected categories of industries. They had, therefore, confined their recommendations, for a development rebate exclusively to certain categories of industries of national importance and had indicated that in practice this should mean confining the concessions we have recommended to the group of industries that are broadly described as producer goods and capital goods industries. If the Government require time to give further detailed consideration to these proposals, one can understand their deciding to retain the status quo regarding the initial depreciation allowance, pending the completion of their enquiry. But it is difficult to understand how a decision could be taken in the meanwhile to extend the development rebate of 25 per cent. to all industries. Such a decision completely negatives the possibility of guiding investment in desired channels and is certainly not consistent with economic planning in the private sector. I hope that even at this late stage the Government will see their way not to extend this concession of a development rebate to all industries but confine them exclusively to the producer goods and capital goods industries as suggested by the Taxation Enquiry Commission."

Although there is considerable force in Dr. Rao's criticism, it must be admitted that it would be difficult to draw up a satisfactory list of industries of national importance. The criteria for selection, laid down by the Commission, are too general to serve as a practical guide in selecting industries for the grant of the rebate. In any case, the existing machinery in the shape of Capital Issues Control and of other forms of Governmental control, vests sufficient power in the hands of the Government to see that non-essential industries are not started.

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Last week, it was stated in these columns that the budget proposals envisaged the restoration of the right to adjust losses on speculation against the gains in business. This is a mistake. The correct position is that the facility to carry forward losses, as we indicated in the last issue, will extend to an indefinite period; thus, there will be no six-year limit, as now. Also, business losses (other than speculation losses) carried forward will be allowed to be set off against the profits of the same or any other business, profession or vocation carried on by the same assessee in future years. But losses sustained in speculative transactions are allowed to be set off only against the profits and gains, if any, of any business in speculative transactions carried on by the assessee. There is, therefore, no change in the position in respect of adjustment of losses in speculation, but such losses also can be carried forward for an indefinite period, which was not the case before.

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The main change, namely, the abolition of the six-year limit for carrying forward losses, implements the recommendation of the Taxation Enquiry Commission which suggested that the losses should be allowed to be carried forward indefinitely, that is, until they are fully absorbed. The second change, namely, the facility for adjustment of business losses (other than speculation losses) against the profits in the same or any other business also stems from the Commission's suggestion. The Commission said that it had been pointed out to it that the present restriction on the adjustment of carried forward loss of a business against the income of the same business should be abandoned. It had been told that apart from the difficulties of interpretation of the word "same" it was not equitable that the loss offset should be restricted on arbitrary grounds. It added: "The rates of taxes have also steeply risen since 1939 and the situation has altered materially from the point of view of the assessee since then. We recommend that the restriction for loss offsets against the same business should be removed, subject to the safeguard that the business in which the loss is occasioned is carried on by the same assessee in subsequent years. We also suggest that the working of this recommendation should be reviewed after five years.

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Justifying the continuance of the segregation of speculative losses, the Commission avers, in effect, that the position is not as bad as its critics make out, since many genuine hedge transactions are not treated as "speculative." Such exempted transactions include: (a) a contract in respect of raw materials or merchandise entered into by a person in the course of his manufacturing or merchanting business to guard against loss through future price fluctuation in respect of his contracts for actual delivery of goods manufactured by him

(*Continued on page 496*)

FIRM TONE IN EQUITIES

TEXTILE SHARES REVIVE

(From Our Own Correspondent)

BOMBAY, *10th March*

THE week under review was a short one for the Stock Exchange on account of the intervention of holidays. The Exchange remained closed on Saturday last, as it was the day following the settlement. On Tuesday, operators indulging in *Holi* revelries, refrained from doing business though the exchange was officially open. The Stock Exchange remained closed yesterday, it being a bank holiday for *Holi*. During the short week, equities displayed a cheerful tone on strong speculative buying and some investment support.

Trading was somewhat subdued, except in steels, on the opening day, operators' enthusiasm having been dampened by settlement considerations and weakness of textiles. In slow dealings values backed away slightly. Buoyant conditions were, however, soon restored, with leading scrips attracting sizable speculative support. Lower carry forward charges than expected in the last settlement, unconfirmed reports that Tata Iron and Steel Company might receive an increase in retention prices, optimistic expectations of a possible reduction in the proposed excise duties on cloth and the sharp rise in notes in circulation were some of the factors which induced support and attracted short covering. In the result, equities registered handsome gains on a wide front.

As in the previous week, steel shares provided the lead to the market. Tata Ordinaries hardened from Rs. 237-12 to Rs. 243 and, after a reaction to Rs. 240-12, gathered strength to close at Rs. 242-8. Indian Irons rallied from Rs. 35-1 to Rs. 35-13 and closed at Rs. 35-10.

Textile shares shook off their nervousness noted in the previous week following the increase in excise duties, and staged a revival all-round on reports regarding the modification of the excise duties on cloth, as stated above. Besides, the maintenance of dividend by a number of cotton mills engendered hopes of similar announcement by other mills also. Consequently, sentiment hardened and quotations advanced, thereby retrieving the bulk of last week's losses. The highlight of the section was provided by Century Mill shares which spurted from Rs. 372 to Rs. 383-12, following the good working results and on speculative support. Bombay Dyeings very nearly recouped last week's loss by advancing from Rs. 461-4 to Rs. 468-2. There was a revival of support to Kohinoors which gained Rs. 4-12 to Rs. 316. Central Indias were better by Rs. 3 at Rs. 130. Finlays accounted for a rise of Rs. 2 at Rs. 251 and Gokaks for Re. 1 at Rs. 228. Models put on Re. 1-4 to Rs. 138-12, so also Podars to Rs. 157-8 and Shree Niwas to Rs. 238-12. After being marked up from Rs. 147 to Rs. 149, Simplex shed a good part of the gain and closed at Rs. 147-8. Standards appreciated by Rs. 3-12 to Rs. 368-12, Svadeshis by Rs. 5-12 to Rs. 194-4 and Tatas by Rs. 2-8 to Rs. 60-8.

A feature of the bank section was the sharp rise in Barodas from Rs. 103 to Rs. 107-8. But Centrals dropped a fraction to Rs. 52-4, as also their new shares to Rs. 53. Imperial Fully Paids suffered a loss of Rs. 32-8 to Rs. 1,545 and their Partly Paids Rs. 5 to Rs. 385. Bank of Indias were taken As. 12 higher at Rs. 149-12 and Punjabs Re. 1-8 better at Rs. 40-8, while United Commercials changed hands at the self-same rate of Rs. 45-12.

Insurance shares ruled dull with very little activity. After last week's spurt, New Indias attracted profit-taking and closed at Rs. 58-4. Orientals were unchanged at Rs. 7,215, while Jupiters changed hands As. 2 lower at Rs. 10-6. British India Generals were done an anna better at Rs. 13-15. Empires were sticky at Rs. 700, as also Indian Mercantiles at Rs. 44-8 and Industrial Prudentials at Rs. 42.

Barring a setback in select issues, electricity shares were generally steady. Ahmedabad Electrics dropped suddenly today from Rs. 115-5 to Rs. 114-1 and their new shares from Rs. 31-12 to Rs. 30-8. After hardening from Rs. 127-8 to Rs. 128-12, Bombay Suburbans gave way to Rs. 127-8, in sympathy with Ahmedabad Electrics. Andhra Valleys (old) gained a fraction from Rs. 1,412-8 to Rs. 1,415. Tata Hydros were unchanged at Rs. 147, but Tata Powers were picked up Rs. 3-12 higher at Rs. 1,517-8.

The miscellaneous section presented generally a firm trend with leading scrips attracting good attention. Cement shares were particularly in fine form, Associated Cements shooting up from Rs. 178-4 to Rs. 184 on good buying enquiries on reports of good earnings for the current year so far and substantial benefits accruing from development rebate allowed by the Government. Digvijays rallied from Rs. 169-8 to Rs. 176-8. Sugar shares were dull, but the undertone was steady. Belapurs moved between Rs. 320 and Rs. 325 before closing at the previous week's level of Rs. 323. Phaltans gained a fraction to Rs. 121, while Walchandnagars were done Re. 1-4 lower at Rs. 225. In the engineering and mining group, Alcocks were steady at Rs. 292-8, while Premier Constructions were bid actively on reports that the Company had secured a big contract from the U.P. Government and, consequently, the shares moved up from Rs. 157-4 to Rs. 164-4. Shivrajpurs improved by Rs. 2-4 to Rs. 80-4. Indian Coppers recorded a rise of As. 1¼ to Rs. 3-10 and B.B. Petrols a fraction to Rs. 3-14. Shipping shares were buoyant, Scindias recording a rise from Rs. 15-9 *cum-div.* to Rs. 15-12½ *ex-div.* India Steamships improved from Rs. 7-12 to Rs. 8-1. Great Eastern Shippings were, however, unchanged at Rs. 16-12. Among miscellaneous industrials, Bombay Burmahs (old) shaped well with a rise from Rs. 459-6 to Rs. 465, on rumours about the possibility of a bonus issue, and their new shares from Rs. 160 to Rs. 162-8. B.I.C. rose by As. 9 to Rs. 7-14 on revival of support. Killick Industries were quiet at Rs. 171-4. National Rayons advanced from Rs. 204-8 to Rs. 207-12 on rumours of an increase in dividend to Rs. 11 per share. Tata Chemicals were just ready at Rs. 16-5, while Tata Oils were a shade quiet at Rs. 42-4. Selling pressure in Wimcos pushed them from Rs. 205 to Rs. 203-12.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, *8th March*

Trading during the week on the Calcutta Stock Exchange took a cheerful turn; enquiries widened, prices gained all round and the number of transactions increased. Scrips of companies having expansion programmes were in good form, as they were in good demand, in view of the benefit accruing to them from the development rebate provided in the Budget. By and large, the Budget proposals have had a favourable reception in the market, inasmuch as they provide for and encourage expansion and growth of industries. No doubt, the fear whether the excise duties would affect consumption is strongly entertained; but, on the other hand, the Finance Minister would appear to be confident that the huge amounts spent on development programmes would be reflected in an increase in the general income level of the working class, the middle class and the peasants.

The Railway Minister's willingness to reduce the proposed surcharge to 6¼ per cent. from 12½ per cent. on consignments weighing less than 20 maunds is noted with relief, as manufacturing industries whose products are required to be railed in small lots, either in view of lower production or of requirement being only too small at a time, are not a few in and around this city. The coal industry is looking forward to the Railway Minister dropping his proposal to increase coal freight by 10 per cent. within 300 miles. The difficulties which the coal industry is facing are many, such as accumulation of stocks in pitheads, increased output costs, inadequate transport, etc. And, now, to add to freight will indeed be the last straw on the camel's back.

After the recent inter-State conference held in New Delhi, the view that the Government of India will soon take a decision to raise the return for electricity supply undertakings is gaining ground. Considering the average return on other industries, and the interest rates charged by the Industrial Finance Corporation and the World Bank, the plea of the electricity industry to raise the 5 per cent. limitation is sound and reasonable. Earlier, it had been reported that the Government of India had already taken a favourable decision in this regard, and that a Bill was likely to be introduced in the present session of Parliament.

Sectionwise this week, engineerings received the keen attention of operators as well as investors. Indian Irons opened last Thursday at Rs. 35-3, and after being firmly held around that level spurted to Rs. 35-7 during the week-end. Yesterday, the rate touched the mark of Rs. 36. Texmacos in buoyant trading gained to Rs. 16-13 from Rs. 16, and Jessop & Cos. were raised to Rs. 36-4 from Rs. 35-7. Kumardhubis were steady at Rs. 12-10 and Indian Standard Wagons changed hands at Rs. 118.

Jutes received more attention, speculative Howrahs rising to Rs. 30-2 from Rs. 29-6. Nationals were lifted to Rs. 33-8 from Rs. 32-6, and at Rs. 232, Anglo-Indias put on Rs. 8. Cheviots were unchanged at Rs. 295, but Belvederes were better at Rs. 218. Champdanies were transacted at Rs. 176, which showed a gain of Rs. 6. Budge Budges were enquired at Rs. 195, while Megnas were weak at Rs. 103-8. Ballys changed hands at Rs. 193, as against Rs. 189 previously. Orients were taken to Rs. 191 from Rs. 187.

Wide interest was shown in tea shares. Gungarams climbed to Rs. 500 from Rs. 455, while Nagaisurrees lost from Rs. 374 to Rs. 371. Birparas were raised from Rs. 301 to Rs. 307. But Carrons remained unchanged at Rs. 306. Hansquas gained from Rs. 29-12 to Rs. 33, Tezpores from Rs. 36-6 to Rs. 37-4, East Indians from Rs. 32-12 to Rs. 33-12. Jutlibaris rose from Rs. 25-12 to Rs. 27-6 and Bormahjans from Rs. 22-2 to Rs. 24. Moheemas scored to Rs. 20-12 from Rs. 19-8, and Sapois to Rs. 42 from Rs. 37-8.

Shares of paper mills were in good demand, Orients advancing to Rs. 28-1 from Rs. 24-13, India Pulps to Rs. 257 from Rs. 245, and Titaghurs to Rs. 44 from Rs. 42-2. Stars were steady at Rs. 14.

Miscellaneous industrials were mentioned in buoyant trading. F. & C. Oslers reached a high of Rs. 19 from Rs. 16-7. Martin Burns received moderate support and rose to Rs. 23-13 from Rs. 23-4. Indian Cables at Rs. 24-13 were fractionally higher as were Niccos at Rs. 23-5. B.I. Corporations recovered to Rs. 7-9 from Rs. 7-4, and Rohtas Industries advanced to Rs. 25-1 from Rs. 23-1. Indian Coppers hardened to Rs. 3-11 from Rs. 3-7.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, *8th March*

The Madras Stock Exchange displayed hectic activity during the week under review. Under the leadership of planting shares, almost all the other sections witnessed heavy buying. As a result, prices firmed up and recorded notable gains over the week. This improvement was partly in sympathy with the buoyant tone in the Bombay share market. Expectations of satisfactory profits by the majority of the planting companies and, consequently, of better dividends also strengthened the sentiment. The feverish buying enthusiasm was marked in tea scrips, although the prices of tea leaves in London persisted to decline. The enthusiasm was so high that the continued fall in prices of tea leaves even in Cochin for some weeks past was completely overlooked. The sentiment of the operators in rubber and coffee scrips was influenced by the strength of tea scrips. Business done on balance was substantial and the undertone remained strong.

Textiles put on a good appearance. Ashers advanced from Rs. 140 to Rs. 149 and Metturs from Rs. 282 to Rs. 285. Coimbatore Pioneers gained Rs. 2-8 to Rs. 206 and Coimbatore Spinnings Rs. 3-4 to Rs. 72. Janardanas were up by Re. 1 at Rs. 78 and Rangavilas by Re. 1-8 at Rs. 62. Lakshmis (Rs. 50 paid-up) shot up from Rs. 135 to Rs. 144 and "A" were better by Re. 1-12 at Rs. 29-12. Vijayakumar gained from Rs. 29-12 to Rs. 33, Tezpores from Rs. 36-6 to Rs. 37-4, East Indians from Rs. 32-12 to Rs. 33-12. Jutlibaris rose from Rs. 25-12 to Rs. 27-6 and Bormahjans from Rs. 22-2 to Rs. 24. Moheemas scored to Rs. 20-12 from Rs. 19-8, and Sapois to Rs. 42 from Rs. 37-8.

Shares of paper mills were in good demand, Orients advancing to Rs. 28-1 from Rs. 24-13, India were raised from Rs. 301 to Rs. 307. But were better by Re. 1-12 at Rs. 29-12. Vijayakumar were As. 11¼ better at Rs. 14-10. Buckinghams changed hands at Rs. 152 *cum-div.*, as against Rs. 130.

Among teas, Blue Mountains improved by As. 2½ to Rs. 3-12½ and Chandramalais by As. 6½ to Rs. 5-9. Coorg Teas rallied As. 9 to Rs. 9-13 and Devasholas As. 8 to Rs. 26. Hulikeyburias advanced from Rs. 27-8 to Rs. 28 and Highland Produces from Rs. 15-12 to Rs. 16-3. Mlamallays gathered Re. 1 to Rs. 64-8 and Nonsuch Teas Re. 1-4 to Rs. 35-4. Peermades gained Re. 1 to Rs. 45. United Nilgiris shot up from Rs. 285 to Rs. 290. Twyfords were higher at Rs. 26, as against Rs. 24-12. Udayagiris, however, lost As. 2 to Rs. 19-8. Emerald Valleys were quiet at Rs. 7-11 and Coonoor Teas at Rs. 31-8.

Cochin Malabars, among rubbers, gained As. 4 to Rs. 7-10 and Kailas As. 3 to Rs. 5-9¼. Nenmenys were higher by As. 6 at Rs. 12-12 and Rajagiris by As. 13 at Rs. 15-9. Vaikundams improved from Rs. 22-14 to Rs. 23-4. Pullangodes were slightly better at Rs. 3-5¼, as against Rs. 3-4. Thirumbadis were fractionally up at Rs. 2-1. Bes, however, were unchanged at Rs. 4-4, Malankaras at Rs. 23-2 and Shevcroys at Re. 1-9.

In the coffee section, Consolidated Coffees were enquired higher at Rs. 18-4, as against Rs. 17-6, and Coffee Lands at Rs. 16-8, as compared with Rs. 16-1. Puthutotams were up by As. 2¼ at Rs. 4-10. Mysore Kadur Coffees were dull at Re. 1-10¼.

Miscellaneous scrips witnessed some selective enquiry. Bruntons advanced from Rs. 6-10 to Rs. 7-4 and F.A.C.Ts from Rs. 5-2 to Rs. 5-5. India Cements (Ordinary) gathered As. 2 to Rs. 20-12 and Travancore Cements As. 5 to Rs. 8-2. Mettur Chemicals disclosed a gain of As. 5 at Rs. 8-10 and Mysore Gold an anna and a half at Rs. 3-9½. Parrys were up by an anna at Rs. 4-8. Rallis, however, were colourless at Rs. 38 and Indian Aluminium at Rs. 180. Aluminium Industries were quiet at Rs. 17-6 and India Steel Rolling Mills at Rs. 12-14. Binnys were uninspiring at Rs. 130 *cum-div.* The Directors have declared a final dividend of 4 per cent. thereby making a total of 8 per cent. for the year ended 31st December, 1954, that is, the same as in the previous year.

DISTRIBUTORS WANTED

FOR Bombay Presidency and Western India. Sale of Rosin and Turpentine. Minimum Sale guarantee of 600 tons of Rosin and 150 tons of Turpentine. Write stating experience and giving Bank references to Box No. 951, c/o. "Commerce," "Brady House," Veer Nariman Road, Fort, Bombay.

NEWS IN BRIEF

THE Union Government has not yet taken any decision on the question of nationalising insurance companies in the country.

The total Indian-owned shipping is 468,110 g.r.t. This represents about ½ per cent. of the world tonnage.

No decision has been taken to raise Indian participation in the share capital of the Burmah-Shell Refinery.

The gross revenue derived from opium during the nine months ending December, 1954, amounted to about Rs. 1,92,11,000.

During 1954, the number of electric lamps manufactured in India was 22.29 million, as against 19.67 million in the previous year.

India will export 4,000 tons of coffee during the first four months of 1955. Further allocation of export will be determined when a better estimate of the crop is available.

During the first nine months of 1954-55, the Central Government gave Rs. 73,53,000 as grants and Rs. 2,31,00,000 as loans for the development of the handloom industry.

The Government of India has decided to license freely the export of abestos cement products to all permissible destinations other than Portuguese Possessions in India till the end of June, 1955.

The all-India first estimate of gram for 1954-55 puts the area at 19,180,000 acres, as against the adjusted first estimate of 17,326,000 acres for 1953-54. This shows an increase of 1,854,000 acres or 10.7 per cent. over last year.

The all-India final estimate of groundnut for 1954-55 puts the current year's area and production at 12,647,000 acres and 3,823,000 tons, as against the partially revised estimate of 10,869,000 acres and 3,573,000 tons for 1953-54.

The Indian Trade Delegation to the Middle East, led by Mr. M. P. Birla, which toured eight Middle East countries recently to explore the possibilities of increased trade between India and these countries, has submitted its report to the Commerce and Industry Ministry.

The Union Government is considering the setting up of a pilot plant in the Nilgiris (South India) for the manufacture of newsprint from wattle pulp. Researches carried out by the Forest Research Institute in Dehra Dun have shown the possibility of newsprint manufacture from wattle pulp.

The Air-India International Corporation proposes to introduce a luxury service from Bombay to London with effect from 9th May next. The Corporation also proposes to include Beirut, Prague and Zurich on its Bombay-U.K. flight. The frequency of the service between Bombay and Singapore will also be raised from one to two trips per week from 1st July, 1955.

India imported 60 bales of Russian cotton during 1954. The c.i.f. price of this cotton was Rs. 1,560 per candy (2 bales), which is approximately the same as for similar cotton imported from other countries. Giving this information in the *Lok Sabha*, the Deputy Minister for Commerce and Industry said this week that imports of cotton were at present being freely licensed from all countries.

The Government of India hopes to appoint the next Finance Commission during the course of the coming year, after it has received and considered the States Reorganisation Commission's report. The distribution of the net proceeds of the Estate Duty among the various States will be one of the questions referred to the Commission. The report of the States Reorganisation Commission is expected to be available in June next.

The West Bengal Government proposes to undertake 131 irrigation schemes in the State under the second Five-year Plan at a cost of Rs. 102 crores. The State Government has so far spent, since Independence, Rs. 19 crores on irrigation, executing 177 schemes. These have benefited an area of 1.2 million acres, bringing an additional yield of 15.4 million maunds of foodgrains.

The all-India first estimate of *rabi* cereals (wheat and barley) for 1954-55 puts the area at 33,861,000, as against 30,756,000 acres in the adjusted first estimate for 1953-54. This shows an increase of 3,105,000 acres or 10.1 per cent. over last year. The area under the individual *rabi* cereals during the current year with the adjusted first estimate for 1953-54 is: wheat 25,567,000 acres (23,137,000 acres), and barley 8,294,000 acres (7,619,000 acres).

A method of utilising *neem*, *karanj* and *undi* oils for the production of good quality washing soaps has been worked out at the Village Industries Research Laboratory, Poona. The use of these non-edible oils in the preparation of soaps has not been popular because of their undesirable odours and colours. In the process developed at the Laboratory, the non-edible oils are not directly mixed with other oils.

The Union Government does not propose to undertake State trading in foodgrains. What is now proposed is to purchase certain foodgrains directly from agriculturists in certain areas where prices have fallen very low. The Governments of six States have already been allowed to buy coarse grains in affected areas. Though there has been a general fall in prices of foodgrains and oilseeds (except in certain isolated pockets), the Government considers that prices have not reached unremunerative levels.

Production of crystal sugar up to 15th February in the current season amounted to 8.19 lakh tons and arrivals of imported sugar to 2.67 lakh tons. The figures for the corresponding period of last season (1953-54) were 6.78 lakh tons and 1.93 lakh tons, respectively. Despatches from sugar factories during the same period amounted to 1.98 lakh tons, as against 3.48 lakh tons in the corresponding period of last season. Stocks with factories on 15th February stood at 6.78 lakh tons, as against 5.33 lakh tons a year ago.

The Government of India has issued a notification under the Indian Merchandise Marks Act, 1889 (IV of 1889), to the effect that zip fasteners manufactured in India should have the country of origin marked on the goods themselves. This notification will come into effect from 15th June, 1955, so as to give time to the industry to comply with the new regulation. This is in accordance with the recommendation of the Tariff Commission to the effect that all manufacturers of zip fasteners should mark their productions as "made in India" on the goods themselves.

A number of subsidiary industries are expected to develop around the proposed Steel Works at Rourkela in Orissa. A large area contiguous to the Steel Works and the township is proposed to be reserved for the location of these industries. During the recent discussions between the Managing Director of Hindustan Steel Ltd., Mr. S. N. Mozumdar, and the Orissa Government, Mr. Mozumdar also suggested that a stretch of land lying between Rajganpur and Panposh, near Rourkela, should be reserved for location of industries in future. Rajganpur already has a large cement factory and a large factory for refractories is being set up there. Hindustan Steel Ltd. has also started an enquiry regarding the capacity of the indigenous structural engineering industry to find out to what extent its requirements of machinery can be met in India. A team of engineers of the consultants of Hindustan Steel have already visited Calcutta and Bombay in this connection. They met representatives of the major engineering concerns in both the cities. The enquiry is continuing.

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From Abroad

World production of rayon and acetate in 1954 is tentatively placed at 4,360 million lbs. It is a record high output and represents an increase of 5½ per cent. over 1953.

Imports of grains into Holland will be freed as from 1st September, 1955. This will mean the end of Government intervention in this trade, which will be returned to normal private channels.

The U.S. corporations offered a larger volume of new securities during 1954 than in any year since 1929. The new issues in 1954 aggregated $9,600 million, an increase of 8 per cent. over 1953.

The Netherlands had a population of 10,679,563 on 1st January, 1955, an increase of 129,363 or 1.2 per cent. over that a year ago. For an area (land only) of 12,500 square miles, this constitutes a density of population of 853 persons per square mile.

World consumption of wool declined in 1954 by 4 per cent. to 2,530 million lbs., but this was still 20 per cent. above the average for the immediate pre-war years. The principal decrease occurred in the U.S. where consumption was 23 per cent. less than in 1953.

A study undertaken by the Bankers Trust Company of the U.S. reveals that demands for investment funds in the U.S. are likely to rise to record heights in 1955. Investment demands, it says, are not likely to be satisfied with the ease and facility, as was the case in 1954, so that an upward pressure on long-term interest rates is likely.

Industrial production in the United States continued its rise in January. Although small, the advance during January exceeded seasonal expectations. Increases were registered in the output of durable goods, non-durable goods, and minerals. The rise in hard goods production is attributed chiefly to continuing strength in the steel and automobile industries.

The scientists of the U.S. Agricultural Department have produced experimentally a new grade of cane sugar for direct consumption by a process using resin materials to purify the cane juice. This process is said to be a low-cost one and gives higher yields than does the conventional process. The cane sugar obtained through this process is suitable for use without refining in many food products.

Business activity in the U.S. continued to advance in early 1955, following the pronounced rise in the fourth quarter of 1954, according to the Department of Commerce. Retail sales in January were 5 per cent. above the 1954 monthly average and most lines of trade registered increases over last year's average figure. Continued increases were noted in sales of automobiles, output of manufactured goods, and production of steel.

World output of tinplate in 1954 reached a record total of 6,438,000 tons, as against 5,969,000 tons in 1953. Production was at new high levels in the U.S., France, Western Germany, Belgium and the Saar. The output in the U.K. and Japan established post-war records. Of the total world production, the U.S. accounted for 4,453,000 tons, as against 4,269,000 tons in 1953. The U.K. came next with a production of 795,000 tons, as compared with 699,000 tons in the previous year. India produced 66,000 tons a rise of 9,000 tons over the previous year.

PERSONAL

MR. John A. Thivy, India's Minister to Syria, has been appointed Ambassador of India to Italy.

Mr. B. N. Chakravarty, former officiating High Commissioner for India in London, has been appointed Indian High Commissioner in Ceylon.

Mr. D. N. Mahta, Director (Cotton), Office of the Textile Commissioner, has been appointed a part-time Member of the Forward Markets Commission.

Mr. W. R. Natu, Member, Forward Markets Commission, has been appointed Chairman of the Commission until further orders, vice Dr. B. V. Narayanaswami Naidu, who died recently at Rajkot.

Mr. Shantilal Mangaldas, a prominent industrialist of Ahmedabad, and Mr. Lakshmipat Singhania of Calcutta, have been elected President and Vice-President, respectively, of the Federation of Indian Chambers of Commerce and Industry for the year 1955-56.

Mr. Murarji J. Vaidya has been elected President of the Indian Council of Foreign Trade for the current year. Messrs. D. C. Kothari (Madras), B. N. Banerjee (Calcutta), P. B. Advani (Bombay) and Dr. B. N. Ganguli (Delhi) have been elected Vice-Presidents.

Mr. D. P. Karmarkar, Union Minister for Commerce, will lead the Indian delegation to the eleventh session of the E.C.A.F.E. which will commence at Tokyo on 28th March, 1955. The other members of the Indian delegation are: Mr. B. R. Sen, Indian Ambassador to Japan, Mr. K. B. Lall, Joint Secretary to the Union Ministry of Commerce and Industry, Dr. V. B. Gandhi, M.P., Mr. S. L. N. Simha of the Reserve Bank of India, Mr. S. Swayambu of the Central Water and Power Commission, Mr. B. C. Roy of the Geological Survey of India and Mr. Harbans Singh.

OBITUARY

Dr. B. V. Narayanaswami Naidu

We regret to record the untimely death, due to heart failure, of Dr. B. V. Narayanaswami Naidu, Chairman of the Forward Markets Commission, at Rajkot, on Saturday last. Dr. Naidu was on a four-day tour of Saurashtra and reached Rajkot on Saturday afternoon. He suddenly took ill on that night following a heart attack and died within a few hours. He thus died in harness. He had not been keeping good health for some months and yet he refused to take rest, as he felt that the task entrusted to the Commission brooked no delay. He was very keen that the Commission should be established on firm foundations as early as possible and the strenuous tours he undertook all over the country in the discharge of his duties told heavily on his health.

Dr. Naidu started his official career as Professor of Economics at the Annamalai University, of which he later acted as Vice-Chancellor. He was Principal of Pachiappa's College, Madras, for some time before he was appointed a member of the Indian Tariff Board in November, 1947. When the Tariff Board was converted into the Tariff Commission he became a member of the Commission. Later he was appointed the first Chairman of the Forward Markets Commission. Dr. Naidu had also a number of publications on economic subjects to his credit. He made an outstanding contribution to the literature on rural economics.

"COMMERCE" 1930

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *15th March*

Low Indian Freights

A matter of considerable comment in shipping circles latterly has been the abnormally low freights which have been accepted for certain Indian routes. Not for many years past have shipowners experienced such bad times or been forced to take such low rates. The generally depressed state of the world's chartering markets is fully reflected in the increase in the returns of the amount of laid-up shipping at the principal ports of Great Britain and Ireland. The returns for the quarter ended 1st January, 1930, showed an increase of 86,662 net tons, or 32.58 per cent., as compared with the returns for the quarter ended 1st October, 1929, and an increase of 22,888 net tons, or 6.94 per cent., as compared with the quarter ended 1st January, 1929. It is expected that the returns for the current quarter ended 1st April, 1930, will show a further increase, as shipowners everywhere are laying up their tonnage as a last desperate measure. Chartering on the deadweight basis for general cargo from Bombay showed rather more interest, but rates fell to exceptionally low levels, tonnage being fixed from Bombay or Karachi to the United Kingdom-Continent-Mediterranean at the low rate of 15s. for prompt loading. This figure compares with 20s. paid in November last and the normal rate of 26s. secured at this time last year; since when terms have steadily declined.

ECONOMIC POLICY

THE "economic policy" resolution, which was adopted by the Federation of Indian Chambers of Commerce and Industry at its annual session, held last week in New Delhi, was as neatly worded as it was ably moved. By this resolution, the Federation urged the Government to "pause" and give further consideration to such policies as were aimed at the ultimate elimination of well-proven and established methods of management which have "commanded the support of the investing public and banking institutions all these years." The Federation was confident that given reasonable freedom and facilities, the private sector could play a considerable part in the attainment of the country's objectives. It called upon the Government to create an atmosphere of confidence in the private sector and encourage large investment of capital in industry. Referring to the contemplated amendments to the Constitution, the Federation urged the Government not to proceed with measures which would make "compensation for the acquisition of property rights discretionary and non-justiciable, thus striking at the root of one of the most important of the fundamental rights given to the citizen in every free society."

Moving the resolution, Mr. Homi P. Mody did well to emphasise three aspects of the role of the business community in the task of economic improvement of the country—the relation between the community and the Government, the relation between the community and the public and its attitude towards the law and Constitution. He pleaded for a closer liaison between the business community and the Government. He said: "I assure the Government that they will not be the losers for taking the business and industrial community into confidence a little more and for trusting them a little further." He advised the community to co-operate with the Government. But it was not uncritical co-operation that he insisted upon. Rather, he was understandably opposed to such co-operation. He wanted the community to be forthright in its criticism of the Government whenever it had a legitimate cause for complaint. He, however, warned the community against "cheap and vulgar agitation." In this, he was, of course, speaking as the elder statesman and industrialist he is. Surely, it would be wrong for the community to identify itself with any agitation or to use unconstitutional means for gaining its ends. For instance, we ourselves have long held that sales tax, in its present form, is a great burden but strongly dissuaded certain sections of the community from indulging in vulgar manifestation of its opposition to the tax. But strong criticism, far from being inappropriate, is a distinct and positive act of co-operation, for, in the absence of such criticism, even the best administration may inflict serious harm on the country.

Mr. Mody deplored that, although the business community was prepared to advance with the times, and to co-operate in all schemes for the advancement of the real welfare of the people, there was a general distrust of the community. He attributed this to the anti-social activities of a certain section of business men. He suggested that members of a recognised body who were found guilty of having indulged in such activities should be debarred from being members of that organisation. We heartily commend this suggestion to the attention of all business men and commercial bodies, for, if it were implemented, it would enhance the reputation and standing of the community in the public eye. What is equally necessary is that the community should strive hard to correct the "imperfect understanding" of the role of private capital. Here, it is sad to have to observe that even reputed business and industrial houses, which have nothing to fear from giving adequate publicity to their activities, still choose to treat their work as their own affair, as if it had little public or national importance. It would be much better, both for themselves and the general public, if they recognised the value of informed publicity. There is no reason why such "imperfect understanding" should be allowed to go uncorrected. Surely, "capital" is not what it was some 30 or 40 years ago. There has been, as Mr. Mody said, a progressive reorientation all over the world and capital has come to play a "significant part" in the creation and general diffusion of wealth. Even in the countries which accepted socialism in the post-war years there has been a gradual change towards the right. In W. Germany and in the U.K., to mention only two, there have been many sound second thoughts on socialism and there has been a new realisation of the role of private enterprise.

A criticism that is often heard in discussions on the private sector is that it is actuated by profit motive. It is, of course, of the very essence of this sector that profit should govern its activities. It is open to the State to mop up what it regards as excess profits. Only, it should be careful to see that all profits are not mopped up, for that would be to bring the private sector to a standstill. Again, it must be realised that there is, as Mr. Mody said, "nothing ignoble" about profit motive; "every man has a right to expect a reward for his work."

The general climate for the private sector is not as pleasant as it would like it to be. In fact, it is likely to be less attractive when the proposed amendments to the Constitution become law. These proposals seek to place enormous powers in the hands of the executive. Thus, the adequacy of the compensation it grants for property taken over by the State may not be questioned by a court of law. In this connection, Mr. Mody said:

"When you arm the Government with such drastic powers, you create a great deal of insecurity and uncertainty. It is true that, after all Parliament will make the law regulating the grant of compensation. But the danger lies in the fact that there are not safeguards, as exist in other countries."

Small wonder then that many in this country look upon these proposed constitutional amendments as ill-conceived measures which are likely to prove detrimental to the building up of sound democratic traditions. Many more are frankly alarmed that they would undermine public confidence in the Government's ability to protect rights of private property.

PLIGHT OF COAL INDUSTRY

Despite increases in raisings and despatches, it is common knowledge that all is not well with the coal industry. Mr. J. W. N. Baldock, Chairman of the Indian Mining Association, rightly pointed out at the annual general meeting of the Association, held on the 4th inst. at Calcutta, that the affairs of the industry are "in a state which is far from healthy." This is, according to Mr. Baldock, due to a number of factors, the chief among them being the gradual shrinking of the margin between the cost of production and the selling price of coal. While prices fixed on the basis of production costs in 1947 have since been reduced, the cost of production has been steadily increasing. Small wonder, "a stage," to quote the Chairman, "has been reached where further burdens cannot be imposed upon the industry, if it is to survive at all." But the need of the hour is not mere survival of the industry. It is to stimulate production to a level which the nation's development requires. Coal is a basic industry and accounts, in the form of fuel, for a major portion of the cost of production of a number of industries, especially the metallurgical. Unless coal is supplied at a price which is reasonable, the cost of production of the entire industrial sector would spiral up, and this will be detrimental to the short-term and the long-term interests of the country. But this does not mean that producers of coal should work at a loss. Ways and means should be found for making coal raising a profitable proposition without burdening consumers unduly. Increase in productivity, for instance, is one of the chief ways in which this can be done.

Among the many obstacles which beset the industry's path of progress, mention must be made of the threat of nationalisation. Now that the period of assurance given in 1948, namely, that the coal industry would not be nationalised for ten more years, is coming to an end, and that the Government's proposed amendments to the Constitution forecast the possibility of the Government acquiring the ownership of the mines at an arbitrary price, it is only natural that the coal industry should regard its future with misgivings. This explains, to a considerable extent, why the needed funds for rationalisation of the coal industry are not forthcoming. The slow progress of rationalisation is also due to the restrictions which the Government has placed on the industry. The Government's fear is that rationalisation would involve large-scale retrenchment of labour. Besides, according to Mr. Baldock, the outmoded rules by which the Coal Board determines the quantum of assistance to mechanisation has placed a premium on inefficient manual methods. The reason for this unfortunate anomaly is to be found in the methods which the Board uses for assessing the allowance for depreciation, repairs and renewals of capital equipment. The result is that the cost of winning coal from the mines is high and is rising.

There are also a few other factors which impede the progress of the industry. The collieries cannot open new mines without the approval of the Government. Nor are they allowed to close uneconomic pits without the prior approval of the Government. Again, they cannot exceed production quotas set for metallurgical coal by the Coal Board. There are, besides, controls on the use of wagons. Thus, the industry has to carry the crushing burden of a multiplicity of controls. A disturbing feature of these controls is that they are evolved and imposed without prior consultation with the industry which is affected.

Mr. Baldock, however, was realistic enough to admit that freedom from all controls is not possible, "if the wage-price structure is not to be destroyed." Nevertheless, few can dispute his contention that a number of unnecessary restrictions imposed on production and distribution can be safely eliminated. In the opinion of the Chairman, "the present-day conditions warrant the abolition of distribution control and the petty restrictions which go with it." Proceeding, Mr. Baldock referred to an aspect of controls which has been causing great concern to the industry. This is the concentration in the hands of one Government official of the administrative functions of the Chairman of the Coal Board, the Coal Commissioner and the executive head of State collieries. The functions of the head of the State collieries and the private collieries are clubbed together and invested in one man, although the interests of the State differ from those of the market collieries. Surely, the present situation is not only bad in practice but also in principle. For, this places, as it has already done, the Coal Commissioner in the position of both the prosecutor and the judge in settling problems relating to private collieries. As if to aggregate the situation, the same person has been made the Chairman of the Coal Board also. For good reasons, Mr. Baldock did not favour the present set-up of the Coal Board. He observed:

"We have complained repeatedly, and unfortunately in vain, about the composition of the Board. Certainly, in its present form, the Board is but a pale shadow of the National Coal Commission which the Indian Coalfields Committee of 1946 recommended as an overall authority for the coal industry; that National Coal Commission was to involve the active participation of the private sector of the industry and it was welcomed and strongly supported by the private sector as probably the best answer to the administrative problem. The Coal Board today, however, bears little resemblance to the body which the 1946 Committee had in mind, and, with all due respect to the abilities and qualifications of the gentlemen who constitute the Board, it is difficult to see why the Government refuse to avail themselves of the accumulated experience and knowledge of the industry itself in such complex matters as confront them today."

The Chairman, therefore, pleaded for the reorganisation of the Coal Board by including in it the representatives of the private sector.

Mr. Baldock referred to the problem of transport of coal also. While giving credit to the railways for their better performance in recent months, he remarked that this improvement still fell short of what was required. For movement capacities to the north, west and the south still continue to be restricted. Referring to the statement of the railway authorities that the coal industry could not be supplied with the same amount of wagons in the busy as in the slack season, he said:

"It has been said that to provide the coal industry with all the wagons which it requires during the period from November to June would mean that many wagons and locomotives would remain idle for the remainder of the year and that such idleness would be fatal to railways' economy. This is a point of view which commands respect, but it must be remembered that the present gap between the supply of wagons in the two seasons referred to results in the locking up of a great deal of capital in stocks of coal at the collieries and in the expenditure of considerable sums in handling these stocks. This, in its turn, has its effect upon the country's economy in due course and I would suggest that this aspect of our transport problem should be examined very carefully. We do not expect the gap to be closed but we do feel very strongly that much could be done to lessen it."

Here is a convincing answer to the stock argument by which transport authorities in this country explain—rather explain away—their failure to meet promptly the traffic needs. Mr. Baldock's observations are capable of wider applicability, though they are particularly true of coal.

OFF THE RECORD

By "Rover"

I SUSPECT that there must be a strong but hidden strain of being abused running right through the subconscious foundations of the mental make-up of the vast majority of our top business men and industrialists. It looks as if some inner compulsion drives them to create situations and opportunities, when they could be roundly lectured to and humiliated by the more predatory and assertive sections of society. They have, perhaps, in the mass and as a body, never realised that dignified aloofness is a virtue or that such an attitude might win for them a greater appreciation and understanding of their legitimate privations and difficulties.

New Delhi is the political capital of India. Beyond this fact and a certain degree of historical associations, it has nothing to commend itself to any social, economic, educational or cultural organisation of the citizens of this country. Its social life is both artificial and superficial. Its climate, suffering from extremes, is uninviting at any time of the year. Its atmosphere of self-seeking, ruthless climbing and petty intrigues and gossip could hardly be considered as conducive to cool and calm consideration of important issues. Its present overcrowding and preoccupation with politics make it unsuitable even as a physical background for week-end gatherings or reunions. It must, therefore, be something abnormal which compells business men to select this horrid upstart of a city for their annual spree.

All the important political parties hold their conventions in out-of-the way places. The Indian National Congress, the most important of these bodies, is not only peripatetic but ostentatiously rural in its selection of a site for its annual session and often even for the periodical meetings of the A.-I.C.C. Both from the point of view of the suitability of atmosphere and of accommodation, Bombay and Calcutta, because of their economic importance, should prove more attractive as the venue for the most important annual gathering of the captains of commerce and industry. They have failed to mark that the European business community, small as it is, and far less important from the point of view of the economy of the country than its vast Indian counterpart, has stuck to its tradition of making Calcutta the centre of its annual deliberations.

This self-respecting and dignified behaviour on the part of this tiny group has resulted in either the Prime Minister or the Finance Minister going all the way from New Delhi to Calcutta, to address it and to unfold the economic and industrial policy of the Government before it. Indian Big Business, on the other hand, creeps cringingly to New Delhi from all corners of the country in the hope of inducing the Prime Minister to condescend patronisingly to come and take notice of them, to scatter a few snubs and a few smiles, a few stern admonitions to bad boys, followed by some grudging words of encouragement that, if they behaved, perhaps, they would be allowed to play decorously for a brief hour within certain prescribed narrow limits.

I cannot understand why these people fear that, unless they wend their weary way to New Delhi, unless they undertake this arduous pilgrimage to the Capital, or that if the Federation of Indian Chambers of Commerce and Industry holds its jamboree at Bombay, Calcutta, Madras, Ahmedabad or Kanpur, the high and mighty ones in the Government of India would not extend to them the same consideration and courtesy, which they have consistently shown to the Associated Chambers of Commerce. And, even if they had some valid reason to fear some such outcome, born either of their inferiority complex or their guilty conscience, why should they not be content to hold their session and to go quietly through their agenda, without the dubious and doubtful blessing of inauguration by the Prime Minister or any Minister for the matter of that? Why should they not feel happy to invite for this purpose an old and honoured colleague like Dr. M. Visvesvaraya?

Even if, for some unavowed and secret reason, they consider the presence of the Prime Minister or a great political leader imperative at the start of their session, even if some subconscious urge within them requires that they must be metaphorically scourged by someone they look up to, by someone they love and respect and fear at the same time, they should know by this time that, if they need him for this purpose or any other, the need of the prominent politicians for suitable and specialised platforms, apart from frequent mass gatherings of people, is as great as the business men's craving for being noticed, though that notice takes the form of a frown.

Mr. Nehru himself told them last Saturday that he was not speaking to them as an opposition group, and candidly informed them that he did not also regard them as such. He assured them that he was speaking to them as their countryman. This avowal undoubtedly does great credit to Mr. Nehru. But as a citizen who takes great interest in the affairs of the country, I have not neglected occasions which come my way of listening to our great national leader, both from the platform and on the air, addressing various groups of his countrymen—agriculturists, artisans, manual workers, students, women, educationists, artists, thinkers and scholars. And I could not help noticing that his tone and attitude, his approach and treatment on all these occasions were markedly different from what I found in his address to his hosts of the Federation.

Perhaps, it was difficult for him to bring himself on the same plane as his listeners; perhaps, he was addressing his words, over their heads, to a vaster audience, as political leaders are often apt to do. But even without attempting to analyse the rather vague and airy contents of his admonition, I feel compelled to say that, to me, it read more like a somewhat put-out pedagogue harshly rebuking a class of greedy and ungainly brats for some of their misdeeds. I say ungainly advisedly; had they been merely unruly and boisterous but on the whole not unattractive, he would have treated them with more leniency if not actual indulgence, as he generally treats workers and farmers, who too are no angels. For the matter of that, quite a number of Congress leaders also squabble endlessly amongst themselves and are as greedy as business men in their lust for both wealth and power, but Mr. Nehru does not let the school master in him come up as readily and take a similar line with them, as he does when he speaks to big boys from the class of commerce and industry.

I cannot, however, altogether blame Mr. Nehru for this tone and demeanour, which he reserves for special occasions like the one on Saturday last. The business men did not invite him as a countryman to talk to them as a group of his countrymen. Mr. Nehru might protest to them that he was speaking to them as their countryman. The business men had, however, approached him solely and purely as the Prime Minister. They had approached him for what concessions that they could wheedle out of the head of the Government for their class, after assuring him that they were good boys unjustly maligned. It would be idle to pretend that the Federation would have invited him to inaugurate their proceedings, if he had not been the Prime Minister of India but only an eminent public leader without the reins of Government in his hand. Had it been so, they could as well have requested Mr. Dhebhar, the Congress President or Mr. C. Rajagopalachari and not Mr. Nehru every time.

With regard to the actual proceedings of this meeting, I have purposely left myself only a small space to comment on them. Apart from its tone and the stern line of approach, there was nothing new or worthy of special note in the Prime Minister's inaugural address. Considering that with the exception of his frequent and valuable pronouncements on world affairs and international politics, Mr. Nehru has been publicly busy for the last four or five months with nothing, so far as the internal affairs of the country are concerned, but a repetition of his new thesis—a socialistic pattern of society as the country's objective—it was not to be expected that he would say anything arresting or fresh on this subject. It was equally difficult for the Federation, at least so far as its resolutions went, to express any new opinion on the issues they touched, beyond what has been repeated from many a platform and in a host of statements issued by various organisations representing private enterprise. I must, however, concede that the presence of Mr. Homi Mody did succeed in making the proceedings sound more self-respecting and putting a little ginger in the tone of the resolutions and the speeches supporting them.

I wonder if any of you have noticed that, except in the case of foreign affairs, where his vision and insight are remarkably uncanny and still sharply well defined and precise, Mr. Nehru is apt to be tiresomely vague, and provokingly ethereal in his enunciation of important political principles and policies and still more so when speaking on economic affairs. He was even more annoyingly airy and platitudinous on this occasion, which afforded him an excellent opportunity to fill in the contents of his oft-repeated outline of a socialistic pattern of society. All that he did, instead, was to exhort business men repeatedly "to adjust themselves to this ideal" or vaguely "to understand the spirit of the people and to be in tune with this spirit," when he was not unnecessarily asserting the determination of himself, his Government, his Party and, as he said, of the country, to go in the direction indicated by him.

Both the direction and the pattern of this now openly accepted objective have been implicit in the political and economic history of post-independence India and private enterprise has accepted them and possibly worked them in a more practical manner and with better results than politicians have with their mass of undigested and hasty legislation. In any case, after Mr. B. M. Birla, the President of the Federation, had, at the very outset of his address, categorically accepted the "good intentions behind our economic policy as adumbrated in the resolution on the subject at the recent Avadi session of the Indian National Congress" and their taking "concrete shape within a measurable period of time," the Prime Minister looked more like flogging a dead horse, in his enthusiasm to preach his gospel.

Not only vague but nebulous as the Prime Minister's conception of the shape and nature of the future social organisation of the country and the place of private enterprise in it is, reading between the lines of his address to the Federation, I have been able to decipher two important aspects of these. My first discovery of this somewhat elusive subject is that there will be room, possibly a great deal of room, for private enterprise in the socialistic pattern of our society. But the Prime Minister gives a much wider connotation to the term "private sector" than that commonly accepted. Dealing with the broad outlines of this sector, Mr. Nehru observed that it would include agriculture and all manner of small enterprises, including small-scale and cottage industries, as well as the co-operatives. He would not rule out big private enterprises, but the emphasis and the preference would be on and for small organisations. That the politicians, whose aim is to wield as much authority as possible, do not want big men and big enterprises, great captains and pioneers of new industries and new forms of commerce should really cause no surprise to us, because there would then be so much less scope for and possibility of challenge to the whims and vagaries of political leaders.

This, however, does not disturb me unduly. What causes me alarm is my second discovery which partly emanates from this emphasis on mediocrity in the economic field and partly from an unguarded admission which the Prime Minister made on this occasion. After stating that some people no doubt felt that private enterprise should be given full and unrestricted scope and after declaring that there could be no such unrestricted private enterprise and that the State had to come into the picture in a big way, which was not strictly called for as nobody nowadays pleads for such unrestricted private enterprise, he went on significantly to say that, *with their limited resources, they could not allow people to go in all sorts of directions.*

In a democratic society, I am afraid, people do go in various directions as dictated by their individual genius and inclinations and they are allowed, nay, encouraged to do so, so long as they do not harm or hinder others in exercising and enjoying similar freedom. But the picture which emerges before my mind's eye from the weighty words of the Prime Minister, purposely put by me in italics, is not of a free and democratic society but of a vast flock of bleating sheep, driven by a shepherd in a given direction and along a dictated path, with the help of a small number of watchful and powerful sheep dogs, to bring the straying ones into line. I have little doubt that, if and when the socialistic pattern of society, which the Prime Minister has in mind is fully achieved, this country of ours will be transformed into a colossal sheep pen and the nation into a vast flock of meek rams, ewes and lambs under perfect control of their few pastors. I may be sorely mistaken—I sincerely hope I am—but, if this is what planning means and implies and is going to lead to, a prayer will go forth from my heart: "God save our country from the planners."—*All Rights Reserved.*

INDUSTRIES IN PUBLIC SECTOR

GREATER EMPHASIS LIKELY TO BE LAID ON MACHINERY MANUFACTURE

From A Special Correspondent

NEW DELHI, *8th March*

THE first week of March every year happens to be an extremely lively week in the Capital. It is during this week that the Ministers, the administrators, the Parliament members and the party leaders rub their shoulders with merchant princes, industrialists, bankers and business men. Besides providing a forum for the spokesmen of industry to ventilate their grievances, difficulties and handicaps before Government members, the annual meeting of the Federation of Chambers of Commerce and Industry gives business men a first class opportunity to renew their acquaintances and friendship with members of the Government and enables them to discuss informally with the latter various matters of commercial and economic problems pertaining to their individual industries and business.

DELHI LETTER

These apart, the last few days in the Capital have been of considerable interest in view of the discussions on the Railway and Central budgets. These discussions and the replies of the Government members have been providing the public broad indications of the policies that the Government would be pursuing in the coming months. Considerable emphasis is now being laid both by the Government spokesmen and the leaders of industry on the manufacture of capital goods and plant for the purpose of accelerating the tempo of industrial expansion. The various schemes for the expansion of the steel industry, the initial investment allowance of 25 per cent. on new plant and machinery and the budget allocation of Rs. 5 crores for the National Industrial Development Corporation, the main purpose of which is to set up such industries as are not being readily taken up by the private sector, are expected to quicken this process.

During this week, for instance, Mr. B. M. Birla drew the attention of the Government as well as the industrialists assembled at the gathering, in the course of his presidential speech at the annual meeting of the Federation, to the importance of machinery manufacture industry. Besides emphasising the need for finding metallurgical coal and alternative fuel in order to increase the industrial tempo of the country, Mr. Birla pointed out that in order to consume the additional steel proposed to be produced during the second Five-year Plan, efforts should from now on be made to establish on a large scale the fabrication and machining capacity of the engineering industry. The enormity of the problem was indicated by him when he observed: "It is estimated that to process 1,000 tons of steel per year, an average investment of Rs. 20 to Rs. 25 lakhs is necessary for putting up a fabrication or machining plant. Assuming that we may have to process or fabricate 2.5 million tons of steel only out of the increased production in the next five years, it will mean an additional investment of Rs. 500 crores in the engineering industry, apart from the investment of Rs. 400 crores in the iron and steel industry. In the fabrication and machining sector of the engineering industry alone, we will have to have about 250 fairly large factories." In this connection, Mr. Birla also emphasised the importance of the proper development of the machine tool industry and wanted that as against the present production of 1,000 machine tools per annum, the total output should be raised to about 30,000 before the end of the second Plan. "We should aim in the next five years," he stated, at installing 1.5 lakh machine tools for machine making as well as for expanding our machine tool manufacturing industry."

That the Government is also becoming particularly conscious of the importance of the machinery manufacture industry may be seen from the fact that the Railway Minister, Mr. Lal Bahadur Shastri, addressed this week the Railway Equipment Committee on the necessity of making the country self-sufficient in the production of railway equipment. The Minister stated that along with encouragement of manufacturing capacity in the country, a high standard of quality would have to be insisted upon. He claimed that the railways had already achieved a significant success in its policy of self-sufficiency in respect of rolling stock, stores and other equipment needed for the railways. However, since moderate quantities of rolling stock were being imported, he was of the opinion that some new factories had to be set up. At the same time, it was necessary to locate within the country idle manufacturing capacity in the private sector so as to avoid any duplication of effort. The Minister was fully aware that the economic development of the country would throw the maximum strain on the country's railways and that the railways had to increase transport capacity by 50 per cent. during the second Plan. It was therefore proposed that the railway workshops would not only have to be expanded but the private sector would also be induced to develop their capacity.

That the Railways would be absorbing a large size of the money to be allocated in the second Plan was also indicated by Mr. Shastri in the course of his reply to the debate on the Railway Budget. The Minister's speech also provided some broad indications regarding the possible lines of development of railways and the quantum of equipment, materials, etc., needed for the purpose. According to him, the three important lines of development would be new construction, including doubling and other works designed to increase the present line capacity, self-sufficiency of rolling-stock, stores and other equipment and improved working, including extension and expansion of their present maintenance workshops. The Minister declared that in all these three matters, the Railway Board was not only planning on an ambitious scale but was also in fact going ahead with many schemes which would gradually show results as time passed.

That the public sector would shortly be taking up many new industries, including some of those for the production of plant and machinery, was also indicated by Mr. K. C. Reddy, Production Minister, who intervened in the discussion at the Federation meeting. He disclosed that the Government would soon be constituting an industrial management service. The Government's intention was, he said, to recruit men to the service not only from the Indian Administrative Service and other services or universities but also from industry. The Minister stated emphatically that there was no discrimination between the public and private sectors and assured the industrialists that the Government would be prepared to associate industrialists with the Government enterprises provided they entered the public sector without any reservations or scepticism and had faith in the public sector as much as in the private sector. It is already well known that the Production Ministry has been planning to establish a heavy electrical equipment industry during the last one or two years. Until now these plans have not taken any definite shape. A year ago, the sum earmarked for this purpose was Rs. 50 lakhs, out of which only Rs. 50,000 would appear to have been spent, as seen from the revised budget estimate for 1954-55. For the next financial year, the sum allocated for this purpose is Rs. 15 lakhs. It may, however, be mentioned that these allocated sums are only nominal in character and if the scheme takes an advanced shape, the Government will be in a position to allot a larger sum for the implementation of the project. In regard to the synthetic oil factory also, the provision has now been revised from Rs. 10 lakhs to Rs. 4 lakhs. For 1955-56, the sum provided for this purpose is Rs. 10 lakhs.

Now that three new steel factories, including the Rourkela plant, are expected to be set up shortly, the Government is becoming more conscious of the need to step up or undertake the production of various machinery required for the installation of these factories. If the Government finds it necessary to add to the equipment, in any existing concerns, in order to quicken the pace of progress, it is expected to give high priority towards the implementation of such schemes. In other words, the Government is keen on seeing the machinery manufacturing industry set up and developed in the country.

RAILWAY BUDGET MODIFIED

SOME SMALL CONCESSIONS

AFTER a heated discussion in both the Houses of Parliament, Mr. Lal Bahadur Shastri, Railway Minister, modified his budget proposals by making three important concessions. First, there would be no increase in fare in the case of third class passengers travelling by ordinary passenger trains within a radius of 50 miles. Secondly, the surcharge of 12.5 per cent. on freight for all consignments less than 20 maunds has been reduced to 6.25 per cent. Thirdly, the minimum freight for "smalls" would remain at the existing basis of Re. 1, instead of the proposed Re. 1-8. The telescopic fare structure announced in the budget proposals would, however, remain unaltered.

These concessions imply substantial gains to a large section of passengers and trading public. The fare concession, for instance, is expected to benefit nearly 90 per cent. of all passengers travelling by passenger trains. For, it is estimated that, on an average, about 650,000,000 people travel in third class ordinary trains upto a distance of 50 miles. As these people will not have to pay anything more than what they are paying now, the railways are expected to lose Re. 1 crore per annum on account of this concession. One important result of this announcement is that there will be no increase in suburban single tickets. It had already been announced that there would be no increase in ordinary season tickets, in student or market vendors' season tickets, whether on the suburban or the non-suburban railways. Another result of the concession is that, to a certain extent, overcrowding on mails and express trains would be reduced. It is gratifying to note that the concessions announced for the benefit of long-distance passenger traffic will remain unaltered.

It is stated that, as a result of the concessions, those travelling by ordinary trains for a distance of 50-105 miles will now have to pay only one anna more than what they are paying at present; those travelling a distance of 110-160 miles two annas more and 160-300 miles three annas more. In some cases, because of rounding off, the increase may be less. In respect of those who travel over 300 miles, the maximum increase will be four annas, which will gradually come down as the telescopic reduction takes effect. Under the proposals suggested in the Railway budget, the increases would have been, for distances 1-50 miles one anna, 50-110 two annas, and 110-300 miles three annas. The concessions do not affect fares by mail or express trains. On these trains, for distances of 1-49 miles the increase will generally be one anna, two annas for 50-97 miles and four annas for 98-200 miles.

While announcing these concessions, Mr. Shastri regretted the unhelpful and exaggerated criticism of the working of railways by the Opposition. Emphasising that the railways had recorded "distinct improvement" on the operational side, he asserted that it had come to "stay." He hoped to plan for an increase of 5,000 miles in line construction in the second Five-year Plan. He, however, did not want to commit himself to this figure, until he was sure about the resources available. Present indications were that there would be an increase of at least 4,000 miles including doubling of lines.

Other important developments to which Mr. Shastri referred in his speech included:

(1) Suggestions for an alternative route for the Assam link were being considered and a survey was likely to be ordered soon.

(2) It was intended to raise the speed of the Grand Trunk Express to that of a mail train. This would involve cutting down some of the halts, but alternative arrangements would be made for these stations.

(3) The Government had decided that Government railways contiguous to light railways should undertake a comprehensive survey of the narrow-gauge lines in their jurisdiction and report whether it would be advantageous to replace them on the same or other suitable alignments by broad- or metre-gauge lines or by roadways.

(4) An expert committee would be appointed soon for examining the question of co-ordination of railway and coastal shipping.

Finally, dealing with the suggestion of Mr. V. V. Giri that the railway workers must be given a voice in the management of Indian railways, Mr. Shastri assured him that he was prepared to consider the proposal favourably provided conditions for implementing it were first created by the workers themselves. Relations between the railway labour and administration had, he maintained, been cordial during the past few years.

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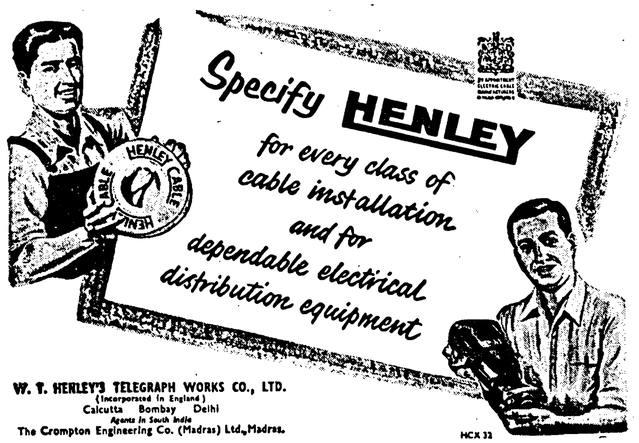

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PARTICIPATION OF FOREIGN CAPITAL IN INDIAN INDUSTRIES

VIEWS OF FEDERATION OF INDIAN CHAMBERS

EVER since the Government of India announced its policy on participation of foreign capital in the development of Indian economy, a section of the business community has been voicing its opposition to this policy. This opposition has created a misapprehension both in India and abroad that Indian business men are entirely opposed to the idea of encouraging the flow of foreign capital into this country, especially for starting consumer goods. Recognising the harm which this agitation may do to the economic development of this country—some of the anti-foreign capital business men went even to the extent of demanding imposition of restrictions on the activities of foreign companies already operating in India—we urged the Federation of Indian Chambers of Commerce and Industry, the apex body representing almost all sections of Indian business community, to clarify its stand on this subject and advised it to take a stand that will be conducive to the flow of foreign capital into this country (*vide "Commerce"* dated 16th October, 1954). We are, therefore, gratified to find that the Federation has done this. Soon after we went to press last week, it issued a statement clarifying its stand on the question of encouraging participation of foreign capital. A large measure of credit for this goes to Mr. B. M. Birla, the retiring President of the Federation. It was he who appointed a sub-committee, under the chairmanship of Dr. Ramaswami Mudaliar, to consider the problem and restate the views of the Federation in the light of present-day conditions. The Sub-committee reported to the main Committee of the Federation early this year. The statement under reference has thus been preceded by considerable deliberations by some of the top-ranking captains of Indian industry, including Mr. J. R. D. Tata, who was a member of the Sub-committee.

The statement, we are told, has been prompted by two chief considerations. First, the Federation feels that the country being on the threshold of large-scale industrialisation, it is necessary to be clear as to how and to what extent foreign capital can be of assistance. Secondly, as the central body representing Indian commerce and industry, the Chamber feels that its attitude towards foreign capital will be of interest to foreign investors as well as to the Government and the public in India.

The statement by the Federation is welcome in that its views are broadly in agreement with the general principles laid down by the Government for dealing with applications from foreigners wishing to start industries in India. The Government considers that—this is one of its basic principles—participation of foreign capital and enterprise is of value to the rapid industrialisation of the country. This is so because the inflow of foreign capital (a) strengthens immediately the country's foreign resources, (b) helps develop industries by providing capital, technical skill and 'know-how,' (c) lessens the need for taking recourse to deficit financing to the extent capital is procured from abroad, and (d) confers on the community all the benefits which flow from setting up industries. These are claims in favour of foreign capital which few can deny and, therefore, the Federation is realistic when it says that "foreign capital would be particularly welcome in specialised industries requiring high degree of technical skill and which have not been now developed in the country and in industries in which domestic capital shows definite shyness." Indeed, this trade body now goes even a step further and adds that "in the interests of increasing the standard of living of the people by making available to them goods in sufficient quantities and of the requisite quality as quickly as possible, foreign capital may operate in the consumer goods industries also where Indian units are fairly established." In this context, however, the Chamber adds that "in such cases, Indian enterprise should be duly informed in advance of the Government's programme" and that "if after due notice of, say, one year, and notwithstanding such assistance as the Government might extend, Indian capital is not forthcoming then foreign capital might be permitted to come." The Federation's readiness to welcome foreign capital even for starting consumer goods industries is in refreshing contrast to the attitude of some of our business men who want only the most difficult industries to be left for foreign capital, reserving for Indian capital all the industries which are easy to establish and in which the scope for a large margin of profit is good. But there seems to be two snags in the Federation's concession, if we may so describe it. What does it mean by adding the words "where Indian units are fairly established." Does it mean that, in those consumer goods industries in which Indian capital is still not fully established, foreign capital should not be allowed? If so, is such a condition in tune with the need for increasing production of consumer goods in sufficient quantities and of the requisite quality—a need which the Federation has conceded? It appears to us that there is a contradiction here. The object of allowing foreign capital in consumer goods industries is to encourage competition and thereby to improve the quality, as well as to bring down the prices of these goods. The demand for such goods will increase when the expenditure on development is stepped up, as is now proposed. If this demand is not fully and ably met, there will be inflation which, in turn, will add to the cost of heavy industries which this country wishes to establish. This being the case, the qualification made by the Federation seems to be somewhat out of place.

The second snag is the demand that the Government should give a year's notice. This means that a foreigner who wants to start a consumer goods industry will have to wait for a year from the date he applies to the Government of India for permission to do so, not knowing whether his offer will be turned down or accepted. It also means that any Indian *entrepreneur* can veto such an offer, by coming *forward to do that job himself*. But, supposing he fails to keep his undertaking within a reasonable period, what is the remedy? Will the Federation agree to the Government subjecting this *entrepreneur* to a penalty? It is true that Indian capital and enterprise should be given a chance to establish consumer goods industries, but to demand that they should be given a year's notice whenever a foreigner wants to start an industry is most unrealistic and impracticable. Even if the Federation's demand is conceded for argument's sake, what certainty is there that the foreigner would come back after a year? Probably, he may seek outlets in other parts of the world where his funds are welcome. Besides, it must be remembered that foreign capital is not just waiting in a queue at India's door to rush in as soon as it is permitted to enter. In our view, the best judge in all these matters is the Government of India. The present Government is fully national and not overfond of foreign capital. It can be safely expected to decide what is good for the country and what is not.

As regards permitting foreign capital to engage itself in lines of manufacture where Indian enterprise is not forthcoming on account of lack of experience and for any other reason, the view of the Federation is "that such foreign interests should be persuaded to offer a part of equity capital to Indian investors, if not from the very beginning, at least later, after a reasonable period of, say, five years. It is also the view of the Committee that, in all cases, the foreign investors should be prevailed upon to utilise Indian services such as banking, shipping, insurance, etc." This, in our opinion, is a very reasonable demand. And the Government itself has, in most cases, been insisting on the association of Indian capital in foreign ventures, both existing and new, although it has not—and this for very good reasons—laid down any rigid rules, and has been judging each case purely on merits. It is needless to add here any rigid rules would act as a deterrent to the flow of foreign capital. Pakistan tried it and failed.

The Federation, however, has done, well in providing a definition for the term 'Indian unit.' This definition is in broad terms and reads thus:

A unit may be regarded as Indian

"(1) where foreign capital is not normally 49 per cent., in exceptional cases, however, the percentage being placed at 50, and

"(2) where the majority of the Board of Directors are Indians and are actively participating in management, and

"(3) where majority control on the managing agency company or firm is in Indian hands."

The Federation believes that foreign cap[illegible] has an important role to perform in our economic development and that, in order to attract foreign capital, particularly equity capital, certain minimum assurances need to be given in respect of treatment of foreign capital. The Government's present policy, it says, gives all these assurances in respect of profits, capital repatriation, etc., and therefore, investment in India should be, it adds, an attractive business proposition for the foreign investor.

Besides facilities for repatriation of capital, interest, etc., the Government's policy provides for non-discrimination and does not permit imposition of any such conditions on foreign enterprise as are not applicable to similar Indian enterprises. Again, while generally foreign investment is channelled into fields of high priority, in allowing foreign capital in existing Indian industries, the Government considers that it is its duty to encourage competition generally. The Federation is broadly in agreement with these principles of policy governing permission for foreign participation. It further adds that in its view "the crucial test of whether or not foreign investment is in the interests of the importing country is not merely how rapidly it increases employment or production, but also how rapidly it builds up local enterprise." This process of building up local enterprise which is, after all, the essence of a country's development, would be greatly assisted, in the opinion of the Federation, if the Government keeps in view its suggestions.

FURTHER DROP IN STERLING AREA RESERVES

The downward trend in the gold and dollar reserves of the sterling area continues. They dropped from $2,763 million in January to $2,681 million in February this year. This drop of $82 million in the reserves is regarded as the worst drain for any month in the past three years. In January the reserves had risen by only $1 million, while in December, 1954, they fell by $163 million.

During February, U.S. defence aid amounted to $15 million. The net receipts from the European Payments Union were of the order of $4 million. If these receipts, aggregating $19 million, are excluded, the result of trade and currency movements was a net outflow of $101 million. In January such movements were in balance.

The large outflow of currency was anticipated by the authorities and, in order to reverse the trend, a threefold action was initiated. These consisted of (a) raising the Bank rate from 3½ to 4½ per cent., (b) prevention of abuse of transferable sterling, and (c) restrictions on home consumer credit. As a result of these steps, towards the closing days of February a sharp turnround in the flow of currency was in full evidence. This was reflected in the "substantial inflow of short-term funds into the U.K. to take advantage of the higher level of interest rates following the rise in the Bank rate." Gains on this account have, it is stated, more than offset the additional drain caused by the operations of the Exchange Equalisation Account in support of transferable sterling. This support has reduced the discount on transferable sterling from 3 per cent. to a shade over 1 per cent., a level which has rendered "commodity shunting" unprofitable.

The course of gold and dollar reserves of the sterling area since the end of 1950 is shown below:

	U.S. $ million
1950	
31st December	3,300
1951	
31st March	3,758
30th June	3,867
30th September	3,289
31st December	2,335
1952	
31st March	1,730
30th June	1,685
30th September	1,685
31st December	1,846
1953	
31st March	2,166
30th June	2,367
30th September	2,486
31st December	2,518
1954	
31st March	2,685
30th June	3,017
30th September	2,901
31st December	2,762
1955	
31st January	2,763
28th February	2,681

INDUSTRIAL FINANCE CORPORATION

The Union Ministry of Finance is shortly to institute a departmental enquiry into the working of the Industrial Finance Corporation of India. The enquiry will concern itself with the transactions leading to the taking over by the Corporation of the Sodepur Glass Works to which large sums of money had been lent.

The Sucheta Kripalani Committee's report on the working of the Corporation was, it will be recalled, highly critical of the lending policies and procedures adopted in this case. A subsequent audit report also expressed similar dissatisfaction.

PROFIT OF IMPERIAL BANK OF INDIA AT RECORD LEVEL

ADVANCES DECLINE—HIGH CASH COVERAGE

A RISE of Rs. 10.09 lakhs in profit, from Rs. 126.82 lakhs to Rs. 136.91 lakhs, to be precise, is disclosed by the statement of accounts of the Imperial Bank of India (Managing Director: Mr. S. K. Handoo) for the year ended 31st December, 1954. This welcome increase in earnings has not only more than made good the shrinkage of Rs. 6.53 lakhs noted in the previous year's profit but also restored the upward trend in the Bank's profit witnessed since 1948. With the aforesaid rise, the profit has established a fresh record in its history, surpassing the previous best of Rs. 133.35 lakhs touched in 1952. Though the improvement in the Bank's profit is in consonance with the general trend, it may appear somewhat surprising to many because the trend of advances has generally been downward and the expenses have again gone up substantially. But a closer study of the Bank's balance-sheet will provide a convincing explanation. The Bank's deposits have gone up by over Rs. 24 crores and this has enabled it to step up its investments by about Rs. 14 crores. This increase, coupled with the fact that the entire rise in deposits was in current account on which the Imperial Bank does not pay any interest, must have been chiefly responsible for the improvement in profit. It must, however, be added that one cannot be quite dogmatic about this, for the income shown in the profit and loss account is after providing for secret reserves and, in the case of a big bank like the Imperial, it is always possible to vary the profit by a few lakhs this way or that by either reducing or increasing the transfer to secret reserves.

No addition to the reserve fund has been made out of the year's profit and this is the third year in succession when the reserves have not been openly strengthened. The provision for bonus to staff has been kept unchanged at Rs. 40 lakhs, to which level it had been raised from Rs. 39 lakhs last year. The allocation to the pension fund has been raised slightly from Rs. 5.65 lakhs to Rs. 5.97 lakhs. The dividend is unchanged at 16 per cent. per annum for the fifth year in succession.

The following comparative table of the Bank's financial results for the past four years shows the trend of progress in the Bank's working:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Gross income	7,51.35	7,23.00	7,60.54	6,02.98
Interest and discount earned	5,62.61	5,49.82	5,52.10	4,95.21
Commission, exchange, etc.	1,66.16	1,70.68	2,05.29	1,91.23
Interest paid	1,30.27	1,34.71	1,70.13	1,20.08
Expenses	4,65.84	4,49.66	4,43.53	4,20.11
Depreciation and repairs	12.49	12.71	13.63	13.11
Profit	1,36.91	1,26.82	1,33.35	1,30.07
Transfer to—				
Reserve fund	..	..	..	2.50
Pension fund	5.97	5.65	5.44	5.03
Bonus to staff	40.00	40.00	30.00	37.50
Dividend	90.00	90.00	90.00	90.00
	(16%)	(16%)	(16%)	(16%)
Carry forward	34.19	33.25	42.08	43.17

The gross income of the Bank shows an increase of Rs. 27.45 lakhs during the year under review, as against a fall of Rs. 36.64 lakhs in the previous year, but is still lower by Rs. 9.19 lakhs than that for 1952. Of the rise in gross income, interest and discount earned account for Rs. 12.79 lakhs and commission, exchange and brokerage for Rs. 14.48 lakhs. It will be noted that the rise in income from the above sources has been offset to the extent of Rs. 1.56 lakhs in interest paid on deposits and borrowings and to the tune of Rs. 16.12 lakhs in expenses. It will be interesting to note that the Bank's income from interest and discount is higher by Rs. 10.51 lakhs than that in 1952, the previous best year of the Bank's working, while commission and exchange show a drop of over Rs. 20 lakhs. The outgo by way of interest paid is, on the other hand, lower by nearly Rs. 34 lakhs, which is offset by the rise of over Rs. 22 lakhs in expenses. An idea of the rising spiral of expenses of banks in general can be gained from the fact that the expenses of the Imperial Bank alone have swelled by Rs. 1.11 crores in the course of the last five years, of which salaries and allowances and provident fund alone account for over Rs. 79 lakhs.

The main assets and liabilities of the Bank as at the close of the past four years are compared in the following table:

(In lakhs of rupees)

	As on 31st December			
	1954	1953	1952	1951
Capital	5,62.50	5,62.50	5,62.50	5,62.50
Reserve fund	6,35.00	6,35.00	6,35.00	6,35.00
Deposits	231,35.57	207,20.58	206,08.81	231,64.48
Borrowings from other banks	..	..	15,62.37	13,00.00
Advances*	102,05.61	106,04.01	112,00.55	142,20.23
Investments—				
Government securities	96,47.40	82,60.89	82,70.11	71,00.93
Other†	12,24.53	11,52.79	14,44.46	14,15.85
Cash	30,63.69	10,91.20	25,72.17	29,94.04
Fixed assets	1,30.10	1,30.23	1,63.90	1,59.24
Balance-sheet total	251,06.70	223,66.62	239,31.28	261,74.85
Ratio to deposits of—	%	%	%	%
Advances	44.1	51.2	54.8	61.4
Investments	47.0	45.4	39.5‡	31.2‡
Cash	15.8	9.6	12.5	12.9

* Include bills purchased and discounted and money at call and short notice.

† Include Pakistan and other Government securities.

‡ Ratio arrived at after taking into consideration the securities deposited against loans from other banks, but only to the extent of such borrowings.

In consonance with the general trend of bank deposits, deposits of the Imperial Bank as at the end of 1954 show an expansion of Rs. 24.15 crores and follows the rise of Rs. 1.12 crores noted at the close of 1953. A break-up analysis of the Bank's deposits reveals that fixed deposits have fallen from Rs. 35.11 crores to Rs. 34.24 crores and savings bank deposits from Rs. 27.97 crores to Rs. 27.49 crores, while current accounts, contingency accounts, etc., have risen from Rs. 144.12 crores to Rs. 169.63 crores. Notwithstanding such an expansion in lendable resources, the Bank's advances as at the close of the year are lower by Rs. 4 crores. This is the third year in succession when the Bank's advances have declined, the decline over the three years being Rs. 40.15 crores. A study of the Bank's weekly statements reveal that the general level of advances was lower than in the previous year and much lower than in 1952. Thus, the peak level of the Bank's advances during the busy season of 1954 stood at Rs. 134.47 crores, as against Rs. 136.94 crores in 1953 and Rs. 165.53 crores in 1952. Also, the lowest level of advances touched in 1954, at Rs. 94.46 crores, was lower than that of Rs. 96.08 crores in 1953 and of Rs. 107.14 crores in 1952. Of the total advances at the close of 1954, loans, cash credits and overdrafts account for Rs. 94.65 crores, as against Rs. 90.56 crores a year ago, bills purchased and discounted for Rs. 6.17 crores, as compared with Rs. 14.28 crores and money at call and short notice for Rs. 1.23 crores, as against Rs. 1.20 crores. Investments show an increase of Rs. 14.58 crores, in contrast to the decline of Rs. 3 crores, of which securities of the Central and State Governments and Trustee securities account for Rs. 13.86 crores. Cash balances have been strengthened to the extent of Rs. 16.73 crores, in contrast to the fall of Rs. 5.81 crores noted at the close of 1953. Such an impressive expansion in cash balances has improved the cash coverage to deposits from 9.6 per cent. to 15.8 per cent., which is much higher than the average of 11.01 per cent. for all Scheduled banks in India.

(*Concluded from next column*)

increase in deposits, the Bank has had to borrow from other banks, evidently to meet the increased demand for credit, as is indicated by the rise of Rs. 77.41 lakhs in advances. The outstanding of such borrowings from other banks at the end of the year under review amounts to Rs. 40 lakhs, of which Rs. 31 lakhs are secured by part of the Bank's investments, and the balance unsecured. A sizable part of the rise in advances is accounted for by bills purchased and discounted, the exact increase in this portfolio being Rs. 41.65 lakhs, that is, from Rs. 59.10 lakhs to Rs. 100.75 lakhs. Loans, cash credits and overdrafts have also gone up from Rs. 247.24 lakhs to Rs. 282.99 lakhs. At Rs. 383.75 lakhs, the total advances constitute a fresh record (as far as can be seen from the year-end figures) and exceed the previous highest of Rs. 346.23 lakhs at the end of 1951. Investments (at or under market value) have declined by Rs. 46.45 lakhs, but cash balances are slightly better, so that the cash coverage to deposits are at the comfortable level of 12.6 per cent., which is well above the all-India average.

UNION BANK OF INDIA MAINTAINS PROGRESS

ADVANCES AT NEW HIGH LEVEL

THE accounts of the Union Bank of India Ltd. (General Manager: Mr. F. K. F. Nariman, Bombay) for the year ended 31st December, 1954, indicate a welcome improvement in the Bank's turnover. Thus, the balance-sheet total as at the close of the year shows a rise of Rs. 94 lakhs; deposits are higher by Rs. 10.66 lakhs; advances have recorded an increase of Rs. 77.41 lakhs; and borrowings from banks have gone up by Rs. 25.50 lakhs. In consonance with these trends, the gross income of the Bank for the year has risen by over Rs. 4 lakhs. If such an expansion in business is not duly reflected in the Bank's profit, which is just maintained at about the previous year's level—Rs. 6.76 lakhs to be precise—it is due to the higher outgo by way of expenses and interest.

The following comparative table presenting the salient features of the Bank's profit and loss accounts for the past four years and the balance-sheets as at the close of the years gives a good idea of the Bank's progress in recent years:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Gross income	31.07	27.00	28.28	25.20
Interest and discount earned	26.74	24.55	23.00	23.20
Exchange and commission	1.97	1.02	0.79	0.75
Interest paid	12.14	10.32	9.87	7.20
Expenses	12.00	9.61	9.02	8.81
Depreciation	0.17	0.24	0.21	0.37
Profit	6.76	6.79	7.18	8.92
Appropriations—				
Taxation	1.15	1.00	1.00	1.50
Reserves	2.00	2.00	2.75	4.00
Bonus to staff	0.00	0.60	0.72	0.65
Premises written off	..	0.50	..	..
Dividend	2.75	2.75	2.75	2.75
	(6¼%)	(6¼%)	(6¼%)	(6¼%)
Carry forward	1.76	1.80	2.06	2.10
	As at 31st December			
	1954	1953	1952	1951
Capital	40.00	40.00	40.00	40.00
Reserves	33.00	31.50	30.00	28.25
Deposits	5,88.66	5,74.00	5,66.82	6,06.84
Borrowings from banks	40.00	14.50	..	..
Advances*	3,83.75	3,06.34	2,64.45	3,46.23
Investments	2,34.31	2,00.76	2,00.03	2,29.53
Cash	74.38	72.46	1,00.60	1,02.08
Balance-sheet total	7,05.61	7,01.32	6,60.01	7,13.99
Ratio to deposits of—	%	%	%	%
Advances	65.2	54.7	44.0	57.0
Investments	34.6†	47.0†	49.4	37.8
Cash	12.6	12.5	17.7	16.8

* Includes bills purchased and discounted and money at call and short notice.

† Ratio arrived at after taking into account the investments earmarked against borrowings from other banks.

It is gratifying to note that the upward trend in the Bank's gross earnings made a great stride during the year under review. Of the increase of Rs. 5.87 lakhs during the past three years, the rise during the year under review alone amounts to Rs. 4.07 lakhs. This is partly due to the larger income other than that from interest, discount, commission and exchange. However, as pointed out earlier, such an improvement in earnings has unfortunately been offset by the increase of Rs. 1.82 lakhs in interest paid and, to a greater extent, by that of Rs. 2.39 lakhs in expenses. This feature is not peculiar to the Union Bank alone. However, the effect of it in the case of the Union Bank has been more pronounced than in those of many others, so that the profit for the year under review is not higher than that for 1953, as has been the case with many others. The provision for taxation has, nonetheless, been raised from Rs. 1 lakh to Rs. 1.15 lakhs and bonus to staff from Rs. 80,000 to Rs. 90,000. The transfer to the reserve fund under section 17 of the Banking Companies Act has been maintained at Rs. 1.50 lakhs. In addition, the Directors have transferred to the contingencies account, as in the previous year, a sum of Rs. 50,000, but no allocation has been made to write off Bank premises, for which a sum of Rs. 50,000 was utilised last year. The dividend has been maintained at As. 5½ per share of Rs. 5, or 6¼ per cent. per annum, for the fourth year in succession.

Notwithstanding the decline of Rs. 2.16 lakhs in the Bank's profit over the past three years, the Bank has been consistently strengthening its reserves, so that they now stand at Rs. 33 lakhs, as against a paid-up capital of Rs. 40 lakhs. There has been an expansion of Rs. 21.84 lakhs in the Bank's deposits (as seen from the year-end figures) during the last two years, but the decline of Rs. 40.02 lakhs noted at the close of 1952 has still to be made good. The bulk of the rise of Rs. 10.66 lakhs in 1954 has occurred in current accounts, contingency accounts, etc., the exact increase being Rs. 7.13 lakhs. Despite this

(*Continued in previous column*)

TAX ENQUIRY COMMISSION OUTLINES AIMS OF FISCAL POLICY

MORE PRODUCTION AND BETTER DISTRIBUTION

THE general considerations which must govern India's fiscal policy have been examined at some length by the Taxation Enquiry Commission which, in the chapter on "Outlines of Tax Policy", has indicated its approach to the whole problem of reorganising the tax system. This chapter, therefore, forms the key to the whole report.

Briefly, the Commission's terms of reference required it to examine the tax system in relation to four main aspects: (1) the incidence of the tax system and its suitability for reducing inequalities of income and wealth; (2) the suitability of the tax system with reference to the development programme of the country and the resources required for it, including fresh avenues of taxation; (3) the effects of taxation of income on capital formation and maintenance and development of productive enterprise, and (4) the use of taxation in dealing with inflationary and deflationary situations.

Interpreted broadly, these aspects may be described as the objectives of (a) improvement in distribution, (b) furthering the development in the public sector, (c) improvement in production in the private sector, (d) promotion of the stability of the economy. An important question of tax policy is posed by the need to strike a balance between the objectives of achieving economic equality through the tax mechanism and of maintaining unimpaired the flow of investment and savings which make for the continued progress of productive enterprise. It is true that other industrially advanced countries have passed through stages of great economic inequality. But the Commission points out that the question of better distribution cannot be left to historical process. One of the Directive Principles of the Constitution affirms it. Simultaneous progress should be made in both directions—greater production and better distribution.

There is no reliable measure of inequality in India, though it is known that it is wide. The tax system can certainly assist the process of attaining equality of incomes. Any emphasis on this aspect of the function of tax system should, however, be based on a "realistic appraisal of what the tax system can, at any time, achieve in the direction of lessening inequalities and, secondly, how far the process can be carried without undue adverse repercussions on private productive effort and enterprise." If the problem of inequality is to be effectively tackled an increase in progression in direct taxation must be supplemented by measures of more effective tax enforcement, with a view to extending the coverage of the taxes. The Commission emphasises the need for taxation of the consumption of luxuries and draws attention to the fact that, if public revenues have to be augmented, "some contribution must come from the masses of the population through taxes which have a wide base."

Equity

As regards equity in taxation, the Commission examines the importance of the principle of "ability-to-pay" in the context of the disincentive effects which progression in tax rates may have on savings and investment and, therefore, of production. It says: "The degree of progression considered desirable over various income-ranges will depend, therefore, on the need to strike a balance between the aim of lessening economic inequalities through the use of tax instrument and that of sustaining and strengthening the incentives to invest and to increase production." In its opinion, it is inevitable in underdeveloped countries that there should be some departure from the strict basis of ability to pay adopted in developed economies, though it should be possible to correct specific elements of inequality in the tax system.

Although taxation reduces incomes and lowers private investment and consumption, the proceeds of taxation are available to the public sector. The relative priority of the need to encourage consumption or investment may change with the economic situation. But the general emphasis of the tax system should be directed towards "countering the natural propensities of the economy by restraining consumption and stimulating investment and savings." Discussing the role of taxation in investment, the Commission says:

"If taxation goes to increase the volume of public investment, and not to swell administrative and non-development expenditure, total investment will be larger to the extent that additional public investment made possible by taxation takes place at the expense not of private investment but of consumption. In fact, taxation may be a most effective means of increasing the total volume of savings and investment in any economy where the propensity to consume is normally high. And probably the only really effective way to step up capital formation in such an economy is for the State to assume a major responsibility for securing a diversion of resources from private consumption to public investment. It follows that the structure of taxation, which will be most suitable and efficacious for the purpose, is a properly diversified scheme of taxation—direct and indirect—which seeks to secure the diversion of physical as well as financial resources from consumption to public investment, in forms and on a scale appropriate to the development programme. In other words, the tax system must have an adequacy of both depth and range, if it is to promote an accelerated pace of development.

"Additional taxation of a wide range of luxury or semi-luxury products, at fairly substantial rates, accompanied by broad-based taxation of articles of mass consumption at comparatively low rates, is, therefore, indicated. In the field of direct taxation, higher rates in respect of personal income-tax should be accompanied by some relief for income which is saved or invested. On the whole, the kind of tax system which would be best adapted to meet the requirements of the Indian economy, having regard to the development programme and the resources required for it, appears to be one which would increase the resources for investment available to the public sector with as small a diminution as practicable of investment in the private sector, and which, therefore, is accompanied by the largest practicable restraint on consumption by all classes. Restraint on the consumption of higher income groups must, of course, be greater than in respect of low income groups."

What are the limits to which taxation can be carried without danger to the stability of economy? These limits are to be judged in terms of the taxable capacity of the economy as a whole, of particular sections of the population and of "scope for optimum utilisation with reference to particular tax heads." Indian tax revenues only amount to between 7 and 8 per cent of the national income. This is lower than in certain other countries. The low ratio of taxation to national income in India is to be attributed to the low *per capita* income levels, the existence of a large non-monetised sector and the low ratio of international trade to national income (which restricts the area of large-scale commercial sector). Any direct conclusions regarding the scope for further taxation in the country based on comparisons with similar proportions in more advanced countries are inappropriate. Referring to the question whether the proportion of taxation to national income (8 to 9 per cent.) indicates whether the taxable capacity has been reached or not, the Commission says that, if people appreciated the correspondence between taxes and the beneficent expenditure which they make possible, the limit of taxable capacity would be higher. Again, efficiency in administration and economy in public expenditure "should at least diminish people's unwillingness to suffer an increase in tax burdens." The Commission's general conclusion is that there is a "presumptive case" for holding that administration in India has not fully tapped the taxable resources of the country and that there is "justification for some increase in Indian taxation."

The Commission finds it difficult to lend its unqualified support to the statement that revenue deficit should be covered by taxation and capital deficit by borrowing. "There is nothing unsound in theory," it says, "in using a budget surplus to finance investment on public account." The Commission, however, underlines its view that it is not suggesting that the whole of the Government's development programme should be financed by taxes. It holds that the financing of a part of the programme by budgetary surpluses does not cause any greater real burden on the current consumption of the community than would be done by an equivalent amount of public borrowing. Discussing this question, it says:

"An argument which has been often advanced in the representations made before us against the use of taxation for financing capital expenditures is that there is no justification for burdening through taxation, the present generation with the whole cost of development programmes intended to benefit future generations. The argument contains the hoary fallacy of assuming that a part of the current cost of development can be shifted to posterity. There is no way of securing this postponement of the cost, in terms of real resources, of a large investment programme; the programme involves a deduction, here and now, from the resources available to the community for current consumption. The question of the relative use of taxation and borrowing relates, therefore, not to the question of distributing the burden between the present and the future, but to the appropriate method of meeting, in the present, the cost of the investment programme. A decision on the question only determines the distribution within the community of the burden imposed by the investment programme; for the community as a whole, this burden has to be borne in real terms in the present."

The other method of financing development programme is by incurring deficit. A consideration highly relevant to the amount of deficit-financing which may properly be undertaken would be how far there are already indications in the general economic situation of the presence or otherwise of inflationary pressures. In the Commission's opinion, a moderate measure of deficit financing in the context of present conditions and of immediate trends in the economy "would not inflict any injury on the economy."

There is need, according to the Commission, for deepening and widening the coverage of the Indian tax system. This implies increase in direct and indirect taxation. Broadly, it appears to the Commission that over and above an increase in direct taxation under income-tax (and later in estate duties), which should receive priority in the investigation of additional resources, reliance will have to be placed on indirect taxation—mainly through a further extension of Central excises and State sales taxes.

Explaining its general approach to the need for incentives for savings and investment, the Commission says:

"Increase in commodity taxation undoubtedly affects consumption; increase in the progression of the direct taxes may affect savings and investment. We are definitely in favour of taxation that would reduce the consumption levels especially of the upper income groups in India. The disparity in consumption levels prevalent at present in this country is a matter of common observation and there can be no doubt about its demoralising effect on the large masses of workers in the country as regards their willingness to accept higher tax burdens and yet work harder. The disincentive effect of higher taxation on the will to work on the part of the higher income groups is generally exaggerated. There is need for the upper income groups to adjust themselves to the reductions in money rewards that the changing social and economic conditions of the country necessitate. It is unrealistic to stress the disincentive effect of income-tax progression on the upper income groups, while the tax system calls upon the lower income groups, who constitute the masses of the country, to contribute an increasing portion of their meagre incomes. It must be remembered that even with the present comparatively high rates of tax, the range of inequality between the disposable incomes of the few and the many is wider than in many countries where the rates of taxation on higher incomes are, in fact, lower.

"The fixing of a ceiling on personal incomes on the basis of a reasonable multiple of the per capita or per family national income is a matter to which we have given much thought and it is our view that there should be a ceiling on net personal incomes after tax which, generally speaking, should not exceed approximately 30 times the prevailing average per family income in the country. We do not suggest that this is capable of immediate implementation, but we think that it is important to strive by stages for its implementation over a period of time. The accomplishment of this objective cannot merely be the result of tax changes, but must be related to an integrated approach along several directions. The most important phase of this approach would be an acceleration of the tempo of economic development and a widening of employment and production opportunities. . . .

"The approach must be realistic in the sense that the tax system should not be strained to a limit which will endanger the productive system of the country or impair the possibilities of its expansion by affecting savings and investment in the private sector. We have, therefore, paid special attention to the importance of promoting savings and investment by suggesting appropriate incentives for the purpose in the income-tax system. In particular, we have suggested tax concessions for encouraging industrial expansion. With a view to making maximum use of the limited funds that can be released for the purpose and in the belief that the maximum effect is attained most speedily by concentrating the concessions on specified lines of production, we have recommended the adoption of the selective principle in the application of several of the tax incentives we have recommended in the industrial field. We have also suggested measures for ensuring as far as possible that the funds released for investment are utilised for the purpose. Such investment should be encouraged by our proposals irrespective of whether it is undertaken by corporate or non-corporate, including individual and proprietary concerns."

The Commission's terms of reference require it to examine the use of taxation as a fiscal instrument for dealing with inflationary or deflationary situations. Tax system should be geared to the task of maintaining economic stability. This can be achieved either through frequent changes in tax rates or by devising a tax structure (say, *ad valorem* commodity taxes) which will automatically adjust themselves to economic disturbances as they arise. The more general way in which a tax system can operate to mitigate the effect of an inflationary or deflationary spell is to reduce or increase the quantum of national income available for private expenditure by a policy of surplus budgeting or deficit budgeting respectively.

In so far as an inflationary disturbance originates from external influences, export duties constitute one recognised way of preventing a strong foreign demand for domestic products from exerting an inflationary influence on the domestic economy. When prices fall within the country on account of external influences, it is difficult to counteract the decline through a change in the tax system. The elimination of export duties and a substantial reduction in internal commodity taxation may, however, help to stem the decline in foreign demand and to sustain domestic demand and thereby reduce the fall in producers' incomes. Referring to commodity taxation in the State sphere, the Commission says that the position is complicated by the inability of States to incur deficits, unless the Central Government devises a systematic programme of loans and grants specifically to enable tax reduction by the States.

Even in the fiscally advanced countries, where tax receipts constitute a significantly larger proportion of their national incomes, reliance is placed more upon an expansion of public expenditure rather than on the lowering of taxes as an anti-depression device. The Commission points out that in a country like India, where the proportion of national income taken by way of taxation is of the order of 7 to 8 per cent. (as against 25 to 40 per cent. in many other countries), there is very little that the tax system can do by way of an income effect for mitigating the effects of deflation; even what can be done by way of deficit-financed public expenditure is of limited value in the light of the structural rigidities and other peculiarities of the Indian economy. It adds: "All the same, in India, it is in the direction of public expenditure rather than of taxation that more effective action can be taken to mitigate the effects of a deflationary spell."

Clearly, the taxes that fall directly on the large additional incomes and commodity taxes that fall on the increase in general purchasing power resulting from inflation have a significant part to play in anti-inflationary policy. When, however, inflation gets beyond a certain level, taxation no longer provides even a partial remedy. Costs chase incomes in a rising spiral, and public expenditure keeps increasingly ahead of public revenues. In such cases, the only effective remedies, the Commission says, are "either to stop the increase in public expenditure and bring about a radical reduction in the same or to institute a drastic monetary purge by imposing what in effect is a capital levy on the holdings of money supply or liquid assets; often, the two may be required in combination." Referring to the anti-inflationary potentialities of the Indian tax system, and the changes that would be needed in the event of depression, the Commission says:

"The Indian tax system already contains in its income-tax and commodity taxes important means of countering inflationary situations. The income-tax is a highly progressive levy. Under conditions of boom or inflation, as explained above, it automatically yields larger revenues, and restricts the growth of disposable incomes left after tax. Over and above this inherent anti-inflationary feature of the tax, the feasibility of using it to curtail incomes still further through enhancement in rates of tax when inflation develops will be limited if rates are pitched normally high. With any pronounced inflationary trend, however, there would remain possibilities of screwing up direct taxation. An increased use of commodity taxes by a wider coverage and higher rates can, similarly, help to restrain consumption demand. It may become necessary, in particular, to levy special taxes on those sectors of the economy that benefit the most from the inflationary bias of development expenditure. These measures, together with the possible imposition of special taxes like the excess profits tax, should normally be sufficient, in the tax sphere, to deal with ordinary inflationary situations that may be expected to develop.

"In the unlikely event of a depression emerging, reduction in taxation is unlikely to make much difference as the income it will release for private expenditure will be a very small proportion of the national income; the fiscal remedy in such a case would be to increase public expenditure and finance it by deficit till the economy recovers, and prices and sales resume their pre-depression trends."

From the long-term point of view, the objective of maintaining stability in the economy, the Commission says, merges into the "larger objective of economic development." The problem is thus one of adapting fiscal and other policies to the end of maintaining an even course of development, and of adjusting the pace and content of public expenditure, the level and forms of taxation and the overall budgetary position. All the elements of fiscal policy, the Commission emphasises, should remain basically attuned to the climate of economic development.

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LABOUR UNIONS SUBMIT SCHEME TO REGULATE CLOTH IMPORTS

PRICE-FIXING CONDEMNED

By A Special Correspondent

MANCHESTER, 1st *March*

MANCHESTER LETTER

A PLAN to restrict the flow of foreign cloth and yarn into Britain without contravening the country's obligations under international agreements has been put forward by the cotton unions in conjunction with Members of Parliament for the textile constituencies of Lancashire. It provides for the placing of responsibility for all textile importing in the hands of a Government buying commission which could limit imports of cloth and yarn produced under conditions of unfair competition.

The plan was outlined by Mr. Harold Wilson, a former President of the Board of Trade, after Lancashire and Cheshire Labour M.Ps had met the Legislative Council of the United Textile Factory Workers' Association in Manchester. The Legislative Council is the central assembly of Lancashire's 290,000 cotton operatives.

It urged that the import trade in both cotton piecegoods and yarn should be centralised under a system of bulk purchase and that a Bill should be introduced in Parliament creating a Cotton Goods Import Commission which would have the sole right of importation of cotton goods into this country. The Commission, he said, would be entrusted with the duty of importing all textile goods offered on a basis of fair competition. It would have discretion to refuse to import goods which were based on unfair competition.

Mr. Wilson cited Indian competition as unfair not because Indian wages were too low but because Indian mills acquired their raw material at 10*d.* to 1*s.* per lb. less than Lancashire paid. This was equivalent to about 3*d.* a yard on cloth. Even if Lancashire weavers worked for no wages at all they could not compete with that. He added:

"We imagine that such a Commission would allow a fairly free import of cotton goods; for instance, piecegoods produced by certain European countries. It would probably feel free to import substantial quantities of Indian goods for finishing in Lancashire and subsequent re-export. There would, however, be limitation on piecegoods for the home market in so far as they were produced under conditions which were unfairly competitive."

Mr. Wilson said that the unions and the M.Ps believed the proposals put forward would be simple, effective and consistent with Britain's international obligations. He said: "We believe that if they were carried out it would provide a basis under which the Lancashire cotton industry could go forward full of confidence, able to devote its energies to its priority task of maximising productivity in the industry."

Mr. Harold Bradley, Secretary of the Legislative Council of the United Textile Factory Workers' Association, announced that the Council had decided to accept an invitation to meet the textile sub-committee of Conservative M.Ps to discuss Lancashire's present problems next week.

Report on Price-fixing

After several months in which the main talking-point in the cotton industry has been the increasing arrivals of foreign cloth, controversy has switched back to the price-fixing arrangements as a result of the decision of the Government to accept the Monopolies Commission report on calico printing.

When the report was first issued there was much disquiet in the industry at the implications of the document, which roundly condemned the schemes in operation in this important branch of the textile trade. The Commission thought the plan to maintain prices and particularly the percentage quantum scheme was "against the public interest."

Implied criticism was therefore levelled against the other similar price systems in force in other sections of the trade, chiefly in spinning and doubling. It was felt that these would soon be also under fire, as although details differed the basic system—to regulate prices and maintain margins—was on similar lines.

Price protection against internal undercutting in the cotton textile industry dates back to before the war, when a series of "gentlemen's agreements" were drawn up to end the unfortunate price "wars" which broke out in many directions during the depression of the 1930's. These became legally enforceable nearly 10 years ago after the war-time experience of control and strict regimentation. In the spinning branch the scheme was supported unanimously by producers offering yarn in the open market and in the various processing branches the main groups have sufficient control over their respective sections to exercise adequate sway over the rest.

Despite outbreaks of criticism in subsequent years, the systems have been operated steadily ever since. Among merchants and manufacturers the view has often been expressed that the margins permitted are too high, but when trade was booming in 1950-51, the prices charged were far above the minimum rates. The agreements only stipulate prices below which members should not sell—there is no "ceiling" on the rates in question.

As a result of the schemes, the spinning and finishing sections of the cotton industry have built up very satisfactory reserves in recent years. Financially the industry is stronger now than ever before, although individual firms have had varied experiences in profit-earning according to their success or otherwise.

Spinners' Theme

How official figures of output and undelivered contracts can effectively mask the actual conditions prevailing in the trade is the theme of the most important section of the Annual Report of the Master Spinners' Federation for last year. Spindle activity and the state of order lists during 1954 would give a totally misleading picture of the situation, it declares.

Yarn production reached 96 per cent. of the 1951 average in the first quarter of 1954, but by December it had fallen to 87 per cent. More important still, order books were contracting at a time when they should have been building up. This will undoubtedly affect the lean period for purchases normally expected during the second and third quarters of the current year.

Commenting on declining exports and rising imports, the Federation says: "What the figures do not and cannot show is the potential threat to the very existence of the cotton industry if steps are not taken in advance by the Government which would enable a still great industry to survive a sudden and devastating blow based on unfair competition."

There is underlying criticism of the "wait-for-it" attitude of the Government in the report. "Comparatively small imports of an unfair character have already damaged certain sectors of our industry," it states. "The fact that the overall position still appears reasonably healthy should be no reason for complacency, either in the industry or in Government circles. It is only necessary for a slight recession in world trade in textiles to arise and distressed or subsidised goods will pour in from every quarter of the world."

A Fair Start

Exports of cotton yarn and piecegoods from the United Kingdom in January both exceeded the monthly average during 1953, but traders did not derive much encouragement from the totals as it was felt that they represented some of the backlog of orders held up during the dock strike. The earnings of shipments of cotton goods in January were £9,802,983, as compared with £9,990,327 a year previously.

Cotton yarn exports amounted to 3,547,215 lbs., the chief consuming countries being Australia with 733,490 lbs., Irish Republic 319,890 lbs., and Finland 302,923 lbs.

Shipments of piecegoods were 59,631,000 square yards, at an average price of 29.46*d.* per square yard—more than 1*d.* a yard cheaper than a year ago. Australia was again the main buyer, absorbing 10,740,000 square yards, followed by Nigeria 6,506,000 yards, South Africa 6,371,000 yards and the Gold Coast 4,641,000 yards.

Imports of cotton goods during the month cost £2,693,488 against £1,469,277 in January, 1954. There was a further sharp increase in the quantity of grey cloth reaching this country, which amounted to 33,569,000 square yards, of which 15,243,000 yards was from India. Other suppliers included Japan with 11,972,000 yards and Hong Kong 4,296,000 yards. Little change occurred in the quantity of finished cloth imported or in the amount of yarn arriving from abroad.—*All Rights Reserved.*

COTTON BAGS FOR ONIONS, POTATOES AND FRUITS

A coloured goods mill at Slagharen (the Netherlands) has started the manufacture of cotton bags for packing onions, either entirely red or red stamped with a white or an ecru band; in both cases a more closely woven strip is provided for the stamping. These bags are now also available for export. In addition, the same mill has for some time been turning out circular-woven cotton bags for the retail sale of potatoes, lemons, oranges, nuts, etc. These bags can be supplied in all colours.

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To enable the maximum number of visitors to visit the Fair, the Yugoslav Government has sanctioned special reductions in the fares both on the Yugoslav State Railways and Yugoslav Shipping Lines to visitors.

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SOME PROBLEMS OF COAL INDUSTRY

I.C.U.'S MEMORANDUM TO PLANNING COMMISSION

IF a steady development of the industrial sector of this country is to be assured, there is no gainsaying the fact that the coal industry must be stabilised on sound economic foundations. Various suggestions have been made both by owners and workers of the collieries to the Planning Commission for consideration for fixing the targets for coal production in the second Five-year Plan. The latest of them is a memorandum submitted by the Indian Collieries Union (I.C.U.), Katrasgarh, to Mr. K. C. Neogy, Member, Planning Commission. Expressing concern at the persistence of the threat of nationalisation, lack of rail transport facilities, competition from State collieries and labour unrest, the I.C.U. has suggested a number of remedies, the chief of which are as follows:

(1) The Government of India should declare immediately its policy in regard to nationalisation of coal mines in clear and unequivocal terms. For, unless the present sense of insecurity arising from the persistence of the threat of nationalisation is removed by immunising the private collieries from the inroads of State ownership for at least the next 25 years, there will be little progress in this sector. Further, the industry should also be assured that, if and when mines are nationalised, the owners would be adequately compensated.

(2) The Planning Commission should appoint an *ad hoc* committee to investigate and report on the present conditions of the coal industry in regard to production, transport and labour problems.

(3) The Coal Board should be reconstituted with a majority of non-official mining engineers and experts and non-technical representatives of the industry with a non-official Chairman possessing the requisite technical qualification. The duties of the Chairman of the Coal Board, Coal Commissioner and the administrative head of the State collieries, which are at present exercised by the Coal Commissioner, should be properly reassigned. A mining engineer should be appointed as Deputy Coal Commissioner (Production) or be attached to the Coal Board as production officer, who should be responsible for ensuring a steady increase in the output of private collieries. Coal grading by the Coal Board should strictly conform to the rules framed by the Government in this behalf.

(4) A Standing Committee with a non-official majority, to be called Public Relations Committee, should be constituted to investigate into all complaints made either by consumers or the collieries regarding production and distribution of coal, with powers to check daily wagon allotment sheets.

(5) All Government-sponsored industries, like the steel, power and fertiliser, should be made to "own their own wagons."

(6) The present transport rationalisation scheme and restrictions on cross-traffic should be re-examined by an expert body with due regard for the geographical position of the industries and availability of different grades of coal in different parts of the country.

(7) A Standing Committee, to be called Siding and Loading Facilities Committee, should be appointed, consisting of representatives of the Coal Commissioner, Railways, and of the coal industry to deal with all applications for siding facilities and relevant matter relating to coal loadings.

(8) All State collieries should be run on commercial basis and placed in the hands of a Board of Directors like other State-owned industries and not managed by the Coal Commissioner as at present. So long as the private sector of the coal industry is not nationalised, the control over private and public sectors of the industry should be in different hands, as their interests very often clash with each other. All State collieries should be placed on the same footing with market collieries in all respects including fixing of quotas for brick burning coal.

(9) Seam samples for grading of seams in State collieries should be drawn by a neutral body. Similarly, wagon samples of State collieries should be drawn not by the departmental officers as at present but by persons appointed by the aforesaid neutral body.

(10) All previous price cuts on original control prices including those of grade IIIA and grade IIIB coal should be restored.

(11) Higher priority should be given in the matter of wagon supply for domestic coke and brick-burning coal as this has a direct bearing on rural economy and middle-class employment.

(12) The wage structure of mining labour, as also the bonus scheme for them, should be based on production *per capita* and not on attendance only and collieries should be allowed to employ temporary *ad hoc* labour for meeting emergency and occasional demands.

A study of the recommendations reveal that the biggest obstacle now is the threat of nationalisation. It has assumed greater proportions not only because of the proposed amendment to Article 31 of the Constitution but also because the no-nationalisation time-limit given to this industry is drawing near. It will be recalled that, in the policy statement on industries made in 1948, the Government had assured the coal industry that it would not be nationalised for a period of 10 years and that, thereafter, the position would be reviewed. Now that there are only three more years for this period to be over and that recently some persons in authority hinted at the possibility of the Government deciding to nationalise the industry, it is but fair that the Government should make the position clear. It is needless to add that, so long as this uncertainty lasts, an uncertainty which has been heightened by the move to make the question of compensation in the event of nationalisation a non-justiciable issue, the industry in the hands of the private sector will not be in a position to raise the additional capital required for its development and mechanisation.

This is not enough. The shareholders of the coal mines should be assured of a reasonable dividend on their investment. In view of the mounting labour demands for more remuneration and other amenities, and the rising costs of production, following restrictions on rationalisation, there is hardly any prospect of even the present meagre dividends being maintained. In fact, what is needed is the restoration of the price cut of 1949 and the linking of wages and bonus not merely to attendance but also to productivity per worker. There is also sense in the suggestion that provision should be made for employing labour temporarily to meet unforeseen demands that arise at times.

Further, there is an imperative need for providing wagons for transporting coal in sufficient quantities, so that stocks do not accumulate at pitheads and thereby retard production, resulting in diminution of profit. In this connection, the allegations that the scheme of rationalisation of transport and restriction on cross-traffic has failed, as also that the State collieries are shown preference against private collieries in allotment of wagons, require to be examined. But the suggestion that the State-owned industries should be allowed to own their own wagons is faulty in principle. For it will create vested interests and interfere with the discretionary powers of the railways in the matter of allotment of wagons.

The demand for the reconstitution of the Coal Board incorporating technical and non-technical personnel is based on the ground that it would induce confidence in the industry about its proper working. It is stated that, because the Chairman of the Board is a non-technical person and is also entrusted with other responsible duties of the Coal Commissioner and the administrative head of the collieries, there is woeful inefficiency in the working of the Coal Board. To quote the remarks of the I.C.U.:

"The Coal Board, as at present constituted for all practical purposes, instead of shaping the future of the coal mining industry with the help of the collective intelligence of high-level experts, is being administered by its Chairman and is devoting its energy mostly in preparing doubtful statistical data and taking unsound decisions. Many mining experts consider that some of the Board's decisions are faulty and that, instead of helping conservation, they are in the direction of destruction of our valuable coal reserves. The Committee of the Union reiterate their opinion that, in direct negation of the Government's desire, the Board have definitely depressed coal production. The Committee suggests that the personnel of the Board and its officers should be whole-time ones, except the non-official members. There should not be any question of economy in expenditure by engaging part-time officers."

It will be interesting to know what the Chairman of the Coal Board has to say on these allegations. It can, however, be stated that the criticism that he has definitely depressed coal production does not stand scrutiny, as witness the fact that, at 36.77 million tons, the production of coal in 1954 was actually 0.55 million tons higher than the previous record high output and about a million tons higher than in the previous year.

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IMPORTS OF RAW SUGAR

TERMS AND CONDITIONS

AS readers are aware, during the 1953-54 sugar season, the Government of India allowed imports of raw sugar in limited quantities as part of its programme for bridging the gap between domestic production and demand for sugar. Thus of the total imports of 676,000 tons in the 1953-54 season, the share of raw sugar was of the order of 48,500 tons. Imports of raw sugar were confined only to those sugar factories which were willing to refine it and market the refined sugar subject to its scrutiny. While announcing the sugar policy for the 1954-55 season towards the close of last year, the Government had stated that imports of sugar would have to be continued and that these would include raw sugar in a much larger quantity than in the preceding season. Full details of the scheme for import of raw sugar were, however, announced only a few days ago. By a notification published in the *Gazette of India Extraordinary* dated 22nd February last, the Central Ministry of Commerce and Industry has invited applications to be submitted to the Chief Controller of Imports and Exports, New Delhi, from such of the vacuum pan sugar factories as are willing to undertake the refining of the imported sugar. These factories will have to furnish information on a number of aspects, such as the process to be used for refining, daily capacity for refining in tons, the date by which crushing of cane is expected to be completed, railway freight from the port concerned to the factory and the quantity of raw sugar to be imported, the country of origin of such imports, the currency area and the price of raw sugar c.i.f. Indian port. The last date by which the applications had to be submitted was 9th March.

The notification mentioned above has stipulated the terms and conditions under which the licences will be issued for importing raw sugar. According to these terms, the factory wishing to import should furnish a guarantee from a Scheduled bank for an amount calculated at the rate of Rs. 8 per ton of sugar licensed. The guarantee should be executed in favour of the President of India within 15 days of the grant of import licence. It will be valid for a period of one year and is returnable. However, the guarantee will be forfeited, if no raw sugar is imported for reasons not beyond the factory's control.

The imports are subject to an import duty at the rate of Rs. 4-12 per cwt. In addition, an excise duty on the refined sugar will be payable in the usual manner at the rate prevailing at the time of payment of this duty. This excise duty will be at the rate of Rs. 5-12 per cwt., if the budget proposals for 1955-56 are placed on the Statute Book.

All the raw sugar imported should be refined in the factory and should not be used or disposed of in any other manner without the prior approval of the Ministry of Food and Agriculture. Such permission will, however, be granted only in exceptional circumstances. The raw sugar should conform to the definition laid down in the Customs Notification No. 160, dated 27th November, 1954, namely, that "it shall be sugar with associated impurities having a sucrose content not exceeding 99 per cent. by weight on the material dried at 105°C." All the quantity applied for should be imported and its refining be completed by 31st October, 1955. The Ministry of Food and Agriculture should be informed of the details of the quantity purchased, the price and other terms of purchase.

Immediately after the arrival of the raw sugar at the specified port, the factory is required to inform the Ministry of Food and Agriculture and give the programme for its refining. The factory should also submit a fortnightly report about the quantity of raw sugar processed and the quantity of refined sugar produced. The factory has to make its own arrangements for the movement of sugar from the port to its premises. The Government will, however, provide priority movement as far as practicable. The factory is also required to keep separate accounts relating to the purchase, clearance handling and transportation and refining of raw sugar and shall produce the same for inspection or checking by any Government officer. Lastly, and this is more important, the refined sugar produced in the factory may be disposed of without any restriction on its sale or price, but should not be sold, unless a release order from the Ministry is issued.

The total quantity of raw sugar for which licences will be issued is 150,000 tons, which is more than three times the quantity allowed in the previous season. This decision of the Government, namely, to allow larger imports of raw sugar is to be welcomed, because, it is more advantageous to the country than imports of refined sugar. The processing of raw sugar will provide employment to workers in factories during the off season, enhance the profits of factories and result in a saving of foreign exchange to the extent of the difference between the cost of raw sugar and refined sugar, minus the cost of imported chemicals used in refining the raw sugar. Incidentally, it may be noted here that the loss on refining raw sugar is 10 per cent., so that 150,000 tons of raw sugar will yield approximately 135,000 tons of white sugar.

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The
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COOPER ALLEN BRANCH — KANPUR
NORTH WEST TANNERY BRANCH — KANPUR
NEW EGERTON WOOLLEN MILLS BRANCH — DHARIWAL (PUNJAB)
SUBSIDIARY COMPANIES:—
G. McKENZIE & CO. (1919) LTD.
CALCUTTA
SMITH STANISTREET & CO., LTD.
CALCUTTA—KANPUR—BOMBAY—MADRAS
THE PENINSULAR MOTOR CORPORATION LTD.
CALCUTTA—BOMBAY
BEGG, SUTHERLAND & CO., LTD.
KANPUR
Managing Agents For:—
★ The Bairampur Sugar Company Limited
★ Brushware Limited
★ The Cawnpore Sugar Works Limited
★ Purtabpore Company Limited
★ Samastipur Central Sugar Company Ltd.
★ Elgin Mills Company Limited
★ The Champarun Sugar Co., Limited
★ Cawnpore Textiles Limited
★ Ryam Sugar Company Limited
★ Saran Engineering Company Limited
Secretaries of:—
★ The Bees Picker Co., Ltd.

SALES TAX ON RAW JUTE

CENTRE ADVISED TO ASSUME CONTROL

THE levy of sales tax on raw jute in some States is considered by the jute industry as a serious burden. Often, complaints have been made as to the discriminatory character of the levy. Jute is a raw material of an industry, the fortunes of which depend on overseas markets. This industry is no longer a monopoly of India. It has many competitors, but its importance to India as an earner of foreign exchange has not diminished. As cheap and ample supply of raw jute is thus the basic condition for expanding production of jute goods and their export, and as the various State Governments themselves are the beneficiaries from the revenue derived from the export on jute goods, it is in their own interests that they should refrain from taxing the raw material. In view of these considerations, the Jute Enquiry Commission had recommended last year that the State Governments should exempt raw jute from the levy of sales tax. This advice of the Commission was not heeded by the West Bengal Government. On the contrary, it set a bad example for other State Governments by doubling the existing cess of As. 2 per maund to As. 4. In reality, the cess is a purchase tax and has been having a deleterious effect on the economy of the industry.

What is rather very disquieting is the method of this levy. Thus no cess is payable when dealers or mill agents despatch the raw jute to Calcutta, but when dealers or even co-operative societies buy for sale or hold stocks within the State limits, they become liable to this tax. In view of the discriminatory character of this impost, the Jute Enquiry Commission recommended the removal of this disability. This advice too has remained unimplemented.

In the light of this background, it will be interesting to mention here the views of the Taxation Enquiry Commission on the levy of sales tax on raw jute. The Commission has, among others, recommended Central legislation and Central control in respect of all inter-State transactions and also certain transactions, whether or not inter-State, in respect of goods which are important in inter-State trade. The Commission has emphasised that such control should be strictly confined to a very small number of well-defined commodities of special significance to inter-State trade. It has observed that, broadly speaking, no commodity should be selected which does not combine the following characteristics:

(i) it should be raw material or largely in the nature of raw material;

(2) either as raw material or later as finished goods based on such material, it should, in terms of volume of inter-State transactions, be of special importance in inter-State trade; and

(3) in terms of the country as a whole, it should also be of special importance from the point of view of the consumer or of industry.

Raw jute is one of the six commodities mentioned by the Commission as having the aforesaid combined qualifications. The commodities are called "specified goods." The Commission says that in regard to levy of a tax by the States on sales or purchases of these goods, the Central Government should take power to impose conditions subject to which the States can levy the tax. These conditions should be that

(1) the States shall levy a single-point tax (at the last stage of sale or purchase) on these goods, and

(2) the rate shall not exceed one-fourth anna in the rupee. This is the rate at which the Central tax will be imposed on these goods in the course of inter-State trade.

Commenting on the application of the above conditions to jute, the Commission observes: "This tax has been in force in Bengal since 1942 under the Bengal Raw Jute Taxation Act, 1941. It is levied at the rate of two annas on every maund of raw jute purchased by a mill or by a person exporting jute out of Bengal. The mills and exporters are required to register themselves, send monthly returns of their purchases and pay the tax every month. It is, in effect, a purchase tax on jute collected from registered mills and exporters. As very little of the raw jute is retained for local consumption and as it is grown by numerous growers, the point of purchase is undoubtedly the most convenient for taxing this commodity. The proceeds from this tax amounted to about Rs. 43 lakhs for undivided Bengal. West Bengal obtains from it a revenue of about Rs. 33 lakhs.

"Under the scheme of sales tax recommended by us, it will no longer be possible for the Bengal State to levy this tax at a rate higher than one-fourth of an anna in the rupee. But any loss from a reduction in the rate of this tax will be more than made up by the receipts that the State will realise from the tax on inter-State transactions and in general by the increase in revenue implicit in our suggestions regarding sales tax in their application to Bengal."

It is to be hoped that at least this Commission's suggestion, as mentioned above, will appeal to the State Government's concerned. For, unlike the Iyengar Commission which advocated the abolition of sales tax without indicating alternative sources of revenue, the Matthai Commission confidently asserts that any loss of revenue consequent on the implementation of its recommendation will be more than made good in other ways.

JUTE SUPPLY POSITION

The earlier possibility of an acute shortage of raw jute during 1954-55, consequent on damage done to the crop by floods last year, is now regarded as somewhat exaggerated. According to circles close to the Indian Jute Mills Association, there are ample supplies of jute in the mofussil centres to keep the mills going till the commencement of the new crop arrivals in August next. This report is already having a moderating influence on prices of raw jute which have been gradually coming down under pressure of sales by stockholders. A few weeks ago, Assam bottoms, for instance, stood at as high as Rs. 40-8 a maund. Currently, they are being quoted at Rs. 37 to Rs. 38. It is stated that the rates would have declined sharper still had there not been transport bottlenecks holding up the flow of stocks freely into Calcutta.

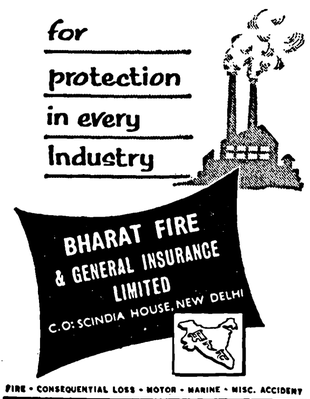
Nevertheless, most of the mills, we are told, have already covered themselves fairly well. They have jute either in stock or under contract to cover about four months. They have, therefore, to buy, between now and August, jute to cover their needs for about two months, or, approximately, 1.2 million bales. Consequently, it is believed that the mills will not be anxious buyers in the jute market for some time to come and that prices will have to come down further.

According to the aforesaid source, the stocks supply and consumption position of raw jute in 1954-55 is as follows:

(In lakh bales)

Supply		
(1) *Opening stocks*		
I.J.M.A. mills' godown stock	...	11.32
Indian carry forward ...	...	7.00
Pakistan carry forward	...	15.00
		33.32
(2) *New crop*		
Jute crop in India ...	...	35.00
Jute crop in Pakistan ...	...	46.00
Mesta crop in India ...	...	7.00
Total supply		121.32
(3) *Consumption*		
Mill consumption in India ...	...	60.34
Non-mill consumption in India	...	1.00
Pakistan exports overseas ...	...	35.00
Mill consumption in Pakistan	...	7.00
		103.34
(4) Carry-over at the end of 1955	...	17.98

According to the Minister for Commerce and Industry, Mr. T. T. Krishnamachari, India exported in 1954, 372,000 tons of hessian. This was, he said, 108,000 tons less than that exported in 1953.



EXPORT DUTY ON TEA

SLIDING SCALE INTRODUCED

THE Government of India had announced in January last that it would soon introduce a slab system of export duty which would slide in accordance with the changes in the prices of tea, instead of the flat rate system as hitherto. This decision was taken when it stepped up the export duty from As. 7 to As. 10 per lb. of tea on 7th January, and it has since been implemented by making a suitable provision in the Finance Bill for 1955-56, presented to Parliament on 28th February, 1955. The slab system is as follows:

When the price of tea does not exceed Rs. 2-8 per lb. the export duty will be As. 4 per lb.; if the price exceeds Rs. 2-8 per lb., but does not exceed Rs. 3-4, but does not exceed Rs. 4 per lb., As. 8; if it goes beyond Rs. 4, but not Rs. 4-12 per lb., As. 10 and if it goes above Rs. 4-12 per lb., As. 12.

Thus, the minimum export duty on tea will be As. 4 per lb. which was the same as that which prevailed before the first upward revision of the duty was made in October last. The maximum duty will be As. 12 per lb., which is As. 2 more than the present flat rate of duty.

The export duty will be revised appropriately, if and when prices move out of the particular range. For the purpose of levying duty, the price of tea will be fixed by the Government of India from time to time by notification in the Official *Gazette*, having regard to world prices. In other words, the fixation of the "price of tea" will not be based on the auction prices in India alone, because a large quantity of tea is being shipped unsold; but also on those prevailing in other world markets, mainly London, to which a large part of Indian tea is consigned. The computation of the "price" is, therefore, important and any mistake made here will alter the incidence of duty. Since the trade and the public should have full knowledge of the tea price fixed, the Government will do well to announce the factors that go to determine the price. In the meantime, it is learned that the Government had already fixed the "price" of tea last week at Rs. 4-3 per lb., so that the export duty will be As. 10 per lb. under the slab system, the same as the present flat rate of duty.

The aforesaid price of Rs. 4-3 per lb. does not seem to be based on the prices current at the time of fixation of the price, but on those prevalent sometime ago. For, during the past few days, there has been a decline in export auction prices at Calcutta and Cochin, as also at Mincing Lane and if the "price of tea" is revised downward in consonance with the decline in auction prices, the export duty will have to be levied at the lower rate of As. 8 per lb.

Be that as it may, the introduction of the sliding scale of export duty will be welcomed by the industry, provided the price of tea fixed by the Government from time to time is not unreasonable. This is probably the first time that such a system is being tried in so far as the tea industry is concerned. The Government feels that there are advantages from every point of view in a system which would automatically adjust itself in relation to variations in price. While speaking on the financial proposals for 1955-56, Mr. Deshmukh referred in particular to the slab system and said:

"A slab system is also being prescribed for export duties on tea in lieu of the existing flat rates. A specific rate tends to become onerous in a period of falling prices; on the other hand, when, as now, prices are rising the incidence of the tax in terms of value becomes progressively lighter with a flat rate. On account of the numerous qualities of tea and because such teas are often sent for sale in auction in the United Kingdom and the price at the time of export is not ascertainable beyond reasonable doubt, it has not been possible to devise a system of *ad valorem* assessment. As a compromise, certain slab rates varying with the value have been prescribed in the present Bill. This will not result in any change in the revenue yield at present prices."

One notable feature of the slab system of export duty is that the Government seeks to retain a permanent minimum levy of As. 4 per lb. as a source of revenue. This is probably in accordance with the recommendations of the Taxation Enquiry Commission which considers tea as one of the commodities on which the levy of export duty can be safely levied as a revenue-yielding measure. The Commission thus observes:

"The choice of suitable commodities for the levy of export duties chiefly for revenue purposes may be examined in relation to the items of this type already on the tariff schedule. Tea is a commodity, for example, the exports of and the revenue from which have been relatively stable. The

(*Continued on page* 495)

THE UNION BANK OF INDIA, LIMITED

(REGISTERED 11TH NOVEMBER, 1919)

Balance Sheet as at 31st December, 1954.

CAPITAL AND LIABILITIES.	Rs. a. p.	Rs. a. p.
1. Capital—		
(As per capital reduction scheme sanctioned by the High Court of Bombay on 24-3-1926)		
AUTHORISED CAPITAL— 20,00,000 Shares of Rs. 5 each	1,00,00,000 0 0	
ISSUED, SUBSCRIBED AND PAID-UP— 8,00,000 Shares of Rs. 5 each, Fully Paid-up ..		40,00,000 0 0
2. Reserve Fund and Other Reserves		33,00,000 0 0
3. Deposits and Other Accounts—		
Short and Fixed Deposits and 3 Year Cash Certificates ..	1,79,54,470 4 8	
Savings Bank Deposits	58,21,240 3 9	
Current Accounts, Contingency Accounts, etc.	3,50,89,567 2 4	5,88,66,277 10 4
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	40,00,000 0 0	
(ii) Outside India	Nil	40,00,000 0 0
Particulars:		
(i) Secured (by part of Investments as per contra)	31,00,000 0 0	
(ii) Unsecured	9,00,000 0 0	
	40,00,000 0 0	
5. Bills Payable		1,21,418 7 0
6. Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	16,99,025 5 4	
(ii) Payable outside India	12,77,082 12 9	29,76,108 2 1
7. Other Liabilities		2,51,004 15 5
8. Acceptances, Endorsements and Other Obligations per contra ..		55,95,467 6 0
9. Profit and Loss Account—		
Balance as per Balance Sheet as at 31st December, 1953 ..	4,55,225 2 8	
LESS—Dividend at Annas 8 Free 6 per share for the year ended 31st December, 1953	2,75,000 0 0	
Balance brought forward	1,80,225 2 8	
Profit for the year ended 31-12-1954 brought from the Profit and Loss Account	6,75,648 7 11	
	8,55,873 10 7	
LESS— Rs. a. p.		
Amount transferred to Reserve Fund .. 1,50,000 0 0		
Amount transferred to Contingency Account 50,000 0 0		
Amount written off Premises Account Nil		
Amount set apart towards payment of Taxation 1,15,000 0 0		
Amount provided for Bonus to Staff .. 90,000 0 0	4,05,000 0 0	4,50,873 10 7
10. Contingent Liabilities— Rs. a. p.		
(a) On Investments in Shares of Joint Stock Companies 4,05,050 0 0		
(b) Claim against the Banking Company not acknowledged as debts 25,000 0 0		
(c) Money for which the Banking Company is contingently liable 650 0 0		
(d) Liability on account of outstanding Forward Exchange Contracts .. 16,28,010 4 1		
(e) Liability on Bills of Exchange re-discounted— Sterling Bills re-discounted of which £23,849-9-2 up-to 15-2-1955 have run off. .. £ 57,061 5s. 9d.		
Total .. Rs.		7,05,61,150 3 5

PROPERTY AND ASSETS.	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		65,22,913 1 11
2. Balances with Other Banks in Current Account—		
(i) In India	6,93,936 4 11	
(ii) Outside India	2,20,872 3 9	9,14,808 8 8
3. Money at Call and Short Notice		Nil
4. Investments (at or under Market Value)—		
(i) Securities of the Central and State Governments and other Trustee Securities	2,12,29,601 0 10	
(ii) Shares— Rs. a. p.		
(a) Preference Shares Fully Paid .. 20,300 0 0		
Preference Shares Partly Paid .. 38,000 0 0	58,300 0 0	
(b) Ordinary Shares Fully Paid .. 14,86,598 1 4		
Ordinary Shares Partly Paid .. 6,39,215 8 0	21,25,813 9 4	
(c) Deferred Shares Fully Paid	16,871 5 0	
(iii) Debentures	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	
(Part of Investments lodged with other banks per contra)		2,34,30,585 15 2
5. Advances—		
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India 2,82,75,415 0 11		
(ii) Outside India 24,036 7 8	2,82,99,451 8 7	
(II) Bills Discounted and Purchased—		
(i) Payable in India 84,21,835 2 1		
(ii) Payable outside India .. 16,53,410 0 4	1,00,75,245 2 5	3,83,74,696 11 0
(Particulars of Advances as per separate Schedule attached)		
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	16,99,025 5 4	
(ii) Payable outside India	12,77,082 12 9	29,76,108 2 1
7. Constituents' Liabilities for Acceptances, Endorsements and other Obligations per contra		55,95,467 6 0
8. Premises Less Depreciation—		
At Cost	17,80,968 9 0	
LESS—Written off as per capital reduction scheme sanctioned by the High Court on 24-3-1926	10,00,000 0 0	
	7,80,968 9 0	
ADD—Value of New Premises now occupied by the Bank transferred from Other Assets .. .. Rs. 3,93,219 12 0		
Additions during the year .. .. „ 3,79,236 11 9	7,72,456 7 9	
	15,53,425 0 9	
Deductions during the year	10,076 0 0	
	15,43,349 0 9	
LESS—Total amount written off for depreciation	6,12,010 8 6	9,31,338 8 3
9. Safe Deposit Vaults, Furniture and Fixtures Less Depreciation—		
Safe Deposit Vaults .. .. .. Rs. a. p. 3,89,564 11 11		
Additions during the year 67,364 4 0		
	4,56,928 15 11	
Deductions during the year .. .. Nil		
	4,56,928 15 11	
LESS—Total amount written off for depreciation 96,307 4 8		
Office Furniture and Fittings 3,00,312 4 1		3,60,621 11 8
Additions during the year 1,58,574 12 0		
	4,58,887 0 1	
Deductions during the year .. .. Nil		
	4,58,887 0 1	
LESS—Total amount written off for depreciation 1,79,571 2 10		
	2,79,315 13 3	6,80,937 8 11
10. Other Assets—		
(i) Banking Company's Property not occupied for business as per last Balance Sheet .. 3,93,219 12 0		
LESS—Amount transferred to Premises Account 3,93,219 12 0	Nil	
(ii) Interest accrued on Investments	1,41,694 15 5	
(iii) Stock of Stationery and Printing	30,661 0 3	
(iv) Stamps	2,938 5 9	1,75,294 5 5
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Total .. Rs.		7,95,61,150 3 5

Schedule of Particulars of Advances required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1954.

	Loans, Cash Credits, Overdrafts, etc. Rs. a. p.	Bills Discounted and Purchased Rs. a. p.	Total Advances Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured ..	2,15,27,040 10 1	35,12,575 3 2	2,50,39,615 13 3
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security ..	20,11,933 8 7	5,76,202 12 3	25,88,136 4 10
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	47,60,477 5 11	59,86,467 5 0	1,07,46,944 8 11
(iv) Debts considered doubtful or bad, not provided for	Nil	Nil	Nil
Total .. Rs.	2,82,99,451 8 7	1,00,75,245 2 5	3,83,74,696 11 0

	Loans, Cash Credits, Overdrafts, etc. Rs. a. p.	Bills Discounted and Purchased Rs. a. p.	Total Advances Rs. a. p.
(v) Debts due by directors or officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	Nil	Nil
(vi) Debts due by companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	1,81,954 1 11	Nil	1,81,954 1 11
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the Banking Company or any of them either severally or jointly with any other persons ..	Nil	Nil	Nil
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members ..	7,46,624 15 8	Nil	7,46,624 15 8
(ix) Due from Banking Companies	11,788 3 5	Nil	11,788 3 5

Profit and Loss Account for the year ended 31st December, 1954.

EXPENDITURE	Rs. a. p.	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.		12,14,061 2 5
2. Salaries and Allowances and Provident Fund— Rs. a. p.		
(i) To the General Manager 29,658 15 0		
(ii) To the Staff 7,68,503 10 3		7,98,267 9 3
3. Directors' and Local Committee Members' Fees and Allowances		12,175 0 0
4. Rent, Taxes, Insurance, Lighting, etc.		1,32,307 10 1
5. Law Charges		2,752 10 0
6. Postage, Telegrams and Stamps		20,300 6 7
7. Auditors' Fees		5,000 0 0
8. Depreciation on and Repairs to the Banking Company's Property		18,623 1 9
9. Stationery, Printing, Advertisement, etc.		1,23,837 9 0
10. Loss from Sale of or Dealing with Non-Banking Assets		Nil
11. Other Expenditure		1,05,504 9 9
12. Balance of Profit (subject to Taxation)		6,75,648 7 11
Total .. Rs.		31,07,478 2 9

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.
1. Interest and Discount	26,74,003 1 8
2. Commission, Exchange and Brokerage	1,96,814 3 3
3. Rents on Building	60,233 3 0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	63,982 2 9
5. Net Profit on revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Income from Non-Banking Assets, and Profits from Sale of or Dealing with such Assets	Nil
7. Other Receipts	1,12,395 3 1
Total .. Rs.	31,07,478 2 9

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Union Bank of India, Limited, as at 31st December, 1954, and also the foregoing Profit and Loss Account of the Bank for the year ended on that date, in which are incorporated the audited Returns of Kalbadevi, Rajkot, Mandvi and Surat Branches and the certified Returns from Jaipur, Jamnagar, Veraval, Ahmedabad and Calcutta Branches, and report that:—

(a) we have obtained all the information and explanations we have required and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) the Returns received from Branch Offices of the Bank have been found adequate for the purpose of the audit;

(d) in our opinion the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;

(e) such Profit and Loss Account shows a true balance of profit for the year;

(f) such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of our information and explanations given to us and as shown by the books of the Bank, and

(g) in our opinion the books of account have been kept by the Bank as required by Section 139 of the Indian Companies Act, 1913.

BOMBAY, 18th February, 1955.

S. B. BILLIMORIA & CO.,
Chartered Accountants.

J. R. NANAVUTY, Chief Accountant.

F. K. P. NARIMAN, General Manager.

D. A. BIJOOR, Secretary.

M. S. CAPTAIN
LACHEMANDAS H. DAGA
K. R. P. SHROFF
BEHRAM N. KARANJIA
DEVJI RATTANSHY
DEBI PRASAD GORNKA
BALKRISHNA
HARIVALLABHDAS
} Directors.

WORLD CONSUMPTION OF STEEL

UNITED STATES HEADS THE LIST

GENERALLY speaking, the consumption of steel per head of the population provides a fair index of a country's progress in industrialisation. Judged by this standard, the United States, with a consumption of 1,373 lbs. per head in 1953, stood at the head of all the other countries in the world. Next in order of consumption were the United Kingdom and Sweden, with a consumption of 704 lbs. each *per capita*. The following statistics provided by the *British Iron and Steel Federation* in its latest *Monthly Statistical Bulletin* gives the apparent consumption of steel per head in a few important countries of the world:

(In ingot lbs.)

Country	Average, 1937-38	1951	1952	1953
U.S.A.	640	1,342	1,134	1,373
Sweden	532	709	777	704
Canada	336	793	782	696
United Kingdom*	493	653	701†	704
Australia‡	428	677	688	547
Germany§	300	493	661	652
France‡	239	397	524	414
Belgium-Luxembourg	353	518	518	465
Netherlands	333	417	398	447
Italy	123	165	186	191

* Adjusted for stock changes.
† Year ended 30th June.
‡ 53 weeks.
§ Includes the Saar in 1937 and 1938; West Germany only in 1951-53.
‖ Includes the Saar in 1951-53.

It is evident from the above that steel consumption per head in the U.K. in 1953 was second only to that of the U.S., for the first time in its history. Previously, the U.K. had occupied the fourth place, consumption per head being higher in the U.S., Sweden and Canada. A depressing feature of the year 1953 was that many leading steel producing countries began to feel the effects of a relaxation in demand and, in some instances, consumption per head fell, consequently, even below the 1952 level.

Stock Changes

The Federation says that, owing to lack of information, no allowance for stock changes, except in the case of the U.K., could be made. It admits, however, that, during 1953, stocks of steel were being run down in some countries and, to that extent, the figures of consumption as given above might underestimate the true level of consumption in that year.

The influences which affected the apparent consumption per head in 1953 varied from country to country. In the U.S., for instance, the recovery of the steel industry from the strike of 1952 raised the output during 1952 to record levels, although the first signs of the general business recession appeared in autumn that year. Referring to this development, the Federation says: "It has subsequently become apparent that a substantial tonnage of steel produced in 1953 was not consumed in that year but was put to stock. However, on the present basis, the U.S.A's apparent consumption per head reached a record in 1953."

American steel executives point out that the *per capita* consumption of steel in 1929 averaged 968 lbs. of finished steel. But, in 1953, it averaged as much as 1,373 lbs., which represented a gain of more than 42 per cent. This was due to increased use of steel in automobiles, highways, buildings, bridges and the like. The country's population also had increased by 40 million during the 1929-53 period, thereby enlarging the scope for the steel market.

One of the steel executives is of the considered view that the amount of disposable personal income (income after taxes) has a direct effect on the quantum of steel consumption and he goes even to the extent of saying that the recent increases in steel consumption in that country had been due, to a great extent, to this factor. If the disposable personal incomes were to increase, as many economists anticipate, a large proportion of consumer spending would become available for consumer goods that use steel, such as automobiles. For the amount of income spent on food and cloth will more or less be constant.

Apart from the U.S., the U.K. was the only major producer to consume more steel per head in 1953. The consumption in 1953 was, in fact, an all-time record. Consumption in the Netherlands and Italy also recorded increases during the year under review, as compared with that in the previous year. Barring these countries, consumption of steel was generally low in the rest of the countries of the world. Western Germany, France and Belgium-Luxembourg, the biggest producers of the European Coal and Steel Community group, all suffered a decline in steel production in 1953, reflecting the slackening of demand at home. In France, and Western Germany, however, large exports did something to cushion the fall. Sweden reduced its imports in order to allow expansion in home production. In Australia and Canada, production rose but imports were cut, the reduction being rather drastic in the case of Australia.

PRODUCTION OF DIESEL ENGINES

The production of diesel engines in India in 1954 rose by more than 100 per cent., due largely to the active assistance rendered by Government to the industry. The production aggregated 8,652, as compared with 3,716 in 1953. There has been a steady increase in the installed capacity and progressive manufacture of diesel engines in India during the past few years. In 1954, 12 units were in production and seven more schemes were sanctioned by Government. These are expected to be established in the next two years. The demand for diesel engines required for agricultural purposes in India has been estimated at about 15,000 engines per year. With the existing and the projected capacity, the entire demand can be met by indigenous production.

Although a small beginning was made long before the Second World War with the manufacture of diesel engines, the stimulus for establishing the industry on a sound basis was provided by the last war. Diesel engines have now become increasingly popular with the agriculturists for driving pumps, chaff cutters, thrashing machines, etc. They also generate power at a cost lower than other types of internal combustion engines. By 1952, five units were engaged in the manufacture of diesel engines, with a total capacity of 6,300 engines. Recognising the need for expanding the capacity and developing the industry on firm lines, the Government of India allowed the setting up of additional units. One more unit went into production in 1952, while two of the existing firms expanded their capacity. During 1953, two more units started production and one of the existing units expanded its capacity. The year 1954 saw four more units being established.

The industry has so far concentrated on the production of engines mainly suited to agricultural needs. All except two firms manufacture single-cylinder, water-cooled, slow-speed horizontal engines. The most common size ranges from 5 to 15 h.p. The other two firms can manufacture engines of 30 h.p. capacity. Some firms have now started taking up the manufacture of other types of engines as well, namely, high speed engines and multi-cylinder engines.

The total capital invested in the industry in 1954 amounted to Rs. 1,64,94,000, of which less than 10 per cent. was foreign capital. The diesel engine industry employs 2,860 persons. At the same time, the power-driven pump industry, which has a capacity of 61,000 units, employs 3,530 people. The total capital invested in the industry is Rs. 2,10,30,000, almost entirely Indian. The pump industry is now well established and is in a position to meet the entire internal demand, except for specialised chemical pumps, large pumps for water-supply undertakings, boiler-feed pumps, etc. The production of pumps in India in 1954 totalled 8,650, as compared with 3,700 in the previous year.

Along with the diesel engine industry, some of the important ancillary industries also made considerable progress during 1954. These include pistons, piston rings, piston pins, fuel injection equipment and thin walled bearings. The Government is keen on seeing that diesel engines of more than 30 h.p. are manufactured in India and is taking steps in this direction. It is also expected that some of the existing manufacturers will undertake the production of such high-powered engines.

BATTERY MANUFACTURE

Addressing a three-day conference of battery dealers, Mr. H. R. Gregson, General Manager of Chloride and Exide Batteries (Eastern) Ltd., reviewed the progress of the industry in India, since its inception, and the efforts that were being made to make the country self-sufficient in batteries. He said that it was only during the last war that the manufacture of storage batteries, on any considerable scale, was first undertaken. Since then, the industry had been steadily developing. There were in 1954 some 20 manufacturing units, their output being 180,000 units. It is true, he admitted, that some very specialised types of batteries were still being imported, but he said that efforts were being made to manufacture them, too, progressively.

Mr. Gregson considered that the principal problem facing the industry was its dependence on imported raw materials, although a sizable part of them was already being processed in the country itself. Expressing the concern of the battery manufacturers on the effect of the declining number of vehicles being registered year after year, he hoped that, when the Indian automobile industry had overcome its teething troubles, sales would present a rising curve in keeping with the country's general development.

The Ministry of Irrigation and Power, Government of India, will undertake shortly a systematic survey of electricity requirements throughout the country. The field parties will, in the first instance, operate in areas to be served by projects proposed to be taken up in the near future, extending their activities to adjacent areas as the work in each area is completed. It is proposed to cover the entire country as expeditiously as possible. This survey will be carried out periodically.

FUTURE OF INDIAN SHIPPING

REPORT OF STUDY GROUP

WE understand that the Study Group of Indian Consultative Committee of Shipowners has recommended to the Government of India a scheme for the expansion of Indian shipping in the second Five-year Plan. This scheme provides for acquiring additional shipping of not less than 445,000 gross registered tonnage. This addition is expected to cost Rs. 80 crores. Of this, the share of the Government-owned shipping company is estimated at Rs. 21 crores, the balance being the share of companies in the private sector. The Study Group has recommended that the latter companies be given a loan of Rs. 49 crores by the Government. This leaves a sum of Rs. 10 crores, which will have to be found by the private shipping companies.

It would appear that the Study Group has suggested a new passenger-cargo service from Tuticorin to Colombo. It has recommended a total of 250,000 tons for passenger service on the India-U.K. route, in addition to three modern passenger vessels of 15,000 tons each with a cargo capacity of 5,000 tons and a service speed of 20 knots. It has also pleaded for putting on sail at least one more ship on each of the Indo-Malayan and Indo-African routes, where only one ship is being run at present. The other recommendations of the Study Group include the plying of three ships of 4,000 tons each on Indo-Indonesian service, an additional passenger-cargo vessel on Indo-Persian Gulf service, two cargo ships aggregating 9,000 tons and two passenger-cargo ships on Indo-Red Sea service and the revival of Indo-American service.

It is now common knowledge that efforts are being made by the Government of India to set up a second shipping corporation which is expected to engage itself mainly in tramp trade. It will be formed on the same lines as the Government-Scindia-Eastern Shipping Corporation. Commenting on this subject, the Study Group is said to be of the view that it is opposed to giving a monopoly of tramp trade to any one company or corporation. It is believed to have recommended that, in all, 16 ships, aggregating 120,000 tons, should be acquired for tramp service on Indo-U.S. and Indo-African routes.

Opposition to Tramp Shipping

There are, however, some shipowners who are entirely opposed to giving any encouragement to tramp shipping. The prominent among them is the Scindia Steam Navigation Co., Ltd. Its views on this subject will be clear from the following extract from the speech of its Chairman, Mr. Dharamsey M. Khatau, at the annual general meeting of the Company held a fortnight ago.

"...it would be prejudicial to an early growth of a national marine, if India today proceeded to encourage tramp tonnage as a matter of definite policy, particularly as bulk cargoes of coal and ores, regularly shipped from India are generally low-rated and their normal destinations are countries from which we do not obtain dry cargo in substantial quantities. It is sometimes stated that tramp tonnage can, in due course, be promoted into liner trade, but it is forgotten that, in these days of speed, the fast liners will always outbid the tramps whose only saving factor lies in their low fuel consumption due to slow speed, which makes up for gaps in employment and voyages in ballast. Tramps are a dying breed."

Another important problem that appears to have engaged the attention of the Study Group is the acquisition of tankers. Recognising that a national fleet would be incomplete without its appropriate quota of tankers, the Study Group has emphasised the desire of the Indian shipowners to participate in the carriage of oil both on coastal and overseas routes. The Group has considered that it is essential that the Government should effectively help create conditions in which Indian shipping could, in due course of time, carry all the refined products on the coast and participate even in the carriage of imported crude oil. The oil companies have given the assurance that they would use Indian tankers, provided they are owned by the Government or a corporation in which the Government holds the controlling shares. Already, two tankers of 8,500 tons each are on order for the Eastern Shipping Corporation. One of these is being built at Visakhapatnam Shipyard. In the meanwhile, it is stated that the Government has proposed to consult oil interests to build a fleet of tankers for India. Initially, the fleet will be owned jointly by the Government and the oil companies but, ultimately, the former will assume complete ownership.

NEW PRODUCTS AND PROCESSES

Wool Wax Recovery

THE Australian Commonwealth Scientific and Industrial Research Organisation has reported progress in the commercial exploitation of a flotation process, devised recently by its Division of Industrial Chemistry, for the recovery of wool wax, or lanolin, from wool scour liquors. A number of wool scouring firms in Australia have now installed the flotation plant in their treatment works. Overseas firms have also shown interest in the process, and a large American engineering corporation has taken up a world licence for the manufacture of the wool wax recovery plant. The equipment is cheap to install and operate, costing in Australia between £A3,000 and £A4,000, fully installed. At current wool wax prices scourers, handling 6,000 lbs. of greasy wool per eight-hour day, can profitably operate the process. Recoveries of 50 to 60 per cent. of the wool wax present in the scour liquors can be obtained, as compared with 20 per cent. by usual procedures. It is estimated that up to 90,000 tons of lanolin are present in each year's Australian wool clip.

"Kitchen-on-wheels" at Railway Station

A new-design mobile food trolley, a miniature kitchen on wheels, has been introduced for the convenience of passengers at the Moghalsarai station, (India), on the Eastern Railway. Introduced as an experiment, the trolleys enable passengers to get their food fresh and crisp, straight from the oven. Built in aluminium, rectangular in size and "double-storeyed", the trolley has an arched roof to protect food from rain. Each trolley has an oven, a glass cupboard to store snacks, and a chimney which can be removed. The lower chambers of the trolley are divided into two compartments, one used as a coal scuttle and the other as a store room. Moghalsarai has also another, slightly differently built and smaller, mobile trolley which serves tea and tit-bits, has running water arrangements and a basin for washing crockery. Drums placed in the lower chambers collect the used water flowing from the basins.

Framed Miniature Paintings

A firm in Rotterdam (the Netherlands) supplies framed miniature paintings measuring 7½x7½ c.m. (3x3"), 10x12½ c.m. (4x5") and 12½x17½ c.m. (5x7"), or diamond-shaped: 12½x12½ c.m. (5x5") and 15x15 cm. (6x6"). These paintings are specially intended as souvenirs. They are made on the basis of photographs or other illustrations to be sent in by the buyers. The paintings resemble the originals closely and are valuable for those who wish to have a souvenir of any given place or region in any part of the world.

Vacuum Drier for Drying Cereals and other Seeds

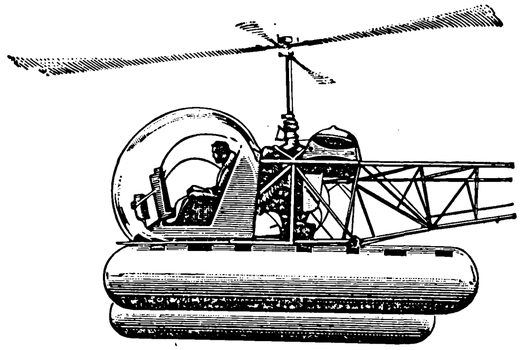
When drying cereals and other seeds, it is of great importance, with a view to maintaining the germinating power and, if necessary, the baking capacity, to keep the drying temperature as low as possible. This condition is fully met by a vacuum driver designed by a firm at Groningen (the Netherlands). This patented vacuum drier, which has already been used by some concerns, operates on a mercury pressure of a few inches only, so that the moisture is extracted from the seeds at a comparatively low temperature. The characteristic feature of this system is the intensive circulation of the seeds in the drying space, so that not only is the transfer of heat favourably influenced, but the seeds come into contact with the heating elements for such a short time that damage to the germs is out of the question. The drier, which is perfectly reliable, calls for little maintenance and is easy to operate.

High-speed Slicer

A high-speed weighing machine and slicing machine factory at De Bilt (the Netherlands) turns out an entirely new type of machine for slicing meat, meat products, cheese, bread, fish, etc. This machine has an electrically driven, rotating, hard-chromium-plated special steel blade with a diameter of 300 m.m. (11¾ in.), which is fully protected. The frame of the machine and the sliding platform are of a special aluminium alloy, which is anodized (to a silvery colour). Both parts are streamlined, without seams or sharp angles. All the other bright metal components are made of stainless steel. This renders the machine perfectly corrosion-proof and allows of very easy cleaning. Cleaning is also facilitated by the fact that the clamp plate and the meat clamp are very easy to remove. The food to be sliced is placed on the sliding platform and held by the clamp in such a way that a complete slice is cut at once. The meat table is operated by hand, so that the stroke does not become larger than is necessary. This ensures rapid and economic work. The thickness of the slice can be adjusted simply but accurately by means of a control knob. The whole machine forms a compact unit and has a base of 41x52 c.m. (16x20 in.). A grinding apparatus with accessories is supplied separately with the machine. The weight of the complete machine is 33 kg. (72¾ lbs.).

Endurance Machine which Tests Ball Bearings

Railroad engineers in the United States are expected to find out in a few days what will happen to their newly-designed ball bearings, axles and lubricants after years of hard and constant service. A machine which has been installed in the Research Centre of the Association of American Railroads, at Chicago, can produce the combined long-term effects of load, speed, lubricants and temperature on the wheels and wheel fittings of railroad cars.



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Have you ever seen a Whirlybird? Or a Helicopter, to give it its proper name? At the Assam Oil Company's helicopter base in Digboi an Indian pilot and his mechanics specialize in this new branch of aeronautics.

In the rough jungle country where the Assam Oil Company is engaged in the never-ending search for new sources of oil, helicopters are invaluable. They can land straightaway in places where it would take months to prepare airstrips for conventional aircraft. They can even come down on water or swamp, when fitted with rubber floats.

What are they used for? For fetching and carrying, mostly. Much valuable and expensive equipment is used by the oil prospectors. Helicopters move this equipment quickly and safely, wherever and whenever it is wanted.

Helicopters are expensive "vehicles" of course. In fact the Assam Oil Company spends crores of rupees just in looking for oil. And the company intends to spend more—so that India's vital flow of oil may be supplied to an ever-increasing extent from India's own resources.

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TAX PROBLEMS OF LIFE INSURERS

ENQUIRY COMMISSION SUGGESTS WITHDRAWAL OF EXEMPTION TO CO-OPERATIVE OFFICES

LIFE insurance offices have, on the whole, some reason to welcome the report of the Taxation Enquiry Commission. The Report, which was released last week, does not, of course, propose any special tax relief for life offices. But this should not by itself cause regret, for they should not overlook the fact that, whereas the Commission has recommended increase in tax burdens on many sectors of the economy it has not suggested any increase in taxes on insurers. Rather, they might well derive some satisfaction from the fact that it has urged the need for raising the maximum amount for abatement in respect of insurance premia and provident fund contributions. Also, insurers will welcome the general reduction in the rate of corporation tax applicable to the first slab of profits in respect of all companies, which the Commission has recommended. This recommendation applies to insurers also. Co-operative insurers will, however, regret the Commission's recommendation that the exemption from tax, a facility which they now enjoy, should be withdrawn, but the grounds on which the Commission has supported its case are convincing.

Briefly, in assessing life insurance companies, the law requires that the assessable income is to be computed at the higher of the two following figures:

(1) Gross external incomings *less* management expenses or (2) annual average of the valuation surplus disclosed by the last valuation made under the Insurance Act after deducting a part of the surplus paid to or reserved for or expended on behalf of the policyholders. This part, which was originally 50 per cent., was raised to 80 per cent. in 1953.

Since 1943, the rates of tax for life insurance business, as fixed by the Finance Acts, have been lower than for other businesses. The reduction in rate has, since 1951, taken the form of an abatement of corporation tax at the rate of two annas in the rupee on the profits of mutual life insurance business, and of As. 1½ in the rupee on the profits of other life insurance business. Insurance companies had represented to the Commission that a ceiling should be fixed for rates of tax on life insurance business, at levels substantially lower than on other business. But insurers, as the Commission observes, already have the benefit of special lower rates. It adds:

"The position in this country in the matter of tax differentials compares favourably with that in other countries. The pitch of taxation does not appear to have exercised any distinct restraining effect in relation to the growth of life insurance business. We have recommended a reduction in the rate of corporation tax applicable to the first slab of profits (of Rs. 25,000) in respect of all companies, which reduction will also apply to insurance companies. We do not consider that a further reduction in the rates of tax, or a further increase in the present differential in favour of insurance companies is justified."

Insurers have been urging that, where the assessment is made on the basis of a valuation surplus, the full amount of surplus reserved for policyholders should be allowed as a deduction. The main argument that has been put forward in favour of this proposal is that the premiums are calculated with reference to certain assumed rates of mortality and interest, and that the bonus is only a return of the excess amount. Secondly, it is pointed out that the full amount is admissible as deduction under the law in the U.K. Referring to the first argument, the Commission cites the opinion of the Income-tax Investigation Commission which held that the surplus has two elements, one arising from the specific load on premiums on participating policies and the other derived from favourable rates of mortality and interest; that the former should be allowed as deduction and the latter treated as a return on premium. Insurers, on the other hand, claim that the entire load represents the policyholders' contribution. In this connection, the Commission says: "This argument confuses the position of the company with that of the policyholder. Even if the policyholder were treated as having a right to the bonus represented by the load, the question of treating any excess or loss can only arise in his assessment; in practice, the question does not arise, because no part of the bonus is treated as taxable profit."

As regards the argument based on the tax procedure in the U.K., the Commission says the anology is "misleading" because, in actual practice, the British insurers are generally assessed on the "investment-income-less-expenses" basis. The Commission adds that, in India this basis would show low profits or a loss since the expense ratio is high. At the same time, the valuations reveal a surplus which enables the companies to declare bonuses. "This shows," says the Commission, "that a considerable part of the surplus comes from favourable mortality and interest rates." It has, in effect, held that there is some basis for differentiating between return of premiums and return on premiums. Also, it believes that the existing allowance of 80 per cent. is on the whole quite fair and that no increase in this proportion is necessary.

Mutual Companies

As regards the claim of mutual insurers for exemption, from tax, the Commission has drawn attention to three considerations. In the first place, the distinction between mutual insurers and proprietory insurers is very small. After all, proprietory insurers distribute only 7½ per cent. of the surplus to shareholders. The fact that the board of directors of a mutual insurance company consists solely of representatives of policyholders is "hardly relevent for the purposes of taxation." The average sum assured per policy is not significantly lower than for proprietory companies, so that it is not established that policyholders in mutual insurance companies come from lower economic strata. Secondly, mutual insurers already enjoy an advantage as compared with proprietory companies in respect of the rate of tax. Thirdly, mutual insurers derive an advantage through the fact that there are no shareholders. When assessment is made on the valuation surplus basis, 80 per cent. of the portion reserved for policyholders is allowed as a deduction. In a mutual company, the entire surplus belongs to policyholders since there are no shareholders. The taxable income is accordingly lower in the case of a mutual company. In view of these considerations, the Commission has held that no further tax relief for mutual insurance companies is called for.

The complete exemption enjoyed by co-operative insurance societies, according to the Commission, is "fortuitous." This relief is not available to other insurers, nor to co-operative societies doing other business. It gives them a competitive advantage as compared with other life insurance companies, though "there is no essential difference in the method of working." Accordingly, the Commission has recommended that the "present exemption in favour of co-operative insurance companies should be withdrawn." This is now sought to be done through a suitable amendment of section 2 and section 4 of the Income-tax Act. Such an amendment forms part of the Finance Bill now before Parliament.

All insurers, whether proprietory, mutual or co-operative, will welcome the Commission's recommendation in respect of the abatement from tax for insurance premiums and contributions to provident fund. At present, the maximum amount of life insurance premiums *plus* contribution to provident fund in respect of which abatement is admissible is limited to one-sixth of the total income or Rs. 12,000 for a Hindu undivided family and Rs. 6,000 for any other assessee, whichever is lower. There is an additional restriction to the effect that the amount of premiums on which abatement is admissible should not exceed one-tenth of the sum assured on each insurance policy. The Commission is convinced that the relief covering insurance premiums and provident funds is "one of the most appropriate means of promoting personal savings." Accordingly, it has recommended that the maximum amount for abatement may be increased from one-sixth to one-fifth of the total income, subject to a maximum of Rs. 16,000 for Hindu undivided families and Rs. 8,000 for other assessees, and that the present limit of 10 per cent. of the sum assured for the insurance premium on each policy should also continue. The Commission's recommendation falls short of the insurers' demand (for raising the maximum limit to one-fifth of the total income, subject to a maximum of Rs. 20,000 for Hindu undivided families and Rs. 10,000 for other assessees). Even so, the Commission's proposal which forms part of the Finance Bill (as a suitable amendment to section 15 of the Income-tax Act) seeks to effect an improvement on the existing position.

BOMBAY STATE INSURANCE FUND

The budget memorandum presented by the Government of Bombay to the State Legislature at the recent budget session gives details of the working of the State Insurance Fund. This Fund, it may be mentioned here, was constituted in August, 1951. It is intended to serve as a common insurance fund which would act as an insurer for all Government commercial and industrial schemes. The Fund is governed by the following general principles:

(1) Industrial and commercial undertakings run by the Government including all State trading schemes, will provide for adequate insurance of their property in accordance with the practice prevailing in private commercial and industrial undertakings. (2) Property held by the Government and included in clause (1) above will continue to be uninsured and any damage to such property will be met from the ordinary revenues to the extent necessary and possible. (3) The premia payable in respect of property in clause(1) will be credited to a separate fund and will be included in the working expenses of the appropriate undertaking. (4) Damage covered by the insurance thus provided for will be met from the Insurance Fund. (5) Government property will not be insured with private insurers. But where the risk involved is of such a nature that it is considered that the Fund should not carry the risk, the officer in charge of the Fund will, with the previous approval of the Government, take out the necessary policy with a private insurance company (this will usually be the Indian Insurance Companies Association Pool) and pay the premium out of the Fund.

The working of the State Insurance Fund in 1953-54 (actuals), in 1954-55 (revised estimate) and in 1955-56 (budget estimate) is given below:

(In lakhs of rupees)

	Accounts 1953-54*	Revised estimate, 1954-55	Budget estimate, 1955-56
Opening balance	25.28	22.88	29.71
Receipts	11.28	9.54	4.97
	35.56	32.22	34.68
Disbursements	13.68	2.51	2.48
Total ..	22.88*	29.71*	32.20*

* Includes Rs. 10 lakhs invested in securities.

The two hurricanes, which occurred in August and September, 1954, in the U.S., according to the *Review*, are estimated to have cost $128 millions; no less than 745,000 claims were made on the insurers. The third wind-storm of October, 1954, was far more serious; the loss is estimated to have amounted roughly to as much as the other two combined, giving a total hurricane loss for the year of $276 millions. It is stated to be the heaviest loss that has ever fallen on the insurance market.

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JAPAN: Kobe, Osaka, Tokyo, Yokohama
MALAYA: Cameron Highlands, Ipoh, Johore Bahru, Kuala Lumpur, Malacca, Muar, Penang, Singapore, Singapore (Orchard Road), Sungei Patani, Taluk Anson
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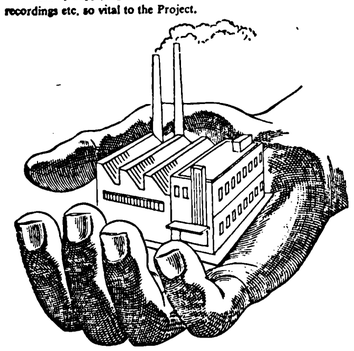

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ANNUAL GENERAL MEETING OF INDIAN MINING ASSOCIATION

MR. J. W. N. BALDOCK'S LUCID ANALYSIS OF PROBLEMS OF COAL INDUSTRY

FRESH SURVEY OF EXPANDING INDUSTRIES' REQUIREMENTS OF COAL ADVOCATED

THE several urgent and vital problems confronting the coal industry in India, which have their effect not only upon the industry itself but also on the country's economy as a whole, were lucidly analysed by Mr. J. W. N. Baldock, Chairman of the Indian Mining Association, in the course of his address at the Annual General Meeting held at Calcutta on 4th March, 1955. Mr. Baldock drew pointed attention to the growing inadequacy of the margin between the cost of production and the controlled selling price of coal. He also warned that, at this rate, the production of coal was not likely to increase at a rate which was necessary to meet the requirements of the expanding industries. In this connection, he suggested that a fresh survey should be undertaken to assess India's requirements of coal in five to ten years' time. He also gave an impressive account of the various impediments which hampered the full mobilisation of the private sector's resources for implementing the country's development plans. Fear of nationalisation, multiplicity of controls, inadequacy of rail transport, high cost of stowing, the anomaly of the basis of financial assistance given for stowing, the delay in hearing disputes with colliery labour, etc., were among the problems referred to by Mr. Baldock.

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

"GENTLEMEN,

"On the occasion of our annual general meeting in the past, it has been customary for my predecessors to engage in a review of the affairs of the coal industry for the past year. On this occasion, however, there are so many urgent and vital problems immediately ahead of us that I propose to devote a greater part of my time this morning towards the future.

"I make no apologies for stating once again, and at the outset of my remarks, that the affairs of the coal industry are in a state which is far from healthy. A year ago, your Chairman said that the most immediate and vital problem with which we were faced then was that of the inadequate margin between our costs and the controlled prices at which we are allowed to sell our product. The position today is worse than it was a year ago and it is common knowledge that there are many companies which are now working at a loss. We have repeatedly drawn the attention of the authorities concerned to this serious state of affairs, but I am sorry to say that it seems that our submissions go unheeded.

Margin Shrinking

"The margin between our costs and our selling prices has been steadily reduced for many years and the reasons for this reduction are well known to you all. Prices were fixed on the basis of production costs in 1947 and have since then been statutorily reduced. Costs, on the other hand, have steadily increased and the stage has now been reached where further burdens cannot be imposed upon the industry if it is to survive at all.

"From another platform, two months ago, I referred to this unhappy state of affairs and I tried to point out the effect which it was having upon the industry and upon the country's economy as a whole.

"I said then that production was falling and, in spite of the fact that figures have since been published to show that production in 1954 was slightly higher than in 1953, the point which I tried to make then still holds good. Production is not increasing at the rate which our Government's plans require that it should and I should be failing in my duty if I were not to utter another warning. Unless something is done, and done quickly, to put matters right, production is not likely to increase at the required rate and, when further industrialisation has come about, much needed coal may not be available.

"I suggest that a new survey should be undertaken now of the requirements of our expanded industries in five and ten years' time and of the plans which are being made to meet these needs. This survey should be made by a small committee of experts, on which coal producers are adequately represented, so that they may put forward their plans and give frank expression to their views.

"The private sector of the industry, as represented by this Association, has the strongest possible desire to play its full part in the industrial development of the country and is capable and eager to do so now. We fear, however, that there are a number of impediments which prevent the full mobilisation of the private sector's resources behind the country's development plans.

"Hanging over us is the shadow of nationalisation with its attendant fears and uncertainties. I do not propose to dwell on this subject since our views are already well known, but I do maintain that a clear announcement of the Government's policy with regard to nationalisation is immediately essential, if much needed development work is to be encouraged.

"Apart from this fear of nationalisation, there are many other hindrances which seem so unnecessary in the larger interests of the country.

Multiplicity of Controls

"I will refer first, gentlemen, to the multiplicity of controls with which the industry is beset and which, I regret to say, increase almost every day. We are hedged in by severe restrictions in every sphere of our operations and the time has come when a halt must be called to the increase in the number and the scope of these controls. We cannot open new mines without approval and we cannot close uneconomical pits without similar approval. We are not allowed to exceed production quotas set for us by the Coal Board in the case of metallurgical coal. We cannot despatch a single wagon from our collieries without a sanction from the Coal Commissioner's Office. In fact, I cannot think of any phase of the normal operation of a colliery company that we are allowed to undertake without some form of approval from our Controllers. Moreover, it seems to me that the main object of control has been lost sight of and that it is now being applied more in the sense of direction and, I would even say, interference than in the sense for which it was properly intended.

"A most disturbing feature of the controls from which we suffer is the fact that many of them are sought to be imposed without prior consultation with the industry. One would have thought that it was normal prudence to seek the advice of the people who know before introducing measures which vitally affect the running of the country's basic industry. Unfortunately, this has not been done in several recent cases and we do feel most strongly that we are entitled to be consulted before decisions are taken which, in most instances, have very far-reaching effects. Above all, we ask that control, if it must be exercised at all, should be applied in a realistic and businesslike fashion.

"We, in this Association, have for a long time advocated the decontrol of distribution. We feel that some control over prices must remain if the industry is to retain that measure of stability which it has attained in recent years and if the wage-price structure is not to be destroyed, but we also feel that present-day conditions warrant the abolition of distribution control and the petty unnecessary restrictions which go with it.

"Whilst on the subject of controls, I must refer to a particular aspect which causes us considerable concern. This is the concentration, in the hands of one Government official, of the administrative functions of the Chairman of the Coal Board, the Coal Commissioner and the executive head of the State collieries. Let me say here and now that our complaints in this respect are directed against the system and certainly not against the present incumbent of these offices with whom personally we have no quarrels.

"I maintain that it is indefensible that the functions of the head of the State collieries should be performed by the same official as holds the post of Coal Commissioner. It is well known that the interests of the State collieries and those of the market collieries frequently diverge and it is utterly wrong that an official, holding the powers of the Coal Commissioner, should also be the executive head of the State collieries and, when the two interests are at variance, be the judge in his own case.

"It is equally wrong that this same official should also be the Chairman of the Coal Board and there is no doubt that a division of powers and responsibilities is urgently needed.

Composition of Coal Board

"The composition of the Coal Board, too, is a matter to which I would like to refer. It is composed entirely of Government officials with the Coal Commissioner as Chairman. The private sector of the industry can participate in the Board's deliberations and decisions only through the medium of Advisory Committees, whose powers are not mandatory and whose advice may or may not be accepted by the Board. We have complained repeatedly, and unfortunately in vain, about the composition of the Board. Certainly, in its present form, the Board is but a pale shadow of the National Coal Commission which the Indian Coalfields' Committee of 1946 recommended as an overall authority for the coal industry; that National Coal Commission was to involve the active participation of the private sector of the industry and it was welcomed and strongly supported by the private sector as probably the best answer to the administrative problem. The Coal Board today, however, bears little resemblance to the body which the 1946 Committee had in mind, and with all due respect to the abilities and qualifications of the gentlemen who constitute the Board, it is difficult to see why the Government refuses to avail itself of the accumulated experience and knowledge of the industry itself in such complex matters as confront them today.

"I would urge the Government very seriously to consider the reformation of the Coal Board. It should include representatives of the private sector in its memberships; it should be an independent body, divorced completely from the office of the Coal Commissioner and the State collieries and it should be under the chairmanship—as envisaged by the 1946 Committee—of an independent person of the status of a High Court Judge.

"In addition to the administrative measures which I have referred to as being necessary for the full utilisation of the private sector, I feel that a new psychological approach might also contribute to the removal of a host of misunderstandings. We maintain that the private sector must be recognised as having an honourable part to play, within its own field, in the development of the country's economy and that, having demarcated its place in the overall industrial pattern, the Government should allow it to function with the minimum of interference.

"I have so far been dealing with fundamental issues, but I feel that I must mention some of the other problems with which we are confronted today.

"There is the depressed state of the industry, to which I have referred, consequent upon the steady and substantial reduction in our profit margin. Until the industry is permitted to return to reasonably prosperous times, this depression is bound to remain. In such a state of affairs it is not surprising that it is difficult to attract capital which might otherwise be easily available for badly needed development work.

Inadequacy of Rail Transport

"Another important factor which is affecting the development of the industry is the malady from which we have suffered for many many years. I refer to the inadequacy of rail transport to move the coal which we produce to the places where it is required, regularly throughout the year. The railways' performance

in moving more coal last year than they did in 1953 is one which calls for our sincere congratulations. Unfortunately, however, this performance still falls far short of what is required and, in spite of improvements, I am sorry to say that our main complaints against the railways are far from being satisfied. Movement capacities to the north, west and south of the country continue to be restricted. We have received assurances from the railway authorities that everything is being done to remove existing bottlenecks, but I would urge that a much higher priority should be given to this problem than it appears to receive at the present time. In the context of elaborate plans which are being made to cater for the industrial expansion of the country, I sincerely trust that the railways will not neglect the smaller plans which, in their cumulative effect, could materially ease the transport position in a very short time.

"What the coal industry needs most in this respect is a regular supply of empty wagons to the collieries. We have been told that we cannot expect to be supplied with as many wagons in the busy season as in the slack since the country's climate alone leads to wide seasonal variations. It has been said that to provide the coal industry with all the wagons which it requires during the period from November to June would mean that many wagons and locomotives would remain idle for the remainder of the year and that such idleness would be fatal to the railways' economy. This is a point of view which commands respect, but it must be remembered that the present gap between the supply of wagons in the two seasons referred to, results in the locking up of a great deal of capital in stocks of coal at the collieries and in the expenditure of considerable sums in handling these stocks. This, in its turn, has its effect upon the country's economy in due course and I would suggest that this aspect of our transport problem should be examined very carefully. We do not expect the gap to be closed, but we do feel very strongly that much could be done to lessen it.

"A Committee has recently been appointed to examine existing pilot and depot capacities. I sincerely trust that this Committee will take up its duties expeditiously and that, as a result of its investigations, certain glaring deficiencies in this respect will be removed. There is no doubt that much needs to be done and can be done, if this very vexed problem is tackled in the right way.

Underground Stowing

"I will turn now for a few moments to mention a matter which requires the urgent attention of the Board. As the years go by, we find that more and more emphasis is being placed—by the Government and the industry alike—on the question of underground stowing. As we all know, stowing is of vital importance to the coal industry, both for the promotion of safety, and as a measure of conservation. But stowing is expensive and, if its use is to be materially expanded, it is essential that urgent attention be paid to the methods by which financial assistance is extended to the producers who are already stowing, and to those who plan to install stowing plant in the future.

"The Coal Board has stated that the average cost of stowing is in the neighbourhood of Re. 1-12 per ton of sand stowed, and that the Board renders assistance up to 75 per cent. of the cost, subject to a maximum of Re. 1-5 per ton. What has not been made clear, however, is that this cost of Re. 1-12 has been calculated according to the Coal Board's formula and bears little relation, in many cases, to the actual cost of stowing. As a result, far from receiving 75 per cent. of the expense of stowing, most concerns are receiving assistance at a rate considerably below this.

"This situation applies particularly to those who have mechanised their arrangements for excavating and transporting the stowing material. Although it is universally conceded that mechanisation is more efficient—and in the long run cheaper—the outmoded rules by which the Coal Board determines the quantum of assistance place a premium on inefficient manual methods, while the heavy capital cost of mechanical equipment goes partially unrequited. The reason for this unfortunate anomaly is to be found in the way the Board assesses allowances for depreciation, and repairs and renewals of capital equipment.

"It is the Board's practice to take the maximum theoretical designed capacity of the installation; using this as a basis, it determines the rate per ton allowable for depreciation, calculated as a percentage of the written down value of the plant. But if the plant fails, in any particular year, to reach the maximum designed capacity, the depreciation allowable is reduced proportionately. Suppose, for instance, that an installation with a designed capacity of a lakh of tons only achieves 70,000 tons, and that the depreciation due to be written off is Rs. 10,000; then the producer is paid only on the basis of Rs. 7,000, and the remaining Rs. 3,000 is lost to him for ever, because the plant's value will be written down by the Board to the full extent of Rs. 10,000. And so each year the unfortunate owner is deprived of increasingly large amounts of depreciation allowance. The same procedure is followed when dealing with the cost of repairs and renewals.

Elementary Consideration Ignored

"Now it is patently absurd to expect any machine to run continuously, week in and week out, at its maximum designed capacity. Still less can this apply to sand-stowing plant, the operation of which must be adjusted to cope with natural conditions, such as monsoon floods, poor sand deposits in the river-bed, and so on. Additionally, as such plant has to work in rugged conditions, time must be allowed for necessary repairs and major overhauls. It is for these very reasons that colliery owners install plant possessing a higher optimum capacity than they will require for continuous operation—just because they know quite well that they will never be able to run it continuously on full load. The Board has chosen to ignore this elementary consideration, with the result that operators are discouraged from pursuing maximum efficiency by installing mechanical plant.

"Another factor affecting those who have to transport sand considerable distances is the method by which the cost of aerial rope is allowed for. Although the Board admits that haulage rope, scraper rope, pipes and conveyor belts should be charged on a usage basis, it insists that aerial rope should be put on a time basis and included in the list of items subject to depreciation, which means that it is virtually impossible ever to recover more than a portion of the assistance for which this recurring item is eligible.

"It is now several months since the Board announced in the Press that the level of assistance payable in respect of sand-stowing for reasons of conservation would be raised from 75 per cent. to 85 per cent. of the admitted cost. Unfortunately, the industry does not yet know when these new arrangements are to come into force, nor have we been told what is the dividing line between stowing for safety and stowing for conservation. In actual fact, the vast majority of stowing projects fulfil both objects simultaneously. I hope that the Coal Board will accept this view, and will take early action to increase the level of assistance payable to stowing collieries, which at present are labouring at a grave financial disadvantage compared with their non-stowing neighbours.

"It would indeed be strange if, in the course of this annual address, no reference were to be made to the industry's relations with its labour force. It would be particularly strange on this occasion since so much of our time, in the past twelve months, has been taken up with labour matters.

"As you know, the All-India Industrial Tribunal (Colliery Disputes) was set up over a year ago and it is a matter of great regret to me, and to my colleagues, that so little has been achieved in so great a time. This Association has done everything in its power to ensure an expeditious hearing, but our efforts have met with no success. Many lengthy delays have occurred for none of which are we responsible and no sitting of the Tribunal has been held since 17th January. The uncertainty which prevails, as a result of these interminable delays, is another factor which has had a depressing effect upon the industry's fortunes and I appeal to the authorities concerned to arrange for the hearing to be resumed at once and to be continued without further interruption.

"On the subject of our labour's demands, let me repeat once more the Association's stand. Within our present resources, with statutorily controlled selling prices, this Association has been in the forefront with measures to improve the lot of our workers. Obviously much more could be done if the economy of the industry permitted it and if labour themselves would improve their contribution to the productive effort.

Coal Washeries Committee Report

"During the past year, the report of the Coal Washeries Committee has been published. This Report makes very far-reaching recommendations and it is a matter for regret that the Government has not yet announced its intentions in this regard. The Coal Commissioner has expressed his personal views which, broadly speaking, are to the effect that he does not favour the establishment of a Central Marketing Agency and is of the opinion that the Coal Board should confine itself to the setting up of washeries on a large-scale. We entirely agree with his views on central marketing, but require a clear indication of the Government's intentions with regard to washing. It is within my knowledge that several companies, have their plans for washeries well advanced and are keen to go ahead. Much time and considerable thought has gone into the preparation of these plans, but final decisions cannot be taken on them until the Government's policy is made known. I suggest that the Government should take us into its confidence, discuss this most important matter with us and formulate plans under which the private sector can contribute its full share towards projects which are much needed, if industrial efficiency is to be improved on these lines.

"Gentlemen, since the industry is faced with so many vital problems, it behoves us all to endeavour to our utmost to overcome them and for this purpose we look forward to working in close accord with the other Associations within the industry.

"Before I conclude, gentlemen, I want to pay tribute to the most valuable assistance which has been given to me by your Committee during the past year. Particularly, do I wish to refer to the Vice-Chairman and to the members of our Labour Sub-committees, both in Calcutta and the coalfields, who have all devoted a great deal of time and effort to the Association's affairs. We have also continued to receive very able service from our Secretariat in Calcutta and the coalfields and my sincere thanks go to all who have helped me through what can only be described as a rather difficult year."

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REPORT OF THE CENTRAL BOARD FOR THE YEAR ENDED 31st DECEMBER, 1954

The Directors report that, the usual and necessary provisions having been made, the net profit of the Bank for the half-year ended the 31st December, 1954, amounted to Rs. 68,54,842-9-3 which, with Rs. 33,65,703-13-1 brought forward from the half-year ended the 30th June 1954, makes a total of Rs. 1,02,20,546-6-4.

This sum the Directors of the Bank have disposed of as follows :—

		Rs.	a.	p.
1.	In payment of a Dividend to the Shareholders at the rate of 16 per cent. per annum	45,00,000	0	0
2.	Transferred to Pension Funds	3,01,900	0	0
3.	Bonus to Staff	20,00,000	0	0
4.	Balance carried forward to the Profit and Loss Account	34,18,646	6	4
	Total .. Rs.	1,02,20,546	6	4

The Balance Sheet of the Bank as at the 31st December, 1954, and the Report of the Auditors are annexed, together with a statement of the Profit and Loss Account for the year ended the 31st December, 1954 (wherein the figures for the past half-year have been shown separately).

By Order of the Central Board,
S. K. HANDOO,
Managing Director.

CALCUTTA, *4th February, 1955.*

BALANCE SHEET OF THE IMPERIAL BANK OF INDIA AS AT 31st DECEMBER, 1954

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL— 2,25,000 shares of Rs. 500 each	11,25,00,000 0 0	
ISSUED AND SUBSCRIBED CAPITAL— 2,25,000 shares of Rs. 500 each	11,25,00,000 0 0	
AMOUNT CALLED UP— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000 0 0	
1,50,000 shares of Rs. 500 each, Rs. 125 paid	1,87,50,000 0 0	
RESERVE LIABILITY OF SHAREHOLDERS— Rs. 375 per share on 1,50,000 shares	5,62,50,000 0 0	
		5,62,50,000 0 0
2. Reserve Fund and Other Reserves		6,35,00,000 0 0
3. Deposits and Other Accounts—		
Fixed Deposits	34,23,81,113 6 6	
Savings Bank Deposits	27,49,04,798 11 4	
Current Accounts, Contingency Accounts, etc.	169,62,71,466 10 2	
		231,35,57,378 12 0
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	....	
(ii) Outside India	....	
PARTICULARS—		....
(i) Secured by Government Securities per contra	....	
(ii) Unsecured	....	
	....	
5. Bills Payable		5,11,79,245 10 7
6. Bills for Collection Being Bills Receivable as per contra—		
(i) Payable in India	19,02,718 5 1	
(ii) Payable outside India	11,58,406 8 0	
		30,61,124 13 1
7. Other Liabilities—		
Dividend for the current half-year	45,00,000 0 0	
Unclaimed Dividends	12,57,603 1 2	
Inter-Office Adjustments	1,38,76,321 8 5	
		1,96,35,924 9 7
8. Acceptances, Endorsements and Other Obligations per contra		67,302 5 4
9. Profit and Loss—		
Balance brought forward from last year	33,25,046 12 5	
Net Profit for the year	1,36,90,699 9 11	
	1,70,15,746 6 4	
Amount set aside for payment of a Dividend at the rate of 16 per cent. per annum	90,00,000 0 0	
Amount transferred to Pension Funds	5,97,100 0 0	
Bonus to Staff	40,00,000 0 0	
		34,18,646 6 4
10. Contingent Liabilities— Rs. a. p.		
Claims against the Bank not acknowledged as debts .. 10,94,657 2 4		
Bills of Exchange rediscounted .. 40,57,686 2 7		
Outstanding Forward Exchange contracts 12,69,93,562 5 3		
Guarantees given on behalf of Directors, Local Board Members or Officers of the Bank .. 800 0 0		
Guarantees given on behalf of others .. 4,02,14,769 0 11		
Total .. Rs.		251,06,99,220 8 11

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank (including foreign currency notes)		32,24,75,742 14 5
2. Balances with Other Banks—		
On current account Rs. a. p. / On deposit Rs. a. p.		
(i) In India .... /		
(ii) Outside India. 4,12,26,196 0 2 / 26,66,666 10 8		4,38,92,862 10 10
3. Money at Call and Short Notice		4,38,92,862 10 10 / 1,23,33,333 5 4
4. †Investments (securities valued in accordance with Bye-Law 24; shares, debentures or bonds at or below cost)—		
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	95,47,59,751 15 7	
(ii) Shares authorised under the Imperial Bank of India Act, 1920	40,81,034 5 6	
(iii) Debentures or Bonds	80,00,000 0 0	
(iv) Other Investments—Pakistan and other Government Securities, etc.	11,83,91,741 6 3	
†Of which investments of the face value of Pakistan Rs. 83,00,000 are pledged against borrowings from other Banks, Agents, etc.		108,71,92,527 11 3
5. Advances—		
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India .. 88,05,85,469 11 7		
(ii) Outside India .. 6,59,20,542 0 10	94,64,86,011 12 5	
(II) Bills Discounted and Purchased—		
(i) Payable in India .. 4,54,60,186 3 7		
(ii) Payable outside India .. 1,62,82,057 5 2	6,17,42,243 8 9	
PARTICULARS OF ADVANCES (see separate Statement appended).		100,82,28,255 5 2
6. Bills Receivable Being Bills for Collection as per contra—		
(i) Payable in India	19,02,718 5 1	
(ii) Payable outside India	11,58,406 8 0	
		30,61,124 13 1
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		67,302 5 4
8. *Premises Less Depreciation—		
Total cost up to the 31st December, 1953 .. 8,16,76,149 15 5		
Additions (Rs. 3,48,569-2-0) less Deductions (Rs. 1,829-0-0) during the year .. 3,46,840 2 0		
Total depreciation written off up to the 31st December, 1954, less depreciation previously provided on property which has passed out of the Bank's possession .. 5,20,22,996 1 5		
	1,90,12,612 8 4	1,80,10,677 9 1
9. *Furniture and Fixtures Less Depreciation—		
Total cost up to the 31st December, 1953 .. 1,14,74,288 10 8		
Additions (Rs. 11,13,651-9-9) less Deductions (Rs. 24,534-7-5) during the year .. 10,94,117 1 4		
Total depreciation written off up to the 31st December, 1954, less depreciation previously provided on property which has passed out of the Bank's possession .. 1,25,58,405 12 0		
	81,93,940 11 4	43,74,465 0 8
10. Other Assets, including Gold and Silver—		
Bullion	90,09,864 10 9	
Adjusting Account of Interest, Commission, etc., Stationery, Stamps, Suspense, etc.	70,23,764 8 0	
		1,60,33,628 18 9
11. Non-Banking Assets Acquired in Satisfaction of Claims		....
12. Profit and Loss		....
* NOTE.—Includes Rs. 4,58,866-15-8 being written down value of certain Pakistan assets sold, pending completion of formalities.		
Total .. Rs.		251,06,99,220 8 11

IMPERIAL BANK OF INDIA

PARTICULARS OF ADVANCES

	Rs. a. p.
(i) Debts considered good in respect of which the Bank is fully secured	93,76,78,604 11 11
(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	92,59,496 12 0
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	6,12,90,093 13 3
(iv) Debts considered doubtful or bad, not provided for	....
	100,82,28,255 5 2
(v) Debts due by Directors or Local Board Members or Officers of the Bank or any of them either severally or jointly with any other persons	3,60,985 9 2
(vi) Debts due by companies or firms in which the Directors or Local Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	18,30,67,105 7 1
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Local Board Members or Officers of the Bank or any of them either severally or jointly with any other persons	4,52,602 14 1
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors or Local Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	21,43,19,653 8 3
(ix) Due from banking companies	4,61,96,489 1 6

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1954

EXPENDITURE	Half-year ended 31-12-1954 Rs. a. p.	Year ended 31-12-1954 Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	61,31,767 4 11	1,36,27,357 3 6
2. Salaries and Allowances and Provident Fund (including Salary and Allowances of Managing Director Rs. 50,250-0-0* for the half-year and Rs. 1,00,500-0-0† for the year ended 31-12-1954)	1,94,16,378 6 10	3,84,65,471 12 6
3. Directors' and Local Board Members' Fees and Allowances	61,000 0 0	1,23,450 0 0
4. Rent, Taxes, Insurance, Lighting, etc.	10,52,506 1 11	20,13,642 14 7
5. Law Charges	1,09,075 5 6	2,20,906 0 3
6. Postage, Telegrams and Stamps	7,41,176 8 8	14,87,663 0 5
7. Auditors' Fees	37,500 0 0	75,000 0 0
8. Depreciation on and Repairs to the Bank's Property	6,41,875 15 5	12,49,148 0 0
9. Stationery, Printing, Advertisement, etc.	9,74,358 4 7	16,88,461 7 8
10. Loss from Sale of or Dealing with Non-Banking Assets	....	....
11. Other Expenditure	11,60,408 2 9	22,92,856 5 3
12. Balance of Profit	68,54,842 9 3	1,36,90,699 9 11
Total .. Rs.	3,72,70,978 11 10	7,51,34,661 6 1

INCOME (less provision made during the half-year/year for bad and doubtful debts and other usual or necessary provisions)	Half-year ended 31-12-1954 Rs. a. p.	Year ended 31-12-1954 Rs. a. p.
1. Interest and Discount	2,89,75,840 12 5	5,62,61,181 4 7
2. Commission, Exchange and Brokerage	81,13,174 2 2	1,85,16,382 13 4
3. Rents	1,81,963 13 3	3,57,097 4 2
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets	....	....
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other Assets	....	....
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	....	....
7. Other Receipts	....	....
8. Loss	....	....
Total .. Rs.	3,72,70,978 11 10	7,51,34,661 6 1

* In addition provision has been made for a bonus amounting to Rs. 7,500-0-0.

† In addition provision has been made for bonuses amounting to Rs. 15,000-0-0.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE IMPERIAL BANK OF INDIA

We, the undersigned Auditors of the Imperial Bank of India, elected under Section 58 (1) of Schedule II of the Imperial Bank of India Act, 1920, do hereby report to the shareholders upon the Balance Sheet as at 31st December, 1954, and the Profit and Loss Accounts for the half-year and the year ended 31st December, 1954.

We have examined the above Balance Sheet (which contains the particulars prescribed by the Imperial Bank of India Act, 1920, and the Bye-laws of the Bank) and the Profit and Loss Accounts, and the Accounts relating thereto of the Central Office and of the Local Head Offices in which are incorporated the Returns submitted and certified by Branch Agents and report (i) that we have obtained all the information and explanations we have required and that they have been found to be satisfactory ; (ii) that the transactions of the Bank which have come to our notice have been within the powers of the Bank ; (iii) that the Returns received from Branch Agents have been found adequate for the purposes of our audit ; (iv) that in our opinion the Balance Sheet and Profit and Loss Accounts are drawn up in conformity with the law ; (v) that in our opinion the Balance Sheet is a full and fair one and is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us and as shown by the Books of the Bank ; (vi) that in our opinion the Profit and Loss Accounts show a true balance of profit for the period covered by the accounts ; and (vii) that in our opinion Books of Account have been kept by the Bank as required by law.

The audit of the Books and Accounts for the six months to 30th June, 1954 was carried out by Messrs. K. J. H. Hartley, B. S. Billimoria and J. S. F. Gibb. The accounts for that period have been accepted and incorporated for the purpose of the accounts for the year to 31st December, 1954.

The audit of the Books and Accounts of the Local Head Offices at Calcutta, Bombay and Madras has been carried out by Messrs. A. K. Joscelyne, B. S. Billimoria and J. Deavin respectively.

A. K. JOSCELYNE,
B. S. BILLIMORIA,
J. DEAVIN, } *Auditors.*

BADRIDAS GOENKA,
BIREN MOOKERJEE,
B. P. SINGH ROY, } *Directors.*

S. K. HANDOO, *Managing Director.*

CALCUTTA, *4th February, 1955.*

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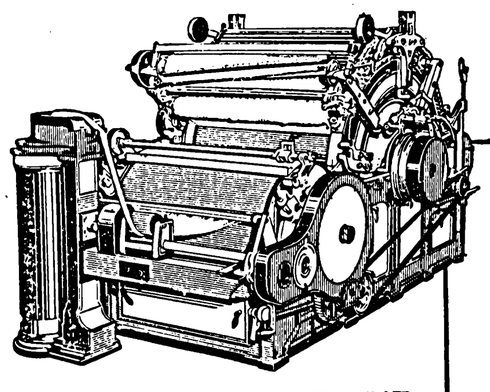

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3 Ball bearings to licker-in pedestals.
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MAHINDRA & MAHINDRA LIMITED
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Calcutta Office: Hall & Anderson Building, Park Street.

PEMMC-20

MATTHAI COMMISSION ON SALES TAX

DIFFICULTIES OF TRADE APPRECIATED—SIMPLE SYSTEM RECOMMENDED

[The business community expected a great deal from the Taxation Enquiry Commission in regard to sales tax, which is a source of great inconvenience to it. From a simple fiscal weapon, sales tax has now emerged as a complicated system of taxation. The forms required to be submitted by traders are innumerable and the particulars asked for are enormous. The number of authorities to be seen and satisfied is far too many. The laws and rules in the various States of India are vague. The types of sales taxes in some States are so many that they cause confusion which is made worse by the numerous exemptions. About the incidence, the little said the better; "regressive" is the word for it. In fine, sales tax is literally a headache and cause of irritation to the business houses having inter-State trade; it is a curse on consumers, a cause of great harassment to retail traders, a boon to lawyers and tax consultants. All business men were sincerely hoping that the Taxation Enquiry Commission, headed by such a distinguished economist-cum-administrator as Dr. John Matthai, would suggest a simple system of sales tax which would give great relief to them. A perusal of the Commission's report reveals that if the Governments at the Centre and in the States listen to what has been recommended, business men will not have hoped in vain. We publish in these pages a detailed summary of the 76 closely printed pages devoted by the Commission to this important form of taxation, the main prop of many a State Government.—Ed.]

NO State had a sales tax before 1938 and today few are without it. Few taxes have raised so many problems as the sales tax. It impinges on a larger number of people and interests than most other taxes. There is the consumer—the buyer of taxable goods—the seller, from whom it is collected, industry on which it has various repercussions and the State Governments anxious to secure optimum revenue but confronted with large and growing evasion. There is also the problem of co-ordination between the different States within the framework of the Constitution.

Sales taxes raise a number of problems. There is the problem of collusive evasion between consumer and trader. There is the problem of the trader collecting the tax and not paying it to Government. There is the problem of the complexity of requirements placed on the dealer. Industries interested in buyers all over India have a grievance in the lack of uniform rates and regulations. The State Governments face an almost intractable problem of evasion.

Suggestions regarding sales tax have ranged somewhat widely; some have suggested centralisation, others a uniform multi-point tax, a single-point tax by all State Governments selective sales taxes and the adoption of the device of a purchase tax.

A sales tax should be distinguished from a purchase tax. Both could be levied by the States but only on goods except newspapers. A sales tax is levied on the seller in a transaction of sale-cum-purchase while a purchase tax is levied on the purchaser. When the tax is assessed on the turnover of the sales of a registered dealer, it is a sales tax, while, if collected on the turnover of the purchaser, it is a purchase tax. Where the article bought is conspicuous and readily traceable, as, for example, a motor car, the purchase tax can be collected from the private buyer. Apart from this, the purchase tax is confined usually to the dealer.

Turnover Tax

The turnover tax is used to describe the sales tax in some States. There is, however, no special characteristic of a turnover tax, which, in systems developed in India serve to distinguish it from the sales or the purchase tax; it merely describes a practice of convenience, which has been adopted. Sometimes what is emphasised by the use of the word "turnover tax" is that the sales tax concerned is of a general type. The distinction is best conveyed by another term, which has come to be used, namely, "general sales tax" as distinguished from "selective sales tax."

There are two varieties of the general sales tax, the multi-point and the single-point. There is also a double-point tax, designed to keep control over the total amount of tax, which might have been added. Single-point and double-point taxes are usually levied at relatively high rates. A large number of exemptions is usual and the term "incidence controlled" will be broadly descriptive of the single-point and double-point systems. The multi-point system is not incidence-controlled in structure or purpose; the rate is relatively low and exemptions few.

A system of registration is necessary in either instance. In an incidence-controlled system, an important requisite is that the class of the registered dealer should be able to maintain the necessary accounts.

In the multi-point sales tax, the dealers are registered, but each pays the tax irrespective of the preceding or succeeding dealer. This makes for relative simplicity of accounts, fewer exemptions and more numerous registered dealers. The rate is also substantially lower than under the incidence-controlled system.

The term 'sale' has been defined in a number of reported judgments in the courts of law. The actual meaning attached to the word in the Acts of different States varies. In Madras, Mysore, Travancore-Cochin and Hyderabad, 'sale' means transfer of property in the course of trade or business. West Bengal and Delhi define 'sale' as transfer of property in goods for money consideration. According to the Acts of certain States, a sale is deemed to have taken place in the territory of the State if at the time the contract of sale or purchase is made, the goods are actually in those States. The term 'goods' is usually defined to include only movable property, stocks, shares and securities. In some States, the term includes growing crops, grass, trees, etc. A 'dealer' is defined in most Acts as a person carrying on the business of selling or supplying goods; other refinements differ from State to State.

The liability of a dealer is fixed on his turnover—the aggregate amount of the sale prices of the goods. Different limits of turnover are laid down in different States for fixing liability. Usually, there are two distinct limits, one for importers and manufacturers and the other for all other dealers. Limits for importers and manufacturers are usually low while for others it is high.

Exemptions

Certain sales are excluded from the purview of the tax in different States, either because of the definition of 'sale' adopted, or by specific provision, in the Acts. Among these are sales not in the course of trade or business, sales for other than money considerations, sales of immovable property, actionable claims, stocks, shares, or securities, sales of agricultural produce grown by the cultivator himself or on land owned by him and sales by dealers whose annual turnover was below the taxable quantum. Many of these exclusions are dictated by administrative considerations. Specific exemptions are granted either by the Acts or by notifications. These fall into four categories, namely, essential goods, goods already taxed, products of certain cottage and village industries and other goods. The list of exemptions vary from State to State. It is larger in the single-point States than in multi-point States.

As a rule, exemptions are fewer in multi-point States. Even foodgrains are not exempt in certain instances. Most States levy higher rates of tax on luxury goods generally consumed by the relatively well-to-do classes. The schedule of these goods differ from State to State and the rates of tax vary from 9 pies to 24 pies. In the multi-point States, the higher rate is levied at the first stage of sale in addition to the ordinary rate of tax, while, in a single-point State, the tax is collected at a higher rate and as an additional levy.

Every registered dealer is liable to the sales tax. Returns of turnover, together with the receipts for the payment of tax, have to be submitted periodically every quarter in most States. A dealer discovering an error or omission, could submit a revised return. The year of assessment is usually the financial year, though, in some States, the accounting year, according to the State practice, is observed.

Assessments are made on the basis of the returns, but, after due notice, the sales tax authority can also assess the dealers to the best of his judgment. Books of accounts and other documents can be called for and in most States, sales tax authorities have the power to enter into and search premises of the dealers and their godowns, seize and detain books of accounts, documents, goods, etc. Assessments can be reopened. For small dealers, several States provide a scheme of composit— under which the amount of the tax is determined on the basis of taxable purchases.

Against assessment orders, the dealers have the right of appeal or to seek revision by higher authorities. In some States, semi-judicial appellate tribunals exist. In others, Boards of Revenue or Financial Commissioners function as the final appellate authority. A reference can be made to High Courts on points of law.

Offences against the sales tax laws are punishable with fine and in some States with imprisonment. Most States provide for composition of offences by payment of prescribed amounts.

In most States, administration is in the hands of a separate department; in some, additional duties have been allotted to such departments. In most States, assessment work is done by officers of gazetted or senior rank. Appellate and assessing authorities are different in most States. A few States have advisory committees consisting of representatives of trade and industry to serve as a liaison body between the administration and the taxpayer.

Development of Sales Tax

A selective sales tax was first introduced in 1938 in Madhya Pradesh in the form of a tax on petrol. The general sales tax dates from 1939, when Madras introduced the multi-point system. Bengal adopted a single-point system in 1941. The Punjab also introduced a multi-point tax that year. In 1944, Bihar followed the single-point system of Bengal. Five other States introduced a sales tax between 1946 and 1948. Bombay, Assam, Madhya Pradesh and Orissa, adopted the single-point system and Uttar Pradesh the multi-point system but with significant modifications. Since April 1948, the remaining States, including almost all the Part B States, have introduced the sales tax, some adopting the multi-point system and others the single-point system. Purchase taxes have been introduced to a limited extent in different States and the models originally introduced have undergone substantial modification in various States. The exemption lists vary widely as do the levels of turnover at which dealers are licensed or registered.

The main features of the tax as they developed in the various States make it clear that, along with the growing complexity of the system, there has grown also the need for all-India co-ordination. Prompted by revenue needs, the States have started levying taxes on exports. Some States have so defined the term 'sale' as to include all sales of goods actually in their territories, irrespective of the place where the contract of sale takes place. Some of the measures also involve the taxation of raw materials and goods entering into inter-State trade more than once. In October, 1948, the Government of India convened a conference of Finance Ministers of States at which a committee of officials was appointed to investigate the possibilities of having some uniformity in the taxation of inter-State trade in certain essential commodities, which were of all-India importance. This Committee had made a number of recommendations, and while there was general agreement about the principle, no tangible results could be achieved, though a few States gave effect to the recommendations. Meantime, the drafting committee of the Constituent Assembly had also considered the question, and, although they were opposed by many States, provisions, restricting the powers of the State Governments in respect of the levy of sales tax in the course of foreign and inter-State trade and on essential commodities, were included in the Constitution. As a result of the restrictions, there is a large diminution in the sales tax revenue of several States. Because of these restrictions, there is also greater scope of avoidance resulting in an indirect loss of revenue in almost all States.

Different measures have been taken by different States for meeting the loss of revenue resulting from the provisions of the Constitution. Bombay had first changed over to a multi-point tax system and when this was found unsuitable, the State devised a two-point system. States like Bihar and Orissa withdrew exemptions previously applicable to sales of raw materials. Hyderabad imposed a purchase tax on dealers who brought the State's main exports of agricultural raw materials within its territory.

The Supreme Court gave an authoritative interpretation of Article 286 of the Constitution on appeals from Bombay and Travancore-Cochin. For examining the various representations made to them and, in particular, for considering how best the trading interests could be met consistently with the interpretation of Article 286 by the Supreme Court, the Government of India

ed a conference of officials in November. It was generally agreed at this conference that importing States could not insist upon non-resident dealers presenting themselves to get the books of accounts examined but should assess the liability on the basis of returns, deputing officers, where necessary, to get the points in dispute settled. Each State could also supply to the other States names of dealers who exported the goods and claimed exemption. As a long-term solution the proposal was also put forward that, instead of the importing State taxing non-resident dealers, a purchase tax could be levied by them in the course of inter-State trade. The reciprocal arrangement for the supply of information had been accepted by most States but not all had agreed to reciprocal arrangements regarding the introduction of a purchase tax. The position regarding this is uncertain but States have started recovering the tax from non-dealers by making them liable for registration under their own Sales Tax Acts. At first, this liability had been made retrospective from the 26th January, 1950, by some States, but it was agreed at the official conference that the tax must be recovered with retrospective effect from any date prior to 1st April, 1953.

The Constitution also enjoins it on the States not to tax sales or purchase of goods declared by the law to be essential for the life of the community except with the previous assent of the President. A law was passed in 1952 declaring as essential for the life of the community a number of goods. The object of the restriction is obviously to achieve some degree of uniformity in the tax burden of these goods and not necessarily to eliminate altogether sales tax on them. This provision has been criticised by Governments. States, which had taxed the goods before the law, are placed in a position of advantage. The list of essential goods is too wide and some of the commodities are being taxed by the Centre in the form of excise and customs duties.

Different measures undertaken by the States to adapt their systems to the growing needs and to the restricted provisions of the Constitution and the conditions resulting from them have made the system very complicated. The high rate of tax has tended to eliminate intermediates. A large number of exemptions has been necessitated even under multi-point tax system. Concessional rates have also to be given. Measures taken by importing States to exercise jurisdiction on non-residents have led to harassment.

Examination of Certain Suggestions

A variety of suggestions about the sales taxes has been made, some for enlarging the scope of the tax and others for its virtual abolition through taking over some of its functions by other taxes like customs, excise and octroi. Various systems have also been advocated for universal adoption, such as a selective sales tax, a first-stage sales tax, a low multi-point tax and a purchase tax. There is also a proposal that the sales tax should be placed within the purview of the Union.

A number of suggestions relate to the taxation of services. Services might be divided into services proper, services entering in a special manner in the making of certain articles and services forming part of total transactions inclusive. The Commission do not recommend the extension of sales tax to services proper as that would raise serious administrative difficulties. Evasion would be easy and taxes on services might be a duplication of profession taxes. Almost all the States were opposed to the extension.

Taxation of special articles, into the making of which a degree of service or skill has entered, is already being regulated by various States, some of them excluding special categories. No recommendation is made in regard to them. The position regarding the taxation of sale of goods involving both services and supply of materials is generally satisfactory. Different formulæ for varying contexts are adopted by different States.

Transactions in forward markets are more appropriately taxed through the stamp duty than by a sales tax, stamp duty should be recovered through the clearing house, which every important forward market kept or ought to be made to keep.

A tax on newspapers and advertisements will not at this stage be worth the fairly widespread opposition, which it is bound to evoke. A large variety of newspapers will, in any case, have to be exempted on the ground of hardship. The exemptions will add to the difficulties of administration and the revenue itself will hardly be substantial.

Selective sales taxes have been advocated on the ground that, in practice, the bulk of the revenue is derived from a few commodities and this would also mean a relatively small number of traders. An analysis of receipts by commodities did not support the view that only a small number of traders would be involved. Restriction of the tax to a few commodities would necessarily lead to a levy at a high rate; the incidence on the less-well-to-do classes will be higher and the tax system more regressive.

The first-point tax has been suggested in replacement of the existing system. Foreign experience is sometimes cited in support of the proposal. From the revenue point, the first-point tax will have to cover an adequate segment of the totality of sales tax transactions. This could happen only when the bulk of trade and business fans out from a few big manufacturers, importers and wholesalers. It was claimed for this system that administration would be easy as the taxpayers would be smaller in number and more capable of complying with the requirements of the tax authorities. This might be true of certain other countries but is not valid to conditions in this country. The Bombay Sales Tax Enquiry Committee, which had considered the suggestion, had come to the conclusion that there would not be much relief under it either to the dealers or to the Sales Tax Department. It has also certain disadvantages as compared with a single-point sales tax. It is not, therefore, suitable for general adoption in this country but could be used in combination with other systems and under certain conditions. The petrol tax, which, in some respects, was a variant of the first-stage tax at one point, stood in a special category, because of the organised production and distribution of petrol and the fact that it could bear a relatively high tax.

Feasibility of Multi-point Tax

The feasibility of a low multi-point sales tax in all States has also been raised. It would doubtless simplify the accounts, but a low rate would not give the States the revenue which they now derive. As a complete substitute for the existing system in multi-point or single-point tax, it is not a valid solution, though it might well play a significant role as one of the complementary features of a reorganised sales tax system.

The suggestion for the substitution of sales tax by the purchase tax is, it seems, intended to solve the difficulties arising from the levy of the tax on non-resident dealers. The suggestion that the States should levy a purchase tax on their own dealers rather than on the non-resident dealers, who had sold them, might seem attractive, but it has many serious limitations. Multi-point States, such as Madras, stand to gain more revenue from collection of the tax on non-resident dealers than by imposing a purchase tax on their own dealers. There is also the difficulty of getting the different States with different interests to co-ordinate in enabling the importing State to levy a purchase tax on its own dealers. A purchase tax is, therefore, clearly not a solution to the particular difficulties it is supposed to solve.

Superficially, the sales tax might seem similar to customs, excise and octroi, but, in its application to generality of goods, its incidence, which virtually falls in its entirety on the consumer, and its mode of collection, which is based on the responsibility of the dealer to pay, are distinguished from excise and octroi. Excise is a tax on production and not on sales or proceeds from sales. Excise duties usually have proximity to the points of production. Octroi as a tax at a point of entry into a specialised area is, in many instances, unrelated to different grades of consumption. It is collected from the consignor, carrier or consignee and not necessarily from the dealer.

By themselves, customs duties cannot replace sales tax. Many imported goods are matched by goods produced within the country and excise duties cannot be extended to all domestic industrial goods. It is, therefore, obvious that no combination of excise and customs can yield the same results in terms of revenue as a system of sales tax which, through its operation at points nearer the consumer, can take all such goods within its purview. The merit of the sales tax lies in the fact that it is dispersed over a large number of goods and of dealers making possible substantial revenue from a comparatively low rate of tax. Even if levied centrally, it will not be a superfluous item in the tax system, which can be conveniently replaced by a combination of excise, customs and octroi. A change in the present system of sales tax on the lines suggested will not constitute a solution to the problems created by the working of the sales tax within the context of the existing Constitution.

The future of the system of sales taxation demands decisions on major issues of policy. The most important issue is the place to be accorded in that system to the Union and the States. Expressed tersely, the States cannot do without the sales tax and, in terms of two or more States, sales tax cannot do without the Union. There is an insistent need to give a place to the Union in the system. That place is the whole sphere of inter-State sales. The inter-State sphere of sales taxation is occupied by constitution rigidities, instead of by law and administration that could adapt themselves to changing needs. The law and administration in inter-State sphere should formally and effectively be with the Union. In actual practice, the administration should be delegated to the States. The revenue, inter-State and intra-State, should wholly devolve on the appropriate States. In the inter-State sphere, the State should be free to develop systems suitable to their varied conditions. "There will then be,' to quote the Commission, "in each State a system adapted to its own needs and for the whole of India a composite one in which effective co-ordination will be possible between State and State and between the States and the Union. This . . . is our main finding compressed into terms of which further explanation is necessary and will in due course be given."

The grounds of comparison of trade and industry against the sales tax are twofold. The effects of the tax on internal trade and its effect on inter-State trade. The burden of tax compliance is on the trader. There is thus an agitation against the system and a clamour for its replacement. Opposition mainly comes from retail merchants obliged to maintain various accounts. Opposition also comes from consumers, who directly feel the burden of a high duty; also from the trading community at large on the ground that a multi-point tax involves a reduction in the trade links among manufacturers, importers and retailers, causing diminution of business and unemployment. Measures taken after the Supreme Court judgment have made matters worse for the traders. In consequence, interests representing trade, industries and commerce have demanded the centralisation of the sales tax. But this has been strongly opposed by practically all the States.

Elasticity Must Remain

Sales tax has become an integral part of the State systems, which would be dislocated if so important and flexible an item were taken away. The chief characteristic of the sales tax is its elasticity as a fiscal instrument, enabling State Governments to adapt and modulate it in its application to widely differing conditions in different States. Grades of consumption as well as classes of dealers differ widely from State to State. "This elasticity must remain," observe the Commission, "if the sales tax is to remain. Centralisation of the tax must be ruled out if only on the ground that it is inconsistent with the preservation of the elasticity."

Grades of consumption, as well as classes of dealers, differ from State to State. Difficulties confronting tax administration are common to most States but they vary considerably from State to State and, taken together, present a large, and almost bewildering variety of problems. It will be almost impracticable for any departmental agency of the Central Government to administer the tax. What is specially important, it will be hardly possible for legislative and rule-making power located in the Central Government to deal effectively and promptly with local grievances, which often needs to be remedied without delay. "Against this background," the Commission observes, "we are emphatically of the view that the sales tax cannot be transferred from the States to the Central Government."

While the tax has to be continued to be levied by the States, certain aspects have to be considered from the standpoint of the national economy. These are foreign trade, industry and commerce and taxation of goods essential for the life of the community. In regard to foreign trade, the present position under the Constitution is satisfactory and hardly any State has complained about this particular provision. Provisions relating to inter-State commerce have given rise to major complications for the trade and universal protests from State Governments. The Constitution has, in effect, laid down that the tax should go with consumption and that the exporting trade should not levy any part of it. This has led to a type of evasion by consumers and unregistered dealers of the tax-collecting States making purchases from other

States. Complete co-operation and co-ordination have in practice been lacking. There is also the difficulty of adopting a line of treatment equally applicable to single-point and multi-point systems. States which have the multi-point system in effect retained a considerable portion of the tax on inter-State transactions.

There is an important point of distinction between essentiality and inter-State trade as grounds for limiting the powers of the States. In regard to inter-State trade, the Constitutional restriction operates between the Government of one State and the consumers and dealers of another. In regard to essentiality, Parliament and the Central Government intervenes in the internal tax system of a particular State. There is logically no reason why the Central Government should not declare different sets of commodities as essential for different States. But the Central Government invariably thought in all-India terms and in the result exemption tended to concentrate itself on such goods as were of importance, not to individual States but to States generally. There has thus been a significant degree of overlapping between the logically different concepts of essentiality and inter-State trade. Besides, the Constitutional provisions do not extend to goods on which sales taxes have already been imposed. There is no reason why a State should not determine the range and rates of its sales tax, the incidence of which rested on its resident consumers and the collections of which fell on its resident dealers. "In regard to the impact of the sales tax of a particular State on the people of that State, it seems to us," the Commission suggests, "unnecessary that the Central Government should exercise, through Parliamentary legislation, a jurisdiction which, in terms of the States' own powers, is at once concurrent and overriding." The provisions that existed in the Constitution for the interference of the Central Government in regard to sales tax on inter-State transactions seems inappropriate. This will, however, be subject to the proviso that the sales tax is not of such a character as to constitute a levy on non-resident consumers. Conformity to the national economic policy is a matter which affects not only sales tax but other aspects of fiscal and economic action. The appropriate way to provide for this will be by way of proper co-ordination in economic development, including fiscal policy, and not by a special provision relating to sales tax.

Broad Considerations

The broad considerations of policy as basic for the future development of sales tax are:

the sales tax must continue to be a State tax;

the power and responsibility of the State must end and those of the Union begin when the sales tax of one State impinged administratively on the dealers and fiscally on the consumers of another State;

inter-State sales should be the concern of the Union;

sales of goods should be divided between those in the course of inter-State trade and commerce and those not in the course of such trade and commerce;

the Union's powers of levy and control should be so exercised that there is no avoidable duplication and there is incentive for co-ordination between the States;

subject to this, each State should be free to evolve the system of sales tax best suited to its conditions.

The Commission then goes on to suggest constitutional amendments necessary to give effect to the policy regarding the sale tax outlined above. In brief, it provides for Central legislation in respect of all inter-State transactions and certain transactions, whether or not inter-State, in respect of goods which are important in inter-State trade. "The Central Government will impose the tax; at the same time, Parliamentary legislation will have to provide for delegation to the States the powers of the Central Government in respect of assessment, collection, etc." There would also be a system of retention of receipts collected, subject to certain exceptions.

It is imperative that control over inter-State items of taxation should be strictly confined to a very small number of well-defined commodities of significance for inter-State trade. These should be raw materials or largely in the nature of raw materials. In terms of volume of inter-State transactions, it should be of special importance to inter-State trade and in terms of the country as a whole it should be of special importance from the point of view of consumer and of industry. Certain amendments of the Constitution will be necessary to secure this. This will provide for all inter-State transactions and certain transactions in respect of goods, which are important in inter-State trade becoming subject to Central legislation. The proposed Central legislation will specify the rate at which tax on sales in the course of inter-State trade should be levied. These rates should be comparatively low, say 1 per cent. on all articles, except on goods of special importance, on which it should not exceed three pies in the rupee. Transactions between registered dealers in one State and unregistered dealers or consumers in another should be taxed at the same rate at which exporting States taxed similar transactions within their own territories. The legislation need make no distinction between ordinary goods and luxury goods, on which the State Governments may have their different rates for internal sales.

An important aspect of the Central legislation should be concerned with the definition of the *locale* of sales for defining in detail the relative jurisdictions of the Union and the States. The relevant principles could only be formulated after an expert examination. This shou'd be done and the principles embodied in the legislation.

For regulating the State sales taxes on goods of special importance in inter-State trade, Central legislation should specify such goods and impose conditions and restrictions for the taxation of internal trade in those goods. The main condition should be that no State shall have a system of levy other than a single-point levy recoverable at the last stage of sale or purchase by a registered dealer.

Receipts on the imposition of the proposed sales tax on inter-State trade should be retained entirely by the State levying it on behalf of the Central Government, but where trade between a registered dealer in one State and an unregistered dealer and a consumer in another is taxed, the State imposing the tax should retain the portion representing receipts at the rate fixed for inter-State trade and hand over the excess to the State which received the goods. Goods exempted within a State from sales tax should be exempt from the Central levy and no purchase tax should be levied by the State on the specified goods on which a Central tax on inter-State sale has already been levied.

Coal, iron and steel, cotton, hides and skins, oilseeds and jute should be specified in the Central legislation as articles of special importance in inter-State trade. The list should not be expanded except in the light of the principles recommended and the inter-State Taxation Council should be consulted before any addition is made to this list.

States and Sales Tax

For raising substantial revenue, a general sales tax is suitable. For reaching lower-income groups, the rate of tax has to be low and the system a multi-point one. Tax compliance requirements will have to be simplified and otherwise adapted to the capacity of small dealers. Extension of the tax liability to the turnover will secure a wide coverage both in point of dealers and in point of goods. The low rate of tax will also prevent any undue rise in the cost of living of the poorer classes. For dealers at a higher level of turnover, this tax should be combined with a single-point tax. It will take some time for State Governments to effect the necessary changes and the pace of change and the length of the transition period will have to be related by State Governments to the individual circumstances of the State. Dealers with turnover of over Rs. 5,000 a year should be made liable to the multi-point tax; exceptions should be made in the case of agriculturists, who grow and sell their own produce. There should be a scheme of composition for retailers unable to maintain even the elementary accounts required to be kept. The return forms should be simple and easily understandable.

A low rate of multi-point tax would not by itself constitute an adequate system of sales tax for any State. The best method of levying a tax at a higher rate is under a single-point system, with the point of levy at the last stage of sale. If the taxable quantum were fixed at a relatively high limit, say Rs. 30,000 a year, the dealers were likely to be largely from urban areas better able to maintain accounts. The rate of a single-point tax and the taxable quantum will have to be determined by each State with reference to its requirements and circumstances. The higher rate of a single-point system should apply to goods other than those entering the cost of living of the poorer classes. It would not necessarily be uniform on all types of goods and some of the luxury articles should be subjected to higher rates of duty.

In some States, no distinction is at present made between ordinary and luxury articles. These States should impose higher rates of tax on luxury goods. States which are levying such differential rates should enlarge their luxury articles. Exemption from single-tax should be given to a few large and well-defined classes of goods, which figures substantially in the cost of living of poorer sections. An exception has to be made in the case of raw materials sold by the producers themselves. Apart from this, sales tax concessions are hardly a suitable method of encouraging particular trades or activities. Exemption should be expressed in terms of well-defined categories of goods, which both the trade and the administration can easily understand. Exemptions relating to prices of commodities, that is, exemptions which become operative only when a commodity belonging to general category is sold below a specified price, add to confusion, complications in accounts and tax evasion. States should, therefore, desist from notifying such exemptions.

One effect of a scheme of a basic multi-point tax of half per cent., with the single-point tax on higher turnovers at rates suitable to the States, should be an increase in the sales tax revenue of State Governments. The possibilities are that the adoption of the flexible pattern would mean that every State would gain in revenue in addition to achieving a simpler and more rational system. The State should also gain from the proceeds of the Central tax on inter-State transactions and from a reduction in evasion. It would make it unnecessary for States to resort to taxation of non-resident dealers. In the event of the recommendation being accepted, it would be imperative that the States should not attempt either to tax non-resident dealers or impose a purchase tax.

A considerable part of the opposition to the sales tax from trade and industry is a result of the methods of administering the tax. Allegations of corruption could not be wholly discounted. Assessments have not been prompt and arrears have, on the whole, been increasing. Prompt and rigorous steps should be taken to uproot corruption, and rules and procedures made understandable, unambiguous and capable of easy compliance. Not all the requirements of tax collection are mentioned in the Act imposing the tax and some of them are not specified even in the rules. The time allowed to trade, industry and the public to study the modifications proposed in the rules from time to time was often inadequate. Complaints have also been made that changes in the rules are frequent. The State Governments should note these complaints. Complaints in regard to the regulation of sales taxes and the connected requirements centred round exemptions, accounts and returns. Exemptions are sometimes couched in loose and often in ambiguous language. Exemptions are sometimes conditional on sales being for certain purposes or to certain classes of buyers. All this makes for difficulty; it is necessary that exemptions should be definite in scope and not dependent on conditions requiring rather an elaborate proof.

Complexity of Accounts

The complexity of accounts is another main grievance. The difficulties are generally recognised by State Governments. Many States have a scheme of composition for the smaller traders. Returns have to be made and taxes paid every quarter in most States. Such frequent submissions become an unnecessary burden on dealers dealing mainly in exempted goods. A half-yearly period for submitting returns and for payment of tax will be more suitable for such traders. The administrative powers of sales tax authorities are extensive and there is need for vigilant watch by the higher authorities over the exercise of these powers.

Assessments are in arrears in most States. Delayed assessments involve troublesome and intractable disputes. The collection of outstanding amounts would be easy if this were done shortly after the close of the year; otherwise, in many cases, they might not be recovered at all. In certain States, heavy arrears are due to inadequate staff and it is necessary to strengthen the establishment.

Inspection and investigation have not received the attention that they should. It is extremely desirable to have a separate inspection staff to detect evasion, and maintain liaison between the Department and dealers.

There is a good case for the creation of an intelligence section in every Sales Tax Department, for the maintenance of statistics about the pattern of trade, consumption, etc., in the State and assist in checking evasion by obtaining information from railways and other taxing authorities about the business of dealers. It would also greatly assist if authoritative pamph-

(Continued on page 481)

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PAINT INDUSTRY IN INDIA

CHANGE IN GOVERNMENT POLICY NEEDED

THE Government of India, being the largest consumer of paints and varnishes in the country, it is natural for the paints industry to look to the Government for patronage and assistance. From the industry's experience of its relations with the Government, it, however, looks as though the practices and procedures adopted by the Government as a customer of the industry are far from satisfactory. As we shall see presently, they are hardly conducive to create conditions in which the industry can expect to fulfil the targets set for it by the Planning Commission. In 1950-51, the industry had, according to the Commission, an annual rated capacity of about 65,000 tons, while the actual production was far below, at 28,975 tons. Taking into consideration the various economic factors governing the position of the industry, the Commission has set a production target of 60,000 tons per annum with the rated capacity raised to 70,000 tons by 1955-56. Unfortunately, the industry has not been able to make much headway in respect of both. This is indicated by the figures provided by the *Monthly Statistics of Production of Selected Industries of India*. The rated capacity which rose to 64,800 tons in 1951 has since remained unchanged. But the actual production in the four years ended 1954 was as follows:

Year	*Rated capacity* Tons	*Actual production* Tons
1951	64,800	33,400
1952	64,800	32,172
1953	64,800	32,052
1954 (January to October)	64,800	28,852

It will be observed from the above that the actual production shows a downward trend, from 33,400 tons in 1951 to 32,052 tons in 1953. The figures for 1954 relate only to the 10-month period, January-October, 1954, when the actual output aggregated 28,852 tons. The output for the entire year, calculated on the monthly average for the 10 months, may be placed at about 34,622 tons, or 53 per cent. of the rated capacity. This is of course, more than a thousand tons in excess of the production in 1951 and shows that the downward trend has been arrested. But this improvement is no cause for consolation, for 47 per cent. of the plant and machinery still remains unutilised, and brings no benefit to the economy. Now that the budget for 1955-56 has imposed a 10 per cent. *ad valorem* excise duty on paints and varnishes, the plight of the industry which is already facing a number of handicaps will become harder. The relevant section in the Finance Bill introduced in the Lok Sabha states that paints and varnishes for the purpose of the excise levy include "all sorts in or in relation to the manufacture of which any process is ordinarily carried on with the aid of power." The section is applicable "to the excisable goods lying on 1st March, 1955, within the precincts of any factory or their premises where the said goods were manufactured or produced or in any premises appurtenant thereto, as they apply to such goods or produced on or after the said date."

In order to understand the difficulties facing the paint industry, one has only to turn one's attention to the address of Mr. G. J. M. Dyer, Chairman, Paint Federation, Calcutta, at the annual meeting of this body held on 23rd February last. The address shows that a change is needed in the attitude of the Government towards the industry in respect of its purchase policy. The Government's supply officers, after having invited public tenders, are often known to conduct negotiations outside public tenders and even for items included in the tenders. This attitude results in shaking the faith of the industry in the system of tenders and ultimately discourages manufacturers to submit any tender at all. The net outcome of this is that it gives scope for unscrupulous traders to tempt the supply officers to go in for their wares.

Another difficulty is stated to be the unhelpful interpretation of the term "delivery date" for the acceptance by the Government and payment of bills. This has resulted in heavy outstandings for longer periods, as considerable time is spent on negotiation of extended delivery dates. Again, even in regard to payment of bills accepted, the Government is not prompt. Inordinate delays, at a time when the money market is tight, cause severe hardship not only to those engaged in the manufacture of paints but also to those who supply them with materials. Further, as regards the tenders themselves, the Governmental delays in finalising the actual acceptance are stated to be very common. Besides, even after receiving approved samples from tenderers, much time is wasted on those who have not supplied approved samples. This causes delays in testing samples at the Government Test House, Alipore.

Summarising the speech of Mr. Dyer, a note issued by the Federation aptly puts the attitude of the Government as follows: "He reported irritating delays through all the successive stages of Government purchases—delay in testing samples at the Government Test House, Alipore; delay in finalising acceptances of tenders; delay caused by negotiation of extended delivery dates, which in turn was caused by the previous delays, and, finally, delay in Government's payment of bills, which, in the last instance, was felt by the supplier of raw materials, who was often greatly embarrassed. These matters affected the paint industry and had been taken up by the Associated Chambers of Commerce. Furthermore, the Federation had, in common with other organisations, submitted replies and recommendations to an extensive questionnaire from the Stores Purchase Committee and were hopefully awaiting its report."

It is to be hoped that the remarks made by Mr. Dyer will bring about a suitable change in the attitude of the officials concerned towards the industry.

It is gratifying to note that there has latterly been a great improvement in the import policy of the Government in so far as this industry's requirements are concerned. The paint manufacturers can now apply to the Development Department in Delhi for recommendations in respect of raw materials for the industry, with the result that all paint manufacturers in India are treated alike on a common basis. And import licences are now more rapidly received than had been the case formerly. However, the industry is stated to have been adversely affected by a sharp reduction in the number of licences for lithophone. Mr. Dyer says that restrictions on such imported raw materials should be introduced on a gradual basis, "since," to quote Mr. Dyer, "it is not only the paint manufacturers that are involved in changes in formulations and specifications, but also consumers whose tastes and preferences have to be re-educated to products made from indigenous raw materials." Again, we are told that the Government on many occasions imports finished paints, although such paints are available in India. This runs counter to its own policy of extending patronage to indigenous materials.

The paint industry has urged the Government to permit it to drawback import duty on raw materials used in its products exported to Near and Far East countries. The industry imports, we are told, a very high proportion of its raw materials upon which it pays an import duty of not less than 25 per cent. which manufacturers of paint in other countries do not pay. In the result, the industry's competing strength *stands impaired considerably*. Its plea for this concession deserves to be viewed sympathetically by the Government.

IMPORT AND EXPORT (CONTROL) AMENDMENT BILL

The Imports and Exports (Control) Amendment Bill, 1955, considered by the Rajya Sabha two weeks ago, was passed by the Lok Sabha also on 5th March. In the course of discussions in the Lower House, a number of suggestions was made, such as India's dissociation with the G.A.T.T., abolition of Imperial Preference, control of imports with a view to protecting industries, extension of the life of the Bill for ten years instead of five, avoidance of wastage of foreign exchange on imports of luxuries and adoption of drastic action to end corruption in the Department of Commerce.

Replying to the debate, Mr. D. P. Karmarkar, Commerce Minister, who introduced the Bill in the House, said that the Government's import policy had been influenced by foreign exchange availabilities, while, at the same time, the Government's greatest concern had been to help industry in its onward march. Dealing with corruption and nepotism, he said that licences were issued to established importers and wherever necessary the entry of newcomers was encouraged. While denying that there was large-scale corruption in the Department, he assured the House that action would be taken, if members helped, to wipe out the small percentage of corruption that might be still lurking. He said that the system of Imperial Preference had not been disadvantageous to India. Referring to the suggestion for further decentralisation of the Commerce Ministry, the Minister stated that there was already decentralisation. There was a large number of offices all over the country and the Ministry dealt with only a small range of goods at Delhi. The House then passed the Bill without any modification.

LOCATION OF FERTILISER PLANTS

CLAIMS OF BOMBAY STATE

LAST week, the Chairman of the Fertiliser Production Committee, Mr. B. C. Mukherjee, I.C.S., was acquainted with the claims of the Maharashtra Chamber of Commerce for the location of a fertiliser factory in Bombay State, preferably at Karad. Welcoming Mr. Mukerjee at a lunch party held in his honour, Mr. B. D. Garware, President of the Chamber, declared that the claim of the Bombay State for a plant was "just" for a variety of reasons. He also submitted to the Chairman a preliminary note on the desirability of starting an ammonium sulphate plant in Bombay State which deals with certain technical and economic aspects and discloses that a detailed memorandum would be submitted to him shortly.

The thesis of Mr. Garware's speech was that an ammonium sulphate or nitrate plant, based on electrolysis of hydrogen, could be easily established in the Bombay State. The principal raw materials for the manufacture of ammonia could be obtained, he said, either from coal, coke or charcoal or by electrolysis of water. But, as it was difficult to obtain coal or charcoal in large quantities at a reasonable cost, he was of the considered view that ammonia should be obtained from electrolysis of water. The power needs would be available from the Koyna hydro-electric scheme. As the cost of electricity was a determining factor, he stressed the fact that the fertiliser plant would have to be located at as close to the generating site of the Koyna Project as possible.

Should, however, an ammonium sulphate plant be decided upon, one of the important raw materials required is either gypsum or sulphur or pyrites. As the reserves of gypsum in India are limited and concentrated chiefly in the State of Rajasthan, their transport to Bombay would involve a heavy cost. Consequently, Mr. Garware preferred the import of sulphur or pyrites. On the other hand, if an ammonium nitrate plant were to be preferred, he said that it could be easily had by oxidising a part of ammonia into nitric acid and, in such a case, the problem of importing sulphur could be easily eliminated.

Mr. Garware adduced one more reason for locating the fertiliser factory in Bombay State. That was that within a radius of 50 miles in the area comprising the districts of Belgaum, Poona, Kolhapur and Satara, the annual consumption of ammonium sulphate was about 27,000 tons. If other districts like Nasik, Ahmednagar and Khandesh, etc., adjoining this area were also taken into account, the demand would be as high as 35,000 tons, even on a conservative estimate. Besides, with increase in irrigation facilities and the starting of a few more sugar factories as well as the systematic propaganda being carried out for the utilisation of ammonium sulphate, he estimated the demand to increase to as high as 100,000 tons or even more in about five or six years. In view of these considerations, Mr. Garware held that an *ammonium sulphate factory* with a production capacity of 500 to 600 tons was essential for the Bombay State.

As regards the location, Mr. Garware favoured Karad for a number of reasons. First of all, it is situated only 45 miles from the Koyna generators, and power here could be made available at 0.3 to 0.35 of an anna or even less per unit, which is considered quite economic for the manufacture of ammonia. Secondly, it is connected by the Southern Railway. Thirdly, as it is situated on the banks of the Krishna and the Koyna, plentiful river water is available. Fourthly, it is connected with a network of good roads to various consuming centres. Most of the sugar and other agricultural farms in the Deccan area are within easily accessible distance from Karad. Finally, Karad is connected by rail from the port of Bombay. If the proposal for Karad-Chiplun rail link were to materialise, then Karad would be connected with Port Jaigad. The preliminary report, referred to at the outset, says that Jaigad could initially be developed, at least as an industrial port. Karad is already connected with Goa by railway.

As a sequel to the revision of duties in the Indian Finance Bill, 1955, it has been decided to enhance the import quotas for certain items like pickers, cotton ropes, skins—tanned or dressed—certain leather manufactures, for skin, certain articles made of paper and papier mache, second-hand gunny-bags, refills for thermos flasks, and cutlery, a Ministry of Commerce and Industry Press Note announced recently.

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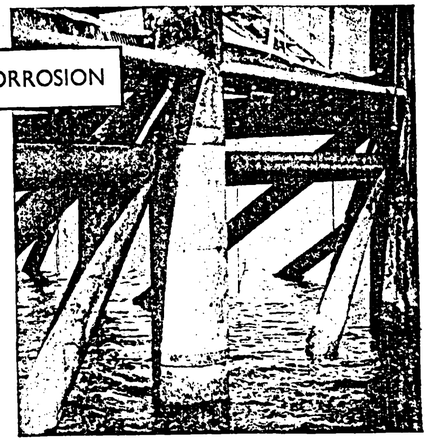

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Notices

THE GOKAK MILLS, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-Sixth Annual General Meeting of Shareholders of the Gokak Mills Limited, will be held at the Registered Office of the Company, Forbes Building, Home Street, Fort, Bombay, on Thursday the 31st March, 1955, at 5-00 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and Audited Statements of Account for the year ended 31st December, 1954.

(2) To sanction the declaration of a Dividend.

(3) To elect Directors in the place of those who retire from office but are eligible for re-election.

(4) To appoint Auditors for the coming year and to fix their remuneration.

The Transfer Books of the Company will remain closed, as previously advertised, from the 4th March, 1955, to the 24th March, 1955, both days inclusive.

By Order of the Board,
FORBES FORBES CAMPBELL & CO., LTD.,
Agents.

BOMBAY, 1st *March*, 1955.

Note:—The Dividend when sanctioned will be made payable, free of Income-tax, at the Chartered Bank of India, Australia and China, Bombay or Madras, on and after 9th April, to those Shareholders whose names stand on the Register on the 24th March, 1955, to whom Dividend Warrants will be posted.

THE CALCUTTA JUTE MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-sixth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, "Stephen House," Fourth Floor, No. 4, Dalhousie Square East, Calcutta, at 3 p.m. on Monday the 21st March, 1955, for the purpose of receiving and passing the Report of the Directors and the Managing Agents for the half-year ended 31st December, 1953, declaring a dividend on Preference shares and transacting such other business as may be brought forward.

The Transfer Register will be closed from 12th to 21st March, 1955, both days inclusive, and it is notified that Dividend Warrants for Preference shares will be issued and posted to the registered shareholders only on application. Persons holding Preference shares under blank transfer are advised to effect registration of scrip to their names as soon as possible but not later than 12th March, 1955.

By Order of the Board,
DAYARAM & SONS,
Managing Agents.

"STEPHEN HOUSE" FOURTH FLOOR,
4, DALHOUSIE SQUARE EAST,
CALCUTTA, 17*th February*, 1955.

EASTERN INVESTMENTS LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming General Meeting of Shareholders the following dividends for the year ended 31st December, 1954:—

On the Cumulative Preference Shares, a final Dividend at 2½ per cent. per annum, making a total of 5 per cent. per annum, less Income-tax.

On the Ordinary Shares at 9 per cent. per annum, without any deduction in respect of taxation payable by the Company.

By Order of the Board,
BIRD & CO., LIMITED,
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, 2*nd March*, 1955.

THE BOMBAY DYEING AND MANUFACTURING COMPANY LTD.

NOTICE

AT THE BOARD MEETING HELD ON THURSday the 3rd March, 1955, the Directors have decided to recommend to the Shareholders to declare, at the Annual General Meeting to be held on the 7th April, 1955, a Final Dividend of Rs. 12-8 per share, free of Income-tax, for the year ending 31st December, 1954.

By Order of the Board,
NOWROSJEE WADIA & SONS LIMITED,
NEVILLE N. WADIA,
Director,
Agents.

BOMBAY, 3*rd March*, 1955.

THE BOMBAY DYEING AND MANUFACTURING COMPANY LTD.

NOTICE

THE EIGHTY-THIRD ORDINARY GENERAL Meeting of the Shareholders of The Bombay Dyeing and Manufacturing Company, Ltd., will be held at the temporary Registered Office of the Company, Imperial Bank Buildings, Bank Street, Fort, Bombay, on Thursday the 7th April, 1955, at 10-30 a.m., to transact the following business:—

1. To adopt the Directors' Report, the Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1954.
2. To sanction the declaration of a Dividend.
3. To elect a Director in place of Mr. J. D. Choksi who retires in terms of Article 98, but being eligible offers himself for election.
4. To elect a Director in place of Mr. N. K. Petigara who retires in terms of Article 98, but being eligible offers himself for election.
5. To elect a Director in place of Mr. Maneklal Premchand who retires by rotation, but is eligible for re-election.
6. To elect a Director in place of Mr. H. R. Batlivala who retires by rotation, but is eligible for re-election.
7. To elect a Director in place of Mr. Pratapsinh Mathuradas who retires by rotation, but is eligible for re-election.
8. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board,
NOWROSJEE WADIA & SONS, LTD.,
NEVILLE N. WADIA,
Director,
Agents.

The Bombay Dyeing & Mfg., Co., Ltd.

The Transfer Books of the Company will be closed from 22nd March to 7th April, 1955, both days inclusive.

The Dividend, when sanctioned, will be made payable at the National Bank of India, Ltd., Bombay, on or after the 21st April, 1955, to those shareholders whose names stand on the Register of the Company on 7th April, 1955, and the Dividend Warrants will be posted to them.

The Shareholders are requested to immediately notify any change of address to the Company.

BOMBAY, 3*rd March*, 1955.

To,

The Shareholders of The Bombay Dyeing and Manufacturing Company, Ltd., and in particular to:—

Mr. Abdullah Rahimtullah, Mr. Ahmed Ismail, Miss Beatrix E. Alston, Capt. John S. Alston, Miss Ethel B. Ashby, Mr. Ebrahim Mamoojee Badat, Mr. P. J. Chinoy and Mrs. Arnavaz P. Chinoy, Mr. I. C. Chopra, Mr. V. M. Clerk and Mrs. Rasila V. Clerk, Mr. M. Crowder, Mrs. Goolcher F. Dadachanji and Faridun K. Dadachanji, Mr. F. C. Dadysett, Mrs. Martha I. Dadysett, Dr. L. Das, Mrs. F. Dastur and Mr. Fredun P. Dastur, Mr. Domingos Roque de Sousa and Miss Teresinha Adelina de Sousa, Miss Ludomila Fenedita da Piedade e Sousa and Mr. Francisco Teodore de Sousa, Mr. Eruch E. U. Dinshaw and Mrs. Naja E. E. Dinshaw, Mrs. Meherbanu P. Dubash and Mr. P. S. Dubash, Mr. J. Armando Fernandes and Mrs. Henriqueta Fernandes, Mrs. Eileen Gomes and Mr. Arthur Louis Gomes, Mr. A. F. Gonsalves, and Mrs. Eslinda Gonsalves, Srimati Grihya Kumari, Mr. Stanley Hampson, Mr. Ismail Essack, Mr. Saiffudeen I. Jafferji, Mr. T. I. Jafferji, Mrs. Nan Ellis Jones, Mr. W. Ellis Jones, Mrs. Dorothy M. H. Maclean, Mr. Jivanlal V. Madhvani and Mrs. Nirmala Jivanlal Madhvani, Mr. Pravin V. Madhvani, Mr. Vrajlal G. Mehta and Mrs. Savitri Vrajlal, Miss Khorshed Jehangirji Merchant, Miss Dhun Mancherji Khambata, Miss Sara Mancherji Khambata, Miss Rhoda Mancherji Khambata, Mr. Hassen Saleh Mia, Mr. Chhagan Khoosal Mistry, Mr. Naran K. Mistri, Mrs. Freny Rustom Mody, Mr. M. A. H. Moosa, Mrs. Shirinbai R. Motiwalla and Mr. M. P. Wania, Mrs. Shireen Phiroze Milla, Mr. Syed M. Muslim, Mr. Pestonjee E. Pader, and Mrs. Perin P. Pader, Mr. Jalbhoy P. Panthaky, Mrs. Fatima A. Parak and Mr. Ahmed H. Bamath, Mr. Ahmed M. Parak, Mr. Kantilal P. Patel, Mr. Arthur G. Powell, Mr. Govindji V. Radia, Comm. Gen. Sir Baber Shum Shere Jung Bahadur Rana and Maj. Gen. Mrigendra Shum Shere Jung Bahadur Rana, Comm. Gen. Sir Baber Shum Shere Jung Bahadur Rana, Rani Beda Bhakta Laxmi Devi and Maj. Gen. Mrigendra Shum Shere Jung Bahadur Rana, Mrs. Premila J. Saraiya and Mr. Jayantilal C. Saraiya, Mr. Theodore O. Schmid, Mr. G. M. D. Seedat, Mr. Ismail A. Shaikh, Mr. James Arnott Thomson, Mr. W. E. S. Thomson, Mrs. Elizabeth S. Thomson and Mr. J. Henderson, Dr. John M. Thomson, Mr. Hansraj Ebji Velji and Mrs. Chandubai Hansraj.

THE STANDARD MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixtieth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company at 29, Rustom Building, Veer Nariman Road, Fort, Bombay, at 4-00 p.m. (S.T.), on Monday, 11th April, 1955, to transact the following business:—

(1) To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account of the Company for the year ended 31st December, 1954.

(2) To sanction the declaration of Dividends on First and Second Preference Shares and Ordinary Shares.

(3) To elect two Directors in place of those who retire by rotation and who are eligible for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration.

(5) To transact any other business the Chairman may bring forward before the Meeting.

The Transfer Books of the Company will be closed from Saturday, 26th March, 1955, to Monday, 11th April, 1955 (both days inclusive).

By Order of the Board of Directors,
For THE STANDARD MILLS COMPANY, LTD.,
MAFATLAL GAGALBHAI & SONS,
Managing Agents.

BOMBAY, 2*nd March*, 1955.

N.B.—The Dividends, when sanctioned, will be made payable at the Company's Registered Office on and after Tuesday, 12th April, 1955, to those shareholders whose names stand on the Register on Friday, 25th March, 1955, and the Dividend Warrant will be posted to each shareholder to his last given address.

To The Shareholders of the Standard Mills Co., Ltd., and particularly to:

Omar Latiff, Navazbai D. Cama and Mancherji S. Bilimoria, F. P. Dastur and Alla F. Dastur, Timothy M. Fernandes, Gulamhussein H. Ismail Pahad, Ugni S. S. Jung Bahadur Rana, J. A. Robertson, John Rankine, M. H. Crowder, Rani Luxmi Debi.

Notices

UNITED MOTORS (INDIA) LIMITED

NOTICE IS HEREBY GIVEN THAT THE THIRTY-FIFTH ORDINARY GENERAL MEETING of the Shareholders of the above Company will be held on TUESDAY the 15th day of March, 1955, at 5-15 p.m. (S.T.), at the registered office of the Company, Ford Building, Hughes Road, Bombay, to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st December, 1954.
2. To declare a dividend to Shareholders.
3. To appoint Directors in place of those who retire by rotation, but who are eligible for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from TUESDAY the 8th March, 1955, to TUESDAY the 22nd March, 1955, both days inclusive.

By Order of the Board,
JOSEPH KAY,
Chairman.

BOMBAY, 24*th January*, 1955.

N.B.—The Dividend when declared will be made payable through the Chartered Bank of India, Australia and China, Bombay, on and after the 31st March, 1955. The Dividend Warrants will be posted to those shareholders whose names stand on the Register on the 8th day of March, 1955.

THE SASSOON SPINNING AND WEAVING COMPANY, LIMITED

NOTICE

THE EIGHTY-SECOND ORDINARY GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office, Maneckji Wadia Building, 127, Mahatma Gandhi Road, Fort, Bombay, on Monday the 18th April, 1955, at 4-00 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1954.
2. To declare a Dividend.
3. To elect a Director in place of Mr. Yogindra N. Mafatlal who retires by rotation and is eligible for re-election.
4. To elect a Director in place of Mr. Kumudchandra K. Mahadevia who retires by rotation and is eligible for re-election.
5. To appoint Auditors for the current year and fix their remuneration.
6. To transact any other business the Chairman may bring before the Meeting.

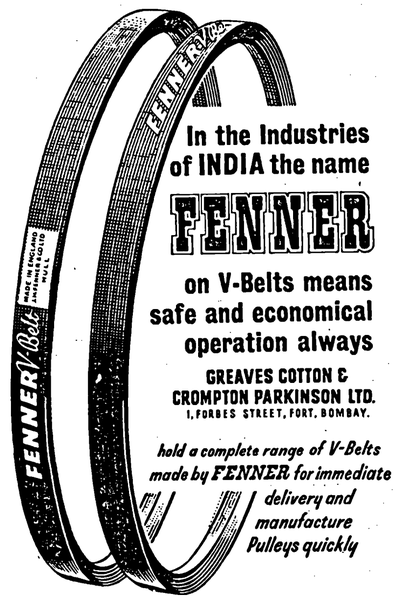
The Transfer Books of the Company will be closed from Friday the 1st April, 1955, to Friday the 22nd April, 1955, both days inclusive.

By Order of the Board of Directors,
M.G. INVESTMENT CORPORATION LTD.,
N. MAFATLAL,
Director,
Managing Agents.

MANECKJI WADIA BUILDING,
127, MAHATMA GANDHI ROAD, FORT,
BOMBAY, 3*rd March*, 1955.

N.B.—If Dividend, as recommended by the Directors, is passed at the General Meeting, the payment will be made at the Registered Office of the Company on and after Monday the 25th April, 1955, during office hours, excepting Saturdays, to those Shareholders whose names are on the Company's Register on 22nd April, 1955.

Shareholders are requested to intimate immediately any change in their registered address to the Company.



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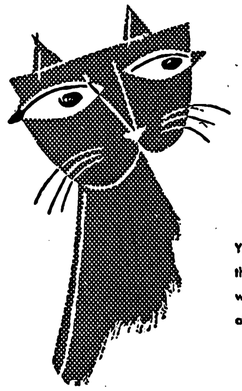

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PROFIT OF EAST INDIA DISTILLERIES AND SUGARS SHRINKS

FINANCIAL POSITION, HOWEVER, GOOD

A SIZABLE shrinkage in the output of sugar, following a shortfall in the quantity of cane available for crushing, a fall in sugar prices, and in the sale of confectionery during the latter part of the year, have cumulatively been responsible for the setback in the earnings of the East India Distilleries and Sugar Factories, Ltd. (Managing Agents: Messrs. Parry & Co., Ltd., Madras), for the year ended 30th September, 1954. Thus, the gross profit of the Company (before providing for depreciation and taxation) amounts to only £274,082 as against £358,885 for the previous year. The net profit has dropped from £170,700 to £110,053. This decline in profit has not, however, affected the return to the shareholders, as will be explained below, but the allocation to the general reserve has been cut substantially.

The dividend on the "A" ordinary shares is as usual kept at 10 per cent. per annum. The dividend on the "B" ordinary shares, which are entitled to receive any surplus profit which is determined to be distributed after paying the 7 per cent. preference dividend and a dividend of 10 per cent. on the "A" ordinary shares, has been proposed to be paid at the rate of 15 per cent. as in the previous year. The "B" ordinary shares had, in addition, received in the previous year a special dividend of 5 per cent. and this special dividend has been raised to 12½ per cent. (already paid in December last). Out of this 12½ per cent. special dividend, only 5 per cent. represents cash distribution, while the balance has been distributed in the form of 300,000 ordinary shares of Re. 1 each in Parrys Confectionery Ltd. In other words, the "B" ordinary shareholders receive the same cash dividend (20 per cent.) as in the previous year and, in addition, are in receipt of a dividend of 7½ per cent. in specie.

The sale proceeds of the Company have declined from £2.84 million to £2.14 million. This is due mainly to (1) the smaller quantity of cane available for crushing, (2) the lower prices realised for sugar, and (3) the working of the confectionery department for only seven months before it was sold to Parrys Confectionery Ltd. The Company crushed only 254,000 tons of cane, producing 23,475 tons of sugar, as against 306,000 tons of cane crushed in the previous year which yielded 27,552 tons of sugar. The rate of recovery was, however, better at 9.22 per cent., as compared with 8.91 per cent. in 1952-53. "The shortfall in the crop of cane available for crushing during 1953-54 season," the directors say, "was the result of the reduction in the minimum price for cane fixed by the Government of India, which encouraged ryots to utilise their land for the production of alternative crops." The Government of India requisitioned 25 per cent. of the Company's production at a price of Rs. 741 per ton, thereby reducing the proceeds of sale of the Company's sugar below the free market price. In addition, the price of sugar was adversely affected by the flooding of the South Indian markets with imported sugar.

The Company's confectionery business was sold to Parrys Confectionery Ltd., an Indian Company formed for that purpose, with effect from 1st April, 1954. Up to the time of such acquisition, the confectionery department of the E.I.D., Ltd., earned satisfactory profits. The demand for the higher grade wrapped varieties is said to have increased substantially, largely due to the introduction of a new range of consumer packings.

As regards the other sections of the Company's business, the production of spirit at the old distillery continued throughout the year. The old distillery has, subsequently, been replaced by a completely new plant and this commenced production in October, 1954. Trading in carbonic acid gas was difficult throughout the year under review and prices fell substantially. The management has, however, taken steps to modernise the purification plant, as a result of which production costs will be reduced. The chemical section continued to meet the increasing demand for acids and heavy chemicals. The sulphuric acid chamber plant, which had been completely modernised, resumed production during the year and the production of sulphuric acid increased by more than 50 per cent. over the previous year's to 11,274 tons. The year under review was one of expansion and reorganisation for the pottery section of the Company. The increasing demand for sanitaryware necessitated a major change in the manufacturing programme and several of the less profitable lines were discontinued to make way for mass production of sanitaryware.

The decline in turnover is reflected in the drop in manufacturing, selling and administrative expenses from £2.49 million to £1.86 million. Out of the gross profit of £274,082, the directors have set aside £73,943 for depreciation, for which £84,401 had been provided last year. The provision for taxation has been reduced from £103,784 to £90,086. The net profit of £110,053 has been supplemented by a sum of £17,047, being the result of the revaluation of the opening stocks. The basis of determining the cost of finished stocks as at the end of the year under review was changed so as to include certain production costs not taken into account for this purpose in previous years. Accordingly, the opening stocks were also revalued on this basis. The directors also changed the old practice of converting the rupee value of the Company's fixed assets in India to sterling at 1s. 6d. to the rupee and of its other Indian assets and liabilities at 1s. 4d. to the rupee to one converting all assets and liabilities at the uniform rate of 1s. 6d. The application of the new basis of conversion resulted in an exceptional credit of £68,416 and this has been transferred to the capital reserve of the Company. The Company also derived a surplus of £24,996 out of the realisation of its confectionery assets and this also has been added to the capital reserve.

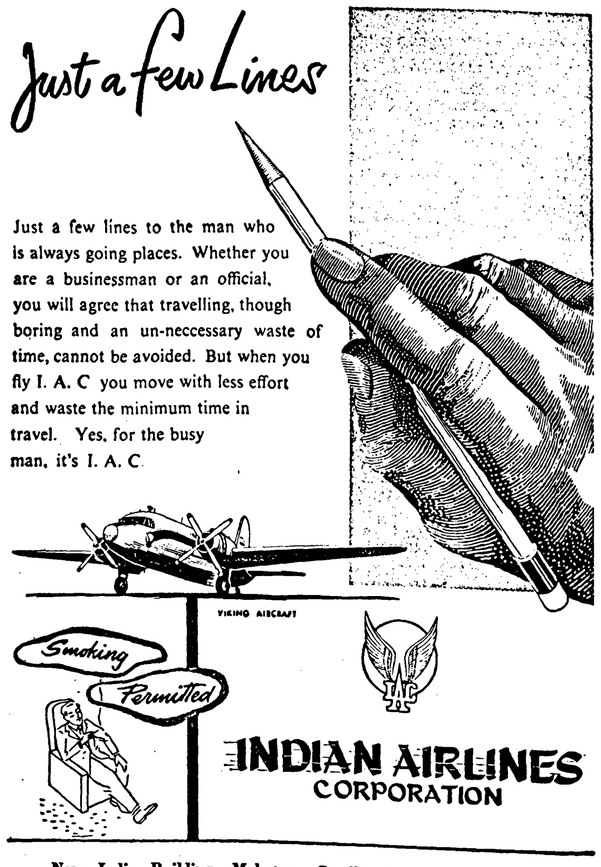
The directors have strengthened the general reserve by the addition of £25,000 (as against £75,000 added last year) out of the profit. The dividends on the preference and ordinary (A and B) shares absorb £217,916, leaving to be carried forward £57,290, as against £59,690 brought in.

The following synopsis of the Company's balance-sheet as on 30th September, 1954, gives an idea of its financial position:

Liabilities	£	Assets	£
Capital ...	580,000	Gross block	1,263,446
Reserves and surplus ...	953,568	Less—Depreciation ...	513,606
Provision for taxation ...	119,900	Net block ...	749,840
Liabilities ...	445,606	Stocks ...	772,190
		Cane crop	15,382
		Book debts	528,317
		Investments	25,399
		Cash ...	7,946
	£2,099,074		£2,099,074

The gross block includes a sum of £37,905 representing expenditure up to the end of the year under review on buildings, plants and machinery in course of construction. The total commitments in respect of capital expenditure amount to £111,000, of which £37,500 is in respect of subscription for shares in Parrys Confectionery Ltd. Additions to the gross block during the year aggregate £183,070. A notable feature of the balance-sheet is the substantial decline in cash balances from £225,152 to £7,946. Notwithstanding this, the financial position of the Company is quite good, the current assets exceeding current liabilities and provision for taxation by a large margin.

The "B" ordinary shares (£1 paid-up) of the Company are being currently quoted on the Madras Stock Exchange at Rs. 29-8 *cum-div.* on an *ex-div.* basis, the shares give a yield of 9.7 per cent. per annum, free of tax, assuming that the dividend for the current year will be at 20 per cent. per annum.



New India Building, Mahatma Gandhi Road, Fort, BOMBAY
Phone: 32957 and 34013

SECTION 23A OF THE INCOME-TAX ACT

EFFECT OF PROPOSED AMENDMENT

By R. K. Dalal, B.Com., F.S.A.A., F.C.A.

THE Taxation Enquiry Commission's Report has just been released. Its main recommendations, so far as section 23A of the Income-tax Act is concerned, have already been incorporated in the Finance Bill 1955, along with a few other recommendations of the Commission. Section 23A is proposed to be amended as per recommendations of the Enquiry Commission, more or less drastically, affecting, not only private companies, but also some public companies whose shareholding is not widely dispersed among the public. Some of the most important changes are summarised below:

The period during which such a company is bound to distribute the requisite 60 per cent. of its total income less taxes is increased from six months to twelve months immediately following the expiry of the previous year.

In computing total income for the purpose of the above distribution, super-tax levied under the provisions of this section for distributing profits less than 60 per cent. is not to be deducted.

However, besides income-tax and super-tax, if there is any other tax levied under any law by Government or local authority in excess of the amount which has been allowed in computing the total income, it may be deducted.

Banking Company

In the case of a banking company, however, the amount transferred to reserve account under section 17 of the Banking Companies Act will be deducted.

The conditions under which the section will not operate are the same at present, namely, (*a*) losses incurred by the company in earlier years, or (*b*) the smallness of profits made in the previous year.

The aforesaid 60 per cent. is raised to higher percentage in the following cases:

(*a*) in the case of investment company or company dealing in investments, it is 90 per cent.; (*b*) in the case of a company, the reserves of which exceed the paid-up capital, exclusive of capital created out of profits by capitalising reserves in the shape of bonus shares and any loan capital which is the property of the shareholders or the actual cost of fixed assets, it is 100 per cent.

Locus pœnitentiæ is given to make up the deficiency of such distribution if—

(i) the company has already distributed 55 per cent., or

(ii) the company has distributed not less than 60 per cent. of its book profits

and the difference between the total income and book profit does not arise by reason of the application of the proviso to section 13 or section 23(4), or omission by the company to disclose its total income fully or truly.

In the aforesaid circumstances, the Income-tax Officer may allow the company concerned to make up the deficiency by further distribution.

There is a new provision to the effect that, if, in any one or more of the three previous years, the company has already distributed more than 60 per cent., the excess will be taken into account in determining the distribution in the year under question. This provision will not come into effect retrospectively.

Substantial Interest Explained

The next important change introduced is in regard to the explanation as to the company in which the public are not substantially interested.

A company is a company in which the public are not substantially interested if—

(i) its ordinary shares carrying not less than 50 per cent. of the voting power have been allotted unconditionally to or acquired unconditionally by and held beneficially by the public throughout the previous year. Thus, the present limit of 25 per cent. has been raised to 50 per cent. and voting power is to be determined by a reference not to the end of the year, but throughout the year;

(ii) the said shares were at any time the subject of dealings in any stock exchange in India or were freely transferable by the holder to other members of the public; and

(iii) the affairs of the company or the shares carrying more than 50 per cent. of the total voting power were at no time controlled or held by less than six persons. Any relation such as husband, wife, lineal descendant, brother or sister, as the case may be, will be treated as one person. So also nominees of such persons.

In short, the effect of this tightening up of the provision will be that public companies with not widely dispersed holding will get caught in the net of this new section, unless they—

(i) have the holding widely spread—not among relatives, but among the public;

(ii) get the shares of the company quoted on the stock exchange;

(iii) alter the close control of the affairs by more than six persons.

Under Section 23A, by virtue of the amendment to Section 2(6)A, it is provided that any sum by way of advance or loan to a shareholder or any payment by such company on behalf of or for the individual benefit of the shareholder to the extent to which the company possesses accumulated profits shall be regarded as dividend.

The Taxation Enquiry Commission has admitted that there is some force in the contention that some time limit may be prescribed for initiating and completing proceedings under section 23A. They have, however, come to the conclusion that the delay is inherent and that it would be difficult to prescribe a statutory time limit. The Commission has, therefore, suggested that the Central Board of Revenue should issue strict instructions that action should be initiated and completed with the least possible delay.

The business community clamoured for some loosening of the provisions of this section. In reply, they have got more tightening up of the screws, making the provisions still more drastic and difficult of smooth working and ignoring the legitimate grievances of the taxpaying public.—*All Rights Reserved.*

MATTHAI COMMISSION ON SALES TAX

(*Concluded from page 474*)

lets on procedures were issued by the State Governments for the information of those concerned.

State Governments tacitly accept the practice whereby registered dealers purport to charge the customers separate amounts of sale tax. This is, undesirable, because it leads to customers bargaining for their not having to pay the tax and to dealers offering to forgo the tax if vouchers are not insisted upon. Issue of vouchers and cash memos should be made compulsory but the mention of the sales tax separately in the vouchers should be discouraged.

For prevention of evasion and tax avoidance, there is great need and considerable scope for simplifying administrative requirements, including accounts, forms of returns, etc. More attention should also be paid to supervision and surprise checks by higher officers of the Department and test audits of assessments made by lower officers. Experience has shown that the more complicated the tax system, the more the prevalence of evasion and greater the scope for corruption.

For the maintenance of proper liaison with trade and industry, a small committee representing important sections of trade and industry and the consumer should be set up in each State. Matters discussed by these Sales Tax Advisory Committees should be those of general interest to the State and not individual disputes and grievances.

There should be an independent authority in each State to decide final appeals on sales tax disputes between the Department and the dealer. In most States, appeals lie to the higher executive authorities. This does not create the same confidence in the minds of the dealers as an independent appellate authority. Sales Tax Tribunals exist in certain States and are working satisfactorily. Such tribunals should be established in all States.

In the administration of sales tax, there is constant need for exchange of information between one State and another. There are occasions, when it is necessary to have consultation with the Sales Tax Department of other States in matters of common interest. It is desirable to have meetings of the Heads of Sales Tax Departments of all States at least once a year. Such annual conferences should be held under the auspices of the Inter-State Taxation Council.

COMPANY MEETINGS AND DIVIDENDS

NORTH-WEST COAL CO., LTD. Half-yearly General Meeting, Calcutta, 17th March, 1955. Dividend: *Nil.* Transfer books remain closed from 9th to 17th March, 1955, both days inclusive.

INDIA PAPER PULP CO., LTD. Half-yearly General Meeting, Calcutta, 23rd March, 1955. Dividend: Rs. 7 per share. Transfer books remain closed from 10th to 23rd March, 1955, both days inclusive.

EAST INDIA DISTILLERIES AND SUGAR FACTORIES LTD. Annual General Meeting, Madras, 24th March, 1955. Dividend: 10 per cent. on "A" share capital and 15 per cent. on "B" share capital. Transfer books will remain closed from 25th March to 8th April, 1955, both days inclusive.

LOTHIAN JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 24th March, 1955. Dividend: Rs. 15 per share. Transfer books remain closed from 11th to 24th March, 1955, both days inclusive.

DELTA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 25th March, 1955. Dividend: Rs. 6 per share. Transfer books remain closed from 12th to 25th March, 1955, both days inclusive.

AHMEDABAD ELECTRICITY CO., LTD. Annual General Meeting, Bombay, 28th March, 1955. Dividend: Rs. 6-8 per share (includes interim dividend of Rs. 2-8 per share). Transfer books remain closed from 10th to 28th March, 1955, both days inclusive.

MARTIN BURN LTD. Annual General Meeting, Calcutta, 29th March, 1955. Dividend: Re. 1-6 per share (includes a cash bonus of As. 2 per share), payable on or after 22nd April, 1955. Transfer books will remain closed from 22nd to 29th March, 1955, both days inclusive.

GOKAK MILLS LTD. Annual General Meeting, Bombay, 31st March, 1955. Dividend: Rs. 13 per share, payable on 9th April, 1955. Transfer books will remain closed from 4th to 24th March, 1955, both days inclusive.

BOMBAY DYEING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 7th April, 1955. Dividend: Rs. 12-8 per share (final) payable, on 21st April, 1955. Transfer books will remain closed from 22nd March to 7th April, 1955, both days inclusive.

STANDARD MILLS CO., LTD. Annual General Meeting, Bombay, 11th April, 1955. Dividend: Rs. 20 per share, payable on 12th April, 1955. Transfer books will remain closed from 26th March to 11th April, 1955, both days inclusive.

NEW UNION MILLS LTD. Annual General Meeting, Bombay, 18th April, 1955. Dividend Re. 1-4 per share, payable on 25th April, 1955. Transfer books will remain closed from 1st to 22nd April, 1955, both days inclusive.

SASSOON SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 18th April, 1955. Dividend: Re. 1-12 per share, payable on 25th April, 1955. Transfer books will remain closed from 1st to 22nd April, 1955, both days inclusive.

COCHIN STATE POWER AND LIGHT CORPORATION LTD. Interim dividend of As. 7 and As. 6 per share, free of tax, on shares of Rs. 10 and Rs. 7-8 respectively, for the year 1954-55. The dividends are payable on 1st April, 1955.

ORISSA MINERALS DEVELOPMENT CO., LTD. Dividend of Re. 1 per share (10 per cent.), for the half-year ended 30th June, 1954.

COMPANY REGISTRATIONS

EASTERN DEALERS LTD. (First Director: Mr. R. P. Khaitan.) Business: Growers, cultivators and dealers in sugar, molasses, etc. Authorised capital: Rs. 10,00,000. Public company. Address: 33, Netaji Subhas Road, Calcutta.

NEW BURRA DHEMO COLLIERY CO., LTD. (First Director: Mr. N. N. Varma.) Business: Coal mining. Authorised capital: Rs. 7,50,000. Private company. Address: 135, Canning Street, Calcutta.

GULABROY KASINATH LTD. (First Director: Mr. Jallal Agarwalla.) Business: To acquire, hold, sell and dispose of and deal in shares, stocks, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 33, Netaji Subhas Road, Calcutta.

JHARIA FIREBRICKS AND POTTERY WORKS LTD. (First Director: Mr. R. P. Agarwalla.) Business: Pottery works. Authorised capital: Rs. 5,00,000. Public company. Address: 24, Netaji Subhas Road, Calcutta.

JAIN AUTOMOBILES (INDIA) LTD. (First Director: Mr. K. L. Jain.) Business: Dealers of motor cars, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 20/1, Harrison Road, Calcutta.

BALKRISHNA BUSTY PROPERTIES LTD. First Director: Mr. P. L. Mundhra.) Business: To acquire by purchase, lease, exchange, any lands, buildings, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 12, Old Court House, Calcutta.

FINE WALK LTD. (First Director: Mr. Asima Chatterjee.) Business: Dealers in boots and shoes, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 12, Old Court House, Calcutta.

CASTLE SCALE ICE AND COLD STORAGE LTD. (First Director: C. L. Kothari.) Business: Refrigerators, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 26, Prasanna Kr. Tagore Street, Calcutta.

BAKRSHICO LTD. (First Director: Mr. Balwant Singh.) Business: Merchants, builders, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 2, Commercial Building, Calcutta.

Notices

THE NEW UNION MILLS, LIMITED

NOTICE

THE EIGHTEENTH ORDINARY GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office, Maneckji Wadia Building, 127, Mahatma Gandhi Road, Fort, Bombay, on Monday the 18th April, 1955, at 4-30 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1954.
2. To declare a Dividend.
3. To elect a Director in place of Mr. Jayantilal D. Vasa who retires by rotation and is eligible for re-election.
4. To elect a Director in place of Mr. Bhupendra Bhikhabhai who retires by rotation and is eligible for re-election.
5. To appoint Auditors for the current year and fix their remuneration.
6. To transact any other business the Chairman may bring before the Meeting.

The Transfer Books of the Company will be closed from Friday the 1st April, 1955, to Friday the 22nd April, 1955, both days inclusive.

By Order of the Board of Directors,

MAFATLAL CHANDULAL & CO., (BOMBAY) LTD.,
N. MAFATLAL,
Director,
Managing Agents.

MANECKJI WADIA BUILDING,
127, MAHATMA GANDHI ROAD, FORT,
BOMBAY, 3rd *March*, 1955.

N.B.—If Dividend, as recommended by the Directors, is passed at the General Meeting, the payment will be made at the Registered Office of the Company on and after Monday the 25th April, 1955, during office hours, excepting Saturdays, to those Shareholders whose names are on the Company's Register on 22nd April, 1955.

Shareholders are requested to intimate immediately any change in their registered address to the Company.

THE RAVALGAON SUGAR FARM LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-second Ordinary General Meeting of the Company will be held at "Construction House," Ballard Estate, Fort, Bombay, on Wednesday the 23rd March, 1955, at 5-00 p.m. (S.T.), for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 30th September, 1954, and to declare dividend on Preference Shares.
2. To elect Directors in place of those who retire by rotation and who are eligible for re-election.
3. To appoint Auditors for the current year and to fix their remuneration.

The Transfer books of the Company will remain closed as from Saturday the 12th March, 1955, to Tuesday the 29th March, 1955, (both days inclusive).

By Order of the Board,

WALCHAND & Co., LTD.,
Managing Agents,
GULABCHAND HIRACHAND,
Director.

CONSTRUCTION HOUSE,
BALLARD ESTATE,
BOMBAY, 23rd *February*, 1955.

Note.—The Dividend, if sanctioned, will be paid at the Devkaran Nanjee Banking Co., Ltd., Fort, Bombay, on and from Monday the 4th April, 1955, to those Shareholders whose names stand on the Company's Register on Tuesday the 29th March, 1955.

To the Shareholders of the Company and in particular to

Mr. Zal Shiavax Daver of Karachi.

EASTERN INVESTMENTS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-eighth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 4.00 p.m. on Tuesday the 29th March, 1955, for the following purposes:—

1. To receive the Directors' and Auditors' Reports and pass the Accounts for the year ended 31st December, 1954.
2. To declare Dividends.
3. To elect Directors and appoint Auditors.
4. To transact any other ordinary business that may be brought before the meeting.

The Share Transfer Registers of the Company will be closed from the 16th March, 1955, to the 29th March, 1955, both days inclusive.

By Order of the Board,

BIRD & CO., LIMITED,
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, 2nd *March*, 1955.

JARDINE HENDERSON, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend at the rate of 2¾ per cent., less Indian Income-tax thereon, will be paid to the Registered holders as on the 6th April, 1955, of the 50,000 Cumulative Preference Shares of Rs. 100 each in the Company in respect of the year ending 31st March, 1955.

The Share Transfer Books of the Preference Shares will be closed from the 22nd March, 1955, to the 6th April, 1955, both days inclusive.

By Order of the Board,

D. FORDWOOD,
Secretary.

4, CLIVE ROW,

CALCUTTA 1, 28th *February*, 1955.

INDIAN ALUMINIUM COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventeenth Ordinary General Meeting of Indian Aluminium Company, Limited, will be held at the Registered Office, 31, Chowringhee Road, Calcutta 16, on Wednesday, 27th April, 1955, at 11 a.m., for the following purposes:

1. To receive and adopt the balance sheet at 31st December, 1954, and profit and loss account for the year ended December, 1954, together with the reports of the Auditors and Directors.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors and to fix their remuneration.

The Share Transfer register of the Company will be closed from 5th to 27th April, 1955, both days inclusive.

Payment of any dividend declared will be made only to those members whose names are registered in the books of the Company on 27th April, 1955, or to their mandatees. No application for warrants will be necessary. Claims on behalf of holders of shares held on blank transfer will not be entertained.

By Order of the Board,

ROBERT E. YOUNG,
Secretary.

4th *March*, 1955.

THE BANK OF INDORE, LIMITED

(*Incorporated in Indore*, 1920)

NOTICE IS HEREBY GIVEN THAT THE Thirty-Fifth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Bank, Prince Yeshwant Road, Indore City, on Monday the 28th March, 1955, at 4 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December, 1954.

(2) To declare a Dividend.

(3) Jain Ratna Seth Suganmal Bhandari and Mashir Bahadur Seth Balkishan Muchhal retire by rotation but are eligible for re-election.

(4) To elect Auditors for the ensuing year and to fix their remuneration.

By Order of the Board of Directors,

N. D. JOSHI,
Manager.

INDORE CITY, 28th *February*, 1955.

N.B.—The Transfer Books of the Company will be closed from 14th March, 1955, to 28th March, 1955, both days inclusive.

The Dividend when sanctioned will be payable on and from Tuesday the 29th March, 1955.

Shareholders are requested to intimate the Bank their change of address, if any, immediately.

THE UNITED COMMERCIAL BANK LIMITED

Registered Office:
Bhagirath Palace, Chandni Chowk, Delhi
Head Office:
2, Royal Exchange Place, Calcutta

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWELFTH ORDINARY GENERAL MEETING of the Shareholders of THE UNITED COMMERCIAL BANK LIMITED, will be held at the Head Office of the Bank at 2, Royal Exchange Place, Calcutta, on WEDNESDAY the 30th March, 1955, at 4 p.m., to transact the following business:—

1. To receive the Report of the Directors and the Audited Balance Sheet as on 31st December, 1954, and Profit and Loss Account for the year ended 31st December, 1954.
2. To declare a Dividend.
3. To elect four Directors in place of—
   1. Shri R. L. Nopany
   2. Shri A. C. Law
   3. Shri I. P. Goenka
   4. Shri Navinchandra Mafatlal

   who retire under Article 95 of the Articles of Association of the Bank, and, being eligible, offer themselves for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board,

B. T. THAKUR,
General Manager.

CALCUTTA, 9th *February*, 1955.

N. B.:—i. The Transfer Books of the Bank will be closed from Tuesday the 1st March to Wednesday the 30th March, 1955, both days inclusive.

ii. The dividend, if sanctioned, will be payable on or after 31st March, 1955, to those Shareholders whose names appear in the Register of Members on Wednesday the 30th March, 1955.

iii. Dividend warrants will be posted to Shareholders at their registered addresses or in accordance with their mandates. Shareholders are requested to advise change in their addresses, if any.

DEMAND FOR MONEY KEEN

(*From Our Own Correspondent*)

BOMBAY, 8th *March*

Conditions in the short-term money market continued to be stringent during the week under review also. Notwithstanding the reported lending of its idle funds by the Industrial Credit and Finance Corporation to banks, the requirements of funds by banks remained unsatisfied. The demand was so keen that any offering of funds was readily absorbed. In the result, the short-term money rates were firmly held at the previous week's levels.

Inter-bank call money was bid at the self-same rate of 3 per cent. among all sections of banks. House money at call was placed at 3 per cent. and short-term deposits for one to six months also at 3 per cent.

The foregoing conditions in the market is duly reflected in the results of the Government of India Treasury Bill sales this week. The amount offered, against the usual invitation for Rs. 1 crore, dwindled substantially from Rs. 2.76 crores last week to Rs. 1.40 crores. This is the second week in succession in which the offerings show a marked decline, the decline in the previous week having been from Rs. 3.72 crores to Rs. 2.76 crores. The average rate of accepted tenders, which had dropped from Rs. 2-8 per cent. to Rs. 2-7-8 per cent. per annum in the previous week, rose once again to Rs. 2-8. Tenders for Rs. 1 crore have been invited for next week also.

A marked rise of Rs. 23.57 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 4th March, 1955, as compared with that for the previous week. Notes held in the Banking Departments are lower by Rs. 5.23 crores, so that the rise in total notes issued is of the order of Rs. 18.34 crores. This is offset by a rise of Rs. 10 crores in foreign securities, a similar increase in rupee securities and a reduction of Rs. 1.66 crores in rupee coin. In the Banking Department, Central Government's deposits have risen by no more than Rs. 74 lakhs, while those of other Governments and banks have gone down by Rs. 4.04 crores and Rs. 2.22 crores, respectively. A decline of Rs. 12.24 crores is noted in deposits of others also. The Bank's cash balances have shrunk by Rs. 5.36 crores to a low of Rs. 7.48 crores and balances held abroad by Rs. 7.25 crores. There has been an increase of only Rs. 29 lakhs in loans and advances to Governments, whereas other loans and advances have gone up by Rs. 4.42 crores, of which advances to Scheduled banks against usance bills account for Rs. 1.82 crores. Investments have dropped by Rs. 11.24 crores, while Government Treasury Bills purchased and discounted are up by Rs. 2.91 crores.

The consolidated statement of position of Scheduled banks for the week ended 25th February, 1955, as compared with that for the previous week, reflects the effects of the rising demand for funds on banks. Thus, in contrast to the rise of Rs. 9.59 crores noted in the previous week, there has been a decline of Rs. 2.47 crores in demand deposits of the banks during the week under review. Time deposits are also lower by Rs. 83 lakhs and borrowings from banks by Rs. 28 lakhs. Borrowings from the Reserve Bank have gone up by Rs. 3.79 crores and those from the Imperial Bank by Rs. 94 lakhs. There has been an expansion of Rs. 4.14 crores in advances and of Rs. 3.40 crores in inland bills purchased and discounted. Foreign bills purchased and discounted are, however, lower by Rs. 38 lakhs. Investments have declined by Rs. 2.01 crores. Cash on hand and balances with the Reserve Bank have together shrunk by Rs. 1.70 crores, balances with other banks in current account by Rs. 38 lakhs and money at call and short notice by Rs. 1.97 crores.

The Gilt-edged market ruled dull, with no semblance of activity whatever. Prices of select securities lost a fraction for want of support. Though there were sellers in some counters, business done was very meagre. The apathy of institutions is evidently due to the growing stringency in the money market. 2½ per cent. 1960, which had been in favour in the previous weeks, lacked further support, but held its ground at Rs. 94-14. 3 per cent. 1957 had buyers at Rs. 99-4 and some small business was done. 3 per cent. 1958 was neglected at Rs. 99-3. 3 per cent. 1959-61 was unchanged at Rs. 97-5. 3 per cent. 1963-65 and 3 per cent. 1964 had sellers at Rs. 93-10½, but no business was reported. 3 per cent. 1966-68 was maintained at Rs. 90-9 and 3 per cent. 1970-75 at Rs. 86-15. 3 per cent. 1986 Conversion Loan was marked down by As. 3 to Rs. 80-15. 3½ per cent. 1961 National Plan Bond dropped an anna to Rs. 99-8 and had sellers at that level. 3½ per cent. 1964 National Plan Loan shaded off by an anna to Rs. 98-7.

There was a hardening of the rupee in terms of the U.S. dollar during the week under review, consequent on the further strengthening of the pound sterling. Thus, banks' selling rate of the U.S. dollar declined from Rs. 480¾ to Rs. 480 per $100 and buying rate from Rs. 476¼ to Rs. 475¾ per $100. In New York, spot sterling improved from $2.78¼-2.78½ to $2.78 15/16-2.79 1/16, forward sterling (three months) from $2.77¾-2.77⅞ to $2.78-2.78⅛ and transferable sterling from $2.75¾-2.75⅞ to $2.75½-2.75¾.

LINSEED QUIET

(*Messrs. A. Bradley & Co.*)

CALCUTTA, 7th *March*

Quieter conditions have prevailed during the week and prices have declined further, whilst activity has been reported on a small scale. Sellers have shown fairly keen interest, owing to quieter conditions ruling in upcountry and keener offerings of new crop supplies. Crushers have been purchasing their requirements on a small scale, and have shown some interest in new crop seeds also. The oil market is dull but steady; the local demand is small and buyers are indicating lower prices. The latest quotations are as follows:

March Rs. 16-6 and April-May Rs. 16 per maund.

BULLS STRONG IN BULLION

(*From Our Own Correspondent*)

BOMBAY, 8th *March*

The week under review was a short one for the bullion market, because the market remained closed yesterday as a mark of respect to Dr. B. V. Narayanaswami Naidu, Chairman of the Forward Markets Commission, who died on Saturday last at Rajkot, and because we have to go to press a day earlier than usual on account of the holiday tomorrow for *Holi*.

During the earlier part of the week, both silver and gold disclosed a somewhat irregular trend in prices, but the movements were confined to a narrow range. The undertone, however, remained fully steady on account of the bull grip over the market, as witness the high carry forward charges for the next settlement in their favour in both the metals. Towards the close, that is today, however, prices flared up on heavy short covering as the carry forward charges in favour of bulls touched a high of Rs. 3-2 in silver and Re. 1 in gold. At higher levels, some profit-taking set in and erased a fraction of the gains. Nonetheless, forward silver disclosed a rise of Rs. 2-3 over the week and gold Re. 1-4.

After advancing, from Rs. 165-11 to Rs. 166-1 on the opening day, forward silver (10th March settlement) reacted to Rs. 165-9 on scattered realising and arrivals of unrefined metal. On short-covering and revival of bull support, it hardened to Rs. 166-9 on Saturday, but reports of persistent arrivals of and lack of sufficient offtake pushed back the price to Rs. 166 on the same day. As already stated, there was a flare up today in prices and forward silver touched a high of Rs. 168-5 before closing at Rs. 167-14.

The carry forward charge for the next settlement which had stood in favour of buyers at the close of the previous week, continued to be in their favour during the week under review. After narrowing down from Rs. 2-6 to Rs. 2-7 to Rs. 2, it widened to Rs. 3-2 today before finishing lower at Rs. 2-12 to Rs. 2-13.

Ready silver (.996 Mint) had commanded a premium of As. 8 over the forward in the previous week, but this premium narrowed to As. 4 during the week under review, due to continued arrivals and poor offtake. The opening and closing prices of the ready metal were Rs. 166-3 and Rs. 168-2, respectively. The floating stocks of silver are estimated at 1,800 bars. The daily average arrivals were 25 bars, while the offtake was no more than 10 bars.

Forward gold (8th March settlement) hardened early in the week from Rs. 91-13 to Rs. 92-8, on increased offtake *vis-a-vis* the arrivals and persistent support from Calcutta operators. It, however, reacted to Rs. 91-15 an Saturday, before advancing today to Rs. 93-3. The closing was done at Rs. 93-1. The carry forward charges in favour of buyers widened from As. 7 to As. 11, and, after a drop to As. 7½, rose further to Re. 1 today.

Ready gold opened at Rs. 92-12 and touched a high of Rs. 93-10 before winding up at Rs. 93-8. The floating stocks of gold are reported to be 25,000 tolas. The daily average arrivals and offtake were even at 3,500 tolas.

In London, silver prices were unchanged at 74¼d. for spot and at 74d. for forward, while gold continued its weak trend, declining from £12 11s. 11¼d. to £12 11s. 3¼d. per fine ounce.

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

	8-3-55	Highest	Lowest	2-3-55
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	93 8	93 10	92 8	92 13
Forward*	93 1	93 3	91 10	91 13
Sovereign	59 10	59 10	59 8	59 6
SILVER				
Ready (.996 fine Mint) ..	168 2	168 9	165 13	166 8
Forward†	167 14	168 5	165 9	165 11
London Silver Ready ..	74¼d.	—	—	74¼d.
London Forward	74d.	—	—	74d.
London Gold	251s 9½d.	251s5½d.	251s. 3½d.	251s7½d
New York Ready	85½c.	—	—	85½c.

* 8th March settlement.
† 10th March settlement.
N.B.—Foreign bullion prices shown in the above table relates to the previous day.

TRADING IN KIPS PATCHY

(*From Our Own Correspondent*)

MADRAS, 7th *March*

Kip trading with U.K. has been patchy, due to importers' resistance to price. Good marks have been selling comparatively freely at a penny less than February levels, while ordinary qualities have been difficult to place. Unless sellers reduce their prices by 2d. to 3d., it is gathered that there is no likelihood of free flow of business in F.A.Q. types. E.I. Tanners are not keen to follow U.K. levels at present, as they are in a well-sold position, but are likely to accept orders at a penny less by the middle of the month, if no buying support is forthcoming from U.K. dressers. There were moderate arrivals of tanned buff calf, buffs and cow calf and clearance was slow.

Arrivals of tanned goat and sheep skins in the local market have been as usual, and prices have been unchanged for sheep and slightly firmer for goat skins due to several enquiries for goat skins from the Continent.

In the March London tanned skins auctions, which commence on the 14th instant, 410,000 goat skins and 650,000 sheep skins will be offered for sale.

Shipments of hides and skins during February in bales were:—2,203 tanned cow hides, 188 cow calf, 66 buff hides, 188 buff calf, 605 tanned goat and 438 tanned sheep skins to U.K. ports; 2 cow calf, 460 tanned goat and 97 tanned sheep to Continental ports; 40 buff hides, 5 buff calf, 19 tanned goat and 13 dry salted goat skins to U.S. ports and 113 tanned sheep skins to Japan.

NARROW MOVEMENTS IN COTTON

(*From Our Own Correspondent*)

BOMBAY, 8th *March*

Narrow fluctuations marked the trading in the cotton market during the week under review. The operators seemed hesitant to enter into large fresh commitments either way. Although little is known about the Government's reaction to the strong demand by the mills for a revision of the new excise duties on cloth announced by the Union Finance Minister, Mr. C. D. Desmukh, as part of his budget proposals, there are many operators who expect to see a helpful downward adjustment in these duties.

There is now little doubt that the new scale of excise duties on cloth will bear heavily on the mills and thereby affect adversely their purchases of cotton. The Committee of the Millowners' Association, Bombay, feels that the effect of the duty will be far greater than that expected by the Finance Minister. As the width of the cloth produced by the Indian textile industry is much larger than 36", the expected yield of Rs. 9 crores from the new excise duty is stated to be an underestimate. It emphasises that the increase in excise is of a two-fold character in the case of coarse and medium cloths—an increase of 6 pies per yard and an alteration in the basis of calculation from linear yard to square yard. The Association says: "If the duty is passed on to the consumer, it will mean hardship, particularly to the agriculturists and the lower class community who constitute 80 per cent. of the population. On the other hand, if the mill industry is unable to increase its price proportionately, many mills will find it extremely difficult to keep going. The result of any reduction in the offtake of cloth is bound to hit the farmer again in the shape of reduced prices and offtake of cotton and may even result in unemployment in the textile industry."

The local cotton market remained closed after 2-30 p.m. on the 7th inst. as a mark of respect to the late Dr. B. V. Narayanaswami Naidu, Chairman of the Forward Markets Commission. It remained closed on 9th inst. on account of *Holi*. In the forward section, I.C.C. May opened the week at Rs. 566½, as against the previous close of Rs. 565½ and moved up on option application and replacement purchases to touch a high of Rs. 569½ on 4th inst. An additional factor for this trend was the expectation that the Government would take a favourable view of the need for a downward revision of the excise duty on cloth. At higher levels, however, there was some profit-taking which, together with reports of weakness in other commodity markets and of absence of mill demand, depressed prices. I.C.C. May declined to touch a low of Rs. 557 on 8th inst., finishing the day's session slightly higher at Rs. 559.

The following is the trend of prices in the forward section during the week under review:

	Opening	High	Low	Closing
I.C.C. May ...	Rs. 566½	569½	557	559

Steady conditions were witnessed in the spot section. Mills evinced interest in Khandesh, Morvi, Wagad, Surtis and Vijay among other varieties. The following are the latest available quotations from the Sewri market.

Bengal *deshi* Rs. 570; Berar Jarillas Rs. 625; Khandesh Rs. 640; Vijay Rs. 730; Oomra *deshi* Rs. 590; Moglai Rs. 580.

A moderate decline in prices has been reported from the Karachi cotton market, thanks to absence of any large-scale foreign interest in Pakiston cotton. The latest available quotations from the Karachi market are:

Sind *deshi* Rs. 65-4; Punjab *deshi* Rs. 58-4; 4F Punjab R.G. Rs. 62-6; S.G. Rs. 67-14 to Rs. 69-14; L.S.S. Punjab R.G. Rs. 67-10; S.G. Rs. 72-2; N.T.R.G. Rs. 68-7; S.G. Rs. 72-11; 289F Punjab R.G. Rs. 71-3; S.G. Rs. 75-3.

Foreign demand for Egyptian cotton continues to be restricted. The Cotton Commission has altered the New York basis of its daily selling prices from March to May. The recent weakness of the position and the declining spot premium, it is stated, brought about reductions in the running offers made by shippers. This does not, however, mean any great advantage to the sterling area buyers since there has been a lowering in the discount given to them following a fall in the entitlement premium for sterling.

In response to easiness in the New York cotton market, the Liverpool cotton market has declined steadily over the week. The latest available quotations are: March-April 31.48d., May-June 31.45d., July-August 31.20d. and October-November 30.88d.

The absence of any active foreign demand for cotton, the slow off-take of textiles and the possibility of a 3 per cent. increase in acreage allotments for new crop were the principal factors which caused a downward movement in the New York cotton market. No sustained support was forthcoming.

An optimistic view of the export outlook for U.S. cotton was expressed by Mr. Walter Randolph, Vice-President of the American Farm Bureau. He told a Senate Agriculture Sub-Committee that with a "vigorous sales promotion programme" the U.S. should be able to export five million bales in the 1955-56 season. He thought the U.S. would be able to export 4.5 million bales this year (1954-55). It may be mentioned here that the U.S. exported 3.71 million bales in 1953-54 and 3.0 million bales in 1952-53. Mr. Randolph said: "We have available for our customers throughout the world the best quality cotton and generally, it is competitively priced." Significantly enough, he warned that continued high exports meant that the U.S. must permit foreign products to come into the country so that its "customers will have an opportunity to pay."

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

(In cents per lb.)

	7-3-55	28-2-55	21-2-55
Spot	34.00	35.00	35.10
May	33.51	34.57	34.73
July	33.76	34.82	34.97
October	34.12	34.77	35.08
December	34.20	—	—

STAPLE FIBRE YARN BETTER

(From Our Own Correspondent)

BOMBAY, *8th March*

Except for some enquiry in the staple fibre yarn section, the yarn market ruled virtually listless during the week under review. The staple fibre yarn section put on a firm trend early in the week on covering by shorts at low level touched at the close of last week. Subsequently, however, the values tended to decline. In spite of this small setback, quotation at close revealed sizable gains. Thus 40×2, March delivery, was enquired at Rs. 584-4 as against Rs. 581-12. After improving to Rs. 587-8 on the 4th inst., it gradually declined to close at Rs. 584. On balance, there was a gain of Rs. 2-4 over the week. April delivery fluctuated between Rs. 590-8 and Rs. 587. Among foreign yarns, Suicos put on an anna to Rs. 4-3-6, while Auroras were quiet at Rs. 3-14. Among 40×2 yarns, produced in the country, Sitarams put on 3 pies to Rs. 3-0-9. Pankajas were slightly better at Rs. 2-14-10. Phœnix rallied 3 pies to Rs. 2-15.

There was very little activity worth mentioning in the art silk yarn section. 150D was nominally quoted at Rs. 731. Among spots, 120D Japan eased from Rs. 3-14 to Rs. 3-13, and 150D Japan from Rs. 4-8 to Rs. 4-6. 120D Italy was lower by half an anna at Rs. 4-1-6, while 150D Italy was quiet at Rs. 3-14.

The cotton yarn market was also wanting in support. In spite of the permission to allow export of cotton yarn, there was no sign of perceptible improvement in demand, because the quantity allowed for export was considered to be limited. The aggregate export that will be allowed from April onwards is estimated at no more than 25,000 bales. As a result, there was very little movement in prices. Among 80s, Finlays were quiet at Rs. 72, Moderns at Rs. 62-8, Elphinstones at Rs. 58-12 and Seksarias at Rs. 54. Among 60s, Moderns declined from Rs. 59-12 to Rs. 59-8 and Raghuvamshis Rs. 54-12 to Rs. 54-10. Elphinstones were lower by As. 2 at Rs. 54-10. Srirams, however, gained As. 2 to Rs. 55-12. Transactions in 40s were reported in Seksarias, with prices easing from Rs. 23-8 to Rs. 22-14, while Moderns were unchanged at Rs. 25-4, Gokaks at Rs. 25. and Vasantas at Rs. 24-4. Among 30s, Simplex rallied from Rs. 20-10 to Rs. 21-6, whereas Maduras were dull at Rs. 22. Among 20s, Maduras were lower by an anna at Rs. 17-7. Centurys were quiet at Rs. 16-4 and Moderns at Rs. 17. Business in 10s was done in Moderns an anna better at Rs. 13-8. But Podars were unchanged at Rs. 13-7 and Elphinstones at Rs. 13-7.

The table below gives the prices of art silk staple fibre and cotton yarns quoted today, as compared with those a week before:

	8-3-1955	2-3-1955
	Rs. a.	Rs. a.
Art silk yarn—		
120 Japan (per lb.)	3 13	3 14
150 Japan (per lb.)	4 6	4 8
120 Italy (per lb.)	4 1½	4 2
150 Italy (per lb.)	3 14	3 14
Staple fibre yarn—		
40 × 2 March	584 0	581 12
Suico (per lb.)	4 2½	4 2½
New Great (per lb.)	3 1½	3 2½
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	13 8	13 7
20s Seksaria	16 4	16 4
30s Madura	22 0	22 0
40s Gokak	25 0	25 0
60s Modern	59 8	59 12
80s Finlay	72 0	72 0

MIXED TREND IN OILSEEDS

(From Our Own Correspondent)

BOMBAY, *8th March*

The oilseeds market presented a mixed trend during the week under review. The groundnut section ruled somewhat steady. This was due to short covering at the low levels reached last week-end. Although overseas advices for groundnut oil were not good enough at £93 per ton, they were not discouraging. The linseed section, which put on an encouraging performance in the first few sessions, tended later to drop. There were only sporadic enquiries for linseed oil from the Continent at £92 per ton. The castorseed section continued to present an easy trend for lack of support either from domestic or from overseas traders. The *kardi* section ruled quietly steady, while *niger* seeds were dull. Arrivals of seeds were fairly good and they were expected to increase after the *Holi* festival.

The market remained closed today on account of *Holi*.

In the groundnut section, sentiment was aided by the reported issue of fresh export quotas for H.P.S. groundnut. It was stated that the export authorities had issued allotments at the rate of 20 per cent. of the exports effected by a shipper in any one of the three years, 1952, 1953 or 1954. This decision was expected to result in fresh quotas of about 6,000 tons. Shippers envisaged fairly satisfactory prospects for the commodity with Canada promising to be the main buyer.

Marketwise, Bold F.A.Q. improved from Rs. 20-4 to Rs. 20-12. April-May delivery gathered As. 4 to Rs. 21. Khandesh quality advanced from Rs. 20-10 to Rs. 20-14. *Groundnut oil rallied As. 4 to Rs. 11-6. March and April deliveries were higher by As. 3 each at Rs. 11-5 and Rs. 11-4, respectively.*

In the linseed section, Bold ready opened the week at Rs. 22, as against Rs. 21-8. After ruling steady for some time at this level, it declined to Rs. 20-12, before recovering to close at Rs. 21-4. April-May delivery disclosed a loss of As. 14 at Rs. 20-12. Linseed oil eased from Rs. 12-12 to Rs. 12-8.

May futures, in the castorseed section, were enquired at Rs. 73-4 as against Rs. 72-10. After fluctuating between Rs. 74-2 and Rs. 70-4, it closed at Rs. 71, thereby disclosing a loss of As. 10 over the week. Madras quality declined from Rs. 14-4 to Rs. 13-12 and F.A.Q. from Rs. 14 to Rs. 13-8. Castor oil Commercial changed hands at Rs. 9-1 as against Rs. 9-2 and First Pressure at Rs. 9-8 as against Rs. 9-10.

Among others, *kardi* Bold rallied As. 2 to Rs. 11-4, while *niger* Madras lost As. 12 to Rs. 17-12.

The Board of the Bombay Oilseeds Exchange Ltd. has, in a telegram, urged the Government of India that exports of *kardi* and *niger* seeds should be allowed free till at least June-end. The telegram adds that movement of these crops has recently started and the season is getting into full swing. Prices of *kardi* and *niger* seeds have declined appreciably during the last 2 to 3 weeks, the decline being more than 25 per cent. in the case of *kardi* seed.

The following table shows the price of oilseeds and oil today, as compared with those at the end of the previous two weeks.

	8-3-55	2-3-1955	23-2-1955
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	20 14	20 10	21 6
February/March	20 13	20 4	21 2
April-May	21 0	20 12	23 0
Linseed—			
Bold Ready (per cwt.) ..	21 4	21 8	22 11
February/March	21 4	21 8	22 11
April-May	20 12	21 10	22 11
Castorseeds—			
May, 1955	71 0	72 10	79 0
Madras (per cwt.)	13 12	14 4	15 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	11 6	11 2	11 10
Castor Oil—			
Commercial (per quarter) ..	9 1	9 2	9 8
Linseed Oil—			
Ready	12 8	12 12	13 6

SUGAR RETREATS

(From Our Own Correspondent)

BOMBAY, *8th March*

The increase in sugar prices noted last week proved a short-lived affair this week, as the market presented signs of distinct weakness. This was, in the main, due to slackness of demand from dealers in internal markets. These centres were fairly stocked with different varieties of sugar purchased at cheaper rates. And, therefore, they were not willing to take sugar at the post-budget prices which were about Rs. 2 to Rs. 3 a bag higher than those on the eve of the budget. On the contrary, these dealers were actually inclined to lighten their holdings in expectation of a decline in sugar prices, thanks to the impending release of damaged sugar by the Government in the next two or three days. As a result of these developments, panicky conditions prevailed for some time in the Bombay Deccan area where millers became aggressive sellers even at prices below the cost of imported sugar. Prices, therefore, slumped to pre-budget levels at which they stood towards the close. Imported sugars, however, remained steady with quotations revealing fractional gains on balance.

In the forward section, *Fagan* delivery dropped from Rs. 84-9 to Rs. 84, before finishing the week at Rs. 84-4. This settlement is expected to be squared up this evening at about this level. *Chaitra* delivery which had gone up to Rs. 84-13 staged a retreat to Rs. 84, but closed at Rs. 84-4.

In the spot section, among indigenous sugars, medium grains receded from Rs. 89-91 to Rs. 88-89 per bag. Similarly, bold grains gave way from Rs. 93-104 per bag to Rs. 90-102 per bag. Among foreign sugars, British refined was freely offered at Rs. 83-8, as against Rs. 83-12 per bag of 224 lbs. last week. Cuban sugars were, however, steady at Rs. 91-12 per bag of 250 lbs. German sugar, on the other hand, was done As. 4 higher at Rs. 82 per bag of 220 lbs. French sugar had business at Rs. 82-84 as against Rs. 81-12 to Rs. 84 per bag of 220 lbs. Czech sugar was quoted at Rs. 85-88 per bag of 220 lbs. as against Rs. 85-8 to Rs. 88 last week.

Kanpur markets reported some substantial business in Hargaon and Gola sugars at Rs. 30-4 a maund, ex-mill 'C' grade. Bombay-Deccan area, however, did not show the strength of the mills in the North, as factories in the Deccan were keen sellers. The undertone of the Bombay market was uncertain at the close.

N.B.—The rates for Indian sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

PEPPER IN DOLDRUMS

(Messrs. Parekh & Co.)

BOMBAY, *8th March*

New York having shown little interest in Malabar black pepper except afloat, the market at all primary centres in the country remained in the doldrums. Prices ruled steady to quiet with the exception of a temporary rise, subsequent to a sizable purchase by one of the important Alleppey exporters. Such large and rather aggressive purchase gave rise to a rumour that the purchase may be a covering operation against sales to China. But so far definite confirmation as to the purchase of Malabar Black by China is lacking. New York is reported to have made some purchases of afloat from India at $0.42.

Alleppey after touching Rs. 950 improved to Rs. 1,025 but the rise was not maintained as there was no following up. At the time of writing, Alleppey is reported sellers at Rs. 1,000 without buyers. It is also reported that the important exporter who bought last week is now a seller of garbled at Cochin, which, as a result, after touching Rs. 180, came down to Rs. 175. Bombay exporters are reported making slow but steady purchases in Tellicherry areas. That is one of the reasons why the markets in North Malabar are fairly steady.

Business in the A.S.T.A. and also in delivery sections has very much slowed down as market is shorn of any fluctuations. Such lethargic conditions in the local market are reported due to unexpected stopping of payment by one of the oldest important firms dealing in pepper and other Malabar produce.

With the advance of the harvesting season, there appears some relief in the selling pressure from growers. Yet, there are no signs of any notable improvement in prices as the majority of the local exporters are bearishly inclined. They are off and on in the market to liquidate their holdings whenever their offers are refused by overseas. New York buyers are reported marking time. There are chances of their placing orders for a sizable quantity, as soon as they feel that the Indian market is firmly held and that there is no pressure of sales from growers.

Following are today's nominal quotations:—Ready delivery Rs. 120 per Bengal maund, and March Rs. 875-85 and April Rs. 900/910 per candy of 5¼ cwts.

TEA PRICES RECEDE FURTHER

(Messrs. Forbes, Ewart and Figgis, Ltd.)

COCHIN, *3rd March*

There was approximately 1,250,000 lbs. on offer in sale No. 5 which was held on Tuesday, 1st March, 1955. Quality showed a slight decline and some of the offerings had poor leaf appearance. There was only a fair demand, possibly due to uncertainty amongst buyers as to the implications of the new slab system of duty. Common and low medium brokens and fannings were As. 5 to As. 6 easier. Mediums and good mediums were irregular, but must be quoted at As. 2 to As. 3 lower. Best liquoring teas were well supported at rates which were As. 2 to As. 3 lower. There was rome competition for high grown Pekoes and Flowery Pekoes and these were occasionally dearer. Middle East types were slightly easier, but sold fairly well. There were heavy withdrawals.

Quotations	1955 Rs.	a.	p.	1954 Rs.	a.	p.
Low grown Travancore B.O.P.	2	15	0	2	8	0
Medium Travancore B.O.P.	3	0	0	2	9	6
Anaimallais B.O.P.	3	5	6	2	12	6
Best liquoring Nilgiri B.O.P. ...	4	0	0	3	13	0
Well made black leaf O.P. ...	3	6	0	2	8	6

London Market—Sale of 28th February, 1955.—Mostly 2d. lower.

Sale of 1st March, 1955.—Best qualities 1d. lower. Others 3d. to 5d. lower.

Colombo Market.—Good demand. Best quality slightly lower rates. Mediums fair demand 10 to 15 cents lower. Gulf types declined 80 cents. Stalk neglected. Fannings weak.

Calcutta Market—Export.—19,600 packages. Less demand except leaf grades and Middle East types which were well competed for. Market As. 1 to As. 2 down for sweet liquoring, As. 2 to As. 4 for fibrous. End of season sorts not possible to quote.

Dust.—18,300 packages. Good general demand at lower rates. Black exportable types weakest feature. Medium Assams commons and dooars generally half to one anna easier. Good liquoring Assam and C.T.C. firm to occasionally dearer. Darjeelings irregular. Leaf 9,570. Market generally As. 2 to As. 3 easier.

Export Duty.—It has been announced that the slab system of duty will be operated as follows:—When the price of tea is less than Rs. 2-8 the duty will be As. 4; Rs. 2-8 and above, but less than Rs. 3-4 duty As. 6; Rs. 3-4 and above, but less than Rs. 4 duty As. 8; Rs. 4 and above, but less than Rs. 4-12 duty As. 10; and Rs. 4-12 and above, duty As. 12.

The announcement continues by saying "The price of tea means the price which the Central Government may, having regard to the world prices of tea, fix for this purpose from time to time by notification in the official *Gazette*." It is understood that the price fixed at the moment is Rs. 4-3 and hence the duty remains at As. 10.

Export Quota.—There has been a slightly easier tendency and business has been done freely at 126 pies.

Forthcoming Auctions.—Sale No. 6 will be held on Tuuesday, 15th March.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd., wire:

"*Dust Sale E.*—Almost 250,000 lbs. Good general demand. Prices irregularly As. 1½ easier. Middle East types about steady."

KANPUR HIDES STEADY

(From Our Own Correspondent)

KANPUR, *5th March*

Conditions in the Kanpur hides and skins market remained steady all round during the week under review. The fresh weekly arrivals were considerable except in the case of goat and sheep. The main purchasers were the local tanners headed by Messrs. Cooper Allen. The latest quotations are as follows:

Wet salted cow 1st grade Rs. 430 to Rs. 440, 2nd grade Rs. 300, 3rd grade medium superior Rs. 340 to Rs. 360, and 4th grade Rs. 160 to Rs. 180 per score. Wet salted buff 1st grade 1 lb. 7 ozs. and 2nd grade 1 lb. 10 ozs. to 2 lbs. per rupee; goat 1st grade Rs. 325 to Rs. 350 and 2nd grade Rs. 275 to Rs. 300 per 100 pieces; and sheep Rs. 200 to Rs. 250 per 100 pieces.

SACKINGS IMPROVE

(From Our Own Correspondent)

CALCUTTA, *8th March*

The feature during the week under review in the jute goods market was the good business put through in heavy cees and B. twills for export to foreign countries. Prices also rose, and during this month further business of a heavy nature is expected with South-East Asian countries. Stocks are, therefore, expected to show a sizable decline. Prices of hessians were easy and almost unchanged throughout the week. The lack of adequate orders for hessians from foreign countries, especially from the United States, is attributed to the cheapness of substitutes. If the slackness continues, mills may have to transfer a portion of their hessian looms for heavy goods. The stock position of goods held by mills as at the end of February shows a rise both in hessians and sackings. The total rise was a substantial quantity of 6,700 tons, as a result of hessian, sacking and miscellaneous constructions at 26,700 tons, 55,100 tons and 1,300 tons showing an increase of 2,700, 3,900 and 100 tons respectively. If only prices come down, there would be encouraging sales. But this week, the heavy purchases by foreign countries have raised the prices of heavy goods.

It is, of course, a good sign that raw jute prices are not moving up, but are being maintained at the lower levels of a week ago. This is the outcome of the cautious handling of the market by mills. The stocks with them are believed to vary from requirements of 2½ months to 5 months among the various mills. Mills believe that raw jute prices are bound to fall and will soon touch a level which will have a relationship with prices of goods. In the mofussil centres, ample supplies, mostly of the inferior varieties, are believed to be held up. The more prosperous among the cultivators have also indulged in this "pastime." As far as the superior types fit for the production of hessians are concerned, adequate supplies are expected to be received from East Bengal. All things considered, the belief that mills would be able to carry on without a cut in working hours is strengthening.

During the week under review, ready B. twills opened lower at Rs. 128 as a result of speculative manipulations in consideration of the due date. In the meantime, the news that Australia was not likely to lift more quantity in the near future came in, and this saw the rate recede to Rs. 126-12. At lower levels, short covering and the call for tenders for heavy cees by Burma pushed ready B. twills to Rs. 129, April-June goods recovering to Rs. 128-8 from Rs. 126-4. The rate for the ready position was further pushed to Rs. 130 on Thursday and April-June to Rs. 129-8. This followed transactions with West Africa for March shipment. A steamer full of B. twills is now expected to sail to West Africa. Siamese buyers gave considerable support to the market at this stage, as they accepted offers for a heavy quantity of heavy cees. Burma also showed interest in heavy cees, and the Middle East and Indonesia are also expected to buy moderate quantities. Considerable speculative interest followed in heavy cees and B. twills. By the week-end, B. twills ready reached a high of Rs. 132-8 and April-June goods were quoted at Rs. 131. Yesterday, a slightly lower tendency was in evidence, following the publication of an increase in stocks held by mills. The ready position gave way by As. 2 to Rs. 132-6, at which rate the week's gain was Rs. 4-6. The April-June goods were quoted at Rs. 131 yesterday, which was Rs. 3-8 higher on balance for the week under review.

Ready hessians 40" 10 oz. opened at Rs. 46-1 and, although only poor interest was shown by buyers, moved to Rs. 46-8, mainly in sympathy with heavy goods. On Friday, however, there was a move down to Rs. 46-6, the closure for the week-end being higher at Rs. 46-10 and for yesterday further fractionally higher at Rs. 46-11. Forward rates were either in parity with the ready goods or As. 1 to As. 2 lower.

Notice

THE METAL BOX COMPANY OF INDIA LIMITED

THE BOARD OF DIRECTORS OF THIS COMPANY have declared a dividend on the 6 per cent. (taxable) Redeemable Cumulative Preference Shares for the half-year ending 31st March, 1955, at the rate of 6 per cent. per annum less tax. Payment will be made on or after 31st March, 1955, to those Shareholders whose names appear in the Company's Registers on that date.

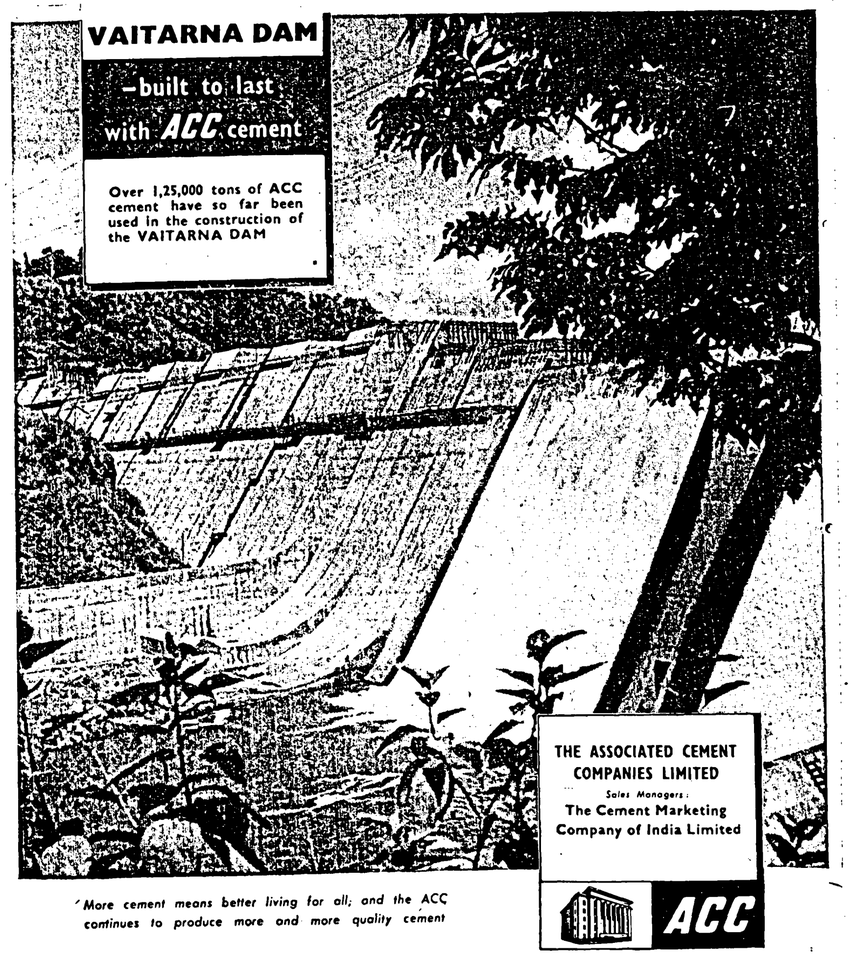
NOTICE is hereby given that the Preference Share Transfer Books of the Company will be closed from the 29th to 31st March, 1955, both days inclusive.

By Order of the Board,

F. P. GILBERT,

Secretary.

CALCUTTA, *5th March*, 1955.



'More cement means better living for all; and the ACC continues to produce more and more quality cement

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	25th Feb. 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation.	172.44	1,241.09	1,241.16	1,217.72	1,171.42
Notes held in Banking Department .	85.05	12.57	13.04	17.80	22.28
Foreign Securities ..	99.50	653.15	653.15	653.21	638.15
Rupee Securities ..	87.89	447.74	447.74	437.62	421.84
Banking Department.					
Deposits of:					
Government of India	14.89	51.88	51.74	54.02	82.06
Other Governments.	..	22.68	14.12	20.77	28.66
Balances held abroad.	10.08	65.50	68.59	76 40	106.82
SCHEDULED BANKS					
Demand Liabilities .	134.37	588.07	590.91	579.97	520.70
		(9.80)†	(10.17)†	(10.24)†	(6.44)†
Time Liabilities ..	102.84	370.62	371.37	370.43	331.39
		(2.43)†	(2.35)†	(2.91)†	(1.53)†
Borrowings from Reserve Bank ..	..	12.81	9.02	9.15	21.28
		(6.46)‡	(4.97)‡	(3.57)‡	(10.20)‡
Borrowings from Imperial Bank ..	..	7.32	8.37	4.21	11.15
Cash in India ..	6.71	32.82	32.06	33.94	31.33
Balances with Reserve Bank	25.32	46.76	49.21	57.88	38.90
Excess over statutory limits	15.52	9.95	12.24	21.47	6.24
Balances with other banks in current account in India .	..	9.62	10.00	16.17	10.83
Money at call and short notice in India ..	..	17.96	19.94	17.52	9.18
Investments (at book value)	..	352.31	354.33	352.79	315.23
Advances and bills .	108.09	589.43	582.27	559.97	521.41*
IMPERIAL BANK					
Deposits	87.76	236.95	232.48	231.98	209.32
Investments	51.99	109.21	112.08	110.71	90.12
Advances	80.87	120.17	115.52	105.75	123.82
Cash	14.69	17.74	21.40	20.22	14.43

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes foreign bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	Week ended 4th March, 1955		Week ended 25th February, 1955	
	Number of Cheques	Amount	Number of Cheques	Amount
		Rs.		Rs.
Bombay ..	2,72,801	62,74,70,000	2,54,841	59,86,50,000
Calcutta ..	1,66,239	75,23,96,830	1,52,469	57,52,99,068
Madras ..	85,891	8,63,38,488	79,153	7,42,89,927
All Centres—1955 ..	..	..	1,14,83,314	26,45,05,08,000
1954 ..	..	..	2,40,72,000	70,64,29,00,000
Dec., 1954 ..	..	..	29,95,000	6,84,03,00,000
Jan., 1955 ..	..	..	29,43,000	6,23,74,00,000

Reserve Bank of India

Statement of Affairs for the week ended 4th Mar., 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	52,61,00,000
(2) Other Governments	18,64,50,000
(b) Banks	48,14,14,000
(c) Others	22,07,60,000
Bills Payable	5,12,47,000
Other Liabilities	24,74,14,000
Rupees	179,33,75,000

ASSETS	Rs.
Notes	7,34,12,000
Rupee Coin	7,04,000
Subsidiary Coin	5,68,000
Bills Purchased and Discounted—	
(a) Internal	48,55,000
(b) External	
(c) Government Treasury Bills*	5,90,56,000
Balances held abroad*	58,25,07,000
Loans and Advances to Governments	1,20,00,000
Other Loans and Advances	29,80,72,000
Investments	55,75,46,000
Other Assets	20,65,53,000
Rupees	179,33,75,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 6,25,80,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 12,24,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department ..	7,34,12,000	
Notes in circulation	1265,58,45,000	
Total Notes issued ..		1272,90,57,000
Total Liabilities ..		1272,90,57,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities ..	673,16,11,000	
Total ..		708,16,82,000
B. Rupee Coin ..		101,99,90,000
Government of India Rupee Securities ..		457,73,85,000
Internal Bills of Exchange and other commercial paper ..		
Total Assets ..		1272,90,57,000

Ratio of Total of A to Liabilities: 55.027 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 25th Feb., 1955

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India ..	9,80,08,000†
(ii) Other demand liabilities ..	578,27,41,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India ..	2,42,55,000†
(ii) Other time liabilities ..	364,18,95,000
3. Borrowings in India from the Imperial Bank of India:	
(i) Demand liabilities ..	7,30,07,000
(ii) Time liabilities ..	74,000
4. Cash in India ..	32,82,30,000
5. Balances with the Reserve Bank in India ..	46,75,91,000
6. Balances with other banks in current account in India ..	9,61,90,000
7. Money at call and short notice in India ..	17,96,41,000
8. Investments (at book value) in India in Central and State Government securities (including Treasury Bills and Treasury Deposit Receipts	352,31,10,000
9. Advances in India ..	498,04,22,000
10. Inland Bills purchased and discounted in India	68,27,47,000
11. Foreign Bills purchased and discounted in India ..	32,21,85,000

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

EXCHANGE RATES

	9th March 1955	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot. s.	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months .. s.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months .. s.	1-6¼	1-6¼
Buyers T.T. 10 to 12 months .. s.	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	480½	480½
Buyers T.T. .. Rs.	476½	477
London on New York .. $	2.78-2.79	2.78½-2.78¾
London on Paris .. Fcs.	976½-975	976-977
London on Berne .. Sw. Frs.	12.26½-12.26¼	12.26½-12.26¼
New York on London .. $	2.78-2.78¼	2.78¼-2.78¾

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	'51-'52	359.88	..	9,990	274.5
Pakistan ..	1949	78.04	..	1,671	229
Burma ..	1952	18.80	Kyats 8,556	856	188
Ceylon ..	1952	8.16	..	442	541
Japan ..	1952	85.50	Y. 5,228,400	7,014	820
Philippines ..	1952	21.02	Ps. 7,876	1,654	787
New Zealand ..	1952	2.06	£(N.Z.) 727	969	4,767
Australia ..	1952	8.18	£(A) 3,931	3,541	4,307
U.K. ..	1952	50.86	£ 14,719	19,625	3,858
U.S.A. ..	1952	159.63	$ 305,000	146,790	9,196
Canada ..	1952	14.78	$ 19,048	8,407	5,686
France ..	1952	42.55	Fr.Fr. 10,197,900	14,018	3,291
W. Germany ..	1952	48.99	Dm. 108,000	11,705	2,389
Italy ..	1952	47.02	L. 5,967,000	6,882	1,453
Norway ..	1952	3.26	Kr. 16,661	1,182	3,569
Sweden ..	1952	7.17	Kr. 26,957	3,422	4,779
Netherlands ..	1952	10.49	Grs. 19,380	2,451	2,336
Denmark ..	1952	4.57	Kr. 22,484	1,551	3,572
Switzerland ..	1952	4.88	Sw.Fr. 20,800	2,358	4,864

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations. Monthly Bulletin of Statistics, September, 1954.
† Estimates are based on the first issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 18th Feb., 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund ..	3,00,00,000
Deposits:—	
(a) Central Government	24,48,92,000
(b) Provincial Governments	1,39,77,000
(c) Banks ..	10,82,58,000
(d) Others ..	4,13,48,000
Bills Payable	16,54,000
Other Liabilities	5,45,14,000
Rupees ..	56,46,88,000

ASSETS	Rs.
Notes ..	7,43,84,000
Rupee Coin	7,000
Subsidiary Coin	12,000
Bills Purchased and Discounted:—	
(a) Internal	..
(b) External	..
(c) Government Treasury Bills	15,000
Loans and Advances to Governments	5,85,50,000
Provincial Governments' Debtor Balances	7,77,64,000
Other Loans and Advances	17,91,51,000
Investments ..	18,18,57,000
Other Assets ..	5,41,25,000
Rupees ..	56,46,88,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department ..	7,43,84,000	
Notes in circulation	248,14,72,000	
Total Notes issued ..		255,58,56,000
Total Liabilities ..		255,58,56,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion ..	7,91,42,000	
Silver Bullion ..		
Sterling Securities ..	39,72,51,000	
Government of India Securities ..	21,41,41,000	
India Notes representing assets receivable from the Reserve Bank of India ..	29,88,91,000	
		99,04,55,000
B. Rupee Coin ..	4,41,45,000	
Government of Pakistan Securities ..	145,87,88,000	
Internal bills of exchange and other commercial paper ..	....	
		150,29,03,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion ..	19,02,000	
Sterling Securities	3,96,15,000	
Government of India Securities ..	70,10,000	
Rupee Coin ..	29,81,000	
		4,24,75,000
Total Assets ..		255,58,33,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 40.62 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina ..	1st Mar., 1936	..	3½
Austria ..	3rd June, 1954	5	3½
Belgium ..	29th Oct., 1953	3	2½
Bolivia ..	30th Sept., 1950	6	9
Canada ..	15th Feb., 1955	2	1½
Ceylon ..	11th June, 1954	3	2½
Chile ..	13th June, 1955	4	4½
Colombia ..	16th July, 1938	5	4
Costa Rica ..	1st Feb., 1950	3	4
Denmark ..	23rd June, 1954	4½	4
Ecuador ..	15th May, 1948	7	10
Egypt ..	19th Nov., 1952	3½	3
El Salvador ..	22nd Mar., 1950	4	3
Finland ..	16th Dec., 1951	7½	5½
France ..	2nd Dec., 1954	3½	5
Greece ..	1st Jan., 1954	12	10
India ..	15th Nov., 1951	4	3½
Indonesia ..	1st April, 1946	4	3
Ireland ..	25th May, 1952	4½	3½
Italy ..	1st April, 1950	4½	5
Japan ..	1st Jan., 1951	5.11	5.84
Mexico ..	4th June, 1942	4	4½
Netherlands ..	7th April, 1952	3	2½
New Zealand ..	26th Nov., 1954	3½	4
Norway ..	14th Feb., 1955	2½	3½
Pakistan ..	1st July, 1948	..	3
Peru ..	18th Nov., 1947	5	6
Portugal ..	12th Jan., 1944	3	2½
South Africa ..	27th Mar., 1952	3½	4
Spain ..	1st July, 1948	4	3
Sweden ..	30th Nov., 1953	3½	2½
Switzerland ..	26th Nov., 1953	2	1½
Turkey ..	28th Feb., 1951	4	5½
United Kingdom ..	27th Jan., 1955	3	4
U.S.S.R. ..	1st July, 1936	4	3
U.S.A. ..	16th April, 1954*	1½	1
West Germany ..	9th May, 1954	3½	3

* Effective in 1x of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	November, 1953	November, 1954	Eight months, April to Nov., 1953	Eight months, April to Nov., 1954
Import Duties:				
Revenue ..	9.52	12.42	72.55	79.88
On surplus disposals	0.46	0.76	5.95	5.10
Total import duties	..	..	0.10	0.18
Export Duties ..	9.89	13.20	76.60	84.60
Land Customs ..	0.19	5.20	26.89	23.26
Miscellaneous ..	0.16	0.18	1.22	1.37
Gross total customs	10.05	0.07	0.49	0.72
Refunds and drawbacks	0.16	0.17	104.90	108.76
Net Customs ..	18.20	18.58	1.39	0.90
Gross excise ..	7.87	9.72	108.61	107.85
Refunds ..	0.09	0.80	60.82	66.99
Net Excise ..	7.78	8.92	0.69	1.10
Net total of customs and excise ..	26.78	27.06	168.84	178.85

Imperial Bank of India

Statement of Affairs for the week ended 4th Mar., 1955

CAPITAL AND LIABILITIES	Rs.	Rs.
Capital—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 76,000 shares of Rs. 500 each, fully paid	3,78,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares ..	5,62,50,000	
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts ..		238,80,40,000
Borrowings from other Banking Companies Agents		14,38,000
Bills for Collection being Bills Receivable as per contra ..		4,01,28,000
Acceptances, Endorsements and Other Obligations as per contra ..		37,84,000
Other Liabilities (including Inter-Office Adjustments) ..		64,000
Total ..	Rs.	4,02,35,000
		250,92,00,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		22,75,000
Balances with other Banks		12,71,08,000
Money at Call and Short Notice ..		4,10,07,000
Investments—		66,67,000
Government and other Trustee Securities ..	94,02,58,000	
Other Authorised Investments ..	11,24,90,000	
Advances—		105,20,38,000
Loans, Cash Credits and Overdrafts, etc. ..	104,88,02,000	
Bills Discounted and Purchased ..	10,12,21,000	
Bills Receivable being Bills for Collection as per contra ..		124,01,13,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		37,84,000
Premises less Depreciation ..		64,000
Furniture and Fixtures less Depreciation ..		1,30,44,000
Other Assets (including Inter-Office Adjustments)		44,74,000
		2,02,20,000
Total ..	Rs.	250,92,00,000

Source: Department of Research and Statistics, Reserve Bank of India.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppages of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,553	12,806,704
1951 ..	1,071	691,321	8,815,928
1952 ..	963	809,248	9,836,951
1953 ..	772	466,507	8,582,805
1954			
November 1953 ..	58	48,766	673,215
December ..	51	37,555	154,017
January 1954 ..	55	42,553	244,414
February ..	45	26,477	189,411
March ..	57	36,521	216,207
April ..	73	49,125	218,554
May ..	58	34,517	276,216
June ..	96	80,557	253,279
July ..	67	48,066	191,122
August ..	76	53,043	235,174
September ..	108	64,953	487,275
October ..	101	60,211	402,116
November ..	85	41,431	345,211
December ..	81	40,760	475,352
January 1954† ..	84	51,878	325,516
February ..	85	41,851	344,235
March ..	91	54,328	331,410
April ..	101	54,962	307,347
May ..	80	40,078	216,068
June* ..	82	31,569	205,074
July* ..	182	30,189	277,492
August ..	76	31,090	322,887
September* ..	97	50,414	363,876
October* ..	80	41,390(a)	275,010(b)
November ..	49	23,323(c)	219,722(d)

SMALL SAVINGS

POSTAL SAVINGS

(In lakhs or rupees)

	National Savings Certificates 5-Year† Outstandings*	5-Year† Receipts	7-Year †† Outstandings*	7-Year †† Receipts	12-Year Outstandings*	12-Year Receipts	Savings Bank Deposits Outstandings*	Savings Bank Deposits Receipts	Cash Certificates Defence Savings Certificates and Defence Savings Bank Deposits Outstandings*	Cash Certificates Defence Savings Certificates and Defence Savings Bank Deposits Receipts	2½% Ten-Year Treasury Savings Deposit Certificates ‡ Outstandings*	2½% Ten-Year Treasury Savings Deposit Certificates ‡ Receipts	10-Year National Plan Certificates ‡ Outstandings*	10-Year National Plan Certificates ‡ Receipts
1948-49 ..	1,46	76	78	30,40	22,85	35,86	29,91	—	19,21	—	..	..	..	..
1949-50 ..	6,83	65	3,26	23,56	34,17	1,18,85	92,08	—	91,07	—	..	..	..	..
1950-51 ..	8,91	1,50	6,36	38,54	1,04,38	1,17,87	1,06,29	—	54,23	7,55	25,64	—	..	..
1951-52 ..										6,94	32,11	—	..	..
1952-53 ..	9,19	13	9,21	2,09	1,00,45	8,91	1,00,25	—	35,78	..	31,22	—	..	..
1953-54 ..	9,02	11	9,09	2,12	1,02,09	9,40	1,01,09	—	33,97	51	31,78	—	..	..
January, 1954 ..	9,01	46	4,26	2,05	1,04,38	12,89	1,06,29	—	34,20	44	32,11	—	..	..
February ..	9,01	11	4,20	2,18	1,05,94	10,70	1,07,51	—	34,40	70	32,77	—	..	..
March ..	9,01	10	4,21	1,71	1,07,05	10,02	1,07,12	—	34,57	54	33,26	34	34	—
April ..	9,01	9	4,23	1,89	1,08,40	10,48	1,08,22	—	34,78	39	33,61	49	33	—
May ..	9,47	12	4,29	2,37	1,10,16	11,40	1,11,02	—	34,96	46	34,08	76	1,50	—
June ..	9,56	15	4,30	2,17	1,11,88	10,52	1,13,07	—	34,78	46	34,44	39	2,45	—
July ..	9,59	18	4,31	2,42	1,13,76	10,53	1,14,35	—	35,36	54	34,94	1,57	4,08	—
August ..	9,10	11	4,37	1,90	1,15,09	8,96	1,14,88	—	35,51	48	35,38	60	4,45	—
September ..	9,06	12	4,64	2,25	1,16,76	10,24	1,16,21	—	35,90	57	35,64	58	5,23	—
October ..	4,96	11	4,65	2,34	1,18,40	11,36	1,18,56	—	35,87	40	35,98	57	..	—
November ..	..	..	..	..	..	..	..	—	..	43	36,37	..	5,79	—
December ..	..	..	..	..	..	..	..	—	..	..	..	..	..	—
January, 1955 ..	..	..	..	..	..	..	..	—	..	..	..	..	..	—

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947. † Issued from 1st June, 1948 to 30th June 1952. †† Issued from 1st June, 1948. ‡ Issued from 1st February, 1951. ‡ Issued from 10th May, 1954.
‡‡ Figures from 1948-49 relate to the Indian Union. Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 27-2-'54	20-1-'55	19-2-'55	26-2-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.4	88.8	88.8	88.8
1. Government of India ..	90.2	90.5	90.5	90.5
2. Indian States ..	95.7	96.1	96.1	96.1
3. Municipal, Port Trust, etc.	89.8	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	101.8	108.7	106.7	106.7
1. Electricity ..	102.9	108.0	103.0	108.1
2. Jute ..	98.8	98.8	98.8	98.8
3. Plantations ..	99.5	99.6	99.6	99.6
4. Sugar ..	100.7	99.8	99.8	99.8
5. Coal ..	90.6	90.6	90.6	90.6
6. General Engineering ..	108.8	101.0	100.6	100.6
7. Shipping ..	108.8	100.8	100.8	100.7
8. Others ..	100.6	100.8	100.8	100.8
PREFERENCE SHARES	88.1	88.1	88.1	88.1
1. Electricity ..	98.2	97.2	97.2	97.2
2. Cotton ..	85.6	78.8	78.6	78.5
3. Jute ..	86.8	86.5	87.7	87.7
4. Coal ..	90.8	91.0	91.8	91.9
5. Iron and Steel ..	91.0	90.0	89.5	89.6
6. Sugar ..	84.1	84.3	82.8	82.9
7. Paper ..	90.0	90.4	90.5	89.9
8. Plantations ..	89.5	98.3	97.7	97.7
9. Miscellaneous ..	87.4	87.4	87.7	87.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	103.6	116.8	113.5	113.5
a) Financial ..	88.8	88.7	88.2	88.8
1. Banks ..	87.1	86.3	86.0	85.6
2. Insurance ..	98.9	103.1	103.1	103.1
3. Investment Trust ..	76.9	95.1	95.1	95.1
(b) Public Utilities ..	113.8	115.7	114.8	114.8
1. Electricity ..	116.9	124.7	124.2	124.0
2. Shipping and other Transport ..	110.1	102.6	100.4	99.7
3. Railways ..	85.4	84.2	87.8	87.8
(c) Manufacturing Industries	108.9	118.6	116.6	116.0
1. Cotton, Woollen and Silk ..	103.5	105.4	103.8	103.1
2. Jute ..	86.0	98.4	94.9	95.0
3. Iron and Steel ..	122.6	142.2	137.7	139.6
4. Paper ..	178.8	216.4	209.9	207.3
5. Cement ..	123.2	147.8	140.1	141.1
6. General Engineering ..	133.3	160.4	161.4	161.5
7. Sugar and Breweries ..	89.5	106.6	106.4	105.8
8. Chemicals ..	112.0	138.8	137.1	136.1
(d) Non-Manufacturing Industries	109.9	117.3	116.1	115.8
1. Coal ..	77.4	81.6	80.1	80.7
2. Mining and Oil ..	109.8	194.0	190.8	192.3
3. Plantations ..	104.9	187.2	188.7	185.6
e) Miscellaneous ..	98.8	99.4	98.4	98.7
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay ..	89.8	90.1	90.1	90.1
2. Calcutta ..	90.8	90.5	90.8	90.8
3. Madras ..	90.6	90.9	90.9	90.9
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay ..	101.9	99.8	99.8	99.5
2. Calcutta ..	102.2	101.8	101.5	101.4
3. Madras ..	100.0	100.5	100.5	100.5
PREFERENCE SHARES:	92.9	91.7	91.8	91.4
1. Bombay ..	85.1	85.1	84.9	84.8
2. Calcutta ..	89.0	93.7	94.0	94.1
3. Madras ..				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	113.1	119.7	116.8	116.9
1. Bombay ..	95.8	109.4	107.6	107.6
2. Calcutta ..	98.8	111.9	109.0	109.8
3. Madras ..	106.4	114.6	114.0	113.5
4. Delhi ..				

Source: Department of Research and Statistics, Reserve Bank of India.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns	Units generated	Units Sold
1948-49 ..	469	4,861.1	3,777.7
1953-54 ..	614	6,201.4	5,184.9
1954-55 ..	648	6,876.8	5,578.7
July 1953 ..	627	558.0	471.0
August ..	629	587.9	496.9
September ..	632	576.3	484.1
October ..	634	588.1	486.7
November ..	637	568.1	456.9
December ..	640	605.6	478.0
January 1954 ..	640	589.7	478.0
February ..	642	551.4	451.6
March ..	646	598.0	488.5
April ..	651	612.8	504.4
May ..	651	639.9	510.8
June ..	660	629.4	515.6
July ..	662	633.4	518.5
August ..	667	635.0	510.5
September ..	669	647.6	511.6
October ..	669	656.5	524.6
November ..	674	656.6	

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	19th Feb., 1955	12th Feb., 1955	20th Feb., 1954	January, 1955	January, 1954	Percentage of increase (+) or decrease (—) in Jan., 1955 as compared with Jan., 1954	Annual Average 1953	Annual Average 1954
Food Articles ..	356.9	358.5	370.8	318.3	381.5	—16.7	368.8	358.3
Cereals ..	243	246	434	248	440	—20.9	451	404
Pulses ..	235	242	372	239	424	—43.6	494	318
Other ..	254	267	280	259	288	—8.6	286	298
Industrial Raw Materials ..	438.8	441.1 R	474.2	432.9	481.1	—10.0	449.7	447.1
Fibres ..	492	497	456	469	453	+ 3.5	450	444
Oil seeds ..	550	567 R	582	575	648	—11.1	452	458
Minerals ..	411*	411	462	417	449	— 7.1	365	410
Others ..	482	484	401	476	409	+16.4		
Semi-Manufactures ..	340 6	340.1	359.9	344.5 R	361.6	—14.7	388.3	356.4
Leather ..	309	309	295	295	297	— 8.0	410	377
Mineral oils ..	221	221	221	221	221	—	224	221
Vegetable oils ..	394	398	497	402	548	—25.4	524	454
Cotton yarn ..	441	445	451	450	489	+ 2.5	441*	289
Metals ..	242	242	287	240	289	+ 1.7	235	289
Oil cake ..	307	325	424	309	420	+ 8.9	430	416
Others ..	337	336	306	332	305		268	306
Manufactured Articles	378.6	377.3 R	379.1	375.5	364·3	+ 3.1	367.9	378.8
Textiles ..	421	423 R	411	419	401	+ 4.5	404	419
Jute ..	480	488	433	455	429	+ 7.0	398	488
Cotton ..	405*	405* R	411*	397*	397*	+ 2.0	407*	415*
Rayon and Silk ..	455*	454*	456*	460*	420*	+ 8.5	445*	458*
Woollen ..	410	310	318	310	318	— 1.9	308	311
Metal products ..	240	240	257	240	257	+ 0.8	257	239
Others ..	284	284	283	284	283	+ 0.4	284	286
Miscellaneous ..	363.7	361.8 R	365.8	366.8	369.8	—10.9	361.5	366.8
All Commodities ..	362.2	364.5 R	365.2	363.0	368.5	— 8.7	363

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop		Acreage 1953-54 Final	Acreage 1952-53 Final	Outturn 1953-54 Final	Outturn 1952-53 Final
Rice	tons	78,848	74,209	27,078	22,495
Wheat	"	26,098	24,285	7,792	7,383
Jowar	"	42,990	43,539	7,691	7,260
Bajra	"	22,820	22,550	4,246	3,150
Barley	"	8,190	8,010	2,721	2,849
Maize	"	8,892	8,897	2,854	2,923
Ragi	"	5,472	5,428	1,584	1,238
Small Millets	"	13,167	12,451	2,183	1,905
Total cereals	"	210,885	203,149	55,150	49,203
Kharif	"	176,077	170,854	45,817	36,971
Rabi	"	34,268	32,295	10,513	10,252
Gram	"	18,893	18,014	4,551	4,165
Other Rabi Pulses*	"	11,130	11,188	2,075	2,045
Jute	bales	1,278‡	1,196†	3,153‡	3,120†
Cotton	"	17,027	15,693	3,935	3,131
Sugarcane (2nd)	tons	3,617‡	3,503†	4,749‡	4,209†
Groundnut	"	12,547‡	10,859†	3,223‡	3,575†
Linseed	"	3,389	3,395	858	859
Castorseed	"	1,868	1,857	107	106
Rape and Mustard Seed	"	5,878	5,190	828	837
Sesamum (3rd)	"	5,861‡	6,079†	567‡	534†
Total oilseeds	"	27,598	27,861	5,591	4,646
Tobacco	"	890	895	256	241
Black Pepper	"	209	205	22	22
Ginger	"	47	46	15	14
Dry Chillies	"	1,326	1,235	310	284
Potato (2nd)	"	645	638	1,857	1,698

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* Excluding gram and Tur.
‡ Relates to 1954-55. † Relates to 1953-54.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Jan., 1955	83.8
	Corresponding month, 1954	67.3
	Seven months ended Jan., 1955	579.8
	Corresponding period, 1954	500.5
Stocks	At the end of January, 1955	76.6
	Corresponding month, 1954	85.7
		(In 000 bags)
Exports (Jute Bags)	Week ended 29th January, 1955	7,660
	Corresponding week, 1954	10,935
	From 1st to 29th Jan., 1955	87,593
	Corresponding period, 1954	27,737
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 29th January, 1955	13,627
	Corresponding week, 1954	37,452
	From 1st to 29th Jan., 1955	113,092
	Corresponding period, 1954	126,193
	RAW JUTE	(In 000 bales)
Consumption by Mills†	Jan., 1955 (in lakh bales)	4.86
	Corresponding month, 1954	5.91
	Seven months ended Jan., 1955	33.60
	Corresponding period, 1954	29.03

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1955	11,58,000	10,91,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Eleven months ended Feb., 1955	10,39,400	9,53,000	7,15,100
October 1953	99,500	94,000	68,500
November "	1,00,300	95,800	68,400
December "	1,01,400	98,100	71,700
January 1954	1,08,800	99,800	71,400
February "	92,700	84,500	63,300
September "	88,300	82,400	62,300
October "	96,500	88,200	68,500
November "	98,800	90,500	68,000
December "	1,05,600	95,000	73,800
January 1955	1,02,500	95,800	72,200
February "	93,500	84,500	63,900
Indian Iron and Steel Co.			
Year ended 31st March, 1955	6,26,710	4,81,490	3,12,940
Do. 31st March, 1954	5,80,020	4,49,930	2,92,440
Nine months ended Dec., 1954	5,50,841	4,54,418	3,40,057
April 1953	52,210	30,980	19,090
May "	57,810	32,860	19,700
June "	38,730	23,940	19,020
Three months ended Sept., 1953	63,390	18,550	11,540
April " 1954	1,81,650	1,15,300	1,03,940
May "	61,950	41,070	37,600
June "	62,450	35,640	35,190
Three months ended Sept., 1954	58,370	41,160	34,820
" " Dec., 1954	1,80,018	1,39,741	1,12,861
	1,86,068	1,38,801	1,20,616

OVERALL BALANCE OF TRADE OF INDIA DECEMBER, 1954†

Particulars	December, 1953	December, 1954	Nine months, April to December 1953	Nine months, April to December 1954
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
I. Trade in merchandise— (a) Exports	51,81	50,93	395,38	428,75
(b) Re-exports	29	87	3,66	3 84
Less—Transit trade	..	5	4	35
Net re-exports	29	32	3,62	3,49
Total exports	52,10	50,25	299,00	430,24
2. Imports	39,44	49,05	444,58	456,58
Less—Transit trade	1	1	11	10
Net imports	39,43	49,04	444,47	456,48
Balance of trade in merchandise	+12,67	+11,21	—45,47	—26,24
Balance of trade in gold and silver	..	..	—8	—1
Total overall visible balance of trade	+12,67	+11,21	—45,55	—26,25

† Total values of foreign trade of India by all routes (i.e., sea, air and land).

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (In thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
						Number of Wagons Loaded (In thousands)						
1948-1949	1,132	36,025	104,256	22,364	6,069	2,115	780	172	142	..	..	..
1952-1953	1,168	34,406	128,773	23,539	11,413	2,635	949	171	169	209	189	197
1953-1954	1,179	35,216	129,009	22,865	11,186	2,518	921	154	158	168	190	245
October 1953	89	2,568	10,679	2,427	918	230	69	9	9	15	15	28
November "	87	2,539	9,923	2,366	906	216	64	15	14	17	18	27
December "	93	2,747	10,990	2,476	1,002	210	64	16	14	16	14	28
January 1954	94	2,781	11,281	2,531	998	202	72	16	17	16	15	34
February "	101	3,157	10,313	2,274	933	178	76	13	16	14	14	30
March "	105	3,525	14,383	3,308	1,018	215	83	17	18	14	16	30
April "	..	..	..	..	953	211	83	20	15	12	15	34
May "	..	..	..	..	932	215	78	14	15	10	15	34
June "	..	..	..	..	909	210	71	10	13	10	18	32
July "	..	..	..	..	935	234	78	11	13	7	18	32
August "	..	..	..	..	935	245	79	11	10	7	18	34
September "	..	..	..	..	914	241	66	11	9	7	11	31
October "	..	..	..	..	934	241	65	11	9	12	12	31
November "	..	..	..	..	991	226	73	15	13	19	15	32

Equated to M. G. Wagons (1 B. G. = 2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 3rd Mar., 1955	27,540
	Corresponding week, 1954	14,971
	1st Sept., 1954 to 3rd Mar., 1955	750,246
	Corresponding period, 1953-54	773,891
Cotton Exports	Week ended 3rd Mar., 1955	2,345
	Corresponding week, 1954	2,480
	1st Sept., 1954 to 3rd Mar., 1955	164,250
	Corresponding period, 1953-54	152,168
Mill Consumption	1st Sept., 1954 to 3rd Mar., 1955	639,778
	Corresponding period, 1953-54	624,732
Stock (with exporters, dealers and mills) in Bombay	On 3rd Mar., 1955	407,487
	Corresponding date, 1954	436,077
Cotton Exports from Bombay (by sea)	During November, 1954	28,210
	1st Sept., to 30th November, 1954	78,778
	1st Sept., to 30th November, 1953	81,957
Karachi (Pakistan)—		
Receipts	1st Sept., 1954 to 17th Feb., 1955	877,443
	Corresponding period, 1953-54	1,097,881
Exports	1st Sept., 1954 to 17th Feb., 1955	284,068
	Corresponding period, 1953-54	532,845

Particulars	From 1st Sept., 1954 to 21st February, 1955 Bales	From 1st Sept., 1953 to 21st February, 1954 Bales
From Bombay		
Cotton Exports to—		
United Kingdom	12,088	
Continent	20,200	7,087
China	1,409	14,847
Japan	49,907	251
U.S.A.	9,678	37,099
Other Countries	808	9,748
		1,453
Total to all foreign countries	95,191	70,479
Coastal Ports	57,438	69,780

Particulars	Period	Quantity (Bale of 400 lbs.)
Consumption of Cotton—		
Indian	November, 1954	848,917
Foreign		68,118
Indian	Three months ended Nov., 1954	988,256
Foreign		177,008
Indian	Same Period, 1953	845,954
Foreign		174,094
Stocks (Mills and Elsewhere)		
Indian	As on 30th November, 1954	850,321
Foreign		161,141
Indian	As on 30th November, 1953	705,968
Foreign		195,099
Cotton Pressed in India † (in running bales)	Week ended 19th Feb., 1955	69,744
	Corresponding week, 1954	125,145
	1st Sept., 1954 to 18th Feb., 1955	1,443,121
	Corresponding period, 1953-54	1,388,849

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	101 4/8
4 % Bonds	1926-28	68,30,38,000	1960-70	101
2½% Loan	1936-39	1,18,17,46,000	1968-86	92 8/8
3 % Loan	1950	80,83,10,000	1964	93 8/8
3 % Loan	1948	1,10,11,78,000	1966-68	90 4/8
3 % V. Loan	1944	1,14,06,89,000	1957	89
3 % Loan	1945	1,16,06,88,000	1970-75	86 8/8
3 % Loan	1946	1,18,65,64,000	1959-61	87 4/8
2½% Loan	1951	60,38,83,000	1956	89 4/8
2½% Loan	1946	45,68,07,000	1960	94
2½% Loan	1948	57,00,69,000	1961	91
2½% Loan	1949	14,77,49,000	1978	82
2½% Loan	1947	76,66,72,000	1962	92 8/8
2½% Loan	1948	60,46,01,000	1965	90f
2½% Loan (N.P. Bonds)	1953	76,00,00,000	1961	90½
2½% N.P. Loan	1954	156,75,00,000	1964	98 4/8
NON-TERMINABLE LOANS				
3 % Loan	1866-67	6,03,86,000	At option of Government after three months' notice. On September, 1948 or later at option of Government after three months' notice.	81
3 % Loan	1946	248,01,00,000		61
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,86,20,000	1958-68***	108½
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,000	18th Sept. 1955	99 4/8
3 % Bombay	1943	3,50,00,000	15th Sept. 1956	99 4/8
3 % Bombay	1944	8,44,00,000	15th Aug. 1957	97
3 % Bombay	1949	6,00,15,000	1st Aug. 1962	93
3 % Bombay	1950	8,01,57,700	1st July 1960	94
2½% Bombay	1951	8,04,06,000	17th Sept. 1962	86
4 % Bombay	1958	8,00,00,000	15th July 1963	101
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	101
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-56	98
2½% Cochin	1936	70,00,000	1st June 1956-61	86
4½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95
3 % Madras	1939	1,28,95,600	21st June 1959	94
3 % Madras	1945	1,28,25,000	18th Sept. 1955	99-10½
3 % Madras	1943	1,25,10,000	15th Sept. 1956	99
3 % Madras	1944	1,07,95,000	15th Aug. 1958	97½
3 % Madras	1946	2,79,44,000	14th Sept. 1960	94½
2½% Madras	1948	3,81,77,200	1st Sept. 1961	91 4/8
2½% Madras	1950	4,88,26,400	21st July 1960	94
2½% Madras	1951	3,01,49,800	17th Sept. 1960	97 4/8
4 % Madras	1958	5,00,00,000	15th July 1963	100 4/8
4 % Madras	1952	5,24,61,200	1st Aug. 1964	100½
5 % Mysore (f)	1930	1,63,44,800	1st Nov. 1955	102
4 % Mysore (f)	1935	2,95,85,200	1st Dec. 1952-53	101 4/8
4 % Mysore (f)	1936	5,99,72,900	20th April 1956-61	99-4/8
3 % Mysore	1947	6,06,08,700	15th Jan. 1958	99-4/8
4 % Mysore	1958	3,00,00,000	15th July 1963	99½
3 % M.P.	1942	50,00,000	18th Sept. 1955	99
3 % M.P.	1943	50,54,200	14th Sept. 1956	98½
3 % M.P.	1944	52,69,800	15th Aug. 1958	97
3 % M.P.	1948	2,08,00,000	15th Sept. 1964	95½
3 % M.P.	1950	1,00,25,900	21st July 1960	94
2½% M.P.	1951	1,00,00,000	17th Sept. 1962	87
4 % M.P.	1958	1,00,00,000	15th July 1963	96½
3 % Punjab**	1942-44	3,49,87,200	15th Aug. 1958	98 N
3 % Punjab**	1943	2,35,20,000	18th Sept. 1956	99 4/8 N
3 % Punjab**	1945	2,48,78,000	14th Sept. 1958	99 N
3 % Punjab**	1946	2,96,81,800	14th Sept. 1960	97½
2½% Travancore	1938	50,00,000	16th Aug. 1956	96½
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99½
3 % U.P.	1936	1,69,99,800	15th Sept. 1961-66	90½
3 % U.P.	1944	8,23,96,800	15th Aug. 1958	97
3 % U.P.	1948	2,86,31,900	14th Sept. 1960	94
2½% U.P.	1940	2,41,19,800	1st Sept. 1961	91 4/8
2½% U.P.	1941	3,00,00,000	17th Sept. 1962	87½
4 % U.P.	1952	4,11,83,000	1st Aug. 1964	100 4/8
4 % U.P.	1958	5,00,00,000	15th July 1963	100 4/8
3½% W. Bengal	1951	1,76,00,000	17th Sept. 1962	88
4 % W. Bengal	1952	3,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1958	3,00,00,000	15th July 1963	100½

PORT TRUST LOANS

Amount	Redemption Period	Year of Issue	Repayable	Market Quotation
BOMBAY				
Rs.				Rs.
86,00,000	4	1904	1964	
85,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
76,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
76,00,000	4	1911	1972	
40,00,000	4	1912	1972	
14,85,878	4	1913*	1973	D
80,00,000	4	1913	1974	99½N
88,25,000	4	1914	1975	99½N
10,00,000	4	1915*	1976	
56,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,28,000	3½	1928*	1960	
85,00,000	3½	1929*	1960	
12,00,000	3½	1930*	1960	D
12,00,000	3½	1931*	1961	
18,00,000	3½	1932*	1962	
84,00,000	3½	1935*	1975	
16,00,000	3½	1936*	1976	
48,04,000	3½	1938*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
90,24,800	4	1914	1974	Rs. 98½
76,90,100	4	1918	1978	98½
1,50,00,000C	3½	1921	1981	81
1,50,00,000C	3½	1921	1981	144N
1,24,06,800	6	1926	1965-68	102
98,21,600	5½	1926	1968-88	101
99,94,800D	5	1926	1965-88	101½
1,49,49,500D	5	1927	1967-87	101½
1,49,30,000	5	1928	1968-88	98
80,00,000	4½	1931	1964	95
60,00,000	3½	1935	1965	96
25,00,000	3	1938	1968-88	90
50,00,000	3	1945	2003	74N
50,00,000	3	1946	1975	84
50,00,000	3	1948	1976	84
50,00,000	3	1948	2006	78½N
50,00,000	3	1949	1977	78
50,00,000	3	1949	1978	84½
50,00,000	3	1949	1959	96
1,00,00,000C	3	1949	1959	98
3,00,00,000	3	1950	1960	81½
1,00,00,000	3	1950	1960	95½
50,00,000	3	1950	1960	95½
50,00,000	3½	1951	1961	81
50,00,000	4	1951	1961	97½
50,00,000	4	1953	1963	99½
50,00,000	4	1958	1968	98
STERLING LOANS				
£892,800	5	1923	1953-83	£87½
£901,000	5	1924	1954-84	£87½
£886,100	5½	1928	1962	£96
MADRAS				
Rs.				Rs.
81,47,169	3½	1947	1977	
9,86,000	3	1947	1977	
1,00,000	3	1949	1979	A*
45,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Redemption Period	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
80,00,000	4	1909	1959	100
80,00,000	4	1901	1961	
80,00,000	4	1908	1962	
80,00,000	4	1903	1963	
80,00,000	4	1904	1964	
80,00,000	4	1905	1965	
21,00,000	4	1906	1966	97½N
18,00,000	4	1907	1967	
80,00,000	4	1908	1968	
18,00,000	4	1912	1972	
40,00,000	4	1913	1973	
80,00,000	4	1914	1974	97½N
80,00,000	4	1916	1976	
66,00,000	5	1920	1957-79	118N
25,00,000	5	1920	1955-80	
25,00,000	4	1926	1956-86	118N
10,00,000	5½	1927	1961-76	98N
10,00,000	5	1930	1966	
STERLING LOANS				
£866,000	4	1909	1969	£95½N
£833,000	4	1910	1970	£95½N
CALCUTTA				
Rs.				Rs.
10,00,000	6	1925	1955	101½
20,00,000	5½	1920	1959	107
10,00,000	5	1924	1964	99½
80,00,000	5½	1926	1966	94
80,00,000	5	1926	1966	90
20,00,000	5	1927	1962	90
20,00,000	5	1928	1968	90
20,00,000	5	1928	1968	90
MADRAS				
Rs.				Rs.
71,700	6	1925	1955	100N
2,67,800	6	1926	1956	101N
10,00,000	5½	1931	1961	107N
15,00,000	5½	1931	1961	107N

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,00,000	4	1918-19	1974	90½
20,00,000	4	1913-18	1955	100
20,00,000	5	1909-10	1959	110
20,00,000	5	1928	1980	118
8,46,500	5	1929	1954-59	104½
26,21,000	5	1929	1958	102½
8,25,000	3½	1947	1959	106½
2,50,000	3½	1948	1977	86
4,00,000	3½	1949	1979	86½
2,50,000	3½	1949	1955	98½
5,00,000	3½	1952	1964	100
1,80,000	4	1951	1965	97
1,00,00,000	4	1952	1963	100
1,00,00,000	4	1952	1964	99½
	4	1954	1966	99½
CALCUTTA†				
Rs.				Rs.
86,70,000	6	1925	1955	101½
86,00,000	5	1928	1958	103
26,00,000	5	1929	1957	102½
25,00,000	5	1929	1958	102½
10,00,000	5½	1928	1962	108
88,01,000	5½	1926	1966	94
80,00,000	5	1926	1966	90
47,50,000	5	1928	1968	90
10,87,700	5	1928	1958	90
18,86,800	5	1929	1959	90½
36,56,800	5	1929	1956	99½
18,56,800	4	1940	1957	90
17,04,400	3½	1942	1959	96½
21,10,000	3½	1943	1960	96
15,49,000	3½	1942	1978	88
18,83,000	3½	1941	1961	97
88,88,000	3½	1951	1981	97½
87,88,000	4	1952	1962	99½
72,80,000	4½	1954	1979	100
MADRAS				
Rs.				Rs.
1,00,000	6	1925	1955	100N
1,00,000	5½	1928	1958	101N
1,00,000	5½	1931	1961	107N
1,00,000	5½	1931	1961	107N

ABBREVIATIONS.

A—Held by Government of India. B—Taken up by Imperial Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. **Quotations in Pak. Currency. ***Rupee Counterparts.
† Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June, 1954.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ;—Interest free for first 12 years. §—Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	133xd	100
BREWERIES AND SUGAR						
Shaw Sugar	5,00,000	1931	5	Dec.		
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	96	100
Cawnpore Sugar Works	10,00,000	1905 24	8	Feb. Aug.	143	100
Deccan Sugar & Abkhari* A	7,00,000	1920	7	July Apr.	116½	100
*East India Distilleries	2,00,000	1897	7	Jan. July	17	£1
Gwalior Sugar	6 75,000(c)	1940	7B	Dec. ..	71	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	71	100
Punjab Co.	6,00,000	1922	10	Oct. ..	15½	10
Ramnagger Cane	4,00,000	1933 34	6	Aug. ..	107	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	3,00,000	1936	7(a)	Oct. ..	14½	100
Travancore	14,99,135	1946	5(c)	Dec. ..	8⅛	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1903	7	Jan. July	121	100
Borea	4,00,000	1896-97	6½	Oct. Apr.	119	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	122	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	2,00,000	1895	6	Mar Sept.	119	10½
Karanpura Collieries	7,50,000	1946	5½a	.. ..	69	75(cp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	3N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Oudal	2,00,000	1898-99	6½	Apr. Oct.	114	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1884	6	Jan. July	130	100
Barsi Cotton	3,00,000	1938	6½	Nov ..	8½	10
Benares Cotton	1,05,200	1919	7	July Jan.	63	100
Bengal-Nagpur	3,00,000	1896	7	Apr Oct.	119	100
Bowreah A	6,00,000	1900	8	Feb. Aug.	136	100
Do. B	6,00,000	1900	7	Feb. Aug.	82	100
Bradbury	2,50,000	1919	7	June Dec.	325	250
Buci Ingham & Carnatic	21,30,200	1920	7½	Jan. July	140	100
Cambodias	1,00,000	1928	7	Apr. ..	1½	100
Central India	30,00,000	1912	5	Nov. Oct	490	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	117½	100
Elgin	11,00,000	1912	8	May Nov.	143	100
Do. 'B' Pref.	4,30,000	1943	5	July Jan.	10½	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	88	100
Emperam	20,00,000	1919	7	June Dec.	124	100
Khatau Makanji (2.6)	29,52,500	1947	4	Nov. ..	87	100
Kothari	12,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. ..	221½	250
Morarjee Goculdas Spg. & Wvg	17,25,000	1947	4½	January	80	100
Muir Mill	30,00,000	1900	6	Jan. July	51N	100
Mysore Spg.	7,45,050	1944	4½	.. ..	30	50
National Rayon	1,74,64,700	1943	5	.. ..	86½	100
New Great	8,00,000	1913	5½(a)	Mar. ..	185	200
New Victoria	26,03,500	1920	6	Apr. Oct.	3½	5
Podar Mills	10,00,000	1943	4	Feb. ..	77	100
Rajalakshmi	2,00,000	1932	6½	Apr. ..	53	50
Shree Niwas Cotton	4,80,000	1944	4	.. ..	66	100
Shoolapur	32,00,000	1943	3(c)	.. ..	56	100
Swadeshi	15,00,000	1935	5	Apr. Oct.	115½	100
Swadeshi (Kanpur)	35,00,000	1927	6	June ..	81	100
Vasanta (1st)	3,00,000	1931	6½	Apr. Oct.	117N	100
Do. (2nd)	1,50,000	1938	5	.. ..	108½	100
Vishnu	15,64,500	1908	7(a)	Apr. ..	560	500
ELECTRICS						
Andhra Valley Power Supply	49 34 000	1917	7(a)	May Nov.	1,197½	1,000
Calcutta Electric	61,900 000	1909-11	5(i)	Jan Dec.	12½	61
Tocna Hydro-Electric	4 900 000	1935	7(a)	June Dec.	101½	100
South Arcot	2,00,000	1933	6	Jan. July	101	100
South Madras Gd	10,95,925	1940

STOCK & SHARE QUOTATIONS

Abbreviations.—D=Deferred shares. P.C.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. Ex-quotation. Ex.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

Shares.—If a new party has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the subtitle "Paid-up Ordinary Capital" and "Paid-up pa

Accounts.—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, resp. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, all other items on which depreciation is allowed, less sales, if any, and assets for the green figures except where otherwise indicated.

Dividends.—Dividends for or expired years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which clos their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
20,00,000	3,74,976	43,22,382	43,95,272	−2,24,486	Rajnagar Textiles (Agencies) Ltd.	47,512	1,991	Apollo Mills	2 14½	2	0 4(c)	0-4 (c)			12	V.
40,00,000	84,00,000	1,34,31,561	72,33,615	−3,78,311	B. E. Sons, Ltd.	50,596	1,921	B. B. Cotton Mills	54½	100	Nil	Nil	Nil		3	V.P.T.
2,00,78,000	2,37,32,833	3,91,24,744	3,31,78,349	2,80,047	Narottam Morarjee & Sons, Ltd. ..	1,89,680	4,835	Bombay Dyeing & Mfg. ..	416½	250	29 0	22 8*	7 0½		12	V.
10,00,000	27,34,139	59,38,179	44,57,095	2,48,761	Ramanlal Sons, Ltd.	42,068	890	Broderry Mills	160	50	100 0	100 0	75 0		3	V.
1,99,42,800	3,37,88,593	2,33,93,095	1,73,24,388	12,81,139	Birla Bros., Ltd.	1,25,936	2,698	Century Spg. & Mfg.	379½	100	20 0	22 0	8 0		12	V.
40,00,000	14,04,836	1,04,30,358	50,37,273	3,066(c)	V. J. Phiroz (Chairman and Managing Director)	39,408	796	Colaba Land & Mill	59½	100	Nil	Nil			12	V.
16,00,000	13,33,380	64,51,450	44,34,747	21,138	Cowasjee Jehangir & Co., Ltd. ..	30,130	660	Coorla Spg. & Wvg.	118	500	7 8	7 8	7 8		3	V.
16,00,000	25,06,261	64,39,890	30,46,041	34,561	Dhanrajmal Sons, Ltd.	38,304	..	Dhun Mills	90	50	6 0	6 0			12	V.
36,00,000	27,73,098	68,35,753	40,73,724	14,490	Premanand Raghavdhas & Co. ..	50,296	928	Edward Textiles	250	500	15 0	15 0			12	V.
89,97,750	11,93,792	1,59,90,311	73,99,231	17,999	K. D. Jalan, Esq. (Chairman) ..	43,376	884	Elphinstone Spg. & Wvg. ..	401	50	3 0	Nil	2 8½		12	V.
80,00,000	63,91,875	86,92,384	68,31,294	8,94,368	James Finlay & Co., Ltd.	46,972	784	Finlay Mills	251	100	20 0	16 0			12	V.
11,84,000	75,99,580	1,20,83,307	91,11,300	8,850	Thackersey Mooljee & Co. ..	49,672	1,176	Hindoomal Spg. & Wvg. Mills	3,875xd	1,000	200 0*	225 0*	225 0	90 0*	3	V.P
18,800									992½	130	50 0	36 0*	58 4	10 0*		
5,99,00,000	1,13,27,883	4,58,17,844	3,07,00,000	−16,01,990	Agarwal & Co.	2,38,039	6,278	India United Mills	11½	18	Nil	0 10½			12	V.
35,00,000									18	113	Nil	0 1				
37,00,000	71,99,043	1,22,31,586	83,39,808	3,551	Dunorfhas Thackersey Mooljee & Co	56,256	1,192	Indira Mfg.	3,800 xd	1,000	200 0*	225 0*	225 0	40 0*	3	V.P.
99,85,000	46,74,767	2,15,86,170	1,34,28,943	23,212	Khatau Makanji & Co., Ltd. ..	84,604	1,513	Khatau Makanji Spg. & Wvg.	962½N	500	100 0	113 0*	112 8		6	V.P.
1,50,00,000	1,44,30,000	3,49,39,105	2,46,94,456	12,185	Kilachand Industries Ltd. ..	1,20,504	1,846	Kohinoor Mills	317	100	10 0	10 0	8 0		12	V.
50,00,000 A	84,00,783	4,34,127	88,878	6,03,556	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	846	100A	6 4	6 4	18 0		6	V.P.
50,00,000 B									808	1	4 4	4 4				
21,11,050	41,30,978	1,10,78,967	48,72,195	12,177	N. Sarur & Co., Ltd.	48,876	844	Modern Mills	859½	50	5 0	5 0			10	V.T
31,75,000	32,52,000	1,34,11,154	1,47,72,041	1,09,379	Premal & Sons	66,352	1,542	Morarjee Goculdas Spg. & Wvg.	218½	100	12 0	12 0	14 0		6	V.T
1,60,00,000	3,03,011	4,93,76,668	1,10,00,000	2,01,242	Chunilal & Co., Ltd.			National Rayon Corporation	205½	100	Nil	9 0			12	V.P.
84,00,000	25,60,685	34,52,403	46,04,752	27,546	W. H. Brady & Co., Ltd.	45,864	422	New City of Bombay Mfg. ..	150	100	10 0	10 0	10 0		12	V.
80,00,000	15,47,407	89,82,360	41,42,740	12,317	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg. ..	156	100	10 0	10 0	7 8		12	V.P.
12,76,100	36,34,004	42,40,552	18,76,660	425	Motilal Chandulal & Co. (Bombay), Ltd.	34,100	873	New Union Mills	328	10	1 4				12	V.
40,00,000	36,07,273	1,42,08,882	91,59,811	50,475	Bamanrao Sons, Ltd.	66,324	1,190	Phoenix Mills	107½	100	8 0	8 0			12	V.
40,00,000	43,82,741	24,86,450	22,50,000	1,59,184	Podar Sons, Ltd.	32,600	930	Podar Mills	157½	100	10 0	10 0			12	V.P.
5,00,000	8,44,062	21,20,549	18,99,340	2,540	Pestonji Rustomji & Co., Ltd. ..	9,520	277	Rajnagar & Alliance Silk Mill	158	10	1 4	0 12			12	V.
89,00,000	69,06,474	1,54,32,806	81,67,282	10,143	M. G. Investment Corporation, Ltd.	60,848	1,254	Samson Spg. & Wvg.	37	10	1 4	1 4			12	V.
60,00,000	56,20,061	37,30,546	45,21,044	2,09,922	Marsan Textiles (Agency) Ltd. ..	46,836	1,640	Saran Nivas Cotton Mills ..	238½	100	12 8	14 0			12	V.P.
42,00,000	38,80,000	80,13,073	68,09,000	21,940	Tribhovandas Purshottamdas & Co., Ltd.			Simplex Mills	148	50	15 0(c)	15 0	11 0	4 0½	3	V.
66,00,000	1,19,87,177	1,53,60,777	1,03,72,256	88,648	Motilal Chunilal & Sons	57,292	1,033	Standard Mills	370	100	20 0	20 0			12	V.P
1,00,00,000	1,18,72,086	1,70,99,341	90,27,820	40,896	Tata Industries Ltd.	67,872	2,000	Bombay Mills	193½	100	16 0	16 0			12	V.P
30,00,000	60,78,643	93,47,153	58,93,668	3,94,757	James Finlay & Co., Ltd.	38,828	552	Swan Mills	330	100	30 0	20 0			12	V.
52,17,410	49,90,353	1,31,49,823	43,26,353	8,843	Tata Industries Ltd.	61,792	1,800	Tata Mills	60	25	1 0	1 8			12	V.P.
12,00,000	42,53,768	98,83,823	34,63,000	4,319	Thackersey Mooljee Sons & Co. ..	54,424	1,181	Western India Spg. & Mfg. ..	3,875xd	1,000	200 0*	225 0*	225 0	40 0*	3	V.P.
AHMEDABAD																
33,00,000	23,97,640	94,80,904	33,37,028	3,660	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills ..	120	100	10 0	10 0*	5 0		6	V.P.
10,00,000	80,37,618	89,87,424	63,39,047	7,878	P. M. Hathisingh & Sons, Ltd. ..	42,768	912	Arvind Mills	515	100	20 0*	20 0*			12	V.P.
86,23,000	2,21,86,002	1,33,18,915	89,33,000	47,546	Narottam Lalbhai & Co.	62,448	1,316	Arvind Mills	1,132	100	25 0	25 0			12	V.P.
80,00,000	34,43,342	79,44,276	36,23,098	1,90,074	Mangaldas & Bros. Ltd.	35,884	864	Ajeetpura Ginning & Mfg.	202½N	200	15 0	20 0			12	V.P.
12,00,000	1,03,34,021	82,38,319	86,49,331	1,23,642	Lalbhai Dalpatbhai & Co. ..	55,000	914	Anil Mills	570	100	22 0	22 0*			12	V.P.
1,34,77,832	99,56,782	3,97,71,801	2,72,33,344	13,31,388	Karamchand Premchand Ltd. ..	1,39,120	2,372	Calico	531½	125	18 0	18 0	8 0½		12	V.P.
15,00,000	8,45,008	1,05,79,843	72,50,000	9,913	Tarachand Bhagirath & Co., Ltd. ..	38,847	767	New Commercial Mills ..	1,082½N	750	70 0	70 0			12	V.P.
99,00,000	70,78,334	99,79,263	76,68,978	1,793	Motilal Chunilal & Co., Ltd. ..	31,152	865	New Shorrock Spg. & Wvg.	728	125	35 0				12	V.P.
5,00,000	61,13,963	46,72,745	31,76,001	700	Jagabhai Bhogilal Nanawaty & Co., Ltd.	24,846	572	Nutan Mills	340N	100	30 0*	30 0*			12	V.P.
13,90,000	1,09,23,589	79,71,738	57,25,077	22,202	Lalbhai Dalpatbhai & Co.	31,120	634	Raipur Mfg.	875N	100	25 0	17 8			12	V.P.
12,00,000	13,57,867	74,93,009	19,67,458	−13,30,510	Mangaldas Girdhardas Parekh Ltd	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	110N	130	Nil	Nil			12	V.P.
72,30,000	31,74,817	84,83,540	52,47,403	9,020	Lalbhai Gordhandas Ltd.	40,000	648	Rajni Mills	142½	100	7 0	9 0			12	V.P.
88,98,150	1,83,62,279	1,31,66,919	1,17,07,000	42,133	Narottambhai Kalidas & Co. ..	97,332	1,781	Shri Ambica Mills	362½	50	16 0	18 0			12	V.P.
19,32,300	85,12,167	61,33,231	48,71,501	8,870	Motilal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg. ..	455N	100	20 0				12	V.
22,00,000	24,43,440	75,33,266	61,24,605	31,804	Maneklal Ashoklal & Co., Ltd. ..	36,176	700	Vijaya Mills	530N	400	35 0*	35 0*			12	V.P.
WEST BENGAL																
13,00,000	1,88,479	34,10,729	19,47,810	41,277	Calcutta Agency, Ltd.	13,044	356	Bansoti Cotton Mills	44	10	Nil	0 4			18	V.P.P
7,11,280	3,35,369	40,38,098	23,90,978	47,818	Bengal Textile Agency, Ltd. ..	32,352	934	Bengal Luxmi Cotton Mills ..	40	100	Nil	Nil	4 0		3	V.
6,00,000	22,75,078	90,45,279	31,32,008	−18,86,726	Kanksorli Baliea & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills ..	405	100	Nil	Nil	Nil		6,12	H.P
19,00,000	75,15,726	97,91,233	69,33,080	−10,45,840	Kanksorli Baliea & Co., Ltd. ..	42,948	518	Dawson Mills	210	100	Nil	Nil	Nil		6,12	H.
1,00,00,000	1,98,18,540	3,42,43,338	1,08,56,338	2,13,714	Birla Brothers, Ltd.	70,040	1,990	Emerson Cotton Mills ..	23½	20	1 12	1 12	1 12		3	V.P.
6,00,000										25	1 4½					
63,96,292	9,75,800	84,54,400	67,06,237	8,150	Chakravarti Sons & Co.	23,464	442	Mohini Mills	—	25	1 4½				12	V.P.
19,47,900										10	0 8½					
5,00,000 D	5,75,000	41,85,833	19,32,788	15,666	Ramsarowali Harmali	23,196	795	Ramgoria Cotton Mills ..	12	10	0 8½	0 8½			6	V.
									1N	15	Nil	Nil				
SOUTH INDIA AND OTHER CENTRES																
15,00,000	8,99,109	89,21,618	21,09,246	2,734	Ramaiah & Co., Ltd.	25,008	..	Alagappa Textiles (Cochin) Ltd.	63	10					12	V.P.T.
11,24,400	31,59,334	2,86,06,796	30,52,372	3,771	Industrial Trust Fund, ...	36,134	730	Anam Jaki Mills	68	100	6 0	6 0			9	V.
40,50,000	1,74,49,038	3,06,08,237	2,18,01,355	8,06,393	Binny & Co. (Madras), Ltd. ..	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	417xd	100	15 0	25 0	10 0½		12	V.P.
57,00,000	15,30,000	77,23,132	53,72,132	18,199		29,936	782	Bengal-Nagpur Cotton Mills ..	12½	10	0 8	0 4½			12	V.P.
13,00,000	1,07,71,076	1,01,44,841	67,39,141	4,07,265	Birla Brothers, Ltd.	29,996	998	Birla Cotton Spg. & Wvg. Delhi	70N	10	0 4	Nil	Nil		6,12	H.P.T
1,78,47,800	1,44,80,321	3,91,31,208	2,09,13,105	3,32,843	Binny & Co. (Madras), Ltd. ..	1,20,356	2,744	Buckingham & Carnatic ..	151	100	3 0	3 0			3	V.
80,00,000	20,00,281	32,96,201	17,31,011	28,657	Parrys, Limited & Co., Ltd. ..	37,538	..	Cambodia Mills	12½	10	1 0	0 12			12	V.P.T.
14,99,229	4,75,000	42,34,384	13,27,237	..	Madras Industrial Syndicate ..	16,800	..	Canmmore Spg. & Wvg. ..	129½	100	12 0	12 0			12	V.P.
80,00,000	56,49,773	91,84,118	47,84,818	14,773	Dorp, Sutherland & Co., Ltd. ..	28,794	391	Cocanada Textiles	8½	5	0 9	0 9	0 6		3	V.
10,00,000	19,81,494	28,26,835	21,58,908	..	B. Simms Banks & Co.	28,844	..	Coimbatore Cotton Mills ..	305	100	9 0	20 0			12	V.
80,00,000	13,80,000	33,11,341	11,98,763	3,400	T. B. W. Noble & Co.	21,978	..	Coimbatore Pioneer Mills ..	206	100	10 0	10 0			12	V.
80,00,000	4,36,646	1,14,42,334	68,90,690	4,76,903	E. G. E. Noble & Co.	32,218	407	Coimbatore Spg. & Wvg. ..	71	50	Nil	Nil	3½		6	V.
44,31,700	61,78,240	2,84,42,439	1,31,34,838	14,091	Tata Industries, Ltd.	1,13,188	2,062	Consol India	130	100	2 0	1 0	2 0		3	V.
3,30,36,225										100	2 0	2 0	2 0			
1,00,34,1	2,63,12,463	8,33,97,662	4,42,00,000	1,08,241	B. R. Chatni Ram & Co., Ltd. ..	1,16,636	2,355	Delhi Cloth & General Mills ..	33½	25	0 1 4/3	0 2 4/3	0 3 3/3		6	V.P.
84,34,800	24,64,547	42,39,839	30,16,081	9,473	M. M. Chester & Sons	32,164	201	Dhanalakshmi Mills	316xd	100	20 0	20 0			6	V.P
60,00,000	33,27,877	1,04,94,492	1,21,71,631	62,277	Dorp, Sutherland & Co., Ltd. ..	53,768	1,198	Elgin Mills	164	16	1 0	1 0	1 0		12	V.
80,04,700	43,23,176	81,87,379	63,09,670	83,195	Forbes, Forbes Campbell & Co., Ltd.	72,904	3	Gokak Mills	230	100	17 0*	17 0			9	V.P.
80,00,000	12,79,743	1,29,75,848	88,01,208	13,571	Govindram Sakseria (Indore) ..	31,190	1,420	Indore Malwa United ..	93	100	6 0	6 0			12	V.
8,00,000	10,62,423	23,37,867	14,63,539	....	O. V. Buddu & Co., Ltd.	32,784	..	Jaswantsag Mills	78	50	3 12	4 8			12	V.
84,00,000	13,75,000	64,01,041	13,00,008	20,004	Kothari & Sons	36,512	208	Kothari Textiles	12	10	0 12	0 8	0 8		12	V.
16,00,000	71,10,321	1,42,07,561	1,01,44,346	32,367	Bombay Co., Ltd.	31,972	1,219	Lakshmi Cotton Mfg. ..	315	100	37 0	37 0	7 8½		3	V.P.
17,21,200	44,00,000	1,00,53,685	69,30,848	23,793	G. K. Noble & Co.	74,960	200	Lakshmi Mills	1424	50	3 0	2 0	10 0		3	V.
1,78,41,400	4,13,81,878	3,66,33,343	3,44,90,463	8,66,000	A. & F. Harvey Ltd.	4,63,152	..	Madura Mills	68	15	1 8	1 8	1 0			
18,00,000	4,17,369	27,72,841	10,02,000	1,14,998	A. L. A. R. R. Chettiar and Others	72,592	108	Madurai Spg. & Wvg. ..	48½	15	1 0	3 0	3 0		12	V.
60,00,000	49,00,000	61,38,483	39,86,332	20,133	W. A. Brandreth & Co., Ltd. ..	23,654	603	Meeter Industries Ltd. ..	283½	100	12 0	12 0			12	V.
39,80,814	28,14,137	56,14,218	44,42,445	12,034	M. Sarur & Co., Ltd.	39,700	704	Minerva Mills	105	100	7 0	7 0*	22 8*		3	V.
34,91,870	27,34,404	1,61,29,118	78,81,378	−7,44,912	Beautiful Abirchand Dadabhoy & Co.	31,340	933	Model Mills (Nagpur) ..	136½	100	7 0	7 0*			12	V.
50,00,000	32,19,600	1,33,79,772	1,03,91,831	−7,77,590	Indian Textile Syndicate Ltd. ..	88,640	1,934	Mule Mills	109N	100	7 0	7 0*			6	V.
30,00,000	56,39,368	93,23,192	61,37,464	22,297	M. Sarur & Co., Ltd.	49,464	308	Mysore Spg. & Mfg. ..	121½	50	10 0*	10 0*	8 8*	3 0½	12	V.P.
12,89,38,200	2,56,743	29,62,995	15,27,000	3,986	R. Seryoneryanna Rao Esq. (Manager	6,080	..	Mysore Spun Silk Mills ..	4½	10	Nil	Nil	Nil		3	V.P.
3,27,09,150	23,62,232	1,02,18,296	58,90,719	−39,62,329	J. P. Srivastava & Sons, Ltd. ..	49,676	1,196	New Victoria Mills	18	0. 25	Nil	Nil			3	V.
87,61,900	67,08,800	1,64,40,327	62,62,651	15,819	Industrial Trust Fund	77,788	847	Osmanabad Mills	—	D. 1	Nil	Nil			12	V.P.
6,00,000 A	7,30,000	13,01,578	18,00,444	551	Bhashyakulam & Co.	29,924	..	Prasad Andavar Mills ..	114	30A	7 0	4 0			9	V.
6,00,000 B									160	75B	11 4	18 0			12	V.P.
10,00,000	8,36,920	32,36,379	16,73,848	4,412	C. S. R. Mudaliar & Sons ..	27,980	..	Rathinakoodal Mills	51	100					12	V.
1,40,000	30,18,864	39,66,900	31,35,638	1,438	A. G. Germany Noble & Co. ..	46,384	301	Radhakrishna Mills	219	100 A	6 0	6 0			12	V.
11,00,000	32,23,890	21,50,344	16,48,993	34,472	B. R. Noble & Sons	33,898	..	Rajahmundry Mills	108	200	5 0	4 0			12	V.
23,23,173	12,16,870	28,91,393	14,12,264	23,503	Rajamannar Dharmapuri Co. ..	16,820	..	Rajamundry Mills	144	50	Nil	7 8			12	V.P.
60,00,000	63,84,300	98,29,367	55,63,251	−19,39,428	J. P. Srivastava & Sons (Rampur).	33,984	600	Rasa Textiles	39xd	100	6 0	6 0	9 0		12	V.
									48	10	Nil	Nil			12	V.
18,00,000	1,00,30,[illegible]	3,80,27,048	2,04,27,278	−1,90,02,067	Meenakshi & Co.	84,048	2,234	Shahpoor Spg. & Wvg. ..	1,400	100	Nil	Nil	Nil		12	V.
									Lots	500						
34,00,700	11,45,800	73,00,039	49,25,631	26,164	R. N. Pallapur, Esq.	31,668	292	Sri Krishnarajendra Mills ..	75	50	4 0*	4 0*	4 8		3	V.P.
20,14,800	2,00,246	33,18,956	17,71,000	−3,46,777	Gopaldas Lilabhai & Co., Ltd. ..	17,880	640	Shree Rajjan Mills	72N	100	Nil	Nil	Nil		12	V.P.
15,00,000	2,49,73,945	97,38,160	63,02,083	31,23,917	Birla Brothers, Ltd.	36,212	1,242	Swing Cotton Mills	76	10	4 0	4 0	3 0		6	V.
17,50,000	3,28,00,000	4,72,93,263	1,56,70,340	2,67,165	Jaipuria Brothers	1,12,216	2,077	Brindavan Cotton (Kanpur) ..	8½	100	Nil	0 8			12	V.P.T.
1,97,30,000									100 D.	20	Nil	0-14 2/3				
39,72,750	3,79,000	3,71,91,025	96,93,966	41,430	Premnath & Sons (Tuticorin), Ltd.			Tirunavoor Rayons	14½	10	Nil	0 8			12	V.P.
15,38,348	8,16,373	15,19,340	9,57,519	4,909	Moolan Ramjee & Sons	16,256	..	Trichinopoly Mills	126	10	11 1/3	9 1/3			12	V.P.
31,00,000	32,07,606	49,31,478	32,72,308	98,000	R. K. S. Chetty & Brothers ..	33,704	770	Vasanta Mills	218	100	12 0	12 0			12	V.
50,00,000	47,34,115	1,54,36,932	89,38,676	1,866	Bombay Co., Ltd.	34,280	1,337	Vishnu Cotton	123	500	10 0	4 0			12	V.P.

* Includes bonus.

Also mortgage loan of Rs. 80 lakhs against mortgage of fixed assets

(a) Bahina to taxation and workers' bonus.

(c) Paid out of reserves.

(c) Interim dividend of Rs. 3 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 63,000 shares of Rs. 50 each. X. R.—Re-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
13,28,000	16,64,000	1,09,25,186	30,37,365	21,554	Parry & Co., Ltd.	Dacoma Sugar & Akbhari ..	31	25	2 13½	Nil	Nil	Nil	3	V.P.
6,64,000	13 83,781	23,47 704	11,58,077	16,143	Mr. K. O. Khanna	Dyer Meakin Breweries ..	13½	10	1 2½	Nil	Nil	Nil	6	V.
880,000 A	6897,579	61,223,541	8313,606	457,290	Parry's Holdings Ltd.	East India Distilleries and Sugar	17xd	A. 16ch.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	3	V.P.
8300,000 B							27xd	B. 61	Sh. 3	Sh. 3	Sh. 4	Sh. 3 4/5		
6,00,000	9,60,000	11,63,313	11,63,307	6,057	Vithal Mallya, Esq. (Chairman) ..	United Breweries	162xd	75	7 8	15 0	15 0	15 0	3	V.
CEMENT														
11,37,700 A	8,69,857	73,78,759	33,89,342	4,636	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	130	A. 100	7 8	7 8	10 0*		12	V.P.T.
39,47,200 B							13½	B. 10	0 12	0 12	1 0*			
43,14,600 C	11,14,602	18,53,830	7,23,479	1,20,881	Eastern Corporation Ltd.	Assam Bengal Cement	6½	C. 10	Nil	Nil	Nil		3	V.T.
4,70,976 D							16	D. 10						
12,67,39,333	4,18,90,259	20,42,88,558	7,83,13,157	6,93,281	Cement Agencies Ltd.	Associated Cement Companies ..	181	100	9 8	9 8	9 8	8 8	7	V.
80,00,000 G.							12½	G. 10	0 10	0 10	1 0			
28,49,700 H.	46,39,135	81,39,445	20,01,691	67,792	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡ ..	2 4½	H. 25	0 2½	0 2½	0 4		12	V.P.T.
5,00,000 I.							11	I. 1	Nil	Nil	Q 1-3/4			
62,30,000 J.	4,00,000	1,43,54,423	31,47,437	8,13,163	Essen Ltd.	India Cements Ltd.	20½	J. 25	Nil	1 4	Nil		3	V.P.
7,30,000 K.							3 4½	K. 5	Nil	0 4	Nil			
59,84,000	13,00,000	1,67,66,035	31,49,080	1,63,701	Shree Laxmi Agents Ltd. ..	Shree Digvijay Cement	173½	100	5 0	6 0	6 0		12	V.P.
73,00,000	20,93,000	1,75,91,085	1,37,82,076	6,648	Martin Burn Ltd.	Sonavalley Portland Cement ..	7 8	8	0 6½	0 8	0 6		12	V.
CERAMIC; MINING AND QUARRYING														
81,70,655	1,50,000	60,96,114	23,31,090	15,378	S. Lall Bhagat & Co.	Bengal Potteries	3	2½

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Remarks
PAPER														
45,00,000	22,36,845	1,58,78,118	1,37,10,118	1,50,325	Balmer Lawrie & Co.	Bengal Paper Mills	66½	25	1 9 / Nil	Nil / 1 9	1 9		6,12	H.P.T.
80,00,000	33,44,805	1,07,15,511	71,75,830	2,34,328	Andrew Yule & Co., Ltd.	India Paper Pulp	257xd	100	5 0	6 0	7 0		3,9	H
85,00,000	16,12,500	1,18,13,367	47,31,061	49,179	B. P. Ramakrishnan Esq.	Mysore Paper Mills	17½	10	1 0*	1 0*	0 12*		3	V.
1,46,82,500	1,53,71,781	3,54,00,806	85,37,779	8,36,680	Birla Bros.	Orient Paper	27⅜	10	1 0	1 0	0 7		3,9	H.P.T.
90,06,290	78,16,849	1,11,54,742	62,73,807	8,33,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	16½	10	0 12	0 12f			6,12	H.P.T
210,00,000 / 10,00,000A.	7,02,430	50,27,167	28,55,530	9,798	Bajoria & Co.	Star Paper Mills	14 / 14	O. 10 / A. 10	0 4 / 0 6	0 6 / 1 0			3,9	H.P.T
56,00,000A. / 56,04,800B. / 4,31,500P.O.	2,83,01,797	5,11,76,455	3,06,96,855	9,39,432	F. W. Heilgers & Co., Ltd.	Tiagbar Paper Mills Co., Ltd.	44 / 44	A. 10 / B. 10	1 0 / 1 0*	1 0* / 1 0*	0 12 / 0 12		3,9	H.P.
PRESSING														
8,00,000	6,12,365	15,78,488	10,90,581	88,403	Andrew Yule & Co.	Calcutta Hydraulic	50	100	5 0	5 0	4 0		6	V.
4,50,000	1,00,000	6,59,526	4,73,054	2,354	Tyre & Sons	Cauvery	89N	100	5 0	5 0	5 0		7	V.
5,00,000	1,25,000	10,91,811	9,30,377	12,942	Andrew Yule & Co.	Central Hydraulic	92	100	5 0	4 0	3 0		6	V.
PROPERTY AND LAND														
10,00,787O. / 8,00,000T.	6,02,382	42,65,284	19,09,288	419	B/A. Basti, Esq., & others (Directors)	Humayun Properties	16	O. 10 / D. 10	0 8½ / Nil				9	Y.3
60,00,000	18,90,038	84,21,336	13,90,000	590	David Sassoon & Co., Ltd.	Port Canning Land	13	100	1 0	1 8	1 8		4	V.
84,00,000	35,36,934	96,49,123	1,06,646	105,262	Andrew Yule & Co.	Midnapore Zamindary	40	100	2 0	2 8	4 0		4	V.3.
SAW MILLS AND TIMBER														
13,99,998	88,19,726	23,86,404	6,94,904	—97,203	Bird & Co.	Assam Saw Mills	6¼	5	0 4	Nil			9	V.
50,00,000	4,08,84,383	3,03,42,310	1,22,52,525	56,875	Wallace & Co.	Bombay-Burmah Trading Corpn.	465 / 163½	Old 125 / New 50	22 8 / 9 0	15 0 / 6 0	20 0 / 8 0		5	V.
4,00,000		2,00,768	1,78,245	—3,49,024	Jardine Henderson Ltd.	Bengal Tin Per Trading	41N	100	Nil	Nil	Nil		4	V.J.
80,00,000	14,15,487	17,44,615	1,43,401	1,83,401	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	37½	10	5 0	2 8	1 01		9	V.
SUGAR (U.P. and Bihar)														
14,00,000	13,55,971	38,50,924	27,77,928	23,527	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	93	5	Nil	Nil	0 12			V
22,00,000A. / 3,00,000B.	29,18,356	49,46,283	33,16,660	15,20,000	Dalmia Bros. & Co., Ltd.	Basti Sugar	143N / 134N	A. 100 / B. 10	10 0 / 1 0	10-0 / 1 0	10 0 / 1 0		4	V.
35,00,000	13,55,319	45,47,836	31,37,841	26,184	Begg Bros., Ltd.	Belsund Sugar	10	10	0 12	0 12			9	V.
92,00,000	26,79,431	1,35,76,559	88,78,177	81,723	Cotton Agents Ltd.	Bihar Sugar	19½N	10	1 8	1 8	1 8		6	Y.3.
150,00,000	33,02,981	1,00,12,353	81,32,451	29,696	Begg, Sutherland & Co., Ltd.	Caron & Co.	10½	10	Nil	Nil	0 12		4	Y.J.3
18,00,000	33,88,892	67,14,964	50,49,402	24,329	Begg, Sutherland & Co., Ltd.	Champaran Sugar	18½	10	2 0	2 0	0 12		10	V.P.
3,55,450	8,38,252	22,68,248	14,01,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	23½	10	2 0	1 0	1 0		4	V.
80,00,000A. / 30,00,000B.	33,25,000	69,95,552	45,50,000	1,88,699	Bachraj & Co., Ltd.	Hindustan Sugar Mills	8N / 115N	10 / A. 100 / O. 100	0 8 / 12 0* / —	1 0 / 13 0* / Nil			6	V.T.
18,00,000	8,62,508	23,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	57N	80	Nil	Nil			7	V.P.
7,89,100	23,05,922	29,37,672	17,61,033	64,988	Cotton Agents Ltd.	New India Sugar Mills	34¼	40	Nil	Nil			4	V.P.
31,10,000	4,20,000	37,45,397	24,14,645	8,789	Karamchand Thapar & Bros., Ltd.	New Swan	44	10	0 8	2 8	2 8		3	V.
10,97,250 A. / 2,71,975 B.	49,84,457	63,27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mills	22¼N	20	20 0	20 0	20 0		6	Y.
77,48,500	52,22,414	1,75,56,483	88,00,000	36,923	Cotton Agents Ltd.	Oudh Sugar	55N	25	5 0	3 0	5 0		7	V.P.
12,00,000	12,71,178	39,44,458	18,11,0	18,146	Khaitan Bros. & Co., Ltd.	Punjab Sugar	115N	100	6 0	11 0	11 0		10	V.
9,00,000	13,93,919	35,23,095	29,32,249	3,957	Begg, Sutherland & Co., Ltd.	Purnea Sugar	104N	100	6 0				10	V.
8,11,110	6,54,302	25,43,782	21,01,613	24,340	Begg, Sutherland & Co., Ltd.	Ramgoolam Sugar	18½	10	1 0	1 0	0 12		10	V.P.
11,99,000	17,75,737	38,17,360	22,17,120	13,455	Begg, Sutherland & Co., Ltd.	Ryam Sugar	20N	10	1 0	0 8	0 8		9	V.P.
80,00,000	21,48,360	1,04,56,727	55,25,283	3,337	Sahu Jain Ltd.	Samastipur Central Sugar	14½	10	1 0	0 8	0 8		6	V.
8,59,950	61,825	27,77,628	12,85,342	—1,89,268	B. K. Ghosh, Esq., and B. N. Datta, Esq. (Managing Directors)	Shree Krishna Gyanoday Sugar	17½	10	1 0	1 8	1 8		7	Y.P.T.
7,55,462	16,32,940	29,94,670	16,32,168	92,009	Karamchand Thapar & Bros.	Shahpore Sugar	3½	10	0 6½	Nil			6	V.
9,15,000 D. / 4,40,000 D.	47,592	27,27,402	11,46,770	—15,50,149	N. K. Jain & Co., Ltd.	Shri Sitaram Sugar	25½	10	2 0	2 0*			5	V.T
8,00,000	20,87,588	13,26,115	30,59,756	48,719	Cotton Agents Ltd.	South Behar Sugar	19 / 13N	O. 10 / D. 2½	Nil / Nil	Nil / Nil			10	V.P.
16,00,000	7,59,778	31,12,340	84,59,851	8,181	James Finlay & Co., Ltd.	Upper Ganges Sugar	30N	10	2 0	0 8	2 8		6	V.J.
						United Provinces Sugar	23½	10	1 8	0 8			9	V
Other Centres														
6,99,750	65,29,871	1,40,90,053	84,27,447	33,628	W. H. Brady & Co., Ltd.	Peberun Company	322	50	16 0	16 0	16 0			V.
50,000	11,90,010	31,48,813	19,76,742	88,700	A. H. Bhimanbhai & Co.	Bhagwan Sugar Industries Ltd.	24½	10	1 0	0 10	1 0		9	V.P.
15,93,900	2,45,841	39,19,958	20,01,146	51,593	Sir J. P. Srivastava & Sons (M. R.) Ltd.	Cawnpore Sugar	46N	100	3 0	Nil	Nil		9	V.P.
10,16,010 / 3,00,000	30,25,083	23,07,466	18,53,439	2,32,019	Indsugar Agencies Ltd.	Indian Sugar & Industries	17½	10	1 4	1 4			6	V.
31,37,180	42,47,478	41,33,220	19,37,712	8,477	Cotton Agents Ltd.	Indian Sugar Mills	—	10	1 4	1 4			9	V.J
10,31,200O. / 3,87,190D.	67,50,000	84,86,942	27,56,542	2,346	V. Ramakrishna Esq.	Mahad Sugar	13½N	10	0 12	1 0			10	V.
81,79,260	90,22,871	1,21,03,930	73,11,305	8,20,221	K. C. P. Ltd.	Mysore Sugar	0.100	100	7 8	7 8	7 8			V.
50,00,000	47,49,631	1,07,50,631	55,41,246	15,411	M. S. Swaminathan, Esq. (Managing Director)	Mysore Sugar	75	D. 10	10 0	10 0	0 8		6	V.P.
16,59,320	87,50,830	46,31,755	23,75,327	95,198	National Agri and Industrial Ltd.	Pilibhit Sugar	47½	10	2 0	2 0	2 0		6	V.
20,00,000 D. / 4,00,000 D.	24,60,121	80,59,224	48,81,892	1,00,535	Andrew Wright Ltd.	Ramagar Cane and Sugar	12½	10	1 0	0 8	0 8		8	V.
17,59,610	46,07,918	43,46,314	19,83,541	3,144	Watchand & Co., Ltd.	Rewa Sugar (Farm)	93N / 7N	O. 50 / D. 10	9 0 / 0 11½	Nil / Nil			9	Y.P.T
80,00,000	18,37,776	29,16,224	17,87,159	—37,224	Cotton Agents (Rampur) Ltd.	Rana Sugar	11½N	10	0 12	1 8			10	V.
83,50,000					Parry & Co., Ltd.	Travancore Sugars	9½	10	Nil	Nil	Nil		7	V.P.
77,30,000A.	51,58,517	1,30,88,459	96,57,210	1,72,670	Trumbo Cementedon Co., Ltd.	Walchandnagar Industries	224½	A. 100 / O. 100	14 0 / 14 0	14 0 / 14 0			9	Y.P.S.
TRANSPORT														
20,00,000	1,08,42,425	1,33,68,272	13,76,183	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co.	132xd	100	12 8	10 0			9	
1,50,00,000	11,17,773	3,37,34,932	1,90,59,851	69,556	Dinshaw Ltd.	Bharat Line	84	100	5 0	3 0	3 0			
50,00,000	26,35,838	1,83,20,489	83,44,422	1,69,704	A. H. Bhimanbhai & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	16½	10	1 0	1 0	1 0		10	Y.P.
8655,580	1954,756	47,633,307	43,454,207	43,327	Kilachand & Co., Ltd.	Indian Coastal Navigation & Trg. Co.	99	610	5b 10	Nil			12	W.
9,00,19,975	74,54,025	4,41,90,660	1,32,36,755	1,64,540	Lucas Brandis Ltd.	Indian Steamship Co.	9½	10	0 8	0 8	Nil		12	Y.P.
8,41,30,UO. / 6,10,200P.O.	17,33,073	10,83,408	6,54,038	1,88,899	Nowrosjee Wadia & Co.	Scindia Steam Navigation Co.	15½	20	0 8	0 12	0 8		3	Y.P.
					Eq. A. Smith, Esq., (Manager)	Watford Transport Ltd.	1½ / 18	O. 1 / P.O. 1	as 1 3/32 / as 1 9/32	as 1 3/32 / as 1 9/32			6 / 12	V.
UNCLASSIFIED (Bombay)														
2,40,000	95,000	5,35,997	3,89,000	700	Forbes, Forbes, Campbell & Co., Ltd.	Bray Fuel Depots	600	500	53 0	52 0	52 0		9	V.
15,98,360	2,04,173	2,19,253	40,000	40,255	Tarsh Agencies Ltd.	Bray Jute Co.	70N	50	4 0	3 0			12	V.
85,00,000	1,10,000	23,30,171	13,483	8,047	Tata Sons Ltd.	Cochrane Pants Investment Co.	10½	25	0 12	0 12	0 12		3	V.
14,98,840	5,09,472	26,42,753	18,73,166	36,466	Chartered Bank of India	Indian Patteries	35N	50	2 8	Nil	3 0		3	V.P.
19,99,250	18,80,149	1,23,94,592	11,396	8,11,031	Irwin and Buchanan & Sons	Industrial Investment Trust	80	25	4 0	4 0	3 0		12	V
1,00,00,000	31,25,000	21,31,427	7,78,549	18,107	E. D. Sassoon, Esq. (Mg. Director)	Killick Industries	170½	100	10 0	10 0	11 0		6	Y.
8,00,00,200A. / 50,00,000B.	5,29,603	2,64,35,763	98,15,035	—15,44,485	Auto-Auto Ltd.	Premier Automobiles	74N	A. 100 / B. 10	Nil / Nil	Nil / Nil			7	Y.
10,21,300	5,56,105	14,31,317	12,41,107	34,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	25	20	3 0				6	V.
8,75,00,000	69,25,548	8,49,25,164	1,49,34,930	4,70,541	T. Roche, Esq. (Managing Director)	Western India Match Co.	26½	100	11 0*	11 0*			12	V.
45,00,000	33,74,847	7,24,608	3,07,168	45,948	Sir Joseph Kay & B. E. Ltd. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	V.
Other Centres														
47,50,000	15,00,000	1,88,67,301	33,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	5½ / 2½N	O. 10 / D. 2½	Nil	Nil	Nil		8	V.P.T.
2,50,000	40,60,690	31,77,196	21,11,902	2,39,758	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	19½	10	1 4	1 4	1 4		8	V.
30,00,000	7,75,000	29,21,595	19,44,092	1,34,559	T. H. Pedin, Esq. (Mg. Director)	Assam Match Co., Ltd.	21½	10	1 4	1 4*			12	V.
50,00,000	23,47,883	1,00,29,310	39,87,930	41,561	Cecil Hotels (India) Ltd.	Associated Hotels of India	8½N	10	0 4	0 31/8	0 31/8		3	V.
80,00,000 O. / 10,00,000 P. O.	1,31,62,712	59,55,915	30,33,515	5,43,847	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	165	O. 100 / P. 40	20 0* / 4 0*	20 0* / 6 0*			3	Y.T.P.
20,00,000	7,97,945	56,17,515	1,11,692	1,11,692	Lovejoy & Lewis	Birds Investment Ltd.	17	10	1 4	1 4			12	W.
30,44,150	37,00,223	1,02,29,610	26,93,003	1,63,001	P. J. P. Tarapore, Esq. (Mg. Director)	Britannia Biscuits	12½	10	0 12	0 8	1 0		9	Y.T.
8,53,10,000	95,00,000	2,26,70,847	1,97,14,167	3,58,733	Sir Pelham Menzies	British India Corporation Ltd.	7-10½	5	0 10	0 8			5	Y.P.T.
1,00,10,000	1,46,10,000	2,56,79,395	2,79,62,308	10,82,955	Cecil Buck, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	37	10	1 8	1 0			12	V.P.
31,26,000	31,50,934	1,29,31,352		3,11,973	Bird & Co. Ltd.	Eastern Investments Ltd.	160	100	9 0	9 0			12	Y.P.T.
14,00,000	9,97,000	33,12,243	18,66,225	11,238	Mackwill & Barry Ltd.	Gaspar Barr Co., Ltd.	195xd	100	20 0	10 0	7 8		3	Y.P.
65,00,000	38,00,000	18,19,106	6,87,883	1,58,672	K. R. Fatma Esq.	Gillanders Arbuthnot & Co., Ltd.	111½	100	10 0	10 0	7 8		5	V.
30,00,000	11,42,554	48,59,433	29,41,525	1,346	B. P. B. Gordiane	Great Eastern Hotel	118	100	10 0	7 8	7 8		3	V.
12,42,000	7,07,344	70,51,103	47,59,848	19,113	Birla Bros. Ltd.	Hind Cycles	25½	10	1 0	1 0	1 0		9	V.
6,96,12,500		3,05,00,214	60,52,719	4,54,999	Birla Bros. Ltd.	Hindustan Motors	100N	100	8 0	13 0	4 4		3	V.
1,00,00,000	36,77,754	1,45,57,603	1,33,90,172	9,14,791	J. W. Cameron, Esq.	Indian Aluminium Co.	9½	10	Nil	Nil			12	Y.P.T.
1,32,99,220	1,09,40,954	1,32,87,233	46,27,452	19,70,066	A. R. Dhanani Esq.	Indian Cables	18½	100	3 0	Nil	Nil		3	V.
8,27,970	5,35,000	15,79,995	8,39,426	17,480	G. S. Mechlen & Co. (India), Ltd.	Indian Rubber Manufacturers	24½	10	1 0	1 0*	1 0*		12	V.P.
8,00,00,000	52,62,941	31,49,487	7,53,287	3,26,226	G. M. Mackinlay, Esq.	Jardine Henderson	13	10	1 0	0 12	0 8		3	V.P.
9,34,000 O. / 66,00,000	3,48,343	6,59,830	4,31,766	2,240	James & Co., Ltd.	Macfarlane & Co.	117 / 2½	100 / D. 5	7 8 / Nil	7 8	7 8		3	V.P.
40,00,000 O. / 3,00,000 D.	66,18,146	25,22,837	7,33,942	1,07,086	C. L. Bajoria, Esq.	McLeod & Co.	233	D. 10 / O. 100	Nil	Nil			3	V.
1,30,00,250	39,90,212	18,32,139	6,86,923	2,41,090	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	7	D.O. 10	0 4	0 8			12	V.P.
1,15,00,000	39,01,000	1,56,11,398	59,32,798	13,11,213	H. Chowell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	23½	10	1 0	1 0*			9	V.P.
6,15,250	1,77,648	7,85,942	2,60,477	—71,447	Cosle Glass Works Ltd.	Mysore Glass and Fusses Works	20½	10	1 0	1 0	1 0		9	V.P.
6,56,250	9,25,113	10,40,250	4,40,947	73	G. Chandy Esq. (Controller)	Mysore Lamp Works	3½	10	Nil	Nil			12	V.
10,00,000	1,30,000	14,23,216	7,19,467	35,598	K. Narayanaswamy, Esq.	Mysore Tobacco	14½	10	1 0	1 0	1 0		3	V.P.
20,00,000	49,41,539	53,41,362	37,19,508	1,75,770	Associated Industrial Development Co. Ltd.	National Insulated Cable	10½	10	1 0	1 0	1 0		3	V.P.
79,97,000	28,68,388	69,70,031	3,78,936	10,42,030	B. N. Elias & Co., Ltd.	National Tobacco Co.	23½	10	0 12	1 0	1 0		3	Y.P.T.
40,00,000	27,00,000	44,19,474	19,91,414	1,11,448	Coromandel Investment Trust Ltd.	Perry & Co.	9½	10	Nil	Nil			12	V.P.
2,25,00,000	6,41,684	1,61,45,956	43,79,829	—42,97,067	T. A. Lakhani Esq.	Salt (India) Ltd.	4½	10	0 4½	0 4½			12	V.T.
1,10,00,000	1,06,11,978	6,70,21,908	2,57,94,415	79,214	Sahu Jain Ltd.	Rohtas Industries	38	100	Nil	Nil	Nil		12	V.P.
75,00,000	38,30,148	12,92,304	3,20,765	4,54,337	C. W. Stephenson, Esq.	Stores & Co., Ltd.	25½	10	1 0	1 4			8	V.P.
9,98,390	1,90,000	14,27,407	3,01,900	—1,06,545	B. N. Campbell, Esq.	Shaw Wallace & Co., Ltd.	17½	10	1 0	1 0	1 8		10	V.P.T.
					Cosle Bros., Ltd.	Travancore Opale Glass	14½	10	1 0	1 0			6	V.P.
							3½	10	Nil	Nil			12	V.

‡‡ Includes investments at cost.
* Includes bonus.
§ Excluding goodwill (written down Rs. 8 lakhs.
† Excluding goodwill at cost Rs 20 lakhs
‡ Excluding Rs 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Ref. Remarks
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	...	McLeod & Co., Ltd.	825	Amlokhi	670N	100	Nil	7 8	25 0	30 0	12	V.P.
2,76,500	4,30,000	7,71,948	3,05,709	31,218	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	58	10	0 12	0 12	1 4		12	V.
3,50,000	6,43,250	10,04,766	5,32,872	72,998	Gillanders Arbuthnot & Co., Ltd	420	Ananda Bag	41½xd	10	1 0	Nil	2 8	1 8	12	V.
3,50,000	7,21,416	16,60,335	5,32,872	—75,110	McLeod & Co., Ltd.	313	Baghmari	28½	10	Nil	Nil	Nil		12	V.
3,40,000	8,20,000	11,50,416	2,98,096	70,514	Andrew Yule & Co., Ltd.	369	Bamunia	46½	10	2 8	2 0	2 8		12	V.
3,30,000	3,70,000	9,24,593	3,59,593	80,009	Gillanders Arbuthnot & Co., Ltd.	565	Betjan	24½	5	0 8	0 4	2 0		12	V.
3,20,000	5,70,000	9,38,920	2,13,498	61,395	Williamson Magor & Co.	3,967	Bahmani	53xd	10	0 8	Nil	2 0	1 8	12	V.
16,50,000	20,60,000	52,30,169	22,95,169	1,99,547	McLeod & Co., Ltd.	485	Bokakhat	20½	10	Nil	Nil	Nil		12	V.
6,00,000	3,500	10,38,918	1,85,067	2,960	McLeod & Co., Ltd.	450	Borneh Jan Tea	24	10	1 8	Nil	0 12		12	Y.P.T.
7,50,000	4,50,000	8,36,160	2,32,708	28,092	Brook Bond India Ltd.	2,834	Brooke Bond	18	10	1 0	1 0	0 8	1 4	6	V.P.
85,00,000	11,92,045	73,80,673	19,49,496	—16,624	McLeod & Co., Ltd.	252	Dejoo Valley	42	10	Nil	Nil	1 0		12	V.
1,20,000	1,93,097	4,60,080	1,69,074	36,977	Jardine Henderson Ltd.	1,220	Deomal & Purbottie	410	100	22 8	10 0	20 0		12	V.
6,00,000	7,07,300	25,17,843	16,06,120	10,336	James Warren & Co., Ltd.	620	Dhekakhat	23½	10	1 3½	1 0	1 8		12	V.
17,33,440	7,04,319	21,43,185	4,34,259	8,732	James Finlay & Co., Ltd.	633	Dhansiri	28	10	1 0	Nil	2 0	1 01	12	V.
4,68,970	2,70,000	11,71,408	3,42,615	16,852	McLeod & Co., Ltd.	458	Dibrugarh	31	10	0 8	Nil	1 0	1 01	12	V.
4,50,000	3,25,400	6,02,617	2,19,483	41,918	Williamson Magor & Co.	625	Dunakeel	16xd	10	1 0	1 0	0 8	1 01	12	Y.P.
2,36,700	4,75,000	8,80,047	4,70,047	1,14,476	Williamson Magor & Co.	615	Dullaghat	51½	10	2 0	0 4	2 8		12	V.
5,60,300	6,05,000	17,90,747	10,40,747	38,641	Williamson Magor & Co.	1,177	Ean Indian Tea	33½	10	2 0	Nil	1 12		12	V.
10,00,000	4,65,000	21,78,081	8,83,081	13,832		407	Gillapekri	47	10	0	1 8	3 0		12	V.
3,60,000	3,50,000	8,18,664	4,01,797	79,542	Williamson Magor & Co.	546	Gohpur	53	10	3 0	1 8	3 0	0 12½	12	V.
3,38,000	5,60,000	13,95,316	6,19,316	23,354	Octavius Steel & Co., Ltd.	1,393	Oreb	42½ / 21½	A. 10 / B. 5	1 0 / 1 0	1 8 / 1 8	3 0 / 1 8	0 6½	12	
A. 4,94,360 / B. 2,40,790	14,22,810	18,09,304	5,63,575	23,354	Andrew Yule & Co., Ltd.	476	Hoogrijuli	52½	10	3 0	1 8	3 0		12	V.
2,00,000	7,00,000	7,04,481	2,98,888	48,032	Andrew Yule & Co., Ltd.	1,290	Hoolongooree	175N	100	8 0	Nil	12 8		12	V.
4,15,000	8,54,216	18,10,196	9,84,270	24,921	Gillanders Arbuthnot & Co., Ltd.	938	Jutibari	330N	100	Nil	Nil	Nil	1 01	12	V.P.
7,50,000	5,85,000	13,98,777	2,44,299	58,952	Shaw Wallace & Co., Ltd.	1,166	Kiganley-Goalghat (Assam)	51½	10	Nil	Nil	1 0		12	V.
2,40,000	80,000	13,45,851	6,20,831	—3,393	Duncan Bros. & Co., Ltd.	1,037	Lalo	20½	10	Nil	Nil	Nil		12	V.P.
8,50,000	4,94,133	6,79,844	1,29,844	72,357	Duncan Bros. & Co., Ltd.	673	Mohesma	650N	100	35 0	Nil	40 0	15 01	12	V.
4,80,000	40,000	8,84,211	84,211	14,318	Kettlewell Bullen & Co., Ltd.	433	Mothola	40	O. 10	2 0	2 0	2 0½		12	V.
1,50,000	4,47,344	7,54,419	4,05,697	16,982	Andrew Yule & Co., Ltd.	344	Murphulani	46	P.O. 10	2 8	2 8	2 8		12	V.
O. 50,000 / P.O. 2,00,000	4,05,000	8,98,088	5,22,218	34,889	S. C. Sen, Esq., Supervising Director	542	Nagri Mills	49xd	10	2 4	Nil	3 0	3 01	12	V.
4,00,000	3,61,274	6,00,328	3,80,669	9,567	Shaw Wallace & Co., Ltd.	810	Nambornadi	25½	10	Nil	Nil	Nil		12	V.
5,35,000		12,71,401	6,78,401	5,053	Duncan Bros. & Co., Ltd.	935	New Cinnamolilah	42	10	1 12	Nil	2 8	1 01	12	V.
5,00,000	1,15,000	1,92,221	1,92,221	21,164	Andrew Yule & Co., Ltd.	351	Rangarh	45xd	10	0 4	Nil	2 8		12	V.
2,00,000	5,27,500	7,37,172	4,56,993	45,300	James Finlay & Co., Ltd.	902	Sapoi	45½xd	10	1 0	1 0	1 8	1 01	12	V.
6,00,000	4,26,802	17,09,844	2,91,547	16,877	Octavius Steel & Co., Ltd.	515	Tea All	34xd	10	1 0	Nil	1 8	1 81	12	V.
4,50,000	3,55,000	10,90,853	2,91,547	40,145	McLeod & Co., Ltd.	495	Tezlah	45xd	10	1 0	0 12	2 0	1 81	12	V.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	55,00,000	96,99,205	51,47,202	54,436	B. N. Elias & Co., Ltd.	879	Agarpara	14	10	1+1	1+1½	1‡		3, 9	H.T.P.
12,00,000	27,00,000	45,81,286	32,42,838	54,874	Sahu Jain Ltd.	498	Albion	149	100	8+10	12+12	12‡		5, 11	H.P.
6,00,000	2,35,000	31,04,392	33,39,395	10,062	McLeod & Co., Ltd.	446	Alexandra	240	100	Nil	Nil+2½	2½‡		6, 12	H.P.T.
30,00,000	7,35,000	1,17,45,964	90,43,069	61,708	McLeod & Co., Ltd.	1,264	Alliance	175	100	Nil	Nil+5	6‡		6, 12	H.P.
49,20,700	82,13,386	2,54,91,317	1,78,90,000	1,47,642	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	232	100	10+10	7½+5	2½+5		3, 9	H.P.
40,00,000	40,52,240	1,63,99,837	84,16,116	7,674	Bird & Co., Ltd.	810	Auckland	142	100	3+4	2+2	1+2½		3, 9	H.P.T.
20,00,000	25,93,136	98,25,588	65,19,459	18,759	Jardine Henderson & Co.	959	Bally	193	100	Nil	4+Nil	Nil		3, 9	H.P.
8,275,000	£639,470	£1,342,547	£1,046,810	£81,930	Sir John H. Burder (Chairman)	1,389	Barrackpore	178	£5	£1	£1			3	Y.P.
28,00,000	35,49,623	89,78,390	48,75,855	33,467	Andrew Yule & Co. Ltd.	820	Belvedere	218	100	7½+7½	7½+7½	5‡		6, 12	H.P.
45,00,000	35,95,000	54,87,801	27,48,864	2,45,983	Soorajmull Nagarmull	600	Bengal	15	10	1	1+4			6	Y.P.T.
91,26,000	2,08,91,400	3,18,33,661	1,29,13,354	1,26,903	Birla Bros., Ltd.	1,373	Birla	18½	10	3	3	3		3	Y.P.
36,00,000	29,62,925	1,11,26,330	71,77,382	1,20,609	Andrew Yule & Co., Ltd.	991	Budge-Budge	195	100	6½+6½	6+4	4+5		4, 10	H.P.
7,47,380	1,36,424	40,92,864	28,31,216	—48,461	Dayaram & Sons	502	Calcutta Jute Mfg.	15N	10	9+8	Nil			6, 12	H.P.T.
18,00,000	31,81,234	77,10,392	39,38,208	50,057	Andrew Yule & Co., Ltd.	616	Caledonian	248	100	4+6	4+6	4‡		5, 11	H.
59,16,400	1,01,06,609	1,88,44,627	1,03,04,000	22,542	James Finlay & Co., Ltd.	600	Champdany	175	100	7+8	3+3	Nil+3		3, 9	H.
15,95,000	28,39,283	80,46,499	55,31,033	1,36,424	Andrew Yule & Co., Ltd.	530	Chetwud	295	100	6+6	6+6	6‡		5, 11	H.P.
30,15,000	27,75,000	60,14,632	44,94,094	86,056	McLeod & Co., Ltd.	500	Chitavalsah	15½	10	2½+12	12+12	4‡		6, 12	H.T.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	17	10	Nil	Nil			3	Y.P.
31,49,200	62,11,927	1,28,98,802	63,22,413	15,344	Bird & Co., Ltd.	766	Dalhousie	137	100	6+1	1+3	1+1½		3, 9	H.P.
28,00,000	44,74,179	74,57,171	46,41,725	1,46,508	Andrew Yule & Co., Ltd.	779	Delta	240	100	10+10	10+10	6+6		5, 11	H.P.
13,00,000	33,25,000	76,36,813	56,33,731	56,215	McLeod & Co., Ltd.	500	Empire	23½	10	1+4	1+1	1‡		6, 12	H.T.P.
21,00,000	33,28,948	2,70,49,318	1,81,05,210	40,839	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	46½N	10	10+Nil	1+1½	Nil		3, 9	H.P.T.
14,00,000	13,00,000	82,13,505	49,27,386	71,285	Bangur Bros., Ltd.	1,014	Fort William	380N	100	Nil	Nil+5	10+10		3, 9	H.T.P.
24,32,100	2,73,755	2,11,57,730	1,36,01,908	5,930	Macneill & Barry Ltd.	1,709	Ganges Mfg.	89	100	Nil	Nil+Nil	Nil+5		3, 9	H.P.
10,80,000	28,00,000	71,47,356	47,46,252	4,743	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	915	300	30	15			12	Y.
24,00,000	31,83,104	2,20,06,557	1,67,50,294	1,96,427	Macneill & Barry Ltd.	1,394	Gourepore	307	100	14+Nil	Nil+38	24+74		3, 9	H.P.
40,00,000	55,68,234	72,95,746	48,50,613	2,95,107	Bangur Bros., Ltd.	1,078	Hastings	113N	100	10	10	10+0		3	Y.P.
16,80,000	18,52,626	66,38,235	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	49	10	1	1	1		3	Y.P.
63,62,500	58,82,162	1,47,23,497	1,06,14,353	1,65,858	Jardine Henderson Ltd.	1,940	Howrah	30½	10	1+½	2+½	2+½		3, 9	H.P.
52,50,000	20,00,000	2,42,25,884	1,49,75,884	1,64,711	Ramdutt Ramkissendas	2,272	Hukumchand	53	25	3	3	3		4	Y.P.T.
D. 87,00,000	18,63,063	1,11,47,021	74,60,607	8,536	Mackinnon Mackenzie & Co.	1,076	India	218	122	3½+3½	3½+3½	Nil‡		3, 9	H.
O. 30,000								—	1	1+1	1+1				
D. 24,00,000	27,62,899	1,37,48,710	1,20,61,507	32,488	Jardine Henderson Ltd.	1,797	Kamarhatty	196	100	8+6	6+3	3‡		6, 12	H.P.
'B' 19,20,000								172	'B' 100	8+6	6+3				
30,00,000								142½		6+6	5+2½	2½‡		6, 12	H.P.
'B' 24,00,000	17,86,954	1,32,65,521	97,46,515	68,418	Jardine Henderson Ltd.	1,527	Kankinarrah	132	'B' 100	6+4	5+2½				
21,00,000	48,25,000	1,05,38,484	74,86,276	1,19,643	McLeod & Co., Ltd.	703	Kelvin	71+75	75+75	75+75	10‡			6, 12	H.P.
54,00,000	22,83,375	1,63,66,931	1,12,52,500	94,623	Anderson Wright Ltd.	1,530	Khardah	10+15	10+7½	7½+7½	7½‡			3, 9	H.
48,00,000	1,02,14,684	2,29,23,597	1,08,38,211	29,674	F. W. Heilgers & Co.	1,250	Kinnison	10+7	4+5	2+5				3, 9	H.P.T.
24,48,000	48,31,837	1,39,26,497	78,80,252	4,428	Bird & Co., Ltd.	931	Lansdowne	7+3	2+5	1+1				3, 9	H.P.
28,00,000	59,56,165	1,14,93,720	63,14,525	12,683	Bird & Co., Ltd.	840	Lawrence	17+4	5+3	2+4				3, 9	H.P.
10,00,000	41,51,301	50,99,335	36,06,454	53,755	Andrew Yule & Co., Ltd.	430	Lothian	15+15	15+15	15+15				5, 11	H.P.
81,65,200	26,06,333	1,92,07,155	1,16,27,955	—77,165	Mackinnon Mackenzie & Co.	1,008	Magna	23+23	21+24	Nil‡				3, 9	H.
29,98,900	41,13,783	1,72,83,489	94,88,274	—7,08,068	F. W. Heilgers & Co.	811	Nabadi	4+Nil	Nil	Nil				3, 9	H.
20,00,000	15,05,000	28,15,067	16,73,660	3,828	Howrah Trading Co., Ltd.	425	Naskarpara	8+8	Nil+4	4‡				4, 10	H.T.
35,00,000	44,29,326	28,38,765	9,63,390	1,88,126	Andrew Yule & Co., Ltd.	832	National	1+1	1+1	1+1				4, 10	H.P.
26,25,000	22,75,000	26,82,794	18,86,219	1,23,399	McLeod & Co., Ltd.	528	Nellimarla Jute	2+1	1+8	8‡				6, 12	H.P.T.
31,50,000	34,13,033	49,35,722	24,95,902	84,459	Sahu Jain Ltd.	700	New Central	10+12	12+12	12‡				6, 12	H.P.
16,79,840	51,05,696	1,23,66,779	59,31,089	43,570	Bird & Co., Ltd.	567	Northbrook	4+4	4+4	4+4				3, 9	H.P.T.
66,79,300	31,70,094	2,15,09,993	1,38,37,886	33,079	Macneill & Barry Ltd.	1,092	Nuddea	11+Nil	Nil+4½	Nil+4½				3, 9	H.
24,91,000	26,56,049	71,24,111	49,10,197	1,08,298	Andrew Yule & Co., Ltd.	188	Orient	8+6	6+6	3‡				5, 11	H.P.
25,00,000	4,99,002	80,67,981	62,60,461	5,641	McLeod & Co., Ltd.	601	Presidency	Nil	Nil+4	4‡				6, 12	H.T.
20,00,000	58,659	26,15,293	7,67,493	—2,36,541	Mr. R. N. Banerjee	400	Rameswaram	7½	Nil					3, 9	H.P.
49,50,000	8,01,332	1,23,46,455	57,04,882	18,873	Jardine Henderson Ltd.	305	Rameswaram	14½	12½	Nil				3, 9	H.P.T.
£600,000	£1,093,713	£1,228,258‡	.....	£35,425	Thomas Duff & Co. (India), Ltd.	1,276	Reliance	14½	£1	10%	10%			12	Y.P.
30,00,000	13,09,333	1,02,97,586	68,34,213	16,678	Begaria More & Co., Ltd.	2,013	Samnugur	15½	10	1+1	Nil+½			3, 9	H.P.
14,00,000	10,29,608	48,33,752	37,62,133	2,54,934	Hindustan Investment Corporation	911	Shree Ambika	16N	10	Nil	1+½			12	Y.P.T.
23,19,600	47,29,578	1,01,23,059	57,01,016	1,312	Bird & Co., Ltd.	401	Soorah	151	100	8+1	1+1	1+1		3, 9	H.P.
£600,000	£925,119‡	£992,042	.....	£108,510	Thomas Duff & Co. (India), Ltd.	650	Standard	14½	£1	10%	10%			12	Y.P.
33,98,600	85,79,790	1,93,34,618	76,50,486	9,219	Bird & Co., Ltd.	1,794	Titaghar	19½	100	10+1	1+4	1+5		3, 9	H.P.T.
£400,000	£688,033‡	£1,086,824	.....	£112,138	Thomas Duff & Co. (India), Ltd.	1,326	Union	14½	£1	10%	10%			12	Y.P.
2,50,000	4,95,000	55,94,678	37,77,741	35,824	McLeod & Co., Ltd.	1,331	Victoria	7½	1	Nil	Nil+½	4‡		6, 12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	19,50,000	79,56,993	53,16,993	21,641	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	22½	10	1+½	1+½	1‡		3, 9	H.
12,00,000	8,49,582	38,20,987	35,11,987	31,068	Jardine Henderson Ltd.	Bararee Coke	20½	10	1/3+1	7/10+7/10	1‡		3, 9	H.
4,49,350	*70,000	8,49,159	5,37,466	3,819	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	31N	10	1	1	1‡		6, 12	H.
1,00,00,000	1,22,00,000	5,53,96,857	3,58,72,103	5,30,259	Andrew Yule & Co., Ltd.	Bengal Coal	717	200	20+20*	17½+15*	15*		4, 10	H.P.
2,25,000	3,10,369	25,37,614	22,43,053		Andrew Yule & Co., Ltd.	Bengal-Nagpur	12	10	1+8	Nil	Nil		6, 12	H.P.
13,97,000	3,10,369	25,37,614	22,43,053	25,329	H. V. Low & Co., Ltd.	Bhalgora	3½	10	1	1			9	Y.
40,00,000	14,81,010	1,30,60,104	68,66,790	13,644	Sahu Jain Ltd.	Bharat Collieries	7½	10	1	1			6	Y.T.P.
7,15,000	14,41,318	31,73,261	36,39,224	—2,04,456	F. W. Heilgers & Co., Ltd.	Bhulanbarare	14N	10	Nil	Nil	Nil		6, 12	H.
16,00,000	16,22,936	68,16,454	39,74,841	—1,36,133	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	9	10	Nil/—				6, 12	H.T.
7,50,000	22,08,390	41,57,477	25,36,282	98,663	F. W. Heilgers & Co., Ltd.	Borera	30	10	12½+1½*	14½+1½*	1‡		6, 12	H.P.
90,92,480	1,70,76,208	4,10,36,356	1,71,71,586	1,49,910	Bird & Co., Ltd.	Burrakur	12½	10	1+1	1+1	1‡		6, 12	H.P.T.
49,97,750		34,81,955	237,643	5,907	Hindustan Investment Corpn., Ltd.	Central India	7½	10	Nil	1	1		3	Y.
8,00,000	13,34,302	49,10,414	32,63,954	81,766	Anderson, Wright & Co., Ltd.	Central Kurkend	13N	10	1	1+1			6, 12	H.
6,00,000	1,43,341	7,23,000k		25,618	F. W. Heilgers & Co., Ltd.	Charlia	3	4	1+½	Nil	1‡		6, 12	H.
16,00,000	1,20,000	50,63,761	27,77,516	—1,91,153	Macneill & Barry Ltd.	Dhemo Main	9½	10	Nil	Nil	Nil		6, 12	H.
£340,000	£362,496	£244,003	£11,181	£63,577	Jardine Henderson Ltd.	East Indian	27½	£1	3(i)	2½	2½		4	Y.
29,63,160	71,99,923	3,66,52,739	2,81,14,361	1,85,653	Macneill & Barry Ltd.	Equitable	31½	10	2+1½	1+1	1‡		6, 12	H.P.
10,00,000	2,11,139	5,72,000	3,23,963	40,284	Bhatter's Agency Ltd.	Ghusick and Muslia	15N	10	1				3, 9	Y.
12,00,000	3,72,000	37,04,970	19,00,221	445	Killick Industries Ltd.	Hingir-Rampur	40½	30	1	Nil			4	Y.P.
8,00,000	5,75,000	21,42,581	18,13,083	62,148	Macneill & Barry Ltd.	Hurriadih	19½	10	1+8	1+8	1‡		6, 12	H.
22,00,000	1,08,577	31,70,013	10,56,245	—1,95,248	Bajrang Trust Ltd.	Jogta Coal	3N	10	Nil				12	Y.P.
3,50,000	4,26,551	14,85,445	6,91,321	3,145	Andrew Yule & Co., Ltd.	Kalapahari	27N	10	1½+1½	1½+1	Nil		2, 8	H.
20,00,000	5,175	26,40,669	2,46,630	91,518	Bird & Co., Ltd.	Karanpura Collieries	100	100	Nil	Nil	Nil		2	Y.P.
9,00,000	13,60,000	44,39,243	34,62,230	—2,60,216	Andrew Yule & Co., Ltd.	Katras Jherriah	48½	10	2 + 2	2 + 2	2 + 2		1, 7	H.
1,28,400	5,72,960	12,85,941	5,72,960	—34,300	Bertram & Co.	Khas Kalora	3N	10	Nil	Nil			6, 12	H.P.
11,00,000	30,000	16,58,578	10,36,512	1,683	H. V. Low & Co., Ltd.	Kusunda	7N	10	1	Nil			8	Y.
9,00,000	11,64,450	28,33,250	22,78,337	25,598	H. V. Low & Co., Ltd.	Lakurka	16½N	10	1	1			4	Y.
7,48,240	1,20,000	11,58,128	8,93,686	42,594	S. P. Textile, Esq.	Nazira	5	10	1½	1			6, 12	H.
17,76,232	17,63,285	1,14,59,802	83,98,181	4,644	Andrew Yule & Co., Ltd.	New Beerbhoom	19½	10	Nil+½	1 + ½	1‡		6, 12	H.P.
6,00,000	1,23,000	32,17,687	19,65,424		Octavius Steel & Co., Ltd.	New Manbhoom	8	10	Nil	Nil	Nil		4, 10	H.
1,15,000	2,47,693	12,93,355	8,05,952	8,676	Andrew Yule & Co., Ltd.	North West	11½N	10	1 + 1	1+Nil	Nil		3, 9	H.
3,57,300							7½N	7½	1 + 1	1+Nil	Nil			
2,50,000	11,79,228	3,97,666	2,77,666	96,507	F. W. Heilgers & Co., Ltd.	Ondal	22½N	10	1 + 1	1 + 1	1‡		6, 12	H.P.
30,00,000	1,00,000	37,18,080	16,07,866	38,140	K. C. Thapar & Bros.	Oriental Coal	11½N	10	1	1			12	Y.T.
	4,00,000	13,21,281	6,78,407	3,618	Dorpchand Kasheniall	Parasea	9½	10	Nil				6, 12	H.P.
8,34,000	1,53,943	44,34,803	31,19,803	23,504	Shaw Wallace & Co., Ltd.	Peach Valley	23½	10	1 + 1	1 + 1	1‡		3, 9	H.
15,75,000	13,00,000	1,16,31,468	80,43,780	72,002	B. N. Elias & Co., Ltd.	Ranegunge	12½	10	Nil	Nil	1‡		3, 9	H.
23,99,500	17,17,155	30,76,660	23,05,660	21,868	Shaw Wallace & Co., Ltd.	Rewa	22	10	1 + 1	1 + 1			6, 12	H.
13,50,000	7,88,385	22,22,218	13,30,500	438	Jaipuria Sons Ltd.	Sample Collieries	9½N	10	1 + 1	1 + 1			6, 12	H.
20,00,000	3,95,008	12,10,180	10,21,382	19,527	Gillanders Arbuthnot & Co., Ltd.	Searsole	11½	10	1	1	1		1	Y.
1,25,000	1,85,000	29,25,214	16,85,969	27,643	Andrew Yule & Co., Ltd.	Sethpore	26	7½	2 + 1	1 + 1	1 + 1		6, 12	H.P.
2,80,000	7,06,598	36,88,784	26,51,463	—1,22,722	F. W. Heilgers & Co., Ltd.	Sendra	9½N	10	Nil	Nil	Nil‡		6, 12	H.T.
8,00,000	8,75,468	3,51,42,502	2,49,62,544	—4,49,301	Industrial Trust Fund (Government of Hyderabad)	Singareni	6½	10	1	Nil			12	Y.T.
63,21,400	15,01,620					South Karanpura	10½	10	1 + 1	1 + 1	Nil+4		2, 8	H.
17,50,000	10,84,425	37,23,396	14,57,868	3,853	Bird & Co., Ltd.	Standard	19½	10	1 + 1	1 + 1	1‡		6, 12	H.
8,00,000	49,72,339	1,69,570	23,510	39,039	F. W. Heilgers & Co., Ltd.	Talcher	4½	2½	1	1	1		6	Y.
10,00,000	12,950	34,15,423	14,43,501	—3,64,536	Villiers Ltd.	Union	19½	10	1½+1½	1 + ½			6, 12	H.
2,50,000	3,85,000	19,81,212	14,03,212	68,861	Williamson Magor & Co.	Western Bengal	6½	10	Nil	Nil	Nil		3	Y.
49,38,000	21,916	47,68,934	16,41,545	63,727	Hindustan Investment Corpn., Ltd.	West Jaguria	13½	10	Nil	Nil	Nil‡		6, 12	H.
7,00,000	3,57,000	30,89,488	21,36,223	502	Macneill & Barry Ltd.									

* Including bonus. (k) Investments. ‡ For ten months ended 31st December 1951.

(l) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (e) For seven months ended 31st March, 1954.

*The following explanatory notes relate to the abbreviations and marks shown on page 496 in the debentures section:—

(i) Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 103 per cent

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

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

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

(d) Bearer bonds of Rs. 1,000 each with option of redemption on whole or on part at par on 30th June, 1958 or on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1953 on six months notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ¼ per cent. premium after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March, 1957.

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

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

Notices

UNITED BANK OF INDIA LIMITED

Registered Office:

UNITED BANK BUILDINGS
4, CLIVE GHAT STREET, CALCUTTA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Next Ordinary General Meeting of the Shareholders of UNITED BANK OF INDIA LIMITED will be held at the Registered Office of the Bank at the UNITED BANK BUILDINGS, 4, Clive Ghat Street, Calcutta, on Sunday, the 3rd April, 1955, at 10 a.m. to transact the following business:—

1. To receive the Directors' Report and Audited Accounts for the year ended 31st December, 1954;
2. To declare a Dividend;
3. To elect Directors in place of those retiring by rotation;
4. To appoint Auditors and fix their remuneration.

By Order of the Board,
A. K. ROY,
Secretary.

CALCUTTA, *5th March, 1955.*

N.B.—The Share Transfer books of the Bank will remain closed from Monday the 21st March, to Sunday the 3rd April, 1955, both days inclusive.

The Dividend, when sanctioned, will be payable on and after the 18th April, to those Shareholders whose names stand on the Register on the 3rd April, 1955.

Dividend Warrants will be posted to Shareholders in India at their registered addresses or in accordance with their mandates. Payment of Dividend to Shareholders domiciled or permanently resident in Pakistan will be arranged in Pakistan Currency at the official exchange rate on receipt of necessary application.

Early intimation should be given to the Bank of any change of address.

THE CENTRAL BANK OF INDIA LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-fourth Ordinary General Meeting of the Shareholders of The Central Bank of India, Limited, will be held at the Central Bank Building, Mahatma Gandhi Road, Fort, Bombay, on Friday the 25th day of March, 1955, at 4 p.m. (S.T.), to transact the following business:—

1. To receive the Report of the Directors and the Audited Accounts for the period ended 31st December, 1954.
2. To declare a Dividend.
3. To elect Mr. Chimanlal B. Parikh and Mr. Framroze J. Guzdar who vacate their seats as Directors under Article 84 of the Articles of Association and who are eligible and offer themselves for re-election.
4. To elect three Directors in place of Mr. Dinshaw D. Romer, Mr. Dharamsey M. Khatau and Mr. Manmohandas M. Amersey who retire by rotation under Article 92 of the Articles of Association read with Regulation 78 Table "A" of the Indian Companies Act and who are eligible for re-election.
5. To appoint Auditors and to fix their remuneration.

By Order of the Board,
H. C. CAPTAIN,
Managing Director.

BOMBAY, *8th March, 1955.*

N.B.—The Transfer Books of the Bank will be closed from Monday the 7th day of March, 1955, to Saturday, the 26th day of March, 1955 (both days inclusive).

N.B.—Dividend Warrants for the half-year ended 31st December, 1954, will be posted to the Shareholders at their registered address on and after the 28th day of March, 1955. Shareholders are requested to intimate the Bank their change of address, if any, immediately.

MARTIN BURN LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of this Company has sanctioned payment of the Dividend on the Preference Share Capital of the Company at the rate of 5 per cent. per annum for the half-year ending 31st March, 1955. The Preference Share Registers will be closed from the 1st April to the 15th April, 1955, both days inclusive. Payment will be made on or after 15th April, 1955, to those Preference Shareholders whose names appear on the Company's Registers on the 31st March, 1955, or in accordance with their instructions.

T. LESLIE MARTIN,
Managing Director.

12, MISSION ROW,
CALCUTTA, *10th March, 1955.*

MARTIN BURN LIMITED

CONVERTIBLE NOTES

NOTICE IS HEREBY GIVEN THAT INTEREST for the half-year ending 31st March, 1955, will be paid on or after that date to those holders of Convertible Notes whose names appear on the Company's Register on the 31st March, 1955, or in accordance with their instructions.

T. LESLIE MARTIN,
Managing Director.

12, MISSION ROW,
CALCUTTA, *10th March, 1955.*

PLANTING

(Concluded from page 462)

export duty on tea is a good illustration of a duty which has been levied primarily for revenue reasons. The revenue yield shows a slight upward trend, but not of the same magnitude as the value of exports, since the duties have not been adjusted to take account of trade variations. In 1950-51, 1951-52 and 1953-54, which have been good years for tea, the duty as a percentage of value has been slightly less than in the other years. The Official Team on the tea industry examined the export duty on tea and came to the conclusion that the duty was primarily paid by foreign buyers and that the position of the Indian industry was not adversely affected. It was of the view that Indian tea had special features in regard to flavour, appearance, cut quality, etc., and there was little direct competition between tea of various countries. Quantities exported would not, in its opinion, vary significantly as a result of price changes. On the basis of the Team's conclusions, the export duty on tea may be regarded as an instance of a revenue duty the burden of which falls primarily on foreign buyers. In these circumstances, the duty may be held to ensure revenue without detriment to the trade."

The trend of prices, as already stated, had been downward but it remains to be seen whether this trend will continue. Meanwhile, the retail price of tea in London is being cut by blenders. Early this month, Typhod Tea Ltd., a leading British firm, announced a cut of 8d. per lb., that is, from 8s. 4d. to 7s. 8d. in the price of its blend; this is said to be the first major retail price reduction since the high price of tea turned into a national issue. The reduction was made as a gesture to the public, on account of the fall in the market prices of tea. According to the firm's Chairman, there has been a slight recession in sales. "Expecting a fall in tea prices," he said, "people have been holding off from the market and the cut in price by Typhod Tea may induce consumers to resume their purchases." Anyway, this firm's action was followed by a reduction of 4d. per lb. by 2,000 chain grocery stores. Some days later, two more firms, Messrs. Brooke Bond and J. Lyons and Company announced a cut in price. These two firms have plans to introduce a new tea at 6s. 4d. per lb. which is cheaper by 4d. per lb. than their present lowest priced packet. It is reported that there has been a substantial fall in prices at London tea auctions and a steady development of consumer resistance.

INDIAN RAILWAYS' REQUIREMENTS OF ROLLING STOCK & EQUIPMENT AGAINST SUPPLEMENTARY GLOBAL PROCUREMENT PROGRAMME, 1955-56.

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to obtain from established and reliable manufacturers rolling stock and other Railway equipment shown in the list below. Manufacturers in Europe, United Kingdom and North America can obtain copies of the Indian Railways Supplementary Global Procurement Programme of Rolling Stock 1955-56 giving the particulars of items required and explaining the procedure for submission of quotations, from the Director General, India Store Department, Government Building, Bromyard Avenue, Acton, London W. 3. Manufacturers in other countries and authorised agents in India of all foreign manufacturers can obtain such copies from the Chief Design Engineer, Central Standards Office, Raisina Road, New Delhi, at a cost of rupees two per copy.

LIST OF ROLLING STOCK AND RAILWAY EQUIPMENT

LOCOMOTIVES

Metre Gauge

200 Nos. 'YL' class locomotives.
100 „ 'YG' „ „

WAGONS

Broad Gauge

2,300 Nos. covered wagons 'CR' type.
2,300 „ open wagons 'O' type.
157 „ petrol tank wagons 'TPR'.
60 „ Tank molasses 'TM' type.
46 „ Sulphuric Acid Tank wagons 'TSA' type.

Metre Gauge

2,550 Nos. covered wagons 'MC' type.
2,250 „ open wagons 'MOX' type.
276 „ Brake Vans 'MBVG' type.
6 „ Bogie Sulphuric Acid Tank wagons 'MBTSA' type.

Narrow Gauge

50 Nos. Bogie Open wagons 'NOL' type.

WHEEL SETS

Broad Gauge

1,600 Nos. 22½-ton to Drg. WA-20.
4,800 „ 16-ton „ „ WA-23.

Metre Gauge

12,000 Nos. 12-ton to Drg. WA-36.

COACHING STOCK

Metre Gauge

50 Nos. Metre Gauge Underframes.

Narrow Gauge

50 Nos. Narrow Gauge Underframes.
4 Nos. Narrow Gauge Railcars.

S. L. SAKSENA,
Director, Railway Equipment,
Railway Board.

MARKET REPORTS

TEAS FOR EXPORT EASY

(From Our Own Correspondent)

CALCUTTA, *8th March*

Offerings during yesterday's export sale of tea aggregated 15,200 packages. Although there was good general demand, prices were fully easy. The market opened As. 3 to As. 4 lower, but a good part of the losses were erased as the sale progressed, so that the closing rates stood lower by 1 to 2 annas only. In view of the unrepresentative character of the offerings, there are no quotations for this week also. The feature of this week's sale was provided by teas with black leaf and clean appearance, which realised firm prices comparable to those of a week ago. Leaf grades declined by As. 2 below valuations and fannings received poor attention. Stylish whole leaf grades were in good demand, but prices did not move up.

Dusts amounted to 18,721 packages during last week's internal sale. Conditions were mixed. For, while the best liquoring Assam C.T.C. teas and the smaller medium Assams were fractionally dearer, the price of the black leafy exportable teas declined by As. 2 below brokers' valuations and medium Assams and common Dooars eased by As. 1 to As. 1½. Darjeel

MARKET GOSSIP

(Concluded from page 447)

or merchandise sold by him; (b) a contract in respect of stocks and shares entered into by a dealer or investor therein to guard against loss in his holdings of stocks and shares through price fluctuations; and (c) a contract entered into by a member of a forward market or a stock exchange in the course of any transactions in the nature of jobbing or arbitrage to guard against loss which may arise in the ordinary course of his business as such member. Thus, genuine hedge transactions, which are undertaken in the normal course of business, have been excluded from the scope of this legislation. It would further appear that departmental instructions have been issued to the effect that, in respect of hedging in raw materials, the Income-tax officers should not be too particular about the quantities and timing so long as the transactions constitute genuine hedging.

* * *

The Commission has examined the lines of criticism in respect of the prevailing method of treatment of speculation losses for tax purposes. The critics claim that the law is not effective inasmuch as it is even now possible to "buy up" losses under the guise of hedges and that it is inequitable as all the genuine hedging transactions are not excluded. It is also argued that it is not possible for the law to circumscribe speculative business within a legal definition and that the best remedy for the situation confronting the Income-tax Department is to examine the accounts more diligently than at present. Referring to these criticisms, the Commission says: "We are of the view that transactions of the nature of 'buying up' of losses or of keeping speculative profits out of books cannot be located merely through the examination of accounts as these are not maintained, according to the Income-tax Investigation Commission which examined this matter in a satisfactory manner. We are, therefore, unable to agree that there is no justification for some provision to prevent the adverse effect on revenue of such transactions escaping taxation. It appears to us that the present provision in the law is the only way in which it can be done, namely, to define speculative transactions and then to exclude genuine hedging from its scope."

* * * *

What is surprising about this week's British House of Commons debate on Indian textile imports into the U.K. is not so much the defeat of the Labour Party's censure motion or the passage of the Government-sponsored amended version of the motion as the fact that the debate took place at all. For, purely from the economic angle, the situation is by no means so serious as to receive so much importance. It is clearly an evidence of the extent to which political considerations give a boost to events which would have otherwise gone unnoticed. No unemployment on any significant scale is reported from Lancashire. Yet the Labour Party motion which was defeated, noted "with concern the serious situation which is developing in the cotton industry and regrets the failure of H. M. Government to take effective action to remedy the position." The Government-sponsored motion, which was carried without division, supported the Government's action in making representation to the Government of India and approved the Government's declared intention to take "such safeguarding action on imports as may prove to be essential and appropriate, having regard to the position of the U.K. as a world-wide trading nation." It also welcomed the steps which the Government had taken to obtain the "Cotton Board's detailed views on the problem and their specific proposals for action."

* * * *

The Government motion probably throws some light on Britain's intentions to stem the flow of Indian textile imports into the U.K. Some "safeguarding action" seems to be definitely contemplated. It is of course difficult to say what that action is likely to be. The whole situation is complicated because there are the Indian agreement, the General Agreement on Trade and Tariffs (G.A.T.T.) and Britain's own general trade policy to be considered. Tariff restrictions are ruled out, because under the Indian trade agreement of 1939 (which replaced the Ottawa agreement) the British Government specifically undertakes "that goods grown, produced or manufactured in India and consigned from any part of the British Empire which are now free of duty shall continue to enjoy entry free of customs duty into the U.K." Also, it is against the spirit of the G.A.T.T. to make changes in tariffs. But a non-discriminatory import quota for textiles would not be repugnant to the G.A.T.T. nor to the Indian agreement. Quantitative restrictions are possible as "emergency action" under Article 19 of the G.A.T.T. under which the Government might suspend its obligations if imports increased so much as to "cause or threaten serious injury to domestic producers." The U.K., it is believed, may take action under this clause. Although Britain's concern over the textile imports is understandable, it seems odd that that country should seek to make out that these imports "cause or threaten serious injury to domestic producers" at a time when, on the Government's own admission, production and profits sustain a high level of employment and wages have increased. Whether or not the Government adopts this line of action—prescription of non-discriminatory quotas on textile imports—will, of course, depend on the Cotton Board's advice to the Government. After emphasising that such action would prejudice British attempts to persuade other countries to abolish quotas, the Financial Times says: "It will, however, only be adopted if the Government becomes convinced that it is unavoidably necessary to save the situation, and that time has not come yet."

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Remarks
18,00,000	1,08,22,808	18,71,702	Allahabad Bank	364xd	100	18 0	18 0	18 0	8 0½	12	Y.P.
14,50,000				182xd	50	9 0	9 0	9 0	4 8½		
1,01,000	18,16,000	2,18,671	Andhra Bank	110xd	100	6 0	6 0	6 8	3 8½	6.12	H.
				62xd	50	3 0	3 0	3 4	1 12½		
1,00,00,000	1,28,00,000	2,33,389	Bank of Baroda	107	50	6 0½	6 0	6 0½	2 8½	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	12½N	25	0 12	0 12	0 12	—	12	Y.
2,50,00,000	8,52,00,000	9,10,851	Bank of India	149½	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,375	25,00,000	63,001	Bank of Indore	55N	25	3 0½	3 0	3 0	—	12	Y.
50,00,000	17,00,000	45,178	Bank of Jaipur	26	50	1 8	1 8	1 8	—	12	Y.
50,00,000	84,00,000	2,27,018	Bank of Mysore	238xd	100	16 0½	16 0½	16 0½	16 0½	12	Y.
59,90,160	81,83,240	29,809	Bombay State Co-operative Bank	55	50	2 8	2 8	2 8	—	6	Y.F.T.
15,00,000	21,00,000	14,042	Canara Bank Ltd.	75	50	4 8	4 8	4 8	—	12	F.Y.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	90xd	50	5 0½	5 0½	5 0½	—	12	Y.P.
2,62,11,572	3,99,79,642	19,49,868	Central Bank of India Ltd.	83½	25	3 8	3 8	3 0	1 8½	12	R.L.Y.
52,42,905 'A'				58½	25	3 8	3 8	3 0	1 8½		
80,00,000	25,00,000	1,55,363	Devkaran Nanjee Banking Co.	36	50	1 12	1 12	2 0	—	12	Y.
1,50,00,000	1,00,00,000	1,05,695	Habib Bank (F)	7EXRN	20	4 0	4 0	4 0	4 0	12	Y.
1,25,00,000	14,50,000	15,160	Hindustan Commercial Bank	10	50	—	—	—	—	12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	14	50	—	—	—	—	12	Y.
75,00,000	75,00,000	1,08,750	††Hyderabad State Bank	105N	100	6 0½	5 0	5 0	5 0½	9	Y.
2,75,00,000	6,35,00,000	34,18,646	Imperial Bank of India	1,565	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,67,50,000				84½	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
34,50,000	76,50,000	1,23,068	Indian Bank	182xd	100	12 0½	12 0½	12 0½	6 0½		
17,00,000				144xd	85	10 3½	10 3½	10 3½	5 12½	6.12	R.L.H.
16,80,000				101xd	50	7 8½	7 8½	7 8½	3 9½		
49,04,927	22,50,000	2,26,271	Indian Overseas Bank	106xd	100	6 0	6 0	6 0	—	6.12	R.L.H.
6,25,000				50	100(A)	7 8	6 0				
2,50,000	6,83,939	1,880	Indo-Commercial Bank	15	25(B)	1 14	1 8			6.12	H.
10,00,000				24	50(C)	3 0	3 0	1 8½			
57,50,000	90,00,000	8,10,280	Punjab National Bank	40	25	1 0	1 8	2 0	1	12	Y.
1,00,00,000	13,75,000	92,592	Travancore Bank	151xd	25			0 10	—	12	Y.
40,00,000	33,00,000	1,75,574	Union Bank of India	6¼	5	0 5½	0 5½	0 5½	0 5½	12	Y.
3,00,00,000	80,00,000	1,52,820	United Commercial Bank	46	50	2 0	2 0	2 0	—	12	H.

PRINCIPAL EXCHANGE BANKS

Paid-up Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend per Share (per cent.) 1951	1952	1953	1954	Accounts Closed	Remarks
£3,500,000	£5,000,000	£403,513	Chartered Bank of India, Australia and China	£2-6-6	£1	14½	16½	14½	7½%	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£3-3	£5	6½	6½	8½	—	12	R.L.Y.
u.s. $50,000,000	H.K. $96,000,000	H.K. $9,859,542	Hongkong and Shanghai Banking Corporation	£108½	H.K. $125	5*	5*	5*	2*½	12	Y.
£17,968,195 'A'	£12,906,761	£555,750	Lloyds Bank	£3-6-3	£1	12½	12½	14½	7½	12	R.L.Y.
£1,437,290				£1-7-9		5½	5½	5½	2½%	12	R.L.Y.
£875,000 'A'				£43xd	A £5	12½	12½	12½	14½	12	R.L.Y.
£875,000 'B'	£1,500,000	£200,980	Mercantile Bank of India	£41xd	B £5	12½	14½	14½	14½		
£800,000 'C'				£14xd	C £5	12½	14½	14½	14½		
£2,281,250	£9,875,000	£828,708	National Bank of India	£1-5-3xd	£6 2/3	16½	16½	16½	7½	12	R.L.Y.

‡ Includes bonus. † Less Tax. (F) Pakistan Currency. R.L.—Reserve liability on shares. †† O.P. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
10,50,000	3	1st December and 1st June	Carew & Co.	100	1st June .. 1968
4,00,000	5½	1st March and 19th September	Carew & Co. (2nd mortgage)	95	28th February .. 1960(c)
6,00,000	5½	30th June and 30th December	Rauniyar Cane & Sugar Co., Ltd.	99½	30th December .. 1958
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	90	1st November .. 1959-61
25,00,000	6	1st May and 1st November	Walchandnagar Industries	102½	1st April .. 1956-61
	4½	1st May and 1st November	Walchandnagar Industries (New)	97½	1st November .. 1959-66
COAL					
30,00,000	4½	30th April and 31st October	Bharat Collieries	95½	30th June .. 1956
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	81½	30th June .. 1965(c)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	101	14th December .. 1959(c) ‡
COTTON					
5,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	99	16th November .. 1956(b)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	100½	1st January .. 1967-72(a)
18,66,000	5½		Jaykrishna Textiles	80N	1st January .. 1958-59
40,00,000	5	1st June	Tata Mills	101	 1966-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	95	31st March .. 1963(c)
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	106½	14th June .. 1960
98,75,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	77½	1st October .. 1958
12,00,000	5½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1956(a)
2,45,01,900	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101	1st January .. 1970(c)
25,00,000	4	30th June and 31st December	Cooverjee Electric Supply Co., Ltd.	97	31st December .. 1970
15,00,000	5	1st January and 1st July	Sifas (Jaurian) Electric Supply Co., Ltd.	96	30th June .. 1976(a)
7,50,500	5½	1st January and 1st July	South Madras Electric Supply	99	.. 1957-61
5,00,000	5½	1st May and 1st November	South Madras Electric Supply	99	1st October .. 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	.. 1952-62
6,63,900	4½	1st April and 1st October	South Madras Electric Supply	94	1st July .. 1957-67
47,79,000	4	1st April and 1st October	Tata Power	100	16th September .. 1961-65
2,50,000		1st April and 1st October	Tata Power	98	15th September .. 1966-70
ENGINEERING					
5,00,000	6	30th June and 31st December	Britannia Engineering	100	10th December .. 1958
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	102	1st July .. 1967-68
21,148,500	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	86	31st December .. 1966 (ii)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	88½	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	101½	1st October .. 1960-65
40,00,000	5	31st December	Textile Machinery Corporation Ltd.	100½	31st December .. 1960 (c)
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	100	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	100	30th June .. 1959
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	90	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	88½	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	92	31st July .. 1950
10,00,000	5	30th June and 31st December	Chitavalah Jute Mills	98	30th June .. 1968
25,00,000	5½	31st March and 30th September	Dalhousie Jute Co.	99	31st March .. 1968
8,56,000	5	30th June and 31st December	Empire	95	16th July .. 1966(a)
25,00,000	5½	1st January and 1st July	Hukumchand	98½	30th June .. 1966(a)
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	96½	31st December .. 1967
25,00,000	5½	30th June and 31st December	Naihati	99	31st March .. 1964(c)
4,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May .. 1967(a)
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	88	31st December .. 1964
9,00,000	4	30th June and 31st December	Presidency	98	30th June .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	98	30th September .. 1961
8,00,000	4½	14th March and 14th September	Soorah Jute	99	14th September .. 1957
15,00,000	4½	30th June and 31st December	Union	96½	30th June .. 1957
10,00,000	5½	31st January and 31st July	Waverley	68	31st July .. 1960
RAILWAYS: STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	90N	1st July .. 1956
£250,000	4½	1st January and 1st July	Calcutta Tramways	£60N	At 105% at any time on 6 months' notice or at par or every seventh year.
£189,968	5	1st April and 1st October	Katakhal-Lalabazar Railway	£77½N	1st October .. 1974
6,50,000	5½	30th June and 31st December		90½	31st December .. 1950(c)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£51½N	Any time on six months' notice (c)
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	95	1st September .. 1963
PLANTING					
10,00,000	5½	30th June and 31st December	Consolidated Coffee	108½	1st July .. 1957-62
9,00,000	5	31st March and 30th September	Nilgiri Tea	100½	1st April .. 1954-59
4,61,000	5½	30th June	Ouchterlony	106	30th June .. 1954-58
9,00,000	5	31st March and 30th September	Peria Karamalai	100½	31st March .. 1958-62
1,89,700	5½	31st March and 30th September	Teakoy	100	31st March .. 1949-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	100	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December .. 1958
28,80,000	4½	1st April and 1st October	Associated Hotels of India	80	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	99½	30th June .. 1957
8,00,00,000	5	1st March and 1st September	Burmah-Shell	102½	1st September .. 1958-60(a)†
21,00,000	5½	1st February and 1st August	Chowringhee Properties	93	1st February .. 1964
21,54,000	4½	1st July and 1st January	Clive Buildings	99	1st July .. 1966
80,00,000	4	15th March and 15th September	Dalhousie Properties	97	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	80	1st January .. 1960
1,80,00,000	5	1st January and 1st July	Dunlop Rubber	102	30th June .. 1960(c)
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	104	1st January .. 1971(a)††
10,25,000	5	15th March and 15th September	Mettur Chemical Industries	98	30th June .. 1960(c)‡
89,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	635	30th September .. 1964
46,00,000		30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	800 (per note)	31st December .. 1971(c)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	1st April .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	80	31st March .. 1961(c)
1,00,00,000	4	30th June and 31st December	Robtas Industries Ltd.	90	31st December .. 1960
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	104	1st May .. 1968(a)††

Note—See page 494 for explanations to abbreviation marks.

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,00,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-9-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. †† Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May, 1964, onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1963, on 6th months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January, 1961.

COMMERCE

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

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TAXATION COMMISSION ON TRENDS IN PUBLIC EXPENDITURE

PUBLIC expenditure, whether it is expenditure by the Central Government or State Governments or local bodies, is increasing at a rapid pace. Such increase reflects the growing complexity of governmental functions as well as their expansion. So long as these functions remained restricted to those of a police and civic State, public expenditure could be held within reasonable bounds. But the war brought with it many new responsibilities. With the return of peace, some of these functions, the economic controls, for example, did not end with the war, which occasioned them. The Central and State Governments were confronted with the urgent task of economic development, which, in terms of ingenuity and cost, is proving to be more difficult than winning the last war. Nor is India alone in experiencing a vast increase in public expenditure. This is true of nearly all countries in the world.

To the extent that the increase in public expenditure reflects a welcome change in the concept of Government from one of a mere spectator of economic trends to that of an active creator of desirable changes in national economy, the mere fact that the Government spends more than it did formerly need never cause any regret. Rather, it is a trend that must be encouraged and supported by all sections of the public. But the people have a right to demand that public expenditure is beneficent and that reasonable prudence is exercised at all stages of that expenditure. The many instances of extravagant, irregular and infructuous expenditure in the public sector, which the Public Accounts and the Estimates Committees and the Audit Reports have brought to light, do make one wonder whether the community is deriving full value for the money spent. Obviously, the size of expenditure need not necessarily provide an index of achievement. For, if there is—as, indeed, there has been in this country, rather frequently—wastage in the use of public money, there will be no correspondence between money spent and benefits derived. It is gratifying to find that this aspect of the problem received adequate attention at the hands of the Taxation Enquiry Commission. While agreeing that "public expenditure in India has been moving increasingly towards beneficent expenditure, the Commission has been candid enough to remark that "it cannot be said with equal certainty that it is moving also towards economy and efficiency." That this is the verdict of an independent and impartial expert body is a point which requires to be specially noted.

The Commission's analysis of trends in public expenditure makes stimulating reading. Between 1938-39 and 1954-55, the revenue expenditure by the Central Government increased from Rs. 82.03 crores to Rs. 418.35 crores, and of Part A States from Rs. 80.53 crores to Rs. 400.89 crores. Even in Part B States, such expenditure registered a perceptible increase. Between 1950-51 and 1954-55, revenue expenditure in these States increased from Rs. 91.53 crores to Rs. 127.65 crores. The table below shows how a rupee of the total revenue expenditure of all Governments in India (Central as well as State Governments) was spent in 1953-54:

Revenue Expenditure of all Governments
(1953-54)

(In terms of per rupee of total costs)

1. *Non-development:*
   Direct demands on revenue 0-0-9; interest on debt and other obligations 0-0-10; debt retirement 0-0-3; national defence 0-3-5; General Government—external affairs 0-0-1; general administration 0-1-0; administration of justice 0-0-2; jails and convict settlements 0-0-2; police 0-1-0; others 0-0-9; miscellaneous 0-1-2—Total 0-9-6.
2. *Social Services:*
   Education 0-1-5; public health 0-0-3; medical 0-0-6; others 0-0-11—Total 0-3-2.
3. *Economic Development:*
   Agriculture 0-0-6; veterinary 0-0-1; co-operation 0-0-1; community development projects 0-0-2; irrigation and forests 0-0-5; industries and supplies 0-0-5; civil works 0-1-5; others 0-0-2—Total 0-3-4.

It will be seen from the aforesaid particulars that non-development expenditure forms the bulk of the total revenue expenditure and that the largest item of non-development expenditure is national defence (As. 3-5). The expenditure on social services and economic development is roughly equal, being As. 3-2 and As. 3-4, respectively. The Central Government would perhaps be well advised to have a similar table prepared year after year, so that it could serve as a rough index of the trends in public expenditure. At this stage, it seems necessary to emphasise the very obvious consideration that, in an underdeveloped country like India, non-development expenditure should be kept at a minimum, and that there should be a progressive increase in expenditure on economic development, followed by social services. Accordingly, it is important to think of the ways and means of reducing non-development revenue expenditure. Is it necessary to have as many States as we have at present? Is it necessary to have as many Ministers, Deputy Ministers, Parliamentary Secretaries, etc., as we have in each State at present? Can we not manage with a smaller police force than the one at present? These are some typical questions that occur to us when we come to think of it. There must doubtless be many more of this type which an expert body should easily be able to discern.

There has been a significant increase in capital expenditure too. In 1938-39, such expenditure by the Central and State Governments (in pre-Partition India) was no more than Rs. 13.44 crores, of which non-development expenditure was Rs. 0.18 crore and development expenditure Rs. 13.26 crores. Since then, capital expenditure has increased from year to year until in 1953-54, it was as much as Rs. 241.76 crores. Over the three-year period ended 1953-54, capital expenditure was Rs. 656.70 crores, made up of development expenditure of Rs. 503 crores and non-development expenditure of Rs. 153.70 crores. This non-development expenditure included State Trading Schemes (Rs. 63 crores) and subsidy on sale of American loan wheat (Rs. 73.6 crores). The main items in development expenditure were: multi-purpose river schemes Rs. 148 crores; irrigation Rs. 94 crores; electricity schemes Rs. 63 crores; railways Rs. 48 crores, civil works Rs. 77 crores and industrial development works Rs. 31 crores. This pattern, encouraging as far as it goes, is not sufficiently reassuring. It is a little disconcerting that industrial development should claim a mere Rs. 31 crores, whereas civil works should claim Rs. 77 crores. It is interesting to note that, of the total expenditure of Rs. 77 crores on civil works, the Centre spent Rs. 38 crores (mainly Bombay on development scheme and new capital at New Delhi) and the States Rs. 39 crores. Clearly, in any order of priorities for expenditure in a developing economy, civil works ought to come far down in the scale and industrial development should be somewhat high up.

An important objective of public expenditure is to redress the economic inequalities of the different regions within a country. A wise spreading of development expenditure can do much to promote the economic improvement of the backward sections of the community and of backward regions. To the first class of expenditure—redressal of inequalities among different sections of the community—belongs food subsidies, expenditure connected with relief and rehabilitation of displaced persons, industrial housing, and amelioration of the hard conditions of living of scheduled and backward classes. But this expenditure does not form a significant part of total expenditure. That is only as it should be, for though public expenditure has increased greatly in recent years, it forms only a small proportion of national income. The Commission has calculated that, in 1953-54, the combined expenditure (on revenue and capital account) of the Central Government, States and local authorities, was Rs. 1,170 crores or only 11 per cent. of the probable level of national income of the Indian Union.

The other objective of public expenditure is the redressal of regional or territorial inequalities. An attempt at achieving this objective, according to the Commission, is a "conspicuous feature of Indian public expenditure as also of the entire system of public finance." This redistributive process, the Commission points out, takes place both directly through the redistribution of Central expenditure regionally or indirectly through the division of shared taxes on the basis of population and by way of larger grants-in-aid to the more backward or financially weaker States. National considerations enter into the raising of revenues and the pattern of public expenditure. Thus, Central revenues are raised under uniform tax laws without regard to their higher tax incidence on larger regional incomes, while the distribution of Central expenditure is determined in terms of broad national requirements. Thus, river valley projects, which will raise the productive capacity of backward regions are financed out of Central resources which are raised by taxation and borrowing from the more prosperous parts and affluent sections of the community. The Commission says: "Important again are the grants-in-aid to 'backward' States and the high place accorded to population in the scheme of distribution of the divisible revenues collected by the Central Government." Summing up its study of this aspect of public expenditure, the Commission observes:

"The composition of Indian public expenditure as also the trends there in recent years serve to bring about a moderate reduction in inequalities, both economic and social, in the country; and, to this extent, should reconcile the people to an increase in the total burden of taxation. It must be emphasised, however, that, for an effective advance in these directions, the objective of the widest possible distribution of benefits, both regionally and by income groups, needs to be pursued

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vigorously. Finally, we may add that the redistributive effects of public finance operations in India cannot attain really significant dimensions as long as the ratios of public revenues and public expenditure to national income remain as small as they are at present."

So much for what may be termed the "equalising effect" of public expenditure in India. It must, however, be emphasised that even this objective would be frustrated through the absence of efficiency and economy in public expenditure. It is not enough if public money is spent on socially desirable projects. It should be spent economically, so that the community, as stated at the outset, derives full value for the money spent. This implies that the administration, as a whole, is imbued with a sense of economy. It also implies correct choice of personnel. Further, there should be close co-operation between the Central and the State Governments, the latter readily submitting themselves to the former for a scrutiny of their expenditure. There should also be close co-operation between audit and administration, the former playing the role of an alert but not cantankerous mentor and the latter displaying a healthy awareness of the need for efficient and economic conduct of public enterprises committed to its charge.

The need for a check on expenditure arises from two considerations. In the first place, the non-development expenditure should be reduced to a minimum. Secondly, the Central and State Governments should ensure that there is no wastage whether in developmental or non-developmental expenditure. Particular care should be taken in regard to developmental expenditure, because not only is its magnitude large but also wastage in this sphere will be a burden on the community for several years to come. The Commission has, therefore, rightly emphasised the importance of expert scrutiny of public expenditure. It says: "We are ourselves impressed with the need for a thorough and careful enquiry both in the Central Government and the States into the whole question of public expenditure and suggest that such enquiries should be undertaken and entrusted to sufficiently high-powered bodies." The need for such an enquiry can be supported on two more grounds. First, the success or otherwise of the Five-year Plan is being measured more in terms of the extent of financial outlay rather than in those of achievements. This encourages expenditure by the States without adequate regard for return. Secondly, people are being asked to bear more and more taxes. Enough has been said by Mr. Deshmukh during the last few days to show that more taxation is in store for taxpayers in the coming years, notwithstanding the fact that the level of taxation in India is already the highest in the free world, next only to the U.K. If they are to accept this burden, on top of a large dose of deficit financing now contemplated, it must be proved to their satisfaction that there is no waste in Government expenditure.

In the course of the budget debate in the Rajya Sabha, some members drew the attention of the Finance Minister to this question. Mr. Deshmukh felt that, since the Economy Unit and the Organisation and Methods Division in the Central Government were seized of the problem of efficiency and economy in administration, any *ad hoc* committee to enquire into this problem may be "found to be redundant." As regards the States, he said that it was a matter for them to decide. Referring to the demand for scrutiny by the Central Government of expenditure incurred by the States out of funds and grants made available to them by the Centre, Mr. Deshmukh stated that the question had been examined as far back as in 1946. He stated, in effect, that there was no need for any special scrutiny since the Comptroller and Auditor-General was dealing with such accounts also.

This explanation does not carry conviction. Indeed, he has dismissed the whole question lightly. The grants and loans that are being given to the States are by no means so small, as Mr. Deshmukh wants us to believe. They are growing in size and will grow in the coming years, especially as the Centre has taken the responsibility for borrowing from the public on behalf of the States. As is pointed out by our New Delhi Correspondent in his despatch this week, even the World Bank exercises supervision and check over the projects financed through its loans which in many cases are smaller than those given by the Centre to the States, notwithstanding the fact that such loans are guaranteed by the Government. There is then no reason why the Centre should not have a check of the type recommended by the Taxation Enquiry Commission. Be that as it may, it remains to be seen whether the Economy Unit and the Organisation and Methods Division would be an effective substitute for the kind of high-powered body suggested by the Commission. So far as the States are concerned, there is, perhaps, an urgent need to set up units on the lines of the Economy Unit and the O. and M. Division. It must be remembered that the States' share in the revenue and capital expenditure is very large. In 1953-54, for instance, their share of revenue expenditure was as much as Rs. 506 crores, as against the Centre's Rs. 389 crores. Over the three-year period ended 1953-54, their share of capital expenditure was Rs. 435 crores, as against the Centre's Rs. 221 crores. In view of the fact that the States' share of the revenue and of the capital expenditure is larger than the Centre's and that there is no effective organisation for scrutiny of expenditure by the States, it seems essential that some attention should be devoted to remove this lacuna.

OUTLOOK FOR TEA INDUSTRY

THE speech delivered by Mr. Mackay Tallack at the seventy-fourth annual meeting of the Indian Tea Association, in his capacity as its outgoing Chairman, is notable for its sobriety. Whether it was the Government's policy, or the attitude of labour or the outlook for the industry, his comment was so sober, well-reasoned and tactful that neither the Government nor the worker nor even the consumer can take any exception to it. His explanation for the spectacular rise in prices of tea places the present state of affairs of the industry in its proper perspective. His speech clearly shows that the industry is as much worried over the unduly high prices for tea as are the consumers, for it realises that a boom in tea brings with it burdens which stay even after the boom is gone. The planters are enlightened enough to realise that stable prices at reasonable levels are preferable any day to fleeting prosperity.

In the last week of January, 1955, the price of tea for export touched a peak of Rs. 3-12-8 a lb., as against Rs. 2-7-7 a year before, on the auctions in Calcutta. Since then, there has been a fall to Rs. 3-0-1 a lb., but even this rate is about As. 11 higher than that in the first week of March, 1954. Similarly, the price realised on sale for internal consumption is standing at about Rs. 2-7½ per lb., as against Rs. 2-2½ at this time last year, after touching a high of Rs. 2-12-11 a lb. early this year. The increase in the price of tea in the U.K., the largest consumer of tea in the world, has been higher still and it nearly brought about a political storm, ending in a considerable amount of consumer resistance.

The high prices for tea are generally attributed to shortage of supplies. That is true enough. But what brought about the scarcity? Was it increase in consumption or the inability of the industry to produce more to meet the increased consumption? Mr. Tallack's explanation, in this connection, is interesting and must be carefully borne in mind by those who want to assess the industry's future. There has been a definite increase in demand for tea in many parts of the world. In Great Britain, more tea is being consumed now than before the war, the *per capita* consumption having risen by three-quarters of a pound a year, so that it is, according to Mr. Tallack, 10 lbs. a head now. Thanks to the high price of coffee and the efforts of the Tea Council, absorption of tea in the U.S. has registered a considerable increase. The settlement of the Iranian oil dispute and the general prosperity of other Middle East oil-producing countries have led to a welcome revival of exports to these areas. In India itself, consumption has been steadily expanding. As a result of all these, consumption of tea in 1954 is estimated to have exceeded the 1953 level by 65 million lbs. But, at the same time, production, too, went up in that year, a fact which many people do not seem to be aware of. The world's tea producers, said Mr. Tallack, had manufactured 80 million more pounds of tea in 1954 than in 1953, a quantity of 15 million lbs. more than the expansion in consumption. Of the increase in world production, India accounted for about 29 million lbs. and Ceylon for 23 million lbs.

If production had thus kept pace with consumption, why did prices shoot up as they did? The answer is that there was an enormous time-lag between the manufacture of a pound of tea and its arrival in the grocer's shop. The retiring Chairman of the I.T.A. disclosed that "much of the tea which has been produced on member gardens is still either in Calcutta or in ships bound for consuming countries or in the process of being distributed to retailers." There is always a certain amount of delay and it does not make itself felt on prices if demand is static, but becomes a live factor when demand is rising and stocks stand at low levels, as was the case last year. Further, in the year under reference, the time-lag was longer than usual, because of the dislocation caused by heavy rains, floods and landslides in North-East India and of the dock strikes in London and Calcutta. Again, the disadvantage arising from this time-lag was aggravated by the cautious release of export quotas by the Government of India, which was understandably anxious to ensure adequate tea supply for domestic consumption. The limited export quota released in the initial months of the season induced hectic buying by dealers who felt that supplies of tea during the season might not be adequate. Although export quota was subsequently raised by stages almost to the maximum limit permitted under the International Agreement, it did not have much effect, as the mischief had already been done. Buyers for export were so frantic that the price of right to export went up at one time to as much as Rs. 2 a lb., as against the price of As. 4½ now and As. 2½ in the beginning of the season. While not minimising the undue anxiety shown by buyers, Mr. Tallack was constrained to remark that the earliest possible release of the greatest possible quantity of quota would have a salutary effect on prices and upon the market's stability.

It will be noted from the aforesaid explanation that the rise in prices was partly due to circumstances of an extraneous nature and that some of these circumstances were unconnected with the tea industry as such. In short, as Mr. Tallack significantly put it, a good part of the prosperity of the Indian tea industry has been due to labour disturbances, as, for instance, the London dock strike, and the recurrence of natural calamities. Surely, such a prosperity cannot last long. Indeed, already prices have come down and, as more and more tea reaches consuming countries, prices will fall further, "though the statistical position," to quote Mr. Tallack, "does not warrant any serious collapse." The meaning of this qualification of the I.T.A. Chairman is that, while there will be no difficulty to sell at reasonable prices, whatever tea is produced in India, especially if the quality is well maintained, there is no reason to expect the high prices seen towards the close of 1954 and early this year to repeat themselves.

The better days through which the tea industry has been passing for well-nigh two years have enabled it to keep its labour contented. Mr. Tallack's account of what the tea planters have done for labour makes pleasant reading, for it shows that they have become progressive in their outlook and are moving with the times. The cuts made in wages in 1952 have been restored. Besides, the losses suffered by workers as a result of this cut have been made good in a majority of cases. Realising that cost of living will not fall to pre-war levels, large portions of workers' dearness allowance have been amalgamated with the basic wage, thereby ending the unrealistic position of dearness allowance being often greater than the basic wage. In regard to clerical and medical staff, they have consolidated in full the varied and clumsy allowances with the salary. In effecting this reform in wages, the planters have given a healthy lead to employers in Western India who are still chary of conceding the workers' demand for a reasonable adjustment of dearness allowance with the basic wage. The planters have also reconciled themselves to the inevitability of having to implement the Plantation Labour Code, under which the provision of a number of amenities to labour, such as housing of a high standard, education of workers' children, medical facilities, etc., is compulsory, though the cost of all this is heavy and will mean a severe strain on their resources, if the wheel of fortune turns against them.

While all these measures have helped keep down industrial disputes and strikes to very low levels, and led to happier employer-employee relations, it is distressing to note from Mr. Tallack's speech that workers' productivity has shown no perceptible improvement and that a good part of the increase in wages is being dissipated through larger consumption of liquor. These defects can be overcome only through enlightened labour leadership and increased supply of a large variety of consumer goods, the latter of which will be possible only if transport facilities to Assam and other tea garden areas are improved and expanded. Accordingly, both labour leaders and the authorities concerned should pay greater attention to these problems. Lest the protagonists of prohibition should make capital out of what Mr. Tallack said about the increasing drunkenness in tea gardens, we must hasten to add that he took care to add that prohibition would be no solution at all to the problem, as illicit distillation was so easy. He based this remark from experience, for even now, under the stimulus of increased demand for liquor, illicit distillation is going on merrily.

PROSPECTS FOR JUTE SHARES

REFORM OF COTTON HEDGE CONTRACT BEING ACTIVELY PURSUED

THURSDAY, 5 P.M.

THE Share Markets are slightly steadier, but turnover has shrunk. Values show a modest improvement, due mainly to bear covering. The substantial reduction in the excise duty on coarse and medium counts cloth, announced by the Finance Minister on Monday, has imparted considerable strength to popular textile counters such as Bombay Dyeings, Kohinoors and Centuries. The operators were expecting a reduction of only three pies, but the Finance Minister reduced the duty by six pies. His announcement, therefore, took the market by surprise. His hint, in the course of his reply to the general debate on the Budget, that he might consider some more modifications in his proposals when the Finance Bill comes up for discussion has given rise to fresh hopes among them. It is generally expected that, besides the abolition of the excise duty on sewing machines and sewing machine parts already announced, there may be further reliefs in some of the new excise duties, that the amendment to section 23A of the Income-tax Act may be made less stringent and that some concession may be shown in regard to taxation of perquisites. The enormous powers that are sought to be assumed by the Government by amending Article 31 of the Constitution and the provocative speeches made by Government spokesmen in Parliament last week, when this amendment Bill was moved for reference to a Joint Select Committee, have been ignored by the market.

MARKET GOSSIP

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There has been, for some days past, a revival of enquiry for jute shares on the Calcutta Stock Exchange. This is due mainly to the expectation that the financial results of companies, closing their half-yearly accounts in March, for the six months ended March, 1955, will make encouraging reading. The decline in the price of raw jute during the past few days and the growing belief that the mills will not experience any shortage of jute in the coming months, as was feared at one time early in the year, have strengthened the confidence of operators in the shares of jute companies. Another factor responsible for this is the introduction of the 25 per cent. development rebate in the place of 20 per cent. initial depreciation allowance. This measure is expected to assist the mills to implement their modernisation programme. The support to jute shares has been selective, being confined to those scrips the yield on which is fairly high.

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In view of the return of jute scrips to the fore, it will be relevent to make a brief reference to the speech of the retiring Chairman of the Indian Jute Mills Association, Mr. G. J. Gardner, delivered at the annual meeting of the Association held at Calcutta last week, just to see to what extent the present optimism of the market is justified. Mr. Gardner's assessment of the outlook for jute industry is a very cautious one. Here is what he said in the opening para of his speech:

"Although I am admittedly today able to talk against a more cheerful and less confused background, it would, in my view, be a brave man who could find grounds for real optimism in the present situation. I would go so far as to say that no one who has any appreciation of the basic economic facts of the Indian jute mills industry can expect, in present world conditions, any radical or sudden improvement in its fortunes. We can, I think, at the most, hope for a gradual consolidation of the ground that the industry has re-won after the disastrous reverses which have occurred at intervals during the last five years, and, viewed from this angle, the year 1954 has not been unsatisfactory, for it witnessed a most valuable expansion in world demand which enabled the mills to sell steadily and to reduce the heavy burden of stocks which had proved so embarrassing in previous years. So much so that, as 1954 proceeded, it became apparent that, for the first time in several years, a point was being reached when a moderate increase in production to meet world demand would be merited. It is, indeed, a matter for gratification that those hopes, so long deferred, were at last realised and successive increases in working hours made in July and October raised them to 48 hours per week for the first time since March, 1952. Towards the end of the year, an ominous note was sounded by increasing doubts as to the adequacy of the raw jute supply position and there was a serious inflation in price and deterioration in deliveries to mills at the end of the year. The worst of this danger now appears to have been surmounted but it has served as an ominous reminder of problems awaiting solution which, if not dealt with, will endanger the whole competitive position of our industry."

The sum and substance of the above quotation from Mr. Gardner's speech is that, though the present position of the industry is much better than what it was until recently and though there are grounds for feeling that this improvement will be maintained for a short term, there are no reasons to feel that there has been any fundamental improvement in its fortunes. On the contrary, there are several factors to show that the long-term prospects for the industry are still highly uncertain. There may be some who may feel that this view is rather exaggerated. Let those who feel thus compare the prospects for this industry with those for other industries, such, for instance, as steel, cement, paper, various branches of engineering, chemicals, aluminium, ceramics and glass. It can be confidently stated that every one of these industries will and must expand, for, unless they do, India cannot become a highly developed country. Can anyone say with such confidence that the jute industry in India will expand or regain its former glory?

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What are the factors that cloud the long-term outlook for jute industry? To put them in a nutshell:

(1) Raw material position is still quite uncertain; the industry had a taste of it only two months ago. Nothing effective is being done to reduce India's dependence on Pakistan to the barest minimum. The recommendations of the Expert Committee, which went into this question, remain unimplemented. So long as India is dependent upon Pakistan for as much as 30 per cent. of its needs of raw jute, the Indian jute industry will be under the influence of that unpredictable factor, namely, politics.

(2) The crop and prices of raw jute fluctuate widely. Between March, 1954, and mid-February, 1955, raw jute prices rose by 61 per cent. (that is, from Rs. 24-8 to Rs. 39-8 per maund—the highest touched at one time was Rs. 41 per maund), while the prices of jute goods could go up by no more than 15 to 25 per cent. During the past four or five weeks, the price of jute has fallen by Rs. 7 from the peak to Rs. 34 per maund. As regards crops, since the last war, the total jute crops of India and Pakistan have varied between 7 and 11 million bales.

(3) The number of competitors for jute is steadily increasing, thereby making the position of Indian jute mills more and more difficult. Japan, with its characteristic thoroughness and efficiency, is emerging as a serious competitor to India in the U.S. Pakistan is the most dangerous competitor of all. With their modern machinery and all the advantages in regard to raw material, Pakistan jute mills can easily undercut their confreres in India. Just as the cotton mills of this country have the advantage of low-priced domestic cotton, the Pakistan jute mills, too, can have it in regard to raw jute whenever it is found necessary.

(4) Precious little is being done to expedite the modernisation of Indian jute mills, though the authorities recognised the need for it in principle several months ago. Meanwhile, not only are the jute mills in other parts of the world being modernised but also the factories which produce substitutes for jute bags. In this connection, the following quotation from Mr. Gardner's speech will bring out the enormity of the situation that is developing:

"Our very existence is dependent on the degree to which we can compete in an international market in which competition is merciless and in which we are often at a severe disadvantage. Other jute manufacturing countries in most cases have a protected market in which they can sell the bulk of their products. Only a comparatively small amount is sold abroad and even then, often at subsidised rates. In our case, 90 per cent. of our production goes overseas. Our main competitor in the open market, the paper bag industry, is an example of a producer equipped with the most modern machinery so highly mechanised that the productive capacity per head of the workers employed is many times greater than it can ever be in the jute industry. We cannot afford, nor in the long run is it in the interests of our employees, that increasing labour costs should force us gradually and continually to lose important markets to competitive manufacturing countries and to substitute packaging materials."

It will thus be seen that the handicaps facing the industry are formidable and that their elimination requires sympathetic co-operation from labour and determined action by the Central and State Governments. At the moment, there is no evidence that these will be forthcoming in adequate measure. Accordingly, given the choice of investment in a first class company belonging to the group of industries mentioned at the outset or in a similar company in the jute industry, a wise investor, who is interested in getting a steady yield and a modest capital appreciation over a period and not quick speculative profits, will prefer the former to the latter.

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It has been recognised for some time now that the present structure of the hedge contract for cotton is unrealistic, in the sense that the prices registered by the contract are hopelessly at variance with the prices registered by the spot market. The prices of spot cotton, as is well known, have invariably been at a high premium over the contract. It is not, therefore, without reason that the contract has been criticised for being needlessly bearish. From this point of view, the East India Cotton Association (E.I.C.A.) may well be congratulated on its decision to invite the views of its member-firms on the question of modifying the present structure of the hedge contract for cotton. For the Association, it is learned, has received many well-thought-out proposals, all backed by the mature experience of the sponsors concerned. Indeed, the difficulty would seem to be one of choosing from the many alternative schemes for revision of the contract, which have been submitted to the Association, or one of selecting or reconciling the points which have been made. This task has fallen to the Hedge Contract Sub-committee (Chairman: Mr. Chimanlal B. Parekh) of the Association. Among the issues which have engaged the attention of this Sub-committee, mention must be made of the question as to whether there should be one hedge contract or more than one. It would appear that the mills are generally in favour of only one contract with 13/16" Jarilla as the basis (with a tolerance of 1/32"). The Millowners' Association, it is stated, attaches considerable importance to an effective scheme of arbitration and revision of existing standards for classification of cotton. It has suggested the setting up of an expert panel of 30 members. Each party to a dispute should select one member from the panel and the two arbitrators should select one umpire from the panel members. An appeal against the decision of these three persons will lie with a 10-member Appeal Committee. A heavy scale of fees for appeals, it is suggested, should be prescribed, in order to discourage frivolous appeals. As regards standards, it is pointed out that the existing standards are too low, and that the present superfine classification should be designated "fine."

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An important section of the cotton traders holds the view that, if the existing contract tends to be bearish, it is because the entire crop, ranging from ¾" to 1", is made tenderable against the contract. Accordingly, some members of the Hedge Contract Sub-committee would seem to favour two contracts—one ¾" to 13/16" and the other 13/16" to 1". It is admitted that the presence of two contracts might encourage straddle operations. But it is pointed out that, in pre-war years, there were as many as five contracts, of which three were actually functioning. It is felt that the only alternative to a system of two hedge contracts is a scheme under which the range of tenderable varieties would be limited to 13/16"-15/16". The consensus of opinion seems to be that the present contract is vitiated by the fact that there is a wide range of tenderable varieties. In this connection, it is pointed out that the question of exclusion of certain varieties might become politically difficult, for, if any variety grown in a particular State were excluded from the range of tenderable varieties, there would be widespread protest from the State concerned.

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Although the larger problem of evolving a satisfactory structure for the hedge contract has not yet been solved, it is gratifying to note that the Board of the E.I.C.A. has been able to arrive at an agreed decision in regard to amendment of by-law 55 which refers to tendering differences. This has been a thorny issue for some time now. The amended by-law envisages the setting up of a seven-member special committee consisting of persons actively connected with the spot market and representative of all panels. This committee will be charged with the responsibility of fixing (a) the differences between basic cotton and other descriptions of tenderable cotton and for class or grade, (b) "on" allowances for staples 1/32", 2/32", 3/32" and 4/32" above the staple lengths specified in the Hedge Schedule (subject to 13/16" for Punjab-American, 4F R.G. S.G., 27/32" for Kalyan, 29/32" for basic Jarilla, H.420, Vijay, Punjab-American, L.S.S. R.G. and S.G., 15/16" for Westerns, Coomptahs, Karunganni, Parbhani-America, Gaorani 6 and 12, 31/32" for Jayadhar and 1" for Surti, Cambodia, Laxmi, Buri-American and 216F Punjab-American, (R.G. and S.G.) and (c) "off" allowance for staple 1/32" and 2/32" under staple lengths specified in Hedge Schedule. The tendering differences, it is provided, should be fixed on or about 25th of the month preceding the commencement of a delivery period, and would be subject to a right of appeal to the Board on payment of an appeal fee of Rs. 100. These differences, fixed by the Committee, subject to modifications by the Board, should remain in force throughout the delivery period to which they apply. The amended by-law further provides that the Special Committee and the Board should fix the tendering differences on the "basis of the prices at which the basic and other descriptions of cotton are tenderable are sold in the Bombay spot market, taking nevertheless into account the spot prices of the respective descriptions of cotton in the interior markets and the ruling rates, if any, of succeeding deliveries of the hedge contract and any other factors which the Special Committee or the Board may in their absolute discretion consider relevant." The amended by-law, after it is approved by the Forward Markets Commission and the Government, will be gazetted. It is to be hoped that the new by-law will help evolve sound traditions in fixing tendering differences.

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The New York and London silver markets, which had witnessed a remarkably steady trend in prices, have registered a slight rise. On 15th March, the price of silver (spot) in London rose sharply to 75¼d. per ounce, from 74¾d. on the previous day. Since then, there has been a further increase, so that it now stands at 77¼d. At this level, it is at a premium over the parity with the New York price. Demand is stated to be fairly widespread. This change follows the rise in the New York silver market. In New York, the white metal which had remained unaltered at 85¼ cents an ounce since January, 1953, moved up to 89¾ cents on 16th March. Since then, unlike in the London market, there has been a slight decline to 88¼ cents. The increase in the New York price is attributed to the withdrawal of silver supplies from Mexico. As was pointed out in the article on silver last week (*vide* page 540), the New York market depends on Mexico for its supply. It would appear that Mexico has recently concluded a large contract to supply silver coinage to Saudi Arabia. But what seems to have provoked Mexico to suspend its sales in New York is the large enquiry from West Germany for industrial purposes which could not be fully satisfied in London. Evidently, Mexico must have decided to strike a hard bargain, taking advantage of this demand. There is, however, a limit up to which Mexico can boost the price of silver, for, under the existing legislation, the U.S. Treasury

(*Continued on page* 603)

STEADY UNDERTONE IN SHARES

TATA STEELS TOUCH NEW HIGH

(From Our Own Correspondent)

BOMBAY, *24th March*

THE Stock Exchange witnessed a somewhat irregular trend during the week under review. Earlier in the week, trading was thin and movements were confined to a narrow range, on end-of-account considerations, as also the approach of a holiday on Monday. The new account, which commenced on Tuesday, however, struck a buoyant note, on news of the reduction in excise duty on coarse and medium cloth. Hopes of offers of a few more concessions by the Finance Minister on a fuller consideration of representations made by the public about tax proposals and expectations of an early increase in retention prices of steel contributed to the strength of the market. Consequently, there was an all-round improvement in values on Tuesday. But the higher levels attracted profit-taking, which coupled with scattered liquidation in active textile shares weakened sentiment a little. Further, the market at this stage came under the influence of conflicting rumours regarding retention prices of steel. One section denied the prospect of any increase in the case of Tata Steel. Another, on the other hand, held out the possibility of a cut in the retention prices to be allowed to Indian Iron to the level of Tata Steel. These rumours also aided to weaken the sentiment in the absence of any confirmation from reliable sources. But towards the close again, equities staged sizable recovery on heavy short-covering and professional support induced by reports that a new deal to the steel industry would be given by the Government to undertake the large expansion programme. The undertone of the market was, therefore, steady.

In the steel section, Tata Ordinaries dropped early in the week from Rs. 243-8 to Rs. 242, but revived to Rs. 244-8 on Tuesday. Profit-taking realisations brought the shares again down to Rs. 242 yesterday, before bear covering hoisted them up to a new high level of Rs. 245-4 at the close. Indian Irons ruled weak almost throughout the week dropping from Rs. 35-15½ to Rs. 35-4½ yesterday, but made a fair sized recovery, closing today at Rs. 35-12.

Buying activity in textiles was again confined to select counters which recorded smart gains over the week, following the announcement of a cut in excise duty on cloth. Bombay Dyeings advanced sharply from Rs. 470 to Rs. 478-12. After a sudden dip to Rs. 471-4 yesterday, the shares hardened to Rs. 474-6 at the close. Kohinoors closed today at Rs. 319 *ex-div.*, as against Rs. 323 *cum-div.* a week ago. On the *cum-div.* basis, the gain over the week was Rs. 8-8. Centurys came up to Rs. 386-4 from last week's closing of Rs. 383, but finished at Rs. 384-12. Central Indias gained a rupee to Rs. 129-8. Finlays were better by Rs. 5-8 at Rs. 258-8. Simplex was steady at Rs. 147 and Standards at Rs. 364-6. Svadeshis shed Rs. 3-12 to Rs. 192 on rumours of lower dividend. Tata Mills dropped Re. 1-4 to Rs. 60-12. Khataus declined by Rs. 4-6 to Rs. 166-4 and Laxmis by Rs. 7-8 to Rs. 497-8.

Further small rise in Imperials was the main feature in the banks section. The Fully Paids improved by Rs. 15 to Rs. 1,595 and Partly Paids by Re. 1-4 to Rs. 393-12. Central Banks were quiet at Rs. 50-4, their New shares at Rs. 52-8 and Bank of Indias at Rs. 143-8 *ex-div.* Punjab Nationals appreciated by Rs. 2 to Rs. 43 and United Commercials gained As. 8 to Rs. 46-8.

Select scrips in the electricity group manifested a hardening tendency on revival of enquiries. Ahmedabad Electrics gained Re. 1-4 to Rs. 111-14, as also Surat Electrics to Rs. 126-4. Poona Electrics were taken Re. 1 better at Rs. 151. Bombay Suburbans ruled a little quiet, shedding As. 10 to Rs. 126-14. Tata Hydros lost Re. 1 to Rs. 146-8, while Tata Powers disclosed no change at Rs. 1,507-8. Andhra Valleys reacted from Rs. 1,402-8 to Rs. 1,392-8, but recovered to Rs. 1,402-8.

In the miscellaneous section, sugar shares ruled quiet. After a small advance from Rs. 318-8 to Rs. 320-8, Belapurs finished at Rs. 318. Phaltans showed no change over the week at Rs. 118-8. Despite better corporate news, Walchandnagars were marked down by Re. 1-4 at Rs. 226-4. Among cement shares, Associated Cements were dull, but steady, at Rs. 182-8, while Digvijays looked up by Re. 1-8 to Rs. 179-8. In the engineering and mining groups, Alcocks moved down by Rs. 2-8 to Rs. 286-4. Premier Constructions were quiet at Rs. 160, despite the increase in dividend from Rs. 6 to Rs. 7 per share for the year 1954. Shivrajpurs were done Re. 1-8 better at Rs. 82-8. B.B. Petrols were steady at Rs. 3-15 and Indian Coppers at Rs. 3-9½ on reports of firmness in virgin copper prices. Shipping shares showed divergent trends. Scindias recorded small gains, moving up from Rs. 15-7 to Rs. 15-9½. India Steamships lost As. 2 to Rs. 7-12, while Great Eastern Shippings were maintained at Rs. 16-10. In the miscellaneous group, Bombay Burmahs were a firm feature with a smart rise from Rs. 463-12 to Rs. 478-12. B.I.Cs ruled quiet at Rs. 7-14½. Killick Industries declined by Rs. 8-8 to Rs. 158-8 on lack of enquiries and selling pressure. National Rayons moved between Rs. 203-8 and Rs. 199-12, before closing at Rs. 202-4 with a fractional gain. Tata Chemicals were done As. 2½ lower at Rs. 16-1½ and Tata Oils As. 4 down at Rs. 41-4. On rumours of lower profit and cut in dividend, Wimcos were on offer and fell from Rs. 204-6 to Rs. 197-8.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, *23rd March*

Tea shares were in the lead on the Calcutta Stock Exchange during the week under review, as the lower levels, which were touched a week ago, were considered attractive by buyers, notwithstanding the dull conditions in tea auctions. Generally also, a steady trend was in evidence, although price movements were narrow. The excise duty concessions which the Finance Minister announced in Parliament on Monday were noted with relief, inasmuch as they were considered an indication of Government's willingness to give way in genuine cases. Although some misgivings have been caused by the proposed amendment to the Constitution, which will make Parliament supreme in the matter of deciding compensation for any property taken over by the Government, there is appreciation of the Prime Minister's forthright views in the matter which would clearly indicate that the responsibility is being shifted to Parliament only as a matter of administrative convenience.

Jutes continued to evince interest, as there was a further decline in raw jute prices, and plenty of jat jute is arriving from East Bengal. Engineering shares were steady, although speculative Indian Irons were subjected to nervous selling earlier.

Sectionwise in Jutes, Howrahs opened at Rs. 30-5 and rose to Rs. 30-8 but subsequently were brought down to Rs. 30-2 and in transactions of small lots today realised only Rs. 29-8. Kamarhatties continued to advance further and touched a high of Rs. 222 at which rate the gain during this week amounted to Rs. 16. Champdanys hardened to Rs. 186 from Rs. 180, Northbrooks to Rs. 26-10 from Rs. 26, and Budge Budges to Rs. 197 from Rs. 195, while Bally gave way to Rs. 200 from Rs. 204 and Ganges to Rs. 99 from Rs. 109. Nationals were supported at Rs. 34-6, as against Rs. 33-7 a week ago, Unions hardening to Rs. 206 from Rs. 202-8.

Teas claimed a good portion of the funds in the market, and recorded gains. Thus, Teesta Valley gained to Rs. 44 from Rs. 38-2, and at Rs. 26-12 Namburnadis added Re. 1-10. A large number of transactions took place in Sonai Rivers which recovered to Rs. 27-9 from Rs. 23-8. Another feature was Bokahats which at Rs. 25 picked up Rs. 4-12. Moheemas were accorded moderate support and advanced to Rs. 22-12 from Rs. 20-2.

In the engineering section, Indian Irons opened at Rs. 36-2 and were immediately hammered down to Rs. 35-7. Since then, fluctuations had been narrow either side and the rate was between Rs. 35-15 and Rs. 35-5, the latter being today's lowest closing quotation. Texmacos featured with a rise of As. 14 to Rs. 17, and Indian Standard Wagons gained to Rs. 132 from Rs. 129.

Among shippings, Fraser & Cos. were supported by interested quarters and rose impressively to Rs. 17-14 from Rs. 14-4, each stage of the rise showing stabilisation. India Steamships changed hands at Rs. 7-14 which was higher by As. 3. Port Shippings were also better at Rs. 13-5 as against Rs. 12-8 previously.

Not much interest was shown in coal shares, which were mostly unaltered. Thus Burrakurs were held at Rs. 12-6 and equitables at Rs. 31-2. New Beerbhooms, on the other hand, moved to Rs. 18-12 from Rs. 17-13. East Indians were steady at Rs. 28-8.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, *23rd March*

Equities on the Madras Stock Exchange came in for some enquiry during the week under review. Favourites, among textiles, pushed ahead, following the reduction in excise duty on cloth, announced by the Finance Minister in the Lok Sabha on Monday last. The performance of tea scrips, among plantings, was, however, not encouraging. It appeared as if the recent upward trend in tea prices had exhausted itself, and that the time had come when prices had to be stabilised at a reasonable level. Consequently, tea shares were a shade quiet. But rubbers and coffees ruled somewhat better, while the miscellaneous scrips lacked strength. On balance, business done was limited. There was a sprinkling of both losses and gains. The undertone was quiet.

In the textile section, Bangalore Woollens put on Rs. 32-8 to Rs. 480 *cum-div.* and Buckinghams Rs. 2-8 to Rs. 160-8 *cum-div.* Coimbatore Pioneers rallied Rs. 14 to Rs. 220. Lakshmi, Rs. 50 paid-up, gathered Rs. 4-8 to Rs. 148 and 'A', Rs. 25 paid-up, Re. 1 to Rs. 73-8. Metturs shot up from Rs. 295 to Rs. 310. Vasantas disclosed a gain of Rs. 10 at Rs. 230 and Rajapalayams of Rs. 2 at Rs. 80. Radhakrishnas (Rs. 100 paid-up), however, lost Re. 1 to Rs. 218 and 'B' (Rs. 50 paid-up) As. 8 to Rs. 108.

Among teas, Coonoor Teas put on As. 14 to Rs. 33-10 *cum-div.* and Mlamallays As. 4 to Rs. 65-8. Peermades improved from Rs. 44-12 to Rs. 45. But for these, most of the rest were either easy or quiet. Thus, Halleyburlas lost As. 2 to Rs. 27-4. Emerald Valleys were quiet at Rs. 7-11½ and Devons at Rs. 17-12.

In the rubber section, Be Bes hardened by an anna to Rs. 4-7 and Cochin Malabars As. 2½ to Rs. 7-9. Malankaras shot up from Rs. 23-2 to Rs. 24. Vaikundams improved by As. 2 to Rs. 23-6 and Rajagiris by As. 5 to Rs. 16-5.

Among coffees, Coffee Lands put on As. 3 to Rs. 17-2 and Consolidated Coffees As. 5 to Rs. 18-15. Puthutotams were better by As. 2 at Rs. 4-12.

TRAVANCORE BANK RAISES DIVIDEND

Following the payment of a modest maiden dividend of 2½ per cent. for the year ended 31st December, 1953, the Directors of the Travancore Bank Ltd. (Managing Director: Mr. R. F. Wishart, Trivandrum) have stepped up the distribution to the shareholders for the year 1954 to 3 per cent. Though this enhancement of the dividend rate is not in consonance with the trend of its profit—the profit has dwindled slightly from the previous year's record—it is only a fraction and the Directors have been able to do so without any difficulty and without any serious cut in the essential allocations.

The profit for the year under review has dropped from the record of Rs. 8.05 lakhs earned for 1953 to Rs. 7.36 lakhs, thus reversing slightly the upward curve in profit noted during the past few years. Nevertheless, it represents a small increase over that of Rs. 6.88 lakhs for 1952 and constitutes the second highest in the history of the Bank. The provision for taxation has been reduced from Rs. 2 lakhs to Rs. 1.25 lakhs. The allocation to the general reserve has been maintained at Rs. 1.75 lakhs, but the contingency reserve, which had received Rs. 50,000 last year, is provided with only Rs. 25,000. The provision for depreciation on investments is kept at Rs. 50,000, while that for payment of bonus has been raised from Rs. 25,000 to Rs. 35,000. A sum of Rs. 25,000 has been provided for gratuity fund. The dividend distribution requires Rs. 3 lakhs, that is Rs. 50,000 more than last year.

The following comparative table provides an idea of the Bank's progress in recent years:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Interest and discount earned ..	21.16	19.11	18.41	15.81
Commission and exchange ..	3.92	3.78	3.55	3.47
Interest paid	8.76	6.20	6.79	6.20
Expenses	6.63	5.29	7.87	7.05
Depreciation	0.35	0.36	0.23	0.24
Profit	7.36	8.05	6.88	5.76
To taxation	1.25	2.00	1.00	0.60
,, reserves	2.00	2.25	2.00	4.25
,, depreciation on investments	0.50	0.50	5.00	..
,, bonus to staff and gratuity fund	0.60	0.25	..	..
Dividend	3.00	2.50	..	..
	(3%)	(2.5%)		
Carry forward	0.94	0.93	0.38	1.50
	As on 31st December			
	1954	1953	1952	1951
Capital	100.00	100.00	100.00	100.00
Reserves	21.75	19.75	17.50	15.50
Deposits	439.09	377.35	350.62	402.85
Borrowings from other banks ..	..	..	..	1.50
Advances and money at call ..	263.57	220.03	212.11	238.10
Investments	255.50†	233.56†	236.80†	246.96
Cash	58.90	54.55	62.42	50.24
Balance-sheet total	732.20	569.16	577.62	615.04
Ratio to deposits of—	%	%	%	%
Advances	60.0	58.4	56.7	57.9
Investments	58.2	61.9	62.8	60.9‡
Cash	13.0	14.4	16.4	12.5

† After deducting the reserve for depreciation.
‡ Ratio arrived at after taking into account investments earmarked against borrowings from other banks.

It will be observed that the rise in interest and discount earned during 1954 is more marked than in 1953 and is accounted for by the sharp rise in advances and money at call. Receipts under commission and exchange are also better, reflecting the increase in bills portfolio. The increase under these two items has been more than offset by the rise in outgo by way of interest paid, which is obviously due to a substantial increase in fixed deposits with the Bank, and expenses.

Of the deposits at the close of the year, fixed and thrift deposits account for Rs. 223.81 lakhs, an increase of Rs. 58.55 lakhs over the year. A part of these deposits is secured by investments of the face value of Rs. 50.63 lakhs. Savings bank deposits are also up from Rs. 17.50 lakhs to Rs. 22.70 lakhs, while current and contingency accounts are unchanged at Rs. 192.58 lakhs. As against the increase of Rs. 61.74 lakhs in total deposits, the rise in advances (including bills purchased and discounted) and money at call and short notice is as much as Rs. 43.54 lakhs, so that the advances ratio has gone up from 58.4 per cent. to 60 per cent. Investments (at or below cost), the whole of which are in Central and State Government securities and Trustee securities, have been written down by Rs. 6 lakhs to Rs. 255.50 lakhs, at which level they show an increase of about Rs. 22 lakhs over the figure a year before. Cash balances are also higher by Rs. 2.35 lakhs. Though the total liquidity ratio has declined slightly, it is still at the very comfortable level of 81.2 per cent. Bills for collection have gone up from Rs. 22.08 lakhs to Rs. 26.78 lakhs and acceptances and endorsements from Rs. 29.33 lakhs to Rs. 118.75 lakhs, indicating the extent to which the Bank has participated in financing the trade in the State and outside.

NEWS IN BRIEF

PRODUCTION of steel in India during 1954 amounted to 1.24 million tons. The total quantity of steel imported during 1954 was 387,401 tons.

The President has assented to three separate Bills for the States of Saurashtra, Madhya Bharat and the Punjab, which aim at regulating the working of cotton ginning and pressing factories and checking malpractices in the cotton trade.

The U.P. Government is reported to be considering revision of the enhanced irrigation rates through the evolution of a formula whereby these rates will be automatically adjusted in terms of the prevailing prices of foodgrains and other agricultural produce.

Railways throughout the country have been asked to plan from now on for carrying increased goods traffic which may materialise during the next busy season, as a result of accelerated economic activity. The busy season is expected to commence from November, 1955. The zonal railway administrations are preparing themselves to carry anything upto 20 per cent. more traffic than they did during the current year.

The German consultants, with whose technical assistance the Rourkela steel plant would be set up, have been asked by the Government of India to revise their project report for doubling the capacity of the plant from half a million tons to one million tons steel ingots. It is understood that the revised project report would reach the Government in two or three months' time. It is gathered that the doubling will be in steel flats.

The Labour Appellate Tribunal has rejected the plea of nine textile mills in Bombay City to extend the date for payment of increased dearness allowance with retrospective effect from May, 1953. Friday, the 18th inst., was the last date to pay increased dearness allowance to over 200,000 textile workers. The total amount involved was Rs. 2.5 crores. The managements of the nine mills pleaded inability to make the payment immediately, owing to financial difficulties, and asked for two to six months time.

The Government of India has decided to liberalise with immediate effect the scheme for the grant of rebate on sales of handloom cloth containing art-silk yarn in the body. Hitherto, rebate was allowed on such cloth, provided the price of it did not exceed Rs. 2 per yard. The Government of India's latest orders provide that handloom cotton cloth having art-silk yarn in the body will be eligible for a rebate on sales, provided the price of such cloth does not exceed Rs. 2-8 per yard, instead of Rs. 2.

Under the U.S. aid programme, it is proposed to import about $12 million worth of cotton—about 75,000 bales—of staple length 1-1/16 inch and above during the current year. Further imports may be permitted later, if necessary. Disclosing this, the Deputy Minister for Commerce and Industry said in Parliament this week that the import would be through normal trade channels under licences issued by the Government of India. The U.S. Government would pay the suppliers in the U.S. in dollars and the Indian importers would deposit the rupee equivalent in a Government account.

The Central Silk Board has received the first consignment of 200,000 pounds of Chinese raw silk imported from China under a barter agreement between the Governments of India and China. Chinese raw silk will be sold by the Board at Rs. 34-11 a pound for 'A' grade and Rs. 34-6 for 'B' grade. The prices of raw silk in India during the last two years ranged between Rs. 50 and Rs. 55 a pound, which was considered very high. With a view to stabilising the prices of raw silk, the Government of India announced in its import trade control policy for January-June 1955 that all imports of raw silk will be canalised through the Central Silk Board.

India has 1.6 million tons of foodgrains in reserve for any emergency, according to the Union Deputy Minister for Agriculture. This has been a major contributory factor in the lowering of the market price of foodgrains. Of this stock, 800,000 tons is Burma rice purchased in 1954. The Burma rice stocks includes about 40 per cent. of "broken" rice, which, however, is of internationally accepted standard. The grain was graded before docking and is periodically examined, so that it can be sold before deterioration. The present capacity of 200,000 tons of Government godowns is intended to be increased to 1.3 million tons. The additional godowns are planned to be built in two years at a cost of Rs. 10 crores.

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From Abroad

The World Bank has granted a new loan of $54.5 million to Australia for capital expansion.

A new coal deposit of about 200 million tons has been discovered near the Regari coal mine, about 35 miles south-east of Quetta, it was officially announced in Karachi this week.

The Pakistan Industrial Development Corporation has drawn up a plan to set up five sugar mills in the area commanded by the newly opened Kotri Barrage in Lower Sind. Preparations are being made for large-scale mechanised cultivation of sugarcane on 50,000 acres of land.

Pakistan will be producing 200,000 tons of jute goods by the end of the year. Announcing this in London last week, the Pakistan High Commissioner in London said that, before 1956, more than 6,750 looms would be working in East Pakistan jute mills. Their total production would enable Pakistan to export about 160,000 tons of jute goods.

The New Zealand Government has appointed a six-man Royal Commission to investigate New Zealand's monetary affairs. The Commission will enquire into any monetary, banking and credit proposals that might be suggested as suitable for application in New Zealand and report on the advisability of any changes in the present system.

The total value of exports by the U.K. to India during January, 1955 amounted to £9.25 million, as against £10.99 million in the corresponding month of 1954 and £114.91 million during the whole of 1954. Imports of Indian goods into the U.K. aggregated £17.94 million, as against £17.16 million in January, 1954 and £148.59 million in the whole of 1954.

An investment and finance corporation may shortly be set up in Pakistan to provide loans to private enterprise. Exploratory talks on setting up of the corporation are reported to have been held between the officials of the Pakistan Government, the State Bank and the Managing Director of the International Monetary Fund, Mr. Ivar Rooth, during his stay in Pakistan.

Sweden is still the only country in the world to have introduced 380,000 volts for long-distance power transmission, according to a spokesman of the Swedish State Power Board. When the trunk-line scheme is completed in 1958, it will total no less than 7,500 kilometres (4,660 miles). It is probable that Sweden will have to reckon upon a still higher voltage in the future, perhaps up to 650,000 volts.

More than 100 British firms are now working on contracts for the Atomic Energy Authority in connection with the recently announced programme of developing atomic energy for peaceful purposes. The contracts undertaken include building, supply of generating apparatus adapted to the new process of producing electricity from atomic power, manufacturing nuclear instruments for industrial radiography, electrical equipment, steel work and boiler-making. The firms have started designing reactors for the new atomic power stations envisaged in the White Paper published last month.

The Industrial Development Corporation of Pakistan is stated to have completed plans for the establishment of an iron and steel works costing Rs. 60 crores. Tenders will be invited in the first week of April for the import of mining equipment and plant for a steel works with a capacity of 100,000 tons per annum. The Corporation is making arrangements for financing the project. In addition to approaching the World Bank for a loan, the Corporation will invite foreign private enterprise to participate. The works will be built according to designs and recommendations of Krupp's, the German consultants of the Corporation.

PERSONAL

MR. K. P. S. Menon, India's Ambassador in Moscow, has left for Russia after the completion of his holiday in India.

Mr. K. G. Saiyidain, Additional Secretary, Ministry of Education, Government of India, has rejoined the Ministry on his return from Sudan.

Mr. A. S. Dick, Managing Director, and Mr. W. J. R. Warren, Director of Export Sales, Standard Motor Co., Ltd., Coventry, have arrived in India.

Mr. A. K. Mukarji, Secretary, Central Board of Revenue, Government of India, has returned to India after a visit to the United Kingdom and Switzerland.

Mr. M. P. Birla has been elected Chairman of the Indian Jute Mills Association for the year 1955. Mr. D. P. Goenka and Mr. J. I. Jamieson have been elected Deputy Chairman and Vice-Chairman, respectively. The other members of the Committee are: Mr. G. D. Butchart, Mr. A. T. Doig, Mr. N. K. Jalan, Mr. R. K. More. Mr. A. I. Murison, Mr. J. M. Parsons, Mr. W. Prophet and Mr. K. E. Tosh.

"COMMERCE" 1930

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *29th March*

World's Trade and the Empire

The economic section of the League of Nations estimates that the total world trade in 1927, recalculated at 1913 values, was 20 per cent. greater than in 1913. On this estimate, the trade of the British Empire, taken as the aggregate of the imports and exports of its several parts and corrected for changes in price levels, had increased between 1913 and 1927 by about 27.5 per cent. In the two years 1927 and 1928 the rate of expansion was, however, somewhat slower than for the rest of the world. The aggregate of the imports and exports of the various parts of the British Empire represented nearly 30 per cent. of the world trade in 1927. It exceeded the aggregate of the foreign trades of the countries in Continental Europe west of the Balkans and of the former Austrian and Russian Empires, excluding the Netherlands. If the statistics relating to imports and exports in 1927 be separated, the Empire in that year was on balance an importer of merchandise. Since 1913 direct trade between Empire countries and foreign countries has expanded somewhat more rapidly than inter-Imperial trade. In 1927, the value of the merchandise passing between Empire and foreign countries was about three times that passing between Empire countries. If inter-Imperial trade were treated as domestic and the statistics relating to it were excluded from the total of world trade, and if the inter-State trade between the various countries of Continental Europe were similarly dealt with, then the trade between the Empire as a whole and the rest of the world was in 1927 about the same as that between the Continent of Europe and the rest of the world.

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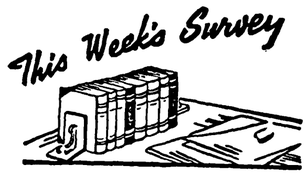

SECTION 23A COMPANIES

A STRIKING feature of the report of the Taxation Enquiry Commission is the light it throws on the concentration of voting power in respect of private limited companies. It is true that the evidence it has gathered is by no means full or complete. Even so, it shows that, in the case of many companies, the majority of voting power is held by very few individuals. An analysis of the dispersal of voting power in respect of a group of 3,005 "private limited companies," as is described by the Commission, shows that as many as 2,589 (or 86 per cent.) are controlled by four or five persons. Out of these, there are 944 companies (31.4 per cent. of the total) in each of which the majority of shares is owned by one shareholder, and 937 companies (31.2 per cent.) in each of which the majority of shares is held by two shareholders. If the analysis is confined to the 257 companies with a paid-up capital of more than Rs. 5 lakhs, as many as 224 (or over 87 per cent.) are under the control of not more than four persons; out of these, 103 are under the control of one person and 66 under the control of two persons. An analysis of 25 companies with a paid-up capital of Rs. 50 lakhs and above, showed that the controlling shares are held by one single person in as many as 21 companies. It is this evidence that has led the Commission to conclude that "private companies are, by and large, of the nature of closely held corporations." This surely is not a discovery, for a private limited company is meant to be closely held.

But this concentration of voting power in a few individuals has a direct bearing on the problem of taxation of the companies concerned. This is because the taxation of the distributed profits of a company is linked, under the Indian Income-tax Act, to the personal assessment of the shareholder. In this context, it is easy for those in charge of the management of these closely-held companies to use their discretion in the matter of postponing or reducing the distribution of the company's profits and thereby reduce their own tax liability. All tax systems contain a provision to prevent such evasion. In India, section 23A of the Income-tax Act is intended to prevent tax evasion by the management of private companies.

Briefly, this section, as it now stands, applies to companies in which the public are not substantially interested. Specifically, it will not apply to companies in which at least 25 per cent. of the voting power is held by the public. The companies, to which this section applies, are required to distribute 60 per cent. of their income (as reduced by income-tax and super-tax payable) as dividends. Since it found that the provisions are not stringent enough the Commission had recommended some amendments. Thus, it recommended that a tax should be levied on the section 23A companies in respect of the undistributed portion of the "distributable" profits, in addition to the income-tax and corporation tax already payable by them. Further, it suggested that the definition of "public interest" should be enlarged so as to mean the holding of a minimum of 50 per cent. of voting power by the public.

As readers are aware, the Finance Bill now before Parliament accepts these suggestions. Indeed, in respect of the first suggestion, it has gone, as Mr. G. P. Kapadia has pointed out (*vide Commerce*, 19th inst.), beyond the Commission's recommendation. Thus, whereas the Commission recommended the levy of an additional corporation tax, at a flat rate, on the undistributed portion of the distributable profits, the Bill seeks to levy a flat rate of As. 4 per rupee on the entire surplus. The Bill also incorporates the second important suggestion, namely, the enlargement of the definition of public interest. The Bill steps up the requirements for outside holding from 25 per cent. to 50 per cent. It also stipulates that if the shares of a company carrying more than 50 per cent. of the total voting power were *at any time* during the previous year controlled by less than six persons (near relatives and nominees being counted as a single person), the company would cease to be recognised as a company in which the public are substantially interested. It is now feared that the contemplated change will bring within the scope of section 23A many companies which have enjoyed the status of public limited companies. In other words, the tax law is being used as a lever for wider dispersal of voting power.

No wonder, then, that many protests have been lodged against the amendment to section 23A. The authorities of the Bombay Stock Exchange, in a closely reasoned memorandum which they have submitted to the Central Government, have drawn attention to the difficulties that would arise in the wake of the amendment. In the first place, the memorandum points out that some managements prefer to keep 50 per cent. of the issued capital with themselves in order to retain control over the company and reap the profits of their enterprise and pioneering effort. Secondly, some managements are compelled to take up 50 per cent. or more of the capital as the issue fails to evoke sufficient public response. Thus, the large holding may be due to causes beyond the control of the managements concerned. Thirdly, some managements hold less than 50 per cent. of the capital, but some six persons nevertheless may be found to control more than 50 per cent. of the voting power either because it considers the shares to be sound investment or fancy them for capital appreciation. In this case, the holding is accidental and is the result of investment confidence. Fourthly, some managements may own less than 50 per cent. of the capital but some six persons may come to own 50 per cent. when there is aggressive buying by a small group intent on capturing control of the company. Finally, a small group may want to acquire more than 50 per cent. of voting power, in order to enforce 100 per cent. distribution of profits; if it succeeds it will then be able to cash in on the increase in share values that would take place as a result of higher dividend prospects. In these last two instances, the six persons involved, far from being joint collaborators, are rivals. If a company is thus compelled to distribute 100 per cent. of profits as dividends, it would put an end to ploughing back of profits, "so essential for capital formation and self-financing of development and expansion schemes." Also, the Directors would forfeit discretionary control over dividend distribution and the shares of the company would begin to fluctuate widely. It would also be noted from the instances mentioned here that a number of genuine public companies will fall within the definition of a closely held company, though the circumstances in which they happen to be in that position may not have been designed to cheat the Government of its due. Explaining this point clearly, Mr. K. R. P. Shroff, President of the Stock Exchange, says:

"The main object of section 23A, as explained in the notes on clauses, is to tighten up the provisions for preventing avoidance of super-tax by shareholders of private companies resulting from insufficient distribution or non-distribution of profits in proper time. It has been contended that section 23A, even in the form in which it stands today, is oppressive and interferes with the process of capital formation. The argument is not without substance, for the steep rates of income-tax and super-tax on the current scale inflict grievous hardship on the middle class which is an important saving group and reduce the margin of savings of all classes almost to the point of extinction. Without pressing the argument any further in the present context, the Exchange is only concerned with pointing out the repercussions of the new section 23A on companies whose shares are admitted to dealing in the market and in which there is substantial public interest according to all reasonable considerations. Because of the legal fiction contained in the explanation to the section, such companies are likely to be treated as private companies in certain conceivable circumstances in spite of the fact that avoidance of super-tax is not even remotely contemplated."

It should be clear now that the proposed amendment will, apart from putting a number of genuine public companies to severe hardship, increase unhealthy speculation and expose honest managements of companies to the caprices of speculators whose only object is to get rich quick and who care twopence for the industrial development of the country. It should also be clear then that, in its attempt to control one evil, the Government is opening the gate for more evils.

The remedy suggested by the Stock Exchange President is that the words "twenty-five per cent." should be substituted for the words "fifty per cent." wherever they occur in clause (i) of the explanation to the proposed amendment, and the words "seventy-five per cent." should be substituted for "fifty per cent." in clause (3) of the explanation. In other words, he wants the requirement of outside holding to be reduced to 25 per cent. from 50 per cent. now proposed, and the penal limit for holdings by six persons should be raised from the 50 per cent. level, now envisaged, to 75 per cent. This is undoubtedly a fair and reasonable suggestion. In a country where good managements are few, and some wealthy speculators are more interested in dislodging good managements than in running the concerns efficiently, it seems unwise to adopt any measure that would make it difficult for the managements to be in continued possession of the concerns under their control.

CALCUTTA DOCK LABOUR

The three-day suspension of loading and unloading of cargo ships in Calcutta last week by the shipowners and stevedores is yet another reminder of the worsening of the dock labour situation. The suspension (which started on the 14th inst. and was called off on the 17th, arose over a dispute relating to the registration of tally clerks employed by stevedores under the Dock Workers (Regulation on Employment) Scheme. Under this scheme, tally clerks employed by the stevedores alone are entitled to registration. The Dock Labour Board, however, felt that, as tally clerks were also employed by the shipping companies, registration of the tally clerks employed by the stevedores alone would be fraught with complications. The Board, therefore, requested the Government to amend the scheme so as to include tally clerks employed by shipping companies also within it. As the whole question of the working of the scheme in Calcutta and other ports is under enquiry by a committee specially appointed for the purpose, it was decided to wait for the conclusion of the work of this committee before making any changes in the scheme which, in the light of experience, appears to require modification in various respects. The tally clerks, however, insisted on immediate registration and attempted to enforce their demand by adopting go-slow tactics. Thereupon, the steamer agents decided to dispense with the use of tally clerks until go-slow tactics were given up.

According to the employers, the other staff of the stevedores and steamer companies, who work on vessels supervising loading and unloading operations, were unable to carry on their work owing to acts of intimidation by workers belonging to a particular union of which the majority of the tally clerks are members. In this context, the Port authorities, after unsuccessfully trying to settle the dispute, sought the assistance of the Chief Minister of West Bengal, who, after giving a hearing to all the parties concerned, took steps to increase the police protection necessary to prevent interference with dock working and offered to look into the matter of decasualisation of tally clerks in consultation with the Chairman of the Calcutta Port Commissioners and the Central Government. As a result of the Chief Minister's intervention, the situation has improved and work has returned to normal.

Thus, quiet has been restored. But there is no gainsaying the fact that it is the calm before the storm. The dock labour troubles go back to October 1953, when the decasualisation scheme was introduced in Calcutta. Some aver that it dates back even earlier when the stevedores were forced to recognise the Dock *Mazdoor* Union, a Bolshevik organisation. The Union is alleged to have taken advantage of the difficulties in the implementation of the Dock Labour Board scheme for decasualisation of labour. It is said that the first mistake of the scheme was its liberality in registration, which has resulted in large surplus labour in the registered pool. Of about 10,000 workers registered, it is claimed that as many as 4,000 are surplus. Apart from this being a large liability on employers, the surplus labour has become a distinct threat to law and order. It is, therefore, pointed out that, without a drastic reduction in the number of registered labourers, it would not be possible to arrive at a correct solution to the problem of dock labour at Calcutta Port.

It is contended that the composition of the Dock Labour Board itself is defective. It consists of two Port Commissioners (including the Chairman), two representatives of the Government, two representatives of steamer agents, two of stevedores and four of labour unions. As a result of this composition, the labour unions are able to adopt any resolution they want, thanks to the strength of the combined vote of the representatives of labour unions and the Government. Consequently, nothing short of a reorganisation of the membership of the Board with an independent chairman will, it is claimed, help restore peaceful labour relations.

The need for such happy relations is certainly very urgent. Go-slow tactics have become a common feature. The actual outturn in the case of exports has been as low as 25 tons per gang shift of eight hours, as against a reasonable estimate

of 48 tons. The actual handling of exports has been about 27 tons per gang per shift of eight hours, as compared with the datum line of 54 tons. Consequently, the average cost per ton of cargo lifted has increased from Rs. 4.7 in 1953 to Rs. 8.2 today. If the situation lasts longer—it has lasted pretty long already—it would certainly inflict more serious damage on the country's foreign trade.

CONFECTIONERY INDUSTRY

Despite the valuable role which the confectionery industry plays as a subsidiary to the sugar industry, the pace of its progress has not been very striking. Indeed, in recent years, there has been a setback to the industry's progress. The production of confectionery products during 1954 was as low as 536 tons, as against 700 tons in 1953 and 700 tons in 1952. What is worse, the output represents not more than 13.4 per cent. of the annual rated capacity of 4,000 tons. What is this wide gap between capacity and production due to? This question was ably and impressively answered by Mr. Brahmaswarup, President of the Indian Confectionery Manufacturers' Association, in the course of his address at the ninth annual general meeting held at New Delhi on Sunday last. Confectionery products in India, Mr. Brahmaswarup observed, were not yet popular as an item of food and, therefore, any slight disturbance in the economic conditions was reflected more particularly in the sales of these products than in those of other more conventional food articles. Referring to the lack of adequate demand, he said that, while industrial consumption of sugar in the U.K. accounted for as much as 45 per cent. of the total annual consumption of sugar, that in India was negligible.

In the considered opinion of Mr. Brahmaswarup, industrial consumption of sugar could be stepped up in India, if confectionery goods were popularised among the masses. He referred, in this connection, to the high cost of production consequent on high prices for sugar—the basic raw material—which accounted for about 40 per cent. of the total cost. If, therefore, confectionery products had to be manufactured at lower cost, the Government of India should, he urged, refund the Central excise duty on sugar consumed by confectionery factories which, with the recent increase, amounted to Rs. 4-2-2 per maund of sugar. He also urged the State Governments concerned to refund the cane cess. With these concessions, it would be possible, he thought, to effect some reduction in the prices which, in turn, would result in greater consumption of confectionery products. Since sugar is a basic raw material in the manufacture of confectionery products, the plea for exempting it from payment of excise duty sounds convincing.

It is, however, difficult to agree with Mr. Brahmaswarup when he says that the Government should not allow imports of foreign confectionery. It is true that the Indian confectionery industry has the equipment and technical knowledge to produce superior quality products. But, on that score alone, the plea for a complete ban on imports cannot be justified. For the quality of the majority of indigenous products still leaves much to be desired. And no improvement in quality can be expected under conditions of monopoly created by a total ban on imports. As has been repeatedly emphasised in this journal, in the absence of competition from quality goods manufacturers, there will be little incentive among the indigenous industry to produce high quality confectionery at competitive prices which is necessary for encouraging consumption of sweets. In any case, imports of confectionery are subject to heavy customs duties which give all the protection necessary against unfair competition.

Be that as it may, Mr. Brahmaswarup alluded to the question of exports. He felt that there would be good demand for Indian confectionery in some of the neighbouring countries, provided the prices could be reduced to competitive levels. He urged the Government to adopt two measures in order to support the export drive on the part of the industry. These are (1) simplification of the existing procedure for refund of Central excise duty on sugar-content of confectionery exported abroad, and (2) the grant of facility for drawback of import duty, on essential raw materials as provided

(*Continued in third column*)

OFF THE RECORD

By "Rover"

FOR quite a while, I had been afraid that a thunderstorm of some intensity had been brewing. The atmosphere was still and heavy. The air was sullen and sultry and oppressively suffocating. It was charged with suspicions and uncertainties and unpleasant forebodings. The world of commerce and industry appeared to be calm—almost ominously calm, in spite of very radical changes being suggested and effected in the very basis of the country's economy. It was a calm which suggested gloomy broodings rather than a world at peace with itself and with the authorities.

I thought for a time that the storm would burst at New Delhi, at the time of the annual meeting of the Federation of Indian Chambers of Commerce and Industry. But there was not enough fire underneath and the pot did not boil over. All that it produced were a few outspoken words, a few mild protests as usual and a wholly unnecessary declaration that business men had no interest in politics and no ambitions in this direction. I do not know why they should fight shy of shouldering their rights and responsibilities as citizens of the country and go out of their way to disclaim any interest in the way it is run and in its future.

Neither agriculturists, nor industrial workers, nor teachers, nor writers, nor artisans, as a class, have indulged in such voluntary and weak-kneed abdication of their political rights. Perhaps, they thought they could placate the professional politicians by this gesture and win a truce of some duration. If so, I am afraid they are vastly mistaken. If they have not the guts to stand up for themselves and the foresight to win suitable allies from amongst those who work for them and those whom they (the business men) serve by their labours, if they do not seek and gain support of public opinion for a reasonably free and unfettered enterprise, they will go under. All that the politicians would do is "to provide a halter gratis."

But this is neither here nor there. I am not a business man and the theme must wait its turn. To return to my subject, the storm did not break at the Federation meeting. They were too busy there, saving what they could from the wreck and to hug it for as long as they were allowed to, to think of anything beyond registering a polite protest about the moves which they were convinced were mistaken. The storm, which I had sensed some time ago in the air, broke unexpectedly last week at the annual meeting of the Bombay Chamber of Commerce.

I know that some such outpouring was inevitable. Too many things had been happening in too quick a succession, to leave any hope that they would be absorbed without some such upheaval. All the same, I am not quite sure whether to be glad or sorry at the manner in which the inevitable reaction came. First, coming as it did from an unexpected direction and only from a small section of the business community in the country, it is bound to lose some of its force. I wish this outspoken expression of opinion about several of the official economic policies had been voiced from a more representative platform of business men in India.

As a rule, the European business community in this country has wisely kept aloof from the political life of the country. In any case, so far as I could see, it had made it a strict rule not to get mixed up in international affairs and not to express any opinion on the foreign policy of the Government. Beyond expressing a natural preference for free enterprise, it had also studiously and scrupulously avoided any reference to the basic socio-economic structure that was slowly emerging in the country, as a result of diverse pull from a number of forces.

While, therefore, a good many things which, Mr. R. G. Coghlan and Mr. K. G. Milne, the outgoing and the incoming Presidents of the Chamber, said, wanted saying with as much emphasis as they put on them, I cannot help wishing that they had not referred at the same time to the things which were regarded as taboo so far. Apart from distracting attention from the vital points, their open and covert references to the country's foreign policy went to discount a part of the value of their perfectly pertinent criticism of the purely unwise economic measures, which obstruct the economic and industrial growth of India. I do not question the propriety of their doing so in their capacity as world citizens. All that I doubt is the wisdom of their doing so on this occasion and more particularly the manner in which things were mixed up by Mr. Coghlan.

For instance, not only was Mr. Coghlan justified but perfectly within his rights in pointing out that the prosperous economy was the capital-intensive economy, the economy in which the efforts of each individual worker had the largest backing of capital equipment and that any attempt artificially to boost labour-intensity was dangerous and retrogressive. He was equally correct in pointing to the U.S.A., as the country which had successfully demonstrated the truth underlying this principle by virtually banishing poverty from within its frontiers. There could be nothing wrong even in his saying that the Indian community—the Government, employers and labour—had much to learn from America in this respect.

But assuredly, it was not necessary for Mr. Coghlan, to make his point, to say that there was a tendency here to decry American methods and American achievement, partly because American foreign policy did not always have Indian approval. Unfortunately, by thus side-tracking himself from the purely objective and economic realm, Mr. Coghlan not only side-tracked the principle under discussion, but gave an opening to Mr. Morarji Desai for his political counter-thrust that "it is not we who do not like the foreign policy of America, but America which does not like India's foreign policy."

It is my impression that Mr. Milne was on the whole objective and restrained in his criticism of the economic policies of the Government, but I wonder if it was absolutely necessary to ask, as he is reported to have done, in the presence of so inflammable a leader as the Chief Minister of Bombay, the members of the Chamber whether it would be worth while for non-nationals to continue to strive in India, "if you have to suffer prolonged separation from your families as the direct result of sudden and far-reaching new taxation having rendered your financial position such as to make this inevitable"? This enabled Mr. Morarji Desai to retort that he did not believe that foreigners were here only to help in the development of the country, but that they had come for business and to further their own interests. I do feel that, even if these far-from-pleasant exchanges had to happen, they could have been wrapped up in velvet.

That is why I turn with greater pleasure and more satisfaction to what happened on that very evening at Trombay, at the formal opening of the Burmah-Shell Refinery by Dr. S. Radhakrishnan, the Vice-President of India. There was as much thrust and parry there, as at the Bombay Chamber of Commerce meeting earlier in the day. An equally sharp conflict of views and basic policies underlay all that was said at Trombay also, but it was on a smoother and a more philosophic plane.

Of course, I should not lose sight of the difference between the atmosphere of the market-place and that which prevails at a purely social and ceremonial occasion. Besides, the cool evening, with its softer shades and promise of pleasure and repose, puts one in a more accommodating mood than that engineered by the din and heat and hustle of midday right in the centre of a busy city. Perhaps, all these combined to take away the edge from the spoken words and to lend them a softer and more silky note.

At Trombay, one could see quite easily that Mr. J. F. Sinclair, Chairman of the Board of Directors of the Burmah-Shell Refineries, is a strong advocate of, and believer in, private enterprise. He left no doubt about it in the minds of his listeners. He was firm in pointing out its creative values—capital formation on a grand scale, new skills, technical and administrative, the possibility of new ancillary industries and opportunities of employment. In a sweeping gesture, describing the other (Stanvac) giant refinery, the Butcher Island Marine Oil Terminal and the thermal station under construction by Tatas, not forgetting even Dr. Homi Bhabha's modest factory for development of atomic energy for constructive purposes, all as fruits of private enterprise, Mr. Sinclair exalted it to the dignity of a basic principle of social organisation. He even threw out a warning that it was a principle which any country could reject only at its peril.

But before doing this, Mr. Sinclair had been clever and crafty enough to associate both the Prime Minister and the Union Government with this very principle. He did this simply by describing his refinery "as a real contribution to what our Prime Minister has described as 'the exciting adventure of building the New India,'" and, again calling it, "an outstanding example of what enterprise, backed and encouraged by an enlightened Government, can achieve." He thus disarmed all criticism by slyly foisting part parenthood of the refinery on the Government, which, Dr. Radhakrishnan, who represented it, was in no position to repudiate. The sweet burden of Mr. Sinclair's lyric was that "we, the business men and the State, have complementary—not conflicting—roles to play in the development of the country." He next threw out a gentle hint that "the more this is recognised, the quicker will be the inspiring type of progress we see around us today." A perfect example of diplomacy and statesmanship at their best!

The Vice-President was equally suave, perhaps, more so. But, simultaneously, he was equally firm in presenting his own point of view regarding the country's economic policy and that of his Government. There were, however, no harsh notes in his delineation of it. He lifted the implied controversy on a high plane of impersonal and dispassionate reasoning. After pointing out all the blots and blemishes and weaknesses of uncontrolled private enterprise, Dr. Radhakrishnan conveyed an assurance that, in speaking of a socialistic pattern of society, there was no intention of uprooting every enterprise that existed and of re-creating the world anew. It is for the business community to draw what meaning and consolation it can from his perfectly elastic but, at the same time, unexceptionable statement that "so long as private enterprise functions with honesty of purpose and a sense of social justice and contributes to a rapid improvement of the living conditions of the common man and larger employment, it will have full scope."—*All Rights Reserved.*

(*"Rover" will be on a long holiday, in search of health, for the next three months.*—ED.)

(Concluded from first column)

under the Sea Customs (Amendment) Act, 1953, and simplification of the procedure for obtaining this drawback. It is to be hoped that these demands will receive the Government's consideration, in view of the fact that an increase in exports of confectionery products, for which there is some scope, will enable the industry to utilise a larger proportion of its idle capacity and thereby bring down its production costs.

NEED FOR CENTRAL CONTROL OF STATES' EXPENDITURE

MR. KILACHAND'S NOTABLE SUGGESTION

From A Special Correspondent

NEW DELHI, 22nd March

THE fact that there has been a delay of more than two weeks between the presentation of the Central Budget and the commencement of the general debate on it in the *Lok Sabha* has stolen much of the thunder of the leading members of the Lower House against some of the Budget proposals. This does not mean that their observations and suggestions are not without interest. Treasury benches doubtless heard these criticisms with considerable attention and it is likely that Government will modify its policies and actions in the coming months in the light of the discussions during the last one or two weeks.

DELHI LETTER

Generally speaking, the criticisms levelled against the Budget followed a broad pattern. Some members attacked the proposals saying that they lacked the basic socialistic philosophy that, despite improvement in industrial production, the seriousness of the unemployment problem in the country did not show any noticeable abatement, that Government must pay greater attention on small-scale and village industries, demarcating at the same time clearly their respective spheres, that agricultural prices had been falling gradually, that sufficient attention was not being paid to stablise them at a certain level which would be beneficial to the village folk and that Government was not bringing about any radical measures to increase the tempo of the economic activity in the country. Some other Members of Parliament also dealt with the inadequacy of help that the Centre had been giving in respect of their States. They also urged for the inclusion of a particular project or scheme in the second Five-year Plan.

Among those who had made a distinct contribution to the debate, mention may be made of Messrs. Tulsidas Kilachand, Bansal and Asoka Mehta. Mr. Kilachand suggested the appointment of a committee to go into the working of public enterprises. There was, he said, great need to examine their balance-sheets, which were not available even to interested members. He further desired that Government should appoint another committee, in order to examine the manner in which the State Governments had spent the loans and grants given by the Centre during the last few years. These two suggestions are eminently very sensible and opportune.

Now that the Government of India has committed itself to the establishment of a socialistic pattern of society and has vociferously been declaring from time to time that it will be gradually extending the public sector in the industrial sphere, the general taxpayers and students of public finance and economics are doubtless interested in the profitable working of state-owned enterprises. Some of the public undertakings such as the Sindri Fertiliser Factory, Chittaranjan Locomotive Factory, etc., have become household words, but a clear balance-sheet should be drawn in respect of all of them indicating as to how far they have been able or hope to pay dividends to the general exchequer. It may be mentioned here that the Finance Ministry, under the direction of Mr. Chintaman Deshmukh, has been able to get a 4 per cent. dividend from the railways. If this is the case in respect of a public utility concern, the return from commercial undertakings should at least be on a 6 to 8 per cent. basis.

The Ministry of Production is now in charge of the Sindri Fertiliser Factory, the Hindustan Steel Factory, the Shipyard at Vizag, the Machine Tool Factory at Bangalore, the Cable, Antibiotics, Insecticides and Housing Factories, the National Instrument Factory, Nahan Foundry, etc. The Ministry proposes to establish two more steel factories one heavy electrical equipment project and one synthetic oil factory. The spokesman of this Ministry should, instead of merely recounting pompously the progress of these industries, also indicate in his speeches and reports the total capital invested in all these undertakings and state as to how far these concerns have been in arrears in respect of depreciation, dividend, etc. The dividend should be calculated on the basis of 6 per cent., which is about the rate at which the Industrial Finance Corporation lends money to private industrialists. If a committee is appointed to go into this problem, it might even suggest the desirability of including or associating private capital in some proportion in these enterprises so as to facilitate the working of these concerns more economically.

Another suggestion of Mr. Kilachand for examining the manner in which State Governments have been spending the loans and grants received by them from the Central Government deserves close attention by the Government of India. This problem has come to the forefront during recent months in view of the unhelpful attitude displayed by some of the State Governments. For instance, when it came to the notice of the Centre that the Punjab Government did not exercise proper supervision over the money spent on the construction of the Bhakra-Nangal Dam and that there was considerable waste, the Central Government expressed its desire to investigate the whole matter. But the Punjab Government, according to a section of the Press, would appear to have questioned the jurisdiction of the Centre in the matter, pointing out that the former was responsible to the Centre only for the regular payment of loans in due course. Now that colossal sums are being spent by the States for purposes of development, the public have a right to know that the money advanced by the Centre is spent wisely and economically by the States. Even the World Bank, which advances loans to India or other Governments in the world, sends its representatives from time to time abroad in order to see for itself weather the money advanced by it is being well spent.

It is, however, regrettable that the Finance Minister, Mr. C. D. Deshmukh, was not able to appreciate in full the arguments advanced by Mr. Tulsidas Kilachand and merely gave a routine reply to the effect that the Comptroller and Auditor-General, who deals with the accounts of the States, would see how the loans and grants from the Centre were being disbursed. He added that the Government went into this matter in 1946 and came to the conclusion that, as the Centre had not very much of a surplus to distribute to the States, the particular mechanism suggested was not of much great concern to them. But this line of argument is not convincing, for, although the amount of loans disbursed to the States in 1946 might have been negligible, the advances to the States during the last one or two years have been increasing. And, what is more, during the second Five-year Plan, there will be a further increase in loans and grants to State Governments. Accordingly, Mr. Kilachand's suggestion for a committee to go into this question merits greater attention by the Government of India than it has received at the hands of the Finance Minister now. In regard to the other point raised by Mr. Kilachand, namely, the public accountability of State undertakings, Mr. Deshmukh said that the Government was examining the question of including a provision in the Bill to amend the Indian Companies Law for the audit of these undertakings by or on behalf of the Comptroller and Auditor General of India. How far this will be effective can be known only when the Select Committee report on the Company Law Bill is published.

Mr. Asoka Mehta suggested that the Finance Minister should consult the consultative committee and explore the possibilities of recasting the form of Government accounting so as to enable its integration with what he called social accounting and consider how far they could make use of the new idea of budgetting that had become popular in some of the countries of the world. He sounded a pertinent note of warning when he said that the Government was committing the same mistake in regard to expanded steel production as in the case of river valley projects. The dams were ready but the water stored was being wasted as, for instance, the Tungabhadra Project. He wanted to know as to what were the industries that were proposed to be set up to utilise the expanded steel production.

Mr. Deshmukh pointed out that an improvement in Budget techniques on the lines suggested by Mr. Mehta was not feasible in the present stage of Indian economy. In advanced countries, nearly 30 to 40 per cent. of the national income was being taken over in the budget, whereas, in India, Government revenues barely accounted for 7 to 8 per cent. Hence, the system of social accounting in India was not desirable, in his opinion. The main weakness of Indian economy at present was insufficiency of investment. The unemployment and underemployment prevalent in this country were, he went on to say, in a way symptoms of this insufficient investment. Taken as a whole, his reply to the general debate did not contain any new enunciation of Government's policy, apart from his announcement of a few concessions in the matter of excise taxes. Sewing machines and spare parts of sewing machines have been exempted from the levy, while the duty on coarse and medium cloth has been reduced from one to half anna per *square yard*, exclusive of the special cess of three pies per *linear yard* for the benefit of the handloom industry.

LANCASHIRE'S DILEMMA

WHAT IS THE WAY OUT?

(From Our Own Correspondent)

LONDON, 19th March

THE fears which the Lancashire spinners and weavers have over Indian imports of grey cloth are about the future rather than the present. The industry is still under-manned, but there is the curious spectacle of some mills shutting down or going on short time and others unable to get all the labour they need. The industry, of course, cannot reconcile itself to its low level of production and exports, as compared with pre-war, and sees in the entry of Indian piecegoods—which, in any case, after allowance for re-exports, only amount to a fortnight's Lancashire production—a menace to their existing trade. In addition, they have got the very recent memory of the slump year of 1952. But employment today is 10 per cent. higher than it was three years ago and the production of yarn is more than 30 per cent. higher and only some 5 per cent. less than in prosperous 1951 when more than 20 million lbs. a week was produced. Yet that figure was only three-quarters of the pre-war average. On the weaving side, the position is worse, cloth production is 20 per cent. higher than it was in 1952 but 10 per cent. less than in 1951 when 42½ million yards were produced weekly. However, output is a little over half the pre-war level and, Indian net imports, jumping from the equivalent of 2 days' to that of 2 weeks' production of the industry, fills them with foreboding.

LONDON LETTER

These fears would not be anywhere near as strong as they are if the export trade was healthy. But the export of yarn, although more than 10 per cent. above the depression year 1952, is going down, while, in the woven piecegoods market, exports have actually dropped to 10 per cent. *below* the 1952 level. Admittedly, even if they fall still further to some 600 million sq. yards per annum, they will be nearly five times as high as India's exports into the United Kingdom, but that is not a standard of comparison which Lancashire can easily accept. The industry's total exports have been moving in the opposite way to that of British industry generally. In 1952, they totalled some £130 million and they have been going steadily down to £112 million last year. The comparison on the fourth quarter is even more depressing and 1954 shows a drop of 20 per cent. on the previous year.

Mr. Wilson's Effort

In these circumstances, Mr. Harold Wilson, one of the Lancashire M.P.'s and a former President of the Board of Trade, has been trying on behalf of the spinning and weaving sections of the industry (but needless to say in opposition to the merchanting interests which are all out for more Indian cloth), to get the Government to set up a monopoly import commission—a device to avoid the odium of controls and tariffs by having a statutory body with monopoly powers to buy only such goods as it deemed fit. There is no doubt that such a device would effectively protect the Lancashire industry from Indian competition but the proposal got short shrift from the Government whose President of the Board of Trade declared that, if assistance was to be given to the industry, it would be given openly and not through a monopoly importer. They are now consulting with the Cotton Board as to whether any steps ought to be taken to help the industry.

The basis for the Government's readiness to consider intervention is the fact that the Indian mills get cheaper cotton than the Lancashire mills can get and, if the effective price of cotton going into exports from India was the same as that going into Lancashire production, then the Government would tell the industry to look after its own salvation.

Such salvation lies both in the home market and in the export market. At home, the industry considers it is penalised by the purchase tax on the better-quality textiles and there is a constant lobbying of Ministers going on to have this tax removed. So far, the Government has taken the line that the cotton industry must bear its share of the purchase tax imposition as any other industry must, and that, once it begins to discriminate in favour of one industry, it will find itself besieged by a host of worthy claimants for similar treatment. A 10 per cent. increase in exports would make all the difference to the outlook of the industry and the Government has

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yet to be convinced that this is not possible through the industry's own efforts. On the other hand, the industry points to the collapse of its export trade to India which has now become an insignificant market, whereas once it was the premier outlet. But this is not a new development and the enterprising sections of the industry have been building up their trade in high quality textiles and have even found it possible to export well-designed goods which are cheap enough to avoid purchase tax in this country and can therefore be made in the substantial quantities necessary for economy. There is a feeling here that Lancashire has a good case on being deprived of access to cheap raw material but, although the spotlight has been focussed on this problem, it is not the basic reason for Lancashire's difficulties.—*All Rights Reserved.*

IMPLICATIONS OF REVISED G.A.T.T. RULES TO INDIA

PROTECTION TO INDUSTRIES

ELSEWHERE in this issue, we have published the major results of the review of the General Agreement on Tariffs and Trade—the G.A.T.T.—undertaken at the Geneva session recently. The implications of those results to India are explained in the following note:

Generally speaking, the G.A.T.T. has had three objectives: (a) To eliminate discrimination of all kinds in international trade; (b) to provide a code of fair trading rules to be observed by each country in its trade with others; and (c) to reduce, as far as possible, the barriers to international trade.

With its large stake in international trade, with its need to import machinery and raw materials for its industrial development and to export things like jute goods, tea and cotton textiles to pay for them, India obviously has a keen interest in these objectives. The principle of non-discrimination is one that has a ready appeal in this country. India is not anxious to grant or receive new preferences in the field of tariffs. Its import licences also do not discriminate between country and country but are valid for all countries in particular currency areas. Likewise, unfair trading practices such as dumping have never had any supporters in this country.

If there has been any difference of opinion, it has been in regard to those provisions of the G.A.T.T. which deal with barriers to trade. While there has been general support to the objective of expanding international trade, the fear has been expressed that the acceptance by the Government of India of the principles of liberal trading embodied in the G.A.T.T. might interfere with the economic development of the country and prevent the Government of India from giving adequate protection to Indian industries.

Assistance to Economic Development

The Government of India had given the most careful consideration to this question before the Review Session of the G.A.T.T. in consultation with the Planning Commission, the Tariff Commission, the representative bodies of Indian trade and Industry as well as economists of repute. They had instructed the delegation which went to the conference to press for certain special provisions being made in the articles of the G.A.T.T. so as to give sufficient latitude to countries like India to fulfil their programmes of economic development. Delegations from other countries similarly placed, particularly those of South-East Asia and South America, made common cause with the Indian delegation in pressing for such changes. As a result, a new article has been drafted to deal with "Governmental assistance to economic development" with special regard to the problems of "countries whose economy can only support low standards of living and is in the early stages of development." This article would enable the countries concerned to deviate temporarily from the other provisions of the G.A.T.T. in the interests of their economic development and to help the establishment of particular industries. The Government of India is now examining the proposed changes in the G.A.T.T. In the following paragraphs, a brief summary is given of the more important amendments proposed in the G.A.T.T. which have a special bearing on the problems of economic development and protection to industries.

Reduction of Tariffs

The most important and widely used method of protecting industries is, of course, tariffs. While it is one of the objectives of the G.A.T.T. to achieve a lowering of tariffs generally, countries belonging to it have no obligation, by virtue of their membership, to reduce tariffs either in general or on particular items. The method for effecting a reduction in tariffs which has so far been followed by the G.A.T.T. is to sponsor negotiations between member countries in which a country may agree to keep its tariffs on any particular items bound against increase above a certain level in return for a corresponding concession similarly received from another. India has participated in such tariff negotiations held at Geneva, Torquay and Annecy in which it has given such tariff concessions on a number of items which it imports, in return for corresponding concessions received on items which it exports, as, for example, jute manufactures, cotton textiles, oils and oilseeds, cashewnuts, tea, coir, etc.

The changes proposed in the new G.A.T.T. affecting tariffs are two. First, a new article has been proposed for inclusion in the Agreement the purpose of which is to recognise the value of tariff negotiations directed to "the substantial reduction of the general level of tariffs ... and, in particular, the reduction of such high tariffs as discourage the importation even of minimum quantities." In order to meet the point of view of countries like India, which, for reasons of economic development as well as budgetary or other considerations, may not be in a position to participate in such negotiations, it has been made clear in the article that each country will have the right to decide whether or not to engage in such negotiations. The proposed article, therefore, will impose no new obligations.

Withdrawal of Concessions

Secondly, in regard to the items on which concessions have already been given, a new set of rules of procedure have been evolved to enable countries to withdraw particular items from their Schedules of the concessions. Special facilities have for this purpose been provided to the underdeveloped countries. As a result, a country like India may, at any time, re-negotiate with the countries which have been the principal suppliers of the commodity in question for raising the bound rate of duty on it or for making it wholly free from the binding, so that the duty can be changed in the future without reference to the G.A.T.T. In such negotiations, the country wanting the change will normally be expected to give concessions on other items which are substantially equivalent to the concession which is being withdrawn.

In exceptional cases, it would also be possible for countries to withdraw an item without offering new concessions in its place, though, in such an event, the countries whose exports are affected by the withdrawal would be at liberty to withdraw equivalent concessions from among those which they had given to the country concerned under the G.A.T.T. In all such negotiations, there would be the greatest emphasis on reaching speedy decisions, and the good offices of the G.A.T.T. Organisation —and in the case of applications from underdeveloped countries even an arbitration machinery —will, in appropriate circumstances, be available to secure an expeditious and equitable settlement.

Quantitative Restrictions

Turning from tariffs to quantitative restrictions on imports, it will be recalled that, under the original provisions of the G.A.T.T., quantitative restrictions on imports were to be abolished altogether. The only major exception to this general rule was that a country in balance of payments difficulties could use quantitative restrictions on imports with a view to avoiding a serious decline in its reserves of foreign exchange. In this country, import restrictions have not been officially recognised as a method of granting protection to industries. Nevertheless, it has been necessary to control the volume of imports on balance of payments considerations, and the restrictions imposed have, in fact, provided a good deal of incidental protection to practically all industries.

In the review of the G.A.T.T., one of the main factors which was taken into account was the possibility that, in the not distant future, the major-European currencies would become convertible. When a country becomes convertible, there arises the risk that other countries may try to build up a favourable balance with it to augment their holdings of convertible foreign exchange. While in this altered context the general rules of the G.A.T.T. on the subject had to become somewhat tighter, the fact that countries in the early stages of development which are engaged, as India is, in a programme of industrialisation would continue to be in balance of payments difficulties for a much longer period and would, therefore, have to take special steps to conserve their foreign exchange over a period of time has been clearly recognised.

It has also been accepted that such countries should, through the use of import restrictions, be allowed to maintain reserves which are adequate in relation to their programme of economic development. Suitable changes in the text have been proposed to bring out these ideas clearly. After convertibility, however, there will be periodic consultations between the countries applying restrictions and the other members—annually for the developed countries and biennially for the underdeveloped countries—to ensure that these provisions are not being abused and that damage to the interests of other countries is reduced to a minimum.

Use of Import Restrictions

In addition, the new G.A.T.T., when the proposed amendments come into effect, will also recognise that there may be conditions in which a country in the early stages of development may need to use import restrictions to help the establishment of particular industries where other methods of protection are not practicable. It has, therefore, been provided that the underdeveloped countries may, with the concurrence of the organisation, have recourse to such restrictions for the establishment of particular industries. The expression "establishment of particular industries"

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BUSINESS ACTIVITY IN ASIA AND EAST

VIEWS OF EXCHANGE BANKS' CHAIRMEN

THIS year's annual statements by Chairmen of the various British Exchange banks operating in India and the Far East Asian region will be read with more than ordinary interest by the business community not only in this country but also in the countries of the West. Usually, these statements cover the economic conditions prevailing in the regions where the banks operate through their branches or subsidiaries. By reason of their participation in the economic activities of the region, the banks gain firsthand knowledge and their reading of the situation is taken as a fair representation of the conditions prevailing there. In India these statements will evoke considerable attention for two reasons. For one thing, the increase in industrial production in recent years has prompted industries in the country to look to Far East Asian markets for their goods in a greater measure than in the past, and they can expect guidance in these statements. For another, in view of a shift of emphasis towards establishing a socialistic pattern of society in the economic policy of the Government, business men in India are anxious to know the reactions of foreigners to this new policy and some idea of their reactions can be had in these statements.

The statements give prominence to the various developments in the Indian economy in 1954. Thus, the improvement in India's food position, increase in industrial production, the establishment of the Industrial Credit and Investment Corporation, the progress of the Five-year Plan and the Government's policy of establishing the socialistic pattern of society, are all commented upon by the chairmen of the various exchange banks. The remarks of Mr. J. K. Michie, Chairman, the National Bank of India, Ltd., on the last mentioned subject, are worth recalling here. The economic policy of the Government, he says, is balanced somewhat precariously between reassurances to the "private sector" based, no doubt, on the need for the development of industry with the help of foreign loans and investment and a trend towards socialist thinking in the form of industrial development and ownership by the State. Welcoming, in this context, the establishment of the I.C.I.C., Mr. Michie refers to the current move for amending Article 31 of the Constitution and the comprehensive revision of the Indian Company Law. "The former," he says, "will remove the rights of individuals, whose property is compulsorily acquired by the State, to have recourse to the courts over questions of compensation. The second proposes the progressive elimination of the managing agency system which goes far beyond any previous suggestion. Both proposals are a cause for anxiety to business men in general, but particularly to foreign capital, which is mainly British. So I hope, sincerely, the protagonists of these measures will think again."

Sir Kenneth W. Mealing, Chairman, the Mercantile Bank of India Ltd., too, views with some reservation, the limitations imposed on private enterprise in India. Sir Kenneth points out that some of the plans such as those for irrigation, hydro-electric power, heavy industrial production, fertiliser plants, etc., can only be adequately solved "by vast measures which private capital and enterprise in India are not capable of undertaking." But he seems to note with a certain amount of dismay "that private enterprise is only to be allowed to exist on the fringe of these developments and more or less on sufferance, instead of being encouraged to contribute as an active and welcome partner."

Sir Kenneth does not, however, appear to view the increasing participation of the State in building industrial ownership in India with as much concern as he does the spread of communism in India. His observations on the latter aspect are worth recalling here. He said: "The implications of communism do not appear to be appreciated at any level in India, and there appears to be little or no restriction on the spread of communist propaganda. Whether and to what extent this licence is having undue effect will not become clear until the General Election due to be held in 1956."

It is true that, since Sir Kenneth's statement was prepared and circulated, the Communist Party in Andhra State, believed to be one of its strongholds in India, has suffered a serious reverse in the latest elections to the State Legislature. But it is too early to state with confidence that communists are no longer a menace to democracy in India. Much will depend upon the ability of the Government to find gainful employment to the educated unemployed youths who fall ready victims to the doctrine of communism.

The statement by Mr. V. A. Grantham, Chairman, the Chartered Bank of India, Australia and China, is a notable one for its comprehensive review of the economic conditions in the countries of the Far East. In 1954, most of the primary products of the East, according to him, enjoyed steady markets and tea and rubber prices, in particular, showed substantial increases towards the end of the year. Rice was in a special position, for although its price had fallen to the disadvantage of producing countries like Burma and Thailand, the vast populations elsewhere in South-East Asia who depend upon it as a vital foodstuff had benefited. Besides, with export earnings more assured, the economic outlook in the East showed corresponding improvement. The various development schemes launched in Asian countries to raise the standard of living continued to make good progress and the economic prospect for the East during 1955 do not appear to Mr. Grantham to be unfavourable.

In the opinion of Mr. Grantham, India has made encouraging progress in the first three years of the Five-year Plan. Two favourable monsoons, extension of irrigation works and improvement in peasant techniques have contributed to substantial improvement in agricultural production. Although the Government investment in industry during the first three years of the Plan has been well below schedule, Indian industrial output has, he says, increased by more than a third, thereby indicating the effective part played by the private sector of industry in the country's economic expansion, Mr. Grantham says that the Plan may not be completed within the stipulated period, although the various projects in progress are expected to gather impetus in the next two years. This will to some extent, he observes, save the Indian economy from the strain that would be imposed on it by a steep rise in development expenditure and incidentally render necessary a lesser degree of deficit financing. He further notes with interest the proposal to establish a State Bank of India for providing rural banking facilities throughout the country. Welcoming the establishment of the I.C.I.C., he says that his Bank's participation in it reflects its keen interest in India's economic development.

After a perusal of the aforesaid statements one will get a fairly clear idea of the position regarding certain commodities such as rice, tea, cotton and rubber. Mr. Michie's views on prospects for tea are worth noting. According to him, with Indonesia exporting 80 million pounds less than in pre-war days, tea production just cannot keep pace with the steadily increasing consumption induced by increased purchasing power. In the U.K. alone, he says, consumption has gone up by 20 per cent., since de-rationing, while in India it has expanded by 70 per cent. as compared with pre-war, and Mr. Michie expects that this trend will continue. Income from coffee, especially in Uganda and Tanganyika, promises to be much reduced this year, as a result of the heavy fall in prices caused by the action of the Government of Brazil in creating a special exchange rate for its coffee exports.

Speaking of the Malayan economy, Mr. Granthan discusses the prospects for Malayan rubber. Rubber production in Malaya rose by 10,000 tons to 584,434 tons. But a rise in world purchases of natural rubber having taken place, prices were better. He feels, however, that during the coming year, the prosperity of Malaya may be affected by the production of (GRS) synthetic rubber which is cheaper than the natural product.

Fall in rice exports, according to Mr. Grantham, has affected adversely the economies of Burma and Thailand. The policy of attempting to maintain high prices in Burma has only led to accumulation of stocks of rice, which are subject to considerable risk of deterioration while in store. Thailand also is in a similar situation. The exportable surplus of the 1954-55 crop at 750,000 tons, together with a carry-over of about 500,000 tons from 1953-54, is causing concern to the authorities in the country.

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Commenting on Japan's economic position, Sir Kenneth observes that Japan's economic position continues to cause great anxiety. The balance of international payments has improved mainly as a result of a drastic cut in imports, though exports have increased to some extent. A policy of disinflation has been followed which has checked the upward spiral of prices but has also extinguished large numbers of small businesses and considerably increased unemployment. The population of Japan is rising at the rate of over a million a year. Although it has a large industrial potential, much of it is 20 years out of date and costs of production are nearly 20 per cent. higher than in the U.S. or the U.K. These observations should not escape the attention of the industrialists in this country who are contemplating purchases of plant and machinery from Japan for starting industries.

Although Pakistan is having political instability, the country's internal financial position is stated to be sound. The Industrial Development Corporation has in hand 24 projects costing Rs. 77 crores including shipbuilding, heavy chemicals, paper, cement, sugar, heavy engineering, textile, jute, pharmaceuticals, petroleum and natural gas. Shortage of foreign exchange is stated to be a serious problem at present, but the position is expected to improve with the flow of American aid.

Thanks to the high prices of tea and rubber and record tea crop, Ceylon's balance of payments position is stated to have shown considerable improvement. But Sir Kenneth says that prospects of flow of foreign capital have been handicapped by the reluctance with which even temporary residence permits are granted to citizens of other Commonwealth countries, as a result of the policy of Ceylonisation. He seems to have no doubt that if this policy were to be continued, it would result in the disinvestment of the existing overseas capital in Ceylon and the prevention of new overseas investments in the Island.

WORLD BANK LOAN TO I.C.I.C.

One of the sources of finance for the newly formed Industrial Credit and Investment Corporation of India Ltd. is the World Bank. As readers are aware, this Bank had agreed to give a credit of $10 million to the Corporation even when the latter was under formation. Now this informal understanding has been translated into a formal agreement between the two organisations; the agreement was signed on the 14th inst. at Washington.

The ten million dollar loan is for a period of 15 years and guaranteed by the Government of India. The rate of interest is at 4½ per cent. The proceeds of the loan will be utilised for purchases of imported equipment, materials and services needed to carry out projects financed by the Corporation.

The Press note released by the World Bank on this agreement gives a brief account of the objects and the history of the Corporation. It says:

"The Corporation will make long- and medium-term loans to industrial enterprises; purchase shares of industrial enterprises; underwrite new issues of securities; guarantee loans by other investors; and help industry to obtain managerial, technical and administrative advive and assistance. As rapidly as is prudent, the Corporation will sell its loans and shareholdings to other investors, thereby expanding the capital market and recovering its own capital for further investment.

"The Corporation is the outgrowth of discussions conducted in India last year by Mr. George D. Woods, Chairman of The First Boston Corporation, and Mr. Robert H. Craft, Executive Vice-President of the American Securities Corporation, at the instance of the World Bank. Mr. Woods and Mr. Craft, accompanied by a member of the Bank's staff, visited India in February, 1954, to explore with Indian Industrial leaders and with the Government the possibility of establishing such an institution.

"During their visit, the main outlines of the Corporation were agreed upon and a steering committee of prominent Indian Industrialists was established to draw up detailed plans. Subsequently, British and American investors became interested in joining with Indian investors to provide equity capital for the new institution. In December, 1954, the Bank announced that it would make a loan of $10 million as soon as the Corporation had come into being. The Corporation was established under Indian law on 5th January, 1955, and was given authority to commence business on 2nd March of this year.

"The Corporation's initial share capital amounts to Rs. 5 crores (equivalent to $10.5 million), of which Indian investors hold Rs. 3.5 crores. Of the Indian subscription, Rs. 2 crores was privately placed; the remainder was sold in the first half of February through a public offering which was oversubscribed.

It may be added here that the Corporation has already received the interest-free loan of Rs. 7.5 crores from the Government of India. With this receipt and the conclusion of the agreement with the World Bank, the Corporation now commands resources of the order of Rs. 17.5 crores. Its resources thus assured, the Corporation is ready to begin its operations. Several projects are getting ready for its consideration. The proposal for putting up a rayon plant near Surat and another for establishing a soda ash plant in Saurashtra are likely to be the first of these. The Corporation has been receiving several enquiries for financial assistance from persons who can command the initial capital, as well as from those who have technical knowledge and ideas but no money.

CHARTERED BANK MAKES GOOD PROGRESS

PROFIT HIGHEST IN TWENTY-SEVEN YEARS

ADDRESSING the shareholders of the Chartered Bank of India, Australia and China (Chief General Manager: Mr. H. F. Morford, London), last year, Mr. V. A. Grantham, Chairman of the Bank, said that the painful readjustment imposed on the economies of most Eastern countries by the collapse of the Korean war boom having on the whole been completed, the future could be regarded with more hope, because of the better economic outlook. He had, however, struck a note of caution that they all had to work harder for less profit. A study of the Bank's profit and loss account for the year ended 31st December, 1954, and the balance-sheet as on that date discloses that the Bank's performance for the year has turned out to be better than the Chairman's expectation.

The accounts show that the Bank has been able to enjoy a more favourable year of working than in the previous one, consequent on the distinct improvement in the economic position of the countries where the Bank operates. Thus, the Bank has been able to enlarge its resources, cater more to the increased requirements of trade and, at the same time, strengthen its liquid assets. These are duly reflected in the rise of £16.7 million in the balance-sheet total to £203.7 million. The net profit (after providing for taxation and after making allocations to contingency accounts, out of which accounts full provision has been made for diminution in value of assets) has gone up by £29,349 to £723,147, in refreshing contrast to the small contraction of £4,984 noted a year ago.

With the aforesaid increase in profit, the Bank's profit curve, which had been upward since 1942, but had suffered a fall last year, has looked up again. What is more, the net profit for the year under review is a fresh record for the Bank since 1927. Together with the undistributed surplus of £403,513 brought in from 1953, the distributable profit amounts to £1,126,660, an increase of £33,647 over the previous year. The Directors do not propose to transfer anything from the profit to the published reserve, as in the previous year. They have decided to apply again a sum of £200,000 to write off Bank premises and repeat the allocations made in each of the previous four years to the officers' pension fund and widows' and orphans' fund, namely, £125,000 and £20,000, respectively. The allocation to the contingencies account has, however, been raised from £75,000 to £100,000. The distribution to shareholders has been stepped up by 1 per cent. to 15 per cent. This absorbs £288,750, as against £269,500 taken up last year, leaving a slightly reduced surplus of £392,910 (as against £403,513) to be carried forward.

The following synopsis of the Bank's balance-sheet, as on 31st December, 1954, as compared with those at the close of the previous three years, provides an idea of the Bank's progress in recent years:

(In thousands of £'s sterling)

	As on 31st December			
	1954	1953	1952	1951
LIABILITIES (MAIN)				
Capital	3,500	3,500	3,000	3,000
Reserve fund	5,000	5,000	5,000	4,000
Undistributed surplus	393	403	399	397
Current and other accounts	159,651	147,925	160,509	169,145
Fixed deposits	20,483	17,112	19,480	18,606
Notes in circulation	2,902	2,765	2,564	2,550
Bills payable	1,230	926	1,372	2,531
Acceptances	10,391	9,185	15,935	11,884
Loans payable	..	..	..	1,401
ASSETS (MAIN)				
Cash	33,616	31,495	31,788	33,804
Investments—Government and other securities	62,609	58,787	66,800	62,108
Securities against note issue	2,889	2,679	2,670	2,929
Advances	74,737	67,249	69,248	88,779
Bills of exchange	14,446	11,235	15,110	12,667
Bank premises, etc.	2,166	1,961	1,845	1,913
Remittances in transit	2,148	3,587	4,833	548
Balance-sheet total	203,686	188,963	208,515	213,633

Though the increase in the latest balance-sheet total has not fully offset the decline noted a year ago, it has helped the total exceed the £200-million mark and thus reverse the downward trend noted in the previous two years. The rise in the balance-sheet total is, according to the Chairman, due in part to rises in world prices of tea, rubber, tin and other staple commodities indigenous to the countries in which the Bank operates. It is also considered as a heartening indication that the Bank is "more than holding its own in the face of competition and despite the protective trading and exchange restrictions, particularly in the field of import control and licensing, which the Governments of the countries concerned have had occasion to impose or maintain." On the liabilities side of the balance-sheet will be noted a rise of £11.73 million in current and other accounts, thus reversing the declining trend noted in the previous two years. The increase of £3.37 million in fixed deposits compares favourably with the drop of £2.37 million noted a year ago. After two years of successive recession, bills payable have risen by a substantial extent of about £300,000. The rise of £1.21 million in acceptances largely reflects the rise in the value of commodities, in financing the export of which the Bank plays a leading part.

On the assets side, notable expansions are noted in advances, bills of exchange, investments in Government and other securities (other than those held against note issue) and cash. Nearly three-fourths of the increase in current accounts and fixed deposits has been employed in the granting of larger advances and in the purchase of more bills of exchange, which show a rise of £7.49 million and £3.41 million, respectively. In consonance with the rise in current accounts and fixed deposits, the cash balances and investments (other than those against note issue) have been strengthened by £2.12 million and £3.52 million, respectively. The liquidity of the overall position has also been well maintained. Thus, the ratio of cash and call money to demand and time liabilities, excluding notes in circulation against which security has been lodged, stands at 18.54 per cent. which is only fractionally lower than that of 18.98 per cent. at the close of 1953, and is well above that of 17.6 per cent. two years ago.

(Concluded from next column)

consequent on the reconstruction of the capital structure in April, 1954. The 182,500 shares of £25 each, of which £12 10*s.* was paid-up per share, were sub-divided into 4,562,500 shares of £1 each, of which 10*s.* was paid-up per share. The 10*s.* paid-up shares were then made into 12*s.* 6*d.* per share by capitalising a sum of £570,313 out of the reserve funds. Following this step, the reserve funds stand reduced at £3.10 million. The current and other accounts and deposits show a sharp rise of £24.76 million to £128.32 million, a record in the history of the Bank, exceeding the previous highest of £110.93 million seen at the close of 1952.

On the assets side, after two years of successive decline, advances and loans have recorded a sizable increase of £17.76 million, thus making good a large part of the drop in the previous two years. With this rise, the ratio of advances and loans to deposits has gone up from 44.3 per cent. to 49.6 per cent. The upward trend in bills of exchange noted for the few years past has been fully maintained during the year under review also, with a rise of £4.21 million. Investments (at under market value) have been strengthened again by £1.96 million, mainly accounted for by the increase of £2.56 million in the holdings of Indian, Pakistan, Ceylon and East African Government securities and other securities quoted on overseas stock exchanges. British Government and other securities quoted on the London Stock Exchange have also gone up. Unquoted investments have been reduced from £1.07 million to £0.21 million. Cash balances have shrunk by £1.02 million for the second year in succession, but the decline is much lower than that of £3.56 million noted at the close of 1953. The combined total of "investments" and cash balances provide a liquidity ratio of 32 per cent. as against 38.8 per cent. a year ago.

The International Bank for Reconstruction and Development has granted a loan of $24 million to the territories in East Africa administered by the U.K. The territories are Kenya, Uganda and Tanganyika where the loan is to be spent on expansion of railways, harbours and road transport. The loan is for a period of 20 years and bears interest at 4¾ per cent. including the one per cent. statutory commission. Amortisation will begin on 15th January, 1958.

NATIONAL BANK REPORTS SATISFACTORY RESULTS

DEPOSITS AT RECORD LEVEL

A SUBSTANTIAL improvement in turnover, without any increase in profit, is the main feature of the results of the National Bank of India Ltd. (General Manager: Mr. N. W. Chisholm, London) for the year ended 31st December, 1954. Reflecting the increase in business turnover is the rise of £23.70 million to £139.84 million in the Bank's balance-sheet total. This total constitutes a new record exceeding the previous highest of £125.30 million seen at the close of 1951 by £14.54 million. Though such a growth is the result of steady economic progress noted in the particular geographical field of operations of the Bank, the pattern of events is said to have been distinctly more chequered and the circumstances in which the Bank had to operate would appear to have been somewhat difficult. These evidently account for the fractional decline of £1,721 in the consolidated profit of the Bank (including its subsidiaries).

The consolidated profit for the year under review amounts to £385,923 (after making provision for taxation and transfers to staff pension funds and to contingencies reserves, out of which reserves provision has been made for diminution in value of assets) and compares with the corresponding figure of £387,644. Thus, the downward trend in profit noted in the previous two years, during which period the aggregate drop in profit was as much as £53,813, that is, from £441,457 for 1951 to £387,644 for 1953, has continued, albeit very slightly. Out of the above profit, the Directors propose to allocate, as in the previous two years, a sum of £75,000 to the premises account and it is the intention of the Directors that this account should continue to grow until the Bank's major building and rebuilding operations are completed. Contingency reserve account gets £70,000, the allocation having been cut from £115,000 provided last year and £140,000 two years ago. The dividend has been reduced from 16 per cent. to 15 per cent., but it is on an increased capital raised by the capitalisation of £570,314 out of the reserves. The cut in dividend has been effected by reducing the first interim dividend from 8 per cent. to 7 per cent., while the second interim dividend is maintained at 8 per cent., both being on the higher capital. The net cost to the Bank, after deduction of income-tax amounts to £235,254, as against £200,750 for 1953. In this connection, it will be pertinent to recall the observations of the Chairman in his annual statement last year on the future dividend, in view of the proposal to raise the capital then before the shareholders. He said: ".... in putting before you these proposals in regard to our capital, we do it in the hope that there will be some increase in the amount to be distributed to the shareholders. I do not, however, encourage any expectation of the same rate being maintained on the increased capital." Adverting to these remarks, while referring to the dividend for 1954, the Chairman says in his latest statement: "I think, this return is a liberal interpretation of the implied promise I made last year and a standard we have every hope of maintaining." After payment of the dividend, the surplus left to be carried forward is slightly higher at £326,266 (as compared with £320,597 brought in), of which the share of the National Bank of India alone is £273,404 (as against £275,496).

The following synopses of the Bank's balance-sheets as at the close of the past four years show the Bank's progress:

(In thousands of £ sterling)

	As on 31st December			
	1954	1953	1952	1951
LIABILITIES (MAIN)				
Capital	2,859	2,281	2,281	2,281
Reserve fund	3,105	3,675	3,675	3,675
Unappropriated surplus	273	275	..	..
Current and other accounts and deposits	128,324	103,663	110,992	109,960
Bills payable	1,722	1,985	1,584	1,780
Loans payable	..	871	741	4,000
Acceptances for customers	1,032	938	1,010	1,963
ASSETS (MAIN)				
Cash balances	15,756	16,778	20,848	17,870
Investments— British Government and other securities	11,587	11,320	11,484	11,780
Other Government securities and unquoted investments	13,756	12,060	10,868	9,944
Bills of exchange (including Treasury Bills)	30,077	25,666	23,722	16,363
Advances and loans	63,626	45,864	53,318	65,476
Fixed assets	2,131	1,705	1,282	953
Balance-sheet total	139,845	116,140	123,458	125,298

There has been an increase of £571,000 in the paid-up capital of the Bank to £2.85 million,

(Continued in previous column)

ARTIFICIAL BOOST TO HANDLOOMS

WILL IT YIELD SUSTAINED MARKETS?

WITH vigorous publicity and propaganda, the All-India Handloom Board has organised the second Handloom Week. As in the previous year, the Week commenced (on Sunday last) with a fervent appeal by the Board to the public that the latter should co-operate with the Board's efforts at placing the handloom sector of the Indian cotton textile industry on a sound and stable footing. All the State Governments have been celebrating the Week in an elaborate manner, spending large sums of money. A wide variety of functions is being held. Apart from the programmes conducted by the officials of State Governments, a notable feature is the voluntary co-operation coming from the weavers themselves.

The object of organising the Handloom Week is to focus public attention on the problems of the handloom industry and to give an impetus to the sale of the industry's products. Another important objective is to bring home to weavers the fact that there is no salvation for them, unless they organise themselves properly, a point rightly stressed by Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, in the course of his message on this occasion. He says that the future of handloom weavers can be ensured only by their own efforts and by actively co-operating with the Government in its endeavours to stabilise, strengthen and improve their industry.

The handloom industry plays a valuable part in the economy of the country. It is the biggest cottage industry and provides a living for as many as 1.5 million persons, the number of active handlooms being about 1.2 million. The industry meets about 25 per cent. of the clothing needs of the country. It is also providing a sizable quantity of cloth for export, valued at Rs. 5 to Rs. 7 crores per annum. Indian handloom cloth is finding expanding markets in East and West Africa, Middle East and South-East Asian countries. The important handloom products exported include *kailies, lungis,* sarongs and handkerchiefs.

Development Schemes

The foregoing brief account indicates that the handloom industry and the persons who work in it have a definite place in the nation's economy. Recognising this aspect, the Governments—Central and State—have decided to take energetic action to organise the industry and place it on a sound footing. During the last eighteen months, the All-India Handloom Board has recommended to the Central Government several development schemes requiring an aggregate outlay of Rs. 9 crores. The Government has so far sanctioned to the various States grants and loans to the tune of Rs. 6.24 crores for the implementation of these schemes. It has, at present, under consideration schemes of the value of over Rs. 1 crore which are likely to be approved and sanctioned. A large number of the schemes already implemented relates to the organisation of weavers on co-operative lines. So far, Rs. 2.90 crores have been provided as assistance in the form of share capital and working capital of weavers' co-operative societies. It is expected that, by the end of this month, about 265,000 weavers will have been brought within the co-operative fold, bringing the total of such weavers to nearly 950,000. The number of looms in such co-operative societies as will convert themselves into production units before March, 1955, is expected to be 131,000.

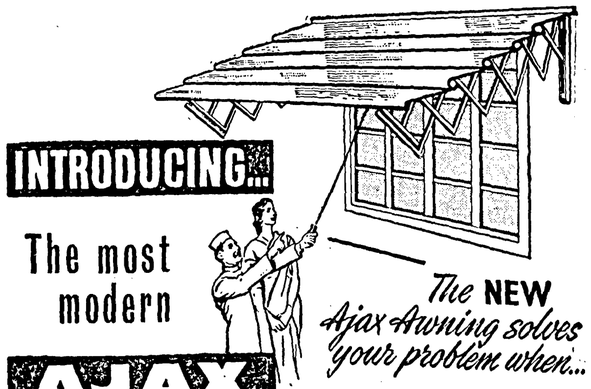
Considerable attention has also been paid to the marketing of handloom fabrics. The Central Government has placed at the disposal of the States Rs. 65.5 lakhs for the purpose of advancing loans to apex weavers' co-operative societies for marketing the fabrics manufactured in their respective areas. More than Rs. 50 lakhs have been given for starting 1,000 sales depots all over the country and Rs. 12.15 lakhs for the purchase of 35 mobile vans. Over Rs. 95 lakhs have been sanctioned to State Governments for implementing the scheme of giving rebate to consumers on sales of handloom cloth. Nearly Rs. 30 lakhs, it is said, have been spent in giving rebate. On this basis, it can be estimated that handloom cloth worth over Rs. 3.5 crores has been sold by the various co-operative, multi-purpose and consumer societies, fair price shops, etc.

The Government of India has sanctioned schemes for converting 33,294 throw-shuttle looms into fly-shuttle looms during the years 1953-54 and 1954-55 at a cost of Rs. 8.74 lakhs and for providing take-up motion attachments for 29,681 looms at a cost of Rs. 15.57 lakhs. Schemes costing varying amounts have also been sanctioned for providing slays, reeds, jacquards, dobbies, yarn testing machine, warping machines and drums, varnished healds, pedal and semi-automatic looms, and for the setting up of pattern-making factories. Schemes for the setting up of 6 bleaching, furnishing and calendering plants at a cost of Rs. 5.21 lakhs and 219 dye-houses (Rs. 17.53 lakhs) have also been sanctioned. The Board is very anxious to encourage establishment of co-operative spinning mills. Financial assistance for two such mills has already been given. The Government is at present considering schemes for erecting two more mills. The Government of India has set up a Central Marketing Organisation at Madras with branches at Bombay, Calcutta, Nagpur Banaras and Gwalior. This Organisation has been doing useful work in advising the State Governments on any practical difficulties encountered by them in regard to the implementation of the development schemes, getting information regarding the market conditions for handloom cloth as compared with those for mill cloth, carrying out publicity and propaganda programmes, supervising the export drive undertaken by the Madras State Handloom Weavers' Co-operative Societies, and other multifarious duties assigned to it. Active steps are under way to establish an All-India Handloom Fabrics Co-operative Society to handle both internal and external marketing schemes of handloom cloth.

Pending finalisation of this scheme, four handloom cloth marketing officers have been appointed—one each at Singapore, Rangoon, Colombo and Baghdad—and three emporia have been opened—one each at Colombo, Aden and Singapore. Arrangements for opening sales emporia at Bangkok and Kuala Lumpur are well under way. It is also proposed to exhibit handloom fabrics in New York in a trade centre to be opened there. The Central Government has also chalked out a heavy programme of propaganda and publicity through participation in most of the major exhibitions, by means of cinema slides and neon signs, kiosks at railway stations and airports, hoardings, display advertisements in newspapers, printing of posters and leaflets, publication of journals, etc. A showroom has been attached to the Regional Office in Bombay and proposals are afoot to open similar rooms in all the other regional Offices.

As a result of the foregoing measures, there are, the All-India Handloom Board claims, definite signs that the conditions of the weavers

(Continued on page 589)



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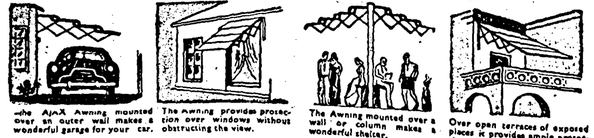

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U.K.'S MOVE TO SEND TEXTILE DELEGATION TO INDIA

LABOUR WASTAGE IN MILL INDUSTRY

By A Special Correspondent

MANCHESTER, 15th March

MANCHESTER LETTER

LEADERS of the Lancashire cotton industry will meet prominent members of the Government on 24th March to discuss the implications of the growing imports of cotton goods into Britain. Last week the final touches were put to the case which the industry is presenting to the Government and Sir Raymond Streat, Chairman of the Cotton Board, indicated that unanimous agreement had been reached on the matter. Sir Winston Churchill, the Prime Minister, is to preside over the discussions in London.

Speaking after a meeting of the Cotton Board Standing Conference on Overseas Trade Policy, representing all sections of the industry, Sir Raymond Streat said the nature of the recommendations which the Board would be making could not be disclosed. "Very intensive discussions have taken place between all the different sections of the industry throughout the week, and we are quite unanimous," he added. "I don't remember more informative and responsible discussions in all my time at the Cotton Board."

The Cotton Board had accepted in principle a proposal that representatives of the Lancashire cotton industry should visit India for trade talks. Efforts were being made to organise a mission and it was hoped they would be successful, but it was a matter of the availability of people qualified to join in such a visit. The main purpose of a visit to India by a Lancashire delegation would be to discuss matters affecting exports of British cotton textiles to the Indian market.

Production Falling

Cotton, rayon and mixture yarn output from Lancashire spinning mills fell to 18,900,300 lb. in the final week of February, according to figures given by the Cotton Board. This represents a decrease of 520,000 lb. on production in the previous week and 1,470,000 lb. on the corresponding week of 1954.

Some mill spokesmen point to the deterioration in production as an indication of the extent to which order books are shortening. A close watch is also being kept on the margin between recruitment and labour wastage. In the spinning section alone the labour force has been depleted by a loss of 1,100 full and part-time operatives in a sequence of recruitment reverses lasting five weeks.

Cotton Board figures for the last week of February show that the spinning mills had a net loss of 279 full-time and 60 part-time workers. The latest published Cotton Board survey of manpower in the spinning, doubling, waste spinning and weaving sections of the industry gives the labour force as 286,490 compared with 289,960 twelve months ago.

Details of unemployment in the Lancashire cotton industry, given by the Ministry of Labour, indicate that when the last count was taken by the Ministry in mid-February nearly 2,000 cotton operatives were temporarily idle. This represents an increase of 460 on the total recorded a month earlier.

Mill employers point out, however, that the figures do not give a true reflection of the extent of underemployment in the industry. "Many employers are not playing off their operatives even though there is not enough work to keep them fully occupied," said an industry spokesman. "If they did they would very quickly lose them."

Australian Campaign

Exporters of British cotton textiles to the Australian market have been urged by Sir Raymond Streat, Chairman of the Cotton Board, to co-operate in a campaign to bring Lancashire's selling drive to Australia to "a maximum pitch of effort and ingenuity" for the season 1955-56.

Opening an exhibition, "Cotton in Australia" at the Board's Colour, Design and Style Centre in Manchester, Sir Raymond said Australia was now the most important overseas market for British cottons but it had developed into "an arena of hot competition" in styling, novelty, quality and price of fabrics. "Those who put some zest into their selling effort in Australia can have good business there and this exhibition is designed to help the Lancashire community as a whole to tackle the market in that way," he added.

The exhibition is in two parts. The first part surveys the progress of the first "Always Buy British Cottons" campaign carried out in Australia last year, which is to be followed up by further promotional efforts later this year.

The second part provides Lancashire firms with an opportunity to see at first-hand fabrics produced by overseas competitors—including European and Japanese mills—which have been successful in Australia. The exhibition discloses that the Japanese are selling textiles to Australia which are direct copies of American fabrics, an arrangement apparently arrived at with the Americans because of Australia's dollar exchange problems.

U.S. Firms in Lancashire

Mr. G. S. F. Ritson, Director of the Lancashire and Merseyside Industrial Development Association, is flying out to the United States this week in a renewed effort to persuade American firms to open branch factories in Lancashire. He will spend nearly a month in the United States, meeting heads of firms in big industrial centres, including New York, Cleveland, Detroit, Chicago, Pittsburg, Philadelphia and Boston.

"We believe there are about 12 firms interested in the idea of coming to Lancashire," Mr. Ritson said. The Association is anxious to attract new industries to Lancashire to relieve an over-dependence on single industries—such as cotton and shipbuilding—in certain areas of the county.

Mill Apprenticeship Plan

The cotton spinning industry's first apprenticeship scheme for staff appointments is now awaiting approval of Sir Walter Monckton, Minister of Labour, for the National Service deferment of apprentices until completion of their training. This was disclosed by a spokesman of the Federation of Master Cotton Spinners' Associations in Manchester after the apprentice scheme had been warmly welcomed by the Textile Officials' Association.

Mill officials throughout Lancashire have been told by the T.O.A.—which recently urged the employers to introduce an apprenticeship scheme to ensure the industry's future supply of key men—that the Federation's scheme will encourage the recruitment of young people to the mills.

Describing it as "a properly graded ladder of opportunity which will enable youngsters to rise to whatever level their talents fit them for," Mr. S. T. Marron, Association General Secretary, said: "It is suggested that trainees should usually enter the scheme at the age of 16 and 18 years. On entering, a staff trainee would in the initial stages take a short general induction course following which he would receive practical training in all departments of the mill. He would also acquire a knowledge of practical machine fitting." He added: "It is suggested that every trainee should be required to undertake each job performed by an operative and not just watch or merely assist in the task. In addition to practical training the trainee would be required to attend the technical college to take technical training courses which will normally be the new National Certificate courses in cotton spinning."—*All Rights Reserved.*

EXPORT OF COTTON YARN

The Central Government has announced that, for purposes of giving quotas for export of cotton yarn, the actual quantity of yarn in various counts delivered by the mills during the relevant period will be split up as counts upto and including 36s (including double yarn) and counts of F.R.O. 37s to 78s (including double yarn). The mills will be permitted to export any count of yarn falling under either of the two groups. The allotment will, however, bear strict relation to the actual quantity of yarn falling under one or other of the groups delivered by mills during the relevant periods. The chief consideration which has weighed with the Government in taking this decision is to obviate the possible inconveniences to mills and to make it easier for them to qualify for an export quota.

EXPORTS OF INDIAN TEXTILES TO U.K.

The U.K. imported 125.19 million yards of cotton textiles from India during 1954, as against 20.35 million yards in 1953. Giving this figure in the course of his reply to a question in the Lok Sabha the other day, Mr. Nityanand Kanungo, Union Deputy Minister for Commerce and Industry, said that the coarse type of textiles imported by the U.K. from India consisted of grey sheeting, grey drill, longcloth and grey furnishing fabrics. The medium type was made up of grey sheeting, longcloth, grey drill, furnishing fabrics, and printed chintz, while the fine type consisted of grey poplin and longcloth. The percentage of the total imports of Indian textiles meant for consumption in the U.K. and for re-export was not available.

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PRIVATE SECTOR AND THE PLAN

PERFORMANCE QUITE SATISFACTORY

By The Federation of Indian Chambers of Commerce and Industry

THERE is nowadays a great deal of discussion about the performance of the private sector in the context of the first Five-year Plan. It has been argued that the private sector has lagged behind in the expansion expected of it in the first Five-year Plan and that its performance in the last four years has been unsatisfactory. These and similar criticisms have been levelled against the private sector and, as they often emanate from responsible quarters, it is desirable that an objective assessment be made of the performance so far. An attempt is made in this article to make such an assessment. For purposes of convenience, the article is divided into two sections. The first section analyses the performance in the private sector in respect of increases in installed capacity; the second section makes an attempt to compare the performance with the targets in terms of industrial investments.

Before coming to the analysis of the performance of the private sector, a few general observations may be made. Any judgment regarding the achievement of industry must necessarily assume some sort of a norm against which the achievement is assessed. For purposes of this article, the targets laid down in the Five-year Plan are taken as the norm. It needs, however, to be remembered that the way in which the programmes of development of industries in the private sector were formulated makes the targets themselves very tentative. It is common knowledge that, in most cases, the targets were based on the expansion plans of the industry already in hand at the beginning of the Plan. In general, the expansion plans assumed that appropriate fiscal and monetary policies will be pursued by the Government and that the developments in other sectors, such as agriculture, transport, communications, etc., would be such as to be favourable to the realisation of those expansion plans. To the extent that the context of circumstances has altered, the norm itself would have to be different. There is thus no wholly satisfactory measuring yard with which to judge the performance of the various industries for which targets were laid down. However, bearing this limitation in mind, an analysis can nonetheless be made of the performance of the various industries as against the targets laid down for them.

Expansion of Capacity

In the "Programmes of Industrial Development" (1951-56), expansion plans for 42 industries were laid down.* Of these, shipbuilding is now entirely in the public sector and hence excluded from the present study. Tanning and footwear are also excluded as satisfactory figures are not available. The remaining 40 industries have been included in the analysis. Some of the industries, however, manufacture more than one item, so that the total number of manufactured items is 58. Of these, 10 have been excluded* either because satisfactory figures are not available or no expansion of capacity was envisaged. One more item, namely, ammonium sulphate, is also excluded, as it falls very substantially in the public sector. Thus, the analysis covers 47 items.

Some explanation has to be given about the terms "achieved or exceeded targets" and "behind target." The latest available figures about the annual rated capacity relate to the end of 1953-54, that is to say, the third year of the Plan. It has been assumed that, if 60 per cent. of the increase in capacity envisaged in the Plan had already been achieved by the end of 1953-54, the industry has achieved the target. This is not an unjustifiable procedure, because, in the case of capacity, the expansion plans of the various industries would proceed more or less at an even rate. It may be mentioned here that the Progress Report on the Five-year Plan for 1953-54 considers progress in the public sector to be satisfactory when 50 per cent. or more of the planned expenditures have been incurred in the first three years. It would, therefore, seem that the criterion of 60 per cent. is, if anything, on the rigorous side, for, in some cases, the target would be achieved only in the last year of the Plan when the cumulative efforts to increase capacity would bear fruit.

*The following items have been excluded: Pig iron, locomotives, wagons, coaches, machine-tools, carding engines, jute, woollen manufactures, salt and vegetable oils.

Table I gives the distribution of 47 items of manufacture, according to their performance with respect to increase in installed capacity. It should be noted, however, that the table gives the position as on 31st March, 1954, that is, it does not take into account either new capacity which was under installation on that date or of licences for expansion of capacity which have been granted since that date and are likely to result in addition to installed capacity before the end of the Plan period. Even on this limited basis, the table reveals that, in more than 50 per cent. of the items covered, the target has been fulfilled in the sense defined above, and further there are four cases where the performance is between 40 and 60 per cent. of the planned increase. In order to have a clearer picture of the progress in regard to increases in installed capacity, it is desirable to take account of licences granted since March, 1954. If this is done, the picture turns out to be even more satisfactory.

TABLE I

Annual Rated Capacity as on 31st March, 1954

Percentage performance	*No.*	*Items of manufacture*
Below 10 ..	9	Spinning ring frames, ball bearings, sewing machines, electric transformers, ready-mixed paints, glass-blownware and pressed-ware, petroleum, match, plywood and tea-chest.
10-20	1	Looms.
20-30	7	Finished steel, aluminium, electric fans, radio receivers, soda ash, power alcohol and vanaspati.
	17	
30-40	2	Diesel engines and grinding wheels.
	19	
40-50	3	Electric motors, cement and rayon filament.
	1	Paper and paper-board.
	4	
60-70	3	Electric lamps, sulphuric acid, aluminium paste and powder.
70-80	8	Power-driven pumps, bicycles and sheet-glass.
90-100	1	Storage batteries.
100 and above ..	17	Hurricane lanterns, dry batteries, electric cables ACSR conductors, superphosphate, caustic soda, benzene mexachloride, sulpha drugs, calcium lactate, titanium dioxide, nitrocellulose lacquers, soap, strawboard and other boards, cotton yarn, cotton cloth, staple fibre, sugar and automobiles.
	24	
Total ..	47	

Table II summarises the available information on the licences granted between March and September, 1954. It will be noticed that, in the case of 11 items (italicised) the capacity target will be achieved by 1955-56, although upto the end of 1953-54, progress on installation of additional capacity fell below the critical level of 60 per cent. It should also be noted that these items include important industries like petroleum, rayon, electric transformers, etc.

TABLE II

Annual Rated Capacity as Expected in 1955-56

Below 100 per cent.	*100 per cent. and above*
Power-driven pumps.* Diesel engines.	*Spinning ring-frames, sewing machines,* electric cables—ACSR conductors, *electric fans, electric motors, electric transformers, radio receiver sets,* superphosphate, sulphuric acid, *soda ash,* caustic soda, *paper and paper-board, cement, petroleum, rayon filament,* staple fibre and sugar.

* However, 60 per cent. of the expansion envisaged has already come about by 1953-54.

If the results of Tables I and II are taken together, there remain only 12 items for which the information summarised above indicates shortfall. This, however, is not the total picture. For instance, in the case of five, the numerical shortfall is either statistical or conceals the progress that has been made towards the fulfilment of the target. They are considered below:

Finished Steel: Although the capacity reported at the end of 1953-54 represents only 22 per cent. of the increase envisaged over the Plan period, it appears, from such figures as are available about the investment programme of the two main producers in the private sector, that the target will be more than fulfilled. Steel is again an exceptional case in the sense that expansion of capacity, by the very nature of the case, takes time and the "Programmes of Industrial Development" recognised this fact in indicating that the expansion programmes were expected to be completed only by 1957-58.

Looms: Here, the statistics given in the Progress Report seem to underestimate the progress. While the Progress Report gives the figure of 4,320 as annual capacity at the end of March 1954, the capacity of five manufacturers has, according to the Tariff Commission (December 1954), already reached more than 6,000 looms on a single-shift basis.

Ball Bearings: The factory at Jaipur is already working double shift as scheduled. The figures given in the Progress Report relate to capacity only on a single-shift basis.

Ready-mixed Paints: The Progress Report says on page 197 that "the schemes on the basis of which additional capacity was visualised ... have all been implemented." Thus, it may be assumed that the expansion by 5,000 tons in regard to ready-mixed paints has already been achieved.

Aluminium: As the Progress Report points out, the shortfall is on account of the fact that the expansion scheme of one of the two units fell behind schedule owing to the difficulty in getting the requisite supply of electricity which was dependent on the completion of the first phase of a multi-purpose project.

It should also be noted that, in case of diesel engines, the capacity is expected, on present indications, to reach above 60 per cent. of the target by 1955-56. Government policy of not granting further licences for expansion of the *vanaspati* industry explains the shortfall there.

On the whole it can, therefore, be concluded that, so far as installed capacity is concerned, in almost all cases, the expansion plans embodied in the "Programmes of Industrial Development" have been completed or are on their way to completion and that, in the few cases where there is a shortfall, it is due to factors beyond the control of industry.

Industrial Investment

Such information as is available about private industrial investment shows that the performance of the private sector in terms of the targets indicated in the first Five-year Plan has been satisfactory. This is but natural, for performance in terms of investment is only the obverse of what has been achieved by way of expansion of installed capacity. It was shown earlier that expansion of installed capacity has been proceeding according to targets. So there is a *prima facie* evidence to believe that similar must have been the position in the case of investments. The following paragraphs attempt to substantiate with figures this *prima facie* case;

The total investment envisaged by the Planning Commission in the private sector during the Plan period was about Rs. 613 crores, made up as follows:

	Rs. crores
Investment in the private sector on expansion, modernisation and replacement	383
Investment in working capital	150
Current depreciation expenditure not covered by normal income-tax allowances.	80
Total	613

In other words, industrial investment, including working capital, in the private sector was expected to be on an average about Rs. 120 crores annually. It deserves to be borne in mind, however, that provisions for additional working capital and for depreciation expenditure not covered by normal income tax allowances were tentative figures. To the extent that prices of raw materials and machinery have fallen, the need for additional investment under these heads will also tend to be less. No exact figures regarding the rate of investment in the private sector in the last four years are available. However, calculations made on the basis of imports of machinery, together with the production of indigenous capital goods, seem to indicate that the average rate of investment (including working capital) in the private sector has been about Rs. 105 to Rs. 110 crores every year during the first three years of the Plan. This conclusion is substantiated by the recent Report of the Taxation Enquiry Commission which has estimated that, for the corporate industrial sector, the gross capital formation was of the order of Rs. 671 crores during the period 1946-51, of which Rs. 317 crores was in the form of fixed assets. In so far as increase in industrial investment during the last two or three years is concerned, it would appear that the average rate of investment of about Rs. 105 to Rs. 110 crores annually would be a slight underestimate, if anything. Thus, the total investment in the first three years of the Plan would amount to at least about Rs. 325 crores, that is to say, more than 50 per cent. of the total indicated as necessary investment in the private sector in the first Five-year Plan.

With regard to the progress of investment on expansion which was estimated to amount to Rs. 233 crores over the Plan period, some indications have been given by the Finance Minister in his speech during the course of the debate on Economic Policy in December, 1954. According to him, about Rs. 96 crores were spent in the first three years of the Plan and investment in the fourth year is expected to be of the order of Rs. 63 crores. On the basis of this trend, it appears quite likely that the balance of Rs. 74 crores would be incurred in the fifth year of the Plan so that the target for expansion set in the Plan would be realised. These estimates are in keeping with the progress on increase in installed capacity which has been outlined in section I.

On the whole, therefore, the performance of the private sector, in terms of investment, is quite satisfactory.

Apart from increases in installed capacity and the satisfactory progress in terms of investment in industry, there is one more feature which deserves mention and that is the increase in industrial production. The index of industrial production moved up from 105 in 1950 to 135.3 in 1953 and about 144 in 1954. To the extent that

(*Continued on page* 586)

THE TRAVANCORE BANK, LIMITED.

(INCORPORATED IN TRAVANCORE IN 1945)

BALANCE SHEET AS AT 31st DECEMBER, 1954.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL— 8,00,000 Shares of Rs. 25 each	2,00,00,000 0 0	
ISSUED AND SUBSCRIBED CAPITAL— 4,00,000 Shares of Rs. 25 each fully paid		1,00,00,000 0 0
2. Reserve Fund and Other Reserves—		
General Reserve	15,60,000 0 0	
Contingent Reserve	6,25,000 0 0	
		21,75,000 0 0
3. Deposits and Other Accounts—		
Fixed Deposits and Thrift Deposits (Partly secured by Investments per contra of the face value of Rs. 50,03,500)	2,23,81,527 3 7	
Savings Bank Deposits	22,70,317 11 2	
Current Accounts, Contingency Accounts, etc. ..	1,92,57,176 11 2	
		4,39,09,021 9 11
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	Nil	
(ii) Outside India	Nil	
		Nil
PARTICULARS—		
(i) Secured by part of investments per contra ..	Nil	
(ii) Unsecured	Nil	
		1,72,106 2 5
5. Bills Payable		
6. Bills for Collection Being Bills Receivable as per contra—		
(i) Payable in India	17,53,241 7 4	
(ii) Payable outside India	9,24,575 9 9	
		26,77,817 1 1
7. Other Liabilities—		
Reserve for Taxes	3,53,245 14 0	
Staff Security Deposit	52,500 0 0	
Interest on Deposit Accounts	718 2 3	
Unpaid Dividends	13,478 2 0	
Branch Adjustments	15,36,561 12 5	
Provision for Bonus to Staff	35,000 0 0	
Provision for Dividend payable to Shareholders ..	3,00,000 0 0	
Provision towards Gratuity	25,000 0 0	
Sundries	1,241 2 5	
		23,17,745 1 1
8. Acceptances, Endorsements and Other Obligations as per contra		1,18,76,169 0 3
9. Profit and Loss—		
Balance as per Balance Sheet as at 31st December, 1953	92,591 11 3	
Add—Profit for the year ended 31st December, 1954, brought from Profit and Loss Account	7,36,039 11 5	
	8,28,631 6 8	
Less—Appropriations thereof— Rs. a. p.		
Provision for Taxation 1,25,000 0 0		
General Reserve 1,75,000 0 0		
Continent Reserve 25,000 0 0		
Depreciation Reserve on Investments 50,000 0 0		
Bonus to Staff 35,000 0 0		
Dividend at 3 per cent. per annum 3,00,000 0 0		
Provision towards Gratuity .. 25,000 0 0	7,35,000 0 0	
		93,631 6 8
10. Contingent Liabilities—		
(a) Claims against the Banking Company not acknowledged as debts	7,754 6 4	
(b) Money for which the Banking Company is contingently liable— Rs. a. p.		
Guarantees given by the Banking Company on behalf of Directors or Officers .. .. .. Nil		
Others .. .. Nil	Nil	
(c) Arrears of cumulative preference dividends	Nil	
(d) Liability on Bills of Exchange rediscounted	Nil	
(e) Liability on account of outstanding Forward Exchange Contracts	47,90,666 2 7	
	47,98,420 8 11	
Total .. Rs.		7,32,20,490 5 5

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash— In hand and with Reserve Bank and Imperial Bank (Including Foreign Currency Notes—Nil)		51,44,809 3 1
2. Balances with Other Banks—		
On Current Accounts—		
(i) In India	1,61,054 9 7	
(ii) Outside India	3,31,034 8 7	
	4,92,089 2 2	
On Deposit Accounts—		
(i) In India (on account of Staff Security Deposits)	52,500 0 0	
(ii) Outside India	Nil	
		5,45,489 2 2
3. Money at Call and Short Notice		42,00,000 0 0
4. Investments at or below Cost—		
(i) Securities of the Central and State Governments and other Trustee Securities (Treasury Bills of the Central and State Governments—Nil)	2,61,50,233 6 0	
(ii) Shares	Nil	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	
	2,61,50,233 6 0	
LESS—Depreciation Reserve on Investments	6,00,000 0 0	
		2,55,50,233 6 0
5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
(I) Loans, Cash Credits, Overdrafts, etc. Rs. a. p.		
(i) In India 2,01,08,147 9 4		
(ii) Outside India .. Nil	2,01,08,147 9 4	
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India .. 17,25,199 12 7		
(ii) Payable outside India .. 3,28,872 11 2	20,54,072 7 9	
		2,21,57,220 1 1
PARTICULARS OF ADVANCES—		
(i) Debts considered good in respect of which the banking company is fully secured	2,04,70,809 15 5	
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	5,41,645 8 10	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	11,41,764 8 10	
(iv) Debts considered doubtful or bad, not provided for ..	Nil	
	2,21,57,220 1 1	—
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	21,704 8 11	
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners, or managing agents or, in the case of private companies, as members	98,78,851 9 7	
(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	27,757 5 1	
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	1,07,13,455 14 7	
(ix) Due from banking companies	5,33,824 9 9	
6. Bills Receivable Being Bills for Collection as per contra—		
(i) Payable in India	17,53,241 7 4	
(ii) Payable outside India	9,24,575 9 9	
		26,77,817 1 1
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		1,18,76,169 0 3
8. Premises Less Depreciation		Nil
9. Furniture and Fixtures Less Depreciation—		
At cost as per Balance Sheet as at 31st December, 1953 ..	2,88,816 4 0	
LESS—Transfer to other assets	14,533 12 0	
	2,74,281 8 0	
Additions during the year	10,646 8 1	
	2,84,928 0 1	
LESS—Sales and Adjustments during the year	2,193 3 2	
	2,82,734 12 11	
LESS—Depreciation written off to date	1,81,710 0 9	
		1,01,024 12 2
10. Other Assets including Silver—		
Motor Car at cost as at 31st December, 1953	14,533 12 0	
LESS—Depreciation written off to date	6,701 11 1	
	7,832 0 11	
Balance with Travancore-Cochin District Treasuries ..	19,607 0 6	
Interest accrued on Investments	2,37,535 6 3	
Books, Stationery and Stamps	73,014 6 9	
Advance Payment of Income-tax (including Income-tax deducted at source) and Refund of Income-tax receivable .	6,01,349 9 8	
Sundries	29,389 3 6	
		9,68,727 11 7
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Total .. Rs.		7,32,20,490 5 5

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1954.

EXPENDITURE	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	8,75,579 8 8
2. Salaries and Allowances and Provident Fund (this includes Salaries, Allowances and Provident Fund paid to the Managing Director Rs. 44,261-1-7 other than Bonus paid Rs. 1,020-13-0 and provision made during the year towards eventual commitments under his agreement Rs. 6,000)	5,93,739 0 6
3. Directors' and Local Committee Members' Fees and Allowances	10,740 0 0
4. Rent, Taxes, Insurance, Lighting, etc.	84,244 14 5
5. Law Charges	4,497 3 7
6. Postages, Telegrams and Stamps	32,021 9 8
7. Auditors' Fees	2,000 0 0
8. Depreciation on and Repairs to the Banking Company's Property ..	85,112 4 9
9. Stationery, Printing, Advertisements, etc.	47,465 12 9
10. Loss from Sale of, or Dealing with, Non-Banking Assets	Nil
11. Other Expenditure	83,984 3 8
12. Balance of Profit	7,36,039 11 5
Total .. Rs.	25,10,424 5 5

INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.
1. Interest and Discount	21,16,259 10 3
2. Commission, Exchange and Brokerage	3,92,122 11 2
3. Rents	Nil
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	190 0 0
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account) ..	Nil
6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil
7. Other Receipts	1,852 0 0
8. Loss (if any)	Nil
Total .. Rs.	25,10,424 5 5

AUDITORS' REPORT TO THE SHAREHOLDERS OF THE TRAVANCORE BANK, LTD.

We have audited the Balance Sheet of the Travancore Bank, Ltd., as at 31st December, 1954, and the Profit and Loss Account for the year ended that date as above set forth, with the Books of Account at the Head Office and the certified returns received from the Branches of the Bank and have obtained all the information and explanations we have required, which were found to be satisfactory.

In our opinion, such Balance Sheet and Profit and Loss Account are drawn up in conformity with the Law and the Balance Sheet exhibits a true and correct view of the state of affairs of the Bank as at 31st December, 1954, and the Profit and Loss Account shows a true balance of profit for the period covered by such account according to the best of our information and the explanations given to us and as shown by the books at the Head Office and the certified returns from the Branches.

We are further of the opinion that the Bank has maintained the Books of Account as required by Section 180 of the Indian Companies Act, 1913, the transactions of the Bank which have come to our notice are, in our opinion, within the powers of the Bank and the certified returns received from the Branch Offices of the Bank have been found adequate for the purpose of this audit.

VARMA & VARMA,
Chartered Accountants.

TRIVANDRUM, 24th February, 1955.

P. NINAN KOSHI,
Chief Accountant. (Offg.)

R. F. WISHART,
Managing Director

C. S. RATNASABAPATHI MUDALIAR,
G. PARAMESWARAN PILLAI,
CHAKOLA LONAPPEN PALU,
K. A. SIVASANKARA MUDALIAR,
G. K. DEVARAJULU NAIDU,
PARAYATH E. RAMAN MENON,
K. SREENIVASA KARAYALAR,
P. S. PADMANABHAN.
} *Directors.*

GOVERNMENT POSTPONES DECISION ON SUGAR REFINERIES

SUGAR MILLOWNERS' ANNUAL MEETING

THE Government of India has, for the time being, postponed the decision of setting up sugar refineries, in view of the uncertainties about the consumption and production trends of sugar in the country. This was one of the most important pronouncements made by Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, in the course of his inaugural address at the twenty-second annual meeting of the Indian Sugar Mills' Association held at New Delhi on the 19th inst. Though welcome, this pronouncement of Mr. Jain will not lay at rest the controversy over sugar refineries. There can be no two opinions on the theoretical proposition that, in preference to imports of refined sugar, it would be more profitable to import raw sugar and refine it inside the country. But the point is whether refineries are at all necessary. Posing this very question, Mr. Gulabchand Hirachand, President of the Association, ably sought to prove that the establishment of refineries was fraught with serious consequences. In the considered opinion of Mr. Gulabchand, the present disparity between the production and consumption of sugar was purely temporary and there was absolutely no reason to get panicky about the situation which had necessitated imports of a large quantity of sugar. To quote him: "I have it on no less an authority than that of our Food Minister that the overall consumption of sugar—that is, sugar, *khandsari* and *gur*—in the country has not increased. I can show that the sudden jump in the consumption of factory sugar by 50 per cent., from 12 lakh tons a year to 18 lakh tons, during 1953-54 was a freak phenomenon caused by a sudden fall of an equal quantity in the production of *gur* during this period." Substantiating his contention further, Mr. Gulabchand said:

"It is not difficult to understand this heavy shift from *gur* to sugar during the previous two years. *Gur* production had fallen low, due to an overall shortage in the production of cane, which also affected the production of sugar. There was, therefore, only a small margin between the price of *gur* and that of sugar and consumers naturally showed an emphatic preference for sugar. During the current season, when the cane production has increased considerably, the production of both sugar and *gur* has been rising and the supplies, augmented by large-scale imports, have created a position when *gur* prices have been falling steeply, showing that there is an over-all surplus in the country. This surplus is reflected significantly in the decline both in the demand for and the price of *gur*. With the restoration of the normal production of cane in the country, the demand is being more satisfactorily met from indigenous production and, though the pattern of relative consumption of *gur* and sugar might not be the same as in the past, there is bound to be, during the year, a noticeable swing from sugar to *gur*, which would narrow the gap between the total demand and the indigenous supply."

A New Headache

On the basis of the aforesaid facts, Mr. Gulabchand ventured to predict that, with the expected increase of nearly 35 to 40 per cent. in sugar in the current (1954-55) season and a similar or greater rise in *gur* output, requirements of imported sugar would shrink considerably as the season advanced. Indeed, he said that "we are now faced with a new headache of a big carry-over, if we stick to our original programme of imports." Expecting abundance of cane supply, he appealed to all to imagine the distress which would descend on producers of sugarcane and *gur* in the country, if an irrevocable step of establishing refineries were taken. Refineries, he thought, would perpetuate imports in the form of raw sugar and, to that extent, reduce the demand for cane as well as *gur*. Mr. Gulabchand also dismissed as impracticable the idea of developing an export market for the produce of refineries on the score that the refineries could not stand in competition with such giant organisations as Messrs. Tate and Lyle. Emphasising that a decision to establish sugar refineries should not be based on short-term considerations, he said:

"...I would urge the authorities to view this question not in the light of the present short-term difficulties but from the point of view of the tremendous changes, which all our schemes for improvement in cane cultivation and establishment of a number of additional factories, to consume the increased production which will result from it, will bring about when they are fully implemented. There is no reason to believe that what has happened in the case of other agricultural crops, such as foodgrains and oilseeds, will not be repeated in regard to sugarcane. In the end, it would prove more prudent to spend a little more in foreign exchange for temporary imports of sugar than to burden ourselves permanently with refineries. In this connection, we should not lose sight also of the fact that, even if it be found necessary as a temporary measure to import raw sugar and refine it during the short interval between now and self-sufficiency, this work could very well be undertaken by the existing sugar factories during their off-season. So far, only 10 or 15 factories out of about 150 have undertaken this work. When more of them come forward for this purpose, they would be in a position to refine a larger quantity of raw sugar than the two proposed refineries."

The reply given by Mr. Jain to Mr. Gulabchand's plea is non-committal, in that it means that the Government has not given up the idea of permitting refineries to be established in India. Indeed, he made it clear that, if it were ultimately decided to issue licences to refineries, they would function as "shock-absorbers" in the event of production in the country falling short of consumption. This remark implies that the Government is not quite confident that India can achieve self-sufficiency in sugar in the foreseeable future. Such an attitude reflects its defeatist mentality which is not conducive, psychologically at any rate, to the success of the grow-more-sugarcane and produce-more-white-sugar drives. Be that as it may, it is gratifying that Mr. Jain readily gave an unqualified assurance that in no case would the sugar produced by the refineries be allowed to compete with the indigenous sugar.

Price Structure of Sugar

Mr. Jain then went on to reiterate the assurance which had been given on the floor of Parliament that he would soon appoint a Committee of Experts to go carefully into the price structure of sugar and fix a fair price for sugarcane in relation to the selling price of sugar. The Committee, according to him, would also suggest a method for linking sugarcane price with its available sugar-content which alone can provide the necessary incentive for the growers to improve quality of cane. The appointment of the proposed Committee of Experts will be welcomed by sugar millowners, considering that the "Kidwai formula" for profit-sharing between canegrowers and crushers is extremely complicated, its application threatening to lead to friction between the two parties. Alluding to this subject, Mr. Gulabchand rightly pointed out that there would be great difficulty in following the Kidwai formula throughout India, such being greatest in States like Bombay when factories grow their own cane and buy only a small percentage of their total crushing from private cultivators. Explaining this point further, he said: "There, it is obligatory neither on the factories to buy the cane offered to them nor on the cultivators to offer their crop to the factories. There is also an appreciable difference between the sugar-content of the factories' own cane and that supplied by cultivators, and these factors have contributed to make the application of this formula to all areas on a uniform basis not only difficult but impracticable. For instance, in Bombay, it has created difficulties for the cultivators to dispose of their crop."

In view of all these, it was impossible, Mr. Gulabchand declared, to prescribe a uniform price formula for sugarcane to all parts of the country. The obvious course was, therefore, to protect the cultivator by guaranteeing him a minimum price and allowing free play of private negotiations for any excess to be paid over and above the prescribed minimum, according to the varying conditions prevailing round each factory. Prices higher than the minimum were, in fact, being paid by the factories wherever this was justified by local economic factors. This, indeed, is the solution which this journal has been advocating ever since the problem raised its head some 13 or 14 months ago. We feel that the Expert Committee proposed by Mr. Jain is unnecessary, if he is prepared to face the problem squarely, instead of dodging it. That the Expert Committee is doomed to failure is obvious from the proposed terms of reference to it. The Committee, it seems, will concern itself not with finding a solution to the problem of fixing a reasonable price for cane but with the impossible task of relating the price of sugarcane to the selling price of sugar. For over a year now, experts have racked their brains to solve this puzzle and failed. What reasons are there to believe that the new Committee will succeed where others have failed, unless it is asked to suggest a solution to the problem and not ways and means of implementing a solution which the Government thinks is the right one?

The President of the Indian Sugar Mills Association had a few interesting observations to make on the development programme for the sugar industry. He feared that the production target for sugar—fixed at 2.25 million tons under the second Five-year Plan—was a little too high. For he said: "It is customary to compare our consumption of sugar with that of other countries. It is to be remembered that the sugar requirements of our people are lower than those in the West, because our normal diet consists mainly of wheat, rice and *jowar* which contain carbohydrates in a great proportion." Nevertheless, the President had no quarrel with the target, since it would, he averred, help intensify efforts at augmenting indigenous sugar output. In this connection, Mr. Gulabchand alluded to the efforts of the Development Council for Sugar in establishing new factories in areas where cane supply was likely to be available and warned that the great emphasis placed on co-operative sugar mills would tend to delay the programme of development at a time when the greatest need of the hour was to increase production and prevent the heavy drain on our foreign exchange resources. Elucidating his reasons for not being confident about the application of the co-operative principle to large-scale production of white sugar, Mr. Gulabchand very pertinently remarked:

"There are obvious difficulties in organising producers of cane on a scale or magnitude which would make the establishment of an economic unit possible. Highly technical processing by producers of raw material has so far not proved a successful field for the application of a co-operative principle, at least in this country of small cultivators. Even in the case of an industry like the cotton textiles, which has been established for a much longer period, there has been no record of a successful effort at organising production of cloth on a co-operative basis. Though what I say might sound frightfully conservative, I believe that the co-operative method is good and fruitful only so far as it spontaneously grows from within. It has a poor chance of success when forced from above on comparatively ignorant people not equipped for running complicated technical organisations."

There is considerable force in these observations and we fully share Mr. Gulabchand's misgivings. We are afraid that co-operative societies of the type proposed by the Bombay Government will, in actual practice, amount to State-owned factories enjoying privileges and facilities unavailable to the factories in the private sector. The whole move is a clever subterfuge, for it will ultimately turn out to be an entry of the all-powerful States into the sugar industry through the back-door.

Price Differentials

An important aspect of the control over the sugar industry, to which Mr. Gulabchand drew the attention of the authorities, was the prevailing price differentials for different grades of sugar. Characterising these differentials as out-of-date and unreal, he pointed out that, as nearly a quarter of the production of the industry was acquired by the Government, the factories were subjected to unnecessary loss. The loss would be all the greater under the proposed system of linking the price of cane with that of sugar. In such an eventuality, the prices realised by the factories, Mr. Gulabchand opined, would have to be reduced to the standard grade and unrealistic price differentials would affect the factories

(Continued on page 589)

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BURMAH-SHELL REFINERY FORMALLY OPENED

ANOTHER CONTRIBUTION OF FOREIGN CAPITAL TO INDIA'S INDUSTRIAL PROGRESS

THE two-million-ton Burmah-Shell refinery, which was formally declared open on the 17th inst. by Dr. S. Radhakrishnan, Vice-President, is another instance of what foreign investment can do for the industrial progress of an underdeveloped country like India. To quote the words of Mr. J. F. Sinclair, Chairman of the Board of Directors, Burmah-Shell Refineries, the refinery is a real contribution to what Mr. Jawaharlal Nehru, Prime Minister, has described as "the exciting adventure of building the new India." It is indeed "an outstanding example of what private enterprise, backed and encouraged by an enlightened democratic Government, can achieve."

In the course of his address Mr. Sinclair pertinently remarked that "the business men and the State have complementary—not conflicting—roles to play in the development of the country. And the more of this is recognised, the quicker will be the inspiring type of progress we see around us today." It is indeed gratifying to note that Dr. Radhakrishnan assured that "when we speak of a socialistic pattern of society, we do not wish to uproot every enterprise that exists and recreate every thing anew. We wish to lay stress on the social vision, the social approach." Equally significant are his remarks that "all those connected with the oil industry in its production, as well as distribution, form one great fellowship. This is the meaning of democracy in industry. The British are well known for their art of making the best of what is inevitable. I do hope that here also they will co-operate with the spirit of the times."

Oil refining is not new to India. For, as far back as in 1920, the first oil refinery was built by the Assam Oil Company, a subsidiary of Burmah Oil Company, at Digboi, in Assam, to refine crude oil from the Assam oilfields discovered at the close of last century. Since then, it has put in the market well over 100 different grades of petroleum products. Today, thirty-five years later, two more refineries have come up and a third is under construction. Of the three, the Burmah-Shell refinery is the largest. Built at a cost of approximately Rs. 30 crores, it is designed to process 2,000,000 tons of crude oil per annum. The quantum of various products processed by this refinery will be as follows:

	(*In million gallons per annum*)
(1) Gasoline	156
(2) Kerosene	72
(3) High-speed diesel oil	37
(4) Gas oil	33
(5) Fuel oil	160

In addition, it will be the sole producer of one million drums of bitumen per year in India. According to the refinery Agreement of 1951, crude petroleum, the principal raw material for the refineries, will be imported mostly from the Persian Gulf area and will be carried in tankers up to 30,000 tons capacity. These tankers will use the new marine oil terminal, which is being built at Butcher Island, off Bombay. Seven submarine pipelines have been laid to link the new marine terminal with the refinery. Aviation spirit, solvent oil, mineral turpentine, lubricating oil and jute batching oil will, however, continue to be imported to the full extent of the requirements, as these products will not be refined in India.

A specialised industry like oil refining needs specialised men to man its complicated plants. Consequently, as the construction was going on, Burmah-Shell selected about 29 Indians for training in Shell refineries in Europe and the U.K. It also trained another 29 men, during the construction work, on the site. In addition, a total of about 200 operators have been given a period of training to learn the detailed "know-how" of modern refinery plan processes on the site.

The Company has provided residential quarters near the site for the key operating personnel. Apart from this, it has contributed Rs. 40 lakhs to the Bombay State treasury to provide housing for about 500 refinery workers and their families at Nehru Nagar in Ghatkopar.

When the third refinery at Visakhapatnam also goes into production, which will be by 1957, it is expected that at least 80 per cent. of India's requirements of petroleum products will be met from these refineries. The Caltex refinery at Visakhapatnam, which is under construction, will refine 0.5 million tons of crude oil per year. The Stanvac refinery has a capacity of 1.2 million tons of crude oil per year. Thus, together with Burmah-Shell, the total quantity of crude oil that will be refined will be 3.7 million tons per year. India's requirements of various petroleum products are estimated at about 4 million tons per year by 1957.

The benefits resulting from the expansion of the refining industry in India are several. First, the investment of between Rs. 50 and Rs. 60 crores by the oil industry will most likely attract further large-scale overseas investments in India's basic industries. Secondly, there will be considerable savings in foreign exchange, particularly in India's limited dollar resources. Thirdly, the refineries afford employment opportunities to Indians in all branches connected with petroleum refining and thereby help in the gradual establishment of a corps of technical personnel in petroleum refining. Finally, the refineries will aid the development of Indian industries by the purchase of indigenous chemicals, engineering materials, etc., and by providing raw materials for producing a number of by-products.

COLLAPSIBLE "AJAX" AWNING

Messrs. Jayanand Khira & Co., Ltd., Kothare Building, Sandhurst Bridge, Bombay, 7, have introduced collapsible "Ajax" awnings and will shortly introduce "Ajax" folding roofs. The Ajax awnings and folding roofs embody the inventions of Dr. Salvador Mathews Zveibil of Brazil and are covered by patent rights in India, Burma and Ceylon. The collapsible Ajax awning is a marvel of modern engineering achievement. It has many improvements over the best existing awnings, principally in its easy operation, simple and elegant design and facility of manufacture and installation, besides its low cost. The protecting profile panels are made from strong aluminium alloy of high resistance value in 22 G. thickness and ¾ hardness. The pantograph arms supporting the aluminium panels are made from steel. The panels fold one under the other and form a protective cornice of 24" when in four panels. The arms can support three, four, five or six panels and have three different inclinations called minimum, medium or maximum, offering the client the required protection in each case. The Ajax awning is unique in its projection and its adjustable inclinations have great advantages over all existing awnings. All the awnings have, in addition to the panels, a part which is called flashing, covering the gap or void between the wall and the panel. The flashing can also be provided on the open sides to keep out the sun and rain and to impart a more symmetrical appearance. The side protection plates are hooked on to the pantograph arms and can be unhooked and put aside when not in use. The normal panel in an Ajax awning requires a support at a distance of over 10 feet and permits an overhang of 20 inches on each side. Larger distances, particularly in big showroom windows, require special reinforcements on the panel curves to prevent sagging. The Ajax awning, which adds to the advantages and eliminates the disadvantages of all the existing awnings, is ideal in that it is attrative, practical and economical. It ensures lasting beauty combined with maximum protection. Considering all these exclusive and unique characteristics and its quick and easy installation, it is definitely a progressive step in the field of appliances.

MADRAS STATE'S POWER POLICY

CENTRE'S DIRECTIVE IGNORED

IT is, indeed, unfortunate that the Government of Madras should still persist in opposing the constitution of an Electricity Board as envisaged under the Electricity (Supply) Act, 1948. In the course of a three-hour discussion on the electricity policy of the State on the 16th inst., the Raja of Ramnad, Minister for Public Works, even went to the extent of declaring that the main objects underlying the constitution of the Board, namely, improvement, co-ordination, and rationalisation of production, bulk transmission and distribution of power, had already been achieved. For, according to him, over 99 per cent. of power now consumed in the State was generated and transmitted as well as owned and operated by the State. Besides, the electricity system of the State was now being operated as one grid under a unified and co-ordinated control and management. He further remarked:

"It is a matter for doubt whether the Board, if one had been in existence in this State, could have achieved so much of progress as has been achieved by the Government during the period of the first Five-year Plan. Electricity supply in bulk and distribution of power, which is a public utility, must necessarily be a State monopoly if a large grid is to be operated. An Electricity Board with such a monopoly is likely to show profits by pushing up rates and be generally non-responsible to public opinion and needs. The Board, which will not have the same authority and resources as the State Government, may not be able to raise funds for development any better than the State Government. This State Government has built up a well-knit organisation in their Electricity Department and it would be very difficult to hand it over to the Board at this stage without sacrificing its efficiency and prejudicing the interests of the public at large. The interests of electrical development in this State are bound up with those of irrigation, e.g., in the case of Mettur, Papanasam and Periyar Schemes, and the setting up of an Electricity Board in this State will amount to indirectly placing the control on irrigation also with the Board."

Thus, the Public Works Minister of Madras has set at naught all prospects of an Electricity Board coming into existence in his State. This is regrettable, especially when it is generally accepted that Government departmental management is unsuited to the requirements of a large-scale industry. Even Mr. Gulzarilal Nanda, Union Minister for Irrigation, Power and Planning, is of the same view. To quote him: "The pattern of management of industries in the public sector, through an organisation outside the departmental set-up of administration, has been found to yield the best results and I, therefore, attach great importance to the development of electricity being entrusted to autonomous boards, as envisaged in the Electricity (Supply) Act, 1948."

The Madras Government's decision thus runs counter to the settled policy of the Union Government. The Raja of Ramnad's arguments in favour of his Government's stand sound plausible but are not entirely flawless. It is true that, in Madras, State ownership of electric power is virtually complete and that, therefore, co-ordination of production, distribution, etc., can be secured as effectively as through an Electricity Board. This, however, is not the only object envisaged in the formation of the Board. Another equally important object is that production and distribution of power should be run on a commercial basis and that any profit made by the Corporation should be subject to income-tax and corporation tax in the same manner as are the profits of electricity concerns in the private sector. The idea of bringing in the commercial motive is not to fleece the consumer but to ensure efficiency and economy in the working of undertakings. This object cannot be achieved so long as the industry is run on departmental lines. The Madras Government knows, as well as we do, that if an autonomous Electricity Board is formed, it will manage the show better and disclose a profit on which the State will have to pay tax to the Centre. Its refusal to form the Board is evidently born of its desire to hide its inefficiency and to deprive the Central Government of its share in the profit. The contention that the formation of the Board may indirectly result in irrigation too being brought under its control is a naive one. Nobody has ever said that the Board will be in a position to override the Government. On the contrary, the Board will always have to work within the broad policies laid down by the State. Further, it should not be difficult to arrive at a certain amount of understanding between the Board and the Government in regard to the use of impounded water for irrigation and power purposes whenever it is found that there is not enough water for unrestricted use for both the purposes.

The Raja of Ramnad, however, reiterated the State Government's determination to push ahead with its plans for acquisition of private undertakings, under the Madras Electricity Undertakings (Acquisition) Act, 1954. He said that only those undertakings which were not working efficiently or which had to be acquired immediately to help the Government's programme of extension of rural electrification would be taken up first. The others would be acquired gradually in batches after drawing up a programme for the purpose, so that the licensees might not be kept in suspense. Pending such acquisition, the Government had sanctioned to the licensees a loan of Rs. 10 lakhs during the current year and would sanction a further sum of Rs. 15 lakhs in the next year for rural extension schemes in licensees areas. This financial assistance would be further increased, if the Government of India were to grant a loan for distribution to licensees. Thus, the State Government has virtually put an end to all private investment activities in this sector. All that the private undertakings have to do is to wait, just as private road transport operators in many of the States are doing, for the day of the acquisition of their undertakings.

The Minister also referred to the financial aspects of the Electricity Undertakings of the State. The revised estimate under capital outlay on electricity scheme is Rs. 7.13 crores and the budget estimates for next year Rs. 11.40 crores. These large provisions have been made possible on account of the loan amounts granted or promised by the Centre. The Government of India, he said, had offered a total loan of Rs. 6.97 crores for financing rural electrification schemes and for expansion of power facilities, with a view to increasing employment opportunities. The programme of rural electrification in the first Five-year Plan was to extend electricity supply to 250 villages and connect 3,000 pump sets annually. Due to financial stringency in the earlier years of the Plan, this programme could not be kept up.

The Public Works Minister pointed out, in this connection, that the State of Madras led all others in India in the matter of rural electrification. The number of villages electrified so far is over 2,200 and the number of pump sets worked on electricity is about 22,000. The connected irrigation and agricultural load is 91,000 kw., which is more than double that in 1946-47. The industrial load is 226,000 kw. The installed capacity of power plants is 247,300 kw. and mileage of transmission and distribution lines 10,600. The power demand is 173,000 kw. The power units generated in 1954 were 894 million.

BOMBAY-AGRA HIGHWAY BRIDGE

What its designers believe will be the world's longest submersible bridge is to be built by a British firm to carry the Bombay-Agra highway over the River Chambal. The 2,434-ft. bridge is to be built by the John C. Gammon Organisation, construction work being carried out by John C. Gammon Ltd., of Bombay, with special materials and plant supplied by its associate company, Colcrete Ltd. The bridge will have spans as large as 143 ft., and its builders will have to contend with a 700-ft. stretch on deep water. Intricate foundations of many types will be used at depths of 60 ft. below low-water level. The bridge is designed to withstand stresses experienced during submersion under 27 ft. of flood water during the monsoons. Floods of such magnitude being unusual and of only a few hours' duration, the new bridge will be open to traffic almost continuously. The same firm has already begun work on a 3,300-ft. bridge over the River Sone in Mirzapur district, U.P. This will be the longest pre-stressed concrete road bridge in Asia or Europe. Its spans will extend 150 ft., with foundations 75 ft. below low-water mark. Secured in the face of world competition, the contract for this bridge stipulates completion in 15 working months to serve the Rihand Dam project.

DEVELOPING MINERAL WEALTH ON SCIENTIFIC LINES

The Government of India has framed a new set of rules under Section 6 of the Mines and Minerals (Regulation and Development) Act, 1948, for conserving the country's mineral resources and ensuring their development on systematic and scientific lines. Under the rules, every owner of a mine shall have to employ a whole-time or a part-time geologist or a mining engineer, for bringing prospecting and mining operations into line with approved practices. These rules will come into force on 1st April, 1955. The Director, Indian Bureau of Mines, has been empowered under the rules to enforce adoption of scientific methods of working at the mines. A manual of instructions has also been prepared, the study of which will enable the less knowledgeable units of the industry to familiarize themselves with the latest methods and techniques of mining. The rules do not apply either to coal or petroleum.

The Canara Mutual Assurance Co., Ltd.

Head Office: UDIPI, (S. India).

Summary of Balance Sheet and Revenue Account of the Company in respect of total business

REVENUE ACCOUNT FOR THE YEAR ENDING 31—12—1954.

PARTICULARS.	Rs. As. Ps.	PARTICULARS.	Rs. As. Ps.
Claims and Surrenders less reinsurance	5,37,171 3 0	Balance of Fund at the beginning of the year	93,80,044 2 4
Expenses of Management including Commission	5,34,820 14 7	Premiums less reinsurance	20,15,646 0 0
Bad Debts	Nil	Interest, dividend and rents less Income-tax	3,56,982 9 5
Other Items	58,947 10 8	Other Income	2,496 13 0
Balance of Fund at the end of the year	1,06,69,229 12 11	Transferred from Investment Reserve Fund	25,000 0 0
Total	1,17,80,169 8 9	Total	1,17,80,169 8 9

BALANCE SHEET AS AT 31-12-1954.

LIABILITIES.	Rs. As. Ps.	ASSETS.	Rs. As. Ps.
Life Insurance Fund	1,06,49,229 12 11	Government Securities	47,35,452 11 9
Investment Reserve Fund	8,54,400 0 0	Other Approved Securities	25,44,814 7 8
Loans & Advances	Nil	Fictitious items and bad assets	Nil
Outstanding Claims	2,03,641 4 4	Approved Investments & other assets	41,42,178 3 4
Other Liabilities	2,15,174 4 4		
Total	1,14,22,445 5 7	Total	1,14,22,445 5 7

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26—1—1955.

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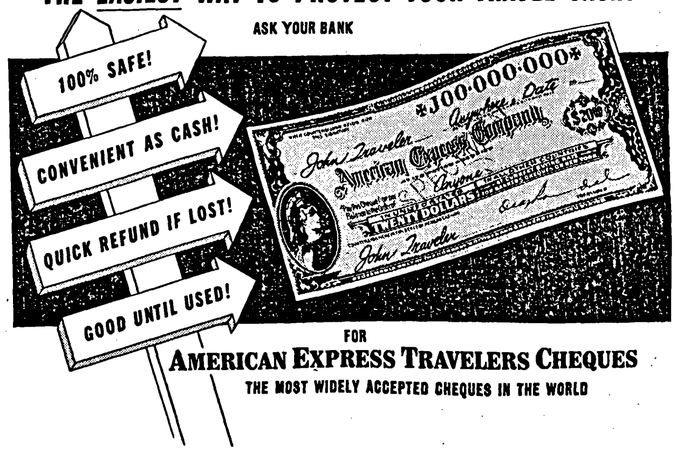

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SHOULD INSURANCE BE NATIONALISED?

DANGERS OF STATE OWNERSHIP

THERE has been widespread concern in insurance circles over the recent revelation that the Central Government is studying the question of partial or full nationalisation of insurance or the entry of the State into the field. Replying to a question on the subject in the Rajya Sabha, Mr. M. C. Shah, Minister for Revenue and Civil Expenditure, stated that the question of nationalising the insurance industry in India had come up for departmental examination on several occasions in the past. The pros and cons of it, together with its variations such as partial nationalisation and State entry into the field, he said, continued to be under study. He also stated that the Controller of Insurance, who had recently proceeded to Australia and New Zealand under the facilities provided by the Colombo Plan, had been asked to utilise the opportunity to observe the working of State-run insurance schemes there.

The first thing that will strike an impartial observer is the air of casualness with which the revelation of Government's intentions was made. In any other democratic country, the question of nationalisation of insurance would be deemed an issue fit to be made the subject of an electoral campaign. It would be considered an offence against all canons of democracy for a Government to consider the question of nationalising insurance without getting a clear mandate from the electorate. The question raises far-reaching political and economic issues, so that it deserves, at the least, a thorough examination by an impartial commission. And yet the Government has chosen to accord no more than a departmental treatment to the subject as if it were a mere question of revising some service regulations or some procedural code or a matter of revision of rules framed under an Act placed on the Statute. It would be nothing short of a travesty of democracy to introduce partial or full nationalisation of insurance without giving an opportunity to the public and the interests concerned to have a say in the subject.

It is not clear what considerations have prompted the Government to have the subject examined at departmental level. Nationalisation of an existing industry or service could be justified only on two grounds. First, private enterprise is unwilling to undertake the task of expansion. Secondly, it should be proved beyond any shadow of doubt that the industry is being managed in a most incompetent manner or in a manner that is detrimental to public interest. Now, neither of these two charges would be levelled against the insurance industry. The first charge would be false. In fact, the charge is that there are far too many insurers for the available business in this country. This means that private capital, far from being "shy," is a little too bold. As regards the second ground, namely, mismanagement, it is true that there have been isolated instances of wrong handling of insurance funds by certain unscrupulous insurers. But this is now a thing of the past, thanks to the stringent provisions of the Insurance Act.

Limited Experience

A far more important question is: What is the urgency about the issue of nationalisation of insurance? It is not as if the insurance damsel is in deep distress, so that the Government is faced with the choice of either saving her or allowing her to perish. Insurance is doing pretty well indeed, judging from the trends in new business. In any case, the Government has far too many urgent tasks in hand—a whole Five-year Plan, and a second Plan, not to speak of education and public health—to burden itself with the management of insurance. Further, its limited experience in the working of Postal Insurance is not so eminently successful as to entitle it to claim any special privilege for the management of insurance. Also, insurance is one of the easiest businesses in which to trade uneconomically because the cost of faulty judgment may not become apparent until long afterwards. The Government is by no means specially equipped to run insurance. Finally, insurance is primarily a personal service. It has to be sold from door to door. It is never sold across the counter. Thus, it is a service that is totally unsuited for administration by the Government.

An equally important question is: What does the Government hope to gain by nationalisation of insurance? No industry is subject to greater control by the Government than insurance. Actually, the Government is in a happy position of being able to control insurers' activities and yet disclaim all responsibility for their welfare. Already, a major portion of the insurers' assets is invested in Government securities. Thus, insurers are indirectly participating in the nation-building activities which the Government finances. It is unlikely—apart from the consideration that it is undesirable—that this proportion would increase significantly even if insurance were taken over by the State. Again, it is not as if the insurance industry is earning large or excessive profits. Indeed, it should be remembered that the shareholders' share of the surplus is limited by statute, so that there is no scope for earning excessive profits. Since similar considerations would have to apply to the Government, too, it is inconceivable that the Government will derive any large profits through its ownership of insurance industry.

In view of these considerations, we would strongly urge the Government to abandon all thoughts of nationalisation of insurance. Such a measure would be the saddest, costliest and a singularly deplorable blunder. At the same time, we would urge the insurers to put their house in order and to give no room for Governmental interference. Finally, we lay the blame for this unhappy development in the sphere of insurance squarely at the doors of the insurers. What have they done to convince the lay public that their services are the best, and that they are better than what the Government could possibly render? What have they done to publicise their activities? Surely, they ought to know that, in the altered political status of this country, it is not enough for an industry to render efficient service. It must, of course, do that. But it is equally important to let the public know that such a service is being rendered. In this country, public ignorance of the insurers' services is colossal. It is a pity that, excepting one or two insurers, others are doing little to educate the public. This neglect of an essential aspect of the insurers' responsibility towards society is bound to cost the industry dear.

INSURANCE SCHEME FOR TEACHERS

Of the many schemes which have been suggested from time to time to improve the admittedly low status of teachers in this country, a compulsory insurance scheme is one. In Madras, the State Government has been considering various suggestions for improving the lot of the teachers in the State. The Finance Minister, Mr. C. Subramaniam, revealed, in the course of a statement in the State Assembly, that the Government had under consideration a scheme for insuring teachers employed in aided elementary schools in the State. He said that, even now, teachers both in the service of aided schools and local bodies had the option to take insurance policies and pay the premiums from the provident fund standing to their credit. It would appear that teachers do not generally avail themselves of this facility.

Mr. Subramaniam said that this was presumably due to the fact that "if the insurance premiums are paid out of their provident fund accumulations, they may be left with very little balance from which they can draw advances for meeting inevitable personal commitments, for which they may not have other sources to draw upon." He added: "It is also found that a compulsory insurance scheme may not give them much monetary advantage by extra accumulations at the time of retirement." Besides, there was the risk of the policy lapsing if the premium on it is not paid during the break of service of teachers. The Minister, however, recognised that the fact that insurance would cover the risk of death was a "great advantage to the families of the unfortunate teachers who may die in harness."

Accordingly, the Government, it is stated, is considering the possibility of a compulsory insurance scheme to be financed out of the provident fund accumulations without detriment to the availability of funds for temporary advances. Teachers within the age of 30, who have five years of service, will come within the purview of the scheme. The five-year limit is being prescribed because the accumulation in the teachers' provident fund accounts by this time will help pay insurance premium, if teachers are without employment for short spells of time. The Minister said that the scheme was under the consideration of the Government and that if, after proper scrutiny and examination, it was found feasible and acceptable to the teachers, it would be implemented.

The Minister announced that, in addition to the existing facilities under the provident fund scheme, there would be a pension scheme for teachers in aided schools and in schools under local bodies. Under this scheme, which will come into effect after 1st April, 1955, teachers would be given pension equivalent to one-fourth of their salaries. The rules applicable to pensionable service under the Government would be made applicable to teachers too. In 1955-56, this scheme would entail an expenditure of Rs. 1.18 lakhs for the State. In 1976, it would entail an expenditure of Rs. 8.57 lakhs.

INSURANCE IN JAPAN

The contracts concluded by all the twenty member-companies of the Life Insurance Association of Japan during the six-month period ended September, 1954, aggregated Y.268,700 millions as against Y.204,100 millions in the corresponding period in 1953. The increase in new business is attributed to the fact that more people have been induced to become interested in life insurance as the nation's economy approaches normalcy. It would appear that great interest is shown by the people in "monthly instalment" insurance.

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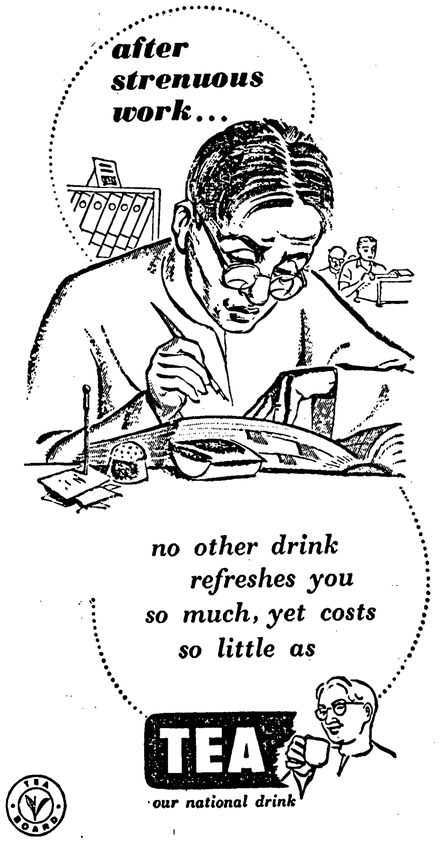

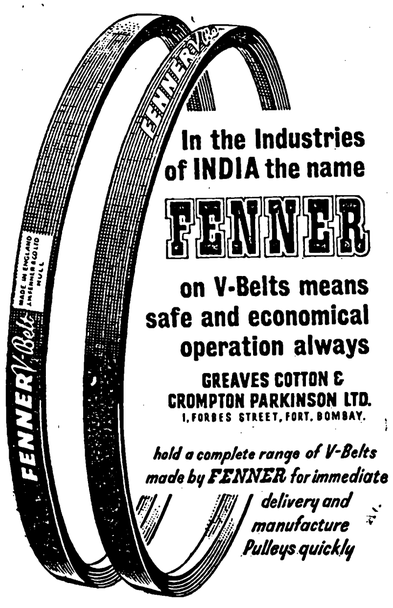

KOHINOOR MILLS COMPANY, LIMITED

SIXTIETH ANNUAL GENERAL MEETING

MR. E. D. SHEPPARD PLEADS FOR SOME INCENTIVES TO HONEST INDUSTRIALISTS

ADDRESSING the shareholders of the Kohinoor Mills Company, Ltd., at their Sixtieth Annual General Meeting held in Bombay on 17th March, 1955, Mr. E. D. Sheppard, Chairman of the Company, characterised the recent Budget proposals of Mr. C. D. Deshmukh as of unusual severity, especially in regard to direct personal taxation. They had, he said, brought about a feeling of hopelessness among business executives. He referred, in particular, to the increased excise duty on the textile industry which was very serious. He, however, expressed the hope that the Financial Bill would emerge from the Select Committee, with at least some incentive restored to honest industrialists to develop and expand their undertakings, so that India might enjoy the benefits of increased production and employment.

The following are extracts from Mr. Sheppard's speech:

"GENTLEMEN,

"I expressed the hope when I last addressed you that wiser counsels would prevail all over the world and some lasting agreement would be reached among nations for the preservation of world peace. During the course of the year, we saw the end of the war in Indo-China and, once again, India was in the forefront of those who were attempting to bring about an armistice in this war-torn area. When finally an armistice was signed, a three-nation committee was set up under the chairmanship of India to undertake the onerous task of partitioning of the country, evacuation of contending forces, repatriation of prisoners-of-war and general rehabilitation. Once again it has been proved that the Indian army is second to none in its impartially, its discipline and its efficiency in dealing with difficult situations. It would seem, however, that we are not yet free from the attentions of the many-headed hydra of war, as no sooner was Indo-China reprieved, than trouble started between the two Chinese Governments, and the People's Army has started its offensive against the Nationalist Chinese Government in Formosa. The world situation is again explosive, and it is to be fervently hoped that this issue will be localised and will not evolve into a wider conflict. The Prime Minister of India along with others is sparing no effort to bring about a peaceful solution of this vexed problem.

Situation Nearer Home

"Nearer home, I am afraid the situation remains a stalemate. Despite meetings between the Prime Ministers of India and Pakistan, the setting up of Joint Commissions, etc., the problem of an understanding between these two neighbours eludes solution. There is little improvement in trade between the two countries, and they still go their several ways, with a consequent strain on both their economies.

"At home, during the course of the year, there was a definite improvement in economic conditions and, after many years, India achieved self-sufficiency in food with the consequent abolition of rationing all over the country. There has been a progressive fall in the prices of foodstuffs, but, unfortunately, this fall has not been reflected in the cost of living index compiled by the Government of Bombay. This is difficult to understand.

"A plentiful monsoon saw the end of the bogey of electric power rationing. Furthermore, after years of deliberation, the Government of Bombay at last gave the green light to Tatas for the erection of the second half of their thermal power station of 100 M.Ws. at Trombay. The commissioning of further sets in the Government/Railway Power House at Kalyan, has further eased the situation and, at the present time, power is fairly freely available for all normal expansion of industry. Early this year, the Government also started work on its Koyna Hydro-electric Scheme, and it would now seem that, for some years to come, at least Bombay will not again be handicapped, as it has been in the recent past, by a shortage of that essential for economic growth and expansion—the watt. In the wider context, the first Five-year Plan is nearing completion and the second is getting under way. With the setting up of major industries like steel and chemical works, oil refineries and the development of river projects, India is making a start towards its goal of economic and industrial self-sufficiency.

Textile Industry

"Turning now to the mill industry, conditions during the year under review were not quite so good as in the previous year. Although a fairly satisfactory demand for cloth and yarn continued, there was a definite downward tendency in prices and this became more marked towards the end of the year. The offtake from your mills was as good as could be expected in the circumstances, and they also had their fair share of the export trade where the demand continued to be good. The export duty on coarse counts continued throughout the year, but has recently, under the new Budget, been reduced to 6¼ from 10 per cent. This should improve the demand for export, but the Government has seen fit to enhance the excise duties for local consumption. Whereas, before there were four categories, superfine, fine, medium and coarse, these have been reclassified into two, superfine and others. The duty on superfine remains at 2½ annas, fine goes down from 1½ annas to 1 anna, coarse and medium are enhanced from 6 pies to 1 anna. The duties previously leviable on the linear yard will henceforth be applicable to the square yard. The effect of these changes is very serious, they would cost your Company Rs. 8 lakhs per annum, and the Millowners' Association is sparing no effort to persuade the Government to revise its policy and reduce this extra impost levied on your industry. The additional excise of 3 pies per yard for the development of the handloom industry continues. It would also seem that the policy of Government is to ban or, in any case, to restrict the installation of extra loomage, although it is prepared to sanction increases in spindleage.

Budget Proposals Are Severe

"Apart from the additional levies on the textile industry, the Budget proposals are of unusual severity especially in regard to direct personal taxation. I recall that two years ago, Mr. Butler, the Chancellor of the Exchequer, in presenting his Budget to the House of Commons, after referring to the 'numbing effect of excessive direct taxation,' said, 'We must banish the hopeless feeling that extra effort is not worthwhile.' He then proceeded to reduce the rate of income-tax. The progress made by the United Kingdom since then is a clear vindication of the policy of alleviating direct taxation and the concessions then given have most certainly paid good dividends.

"Unfortunately in India, the recent proposals of the Finance Minister have brought 'the hopeless feeling' to business executives all over the country, and indeed many may be excused for wondering whether *any* effort is now worthwhile.

"You all know the story of the man who killed the goose that laid the golden egg. In the context of those embarking on new ventures it now seems that the Government of India is proposing to strangle the gosling before it can reach the stage of laying an egg at all!

"Let us hope that the Finance Bill will emerge from the Select Committee with at least some incentive restored to honest industrialists to develop and expand their undertakings, so that India may enjoy the benefits of increased production and employment.

Anomaly About Cost of Living Index

"I would like to mention one point of very great interest to you all. Very recently, the Appellate Tribunal of the Industrial Court awarded an extra 5 per cent. to mill labour on the bonus paid to them in respect of the year 1952. This has cost the industry a sum approximating Rs. 50 lakhs. Furthermore, the Tribunal has also enhanced the rate of dearness allowance payable in the following manner:

			Per cent.
C.L.I.	between	325-335	 5
"	"	336-350	... ... 7½
"	above	350	 10

This measure will cost your Company Rs. 8 lakhs and the industry approximately Rs. 2 crores per annum, as long as the index figure remains above 350.

"In this connection, I would refer you to the remarks I made earlier in the speech. Although the rates of most commodities have declined sharply, the Bombay City cost of living index has even at times increased. To take a comparison, until recently the D.F.A. in Ahmedabad was about Rs. 20 higher than in Bombay, but in the last few months it has gone considerably below the Bombay level. I for one cannot see any reason for this increase in Bombay City alone and hope that the Government will institute a searching enquiry into the method of compiling this index figure.

"As regards prospects for the future, I do not look for any marked change as far as your Company's affairs are concerned. The new excise rates and the increased dearness allowance will, of course, reduce the potential profits to some extent. On the other hand, your mills remain in a strong financial position and with the programme of modernisation and rehabilitation nearing completion, the benefits which it is hoped will be derived therefrom should soon become apparent. I would mention here that the limit of development has now been reached in the present mill premises and if it is decided that further expansion is desirable in the interests of your Company, then additional property will have to be acquired.

"This will require careful consideration and one cannot escape the feeling that should the level of profit rise, then the lion's share will fall to the predations of Industrial Courts and that excise enthusiast, the Finance Minister.

"Before I conclude, I know you would wish me, on behalf of you all, to thank all the staff both at the mills and in the head office for their hard work throughout the year. That so much erection and rearrangement of machinery could have been carried out without loss of production indeed calls for congratulations.

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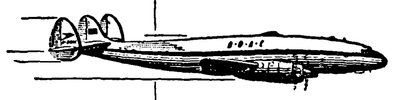

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THE NATIONAL BANK OF INDIA, LIMITED

SATISFACTORY RESULTS ACHIEVED DESPITE DIFFICULT CIRCUMSTANCES

MR. J. K. MICHIE COUNSELS CAUTION

THE Annual General Meeting of the National Bank of India Ltd. will be held in London on 5th April, 1955. As usual, the Chairman, Mr. J. K. Michie's statement, circulated to the stockholders along with the Directors' Report and Accounts for the year ended 31st December, 1954, provides an analysis of the important events which took place in the various countries where the Bank operates. Commenting on the economic policy of the Government of India, Mr. Michie says that it is balanced precariously between the reassurances to the private sector and the trend towards socialist thinking. One hope for private industry, according to him, lies in the formation of the Industrial Credit and Investment Corporation, which will be of great help in the provision of financial aid which might otherwise not be readily obtainable for really sound projects or the further development of existing industries and companies. He also expresses the concern of business men, in general, and foreign capital, in particular, over the projected legislations for amending Article 31 of the Constitution and the Indian Companies Act. He, however, hopes sincerely that the protagonists of these measures will think again.

The following is the full text of Mr. Michie's statement:

"First I wish to refer to changes during the year in the Directorate.

"To our great sorrow Sir George Morton, O.B.E., M.C., who joined the Board in 1947, died a few days after our last annual general meeting. Sir George had a distinguished career in commerce in India and we greatly miss his wide knowledge and mature wisdom.

"In April last, Sir Henry Guy Cooper, M.C., D.C.M., was elected to the Board and his appointment now comes up for confirmation. Sir Guy has had a long and intimate experience of Indian affairs and of the oil industry and I confidently recommend him to you.

"While, at home, 1954 was a year of steady economic progress, the pattern of events in our various fields of operations was distinctly more chequered. Nevertheless, the figures in our balance-sheet reflect continued growth and we are satisfied with the results achieved in circumstances of some difficulty.

Record Balance-sheet Total

"Our deposits have risen very substantially and the total of our consolidated balance-sheet at £162,031,432, not only tops last year by £25,578,458 but considerably exceeds the highest previous figure of £147,283,674 shown at 31st December, 1951. This expansion, I am glad to say, is spread over the whole area of our operations. The figure for the National Bank of India, Ltd., alone shows an increase of £23,704,466.

"We propose again to allot £75,000 to premises account and, as I have previously told you, this account will continue to grow until our major building and rebuilding operations are overtaken. The two large offices still under way are at Dar-es-salaam and Aden, but, as we expand, it must be accepted that further investment in bricks and mortar is inevitable.

"After full provisions for taxation, bad and doubtful debts and other necessary reservations, our consolidated net profits are £385,923, against £387,644 for the previous year.

"As you are aware, a second interim dividend of 8 per cent. has been declared, making 15 per cent. for the year on the increased capital. I think this return is a liberal interpretation of the implied promise I made last year and a standard we have every hope of maintaining.

"The resultant balance enables us to transfer £70,000 to contingencies and to carry forward the slightly increased figure of £326,266.

India

"For the second year in succession, helped by a good monsoon but also a result of long-term agricultural planning, India has succeeded in increasing considerably her production of foodstuffs—she is even exporting a little—an achievement which is saving a large expenditure of foreign currency and, I trust, will also be reflected in a rise in the standard of living.

"The economic policy of the Government is balanced somewhat precariously between reassurances to the 'private sector' based no doubt on the need for the development of industry with the help of foreign loans and investment and a trend towards socialist thinking in the form of industrial development and ownership by the State. One hope for private industry lies in the formation of the Industrial Credit and Investment Corporation of India Ltd., shares in which are now being offered to the Indian public. Along with other Exchange banks we have made a substantial subscription to the capital of the Corporation and I am quite certain it can and will be of great help in the provision of financial aid which might otherwise not be readily obtainable for really sound projects or the further development of existing industries and companies.

"Mr. P. S. Beale, until recently Chief Cashier of the Bank of England, has arrived in India to assume the General Managership of the Corporation.

"An ambitious 'second Five-year Plan' is being launched by the Government, a primary object of which is to create twenty-four million additional jobs in industry by 1967, thereby absorbing the existing unemployment and the inevitable increase in population. Simultaneously, it is hoped to raise the general standard of living.

Anxiety to Business Men

"Other features of official thinking are reflected in projected legislation which includes amendments to Article 31 of the Constitution and the Indian Companies' Act. The former will remove the right of individuals whose property is compulsorily acquired by the State to recourse to the Courts over questions of compensation. The second proposes the progressive elimination of the Managing Agency system—which goes far beyond any previous suggestion.

"Both proposals are a cause of anxiety to business men in general but particularly to foreign capital which is mainly British; so I hope sincerely the protagonists of these measures will think again.

"Mr. Deshmukh's budget statement is a mixture of encouragement to industry and disappointment to individuals.

"The overriding proposal is deficit financing to the extent of Rs. 340 crores out of Rs. 578 crores required for capital purposes—and this sum will be obtained by the issue of Treasury Bills.

"He reports a notable fall in wholesale prices during 1954 and a drop in the cost of living index of 7 per cent.

"Customs duties on cotton cloth are to be reduced from 10 per cent. to 6¼ per cent. and a slab system will replace the present flat rate export duty on tea. A development rebate of 25 per cent. on the cost of new machinery is proposed.

"Super-tax will be levied on individual incomes over Rs. 20,000 (instead of over Rs. 25,000) and taxes are to be introduced on company directors' entertainment allowances and perquisites. Compensation for loss of employment or for the loss of a managing agency will also be taxed. The *Manchester Guardian* considers these provisions will have a very adverse effect on the morale of the British serving firms in India.

"A few months ago it was announced that the Imperial Bank of India and several other indigenous banks operating mainly in what were the Princely States are to be amalgamated and the major ownership acquired conjointly by the Government of India and the Reserve Bank of India. Details are awaited, but it has been stated that no departure from traditional banking principles and practice is contemplated.

Pakistan

"Pakistan had an uneasy year politically and economically. She has opted to become a Republic within the Commonwealth on the same lines as India and has also decided to have only two States or Provinces, East and West Pakistan.

"The new Constitution is being drafted and it will be interesting to see what form it takes.

"A few months ago the Governor-General dismissed the Constituent Assembly. This action has been held by the Sind Court to be unconstitutional and the result of an appeal to the Federal Court must now be awaited.

"The food situation is at present satisfactory and there is even a considerable quantity of rice available for export, while the programme of industrialisation has made steady progress. One result of this is a large reduction in the export of cotton from Karachi, a crop which previously almost wholly went abroad, but 50 per cent. of which is now to be consumed locally.

"In East Pakistan, the jute mill industry continues to expand.

"The jute export trade of East Pakistan which is a vital part of its economy was recently somewhat disturbed by the cancellation of the licences of 13 important shippers, on the grounds that they had contravened Government regulations. The situation is slowly being clarified, but temporarily Pakistan suffered a loss of foreign currency through the delay in getting shipments effected.

"A major development during the year is the formation of the Sui Gas Transmission Company, which is to produce and market the large reserves of gas discovered by the Burmah Oil Company, Ltd. at Sui in Baluchistan. Along with other Exchange banks operating in Pakistan we are subscribing to the loan capital. This gas supply will be an invaluable addition to Pakistan's fuel resources.

Ceylon

"Ceylon has been the fortunate Isle for prices of tea and rubber have been buoyant, while the cost of her rice imports of over 400,000 tons per annum, has fallen materially during the year—so her revenues and her balance of trade both have benefited. Altogether the picture is a complete change from that of two years ago, and, in consequence, prospects for 1955 are favourable.

"A Development Finance Corporation is to be formed in Ceylon on the same lines and with the same objects as the Indian Corporation, I have already referred to, and it is expected that the Exchange banks will be invited to provide some of the capital.

"The modernisation of Colombo harbour is not now expected to be completed until 1957 so is somewhat behind schedule.

"On the retirement of Lord Soulbury from the Governor Generalship, this position was filled by the appointment of Ceylon's veteran statesman, Sir Oliver Goonetilleke, who makes history by being the first native of Ceylon to occupy this high position.

Tea

"Two years ago, the tea-growing industry in India and Ceylon had just emerged from a crisis caused by prices falling so low that in some cases they hardly met the cost of shipping and marketing—a situation which naturally was of no concern to consumers. Today, owing to an all-round increase in consumption, the position is radically different and over the past year prices have risen considerably, particularly in overseas markets which have to bear the oncost of export duties.

"Recently a great deal has been said and written in this country about tea and tea prices, much of it ill-informed.

"At the moment of writing prices have had a sharp fall and time will show whether this is or is not temporary, but I am quite sure that nothing would better please producers, shippers, merchants and retailers alike than to see a more stable market at a less high level of price than we recently saw. But the simple fact is that, particularly with Indonesia exporting 80 million pounds less than in pre-war days, production just cannot keep pace with the steadily increasing consumption induced by larger world populations and by increased purchasing power. In the United Kingdom alone consumption has risen by 20 per cent. since de-rationing, while it is estimated that in India it has expanded by around 70 per cent. compared with pre-war and it must be expected that this trend will continue.

"The suggestion that in this country a re-imposition of rationing combined with a regression to bulk purchase would be a satisfactory or acceptable answer to the present level of prices is purely political wishful thinking and takes account neither of the statistical position nor of the fact that prices in this and other im-

porting countries bear export taxes of 1s. 11½d. per lb. in Ceylon and 11d. per lb. in India. I trust these taxes will not be perpetuated at the present levels for I continue to believe that export duties almost invariably in the last event have a boomerang effect on the countries imposing them and are, therefore, an unsound fiscal weapon.

"Within the next two years, that is when adequate and suitable storage accommodation has been provided, it is expected that a much larger percentage of Northern Indian teas will be auctioned in Calcutta.

Burma

"The economic position of Burma continues to be governed largely by the trends and policies I remarked on last year. Falling rice prices, quite apart from the very low rates she has been forced to accept for large stocks carried over from 1952-53 and a continuance of large capital expenditure on harbours, railways, inland water transport and many major projects of an industrial nature, necessarily mean a drain on balances previously built up when rice prices were high.

"Without question the really urgent needs are to recondition ports and improve all forms of transport as rapidly as possible, so that increasing quantities of rice can be promptly marketed and exported, otherwise the cultivator will be discouraged and Burma's main source of income will be a declining one.

"To some extent the rice trade has been 'liberalised', in that, while the State Agricultural and Marketing Board is the sole 'entrepreneur,' any one can now buy rice from it for shipment abroad. This is a step in the right direction and will, I hope, enable Burma to begin to recapture some part of her traditional markets, but it is still a long way from free marketing.

"The Colombo Plan continues to develop its financial and technical assistance to the great benefit of the countries concerned.

East Africa

"In the early summer of 1954, after an interval of five years, I revisited East Africa and was able to see a large number of our branches, many of which were non-existent in 1949. It was an encouraging experience, and one noticeable feature was the steadily increasing awareness of the African population of the advantages of banking facilities.

"I was particularly pleased to be able to attend the official openings of our new premises at Kampala, Nakuru and Moshi. As you will see from the photograph reproduced in the report, Kampala office is a particularly fine one and His Excellency the Governor of Uganda, Sir Andrew Cohen, did us the honour of performing the opening ceremony.

Kenya

"Mau Mau, I regret, is still with us and, although real progress has been and is being made, no sign is yet evident of an early cessation of its activities. The attitude of the up-country Kikuyu, however, is much more encouraging, in that they are showing far less fear of co-operating with the authorities and their employers and this is all-important. An announcement has just been made that, subject to the approval of Parliament, Her Majesty's Government will make a grant of £10,000,000 and an interest-free loan of £4,000,000 to the Government of Kenya to help finance 'emergency' expenditure.

"During 1954, Kenya was remarkably prosperous in the circumstances, helped by reasonable rains and high coffee prices. Local industries continue to expand, and given political peace and adequate transport facilities, there is little doubt but that Kenya would have a steadily expanding economy.

"Income from coffee—and this applies equally to Uganda and Tanganyika—promises to be much reduced this year, as a result of the heavy fall in prices caused by the action of the Government of Brazil in creating a special exchange rate for her coffee exports.

Uganda

"The difficult political situation in Buganda of a year ago was followed by a buying boycott which affected trade considerably for some months.

"Fortunately, the settlement proposed by the Hancock Commission seems to be generally acceptable and, in due course, the Kabaka will return to Kampala.

"Uganda had a good cotton crop and, as coffee is her other main product, her agriculture had a profitable year. Cultivators benefited by the higher guaranteed prices fixed by Government for both commodities.

"Over the past ten years or so Government have accumulated about £30 millions out of the export prices, received for cotton and coffee through the two controls and it now proposes that this sum should be spent over a period of five years in the general development of the Protectorate. Roads, waterways, irrigation, agricultural and industrial development all come into the plan which should ensure a great increase in the productivity and so of the prosperity of the whole country. There is a great deal of most excellent agricultural land in Uganda which only awaits clearance, population and the elimination of the tsetse fly. As it is known that the best means of driving out the tsetse is to introduce people and cut down the jungle, the Government plan has great possibilities.

Tanganyika

"Although sharing with her two neighbours a certain prosperity from coffee and cotton—in fact her cotton crop was a record one—her large interests in sisal had a less fortunate experience and prices fell as low as £70 from £103 in January, 1954. At the moment values have revived to about £80 and the prospects of at least holding this level seem to be reasonably good.

"A few months ago, we opened a branch at Bukoba, one of the main coffee-growing centres in the territory.

"Last year, Tanganyika enjoyed the dubious advantage of a visit from a team of inspection nominated by the United Nations Organisation and this mission recently issued a report which has caused both controversy and concern. It seems a pity that the mission did not allow itself time to make an adequate survey of such a large territory and a correspondingly large subject. In these days, it is almost fashionable to attack or decry Colonies and Colonial Governments, however enlightened, although there is no immediate alternative except chaos.

East African High Commission

"Railways and ports in the three territories come under the control of the Commission and real progress has recently been made in improving these facilities which are absolutely vital to the development of production and industry.

"A three-year plan is now in operation and it has been announced that the World Bank will provide 20,000,000 dollars of the funds required.

Zanzibar

"During 1954, the price of cloves remained fairly steady, but this 1954-55 crop was a very poor one, following a bumper yield the previous

THE NATIONAL BANK OF INDIA, LIMITED

REGISTERED IN LONDON UNDER THE COMPANIES ACT OF 1862 ON THE 23RD MARCH, 1866.

ESTABLISHED IN CALCUTTA, 29th SEPTEMBER, 1863.

Subscribed Capital	£4,562,500	Reserve Funds	£3,104,687
Paid-up Capital	£2,851,563	Number of Shareholders	3,071

BALANCE SHEET, 31st DECEMBER, 1954.

1953 £		£	1954 £
	CAPITAL—		
4,562,500	Authorised and Subscribed—4,562,500 Shares of £1 each	4,562,500	
2,281,250	Paid-up 12/6d. per Share		2,851,563
	RESERVE FUNDS—Including Share Premium Account £1,128,750		
3,675,000	(1953—£1,128,750)		3,104,687
	PROFIT AND LOSS ACCOUNT—		
275,496	Profit unappropriated		273,408
6,231,746			6,229,654
	CURRENT LIABILITIES, PROVISIONS AND OTHER ACCOUNTS—		
	Current and other Accounts, including provision for diminution in value of assets, taxation on profits to date and reserves for	97,214,299	
80,633,364	contingencies	31,109,984	
22,930,034	Fixed and Short Deposits	2,410,751	
2,930,553	Amounts due to Subsidiary Companies		
370,873	Loans Payable	1,722,068	
1,985,116	Bills Payable	1,032,549	
938,205	Acceptances for Customers		
	Second Interim Dividend less Income Tax for the year ended	125,469	
100,375	31st December, 1954		133,615,100
£116,140,288			£139,844,754

1953 £		£	1954 £
	CURRENT ASSETS—		
16,778,011	Cash on Hand, at Call and Short Notice, and at Bankers		15,786,003
	Investments at under Market Value:—		
	British Government and other Securities quoted on the London Stock Exchange	11,586,979	
11,319,563	Indian, Pakistan, Ceylon and East African Government and other Securities quoted on Overseas Stock Exchanges	13,546,717	
10,989,062	Unquoted Investments	209,928	
1,070,824			25,842,625
25,865,761	Bills of Exchange, including Treasury Bills		30,077,476
45,864,249	Advances, Loans Receivable and other sums due to the Bank		63,625,933
938,205	Customers for Acceptances per Contra		1,032,549
112,825,675	Total Current Assets		135,834,583
	SUBSIDIARY COMPANIES—		
1,450,000	Shares at cost less amounts written off	1,700,000	
159,770	Amounts due	178,835	
			1,878,835
	FIXED ASSETS—		
1,704,843	Bank Premises, Property and Furniture at cost, less amounts written off		2,131,836
£116,140,288			£139,844,754

NOTES.

1. Securities to the nominal value of £868,685 (1953—£763,685) have been lodged as security for Government accounts and for guarantees issued to Indian Government Departments.
2. Bills receivable rediscounted £159,532 (1953—£139,534) of which up to 7th March, 1955, £95,786 have run off.
3. Forward contracts outstanding for the purchase and sale of Bills and Telegraphic Transfers £37,949,598 (1953—£33,065,235).
4. Liabilities have been incurred in respect of building contracts for new premises amounting to approximately £489,000 (1953—£427,000).
5. There are contingent liabilities in respect of confirmed credits outstanding amounting to £9,088,477 (1953—£7,976,079).
6. There are contingent liabilities in respect of guarantees entered into in the ordinary course of business.
7. Overseas Current Assets and Liabilities have been converted at the rate of 1/6d. per Indian Rupee, 1/6d. per Ceylon Rupee, 1/6d. per Burma Kyat, 2/2d. per Pakistan Rupee and £1 per 20 East African Shillings, and other currencies at the rates of exchange ruling on 31st December, 1954.

N. W. CHISHOLM, *General Manager.*

D. A. DEELEY, *Accountant.*

J. K. MICHIE, A. N. STUART, H. G. COOPER, } *Directors.*

REPORT OF THE AUDITORS TO THE MEMBERS.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Bank so far as appears from our examination of those books and proper Returns adequate for the purposes of our audit have been received from Branches not visited by us. We have examined the above Balance Sheet which is in agreement with the books of account and Returns. In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet gives the information required by the Companies Act, 1948, in the manner thereby authorised for Banking Companies and on such basis the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December, 1954.

We have also examined the annexed Consolidated Balance Sheet and Consolidated Profit and Loss Account of the Bank and its Subsidiaries dealt with thereby with the audited accounts of those Companies. In our opinion such Consolidated Balance Sheet and Consolidated Profit and Loss Account have been properly prepared from such accounts in accordance with the provisions of the Companies Act, 1948, in the manner thereby authorised for Banking Companies and, on this basis, give a true and fair view of the state of affairs and of the profit ascertained in the manner therein indicated of the Bank and its Subsidiaries so far as concerns members of the National Bank of India, Limited.

LONDON, *8th March*, 1955.

COOPER BROTHERS & CO., W. A. BROWNE & CO., } *Chartered Accountants.*

year from which fortunately there was a large carry-over.

Aden

"The event of the year was the putting into operation of the B.P. (Aden) Ltd. new refinery at a cost estimated at £45 millions. It has a yearly refining capacity of five million tons and will, *inter alia*, provide bunker oil for the 4,500 ships which annually visit the port.

"Another development is the growing of cotton in the Abyan district which will provide a valuable cash crop for the territory.

Somaliland Protectorate

"The volume of trade is still small in this area and the habit of banking slow to be acquired, but some progress is being made and we must be patient in the knowledge that we are supplying a necessary service.

Subsidiaries

"The profit shown by Grindlays Bank Ltd. is again lower, but branching out into new territories is inevitably initially expensive and it will take some time before operations in the Rhodesias show favourable returns. Prospects, however, are encouraging.

"The operations of the Finance and Development Corporation continue to grow and to be profitable.

General

"Until it is brought about and possibly even after that event, convertibility of the pound sterling, by which I mean free or absolute convertibility, will be a much debated question, but I am glad to see Mr. Butler recently made a pronouncement that 'the conditions for convertibility have not yet been fulfilled' and this view he has since reinforced by the recent drastic increases in the Bank rate from 3 per cent. to 4½ per cent. Indeed, one has to look no further than the discount at which 'convertible' sterling stood until the Chancellor took remedial measures, or the slow tempo of our accumulation of gold and dollar reserves to see the justification for Mr. Butler's statement. Sterling has to show a much stronger front before it can safely be declared convertible and that means an all-round strengthening of the economy and currencies of the whole sterling area. We know that last year production in this country increased by around 5 per cent., but much of that increase seems to have been consumed internally which reflects an inflationary trend and does not improve our all-important external budget. In fact, to plagiarise Lewis Carroll, 'it takes all the running we can do to keep in the same place.' A great deal has been accomplished, but until our balance of trade has been considerably bettered it will be difficult to justify more than mild satisfaction, especially when we remember that never before in times of peace has such full employment been enjoyed. In these circumstances, while there are good general grounds for optimism, I fear the Chancellor of the Exchequer will still find it necessary to skim off the froth of inflation in our economy by taxation of one kind or another. Money is now dearer in the United Kingdom than it is in India, Pakistan, Burma or Ceylon.

"October 1954 saw the appearance of the first issue of the *N.B.I. Review*, a quarterly which is to be devoted to the consideration of the specialised problems of Eastern banking. In this respect, it breaks new ground and the first two issues have had a favourable reception.

"We hope to maintain the standard that has been set in the belief that the *Review* will be of practical use as well as of interest to our constituents and correspondents at home and overseas.

Staff

"We are again beholden to our staff throughout our business for their vital contributions to the achievement of the results we show and our thanks are sincere. We believe that the best service to our customers can only be provided by a staff with a true *esprit de corps* and this it is our continuous aim to cultivate.

"Barring major imponderables I can see no reason why the business of the Bank should not prosper in 1955."

Notice

HUMAYAN PROPERTIES, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Directors at their Meeting held on the 11th March, 1955, have declared a dividend on the Preference Shares at the rate of 6 per cent. per annum, free of Income-tax, for the year ending 31st March, 1955, payable on the 21st April, 1955, to those Shareholders whose names will appear on the Register of Members on the 11th April, 1955.

By Order of the Board,
S. A. BASIL,
Managing Director.

1, HUMAYAN PLACE,
CALCUTTA, 11*th March*, 1955.

THE ASSOCIATED CEMENT COMPANIES LIMITED *Sales Managers:* THE CEMENT MARKETING COMPANY OF INDIA LIMITED

CMI 863

THE NATIONAL CITY BANK OF NEW YORK

(INCORPORATED WITH LIMITED LIABILITY IN THE U.S.A.)

Balance Sheet of Indian Branches as at Close of Business, December 30, 1954.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital— 2½% 1955 Government of India Bonds, face value Rs. 20,25,000; market value as of date Rs. 20,14,875	20,14,875 0 0	Nil
2. Reserve Fund and Other Reserves		
3. Deposits and Other Accounts— Fixed Deposits	3,38,69,106 0 11	
Savings Bank Deposits	12,008 5 4	
Current Accounts, Contingency Accounts, etc.	4,11,74,353 6 8	7,50,56,367 12 11
4. Borrowings from Other Banking Companies, Agents, etc.— (i) In India	46,152 10 0	
(ii) Outside India	3,647 0 11	49,799 10 11
PARTICULARS— (i) Secured	Nil	
(ii) Unsecured	49,799 10 11	4,71,719 9 3
5. Bills Payable		
6. Bills for Collection being Bills Receivable as per contra— (i) Payable in India	55,08,725 0 0	
(ii) Payable outside India	24,79,923 0 0	79,88,648 0 0
7. Other Liabilities— (i) Unexpired Discount	23,929 4 0	
(ii) Reserve for Interest Payable	1,19,545 7 0	
(iii) Reserve for Taxes	1,11,639 5 0	
(iv) Reserve for Other Expenses	28,015 1 7	2,83,149 2 0
8. Acceptances, Endorsements and Other Obligations per contra		Nil
9. Profit and Loss— Profit for the year ended December 23, 1954, brought from the Profit and Loss Account (includes Rs. 11,372-3-1 profit for the period December 24, 1953, to December 30, 1953, shown in the last Balance Sheet)	9,89,077 14 1	
Less— Reserve for Taxes (Rs. 5,41,187 0 0; Rs. 4,47,890 14 1)	9,89,077 14 1	Nil
ADD—Profit for the period from December 24, 1954 to December 30, 1954	10,436 3 11	10,436 3 11
10. Contingent Liabilities— (i) Outstanding Credits Unused	2,52,45,152 0 0	
(ii) Outstanding Forward Exchange Contracts	4,06,85,812 6 10	
	4,54,893 6 4	
(iii) Bills of Exchange Re-discounted	1,14,347 0 0	
(iv) Collection documents released on our responsibility		
Total .. Rs.		8,38,60,120 7 0

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash— In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		82,58,307 3 11
2. Balances with Other Banks (in Current Account)— (i) In India	2,41,854 4 8	
(ii) Outside India	4,84,830 2 5	7,26,684 7 1
3. Money at Call and Short Notice		Nil
4. Investments at book value— (i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	90,75,898 7 0	
(ii) Shares	Nil	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	90,75,898 7 0
5. Advances (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)— (I) Loans, Cash Credits, Overdrafts, etc.— (i) In India (Rs. 4,47,90,548 7 2)		
(ii) Outside India (Nil)	4,47,90,548 7 2	
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India (80,92,549 5 10)		
(ii) Payable outside India (20,05,795 11 8)	1,06,98,345 1 6	5,54,88,893 8 8
PARTICULARS OF ADVANCES— (i) Debts considered good in respect of which the banking company is fully secured		
(ii) Debts considered good for which the banking company holds no other security than the debtor's personal security	2,76,30,997 10 10	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	2,72,91,769 5 8	
(iv) Debts considered doubtful or bad, not provided for	5,66,126 8 2	
	Nil	5,54,88,893 8 8
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	Nil	
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	Nil	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil	
(ix) Due from banking companies	Nil	
6. Bills Receivable being Bills for Collection as per contra— (i) Payable in India	55,08,725 0 0	
(ii) Payable outside India	24,79,923 0 0	79,88,648 0 0
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		Nil
8. Premises Less Depreciation		Nil
9. Furniture and Fixtures— At cost as of December 30, 1953	4,73,008 0 0	
Additions during the year	53,261 15 9	
	5,26,269 15 9	
Less—Deductions during the year (23,924 0 0)		
Less—Depreciation written off upto December 23, 1954 (2,63,956 0 0)	2,87,880 0 0	2,38,389 15 9
10. Other Assets— (i) Accounts Receivable	11,739 14 6	
(ii) Interest Earned Not Collected	91,813 0 6	
(iii) Clearing and Cash Items	1,700 0 0	
(iv) Revenue Stamps	3,900 14 8	
(v) Prepaid Expenses	35,607 4 9	
(vi) Due from Head Office and Branches	19,38,847 4 2	20,83,608 12 7
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
12. Profit and Loss		Nil
Total .. Rs.		8,38,60,120 7 0

Profit and Loss Account of the Indian Branches for the Year Ended December 23, 1954.

EXPENDITURE	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	8,26,169 3 1
2. Salaries and Allowances and Provident Fund (including Salaries and Allowances to Manager Rs. 31,517-8-0)	15,55,174 13 0
3. Directors' and Local Committee Members' Fees and Allowances	Nil
4. Rent, Taxes, Insurance, Lighting, etc.	1,85,055 9 8
5. Law Charges	30,881 9 6
6. Postage, Telegrams and Stamps	84,491 0 10
7. Auditors' Fees	Nil
8. Depreciation on and Repairs to the Banking Company's Property	97,922 13 6
9. Stationery, Printing, Advertisement, etc.	66,103 2 0
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil
11. Other Expenditure	4,91,178 14 0
12. Balance of Profit	9,89,077 14 1
Total .. Rs.	42,96,054 15 8

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other Usual or Necessary Provisions)	Rs. a. p.
1. Interest and Discount	22,47,613 5 3
2. Commission, Exchange and Brokerage	19,80,009 8 5
3. Rents	Nil
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	52,239 6 0
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
7. Other Receipts	15,992 12 0
8. Loss	Nil
Total .. Rs.	42,96,054 15 8

I, C. A. Dunham, having been appointed by the Comptroller of the Currency, and, therefore, being qualified under the Federal Reserve Act of the United States of America to examine and audit National Banks and their foreign branches, hereby certify that I have verified the attached statements to my satisfaction.

(Sd.) C. A. DUNHAM,
National Bank Examiner.

February 28, 1955.

C. M. STEWART, Jr.,
Accountant.

W. L. BULKELEY,
Manager.

Condensed Statements of Condition of The National City Bank of New York, New York (Including Domestic and Overseas Branches).

ASSETS	Dec. 31, 1954 $	Dec. 31, 1953 $
Cash, Gold and Due from Banks	1,811,011,894	1,484,190,123
United States Government Obligations	1,845,998,902	1,589,876,061
Obligations of Other Federal Agencies	85,464,846	16,714,882
State and Municipal Securities	506,293,109	463,760,518
Other Securities	60,581,083	57,936,309
Loans and Discounts	2,837,065,556	2,386,582,461
Real Estate Loans and Securities	4,979,828	294,007
Customers' Liability for Acceptances	43,819,460	28,222,379
Stock in Federal Reserve Bank	15,000,000	9,600,000
Ownership of International Banking Corporation	7,000,000	7,000,000
Bank Premises	27,177,771	22,881,835
Items in Transit with Branches	38,100,739	5,831,868
Other Assets	2,826,158	4,251,105
Total .. $	6,823,104,786	6,049,021,671

LIABILITIES	Dec. 31, 1954 $	Dec. 31, 1953 $
Deposits	5,639,188,880	5,538,214,453
Liability on Acceptances and Bills (Own Acceptances in Portfolio Deducted: 1954—$29,944,660; 1953—$22,858,030)	46,348,564	30,515,922
Due to Foreign Central Banks (in Foreign Currencies)	18,492,300	16,897,800
Reserves for— Unearned Discount and Other Unearned Income	23,472,680	22,550,166
Interest, Taxes, Other Accrued Expenses, etc.	38,440,249	44,127,021
Dividend	5,500,008	2,750,000
Capital (10,000,000 Shares since October 23, 1954—$20 Par)	200,000,000	150,000,000
Surplus	300,000,000	170,000,000
Undivided Profits	52,662,013	72,966,329
Total .. $	6,323,104,786	6,049,021,671

Figures of Overseas Branches are as of December 23.

INDUSTRIAL DEVELOPMENT OF INDIA

CHARTERED BANK TAKES KEEN INTEREST

MR. V. A. GRANTHAM SURVEYS PROGRESS IN THE ECONOMY OF THE EAST

THE One Hundred and First Annual General Meeting of the stockholders of the Chartered Bank of India, Australia and China will be held in London on 30th March, 1955. In the course of his customary statement accompanying the Directors' report and audited accounts for the year ended 31st December, 1954, Mr. Vincent Alpe Grantham, Chairman of the Court of Directors, draws the attention of the stockholders to the improvement in the economic outlook in the East. The various development schemes which are intended to raise the Asian living standards continue to make good progress and, according to Mr. Grantham, the economic prospects in the East for the current year are not unfavourable. Referring to the Five-year Plan of India, he says that, in practice, it is improbable that the Plan will be completed within the stipulated period, although the various projects in progress are likely to gather impetus in the next two years. "This will," he adds, "to some extent save the Indian economy from the strain that would be imposed on it by a steep rise in development expenditure and incidentally render necessary a lesser degree of deficit financing." He also points out that an indication of the Chartered Bank's interest in Indian economic progress is provided by its participation in the share capital of the Industrial Credit and Investment Corporation of India which, according to him, should be able to make a considerable contribution to the financing of private industrial development in India.

The following is the full text of Mr. Grantham's statement:

Introductory

"Last year, when I addressed you, it appeared that the painful readjustment imposed on most Eastern economies by the collapse of the Korean war boom had, on the whole, been completed and that the future could be regarded with rather more hope. During the past year, most of the primary products of the East have enjoyed steady markets and tea and rubber prices, in particular, showed substantial increases towards the end of the year. Rice is in a special position, for, although its price has fallen to the disadvantage of producing countries like Burma and Thailand, the vast populations elsewhere in South-East Asia who depend upon it as a vital foodstuff have benefited.

"With export earnings more assured, the economic outlook in the East has shown corresponding improvement. Japan, whose position a year ago was causing anxiety, has succeeded in restoring some measure of stability, and the Indian economy has made substantial progress. On the other hand, the situation in Indonesia continues to cause grave concern and, although the fighting in Indo-China is mercifully at an end, the task of rehabilitating the Vietnamese economy after so many years of war remains considerable.

"The various development schemes which are intended to raise Asian living standards continue to make good progress and economic prospects in the East during the present year do not appear unfavourable.

"During the year under review, there were signs that tension between the Atlantic countries and the Communist bloc was relaxing and that conditions were becoming more favourable to an expansion of international trade. The fighting in Vietnam was brought to an end almost at the moment when an extension of the conflict had become inevitable. The volcanic situation in Korea remained quiescent during the year and the People's Government of China displayed more willingness to restore normal diplomatic relations with the United Kingdom. The conference at Geneva, although it propounded no settlement of the clash of ideologies in Asia, did at least demonstrate that diplomacy can be better conducted by plenipotentiaries than by comminatory broadcasters. The most significant, if most menacing, development during 1954 has been the shifting of the centre of gravity in world affairs from the Elbe to the Formosa Straits.

"Later in this statement, I shall review the trend of economic affairs in the Asian territories in which this Bank operates, but it must be said at once that there can be no enduring progress anywhere until the antithesis in world politics has been moderated. The hope of a *modus vivendi* between the two major power groups in the modern world depends too much upon states of mind in high places.

"In some of the Eastern countries there persist political, social and economic problems which appear to be increasingly difficult to solve, but in every land to which its establishment extends the Bank is still able to make important contributions to the prosperity of its hosts by facilitating the international exchange of goods and services. Because the Bank is peculiarly fitted and particularly well equipped to discharge this function, it may be less exposed to nationalistic prejudice than other foreign enterprises engaged in purely domestic trade and industry in countries newly emancipated and overconscious of their independence.

Nationals Encouraged

"Since nationalism was awakened in Asia, and this occurred quite a long time ago, the oversea organisation of the Bank has undergone a protracted process of adjustment and adaptation. This process has been accelerated since 1945 and we can now begin to discern what will be the ultimate form of the Bank's relations with the Governments and peoples of the Eastern countries. During the year, the Court of Directors took a decision which, from the Bank's point of view, was historic. For many years past Asian officers of the Bank have been promoted in increasing number to posts of higher responsibility, but it has now been decided to admit Asians to the rank of sub-accountant in the service, a rank hitherto restricted to Europeans. Over a wide sector of the oversea establishment, there has been brought about equality of status between British and Asian officers of the Bank. There are still problems connected with recruitment and training to solve, but I believe that the step we have taken will secure for the Bank in years to come a service to which young men of courage, attainments and character drawn from the United Kingdom and from the new national States of the East, will be proud to belong and in which they will serve happily side by side.

"It has never been possible for the Bank to rest upon its laurels since any failure to adapt itself to mutable world conditions and changes in the direction of international trade would have led to stagnation. Although the Bank may again be able to participate in the financing of the external trade of China, the conditions under which it can be accomplished will bear no resemblance to those which obtained when our branches conducted a thriving general banking business in the former treaty ports. Almost a generation has passed since we were engaged in what was the most interesting and fascinating of all banking business, the operation of the Chinese silver exchanges, but, in taking advantage of new opportunities for development presented to us since the end of the Second World War, we have not forgotten how important was the China field of operations. It was important not only on account of its profitability but because it constituted a vital part of the international organisation of the Bank as a whole. The consequences of our withdrawal from China will have been obscured from the stockholders by the expanding scope of the Bank's activities in Southern and South-Eastern Asia, but your Directors are persuaded that there must now be expansion in other directions and a start has been made by the opening of two branches in Aden, a development to which reference was made in my last statement.

Court of Directors and General Managers

"Two years ago, I intimated that Lord Colgrain, because of his advancing age, had found it necessary to retire from the Court. Lord Colgrain died after a short illness in November last and it is fitting that I should again pay tribute to his character and to the statesmanship and qualities of leadership he displayed while presiding over the British Bankers' Association and the Committee of London Clearing Bankers during the war. Lord Colgrain was a member of the Court for thirty years and we shall always hold his memory in honour and affection.

"In previous statements and at the annual general meetings of the stockholders I have referred with gratitude and admiration to the services rendered to the Bank by its Chief General Manager. Early in January of this year, the Court of Directors recorded their pride and satisfaction upon learning that Her Majesty the Queen had graciously signified her intention of conferring upon Mr. Cockburn the Order of Knighthood. On 15th January, Mr. Cockburn retired from the chief executive post to which he was appointed in 1940 and my colleagues and I were very happy to elect him to membership of the Court. The stockholders will be invited to confirm his election at the annual general meeting. Your Directors have caused to be inscribed in their minutes a resolution recording their appreciation of the highly distinguished and professionally competent services rendered by Mr. Cockburn during his tenure of the office of Chief General Manager, which coincided with a period of unparalleled difficulty and danger for our country and the Bank.

"Mr. H. F. Morford, until recently Deputy Chief General Manager, has been appointed Chief General Manager and your Directors have every confidence in him as a worthy successor to Mr. Cockburn.

"Mr. David Beath and Mr. Stafford C. R. Northcote, who have served with distinction in the East and have lately undertaken extensive tours of inspection, have been appointed Assistant General Managers.

"I should like to place on record our grateful thanks to the staff wherever they may be, and whatever their rank, for their skill and loyal devotion to duty which so grately helped us in the achievement once again of satisfactory results.

The Bank's Balance-sheet

"As the result of an increase of approximately, £17,000,000 over last year's figure, the total of the Bank's balance-sheet has once again exceeded £200,000,000. The increase, due in part to rises in world prices of tea, rubber, tin and other staple commodities indigenous to the countries in which the Bank operates, is also a heartening indication that we are more than holding our own in the face of competition and, despite the protective trading and exchange restrictions, particularly in the field of import control and licensing, which the Governments of the countries concerned have had occasion to impose or maintain.

"On the left hand, or liabilities side of the balance-sheet, current and other accounts, fixed deposits, bills payable and acceptances on account of customers show increases of £11,726,018, £3,370,412, £293,796, and £1,206,195, respectively.

"It will be seen from the assets side of the balance-sheet that nearly three-quarters of the increase in current accounts and fixed deposits has been employed in the purchase of bills of exchange and the granting of advances, which figures show rises of £3,411,530 and £7,488,627, respectively. Our holdings of cash in hand, at call and at bankers and our investments in Government and other securities (other than those lodged against our note issue) have also increased by £2,120,729 and £3,521,933, respectively.

"It is, of course, essential that we should maintain the liquidity of our over-all position and in this there has been no material change, the ratio between cash and call money to our 'demand and time' liabilities, excluding notes in circulation against which security has been lodged, being only fractionally lower at 18.54 per cent., against 18.98 per cent. last year.

"The completion of a new office building in Singapore, to which I make further reference later in my statement, coupled with the continued implementation of our programme for the provision of houses for our Eastern staff officers and the expansion and renovation of our bank premises generally, has given rise to an increase in the net figure for bank premises and furniture, after allowing for a further £200,000 written off, of £204,887.

"The net profits for the year amount to £723,147, an increase over those of last year of £29,349.

"Difficult working conditions have persisted, but our balance-sheet testifies to rather better conditions generally, in addition to which working costs which have been rising each year are at long last showing signs of greater stability.

"I trust that the results will be regarded as satisfactory.

"We paid an interim dividend in October last of 7½ per cent. less income-tax, absorbing £144,375, an increase of ½ per cent. over the interim dividend of the previous year, and it is now proposed that, out of the balance now available, a final dividend of 7½ per cent. less income-tax, should be paid, costing £144,375, making the total distribution for 1954 15 per cent., as compared with 14 per cent. in 1953.

"We propose to repeat the allocations made in each of the past four years to the pension fund and widows' and orphans' fund of £125,000 and £20,000, respectively.

"We have again applied £200,000 towards writing down bank premises and furniture account.

"It is proposed to transfer £100,000 to contingencies account, as compared with £75,000 last year, and to carry forward the slightly decreased balance of £392,910.

"I trust the stockholders will approve of all our proposals.

Aden

"In my last report, I mentioned that the Bank had opened its first branch in Aden in February, 1954, in the Crater district. A second office was opened at Steamer Point in June and it is pleasing to record that both our branches have been steadily expanding their business and extending their connections with the commercial community.

"Over the past few years, Aden has gained both in population and prosperity and, now that the new oil refinery at Little Aden has been completed, it is likely that other new industries will be established in the Colony. Our branches are well fitted to provide the banking services necessary to sustain an expanding economy and they already fulfil a useful function in the Bank's international organisation by transacting a considerable volume of business initiated with Aden by our branches elsewhere in the East.

India

"It is encouraging to review the progress that has been made during the first three years of India's Five-year Development Plan.

"Already there has been a substantial improvement in India's agricultural production and, although estimates vary, it is likely that production of foodgrains has increased by as much as 20 per cent. Two favourable monsoons have contributed substantially to this encouraging increment, but the extension of irrigation works and the improvement of peasant technique have already shown considerable effect and give ground for optimism in future years.

"Although Government investment in industry during the first three years of the Plan has been well below schedule, Indian industrial output has increased by more than a third, an indication that the private sector of industry is playing an effective part in the country's economic expansion. The increased purchasing power available in the rural areas following two good monsoons, doubtless, led to a part of the rise in mill production of cotton cloth, which has already exceeded the output planned for 1956. On the other hand, steel production is well below what the planners had hoped and it is, doubtless, because of this that the Government is considering establishing more steel plants. A shortage of steel would seriously hamper the more extensive development of industry that is to be a feature of the second Five-year Plan, which the Government will soon be considering.

"The financing of such a vast investment as that envisaged by the Planning Commission presents considerable problems. So far capital expenditure has been much lower than was estimated by the planners and now has to be stepped up sharply. There are good reasons for this low rate of investment, since in the second year of the Plan the Government was compelled by a recession in the economy to concentrate on stabilising the situation, instead of pressing on with development projects. That capital expenditure was lagging was already recognised last year and it has always been apparent that to complete its plan the Government would have to resort to a measure of deficit financing.

"If the Plan is to be fully implemented within the time prescribed, it will be necessary to spend during the final two years 60 per cent. of the total outlay envisaged for the whole five-year programme. The Planning Commission is confident that deficit financing will not be harmful to the country's economy. Exchange reserves remain at a satisfactory level and it is, therefore, considered that imports can safely be increased to meet the rise in internal demand for goods and services, which would ensue from an expansion of the money supply. It is, doubtless, this consideration that caused the Government to pursue a rather more liberal import policy during the second half of the year.

"In practice, it is improbable that the Plan will be completed within the stipulated period, although the various projects in progress are likely to gather impetus in the next two years. This will to some extent save the Indian economy from the strain that would be imposed on it by a steep rise in development expenditure and incidentally render necessary a lesser degree of deficit financing. In any case, deficit financing was only intended to supply a proportion of the necessary funds and this emphasises the importance of mobilising all possible domestic savings.

Banks' Role

"In this particular sphere, of course, the banking system can perform a useful function and it is interesting to note the proposal which has been accepted in principle by the Government, to establish a State Bank of India, the main object of which is to set up a nation-wide system of branches and thus increase rural banking facilities. This step was recommended by a committee appointed by the Reserve Bank to survey existing rural credit facilities and envisages the absorption by the proposed State Bank of the Imperial Bank of India and a number of other banks associated in varying degrees with State Governments. Undoubtedly, the scheme envisages not only the provision of better rural credit facilities but also the easier collection of rural savings. As I suggested last year, it is important to encourage the Indian people to deposit their savings in the banks and to wean them from the traditional habit of keeping their money lying unproductively at home. The note circulation in India is higher than aggregate bank deposits, whereas in Great Britain, where people effect payment by means of cheques rather than cash, total bank deposits are four times larger than the note circulation.

"Much attention has been devoted during the past year to the question of finance for development in the private sector of the economy and a committee appointed by the Reserve Bank and presided over by Mr. A. D. Shroff, reported on the subject. Amongst its recommendations the Committee suggested that banks might endeavour to provide a measure of indirect long-term finance by subscribing to special institutions such as the Industrial Finance Corporation, and it is now interesting to record the birth of the Industrial Credit and Investment Corporation of India. I am happy to say that Mr. Cockburn has been appointed to the Board of Directors of that Corporation and would add that this Bank, in common with the other Eastern Exchange banks and in association with the Commonwealth Development Finance Company Ltd., and a number of insurance companies, has subscribed part of the capital of the new institution. The Corporation should be able to make a considerable contribution to the financing of private industrial development in India and this Bank's participation is an indication of our interest in Indian economic progress.

"The progress of private investment in industry in India must depend on the faith of private enterprise in the ultimate intentions of the Government. Moreover, a steady increase in private enterprise is as necessary to India as to other countries and, as that progress can be directly encouraged or stopped by the actions or pronouncements of Government, it is to be hoped that nothing will be said or done which would have the effect of discouraging individual effort or frightening away potential investors.

"The Indian tea industry has benefited considerably from the rise in tea prices which has received so much publicity in the British Press in recent months. It is important to understand that basically the high price of tea is due to an increase in demand. Although world production of tea is rising, at present supplies are insufficient to meet demand and an increase in prices has been inevitable. Two years ago, I reported to you that conditions in the Indian tea industry had deteriorated to such an extent that many tea estates had been closed. It is surely all to the good that India and the other Eastern producers of tea should now derive much needed finance for their schemes of economic betterment by obtaining remunerative prices for their products in the international market.

"The Indian jute industry has embarked on a five-year modernisation plan in order to keep itself fully competitive in the international market in which the bulk of its output is sold. India has long been the largest supplier of jute goods to North America, but the development of new jute industries elsewhere, and particularly in Pakistan, has caused the Indian share of that market to decline.

"There has been a considerable rise, as I have already said, in the production of the Indian cotton industry and good progress has been made in the export of manufactured goods. This industry also is faced with the problem of modernisation in order to lower production costs. Although it has the benefit of cheap raw material, it will in the end have to rely on being truly competitive in the world's markets.

Pakistan

"The past year has again been one of difficulty for Pakistan. In the early months, the defeat of the Moslem League in the first provincial elections held in East Pakistan since Partition was followed by labour unrest and rioting in that area, which seriously affected the jute and paper industries. Later, East Bengal suffered disastrous floods which caused extensive damage to the jute crop and, in September, exceptionally heavy rain was followed by further floods in the Punjab. Political instability and the strain on the country's exchange reserves imposed by the industrial development programme tended to cause anxiety, but the strengthening of the Government in October and the announcement that United States economic aid to Pakistan would be substantially increased, went far to restore confidence.

"It is the Government's aim to change the basis of the country's mainly agricultural economy by pressing forward with a policy of industrial development and this presupposes investment from abroad. That the Government is fully alive to the importance of attracting capital from overseas is indicated by the new regulations governing foreign investment which took effect in September. Foreign investors are now permitted to hold a controlling interest in enterprises in approved industries, whereas formerly they were only allowed a maximum holding of 49 per cent. of the total capital. The more liberal facilities afforded, notably in respect of remittance of profits and repatriation of capital, do not, however, apply to capital invested before September, 1954.

"More than four-fifths of Pakistan's earnings of foreign exchange are derived from jute and cotton. In spite of flood damage to the jute crop, sufficient jute has been available to meet world demand. Prices have been firm and exports have been running at a satisfactory level, so that it is likely that there will be little or no carry-over at the end of the 1954-55 season. I mentioned last year that Pakistan already manufactured sufficient jute goods for the country's own requirements and with six mills already in operation the newly developed industry has been shipping an increasing tonnage to overseas markets.

"The cotton textile industry is expanding production rapidly and at present almost half the country's production of raw cotton is being consumed in its own mills. It is the Government's intention to develop the textile industry at least to the extent necessary to cover the requirements of the domestic market. At the same time, raw cotton production is to be increased so as to maintain exports of this commodity at a high level and thus obtain much-needed foreign exchange.

"Owing to a considerable fall in the quantity of cotton sold for export last year, export earnings contracted at a time when it was necessary to import substantial quantities of equipment, machinery and raw materials for the country's new industries. With exchange reserves already seriously depleted by the economic crisis through which Pakistan passed in 1953, it was only possible to preserve equilibrium by imposing stringent restrictions on the import of consumer goods and by reducing imported raw materials to a bare minimum. It was as a consequence of these measures that prices in the domestic market mounted sharply and the cost of living increased in proportion.

"Towards the end of the year, shortages of raw materials and spare parts began to show their effect on the country's newly established industries and on plans for further economic expansion. However, the situation has now been eased by a considerable increase in United States economic aid to Pakistan, which has been raised to $110 million for the year ending 30th June, 1955. This sum includes grants for techni-

cal assistance and flood relief, but the greater part of the appropriation will be absorbed by the import of industrial raw materials, essential commodities and United States agricultural surpluses. Rather more than half the total aid allocated is an outright gift to Pakistan and, of the rest, part is in the form of a forty-year loan and part is in respect of agricultural products which are to be sold against payment in Pakistan rupees. These rupees will be deposited in a counterpart fund to be used in connection with Pakistan's economic development programme.

"This assistance has made it possible for the Government to ease import restrictions during the first half of 1955 and more foreign exchange is to be allocated to importers than in any period since the cancellation of the open general licence in 1952. The requirements of the new industries will continue to take precedence over less essential imports, but, to arrest the rise in the cost of living, provision is being made for the import of the more essential consumer goods which are not manufactured in sufficient quantities in Pakistan itself.

"Last year, in reminding you that Pakistan has no coal, I suggested that the natural gas which had then been recently discovered might provide an important source of industrial power. This Bank and five other Eastern Exchange banks have now joined with the World Bank in granting a loan to the Sui Gas Transmission Company, a transaction which is particularly notable as the first World Bank loan in which the British exchange banks have participated. The project has been jointly sponsored by the Pakistan Industrial Development Corporation and the Burmah Oil Company (Pakistan Trading) Ltd., and it is pleasing to report, that progress has already been made in laying the 350-mile pipeline from Sui to Karachi. Already plans are being made to lay a similar pipeline from Sui to the southern Punjab.

"During the past two years, Pakistan has been confronted with grave economic problems at a time when an ambitious industrial development programme was in full progress. Much remains to be done, but the Prime Minister's statement in January that the country had now turned the corner in what he described as 'the bitter economic struggle' is encouraging. It remains to be seen whether following the Governor-General's recent visit to Delhi progress will be made towards a settlement of the various questions which ever since Partition have clouded relations between India and Pakistan.

Burma

"Last year, I drew your attention to the fundamental change that had taken place in the international rice trade, in which for the first time since the war rice producers no longer enjoyed the benefits of a seller's market. The world shortage of this important foodstuff, which had enabled countries such as Burma and Thailand with surpluses available for export, to exact high prices from neighbouring territories in South-East Asia in the years immediately after the war, had stimulated increased production both in the East and elsewhere. Furthermore, the disproportionate rise in the cost of rice encouraged the consumption of cheaper cereals, such as wheat, in countries like India and Japan, which normally import large quantities of rice.

"In Burma, as in Thailand the Government organisation which had been entrusted with a monopoly of rice sales abroad, was slow to react to the changed conditions in overseas markets. The policy of attempting to maintain high prices has only led to the accumulation of substantial unsold stocks, which are subject to considerable risk of deterioration while in store. While this surplus remains unsold, the country must forgo much-needed earnings of foreign currency, while the exchange reserves are being reduced at a rapid rate in order to finance Government purchases abroad of capital goods and equipment required in connection with economic development schemes.

"Last year, rice producers were favoured by two factors, which are not likely to be present in 1955; the poor rice crop in Japan and increased imports by India, where the Government was building up food stocks. It became apparent by the middle of the year that, although Burma's exportable surplus was lower than had been originally estimated owing to late rains and late harvesting, markets for approximately 500,000 tons had still to be found. The authorities made determined efforts throughout the second half of the year to dispose of their surplus stocks and marketing missions led by ministers were sent to Malaya, Japan and the People's Government of China. In October, it was announced that a substantial tonnage had been sold to China, but except for a small payment in sterling, settlement is to be made by means of barter, Burma receiving goods from China, Russia and the Soviet satellites in Eastern Europe.

"Although, as a result of these efforts, Burma exported more rice last year than in 1953, the authorities were embarrassed by a tendency for inter-Governmental sales under bulk contracts to decrease. Poor quality has caused the loss of markets abroad; under the State marketing system the millers, have had no inducement to mill high-quality rice. The Government, therefore, after consulting the commercial interests concerned, decided to permit private traders to ship rice to overseas markets other than those with which the State Agricultural Marketing Board has negotiated bulk contracts. Although shippers will still need to procure their rice requirements from the Board, which will continue to fix prices, there will be no restriction as to the quality or quantity which can be exported. It is to be hoped that this new arrangement will expand rice exports and so help to arrest the fall in the country's exchange reserves.

"The financing of the Government's economic and social development plans presents some problems, inasmuch as the profits earned by the Government Boards are no longer sufficient to maintain the various projects. In introducing the budget for 1954-55, the Finance Minister, therefore, announced the Government's intention of initiating a drive to encourage public investment in Government securities. The Government has already resorted to deficit financing and is now seeking assistance from the Work Bank, which has recently sent a mission to Burma to consider the possibility of granting a loan. The Japanese Peace Treaty which was signed in November not only settled the vexed question of reparations but also provided for Japanese participation in joint enterprises to develop Burmese industries over a period of ten years. Japan already occupies the position of chief supplier of Burma's textile imports and the reparations agreement will substantially increase the Japanese stake in the Burmese economy.

Ceylon

"It is pleasing to report a progressive improvement in Ceylon's economic position during the past year. In 1953 the essential problem continued to be the adjustment of the country's economy to the new conditions prevailing after the collapse of the Korean war boom and the reduction of the trade deficit from the high level it had reached in 1952. Last year, except for a negligible deficit in June, the balance of trade was in Ceylon's favour month by month, and the external reserves, which in November, 1953, had fallen to their lowest level for a decade, rose throughout the year.

"The main cause of this favourable trend was the advance in price of the island's main export, tea, and Ceylon tea producers have been fortunate, in that higher prices have coincided in their particular case with a record crop. The strength of the tea market has enabled the Ceylon Government to raise the export duty three times in four months. At its present level, this levy has been almost trebled since last May.

"The only setback in an otherwise favourable year for the tea industry was the Egyptian ban, imposed in May, on imports of Ceylon tea. Following the trade agreement negotiated by India and Egypt in June, 1953, Indian purchases of Egyptian cotton had exceeded in value Egyptian imports of Indian tea and the Egyptian authorities accordingly found it necessary to close their domestic market to Ceylon tea. Subsequently, it was agreed that Egypt would freely license imports from Ceylon and in return Ceylon would buy sufficient Egyptian goods and commodities, such as cotton, cotton yarn, cement and phosphates, to keep its favourable trade balance with Egypt within reasonable limits. Shipments of Ceylon tea to the Egyptian market have since benefited from a more liberal release of Egypt's sterling balances.

"Terms for the current year's rice-rubber contract with the People's Government of China were settled in October. The volume of shipments either way remains unchanged at 50,000 tons of rubber and 270,000 tons of rice, but the price structure has been altered. Ceylon will receive a slightly lower price for its rubber, but will pay a substantially reduced price for Chinese rice. In consequence, the trade balance between the two countries will be in Ceylon's favour and, while any residual balance will be settled in sterling, Ceylon has agreed to import other Chinese goods to reduce this balance. Hitherto, the Chinese have paid a price higher than the world level for their purchases of sheet rubber from Ceylon, but as a result of the rise in rubber prices in the international markets towards the end of the year this is no longer the case. Now shippers are to be permitted to export about 20,000 tons of sheet rubber to countries other than China, and, if present prices are maintained, Ceylon for the first time will be faced with the problem of shipping rubber under its contract with China at a price lower than world prices.

"While the outlook for Ceylon's exports may be considered favourable, the Island's economy is based on a dangerously narrow range of products at a time when substantial imports of food are still necessary to feed the rapidly expanding population. The Government is fully alive to the fact that general economic development is dependent upon attracting foreign capital and in February, 1954, an Act was passed, authorising the raising of development loans totalling Rs. 60 crores, both locally and in the United Kingdom and from the World Bank. The following month Ceylon entered the London money market for the first time since 1939, when a 4 per cent. loan of £5 million, redeemable 1973-75, was successfully issued at 97. In June, a 3½ per cent. loan of Rs. 7 crores, repayable in 1964, was offered locally by the Central Bank on the Government's behalf and oversubscribed. The same month the World Bank agreed to finance by means of a loan the second stage of the Lakspana Hydro-electric Scheme. The success of these loan operations should assist the progress of economic development, but the prospects of investment in Ceylon by foreign enterprise are not being helped by the difficulties of securing any but temporary residence permits for skilled foreign personnel. If enterprises are to be developed which will provide extended opportunities of employment for the Ceylonese people, it is to be hoped that the authorities will see fit to ease their restrictions on the entry of essential personnel from abroad.

Malaya

"The year 1954, against the background of two particularly difficult years which preceded it, presents a happier picture for Malaya, for the country and its economy have benefited by an improvement in the security position and by a considerable increase in the price of rubber.

"The sound basis laid down for dealing with the terrorists in Malaya continued to show better results during the year. Incidents are now fewer and, as Government has progressively gained control of the situation, a number of new areas have been declared as 'white' where the population live free of emergency restrictions. Though there are still terrorists at large, the success of the Government's counter-measures appears to have forced them to retreat into the more inaccessible areas of the jungle and the Government, in framing the federal budget for 1955, felt sufficiently confident of the situation to reduce the appropriation for expenditure on the Emergency by 18 per cent. from its level during the past year.

"A weak rubber market in the early months of the year saw the price fall to 16-3/16d. per pound in March and thereafter rise to a peak of 30⅞d. on the last day of the year. Rubber production rose by some 10,000 tons to 584,434 tons and, contrary to the expectation of many producers a year or so ago that there would be a substantial surplus production, world purchases of natural rubber have actually increased and more than set off the increase in production.

"Final details of Malaya's overseas trade are not yet available, but on the basis of the figures for the first eleven months of 1954, and, taking into consideration the substantial rise in the price of rubber at the end of the year, it is reasonable to assume that the trade deficit for the full year will be smaller than the figure of M$209 millions by which imports exceeded exports in 1953. This is an encouraging result particularly when it is remembered that the last year in which Malaya enjoyed a trade surplus was in 1951 at the height of the Korean war boom.

"Further efforts to resuscitate the entrepôt trade have met with little success, but secondary industries are slowly growing.

"During this coming year the prosperity of Malaya may be affected to a greater degree than hitherto by the production of the synthetic rubber industry, since GRS synthetic rubber is at present cheaper than the comparable grade of the natural product. The importance of this consideration was emphasised by the publication in October of the report of a mission, presided over by Sir Francis Mudie, which conducted an investigation into various aspects of the competitive position of the Malayan rubber industry. As it is generally agreed that, in the long run, research and improved technique are likely to lower the price of synthetic rubber, the Mission concluded that, in order to lower production costs and so increase the competitiveness of the Malayan industry, replanting with high-yielding stock must be accelerated.

"The Mission's recommendations have aroused considerable controversy within Malaya and the Rubber Growers' Association have submitted alternative proposals to the Malayan Government. For the time being, the Government has taken no decision on either scheme and is awaiting the report of the World Bank mission, which as I mentioned in my last report, visited Malaya early in 1954.

"Interest in the tin industry during the year has centred upon the proposed control scheme, which provides for the establishment of a buffer stock. Though world tin production has tended to fall and consumption to rise, Malayan producers favour the scheme, in the expectation that it will give the industry the benefit of price stability. The Malayan Government has published its arrangements for controlling production if and when the scheme comes into operation, but, at present, the agreement has not been ratified by sufficient of the signatory countries to enable it to be brought into force.

"Tin prices, after a sharp rise in April to £820 per ton, quickly relapsed to settle around £740 until the year-end when they declined to £697 10s. The prospect of the introduction of the international tin control scheme kept the price reasonably firm at a level rather higher than the price to which it had declined in January, 1954, and may be expected to continue as a broadly stabilising factor.

"Production in Malaya of tin, at 60,691 tons, was the highest annual output recorded since the war and exports rose by some 9,000 tons to 70,277 tons.

"The note issue remained stable until December when it rose sharply, reflecting the increased purchasing power stimulated by the rise in rubber prices. This was the first real expansion of the currency since the Korean war boom and the note circulation on 1st January, 1955, was M$778,958,620, as compared with M$740,923,669 a year earlier.

"This expansion will, doubtless, help the import trade, but it is to be hoped that importers will be cautious in entering into future commitments, so that there may be no repetition of the overtrading that occurred a few years ago. United Kingdom exporters to the territory have to encounter increasing competition from Australia, Germany and Japan.

"In his Budget speech in November last, the Federal Financial Secretary was able to disclose a welcome revision in the Federation's original budget figures for 1954. With increased receipts from the export duty on tin and from income-tax, partially offset by a reduction in receipts from tobacco duty, revised revenue is set at M$541 millions and chiefly owing to the inability of departments to spend the whole of their appropriations revised expenditure amounts to M$715 millions making a revised deficit for the year of M$174 millions or about the equivalent of the year's expenditure on the Emergency. In 1955, it is estimated that there will be a deficit of M$148 millions.

"The wide measures of self-government which are to be given to both the Federation and Singapore have aroused some controversy. The changes must be sweeping in order to satisfy the political aspirations of the highly intelligent population of the peninsula, but safeguards will be provided by the reservation of certain powers to the Governor and High Commissioner.

"The confidence this Bank has in the future in Malaya is well exemplified by the opening of a second branch in Singapore, housed in a six-storey building recently completed in the Shenton Way development area.

North Borneo

"North Borneo has benefited from the rise in rubber prices during the latter part of last year, but increased prices have not so far led to a marked increase in exports, which have been running at much the same level as in 1953. This emphasises the fundamental problem that confronts the North Borneo industry, namely, the necessity for extensive replanting and new planting with high-yielding stock, which, as the report of the Mudie Mission in Malaya pointed out, should lead to a substantial reduction in costs. That the Government is fully alive to the importance of the problem is indicated by the introduction of the Rubber Industry Replanting Bill, under which, in order to assist replanting, a reduction is being made in the export duty at a time when the colony can ill afford to forgo even in part one of its customary sources of revenue.

"Copra exports last year have been rather higher in volume than in 1953 and, as usual, a good deal of the copra shipped from North Borneo has come from the southern islands of the Philippine Republic. Timber exports have greatly increased and prices have been firm. Most of the timber shipped has gone to Australia, Japan, South Africa and the United States and those companies which have introduced mechanical methods of logging should eventually reap the benefit of their enterprise. The Colony's industries have been handicapped by a grave shortage of labour ever since the war and in an endeavour to solve the problem the Government has now approached the Philippine authorities with a view to introducing Filipino labour into North Borneo. While the proposal has been accepted in principle by the Philippine Government, formal negotiations have not yet begun.

"It was encouraging to learn from the Financial Secretary's Budget speech that the Colony's revenue was not only sufficient to cover recurrent commitments and the normal replacements that are necessary each year but that it also allows for a surplus which can be applied to financing new development. The British Government have promised assistance in 1955 to the extent of over M$3½ millions, which is more than the Colony received from this source in the four years 1950-53 put together, but nevertheless it has proved necessary to raise the rate of tax on company profits from 30 per cent. to 40 per cent. Apart from the rubber replanting programme, a scheme to finance shophouse rebuilding is to commence this year and a Loans Commission, which will receive its funds in the first place from enemy assets, is to be set up to finance light industrial and agricultural development.

"These developments, the rise in the price of rubber and the energetic policy pursued by the Government, encourage me to take an optimistic view of the Colony's prospects during the coming year. It is satisfactory that the supply of rice, both at home and abroad, has increased sufficiently for the Government to return the purchase and distribution of this staple foodstuff to private traders, subject to the maintenance of a stockpile and the disposal of excess Government stocks.

Sarawak

"Trade statistics for the whole of last year are not yet available, but it seems that they will not differ significantly from the figures for 1953, when there was a favourable balance.

"Weakness in the price of rubber in the early months of 1954 caused a decline in shipments of this commodity from Sarawak and, although the subsequent rise in price has brought about an improvement in exports, they were lower in volume over the whole of last year than in 1953. The pepper crop was a record one and shipments have increased substantially in volume, although prices have been lower. Following an excellent crop of illipe nuts, a considerable tonnage was exported, but sago shipments are likely to be lower in volume than in 1953. Timber exports tended to increase slightly during the year and towards the end lumber prices showed a welcome improvement.

"Thanks to an unexpectedly large yield from the export duty on the illipe nut crop and the receipt of over M$2 millions from the realisation of Japanese assets, the Colony's estimated Budgetary surplus for 1954 will be over M$4 millions. In 1955, customs revenue is expected to be M$3½ millions lower than last year and the Government's problem, in view of the need to increase its budgetary expenditure, has been to find ways and means of finding this anticipated deficiency elsewhere. It was decided, in order to balance the Budget, to increase trades licence fees, a procedure justified by the Financial Secretary on the ground that a limited company paying tax on its chargeable profits at the rate of 30 per cent. per annum, had been subjected in the past to a disproportionate tax burden in comparison with firms not registered as limited companies, which, although their turnover might be substantial, had been paying only a small trade licence fee. The new fees aroused considerable opposition among the Chinese community in Sarawak, and the Government has now agreed to set up a committee to investigate cases of hardship arising from their application.

"During the course of the year, the Government published its economic development plan for the period 1955-60, an extension of the plan now in progress. The main objectives of the plan are increased rice production, the development of alternative exports so as to render the economy less dependent on rubber, the improvement of communications and an expansion of social services. Just over half the aggregate expenditure envisaged under the plan is to be devoted to the construction of roads and airfields, port development and telecommunications, and one quarter to social services. It is estimated that during 1955 over M$26 millions will be spent on development schemes, of which M$23 millions will be found from the Colony's funds and the balance will be met from Colonial development and welfare grants. Provision has been made in the plan this year for a loan to the Co-operative Central Bank to enable it to grant facilities to rural credit societies for short-term agricultural loans. I mentioned this new credit institution last year and paddy growers, in particular, should derive considerable assistance from its operations.

Republic of Indonesia

"Observations upon the trend of affairs in Indonesia tend to become repetitive. I am not to be numbered among those who predict an early break up of the Republic, but I have again to report a further deterioration in its economy.

"The deterioration during 1954 was probably greater and was certainly more obvious than in any of the preceding years and almost the only reassuring factor is that the balance of trade has turned in Indonesia's favour and foreign exchange holdings were appreciably higher at the end of the year than at the beginning. This is not to say that the holdings, even at the increased figure of Rp. 2,853 millions, give grounds for complacency for this improvement has only been effected by the most drastic import cuts and even now it is doubtful whether the country can trade without an adverse balance of payments. High world prices for rubber and tea inevitably lead to illicit tapping and plucking, with resultant smuggling and loss of exchange, whilst, on the other side of the book, the lack of essential consumer goods must eventually be remedied.

"Moreover, the severity of the import cuts, particularly in essential consumer goods, has not been wholly due to policy, inasmuch as one effect of the system of preferential allotment of licences to national importers is that not all of those with authority to import have either the financial standing or the business experience to carry out the transactions. Even more disturbing is the growth of the 'Istimewa Contract System' which may have cost the country as much as Rp. 1,000 millions in foreign exchange during 1954. This system involves the granting of export licences at prices considerably below world market prices and allowing the resultant surplus of foreign exchange to be utilised to import goods of a luxury or semi-luxury nature selling for exorbitant prices in the local market. As a result, large sums are being lost which would otherwise be available for essential imports.

"These uneconomic practices and other devices such as 'parallel transactions' and 'barter' cannot be in the interests of Indonesia. It is a matter for regret that a frugal, hard-working population should be finding it more and more difficult to adjust their earnings to a rapid inflation that might be checked by the use of more orthodox methods.

"The factors I have mentioned combine to make the future of our branches in Indonesia far less promising than was expected when we, in the infancy of the Republic, so wholeheartedly and deliberately accepted risks we should hesitate to take in a more mature country in order to help Indonesia's new merchant class and administrators. It is to be hoped that the Government will endeavour to come to grips with the many problems and abuses that now exist before it is too late.

Thailand

"Thailand has passed through an uneasy year and, notwithstanding the introduction of various expedients to halt the adverse trend in its balance of payments, imports exceeded exports by over 800 million ticals. The main reason for this disappointing result was that rice exports, which account for approximately half the country's foreign exchange earnings, have fallen year by year and, in 1954, were, at 1 million tons (plus 200,000 tons of rice flour), lower by about one-third than during the post-war peak year of 1951.

"Little comfort can be taken from early estimates which placed the exportable surplus on the 1954-55 crop at 750,000 tons only, to which, of course, must be added a carry-over from previous crops of 400-500,000 tons.

"The real trouble has been a Government policy which was gradually pricing the country's rice out of world markets and it has yet to be seen whether the terms on which the rice trade is now being returned to private dealers

will prove sufficient inducement for merchants to shoulder the burdens imposed and yet work to increase sales in the highly competitive markets that exist today. As, however, the Government has to take a realistic attitude towards its rice exports, no doubt, the recent regulations will be amended where necessary to ensure that their objective of increasing overseas earnings will be achieved. In any case, further reductions in the quantity exported in the near future might result in a serious deterioration in the quality of existing stocks and a serious monetary loss.

"Of Thailand's other main exports, tin production has been lower over the year, but an encouraging sign was that rubber shipments tended to increase in volume during the latter part of the year, at a time when the price of that commodity was staging an appreciable and sustained rise.

"The Government made repeated attempts during the year to impose further restrictions upon imports and, although this added to the existing inflationary pressure, it did not succeed in stemming the adverse flood of trade. It was doubtless realisation of this position that caused the Bank of Thailand to introduce, in December, regulations for closer control of imports by the compulsory use of letters of credit and a closer control on the recovery of the foreign currency proceeds of exports.

"Notwithstanding Thailand's inability to come to grips with some of its major problems, the country has great natural resources and a history of mature nationalism which should prevent the dissipation of its wealth and one can, I think, take an attitude of qualified optimism towards its future. I view with some misgivings its continued deficit budgeting, for experience last year shows that it is going to be extremely difficult to bridge the deficit of Ticals 1,236 millions in the 1955 Budget by the raising of loans as envisaged by the National Assembly. On the other hand, American aid is now being received in many forms and in substantial amounts. An outright grant for U.S.$28.2 millions was made for economic projects during the United States Government's fiscal year 1954-55 and, in addition to this, the Mutual Defence Aid is operative and investment funds are being received through non-Government channels.

"It is strange, in view of the unfavourable trend in the country's trade, that the value of its currency should have appreciated over the last three months of the year. As welcome as it is to see a strong tical, there must be doubt as to whether this strength is not to some extent artificial, but, whatever the reason, the effect of the Government's monetary policy in general has been to produce a stringency of cash in the Bangkok market which has created very difficult conditions for the banks and tended to restrict legitimate trade.

Vietnam

"Dramatic changes have occurred in Vietnam following the military collapse and decisions at the Geneva Conference in July have led to the evacuation of Tonkin and the relinquishment to the Viet-Minh of the country north of the 17th Parallel, while, in the south, the French have completed the granting of full sovereignty to Vietnam by handing over the Central Bank, the Exchange Control and the port of Saigon.

"The coming of peace, based as it was on the unfortunate partition of the country, did not ease this Bank's problems and, as indications to date suggest that there is unlikely to be any future for Europeans under the Viet-Minh regime, we have had to follow the example of others and close our Haiphong office. In any case, with the approach of the fighting towards Hanoi earlier in the year, we had already run down our commitments. At one time it was thought that Tourane, close to the 17th Parallel and with a good natural harbour, might become an important centre of trade between the north and the south but an on-the-spot examination convinced us that potential developments did not justify our opening a branch there.

"Our future in Saigon, although difficult to assess, may be more secure and promising than it seemed to be a short time ago. There are signs that Vietnam may achieve social and political stability, notwithstanding the necessity for its economy to be based henceforward mainly upon agriculture.

"The steps taken by the Prime Minister to close the gambling halls in Saigon and to clean up the administration should help considerably in swaying the vital election of 1956, till now treated in many circles as certain to bring victory to the communists.

"Mr. Diem's Government has the full support of the United States and this support, backed as it is by considerable monetary aid—U.S.$300 millions is mentioned—should be a deciding factor in ensuring the peaceful and prosperous existence necessary to restore the country's morale and to show its people that the democratic way of life is still preferable to the alternative that faces them. An important factor to this end must be the establishment of a stable and acceptable unit of currency.

"The successful resettling of the refugees from the north could be a further important step in ensuring stability, and here again direct aid by the United States is likely to be an important factor. Of even more importance, however, is the aid to be given in the rehabilitation of the rice industry, for a substantial increase in rice exports would possibly be the most effective contribution of all towards achieving stability in Southern Vietnam.

Cambodia

"Not the least important result of the withdrawal of the French from Indo-China has been the coming of national independence to the States of Cambodia and Laos. It was in anticipation of Cambodia having a separate Government and becoming an important State in S.-E. Asia that we took steps more than a year ago to establish an office at Phnom-Penh and I am pleased to announce that our branch there is now conducting full banking business.

"The country's exchange control and the Currency Commission is now in the hands of the local Government and there are signs that the Cambodians are determined that independence for them also means secession, not only from France, but from the associated States, including Vietnam. This raises difficulties, as there are no harbour facilities on the Cambodian coast line. The building of a deep-water port, with road and rail connections with Phnom-Penh will prove an expensive if necessary project.

"As the political and economic influence of France declines (her cultural influence will long endure) that of the United States increases and there is clear evidence that no effort is to be spared in building up the country and giving it an economic strength sufficient to enable it to retain its independence and to provide a bulwark against further aggression. It has always had a separate viable economy.

The Republic of the Philippines

"For the last few years, the Finance Department and the Central Bank have, by drastic control over imports, succeeded in maintaining the Republic's foreign balances at a figure of U.S.$300 millions which is roughly equivalent to the note issue and it was very surprising to find a departure from this policy in the last two months of 1954, during which period the reserves were run down to U.S.$270 millions, mainly by ex-quota allocations for textiles. These are the lowest published figures since the crisis year of 1949 and would cause more concern were the position not overshadowed by the favourable terms agreed upon for the renewal of the Bell Act, which should ensure such benefit to the Philippine economy that the future can be viewed with quiet optimism.

"These terms should ensure a maintenance of exports at present levels and, provided no drastic falls occur in the world prices of sugar, copra and hemp, the United States' spending in the country will, no doubt, bridge the gap caused by excess imports. At the moment, prospects for all three primary products appear to be good and sugar, which now vies with copra as the foremost dollar earner, is favourably treated under the revised terms of the Bell Act which allow the full quota of 950,000 tons and a slower increase in the duty imposed by the United States than was expected. Then too the present crop estimate at 1,400,000 short tons is in excess of last year's crop, which was itself a post-war record. Exports above the United States' quota will probably go to Japan.

"For copra too there are encouraging signs as the authorities are making determined efforts to improve the quality and the effect of this, which should be felt from 1955 onwards, may be an expansion of trade with Europe. A recent concession by the Bank of England allowing British dealers to sell dollar copra to foreign buyers for sterling or local currency may result in more Philippine copra being traded through London.

"On the import side there is still an encouraging swing from consumer to producer goods and from non-essential to essential goods and the banks assist by continuing their onerous licensing duties, although this work on behalf of the Central Bank is inadequately recompensed.

"Our relations with the Central Bank are, as always, on a most proper and friendly footing and during the year it has been encouraging to find more latitude given by the central institution in carrying out its avowed policy of providing loans to commercial banks when necessary for refinancing purposes of an essential nature. Perhaps the greatest handicap bankers and merchants suffer in the Philippines is their inability to obtain forward exchange cover and the danger of this situation becomes more apparent during periods of lack of confidence in the peso. No doubt, the reappointment of Mr. Cuaderno as Governor of the Central Bank for another five years will, in view of his declared opposition to devaluation, stop the rumours that have been so rife since it became known that the right of veto of the United States President to currency changes was to be removed.

"Of particular interest is the replacement of the 17 per cent. exchange tax, which was a deterrent to foreign investment, by a special import levy to be progressively reduced over a period of years and finally eliminated by 1966. In some circles there is considerable reservation regarding the ability of the customs authorities to obtain the full amount of customs dues which should be payable. It is hoped too that these impositions will not affect the cost of living which has remained constant, for of all the countries in South-East Asia the Republic of the Philippines is unique in that its note issue has not increased over the last five years and inflation has been successfully halted. This is an important factor in producing stability in an area where economic and political stability is badly needed, and I hope that the extensive public works schemes upon which the Government is embarking, and for which sufficient funds would not appear to be available either from taxation or from public investment in Government bonds, will not be allowed in any way to undermine the results of sound economic policy.

Hongkong

"The mainstay of Hongkong's economy has always been its entrepôt trade, which was hard hit by the United Nations' embargo on the export to China of what are defined as strategic goods and commodities. Despite the relaxation by the United States Government of a number of restrictions on trade with Hongkong, the Colony's total external trade in 1954 fell in value by 11 per cent. from its level in the previous year. Trade with the China mainland decreased by approximately a quarter during the same period and it has apparently suited the Chinese authorities to conduct the bulk of their trade with the free world direct with the countries concerned rather than to use the entrepôt facilities of Hongkong.

"Last year, I mentioned that for imports into China terms of payment were imposed which did not conform to normal banking and commercial practice. It is satisfactory that, as a result of negotiations conducted by the British trade delegation which, led by one of our General Managers, Mr. W. G. Pullen, visited Peking towards the end of the year, trade transactions will now, for the most part, be settled in a more normal manner. It is to be hoped that Hongkong will derive benefit from these negotiations in the shape of increased trade with China, but possibilities for expansion must be limited as 80 per cent. of China's external trade is still conducted with the Soviet bloc. Meanwhile, the discontinuance from January, 1955, of special export licensing of British exports destined for Hongkong is a timely recognition by the authorities of the adequacy of the Colony's security controls over trade with China.

"An encouraging feature of Hongkong's economy is the continued development of local industry for, luckily for the Colony, this offsets to some extent the fall of entrepôt trade and the serious social problem posed by the great increase in population. Exports of locally manufactured goods now form 28 per cent. of total shipments and the most important of the local industries, cotton spinning and weaving, has maintained a satisfactory level of sales abroad, despite difficulties in markets such as Indonesia and Pakistan where shortage of foreign exchange has curtailed orders. The local weavers are absorbing an increasing proportion of the yarn produced in the Colony and it is indicative of the quality of the woven product that shipments are being made to Lancashire for finishing and processing there. However, notwithstanding the considerable progress that has been made in the local industrial field, the future of the cotton and of the other new industries is dependent upon their ability to gain and retain a firm foothold in sound overseas markets.

"As adequate supplies of rice are now freely available in the world markets the Hongkong

Government has transferred trading to private hands and it is hoped that the lower prices that can now be expected will bring about some reduction in the high cost of living which is proving a heavy burden to the population.

"Our own faith in Hongkong is witnessed by the fact that we have completed our plans to rebuild completely our old office building there which has outlived its usefulness. Our new building should be one of the most imposing structures in Hongkong.

China

"During the year, we have made good progress in winding-up our affairs in China. It is quite clear that the People's Government of China will not permit the re-entry of European enterprise into China but, on the other hand, we have been given an indication that China will welcome the participation of British banks in the finance of their external trade, and our future policy will be aligned to meet these changed conditions.

Japan

"I mentioned last year that, in order to curb the dangerous inflationary trend that was threatening the Japanese economy, the Bank of Japan had introduced a tight money policy. As was to be expected, this and other deflationary measures did not take effect for some months, but a pursuance of the policy, notwithstanding a change of Government, has resulted in a healthier state in the country's affairs. Month by month, in the second half of the year, exports exceeded imports and Japan closed the year with a favourable balance of approximately U.S.$100 millions; a great improvement and in marked contrast to the deficit of U.S.$200 millions during 1953.

"This successful reversal of the adverse trend of the previous year is, however, on close examination, not so encouraging as one would hope; for it has been achieved only by running down stocks and by resorting to various export-promotion devices and special trade systems such as link and barter. There is an obvious limitation to the use of artificial stimulants and any system such as that of bonus imports which necessitates producers charging high prices in domestic markets to recoup losses on overseas sales cannot fail to accentuate inflationary pressure. It may be these unorthodox methods that have caused a serious increase in unemployment at a time when the ostensibly more prosperous conditions would be expected to induce fuller employment.

"Japan, therefore, is by no means out of the wood and, with the many unsettled problems that beset her, there was never a greater need for political stability than there is now. Austerity measures have been introduced by the new Government which have been well received, and, provided retrenchment continues and the country manages to work within its estimated foreign currency budget for the next twelve months, there seems no reason why Japan's post-war recovery should not continue. To accomplish the substantial decrease in imports called for, and at the same time to curb inflation, is going to be a task of the first magnitude. Nor is the estimated export total likely to be exceeded; for Japan is finding it difficult to make much headway in overseas markets. Numerous bilateral trade agreements have been signed over recent months, but what they all achieve in genuine trade is hard to fathom.

"Equally difficult to assess is the financial benefit that will accrue from Japan's attempts to foster trade in South-East Asia by providing services by way of war reparations, but the agreement on reparations with Burma creates a precedent and must at least be helpful to Japan's employment figures.

"Sino-Japanese trade, once thought to have tremendous potentialities, has been disappointing, but the figures may increase from now on. This trade is not, however, going to be Japan's salvation and, in fact, mainland China could become a dangerous rival to Japan in world textile markets. For another year at least the continued stability of the country must depend upon United States payments for goods and services to American forces in Japan and Korea.

"The Japanese banks, although still under strain and perhaps carrying within Japan commitments greater than they themselves like to see, have with the assistance of the Japanese authorities made considerable headway in overseas business. The post-war era, in which the British banks underwrote the sterling trade of Japan, is practically at an end and from now on exchange banks in Japan, like ourselves, are going to find it more and more difficult to obtain lucrative business without undue risks.

United States

"Our New York office continues to play a most important role in our branch system, particularly as many of the primary products of the Indian sub-continent and of the South-East Asian countries are now exported in increasing quantities to the United States. The buoyancy of the economy has thus a direct influence on the volume of the business handled by our agency. Moreover, many important connections are made through our New York office and our relationships with the American banks are always most harmonious and mutually helpful.

"One aspect of the United States' economy, to which this Bank has to pay particular attention, is the question of the disposal of surplus farm products, because, in assessing propositions from the countries in which we are interested, we have to consider the trading risks to our customers which can arise from the effect on world prices of the release of such surpluses.

Hamburg

"Our Hamburg agency continues to perform an essential function in our organisation by providing banking facilities in connection with West Germany's trade with the East. Now that the Republic's economy is gaining strength, competition from German banks is growing, but in view of the efficient service our agency offers, we are confident that we are in a position to meet it.

Conclusion

"I am encouraged to conclude upon a note of restrained optimism, bearing in mind that periods of economic stability in the East have been relatively few during the past hundred years. For a long time the Bank was beset by recurring crises of confidence and unpredictable fluctuations in the world price of silver, but nowadays most of our difficulties arise from attempts to put into operation untried political and economic theories. Notwithstanding the fragmentation of what were formerly unified trading areas of great extent into self-regarding national States, our branch organisation has been able to cross the new frontiers and, by facilitating international trade, to foster international understanding and goodwill."

THE CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA.

BALANCE SHEET, 31st DECEMBER, 1954.

	£	£	1953 £
Capital—			
Stock authorised and issued	3,500,000		3,500,000
(There is under the Charter a reserve liability of the Stockholders equal to the amount of Stock issued)			
Reserve Fund		5,000,000	5,000,000
Profit and Loss Account		892,910	403,513
		8,892,910	8,903,513
Current and other Accounts, including Reserves for Contingencies,		159,851,818	147,925,300
Taxation on profits to date and Exchange Adjustments		20,482,895	17,117,487
Fixed Deposits		2,902,318	2,765,064
Notes in Circulation against Security per contra		1,219,781	925,983
Bills Payable		881	581
Deposits by Nominee Subsidiaries		653	10,448
Deposit by Trustee Subsidiary		144,375	134,750
Proposed Final Dividend, less Income Tax			
Acceptances, including undertakings to accept, on account of Customers		10,891,065	9,184,870
		194,792,785	178,059,283
		£203,685,695	£186,962,796

Notes:—
(1) There are contingent liabilities on Bills re-discounted, £7,140,118 (1953, £6,591,881) (of which £3,904,197 has run off at 26th February, 1955) and commitments in respect of Confirmed Credits, Forward Exchange Contracts and Guarantees, including Guarantees to Government Departments in India in respect of which securities valued at £445,781 (1953, £294,562) have been deposited with the Reserve Bank of India.
(2) Contracts for outstanding capital expenditure on premises amount to approximately £192,000 (1953, £355,000).
(3) Assets and Liabilities in foreign currencies have been converted into sterling at approximately the rates of exchange ruling on 31st December, 1954.
(4) Under Part III of the Eighth Schedule to the Companies Act, 1948, the Bank is exempted from showing the aggregate amount of its reserves and the movements therein.

H. F. MORFORD, *Chief General Manager.*
D. STEWART, *General Manager.*
T. R. GIBSON, *Acting Accountant.*

	£	£	1953 £
Current Assets—			
Cash in Hand, at Call and at Bankers		33,615,960	31,495,231
Government and other Securities at Market Value—			
Quoted on London Stock Exchange	47,292,714		45,323,208
Quoted on Overseas Stock Exchanges	10,771,299		10,310,709
Dominion Government and other Securities at Local quotations	4,245,825		3,133,490
		62,309,838	58,767,405
Hongkong Government Certificates of Indebtedness for surrendered coin lodged against Note Issue	1,098,028		929,278
British Government Securities at Market Value (Quoted on London Stock Exchange) lodged against Note Issue	1,791,805		1,750,000
		2,889,833	2,679,278
Bills of Exchange, including United Kingdom, Dominion, Colonial and Foreign Treasury Bills		14,646,876	11,254,845
Advances to Customers and Other Accounts		74,787,606	67,248,879
Balance of Remittances, Drafts, etc., in Transit between Head Office, Branches and Agencies		2,148,089	3,387,086
Liability of Customers for Acceptances, including undertakings to accept, per contra		10,891,065	9,184,870
		200,787,666	184,217,594
Fixed Assets—			
Subsidiaries—Shareholdings at cost—			
Allahabad Bank, Limited—37,760 Ordinary Shares of Rs. 100 each of which 14,680 are fully paid and 23,080 are paid up to the extent of Rs. 50 per share	749,810		749,510
The Chartered Bank (Malaya) Trustee Limited—50,000 Shares of Straits $10 each, $5 paid	17,500		17,500
Nominee Companies	381		391
The net assets of the Nominee Companies amount to £361, represented by deposits with the Bank, per contra.		767,391	767,391
Bank Premises and Furniture, at cost less amounts written off	2,156,200		1,961,313
Trade Investment, representing Property, at cost less amounts written off	14,438		16,500
		2,948,029	2,745,204
		£203,685,695	£186,962,796

V. A. GRANTHAM, *Chairman.*
J. TAIT, *Deputy Chairman.*
A. A. BRUCE, *Director.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1954.

	£	£	1953 £
Allocations—			
Amount written off Bank Premises	200,000		200,000
Officers' Pension Fund	125,000		125,000
Widows' and Orphans' Fund	20,000		20,000
Contingencies Account	100,000		75,000
		445,000	420,000
Dividends Paid and Proposed, less Income Tax—			
Interim 7½% paid 1st October, 1954	144,375		134,750
Final 7½% proposed	144,375		134,750
		288,750	(14%) 269,500
15%			
Balance Proposed to be Carried Forward	892,910		403,513
		£1,126,660	£1,093,013

	£	£	1953 £
Balance Brought Forward from 31st December, 1953		403,513	399,215
Profit, after providing for taxation and after making allocations to Contingency Accounts, out of which Accounts full provision has been made for diminution in value of assets		723,147	693,798
		£1,126,660	£1,093,013

Notes:—
(1) The aggregate emoluments received by the Directors for their services amounted to £12,503 (1953, £19,456). In addition pensions aggregating £1,152 (1953, £1,250) were paid to former Directors.
(2) The nominee subsidiaries do not trade and their accounts show neither profit nor loss.

REPORT OF THE AUDITORS TO THE STOCKHOLDERS OF THE CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the bank so far as appears from our examination of those books, and proper returns adequate for the purposes of our audit have been received from the branches, which have not been visited, by us. We have examined the annexed balance sheet and profit and loss account of The Chartered Bank of India, Australia and China, which are in agreement with the books of account and returns as aforesaid. In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1948, in the manner so required for banking companies, and, on the basis indicated in Note (4) on the balance sheet, such balance sheet gives a true and fair view of the state of the bank's affairs as at 31st December, 1954, and the profit and loss account gives a true and fair view of the profit for the year ended on that date.

We have also examined the annexed accounts of the subsidiaries, Allahabad Bank, Limited, and The Chartered Bank (Malaya) Trustee Limited, which have not been audited by us. Subject thereto in our opinion such accounts have been properly prepared in accordance with the provisions of the Companies Act, 1948, so as, in conjunction with the accounts of the bank as audited by us (which include particulars regarding Nominee Companies), to give on the basis mentioned above a true and fair view of the state of affairs as at 31st December, 1954, and of the profit for the year ended on that date of the bank and its subsidiaries so far as concerns stockholders of The Chartered Bank of India, Australia and China.

W. A. BROWNE & CO.,
DELOITTE, PLENDER, GRIFFITHS & CO.,
Chartered Accountants. } *Auditors.*

LONDON, *2nd March*, 1955.

Notices

THE TRAVANCORE RUBBER AND TEA COMPANY, LIMITED

(Incorporated in Travancore)

NOTICE IS HEREBY GIVEN THAT THE Eleventh Ordinary General Meeting of the Company will be held on Monday the 18th April, 1955, at the Registered Office of the Company at Alleppey at 11-30 a.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts and Balance Sheet for the year ended 31st December, 1954.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors.
5. To transact any other competent business which may be brought before the meeting.

The transfer books of the Company will be closed from 4th April, 1955, to 19th April, 1955, both days inclusive.

By Order of the Board,

THE TRAVANCORE RUBBER & TEA CO., LTD.,

Per Pro. ASPINWALL & Co. (TRAVANCORE) LTD.,

H. SUTTON,

Managing Agents.

ALLEPPEY, 18*th March*, 1955.

THE MAFATLAL FINE SPINNING AND MANUFACTURING COMPANY, LTD.

BOMBAY

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-fourth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office, Maneckji Wadia Building, 127, Mahatma Gandhi Road, Fort, Bombay, on MONDAY, 2ND MAY, 1955 at 4-0 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account, for the year ended 31st December, 1954.
2. To declare Dividends on Preference Shares and Ordinary Shares.
3. To elect a Director in place of Mr. Natverlal Bhikhabhai who retires by rotation and is eligible for re-election.
4. To elect a Director in place of Mr. Laxmanprasad D. Vasa who retires by rotation and is eligible for re-election.
5. To appoint Auditors for the current year and fix their remuneration.
6. To transact any other business the Chairman may bring before the Meeting.

The Transfer Books of the Company will be closed from Friday the 15th April, 1955 to Friday the 6th May, 1955, both days inclusive.

By Order of the Board of Directors,

NAVINCHANDRA PURSHOTAMDAS & Co., LTD.,

N. MAFATLAL,

Director,

Secretaries, Treasurers & Agents.

MANECKJI WADIA BUILDING,
127, MAHATMA GANDHI ROAD,
FORT,
BOMBAY, 17*th March*, 1955.

N.B.—The Dividends when declared as recommended by the Directors will be paid at the Registered Office of the Company on and after Monday, the 9th May, 1955, during office hours, excepting Saturdays, to those Shareholders whose names are on the Company's Register on 6th May, 1955.

Shareholders are requested to intimate immediately any change in their registered address to the Company.

THE GOLD MOHUR MILLS, LIMITED

NOTICE

THE TWENTY-NINTH ORDINARY GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Chartered Bank Buildings, Fort, Bombay, on Monday the 25th April, 1955, at 4-00 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Statement of Accounts made up to 31st December, 1954.

(2) To sanction the declaration of a Dividend.

(3) To elect two Directors in place of those who retire by rotation under Article 114 of the Company's Articles of Association, but who are eligible for re-election under the same Article and offer themselves for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from 29th March to 25th April, 1955, both days inclusive.

By Order of the Board of Directors,

JAMES FINLAY & CO., LIMITED,

Agents.

BOMBAY, 10*th March*, 1955.

Note.—The Dividend, when sanctioned, will be made payable at National Bank of India, Limited, Bombay, on and after 26th April, 1955, to those Shareholders whose names stand on the Register on 29th March, 1955, to whom Dividend Warrants will be posted.

SWAN MILLS, LIMITED

NOTICE

THE FORTY-SEVENTH ORDINARY GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Chartered Bank Buildings, Fort, Bombay, on Tuesday the 26th April, 1955, at 4-00 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Statement of Accounts made up to 31st December, 1954.

(2) To sanction the declaration of a Dividend.

(3) To elect two Directors in place of those who retire by rotation under Article 114 of the Company's Articles of Association, but who are eligible for re-election under the same Article and offer themselves for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from 29th March to 26th April, 1955, both days inclusive.

By Order of the Board of Directors,

JAMES FINLAY & CO., LIMITED,

Agents.

BOMBAY, 10*th March*, 1955.

Note:—The Dividend, when sanctioned, will be made payable at National Bank of India, Limited, Bombay, on and after 27th April, 1955, to those Shareholders whose names stand on the Register on 29th March, 1955, to whom Dividend Warrants will be posted.

THE FINLAY MILLS, LIMITED

NOTICE

THE FIFTIETH ORDINARY GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Chartered Bank Buildings, Fort, Bombay, on Wednesday the 27th April, 1955, at 4-00 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Statement of Accounts made up to 31st December, 1954.

(2) To sanction the declaration of a Dividend.

(3) To elect two Directors in place of those who retire by rotation under Article 114 of the Company's Articles of Association, but who are eligible for re-election under the same Article and offer themselves for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from 29th March to 27th April, 1955, both days inclusive.

By Order of the Board of Directors,

JAMES FINLAY & CO., LIMITED,

Agents.

BOMBAY, 10*th March*, 1955.

Note:—The Dividend, when sanctioned, will be made payable at National Bank of India, Limited, Bombay, on and after 28th April, 1955, to those Shareholders whose names stand on the Register on 29th March, 1955, to whom Dividend Warrants will be posted.

RICHARDSON & CRUDDAS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has sanctioned for payment an Interim Dividend for the year to end on the 30th of June, 1955, at As. 8 per Ordinary share and at Rs. 2-12 per Preference share without any deduction of Income-tax paid or payable by the Company.

The Share Registers of the Members of the Company for both Ordinary and Preference Shares will be closed from the 31st of March, 1955, to the 11th of April, 1955, both days inclusive, for payment on the latter date of the Interim Dividends declared by the Directors.

By Order of the Board,

RICHARDSON & CRUDDAS LTD.,

S.B. INDUSTRIAL DEVELOPMENT CO., LTD.,

Managing Agents.

12, OLD COURT HOUSE STREET,
CALCUTTA, 21*st March*, 1955.

THE DHUNSERI TEA COMPANY, LTD.

NOTICE IS HEREBY GIVEN THAT THE half-yearly dividend due on 31st March, 1955, on 39,930 7 per cent. Cumulative Preference Shares has been declared payable on 7th April, 1955.

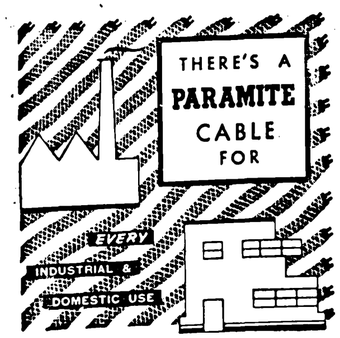
Dividend Warrants will be issued to the shareholders whose names appear in the Register on 7th April, 1955, or to their mandatees. The Preference Share Transfer Books of the Company will be closed from 1st April to 7th April, 1955, both days inclusive.

By Order of the Board,

JAMES FINLAY & CO., LIMITED,

Secretaries and Agents.

CALCUTTA, 19*th March*, 1955.



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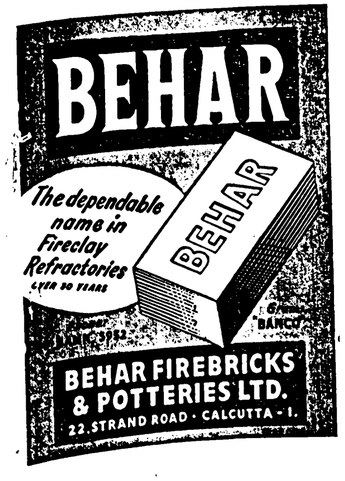

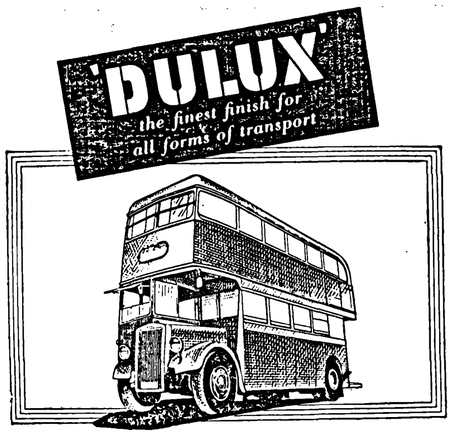

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CENTRAL GOVERNMENT'S INDUSTRIAL ENTERPRISES

PROGRESS IN 1954-55 REVIEWED

THE official report on the activities of the Ministry of Production during 1954-55 just released, gives an insight into the work done by the Ministry in the year under review. This Ministry, it may be noted, is in charge of all the industrial undertakings owned by the Centre, with the exception of Railways and Posts and Telegraphs. A change which is likely to take place in its portfolio, according to Press reports, is the transfer of control of the State steel units to the Ministry of Commerce and Industry—a question over which the Cabinet is yet to take a decision. Be that as it may, the industrial enterprises launched by the Ministry, as disclosed by the official report, are quite a large number. There is, however, one notable omission in the report and that is that the data regarding the capital invested, the number of workers employed, the value of gross output turned out and the profits earned are not provided in it and where given they are inadequate. Consequently, it is not possible for us to ascertain the pace of progress of these industries or the economics of their working.

Nevertheless, there are certain features in the official report which are worthy of notice here. An event of major importance during the year was the success of the Sindri Fertilisers and Chemicals Ltd. on the production front. The output of ammonium sulphate in 1954 amounted to 275,529 tons, as compared with 265,704 tons in the preceding year. The rated capacity of 960 tons per day was reached in October, last year, and the level has been more or less maintained ever since. The construction of a coke oven plant was completed during the year, and it went into production on 1st September, 1954. Production upto the end of 1954 amounted to 66,582 tons of coke. The benzol plant is to be put into commission shortly. The A.C.C.'s work connected with the erection of the cement plant with an initial rated capacity of 1 lakh tons of cement per annum is progressing well and the plant is expected to be commissioned by the middle of this year.

Pursuant to the recommendations of the Indian Fertiliser Mission, it has been decided to produce two new nitrogenous fertilisers at Sindri, namely, urea and double-salt (ammonium sulphate nitrate) by utilising the entire quantity of 10 million c.ft. of gas from the coke oven plant. The projected scheme costing Rs. 10 crores is expected to be completed in about three years. It will result in the production of 70 tons of urea and 400 tons of double-salt per day.

It has been decided to establish a heavy water-cum-fertiliser plant in the Bhakra-Nangal area. Further, additional units will be set up later on after the final report of the Fertiliser Production Committee is submitted to the Government. They are considered to be necessary in order to meet the growing demand for nitrogenous fertilisers which is expected to be about 2.5 lakh tons in terms of nitrogen by 1961.

In the Hindustan Shipyard, two ships of 8,000 d.w.t. each have been completed and delivered to Indian shipping companies. Two further ships of 7,000 d.w.t. each were launched and are being fitted out. The shipyard has in hand orders to keep busy till 1957. The shipyard now employs about 2,986 workers and 576 officers and staff. Out of the total issued capital of Rs. 372.25 lakhs, the Government holds shares valued at Rs. 268.50 lakhs in the Hindustan Shipyard Ltd. Arrangements are in progress to construct a dry dock at the Visakhapatnam Port.

The Hindustan Machine Tool Factory Ltd. in Bangalore, commenced production in October, 1954, with production of component parts of 8½" centre high speed lathe (422). In addition, 12 lathes were assembled from rough imported parts. This will be helpful in giving necessary training to the staff before the parts are all manufactured in the factory. The peak production, namely, about 400 lathes annually, is expected to be attained in the third year, that is, by the end of 1957.

On 1st September, 1954, the Hindustan Cables factory went into production. The output by the end of the year was 48 miles of cables. It is expected to produce 104 miles of cables in 1954-55. Action was taken to expand the armouring capacity of the plant for subscriber telephone cables.

Preliminary experiments in seeding of penicillin were started at the factory of the Hindustan Antibiotics Ltd. on 14th December last. The factory will start production of penicillin on a large scale by the middle of this year. It is understood that the output will be about 20 million mega units of penicillin per year. Provision has been made for the manufacture of other antibiotics, such as streptomycin and chloromycetin. Attempts are also being made to substitute indigenous raw materials for imported ones in the production of these antibiotics.

The factory of the Hindustan Insecticides Ltd. has virtually been completed and is expected to yield the first quantity of D.D.T. by the end of this month. It is proposed to double the capacity of the plant and to set up another plant somewhere in India.

The implementation of the short-term scheme for the reorganisation of the National Instruments Factory at a total cost of about Rs. 80 lakhs is under way. Production of instruments in 1953-54 was valued at Rs. 17.54 lakhs. In the first nine months of 1954-55 the value of output was Rs. 15.86 lakhs, which was 31 per cent. higher than that for the corresponding period of the previous year.

The woodwork department of the Hindustan Housing Factory was in full production. Orders worth Rs. 6 lakhs were executed and further orders for Rs. 17 lakhs were under execution. The prestressed concrete department went into production during April, 1954, and orders for Rs. 1 lakh were executed and orders worth Rs. 14.5 lakhs were on the order books. Some of the products are new and need publicity for getting orders for them.

The Nahan Foundry, Nahan, Himachal Pradesh, switched on to the production of new items such as centrifugal pumps, paddy thrashers, corn shellers and bullock-driven pumps. Improvements have also been made in the quality of products.

In September, 1954, the Malaviya Committee submitted its report on a scheme to produce synthetic oil in India. It recommended the establishment of an oil plant capable of producing about 300,000 tons of synthetic fuel per annum. It advised the Government to obtain fresh project reports from specialist firms abroad. Accordingly, three firms were asked to submit their reports and these will be examined when received.

The production of salt during the year registered a slight drop due to adverse weather conditions and to the large stocks carried over from the output of 1953. The production is, however, much more than the requirements of the country, leaving an appreciable surplus for export. The main exports are to Japan and amounted to 600,000 maunds in the year under review. A development programme for salt for the next five-year period has been drawn up.

With regard to Hindustan Steel Ltd., the German Combine submitted its final project report in January, 1955. Actual construction work on the foundations and superstructure for the plant will be started after examination of the report by the Government. Meanwhile, progress is being maintained in respect of survey of the site, soil tests, planning of township and training of Indian personnel in Germany for designing, operation and maintenance of steel plant. An agreement was signed with Russia on 3rd February, 1955, for setting up a steel plant of 1 million tons capacity for rolling ingots into 750,000 tons of end-products. The plant will be located at Bilhai in Madhya Pradesh.

PHOTOGRAPHIC CHEMICALS

At the public enquiry held by the Tariff Commission on the 10th inst. with the Chairman, Mr. M. D. Bhat, presiding, the question of continuance of protection to the three photographic chemicals —sodium thiosulphate, sodium sulphite and sodium bisulphite—came up for discussion. This was, in fact, the fourth enquiry into the affairs of the concerns engaged in the manufacture of these photographic chemicals. The three previous enquiries into this industry were successively held in 1946, 1949 and 1951. Tariff protection having continued as a result of these enquiries up to the end of 1955, the industry has thus come to enjoy protection for nearly nine years. This fairly long period of protection emphasises all the more the need for a very careful examination into the various aspects of the industry.

When the last enquiry was held in 1951, there were four units in the industry. Since then, according to Mr. Bhat, two new units have come into existence. Of the six units, five are engaged in the manufacture of sodium thiosulphate, four in the production of sodium sulphite and four of sodium bisulphite. The production of these chemicals forms the principal activity in the case of two units, Kesar Sugar Works Ltd. and the Liberty Chemicals. Sodium thiosulphate is undertaken by Atul Products Ltd., Bulsar, as a by-product in their manufacture of sulphur black. Licences have been given for the manufacture of sodium hydrosulphite to two firms, namely,

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Swiss Consulate, P. O. B. 47 .. .. .. CALCUTTA
Swiss Trade Commissioner, P. O. B. 102 .. .. BOMBAY 1.

Eastern Chemicals Ltd. and Indian Electro Chemicals Ltd. Both are located in Bombay. These firms propose to produce sodium sulphite, sodium thiosulphate and sodium bisulphite from waste sulphur dioxide which they would obtain as a by-product in the manufacture of sodium hydrosulphite.

The rated capacity for sodium thiosulphate of the firms manufacturing the products comes to 1,450 tons, while the actual production was 687 tons in 1952, 830 tons in 1953 and 640 tons in 1954. In the case of sodium sulphite, the total rated capacity claimed by the producers is 535 tons, as against the actual output of 242 tons, 234 tons and 127 tons, respectively, in the three years mentioned above. The total rated capacity in sodium bisulphite, according to the manufacturers, is 587 tons, while the actual production in those years was 334 tons, 391 tons and 434 tons, respectively. The installed capacity in the case of the three chemicals according to the Development Wing of the Ministry of Commerce and Industry, is 2,119 tons for sodium thiosulphate, 707 tons sodium sulphite and 809 tons sodium bisulphite. The disparity in estimates underlines the need for further scrutiny by the Commission. Similar are the estimates of domestic demand for these three chemicals. The Development Wing estimates the current demand at 700 tons for sodium thiosulphate, 200 tons for sodium sulphite and 400 tons for sodium bisulphite. The producers, however, suggest that, as imports were confined to negligible quantities in 1952, 1953 and 1954, the current demand should be estimated on the basis of average annual production during the three-year period. Such works out to 722 tons of sodium thiosulphate, 222 tons of sodium sulphite and 387 tons of sodium bisulphite.

One general conclusion which emerges from the figures relating to rated capacity, output and demand, as stated above, is that, when the Commission completes its enquiry, it is likely to find that the rated capacity of the industry will be more than the actual demand in the country. In other words, the problem before it will be to find a solution to the proper utilisation of the idle capacity.

Some of the units in the industry have not only demanded continuance of protection but also strict control over imports. They have also stated that small units producing these chemicals in small quantities should be asked to discontinue production and that new units should not be allowed to enter this line. Financial assistance from the Government has also been requested by one of the firms, for building up stocks of sulphur. Alternatively, it has suggested maintenance of stocks by the Government itself for supply to the units in times of emergency.

Of course, these demands will be carefully examined by the Commission. It is needless to say that some of them are neither in the interests of the consumer nor of the producers themselves. Nevertheless, the industry's case deserves careful study, for its products are needed, among others, by the film industry in the country which ranks next only to its confrere in the U.S. in the production of films. The quality of the chemicals also should be taken into consideration while deciding protection. According to Mr. Bhat, some of the chemicals are below the requisite standard and in certain cases crystals lack uniformity.

The rates of protective duty, excluding the surcharge of 5 per cent. now in existence, are as follows:

Chemical	*Standard* Per cwt. Rs. a.	*Preferential* Per. cwt. Rs. a.
Sodium sulphite	26 0	23 0
Sodium thiosulphate ...	15 8	13 0
Sodium bisulphite ...	21 8	19 0

Whether these tariff rates are inadequate or not depend on the landed costs of the imported chemicals. But, as there have been no imports during the last three years, the Commission has to obtain the cost of the chemicals abroad and arrive at the landed costs on the basis of these prices. It is to be hoped that, while deciding the quantum of protection, the Commission will insist on the adoption of efficient methods of production, in order to reduce costs of manufacture.

PROTECTION TO U.S. CYCLE MANUFACTURERS

The American bicycle manufacturers' demand for higher tariff protection had been pending before the Tariff Commission for some time now. According to reports from Washington, the Commission has now recommended to the Eisenhower Administration that the domestic manufacturers of cycles should be given increased protection against imports of foreign-made bicycles. The Tariff Commission has not disclosed its findings beyond letting it be known that its report has gone to the White House.

The President is required by statute to accept, modify or reject the Commission's findings within 60 days of the receipt of the report. It will be difficult, it is stated, for the President to rebuff domestic manufactures, if the Reciprocal Trade Act Extension Bill—now before the Congress—remains without congressional action at the end of the 60-day period. In the past, the Tariff Commission's recommendations for increased protection have invariably been turned down by the White House.

The U.S. Secretary of State, Mr. John Foster Dulles, stated last week, before the Senate Finance Committee—now considering the question of extending by three years the term of the Reciprocal Trade Agreements Act—that "if U.S. abandoned a policy, the international repercussions and their consequences would

NEW PUBLICATIONS

Documentary Credits. By D. Freeman, B.A. (Oxon.) Published by the Canara Bank Ltd., Warden House, Sir Pherozeshah Mehta Road, Bombay, 1. Price: Rs. 5.

VERY few banks in India, if any, have gone beyond doing the customary banking business and undertaken the task of educating not only their staff but also the general banking students and the public on the technical details of the various aspects of banking business. The need for this is particularly necessary in respect of foreign exchange and documentary credit business, which is of a complicated nature on account of restrictions on international trade. That the Canara Bank Ltd. should have come to the forefront in this respect by publishing the book under review points to the progressive nature of the management.

The author of the publication is the manager of the Bank's foreign department and is an expert in the line with over 33 years' experience in one of the "Big Five" London banks. His services, along with those of another foreign exchange expert of the U.K., were secured by the Bank in 1953 to organise its foreign exchange department. In addition to organising this side of the business, the services of Mr. Freeman were availed of by the management in publishing the first edition of the publication under review for a special purpose, evidently to serve the needs of the Bank only. Mr. Freeman also undertook a tour of South India and gave talks to the Bank staff and customers on the subject.

The publication under review is the second edition, and has been largely rewritten and points that apply specifically to the Canara Bank only, referred to in the first edition, have been omitted. It consists of three parts; the first one deals with import credits, the second with export credits and the third provides miscellaneous information on import licences for documentary credits, exchange control and foreign exchange and documentary credits, which will be found useful to both importers and exporters. Besides giving a clear and lucid exposition of the problem, the author has provided a fund of information on the intricate subject. Definitions of the various terms used, the different meaning of the terms in different contexts, the procedure followed from the time a credit is established till the time it is honoured and goods cleared, the several precautions to be taken before establishing a credit and the care with which the licences have to be scrutinised, have all been explained in a clear manner. The publication is not an exhaustive treatise on the subject, but it contains enough useful information for the day-to-day use of the trader or banker interested in foreign trade.

As Mr. R. G. Saraiya points out in his foreword to the book, with India's agricultural and industrial development, the volume of India's foreign trade is bound to increase. He says: "The nature and direction of trade may alter. But there is no doubt that India will have an increasingly important part to play in the sphere of international trade. It may also be predicted safely that a larger number of traders will take interest in the foreign trade of India with the economic development which is expected as a result of the working of the Five-year Plan." Mr. Saraiya, therefore, has rightly emphasised that "banks should undertake educative efforts of the kind made in this publication."

Soil Conservation in Bombay State. Issued by the Directorate of Publicity, Government of Bombay, Bombay.

There is everywhere an endeavour to increase food production today and several schemes have been put forth towards that end. Among measures which make for bigger harvests, soil conservation must take a prominent place. Provision has been made for the purpose in the first Five-year Plan relating to Bombay.

The publication of a brocure on soil conservation by the Government of Bombay at the present moment is quite opportune. It throws light on the importance of soil conservation measures and gives useful information in regard to that problem. It also contains maps showing soil types and areas where bunding works are in progress in the State. The Government proposes to complete bunding works in about 100,000 acres during the current fiscal year, the figures for the next two years being 200,000 acres and 400,000 acres, respectively, subject to the proviso that help from the Centre is forthcoming.

PRIVATE SECTOR AND THE PLAN

(*Concluded from page* 562)

certain items are heavily weighted in the compilation of this index, the movement of the index underestimates (*a*) the increases in production in industries which have been given relatively smaller weights, and (*b*) the diversification of the industrial structure. For instance, cotton textiles has a weightage of 43.49 per cent. in the construction of our production index and this is based upon the value added by that industry in 1946 as a proportion of the total value added by the 20 industries which are included in the production index. To the extent that important industries not included in these 20 have grown in the last eight years and to the extent that the rate of growth of industries other than textiles is faster than that of textiles, the overall index of production with 1946 as the base will tend to underestimate the rate of industrial growth. That new industries, such as textile machinery automobiles, miscellaneous chemicals and dyestuffs, petroleum refining, wagons and coaches, etc., have either come to be newly established or expanded considerably is well known. But they do not find any place in our present index of production. Similarly, the rate of growth in textiles has been much smaller than in other industries. While the textile index (1946=100) moved from 101.3 in 1951 to 122.7 in 1954, the upward movement in the case of certain other commodities which have a much smaller weightage is very much greater. For instance, the index for cement has moved from 207.2 in 1951 to 282.7 in 1954. In the case of chemicals during the same period, the rise was from 260.2 to 595.5 and in the case of general and electrical engineering goods from 265.7 to 317.5. It is necessary, therefore, to bear these qualifications in mind in considering the movement in the index of industrial production.

The experience of the last few years has shown that, in addition to programmes of expansion envisaged in the Plan, there have been other important developments in the field of industry. While these do not figure in any assessment of the performance of the private sector in the context of the Plan, they are nevertheless of considerable importance from the point of view of our industrial development. For instance, TISCO have nearly completed their scheme for the establishment of a steel foundry (which will meet the requirements of steel castings in the manufacture of locomotives) and a steel tube mill in collaboration with a foreign concern. A number of licences has been given for the manufacture of mixed fertilisers. In the field of engineering also, the range of production has widened and several new items are being manufactured for the first time in the country. These include industrial boilers, mathematical instruments, industrial sewing machines and several other items. There has been a steady development of the synthetic organic chemicals industry comprising coal-tar distillation, dyestuffs, solvents and intermediates. All these developments (which fall outside the Plan) reinforce the achievements of private industry under the Plan.

Notices

PRINTING AND STATIONERY DEPARTMENT

GOVERNMENT OF INDIA

CALCUTTA

TENDERS ARE INVITED FROM WELL-equipped printing presses which are governed by the Factories Act, 1948, for the printing and binding of stock forms and books of the P. & T. Department. For full details reference should be made to the issue of the *Indian Trade Journal* dated 19th March, 1955, which may be obtained from the Manager of Publications, Civil Lines, Delhi, on payment. Copies are also available for local sale with the Government of India Book Depot, 8, Hastings Street, Calcutta, and Kitab Mahal, Queensway Barracks, New Delhi.

C. A. SUBRAHMANYAM,
Controller of Printing and Stationery,
(India)
for and on behalf of the President of India.

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Directors have decided to declare an Interim Dividend on the 28th March, 1955 in respect of the Company's financial year ending 31st March, 1955, of 4 per cent. free of income-tax payable on or after 30th April, 1955 to registered shareholders whose names appear in the Register on the 28th March, 1955, or to their mandatees.

Transfers received at the Company's Registered Office before 1 p.m. on the 26th March, 1955, will, if in order, be registered in time for the transferees to receive the Dividend.

On the information at present available to them the Directors are satisfied that the amount of the Final Dividend which will be recommended to the Annual General Meeting for the year ending 31st March, 1955, will not be less than 2 per cent. free of income-tax thus making a total distribution of not less than 6 per cent. free of income-tax for the year.

By Order of the Board,
J. R. BLAIKIE,
Secretary.

VIRGINIA HOUSE,
37 CHOWRINGHEE,
CALCUTTA, 17*th March*, 1955.

N.B.—Shareholders still holding Letters of Acceptance issued by The Raleigh Investment Company, Limited, should exchange them for Share Certificates.

THE CENTURY SPINNING AND MANUFACTURING COMPANY, LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company at Industry House, 159 Churchgate Reclamation, Bombay, on Saturday the 9th April, 1955, at 2-30 p.m. (S.T.), for the transaction of the following business:—

1. To adopt the Directors' Report, the Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1954.
2. To sanction the declaration of a Dividend.
3. To appoint Directors in place of Shri Arvind N. Mafatlal and Shri Navalchand T. Shah, who retire from office by rotation but are eligible and offer themselves for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board,
For BIRLA BROTHERS LTD.,
R. D. BIRLA,
Managing Agents.

THE CENTURY SPINNING AND MANUFACTURING COMPANY, LIMITED

Notice is also given that the Transfer Books of the Company will be closed from Saturday the 26th March, 1955, to Saturday the 9th April, 1955, both days inclusive.

The Dividend when sanctioned will be made payable at the United Commercial Bank Ltd., Churchgate Reclamation Branch, Bombay, on or after the 18th April, 1955, to those shareholders whose names stand on the Register on 25th March, 1955, to whom Dividend Warrants will be posted.

BOMBAY, 3*rd March*, 1955.

THE ALKALI AND CHEMICAL CORPORATION OF INDIA, LIMITED

NOTICE

THE PREFERENCE SHARE REGISTERS OF the Company will be closed from the 1st April, 1955, to the 13th April, 1955, both days inclusive.

By Order of the Board,
IMPERIAL CHEMICAL INDUSTRIES (INDIA) LTD.,

CALCUTTA, 14*th March*, 1955.

THE ANDHRA BANK LTD.
Estd. 1923
Head Office: MASULIPATAM

Paid-up Capital and Reserves - Rs. 38,51,000
Total Working Funds exceed - " 7,50,00,000

OFFICES AT MADRAS:
1. 322/23, Linghichetty Street, Madras, 1.
2. 77, Kutchery Road, Mylapore, Madras, 4.
3. 87, Thyagaraya Road, Thyagarayanagar, Madras, 17.

KURNOOL OFFICES:
1. 1/9, Main Bazaar, Peta.
2. Legislature Secretariat Pay Office (Kept open during the sessions of the Assembly)

Other Branches and Sub-offices throughout Andhra State and at Bellary in Mysore State.
Chairman: Sri S. R. Y. Sivaramaprasad Bahadur, M.L.A., Rajah Saheb of Challapalli.
Deputy Chairman: Sri Jaldu Manikyalarao.
Managing Director: Sri Tadepally Sriramulu.
LONDON AGENTS: M/s. BARCLAYS BANK LTD. Chief Foreign Branch, London, E.C. 3.
All kinds of Banking Business including Foreign Exchange Transacted.

E. Ramachendramurti, M.A., C.A.I.I.B.,
General Manager.

THE INDIAN BANK LTD.
Head Office:
North Beach Road, MADRAS.

Branches and Sub-offices throughout South India, Bombay and in New Delhi.

Overseas Branches:
Colombo, Kuala Lumpur, Malacca, Penang and Singapore.

CAPITAL

Authorised	.. ..	Rs. 1,00,00,000
Subscribed	.. ..	" 72,00,000
Paid-up	.. ..	" 57,80,000
Reserve & other Funds		" 76,80,000
Deposits (As on 31-12-54)		Rs. 24.85 crores

All kinds of Banking Business transacted.

N. GOPALA IYER,
Secretary.

THE BANK OF INDORE LIMITED
INDORE
(Incorporated in Indore 1920)

Authorised Capital	.. ..	Rs. 50,00,000
Subscribed Capital	.. ..	" 30,60,750
Paid-up Fund	.. ..	" 15,30,375
Reserve Fund	.. ..	" 25,00,000

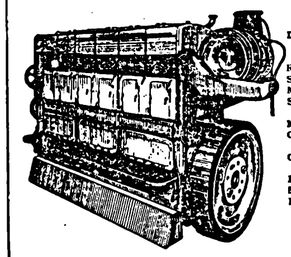
Head Office: Prince Yashwant Road, Indore City
Bombay Offices: 44, Hamam Street and Jai Hind Estate, Bhuleshwar.
Branch Offices: Cloth Market, Siyaganj and Sanyogitaganj (Indore City).
Branches: Anjar, Dhar (Madhya Bharat), Khargone, Mhow, Ratlam, Sanawad, Tarana and Ujjain.
Pay Offices: Sandhwa and Jaora (Madhya Bharat).
SAFE DEPOSIT LOCKERS are available at Head Office, Siyaganj, Cloth Market, Indore, Branch Offices Mhow, Ujjain, Ratlam, and Tarana on favourable terms.
BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED

N. D. JOSHI, *Manager.*

THE YORKSHIRE INSURANCE COMPANY Ltd.
(Incorporated in England)
(*Established* 1824)
FIRE, ACCIDENT
LIVESTOCK, AVIATION
Etc.
8, CLIVE ROW CALCUTTA
TELEPHONE: BANK 4310/19
TELEGRAMS: "TULINSURE"

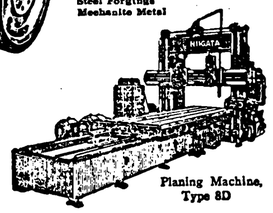
Leading Machinery Manufacturer in Japan

NIIGATA ENGINEERING CO. LTD.



Main Products
Diesel Engine for Generator, Pump, Compressor, Marine and Rolling Stock use
Rolling Stock
Shipbuilding and Repairing
Machine Tools
Secondary Metal Working Machinery
Mining Machinery
Oil Refining and Chemical Apparatus
Other Industrial Machinery and Equipments
Iron and Steel Casting
Steel Forgings
Meehanite Metal

Diesel Engine, Type L6FS 25, 450 HP with Super Charger for Generator use



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Diesel Car, Type KIHA 45,000, Equipped with Torque Converter

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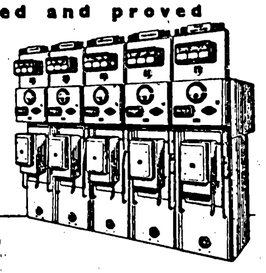
Cable Address: NITE TOKIO

Crompton Parkinson

Switchgear is tested and proved



Crompton Parkinson Switchgear designs have been thoroughly tested in the Company's own full-scale short-circuit Testing Station. You know they will do their job of controlling and safeguarding electricity supplies. Send your enquiries for all HT and LT switchgear to

GREAVES COTTON & CROMPTON PARKINSON LTD
P.O. BOX 81 BOMBAY P.O. BOX 166 CALCUTTA

YOU CAN COUNT ON US

To provide you with complete Banking Service, in a prompt and efficient manner.

THE UNITED COMMERCIAL BANK LIMITED

Head Office: 2, Royal Exchange Place, CALCUTTA

Paid-up Capital Rs. 2 Crores
Reserve Fund Rs. 86½ Lacs

G. D. Birla, *Chairman.*
B. T. Thakur, *General Manager.*

CENTURY MILL REPORTS GOOD RESULTS

IMPRESSIVE FINANCIAL POSITION

A DECLINE of Rs. 8.93 lakhs or 9.2 per cent. in gross profit, that is, from Rs. 96.82 lakhs to Rs. 87.89 lakhs, is disclosed by the results of the Century Spinning and Manufacturing Company, Ltd. (Managing Agents: Messrs. Birla Brothers Ltd., Bombay) for the year ended 31st December, 1954. Such a small shrinkage in earnings compares well with the experience of many other mills in Bombay whose profits for the past year dwindled considerably as compared with those for 1953. After providing Rs. 3.80 lakhs, as against *nil* in the previous year for managing agency commission, and after lowering the provisions for depreciation from Rs. 12.50 lakhs to Rs. 12 lakhs and that for taxation from Rs. 32.50 lakhs to Rs. 29.50 lakhs, the net profit amounts to Rs. 42.59 lakhs, a fall of Rs. 9.23 lakhs from that for 1953.

Out of the aforesaid net profit, the Directors have not added anything to the reserves which had received as much as Rs. 20.24 lakhs, that is, Rs. 10.48 lakhs to general reserve and Rs. 9.76 lakhs to dividend equalisation fund. The dividend has, however, been maintained at 22 per cent. (made up of an interim distribution of 8 per cent. and a final one of 14 per cent.), to which level it had been raised last year from 20 per cent. paid for 1952 and 1951. After payment of the dividend, which requires Rs. 24.07 lakhs, the surplus left to be carried forward is as much as Rs. 31.33 lakhs, as against Rs. 12.81 lakhs brought in. No explanation is to be found from the Directors' report as to why such a huge surplus is being carried forward without making any addition to the reserves.

The following comparative table giving the salient features of the profit and loss account for the past four years provides an idea of the Company's progress in recent years:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Sale proceeds	788.06	725.40	724.56	732.65
Stocks	224.09	188.92	188.42	281.74
Expenses	704.81	634.78	676.81	649.21
Gross profit	87.89	96.82	51.17	92.55
Managing Agents' commission..	3.80	..	..	0.18
Provision for—				
Depreciation	12.00	12.50	11.00	11.00
Taxation	29.50	32.50	15.00	33.00
Net profit	42.59	51.82	25.17	48.87
Post-war refund of E.P.T. (net).	..	..	18.24	..
To reserves	..	20.24	18.24	22.00
To provision for compensation to ex-Managing Agents ..	..	..	..	3.00
Dividend	24.07 (22%)	24.07 (22%)	21.89 (20%)	21.89 (20%)
Carry forward	31.33	12.81	5.81	2.02

The sale proceeds of cloth for the year under review represent the highest on record of the Company and show an increase of Rs. 62.66 lakhs over those for 1953, despite the fall in prices. Evidently, the output must have been on a very much higher scale. This is also reflected in the rise in stocks. Expenses disclose an increase of Rs. 70.03 lakhs, thus more than offsetting the fall of Rs. 42.03 lakhs noted in 1953. Of the expenses, consumption of cotton account for Rs. 325.91 lakhs, an increase of Rs. 49.17 lakhs over the previous year, and that of chemicals, stores, fuel, etc., for Rs. 114.39 lakhs, a rise of Rs. 9.33 lakhs over 1953. Of the other expenses, wages show a decline of Rs. 1.80 lakhs, while dear food allowance has risen by Rs. 6.85 lakhs. Unlike in the case of other mills, the Directors of the Century have not indicated how much the additional bonus for 1952 and extra dearness allowance in respect of the period from May, 1953, to December, 1954, under the L.A.T. award have cost their mill.

The balance-sheet of the Company as on 31st December, 1954, discloses an impressive financial position. The paid-up capital of the Company stands at Rs. 109.43 lakhs, of which only Rs. 27.36 lakhs represents shares issued for cash and the balance of Rs. 82.07 lakhs is accounted for by the capitalisation of reserves, once in 1947 when a sum of Rs. 27.36 lakhs was thus capitalised by issuing 27,357 shares of Rs. 100 each as capital bonus in the ratio of one share for one share and again in 1948 when Rs. 54.71 lakhs were capitalised. This time also 54,714 shares were issued as free bonus in the ratio of one share for one share. Even after these issues, the reserves and surplus stand at a high level of Rs. 258.87 lakhs. The reserves include a general reserve of Rs. 69.65 lakhs, a repairs fund of Rs. 64.30 lakhs, a dividend equalisation fund of Rs. 65 lakhs and insurance fund of Rs. 22.61 lakhs. The provision for taxation stands at Rs. 31.79 lakhs and current liabilities aggregate Rs. 143.90 lakhs. The gross block stands at Rs. 283.17 lakhs. This represents an addition of Rs. 27.45 lakhs on new machinery and plant brought into use during the year, including Rs 9.94 lakhs on machinery, Rs. 6.91 lakhs on mill workers' chawls and Rs. 5.71 lakhs on the new rayon unit under construction. As against this gross block, the depreciation fund built up amounts to Rs. 185 lakhs. The current assets aggregating Rs. 445.95 lakhs are represented by stock-in-trade at Rs. 211.44 lakhs, stores and spares at Rs. 15.82 lakhs, book debts and advances at Rs. 58.96 lakhs, investments at Rs. 10.90 lakhs and cash balances at Rs. 150.82 lakhs. The current assets thus exceed the current liabilities and provision for taxation by a margin of Rs. 270.26 lakhs.

The Company has secured land at Kalyan for the erection of the rayon factory which the Directors decided to put up in May, 1954. The Directors say that the first instalment of plant and machinery has already arrived and the work on the building of the factory is progressing satisfactorily.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 383-8 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 5.9 per cent. per annum, free of tax.

BOMBAY DYEING'S RESULTS SATISFACTORY

The dip in the shares of Bombay Dyeing and Manufacturing Company, Ltd. (Agents: Messrs. Nowrosjee Wadia and Sons, Ltd., Bombay) on the Bombay Stock Exchange from Rs. 463-12 to Rs. 459-6 on Tuesday last week reflected the market's initial disappointment over the results of the Company for the year ended 31st December, 1954, published in the daily Press. Though the shares have since recovered sizably, albeit for other causes there is no reason to feel disappointed over the Company's results for the past year. A close study of the audited accounts reveals that the decline in earnings is relatively smaller than that generally made out. For the gross profit, at Rs. 74.04 lakhs, falls short of that for the previous year by only Rs. 8.39 lakhs.

The net profit (after making provisions for Agents' remuneration, depreciation and taxation, but before writing off the loss due to the collapse of the Company's head office building), no doubt, shows a larger decline, from Rs. 36.78 lakhs to Rs. 22.81 lakhs, but this is mainly due to the stepping up of the provision for depreciation by Rs. 10.91 lakhs to Rs. 24.98 lakhs, consequent on the substantial addition to the fixed capital expenditure during the year. The allocation for taxation has been reduced from Rs. 23 lakhs to Rs. 18.50 lakhs. Out of the net profit of Rs. 22.81 lakhs, the Directors have written off Rs. 4.21 lakhs being the net loss, after making allowance for depreciation, on "Neville House," the Company's head office building which collapsed in October last. After writing off this loss, the net profit available is hardly sufficient to pay a dividend of 8 per cent., or Rs. 20 per share, and the Directors have had to draw on the previous year's surplus for the same. In the circumstances, it has not been possible to strengthen the reserves, which had received Rs. 14 lakhs in the previous year by way of addition to the dividend equalisation fund. In maintaining the dividend at 8 per cent., the Directors have adhered to their policy of ensuring to shareholders a steady return, for which purpose they had carried last year Rs. 14 lakhs to the dividend equalisation fund. If the special cash bonus paid for 1953 is excluded, the dividend, at 8 per cent., is being maintained for the fourth year in succession on the present capital after it had been doubled in December, 1950, by the capitalisation of reserves.

The following table gives the salient features of the results of working for the year under review against the background of those for the previous three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Sale proceeds	726.42	664.61	670.99	693.17
Other income	7.65	8.96	7.94	5.59
Closing stocks	223.45	198.89	158.98	205.69
Expenses*	660.03	591.08	609.72	608.10
Gross profit	74.04	82.43	69.20	95.50
Agents' remuneration	7.75	8.59	7.23	9.95
Provision for—				
Depreciation	24.98	14.07	12.74	5.37
Taxation	18.50	23.00	23.00	28.00
Net profit	22.81	36.78	26.23	51.98
Loss on "Neville House" ..	4.21	..	..	..
To reserves	..	14.00	6.84	20.00
Dividend	20.08 (D. 8%)	22.59 (D. 8% +B. 1%)	20.08 (D. 8%)	20.08 (D. 8%)
Carry forward	0.52	2.00	1.81	2.50

* Only approximate.

The sharp rise of Rs. 61.81 lakhs in sale proceeds has been more than offset by the increase of Rs. 69 lakhs in expenses, thus accounting for the decline in gross profit. Even this drop in profit could have been avoided and a higher profit would have resulted but for the payment of Rs. 16.22 lakhs by way of additional bonus for 1952 and increase in dearness allowance, together with the Company's contribution to provident fund, as well as the Employees' State Insurance Scheme thereon, from 1st May, 1953, to 31st December, 1954 as per award of the L.A.T.

Studied against the background of the trading conditions which prevailed during the past year, namely, (1) the continuation of control on production of cloth and yarn throughout the year, (2) the increase in excise duty by six pies per yard on superfine cloth and three pies per yard on other varieties, (3) the subdued demand for cloth, (4) the decline in domestic prices of cloth, and (5) the cut in export prices on account of competition, the results of the Company should be considered satisfactory.

The balance-sheet as on 31st December, 1954, shows that the reserves and surplus aggregate Rs. 234.52 lakhs, as against a paid-up capital of Rs. 250.98 lakhs. The provision for taxation amounts to Rs. 20.10 lakhs and current liabilities stand at Rs. 147.92 lakhs. In pursuance of the heavy programme of rehabilitation, the Company installed, during the year under review, new machinery worth Rs. 41.43 lakhs. This, along with other small additions, has brought the value of the gross block to Rs. 425.76 lakhs, on which the depreciation fund built up so far amounts to Rs. 354.21 lakhs. The current assets aggregate Rs. 582.23 lakhs, of which cash balances alone, amounting to Rs. 198.82 lakhs, more than adequately cover the current liabilities and provision for taxation.

In pursuance of the Company's modernisation programme, new warp ring spinning frames for the Spring Mills and high speed automatic spoolers and warpers for the Spring and Textile Mills are being erected and installed. The Directors observe that some of the old ring frames will be retained and utilised for producing yarn for sale. The total number of spindles will ultimately amount to 215,936, thus strengthening the productive capacity of the Mills.

The factory for the National Peroxide Ltd., a company formed and registered during the year under review for the manufacture of hydrogen peroxide, a heavy chemical used in the process of bleaching, and in which the Bombay Dyeing holds 15,000 shares of Rs. 100 each, is in course of erection and is expected to go into production in August, 1955.

The Rs. 250 paid-up shares of the Company are being currently quoted at Rs. 473-2 *cum-div.* On an *ex-div.* basis, the dividend for the past year gives a yield of 4.3 per cent. per annum, free of tax.

BANGALORE WOOLLEN EARNS RECORD PROFIT

For the second year in succession, the Bangalore Woollen, Cotton and Silk Mills Co., Ltd. (Agents, Secretaries and Treasurers: Messrs. Binny and Co. (Madras) Ltd., Bangalore) has shown a marked rise in earnings, the latest year for which it has recorded such a performance being the one ended 31st December, 1954. The gross profit of the Company, which had jumped up from Rs. 37.40 lakhs for 1952 to Rs. 63.16 lakhs for the following year, has shot up to Rs. 94.25 lakhs for the year under review. Thus, in the course of two years, the Company's profit has risen by Rs. 56.85 lakhs or over 150 per cent. to set up a fresh record in the history of the Company, exceeding even the previous best of Rs. 88.90 lakhs earned in 1948.

After larger allocations to depreciation and taxation, as shown in the table published below, the net profit is up by Rs. 15.38 lakhs at Rs. 45.50 lakhs. This has enabled the management to strengthen the reserves further. The provision for bonus to employees has been raised and the dividend on the ordinary shares has been stepped up to 30 per cent. from 25 per cent., to which level it had been raised last year from 15 per cent. paid for 1952. Not only the rate of dividend for the year under review is a record one but the quantum of distribution also is the highest, at Rs. 12.15 lakhs.

Such an excellent performance as the one shown above is undoubtedly due to the working of the Mills to full capacity and the increased demand for the Company's specialised products and substantial exports. Referring to the Company's working during the year, the Directors observe as follows:

"The Company contrived to keep its whole installation working practically to continuous full capacity, although, for a time, this involved carrying rather heavy stocks, particularly of those goods for which demand is seasonal, that is 'cotswol' and woollens. The continuity of full production in all sections largely accounts for the increase in sales value over the previous year and a very useful contribution to this result was made by increased productions and offtake of 'cotswol' fabrics. Although at the Company's woollen goods seemed uncertain, the turnover was finally satisfactory, but the trading result of this section made no contribution to the profits of the year. In spite of keen competition by other manufacturing countries in overseas markets, the Company's exports are still substantial and vigorous efforts to maintain them continue to be made."

The foregoing remarks of the Directors are fully reflected in the salient features of the Company's profit and loss account for 1954, presented in the following table against the background of those for the previous three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Sale proceeds	472.25	432.20	450.20	431.77
Closing stocks	59.84	23.43	18.80	31.89
Expenses	411.75	375.45	401.05	304.91
Gross profit	94.25	63.16	37.40	60.98
Agents' commission	7.19	4.62	2.26	4.38
Provision for—				
Depreciation	16.80	12.92	12.71	12.80
Taxation	25.25	15.50	7.00	15.17
Net profit	45.50	30.12	15.48	28.69
To reserves and other funds ..	20.45	9.62	2.86	10.50
" bonus to employees ..	12.50	10.10	6.10	9.19
Dividends—				
6% cum. preference	0.36	0.36	0.36	0.36
Ordinary	12.15 (30%)	10.12 (25%)	6.07 (15%)	8.10 (20%)
Carry forward	2.45	2.40	2.50	2.47

The Directors' proposal, made last year, to capitalise Rs. 61 lakhs out of the general reserve (it now stands at Rs. 96 lakhs), by the issue of two ordinary shares for each ordinary share held, has not yet been sanctioned by the Government. The Government's sanction was kept in abeyance pending the publication of the Taxation Enquiry Commission's report. Now that the report has been published, the Directors await developments in this regard.

The Rs. 100 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 460 *cum-div.*, having shot up from Rs. 420 two weeks ago. Such a rise is not surprising, in view of the splendid results and the prospects of a bonus issue. On an *ex-div.* basis, the yield on the share works out to 6.8 per cent. p[illegible] of tax.

[illegible]STRIES
[illegible]IA) LTD.,

COMPANY MEETINGS AND DIVIDENDS

HIND MILLS LTD. Annual General Meeting, Bombay, 30th March, 1955. Transfer books remain closed from 24th to 30th March, 1955, both days inclusive.

JENSON AND NICHOLSON (INDIA) LTD. Annual General Meeting, Calcutta, 31st March, 1955. Transfer books remain closed from 24th to 31st March, 1955, both days inclusive.

OUCHTERLONY VALLEY ESTATES (1938) LTD. Annual General Meeting, Kozhikode, 31st March, 1955. Dividend: As. 9-3/5 per share. Transfer books remain closed from 21st to 31st March, 1955, both days inclusive.

SHIVRAJPUR SYNDICATE LTD. Annual General Meeting, Bombay, 31st March, 1955. Dividend: Rs. 8 per share, payable on 26th April, 1955. Transfer books remain closed from 4th to 31st March, 1955, both days inclusive.

BRUSHWARE LTD. Annual General Meeting, Kanpur, U.P., 4th April, 1955. Dividend: As. 8 per share.

POLSON LTD. Annual General Meeting, Bombay, 4th April, 1955. Dividend: Rs. 10 per share, payable on 9th April, 1955. Transfer books remain closed from 26th March to 6th April, 1955, both days inclusive.

POONA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Bombay, 4th April, 1955. Dividend: Rs. 5 per share (final), payable on 7th April, 1955. Transfer books remain closed from 18th March to 4th April, 1955, both days inclusive.

BROACH ELECTRIC SUPPLY AND DEVELOPMENT CORPORATION LTD. Annual General Meeting, Bombay, 4th April, 1955. Dividend: As. 12 per share, payable on 7th April, 1955. Transfer books remain closed from 18th March to 4th April, 1955, both days inclusive.

NASIK-DEOLALI ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Bombay, 4th April, 1955. Transfer books remain closed from 18th March to 4th April, 1955, both days inclusive.

INDUSTRIAL INVESTMENT TRUST LTD. Annual General Meeting, Bombay, 6th April, 1955. Dividend: Rs. 4-8 per share, payable on 30th April, 1955. Transfer books remain closed from 22nd March to 9th April, 1955, both days inclusive.

CENTURY SPG. AND MFG., CO., LTD. Annual General Meeting, Bombay, 9th April, 1955. Dividend: Rs. 22 per share (includes interim dividend of Rs. 8 per share), payable on 19th April, 1955. Transfer books remain closed from 26th March to 9th April, 1955, both days inclusive.

INDIAN ALUMINIUM CO., LTD. Annual General Meeting, Calcutta, 27th April, 1955. Dividend: *Nil.* Transfer books remain closed from 5th to 27th April, 1955, both days inclusive.

MAFATLAL FINE SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 2nd May, 1955. Dividend: Rs. 15 per share, free of income-tax. Transfer books will remain closed from 15th April to 6th May, 1955, both days inclusive.

MAFATLAL CHANDULAL & CO. (BOMBAY) LTD. Annual General Meeting, Bombay, 2nd May, 1955. Transfer books will remain closed from 15th April to 6th May, 1955, both days inclusive.

IMPERIAL TOBACCO CO. OF INDIA LTD. Interim dividend As. 6-2/5 per share (4 per cent.), for the year ending 31st March, 1955, payable on or after 30th April, 1955.

BRAITHWAITE & CO. (INDIA) LTD. Dividend of Rs. 1-2 per share, for the year ended 31st December, 1954.

LAKURKA CO., LTD. Dividend: As. 4 per share, for the year ended 31st March, 1954.

SUTNA STONE AND LIME CO., LTD. Dividend of As. 9 per share, for the half-year ended 30th June, 1954.

CHEMBRA PEAK ESTATES LTD. Interim dividend of As. 3-1/5 (10 per cent.) per share, for the year ending 31st March, 1955. Transfer books remain closed from 23rd to 31st March, 1955, both days inclusive.

NONSUCH TEA ESTATES LTD. Interim dividend of Re. 1 (10 per cent.) per share, for the year 1954-55. Transfer books will remain closed from 10th to 16th April, 1955, both days inclusive.

COMPANY REGISTRATIONS

CHARKHA SOAPS AND CHEMICALS LTD. (First Director: Mr. V. M. Kamath.) Business: Manufacturers of soaps and other allied products. Authorised capital: Rs. 5,00,000. Private company. Address: 28, National Library Road, Bandra, Bombay, 20.

INDIA INTERNATIONAL CO., LTD. (First Director: Mr. Ardeshier Boman.) Business: Manufacturers, exporters and importers of motor cars, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Readymoney Mansion, 4th Floor, Churchgate Street, Fort, Bombay.

INDYES LTD. (First Director: Mr. Godfrey L. Mytton.) Business: Manufacturers and dealers in painting sets, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Jehangir Building, Mahatma Gandhi Road, Bombay.

CHICK-HANCHINAL AGRICULTURAL AND ALLIED INDUSTRIES LTD. (First Director: Mr. R. M. Desai.) Business: Carry on agriculture, dairy-farming, piece-work, bee-keeping, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Yadahalli, Post Gal[illegible] (District Bijapur).

SUGAR

(*Concluded from page 564*)

unjustly. He commended the revised chart of price differentials recently adopted by the Development Council and urged the Government to bring it into operation at an early date. At the same time, he warned that the sugar industry would suffer unduly if the basic grade were changed, as suggested by the Council, from E-27 to D-28. That Mr. Gulabchand had very good reasons for sounding this warning will be evident from the following quotation:

"Perhaps, the reason for taking D-28 as the basic grade is that it is the most common grade of sugar manufactured in the country. While this is true and it is a matter of credit to the industry that it has been prompt in improving the quality of sugar, there is no justification for raising the basic grade from E-27 to D-28. This change will put the industry to a net loss of Re. 0-11-0 per maund of sugar under the differentials. This would amount to the industry being penalised for improving the quality of sugar, which I am confident, could not be the Government's intention. It will be appreciated that the production of higher quality of sugar by the factories has been possible because of the efforts made by the industry in putting up better and more modern machinery and by improving the efficiency of the present plants at great cost. If the legitimate benefit due to the industry from the production of improved quality of sugar is now taken away from it, as would be the case if the basic grade is raised to D-28, the industry would be put to considerable disadvantage and left practically with no incentive to make any further improvement in the quality. I, therefore, urge that the new price differentials recommended by the Development Council for Sugar be brought into operation as early as possible after they are adjusted to the basic grade E-27."

Mr. Gulabchand put forward a fervent plea for the adoption by the Government of a more liberal policy with regard to depreciation allowances. He contended that, since most of the plant and machinery installed in the sugar industry were several years old, there was urgent need for replacement and rehabilitation. But the funds available with the industry were not sufficient. The prices of new machinery were at present three to four times the pre-war levels and the depreciation which the sugar mills had been able to put by was not commensurate with the actual requirements. He minced no words when he said that such had been due mostly to the unrealistic price policy followed by the Government during the period of control. The controlled rate made allowance for a gross profit of only 10 per cent. on the block, which also was artificially fixed at Rs. 18 lakhs for an average factory. There might have been some justification for allowing this profit margin when taxation absorbed only 20 per cent. of the gross profits of the factories and the balance left provided some scope for adequate reserve. But this basis was grossly inadequate now when taxation took away about 40 per cent. of the gross profits of the factories and when the ever-increasing drafts for bonus to workers had further depleted the resources of the industry for the purpose of rehabilitation. The result was that most of the units in the sugar industry had failed to effect improvements in their plants to keep them in line with the development in technology. There is no exaggeration whatever in these observations of Mr. Gulabchand and the Government will do well to concede, while fixing the profit-margin for the industry, the necessity to build up a larger depreciation fund.

SUGARCANE PRICE IN BOMBAY

The sugar mills in Bombay State are now made to pay for cane purchased from cultivators 10 per cent. more than the minimum price of Re. 1-7 per maund fixed by the Central Government. This is the result of the agreement reached between the Government of Bombay and the sugar factories. The revised minimum price works out to about Rs. 43 per ton. This, it is said, is the final price for the current season and the factories will not be asked to pay additional amounts for the cane purchased, as is being done under the Union Government's formula. The factories may, however, pay more in accordance with the terms of their previous contracts or their requirements.

Announcing the above decision, a Bombay Government Press Note says: "Hitherto the Government of India has been fixing the price of sugarcane to be purchased by factories for the manufacture of sugar. It has been the policy of that Government to fix the minimum price and, after the season's working is over and the profits are known, to request the factory-owners to pay additional amounts for the sugarcane purchased. Whilst this system may succeed elsewhere, it does not suit the conditions peculiar to the factories in Bombay State. Most of these factories own extensive farms of sugarcane, which are their main sources of supply. Such factories are dissuaded from purchasing sugarcane from the cultivators due to the fact that they do not know what additional prices they may have to pay in future. Instead of having this uncertainty they prefer not to buy and to rely on their own resources. The formula for giving the extra payment is based on the average sucrose content of the sugarcane. The factories believe that, by such a formula, cane from the private cultivator would get the benefit of the superior cane raised by them which also dissuades them from purchasing this sugarcane. The Bombay Government has, therefore, discussed this question with the Deccan Sugar Factories Association and has come to the conclusion that it would be more advisable for this State to fix a higher minimum price now, which would be final for this season and to assure the sugar manufacturers that there would be no further increases, if this decision is respected."

TEXTILES

(*Concluded from page 560*)

have improved considerably. To quote the Board: "Their (weavers') earnings have increased, the number of active looms has shown a definite upward trend, sale of handloom cloth has gone up and one does not hear of accumulations of handloom fabrics in any place in the country." A similar view is also expressed by Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry. He says:

"A year has passed since we commenced celebrating the Handloom Week. It was on the whole a good year for handlooms. Production in many parts of India has increased considerably. The offtake has been reasonably good. Yarn prices have been stable and the co-operative movement among handloom weavers is gaining ground slowly but steadily. All this has given us courage to take a big step forward. The Government of India intend to put more heart into the matter and strengthen the co-operative movement amongst the handloom weavers. Government have decided to extend the facilities now given to handloom weavers in cotton cloth in the co-operative field to weavers of silk. Plans are under way for starting industrial co-operatives for those handloom weavers who cannot work on a self-employed basis."

These observations of Mr. T. T. Krishnamachari certainly sound reassuring. But how has this so-called "prosperity" for handloom weavers been brought about? All by artificial means and at a heavy cost to the taxpayer. In order to find a market for the products of the handloom industry, the Government has placed a severe restriction on the manufacture of *dhotis, saris* and a few other popular varieties. As though this were not enough, the Government has reserved for handlooms all future expansion in the demand for cloth by placing a ceiling on the weaving capacity of mills. This is not all. Mill cloth is subjected to heavy taxation, whereas the handloom products are not, thereby greatly reducing the competitive capacity of the former *vis-a-vis* the latter. All these artificial props are being given to handloom weavers even at a time when the total quantity of cloth produced in the country is not adequate to give a *per capita* supply of 16 yards—a very modest target indeed—after excluding exports. The public is thus paying through its nose for keeping alive an uneconomic method of cloth production. And, in spite of all this sacrifice, what does the handloom weaver get? Can Mr. T. T. Krishnamachari and the protagonists of cottage industries honestly claim that the weaver is now able to earn a living wage? After all, the success or failure of the present policy can be measured only in terms of this yard-stick.

The fact is that the handloom weaver is not getting a living wage. And he will not be able to get it even if the entire weaving section of the mill industry is closed down, so long as his productive equipment continues to be what it is and where it is. The Union Commerce and Industry Minister and his tribe are fighting a losing battle, whatever may be their claims to the contrary.

There is no hope for handlooms, unless they are converted into small powerlooms and at least four or five such powerlooms are operated by one weaver. If such a thing were to happen—it may not happen, because the Government is not working in that direction—it would mean that such a large number of people as at present cannot be employed by the handloom sector. They will have to be found other sources of employment. It is any day better to tell the weavers this truth rather than mislead them by giving false hopes. The authorities should at least be honest enough to see that more people do not drift into this industry for a living. But the propaganda of the type now being done may easily lead to this unfortunate result.

A sustained market for handloom cloth cannot be found by appealing to people's sentiments and by taking out processions, however eminently led. It can be found only through hard work and efficient marketing arrangements. The time and money that are being expended on the celebration of "Handloom Weeks" are, therefore, a waste. Publicity, of course, pays but only if the products sought to be publicised are of good quality and competitive in price. But propaganda, and that too, political propaganda, does not create markets on a commercial scale.

SHIVRAJPUR REPORTS SATISFACTORY MINING OPERATIONS

GOKAK MILL'S PROFIT SHRINKS SLIGHTLY

Shivrajpur Syndicate Ltd.

THE directors of the above Company (Managing Agents: Messrs. Killick Industries, Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th November, 1954.

Output.—Satisfactory progress was made in mining operations. Production was maintained at a high level, actual outputs during the year being 96,405 tons as against 100,347 tons in 1952-53.

Shipments.—The year was mainly one of depression in the manganese market which, however, did not materially affect the Syndicate owing to its established policy of selling well forward. Shipments, mainly to the U.S.A., at 74,477 tons were considerably lower as compared with 101,350 tons shipped during the previous year. This was largely occasioned by the delays and difficulties experienced by Shipping Companies due to labour unrest in the Bombay Docks. The reduced shipments represented higher priced contracts so that the financial results were not proportionately affected.

Sales and abolition of export duty.—The Government of India, as a result of the slump in the manganese trade, abolished the export duty with effect from 17th August, 1954. The market improved during the latter half of the year under review. Fresh sales for forward delivery upto 1955-56 have been made bringing the total outstanding commitments to 132,823 tons at the close of the year.

The Income-tax authorities have completed the assessment on the Company's profits for the year ended 30th November, 1950, but the assessments on the profits for the years ended 30th November, 1951, 1952 and 1953 have still to be completed. The abnormally large increase in the stock figure at the close of this year is mainly due to the adoption of a revised basis of valuation as agreed with the Income-tax officer.

The trading profits for the year amounted to Rs. 34,37,532 (Rs. 33,47,279) after deducting depreciation of Rs. 3,10,464 (Rs. 2,32,341). To this has been added Rs. 32,364 (Rs. 13,913) being the balance brought forward from last year's accounts which includes an adjustment of Rs. 6 (Rs. 16) in respect of over provision of dividend and bonus last year. After providing Rs. 10,75,000 (Rs. 11,26,000) for income-tax and super tax, writing off Rs. 3,138 (*nil*) being loss on sale of assets, setting aside Rs. 1,665 (Rs. 3,665) to workmen's compensation reserve, Rs. 7,69,890 (Rs. 7,02,522) to staff welfare reserve, Rs. 4,00,000 (Rs. 5,92,000) to mine development and prospecting reserve, Rs. 5,00,000 (Rs. 50,000) to general reserve, and Rs. 1,46,822 (Rs. 1,00,000) to retiring gratuities reserve, the balance available for distribution is Rs. 5,73,381 (Rs. 5,92,118) which it is proposed to appropriate as follows:—

To payment of a dividend for the year ended 30th November, 1954, at the rate of Rs. 5 (Rs. 5) per share, free of income-tax Rs. 3,50,000 (Rs. 3,49,850) and to payment of a bonus to shareholders for the year ended 30th November, 1954, at the rate of Rs. 3 (Rs. 3) per share, free of income-tax Rs. 2,10,000 (Rs. 2,09,910), leaving to be carried forward Rs. 13,381 (Rs. 32,358).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,000	Block ...	20,14,275
Reserves ...	47,85,000	Work-in-progress ...	3,74,881
Provision for taxation ...	21,26,280	Stock-in-trade ...	29,84,408
Liabilities ...	30,21,043	Stores and spares ...	10,64,863
Profit and loss account ...	13,381	Other assets	24,285
		Debts, deposits and advances ...	32,32,039
		Investments	7,71,707
		Cash ...	1,79,246
Rs.	1,06,45,704	Rs.	1,06,45,704

Gokak Mills, Ltd.

The directors of the above Company (Agents: Messrs. Forbes Forbes Campbell and Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1954.

The accounts show a profit of Rs. 14,63,081 (Rs. 16,35,523) to which is to be added the net carry forward from 1953 of Rs. 85,195 (Rs. 1,03,575) which produces a total of Rs. 15,48,276 (Rs. 17,60,340 including Rs. 21,242 being post-war refund of E.P.T.). The following transfers have been made:—

To reserve account Rs. 50,715 (Rs. 22,947), depreciation Rs. 3,15,000 (Rs. 3,50,000), taxation reserve Rs. 5,00,000 (Rs. 6,25,000) and staff gratuity fund Rs. 10,862 (Rs. 13,399), leaving available the sum of Rs. 6,71,699 (Rs. 7,48,994). From this balance the directors recommend the declaration of a dividend of Rs. 13 (Rs. 17 including interim dividend of Rs. 5) per share, free of income-tax which will absorb Rs. 6,34,530 (Rs. 6,63,799), leaving a balance to be carried forward of Rs. 37,169 (Rs. 85,195).

Prior to the holding of the extraordinary general meeting, the directors of the Company had issued one ordinary share of Rs. 100 for cash at a premium of Rs. 175 thus increasing the paid-up share capital from Rs. 39,04,700 to Rs. 39,04,800. In accordance with the resolutions passed at the extraordinary general meeting of the shareholders held on the 10th September, 1954.

(a) The authorised capital of the Company was increased from Rs. 48,00,000 to Rs. 50,00,000 divided in 50,000 shares of Rs. 100 each. (b) A sum of Rs. 9,76,200 being part of reserve fund of Rs. 13,26,175 was capitalised and distributed as capital among the shareholders by the issue of 9,762 ordinary shares of Rs. 100 each in the proportion of one ordinary share for every four ordinary shares held by the shareholders as on the 14th October, 1954. (c) The paid-up share capital of the Company was thus increased from Rs. 39,04,800 divided into 39,048 shares of Rs. 100 each to Rs. 48,81,000 divided into 48,810 shares of Rs. 100 each.

The mill buildings, machinery, stocks and stock-in-trade are insured against fire, riot and civil commotion risks for Rs. 3,54,32,050 and the profits and fixed charges have been insured for Rs. 59,60,950 with 24 months' indemnity.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	48,81,000	Block ...	88,91,779
Reserves ...	33,91,175	Stock-in-trade ...	55,46,469
Depreciation account ...	65,24,070	Stores and spare gear	5,29,910
Provision for taxation ...	5,21,991	Debts, deposits and advances ...	12,30,205
Liabilities ...	14,62,105	Investments	4,87,598
Profit and loss account ...	6,71,699	Cash ...	7,66,079
Rs.	1,74,52,040	Rs.	1,74,52,040

Orissa Minerals Development Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the company for the half-year ended 30th June, 1954.

Iron ore.—Raisings were 2,34,549 (1,96,606) tons compared with 1,83,845 tons during the previous half-year. Despatches also increased by 62,110 tons and were 2,42,031 (1,69,176) tons. This was mainly due to the steel works increasing their order to 40,000 tons per month during the current period. Only 27,010 (34,362) tons were exported to Japan which was 16,660 tons less than the previous half-year when better wagon facilities as well as more ships were available.

Manganese ore.—Raisings showed a decrease of 2,753 tons and were 27,564 (46,778) tons. Sales decreased considerably from 28,442 tons to 8,628 (30,842) tons during the current half-year. This decrease was in part due to poor wagon supplies and in part to certain buyers delaying shipments against contracts made in 1953 at prices considerably higher than those ruling in the period covered by this report.

Manganese dioxide.—Raisings showed a slight increase at 2,297 tons. Sales increased by 1,244 tons to 2,488 tons during the current period.

Market.—The downward trend which was mentioned in the previous half-year's report continued and the price of manganese fell to such an extent that prices offered were below the cost of raising and despatching the ore. Prices have improved towards the end of the year and the demand for higher grades is again good but this improvement is not likely to be reflected in the company's accounts until 1955. However, the company's outstanding orders will carry it through the period of depression.

Transport.—The Company's ability to maintain its shipments is controlled by the wagon position. The wagon position, although poor throughout the half-year, was exceptionally bad during the first three months due to the Kumbh Mela. As a result of this, although export quotas were increased during the half-year under review, the wagon supply was inadequate for their completion.

Share capital.—Since the closing of these accounts reserves have been capitalised to the extent of Rs. 10,00,000 and 1,00,000 bonus shares issued in the ratio of one share for each ordinary share held in accordance with the resolution passed at the extraordinary general meeting held on 8th September, 1954, when it was also resolved that these bonus shares should rank *pari passu* with the then existing issued ordinary share capital in any distribution of profits in respect of accounting periods subsequent to 31st December, 1953.

In accordance with the above resolution the dividend distribution proposed will be on the present capital of the Company as increased by the bonus issue and not on the capital shown in the balance sheet.

The profit and loss account after providing Rs. 83,975 (Rs. 1,61,537) for depreciation, Rs. 1,00,000 (Rs. 8,00,000) for taxation and taking Rs. 1,00,000 (Rs. 2,25,000) to mechanisation reserve, and Rs. 15,937 (Rs. 12,117) to workmen's compensation reserve and including Rs. 1,47,081 (Rs. 1,22,922) brought forward from the previous half-year shows a credit balance of Rs. 3,39,969 (Rs. 3,38,544 which the directors propose to dispose of as follows:—

In paying a dividend on 2,00,000 (1,00,000) ordinary shares at the rate of 20 (40) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 2,00,000 (Rs. 2,00,000) and in carrying forward Rs. 1,39,969 (Rs. 1,38,544).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	18,69,183
Reserves ...	41,83,383	Work-in-progress ...	87,535
Provision for taxation ...	25,58,184	Stock-in-trade ...	11,08,338
Liabilities	28,01,319	Stores and spare gear	6,48,772
Profit and loss account ...	1,39,969	Debts, deposits and advances ...	28,38,295
		Investments	39,50,961
		Cash ...	1,79,771
Rs.	1,06,82,855	Rs.	1,06,82,855

Delta Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November, 1954.

After providing Rs. 2,30,000 (Rs. 1,75,000) for taxation, there is a balance of Rs. 3,27,308 (Rs. 3,57,157) at the credit of profit and loss account from which the directors recommend payment as follows:—

Dividends on preference shares at Rs. 2-8 (Rs. 2-8) per share Rs. 12,500 (Rs. 12,500), and on ordinary shares at Rs. 6 (Rs. 10) per share Rs. 1,68,000 (Rs. 2,80,000), leaving Rs. 1,46,508 (Rs. 64,657) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association, the mills worked 42½ hours per week up to 10th July, 1954. From 12th July, 1954, working hours were increased from 42½ hours to 45 hours and again from 45 hours to 48 hours per week from 18th October, 1954. Throughout the period under review 12½ per cent. of the total looms remained sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33,00,000	Block ...	28,15,446
Reserves ...	44,74,179	Stock of jute	17,85,453
Provision for taxation ...	2,40,734	Stock of cloth and bags ...	6,79,279
Liabilities ...	9,29,865	Stores and spare gear	8,56,760
Profit and loss account ...	1,46,508	Debts, deposits and advances ...	4,53,901
		Investments	15,13,669
		Cash ...	9,86,778
Rs.	90,91,286	Rs.	90,91,286

Lothian Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November, 1954.

After making necessary adjustments for taxation, transferring Rs. 3,00,000 (Rs. 1,00,000) to general reserve, there is a balance of Rs. 2,38,755 (Rs. 2,31,684) at the credit of profit and loss account, from which the directors recommend payment as follows:—

Dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 35,000 (Rs. 35,000) and on ordinary shares at Rs. 15 (Rs. 15) per share Rs. 1,50,000 (Rs. 1,50,000), leaving Rs. 53,755 (Rs. 46,684) to be carried forward.

During the whole of this accounting period the mills continued to be worked by Albion Jute Mills Co., Ltd.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	14,92,881
Reserves ...	41,51,301	Debts and advances ...	9,04,990
Provision for taxation ...	4,27,585	Investments	25,25,395
Liabilities ...	4,08,529	Cash ...	21,17,904
Profit and loss account ...	53,755		
Rs.	70,41,170	Rs.	70,41,170

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

RYAM SUGAR CO., LTD.

An extraordinary general meeting of the shareholders of the Ryam Sugar Company, Ltd., has been convened for 31st March, 1955, to consider the request of the majority of the ordinary shareholders of the Company, represented by General Fibre Dealers Ltd., for the resignation of the present Managing Agents of the Company, Messrs. Begg Sutherland & Co., Ltd.

The present managing agency agreement is not due to expire until 30th November, 1963, but the Managing Agents have agreed to relinquish their office, subject to two conditions: (1) a sum of Rs. 2.5 lakhs should be paid to the Managing Agents by way of compensation, and (2) General Fibre Dealers Ltd. should purchase from the parent company, the British India Corporation Ltd., its holdings of 5,450 ordinary shares and 5,450 preference shares in the Ryam Sugar Company at a price of Rs. 20 per ordinary share and Rs. 10 per preference share (inclusive of any dividend which may be declared on such shares in respect of the period ending 30th June, 1955), and should offer to purchase the shares of all other shareholders at the same prices. General Fibre Dealers Ltd. have agreed to these conditions. If the resolution is passed at the aforesaid meeting, the Company will thereafter be controlled by the Directors.

TREASURY BILL RATE HARDENS FURTHER

(From Our Own Correspondent)

BOMBAY, 23rd *March*

The short-term money market continued to display stringent conditions during the week under review also. With seasonal demand gathering momentum, floating funds were found to be very much in short supply, with the result that almost every bank was a heavy borrower with the Reserve Bank or the Imperial Bank. The disbursement of half-yearly interest on 16th March on some of the Government securities did not have any effect on the market, as whatever funds that flowed in were quickly absorbed. Inter-bank call money continued to be bid at 3 per cent., as also the short-term deposits for one to six months. House money was placed at the self same rate of 3 per cent.

There was a further small decline in the offerings to the Government of India Treasury Bills this week from a little over Rs. 1.06 crores to Rs. 1.02 crores. For the third week in succession, the average rate of accepted tenders hardened, the latest increase being from Rs. 2-8-6 to Rs. 2-9 per cent. per annum; this is As. 2 per cent. less than the highest level recorded in March, 1954. Tenders for a further sum of Rs. 1 crore have been invited for the next week also.

After registering sharp increases for two weeks in succession, the notes in circulation have shrunk by Rs. 4.02 crores during the week ended 18th March, 1955. Revealing this, the Reserve Bank's statement for the latest week records a rise of Rs. 4.55 crores in notes held in the Banking Department. The consequent small increase in total notes issued is covered by a corresponding rise in rupee coin. A decline of Rs. 34.78 crores is noted in foreign securities, with a corresponding rise in rupee securities. In the Banking Department, deposits of the Central Government have gone up by Rs. 12.73 crores, probably reflecting tax receipts. Deposits of other Governments have swelled by Rs. 34.92 crores, evidently due to the disbursements by the Centre to the States of their share of tax collections. Deposits of banks are lower by Rs. 75 lakhs. Cash balances have gone up by Rs. 4.58 crores and balances held abroad by as much as Rs. 36.04 crores. A small decline of Rs. 68 lakhs is noted in loans and advances to Governments, while other loans and advances are higher by Rs. 8.89 crores, of which advances to Scheduled banks against usance bills account for Rs. 5.81 crores. Investments have declined by Rs. 1.19 crores.

A further fall of Rs. 1.09 crores in demand deposits is disclosed by the consolidated statement of position of the Scheduled banks for the week ended 11th March, 1955. Time deposits, on the other hand, have risen by Rs. 5.53 crores and inter-bank borrowings by Rs. 52 lakhs. Borrowings from the Reserve Bank have gone up by Rs. 9.11 crores, while those from the Imperial Bank are lower by Rs. 43 lakhs. An increase of Rs. 1.48 crores is seen in advances and of Rs. 5.79 crores in inland bills purchased and discounted. Foreign bills are also up by Rs. 27 lakhs. Investments are almost unchanged. Cash on hand and balances with Reserve Bank disclose a rise of Rs. 1.72 crores. Balances with other banks and money at call and short notice show fractional changes.

For yet another week, the Gilt-edged market displayed listless conditions. The undertone, however, remained steady, with very few variations in prices. The volume of business was very thin. 2¾ per cent. 1960 found sellers at Rs. 94-14, at which the Reserve Bank was a purchaser against an exchange of 3 per cent. 1966-68 or 3 per cent. 1970-75. 3 per cent. 1957 was done at the self-same rate of Rs. 99-4. 3 per cent. 1958 was unchanged at Rs. 99-3. 3 per cent. 1959-61 had buyers at Rs. 97-5¼. 3 per cent. 1963-65 and 3 per cent. 1964 were wanted at Rs. 93-10. The Reserve Bank continued to be a seller of 3 per cent. 1966-68 and 3 per cent. 1970-75, at Rs. 90-9 and Rs. 86-15, respectively. 3 per cent. 1986 Conversion Loan changed hands at Rs. 83-11, As. 2 lower than last week. 3½ per cent. 1961 National Plan Bond had buyers at Rs. 99-8½ and 3½ per cent. 1964 National Plan Loan at Rs. 98-3. Among State Loans, 4 per cent. 1964 and 4 per cent. 1963 Madras were in demand and were done at Rs. 100-9. 4 per cent. 1964 U.P. had buyers at Rs. 100-3½. 4 per cent. 1964 Saurashtra had transactions at Rs. 99-7.

In the foreign exchange section, the rupee held its ground in terms of the U.S. dollar, banks' selling rate remaining unchanged at Rs. 479½ per $100 and the buying rate at Rs. 475½ per $100. In New York, sterling continued to harden in terms of the dollar, though the pace of advance was less marked. Thus, spot sterling gained from $2.79-3/16—2.79⅜ a week ago to $2.79½—2.79¾ and three months' forward from $2.78½—2.78¾ to $2.78-5/16—2.78-7/16. Transferable sterling, however, shaded off a little from $2.76¾—2.76¾ to $2.76¼—2.76-7/16.

HIDES PRICES RECEDE

(From Our Own Correspondent)

KANPUR, 20th *March*

The remarkably upward trend in prices witnessed in the hides and skins market in the past week was halted during the week under review. This was due to the lessening of tension in the Far East. The downward trend was plainly visible in wet salted cow, goat and sheep. Prices of wet salted buff, however, were pegged high.

The latest available quotations are: Wet salted cow 1st grade Rs. 360; 2nd grade Rs. 280 and 3rd grade Rs. 140 to Rs. 160 per score; wet salted buff 1st grade 1 lb. 10 ozs. to 1 lb. 12 ozs. and 2nd grade 1 lb. 14 ozs. per rupee; goat 1st grade Rs. 290 to Rs. 300 and 2nd grade Rs. 260 to Rs. 275 per 100 pieces; sheep Rs. 225 per 100 pieces.

TRADING IN BULLION RESUMED

(From Our Own Correspondent)

BOMBAY, 23rd *March*

After remaining suspended unofficially for nine days, forward trading on the Bullion Exchange was resumed this afternoon, after the demands of the protesting traders were conceded. Their demands were: (1) the members who had not paid margins in the last settlement should be penalised; (2) by-law 33A, providing for the special margin, should be applied to the current settlement also; and (3) by-law 33D, which had been passed by the General Body of the Association on 15th October last, must be sanctioned by the Government of Bombay.

At a meeting of the members held yesterday afternoon, the Government Director on the Bullion Board said that strict action would be taken against the parties who had evaded the payment of margin. It would appear that some of them have already been served with notice for non-payment of margin. He also assured them that the by-law 33D would be sanctioned as soon as legal opinion was obtained. The Board has since decided to enforce the special margin under by-law 33A in the current settlement, with a slight modification, namely, that the first 50 bars of silver and 2,500 tolas of gold of the purchases of a member would be exempt from payment of margin.

The Government of Bombay has sanctioned the enforcement of graded margin under by-law 33D in the current settlement. The Government's sanction will be gazetted tomorrow. A meeting of the Bullion Board was held this evening to consider what action should be taken against the members who had evaded margin in the last settlement. It is also reported that the Government of Bombay desires to have the by-laws regarding margins enforced automatically, as and when the situations described in the by-laws arise, without awaiting the sanction of the Board on every occasion.

At today's trading, forward silver (9th April settlement) opened at Rs. 164, as against the previous official closing of Rs. 166-6, but reacted to Rs. 163-12, before closing higher at Rs. 164-7. The drop from the previous official closing is due to the poor demand in the ready section.

Ready silver (.996 Mint) moved between Rs. 165-10 and Rs. 164-10, but closed at Rs. 165-9, as against Rs. 167-12, the last official closing before the deadlock set in. The floating stocks are reported to be 2,000 bars.

Gold for forward delivery (8th April settlement) fluctuated within a small range, after opening at Rs. 92, and finished at Rs. 92-2, a decline of As. 5 from the last official closing.

Ready gold commanded a premium of Re. 1-8 over the forward at the opening, but the premium narrowed to Re. 1-6 at the close of the session. The floating stocks of gold are estimated at 15,000 tolas.

In London, silver gained further strength during the week, the spot metal rising from 75¼d. to 77¼d. per fine ounce, before closing yesterday at 77¼d. Forward silver moved up from 75¼d. to 77¼d., but was a shade lower yesterday at 76¾d. per fine ounce. Gold advanced from £12 11s. to £12 11s. 1d., but closed lower at £12 11s. ¼d. After the sharp rise last week, to 89¾c. silver in New York shed 1¼c. to close at 88¼c. per fine ounce.

LINSEED FIRM

(Messrs. A. Bradley & Co.)

CALCUTTA, 21st *March*

Firm conditions have prevailed during the week and prices are somewhat better, whilst activity has been scarce. Sellers have been very reserved, owing to poor arrivals and scanty new-crop offerings from the centres. There have been good enquiries from crushers for both ready and forward delivery, but the daily turnover has been small. The oil market is firm and activity has been slightly better with good enquiries from shippers; sellers have been rather reserved. The latest quotations are as follows:—

March Rs. 16-4 and April-May Rs. 15-10 per maund.

BUSINESS IN KIPS PATCHY

(From Our Own Correspondent)

MADRAS, 21st *March*

Business in kips with the U.K. has been patchy. Both shippers and importers are disappointed at the inability to meet each others' ideas of prices. Tanners require prices ruling in February to see them without loss on their raw hides stocks on hand, while U.K. dressers are reported to show definite reluctance to extend their buying operations at February levels and to follow a hand-to-mouth policy. U.K. buying has, therefore, been selective. Top marks continue to attract buyers, while F.A.Qs. have been difficult to move except at very low prices. For fifths and inferior fifths selections, demand has been insistent. There have been some enquiries for lightweight cow calf and buff calf. Arrivals of buff heavies are small and prices have advanced slightly.

Market for tanned goat and sheep skins is steady and clearance in the local market is good.

In the London public sales, prices of goat skins declined by 6d. in the beginning and finished steady towards the close for good tannages, while commons declined by 6d. per lb. on January levels. Over 100,000 goat skins remained unsold. Results of sheep skins sales will follow next week.

FORWARD COTTON REACTS AT CLOSE

(From Our Own Correspondent)

BOMBAY, 23rd *March*

The feeling of nervous apprehension, which had held the cotton market in its grip during the last few weeks, abated somewhat during the major part of the week under review, though the market once again developed some weakness today. The initial improved sentiment in the market was the result of three favourable factors. First, there was the expectation that the reduction in the excise duties on coarse and medium categories of cloth, announced by the Union Finance Minister, would raise cloth offtake, which meant that mill demand for cotton would broaden. Secondly, the Government of India extended the validity period of licences issued to exporters of cotton in the last season—1953-54—up to the end of June next; the extension of time limit applies to exports of Mathias, Kalagins, Dholleras, C.P. I and II, Central India *deshi* and Oomra *deshi*. Thirdly, cotton circles expected that the Government would soon release a substantial quantity of staple cotton for export. All these factors induced considerable support to the cotton market and values staged a recovery. But the recovery was checked today when the market turned easy, following paucity of mill demand for spot cotton. Not only were the earlier gains completely erased but today's closing rates stood lower than those a week before.

The forward section of the cotton market began the week on a quiet note and picked up strength as the week drew to a close. Under the impetus of short-covering and call fixing by mills, cotton futures staged a modest recovery yesterday. Today, however, there was again a relapse. I.C.C. May opened at Rs. 559-8, as against Rs. 557-12 last week-end. After receding to Rs. 553 on the 19th inst., the contract recovered to Rs. 663 today but reacted to Rs. 556 at close.

The following is the trend of prices in the forward cotton over the week under review:

	Opening	High	Low	Closing
I.C.C. May ...	Rs 559½	563½	555	556½

The spot market presented a steady trend, although the volume of transactions put through was not heavy. Vijay cotton met with good mill demand. There was also some business in Khandesh Jarilla, Wagad and Kalyan. In the export section, Zoda cotton evoked enquiries. Bengals and other *deshi* varieties received moderate demand from Continental and Japanese interests. Enquiries for foreign cotton continued to be poor. Small lots of East Africans, Sudans and Egyptians changed hands at unattractive prices.

The latest available quotations from the Sewri market are: Bengal *deshi* Rs. 560; Berar Jarillas Rs. 630; Khandesh Rs. 630; Vijay Rs. 720; Oomra *deshi* Rs. 540; Moglai Rs. 540.

The Central Government has, as already stated, extended the validity period of licences granted in respect of exports of 1953-54 short-staple cotton by three months. Such an extension of time limit is, however, believed to be of no practical importance. For it is stated that the short-staple Indian cottons are at present not in demand in overseas countries. The stocks of 1953-54 cotton still lying unshipped are estimated at 25,000 to 30,000 bales.

Of some interest to the cotton market is the report that India will get 15,000 bales of U.S. cotton consisting of stapling 1.1/16" and better valued at $3 million. This is the result of the procurement authorisation under section 402 of Public Law 665 announced by the U.S. Foreign Operations Administration on Wednesday last week. The contracting period is from the 22nd inst. to 15th May next. Shipments are required to be completed by 15th June, 1955. Exports under this Law, it is stated, do not require replacement from loan or C.C.C. stocks, but they can be made out of free supplies. These exports will be reimbursed in rupees.

The Karachi cotton market was devoid of any notable development during the week under review. There was absence of adequate trade demand which induced some selling and cotton prices tended to look down. The latest available quotations from the Karachi market are:

Sind *deshi* Rs. 65-8; Punjab *deshi* Rs. 58-4; 4F Punjab roller Rs. 66-3; S.G. Rs. 69-3 to Rs. 71-3; L.S.S. Punjab R.G. Rs. 68-7; S.G. Rs. 73-3; N.T. R.G. Rs. 69-3; S.G. Rs. 73-11 to Rs. 74-3; 289F Punjab R.G. Rs. 71-11; S.G. Rs. 75-11; May futures Rs. 68-14.

In the Alexandra cotton market, there were large purchases of Ashmouni and Giza 30 by French interests which followed the price concession granted by the Egyptian Government to buyers in France. Enquiries from other foreign consumers continued to be poor. Karnak fully good, fully good extra, and Giza 30 medium and higher grades met with moderate demand. Thanks to sustained support for entitlement currencies, premiums were well maintained, that for spot sterling being 7½ per cent.

At the auction held at Khartoum on the 16th inst., 2,698 bales of Sudan cotton were bought. The purchases were at reserve prices, except 299 bales of G2S which fetched 63 Liverpool points more.

The Liverpool cotton futures market depicted an easy note this week. This was due to improvement in sterling-dollar rate of exchange. There was, besides, the fear of some form of export subsidy being granted by the U.S. Government to market surplus cotton. Buyers were, therefore, not inclined towards entering into forward commitments, with the result that cotton values drifted lower. The fall would have been more marked but for small trade and local buying absorbing hedges in near positions and commission house replacement buying in distant deliveries. The latest available quotations from the market are: March-April 31.25d; May-June 31.25d; July-August 30.58d; October-November 30.35d.

The New York cotton market ruled bearish this week too. Trade support continued to be limited, while offerings were encouraged by easy conditions inside markets. In view of the continued slow demand for textiles, the fear is expressed that cotton consumption in the coming months may not be maintained at the estimated levels. Whether this fear will prove correct or not will, of course, depend on the U.S. Government's policy with regard to the disposal of surplus cotton and the final acreage for new crop.

An agreement has been reached between the U.S. and Pakistan, under which the former will sell to Pakistan $29.4 million worth of agricultural commodities. Of this $20.4 million will cover sales of raw cotton which Pakistan has been allowed to exchange with any country of its choice for cotton yarn and cloth.

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

(In cents per lb.)

	22-3-55	15-3-55	8-3-55
Spot	34.20	34.35	34.10
May	33.61	33.65	33.48
July	33.89	33.93	33.68
October	33.91	34.15	33.94
December	34.02	34.28	34.07

SUGAR EASY

(From Our Own Correspondent)

BOMBAY, 23rd March

The sugar market presented a distinctly easy trend towards the close of the week under review. The easiness was due mainly to the release for sale in the free market of more than 100,000 tons of sugar, representing 50 per cent. of the production of all factories during the period 16th February to 7th March, 1955, announced by the Central Government yesterday. There were, besides, reports of heavy accumulations of sugar stocks—estimated at 70,000 tons—in Government godowns. Another unhelpful factor was the expectation of further imports of sugar. All these induced some selling and prices of sugar tended to look down.

In the spot section, large grain indigenous sugar was quoted at Rs. 92-103, as against Rs. 93-103 last week. Medium grain was quiet at Rs. 88-89. Among foreign sugars, British refined sugar receded by As. 4 to Rs. 83 per bag of 224 lbs. Czechoslovakian sugar was done at Rs. 85-88, as against Rs. 85½-88. German and Cuban varieties were unaltered at Rs. 82-4 and Rs. 91-12, respectively, per bag of 250 lbs. French sugar, however, met with special buying support and improved from Rs. 82½-82¾ to Rs. 83-84.

In the forward section, *Chaitra* delivery which had advanced from Rs. 84-4 to Rs. 84-12 early in the week fell to Rs. 84-7 today. Vizag delivery lost As. 8 to Rs. 84-4. The ex-mill quotations in the U.P. and Bombay-Deccan areas were a shade easy.

Arrivals of indigenous sugar into the Bombay market during the week under review amounted to 2,900 bags, as against 3,900 bags in the previous week.

Sugar millowners, it is reported, are greatly worried about the transport bottleneck, accumulations of stocks and consumer resistance to high prices of sugar, following the upward revision in excise duty. It appears that millers are now willing to share with consumers upto 50 per cent. of the increase in excise duty.

N.B.—The rates for Indian sugars are inclusive of sales tax, while those for foreign sugars are exclusive of the tax.

COTTON YARN BEARISH

(From Our Own Correspondent)

BOMBAY, 23rd March

The cotton yarn market ruled bearish this week too on poor offtake in consuming centres and in sympathy with renewed weakness of raw cotton. There was pressure of sales of yarn by several upcountry and South Indian mills on reports that some spinning mills switched over from staple fibre to cotton. Even the reduction in excise duty on cloth, announced by the Union Finance Minister, failed to influence the market. Cotton yarn values, therefore, continued to march downwards. Yarns of 80 counts were the worst to suffer. Thus, Finlays dropped Rs. 2 to Rs. 70. Moderns fell by Re. 1-8 to Rs. 62. Among 60s, Raghuvamshis receded by As. 8 to Rs. 54. Finlays were quiet at Rs. 59, Srirams at Rs. 55-10 and Elphinstones at Rs. 51. Deals in 40 counts yarns were done at lower levels, Gokaks and Vasantas declining by As. 2 each to Rs. 24-10 and Rs. 24-4, respectively. Yarns of 20 counts, too, fetched lower prices. Centurys eased by As. 2 to Rs. 16-2. Seksarias lost an anna to Rs. 16-2. Among 10s, Moderns and Podars each decreased by an anna to Rs. 13-5. Among 30s, Maduras were neglected at Rs. 22 and Simplex at Rs. 21-4.

Thanks to absence of any inspiring influences, listless conditions prevailed in the rayon yarn market during the week under review. Turnover was greatly restricted and values moved irregularly. In the spot section, 120 Italy lost an anna to Rs. 4, while 150 Italy put on an anna to Rs. 3-13 and 120 Japan improved by half an anna to Rs. 3-12-6. As compared with ready goods, the quotations for 150A Daifuki bright Japanese yarn were lower to the extent of As. 6 per lb. abroad the incoming steamers. Rayon yarn (150D) for March contract, after advancing by Rs. 2 to Rs. 732 on Saturday, reacted to Rs. 730 on selling pressure.

Conditions in the staple fibre yarn section also were uninspiring. Owing to lack of demand, forward yarn suffered a decline. Staple fibre yarn (40×2) for March delivery drifted lower from Rs. 584 to Rs. 581-12. April contract eased by Rs. 3 to Rs. 585. Prices of spot yarns, however, tended to look up, due to reports that, owing to high prices of raw staple fibre, several South Indian mills were shifting to spinning of cotton yarns. Among 40×2 yarns, Hirjis picked up half an anna to Rs. 2-15. New Greats and Kohinoors finished three pies higher, the former at Rs. 3-1-3 and the latter at Rs. 3-5-9. Pankajas were fully maintained at Rs. 2-15 and Phoenix at Rs. 2-15. Among foreign yarns (40×2), Aurora hardened by an anna to Rs. 4. Suicos were steady at Rs. 4-3-6 and Fujis at Rs. 3-14.

The table below gives the prices of art silk staple fibre and cotton yarns quoted today, as compared with those a week before:

	23-3-1955	16-3-1955
	Rs. a.	Rs. a.
Art silk yarn—		
150 D.	730 0	730 0
120 Japan (per lb.)	3 12½	3 12
150 Japan (per lb.)	4 1	4 6
120 Italy (per lb.)	4 0	4 1
150 Italy (per lb.)	3 12	3 12
Staple fibre yarn—		
40×2 March	581 12	584 0
40×2 April	585 0	588 0
Bulco (per lb.)	4 8½	4 3½
New Great (per lb.)	3 1½	3 1
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	13 5	13 6
20s Seksaria	16 2	16 3
30s Madura	22 0	22 0
40s Gokak	24 10	24 12
60s Raghuvamshi	54 0	54 8
80s Finlay	70 0	72 0

OILSEEDS QUIET

(From Our Own Correspondent)

BOMBAY, 23rd March

The notable feature of the week under review was the announcement, on the 19th inst., by the Commerce and Industry Ministry of a further quota of groundnut oil for export by established shippers for shipment up to the end of June, 1955. It has also earmarked a quota for export by shippers. The details, however, are yet to be announced. Besides, the Ministry has decided to extend the period of shipment for export of groundnut oilcake (expeller variety) and deoiled groundnut meal (solvent extraction variety having less than 1 per cent. content) till 15th May. Neither this announcement nor the relatively better overseas enquiries had any appreciable effect on the market. This was presumably due to lack of shipping space and enlarged arrivals of oil and oilseeds. On balance, however, quotations were only a shade better with undertone remaining slightly steady.

Khandesh quality, which opened at Rs. 20-10, improved to Rs. 21-12 on the 20th inst. Thereafter, it declined to close at Rs. 21. Bold F.A.Q. gathered As. 2 to Rs. 20-10. April-May delivery was enquired at Rs. 20-10, as against Rs. 20-4 and June-July at Rs. 21-7, as compared with Rs. 21. Groundnut oil ready advanced by As. 5 to Rs. 11-7. April and May deliveries put on As. 7 to Rs. 11-4 each. On the Continent, groundnut oil was enquired at £94 as against £91.

There was good demand for H.P.S. groundnuts from the United States at 13¼c. per lb., as against 12¼c. per lb. last week. The U.K. is quoting £95 per ton. It is stated that U.S. has decided to import 51 million lbs. of H.P.S. groundnuts by the end of June.

The linseed section ruled slightly better in sympathy with groundnuts. Bold ready opened the week at Rs. 21, as against Rs. 20-12 at the end of last week. It improved to Rs. 21-14 on the 19th inst., but declined to close at Rs. 21. April-May delivery put on As. 2 to Rs. 20. Small Sutna was higher by As. 4 to Rs. 19-8. Linseed oil lost As. 2 to Rs. 12-5. Linseed oil was quoted in the Continent at £87, as against £88 last week.

The castorseed section was featureless. The continuation of free licensing of castor oil exports up to the end of June, 1955 failed to impress the market, beyond a mild rally staged immediately after the announcement last week. May delivery was enquired at Rs. 71 early in the week, as against Rs. 70-10 at close last week. It fluctuated between Rs. 71-14 and Rs. 70-8 and closed at the latter level. Among spots, Madras quality was done quiet at Rs. 13-12 and Kanpur at Rs. 12-12. Castoroil, Commercial, put on As. 2 to Rs. 8-14, while First Pressure lost As. 10 to Rs. 9-4. On the Continent, castor oil was quoted at £80, as against £82 last week, and in the U.S. at 9½c. per lb., the same as in last week.

Among others, *kardi* Bold gained As. 4 to Rs. 11-10, while *niger* Madras lost As. 4 to Rs. 17-8.

The following table shows the price of oilseeds and oil today, as compared with those at the end of the previous two weeks.

	22-3-1955	16-3-1955	8-3-1955
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	21 0	20 10	20 14
February/March	20 10	20 10	20 13
April-May	20 10	20 4	21 0
Linseed—			
Bold Ready (per cwt.)	21 0	20 12	21 4
February/March	20 2	20 12	21 4
April-May	20 0	19 14	20 12
Castorseeds—			
May, 1955	70 8	70 10	71 0
Madras (per cwt.)	13 12	13 12	13 12
Groundnut oil—			
Ex-mill Ready (per quarter) ..	11 7	11 2	11 6
Castor Oil—			
Commercial (per quarter) ..	8 14	8 12	9 1
Linseed Oil—			
Ready	12 5	12 7	12 8

PEPPER LACKS SUPPORT

(Messrs. Parekh & Co.)

BOMBAY, 23rd March

New York having shown casual interest, Malabar black pepper continued to rule quiet throughout the week with minor fluctuations, an exception being a flutter for a day or two when sizable purchases were made by one of the important exporters against their sale to Russia. At the moment, New York appears to be meeting its requirements either from consignment stocks or from afloat, it having small inducement to buy shipment positions, as these are available at smaller discounts. It is understood that Russia has so far purchased a small quantity of about 400 tons. Russia, having sold a fair quantity of cotton to India, is reported to be in a comfortable position as far as its foreign exchange is concerned for purchasing Indian produce like pepper, cardamom, etc. It is possible that Russia may purchase a further quantity of Malabar pepper for autumn requirements in the near future.

Growers are trying to lift the prices, but for lack of continuous buying support from New York, they have so far not been able to push up the price beyond Rs. 1,000. The moment buyers withdraw, the price resiles to the previous low level of Rs. 950, and the growers then become more anxious to sell in view of the present heavy floating stock at the terminal markets. It is generally believed that unless either Russia or the U.S.A. puts in sizable orders within a month or two, the present prices cannot be maintained, as growers will become anxious to sell as much as possible before the monsoon on the coast sets in. Therefore, a heavy shake-out appears to be necessary to make the market healthy. Garbled at Cochin and ungarbled at Alleppey are fluctuating in a narrow groove. Garbled after touching Rs. 170 came down to Rs. 167-8, while ungarbled moved from Rs. 1,000 down to Rs. 975.

In the A.S.T.A. section, prices are quoted nominally, the turnover being next to nothing. Outside speculation is dying out, there being no new incentive for operation either way. The delivery section is deserted and no notable sale or purchase is reported throughout the week.

Following are today's nominal quotations:—Ready Rs. 120 (as against Rs. 120 a week ago) per Bengal maund. April Rs. 875-85 (Rs. 855-65) per candy of 5¼ cwts.

DEMAND FOR TEA EXTREMELY RESTRICTED

(Messrs. Forbes, Ewart and Figgis, Ltd.)

COCHIN, 17th March

Just over 16,75,000 lbs. were on offer in sale No. 6 which was held on Tuesday, 15th March. Offerings continued to show a decline in quality and in some cases in leaf appearance. The sale opened to an extremely restricted demand with buyers only showing interest in better sorts and types suitable for internal consumption. Quotations for common and low medium descriptions are almost impossible to make as the quantity of these types sold was negligible. Prices, for those teas which sold, were irregularly As. 8 to As. 12 easier. There was a good demand for Orange Pekoes, but these reflected the lower price drop. There were very heavy withdrawals. The following are the quotations:—

	1955 Rs.	a.	p.	1954 Rs.	a.	p.
Low grown Travancore B.O.P.	2	4	6*	2	10	0
Medium Travancore B.O.P. ...	2	6	6*	2	12	0
Anaimallais B.O.P. ...	2	13	6	3	1	0
Best liquoring Nilgiri B.O.P. ...	3	6	0	4	7	0
Well made black leaf O.P. ...	2	13	0	2	11	0

*Nominal.

London Market—Sale of 14th March, 1955.—Two-thirds withdrawn without bids, remainder sold last rates.

Sale of 15th March, 1955.—Over 50 per cent. of sale withdrawn without a bid. Remainder sold at about last weeks rates.

Colombo Market.—Sellers reserved. Improved enquiry developed. Fully firm last week's rates, except stalk and better dimbula B.O.Ps.

Calcutta Market—Export.—16,000 packages Poor demand, except for black leaf B.O.P. and fannings and whole leaf grades, which were As. 3 to As. 4 easier. Others neglected. Price As. 6 to As. 8 down. Approximately 70 per cent. of sale withdrawn.

Dust.—20,000 packages. Fair general demand. Market generally As. 1 to As. 3 lower, except powdery good liquoring and C.T.C. types, which were strongest features of sale and sometimes dearer. Leaf 9,000 packages. Irregularly one to three annas easier. C.T.C. and good liquoring sorts firm to sometimes dearer.

Export Quota.—During the week, the market eased to As. 3 in Calcutta, but strong buyers appeared on the market and there are now buyers at 54 pies. The last date for transfer of 1954-55 export quota is 20th March. The Joint Controller's books will be closed for transfer of quota from that date until 1st April.

Forthcoming Auctions.—Sale No. 7 will be held on Tuesday, 29th March.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd., wire:

"Dust sale of 280,000 lbs. Good general demand. Prices irregularly one anna easier, except best liquoring, which were dearer. Milled dusts neglected."

NARROW MOVEMENTS IN JUTE GOODS

(From Our Own Correspondent)

CALCUTTA, 22nd March

Narrow price movements were in evidence in jute goods during the week under review. While hessians continued to be neglected, sacking goods met with some support. A livelliness in hessians would have to wait for the commencement of buying from the United States in greater quantities, and in this regard, market circles have noted with cheer the slight increase in burlap consumption in the United States during last month to 64.9 million yards from 61.8 million yards in January. An expansion of trade in both hessians and sackings is desirable, but, as pointed out by Mr. G. J. Gardner in his presidential address to the Indian Jute Mills Association last Thursday, an increase in the offtake by such highly developed countries like the United States must largely be for new uses. He was confident that the great emphasis industrial development is receiving all over the world would be followed by new uses for jute goods.

No indications have so far been available as to the buying programme of Argentina, but considering that it lifted a lower quantity last year, it is felt that the country would not have much stocks left with it and that the country would lift a moderate quantity of hessians during the coming months. The market is now awaiting indications from these two powerful buying sources of Indian hessians, and feels confident that the mills would have no problem of accumulation. So long, sacking goods have enjoyed a good market, and, during last year, shipments had increased to 430,000 tons from 324,000 tons. This trend has continued during the three months of this year, also, but Mr. Gardner feared that these heavy shipments would have contained a considerable element of restocking. On the other hand, it can also be said that during recent months sackings have found some new markets, and in this regard, China is one instance as a result of the conclusion of the Indo-Chinese trade agreement. Added to this factor, it should be remembered that foodgrains production in Asian countries has also increased and they have thus imported more bag. from India.

Supporting the above conclusion is the reference of Mr. Gardner to the planning or construction of jute mills in Egypt, Iraq, Iran, Burma, Thailand and the Philippines. All these show that consumption of jute goods is on the increase and, in this regard, the fall in prices of raw jute during the last two weeks, the increase in arrivals of raw jute from Pakistan, and the anxiety of stockists of Indian jute to dispose of their holdings before prices fall further, are all good signs in that Indian jute goods are bound to regain their competitive capacity in world markets. The present position is that the superior variety of East Bengal jute, i.e., jat, is available in plenty, and the much-feared shortage in raw jute can now be written off. From Rs. 36, Assam bottoms declined to Rs. 34-8 this week, and other latest quotations are given below with previous rates in parenthesis. It is to be feared, if this down-trend in jute prices would affect sowing, which would commence after some rains in the near future:—

	Middles Rs.		Bottoms Rs.	
Pakistani:				
Northern	39 0	(41 0)	35 0	(37 0)
District ...	39 8	(41 0)	35 8	(37 8)
Indian:				
Northern	37 8	(39 8)	34 8	(36 8)
Assam Upper ...	37 0	(39 0)	34 0	(36 0)
Assam Lower ...	37 8	(39 8)	34 8	(36 8)
Daissee ...	38 8	(40 0)	35 8	(37 0)
Murshidabad ...	36 0	(38 0)	33 0	(35 0)
Western	35 8	(37 8)	32 8	(34 0)
Jungli	35 0	(37 0)	32 0	(34 0)
Orissa	38 0	(39 8)	35 0	(36 8)
Uttar Pradesh ...	35 0	(37 0)	32 0	(34 0)
Bimli f.a.q. ...	31 0	(32 8)		

Pucca bales first marks ready ... Rs. 205 (215)

Ready 40" 10 oz. hessians opened at Rs. 45-9, and lost to Rs. 45, reflecting the dull conditions. Subsequently, a fractional improvement to Rs. 45-1 was recorded, but the week-end saw the rate sag to Rs. 44-15. If mills are to maintain the current level of production in hessian, it is apparent that offtake for export should improve, and this would depend upon any new use in the United States. By the end of this year, Pakistan would have entered in the export field with more confidence and more goods inasmuch as by that time it would have installed 6,750 looms and be producing 2 lakh tons of jute goods a year. This, according to Pakistan's Agricultural Minister, would leave her with 1.6 lakh tons worth Rs. 18 crores for export, after meeting internal requirements. Yesterday, the spot rate sagged further to Rs. 44-8 with the eight oz. being priced at Rs. 36-2.

In the heavy goods section, some business was done with Australia, and enquiries from other countries were also received earlier in the week. Ready B. twills declined to Rs. 128 from Rs. 129-4, and April-June offers to Rs. 126 from Rs. 127-8. On the emergence of some enquiries for export, the quotation for spot recovered to Rs. 129-6 but closed lower at Rs. 128-4 by the week-end. Conditions were noticeably easy today, and with no business being transacted the rate declined further to Rs. 127-10. April-June after moving to Rs. 125-12 gave way to Rs. 123. Foreign buyers put off entering into commitments, as they expected a further decline in prices in view of the raw jute stockists in India, who have mostly the inferior fibre fit for the production of heavy goods, being anxious for business.

(Continued on page 596)

DECCAN SUGAR AND ABKHARI CO., LTD.

CHAIRMAN'S SPEECH AT EXTRAORDINARY GENERAL MEETING

AN Extraordinary General Meeting of the Deccan Sugar and Abkhari Company, Ltd., was held in Madras on 18th March, 1955, to consider the Directors' proposals for sub-dividing the Company's preference and ordinary shares and for increasing the capital by the issue of new ordinary shares. Addressing the shareholders, Mr. S. G. H. Davis, Chairman of the Company, gave an up-to-date account of the present position of and prospects for the Company.

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

"GENTLEMEN,

"Before asking you to vote on the resolutions before the meeting, I wish to give you an up-to-date report on the present position and prospects of the Company. Some shareholders have expressed the view that such a statement might well have been circulated with the notice convening the meeting, but as I proceed with my statement, you will appreciate how necessary it was to delay making a statement till this time, in view of the rapidly changing situation, particularly after the publication of the Taxation Enquiry Commission report and the Union Government's Finance Bill for 1955.

"I must first of all inform you that since the Board originally decided in November last to put these proposals before the shareholders there has been a material change in the Company's financial position and prospects. At Pugalur, the Company is more than half-way through the best season it has had since the D.S. & A. Company took over that factory. Not only is the Company engaged in crushing an economic quantity of cane but the quality of the cane is better than we have ever seen before. The consequential better recovery is one of the results following from the seed scheme undertaken by the Company two years ago, but its success has exceeded our best expectations. Up to the time of this meeting the recovery of sugar from cane at Pugalur is only just short of 11 per cent. and there is reason to hope that the overall recovery from the complete season which will extend until May, will be close to 10½ per cent. Shareholders will be able to gauge the measure of the improvement this represents when I remind them that the recovery for the last three cane seasons had been 8.2 per cent., 7.03 per cent. and 9.11 per cent.

"At Samalkot, unfortunately, although the Company is engaged in crushing as much cane as it can handle and expects a total of 75-80 thousand tons of cane, the quality of the cane is nothing like so good as that which we are accustomed to crush at this factory. The drop in quality is due to the severe drought which was experienced during the early months of the growth of the cane. The average recovery up to date is 8.9 per cent. and it is expected that the average recovery for the season will be between 8 per cent. and 8.5 per cent. which compares unfavourably with the average of the previous three seasons which was 8.59 per cent., 9.84 per cent. and 9.07 per cent.

Good Profit Expected

"It is now possible to estimate the financial results for the current year, although the profit that will finally appear in the account will depend on how much sugar Government release and how many wagons the railway provide. Nevertheless, I can tell shareholders that the Board is expecting such a good net profit that not only is the preference dividend assured but it is evident the Company will be able to pay a reasonable ordinary dividend. In view of the length of time the Deccan shareholders have had to wait for ordinary dividends, the Board has resolved to pay an interim dividend of 5 per cent. on the ordinary share capital to shareholders registered with the Company on the 26th of March. The share register will be closed from the 26th to the 31st of March, inclusive, and it is hoped to despatch dividend warrants to shareholders on the 31st of March.

"In consequence of the material improvement in the Company's financial position, the indebtedness of the Company to its Managing Agents has completely changed. At the time when the Board took its decision to raise new capital the Company owed its Managing Agents Rs. 21 lakhs. As already reported in the circular to shareholders dated 23rd February, this indebtedness had then been reduced at that date to Rs. 13 lakhs. I am glad to report that at the date of this meeting the Company does not owe anything whatsoever to its Managing Agents. While it is not unlikely that the Company may again call upon the Managing Agents for temporary financial assistance, the necessity for a permanent unsecured advance no longer exists. Hence the most urgent of the reasons for raising further capital no longer exists. The circular to shareholders stated that the additional capital was required not only to reduce the indebted position of the Company but also to enable the Company to engage in necessary capital expenditure, particularly at the Samalkot factory. It was the intention of the Board to take up this expenditure in the next off season, but since the issue of the circular convening this meeting there have been two major changes in the outlook for the sugar industry generally. The Finance Minister of the Government of India has announced an increase in the excise duty on sugar of Re. 1-14 per cwt. It cannot be assumed, in the present market conditions, this increase will be absorbed by the consumer of sugar. It is the view of your Board that, in present conditions, sugar companies and sugarcane growers, out of their SISMA bonus are likely to have to absorb the greater part, if not all, of this increase themselves, if they are to arrest the tendency which has already started for the buyers to switch over from white sugar to jaggery. Such a change would not only make it more difficult for the Company to secure adequate supplies of cane in competition with local jaggery manufacturers but would also affect the Company's return on white sugar.

Implied Threat of Nationalisation

"The report of the Taxation Enquiry Commission has also been published and includes a recommendation that Government should set up a special sub-committee to examine a proposal that sugar, along with other industries, might be made the subject of a fiscal monopoly. This is an implied threat of nationalisation and your Board has already taken steps, through the Indian Sugar Mills Association, to try and ascertain how seriously to regard it. Meantime, we do not feel it is wise to engage in substantial capital expenditure until Government's intentions over the proposal to create a fiscal monopoly are better known, and also the Company has gained more experience as to the effect of higher excise duty on sugar demand.

"I would like to draw shareholders' attention to the fact that in the notices convening this meeting no specific programme was laid down for the raising of additional capital—the resolutions were permissive but did not commit the Board or the Company to an immediate increase in the Company's Ordinary capital. The Board has accepted the need for the Company in normal circumstances to increase its ordinary capital and had decided that when the permission of shareholders was being sought, it would be desirable to take the opportunity of bringing the voting rights of the various shareholders more into conformity with the spirit of the Companies Bill. Criticisms which have reached the Board over its proposal to offer any more additional capital, if issued, to holders of the preference capital ignore the fact that the preference shareholders are entitled to claim a proper share in any new issue under the existing law. Apart from this, in the context of existing voting rights, the Board is justified in equity to make this offer to the preference shareholders also.

"After giving shareholders an opportunity of asking questions, I intend to ask shareholders to adopt the resolutions before the meeting, but on the understanding that there is no present intention of the Board to issue any additional capital for the reasons I have already given and that adequate notice will be given before making any issue in future."

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	11th Mar., 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation.	172.44	1,281.19	1,265.56	1,242.57	1,194.00
Notes held in Banking Department ..	25.05	10.73	7.34	11.44	8.27
Foreign Securities ..	39.50	678.15	675.15	663.15	648.15
Rupee Securities ..	87.89	472.65	457.74	447.74	421.84
Banking Department					
Deposits of:					
Government of India	14.89	55.22	51.61	52.58	99.06
Other Governments. ..	..	18.51	18.65	11.08	21.51
Balances held abroad	10.06	52.78	58.25	69.38	97.92
SCHEDULED BANKS					
Demand Liabilities .	184.37	582.07	568.18	580.91	525.76
		(8.52)†	(7.65)†	(9.77)†	(7.19)†
Time Liabilities ..	103.84	376.47	371.29	370.95	329.57
		(1.86)†	(2.21)†	(2.50)†	(1.49)†
Borrowings from Reserve Bank ..	..	28.43	17.32	10.26	23.78
		(18.61)‡	(8.26)‡	(4.92)‡	(16.40)‡
Borrowings from Imperial Bank ..	..	8.82	9.25	6.41	11.65
Cash in India ..	6.71	34.47	33.29	32.00	31.75
Balances with Reserve Bank	25.28	46.19	45.65	47.59	40.19
Excess over statutory limits ..	15.52	9.52	9.07	11.17	7.32
Balances with other banks in current account in India ..	..	10.10	10.21	10.09	10.97
Money at call and short notice in India ..	..	15.16	15.00	17.74	10.71
Investments (at book value)	..	347.46	347.48	355.24	318.03
Advances and bills	105.09	509.18	501.54	576.16	530.35*
IMPERIAL BANK					
Deposits ..	87.76	227.21	228.89	229.34	206.43
Investments ..	51.99	104.84	105.26	112.95	89.92
Advances ..	30.37	124.93	124.01	112.88	125.04
Cash ..	14.69	19.55	16.83	19.20	14.96

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes foreign bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	Week ended 18th March, 1955		Week ended 11th March, 1955	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,82,965	72,08,60,000	2,36,842	52,80,70,000
Calcutta ..	1,77,349	75,57,72,771	1,83,546	46,97,11,820
Madras ..	84,723	8,64,26,007	86,555	7,70,45,721
All Centres—				
1955 ..	..	..	1,14,83,214	26,45,05,08,000
1954 ..	..	..	8,40,72,000	70,64,29,00,000
Dec., 1954 ..	..	..	29,95,000	6,64,03,00,000
Jan., 1955 ..	..	..	29,48,000	6,23,74,00,000

Reserve Bank of India

Statement of Affairs for the week ended 18th Mar., 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up ..	5,00,00,000
Reserve Fund ..	8,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	67,95,30,000
(2) Other Governments ..	58,42,23,000
(b) Banks ..	47,71,65,000
(c) Others ..	22,07,70,000
Bills Payable ..	4,40,07,000
Other Liabilities ..	25,60,07,000
Rupees ..	281,17,22,000

ASSETS	Rs.
Notes ..	15,27,90,000
Rupee Coin ..	17,75,000
Subsidiary Coin ..	6,04,000
Bills Purchased and Discounted—	
(a) Internal ..	48,55,000
(b) External ..	—
(c) Government Treasury Bills ..	8,22,75,000
Balances held abroad* ..	88,76,91,000
Loans and Advances to Governments ..	52,00,000
Other Loans and Advances ..	46,32,35,000
Investments ..	50,17,15,000
Other Assets ..	21,18,82,000
Rupees ..	281,17,22,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 24,41,50,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 32,15,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department ..	15,27,90,000	
Notes in circulation ..	1277,17,56,000	
Total Notes issued ..	..	1292,45,46,000
Total Liabilities ..	....	1292,45,46,000
ASSETS	Rs.	Rs.
A. Gold Coin and Bullion:		
(a) Held in India ..	40,01,71,000	
(b) Held outside India ..	..	
Foreign Securities ..	643,35,99,000	
Total of A ..		683,37,70,000
B. Rupee Coin		101,64,16,000
Government of India Rupee Securities		507,42,60,000
Internal Bills of Exchange and other commercial paper ..	....	....
Total Assets ..	....	1292,45,46,000

Ratio of Total of A to Liabilities: 52.875 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 11th March, 1955

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India ..	8,52,15,000†
(ii) Other demand liabilities ..	574,44,68,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India ..	1,86,05,000†
(ii) Other time liabilities ..	374,91,07,000
3. Borrowings in India from the Imperial Bank of India:	
(i) Demand liabilities ..	8,80,68,000
(ii) Time liabilities ..	1,06,000
4. Cash in India ..	34,47,11,000
5. Balances with the Reserve Bank in India ..	46,15,68,000
6. Balances with other banks in current account in India ..	10,09,59,000
7. Money at call and short notice in India ..	15,15,56,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts ..	347,45,52,000
9. Advances in India ..	506,72,21,000
10. Inland Bills purchased and discounted in India ..	70,05,60,000
11. Foreign Bills purchased and discounted in India ..	22,40,48,000

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

EXCHANGE RATES

	21st March 1955	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot. ..	1-5 13/16	1-5 13/16
Sellers T.T. D.D. upto six months ..	1-5 13/16	1-5 13/16
Buyers T.T. spot to nine months ..	1-5 1/4	1-5 1/4
Buyers T.T. 10 to 12 months ..	1-5 1/4	1-5 1/4
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	4793/4	4793/4
Buyers T.T. .. Rs.	479 1/4	479 1/4
London on New York .. $	2.79-2.79 1/8	2.79-2.79 1/8
London on Paris .. Fcs.	976 1/2-977 1/2	976 1/2-976 1/2
London on Berne .. Sw. Fcs.	12.27-12.27 1/2	12.26 1/2-12.27
New York on London .. $	2.79 1/8-2.79 1/4	2.79 1/8-2.79 1/4

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India† ..	'51-'52	359.32	..	9,990	274.5
Pakistan ..	1949	75.04	..	1,671	223
Burma ..	1952	18.86	Kyats .. 3,556	356	188
Ceylon ..	1952	8.16	..	443	541
Japan ..	1952	85.50	Y. 5,288,400	7,014	820
Philippines ..	1952	21.02	Ps. 7,875	1,554	787
New Zealand ..	1952	2.08	£(N.Z.) 727	960	4,757
Australia ..	1952	9.18	£(A) 3,521	3,841	4,207
U.K. ..	1952	50.86	£ 4,710	19,625	3,858
U.S.A. ..	1952	159.63	$ 305,000	146,790	9,196
Canada ..	1952	14.78	$ 19,048	8,607	5,685
France ..	1952	42.35	F.Fr. 10,107,000	14,018	3,321
W. Germany ..	1952	48.99	Dm. 108,000	11,704	2,389
Italy ..	1952	47.02	Lr. 8,967,000	6,832	1,453
Norway ..	1952	3.26	Kr. 16,561	1,133	3,260
Sweden ..	1952	7.17	Kr. 86,057	3,422	4,773
Netherlands ..	1952	10.49	Grs. 19,360	2,451	2,336
Denmark ..	1952	4.37	Kr. 23,464	1,551	3,573
Switzerland ..	1952	4.88	Sw.Fr. 20,600	2,386	4,564

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, September, 1954.
† Estimates are based on the first issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 11th March, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up ..	3,00,00,000
Reserve Fund ..	3,00,00,000
Deposits:—	
(a) Central Government ..	27,72,87,000
(b) Provincial Governments ..	1,10,57,000
(c) Banks ..	11,07,21,000
(d) Others ..	4,00,09,000
Bills Payable ..	10,92,000
Other Liabilities ..	2,51,55,000
Rupees ..	54,21,71,000

ASSETS	Rs.
Notes ..	6,21,51,000
Rupee Coin ..	5,000
Subsidiary Coin ..	10,000
Bills Purchased and Discounted:—	
(a) Internal ..	....
(b) External ..	....
(c) Government Treasury Bills ..	....
Loans and Advances to Governments ..	4,22,00,000
Provincial Governments' Debtor Balances ..	3,30,65,000
Other Loans and Advances ..	16,25,86,000
Investments ..	15,60,70,000
Other Assets ..	8,54,64,000
Rupees ..	54,21,71,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department ..	6,21,51,000	
Notes in circulation ..	247,22,20,000	
Total Notes issued ..		253,43,71,000
Total Liabilities ..		253,43,71,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion:		
Silver Bullion ..	7,01,42,000	
Sterling Securities ..	89,72,81,000	
Government of India Securities ..	21,41,41,000	
India Notes representing assets receivable from the Reserve Bank of India ..	29,98,91,000	
B. Rupee Coin:		99,04,55,000
Government of Pakistan Securities ..	4,26,63,000	
Internal bills of exchange and other commercial paper ..	145,87,58,000	
....		150,14,41,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	9,06,12,000	
Government of India Securities ..	70,10,000	
Rupee Coin ..	29,01,000	
		9,24,75,000
Total Assets ..		253,43,71,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 40.64 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina ..	1st Mar., 1936	..	3½
Austria ..	3rd June, 1954	4	3½
Belgium ..	29th Oct., 1953	3	2½
Bolivia ..	30th Sept. 1950	6	6
Canada ..	15th Feb., 1950	2	1½
Ceylon ..	11th June, 1954	3	2½
Chile ..	13th June, 1935	4	3½
Colombia ..	18th July, 1933	5	4
Costa Rica ..	1st Feb., 1950	5	4
Denmark ..	22nd June, 1954	4½	4½
Ecuador ..	13th May, 1949	7	6
Egypt ..	16th Nov., 1952	3½	3
El Salvador ..	22nd Mar., 1950	4	3
Finland ..	16th Dec., 1951	7	6½
France ..	2nd Dec., 1954	3½	3
Greece ..	1st Jan., 1954	12	10
India ..	15th Nov., 1951	3	3½
Indonesia ..	1st April, 1946	4	3
Ireland ..	25th Mar., 1953	3½	3½
Italy ..	6th April, 1950	4½	4
Japan ..	1st Oct., 1951	6.11	6.84
Mexico ..	4th June, 1942	4	4½
Netherlands ..	7th April, 1953	3	2½
New Zealand ..	25th Nov., 1954	3½	4
Norway ..	14th Feb., 1955	2½	3½
Pakistan ..	1st July, 1948	3	3
Peru ..	13th Nov., 1947	5	6
Portugal ..	12th Jan., 1946	3	2½
South Africa ..	27th Mar., 1952	3½	4
Spain ..	1st July, 1954	4	3½
Sweden ..	20th Nov., 1953	3	2½
Switzerland ..	26th Nov., 1936	2	1½
Turkey ..	25th Feb., 1951	9	8
United Kingdom ..	24th Feb., 1955	3½	4½
U.S.S.R. ..	1st July, 1936	3	4
U.S.A. ..	18th April, 1954*	1½	1
West Germany ..	20th May, 1954	3½	3

* Effective in 12 of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	December, 1953	December, 1954	Nine months, April to Dec., 1953	Nine months, April to Dec., 1954
Import Duties:				
Revenue ..	10.07	10.79	82.62	90.06
Protective ..	0.59	0.62	4.53	5.71
On surplus disposals	0.09	..	0.19	0.13
Total import duties	10.75	11.41	87.34	95.90
Export Duties ..	3.19	4.70	30.21	27.43
Land Customs ..	0.16	0.17	1.58	1.48
Miscellaneous ..	0.07	0.08	0.55	0.81
Gross total customs ..	14.17	16.36	119.45	125.57
Refunds and drawbacks	0.21	0.21	1.50	1.11
Net Customs ..	13.96	16.15	117.96	124.46
Gross excise ..	8.29	9.02	69.39	75.87
Refunds ..	0.15	0.15	0.73	1.85
Net Excise ..	8.14	8.87	68.66	74.52
Net total of customs and excise ..	22.10	25.02	186.64	198.98

Imperial Bank of India

Statement of Affairs for the week ended 18th Mar., 1955

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL:—		
Authorised Capital— 2,25,000 shares of Rs. 50C each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 50C each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 50C each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 50C each Rs. 12.5 paid on ..	1,87,50,000	
Reserve Liability of Shareholders —Rs. 37.5 per share on 1,50,000 shares ..	5,62,50,000	
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts ..		224,70,21,000
Borrowings from other Banking Companies Agents		12,50,00,000
Bills Payable ..		4,80,78,000
Bills for Collection being Bills Receivable as per contra ..		42,52,000
Acceptances, Endorsements and Other Obligations as per contra ..		93,000
Other Liabilities (including Inter-Office Adjustments) ..		2,57,47,000
Total .. Rs.		256,99,42,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		14,03,48,000
Balances with other Banks ..		3,57,98,000
Money at Call and Short Notice ..		1,00,00,000
INVESTMENTS—		
Government and other Trustee Securities ..	93,91,08,000	
Other Authorised Investments ..	11,76,41,000	
		105,67,44,000
Advances—		
Loans, Cash Credits and Overdrafts, etc. ..	108,09,26,000	
Bills Discounted and Purchased ..	24,78,19,000	
		127,87,45,000
Bills Receivable being Bills for Collection as per contra ..		42,52,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		93,000
Premises less Depreciation ..		1,20,44,000
Furniture and Fixtures less Depreciation		2,04,15,000
Other Assets (including Inter-Office Adjustments)		43,01,000
Total .. Rs.		256,99,42,000

SMALL SAVINGS

(In lakhs or rupees)

	National Savings Certificates 5-Year†		7-Year ††		15-Year		Savings Bank Deposits		Cash Certificates Defence Savings Certificates Defence Savings Bank Deposits		2½% Ten-year Treasury Savings Deposit Certificates ‡		10-Year National Plan Certificates ‡	
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*	Outstandings@	Receipts	Outstandings*	Receipts	Outstandings*
1948-49 ..	1,66	78	78	20,40	22,85	18,96	26,91	—	18,81	..	..	..	..
1952-53 ..	6,82	65	2,21	22,66	46,17	1,18,81	98,08	—	31,07	7,55	22,64	..	..
1953-54 ..	5,91	1,50	4,29	26,54	1,04,86	1,17,87	1,06,29	—	34,20	6,94	32,11	..	..
January, 1954 ..	6,18	12	2,61	2,02	1,00,48	8,91	1,00,25	—	33,79	..	32,78	50	31,22
February ,, ..	6,08	11	2,60	2,12	1,02,09	9,49	1,01,80	—	33,97	34	31,72	74	31,78
March ,, ..	5,91	46	4,26	2,05	1,04,86	16,89	1,06,29	—	34,20	44	32,77	70	32,77
April ,, ..	5,81	11	4,29	2,18	1,06,94	10,70	1,07,41	—	34,40	44	33,28	54	33,26
May ,, ..	5,71	10	4,21	1,71	1,07,05	10,02	1,07,18	—	34,57	36	34,06	34	34,08
June ,, ..	5,62	9	4,23	1,89	1,05,40	10,46	1,06,22	—	34,78	39	34,81	48	34,08
July ,, ..	5,47	12	4,29	2,27	1,10,18	11,40	1,11,02	—	34,96	37	35,17	46	35,17
August ,, ..	5,36	13	4,30	2,17	1,11,86	10,84	1,13,07	—	35,17	46	35,44	76	35,44
September ,, ..	5,24	10	4,31	2,44	1,13,76	10,23	1,14,23	—	35,36	54	35,81	49	35,81
October ,, ..	5,16	11	4,27	1,80	1,15,09	8,94	1,14,38	—	35,52	48	35,88	42	35,88
November ,, ..	5,08	13	4,04	2,25	1,16,78	10,24	1,16,21	—	35,69	37	35,84	40	4,03
December ,, ..	4,96	11	4,06	2,04	1,18,40	11,86	1,15,56	—	35,57	40	35,93	58	4,48
January, 1955 ..	..	..	..	..	..	..	..	..	..	43	36,37	57	5,22
												..	5,79

* At the end of period. @ Progressive net repayments at the end of period from 16th August, 1947.
† Issued from 1st June, 1948. †† Issued from 1st February, 1951. ‡ Issued from 10th May, 1954. ‡ Issued from 1st June, 1948 to 30th June 1953.
(In Figures from 1948-49 relate to the Indian Union. Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 13-3-'54	12-2-'55	5-3-'55	12-3-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.6	98.8	99.8	99.8
1. Government of India ..	90.2	99.5	99.8	99.8
2. Indian States ..	95.7	96.1	96.1	96.1
3. Municipal, Port Trust, etc.	89.8	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	101.8	109.8	109.9	109.7
1. Electricity ..	102.7	102.3	103.4	102.2
2. Jute ..	98.8	98.8	98.8	98.8
3. Plantations ..	99.7	99.6	99.6	99.6
4. Sugar ..	100.7	99.3	99.3	99.1
5. Coal ..	90.6	90.6	90.6	90.6
6. General Engineering ..	103.8	100.6	100.6	100.6
7. Shipping ..	100.0	100.3	100.6	100.3
8. Cotton ..	100.0	100.8	100.8	100.6
PREFERENCE SHARES ..	97.8	98.3	97.8	97.3
1. Electricity ..	96.3	97.3	97.2	97.2
2. Cotton ..	85.4	78.8	78.6	78.8
3. Jute ..	87.7	86.5	86.5	86.4
4. Sugar ..	90.8	91.8	92.3	92.3
5. Iron and Steel ..	91.5	89.8	89.6	89.9
6. Sugar ..	74.1	82.8	82.8	82.8
7. Paper ..	87.7	90.4	89.7	89.7
8. Plantations ..	88.6	97.9	97.6	97.6
9. Miscellaneous ..	84.5	87.7	88.0	85.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	102.3	114.4	114.1	115.9
(a) Financial ..	88.2	89.7	88.8	88.7
1. Banks ..	87.1	86.6	85.1	85.3
2. Insurance ..	99.8	106.6	102.8	103.8
3. Investment Trust ..	77.7	95.0	94.0	93.4
(b) Public Utilities ..	113.0	114.9	114.3	114.7
1. Electricity ..	117.8	124.1	124.1	124.5
2. Shipping and other Transport ..	105.8	100.8	98.9	99.0
3. Railways ..	85.4	87.7	87.7	88.0
(c). Manufacturing Industries.	105.3	116.8	118.9	119.4
1. Cotton, Woollen and Silk ..	102.3	104.0	102.7	103.7
2. Jute ..	83.9	96.3	94.5	97.1
3. Iron and Steel	119.3	139.2	144.9	149.9
4. Paper ..	181.1	214.1	208.6	219.7
5. Cement ..	122.8	141.8	144.7	149.5
6. General Engineering.	130.8	163.3	163.8	168.3
7. Sugar and Breweries.	86.0	105.8	105.4	106.1
8. Chemicals ..	110.7	138.1	135.5	136.4
(d) Non-Manufacturing Industries ..	108.8	187.2	188.2	189.8
1. Coal ..	76.9	80.5	80.1	78.9
2. Mining and Oil	164.2	191.4	193.7	197.8
3. Plantations ..	105.3	188.6	189.9	194.4
4. Miscellaneous ..	84.8	88.6	88.3	89.7
(REGIONAL)				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.8	90.1	90.1	90.1
1. Bombay ..	90.2	90.5	90.6	90.6
2. Calcutta ..	90.6	90.9	90.9	90.9
3. Madras				
DEBENTURES OF INDUSTRIAL CONCERNS:	101.5	99.2	99.4	99.2
1. Bombay ..	102.2	101.6	101.7	101.5
2. Calcutta ..	100 1	100.5	100.5	100.4
3. Madras				
PREFERENCE SHARES:	92.6	91.2	91.4	91.6
1. Bombay ..	84.7	85.5	83.6	83.1
2. Calcutta ..	88.7	93.9	94.1	94.2
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	111.1	117.1	117.8	119.3
1. Bombay ..	94.8	108.7	107.9	109.9
2. Calcutta ..	100.7	110.3	109.0	110.0
3. Madras	104.2	114.4	116.4	118.3
4. Delhi ..				

Source: Department of Research and Statistics, Reserve Bank of India.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,882	12,806,704
1951 ..	1,071	691,581	8,618,928
1952 ..	962	939,242	8,336,061
1953 ..	772	456,607	5,882,606
1954			
November	83	48,766	378,245
December ..	81	57,535	145,017
1955			
January	85	42,383	244,414
February ..	48	26,477	128,411
March ..	67	88,251	818,507
April ..	72	49,132	218,555
May ..	88	88,817	278,218
June ..	99	80,857	252,579
July ..	87	48,066	181,122
August ..	74	53,083	225,154
September ..	106	64,869	467,278
October ..	101	80,211	405,110
November ..	88	41,481	245,211
December ..	81	40,760	479,958
1954†			
January	84	81,976	825,514
February ..	85	41,351	344,295
March ..	91	84,202	831,419
April ..	101	84,968	207,247
May ..	80	40,078	215,063
June* ..	82	81,589	205,078
July* ..	122	80,189	277,492
August ..	79	81,090	352,887
September ..	97	50,414	363,878
October* ..	86	41,350(a)	275,010(b)
November ..	49	23,320(c)	219,722(d)

* Figures for 1954 are provisional. * Revised.
(a) Not known in 4 cases. (b) Not known in 5 cases.
(c) Not known in 3 cases. (d) Not known in 3 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns	Units generated‡	Units Sold
1948-49 ..	459	4,681.1	3,777.7
1952-53 ..	614	6,201.4	5,194.8
1953-54 ..	645	6,676.8	5,572.7
July 1953 ..	627	588.0	471.0
August ,, ..	629	587.3	468.9
September ,, ..	632	576.5	464.1
October ,, ..	634	548.1	465.7
November ,, ..	637	548.3	455.7
December ,, ..	640	608.6	486.9
January 1954 ..	640	589.7	478.0
February ,, ..	643	551.4	451.4
March ,, ..	645	598.8	488.5
April ,, ..	651	612.3	504.4
May ,, ..	651	639.9	515.5
June ,, ..	660	629.4	510.3
July ,, ..	663	633.4	515.8
August ,, ..	667	635.0	510.5
September ,, ..	669	647.6	523.3
October ,, ..	669	656.5	571.8
November ,, ..	674	656.5	534.8

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	5th March, 1955	26th Feb., 1955	26th Feb., 1954	January, 1955	January, 1954	Percentage of increase (+) or decrease (−) in Jan., 1955 as compared with Jan., 1954	Annual Average 1953	Annual Average 1954
Food Articles ..	301.1	300.8	287.3	310.3	281.5	—18.7	289.8	288.3
Cereals ..	344	344	430	348	440	—20.9	451	434
Pulses ..	230	232	355	239	424	—43.6	494	319
Other ..	254	252	280	269	288	— 6.6	266	295
Industrial Raw Materials ..	425.9	433. R.	459.9	432.8	481.1	—10.9	459.7	447 1
Fibres ..	475	479	445	469	453	+ 1.8	450	444
Oil seeds ..	350	358	504	373	548	—30.9	573	458
Minerals ..	393	416	440	417	449	— 7.1	448	429
Others ..	485	482	403	478	409	+16.4	365	410
Semi-Manufactures ..	335.7	337.2	355.7	346.5 R	301.5	—14.7	316.3	338.4
Leather ..	398	390	399	389 R	397	— 2.0	410	377
Mineral oils ..	221	221	221	221	221	—	224	221
Vegetable oils ..	365	375	471	409	548	—25.4	524	454
Cotton yarn ..	441	440	451	450	439	+ 2.5	441*	454
Metals ..	242	242	238	246	236	+ 4.7	226	239
Oil cakes ..	292	297	297	413	309	—25.4	450	418
Others ..	326	337	305	332	305	+ 8.9	283	308
Manufactured Articles ..	378.8	376.1	371.3	375.5	364·3	+ 3.1	387.0	378.
Textiles ..	421	420	411	419	401	+ 4.5	404	418
Jute ..	474	475	429	455	423	+ 7.6	398	438
Cotton ..	409*	409*	411*	405*	397*	+ 8.5	407*	408*
Rayon and Silk ..	468*	455*	469*	450*	420*	+ 9.5	435*	458*
Woollen ..	310	310	318	310	318	— 1.0	309	311
Metal products ..	340	340	337	340	337	+ 0.9	337	339
Others ..	284	284	286	284	288	+ 0.4	286	286
Miscellaneous ..	559.0	559.0	568.8

MARKET REPORTS

(Concluded from page 593)

METALS IMPROVE

(From Our Own Correspondent)

CALCUTTA, 22nd March

The metal market put on a cheerful appearance during the week under report, and although consumers were desirous to make purchases adequate to meet day-to-day requirements only, prices generally looked up. An indication of the present tightness in copper supplies is the Government of India's announcement adding copper base alloys to the list of items prohibited for export, which already include copper ingots. From Rs. 235, electrolytic copper went up to Rs. 250 this week, and manufacturers of products containing copper were reluctant to enter into further business in view of the uncertainty in price. How far Indian requirements for copper can be fully met in the coming months remains to be seen. Some business was done in scrap for conversion to ingots. Mercury was quiet, and moved down to Rs. 1,215 from Rs. 1,220 a flask. Indian stockists were not much bothered about the declining trend in the United States in view of consumer resistance, as stocks in India are no longer plentiful. Closely following the trend in Singapore, tin hardened from Rs. 470 to Rs. 483. Some small business was transacted. Electrolytic zinc was priced at Rs. 61, and the plentiful stocks in the market especially in the hands of weaker elements are holding prices at a low ebb. Lead was steady at Rs. 71-8.

TEAS EASY

(From Our Own Correspondent)

CALCUTTA, 22nd March

There was less demand during the export tea sales yesterday, when offerings totalled 11,200 chests, mostly of stalky types. A few invoices of clean black tea were also listed. There was no competition from shippers, but buyers bought on account of internal consumption. Fannings were quiet, but commons and commonest teas were supported at dearer rates. Whole leaf grades were steady, and buyers favoured teas having black leaf. All other offerings were easy by an anna to two annas and there were heavy withdrawals. There was good demand for export quotas, and the price rose to As. 4½ a lb. from As. 3 a week ago.

Dusts offered during last week's auctions for internal consumption amounted to 20,403 packages. Prices were easy, although there was a fair general demand. Dooars and commons were lower by As. 2, as also the grainy Assam teas, excepting the powdery ones which were fractionally better. Darjeelings were fully easy by As. 4 and withdrawals were heavy. In contrast with the general trend, C.T.C. Assams of good quality were dearer by one anna, but the fibrous teas among C.T.C. Assams were lower by one anna. Grainy Assam teas gave way by As. 2, but the smaller powdery teas were steady. The rates were: Best C.T.C. Assam Rs. 3-4 to Rs. 3-5, Medium Assam grainy dust Rs. 2-8, and Medium Dooars Rs. 2-6-6 to Rs. 2-7.

Offerings of leaf comprised 9,573 packages, mostly of end-of-season teas. There was fair demand, and C.T.C. teas were in good form and they were higher by an anna. The poorer stalky teas were sold above brokers' valuations. Teas having black appearance were steady at the beginning of the sale, but eased before closure.

ZAGREB SPRING FAIR

The Zagreb Spring Fair which was scheduled to take place at Zagreb, Yugoslavia, from 25th March to 3rd April, 1955, has been postponed on account of inclement weather. The Fair will now be held from 8th to 17th April, 1955. It will provide an idea of the vast potential of Yugoslav industry and trade. With a view to enabling the maximum number to visit the Fair, the Yugoslav Government has sanctioned special reductions in fares on both railways and shipping lines.

IMPLICATIONS OF REVISED G.A.T.T. RULES TO INDIA

(Concluded from page 557)

will mean not merely the setting up of new industries but also the establishment of a new branch of production in an existing industry, the substantial transformation of an existing industry, or the substantial expansion of an existing industry supplying a relatively small proportion of the domestic demand. Even if the concurrence of the G.A.T.T. to the adoption of such measures is not forthcoming, the country concerned would still, under the revised G.A.T.T., be able to apply those measures, though in that event any country whose trade has been adversely affected could withdraw or suspend an equivalent concession under the G.A.T.T. towards the country adopting the measure.

To this general approach, there is one exception. When the item in question is one on which the tariff has been bound by negotiations under the G.A.T.T., it would be unfair to nullify the value of the tariff concession by restricting the volume of imports otherwise than on balance of payments grounds. Therefore, in cases of this kind, the country concerned can apply the measures only if it obtains the agreement of the countries interested in that tariff concession or, failing such agreement, by going through procedures similar to those relating to withdrawal of tariff concessions.

As stated earlier, these and other amendments are now under the consideration of the Government of India. The Government is also examining the draft articles of the Organisation for Trade Co-operation the establishment of which has been proposed in order to administer the General Agreement on Tariff and Trade on a more formal and permanent basis, as also to serve as an Inter-Governmental forum for the discussion and solution of other questions relating to international trade.

The respective protocols are now open for signature in Geneva and will remain so till the beginning of the next session of the G.A.T.T. in October next.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953 ..	11,58,000	10,61,800	7,81,800
Do. 31st March, 1954 ..	11,84,000	10,70,200	7,80,000
Eleven months ended Feb., 1955	10,39,400	9,58,600	7,15,100
October 1954	99,500	94,000	68,500
November "	1,00,300	95,800	64,400
December "	1,01,400	98,100	71,700
January 1955	1,02,800	99,600	71,400
February "	92,710	84,500	63,300
March "	86,800	82,400	62,800
October "	98,500	89,200	68,500
November "	98,800	90,500	68,000
December "	1,05,600	95,000	78,800
January 1955	1,02,500	95,800	72,200
February "	98,500	84,600	63,900
Indian Iron and Steel Co.			
Year ended 31st March, 1953 ..	6,38,710	4,81,460	3,12,840
Do. 31st March, 1954 ..	5,80,020	4,49,830	2,97,440
Nine months ended Dec., 1954	5,50,841	3,84,412	2,40,987
April 1953	52,210	30,980	19,000
May "	57,810	32,550	19,700
June "	56,780	32,940	19,020
Three months ended Sept., 1953	63,390	38,850	11,640
Dec., 1953	1,81,030	1,16,800	1,06,940
April " 1954 ..	61,950	41,070	27,600
May "	62,450	38,540	35,260
June "	56,870	41,100	34,620
Three months ended Sept., 1954	1,80,018	1,20,741	1,12,881
Dec., 1954	1,56,068	1,26,801	1,20,918

OVERALL BALANCE OF TRADE OF INDIA DECEMBER, 1954†

Particulars	December, 1953 Rs. (lakhs)	December, 1954 Rs. (lakhs)	Nine months, April to December 1953 Rs. (lakhs)	Nine months, April to December 1954 Rs. (lakhs)
1. Trade in merchandise—				
(a) Exports	51,81	59,93	395,58	426,75
(b) Re-exports	29	37	3,66	3,84
Less—Transit trade..	..	5	4	35
Net re-exports ..	29	32	3,62	3,49
Total exports ..	52,10	60,25	399,00	430,24
2. Imports	39,44	49,05	444,58	456,84
Less—Transit trade ..	1	1	11	10
Net imports ..	39,43	49,04	444,47	456,48
Balance of trade in merchandise	+12,67	+11,21	−45,47	−26,24
Balance of trade in gold and silver	..	..	−8	−1
Total overall visible balance of trade	+12,67	+11,21	−45,55	−26,25

† Total values of foreign trade of India by all routes (i.e., sea, air and land).

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	101½
4 % Bonds	1930-32	68,30,76,000	1960-70	101½
3½% Loan	1935-39	1,15,17,46,000	1968-83	93½
3 % Loan	1940	80,83,10,000	1964	88
2½% Loan	1945	1,10,11,78,000	1966-68	80½
2½% Loan	1946	1,14,06,89,000	1967	79½
2½% Loan	1945	1,18,08,83,000	1970-72	68
2½% Loan	1948	1,18,08,84,000	1969-71	67½
2½% Loan	1951	50,95,65,000	1958	93½
2½% Loan	1946	45,88,07,000	1960	64½
2½% Loan	1949	87,00,00,000	1966	61½
2½% Loan	1946	14,72,48,000	1976	62
2½% Loan	1947	78,86,72,000	1962	62½
2½% Loan	1948	60,45,01,000	1956	66½
3% Loan (N.P. Bonds)	1953	75,00,00,000	1961	90½
2½% N.P. Loan	1954	116,75,00,000	1964	92½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,98,86,000	(At option of Government after three months' notice. On February, 1966 or later at option of Government after three months' notice.)	56½
3 % Loan	1946	248,91,00,000		50½
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,20,000	1958-68***	108½
PROVINCIAL LOANS				
3 % Bombay	1942	8,54,28,800	15th Sept. 1955	99½
3 % Bombay	1943	5,60,00,000	14th Sept. 1956	98
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97
3 % Bombay	1949	6,00,15,000	1st Aug. 1962	93
3 % Bombay	1950	3,01,87,700	31st July 1960	94
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	96½
4 % Bombay	1958	2,00,00,000	16th July 1968	101
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	101
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-56	98½
3½% Cochin	1936	70,09,000	1st June 1956-61	99½
3½% Howrah Bridge (New)	1936-37	2,81,07,100	1956-66	95½
3 % Madras	1939	1,22,95,600	21st June 1959	94½
3 % Madras	1942	1,22,22,000	18th Sept. 1955	99-10½
3 % Madras	1943	1,26,10,000	14th Sept. 1956	99
3 % Madras	1944	1,07,98,000	15th Aug. 1958	97½
3 % Madras	1945	2,78,44,000	14th Sept. 1960	94
2½% Madras	1946	9,81,77,900	1st Sept. 1961	91½
3 % Madras	1950	4,86,26,400	31st July 1960	94
3½% Madras	1951	3,01,49,800	17th Sept. 1962	97½
4 % Madras	1958	3,00,00,000	18th July 1968	100½
4 % Madras	1952	3,24,31,200	1st Aug. 1964	100½
3 % Mysore (f)	1930	1,68,44,800	1st Nov. 1955	102
4 % Mysore (f)	1938	2,96,46,900	1st Dec. 1958-68	101½
4 % Mysore (f)	1936	3,99,72,000	30th April 1956-61	99-½
4 % Mysore	1947	3,08,05,700	25th Jan. 1968	99-½
4 % Mysore	1953	3,00,00,000	15th July 1968	100
3 % M.P.	1942	50,00,000	16th Sept. 1955	99
3 % M.P.	1943	50,54,200	14th Sept. 1956	99½
3 % M.P.	1944	52,99,600	16th Aug. 1958	97
3 % M.P.	1948	2,02,00,000	16th Sept. 1964	92½
3 % M.P.	1950	1,00,28,600	31st July 1960	94
2½% M.P.	1951	1,00,00,000	17th Sept. 1962	97½
4 % M.P.	1959	1,00,00,000	16th July 1969	101½
3 % Punjab**	1938-44	9,49,87,200	15th Aug. 1958	98 N
2½% Punjab**	1942	2,85,20,100	16th Sept. 1955	99 & N
3 % Punjab**	1943	2,48,78,800	14th Sept. 1956	99 N
3 % Punjab**	1945	2,96,81,600	14th Sept. 1960	97½N
3½% Travancore-Cochin	1936	50,00,000	16th Aug. 1958	96½
3 % Travancore-Cochin	1953	3,00,00,000	15th July 1968	90½
3 % U.P.	1936	1,69,39,800	15th Sept. 1961-66	90½
3 % U.P.	1944	3,23,06,800	16th Aug. 1958	97
3 % U.P.	1945	2,86,81,900	14th Sept. 1960	94
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	91 & N
2½% U.P.	1951	2,00,00,000	17th Sept. 1962	97½
4 % U.P.	1952	4,11,83,000	1st Aug. 1964	100½
4 % U.P.	1953	3,00,00,000	15th July 1968	100½
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	96
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	3,00,00,000	15th July 1968	100½

PORT TRUST LOANS

Amount	Interest Payable at Current Rate	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
88,80,000	4	1904	1964	
88,00,000	4	1905	1965	
1,00,00,000	4	1906	1967	
44,00,000	4	1908	1968	
78,00,000	4	1908	1968	97½ N
40,00,000	4	1909	1969	
66,00,000	4	1910	1971	
75,00,000	4	1911	1971	
1,10,00,000	4	1912	1972	
14,85,676	4	912*	1960	D
80,00,000	4	1913	1973	99½ N
88,26,000	4	1914	1975	99½ N
10,00,000	4	1918*	1960	
58,00,000	4	1918*	1978	
61,61,100	4	1922*	1960	
11,81,000	4	1924*	1960	
10,28,000	3½	1926*	1960	
38,00,000	3½	1929*	1969	D
12,60,000	3½	1930*	1960	
12,00,000	3½	1931*	1961	
18,00,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
18,00,000	3½	1936*	1966	
48,04,100	3½	1938*	1960	
10,00,000	3½	1938*	1968	
(7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,800	4	1914	1974	98½
98,90,100	4	1916	1975	98½
1,50,00,000(C)	3½†	1921	1981	81
68,02,900(C)	6½	1921	1981	144N
32,06,800	6	1928	1955-58	101½
98,21,800	5½	1928	1955-58	101½
99,84,500(B)	5	1926	1956-58	101½
1,49,49,800(B)	5	1927	1957-59	102½
1,49,30,000	5	1928	1958-60	103
80,00,000	4½	1931	1961	95
80,00,000	3½	1934	1964	96
25,00,000	3	1938	1963-68	80
50,00,000	3	1945	2005	74N
50,00,000	3	1945	1976	84
50,00,000	3	1946	1976	84
80,00,000	3	1947	1959	96
80,00,000	2½	1947	1977	78
50,00,000	3	1948	1978	82½
50,00,000	3	1949	1959	96
50,00,000	3	1949	1979	96
50,00,000	3	1950	1960	81½
1,00,00,000	3	1950	1980	84
1,00,00,000	3	1950	1980	84
50,00,000	3	1951	1981	81
50,00,000	3	1951	1981	81
1,50,00,000	3½	1951	1981	87½
50,00,000	4	1952	1982	99½
50,00,000	4	1953	1983	99½
STERLING LOANS				
£992,600	5	1922	1955-62	£87½
£601,000	5	1924	1956-64	£87½
£886,100	5½	1922	1962	£96
MADRAS				
Rs.				Rs.
31,47,100	3½	1947	1977	
8,88,000	3	1947	1977	
9,00,000	3	1949	1979	A
45,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest Payable at Current Rate	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1909	1959	100
80,00,000	4	1901	1961	
80,00,000	4	1902	1962	
60,00,000	4	1903	1963	
60,00,000	4	1904	1964	
60,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
80,00,000	4	1908	1968	
28,00,000	4	1912	1972	
10,00,000	4	1913	1973	
10,00,000	4	1914	1974	97½N
28,00,000	4	1916	1976	
40,00,000	5	1916	1967-72	118N
28,00,000	5	1920	1968-73	
28,00,000	5	1926	1968-83	116N
28,00,000	4	1927	1961-70	96N
10,00,000	3½	1936	1966	
STERLING LOANS†				
£866,600	4	1909	1969	£98½N
£833,000	4	1910	1970	£98½N
CALCUTTA‡				
Rs.				Rs.
50,00,000	6	1925	1955	101½
20,00,000	5½	1929	1959	107
80,00,000	5	1934	1964	99½
80,00,000	3½	1936	1966	94
80,00,000	3	1936	1966	90
80,00,000	3	1937	1967	91
20,00,000	3	1938	1968-68	90
80,00,000	4	1952	1962	99½
MUNICIPAL LOANS				
Rs.				Rs.
BOMBAY				
20,00,000	4	1912-13	1974	99½
20,00,000	4	1913-14	1955	100½N
10,00,000	5	1920	1960	111½
20,00,000	5	1928	1958	104½
8,45,500	5	1929	1954-59	104
28,21,500	5	1929	1959	102½
8,28,50,000	3½	1934	1964	86
2,50,00,000	3½	1940	1979	86½
1,00,00,000	3½	1940	1965	92½
2,00,00,000	4	1952	1962	100
1,80,00,000	3½	1951	1966	97
1,00,00,000	3	1953	1963	100
1,00,00,000	4	1952	1964	99½
	4	1954	1966	99½
Rs.				Rs.
CALCUTTA				
84,70,000	6	1925	1955	101½
80,00,000	5	1928	1958	103
20,00,000	5	1929	1959	102½
10,00,000	5½	1932	1962	106
28,01,000	5	1933	1963	94
60,00,000	3	1936	1966	90
87,50,000	3	1937	1967	90
10,87,700	3	1938	1968	90
18,58,800	4	1939	1968	98½
18,58,800	4	1939	1968	98½
18,58,800	4	1940	1967	99½
17,66,400	3½	1942	1969	99½
27,10,000	3½	1942	1972	94½
16,49,000	3½	1943	1973	97
16,83,000	3½	1945	1970	97
88,88,000	3½	1951	1961	97½
87,86,000	4	1952	1962	97½
72,50,000	4½	1954	1964	97½
Rs.				Rs.
MADRAS				
71,700	6	1928	1958	100N
2,67,300	6	1932	1955	101N
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

**Those share carry the right of a preferential dividend at the rate of 8 per cent. (of which only 3 per cent. cumulative) per annum. In the event of a winding up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. out of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these share carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 3 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

¶These carry the right to cumulative dividend of 7 per cent. and of any surplus profits available after 10 per cent. ordinary capital.

††† These shares can be redeemed, at Rs. 105 any time by special resolution.

‡ Holders are entitled to receive 25 per cent. of the divisible profits in addition to the Dividend Capital additionally guaranteed by GoI. — Rubber Co., Ltd

ABBREVIATIONS.

A—Held by Government of India. B—Taken up by Imperial Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable (f) Income-tax free. * Loans held entirely by the Trustees. **Quotations in Pak. Currency. ***Rupee Counterparts.

† Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June, 1944.

‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‡—Interest free for first 12 years. §—Interest free for first [illegible] years.

N—Nominal.

PREFERENCE SHARES

Company	Amount used Rs. or £	Year of Issue	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	133xd	100
BREWERIES AND SUGAR						
Bihar Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	5,00,000(b)	1875	6½	Mar. Sept.	97	100
Cawnpore Sugar Works ..	40,00,000	1905-24	8	Feb. Aug.	143	100
Dwcan Sugar & Abkhari ..	7,00,000	1920	7	July Apr.	116½	100
¶East India Distilleries ..	£200,000	1897	7	Jan. July	17	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	70	100
Do. (Non-cadcam) ..	5,00,000	1940	7B	Dec. ..	70	100
Partabpore Co.	6,00,000	1922	10	Oct. ..	15½	10
Ramnagar Cane	4,00,000	1933-34	6	Aug. ..	107	100
Ravalgaon Sugar	20,00,000	1943	3½	Oct. Apr.	75N	100
Sonth Bihar Sugar	5,00,000	1936	7(a)	Oct. ..	16½	100
Tersvaurore	14,99,135	1946	5(c)	Dec. ..	8½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borsar	4,00,000	1896-97	6½	Oct. Apr	119	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	123	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	119	100½
¶Karanpura Collieries ..	7,50,000	1946	3½(a)	.. ..	69	75(pp)
¶¶Khas Kajora	1,93,000	1931	3	Mar. Sept.	3N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Oudal	3,00,000	1898-99	6½	Apr. Oct.	114	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr Oct.	105	100
Bangalore	4,00,000	1884	6	Jan. July	130	100
Bennai Cotton	5,00,000	1938	6½	Nov ..	8½	10
Benares Cotton	1,05,200	1919	7	July Jan.	63	100
Bengal-Nagpur	3,00,000	1894	7	Apr Oct.	119	100
Bombay 'A'	6,00,000	1900	8	Feb Aug.	136	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	82	100
Bradbury	14,75,000	1919	7	June Dec.	65	50
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	140	100
Cambodia	1,00,000	1928	7	Apr. ..	125	100
Central India	30,00,000	1912	5	Apr. Oct	490	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	117½	100
Elgin	11,00,000	1912	8	May Nov.	147	100
Do. 'B' Pref.	4,20,000	1943	3	July Jan.	10½	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	88	100
Emperor	30,00,000	1919	7	June Dec.	129	100
Khatau Makanji (2nd) ..	39,52,500	1947	4	Nov. ..	87	100
Kothartji	12,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay) ..	16,00,000	1894	5(a)	.. ..	250	100
Morarjee Goculdas(Spg. & Wvg.	17,25,000	1947	4½	January ..	80	100
Mill Mill	30,00,000	1900	4	Jan July	81N	100
Mysore Spg.	7,45,030	1944	4½	.. ..	30	50
National Rayon	1,74,64,700	1947	5	.. ..	86	100
New Great	8,00,000	1913	2½(a)	Mar. ..	185½	200
New Victoria	26,03,500	1920	6	Apr. Oct	3½	5
Podar Mills	10,00,000	1943	4	Feb. ..	77	100
Rajlakshmi	2,00,000	1912	6½	Apr. ..	53	50
Shree Nivas Cotton	4,80,000	1944	4	.. ..	..	100
Sholapoor	32,00,000	1945	3(c)	.. ..	96	100
Sredarshi	15,00,000	1935	5	Apr Oct	115½	100
Swadeshi (Kanpur)	35,00,000	1927	6	June ..	80	100
Vasanta (1st)	3,00,000	1931	6½	Apr. Oct.	117N	100
Do. (2nd)	1,50,000	1938	6	.. ..	108½	100
Vishan	15,64,500	1940	7(a)	Apr. ..	160	500
ELECTRICS						
Andhra Valley Power Supply	49,34,000	1917	7(a)	May Nov.	1,197½	1,000
Calcutta Electric	81,900,000	1909-11	3(a)	June Dec.	12½	41
Poona Electric	4,00,000	1935	7(a)	June Dec.	103½	100
South Arcot	2,00,000	1933	5	Jan. July	101	100
South Madras Ind.	18,05,215	1940	3½	July Mar	10½	10
Do. (2nd)	8,00,000	1940	3½	.. ..	10½	10
Surat Electric Co.	3,00,000	1939	6½	Apr. ..	130	100
Tata Hydro-Electric Power ..	49,28,000	1919	7(a)	May Nov.	121½	100
Tata Power	89,28,000	1918	7½(a)	May Nov.	1,296½	1,000
Valiera	1 23,000	1928	6	May Sep.	8	10
ENGINEERING						
Anthar Butler (Mzzaffarpore)	1,30,000	1919	7	Mar. ..	9	10
Burn & Co. Ltd. (1st) ..	13,00,000	1895-96	7	Feb. Aug.	142½	100
Do (2nd)	15,00,000	1902	6	Feb. Aug.	124½	101
Indian Iron and Steel Co., Ltd	1,50,00,000	1950	5	Jan. ..	109½	100
Indian Standard Wagon ..	19,96,500	1918	7	June ..	139	100
Indian Steel Rolling ..	4,99,950	..	5½	Dec. ..	9½	10
Jessop	10,00,000	1941	3	May Nov.	106	100
¶¶Kamarhatti Engin. ..	12,00,000	1912	4	June Dec.	107	100
Larsen and Toubro Ltd. ..	13,00,000	1944-47-51	3	.. ..	86½	100
McKenzies (Ltd)	4,50,000	1907	5½	.. ..	80	100
Premier Construction (1st)	10,00,000	..	6½(a)	.. ..	104	100
Do do. (2nd) ..	12,00,000	1936	6½(a)	.. ..	100	100
Do do. (3rd) ..	56,25,000	1947	4½(a)	.. ..	3½	10
Steel Products	3,00,000	1917	5	.. ..	1N	10
Tata Iron and Steel (1st) ..	72,00,000	1908	6(a)	Nov. ..	168½	100
Do do. (2nd) ..	4,93,81,900	1908	7½(a)	May ..	129½	100
JUTE						
Agarpara	10,00,000	1927	7	Jan. July	120	100
Alaska	9,00,000	1909	7	May Nov.	114	100
Alexandra	9,00,000	1905	7	Feb. Aug.	104	100
Alliance	15,00,000	1895	6	Mar. Sept.	101	100
Anglo-India	40,00,000	1917	7	May Nov	118	100
Anchor	10,00,000	1909	3½	May Nov	94	100
Do. (2nd)(i)	15,00,000	1943	4½	June Dec.	75	100
Baly	20,00,000	1918	7	Apr. Oct.	114	100
Barnagore	£500,000	1896	5(a)	May Nov	48	£5
Belvedere	7,00,000	1906	7	Jan. July	118	100
Birla	23,64,300	1919	7½(a)	June Dec.

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. e.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and all other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and All other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which claim their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. s.	1953 Rs. s.	1954 Rs. s.	1955 Rs. s.	Accounts Closed	References
60,00,000	3,74,976	63,22,382	45,05,372	—2,24,486	Rajputana Textiles (Agencies) Ltd.	47,512	8,981	Apollo Mills	2½	2	0 4(c)	0-4 (c)			12	V.
40,00,000	84,00,000	1,34,85,581	72,25,655	—5,76,311	B. R. Sons, Ltd.	50,596	1,021	B. R. Cotton Mills	54½	100	Nil	Nil	Nil		12	V.P.Y.
90,98,000	2,33,99,019	4,25,75,764	3,54,21,688	52,579	Nowrojee Wadia & Sons, Ltd.	1,89,680	4,855	Bombay Dyeing & Mfg	471½	250	20 0	22 8*	20 0		12	V.
10,00,000	27,36,359	55,38,179	48,57,495	2,48,761	Ramaraju Sons, Ltd.	42,008	860	Bradbury Mills	160	50	100 0	100 0	75 0		3	V.
1,09,42,800	2,27,54,197	2,83,17,250	1,85,13,280	31,32,663	Birla Bros., Ltd.	..1,25,936	2,698	Century Spg. & Mfg.	383	100	20 0	22 0	22 0		12	V.
49,00,000	16,04,856	1,06,30,358	39,37,373	3,066(c)	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	56½	100	Nil	Nil			12	V.
86,00,000	13,33,380	64,51,450	44,36,747	21,158	Cowasjee Jehangir & Co., Ltd.	30,130	680	Coorla Spg. & Wvg.	118½	100	7 8	7 8	7 8		3	V.
16,00,000	25,08,261	64,39,890	50,46,041	38,562	Ramaraju Sons, Ltd.	38,304		Dawn Mills	90	50	6 0	6 0			12	V.
84,00,000	27,75,000	68,35,752	60,73,724	16,489	Purarmal Rachakshsen & Co.	50,296	928	Edward Textiles	255	100	15 0	15 0			12	V.
89,97,750	11,93,292	1,09,90,311	73,59,225	17,999	K. D. Jalan, Esq. (Chairman)	43,376	896	Elphinstone Spg. & Wvg.	40½	50	3 0	Nil	2 81		12	V.
40,00,000	63,61,872	86,92,384	68,51,296	5,74,369	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	258	100	20 0	16 0			12	V.
11,84,000 / 16,000	75,99,589	1,20,85,307	91,11,508	8,850	Thackersey Mooljee & Co.	49,672	1,126	Hindoostan Spg. & Wvg. Mills	3,875 / 1,992½	1,000 / 250	200 0* / 20 0	225 0* / 56 4*	225 0 / 35 4	40 0t / 10 0t	3	V.P.
8,00,00,000O / 80,00,000D	1,13,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	..2,38,030	6,278	India United Mills	10 / 14	10 / 10	Nil	0 10½ / 0 1½			12	V
8,65,000 / 35,000	71,99,043	1,22,31,586	83,59,000	3,551	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	3,800 / 1,992½N	1,000 / 500	200 0* / 100 0	225 0* / 112 8*	225 0 / 112 8	40 0t	3	V.P.
59,85,000	40,24,767	2,15,86,170	1,74,28,945	23,212	Khatau Makanji & Co., Ltd.	84,604	1,513	Khatau Makanji Spg. & Wvg.	166½	100	10 0	10 0	8 0		6	V.P.
1,00,00,000	1,44,30,000	3,49,59,105	2,46,94,456	12,185	Kilick Industries Ltd.	..1,20,504	1,846	Kohinoor Mills	316½xd	100	18 0	20 0*	18 0		12	V.
88,80,000A / 8,60,000B	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	84½ / 80B	100A / 80B	6 4 / 1 4	6 4 / 1 4			6	V.P.
22,13,050	41,30,929	1,10,76,967	48,72,195	12,177	N. Sirur & Co., Ltd.	48,676	644	Modern Mills	85N	50	5 0	5 0			10	V.P.
31,75,000	32,62,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	218½	100	12 0	12 0	14 0		6	V.P.
1,60,40,000	2,63,011	4,93,70,648	1,10,00,000	3,01,242	Chiraj & Co., Ltd.		2004	National Rayon Corporation	200½	100	Nil	9 0			12	V.P.
24,00,000	25,60,685	74,52,403	46,04,752	27,546	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	142½xd	100	10 0	10 0	10 0		12	V.
50,00,000	15,47,407	89,82,380	61,42,740	12,517	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	130xd	100	10 0	10 0	7 8		12	V.P.
12,70,100	38,34,000	42,68,252	13,74,680	423	Mafatlal Chandulal & Co. (Bombay), Ltd.	34,100	873	New Union Mills	32½	10	1 4				12	V.
48,00,000	36,07,273	1,42,08,882	91,59,811	30,475	Ramaraju Sons, Ltd.	66,324	1,190	Phoenix Mills	100xd	100	8 0	8 0			12	V.
40,00,000	43,62,741	24,64,450	22,50,000	8,99,184	Podar Sons, Ltd.	32,600	930	Podar Mills	138½	100	10 0	10 0			12	V.P.
5,00,000	8,44,062	21,20,749	18,99,340	2,590	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	152	10	1 4	0 12			12	V.
85,00,000	69,06,474	1,24,22,606	81,47,282	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	37	10	1 4	1 4			12	V.
60,00,000	66,20,061	87,30,546	45,21,044	2,69,922	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills	236½	100	12 8	14 0			12	V.P.
42,00,000	38,80,000	80,15,073	68,69,000	21,940	Forbes, Forbes Campbell & Co., Ltd.	29,436	1,274	Simplex Mills	147	50	15 0(p)	15 0	11 0	4 0t	3	V.
56,00,000	1,22,33,867	1,85,08,331	1,10,85,485	17,128	Mafatlal Gagalbhai & Sons	57,288	1,633	Standard Mills	363½	100	20 0	20 0	20 0		12	V.P.
1,00,00,000	1,18,72,086	1,70,59,941	90,25,820	40,896	Tata Industries Ltd.	67,872	2,000	Swadeshi Mills	191	100	16 0	16 0			12	V.P.
56,00,000	60,78,465	93,47,153	38,93,668	3,74,737	James Finlay & Co., Ltd.	38,828	552	Swan Mills	330	100	30 0	20 0			12	V.
32,57,438	49,90,352	1,53,47,827	43,36,553	6,865	Tata Industries Ltd.	61,792	1,800	Tata Mills	61	25	1 0	1 0			12	V.P.
15,00,000	62,35,708	98,83,823	74,63,000	4,719	Thackersey Mooljee Sons & Co.	34,424	1,181	Western India Spg. & Mfg	3,875	1,000	200 0*	225 0*	225 0	40 0t	3	V.P.

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. s.	1953 Rs. s.	1954 Rs. s.	1955 Rs. s.	Accounts Closed	References
80,00,000	25,97,650	96,80,904	55,37,028	5,660	Tata Industries, Ltd.	Ahmedabad Advance Mills	122½	100	10 0	10 0*	5 0		6	V.P.
10,00,000	90,53,638	89,83,424	65,39,067	7,878	F. M. Shubhering & Sons, Ltd.	Aruna Mills	42,768	912	20 0*	20 0*			12	V.P.
26,25,000	2,23,86,002	1,53,18,915	89,73,000	47,546	Narottam Lalbhai & Co.	Arvind Mills	62,448	1,216	25 0	25 0			12	V.P.
80,00,000	38,43,340	79,44,276	56,25,000	3,90,074	Mangaldas & Bros., Ltd.	Ayodya Ginning & Mfg.	35,884	884	15 0	15 0			12	V.P.
12,00,000	1,00,56,021	87,58,319	66,99,531	17,545	Lalbhai Dalpatbhai & Co.	Anoka Mills	37,368	914	22 0	22 0			12	V.P.
1,34,77,832	99,36,782	3,97,31,801	2,72,33,344	83,31,586	Karamchand Premchand Ltd.	Calico	366½	125	18 0	18 0	8 0t		12	V.P.
45,00,000	68,45,000	1,05,59,863	72,50,000	6,391	Tricumlal Bhoglial & Co., Ltd.	New Commercial Mills	1,082½N	750	70 0	70 0			12	V.P.
20,00,000	67,41,858	1,04,63,626	83,10,306	38,617	Mafatlal Chandulal & Co., Ltd.	New Shorrock Spg. & Wvg.	753	125	35 0	35 0			12	V.
5,00,000	61,15,982	46,72,745	31,76,001	700	Jagatbhai Bhoglial Nanavaty & Co., Ltd.	Nutan Mills	340N	100	30 0*	30 0*			12	V.P.
12,50,000	1,09,22,589	79,71,738	52,25,077	32,322	Lalbhai Dalpatbhai & Co.	Rajpur Mfg.	31,120	634	30 0	30 0			12	V.P.
12,00,000	13,93,067	74,95,069	39,47,450	—18,80,726	Mangaldas Girdhardas Parekh Ltd.	Rajnagar Spg., Wvg. & Mfg.	47,320	1,095	Regnagar Spg., Wvg. & Mfg.	110N	250	Nil	12	V.P.
32,50,000	16,74,825	84,83,940	52,67,803	4,020	Lallubhai Gordhandas Ltd.	Rohit Mills	33,338	648	15 0	9 0	9 0		12	V.P.
88,98,750	1,83,62,259	1,53,66,919	1,17,07,000	42,133	Indian Textile Syndicate Ltd.	Shri Ambika Mills	97,332	1,781	50 0	18 0	0		12	V.P.
19,52,500	57,77,232	71,25,468	55,53,800	22,720	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	Shorrock Spg & Mfg.	36,624	720	20 0	20 0			12	V
28,00,000	26,43,469	75,32,266	61,24,605	31,806	Hariklas Achratlal & Co., Ltd.	Vijaya Mills	36,176	780	33 0*	33 0*			12	V.P

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. s.	1953 Rs. s.	1954 Rs. s.	1955 Rs. s.	Accounts Closed	References
15,00,000	1,88,479	34,10,729	41,427	41,227	Calcutta Agency, Ltd.	Basanti Cotton Mills	4½	10	Nil	0 4			12	V.P.P
7,11,280	3,95,369	40,98,098	23,80,978	47,818	Bengal Textile Agency, Ltd.	Bengal Laxmi Cotton Mills	38N	40	5 0	Nil	4 0		8	V.
6,00,000	22,79,078	80,45,279	51,52,000	—18,86,726	Kettlewell Bullen & Co., Ltd.	Bowreah Cotton Mills	41½	100	Nil	Nil	Nil		6.12	H.P.
19,00,000	25,15,726	97,91,258	69,83,080	—10,45,860	Kettlewell Bullen & Co., Ltd.	Dunbar Mills	42,944	518	Nil	Nil	Nil		6.12	H.
1,60,00,000	1,98,18,540	3,42,43,338	1,08,56,338	2,15,714	Birla Brothers, Ltd.	Kesoram Cotton Mills	70,040	1,990	15 0	1 12	1 12	1 12	3	V.P.
4,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	Mohini Mills	23,484	442	1 4½	1 4½			12	V.P.
19,47,750O / 5,00,000D	5,75,000	41,75,833	19,32,788	15,666	Hazaremmull Heemiall	Rampooria Cotton Mills	23,196	795	12 / 10N / 12D	10 0 / 8 0 / Nil	0 8½ / Nil		6	V.

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. s.	1953 Rs. s.	1954 Rs. s.	1955 Rs. s.	Accounts Closed	References
18,00,000	9,09,109	39,21,613	21,03,246	2,736	Ramal & Co., Ltd.	Alagappa Textiles (Cochin) Ltd.	55,000	10					12	V.P.T.
71,94,400	31,99,334	2,06,06,796	50,52,372	2,771	Industrial Trust Fund,	Anam Jubi Mills	36,136	750	6 0	6 0			9	V.
0,000	1,91,68,745	2,87,22,995	2,24,71,643	2,44,711	Binny & Co. (Madras), Ltd.	Bangalore Woollen, Cotton and Silk Mills	40,068	1,157					12	V.P.
	15,50,000	77,25,132	53,72,132	18,199			29,936	782	Bengal-Nagpur Cotton Mills.	10½	10	0 8	0 4½	Nil	6.12	H.P.T.
	1,07,71,676	1,01,44,941	67,39,141	4,07,265	Birla Brothers, Ltd.	Birla Cotton Spg. & Wvg. Delhi	39,896	998	70N	10	3 0	3 0		8	V.
	1,54,69,697	4,30,39,308	1,14,94,493	8,69,005	Binny & Co. (Madras), Ltd.	Buckingham & Carnatic	1,20,356	2,744	160xd	100	4 0	10 0	10 0		12	V.P.
	30,00,281	32,98,201	17,91,411	39,657	Peirce, Leslie & Co., Ltd.	Cambodia Mills	17,536		12½	10	1 8	0 12			12	V.P.
	4,75,000	42,54,384	15,27,257		Malabar Industrial Syndicate	Cannanore Spg. & Wvg.	16,800		128½	100	12 0	12 0			3	V.
	26,49,773	51,86,118	47,84,815	18,773	Begg, Sutherland & Co., Ltd.	Cawnpore Textiles	28,796	591	8½	5	0 9	0 8			3	V.
	19,85,494	28,94,633	21,38,900		R. Bheema Naidu & Co.	Coimbatore Cotton Mills	28,864		310xd	100	9 0	20 0			6	V.
	13,90,000	33,17,361	17,08,703	3,400	T. R. N. Naidu & Co.	Coimbatore Pioneer Mills	21,978		212	100	9 0	15 0	10-0t		6	V.P.
	4,36,546	1,16,33,334	68,90,000	4,76,905	R. G. S. Naidu & Co.	Coimbatore Spg. & Wvg.	72,188	407	38	10	Nil	Nil	3f		6	V.
A. Gola	61,78,241	2,34,42,659	1,51,56,858	14,071	Tata Industries, Ltd.	Central India	1,15,188	2,062	129	100	2 0	3 0	2 0		6	V.
46,87,306	2,63,12,465	8,55,97,662	4,42,00,000*	1,69,241	B. R. Charat Ram & Co., Ltd.	Delhi Cloth & General Mills	36,116,636	2,355	28 / 2½xd	0 1 4/3	1 12 / 2 4/3	2 4 / 0 3 1/3	6	V.P
36,25,000	24,06,342	42,39,039	30,16,081	9,452	M. N. Chettiar & Sons	Dhanalakshmi Mills	32,164	201	28	20	20	0	12	V.
36,00,363	33,27,872	1,46,96,492	1,21,71,631	62,277	Begg, Sutherland & Co., Ltd.	Elgin Mills	53,768	1,198	16½	10	1 8	1 0	1 0	V.P.
84,34,800	33,91,175	88,81,779	55,24,978	37,169	Forbes, Forbes Campbell & Co., Ltd.	Gokak Mills	72,904	3	227½	100	17 0*	17 0	13 0	
69,00,000						Indore Malwa United	51,180	1,420	93½	100	6 0	6 0			12	V.
48,81,779	12,75,743	1,25,73,688	88,01,206	12,371	Govindram Seksaria (Indore)	Janardana Mills	23,784		78	50	3 12	4 8			12	V.
60,00,000	10,62,423	28,57,887	14,63,529		G. V. Naidu & Co., Ltd.	Kothari Textiles	30,512	200	12	10	0 8	0 8			12	V.
8,90,000	15,75,000	64,03,081	12,00,000	20,004	Kothari & Sons	Lakshmi Cotton Mfg.	31,972	1,219	350	250	37 37	37 8	7 81		12	V.P.
84,00,000	71,10,321	1,43,07,561	1,01,44,340	32,367	Bombay Co., Ltd.	Lakshmi Mills	76,960	200	148 / 73½	50 / 25	5 0 / 3 8	5 0 / 3 0	10 0 / 5 0	
33,00,000		1,00,53,685	69,98,848	25,793	G. K. Naidu & Co.	Madura Mills	47,cd		47½	15	3 0	3 0	3 0		12	V.
33,64,100	4,13,81,878	3,66,33,243	3,44,90,463	8,66,800	A. & F. Harvey Ltd.	Malabar Spg. & Wvg.	43,852		122½	100	8 0	8 0	8 0		12	V.
17,52,050	4,17,363	27,72,881	16,02,069	1,14,098	A. L. A. R. S. Chettiar and 2 others	Meetur Industries Ltd.	22,592	603	310	100	12 8	12 8	22 8*		12	V.
12,75,000	69,00,000	61,38,483	39,84,352	50,153	W. A. Beardsell & Co. Ltd.	Minerva Mills	25,656	1,000	95	100	3 0	7 0*			12	V.
60,00,000	28,14,157	76,14,218	44,42,685	12,036	N. Sirur & Co., Ltd.	Model Mills (Nagpur)	39,200	704	138½	100	7 8	7 8*	5 0(c)		6	V.
89,80,464	27,34,404	1,61,29,118	78,81,528	—7,44,932	Bansilal Abirchand Dadabhoy & Co.	Muir Mills	51,340	955	128½	100					12	V.
94,92,500	82,19,606	1,51,39,272	1,05,91,451	—7,77,790	Indian Textile Syndicate Ltd.	Mysore Spg. & Mfg.	88,640	1,834	108N	100	10 0	10 0*	8 8*	3 0t	12	V.P.
80,00,000	95,75,000	95,25,192	61,37,444	22,997	N. Sirur & Co., Ltd.	Mysore Sugar Mills	49,644	500	121½	50	Nil	Nil	Nil		8	V.P.
24,87,750	2,58,745	29,42,992	15,27,000	3,386	R. Suryanarayana Rao Esq. Manager	Nellore Spg. & Wvg.	6,000		16	10	Nil	Nil	Nil		12	V.
67,87,750	25,62,552	1,02,16,296	58,90,719	—39,62,329	J. P. Srivastava & Sons, Ltd.	New Victoria Mills	49,676	1,198	1½ / O. 2½ / D. 1	Nil / Nil / Nil			12	V.P.
19,88,270	87,08,000	1,84,48,327	68,12,451	15,819	Osmanbhai Mills	Osmanbhai Mills	27,788	847	70	100	7 0	4 0	7 0		12	V.P.
3,07,09,875						Palani Andavar Mills	29,924		114 / 160	50A / 75B	7 8 / 11 4	12 0 / 18 0			9	V.
81,03,800	7,30,000	33,81,578	18,80,484	551	Bhaghyalakshmi & Co.	Pankaja Mills Ltd.	2,500		51	100	1,00,000	4,76,852	3,78,659	—6,15,526	12	V.
4,00,000A / 6,00,000B	9,56,520	32,56,378	18,30,848	4,411	C. S. R. Mudaliar & Sons	Radhakrishna Mills	27,980		218 / 108	100A / 50B	6 0 / 5 0	8 0 / 4 0			12	V.
13,00,000	20,58,884	59,68,909	31,35,638	1,458	A. G. Gurusamy Naidu & Co.	Rajalakshmi Mills	46,384	301	139	50	Nil	7 8			12	V.
21,00,000A / 8,49,200B	32,25,000	23,50,868	16,48,985	34,422	B. R. Naidu & Sons	Rajaseema Mills	25,896		86xd	100	6 0	6 0	9 0		12	V.P.
15,00,000	12,10,000	38,91,595	14,22,264	23,965	Rajaseema Development Co.	Rasu Textiles	14,800	600	14	10	Nil	Nil			12	V.
12,23,375	62,66,508	98,29,567	35,63,291	—19,39,428	J. P. Srivastava & Sons (Rampur)	Sholapoor Spg. & Wvg.	33,984	2,234	1,000 / —	1,000 / 500	Nil	Nil	Nil		12	V.P.
60,00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Moranka & Co.		86,048		48	50	4 0*	4 0*	4 8		3	V.
	11,45,000	75,40,039	49,25,631	26,144	H. N. Pallegar, Esq.	Sri Krishnarajendra Mills	31,668	292	72N	100	Nil	Nil			8	V.
	2,00,246	35,15,906	13,73,000	—2,46,777	Gopaldas Lilladhar & Co., Ltd.	Shree Sajjan Mills	17,880	440	76	10	4 0	4 0	3 0		8	V.
	2,49,73,985	87,38,169	62,02,085	31,22,917	Birla Brothers, Ltd.	Sutlej Cotton Mills	36,212	1,242							8	V.
	2,20,00,000	4,32,93,265	1,56,70,740	2,67,165	Jaipuria Brothers		1,12,216	2,077	8½ / 10P.O.	100 / Nil	0 8 / 0-14 2/3				12	V.P.
						Swadeshi Cotton (Kanpur)			13½	50	1 4½				12	V.P.
	3,25000	2,71,91,025	96,93,946	41,430	Emcees & Sons (Travancore), Ltd.	Travancore Rayons	16,256		12½	10	0 11 1/3	0 11½			12	V.P.T.
	8,00,000	13,19,240	9,97,310	4,009	Mooljee Ramjee & Sons	Trichinopoly Mills	33,704	270	230	100	12 0	12 0			12	V.
	8,48,333	49,31,870	22,32,308	28,000	R. K. S. Chetty & Brothers	Vasanta Mills	54,280	1,337	118½	100	10 0	4 0			12	V.
	32,67,606	1,34,36,933	89,50,678	1,868	Bombay Co., Ltd.	Vishnu Cotton									12	V.P.

* Includes bonus.

Has mortgage loan of Rs. 80 lakhs against mortgage of fixed assets.

(b) Subject to taxation and workers' bonus.

(p) Interim dividend of Rs. 5 per shares was paid on 42,000 shares of Rs. 50 each: final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. N. R.—Ex-Rights.

(c) Paid out of reserves.

MISCELLANEOUS COMPANIES

BREWERIES AND DISTILLERIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. s.	1953 Rs. s.	1954 Rs. s.	1955 Rs. s.	Accounts Closed	References
13,28,000 / 6,64,000	16,64,000	1,09,25,186	50,37,365	21,554	Parry & Co., Ltd.	Deccan Sugar & Abkhari	35cd / 14cd	25 / 10	Nil / Nil	Nil / Nil	Nil / Nil		3	V.P.
16,20,630	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6½	5	0 8	0 8	0 8		3	V.
£80,000A / £300,000B	£897,579	£1,225,541	£513,606	£57,290	Parry's Holdings Ltd.	East India Distilleries and Sugar	17½cd / 29½cd	A. 16sh. / B. 41	Sh. 1 3/5 / Sh. 3	Sh. 1 3/5 / Sh. 4	Sh. 1 3/5 / Sh. 5 4/5			V.P.
6,00,000	9,60,000	11,63,313	11,63,307	4,057	Vittal Mallya, Esq. (Chairman)	United Breweries	165	75	15 0	15 0	15 0		3	V.

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. s.	1953 Rs. s.	1954 Rs. s.	1955 Rs. s.	Accounts Closed	References
11,37,700A. / 17,61,420B.	8,69,857	75,78,758	43,89,342	4,636	Andhra Engineering Co., Ltd.	Andhra Cement Co.	130 / 13½	A. 100 / B. 10	7 8 / 0 12	10 0* / 1 0*			12	V.P.H.
43,14,000O. / 4,70,976D.	11,14,602	18,33,830	7,23,479	1,20,881	Eastern Corporation Ltd.	Assam Bengal Cement	6½ / 1½	O. 10 / D. 1	Nil	Nil			3	V.H.
12,67,59,333	4,18,90,259	20,42,88,558	7,85,13,157	6,93,281	Cement Agencies Ltd.	Associated Cement Companies	181½	100	9 8	9 8	8 8		7	V.
60,00,000O. / 26,69,798D.	46,39,155	81,39,445	20,01,691	67,792	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	13 / 3½	O. 10 / D. 1	0 10 / 0 2½	1 0 / 0 4			12	V.P.H.
5,00,000D. / 61,84,930O.	8,00,000	1,45,26,685	39,60,537	1,15,792	Essen Ltd.	India Cements Ltd.	1½ / 22½ / 3-8¾	D. 1 / O. 25 / D. 5	Nil / 1 4 / 3 4	0 1-3/5 / Nil / Nil	1 4½ / 0 4½		3	V.P.
7,50,000D.	39,86,000	13,00,000	1,67,86,035	51,49,060	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	178	100	6 0	6 0			12	V.P.
75,00,000	20,95,000	1,75,91,085	1,37,82,076	6,448	Martin Burn Ltd.	Sonevalley Portland Cement	7½	5	0 8	0 6			12	V.

CERAMIC ; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. s.	1953 Rs. s.	1954 Rs. s.	1955 Rs. s.	Accounts Closed	References
81,70,635	1,50,000	60,96,114	23,31,090	15,378	S. Lall Bhagat & Co.	Bengal Potteries	3	2½	0 2½	0 2½			12	V
10,00,000	22,81,783	56,54,921	32,63,272	8,804	Bird & Co., Ltd.	Biara Stone Lime Co.	43½N	10	0 14	0 14			3,9	H
£914,200	£1,105,500	£1,839,281	£997,797	£76,278	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3-9½	Sh. 2	3d.	2.4d.		0 8f	12	Y
80,00,000	26,93,396	43,63,547	12,14,544	26,086	Bird & Co., Ltd.	Karampura Development	21	10	Nil	Nil	Nil f		6, 12	H.
6,00,000	2,33,000	8,23,246	4,75,150	603

MISCELLANEOUS COMPANIES—Continued.

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs	Rs	Rs.	Rs.			Rs	Rs	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
						PAPER								
45,00,000	23,36,841	1,98,78,118	1,37,10,118	1,50,325	Balmer Lawrie & Co.	Bengal Paper Mills	63	15	Nil / 9 0	Nil / 1 8	1 8 / 7 0		6,12	H.P.T.
80,00,000	33,44,805	1,07,15,561	71,75,830	2,34,328	Andrew Yule & Co., Ltd.	India Paper Pulp	254xd	100	5 0 / 5 0	6 0 / 6 0	7 0 / 0 12½		8,9	H
85,00,000	16,12,500	1,18,13,367	47,51,061	49,179	B. P. Ramakrishnan Esq.	Mysore Paper Mills	18½	10	1 0	1 0*			3	W.
1,46,82,500	1,53,71,781	8,56,00,806	85,37,779	8,56,680	Birla Bros.	Orient Paper	27½	10	1 0	1 0	0 7		3,9	H.P.T.
80,06,290	78,16,849	1,11,54,742	62,73,807	2,83,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	17½	10	0 12	0 12			6,12	H.P.T
80,00,000	7,02,430	30,37,167	28,55,530	9,798	Bajoria & Co.	Star Paper Mills	13 3/16 / 13 3/16	O. 10 / A. 10	0 4 / 0 4	0 6 / 0 6	0 12½		3,9	H.P.T
56,00,000A. / 36,04,800B. / 4,37,500P.D.	2,83,01,797	5,11,76,455	3,06,96,855	3,59,432	F. W. Heitgerz & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	43½ / 43½ / 42xd	A. 10 / B. 10 / P.O. 25	1 0 / 1 0* / 0 2	1 0* / 1 0* / 0 2	0 12½ / 0 12½ / 0 2½		3,9	H.P.
						PRESSING								
8,00,000	6,12,365	13,78,488	10,90,581	20,403	Andrew Yule & Co.	Calcutta Hydraulic	90	100	5 0	5 0	4 0		6	V.
4,30,000	1,00,000	6,89,524	4,73,036	2,354	Pyne & Sons	Cawnpore	89N	100	7 0	7 0	8 0		7	V.
5,00,000	1,55,000	10,91,811	9,30,377	12,962	Andrew Yule & Co	Central Hydraulic	92	100	5 0	4 0	3 0		6	V.
						PROPERTY AND LAND								
30,00,780O. / 2,00,000D.	7,43,065	43,46,067	21,43,279	96,047	B.A. Beall, Esq., & others (Directors)	Humayun Properties	10xd / 1½	O. 10 / D. 1	0 8 / Nil	0 11½ / 0 4/3	0 9 3/8 / Nil		9	V.P.
60,00,000	18,90,038	84,21,336	13,00,000	550	David Sassoon & Co., Ltd.	Port Canning Land	14	100	1 0	1 8	1 8		4	V
84,00,000	33,56,934	96,49,123	1,06,646	95,262	Andrew Yule & Co.	Midnapore Zamindary	39½	100	2 0	2 8	4 0		4	V.P.
						SAW MILLS AND TIMBER								
13,99,998	28,19,726	25,86,404	6,94,804	—97,203	Bird & Co.	Assam Saw Mills	6½	8	3 4	Nil			9	V.
20,00,000 / 42,00,000 / 6,00,000	4,08,84,385	3,05,42,310	1,22,52,525	56,875	Wallace & Co.	Bombay-Burmah Trading Corpn.	473½ / 165	Old 125 / New 50	12 0 / 9 0	15 0 / 6 0	20 0 / 3 0		9	V.
80,00,000	16,15,487	17,44,613	12,66,634	1,63,401	Jardine Henderson Ltd. / Gillanders Arbuthnot & Co., Ltd.	Bengal Timber Trading / Indian Wood Products	38N / 38½	100 / 10	Nil / 3 0	Nil / 2 8	1 0½		3 / 4	V. / V.P.
						SUGAR (U.P. and Bihar)								
14,00,000	13,55,903	38,50,924	27,77,928	23,527	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	9½	5	Nil	Nil	0 12			V
12,00,000A. / 3,00,000B.	29,18,356	49,46,283	33,16,660	15,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	142N / 13½N	A. 100 / B. 10	10 0 / 1 0	10 0 / 1 0	10 0 / 1 0		4	V
19,49,000	5,00,000	32,06,093	21,68,136	1,66,138	Bangur Bros., Ltd.	Belsund Sugar	10½	10	0 12	0 12			4	V.
15,00,000	13,85,319	45,47,836	11,37,841	26,084	Cotton Agents Ltd.	Bharat Sugar	19½N	10	1 8	1 8	1 8		9	V.
22,00,000	26,79,431	1,35,76,859	88,78,177	61,723	Gladstone Lyall & Co., Ltd.	Carew & Co.	10½	10	Nil	Nil	0 12		6	V.P.
15,00,000	33,02,981	1,00,12,353	81,32,431	39,696	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	18½	10	2 0	2 0	0 12		6	V.P.
18,00,000	33,88,892	47,14,964	30,47,402	24,279	Begg, Sutherland & Co., Ltd.	Champarun Sugar	21½	10	1 0	1 0	1 0		10	V.P.
5,99,452	6,18,562	22,96,386	14,01,142	42,935	Karamchand Thapar & Bros.	Deoria Sugar	115N	'A' 100 / O. 100	12 0*	1 0*			8	V.T.
35,00,000A. / 10,00,000O.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mill's	57N	40	15 0* / Nil	15 0* / Nil			6	V.P
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	30N	40	Nil	Nil			7	V.P.
7,89,100	23,05,922	29,32,672	17,61,033	64,888	Cotton Agents Ltd.	New India Sugar Mills	34N	10	2 8	2 8	2 8		6	V.P.
11,00,000	4,20,000	37,49,397	24,14,065	6,769	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 6	0 6			6	V.P.
30,87,500 A. / 2,71,875 B.	49,84,457	63,27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mills	220N	100	20 0	20 0	20 0		3	V.
77,48,500	52,22,414	1,75,56,483	88,00,000	36,923	Cotton Agents Ltd.	Oudh Sugar	55N	25	3 0	3 0	3 0		4	V.
12,00,000	13,71,178	18,84,458	10,81,746	66,000	Narang Bros. & Co., Ltd.	Punjab Sugar	113N	100	6 0	11 0	11 0		7	V.P.
9,00,000	15,93,919	33,23,095	29,32,249	3,957	Begg, Sutherland & Co., Ltd.	Purabpore Co.	104N	100	6 0				10	V.
5,00,000	6,54,762	25,43,782	21,01,613	24,540	Begg, Sutherland & Co., Ltd.	Ryam Sugar	18½	10	1 0	1 0	0 12		10	V.
11,99,000	17,75,737	38,17,360	22,17,129	12,435	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	20N	10	1 0	1 0	1 0		10	V.P.
80,00,000	21,48,560	1,04,56,727	33,25,283	3,337	Saha Jain Ltd.	Shree Krishna Gyanoday Sugar	14½	10	0 12	0 8	0 8		6	V.P.
83,50,000 / 77,50,000A.	61,825	27,77,628	12,83,342	—1,89,266	H. K. Ghosh, Esq., and R. N. Dutta, Esq. (Managing Directors)	Sitalpore Sugar	17½	10	1 8	1 8	1 8		7	V.P.T.
						TRANSPORT								
20,00,000	1,08,42,423	1,33,68,272	13,76,183	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co.	152xd	100	12 0	10 0			10	V.P.
1,00,00,000	11,17,777	3,23,24,932	1,60,09,871	69,356	Dalmia Ltd.	Burma Line	77	100	3 0	3 0			12	V.
30,00,000	84,95,838	1,33,20,489	42,44,422	1,09,704	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	16½	10	1 0	1 0	1 0		6	V.
						India General Navigation & Rly. Co.	100	610	Rs.10	Nil			6	V.
6655,580	6934,756	85,633,307	43,454,207	83,327	Kilburn & Co., Ltd.	India Steamship Co.	16½	10	0 8	0 8	Nil		12	V.P.
8,85,000D	74,39,233	4,41,60,469	1,32,36,755	1,64,960	Lionel Edwards Ltd.	Scindia Steam Navigation Co.	15-3/8	20	1 0	0 12	0 8		6	V.P.
9,60,19,673	7,81,28,023	14,92,76,424	3,71,00,000	2,72,820	Narottam Morarjee & Co.	Waford Transport Ltd.	1 3/16	O. 1	as 1 3/25	as 1 3/25			6	V.P.
8,40,800O. / 8,10,200P.O.	17,33,073	10,83,408	6,54,036	1,88,899	F. A. Smith, Esq., (Manager)		1½	P.O. 1	as 1 9/25	as 1 9/25			10	V.
						UNCLASSIFIED (Bombay)								
8,40,000	95,000	5,35,957	3,89,000	760	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	600	500	32 0	32 0	32 0			
9,24,173	9,24,173	3,18,255	80,000	40,555	Parekh Agencies Ltd.	Bombay-Uganda	70N	25	4 0	3 0				
8,00,000	1,80,000	23,30,071	13,483	8,047	Dese Sons, Ltd.	Dawson Nagi Investment Co.	10½	10	1 12	1 12	0 12		12	V.
25,00,000	3,09,652	26,42,753	18,75,000	74,464	Choonilal Mantilal Ltd.	Essels Batteries	35N	50	2 8	Nil	3 8		8	V.
14,98,840	19,07,876	1,27,52,603	....	2,95,005	Premchand Roychand & Sons	Industrial Investment Trust	79	100	4 8	4 8	4 8		12	V.
99,99,250	31,23,000	21,31,427	7,78,549	18,107	E. D. Sheppard, Esq. (Mg. Director).	Klitick Industries	164	100	10 0	10 0	11 0		6	V.
1,00,00,000	5,29,603	2,64,35,763	98,15,035	—13,44,485	Auto-Auto Ltd.	Premier Automobiles	76N / —	A. 100 / B. 10	Nil	Nil	Nil	Nil	6	V.
8,00,00,000B.	3,56,605	14,71,107	12,41,107	36,753	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	25	20	3 0					
10,21,200	69,23,348	8,49,75,164	1,49,34,930	4,26,761	T. Hydie, Esq. (Managing Director).	Western India Match Co.	20½	100	1 0	1 0	11 0*		12	V.
8,75,000	53,74,847	7,24,608	3,07,108	43,948	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	V.
						Other Centres								
47,50,000	18,00,000	1,88,63,301	53,00,000	90,358	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	6½ / 21½	O. 10 / D. 2½	Nil	Nil.			9	V.P.T.
2,50,000	40,60,690	11,77,196	21,11,902	2,39,798	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	20	10	1 4	1 4	1 4		9	V.
30,00,000	7,00,000	29,21,795	19,44,061	1,34,529	T. H. Hydie, Esq. (Mg. Director)	Assam Match Co., Ltd.	21½	10	0 4*	0 4*			8	V.
20,00,000	23,47,881	1,00,29,510	39,97,830	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	4½N	10	0 4	0 31/8	0 31/8		3	V.
80,00,000O. / 1,11,62,712		39,35,515	30,35,515	5,43,847	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	— / O. 100	— / D. 100	80 0*	80 0*			12	V.
10,00,000P.O.	7,59,470	57,33,360	....	1,21,733	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4			8	V.
30,00,000	37,09,225	1,02,29,699	26,93,003	1,63,901	P. J. F. Parsons, Esq. (Mg. Director).	Bisnath Bisseswar	12½	10	1 4	1 4	1 0		9	V.P.
30,64,480	1,00,82,962	2,69,29,637	2,07,14,107	2,11,142	Sir Robert Menzies	British India Corporation Ltd.	7½	5	0 10	0 10	0 1		12	V.P.
3,25,00,000	1,49,00,000	4,54,79,384	2,79,62,304	10,82,833	Cecil Rush, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	37	10	1 8	1 8			12	V.P.
1,60,00,000	53,95,753	1,34,39,918	....	3,13,308	Bird & Co., Ltd.	Eastern Investments Ltd.	160	100					12	V.P.
51,24,000	9,97,000	33,12,243	18,66,225	11,238	MacNeill & Barry Ltd.	Gangee Rope Co. Ltd.	195xd	100	20 0	10 0	9 0		12	V.P.
14,00,000	38,00,000	18,19,106	6,87,888	1,58,072	E. R. Fetter, Esq.	Gillanders Arbuthnot & Co., Ltd.	11½	10	10 0	10 0	7 8		8	H.
65,00,000	11,42,154	68,39,633	29,41,525	1,566	B. F. R. Syndicate	Great Eastern Hotel	258	250	13 0	13 0	7 8		9	V.P.
30,00,000	7,07,564	70,31,010	47,39,848	19,013	Birla Bros., Ltd.	Hind Cycles	100N	100	6 0	5 0	4 4		8	V.
12,42,800		3,05,00,314	40,52,719	4,54,999	Birla Bros., Ltd.	Hindustan Motors	8½	10	Nil	Nil			9	V.P.
4,66,12,650	36,77,754	3,45,32,903	1,35,90,172	9,14,791	J. W. Cimmers, Esq.	Indian Aluminium Co.	16½	100	3 0		Nil		8	V.P.T.
1,50,00,000	1,09,40,984	1,32,67,233	46,27,452	19,70,060	A. R. Driemen, Esq.	Indian Cables	24½	10	1 0	1 0*	1 0*		12	V.
1,92,99,220	5,38,508	13,79,995	8,39,428	17,480	G. E. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers	13	10	1 0	0 8	0 8		12	V.P.
8,27,970	52,62,941	31,49,487	7,53,287	5,26,226	G. M. Mackinlay, Esq.	Jardine Henderson	115	100	10 0	7 8	7 8		8	V.P.
8,00,00,000	3,48,343	6,59,830	4,31,766	2,240	James & Co., Ltd.	Machinists & Co.	2½ / 23½	O. 5 / D. 1	Nil	Nil			9	V.P.
4,94,00,000	66,88,146	25,22,837	7,33,942	1,07,086	C. L. Baloria, Esq.	McLeod & Co.	23½	10 / D.O. 10	7 0	10 0			9	V.
40,00,000						Martin Burn Ltd.	22½	10	1 6	1 6	1 6			
3,00,00,750	33,14,868	19,97,616	8,95,141	2,32,480	T. Louis Martin, Esq. (Mg. Director).	Mesat Bros. Co. of India, Ltd.	19½	10	1 0	2 0*			9	V.P.
1,30,95,750	39,01,000	1,56,11,388	39,32,795	13,11,213	H. Chilwell Jones, Esq. (Chairman).	Mysore Glass and Enamel Works	3½	10	1 0	1 0	1 0		9	V.P.
1,15,00,000	1,72,448	7,72,842	2,60,937	—71,442	Ogale Glass Works Ltd.	Mysore Lamp Works	16½	10	1 0	1 0	1 0		12	V.P.
6,25,255	9,55,113	10,40,250	4,40,947	73	G. Chandy, Esq. (Controller)	Mysore Tobacco	10½	10	1 0	1 0	1 4		9	V.P.
6,46,250	1,20,000	14,23,286	7,19,467	35,398	K. Narayanaswamy, Esq.								12	V.P.
10,00,000	49,41,539	33,81,362	37,19,098	1,73,176	Associated Industrial Development Co., Ltd.	National Insulated Cable	23½	10	0 12	1 0			12	V.T.
20,00,000						National Tobacco Co.	9½	10	Nil	Nil				
	28,68,388	69,70,031	3,78,166	18,62,810	B. N. Bliss & Co., Ltd.	Parry & Co.	4-7/8	5	0 8	Nil			8	V.P.T.
19,97,000	27,00,000	44,15,474	19,71,434	1,31,468	Coromandel Investment Trust Ltd.	Raills (India) Ltd.	29½	100	Nil	0 4½	Nil		12	V.P.
40,00,000	6,41,684	1,61,45,956	43,79,829	—42,97,067	T. A. Lykiardopolo, Esq.	Rohtas Industries	23½	10	Nil	Nil			12	V.P.
25,00,000	1,08,11,658	6,70,23,808	2,57,86,415	78,206	Saha Jain Ltd.	Spencer & Co., Ltd.	17½	10	1 8	1 4			12	V.P.
14,00,000	93,51,062	1,19,12,218	79,10,822	4,34,337	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	15½	10	1 8	1 8	1 8		10	V.P.T.
3,00,000	38,30,000	12,92,396§	3,20,345	3,61,879	R. E. D. Campbell, Esq.	Travancore Ogale Glass	3½	10	Nil	1 0			12	V.P.
9,98,380	1,50,000	14,27,407	3,01,599	—1,06,545	Ogale Bros., Ltd.								12	V.

§§ Investments at cost. * Includes bonus.

§ Excluding goodwill (written down) Rs. 80 lakhs.

† Excluding goodwill at cost Rs 20 lakhs

‡(Excluding) Rs. 1,69,00,000 which represent shares in the firm of Sha[illegible]

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
							ASSAM								
4,45,700	6,11,774	9,59,057	4,78,517	31,218	McLeod & Co., Ltd.	825	Amlochie	600N	100	7 8	25 0	30 0l		12	V.P.
2,76,500	4,30,000	7,71,948	3,05,709	72,998	Andrew Yule & Co., Ltd.	512	Ananda (Assam) Tea	58	10	0 12	1 4			12	V.
3,50,000	6,43,250	10,47,044	2,03,058	—75,110	Gillanders Arbuthnot & Co., Ltd	420	Ananda Bag	45	10	Nil	2 8	1 8l		12	V.
3,50,000	7,21,414	16,60,355	5,32,872	70,514	McLeod & Co., Ltd.	410	Baghmari	27½	10	Nil	Nil			12	V.
3,40,000	8,20,000	11,50,416	2,98,096	80,009	Andrew Yule & Co., Ltd.	569	Bamanbi	45½	10	2 0	2 8			12	V.
3,30,000	3,70,000	9,38,920	5,39,393	61,393	Gillanders Arbuthnot & Co., Ltd.	566	Barail	25	8	0 4	2 0			12	V.
3,30,000	5,70,000	12,30,169	2,13,496	1,99,347	Williamson Magor & Co.	3,967	Borjan	52xd	10	Nil	2 0	1 8l		12	V.
16,50,000	20,60,000	30,38,918	12,22,169	1,85,061	Octavius Steel & Co., Ltd.	485	Bukanath	48½	10	Nil	3 8			12	V.
6,00,000	4,30,000	8,36,160	1,85,061	3,960	McLeod & Co., Ltd.	450	Borsmah Jan Tea	23½	10	Nil	Nil			12	Y.P.T.
7,50,000	11,92,045	73,80,473	2,52,708	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	17½	10	1 0	0 8	1 4		6	V.P.
85,00,000	1,20,000	1,93,997	4,60,080	1,69,074	McLeod & Co., Ltd.	1,220	Deloo Valley	41	10	Nil	1 0			12	V.
6,00,000	7,97,500	25,17,843	16,06,120	36,977	Jardine Henderson Ltd.	620	Dessai & Parbattia	21½	10	1 0	1 8			12	V.
17,33,440	2,70,000	71,04,319	21,43,185	10,336	James Warren & Co., Ltd.	633	Dhekhat	27½	10	Nil	2 0	1 0l		12	V.P.
4,68,970	3,23,400	11,71,408	4,34,259	8,732	James Finlay & Co., Ltd.	458	Dhemeri	29	10	Nil	1 0	1 0l		12	V.
4,50,000	4,75,000	6,02,817	2,35,483	16,852	McLeod & Co., Ltd.	625	Dibrugarh	62½	10	1 0	1 8	1 0l		12	V.P.
2,36,700	6,05,000	8,80,047	4,70,047	43,918	Williamson Magor & Co.	815	Dimakusi	51	10	2 0	4 0	1 0l		12	V.P.
3,60,500	4,65,000	21,78,081	1,14,476	1,99,347	Williamson Magor & Co.	815	Duffleghur	32½	10	0 8	2 0			12	V.
10,00,000	3,50,000	8,18,664	4,01,797	13,832	Williamson Magor & Co.	1,177	East India Tea	32½	10	Nil	1 12			12	V.
3,60,000	5,60,000	13,98,316	6,19,316	79,542	Williamson Magor & Co.	667	Gilapukri	51	10	1 8	3 0			12	V.
4,94,360	14,22,810	18,09,304	5,63,573	23,354	Octavius Steel & Co., Ltd.	546	Gohpur	41	10	2 0	3 0	0 12½		12	V.
8,20,790	7,00,000	7,04,481	2,29,888	48,032	Andrew Yule & Co., Ltd.	1,393	Grob	408	A. 10	2 0	1 8	0 6½		12	V.
2,00,000	1,93,997	18,50,198	9,84,270	24,921	Andrew Yule & Co., Ltd.	476	Hoograjeli	21	B. 5	1 8	1 0			12	V.
4,35,000	5,85,000	13,98,777	2,44,299	58,941	Gillanders Arbuthnot & Co., Ltd.	1,290	Hoolongooree	52½	10	1 8	1 0			12	V.
7,50,000	7,04,319	21,43,185	3,42,779	3,593	Shaw Wallace & Co., Ltd.	938	Jutibari	28½	10	Nil	Nil	1 0l		12	V.
2,40,000	80,000	11,45,831	6,30,831	72,557	Duncan Bros. & Co., Ltd.	1,144	Kipsuky-Golaghat (Assam)	360N	100	Nil				12	V.
6,90,000	4,94,133	6,79,844	84,211	14,319	Duncan Bros. & Co., Ltd.	1,037	Lalo	30½	10	Nil	2 0			12	V.
4,80,000	40,000	8,84,211	7,54,419	16,982	Kettlewell Bullen & Co., Ltd.	873	Mohesua	23½	10	Nil	Nil			12	V.P.
1,50,000	4,47,344	7,54,419	4,05,097	34,889	Andrew Yule & Co. Ltd.	433	Mothola	650N	100	Nil	40 0	15 0l		12	V.
50,000	4,05,000	8,98,088	5,22,218	34,889		344	Murphelani	39½	O.10	2 0	2 0½			12	V.
2,00,000	5,61,274	6,00,328	3,80,669	9,567	S. C. Sen, Esq., Supervising Director	542	Naga Hills	46	P.O.10	2 8	2 8			12	V.
4,00,000	—	12,71,401	6,78,401	5,053	Shaw Wallace & Co., Ltd.	810	Nahkumati	48½	10	Nil	Nil	3 0l		12	V.
5,35,000	1,15,000	5,92,221	1,93,221	21,164	Duncan Bros. & Co. Ltd.	935	New Cinnamallah	260N	100	Nil	0 8			12	V.
3,00,000	5,27,000	7,37,172	2,83,495	45,300	Andrew Yule & Co., Ltd.	353	Rangath	46	10	Nil	2 8			12	V.
2,00,000	4,26,802	17,09,844	6,56,992	16,877	James Finlay & Co., Ltd.	902	Sapoi	44½	10	1 0	3 0	1 0l		12	V.
4,00,000	5,55,900	9,92,134	3,39,265	40,145	Octavius Steel & Co., Ltd.	513	Tese All	33½	10	Nil	1 8	1 8l		12	V.
4,50,000	4,22,706	9,92,134	1,96,072	14,436	McLeod & Co., Ltd.	495	Tolollan	47½	10	0 12	2 8	1 8l		12	V.
5,98,000	6,10,127	9,31,000	3,98,021	40,028	Gillanders Arbuthnot & Co., Ltd.	488	Tengapani	35½	10	Nil	2 8	1 0l		12	V.P.
4,00,000	11,79,803	32,67,067	12,72,067	39,741	Shaw Wallace & Co., Ltd.	2,132	Tempoo	46½	10	Nil	1 0	1 8l		12	V.
13,86,310	10,00,000	22,15,368	9,60,625	31,148	McLeod & Co. Ltd.	1,030	Tyrooa								
							CACHAR								
3,00,000	1,75,000	5,04,750	1,74,879	—5,24,933	Gillanders Arbuthnot & Co., Ltd.	862	Arcutipore	16	10	Nil	Nil			12	V.
1,00,000	16,500	2,78,531	35,201	—2,52,861	Octavius Steel & Co., Ltd.	649	Eastern Cachar	13½	10	Nil	Nil			12	V.
12,60,000	8,60,000	28,62,723	9,39,883	—105N	Octavius Steel & Co., Ltd.	2,134	Hatikhira	34½	10	Nil	2 8	1 0l		12	V.
2,50,000	1,67,837	2,97,260	7,448	11,615	Bullen Co., Ltd.	577	Kalainagar and Khereni	105N	100					12	V.
3,60,000	15,000	2,39,567	1,19,567	7,007	Duncan Bros. & Co., Ltd.	600	Kunchungore	21½	10	Nil	Nil			12	V.
7,00,000	2,50,000	10,43,279	3,20,279	40,167	Duncan Bros. & Co., Ltd.	1,344	North-Western Cachar	260	100	Nil	Nil			12	V.P.
1,84,000	3,445	3,16,007	13,678	—90,997	Octavius Steel & Co., Ltd.	487	Pathamara	25	10	Nil	Nil			12	V.
2,60,000	3,16,288	3,13,508	1,44,828	—9,52,318	McLeod & Co., Ltd.	838	Roopachera	165N	90	Nil	10 0	2 8		12	V.
3,25,000	1,23,996	7,54,451	2,31,451	43,999	Duncan Bros. & Co., Ltd.	662	Sonai River	27½	10	Nil	Nil			12	V.P.
4,00,000	5,11,948	10,03,243	3,04,127	—69,109	Davenport & Co., Ltd.										
							DARJEELING								
8,79,900	70,000	3,23,878	42,378	10,918	Williamson Magor & Co.	404	Chamong	22	10	Nil	Nil			12	V.
2,00,000	1,37,639	3,22,398	1,43,785	408	Andrew Yule & Co., Ltd.	488	Dilaram	200N	100	Nil	Nil			12	V.
2,00,000	2,01,182	7,30,995	3,00,045	19,592	Duncan Bros. & Co., Ltd.	500	Otaile	25½	10	Nil	Nil			12	V.P.
2,00,000	3,00,000	8,02,817	2,33,483	16,852	McLeod & Co., Ltd.	816	Margaret's Hope	23½	10	Nil	1 0	1 0l		12	V.
4,00,000	2,50,239	3,37,777	1,58,094	17,272	Andrew Yule & Co., Ltd.	463	Mim	310	100	Nil	10 0			12	V.
1,39,000	63,000	4,55,478	1,22,478	34,721	Williamson Magor & Co.	689	Nagari Farm	36	10	Nil	2 0			12	V.P.
2,99,900	13,500	1,83,145	35,145	4,648	Duncan Bros. & Co., Ltd.	305	Okayti	600N	100	Nil	Nil			12	V.
1,00,000	3,02,709	3,69,934	84,934	6,824	Duncan Bros. & Co., Ltd.	300	Pedong	28½	10	Nil	1 0			12	V.
8,03,000	1

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	55,00,000	96,99,205	31,47,202	54,436	B. N. Elias & Co., Ltd.	879	Agarpara	14¾	10	1+1	1+1	1f		3, 9	H.T.P.
12,00,000	27,00,000	45,81,286	32,42,838	56,874	Sahu Jain Ltd.	498	Albion	155	100	8+10	12+12	12f		5, 11	H.P.
6,00,000	5,35,000	31,04,592	33,39,395	10,062	McLeod & Co., Ltd.	446	Alexandra	240	100	Nil	Nil+2½	2½f		6, 12	H.T.
30,00,000	7,35,000	1,17,45,964	90,43,049	61,708	McLeod & Co., Ltd.	1,264	Alliance	184	100	10+10	7½+5	2½+5		3, 9	H.P.
49,20,700	83,13,386	2,54,81,317	1,78,90,000	1,47,643	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	230	100	5+4	2+2	1+2½		3, 9	H.T.
40,00,000	40,52,240	1,63,99,837	84,16,116	71,674	Bird & Co., Ltd.	810	Auckland	150	100	Nil	4+Nil	Nil		3, 9	H.P.
20,00,000	25,93,136	98,23,588	65,19,459	18,759	Jardine Henderson & Co.	959	Bally	200	100	Nil	4			3	Y.P.
42,71,000	44,39,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,889	Barasoore	184	£5	£1	£1			3	Y.P.
28,00,000	35,49,623	89,78,590	48,75,855	53,467	Andrew Yule & Co., Ltd.	820	Belvedere	221	100	7½+7½	7½+7½	5f		6, 12	H.P.
45,00,000	35,95,000	56,87,801	27,48,864	2,45,983	Soorajmull Nagarmull	600	Bengal	15½	10	1	1+4			6	Y.P.?
92,76,000	2,08,61,400	3,18,33,661	1,29,13,164	1,26,503	Birla Bros., Ltd.	1,373	Birla	19½	10	3	3	1		4, 10	H.P.
36,00,000	29,62,925	1,11,26,330	71,77,382	1,20,609	Andrew Yule & Co., Ltd.	591	Budge-Budge	197	100	6½+6½	6+4	4+5		6, 12	H.P.T.
7,47,380	3,16,924	41,11,370	19,06,003	1,176	Dalmia & Sons	502	Calcutta Jute Mfg.	153N	10	0+8	Nil			3, 11	H.
18,00,000	31,81,234	77,10,392	39,28,208	50,057	Andrew Yule & Co., Ltd.	616	Caledonian	282	100	6+6	6+6	4f		3, 9	H.
99,16,400	1,01,06,609	1,88,44,627	1,03,04,000	22,542	James Finlay & Co., Ltd.	600	Champdany	181	100	7+8	3+3	Nil+3		3, 11	H.
15,95,000	28,39,282	80,46,499	55,31,033	1,36,424	Andrew Yule & Co., Ltd.	530	Cheviot	310	100	6+6	6+6	6f		6, 12	H.T.P
30,15,000	27,75,000	60,14,632	44,94,094	86,056	McLeod & Co., Ltd.	500	Chitavalah	148	10	2½+1½	1½+½	1f		3	Y.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	17	10	2	Nil	Nil		6, 12	H.
31,49,200	42,11,527	1,28,98,802	63,22,413	13,344	Bird & Co., Ltd.	760	Cochbouse	150	100	6+1	1+3	1+1½		3, 9	H.P.
28,00,000	44,74,179	74,57,171	46,41,725	1,46,508	Andrew Yule & Co., Ltd.	779	Delta	245xd	100	10+10	10+10	6+6		5, 11	H.
15,00,000	33,25,000	76,36,813	56,35,731	56,215	McLeod & Co., Ltd.	550	Empire	264	10	1+½	1+½	1f		6, 12	H.T.P.
21,00,000	33,28,948	2,70,49,518	1,81,05,210	40,839	Kettlewell Bullen & Co. Ltd.	1,884	Fort Gloster	475N	100	10+Nil	Nil	Nil		3, 9	H.P.T.
14,00,000	13,00,000	82,13,505	49,27,586	71,285	Bangur Bros., Ltd.	1,014	Fort William	380N	100	Nil	Nil+3	10+10		3, 9	H.P.T.
24,32,100	2,73,755	2,11,52,730	1,36,01,908	5,930	Macneill & Barry Ltd.	1,709	Ganges Mfg.	105½	10	Nil	Nil+½	Nil+½		3, 9	H.P.
10,80,000	28,00,000	71,47,356	47,46,252	4,743	Gillanders Arbuthnot & Co., Ltd	607	Gondalpara	955	300	30	15			12	Y.
24,00,000	31,83,104	2,20,06,557	1,67,50,294	1,56,427	Macneill & Barry Ltd.	1,394	Gourepore	338	100	1½+Nil	Nil+3½	2½+7½		3, 9	H.P.
40,00,000	55,68,234	72,95,746	48,50,613	2,95,107	Bangur Bros., Ltd.	1,078	Hastings	115N	100	10	10	10+0		3	Y.P.
16,80,000	18,52,626	66,38,235	43,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	47	10	1½	1½	½		3	Y.P.
65,52,500	58,82,162	1,47,23,497	1,06,14,353	1,65,858	Jardine Henderson Ltd.	1,940	Howrah	30½	10	1+½	1+½	1+½		3, 9	H.P.
50,00,000	40,00,000	24,22,884	1,49,75,884	1,64,371	Ramdutt Ramkissendas	1,272	Hukumchand	34	7½	3	3	2			Y.P.T.
D. 87,00,000	19,20,065	1,11,31,089	75,39,061	38,601	Mackinnon Mackenzie & Co.	1,076	India	216	125	3½+3½	3½+3½	Nil+3½		3, 9	H.
O. 30,00,000								O. 125		A+A+1½	A+1+½	A+ ½			
24,00,000	27,62,899	1,37,48,710	1,20,61,507	32,488	Jardine Henderson Ltd.	1,797	Kamarhatty	222	100	8½+6	6+3	3f		6, 12	H.P.
B 19,20,000								'B' 100		8½+6	6+3				
30,00,000	17,86,954	1,32,65,521	97,46,515	68,418	Jardine Henderson Ltd.	1,527	Kankinarah	133	100	6+4	3+2½	2½f		6, 12	H.P.
B 24,00,000								'B' 100		6+4	3+2½				
21,00,000	48,25,000	1,03,38,484	74,86,276	1,19,649	McLeod & Co., Ltd.	703	Kelvin	352	100	7½+7½	7½+7½	10f		6, 12	H.P.
36,00,000	27,83,571	1,63,46,931	1,12,52,500	39,423	Anderson Wright Ltd.	1,530	Khardah	198	100	10+15	10+7½	7½f		3, 9	H.P.
48,00,000	1,02,14,684	2,29,23,597	1,08,58,211	29,674	F. W. Heilgers & Co.	1,250	Kinnison	205	100	10+7	4+3	2+3		3, 9	H.P.T.
24,48,000	48,31,817	39,26,497	78,00,251	4,428	Bird & Co., Ltd.	931	Lansdowne	141	100	7+3	2+3	2+1		3, 9	H.P.
28,00,000	39,56,165	1,14,93,720	63,14,525	12,683	Bird & Co., Ltd.	840	Lawrence	150	100	11+4	2+3	2+4		3, 9	H.P.
10,00,000	41,51,301	50,99,335	36,06,454	53,755	Andrew Yule & Co., Ltd.	558	Lothian	430xd	100	15+15	15+15	15+15		5, 11	H.P.
81,65,200	26,14,412	1,92,62,004	1,19,08,316	8,502	Mackinnon Mackenzie & Co.	1,008	Meghna	153½	100	2½+2½	2½+2½	Nil+2½		3, 9	H.
29,98,900	41,13,783	1,72,83,489	94,88,274	—7,08,068	F. W. Heilgers & Co.	1,134	Nuddea	113½	100	6+Nil	Nil	Nil		3, 9	H.
20,00,000	15,05,000	28,15,067	16,73,660	3,826	Howrah Trading Co., Ltd.	425	Nuddaprasad	15	10	½+½	Nil+½	½		4, 10	H.T.
35,00,000	44,29,326	28,38,765	9,63,390	1,88,126	Andrew Yule & Co., Ltd.	852	National	34½	10	1+1	1+1	1+1		4, 10	H.P.
26,25,000	22,75,000	26,82,794	18,86,219	1,23,399	McLeod & Co., Ltd.	316	Nellimarla Jute	14	10	2+1	1+½	½		6, 12	H.P.T.
31,50,000	42,13,053	49,35,722	24,95,962	14,499	Sahu Jain Ltd.	709	New Central	142	100	10+12	12+12	12f		6, 12	H.P.
16,79,880	31,05,696	1,23,66,779	59,31,089	42,570	Bird & Co., Ltd.	567	Northbrook	25½	10	1+½	1+½	1+½		3, 9	H.P.T.
66,79,500	31,70,094	2,15,09,993	1,38,37,886	33,059	Macneill & Barry Ltd.	1,692	Nudden	57½	50	1+Nil	Nil+½	Nil+½		3, 9	H.
24,91,000	26,56,049	71,24,111	49,10,197	1,08,298	Andrew Yule & Co., Ltd.	601	Orient	198	100	1+5	6+4	5f		5, 11	H.P.
25,00,000	4,99,002	80,67,981	62,60,461	5,641	McLeod & Co., Ltd.	400	Presidency	7½	5	Nil	Nil+½	½f		6, 12	H.T.
20,00,000	1,40,946	26,48,441	7,67,493	—10,89,456	M. P. Birla, Esq.	305	Ramakrishna	7½	10	Nil	Nil	Nil?		3, 9	H.P.
49,30,000	8,01,372	1,23,46,455	57,04,882	18,873	Jardine Henderson Ltd.	1,276	Reliance	15½	10	Nil	½+½	Nil		3, 9	H.P.T.
£600,000	£1,093,713	£1,228,238‡	.....	£93,425	Thomas Duff & Co. (India), Ltd.	2,013	Samnuggur	15xd	£1	10%	10%			12	Y.P.
30,00,000	13,12,195	1,03,17,335	71,03,045	10,241	Begaria More & Co., Ltd.	913	Shree Ambica	15½	10	1+1	1+½	½f		3, 9	H.P.
14,00,000	10,29,608	48,33,752	37,62,133	2,54,934	Hindustan Investment Corporation.	401	Soorah	16N	10	Nil	½			12	Y.P.T.
25,19,600	47,29,518	1,01,33,039	57,01,016	1,112	Bird & Co., Ltd.	650	Standard	151	100	8+1	1+1	1+1		3, 9	H.P.
£600,000	£923,119‡	£992,042	.....	£108,510	Thomas Duff & Co. (India), Ltd.	1,796	Titagharr	13xd	£1	10%	10%			12	Y.P.
35,98,600	85,79,790	1,93,34,618	76,50,486	9,515	Bird & Co., Ltd.	1,326	Union	200	100	10+1	1+4	1+5		3, 9	H.P.T.
£400,000	£688,035‡	£1,086,826	.....	£112,138	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	14½xd	£1	10%	10%			12	Y.P.
2,30,000	4,93,000	55,94,618	37,77,741	35,624	McLeod & Co., Ltd.	465	Waverley	7½	1	Nil	Nil+½	½f		6, 12	H.P.T

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	References
25,50,000	19,50,000	79,56,993	53,16,993	21,441	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	23	10	½+½	½+½	½f		3, 9	H.
12,00,000	8,49,582	38,20,987	35,11,987	31,068	Jardine Henderson Ltd.	Bararee Coke	20½	10	3/5+½	7/10+7/10	½f		3, 9	H.
2,49,350	70,000	8,49,159	2,37,466	2,819	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6¼N	10	1	1	1f		6, 12	H.
1,00,00,000	1,22,00,000	3,55,96,857	3,58,72,103	3,30,259	Andrew Yule & Co., Ltd.	Bengal Coal	516	200	20+20*	17½+15*	15*		4, 10	H.P.
2,25,000	5,10,369	25,37,614	22,43,033	.....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	11	10	½+½	Nil	Nil		6, 12	H.P.
13,97,000	5,10,369	25,37,614	22,43,032	25,529	H. V. Low & Co., Ltd.	Bhalgora	3½xd	10	½	½	½		6	Y.
40,00,000	14,81,010	1,30,60,104	48,66,790	13,644	Sahu Jain Ltd.	Bharat Collieries	7½	10	½	½	½		4	Y.T.P.
7,15,000	14,41,318	51,73,261	36,39,224	—3,04,456	F. W. Heilgers & Co., Ltd.	Bhulanbarasee	14N	10	Nil	Nil	Nil		6, 12	H.
16,00,000	16,22,936	48,16,454	39,74,841	—1,36,132	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	9½	10	Nil				6, 12	H.T.
7,50,000	22,09,390	41,57,477	25,36,282	98,663	F. W. Heilgers & Co., Ltd.	Borree	30	10	1½+1½	1½+1½	1f		6, 12	H.P.
96,92,480	1,70,76,208	4,10,36,356	1,71,71,586	1,49,910	Bird & Co., Ltd.	Burrakur	12½	10	½+½	½+½	½		6, 12	H.P.T.
49,97,750	.....	30,81,955	257,649	5,907	Hindusan Investment Corpn., Ltd.	Central India	7½	10	Nil	½	½		3	Y.
8,00,000	13,54,302	49,10,414	32,63,954	82,768	Anderson, Wright & Co., Ltd.	Central Kurkend	13N	10	Nil	½+½			6, 12	H.
6,00,000	1,43,341	7,25,000k	.....	25,618	F. W. Heilgers & Co., Ltd.	Churia	24	4	½+½	½+½	½f		6, 12	H.
16,00,000	1,20,000	50,63,761	27,37,536	—1,91,155	Macneill & Barry Ltd.	Dhemo Main	8½	10	Nil	Nil	Nil		6, 12	H.
£240,000	£362,496	£244,003	£11,141	£63,577	Jardine Henderson Ltd.	East Indian	28½	£1	3½(i)	2½	2½		6	Y.
29,63,760	71,99,923	3,66,52,739	2,81,14,367	1,85,653	Macneill & Barry Ltd.	Equitable	31½	10	2+1½	1+½	1f		6, 12	H.P.
10,00,000	2,11,139	9,72,721	3,23,963	40,284	Bhatter's Agency Ltd.	Ghusick and Muslia	15N	10	½	½			3	Y.
12,00,000	1,22,000	37,04,970	19,00,221	445	Killick Industries Ltd.	Hingir-Rampur	40½	50	½	½	Nil		6	Y.P.
8,00,000	5,75,000	21,42,581	18,13,003	62,148	Macneill & Barry Ltd.	Hurridaldh	18½	10	½+½	½+½	½f		6, 12	H.
22,00,000	1,08,577	31,70,015	10,56,245	—1,93,248	Bajpaie Trust Ltd.	Jogta Coal	3N	10	Nil				12	Y.P.
3,50,000	4,26,551	14,15,445	5,91,351	.....	Andrew Yule & Co., Ltd.	Kalapahari	27N	10	1½+1½	1½+1	Nil		3, 8	H.
20,00,000	9,375	26,40,669	2,46,650	5,143	Bird & Co., Ltd.	Karanpura Collieries	100	100	Nil	Nil	Nil		2	Y.P.
5,00,000	13,60,000	44,39,243	34,62,230	91,318	Andrew Yule & Co., Ltd.	Katras Jherriah	48½	10	2 + 2	2 + 2	2 + 2		1, 7	H.
1,38,400	5,72,960	12,85,941	5,72,960	—2,60,236	Beriwala & Co.	Khas Kajora	5N	10	Nil	Nil			6, 12	H.P.
11,00,240	50 000	16,58,578	10,36,312	—34,100	H. V. Low & Co., Ltd.	Kusrdi	7N	10	½	Nil			6	Y.
9,00,590	11,84,450	28,33,250	22,78,337	1,683	H. V. Low & Co., Ltd.	Lakurka	10xdN	10	½	½			6	Y.
7,48,240	1,50,000	11,38,128	8,95,686	23,598	S. P. Tantia, Esq.	Nazira	7½	10	½	½			6, 12	H.
17,76,230	17,63,253	1,14,59,802	83,98,181	42,594	Andrew Yule & Co., Ltd.	New Beerbhoom	17½	10	Nil+½	½ + ½	½f		4, 10	H.P.
6,00,000	1,25,000	32,17,687	19,43,424	4,644	Octavius Steel & Co., Ltd.	New Manbhoom	8½	10	Nil	Nil	Nil		3, 9	H.
3,13,000	2,47,693	12,93,355	8,05,952	8,676	Andrew Yule & Co., Ltd.	North West	11½N	10	½ + ½	½+Nil	Nil		3, 9	H.
1,57,500							3½N	7½	½ + ½	½+Nil	Nil			
7,50,000	11,79,228	3,97,666	2,77,666	94,507	F. W. Heilgers & Co., Ltd.	Ondal	22½N	10	1 + 1	1 + 1	1f		6, 12	H.P.
10,00,000	1,10,000	37,18,080	16,07,868	38,140	K. C. Thaper & Bros.	Oriental Coal	11½N	10	½	½			12	Y.T.
2,34,000	1,32,942	17,23,281	6,78,407	5,618	Deepchand Kishenlall	Parasea	9½	10	Nil	½			6, 12	H.P.
12,75,000	13,00,000	44,14,803	31,19,003	22,504	Shaw Wallace & Co., Ltd.	Peench Valley	24½	10	½ + ½	½ + ½	½e		3, 9	H.
23,99,500	17,17,105	1,16,31,468	80,43,780	72,002	B. N. Elias & Co., Ltd.	Ranegunge	12	10	Nil	Nil	½f		3, 9	H.
13,50,000	7,88,385	30,74,660	23,05,660	27,848	Shaw Wallace & Co., Ltd.	Rewa	21½	10	½ + 1	1 + 1			6, 12	H.
20,00,000	3,93,000	32,32,218	13,50,900	438	Jajoria Sons Ltd.	Sripur Collieries	9½	10	½ + ½	½f			6, 12	H.
1,25,000	1,85,000	12,10,180	10,21,382	19,527	Gillanders Arbuthnot & Co., Ltd.	Searsole	12N	10	½	½	½		3	Y.
2,80,000	7,06,598	29,25,214	16,85,962	21,643	Andrew Yule & Co., Ltd.	Seebpore	25½	7	2 + 1	½ + ½	1f		6, 12	H.P.
8,00,000	8,75,468	36,88,786	26,51,462	—1,22,722	F. W. Heilgers & Co., Ltd.	Sendra	91½	10	Nil	Nil	Nil		4, 12	H.T.
63,21,450	15,01,620	3,51,42,502	2,49,62,544	—6,49,301	Industrial Trust Fund (Government of Hyderabad)	Singareni	6½	10	½	Nil			12	Y.T.
17,50,000	10,85,425	37,23,396	14,57,868	3,853	Bird & Co., Ltd.	South Karanpura	10	10	½ + ½	½ + ½	Nil+½		2, 8	H.
8,00,000	14,72,339	1,69,570	23,510	59,039	F. W. Heilgers & Co., Ltd.	Standard	19½	10	½ + 1	½ + 1	½f		6, 12	H.
10,00,000	12,950	30,15,423	12,43,501	—3,64,536	Villiers Ltd.	Talcher	3½	2½					9	Y.
3,50,000	3,65,000	18,61,212	14,05,212	68,861	Williamson Magor & Co.	Union	19xd	10	1½+1½	1 + ½	½f		6, 12	H.
49,98,000	21,916	47,68,934	18,41,543	65,727	Hindustan Investment Corpn., Ltd.	Western Bengal	6½	10	½	½	½		3	Y.
7,00,000	3,71,000	50,89,488	21,34,223	382	Macneill & Barry Ltd.	West Jamuria	15½	10	Nil	Nil	Nil?		6, 12	H.

* Including bonus.

(i) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

(k) Investments.

(a) For seven months ended 31st March, 1954.

REVISION OF G.A.T.T. REGULATIONS

QUANTITATIVE RESTRICTIONS ON IMPORTS PERMITTED IN SPECIAL CASES

AFTER deliberating for nearly four months, the 34 Contracting Parties to the General Agreement on Tariffs and Trade—the G.A.T.T.—concluded their ninth session at Geneva on the 7th of this month. The session, *it is claimed*, was the most important in the history of the G.A.T.T., for it was at this session that the Parties completed a comprehensive review of the Agreement in the light of experience over seven years. Besides such a review, the Parties reaffirmed the basic objectives of the Agreement, drew up a renewed undertaking to prolong the firm validity of the tariffs bound under the Agreement, *laid down* suitable procedures for dealing with the problems of countries in early stages of economic development, and envisaged the establishment of a permanent organisation, known as the Organisation for Trade Co-operation, to administer the Agreement and supersede the present informal operational structure. The main results of the review of Agreement undertaken at the Geneva session are, according to a *Press note* issued by the Secretariat of the G.A.T.T. as follows.

Tariffs

By providing for the assured life of negotiated rates of duty, the General Agreement has given stability to tariff levels for a large proportion of world trade. It was agreed to recommend to the Governments of the Contracting Parties the continuance of this stability by prolonging from 1st July, 1955 to 31st December, 1957, the assured life of the tariff schedules, and a declaration to this *effect* has been drawn up and opened for signature. A new principle has been introduced into the revision of the Agreement which would permit the automatic extension of the assured life of the tariff schedules in the future, by periods of three years, with provisions to enable Contracting Parties to seek authority to renegotiate during the bound period bound rates of duty if they find they must modify or withdraw some of them.

A new article dealing with tariff negotiations *sponsored* by the Contracting Parties has been included in the proposed amendments to the Agreement. The article imposes no new obligations on contracting parties. Each party retains the right to decide whether or not to engage in negotiations *or to participate in a tariff conference*. The purpose of the Article is to recognise the value of tariff negotiations directed to "the substantial reduction of the general level of tariffs and other charges on imports and exports, and, in particular, *the reduction of such high tariffs as discourage the* importation even of minimum quantities." The article states the principle that, in tariff negotia*tions, the binding against increase of low duties or* duty-free treatment shall be recognised as a concession equivalent in value to the reduction of high duties.

The Contracting Parties have also set up a *special working party to study generally the possi*bilities for and methods of future tariff reduction and to recommend the convening of a tariff conference, when it is felt that progress in that field is possible.

Quantitative Restrictions

No change has been proposed in the basic principle of the Agreement that Contracting Parties which maintain quantitative restrictions for balance of payments reasons have to eliminate them as soon as they cease to be justified for balance of payments reasons. But, in order to make this principle more *effective* in practice, particularly in order to adapt it to a period when the major currencies may become convertible, it is proposed that, soon after entry into force of the amendments, the Organisation will review all quantitative restrictions still maintained for balance of payments reasons. Thereafter, a system of annual consultations with Contracting Parties still applying restric*tions of this type* would come into effect and these countries would be required to justify each year the restrictions still being maintained.

In association with the proposed system of tighter control on the use of quantitative restric*tions for balance of payments reasons*, the Contracting Parties have taken a decision, with immediate effect, to assist in resolving the problems faced by Contracting Parties in eliminating the so-called "hard-core" of their import restrictions. These are restrictions whose elimination removal, when no longer justified for balance of payments reasons, would result in a serious injury to a domestic industry or branch of agriculture, to which they have afforded protection. The decision provides that the *applicant* party would expect to receive sympathetic consideration for its request for a temporary waiver from the obligation to eliminate quantitative restrictions. The Contracting Parties will grant the waiver subject to such conditions and *limitations as they determine* to be reasonable and necessary and the obligation is laid on the applicant to eliminate the quantitative restrictions in question over a comparatively short period of time, not exceeding five years. The application of these "*hard-core*" restrictions and the progress made towards eliminating them will be reviewed by the Contracting Parties annually.

In connection with the review of quantitative restrictions, the Contracting Parties, by a separate *decision*, dealt with the conflict which may occasionally arise between action required under U.S. legislation and the provisions of the Agreement dealing with quantitative restrictions and additional charges on imports. The Contracting Parties adopted a decision, effective forthwith, which recognises the difficulties arising from the terms of Section 22 of the U.S. Agricultural Adjustment Act, permits the U.S. to apply measures *under this legislation*, but, at the same time, *pre*serves the right of a Contracting Party whose trade is damaged by import restrictions or additional charges imposed under that Act to have recourse to the procedures of the Agreement for adjusting the balance through negotiation or otherwise. The Contracting Parties will review annually action taken by the United States under this legislation, and the U.S. Government has given assurances that, before taking any new action, it will consult with substantially interested countries and will *terminate* any restriction imposed under the legislation as soon as it is no longer required.

Assistance for Economic Development

The need to encourage and facilitate the development of the economies of countries which can only support low standards of living and are in the early stages of development is consistent with the long-term objectives of the General Agreement, and steps have been taken in the revision to reduce to a minimum the conflict which may arise between the requirements of economic development and the short-term commercial interests of the other countries. Under the new provisions, it has been recognised that Contracting Parties in the early stages of development should enjoy additional facilities to enable them (*a*) to maintain sufficient flexibility in their tariff structure to be able to grant the tariff protection required for the establishment of particular industries and (*b*) to apply quantitative restrictions on imports, to protect their balance of payments in a manner which takes full account of the continued high level of demand for imports likely to be generated by their programmes of economic development.

Procedures have been worked out by which a country, in an early stage of development, may enter into tariff negotiations with a view to modifying concessions that is bound under the Agreement, in order to promote the establishment of an industry. If agreement is not reached between the country *concerned* and other interested countries, the matter may be referred to the Contracting Parties. The Contracting Parties may allow the applicant contracting party to modify or withdraw concessions, if they find that the compensation offered is inadequate. In addition, procedures are established under which, in cases where no measure of commercial policy consistent with the General Agreement, such as tariffs or subsidies, would be practicable to protect a new industry in a country in the early stages of development during the first years of production, that country would be able to apply non-discriminatory restrictions on imports for such a transitional period.

The most significant change from the existing provisions of the Agreement would be that which would enable the country concerned to restrict, without the prior approval of the Contracting Parties, the importation of a commodity when the rate of duty on that commodity is not bound under the Agreement. In such a case, however, any other Contracting Party which is injured may withdraw substantially equivalent concessions granted under the Agreement.

In connection with these proposals for assistance for *economic development and in view of the* special responsibilities of the U.K. towards its colonies, the Contracting Parties, by a separate decision, extended to the U.K. the right, effective immediately, to give special assistance to its colonial territories which depend largely on the U.K. market, through actions which would otherwise have been inconsistent with the provisions of the Agreement. These rights will apply only in cases where the industry or branch of agriculture of the colonial territory would be benefited, but not industry or *agriculture in the U.K.* or any other country. The U.K. will report annually to the Contracting Parties on any such measures adopted.

In the course of their consideration of problems in the field of economic development, the Contracting Parties also adopted a resolution recognising that an increased flow of capital into countries in need for investment from abroad and, in particular, into underdeveloped countries would facilitate the objectives of the General Agreement by stimulating economic development of these countries, *whilst, at the same time* rendering it less necessary for them to resort to import restrictions. They recommended that Contracting Parties who are in a position to provide capital for international investment and Contracting Parties who desire to obtain such capital should use their best endeavours to create conditions calculated to stimulate the international flow of capital, having regard, in particular, to the importance of providing by appropriate methods for security for existing and future investment, the avoidance of double taxation, and facilities for the transfer of earnings upon foreign investments.

Subsidies

Provisions, additional to those already in the Agreement are proposed in order to limit the harmful effect of export subsidies. In the field of primary products, the Contracting Parties would be under an obligation not to use subsidies which increase exports so as to obtain for themselves more than a fair share of world trade. In the field of non-primary products, no new or increased export subsidies *would be permitted*. The Contracting Parties agreed that there should be a re-examination to determine before the end of January, 1957 whether existing export subsidies on non-primary commodities can be abolished or whether the maintenance of the standstill should be extended for a further period.

In connection with the consideration of export subsidies, the Contracting Parties formulated additional provisions concerning the use of anti-dumping and countervailing measures by importing countries.

Problems of Commodity Trade

The Contracting Parties adopted a resolution providing that, if a Contracting Party decides to liquidate any agricultural surpluses, it should do so in such a way as to avoid unduly provoking disturbances on the world market that would adversely affect other member countries. They recommended "that, when arranging the disposal of surplus agricultural products in world trade, Contracting Parties should undertake a procedure of consultation with the principal suppliers of those products and other interested Contracting Parties which would contribute to the orderly liquidation of such surpluses, including, where practicable, disposals designed to expand consumption of the products, and to the avoidance of prejudice to the interests of other Contracting Parties, and that they give *sympathetic* consideration to the views expressed by other Contracting Parties in the course of such consultations."

The Contracting Parties also recommended that, whenever practicable, any contracting party *intending to liquidate a substantial quantity of* strategic stocks of primary commodities should give advance notice and should consult fully with any contracting party which considers itself substantially interested and requests such consultations.

The amended Agreement would also include a new provision that would enable a contracting party whose economy depends on the export of a small number of primary commodities to consult with the Organisation on measures taken by another country which seriously affected that contracting party's exports of the commodities in question.

In the course of the Contracting Parties established a *working party to consider* a proposal for a convention which might govern international action on problems arising in the field of international trade in primary commodities. The working party, acting in the capacity of an expert group, concluded that *it could not put its* recommendations into final form until the interested Governments had studied its preliminary views. It was, therefore, decided that the working party will meet again in the summer of 1955 after receiving the views of Governments.

The Organisation for Trade Co-operation

The Contracting Parties have drawn up an Agreement which, when it comes into force, will establish the Organisation for Trade Co-operation. The Agreement contains the basic provisions relating to the structure and functions of the Organisation. There would be an Assembly, an Executive Committee and a secretariat headed by a Director-General. The main function of the Organisation would be to administer the General Agreement. In addition, the Organisation would be able to sponsor international trade negotiations and to serve as an inter-governmental forum for the discussion and solution of other questions relating to international trade. The Agreement will enter into force, among the Governments that have accepted it, after it has been accepted by Governments whose territories account for 85 per cent. of the total external trade of the territories of the Governments which comprise the Contracting Parties.

MARKET GOSSIP

(*Concluded from page* 551)

guarantees a price of 90.41 cents to domestic producers. So long as the New York market price is below this level

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Exchange
16,00,000	1,08,00,000	11,36,301	Allahabad Bank	86xd	100	18 0	18 0	18 0	18 0	12	Y.P.
14,50,000				182xd	50	9 0	9 0	9 0	9 0		
1,01,000	18,16,000	2,13,671	Andhra Bank	11xd	100	6 0	6 0	6 8	8 8	6.12	H.
23,99,000				50xd	50	3 0	3 0	3 4	1 12		
1,00,00,000	1,28,00,000	2,70,302	Bank of Baroda	108	50	6 0	6 0	6 0	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	12¼N	25	0 12	0 12	0 12	12	12	Y.
8,50,00,000	8,50,00,000	910,951	Bank of India	143xd	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
19,30,875	27,15,000	64,703	Bank of Indore	55¾	25	3 0	3 0	3 0	3 0	12	Y.
80,00,000	17,00,000	48,178	Bank of Jaipur	23	50	1 8	1 8	1 8		12	Y.
64,00,000	64,00,000	2,27,018	Bank of Mysore	277xd	100	16 0	16 0	16 0	16 0	12	Y.
89,99,160	51,88,240	29,609	Bombay State Co-operative Bank	56	50	2 8	2 8	2 8	2 8	6	Y.P.T.
15,00,000	26,00,000	20,774	Canara Bank Ltd.	75	50	4 8	4 8	4 8	4 8	12	Y.P.
7,50,000	10,50,000	6,878	Canara Banking Corporation Ltd.	85xd	50	5 0	5 0	5 0		12	Y.P.
2,62,11,875	4,00,65,697	17,68,699	Central Bank of India Ltd	50	25	3 8	3 8	3 0	3 0	12	R.L.Y
52,42,375 'A'				52¾	25	3 8	3 8	3 0	3 0		
40,00,000	28,10,000	1,84,911	Devkaran Nanjee Banking Co	81¼	50	1 12	1 12	2 0	2 0	12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (F)	72 XRN	20	4 0	4 0	4 0	4 0	12	Y.
1,25,00,000	16,20,000	15,160	Hindustan Commercial Bank	10	50	—	—	—		12	Y.
60,00,000	1,50,000	1,412	Hindustan Mercantile Bank	13¾	50					12	Y.
75,00,000	75,00,000	1,02,750	††Hyderabad State Bank	106N	100	6 0	5 0	5 0	6 0	8	Y.
8,75,00,000	6,85,00,000	84,15,646	Imperial Bank of India	1,595	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000				802¾	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000	76,50,000	1,23,088	Indian Bank	186xd	100	12 0	12 0	10 0	6 0	6.12	R.L.H.
17,00,000				143xd	85	10 8	10 8	10 8	5 12		
16,00,000	22,50,000	2,25,271	Indian Overseas Bank	101xd	50	7 8	7 8	7 8	3 8	6.12	R.L.H.
49,04,925				106xd	100	6 0	6 0	6 0	6 0		
6,25,000	6,83,989	1,880	Indo-Commercial Bank	50	100(A)	7 8	8 0			6.12	H.
2,50,000				15	25(B)	1 14	1 8				
10,00,000				22	50(C)	3 0	3 0	1 8			
87,50,000	90,00,000	8,10,290	Punjab National Bank	41	25	1 0	1 8	2 0	1 0	12	Y.
1,00,00,000	21,75,000	93,631	Travancore Bank	131xd	25	—	—	0 10	0 12	12	Y.
40,00,000	23,00,000	1,75,74	Union Bank of India	6-10½	5	0 5¾	0 5¾	0 5¾	0 5¾	12	H.
3,00,00,000	80,00,000	1,62,820	United Commercial Bank	46¼	50	2 0	2 0	2 0		12	H.

PRINCIPAL EXCHANGE BANKS

Paid-up Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend (per cent.) 1951	1952	1953	1954	Accounts Closed	Exchange
£3,500,000	£5,000,000	£202,910	Chartered Bank of India, Australia and China	£2-4-6	£1	14†	15†	14†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£0-9	£5	6†	7†	8†		12	R.L.Y.
H.K. $20,000,000	H.K. $46,000,000	H.K. $9,555,542	Hongkong and Shanghai Banking Corporation	$95½	H.K. $125	5*	5*	5*	2*‡	12	Y.
£17,966,195 'A'	£14,500,500	£510 557	Lloyds Bank	£5-5-0	£5 A	12†	12†	14†	15†	12	R.L.Y.
£1,497,299 'B'				£1-7-8	£1 B	5†	5†	5†	5†	12	R.L.Y.
£375,000 'A'	£1,750,000	£200,284	Mercantile Bank of India	£4	A £4	14†	14†	14†	14†	12	R.L.Y.
£375,000 'B'				£4	B £4	12†	14†	14†	14†		
£720,000 'C'				£14	C £1	12†	14†	14†	14†		
£2,851,563	£3,106,887	£826,266	National Bank of India	£1-4-3	£5	16†	16†	16†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (E) Pakistan Currency. R-1.—Reserve liability on shares. †† U.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	3	1st December and 1st June	Carew & Co.	100	1st June .. 1963
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	95	20th February .. 1960(c)
6,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd.	99¾	30th December .. 1958
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	102	27th December .. 1955-62
30,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	88	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	105	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	96½	1st November .. 1959-64
COAL					
80,00,000	4½	30th April and 31st October	Bharat Collieries	95¾	30th June .. 1956
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	91½	30th June .. 1957(a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	101	15th December .. 1960(a);‡
COTTON					
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	98	30th April .. 1964
4,00,000	4½	15th May and 15th November	Bengal-Nagpur	99	15th November .. 1958(b)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	100½	1st January .. 1957-76(a)
13,86,000	5½		Jaysingpur Textiles	90¾	1st January .. 1966-69
40,00,000	5½	1st June	Tata Mills	101¾	1st June .. 1966-71
ELECTRIC					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	95	31st March .. 1966(a)
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	100¾	14th June .. 1960
98,28,000	4	1st April and 1st October	Bombay Valley Power Supply Co.	71¾	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964(a)
2,45,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101	1st January .. 1976(a)
25,00,000	4	30th June and 31st December	Cosmopore Electric Supply Co., Ltd.	87	31st December .. 1970
15,00,000	5	1st January and 1st July	Siju (Sherrish) Electric Supply Co., Ltd.	96	30th June .. 1957(a)
9,36,200	5½	1st January and 1st July	South Madras Electric Supply	99	.. 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	99	1st October .. 1954
1,00,000	5	1st April and 1st October	South Madras Electric Supply	94½	.. 1955-56
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July .. 1957-67
47,78,000	4	1st April and 1st October	Tata Power	100½	15th September .. 1951-55
5,50,000		1st April and 1st October	Tata Power	77¾	15th September .. 1960-70
ENGINEERING					
5,00,000	6	30th June and 31st December	Britannia Engineering	109	30th December .. 1958
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	101½	1st July .. 1957-62
31,146,000	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	98	31st December .. 1966 (§§)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	88½	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	101½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	100¾	31st December .. 1960 (a)
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	99	31st March .. 1968
6,00,000	5½	30th June and 31st December	Alexandra	100	30th June .. 1963
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	88½	30th June .. 1960¾
9,00,000	5	31st January and 31st July	Calcutta	98	31st July .. 1959
10,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	96	30th June .. 1968
25,00,000	5½	31st March and 30th September	Dalhousie Jute Co.	99	31st March .. 1960(a)
8,00,000	5	30th June and 31st December	Empire	96	16th July .. 1966(a)
25,00,000	5½	1st January and 1st July	Fulnagore	98½	30th June .. 1957
26,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	99½	31st December .. 1964(a)
25,00,000	5½	30th June and 31st December	Kamarhati	95	31st March .. 1967(a)
5,00,000	4½	14th November and 14th May	Neilimoria Jute Mills Co., Ltd.	93	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	86	31st December .. 1964
8,00,000	6	30th June and 31st December	Presidency	98	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	98	5th September .. 1958(a)
9,00,000	4½	14th March and 14th September	Soorah Jute	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	96½	30th June .. 1957
10,00,000	5½	1st January and 31st July	Waverley	98	31st July .. 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	90N	1st July .. 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	£80N	At 105% at any time on 6 months' notice or at par or every seventh year. 1900
£189,968	5	1st April and 1st October		£77¾N	1st October .. 1974 1933
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	90½	31st December .. 1959(a) Any time on six months' notice.(a) 1945
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£85¾N	1st September .. 1963 1905
6,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	94½	
PLANTING					
10,00,000	5½	30th June and 31st December	Consolidated Coffee	102	1st July .. 1957-62
5,00,000	6	31st March and 30th September	Nilgiri Tea	100½	1st April .. 1954-58
4,81,000	5½	30th June	Ouchterlony	104	30th June .. 1954-59
9,00,000	5	31st March and 30th September	Pertakstamalai	100½	31st March .. 1953-58
1,89,700	5½	31st March and 30th September	Teekoy	100	31st March .. 1949-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	100	30th September .. 1958
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December .. 1968
28,80,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	99½	30th June .. 1957
6,00,00,000	6½	1st March and 1st September	Burmah-Shell	102¾	1st September .. 1958-69(a)†
27,00,000	5½	1st February and 1st August	Chowringhee Properties	91	1st February .. 1964
21,84,000	4½	1st July and 1st January	Clive Buildings	92	1st July .. 1956
20,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	89	.. 1960
1,50,00,000	5	1st January and 1st July	Dunlop Rubber	108	1st January .. 1971(a)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	104	30th June .. 1960(a)‡
12,28,000	6	16th March and 16th September	Mettur Chemical Industries	95	.. 1964
88,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	85	30th September .. 1976(a)
48,00,000		30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	100 (per note)	31st December .. 1972(a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	1st April .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	98	31st March .. 1961(a)
1,00,10,000	4	30th June and 31st December	Rohtas Industries Ltd.	90	31st December .. 1969
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	104½	1st May .. 1968(a) ‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 6 months' notice at any time at 5 per cent. premium. (c) Option to repay on 3 months' notice at 4 per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,00,00,000 debentures will be redeemed at par annually by drawing from 1-9-1956. *Any debenture outstanding on 1-9-1959 will be redeemed on that date* with option to redeem all debentures at 101 per cent. on 1-9-1964. §§ Redeemable cent of a cumulative sinking fund of 14 per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964, onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1963, on 6th months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 24th March, 1955.

—	Closing quotations 17-3-1955	High	Low	Closing quotations 24-3-1955
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	122½	—	—	122½
Apollo (2)	2-14½	2½	2 10	2-13½
B.B. Cotton Mills (100)	52	—	—	52
Bombay Dyeing (250)	470	476½	470	474½
Central India (100)	128½	131½	128½	129½
Century Mills (100)	303	308½	302	304½
Colaba (100)	59	59	56½	56½
Edward Textile (200)	252½	255	250	255
Elphinstone (50)	40½	—	—	40½
Finlay (100)	253	259	254	258½
Gokak (100)	227½	229	227	227½
Ind. Untd. Defd. (1)	1 3/16	1 3/16	1-1/16	1 1/16
Ind. Untd. Ord. (10)	10½	10-14½	10 10	10 10
Indore Malwa (100)	93½	—	—	93½
Khatau (100)	161½	166½	161½	166½
Kohinoor (100)	323	319	312½	310xd
Lakshmi (250)	805	805	497½	497½
Madhusudhan (100)	84½	—	—	84½
Minerva Mills (100)	105	100	94½	100
Model Nagpur (250)	134½	—	—	138½
Morarji (100)	218½	—	—	218½
Mysore (50)	121½	—	—	121½
National Rayona (100)	201½	203½	199½	202½
New City (100)	157½	157½	140	140xd
New Great (100)	156½	155½	150	151xd
New Union (10)	82½	—	—	82½
Phoenix (100)	102½	105	102½	103 1/16
Podar Mills (100)	158½	163½	164½	160½
Sassoon Silk (10)	15½	—	—	15½
Sassoon Spg. (10)	37	—	—	37
Shahjapur (1,000)	1,400	—	—	1,400
Shivlaxa (100)	237½	230½	230½	232½
Simplex (50)	146½	147½	146	147
Standard (100)	865	870	863½	864½
Swadeshi (100)	195½	198	191	192
Swan (100)	330	—	—	330
Tata Mill (25)	62	62	60	60½
Vishnu (100)	122½	122½	116½	118½
Western India (1,000)	3,875	—	—	3,875
BANKS				
Bank of India (50)	148	148	143½	143½xd
Bank of Baroda (50)	103	103	102½	103
Central (25)	51	50½	50	50½
Central 'A' (25)	52	52½	51½	52½
Deps Bank (50)	31½xd	—	—	31½
Imperial (F.Pd.) (500)	1,580	1,597½	1,582½	1,595
Imperial (P.Pd.) (125)	807½	808½	803½	803½
Punjab National (25)	41	43	41	43
Union Bank (5)	6½	6-10½	6½	6-10½
United Com. (50)	46	46½	45	46½
ELECTRIC COS.				
Ahmedabad (100)	113½	113½	111½	111½
Ambiamanteed (10)	11½	11½	11 1/16	11 1/16
Andhra Valley (1,000)	1,402½	1,402½	1,390½	1,402½
Bom. Sub-El. (100)	127½	127½	126½	126½
Ford (100)	125	126½	125	126½
Tata Hydro (100)	147½	148	146½	146½
Tata Power (1,000)	1,507½	1,510	1,506½	1,507½
INSURANCE COS.				
British India (10)	13 3/16	—	—	13 3/16
Empire of India (100)	700	—	—	700
Ind. Mercantile (200)	44½	—	—	44½
Jupiter (15)	9 3/16	—	—	9 3/16
New India (15)	54½	54½	53½	54½
Oriental (200)	7,410	—	—	7,410
Universal (10)	10½	—	—	10½
Vulcan (10)	15	—	—	15
STEEL COS.				
Ind. Iron (10)	35-15½	35½	35-4½	35½
Tata Steel Ord. (78)	243½	245½	242	245½
SUGAR COS.				
Belapur (50)	31½	32½	31½	31½
Bhopal (10)	14½	—	—	14½
Bhulan (50)	11½	110	117½	118½
Walchand Ind. (100)	227½	228½	222	220½
CEMENT COS.				
Associated Cts. (100)	182½	183½	181½	182½
Dirwiay (100)	178	179½	177	179½
MISCELLANEOUS				
Alcock Ashdown (100)	286½	290	285½	286½
Bom. Burmah (125)	403½	476½	464½	476½
Do. (New) (50)	165	166½	145	165½
Br. B. Petrol (4 sh.)	3-14½	4	3-13½	3 15/16
Br. I. Corpn. (5)	8	7-15½	7-12½	7-14½
C. P. Rly. (100)	101½	—	—	101½
Indian Copper (2 sh.)	8-3/16	8½	8-3/16	8-0½
Ind. Inv. Tr. (100)	79½	79½	78	78
Kemp (200)	226½	—	—	226½
Killick (100)	167	166½	158½	158½
Polson (100)	147½	150	147½	150
Press Caoutchouc (100)	15	15	14	14
Premier Con. (50)	100½	102	100	100
Scindia (20)	15 3/16	15-0½	15-1½	15-0½
Shivajirao (10)	81	82½	80½	82½
Tata Chemicals (10)	16½	16-3½	16-1½	16-1½
Tata Oil (25)	41½	41½	40½	41½
W. I. Match. (100)	204½	204½	105	107½

GOVERNMENT SECURITIES	18-3-55	Gross Yield Earlier Redemption	Later Redemption	24-3-55
	Rs.			Rs.
2½% 1956	99½	—	3.17	99½
2½% 1961	91½	—	3.97	91½
2½% 1960	94½	—	3.79	94½
2½% 1962	92 3/16	—	3.66	92 3/16
2½% 1976	83	—	3.01	82
3% 1957	99½	—	3.29	99½
3% 1958	99½	—	3.25	99½
3% 1959-61	97½	3.56	3.48	97½
3% 1964	92½	—	3.42	92½
3% 1963-65	93 3/16	3.89	3.78	93 3/16
3% 1966-68	90½	4.04	3.90	90½
3% 1970-75	86½	4.15	3.98	86 3/16
3% 1986 Con. Loan	80½	—	3.71**	80½
4% 1960-70	101½	3.65	3.48	101½
4½% 1955-60	103½	—	2.24	101½
4½% 1958-68*	103½	3.50	4.17	103½
3½% 1961 N.P. Bonds	90½	—	3.59	90½
3½% 1964 N.P. Loan	96½	—	3.69	96½

BRITISH GOVERNMENT SECURITIES *	17-3-55 £	High £	Low £	23-3-55 £
2½% Brit. Consols	63½	64	62½	62½
3% Brit. Transport 1978-88	64½	64½	62½	62½
3% War Loan 1955-59	96½	94½	93½	93½
3½% War Loan 1952	85½	85½	83½	84
3½% Brit. Iron and Steel 1979-81	92½	93	92½	92½
4% Funding 1960-90	100½	102	100½	101

*Current Income. x.d.—Ex-dividend. * Rupee Counterparts.

COMMERCE

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

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G.A.T.T. SURVIVES

IF international trade is a *two-way* business, so is *international* co-operation. No such co-operation will be feasible if the spirit of give and take does not prevail among the participating nations and if attempts are made to seek a *solution on doctrinaire* lines. Every nation must try to see the difficulties of the other and endeavour to meet them constructively. The delegates of 34 countries, which are signatories to the General Agreement on Tariffs and Trade —the G.A.T.T. for short—seem to have been fully alive to this prerequisite for the success of international co-operation. The result is that the G.A.T.T., which was described to be in the melting pot even by responsible ministers of some Governments, has emerged stronger than it was before the four-month-old negotiations started in November last. It is true that several relaxations have been made in the G.A.T.T. rules and some more concessions have been given to underdeveloped countries but the G.A.T.T. is none the worse for it. Cynics may say that the G.A.T.T. of today is a far cry from the International Trade Organisation (I.T.O.) envisaged in the Havana Charter of 1948. True as this charge is, to some extent, the fact remains that the world in which we live today is so imperfect that it is not practicable to evolve an international trade structure of great logical consistence and durability. The I.T.O. envisaged so large a measure of interference with national policies that it came to be strongly opposed even by those very nations which took the initiative for its promotion. Hence it was still-born. What good does it avail to harp on impossible ideals? If the deliberations in Geneva lasting for four months have demonstrated something, it is that reform of what are regarded as undesirable or unsound economic practices is a slow process and cannot be achieved overnight.

The strength of an international agreement does not lie in rigidity but adaptability to changing circumstances and to the varying needs of its signatories. Viewed thus, it will be recognised that the G.A.T.T. has been revitalised. The waivers given to a number of countries may suggest that the provisions of the G.A.T.T. have been watered down, but, really speaking, the concessions have strengthened the G.A.T.T., in that they have won the firm allegiance of certain countries the support of which was lukewarm. In any case, the concessions that have been extended are unlikely to deter progress towards the realisation of the objectives of the G.A.T.T., namely, (a) to eliminate discrimination of all kinds in international trade, (b) to provide a code of fair trading rules to be observed by each country in its trade with others, and (c) to reduce, *as far as possible*, the barriers to international trade (italics ours).

The success of Geneva Conference will be appreciated better if the temper in which the leading countries went to the Conference is borne in mind. Britain wanted the provisions relating to quantitative restrictions and subsidies to be tightened, as it felt that it could not embark upon convertibility if countries were free to make use of these restrictions. The U.S. literally refused to give up its right to use import quotas for certain agricultural commodities or to modify its farm price-support policy, including payment of subsidies on export of agricultural surpluses. The low tariff countries in Western Europe, too, desired freedom to protect some of their farm produce and food industries through import restrictions. The underdeveloped countries like India threatened to quit the G.A.T.T., unless they were given special treatment in regard to the use of quantitative restrictions. These attitudes showed that the G.A.T.T. was not likely to survive. Fortunately, better sense prevailed among the delegates and a workable compromise satisfactory to all has emerged.

The Geneva Conference was concerned with two questions. One related to the future of tariff agreements that had been concluded at the Torquay Conference in 1950-51 and subsequent negotiations. These duties are bound until 1st July, 1955. The other related to the review of the entire structure of G.A.T.T. Both the questions have been successfully tackled. The present schedule of agreed tariffs is to be continued for a period of 2½ years, that is, from 1st July, 1955, to 31st December, 1957. Besides, a new principle has been introduced, whereby the assured life of the tariff schedules will be automatically extended by periods of three years. There is, however, provision for enabling the Contracting Parties to seek authority to renegotiate during the bound period agreed rates of duty, if they feel the need for modification or withdrawal. In order to facilitate such renegotiations and to study generally the possibilities for and methods of future tariff reduction, a special working party has also been set up. The value of this understanding lies in the fact that the tariff levels for a large proportion of world trade will remain stable, that the periodical prolonged negotiations for entering into fresh schedules of tariffs will not be necessary and that a ready machinery will exist for facilitating re-negotiations when found absolutely necessary.

The review of the structure of the G.A.T.T. has led to no change in the basic principles. On the vital issues of quantitative restrictions and subsidies, certain relaxations have been permitted, subject to periodical review, by the G.A.T.T. authorities, and limited, in most cases, to a transitional period extending upto the end of 1962. A special chapter has been provided for underdeveloped countries, defined as countries of low living standards and in early stages of development. The conditions under which these countries can raise tariffs and impose quantitative restrictions are more liberal than in the case of developed countries. The readiness with which the latter countries agreed to accommodate the needs of their less developed confreres reflects their sympathy for, and anxiety to help, them. It is noteworthy that most of the concessions given to developed countries are in regard to agricultural commodities or to some peculiar features of their economy. It has always been recognised that agricultural commodities deserve special treatment. The great manufacturing countries are anxious to safeguard the supply of raw materials for their industries. Some of them are keen on ensuring a certain amount of self-reliance in regard to supply of food and food products. These are normal desires and cannot be seriously objected to.

The U.S., for instance, wants to place import restrictions on certain varieties of cotton, in order to protect its domestic cotton. It has been accustomed to provide a large measure of assistance to agriculturists who form the backbone of the nation. It cannot be asked to give up this policy overnight, but it can modify that policy over a period which it is trying and has, indeed, undertaken to do. Certain West European countries want to protect their food production through import restrictions, even though their balance of payments position may be quite comfortable. Similarly, Britain has to extend special treatment to some of its Colonies which are dependent upon it for marketing their production. Some of its industries are facing severe competition from non-Commonwealth countries, because of the condition that it cannot discriminate between Commonwealth and non-Commonwealth countries through tariffs except to the extent of 10 per cent.—an obligation entered into years ago. It feels that, unless it is released from this obligation, its position will become very difficult. The Geneva Conference recognised all these hardships and agreed to a number of waivers to the countries concerned for overcoming them. Another important relaxation relates to the so-called "hard-core" restrictions, designed to protect those industries which would suffer a serious setback if import controls were suddenly removed. Under this facility, the U.K., for instance, can continue to protect its jute industry through quantitative restrictions, even though its balance of payments position may not warrant such controls. But all these facilities are for only limited periods and subject to review by the Contracting Parties. Moreover, they will not have any material adverse effect on world trade, but they mean much to the individual countries. If, however, on a review, the verdict of the majority of members were to go against the continuance of any of these waivers, it would have to be withdrawn. In other words, the important point here is that, so long as the police powers conferred on the G.A.T.T. are properly used by it, the new Agreement would contribute to freer and smoother international trade. Whether or not the police force will be efficient and effective will, however, depend upon the members' honesty of purpose and determination to honour their commitments.

As against the aforesaid waivers, certain new obligations have been imposed on the members in regard to subsidies, disposal of surplus commodities and strategic stockpiles, and sudden import restrictions on primary commodities, the fortunes of which greatly influence the economy of a Contracting Party. Any member who feels aggrieved as a result of measures taken by a Contracting Party in this connection can com-

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plain to the G.A.T.T. and ask for relief. These are thus valuable provisions for preventing sudden upsets to world trade. From India's point of view, almost all the objections voiced by an influential section of the mercantile community have been met. Under the revised Agreement, India has complete freedom for using the quantitative restrictions for both balance of payments and protective purposes. The Contracting Parties have also agreed to take appropriate measures for stimulating the flow of capital from the developed to the underdeveloped areas. India, therefore, has everything to gain by accepting the revised Agreement.

THE NEXT PLAN

THE private sector in India has often been exhorted by Government spokesmen to lend its responsive, constructive co-operation in the task of national reconstruction, and not to be content with the performance of the negative (however essential) service of subjecting Governmental policies to a critical analysis. The private sector has taken the Government at its word. It has now produced a plan. When we say this, we have in mind the Federation of Indian Chambers of Commerce and Industry's draft outline of the second Five-year Plan published this week. This draft Plan is a commendable effort in constructive thinking on the country's economic problems. It is also notable for the reason that the private sector can think both for itself and for the public sector, because the Plan is a composite one in that it embraces both the sectors.

It, of course, lacks the wealth of statistical details and that close analysis which might be expected of a blue-book and which characterised the first Five-year Plan. But it is, on that account, no less interesting and useful as a guide to national economic policy. On the contrary, the attempt is worthy of high praise, if only because the Federation, despite the fact that it has less equipment and possesses less access to basic data, has been able to present a comprehensive Plan for the next five-year period. In the past, too, the private sector has given ample evidence of its ability to think boldly and well on economic problems. The Bombay Plan, which was something of an inspiration to official planning, was the outcome of the private sector's effort at economic planning. Perhaps, the Federation's present draft will be no less useful. At any rate, the private sector cannot be accused of lacking in courage or imagination.

The authors of the Federation's Plan recognise that the second Five-year Plan must be built on the foundations laid by the first Plan. It is no adverse comment on the first Plan when they observe that it "only touched the fringe of our economic problem." Government spokesmen themselves have often admitted as much. The Federation too recognises that, in the context of the problems arising from the Second World War, the Partition, the Korean war and a host of other developments, it would have been impossible for the authors of the first Plan to set more than the modest targets they did. But Indian economy, thanks in part to the Plan and in part to the good monsoons, has "now acquired added strength and stability which augurs well for the future." Encouraged by this factor, the Federation has chosen to make a more ambitious attempt than was possible for the Government at the time of the first Plan at solving the country's economic problem.

The two objectives, which the Federation has set before itself, are the raising of the living standards of the people and the creation of productive employment on a significantly large-scale. The second Plan, it is held, must envisage an increase in the *per capita* income from Rs. 246 in 1950-51 and about Rs. 262 anticipated at the end of the first Plan (in 1955-56) to Rs. 320 by 1960-61. This represents an increase of about 33 per cent. over the 1950-51 level and of a little over 25 per cent. over the 1955-56 level. The increase in the *per capita* income, it is expected, will be accompanied by an increase in the consumption of essential articles. A *per capita* minimum consumption of about 22 yards of cotton textiles, for instance, is aimed at, as against the present 15 yards. As regards employment, the aim should be to provide new avenues of employment at a rate fast enough to absorb the increase in the employable group. The present rate of increase in population is about 4½ millions and, assuming that the working population is about 40 per cent. of this increase, the number seeking employment is about 1.8 million every year. The Plan should, therefore, aim at the creation of about 10 million non-agricultural jobs over the next five years.

The first Five-year Plan is aptly described by the Federation as an "Irrigation and Power" Plan, for its emphasis, as is well known, was on agriculture and power supply. This emphasis was obviously dictated by the food crisis which dominated this primarily agricultural country at the time the Plan was drawn up. Irrigation and power projects absorbed 38.5 per cent. of the total outlay of Rs. 2,069 crores, as against the 8.4 per cent. share for industry. The second Plan, it is rightly urged, should be an "Industries and Transport" Plan. It is on the manufacturing industry that emphasis should be laid, because it will help provide not only direct employment but also employment in transport, commerce, banking, insurance and other professions. For every one person engaged in industry there are some 7 or 8 others who find employment on account of the growth of industry. Further, industry makes possible higher earnings to the persons it employs directly or indirectly than would be available in occupations which use inferior techniques or little capital. Accordingly, industry takes the pride of place in the Federation's draft Plan.

The expenditure programme over the five-year period is as follows:

Industry Rs. 2,000 crores; railways Rs. 1,250 crores; roads Rs. 400 crores; road transport Rs. 100 crores; ports, harbours and inland navigation Rs. 100 crores; shipping and civil aviation Rs. 90 crores; communications Rs. 135 crores; power Rs. 400 crores, irrigation and agriculture (including rural, small-scale and cottage industries) Rs. 1,200 crores; social services and housing Rs. 1,550 crores; small-scale industries (urban) Rs. 250 crores—Total Rs. 7,475 crores.

(The total amount of development expenditure is thus about Rs. 7,500 crores. Since it includes about Rs. 300 crores, being the outlay on replacement in industry and transport, the net investment to be financed from internal and external resources will be of the order of Rs. 7,200 crores.)

The Plan, as the break-up of the total expenditure given above shows, lays considerable emphasis on industry. Another notable point is that it lays relatively greater emphasis on heavy industries. It envisages rapid expansion of machinery manufacture, metallurgical industries and mechanical and electrical engineering industries. The production of steel by the end of the Plan, it is stated, for instance, should be at least 5 million tons and installed capacity, including that under installation, should be about 7½ million tons. The Rs. 2,000 crores outlay on industries includes Rs. 440 crores for steel, Rs. 50 crores for machine tools, Rs. 77 crores for fertilisers, Rs. 42 crores for paper, Rs. 50 crores for cement, Rs. 100 crores for petroleum, Rs. 160 crores for cotton textiles, Rs. 53 crores for rayon, and Rs. 25 crores each for sugar and vegetable oils. As a result of the progress that will be achieved through these large investments in industry, it is expected that the general index of industrial production (Base: 1946=100) will go up from 144 at present to 325 in 1960. It is further expected that the contribution of factory establishments to national income will move up from the present level of about 6 per cent. to 10 per cent. by 1960.

Next to industry, the railways will absorb the single largest share. The development of railways envisages an increase in carrying capacity by laying down new tracks and by increasing marshalling yard facilities and stock and equipment in the railways. For roads, the aim is to step up the target for national highways from 12,500 miles in 1955-56 to 20,000 miles by 1960-61 and of State highways from 20,600 miles in 1955-56 to 40,600 miles by 1960-61. As regards shipping, the aim is to double before 1961 the target of 600,000 G.R.T. to be reached before the end of the first Plan. Expansion of post offices, telephones, telegraphs and broadcasting stations on a considerable scale is also envisaged.

As regards power, the aim is to add 2 million kw. over the 1955-56 level of 2.68 million kw. In agriculture, the aim is stated to be the increase in the availability of cereals to 16 ozs. *per capita* and in the availability of protective foods such as milk and vegetables. Again, the long-term objective should be to alter the crop pattern. Now, food crops account for about 78 per cent. of the area under cultivation and commercial crops for 22 per cent. The aim should be to increase the per-acre yield and to change the crop pattern so as to make more area available for commercial crops. In the case of cotton, the target of production should be raised from 4.2 million bales in 1955-56 to 6.5 million bales by 1960-61, so as to provide adequate raw material for the expansion in the textile industry. A 30 per cent. increase in sugarcane and also in oilseeds production is envisaged by the planners. The total allocation for agriculture, community development, irrigation and village industries is Rs. 1,200 crores, that is, Rs. 240 crores per annum. This is higher than the corresponding figure of Rs. 150 crores per year in the first Plan. It will thus be seen that, though the Federation's emphasis in the second Plan is on industries and transport, agriculture is not neglected.

The resources budget for the Federation's second Plan is based on the assumption that there will be a progressive increase in national income and, further, that it will be possible to devote, year after year, progressively larger share of the increase to development. By 1960-61, the level of national income is expected to be about Rs. 13,300 crores (at 1948-49 prices), as against the anticipated Rs. 10,000 crores by 1955-56, and, during the period of the second Plan, capital formation is estimated to rise by about 25 to 30 per cent. of the additional income each year. The internal resources thus generated by the process of development would give a total of domestic resources of about Rs. 6,200 crores. Domestic resources available through voluntary savings, public as well as private, will have to be supplemented by Rs. 1,000 crores of external assistance and/or deficit finance. Taking into account the shortfall in the resources in the first Plan and the subsequent additions to the outlay on the Plan, the Federation places the probable uncovered deficit in the Plan at Rs. 975 crores. Since the entire Plan may not be implemented, the actual deficit, it is estimated, will be of the order of Rs. 650 to Rs. 700 crores only. So even the first Plan will have to rely on credit money. But the Federation feels that "it seems unlikely that this resort to deficit financing will have any unfavourable effects on the economy." Explaining the scope and limitation of the use of deficit finance, the Federation observes:

"In fact, it would seem that the really relevant question at present is not whether deficit financing can or should be used as an instrument for development, but the extent to which it can be used. This will depend upon a num- of factors, such as the scale on which investment outlay is deficit financed and the purpose for which deficits are used, the extent to which the additional incomes created by the outlay are mopped up and returned to the Exchequer, the effectiveness of the investment undertaken in bringing about an increased flow of consumable output and the period taken for this flow to emerge, the behaviour of money wages in response to such initial rise in prices as may be there, and the success of the measures undertaken to prevent significant rise in the prices of basic necessities during the investment period. Besides these, the scale on which one can rely on deficit finance will be governed by the effect it has on the demand for imports and the volume of exports, that is, on the balance of payments position in the country."

The striking features of the Federation's Plan outlined above are the magnitude of the investment envisaged and the boldness of its approach. Appropriately enough, the Plan envisages allotment of a substantial part of the total outlay to the public sector. Since the public sector deals with such basic needs of a developing economy as irrigation, power and transport, and communal services like public health and education, it is only reasonable to plan for a larger expenditure in the public sector. Finally, a notable feature of the Plan is that its authors realise, as the quoted passage above shows, the need for caution in the use of deficit finance. Frequently, the men engaged in the private sector are criticised for being inflation-minded. Clearly, the authors of the Plan cannot be made the target of this criticism. Despite these commendable features of the Plan, it may be wondered whether the resources, on the scale envisaged, will become available for investment. If this expectation, on which the Plan is based, were to be proved wrong by events, do the authors envisage higher taxation? If they do, what becomes of the insistent demand for tax reliefs? To be more precise, what level of taxation do they expect to prevail during the Plan period, a level which would take into account the need for incentive and that for finance required to implement the Plan? Presumably, the authors have not raised these questions, because they were mainly engrossed in the task of drawing the outline of the Plan, rather than in filling in all the details. But they will have to explain the resources aspect in greater detail, if their Plan is to carry conviction with the Government and the public.

TIRED BULL LIQUIDATION IN SHARES

CONSTITUTION AMENDMENT DISTURBS BUSINESS MEN

WEDNESDAY, 5 P.M.

A SLIGHT fall in equities has taken place since last week. With the current fortnightly settlement drawing to a close, tired bulls have been selling out. Some of the speculators had bought in the expectation of an increase in the retention price of steel before the end of March, 1955. But this expectation has not so far materialised. On the contrary, there were rumours this week that, in case the control on prices of steel were to be removed, there would be a stiff excise duty on this metal. There were also rumours that the Government's attitude towards private steel producers was not as friendly as it was expected to be. Whether or not these rumours have any basis is beyond our ken. The fact, however, is that there was a sizable amount of selling in both Tata Iron and Steel and Indian Iron. This opportunity was availed of by one of the leading bears to reduce his commitments. The knowledge that this operator has been able to square up a good part of his short-sales has itself weakened the morale of some of the bulls. A feeling is getting abroad that the technical position in steel shares is fast deteriorating. Heavy delivery of Tata Steel Ordinaries is also feared, as a large bloc of shares is believed to have been unloaded on an investor's account.

MARKET GOSSIP

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Textile shares, too, have lost their charm to some extent. The bullish fervour created by the concession given by Mr. Deshmukh in the excise duty on coarse and medium counts has waned, despite encouraging reports from the cloth market during the last two days. The heavy reduction in the dividend of Svadeshi Mills has evidently served to remind the operators that the margin of profit for mills is by no means attractive. The continued decline in the price of cotton has also had a dampening effect on textile shares. Another factor against these scrips is the drastic restriction placed by Australia on all imports, including cotton piecegoods; as readers are aware, Australia is an important market for Bombay Dyeing. The lack of response from the Government to this Company's request for permission for introduction of modern automatic looms is yet another adverse factor. Our information is that, although the Commerce and Industry Ministry has no objection to the Bombay Dyeing's request, the Labour Ministry is still hostile to it. The issue has been hanging fire for a long time, without the end being in sight. It would appear that the Company has been pressing the Government for an early decision. A meeting of the Company's spokesmen with the Government is scheduled to be held at New Delhi in a few days. The suspense is very likely to be over before the end of April.

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The sliding down of equities is not confined to steels and textiles alone. Many a miscellaneous counter also has lost ground, conspicuous among them being A.C.Cs., Belapurs, Bombay Burmahs, National Rayons and Scindias. This is not surprising since almost all these scrips had gone up in recent days chiefly on account of speculative buying. Leading brokers tell us that business in the ready section has dwindled perceptibly. Those operators who felt that investment buying would follow after the budget uncertainty was over are now sorely disappointed at the apathy of investors. While middle class investors have practically deserted the market, big money bags are busy cornering the controlling interest of some of the well-known and soundly established concerns—especially tea and sugar—in the Calcutta market.

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Knowledgeable circles aver that the Government is still into two minds in regard to the expansion of the T.I.S.Co. works at Jamshedpur. At the last meeting of steel producers with the Government spokesmen, the Production Ministry opposed the suggestion that Tatas should be allowed to expand by a million tons. Further discussions that were scheduled to have taken place early in April seem to have been deferred to a later date. Though these circles are confident that, ultimately, Tatas would get the permission, nothing is yet definite. This optimism is based on the ground that, whereas the public sector cannot get finance from the World Bank, the private sector can. It seems that the supporters of the private sector in the Central Cabinet are finding it a little difficult to win over its antagonists, because of Tatas' demand for an assurance from the Government that their concern would not be nationalised for at least another 25 years. A Government spokesman remarked that Tatas are very unrealistic in making this demand, as the present Government cannot effectively bind its successors. It remains to be seen whether Tatas will be convinced by this argument and drop their demand. Meanwhile, the chances of Tatas getting the assistance of private foreign investors—such as big investment trusts—either direct or through the I.C.I.C. have dimmed as a result of the drastic nature of the proposed amendments to Article 31 of the Constitution. It will be quite relevant to recall here the criticisms of *Wall Street Journal* last week, which clearly reflect the mind of U.S. financial circles. The assurance given by Mr. Nehru that he had no intention of confiscating foreign-owned property has not dispelled their misgivings. The reasons for this, as explained by the above journal, are:

"If the right to compensation for property expropriated by Government is removed from India's basic law, the power of the Government to seize property without compensation is established for foreigners as well as for citizens of India. If Mr. Nehru succeeds in preventing his Government unfairly applying this power to foreign investments—well, he will not always control India's Government. There is not even much assurance that Mr. Nehru can keep his promise, powerful as he may be. The purpose of the amendment is to further his objective of a classless society in India and spread what the few have among the many. In that atmosphere, it is not at all likely that foreign capital will escape. And in the end, Mr. Nehru may find it too difficult to explain to his people why their property may be seized but property of foreigners must remain untouchable."

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The Government of India's pending decision on prices payable to producers of steel is awaited with interest not only by the iron and steel companies and investors, as well as speculators, in their shares, but also by other industries, for it will provide an indication of the Government's mind in regard to the net return on capital invested in industries, the products of which are subject to price control or enjoy tariff protection. It will show whether or not the authorities are now prepared to take a more liberal view in this matter than before.

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The stringency in the money market continues unabated and banks are depending upon the lender in the last resort to provide the funds. During the three weeks ended 25th March, 1955, the Reserve Bank has advanced to Scheduled banks against usance bills as much as Rs. 31.59 crores. It is this large inflow which has prevented short-term money rates from shooting up. Inter-bank call money is quoted at 3 per cent. but not much business is passing at this rate. Although a good part of the demand for money is seasonal, such is being aggravated by large stocks of sugar, textiles and cotton which are not moving readily.

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It is understood that the Government of India has under consideration a proposal to fix a ceiling in respect of the quantity of tea that can be exported out of India during 1955-56 for the purpose of auctions. The proposal appears to arise from the investigation recently made by the Special Committee on the possibility of increasing the quantity of teas sold by auction in India with a corresponding reduction in the quantities to be sold for auction outside India. The exact manner in which the Government will allocate the quantity reserved for auctions outside India among the various tea interests is expected to be announced early.

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In no other sphere is the paradox of underdeveloped economy better reflected than in the electrical industry. The paradox consists in the fact that an underdeveloped country is essentially a capital-thirsty nation. Normally, one would expect the government of that country to take special care in providing incentives for capital formation. Unfortunately, it is in these countries that the governments are most suspicious of capital. This attitude is reflected in the attitude of the governments of many underdeveloped countries towards the electricity industry which is prevented, on the ground that it is a public utility industry, from earning an income that will permit continuous expansion of the industry. In India, the basic problem for the electricity industry is to pay its way. The industry has frequently demanded this reasonable facility, so far denied to it. It is not, of course, unfettered freedom that it wants. It would be satisfied, if it were allowed to declare rates of dividends which would bear some reasonable relationship with the general level of industrial dividends. Indeed, the conferment of such freedom—limited as it is—would be in the national interest, for a prosperous and expanding electricity industry provides the basis for many other industries. There is yet another ground on which the industry is entitled to special consideration. Many of the hydro-electric projects in the public sector envisage a rapid expansion in electricity supply. Even these schemes, as Mr. K. G. Milne, Chairman of the Ahmedabad Electricity Co., Ltd., pointed out, at the Company's annual meeting, "will have to rely very largely upon licensees' undertakings for purveying their power."

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The demand for sympathetic treatment of the electricity industry's case for some relief from vexatious restrictions on dividends is, of course, a hardy annual and, therefore, a familiar story. Only, the case does not cease to be strong merely because it is stated in many an annual meeting of private electricity companies. This year, Mr. Milne had some encouraging information to give on this question. It would appear that, at the recent inter-State Conference to consider the Electricity Supply Act and allied matters, held at New Delhi, the Federation of Electricity Undertakings of India was given an opportunity to present its case. Mr. Milne revealed that, after attending this Conference, he "brought away the feeling that there is general realisation that some measure of relief should be granted to the industry soon." The principle of allowing for a deferred tax reserve, he said, "seems to have had a fairly wide measure of backing at the level of State Governments." The industry had continued to press for a larger differential than what would be available under the proposal to link the standard rate to the Bank rate with a differential of 2 per cent; since the Bank rate is now 3½ per cent., this proposal would give a basic maximum return of only 5½ per cent. It may be recalled that, at the recent annual meeting of the Bombay Chamber of Commerce, Mr. Milne, as the Chamber's incoming President, deplored what he happily termed the "concept of 6 per cent. sufficiency." The Central and State Governments and Industrial Courts are all obsessed by this mystic number, six, for they all seem to believe that "capital will, or should, freely flow into any kind of activity if it is permitted to earn a return of round about 6 per cent. after tax, and that anything more than that is merely rapacious profiteering." He added: "It entirely ignores the element of special risk, for instance, the risk of not making any profit on new ventures for some years, perhaps, never, the varied degrees of risk inherent in different types of even well-established business, the risk of loss of the very capital itself due to peculiar circumstances arising in a particular business, or due to political factors, constitutional or other." And yet, with a spirit of persistence, worthy of a better cause, the Government sticks to its "six per cent." gun.

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To revert to Mr. Milne's address at the annual meeting of the Ahmedabad Electricity Co., Ltd. He told the shareholders that the progress with the Company's 'C' station had been "most satisfactory." It would appear that the peak demand on combined 'A', 'B' and 'C' stations, which had been given as 91,200 kw. in the report of the Company, has since risen to 95,800 kw. With the increase in the Company's generating capacity a "commensurate increase of distribution capacity is being effected." But the Company had not been permitted to effect the 15 per cent. increase in rates, which had been originally planned. The Directors could therefore maintain even the modest 6¼ per cent. dividend only through the withdrawal of about Rs. 8,80,000 from free reserves. He warned the shareholders that, unless the various issues, to which he had referred, were "satisfactorily settled in the very near future, it may not be possible to maintain the dividend next year at the present figure."

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A general issue, to which Mr. Milne referred, is the effect of the proposed amendment to the Constitution on the electricity industry. He pointed out how invidious would be the effect on this industry of the proposal to make compensation a non-justiciable issue. He regretted that the framers of the Bill had given "little regard to the nature of the surveillance which the State has long had over the electric supply industry by virtue of two very comprehensive statutes." The law had laid down the method for acquiring electricity undertakings by the State. Now that the Joint Select Committee is considering the Bill to amend the Constitution, it is to be hoped that it will realise that the "proposal, as it stands, will detract from the confidence of investors which has hitherto been inspired by the terms of our licences."

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It is not, of course, Mr. Milne alone that is disturbed by the proposed changes in the Constitution. At the annual meeting of the Central Bank, Mr. H. P. Mody, Chairman, regretted that the contemplated amendments presented a "very alarming picture," for they were calculated to "do away with the Fundamental Rights secured to the citizen under the Constitution." He added: "Section 31 of the Constitution, relating to compensation for acquisition of property, had been framed after prolonged and anxious deliberation, and nothing has happened, in my opinion, to warrant the drastic curtailment of the rights which holders of property enjoy in every other free society." A similar note was struck by Mr. Tulsidas Kilachand, Chairman of the Bank of Baroda, when he said:

"Instead of perfecting existing laws, the Government have taken the line of least resistance by proposing such amendments to the Constitution as will make the individual's right to property nominal. These amendments will take away the security of private property and create an atmosphere of insecurity and fear which will cut at the very root of private enterprise and devitalise its working. This may create a special problem of policy for banks intending to lend against the security of property which is liable to be acquired at any time without the payment of fair compensation. The proposed amendment will, therefore, hit at the very root of credit on which business activity depends. It is worthwhile to consider the appointment of an independent statutory tribunal to fix the compensation payable in cases of acquisition or requisition of private property, instead of leaving it to the will of the legislature or the executive."

These are not the alarmist warnings of faint-hearted men. But they are the authentic voice of men who have braved the risks attendant upon an active business and industrial career. *If they feel* that the Constitutional amendments introduce a far greater element of risk than could be reasonably borne by investors, it is surely time that the Government took notice of their views.

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In our first leading article this week, we have commented on the decisions taken at the Geneva Conference on G.A.T.T. In the following paragraphs, received just before our going to press, our London correspondent explains how Britishers view the outcome of this Conference:

"Up to now in this country, the letters O.T.C. have been associated with the Public Schools and, at the Military Academy at Sandhurst, they stood for the Officers Training Corps but henceforth their significance will be wider: internationally, they will stand for the Organisation for Trade Co-operation and will replace the unsatisfactory term G.A.T.T. (General Agreement for Trade and Tariffs). The new Organisation, in effect, renews the life of G.A.T.T., which was due to expire this mid-year, until the end of 1957 and thereafter, with general agreement, the Organisation will be renewed for periods of three years at a time.

"What is the significance of the new agreement which has just been issued, which the United States

(Continued on page 656)

BEARISH TREND IN EQUITIES

ALL-ROUND LIQUIDATION

(From Our Own Correspondent)

BOMBAY, 30th March

THE week under review witnessed a reactionary trend in equities on the Stock Exchange. A mild wave of selling pressure, generated by the profit-taking operations of bulls, developed in steel shares early in the week and this gathered momentum as the week progressed. The process of liquidation soon spread to the other sections of the market and except for a break yesterday when equities tended to steady up, the trend was continuously downward, resulting in fair-sized losses over the week in many counters.

The sizable break in prices on professional selling was attributed to rumours about the levy of excise duty on steel, and reports that the announcement regarding retention prices might come much later than expected. There were also unconfirmed reports that the expansion programme of the Tata Iron and Steel Company might be delayed. Further, the none-too-encouraging reports from the cloth market, the cut in dividend of the Svadeshi Mills and, above all, the general frustration in business circles about the amendment to the Constitution, were the other bearish factors that adversely affected sentiment.

In the steel section, Tata Ordinaries opened on a bright note with a rise to Rs. 246, but fell sharply to Rs. 238-8 on Monday this week, despite heavy covering by a prominent bear operator. After a recovery to Rs. 241-12, they reacted to Rs. 239-8 at the close. Indian Irons drifted from Rs. 35-12 to Rs. 35-0¼, though the closing was a shade better at Rs. 35-3¼.

Prominent scrips in the textile section failed to resist the selling pressure. The gains noted in this section after the Finance Minister announced the cut in excise duty on cloth were more than wiped out during the week under review. Bombay Dyeings had a precipitous fall from Rs. 474-6 to Rs. 464-6, but gained partially to Rs. 466-4 at the close. Kohinoors drifted from Rs. 319 to Rs. 314-12. Centurys lost Rs. 7-8 over the week to close at Rs. 377-4. Central Indias declined by Rs. 2-8 to Rs. 127, Gokaks by Rs. 2-8 to Rs. 225, Shree Niwas by Rs. 4-6 to Rs. 231-14 and Simplex by Rs. 2 to Rs. 145. Standards were done Rs. 2-8 lower at Rs. 361-14. The declaration of a dividend of Rs. 8 per share without deduction of income-tax for the year 1954 by Svadeshis on the increased capital of Rs. 1 crore, as against Rs. 16 per share tax-free on the old capital of Rs. 75 lakhs for 1953, brought down the shares by Rs. 2-12 to Rs. 189-4. Tata Mills fell by as much as Rs. 5-4 to Rs. 55-8, reflecting the disappointment over the declaration of a dividend of Rs. 2-8 per share taxable for the year 1954, as against Re. 1-8 per share tax-free paid for the previous year.

Apart from Imperials which declined, bank shares were generally steady with small appreciation in prices. Barodas were done a fraction better at Rs. 108-4. Centrals were put through at Rs. 50 ex-div., as against Rs. 50-4 cum-div. a week ago. Centrals (New) changed hands at Rs. 51-12 ex-div. as against Rs. 52-8 cum-div. Bank of Indias gained Re. 1-8 to Rs. 145 and Punjab Nationals Re. 1-4 to Rs. 44-4.

The insurance section ruled easy, with Orientals disclosing a loss of Rs. 135 to Rs. 7,275. New Indias shed Rs. 2 to Rs. 52-8. British India Generals were done an anna lower at Rs. 13-14.

A decline of Re. 1-9 to Rs. 110-5 in Ahmedabad Electrics was the main feature in the electricity section. The obscure outlook envisaged by the Chairman of the Company in his speech at the annual meeting was mainly responsible for the reaction. Bombay Suburbans dropped As. 10 to Rs. 126-4 in sympathy with Ahmedabad Electrics. Surat Electrics, on the other hand, improved by Re. 1-4 to Rs. 127-8. Andhra Valleys gained Re. 1-4 to Rs. 1,403-12 and Tata Hydros As. 8 to Rs. 147, while Tata Powers dipped from Rs. 1,507-8 to Rs. 1,492-8.

The miscellaneous section was depressed, in consonance with the general trend. Sugar shares were prominent with sharp declines, Belapurs losing Rs. 6-8 to Rs. 311-8, Phaltans dropping Re. 1 to Rs. 117-8 and Walchandnagars falling by Rs. 3-2 to Rs. 223-2. Cement shares ruled weak, Associated Cements disclosing a fall of Rs. 3 to Rs. 179-8 and Digvijays Rs. 3-8 to Rs. 176. In the shipping group, Scindias were on offer and a fall of As. 6 to Rs. 15-3¼ was noted at the close. India Steamships were taken As. 2 lower at Rs. 7-10. In the engineering and mining group, Alcocks were conspicuous with a decline of Rs. 6-4 to Rs. 280. Premier Constructions failed to respond favourably to the higher dividend of Rs. 7 per share for 1954, as against Rs. 6 for the previous year. On the other hand, the shares reacted from Rs. 160 to Rs. 156. Shivrajpurs softened from Rs. 82-8 to Rs. 81-8. B.B. Petrols were steady at Rs. 3-14¾. Despite advices from the copper market, Indian Coppers were lower by an anna at Rs. 3-8¼. Among miscellaneous industrial shares, Bombay Burmahs (old) receded from Rs. 478-12 to Rs. 464-6, but closed at Rs. 466-4. National Rayons moved down by Rs. 4-12 to Rs. 197-8, due to delay in the announcement of dividend. A notable exception was provided by Killick Industries which attracted good investment support and advanced by Rs. 12-12 to Rs. 171-4. Tata Chemicals weakened from Rs. 16-1½ to Rs. 15. Tata Oils were quiet at Rs. 40-8, while Wimcos disclosed a loss of Re. 1-4 at Rs. 196-4.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, 28th March

Mixed conditions were in evidence on the Calcutta Stock Exchange during the week under review. On Thursday, most shares remained steady with engineerings and teas adding attractive gains. On Friday, teas continued to rise, but there was no other noteworthy development. The week-end saw dullness spread to all sections. Today, conditions were not any the better, but sugars were an exception.

The good demand for tea in the export auctions and the expectation that there would be no international restriction on the extension of acreage or on replacements, made tea scrips all the more attractive. The present agreement among the major producing countries, namely, India, Indonesia, Ceylon and Pakistan, expires by the end of this month, and a fresh agreement, if reached, will control only exports. In view of the growing internal demand, India is the least worried about the export restriction at present. For, in 1954, India's exports of tea were only 449 million lbs., as against 500 million lbs. in the previous year, although, in view of the higher prices, earnings last year at Rs. 131 crores were higher by Rs. 28 crores.

Jute shares were dull for the better part of the week, although they are bound to come to the forefront and take the leadership of the market. For, there are welcome indications of moderate business in jute goods for export, prices of raw jute are falling, and raw jute is available in plenty. More attention was given to textile shares in view of the revision of excise duty on medium cloth. Following the budget proposals which added more burden on consumers of mill-made cloth both the internal and export markets indicated some recession, which has to be made good now. Engineering shares were fully steady earlier and recorded moderate gains.

Sectionwise, interest in jutes was only nominal, and in transactions Howrahs were quiet at Rs. 30-2 and were pushed down today to Rs. 29-1. Nationals after realising Rs. 34-14, receded to Rs. 34-8. Fort Glosters, on the other hand, were dealt with five points higher at Rs. 475. For the half-year ended December, 1954, Belvederes repeated the dividend of 5 per cent. and the shares declined to Rs. 213 from Rs. 222. At Rs. 189, Budge Budges were lower by Rs. 8, Anglo-Indias being priced at Rs. 225 as against Rs. 235 earlier. Ganges eased today to Rs. 102.

In the engineering section, Richardson and Cruddas were a prominent feature this week following the announcement of an interim dividend of As. 8 per ordinary share and Rs. 2-12 per preference share, and the report that this firm has a big expansion programme. At Rs. 16-12 the scrip commanded good attention and advanced to Rs. 17-11. Indian Irons opened on Thursday at Rs. 35-8 and were transacted at rates up to Rs. 35-12 by the week-end. Today's closure saw the rate ease to Rs. 35-4. Indian Galvanizings were in good demand, and from Rs. 22-12 the rate scored to Rs. 24-2, subsequently steadying around Rs. 23-5. Braithwaites were fractionally higher at Rs. 24-2, while Texmacos gave way to Rs. 16-7 from Rs. 16-12. Kumardhubis at Rs. 12 were lower by As. 9, and Jessop & Cos. at Rs. 34-12 lost Re. 1-4.

Miscellaneous industrials provided a few features. Most other scrips were held around previous levels. In the first category were Angelo Bros. which were taken to Rs. 21-12 from Rs. 20-8. Niccos improved to Rs. 24-13 from Rs. 23-9, Dunlop Rubbers being firm at Rs. 47-2. At Rs. 17-6, F. & C. Oslers lost As. 4. Rohtas Industries were at one time higher at Rs. 24, as against Rs. 23-6 previously. Metal Boxes changed hands at Rs. 20-6 as against Rs. 19-14 previously.

Titaghur Papers were better at Rs. 43-6 earlier but today gave way to Rs. 43-2. Indo-Burma Petroleums were quiet at Rs. 126, while Carews among sugars added a further fractional gain at Rs. 11-1. Belsunds were put through at Rs. 11-3.

In the tea section, there was no slackening of interest in spite of the generally depressed conditions. Nagaisurrees scored to Rs. 372 from Rs. 355, Sonai Rivers hardening to Rs. 29-2 from Rs. 28-4. Bormahjans at Rs. 23-14 added As. 6, following an announcement of 10 per cent. dividend for 1954 as against 7.5 per cent. in the previous year. Borpukhuri's hardened to Rs. 40-12 from Rs. 37-12, while Dufflaghurs lost to Rs. 50-12 from Rs. 51-8 and Dhelakhats to Rs. 21-14 from Rs. 22-3. Haslimaras were dealt in at Rs. 47 today.

N.B.—The review of Madras Stock Exchange appears on page 656.

THE MUDDLE IN BOMBAY BULLION MARKET

By S. N. Sonawalla, B.Com.

THE bullion market in Bombay faced a deadlock when about 300 members refused to do any trading for about ten days as a protest against the continued indifference of the Board and the Government to their grievances. Those who are in the know of this market can find the root of this deadlock in the developments which were going on in the market for the last two or three months. The jobbers repeatedly brought to the attention of the authorities the grave breach of margin by-laws that was being consistently committed by a group of operators. The margin payments were being evaded by the bulls and thereby the effects of these rules were nullified. They actually observed a one-day strike some time in February, after which some of their representatives were admitted in the Havala Committee. This Committee drew the attention of the Board, as well as the President, to the evasion of margin requirements, but the authorities paid no attention to it.

It is common knowledge that the stocks in the bullion market are limited and imports are banned. This situation tempts the bulls to buy unlimited quantities of silver to dictate a price over the sellers. The sellers are tempted to sell because of the economic conditions prevailing in the country, especially the lower commodity prices which they feel will discourage demand for bullion. In spite of the busy season being in full swing, the demand for ready silver is negligible and arrivals continue. The experience of the last two or three years has shown that the price reaches a high level in March/April and May, and drops to a low level in the months of September/October. It has also been proved by experience that the market faces a sort of crisis in those off-season months because of the extremely weak position in which the market finds itself consequent upon overtrading by bulls. Besides, there is one more important point. In all other markets, there is what we may term a 'ceiling' price, which brings about an adjustment in price-level in case the market is overbought, as, for instance, considerations of yield in regard to shares and of supply in regard to cotton. Even in the gold market, there is a ceiling price, that is, a price at which smuggling of the yellow metal increases and checks an excessive rise in prices. It is also common knowledge that corners are more frequent in silver than in gold. In silver, therefore, it is all a question of the financial resources of buyers to force up the price. If there is no check on this buying in relation to the capacity of buyers to pay margins, to take delivery of goods and to pay differences in case of loss due to price drops, the buyers can take up the rate to any level. It is in order to prevent this from happening that there are margin rules. There is no quarrel as to any fluctuations in the price level, so long as they occur within the by-laws of the Association. There is no grumbling against any rise or fall in the level of the price, so long as the stability of the market is not endangered and the rules of the game are observed. These are the basic facts in the silver market. It is the ignorance of these basic facts that tempts the critics to observe that the best solution to the ills of the silver trade is to close futures trading in the white metal. That will undoubtedly be the easiest thing to do, but it will not end the problem, for it will only strengthen the functioning of many mushroom markets all over the country, which are still flourishing in spite of all efforts by the authorities to kill them.

The problem of internal free trading and holding of bullion by individuals in a democratic planned economy requires scientific approach. The delinking of currency from bullion as a monetary policy is only of recent origin and, therefore, it is too early to understand the results thereof on the general economic set-up. Many factors which are responsible for the age-old habit of investing in bullion are still at work. The economic role played by bullion investments in an agrarian economy cannot be lightly ignored. A complete ban on imports of silver, in spite of constant demand for these metals and lack of internal production, cannot be defended on any ground but on priority on spending foreign exchange. Even on this ground, bullion deserves more sympathetic consideration than many consumer goods, the imports of which hamper some of our new industries. Mere refusal to face all these facts does not change them. In order to solve the bullion problem, a bold and enlightened policy is required.

This year, the trouble in the bullion market was manifest and the attention of the authorities was drawn to it by certain members, by addressing a letter in February to the Finance Ministry of the Bombay Government, wherein they requested that the By-law 33d, which was passed by the General Body of the Association in October, 1954, and which was pending awaiting Government approval, should be brought into force. Further, the sellers had some relief by the application of margin rules under By-law 33A in Fagun Settlement. This by-law was not made applicable to Chaitar Settlement, in spite of the conditions being almost the same, as in the Fagun. When the matter came up before the Board, it was lost by only one vote, which shows that a substantial minority, amounting to as much as 49 per cent., was in favour of the application of By-law 33A to Chaitar Settlement too. The members were annoyed by all these bull manipulations. They felt that it was high time that something effective

(Continuued on page 656)

NEWS IN BRIEF

THE west coast port of Kandla, in Kutch, will be declared open by Mr. Lal Bahadur Shastri, Minister for Railways, on 7th April.

The Government of India has decided to continue free licensing of exports of cane jaggery and cane jaggery powder (gur) for shipment up to the end of June, 1955.

A joint board for co-ordination of the execution of the Rs. 50-crore inter-State Chambal Project has been formed, with the Union Deputy Minister for Irrigation and Power as Chairman.

The area under tobacco crop, according to the all-India first estimate, is 792,000 acres during 1954-55, as against the corresponding adjusted estimate of 768,000 acres of the previous year. This represents an increase of 24,000 acres.

The Government of Travancore-Cochin has constituted an eleven-member Planning Advisory Committee, with the Minister for Planning as Chairman, to advise it on "general policies and priorities connected with development and planning."

The Government of India has decided to set up a fully equipped security paper mill in India. This step is intended to make India independent of foreign supplies. The project is estimated to cost Rs. 2.5 crores. Preliminaries regarding the site and other matters are actually in progress.

The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954, which seeks to control the advertisement of drugs in certain cases, to prohibit the advertisement for certain purposes of remedies alleged to possess magic qualities and to provide for matters connected therewith, will come into force on 1st April, 1955.

The Commerce and Industry Ministry is assembling a team of technical experts to advise the Government of India in the forthcoming talks with the British steel mission on the question of setting up a steel plant in India. The British steel mission, headed by Sir Eric Coates, is expected to arrive in New Delhi tomorrow.

The Railway Equipment Committee, which has been asked to recommend steps to make the country self-sufficient in rolling stock and other railway equipment, will be in Bombay from 3rd to 12th April, 1955, for a series of discussions with various industrial and other interests. The Committee has split itself into five panels, representing broadly five sections of industry, to facilitate discussions.

The next annual meeting of the Indian Labour Conference will be held in the middle of May next. The Conference will consider such matters as industrial relations, amendment to the Minimum Wages Act, extension of Provident Fund Schemes, problems of agricultural workers and second Five-year Plan. The question of merger of dearness allowance in salaries will also be taken into consideration.

The estimated total output of iron ore in India decreased from 382,314 tons in December, 1954 to 370,992 tons in January, 1955, according to official statistics released by the Chief Inspector of Mines. Returns received from 69 mines for January show that despatches aggregated 276,624 tons to iron and steel plants and 54,762 tons to the export market. The reported stock at the end of the month was 873,951 tons.

The Estimates Committee of Punjab Vidhan Sabha has recommended a complete overhaul of the State Secretariat and a substantial reduction in the "unwieldy" administrative machinery. Apart from retrenchment, the Committee has suggested decentralisation of powers at present vested in officers at headquarters and the abolition of special pay given to members of the Central services serving in the Punjab.

The Government of India is considering a proposal for the manufacture of motor boats to ply on rivers from Assam to Allahabad for carrying passengers and goods. The boats, according to Mr. Lal Bahadur Shastri, Minister for Railways, will be designed in such a manner as they could be utilised throughout the year. An American expert will be invited to suggest a suitable design for the purpose.

No American ghee has yet been landed in India or shipped to India. The welfare consignment from American Catholic charities which has been unloaded in Calcutta, consists of liquid butter oil. This is a clarified liquid oil made from surplus butter and is meant as a substitute for vegetable oils in cooking. The proposed shipment of U.S.-made ghee will, it is expected, closely conform to Indian cow ghee in quality and will be distributed through commercial channels.

The Railway Board has sanctioned a final location survey to be carried out by the Eastern Railway for a broad-gauge railway line from Nowmundi to Bhadrasal, instead of from Barabil to Joda. The object of the proposed railway line is to open up this area for development by making available for steel works and for export, large deposits of iron and manganese ores in the Joda Hill ranges, which, however, have not been fully exploited.

Railway administrations in India have initiated steps to secure a 25 per cent. increase in the capacity of railway workshops in the country for the overhaul of locomotives, passenger coaches and goods wagons. This increased capacity will be needed during the second Five-year Plan period when the railways hope to have much larger rolling stock holdings than at present. Several steps will be taken simultaneously to secure this increased capacity. These will include measures to achieve increased efficiency and greater output in existing workshops, expansion of these workshops, and the development of new units.

According to an agreement entered into between the Government of India and the Government of the United States on 26th March, 1955, the United States will contribute 11.8 million dollars for augmenting India's steel supply. The Government of India's share in this joint project will be Rs. 60 lakhs. India's contribution will be used for defraying the costs of inland handling, transportation and other local costs connected with the distribution of the steel. Under the agreement, it is proposed to acquire approximately 98,200 tons of steel. This agreement is a supplement to a similar agreement signed last year under which 205,000 tons of steel were procured in 1954.

India's production of coarse grains, pulses and oilseeds has already exceeded the targets fixed under the Five-year Plan. Official estimates of the increase in 1953-54, as compared with the base year of the Plan were: rice 3.9 million tons; wheat 1.5 million tons; coarse grains 4.71 million tons; pulses, including gram, 1.9 million tons; and oilseeds 0.5 million tons. Cotton showed an increase of 1.03 million bales. Jute and sugarcane productions were, however, lower than those in the base year. In 1953-54, only 3.17 million jute bales were produced, as against base year's 3.28 million bales. Sugarcane production was estimated at 4.6 million tons, as against 5.6 million tons. The total cereal production in 1953-54 stood at 56.1 million tons, as against 52.5 million of the target for the Plan.

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From Abroad

A Benelux Ministerial Conference will be held in Brussels on 3rd May to deal mainly with the agrarian problem of the region.

A new central authority for all questions connected with shipping is likely to be the result of a Bill just presented to the Swedish Riksdag. It will handle all nautical questions, charting, the lighthouse system, juridic, social and economic questions pertaining to shipping as well as technical and inspection matters.

The first of 15 new all-direction high frequency radio beacons planned for South-East Asia has been installed at the Manila International Airport. Similar safety devices are planned for all routes flown by U.S. commercial aircraft. Three radio ranges are now being installed in Formosa, one in Thailand and 10 are planned for India.

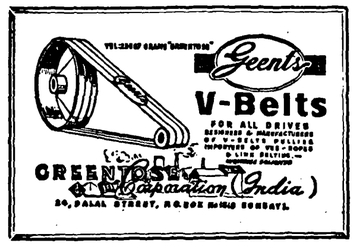
Three years' work by Rolls-Royce has resulted in a new horizontal engine to power diesel rail cars. The engine has been planned in preparation for the extensive use of diesel cars on local rail services and has been designed to operate lying on its side so that it can be accommodated beneath the floor of the rail car. It is now ready for production.

Australia has shipped its first consignment of commercial uranium to the United States. The uranium, worth £A200,000 (£160,000), was produced at the Northern Territory's Rum Jungle refinery, under a 10-year agreement with the Anglo-American combined Uranium Development Agency. This and future shipments will help to repay the £A3 million (£2.4 million) agency loan, which financed Australia's only producing refinery.

The Development Board of the Ministry of Development of the Government of Iraq has invited tenders for the supply, erection and supervision of operation, of two complete diesel-electric power plants to supply the power requirements of two cement works near Sulaimaniya and near Mosul, in Northern Iraq. The two plants will be identical and each will be comprised of a number of 800 kw. to 1,000 kw. generating sets, aggregating not less than 4,000 kw. and an identical standby unit.

Despite the development of atomic power, efforts to find new oil deposits are being intensified throughout the world, according to a petroleum survey prepared by the I.L.O. Interest has increased in the potentialities of the seabed for petroleum. Offshore explorations are being planned or undertaken in the Persian Gulf, and off the coasts of the United States, Germany, the Netherlands, Trinidad and Peru. Intensified oil activities are reported in Canada, Mexico and South America also.

The U.S. Atomic Energy Commission and two private companies have signed the first contract aimed at harnessing atomic power for rail-road locomotives. The contract is for a one-year study to be made by the Baldwin-Lima-Hamilton Corporation of Philadelphia and the Denver, Rio Grande and Western Rail-road. The new contract is the second study agreement reached with the Atomic Energy Commission in the field of peacetime propulsion. Bethlehem Steel has a contract to study possibilities of atomic power plant for commercial ships.



PERSONAL

MR. Nrantisekv Komzala has been appointed Ambassador of Czechoslovakia in India.

Mr. C. H. Baylis, the newly appointed Principal U.K. Trade Commissioner in Bombay, has assumed his duties.

Mr. J. G. Walton has been elected Vice-President of the Indian Central Jute Committee for the year 1955-56.

Dr. John Matthai, Vice-Chancellor, University of Bombay, has been appointed a member of the University Grants Commission.

Mr. N. H. Tata has been re-elected as the President of the National Institute of Labour Management. Mr. T. V. Lalvani and Mr. O. S. Kantawala have been elected Chairman and Secretary, respectively.

Mr. A. D. Campbell and Mr. T. D. F. Powell, two members of a team of six marketing experts of the British cotton industries, which will investigate into the possibilities of exporting British cotton textiles into India, have arrived in Bombay.

Mr. B. Rama Rau's term of office as the Governor of the Reserve Bank of India has been extended by a further period of two years from 30th June, 1955, as Mr. N. R. Pillai, I.C.S., Secretary-General in the Ministry of External Affairs, who had been chosen for this post on 22nd November, 1954, could not be spared for this purpose.

Mr. C. H. Bhabha has been elected as Chairman, Mr. D. R. Thom as Deputy Chairman and Mr. P. S. Nayak as the Honorary Secretary of the Indian Banks Association. The following have been elected as the members of the Association: Messrs. Pranlal Devkaran Nanjee, R. G. Saraiya, N. M. Chokshi, N. S. Captain, Shriyans Prasad Jain, S. Krishnaswamy Iyengar, Sanjiban Banerji, S. L. Kothari and C. V. Joag.

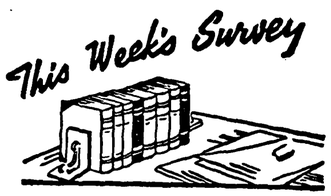
"COMMERCE" 1930

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 5th April

Bombay's Big Textile Merger

Recent developments in Lancashire have evidently fired the imagination of Bombay millowners. They realise full well that the tariff which is to place the industry on a sound footing is only a temporary expedient, and that, within the next two or three years, it will be necessary for the whole industrial machine to be so overhauled that expenses are reduced and output increased. In other words, the protection which the Government of India are rendering through the pockets of the consumer is not meant to cover up any leakage, however small, due to lack of business efficiency. Some time ago, in these columns, we held up the example of Lancashire millowners for the consideration of Bombay, and now Sir Ness Wadia has got down to tin tacks and brass nails and has introduced a big scheme for amalgamating a certain number of mills. At the time of writing details are not available, and, of course, it is desirable not to divulge at this stage the names of the mills concerned. The magnitude of this project may be gauged from the fact that a conference has been held between Sir George Schuster (the Finance Member), the millowners and the Imperial Bank of India, who are being asked to advance some crores of rupees which will be needed as additional capital in order to put this scheme into effect. The exact amount of additional capital has not been ascertained, and, though ten crores has been mentioned, Sir Ness Wadia has pointed out to newspapers the danger of making guesses on unreliable information. It is reported that negotiations for this money have proceeded along well defined lines and if it materialises—as we hope and believe it must—the merger should be for the benefit of shareholders, mill agents and, the most important of all, the 200,000 men engaged in this vital industry.



ABOLITION OF APPELLATE TRIBUNAL

THE Government of India is reported to have finally decided to abolish the Labour Appellate Tribunal, with its four benches at Bombay, Calcutta, Lucknow and Madras, and to effect certain changes in the existing machinery for settling labour disputes. The State Governments and the Labour Unions are said to have welcomed this decision, while the employers are viewing it with some concern. It is true that the employers had agreed, at the bipartite conference held in July, 1954, to certain changes in adjudication machinery, but the bipartite agreement envisaged a slightly different set-up for the constitution of State Tribunals—a condition which seems to have been ignored by the Government now. The scheme agreed to at that conference was as follows:

(1) The present machinery for adjudication be replaced by a new system, which would ensure speedy and final disposal of each dispute at a level appropriate to its nature and importance.

(2) The new set-up should consist of three tribunals—two at State level and one at national level.

(3) The lower tribunal at State level should be presided over by a sitting District or Sessions Judge.

(4) The higher tribunal at State level should be presided over by a sitting High Court judge and assisted by a representative each of employers and workers. In addition, the tribunal should consist of a technical assessor or a chartered accountant to be chosen by the presiding judge, in accordance with the requirements of the case.

(5) At the national level, there should be a tribunal similar in composition to the higher State tribunal.

(6) All disputes should normally be settled by the two tribunals at State level. The questions which are of national importance and disputes covering more than one State should be referred to the national tribunal.

(7) At State level, disputes relating to minor matters should be referred to the lower tribunal, whereas disputes relating to important matters should be referred to the higher tribunal. Regarding the classification of disputes to be allocated to different tribunals, it was decided that the Ministry of Labour should work out detailed proposals for consideration by the Joint Consultative Board.

(8) Each dispute should be settled finally by the tribunals to which it is referred and there should be no appeal. If, however, a particular dispute contained various demands some of which were minor and some major, each demand should be referred to a tribunal appropriate to its importance for final decision.

The main objects of the aforesaid scheme were to bring about speedy settlement of disputes and to place the adjudication machinery under the Ministry of Law. In effect, it meant that a separate wing of the judiciary should be created and vested with the task of specialising in labour disputes. The appointment of adjudicators was to be made by the judiciary and not by the executive, whether it was of the State or the Central Government. This would have ensured the independence of labour judiciary by making their tenure of office and other conditions of service dependent on merits and not on the pleasure of the executive.

The details of the proposed Government amendment to the present structure of industrial tribunals are not yet available. It would, however, appear from Press reports that a Bill to amend the Industrial Disputes Act, 1947, would come up at the current session of Parliament. Broadly speaking, the proposed changes are:

(1) A "National Tribunal" to settle all major and fundamental disputes of an inter-State nature and those industrial disputes within a State which might have all-India repercussions. This tribunal will consist of senior High Court judges, and no appeal will arise from its decisions. Under the Constitution, however, one can always take an issue to the Supreme Court by obtaining special leave. The "National Tribunal" will decide disputes referred to it by the Central Government.

(2) A "State Tribunal" will decide disputes of importance referred to it by the State Government concerned. It will be composed of judges of High Court status, and there will be no appeal arising from the State Tribunal's decision. (Under the existing procedure, industrial courts are the highest authorities on a State level for labour disputes and their decisions come up in appeal before the Labour Appellate Tribunal.)

(3) A Labour Tribunal with senior Civil Judges will dispose of all disputes of a minor nature under the State Industrial Acts, and its decision will be final.

The present official conciliation machinery will, however, be kept intact. Conciliation officers will hear the parties and report to the State Government, which will continue to have the discretion to refer any dispute not settled by conciliation to compulsory arbitration, either to the Labour Tribunal or to the State Tribunal as the case may be. In addition, the Industrial Disputes Act will be so amended as to include certain provisions of the Bombay Industrial Relations Act, relating to standing orders, notice of change of service conditions, etc.

The draft Bill will have exhaustive schedules enumerating the categories of industrial disputes to be referred to the tribunals both by the Central and State Governments. A feature of the Bill is stated to be the institution of assessors to be attached to the National and State Tribunals so as to assist the judges who may not be conversant with the intricacies of labour-management relations and the technicalities of a dispute. There will be two assessors to assist each tribunal, one representing the management and the other the labour concerned in a dispute. The assessors will be selected from out of a panel suggested by the two disputants.

It is not clear from the above whether the appointment of judges of the State and Labour Tribunals, as well as the National Tribunal, would be at the discretion of the appropriate executive or the judiciary. It is feared that the appointments of judges to the State and National Tribunals would be made by the appropriate executive. This would, indeed, be unfortunate. It would run counter to the letter and spirit of the bipartite agreement of July, 1944. Besides, as the executive will continue to have the discretion to refer or not a dispute to the Tribunals concerned, the net effect will be that the State and Labour Tribunals will enjoy a freedom which might well lead to vexatious decisions. In recent years, the Labour Appellate Tribunal, cumbrous though this machinery might have been, has been a stabilising force. With the abolition of the Labour Appellate Tribunal, there will be no case law that can serve as a guide to erring judges. If the labour tribunals are made a wing of the judiciary, as was envisaged in the bipartite agreement, it will then lead to the development of a healthy tradition of case law. The system now proposed is likely to satisfy only the interests of State Governments, which have all along clamoured for unfettered freedom in the field of settlement of labour disputes. But this would undo the good work, in the shape of bringing about some uniformity in decisions affecting industrial relations, done by the Labour Appellate Tribunal, since it was established four years ago. Naturally, it would re-establish the chaotic conditions that prevailed prior to 1950, which led to the establishment of the Labour Appellate Tribunal. Perhaps, no greater disservice can be done to jeopardise industrial peace than the contemplated amendment to the Industrial Disputes Act.

M. P. TEXTILE LABOUR AWARD

The judgment of the Labour Appellate Tribunal (L.A.T.) in the case arising out of the appeal of nine mills in Madhya Pradesh against the adjudicator's award granting half to three months' bonus to the workers for the years 1950-51 and 1951-52, is a notable one, for it restates clearly and succinctly some of the principles that ought to govern the grant of bonus to workers. Also, the judgment once again shows the value and importance of an all-India tribunal in rectifying errors in judgments given by courts at the lower level.

In its judgment, the Appellate Tribunal consisting of Mr. F. Jeejeebhoy, Chairman, and Mr. L. P. Dave, member, regretted that the adjudicator, by importing considerations which found no place in the Labour Appellate Tribunal's formula relating to bonus, had granted a quantum bonus in contravention of the clear decisions of the Tribunal. The adjudicator, the Tribunal held, had thereby "created false hopes in the minds of labour." It said that its present judgment should be a "warning" to the adjudicators who felt inclined to import their "personal ideas" into matters which had been already settled by its decisions. Significantly enough, it observed: "The Tribunal claims no infallibility for its decisions, but where it has settled principles and those principles have been applied and followed throughout India, it is an affront on the part of the adjudicator to set these principles at naught. It has resulted in this case in waste of time and money and, what is worse, in needless disappointment to labour."

Before the L.A.T., the mills contended that the adjudicator allowed only depreciation to the extent set apart in the balance-sheet and not as provided statutorily. The L.A.T. held that there was substance in this contention and declared that statutory depreciation had been taken as "a fixed item and a prior charge in our formula and it will also be so found in most schemes of profit-sharing." Consequently, it held that the adjudicator was "in error in allowing only the depreciation which the mill had shown in its balance-sheet, for it may well be that a particular mill, although entitled to statutory depreciation by way of a prior charge for the purpose of bonus may not have been able to set aside the amount in any year on account of business or financial reasons." But, as bonus was given to supplement the wages out of a balance of profits, the L.A.T. held that the question whether statutory depreciation had been actually kept apart in a depreciation fund or not did not arise for consideration.

The adjudicator allowed only 4 per cent. return on paid-up capital and 2 per cent. on capital which was constituted out of bonus shares, as against 6 per cent. provided in the L.A.T.'s formula. As regards return on reserves utilised as working capital, the adjudicator did not allow any return. On this issue, the L.A.T. recalled its previous decision that "no distinction can be drawn between bonus shares and paid-up shares in the matter of return which they should receive." It added: "Every encouragement must be given to the plaughing back of profits into the industry and the additional capital thus incorporated aids the structure." Further, since the reserves converted into bonus shares no longer earned a return as working capital, it was wrong to say that the creation of bonus shares resulted in any "undue burden." Proceeding, the L.A.T. considers that, when the reserves were converted into bonus shares, they became part of the block to the "advantage of the concern and to the general benefit of the workmen." Hence, the bonus shares, the L.A.T. held, were "entitled to the same return as paid-up capital for the purposes of our formula." Explaining the concept of "fair return," the L.A.T. said:

"We have not rigidly fixed the rate of fair return, because fair return depends upon a number of circumstances. In industries, there is an element of risk compared to the more sober character of Government paper, and investors enter the industrial field in the hope and expectation of getting something more than what Government paper would yield. In the Bombay Textile Mills' case, the parties considered 6 per cent., after payment of taxes, as a fair return. Possibly 5 per cent. would be a reasonable return for the mills before us. But whether it is 4 per cent. or 5 per cent., we find that it will make no appreciable difference in these cases in the ultimate result as to bonus. As regards the return on reserves utilised as working capital, the adjudicator has not allowed anything. We think that return should be allowed on this item at 2 per cent."

Another issue which came up for decision was whether the mills could be allowed to debit the difference between the purchase price of the balance of stock of cotton at the end of the year 1951-52 and the market price of the stock at that time when such market price was less than the actual purchase price. The trouble arose because the price of cotton had fallen by the end of the year and the market value had accordingly decreased. The adjudicator ruled that it was improper to take into account the market value instead of the cost price. The L.A.T., however, rightly rejected the adjudicator's decision holding that the practice adopted by the mills conformed to establish accounting procedure.

The adjudicator had added excess profits tax which the Government had returned as being part of the income of a particular year. The L.A.T. held that this was "clearly wrong." For the Supreme Court had made it abundantly clear that bonus could only be paid "if the trading results of the year in question allowed for an available surplus." The excess profits tax was "not in any way connected with trading results of the year and, therefore, its consideration must be clearly excluded."

Two other issues came up for decision before the L.A.T. The first related to the treatment of income-tax and the second to that of managing agency commission. The employer is entitled, under the L.A.T. formula for the calculation of bonus, to deduct as prior charges the income-tax which he would have to pay on the trading results of the year. The adjudicator had refused to allow such deduction to be made in instances where the tax authorities had for reasons of previous year's losses, granted exemption. The Tribunal held that the adjudicator's refusal was a mistake and stated that the concession made by the tax authorities was intended to aid a concern which suffered a loss and had nothing to do with the formula.

The adjudicator also refused the payment of managing agents' commission "in full." The Tribunal stated that it had already held that the commission was an item of expenditure fixed by contract and, therefore, the full amount must be regarded as part of the expenditure of the year so long as the amount of the commission did not exceed the limits allowed by law.

In view of these considerations, the Tribunal reversed, as stated at the outset, the adjudicator's award and held that no bonus was payable by the Madhya Pradesh mills for the years 1950-51 and 1951-52. But the mills have, however, already paid 25 per cent. of the bonus. At the instance of the Tribunal, the mills have agreed that the workers should retain the amount as ex-gratia bonus. The mills deserve to be complimented on this generous gesture.

OFF THE RECORD

By "Rover"

I OWE the Editor of this Journal and the readers of this column an apology and an explanation.

Just when they must have been congratulating themselves on being rid of me and my really innocent and harmless, but, as judged by some, cynically even if not maliciously, provocative musings, for a matter of three months and promising themselves a mentally undisturbed and reposeful time for the duration, I reappear on the scene giving a lie to what the Editor had announced at the end of my last piece with almost an audible sigh of relief. I admit that these lingering farewells are unæsthetic and tiresome and I assure you that I would not have allowed myself lightly to be guilty of such a solecism.

But soon after I wrote my piece last week and conveyed the glad tidings to the Editor that I was letting him off his weekly task of wrestling with my unaccommodating perpetrations and indiscretions, I found that something was gnawing at my vitals and making me feel uneasy. Very vaguely I felt that I had left something urgent and important unaccomplished and that, till I had paid this debt, I had no right to take a holiday even in search of health, as the Editor had generously and somewhat euphemistically put it. I am not all that ill that I cannot do my chores, if I bend my back to it. But, unbelievable as it may sound to some, even a so-called scurrilous scribe is human underneath and has need of playing truant. I wonder why this world is so badly ordered that only those things which are considered bad and immoral for us should bring us any pleasure. But lo! in trying to be sincere, I have been so indiscreet as to give away the secret behind my projected holiday and destroyed the illusion which could lend it both justification and respectability.

Anyway, enough of this nonsense! To return to my feeling of uneasiness, I discovered the cause of it irrelevantly in a stray observation of Mr. Murarji J. Vaidya, when reading a newspaper report of his presidential address to the annual conference of the All-India Manufacturers' Association at Hyderabad during the last week-end. Mr. Vaidya appealed to his fellow industrialists "to be prepared to adjust our thinking, our way of life and our actions to the overall needs of the country."

This started a strange train of thinking. It made me realise, how, when we were still at the stage when one of their progressive leaders has to appeal to our business magnates to be prepared to make this necessary adjustment in their way of thinking, way of life and way of behaviour, how marvellously and successfully the European business community in the country had already accomplished this necessary task silently, unobtrusively and without making any fuss about it. And how much more creditable and praiseworthy it was for this tiny community, in view of the fact that the degree and the range of adjustment required of these people was ever so much greater than the accommodation asked for from our industrialists. Who can deny that at least in the case of the Britishers, who formed a part of the ruling race privileged all along the line, and who decided to stay on here after the country was independent, it was nothing short of a mental and, what is still more difficult, an emotional revolution. And they did this not whiningly but with perfect dignity and nonchalance.

This in its turn reminded me of a member of this community, who had repeatedly brought this truth home to me, when my occasions led me to meet him, as frequently they did during the last few years. In his person and in his attitude to life and work in this busy city of Bombay, he typified for me this marvellous capacity for timely and smooth readjustments of his race even under the most trying circumstances. I thought of all this and much more, because he is about to retire from the midst of what has been the scene of his business activities and the background of his busy personal and social life for as many as 25 years. I propose to record some of these thoughts which his imminent departure has evoked in me, though I fear that my clumsy effort at paying this tribute is sure to embarrass this good and modest man frightfully.

Mr. W. Jenkins of Bradys and the Belapur Company—for it is he and none else who is my victim for this week—has cultivated a genial attitude to life and to his fellow human beings, as you will discover at any chance meeting with him. It is only when you approach nearer and get to know him a little better that you discover that, while this is not a pose and that the geniality and the good cheer are of a patently genuine quality, he is neither as light-hearted nor as easy-going as he tries to make himself out to be. Uncannily shrewd in his judgment, capable and efficient to his finger-tips and master of his facts, as you will find to your cost if you have to negotiate a business deal with him, he softens the hardness and lightens the matter-of-factness, which usually go with these qualities, by his Puck-like sense of humour and his all innocent proclivity to pull your leg.

Essentially humane of heart and tolerant in his outlook, Mr. Jenkins must have found it out early that life could lose much of its harshness and inevitable unpleasantness, if there is enough of give and take and a generous allowance made for the other fellow's point of view in business or social relations. Nevertheless, I suspect that this affable and kindly man could, on the few occasions when he believes that fundamentals are involved, dig his toes in and hold fast as a solid rock. There are some men I respect; there are others whom I admire; there are many whom I like. There are, however, only a few like Mr. Jenkins whom I respect, admire and like at the same time. This is, perhaps, because, as I see him, he is one of those rare beings who knows, to a nicety, when to insist firmly, when to accommodate obligingly and when to yield gracefully.

Many a tenacious man like the present Prime Minister of the United Kingdom lingers on the scene of his triumphs long past his time of usefulness. It is mostly their vanity which convinces them of their utter indispensability. There are others who are too ready to call it a day in the early afternoon and to seek repose. I happen to know that Mr. Jenkins is seeking retirement from business not in search of rest because he is fatigued, but in response to a more urgent call of domestic obligations. But I do feel concerned about him and his future happiness for a singularly strange reason.

For all his show of unconcern, he is a deeply sensitive and highly responsive man. This country, in spite of its poverty and squalor, its lack of sanitation and its weirdness, has a beauty and charm and appeal, its life a richness and variety, colour and adventure, a friendliness and hospitality, which cunningly creep to the very marrow of the bones of those who have lived here for long years and partaken richly of what it has to offer. Mr. Jenkins, in the excitement of planning his life and work anew, under vastly different conditions but amidst by-no-means-unfamiliar surroundings, may not feel the pull of this country and what he has left behind so much in the beginning, but he will feel it all the same with the passing of time.

If he were an older and less vigorous man, this pull at his heart-strings might not be so powerful; if he were much younger, the adventure of creating a fresh and more satisfactory pattern of existence would itself help to drown the voice of "India calling," because the voice itself will be weak due to the transitoriness of the earlier association. But my friend, Mr. Jenkins, is at that awkward age when the call will be insistent and his hearing unimpaired by old age. Uprooting a plant, a live and fully grown plant, is bound to prove a painful process and nostalgia cannot but breed a depression of the spirit. Mr. Jenkins will hear many voices from here, calling from across many lands and oceans, and find his unruly thoughts and memories and emotions going back to a land which gave him much and to which he gave many years of his life. I will not call them the best years of his life; because let us, who are his friends, hope and pray that the best years of his life are still ahead of him.

But let me not be a prophet of gloom and depression. There is another side of the picture as well. Fortunately for him, Mr. Jenkins is not an Englishman or a Scot or a Welshman. He is an Irishman and the Irish have a genius for extracting the last ounce of cheerfulness and gaiety out of any situation they are called upon to face. Besides, Ireland is the one country in Western Europe, which though physically farther removed than the others, comes nearest to India and life there in fundamentals bears a great resemblance to that of ours. It is as happy-go-lucky and resigned, as sentimental and, at the same time, temperamental, and as rich in neighbourliness and easy sociability as here and possibly as superstitious and rich in local colour and idiom as ours. Its design and fabric and weave will not differ as radically as it would be the case were he to settle in Britain.

Farewells are a sad affair, sad for those who are departing and for those who are left behind. It would be an anti-climax for me to say that I feel sad that Mr. Jenkins is leaving us and this country for good. But I say it because it is the simple truth and because, for once, I am not writing for effect, but paying a sincere tribute, which, if it had remained unsaid, would have made me uneasy, as it did on the eve of my holiday. We will wish him a happy life, a useful life, an active life and a long life.

All at "Brady House" will certainly miss him. Many at Belapur will miss him. His associates in the sugar industry in this State and in the Deccan Sugar Factories Association will sorely miss him. His absence will be felt also at the weekly Rotary Club meetings and his many friends outside these bodies will think fondly of him for a long time after he is gone. On a cold and rainy Irish evening, when he is sitting at his fireside and sampling his drink (there will be no prohibition to plague him there), when his thoughts turn to this country, as they must now and then, and to his friends and associates here, if he spares a thought for the "Rover" of *Commerce*, I shall fell happy, indeed. And if he were to take a holiday and revisit this country and this city of Bombay some time in the years to come, need we assure this renegade that we will welcome him with warm hearts and open arms? Having been clumsy enough, I shall be clumsier still and give Mr. Jenkins the old-fashioned parting greeting: God be with ye and yours.

And in taking the curtain and making my bow this time, I give you my solemn word that I am really disappearing from this column for as long as thirteen weeks. Even wild horses will not drag me back from my not altogether undeserved holiday. To make this promise more binding for me, I shall say it internationally, that is, in three languages; adieu, au revoir, auf wiederschen!—*All Rights Reserved.*

INDUSTRIAL PROGRESS OF INDIA

MANY NEW INDUSTRIES COMING INTO PRODUCTION

From A Special Correspondent

NEW DELHI, 29*th March*

THE industrial progress that the Indian Union has been making in recent years must be considered satisfactory despite the fact that a section of politicians, the public and the Press has been complaining that the pace of progress has been slow, restricted and uneven. There is doubtless some truth in their criticisms, but, at the same time, credit should be given where it is due. While self-praise and satisfaction might lead to complacency, carping criticisms and non-recognition of commendable achievements will also lead to a sense of frustration. The tempo of progress has been particularly greater during the last one year and more, indicating that the country is well set for solid achievements in the industrial sphere during the second Five-year Plan.

DELHI LETTER

Generally speaking, a number of industries not only set up new records in production during 1954 but many of them were able to take up new lines of production. The latter type of development is particularly noteworthy in the engineering and chemical industries. A definite trend is noticeable in regard to the establishment or strengthening of such industries as are able to produce capital goods. The manufacture of textile machinery, including ring frames, carding engines, bleaching, dyeing and finishing machinery, recorded an increase in production during last year—the production of carding engines having more than doubled. The manufacture of complete ring spinning frames was also established. Several schemes for the manufacture of jute mill machinery (automatic spinning machines), cement machinery (clinker cooler and breaker), tea processing and textile machinery made further progress and actual production in some of them is expected during the current year. The production of portable air conditioners also showed considerable improvement during the past year.

Tools

The tools industry recorded a notable increase in production during 1954. The range of tools manufactured in the country has also expanded in recent months. Whereas only twist drills and reamers were being produced from 1946 to 1952, the manufacture of more than 25 different types of tools has now begun. The production of 15 different sizes of roller bearings was established for the first time in 1954. Of the new products manufactured by the tools industry during last year, mention may be made of geared head lathes of 10" and 12½" centres, motorised bench grinders, tungsten, carbide tips, hand hacksaw blades and waterproof abrasive paper. Proposals for the manufacture of spanners, steel files, hand saws, cutters, twist drills, etc., were also received and production of these ranges may be expected to commence shortly. Proposals for the manufacture of typewriters, steel tubes, and industrial and electrical machinery, etc., were also received during 1954 and these are now under examination of the Government of India.

The past year was a significant one for the industrial sector, as it witnesed the implementation of the Government's declared policy of encouraging the establishment of the automobile industry. Five schemes were sanctioned during the year for the manufacture of (*a*) automobile valves and valve accessories; (b) piston rings, cylinder liners, oil seals and metal gaskets; (c) scammel semi-trailers; (*d*) brake lining and clutch discs, and (*e*) brake lining and friction materials. Considerable progress has also been recorded in the production of motor cycles, spark plugs and automobile radiators and actual production in many of them has already begun. The new products manufactured during the past year were gudgeon pins, electric horns and certain new ranges of pistons. In the diesel engine and pumps section, the manufacture of multi-cylinder diesel engines upto 40 h.p. was also established, as also pumps above 6" in diameter, multi-stage pumps (up to 10 stages), axial flow pumps, screw pumps, sewage disposal pumps and self-priming pumps, etc.

Mechanical Engineering

In the other mechanical engineering industries section, new items of production during the year were as under: (*a*) roll on pilferproof aluminium caps or seals, (b) steel wire ropes, (*c*) special types of welding electrodes, (*d*) eye ointment tubes, and (*e*) packing case clips. The electric motor industry made considerable progress and motors of the slip-ring type of upto 125 h.p. are now being manufactured in the country. Similarly, transformers up to 3,000 KVA/33 KV were also being produced. Of the new products manufactured during the year, mention may be made of brass caps for electric lamps, and miners' cap lamps. The capacity for the production of electric motors, transformers, switch and control gears, cables and wires and electric fans is expected to expand further during the current year.

As for aluminium, the ingot capacity was stepped up from 4,000 tons to 7,000 tons in 1954 and the rolling capacity increased by 5,500 tons. Heat treatable alloy sheets suitable for aircraft and aluminium wire bars for A.C.S.R. were manufactured in the country for the first time. The past year also saw the installation of an extension press for sections, such as pipes, tubes, bars and rods and the current year will be witnessing installation of further capacity for the production of wire rods. Steps have been taken to increase the lead refining in the country by approximately 1,500 tons a year. A scheme for the installation of a zinc rolling mill with an annual capacity of 2,000 tons of zinc strip for the manufacture of electric cell cans was also sanctioned last year. The steel castings industry has also formulated plans to increase the existing capacity of 2,000 tons by 4,000 tons per annum by another 15,000 tons in due course. The most notable development in the field of metallurgical industries during 1954 was the sanctioning of six schemes for the manufacture of a total quantity of approximately 106,000 tons of ferro-manganese per annum. These schemes are expected to result in the production of ferro-manganese within the next two years. The present production of ferro-manganese in the country is only 17,000 tons, a quantity just sufficient to meet internal requirements.

Chemicals

The chemical industry made considerable headway during 1954. New production capacity in several basic chemicals was established during the past year and many new lines, of production were commenced. The installed capacity of heavy chemicals, for example, sulphuric acid, soda ash and caustic soda, required by fertilisers, sheet glass and dyestuffs, etc., increased during the year. Among the new products manufactured for the first time in the country during the year were (*a*) sheet glass of 10 to 12 oz. gauge; (*b*) penicillin (on a pilot plant scale); (c) chloromycetin, (*d*) glacial acetic acid and acetic anhydride and (*e*) bismuth salts. Efforts are being made to establish manufacture of chemotherapeutics and dyestuffs from basic raw materials rather than from intermediates. A scheme for the manufacture of sulphuric acid from gypsum rather than from imported sulphur has made progress. A special survey was undertaken during the year to enable economic location of additional capacity for the soda ash industry in the country and as a result soda ash production in India is expected to expand soon. Licences were given for the establishment of three soda ash plants, to be located in Tuticorin, Porbander and Dalmia Nagar, with an aggregate capacity of 520 tons per day. Plans are afoot to increase the production capacity of sulphuric acid by one lakh tons. Three new projects for electrolytic caustic soda and expansion of an existing unit will increase the output by about 13,500 tons. The manufacture of heavy ash required by the glass and bichromate industries is included in the programme of the proposed new units of soda ash manufacture. Part of the soda ash will be utilised for making 40,000 tons per year of caustic soda. The other important new schemes under way are: (i) stabilised bleaching powder—capacity 6,000 tons per year; (ii) high test hypochloride—capacity 2,310 tons per annum, (iii) sodium hydrosulphite—capacity 4,000 tons per annum; (iv) hydrogen peroxide—capacity 1,500 tons and (v) precipitated calcium carbonate—capacity 1,560 tons.

Refractory

The capacity of the refractory industry is being reassessed so as to provide for the requirements of the new steel plants. The possibilities of economic utilisation of bagasse for the manufacture of newsprint are being examined at the technical level. Significant progress has also been made by the plastic industry. A beginning has been made in the successful manufacture of intricate and good quality moulds. A scheme for the manufacture of standard and long-playing gramophone records from high impact polysterene progressed and experimental production was started. One firm has been given permission for the manufacture of polysterene involving foreign collaboration. In the paint industry, progress has been made in regard to pigment dyestuff, synthetic resins, high grade finishes and industrial surface coatings (particularly nitro-cellulose lacquers). An expansion scheme for the production of zinc and lead pigments in collaboration with a Japanese firm materialised during 1954 and the zinc oxide plant is expected to go into production shortly. Progress has been recorded in the establishment of production of certain anti-leprosy, anti-tuberculon cardio-stimulants, etc. In the field of dyestuffs, the year witnessed an impressive increase in the production of azo dyes, azoics, solubilised vats and sulphur black.

The cement industry continues to make steady progress, the output in 1954 being 4.39 million tons as against 3.78 million tons in the preceding year. Twenty schemes (nine new units and substantial expansion of 11 existing units), approved by Government have been in progress. Some of these schemes are expected to be completed by the end of 1955 and almost all the others by 1956-57. The completion of all these schemes will increase the annual capacity to about 7.7 million tons which, it is expected, will largely meet the increased demand for cement in the country. Now that it is being contemplated to increase the production capacity of cement to about 10 million tons during the second Five-year Plan, the cement industry will reach the target of 10 million tons before 1961.

FALL IN FARMERS' INCOMES

OUTPUT UP BY 53 PER CENT.

(From Our Own Correspondent)

LONDON, 26*th March*

OVER the agricultural year just ended bad weather has reduced farmers' incomes by about £40 million compared with the year before, and the industry's net income is estimated at only £280 million against the £312 million which had been confidently expected. When, therefore, the farmers began a few weeks ago their meetings with the Government, they were able to make a case for assistance. The Government, however, calculates, and the farmers do not disagree, that efficiency in agricultural production is rising, possibly at an even higher rate than in industry, and reducing farmers' costs each year by something over £30 million. The farmers countered by pointing out that their costs this year had gone up even more than the normal increase in efficiency.

LONDON LETTER

This is now the seventh year since the farmers' charter in the Agriculture Act, 1947, was established. The National Farmers' Union, on behalf of its members, have considered the levels of price guaranteed by the Government and have asked for adjustments in the guarantees to maintain or to increase their incomes. At this annual review exercise both parties look at the trend of production in relation to the markets and a decision is taken whether more financial incentives or less should be given. Up to now the incentives have worked remarkably well. Agricultural production is 53 per cent. higher than it was before the war and would have been higher still had it not been for the bad weather. The previous year the index was 55 per cent. above pre-war. On individual commodities wheat is now produced equal to nearly one-third of the country's requirements while before the war it was only one-eighth; the production of refined sugar is 21 per cent. of needs against 18 per cent. pre-war. The country now covers two-thirds of its meat requirements against one-half before the war, and the production of bacon, eggs, potatoes, butter and cheese are all higher proportionately to the country's needs. But these results have only been achieved at the cost of substantial subsidies approaching £250 million, that is, an amount nearly as large as the farmers' net incomes. The conclusion is that without the subsidies the industry would be in a parlous state.

Higher Prices

Last year, the Government laid down the policy of steadily increasing expansion and has nothing new on policy to add this year. But because of the loss of income which the poor harvests caused and still more because this is called "election year," the Government has decided (against its consideration of the economic needs of the industry) to pay another £28 million. The farmers are therefore going to get higher prices for cereals, potatoes, sugar, livestock, and eggs. They are escaping any reduction in milk, although this country is now producing far more liquid milk than is needed for consumption as such and a high cost is involved in turning the surplus into butter and cheese. Only in the case of pigs is there a reduction in the prices because the policy of encouraging production has proved too successful and the national production of pig meat and bacon is becoming proportionately excessive and of course altogether too expensive.

But the aspect of the subsidy increases which interests consumers (who pay the taxes which pay the subsidy) is the apparent decision that the farmers are not only to enjoy guaranteed prices, but also a guaranteed income. So, if the season is bad and they cannot produce what they expected, the deficit is to be made up to them! If this principle were applied in industry then should not manufacturers be insured by the Government against slumps, which are to industry what the weather is to farmers? This principle is really to remove all risks from farming and the danger is that if protection is pushed too far there will be a public revulsion against it. The farmers see this danger too but for this year they have felt too strong not to reap advantage.—*All Rights Reserved.*

THE INDIAN OVERSEAS BANK, LTD.

MADRAS

ABRIDGED BALANCE SHEET AS AT 31st DECEMBER, 1954.

Corresponding figures for 1944 Rs.	Corresponding figures for 1953 Rs.	CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
		1. Capital—		
		AUTHORISED CAPITAL— 1,00,000 Shares of Rs. 100 each ..	1,00,00,000 0 0	
		ISSUED AND SUBSCRIBED CAPITAL— 50,000 Shares of Rs. 100 each ..	50,00,000 0 0	
		AMOUNT CALLED UP AT Rs. 100 PER SHARE— 49,092 Shares	49,09,200 0 0	
		LESS—Calls unpaid	5,125 0 0	
			49,04,075 0 0	
		ADD—Forfeited Shares	15,600 0 0	
28,66,780	49,04,925			49,19,675 0 0
8,75,000	22,50,000	2. *Reserve Fund and Other Reserves* ..		26,00,000 0 0
		3. Deposits and Other Accounts—		
		Fixed, Time and Staff Security Deposits	3,71,22,549 2 7	
	3,43,41,164	Savings Bank Deposits	1,84,73,594 4 1	
	1,43,37,168	Current Accounts, Contingency Accounts, etc.	5,72,90,296 1 0	
	5,04,95,339			11,28,91,539 7 8
1,95,03,750	9,96,78,671			
		4. Borrowings from Other Banking Companies, Agents, etc.—		
		(i) In India	Nil	
2,00,000	6,19,195	(ii) Outside India	2,30,561 9 6	
		PARTICULARS—		
		(i) Secured by part of balances with foreign correspondents per contra	2,30,561 9 6	
		(ii) Unsecured	Nil	
				2,30,561 9 6
—	19,61,629	5. Bills Payable		24,02,917 9 0
		6. Bills for Collection being Bills Receivable as per contra—		
		(i) Payable in India	28,46,085 8 9	
		(ii) Payable outside India	1,90,99,897 12 4	
12,77,989	2,27,71,508			2,19,45,983 0 1
		7. Other Liabilities—		
		(a) Pension and Gratuity Funds ..	2,35,700 0 0	
		(b) Unclaimed Dividends	64,558 6 10	
		(c) Unexpired Discounts	737 11 0	
		(d) Sundries	3,62,765 7 11	
20,927	9,80,870			6,63,881 9 9
		8. Acceptances, Endorsements and Other Obligations per contra		3,53,75,126 0 5
9,80,202	2,53,71,142			
		9. Branch Adjustment Account		32,18,952 11 11
	27,96,563			
		10. Profit and Loss Account—		
		Profit as per Balance Sheet as at 31st December, 1953	5,19,792 12 8	
		LESS: Appropriation— Dividends declared	2,94,522 0 0	
			2,25,270 12 6	
		ADD: Profit for the year brought from the Profit and Loss Account ..	13,35,120 4 11	
			15,60,391 1 5	
		LESS: Appropriations— Provision for Taxation .. Rs. 7,00,000 0 0		
		Transfer to Reserve Fund .. 3,50,000 0 0		
			10,50,000 0 0	
96,986	5,19,793			5,10,391 1 5
		11. Contingent Liabilities—		
		(i) Claims against the Banking Company not acknowledged as debts ..	1,57,647 0 5	
		(ii) Money for which the Banking Company is contingently liable (Guarantees given by the Banking Company)	42,31,716 0 6	
		(iii) Liability on Bills of Exchange re-discounted	3,17,984 14 0	
		(iv) Liability on account of outstanding Forward Exchange Contracts ..	2,82,97,847 4 10	
			3,30,05,195 8 9	
2,53,71,634	16,18,58,295	Total .. Rs.		18,47,59,028 1 9

Corresponding figures for 1944 Rs.	Corresponding figures for 1953 Rs.	PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
		1. Cash—		
		In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		1,05,65,165 13 3
14,81,000	80,81,133			
		2. Balances with Other Banks—2		
		In Deposit Account— Rs. a. p.		
		(i) In India .. .. Nil!		
		(ii) Outside India 11,14,285 11 4	11,14,285 11 4	
		In Current Account—		
		(i) In India .. 5,02,826 15 0		
		(ii) Outside India 1,62,56,420 11 5	1,67,61,247 10 5	
21,54,795	1,62,84,235			1,78,75,533 5 9
—	26,00,000	3. Money at Call and Short Notice		3,80,952 6 9
		4. Investments at or below market value—		
		(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	3,64,95,872 10 6	
		(ii) Shares—Fully paid Ordinary Shares.	1,00,550 0 0	
		(iii) Debentures or Bonds	Nil	
		(iv) Other Investments— Ceylon Government Securities .. .. Rs. 11,93,362 a. p. 8 0		
		Savings Bonds (United Kingdom) .. 26,38,682 4 6		
		Federation of Malaya Security Loan .. 4,66,033 8 0		
			43,03,078 4 6	
		(v) Gold	Nil	
75,18,044	3,09,24,445			4,08,99,507 15 0
		5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the auditors)		
		I. Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
		(i) In India .. 2,04,50,879 7 7		
		(ii) Outside India .. 65,25,864 10 2	2,69,76,784 1 9	
		II. Bills discounted and purchased (excluding Treasury Bills of the Central and State Governments)— Rs. a. p.		
		(i) Payable in India 70,17,877 14 5		
		(ii) Payable outside India .. 2,08,38,571 8 10	2,78,56,449 7 8	
1,12,44,887 4,56,230	5,88,66,822			5,48,33,183 9 0
		Branch adjustment		
		6. Bills Receivable being Bills for Collection as per contra—		
		(i) Payable in India	28,46,085 8 9	
		(ii) Payable outside India	1,90,00,897 12 4	
12,77,989	2,27,71,508			2,19,45,983 0 1
		7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		3,53,75,126 0 5
9,80,202	2,53,71,142			
		8. Premises Less Depreciation—		
		At cost as at 31st December, 1953 ..	7,74,472 10 1	
		Additions during the year	1,27,942 7 4	
			9,02,415 1 5	
		LESS—Depreciation to date	70,388 3 10	
	7,21,634			8,32,026 13 7
		9. Furniture and Fixtures Less Depreciation—		
		At cost as at 31st December, 1953 ..	11,43,462 0 6	
		Additions during the year	1,46,324 8 11	
			12,89,786 9 5	
		LESS—Deductions during the year ..	5,339 7 2	
			12,84,447 2 3	
		LESS—Depreciation to date	7,71,487 15 4	
60,158	4,93,462			5,12,959 2 11
		10. Other Assets, including Stores—		
		Interest, etc., receivable on Investments and Bills	5,18,769 11 2	
		Books, Stationery and Stamps	3,50,958 7 10	
		Income-tax Account	3,09,934 10 2	
		Sundries	2,58,929 2 7	
2,37,429	12,84,413			14,38,588 15 9
		11. Non-Banking Assets Acquired in Satisfaction of Claim (at Nominal Value) ..		1 0 0
		12. *Profit and Loss Account*		Nil
2,53,71,634	16,18,58,295	Total .. Rs.		18,47,59,028 1 9

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1954.

1944 Rs.	1953 Rs.	EXPENDITURE	Rs. a. p.
3,32,270	16,50,150	1. Interest paid on Deposits, Borrowings, etc.	16,06,103 12 1
1,95,840	25,77,271	2. Salaries and Allowances and Provident Fund (Includes payment of Salaries, Allowances and Provident Fund to General Manager Rs. 41,653 0 8)	28,94,830 13 8
1,235	19,891	3. Directors' and Local Committee Members' Fees and Allowances	19,900 6 0
35,952	3,66,165	4. Rent, Taxes, Insurance, Lighting, etc.	3,79,300 9 3
1,000	23,177	5. Law Charges	16,891 0 0
14,245	80,482	6. Postages, Telegrams and Stamps	95,948 14 8
800	6,000	7. Auditors' Fees	6,000 0 0
9,040	1,94,450	8. Depreciation and Repairs to Banking Company's Property ..	2,12,166 11 1
24,036	2,17,604	9. Stationery, Printing, Advertisement, etc.	2,30,497 5 7
Nil	Nil	10. Loss from Sale of or Dealing with Non-banking Assets ..	Nil
21,500	2,45,370	11. Other Expenditure	2,13,001 15 3
1,16,744	13,24,875	12. Balance of Profit subject to Income-tax	13,35,120 4 11
6,52,677	67,19,540	Total .. Rs.	80,08,775 12 6

1944 Rs.	1953 Rs.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary Provisions).	Rs. a. p.
5,08,940	37,31,029	1. Interest and Discount	38,63,814 15 7
82,231	29,81,736	2. Commission, Exchange and Brokerage	30,38,585 5 5
—	8,420	3. Rents	Nil
59,093	1,368	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	2,844 14 4
Nil	Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	Nil
Nil	Nil	6. Income from Non-Banking Assets or Profit from Sale of or Dealing with such Assets	Nil
1,504	1,987	7. Other Receipts	8,530 9 2
Nil	Nil	8. Loss (if any)	Nil
6,52,677	67,19,540	Total .. Rs.	69,03,775 12 8

RESULTS OF MERCANTILE BANK OF INDIA SATISFACTORY

BUSINESS EXPANDS ALL-ROUND

NOTWITHSTANDING political uncertainties, the year 1954 witnessed considerable economic progress in the areas served by the Mercantile Bank of India Ltd., to which the Chairman has made an elaborate reference in his statement to the shareholders, published elsewhere in this issue. In common with other Exchange banks operating in these areas, the Bank shared in this progress. This is duly reflected in the increase of about £5 million in the Bank's balance-sheet total as at the close of 1954, in refreshing contrast to the sharp contraction of £10 million noted at the end of 1953. The Bank's deposits which had dropped by over £9 million in the previous year, have grown by about £4 million. This expansion has been spread over all the principal assets. The profit, however, has not risen correspondingly; on the other hand, it has been just maintained at about the previous year's level.

The net profit of the Bank (after providing for taxation and after allocations to contingency accounts, out of which full provision has been made for bad and doubtful debts and any other diminution in the value of assets) amounts to £194,324, as against £194,687 for 1953. Though the decline in profit is fractional, it is noteworthy that the trend has been downward for the third year in succession, the aggregate fall for the three years being £1,037. With the slightly higher sum of £200,980 (as against £200,143) brought in from the previous year, the amount available for appropriation, at £395,304, is larger than the corresponding sum of £394,830 a year ago. The Directors have maintained the allocation to the officers' pension fund at £13,000 and the additional provision for the contingencies account at £50,000. The amount utilised to write off freehold banking premises and property has been reduced from £50,000 to £35,000. The Directors paid an interim dividend of 7 per cent. during the year which was the same as that for the previous year. The final dividend also has been maintained at 7 per cent., but it is on a capital raised in September, 1954, by the capitalisation of a part of the reserves. The total distribution for the year amounts to £97,020, an increase of £16,170 over the previous year. The undistributed surplus left to be carried forward is £200,284, as against £200,980 brought in.

The progress of the Bank in the last three years is fully indicated by the following comparative table:

(In thousands of £'s sterling)

	As on 31st December			
	1954	1953	1952	1951
LIABILITIES (MAIN)				
Capital	1,470	1,050	1,050	1,050
Reserves	1,750	1,500	1,500	1,500
Unappropriated surplus	200	201	200	200
Notes in circulation	273	279	278	229
Deposits and other accounts	63,219	59,382	68,510	67,376
Loans payable				408
Bills payable	1,137	927	1,729	2,690
Acceptances (contra item)	645	211	209	408
ASSETS (MAIN)				
Cash	14,013	13,696	15,208	15,621
Investments	16,160	13,904	20,651	14,228
Securities against note issue	371	371	371	371
Bills receivable	15,815	14,670	14,580	18,850
Loans and advances	21,063	20,206	21,846	23,927
Fixed assets	652	620	644	695
Balance-sheet total	68,594	63,634	73,655	74,154

There was a reconstruction of the capital structure of the Bank during the year under review. The 30,000 'A' shares of £25 each and 30,000 'B' shares of £25 each, of which £12 10s. were paid, were sub-divided into 150,000 'A' shares of £5 each and 150,000 'B' shares of £5 each, of which £2 10s. were paid. The 300,000 'C' shares of £5 each, of which 60,000 shares only had been issued and fully paid-up, were divided into 1,500,000 shares of £1 each, of which 300,000 shares of £1 each fully paid-up were issued. Thereafter, a sum of £420,000, being a part of the amount standing to the credit of the reserve fund, was capitalised, raising the 'C' class capital to £720,000, made up of 720,000 shares of £1 each. The Directors also transferred during the year a sum of £670,000 from the inner contingency reserves to the reserve fund, as a result of which the reserve fund stands higher at £1.75 million.

As already noted, the Bank's deposits and other accounts expanded by £3.84 million, but the expansion is not sufficient to make good the drop of £9.13 million witnessed in the previous year. Nevertheless, the upward trend in the Bank's deposits during the past several years, which had suffered a break in 1953, has been resumed. Bills payable, which had a setback for two successive years, have also shown a welcome increase, as also acceptances on account of customers (contra item).

Loans and advances, which had gone down by £3.72 million in the course of the previous two years, have risen but only by £0.86 million during the year under review. There has, however, been a rise of £1.14 million in bills receivable and, at £15.81 million, they represent the highest in the last three years. The improvement in these two main revenue-yielding assets indicates the Bank's successful efforts at utilising the opportunity provided by the economic progress in the countries in which it operates to expand its business. The highlight of the assets side of the balance-sheet is, of course, provided by the sharp rise of £2.38 million in investments (other than British Government securities deposited as security against note issue). The bulk of this increase has occurred in securities quoted in Great Britain which have strengthened by £2.35 million. The shrinkage in cash balances noted in the previous two years has been restored fractionally.

LONDON WELCOMES WORLD BANK LOAN FOR EAST AFRICA

The news of the loan of about £8,500,000 from the International Bank for Reconstruction and Development to help to finance the programme of modernisation and expansion of the railways, roads, and harbours of Kenya, Uganda, and Tanganyika has been welcomed in London. An East Africa Office spokesman in the British capital said that not only did the loan provide a substantial sum towards the ambitious schemes of transport development now under way in the East African territories, but it would assist in reducing calls on the London market for development capital. He added: "The loan also demonstrates the confidence the World Bank must have in the existing economy of East Africa, and in the potentialities for further economic development of the territories of the East Africa High Commission. It will be a real stimulus for further investment."

The loan is made to the East Africa High Commission, and will be used by the East African Railways and Harbours Administration in carrying out the programme, which is part of the post-war development plan estimated to cost some £60,000,000.

The work was begun in 1949, and will be substantially complete by 1957. The loan will pay for part of the imported goods and equipment required for the period 1954-57, during which it is planned to spend about £34,000,000. The official statement says that it is expected that most of the imports purchased with the loan will be bought in the United Kingdom with sterling.

(Concluded from next column)

of Rs. 8.14 lakhs in bills for collection and of Rs. 14.43 lakhs in acceptances, endorsements and other obligations. These acceptances are secured by part of the Bank's investments.

On the assets side, advances, which had gone up by Rs. 71.22 lakhs in 1953, have further risen by Rs. 29.81 lakhs and, at Rs. 414.54 lakhs, they represent the highest since 1948. Loans, cash credits and overdrafts show an increase from Rs. 268.94 lakhs to Rs. 285.06 lakhs, while bills purchased and discounted have declined from Rs. 109.29 lakhs to Rs. 94.98 lakhs. Money at call and short notice has risen from Rs. 6.50 lakhs to Rs. 34.50 lakhs. Investments have been enlarged by Rs. 28.03 lakhs and with this increase they stand strengthened by Rs. 51.62 lakhs during the last three years. Investments are shown at book value and the market value of the same is lower by Rs. 2.95 lakhs. The Bank's investments in Government and other Trustee securities amount to Rs. 226.89 lakhs, the redemption value of which is higher by Rs. 3 lakhs, which more than covers the gap between the market value and the book value of the total investments. Cash balances have also risen by a modest extent and these together with the investments give a liquidity ratio of as much as 57 per cent., a level which had been generally maintained in the previous two years.

PROGRESS OF BANK OF JAIPUR MAINTAINED

DIVIDEND RAISED

ENCOURAGING progress is disclosed by the audited accounts of the Bank of Jaipur Ltd. (General Manager: Mr. S. L. Kothari, Jaipur), for the year ended 31st December, 1954. The profit of the Bank, which had shown a small increase in the previous year, thereby reversing the downward trend noted since 1946, has staged a further rise of Rs. 1.12 lakhs to Rs. 5.52 lakhs. The profit has recovered during the last two years a good part of the earlier recession and has constituted the best one since 1949. This notable improvement in the working of the Bank has also resulted in the raising of the dividend level from 3 per cent. paid for the previous seven years. The Bank has thus restored the cut in dividend effected in 1947, when it was reduced from 4 per cent. to 3 per cent. It has also earned the distinction of being one of the very few banks to increase the dividend for 1954.

The dividend has been raised without in any way affecting the essential allocations. In fact, the provision for taxation has been raised from Rs. 75,000 to Rs. 1.50 lakhs. The statutory allocation to the reserve fund has been raised from Rs. 1 lakh to Rs. 1.15 lakhs, while the transfer to other reserves has been reduced from Rs. 1 lakh to Rs. 85,000. In addition, the Directors have provided Rs. 25,000 to the staff gratuity fund.

The following comparative table provides a good idea of the Bank's progress since 1951:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Interest and discount	28.05	24.84	23.37	21.84
Commission and exchange	6.84	4.91	3.60	4.28
Interest paid	13.46	10.18	8.49	7.89
Expenses	15.47	14.41	14.19	13.20
Depreciation and repairs	0.51	0.59	0.48	0.39
Profit	5.52	4.40	3.90	4.59
Taxation	1.50	0.75	1.00	1.25
To reserves	2.00	2.00	2.35	1.00
Staff gratuity fund	0.25			
Dividend	2.00 (4%)	1.50 (3%)	1.50 (3%)	1.50 (3%)
Carry forward	0.25	0.46	0.35	1.21

	As on 31st December			
	1954	1953	1952	1951
Capital	50.00	50.00	50.00	50.00
Reserves	19.00	17.00	16.00	12.65
Deposits	7,03.58	6,60.72	5,10.24	5,91.48
Borrowings from other banks		0.33	2.00	5.15
Bills for collection	43.85	35.71	21.84	22.61
Acceptances	27.99	18.66	2.95	23.17
Advances*	4,14.54	3,84.72	3,18.61	3,75.79
Investments	2,38.59	2,10.56	1,57.66	1,86.97
Cash	1,02.61	1,57.37	1,00.04	1,10.96
Balance-sheet total	8,90.70	8,15.20	6,55.20	7,38.24
Ratio to deposits of—	%	%	%	%
Advances	59.9	58.2	61.7	63.6
Investments†	33.9	31.8	35.0	30.7
Cash	23.1	23.8	20.5	18.8

* Include bills purchased and discounted and money at call and short notice.

† Ratios arrived at after taking into account the securities earmarked against borrowings from other banks.

The gross income of the Bank amounts to Rs. 34.96 lakhs, which is the highest level reached so far, and represents an increase of Rs. 5.37 lakhs over the previous year. The bulk of this income has come from "interest and discount," which accounts for a rise of Rs. 3.71 lakhs, thus keeping the upward trend since 1951. "Commission and exchange" shows a rise of Rs. 1.47 lakhs. Offsetting these are the increase of Rs. 3.28 lakhs in interest paid and the rise of Rs. 1.06 lakhs in expenses.

The judicious appropriation of the bank's profit year after year has enabled the strengthening of the reserves sizably. Thus, in the course of the last three years alone, the reserves have been raised by Rs. 6.35 lakhs. A notable feature of the balance-sheet is the marked rise of Rs. 42.86 lakhs in the Bank's deposits during the year. It may be recalled that the deposits had dwindled from the peak level of Rs. 8.26 crores as at the close of 1948 to a low of Rs. 5.16 crores at the end of 1952. This trend which had, however, been reversed in 1953 when there was an increase of Rs. 1.44 crores, gathered, as already noted, momentum in 1954. As in the case of all other banks, fixed deposits have risen by Rs. 56.43 lakhs during the year under review to Rs. 281.34 lakhs and savings bank deposits by Rs. 10 lakhs to Rs. 70.37 lakhs. Current accounts and contingency accounts have, on the other hand, declined by Rs. 23.58 lakhs to Rs. 351.86 lakhs. The Bank's bills business has also expanded appreciably, as witness the rise

(Continued in previous column)

UNITED COMMERCIAL BANK'S PROFIT RISES BY 35 PER CENT.

DIVIDEND RAISED—ADVANCES AT RECORD HIGH

ONLY very few banks in India have had the distinction of raising their dividend level for the year 1954. To the rank and file of this small band belongs the United Commercial Bank Ltd. (General Manager: Mr. B. T. Thakur, Calcutta) by stepping up the dividend to 5 per cent. from 4 per cent. paid for the previous four years. Such an increase in the distribution to the shareholders is in consonance with the expansion in the Bank's business and the rise in the profit for the year under review. Reflecting the improvement in the Bank's business is the rise of Rs. 4.25 crores in the balance-sheet total. Deposits have risen by Rs. 2.70 crores to a record level; advances have again staged a smart rise of Rs. 3.75 crores to set up a fresh record and foreign bills have expanded substantially, as witness the increase of Rs. 1.14 crores in acceptances and endorsements. All this expansion has been recorded without any marked variation in the liquid assets which have been kept almost at the previous year's level.

The Bank's gross income has recorded an increase of Rs. 29.27 lakhs to Rs. 217.31 lakhs, a total not seen before in the history of the Bank. The profit also has advanced from Rs. 23.01 lakhs for 1953—the lowest to be recorded since 1945—to Rs. 31.06 lakhs for the year under review, which is by no means a record one. It is, however, the highest since 1951. The smart rise of Rs. 8.05 lakhs in the profit for 1954 has helped the Bank to make good substantially the decline of Rs. 12.02 lakhs noted during the previous two years. Another notable feature of the increase in the Bank's profit for 1954 is that it is much sharper than those of many other banks.

The profit could have been much higher but for the steep rise in the outgo by way of interest paid on deposits and borrowings and expenses—as readers are aware, this is not a special feature of the United Commercial Bank alone—as will be seen from the following comparative table showing the salient features of the Bank's profit and loss accounts for the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Interest and discount earned	142.42	127.42	107.04	105.04
Commission and exchange	73.17	59.46	60.49	53.27
Interest paid	78.48	63.33	48.60	88.12
Expenses	103.33	95.43	90.00	81.83
Depreciation	6.44	6.27	5.24	4.37
Profit	31.06	23.01	24.80	35.03
Taxation	12.50	9.50	10.00	8.00
Reserve fund	6.50	5.00	7.50	7.50
Investment account				15.00
Bonus to staff	2.50			
Dividend	10.00 (5%)	8.00 (4%)	8.00 (4%)	8.00 (4%)
Carry forward	1.06	1.52	1.01	1.71

The rise of Rs. 29.27 lakhs in gross income noted above has been shared by "interest and discount earned" to the tune of Rs. 15 lakhs, thanks to the substantial increase in advances, and by "commission and exchange" to the extent of Rs. 13.71 lakhs. Though the increase in interest and discount earned is less than that in the previous year, it has helped the Bank maintain the upward curve of income. The rise in income from commission and exchange is in refreshing contrast to the small setback noted in 1953. On the expenditure side, interest paid has also gone up steeply, the rise of Rs. 13.15 lakhs comparing with that of Rs. 14.64 lakhs in 1953 and of Rs. 10.57 lakhs in 1952. It will be interesting to note that the item of interest paid has more than doubled in the course of the last three years. Such a trend is inevitable in the context of rising trend in the Bank's fixed deposits, particularly in the last two years, and the high rates of interest on deposits and borrowings. The mounting level of expenses have again gone up with a fresh rise of Rs. 7.90 lakhs in 1954. Of this rise, salaries and allowances and provident fund alone account for Rs. 6.30 lakhs. The appropriations of the profit are clearly shown in the above table and need no further elucidation.

It will be noted from the table below that the Bank's reserves have been considerably strengthened during the last few years. The expansion in deposits is less marked than in 1953. Nevertheless, the deposits have established a fresh record, exceeding the previous best of Rs. 38.24 crores, touched at the close of 1948, by Rs. 2.18 crores. The rise has been shared by all classes of deposits, but the bulk of it by fixed deposits, as in the previous year. Fixed deposits have risen by Rs. 1.21 crores, to Rs. 15.17 crores, savings deposits by Rs. 45 lakhs to Rs. 3.78 crores and current accounts, contingency accounts, etc., by Rs. 1.03 crores. It may be noted, in this connection, that the fixed deposits of the Bank have swelled in the course of the last two years from Rs. 9.75 crores to Rs. 15.17 crores, while current and contingency accounts, etc., have risen by only Rs. 3.31 crores. The other notable features of the liabilities side of the balance-sheet is a further rise in borrowings from other banks—of these borrowings, Rs. 3.58 crores are secured by investments and the balance unsecured—and the increase of Rs. 1.14 crores in acceptances.

The following synopses of the Bank's balance-sheets as at the close of the past four years fully bring out the notable expansion in the Bank's business:

(In lakhs of rupees)

	As on 31st December			
	1954	1953	1952	1951
Capital	2,00.00	2,00.00	2,00.00	2,00.00
Reserves	96.50	90.00	75.00	67.50
Deposits	40,42.18	37,72.48	30,87.73	29,58.10
Borrowings from other banks	3,92.30	3,35.13	65.25	2,21.40
Bills for collection	4,17.26	4,24.18	2,75.03	2,41.51
Acceptances	8,89.44	7,75.43	5,60.89	10,15.00
Advances*	24,84.50	21,00.26	14,26.62	17,91.56
Investments	17,15.78	17,88.38	14,81.40	12,13.02
Cash	5,87.72	5,55.43	6,53.67	5,03.71
Balance-sheet total	62,16.20	57,91.52	45,20.27	48,73.59
Ratio to deposits of—	%	%	%	%
Advances	61.4	55.9	46.2	60.6
Investments†	33.6	38.5	45.8	33.5
Cash	14.5	14.7	21.2	17.0

* Include bills purchased and discounted and money at call.

† After taking into account investments earmarked against borrowings from other banks.

As in the case of deposits, the rise in advances during 1954 is less marked than that noted in 1953. Loans, cash credits and overdrafts account for an increase from Rs. 11.99 crores to Rs. 16.07 crores and bills discounted and purchased from Rs. 7.79 crores to Rs. 8.57 crores, while money at call and short notice has dropped from Rs. 1.30 crores to Rs. 20 lakhs. Investments, shown at below market value, are lower by Rs. 73 lakhs, while cash balances are higher by Rs. 32 lakhs, but the total liquidity ratio has not suffered any serious decline.

(Concluded from next column)

lakhs to Rs. 57.18 lakhs, the percentage of increase being more than that in gross income.

The capital of the Bank shows a slight increase, but this is due to the payment of calls unpaid. The reserve fund and other funds stand at the impressive level of Rs. 77.50 lakhs, exceeding the paid-up capital by Rs. 19.71 lakhs. The upward trend in deposits noted since 1949 has been fully maintained during the year under review with a rise of Rs. 3 crores (as against an increase of Rs. 1.54 crores in 1953) to a peak of Rs. 24.85 crores. A break-up of the deposits shows that much of this increase is accounted for by fixed deposits which have risen from Rs. 6.83 crores to Rs. 8.67 crores. Season and short-term deposits have gone up by Rs. 28 lakhs to Rs. 2.58 crores, savings bank deposits by Rs. 54 lakhs to Rs. 4.56 crores and current accounts, contingency accounts, etc. by Rs. 33 lakhs to Rs. 9.03 crores. The improvement in lendable resources has helped the Bank to meet the increase in demand for bank credit, as will be seen from the rise of Rs. 2.17 crores in advances to Rs. 24.85 crores, which again is a new high level. Investments and cash balances also have been strengthened. Investments are shown at cost, the market value of the same being lower by as much as Rs. 80.04 lakhs. The excess of book value over market value has considerably increased in the course of the last three years from Rs. 43.44 lakhs to Rs. 80.04 lakhs. A part of this is covered to the extent of Rs. 18.5 lakhs by the sum of Rs. 9 lakhs standing to the credit of the non-statutory reserve and Rs. 9.50 lakhs to that of sinking fund. The great bulk of the Bank's investments are in Government securities and other Trustee securities amounting to over Rs. 9.48 crores. The redemption value of the same is also lower than the book value of Rs. 12 lakhs but such is well within the provision made as shown above.

During the year under review, the Bank added eight more offices to its list of branches. Arrangements are also being made for the opening of a branch of the Bank at Calcutta before the end of June, 1955.

PROFIT OF INDIAN BANK HIGHER

NOTABLE EXPANSION IN DEPOSITS

A WELCOME improvement in the profit for the year ended 31st December, 1954, after two years of successive decline, is disclosed by the latest audited accounts of the Indian Bank Ltd. (Secretary: Mr. N. Gopala Iyer, Madras). The profit (after providing for loss on sale of investments) which had receded from Rs. 16.82 lakhs for 1951 to Rs. 12.91 lakhs for 1953, has appreciated by Rs. 1.03 lakhs to Rs. 13.94 lakhs for the year under review. It is noteworthy that such an improvement in earnings has been achieved, as in the case of other banks, in the face of higher expenses and larger outgo by way of interest paid on deposits and borrowings. The Bank seems to have overcome the effects of the mounting cost on its income by expanding its business in a judicious manner.

The increase in profit has, however, been more than offset by the larger provision for taxation, which has been raised from Rs. 2.60 lakhs to Rs. 5.75 lakhs. This has necessitated a cut in the allocation to the reserves by Rs. 2 lakhs. The transfer to the reserve fund under Section 17 of the Banking Companies Act, 1949 has been reduced from Rs. 2.50 lakhs to Rs. 1 lakh and no addition has been made to the sinking fund which had received Rs. 50,000 in the previous year. The reduction in the allocation to the reserves is, however, no reflection on the Board's appropriation policy. In fact, the reserves are already at such an impressive level, as will be shown later on, that it would not have mattered much even if the reserves had not been strengthened at all. The distribution to the shareholders has been maintained at 12 per cent., made up of a dividend of 10 per cent. and a bonus of 2 per cent.

The following comparative table shows at a glance the progress made by the Bank during the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Interest and discount earned	94.79	88.85	89.86	78.52
Commission and exchange	25.06	22.23	19.79	18.26
Interest paid	49.09	45.07	42.80	34.50
Expenses	57.18	53.44	46.47	42.76
Depreciation and repairs	1.56	1.32	1.42	0.88
Loss on sale of investments	0.01	0.83	5.37	4.75*
Profit	13.94	12.91	14.18	16.82
Taxation	5.75	2.60	8.90	2.60
To reserves	1.00	3.00	3.50	7.50
building account	0.15	0.25	0.10	0.25
Dividend	8.08 (D. 10% + B.2%)	6.87 (D. 10% + B.2%)	6.58 (D. 10% + B.2%)	6.38 (D. 10% + B.2%)
Carry forward	1.31	1.23	1.04	0.93

	As on 31st December			
	1954	1953	1952	1951
Capital	57.79	57.68	55.38	52.98
Reserves	77.50	76.50	73.50	70.00
Deposits	24,84.65	21,85.32	20,30.63	17,57.43
Borrowings from other banks		15.00	47.02	3,68.43
Bills for collection (contra)	2,27.77	1,99.22	2,00.29	2,11.56
Acceptances (contra)	1,44.10	91.82	1,10.49	1,55.36
Advances	13,44.70	11,23.01	10,73.06	10,07.70
Investments†	9,76.88	9,59.85	8,86.09	9,85.08
Cash balances	3,57.41	2,02.32	2,81.64	2,70.51
Balance-sheet total	31,09.58	27,20.85	26,13.76	27,55.61
Ratio to deposits of—	%	%	%	%
Advances	54.1	51.6	52.8	61.4
Investments‡	39.2	43.2	41.4	33.4
Cash	14.4	13.4	13.9	15.1

* No. loss after adjusting Rs. 10 lakhs from sinking fund.

† Include investments of staff security deposits.

‡ After taking into account securities earmarked against borrowings from other banks.

The gross income of the Bank, which had reached a record level of Rs. 114.48 lakhs in 1953, has jumped up by another Rs. 8.19 lakhs to set up a fresh record in the history of the Bank. The income from "interest and discount" has risen by as much as Rs. 5.94 lakhs, as compared with the drop of Rs. 1.01 lakhs in 1953, and that from "commission and exchange" by Rs. 2.83 lakhs. Expenses have gone up by Rs. 3.74 lakhs, but a gratifying feature of the rising trend in the Bank's expenses is that the pace of increase in the last three years has been slowly declining, as will be seen from the above table. Another welcome feature of the Bank's operations is the declining trend in loss on sale of investments, the loss during 1954 being no more than Rs. 923. A study of the Bank's profit and loss accounts for the past four years reveals that, while the gross income has leaped up from Rs. 83.32 lakhs for 1950 to Rs. 122.67 lakhs, the profit has actually gone down from Rs. 15.62 lakhs to Rs. 13.94 lakhs. An explanation for this is to be found in the increase in administrative and other costs from Rs. 38.63

(Continued in previous column)

THE BUCKINGHAM AND CARNATIC CO., LTD.

THIRTY-FOURTH ANNUAL GENERAL MEETING

MR. R. E. CASTELL ON HEAVY INCIDENCE OF LEVIES ON TEXTILE INDUSTRY

ADDRESSING the shareholders of the Buckingham and Carnatic Company, Ltd., at their Thirty-fourth Annual General Meeting held in Madras on 24th March, 1955, Mr. R. E. Castell, Chairman of the Company, said that the purchasing power of consumers of cotton textiles had been adversely affected by the incidence of State and inter-State sales tax and of excise duties. He regretted that the various State authorities did not appear to appreciate the difficulties with which manufacturers and traders were burdened in the preparation of the tremendous mass of detail required for current returns and the enormous amount of work which had been caused by the retrospective effect of inter-State sales tax. For the industry as a whole, he said, the new structure of excise duties would create some anomalies such as a substantial increase in the duty on wide cloths and duties which were excessive in proportion to the value of certain cheaper varieties of cloth. So far as the Buckingham and Carnatic was concerned, the new duties would benefit consumers of fine cloths, as the Company made such cloths mostly in narrower widths.

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

"GENTLEMEN,

"The report of the Directors and the accounts for the year ended 31st December, 1954, having been sent to you in due time, I propose with your permission to take them as read, but will be glad to answer questions later.

"In my speech last year, I had occasion to review a successful trading year following a year of adversity. I am glad now to be able to comment on a year, the results of which are sufficiently good to justify the same improved distribution of dividend as for 1953.

"These results have been achieved, despite a number of difficulties, the general effect of which has been to lower selling prices and profit margins. There is no doubt that, for the products of the cotton textile industry as a whole, the purchasing power of consumers has been adversely affected by the heavy incidence of sales tax, both State and inter-State, and of excise duties.

"In overseas markets, competition from other manufacturing countries has become very keen and has prevented India from attaining her export target of 1,000 million yards of mill cloth. Nevertheless, the export of 898 million yards in 1954 was a substantial improvement on the preceding year. Your own Company succeeded in exporting in 1954 over one-fourth of its total production, but this result required a strenuous effort and price reductions.

Export Duty

"During 1954, the export duty on cotton cloth applied to the coarse category only and was at the rate of 10 per cent. *ad valorem*. From 28th February, 1955, the rate has been reduced to 6¼ per cent., but a revised classification has been introduced for the purpose of applying export duty. By this change, many cloths including some long-established varieties, hitherto classed as medium and, therefore, free from export duty, will henceforth be liable to a duty of 6¼ per cent. and will to this extent be less competitive overseas.

"I now come to the accounts again and, if you will turn to the capital and liabilities side of our balance-sheet, you will observe that from our profits for the year we have transferred Rs. 6 lakhs to general reserve and Rs. 5 lakhs to the debenture redemption fund. As mentioned in the report, the Directors have considered it prudent to increase the amount set aside to the redemption fund in order to equalise the appropriations over the remaining period to the final date of maturity in 1972.

"You will also note that an amount of Rs. 12 lakhs has been transferred from taxation reserve to the provision for increased replacement costs of buildings and machinery and, as this represents the relief from taxation on our profits of 1952 and 1953 through the operation of the allowances for initial and extra normal depreciation, it is but logical to utilise it for the purpose for which it was intended by the Government of India, that is, to finance expansion or reconstruction programmes.

"In this connection, I am sure that shareholders will join with me in welcoming the additional relief which has been provided in the Finance Bill, 1955. The proposed development rebate of 25 per cent. of the cost of new machinery will mean a considerable reduction in the amount of tax payable which we shall, of course, utilise in full in the financing of our capital programme.

"Debentures to the face value of Rs. 4 lakhs were redeemed and cancelled during the year and, in accordance with our policy, a similar amount has been transferred from the debenture redemption fund to the provision for increased replacement costs of buildings and machinery.

"The overdraft with our bankers is higher than last year by approximately Rs. 62,67,000 and this is chiefly accounted for by an increase of Rs. 47½ lakhs under stock-in-trade, mainly on raw materials, as we began our buying for the 1954-55 cotton year earlier than in the previous season.

Sales Tax

"One of the most difficult of our administrative problems during the year has been to satisfy the demands for retrospective and current sales tax returns from 20 different States. Considerable additional staff has had to be engaged solely for this purpose and the various States' authorities do not appear to appreciate the difficulties with which manufacturers and traders are burdened arising from the preparation of the tremendous mass of detail required for current returns, and the enormous amount of work which has been caused by the retrospective effect of inter-State sales tax.

"It may interest shareholders to know that, in our capacity as collecting agents for the Government of India and the various States, we have had to add to our selling price Rs. 23 lakhs for excise duty and handloom cess, Rs. 10½ lakhs for export duty and just over Rs. 9 lakhs for sales tax on behalf of the States in which we sell our products. In addition, there is the sales tax on our purchases of raw materials, stores and other essentials which adds appreciably to the cost of production.

"Lest you should underrate the incidence of sales tax, I would point out that the amount shown against this item in the profit and loss account represents only the sales tax on our purchases of raw materials.

"Whilst these difficulties have been appreciated by the Taxation Enquiry Commission, it seems to me, after having studied their recommendations, that it will be some time before any simplification of inter-State sales tax can be expected.

"I now refer to the new excise duties proposed by the Finance Bill, 1955. There is a change in the assessment of duty from a linear to a square yardage basis, but the handloom cess of three pies continues to be per linear yard. Your Company makes cloths mostly in the narrower widths and it so happens that the new duties will benefit consumers of our fine cloths.

"As a result of representations from various quarters and of further consideration by Government, the original proposals have been modified in certain respects and in the case of our own Company, consumers will not suffer as the result of the duties now applicable to coarse and medium varieties.

"For the industry as a whole, the new structure of excise duties will create some anomalies, such as a substantial increase in the duty on wide cloths, and duties which are excessive in proportion to the value of certain cheaper varieties of cloth. So much for Central excise, but the States Governments show no inclination to moderate their demands for sales tax, special or additional sales tax or inter-State sales tax. On the other hand, the tendency seems to be to increase the scope and scale of their income by these means.

Efforts to Improve Efficiency

"As, under the regulations affecting the cotton textile industry, your Company cannot expand its manufacturing installation, as wages and the cost of benefits to labour continue to increase, and as the purchasing power of the public is restricted by heavy taxation, both direct and indirect, the management will continue to endeavour to maintain satisfactory trading results by every possible improvement in efficiency throughout the range of its manufacturing processes.

"Your Directors' report mentioned the progress made with the new weaving shed which now contains 1,100 looms, all in full production and ultimately, nearly 1,700 looms will operate in this building. The Company's new power station recently began partial operation and is expected to be fully commissioned by June this year.

"The mill labour advisory organisation has continued to deal satisfactorily with the settlement of internal industrial affairs and I am glad to report that the year has passed with no loss of production arising from stoppages of work by our labour.

"As you were informed last year, the workpeoples' and employees' provident funds accounts having been transferred to the Trustees, no longer appear in the published accounts of the Company, but it may interest you to know that the liabilities of these funds as at 31st December, 1954, amounted to Rs. 1,15,49,504 and Rs. 13,30,086, respectively. Corresponding amounts have been invested in trustee securities."

Notice

THE ANDHRA BANK, LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 31ST Annual General Meeting of the Shareholders of the Bank will be held at the Registered Office of the Bank, Cantonment Road, Masulipatam, on Sunday the 24th April, 1955, at 4-0 p.m., to transact the following business:

1. To receive the Report of the Directors and the audited Balance-sheet as at and Profit and Loss Account for the year ended 31st December, 1954.

2. To declare a dividend.

3. To elect four Directors in the places of Messrs. S. R. Y. Sivarama Prasad Bahadur, Jaldu Manikyalarao, Palakurty Sobhanadri, who are retiring under Article 94, and Sri Majesty Seshagirirao from among the next longest in office, who has volunteered to retire. The retiring Directors are eligible for re-election.

4. To appoint Auditors for the current year and to fix their remuneration. Messrs. Brahmayya & Co. and Ch. V. Lakshmaiah & Co., the retiring Auditors, offer themselves for re-appointment.

Notice is hereby given that the Register of Members of the Andhra Bank Ltd., will remain closed from Monday the 18th April, 1955, to Saturday the 30th April, 1955, both days inclusive, during which period no transfer of shares will be registered.

By Order of the Board,
E. RAMACHENDRAMURTI,
General Manager.

MASULIPATAM, 23rd *March*, 1955.

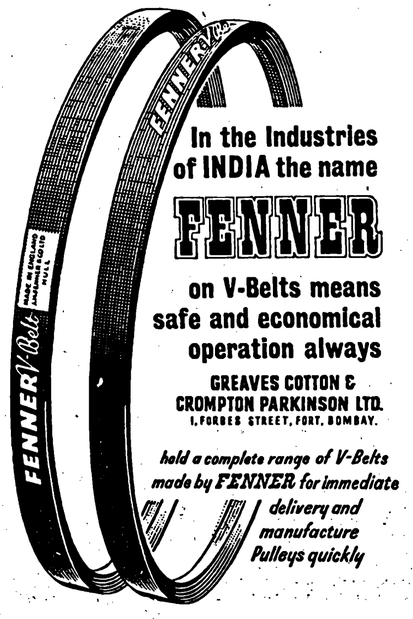
N.B.—The Dividend Warrants for the half-year ended 31st December, 1954, will be despatched to the shareholders to their registered address on or about the 2nd May, 1955. Shareholders are requested to intimate the Bank any change of address immediately.

THE
HONGKONG AND SHANGHAI BANKING CORPORATION
(Incorporated in the Colony of Hong Kong)
The Liability of Members is Limited to the extent and in manner prescribed in Chapter 70 of the Laws of Hong Kong.
HEAD OFFICE: HONG KONG.
Capital Issued and Fully Paid up ... Hk. $25,000,000
Reserve Funds Sterling ... ... £ 7,687,500
Reserve Liability of Members ... Hk. $25,000,000
BRANCHES
BURMA: Rangoon
CEYLON: Colombo
CHINA: Shanghai
DJAWA (JAVA): Djakarta, Surabaja
EUROPE: Hamburg, Paris
HONG KONG: Hong Kong, Kowloon, Mongkok
INDIA: Bombay, Calcutta
INDO-CHINA: Saigon
JAPAN: Kobe, Osaka, Tokyo, Yokohama
MALAYA: Cameron Highlands, Ipoh, Johore Bahru, Kuala Lumpur, Malacca, Muar, Penang, Singapore, Singapore (Orchard Road), Sungei Patani, Taluk Anson
NORTH BORNEO: Brunei Town, Jesselton, Kuala Belait, Sandakan, Tawau
PHILIPPINES: Iloilo, Manila
SIAM: Bangkok
UNITED KINGDOM: London
U.S.A.: New York, San Francisco
Correspondents Throughout the World. Banking Business of Every Kind Transacted.
A COMPREHENSIVE SERVICE AS TRUSTEES AND EXECUTORS IS ALSO UNDERTAKEN BY THE BANK'S TRUSTEE COMPANIES IN
HONG KONG, LONDON & SINGAPORE.
LONDON OFFICE: 9, Gracechurch Street, E.C.3.
NEW YORK OFFICE: 72, Wall Street.
BOMBAY OFFICE: 14, Veer Nariman Road.
G. A. STEWART, Manager.

THE BANK OF MYSORE LTD.
(ESTABLISHED 1913)
(Incorporated in Mysore State, Liability of members is limited.)
Bankers to the Government of Mysore
Authorised Capital ... ... Rs. 1,00,00,000
Subscribed Capital ... ... „ 50,00,000
Paid-up Capital ... ... „ 50,00,000
Reserve Fund ... ... „ 84,00,000
Head Office: BANGALORE
BOMBAY BRANCH: 24-26, Dalal Street.
Branches at:—Avenue (Bangalore:—(1) City, (2) Chickpet, (3) Fort, (4) Lady Curzon Road, (5) South Parade), Bangarpet, Bhadravati, Bellary, Channapatna, Chickballapur, Chickmagalur, Chintamani, Chitaldroog, Coimbatore, Cochin, Davangere, Hassan, Kolar, Krishnarajanagar, Madras, Mandya, Madanapalle, Mysore (Market Branch—Mysore), Oorgaum, Sagar, Sakleshpur, Shimoga, Tiptur and Tumkur.
Current Accounts:—Are opened and interest at ½ per cent. per annum allowed on balances up to Rs. 1,00,000.
Fixed Deposits:—Fixed Deposits are received on terms which may be ascertained on application.
Savings Bank:—Accounts are opened and interest allowed at the rate of 1½ per cent. per annum on monthly minimum balances upto Rs. 5,000.
Loans and Cash Credits:—Are granted on Government and other approved securities.
EVERY KIND OF BANKING BUSINESS UNDERTAKEN.
S. S. RAGHAVAN, Branch Manager.
S. V. NARAYANA REDDY, General Manager.

ASK
RELIANCE
FOR
• ACID-PROOF BRICKS & CEMENT
• SEMI-VITRIFIED BRICKS & CEMENT
• INSULATING BRICKS & MORTAR
• ALKACID BRICKS & CEMENT
• FIREBRICKS, FIRECLAYS AND CEMENTS
Manufacturers of
FIRST CLASS BRICKS
for
Nearly Half a Century
RELIANCE FIREBRICK AND POTTERY CO., LTD.
4, LYONS RANGE, CALCUTTA 1.
Bombay Branch:
35A, HOSPITAL AVENUE, PAREL.

STILL HIGHER
THE
METROPOLITAN INSURANCE
COMPANY LIMITED
Have closed the year
1954
with new business of
RUPEES TEN CRORES
TWENTY-SEVEN LACS
EIGHTY-FOUR THOUSAND
FIVE HUNDRED AND FIFTY
Rs. 10,27,84,550/-
As against
Rs. 8,76,00,000
of the year 1953
THE METROPOLITAN INSURANCE HOUSE
7, CHOWRINGHEE ROAD, CALCUTTA 13.



In the Industries of INDIA the name
FENNER
on V-Belts means safe and economical operation always
GREAVES COTTON & CROMPTON PARKINSON LTD.
1, FORBES STREET, FORT, BOMBAY.
hold a complete range of V-Belts made by FENNER for immediate delivery and manufacture Pulleys quickly

EXCISE DUTY ON COARSE AND MEDIUM CLOTH REDUCED

SUPERFINE COUNTS, HOWEVER, BEAR HEAVY INCIDENCE

THE reduction in the increase in excise on cotton mill piecegoods originally proposed in the Budget statement for 1955-56, announced by the Union Finance Minister while replying to the debate on the Budget in Parliament on Monday last week, has been widely welcomed. In the course of his speech, the Finance Minister said that the Government had decided to reduce the excise duty on categories of cloth most used by the middle and lower classes and the agricultural section of the community, namely, coarse and medium cloth, from one anna to half an anna per square yard, exclusive of the special cess of three pies per linear yard for the benefit of the handloom industry which would continue to be charged. Explaining the reasons for the reduction, he observed: "...all sections of the House have expressed concern about the fall in prices of agricultural commodities and there has been widespread criticism of the wisdom of levying an increased excise on cotton cloth which forms a part of the Budget proposals." It will thus be noted that, by reducing the quantum of increase in excise, Mr. Deshmukh has shown that the Government is alive to public opinion and that it is amenable to reason. It remains to be seen whether this spirit of accommodation will inform its response to equally sound criticisms of some of the other harsh proposals contained in the Budget.

Under the changes proposed in the Budget on 28th February, 1955, the original fourfold classification of cloth, namely, coarse (up to 16 counts), medium (17s to 34s), fine (35s to 47s), and superfine (48s and onwards), was abolished and, for taxation purposes, cloth was classified as superfine (48s and onwards) and others (47s and below), the rates of duty on the two categories being 2½ annas and one anna, respectively. The unit for excise levy was also changed from linear yard to square yard, so that the extent of incidence on wide width cloth came to be much more than the increase in the rate of duty. The special handloom cess, however, continued at the former rate of 3 pies per linear yard. The result of these changes was that the excise duty on coarse and medium varieties was raised from six pies per linear yard to one anna per square yard, while that on fine counts was reduced from 1½ annas per linear yard to one anna per square yard. The rate on superfine cloth remained unchanged at As. 2-6, but the change in the unit from linear to square yard meant an increase of a little over nine pies, that is to As. 3-3 per linear yard.

High Incidence

The Finance Minister estimated the extra income to the Treasury as a result of the addition to cloth excises at Rs. 9 crores. But it is now common knowledge that this was a gross underestimate to the tune of Rs. 6 to Rs. 7 crores. An increase of Rs. 15 crores to Rs. 16 crores in the burden on one industry was certainly crushing and meant severe hardship to cotton producers, the industry and consumers. The millowners spared no efforts to persuade the Government to revise the rates in a downward direction. But they have not met with complete success, as their demands have been met only in a half-hearted manner. Indeed, it is true to say that whatever reduction given was more the result of the protests made on behalf of agriculturists than in response to the petitions made by millowners. This is clear from the fact that the Government has left the incidence of duty on superfine unchanged at the unconscionably high rate of about 39 pies per linear yard, assuming the average width of this cloth at 47 inches.

It will be seen from the foregoing figures that, even after taking into consideration the effect of the reduction, there is a net increase in the rate of excise duty per linear yard of one pie each in the case of coarse and medium varieties and nine pies in respect of superfine cloth. As regards fine counts, however, there is a reduction of 4 pies per linear yard. The additional burden thus descends most heavily on superfine cloth. Assuming that the share of this category in the total production of cloth meant for consumption in the country is about 315 million yards, the brunt of the impost shouldered by it comes to Rs. 1.5 crores.

Be that as it may, the reduction in excise duty announced by the Finance Minister applies only in respect of cloth of 35 counts and below. In other words, instead of two classifications—superfine and others—as proposed in the Budget, there will henceforth be three classifications of cloth—(1) 35s and below, (2) 36s to 47s, and (3) 48s and above—the rates of duty per square yard being six pies, one anna and 2½ annas, respectively. An idea of the incidence of the new excise tariff that actually falls on the different categories of cloth can be had from the following table:

(In pies)

Average width	Coarse 42"	Medium 42"	Fine 42"	Superfine 47"
New excise tariff as announced on 21st March, 1955, on square yard basis	6	6	12	30
In terms of linear yard, the above rate of duty works out to	7	7	14	39
Pre-budget duty on linear yard basis	6	6	18	30
Net increase or decrease in the rate per linear yard over pre-Budget level	+1	+1	—4	+9

The Finance Minister has so far given no indication of the effect of the modifications, announced on 21st March, 1955, on his revenue estimates. The question is as to how much additional revenue can he hope to get in 1955-56. It is felt that he will not surely be able to realise the sum of Rs. 9 crores estimated on the Budget day; but it is difficult to arrive at an estimate which will prove fairly correct. Assuming that production and internal consumption are maintained at the 1954-55 level, one trade estimate puts the figure at Rs. 2.5 crores, raising the total excise revenue on cloth for 1955-56 to Rs. 29 crores, as against the revised estimate of Rs. 26.5 crores for 1954-55. Some, however, feel that it would be a little more than this amount.

EXCISE ON COARSE WOOLLEN RUGS

Manufacturers of coarse woollen rugs are greatly perturbed by the Union Government's decision to impose an excise duty of 10 per cent. ad valorem. In the course of a communication addressed to the Secretary, Central Board of Revenue, Mr. M. Anantharamiah, a drugget producer in Bangalore, has put forward a plea for completely exempting coarse rugs from payment of excise duty. The plea is based on the ground that the coarse rugs are produced out of coarse wool, a large part of which is the by-product of the tanning industry. Further, the rugs are used mostly as coverings by persons with low levels of income who cannot afford the costlier fine mill-produced rugs. The incidence of excise duty, Mr. Anantharamiah points out, is unduly heavy; it works out to as much as As. 12-6 per coarse rug costing about Rs. 8. As it is, coarse rugs bear a sales tax of As. 4, besides an octroi duty of As. 2. "This," to quote Mr. Anantharamiah, "is a heavy incidence which a poor man can ill-afford. In the urban centres, the cost of living continues to be high, while in the rural areas, the recent fall in the agricultural commodity prices has reduced the purchasing power of the masses . . . the industry will be forced to bear the incidence of excise duty itself. The effect would be a further addition to the cost of production which has already been rendered sufficiently heavy by high levels of wool prices and wages."

The plea for exempting coarse woollen rugs from excise duty would appear to be quite justified. The Taxation Enquiry Commission itself has specifically recommended that coarser rugs and similar articles used by the poorer people may be exempted.

NEW COTTON MILLS IN WEST BENGAL

Proposals for the establishment of three new cotton spinning mills and extension of two existing mills on the outskirts of Calcutta to provide employment to East Pakistan refugees resettled in the refugee townships around the city, were discussed by Mr. Mehr Chand Khanna, Union Rehabilitation Minister, Dr. B. C. Roy, Chief Minister, and Mrs. Renuka Ray, Relief and Rehabilitation Minister, West Bengal. These schemes, sponsored by private industrialists with Government assistance, involve a total expenditure of nearly Rs. 2 crores and are expected to absorb over 2,000 refugees in the initial stage and nearly 5,500 at a later stage. The question of grant of loans to refugees for similar purposes through the Rehabilitation Finance Administration was also considered.

The industries committee, consisting of Central and State experts, have already scrutinised these five schemes in accordance with the Union Rehabilitation Ministry's new policy of encouraging small and medium-scale industries in the Eastern States with a view to tackling the problem of chronic unemployment among East Pakistan refugees being resettled here. Industrialists willing to set up small and medium-scale industries are given land and factory buildings on rental basis, water and electricity at the rates prevailing in the neighbouring industrial areas and loans up to 50 per cent. of the value of machinery. They are required to take all unskilled labour from refugees and train them up subsequently for skilled jobs also.

TEXTILE INDUSTRY IN EUROPE

WARNING BY THE O.E.E.C. COMMITTEE

A GRIM warning that a considerable part of the textile industry of Europe would face the danger of gradual extinction, if the present trends in the world's textile economy were allowed to persist, has been administered by the Textile Committee of the Organisation for European Economic Co-operation (O.E.E.C.), in its report for 1954 published in Paris recently. The industry, says the Committee, is in danger of losing progressively its remaining export markets and is having increasing difficulty in holding its own even in the domestic markets. According to it, such a contraction of the industry will raise grave social, political and even strategic problems. European countries will have to spend on foreign textiles four to five times as much as they spend now on importing raw materials.

This warning of the O.E.E.C. Textile Committee assumes special significance, considering the pivotal place which the European textile industry occupies on the world textile map. The industry accounts, for instance, for as much as 43 per cent. of the world's cotton spindles and 37 per cent. of all cotton looms. It consumes 20 per cent. of the world's annual raw cotton output, 43 per cent. of its annual wool clip and 25 to 35 per cent. of the world's production of man-made fibres. It employs more than 3 million persons. It is, therefore, disquieting that the industry should have been lagging behind other countries in textile sales. What is this due to? The O.E.E.C. Textile Committee attributes this state of affairs to the two-fold competition from low-wage producers, such as India and Japan, and from the most highly mechanised producers such as the U.S.

View Exaggerated

The aforesaid view of the Committee is clearly exaggerated. For it is not so much the prevalence of such competition as the fact that the European textile industry is suffering from extraordinarily high wages plus low working hours and from an excess of installed equipment, much of which is old and apparently obsolete, that has made the outlook for the industry so grim. This, in turn, is the result of the following four factors:

(1) Domestic consumption of textiles fails to follow the rise in real income per head.

(2) Export markets are contracting, as the textile industries of new countries are developed under cover of high customs barriers and severe import restrictions.

(3) Cost of production is kept high by high price of cotton.

(4) The continuing large amount of labour employed per unit of output in comparison with other industries has raised the price of European textiles to a high level.

In view of these factors, it is felt that "a reduction in the quantity accompanied by an improvement in quality of the equipment is necessary." But falling profits make it difficult for the European textile industry to finance the required capital investments systematically. To quote the Special European Correspondent of the *Hindusthan Times*: "Credit is not easily obtainable. Nor is the fact that enterprises are still largely run as family concerns conducive to outside capital equipment." It is, perhaps, these considerations which have weighed with the O.E.E.C. Textile Committee in urging that, unless right measures were taken—as, for example, for improved technique, higher productivity and greater efficiency and, in general, for "regaining its vigour and financial health"—the European textile industry could not escape the vicious circle in which it finds itself today. More light on these measures may be expected to be shed by the Committee at its forthcoming Congress on textile productivity to be held in July next and at the inter-European conference on problems of textile distribution.

The Central Government has exempted from section 11-A of the Industries (Development and Regulation) Act, 1951, some lines of production of the textile industry bearing a mark as defined in the Trade Marks Act, 1940. In other words, an industrial undertaking covered by this exemption need not take a fresh licence merely for the purpose of producing an article bearing a trade mark. Among the lines of production eligible for this exemption are production of textiles (a) made wholly or in part of cotton, including cotton yarn, hosiery and rope, (b) made wholly or in part of jute, including jute yarn, twine and rope, (c) made of wool, including woollen yarn, hosiery carpets and druggets, (d) made of silk, (e) made of artificial silk, including artificial silk yarn, and (f) made wholly or in part of staple fibre.

U.K'S ANXIETY OVER AUSTRALIA'S DECISION TO CUT IMPORTS

COTTON BOARD'S REVIEW OF TEXTILE TRADE

From Our Special Correspondent

MANCHESTER, 22nd March

FOLLOWING closely on the heels of numerous uncertainties affecting the future of the Lancashire textile industry, a new set-back has been received as a result of the decision of the Australian Government to curtail imports. This move created renewed anxiety in view of the fact that Australia is the British cotton industry's leading overseas market.

MANCHESTER LETTER

Last year, the mills sold cotton and rayon fabrics and yarns to Australia worth £30,500,000. It is expected that the cuts imposed by Australia will mean a reduction in the value of exports by about one-third. The decision comes at the start of a week in which a Lancashire delegation will be taking their trade problems direct to the Prime Minister, Sir Winston Churchill, at an interview in London.

Most of the trade organisations have been officially "awaiting further details," but spokesmen were sufficiently dismayed to comment that the timing of Australia's decision was bad for Lancashire not merely economically but psychologically. To say that confidence in the industry is wavering at the present time is an understatement.

The comment of Mr. Lewis Wright, the General Secretary of the Amalgamated Weavers' Association, was typical of many in the industry. "The news could not have come at a worse time than this when the home market is being threatened by competing imports and we are having the utmost difficulty in holding on to our export trade," he said.

Meetings of trade organisations are being summoned to discuss the situation. Mr. Frank Beckett, Chairman of the Dominions section of the Manchester Chamber of Commerce, said that while the introduction of import restrictions had not been entirely unexpected, the severity of the cut as it affected textiles was greater than had been anticipated.

It was "very disturbing" for Lancashire, said Mr. Beckett, adding: "We are very disappointed because we were planning sales campaigns to popularise British goods in Australia. We can only hope it is a temporary measure."

Textile Exports

Exports of Lancashire cotton and rayon fabrics in the final quarter of last year were down by about 25 per cent. on the corresponding period of 1953. Recording this in its statistical review of world trade in cotton and rayon textiles, the Cotton Board states that there has been no improvement in the volume of business booked by the United Kingdom cotton industry during the last three months.

Order books in all the producing sections had continued to decline. This was not due to any falling off in demand in the home market, but to a combination of steadily declining exports and a rapid and continuing expansion of imports of grey cloth.

In January, this year, there was some improvement in exports—shipments of cotton cloth aggregated 60 million square yards, compared with a monthly average of 48 million square yards in the final quarter of 1954—but the January figures are not taken by the Board as a symptom of any lasting improvement in export trade.

Less to Commonwealth

The review comments: "The decline in cotton piecegoods shipments from 152 million square yards in the third quarter to 143 million square yards in the fourth quarter was caused principally by the severe reduction in deliveries to Australia and South Africa. New Zealand, Southern Rhodesia and British East Africa also took substantially less British cloth than in the previous quarter." It adds: "On the other hand, there was a normal seasonal expansion in exports to British West Africa, from 23 million to 31 million square yards, and shipments to French West and French Equatorial Africa increased sharply to reach a comparatively high level."

A most serious loss in exports of rayon and mixture cloths in the fourth quarter also occurred in the Commonwealth—mostly in Australia, New Zealand and South Africa.

Imports of cotton piecegoods into the United Kingdom rose to 89 million square yards in the final quarter of 1954, as compared with 73 million square yards in the third quarter and 29 million square yards in the fourth quarter of 1953. Imports from India again increased—from 36 million to 38 million square yards—and cloth arrivals from Japan also showed an upward trend from 17 million to 28 million square yards.

World Trade

Reviewing world textile trade, the Board says that during 1954 exports from the principal countries are estimated at 5,120 million square yards as against 4,560 million yards in 1953.

The Board comments that increases in shipments by Japan (914 million to 1,278 million square yards) and in Indian exports (655 million to about 865 million square yards) fully account for the overall expansion.

Shipments from the next most important exporting countries—the United Kingdom with 637 million square yards, and the United States with 614 million square yards—were less than in the previous year.

Between Two Fires

Considerable interest has been taken in Lancashire at the latest survey of textile developments prepared by the responsible committee of the Organisation for European Economic Co-operation. This document studies the scene and proposes remedies for the present ills of the European cotton trade.

"Caught between competition from countries with low wages and those with a high degree of productivity, the European textile industry is in danger of losing progressively its remaining export markets and having increasing difficulty in holding its own on the domestic markets," declares this report. Such a depressing outlook is not fresh in conception but it is difficult to escape such a forecast in the light of the facts and figures provided in the survey.

Conditions in Lancashire reflect to a very considerable extent the general trend of the textile industry in Europe. It is, as the report says, at present caught up in a kind of vicious circle. There is an excess of installed equipment, much of which is old and sometimes obsolete. Although most of this plant has been written off and is no longer a charge on production costs, this in itself creates a constant risk of overproduction and also tends to weaken the competitive capacity of the industry.

That the equipment involved should, therefore, be reduced in quantity and improved in quality is in theory a simple solution, but the report admits that such a policy raises difficult financial problems.

It has often been stated that if British cotton operatives worked for no wages at all the goods they made would barely be able to compete in price with comparable products from the Asiatic countries and this situation is not likely to alter. On the other hand, the textile industry in the United States has attained a very high degree of productivity aided by a high ratio of invested capital and keen specialisation together with an efficient system of distribution.

Such an example, according to the report, seems to point the way for the European textile industry. Unfortunately, its structure, financial situation and the conditions of the market make it difficult at present to carry out the necessary transformation with sufficient speed.

In Time of Need

From the economic standpoint alone this progressive contraction of the European textile trade might be regarded as an inevitable development but it carries with it grave social problems as well as political, financial and even strategic consequences. Extremists have on occasions suggested that a point may be reached when the cost of importing raw cotton will not compensate the country for the maintenance of a domestic industry.

The importance of the strategic aspect of the Lancashire cotton industry as a national asset was emphasised at one stage in the recent debate in the House of Commons. Pointing out that the policy of concentration during the last war caused curtailment of production to a stage where the mills were unable to satisfy completely the demands of the Services and civilians, Mr. Wentworth Schofield, M.P. referred to the large imports of textiles which were forced to run the hazards of war at sea.

He went on to assert that even on the present output of the industry in Lancashire there would be difficulty in completely satisfying the

(Continued on page 655)

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TRENDS IN WORLD COTTON OUTPUT

SIGNIFICANT INCREASE RECORDED IN PER-ACRE YIELDS

FEW agricultural commodities have established so encouraging a record of increased output as cotton. In response to the growing demand for cotton fabrics the world over, nearly all the cotton-growing countries have in post-war years, encouraged the cultivation of cotton. World output of cotton is now about 26 per cent. above the pre-war level. This increase reflects the increased consumption of cotton; the world consumption of cotton is now about 20 per cent. above the pre-war level.

The following two tables give the world consumption of cotton in 1934-35 to 1938-39 (average) and in the five years ended 1953-54 and the world production of cotton in 1934-38 (average) and in six years ended 1954-55:

World Consumption of Cotton

(In million bales of 478 lbs. net)

Years	Free world	Communist countries	Total
1934-35 to 1938-39 (average)	22.27	7.11	29.38
1949-50	23.69	5.66	29.35
1950-51	26.53	6.51	33.04
1951-52	25.21	7.31	32.52
1952-53	25.96	7.78	33.74
1953-54	27.00	8.10	35.10

World Production of Cotton

(In million bales of 478 lbs. net)

Years	Free world	Communist countries	Total
1934-35 to 1938-39 (average)	24.21	6.24	30.45
1949-50	26.69	4.48	31.17
1950-51	22.26	6.01	28.27
1951-52	28.64	7.30	35.94
1952-53	28.92	6.98	35.90
1953-54	30.04	7.98	38.02
1954-55	28.7	*	*

*Not available.

It will be seen from the table of cotton output, given above, that, although the upward trend in the output has not been continuous in recent years, the level of output, except in 1950-51, has been well above that in the pre-war years. In the current season (that is, 1954-55 season), a fall in output is no doubt anticipated, the output being placed at 28.7 million bales for the free world as against over 30 million bales in the last season. But it must be remembered that the free world's cotton output in the 1954-55 season is at a much higher level than was originally thought possible. Fundamentally, this is the result of a record high yield in the U.S. and a significant expansion in cotton acreage in other cotton-producing countries. In this connection, the International Cotton Advisory Committee, Washington, has attempted to "delve more deeply," in the course of an article entitled "Current Trends in Cotton Acreage, Yield and Production," in the February issue of the Committee's journal *Cotton*, into the reasons behind this continuing high level of cotton production.

Acreage and Yield

The prime determinants of production, as the Committee points out, are acreage and yield. Production variations may be planned or fortuitous-planned in the sense that they represent the response of individual cotton growers to changes in price or other factors or the result of definite action by Governments; fortuitous in the sense that some variations are largely the result of factors beyond direct human control. From this point of view, variations in planted acreage are almost always included in the first category, while yield variations may be due to both "planned" and "fortuitous" considerations.

A Government, the Committee points out, can normally effect a reduction in planted cotton acreage by the imposition of acreage restriction schemes. Official control of acreage can also be achieved by less direct methods—for example, by lowering the monetary incentive to cotton producers. Reduction in acreage may come about as a result of the reaction of individual farmers to changes in absolute or in relative price, or they may be fortuitous—for example, in irrigated or semi-irrigated areas, dry weather will, despite farmers' desire to grow more cotton, make planting impossible.

An analysis of the trend in cotton acreage shows that since the pre-war years, there has been a significant increase in the land under cotton in the countries outside the U.S. In the U.S., the land under cotton in 1934-38 (average) was 28.4 million acres. It declined to 24.3 million acres in 1953-54 and, for the current season, it is placed at about 19.2 million acres. In the free world outside the U.S., the land under cotton averaged 41 million acres in pre-war years. It declined to 39.8 million acres in 1953-54 but recovered to 43.3 million acres in 1954-55 (preliminary estimate). Thus, there has been an increase of nearly 3.5 million acres under cotton in these countries. The big increase in acreage planted to cotton, according to the Committee, is "indicative of the attraction in cotton growing whether for domestic use or for export during the present season." The Committee admits that it is, however, difficult to determine how much of the cotton acreage increase has resulted from Government action. Analysing the ways in which the Governments can encourage the extension of acreage under cotton, the Committee observes:

"Governments can encourage cotton growing by offering higher price supports or by raising the import tariff on foreign staples. Less directly, extended credit to agricultural producers, improved marketing and distribution facilities, scientific research, and extension activities, arrangements for the supply of machinery, fertilisers and insecticides, and the opening of new areas by irrigation projects influence the level of agricultural production over the longer period. It is questionable whether direct Governmental action this season in the form of price supports has been directly responsible for more than a small fraction of the increase in cotton acreage in the various countries. The United States and Egypt increased their support prices by small amounts but in both instances, acreage restrictions have been in force. One or two of the smaller countries—for example, French Equatorial Africa—raised their price supports but this has obviously little influence on aggregate cotton production in the free world.

"The indirect effects of such action are, however, of paramount importance. It is widely acknowledged that the United States loan programme, which guarantees stable and generally profitable cotton price and generally has a similar influence on prices outside this country, has served, among other things, to stimulate cotton growing in other countries. At the same time, Government action along other than price lines undoubtedly has much to do with the long-term increase in acreage planted to cotton outside the United States."

The Committee next poses two important questions: (1) What portion of the total increase in cotton production outside the U.S. is associated with an increase in planted acreage? (2) Where did these acreage increases occur? In 1954-55, the aggregate acreage in countries outside the U.S. increased, as already stated, by 3.5 million acres. Analysing this increase further, the Committee points out that an increase of three million acres took place in the 12 major cotton-growing countries of Mexico, India Pakistan, Turkey, Syria, Brazil, Argentina, Peru, Egypt, Sudan, Uganda and the Belgian Congo. Had yield per acre remained the same as in 1953-54, this net increase of three million acres would have resulted in an increase of a little over 1.0 million bales in total production. In actual fact, however, production in these 12 countries increased by 1.2 million bales. This difference, of course, is attributable to yield factors. The increase in production due to acreage factors, it is further pointed out, occurred in mainly three countries—India, Egypt and Brazil. Commenting on this trend, the Committee says:

"In passing, it may be noted that production in India is still less than consumption while in the other two countries the increase in acreage was a return to more normal conditions after a period of reduced acreage. Acreage in these three countries increased by 2.7 million acres which means a net acreage increase in the nine other countries of only 300,000 acres. Of the 12 major cotton producers, acreage increased in 10 of them, Pakistan and Turkey being the only exceptions."

As regards the minor cotton-producing countries, the tendency here, almost without exception, has been to increase the acreage planted to cotton. Acreage data here are not accurate enough to permit a detailed analysis on the same lines as that for the 12 major countries. The number of countries is so large, however, that variations in acreage and yield in any one country are not important and they are considered on an aggregate basis. The net increase in acreage here was half a million acres or 9 per cent. which, assuming constant yields, would have resulted in an increase in production of roughly 150,000 bales. The remaining 150,000 bales increase in aggregate production in these countries, it is presumed, should have resulted from higher yields. Thus, the increase in production outside the U.S. in 1954-55 associated with expanded acreage amounted to 1.2 million bales of which over one million bales relates to the 12 major countries and the balance—150,000 bales—to the minor countries.

Effect of Weather

Generally speaking, increases in yields, in contrast to increases in acreage, are fortuitous, being dependent on variations in weather. Cultivators may, however, be induced by higher prices to increase the yield through the adoption of better cultural practices and use of fertilisers. In the U.S. the per-acre yield increased from 212 lbs. in 1934-38 (average) to 324 lbs. in 1953-54 and still further to a record level of 339 lbs. in 1954-55, a rise of more than 50 per cent. This is attributed to the greater use of the better land for cotton growing, the probable heavier application of fertiliser and insecticides per acre and the growing use of supplemental irrigation in rain-grown areas. In 1953-54, 14.8 million acres received fertiliser and in 1954-55, 11.9 million acres. Efforts continue to be made to increase yield in the U.S. but a "very important influence on yield this season seems to have been the favourable weather—the drought caused some damage by premature ripening and shedding of bolls but held insect damage down to a minimum and facilitated harvesting."

In other countries, yield has shown a net increase this season. The trend outside the U.S. recently has been for a gradual increase in yield but the fact remains that, in most countries producing American or Asiatic types, yields are very much lower than in the U.S. With over 40 million acres in cotton production each year, even a small increase in average yield would, however, have a "noticeable effect" on production. In the larger period increased yields can be expected to raise the level of production in these countries.

Aggregate yield in the 12 major countries has increased from 167 lbs. per acre in 1953-54 to 169 lbs. in 1954-55, and in minor countries from 143 lbs. to 154 lbs. For all countries outside the U.S., the increase has been of the order of 4 lbs., the yield having increased from 163 lbs. to 167 lbs. For the free world, as a whole, the per-acre yield in 1954-55 is estimated at 219 lbs., as against 224 lbs. in the previous year, and 169 lbs. in the pre-war years 1934-38 (average). In the 12 major cotton-producing countries, outside the U.S., variations in yield have resulted in a net increase in production of 150,000 bales only. This, however, conceals the actual influence of yield for (1) there have been significant improvements in yield in some countries, notably in Mexico, but decreases in others, and (2) the acreages used as weights in estimating the net increase in yield have also changed. As regards minor countries, there is a net gain of 11 lbs. per acre, though the yield in several countries has decreased, notably in Colombia, Iran, Burma and Nigeria.

The following table shows the net effect on production of changes in acreage and yield outside the U.S.

(In million bales)

	Increase in production due to net increase		
	In acreage	In yield	Total
Major countries ..	1.05	0.15	1.20
Minor countries ..	0.15	0.15	0.30
	1.20	0.30	1.50

It would, however, be wrong to conclude that all this increase in the output of cotton in the countries outside the U.S. has necessarily meant an increase in the export availability of cotton. In many of these countries, the domestic textile industry has commenced utilising a larger proportion of home-grown cotton. In Pakistan, for instance, production has increased by 100,000 bales but, at the same time, the home industry is expected to consume some 200,000 bales more this season. Similarly, Indian consumption is "likely to rise to the same extent as the increase in production." Also, increased production in importing countries reduces cotton imports. Such reduction is, however, a small quantity; it is about 50,000 bales, but this figure excludes India.

To sum up, there has been an upward trend in cotton production in recent years. In the U.S., this has been as a result of higher yields, for the acreage trend has been downwards. Outside the U.S., the situation is somewhat different. In the 12 major countries, the higher level of production is mainly due to increased acreage. Yield in many of these countries shows

(Continued on page 655)

CENTRAL BANK OF INDIA LTD.

SIR HOMI MODY'S SPEECH AT ANNUAL GENERAL MEETING

"THE operations of banks in India," observed Sir Homi Mody, Chairman of the Central Bank of India Limited, in the course of his speech at the Annual General Meeting of the Bank on 25th March, 1955, "recorded a substantial improvement in volume during the year 1954. Total deposits of Scheduled banks averaged Rs. 887 crores in 1954, as compared with Rs. 853 crores during the preceding year, but they were still below the peak of Rs. 990 crores attained in 1948. Demand deposits showed an improvement of Rs. 16 crores, as compared with the previous year, while time deposits maintained the continuous rise witnessed since 1948. The average amount of bills and advances of Scheduled banks during the year was Rs. 532 crores, as compared with Rs. 508 crores in 1953."

Sir Homi pointed out that the economic position in India, following the general pattern in the U.S. and Britain, had shown a further improvement during the year under review. "The food deficit," said Sir Homi, "which necessitated at one time considerable imports involving heavy commitments of foreign exchange, was practically wiped out and controls were lifted. Side by side with this, a substantial recession in food prices took place, and that has posed a somewhat difficult problem, but if the deficit financing envisaged in the Budget materialises, it is bound to arrest the decline in prices, and may even lead to inflationary pressures."

Referring to the substantial improvement in industrial production, Sir Homi observed that in several industries the targets fixed under the Five-year Plan had been achieved or exceeded. A number of new enterprises had been started and, both in the public and private sectors, substantial improvements were recorded. Inland and foreign trade were also at a higher level than in the previous year.

Commenting on the employment situation which had continued to cause anxiety, Sir Homi said that the malady was deep-seated and short-term remedies were not likely to provide anything more than a palliative. He felt that only by large-scale expansion of production and distribution would it be found possible to reduce it to managable proportions.

Measures Affecting Industrial Development

Sir Homi then commented on some of the measures vitally affecting the future of industrial development in this country initiated during the year. He first referred to the Company Law Amendment Bill. The changes proposed in the Select Committee stage of the Bill were very drastic, and they would in effect mean not the reform of the managing agency system, but its total elimination in due course. He hoped that when the Report of the Select Committee was published and the full implications of the measures proposed were appreciated, industrialists and investors alike would make an organised effort to press their views before Parliament and see that their case did not go by default.

The Constitutional amendments, now before Parliament, presented a very alarming picture, said Sir Homi, and he felt that steps should be taken to ensure that Parliament was not left in any doubt with regard to the reactions of the public which was affected towards measures which would largely do away with the Fundamental Rights secured to the citizen under the Constitution. "Section 31 of the Constitution," he continued, "relating to compensation for acquisition of property, had been framed after prolonged and anxious deliberation, and nothing has happened, in my opinion, to warrant the drastic curtailment of the rights which holders of property enjoy in every other free society."

Although the Budget presented to Parliament did not come under a review of the events of the past year, Sir Homi felt that it was impossibe to avoid a reference to it. "While the development rebate of 25 per cent. which the Finance Minister has proposed should be of undoubted benefit to industry, the proposals for direct taxation in respect of the middle and upper income groups can be understood only if it is the declared policy of Government to eliminate the savings from which investment capital is created and to destroy all incentives. The report of the Taxation Enquiry Commission contains some very radical suggestions, calculated still further to cripple the capacity of the *entrepreneur* to perform his functions. Some of the recommendations already find a place in the Finance Bill now before Parliament, and if the process goes any further, I cannot but think the economic development of the country will be seriously jeopardised."

Turning to the Directors' report and statement of accounts for the year, Sir Homi stated that the total gross earnings of the Bank showed an increase of nearly Rs. 30 lakhs, but that due to substantial increase in expenditure, the ultimate net profit for 1954 was only Rs. 1,38,000 more than in the previous year. He pointed out that the increase during the year under "interest paid on deposits, borrowings, etc." and "salaries and allowances, etc." shown on the expenditure side of the profit and loss statement, accounted for nearly Rs. 25 lakhs.

High Rates on Deposits

Sir Homi next dealt with the item relating to interest on deposits, borrowings, etc., which showed an increase of nearly Rs. 10 lakhs. "This was on account of the continuance of the high rates required to be paid on deposits, particularly on call and short-term deposits. There are no signs of any appreciable diminution of such rates in the near future. In this connection, you will appreciate the Bank has to maintain its long-standing connections with its valued constituents and cannot afford to forgo deposits and let business pass to other institutions."

Sir Homi also stated that the establishment charges increased by nearly Rs. 15 lakhs, more than two-thirds of which was accounted for by the emoluments of the clerical and subordinate staff.

Referring to the balance-sheet, Sir Homi said, "on the liabilities side, you will see that the figures of deposits show an appreciable increase compared to the previous year; the aggregate total was higher by Rs. 6 crores.

"The increase in Bank's business in 1954 is further reflected in higher figures under the heads 'bills payable,' 'bills for collection' and 'acceptances, endorsements and other obligations.'

"On the assets side of the balance-sheet, I would refer you to the item of investments. At every suitable opportunity endeavours have been made to reduce our investment portfolio so that the proceeds realised therefrom may be utilised in other channels like advances and bills yielding a higher return. Securities of the Central and State Governments and other trustee securities accordingly stand reduced by nearly Rs. 2,30,00,000. Under other heads, such as shares, debentures and other investments, there have been increases of a few lakhs, with the ultimate result that the grand total shows a reduction of Rs. 1,20,00,000.

"At the end of 1953, the difference between the book value and the market value of the Bank's investments stood at Rs. 3,13,00,000. The difference has since come down to Rs. 2,41,00,000. It has been our constant anxiety to see that the gap is narrowed and we hope that the profits of the Bank in future years would enable the Directors to set apart larger amounts. In the year under report, it was not found possible to transfer to the Bank's investments a larger sum than Rs. 15,00,000."

Sir Homi then called the attention of the shareholders to the item relating to the advances and bills business of the Bank which on the closing date showed an aggregate increase of a little over Rs. 2 crores and 85 lakhs, including a rise of over Rs. 1 crore and 9½ lakhs under the heading of "Moneys at call and short notice"; the average during the year stood at a still higher figure.

Bonus to Staff

Sir Homi regretted that, after making the necessary appropriations which were no more than required in the present circumstances, the ultimate available surplus in the hands of the Directors did not permit the provision of a higher bonus to the staff than one-twelfth of the basic salary earned by each member during the year. In this connection, he repeated what he had said last year, that if the position had warranted it, nothing would have pleased the Board better than to have sanctioned a larger amount by way of bonus.

At the conclusion of his speech, Sir Homi thanked all those engaged in the service of the Bank. "The Managing Director, Mr. Captain," said Sir Homi, "has not spared himself in the performance of his duties; he is carrying a burden which has become particularly onerous in the times through which we are passing. Mr. Karanjia, Manager, Branches, and Mr. Cooper, Secretary, have heavy responsibilities which they are discharging to the entire satisfaction of the Board. To them, and to all other members of the staff, as also to the local committees at the various centres, I desire to convey our grateful thanks."

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THE UNITED COMMERCIAL BANK, LIMITED

(INCORPORATED ON 6TH JANUARY, 1943)

AUTHORISED CAPITAL	Rs. 8,00,00,000	PAID-UP CAPITAL	Rs. 2,00,00,000
SUBSCRIBED CAPITAL	Rs. 4,00,00,000	RESERVE FUND	Rs. 86,50,000

TWELFTH REPORT OF THE BOARD OF DIRECTORS

The Directors submit to the shareholders the Audited Balance Sheet of the Bank as on, and the Profit and Loss Account for the year ended, 31st December, 1954.

	Rs.	a.	p.
The net profit for the year, after providing for all known and anticipated charges and including Rs. 1,52,320-7-3 brought forward from the previous account, amounts to	32,58,724	8	9
The Directors have made the following appropriations out of the net profit:			
1. Transfer to Reserve Fund	6,50,000	0	0
2. Provision for Taxes	12,50,000	0	0
3. Provision for Bonus to Staff	2,50,000	0	0
4. Balance	11,08,724	8	9
Rs.	32,58,724	8	9

Out of the balance of Rs. 11,08,724-8-9 the Directors recommend to the shareholders payment of Dividend at Rs. 2-8 per share, free of Income-tax, which will absorb Rs. 10,00,000 leaving Rs. 1,08,724-8-9 to be carried forward to the next year's account.

During the year under report, your Bank paid Rs. 19,958, as donations, including Rs. 15,600 to the Nanyang University of Malaya.

The documents of title to the Bombay flats purchased by the Bank have still not been completed on account of delay in legal formalities.

The Bank's business has continued to expand during the year and there is an increase in deposits at the end of 1954 as compared with the corresponding figure for 1953. Looking to the monetary, credit and trade conditions in 1954 in the countries in which your Bank operates, your Directors consider the working of the Bank and the profits for the year as satisfactory. The Bank's investments appear in the balance sheet at below market value.

During the year, the Bank opened sub-branches at Ballygunge (Calcutta) and Jalahalli (Bangalore) and a branch at Bassein in Burma.

The Directors have to report with great sorrow the death, in April 1954, of Mr. Baijnath Jalan who was a Director of the Bank since its inception and who was held in high esteem and respect by his colleagues. The Directors wish to place on record their deep sense of appreciation of the great service rendered by Mr. Baijnath Jalan during the long period of his office.

The Directors are thankful to the shareholders and the clients of the Bank for their continued support. They also express their gratitude to the members of the Bank's Local Boards and Advisory Committees for their able help and guidance.

The Directors place on record their appreciation of the high sense of, and devotion to, duty of Mr. B. T. Thakur, your General Manager, and Mr. S. T. Sadasivan who acted as General Manager, and thank them for their ceaseless and untiring efforts in the Bank's interests. The Directors also thank the officers and staff of the Bank for their hard work and loyal service.

Under Article 95 of the Bank's Articles of Association, four of your Directors,

Shri I. P. Goenka — Shri Navinchandra Mafatlal
Shri A. C. Law — Shri R. L. Nopany

retire by rotation, and, being eligible, offer themselves for re-election.

The shareholders are requested to appoint auditors for the current year and to fix their remuneration.

By Order of the Board,
G. D. BIRLA,
Chairman.

CALCUTTA, 4th March, 1955.

BALANCE SHEET AS AT 31st DECEMBER, 1954.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL— 8 lakhs shares of Rs. 100 each	8,00,00,000 0 0	
ISSUED AND SUBSCRIBED CAPITAL— 4 lakhs shares of Rs. 100 each	4,00,00,000 0 0	
AMOUNT CALLED-UP— 4 lakhs shares at Rs. 50 per share		2,00,00,000 0 0
2. Reserve Fund and Other Reserves— Reserve Fund (including under Section 17 of the Banking Companies Act)		86,50,000 0 0
3. Deposits and Other Accounts— Fixed Deposits	15,17,47,579 12 11	
Savings Bank Deposits	3,76,52,019 2 8	
Current Accounts, Contingency Accounts, etc.	21,40,17,721 11 3	
		40,42,18,220 10 10
4. Borrowings from Other Banking Companies, Agents, etc.— (i) In India	3,91,50,000 0 0	
(ii) Outside India	10,80,000 0 0	
		3,92,30,000 0 0
PARTICULARS— (i) Secured by part of Investments per contra	3,57,80,000 0 0	
(ii) Unsecured	34,50,000 0 0	
5. Bills Payable		40,69,781 5 1
6. Bills for Collection being Bills Receivable as per contra— (i) Payable in India	1,98,76,508 14 1	
(ii) Payable outside India	2,18,49,433 15 9	
		4,17,25,942 11 10
7. Other Liabilities— (i) Branch Adjustments	1,34,84,154 12 2	
(ii) Unclaimed Dividends, etc.	2,09,664 2 2	
		1,36,73,818 14 4
8. Acceptances, Endorsements and Other Obligations per contra .. (Includes Guarantee of Rs. 4,46,584-6-3 issued to Govt. Departments; Securities in full lodged with Reserve Bank of India and Imperial Bank of India)		8,89,43,638 9 11
9. Profit and Loss— Profit as per last Balance Sheet	9,52,320 7 3	
Less—Dividend	8,00,000 0 0	
	1,52,320 7 3	
ADD—Profit for the year (Subject to Taxation)	31,06,404 1 6	
	32,58,724 8 9	
LESS—Appropriations made—	Rs. a. p.	
To Reserve Funds	6,50,000 0 0	
To Reserve for Taxation ..	12,50,000 0 0	
To Bonus to Staff	2,50,000 0 0	
	21,50,000 0 0	11,08,724 8 9
10. Contingent Liabilities— (i) Claims against the Banking Company not acknowledged as debts Rs. 2,44,320-1-7.		
(ii) On Foreign Bills Rediscounted Rs. 72,23,741-0-9 of which upto 28th February, 1955, Rs. 41,82,605-13-1 have run off.		
(iii) Forward Exchange Contracts outstanding for the purchase and sale of Bills and Telegraphic Transfers Rs. 17,74,56,408-15-9 of which upto 28th February, 1955, Rs. 7,44,75,504-4-8 have been delivered.		
(iv) On partly paid shares Rs. 2,94,375-0-0.		
(v) Bonus Claims by employees not acknowledged as debts and disputed by the Bank before the respective Tribunals.		
Carried forward .. Rs.		62,16,20,126 12 9

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash— In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		3,98,93,845 10 9
2. Balances with Other Banks (including Foreign Government Treasuries)— On Current Account— (i) In India	10,45,413 4 9	
(ii) Outside India	2,10,33,314 4 1	
		2,20,78,727 8 10
3. Money at Call and Short Notice		20,00,000 0 0
4. Investments (at below market value)— (i) Securities of the Central and State Governments and other Trustee Securities (including Treasury Bills of the Central and State Governments		14,53,92,410 11 6
(ii) Shares—	Rs. a. p.	
Fully paid Preference Shares ..	55,000 0 0	
Fully paid Ordinary Shares ..	8,23,421 11 9	
Shares in Imperial Bank— Fully Paid	16,63,965 0 0	
Partly Paid	9,51,287 6 0	
(iii) Debentures or Bonds ..		25,93,674 3 9
(iv) Securities of the U.S.A., Burma, Malaya and Pakistan Governments and Foreign Trustee Securities ..		12,73,750 0 0
(v) Gold		2,23,10,183 0 9
		17,15,78,018 0 0
5. Advances (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
(I) Loans, Cash Credits, Overdrafts, etc.—	Rs. a. p.	
(i) In India	13,70,35,049 3 10	
(ii) Outside India	2,36,78,198 1 0	
		16,07,13,285 4 10
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India	4,19,40,311 3 2	
(ii) Payable outside India ..	4,38,95,965 4 2	
		8,57,36,276 7 4
		24,64,49,561 12 2
PARTICULARS OF ADVANCES—		
(i) Debts considered good in respect of which the banking company is fully secured		19,81,86,450 11 11
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security		2,17,12,203 6 2
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors		2,85,50,927 8 1
(iv) Debts considered doubtful or bad, not provided for ..		Nil
Total ..		24,64,49,581 12 2
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons (fully secured)		1,66,500 0 0
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members—		
	Rs. a. p.	
Fully secured	4,45,85,753 2 5	
Secured by personal liability of borrowers	4,02,202 9 8	
		4,49,87,955 11 11
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons ..		1,66,500 0 0
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members		4,49,87,955 11 11
(ix) Due from banking companies		6,04,435 0 11
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	1,98,76,508 14 1	
(ii) Payable outside India	2,18,49,433 15 9	
		4,17,25,942 11 10
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,89,43,638 9 11
Carried forward .. Rs.		60,94,89,457 5 6

THE UNITED COMMERCIAL BANK, LIMITED—*Continued.*

BALANCE SHEET AS AT 31st DECEMBER, 1954—Continued.

CAPITAL AND LIABILITIES—(Contd.)	Rs. a. p.	Rs. a. p.
Brought forward .. Rs.		62,16,20,126 12 9
Total .. Rs.		62,16,20,126 12 9

PROPERTY AND ASSETS—(Contd.)	Rs. a. p.	Rs. a. p.
Brought forward .. Rs.		60,94,89,457 5 6
8. Premises Less Depreciation— Cost as per last Balance Sheet	14,44,710 12 9	
Additions during the year	17,545 6 0	
	14,62,256 2 9	
LESS—Depreciation written off to date	2,28,723 13 9	
		12,33,532 5 0
Other Land and Buildings— Cost as per last Balance Sheet	14,93,133 7 2	
Additions during the year	21,772 4 0	
	15,14,905 11 2	
LESS—Depreciation written off to date	1,45,374 7 2	
		13,69,531 4 0
9. Furniture and Fixtures Less Depreciation (including Vehicles and Equipment)— Cost as per last Balance Sheet	52,70,864 15 7	
Additions (Rs. 4,35,477-12-2) less deductions (Rs. 37,329-10-11) during the year	3,98,148 1 3	
	56,69,013 0 10	
LESS—Depreciation written off to date	29,34,825 4 3	
		27,34,187 11 7
10. Other Assets, including Silver— (i) Interest accrued on Investments	17,09,857 7 1	
(ii) Estimated amount of refund of Income-tax .. .. (Income-tax assessment for six years 1949 to 1954 not yet completed)	41,95,912 8 2	
(iii) Stamps, Stationery and Library	9,08,843 3 5	
(iv) Silver	....	
		68,13,613 2 8
11. Non-Banking Assets Acquired in Satisfaction of Claims		....
12. Profit and Loss		....
Total .. Rs.		62,16,20,126 12 9

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1954.

EXPENDITURE	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	76,47,996	8	9
2. Salaries and Allowances and Provident Fund including Salaries and Allowances of General Manager Rs. 1,11,000/-*	70,16,671	10	7
3. Directors' (Rs. 31,050) and Local Committee Members' Fees and Allowances	43,650	0	0
4. Rent, Taxes, Insurance, Lighting, etc.	11,60,337	0	5
5. Law Charges	1,42,150	0	6
6. Postage, Telegrams and Stamps	4,46,542	0	0
7. Auditors' Fees for Statutory and Periodical Audits	96,611	13	1
8. Depreciation on and Repairs to the Banking Company's Property	6,44,130	4	3
9. Stationery, Printing, Advertisement, etc.	6,52,404	2	11
10. Loss from Sale of or Dealing with Non-banking Assets	....		
11. Other Expenditure	7,73,923	0	11
12. Balance of Profit (Subject to Taxation)	31,06,404	1	6
*In addition Rs. 24,000 being increment for 1953 accepted during the year, has been paid.			
Note: Rs. 9,051-3-0 paid as law charges to a Solicitor's firm of which a director is a partner.			
Total .. Rs.	2,17,30,820	10	11

INCOME	Rs.	a.	p.
(Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)			
1. Interest and Discount	1,42,41,592	0	3
2. Commission, Exchange and Brokerage	73,16,624	10	4
3. Rents	1,15,545	12	10
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets	55,300	3	6
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets	....		
6. Income from Non-banking Assets, and Profit from Sale of or Dealing with such Assets	....		
7. Other receipts	1,758	0	0
8. Loss	....		
Total .. Rs.	2,17,30,820	10	11

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the United Commercial Bank, Limited, as at 31st December, 1954, and also the foregoing Profit and Loss Account of the Bank for the year ended on that date, in which are incorporated the Branch returns audited by the Statutory or Local Auditors, and report that :—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) the returns received from branch offices of the Bank have been found adequate for the purpose of the audit;

(d) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;

(e) such Profit and Loss Account shows a true balance of profit for the year;

(f) such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank, and

(g) in our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

G. P. KAPADIA & CO.
K. N. GUTGUTIA & CO.
RAY & RAY
} Chartered Accountants.

CALCUTTA, 4th March, 1955.

B. T. THAKUR,
General Manager.

G. D. BIRLA Chairman.

I. P. GOENKA
A. C. LAW
G. L. BANGUR
P. D. HIMATSINGKA
R. L. NOPANY
R. G. SARAIYA
M. L. DAHANUKAR
M. L. SHAH
M. L. TAPURIAH
M. R. RUIA
NAVINCHANDRA MAFATLAL
} Directors.

R. B. SHAH,
Chief Accountant.

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FUTURE OF POWER ALCOHOL INDUSTRY

PLEA FOR HIGHER PRICE REJECTED

THE scope for the expansion of power alcohol industry in India seems to be bright. This is the impression one gets after perusing the inaugural address of Mr. Nityanand Kanungo, Union Deputy Minister for Commerce and Industry, delivered at the annual meeting of the All-India Distillers' Association held at New Delhi last week. The industry's claim to advance, Mr. Kanungo said, would be fully conceded in the second Five-year Plan which would have rapid industrialisation of the country as its main object. The statement is reassuring, in that it signifies the recognition of the vital role which the power alcohol industry plays in the country's economy. The development of this industry is essential from the point of view of minimising the country's dependence on foreign sources for liquid fuel, as well as from that of economic utilisation of surplus molasses produced by the sugar factories. It is needless to add that, when molasses are utilised gainfully, the cost of sugar will come down.

Despite its obvious importance to the national economy, the progress of the power alcohol industry has not only not been satisfactory but actually been disappointing in recent years. During 1953-54, for instance, the distilleries produced not more than 4.65 million gallons of power alcohol, as against 7.88 million gallons in 1952-53. The present rate of output is equal to just 31 to 35 per cent. of the aggregate annual installed capacity placed at 14.9 million gallons. Indeed, the actual output and the installed capacity of power alcohol are far from the targets of 18 million gallons and 21.12 million gallons, respectively, fixed for 1955-56 by the Planning Commission.

The Greatest Problem

What is the aforesaid state of affairs in the power alcohol industry due to? This question was impressively answered by Mr. R. K. Bajpai, President of the All-India Distillers' Association. The greatest problem of the distillers, Mr. Bajpai told the meeting, was the unremunerative price of power alcohol. According to him, many of the units were completely uneconomic, not because of wrong planning but because of low price and intermittent working due to shortage of raw material or non-utilisation of capacity. The present prices of power alcohol were fixed in January, 1950 and, since then, the prices of all other industrial raw materials had registered a big rise. To quote him:

"Molasses, the main raw material for the industry, comes from the sugar mills. While the sugar industry is comparatively free to adjust prices in accordance with the law of supply and demand, the distillers had to sell their entire production to the Government at fixed prices, with the result that they are made to bear the incidence of any uneconomic year. For instance, the industry has not yet recovered from the effects of last year's shortages of molasses, which cost many units a loss of production. The rise in the cost of freight (in many cases, the rise is said to be up to 50 per cent. of that prevalent at the time of price fixation) is also proving a heavy burden on the industry. For this reason, the cost of production in Bihar stands higher than in Uttar Pradesh."

Mr. Bajpai pointed out that the uneconomic working of some units was proving a discouragement for the industry's further growth, since the private sector, to which the industry was mainly confined at present, would not go in for further risks. He, therefore, urged the authorities to fix "a more favourable price" for power alcohol. This plea was, however, rejected by the Union Deputy Minister for Commerce and Industry on the scope that any increase in price would further curtail demand for power alcohol. He advised the distillers that, instead of making their products more expensive, they should go in for greater production. This advice would appear to have greatly disappointed the distillers. Thus, in the course of a resolution adopted, they expressed regret at the Government's unwillingness to revise the price of power alcohol.

In the light of what has been stated so far, it will be realised that the short-term outlook for the power alcohol industry is rather bleak. The unrealistic price policy adopted by the Government has prevented expansion of the existing units, with the result that the chances of even the target fixed for the first Five-year Plan being hit are far from bright. How does Mr. Kanungo expect the industry to expand, if it is not working on profitable lines? Who will make fresh investments in this industry, when it is found that the existing units are not in a position to allow a decent return on the capital already invested? In these circumstances, Mr. Kanungo's assurance regarding the place of the industry in the second Five-year Plan means nothing. It is needless to add that, unless the present distilleries are kept in good cheer and sound health, they will not be in a position to register satisfactory progress in the coming years.

Harsh Excise Rules

Mr. Bajpai did well to draw particular attention to the low level of consumption of power alcohol. The Indian distillers, we are told, find it difficult to market their meagre production of 1.3 million gallons, whereas the U.S. annually consumes more than 550 million gallons of alcohol for all industries. The main difficulty of marketing power alcohol in India is stated to lie in the harsh excise rules of State Governments. These rules are harsh because of the introduction of prohibition in many States. Explaining the nature of hardship, Mr. Bajpai remarked: "The industry is subjected to heavy fines, even when losses of spirits occur in transit through the negligence of railways. The checking system makes for endless delay in the effecting of supplies." He, therefore, sought the intervention of the Central Government in the matter and pleaded for the co-ordination of the rules followed in the States, with a view to removing the obstacles in the industry's way.

This is not the first time that the industry is stressing the need for the adoption of a uniform rate of excise duty and a uniform excise policy in all the States. The absence of such a policy, as has been pointed out in this journal on more than one occasion, has adversely affected the indigenous power alcohol industry, because the excise duty on power alcohol as well as the price of the raw material differs from State to State and their movement is also restricted. Although more than six years have elapsed since the Indian Power Alcohol Act, 1948, vesting the Central Government with powers to control the affairs of the industry, was passed, the Government has still not enforced the provisions of the Act fully and effectively.

"INDIAN SUGAR INDUSTRY—1953-54 ANNUAL"

Like the previous volumes in the series, the 1953-54 *Annual of the Indian Sugar Industry* (Editor: M. P. Gandhi. Published by Messrs. M. P. Gandhi & Co., Jan Mansion, Sir Pherozshah Mehta Road, Fort, Bombay 1. Price: Rs. 6) is an authoritative compendium of all developments relating to the sugar industry and trade. The *Annual* contains an excellent review of the events in the world of Indian sugar which covers not merely the white sugar sector but the *gur* and *khandsari* sectors as well. The agricultural problems of the sugar industry have been extensively dealt with, as also the different aspects pertaining to labour. A separate chapter is devoted to an analysis of the world sugar situation. There are as many as 64 statistical tables indicating at a glance the wide and varied aspects of the Indian sugar economy. Several Government notifications relating to sugar have also been reproduced. The utility of the publication is further enhanced by the inclusion at the end of a State-wise list of sugar mills in India and Pakistan and a list of sugar factories for the establishment of which licences have been granted by the Central Government. The *Annual* is thus a valuable reference book to all those who are interested in sugar and sugarcane.

In the course of a brief interesting preface, Mr. M. P. Gandhi, the Editor, has done well to stress once again that, since sugar is made in the fields and not in the factories, the future of the sugar industry depends on the success of the efforts at augmenting the average per-acre yield of quality cane from 13 tons to at least 25 tons. If the yield is thus increased, there will be, he feels, a fall in the cost of production which, in turn, will make it possible to bring about a reduction in the price of sugar for the benefit of the consumer. Mr. Gandhi emphasises, and rightly so, that, while intensive method of cultivation is necessary along with provision of irrigation and application of manure, which should be made available plentifully even by giving concessions in price, etc., it is essential "to create an incentive" to the cane grower in another direction too, namely, improvement of the quality of his cane. In his considered opinion, the system of payment of cane should be so arranged as to make a slightly higher price for cane with higher recovery. Surely, this problem should, as he rightly urges, be examined "with earnestness and urgency."

The production of crystal sugar amounted to 967,000 tons and arrivals of imported sugar to 280,000 tons upto the 28th February, 1955, in the current season. The figures for the corresponding period of the last season (1953-54) were 795,000 tons and 193,000 tons, respectively. Despatches of sugar from factories during the same period were 249,000 tons, as compared with 398,000 tons in the corresponding period of the last season. The stocks with the factories as on 28th February, 1955 stood at 775,000 tons, as against 595,000 tons a year before.

MARKETING OF COAL

FORMATION OF CENTRAL ORGANISATION OPPOSED

THE coal merchants have strongly opposed the proposal of the Coal Washeries Committee that a central coal marketing organisation should be created. The shares of this organisation, which will have full monopoly over the sales of all types of coal, are expected to be acquired by producers, the public and large consumers of coal, such as the railways and the steel industry. The Coal Merchants' Association, Jharia, is, however, afraid that, if the proposed organisation were to come into existence, it would be a semi-Government concern with 49 per cent. capital, more than half of which would be acquired by coal producers. As the organisation will have the sole monopoly over the disposal of both washed and unwashed coal, it is likely to be vested with powers to fix prices and license small dealers in various zones, etc. The net result will naturally be the elimination of a number of coal merchants from the coal trade. Mr. P. P. Joshi stated, in the course of his presidential address at the 22nd annual general meeting of the Indian Coal Merchants' Association, held recently at Dhanbad, that there was absolutely no justifiable ground for establishing such a monopolistic organisation. He was afraid that the constitution of such an organisation would be a breeding place for red-tapism, favouritism and corruption. To quote him: "Without mincing words, I may say that the central coal marketing organisation, which will be the law-maker, the producer, the distributor, all rolled into one, will be a congenial breeding ground for all sorts of corruption."

Nationalisation

The question of constituting a central marketing organisation involves a fundamental principle, for it actually amounts to restricting further the activities of private enterprise in the sphere of coal trade. In fact, the proposal, in whatever form it is implemented, be it a Governmental or semi-Governmental corporation, constitutes "a veiled act of nationalisation." As Mr. Joshi says, "what we are going to have is not even a pure and simple private enterprise; it is coercive concentration of a widely diffused trade into a monopoly, the fruits of which are to be jointly shared by the State and some private capitalists. That it may happen to have an aspect of nationalised enterprise is of no real significance. After all, a scheme is to be judged not by its outward look, but by its essential and precise helpfulness It is on this score that the proposed scheme calls for some careful and sober thinking. It will be recalled that a reference to this subject was made by Mr. J. W. N. Baldock also in his address at the last annual meeting of the Indian Mining Association. Stating that the report of the Coal Washeries Committee, which is yet to be made available to the public, had made very far-reaching recommendations, he remarked:

"It is a matter for regret that the Government has not yet announced its intentions in this regard. The Coal Commissioner has expressed his personal views which, broadly speaking, are to the effect that he does not favour the establishment of a central marketing agency and is of the opinion that the Coal Board should confine itself to the setting up of washeries on a large scale. We entirely agree with his views on central marketing, but require a clear indication of the Government's intentions with regard to washing. It is within my knowledge that several companies have their plans for washeries well advanced and are keen to go ahead. Much time and considerable thought has gone into the preparation of these plans, but final decisions cannot be taken on them until the Government's policy is made known. I suggest that the Government should take us into its confidence, discuss this most important matter with us and formulate plans under which the private sector can contribute its full share towards projects, which are much needed, if industrial efficiency is to be improved on these lines."

There are no two opinions on the fact that monopoly trading, be it by a State or a private body, is not desirable from the long-term interest of either the producers or the consumers. It would be seen from the above extract that Mr. R. K. Ramadhyani, Coal Commissioner, is not in favour of the constitution of such a board, but this is only his personal opinion. It is high time, therefore, the Central Government announced its policy on this question. The middle man, too, is performing an economic function, which is in no way inferior to that of a producer and as such he has a place in the society. If he is deprived of his means of existence, the State will not only be adding to its responsibility of finding employment to its people, but also be taking on the onerous burden of efficiently marketing and distributing what is produced.

THE BANK OF JAIPUR, LIMITED

(INCORPORATED IN JAIPUR, LIABILITY OF MEMBERS BEING LIMITED)

DIRECTORS' REPORT TO SHAREHOLDERS

The Directors beg to submit the audited Balance Sheet and Profit and Loss Account of the Bank of Jaipur, Ltd., for the year ended 31st December, 1954.

After providing for all expenses and making necessary provisions, the net profit of the Bank for the year amounted to Rs. 5,51,049-11-10 to which is to be added Rs. 48,178-1-6 brought forward from last year making a total of Rs. 6,00,127-13-4 available for distribution. The Directors recommend its appropriation as under:—

	Rs.	a.	p.
Reserve under Section 17 of the Banking Companies Act	1,15,000	0	0
Other Reserves	85,000	0	0
Dividend at 4 per cent. Tax Free	2,00,000	0	0
Provision for Taxes	1,50,000	0	0
Staff Gratuity Fund	25,000	0	0

and the balance of Rs. 25,127-13-4 be carried forward to next Year's account.

The working of the Bank during the year continued to be satisfactory.

On account of preoccupations Shri Radhakrishna R. Rula and Shri K. L. Jatia resigned their directorship in the Bank during the year. The Directors wish to place on record their appreciation of the services rendered by both. To fill the vacancies caused by these, Shri Swaroopnarain Purohit and Shri Ganeshnarain R. Podar were co-opted as directors and they offer themselves for election. During the current year Shri Gajadhar Somani, M.P., was co-opted as an additional Director and he offers himself for election.

The following Directors of the Bank retire under Article 114 of the Articles of Association and being eligible offer themselves for re-election.

(1) Rawal Sahib Madan Singhji. (2) Shri Sunderlal Tholia.

The Directors wish to convey their thanks to the members of various Local Boards for their guidance, the depositors for their valuable support and the members of the staff of the Bank for their devoted services.

Shareholders are requested to appoint Auditors for the ensuing year and fix their remuneration.

For and on behalf of the Board,
RAMNATH A. PODAR,
Chairman.

JAIPUR, 7th March, 1955.

BALANCE SHEET AS AT 31st DECEMBER, 1954

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
Capital—		
AUTHORISED CAPITAL—		
2,00,000 Shares of Rs. 100 each	2,00,00,000 0 0	2,00,00,000 0 0
ISSUED AND SUBSCRIBED CAPITAL—		
1,00,000 Shares of Rs. 100 each	1,00,00,000 0 0	1,00,00,000 0 0
AMOUNT CALLED-UP at Rs. 50 per Share in cash on 1,00,000 shares	50,00,000 0 0	
Less—*Calls unpaid*	Nil	
	50,00,000 0 0	
ADD—Forfeited shares	Nil	50,00,000 0 0
Reserve Fund and Other Reserves—		
Reserve under Section 17 of the Banking Companies Act	7,00,000 0 0	
Dividend Equalisation Fund	1,00,000 0 0	
Other reserve earmarked for contingency of bad or doubtful debts	9,00,000 0 0	17,00,000 0 0
Deposits and Other Accounts—		
Fixed Deposits	2,81,34,192 8 0	
Savings Bank Deposits	70,37,402 4 2	
Current Accounts, Contingency Accounts, etc.	3,51,86,081 11 8	7,03,57,676 7 10
Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	572 10 10	
(ii) Outside India	Nil	
PARTICULARS—		572 10 10
(i) Secured by part of Government Securities as per contra	572 10 10	
(ii) Unsecured	Nil	
Bills Payable		11,22,395 13 3
Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	29,05,022 11 11	
(ii) Payable outside India	14,79,598 9 9	43,84,621 5 8
Other Liabilities		40,05,500 13 0
Acceptances, Endorsements and Other Obligations as per contra (Secured by part of Bank's Investments)		27,99,181 0 3
Profit and Loss Account—		
Profit as per last Balance Sheet	4,75,678 1 6	
Less—*Appropriations*—	Rs. a. p.	
Transfer to Reserve Fund as provided under Section 17 of Banking Companies Act	1,00,000 0 0	
Transfer to Reserve other than under Section 17 of Banking Companies Act	1,00,000 0 0	2,00,000 0 0
		2,75,678 1 6
Less—		
Payment of Dividend	1,50,000 0 0	
Provision for Taxes	75,000 0 0	
Contribution towards Rajasthan Families Relief Fund	2,500 0 0	2,27,500 0 0
		48,178 1 6
ADD—Profit for this year brought from the Profit and Loss Account		5,51,949 11 10
		6,00,127 13 4
Contingent Liabilities—		
In partly paid shares of Joint Stock Companies	6,000 0 0	
Liability on account of outstanding forward exchange contracts	3,33,333 5 4	
Claims against the Bank not acknowledged as debts	19,22,976 13 10	
Liability on Bills of Exchange re-discounted (of which Rs. 8,71,306-10-0 have run off)	4,12,008 5 4	
NOTE.—Provision to the full extent for future gratuities to Staff has not been made—the liability for which has not been ascertained.		
Total .. Rs.		8,99,70,085 0 2

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
Cash—		
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		1,46,36,016 10 4
Balance with other Banks in Current Account—		
(i) In India	18,08,672 1 5	
(ii) Outside India	16,134 12 0	18,24,806 13 5
Money at Call and Short Notice		34,50,000 0 0
Investments (at Book Value)—		
(i) Securities of the Central and State Governments, and other Trustee Securities, including Treasury Bills of the Central and State Governments. Part of the Securities are lodged with other banks for borrowing and other arrangements as per contra		2,26,89,402 8 0
Face value .. Rs. 2,29,89,500		
Market value .. Rs. 2,22,63,468		
(ii) Shares— Rs. a. p.		
(a) Fully paid preference shares .. 1,44,442 0 0		
(b) Fully paid ordinary shares .. 7,14,304 0 7		
(c) Partly paid ordinary shares .. 17,250 0 0		8,75,996 0 7
Market value .. Rs. 10,02,282		
(iii) *Debentures or Bonds, Market value Rs. 2,93,000*		2,94,000 0 0
(iv) Other Investments (to be classified under proper heads)		Nil
(v) Gold		Nil
Advances (Other than bad and doubtful debts for which provision has been made to the satisfaction of the auditors)—		2,38,59,398 8 7
(i) Loans, Cash Credits, Overdrafts, etc.—		
(a) In India	2,85,06,307 1 7	
(b) Outside India	Nil	
(ii) *Bills discounted and purchased (excluding Treasury Bills of the Central and State Governments)*—		
(a) Payable in India	79,02,416 5 4	
(b) Payable outside India	15,95,459 0 4	3,80,04,272 7 3
PARTICULARS OF ADVANCES—		
(i) Debts considered good in respect of which the Banking Company is fully secured	3,32,03,508 0 8	
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	35,48,193 4 0	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtor	12,52,571 2 9	
(iv) Debts considered doubtful or bad not provided for	Nil	3,80,04,272 7 3
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,77,355 14 9	
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	21,91,623 7 10	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,91,287 2 8	
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	29,91,726 8 7	
(ix) Due from Banking Companies	93,584 8 3	
Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	29,05,022 11 11	
(ii) Payable outside India	14,79,598 9 9	43,84,621 5 8
Acceptances, Endorsements and Other Obligations per contra		27,99,181 0 3
Premises—		
At cost upto 31st December, 1953	37,600 8 3	
Additions	Nil	
	37,600 8 3	
Less—Depreciation— Rs. a. p.		
Upto 31st December, 1953 .. 5,000 0 0		
During the year .. 7,500 0 0	12,500 0 0	25,100 8 3
Furniture and Fixture—		
At book value upto 31st December, 1953	6,62,143 13 6	
Additions and Transfers	26,613 6 9	
	6,88,757 4 3	
Less—Sales and Transfers	4,493 5 6	
	6,84,263 14 9	
Less—Depreciation— Rs. a. p.		
Upto 31st December, 1953 .. 6,27,741 6 9		
During the year .. 36,238 10 5	6,63,980 1 2	3,20,283 13 7
Other Assets including Silver—		
Stamps	790 15 0	
Stationery	88,736 8 1	
Advance Payment to Government of India re: Tax	1,34,142 0 0	
Interest accrued	1,92,604 1 3	
Taxation at source	4,59,930 9 6	8,66,403 12 10
Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Profit and Loss		Nil
Total .. Rs.		8,99,70,085 0 2

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1954

EXPENDITURE	Rs. a. p.	Rs. a. p.
To Interest paid on Deposits, Borrowings, etc.		13,45,818 4 6
,, Salaries, Allowances and Provident Fund—	Rs. a. p.	
(i) General Manager	80,487 8 0	
(ii) Staff	10,84,394 14 10	10,84,882 6 10
,, Directors' and Local Committee Members' Fees and Allowances		14,904 13 0
,, Rent, Taxes, Insurance, Lighting, etc.		1,97,075 5 4
,, Law Charges		15,391 8 6
,, Postage, Telegrams and Stamps		81,014 14 7
,, Auditors' Fees		7,285 0 0
,, Depreciation on and Repairs to the Banking Company's Property		50,976 0 8
,, Stationery, Printing and Advertisement, etc.		69,226 4 5
,, Loss from Sale or Dealing with Non-Banking Assets		Nil
,, Other Expenditure		1,15,927 14 6
,, Balance of Profit (subject to Taxation)		5,51,049 11 10
Total .. Rs.		34,95,853 4 2

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.
By Interest and Discount	26,05,190 15 0
,, Commission, Exchange and Brokerage	3,36,100 2 3
,, Rents	Nil
,, Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
,, Net Profit on Revaluation of Investment, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
,, Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil
,, Other Receipts	52,562 2 11
Total .. Rs.	34,95,853 4 2

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the above Balance Sheet of the Bank of Jaipur Ltd., as at 31st December, 1954, and also the above *Profit and Loss Account* of the Bank for the year ended upon that date, in which are incorporated the authenticated returns from branches, and report that:—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory;
(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;
(c) the returns received from branch offices of the Bank have been found adequate for the purpose of the audit;
(d) in our opinion, the above Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;
(e) such Profit and Loss Account shows a true balance of Profit for the year;
(f) such Balance Sheet exhibits a true and correct view of the state of affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank, and
(g) in our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act.

K. N. GUTGUTIA & CO.,
Chartered Accountants.

S. B. BILLIMORIA & CO.,
Chartered Accountants.

7th March, 1955.

S. L. KOTHARI,
General Manager.

S. B. L. BHARGAVA,
Manager, Jaipur.

A. R. SAVOOR,
Manager, Bombay.

RAMNATH A. PODAR, Chairman.

MADAN SINGH,
GANGA SAHAI PUROHIT,
GOKUL LAL MEHTA,
GANESH PODAR,
S. N. PUROHIT,
S. L. THOLIA.
} Directors.

EAST INDIA DISTILLERIES AND SUGAR FACTORIES LIMITED

FIFTY-SEVENTH ANNUAL MEETING

MR. S. G. H. DAVIS DEPLORES CONTINUED AURA OF UNCERTAINTY OVER SUGAR INDUSTRY

A LUCID analysis of the present position of the sugar industry in India in the context of the Government's policy on imports and the 50 per cent. increase in excise duty on sugar was given by Mr. S. G. H. Davis, Chairman of the East India Distilleries and Sugar Factories Ltd., in the course of his address to the shareholders of the Company at their Fifty-seventh Annual General Meeting held in Madras on 24th March, 1955. He felt sorry that the executive action of the Government of India in matters connected with the sugar industry conflicted with its announced policies on the industry. He felt that an aura of uncertainty as to the future of the industry persisted and, therefore, took the liberty of appealing to the Government to clarify its long-term intentions regarding the industry.

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

"The report of the Directors which has already been circulated with the accounts for the year to 30th September, 1954, gave a much fuller account than previously of the Company's various activities. I must, however, enlarge on some particular points of policy, particularly relating to sugar; and at the same time report to you how the current season is progressing.

Chemicals

"This side of the Company's activity is perhaps not so well known to shareholders as it might be. The capacity of the two sulphuric acid plants at Ranipet makes your Company rank as potentially the second largest producer of acid in India. It is believed that in the last financial year the Company's production of acid gave it the ranking of the third largest producer. Up-to-date, the Ranipet factory has worked to two-thirds only of its rated capacity, so that there is ample margin to meet any additional demand.

1953-54 Sugar Season

"As already reported, in the 1953-54 season, the Nellikuppam factory worked for 134 days, crushing 254,000 tons cane yielding 28,475 tons sugar. Under optimum conditions the factory should crush 300,000 tons of cane, but the comparatively unattractive price fixed for cane for the 1953-54 season relative to other crops discouraged plantings for that season. A compensatory feature of the shorter operating period was, however, the higher recovery of 9.22 per cent. which compared favourably with 8.91 per cent. obtained in the previous season.

"Once again, the Nellikuppam cane-growers received a bonus of Rs. 2-0-9 per ton of cane calculated according to the S.I.S.M.A. formula and amounting to nearly Rs. 5 lakhs. A higher bonus would have been earned but for the fact that the Government of India implemented their earlier decision to requisition 25 per cent. of the season's production at the Government-controlled price and allotted such sugar to the trade without any restriction on the ultimate selling price, thereby permitting dealers to make the difference between the controlled price and the ruling market price, without any benefit to the consumers.

"There appears to be no longer any justification for Government to reserve 25 per cent. or any quantity of factory productions at an artificial price when the control of sugar prices is firmly with Government by the prices at which Government sells imported sugar. I must express the earnest hope that Government will remove this control and enable cane-growers to receive their share of the ruling market rate.

1954-55 Season

"On the production side, the outlook for Nellikuppam factory in the current season is not unsatisfactory. It is hoped to produce over 30,000 tons sugar this season—the highest quantity ever produced in a season at Nellikuppam. The average recovery for the season is, however, expected to be of the order of 8.75 per cent. This is mainly due to the season having to be extended to crush about 360,000 tons cane—another record made possible by increased yields in the cane area resulting from favourable climatic conditions.

"In order to handle this quantity of cane the normal factory season is to be extended till the middle of June. Our experience is that the quality of cane rapidly deteriorates from the middle of May onwards and the expected recovery for this period is anticipated to be in the region of 7 per cent., thus depressing the seasonal average. The justification in extending the season is solely to assist the cane ryots to dispose of the additional quantity of cane realised from the higher yields per acre.

"I am elaborating on this point, because the Board has for some time been considering the desirability of extending the crushing capacity at Nellikuppam, not so much to enable the Company to crush more cane but to restrict the crushing season to a period of optimum recovery and, therefore, produce more sugar from the cane by crushing it before deterioration sets in. I should like to be able to report that your Board could recommend for immediate action this expansion, but my concluding remarks will point to the difficulties in the way.

Sugar Imports and Consumption

"The year under review witnessed the largest consumption of white sugar in the history of India. Official estimates put consumption in 1953-54 at the unprecedented figure of 18 lakh tons or an increase of nearly 50 per cent. over the previous consumption. Over the same period, however, the all-India production was about 10 lakh tons only. The need to supplement this with foreign sugar was recognised by Government early in the year and the promptitude with which Government arranged imports prevented any shortage.

"The high sugar consumption that marked the year has naturally led to a demand for expansion of the industry and licences have been granted by the Government of India for the establishment of new factories to increase the productive capacity of the industry to an ultimate target of about 20 lakh tons. Your company has been granted one of these licences for a factory at Kolianur, near to Nellikuppam. It was in this connection that the Board made an offer in March, 1954, to purchase the share capital of the Travancore Sugars and Chemicals Ltd. and with it, of course, that Company's sugar factory. By September of last year, it was known the offer had not been accepted and that other arrangements would have to be considered.

"Conditions, however, seem to be changing with the now certain production of 14 lakh tons sugar in the country, coinciding with a steep fall in jaggery prices. The wide disparity in the retail price of jaggery and sugar has clearly caused a swing back to a more normal consumption of jaggery to the detriment of sugar and this view is supported by the figures of offtake from sugar factories in the country over the last four months. From the present trends it seems hardly likely that consumption of sugar will exceed 15 lakh tons in 1954-55. It might conceivably be much lower.

"It is in this context that the industry has to view with concern the continued imports of white sugar into the country. Indigenous production and imports may together amount this year to as much as 20 lakh tons which would leave a carry-over of 5 lakh tons. The presence of such a large surplus on internal prices can only have a depressing effect which must ultimately tell on the price the cane-grower can expect for his produce.

"It may readily be imagined, therefore, that the increase in the excise duty on sugar amounting to 50 per cent. over the rate prevailing before the 1st of March is not calculated to be of benefit either to the grower or the industry. Sugar prices have remained at more or less the same level as before the increase in duty, indicating consumer resistance, with jaggery as a cheap and ready substitute for sweetening material. It would appear, then, that the burden of the additional excise duty has to be carried by the industry indefinitely, unless the Government of India deem fit to withdraw the increase or reduce its incidence as a result of representations now being made. I may mention in passing that one result of the increase in excise duty is to nullify, on present sugar prices, the advantage the cane-growers would have under the special system of bonus payments they have hitherto enjoyed.

Government Policy

"Your Company, through its membership of the South Indian Sugar Mills Association, has been represented on the Development Council set up by the Government of India for the sugar industry. Your Board had hoped that the working of this Council would have resulted, through the harmonious co-operation thereon of representatives of manufacturers, growers, labour and Government, in the forward progress of the sugar industry being steadily and evenly advanced. I am sorry to say that in my opinion this position has not yet been reached and it appears that the executive action of Government in matters connected with the sugar industry conflict with their announced policies on this subject. For instance, while the recently proposed depreciation allowance and the move towards fixing a basis for payment for cane on quality rather than weight will undoubtedly contribute substantially towards the declared policy of increasing sugarcane growing and sugar production in the country, the proposed increase by 50 per cent. of the Central excise on sugar and some of the suggestions put forward in the Taxation Enquiry Commission Report cannot but give rise to serious speculation as to the future that lies before the industry. Very substantial imports of sugar on Government account seem likely through this year to have the effect of forcing manufacturers to hold excessive unsold stocks. In his address to the Indian Sugar Mills Association, the Hon'ble Minister for Food and Agriculture has made a reference to the future of the sugar industry taking some form of co-operative association between growers, labour and millowners.

"In this context, it is extremely difficult for any Board of Directors to pursue a policy of expansion involving the investment of very considerable amounts of capital, while this aura of uncertainty as to the future persists. I take the liberty, therefore, of appealing to Government to clarify their long-term intentions as regards the sugar industry. If the industry is to play its part in the Second Five-year Plan, it requires a large capital expansion; to support this adequately the general public are entitled to assurances that production and distribution of sugar by the companies to which they subscribe will not suffer undue interference by further imposts and controls, or any fundamental change."

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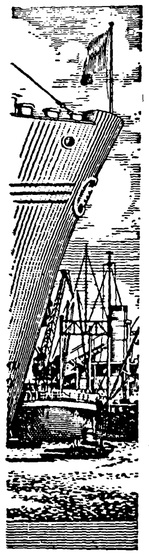

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Paid-up Capital	£2,851,562
Reserve Funds	£3,104,687

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Chowringhee, Calcutta	BURMA		Naivasha (Sub-Branch to Nakuru)
Bombay	Rangoon	TANGANYIKA TERRITORY	Kisumu
Madras	CEYLON	Tanga	Eldoret
Mount Road, Madras	Colombo	Dar-es-Salaam	Kericho
Bangalore	Kandy	Mwanza	Soik (Sub-Branch to Kericho)
Amritsar	Nuwara Eliya	Lindi	
Kanpur	ADEN	Moshi	UGANDA
Delhi	Camp, Aden	Mtwara	Entebbe
New Delhi	Steamer Point, Aden	Mikindani (Sub-Branch)	Fort Portal
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PAKISTAN	Hargeisa	Mombasa	Jinja
Karachi	Berbera	Nairobi	Mbale
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G. R. WEST, Manager.

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Chairman: SHRI RAMANLAL G. SARAIYA, O.B.E.
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PAID-UP SHARE CAPITAL:			
Subscribed by the Shareholders—	Rs.	Rs.	
Individuals ..	10,20,800		
Societies ..	24,26,600	34,47,100	
Subscribed by the Government of Bombay ..		26,00,000	
			60,47,100
RESERVE AND OTHER FUNDS ..			57,21,900
TOTAL DEPOSITS			8,98,11,600
WORKING CAPITAL			12,17,08,000

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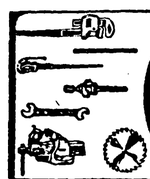

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SCIENTIFIC AND INDUSTRIAL RESEARCH IN INDIA

PLAN TO PRODUCE IRON WITHOUT COKING COAL

THE Board and the Governing Body of the Council of Scientific and Industrial Research (C.S.I.R.) adopted, at its meetings held on the 21st and 22nd March, respectively, a few important proposals designed to secure further scientific and industrial advancement. The most significant of them was the acceptance of a detailed plan, drawn up by the Mining Research Committee, for the establishment of a Mining Research Station at Dhanbad. The research station, which will cost Rs. 40 lakhs, will deal with problems relating to explosions, fires and ventilation in mines, mine working, engineering and testing of mining equipment, as well as health of mine workers. The importance of the establishment of this research station requires no emphasis, especially in view of the recent accidents in Newton Chikhli, Dharmabad and Amlabad collieries, resulting in the tragic death of a number of persons and injury to many. The prevention of accidents is after all a national responsibility. Mere statutory regulations are not enough. Research on new methods of tackling day-to-day problems is essential. A local Planning Committee has been set up to supervise the construction and equipment of the research station. Proposals for the development of active schools of research in mineralogy and other geological subjects in Indian universities, as also for the constitution of a committee to consider specific proposals, have also been approved.

The second important proposal that was adopted was a five-year programme of research in India for the development of industrial gas turbines suited to Indian conditions. The Plan, which was drawn up by a special committee presided over by Mr. J. R. D. Tata of the Tata Industries Ltd. and assisted by the British expert, Prof. O. A. Saunders, of London University, includes the setting up of a research centre at the Indian Institute of Science, Bangalore. A centre of post-graduate training in gas turbine technology, will also be set up under the plan, in co-operation with the Indian Institute of Technology at Kharagpur and the Bengal Engineering College, Calcutta. The estimated expenditure on this programme is Rs. 13.8 lakhs, spread over a period of three years. A committee with Dr. J. C. Ghosh as Chairman was set up to implement the programme.

The Board and the Governing Body of the C.S.I.R. adopted a proposal for the erection of a pilot plant at Jamshedpur for undertaking investigations on production of iron, using non-coking coals by low-shaft furnace process. A German firm has been asked to submit a project report in this connection. The chief feature of this project is the replacement of coking coal in iron smelting industry, in view of the limited reserves of coking coal in the country. The Board decided to set up a fuel efficiency organisation, as part of the Coal Commissioner's office, for introducing fuel efficiency methods in Indian industries. This is only as it should be, for conservation and fuel efficiency are two sides of the same coin. The one without the other is inconceivable, if a real saving in the use of fuel is to be made. These have acquired greater importance now than ever before in view of the plans to set up three more iron and steel plants and the expansion of the existing plants, both of which together are expected to boost the present output of 1.2 million tons to 6 million tons of steel ingot by the end of the second Five-year Plan.

Yet another significant development was the acceptance of the offer of Mr. G. D. Birla, the well-known industrialist, to establish a science and industrial museum and the decision to display at the museum models of industrial units, the miniature working models and products of Indian industries and scientific research. Such a display is expected to serve as a medium for the common man to know more about India's scientific efforts and industrial development. A committee with Dr. B. C. Roy, as Chairman was appointed to work out detailed plans and estimates for the proposed museum.

The Board and the Governing Body also approved of a programme drawn up by the Indian National Committee for studying solar, magnetic, ionospheric, upper atmospheric and geodetic conditions. India is co-operating with 38 countries in setting up a network of stations throughout the world for undertaking a systematic observation during 1957-58, with the object of obtaining as complete a picture as possible of world-wide geophysical phenomena. This programme has been organised by the International Council of Scientific Unions. It was also decided that the School of Mountaineering at Darjeeling should be equipped with facilities for scientific workers to undertake investigations on geophysics and high altitude biology in eastern Himalayan regions. Further, a unit for undertaking rain and cloud physics research was also set up. The unit will confine itself chiefly to fundamental studies on the physics of cloud formation.

An expert committee, with Dr. P. Maheshwari, Professor of Botany, Delhi University, as Chairman, was set up to consider the present state of development of biological sciences in India and to recommend the subjects and the extent to which biological research should be supported by the Council. A plan for the development of the Sikandarbagh Garden in Lucknow as a national botanical garden was approved and a committee was constituted to go into the details of the working of this garden in relation to the Botanical Survey of India and other botanical gardens elsewhere in India.

Finally, the progress of research in the national laboratories, and under the auspices of the research committees, was reviewed and programmes for the next year approved. Sub-committees were constituted to draw up programmes of research to be carried out in the second Five-year Plan, in the fields of physics, radio, chemical technology and industry, drugs and pharmaceuticals, essential oils, plastics and buildings.

U.K. ENGINEERING FIRMS FORM NUCLEAR STUDY GROUP

Some of Britain's biggest engineering firms have announced the formation of a joint team of nuclear physicists, engineers, and boiler technicians to study the problems of designing large and powerful atomic power stations. They are those firms which are likely to be concerned in the Government's programme for building nuclear power stations.

The use of nuclear fission as a source of heat to drive electrical engineering plant will be the first major application of atomic power to industrial uses.

The Atomic Energy Authority's experimental power station new being built at Calder Hall, Cuberland, will generate electricity by this system. It is expected to come into operation at the beginning of 1957, or possibly at the end of next year. Its power output will be at least 50,000 kilowatts. But power stations of much greater output are envisaged in the Government's programme.

Until recently, the very expensive research work involved in developing nuclear power for commercial purposes was undertaken solely by the Atomic Energy Authority, but the results of this work are now being made available to industry, and various firms are carrying out their own researches.

The new study group will work closely with the Atomic Energy Authority on the design and development of power plant, but will have within its scope the more distant projects of atomic propulsion units for ships, land transport, and aircraft.

BRITISH JOURNAL ON INDIAN STEEL INDUSTRY

A 17-page survey of "The Indian Steel Industry" is featured as the leading article in the current issue of the British Iron and Steel Federation's monthly *Statistical Bulletin*, just published in London.

In the past two or three years, says the survey, India's existing steel-making firms have given serious consideration to the question of expansion and modernisation, while, in the last 12 months, a number of plans for establishing State-owned steel works have been forthcoming. "As a result of recent negotiations, at least three new million-ton works are likely to be built, whilst a proposal for a fourth large plant has been made."

The survey goes on to describe India's existing iron and steel industry, its plans and problems, and summarises various proposals for new capacity to bring steel production eventually up to 6,000,000 tons a year.

The survey points out that "the foundation of India's present iron and steel industry was not laid until 1872." But, since then, "development has been steady, although slow judged by Western standards. The survey also analyses the industry's post-war problems, the questions of Government financial aid and oversea aid with plant and capital, development plans of leading companies, and the economics of costing and pricing.

Concluding, the survey says: "Vast projects put forward in the past year show that the Government is now alive to India's urgent need for steel. If all goes according to plan—and there is no reason to believe otherwise—then by 1960-65 India will have made very definite progress in the industrial field, with the possibility of a further advance in the more distant future. It will, however, be another three or four years before any large-scale increase in India's steel production can materialise."

WORLD OIL PRICES

U. N. COMMISSION'S REVELATION

THE U.N. Economic Commission for Europe has alleged that the international oil interests have successfully manœuvred to keep oil prices in Europe, nay, in the whole world, at a price well above the cost of production. The oil industry has maintained the prices for oil throughout the world at a fixed relation to those in the Gulf of Mexico and these in return are determined by the interplay of American domestic forces, which the Commission has characterised as "out-of-date and dangerous." For the overall U.S. cost structure is higher than that in the Middle East. The Commission admits that political risks and drilling costs are higher in the Middle East than in the U.S., but all other costs, it says, are less. The average output of a well in the U.S., for instance, is only 11.6 barrels a day. In Kuwait, which supplies much of Europe's oil, some wells produce as much as 9,000 barrels a day. Since West Europe refines most of its products from crude oil shipped from the Middle East, the Commission wonders why the prices of refined products are equated to those imported from the Gulf of Mexico. A barrel of crude oil in Saudi Arabia, according to the Commission, costs only 35 cents, but it is sold at as high as $1.75 a barrel, thereby making a net profit of $1.40. In Iraq, the cost of production of crude oil is only 25 cents a barrel. The Commission has alleged that the oil industry has kept the prices and operations in the Middle East as a closely guarded secret, thus immunising itself from public criticism. Thus, the Commission has, in effect, challenged the integrity of the world oil interests in fixing their oil prices. It is true that it does not criticise the oil industry for not introducing an absolutely free market, which, in the present conditions of plentiful supply of oil, could force down the prices to the prime cost. But what it says is that the present price reflects a situation in which only the interests of producers are taken into account.

Coming as this report does after about two and a half years of the publication of the report of the U.S. Federal Trade Commission on international oil companies, the findings of the U.N. Economic Commission for Europe have once again revived the allegations that oil companies hold a monopoly of world oil, divide markets between them and fix prices for oil arbitrarily, thereby holding the consumers to ransom. The Commission states that "world trade is made up essentially of intra-hemisphere trade with exports from the Middle East to the United States forming the only significant link between the two hemispheres." Although trade links between the two hemispheres are "weak and likely to become weak, the corporate links are very strong." Specifically, the lion's share of crude oil production and refining throughout the world is in the hands of eight major companies—five American and three European—most of which have main producing and refining centres. The eight Companies are: (1) The Royal Dutch Shell group; (2) the Standard Oil Company, New Jersey; (3) the Standard Oil Company, California; (4) the Texas Company; (5) the Socony-Vacuum; (6) the Anglo-Iranian; (7) the Gulf Oil Corporation, and (8) the *Compagnie Francaise des Petroles*. The Commission is of the opinion that the high degree vertical integration which major companies have created with regard to production and refining is continued in respect of transport and distribution.

The allegations made by the Commission are not entirely new. It will be recalled that no sooner similar allegations were made by the U.S. Federal Trade Commission than they were challenged. But nothing came out of it, as the American Government intervened and took the whole subject above the purview of civil courts on strategic grounds. Perhaps, the same may happen again in the case of the present report also. Commenting on the report, a spokesman of an American oil company, states that the report is an "attack on Middle East companies" and it is based upon "inaccurate or prejudicially selected statistics, poor economics and faulty logic." Significantly enough, Mr. Maudling, British delegate on the Commission, states that the report is incomplete and does not provide a proper basis for further study. He is of the opinion that the report does not give a clear picture of production costs in East European countries because of lack of knowledge of oil production and marketing conditions. Apart from these statements, there has been very little comment on this report.

NEW PRODUCTS AND PROCESSES

Desalting Sea Water

THE U.S. Department of the Interior is undertaking new tests to find a method of removing salt from sea water and inland mineral waters at a low cost. Present processes though satisfactory are prohibitive for large-scale production.

Pocket TV Broadcasting Station

The DuMont Laboratories, Inc., a U.S. electronics manufacturing company, has produced a package no bigger than a cigar box which contains all the elements of a complete television broadcasting system. Without the use of any other intermediate units, the device can pick up live actors or motion picture films and send them clear and sharp over cables to the receivers of a closed-circuit system. The device is especially designed for use in industry.

Nylon Tube Used to Replace Human Artery

A crimped tube of tightly woven nylon developed by Chemstrand Corporation has been substituted successfully for a damaged artery in a middle-aged man. The artificial artery serves as a "splint" for the living artery. Chemstrand says that fabric tubes previously used closed off when bent, but the crimped feature of the new tube eliminates this, and may make it possible to manufacture textile arteries in various sizes on a large scale.

New Quality of Fountain Pen Ink

An ink factory at Apeldoorn (the Netherlands) has, it is claimed, succeeded in making a superior quality of fountain pen ink, which dries rapidly on paper, but very slowly in the pen. As a result, the pen can lie open for any length of time without refusing when writing is resumed. This new ink is extremely useful for people whose work is continually interrupted. It is suitable, it is said, particularly for writing deeds and other documents of permanent value.

Plants Fed on Glass

Ground glass for breakfast would ruin your health, but there is a new kind of ground glass that is fed to plants. It is good for plants and stimulates their growth. Called "agricultural frit," it provides the so-called mineral trace elements that are essential to plant growth. These minerals are melted into glassy porcelain enamel, so that they will not wash away in the soil as soluble salts do. Marketed under the name F.T.E. (Fritted Trace Elements), the product contains manganese, iron, zinc, copper, boron and molybdenum. When it is applied to green-house flowers, it promotes earlier blooming and larger blossoms. Used on field crops, it has increased potato harvests by 40 per cent., added a ton an acre to corn crops, and increased the yield of cabbages, blueberries and tomatoes.

Tiny Scales Weigh "Invisibles"

The art of weighing and measuring has now become a science of almost unbelievable accuracy. Technicians, according to the American National Geographic Society, now weigh invisible substances by "scales" that are themselves hard to see. In one operation, a rare radioactive material is measured by a quartz fibre so thin that it has to be magnified to show the results. The twist of the fibre under pressure indicates the weight. Scientists have calculated the weight of the earth and the thickness of a soap bubble's wall. They have recorded the footfall of the common housefly and determined the degree to which a bar of steel is affected by a fly landing on it. By the vibration of atoms, they measure time with a precision never before attained.

Tubeless Tyres

A number of U.S. automobile manufacturers are equipping their 1955 models with tubeless tyres. The President of the rubber company that pioneered in the development of the tubeless tyre —B. F. Goodrich Company—predicts that in three years all the new cars will be using them and that the inner tube will be a thing of the past. The tubeless tyre—simply a tyre casing that is airtight instead of a container for an inner tube—is not a new invention. For the first time since it was placed on the market six years ago, however, it has now begun to enjoy general acceptance by the U.S. automobile industry. The industry seems to be in complete agreement about the advantages of the tubeless tyre. These include greater blowout and puncture protection, a more comfortable ride because tubeless tyres run cooler and keep air pressure down and greater durability (due to cooler running). One tyre maker estimates that the tubeless tyre can be used for 32,500 miles, which is about 12,000 miles more than ordinary tyres.

Vitreous Enamels for Wire-wound Resistors

Wire-wound resistors, so extensively used in electrical and radio industries, are made of suitable resistance wires wound over an insulating core to which a coat of insulating enamel is applied. It is estimated that every year India imports enamelled resistors worth Rs. 3 lakhs. Two types of vitreous enamel compositions, lead and lead-free type, for coating resistors have been developed at the Central Glass and Ceramic Research Institute, Calcutta. The process of making enamel compositions involves reduction of the raw materials to suitable fineness followed by their mixture in requisite proportion. The mixture is fritted in a furnace, dried, weighed and powdered in a ball mill. The dry compositions are applied to the wound resistors which are then baked at a suitable temperature in an oven. The enamel coatings obtained possess a high lustre, are uniform and free from bubbles. They possess good adherence to the wire and the core of the resistor coupled with satisfactory electrical resistance. Thermal shock resistance is high. Enamelled resistors with these coatings have been tested and found to conform to modified U.S. Navy specifications No. Jan. R-26 for thermal shock resistance. Resistors with these compositions have been reported to compare favourably with imported enamelled resistors by several industrial concerns. The process is covered by Indian Patent No. 48419. Parties desirous of undertaking the commercial development of the process are invited to correspond with the Secretary, National Research Development Corporation of India, C.S.I.R. Buildings, Old Mill Road, New Delhi-2.

Diamond-tipped Drills and Grinding Wheels for Dentists

A factory at Nijmegen (the Netherlands) has started the export of dentists' diamond-tipped drills and grinding wheels, which have been tested in actual service for a considerable time in the Netherlands. They consist of a metal body to which very fine diamond bort is applied. This bort is obtained by crushing coarse diamonds in a special manner. Due to careful sizing of the bort and highly accurate insertion, the surface of the instruments, it is stated, is perfectly uniform. The points of the diamonds are entirely free, and there is enough space between the bort granules to take the grindings. It is further reported that diamond-tipped drills and grinding wheels operate more pleasantly and rapidly than other grinding and drilling instruments, both for the patient and for the dentist. The innumerable small diamond points remove the material gradually and without objectionable vibration. The grinding action is great, so that the treatment can take place quickly; little pressure has to be exerted and thus the development of heat is low. As the instrument is practically not subject to wear and consequently keeps its original shape, does not lose its sharp angles and remains centric, very accurate work can be done with it. The assortment consists of about a hundred different shapes, each designed for a special use.

Apparatus for Paper Electrophoresis of Serum Albumins

After careful experiments with various systems, a concern at Groningen (the Netherlands) has developed an apparatus for the electrophoresis of serum albumins on filter paper, which gives a regular, well-defined diagram and which enables the various albumin fractions to be determined both quantitatively and qualitatively. The apparatus consists of an electrophoresis bath for four paper strips which are suspended vertically in the form of an inverted V and serve as electrodes, further, of a.d.e. voltage apparatus, adjustable from 0 to 350 V, a voltmeter and a milliammeter, a pilot light and a switch for changing over from anode to cathode and *vice versa*; finally, it has facilities for introducing the serum and soaking the strips. With this apparatus, it is possible to obtain, in a perfectly constant and reproducible manner, paper strips on which the various albumin fractions appear as straight bands. A quantitative determination of the albumin fractions requires special precautions; the serum is applied with a special applicator to a dry paper strip, upon which the strip is moistened homogeneously with a buffer solution in a small soaking bath. Staining takes place according to the instructions supplied. The measurements of the albumin fractions vary from micro-Kjeldahl to colorimetric determinations.

IXG-409

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THE MERCANTILE BANK OF INDIA, LIMITED

(REGISTERED IN LONDON UNDER THE COMPANIES ACTS OF 1862 TO 1890, ON 2ND DECEMBER, 1892.)

Authorised Capital	£3,000,000	Paid-up Capital	£1,470,000
Subscribed Capital	£2,220,000	Reserve Fund	£1,750,000

Head Office: 15, GRACECHURCH STREET, LONDON, E.C.3.

Board of Directors:

SIR KENNETH W. MEALING, *Chairman.*
SIR CYRIL E. JONES, K.C.I.E., C.S.I. *Deputy Chairman.*
E. J. BUNBURY, Esq., C.B.E., M.C. — SIR JOHN G. HAY.
J. B. CRICHTON, Esq. — SIR CHARLES A. INNES, K.B.E.
R. W. B. DUNLOP, Esq. — C. D. MILLER, Esq.
HON. R. H. VIVIAN SMITH.

Chief Manager: R. N. DRAKE.
Deputy Chief Manager: H. W. HAWKINS.
Managers: C. R. WARDLE — W. P. B. DAVIES — R. V. THOMAS.
London Bankers: BANK OF ENGLAND — MIDLAND BANK LIMITED.
Auditors: COOPER BROTHERS & CO., W. A. BROWNE & CO. *Solicitors:* E. F. TURNER & SONS.

BRANCHES AND AGENCIES:

INDIA:— BOMBAY, CALCUTTA, HOWRAH, DELHI, MADRAS
PAKISTAN:— KARACHI, CHITTAGONG, KHULNA
CEYLON:— COLOMBO, GALLE, KANDY, JAFFNA
BURMA:— RANGOON
MAURITIUS:— PORT LOUIS
SINGAPORE
MALAYAN FEDERATION:— KUALA LUMPUR, KUANTAN, KUALA TRENGGANU, PENANG, KOTA BHARU, IPOH, KUALA LIPIS
HONGKONG
CHINA:— SHANGHAI
THAILAND:— BANGKOK
JAPAN:— TOKYO, OSAKA, SEMBA

NEW YORK REPRESENTATIVE:—J. R. SWALES, 37, WALL STREET.
Agents in New York: CHASE NATIONAL BANK OF THE CITY OF NEW YORK. BANK OF MONTREAL.

SIXTY-SECOND ANNUAL REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

The Directors submit to the Shareholders of the Bank the General Balance Sheet and Statement of Profit and Loss Account for the year ended 31st December, 1954.

The Balance of Profit and Loss Account for the year after providing for Taxation and after Allocations to Contingency Accounts out of which full provision has been made for Bad and Doubtful Debts and any other diminution in the value of Assets,

amounts to		£194,324
to which has to be added the balance brought forward from last account ..		200,980
making the amount available ..		£395,304
out of which the following appropriations have been made:—		
To Interim Dividend of 7 per cent. on the "A", "B" and "C" shares less Income Tax at 9s. in the £, paid on 1st September, 1954	£40,425	
To Officers' Pension Fund	13,000	
To Amount written off Freehold Banking Premises and Property	35,000	
To Additional Allocation to Contingencies Account ..	50,000	
		138,425
leaving a sum of ..		£256,879
from which the Directors recommend:—		
A Final Dividend of 7 per cent. on the "A", "B" and "C" shares, (including the increased Capital issued on 7th September, 1954), less Income Tax at 9s. in the £ payable 29th March, 1955		56,595
Balance to be carried forward to next Account		£200,284

At the Extraordinary General Meeting held on the 7th September, 1954, the "A" "B" and "C" shares were sub-divided and the sum of £420,000 was capitalised, being part of the balance standing to the credit of the Reserve Fund. During the year the Board also transferred £670,000 from Inner Contingencies Account to the Reserve Fund.

The following Directors retire by rotation under Articles 120 and 121 of the Articles of Association but, being eligible, offer themselves for re-election:—

The Hon. R. H. Vivian Smith.
Mr. J. B. Crichton.
Mr. R. W. B. Dunlop.

Special Notice under Sections 142 and 186 of the Companies Act, 1948, has been received by the Bank of a resolution for the re-election as Director of Mr. J. B. Crichton, who has attained seventy years of age.

Messrs. Cooper Brothers & Co. and Messrs. W. A. Browne & Co., the present Auditors, will continue in office pursuant to Section 159 (2) of the Companies Act, 1948.

By Order of the Board,
R. N. DRAKE,
Chief Manager.

LONDON, 1st *March*, 1955.

BALANCE SHEET, 31st DECEMBER, 1954

1953 £		£	£
	Capital Authorised—		
750,000	150,000 "A" shares of £5 each	750,000	
750,000	150,000 "B" shares of £5 each	750,000	
1,500,000	1,500,000 "C" shares of £1 each	1,500,000	
£3,000,000		£3,000,000	
	Capital Issued—		
375,000	150,000 "A" shares £2 10s. paid	375,000	
375,000	150,000 "B" shares £2 10s. paid	375,000	
300,000	720,000 "C" shares £1 paid	720,000	
1,050,000			1,470,000
1,500,000	**Reserve Fund—**	1,750,000	
200,980	**Balance of Profit** unappropriated carried forward to 1955 ..	200,284	
1,700,980			1,950,284
2,750,980			3,420,284
	Current Liabilities, Provisions and Other Accounts—		
279,159	**Notes in Circulation** against security per contra	273,450	
59,881,939	**Current and Fixed Deposit and Other Accounts** (including Provisions for Taxation on Profits to date, Doubtful Debts and Reserves for Contingencies	63,216,637	
927,160	**Bills Payable**	1,137,205	
211,410	**Acceptances on account of Customers** per contra	444,627	
43,354	**Balances due to Subsidiary Companies**	43,354	
40,425	**Proposed Final Dividend,** less Income Tax	56,595	
60,883,447			65,173,868
£63,634,427			£68,594,152

1953 £		£	£
	Current Assets—		
13,606,468	**Cash in hand, at Call and at Bankers**		14,013,998
	Investments (Quoted Investments at or under market value; unquoted Investments at or under cost)		
	British, Dominion and Colonial Government and Other Securities (including £265,000 British Government Securities deposited against Note Issue):		
7,620,723	Quoted in Great Britain	9,676,703	
6,456,694	Quoted elsewhere than in Great Britain	6,457,238	
13,086,417			
82,938	*Unquoted*	16,332,941	
		112,130	
14,069,355			16,445,071
	Hong Kong Government Certificates of Indebtedness deposited against Note Issue	105,805	
16,070,135	***Bills Receivable***	15,815,249	
20,296,000	**Loans Receivable, Advances and Other Accounts** including Amounts due by Agents	21,062,676	
211,410	**Liability of Customers for Acceptances** per contra	444,627	
35,103,240			
62,080,058			37,428,157
			67,888,624
55,137	**Shares in Subsidiary Companies at Cost**		55,137
	Fixed Assets—		
620,232	**Freehold Banking Premises and Property** at Cost less Amounts Written Off		953,391
£63,634,427			£68,594,152

NOTES.

1. Currency Assets and Liabilities have been converted into Sterling at the following rates:—1s. 5d. per Indian and Ceylon Rupee and Burma Kyat, 2s. 3d. per Pakistan Rupee, 2s. 4d. per Straits Dollar, 1s. 3d. per Hong Kong Dollar, 7s. per United States Dollar, 4d. per Baht, Yen 1,000=£1 and Shanghai Yuan 30,000=£1.

2. Group Accounts are not prepared as the Directors consider they would be of no real value to members in view of the insignificant amounts involved in the accounts of the Subsidiary Companies.

3. Contracts for outstanding capital expenditure £7,034 (1953, £63,655).

4. There are Contingent Liabilities in respect of the following:—
Bills Receivable re-discounted £1,509,358 (1953, £1,004,976) all of which have since run off.
Outstanding Forward Exchange Contracts.
Confirmed Credits and Guarantees entered into in the ordinary course of business, including Guarantees to Government Departments in India amounting to £68,144 (1953, £34,407) for which security has been deposited with the Reserve Bank of India.
Uncalled Capital amounting to £54,963 (1953, £54,963) in respect of partly paid shares in Subsidiary Companies.

PROFIT AND LOSS ACCOUNT, FOR THE YEAR ENDED 31st DECEMBER, 1954

1953 £		£
13,000	**Amount transferred to Officers' Pension Fund**	13,000
50,000	**Amount written off Freehold Banking Premises and Property**	35,000
50,000	***Additional Allocation to Contingencies Account***	50,000
	Dividends:—	£
40,425	Interim Dividend of 7 per cent., less Income Tax at 9s. in the £.	40,425
40,425	Proposed Final Dividend of 7 per cent., less Income Tax at 9s. in the £	56,595
200,980	**Balance of Profit** unappropriated carried forward to 1955	200,284
£394,830		£395,304

1953 £		£
200,143	**Balance brought forward** from 31st December, 1953	200,980
194,687	**Profit for the year ended 31st December, 1954,** after providing for Taxation thereon, and after allocations to Contingency Accounts, out of which full provision has been made for Bad and Doubtful Debts and any other diminution in the value of Assets	194,324
	NOTE.—DIRECTORS' REMUNERATION.—The aggregate amount of the Directors' Fees was £11,348 (1953, £11,237).	
£394,830		£395,304

R. N. DRAKE,
H. J. HUGHES,
F. N. WITHERS. } *Chief Manager. Accountants.*

K. W. MEALING,
C. E. JONES,
E. J. BUNBURY. } *Directors.*

REPORT OF THE AUDITORS TO THE MEMBERS.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from Branches not visited by us. We have examined the above Balance Sheet and Profit and Loss Account which are in agreement with the books of account and returns. In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1948, in the manner thereby authorised for Banking Companies and on such basis the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December, 1954, and the Profit and Loss Account gives a true and fair view of the profit ascertained in the manner therein indicated for the year ended on that date.

LONDON, 1st *March*, 1955.

COOPER BROTHERS & CO.,
W. A. BROWNE & CO.,
Chartered Accountants.

THE MERCANTILE BANK OF INDIA, LIMITED

ANOTHER YEAR OF EXPANSION IN GENERAL BUSINESS

SIR KENNETH W. MEALING'S REVIEW OF EVENTS IN ASIA AND FAR EAST

THE Sixty-second Annual General Meeting of the Mercantile Bank of India Ltd., was held in London on 29th March, 1955. In his statement circulated to shareholders, Sir Kenneth W. Mealing, Chairman of the Bank, said that the world situation had shown little change during the past year. So far as India was concerned, he said, the year 1954 must be regarded as the most successful one in practically all spheres of activity since Independence. Referring to the economic progress of India, Sir Kenneth expressed the view that the full extent of the first Five-year Plan might not be achieved, for the target was a high one, but much of it would be attained.

The following is the full text of Sir Kenneth's statement:

"Sir Cyril Jones, K.C.I.E., C.S.I., was appointed Deputy Chairman vice Sir John Hay, who had served for two years in that capacity and who, because of other commitments, desired to be relieved of this responsibility.

"The Board's recommendations, detailed in their circular letter of 27th July, 1954, to shareholders for the sub-division of the 'A', 'B' and 'C' shares and capitalisation of the sum of £420,000, being part of the balance standing to the credit of the reserve fund, were duly approved at an extraordinary general meeting of the shareholders held on 7th September, 1954. The Board also transferred £670,000 from inner contingencies account to the reserve fund and, as a result, the paid-up capital of the Bank is now £1,470,000 and the reserve fund stands at £1,750,000.

"The expansion recorded last year in the Bank's general business continued during 1954. The balance-sheet total at £68 millions is higher by £5 millions. On the assets side, there is an increase of £2¼ millions in the holding of Government securities, and bills receivable and loans and advances are higher by £1 million each. On the other side, there is an increase of nearly £4 millions in deposits.

Dividend

"At £194,324, the net profit is practically unchanged from that of the previous year and your Directors recommend a final dividend of 7 per cent. on the increased capital referred to in the above paragraph. If this recommendation is approved, the dividend for the year will be 14 per cent. on the actual issued capital throughout the year. I trust you will agree the results of the year's working are satisfactory.

"The opportunity appeared propitious for me to make an extensive tour of many of the main branches of the Bank, and I therefore left London on 5th October, 1954, for Japan and then visited Hongkong, Thailand, Malaya, Singapore, India, Pakistan and Ceylon, returning to London on 3rd February, 1955.

"I was greatly impressed with the quality of our business, the goodwill of our customers and the enthusiasm of our staff. I hope that the tour and the large number of interesting contacts I was able to make will prove to be of value to our business.

"The world situation has shown little change since I addressed you a year ago. The cessation of active fighting in Indo-China, resulting from the Geneva Conference, and the continuance of the cease-fire in Korea may, however, be counterbalanced by the continuing tension over Formosa and the small islands close to the China mainland occupied by the Chinese Nationalists. The fear of direct aggression in Europe appears, thanks to the increasing power of N.A.T.O., to have declined, but S.E.A.T.O., still to be ratified by the countries concerned, has not yet become a power sufficiently capable of withstanding aggression in South-East Asia, so the situation is still not without anxiety in this area.

"For the greater part of 1954 the economic situation in the United Kingdom progressed satisfactorily, although in the latter half of the year there were signs of incipient inflation. The continued weakness of sterling in terms of other currencies in the closing months of the year indicated that some deterioration in the country's economic position was taking place.

"Since the close of the year, to rectify the situation, the Bank rate has been raised on two occasions and is now 4½ per cent., the highest since 1932. Other steps have also been taken to stop the inflationary trend, increase exports, and maintain international confidence in sterling. I have little doubt that these measures will prove effective.

"The fears in the United States of America that a moderate economic recession might develop into a serious slump proved, as I surmised, to be unfounded, and the productivity of this great country both in agriculture and industry continues to increase.

India

"The year 1954 must be regarded as the most successful for India in practically all spheres of activity, since Independence. The Indian Government, headed, and indeed dominated, by Pandit Nehru, has participated, and made its influence felt, in world affairs to no mean extent. Internally, the food situation has vastly improved, the working class cost of living has shown some recession, and trade and industry have enjoyed an active year. The first Five-year Plan came into existence in 1951 and is due for completion in 1956. Of an estimated outlay of Rs. 2,249 crores, by March, 1954, only 40 per cent. had been utilised. The full extent of the first Plan may not be achieved for the target is a high one, but much of it will be attained and a second Five-year Plan is now being framed. India has become alive to the fact that the present increase in population (something like 45 million new mouths to be filled, bodies clothed and employment found every 12 years) necessitates urgent steps to increase agricultural production and industrial capacity. To meet this situation the Indian Government has vast plans for irrigation, hydro-electric power, heavy industrial production, fertiliser plants and is now planning nation-wide rural and agricultural credit and banking facilities under the ægis of a State Bank now in process of formation. The growing use of fertilisers by the agriculturists and the gradual spread of 'family planning' are two important steps towards meeting the problem of increasing population. Whilst it is true that these great problems can only be adequately solved by vast measures which private capital and private enterprise are not, in India, capable of undertaking, thus necessitating Government planning, promotion and finance, it would seem in the pronouncements made hitherto that private enterprise is only to be permitted to exist on the fringe of these developments and more or less on sufferance, instead of being encouraged to contribute as an active and welcome partner.

"The implications of Communism do not appear to be appreciated at any level in India, and there appears to be little or no restriction on the spread of Communist propaganda. Whether and to what extent this licence is having undue effect will not become clear until the General Election due to be held in 1956.

"There is still great goodwill in India towards the United Kingdom and, providing British manufacturers can compete as to price and delivery, there is a definite bias in their favour.

Pakistan

"The constitutional position in Pakistan is somewhat confused. This young country, which started from scratch in 1947, has the inherent geographical difficulty of separation by something like 1,000 miles between its eastern and western parts. Moreover, it has racial difficulties and has suffered grievous loss amongst its principal architects in the death of Quaid-i-Azam Jinnah and Mr. Liaquat Ali Khan.

"As a result, the infant democracy has had, and still has, difficult problems to face. The elections in East Pakistan early in 1954 resulted in utter defeat for the Moslem League Party, who, only obtained ten seats in a House of 236 (excluding minority seats). Unfortunately, the United Front, led by Mr. Fazlul Huq, which formed the new Government, immediately ran into trouble as a result of their own pre-election promises, and very serious riotings at the Karnaphuli Paper Mills Ltd. and the Adamjee Jute Mills and the rapid deterioration in the maintenance of law and order resulted in the Centre dissolving the East Pakistan Assembly and the promulgation of Governor's Rule under Major-General Iskander Mirza in October, 1954, as a result of which, law and order were restored.

"The economic situation, which had improved in 1953, was again deteriorating and, in October, it seemed that the Central Government under Mr. Mohamed Ali was losing the country's confidence. An Act was passed in October to remove the Governor-General's powers to dismiss a Prime Minister: Mr. Ghulam Mahomed, the Governor-General, thereupon declared a state of emergency, dismissed the Constituent Assembly and approved a new Cabinet under Mr. Mohamed Ali as Prime Minister.

"On a suit by the Speaker, this action by the Governor-General has been declared *ultra vires* and it now remains to be seen what will happen in the political field in Pakistan. But whatever the outcome, it is clear that Pakistan is passing and probably will for some time pass, through a difficult political period before a genuine and reputable democratic system can again be set up in the Provinces and at the Centre.

"The internal financial position of Pakistan appears to be sound, and very considerable industrial advances are taking place under the Pakistan Industrial Development Corporation under the efficient guidance of Mr. Ghulam Faruque, which has 24 projects in hand involving an investment of Rs. 70 crores and including shipbuilding, heavy chemicals, paper, cement, sugar, heavy engineering, textiles, jute, pharmaceuticals and petroleum and natural gas. Concerning the latter, the large gas-field at Sui is likely to be the most important single factor aiding the economy of Pakistan which has so far occurred.

"Shortage of foreign exchange is, at present, a serious problem, but when American aid starts coming forward this should result in a considerable saving in foreign exchange which in turn will enable Pakistan to spend more of its own foreign earnings on consumer goods, thus bringing about a reduction in the cost of living. The food position is far more comfortable: indeed in 1954 Pakistan was a substantial exporter of rice and it is not anticipated that there will be any shortage of grains.

"A settlement with India of the Kashmir problem seems no nearer than a year ago.

Ceylon

"Ceylon's economic outlook improved considerably during 1954. The tea crop established a record of 364 million lbs. and during the year tea prices at auction increased by over a rupee per lb. The export duty in January, 1954, was 45 cents per lb. and in January, 1955, Rs. 1.30 per lb. Thus, Ceylon's revenue is benefiting very considerably both from taxation on tea profits and from the almost trebled export duty.

"The second year of Ceylon's five-year agreement with China is reported to have worked satisfactorily, although the rise in the world price of rubber and the fall in the demand and price of rice made the barter of rubber for rice look much less advantageous to Ceylon.

"Nevertheless, Ceylon's economy is too dependent on two or three main agricultural industries, a severe drop in the world prices of which can bring a serious economic depression to the Island, which has to import a proportion of its foodstuffs. Prospects of foreign capital development are severely handicapped by the reluctance with which even temporary residence permits are granted even to citizens of other Commonwealth countries, as a result of the policy of Ceylonisation. There can be little doubt that this policy, if persisted in, can only result in the dis-investment of existing overseas capital in Ceylon and the prevention of any appreciable new overseas investments in the Island, for capital will not go to or stay in any country which refuses it the right to appoint executive staff without discrimination.

"During the year the Island was visited by Her Majesty the Queen and a royal welcome was accorded to her by all classes. Sir Oliver

Goonetilleke became the first Ceylonese Governor-General and Sir John Kotelawala, leader of the United National Party, continued as Prime Minister. The prestige of this Government remains high in the Island.

Burma

"The state of emergency continues in Burma, although it seems probable that some progress towards restoration of law and order has been made in 1954 and it is believed that a reduction has taken place in the numbers of insurgents and Communists operating against the Government forces. Nevertheless, the wrecking of trains, destruction of bridges and road or river hold-ups at one place or another in Burma are still frequent occurrences.

"Notwithstanding these difficulties, progress is being made in many directions. A Peace Treaty with Japan was signed on 5th November, with war reparations payable to Burma totalling the equivalent of U.S.$250 millions. Most of this is to be in goods and services (Japanese) to the value of U.S.$20 millions a year for ten years, also 'services and products' in joint enterprises for the economic rehabilitation and development of Burma in the form of hydro-electric plants, steel, fertiliser, shipbuilding, cement, sugar and chemical plants, also port facilities and hospital and medical services.

"The Burmese Government has also adopted an ambitious programme of industrial construction to cost some £562 millions over a period of seven years, including a steel rolling mill, two sugar mills, jute mill, bamboo paper and pulp mill, three hydro-electric plants, etc. A programme of road building is planned to provide eight main trunk roads throughout the country.

"Generally speaking, the trend during the year has been to extend State control over more branches of trade and industry to the exclusion of private enterprise.

"Whereas at the end of 1953 Burma had a favourable balance of trade, 1954 saw a reversal of this position, due to the fact that a buyers' market prevailed for her main export products. According to provisional statistics, the 1954 trade deficit balance may amount to K.14 crores. As a result, there has been a substantial fall (from K.99 crores in January, 1954, to K.56 crores at the end of the year) in Burma's foreign assets. It is estimated that Burma will have 1½ million tons of rice for export and, in view of the greatly improved world rice situation and the consequent fall in price, this presents Burma with a serious problem.

Malaya

"Economically the year 1954 proved better for Malaya than appeared likely at the beginning of the year. The principal industry, rubber, recovered from 55.88 cents a lb. in January to 86.15 cents a lb. in December, whilst tin, which in January fetched $317.33 per picul, finished the year at $348.96, having reached an average of $375 in July. As a result, the value of exports is estimated to be M.$3,400 millions, as compared with M.$3,019 millions during 1953, whilst estimated imports at M.$3,100 millions are lower by M.$127 millions, thus correcting the unfavourable trade balance of 1953. The year 1955 opened on a note of cautious optimism, but there are many difficult problems in the political and economic fields yet to be solved.

"The problem of replanting low production rubber is of considerable importance, if Malaya's rubber industry is to hold its place against the synthetic product; the problem of the Emergency which is by no means at an end, and of the financial burden this imposes; the problem of encouraging new industries and expanding existing ones such as copra, columbite, coconut oil, cocoa, etc. in order to make the economy more viable: these are all major problems for the Governments in Malaya and Singapore.

"In April, 1955, new Constitutions will come into effect in both Singapore and the Federation, under which both territories will have a large measure of self-government, with elected majorities in the Assemblies. The outcome of the first elections and the pattern of the new Cabinets resulting therefrom will be watched with lively interest and possibly some degree of anxiety. The electorate in Singapore consists of some 300,000, of which 200,000 are Chinese, the remaining 100,000 being more or less equally divided among Indians, Malayans, Ceylonese and Pakistanis and the Chinese are already demanding that the Assembly should be multi-lingual. Strikes were staged by pupils of Chinese schools, largely led by China-born Chinese, against National Service. This led to an investigation which disclosed that there was Communist infiltration into these schools. There seems little doubt that as the Security Forces make headway against the terrorists, the Communists turn their attention more to infiltration of trade unions, political parties, schools, etc., and it is very questionable whether sufficient is being done by the Western Powers to counter subversive activities and Communist propaganda, including radio propaganda from overseas, which is a major weapon in the cold war.

Hongkong

"The entrepôt trade of Hongkong has shown a slight further recession in 1954 partly due to the embargo on certain goods to China, partly due to increasing direct trade between China and the European Communist satellite countries, and partly due to the use of foodstuffs previously exported by China through Hongkong, for direct barter deals with other countries.

"Hongkong's exports declined to China, Indonesia, Japan and Thailand, and increased to the United Kingdom and Korea, whilst her imports declined from the United Kingdom, China, Germany and Thailand, but increased from the United States of America, Japan and Belgium. The value of exports totalled $2,417 millions and imports $3,435 millions. Nevertheless, the Budgetary position appears to be sound and it is estimated that the revenue for the current year will slightly exceed expenditure. Taxation remains low, which is an undoubted inducement to the growth of new industries and business enterprise.

"The expansion of local industries to which I referred last year has continued in 1954. There are now some 3,000 factories in Hongkong and Kowloon employing around 300,000 persons and during the year a modern flour mill, an artificial pearl factory, four new cotton mills, an electric clock factory and numerous other industrial projects have commenced.

Thailand

"Thailand has had a rather difficult year so far as overseas trade is concerned. The change from a sellers' to a buyers' market in rice, to which I referred last year, was not appreciated quickly enough and, as a result, rice exports were down by something like 25 per cent. from 1,352,000 tons in 1953 to 993,719 tons in 1954 and the revenue earned declined even more sharply, by approximately 40 per cent. At the end of the year, the rice export trade was given back to commercial enterprise.

"Although 1954 has been a difficult year economically, it has in other respects proved a progressive year. Closer association has developed with Burma and other free countries and the creation of S.E.A.T.O. has engendered a feeling of confidence in spite of the events in Indo-China. The Government under the Prime Minister, Field Marshal Pibulsonggram, appears to be firmly in control. The Army and the Police forces are regarded as strong and efficient and substantial American aid is forthcoming. The note issue is covered by gold and foreign exchange to about 64½ per cent., against 80 per cent. a year ago, and this loss in cover has been used to pay for the excess of imports over exports. Import licences are now rigidly restricted and new exchange control regulations came into force in December, 1954. With these measures it is anticipated that 1955 will see more stable trading conditions in the country.

"The Thais appear to be a contented people, with ample food supplies of all kinds and a reasonable standard of life and leisure, and, although not a democracy, Thailand should not prove a fertile ground for Communist infiltration. Provided S.E.A.T.O. becomes effective, Thailand may well become a bulwark against the spread of Communism in South-East Asia.

Mauritius

"Notwithstanding the fall in world sugar prices, the principal industry of Mauritius had another successful year in 1954 and, thanks to the protection granted by the Commonwealth Sugar Agreement, should also do well in 1955 provided weather conditions are not adverse.

"Over-population continues to be a major problem and necessitates the importation of foodstuffs. The Mauritius Government entered into a much criticised agreement with the Government of Burma, whereby the latter would supply to Mauritius 40,000 tons of Milchar No. 1 parboiled rice in 1954 and 30,000 to 50,000 yearly from 1955 to 1957, commencing at £54 8s. 11d. per ton f.o.b. in 1954 and falling by £2 a ton yearly thereafter. There was also a 'fall clause,' should Burma sell to any other Government at a lower price.

"Whether these Government to Government contracts are beneficial to the countries undertaking them is questionable: in peace-time, such trading is the function of merchants who, generally speaking, are better able to carry out such business and whose activities do not engender the risk of inter-Governmental friction nor loss to the public finances.

Japan

"Japan's economic position continues to cause great anxiety. Drastic import reductions were imposed and exports have increased during the year, so that the balance of international payments has improved and foreign currency reserves have increased slightly. A policy of dis-inflation has been followed which has checked the upward spiral of prices, but has also extinguished large numbers of small businesses and considerably increased unemployment.

"The population (now some 88½ millions) is rising at over a million a year, but Japan has only half the arable land and one-sixth the pasture land of the United Kingdom, which has only 60 per cent. of the population of Japan. Although Japan has a large industrial potential, much of it is 20 years out of date and costs of production are nearly 20 per cent. higher than in the United States of America or United Kingdom.

"Nevertheless, Japan must export in order to buy food and raw materials for her industries and she can only export in sufficient quantities if her costs and qualities are competitive, her trading practices are fair, and if the countries of the free world recognise the importance of assisting her through her present difficulties.

"Mr. Yoshida, who had been Japan's Prime Minister since October, 1948, resigned on 7th December, 1954, and was succeeded by Mr. Hatoyama leading what is really a caretaker Government, as a General Election is now taking place. It is generally believed that only by an alliance between the Conservatives and Liberals is a really stable Government likely to be formed.

"During my visit to Japan in October, I was received with most friendly courtesy and impressed with the goodwill existing towards Great Britain. Our three offices continue to make progress in their function of financing overseas trade.

"Our thanks are again due to Mr. Drake, our Chief Manager, Mr. Hawkins, our Deputy Chief Manager, to the managers and staff in London and at our branches and offices in all the countries in which we do business. It was a particular pleasure to me to meet so many of these officers during my tour and to observe the efficiency and enthusiasm with which they conduct the business of the Bank."

THE BRITISH INDIA GENERAL INSURANCE COMPANY, LIMITED
(INCORPORATED IN INDIA)
HEAD OFFICE:—MEHTA HOUSE, APOLLO STREET, BOMBAY
Chairman: JAL H. MEHTA
General Manager: M. S. DASTUR

STAFF INSURANCE SCHEME

EXPERT COMMITTEE SUBMITS REPORT

THE Staff Insurance Scheme which some insurers introduced last year for the benefit of salaried employees in large-sized firms, had, as is well known, come in for some criticism at the hands of both the smaller insurers and the insurance agents. In November, 1954, the Executive Committee of the Life Insurance Council of the Insurance Association of India appointed an expert sub-committee, consisting of three actuaries, to examine the actuarial and certain other aspects of the Scheme. This Sub-committee has now submitted its report. It has generally commended the scheme, though it has suggested that the Scheme should conform to certain conditions. The report has been accepted by the Executive Committee. As a result of this acceptance, the insurers concerned will have to amend, with effect from 1st inst., the Staff Insurance Scheme they are operating.

The terms of reference of the Sub-committee included: (a) whether insurers should be allowed to reduce rates under the staff insurance schemes and (b) whether quoting special rates for "death duty" policies was consistent with the principles laid down by the Committee in regard to prohibition of dual rates. In its report, the Sub-committee has held that any scheme of staff insurance which offers benefits to the public by reducing the cost is "unobjectionable," provided equity between the different sets of policyholders and between the existing policyholders and the new policyholder is preserved. There should, however, be no attempt on the part of an insurer at subsidising one section of its business at the expense of another. After examining the Staff Insurance Scheme, in the light of these considerations, the Sub-committee has arrived at the conclusion that there "can be no objection, in principle, to staff insurance schemes."

Proceeding, the Sub-committee has examined some of the objections raised against the Scheme. Stated briefly, these objections are: (1) It is possible that persons who are eligible for insurance benefits under the Staff Insurance Schemes may be persuaded to take up policies under the ordinary rates or they may be ignorant of their eligibility. (2) It is possible that the costs incurred on the Staff Insurance Schemes are not properly assessed, so that the differences in the two sets of premiums brings about inequity. (3) Large sections of prospective policyholders are excluded from the agent's field, so that the development of an effective agency force is seriously hampered. (4) A considerable volume of business written in the past may lapse or get paid-up or surrendered, thereby checking the growth of renewal premium income. The Sub-committee recognises that there is "some force" in these objections.

Nevertheless, the Sub-committee feels that if the scheme is worked in accordance with the restrictions it has proposed, most of the objections would lose their force. The suggestions made by the Sub-committee include:

(1) The minimum number of employees to be insured under the scheme should be in accordance with the following slab:

First 100 employees—50 per cent. with a minimum of 25.
Next 150 employees—40 per cent.
Next 250 employees—30 per cent.
Balance—25 per cent. or
500 whichever is lower.

Presumably this formula is intended to ensure that the Scheme is not utilised to issue policies to a very small group of employees. Under this formula, if the Scheme were made applicable to an office, say, with 250 employees, at least 85 employees should join the scheme—a minimum of 25 employees in the first slab of 100 employees and 60 employees or 40 per cent. of the second slab of 150 employees.

(2) For the purpose of the Scheme, the total number of employees will be considered as those insurable employees who are between the ages of 18 and 45. The staff of the head office, each branch office or each factory may be considered a separate unit. The staff may be sub-divided into factory workers and others (clerks and officers being considered together) and each sub-division may be treated as a separate unit.

(3) The Scheme should apply only to (a) whole life assurance by limited payments, (b) endowment assurance, (c) children's marriage endowment and educational annuities, and (d) deferred annuities. The payment of premium under these policies should be limited to an age not exceeding 60.

(4) The reduction in premium charged under the Scheme (as compared with ordinary tables) should not exceed 8 per cent. under assurance plans where the premium-paying period is 10 years or more and 5 per cent. in other cases including deferred annuities. Any extra charged or rebates allowed by the insurer on the ordinary rates will also apply to the Scheme. On leaving the employment, an employee should pay the premium according to ordinary scale in force at the time of issue of the policy. Policies under the Scheme should have the same terms, advantages and conditions as are applicable to other policies of the insurers. Surrender and paid-up values on policies issued under the Scheme may be allowed after two years even if the insurer allows such benefits only after a longer period under the ordinary plans.

(5) The sum assured under policies issued on the same life shall not exceed the following limits:

Salary with dearness allowance	*Maximum sum assured or cash option*
Rs. 100 or less	Rs. 2,000
Rs. 101 to Rs. 200	Rs. 4,000
Rs. 201 to Rs. 500	Rs. 8,000
Rs. 501 and over	Rs. 10,000

(6) No insurance agent should be employed for the purpose of securing business. No commission, nor any overriding commission should be paid to the insurance agent or special agent.

(7) The premiums under the staff insurance schemes, both first year's and renewal premiums, should be shown separately in the revenue accounts of the insurer.

(8) The rates of premiums quoted by the insurers on "death duty" policies should be on the same basis as are adopted for the ordinary plans of insurance.

Such, in brief, are the conditions under which the Scheme, according to the Sub-committee, will have to work. It is true that the quantum of reduction in premium rates recommended by the Sub-committee is somewhat smaller than that adopted by the insurers in their Staff Insurance Schemes. Even so, it is gratifying to note that the Committee has generally endorsed the Scheme, and that the Executive Committee (as stated at the outset) has accepted the Sub-committee's report. But the Executive Committee, it is stated, has appointed an enlarged sub-committee of six members (that is, three other members, in addition to the existing members) to examine the working of the Staff Insurance Scheme. While we do not wish to underestimate the importance of expert scrutiny of the Staff Insurance Scheme, which is a new development in Indian insurance, we fail to see why such further examination is deemed necessary.

Be that as it may, there are two encouraging circumstances to which reference seems necessary. In the first place, it would appear that of those insurers who had opposed the Staff Insurance Scheme last year, some are not opposed to the Scheme now and a few others do not oppose it as vehemently as they did last year. Presumably, this is due to the apprehension that if Staff Insurance Schemes are withdrawn, the Postal Insurance authorities might try to fill the gap. We have always held that staff insurance, in some form or other, is the only way in which private insurers can forestall the extension plans of the Postal Insurance authorities.

Secondly, the Sub-committee, which examined the Staff Insurance Scheme, must be congratulated on its wise emphasis on the need for group insurance. The Sub-committee says: "Some of us foresee the time when group insurance schemes, which have brought the benefits of insurance to large sections of the working population in many countries, will take the field in India. Such group insurance should be the only alternative to the individual insurance that is being transacted now." The Sub-committee has expressed the hope that all "progressive employers will realise the advantages of group insurance." It is to be hoped that private insurers will soon be able to issue group insurance policies and the Government will facilitate this issue. Group insurance covers the risk of death only of a group of employees. From this point of view, it may well be called the only true type of insurance. Further, the premiums are low and are shared between the employers and the employees. Indeed, this form of insurance is a more urgent need than even health insurance which does not cover the risk of death of an individual employee. It is, therefore, high time that efforts were made to bring this scheme into practice over as wide an area of the country as possible.

CHECKING MOTOR ACCIDENTS

To the Madhya Pradesh State goes the honour of having taken the initiative in organising a high level conference to consider how best motor car accidents can be prevented. That the Chief Minister, Mr. R. S. Shukla, himself should have presided over the Conference, which was held at Nagpur, shows that the authorities attach considerable importance to effective prevention of accidents. The Conference, it is stated, was attended by the Chief Secretary to the State Government, high police officers and transport authorities.

It would appear that the causes responsible for accidents were first discussed. Broadly speaking, they were attributed to defective vehicles, rash or negligent driving, absence of proper road signs and road sense. It was felt that there was scope for better enforcement of the Motor Vehicles Act and the Rules framed thereunder and for speedier disposal of cases of breaches of the Act and the Rules. The Conference was of the view that the authorities should check the motor vehicles very thoroughly before issuing a certificate of fitness and that there should be effective supervision of the work of the Motor Vehicles Inspectors and Reserve Inspectors. It was suggested that the Transport Authority might be given a technical assistant, in order to enable it to exercise supervision over vehicles and to conduct surprise checks on vehicles. Such supervision and surprise checks would ensure that the vehicles are in perfect mechanical condition.

A suggestion was also made that a time limit should be fixed during the lifetime of a vehicle for which the vehicle would be considered roadworthy. Ordinarily, no public vehicle, it was felt, should be certified as roadworthy beyond a period of 10 years from the year of its manufacture. If a thorough examination, however, revealed that it was in very good mechanical condition, it might be permitted to be on the road for a maximum additional period of five years.

A notable suggestion made in the Conference was that in order to provide incentive for drivers to be careful and to avoid accidents medals should be awarded to drivers with accident-free records for 10 consecutive years. The question of establishing a training school for drivers, it was suggested, should be examined by the authorities. Further, the authorities were urged to consider how best the cases under the Act could be speedily disposed of. The Conference appointed a sub-committee to survey the traffic islands, footpaths, blind corners, parking places, etc., in Nagpur.

All the suggestions made at the Conference, it is pointed out, will be considered by the departments concerned. It is to be hoped that the departments would chalk out definite plans for prevention of accidents. Indeed, if this commendable move were to lead to a significant decline in road accidents there is no doubt that the measures adopted by the Madhya Pradesh Government will serve as a model for other States.

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THE INDIAN BANK LIMITED, MADRAS

(ESTABLISHED 1907)

DIRECTORS' NINETY-FIFTH REPORT

The Directors have the pleasure to submit a statement of Assets and Liabilities and of Profit and Loss Account of the Bank for the year ended 31st December 1954. The Auditors' Report is also annexed.

2. The Net Profit of the Bank for the year amounts to Rs. 13,93,696-14-8 and together with the sum of Rs. 1,23,088-2-3 carried from the previous year's account, makes a total of Rs. 15,16,785-0-11.

	Rs. a. p.
3. Out of this sum, the Directors have made the following interim appropriations—	
An ad interim dividend at the rate of 5 per cent. and a bonus of 1 per cent. (both free of income-tax) was paid which absorbed	3,48,000 0 0
The Directors now recommend that the following further appropriations may be made—	
To pay a final dividend of 5 per cent. and a bonus of 1 per cent. (both free of income-tax) thereby making the dividend and bonus for the year amount to 12 per cent.	3,48,000 0 0
To provision for taxes	5,75,000 0 0
To transfer to the Reserve Fund under Section 17 of the Banking Companies Act 1949 raising it to Rs. 59 lakhs	1,00,000 0 0
To transfer to Bank's Buildings account	15,000 0 0
To carry forward	1,30,785 0 11
Total Rs. ..	15,16,785 0 11

4. The Bank rate remained unchanged at 3½ per cent. during the year under report.

5. Offices of the Bank were opened during the year at Alwarpot, and Nungambakkam in the City of Madras and Coonoor R. S., Rajapalayam, Pattukottai, Sankaranainarkovil, Secunderabad (Dn.) and Tiruppattur (Ramnad).

6. Mr. M. A. Chidambaram Chettiar, who was associated with the Bank as a Director for nearly nine years resigned his seat on the Board on 5th February, 1955, and the Directors record their great appreciation of his valuable services to the Bank. In his place Kumararajah M. A. M. Muthiah Chettiar of Chettinad, D.A., was co-opted.

7. In accordance with Articles 95 and 98 of the Articles of Association of the Bank four Directors, Messrs. Kumararajah M. A. M. Muthiah Chettiar of Chettinad, R. K. Venkatachalam, R. Sundram Iyer and Rao Bahadur M. R. M. S. Periannan Chettiar retire this year by rotation and they, being eligible, offer themselves for re-election.

INDIAN BANK BUILDINGS,
MADRAS, 18th March, 1955.

BALANCE SHEET AS AT 31st DECEMBER, 1954

Corresponding figures 31st Dec., 1953 Rs. a. p.	CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
	1. Capital—		
	AUTHORISED CAPITAL— 1,00,000 Shares of Rs. 100 each	1,00,000 0 0	
	ISSUED CAPITAL FOR PAYMENT IN CASH— 72,000 Shares of Rs. 100 each	72,000 0 0	
	SUBSCRIBED CAPITAL— 72,000 Shares of Rs. 100 each	72,000 0 0	
	AMOUNT CALLED UP— 24,000 Shares of Rs. 100 each; On 20,000 Shares at Rs. 85 per share; On 28,000 Shares at Rs. 80 per share.	24,00,000 0 0; 17,00,000 0 0; 16,80,000 0 0	
		57,80,000 0 0	
	LESS—Calls unpaid	825 0 0	
		57,79,175 0 0	
	ADD—Forfeited Shares	Nil	
57,68,525 0 0			57,79,175 0 0
	2. Reserve Fund and Other Reserves— (i) Reserve Fund under Section 17 of the Banking Companies Act, 1949	58,00,000 0 0	
	(ii) Reserve Fund other than that under Section 17 of the Banking Companies Act, 1949	9,00,000 0 0	
73,50,000 0 0	(iii) Sinking Fund	9,50,000 0 0	76,50,000 0 0
	3. Deposits and Other Accounts— Fixed Deposits	8,87,01,929 10 5	
	Season and Short-term Deposits	2,58,47,976 12 0	
	Savings Bank Deposits	4,53,93,752 15 5	
	Current Accounts, Contingency Accounts, etc.	9,03,20,919 12 9	
21,85,31,724 9 8			24,84,64,579 2 7
	4. Borrowings from Other Banking Companies, Agents, etc.— (i) In India	Nil	
15,00,431 9 0	(ii) Outside India	Nil	Nil
	PARTICULARS— (i) Secured (secured by part of investments in Central and State Government securities as per contra) Rs. Nil		
	(ii) Unsecured Rs. Nil		
56,32,592 14 9	5. Bills Payable		56,45,892 4 6
	6. Bills for Collection Being Bills Receivable as per contra— (i) Payable in India	1,29,44,147 10 5	
1,09,22,010 6 0	(ii) Payable outside India	98,33,380 4 1	2,27,77,527 14 6
	7. Other Liabilities— (i) Rebate on Bills	17,663 14 10	
	(ii) Unclaimed Dividends	52,754 10 8	
	(iii) T.Ts. Payable	1,85,761 3 5	
	(iv) Sundries Payable	4,19,556 14 5	
	(v) Branch Adjustment	31,60,849 3 7	
	(vi) *Provision for Taxes	12,02,447 1 8	
	(vii) Interest Realisable	23,884 12 8	
32,02,439 13 11			50,62,717 12 5
91,32,527 7 5	8. Acceptances, Endorsements and Other Obligations per contra		1,44,09,571 5 3
	9. Profit and Loss— Profit as per Balance Sheet as at 31st December, 1953	10,55,088 2 5	
	LESS—Appropriations— (i) Final dividend of 5 per cent. and a bonus of 1 per cent. (both free of income-tax) Rs. 3,47,000 0 0; (ii) Provision for taxes 2,60,000 0 0; (iii) Reserve Fund 2,50,000 0 0; (iv) Sinking Fund 50,000 0 0; (v) Depreciation on Bank's Premises 25,000 0 0		
		9,32,000 0 0	
	ADD—Profit for the year brought from the Profit and Loss Account	1,23,088 2 3; 13,93,696 14 8	
		15,16,785 0 11	
	LESS—Interim appropriations— Ad-interim Dividend of 5 per cent. and Bonus of 1 per cent. (both free of income-tax)	3,48,000 0 0	
10,55,088 2 8			11,68,785 0 11
	10. Contingent Liabilities— (1) On partly paid up shares of Banks Rs. 30,675-0-0. (2) Claims against the Bank not acknowledged as debt— (a) Rs. 25,000-0-0 failing which Rs. 670-11-0. (b) Rs. 55,965-10-10. (3) On guarantees given on behalf of constituents Rs. 12,09,239-8-8. (4) On Forward Exchange Contracts Rs. 2,90,70,919-7-10.		
	*1. There is a liability of Rs. 87,191-11-0 on account of Income-tax for the year 1941 which has not been paid but adequate provision has been made. 2. In respect of the additional assessment for the year 1942 on account of Malayan Offices which had resulted in a demand of Rs. 3,08,762-6-0 as was referred to in the earlier Balance Sheets, the assessment has been set aside on appeal and a fresh assessment has been ordered to be made. In view of the small profit for the branches in Malaya during the war period it is expected that the further liability to income-tax for 1942 will be negligible.		
27,20,55,339 14 10	Total .. Rs.		31,09,58,248 3 2

Corresponding figures 31st Dec., 1953 Rs. a. p.	PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
2,08,60,833 4 7	1. Cash— In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		2,60,44,095 3 11
	2. Balances with Other Banks—† (i) In India— On Deposit 2,55,000 0 0; In Current Account 39,18,108 10 10		
83,71,717 12 10	(ii) Outside India— On Deposit 12,000 0 0; In Current Account 55,11,905 7 11	41,73,108 10 10; 55,23,905 7 11	
2,00,000 0 0	3. Money at Call and Short Notice		96,97,014 2 9
	4. Investments (at cost)—† (i) Securities of the Central and State Governments (Terminable Loans) and other Trustee Securities, including Treasury Bills of the Central and State Governments. Face Value Rs. 9,36,16,900-0-0 (Market Value Rs. 8,91,55,240-6-0)	9,48,54,394 8 0	44,02,278 12 1
	(ii) Shares— Preference (other than Banking Companies)— Fully paid 66,900 0 0; Ordinary (Banking & other Companies)— Fully paid 13,45,222 8 0; Partly paid 1,18,019 8 0 (Market Value Rs. 12,70,212-0-0)	15,30,142 0 0	
	(iii) Debentures	Nil	
	(iv) Other Investments— Malayan and F.M.S. Terminable Loans of Face Value Rs. 8560,500. (Market Value Rs. 8,07,146-11-0) British 3% 1955-59 War Loan Face Value £12,212-10-6 (Market Value Rs. 1,83,758-1-0) Ceylon Government 3% War Loan Face Value Rs. 1,56,000 (Market Value Rs. 1,46,845-0-0)	8,53,841 12 3; 1,59,783 4 4; 1,58,336 0 0	
	(v) Gold (Provision in Sinking Fund and Non-statutory Reserve Fund as per contra about Rs. 18½ lakhs towards depreciation on investments.)	Nil	9,75,56,497 8 7
9,59,84,595 8 8	5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of Auditors) (1) Loans, Cash Credits, Overdrafts, etc.— (i) In India Rs. 9,85,64,730 6 8; (ii) Outside India Rs. 72,19,865 15 9	10,57,84,596 6 0	
11,26,04,218 0 4	(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India Rs. 1,66,99,930 6 4; (ii) Payable outside India Rs. 75,53,449 12 2	2,42,53,380 2 8	13,00,37,976 8 6
	(Particulars of Advances shown in next page)		
1,09,22,010 6 0	6. Bills Receivable Being Bills for Collection as per contra— (i) Payable in India; (ii) Payable outside India	1,29,44,147 10 5; 98,33,380 4 1	2,27,77,527 14 6
91,32,527 7 5	7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,44,09,571 5 3
	8. Premises— At cost as at 31st December 1953 Rs. 5,78,271 13 0; Additions during the year 1,63,237 4 0		
	LESS—Depreciation written off to date	7,41,509 1 0; 4,41,638 9 10	3,09,870 7 2
1,65,423 5 0	9. Safes, Furniture and Fixtures— At cost as at 31st December, 1953 Rs. 10,73,346 3 7; Additions during the year 1,49,255 0 4		
	LESS—Deductions in the year	12,22,701 3 11; 55,038 9 0	
	LESS—Depreciation written off to 31st December, 1954	11,67,662 10 11; 5,80,278 4 3	5,87,384 6 9
5,87,325 13 8	10. Other Assets, including Silver— Books and Stationery; Sundries Receivable (including Advance Income-tax Rs. 24,48,285-14-2); Interest Accrued on Investments; Stamps and Drafts; Silver	4,75,394 11 9; 33,54,199 4 8; 7,96,071 15 10; 10,346 2 11; Nil	
42,56,658 5 9			51,18,032 3 8
Nil	11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
	† Includes investments of staff security deposits.		
27,20,55,339 14 10	Total .. Rs.		31,09,58,248 3 2

(Continued on next page)

THE INDIAN BANK LIMITED, MADRAS—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1954

Corresponding figures 31st Dec., 1953 Rs. a. p.	EXPENDITURE	Rs. a. p.	Rs. a. p.
45,07,374 5 3	1. Interest paid on deposits, borrowings, etc.	49,03,740 0 2	
	2. Salaries and Allowances, and Provident Fund and Bonus (Salary and Allowances other than Bonus paid to Secretary Rs. 47,939-5-9)	40,52,072 11 0	
86,03,019 1 9			
59,669 6 0	3. Directors' and Local Committee members' fees and allowances	67,049 1 0	
3,89,835 1 10	4. Rent, Taxes, Insurance, Lighting, etc.	4,37,563 1 5	
9,816 12 10	5. Law Charges	6,089 3 8	
3,03,073 3 5	6. Postage, Telegrams and Stamps	3,32,323 5 1	
17,366 4 0	7. Auditors' Fees	17,200 8 5	
1,32,281 5 9	8. Depreciation on and repairs to the banking company's property	1,55,721 10 2	
3,27,218 3 6	9. Stationery, printing, advertisement, etc.	3,03,579 4 7	
Nil	10a. Loss from sale of or dealing with non-banking assets	Nil	
83,364 12 6	10b. Net loss on sale of investments	623 0 0	
5,50,324 5 8	11. Other Expenditure	4,40,533 1 0	
12,90,856 14 10	12. Balance of Profit	13,93,696 14 8	
1,14,48,280 0 4	Total .. Rs.	1,22,67,157 11 2	

Corresponding figures 31st Dec., 1953 Rs. a. p.	INCOME (Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.	Rs. a. p.
88,84,574 9 8	1. Interest and Discount	94,79,262 4 0	
22,23,259 1 8	2. Commission, Exchange and Brokerage	25,05,735 3 8	
53,561 8 8	3. Rents	76,585 14 1	
Nil	4. Net profit on sale of investments, gold and silver, land, premises and other assets. (Not credited to Reserves or any particular fund or account)	Nil	
Nil	5. Net profit on revaluation of investments, gold and silver, land, premises and other assets. (Not credited to Reserves or any particular fund or account)	Nil	
Nil	6. Income from non-banking assets, and profit from sale of or dealing with such assets	Nil	
2,56,885 1 9	7. Other receipts	2,05,574 0 7	
1,14,48,280 0 4	Total .. Rs.	1,22,67,157 11 2	

PARTICULARS OF ADVANCES REFERRED TO ON THE ASSETS SIDE OF THE BALANCE SHEET AS AT 31st DECEMBER, 1954

PARTICULARS	Amount Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured	10,94,85,940 12 5
(ii) Debts considered good for which the Banking Company holds no other security than the debtor's personal security	1,95,21,191 11 1
Advances under Joint and several Promotes Rs. 1,12,87,494 2 4; Advances to individual parties including Bills discounted and purchased 82,33,097 8 9	
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	2,85,295 14 11
(iv) Debts due on temporary overdrafts and other advances	7,75,548 2 1
(v) Debts considered doubtful or bad not provided for	Nil
Total .. Rs.	13,00,37,976 8 6

PARTICULARS	Amount Rs. a. p.
(vi) Debts due by Directors or officers of the Banking Company or any of them either severally or jointly with any other persons (of which Rs. 12,88,836-12-3 is fully secured)	18,02,076 9 8
(vii) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, partners or Managing Agents or, in the case of private companies, as Members (of which Rs. 20,13,976-3-3 is fully secured)	27,05,445 4 11
(viii) Maximum total amount of advances, including temporary advances, made at any time during the year to Directors or Managers or officers of the Banking Company or any of them either severally or jointly with any other persons (of which Rs. 13,14,038-11-11 is fully secured)	13,27,362 11 5
(ix) Maximum total amount of advances, including temporary advances granted during the year to companies or firms in which the directors of the Banking Company are interested as Directors, partners or Managing Agents or, in the case of private companies, as members (of which Rs. 27,15,978-7-9 is fully secured)	35,23,911 4 4
(x) Due from Banking Companies	11,99,556 4 7

We have audited the above Balance Sheet of the Indian Bank Limited as at 31st December 1954 and also the above Profit and Loss Account of the Bank for the year ended on that date in which are incorporated the authenticated returns from branches and sub-offices and report that :—

(a) We have obtained all the information and explanations we have required ;

(b) Such information and explanations have been found to be satisfactory ;

(c) The returns received from the branches have been found adequate for the purpose of our audit;

(d) The transactions of the Bank as have come to our notice have been, in our opinion, within the powers of the Bank ;

(e) In our opinion, the Profit and Loss Account shows a true balance of Profit for the period covered by the Audit ;

(f) In our opinion, the above Balance Sheet and Profit and Loss Account are drawn up in conformity with the Law ;

(g) Such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us and as shown by the books of the Bank ; and

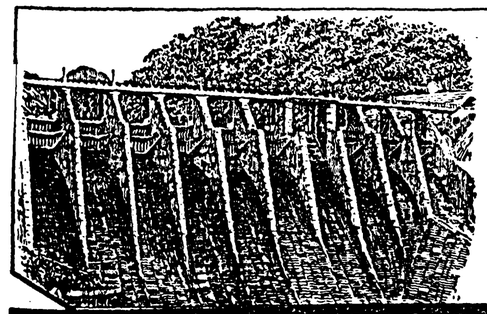
(h) In our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act 1913.

M. K. DANDEKER & CO.
SUNDARAM & SRINIVASAN
V. SOUNDARARAJAN & CO.
BRAHMAYYA & CO.
} Chartered Accountants, Auditors.

M. A. M. MUTHIAH CHETTIAR
R. K. VENKATACHALAM
R. SUNDRAM IYER
M. R. M. S. PERIANNAN CHETTIAR
O. M. SP. L. M. MEYYAPPA CHETTIAR
A. M. A. MR. MURUGAPPA CHETTIAR
} Directors {
M. R. GURUSWAMI MUDALIAR
C. KRISHNAMOORTHY MUDALIAR
L. ALAGUSUNDARAM CHETTIAR
P. V. RM. KULANDAYAN CHETTIAR
K. BALASUBRAMANIA IYER
E. M. MUTHAPPA CHETTIAR

A. K. PRABHU, Chief Accountant.
D. P. PARTHASARATHY, Deputy Secretary.
N. GOPALA IYER, Secretary.

MADRAS, dated 19th March, 1955.



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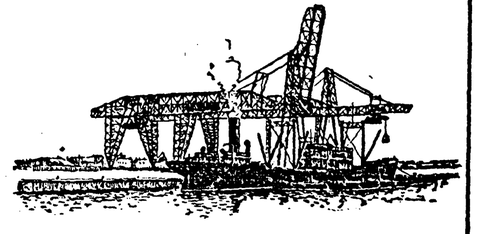
Water-gates & Penstocks
Steel Bridges & Towers, etc.



Please Contact : KHANDELWAL BROTHERS LTD.
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PRIVATE ENTERPRISE AND STATE POLICIES

VIEWS OF MR. MURARJI J. VAIDYA

SHOULD the industrialists still think in terms of freedom and encouragement for private enterprise or should they accept the declared policy of the Government—establishment of a socialistic pattern of society—as an accomplished fact and adjust their own policies and practices accordingly? This was the question which Mr. Murarji J. Vaidya, Chairman of the All-India Manufacturers' Organisation (A.-I.M.O.), posed when he addressed the fifteenth annual conference of the Organisation held at Hyderabad on Saturday last. Evidently, Mr. Vaidya could not avoid the temptation of being drawn into the controversy that has been raging in the Press and on the platform since the adoption of the resolution on economic objective and policy by the Indian National Congress at its Avadi session. A section of industrialists argues, according to Mr. Vaidya, that the case of free enterprise requires to be pressed more vigorously before the people to convince them of the dangers of proceeding too rapidly in the direction of a socialistic pattern, while another section feels that the country cannot afford the luxury of free enterprise in the context of the need for rapid economic development of an underdeveloped country such as India.

Mr. Vaidya did not, of course, merely stop at posing the above issue; he attempted to answer it himself. He prefaced his answer with a lucid analysis of some of the fiscal and social policies of the Government in the light of the recommendations made by the Taxation Enquiry Commission. Referring to the Government's policy with regard to rehabilitation and modernisation of industry, he pointed out that nothing more than the barest minimum of liquid resources was being allowed to be retained in the hands of industries. He felt that the minimum would be found to be grossly inadequate even for the requirements of the industries themselves and that the industries concerned might have to resort to borrowing. Obviously, the industries would have to resort more and more to Government and semi-Government agencies for borrowings of a capital nature. Such a tendency would, in course of time, result in the latter becoming the major creditors of industries.

There is considerable force in these observations of Mr. Vaidya, as also in his statement that the proposed amendment to section 23A of the Income-tax Act was designed only to reduce individual wealth. Surely, a situation has been created, whereby private capital will, as he pointed out, find it difficult, if not impossible, to finance any new industrial development of a major character. Mr. Vaidya said:

"The sum total of all these policies and practices will be the gradual elimination of the private sector as the *entrepreneur* and, as time goes on, a greater and greater responsibility will come to rest on the Government for establishing new industrial enterprises. The fact that major industries like steel, shipping, electric power supply, etc., have had to resort to borrowing from Governmental or semi-Governmental agencies in the immediate past is a sure indication that Government will have to be the main provider of capital resources even where the State itself is not the *entrepreneur* and the financier of its own volition, as in the public sector. The reduction of wealth in the hands of the private sector will also result in their inability to contribute to philanthropic and social institutions which have so far been in the habit of relying on private philanthropy for their sustenance. Similarly, public institutions and political parties will also find it difficult, if not impossible to obtain requisite financial assistance which they have so far been expecting and receiving from the private sector."

Proceeding, Mr. Vaidya made a pointed reference to the increasing burden of taxation and the progressively mounting contributions which the industry was required to make to the various social welfare measures. These, he said, had resulted, and would continue to result, in increased costs of production or, where the buyers refused to pay the higher cost, in dwindling down of the profits on sales in both internal and external markets. The return from industry would, therefore, progressively decrease and this would, in turn, lead to a progressive decrease in the incentive for starting or developing industries by the private sector. Mr. Vaidya appealed to the Government not to adopt measures that would do more harm than good and that would give "such a shock to our economic system that the hands of the clock may be set back." At the same time, he appealed to the industrialists to appreciate the force of the arguments of the other side in the context of the need for rapid economic and social betterment. He wanted them to be prepared to adjust their policies to the overall needs of the country in the "supreme effort of making India a mighty and prosperous nation."

Having dealt with the main issue facing the industrialists at present, the A.-I.M.O. President alluded to two specific issues which were exercising the minds of the industrialists—unemployment and the proposed amendment to the Constitution. The Chairman regarded the problem of unemployment as a major one; it was a challenge to the developing economy. He no doubt believed that the avenues of employment were growing, but pointed out that the rate at which the employables were growing was faster than the rate at which these avenues of employment were being created. There is no exaggeration whatever in this view. It was only the other day that the Union Finance Minister revealed in Parliament that, out of seven million job-seekers, the number of persons who found jobs during the first four years of the Five-year Plan was four million. Mr. Vaidya stressed the need for creating "a far larger number of jobs." This need, according to him, was greater in urban areas than in rural areas, because job-seekers from rural areas migrated to the urban areas and aggravated the problem. In this connection, Mr. Vaidya suggested that the job-seekers in rural areas should be encouraged to start one-man or two-man industries on a small-scale as is done in Japan. In Japan, he said, 624,460 industrial establishments consisted of not more than four persons and gave employment to hundreds of thousands of people. Urging the emulation of the Japanese example, Mr. Vaidya made it clear that it was only through creating more jobs in the small-scale and rural industries in the village areas, on the one hand, and in a large number of new or expanded heavy and large-scale industries in the urban areas, on the other, that the great problem of unemployment could be tackled successfully.

With regard to the proposed amendment to the Constitution, Mr. Vaidya rightly observed that it would strike at the very root of the axiom that, where the property of a private citizen is acquired for a public purpose, it should be acquired only at public expense and not to the detriment of the citizen who is deprived of his property or his right. He was very emphatic when he remarked: "The fundamental rights guaranteed under the Constitution should not be made a handmaid of the party in power for implementing their economic programmes and policies."

In conclusion, Mr. Vaidya emphasised that the efficiency of free enterprise and the benefits of social welfare should be combined. To quote him: "Let us have a Welfare State in which every one is well off and let us, above all, avoid treading on each other's toes in our haste to march ahead." This, indeed, is the most rational approach which has unfortunately not been recognised by the powers-that-be. After all, it must be remembered that the task of achieving a Welfare State gradually and through co-operation of all is a "wiser" way than that of achieving it rapidly through regimentation.

THE
BANK OF BARODA
LTD.
ESTABLISHED IN 1908

Capital Authorised .. .. Rs. 2,40,00,000
Capital Issued & Subscribed .. Rs. 2,00,00,000
Capital Called Up and Paid Up. Rs. 1,00,00,000
Reserve Funds .. .. .. Rs. 1,28,00,000

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General Banking Business Transacted

MATHEW S. D'SOUZA, General Manager.

ASIA'S RICE TRADE

The harvest area under paddy in Asia (excluding China) in 1953-54 was 178,000,000 acres, of which 76,646,000 acres were in India, 24,533,000 in Pakistan, and 912,000 in Ceylon. In Burma, there were 9,895,000 acres, in Thailand 14,536,000, in Indo-China 9,600,000, Indonesia 15,785,000, Japan 7,400,000 acres, and the Philippines 6,600,000 acres.

These figures are given in the latest *Rice Bulletin* published by the Commonwealth Economic Committee in London. The bulletin also shows that the first forecast for the harvested area in India for 1954-55 is 62,630,000 acres. The second forecast for Pakistan for 1954-55 is given as 22,781,000 acres.

Of the world's rice production (excluding that of the U.S.S.R.) of 166,500,000 long tons in 1953-54, India accounted for 39,822,000 long tons, Pakistan for 13,457,000 tons and Ceylon for 534,000 tons—in each case, a substantial increase over the figure for the previous year.

The bulletin records that the recent U.K.-Australia rice mission to Ceylon had reported that the Ceylon Government's efforts to raise yields were steadily becoming effective; an average level of 40 bushels per acre was considered possible within the near future.

Figures given of yield per acre of milled rice in Asian countries showed Japan had the highest yield, with 20.1 cwts. per acre in 1953-54, followed by South Korea, with 18.1 cwts. Figures for India, Pakistan, and Ceylon were, respectively, 7.1, 7.5, and 8 cwts. per acre.

Shipments of rice from the major exporters in South-East Asia amounted in 1954 to some 2,750,000 tons—about 280,000 tons more than the low figure of the previous year, but still below the level reached in 1951 and 1952. While exports from Burma, at 1,425,200 tons, were 470,800 tons higher than in 1953, those from Thailand, at 978,000 tons, showed a reduction of 353,200 tons. Shipments from Indo-China during 1954 were estimated at nearly 350,000 tons, as against recorded exports of 184,300 tons in the previous year.

Details so far available for other exporting countries suggested that total exports during 1954 might be slightly below the figure of 4,200,000 tons in 1953. Burma's rice exports were at the highest level since the war—470,800 tons above the revised figure for 1953, although still less than half the pre-war average. Contracts for 1955 included approximately 250,000 tons of rice remaining at the beginning of the year to be shipped to India under Burma's trade agreement with her.

Exports from India during the period July-December, 1954, aggregated only 5,600 tons, although some 200,000 to 300,000 tons of high-quality rice had been available for export and permits for 45,000 tons had been issued for consignment to Aden, East Africa, the Federal Republic of Germany, the Persian Gulf region, Tibet, and the United Kingdom. With the reduction in export duty, increased shipments from India were expected in 1955.

As far as Pakistan is concerned, the bulletin says it was officially reported that the following surplus from the 1954-55 rice crop was available for export: Sind *Joshi*, 200,000 tons; *Basmati*, 5,000 tons; *Permal*, 2,500 tons; *Begami*, 2,500 tons.

DEVELOPMENT COUNCIL FOR HEAVY CHEMICALS (ALKALIS) SET UP

A Development Council for the scheduled industry engaged in the manufacture and production of heavy chemicals (alkalis) has been set up by the Government of India under the Industries (Development and Regulation) Act, 1951. The Council will recommend targets for production, co-ordinate production programmes and review, from time to time, the progress made by this industry. It will also suggest norms of efficiency so as to eliminate waste, obtain maximum production, improve quality and reduce cost. The Council will also recommend measures for fuller utilisation of the installed capacity, promote arrangements for better marketing and standardisation of products. The adoption of measures for increasing the productivity of labour, including measures for securing safer and better working conditions and the provision and improvement of amenities and incentives for workers, will be another of the Council's functions.

The Development Council for heavy chemicals (alkalis) will consist of Mr. C. R. Rao, Chairman and Mr. K. M. Seth, Mr. K. K. Raman, Mr. Charat Ram, Mr. A. R. Narasimhan, Mr. V. S. Mankekar, Director, Central Electro-Chemical Research Institute, Karaikudi, Mr. G. P. Birla, Mr. N. Adhikari, Mr. B. Maitra, Mr. Surottam P. Hutheesing, and Mr. Shankar Rao P. Ogale, all members. Two representatives of labour will be appointed to the Council later.

This Development Council is the eighth such Council to be created under the Industries (Development and Regulation) Act.

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AHMEDABAD ELECTRICITY COMPANY, LIMITED

MR. K. G. MILNE'S ADDRESS AT ANNUAL GENERAL MEETING

HIGHER STANDARD RATE OF RETURN URGENTLY REQUIRED

THE need for some measure of relief to the electricity industry was stressed by Mr. K. G. Milne, Chairman of the Ahmedabad Electricity Company, Ltd., in the course of his address at the Forty-second Ordinary General Meeting of the Company held in Bombay on Monday, 28th March, 1955. Mr. Milne reiterated his industry's plea for the liberalisation of the Electricity (Supply) Act in certain essential respects. In particular, he urged the enhancement of the standard rate of return and provision for deferred tax reserve.

Welcoming the shareholders to the meeting, Mr. Milne said:

"Since I last addressed you, continued representations have been made to Government to effect liberalisation of the Electricity (Supply) Act in essential respects. Principal of these, still, are the needs for enhancement of the standard rate of return and provision for deferred tax reserve.

"An important step forward recently has been the holding in Delhi last month of the long awaited Inter-State Conference to consider amendments to the Act and allied matters. A delegation from the Federation of Electricity Undertakings of India was then given an opportunity of elaborating the industry's views on the main problems, and I brought away the feeling that there is general realisation that some measure of relief should be granted to the industry soon. There are, indeed, hopes that the Bill to amend the Act may be placed before Parliament by August or earlier.

"You may have heard that the Government had a proposal to link the standard rate to the Bank rate with a differential of 2 per cent. With the Bank rate at present ruling at 3½ per cent., a basic maximum return of only 5½ per cent. would thus be permitted, a mere ½ of 1 per cent. more than now applies, and the industry has continued to press the case for a higher differential. In respect of the other major item, the principle of allowing for a deferred tax reserve seems to have had a fairly wide measure of backing at the level of State Governments, and following the debate at the Conference it is understood that the related Ministries at the Centre are now giving consideration to the precise method to be followed.

"The serious problem of deferred tax in the electric supply industry has also come in for special mention by the Taxation Enquiry Commission. In their report they say: 'We consider that the best way out of the difficulty would be to allow the concerns to put into reserve any extra surplus that they get as a tax relief on account of the initial and extra depreciation allowances. We recommend that the Act be amended so as to permit the creation of such a reserve.'

Development Rebate

"The Union Government's budget proposals for the year 1955-56 and the report of the Taxation Commission are both of great significance to the citizens of the Republic in all walks of life, but I must confine myself here to those aspects of them which appear most immediately significant to concerns such as our own. From this angle the principal change effected in the Finance Bill is the introduction of an allowance, admissible to be set off against taxable income and called a 'development rebate.' This concession amounts to 25 per cent. of the value of all kinds of new plant and machinery and is in place of the 20 per cent. initial depreciation allowances which have been available for the last several years.

"Now to the electricity industry, this development rebate is going to mean something rather different from what it means to other industries. So far as I can see, we will have to pass on at once to our consumers all the benefit of the rebate that others will be able to retain for development. This is just what happened to us in the case of the tax relief resulting from accelerated depreciation allowances, and it just as clearly calls for remedial action, but at least with the rebate we can be thankful that there will not be equivalent deferred taxation to contend with as well.

"I hasten to add that the advent of the development rebate does not mean that there is no longer any need for Government to make it possible for us to provide a reserve against deferred taxation. Quite the contrary; because the incidence of development rebate can only hold off for some time longer the day when our existing back-log of deferred tax liability becomes payable, so now is the very time to be accumulating funds into a reserve against that day.

"I should also stress that nothing has changed yet in so far as our special problems about denial of gross ups and/or additional income tax on dividends are concerned. These questions are still as they were when I spoke to you last year, namely, working their way through the labyrinths of the law courts, and no binding decision has yet come to help us. Our latest taxation position, therefore, seems to be that while the advent of development rebate will stop the further accumulation of deferred taxation to a considerable extent, it will not of itself ensure that we shall not have to meet so-called excess dividends tax, or alternatively lose our dividend gross ups.

"I am glad to say that this last question has also been carefully considered by the Taxation Enquiry Commission, although the steps which they propose to solve it have not so far been taken. The Commission says: 'The fact that assessable income may be less than the book profits in the year of installation of new machinery and in the next few years, also leads to some difficulties. The Company's dividend policy has to be based on book profits. It is possible, however, that on account of the accelerated depreciation allowances the assessable income (less tax thereon) is less than the dividends distributed. The excess dividends will then become liable to additional income-tax under the annual Finance Acts. The assessment might even result in a loss, and if this happens the shareholders will not be entitled to any tax credit in respect of the dividends. These difficulties will cease to exist if the method of taxing companies is revised on the lines suggested in Chapter X.'

"I can only hope that we will not have to wait very much longer before these difficulties do cease to exist, as they operate as a penalty imposed upon our enterprise in expanding our undertaking.

Constitution Amendments

"I will refer next to the proposals to amend the Constitution, with particular reference to the electricity supply industry. The Constitution (Fourth Amendment) Bill proposes primarily to amend Articles 31 and 31A of the Constitution which deal with the citizen's fundamental right to property. Under the proposed amendment, while compensation would presumably continue to be payable for property compulsorily acquired, the quantum of compensation would, in certain spheres, be a matter entirely within the discretion of the Legislature, and no Court would in those spheres have any jurisdiction to go into the adequacy or reasonableness of the compensation; in short, the issue of compensation in such cases would become non-justiciable. The amendment which is most significant to the electric supply industry is the enabling provision which empowers the Central and State Governments to extinguish or modify any of the rights accruing by virtue of any licence to supply electric power; and any law covering such modification or variation, if it received the assent of the President, would not be open to question in court. In introducing this proposal, the framers of the Bill appear to me to have given little regard to the nature of the surveillance which the State has long had over the electric supply industry by virtue of two very comprehensive statutes.

"During the debate in the Lok Sabha, while referring the Constitution Amendment Bill to a Joint Select Committee, the Prime Minister stated that full compensation cannot be paid when property has to be acquired for sociological considerations. I personally feel that such considerations can hardly be involved in the acquisition of electric supply undertakings, as the method to be followed in the acquisition of such undertakings has for years been elaborately laid down in the law which has governed, and still governs, the original issue of a licence to a licensee incorporating the terms of his franchise. All relevant considerations have been brought very fully to the attention of the Central Government and of the Joint Select Committee now considering the Bill. Perhaps the Select Committee will agree that the proposal as it stands will detract from the confidence of investors which has hitherto been inspired by the terms of our licences, and that it will thus have deleterious effects upon the future electric development of the country.

"An interesting feature of the debate when the Bill was referred to the Select Committee was that the element of the Opposition which abhors the principle of compensation was exceedingly vocal about the property rights of 'the small man' being protected. Among the investors in our industry, the number of these 'small men' with small holdings is legion. In the ultimate analysis the test of any legislation in the industrial sphere is how far it serves to liberate the springs of honest human endeavour. I would submit that in the case of an industry such as the electric supply industry, which has so sound a record of service in the past and such ambitious plans of expansion for the future, there is no call for further measures which could engender uncertainty. Even the vast hydro-electric schemes being built and being planned by Governments will have to rely very largely upon licensees' undertakings for purveying their power.

State Electricity Board

"An important development in this State since I last addressed you has been the formation of the State Electricity Board which was constituted on 6th November, 1954, and which now comprises four members. We welcome Mr. M. H. H. Premji who is the Chairman, and I may tell you that he has already visited our power stations, at Sabarmati. There are now four States which have constituted Boards but there still seems to be widespread hostility amongst a number of State Governments to implementing the provisions of the Act in this respect. Credit is due to the Central Government for continuously pressing the States to constitute the Boards. At the Conference in February the Union Minister for Irrigation, Power and Planning, Shri Gulzarilal Nanda, referred to the obvious urgency for rapid development of the electric supply industry and indicated that he attached great importance to the development of electricity being entrusted to autonomous Boards as envisaged in the Electricity (Supply) Act, 1948.

"Emerson urged his fellowmen to make no small plans, and your Company has been following this gallant concept in its expansion, in the expectation, of course, that ultimate justice will be done to it. In this context, progress with 'C' station has been most satisfactory, and of the immediate programme only the third turbo-alternator set and the fourth boiler remain to be commissioned very shortly. You will have been able to gather some idea of how we have progressed from the picture, on the inner cover of the annual report and accounts. The highest peak demand on combined 'A', 'B' and 'C' stations has been given as 91,200 kw. during the year under review, but has since risen to 95,600 kw.

"With the increase of our generating capacity a commensurate increase of distribution capacity is being effected. There is a growing emphasis on the need for rural electrification. While this Company is doing everything it can, and has already made considerable progress, uneconomic connections cannot be installed without subsidisation by other consumers. It would greatly assist the ends of social justice and the interests of would-be rural consumers themselves if they would get more together and produce to the Company reasonable and economically integrated propositions.

Rating Committee

"You will remember, indeed are unlikely to have forgotten, that we had proposed to revise our charges for electric supply as from April, 1954. The increase of rates which we had intended to implement averaged about 15 per cent. but our proposals were overtaken by the appointment of a Rating Committee. As the Committee's report has been published I shall not offer any detailed comment on its findings. There were some basic disagreements between the views of the Committee on the one hand and those, not only of this Company, but of electricity undertakings throughout India, on the other. One of the most important points over which we disagreed was the question of the treatment of interest on loans under the provisions of the Sixth Schedule to the Electricity (Supply) Act, and this issue has since been referred to arbitration. Although our expectation of several months standing has not yet been realised, we are still hoping to get a verdict 'any day now.'

"Government, as you are aware, did not pass any orders on the report of the Committee. Instead, we agreed with Government to defer revision of our tariffs for supply. Therefore we urgently need the answers to the several important matters I have already mentioned so that we can reopen the matter. Interest on loans, powers to create a deferred taxation reserve, and increase in the standard rate of return, these are the most important points that remain to be settled.

"There is, I find, a certain amount of confusion about the real significance of the term standard rate and the reasonable return which we are permitted to earn. The emphasis is on the word 'permitted.' The mere fact that an undertaking is allowed to earn a certain figure contains no guarantee that it is able to do so. Certainly no undertaking can earn its reasonable return nor make provision for its various reserves, if its rates are forced to remain static when changing conditions from time to time require those rates to be enhanced.

"I have already said that our rates needed revision. Because they were not revised as planned, your Directors have had to withdraw no less than Rs. 8.8 lakhs from free reserves in order to maintain the same modest dividend this year as last, namely, 6½ per cent. net.

Reserves

"You will realise that our free reserves are limited, and that under the stringent provisions of the law they will be hard to replace. Besides, we have no adequate buffer against the various tax contingencies mentioned in the notes on the balance-sheet. This situation will persist until Government takes cognisance of the difficulties with which the industry is faced. Capital expenditure needed for development in other industries can be, and indeed is to a substantial extent, met either from net profits or from the accumulated profits of previous years. For us it is not a question of financing capital expansion from revenue; that is almost out of the question as the law stands. The question is, Can we maintain our dividend? I must warn you that unless the various issues I have mentioned are satisfactorily settled in the very near future it may not be possible to maintain the dividend next year at the present figure.

"I must also point out to the authorities that to the extent our shareholders' dividend might suffer, the Company's credit in the investment market will decline. Our last issue of capital of Rs. 1,75,00,000 made in September, 1954, was an outstanding success and was heavily over-subscribed. This shows remarkable confidence in the good intentions of our Government, as well as in the intrinsic worth of your Company. I sincerely trust the confidence will prove well founded.

"Apart from dealing with the withdrawal of Rs. 8,80,000 from the equalisation of dividends reserve, which I have already done at some length, I should mention the fact that our calculation of clear profit for the year once again discloses a substantial shortfall below our figure of reasonable return. Otherwise the accounts, together with the notes, appended to the balance-sheet are, I think, sufficiently informative to obviate the need for my dealing with them in detail. Your Directors, after careful consideration, have decided to recommend a final dividend of Rs. 4 per share making, as I mentioned earlier, a net 6½ per cent. for the year, which is the same as last year.

"Quite apart from anything I have had to say on this and other occasions, you are all very well aware of the vast developments at Sabarmati just now coming to fruition. This year, therefore, there is a special feeling of physical achievement. While saying my sincere 'thank you' to the Resident General Manager and his staff, I should like to acknowledge our gratitude also to our consultants, to our suppliers, to our contractors and to all who have contributed towards the building of our power house, now one of the greatest in the East. We must seek to preserve this pre-eminent position and it is our endeavour to do so by various training schemes for all levels. Your Company must continue to have first class management, the most capable supervision and highly skilled staff. 'Training Within Industry' pioneered in India at Ahmedabad and rapidly gaining wide recognition, is intended to improve not only efficiency but mutual understanding. Our trainees sent abroad have started to return to serve with greater skill and wider knowledge. The Cadet Executive Scheme will in years to come prove its full worth. Ahmedabad is already a great industrial city, yet it can become greater. You have many contacts with industry and industrialists. I would suggest you make use of this slogan whenever you have a suitable opportunity—'Have you considered Ahmedabad as the location for your new factory?'"

Notices

WALCHANDNAGAR INDUSTRIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-seventh Ordinary General Meeting of the Company will be held at "Construction House," Ballard Estate, Fort, Bombay, on Friday the 15th April, 1955, at 4-00 p.m. (S.T.), for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 30th September, 1954, and to declare dividends on Preference and Ordinary Shares.
2. To elect Directors in place of those who retire by rotation and who are eligible for re-election.
3. To appoint Auditors for the current year and to fix their remuneration.

The Transfer books of the Company will remain closed as from Saturday the 9th April, 1955, to Saturday the 23rd April, 1955 (both days inclusive).

By Order of the Board,
THE PREMIER CONSTRUCTION CO., LTD.
Agents,
B. D. SARDESAI,
Secretary.

CONSTRUCTION HOUSE,
BALLARD ESTATE,
BOMBAY, *11th March*, 1955.

Note:—The Dividends, if sanctioned, will be paid at the Bank of India Ltd., Fort, Bombay, on and from Monday the 25th April, 1955, to those Shareholders whose names stand on the Company's Register on Saturday the 23rd April, 1955.

To the Shareholders of the Company and more particularly to:—Mrs. Marie Mascarenhas Monteiro, and Alfred Hurley.

THE CALCUTTA JUTE MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-seventh Ordinary General Meeting of the shareholders will be held at the Registered Office of the Company, "Stephen House," Fourth Floor, No. 4, Dalhousie Square East, Calcutta, at 3 p.m. on Tuesday, the 12th April, 1955, for the purpose of receiving and passing the Report of the Directors and the Managing Agents for the half-year ended 30th June, 1954, declaring a dividend and transacting such other business as may be brought forward.

The Transfer Register will be closed from 4th to 12th April, 1955, both days inclusive, and it is notified that Dividend Warrants will be issued and posted to the registered shareholders only on application. Persons holding shares under blank transfer are advised to effect registration of scrip to their names as soon as possible but not later than 4th April, 1955.

By Order of the Board,
DAYARAM & SONS,
Managing Agents.

"STEPHEN HOUSE" FOURTH FLOOR,
4, DALHOUSIE SQUARE EAST,
CALCUTTA, *16th March*, 1955.

THE JAY SHREE TEA GARDENS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at 8, Royal Exchange Place, Calcutta, on Monday the 18th April, 1955, at 3-00 p.m.

(a) To receive and pass the Directors' Report and audited accounts for the year ended 31st December, 1954,

(b) to declare Dividend on Ordinary Shares,

(c) to elect Directors,

(d) to appoint Auditors for the current year and to fix their remuneration,

(e) to approve and confirm payment of Donations of Rs. 78,500 as per Profit and Loss Account, and

(f) to transact any other business that may be brought forward with the permission of the Chairman.

The Share Transfer Register will remain closed from 29th March to 18th April, 1955, both days inclusive.

By Order of the Directors,
BIRLA BROTHERS LTD.,
Managing Agents.

8, ROYAL EXCHANGE PLACE,
CALCUTTA, *18th March*, 1955.

In particular to the non-resident shareholders:

Sri Jagannath Gupta, Gopal Das Seigell, Moolchand Khemka, Krishta Lal Ghosh, Sudhir Chandra Chakravorty, Mrs. Zaheda Khatun, K. M. Spalding and D. B. Spalding, Bankim Chandra Dutt, Victor Samuel Koland, R. L. Burgess and Mrs. E. Burgess, Col. C. J. Clarke, Mrs. B. E. Honeybone, Monmohon Saha, Mrs. K. Watson, George Fogt., Mrs. L. D. Jenkins and Mrs. L. P. Douglas Stone, A. D. Gaul, Lt.-Genl. S. S. J. B. Rana, P. N. Haksar, Kedarmani Acharya Dikshit and Mrs. Bidya Devi Acharya Dikshit, A. H. Johnstone, Estate of Late J. A. Mckerrow, Estate of Late D. C. Steen, Nagendra Man Singh, Mrs. E. E. Thompson and Mr. W. B. Joiner, E. F. E. Moses.

Note:—Dividend on Ordinary Shares as recommended by the Directors if passed at the meeting will be payable only to the Registered Shareholders whose names are on the Company's Register on 18th April, 1955. No applications need be sent for dividend as relative dividend warrants will be posted to such Shareholders on and from 9th May, 1955. Shareholders are requested to notify change of address, if any, without delay.

W. H. BRADY AND COMPANY LIMITED

NOTICE

MR. WILLIAM JENKINS HAVING RETIRED, his connection with us as a Director and Technical Adviser ceases from this date.

W. H. BRADY & CO., LTD.,
JOSEPH KAY,
Managing Director.

31st March, 1955.

THE TATA MILLS LIMITED

NOTICE

THE DIRECTORS OF THE COMPANY HAVE decided to recommend to the Annual General Meeting, the payment of a dividend on Ordinary Shares at Rs. 2-8 per share, without deduction of income-tax, to the shareholders for the year ended 31st December, 1954.

For and on behalf of
THE TATA MILLS, LIMITED,
TATA INDUSTRIES LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, *28th March*, 1955.

OUCHTERLONY VALLEY ESTATES EARN BUMPER PROFIT

DIVIDEND TREBLED

A RECORD tea crop and a substantially larger coffee crop, together with favourable prices realised thereon, have enabled the Ouchterlony Valley Estates (1938) Ltd. (Managing Agents and Secretaries: Messrs. Peirce, Leslie & Co., Ltd., Kozhikode, Malabar) to earn a bumper profit for the year ended 31st October, 1954. The gross profit for the year, before providing for Managing Agents' commission and depreciation amounts to Rs. 18.41 lakhs, an increase of Rs. 14.25 lakhs over that for the previous year which, however, was a very lean one. As compared with the record profit of Rs. 19.50 lakhs earned in 1950-51, the profit for 1953-54 actually shows a fall. After providing for Managing Agents' commission, depreciation and taxation, the net profit shows an increase from Rs. 1.91 lakhs for 1952-53 to Rs. 10.06 lakhs. This improvement in the Company's fortunes has been availed of by the Directors not only to reward the shareholders with a higher dividend but also to strengthen its reserves substantially. Thus, they have set aside as much as Rs. 4.50 lakhs for the general reserve and stepped up the dividend to 30 per cent. from 10 per cent. paid for the previous two years.

The Company's output of tea during the year under review amounted to 934,600 lbs., which is a fresh record in its history and exceeds the previous best harvested in 1952-53 by 105,960 lbs. Despite the increase in crop, the cost of production rose from 126.30 cents per lb. to 129.96 cents per lb. The average price realised, however, was much more favourable at 231.37 cents per lb. than that of 170.19 cents realised in 1952-53 and 156.46 cents in 1951-52. There was also a very marked increase in the coffee crop harvested, such having amounted to 13,826 cwts., as against 8,449 cwts. in 1952-53. The year under review was the second in succession to show an increase in the coffee crop, the rise during the latest year being nearly four times that in the previous year. Nevertheless, the crop for 1953-54 fell short of the record one of 17,060 cwts. reaped in 1950-51. For the purpose of the closing accounts, the entire stock delivered to the Coffee Board was valued at Rs. 2-8 per point, as against Rs. 2-4 per point in the previous year. Payments received from the Coffee Board upto the time of the signing of the Directors' report, namely, 7th March, amounted to Rs. 2-9 per point or Rs. 191.96 per cwt. The Company had also a small area under cardamom cultivation. During the year under review, a crop of 242 lbs. was harvested at a cost of Rs. 795 and realised Rs. 958. As collection of further crop has become uneconomic, the cardamom area has been abandoned.

The following table presents the salient features of the Company's results for 1953-54 against the background of those for the previous three years:

(In lakhs of rupees)

—	For the year ended 31st October			
	1954	1953	1952	1951
Sale proceeds of tea	15.30	11.42	9.90	11.54
Stocks of tea	5.03	2.81	1.23	2.46
Proceeds of coffee crop ..	27.77	15.54	15.54	81.15
Other income	0.24	0.37	0.49	0.72
Estate expenditure	29.21	25.05	23.07	25.41
Other expenses	0.72	0.60	0.77	0.97
Gross profit	18.41	4.16	3.37	19.50
Managing Agents' commission..	0.73	0.44	0.48	0.70
Depreciation	2.02	1.81	1.41	1.20
Taxation	5.60	..	..	..
Net profit	10.06	1.91	1.48	17.60
To reserves	4.51	0.23	..	14.00
,, depreciation on investments.	..	0.01	0.06	..
Dividend	5.84 (30%)	1.95 (10%)	1.95† (10%)	3.60 (40%)
Carry forward	0.69	0.98	1.26	1.76
Tea crop (in lbs.)	934,800	828,840	703,602	780,928
Coffee crop (in cwts.)	13,826	8,449	7,064	17,060

† On the increased capital raised by the capitalisation of Rs. 9.75 lakhs in July, 1952.

Out of the estate expenditure for the year under review, tea accounts for Rs. 12.15 lakhs, as against Rs. 10.47 lakhs for 1952-53 and coffee for Rs. 17.06 lakhs, an increase of Rs. 2.83 lakhs over the year.

The financial position of the Company, in so far as it can be judged from the latest balance-sheet, is quite satisfactory. The reserves and surplus aggregate Rs. 24.70 lakhs, exceeding the paid-up capital of Rs. 19.46 lakhs. These include a debenture stock redemption reserve of Rs. 5 lakhs, after transferring Rs. 1 lakh to the general reserve, a buildings and development reserve of Rs. 5 lakhs and general reserve of Rs. 14 lakhs, the last mentioned reserve having been strengthened by Rs. 5.50 lakhs over the year by the transfer of Rs. 4.50 lakhs from the profit and loss account and Rs. 1 lakh from the debenture redemption reserve. As the first series debentures aggregating Rs. 6 lakhs had entirely been redeemed out of the current earnings, the debenture reserve of Rs. 6 lakhs created for the purpose was left unutilised. As the second series (5½ per cent.) debenture stocks amount to only Rs. 5 lakhs the Directors have thought it fit to reduce the debenture stock redemption reserve to cover this liability by transferring Rs. 1 lakh to the general reserve as stated above. The balance outstanding on the second series of debenture stocks as on 31st October, 1954, amounts to Rs. 3.53 lakhs, the rest having been redeemed out of the current earnings. The Directors propose to repay in full the outstanding debentures on 30th June, 1955. There is a taxation reserve of Rs. 5.53 lakhs. The current liabilities aggregate Rs. 9.86 lakhs. The gross block of the value of Rs. 37.41 lakhs (including an addition of Rs. 1.77 lakhs during the year) has been written down to Rs. 27.16 lakhs. The current assets amount to Rs. 35.91 lakhs, of which cash balances alone (18.64 lakhs) exceed the provision for taxation and current liabilities by Rs. 3.25 lakhs.

The Rs. 2 fully paid-up shares of the Company are being currently quoted at Rs. 6-7 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 10.3 per cent. per annum, free of tax.

INDUSTRIAL INVESTMENT TRUST LTD.

A *small improvement* in the working results of the Industrial Investment Trust Ltd. (Secretaries: Messrs. Premchand Roychand and Sons, Ltd., Bombay) is disclosed by the accounts of the Trust for the year ended 31st December, 1954. The gross earnings for the year have *gone* up from Rs. 6.27 lakhs to Rs. 6.52 lakhs, the increase of Rs. 0.25 lakh being in refreshing contrast to the *shrinkage* of Rs. 0.42 lakh noted in the previous year. The profit, after meeting slightly higher expenses and commission payable to the Secretaries, amounts to Rs. 5.44 lakhs, as compared with Rs. 5.18 lakhs for 1953. Consequent on the improvement in earnings, the dividend to shareholders has been comfortably maintained at the modest level of 4½ per cent.

The Company's income by way of interest on securities and dividend on shares amounts to Rs. 6.52 lakhs (as against Rs. 6.27 lakhs), of which dividend from the East India Distilleries and Sugar Factories Ltd., received in the form of 1,874 shares of Re. 1 each of Parrys Confectionery Ltd., has been transferred to the general reserve. The balance of the income, Rs. 6.50 lakhs, has been supplemented by larger income from other sources and profit on sale of investments. The profit on sale of investments amounts to Rs. 853, in contrast to the loss through this source of Rs. 5,270 in 1953 and Rs. 1,708 in 1952. The Secretaries' commission is higher at Rs. 29,125, as against Rs. 27,765 for the previous year. With the refund of income-tax amounting to Rs. 5,318 and the surplus of Rs. 2.11 lakhs brought forward from the previous year, the total available for appropriation is Rs. 7.61 lakhs. In accordance with Article 144 of the Articles of Association, the Directors have transferred to the general reserve Rs. 853, being the net profit on sale of investments, just as they had covered the loss on sale of investments in the previous year by drawing on this reserve. The Directors have reduced the allocation to the investment reserve from Rs. 50,000 to Rs. 25,000 evidently due to the substantial appreciation in the value of their investments over the year. The dividend at 4½ per cent. absorbs Rs. 4.50 lakhs, leaving Rs. 2.85 lakhs to be carried forward, subject to provision for taxation for the years ended 31st December, 1949, 1950, 1951, 1952, 1953 and 1954.

The following is a summary of the Trust's balance-sheet as on 31st December, 1954:

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	99,99,250	Investment ...	1,27,85,726
Reserves and surplus ...	21,92,881	Debts, deposits and advances ...	31,362
Liabilities ...	6,73,161	Furniture and fittings ...	4,751
		Cash ...	43,453
	Rs. 1,28,65,292		Rs. 1,28,65,292

The Trust's investments are shown in the books at cost. The approximate valuation of these investments, at market quotations as on 31st December, 1954, or at the latest quotations received in the case of investments where no quotations were available on that date, was higher than the book value by 2 per cent., while a year ago, the market value was lower than the book value by 4.54 per cent. and two years ago by 9.75 per cent. A break-up of the investments shows that ordinary shares account for Rs. 97.90 lakhs, preference shares for Rs. 19.05 lakhs, debentures for Rs. 7.63 lakhs and Government securities for Rs. 2.94 lakhs.

SETBACK IN PROFIT OF STANDARD MILLS

FINANCIAL POSITION GOOD

IN consonance with the general trend of earnings of textile mills for 1954, the profit of the Standard Mills Co., Ltd. (Managing Agents: Messrs. Mafatlal Gagalbhai and Sons, Bombay), for the past year shows a striking shrinkage. The gross profit has fallen from Rs. 42.91 lakhs for 1953 to Rs. 30.61 lakhs, the decline of Rs. 12.30 lakhs being in distinct contrast to the rise of Rs. 8.93 lakhs noted in the previous year. Thus, the improvement in the Company's profit seen in 1953, after it had suffered a precipitous fall from Rs. 61.41 lakhs in 1951 to Rs 33.98 lakhs in 1952, has not been sustained in the year under review; on the other hand, it has been more than wiped out. At Rs. 30.61 lakhs, the gross profit for the year under review is the lowest since 1950.

The shrinkage in profit level of textile mills during a year of record production may seem anomalous, but such has been inevitable in the face of consumer resistance to price which has gone beyond the purchasing power of the consumer, due to factors outside the control of the mills. Even the Standard Mills Company, which is known for its quality products, has proved to be no exception to this general trend.

Nothwithstanding the decline in profit, the provision for depreciation has been stepped up from Rs. 5.70 lakhs to Rs. 9.11 lakhs, consequent on the considerable additions to the fixed capital expenditure during the year, in pursuance of the scheme of modernisation of the mills. The allocation to tax provision has been cut from Rs. 11.50 lakhs to Rs. 4.25 lakhs. These appropriations leave a net profit of Rs. 15.27 lakhs, representing a drop of Rs. 6.70 lakhs over the year. In addition to the depreciation provision noted above, the Directors have set aside to the special depreciation reserve a sum of Rs. 3.75 lakhs, as against Rs. 10 lakhs provided last year. No other addition to the reserves has been made as in the previous year. The dividend on ordinary shares has, however, been maintained at 20 per cent. for the fourth year in succession.

The following comparative table clearly brings out the progress of the Company during the past three years:

(In lakhs of rupees)

—	For the year ended 31st December			
	1954	1953	1952	1951
Sale proceeds	330.08	350.57	305.72	208.53
Other income	8.19	8.49	8.70	24.58
Stocks	88.35	33.17	43.88	31.02
Expenses	321.85	306.44	292.70	261.40
Gross profit	30.61	42.91	33.98	61.41
Managing Agents' commission..	1.08	2.74	2.04	5.72
Depreciation	9.11	5.70	4.70	4.42
Taxation	4.25	11.50	7.50	24.50
Net profit	15.27	21.97	19.84	26.71
To reserves	3.75	10.00	7.30	16.00
Dividends—				
4% preference	0.48	0.48	0.48	0.49
Ordinary	11.20 (20%)	11.20 (20%)	11.20 (20%)	11.20 (20%)
Carry forward	0.17	0.33	0.03	0.17

It will be observed that sale proceeds for 1954 are Rs. 40.55 lakhs more than those for 1951, but the profit is just less than half of that in the earlier year under comparison. The restriction on production of certain varieties of cloth has resulted in a fall in the Company's income by way of processing charges. In 1951, this source contributed Rs. 21 lakhs, but, in 1954, such contribution was no more than Rs. 2.53 lakhs. Apart from this, there has been a sharp rise in expenses. Of the Rs. 151.78 lakhs, an increase of Rs. 5.48 lakhs over 1953; salaries, wages, provident fund, etc., show a rise from Rs. 90.11 lakhs to Rs. 98.63 lakhs and general charges from Rs. 1.47 lakhs to Rs. 3.09 lakhs. The Directors' report does not contain any special mention of the incidence of the additional bonus for 1952 and extra dearness allowance in respect of the period from May, 1953, to December, 1954, under the L.A.T. award.

The balance-sheet of the Company as at the close of the year under review shows an impressive financial position. The paid-up capital stands at Rs. 58 lakhs, of which Rs. 56 lakhs represent ordinary capital and the balance preference capital. The reserves and surplus aggregate Rs. 122.51 lakhs, made up of premium on shares Rs. 16.07 lakhs, general reserve Rs. 56.28 lakhs, dividend equalisation reserve Rs. 10 lakhs, and rehabilitation and development reserve Rs. 31.93 lakhs. The provision for taxation stands at Rs. 5.50 lakhs and current liabilities aggregate no more than Rs. 49.49 lakhs. There has been an addition of Rs. 36.32 lakhs to the gross block pursuant to the scheme of modernisation, bringing the total value of the block to Rs. 185.08 lakhs, against which there is a depreciation reserve of Rs. 84.89 lakhs, besides the special depreciation reserve amounting to Rs. 25.76 lakhs. The current assets amount to Rs. 171.28 lakhs which are more than three times the current liabilities and the provision for taxation.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 361-14 *cum-div.* On an *ex-div.* basis, the latest dividend on the shares gives a yield of 5.85 per cent. per annum, free of tax.

Points From The Chair

Sales Tax on Cotton Textiles

"ONE of the most difficult of our administrative problems during the year has been to satisfy the demands for retrospective and current sales tax returns from 20 different States. Considerable additional staff has had to be engaged solely for this purpose and the various States authorities do not appear to appreciate the difficulties with which manufacturers and traders are burdened arising from the preparation of the tremendous mass of detail required for current returns, and the enormous amount of work which has been caused by the retrospective effect of inter-State sales tax.... Whilst these difficulties have been appreciated by the Taxation Enquiry Commission it seems to me, after having studied their recommendations, that it will be some time before any simplification of inter-State sales tax can be expected."

R. E. CASTELL,
Buckingham and Carnatic Co., Ltd.

Development Rebate to Electricity Industry

"Now to the electricity industry, this development rebate is going to mean something rather different from what it means to other industries. So far as I can see, we will have to pass on at once to our consumers all the benefit of the rebate that others will be able to retain for development. This is just what happened to us in the case of the tax relief resulting from accelerated depreciation allowances, and it just as clearly calls for remedial action, but, at least with the rebate, we can be thankful that there will not be equivalent deferred taxation to contend with as well. I hasten to add that the advent of the development rebate does not mean that there is no longer any need for Government to make it possible for us to provide a reserve against deferred taxation. Quite the contrary; because the incidence of development rebate can only hold off for some time longer the day when our existing back-log of deferred tax liability becomes payable, so now is the very time to be accumulating funds into a reserve against that day."

K. G. MILNE,
Ahmedabad Electricity Co., Ltd.

Outlook for Sugar

"Conditions seem to be changing with the now certain production of 14 lakh tons sugar in the country, coinciding with a steep fall in jaggery prices. The wide disparity in the retail prices of jaggery and sugar has clearly caused a swing back to a more normal consumption of jaggery to the detriment of sugar and this view is supported by the figures of offtake from sugar factories in the country over the last four months. From the present trends it seems hardly likely that consumption of sugar will exceed 15 lakhs tons in 1954-55. It might conceivably be much lower. It is in this context that the industry has to view with concern the continued imports of white sugar into the country. Indigenous production and imports may together this year amount to as much as 20 lakh tons which would leave a carry-over of 5 lakh tons. The presence of such a large surplus on internal prices can only have a depressing effect which must ultimately tell on the price the cane grower can expect for his produce."

S. G. H. DAVIS,
East India Distilleries and Sugar Factories Ltd.

Sugar Industry

"The report of the Taxation Enquiry Commission has also been published and includes a recommendation that Government should set up a special sub-committee to examine a proposal that sugar along with other industries might be made the subject of a fiscal monopoly. This is an implied threat of nationalisation and your Board has already taken steps through the Indian Sugar Mills Association to try and ascertain how seriously to regard it. Meantime, we do not feel it is wise to engage in substantial capital expenditure until Government's intentions over the proposal to create a fiscal monopoly are better known, and also the Company has gained more experience as to the effect of higher excise duty on sugar demand."

S. G. H. DAVIS,
Deccan Sugar & Abkhari Co., Ltd.

National Economy First Consideration

"The Chancellor has recently drawn attention to the increase in imports and the need to expand our exports still further to close this gap. We shall do our best to respond to this appeal, but with greater competition in our overseas markets and with the problem of obtaining additional workpeople in a situation of full employment, this becomes more and more difficult. Much as I am anxious to ease the burden of the housewife as early as possible, everybody must realise that exports and improvements in our national economy must come first. I, therefore, congratulate the Chancellor on the steps which he has taken to effect some sort of regulation of resources used to produce household products by the control of hire purchase, for this will play its part in ensuring that adequate labour is available to do the work that must come first in the interests of our national economy, namely, our exports."

SIR GEORGE H. NELSON,
English Electric Company, Ltd.

COMPANY MEETINGS AND DIVIDENDS

COLABA LAND AND MILL CO., LTD. Annual General Meeting, Bombay, 14th April, 1955. Transfer books will remain closed from 5th to 22nd April, 1955, both days inclusive.

GODFREY PHILLIPS, INDIA LTD. Annual General Meeting, Bombay, 14th April, 1955. Transfer books will remain closed from 8th to 14th April, 1955, both days inclusive.

NEW BEERBHOOM COAL CO., LTD. Half-yearly General Meeting, Calcutta, 14th April, 1955. Dividend: As. 6 per share. Transfer books remain closed from 30th March to 14th April, 1955, both days inclusive.

WALCHANDNAGAR INDUSTRIES LTD. Annual General Meeting, Bombay, 15th April, 1955. Dividend: Rs. 16 per share, payable on and after 25th April, 1955. Transfer books will remain closed from 9th to 23rd April, 1955, both days inclusive.

TRAVANCORE RUBBER AND TEA CO., LTD. Annual General Meeting, Alleppey, 18th April, 1955. Dividend: Re. 1 per share (final). Transfer books remain closed from 4th to 19th April, 1955, both days inclusive.

JAY SHREE TEA GARDENS LTD. Annual General Meeting, Calcutta, 18th April, 1955. Transfer books remain closed from 29th March to 18th April, 1955, both days inclusive.

GOLD MOHUR MILLS LTD. Annual General Meeting, Bombay, 25th April, 1955. Transfer books remain closed from 29th March to 25th April, 1955, both days inclusive.

AUTOMOBILE PRODUCTS OF INDIA LTD. Annual General Meeting, Bombay, 25th April, 1955. Transfer books will remain closed from 22nd to 30th April, 1955, both days inclusive.

SWAN MILLS LTD. Annual General Meeting, Bombay, 26th April, 1955. Dividend: Rs. 20 per share, payable on 27th April, 1955. Transfer books remain closed from 29th March to 26th April, 1955, both days inclusive.

FINLAY MILLS LTD. Annual General Meeting, Bombay, 27th April, 1955. Dividend: Rs. 16 per share, payable on 28th April, 1955. Transfer books remain closed from 29th March to 27th April, 1955, both days inclusive.

RADHAKRISHNA MILLS LTD. Annual General Meeting, Peelamedu, Coimbatore, 27th April, 1955. Transfer books will remain closed from 20th April to 10th May, 1955, both days inclusive.

RICHARDSON AND CRUDDAS LTD. Interim dividend of As. 8 per *ordinary* share, for the year ending 30th June, 1955. Transfer books remain closed from 31st March to 11th April, 1955, both days inclusive.

DECCAN SUGAR AND ABKHARI CO., LTD. Interim dividend As. 8 per ordinary share, for the year 1954-55.

TRICHINOPOLY MILLS LTD. Dividend of As. 14 2/5 (9 per cent.) per share, for the year ended 31st December, 1954. Transfer books will remain closed from 6th to 23rd April, 1955.

JAWAHAR MILLS LTD. Dividend of As. 10 per share, for the year ended 31st December, 1954 Transfer books will remain closed from 6th to 20th April, 1955.

PALANIANDVAR MILL LTD. Dividend of Rs. 12 per 'A' ordinary share and Rs. 18 per 'B' ordinary share, for the year ended 31st December, 1954. Transfer books remain closed from 28th March to 11th April, 1955, both days inclusive.

SRI RAMALINGA CHOODAMBIKAI MILLS LTD. Dividend of Rs. 15 per share, for the year ended 31st December, 1954. Transfer books remain closed from 29th March to 11th April, 1955, both days inclusive.

DUNCAN BROTHERS & CO., LTD. Interim dividend of As. 8 (5 per cent.) per ordinary share, for the year ended 31st December, 1954.

COMPANY REGISTRATIONS

METALLICA WORKS LTD. (First Director: Mr. Sigmund Magnus.) Business: Refiners and smelters of all kinds of ferrous and non-ferrous metals, ferrous and non-ferrous metal founders, etc. Authorised capital: Rs. 10,00,000. Private company. Address: Worli Road No. 11, Bombay 18.

K. T. BOILOT PETOLAT LTD. (Managing Director: Mr. T. K. Gupta.) Business: Iron founders, mechanical engineers, exporters, importers and dealers in steel, hardware, metals, tools, etc. Authorised capital: Rs. 5,00,000. Private company. Address: K.T. Building, Broach Street, Dana Bunder, Bombay 9.

HINDUSTAN PENCILS LTD. (First Director: Mr. Ramnath Mehra.) Business: Manufacturers, importers, exporters and dealers in all types of pencils and allied goods. Authorised capital: Rs. 5,00,000. Private company. The registered office of the company will be situate in the State of Bombay.

DARJEELING BAZAR AND PROPERTIES LTD. (First Director: Mr. H. D. Mundhra.) Business: To acquire by purchase, lease, exchange any lands, buildings, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 12, Old Court House, Calcutta.

KURSEONG BUILDING AND LAND LTD. (First Director: Mr. T. D. Mundhra.) Business: To acquire by purchase, lease, exchange any lands, buildings, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 12, Old Court House, Calcutta.

QUESTION HOUR IN PARLIAMENT

Payment for Burma Rice

OUT of the price payable to Burma for rice, an amount of Rs. 15.6 crores on the agreed quantity of nine lakh tons would be adjusted against the separation debt of Burma. Of this, Rs. 10.92 crores are estimated to have been adjusted during 1954-55 and the balance of Rs. 4.68 crores during 1955-56.

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Collection of Income-tax Arrears

The arrears of income-tax and super-tax at the commencement and end of the financial year 1953-54 were Rs. 159.3 crores and Rs. 169.6 crores, respectively. The Government launched prosecutions in respect of 11 cases. Additional collectors and other requisite staff were appointed by some of the State Governments at the instance of the Central Government for stepping up the collection of arrears.

—Minister for Revenue and Civil Expenditure

Mill for Making Security Paper

During 1954-55, special paper worth Rs. 52.59 lakhs was purchased for printing 1,156 million one-rupee currency notes. The number of higher denomination notes printed was 1,223 million during the year, for which special paper worth Rs. 102.6 lakhs was purchased. A decision has been taken in principle to set up a mill for the manufacture of security paper which would be used in printing notes. Some investigations for selecting a suitable site have been made, but the location has not yet been decided.

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Loans From World Bank

India's borrowings from the World Bank so far amount to about 126 million dollars, out of which it has actually drawn about 56.07 million dollars.

—Minister for Revenue and Defence Expenditure

Loan to Scindias

A loan of Rs. 1.83 crores has been sanctioned and a further sum of Rs. 3.4 crores is proposed to be sanctioned to the Scindia Steam Navigation Company Ltd., Bombay, for acquiring five ships. Two ships, to be bought by the Company from the loan already sanctioned, would be used for operation in the overseas trade. Orders for the construction of these five ships would be placed with a German yard which has promised quick deliveries. The Scindia Steam Navigation Company has also placed orders for the construction of five other ships with the Vizag Shipping Yard. The Government loan amount represents 85 per cent. of the cost of construction of the ships and is repayable in 12 instalments. The amount would be advanced in five or six instalments. The rate of interest would be 2½ per cent. per annum. Under the terms of the loans, the vessels acquired would be mortgaged to the Government of India as security for the period of the loans. The Company would also furnish interim security and additional security in the shape of a second mortgage to the Government of one or more of their existing vessels. The Government would have the right to nominate a person of its choice as director on the board of directors for the period of the loan.

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Coastal Trade

Foreign shipping interests are not sabotaging Indian interests in the coastal trade. The coastal trade is reserved for Indian shipping companies and there is no question of foreign interests doing anything against Indian interests.

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Production of Locomotives

Complete locomotives and separate locomotive boilers manufactured by the Tata Locomotive and Engineering Companies during 1954 numbered 47 and 56, respectively.

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Locomotives from Japan

Orders for 177 locomotives for the Indian railways have been placed with three firms in Japan against the rolling stock programmes for 1953-54, 1954-55 and 1955-56. The total estimated landed cost of these locomotives (inclusive of freight, customs duty, wharfage, etc.) is Rs. 692.25 lakhs.

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Foreign Technicians at Chittaranjan

There are at present 11 foreign technicians in the Chittaranjan Locomotive Works under the Colombo Plan. They assist in demonstrating the working of certain modern machines and fixing timings, but are not in charge of any office nor do they hold any executive function.

—Deputy Minister for Transport

Indo-U.S. Air Agreement

The Indo-U.S. Air Agreement which expired on 14th January last was detrimental to the interests of the country's international airlines, namely, Air-India International. No new proposals have been received from the U.S. Government in this regard nor have the Government of India sent any proposals to the U.S.A.

—Deputy Minister for Communications

Production of Hand-pounded Rice

Production of hand-pounded rice in the country in 1954 is estimated at 14,764,000 tons, as against 12,914,000 tons in 1953. In 1952, it was 12,050,000 tons. Precise information about the number of persons engaged in the rice hand-pounding industry during these three years is not available, but the All-India Khadi and Village Industries Board has estimated the number of professional workers in the industry in 1954 at 100,000.

—Deputy Minister for Commerce and Industry

PROFIT OF WALCHANDNAGAR HIGHER

RESULTS OF POONA ELECTRIC SATISFACTORY

Walchandnagar Industries Ltd.

THE directors of the above Company (Agents: The Premier Construction Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th September, 1954.

During the year under report, the Company has made a profit of Rs. 28,46,913 (Rs. 23,03,244) after providing Rs. 12,00,000 (Rs. 12,00,000) for depreciation and Rs. 13,00,000 (nil) for taxation. This amount, together with the sum of Rs. 1,72,670 (Rs. 2,07,326) being the balance brought forward from the last balance-sheet, makes a sum of Rs. 27,19,583 (Rs. 25,11,170), available for disposal and the directors recommend that the following appropriations be made therefrom:—

For dividend on preference shares at Rs. 7 (Rs. 7) per share, free of income-tax Rs. 24,500 (Rs. 24,500), for dividend on ordinary shares at Rs. 16 (Rs. 14) per share, free of income-tax Rs. 16,16,000 (Rs. 14,14,000), for debenture redemption fund Rs. 4,00,000 (Rs. 4,00,000) and for reserve fund Rs. 5,00,000 (Rs. 5,00,000) leaving to be carried forward Rs. 1,79,083 (Rs. 1,72,670).

The Sugar Factory commenced sugarcane crushing on 12th November, 1953 and the crushing stopped on 9th April, 1954. Sugarcane crushed during the season was 169,391 (163,107) tons, while sugar manufactured was 201,894 (187,326) bags with a recovery of 12.045 (11.61) per cent. The distillery produced 470,528 (322,218) gallons of rectified spirit during the year under report.

By a special resolution passed at the Extraordinary General Meeting of the Company held on 5th November, 1954, 23,500 ordinary shares of Rs. 100 each and 77,500 'A' ordinary shares of Rs. 100 each were consolidated into 101,000 ordinary shares of Rs. 100 each.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,04,50,000	Block ...	1,85,70,930
Debentures	46,52,000	Stock-in-trade ...	19,62,013
Reserves ...	52,19,893	Stores and spare parts	53,95,324
Depreciation reserve ...	1,04,63,312	Cane plantation-in-progress	43,38,916
Provision for taxation ...	13,15,886	Livestock vehicles and tools, etc. ...	6,02,858
Liabilities ...	28,60,856	Debts, deposits and advances ...	14,33,336
Profit and loss account ...	27,19,583	Investments	8,78,055
		Cash ...	43,00,126
Rs.	3,76,81,558	Rs.	3,76,81,558

Poona Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Rajputana Textiles (Agencies) Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1954.

The Company's plant, distribution system and other properties have been adequately maintained and have given satisfactory service throughout the year. The construction of the receiving station at Ganeshkhind was completed during the year and while, at present, both the receiving stations namely, the new one at Ganeshkhind and the old receiving station at Rasta Peth, are connected to Tata's incoming lines, it is expected that the requisite modification of plant, laying of cables, etc., will be completed before the end of the current year, so that the bulk suppliers will deliver power only at the main receiving station at Ganeshkhind.

In order to adequately meet the increased demand and maintain efficiency of supply, many additions and improvements were made to the distribution system. Four new sub-stations were installed and the transformer capacities of many others were increased. Several important extensions and alterations were made to the transmission and distribution system, the total mileage at the end of the year under report being 40.66 miles of 11 kv high tension overhead mains, 15.65 miles of 11 kv high tension underground mains, 30.18 miles of 3.3 kv high tension overhead mains, 29.61 miles of 3.3 kv high tension underground mains and 222.98 miles of low tension overhead mains. In continuation of the Company's programme for the conversion of supply from D. C. to A. C., 26 installations with a connected load of 54 kw. were changed over to A. C. supply during 1954. The street lighting installations served by the Company totalled 7,449 fixtures as at 31st December, 1954, being an increase of 131 fixtures during the year. The progress of the Company during the past five years is shown in the following tabulation:—

Year	Number of consumers	Connected load kw	Units of energy sold	Revenue from energy sold Rs.
1954 ..	32,551	33,675	56,614,148	45,13,061
1953 ..	30,811	32,092	55,899,697	41,40,714
1952 ..	29,412	30,730	50,747,021	34,79,412
1951 ..	27,828	29,895	51,218,598	37,18,955
1950 ..	25,582	28,128	49,288,717	36,22,090

It will be noted that the figures set out above disclose satisfactory progress. With the improvement in the supply position in the Bombay-Poona area, Government restrictions on new connections, etc., were liberalised, and the Company was able to connect a few important loads, totalling 552 kw. of estimated maximum demand.

The profit and loss account shows that the result of the year's operations compared with the previous year, was as follows:—

	1954 Rs.	1953 Rs.
Revenue from sales of energy ..	45,23,661	41,40,714
Revenue from other sources ..	2,82,444	2,74,959
Total gross revenue ..	48,05,505	44,15,673
All charges including depreciation and taxes	39,49,083	35,98,534
Net profit	8,56,422	8,17,139

It will be observed that practically all of the increased revenues have been absorbed by the higher expenses and charges. The principal increase has occurred under the head "Electrical Energy Purchased," and is due to the two surcharges amounting to more than 28 per cent. imposed by the bulk suppliers. The Company applied a surcharge of 12½ per cent. on all billings for just four months, from March to June, 1954, during the year under review. While the discontinuance of this surcharge as from July was highly appreciated by the consumers, estimates of the current year's operating results showed a substantial short-fall in revenues, and the directors have decided to levy a small surcharge varying from 3½ per cent. to 6½ per cent. depending on the nature of the supply, with effect from January, 1955 billings.

Adding to the net profit, the amount brought forward from the preceding year, the amount of excess provision for bonus during the previous year the amount transferred from the general reserve and some other small adjustments including refund of B. P. Tax for 1949, and deducting the ad-interim dividends paid on 31st July, 1954 as also the several other appropriations, the net balance available for disposal amounts to Rs. 2,56,909 (Rs. 2,09,135). The directors have recommended that this should be applied as follows:—

To payment of a final dividend on preference shares at the rate of Rs. 3-8 (Rs. 3-8) per share, after deduction of income-tax, absorbing Rs. 10,325 (Rs. 10,325) and a final dividend on ordinary shares at the rate of Rs. 5 (Rs. 4) per share (making Rs. 10 (Rs. 8) per share, free of income-tax for the year) absorbing Rs. 2,44,450 (Rs. 1,95,560) leaving to be carried forward Rs. 2,134 (Rs. 3,250).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	52,89,000	Block ...	1,05,82,202
Debentures ...	8,00,000	Work-in-progress	6,18,766
Reserves ...	26,70,817	Stores ...	3,92,697
Provision for taxation ...	3,38,716	Tools, etc. ...	61,979
Depreciation reserve ...	41,63,016	Other assets	33,853
Liabilities ...	24,81,043	Debts, deposits and advances	6,54,608
Profit and loss account ...	2,134	Investments	21,72,440
		Cash ...	12,28,161
Rs.	1,57,44,726	Rs.	1,57,44,726

Shree Ambica Jute Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. Bagaria More Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st March, 1954.

The revenue account, after deduction of insurance, commission and other expenditure showed a profit of Rs. 6,81,369 (loss of Rs. 7,75,611). After adding the amount carried forward from last half-year of Rs. 16,678 (Rs. 7,41,054) there was a total sum of Rs. 6,98,048 (debit of Rs. 34,558). From this the following sums were deducted:—

Depreciation for the period from 1st April, 1953 to 31st March, 1954 Rs. 5,33,849 (nil) less amount appropriated in the preceding half-year Rs. 2,65,017 (nil) and reserve for taxation Rs. 2,25,000 (nil) leaving an available balance of Rs. 2,04,216 (debit of Rs. 34,558). The directors disposed of this amount by paying the dividend on the 7½ per cent. cumulative preference shares for the half-year ended 31st March, 1954 at Rs. 3-12 per share (free of income-tax) Rs. 43,875, by paying a dividend on the ordinary shares of As. 8 (nil) per share for the half-year ended 31st March, 1954 (free of income-tax) Rs. 1,50,000 (nil) and by carrying forward a balance of Rs. 10,341 (debit of Rs. 34,558).

During the period, the mill, with 12½ per cent. of its looms (all hessians) sealed, worked on the basis of 42½ hours a week in accordance with the main and supplementary working time agreement of the Indian Jute Mills Association. The Mill worked, during the half-year, the loom hours purchased from a member mill.

Notwithstanding the prices for hessians having advanced as a result of heavy purchases by the Argentine, the working results of the half-year could not be made much remunerative, though these are still satisfactory, due to uneconomic prices of raw jute and unappreciative prices of heavy goods.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	41,70,000	Block ...	32,14,290
Reserves ...	13,12,193	Stock ...	69,22,781
Provision for taxation ...	16,34,738	Stores and spares ...	5,09,842
Liabilities ...	99,52,341	Other assets	10,225
Profit and loss account ...	4,29,215	Debts, deposits and advances	61,51,734
		Investments	1,75,275
		Cash ...	5,14,339
Rs.	1,74,98,487	Rs.	1,74,98,487

Polson Ltd.

The directors of the above Company (Managing Agents: Messrs. Polson Agencies Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1954.

The net profit, after providing for managing agents' commission and depreciation, amounts to Rs. 10,11,048 (Rs. 9,53,774) which with the sum brought forward from the preceding year's accounts of Rs. 18,566 (Rs. 31,512) makes a total of Rs. 10,29,614 (Rs. 9,85,286). From this sum the directors have made the following appropriations:—

Reserve for taxation Rs. 4,80,000 (Rs. 3,80,000), reserve for doubtful debts Rs. 20,000 (Rs. 14,000), and reserve fund Rs. 2,00,000 (Rs. 2,00,000) leaving a balance available for distribution of Rs. 3,29,614 (Rs. 3,01,286). From the above available balance, the directors recommend the payment of a dividend of Rs. 6 (Rs. 6) (subject to deduction of income-tax) per share, on the preference shares Rs. 88,500 (Rs. 88,500) and a dividend of Rs. 10 (Rs. 9) per share, free of income-tax on the ordinary shares Rs. 2,15,980 (Rs. 1,94,220) leaving a balance of Rs. 25,134 (Rs. 18,566) to be carried forward.

The sales during the year show a substantial increase and have improved to Rs. 96,54,246, as against Rs. 82,14,577 of the previous year. The increase was mainly due to the demand of the Company's coffee in India and abroad.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	41,59,800	Block ...	38,21,420
Reserves ...	12,80,200	Stock-in-trade ...	9,23,782
Depreciation fund ...	13,50,050	Stores, etc. ...	6,02,593
Provision for taxation ...	13,17,034	Debts, deposits and advances ...	28,11,230
Liabilities ...	7,74,098	Investments	24,467
Profit and loss account ...	3,29,614	Cash ...	12,27,304
Rs.	94,10,796	Rs.	94,10,796

Coonoor Tea Estates Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Matheson, Bosanquet and Co., Ltd., Belmont, Coonoor) submit the audited accounts of the Company for the year ended 30th September, 1954.

Tea: A crop of 2,61,052 lbs. was secured against an estimate of 2,20,000 lbs. compared with a crop of 2,72,717 lbs. obtained for the previous season. The cost of production was 108.39 (96.68) cts. including manure costs of 11.89 (11.92) cts. per lb. The crop was sold at a net average of 231.08 cts. per lb. compared with 162.64 cts. obtained for the previous season. The capital expenditure during the year amounted to Rs. 24,418 (Rs. 11,965).

The profit for the year, after providing for depreciation and taxation, etc., was Rs. 2,00,295 (Rs. 1,34,931) to which is to be added the balance brought forward from last year of Rs. 58,353 (Rs. 53,875) making a total of Rs. 2,58,651 (Rs. 1,88,806). After deducting preference dividend of 6 per cent. absorbing Rs. 9,000 (Rs. 9,000) and an interim ordinary dividend of 10 (10) per cent. Rs. 24,986 (Rs. 24,986) there remains a balance of Rs. 2,24,665 (Rs. 1,54,820). The directors now recommend a final ordinary dividend of 25 (25) per cent. absorbing Rs. 62,465 (Rs. 62,465), a bonus of 10 (nil) per cent. absorbing Rs. 24,896 (nil) and a transfer to reserve fund of Rs. 60,000 (Rs. 27,000) leaving a balance of Rs. 77,304 (Rs. 58,355) to be carried forward. Provision has been made in the accounts, on the basis agricultural income-tax will be levied on profit arising after 1st April, 1954.

Crop estimate for 1954-55: A crop of 2,40,000 (2,20,000) lbs. is estimated. Cost of production is estimated at 135.87 (116.45) cts. per lb. including 18.55 (14.78) for manuring.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,99,860	Block ...	4,38,388
Reserves ...	2,04,000	Stock-in-trade ...	1,19,752
Provision for taxation ...	88,273	Stores and spare parts	28,128
Liabilities ...	27,319	Advances ...	5,770
Profit and loss account ...	2,24,665	Investments	1,27,338
		Cash ...	2,22,743
Rs.	9,42,117	Rs.	9,42,117

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

BANGALORE WOOLLEN, COTTON AND SILK MILLS CO., LTD.

SEVENTY-SECOND ANNUAL GENERAL MEETING

MR. R. E. CASTELL URGES ABOLITION OF EXCISE DUTY ON WOOLLEN FABRICS

PRESIDING over the Seventy-second Annual General Meeting of the shareholders of the Bangalore Woollen, Cotton and Silk Mills Company, Ltd., held at the registered office of the Company, Agraharam Road, Bangalore City, on Saturday, 26th March, 1955, Mr. R. E. Castell, Chairman of the Company, said:

"GENTLEMEN,

"The Directors' report and accounts for the year ended 31st December, 1954, having been sent to you in due time, I propose, with your permission, to take them as read, but, after concluding my speech I shall be glad to answer any questions members may wish to ask.

"Generally satisfactory trading has made it possible for your Directors to recommend the payment for the year of a total of 30 per cent. dividend to ordinary shareholders and a bonus of 3½ months' basic wages to employees. These results are due mainly to the high level of production achieved throughout the year during which the entire installation worked practically to continuous full capacity and to the continuing popularity of the Company's cotton products and the expanding demand for 'Cotswol.'

Serious Competition

"For various reasons, your Directors consider that the Company will be fortunate indeed, if it proves possible to continue earning profits at or near the level attained in 1954. We have to bear in mind the purchasing power of consumers which is strained by taxation, both direct and indirect, the latter including Central Government excise duties and cess and State sales taxes. On account of consumer resistance and sustained high production, serious competition developed in the course of the year in the industry as a whole and, in order to continue to attract demand, your Company lately found it desirable to make a number of changes of quality and style in their various ranges of cotton goods.

"We continue to bear sales tax on our purchases of raw materials, stores and other essentials, and I am sorry to tell you that, in spite of many representations, the Bangalore Corporation announced, in December, 1954, the levy of a heavy octroi duty, not only on all raw materials entering the City limits, but also on other items essential to the operation of the mills. This levy is now under protest by the local industry, including ourselves, but, as the matter is more or less sub judice, I will refrain from further comment except to say that, should the octroi be maintained, its incidence will add materially to the costs of the local industry and place it at a disadvantage in relation to mills elsewhere in India.

"The matter of your Company, along with other units of local industry, having to pay higher charges for electric power supply is still under negotiation with the Mysore Government.

Silk Section

"The silk section of the mills has made a modest but welcome contribution to the trading results of the year. This section has used a considerable quantity of raw silk produced in Mysore State, but, if only the local industry can succeed in improving the cocoons and producing a more even yarn, the Company can increase the use of the indigenous product without impairing the demand for its superior silk saris and other goods.

"Last year, I mentioned the need to reduce production costs in the Company's woollen department. We are doing everything possible to achieve this by the judicious purchase of raw materials, the proper maintenance and, wherever possible, the improvement of machinery, and by concentrated attention to the marketing of the Company's woollen products, but we must have the fullest co-operation from our workpeople, if we are to avoid the continuance of losses in this section.

Excise Duty

"A few days ago, news was received of a welcome reduction in the higher excise duties proposed in the Finance Bill, 1955, for coarse and medium cotton cloths. I trust we shall soon hear of a mitigation of the proposed excise duty of 10 per cent. ad valorem (plus three pies per yard handloom cess) on woollen fabrics, as this is a very considerable imposition and quite out of proportion to the excise duties applicable to cotton textiles, which are in themselves highly restrictive. I believe that ours is not the only unprofitable unit of the Indian woollen industry, most of whose products can only be classed as necessities in winter, irrespective of personal income. I am, indeed, quite sure that the Taxation Enquiry Commission have erred in suggesting that only comparatively well-to-do persons use woollen fabrics, and that only coarser rugs and similar articles should be exempted from taxation. Even this latter recommendation has not been taken into consideration in the Budget proposals. I trust that, for the sake of this depressed industry and of its consumers, no duty will be imposed.

"In the Company's export trade, which is mostly in cotton goods, keen competition was experienced, but our efforts to retain our hold on overseas markets are meeting with fairly good results, and we are striving to extend our export sales to include a wider range of the Company's products.

Accounts

"I will now deal in more detail with the accounts and you will note from our balance-sheet that we have transferred from profits Rs. 10 lakhs to general reserve, Rs. 1,19,707 to the fire and accident insurance fund and Rs. 6 lakhs to additional provision for depreciation based on replacement costs.

"I am sure you will agree with the Directors in their policy of conserving as much of the Company's resources as is possible in these days of high taxation, so that we can finance the completion of the reconstruction of the 'Cotswol' section of the Mills, the proposed replacement of some of our cotton manufacturing machinery and the installation of new plant.

"We shall also be assisted, to some extent, in the financing of these plans by the welcome relief which has been provided in the Finance Bill, 1955, as the proposed development rebate of 25 per cent. on the cost of new machinery will result in a reduction in the amount of tax payable.

"The maintenance of full production, to which I have already referred, has resulted in an increase in the cost of raw materials consumed when compared with the previous year.

"As has been pointed out in the report of the Directors, it has been necessary to increase the amount set aside for depreciation to cover the additional charge on this account on the value of buildings and machinery brought into use during the year.

"We have set aside Rs. 2,50,000 to our workpeoples' housing fund and it is the Directors' intention to proceed as rapidly as possible with their housing programme, as we are now encouraged, under the Mysore Labour Housing Act, to utilise on the construction of houses for our own workpeople an amount equivalent to the contribution otherwise payable to Government under the Act.

Administrative Problems

"In my recent speech to the shareholders of the Buckingham and Carnatic Company, Ltd., I referred to the administrative problems with which manufacturers and traders have been and continue to be, faced owing to the Supreme Court's ruling in 1953 relative to inter-State sales tax. It is unfortunate that the many States' authorities do not appear to appreciate the difficulties of assessees having to prepare the enormous mass of detail required for current returns and the additional work that has been necessary as a result of the retrospective effect of this inter-State sales tax.

"Consent has not yet been received from the Government of India to our proposal to capitalise Rs. 81 lakhs of the general reserve. We hope however, to receive their sanction in the near future and, at the appropriate time, your Directors will call an extraordinary general meeting of members for the purpose of passing the necessary resolutions.

Labour

"The Industrial Tribunal, Bangalore, allowed the workpeoples' application for an additional half month's bonus for 1952. The Company has appealed against this award and the matter is now pending before the Labour Appellate Tribunal. It is to be hoped that, for the sake of both parties, the Fourth Bench of the Labour Appellate Tribunal which has been set up in Madras will soon begin to function and this long outstanding issue will be decided.

"Although differences of opinion on various matters continue to exist between management and labour, no major industrial disputes have arisen during the year. The management continue to pursue their objective of improving the present arrangements for the internal settlement of industrial affairs and hope that the representatives of the mill labour force will help further towards the completion of a satisfactory scheme.

"As you know, the workpeoples' and employees' providend funds do not appear in the published accounts of the Company, as they are vested in trustees. It will interest you to know that the liabilities of these Funds as at 31st December, 1954, amounted to Rs. 44,72,142 and Rs. 4,92,016, respectively, and corresponding amounts are invested in trustee securities."

Notices

ALUMINIUM CORPORATION OF INDIA LIMITED

CALCUTTA

NOTICE IS HEREBY GIVEN THAT THE Directors at their meeting held on the 22nd March, 1955, have sanctioned payment of Interim Dividend on the 6 per cent. and 5 per cent Preference Share Capital of the Company at Rs. 6 and Rs. 5 per share in respect of the arrears for the year ended 31st March, 1950. Payment will be made after 20th April, 1955, to those shareholders whose names appear in the Company's Registers on that date.

Preference Share Transfer Registers will remain closed from 11th to 20th April, 1955, both days inclusive.

By Order of the Board,
For J. K. INDUSTRIES LTD.,
LAKSHMIPAT,
Director,
Managing Agents.

22nd March, 1955.

THE AMALGAMATED ELECTRICITY COMPANY, LIMITED

THE REGISTERS OF MEMBERS AND Transfer Books of the Company will be closed from 9th to 16th April, 1955, both days inclusive, in connection with Interim Dividend for the half-year ended 30th September, 1954, payable on or after 18th April, 1955.

By Order of the Board,
THE CONSOLIDATED ELECTRIC AGENCIES LTD.,
Agents,
N. C. JAVERI,
Managing Director.

BOMBAY, 24th March, 1955.

OLD-ESTABLISHED AND WELL CONnected London shipbrokers with strong representation on the Baltic Exchange, London, wish to contact firm of chartering agents with a view to securing British tonnage for their various requirements. Write to Box No. 952, c/o "Commerce," Brady House, Veer Nariman Road, Fort, Bombay.

STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, 29th March

The short-term money market experienced extreme stringency for yet another week. With no fresh supply of funds to meet the rising tempo of demand, conditions were as difficult as in the previous week. The Reserve Bank of India continued to be the main lender of funds to banks. Inter-bank call money was bid at the self-same rate of 3 per cent., as were the short-term deposits for one to six months and house money.

The results of the Treasury Bill auctions this week showed a slight increase in the offerings, which at Rs. 1.05 crores were Rs. 3 lakhs more than those in the previous week. The rising trend in the yield noted in the previous three weeks was halted this week, the average rate of accepted tenders remaining unchanged at Rs. 2-9 per cent. per annum. In view of the holidays, the auction of Treasury Bills will not be held during the period from 4th to 9th April, 1955. Tenders for Rs. 1 crore have, however, been invited for the week after next.

As we go to press a day earlier than usual, the weekly statement of affairs of the Reserve Bank of India is not available for the customary analysis.

A steep decline in demand deposits and a sharp rise in borrowings from the Reserve Bank of India and advances, accompanied by a sizable shrinkage in cash balances and money at call, are the outstanding features of the consolidated statement of position of Scheduled banks for the week ended 18th March, 1955, as compared with that for the previous week. Thus, demand deposits have fallen by Rs. 9.29 crores and time deposits by Rs. 37 lakhs. Inter-bank borrowings are also lower by Rs. 1.75 crores. Borrowings from the Reserve Bank have increased by Rs. 9 crores and those from the Imperial Bank by Rs. 93 lakhs. A rise of Rs. 7.45 crores is noted in advances and of Rs. 4 lakhs in inland bills purchased and discounted, while there has been a fall of Rs. 1.67 crores in foreign bills purchased and discounted. The total commercial advances amount to Rs. 615 crores, constituting a record and representing an increase of Rs. 78 crores over the level in the corresponding week of 1954. They have already exceeded the peak level touched in 1954 by as much as Rs. 47.75 crores. Investments are lower by Rs. 1.56 crores. Cash on hand and balances with the Reserve Bank have together shrunk by Rs. 2.64 crores, balances with other banks in current account by Rs. 6 lakhs and money at call and short notice by Rs. 3.13 crores.

The week under review witnessed no change for the better in the conditions of the Gilt-edged market from those noted in the preceding weeks. The undertone continued to rule steady with small enquiries in selected securities. The volume of business remained small. 3 per cent. 1957 had some business at Rs. 99-3¾. 3 per cent. 1958 had buyers at Rs. 99-3, but no change in price was noted. 3 per cent. 1959-61 changed hands at Rs. 87-6, that is, an anna better than in the previous week, and at this price there were buyers. 3 per cent. 1963-65 was enquired at Rs. 93-10½, but sellers wanted Rs. 93-11. 3 per cent. 1964 was on offer at Rs. 93-10, though no business was put through. 3 per cent. 1966-68 and 3 per cent. 1970-75 were unchanged at Rs. 90-9 and Rs. 86-15, respectively. 3 per cent. 1986 Conversion Loan was done As. 2 lower at Rs. 80-10. 3½ per cent. 1961 National Plan Bond changed hands at Rs. 99-9 and 3½ per cent. 1964 National Plan Loan at Rs. 98-8½.

In the foreign exchange section, there was no change in the rupee-U.S. dollar rates during the week, banks' selling rate remaining at Rs. 479½ per $100 and banks' buying rate at Rs. 475½ per $100. In New York, sterling was slightly erratic in terms of the dollar. Spot sterling eased from $2.79½—2.79¾ to $2.79½—2.79¾, but hardened to close yesterday at $2.79½—2.79¾. Forward sterling (three months) receded from $2.78-5/16—2.78-7/16 to $2.78-3/16—2.78-5/16 before recovering to $2.78-5/16—2.78-7/16. Transferable sterling gained strength from $2.76¾—2.76-7/16 to $2.76¾—2.76¾.

GOOD GENERAL DEMAND FOR TEA

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, 24th March

There were approximately 280,000 lbs. on offer in dust sale 'F' which was held on Tuesday, 22nd March. The sale opened quietly, but strengthened and a good general demand developed. Medium quality dust-1 and fine dusts were irregularly an anna easier. Better liquoring dusts met with some competition and were dearer. Milled dusts were again neglected and there were some withdrawals amongst these types.

London Market—Sale of 21st March, 1955.—Generally ½d. to 1d. dearer.

Sale of 22nd March, 1955.—Market irregular. Prices generally ½d. to 1d. dearer.

Colombo Market.—Active and general demand at dearer rates, particularly medium brokens and fannings.

Export Quota.—Business was done in 1954-55 quota upto 75 pies. Transfers are now closed. No business has yet been done in special licence. Business has been done in 1955-56 export quota at 60 pies.

As we go to press Messrs. Forbes Ewart and Figgis, Ltd., wire:

"*Sale* 7:—1,350,000 lbs. Fair general demand. Commons firm to dearer. Medium and good medium As. 2 easier. Best liquoring sold well at about last rates. Whole leaf As. 1 to As. 2 dearer."

RAYON YARN FULLY STEADY

(From Our Own Correspondent)

BOMBAY, 29th March

A distinctly steady trend was in evidence in the rayon yarn market during the week under review. The factor which was mainly responsible for this trend was the reported cut in licences granted to mills for the import of rayon yarn in the current half-year to Rs. 1,000 per loom, as against Rs. 1,180 last year, which raised the unofficial premium for licences from 15 per cent. to 18 per cent. Another helpful factor was the decision of the Silk and Art Silk Mills Association not to enter this year into a bulk purchase agreement for the mills' yarn requirements. The sentiment of operators was also strengthened by firm advices from rayon fabrics market. These factors imparted considerable steadiness to the market and rayon yarn prices were fully maintained. In the spot section, 120D Italy spurted by an anna to Rs. 4-1. 150 Japan which had gone down by an anna to Rs. 3-15 on Saturday recovered today. 120 Japan rose by half an anna to Rs. 3-13. 150 Italy, after receding from Rs. 3-13 to Rs. 3-12-6, finished higher at Rs. 3-13. Rayon yarn (150D) for March delivery moved up by a rupee to Rs. 731.

Following rumours regarding grant of additional licences for import of staple fibre by consumers, the staple fibre yarn section ruled easy. Renewed reports that, owing to reduced prices for raw cotton and higher prices for staple fibre, several mills were shifting to spinning of cotton yarns, also acted as a damper on the market. Some selling was, therefore, in evidence and values of staple fibre yarn tended to look down. Staple yarn (40×2) for March delivery dropped Rs. 5-12 to Rs. 576 on Saturday. Lower levels evoked some support and the contract recovered to Rs. 579. April delivery declined from Rs. 581 to Rs. 578 before finishing at Rs. 581. In the spot section (40×2), Pankajas eased by nine pies to Rs. 2-14-3. Sitarams and Barodas lost three pies each to Rs. 3-0-6 and Rs. 3-1, respectively. New Greats, however, met with special buying enquiries and advanced by half an anna to Rs. 3-1-9. Kohinoors also gained a like amount to Rs. 3-6-3. Among foreign yarns, Suicos were quoted at Rs. 4-3-6, Auroras at Rs. 4 and Fujis at Rs. 3-14-6.

The cotton yarn market presented a bearish trend this week. The bearish trend was the result of slackness in demand from handlooms and powerlooms. There were, besides, reports that several mills had sold their stocks at very low prices, perhaps in order to secure some export quota. These factors induced considerable selling pressure and prices of all counts of yarn staged a retreat. Among 80s, Elphinstones receded by As. 2 to Rs. 58-10. Finlays were quiet at Rs. 70. Among 60s, Moderns dropped As. 8 to Rs. 59. Finlays were unchanged at Rs. 59. Srirams at Rs. 55-10 and Raghuvamshis at Rs. 54. Deals in 40 count yarns were done at lower rates, Moderns and Gokaks declining by As. 2 each to Rs. 24-14 and Rs. 24-8, respectively. Seksarias shed As. 4 to Rs. 22-10. Among 30s, Maduras fell by As. 4 to Rs. 21-12. Simplex lost an anna to Rs. 21-3. Among 20s, Seksarias were the worst sufferer, the quotation sliding down from Rs. 16-12 to Rs. 15-12. Moderns and Centurys finished each As. 2 lower, the former at Rs. 16-12 and the latter at Rs. 16. Among 10s, Podars eased by an anna to Rs. 13-4. Moderns were quiet at Rs. 13-5 and Elphinstones at Rs. 13-2.

The table below gives the prices of art silk staple fibre and cotton yarns quoted today, as compared with those six days before:

	29-3-1955	22-3-1955
	Rs. a.	Rs. a.
Art silk yarn—		
160 D.	731 0	730 0
150 Japan (per lb.)	3 13	3 12½
150 Japan (per lb.)	4 0	4 1
120 Italy (per lb.)	4 1	4 0
150 Italy (per lb.)	3 13	3 12
Staple fibre yarn—		
40 x 2 March	579 0	581 12
40 x 2 April	581 0	585 0
Suico (per lb.)	4 2½	4 2½
New Great (per lb.)	3 1½	3 1½
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	18 5	18 5
20s Seksaria	15 12	16 2
30s Madura	21 12	22 0
40s Gokak	24 8	24 10
60s Modern	59 0	59 8
80s Seksaria	58 10	58 12

KIPS RULE FIRM

(From Our Own Correspondent)

MADRAS, 28th March

The kip market ruled a shade firmer, due to good clearance of stocks by European and Indian shippers. In some cases, U.K. importers paid prices higher than what they had been offering in the previous week. Superior marks enjoyed good call at the hands of U.K. dressers at full prices which enabled the relative tanners to buy raw stocks at high prices to the discomfiture of the majority of tanners who produced ordinary qualities. Demand for tanned buff hides was brisk from shippers to U.S.A. and for inferior grade cow hides for inland Kavalai (water-bucket) trade and both lines have been out of reach of U.K. buyers. Tanned buff calf and cow calf remained unchanged.

In the tanned skins section, arrivals of goat and sheep met with good clearance locally and prices were firm. In the London auctions, prices of sheep skins declined by 3d. to 9d. on January levels Nearly 110,000 goat and 180,000 sheep skins —mostly lower grades—remained unsold.

TRADING IN AUGUST COTTON CONTRACT

(From Our Own Correspondent)

BOMBAY, 29th March

Commencement of trading in the I.C.C. August delivery today is the outstanding event of the week under review. The trading in this contract is governed by the amended by-law 55 of the East India Cotton Association (E.I.C.A.) as approved by the Forward Markets Commission. Under the new by-law, the tendering differences for the different varieties and staple lengths of cotton tenderable against the Indian Cotton Contract will be fixed on the basis of prices at which the basic and other descriptions of cotton tenderable are sold in the spot market, taking also into account the spot prices of the respective descriptions of cotton in the interior markets. Trading in the I.C.C. May 1955 delivery will, however, continue to be governed by the previous by-law 55. As a result of the amendment, the disparity between the spot prices of cotton and the price of the contract will, it is hoped, be reduced in the case of the August 1955 contract and thereafter.

After presenting a fully steady trend in the first two sessions of the week, the forward section of the cotton market suffered a reaction on Saturday which gathered further momentum yesterday and today. The initial steadiness was due to expectations regarding an early announcement of a further export quota of cotton. The expectation was based on the statement of the Union Minister for Food and Agriculture made in Parliament on Friday. The Minister said that there was already a floor price of Rs. 495 per candy for cotton. The export of long-staple and short-staple cotton was being encouraged and more quota for export was to be released. Encouraging reports from bullion and commodity markets also influenced the sentiment of operators favourably. Buying support ensued, as a consequence, and forward cotton staged a recovery. On Saturday, however, the market once again turned easy, owing to disappointment over the delay in the announcement of a further export quota. Cotton prices, therefore, drifted lower. The downward trend persisted yesterday and today also, following nervous unloading by bulls induced by slackness in mill demand and fall in spot prices. The initial gains were completely erased and today's closing rates stood lower than those on Wednesday last.

I.C.C. February opened the week at Rs. 556 and, after improving to Rs. 562-12 on the 25th inst., gradually receded to Rs. 551-8 today. Trading in August contract commenced at Rs. 569 today. It finished at Rs. 566-8.

The spot market remained dull during the major part of the week under review. There was slackness in mill and trade demand. Vijay and Surtis, however, continued to evoke buying enquiries from mills early in the week. Demand for exportable styles was poor. Except for a few lots of Bengals, no business was reported. In foreign cottons, interest was very much limited, such being confined to East African growths and Egyptian Karnak. Despite attractive prices, Sudans were neglected.

The latest available quotations from the Sewri market are: Bengal *deshi* Rs. 560; Berar Jarillas Rs. 620; Khandesh Rs. 620; Vijay Rs. 710; Oomra *deshi* Rs. 540; Moglai Rs. 530.

Although it is more than a week since the U.S. Foreign Operations Administration announced authorisation of $3 million for U.S. cotton exports to this country, the Government of India has still not issued any notification. The authorisation, it is felt, is only the first instalment and it will be followed by further amounts. This expectation is based on the statement made by the Union Deputy Minister for Commerce and Industry in the Lok Sabha on Monday last week while replying to a question. The Minister is reported to have said that it is proposed to import about 12 million dollars worth of U.S. cotton (nearly 75,000 bales) of staple length 1.1/16" and above during the current year. Further imports may be permitted later, if necessary. The cotton will be imported through the normal trade channels against licences. The U.S. shippers will be paid by their Government, while Indian importers should deposit the rupee equivalent in a Government account.

Depressed conditions prevailed in the Karachi cotton market during the week under review. Paucity of demand from mill interests and slackness in overseas enquiries induced considerable selling pressure. Cotton prices, as a result, suffered a heavy fall. N.T.R.G. for May delivery which stood at Rs. 68-14 last week-end was quoted at as low as Rs. 65-13 (per 82 lbs.) yesterday. The latest available quotations for spot cotton prevailing in the Karachi market yesterday are:

Sind *deshi* Rs. 63; Punjab *deshi* Rs. 56; 4F roller Rs. 61-1; S.G. Rs. 65-1; Punjab roller Rs. 65-1; S.G. Rs. 69-1; 289F N.T. roller Rs. 66-1; S.G. Rs. 70-9; 289F Punjab roller Rs. 68-5; S.G. Rs. 73-12.

There were no notable developments in the Alexandria cotton market this week. Overseas demand continued to be slow. Most of the limited enquiries were for Karnak higher grades and Giza 30 higher and medium grades. Demand for Ashmouni was poor. Values of cotton tended to look down, with the forward premium for Karnak fully good slightly lower than that for spot. Premiums for entitlement currencies, however, remained firm.

In the London cotton futures market, near deliveries lacked support, while distant contracts met with buying enquiries and registered an improvement in prices. The latest available quotation from the market are: March-April 30.98d; May-June 31.05.d; July-August 30.72d.; October-November 30.39d.; December-January 30.38d. Turnover in actual cotton was moderate, most of the interest being confined to spots and near-bys.

On expectations of favourable raw cotton policy by the Government, the New York cotton futures market remained fully steady during the week under review. There was some trade buying which absorbed Liverpool straddle selling and cotton values staged a sizable recovery. The total sales in the 14 spot cotton markets during the week ended 17th March, 1955, were only 70,000 bales, the lowest for any comparable week since 1942. The U.S. cotton crop in running bales is placed at 13.59 million bales, according to the final ginning report of the season issued by the U.S. Agriculture Department's Bureau of Census. This is 103,000 bales more than the official December estimate of 13.57 million bales.

It is not clear what shape the U.S. Government's cotton policy will take. Nor is it clear whether it will give export subsidy or adopt a two-priced system for cotton. The Department of Agriculture, it is reported, continues to refer enquiries to an earlier departmental statement that no export subsidies will be considered for the current season. Congressional leaders, however, are pressing for speedier disposal of U.S. surpluses.

The following are the latest available quotations from the New York market, as compared with those six days and 13 days before:

(In cents per lb.)

	28-3-55	22-3-55	15-3-55
Spot	34.30	34.20	34.35
May	33.66	33.61	33.65
July	33.90	33.89	33.93
October	34.01	33.91	34.15
December	34.09	34.02	34.28

LINSEED STEADY

(From Our Own Correspondent)

BOMBAY, 29th March

Except in the linseed section which ruled somewhat steady, the oilseeds market remained generally dull. Steadiness in the linseed section was due to covering by shorts induced by the approaching delivery of the February-March contract. The groundnut section ruled easy owing to lack of demand and good supplies following better arrivals. The castorseeds section also ruled quiet. Overseas demand either from the Continent or from the U.S. was not encouraging enough. The *kardi* and *niger* seed sections tended to look down. On balance, business transacted in the market was limited and fluctuations in prices were held within a narrow range.

In the linseed section, linseed Bold which opened quiet at Rs. 21 improved to Rs. 21-4. April-May delivery gained As. 10 to Rs. 20-10. Small Sutna put on As. 3 to Rs. 19-11. Linseed oil was done higher at Rs. 12-8, as against Rs. 12-5. Linseed oil was enquired in the Continent between £87 and £88.

As the ceiling for export of linseed oil cake has been reached, the Government of India, announced on the 28th inst., that it had decided to receive no more applications with immediate effect.

In the groundnut section, Bold F.A.Q. declined from Rs. 20-10 to Rs. 20-6. Groundnut April-May delivery was lower at Rs. 20-2, as against Rs. 20-10 and June-July at Rs. 21-2 as against Rs. 21-7. Khandesh quality receded from Rs. 21 to Rs. 20-8. Groundnut oil was quoted in the Continent at £91 to £92, as against £94 last week. H.P.S. is in demand at about 13.5c in the U.S.

Explaining its decision, announced on the 19th inst., that it had decided to allow further exports of groundnut oil, the Government of India has stated export quotas to all established shippers would be at the rate of 10 per cent. of the best year of exports during any financial year from 1948-49 to 1951-52. This quota would be valid up to the end of June this year.

In the castorseed section, May delivery opened at Rs. 71-2 as against Rs. 70-8. After fluctuating between Rs. 72-12 and Rs. 70-10, it closed at Rs. 72-2. Madras quality, among spots, put on As. 2 to Rs. 13-14. Castoroil Commercial eased from Rs. 8-14 to Rs. 8-10 and First Pressure from Rs. 9-4 to Rs. 9-2. Castoroil Commercial was enquired in the Continent quiet at £80 and in the U.S. at 9½c.

Among others, *kardi* Bold eased from Rs. 11-10 to Rs. 10-14 and *niger* F.A.Q. from Rs. 17-8 to Rs. 17.

The following table shows the price of oilseeds and oil today, as compared with those at the end of the previous two weeks.

	29-3-1955	22-3-1955	16-3-1955
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	20 8	21 0	20 10
February/March	20 6	20 10	20 10
April-May	21 2	20 10	20 4
Linseed—			
Bold Ready (per cwt.)	21 4	21 0	20 12
February/March	21 4	20 2	20 12
April-May	20 10	20 0	19 14
Castorseeds—			
May, 1955	72 2	70 8	70 10
Madras (per cwt.)	13 14	13 12	13 12
Groundnut oil— Ex-mill Ready (per quarter)	11 4	11 7	11 2
Castor Oil— Commercial (per quarter)	8 10	8 14	8 12
Linseed Oil— Ready	12 8	12 5	12 7

RAW JUTE PRICES RECEDE

(From Our Own Correspondent)

CALCUTTA, 29th March

The main feature during the week was that, while prices of raw jute fell further, those of jute goods were maintained at or about previous levels. The jute districts in Assam, East Pakistan and West Bengal have now had the first showers of the season and cultivators are busy getting their land ready for sowing. The rains experienced in the past week are a little early for the season. This factor has, however, enabled the market to forecast an early and, at the same time, a bumper jute crop. This expectation alone made stockists of raw jute much anxious and made them release their holdings, which had been kept back for sale at sellers' prices at the climax of the anticipated shortage which, apart from showing the first signs, which the market knew to be camouflage, did not enter any stage. Quotations in East Bengal have also continued to decline, but a *communique* issued by the East Bengal Government on Friday last entertains the doubt if the entire world demand for jute would be fully met by the present stocks and states that the carry-over to the next season would be insignificant. These are all contrary to the belief held in the market and as such are, perhaps, an attempt at official level to arrest the downtrend. This becomes evident in the action of the East Bengal Government, also announced on Friday last, in prohibiting forward export sales of jute at a discount. When, recently, raw jute touched the level of Rs. 40 and was moving still further up, jute goods failed to add the full rise of the fibre, as this was not possible in view of buyers' resistance for higher prices. Shippers were silent, and, as a result, stocks of finished goods with the mills began to increase. The downtrend in both raw jute and goods have continued since over a month and, while sacking and hessian have shed by about Rs. 92 and Rs. 106 a ton, respectively, raw jute has lost by about Rs. 155 a ton. This reverse direction is in full accord with the course of the uptrend.

The expectation in the market is that, while prices of jute goods would move around current levels, those of raw jute are bound to touch further lower levels. For considerable stocks are believed to exist and mills have become cautious more than ever in their buying programme in order not to disturb the downtrend. Their purchases are in small quantities and, because of quarter considerably more than mills would like to absorb, the prices as offered by mills prevail in deals. From Rs. 34, Assam bottoms fell this week to Rs. 32-8. Mills showed interest in *mesta* and cuttings, and, in Cossipore, fresh arrivals were mainly *mesta*. In certain lowland East Bengal districts, sowing has already begun and the new crop will start reaching the market much earlier than usual. This in itself has caused prices in Narayanganj to fall.

Though priced at lower levels, jute goods were steady. First signs of an imminent commencement of buying by Argentina were in evidence this week. The belief mentioned in these columns last week that it would lift a moderate quantity in the coming months, in view of the low quantity purchased by it last year, is emphasised. Ready hessian 40" 10 oz. at first sagged from Rs. 44-7 to Rs. 44-2, but the slight uptrend reported from New York brought some cheer. Some covering was done by bears and the rate gained to Rs. 44-8. April-June goods recovering to Rs. 44-10 from Rs. 44-3 to which they had fallen from Rs. 44-8. At this stage, information was available that the Argentine would be interested in hessian at lower levels, although commencement of actual buying would take some more time. These expectations attracted more covering business and the spot rate was steady around Rs. 44-8 and April-June around Rs. 44-10. In sympathy with the gain in heavy goods today, ready 10 oz. was better at Rs. 44-9, with the 8 oz. at Rs. 36.

Heavy goods were subjected to speculative pressure and, at one time, fell to levels which were not justified by prospects. Moderate enquiries have continued to come from Asian countries and some business was, in fact, put through with Australia and Africa. Stockists were, however, inclined to lessen commitments, in view of the heavy losses of holders of raw jute and the fear that the same turn was in store for them also. From Rs. 127-8, ready B. twills were pulled down to Rs. 123-12 on heavy selling in the *fatka* and goods with minister period varying from one to three months lost from Rs. 122-8 to Rs. 120-8. Traders lost no time in realising that these lower levels were a false reflection of the actual trend in the market. This was evident as the lower levels made shippers active. The ready position soon regained to Rs. 125 from Rs. 123-12, and April-June to Rs. 121-4 from Rs. 120-8. On Friday, speculative elements again began to sell at the rise and the ready goods fell by As. 2 to Rs. 124-14, but, on Saturday, considerations of the forthcoming settlement raised the rate to Rs. 125-6. Today, the rate recosded a further recovery to Rs. 127.

SHARP RISE IN COPPER

(From Our Own Correspondent)

CALCUTTA, 28th March

A feature of the trading in the metal market during the week under review was the uptrend in copper, following the acute shortage of this metal. The price at Rs. 260 was higher by Rs. 10. Advices from both London and New York were encouraging, and, to lessen the difficulties of commercial consumers, it is reported that the U.S. Government is likely to release some more quantity from its stockpile. There are also reports that some producing countries, who also consume copper, may ban exports of copper in order to meet the situation of shortage they themselves are facing. If this report materialises, India will be further affected, as India is dependent on imports for the electrolytic material. Already manufacturers of copper products have refrained from offering quotations. Imports are very small, and even scrap is difficult to obtain.

Mercury was steady, with the price moving up from Rs. 1,220 to Rs. 1,230 a flask. Virgin lead was maintained at Rs. 72, with little buying interest. Electrolytic Zinc rose from Rs. 61 to be quoted steady at Rs. 61-8. There was not much buying interest, and the improvement in price should be attributed to higher advices from overseas markets. Tin was dull, and moved down from Rs. 484 to Rs. 477.

EVENTFUL WEEK FOR BULLION

(From Our Own Correspondent)

BOMBAY, 29th March

The week under review was an eventful one for the bullion market. Though trading was resumed on full scale from Thursday, 24th March, it was not smooth, as erratic fluctuations in prices took place, particularly in silver. This was due to several outstanding developments during the week.

The Bombay Government's notification giving its sanction to by-law 33-D(1) (a)(i), as amended by the General Body of the Bullion Association in October last, which provides for the imposition of graded margin, was published on Friday, 25th March, instead of on 24th March, as expected earlier. The amended sub-clause of the said by-law as published in the *Government Gazette*, reads as follows:

"(a)(i) Whenever the daily official closing rate of the current forward contract is higher than its official starting rate and the daily official closing rate of the current forward contract is quoted higher than the daily closing rate of the next succeeding forward contract by the amount stated in the first column herein below, every member who has outstanding purchases shall pay to the Association a margin amount at the rate specified in the second column:

Closing rate of current forward contract higher than closing rates of next succeeding forward contract by:	*Rate of margin money*
	Rs.
(1) Rs. 2 or more, but less than Rs. 3, in case of silver	500 per bar
(2) Rs. 3 or more in case of silver	2,500 per bar
(3) As. 12 or more, but less than Re. 1-8 in case of gold	7 per tola
(4) Re. 1-8 or more in case of gold	25 per tola"

The Bombay Government also introduced a new by-law, 33H, which reads as under:

"33H. Notwithstanding anything contained in the foregoing by-laws, a member shall be allowed to utilise the surplus, if any, out of the margin money paid by him in his gold or silver account under any of the by-laws in respect of his outstanding transactions of a particular settlement for the purpose of payment of margin for the outstanding transactions of the same or different settlement under the same or different by-laws as the case may be, or for the purpose of taking delivery."

The Government further amended by-law 33A by providing that the imposition of the special margin under this by-law should get the prior approval of the Government. This by-law was to have come into operation in respect of the current (*Chaitra*) settlement with effect from Monday, 28th March. Meanwhile, one of the members obtained an injunction on Saturday, 26th March, from the City Civil Court restraining the Board from applying margin under by-law 33A to the *Chaitra* settlement. Accordingly, the Board suspended its earlier decision to impose the special margin, until the outcome of the member's complaint in the court was known.

The most important development of the week was the decision of the Board to permit forward trading in two more settlements, namely, *Vaisakh* and *Jeth*, with effect from today. Thus, for the first time in the history of the Bombay Bullion Association, forward trading in three settlements were done concurrently today.

The official starting rate for the *Vaisakh* settlement was Rs. 163-13 in silver and Rs. 91-13 in gold. Similarly, the rate for the *Jeth* settlement was Rs. 161-9 in silver and Rs. 91-4 in gold. As the rate for silver in the *Vaisakh* settlement was more than Rs. 2 below the closing rate today for silver in the current settlement and that in the *Jeth* settlement was below the *Vaisakh* settlement by a like amount, a margin of Rs. 500 per bar was made applicable today on the outstanding purchases of members in these two new settlements in terms of the by-law 33-D(1)(a)(i) quoted above.

To revert to the trend of prices. Forward silver (*Chaitra* settlement—8th April) opened on a firm note at Rs. 165, as against the previous day's closing of Rs. 164-7, and advanced to touch a high of Rs. 167-13 on Friday, on heavy covering by short sellers due to the delay in the Government's sanction to by-law 33A and apprehensions that the bulls would be able to take advantage of the many loopholes in the rules regarding margin. There were also rumours that a member would take legal action against the imposition of margin under by-law 33A. These rumours became an accomplished fact later, when the member obtained an interim injunction from the court.

Following the sanction given by the Government on Friday afternoon to by-law 33A, the Board announced that margin would be payable on every bar of silver and every tola of gold, if the outstanding purchases were above 50 bars in silver and 2,500 tolas in gold. This decision differed slightly from the earlier understanding, in that even the first 50 bars of silver and 2,500 tolas of gold were subject to the margin system, whereas it had been formerly understood that they would be exempt. This announcement, coupled with the Government's notification that the imposition of margin under this by-law required its prior sanction chilled the bullish enthusiasm. There was, therefore, a reaction to Rs. 166-13. On further nervous unloading by a leading bull operator due to fears that the Board might permit forward trading in the next two settlements also, forward silver receded further. When these fears proved true yesterday morning, prices dropped to Rs. 165-14 before closing at Rs. 166.

(Continued on page 655)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	18th Mar., 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,277.18	1,281.19	1,241.16	1,190.11
Notes held in Banking Department ..	35.06	15.29	10.75	13.04	12.40
Foreign Securities ..	99.50	643.37	678.15	652.15	648.15
Rupee Securities ..	37.89	507.43	472.65	447.74	421.34
Banking Department Deposits of:					
Government of India	14.89	67.95	55.22	51.74	64.02
Other Governments	..	58.42	18.51	14.12	52.56
Balances held abroad	10.06	88.77	52.78	68.59	101.88
SCHEDULED BANKS					
Demand Liabilities .	134.37	572.23	582.97	590.91	518.74
		(7.07)†	(8.52)†	(10.17)†	(7.15)†
Time Liabilities ..	103.84	875.80	876.47	871.37	827.14
		(1.56)†	(1.56)†	(2.35)†	(1.43)†
Borrowings from Reserve Bank ..	..	35.43	28.48	9.02	33.91
		(24.42)‡	(18.61)‡	(4.97)‡	(18.20)‡
Borrowings from Imperial Bank ..	..	9.75	8.82	6.37	12.45
Cash in India ..	6.71	32.41	34.47	32.06	30.93
Balances with Reserve Bank ..	25.28	45.61	46.19	49.21	38.60
Excess over statutory limits	15.52	9.48	9.52	12.24	6.12
Balances with other banks in current account in India .	..	10.04	10.10	10.00	10.02
Money at call and short notice in India ..	..	12.03	15.16	19.94	8.88
Investments (at book value)	..	345.89	347.46	354.83	317.30
Advances and bills .	105.09	615.00	609.18	582.27	527.03*
IMPERIAL BANK					
Deposits	87.76	224.70	227.21	232.48	206.24
Investments	51.99	105.87	104.84	112.08	89.37
Advances	30.37	127.87	124.93	115.52	126.05
Cash	14.69	18.21	19.55	21.40	15.37

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes foreign bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	Week ended 25th March, 1955 Number of Cheques	Amount Rs.	Week ended 18th March, 1955 Number of Cheques	Amount Rs.
Bombay ..	2,59,025	57,49,95,000	2,82,945	72,08,80,000
Calcutta ..	1,65,767	62,25,74,164	1,77,849	76,81,72,771
Madras ..	69,950	8,14,80,839	84,725	8,54,25,007
All Centres— 1955 ..	..	..	5,14,68,214	26,45,05,08,000
1954 ..	..	..	5,40,72,000	20,64,29,00,000
Dec., 1954 ..	..	..	29,95,000	6,64,03,00,000
Jan., 1955 ..	..	..	29,45,000	6,29,74,00,000

Reserve Bank of India

Statement of Affairs for the week ended 18th Mar., 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	67,95,30,000
(2) Other Governments	58,42,22,000
(b) Banks ..	47,71,45,000
(c) Others	22,07,70,000
Bills Payable	4,40,07,000
Other Liabilities	23,50,07,000
Rupees	281,17,22,000

ASSETS	Rs.
Notes ..	5,27,90,000
Rupee Coin	17,75,000
Subsidiary Coin	6,04,000
Bills Purchased and Discounted:—	
(a) Internal	48,55,000
(b) External	..
(c) Government Treasury Bills*	6,22,75,000
Balances held abroad*	88,75,91,000
Loans and Advances to Governments	52,00,000
Other Loans and Advances	46,92,85,000
Investments ..	50,17,15,000
Other Assets ..	21,15,22,000
Rupees	281,17,22,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 24,41,50,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 32,15,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department ..	15,27,90,000	
Notes in circulation ..	1277,18,56,000	
Total Notes issued ..		1292,45,46,000
Total Liabilities ..		1292,45,46,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India ..	40,01,71,000	
(b) Held outside India ..		
Foreign Securities ..	643,36,99,000	
Total of A ..		683,38,70,000
B. Rupee Coin		101,64,16,000
Government of India Rupee Securities ..		507,42,60,000
Internal Bills of Exchange and other commercial paper ..		
Total Assets ..		1292,45,46,000

Ratio of Total of A to Liabilities: 52.875 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 18th March, 1955

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India ..	7,07,48,000†
(ii) Other demand liabilities ..	565,15,99,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India ..	1,55,84,000†
(ii) Other time liabilities ..	874,24,31,000
3. Borrowings in India from the Imperial Bank of India:	
(i) Demand liabilities ..	9,73,82,000
(ii) Time liabilities ..	1,09,000
4. Cash in India ..	32,40,74,000
5. Balances with the Reserve Bank in India ..	45,41,09,000
6. Balances with other banks in current account in India ..	10,08,88,000
7. Money at call and short notice in India ..	12,02,96,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	345,89,28,000
9. Advances in India ..	614,17,87,000
10. Inland Bills purchased and discounted in India	70,09,25,000
11. Foreign Bills purchased and discounted in India ..	30,72,56,000

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

EXCHANGE RATES

	28th March 1955	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot. s.	1-5⅛	1-5⅛
Sel'ers T.T. D.D. upto six months .. s.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months .. s.	1-5¼	1-5¼
Buyers T.T. 10 to 12 months .. s.	1-4⅞	1-4⅞
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	4794	4794
Buyers T.T. .. Rs.	4753	4753
London on New York.. $	2.79-2 79⅞	2.79-2 79⅞
London on Paris .. Frs.	976½-977	976½-977
London on Berne .. Sw. Frs.	12.23-12 23½	12.27½-12.27¾
New York on London.. $	2.79-2.79⅞	2.79½-2.79⅞

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	'51-'52	359.23	..	9,990	274.5
Pakistan ..	1949	75.04	..	1,671	223
Burma ..	1953	18.86	Kyats 3,556	356	188
Ceylon ..	1953	8.16	..	442	541
Japan ..	1952	86.50	Y. 5,222,400	7,014	820
Philippines ..	1953	21.02	Pes. 7,275	1,854	787
New Zealand ..	1953	2.05	£(N.Z.) 727	969	4,727
Australia ..	1952	9.13	£(A) 3,521	3,541	4,207
U.K. ..	1952	50.86	£ 14,719	19,025	3,858
U.S.A. ..	1953	159.62	$ 305,000	146,790	9,196
Canada ..	1953	14.78	$ 19,043	8,407	5,688
France ..	1952	42.56	Fr. 10,197,900	14,618	3,521
W. Germany..	1953	48.99	Dm. 108,000	11,706	2,389
Italy	1952	47.02	Lr. 5,907,000	6,632	1,453
Norway ..	1953	3.26	Kr. 16,861	1,132	3,369
Sweden ..	1953	7.17	Kr. 26,957	2,422	4,778
Netherlands ..	1953	10.49	Grs. 19,360	2,451	2,336
Denmark ..	1953	4.37	Kr. 22,484	1,551	3,572
Switzerland ..	1953	4.88	Sw.Fr. 20,800	2,296	4,664

* National income at factor cost—the aggregate of all income earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations, Monthly Bulletin of Statistics, September, 1954.
† Estimates are based on the first issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 18th March, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	29,97,59,000
(b) Provincial Governments	87,94,000
(c) Banks	11,10,27,000
(d) Others	4,05,13,000
Bills Payable	17,05,000
Other Liabilities	3,54,30,000
Rupees ..	55,72,44,000

ASSETS	Rs.
Notes	7,97,17,000
Rupee Coin	7,000
Subsidiary Coin	12,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills ..	....
Loans and Advances to Governments ..	4,30,00,000
Provincial Governments' Debtor Balances ..	3,38,88,000
Other Loans and Advances	16,15,20,000
Investments	15,11,18,000
Other Assets	8,70,87,000
Rupees ..	55,72,44,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,97,17,000	
Notes in circulation	245,50,52,000	
Total Notes issued		253,47,69,000
Total Liabilities ..		253,47,69,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion ..	7,91,42,000	
Silver Bullion	....	
Sterling Securities	89,72,81,000	
Governments of India Securities	21,41,41,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	99,04,55,000
B. Rupee Coin	4,30,81,000	
Government of Pakistan Securities	145,87,58,000	
Internal bills of exchange and other commercial paper	....	
		150,18,39,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion ..	19,02,000	
Sterling Securities	3,95,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,81,000	
		4,24,75,000
Total Assets ..		253,47,69,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 40.63 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1956	..	3½
Austria	2nd June, 1954	4	3½
Belgium	29th Oct., 1952	3	2½
Bolivia	30th Sept. 1950	5	6
Canada	15th Feb., 1950	2	1½
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1946	4	4½
Colombia	18th July, 1938	5	4
Costa Rica ..	1st Feb., 1950	3	4
Denmark	22nd June, 1954	4½	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador ..	22nd Mar., 1950	4	3
Finland	16th Dec., 1951	7½	8½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1952	12	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th Mar. 1952	3½	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Mexico	4th June, 1942	4	4½
Netherlands ..	7th April, 1952	3	2½
New Zealand ..	26th Nov., 1954	3½	4
Norway	14th Feb., 1955	2½	3
Pakistan	1st Jan., 1948	3	2
Peru	23rd Nov., 1947	5	6
Portugal	12th Jan., 1944	3	2½
South Africa ..	17th May, 1952	3½	4
Spain	1st July, 1954	4	3½
Sweden	20th Nov., 1952	3	2½
Switzerland ..	26th Nov., 1936	1½	1
Turkey	26th Feb., 1951	3	5
United Kingdom ..	24th Feb., 1955	3½	4½
U.S.S.R.	1st April, 1949	2	1
U.S.A.	16th April, 1954*	1½	1½
West Germany ..	30th May, 1954	5½	5

* Effective in 11 of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	December, 1953	1954	Nine months, April to Dec., 1953	1954
Import Duties:				
Revenue	10.07	10.79	82.62	90.06
Protective	0.59	0.62	4.53	5.71
On surplus disposals	0.02	..	0.19	0.13
Total import duties	10.75	11.41	87.34	95.90
Export Duties ..	3.17	4.70	20.21	27.43
Land Customs ..	0.16	0.17	1.39	1.48
Miscellaneous ..	0.07	0.08	0.55	0.61
Gross total customs	14.17	16.36	119.45	125.57
Refunds and drawbacks	0.21	0.21	1.50	1.11
Net Customs ..	13.96	16.15	117.98	124.46
Gross excise	9.02	9.02	69.80	73.87
Refunds	0.15	0.15	0.73	1.35
Net Excise	8.14	8.87	68.66	74.52
Net total of customs and excise	22.10	25.02	186.64	198.98

Imperial Bank of India

Statement of Affairs for the week ended 18th Mar., 1955

CAPITAL AND LIABILITIES

	Rs.	Rs.
Capital:—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid ..	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		6,85,00,000
Deposits and other Accounts ..		224,70,21,000
Borrowings from other Banking Companies Agents		12,50,00,000
Bills Payable ..		4,30,78,000
Bills for Collection being Bills Receivable as per contra		42,52,000
Acceptances, Endorsements and Other Obligations as per contra ..		93,000
Other Liabilities (including Inter-Office Adjustments)		2,57,47,000
Total .. Rs.		256,99,43,000

PROPERTY AND ASSETS

	Rs.	Rs.
Cash in hand and with Reserve Bank		14,63,48,000
Balances with other Banks ..		3,57,96,000
Money at Call and Short Notice ..		1,00,00,000
Investments— Government and other Trustee Securities	93,91,08,000	
Other Authorised Investments ..	11,76,41,000	
		105,67,44,000
Advances— Loans, Cash Credits, and Overdrafts, etc.	103,09,26,000	
Bills Discounted and Purchased..	24,78,19,000	
		127,87,45,000
Bills Receivable being Bills for Collection as per contra		42,52,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		95,000
Premises less Depreciation ..		1,30,44,000
Furniture and Fixtures less Depreciation		45,01,000
Other Assets (including Inter-Office Adjustments)		2,04,16,000
Total .. Rs.		256,99,43,000

SMALL SAVINGS

POSTAL SAVINGS‡ (In lakhs or rupees)

	National Savings Certificates 5-Year† Outstandings*	Receipts	7-Year †† Outstandings*	Receipts	12-Year Outstandings*	Receipts	Savings Bank Deposits Outstandings*	Receipts	Cash Certificates Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-Year Treasury Savings Deposit Certificates § Receipts	Outstandings*	10-Year National Plan Certificates † Receipts	Outstanding*
1948-49 ..	1,46	76	73	20,40	23,85	85,56	29,91	—	18,31	..	..	..	..
1949-50 ..	6,82	46	2,24	23,66	84,17	1,12,35	97,08	—	31,07	7,55	25,64	..	..
1950-51 ..	5,91	1,60	4,26	26,54	1,04,88	1,17,87	1,06,29	—	34,20	6,94	32,11	..	..
January, 1954 ..	4,14	12	3,81	2,08	1,00,45	8,91	1,00,23	—	33,78	50	31,22	..	..
February ..	6,02	11	3,89	2,12	1,02,09	9,49	1,01,89	—	33,97	54	31,78	..	..
March ..	5,91	46	4,26	2,05	1,04,88	16,29	1,06,29	—	34,20	84	31,72	..	..
April ..	5,81	11	4,20	2,18	1,05,94	10,70	1,07,51	—	34,40	64	32,11	..	..
May ..	5,11	10	4,21	1,71	1,07,08	10,02	1,07,13	—	34,57	70	32,77	..	..
June ..	5,62	9	4,23	1,90	1,08,40	10,45	1,08,72	—	34,73	54	33,20	..	..
July ..	5,47	12	4,19	2,27	1,10,18	11,40	1,11,02	—	34,96	39	33,61	84	84
August ..	5,26	15	4,09	2,17	1,11,88	10,23	1,13,07	—	34,96	46	34,08	49	53
September ..	5,24	10	4,51	2,44	1,13,76	10,25	1,14,23	—	35,17	66	34,44	76	1,56
October ..	5,16	11	4,57	1,90	1,15,08	8,96	1,14,98	—	35,24	64	34,94	89	2,48
November ..	5,06	12	4,64	2,25	1,16,76	10,24	1,16,21	—	35,51	62	35,32	1,37	4,06
December ..	4,98	11	4,68	2,34	1,18,40	11,56	1,18,56	—	35,98	57	35,84	60	5,65
January, 1955 ..	..	..	..	..	..	..	..	—	35,57	40	35,98	57	5,22
								—	..	43	36,37	..	5,79

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947. † Issued from 1st June, 1945 to 30th June 1955. †† Issued from 1st June, 1945. ‡ Issued from 1st February, 1951. § Issued from 15th May, 1954.
‡‡ Figures from 1948-49 relate to the Indian Union. Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 20-3-'54	19-2-'55	12-3-'55	19-3-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES ..	90.4	90.6	90.6	90.6
1. Government of India ..	90.2	90.5	90.5	90.4
2. Indian States	95.7	96.1	96.1	96.1
3. Municipal, Port Trust, etc.	89.3	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	101.4	100.7	100.7	100.6
1. Electricity	102.7	102.0	102.2	102.0
2. Jute	93.8	98.8	98.8	98.8
3. Plantations	99.7	99.6	99.6	99.6
4. Sugar	100.7	99.1	99.1	99.0
5. Cotton	90.6	90.8	90.6	90.6
6. General Engineering ..	103.3	100.5	100.6	100.6
7. Shipping	103.2	100.2	100.2	100.2
8. Others	100.6	100.6	100.6	100.6
PREFERENCE SHARES ..	96.9	97.3	97.2	97.2
1. Electricity	96.3	97.2	97.2	97.2
2. Cotton	85.6	78.6	78.5	78.6
3. Jute	85.3	87.7	85.4	85.7
4. Plantations	90.8	91.5	92.3	92.3
5. Iron and Steel ..	91.5	89.5	89.9	89.9
6. Sugar	74.8	82.8	82.8	82.5
7. Paper	57.4	90.6	89.7	89.7
8. Plantations	90.2	97.7	97.8	98.3
9. Miscellaneous ..	85.7	87.7	85.6	85.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	102.3	113.5	115.9	116.8
a) Financial	86.7	89.2	88.7	88.7
1. Banks	87.0	86.0	85.4	85.4
2. Insurance	100.0	108.1	109.8	109.2
3. Investment Trust ..	76.7	95.1	93.4	91.7
(b) Public Utilities ..	112.5	114.8	114.7	114.4
1. Electricity	117.4	124.2	124.5	124.5
2. Shipping and other Transport	106.9	100.4	99.0	98.4
3. Railways	85.4	87.8	88.0	88.3
(c) Manufacturing Industries.	105.4	116.8	119.4	119.7
1. Cotton, Woollen and Silk	102.6	103.8	103.7	103.7
2. Jute	92.6	97.0	99.7	99.9
3. Iron and Steel ..	121.2	137.7	149.9	149.9
4. Paper	160.2	209.9	219.7	222.7
5. Cement	123.7	140.1	149.5	148.5
6. General Engineering.	130.2	161.4	168.3	169.9
7. Sugar and breweries.	87.8	105.4	106.1	101.5
8. Chemicals	110.9	137.1	136.4	136.3
d) Non-Manufacturing Industries	108.9	126.1	129.9	129.7
1. Tea	76.9	80.5	78.9	78.2
2. Mining and Oil ..	154.4	190.8	197.8	198.1
3. Plantations ..	106.3	126.7	124.4	122.3
e) Miscellaneous ..	96.2	98.4	98.7	98.8
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	90.8	90.1	90.1	90.1
1. Bombay	90.8	90.5	90.5	90.5
2. Calcutta	90.6	90.9	90.9	90.9
3. Madras				
DEBENTURES OF INDUSTRIAL CONCERNS:	101.4	99.9	99.9	99.1
1. Bombay	102.2	101.8	101.8	101.8
2. Calcutta	100.1	100.4	100.4	100.4
3. Madras				
PREFERENCE SHARES:	92.6	91.3	91.6	91.6
1. Bombay	84.9	84.9	83.1	83.1
2. Calcutta	89.8	94.0	94.3	94.3
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	112.0	116.3	119.3	119.0
1. Bombay	94.3	107.8	109.9	109.3
2. Calcutta	100.7	109.9	110.0	109.9
3. Madras	104.7	119.0	118.3	119.0
4. Delhi				

Source: Department of Research and Statistics, Reserve Bank of India.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work	Number of workers involved.	Number of man-days lost.
1950	814	719,882	12,806,704
1951	1,071	691,321	5,818,928
1952	962	509,248	4,256,961
1953	772	466,607	3,882,606
November 1953..	83	48,766	378,245
December ..	81	37,523	148,017
January 1954 ..	65	43,283	244,414
February ..	46	26,477	128,411
March ..	67	88,231	818,207
April ..	72	49,188	318,348
May ..	68	83,617	276,216
June ..	99	80,357	252,279
July ..	87	48,066	221,128
August ..	74	53,068	252,154
September ..	106	44,863	467,378
October ..	101	80,211	402,116
November ..	88	41,481	345,211
December ..	81	40,780	475,352
January 1954† ..	84	51,978	325,514
February ..	85	41,551	258,205
March ..	91	34,208	231,419
April ..	101	84,983	807,547
May ..	80	40,077	219,048
June* ..	83	51,589	305,078
July* ..	123	80,189	277,422
August ..	79	51,090	325,857
September ..	97	60,414	353,878
October* ..	86	41,300(a)	273,010(b)
November ..	49	23,320(c)	119,722(d)

† Figures for 1954 are provisional. * Revised.
(a) Not known in 4 cases. (b) Not known in 5 cases.
(c) Not known in 2 cases. (d) Not known in 5 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns	Units generated†	Units Sold
1948-49	489	4,681.1	3,777.7
1952-53	614	6,901.4	5,184.5
1953-54	645	6,576.5	5,278.7
July 1953	627	588.0	471.0
Aug., 1953	628	587.9	468.9
Sep., 1953	632	576.5	464.1
October	634	583.1	469.7
November	637	583.1	455.7
December	640	608.6	485.9
January 1954	640	589.7	478.0
February	642	551.4	451.4
March	645	598.6	483.5
April	651	615.3	504.4
May	651	599.9	515.5
June	650	629.4	510.3
July	653	633.4	518.5
August	657	635.0	510.8
September	659	647.6	523.3
October	660	656.5	511.1
November	664	656.5	534.6

* Provisional. † Including railway, military and factory power stations; Chola, Bombay Electric Supply Company's Trombay Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ Thousand. ‖ Thousand. ¶ Thousand.
and divide the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	12th Mar., 1955	5th March, 1955	13th Mar., 1954	February, 1955	February, 1954	Percentage of increase (+) or decrease (−) in Feb., 1955 as compared with Feb., 1954	Annual Average 1953	1954
Food Articles	297.3	301.1	368.9	304.3	373.3	−18.5	330.8	358.2
Cereals	339	344	429	343	433	−21.1	451	414
Pulses	231	230	359	238	387	−38.5	494	318
Other	210	254	284	261	281	− 7.1	265	293
Industrial Raw Materials	418.7	425.9	468.7	436.1	471.4	− 7.5	459.7	447.1
Fibres	459	475	453	485	457	+ 6.1	420	444
Oil seeds	542	550	518	560	526	−31.6	573	465
Minerals	424	393	465	412	444	− 7.2	453	429
Others	403	483	404	483	403	+19.9	365	410
Semi-Manufactures ..	336.8	335.7	354.7	339.7	380.1	− 8.7	359.3	355.4
Leather	300	298	293	297	292	+ 2.0	410	377
Mineral oils	221	221	221	221	221	—	224	221
Vegetable oils ..	357	365	472	391	499	−21.6	424	464
Cotton yarn	442*	441	448	442	451	− 2.0	441*	454
Metals	242	242	237	242	237	+ 2.1	226	239
Oil cakes	265	262	413	295	427	−30.9	430	416
Others	334	336	305	336	305	+10.2	262	309
Manufactured Articles	377.9	377.5 R	372.6	378.0	368.3	+ 2.3	367.0	375.
Textiles	423	421	414	421	403	+ 3.2	404	418
Jute	479	474	431	477	427	+11.7	423	438
Cotton	409*	409*	405*	413*	405*	+

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop		Acreage 1953-54 Final	Acreage 1952-53 Final	Outturn 1953-54 Final	Outturn 1952-53 Final
Rice 2nd	tons	68,502‡	71,224†	21,503‡	23,455†
Wheat	"	26,098	24,255	7,792	7,383
Jowar	"	42,990	43,339	7,691	7,260
Bajra	"	29,820	26,550	4,246	3,150
Barley	"	8,190	8,010	2,721	2,849
Maize	"	8,892	8,597	2,854	2,823
Ragi	"	5,472	5,423	1,564	1,238
Small Millets	"	13,167	12,431	2,183	1,905
Total cereals	"	210,365	203,149	58,130	49,103
Kharif	"	176,077	170,854	45,617	36,871
Rabi	"	34,288	32,295	10,513	10,232
Gram	"	18,803	18,014	4,551	4,165
Other Rabi Pulses*	"	11,139	11,185	2,075	2,042
Jute	bales	1,273†	1,196†	3,153†	3,129†
Cotton	"	17,027	15,693	3,935†	3,151
Sugarcane (2nd)	tons	3,617†	3,503†	4,749†	4,206†
Groundnut	"	12,647‡	10,869‡	3,623‡	3,513
Linseed	"	3,369	3,395	355	359
Castorseed	"	1,868	1,857	107	106
Rape and Mustard Seed	"	5,873	5,199	826	837
Sesamum (3rd)	"	5,861‡	6,070†	567‡	534†
Total oilseeds	"	27,598	27,661	5,591	4,546
Tobacco	"	890	895	256	241
Black Pepper	"	209	205	22	22
Ginger	"	47	46	15	14
Dry Chillies	"	1,828	1,235	310	284
Potato (2nd)	"	545	633	1,657	1,694

Source: Ministry of Food and Agriculture.

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

* *Excluding gram and Tur.*

‡ Relates to 1954-55. † Relates to 1953-54.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During February, 1955	81.8
	Corresponding month, 1954	68.2
	Eight months ended Feb., 1955	567.2
	Corresponding period, 1954	568.8
Stocks	At the end of February, 1955	83.1
	Corresponding month, 1954	95.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 19th February, 1955	7.704
	Corresponding week, 1954	5.276
	From 1st to 19th Feb., 1955	63.204
	Corresponding period, 1954	44.501
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 19th February, 1955	4,251
	Corresponding week 1954	1,859
	From 1st to 19th Feb., 1955	129,469
	Corresponding period, 1954	196,024
	RAW JUTE	(In 000 bales)
Consumption by Mills†	Feb., 1955 (in lakh bales)	4.75
	Corresponding month 1954	3.96
	Eight months ended Feb., 1955	38.85
	Corresponding period, 1954	32.99

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1955	11,58,000	10,81,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Eleven months ended Feb., 1955	10,39,400	9,53,600	7,15,100
October 1954	99,600	94,000	68,500
November "	1,00,300	95,800	68,400
December "	1,01,400	95,100	71,700
January 1955	1,02,800	99,900	71,400
February "	92,700	84,500	63,800
September "	86,300	82,400	62,800
October "	96,500	89,200	68,500
November "	98,800	90,500	68,000
December "	1,05,600	95,000	73,800
January 1955	1,02,500	95,800	72,200
February "	98,500	84,600	65,900
Indian Iron and Steel Co.			
Year ended 31st March, 1955	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954	5,80,020	4,49,930	2,92,440
Nine months ended Dec., 1954	5,50,841	3,84,412	2,40,957
April 1953	52,210	30,980	19,090
May "	57,810	32,850	19,700
June "	56,780	23,940	13,020
Three months ended Sept., 1953	63,930	18,850	11,540
April " Dec., 1953	1,81,630	1,15,800	1,08,940
April " 1954	61,950	41,070	37,600
May "	68,450	85,540	85,260
June "	68,370	41,160	34,620
Three months ended Sept., 1954	1,98,770	1,29,741	1,12,481
" " " Dec., 1954	1,86,038	1,26,801	1,20,618

OVERALL BALANCE OF TRADE OF INDIA DECEMBER, 1954†

Particulars	December, 1953 Rs. (lakhs)	December, 1954 Rs. (lakhs)	Nine months, April to December 1953 Rs. (lakhs)	Nine months, April to December 1954 Rs. (lakhs)
1. Trade in merchandise—				
(a) Exports	51,81	50,93	395,38	426,75
(b) Re-exports	29	37	3,66	3 84
Less—Transit trade	..	5	4	35
Net re-exports	29	32	3,62	3,49
Total exports	52,10	50,25	399,00	430,24
2. Imports	39,44	49,05	444,58	456,65
Less—Transit trade	1	1	11	10
Net imports	39,43	49,04	444,47	456,65
Balance of trade in merchandise	+12,67	+1,21	−45,47	−26,24
Balance of trade in gold and silver	..	..	−8	−1
Total overall visible balance of trade	+12,67	+1,21	−45,55	−26,25

† Total values of foreign trade of India by all routes (i.e., sea, air and land).

RAILWAY TRAFFIC ‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (in thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (in thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1948-1949	1,132	36,925	104,286	22,364	9,089	2,115	780	172	142	..	..	..
1952-1953	1,168	34,406	128,773	28,839	11,413	2,635	949	171	169	209	169	297
1953-1954	1,179	35,216	129,009	29,365	11,186	2,613	921	154	158	168	190	343
October 1953	89	2,568	10,479	2,427	918	230	62	9	16	15	15	28
November "	87	2,639	9,923	2,366	903	216	64	15	14	17	12	27
December "	93	2,747	10,990	2,476	1,002	210	64	16	14	18	14	33
January 1954	94	2,781	11,281	2,531	998	202	72	16	17	16	15	34
February "	101	2,157	10,313	2,274	933	178	76	13	16	14	14	30
March "	105	3,325	14,383	3,308	1,018	215	83	17	18	12	16	34
April "	..	..	..	..	953	211	83	20	15	10	15	34
May "	..	..	..	..	932	215	78	14	16	10	13	33
June "	..	..	..	..	909	210	71	10	13	7	16	32
July "	..	..	..	..	935	234	76	11	10	7	13	34
August "	..	..	..	..	935	245	79	11	9	7	11	31
September "	..	..	..	..	914	241	66	11	9	12	12	31
October "	..	..	..	..	934	241	65	13	10	19	15	33
November "	..	..	..	..	901	226	73	15	13	15	9	34

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 17th Mar., 1955	50,312
	Corresponding week, 1954	61,777
	1st Sept., 1954 to 17th Mar., 1955	856,041
	Corresponding period, 1953-54	907,079
Cotton Exports	Week ended 17th Mar., 1955	6,536
	Corresponding week, 1954	8,471
	1st Sept., 1954 to 17th Mar., 1955	171,738
	Corresponding period, 1953-54	160,740
Mill Consumption	1st Sept., 1954 to 17th Mar., 1955	689,478
	Corresponding period, 1953-54	673,732
Stock (with exporters, dealers and mills) in Bombay	On 17th Mar., 1955	440,420
	Corresponding date, 1954	475,163
Cotton Exports from Bombay (by sea)	During December, 1954	24,771
	1st Sept., to 31st December, 1954	100,549
	1st Sept., to 31st December, 1953	81,256
Karachi (Pakistan)—		
Receipts	1st Sept., 1954 to 10th Mar., 1955	978,882
	Corresponding period, 1953-54	1,213,868
Exports	1st Sept., 1954 to 10th Mar., 1955	342,779
	Corresponding period, 1953-54	638,252

Particulars	From 1st Sept., 1954 to 21st March, 1955 Bales	From 1st Sept., 1953 to 21st March, 1954 Bales
From Bombay		
Cotton Exports to—		
United Kingdom	15,201	10,250
Continent	24,572	19,317
China	1,509	251
Japan	54,841	46,814
U.S.A.	11,818	11,482
Other Countries	808	1,452
Total to all foreign countries	108,487	89,567
Coastal Ports	12,471	84,959

Period		Quantity (Bale of 400 lbs.)
Consumption of Cotton—		
Indian	December, 1954	303,458
Foreign		59,501
Indian	Four months ended Dec., 1954	1,351,774
Foreign		237,404
Indian	Same Period, 1953	1,240,208
Foreign		220,056
Stocks (Mills and Elsewhere)—		
Indian	As on 31st December, 1954	942,266
Foreign		158,344
Indian	As on 31st December, 1953	778,760
Foreign		173,570
Cotton Pressed in India † (in running bales)	Week ended 11th Mar., 1955	32,919
	Corresponding week, 1954	143,147
	1st Sept., 1954 to 11th Mar., 1955	1,011,609
	Corresponding period, 1953-54	2,374,482

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	101⅛
4 % Bonds	1926-28	65,30,26,000	1960-70	101¾
2½% Loan	1938-39	1,16,17,46,000	1963-68	98 4/8
3 % Loan	1950	20,38,10,000	1964	98 4/8
3 % Loan	1942	1,10,11,78,000	1966-68	90 5/8
3 % V. Loan	1944	1,14,06,99,000	1967	89⅛
3 % Loan	1946	1,15,05,83,000	1970-75	86 4/8
3 % Loan	1945	1,13,65,64,000	1959-61	97⅞
2½% Loan	1951	50,35,83,000	1958	99⅛
2½% Loan	1946	45,68,07,000	1960	94⅛
2½% Loan	1946	67,00,49,000	1961	91⅛
2½% Loan	1946	14,77,48,000	1976	68
2½% Loan	1947	75,86,72,000	1962	92⅜
2½% Loan	1948	60,46,01,000	1955	99⅞
2½% Loan (N.P. Bonds)	1953	75,00,00,000	1961	99⅞
2½% N.P. Loan	1954	156,75,00,000	1964	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,03,86,000	At option of Government after three months' notice.	80⅞
3 % Loan	1946	248,91,90,000	On 14th Jan., 1986 or later at option of Government after three months' notice.	80⅞
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,20,000	1958-68***	108⅛
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,000	18th Sept. 1955	99⅞
3 % Bombay	1943	3,60,00,000	14th Sept. 1956	99⅞
3 % Bombay	1944	3,44,00,000	16th Aug. 1958	97⅞
3 % Bombay	1949	6,00,15,000	1st Aug. 1962	98⅛
3 % Bombay	1950	3,01,87,700	31st July 1960	94⅞
3 % Bombay	1951	3,04,06,000	17th Sept. 1962	98⅛
3 % Bombay	1952	5,00,00,000	16th July 1964	101
4 % Bombay	1952	8,66,72,700	1st Aug. 1964	101
4 % Madras	1945	1,00,00,000	16th Dec. 1955-56	98⅛
2½% Cochin	1936	70,00,000	1st June 1956-61	99⅛
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1st June 1958-66	95⅛
3 % Madras	1939	1,22,95,000	21st June 1959	94
3 % Madras	1942	1,23,25,000	18th Sept. 1955	99-10⅛
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99
3 % Madras	1944	1,07,95,000	16th Aug. 1958	97⅞
3 % Madras	1945	2,78,44,000	14th Sept. 1960	94⅞
2½% Madras	1946	2,81,77,200	1st Sept. 1961	91⅞
3 % Madras	1950	4,85,25,400	31st July 1960	94
2½% Madras	1951	3,01,49,800	17th Sept. 1962	97⅞
4 % Madras	1953	5,00,00,000	15th July 1963	100-8⅛
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100⅞
3 % Mysore (f)	1930	1,03,44,800	1st Nov. 1955	101⅛
4 % Mysore (f)	1938	2,96,85,200	1st Dec. 1955-63	101⅛
3 % Mysore (f)	1936	5,90,72,000	30th April 1956-61	98-6⅛
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	99-8⅛
4 % Mysore	1953	5,00,00,000	15th July 1963	100
3 % M.P.	1942	50,00,000	18th Sept. 1955	99
3 % M.P.	1944	50,54,200	14th Sept. 1956	98⅞
3 % M.P.	1944	52,69,800	16th Aug. 1958	97
3 % M.P.	1945	2,03,00,000	16th Sept. 1956	92⅞
3 % M.P.	1950	1,00,28,800	31st July 1960	94
2½% M.P.	1951	1,00,00,000	17th Sept. 1962	97⅞
4 % M.P.	1953	1,00,00,000	15th July 1963	99⅞
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	98⅞
3 % Punjab**	1942	2,85,20,000	18th Sept. 1956	99⅛N
3 % Punjab**	1943	2,48,78,800	14th Sept. 1956	99⅛
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	97⅛N
2½% Travancore	1936	50,00,000	16th Aug. 1956	90⅞
4 % Travancore-Cochin	1953	3,00,00,000	15th July 1963	99⅞
3 % U.P.	1936	1,69,39,800	15th Sept. 1961-66	90⅞
3 % U.P.	1944	3,23,96,800	15th Aug. 1958	97
3 % U.P.	1945	2,86,81,900	14th Sept. 1960	94
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	91⅛N
2½% U.P.	1951	2,00,00,000	17th Sept. 1962	97⅞
4 % U.P.	1952	4,11,83,000	1st Aug. 1964	100⅛
4 % U.P.	1953	5,00,00,000	15th July 1963	100⅛
2½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	5,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
35,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
50,00,000	4	1910	1972	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,85,870	4	1913*	1960	D
80,00,000	4	1913	1974	99½N
88,75,000	4	1914	1975	99½N
10,00,000	4	1916*	1960	D
55,00,000	4	1916*	1975	
61,61,000	4	1922*	1960	
11,61,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
12,50,000	3½	1932*	1962	
24,55,000	3½	1935*	1975	
15,00,000	3½	1936*	1976	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
20,24,800	4	1914	1974	98½
76,90,100	4	1916	1976	98½
1,60,00,000C	3½†	1921	1981	61
68,18,300	4	1921	1981	144N
1,24,06,300	4	1924	1985-86	101½
98,21,800	5½	1926	1986-86	102
99,84,500	5	1926	1985-86	101½
1,49,49,500B	5	1927	1987-87	101½
1,49,30,000	5	1928	1988-88	103
80,00,000	4‡	1931	1991	95
60,00,000	3½§	1935	1985	96
30,00,000	3½	1938	1988-88	90
50,00,000	3	1945	2005	74N
50,00,000	3	1945	1975	84
50,00,000	3	1946	1976	84
50,00,000	3	1946	2006	72½N
50,00,000	2½	1947	1977	78
50,00,000	3	1948	1978	82½
50,00,000	3	1949	1979	80
1,00,00,000	2	1949	1959	96
50,00,000C	2	1950	1960	81½
1,00,00,000	3	1950	1960	95½
1,00,00,000	3	1951	1961	81
1,50,00,000	3½	1951	1961	97½
50,00,000	4	1952	1962	99½
50,00,000	4	1953	1963	98½
STERLING LOANS				
£892,000	5	1922	1952-82	£87½
£501,000	5	1924	1954-84	£87½
£835,100	5½	1923	1962	£96
MADRAS				
Rs.				Rs.
81,47,160	2½	1947	1977†	
9,86,000	3	1947	1977	
1,00,00,000	3	1949	1979	A
45,00,000G	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
50,00,000	4	1899	1959	100
80,00,000	4	1901	1961	
80,00,000	4	1902	1962	
80,00,000	4	1904	1964	
80,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
80,00,000	4	1908	1968	
25,00,000	4	1912	1972	
28,00,000	4	1912	1972	
60,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118N
66,00,000	5	1920	1958-80	
25,00,000	5	1926	1966-86	116N
25,00,000	4	1927	1961-79	98N
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95½N
£888,000	4	1910	1970	£95½N
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	101½
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99⅞
85,00,000	5½	1935	1965	94
30,00,000	3	1936	1966	96
50,00,000	3	1937	1967	91
80,00,000	3½	1938	1968-68	90
80,00,000	4	1938	1968	99⅞
MADRAS				
Rs.				Rs.
50,00,000	6	1925	1955	101½
25,00,000	5	1928	1958	105
25,00,000	5	1929	1957	108⅞
25,00,000	5	1929	1958	108⅞
10,00,000	5½	1932	1962	108
33,91,000	3½	1935	1965	94
60,00,000	3	1936	1966	96
47,00,000	3	1938	1968	90
10,67,700	3	1938	1968	
15,56,800	3	1939	1969	
15,56,800	3	1939	1969	
15,56,800	3	1940	1970	
17,64,400	3½	1943	1973	
21,10,000	3½	1948	1978	
35,49,000	3½	1951		
16,52,000	3½	1951		
66,88,000	3½	1951		
87,86,000	4	1952		84
72,50,000	4½	1954		88
MADRAS				
71,700	6	1925		4,05
2,67,800	6	1925		4,05
18,00,000	3½	1931		4,25
15,00,000	3½	1932		4,25

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,00,000	4	1913-15	1974	99⅞
20,00,000	4	1913-15	1965	100⅞
10,00,000	4	1926	1966	101½
25,00,000	5	1928	1958	104⅞
8,45,500	5	1929	1954-59	10
26,21,500	3	1929	1979	102⅞
8,25,000,000	3½	1947	1977	86
2,50,00,000	3½	1949	1979	86
4,00,00,000	3½	1950	1965	92⅞
2,50,00,000	4	1952	1964	100
2,00,00,000	3½	1951	1966	97
1,80,00,000	4	1953	1963	100
1,00,00,000	4	1952	1964	99⅞
1,00,00,000†	4	1954	1966	99⅞
CALCUTTA				
Rs.				Rs.
84,70,000	6	1925	1955	101½
35,00,000	5	1928	1958	105
25,00,000	5	1929	1957	108⅞
25,00,000	5	1929	1958	108⅞
10,00,000	5½	1932	1962	108
33,91,000	3½	1935	1965	94
30,00,000	3	1936	1966	96
50,00,000	3	1938	1968	90
15,00,000	3	1938	1968	
15,56,800	3	1939	1969	
15,56,800	3	1939	1969	
17,64,400	3½	1943	1973	
21,10,000	3½	1948	1978	
35,49,000	3½	1951		
16,52,000	3½	1951		
66,88,000	3½	1951		
87,86,000	4	1952		84
72,50,000	4½	1954		88
MADRAS				
71,700	6	1925		4,05
2,67,800	6	1925		4,05
18,00,000	3½	1931		
15,00,000	3½	1932		5,75

PREFERENCE SHARES

Company.	Amount issued. Rs. or	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mas. Sept.	133xd	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	2,00,000b	1875	6½	Mar. Sept.	97	100
Cavenpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	143	100
Deccan Sugar & Abkhari* A	7,00,000	1920	7	July Apr.	116½	100
East India Distilleries	£200,000	1897	7	Jan. July	17	£1
Gwalior Sugar	4,75,000(c)	1940	7B	Dec. ..	70	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	70	100
Partabpore Co.	6,00,000	1922	5	Oct. ..	15⅞	10
Ramnagar Cane	4,00,000	1933-36	6	Aug. ..	107	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	16½	100
Tarai-rore	14,99,135	1946	5(c)	Dec. ..	9 4/8	10
Upper Ganges†	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	3(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borras	4,00,000	1896-97	6½	Oct. Apr.	119	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	123	100
Do. (2nd)	4,50,000	1906	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	119	100
Karanpore Collieries	7,50,000	1946	5½(a)	.. ..	69	75(pp)†
†Khas Kajora	1,93,000	1931	7	Mar. Sept.	5N	10
New Beatbhoom	2,00,000	1920	7	Jan. July	13	10
Oudal	8,00,000	1898-99	6½	Apr. Oct.	114	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1884	6	Jan. July	130	100
Bassein Cotton	5,00,000	1938	6½	Nov. ..	8½	10
Benares Cotton	1,05,200	1919	7	July Jan.	63	100
Bengal-Nagpur	3,00,000	1896	8	Apr. Oct.	119	100
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	136	100
Do. 'B'	4,00,000	1900	7	Feb. Aug.	82	100
Bradbury	14,75,000	1919	7	June Dec.	65	50
Bodinubsen & Carnatic	21,30,200	1920	7½	Jan. July	140	100
Cambodias	1,00,000	1920	7	Apr. ..	125	100
Central India	50,00,000	1912	5	Apr. Oct.	475	500
Colombatore Pioneer	1,00,000	1913	8	May Nov.	117⅞	100
Elgin	11,00,000	1912	5	May Nov.	143	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10½	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	88	100
Experam	20,00,000	1919	7	June Dec.	129	100
Khatau Makanji (2nd)	29,52,500	1947	6	Nov. ..	87	100
Kothari	12,00,000	1937	5	Nov. ..	10 4/8	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	January	230	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	.. ..	80	100
Muir Mill	30,00,000	1900	5	Jan. July	81N	100
Mysore Spg.	7,45,000	1947	5	.. ..	30	50
National Rayon	1,74,64,700	1913	5½(a)	Mar. ..	82½	100
New Great	8,00,000	1919	6	Apr. Oct.	7 3/8	5
New Victoria	28,05,500	1943	4	Feb. ..	77	100
Podar Mills	10,00,000	1937	6½	Apr. ..	53	50
Rajalakshmi	2,00,000	1932	6	Apr. ..	..	100
Sirsa Niwas Cotton	4,80,000	1944	4	.. ..	6½	100
Shonapur	32,00,000	1943	5(c)	.. ..	115½	100
Svadeshi	15,00,000	1937	6½	Apr. Oct.	80	100
Swadeshi (Kanpur)	35,00,000	1927	6	June ..	117N	100
Vasanta (1st)	3,00,000	1931	6½	Apr. Oct.	108½	100
Do. (2nd)	1,50,000	1938	8	.. ..	560	500
Vishnu	15,66,500	1908	7(a)	Apr. ..		

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N—Nominal quotation. ex.d.=Ex-Dividend. ex.c.=Cum. Dividend. I=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and All other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
80,00,000	3,74,976	63,22,382	43,05,373	—2,74,486	Rajputana Textiles (Agencies) Ltd.	47,512	8,981	Apollo Mills	2-13½	8	0 4(c)	0-4 (c)			12	W.
40,00,000	24,00,000	1,34,85,581	72,25,855	—3,76,311	B. R. Sons, Ltd.	50,596	1,021	B. R. Cotton Mills	54½	100	Nil	Nil	Nil		3	Y.P.T.
80,00,000	2,33,09,019	4,25,75,764	2,54,21,688	52,379	Nowrojee Wadia & Sons, Ltd.	1,89,680	4,855	Bombay Dyeing & Mfg.	466½	250	20 0	22 0*	20 0		12	W.
10,00,000	27,36,539	55,58,179	48,57,495	2,48,761	Ramnarain Sons, Ltd.	42,008	840	Bradbury Mills	160	50	100 0	100 0	75 0		3	Y.P.
8,09,42,900	2,27,54,197	2,83,17,250	1,85,13,280	51,32,663	Birla Bros., Ltd.	1,25,936	2,698	Century Spg. & Mfg.	380½	100	20 0	22 0	22 0		12	W.
40,00,000	16,04,156	1,04,10,358	59,37,373	3,06,0(a)	V. J. Plaut (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	56½	100	Nil	Nil			12	W.
16,00,000	13,33,380	64,51,450	44,34,747	21,158	Cowasjee Jehangir & Co., Ltd.	30,130	680	Coorla Spg. & Wvg.	118	100	7 8	7 8	7 8		3	W.
16,00,000	25,08,261	64,39,150	50,46,041	38,562	Ramnarain Sons, Ltd.	38,504		Dawn Mills	90	50	6 0	6 0			12	W.
84,00,000	27,75,000	68,55,752	60,73,724	18,489	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	260	100	15 0	15 0			12	W.
89,77,750	11,93,792	1,09,90,311	73,99,225	17,999	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	50	50	3 0	Nil	2 81		12	W.
60,00,000	63,61,875	86,92,384	68,51,296	5,74,369	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	259	100	20 0	16 0			12	W.
11,84,000 / 16,000	75,99,589	1,20,85,307	91,11,500	8,850	Thackersey Mooljee & Co.	49,672	1,126	Hindoostan Spg. & Wvg. Mills	3,875 / 2,000	200 / 250	200 0* / 50 0	225 0* / 56 4*	225 0 / 56 4	40 0t / 10 0t	3	W.P.
8,00,00,000 C / 30,00,000 D	1,13,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,38,030	6,278	India United Mills	1,992½N / 10-13½	10 / 10	Nil / Nil	0 10½ / 0 1½			12	V.
8,65,000 / 35,000	71,59,043	1,22,31,586	83,59,000	3,551	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	3,800	1,000	200 0*	225 0*	225 0	40 0t	3	W.P.
59,85,000	40,74,767	2,15,86,170	1,74,28,945	23,212	Khatau Makanji & Co., Ltd.	84,604	1,513	Khatau Makanji Spg. & Wvg.	992½N / 170½	100 / 100	112 8* / 10 0	112 8 / 8 0			6	Y.P.
1,90,00,000	1,44,50,000	3,49,59,105	2,46,94,456	12,185	Kilick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	317½d	100	18 0	20 0*	18 0		12	V.
88,80,000 A / 3,60,000 B	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	84½ / 208	100A / 100	6 4 / 1 4	6 4 / 1 4			6	Y.P.
82,13,050	41,20,929	1,10,76,967	48,72,195	12,177	N. Sirur & Co., Ltd.	48,676	644	Modern Mills	85N	50	5 0	5 0			10	Y.T
31,75,000	32,60,000	1,94,11,154	1,47,72,041	1,00,579	Piramal & Sons	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	219½	100	12 0	12 0	14 0		6	Y.P.
1,40,40,000	2,61,011	4,93,70,648	1,10,00,000	8,01,242	Chiman & Co., Ltd.			National Rayon Corporation	197½	100	Nil	9 0			12	Y.P.
24,00,000	25,60,685	74,52,403	46,04,752	27,546	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	140	100	10 0	10 0	10 0		12	V.
80,00,000	15,47,407	89,82,380	61,42,740	12,517	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	145½	100	10 0	10 0	7 8		12	V.
32,70,100	30,38,004	42,69,352	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd.	34,100	873	New Union Mills	378	10	1 4				12	V.
48,00,000	36,07,273	1,42,08,882	91,59,811	30,473	Ramnarain Sons, Ltd.	66,324	1,190	Phoenix Mills	107½	100	8 0	8 0			12	V.
40,00,000	43,62,741	24,64,450	22,50,000	8,99,184	Poddar Sons, Ltd.	32,600	930	Podar Mills	157½	100	10 0	10 0			12	V.P.
15,00,000	8,44,062	21,20,749	18,99,340	2,590	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	15	10	1 4	0 12			12	V.
85,00,000	69,06,474	1,24,22,606	81,47,282	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	37	10	1 4	1 4			12	V.
40,00,000	66,20,061	87,30,346	45,01,044	2,69,922	Marwar Textiles (Agency) Ltd.	46,836	1,640	Shree Nirman Cotton Mills	233½	100	12 8	14 0			12	V.P.
42,00,000	38,80,000	80,15,073	68,69,000	21,940	Forbes, Forbes Campbell & Co., Ltd	29,436	1,274	Simplex Mills	146	50	15 0(c)	15 0	11 0	4 0t	9	V.
56,00,000	1,22,33,867	1,85,58,331	1,10,85,485	17,128	Mafatlal Gagalbhai & Sons	57,288	1,633	Standard Mills	363½	100	20 0	20 0	20 0		12	V.P.
1,00,00,000	1,18,72,096	1,70,99,941	50,25,820	40,896	Tata Industries Ltd.	67,872	2,000	Swadeshi Mills	192½	100	16 0	16 0			12	V.P.
95,00,000	60,78,465	93,47,153	58,93,448	3,74,737	James Finlay & Co., Ltd.	38,828	552	Swan Mills	332½	100	30 0	20 0			12	V.
82,57,478	49,90,352	1,53,47,827	43,36,553	6,865	Tata Industries Ltd.	61,792	1,800	Tata Mills	57½	25	1 0	1 8			12	V.
18,00,000	62,55,768	98,83,223	76,85,008	4,219	Thackersey Mooljee Sons & Co.	34,424	1,181	Western India Spg. & Mfg	3,875	1,000	200 0*	225 0*	225 0	40 0t	9	V.P.

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
80,00,000	25,97,650	96,80,904	55,57,028	5,660	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	122½	100	10 0	10 0*	5 0		6	V.P.
10,00,000	90,55,638	89,83,424	65,39,067	7,878	N. M. Dinshawjee & Sons, Ltd.	42,768	912	Arvind Mills	515	100	20 0*	20 0*			12	V.P.
28,25,000	2,23,86,002	1,53,18,915	89,73,000	47,546	Narottam Lalbhai & Co.	62,448	1,216	Arvindas Ginning & Mfg.	1,210	100	25 0	25 0			12	V.P.
12,00,000	38,43,340	79,44,376	56,25,000	3,90,074	Mangaldas & Bros., Ltd.	35,884	884	Bechar Mills	285N	200	15 0	15 0			12	V.P.
12,00,000	1,08,38,621	82,14,168	66,70,738	25,358	Lalbhai Dalpatbhai & Co.	57,768	914	Calico	277½	100	22 0	22 0*	22 0		12	V.P.
1,24,77,852	99,36,782	3,97,51,801	2,72,55,344	83,31,384	Kasturbhand Premchand Ltd.	1,39,120	2,372	Calico	367½	125	18 0	18 0	8 0t		12	V.
45,00,000	48,45,000	1,03,98,863	72,30,000	6,391	Tricumlal Bhogilal & Co., Ltd.	45,836	867	New Commercial Mills	1,090N	750	70 0	70 0			12	Y.P.T.
99,00,000	67,41,858	1,04,63,626	83,10,306	38,517	Mafatlal Chandulal & Co., Ltd.	51,152	864	Shree Shamrock Spg. & Wvg.	763	125	33 0	35 0			12	V.
5,00,000	61,15,982	46,72,745	31,76,001	760	Jagabhai Bhogilal Nanavaty & Co., Ltd	24,840	572	Nutan Mills	340N	100	30 0*	30 0*			12	V.
12,30,000	1,69,22,589	79,71,738	52,25,077	32,522	Lalbhai Dalpatbhai & Co.	31,120	634	Raipur Mfg.	927½	100	25 0	17 8			12	V.P.
12,00,000	13,93,067	74,93,049	39,67,450	—13,90,510	Mangaldas Gordhandas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	110N	250	Nil				12	V.P.
75,00,000	16,74,825	84,83,940	52,67,803	4,020	Lalbhai Gordhandas Ltd.	35,154	848	Rohit Mills	145	100	9 0	9 0			12	V.P.
88,98,150	1,83,42,259	1,53,66,919	1,17,07,000	42,133	Harivallabhdas Kalidas & Co.	97,332	1,781	Shri Ambika Mills	394	50	16 0	18 0			12	V.P.
19,32,300	57,77,232	71,25,468	55,53,800	22,720	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg & Mfg.	455N	100	20 0	20 0			12	V.
28,00,000	26,43,469	75,32,266	61,24,605	31,806	Haridas Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	530N	400	35 0*	35 0*			12	V.P.

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
15,00,000	1,88,479	34,10,729	19,47,810	41,227	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	41	10	Nil	0 4			12	V.P.P
7,11,280	3,93,349	40,98,098	23,80,975	47,018	Bengal Textile Agency, Ltd.	32,352	938	Bengal Laxmi Cotton Mills	38N	40	3 0	3 0	4 0		8	V.
6,00,000	22,73,078	80,45,279	51,32,000	—19,86,726	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	415	100	Nil	Nil	Nil		6.12	H.P
19,00,000	25,15,726	97,91,258	69,83,080	—10,45,860	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	214	100	Nil	Nil	Nil		6.12	H.
1,60,00,000	1,98,18,540	3,42,43,338	1,08,56,338	2,15,714	Birla Brothers, Ltd.	70,040	1,990	Reserve Cotton Mills	25½	20	1 12	1 12	1 12		9	V.P.
6,00,000 / 83,96,798	9,75,000	84,54,400	67,08,257	8,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	— / 83	1 / 1	4½ / 8				12	V.P.
19,47,750 C / 5,00,000 D	5,75,000	41,85,835	19,32,788	15,666	Hazaremall Heeralall	23,196	795	Rampooria Cotton Mills	12 / 1N	10½ / 15½	0 8½ / Nil				6	V.

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
16,00,000	9,09,109	39,21,613	21,03,246	8,736	Rasmal & Co., Ltd.	55,000		Alagappa Textiles (Cochin) Ltd.	6	10					12	V.P.P.
31,94,400	31,99,134	2,06,04,796	50,52,372	2,771	Industrial Trust Fund,	36,136	750	Anam Jubli Mills	68	100	6 0	6 0			9	V
40,50,000	1,91,68,745	2,87,22,995	1,24,71,643	2,44,711	Binny & Co. (Madras), Ltd.	40,068	1,157	Banaloire Woollen, Cotton and silk Mills	490cd	100	15 0	25 0	30 0		12	V.P.
27,00,000	15,50,000	77,25,132	53,72,132	18,199		29,936	782	Bengal-Nagpur Cotton Mills	11½	10	0 8	0 4½			6.12	H.P.T
15,00,000	1,07,71,676	1,01,44,941	67,39,141	4,07,265	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	70N	50	4 0	4 0			9	V.
1,78,47,900	1,54,69,697	4,50,39,208	1,14,94,493	8,09,005	Binny & Co. (Madras), Ltd.	1,20,256	2,744	Buckingham & Carnatic	160½cd	100	4 0	10 0	10 0		12	V.P.Y.
20,00,000	20,00,281	32,98,201	17,91,411	39,657	Prince, Leslie & Co., Ltd.	37,534		Cambodia Mills	11½	10	1 0	0 12			12	V.P.
14,99,229	4,75,000	42,54,384	15,27,257		Malabar Industrial Syndicate	16,800		Cannanore Spg. & Wvg.	128½	100	12 0	12 0			12	V.
40,00,000	26,49,773	51,86,114	47,94,815	26,773	Begg, Sutherland & Co., Ltd.	28,796	591	Cauvery Textiles	8½	5	0 9	0 9	0 8		3	V.
12,00,000	19,85,494	28,94,635	21,58,900		R. Eberera Naidu & Co.	28,964		Coimbatore Cotton Mills	310cd	100	9 0	20 0			12	V.
80,00,000	13,90,000	33,17,381	19,08,703	5,400	T. B. Naidu & Co.	31,928		Coimbatore Pioneer Mills	223	100	9 0	15 0	10-0t		6	V.P
80,76,900	4,36,646	1,14,48,334	68,90,050	4,76,905	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	72½	50	Nil	Nil	3f		6	V.
46,87,500	61,78,247	2,34,42,459	1,51,56,858	14,071	Tata Industries, Ltd.	1,15,188	2,062	Central India	55	100	2 0	3 0	2 0		6	V.
3,38,36,225 / 1,00,563	2,63,12,465	8,55,97,662	4,42,00,000	1,69,241	B. R. Chenat Ram & Co., Ltd.	1,16,636	2,355	Delhi Cloth & General Mills	36½ / 2½	25 / 0	1 12 / 4/5	2 4 / 0 2 4/5	0 3 3/5		6	V.P
84,34,000	24,72,758	47,34,077	33,82,212	9,248	M. N. Chettiar & Sons	52,100	201	Dhanalakshmi Mills	282½	100	20 0	20 0	30 0		12	V.P
65,00,000	57,37,872	1,46,96,493	1,21,71,631	62,277	Begg, Sutherland & Co., Ltd.	53,768	1,198	Elgin Mills	162	10	1 8	1 0	0 12		12	V.P.
48,81,000	33,91,175	88,91,775	65,24,070	37,169	Forbes, Forbes Campbell & Co., Ltd.	72,904	3	Gokak Mills	226½	100	17 0*	17 0	13 0		12	V.
60,00,000	12,75,743	1,25,73,688	88,01,206	12,371	Govindram Sekseria (Indore)	51,180	1,420	Indore Malwa United	92½	100	6 0	6 0			12	V.
8,90,000	10,62,423	28,57,887	14,65,579		G. V. Naidu & Co., Ltd.	23,784		Janardana Mills	78	50	3 12	4 8			12	V.
84,00,000	15,75,000	64,03,081	13,00,000	20,004	Kothari & Sons	30,512	200	Kothari Textiles	12½	10	0 12	0 8	0 8		6	V.P
82,00,000	71,10,521	1,43,07,561	1,01,44,340	32,367	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	497½	250	37 8	37 8	7 8	7 8	12	V.P.
35,64,100 / 17,82,000	44,00,000	1,00,53,685	69,98,848	25,793	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	148 / 73½	50 / 25	3 0 / 2 8	3 0 / 2 8	10 0 / 5 0		8	V.
1,75,02,480	4,13,81,878	5,66,33,243	3,44,90,463	9,66,800	A. & F. Harvey Ltd.	43,852		Madura Mills	451cd	15	3 0	3 0	3 0		12	V.
12,00,000	4,17,363	27,72,881	16,02,049	1,14,698	A. L. A. R. S. Chettiar and Others.	22,392	500	Malabar Spg. & Wvg.	123½	100	8 0	8 0			12	V.
60,00,000	69,00,000	61,38,483	39,86,352	30,153	W. A. Beardsell & Co., Ltd.	25,656	603	Mettur Industries Ltd.	312½	100	12 8	12 8	22 8*		12	V.
29,80,884	28,14,137	76,14,218	44,82,685	12,036	N. Sirur & Co., Ltd.	39,200	904	Minerva Mills	100	100	5 0	7 0*			12	V
94,91,850	27,24,404	1,61,29,118	78,81,528	—7,44,932	Banaliat Abhichand Dadabhoy & Co.	51,340	955	Model Mills (Nagpur)	137½	250	7 8	7 8*	5 0(c)		6	V.
80,00,000	52,19,000	1,53,39,272	1,05,91,851	—1,77,790	Indian Textile Syndicate Ltd.	88,640	1,874	Muir Mills	106N	100					6	V.
24,93,500	56,59,564	93,25,192	61,37,444	22,997	N. Sirur & Co., Ltd.	49,664	500	Mysore Spg. & Mfg.	121½	50	10 0*	10 0*	8 8*	3 0t	3	V.P.
13,61,780	2,58,745	29,42,992	15,27,000	3,986	R. Sanjeevarayana Rao Esq. Manager	14,000		Mysore Spun Silk Mills	41	10	Nil	Nil	Nil		3	V.
22,89,882 C / 3,07,095 D	25,82,552	1,02,16,296	58,50,719	—39,03,329	J. P. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills	12	C. 2½ / D. 1	Nil / Nil	Nil / Nil			12	V.P.
87,03,840	87,08,000	1,64,48,327	62,62,651	15,819	Industrial Trust Fund	37,788	847	Cowasjee Nanabhai Mills	70	100	7 0	14 0			9	V.
4,00,000 A / 6,00,000 B	7,50,000	33,81,578	18,80,484	551	Bhaghwalakshmi & Co.	29,924		Palani Andavar Mills	123 / 175	50A / 75B	7 8 / 11 4	12 0 / 18 0			12	V.P.
15,00,000	8,56,920	32,56,378	16,33,848	4,411	C. S. R. Mudaliar & Sons	27,980		Pankaja Mills Ltd.	51	100					12	V.
16,81,200 A / 8,49,200 B	20,58,884	59,68,909	31,35,638	1,458	A. G. Gurusamy Naidu & Co.	46,384	301	Padhakrishna Mills	218 / 108	100 A / 50B	6 0 / 3 0	8 0 / 3 0			12	V.
15,00,000	32,25,000	25,50,868	16,48,985	34,422	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	141	50	Nil	7 0			12	V.P.
22,23,375	12,10,000	38,91,595	34,22,264	23,505	Raja Jagannadha Development Co.	14,000		Rajeswara Mills	86cd	100	6 0	6 0	9 0		12	V.
60,00,000	62,66,508	98,25,567	55,63,291	—19,59,428	J. P. Srivastava & Sons (Rampur).	33,984	600	Raza Textiles	54	10	Nil	Nil			12	V.P.
10,00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Morarka & Co.	86,048	2,234	Shalapore Spg. & Wvg.	1,400	1,000 / 500	Nil / 5	Nil / Nil	Nil		3	V.P.
54,69,768	11,45,000	73,40,039	49,25,631	26,144	B. N. Palleyar, Esq.	31,668	292	Sri Krishnarajendra Mills	75	50	4 0*	4 0*	4 0		8	V.
28,14,800	2,00,246	35,18,906	17,13,000	—2,84,777	Gopa das Lilladhar & Co., Ltd.	17,880	440	Shree Saiam Mills	72N	100	Nil	Nil	Nil		3	V.
15,00,000	2,49,73,985	87,38,169	62,02,085	31,22,917	Birla Brothers, Ltd.	36,212	1,242	Sutlej Cotton Mills	16	10	4 0	4 0	5 0		3	V.
17,30,000 C / 1,57,50,000 D	2,20,000	4,32,93,265	1,56,70,740	2,67,163	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	8½ / 10P.O.	100 / Nil	0 8 / 0-14 2/5				12	V.P.
99,92,028	3,25000	2,71,91,025	76,93,946	41,430	Encore & Sons (Travancore), Ltd.	16,256		Travancore Rayons	14-5½	10	Nil	0 8			12	V.P.T.
18,94,960	8,48,232	13,19,240	9,97,510	4,009	Meeline Parson & Sons	33,704	270	Trichinopoly Mills	124cd	10	0 11 1/5	0 11½			12	V.
81,00,000	35,67,606	49,31,370	32,72,308	98,000	R. K. S. Chetty & Brothers	14,000		Vasanta Mills	250	100	12 0	12 0			12	V.
98,00,000	47,34,135	1,34,36,953	89,50,676	1,868	Ben Day Co., Ltd.	54,280	1,337	Vishnu Cotton	117½	100	10 0	12 0			12	V.P.

* Includes bonus.

Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(b) Subject to taxation and workers' bonus.

(p) Interim dividend of Rs. 5 per shares was paid on 42,000 shares of Rs. 50 each: final dividend of Rs. 10 per share was paid on the increase capital of 63,000 shares of Rs. 50 each. R. E.=Re-Right.

(c) Paid out of reserves.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
13,28,000 / 6,64,000	16,64,000	1,09,25,186	50,37,365	21,554	Parry & Co., Ltd.	Deccan Sugar & Abkhari	544 / 14cd	25 / 10	Nil / Nil	Nil / Nil	Nil / Nil		5	V.P.
16,20,630 / 650,000A / 630,000B	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	68	5	0 8	0 8			3	W.
6,00,000	9,60,000	£1,225,541	£513,606	£57,290	Parry's Holdings Ltd.	East India Distilleries and Sugar	17cd / 29½cd	A. 16sh. / R. £1	Sh. 1 3/5 / Sh. 3	Sh. 1 3/5 / Sh. 4	Sh. 1 3/5 / Sh. 5 4/5		3	V.P.
		£897,579	£1,225,541	£513,606	Vittal Mallya, Esq. (Chairman)	United Breweries	165	75	15 0	13 0	15 0			V.
CEMENT														
11,37,700A / 39 67,420B	8,69,857	75,78,758	45,89,342	4,636	Andhra Engineering Co., Ltd.	Andhra Cement Co.	130 / 33½	A. 100 / B. 10	7 8 / 0 12	10 0* / 1 0*			12	Y.P.D.
43,14,600D	11,14,602	18,53,830	7,23,479	1,20,881	Eastern Corporation Ltd.	Assam Bengal Cement	65	D. 10	Nil	Nil			3	V.N.
4,70,976D	4,18,90,259	20,42,88,558	7,85,13,157	6,93,281	Cement Agencies Ltd.	Associated Cement Companies	11½ / 180	D. 1 / 100	9 8	9 8	8 8		7	W.
12,67,59,333 / 60,00,000C / 28,49,798D / 5,00,000D	46,39,155	81,39,445	20,01,691	67,792	Hari Brothers Ltd.	Dalmia Cement (Bharat)	13 / 3½	Q. 10 / Q. 2½	0 10 / 0 2½	1 0 / 0 4			12	Y.P.N.
61,84 930C / 7,50,000D	8,00,000	1,45,26,685	39,60,537	1,15,792	Esso Ltd.	India Cements Ltd.	22½ / 3½	Q. 25 / D. 5	1 4 / 0 4	Nil / Nil	1 4 / 0 4		3	W.P.
59,86,000	13,00,000	1,67,86,035	51,49,060	1,62,701	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	176½	100	6 0	6 0			12	W.P.
75,00,000	20,95,000	1,75,91,085	1,37,82,076	6,448	Martin Burn Ltd.	Sonavalley Portland Cement	7½	5	0 8	0 6			12	W.
CERAMIC; MINING AND QUARRYING														
31,70,653	1,50,000	60,96,114	23,31,090	15,378	S. Lall Bhagat & Co.	Bengal Potteries	3	8½	0 2½ / 0 14	0 2½ / 0 8			12	W.
10,00,000	22,81,783	56,54,921	32,63,272	8,804	Bird & Co., Ltd.	Bara Stone Lime Co.	43½N	10	0 14	0 8	0 8f		3, 9	H.
6914,200	£1,105,500	£1,839,281	£697,797	£76,278	Glianders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3½	Sh. 2	3d.	2.4d.			12	V.
50,00,000	26,93,396	43,63,547	12,14,544	26,086	Bird & Co., Ltd.	Karanpura Development	20½	10	Nil	Nil	Nil f		6, 12	H.
6,00,000	2,33,000	8,23,244	4,75,150	603	Mysore Industrial Development Co.	Mysore Stoneware Pipes &

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	27,36,841	1,58,78,118	1,37,10,118	1,30,325	Balmer Lawrie & Co.	Bengal Paper Mills	64½	25	3 9 / Nil	Nil / 3 9	1 9½ / 0 7½		6,12	H.P.T.
80,00,000	33,44,805	1,07,15,561	71,75,830	2,34,328	Andrew Yule & Co., Ltd.	India Paper Pulp	266	100	5 0 / 5 0	6 0 / 7 8	7 0 / 8 0		3,9	H
25,00,000	16,12,500	1,18,13,367	47,51,061	49,179	B. P. Ramakrishnan Esq.	Mysore Paper Mills	18½	10	1 0* / 1 0	1 0* / 0 12*			3	W.
1,46,82,500	1,53,71,781	8,56,00,806	85,37,779	8,56,680	Birla Bros.	Orient Paper	26	10	1 0 / 1 0	1 0 / 1 0	0 7		3,9	H.P.T.
80 06,290	78,16,849	1,11,54,742	62,73,807	2,83,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	15	10	0 12 / 0 12	0 12 / 0 12			6,12	H.P.T
80,00,000 / 10,00,000A.	7,02,430	30,37,167	28,35,530	9,798	Bajoria & Co.	Star Paper Mills	13 / 13	O. 10 / A. 10	0 4 / 0 4	0 4 / 0 6			3,9	H.P.T.
56,00,000A. / 56,04,800B. / 4,37,500P.O.	2,83,01,797	5,11,76,455	3,06,96,855	3,39,432	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	43½ / 43½ / 42xd	A. 10 / B. 10 / P.O. 2½	1 0 / 1 0* / 0 2	1 0* / 1 0* / 0 2	0 12½ / 0 12½ / 0 2½		3,9	H.P.
PRESSING														
8,00,000	6,12,365	15,78,488	10,90,581	20,403	Andrew Yule & Co.	Calcutta Hydraulic	90	100	5 0	5 0	4 0		6	V.
3,50,000	1,00,000	6,89,524	4,73,056	2,354	Pyne & Sons	Cameronian	89N	100	7 0	7 0	7 0		7	V.
5,00,000	1,55,000	10,91,811	9,30,377	12,962	Andrew Yule & Co	Central Hydraulic	92	100	5 0	4 0	5 0		6	V.
PROPERTY AND LAND														
10,00,780O. / 2,00,000D.	7,43 065	43 46 067	21,43 279	96,047	B.A. Basil, Esq., & others (Directors)	Humayun Properties	10xd / 14	O. 10 / D. 1	0 8 / Nil	0 11½ / 0 4½	0 9 3/5 / Nil		9	W.P.
60,00,000	18,90,038	84,21,336	13,00,000	350	David Sassoon & Co., Ltd.	Port Canning Land	14	100	1 0	1 8	1 8		4	W.
94,00,000	35,56,934	96,49,123	1,06,646	95,262	Andrew Yule & Co.	Midnapore Zamindary	39½	100	2 0	1 8	4 0		4	V.P.
SAW MILLS AND TIMBER														
13,99,998	28,19,726	25,86,404	6,94,804	—97,203	Bird & Co.	Assam Saw Mills	6½	8	0 4	Nil			9	V.
50,00,000 / 42,00,000 / 4,00,000	4,08,84,385	3,05,42,310	1,22,52,525	56,875	Wallace & Co.	Bombay-Burmah Trading Corpn.	47½ / 170	Old 125 / New 10	22 8 / 2 0	15 0 / 8 0	20 0 / 8 0		5	V.
20,00,000	16,15,487	17,44 613	12,66,634	1,63,401	Jardine Henderson Ltd.	Bengal Timber Trading	38N	100	Nil	Nil			6	V.P.
						Indian Wood Products	38½	10	3 0	2 8	1 0½		9	V.
SUGAR (U.P. and Bihar)														
14,00,000	13 55,971	38,50,924	27,77,928	23,527	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	9½	5	Nil	Nil	0 12			V
12,00,000A. / 3,00,000B.	29,18,356	49,46,285	33,16,660	15,30,000	Narang Bros. & Co., Ltd.	Basti Sugar	142N / 134N	A. 100 / B. 10	10 0 / 1 0	10 0 / 1 0	10 0 / 1 0		4	V
19,41,050	5,00,000	32 06,095	21,68 136	1,66,138	Bangur Bros., Ltd.	Belsund Sugar	11½	7½	0 12	0 12			9	V.
15,00,000	13,85,319	45,47 836	11,37,841	26,084	Cotton Agents Ltd.	Bharat Sugar	19½N	10	1 8	1 8	1 8		6	V.P.
32,00,000	26,79,431	1,35,76,859	88,78,177	61,723	Gladstone Lyall & Co., Ltd.	Carew & Co.	11	10	Nil	Nil	0 12		6	V.P.T.
15,00,000	53,02,981	1,00 12,333	81,32,451	59 696	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	18½	10	2 0	2 0	0 12		10	V.P.
18,00,000	33,88,892	67,14 964	50,49 402	24,329	Begg, Sutherland & Co., Ltd.	Champarun Sugar	29	10	2 0	1 0	1 0		6	V.
5,90,452	6,18,562	22,66,286	14,01,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	8½N	10	0 8	1 0			8	V.T.
85,00,000A. / 10,00,000D.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mill's	17½N / —O.	A* 100 / 100	12 0* / 12 0*	15 0* / 15 0*			6	V.P
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	57N / 30N	80 / 40	Nil	Nil			7	V.P.
7,89,100	23,05,922	29 32,672	17,61,033	64,888	Cotton Agents Ltd.	New India Sugar Mills	54N	10	2 8	2 8	2 8		8	V.P.
11,00,000	4,20,000	37,49,597	24,14,065	8,769	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 4	0 4			5	V.
20,97,500 A. / 2,71 875 B.	49,84,457	63 27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mills	220N / 55N	100 / 25	20 0 / 5 0	20 0 / 5 0	20 0 / 5 0		6	V.
77,48,500	52,22,414	1,75 96,483	88 00,008	36 923	Cotton Agents Ltd.	Oudh Sugar	115N	100	6 0	11 0	11 0		7	V.P.
12,00,000	12,74 233	28 77,669	19 95 928	4,55 000	Narang Bros. & Co., Ltd.	Punjab Sugar	104N	100	6 0	10 0	10 0		10	V.
9,00,000	15,93,919	35,23,095	29,32,249	3,957	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	18½	10	1 0	1 0	0 12		10	V.P.
8,00,000	6,54,782	25,43,782	21,01,613	24,340	Begg, Sutherland & Co., Ltd.	Ryam Sugar	20N	10	1 0	0 10	0 8a		6	V.P.
11,99,000	17,73,737	38,17,360	22,17,129	13,455	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	16	10	1 0	0 8	0 8		6	V.
80,00,000	81,48,560	1,04,96,727	35,25,283	3,337	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	17½	10	1 8	1 8			7	V.P.T.
9,99,950	41,825	27,77,828	12,85,342	—1,89,266	H. K. Ghosh, Esq., and R. N. Dutta, Esq. (Managing Directors)	Sitalpore Sugar	3½	10	0 6½	Nil			6	V.
7,85,462	16,32,940	29,95,970	16,32,168	92,009	Karamchand Thapar & Bros.	Shri Sitaram Sugar	25N	10	1 0	2 0			9	V.T.
9,15,000O. / 4,40,000D.	47,992	27,27,402	11,46,770	—15,90,149	N. K. Jain & Co., Ltd.	South Behar Sugar	1N / 1N	O. 10 / D. 2½	Nil / Nil	Nil / Nil			10	V.P
8,00,000	20,87,588	83,26,115	50,99,754	48,719	Cotton Agents Ltd.	Upper Ganges Sugar	30½	10	2 0	0 8	2 8		6	V.P.
16,00,000	7,99,778	31,12,569	24,99,651	5,181	James Finlay & Co., Ltd.	United Provinces Sugar	25½	10	1 8	0 8			9	V
Other Centres														
6,99,750	65,29,871	1,60,80,073	84,87,447	33,628	W. H. Brady & Co., Ltd.	Pelapur Company	312	50	16 0	16 0	16 0		9	V.
50,000	11,90,010	31,68 833	19,76,042	38,000	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	14½	10	1 0	0 10	1 0		9	V.P.
15,93,900	2,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M. B.) Ltd.	Gwalior Sugar	45N	100	3 0	Nil	Nil		6	V.P.
10,00,560O. / 3,00,000D.	30,25,085	25,07,464	18 53,439	2,32,019	India Sugar Agencies Ltd.	India Sugar and Refineries	18 / —	10 / 5	2 8 / 1 4	2 8 / 1 4			9	V.P
33,57,580	42,47,476	41,33,220	19,37,712	3,477	Govan Bros. (Rampur), Ltd.	Buland Sugar	15½N	10	0 12	1 0			10	V.
10,52,200O. / 2,87,190D.	67,50,000	84,86,942	27,56,542	2,546	V. Ramakrishna, Esq.	K. C. P. Ltd.	13½ / 7½	O.100 / D. 10	7 8 / 10 0	7 8 / 10 0			6	V.P.
81,19,280	50,22,871	1,21,03,930	73,11,905	2,28,221	M. S. Somaiah, Esq. (Managing Director)	Mysore Sugar	48½	10	2 0	2 0	2 0		6	V.
30,00,000	47,49,431	1,07,30,631	35,61,246	15,411	Mafatlal, Apte and Kantilal Ltd.	Phulaw Sugar	31½	30	2 8	4 0	2 0		9	V.
16,59,820	27,50,836	48,81,755	83,79,327	95,198	Anderson Wright Ltd.	Rare nugger Cane and Sugar	28½	10	2 0	2 0			9	V.P.W
80,00,000O. / 4,00,000D.	24,80,121	80,39,224	48,81,892	1,00,533	Walchand & Co., Ltd.	Rajahmundry Sugar Farm	9N / 7N	O.50 / D.10	9 0 / 0 11½	Nil / Nil			9	V.P.W
15,99,600	46,07,818	45,46,104	19,83,541	3,144	Govan Bros. (Rampur), Ltd.	Rana Sugar	10½N	10	0 12	1 0			10	V.
30,00,000	10,37,776	40,76,274	17,87,129	—37,224	Parry & Co., Ltd.	Travancore Sugars	7½	10	Nil	Nil	Nil		7	V.P
1,01,00,000	61 19 890	1,85,70,930	1,04,63,312	1,79,083	Premier Construction Co., Ltd.	Walchandnagar Industries	223½	100	14 0	14 0	16 0		9	V.P.W.
TRANSPORT														
20,00,000	1,08,42,425	1,33,68,272	13,76,183	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co.	152xd	100	12 8	10 0	8		10	V.P.
1,00,00,000	8,17,773	3,37,24,932	1,60,89,871	69,556	Dhirajlal Ltd.	Bharat Line	77	100	5 0	3 0			12	V.
50,00,000	24,35,838	1,83,20,489	63,44,422	1,09,704	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	16½	10	1 0	1 0	1 0		6	V.
6655,580	1954 756	£5 633,307	£3 454,207	£3 327	K'tam & Co. Ltd.	India General Navigation & Rly. Co.	99½	410	50 10	Nil			6	V.
£ 25 00,000	74,99,233	4,41,40 669	1,52,36,755	1,64,960	Lionel Edwards Ltd.	India Steamship Co.	7½	10	0 8	0 8	Nil		3	V.P
9,40,19 873	7,83,28,023	14,92,76,428	3,71,00,000	2,72,820	Parantham Mudaliar & Co.	Scindia Steam Navigation Co.	15-6½	20	0 8	0 12	0 8		6	V.
£ 40,800O. / £ 10,200P.O.	17,33,073	10,83,408	6,54,056	1,88,899	F. A. Smith, Esq., (Manager)	Watford Transport Ltd.	1 / 1	O. 1 / P.O. 1	as 1 3/2 / as 1 9/2	as 1 3/2 / as 1 9/2			12	V.
UNCLASSIFIED (Bombay)														
2,40,000	95,000	5,35,957	3,89,000	760	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	600	500	33 0	32 0	32 0		9	V.
15,98,860	2,04,173	2,18,235	80,000	40,555	Parekh Agencies Ltd.	Bombay-Lands	70N	50	3 0	3 0			12	V.
85,00,000	1,80,000	25,30,071	13,483	8,047	Dene Sons, Ltd.	Dewkaran Nanji Investment Co.	10½	25	0 12	0 12	0 12		3	V.
14,98,840	3,09,672	24,42,753	18,75,000	24,444	Choonilal Mamlal Ltd.	Electric Batteries	35N	50	2 8	Nil	3 0		3	V.P.
99,99,250	19,07,876	1,27,52 603		2,85,005	Premchand Roychand & Sons	Industrial Investment Trust	78	100	4 8	4 8	4 8		8	V.
1,00,00,000	31,23,000	21,31,427	7,78,349	18,107	E. D. Sheppard, Esq., (Mg. Director).	Kilick Industries	168	100	10 0	10 0	11 0		6	V.
8,07,00,200A. / 10,00,000B.	5,29,603	2,64,35,763	98,15,035	—13,44,485	Aero-Auto Ltd.	Premier Automobiles	75½N	A. 100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil		6	V.
10,21,200	5,56,405	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	25	20	3 0				6	V.
2,75,00,000	69,25,568	8,49,75,164	1,49,74,930	4,26,761	T. Ryelin, Esq. (Managing Director)	Western India Match Co.	196½	100	11 0*	11 0*			12	V.
45,00,000	53,74,847	7,24,608	3,07,108	45,948	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	V.
Other Centres														
47,50,000	15,00,000	1,88,63,301	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	6½	O. 10	Nil	Nil	Nil		9	V.P.T.
2,50,000	40 60,000	31,77 196	21,11,902	2,39,798	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	21½N	D. 2½	1 4	1 4	1 4		8	V
50,00,000	7,75,000	29,21,795	19,64,061	1,34,529	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	21½	10	1 4*	1 4*	1 4		12	V.
20,00,000	23,47,883	1,00,29,510	39,87,830	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	4½N	10	0 4	0 3 1/5	0 3 1/5		3	V.P.W.
80,00,000O. / 10,00,000P.O.	1,11,42,712	59,35,515	30,35,515	5,43,847	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	164 / —	O. 100 / D. 40	20 0* / 0*	20 0* / 0*			12	V.
20,00,000	7,99,470	57,53,560		1,21,733	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4	1 4		9	V.P.
30,44,440	57,00,225	1,02,29,649	26,95,005	1,63,201	T. J. Parsons, Esq. (Mg. Director)	Britannia Biscuits	12½	10	0 12	1 0	1 0		3	V.P.T.
3,25,00,000	1,00,82,962	2,69,29,657	2,07,14,167	2,81,142	Sir Robert Menzies	British India Corporation Ltd.	7-13½xd	5	0 10	0 12	0 1		12	V.P.
1,60,00,000	1,49,00,000	4,54,79,344	2,79,62,308	10,82,933	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	37½	10	1 8	1 8			12	V.P.
31,26,000	33,95 733	1,34 39 918	.....	3,13,308	Bird & Co., Ltd.	Eastern Investments Ltd.	16½	100	0 9	0 9	0 9		12	V.P.T.
14,00,000	9,97,000	33,12,243	18,66,225	11,238	MacNeill & Barry Ltd.	Gangee Rope Co., Ltd.	195xd	100	20 0	9 0	9 0		12	V.P.
65,00,000	38,00,000	18,19,106	6,87,885	1,58,072	K. R. Fettes, Esq.	Gillanders Arbuthnot & Co., Ltd.	11½	10	0 6	0 6	0 8		3	H.
30,00,000	11,42,354	48,39,433	29,41,525	1,366	B. P. R. Byedicane	Great Eastern Hotel	25½	250	10 0	7 8	7 8		3	V.
12,42,800	7,07,564	10,37,010	47,39,848	19,013	Birla Bros., Ltd.	Hind Cycles Ltd.	100N	100	5 0	15 0	4 4		3	V.
14,12,650		3,05,00 214	60,52,719	4,34,999	Birla Bros., Ltd.	Hindustan Motors	34	10	1 0	1 0			12	V.P.T.
1,60,00,000	36,77,754	3,96,21 557	1,54,14,699	2,56,512	J. W. Cameron, Esq.	Indian Aluminium Co.	16½	10	Nil	Nil	Nil		3	V.
1,52,89,220	1,09,40,964	1,32,87,233	46,27,452	19,70,066	A. R. Drisdale, Esq.	Indian Cables	24½	10	1 0	1 0	1 4		3	V.P.
8,27,970	5,34,000	15,79,995	8,39,426	17,480	G. E. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers	13	10	1 0	1 0*			12	V.P.
8,00,00,000	52,62,941	31,49,487	7,53,287	5,26,226	G. M. Mackinlay, Esq.	Jardine Henderson	117½	100	6 12	6 12			3	V.P.
6,34,000O. / 66,000D.	3,48,343	6,59,830	4,31,766	8,240	James & Co., Ltd.	Macfarlane & Co.	2½ / 23½	O. 5 / D. 1	Nil / Nil	Nil / Nil			3	V.P
40,90,000O. / 5,00,000D.	66,88,146	25,22,837	7,33,942	1,07,086	C. L. Bajoria, Esq.	McLeod & Co.	23½	O. 100 / D.O. 10	7 8 / 0 4	10 0 / 0 8			3	V.
1,30 95 750	53 14,868	19,97 616	8,95,141	2,52,480	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	23½	10	0 4	0 8			12	V.P.
1,15,00,000	39,01,000	1,36,11,348	39,32,798	13,11,213	H. Chunnilal Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	20½	10	1 0	1 6*	1 6		9	V.P.
8,15,355	1,72,448	1,39,542	2,60,987	—71,442	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	20	10	1 0	1 0	1 0		3	V.P.
6 56,250	9,55,113	10,40,250	4,40,947	73	G. Chandy, Esq. (Counsellor)	Mysore Lamp Works	3½	10	Nil	Nil			3	V.P.
10,00,000	1,20,000	14,21,286	7,19,467	35,598	K. Narayanaswamy, Esq.	Mysore Tobacco	14½	10	1 0	1 0	1 0		12	V.
20,00,000	49,41,539	53,81,562	37,19,098	1,75,176	Associated Industrial Development Co., Ltd.	National Insulated Cable	12½	10	1 0	1 0	1 4		3	V.P.
	28,68,388	69,70,031	3,78,836	18,62,030	B. N. Elias & Co., Ltd.	National Tobacco Co.	24½	10	0 12	1 0	1 0		3	V.T.
99,97,000	27,00,000	44,15,474	19,71,434	1,31,468	Coromandel Investment Trust Ltd.	Parry & Co.	9½	10	Nil	Nil			3	V.P.T.
40,00,000	6,41,684	1,61,45,956	43,79,829	—42,97,067	T. A. Lyklaelapulo, Esq.	Rallis (India) Ltd.	4½	2	0 4½	0 4½			12	V.P.
8,25,00,000	1,06,11,658	6,70,21,848	87,86,415	78,206	Birla Bros. Ltd.	Rohtas Industries	38½	100	Nil	Nil	Nil		12	V.P.T.
1,14,00,000	93,51,062	1,19,12,218	70,10,822	4,54,337	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	24½	10	1 0	1 4			6	V.P.
40,00,000	58,50,000	12,92,906	3,20,543	3,67,076	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	17½	10	1 8	1 8	1 8		10	V.P.
75,00,000	1 50 000	14,27,407	5,01,996	—1,04,545	Ogale Glass, Ltd.	Travancore Ogale Glass	15½	10	1 0	1 0			6	V.P.
9,98,380							3½	10	Nil	Nil			12	V.P.

‡ Investments at cost. * Includes bonus.

‡ Excluding goodwill (written down) Rs. 80 lakhs.

† Excluding goodwill at cost Rs 20 lakhs

‡‡Excluding Rs.1,49,00,000 which represent shares in the firm of Shaw Wallace & Co

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	6,11,774	9,99 057	4,78,517	.....	McLeod & Co., Ltd.	825	Amluckie	600N	100	7 8	25 0	30 0		13	V.P.
2,76,500	4,30,000	7,71,948	3,05,709	31,218	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	58	10	0 12	1 4			13	V.
3,50,000	6,43,250	10,47,044	2,03,058	—72,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	45	10	Nil	2 8	1 8		13	V.
8,50,000	7,21,418	16,60,355	5,32,872	—75,110	McLeod & Co., Ltd.	513	Baghmari	27½	10	Nil	N'l			13	V.
3,40,000	8 20,000	11,50 416	2,98,096	70,514	Andrew Yule & Co., Ltd.	369	Baimatia	45½	10	2 0	2 8			13	V.
3,30,000	3,70,000	9 24,993	5,59,593	80,009		569	Barail	25	8	0 4	2 0			12	V.
3,20,000	5,70,000	9,38,920	2,13,496	61,395	Gillanders Arbuthnot & Co., Ltd.	566	Bejan	52½xd	10	Nil	2 0	1 8		12	V.
16,50,000	20,60,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co.	5,967	Bishnauth	48½	10	Nil	3 8			12	V.
6,00,000	3,500	10,38,918	1,85,067	63,716	Octavius Steel & Co., Ltd.	485	Bokakhat	25	10	Nil	Nil			13	V.
7,50,000	4,50,000	8,36,160	2,52,708	5,960	McLeod & Co., Ltd.	450	Borneah Jan Tea	23½	10	Nil	0 12	1 0		13	V.P.T.
85,00,000	11,92,045	73 80,473	19,49,494	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	17½	10	1 0	0 8	1 4		6	V.P.
1,20,000	1,95,007	4,60,080	1,69,074	—14,624	McLeod & Co., Ltd.	282	Dejoo Valley	41	10	Nil	1 0			13	V.
6,00,000	7,97,500	25,17,843	16,06,120	36,977	Jardine Henderson Ltd.	1,220	Dessel & Farbettie	430	100	10 0	20 0			13	V.
17,53,440	7,04,519	21,43,185	3,42,779	10,336	James Warren & Co., Ltd.	620	Dhunkhat	22	10	1 0	1 8			13	V.
4,68,970	2,70,000	11,71,408	4,34,259	8,732	James Finlay & Co., Ltd.	633	Dhunseri	27½	10	Nil	1 0	1 0		13	V.P.
4,50,000	3,25,400	6,02,617	2,35,483	16,852	McLeod & Co., Ltd.	458	Dibrugarh	30½	10	Nil	1 0	1 0		13	V.
2,16,700	4,75,000	8,80,047	4,70,047	43,918	Williamson Magor & Co.	625	Dimakuchi	50½	10	1 0	4 8	1 0		13	V.P.
5,60,500	6,05,000	17,90,747	1 14,476	38,641	Williamson Magor & Co.	615	Duffleghur	51	10	2 0	4 0	1 0		13	V.P.
10,00,000	4,65,000	21,78,081	8,83,081	38,641		1,177	East India Tea	30½	10	0 4	2 8			13	V.
3,60,000	3,50,000	8,18,564	4,01,797	13,832	McLeod & Co., Ltd.	407	Gillapukri	46	10	Nil	1 12			13	V.
3,38,000	5,60,000	13,95,316	6,19,316	79,542	Williamson Magor & Co.	546	Gohpur	52½	10	1 8	3 0			13	V.
A.4,94,360 / B.2,40,790	14,22,810	18,09,304	5,63,575	23,354	Octavius Steel & Co., Ltd.	1,393	Grob	43½ / 23	A.10 / B.5	2 0 / 1 0	3 0 / 0 8	0 12 / 0 6½		13	V.
2,00,000	7,00,000	7,04,481	2,29,888	48,032	Andrew Yule & Co., Ltd.	476	Hoograbil	56½	10	1 8	3 0			13	V.
4,35,000	8,54,216	18,50,194	9,84,270	24,921	Andrew Yule & Co., Ltd.	1,290	Hoolongooree	370N	100	Nil	12 8			13	V.
7,50,000	3,85,000	13,98,777	2,44,299	58,941	Gillanders Arbuthnot & Co., Ltd.	938	Jutibari	30½	10	Nil	Nil	1 0		13	V.
2,40,000	80,000	11,45,851	6,20,831	3,593	Shaw Wallace & Co., Ltd.	1,166	Kiganey-Golaghat (Assam)	360N	100	Nil				13	P.T.
6,50,000	4,94,133	6,79,844	1,29,844	72,557	Duncan Bros. & Co., Ltd.	1,037	Lado	30½	10	Nil	2 0			13	V.
4,40,000	40,000	8,14,711	84,211	14,238	Duncan Bros. & Co., Ltd.	673	Mohesena	25½	10	Nil	Nil			13	V.P.
1,50,000	4,47,344	7,54,419	4,05,697	16,982	Kettlewell Bullen & Co., Ltd.	433	Mothola	650N	100	Nil	40 0	15 0		13	V.
O. 50,000 / P.O.2,00,000	4,05,000	8,98,088	5,22,218	34,889	Andrew Yule & Co., Ltd.	344	Murphulani	30½ / 46	O.10 / P.O.10	2 0 / 2 8	2 0 / 2 8			13	V.
4,00,000	3,61,274	6,00,328	3,80,669	9,567	S. C. Sen, Esq., Supervising Director	542	Naga Hills	48½	10	Nil	3 0	3 0		13	V.
3,35,000		12,71,401	6,78,401	5,053	Shaw Wallace & Co., Ltd.	810	Nambornadi	26½	10	Nil	Nil			13	V.
3,00,000	1,15,000	3,92,221	1,92,221	21,164	Duncan Bros. & Co., Ltd	935	New Cinnamullah	260N	100	Nil	5 0			13	V.
2,00,000	5,27,300	7,37,172	2,83,495	45,300	Andrew Yule & Co., Ltd.	353	Rangarh	48	10	Nil	2 8			13	V.
4,00,000	4,26,802	17,09,844	6,56,992	16,877	James Finlay & Co., Ltd.	902	Sapekhati	43	10	Nil	2 0	1 0		13	V.
4,50,000	2,35,000	10,90,855	2,91,547

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	55,00,000	96,99,205	51,47,202	54,436	B. N. Elias & Co., Ltd.	879	Agarpara	14½	10	1+½	1+½	½f		3, 9	H.T.P.
12,00,000	27,00,000	45,81,286	32,42,838	54,874	Sahu Jain Ltd.	498	Albion	160	100	8+10	12+12	12f		5, 11	H.P.
6,00,000	5,35,000	51,04,592	33,39,395	10,062	McLeod & Co., Ltd.	446	Alexandra	240	100	Nil	Nil+24	24f		6, 12	H.P.T.
30,00,000	7,35,000	1,17,45,964	90,43,069	61,708	McLeod & Co., Ltd.	1,264	Alliance	184	100	Nil	Nil+5	5f		6, 12	H.P.
49,20,700	82,13,386	2,54,81,317	1,78,90,000	1,47,643	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	225	100	10+10	7½+5	2½+5		3, 9	H.P.
40,00,000	40,52,740	1,63,99,837	84,16,116	7,674	Bird & Co., Ltd.	810	Auckland	150	100	5+4	2+2	1+2½		3, 9	H.P.T.
20,00,000	25,93,136	98,25,588	65,19,459	18,759	Jardine Henderson & Co.	959	Baly	200	100	Nil	4+Nil	Nil		3, 9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,889	Barnagore	179	£5	£1	£1			3	Y.P.
28,00,000	35,49,623	89,78,590	48,75,855	53,467	Andrew Yule & Co., Ltd.	820	Belvedere	213	100	7½+7½	7½+7½	5f		6, 12	H.P.
45,00,000	33,95,000	54,87,601	27,48,664	2,45,983	Soorajmull Nagarmull	600	Bengal	15½	10	1	1+4			6	Y.P.T
91,26,000	2,08,61,400	3,18,53,661	1,29,13,354	1,26,903	Birla Bros., Ltd.	1,373	Birla	19½	10	3	3	1		3	Y.P.
36,00,000	29,62,925	1,11,26,330	71,77,592	1,20,609	Andrew Yule & Co., Ltd.	591	Budge-Budge	192	100	6½+6½	6+4	4+5		4, 10	H.P.
7,47,380	3,16,924	41,11,370	29,06,003	1,176	Dalgety & Sons	502	Calcutta Jute Mfg.	15N	10	0+½	Nil	Nil		6, 12	H.P.T
18,00,000	31,81,234	77,10,392	39,78,208	50,057	Andrew Yule & Co., Ltd.	616	Caledonian	282	100	6+6	6+6	4f		5, 11	H.
59,16,400	1,01,06,609	1,88,44,627	1,05,04,100	22,542	James Finlay & Co., Ltd.	600	Champdany	176	100	7+8	3+3	Nil+3		3, 9	H.
15,95,600	30,14,282	80,62,440	55,81,540	1,37,479	Andrew Yule & Co., Ltd.	530	Cheviot	306	100	6+6	6+6	6+8		5, 11	H.P.
30,15,000	27,75,000	60,14,632	44,54,064	46,056	McLeod & Co., Ltd.	500	Chitavisah	14½	10	2½+1½	1½+½	½f		6, 12	H.T.P
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	569	Cinc	17	10	2	Nil			3	Y.P.
31,49,200	62,11,927	1,28,59,802	63,22,413	15,344	Bird & Co., Ltd.	766	Dalhousie	150	100	6+1	1+3	1+1½		3, 9	H.P.
28,00,000	44,74,179	74,57,171	46,41,725	1,46,208	Andrew Yule & Co., Ltd.	779	Delta	255	100	10+10	10+10	6+6		5, 11	H.P.
13,00,000	33,25,000	76,36,813	36,35,731	56,215	McLeod & Co., Ltd.	500	Empire	25½	10	1+½	1+½	½f		6, 12	H.T.P.
21,00,000	53,28,948	2,70,49,518	1,81,05,210	40,839	Kettlewell Bullen & Co., Ltd.	1,984	Fort Gloster	475N	100	10+Nil	Nil	Nil		3, 9	H.P.T.
14,00,000	13,00,000	82,13,505	49,27,386	71,285	Bangur Bros., Ltd.	1,014	Fort William	360N	100	Nil	Nil+5	10+10		3, 9	H.T.P.
24,32,100	2,73,755	2,11,52,730	1,36,01,908	5,930	Macneill & Barry Ltd.	1,709	Ganges Mfg.	102	100	Nil	Nil+Nil	Nil+½		3, 9	H.P.
10,80,000	28,00,000	71,47,356	47,46,252	4,704	Gillanders Arbuthnot & Co., Ltd.	607	Gordaipara	955	300	30	15			12	Y.
24,00,000	31,63,104	2,20,06,557	1,67,50,294	1,56,427	Macneill & Barry Ltd.	1,394	Gourepore	338	100	11+Nil	Nil+3½	2½+7½		3, 9	H.P.
40,00,000	55,68,234	72,95,746	48,50,613	2,95,107	Bangur Bros., Ltd.	1,078	Hastings	115N	100	10	10	10+0		3	Y.P.
16,80,000	18,52,626	66,38,235	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	47	10	1½	1½	3		3	Y.P.
65,62,500	58,82,162	1,47,23,497	1,06,14,353	1,65,858	Jardine Henderson Ltd.	1,940	Howrah	29½	10	1+½	1+½	1+½		3, 9	H.P.
52,50,000	20,00,000	2,42,25,884	1,49,75,884	1,64,711	Ramdutt Ramkissendas	2,272	Hukumchand	34	7½	5	5	5		3	Y.P.T.
D. 87,00,000	19,20,065	1,11,31,089	75,39,061	38,601	Mackinnon Mackenzie & Co.	1,076	India	216	D. 125	3½+3½	3½+3½	Nil+3½		3, 9	H.
O. 30,000								1	D. 1	As.1+1	As.1+1	As. ½			
A 24,00,000	27,62,899	1,37,48,710	1,20,61,507	32,488	Jardine Henderson Ltd.	1,797	Kamarhatty	227	100	8½+6	6+3	3f		6, 12	H.P.
B 19,20,000								160	'B' 100	6½+6	6+3				
30,00,000	17,86,954	1,32,65,521	97,46,515	68,418	Jardine Henderson Ltd.	1,527	Karkinarrah	148	100	6+4	3+2½	2½f		6, 12	H.P.
B 24,00,000								138	'B' 100	6+4	3+2½				
21,00,000	48,25,000	1,05,38,484	74,86,276	1,19,643	McLeod & Co., Ltd.	703	Kelvin	352	100	7+7½	7½+7½	10f		6, 12	H.P.
54,00,000	22,83,375	1,63,66,931	1,12,52,500	94,623	Anderson Wright Ltd.	1,530	Khardah	201	100	10+15	10+7½	7½f		3, 9	H.P.
48,00,000	1,02,14,684	2,29,23,597	1,08,58,211	29,674	F. W. Heilgers & Co.	1,250	Kinnison	202	100	10+7	4+5	2+5		3, 9	H.P.T.
24,48,000	48,31,837	1,39,26,497	78,80,252	4,428	Bird & Co., Ltd.	931	Lansdowne	138	100	7+3	2+5	1+1		3, 9	H.P.
28,00,000	59,56,155	1,14,53,770	63,14,525	12,683	Bird & Co., Ltd.	840	Lawrence	150	100	11+4	2+3	2+4		3, 9	H.P.
10,00,000	41,51,301	50,99,335	36,06,454	57,755	Andrew Yule & Co., Ltd.	558	Lothian	390	100	15+15	15+15	15+15		5, 11	H.
81,65,200	26,14,412	1,92,62,004	1,19,08,316	8,502	Mackinnon Mackenzie & Co.	1,608	Megna	113½	100	2½+2½	2½+2½	Nil+2½		3, 9	H.
29,98,900	41,11,783	1,72,63,489	94,28,274	—7,08,048	F. W. Heilgers & Co.	815	Nuddea	113½	100	6+Nil	Nil	Nil		3, 9	H.
20,00,000	15,05,000	28,15,067	16,73,660	3,826	Rewah Trading Co., Ltd.	425	Nuddaparah	13	10	8+½	Nil+½	½f		5, 11	H.T.
35,00,000	44,29,326	28,38,765	9,63,390	1,86,126	Ardrew Yule & Co., Ltd.	852	National	34½	10	1+1	1+1	1+1		4, 10	H.P.
26,25,000	22,75,000	26,82,794	18,46,219	1,23,369	McLeod & Co., Ltd.	316	Nellimarla Jute	12½	10	2+1	1+½	½f		6, 12	H.P.T.
31,50,000	34,13,033	49,75,722	24,95,502	84,459	Sahu Jain Ltd.	709	New Central	150	100	10+12	12+12	12f		6, 12	H.P.
16,79,880	51,05,696	1,23,66,779	59,31,089	43,570	Bird & Co., Ltd.	567	Northbrook	25½	10	1+½	1+½	1+½		3, 9	H.P.T.
66,79,500	31,70,094	2,15,09,993	1,38,37,886	33,079	Macneill & Barry Ltd.	1,092	Nuddea	55	50	1+Nil	Nil+½	Nil+½		3, 9	H.
24,91,000	27,81,049	71,20,511	49,55,472	1,21,195	Andrew Yule & Co., Ltd.	601	Orient	198	100	1+6	6+6	5+5		5, 11	H.P.
25,00,000	4,99,002	80,67,981	62,60,061	1,041	McLeod & Co., Ltd.	400	Presidency	78	5	Nil	Nil+½	½f		6, 12	H.T.
20,00,000	1,40,946	26,48,443	7,67,493	—10,89,456	M. P. Birla, Esq.	305	Rameshwaram	78	10	Nil	Nil	Nilf		3, 9	H.P.
49,50,000	8,01,372	1,23,46,455	57,04,882	18,873	Jardine Henderson Ltd.	1,276	Reliance	14½	10	Nil	½+½	Nil		3, 9	H.P.T.
£600,000	£1,093,713	£1,228,258‡	.....	£95,425	Thomas Duff & Co. (India), Ltd.	2,013	Ramnagar	15½d	£1	10%	10%			12	Y.P.
30,00,000	13,12,193	1,03,17,335	71,03,045	10,341	Begaria More & Co., Ltd.	911	Shree Ambica	15½	10	1+½	Nil+½	½f		3, 9	H.P.
34,00,000	10,29,808	48,33,752	37,62,131	2,54,934	Hindustan Investment Corporation.	401	Soorah	21	10	Nil	½			12	Y.P.T
25,19,600	47,29,578	1,01,23,059	57,01,016	1,112	Bird & Co., Ltd.	650	Standard	151	100	8+1	1+1	1+1		3, 9	H.P.
£600,000	£925,119‡	£992,042	.....	£108,510	Thomas Duff & Co. (India), Ltd.	1,794	Titagarh	15½d	£1	10%	10%			12	Y.P.
35,98,600	85,79,790	1,93,34,618	76,50,486	9,513	Bird & Co., Ltd.	1,376	Union	200	100	10+1	1+4	1+5		3, 9	H.P.T
£400,000	£688,035‡	£1,086,826	.....	£112,138	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	34½d	£1	10%	10%			12	Y.P.
2,50,000	4,95,000	55,94,678	37,77,742	35,624	McLeod & Co., Ltd.	465	Waverley	78	1	Nil	Nil+½	½f		6, 12	H.P.T

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	19,50,000	79,56,993	53,16,593	21,441	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	23	10	½+½	½+½	½f		3, 9	H.
12,00,000	8,49,582	38,20,997	35,11,987	31,068	Jardine Henderson Ltd.	Barasser Coke	204	10	3/3+½	7/10+7/10	½f		3, 9	H.
6,49,350	70,000	8,49,159	5,37,466	3,819	Andrew Yule & Co., Ltd.	Bengal-Bhardee	61N	10	1+½	1+1	½f		3	H.
1,00,00,000	1,22,00,000	5,55,56,857	3,58,72,103	3,50,259	Andrew Yule & Co. Ltd.	Bengal Coal	519	200	20+20‡	17½+15*	15*		6, 12	H.
2,25,000	5,10,369	25,37,614	22,43,053	.....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	21	10	½+½	Nil	Nil		4, 10	H.P.
15,97,000	5,10,369	25,37,614	22,43,053	25,529	H. V. Low & Co., Ltd.	Phalgora	5½	10	½				12	H.P.
40,00,000	14,81,010	1,30,60,104	67,66,790	13,644	Sahu Jain Ltd.	Bharat Collieries	7½	10	½	½	½		9	Y.
7,15,000	14,41,318	51,73,261	36,39,224	—2,04,456	F. W. Heilgers & Co., Ltd.	Bhutanbararee	14N	10	Nil	Nil	Nil			Y.T.P.
16,00,000	16,22,936	68,16,454	39,74,841	—1,36,132	Anderson Wright (Ramgarh), Ltd.	Pokaro-Ramgur	9½	10	Nil f				6, 12	H.
7,50,000	22,09,390	41,57,477	25,36,282	98,663	F. W. Heilgers & Co., Ltd.	Borera	30	10	1½+1½	1½+1½	½f		6, 12	H.T.
90,92,480	1,70,16,208	4,10,36,356	1,71,71,586	1,45,910	Bird & Co., Ltd.	Burrakur	12½	10	½+½	½+½	½f		6, 12	H.P.
49,97,750		34,81,935	257,645	5,907	Hindustan Investment Corpn., Ltd.	Central India	7	10	Nil	½	½		6, 12	H.P.T.
8,00,000	13,54,302	49,10,414	32,63,954	82,768	Anderson, Wright & Co., Ltd.	Central Kurkend	13N	10	Nil	½+½			12	Y.
6,00,000	1,43,341	7,25,000‡	.....	25,818	F. W. Heilgers & Co. Ltd.	Charlia	21	4	½+½	½+½	½f		6, 12	H.
16,00,000	1,20,000	50,63,761	27,77,576	—1,91,155	Macneill & Barry Ltd.	Dhemo Main	8½	10	Nil	Nil	Nil		6, 12	H.
£240,000	£362,496	£244,003	£11,181	£63,577	Jardine Henderson Ltd.	East Indian	29½	£1	3½(i)	2½	2½		6, 12	H.
29,63,760	71,99,925	3,66,52,739	2,81,14,367	1,85,653	Macneill & Barry Ltd.	Eastern Coalfields	21½	10	2+1½	1+½	2½		4	Y.
10,00,000	2,11,139	9,72,721	3,23,963	40,284	Blatter's Agency Ltd.	Chusik and Mualia	13½N	10	½		½f		6, 12	H.P.
12,00,000	1,22,000	37,04,970	19,00,221	445	Kilick Industries Ltd.	Hingir-Rampur	40½	50	½	½			3	Y.
8,00,000	5,73,000	21,42,381	18,13,083	62,148	Macneill & Barry Ltd.	Hurriladih	18½	10	½+½	½+½	Nil		6	Y.P.
22,00,000	1,08,577	31,70,015	10,56,245	—1,95,248	Bagrak Trust Ltd.	Jogta Coal	5N	10	Nil	½	½f		6, 12	H.
3,50,000	4,26,251	14,83,445	6,91,521	.....	Andrew Yule & Co., Ltd.	Kalgachari	27N	10	1½+1½	1½+1	Nil		12	Y.P.
20,00,000	9,375	26,40,669	2,46,630	5,145	Bird & Co., Ltd.	Karanpura Collieries	100	100	Nil	Nil	Nil		2, 8	H.
5,00,000	13,60,000	44,39,243	34,62,230	91,518	Andrew Yule & Co., Ltd.	Kasiara Jherriah	49½	10	2+2	2+2	2+2		2	Y.P.
1,36,400	5,72,960	12,85,941	5,72,960	—2,40,236	Berwara & Co.	Khas Kanora	5N	10	Nil	Nil			1, 7	H.
11,00,240	50,000	16,58,578	10,56,512	—34,300	H. V. Low & Co., Ltd.	Kusdal	7N	10	½	Nil			6, 12	H.P.
9,00,000	11,64,450	28,33,250	22,78,537	1,483	H. V. Low & Co., Ltd.	Lakurka	10xdN	10	½	½			4	Y.
7,47,240	1,50,000	11,58,128	8,05,696	25,598	S. P. Tarnia Esq.	Pearse	7½	10	½	½			4	Y.
17,76,230	18,91,763	3,16,14,994	85,44,712	42,594	Andrew Yule & Co., Ltd.	Pera Beerbhoom	18½	10	Nil+½	½+½	½+½		6, 12	H.
8,00,000	1,23,000	32,17,867	19,65,624	4,644	Octavius Steel & Co., Ltd.	Pera Blackboom	8½	10	Nil	Nil	Nil		4, 10	H.P.
1,15,000	2,47,693	12,93,355	8,05,957	8,676	Andrew Yule & Co., Ltd.	North West	11½N	10	½+½	1+Nil	Nil		3, 9	H.
1,55,500							7½N	7½	½+½	½+Nil	Nil			
7,50,000	11,79,228	3,97,666	2,77,666	96,307	F. W. Heilgers & Co., Ltd.	Ondal	22½N	10	1+1	1+1	½f		3, 9	H.
10,00,000	1,10,000	37,18,000	16,07,868	38,140	K. C. Tharar & Bros.	Oriental Coal	11½N	10	½	½			6, 12	H.P.
8,34,900	1,32,942	17,23,281	6,78,407	5,618	Deerechand Kuhenlall	Parawee	9½	10	Nil	½			12	Y.T.
15,72,000	13,00,000	44,14,803	31,19,403	22,304	Shaw Wallace & Co. Ltd.	Peech Valley	24½	10	½+½	½+½	½		6, 12	H.P.
23,99,300	17,17,105	1,16,51,468	80,43,780	72,002	B. N. Elias & Co. Ltd.	Rameygunge	12	10	Nil	Nil	½f		3, 9	H.
13,00,000	7,18,385	30,74,640	25,05,940	27,848	Shaw Wallace & Co., Ltd.	Rewa	21½	10	½+1	1+1			3, 9	H.
20,00,000	3,93,008	32,32,218	13,30,500	438	Jajpura Sons Ltd.	Samla Collieries	10	10	½+½	½f			6, 12	H.
1,25,000	1,85,000	12,10,180	10,21,382	19,527	Gillanders Arbuthnot & Co., Ltd.	Searsole	12N	10	½	½	½		6, 12	H.
	7,06,348	29,23,214	16,93,969	25,843	Andrew Yule & Co., Ltd.	Sethpore	25½	7	2+½	½+½	Nil		3	Y.
2,90,000	[illegible]	36,68,786	26,51,462	—1,22,722	F. W. Heilgers & Co., Ltd.	Sendra	9½N	10	Nil	Nil	½f		6, 12	H.P.
8,00,000	8,73,[illegible]		2,49,62,544	—6,49,301	Industrial Trust Fund (Government of Hyderabad)	Singareni	6½	10	½	Nil	Nil		6, 12	H.T.
63,21,450	15,01,628	3,31,42,[illegible]												
17,50,000	10,85,425	37,23,396	14,57,868	3,853	Bird & Co., Ltd.	South Karanpura	9½	10	½+½	½+½	Nil+½		12	Y.T.
8,00,000	14,72,339	1,69,570	23,510	59,039	F. W. Heilgers & Co., Ltd.	Standard	19½	10	1+1	1+1	½f		2, 8	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Talcher	3½	2½					6, 12	H.
3,50,000	3,85,000	16,61,212	14,05,212	68,861	Williamson Magor & Co.	Union	17½	10	1½+1½	1+½	½f		9	Y.
49,98,000	21,916	4[illegible],86,934	16,41,545	65,727	Hindustan Investment Corpn., Ltd	Western Bengal	6½	10	½	½	½		6, 12	H.
7,00,000	3,57,000	30,89,488	21,36,223	282	Macneill & Barry Ltd.	West Jaipuria	13½	10	Nil	Nil	Nil‡		6, 12	H.

* Including bonus. (k) Investments.

(‡)Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s) For seven months ended 31st March, 1954.

MARKET REPORTS

(Concluded from page 645)

Forward trading in *Vaisakh* settlement opened at Rs. 164 and closed for the day at Rs. 163-13. *Jeth* silver began at Rs. 161-12 and finished at Rs. 161-9.

Ready silver (.996 Mint) opened at Rs. 166-2, the premium over the forward being Re. 1-2. At the close, the premium narrowed down to Re. 1, when ready silver wound up yesterday at Rs. 167-1, due to waning demand. The floating stocks of silver are estimated at 1,900. The daily average offtake was placed at 15 bars.

Forward gold (*Chaitra* settlement) moved within a narrow range. After hardening from Rs. 92-2 to Rs. 92-15, it reacted to Rs. 92-5, but closed a shade better at Rs. 92-7. Business in *Vaisakh* and *Jeth* settlements opened at Rs. 91-12½ and Rs. 91-3½, respectively, and closed for the day at Rs. 91-13 and Rs. 91-4, respectively. As the backwardation charges for these settlements were below the limits at which graded margins under by-law 33D (1) (*a*) (*c*) would be applicable, no margins were enforced in gold.

Ready gold began the week at Rs. 93-9, and touched a high of Rs. 94-6 and closed at Rs. 93-8, the premium over forward narrowing from Re. 1-6 to Re. 1-1. The floating stocks of gold are reported to be 13,000 tolas. The daily average arrivals were 3,500 tolas, while the offtake was no more than 3,000 tolas on an average.

In London, spot silver shed ¼d. per fine ounce, dropping from 77½d. to 77d. Forward silver fell from 76½d. to 76¼d. Gold also was a shade lower at £12 11s., as against £12 11s. ½d. per fine ounce. In New York, silver remained unchanged at 88½ cents. per fine ounce.

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

	29-3-55	Highest	Lowest	23-3-55
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	93 8	94 6	93 6	93 8
Forward*	92 7	92 15	92 5	92 2
Sovereign	59 8	59 10	59 8	59 8
SILVER				
Ready (.996 fine Mint)	167 1	168 15	166 14	165 9
Forward†	166 1	167 13	165 14	164 7
London Silver Ready	77d.	77¼d.	77d.	77¼d.
London Forward	76¼d.	77¼d.	76¼d.	76¼d.
London Gold	251s.1d.	251s.1d.	251s.0d.	251s.0½d.
New York Ready	88½c.	—	—	88½c.

* 8th April settlement.
† 9th April settlement.
N.B.—Foreign bullion prices shown in the above table relates to the previous day.

LESS DEMAND IN TEA FOR DOMESTIC CONSUMPTION

(From Our Own Correspondent)

CALCUTTA, 28*th March*

Demand was less during last week's sale for domestic consumption, consequently withdrawals were heavy. Dusts offered were 17,933 packages, and prices were fully easy. C.T.C. Assams declined by As. 1 to As. 1½ and all other sorts gave way by As. 3. Best Assam C.T.C. teas were quoted at Rs. 3-3, medium Assam grainy at Rs. 2-6 to Rs. 2-6-6, and medium Dooars Rs. 2-4 to Rs. 2-4-6.

Leaf grades offered amounted to 9,047 packages. There was good demand, but the market was irregular. Towards the end of the sale demand slackened and prices gave way. Clean leaf teas with useful liquors were about steady, and all other varieties declined by As. 1 to As. 3. Although best liquoring C.T.Cs. were in good form for a time, they were affected by the general conditions and buyers were reluctant to go in for them at the rates quoted.

MANCHESTER LETTER

(Concluded from page 619)

requirements of the country in war conditions. In the recession three years ago man-power fell by nearly 60,000 and a further drop in the numbers employed would inevitably occur in the case of another period of bad trade. "Just as it is necessary to keep other industries intact in case of war," added Mr. Schofield, "so it is necessary that we should rely on our own cotton textile industry to meet the needs of this country if by some mischance it is involved in war."

Machinery Imports

Strong representations have been made to the Board of Trade over the question of duty-free imports of machinery, according to the annual report of the Overall Manufacturers' Association of Great Britain. The Council of the Association, it continues, has been much concerned to learn that the Board of Trade had decided, "for reasons of administrative convenience alone," to restrict the benefits of duty-free importation to orders for £2,000 or more.

Claiming that the effect of this has been to exclude from benefit the whole of the clothing industry, the report adds: "If the clothing industry is to be efficient it is important that the importation of new types of machinery should be permitted and encouraged."—*All Rights Reserved.*

COTTON

(Concluded from page 620)

no significant change, except in Pakistan and Brazil where it has been upward. In the minor cotton-producing countries, there has been an increase in both acreage and yield. Aggregate production here has increased each season and has nearly doubled since 1949-50.

Judging from the recent trends in acreage, it appears to the International Cotton Advisory Committee that any "future expansion of cotton production may result more from intensive rather than extensive factors." In many countries, where acreage has expanded in the last five seasons, there is evidence to show some "levelling off in acreage or at least a slowing down in the rate of expansion." But the yield in many countries is still very low. In this connection, the Committee draws attention to the fact that, although India and the U.S. planted roughly the same acreage to cotton this season, production in India was less than one-third the U.S. crop. An increase of even 10 lbs. per acre in India would add 450,000 bales to cotton production, while a similar increase in all countries outside the U.S. would add nearly one million bales to production. Clearly, yield is an important factor and a small increase or decline in it, assuming that acreage remains constant, may make all the difference between plenty and scarcity in the sphere of world cotton supply.

Notices

THE TATA MILLS, LIMITED

NOTICE

THE FORTY-THIRD ORDINARY GENERAL Meeting of the Shareholders of the TATA MILLS LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Friday the 29th April, 1955, at 4.30 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and the audited Statements of Accounts of the Company for the year ended 31st December, 1954.
(2) To declare a Dividend.
(3) To elect a Director in place of Mr. N. M. Amersey, who retires in terms of Article 113, but is eligible for re-election.
(4) To elect two Directors in place of those who retire by rotation but are eligible for re-election.
(5) To appoint Auditors and to fix their remuneration.

The Transfer Books of the Company have been closed from Tuesday the 15th March to Wednesday the 13th April, 1955, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 28*th March*, 1955.

Note.—The dividend, if sanctioned at the General Meeting, will be payable at the Imperial Bank of India from Saturday the 30th April, 1955, to the shareholders whose names stand on the Register of the Company on the 13th April, 1955, except those who have been allotted shares on 1st January, 1955, in exchange for debentures. The diyidend warrants will be duly posted to the registered addresses of such shareholders.

To

The Shareholders of Tata Mills Limited, and in particular to:

Abdullah Rahimtullah; Major Arthur Coleman Flower; Miss Angelina Menezes; Adi Bejan Tata; Mrs. Banoobai Rattanji Khambatta; Claudino Xavier Menezes; Hassen Saleh Mia; Dr. Hormazshaw; Jamshedji Wania and another; Husenbhai Ramjee; Habib Bank Ltd; Ismail Moosa Chiboo; Rani Jagadamba Kumari Debi; Jehangir Bejan Tata; Minoo Dinshaw Challa and another; Nathubhai Jivanji Desai; Mrs. Nora Johnson; Mrs. Naja Bejan Tata; Pirosha Eruchshaw Malbari; Phiroze Bejan Tata; Rustom Jehangirji Master; Rustom Fakirjee Cowasjee and another; Bai Serene Khurshedjee Dubash; Stavoros Andrews Melas; Lt. Gen. Shanker Shum Shere Jung Bahadur Rana and others; Sam Bejan Tata; Valeriano De Sa and another; Mrs. Valmy Lucy Canning Raymond; Dr. W. J. Wanless.

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE SIXTY-NINTH ORDINARY GENERAL Meeting of the Shareholders of THE SVADESHI MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Thursday the 28th April, 1955, at 4-30 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and the audited Statements of Accounts of the Company for the year ended 31st December, 1954.
(2) To declare Dividends.
(3) To elect three Directors in place of those who retire by rotation but are eligible for re-election.
(4) To appoint Auditors and to fix their remuneration.

As already notified, the Transfer Books of the Company have been closed from Tuesday the 15th March to Wednesday the 13th April, 1955, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES LIMITED,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 29*th March*, 1955.

Note.—The dividends, if sanctioned at the General Meeting, will be payable at the Bank of Baroda Ltd. from Friday the 29th April, 1955, to the shareholders whose names stand on the Register of the Company on the 13th Aruil, 1955, and the dividend warrants will be duly posted to the registered addresses of such shareholders.

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE DIRECTORS OF THE COMPANY HAVE decided to recommend to the Annual General Meeting the payment of the following dividends to the shareholders for the year ended 31st December, 1954:—

Rs. 5 per share free of income-tax on Preference shares
Rs. 8 per share without deduction of income-tax on Ordinary shares.

For and On behalf of
THE SVADESHI MILLS CO., LTD.,
TATA INDUSTRIES LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 29*th March*, 1955.

THE STANDARD-VACUUM REFINING COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GI

ASIAN ECONOMIC TRENDS

E.C.A.F.E.'S SURVEY

IT is with a note of concern rather than with *one of satisfaction that the Secretariat of* the U.N. Economic Commission for Asia and the Far East (E.C.A.F.E.) records, in its latest annual report, the economic developments in the countries of the Asian region in the past year (1954). Thus, the Secretariat's survey of the state of Asian economy reveals that, notwithstanding improvement in agricultural output, higher returns received by traditional exports and inflationary situation being kept under control, the countries continue to face problems and difficulties arising from their basic poverty and underdevelopment. Indeed, Asian economies, it is said, are kept in a state of instability. To quote the survey: "...despite strenuous efforts and clear evidence of progress, real income per head of the population has remained in a state of relative stagnation and is still—nearly a decade after the war—below prewar level."

The stagnation in the Asian economy thus, it would appear, has been the result of three disquieting trends. First, there is the problem of constant and excessive fluctuations in the prices of the region's major exports. Secondly, the magnitude of Asia's economic problem is accentuated even by the normal increase in population, although the rate of increase of population in the region is not greater than in certain developed areas. Thirdly, efforts at augmenting development expenditures have run up against serious difficulties. Of these difficulties, inadequacy of domestic capital formation stands out prominently. The domestic savings actually available, for instance, are estimated at less than $2,000 million, as against the annual development requirements of as much as $5,000 million (excluding those of China and Japan). It is thus evident that a $3,000-million gap has to be bridged, while external financial aid now available is estimated at $1,000 million. The E.C.A.F.E. Secretariat has warned that, unless foreign aid becomes available on a much larger scale than at present, the efforts at economic development will be frustrated. It accordingly suggests an annual inflow of about $3,000 million foreign capital into the Asian region for a period of five to seven years. Such an inflow, according to the Secretariat, "would make all the difference between a stagnant economy and a developing one."

Besides describing the economic conditions in the Asian region as a whole, the survey of the E.C.A.F.E. Secretariat contains reviews of economic developments in the individual countries in the area. Referring to India, the Secretariat points out that many aspects of India's life in the eighth year of its independence are still in flux. Elucidating this statement, it observes:

"The aftermath of the Partition has not yet spent itself, while, on the other hand, powerful new forces are remoulding the strength of the country's economy and the life of the people. Of the total population of about 370 million, about 40 per cent. is estimated to be gainfully engaged. The population growth is at the rate of 1.1 to 1.4 per cent. per annum with infantile mortality declining. Despite relatively abundant natural resources, India's real national income per head of the population is only somewhere in the region of Rs. 280 at 1948-49 prices, or approximately U.S. $60 at current prices. It is still one of the lowest in the region, but it is now clearly and definitely rising."

The E.C.A.F.E. Secretariat has drawn particular attention to the difficulties of mobilising domestic capital for the private sector of the economy. In its opinion, there is no inherent lack of investible funds for expanding private industries; the difficulty seems to lie in attracting capital for risky ventures. In this context, the Industrial Credit and Investment Corporation and the National Industrial Development Corporation assume special importance. These institutions could give a new impetus to industrial financing for the private sector. The Secretariat rightly holds that considerably larger rates of investment than at present are necessary in order to raise living standards. For the main task before India is, as the Secretariat points out, to accelerate its economic development, while adhering to the precepts of mixed economy, "so as to absorb an enormous number of unemployed into productive work within a reasonable time."

The E.C.A.F.E. Secretariat considers that the monetary situation under the Five-year Plan is held under "satisfactory control." In support of this view, it points to the substantial expansion in industrial and agricultural production. Analysing the trend of prices, Government deficits and money supply, the Secretariat says that, by the end of 1954, there was no sign of inflationary monetary development, in spite of the fairly large budget deficit that is expected. Few will dispute this claim. During the first three years of the Plan (ended 31st March, 1954), money supply with the public was actually lower by Rs. 120 crores, despite the overall deficit of Rs. 96 crores.

MARKET GOSSIP

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has already signed and which only awaits general ratification to come into force in July? There is a good deal of argument as to whether the co-operating countries are retreating from the idea of trade freedom or whether they are advancing towards it. A careful study of the new proposals suggests that, while there is a substantial strengthening in form, there is a relaxing in content. The strengthening in form governs, for instance, the use of quotas: these are henceforth to be reviewed annually by the signatories to the agreement and, if the consensus goes against the country imposing quotas, then other members are free to withdraw the concessions they were themselves operating towards the quota country. This does not mean that such a step as Australia has just taken to cut its imports would be avoided under the new agreement. Australia pleads balance of payments difficulties and that is a valid defence—although under the new arrangements one that will be subjected to greater scrutiny. Moreover, the Organisation does not need to wait until an annual review to call in question the action of a country which appears to be imposing quotas unnecessarily. Quotas can also be placed by countries which can plead 'under development' (India falls in this category), and here a review is to take place every two years.

"In brief, therefore, the strengthening of the agreement takes the form of a strengthening of the machine for consultation and of enquiry into the reasons for any actions contrary to greater liberty of trade; and even the most ardent liberal in trade affairs must concede that the relaxations in content which accompany the new agreement are no more than realistic concessions—in a world not yet settled down after the upheaval of the last war—to the difficulties with which each country is faced whether it be on balance of payments grounds, or because it has got agricultural surpluses, or because it is trying to develop new industries.

"Thus, both the United Kingdom and America have got away with concessions to their special problems: the first in regard to its Colonial territories and the second to its policy of agricultural production. Here, in London, it appears an act of elementary justice that the United Kingdom can give preferences to the Colonies dependent on this country for the bulk of their trade without being obliged to extend these preferences to all other countries. It had already gained a small concession giving greater protection to domestic horticulture and this concession is now to be extended. As for the U.S.A., they have obtained general agreement to their right to protect their domestic agriculture in the context of American price support policies, while, on the other hand, the American Administration has agreed that the support prices are to be reduced and a limit is to be put on the quantity of commodities which are to qualify for assistance. Less justifiable, perhaps, is the further concession to America permitting export subsidies on their agricultural products. This country has for historical reasons never accepted the principle of subsidising exports and the feeling here is that too great concessions have been made in this regard.

"The only other feature worthy of note about the new agreement is that tariff arrangements are likely to be made more stable as they are to be bound from one three-yearly review to the next. All in all, it is generally accepted that a workmanlike job has been made of the revisions and that the new G.A.T.T. is likely in practice to work a little smoother even if it does not liberate trade a little faster, than the old."

THE MUDDLE IN BOMBAY BULLION MARKET

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was done to bring these facts to the notice of the proper authorities.

An informal meeting of members was held on 14th March, 1955, and a resolution was passed to this effect. An interview was sought with Mr. Jivraj Mehta, Finance Minister, Bombay State, and granted. The representatives of the members placed their point of view before the Minister and he promised to look into the matter. Even though the Finance Minister was kind enough to meet the representatives of the members, the Board of Directors did not call them before 20th March, 1955, and even this was done only under pressure. The pressure was brought about by the members refusing to send the clearing statements with payments on 19th March, 1955, when they were due. As the Valan could not be made without this, the Board had to yield and called a meeting of the members. In the meantime, the Government Director insisted upon the Board that the inward clearing payments should be completed before 3.30 p.m. on Monday, 21st March, 1955. With this threat, the representatives of the trade met the Board, when they expressed in clear terms that there was no intention to stop payments and all that they wanted was an assurance that their grievances would be redressed. No assurance was forthcoming. Without even considering the proposals, the Directors postponed the meeting.

In view of these developments, it was felt by some of the Directors that the members of the trade should be satisfied, as their claim was just and fair. One of the Directors wrote to the Finance Minister that, in respect of clearing payments members and giving them the assurance they wanted during which period they would try to bring about a settlement. They further called a meeting of the Board of Directors where they insisted upon the President having an informal meeting with the members and giving them the assurance they wanted. At this meeting, an amicable settlement was arrived at after an assurance was given by the Government Director to the effect that the By-law 33D would be implemented immediately, provided the members made the clearing payments. The Directors too assured the members that they would enforce By-law 33A and that they would look into the cases of margin evaders. This completely satisfied the members and the market began functioning on the next day after the Valan payments were completed.

These developments show that the attitude of some of the Directors was uncompromising, and it was only because of the tactful approach by Mr. Nadkarni, the Government Director, that the deadlock was resolved. He deserves all congratulations on his bold and rightful policy. The effects of the new by-laws can be known only after experience for some time. One welcome development is that the by-laws designed to check excessive speculation will come into force automatically and need not wait upon the pleasure of the Board consisting of interested parties. This should help remove the conflict between the bears and bulls on the Board. It is now the effective implementation of these by-laws that deserves more attention. Still one more by-law, namely, that in respect of penalty-in-auction, is pending before the Government, though it was passed by the Board last year. If this by-law is approved, it is expected that the working of the forward market in bullion would be smooth. It is the frequent changes in the by-laws which have been a source of trouble in the Bombay bullion market for the last few years. Now that there is little scope for such manipulation by the Board, smooth trading in the bullion market should be possible. But it is too early to be so optimistic, for much will depend upon the enforcement of strict discipline upon the erring members by the Board. It has now become a practice in this market that, whenever certain by-laws do not suit some members, the latter rush to the Law Courts for protection. Proper disciplinary action should be taken by the Board when such members prove wrong, so that one may not lightly resort to litigation and prove a nuisance. The implementation of the by-laws requires an impartial President and a Board consisting of members who will view the issues impersonally, whatever may be their position in the market. If the events of the past few days have demonstrated one thing, it is that the members of the trade will not take things lying down and that they are conscious of their rights which they will assert whenever the President and/or the Board act wrongly.

Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, 28th March

A notable feature of the Madras Stock Exchange during the week under review was the further announcement of encouraging dividends by textile and planting companies. As a result, the performance of many scrips was generally good. Select scrips among textiles and plantings scored further gains. A significant exception was the quiet trend in miscellaneous scrips. The undertone was, however, distinctly steady.

Among the important dividend declarations by the textile companies, mention may be made of Jawhar Mills Ltd., the directors of which have increased the dividend from 7½ per cent. in 1953 to 12½ per cent. for the year ended 31st December, 1954. The management of Radhakrishna Mills Ltd. have declared a dividend of 16 per cent. for the year ended 31st December, 1954, as against 8 per cent. for the previous year. The directors of Trichinopoly Mills Ltd. have raised the dividend from 7 per cent. for 1953 to 9 per cent. for the year ended 31st December, 1954. The directors of Vasanta Mills Ltd. have declared a dividend of 15 per cent. for the year ended 31st December, 1954, as against 12 per cent. in the previous year. The dividend on the shares of Palani Andavar Mills Ltd. has, however, been maintained at 24 per cent. for the year ended 31st December, 1954.

Among planting companies, the Travancore Rubber and Tea Co., Ltd., has declared a final dividend of 10 per cent., thereby making a total of 15 per cent. for the year ended 31st December, 1954, as against 10 per cent. for the previous year. The directors of Parksides (Neilgherry Hills) Estate Company, Ltd., have declared an interim dividend of 10 per cent. for the year ended 30th June, 1955. The total dividend for the previous year was 25 per cent. The directors of Talyar Tea Company, Ltd., have announced an interim dividend of 6¼ per cent. for the year ended 31st March, 1955, as against the total dividend of 12½ per cent. for the previous year.

COMMERCE

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

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ANOTHER SOMERSAULT BY GOVERNMENT

ONE of the deplorable features of the present Government's policies and pronouncements is lack of consistency. One can never tell as to how long certain statements made by the Government or its spokesmen will hold good. Many instances can be given to support this view, the most striking being the Government's somersault in regard to the managing agency system. We all know that the Government's view at one time was that this system should be mended and not ended. But it is also common knowledge that, within three or four months of making this statement, its spokesmen were busy with plans for ending the system. The latest instance of the Government's changing mentality—and every change has been towards the left—is provided by the fourth Constitution Amendment Bill as it emerged from the Joint Select Committee towards the close of last week. The changes made by the Select Committee have completely transformed the Bill in certain material respects and run counter to the statements made by the Prime Minister himself while replying to the debate on the Bill in the Lok Sabha.

The healthy convention that no fundamental changes should be made at the Select Committee stage was thrown overboard by the present Government long ago. Such changes are understandable at least in those cases where the Bills are framed in a hurry, in order to implement policies or ideas decided upon without careful consideration. The Constitution Amendment Bill does not belong to this variety. Careful preparation and deliberation had preceded its drafting. Indeed, several drafts had been prepared and all the concerned ministries and even certain State Governments had been consulted before the Bill was finalised. Some had even suggested the very changes the Select Committee has now made. But the Government did not deliberately want to include them. Even the Prime Minister, Mr. Nehru, said so in his speech at the Lok Sabha in mid-March, as we shall presently show. Yet, within 15 days, he changes his mind and agrees to a proposal that had been turned down by him and his colleagues as being too drastic. Are such actions conducive to engender people's confidence in the Government?

While being critical of the Government's present move to amend the Constitution, this journal did not say, as some did, that there should be no amendment at all. It clearly recognised that the practical difficulties, arising from some of the judgments of the Supreme Court, necessitated amendment of Article 31 clause (2), so that the regulatory powers of the Government might be safeguarded. But the Government availed itself of this opportunity to make extensive inroads on the Constitutional protection given to individuals to hold property by expanding Article 31A. The changes sought to be made in this Article were so elaborate that the protection given by Article 31 clause (2) became almost illusory. The Select Committee has gone a step further and completely ousted the jurisdiction of the Court even in regard to property taken over under this Article, so that even those properties not specified in the amendment to Article 31A can be acquired and requisitioned by the State on payment of compensation the adequacy of which cannot be challenged in a court of law. In other words, under the amendment as it originally stood, if any industrial property were taken over by the State, the quantum of compensation payable was justiciable. Under the amendment as now proposed by the Select Committee, however, holders of such property are denied that right. The country was told by the party-in-power that an expansion of the State's powers under Article 31A was necessary, in order to introduce land reforms, clear slums, resettle refugees and ensure sound management of companies and that there was no desire to whittle down the rights of holders of industrial property. But now why has it gone back on this understanding?

It will be recalled, in this connection, that, while the Bill was under discussion in Parliament before it was referred to the Select Committee, one of the members of the Congress Party itself had pointed out that a discrimination was being made against land holdings, in that, while the question of compensation in regard to industrial property was justiciable, such was not so in regard to agricultural property and land. Mr. Nehru's reply to this criticism was that "this had been deliberately done after careful thought." He could have stopped with this explanation, but was indiscreet (from the point of view of his party) enough to disclose what happened when the issue came up for discussion in the Cabinet. This he did while explaining as to why a detailed list of specific cases was being mentioned under Article 31A. According to him, one Minister had suggested a simple amendment to the effect that "whatever property was taken over by the State, the question as to what compensation should be paid for it should be left to be decided by Parliament and by the Assemblies and no court should interfere at all." The Cabinet, however, said Mr. Nehru, rejected this suggestion, because it meant that "the courts would be completely kept out." Proceeding, he added: "This (the aforesaid suggestion) could have been done, but, in that case, the Fundamental Right in this regard relating to property would have been completely nullified. The Government could do this, but we did not think it proper to go so far." Having said all this, Mr. Nehru and his colleagues in the Select Committee have quietly agreed to a violent change in the amendment to Article 31 (2) which makes no distinction whatever between industrial and agricultural property rights in regard to compensation.

In our earlier comments on the Amendment Bill (vide Commerce dated 19th March, 1955), we said that there was little reason to quarrel with the amendment to Article 31 (2), as it sought to make no fundamental change. All that we suggested was that provision should be made for payment of "just" compensation. But now the Select Committee has altered the position fundamentally, as will be seen from the following quotation of the Article as modified by it, the exact modification being indicated in italics:

"No property shall be compulsorily acquired or requisitioned save for a public purpose and save by authority of a law which provides for compensation for the property so acquired or requisitioned and either fixes the amount of the compensation or specifies the principles on which, and the manner in which, the compensation is to be determined and given; *and no such law shall be called in question in any court on the ground that the compensation provided by that law is not adequate.*"

The result of the aforesaid change is that the State can take over any property by passing the necessary legislation, provided it is for a public purpose and provided further compensation is payable. But questions as to the adequacy of compensation are outside judicial review. As already said, the holder of an industrial property not covered by Article 31A will lose, when the amendment goes through, as it certainly will, the protection he thought he would continue to get against executive and legislative tyranny. The holders of agricultural and land rights and owners of slums, however, have gained an advantage, in that, whereas, under the original Amendment Bill, they were not at all sure of getting compensation, they will now be entitled to compensation, though whether adequate or not is a different question. In fine, the irony of the Select Committee revision is that industrial property has been reduced to the status of slums.

In view of the drastic powers provided in Article 31 (2), the Select Committee has reduced the various categories of rights and properties that had been listed under Article 31A. There are only five clauses, instead of nine as before. The fixation of ceiling on land, the taking over of excess land, the acquisition or requisitioning of immovable property for relief and rehabilitation of displaced persons, the acquisition or requisitioning of vacant and waste land, buildings or huts declared as slums—all these will have to be done under Article 31 (2) and the persons who are deprived of their property as a result will have to be paid compensation. Another change relates to the "transfer of any undertaking wholly or in part from one company to another," while a third one covers "the extinguishment or modification of any rights accruing by virtue of any agreement, lease or licence for purpose of supplying power, light or water to the public." If the Government wants to do any of these things, it can do so only under Article 31 (2), that means, for a public purpose and subject to payment of compensation, however, illusory it may be. The exemption of the rights relating to the supply of "power, light or water" from the categories of rights the deprivation or curtailment of which can be done by the State without payment of compensation, if it so chooses to do, will doubtless be welcomed by electricity and other power undertakings in the country. A slight modification has been made in regard to the rights of shareholders; what they are sought to be deprived of now is only their voting rights and not the equity right. This, however, is not much of a gain, for, while shareholders are denied their right to control their company, they may be asked to bear more and more liabilities or be forced to accept a price for their company which will give them only a nominal compensation. Excepting for these minor changes, all the other objectionable features of Article 31A, explained in our issue of 19th March, 1955, have been retained in full.

During the past few days, the Prime Minister has been strongly protesting against the criticism of the Amendment Bill as being expropriatory in nature. He insists that compensation will be paid in all cases and nobody's property will be expropriated. Surely he is protesting too much. If the intention is to pay compensation,

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then why not make suitable provisions for ensuring that such compensation will be just and equitable and that the vast powers that are being vested in the State will not be abused or used ruthlessly? Again, how can anyone take the Government at its word, when it goes on changing its attitude towards private enterprise and private property? When the present amendment was first mooted, we were told that the object was only to safeguard the regulatory powers rendered *ultra vires* the Constitution by certain judgments of the Supreme Court. And later on, we were told that a comprehensive amendment was necessary, in order to implement the "socialistic pattern of society" which is claimed to be in accordance with the directive principles of the Constitution. Now, it is openly stated that the Fundamental Rights guaranteed under the Constitution are subservient to the vague and idealistic directive principles of the Constitution and that the interests of the society, which for all practical purposes means the State, should override those of the individuals. What guarantee is there that, tomorrow, this very argument will not be used to sustain the plea, that, as the State has not got adequate resources, it cannot give compensation for properties acquired or requisitioned? The point that we wish to make here is that once the most cherished Fundamental Rights enshrined in the Constitution are whittled down virtually to zero, one never knows where this will end. It may very well lead to totalitarianism or autocracy, unless the people are vigilant. It is needless to add that, in view of the vast powers that are being vested in Parliament and State Legislatures, the people, including business men, must exercise great care and diligence in choosing their candidates for representing them in these august bodies .The adage that "a people get the government they deserve" may sound trite, but it is very true.

ECONOMIC GROWTH IN UNDER-DEVELOPED COUNTRIES

NEVER in world economic history has there been a more intensive study of the problems of underdeveloped countries than now. At one time, the belief was widely held that only West Europe and the U.S. could afford the luxury of an industrial economy and that the predominantly underdeveloped countries could exist only as producers of raw materials and as markets for finished goods. The rise of the U.S.S.R. as an industrial nation was an eye-opener to the West. The two world wars, in which the underdeveloped countries participated, served to make the West more conscious of the needs of these countries. It was then felt that these countries might have proved to be more powerful allies if they had been developed as an industrial arsenal. When World War II ended, and as one country after another became infected by extremist political ideology, the industrially advanced countries realised that, unless the conditions of basic poverty which provide a most fertile soil for the growth of political extremism were removed, there would be an end of all hopes of building a democratic world. It was then realised that even democracy, if it had to survive, would have to be built on strong foundations of a reasonable level of economic prosperity.

Among the many studies of the problems of economic progress in underdeveloped countries which have been made in recent years, the most recent—and from available information, the most comprehensive—is the U.N. Study entitled "Processes and Problems of Industrialisation in Underdeveloped Countries." The Study, which surveys the obstacles and the aids to economic development in these countries, points out that, notwithstanding the many difficulties which the countries face, they have one advantage in the shape of the experience of industrialised countries. It warns, however, against the facile assumption that economic progress means only industrial progress and rightly insists that what is required in these countries is a parallel development of both industry and agriculture.

These countries, according to the Survey, face three major groups of obstacles: Inadequacies of the economic environment, some demographic problems and limitations imposed by international conditions. To the first group belongs the absence of well-developed transport systems and power. Both involve large investments and, what is more, have to be established in entirety, for they cannot be gradually developed. Thus, there cannot be less than a single-track railway line between two given points or less than a barrage of a certain height and width if a given river is to be harnessed for power. Again, a rapid growth of population adds to the problem of development. Further, industrialisation represents a new type of productive organisation, to a large extent alien in origin and functionally unrelated to the existing economic and social pattern. It demands several social adjustments. In the West, they took place over a long period. But this process is not likely to be repeated in these countries and is, at any rate, incompatible with the demand and the desire for rapid industrialisation.

To overcome capital shortage in underdeveloped countries, the Study underlines the need for instituting, as well as as encouraging, savings banks, industrial development corporations and stock exchanges. It examines the possibilities of fiscal incentives in the shape of tax concessions, directional concessions designed to channel funds to specific industries, lighter taxation of corporations and tax concessions on reinvested profits. As regards credit policy, it warns against the danger of inflation, but believes that, where there is a tendency for an underdeveloped economy to stagnate, there may be justification for use of an expansionary credit policy as a stimulus to better utilisation of resources.

Next to the shortage of capital, there is the lack of business and technical know-how. In the underdeveloped countries, unlike in the industrially advanced countries, the industrial *entrepreneur* has himself frequently to perform —as managing agents have done in India—all functions—technical innovation, business promotion, capital provision and management. To overcome this difficulty, the Study suggests improving the flow of reliable economic data, lessening the likelihood of arbitrary changes in the administration of laws and regulations, not to mention changes in the declared policies, and assistance to the formation and collection of domestic capital. To remedy the shortage of technical know-how, it suggests the creation of educational and training facilities.

The Study examines the various ways in which industrially advanced nations can aid underdeveloped countries. Thus, they are asked to see that the export earnings of the underdeveloped countries are not impaired. As regards capital, special lending institutions in advanced countries, such as the U.S. Export-Import Bank, and international agencies, such as the World Bank, have assumed an important role. There has also been a relative increase in direct investment by foreign capitalists in enterprises controlled by them. In this connection, the Study discusses the need for recipient countries to keep restrictions on capital movements to a minimum or at least to publicise their policies and to adhere to them closely. This is a vital consideration, for, unless a non-discriminatory attitude is adopted towards foreign capital and, what is more, such an attitude is maintained over a reasonable period of time, there would be no inflow of such capital on a scale that would really benefit the underdeveloped countries.

CHALLENGE TO INSURERS

IT was a difficult task which Mr. K. Balasubramanyam, Chairman of the Indian Life Assurance Offices Association, had to perform at the annual meeting of the Association held in Madras last week-end. The past few months have been a period of controversy in the sphere of Indian insurance. As the Chairman of the premier insurers' body, it was left to him to survey the recent events both comprehensively and impartially. Few will doubt that he made a sincere attempt at presenting the different viewpoints in as impartial a manner as possible.

Indian insurers have had to face, in recent months, one problem after another and insurance business, as Mr. Balasubramanyam said, "was subjected to a series of shocks in the year 1954." First came a large-scale reduction in premium rates. Then, there was the staff insurance scheme which was an unwelcome development from the point of view of the agents and the smaller insurers. This was followed by a virtual bonus war. In so far as each of these crises is the result of keen competition in the field, it is a development that need not altogether be deplored. It is of the essence of private enterprise to face and overcome obstacles which are part and parcel of a competitive economy. It is, of course, open to it to regulate, through voluntary rather than through Government-sponsored agreements, the conditions of fair competition. Recent events have not only served to bring out the value and importance of working together but also underlined the impossibility of eschewing all competition.

As regards the first great shock experienced by insurers, namely, the reduction in premium rates, the Chairman of the Association, after surveying the developments following the reduction, expressed the hope that no member of the Association would in future take unilateral action on a major issue without consulting the Association. After summarising the advantages and disadvantages of the Staff Insurance Scheme, he stated that it was to be hoped that the Sub-committee, which had been appointed by the Executive Committee of the Life Insurance Council to evolve a suitable staff insurance scheme, would bear in mind the different views expressed by the insurers on this subject. He rightly urged the insurers, who are tempted to declare high bonus rates, to bear in mind two important considerations in relation to their bonus policy, namely, whether it would be possible to maintain the high rates of bonus and whether the new rates justify the declaration of high bonus rates.

Insurers have reason to welcome the reports of the Committee on Finance for the Private Sector (Chairman: Mr. A. D. Shroff) and the Taxation Enquiry Commission (Chairman: Dr. John Matthai). The Shroff Committee, as Mr. Balasubramanyam pointed out, has recognised the "increasingly useful role played by the insurance companies in mobilising the savings of the community and making them available for investment in industries." It has accordingly recommended the relaxation of some of the restrictions on the insurers' discretion in the matter of investment. The Chairman emphasised that, if these recommendations were implemented, the insurers would be able to play a more important part in the provision of industrial finance for the private sector. He welcomed the recommendation of the Taxation Enquiry Commission, which relates to the raising of the tax-free limit for contribution towards the provision of life assurance. This limit, which was one-sixth of the total income, subject to a maximum of Rs. 12,000 for a Hindu undivided family and Rs. 6,000 for any other assessee, has, on the Commission's recommendation, been raised to one-fifth of the total income subject to a maximum of Rs. 16,000 for Hindu undivided families and Rs. 8,000 for other assessees.

Proceeding, the Chairman referred to many new activities in which the Association was now engaged. Some of them are of great importance to the future of insurance in India. The Association has been engaged in the work of standardising the various forms which are used by life offices. The medical report form and the personal statement form have been standardised. It would appear that the Association has appointed a Sub-committee to recommend standard proposal form and claims form. The work on standard heights and weights tables, for which the data have been collected, is expected to be completed shortly. The preliminary work relating to the combined mortality investigation of Indian assured lives is stated to be "proceeding fairly well." The desirability of conducting some training course for insurance agents, it is stated, is under the "active consideration of the Association." Such a course would prove of great benefit to agents, as well as insurers, and would help evolve a well-informed and trained agency force.

Although Indian insurance has had its share of trials and tribulations, there is no doubt that it has an impressive record of progress to its credit. Mr. Balasubramanyam is fully entitled to the claim that "insurers have every reason to feel proud about the achievements of Indian insurance during the last decade." Over the decade ended 1953, total life insurance business in force has increased from Rs. 378 crores to Rs. 962 crores. Even so, there is a long leeway to be made up. Only 3 million families, according to the Chairman, enjoy insurance protection, and even that protection is only of the order of Rs. 3,000 per family on an average. Again, the amount paid by way of life insurance premiums in 1953 was about Rs. 52 crores or a mere ½ per cent. of the national income. "These figures," as the Chairman said, "clearly indicate that we have touched only the fringe of the problem." Insurance organisation has continued to remain "largely urban in character." He pointed out that there had been a shift in income and considerable rise in the purchasing power among industrial workers and agricultural classes. He rightly urged the insurers to extend the benefit of insurance to all classes and to "penetrate into rural areas." There is, he added, "immense scope before us for expansion and for greater and useful service." This is both a challenge to and an opportunity for insurers. If Indian insurance, which is founded on private enterprise, does not make headway, it will not be able to justify itself before the bar of public opinion.

MARKET GOSSIP

NATIONAL RAYON TO ISSUE DEBENTURES

ENGINEERING INDUSTRY NEEDS EXPANSION

WEDNESDAY, 5 P.M.

THIS has been a listless week for the share markets. The opening of new settlement on the Bombay Stock Exchange brought no fresh enthusiasm. On the contrary, business has been dull and fluctuations narrow. The only feature has been the growing volume of option business. Large scale *Teji-Mandi* option is alleged to be going on, at rates believed to be attractive. A few operators who are said to have bought thousands of Tata Ordinaries are still believed to be holding on in the expectation of a favourable decision by the Government about retention prices. According to one source, however, one of the bulls has been gradually unloading his holdings whenever market conditions are favourable. That probably explains the fall in Tata Ordinaries today from Rs. 241-8 to Rs. 238. Mill shares and miscellaneous counters are a shade steadier.

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The shares of the National Rayon Corporation have been ruling steady to firm for the past few days, advancing from Rs. 196 on Thursday last to Rs. 204 today, before closing at Rs. 202. Though the rise is due partly to the impending announcement of the dividend, variously estimated from Rs. 9 to Rs. 12 per share, knowledgeable circles attribute it to the Company's decision to raise a large amount of debenture capital. This evidently means that the Company does not propose to raise additional equity capital in the near future, as was contemplated at one time. It is reported that the amount of debentures is Rs. 1.50 crores, carrying interest at the rate of 5½ per cent. The issue price will be at par. The redemption period will be 10 to 15 years, with the option to redeem not more than 20 per cent. of the issue every year after the lapse of five years from the date of issue. Out of the debenture capital thus raised, the Company proposes to utilise a sum of Rs. 40 lakhs to repay the outstanding loan from the Industrial Finance Corporation of India. The balance will be utilised to finance the setting up of a caustic soda plant with a capacity of 20 tons per day, and also for expanding the capacity of the present rayon plant by 30 per cent.—that is, from the present level of 9.5 million lbs. per annum to 12.5 million lbs. per annum. So far as the forthcoming dividend for 1954 is concerned, we reliably understand that the Board is meeting next week to take a final decision. It is generally believed that it will be either Rs. 10 or Rs. 10-8 per share.

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A special meeting of shareholders of the Imperial Bank of India was held on Thursday last for considering the Government's decision to nationalise the Bank. The meeting was presided over by the Chairman, Mr. Vithal Chandavarkar. In a long speech delivered on this occasion, Mr. Chandavarkar deplored the Government's decision to nationalise the Bank. He averred that the Board had done everything possible to co-operate with the Government and to carry out its instructions. He catalogued the steps taken by the Board to safeguard the interests of shareholders. He argued convincingly that the Government should take the period prior to February, 1948 as the base for determining the compensation payable to shareholders, for, ever since that month, the value of shares remained depressed following the announcement, by the late Dr. Shanmukham Chetty, the then Finance Minister, of the Government's decision, in principle, to nationalise the Bank. A resolution was unanimously adopted at the meeting urging the Government to take a fair period for arriving at the market value and to pay the entire compensation amount either in cash or in Government loan at a rate which would give an income equal to the present yield on these shares.

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Two impressive points emerged from the speeches of those who addressed the meeting. One was that the total number of shareholders of the Bank exceeded 10,000, a large majority of whom were small shareholders. This shows that the Bank is not being owned by a few tycoons, as is generally believed. The other point was that, generally, politicians seemed to be of the opinion that all investors were big capitalists and they proceeded to make legislation in that spirit. There is considerable truth in this assessment of an average politician's mind. But such an impression is wrong. There are quite a number of shareholders in this country who belong to the middle class, some of them widows and young children. Then, there are also institutions such as insurance and trust companies which are performing a valuable economic function. So, whenever anything is done which affects investment, it is not the big capitalists alone who suffer but also small investors and certain institutions that are doing good work for the economic progress of the country.

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Much interest attaches to the visit to India of the British Steel Delegation. The Delegation, it is stated, met the Negotiating Committee of the Government of India this week. Although little is known about the subjects discussed, it is understood that the Mission and the Government are agreed that Durgapur will be the site for the new steel factory. A question, which seems to have remained undecided, is whether global tenders should be invited for placing orders for the steel plant. If the Indo-Russian steel agreement were adopted as a model, there would be no global tenders. Since Russia offered credit facilities, the Government felt that no global tenders were necessary. Britain, too, it is stated, has offered such facilities. As regards the Rourkela steel plant, which is being set up with the co-operation of German steel interests, global tenders were found necessary since the Government proposed to pay cash for the supply of machinery.

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Now that another steel plant is likely to be set up—that is, in addition to the two steel plants, one with the aid of Russian steel interests and the other with the help of German interests—it is certainly pertinent to enquire into the effect of the proposed new level of steel output on India's other industries. This line of enquiry, it is interesting to record here, was ably pursued by Mr. K. Chatterton, Chairman of the Indian Engineering Association Calcutta, in the course of his address at the recent annual meeting of the Association. Steel, as Mr. Chatterton did well to remind his listeners, is not an end in itself. It is not a commodity that is directly consumed. It is a basic raw material for a wide range of engineering industries. It is, therefore, important that, as more and more steel is produced, the steel-using industries also should be enabled to expand.

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At the outset, Mr. Chatterton said that the target of six million ingot tons of steel, mentioned frequently as the target to be reached by 1961, was "completely impracticable." In any case, more steel plants are being set up. And before they are taken in hand, he rightly urged the Government to start early negotiations with the engineering industry with a view to knowing whether any substantial part of the constructions, involved in the new steel plant, could be undertaken by Indian firms. He felt that, if all steel plants were simultaneously set up, the engineering industry might not be in a position to contribute its due share in the setting up of the plants. In that case, the great bulk of the plant and machinery would have to be imported from abroad to the detriment of India's foreign exchange position and of employment in this country.

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Mr. Chatterton placed the current level of consumption of steel in India at two million tons. He added: "Obviously to provide six million tons, which is treble the present usage, is unrealistic as the capacity of secondary industry to absorb the amount by 1961 cannot be made available." He thought that it would be more realistic to plan for about 3.5 million tons by 1961 and to phase the programme, so that the building of capacity beyond this level and the growth of secondary industries could proceed simultaneously. To increase steel-making capacity to 3.5 million tons, he said, would require about 200,000 tons of buildings and plant, which could be made in India with a saving of at least Rs. 30 crores in foreign exchange. It would also provide employment for 8,000-10,000 men.

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Nor is this the only aspect of the Government's steel plans that is of interest to the engineering industry. The increase in steel output would, as already indicated, call for an expansion of the steel-using section of the engineering industry. In this connection, Mr. Chatterton said: "By 1961, possibly 1,500,000 tons of new steel production will have to be absorbed annually and this will require an enormous increase in the capacity of the engineering industry, which in turn will require finance on an even larger scale than that required for the production of the steel. Government has laid down that, in general, this is a field for the private sector and, as much of this expansion must be done through a multiplication of comparatively small units, it does not lend itself to Government enterprise." The best way to obtain a large expansion of the engineering industry, according to Mr. Chatterton, is to modernise and extend existig workshops rather than to build new ones.

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Mr. Chatterton said that one of the mainstays of engineering was an efficient machine tool industry. The total output of machine tools in India was still very small, as compared with its total requirements. Much capital had been sunk in the Government machine tool factory at Jalahalli but the results had "been insignificant." Machine tool industry was essentially a field for private enterprise, and for small firms. Explaining why it was so, he said:

"It is the enthusiasm, skill and willingness to take risks of one man that makes for successful machine tool building and these are not the qualities that are found in the average Government servant. This is important, as, without these qualities in the leadership of the Government machine tool enterprise, Jalahalli will become a shell and the loss will be to the country. There is no desire to make capital out of Government's mistakes in this field, but I would make an earnest plea to those in authority to review the whole position of machine tool building in this country."

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The expansion of engineering industry would require a large amount of fresh capital. In this connection, Mr. Chatterton deplored the "unrealistic official attitude on what should be a fair return on risk capital." He added: "There is much woolly thinking on this important question of a fair return on capital. The plea, that is often put forward in India, is that the return on capital should be very restricted until the standard of living has been raised. To raise the standard of living and to provide more employment are the two most vital problems facing the country, but, on a long-term basis, the former can only be achieved by putting more capital behind each worker, whilst the latter can only be done by creating new industries, so that anything which restricts the free flow of capital into an industry is a disservice to the country. No enlightened industrialist seeks nowadays to pay extravagant dividends but rather looks for such a return on his capital that he can retain sufficient profits to meet the very high cost of modernising fixed assets, to assist towards future expansion and to provide new employment. These are all vital objects and must be catered for if industry is to expand in the way we desire."

Surely, the Government is adopting a short-sighted policy in fixing such low returns on capital. Considering that it is a fair return that determines the flow of capital to industries, the Government's policy means, in effect, that the country is losing a great deal in the shape of lost opportunities in industrialisation.

LONDON LETTER

NEWSPAPERS AND THE ECONOMIC SURVEY

From Our Own Correspondent

LONDON, *2nd April*

NEVER before since London became the home of what is called the "National Press" has the city been without newspapers for so long. Even during the general strike, there was a Government publication, but, this time, there is nothing. However, as far as the straight news goes, the public is kept informed by a few minutes of extra time each day by the B.B.C. and, for the rest, people are slowing becoming acclimatised to the shortage of daily reading matter and turning to books and periodicals. The dispute over wages is briefly that the maintenance men, electricians and engineers in the industry who are receiving a wage about 80 per cent. above pre-war want an increase to 125 per cent. above pre-war. Against this demand for an extra 45 per cent., the employers' offer is 5 per cent. and, since the latter is the sort of increase which has been successfully negotiated with other Unions, they are afraid to budge since this might re-open the other negotiations. The dispute has now lasted over a week and still shows no sign of being settled. Meanwhile, the Press proprietors are giving notice to the journalists on their staffs.

Only daily and Sunday newspapers are affected by the strike and this week saw the publication of the Government's annual economic survey. This shows very fully the reasons which have induced the Chancellor to bring increasing stringency into his money management. Up to now, all the public has had to go on about the trend of the balance of payments has been the trade accounts, but these are liable to differ substantially, particularly in time, from the true balance of payments and, in fact, it is revealed that they have been over optimistic.

A mere comparison of 1954 with the preceding year is inadequate, since this shows a surplus on the balance of payments on current account of £160 million, as against £217 million in the previous year, but over £50 million of the difference were due to a reduction in American Aid. On trade account there appears to be little reduction. The significant thing, however, is that the first half of 1954 showed a favourable balance of over £170 million, while the second half year gave an adverse balance of £12 million. It is the rapid rate of deterioration which has been one of the principal causes of concern. The other has been the relative worsening of the position with non-sterling countries. The United Kingdom's balance of payments with the sterling area gave a surplus of £114 million in the first half of last year and of £155 million in the second half, a total substantially better than that for 1953. But the trend with non-sterling countries was precisely opposite. In the first half year, there was a favourable balance of £58 million (which included £24 million of Defence Aid), but, in the second half year, there was a deficit of £167 million. Although the second half of the year normally shows a higher level of imports, yet the discrepancy on this occasion is very far from normal. Besides, it is not confined to the expansion in imports in the latter part of the year, or even to the slight reduction in exports (in which the dock strike played a part), but also to a falling off in the invisible earnings.

The United Kingdom, however, has to reckon not only with its own balance of payments but also with the balance of the sterling area as a whole. Its own balance with non-sterling countries was a favourable one of £44 million in 1953 and became an adverse one of £109 million in 1954—a worsening of £153 million. Over the same two years, the balance of the other countries of the sterling area with the non-sterling world deteriorated from £281 million surplus to only £116 million surplus—a deterioration of £165 million. Thus, the balance of payments of the sterling area with the non-sterling world has worsened by nearly £320 million. The analysis between the first and second half years shows the sharpness of the deterioration—the first half year showed a surplus of over £170 million, but the deficit in the second half wiped this out.

This external position is in contrast with a highly prosperous internal economy which might have yielded substantial tax reliefs in the coming budget. As it is, the external blasts will make the Chancellor tend to cling to some of the fat he had built up in the Exchequer accounts for the financial year just closing.—*All Rights Reserved.*

STOCK EXCHANGE RULES STEADY

TEXTILE SHARES RECOVER

(From Our Own Correspondent)

BOMBAY, *6th April*

THIS week's review of the Stock Exchange covers only three sessions, on account of the intervening holidays. Further, we go to press a day earlier than usual in view of the holiday on Friday, the 8th inst. During this short week, conditions were dull, though the undertone was steady with small gains all round, in refreshing contrast to the decline in the previous week. The absence of any large-scale selling pressure was a helpful factor, which coupled with bear covering lifted values from the low levels touched early in the week. There was, however, no investment support, the bulk of the transactions being confined to option business.

In the steel section, Tata Ordinaries were quiet with movements confined to a very narrow range. The absence of any announcement regarding revision of retention prices and rumours about the Government's policy towards expansion of steel industry in the private sector caused some uncertainty amongst operators. Consequently, after a modest advance from Rs. 239-8 to Rs. 241-4 today, Tata Ordinaries fell at the close to Rs. 239. Indian Irons dropped early in the week from Rs. 35-3¼ to Rs. 35-1½, but rallied to Rs. 35-9½ before closing at Rs. 36-6½.

Textile shares provided the main feature with hardening of prices on bear covering over a wide front. Bombay Dyeings, after a dip from Rs. 466-4 to Rs. 465, advanced to Rs. 472-8 today, but the closing was lower at Rs. 469-6. Kohinoors moved between Rs. 312-12 and Rs. 316-4, before finishing at Rs. 314-8, as against last week's closing of Rs. 314-12. Centurys gained over the week Rs. 2-12 to Rs. 380, the highest level touched during the week being Rs. 383. Central Indias showed no change at Rs. 127, as also Finlays at Rs. 260. Gokaks were marked up by Rs. 230, evidently on the strength of the Chairman's statement that the Company was doing everything possible to raise production and reduce costs. Shree Niwas picked up Rs. 2-8 and closed at Rs. 234-6. Simplex gained Re. 1-12 to Rs. 146-12, Standards Re. 1-14 to Rs. 363-12 and Svadeshis Re. 1-4 to Rs. 190-8. Tatas, however, reacted from Rs. 55-8 to Rs. 53-8.

The banking section ruled steady, barring the weakness in Imperial Banks on continued selling pressure. Centrals were a fraction better at Rs. 50-4, as also their new shares at Rs. 52. Barodas were held at Rs. 108-4. Bank of Indias gained Re. 1-8 to Rs. 146-8 and Punjab Nationals As. 12 to Rs. 43. United Commercials were done at Rs. 44-4 *ex-div.* as against Rs. 46-12 *cum-div.* a week ago. Imperial Fully Paids were marked down by Rs. 2-8 to Rs. 1,577-8 and the Partly Paids by Rs. 10 to Rs. 380.

Insurance shares ruled quiet, with a further drop of Rs. 2 to Rs. 50-8 in New Indias being a feature. Jupiters were marked down by Re. 1-9 to Rs. 8-6. Orientals were, however, unchanged at Rs. 7,275, as were Industrial and Prudentials at Rs. 42-8 and Empire of Indias at Rs. 700.

Electricity shares were featureless. Ahmedabad Electrics, however, recovered some ground from *Rs. 110-5 to Rs.110-10.* Bombay Suburbans lost As. 10 to Rs. 125-10, while Surat Electrics were better by As. 10 at Rs. 128-2. Andhra Valleys were marked down by Re. 1-4 to Rs. 1,402-8, but Tata Hydros *were maintained* at Rs. 147. Tata Powers gained Rs. 7-8 to Rs. 1,500.

The miscellaneous section recovered from the depressed mood of the previous week. Sugar shares emerged better with prices marked up. Belapurs picked up Rs. 2 to Rs. 313-8, in refreshing contrast to the loss of Rs. 6-8 in the previous week. Phaltans were fractionally higher at Rs. 118 and Walchand*nagars changed hands* Re. 1-14 higher at Rs. 225. In the cement group, A.C.Cs. were dull and moved between Rs. 179-4 and Rs. 180-12, before closing at Rs. 180-4. A feature of this group was, however, provided by Digvijays which shot up from Rs. 176 to Rs. 179-4, thus almost recovering the previous week's loss. Shipping shares were dull but steady, *Scindias gaining small ground from* Rs. 15-3¼ to Rs. 15-7¼. Great Eastern Shippings were held at Rs. 16-10. Indian Steamships were better at Rs. 7-11. In the engineering and mining group, Alcocks continued to lose ground from Rs. 280 to Rs. 272-8. This is the fourth week in succession in which the decline in Alcocks has persisted, the fall over this period being Rs. 20. After last week's recession, Premier Constructions gained Rs. 2 to Rs. 158. Shivrajpurs lost a rupee to Rs. 80-8, despite the note of subdued optimism struck by the Company's Chairman about the outlook for the Company. B.B. Petrols were quiet at Rs. 3-14, while Indian Coppers attracted attention and gained As. 2 to Rs. 3-10½.

In the miscellaneous industrial group, Bombay Burmahs recouped a part of the previous week's loss by advancing from Rs. 466-4 to Rs. 470. B.I.Cs. were in demand and rose by As. 5 to Rs. 8-3. National Rayons were firm with a rise from Rs. 197-8 to Rs. 204, though the closing was lower at Rs. 202, due to proximity of dividend announcement and rumours of a debenture issue to finance the Company's expansion programme. Tata Chemicals were a shade better at Rs. 15-4, while Tata Oils disclosed no change at Rs. 40-8. Wimcos returned to favour and rallied from Rs. 196-4 to Rs. 200.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, *4th April*

A steady trend was in evidence on the Calcutta Stock Exchange during the week under review. There was no session on Friday on account of *Sriramanavami*. Teas once again claimed a major portion of the funds in the market, and recorded handsome gains. The reduction in the export duty on tea cheered up sentiment further. Sugar shares were also a very active section following the improved outlook for mills during this crushing season. Textiles were steady following the reduction in the excise duty. Jutes, on the other hand, were quiet and the recent publication of good working results of some mills seemed to attract little notice. This was so because of the uncertainty whether there would be an increase in exports of jute goods and, as a result, of the further uncertainty whether working results for the current accounting period would be equally good. Foreign enquiries for jute goods have been below normal, and distressingly enough, prices of raw jute have tended to move up this week. Prices of jute goods fluctuated within narrow levels, but rates would have to move down further to attract buyers. Tobacco shares were dull as it was thought that the addition to excise duties on cigarettes would affect consumption. Miscellaneous industrials were maintained at previous levels, as were engineerings.

Sectionwise, tea shares were very popular, and this week's gains included a rise of Rs. 30 to Rs. 405 in Nagalsurrees, and the hardening of Methonis to Rs. 32 from Rs. 29. Carrons were pushed to Rs. 340 from Rs. 301, with Hantaparas moving to Rs. 400 from Rs. 391. Rajabhats claimed attention and improved to Rs. 37-2 from Rs. 36. Sapols were higher at Rs. 45 as against an opening of Rs. 43-12 and Hansquas moved to Rs. 34-4 from Rs. 30-14. On the other hand, Birparas were subjected to profit-taking and receded to Rs. 297 from Rs. 308, while Jayshrees were shifted to Rs. 13-8 from Rs. 13-2, following the publication of good working results for the year ended December last.

Jutes were dull. Nationals fluctuated between Rs. 34-6 and Rs. 34-11, closing at Rs. 34-8. Howrahs were quiet at Rs. 29-10, realising today Rs. 29-14. Nuddeas receded to Rs. 54-8 from Rs. 54-12. Barnagores changed hands at Rs. 179, while Birlas firmed to Rs. 20-8 from Rs. 19-14. At Rs. 150, New Centrals shed five points, while Anglo-Indias changed hands at Rs. 227 as against Rs. 225 earlier. Indias were put through today at Rs. 208 as against Rs. 222 previously.

In the engineering section, Indian Irons opened at Rs. 35-5 last Tuesday and were around that rate throughout the week. Braithwaites were pushed to Rs. 24-7 from Rs. 24, and Richardson & Cruddas were steady around Rs. 17-9. Texmacos were better at Rs. 16-14 and Burns at Rs. 271.

Among miscellaneous shares, B.I. Corporations were a feature and improved to Rs. 8-6 from Rs. 7-14. Indian Cables were in good demand and improved to Rs. 25 from Rs. 24-12, while Dunlop Rubbers were unchanged at Rs. 37-6 and Rohtas Industries at Rs. 23-14. Martin Burns were quiet at Rs. 23-4 and moved down today to Rs. 23, but Jardine Hendersons were transacted at rates varying from Rs. 116-8 to Rs. 118. Titaghur Papers were noted for an improvement to Rs. 43-13 from Rs. 43-2.

In textiles, Kesorams were in the forefront and rose to Rs. 27-2 from Rs. 25-4, while Dunbars, after realising Rs. 214, gave way to Rs. 212. Elgin Mills were steady at Rs. 17-8.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, 5th April

The Madras Stock Exchange remained comparatively dull during the week under review. Textiles, banning a few select scrips, were neglected, thanks to reports of lack of domestic and overseas demand for piecegoods. Even teas did not present a bright appearance. The fixation by the Government of India of a price of Rs. 3-8-9 per lb. of tea leaves for the purpose of determining export duty, which means a reduction of As. 2 per lb. from the duty paid hitherto, did not have any salutary effect on the market. For it only reflected the declining trend in export prices for tea leaves. Rubbers also experienced a quiet trend, though coffees ruled steady. Miscellaneous scrips came in for some enquiry. On balance, business done was small and price movements were limited to narrow levels.

There were two important dividend announcements during the week under review. Peermade Tea Co., Ltd., declared a final dividend of 40 per cent. thereby making a total of 55 per cent. for the year ended 31st December, 1954, as against 37½ per cent. for the previous year. This is the highest dividend declared by any estate so far for the year 1954. Vaikundam (Travancore) Rubber Co., Ltd., announced a dividend of 22½ per cent. for year ended 31st December, 1954, as against 20 per cent. for the previous year.

In the textile section, Coimbatore Pioneers advanced by Rs. 3 to Rs. 226 and Coimbatore Spinnings by Re. 1-4 to Rs. 73-12. Cambodias gained As. 2 to Rs. 12. Maduras were higher by As. 6 at Rs. 45-8. Rayalaseemas improved from Rs. 86 to Rs. 90. Bangalore Woollens, however, lost Rs. 8-12 to Rs. 461-4 and Pankajas As. 12 to Rs. 59-4. Coimbatore Cottons were dull at Rs. 285, Rajapalayams at Rs. 80 and Vasantas at Rs. 230 *cum-div.*

In the tea section Coonoor Teas gathered As. 4 to Rs. 34-8 *cum-div.* and Talyar Teas As. 2-6 to Rs. 14-9-6 *cum-div.* Periakaramalais were better by As. 2 at Rs. 8-2½ and Highlands by an anna at Rs. 16-1. Chandramalais were fractionally better at Rs. 5-9. Coorg Teas, however, were quiet at Rs. 10-1 *cum-div.*, Devasholas at Rs. 25-8 and Devons at Rs. 17-12. So were United Nilgiris Teas at Rs. 295 and Udayagiris at Rs. 19-8. Blue Mountains were fractionally lower at Rs. 3-12.

Among rubbers Be Bes lost As. 4 to Rs. 4-5 and Peninsulars As. 2 to Rs. 16. *Kallas* were unchanged at Rs. 5-8½, Mercaras at Rs. 6-7 and Teekoys at Rs. 8-14. Vaikundams were quiet at Rs. 23-6 and Velimalais at Rs. 6-9. Malankaras, however, put on Rs. 2 to Rs. 26. Pullangodes were fractionally better at Rs. 3-9.

In the coffee section, Coffee Lands gained an anna to Rs. 17-5 and Consolidated Coffees As. 5 to Rs. 19-12. Kadur Coffees was cheerless at Rs. 1-10½ and Mysore Coffees at Rs. 1-11. Puthuiotams lost an anna to Rs. 4-11.

Among miscellaneous scrips, Dalmia Cements (Rs. 10 paid-up) hardened by As. 4 to Rs. 13-4. Mysore Chemicals and Manufacturings disclosed a gain of As. 8 at Rs. 17-8 and Parrys As. 1½ at Rs. 4-9. Rallis improved by Re. 1 to Rs. 39. India Cements gained As. 4 to Rs. 22-12. Mettur Chemicals, however, lost As. 3 to Rs. 8-10 Spencers were down by As. 2 at Rs. 17-2.

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EXPORT DUTY ON TEA

The Government of India has fixed the price of tea for the purpose of determining the export duty, at Rs. 3-8-9 per lb., as against Rs. 4-3 per lb. announced on 1st March, 1955. The export duty at this price will be As. 8 per lb., being a reduction of As. 2 per lb. from the duty hitherto in force.

The price is fixed on the basis of the weighted average price of all Indian tea sold in the London auctions during the previous month. This price will be notified on the first of every month. No deduction is made from the London auctions price for transport, insurance, etc, as these factors have already been taken into account in the fixing of the slabs in the Finance Bill.

The revision of the price, as stated above, is in terms of the slab system of export duty introduced under the latest Budget proposals. Though the introduction of a slab system has been gratefully acknowledged by the tea industry as a vastly superior one, both in fairness and in flexibility, to the old system of a fixed duty irrespective of the price of tea, it must be mentioned that this system, too, is not entirely free from defect. The defect is that there is no means whereby the duty can be varied promptly in accordance with variations in the price of tea. To take the latest decision as an instance. The Government says that it has fixed the price on the basis of the weighted average price in London during the previous month, but the current price in London is much below the price fixed by the Government, namely, about 3s. per lb. If export duty is excluded from this, the export duty applicable will be only As. 6 as against As. 8. Thus, the tea exporter is being asked to pay a higher rate on account of the official delay in fixing the price. Tea circles also feel that it would help them to understand the position a great deal, if the Government were to fix and publish the exact manner in which the duty can be ascertained *from time to time.*

A CORRECTION

In the sixth para of the article "The Muddle in Bombay Bullion Market" appearing in our last issue—*vide* pages 608 and 636—some words were inadvertently left out in the second sentence. This sentence should read thus: "One of the Directors wrote to the Finance Minister that, in respect of clearing payments, two days time-limit should be extended, during which period they would try to bring about a settlement."

AMERICAN LETTER

ADMINISTRATION'S HONEYMOON WITH DEMOCRATS OVER

MOTOR WORKERS' VAGUE THREAT OF STRIKE

From Our Own Correspondent

NEW YORK, *24th March*

BY far the two most important developments in the United States in recent days and weeks was the release of the State Department papers on the Yalta Conference and the Senate Fulbright Committee's study of the rising stock market.

The release of Yalta papers, in the historial perspective of a few years, may turn out to be a major blunder. What happened was that, in the desire of the executive branch of the Government to be co-operative with Congress, the Yalta papers were made available to several Congressional committees. Literally within hours of it, both the *New York Times* and the *New York Herald Tribune* published excerpts. Then, the State Department released the papers to everybody.

The desire to be co-operative with Congress on the part of the Administration backfired badly. Republicans in both the Senate and the House of Representatives, apparently, thought the revelation of the Yalta documents would be damaging in the strictly partisan sense. That remains to be seen at the next election.

What happened was that the Democrats became quite angry and now the entire liberal foreign trade programme of President Eisenhower is in danger of collapse since it requires the support of a substantial number of Democrats. In other words, the release of the Yalta papers not only jeopardised an important part of the Administration's legislative programme, but it ended the honeymoon of the Republican Administration with the Congress, now controlled by the Democrats.

The strange aspect of the political side is that the popularity of the President has never been greater than it is at present. No doubt, he could be elected tomorrow on either the Republican or Democratic ticket without any difficulty.

Regional political stresses are great, however, and party lines are being transcended in many instances for matters of principle or expediency. Senator Joseph McCarthy, who was so much in the headlines last year, has almost completely disappeared in public print since the mild denunciation of his practices by the Senate.

Two outstanding observations about the Yalta papers are being made here. One is that, obviously, President Roosevelt was a very sick man and should never have attended the Conference. The other is that the East and the West spoke two different languages as it were.

The promise of free elections meant Communist elections to the Communists and an unfettered expression of opinion by the voters to the West. As a matter of hindsight, few people understand how the leaders of the West could have been so gullible at the time.

Another point which seems to be established in United States public opinion is that American intelligence during the war left much to be desired. Military advisers of the President were suggesting at the time of Yalta that it would take two more years to subdue Japan at the cost of hundreds of thousands of lives and that Russia would have to cope with the mighty Japanese armies in Manchuria. It now turns out that Japan was about finished even without the atom bomb and there were hardly any Japanese left in Manchuria.

So far as the investigation of the stock market by the Senate Fulbright Committee is concerned, it produced at one point sharp setbacks which were eradicated later. In everybody's mind, old enough to remember, the study resembled the Congressional investigation into the stock market shortly before the market crash of 1929.

Hearings, now and then, found no reason for alarm, even though prices had gone up. The most eminent authorities suggested that the market upsurge was primarily the result of the previous inflation and that there was nothing to worry about.

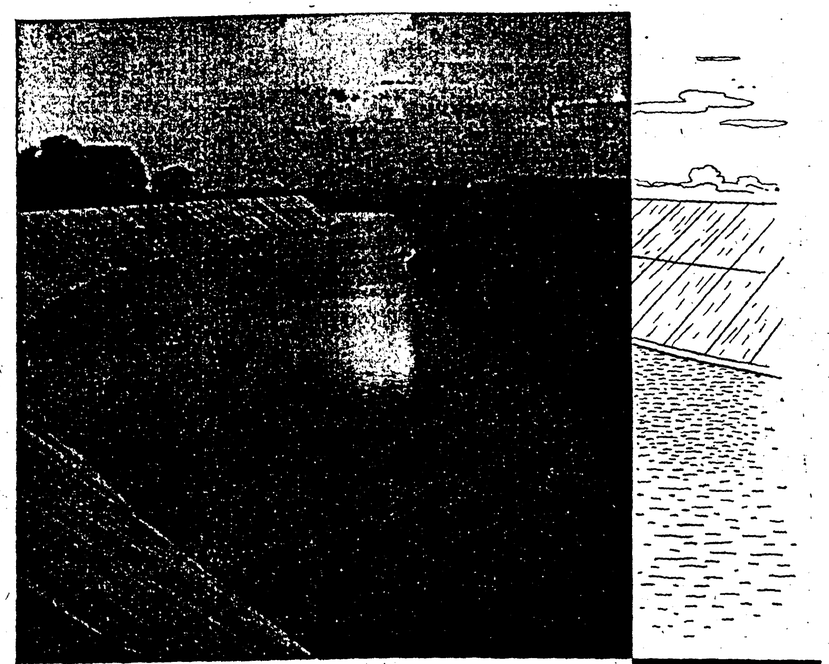
There is a chance, though, that the Federal Reserve Board may become concerned with substantially higher stock prices and might raise margin requirements above the present level of 60 per cent.

Another field which is causing concern is that of building and construction. Builders started homes under private financing at a rate of 1.4 million a year in February, 20 per cent. above February, 1954.

In order to sell these homes, innumerable incentives are being offered. The shrewdest observers claim there is not much more room in this country for more than 1 million homes a year to go up considering obsolescence and the normal increase in population.

On the other hand, an air of optimism prevails. This is exemplified not only by the stock market but by planned expenditures of business for new plant and equipment this year at the rate of $27,400 million, as against about $26,000 million last year.

(*Continued on page* 699)



Nangal Power Channel—Bhakra-Nangal Project
15,00,000 tons of ACC cement will be used on the entire project
Built to last with *ACC* cement
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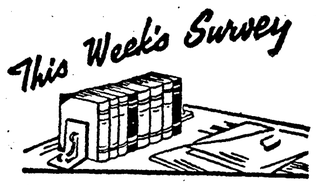

AID FOR UNDERDEVELOPED COUNTRIES

IT was, indeed, an able and impressive survey of the recent trends in the economy of South-East Asian countries that Mr. C. Blaker, Chairman of the Hongkong and Shanghai Banking Corporation, made when he addressed the ordinary annual general meeting of the Bank held at Hong Kong recently. Mr. Blaker did well to lay special stress on the need for more external capital investment in this region and that on more generous terms than hitherto offered to the the underdeveloped countries. Evidently, he must have been prompted to make this remark by two vital considerations. First, the standard of living of the masses in South-East Asia is at too low a level and, unless it is raised speedily, the economic position of the free world will not be secure. Secondly, the policy of financing a part of the development programmes by budget deficits, now being followed by some countries, should not be carried too far, as such is beset with dangerous consequences. Urging caution in deficit financing, Mr. Blaker said: "There have been so many instances during the last two decades of inflation getting out of hand in Eastern countries that the risks must be clearly in the minds of the financial authorities responsible for any inflationary action and the responsibility is a serious one."

There is much reason in Mr. Blaker's warning, as also in his statement that, if internal finance cannot be raised for development needs, "the safest way out of the difficulty" is to seek external finance—private or Governmental. But the point is whether much reliance can be placed on external finance, what with the restrictions imposed by the Governments of several countries on the inflow of such capital. Mr. Blaker was, therefore, right when he complained that foreign private investment had not hitherto received much encouragement from the less developed areas. "Political uncertainties, nationalistic suspicions and rapid restrictions," to quote him, "have antagonised and frightened potential investors ... even foreign Governmental aid, if coming from one exclusive source, has been looked at with some suspicion in recent years."

The Hongkong and Shanghai Banking Corporation Chairman considered the establishment of an International Finance Corporation (as an affiliate of the World Bank and with an initial capitalisation of $100 million) as a step in the right direction. The Corporation, as is well known, is designed to increase private investment in the less developed countries. He also welcomed the setting up of the Industrial Credit and Investment Corporation of India. Characterising this body as "a promising international-cum-private investment concern," he observed that, if successful, the Corporation might well prove to be a model for similar ventures in other Eastern countries. Indeed, Pakistan has already taken steps to establish a similar corporation.

Mr. Blaker's references to India are noteworthy. He had all praise for the financial policy of the Government, as witness his statement that Mr. Nehru's right-hand man is Mr. Chintaman Deshmukh, "the able Finance Minister, whose policy gives ample evidence of the practical financial mind which has maintained firm control of India's financial economy in the last few years." He also felt that the facts of unemployment, under-employment and low level of national income were being faced with realism. He felt, too, that private capital had been encouraged to go ahead without hindrance in certain fields of operation. At the same time, Mr. Blaker drew attention to some of the disturbing trends in Indian economy. He said: "Indianisation is not being pressed unduly, but it remains a threat of uncertain cogency. The revision of Article 31 of the Constitution may not be harmful at the present time, but there are fears as to what may happen when new people come into power. Similarly, the managing agency firms have been told that they are unduly apprehensive, yet their fears for the future are not assuaged. Finally, the nationalisation of the Imperial Bank of India was done with worthy motive, but it caused a bad impression, as it was not thought to be necessary nor desirable."

The above extract is a clear and objective appraisal of the misgivings under which foreigners are doing business in India. These misgivings, as Mr. Blaker pointed out, apply not so much to the present as to the future. This note of warning deserves to be headed, as it has been sounded by a person who is the head of an institution which is really interested in the economic development of India (as also of other countries in the Asian region) and which fully supports programmes designed to raise the living standards of the people of this region.

INDO-GERMAN TRADE PACT

A trade agreement between India and the Federal Republic of Germany was signed on 31st March in New Delhi. The Agreement, effective from the 1st inst., will remain valid up to the time it is terminated by either party by giving three months' notice. It facilitates trade between the two countries in all commodities, subject to their respective import, export and foreign exchange control regulations in force from time to time. According to present Indian regulations, the Federal Republic is treated on a par with other countries in the soft currency area. The Federal Republic has agreed to treat India on a par with those countries which, not being members of the Organisation for European Economic Co-operation, clear their accounts through the European Payments Union. Imports into the Federal Republic from these countries have been liberalised to the extent of 88 per cent. of the total import trade of Germany, which means that, for commodities covered by the liberalisation scheme, import licences are freely issued.

This Agreement differs from other trade agreements in some important respects. It is not for a limited period. It is not really in the nature of a bilateral deal. It is does not contain an exhaustive list of the items, the import of which would be permitted by each country from the other in terms of the Agreement. Instead, the Agreement only reaffirms the desire of the two countries to expand their mutual trade and to give each other non-discriminatory treatment in the matter of import licensing. In 1954, imports from West Germany were valued at Rs. 34.52 crores, as against Rs. 28.78 crores in 1953. Exports from India to West Germany accounted for Rs. 14.59 crores in 1954, as against Rs. 10.37 crores in 1953.

In India, all import licences are issued with a validity for the entire soft currency area, so that the importer is free to go to Germany for his requirements if German prices, qualities, deliveries, etc., are suitable. Likewise, in Germany, a very large percentage of the import trade has been "liberalised" for all items covered by such liberalisation. Consequently, it is expected that there would be very little difficulty on the part of Indian exporters in securing import licences to Germany, if the German importer were prepared to buy the goods in India.

Among the items of interests to Indian exporters to which the liberalisation is applicable, the following deserve mention:

Tea, coffee, cotton, wool, coir ropes and cordage, palmyra fibre, manufactured and unmanufactured tobacco, animal hair, herbs and other raw drugs, leather manufactures, sheep and goat skins and leather, iron ore, manganese ore, mica and shellac.

There are, however, certain commodities, the export of which the Government of India is anxious to promote and the import of which into the Federal Republic of Germany is still subject to quantitative restrictions. These are cotton piecegoods, coir products (including mattings, door mats and carpets), jute manufactures, miscellaneous cotton, silk and artificial silk textiles, hand-made laces, tanned and finished leather from hides and calf skins and certain varieties of finished leather from sheep and goat skins, and pineapple juice. The Government of the Federal Republic of Germany has agreed to permit import of these goods into Germany up to certain annual limits. The exact quota for each item will, however, be announced in May. The quotas will be subject to revision annually. An important feature of the Agreement is that it also contains an offer from the German Government to facilitate technical co-operation between German and Indian firms and institutions.

FLOOD CONTROL

A notable feature of the outcome of the proceedings of the third meeting of the Central Flood Control Board, held recently in New Delhi, under the chairmanship of Mr. Gulzarilal Nanda, Union Minister for Irrigation, Power and Planning, is the Central Government's decision that financial assistance to States for flood control works will be in the shape of 30-year loans, interest-free for the first five years. Although some States felt that the interest-free period should be longer, the Board concurred with the Central Government's decision. Funds, in the shape of such loans, aggregating Rs. 2.31 crores, had been placed at the disposal of various States, in order to enable them to finance their flood protection works in 1954-55, but it is not yet known as to how much of this has actually been spent. It is also noteworthy that a provision of Rs. 10 crores is being made in the Central Government's Capital Budget for 1955-56 for giving loan assistance to the States in connection with their flood protection programmes.

The Board approved of a few flood control schemes, proposed by Assam, Bihar, Uttar Pradesh and Punjab States. It emphasised that greater use should be made of the existing research stations for conducting model experiments for flood control works and advised the States, which found it hard to secure research staff, to depute their best technical officers to the Poona Research Station for training. It requested the States to expedite schemes for soil conservation in flood-affected areas. The Board also considered the procedure laid down for scrutiny of flood protection works and agreed that non-emergent schemes should be prepared by State Governments, in consultation with their technical committees and Flood Control Board, and then sent to the Central Water and Power Commission for technical scrutiny. In the event of there arising a difference of opinion between the Commission and the States, or where the Commission desires a second opinion, the schemes concerned would be placed before the appropriate River Commission. (It may be mentioned here that there are three River Commissions—the Ganges, the Brahmaputra and the North-Western Regional rivers.) Thereafter, the schemes would be processed by the Ministry of Irrigation and Power in the usual manner and the C.W.P.C. would put all the schemes before the Central Flood Control Board for approval.

It is gratifying to note that flood control schemes are being executed expeditiously. Public co-operation is also not lacking. According to Mr. Nanda, about 50 per cent. of stone in the spurs and 10 per cent. of *ballies* at Dibrugarh has been laid. In Bihar, where the construction of embankments is in progress, about 12 per cent. of the work has been completed on the Kosi, 54 per cent. on the Burhi Gandak and 32 per cent. on the Baghmati. Satisfactory progress is being maintained in the U.P., where 75 per cent. of the work for providing protection to certain villages has been executed and 60 per cent. of the Chitauni bund and 50 per cent. of the Bellia-Beria bund has been finished. For giving flood protection to towns in West Bengal, 60 per cent. of the earthwork and 35 per cent. of the stone work has been done and 50 per cent. of the sal *ballies* needed has been collected.

Apart from these, it is proposed to install 119 additional rain gauges and observatories in Nepal, Bhutan, Sikkim, U.P., Bihar, West Bengal and Assam during the next three years, commencing from April, 1955. The Union Government is considering an estimated expenditure of Rs. 7.80 lakhs. Permission for Indian Meteorological Department parties to visit Nepal, Sikkim and Bhutan for the installation and observation of rain gauges has been sought from the Governments concerned. The Nepal Government has already agreed to allow work to proceed at 10 stations in the *terai* area, as against 51 stations in the hills. The Government of China has been requested to install 41 rain gauges in Tibet and to supply the data recorded at these stations for technical studies.

INSURANCE ACT

A non-official Bill to amend the Insurance Act in respect of payment of renewal commission to agent's successors has been introduced in the Rajya Sabha. The law, as it stands, no doubt provides for such payment but, in actual practice, it has been found difficult to implement this provision owing to certain legal impediments. The intention of the author of this non-official Bill is evidently to rectify them.

It may be mentioned here that, as a result of an amendment made in 1950 to the Insurance Act of 1938, there is a provision in the law which says that, if an agent has served the insurer continually and exclusively in respect of life insurance business for at least five years and policies assuring a total sum of not less than Rs. 50,000 effected through him for the insurer were in force on a date one year before his ceasing to act as such agent for the insurer, and that the commission on renewal premiums due to him does not exceed four per cent. in any case, or if an agent has served the insurer continually and exclusively for at least ten years and after his ceasing to act as an agent he does not directly or indirectly solicit or procure insurance business for any other person, the commission payable to him shall, notwithstanding the death of the agent, continue to be payable to his heirs for so long as such commission would have been payable had such insurance agent been alive. There is nothing new in this move as an unsuccessful attempt to this effect was made formerly.

It would appear that the implementation of this provision is difficult, because the renewal commission varies from year to year, so that its capital value cannot be assessed and a succession certificate obtained. The Bill, it is stated, seeks to remove this difficulty, in order that the interests of both the insurers and the agents may be protected and the intention of Parliament may be given effect to.

PAKISTAN BUDGET

Thanks to political exigency, there was complete departure in the presentation of the Pakistan Government's Budget for the financial year 1955-56. As the Constituent Assembly remained dissolved, the Finance Minister of Pakistan, Mr. Mohammed Ali, announced the Budget in a broadcast speech on the last day of the previous financial year, that is, on 31st March, 1955. The Budget has been published in a White Paper and authenticated by the Governor-General under Sections 33 and 36 of the Government of India Act, 1935, as amended by Sections 4 and 5 of the Emergency Powers Ordinance of 1955. A deficit of Rs. 1.4 crores (before taking into account the contemplated tax measures), according to the Press version of the Budget, is anticipated for the current (1955-56) year. The deficit compares somewhat favourably with the revised estimate of the deficit for 1954-55 at Rs. 2.5 crores.

The statement below gives the budget estimates for the current year, as compared with the revised and budget estimates for the previous year:

(In crores of rupees)

	1954-55 Budget	1954-55 Revised	1955-56 Budget
Expenditure ...	111.37	177.95	120.39
Revenue ...	113.68	115.44	119.02
Deficit (−) or surplus (+) ..	+2.21	−2.51	−1.37

The deficit of Rs. 1.40 crores is proposed to be converted into a nominal surplus of Rs. 5 lakhs through the implementation of three additional tax proposals which have already been given effect to by a special ordinance. These are: (1) an increase in the rates of excise duty on cigarettes falling in three higher priced categories by Rs. 4-3, Rs. 2-10 and Rs. 2-10, respectively, per thousand cigarettes; (2) the levy of an excise duty of 6¼ per cent. *ad valorem* on rayon cloth; and (3) the reimposition of the export duty of As. 3 per lb. on tea which had enjoyed full exemption since September, 1952. As against these fresh tax imposts, the Finance Minister of Pakistan has also endeavoured to provide relief to lower-income groups by reducing the excise duty on coarse cotton cloth by 50 per cent. Further, with a view to encouraging exports and thereby to ensure better return to producers of rice, raw hides and skins, and jute rope, he has exempted these products from payment of export duty. Another important measure of tax relief announced by the Finance Minister relates to enhancement of rebate allowed in import duty on component parts of radios from 20 per cent. to 44 per cent. as a measure of additional assistance to the radio assembly industry.

A striking feature of Pakistan's Budget for the current year is the continued high level of defence expenditure. Thus, the Government proposes to spend during 1955-56 as much as Rs. 80 crores on defence, exclusive of the outlay of Rs. 8 crores on reorganisation of Defence Services to be met from counterpart funds established under the U.S. commodity aid; even this is exclusive of the cost of equipment being supplied under the U.S. military aid programme. Although the amount of Rs. 80 crores is the same as that incurred in the year 1954-55, it represents more than 67.2 per cent. of the aggregate revenue receipts, including those of railways. This is, indeed, a huge amount, considering the size of Pakistan and the more urgent need for accelerating the pace of economic activity in the country.

The capital budget of the Pakistan Government provides for an expenditure of Rs. 124.4 crores during 1955-56. This expenditure, according to the Finance Minister, is meant almost entirely for financing the economic development of the country. The provision made for the next year is higher than that in any previous year and is nearly eight times the amount of Rs. 14.9 crores spent in 1950-51 on development. Capital expenditure will be financed by internal and external borrowings, foreign aid and a moderate degree of deficit financing. Out of the provision for development expenditure, a sum of Rs. 51.9 crores is earmarked for development schemes sponsored by the Central Government and Rs. 49.5 crores are to be given as loans to the Provinces and local bodies for their development schemes. A sum of Rs. 13.4 crores will be spent out of various development funds created for specific purposes such as the Refugee Fund, Social Uplift Fund and Agricultural Development Fund. This sum will be given as grants to Provinces and other organisations for similar purposes. Of the amount to be directly spent by the Central Government provision of Rs. 14.5 crores has been made for railways and the Chittagong port, Rs. 3.7 crores for posts and telegraphs, and Rs. 2.4 crores for the Warsak Hydro-electric project. Provision of Rs. 15.1 crores has been made for investment in projects of the Pakistan Industrial Development Corporation. In order to meet the growing requirements of industrial credit, it is proposed to establish an Industrial Bank during the next year. The Government will make a special deposit of Rs. 3 crores in this Bank, without interest, and the State Bank will give a loan of Rs. 2 crores at a low rate of interest. A sum of Rs. 2 crores has been provided for investment in the share capital of the Agricultural Development Finance Corporation and Rs. 1 crore for the House Building Finance Corporation. A provision of Rs. 75 lakhs has been made for establishing small-scale industries.

The 1955-56 Pakistan Budget White Paper and the broadcast speech of the Finance Minister do not make any reference to the repayment of the Partition dbet to India. This means that this year, too, the Pakistan Government does not intend to make any payment to India in satisfaction of this claim. Two instalments of Rs. 9 crores each have already become overdue. India's Finance Minister has, however, stated that further negotiations are due to take place in the near future and that a settlement will be reached in the current year.

SOME SHIPPING PARADOXES

From A Correspondent

NOT long ago, there were talks of over-tonnage on the coast—indeed some shipowners went to the length of saying that the saturation point in the coastal trade had already been reached. Oddly enough, now we are told that the coast is faced with a situation of under-tonnage, that difficulties are being experienced to get enough ships even for the carriage of the two most important bulk cargoes, namely, coal and salt. Coal shipments at present amount to only 11 to 12 per month, or barely one-third of the peak reached in the early post-war years when there were as many as 38 shipments of coal in a single month. Only a few months ago, the shipowners were agitated over the dwindling volume of coal cargo which continues to be the backbone of the coastal trade, and urged the Government for better rail-sea co-ordination and pressed for a guarantee that at least two million tons of coal, or almost double the present quantity, would be earmarked for coastal ships. But today not enough vessels are being offered to meet the modest requirement of 11 or 12 shipments. The earlier scramble for coal cargo has given place almost to an attitude of indifference.

This tendency is noticeable also in the salt trade. Some 20 shipments of salt have been programmed for the next two months; only one-quarter has been covered so far by the offer of vessels. The transport of Andamans timber, which is a relatively small item, underlines the same trend. The shipowners, never too keen on this cargo, are even less so today, especially since they consider the present rate uneconomic.

What are the reasons for this tight tonnage position on the coast? There has been some increase in the volume of trade—as against 27.5 lakh tons of cargo in 1953, there were about 28.5 lakh tons in 1954, while the total may reach 30 lakh tons in the current year. This is, however, a small increase which by itself could not have created the present shortage, the more so as during the same time more ships have been added to the fleet. For the real explanation we must look in other directions.

Effect of Labour Situation

First of all, there is the appalling labour situation at the ports with all its devastating impact on shipping—go slow, low output, chronic congestion, abnormal hold-ups in berthing ships, all leading to inordinate delays in their turn-round. With this increase in the idling time of the ships, much more tonnage is now needed to carry the same quantum of cargo. In other words, the effective tonnage, as measured in terms of the cargo carried, has gone down by 15 to 20 per cent. Besides, there has been a big rise in the operating costs. It is understood that the shipowners, in their anxiety to meet the extra costs, are now proposing to raise the coastal freight by something like 10 per cent. These are the cumulative effects, long foreseen by many, of a fast developing disease that has been eating into the vitals of the shipping industry. It is yet to be seen how far the Dock Labour Enquiry Committee succeeds in arresting this trend.

It cannot be denied, however, that two other factors have contributed towards the creation of a tonnage shortage: virtual elimination of chartered tonnage from the coastal waters and increasing overseas fixtures of Indian-owned vessels. In July last, for example, there were 33 owned and 12 chartered vessels operating on the coast; today there are only 23 owned ships and six charters. The number of chartered vessels will come down to three with effect from 1st April, and these too are destined to disappear by, say, June next when their charters are due to expire.

The elimination of charters just when the coast needs more tonnage because of port delays and, to some extent, also of increased trade, has no doubt aggravated the shortage. Moreover, owned vessels, though originally intended for the coast, are now increasingly plying in the overseas trade. Owing to a favourable world freight market, the overseas employment of the larger ocean-going oil or diesel boats have become more attractive than their coastal operation.

What would be the best way of meeting the present shortage in the coastal tonnage? An improvement in the dock labour situation is, of course, the first obvious necessity, if only to rescue our shipping from a crisis that threatens to cripple it. But even if normalcy is restored at the ports leading to normal turnround of vessels, we shall still be faced with the problem of finding more tonnage. For the fact remains that the coast is now served by only 29 vessels, as against 45 in July last, and that, by June when all charters are withdrawn, the coastal fleet may not have more than 23 vessels. Acquisition of fresh tonnage will take time and cannot give relief in the present situation. There are only two real alternatives: either to bring enough owned ships back from their overseas employment, or to lift the ban on the employment of charters on the coast.

Nothing to Gain But a Great Deal to Lose

There is nothing to gain, and a great deal to lose, from the first course. If the shipowners are now employing more of their owned vessels overseas, it is only because by doing so they can earn more freight; there is no reason why they should not be allowed to do so. The extra profit they earn from such overseas employment will help them acquire more tonnage later; it is to nobody's interest to compel them to forgo it. The increased overseas employment will bring much more foreign exchange; there is no reason why the country should sacrifice it. Yet, incredible as it may seem, some are tenaciously advocating exactly this retrograde line of action, namely, that the owned tonnage should be withdrawn from the overseas field and placed on the coast to meet the tonnage shortage. Why? Because a decision has already been taken to eliminate all foreign flag charters from the coast. The decision itself is looked upon as sacrosanct; its wisdom must not be questioned by anyone; all policy must be rigidly subjected to it, no matter what price we may be called upon to pay in the process.

Here, then, are some of the worst paradoxes that our shipping suffers from today. When there should be an all-out drive to raise our participation in our overseas trade, we are unwittingly doing our best to stabilise it at the pitifully low level of 5 per cent; we are so concerned with the idea of eliminating foreign flags from the coast that we no longer mind if 95 per cent. of our overseas cargo continue to be carried in bottoms flying foreign flags; we are so preoccupied with the thought of carrying all the "rupee cargo" in national flag vessels that we are quite happy to leave all the "sterling and dollar" cargo to be handled by others practically as before; we are so fond of our newly acquired emotional blinkers that we can hardly see the advantages of carrying the Indian flag across the seas more and more to foreign ports, or the folly of expending crores of rupees worth of foreign exchange without an attempt to save as much of it as we can with whatever tonnage we possess.

Poor Patriotism

We have, on several occasions, expressed the view that the decision to eliminate charters from the coast was a hasty one, that it was based on an inadequate appraisal of facts, even of our own economic interests, that it was essential to take a second look at it. All that we have heard in reply up till now is a reiteration of the thesis that plying foreign flag vessels in the sheltered waters of the coast would be an unpatriotic act. Surely, it is poor patriotism that makes us do poor business with the tonnage that has been painfully acquired at the cost of a vast sum of money.—*All Rights Reserved.*

BRITISH STEEL MISSION IN INDIA

FOREIGN TECHNICAL ASSISTANCE ASSUMES GREATER IMPORTANCE

From A Special Correspondent

NEW DELHI, *5th April*

THE arrival of the British Steel Mission, this week, headed by Sir Eric Coates, sometime Finance Member to the Government of India, is a significant event, not only indicating the growing Indo-British partnership in the commercial sphere but also the desire of Britain to contribute its share to the development of one of the vital key industries of this country. It is likely that the new steel factory will be located in Durgapur, West Bengal. The Mission will study, along with Indian experts, matters relating to capacity, processing, range of products, estimation of cost, etc. It will also study the distribution of functions between the Indian organisation which will own the plant, on the one hand, and the consultants, suppliers, erectors and other parties concerned in the commissioning of the works, on the other. Sir Eric Coates is accompanied by seven experts, Dr. Thomas Colclough, and Messrs. G. N. Hewett, W. W. Franklin, T. H. Stayman, D. T. Barritt, V. G. Burley and M. D. J. Brisby.

DELHI LETTER

It is generally expected that the above steel plant will cost nearly Rs. 45 crores. Despite the fact that, at the time of the construction of the factory, competitive tenders are to be invited from leading international manufacturing firms, the British Mission is hopeful that a substantial portion of these tenders will be secured by British firms. The U.S. firms are expected to be keen competitors in this field in the coming months. The American firms are reported to be short of work of this kind and to have begun to cut prices in order to secure orders. Now that this Steel Mission has been received by Mr. S. Boothalingham, Special Secretary in the Ministry of Commerce and Industry, it should be clear that negotiations for the establishment of the steel factory, the third of its kind in the country, will be conducted by the spokesmen of the Commerce and Industry Ministry.

A welcome development is that the Bhilhai steel works project division will set up a design engineering branch of 300 technicians to collaborate with the Russian experts in designing the Bhilhai plant. This step is being taken with a view to enabling Indian engineers to design in future steel plants independently of foreign assistance. Efforts are beign made to speed up the Bhilhai steel project also. The General Manager for this project has already been appointed. Recruitment of key personnel, such as chief design engineer, chief civil engineer, engineer in charge of water works, etc., is being expedited. Foreign technical help, collaboration and arrangement of training facilities for Indian personnel in foreign countries under the Colombo Plan and the United Nations Point Four Scheme have become important factors in the industrial development of India during the post-war period. This form of assistance has assumed greater importance, particularly during the last one or two years. For instance, in regard to steel manufacture, the Government of India is receiving assistance from Germany, Soviet Russia and the U.K.

As regards the Rourkela steel plant, there is already a proposal that the factory should be built up in such a way as to produce ultimately two million steel ingots as against the present plan to produce one million tons of ingots. The Bhilhai steel plant is also being designed in such a way that its capacity might be expanded to one million tons of end-products, besides one to three lakh tons of foundry pig iron. The Mysore Iron and Steel Works at Bhadravati is also being expanded to produce one lakh tons of steel. The installation of two electric furnaces for the production of pig iron (each of capacity 35,000 tons per annum) has been completed and schemes for the installation of a spun cast iron pipe plant (for the production of about 17,000 tons spun pipes per annum) and for putting up a sintering plant (which would enable them to use powdered ores in their furnaces) have been taken in hand. A provision of Rs. 120 lakhs as loan has been made in the Central Budget for 1955-56.

The Mysore Government has also submitted proposals for the manufacture of alloy, tool and stainless steel at an estimated cost of Rs. 7.4 crores. These schemes have been scrutinised by a firm of American experts and the Mysore Government is of the view that the Central Government should give necessary help in the interest of economic utilisation of available resources and integrated progress of the industry. The production of special types of steel will also reduce imports of these products and strengthen the economy of the country.

In a number of other directions also, foreign technical advice and help have been forthcoming in abundant measure. During 1954 the services of two experts from a reputed firm of consulting engineers of New York were obtained to advise the Indian Standards Institution in connection with the standardisation and preparation of Codes of Practice, etc., relating to the production and use of structural steel. Also, a Technical Assistance Agreement was signed between the Governments of the U.S.A. and India in 1954, under which the services of some production engineers and other specialists would be provided to certain important Indian industries such as electric fans, bicycles, hurricane lanterns, etc., cutting tools, electroplating and enamelling, diesel engines, bolts and nuts, wood screws, razor blades, sheet glass, coated abrasives and incandescent filament lamps. Under this Agreement, a productivity and management team of five engineers has been made available to the National Newsprint and Paper Mills Ltd. in Madhya Pradesh.

Demands were also placed for the services of experts for glass moulds, tea chest plywood, textile machinery and blacksmithy under Point Four Programme and U.N.T.A.A. The services of two Russian experts to advise the Indian steel foundries on improvement of technique and methods have been obtained from the Government of the U.S.S.R. through direct negotiations.

Efforts have also been made to secure training facilities abroad on behalf of Indian industries. Under the Colombo Plan, training has been arranged in Canada for one candidate in the processing of bread flours and production methods of baking bread and for two candidates in the U.K. in the application of dyestuffs in the textile industry and for five candidates in iron and steel foundries. Training facilities are also being arranged for one candidate each in such fields as aluminium, wall boards and glass tubes in Canada and fine chemicals and anti-friction alloys in the U.K. under the Colombo Plan and in mineral wool fibre insulation, cement, asbestos sheets, glass, fertilisers, refrigeration and hydraulics in the U.S.A. under the Point Four Programme. Training has also been arranged for one candidate in automobiles in Canada and for another in machine tools in the U.K., outside the Technical Assistance Scheme.

Foreign capital is also being encouraged in industries which require considerable technical skill and expert knowledge. During the first eleven months of 1954, consent was given for the issue of capital aggregating Rs. 93.6 crores, out of which Rs. 84.2 crores were proposed to be invested in industrial companies. Out of this, the Government permitted Rs. 26 crores to be invested by non-residents. Among the industries in which foreign capital was permitted to be invested are coal mining, manganese mining, boating and shipping, coal-tar dyes, spindle tapes and other belting, cement, flocked textiles and steel rolling and wire products. Apart from cases involving the participation of foreign capital there are a number of schemes in which manufacture has been undertaken by Indian firms on payment of royalties or fees to foreign firms which supplied technical know-how. Some schemes of this kind, sanctioned during the last year, relate to elevating trucks, timkin axles, diesel engines, oil engines, centrifugal pumps, adrema address plant models and hand printing machines, metal closures, saddles for cycles, paints (galvanising process), photoprinting on glass, manufacture of bichromates of soda and allied chrome compounds, plastic moulding and aureomycin.

RUBBER PRODUCTION TO BE DEVELOPED

The Government of India has under consideration certain development schemes to increase the supplies of indigenous rubber in order to meet the increased demand. This is disclosed by the Union Ministry of Commerce and Industry's Administration Report, 1954-55, which foresees a considerable increase in consumption of raw rubber with the progressive development of transport industries.

The total production of raw rubber during 1954 amounted to 21,493 tons, as compared with 21,136 tons in 1953. The total consumption during the year was 25,487 tons, as against 22,373 tons in the previous year. Thus, the rate of increase in consumption outstripped that in production. On the recommendation of the Rubber Board, the Government of India allowed manufacturers to import rubber up to a total quantity of 1,844.50 tons. In addition to a quantity of 1,651.90 tons allowed to be imported under Dry Rubber Content Scheme for the first and second half of 1954. The actual quantity imported by the manufacturers on the above account during the year was 3,371 tons. The total stocks in the hands of producers and dealers (including stocks in transit) at the close of the year amounted to 5,408 tons, as against 6,253 tons at the beginning of the year, and those with the manufacturers were 3,279 tons, including 1,189 tons of imported rubber.

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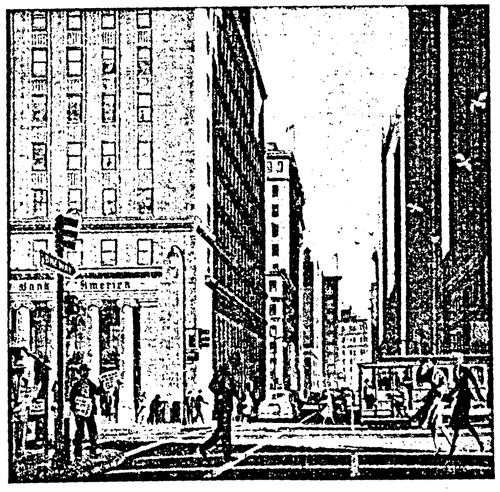

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Condensed Statement of Condition December 31, 1954
(Figures of Overseas Branches are as of December 24, 1954)

RESOURCES

Cash and Due from Banks	$1,456,524,519.87
United States Government Securities and Securities Guaranteed by the Government	2,414,191,925.87
Federal Agency Securities	167,123,060.20
State, County, and Municipal Securities	565,439,454.38
Other Securities	114,137,926.86
Stock in Federal Reserve Bank	10,500,000.00
Loans Guaranteed or Insured by the United States Government or its Agencies	1,230,573,393.30
Other Loans and Discounts	2,812,738,751.23
Accrued Interest and Accounts Receivable	38,266,946.53
Bank Premises, Furniture, Fixtures, and Safe Deposit Vaults	74,421,807.25
Other Real Estate Owned	1,802,647.53
Customers' Liability on Account of Letters of Credit and Acceptances, and on Endorsed Bills and Notes	275,838,505.00
Other Resources	1,796,351.47
TOTAL RESOURCES	$9,163,355,289.49

LIABILITIES

Capital	$150,000,000.00	
Surplus	200,000,000.00	
Undivided Profits	111,140,888.22	
Reserves	5,455,800.10	
TOTAL CAPITAL FUNDS		$466,596,688.32
Reserve for Possible Loan Losses		62,618,458.12
DEPOSITS — Demand	$4,192,260,317.72	
DEPOSITS — Savings and Time	4,078,274,433.42	8,270,534,751.14
Liability for Letters of Credit and as Acceptor of and Endorser on Acceptances, Bills, and Notes		278,554,052.21
Reserve for Interest Received in Advance		30,660,665.00
Reserve for Interest, Taxes, etc.		54,390,674.69
TOTAL LIABILITIES		$9,163,355,289.49

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Condensed Statement of Condition December 31, 1954

RESOURCES

Cash and Due from Banks	$ 56,952,847.06
United States Government Obligations, direct and fully guaranteed	30,388,414.30
Other Securities	48,876.42
Loans and Discounts	86,869,157.82
Accrued Interest	894,184.75
Customers' Liability on account of Letters of Credit and Acceptances, and on Endorsed Bills and Notes	48,539,140.88
Other Resources	399,641.43
TOTAL RESOURCES	$188,496,334.06

LIABILITIES

Capital	$ 10,000,000.00
Surplus	5,000,000.00
Undivided Profits	542,525.56
TOTAL CAPITAL FUNDS	$ 15,542,526.11
Reserve for Possible Loan Losses	897,399.64
Deposits	136,558,394.27
Liability for Letters of Credit, and as Acceptor of and Endorser on Acceptances Bills and Notes	48,322,481.63
Reserve for Interest Received in Advance	220,428.99
Reserve for Interest, Taxes, etc.	953,403.90
TOTAL LIABILITIES	$188,496,334.06

COMBINED RESOURCES OVER $9,300,000,000

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DOES DEFICIT FINANCE MEAN NO DANGER?

MR. G. D. BIRLA'S ANALYSIS OF PROBLEM OF UNDERDEVELOPED ECONOMY

FOR a studious and observant banker, the past twelve months have provided ample food for thought, thanks to the publication of three monumental reports—the reports of the Committee on Finance for the Private Sector, the All-India Rural Credit Survey and the Taxation Enquiry Commission. Together, these three reports, which might well be designated the triad or trilogy of Indian finance, discuss many intricate financial themes. Small wonder then that, when Mr. G. D. Birla, Chairman of the United Commercial Bank, addressed the annual meeting of the Bank, he devoted a considerable part of his critical and comprehensive address to a discussion of the recommendations of these reports, in general, and the Report of the Taxation Enquiry Commission in particular.

Mr. Birla called attention to the "valuable" recommendations of the Committee on Finance for the Private Sector which were calculated to facilitate the undertaking by commercial banks of new responsibilities to help the industry directly and through the medium of specialised finance corporations. It was a matter for gratification that the Reserve Bank had implemented several of these recommendations. Referring to the report of the All-India Rural Credit Survey, he pointed out that the Committee had made it "unambiguously clear that the whole object of the programme would be, not the nationalisation or near-nationalisation of commercial banking in the country, but the provision for, and the increasingly effective evolution of, an integrated India-wide, commercial banking institution associated with the State and responsive to its policies for the benefit of the rural areas." He expressed the view that, if the Committee's suggestions were implemented, the problem of agricultural credit and marketing which had baffled generations of bankers would be nearer a satisfactory solution.

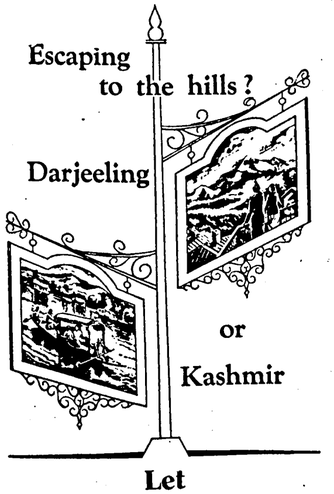
Naturally enough, the Taxation Enquiry Commission's Report, that *magnum opus* among blue-books, came in for more extended comment. After summarising the salient features of the Commission's recommendations, Mr. Birla referred to the fact that the Commission did not favour deficit financing but recommended increased taxation. He felt, however, that there was not only need for deficit financing but there was no danger from it. The need for it, according to him, arises from the fact that the second Five-year Plan calls for greater investment than the first Plan and the available resources, internal as well as external, will be insufficient for reaching the targets of development. Nor is deficit financing harmful, because "where employment is low and there is a great margin for increasing production, a spending programme cannot lead to inflation." It seems, however, necessary to emphasise that deficit finance will not have dangerous consequences only when production is actually increased through its use, and also when sufficient care is taken to ensure that such increase in production is brought about, not at any cost, but through economic costs.

The Matthai Commission has, as is well known, laid great stress on restriction of consumption, with a view to increasing capital formation and has at the same time advocated the levy of excise duties. There is a certain difficulty in reconciling the two objectives. Capital formation is advocated because capital is needed to increase production. But, in so far as excise duties and the levy of other taxes, inhibit consumption, increased production is not likely to be fully absorbed. As Mr. Birla put it, "if restraint is to be placed on consumption, increased production would only result in stock-piling which, in turn, would react on production." A higher standard of living, as he rightly held, can be obtained only through a parallel increase in both production and consumption. As regards capital formation, he feared—this fear is not altogether unfounded—that the implementation of the Commission's recommendations, especially those in respect of the levy of increased taxes, would result in the "diversion of funds from the private sector to the public sector and thus unduly handicap the private sector." Accordingly, he felt compelled to invite the attention of the authorities to the need for some caution in implementing the Commission's report. He said:

"The report is bound to be the reference book of Finance Ministers for several years to come, but I hope that, in giving effect to fresh proposals for taxation based on the Commission's recommendations, the Government would always bear in mind the need to ensure that capital formation is not impeded and that production and employment would increase."

Although Mr. Birla thus emphasised the need for enabling the private sector to acquire and retain sufficient resources for development, he was not oblivious of the requirements of the public sector. He recognised that the public sector was as vital to the national economy as the private sector. Indeed, in some spheres—as, for instance, in a sphere where the capital required is large and beyond the ability of the private sector—it is only the Government that can undertake to function at all. But he rightly insisted that there should be close co-ordination between the private and public sectors, in order to reach the goal of maximum production and full employment. He declared: "It is the goal that matters and not the means which scare some unnecessarily."

The crux of the problem of an under developed country is, as Mr. Birla put it aptly enough, that the desire to consume is more than what is consumed. "The desire to buy is there, but the wherewithal is absent," he said. The immediate problem, he thought, was to raise the purchasing power of the people, so that they could buy more goods which ultimately could be produced. In this connection, he welcomed the two Development and Finance Corporations that were being set up. He felt that there were other fields too in which expansion of credit could be undertaken with benefit to the general economy. For instance, he was in favour of the extension of credit for the purchase of durable consumer goods. Again, he cited the instance of housing. He argued a convincing case for a well-considered scheme for financing construction of houses for the middle class in urban areas. Those who know how acute is this problem, and how intractable it has proved, will certainly welcome Mr. Birla's views on this subject.



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STAFF EXPENSES OF BANKS

MR. PRANLAL ON INCREASE IN BURDEN

ALTHOUGH India has recorded some notable progress in many sectors of its economy, it is greatly to be deplored that this expansion is not reflected in its banking institutions. An index of a developing underdeveloped economy is the increase in the number of bank branch offices both to serve new areas and to cater to the increasing needs of the economically well-developed areas. This test, it seems clear, cannot be applied to India. There is no gainsaying the fact that the expansion of the Indian banking system has not kept pace with Indian economy. Actually, there has been a fall in the number of branch offices.

It is to this paradox that Mr. Pranlal Devkaran Nanjee, the retiring Chairman of the Indian Banks Association, addressed himself when he presided over the annual meeting of the Association, held last week in Bombay. The total number of banking offices in the country, as Mr. Pranlal pointed out, fell from 5,277 at the end of 1948 to 4,839 at the end of 1952, though it rose slightly to 4,879 at the end of 1953. He regretted that there was "much less enthusiasm among bankers to open up new branches." He attributed this to the "burden and rigours of the Industrial Awards" which he thought would "retard the further development of branch banking in this country."

The increased emoluments which the banks are called upon to pay their staff, without any regard to the trends in their earnings, are reflected in the high proportion which establishment expenses form in banks' profits. In 1952, such expenses absorbed 50.86 per cent. of banks' gross profits. This stands out in sharp contrast to the experience of the American banks for which the proportion is only about 33 per cent. It is true that the basis of comparison is not absolutely correct, inasmuch as American banks are giant institutions with large turnover. Even so, the fact remains that a substantially large proportion of the profits of Indian banks is absorbed by establishment expenses. This factor is an impediment to the expansion of branch offices, even after making allowance for the consideration that indiscriminate opening of branches is an unwise practice.

The increase in establishment charges is, as is well known, the result of the salary award in respect of the pay and service conditions of bank employees. After referring briefly to the recent history of the dispute between the banks and their employees, Mr. Pranlal reiterated his faith that the Bank Award Enquiry Commission (Chairman: Mr. Justice Gajendragadkar) would, in giving its decision, take into account all the "relevant factors on the banking industry in India and its future role in the Indian economy." He revealed that the Association had made a submission to the Commission that the "effect of the burden of establishment charges upon banks should be co-related to their capacity to pay and should be considered in the light of the peculiar nature of banking business which necessitates building up reserves for doubtful debts, contingencies and depreciation in investments."

If the banks have thus not been able to hold down the establishment expenses, they have fared no better in respect of interest charges. Mr. Pranlal deplored that banks have had to pay, during the greater part of 1954, as much as 3 to 3½ per cent. on call money. Although this practice did not bring much new money into the banking system, it enabled business houses to earn, at the expense of banks, considerable income by way of interest on deposits. Referring to the efforts which were made by the authorities of the Reserve Bank to bring about an agreement on the part of the banks in respect of interest rates, he said:

"Unfortunately, these efforts failed and no agreement that would be acceptable to all the banks, including the Exchange banks, could be arrived at. The result has been that this available burden of high interest rates on deposits continues, to the great detriment of the banks, at a time when the incidence of their establishment charges has made large inroads on their earnings."

Although some voluntary agreement on interest rates may be welcomed, provided it is not too rigid and is workable, a blanket on interest rates is neither good for the banks nor the depositors. After all, a competitive banking system, working in a climate of free enterprise and competition, implies that the banks should be allowed to compete for use of money through payment of an attractive rate for money with-

(*Continued on Page 711*)

PUNJAB NATIONAL BANK REPORTS EXCELLENT RESULTS

DIVIDEND RESTORED TO PRE-PARTITION HIGH

THE Punjab National Bank Ltd. (General Manager: Mr. B. N. Puri, Delhi) has just completed 60 years in the service of the nation and the Diamond Jubilee celebrations are scheduled to be held next week. On this occasion, it can look back with pride at the unique place, namely, the second largest joint-stock bank in India, it has carved for itself. The last eight years of its history proved to be a testing time for the Bank on account of the Partition. No other bank suffered so much from the effects of the Partition as did the Punjab National, but it has overcome them all successfully. It is a happy augury for the memorable occasion of the diamond jubilee of the Bank that these efforts were crowned with excellent results for the year ended 31st December, 1954. The deposits and total working capital at the close of 1954 constitute fresh records in the history of the Bank and the profit for the year is the highest for the post-Partition period.

The total working capital of the Bank had dwindled from Rs. 77.81 crores at the end of 1946 to Rs. 52.06 crores at the end of 1949. Since then, there has been a sizable improvement, the working capital at the end of 1953, at Rs. 79.78 crores, exceeding the pre-Partition high by Rs. 2 crores. The improvement gathered further momentum in 1954, the year end total touching a new high of Rs. 91.16 crores. Deposits as at the close of the year under review aggregate Rs. 75.64 crores, having successively risen from Rs. 42.94 crores five years ago, and exceeds the pre-Partition record touched at the close of 1946 by Rs. 13.62 crores. The profit had fallen from a peak of Rs. 70.23 lakhs for 1947 to Rs. 34.12 lakhs in 1952, but there was a notable recovery in 1953 to Rs. 39.86 lakhs, accompanied by a further sharp rise to Rs. 53.76 lakhs in the year under review. Thus, the shrinkage in profit noted since the Partition has been made good to a large extent. In consonance with this trend, the dividend has been stepped up for the third year in succession from 4 per cent. paid for 1950 and 1951 to 12 per cent. for 1954, thus restoring it to the level paid for 1946.

Such, in brief, is the record of achievement of the Bank since 1946, but a more detailed picture of the Bank's progress in very recent years can be obtained from the tables published in these columns of which the following gives the trend of earnings and appropriations thereof:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Interest and discount	275.84	245.29	214.36	177.51
Commission and exchange ..	61.88	55.05	47.80	43.74
Other income	37.10	31.09	32.70	35.84
Interest paid	124.72	106.51	83.53	67.39
Expenses	189.08	176.86	171.15	150.14
Depreciation and repairs ..	5.94	6.21	6.05	5.89
Profit	53.76	39.86	34.12	34.17
To taxation	16.00	12.50	15.00	1.00
,, reserves	14.97	11.19	3.46	..
,, depreciation on investments	..	..	..	10.68
,, bonus to staff	9.50	7.50	5.48	3.77
,, other appropriations ..	0.90	0.50	8.34*	10.44*
Dividend	10.50	7.00	5.25	3.50
	(12%)	(8%)	(6%)	(4%)
Carry forward	4.99	3.10	1.93	5.34

* Include sums utilised for scaling down Pakistan assets and for writing down other assets, bad debts written off and assets lost in Pakistan.

The gross income of the Bank for the year under review amounts to Rs. 374.11 lakhs, an increase of Rs. 42.68 lakhs over the year. Of this increase, the share of income from "interest and discount" amounts to Rs. 30.35 lakhs, that from "commission and exchange" Rs. 6.33 lakhs and "other income" Rs. 6.01 lakhs, the last mentioned item includes a sum of Rs. 4.07 lakhs being the income-tax refund. On the expenditure side, the rise in "interest paid" amounting to Rs. 18.21 lakhs is less than that in the previous year, while the increase of Rs. 10.83 lakhs in administrative and other expenditure is sharper than that in 1953. In consonance with the rise in profit, the provision for taxation has been raised by Rs. 3.50 lakhs. A sum of Rs. 12.50 lakhs has been transferred to the contingency reserve, which had received Rs. 10.25 lakhs in the previous year. The transfer to the reserve fund has also been raised from Rs. 0.94 lakh to Rs. 2.47 lakhs.

The following table brings out the variations in the main features of the Bank's balance-sheet as at the close of the last four years.

(In lakhs of rupees)

	As on 31st December			
	1954	1953	1952	1951
Capital	87.50	87.50	87.50	87.50
Reserves	92.50	90.00	89.00	87.50
Deposits*	75,63.84	65,81.18	58,94.02	51,94.34
Borrowings from other banks ..	0.47	30.58	2,50.63	1,09.71
Bills payable	4,17.62	4,07.22	3,73.91	4,23.08
Bills for collection (contra) ..	5,84.18	5,55.93	5,05.19	6,12.86
Acceptances (contra)	3,57.33	2,68.47	1,92.36	1,31.86
Advances†	33,57.40	25,69.91	20,89.40	24,22.05
Investments	35,37.50	36,14.27	28,79.00	26,55.04
Cash	10,00.23	7,32.49	6,53.78	6,91.52
Balance-sheet total	91,16.27	79,78.22	73,98.68	67,51.82
Ratio to deposits of—	%	%	%	%
Advances	44.4	39.3	49.9	46.6
Investments‡	46.8	54.9	44.6	47.3
Cash	13.3	11.2	11.1	13.3

* Include contingency accounts.
† Include bills purchased and discounted and money at call and short notice.
‡ Ratio arrived at after taking into account the securities earmarked against borrowings from other banks.

Though the reserves stand at the impressive level of Rs. 92.50 lakhs, Rs. 5 lakhs more than the paid-up capital, they still fall short of those (Rs. 113.84 lakhs) at the close of 1950. The rising trend in deposits since 1949 has not only been maintained during 1954 but the pace of expansion, too, has been sharper. It may be noted, in this connection, that, over the last four years, while the deposits of other Scheduled banks show a decline of 3 per cent., those of the Punjab National have gone up by over 70 per cent. More than half of the rise in deposits during 1954 is accounted for by fixed deposits which amount to Rs. 31.63 crores, as against Rs. 26.07 crores. Savings bank deposits have gone up by Rs. 2.11 crores to Rs. 19.42 crores and current accounts, contingency accounts, etc., by Rs. 2.65 crores to Rs. 24.20 crores. There has practically been no outstanding borrowings from other banks at the close of the year. There has been a notable rise of Rs. 88.86 lakhs in acceptances, bringing the total rise in this item for the last three years to as much as Rs. 2.25 crores.

On the assets side, advances have recovered by Rs. 7.87 crores, in contrast to the fall of Rs. 3.74 crores in 1953, of which loans, cash credits and overdrafts account for Rs. 5.74 crores, bills purchased and discounted for Rs. 1.12 crores and money at call and short notice for Rs. 1.02 crores. As the percentage of increase in total advances is much more than that in deposits, the advances ratio has risen from 39.3 per cent. to 44.4 per cent., but it is still less than that at the close of 1952. There has been a fall of Rs. 77 lakhs in investments, mainly accounted for by the decline of Rs. 98 lakhs in Government securities and other trustee securities, while debentures in joint-stock companies have risen by Rs. 24 lakhs. The investments are shown at or below cost, the market value of the same being lower by about Rs. 17 lakhs, mainly accounted for by investments in shares of joint-stock companies. Cash balances are higher by Rs. 2.77 crores, resulting in the cash coverage going up from 11.2 per cent. to 13.3 per cent.

(*Concluded from next column*)

this is in keeping with the general trend, the pace of increase is more than that in the case of Scheduled banks in general. We are told that the improvement in deposits took place towards the latter part of the year and its effect is not, therefore, fully reflected in the profit figure. Of the advances, loans, cash credits and overdrafts account for Rs. 11.85 crores, a decline of Rs. 16 lakhs, bills discounted and purchased for Rs. 2.02 crores, representing a rise of Rs. 68 lakhs and money at call and short notice for Rs. 43.40 lakhs, an increase of Rs. 23.40 lakhs. Thus, commercial advances alone aggregate Rs. 13.87 crores, which is considerably below the peak figure of Rs. 15.42 crores touched in the course of the year, because of the "healthy seasonal character" of a large proportion of the Bank's commercial lendings.

Investments are higher by Rs. 1.27 crores, but it must be noted that, unlike a year before when they were shown at book value, they are shown as at the close of 1954 at or below market value, after adjustment of the investment reserve of Rs. 37 lakhs, as stated above. Cash balances stand strengthened by Rs. 98 lakhs, so that the cash coverage has risen from 10.4 per cent. to a high of 15.7 per cent. This has also improved the total liquidity ratio from 59.9 per cent. to 63.6 per cent.

UNITED BANK OF INDIA'S RESULTS SATISFACTORY

DOWNWARD TREND IN PROFIT REVERSED

SATISFACTORY results are disclosed by the audited accounts of the United Bank of India (General Manager: Mr. B. K. Dutt, Calcutta) for the year ended 31st December, 1954, in that the declining trend in profit noted during the previous two years has been reversed, albeit in a small way. The profit, which had shrunk from Rs. 21.01 lakhs for 1951 to Rs. 12.07 lakhs for 1953, has improved to Rs. 13.05 lakhs for the year under review. The other encouraging features of the accounts are a sharp rise of Rs. 3.54 crores in deposits, accompanied by a moderate increase in advances and substantial additions to liquid assets.

The profit for the year under review, at Rs. 13.05 lakhs, still falls short by Rs. 7.96 lakhs of the peak level touched in 1951, the first full year of working after the Bank was formed in 1950 by the amalgamation of four Scheduled banks of Bengal. After providing Rs. 2.46 lakhs for taxation, as against Rs. 1.72 lakhs in the previous year, the Directors have transferred Rs. 2.61 lakhs to the reserve fund, under Section 17 of the Banking Companies Act. Of the amount thus set aside to the statutory reserves, the Directors have utilised a sum of Rs. 1.61 lakhs for meeting depreciation in Government securities, taking advantage of the concession allowed to banks by the Government of India, following the substantial drop in the market value of Government securities as a result of the raising of the Bank rate in November, 1951. No sum has been transferred to the investment account as in the previous year. The dividend has been maintained at the very modest level of 3 per cent. for the fifth year in succession.

The following comparative table gives a bird's-eye view of the Bank's progress:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Interest and discount earned ..	94.88	92.12	98.38	102.16
Commission and exchange ..	23.46	22.01	25.51	25.03
Other income	11.15	13.14	10.73	10.92
Interest paid	29.55	26.37	20.01	27.81
Expenses	87.92	84.98	84.44	85.47
Depreciation and repairs ..	3.98	3.84	3.97	3.82
Profit	13.05	12.07	20.21	21.01
Taxation	2.46	1.72	7.50	4.00
To reserve fund	2.61	2.42	4.05	4.21
,, investment account ..	..	..	0.50	8.00
Dividend	7.99	7.97	7.96	7.77
	(3%)	(3%)	(3%)	(3%)
Carry forward	1.53	1.54	1.58	1.38

	As on 31st December			
	1954	1953	1952	1951
Capital	266.86	266.35	265.22	271.81
Reserves	68.00	104.00	103.00	102.00
Deposits and contingency accounts	30,47.79	26,93.33	26,66.24	29,36.47
Bills for collection	2,24.74	1,89.75	1,94.61	3,28.61
Acceptances	78.38	74.57	51.90	59.74
Advances*	14,30.28	13,54.02	13,24.55	14,50.41
Investments	14,00.83	13,34.18	15,12.13	14,21.86
Cash	4,78.57	3,80.78	3,90.78	4,56.69
Balance-sheet total	38,22.85	34,72.66	34,14.38	38,46.44
Ratio to deposits of—	%	%	%	%
Advances	46.9	50.2	49.7	49.4
Investments	47.9	49.5	49.2	48.2
Cash	15.7	10.4	14.6	15.6

* Include bills purchased and discounted and money at call and short notice.

The gross income of the Bank for the year under review amounts to Rs. 134.50 lakhs, representing an increase of Rs. 7.23 lakhs from Rs. 127.27 lakhs for 1953, to which level it had declined from Rs. 143.52 lakhs earned in 1950, the first year of amalgamation. "Interest and discount" earned had declined from Rs. 115.60 lakhs in 1950 to Rs. 92.12 lakhs in 1953, but the trend has been reversed in 1954 with a rise of Rs. 2.76 lakhs to Rs. 94.88 lakhs. The rise in "commission and exchange" is more encouraging, in that this source of income has gone up by Rs. 6.45 lakhs, while "other income" has fallen by Rs. 2 lakhs. Interest paid has risen by Rs. 3.18 lakhs, "an indication of a distinct change in money market conditions, particularly in Calcutta, where short-term money has for the most part been expensive throughout the year." It is also partly due to the increase in deposits. It is only in consonance with the general trend that expenses of the Bank have gone up.

It will be observed from the above table that the reserves have declined by Rs. 36 lakhs, consequent on the transfer of the sum of Rs. 37 lakhs representing the investment reserve to the investment account to enable the Bank to show the investments at or below market value. Referring to this step, the Chairman of the Bank, Dr. N. N. Law, said, in his speech to the shareholders at their annual general meeting held the other day:

"Your Board deemed this to be advisable to facilitate switches of our Government security holdings from lower to higher yielding scrips with the prospect thereby of improving the Bank's earnings on investment income. Also, in the case of some of the share investments, preference shares for example, there is a degree of permanency at least for the time being in respect of the lower market values of these fixed dividend shares as compared with our book values and your Board considered it desirable to eliminate the disparity, so that, when opportunity offers, improvements in this category of investments may also be effected."

The most notable feature of the balance-sheet is the expansion of Rs. 3.54 crores in deposits. Though

(*Continued in previous column*)

PROFIT OF HONGKONG AND SHANGHAI BANK HIGHEST SINCE 1930

BONUS SHARES ISSUED

A DISTINCT improvement in turnover and a marked rise in earnings are the notable features of the accounts of the Hongkong and Shanghai Banking Corporation (Chief Manager: Mr. Michael W. Turner, Hong Kong) for the year ended 31st December, 1954. Thus, the balance-sheet total as at the close of the year discloses a rise of H.K.$34.50 million, in refreshing contrast to the shrinkage of H.K.$4.72 million at the end of 1953 and of H.K.$532.6 million at the close of 1952. The profit for the year (after providing for taxation on profits earned and after making transfers to the credit of reserves for contingencies, out of which reserves provision has been made for any diminution in value of current assets) amounts to H.K.$19.29 million, representing an increase of H.K.$2 million over that for the previous year.

Such an improvement in the results of working of the Bank is, indeed, highly satisfactory, especially as the year was one which was by no means of easy trading conditions in the territories in which the Bank operates, as Mr. Blaker, Chairman of the Bank, points out in his speech to the shareholders at the annual general meeting of the Bank. The picture was, however, rather changed in some areas by the increase in the prices of certain primary commodities in the latter part of the year. This change probably accounts for the increase in the balance-sheet total and the profit.

A gratifying feature of the profit for the year under review is that it constitutes a fresh record since 1930, when it aggregated H.K.$20.68 million. With the undistributed surplus of H.K.$9.86 million brought in from the previous year, the distributable amount, at H.K.$29.15 million, is higher by H.K.$2.37 million. A sum of H.K.$6 million has been utilised to write off bank premises account. This provision is H.K.$2 million more than that set aside in the previous year, the increase necessitated by the heavy expenditure on new bank premises. The dividend has again been maintained for the eighth year in succession at £5 per share, made up of an interim distribution of £2 per share and a final one of £3 per share, absorbing H.K.$12.93 million. The balance left to be carried over is H.K.$10.21 million.

Balance-sheets Compared

The progress made by the Bank during the past three years is indicated by the following comparative table:

(In thousands of H.K. $)

	As on 31st December			
	1954	1953	1952	1951
Capital	20,000	20,000	20,000	20,000
Reserve fund ..	128,000	96,000	96,000	96,000
Undistributed surplus ..	10,218	9,659	9,440	9,075
Note issue	675,742	755,742	755,742	755,742
Current deposits and other accounts	2,672,641	2,536,471	2,639,319	3,134,186
Acceptances	58,521	10,557	12,861	52,090
Cash*	330,986	439,317	421,389	374,211
Money at call	576,659	680,530	654,597	580,035
Securities against excess note issue	645,883	725,888	725,483	721,883
Investments—				
In Government and other securities†	406,760	388,218	387,435	414,317
In subsidiary companies	2,136	2,136	2,135	2,137
Advances	829,455	645,653	699,841	803,109
Bills receivable	702,871	622,581	615,918	823,318
Premises	19,923	21,817	21,754	21,859
Balance-sheet total ..	5,571,195	5,536,687	5,541,413	4,074,059

* Includes cash in transit.
† Include sums deposited as security for authorised note issue.

A notable feature of the latest balance-sheet is the impressive reserve fund, which, at H.K.$128 million, shows an increase of H.K.$32 million over the year. This represents the transfer of a like sum, just before the close of the year, from the contingencies account, as it is no longer required for the purposes for which it was originally set aside. The decline of H.K.$80 million in note issue is accounted for the contraction in excess note issue. After the fall of H.K.$497.67 million during the previous two years, current deposits and other accounts show an expansion of only H.K.$36.17 million in 1954. Acceptances have risen by H.K.$45.96 million, which have more than made good the decline in the preceding two years.

On the assets side, cash and money at call and short notice have shrunk by H.K.$108.33 million and H.K.$103.87 million, respectively. Of the bills receivable, Treasury Bills, amounting to H.K.$208.22 million, account for a decline of H.K.$87.71 million, while trade bills aggregating H.K.$494.65 million, reveal an increase of H.K.$168 million. Advances to customers have gone up by H.K.$183.80 million. The Chairman notes with some satisfaction that the Bank has been able to employ the larger funds it was able to command during the year in its "rightful sphere of financing international trade and commerce." Investments (shown at under market value) have been strengthened by H.K.$18.55 million. The contraction in cash, money at call and Treasury Bills has, no doubt, brought down the ratio of the Bank's readily realisable assets to its total liabilities to customers from 65 per cent. to 58 per cent. but the ratio is still high, representing a satisfactory degree of liquidity.

At an extraordinary general meeting held on 11th March, 1955, soon after the ordinary general meeting, the capital of the Bank was raised from H.K.$20 million to H.K.$25 million by capitalising a sum of H.K.$5 million from the reserve fund and issuing one new share for every four shares held by the shareholders. This is probably the first time that the Bank has thus capitalised its reserves and issued bonus shares. Referring to the proposal to increase the share capital, the Chairman said, in his address to the shareholders, that it was hoped to pay the same annual dividend of £5 per share for the current year on the increased capital, provided, of course, the profits of the Bank were maintained.

VOLUME OF MONEY IN HOLLAND IN 1954

According to data furnished by the Netherlands Central Bureau of Statistics, the total volume of money in the Netherlands in the year 1954 rose from fls. 8,549 millions to fls. 9,118 millions. The volume of currency increased from fls. 3,394 millions to fls. 3,682 millions, the volume of check-book money from fls. 5,155 millions to fls. 5,436 millions.

(Concluded from next column)

to which the Bank has been successful in financing trade. It also reflects the increase in commodity prices in India, Ceylon and South-East Asian countries. Despite the increase during the last two years, acceptances as at the close of 1954 still fall very much short of those at the end of 1951.

On the assets side, the most notable feature is, as already indicated, the small decline in total advances. This is mainly due to the fall in bills purchased and discounted and money at call and short notice. Thus, loans, cash credits and overdrafts show an increase of Rs. 17.30 lakhs to Rs. 269.77 lakhs, while bills purchased and discounted have dropped by Rs. 2.63 lakhs to Rs. 278.56 lakhs and money at call and short notice by Rs. 22.19 lakhs to Rs. 3.81 lakhs. Investments (at or below market value) have been strengthened by Rs. 99.75 lakhs and cash balances by Rs. 41.96 lakhs, so that the total liquidity ratio has gone up from 54.8 per cent. to a high of 61.3 per cent.

During the year under review, the Bank added one more office to its list of branches.

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58/3

INDIAN OVERSEAS BANK KEEPS UP PROGRESS

LIQUIDITY RATIO HIGH

A NOTABLE feature of the working of the Indian Overseas Bank Ltd. (General Manager: Mr. C. P. Doraikannu, Madras), in recent years has been the steady rise in its profit, in distinct contrast to the experience of many other banks. Thus, its profit had progressively risen from Rs. 5.35 lakhs for 1949 to Rs. 13.25 lakhs for 1953. This upward trend was well maintained during 1954, too, with a further improvement in profit to a record level of Rs. 13.35 lakhs. Thus, in the course of the last five years, the Bank's profit has appreciated by Rs. 8 lakhs, that is, by 150 per cent., a performance which very few banks can boast of. It must, however, be mentioned that a definite slowing down in the pace of increase in the Bank's profit level was noticeable during the last two years, the rise in profit for 1954 over that for the previous year being about Rs. 10,000 only.

There has been an impressive rise in the Bank's deposits to a new high level, but there has been no rise in advances—they are, on the other hand, a shade lower—in distinct contrast to the general trend. The improvement in the Bank's lendable resources has, however, been utilised to strengthen its liquid assets. This probably accounts for the relatively small rise in profit. A sum of Rs. 3.50 lakhs has been added to the reserve fund as in the previous two years and the dividend has been repeated at 6 per cent. for the fourth year in succession.

The following comparative table presents an idea of the Bank's progress in the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Gross income	69.09	67.19	66.37	49.43
Interest and discount earned ..	88.64	87.31	86.83	24.76
Commission and exchange ..	30.38	29.88	29.31	24.58
Interest paid	16.96	16.59	15.83	10.50
Expenses	86.66	85.41	86.40	26.37
Depreciation and repairs ..	2.12	1.94	1.78	1.10
Profit*	13.35	13.25	12.87	11.46
Provision for taxation	7.00	6.45	6.75	5.50
To reserve fund	3.50	3.50	3.50	2.00
Dividend	2.94	2.94	2.94	2.53
	(6%)	(6%)	(6%)	(6%)
Carry forward	2.16	2.25	1.90	2.23

	As on 31st December			
	1954	1953	1952	1951
Capital	49.20	49.05	48.98	47.36
Reserves	26.00	22.50	19.00	15.50
Deposits	11,22.91	9,96.74	9,93.32	9,59.61
Borrowings from other banks ..	2.81	6.19	0.18	67.98
Bills for collection	2,19.46	2,27.71	1,98.58	2,09.43
Acceptances	3,53.75	2,58.71	2,29.71	6,33.16
Advances §	5,52.14	5,59.66	5,68.77	5,47.79
Investments	4,06.99	3,09.24	2,74.13	2,66.65
Cash	2,85.41	2,43.45	2,36.96	3,13.57
Balance-sheet total	18,47.59	16,18.58	15,29.96	19,91.44
Ratio to deposits of—	%	%	%	%
Advances	46.9	56.1	57.8	56.5
Investments	36.2	31.0	27.6†	21.9†
Cash	25.1‡	23.6‡	23.8	32.3

* After providing for depreciation on investments.
§ Include bills purchased and discounted and money at call and short notice.
† After taking into account the investments earmarked against borrowings from other banks.
‡ After taking into account the cash balances with other banks outside India earmarked against borrowings from other banks.

The gross income for the year under review shows a rise of only Rs. 1.90 lakhs over the previous year and both the main sources of income, namely, "interest and discount" and "commission and exchange," have contributed to this increase. The increase in outgo by way of interest paid is very much smaller than that noted in the previous years. In contrast to the decline of Rs. 1 lakh in expenses during 1953, there has been a rise of Rs. 1.25 lakhs in the year under review. The provisions for depreciation and taxation have been raised, but the allocations to the reserve fund and dividend have been maintained.

The fractional rise in the Bank's capital in 1954 is due to the receipt of a portion of the calls unpaid. It will be noted that there has been an addition of Rs. 10.50 lakhs to the reserve fund during the past three years, thanks to the judicious policy followed by the Bank's management. The increase in deposits during 1954 is much sharper than that in the previous two years. Of this rise, fixed, time and staff security deposits show an increase of Rs. 27.81 lakhs savings bank deposits Rs. 36.42 lakhs and current and other accounts Rs. 67.95 lakhs. As in the previous year, borrowings from other banks represent those outside India and are secured by part of cash balances with foreign correspondents. Acceptances and endorsements disclose a rise of Rs. 1.04 crores, reflecting the extent

(Continued in previous column)

LONG-TERM NEEDS OF BRITAIN'S TEXTILE INDUSTRY

EXPERTS SUGGEST CONCENTRATION OF OUTPUT IN FEWER UNITS

From Our Special Correspondent

MANCHESTER, *29th March*

MANCHESTER LETTER

COTTON traders are now awaiting an indication as to the Government's attitude over the many problems facing the industry in Lancashire as a result of the representations made to the Prime Minister last week. An early Government statement is anticipated. At the outset, however, it is unlikely that any action will be more than on a short-term basis. What the industry is currently anxious to secure is a state of reasonable stability, from which point confidence can be restored so that business can flow smoothly.

Yet there still remains the long-term problem of how the future size of the industry is to be tackled and what is to be done to increase Lancashire's competitive ability and efficiency. In some quarters it is hoped that the approach to the Government over the immediate difficulties involved may lead to a better appreciation of the whole circumstances surrounding the cotton industry's future. Thus, it may be possible to arrange a series of discussions at a high level, looking much further ahead than the current uncertainties.

More voices are to be heard proclaiming the necessity of wider shift working in Lancashire in the long run and the inevitability of some form of contraction. Within the past week or two action along these lines has been urged by several speakers, including Mr. W. T. Winterbottom, retiring President of the Master Spinners' Federation.

In a plea for a new outlook he has urged the importance of attaining maximum efficiency by further modernisation and re-equipment in return for Government support. "A great deal has been done in Lancashire since the war," he told the annual meeting, "but there is still more to be done. The wages structures most commonly used are hopelessly out of date and the redeployed wages structure is not universally accepted by the unions."

A Gradual Switch?

No sudden transformation in the established systems for so long adopted in Lancashire is likely, but it is being suggested in some directions that moves to assist in a radical change may not be far distant. Soon after the war Government aid through modernisation was offered and accepted; it might be possible to introduce some form of financial assistance in a fresh attempt to reduce surplus capacity, on the understanding that shift work would be adopted as the mills were concentrated.

Not long ago there was an acute shortage of Labour in the industry and at such a time proposals of this kind were shelved because they were held to be uneconomic. Mr. Winterbottom takes the view that the time is now rapidly approaching when output will have to be concentrated in fewer units. Agreements on shift working, he says, should be reached with the unions to operate a working week comparable to that in other industries.

Another advocate of this policy of "telescoping" the industry is Mr. S. S. Hammersley, Chairman of Cotton and Rayon Spinners Ltd., the Oldham mill group. His annual report suggested that if Lancashire had fewer spindles and if all were modern and were worked twice as long, the ensuing result would be a great step forward in the industry's competitive power and in its ability to pay high wages.

But the sponsors of such ideas are under no illusions about the current situation. Mr. Hammersley adds: "Under existing conditions any such arrangement would involve an increase in wages expenses of some 20 per cent. so that in many sections of the trade the economies achieved by working machinery longer would be nullified by substantially increased wages charges."

It follows that a necessary condition for any financial assistance on the part of the Government would be agreement between the cotton employers and unions on the hours to be worked on a shift system.

Import Fears Increase

It is a fitting commentary on affairs in Lancashire at the moment that the present tendency, when considering official overseas trade affairs, is to look first at imports rather than the export situation.

Within the first two months of this year there has been a significant change in the trade balance affecting cotton and rayon cloth. In the whole of 1954 British exports of such fabrics amounted to 812,445,000 yards and imports to 334,704,000 yards. These arrivals were big enough in all conscience, but in January and February this year they amounted to 78,469,000 yards, whereas exports were only 136,205,000 yards.

A continuation of this trend is exactly what the industry has been fearing ever since imports began to rise about a year ago. The fall in overseas trade has merely accentuated the problem.

The three main suppliers of foreign grey cloth have all raised their imports to this country. India's share has risen from 16,241,000 yards in the first two months last year to 27,740,000 yards, while a startling advance has occurred in Japanese cloth from only 1,149,000 yards to 21,221,000 yards. Also significant is the rise in shipments from Hong Kong from 1,024,000 yards to 8,059,000 yards—nearly half as much in two months as arrived from that Colony in the whole of last year.

To the end of February earnings from shipments of British cotton goods did not show any marked change from a year ago. The amount was £19,045,745 against £19,529,784. Cotton cloth exports were 111,430,000 yards against 112,979,000 yards and yarn shipments were 7,092,011 lbs., against 7,740,027 lbs.

In view of the adverse news from Australia, however, the fact that that country again absorbed by far the largest volume of goods adds further urgency to Lancashire's export predicament. Australia took 20,633,000 yards of cloth in the first two months of the year, followed by Nigeria with 11,894,000 yards and South Africa with 10,908,000 yards. In the case of yarn, only Australia with 1,352,913 lbs., exceeded the 1,000,000-lb. mark, the next customer being the Irish Republic with less than 650,000 lbs.

Nor is the situation any better on the rayon side, where cloth exports of 24,774,500 square yards compared with 31,025,000 yards last year. Australia was again the leading buyer, with nearly 4,000,000 yards, and it also took 1,560,000 lbs. of rayon yarn out of total shipments of 5,198,900 lbs.

Anglo-Pakistan Trade

While there are opportunities for British exporters of capital goods to the Pakistan market, the openings for Lancashire textile shipments are limited. This view was expressed by Mr. Arthur P. Timms, United Kingdom Trade Commissioner at Karachi, on his arrival in Manchester this week for a three-day visit during which he will have discussions with exporters.

Speaking at the Manchester Chamber of Commerce, Mr. Timms said Pakistan's own textile industry was moving towards self-sufficiency in the manufacture of the medium and coarser qualities of cotton textiles. When its industry was in full production it would need to import only the finest qualities of cloth and it was in this category that Lancashire firms would have an opportunity of securing export business.

A "considerable amount" of export business for heavy electrical plant and textile machinery had been secured by Lancashire concerns. "In my view the future of British exports to Pakistan will be mainly in the field of capital goods, equipment for industry and consumer goods will not be so bright, at least until such time as Pakistan's foreign exchange position improves."

Extended Easter Holidays

Lancashire mills face a large-scale shutdown at Easter because of lack of orders. "It is a very gloomy picture," Mr. William Roberts, of Bolton, President of the United Textile Factory Workers' Association, said after cotton union leaders had reviewed the latest trade developments at a meeting in Manchester.

The Association's Legislative Council decided to take no further steps until the Prime Minister has announced his proposals for helping the industry following last week's cotton industry delegation to 10, Downing Street.

Mr. Harold Bradley, of Darwen, the Association Secretary, said cotton union leaders were "scared stiff" about the way the trade situation was developing for Lancashire.

"The position is worsening. All the members of the Legislative Council take the view there will be heavy stoppages at Easter. Reports from the districts show that the position is getting very grave," said Mr. Bradley.—*All Rights Reserved.*

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THE PUNJAB NATIONAL BANK LIMITED

DELHI

(Established in 1895)

DIRECTORS' 108th REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED 31st DECEMBER, 1954

The General Board of Directors begs to submit to the Shareholders the audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1954.

The transactions for the year under report have resulted in a profit of Rs. 56,86,180-2-0 (including Rs. 3,10,289-1-7 brought forward from the previous year's account). The following amounts have been appropriated for the under-mentioned purposes:—

	Rs. a. p.
1. Transferred to Income-tax Provision	16,00,000 0 0
2. Transferred to Contingency Reserve	12,50,000 0 0
3. Transferred to Reserve Fund	2,47,140 4 6
4. Transferred to Bonus to Staff Account	9,50,000 0 0
5. Transferred to Charity Account	40,000 0 0
6. Transferred to Gratuity to Staff Account	50,000 0 0
7. Ad-interim Dividend @ Rs. 1/- per share free of income-tax paid	3,50,000 0 0
Total .. Rs.	44,87,140 4 6

The Directors recommend that the balance of Rs. 11,99,039-13-6 be disposed of as follows:—

	Rs. a. p.
(a) Dividend @ Rs. 2/- per share free of income-tax making the total at 12 per cent per annum	7,00,000 0 0
(b) Carry forward to the next year's account	4,99,039 13 6

The Bank rate remained unchanged at 3½ per cent. per annum.

The Directors consider that the working of the Bank has been satisfactory.

By Order of the General Board of Directors.

S. P. JAIN,
Chairman.

DELHI, 5th February, 1955.

BALANCE SHEET AS AT 31st DECEMBER, 1954

CAPITAL AND LIABILITIES	Amount Rs. a. p.	Total Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL—		
4,00,000 shares of Rs. 25 each		1,00,00,000 0 0
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—		
3,50,000 shares of Rs. 25 each		87,50,000 0 0
2. Reserve Fund and other Reserves—		
Reserve Fund as on 1st January, 1954	90,90,000 0 0	
ADD— Rs. a. p.		
Unclaimed dividends forfeited .. 2,859 11 6		
Amount transferred from Profit and Loss Account 2,47,140 4 6		
	2,50,000 0 0	92,50,000 0 0
3. Deposits and Other Accounts—		
Fixed Deposits	31,62,60,452 12 0	
Savings Bank Deposits	19,42,06,258 6 2	
Current Accounts, Contingency Accounts, etc.	24,20,20,247 15 0	
Employees' Security Deposits (held by the Bank itself) ..	38,97,467 14 7	75,63,84,404 15 9
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	47,097 12 11	
(ii) Outside India..	Nil	
PARTICULARS—		47,097 12 11
(i) Secured by part of Government Securities lodged ..	47,097 12 11	
(ii) Unsecured	Nil	
5. Bills Payable		4,17,51,764 8 1
6. Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	5,49,07,619 1 9	
(ii) Payable outside India	35,10,214 9 7	5,84,17,833 11 4
7. Other Liabilities—		
Dividends and Interest on Advance Calls unclaimed ..	74,395 14 9	
Rebate on Bills Discounted	19,948 7 10	94,344 6 7
8. Acceptances, Endorsements and other Obligations as per contra ..		3,57,32,845 0 4
9. Profit and Loss Account—		
Profit as per last Balance Sheet	3,10,289 1 7	
LESS—Dividend for the half year ended 31st December, 1953 @ 8 per cent. per annum free of income-tax	3,50,000 0 0	
	53,891 2 7	
ADD—Profit for the year brought from the Profit and Loss Account	53,75,291 0 5	
	56,86,180 2 0	
LESS— Rs. a. p.		
Ad-interim Dividend at Rs. 1 per share free of Income-tax paid .. 3,50,000 0 0		
Transferred to Provision for Income-tax 16,00,000 0 0		
Transferred to Contingency Reserve .. 12,50,000 0 0		
Transferred to Charity Account .. 40,000 0 0		
Transferred to Bonus to Staff Account. 9,50,000 0 0		
Transferred to Gratuity to Staff Account 50,000 0 0		
Transferred to Reserve Fund 2,47,140 4 6		
	44,87,140 4 6	11,99,039 13 6
10. Contingent Liabilities—		
(i) Claims against the Bank not acknowledged as debts ..	37,34,198 2 3	
(ii) Guarantees given on behalf of Directors or Officers (fully covered by deposits held by the Bank)	6,000 0 0	
(iii) Guarantees given on behalf of others	44,23,383 8 9	
(iv) Arrears of Cumulative Preference Dividends	Does not arise.	
(v) Bills of Exchange re-discounted	1,09,776 0 3	
(vi) Outstanding Forward Exchange Contracts	Nil	
(vii) Liability for calls on partly paid Ordinary Shares of Rehabilitation Housing Corporation Limited, sponsored by the Central Government	3,75,000 0 0	
Total .. Rs.		91,16,27,330 4 6

NOTE.—The figures in respect of the Bank's Pakistan Offices have been taken as per.

PROPERTY AND ASSETS	Amount Rs. a. p.	Total Rs. a. p.
1. Cash—		
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		9,40,46,060 12 7
(This includes Rs. 13,44,000 being cash remittances through insured post since received)		
2. Balances with Other Banks—		
Current Account / Deposit Account		
(i) In India .. 7,78,499 1 10 / 10,00,000 0 0		
(ii) Outside India.. 50,98,620 2 10 / ...		
		68,77,119 4 8
(Includes Rs. 5,34,866-1-4 with State Bank of Pakistan)		
3. Money at Call and Short Notice		1,17,00,000 0 0
4. Investments at or below Cost—		
(i) (a) Securities of the Central and State Governments ..	33,51,67,439 6 3	
(b) Other Trustee Securities	74,45,385 0 0	
(Face value Rs. 34,79,92,600; Estimated Market value Rs. 34,25,27,059-10-0)	34,26,12,824 6 3	
(ii) Shares of Indian Joint Stock Companies— Fully Paid-up: Rs. a. p. / Partly Paid-up: Rs. a. p.		
Preference .. 12,67,900 8 0 / Nil		
Ordinary .. 10,60,524 11 4 / 1,25,000 0 0	24,53,425 3 4	
(Estimated Market value Rs. 8,85,162-8-0)		
(iii) Debentures of Indian Joint Stock Companies	64,11,790 2 8	
(Estimated Market value Rs. 63,87,227)		
(iv) Other Investments:		
Pre-partition Punjab Bonds held in India .. 19,25,000 0 0		
Pre-partition Punjab Bonds held in Pakistan .. 1,66,752 8 0		
Rangoon Municipal Debentures held in Burma .. 1,80,110 0 0	22,71,862 8 0	
(Estimated Market value Rs. 22,71,862-8-0)		
(v) Gold	Nil	
		35,37,49,902 4 3
5. Advances—		
(Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)		
(1) Loans, Cash Credits, Overdrafts, etc. Rs. a. p.		
(i) In India 27,24,66,992 7 2		
(ii) Outside India.. .. .. 44,43,159 12 1	27,69,09,052 3 3	
(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India .. 4,61,12,444 2 9		
(ii) Payable outside India .. 10,18,667 11 0	4,71,31,111 13 9	
(Particulars of Advances—As per Schedule attached)		32,40,40,164 1 0
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	5,49,07,619 1 9	
(ii) Payable outside India	35,10,214 9 7	5,84,17,833 11 4
7. Constituents' Liabilities for Acceptances, Endorsements and other Obligations as per contra		3,57,32,845 0 4
8. Premises Less Depreciation—		
Balance on 1st January, 1954 (at cost)	35,47,049 8 1	
Additions during the year	5,828 6 0	
	35,52,877 9 1	
LESS— Rs. a. p.		
Depreciation up to 31st December, 1953 .. 2,55,931 15 7		
Depreciation for 1954 .. .. .. 57,787 14 0		
	3,14,719 13 7	32,37,657 11 6
9. Furniture and Fixtures at Cost Less Depreciation—		
As per last Balance Sheet	70,32,818 3 3	
Additions during the year	7,33,839 4 5	
	77,66,407 7 11	
LESS—Sales, write-offs and adjustments during the year ..	3,17,233 5 4	
	74,49,124 2 7	
LESS— Rs. a. p.		
Depreciation up to 31st December, 1953 .. 28,76,889 5 2		
Depreciation for 1954 .. .. .. 4,23,774 15 11		
	33,00,164 4 1	
LESS—Depreciation written back on sales, write-offs, and adjustments .. 1,02,755 6 3		
	31,97,408 13 10	
10. Other Assets (including Silver)—		42,51,715 4 9
(a) Interest accrued and outstanding and dividends due on investments and on deposits with other Banks.. ..	36,50,574 3 6	
(b) Pre-paid expenses, advance payments and amounts recoverable	8,66,733 14 6	
(c) Property not used as Bank premises less depreciation (includes property of the book value of Rs. 15,52,645-14-0 under contract for sale at Rs. 11 Lacs)	21,07,956 6 0	
(d) Land purchased for building Bank premises	3,71,025 12 0	
(e) Library, Motor Cars, Cycles and other vehicles less depreciation	2,31,246 7 2	
(f) Stationery and Stamps	8,32,564 3 10	
(g) Deposits with Electric Supply Companies and Government Departments	25,414 3 5	
(h) Amount remitted for purchase of Government Securities	32,20,360 0 0	
(i) Cash remittances through Reserve Bank and Imperial Bank in transit (since received)	15,58,370 0 0	
(j) Income-tax deducted at source on yield of investments .. .. Rs. 94,74,601 14 10		
LESS—		
Provision for taxation as per last Balance Sheet Rs. 18,82,219 10 8		
Adjustments in respect of 1951-52 assessment.. 4,91,238 13 6		
	13,90,980 13 2	
Transferred from Profit and Loss Account .. 16,00,000 0 0		
	29,90,980 13 2	64,83,631 1 8
		1,94,83,866 4 1
11. Non-Banking Assets Acquired in Satisfaction of Claims—		
Balance as per last Balance Sheet	30,167 4 6	
ADD—Additions	90,000 0 0	
	1,20,167 4 6	
LESS—Depreciation	21 6 6	
(The book value is less than the realisable value)		1,20,145 14 0
Total .. Rs.		91,16,27,330 4 6

(Continued on next page)

U.K. COTTON TEXTILE MISSION TO INDIA

PLEA FOR LOWER IMPORT DUTY EXAMINED

THE team of six marketing experts of the British cotton industry which arrived in Bombay last week is now busy investigating the possibilities of improving exports of British cotton textiles to India. The team is led by the Hon. A. D. Campbell, a well-known British business man, and includes Messrs. A. Haugh, W. Roberts, G. D. Hughes, B. D. Straw and T. D. F. Powell, the last mentioned being the Secretary to the team. After holding informal talks with millowners and traders, the team is now in New Delhi discussing with Government representatives. Even before these lines appear in print, it is expected to meet Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, who indicated to Mr. A. R. W. Low, Minister of Trade at the British Board of Trade, during the latter's recent visit to India, that the Government of India "would examine with sympathy and consideration any suggestion made." The representatives of the millowners are also expected to have discussions with the Government of India separately on this question.

Readers are aware of the general nature of the controversy in the field of Indo-British textile trade. The main complaint of Lancashire millowners is that, while imports of Indian-made cloth into the U.K. are free of duty and have been speedily increasing, exports of British cotton goods to India are negligible and are subject to a high level of import duty. The British cotton industry, therefore, wants two things to be done. It wants India's import duty on cotton textiles to be reduced, so that more of its goods can enter this country. Secondly, it wants its Government to take suitable measures to curb imports of Indian cotton goods into the U.K., for, in its view, a good part of the cloth received from India is competing with its manufacturers in the domestic market.

As already stated, during their stay in Bombay, the members of the British textile delegation held informal discussions with the representatives of cotton millowners and trade interests. The discussions, it is believed, centered round the question as to what varieties of U.K.-manufactured cotton goods are saleable in India. The spokesmen of the import trade are said to have told the delegation that there were certain types of finer varieties of cloth, particularly the high quality and fancy goods which are Lancashire's specialities, in which Britain may develop a market in India. They would, however, appear to have emphasised that the landed cost of those varieties had to be reduced by about 25 to 30 per cent., which, in their opinion, was the approximate difference between the prices of cloth produced in the U.K. and India. The U.K. textile delegation no doubt appreciated the force of this contention, but is reported to have emphasised that, since it was practically impossible for Lancashire millowners to lower their prices in view of the heavy cost structure of the industry, the high level of import duty of about 60 per cent. *ad valorem* should be reduced. In its opinion, the import duty was the main factor standing in the way of larger imports of British textiles into India. The delegation is expected to advance this view strongly when it meets the Union Minister for Commerce and Industry.

The issue relating to the reduction of import duty on British cotton textiles is not such a simple one as it seems. In fact, it is quite a complicated one. As a member of the G.A.T.T., India cannot reduce the import duty on cotton manufactures in favour of Britain alone, for such would amount to discrimination against other countries. It is the declared policy of India not to grant or receive new preferences in the field of tariffs. As a firm believer in the principle of non-discrimination, India cannot also issue discriminatory import licences in respect of countries which belong to the same currency area. In these circumstances, any concession shown by India in regard to imports of cloth will apply to all exporting countries. If the preferential import duty is cut for the sake of Lancashire, the standard rate, too, will have to be lowered correspondingly. The result may well be that, instead of Britain benefiting therefrom, Japan or Hongkong, the competitive capacity of which is superior to Lancashire, may have the advantage. There is also another point to be borne in mind in this connection. If Indian mills are to be exposed to a larger amount of competition in the domestic markets, then it is only but fair they should be freed from controls on production, so that they may make the type of goods that can effectively compete with the imported ones. We wonder whether the Government will be willing to remove these controls.

It is true that the Indian cotton textile industry was deprotected long ago and cannot, therefore, claim the right of protection in the form of existing high tariffs which are being levied purely for revenue considerations. Nevertheless, there is another side to this picture, namely, the high level of domestic taxation that neutralises a big part of the protective effect of the existing import duties.

As already noted, the difference in the prices of cloth imported from the U.K. and that of cloth produced in India is only 25 to 30 per cent., even though British cloth is subjected to an import duty ranging from 60 to 80 per cent. This is due to the fact that Indian cloth bears excise duty. Take, for example, superfine cloth with an average width of 47 inches. The incidence of excise duty on this category accounts for quite a large part of the price of cloth, or about As. 3-6 per linear yard. Again, where is the guarantee that British textile interests will not reduce their prices after the import duty in India is lowered? Also, where is the guarantee that the U.K. would continue to purchase Indian cloth on the same scale as it is doing at present? All these issues have to be examined dispassionately by the Government of India before deciding on a downward revision of the import duty on foreign cotton goods.

"INDIAN TEXTILE JOURNAL—CENTENARY SOUVENIR NUMBER"

The centenary souvenir number of *The Indian Textile Journal* (Editor: Mr. Jal S. Rutnagur. Published by Indian Textile Journal Ltd., "Surya Mahal," Military Square, Fort, Bombay 1. Price: Rs. 15) is a sumptuous record of the progress achieved by the cotton mill industry in India since its inception more than a hundred years ago. Among the innumerable issues which have been comprehensively and lucidly dealt with in this souvenir, particular mention may be made of those relating to the exact date of the establishment of the first cotton mill in India, the principal changes in the capital outlay and the mechanical set-up of the industry. The story of the pioneering days of 1854 and of the subsequent growth and development of the industry, as narrated in the souvenir, makes very interesting reading.

The souvenir contains a number of authoritative articles written by experts. Several leading millowners and important persons have given their own personal appraisal of the future awaiting the Indian cotton mills, while authoritative contributions deal with the general history of the industry in the different regions of the country. A separate section is devoted to the review of the technical developments in the cotton mill industry during the last hundred years, all the contributions coming from acknowledged authorities on the subject. Another important section is devoted to specific information concerning practically every cotton mill under several vital heads. The history and achievements of the various millowners' associations, chambers of commerce and other allied organisations in the country form the subject matter of another section. It will indeed be no exaggeration if it is said that the souvenir is encyclopædic in the nature of its contents. The printing is excellent and the get-up attractive.

THE PUNJAB NATIONAL BANK, LIMITED, DELHI—*Contd.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1954

EXPENDITURE	Amount Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	1,24,72,187 6 4
2. Salaries and Allowances and Provident Fund (includes Rs. 59,281-12-6 paid to the General Manager, besides payment of bonus amounting to Rs. 3,756-7-0)	1,87,09,922 15 3
3. Directors' and Local Committee Members' Fees and Allowances ..	22,025 8 0
4. Rent, Taxes, Insurance, Lighting, etc.	10,37,365 12 2
5. Law Charges	2,66,248 15 4
6. Postage, Telegrams and Stamps	12,03,721 1 7
7. Auditors' Fees	8,000 0 0
8. Depreciation on and Repairs to the Banking Company's Property ..	5,94,806 5 6
9. Stationery, Printing, Advertisement, etc.	8,75,383 6 7
10. Loss from Sale of or Dealing with Non-Banking Assets ..	Nil
11. Other Expenditure	18,44,582 14 11
12. Balance of Profit (subject to Taxation)	53,75,291 0 5
Total .. Rs.	3,74,11,478 4 1

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Amount Rs. a. p.
1. Interest and Discount	2,75,68,682 14 11
2. Commission, Exchange and Brokerage	61,38,211 4 9
3. Rents	8,80,529 6 5
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account) ..	Nil
6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil
7. Other Receipts (includes Income-tax refund amounting to Rs. 4,07,463-4-0) ..	28,29,054 10 0
Total .. Rs.	3,74,11,478 4 1

Schedule of Particulars required by the Banking Companies Act, 1949 (Act X 1949), attached to and forming part of the Balance Sheet as at 31st December, 1954.

PARTICULARS OF ADVANCES	Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured..	29,82,94,667 12 0
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	2,18,85,876 9 10
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	68,59,619 11 2
(iv) Debts considered doubtful or bad not provided for	Nil
	32,40,40,164 1 0

PARTICULARS OF ADVANCES	Rs. a. p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons— Rs. a. p.	
Directors .. .. Nil	
Officers 1,82,935 15 11	1,82,935 15 11
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	1,34,85,709 8 4
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,87,687 0 3
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	1,39,51,849 13 8
(ix) Due from Banking Companies	18,58,715 14 8

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE PUNJAB NATIONAL BANK, LIMITED, DELHI.

We have audited the annexed Balance Sheet of the Punjab National Bank, Ltd., Delhi, as at 31st December, 1954, and the annexed Profit and Loss Account for the year ended on that date, with the books and accounts kept at the Head Office in Delhi, in which are incorporated the Returns of the Bank's Branches in Indian Union, Pakistan and Burma certified by the respective Branch Managers. We report that:

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory;

(b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;

(c) the Returns received from the Branch Offices of the Bank have been found adequate for the purposes of the audit;

(d) in our opinion the said Balance Sheet and Profit and Loss Account are drawn up in conformity with law;

(e) the Balance Sheet exhibits a true and correct view of the state of the Bank's affairs and the Profit and Loss Account shows a true Balance of Profit for the year, according to the best of our information and explanations given to us and as shown by the books and records of the Bank kept at its Head Office; and

(f) in our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

DELHI, 5th February, 1955.

V. SANKAR AIYAR & CO.,
Chartered Accountants.

B. N. PURI, General Manager.

S. P. JAIN, Chairman.

M. K. PANDIT,
Chief Accountant, Central Office.

S. L. VERMA,
Superintendent, Central Office.

R. L. TULI,
P. R. MEHTA,
A. S. PURI } Assistant Secretaries.

KESHAB CHANDER,
KAMALNAYAN BAJAJ,
MAHARAJ KRISHNA KAPUR,
JASWANTRAI CHUHAMANI,
J. N. BHAN,
SHITAL PRASAD,
C. L. BAJORIA. } Directors.

SHIFTING OF SUGAR MILLS IN U.P.

GOVERNMENT TO CONDUCT SURVEY

IT will be recalled that, in its development programme for the sugar industry under the first Five-year Plan, the Planning Commission has specifically emphasised the need for shifting some of the factories located in areas where sufficient cane supplies are not available to areas which are assured of adequate supplies of right quality cane or which are suitable for growing cane. The Government of India, too, accepted this recommendation and gave permission to some factories to migrate to more congenial areas. But not much has happened in this direction; excepting one or two factories, there has hardly been any perceptible migration of the industry from U.P. and Bihar. Even the efforts of the late Mr. Rafi Ahmed Kidwai to bring about a dispersal of some factories in North India to South India did not meet with complete success. Apart from stiff opposition from the Governments of Uttar Pradesh and Bihar as well as from workers and cane growers, the implementation of the scheme to disperse the sugar factories would appear to be beset with several limitations. Prompted, evidently, by this consideration, the Union Food and Agriculture Minister, Mr. Ajit Prasad Jain, remarked, in the course of his address at the recent annual meeting of the Indian Sugar Mills Association, that the dispersal of factories from North to South India was not a practical solution. He felt that a more feasible proposition was to take vigorous steps to increase the output of cane in U.P. and Bihar. If the per-acre yield of cane in these areas were to be doubled, it would go a long way towards improving the economy of the Indian sugar industry. He accordingly urged the adoption of measures which would step up production of high-sucrose content sugarcane in these two States where nearly 74 per cent. of the industry is situated.

The suggestion seems to be receiving the serious attention of the U.P. Government. Replying to a question in the State Vidhan Sabha the other day, Mr. C. B. Gupta, Minister for Planning and Industries, announced, for instance, that appropriate steps would be taken to assist the sugar industry "which is suffering from lower percentage of recovery and lesser duration of the crushing season as compared with other parts of the country, especially South India." The Government, according to him, has decided to give a subsidy of about one-third to one-fourth of the total cost in respect of construction of wells, roads, etc., with a view to developing sugarcane areas. Another important step relates to the redemarcation of the sugarcane zones to the factories and their reallocation for a longer period, "so that factories can take more interest in cane development." It is also proposed to summon a high-level conference of the representatives of the sugar industry, labour and cane growers to discuss what further steps should be taken to strengthen the industry.

New Sugar Mills

The deliberations of the high-level conference, the decisions taken thereat and their actual implementation will be watched with interest. In the meantime, sugar producers in the other parts of this country will be surprised to hear that, not content with the factories that are already in Uttar Pradesh, the Government of that State has decided to conduct a survey to find out whether any new sugar mills can be established in its jurisdiction and which of the existing mills needs to be shifted from the present location to more ideal sites. An officer, it is said, will be appointed some time next month to carry out the investigation. It is further stated that attempts are being made to open those sugar mills which remain closed now, to increase the production capacity of all the mills to the maximum, and to raise output of cane both intensively and extensively.

The U.P. Government's move "to help put the sugar industry on firm feet" is in the right direction. Uttar Pradesh, as readers are aware, is the major centre of the sugar industry and accounts for the bulk of the country's sugar output. If the sugar industry in this State is put on a sound footing, consumers in the whole country will doubtless derive benefit. But its wisdom to establish some sugar factories in the area within its jurisdiction is of a dubious nature. Surely, the question of enabling the existing units, most of which are struggling for existence even when domestic production falls short of domestic consumption, should get first priority. We wonder what would be the reaction of the Planning Commission to the proposal for putting up more factories in Uttar Pradesh.

Despite the progress made during the past two decades and more, the sugar industry in U.P. and Bihar is in the doldrums, for the large part. This is the result of the defective location of several mills even within these States. A number of mills is found in areas quite unsuited for the cultivation of good quality cane. If the economics of sugar industry in U.P. and Bihar are to be made sound, it is imperative that these locational defects of the industry are removed as early as possible by shifting the factories at least to areas in the same States where sugarcane is easily available. The decision of the U.P. Government to conduct a survey of the factories which are not working or which are working below capacity, due to paucity of cane supplies, with a view to determining which of the factories should be shifted from their existing location, must, therefore, be considered as a right move.

It must, however, be stressed that, while implementing the suggestion for the dispersal of factories, special care should be taken to ensure that the factories will get their requirements of sugarcane without much difficulty. This is best done by reaching an understanding with sugarcane growers in the surrounding areas that they would unfailingly supply their cane crop to the factories designated by the Government. Unless some such arrangement is made, the hope of these factories securing adequate supplies of cane and producing maximum quantity of sugar at economic prices will not be fulfilled.

RAISING OUTPUT OF SUGARCANE

The sugarcane development staff of the Agricultural Department, Government of Madras, must, indeed, be congratulated on their successful efforts at augmenting output of sugarcane in the factory zones in the State. The average yield of cane in these zones during the season 1953-54, for instance, was 35.31 tons per acre, which compares favourably with 25.58 tons before intensive work was taken up five years ago. The highest per-acre yield was 87.7 tons. Disclosing this, Mr. M. S. Sivaraman, Director of Agriculture, claimed, in the course of his speech at the third annual competition among the sugarcane growers of the factory zones held at Madras recently, that the average per-acre yield of sugarcane in Madras was nearly three times the average (12 tons) for the whole of India. In his opinion, there seems to be further scope for raising the yield, for he emphasised at the same time, the need for adopting proper agronomic practices in cane cultivation so that the decline in prices could be counteracted, to the extent possible, by increased output per acre.

Giving away the prizes to cane growers who had reported high yields, Mr. M. Bhaktavatsalam, Minister for Agriculture, also laid stress on the need for further augmenting the yield of cane, which, he declared, would not only benefit the grower but also result in a saving of foreign exchange now being spent on imported sugar. Mr. Bhaktavatsalam felt that it would be better if agriculturists raised crops such as sugarcane and cotton along with paddy. Congratulating the prize winners, he hoped that the award of such prizes would induce people to adopt the methods suggested by the Department and get the benefits of increasing yield. Incidentally, the Minister revealed that his Government was making representations to the Centre to allow export of *jaggery* to some extent in order to counteract the fall in prices. Stressing the importance of establishing more factories to step up production of sugar, the Minister disclosed that some persons had come forward to start a co-operative sugar factory in Ambur in North Arcot District and that the Government would consider the question of helping them.

The Regional Director of Food, Bombay, has abolished the system of collecting balance payment against sale of sugar on f.o.r. destination basis through the Imperial Bank of India. The tenderers whose despatches are pending are now required to make the balance payment in the form of a demand draft payable to Pay and Accounts Officer, Union Ministry of Food and Agriculture, New Delhi, on the Imperial Bank or any Scheduled bank supported by the usual certificate from the Reserve Bank of India.

The aggregate quantity of sugar produced in India during the period 1st November, 1954 to 15th March, 1955, amounted to 1,333,000 tons, as against 892,000 tons in the corresponding period of 1953-54. This was revealed by Dr. Punjabrao Deshmukh, Union Agriculture Minister, in the course of the debate on the demands for grants for the Food and Agriculture Ministry, in the Lok Sabha last week.

The Government of India has reduced the selling price of East German sugar for ex-dock/ex-godowns delivery at the ports from Rs. 30-8 to Rs. 29-7 per maund with effect from the 5th inst.

INSTALLATION OF WASHERIES

COAL BOARD'S POLICY ELUCIDATED

THE Coal Board has elucidated its policy regarding installation of washeries by coking coal collieries. Following requests by coking coal collieries which propose to install washeries that they be allowed to increase their output to the extent of the capacity of such washeries, the Coal Board has, through a Press note issued on the 26th inst., stated that it is unable to permit increase in output as a general measure of policy. In other words, it will consider the question of granting permission to increase output of individual cases only under exceptional circumstances.

The Coal Board has expressed its inability to concede the request of the coking collieries for fear of "overproduction" of coking coal. The Board is generally of the view that, where output is not large enough to feed the full capacity of a washing plant, the colliery concerned should join with other neighbouring collieries producing coal of similar characteristics or undertake to wash such coals together with its own output. Where, however, it is found necessary for a colliery to install a washing plant with a capacity higher than its output, the Coal Board may approve such an installation. If, in such a case, the plant is worked below capacity, as it would naturally be, and if, as a result, the cost of washing including depreciation, is higher, the Coal Board will, it is stated, take into account all these facts in assessing the quantum of assistance that will finally be given to encourage coal washing. All collieries with plans for the installation of washeries are, therefore, advised to intimate the Coal Board, without delay, at least the main features of their plans, so that the Board can give it suitable advice.

This move is apparently designed to prevent production of coking coal exceeding the ceiling fixed under the policy of coal conservation. As readers are aware, the output of selected "A" and "B" grades is pegged at 7.35 million tons for 1955, as against 7.4 million tons in 1954. There are, besides, Grade I and II coal, which, though they are not at present used for metallurgical purposes, because of their higher ash content, are capable of yielding, on beneficiation or as blends with the superior grades, good metallurgical coal. As against this, the requirements of coking coal in 1955-56 are estimated at 3.78 million tons, as compared with 3.65 million tons in 1954-55 and 3.39 million tons in 1953-54. Thus, the output of coking coal is already about 100 per cent. over the requirements for metallurgical purposes. The surplus output is used for non-metallurgical purposes and for export. At one time, the Board thought of substantial reduction in output of selected grades of coking coal, but it was found that such would not be possible without involving considerable retrenchment of labour and without the possibility of rendering some of the collieries uneconomic even after retrenchment of labour. It is calculated that the reduction in output at the rate of 0.5 million tons per annum would involve retrenchment of about 5,000 labourers each year. Besides, the saving of coking coal by this method is also considered inappreciable. There are, however, restrictions on opening of new seams containing coking coal, as well as on reopening of even closed seams. It will be interesting to know the reaction of colliery interests to the Coal Board's aforesaid decision in regard to the establishment of washeries.

COAL STATISTICS

The output of coal in collieries in India declined from the peak figure of 3,505,446 tons in December, 1954, to 3,152,967 tons in January, 1955, according to official statistics released by the Chief Inspector of Mines in India. Despatches of coal amounted to 2,671,573 tons in January, 1955, as against 2,749,302 tons in the preceding month. Coal stocks at pitheads, however, declined from 3,501,388 tons at the beginning of the month to 3,462,040 tons at the close of the month. Coke plants at collieries and elsewhere produced 390,959 tons of hard, soft and other kinds of coke during the month and despatched 210,007 tons. During the month under review, 831 collieries were reported to be working with an average daily employment of 350,077 workers. The output per man-shift was estimated to be about 1.07 tons for miners and loaders, 0.87 ton for all workers underground and in open workings, and 0.37 ton for all persons employed including surface workers. The percentage of absenteeism was of the order of 14.26.

"World Energy Resources in the Light of Recent Technical and Economic Developments" is chosen as the main theme of the discussions at the fifth plenary World Power Conference, to be held in Vienna from 17th to 23rd June, 1956.

THE
CENTRAL BANK OF INDIA
LIMITED
(Established December, 1911)
Head Office:
MAHATMA GANDHI ROAD, FORT
BOMBAY, 1

Authorised Capital - Rs. 6,30,00,000
Issued Capital - - „ 5,77,50,000
Subscribed Capital - „ 5,76,66,125
Paid-up Capital - - „ 3,14,54,250
Reserve Fund and other Reserves - „ 4,00,55,696
Deposits as at 31-12-1954 - Rs. 1,24,21,26,680

DIRECTORS:
Sir Homi Mody, K.B.E. (Chairman)
Dinshaw D. Romer, Esq.
Dharamsey Mulraj Khatau, Esq.
Cooverji Hormusji Bhabha, Esq.
Manmohandas Madhavdas Amersey, Esq.
C. P. Wadia, Esq.
Chimanlal Bapalal Parikh, Esq.
Framroze J. Gazdar, Esq.
H. C. Captain, Esq. (Managing Director).

Branches and Pay Offices in all important Cities and Towns of India, Pakistan, Burma and in London.

London Branch:
159, Fenchurch Street, London, E.C. 3

New York Agents:
The Guaranty Trust Co. of New York.
The Chase National Bank of the City of New York.

Banking business of every description transacted on terms which may be ascertained on application.

H. C. CAPTAIN,
Managing Director.

THE INDIAN BANK LTD.
Head Office:
North Beach Road, MADRAS.

Branches and Sub-offices throughout South India, Bombay and in New Delhi.

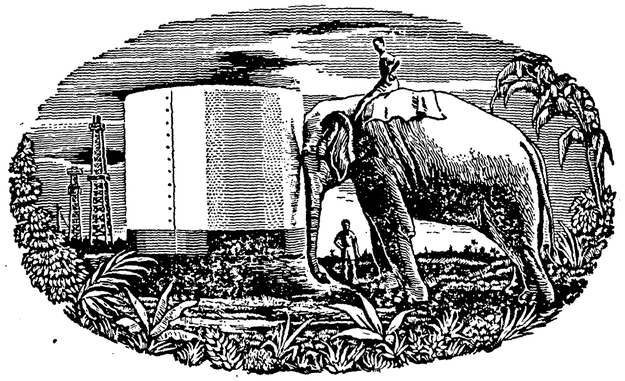
Overseas Branches:
Colombo, Kuala Lumpur, Malacca, Penang and Singapore.

CAPITAL
Authorised .. .. Rs. 1,00,00,000
Subscribed .. .. „ 72,00,000
Paid-up .. .. „ 57,80,000
Reserve & other Funds „ 76,80,000
Deposits (As on 31-12-54) Rs. 24.85 crores

All kinds of Banking Business transacted.

N. GOPALA IYER,
Secretary.

THE PUNJAB & SIND BANK LIMITED
Established 1909
Registered Office .. .. .. AMRITSAR
Central Office .. .. DEHRA DUN
Branches in India:
Amritsar, Ambala City, Dehra Dun, Delhi (Chandni Chowk), Delhi (Karol Bagh), Delhi (Pahar Ganj), Hoshiarpur, Jullundur City, Kanpur, Karnal, Ludhiana, Patiala and Sub-office Khanna.
AGENCIES IN ALL PRINCIPAL TOWNS
Fixed Deposit interest at different rates.
Savings Bank interest at 1½ per cent. per annum.
Special Fixed Deposit interest 2 per cent. Withdrawals by cheques
Widows and Orphans special interest rates allowed
Safe Deposit Lockers are available at Amritsar, Ludhiana, Ambala, Dehra Dun, Delhi (Pahar Ganj) and Delhi (Karol Bagh) Offices.
Advances made against approved securities, bullion, gold ornaments, goods, etc.
Terms can be had from Local Managers
Dr. Balbir Singh, Ph.D. (London)
Managing Director



It's a BIG job....
running an oilfield

Many special kinds of skill are required to keep India supplied with oil, from the study of fossils to the operation of complicated plant in refineries—and not excluding the care of elephants.

Consider the complexity of the Assam Oil Company's operations at Digboi, in north-east India. Here, at India's first and hitherto only oilfield, nearly a thousand wells have been drilled into the earth's rocks—a total of over 300 miles of hole. More than 600 of these wells still yield oil regularly, modern production techniques ensuring that the maximum amount of crude is recovered from the field. Science and engineering skills guide every phase of the company's work, nowhere less than in Digboi refinery which in a single day supplies the Indian market with over 250,000 gallons of high-quality petroleum products. In all branches of this full-scale industry the Assam Oil Company employs nearly 9,000 persons, while many hundreds more are engaged in serving the consumer.

Yes, the day-to-day running of the oil industry is a big job. To keep it running the Assam Oil Company has to spend crores of rupees just in "looking ahead". For no oilfield lasts for ever, and in order that India's vital flow of oil may be supplied to an increasing extent from India's own resources, the company is constantly exploring for new sources of petroleum.

ASSAM OIL COMPANY
does it all

BOC
A member of the Burmah Group of Oil Companies

PROSPECTING · DRILLING · PRODUCING · REFINING

THE BRITISH INDIA GENERAL INSURANCE
COMPANY, LIMITED
(INCORPORATED IN INDIA)
HEAD OFFICE:—MEHTA HOUSE, APOLLO STREET, BOMBAY
Chairman: JAL H. MEHTA General Manager: M. S. DASTUR

MODEL RULES UNDER PLANTATION LABOUR ACT

MADRAS GOVERNMENT'S DRAFT PUBLISHED

MADRAS is the foremost among the State Governments to publish its model rules under the Plantation Labour Act of 1951. No other State Government in India has so far published any model rules under this Act. It is announced that these rules will be taken into consideration after 30th April, 1955.

The Madras Rules generally follow the pattern of the Central Government's Rules, but they appear to give some concessions in respect of the provision of canteens, supply of drinking water to workers, etc. In these and some other respects, the Madras Rules appear to take a practical view of the amenities and facilities that can be provided by plantation employers for their workers. With the exception of rules 13 to 20, which deal with the provision and equipment of latrines, and rules 30 to 43, which deal with canteens, creches, recreational facilities and educational facilities of workers' children, the draft rules are to come into force immediately they are approved. Rules 13 to 20 and rules 30 to 43 are to come into force at a subsequent date.

Rule 3 defining the powers and functions of the inspecting staff confers wide powers on inspectors including the power to prosecute or defend before a court any complaint or other proceedings arising under the Act, and to require employers to supply returns or information relating to the provisions of the Act. The duties of certifying surgeons, given in rule 5, include their satisfying themselves during their periodical visits about the fitness of all the adolescents and children employed in the plantation.

In Chapter III, dealing with health, rule 7 provides that an adequate supply of wholesome drinking water shall be made available in every plantation at work sites at all times during working hours. Rules 10 and 11 provide measures for maintaining a clean supply of water. Rules 13 and 20 provide that suitable latrine accommodation are made available in every plantation at the rate of one latrine for every 50 acres of the area under cultivation, that the latrines shall conform to public health requirements, and that adequate water-supply should be provided near latrines. Similar provisions are also made in respect of urinals.

Rule 21 prescribes that there shall be two types of hospitals in plantations, namely, garden hospitals and group hospitals. Every plantation employing 1,000 or more workers shall run its own garden hospital wherever possible, while every plantation employing less than 1,000 workers which are situated within reasonable distances from one another may, with the approval of the Chief Inspector, combine and provide joint hospitals/dispensaries and share their expenses. Group hospitals are to be established by 1st July, 1957.

In Chapter IV, dealing with welfare, rule 30 requires the provision of a canteen in or near every plantation wherein 150 or more workers are employed. In rule 32, it is provided that in every plantation where 50 or more women workers are employed a creche or creches should be maintained. At least half a pint of pure milk if possible, or powdered milk, shall be made available for each child daily. An adequate supply of clean clothes, soap and oil shall be made available for every child in the creche.

Housing accommodation for workers is provided for in rules 44 to 52. Quarters shall be built in accordance with standards and specifications to be approved by the State Government. Accommodation to be rent-free.

The constitution of an advisory board by the State Government is provided for in rule 54. The Board is to consist of representatives of the State Government and of employers and workers. Weekly holidays and sickness and maternity benefits are also clearly specified.

COFFEE INDUSTRY

The season 1953-54 proved to be a record one for the Indian coffee industry, so far as production and exports were concerned, according to the Administration Report, 1954-55, of the Union Ministry of Commerce and Industry. The output of coffee during 1953-54 amounted to 29,410 tons, made up of 22,630 tons of arabica and 6,780 tons of robusta, and constituted the largest crop during the present century. Such a high level of production is not expected to be maintained during the current year. For the Report estimates the 1954-55 crop, which is under picking and the bulk of which will be gathered by the end of May, 1955, at 24,200 tons, consisting of 15,000 tons of arabica and 9,200 tons of robusta.

The quantity of coffee released from the Coffee Pool for the internal market exceeded 21,000 tons during 1954. This quantity constitutes a record, the previous best being 18,407 tons in 1946. The year also saw a record in exports of coffee. A quantity of 9,613 tons of coffee was sold for exports and this represents the highest since the inception of the Board, the previous best being 5,373 tons in 1945-46. The Ministry does not seem to have collected statistics of actual consumption of coffee in the country. It is not known whether all the coffee sold for the internal market was consumed. The Report has not also given the figures of stocks with the Pool at the end of the season.

The internal coffee prices at Pool auctions, according to the Report, showed a high degree of stability during the year. The Pool auction prices for Plantation 'A' ranged from Rs. 197-14 to Rs. 218-15 per cwt., as against Rs. 199-1 to Rs. 258-5 in 1952. The allotment price for Plantation 'A' was only Rs. 195-8. The export prices were 50 to 100 per cent. higher than the internal prices, the range for Plantation 'A' being Rs. 281-7 to Rs. 462-8 per cwt. The prices obtained in the latter half of the year were lower than those in in the first half. The export duty of Rs. 62-8 per cwt. imposed in October, 1953, continued to be in force up to 18th February, 1955, when it was reduced to Rs. 21 per cwt.

The area under coffee in 1953-54 was 248,300 acres, representing an increase of 26.65 per cent. over that of 194,474 acres in 1942-43. The area under cultivation of arabica was 168,722 acres, as against 161,261 acres ten years ago, and that under robusta 77,578 acres as compared with 33,213 acres in 1942-43. The present trend in coffee planting, the Report adds, is for the robusta acreage to expand more rapidly than the arabica acreage, as is borne out by the aforesaid figures, evidently due to the better resistance of robusta to pests and diseases, higher yield and cheaper cost of production, although arabica is noted for its good quality.

The Government has under active consideration the possibility of further expansion of the coffee industry. With this object in view, an officer on special duty has been appointed to conduct a field survey of the vast undeveloped area in the States of Madras, Mysore and Coorg and to make recommendations to the Government of India on the desirability of increasing the total acreage of coffee. This officer has already visited some important coffee growing areas in Mysore State and studied the problems of the industry. The detailed report is expected to be submitted in the course of the next few months.

PLANTATION ENQUIRY COMMISSION

The Plantation Enquiry Commission consisting of Mr. P. Madhava Menon, I.C.S. (Chairman), Prof. M. V. Mathur and K. G. Sivaswamy, started a tour of the Anamallais, Shevaroys and Nilgiris areas on the 1st inst. After visiting tea packing and coffee curing houses in Coimbatore, the Commission toured tea estates in the Anamallais and proceeded to the Nilgiris where it held consultations with the United Planters' Association of Southern India and other local associations of planters. It is understood that during the course of discussions the planters clarified several points raised in their written memorandum to the Commission. Questions relating to expenditure on replanting and new planting of tea, coffee and rubber areas in South India, the present system of allocation and transfer of tea export quotas, practical difficulties arising from the new system of levy of tea export duty, difficulties connected with the implementation of the Plantation Labour Act, the problem of damage caused by cattle on plantations and anomalies resulting from over-lapping legislation of different kinds of plantation labour were raised by the planters during discussion with the Commission. A number of tea, coffee and rubber estates belonging to large and small growers, as well as companies, were visited by the Commission.

NATIONAL BANK OF INDIA

LIMITED

Incorporated in the United Kingdom (Established 1863)

BANKERS TO THE GOVERNMENT IN KENYA, UGANDA ZANZIBAR AND ADEN

Subscribed Capital £4,562,500
Paid-up Capital £2,851,562
Reserve Funds £3,104,687

Head Office: 26, BISHOPSGATE, LONDON, E.C. 2

West End Office: 13, ST. JAMES'S SQUARE, LONDON, S.W. 1

BRANCHES:

INDIA: Calcutta, Chowringhee, Calcutta, Bombay, Madras, Mount Road, Madras, Bangalore, Amritsar, Kanpur, Delhi, New Delhi, Tuticorin, Cochin.
PAKISTAN: Karachi, Saddar Branch, Karachi, Lahore, Chittagong, Agrabad Rd., Chittagong, Narayanganj, Khulna, Barisal.
BURMA: Rangoon.
CEYLON: Colombo, Kandy, Nuwara Eliya.
ADEN: Camp, Aden, Steamer Point, Aden, Little Aden (Sub-Branch to Aden).
SOMALILAND PROTECTORATE: Berbera, Hargeisa.
ZANZIBAR ISLAND: Zanzibar, Mombasa, Nairobi.
TANGANYIKA TERRITORY: Tanga, Dar-es-Salaam, Mwanza, Lindi, Mahenge, Mtwara, Mikindani (Sub-Branch to Lindi), Bukoba.
KENYA: Nairobi, Avenue, Nairobi, Delamere Avenue, Eldoret, Thika, Nakuru, Naivasha, Kisumu, Eldoret, Kericho, Sotik (Sub-Branch to Kericho).
UGANDA: Entebbe, Fort Portal, Kampala, Masaka, Jinja, Mbale, Tororo, Soroti, Pbwaro.

Current Deposit Accounts are opened and Fixed Deposits received on terms which may be ascertained on application.

The Bank issues Letters of Credit and Travellers Cheques and is offers every facility for the conduct of all classes of Banking and Exchange business with the principal commercial centres throughout the world.

The Bank's Head Office undertakes to act as Executor and Trustee if approved assets.

Savings Bank Accounts opened.

Bombay Branch: Mahatma Gandhi Road, Fort, BOMBAY 1.

G. R. WEST, Manager.

PROSPECTS FOR JUTE FABRICS

IMPORTANCE OF STABLE PRICES

THE thesis of the address of Mr. P. Drollas at the annual meeting of the Calcutta Jute Fabric Shippers' Association, in his capacity as the Chairman, is that, unless prices of jute goods are held at a reasonable level from the point of view of consumers and constant supplies of the goods are assured, the future of jute goods industry will be bleak. This, according to Mr. Drollas, is the lesson that one can draw from the trading conditions in 1954. For early in the year, when the prices of jute goods were at more or less a reasonable level, the demand was exceedingly good. The offtake from Argentina, though smaller than that in the previous year, was considerably satisfactory, the season's purchase aggregating over 80,000 metric tons. Sackings in particular fared very well in export markets, Australia figuring prominently with a total import of 70,000,000 bags in 1954, as against 45,000,000 in 1953. The U.K. markets were ready and the demand from the African markets equally satisfactory. Burma purchased considerable quantities and China, for the first time after many years' absence, entered the market taking about 25,000 bales of bags. Competition from substitutes were generally less aggressive. A notable exception, however, was the disappointing market conditions in the U.S. The consumption of burlap fell from the monthly average of 70,000,000 yards in 1953 to 65,000,000 yards in 1954, a decline by 5,000,000 yards.

Unfortunately, later in the year, the performance of jute goods in export markets proved to be disappointing. This was due to a rapid rise in the price of jute goods, which, said Mr. Drollas, "drove business away from Calcutta." This rise was attributed to reports of small raw jute crop both in India and Pakistan. Then, there were the unprecedented floods in East Pakistan and in some of the important jute growing parts of India which affected adversely the jute crop position. This state of affairs was made worse by the large speculative activity of the Calcutta operators, which pushed up jute prices to artificially high levels. Small wonder, therefore, that the demand for jute goods from export markets slackened. Substitutes for jute goods once again began to extend their inroads; in fact, some markets have already been irrevocably lost to substitutes.

It is true that there are certain factors which are virtually beyond the control of man and which affect the supply of jute goods and their prices. But there are certain others which are within the control of man. Excessive speculation is one of them. Mr. Drollas insists that the worst feature of the jute goods market is the existence of the highly undesirable speculative elements. He wonders why the fortunes of the industry of the size and national importance as jute should be at the mercy of a few speculators in Calcutta. To quote him: "These speculative elements enjoy considerable influence and appear to command unlimited financial resources, such as enable them to manipulate the market and prices to an extent which has recently assumed alarming proportions." Indeed, the only way out of the situation, as pointed out by the Chairman, is the regulation of the futures market on sound lines. It is true that the Government has made a beginning towards establishing a well-regulated market, but Mr. Drollas regrets that the progress has been slow. This is a perfectly valid complaint. Although well nigh 18 months have passed since the Forward Markets Commission was appointed, nothing tangible has materialised in regard to the question of improving the working of the jute goods futures market. It is to be hoped that the matter would be looked into and the progress of reform quickened.

Mr. Drollas also made out a case for the removal of export duty on gunnies. He is of the considered opinion that the existence of the export duty, even though not heavy, might harm India's exports.

Introduction of bulk transport system, although very slow and gradual at present, in the Scottish flour milling industry is considered a threat to the textile bag business. Millers in Scotland, it appears, have already adopted the system on a limited scale. Its wider use is likely to reduce the volume of sack sales to flour mills and bakeries. So far, the bulk transport of flour is limited only to a few mills and large bakeries. Units now in use carry about 10 to 14 tons of flour. There are not a very large number of bakeries capable of holding and baking such a tonnage sufficiently fast to justify the use of bulk transportation. But the economies possible by the new system are reportedly so obvious that bakers may soon see their way for installing storage bins capable of holding full load.

THE HIND BANK LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting herewith the Audited Accounts of the Bank for the year ended 31st December, 1954.

	Rs.	a.	p.
The Profit and Loss Account after deduction of all working expenses shows a profit of	6,55,597	0	10
to which must be added the amount brought forward from previous account	1,01,223	5	10
Total .. Rs.	7,56,820	6	8

which the Directors have disposed of as follows:—

	Rs.	a.	p.
Amount transferred to Reserve Fund	1,50,000	0	0
Provision made for taxation	2,80,000	0	0
Bonus to staff	89,000	0	0
Amount transferred to Gratuity Fund	25,000	0	0
Balance	2,62,820	6	8
Total .. Rs.	7,56,820	6	8

Out of the balance of Rs. 2,62,820-6-8 the Directors recommend to the shareholders payment of Dividend at Rs. 1-8 per share free of Income-tax which absorbs Rs. 1,50,000-0-0 leaving Rs. 1,12,820-6-8 to be carried forward to the next year's account.

The business of the Bank during the year under review and the results achieved are satisfactory. The Investment policy of the Bank during the year 1954 continued to be the same. About 54 per cent. of Time and Demand Liabilities are held in Cash and Investments. Of the Investments, about 64 per cent. are held in Government of India and State Government bonds, of which about 92 per cent. mature within the next 7 years. The Bank's Investments in the Balance Sheet stand at below market value as at the end of December 1954.

The Directors have to report with regret the resignation of their colleagues Mr. Chimanlal B. Parikh, Mr. Jal H. Mehta and Mr. J. R. Jacob and they desire to place on record their sincere appreciation of the valuable services rendered by them to the Bank.

During the year under review Mr. B. V. Jacob of Messrs. B. N. Elias & Co., Ltd., at the request of your Board, joined the Board of Directors. You are requested to confirm his appointment on the Board as a Director.

Under the provisions of the Articles of Association of the Company Mr. K. P. Goenka and Mr. B. Kumar Birla retire from the Board of Directors and being eligible offer themselves for re-election.

The Auditors appointed by the shareholders at the last General Meeting, Messrs. K. N. Gutgutia & Co. and Messrs. Dalal and Shah retire, but offer themselves for re-appointment.

The Directors express their gratitude to the shareholders and the numerous constituents for their support in the growth of the institution and also to the members of the Local Advisory Boards at Ahmedabad and Bombay for their valuable advice. They also record their appreciation of the loyal and efficient services rendered by the staff at Head Office and Branches.

For and on behalf of the Board of Directors,
K. P. GOENKA,
Chairman.

Dated, CALCUTTA, the 10th March, 1955.

BALANCE SHEET AS AT 31st DECEMBER, 1954

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL— 2,00,000 Shares of Rs. 100 each	2,00,00,000	0	0			
ISSUED AND SUBSCRIBED CAPITAL— 1,00,000 Shares of Rs. 100 each	1,00,00,000	0	0			
AMOUNT CALLED UP— 1,00,000 Shares at Rs. 50 per share				50,00,000	0	0
2. Reserve Fund and Other Reserves— Reserve Fund (including under Section 17 of the Banking Companies Act)				25,50,000	0	0
3. Deposits and Other Accounts— Fixed Deposits	1,35,85,936	11	8			
Savings Bank Deposits	16,25,017	4	4			
Current Accounts, Contingency Accounts, etc. ..	2,55,20,335	0	1			
				4,07,01,088	15	10
4. Borrowings from Other Banking Companies, Agents, etc.— (i) In India	....					
(ii) Outside India	....					
Particulars:— (i) Secured	....					
(ii) Unsecured	....					
				2,18,556	2	10
5. Bills Payable						
6. Bills for Collection being Bills Receivable as per contra— (i) Payable in India	29,09,146	4	0			
(ii) Payable outside India	1,72,263	11	7			
				30,81,409	15	7
7. Other Liabilities— (i) Unclaimed Dividends	14,339	0	0			
(ii) Branch Adjustments	4,36,445	15	6			
				4,50,784	15	6
8. Acceptances, Endorsements and Other Obligations per contra ..				1,59,22,800	11	7
9. Profit and Loss— Profit as per last Balance Sheet	2,51,223	5	10			
Less—Dividend	1,50,000	0	0			
	1,01,223	5	10			
ADD—Profit for the year brought from the Profit and Loss Account	6,55,597	0	10			
	7,56,820	6	8			
LESS—Appropriations thereof—	Rs.	a.	p.			
Amount transferred to Reserve Funds	1,50,000	0	0			
Provision for Taxation	2,80,000	0	0			
Bonus to Staff	89,000	0	0			
Amount transferred to Gratuity Fund	25,000	0	0	4,94,000	0	0
				2,62,820	6	8
10. Contingent Liabilities— (i) Claims against the banking company not acknowledged as debts Rs. 44,840-4-0.						
(ii) In respect of Guarantees issued on behalf of constituents Rs. 1,76,100-0-0						
(iii) On Imperial Bank shares partly paid up Rs. 84,875-0-0.						
(iv) Liability on Bills of Exchange rediscounted Rs. 12,35,678-12-8 of which Rs. 48,88,865-10-0 have run of upto 28-2-55.						
(v) Liability on account of outstanding forward exchange contracts Rs. 2,61,45,98-9-7 of which Rs. 1,41,90,987-0-0 have been delivered upto 28-2-55.						
(vi) Claims by employees not acknowledged as debts and under dispute before the Tribunal.						
Total .. Rs.				8,79,87,461	4	0

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash— In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)				40,25,963	5	5
2. Balances with Other Banks— In Current Account— (i) In India	1,58,272	12	8			
(ii) Outside India	27,51,548	9	7			
				29,09,822	8	10
3. Money at Call and Short Notice				25,00,000	0	0
4. Investments (at below market value)— (i) Securities of the Central and State Governments and Other Trustee Securities, including Treasury Bills of the Central and State Governments	1,08,62,181	7	6			
(ii) (a) Imperial Bank Shares fully paid up	1,80,225	11	6			
(b) Imperial Bank Shares partly paid up	56,109	12	0			
(c) Joint Stock Companies Preference Shares fully paid up	8,501	0	0			
(iii) Debentures or Bonds	1,77,000	0	0			
(iv) Other Investments	....					
(v) Gold	....					
				1,12,83,004	15	2
5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors) (I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p. (i) In India .. .. 1,84,75,196 1 6 (ii) Outside India 58,46,484 2 1				1,03,21,680	3	7
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India .. .. 46,01,878 8 6 (ii) Payable outside India 21,43,992 10 0				69,45,869	2	6
PARTICULARS OF ADVANCES— (i) Debts considered good in respect of which the Banking Company is fully secured	2,04,11,211	8	4			
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	40,62,427	11	0			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	8,78,510	3	0			
(iv) Debts considered doubtful or bad, not provided for ..	....					
				2,52,97,549	3	1
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,500	0	0			
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	3,41,859	7	9			
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,500	0	0			
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	20,49,561	15	4			
(ix) Due from Banking Companies	....					
6. Bills Receivable being Bills for Collection as per contra— (i) Payable in India	29,09,146	4	0			
(ii) Payable outside India	1,72,263	11	7			
				30,81,409	15	7
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				1,59,22,800	11	7
8. Premises Less Depreciation				....		
9. Furniture and Fixtures less Depreciation (including Motor Cars)— Cost as per last Account	2,73,237	5	9			
Since added	8,801	7	8			
	2,81,839	13	5			
LESS—Sale and Adjustments	3,255	0	6			
	2,78,584	6	11			
LESS—Depreciation written off to date	1,70,586	10	3	1,07,998	11	9
10. Other Assets, including Stores— (i) Property (Freehold Land at cost)	2,34,017	4	0			
(ii) Interest accrued on Investments	72,708	14	2			
(iii) Stamps	5,433	1	9			
(iv) Income-tax deducted at source	2,05,079	8	8			
(v) Silver	....					
				5,09,223	11	7
11. Non-Banking Assets Acquired in Satisfaction of Claims ..				....		
12. Profit and Loss				....		
Total .. Rs.				8,79,87,461	4	0

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1954

EXPENDITURE	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	9,72,860	5	10
2. Salaries and Allowances and Provident Fund	6,34,702	9	8
3. Directors' (Rs. 8,050) and Local Committee Members' Fees and Allowances	8,800	0	0
4. Rent, Taxes, Insurance, Lighting, etc.	72,815	4	6
5. Law Charges	8,801	7	8
6. Postage, Telephone, Telegrams and Stamps	17,458	7	6
7. Auditors' Fees (including Periodical Audits)	9,250	0	0
8. Depreciation on and Repairs to the Banking Company's Property	18,900	8	9
9. Stationery, Printing, Advertisement, etc.	58,970	6	0
10. Loss from Sale of or Dealing with Non-Banking Assets	....		
11. Other Expenditure	72,708	15	1
12. Balance of Profit	6,55,597	0	10
NOTE.—Salaries and Allowances of the General Manager amount to Rs. 26,400.			
Total .. Rs.	23,85,158	11	5

INCOME (less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest and Discount	15,54,457	15	4
2. Commission, Exchange and Brokerage	5,95,540	5	1
3. Rents	800	0	0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account) ..	2,658	7	0
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account) ..	....		
6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	....		
7. Other Receipts	157	0	0
8. Loss	....		
Total .. Rs.	23,85,158	11	5

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Hind Bank Limited, as at 31st December, 1954 and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated Branch returns audited by the Statutory or Local Auditors, and report that:—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory;
(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;
(c) the returns received from Branch Offices of the Bank have been found adequate for the purpose of audit;
(d) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;
(e) such Profit and Loss Account shows a true balance of profit for the year;
(f) such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank; and
(g) in our opinion, books of accounts have been kept by the Bank as required by Section 150 of the Indian Companies Act, 1913.

K. N. GUTGUTIA & CO.
DALAL & SHAH
} Chartered Accountants.

K. P. GOENKA
N. L. JALAN
B. KUMAR BIRLA
R. D. SANGOUR
N. L. KANORIA
B. V. JACOB
} Directors.

S. D. PARDIWALLA,
General Manager.

T. N. GANGULI,
Chief Accountant.

CALCUTTA, the 10th March, 1955.

PROMOTION OF RURAL ELECTRIFICATION IN ASIA AND FAR EAST

FINANCE, THE BIGGEST SINGLE OBSTACLE

THE importance of electric power to the economic development of a country needs no emphasis. This power is indispensable for raising the living standards of underdeveloped regions of Asia and the Far East. For more than 80 per cent. of the population of the region lives in rural areas. Unless production and employment in these areas are expanded, no real improvement in the living standards of people can be achieved. This means that the productivity of agriculture must be raised and scores of new industries—small and big—must be established in rural areas. Accordingly, development of the region is closely related to the success of rural electrification programmes. Unlike the urban, the rural loads are scattered. The demand per consumer is small, owing to the low standard of living, and it is difficult to supply power at economic rates for such small scattered loads. The problem, in fact, offers a challenge and an opportunity to engineers and administrators of the power supply industry. There is no gainsaying the fact that a satisfactory solution will depend upon the ingenuity and the professional skill brought to bear upon it and also on the co-operation of all concerned, especially research institutions, manufacturers, distributors of agricultural equipment and domestic appliances and consumers.

The problems of rural electrification are impressively dealt with in a report of the *U.N. Economic Commission for Asia and the Far East*, entitled *Rural Electrification* (priced at 6s. or 80 U.S. cents). The Report confines itself to the problems facing the countries of the region. Various technical and economic questions relating to electric power development in rural areas are discussed and suitable methods and practices are suggested. The financial considerations relating to rural electrification projects are dealt with in some detail, as finance is the greatest single obstacle faced by all the countries. The Report points out that, for a number of reasons, the economics of rural electrification schemes cannot be judged on the same basis as those of ordinary commercial enterprises, and that it accordingly appears necessary for the Governments concerned to accept the main responsibility for promoting rural electrification and for bearing the financial burden involved through one or other of the various methods described in the Report.

According to the Report, the progress achieved so far in the E.C.A.F.E. region is insignificant, except in the case of Japan and China (Taiwan). It points out that, while installed capacity (in kw. per 1,000 inhabitants) is as high as 620 in Canada, 436 in the U.S., 425 in Sweden, 291 in the U.K., that in the Asian countries amounts only to 108 in Japan, 47 in China (Taiwan), 68 in Hongkong, 37 in Singapore, 26 in Malaya, 7.6 in Ceylon, 6.9 in the Philippines, 4.5 in India, 2.2 in Burma, 1.8 in Indonesia, 1.7 in Cambodia, Laos and Viet Nam, 1.58 in Thailand and 1.12 in Pakistan.

Finance

Finance is the greatest single obstacle for carrying out rural electrification on an extensive scale. The continuous rise in costs in most of the countries has seriously affected the power supply industry. The result is that the principle of amortisation has lost its objective value. This has been largely responsible, the Report says, for the declining supply of private capital for long-term investment. Furthermore, the increase in the price of equipment has necessitated considerably more capital for the establishment of new plants.

Another factor that has adversely affected the development of electricity supply industry is the intervention of the Government, varying from complete nationalisation to legislation controlling the development and the financial activity of the private electricity undertakings. Dealing with this aspect, the Report candidly remarks:

"Nationalisation has changed the very basis on which the industry operated earlier. To mention a few factors, revenue surpluses are claimed by the treasury, and adequate provision is not always made for development plans commensurate with the importance of the industry, apart from the delays in sanctions and allotments of funds, etc., that occur in Government routine."

The Report makes a pointed reference to the allegation that, where there is Government control of private undertakings, the "reasonable returns" fixed in many cases are too low to attract the required capital. The taxation policy adopted by the Government does not always admit of sufficient reserves being built up for re-investment in the industry as has been done in the past. So far as rural electrification is concerned, the Report, however, is of the considered opinion that financing cannot be subjected to the normal tests of satisfactory returns on investment. Experience has shown that, even in some of the Western countries, where the standard of living is higher and the farm holdings are larger, the return on investments for rural electrification is not adequate. In the case of the rural areas in the countries of the E.C.A.F.E. region, the problem is more difficult, as the concentration of load per unit area is much less and the growth of load will be slow, owing to very low standard of living. Discussing the economics of fixing tariffs, the Report observes:

"The two basic considerations that govern the formulation of tariffs, which will satisfy both the producer and the consumer, are what the service costs to produce and what it is worth to the consumer. Electricity has special features which require consideration in the formulation of tariffs. It is not possible economically to store electricity in significant quantities, at least at the present stage of technical development; the demand in a power-supply system fluctuates sharply over different periods of time; it reaches a maximum at a particular time of the day and this maximum varies with the seasons of the year; the capacity of each part of the equipment, such as the generating plant, transmission lines, transformers, etc., should be adequate to meet that highest demand even though it may occur only once a year and may last for a short time. Furthermore, the electric supply industry enjoys a limited monopoly; therefore, the ordinary laws of supply and demand are not applicable to the determination of prices.

"On the production side, the cost will be influenced either by the encouragement given and subsidies paid by the Government or by municipalities in order to secure the incidental benefits to the health of the community and the establishment of industries, or by their attempts to secure high profit to be used for the benefit of other services. On the consumption side, habits, prejudices, initial investment and competition from alternative services influence the value of the service to the consumer.

"Tariffs for rural areas present a special problem. The main problem in rural electrification is the economical supply of power to small loads scattered over wide areas. On the one hand, the cost of energy supply is higher than for urban areas, and, on the other hand, the value of service to the consumer is lower. Although cost considerations demand higher tariffs, a uniform tariff for urban and rural supply for a particular class of service is the cry of the day. Therefore, tariffs which are broadly based on the laws of economics and duly modified to take into account all factors influencing production (such as maximum demand, time and place of supply) as well as the value of service to the consumer, may be considered satisfactory."

The Report expresses the view that financing of rural electrification cannot be subjected to the normal tests of satisfactory return on investment. While every effort should be made to reduce costs, it is felt that, in the interests of encouraging rural electrification, at least in the initial stages, it will be essential to provide suitable inducements to the rural consumer in the form of reduced rates, etc. This naturally leads to some kind of subsidy for rural electrification by the Government or by some public authority. The Report lists the following as the possible methods of Governmental assistance:

(a) The Government advances the entire amount of capital required for rural electrification and recovers the amount in easy instalments as the schemes begin to yield a return, a low rate of interest being charged for the outstanding loan during the initial stages of operation. This may be done in two ways:

(i) The money may be advanced to electric supply undertakings, which are directed to extend electricity to rural areas;

(ii) Co-operatives may be formed in the areas to be served and the money advanced to them, the necessary technical and administrative assistance being rendered by a Government organisation exclusively set up for the purpose.

(b) Outright payment is made to an electric supply undertaking to cover a portion of the capital cost of rural electrification, the proportion payable by Government being determined in each case depending upon the prospective load conditions of the area to be served.

(c) The Government guarantees the undertaking entrusted with the work of rural electrification to make good the losses that may be incurred.

(d) A suitable taxation policy is adopted to enable undertakings to build up reserves to be utilised for extension of electricity to rural areas.

Dealing with rural electrification in India, in particular, the Report observes as follows:

"No definite financial policy has been laid down in respect of rural electrification. However, the need for extending electricity to rural areas has been increasingly felt in recent years. In the Electricity Supply Act of 1948, the creation of State Electricity Boards in the various States in India has been envisaged. Although the Act does not contain any specific provision for special measures designed to give impetus to rural electrification, it enables State Governments to grant subventions for such other purposes beneficial to electrical development in the State. In almost all cases, the rates offered to rural areas are maintained at the same level as in the adjoining areas falling within the same grid system. The Planning Commission, in its first Five-year Plan, has attached considerable importance to the use of electricity in rural areas and has suggested that the States should set up a special machinery on the lines followed by the Rural Electrification Administration in the United States of America. It is also held in some quarters that, in order to augment the financial resources required for the expansion of rural electrification, certain portions of the proceeds of taxation on the sale of electricity and of the betterment levy (which is in the nature of capital levy) on properties which are supplied with electricity could be credited to the electricity development fund."

It will be seen from the aforesaid quotation that India has not evolved any specific policy for promoting electrification of rural areas.

Estd. 1906. *Head Office:* UDIPI (S. India)

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Dr. U. Sunder Ram Pai, M.B.B.S., *Chairman.* V. R. Kamath, B.A., LL.B., *General Manager.*

MANUFACTURE OF HEAVY ELECTRICAL EQUIPMENT

The Government of India has decided to set up a State-owned factory for manufacturing heavy electrical equipment, as recommended by the Heavy Electrical Project Enquiry Committee. It will shortly invite some of the leading electrical manufacturers of international repute to discuss the scheme and to ascertain the basis for obtaining technical and financial collaboration with them. The Government has already assembled a committee of electrical experts to advise it on the implementation of the project. They will select a firm of international repute for collaboration in the project.

It will be recalled that the Heavy Electrical Project Enquiry Committee was appointed in October last year to report on the exact requirements of the country in the matter of heavy electrical equipment and to recommend measures to meet the demand, which could not be supplied by the current production of the country. The Committee is reported to have recommended that the State should establish a heavy electrical project to fulfil the objective of self-sufficiency in this important field within a reasonable time. The Committee has suggested, we are told, that the State factory should include in its programme items such as hydraulic turbines and generators, generators for diesel sets and static capacitors in the manufacture of which none of the existing units is interested. Besides these, the factory should manufacture certain other items of large size, as, for instance, heavy transformers. In respect of these, the range of manufacture should, as a rule, start from the level that has already been reached by the existing units. The overlapping of production should be no more than marginal and to the extent that is essential for proper planning.

Those who are in the know of things are, however, doubtful whether the factory would be an economical proposition, though they concede that the present decision to establish it is strategically sound. The domestic market for heavy electrical goods, they point out, is limited to the multi-purpose river valley projects and a few large electric companies. This, it is felt, will not be enough to make the factory an economic proposition. Consequently, it is feared that the State may have to subsidise its production, as in the case of the Visakhapatnam Shipyard. They, however, do not overlook the fact that, in the long run, this factory may be able to cater to the demand from beyond the borders of India, that is, from Malaya, Indonesia, Burma and the like, which are expected to embark on large-scale industrial planning and which initially involves the production of electric power. But finding export markets is not going to be an easy task. Even as it is, a buyers' market has developed for this. India will have to compete with well-established foreign manufacturers. Success in this field depends chiefly on the quality of technical aid India gets, on the efficiency of management and on its ability to win export markets. It will be pertinent to mention here that, recently, the Government-owned telephone factory at Bangalore failed in its attempt to get the market in Burma.

NEW PRODUCTS AND PROCESSES

Rubber Hose Transports Ore and Coal

A RUBBER hose that outwears steel pipe in transporting 10-pound chunks of ore or coal has been designed by engineers of the B.F. Goodrich Company, a U.S. rubber concern. The hose is lined with a special abrasion-resisting rubber. Lumps of ore or coal are propelled through the hose by a high-pressure stream of water. The hose has proved especially useful as a substitute for bent and curved pipes. Abrasive particles of ore cause severe wear at turns in metal piping systems. Unlike the pipe, the rubber hose can be rotated to distribute the wear at these points.

Fog Dispellers

The U.S. State of New Jersey has started to install experimental fog-dispelling devices on heavily-travelled roads where heavy fogs are frequent. The devices are large two-bladed rotating fans mounted near the top of 30-foot high aluminium posts. A metal cone mounted on top of each post forces the blast of air downward. The fan starts to rotate when a photo-electric cell, registering the presence of fog, activates an electric motor. It is claimed that the devices disperse fog at ground level and draw down clear air from above. Each unit is capable of dispersing fog within a radius of 600 feet.

Blood Cells Magnified to Baseball Size

Red blood cells appear as large as baseballs and tiny bits of hay-fever-producing pollen look like spiny basket balls when viewed through a new high-power microscope just developed by the U.S. Columbia Broadcasting System Laboratories. Even living cells can be enlarged up to 15,000 times with the new microscope, which enlarges electronically and projects in full colour optical images from a conventional microscope adapted for the purpose. An important feature of the microscope is that it provides, instantaneously and in colour, images 100 times brighter than were possible before.

New Chemicals to Fight Flies

A large assortment of new chemical compounds to fight flies and mosquitoes is being developed by the U.S. Department of Agriculture. The Department's Agricultural Research Service predicts that new and effective insecticidal baits to control flies will soon be in widespread use. The service also reports the discovery of 11 new mosquito-repellent chemicals, all of which are better than anything now in use against several species, including those which spread malaria and yellow fever. The development of new chemicals to combat flies has been stimulated by the fact that, in many areas, these pests have developed relative immunity—or at least a high resistance—to D.D.T. and other chemicals. Tried out in a recent test, one of the new compounds reduced the fly population 99 per cent. in four hours. Agricultural research service workers are convinced that they can produce nearly perfect fly control both on the farm and in the home.

Controlling Pest Damage to Grain in Storage

Research on methods of controlling insect pests on grain stored in large quantities for food or for seed point to simple chemical methods that assure an almost complete control of the pests. Insects, along with other pests, are responsible for causing losses amounting to about 25,00,000 tons of grain every year in India. Measures adopted to save this grain from pest damage will go a long way in saving food for the nation. Entomologists recommend that the grain after harvest and before storing should be thoroughly dried because grain which is fully dried is not favourable to the breeding or growth of the insects. They also prescribe light fumigation with a fumigant like chlorosol. This is available in liquid form, but vapourises on exposure to air. The fumigation is done by covering the stored grain under an air-proof cloth and pouring the liquid in a shallow dish kept on the top of the grain. The liquid is applied at 4 lbs. per 100 maunds of the grain. The grain is kept exposed to the fumes for 24 hours. Grain stored for seed should be dressed with 10 per cent. D.D.T. dust at the rate of 2 ozs. per 125 lbs. of grain. Research at the Indian Agricultural Research Institute, New Delhi, has shown that such a treatment will not interfere with the germination of the grain.

Manufacture of Ethyl Ether

Ethyl ether or ether sulphuric finds extensive use in chemical and pharmaceutical industries. In surgery, ether is employed as a general anæsthetic. Present production in India is of the order of 400,000 lbs. per annum. The process chiefly employed in India at present, involving the use of concentrated sulphuric acid as a catalyst at a high temperature, presents severe corrosion problems. Vapour phase catalytic dehydration of alcohol in a static bed, employed in some countries but not in vogue in India, is reported to be thermally inefficient and suffers from the disadvantage of producing large quantities of by-product ethylene. In the new continuous process, for production of ether, developed at Shri Ram Institute for Industrial Research, under a scheme sponsored by the Council of Scientific and Industrial Research, these disadvantages have been overcome by using a fluidised catalyst bed technique for vapour phase catalytic dehydration of alcohol at 200-300°C. Corrosion problems have been eliminated with better thermal efficiency; by use of smaller size catalyst particles and thus increasing the reaction surface, a better output is obtained. The catalytic material, bauxite, is abundantly available in India. Conversion to the extent of 43 per cent. is obtained. The plant is compact and easily controlled. The crude ether obtained is purified in the usual manner. The process has been worked satisfactorily on a pilot plant treating 66 lbs. of alcohol per hour. The product conforms to prescribed standards. The equipment is simple and can be easily fabricated. The process is covered by Indian Patent No. 49836.

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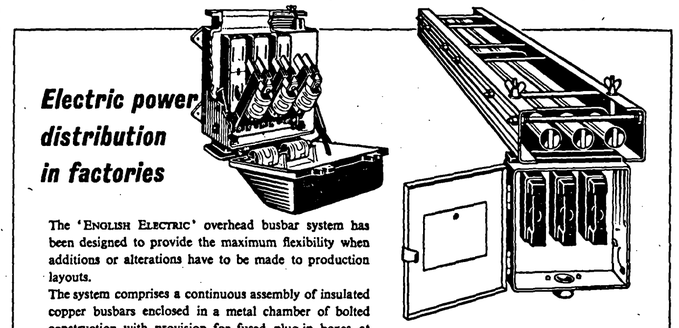

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MR. G. D. BIRLA'S REVIEW OF INDIAN AND OVERSEAS ECONOMIC CONDITIONS

PRESIDING over the Twelfth Ordinary General Meeting of the United Commercial Bank Ltd. held at Calcutta on Wednesday, 30th March, 1955, Mr. G. D. Birla, Chairman of the Bank, made a comprehensive and critical review, in the course of his speech, of Indian and overseas economic conditions. Emphasising that the public and private sectors have each a place in Indian economy, he pleaded for close co-ordination between the two. He stressed that what really mattered was the goal of maximum production and full employment and not the means which "scare some unnecessarily." After referring to the salient features of the Taxation Enquiry Commission's report, which was "bound to be the reference book of Finance Ministers for several years to come," he expressed the hope that the Government, in giving effect to the recommendations of the Commission, would "bear in mind the need to ensure that capital formation is not impeded and that production and employment would increase." As regards the working of the United Commercial Bank, he pointed out that the growth of its resources and their profitable employment in advances and bills have more than offset the increase in working expenses and the higher cost of money.

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

"GENTLEMEN,

"I have great pleasure in welcoming you to our twelfth annual general meeting. Before proceeding with the business of the meeting, I have to report to you, with great sorrow, the death of Mr. B. N. Jalan who was a member of the Board of Directors since the inception of the Bank and who, during the period of over a decade of his directorship, rendered great service to the Bank and brought to the deliberations of the Board the benefit of his wise counsel and experience.

"The balance-sheet and profit and loss account of the Bank have been in your hands for some time and you would, no doubt, have been pleased to note the improvement of the Bank's business to which the figures bear testimony.

Deposits

"You will notice that the total of the current, savings and fixed deposits and other accounts at the end of 1954 stood at Rs. 40.42 crores as compared with Rs. 37.72 crores at the end of 1953. The increase in deposits of Rs. 2.70 crores represents a rise of 7.1 per cent. and though the increase is somewhat smaller than the 22 per cent. recorded in 1953, it should, nevertheless, be considered as quite satisfactory.

"Cash on hand, balances with banks and money at call and short notice together accounted for Rs. 6.08 crores and represented 15 per cent. of our total deposit liabilities.

Investments

"The investments of the Bank in Government and other approved securities stood at Rs. 17.16 crores which shows a small reduction of Rs. 72 lakhs as compared with the figure at the end of 1953. The reduction is due to a moderate lightening of our holding of Government securities and a substantial reduction in debentures of joint stock companies. The ratio to deposits of our investments, after deducting the amounts borrowed thereagainst, is 33.6 per cent. Cash resources and unencumbered investments together amount in the aggregate to Rs. 19.66 crores giving a liquidity ratio of 48.7 per cent. to total deposits. The Bank's investments are shown in the balance-sheet, in accordance with our usual practice, at below the prevailing market rate.

"The amount of bills discounted and purchased has increased during the year from Rs. 7.79 crores to Rs. 8.57 crores. Bills constitute a very desirable self-liquidating asset and it is gratifying to note that these form 21.2 per cent. of the total deposits of the Bank.

"The total of our most liquid assets—cash on hand and with banks, money at call and short notice, unencumbered investments and bills—represents 69.9 per cent. of our deposit liabilities. We have always aimed at keeping a high liquidity ratio and I trust you will agree that this is a correct policy.

Foreign Exchange Business

"The Bank continues to make satisfactory progress in the field of foreign trade financing and though the balance of bills payable outside India on the balance-sheet date shows a slight reduction, the total business handled during the period under review has been larger than previously. The total of outstanding acceptances, endorsements and other obligations, which is an index of our activity in the finance of foreign trade, has shown a gratifying rise over the year and, with the relaxation of import and export controls, it is permissible to look forward to a satisfactory expansion of business under this head.

Advances

"The advances of the Bank, which from the point of view of revenue contribute the largest return, have increased from Rs. 11.99 crores to Rs. 16.07 crores. The increase is largely due to the high level of industrial and commercial activity which prevailed in the year 1954. The removal of control over foodgrains and the financing of the storage and movement of grains through normal banking channels is one important factor in the higher level of bank advances. The advances of the banking system as a whole stood at Rs. 467 crores at the end of 1954 as compared with Rs. 419 crores at the end of 1953. This represents a rise of 11.5 per cent. for all scheduled banks.

"The combined total of our advances and bills rose during the year 1954 from Rs. 19.79 crores to Rs. 24.64 crores and it now forms 61 per cent. of our total deposits.

Profit

"Turning to the profit and loss account, it is gratifying to note that the profit for 1954 is Rs. 31,06,404-1-6 as compared with Rs. 23,01,201-5-3 for the year 1953. The growth of the resources of the Bank and their profitable employment in advances and bills have more than offset the increase in working expenses and the higher cost of money. The results have been arrived at after providing Rs. 6.52 lakhs for depreciation of Bank's property, furniture and fixtures and other equipment.

"The earnings of the Bank under the head of 'interest and discount' has gone up by Rs. 15.00 lakhs and under the head of 'commission, exchange and brokerage' by Rs. 13.71 lakhs. On the expenditure side 'interest paid on deposits and borrowings' is higher by Rs. 13.14 lakhs, salaries and allowances by Rs. 6.30 lakhs and other working expenses by Rs. 1.77 lakhs.

Appropriation of Profits

"As stated in the Directors' report, the net profit of the Bank for the year 1954, including the sum of Rs. 1,52,320-7-3 brought forward from 1953 accounts, is Rs. 32,58,724-8-9. Out of this amount the Directors have already transferred Rs. 6,50,000 to reserve fund which now stands at Rs. 86,50,000 and have made a provision of Rs. 12,50,000 for income-tax and of Rs. 2,50,000 for bonus to staff, leaving a balance of Rs. 11,08,724-8-9. In view of the improved working results the Directors have thought it right and proper to recommend to you that the dividend be increased from 4 per cent. per annum paid last year to 5 per cent. per annum, free of income-tax, leaving Rs. 1,08,724-8-9 to be carried forward to next year's account.

Branches

"During the year, the Bank opened sub-branches at Ballygunge (Calcutta) and Jalahalli (Bangalore) and a branch at Bassein in Burma.

"Consequent on the merger of the French establishments in India with the Indian Union, the Banque de l'Indo-chine, which had the prerogative of issuing bank notes in French India and which had a branch at Pondicherry for the last 80 years, decided to close down its office there and we have purchased the premises and taken over the valuable business of its Pondicherry branch with effect from 14th March, 1955. Our already existing branch at Pondicherry has now been shifted to the more commodious and more prominently located premises acquired from the Banque de l'Indo-chine.

Management

"At the end of November last, under medical advice, your General Manager, Mr. B. T. Thakur, had to fly to London to undergo a major operation. I am glad to say that the operation was successfully performed and his health has improved. He has now resumed his duties. During his absence your Deputy General Manager, Mr. S. T. Sadasivan, acted as General Manager of the Bank in addition to doing his own work. I am glad to say that Mr. Sadasivan performed the additional duties of the General Manager most satisfactorily. I also take this opportunity to mention the valuable contribution made by the officers and staff at the head office and branches to the achievement of the successful results of the past year and to thank them for their loyal and devoted service.

Trend of Deposits

"It is gratifying to note that the deposits of scheduled banks have shown a decisive expansion in 1954 and this is in strong contrast to the stagnant or declining tendency during the past several years. The total deposits of Scheduled banks on 31st December, 1954, were Rs. 932.31 crores as compared with Rs. 838.12 crores on 31st December, 1953, and Rs. 830.72 crores on 31st December, 1952. Expressed as a percentage there is an increase of 10.9 per cent. on 1953 and 12.2 per cent. on 1952 figures.

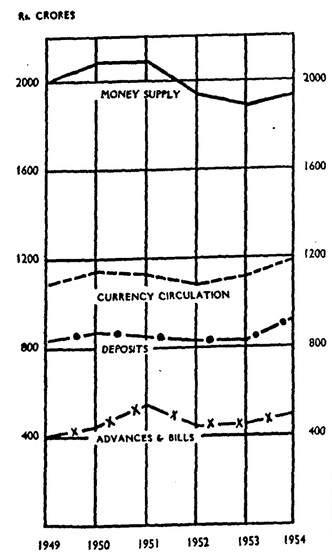
"There are several factors which influence the trend of commercial bank deposits, the chief of which are: (1) the balance of external payments and export and import policy, (2) the inventory position with manufacturers, merchants and producers of raw materials, (3) the degree of promptness of disbursements on Government account for supplies and services, and (4) Government's policy as regards tax collections. It is axiomatic that if the country is running a surplus on its balance of international payments account the deposits tend to expand and *vice versa*. The balance of payments position is governed by conditions abroad and also by the Government's policy as regards imports and exports. In the year 1951 when we had an adverse balance of nearly Rs. 147 crores on trade account the deposits of commercial banks contracted by Rs. 16.5 crores and advances moved up by Rs. 100 crores. If inventories are high as a result of increased production or of over-imports or of inability to export, deposits of banks begin to contract. If the Government makes quick payments for the supplies and services secured by it deposits of commercial banks tend to increase but, on the other hand, if there is delay in these payments the growth of deposits is retarded. The considerable expansion in deposits during the war-time was, among other things, due to the advance payments made in anticipation of supplies and services; but with the passing of the emergency, advance payments gave way to delayed payments with the result that, as stated at the meeting of the Associated Chambers of Commerce and Industry in January, a sample survey of overdue bills on the Government indicated that payments were in arrears to the extent of about Rs. 12½ crores to the limited number of members who had sent in returns. If a complete census of the amounts overdue from the Government is taken, the figures will probably be startling. If this state of affairs is remedied and prompt payments from the Government become the normal rule, the resulting defrosting of frozen money will have a very healthy effect on deposits.

Principal Economic Figures

Money Market: Amounts (Rs. crores)					Economic Trends: Index Numbers							
					Investments: 1949-50=100							
Year (Last Friday)	Deposits (a)	Advances and inland bills (a)	Currency circulation	Money supply	Government of India	Debentures	Preference shares	Variable yield	Wholesale price August 1939=100	Working class cost of living (Bombay) August 1949=100	Industrial production 1946=100	Electricity generated relative 1946=100
1949	832.87	410.62	1106.47	2003.78	..	..	..	..	381.1	100	106.2	121.7
1950	862.77	445.15	1163.25	2065.00	..	..	..	..	400.7	102	105.0	126.5
1951	846.21	542.52	1141.09	2060.59	..	..	..	..	439.3	108	117.2	145.2
1952	830.72	468.83	1092.12	1988.05	..	..	..	..	386.9	110	129.9	153.6
1953	838.12	461.09	1125.52	1990.67	90.2	100.7	97.2	94.0	398.9	118	135.2	166.6
1954	932.31	510.50	1200.49	1936.63	90.2	100.7	88.8	118.7	367.8 (b)	118 (c)	152.0 (d)	192.8 (d)
Percentage change between 1949 and 1954 ..	+11.9	+24.3	+8.5	—3.3	—9.8*	+0.7*	—11.7*	+18.7*	—3.5	+18.0	+43.0	+58.5

Crore=10 million. (a) Of Scheduled Banks in India. (b) December, 1954. (c) October, 1954. (d) September, 1954. * Percentage change between the base and the year 1954.

MONEY MARKET



Banking Resources

"Again, the pace of collection of taxes determines the extent to which tax provisions continue to remain in the banking system and to make a welcome, though temporary, addition to banking resources. Government policy, therefore, largely determines the growth of commercial banks' deposits.

"Though in the first Five-year Plan Government disbursements have been very large, these were not reflected in increased bank deposits but only in somewhat higher circulation of currency. The decisive expansion of deposits in 1954 may, however, be taken as the first sign that the financial disbursements arising from the execution of Government plans are at last beginning to percolate into the banking system, and it is to be hoped that the operation of the second Five-year Plan will result in a healthy growth of the resources and strength of the banking system.

"While the long-term outlook for deposits may, therefore, be considered as fair, competition among banks for available deposits is getting keener and the rate of interest paid on deposits has tended to keep quite firm. Moreover, by reason of the stiff rise in the Bank of England rate, London is becoming unattractive for borrowers and there is, therefore, keener competition from Exchange banks in India to secure all available surplus funds in the local market. In this situation, it is a matter for regret that it has not been possible for banks to arrive at an inter-bank agreement governing the rates of interest to be allowed on deposits. Last year, I had drawn the attention of my banker friends to the necessity of arriving at an understanding and chiselling out an agreement on interest rates with a view to avoiding uneconomic competition. In this connection I must acknowledge the help given by Sir B. Rama Rau, Governor of the Reserve Bank of India, who called an informal meeting of the Imperial Bank of India, the Indian Banks Association and the Exchange Banks Association to discuss the large increase in rates of interest on deposits that had taken place and to point out the desirability of arriving at an agreement governing the rates which would be fair to depositors and banks alike. After protracted negotiations, it was found that no agreement could be reached. The majority of the big Indian banks were willing to enter into such an agreement but some of the Exchange banks did not agree to fall in line and the scheme had to be abandoned as it was considered inadvisable to proceed with it unless all the major banks agreed to it. It is regrettable that the Exchange banks who find it so easy to work within the framework of fixed rates of exchange should not consider it fit to join the Indian banks to work within a framework of an integrated interest rate structure. The Exchange banks, not being content with a major share of the business connected with the foreign trade of the country, are making a great drive for capturing domestic business also with the offer of higher rates of interest on deposits. For healthy development of banking there should be an equitable distribution of business and closer co-operation among banks as regards rates and margins of profit.

Establishment Expenses

"In April, 1954, the decision of the Appellate Tribunal, presided over by Mr. Justice Jeejeebhoy, was announced. The Appellate Tribunal's decision increased the starting salary of employees in several grades and enhanced the dearness allowance and other benefits granted by the Sastri Tribunal to such an extent that, by reason of the resultant increase in establishment charges, the banks would have been obliged to close down several of their branches. In response to the representation made by the banks to the Government of India, the Appellate Tribunals' decision was modified. The modified award of the Government retained the pay scales and dearness allowance of the Sastri Award with certain changes. In order that no employee may be adversely affected, all on a sudden, the modified award also provided that the total emoluments of an employee should not in any case be reduced in the first year and that any excess now received by him over what he would be entitled to under the modification be adjusted thereafter in three yearly instalments. The Government also instituted a fact-finding enquiry presided over by Mr. Justice G. S. Rajadhyaksha. The terms of reference were to examine the effects on the banking structure of the Sastri Award, the Appellate Tribunal's decision and the modified award and to make recommendations to the Government regarding salaries, dearness allowance, etc., bearing in mind the need for ensuring an equitable treatment to bank employees consistent with the capacity to pay of various classes of banking companies or individual units. In making recommendations, the Commission was directed to pay due regard to the desirability of avoiding widespread closure of banking companies or their branches, to the necessity to promote development of banking in the country generally and in rural areas in particular and to any possibilities of economies in the expenses of banking companies. Detailed information regarding their working for several years was submitted by the banks to the Commission. Unfortunately, however, when Mr. Justice Rajadhyaksha was about to complete his work he fell ill and expired after a short illness. His death is a great loss to banking as it was expected that on account of the confidence of banks and employees alike in his sense of justice and fairplay he would have given an award which would have put an end to the dispute. Mr. Justice Gajendragadkar has now been appointed to continue the enquiry and I hope his decision will be given soon.

"The dispute between the banks and their employees has dragged on for the past several years. Conditions are further deteriorating as no final decision acceptable to both parties has, so far, been arrived at. The outturn of work, efficiency and sense of service on the part of employees have considerably gone down. After all, the success of any institution depends upon the combined and co-ordinated efforts of the management and the staff and it is essential that the employers should consider the changing times and work in close co-operation with the employees. It is also the duty of the employees to work devotedly for the institution as it is only with their increased efforts higher income can be earned which in turn would enable the management to pay higher wages. Mutual recriminations must cease and everybody's energies should be directed towards the improvement and smooth working keeping always in view the increased production.

"Before proceeding to review the economic conditions in India, I shall first briefly comment on the conditions in the overseas countries where we have branches.

Malaya

"During 1954, Malaya had an overall adverse trade balance of $28.7 million compared with an adverse trade balance of $206 million in 1953. This improvement in the trade position was mainly due to better rubber and tin prices during the second half of the year, and to a general improvement in trade conditions. Production of rubber in 1954 at 583,126 tons was higher by 10,334 tons than 1953, and its exports from Malaya rose by 67,903 tons to reach 915,114 tons as compared to 1953. The average price was 66.56 cents per lb., the average during 1953 being 67.00 cents. Exports of tin during 1954 totalled 60.831 tons—a rise of nearly 7.4 per cent. on 1953; the average price during the year was $353.59 per picul (133.1/3 lbs.). The increased production of rubber and tin indicates that conditions were less disturbed in the interior of Malaya. As a result of this improvement the Straits dollar strengthened against sterling.

"The prospects for Straits-Indonesian trade appear somewhat poor. Indonesia continued to be a large supplier of petroleum, rubber and copra but it took much less of Malayan exports than previously. Singapore merchants are hopeful that the trade will recover when the internal political and economic difficulties of Indonesia are brought under control; but, for the present it would appear that the Indonesian authorities are pursuing a policy of import trade control which seems to be aimed at reorienting the country's trade through its own ports and this policy is likely to have an adverse effect on the business of Singapore.

"If the political conditions in the Far East do not deteriorate during the current year and if the U.S.A. maintains the same policy regarding stockpiling, we can confidently hope that steady prices will prevail for Malaya's principal commodities, rubber and tin, which will have a very beneficial effect on the country's economy and its Government's revenues.

Burma

"During the year 1954 internal security conditions in Burma improved further with a corresponding improvement in communications.

"Trading conditions have been somewhat difficult on account of the changed world situation in foodgrains. The total amount of rice exported during the year 1954 was nearly 1½ times that exported in 1953. Japan and India were the largest purchases of Burma rice. India entered into a contract for the purchase of 900,000 tons most of which was lifted by the close of the year. However, due to the lower price which it fetched, the value of exports was almost identical to that of 1953. The exportable surplus from the 1954-55 rice crop is expected to be 1,600,000 tons and efforts are being made to dispose of this surplus. Japan has already entered into a contract for the purchase of 200,000 tons while Ceylon is likely to purchase the same quantity. The agreement with China which has been concluded provides for a sale of 150,000 tons on partly cash and partly barter basis and it appears likely that the U.S.S.R. may also purchase a reasonable quantity. As rice forms about 75 per cent. of the exports of Burma the Government is engaged in pressing forward with schemes for disposal of rice through Government and trade channels.

"The Government has continued to nationalise many foreign-owned enterprises. A joint venture agreement on oil was signed between the Government of Burma and the Burmah Oil Company and other associated companies and Government made an initial payment of Ks. 3.30 crores to the oil company under the said agreement. A new refinery is being built at Syriam by the Burmah Oil Company (1954) Ltd., and when this comes on stream in about a year's time the output of refined products should reach 350,000 tons a year, which would make the country self-sufficient in oil. The scheme is, however, not big enough to permit Burma to export oil as she did before the war.

"The budget for the year ending 30th September, 1954, showed a deficit of Ks. 32.40 crores. A mission from the World Bank visited the country during the latter part of 1954, and a report on its findings is awaited with interest.

"Burma has a large programme for the development of the country and the need for foreign equipment for the implementation of these programmes is reflected in the ceaseless flow of tender notices issued by the Government authorities and in the activities of the various Government Purchasing Missions. Development projects include the Balu Chaung Hydro-electric Scheme, a medium-sized steel mill, sugar mills, jute mill and tea blending and packing factory. The result of all these schemes is likely to be felt in about a couple of years.

"During the year the State Commercial Bank was established under an Act of Parliament and it started work with initial capital funds of Ks. 1.20 crores contributed by the Government.

Hongkong

"During the year there was little change in the political situation in the Far East, though the settlement in Indo-China certainly improved the business prospects in this region. Consequently the trade pattern remained unchanged.

"The economy of Hongkong is vitally connected with the countries of South-East Asia region like Indonesia, Thailand, Malaya, etc., who have been good buyers of her manufactured products. The continuous fall in the prices of the primary products of this area has badly depleted the purchasing capacity of these countries and this was partly responsible for the decline in the total value of the trade of the Colony which showed a decrease of 11 per cent. as compared to the previous year. The volume of total trade, however, increased slightly which shows that the fall in the value of trade was accounted for mostly by the fall in commodity prices.

"Imports of cotton, rayon and woollen textiles from Japan have risen and have supplanted Italian and British supplies. Exports to Indonesia and Malaya are on the increase. India and Japan are both selling more cotton textiles to Hongkong and Japan's decision to reduce her overall cotton textile export by 20 per cent. should be welcome news to exporters of textiles in India.

"During the last few years the entrepot trade has fallen off considerably but the steady development of the local manufacturing industry has been a bright feature and it has helped to sustain the economy. Hongkong's industries, though young, have continued to progress further during the last year so that they now employ nearly 200,000 workers. Locally manufactured products form 25 to 30 per cent. of the total exports and the value of such exports increased from $635 million in 1953 to $682 million in 1954.

"The outlook for the coming year does not seem to be very bright and much depends on the course of political events in the Far East and the progress that the countries of South-East Asia region make in stabilising their economies. A settlement in the Far East, with possible removal of the embargo on trade with China may have beneficial effect on her trade. Improvement in the economy of neighbouring countries would give further impetus to her industrial development.

Pakistan

"Pakistan's foreign exchange earnings have been progressively dwindling since the bumper earnings of 1951 and this has resulted in increased restrictions on foreign exchange expenditure on essential items. Pakistan's earnings have been derived principally from the sale of raw jute and cotton and the prices of agricultural commodities generally have been subject to unpredictable fluctuations in the world markets. Internally, Pakistan's industrial production, particularly of jute goods and cotton textiles, have gone up considerably and these two industries are experiencing near-boom conditions. An agreement has been entered into with the U.S.A. for large-scale economic assistance and it is expected that this will help Pakistan to improve her position, and result in increased imports of more consumer goods of which the country had been on short ration for some time past.

United Kingdom

"The United Kingdom had a remarkable year of prosperity with industrial production, employment and consumer expenditure reaching new peaks. The terms of trade, however, turned somewhat adverse and the rate of increase of gold and dollar reserves slackened. During the second half of the year sterling turned weak in terms of the dollar and the prolonged weakness of sterling indicated the presence of elements of inflation and an expansion of internal consumption on the basis of instalment purchase to the detriment of the export trade. Timely action has, therefore, been taken by putting up the Bank rate first to 3½ per cent. and then to 4½ per cent. and the increased Bank rate is already proving effective as is indicated by the rise in the quotation of sterling in the foreign exchange markets of the world. Convertibility of sterling, however, still appears to be far off but the improvement in the technique of controlling exchange rates by the intervention of the Bank of England in the transferable sterling market might bring about a closer integration of the official and unofficial rates of sterling and pave the way for convertibility sooner than it is permissible to hope for now.

General Conditions—India

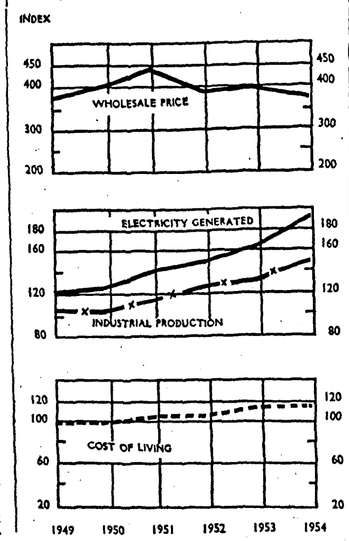
"The Committee on Finance for the Private Sector, of which your General Manager, Mr. B. T. Thakur, was a member, published its report in April, 1954, and made several valuable recommendations calculated to facilitate the undertaking by commercial banks of new responsibilities to help the industry directly and through the medium of specialised finance corporations. The Committee also made recommendations regarding the assistance which should be extended by the Reserve Bank to commercial banks with special reference to rediscounting and remittance facilities and it is a matter for gratification that the Reserve Bank has implemented several of these recommendations. In particular, the Reserve Bank has extended the facilities of the bill market scheme to all licensed scheduled banks and has brought down the amount to be borrowed at any one time and the amount of individual bills to Rs. 10 lakhs and Rs. 50,000 respectively.

All-India Rural Credit Survey

"The Committee appointed by the Reserve Bank of India, under the chairmanship of Mr. A. D. Gorwala, to enquire into rural credit problems has also published its report. The principal recommendations of this Committee are:

"1. The establishment of a State Bank of India by the integration of the Imperial Bank of India and the major State-associated Commercial banks under the effective control of the Government of India. The opening of new branches by the State Bank of India with a view to taking over cash work from non-banking treasuries and sub-treasuries, providing vastly extended cheap remittance facilities for co-operative and other banks and developing rural banking facilities effectively and on a country-wide scale in effective consonance with the national policies as expounded through the Central Government and the Reserve Bank of India.

ECONOMIC TRENDS



"The Committee has made it unambiguously clear that the whole object of the programme would be, not the nationalisation or near-nationalisation of commercial banking in the country, but the provision for and the increasingly effective evolution of, an integrated, India-wide, commercial banking institution associated with the State and responsive to its policies, especially its policies for the benefit of the rural areas.

"2. The progressive organisation, on a co-operative basis, of the processing and marketing of agricultural commodities and the development of State warehousing facilities through an all-India warehousing corporation and State warehousing companies.

"3. The progressive organisation on a co-operative basis, of as large a sector of rural economic activity as possible, e.g., farming, irrigation, transport, milk supply, dairying, livestock breeding and cottage industries.

"The Government has accepted with modification the recommendation of the Committee to assume effective control of the Imperial Bank of India forthwith and the question of integrating into the new State Bank other institutions which are already doing treasury work of the various State Governments is still under consideration. The Committee's recommendations on rural credit are very valuable and when they are implemented the problem of agricultural credit and marketing which had baffled generations of bankers will be nearer a satisfactory solution.

Taxation Enquiry Commission Report

"The Taxation Enquiry Commission presided over by Dr. John Matthai have made a thorough enquiry into the changes which have taken place since an earlier Commission reported thirty years ago and have made recommendations regarding systems of taxation, sources of revenue, State commercial enterprises, State trading and a number of other important subjects. In the opinion of the Commission there has been very little addition to the national tax effort in the last two or three decades; while the national income and public revenues have kept pace with each other in money terms, neither of them has shown any significant increase in real terms. Their distribution *vis-a-vis* different groups in the country has undergone alteration. A greater degree of elasticity of revenue is now available and, with the disappearance of the old rivalry between the Central Government and State Governments as regards sources of revenue, there is now complete co-ordination in improving revenues from well demarcated sources. The Commission recommend the need for utmost restraint in the growth of non-development expenditure and stress the existence of room for economy and avoidance of waste in public expenditure. The Commission emphasise the roles of taxation and of borrowing in the financing of development programmes and suggest that deficit financing should be kept at a minimum. Increases in both direct and indirect taxation are recommended. Direct taxation has to be stepped up with a view to reducing inequalities and a ceiling on net personal incomes is to be achieved by stages over a period of time. The recommendations for rationalisation of taxation include the carry forward of losses for an indefinite period instead of the present limit of six years, removal of restrictions so as to permit setting-off of losses of one business against the profits of another and increase of depreciation allowance in respect of plant and machinery.

"A welcome recommendation to new enterprises is the grant of a development rebate at the rate of 25 per cent. on the cost of new fixed assets and the complete exemption from tax for a period of six years of all new concerns falling within the category of selected special enterprises of national importance.

"Changes are also recommended to permit general insurance companies to strengthen their underwriting reserves.

"Notwithstanding the appreciation by the Commission of the need for development of the economy of the country some of their recommendations might, instead of helping such development, defeat that laudable object. The Commission are not in favour of deficit financing and recommend increased taxation, direct and indirect, to bring about the realisation of the objectives of National Planning. The second Five-year Plan calls for greater investment than the first Five-year Plan and the resources of revenue surpluses, the proceeds of internal and external loans, and foreign aid will be insufficient for achieving the target of development without resort to deficit financing.

"It is obvious that where employment is low and there is a great margin for increasing production, a spending programme cannot lead to inflation. Inflation through spending programme comes in only when there is no possibility of new employment and creating new production. The spending programme of 'deficit financing' as it is called is thus fully justified. The index of general prices has, in fact, recently come down from 434 in 1951-52 to 390. The tendency of commodity prices at present is still to go down. The problem is not one of fighting inflation but rather of creating conditions for reflation. Created money will bring about such reflation and hasten the economic development of the country.

"The Commission lay great stress on restriction of consumption with the object, probably, of releasing capital for development, and with this object in view and also in order that the loss of import duties as a result of increased industralisation may be made good, the Commission have recommended the levy of excise duties on several commodities. In their opinion, these duties would be spread over a large number of the country's population which, at present, do not contribute much to the tax revenues of the State. These duties will, however, act as a brake on production. Increased national wealth can only be achieved by increased production but production cannot be increased unless there are markets ready and willing to absorb it. If restraint is to be placed on consumption, increased production would only result in stock-piling which, in turn, would react on production. The output of foodgrains, industrial raw materials and manufactured goods has increased all over the world and India cannot depend always on its export markets but will have to look to the internal market for the offtake of its products. A higher standard of living can be obtained only by parallel increase in both production and consumption.

Proposed Income-tax Rates

"The proposed increase in income-tax rates, the increase of indirect taxes, the levy of new duties and the raising of the land revenue at a time of declining agricultural prices will all tend to lessen the savings in the hands of the people on whom reliance has to be placed for securing the resources with which investments can be made in the public and private sectors. While it is the declared policy of the Government to encourage private industries to continue to function in the narrow and limited sphere allocated to them, the recommendations of the Commission will result in the diversion of funds from the private sector to the public sector and thus unduly handicap the private sector.

"Not so welcome, either, is the recommendation, since adopted in this year's budget, for the amendment of section 23A of the Indian Income-tax Act and the imposition of a penal tax of 25 per cent. on undistributed profits of private and quasi-private companies. Such higher taxation of undistributed profits would force the companies to distribute their profits to the hilt in the form of dividends instead of ploughing profits back to augment the resources of the private sector. The undistributed profits in the hands of private individuals would gravitate to the central exchequer in the form of direct taxes. This will have the effect of starving the private sector to the benefit of the public sector.

"The Commission recommend the creation of a fiscal monopoly in certain commodities like tobacco, matches and salt as a source of increased revenue. In spite of the Commission being aware of the factors which might operate against the success of fiscal monopolies, such as the lack of expert personnel, uneconomical management and the possibility of deterioration in the quality of products, they suggest an expert enquiry into the possibility of setting up fiscal monopolies. State trading, as is the experience of several countries, would result, in a vast country like India, in throwing out of employment a large number of persons engaged in distribution trade with no appreciable increase in revenue. It is only in a free competitive economy that large employment could be found and the consumers would be able to get better quality at cheaper prices.

"The report is bound to be the reference book of Finance Ministers for several years to come but I hope that in giving effect to fresh proposals for taxation based on the recommendations the Government would always bear in mind the need to ensure that capital formation is not impeded and that production and employment would increase.

"The flotation of the 3½ per cent. ten-year National Plan Loan dominated the capital market in 1954. This loan which was opened for subscription on the 19th April, 1954, and closed on the 16th September, 1954, realised about Rs. 158 crores, a substantial part of which came from the public and a smaller part is believed to have come from the Reserve Bank of India.

"There were no State Government loans with the exception of the ten-year 4 per cent. Saurashtra State (Local Bodies Development) Loan issued at Rs. 98. A number of State Financial Corporations were floated during the year, the chief of which were the Bombay, West Bengal, Hyderabad, Assam and Saurashtra Financial Corporations. Several debenture issues were also made by companies the most important of which was the issue by the Burmah-Shell Refineries Ltd. of Rs. 8 crores at 5¼ per cent. interest, repayable in 1965-69. On the whole, the new capital issue market might be said to have had a remarkably successful year.

Government Securities

"The Government securities market which was depressed at the time of the flotation of the National Plan Loan staged a steady recovery and at the end of 1954 the price of Government securities with the exception of 3 per cent. Conversion Loan stood at materially higher levels than at the end of 1953. The following prices of representative Government securities will show the extent of the movement of prices.

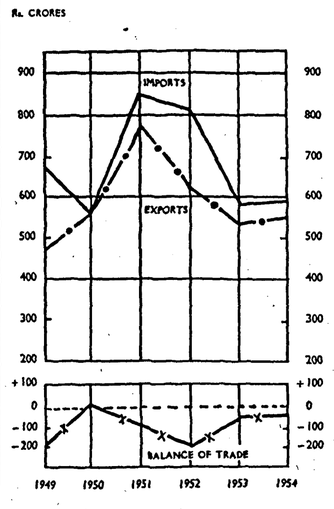
	31-12-1954 Rs.	a.	31-12-1953 Rs.	a.
3% Conversion Loan 1986	80	14	82	7
3% Government of India Loan 1957 ..	99	1	98	5
3½% " " " 1963-65 ..	93	9	92	7
3½% " " " 1961 ..	99	2	98	14
3% " " " 1970-75 ..	86	14	86	8

"The stock exchange went through remarkable boom conditions and ordinary shares continued to rise throughout the year till early November when the prices tapered off and began to decline, thus bringing to an end the fourteen-month-old boom on the Indian stock exchanges. The fall was partly due to a natural reaction from the sustained rise which had taken place earlier but it was also to some extent due to investors' fears regarding the future of private industry in India and also the likely recommendations of the report of the Taxation Enquiry Commission. The re-statement of Government's economic policy on the role of the private sector in industrial development had also adverse psychological influence.

Foreign Trade and Balance of Payments

"The value of exports in the first seven months April-October of the current financial year was nearly Rs. 6.05 crores higher than the same period of 1953 but with increasing imports a trade deficit has re-emerged. Total exports in the first eight months were Rs. 369.99 crores while imports were Rs. 407.46 crores, the result being an adverse balance of Rs. 37.47 crores. The mainstay in the exort trade continued to be tea, jute goods and cotton textiles while minerals and ores have staged a recovery towards the end of the year and have begun to contribute to the foreign exchange earnings. The higher level of export earnings is due partly to higher prices as in the case of tea and partly to higher volume of trade as in the case of jute and cotton textiles. The outlook for the export trade is reasonably good and exports should remain at a high level. The import of 800,000 tons of rice, wheat and milo from Burma, Australia and the U.S.A. and of nearly 750,000 tons of refined sugar and smaller quantities of raw sugar was an outstanding feature of the year. Moreover, the liberalisation of import policy is likely to result in a rise in imports of all commodities in the coming months and a fuller utilisation of sterling balances is likely to materialise. The balance of payments position, as contrasted with the balance of trade position, is expected to be square or result in a small surplus as against a surplus of Rs. 55 crores in 1953. Sterling balances rose by Rs. 4 crores during the year from Rs. 727 crores on 1st January to Rs. 731 crores on the 31st December, 1954.

FOREIGN TRADE OF INDIA



Foreign Trade of India

Merchandise by Sea, Air and Land

(Rs. crores)

Year	Imports	Exports (including re-exports)	Balance of trade
1949	670.80	475.08	—195.72
1950	558.96	501.00	+ 5.04
1951	854.40	783.84	— 70.56
1952	803.16	618.48	—184.68
1953	577.44	531.72	— 45.72
1954*	585.96	547.92	— 38.04

* Estimated.

Agricultural Production

"The progress made in 1954 in the field of agricultural production is highly satisfactory. Our food production which was roughly 46 million tons in 1947-48 showed an increase and in 1953-54 stood at 66 million tons, exceeding the target figure of the Five-year Plan by 4.4 million tons. In 1951, which was the worst period of our food crisis, we imported about 4.7 million tons which was a little more than 10 per cent. of our food production. In 1952, 1953 and 1954 the imports of foodgrains fell progressively to 3.9 million tons, 2 million tons and 0.8 million tons respectively. In future, we may not have to import at all. On the contrary, the grain position is so satisfactory that the Government has announced that it would allow 300,000 tons of rice to be exported from India.

"The position of industrial raw materials such as cotton, jute and oilseeds has improved. Cotton production has gone up as compared with the 1947 figure by 100 per cent. We have just enough for internal consumption and we may shortly be in a position to export cotton. We are still short of raw jute but we are likely to produce 70 per cent. of our requirements this year. As regards oilseeds, the production was 5.6 million tons. We have now reached the stage of self-sufficiency and we are in a position to allow exports of moderate quantities of oil and oilseeds.

Industrial Production

"In the field of industrial production, both the public and private sectors have taken great strides.

"Turning to the public sector first, the Sindri Fertiliser Factory, the Chittaranjan Locomotive Works, the Hindusthan Cable Factory, the Hindustan Aircraft Factory, the Telephone Industries and the Hindustan Machine Tools Factory at Bangalore and the Integral Coach Factory, Madras, are some of the large projects which have been undertaken by the State. The Government has also planned to set up two more steel mills. These industrial projects are in addition to the river valley projects, the hydro-electric schemes and the community projects which have relation to land and social welfare.

"In the private sector, production of capital and consumer goods has gone up all round. During the last seven years more than Rs. 500 crores have been invested in new ventures. The production index is now about 150 against 100 in 1946.

"There has been an increase in almost every branch of industrial production except the jute industry which depends on the export market and for which the raw material has to be imported to a considerable extent. The growth of the cement industry has been phenomenal as also the production of diesel engines, electric motors, electrical equipment, etc. The generation of electricity has grown from 552 million units per month in 1953 to nearly 700 million units per month at the close of 1954. With the additional thermal and hydro-electric power plants coming up the output of electricity, which is a real

index of growth of the standard of life, will still further increase.

"India is now not only self-sufficient in respect of cloth but is also a great exporter. We are making our own textile machinery and also boilers and locomotives. Half of the rayon requirements will be produced in India before the end of this year.

"Shipbuilding is progressing satisfactorily. We are producing our own automobiles and trucks and in a few years we expect to be able to satisfy all the demand for moderate-sized cars. We have made great progress in respect of production of bicycles and perhaps in a few years all the bicycles needed would be produced in India itself.

"In the paper industry we are self-sufficient except in newsprint. In sugar, our capacity is to produce as much as is needed. But in the last two years, due to shortage of sugarcane, we have had to import sugar. This must be treated only as a passing phase.

"Our steel production is expanding. In heavy chemicals we have done a lot and have also started producing dyes in collaboration with American and Swiss firms. In heavy engineering too we are making great progress and expect to start very soon making jute mill machinery. We are also planning to produce heavy electrical goods, though we are already producing almost all our needs of small units like fans, motors, etc. Many of the targets as envisaged in our plans have already been achieved or have been exceeded.

Need of Capital

"The desire to consume, however, is much more than what is consumed. And yet many industries have reached saturation point. The desire to buy is there, but the wherewithal is absent. The immediate problem, therefore, is to raise the purchasing power of the people so that they can buy more goods which ultimately could be produced and the solution lies in expanding credit in various directions.

Expansion of Credit

"In order to expand credit, further steps have been taken recently. Two Development and Finance Corporations are being set up. One of them is sponsored by the Government and it will come into existence very soon. Its object would be not only to help private enterprise to find finance for new projects but also to set up such industries as may not be remunerative in the initial stage and then hand them over to private enterprise after they have been made to stand on their legs. The second is sponsored by private interests in India, the U.S.A. and the United Kingdom and is assisted by loans from the Government of India and the World Bank. We have made a substantial subscription to the capital of the Corporation and the response to the shares offered for public subscription was also satisfactory. I am confident that the Corporation will be of great help in providing finance for the inauguration of new industries and development of existing industries and that it has a useful and profitable career before it.

"There are other fields in which expansion of credit can be undertaken with benefit to the general economy. There is a large deficiency of houses all over the country and the back-log of housing for the middle class urban population is enormous. A well-conceived scheme for financing construction of houses through special institutions like housing societies would help in solving this problem. The housing societies would be in a position to raise moneys on reasonably cheap terms in the form of share capital from their members and from deposits and also through loans from banks and perhaps even from the Reserve Bank of India and flotation of debentures and thus be in a position to afford facilities on reasonable terms for the middle class population to own houses and pay for them as they earn by instalments spread over a long period.

"Another field in which credit can usefully be extended by the existing credit institutions is the financing of the purchase of durable consumer goods on the instalment purchase system. Hire purchase finance here is in operation only to a very small extent in the distribution of automobiles and commercial motor vehicles and a whole new field of hire purchase finance is waiting to be developed. The extension of credit in this field would bring about a substantial increase in the consumption of durable goods with great benefit to the industries concerned.

"The Government's goal is a mixed economy in which both the public and private sectors work in co-operation to secure maximum production and full employment. The reconstruction of New India is undoubtedly beyond the capacity of the private sector alone. Private enterprise can do any job more efficiently and with greater speed and greater economy. But the private sector can come into the picture only when it can raise adequate capital. On the other hand, if the capital required is huge and beyond the ability of the private sector to raise it then it is the natural function of the Government to step in and take over the development of those sections of economy which are beyond the ability of private enterprise to tackle and which Government alone, with its enormous credit and resources, can effectively tackle. Close co-ordination between the private and public sectors should, therefore, be the objective and I am confident that the private sector will do its utmost to extend such co-operation.

"We must, therefore, fit ourselves into the task of reconstruction and help the nation with our experience and talent to reach the goal instead of worrying about the means. It is the goal that matters and not the means which scare some unnecessarily. If we do not progress quickly towards the objective, the means must undergo changes."

WORLD BANK LOAN TO AUSTRALIA

The World Bank gave a loan of $54.5 million to the Commonwealth of Australia on 18th March, 1955 to finance imports of equipment for the development of agriculture, transportation, electric power and industry. The loan is for a term of 15 years and bears interest at 4½ per cent. including the 1 per cent. statutory Commission charged by the Bank. Amortisation will begin on 15th March, 1958. The Bank has arranged to sell $10.4 million of the loan, without its guarantee, to 11 private banks in the United States—the largest number ever to participate in such a transaction with the World Bank. The amount being sold represents the first six maturities of the loan, which fall due from 15th March, 1958, through 15th September, 1960.

This is the Bank's fourth loan to Australia, and brings to $258.5 million the amount the Bank has lent for the import of capital goods and equipment needed from the dollar area for development in various sectors of the economy of Australia. Like the other three, this loan, too, will benefit both private and public enterprise. Goods imported with the proceeds will be used by farmers, private businesses, and Commonwealth and State agencies.

About $47 million of the loan has been allocated to agriculture and transportation. Although Australia is a highly industrialised country, agricultural products still account for more than 80 per cent. of its earnings in international trade. Individual farmers are increasing their agricultural output through more extensive mechanisation, and imported machinery and equipment has enabled the Commonwealth and State Governments to carry forward programmes to intensify land use and increase productivity through reclamation, pasture development, irrigation, water and fodder conservation. The present loan will finance further imports of equipment and machinery for these purposes, largely tractors, combine harvesters, hay balers and other equipment for fodder conservation.

The remainder of the loan (about $7.5 million) will be used to buy equipment for power plants and transmission lines and for manufacturing industries. The industrial equipment will be used in iron and steel production, food processing, mining and automotive and general engineering industries.

The largest allocations from the $204 million of earlier Bank loans have been made to agriculture and transportation. Nearly $70 million is being used to buy tractors and other equipment for agriculture About $76 million from the earlier loans is The loans are also being used for electric power being spent for improvement of the railways, for modernisation and improvement of Australia's air fleet and for better road transport. The re-equipment of railways, and particularly the introduction of diesel locomotives, has brought about a marked improvement in rail service at lower cost.

PUSA AGRICULTURAL INSTITUTE COMPLETES 50 YEARS

RESEARCH AS MEANS OF SATISFYING CREATIVE URGE

By B. Viswanath

FORMER DIRECTOR OF THE INDIAN AGRICULTURAL RESEARCH INSTITUTE

AFTER an unostentatious but auspicious beginning at Pusa—a village in the Darbhanga district of Bihar—and nourished by the pioneering skill and devotion of early workers, the Indian Agricultural Research Institute (I.A.R.I.) has now become 50 years of age. This is an age of discretion when a person or an institution can look back with satisfaction and look forward with confidence. In attaining this age, the I.A.R.I. has become world-renowned.

For its birth, the Pusa Institute had the advantage of a generous donation of Rs. 4,50,000 given to the then Government of India by Mr. Henry Phipps of Chicago for some purpose of public utility, preferably scientific research. A greater part of the gift was utilised for the establishment of the Institute. The disastrous earthquake in 1934 destroyed the main building and the laboratories beyond repair. The Institute was re-established at Delhi in 1936. A tablet in the soil science and agricultural chemistry division of the Institute at Delhi gratefully acknowledges Mr. Phipp's generosity and has named the laboratories after him.

During its infancy and early growth, the Institute obtained its intellectual food and inspiration from the scientific developments in the West, particularly in Britain and Germany. In its vigorous youth and during the period of transition into manhood, it has had able co-operation and support from similar institutes and universities in the Provinces and from the Indian Council of Agricultural Research. Today, the Institute can look back with gratitude on the inspiration and guidance received from the West and with justifiable pride on the wealth of knowledge and experience gained during the past 50 years, and can look forward to repaying the debt of gratitude by its own contributions to the world pool of knowledge.

Writing of science and agricultural research in India, it is difficult to avoid the feeling that these are not the speciality of the present age. Though organised agricultural research is a feature of the present age, the sense of curiosity that is at the bottom of all research must have been present in the primitive man. The curiosity to understand natural phenomena, such as seasons, and their influence on vegetable and animal life on the one hand and the struggle for subsistence and survival on the other must have induced observation, inference and experiment.

Notable Advances

As a result, notable and enduring advances had taken place even in the distant past. Perhaps, one of the most remarkable examples is the development of rice cultivation and of rice varieties in the utilisaton of low-lying land and flood waters to a high degree of perfection. In this marvellous development, science and research, as we understand today, played no part and the result was due to long and laborious experience. Nevertheless, there is science in all this experience. Modern science obtains results very much more quickly. Even so, we cannot yet say that we have completed the preliminary analysis, by modern science, of the several factors involved in the cultivation and growth of the rice crop.

Modern agricultural science is that great collection of physical, chemical and biological sciences and research which is concerned with the studies of the natural phenomena which profoundly influence agriculture. The many varieties, apart from the individual characteristics of the many plants that we grow and the animals that we rear, are examples of the influence of natural forces under which plants and animals grow and die. From the same soil and with the same water and manure different plants spring up and grow and display themselves with flowers of variegated colours of all hues and shades. The question is: which is of greater consequence and importance, the soil or the plant? The function of agricultural research is to find out ways and means of utilising the knowledge of the material aspects of agriculture and to achieve results of practical value.

When agricultural research began 50 years ago, with a meaning and purpose, chemistry was prominent. Liebig's theory of plant nutrition dominated ideas of research for improvement in crop production. It was soon realised that successful improvement could not be based on soil chemistry alone. Soil microbiology and soil physics were invoked and Liebig's original concept of soil fertility was gradually modified and extended to these sciences.

Selection of Plants

A new realisation was that, in addition to the soil in which the plant grows, the plant itself should receive attention. The stimulus for this realisation and departure from the then prevailing ideas was the re-discovery of Mendel's laws of inheritance of characters in plants and the recognition of the importance of this new knowledge in crop improvement by selection and hybridisation of plants.

The potential growth and prospects of a plant or animal are determined by their genetic constitutions but the actual performance is a function of the physical and chemical environment in which the plant or animal is compelled to exist. Having obtained the necessary knowledge for *shristi* (creation), *sthithi* (maintenance), attention had to be directed towards *layam* (destruction). The next step, therefore, was the study of plant growth and development, involving studies on the likes and dislikes of the plant in its environment and its ability to withstand adverse conditions of drought, flood and attacks of insect pests and diseases. This broadening of research has enabled new additions to knowledge and, as would be expected, created new problems for study.

The practical and direct benefits from research, to mention briefly, are the conquest of waste and the creation of more and new wealth. Waste lands have been brought into use. Improvement of lands already under production has been made possible. New varieties of food and agricultural crops have been introduced Manurial problems have been investigated. Apart from food production, our agriculturists require more income and our industries need raw materials. Factory and rural industries depend on agricultural raw materials. The sugar, cotton, tobacco and food industries would not be what they are but for the developments brought about in the cultivation and production of these crops by research.

Low Cost and Better Quality

As society progresses, its standards and demands also change. This is necessarily followed by changes in the agricultural industry. During the past few decades, the position has so much changed that, without in any way lessening the emphasis on increased production per acre of land, more and more stress is being laid on lower costs of production and on better quality of the produce. For example, the qualities required in wheat for loaf, *chapatti*, *poori* and biscuit making are different. In rice, the quality for cooking is not the same as in rice required for making starch. So also in potato. In sugarcane, the demand is for better quality in *gur* and higher sugar recovery in the factory. In tobacco, colour, flavour and nicotine content in the leaf determine the suitability for making cigars, cigarettes, *biris*, snuff and *hookah*. In cotton, staple length, strength and sheen in the fibre are valued besides a high ginning percentage.

Described in simple language, modern agriculture is no more growing two blades where one grew before. It has to deal, all along the line, with problems which in the ultimate analysis resolve themselves into phases in growth and competition. Within the soil, there is growth and competition for food and air among the myriads of conflicting micro-organisms on the one hand, and between the micro-organisms and subterranean parts of the plant on the other. On and above the soil, there is mutual help and fierce competition occurring among the many plants living together for water, nutrients and light.

Growth and Competition

There is growth and competition among insect pests of different kinds and their predators as one phase and between plants and their pests and diseases which are trying to destroy crops in the field and in storage as the other. Besides these, there is growth and competition for food between animal and human populations. On top of all these, there is among the human population growth and competition in ideas, values, standards and fashions.

The impact of all these, jointly and severally, on agriculture brings about changes in the meaning and purpose of agricultural research. The experience of agricultural research shows that the problems often go beyond the boundaries of the usually accepted natural sciences and touch psychology, sociology and economics.

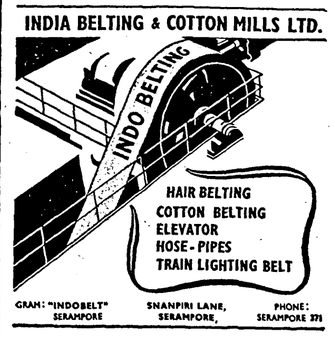
In academic research, a discovery made and reported is either confirmed or repudiated or modified, and there, ordinarily, the story ends. It is not so in applied agricultural research. Here it is usually the beginning of a fresh chapter for two reasons—first, agricultural research cannot be split into cut-and-dried formal divisions of the sciences, and, second, as soon as agriculturists begin to put it into practice, a number of difficulties arise. These, when examined, are found to involve new problems of scientific interest and practical importance. Early workers obtain much knowledge rapidly. Then comes a stage when progress apparently ceases and instead confusion prevails. A review and revaluation of the available data and experience discloses certain patterns. Suddenly, a generalisation becomes possible and, sooner or later, light is thrown on the curious and inexplicable observations of practical agriculture. And a new chapter of research begins.

Agricultural research is wonderful. It is profitable and intensely interesting. It may be sometimes exasperating, bringing up an endless succession of problems for study. In it can be sought the satisfaction of a creative urge, as in literature, poetry, music and art. The philosophically inclined can pursue the endless quest for unity in diversity. It is a thrilling experience to the young scientists to whom the problems are not circumscribed and cut and dried. What happens in research is that the leader integrates and the specialists team disintegrates. It is the response of the man that is the test and the test is conditioned by the whole environment rather than by that of the individual himself.

Research to Continue

The great mass of people have to be fed and clothed better than before. Our agriculturists are planning to produce more food and agricultural and livestock products than at any time in the history of the country. The prospects of higher yields are in the hands of our growers, who know as much about agriculture as any farmer anywhere in the world. The recent crop competitions have demonstrated this. The skill of the agriculturist is there and so is the productive potential of the land there. To the individual farmer the increase in production may be small, but in the aggregate it will mean a substantial increase in national production. Many problems which science can solve will arise and there will be even more insistent demand for research.

This ancient country has need for the use of agricultural science even more fully than now. Research must, therefore, continue uninterrupted so that those who believe in the welfare and prosperity of the farmer may enjoy the benefits of his production and feel happy over his improved status. To this end, the Indian Agricultural Research Institute will have even a greater part to play.



BRITISH INDIA CORPORATION LIMITED

SIR ROBERT MENZIES' SPEECH AT ANNUAL GENERAL MEETING

"GOOSE LAYING GOLDEN EGGS IS SLOWLY BUT SURELY BEING STRANGLED"

THE Thirty-fifth Annual General Meeting of the shareholders of the British India Corporation Ltd. was held in Kanpur on 26th March, 1955. In the course of his address to the shareholders, Sir Robert Menzies, Chairman of the Corporation, dwelt at length on the various aspects of the Corporation's working and the factors which were responsible for the adverse results for the past year.

Sir Robert Menzies began his address by referring to the great loss which the Corporation had sustained by the death last September of its largest shareholder, Lady MacRobert, widow of the founder of the Corporation. Her history had been a tale of philanthropy and courage in the face of cruel personal bereavement. He went on: "With an unusual flair for business and a determination that her good works should be continued after her death, she created, in her lifetime, trusts and other organisations to which she transferred a very considerable portion of her worldly goods, including the major portion of her holding in this Corporation, and she made her wish quite clear that the executors and trustees, to whom she had given wide powers, were to carry on just as if she were still alive, and they will meticulously carry out this policy which she laid down. The Chief Executor and Trustee has asked me to convey his greetings to the shareholders, and to assure them that the MacRobert interests and tradition will be carried on.

"Although Government controls are gradually being lifted, in the great Indian cotton textile industry they still exist in so far as production and the purchase of new plant are concerned; such controls naturally are harassing and hampering. Control of the sugar industry, however, still continues, and again, the production of sugar in India has been insufficient to meet the country's needs, and the Government has again deemed it necessary to import foreign sugar. It would appear, however, that the indigenous crush in the current season, which is now in operation, will considerably exceed that of last year, and it looks as if India will come nearer to meeting the country's sugar requirements than ever before. We must remember, however, that with the gradual improvement of social conditions, and the steadily increasing population, the consumption of sugar must necessarily keep on expanding.

Labour Conditions

"There is very little to report in regard to changes in labour conditions during 1954, though references to conciliation, adjudication and to the Industrial Courts and Appellate Tribunals continue to be numerous. The intention now apparently is to replace the present Labour Appellate Tribunals by a series of courts which are to be set up in the States and at the Centre. It is a little difficult, however, to visualise how the State and Central Governments will be able to find judges of the required calibre to man these courts, and although the intimation to this effect was made some time ago, it is perhaps of interest to note that, only recently, a fourth Labour Appellate Tribunal has been established, in view of the burden of work which has been faced by the previous three Appellate Tribunals. One of these three Appellate Tribunals had its sittings in Uttar Pradesh and in Madras, and it is understood that the appointment of this fourth Labour Appellate Tribunal will enable one court to be allotted to Madras and another to Uttar Pradesh. This should accelerate the hearing of cases. It is also hoped that in the near future, steps will be taken to amend certain existing Acts which now very considerably hamper good relations with labour.

"I regret that I cannot report any material progress to you in regard to rationalisation, with the result that redundancy of workers still exists, particularly in the mills and factories of Kanpur. During the past year, the State Government set up a high level committee, with representatives of employers and labour further to consider schemes of rationalisation, but owing to lack of co-operation on the part of some of the members, this committee had to be dissolved, and the State Government then ruled that further negotiations could only be continued direct between the employers and the employed. In Kanpur, the result of this was that a number of labour unions, all of which were opposed to rationalisation, combined to form one anti-rationalisation union, and while the workers themselves appear to be willing to earn increased wages, they are being restrained from doing so wherever it lies within the power of the union leaders to do so. I have mentioned that we are still faced with considerable redundancy of labour, particularly in our textile mills in Kanpur, and the Directors' report informed you that the Board had under consideration the starting of a third shift at the Cawnpore Cotton Mills Branch, into which shift it was hoped to be able to absorb most of the redundant labour at that branch, but this can only be done, and the additional employment involved can only be provided if the workmen will co-operate with the employers, and will agree to give the schemes which are being put forward to increase both wages and production a fair chance. It certainly seems that there can be no hope of running certain industries profitably within the foreseeable future unless production costs are reduced, and it must here be reiterated and emphasised that the schemes which have been put forward to this most desirable end do not necessarily involve retrenchment.

"I referred last year to the conditions which were imposed by the Industrial Development (Amendment) Act of 1953 as regards a retrenchment gratuity. When this Act was passed, the measure to which I have referred, was probably intended as a deterrent to employers, and it has certainly acted as such. The Directors' report has already informed you that during the past year alone the Corporation had to disburse over Rs. 9 lakhs in retrenchment gratuities. This money, and the resulting unemployment, might well have been saved had labour been prepared to co-operate in the schemes intended to increase production and also wages. It is to be hoped that, in the near future, reason will prevail, as unless production can be expanded at lesser cost than at present, expansion and prosperity will definitely be retarded, and, in fact, it is obvious that unemployment and lower output will be the inevitable result. In one of the Corporation's mills, it has been necessary by the vagaries of trade throughout the past year, to play off a certain number of redundant workmen, and the steps which the mill took are now being challenged by the labour unions, though so far as your Directors know, the steps taken were definitely within the law, and became unavoidable as a result of trading conditions which resulted in an inability to sell production; output, therefore, had to be reduced if losses were to be restricted.

Excise Duties

"Last year, I stated that the imposition of an *ad valorem* excise duty then imposed on footwear, and the additional excise duty on cotton cloth were severe blows to the Corporation, and my words have certainly been proved to have been correct. The Directors' report makes it clear that the cost to branches of these excise duties amounted to Rs. 19½ lakhs, and it will be recalled that these duties were not operative for the full year. Your Directors had great hopes that, in his current Budget, the Hon'ble Finance Minister might be prepared to reconsider and reduce or abolish these intolerable impositions which, though presumably intended primarily as a form of indirect taxation, in effect became a further direct tax on manufacturers. To make matters worse, this year the Budget proposes further increases in the excise duties on cotton cloth and sugar, and, *inter alia*, an entirely new excise duty of 10 per cent. *ad valorem* on woollen cloths, while the excise duty on footwear is apparently to be continued. I cannot be in any way optimistic regarding the possibility of passing even a reasonable proportion of these excise duties on to the customer, and it will be recognised that all the industries represented by the Corporation's branches are now severely affected by this form of taxation, and the goose which in the past had laid the golden eggs is slowly but surely being strangled.

"In the Directors' report, you were informed that raw material prices, in so far as the Corporation's woollen branches were concerned, remained reasonably stable, but particularly in some varieties at a level so high as to reduce demand for types of cloth formerly popular in the Indian market. It stands to reason that if these prices now have to be increased by an additional 10 per cent. *ad valorem* excise duty, there will be all the less chance of them becoming marketable, and such lines must, therefore, be discontinued which will result in loss and a further redundancy of labour. On the finer side of the worsted trade, however, demand remained fairly satisfactory in 1954, but whether it will remain so with this compulsory increase of price added, when the margin was already uneconomic, remains obscure, but it seems unlikely that the result will be different from that experienced by the Corporation's other branches.

"Excise duty as a form of taxation is all very well so long as it adds almost unnoticeably to the price of any article to the consumer, but when the price per yard of material is increased by 10 per cent., the customer normally will look for something cheaper, or do without. In days gone by, our woollen branches used to produce a vast number of Indian shawls, known as *lohis*, which were popular in many of the markets of India. In those days, *lohis* could be sold at prices ranging from Rs. 3 to Rs. 7 each. With the increased cost of the raw material imposed by world conditions, the increased cost of labour imposed by local conditions, and the excise duty imposed by the Central Government, the current day cost of production of the *lohi* would amount to around Rs. 25 each, and it is small wonder, therefore, that the man in the street who bought a *lohi* as a utility garment, cannot now afford what was then regarded as a necessity, but which, because of its price, can now only be regarded as a luxury. Every year, the woollen branches are finding less and less demand for the heavier woollen goods, a state of affairs which, of course, results from increased production costs caused by the reasons which I have mentioned. This means that expensive plant is either not employed, or is insufficiently employed, and the opportunity of finding work for additional labour is accordingly materially diminished.

Cotton Branch

"On the cotton side of our business, I regret to say that our experience during 1954 was again unhappy. As you were informed last year, the branch mill at Juhi was closed down at very considerable expense, and since then your Directors have been considering how best this valuable site could be turned to profitable use. Here again, one bumps into Government restrictions, but the matter is under constant consideration and certain alternative plans are under examination.

"I have already made reference to the attempt which is to be made to start a third shift at the main Cawnpore Cotton Mills, and I should perhaps explain that before the Corporation is permitted to take any action to this end, sanction from the Government of India is necessary, and I am given to understand that this is only being given conditionally on the monthly production of a prescribed number of bales of yarn for the handloom weavers. This seems rather incongruous when one considers that the branch mill at Juhi, which only produced yarn for handloom weavers, had to be closed down last year owing to lack of demand, and this instance goes to show how difficult it is at the present time to run any organised business as the owners would wish, and in a manner which they could regard as reasonably likely to be profitable. It is by no means ignoble to look for profitable business. Business to be worth anything at all, must be profitable, and no management worthy of the name would be satisfied to continue running a business which showed no profit, or could only break even.

"There is an old adage that every labourer is worthy of his hire, and, as this is an admitted fact, surely it must also be admitted that every shareholder is worthy of his dividend.

"I have referred to the cost incurred to certain of the Corporation's branches by having to carry on their books redundant workers, inasmuch as what we used to regard as an employer's duty to maintain a balanced labour force is now impossible to perform. If one assumes that the average wage for a worker in a textile mill is Rs. 100 per mensem, or Rs. 1,200 a year, it will be appreciated that 1,500 redundant workers in a mill will cost that mill no less than Rs. 18 lakhs per annum. This is obviously a burden which, in these competitive days, no mill can stand.

Leather Branches

"In regard to the Corporation's leather branches, I cannot repeat too often how disastrous on the fortunes of these branches was the imposition last year of the excise duty on footwear. Every possible opportunity was taken of bringing the ill effects of this imposition to the notice of the Finance Department of the Government of India. The fact that the smaller factories, employing less than 50 men, were totally exempted from this excise duty, strengthened their position and meant that only the larger and better organised footwear factories were hit by this method of taxation. It is understood that a number of such organised factories have already had to close down and go out of business, and the main burden is, therefore, now felt by the surviving companies, and thus the impact of excise duty on these companies, quite unintentionally perhaps, but through force of circumstances, becomes discriminatory. Your Directors had hoped that, as a result of the many representations made, the Finance Minister, in his budget proposals this year, would have removed this stifling burden in whole or at least in part, but to our great regret the question of the excise duty on footwear did not even get a mention in the Budget speech. Meantime, hides of the quality required are still scarce, and many of our former markets remained closed to us, and it is unfortunate that we are unable to continue our export of leather on the desired scale, by virtue of the absence of suitable hides, and the fact that hide prices now do not enable us to take part to the extent desired in this highly competitive business. Leather, which competes both as to quality and price with the Corporation's production, is becoming increasingly available in overseas markets, from South American, and even European, countries.

"Last year, the branch selling arrangements for footwear and leather were altered in order, if possible, to reduce the selling costs, and it would appear that this object is being achieved, and sales of footwear have increased, but unfortunately, owing to the excise duty, continue to be unprofitable. I can only remind you that when referring to the excise duty on footwear last year, I estimated that the cost to the Corporation might well be in the vicinity of Rs. 14 lakhs per annum, and that this burden had certainly come at an unfortunate time when our manufacture of footwear showed no margin of profit. I also reminded the shareholders on that occasion that the imposition of the excise duty on footwear, and the additional excise duty on cotton cloth, were severe blows to the Corporation, and so they have certainly proved to have been. Furthermore, in regard to our heavy footwear section, the orders received for Government supplies have been quite inadequate, and such orders as have been secured, have only been at prices which were unprofitable, but which had to be accepted to keep a certain amount of work going through the extensive plant maintained for this purpose.

Modernisation of Plant

"Throughout the branches of the Corporation, increasing attention is being paid, as has been stated in the Directors' report, to the modernisation of plant to enable the introduction of more attractive and more readily saleable goods. This, as indicated in the balance-sheet, will involve considerable outlay, but it is essential in these difficult times to go ahead and expand where possible, rather than to continue on static lines with little chance of earning adequate profits. This is a matter which is receiving close and continuous attention from your Board and the management. It is perhaps unfortunate, however, that there is still a very considerable time lag in the receipt of new plant, even after import licences have been received.

"In my remarks to the shareholders last year, I dealt fairly fully with the question of finance, as it affected industry generally, and the Corporation, in particular. I also referred to the fact that increased finance is now required for business purposes, inasmuch as wages and raw materials cost many times pre-war rates, and that as regards capital expenditure, the cost of plant and machinery was approximately four times what it was immediately before World War II.

"I mentioned last year how essential it was in the shareholders' interests that we should plough back as much as possible each year from profits into the business. Unfortunately, however, the results obtained for 1954 have not permitted of anything in that line. In fact, after allowing Rs. 10 lakhs for depreciation, the profit and loss account shows a loss of over Rs. 4 lakhs, and while this is a little more than balanced by the profit on the sale of investments, which has been carried to reserve, Rs. 14 lakhs have been written back from a previous income-tax reserve in order to permit of the payment of the preference dividend, and a nominal dividend of 1 anna per share on the ordinary shares. Even the carry forward has been reduced by nearly Rs. 1 lakh, so that the financial position of the Corporation is none the stronger as the result of the trading conditions experienced in 1954. It is, accordingly, all the more necessary, for reasons which have already been explained to you that, whenever opportunity will permit, as much as possible should be ploughed back into the business, in order to strengthen the Corporation's finances.

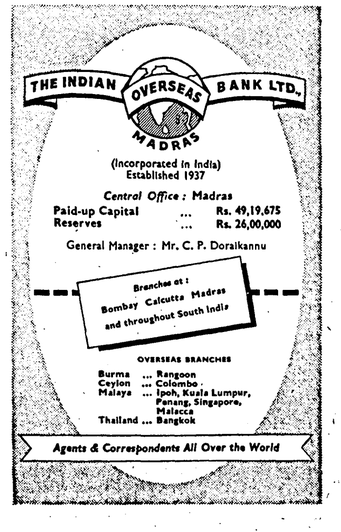
"The Directors' report makes it clear that it is impossible to pay a gratuity to employees in respect of 1954. No such payment could possibly be expected when the results for the year have shown a trading loss.

"Your Board and the management fully appreciate that the fact that the Corporation's trading in 1954 showed a small loss instead of the fairly comfortable profit to which we have for many years now been accustomed, must have come as a most unpleasant disappointment to the shareholders, and I have endeavoured in the course of my remarks today, to explain to you many of the difficulties which were encountered during the year, and to counteract which all possible steps have been, and are being, taken.

"To sum up briefly, our woollen branches maintained their position and their sales, but as a result of more intense competition, the margin of profit was lower than in the past few years, hence the remark in the Directors' report that sales had had to be made at a level which was barely economic. The cotton branch, minus of course the Juhi Branch mill, had to face unprecedented difficulties, and seldom during the year was it possible to sell any of the Branch's production other than at a loss. That aspect, the retrenchment gratuity paid in respect of the closure of the Juhi Branch mill, the carrying of many redundant workers whose services could not be dispensed with, and the inability to pass on the excise duty to the customer, have resulted in a heavy loss to the branch. The leather branches also suffered from the inability to secure a profitable price for its output on footwear, as the result of the imposition of the excise duty, and, of course, also of competition arising from footwear exempted from that duty. Further, owing to the paucity of good quality hides, their leather sales were greatly reduced, with the combined result that total sales were materially smaller, and a loss on the year's working was sustained. At head office, the surplus was less as the result of a reduction in the income on investments and of the increase of interest charges. We can all share the hope that the strenuous efforts being made to overcome the difficulties which I have described will shortly begin to show improved results.

Outlook

"My remarks so far are confined to the Corporation's operations during the year 1954, and perhaps the shareholders will expect me to say something as to the future. In this connection, may I refer you to what has already been stated in the Directors' report, to the effect that, while unfortunately it would not be realistic for shareholders to expect any early return to the level of dividends paid in recent years, your Directors and the management are sparing no effort to improve the present unsatisfactory position. The shareholders will probably realise that the Directors' report was drafted before the Hon'ble Finance Minister introduced his Budget in the Lok Sabha. The fact that he has seen fit to increase the excise duty on cotton manufactured goods, and has retained the excise duty on footwear, and imposed an excise duty on woollen goods makes the position, as I have already indicated, all the more difficult, and it is impossible at this juncture to foretell just what the effect of these severe impositions will be, but I cannot for a moment hold out any hope that, in respect of the trading for the current year, it will be possible to pay any substantial dividend, and I am frankly of opinion that it will be exceedingly difficult under these circumstances to earn sufficient to pay even the modest dividend which was distributed during the war years, but shareholders may rest fully satisfied that every effort is being, and will be, made to improve conditions to whatever extent is humanly possible."



THE HONGKONG AND SHANGHAI BANKING CORPORATION

SATISFACTORY RESULTS IN A YEAR OF DIFFICULT TRADING CONDITIONS

MR. C. BLAKER FEELS BRITISH BANKERS HAVE IMPORTANT ROLE IN ASIA

THE Ordinary Annual General Meeting of the Hongkong and Shanghai Banking Corporation was held in Hong Kong on 11th March, 1955. In the course of his customary statement to the shareholders of the Corporation, Mr. C. Blaker, M.C., E.D., the Chairman, says that economic development has been the most pressing pre-occupations of all Asian Governments, for they need more capital investment and on more generous terms than hitherto offered. In this connection, he points out the need for exercising caution in financing development programmes by budget deficits, a device which some of the South-East Asian countries have already resorted to. New measures are being adopted he says, for the mobilisation of capital to assist industrial development in the free countries of the East and particularly in the area of the "Colombo Plan" countries. He feels confident that British bankers have still an important part to play in Asia and elsewhere.

Opening the proceedings of the meeting, Mr. Blaker said:

"LADIES AND GENTLEMEN,

"The hour for which this meeting was called having now passed, I will call upon the Chief Manager to read the notice convening the meeting."

Mr. Michael W. Turner having read the notice convening the meeting, and a representative of the auditors having read their report, the Chairman continued:

"Ladies and gentlemen,—Before I proceed to comment on the accounts, I want to draw your attention to two anniversaries connected with this Bank which may not have come to your notice. The first was on 6th August last year. It was the 90th anniversary of the meeting held in Hong Kong on 6th August, 1864, to form a provisional committee to undertake the establishment of this Bank.

"The second anniversary was on 3rd March last week. That was the 90th birthday of the Bank, which opened for business for the first time on 3rd March, 1865.

"The Bank's centenary still lies ten years ahead, but ninety years is a long time to all of us and it happens to be a suitable occasion for bringing about a small change in the capital structure of the Bank and so to benefit shareholders as has not been done since 1921. I shall be referring to this matter again in a few moments.

"I am particularly happy at being able personally to call attention to these anniversary dates, as a predecessor of mine, Mr. H. B. Lemann, of Gilman & Co., was one of the original directors of the Bank. Moreover, Gilman & Co., together with David Sassoon & Co., are the only firms which were represented on the original Board and are still represented on the Board as constituted today, ninety years later.

"Incidentally, the first London Manager of the Bank was Mr. W. H. Vachell, previously a partner of Gilman & Co., and of Ashton & Co., the London Branch of Gilmans. For a short time, the Bank appears to have had its office in Gresham House, Old Broad Street, where Ashton & Co. were established.

The Accounts

"I will now turn to the accounts. The net profit for the year amounts to HK$19,290,451 which is some HK$2 millions in excess of last year's figure. As in previous years, the published profit has been arrived at after transferring to our inner reserves such amounts as your Directors have deemed appropriate, out of which reserves full provision has, as usual, been made for all known bad and doubtful debts and contingencies. The balance of profit brought forward from last year amounts to HK$9,859,542, and the total available for appropriation is accordingly HK$29,149,993. In view of the heavy expenditure which it has been necessary to incur in recent years on new Bank premises, it is proposed that a sum of HK$6 millions should this year be written off bank premises account and, after allowing for this transfer and the interim dividend of £2 per share, it is recommended that the final dividend should again be £3 per share, leaving a balance to be carried forward to next year of HK$10,215,256.

"As shareholders will be aware, it is proposed to increase our share capital by the issue of one new share for every four shares now held and an extraordinary general meeting is being held after this meeting to pass two resolutions for this purpose. In this connection, it is hoped, provided, of course, the profits of the Bank are maintained, to pay the same annual dividend of £5 per share for the current year on the increased capital.

Balance-sheet Features

"From the balance-sheet, it will be observed that our published reserve fund now stands at HK$128 millions (£8,000,000), the increase of HK$32 millions (£2,000,000) representing a transfer from contingencies account of funds which are no longer required for the purposes for which they were originally put aside. With regard to the other items in the balance-sheet, it will be noted that the excess note issue has been decreased during the year by some HK$80 millions, which is reflected in a corresponding reduction in the total of Certificates of Indebtedness. Current and other accounts and acceptances on behalf of customers have increased by HK$36 millions and HK$46 millions, respectively.

"On the assets side of the balance-sheet, cash, call money and treasury bills have decreased by approximately HK$300 millions, and the funds thus made available, together with the increase in our total funds during the year, have been mainly re-employed in trade bills and advances to customers which have increased by HK$168 millions and HK$184 millions, respectively. It is a source of some satisfaction that we have been able to employ these larger funds during the year in their rightful sphere of financing international trade and commerce. As a result of the reduction in cash, call money and treasury bills, the ratio of the Bank's readily realisable assets to its total liabilities to customers has decreased from last year's figure of 65 per cent. to 58 per cent. which, however, still represents a satisfactory degree of liquidity.

"As shareholders will be aware, trading conditions in the territories in which we operate have, in general, continued to be difficult, although the increase in the prices of certain primary commodities in the latter part of the year rather changed the picture in some areas. In all the circumstances, your Directors feel that the results of the year must be regarded as satisfactory.

"The printed statement which is in your hands today deals with the political and economic situation in the Eastern countries where we have offices. It also refers to the position in China and to our negotiations regarding final closure of our Shanghai office. I will now only say that, while the Bank's main problem in China is still unresolved, our offices at Swatow and Tientsin have been wound-up during the past year and Peking is likely to be closed soon.

"In Viet-Nam, we have shut our office at Haiphong, but to counter-balance this, as you will see from the statement, we have now completed arrangements for opening an independent branch at Phnom-Penh, the capital of Cambodia.

Chief Manager's Extensive Tour

"Most of you know that our Chief Manager, Mr. Michael Turner, has had a busy time this year. I do not refer so much to all the varied matters with which he has to deal in his office here in Hong Kong, as to the extensive tour he has made of our offices throughout the East and in America. He has visited every one of our offices in Japan, Malaya, the Philippines, and Borneo including Brunei, and Indonesia. He has been to Bangkok and Saigon, and, in addition to spending some days at San Francisco and New York, he has also paid a visit to Washington to make contacts with our Embassy and with the U.S. Treasury. Wherever he went he interviewed Government officials and our banking friends. He now proposes to take a few weeks' leave in England, but at the same time he hopes, to complete the circle by visiting those offices he has not yet seen. I am sure that the personal contacts made and the personal knowledge gained by the Chief Manager will prove to be of great value to the Bank in the future.

"I am glad to say that Mr. Turner reports favourably on our staff of all nationalities. He has been able to take steps to ensure that their welfare is properly assured. We are most grateful to them for their loyalty and efficient service to the Bank.

"During Mr. Turner's absence, Mr. G. H. Stacey, who holds the appointment of Deputy Chief Manager, has very efficiently taken charge of the head office.

"There is no need for me to say anything about the changes in the Board of Directors, but I much regret that I have to record the death last September of Major-General Sir Frederick Sykes, G.C.S.I., G.C.I.E., G.B.E., K.C.B., C.M.G. Sir Frederick joined the Board on 8th October, 1943, while it was established in London as a result of the war, and after the Board moved back to Hong Kong he sat on the London Committee up to his death. He had a very distinguished and varied career and will be greatly missed by his many friends.

"Ladies and gentlemen,—The Report and Statement of Accounts having been in your hands for the required period, I will now formally propose their adoption as presented.

"After the proposal has been seconded, I shall be pleased to answer to the best of my ability any questions which shareholders may wish to ask."

The resolution having been seconded, the report and accounts were adopted.

Chairman's Statement

The following is the statement referred to by the Chairman:

"Last year, we noted that the world-wide cold war continued without abatement, but that in Asia there had been progress in economic development programmes in spite of a continued deterioration in foreign trade. We also referred to the great need for capital investment in the underdeveloped countries and to the difficulties lying in the way of this.

"The year 1954 brought about some improvement in the cold war. It became less cold, though I fear that already in 1955 there has been some reaction. It is clear that the Geneva Conference which lasted from the end of April to 21st July effected a change of atmosphere in the relations between the West European powers and China. This was not due so much to the agreements then concluded nor to the cease-fire in Indo-China, although these were important and cheering, but rather to the intangible consequences and advantages of the presence at Geneva of important political leaders of the Asian administrations and particularly to the presence of Mr. Chou En-Lai, the Chinese Prime Minister. The opportunities of direct contacts and discussions between leading Eastern and Western diplomats which the Geneva Conference brought about for the first time since Communist Governments were set up in East Asia unquestionably effected a clearing of the air.

"I am afraid that the subsequent S.E.A.T.O. Conference in the Philippines dampened down some of the cheerfulness created by Geneva and the more recent developments in the sea areas between the mainland of China and Formosa have brought downright gloom. Yet Article III of the Manila Treaty was promising in that it bound the signatories 'to co-operate with one another in the further development of economic measures, including technical assistance, designed both to promote economic progress and social well-being.'

"Unfortunately, the unrepresentative nature of the S.E.A.T.O. Conference gave rise to fears lest the economic steps there visualised would divert attention and finance from the wider sphere of the Colombo Plan. However, in the debate in Parliament on 8th November, when the House approved the policy of H.M. Government in regard to the Geneva Agreements and the Manila Treaty, an official assurance was given that the Colombo Plan would not in fact be impaired by any commitments arising under Article III of the Manila Treaty. But doubts prevail. Economic assistance is greatly needed

in South-East Asia and the available capital is limited. The Colombo Plan was first in the field and has proved generally acceptable throughout Asia, because it has not been suspect on account of any national or political tinge. It remains to be seen if there is any way in which the Manila proposal can be consolidated with the Colombo Plan arrangements.

Aid for Underdeveloped Countries

"The question of economic aid for the underdeveloped countries in Asia has been dealt with from this chair on many occasions. Not long ago, in a Parliamentary debate, Sir Anthony Eden said, 'Economic development is the key to all that may follow in South-East Asia,' and this is a fact of which all Asian Governments are fully aware. It is one of their most pressing pre-occupations, for they need more capital investment and on more generous terms than hitherto offered.

"Some South-East Asian countries are already financing part of their development programmes by budget deficits and caution is, therefore, needed, as has been pointed out by a recent E.C.A.F.E. working party. There have been so many instances during the last two decades of inflation getting out of hand in Eastern countries that the risks must be clearly in the minds of the financial authorities responsible for any inflationary action and the responsibility is a serious one.

"If internal finance cannot be raised for development needs, the safest way out of the difficulty is to seek external finance, either private or Governmental. But foreign private investment has not hitherto received much encouragement towards venturing capital in the less developed areas. Political uncertainties, nationalistic suspicions and rigid restrictions have antagonised and frightened potential investors, but I am glad to say that recently some signs of a change of policy in this respect have been noted in some countries. On the other hand, even foreign Governmental aid, if coming from one exclusive source, has been looked at with some suspicion in recent years and Asian countries mostly prefer joint international action such as the Economic and Social Council of the United Nations has for some years been trying to get adopted.

International Finance Corporation

"Now at last, a new phase seems to have been reached after about four years of discussions in the United Nations and by the authorities of the International Bank, and it looks as if a step is being made in the right direction. This is the establishment of an International Finance Corporation as an affiliate of the International Bank and with an initial capitalisation of U.S. $100 millions. The Corporation is designed to increase private investment in less developed countries. This project was dealt with in some detail, and on the same lines as now formally proposed, in the report of the International Bank for 1951-52. The care expended on the project has thus a good chance of bearing fruit. Similarly, the establishment of the Industrial Credit and Investment Corporation of India is another step forward. Here we see a promising international-cum-private investment concern, which, if successful, may well prove to be a model for similar ventures in other Eastern countries. The Government of India, the International Bank, the Commonwealth Development Finance Company, certain Indian banks and insurance companies and a group of British exchange banks, insurance companies and industrial firms, are participating together with a strong American group. I am glad to say that we are one of the British banks which have taken up shares in this Corporation.

China

"From the vantage point of Hong Kong we have seen or heard much about the considerable number of British delegations of one kind or another which have visited China. Their members, as compared with those of earlier visits, represented more varied points of view and interests covering political, cultural, professional and commercial affairs. They had opportunities to see a fair amount of the areas they visited in the short time at their disposal, and they were thus able to bring back a broader picture of People's China than has hitherto been generally available. What these travellers reported was fresh to many persons interested in China and in the Chinese impact on world affairs. They have not revealed much that was new to those of us in Hong Kong who have had our eyes open in the past few years. However, even fleeting visits such as these are worthwhile and most of the travellers who took part were careful not to claim omniscience in regard to China and its recent developments. Some of them may have put rather undue emphasis on 'peaceful co-existence,' a phrase which has become so well-worn in pronouncements from the other side of the curtain. But this phrase has recently received wider recognition through its adoption as Point 5 in the principles which were agreed last year between China and India, as a guide to relations between these countries. In its literal English sense peaceful co-existence is a good phrase which expresses the desires of many millions of people to live in peace free from fear of war. But we are on unsubstantial ground when we come to ask whether this phrase 'peaceful co-existence' means the same to all people. It is doubtful whether even Mr. Clement Attlee and his colleagues got clear and satisfactory explanations on this particular point. Their visit received considerable publicity in China as well as in the West and we all hope that that particular visit, joined with the many other visits to China by British parties, may have brought us forward a little way towards bridging the East-West gap which is still a wide one. Mr. Nehru has consistently been working towards this aim and the Burmese Prime Minister has added his support. We now look hopefully to China for a move from that side.

Settlement Negotiations—Extremely Slow Progress

"Our own particular hopes about China are that the negotiations for the settlement of our problems in closing our offices, which have been carried on now for nearly four years, should be satisfactorily concluded. Progress has been extremely slow. One stumbling block is that of U.S. dollars held by us on Chinese account, which the U.S. Government froze in December, 1950, and which it is totally out of our power to release, as is demanded by the Chinese. This matter rests in the hands of the U.S. Government and all the representations we have made, even with the help of our own Government, have so far been unavailing. Nevertheless, we hope that before long we shall be able to come to a settlement with the Chinese about all outstanding matters, including the repatriation of our Manager at Shanghai. Meantime, the question of future representation in China has been raised with us and we have expressed our willingness to come to some arrangement after our closure at Shanghai has been effected.

Possibilities of Future Trade

"We sent a representative with the British Trade Mission which visited Peking last November under the auspices of the Sino-British Trade Committee, in order that he might investigate the possibilities of future trade. We hoped that at the same time he might get an opportunity to clear up some of our difficulties. His journey was worth while for many reasons, and especially because he was able to see our Manager in Shanghai and discuss his problems on the spot.

"Another Trade Mission will be going to Peking this month, and still more visits, whether by individuals or by organised parties, will probably follow. In terms of the volume of trade concluded such visits may not effect a great deal, considering the total trade of the United Kingdom, but it is to the possibilities of expansion that merchants and manufacturers look and from which they hope for real benefit in the future. The potentialities are as great as they have been for over a hundred years. As in the past century, so now they would in actuality be greater if political and ideological difficulties and suspicions could be swept out of the way.

"You are aware that China's trade with the Soviet bloc now probably covers four-fifths of her total trade. When the blockade is removed the switch of trade to other countries is bound to be slow and it is hardly likely that China's trade will ever go back fully to the pre-war channels. No doubt, Japan will get a fair share, so the slice left for Europe and America may not be large. Much of course depends on the extent to which China is able to proceed with her development plans and in this connection, what will count is the way in which China's export trade develops and whether greater quantities of minerals and agricultural products will be available for shipment overseas. Only thus will it be possible to obtain sufficient foreign exchange for use in the purchase of the capital goods required for industrialisation purposes.

Remarkable Developments in Agriculture and Industry

"It is not possible under existing circumstances to give shareholders a reliable analysis of what agricultural and industrial progress has been made in China throughout the past year. If one were to confine attention to the speeches made by officials in Peking, all would seem to be well and the progress astonishing. If one were only to read the controlled Chinese Press emanating from the mainland, one would note certain frank criticisms indicating that there were serious difficulties, that planned targets were not always being reached and that in some cases they had been reduced. If one were to rely upon anti-Communist publications it would seem that all official reports from China were nonsense. Yet without giving chapter and verse, but basing opinion on evidence collected from many sources, I think we are justified in deciding that very remarkable developments in agriculture and industry have taken place since the People's Government came into power: there may have been some slackening of progress or even some deterioration in agricultural output in 1954, but the industrial progress during the year has continued at a rapid pace in spite of the United Nations embargo on shipments to China of many categories of capital goods. It is clear that the strains on the country caused by the embargo are getting more and more serious, but strict regimentation and careful economy in materials is enabling the country to overcome a great many difficulties. Nevertheless, China must surely attach very great importance to obtaining easier conditions and wider opportunities for importing the wide range of materials required for industrial expansion. The 156 industrial units for which large-scale Russian help is being received have no doubt progressed rapidly, but the significance of this number of plants, and of the whole Five-year Plan should be put in the proper perspective of the tremendous size of the country, and its vast population of nearly 600 million people. One wonders if Russia and the Soviet bloc can do much more than they are now doing in the direction of loans and technical assistance to China. So far China has followed the Soviet road because there has been no other road to follow: that is why many of us think it would be wise policy for the democratic countries to open an alternative route. But still wiser would it be for China, upon whom the onus rests, to come to terms with the United Nations, and so to provide an opening for that 'peaceful co-existence' she claims to desire so much. We had hoped that the Secretary General of the United Nations, when he was in Peking in January, would have been able to clear the way for diplomatic negotiations leading to a solution of many of these problems, but tempers have flared up about the Formosan question, so we shall have to wait for a more propitious occasion.

Hong Kong

"From China we must now turn to Hong Kong which does not attempt to conceal the fact that what happens in China, how she prospers, how her trade fares, whence it comes and whither it goes, all are matters of great concern to the Colony. This is natural and inevitable. In the political field Hong Kong is dependent externally on H.M. Government to ensure that the peace and security of the Colony is upheld by all the means at its disposal and Hong Kong's omission from the scope of the Manila Treaty does not, therefore, cause us any perturbation. Internally, Hong Kong is dependent on the police and defence services together with the help of all dutiful citizens, to maintain law, order and stability. We are thankful to say that in this respect all has gone well with Hong Kong in the past year.

"In the commercial field Hong Kong has, of course since the war and particularly in the last few years, done a lot to adapt her trade to the new conditions. In this there has been help from external capital which, especially since 1949, has found its way to the Colony from surrounding areas and has added to and improved upon many of the existing industrial activities. It is estimated that in 1947 about 10 per cent. or HK$120 millions of Hong Kong's annual exports, represented goods manufactured in the Colony. In 1954, locally manufactured goods, including some items not recorded separately, are believed to have amounted to one-third of the export trade. In 1954, 328 new factories were registered bringing the total of registered factories up to nearly 2,500 and the total labour employed in such factories up to over 115,000. Nearly two-thirds of Hong Kong-manufactured exports are cotton goods, the majority of which were sent to Indonesia last year. The United Kingdom took HK$75 (or £4½) millions of Hong Kong's products of which about a half were cotton goods. This is a drop in the ocean when compared with the total annual imports of the United Kingdom which are in the region of £3,500 millions. Questions in Parliament or in the Press about alleged small irregularities over

a few minor shipments of Hong Kong goods surely ought to be looked at in the proper perspective. Attacks on Hong Kong from other sources in regard to alleged infringements of the embargo on trade with China have, I am glad to say, died down. Hong Kong is, of course, still suffering seriously from the continuation of the embargo and it is indeed only too aggravating to know that others are benefiting from the relaxation of restrictions on trade with the Soviet bloc.

Scope for Greater Industrialisation

"There is still scope for greater industrialisation in Hong Kong, as was confirmed by the report of a recent Inter-departmental Committee, which recommended the reclamation of land suitable for new sites for factories at Kun Tong on the Eastern shores of Kowloon Bay. This recommendation having been approved, preliminary work has already started on the area, but a decision is awaited as regards the price and method of disposal of the sites. It is to be hoped that the procedure of preparing sites and developing common user services adopted in Singapore by the Colonial Development Corporation will be copied in Hong Kong so as to provide strong inducements to industrialists to move their existing factories or to start up new ones on the Kun Tong reclamation area.

"The future of Hong Kong may well depend on the encouragement at the present time, when capital is available, both of additions to the present scale of industrialisation and also of the removal of existing factories which are in many cases situated in crowded and unsuitable areas and in most hazardous buildings. It is also a matter for serious consideration whether Hong Kong should not go even further and provide, as is done in other underdeveloped countries, more specific inducements to encourage the establishment of factories of a larger and more up-to-date type to take the place of small units operating inefficiently on a hand-to-mouth basis. Ample unskilled labour is, of course, available in Hong Kong and some of this must be trainable for skilled work. This gives special point to the remarks made only a few weeks ago by Mr. Edward Hambro, when, in reporting to the United Nations on the refugee situation in the Colony, he stated that there were 667,000 refugees here and that he thought that these would have to be settled and integrated into Hong Kong.

Trade Tendency

"Hong Kong's trade in 1954 fell off about 11 per cent. in value although cargo tonnage changed little as compared with 1953. But it was satisfactory to observe that there was a slowly rising tendency in the figures recorded month by month throughout the year, even if the average monthly figures remained lower than we would like them to be. Trade with East Asian countries dropped in almost all cases except S. Korea and in the case of China the reduction was HK$315 millions (£20 millions)—from HK$1,397 millions in 1953 to HK$1,082 millions in 1954. There were local reasons for the drop in trade with some countries, such as Indonesia and Thailand, and a reversal of this situation may well appear before another year passes. Shipping statistics show a drop in the number of entrances and clearances but this is counter-balanced by slightly improved quantities of cargo carried.

"Business on the Hong Kong Stock Exchange was exceedingly buoyant and reached its peak in December. Moreover, land prices in the central districts reached record figures and remain high everywhere. It seems probable that a partial explanation for what might be called a boom in these activities was an inflow of capital from neighbouring countries, to which we may add increased confidence in the stability of Hong Kong.

Economic Commission

"We had the pleasure, some two months ago, of welcoming to Hong Kong a representative gathering of members of the Economic Commission for Asia and the Far East which met here to discuss certain trade problems. The Conference, I am glad to say, came out strongly in favour of multilateralism in international trade as being a desirable target. One interesting fact it publicised was that the region covered by the E.C.A.F.E. organisation which contains almost half of the world's population and also immense raw material resources, only accounted for 10 per cent. to 12 per cent. of the world's trade. When one considers how backward in development most of the countries in this region are, this small percentage figure is not altogether surprising. But it only underlines the remarks recorded in the beginning of this statement about the need for international efforts to remedy this state of affairs.

Colony's Financial Position

"Before passing on from the subject of Hong Kong I must refer to the financial position of the Colony which was dealt with so lucidly and comprehensively by the Financial Secretary, Mr. A. G. Clarke, last week. It was very satisfactory to hear that a surplus of HK$21 millions was expected for the current year and that the figure might prove to be even higher. This did much to temper the disappointment that the estimates for the financial year 1955-56 showed a record deficit for the Colony of HK$32 millions. Revenue was expected to amount to HK$413.7 millions and expenditure to HK$445.7 millions.

"However, Mr. Clarke was able to point out that the Colony had satisfactory reserves in the general reserve balance and revenue equalisation fund which would shortly be over HK$400 millions—that is to say more than the current year's total expenditure. Under the circumstances, it was not proposed to increase direct taxation or duties. It was proposed, however to look into the possibility of increasing various forms of licence fees such as for motor vehicles and of stamp duty on assignments.

"The expenditure on education, public health and public works non-recurrent is estimated to cost no less than HK$193 millions in the forthcoming year. While the Colony wants all these things including the larger airport and more reservoirs, the people of the Colony must not forget that they will have to pay for them out of their own pockets.

"It was interesting to see that both the Governor and the Financial Secretary dealt with the importance of encouraging sound local industries by such methods as the provision of land at reasonable prices in cases where a definite contribution to the well-being of the Colony would be made.

"I cannot complete my remarks about Hong Kong without saying how pleased we are that Sir Alexander Grantham is still with us and will be remaining until towards the end of the year.

Japan

"Japan has not yet fully re-established her position in the political arena in the East, partly because she has failed to reach agreement about reparations with the Philippines and Indonesia and partly because of her undefined relations with China, Russia and South Korea. However, the Reparations Agreement which Japan and Burma signed in November, may well be the precursor to further developments, and recent overtures to and from Russia and China indicate a desire for negotiations on trade, if not on other outstanding questions. Trade between Japan and China did indeed increase a good deal in 1954 but from the very low levels of 1953. Whether formal negotiations with Russia and China take place or not depends on the policy of the Government emerging from the elections which have just been held. The Government in power will have to take account of the West as well as of the East and Trade, while very important for Japan, is only one of many matters to be taken into consideration. Hong Kong, like Japan, considers trade with China of great importance but both Hong Kong and Tokyo are probably agreed that there are potent reasons why neither should be short-sighted in regard to this matter.

"Meantime, it is to be noted that discussions are proceeding between Japan and the United States as to the way in which some U.S.$85 millions worth of farm surplus products are to be made available to the Japanese Government. Japan has also taken over responsibility from the United States authorities for the defence of Hokkaido where some big development projects are now being rapidly pushed forward.

A Remarkable Transformation

"Internally, 1954 witnessed a remarkable transformation in the economic situation from one of inflationary dangers at the beginning of the year to an economy brought back to a reasonably sound basis at the end of 1954 by a successful deflationary policy. A few figures will help to illustrate the change that has taken place. Japan's foreign trade returns show that whereas there was an adverse balance of U.S.$1,135 millions in 1953, it was down to U.S.$770 millions in 1954. Imports were about the same in the two years, but exports were 27.8 per cent. higher in the past year. The balance of payments indicated a surplus of about U.S.$100 millions in favour of Japan over the calendar year 1954, as compared with an adverse balance of U.S.$194 millions in 1953. There were surpluses of £44 millions and U.S.$68 millions, respectively, with the sterling and open account areas and a deficit of U.S.$92 millions with the other currency areas. In this connection the falling off of special procurements by the United States authorities destroyed hopes of a still higher favourable balance last year. Japan's foreign currency balances were also higher at the end of 1954 at approximately U.S.$1,060 millions. Furthermore, the note issue at the end of the year broke a twenty-year record by falling below the figure at the end of the previous year instead of rising. The deflationary measures have also been successful in bringing down wholesale prices: this in turn is causing a fall in export prices which is expected to be as much as 10 per cent. by 31st March, the end of the fiscal year. It is thought that, if this reduction is accomplished, it will go a long way to putting many of Japan's export quotations more on a level with international prices.

Increase in Unemployment

"One unfortunate result of the past year's deflationary policy has been a considerable increase in unemployment which is likely to get worse so long as there is no relaxation in this policy. A number of industrial concerns have had to close down for the same reason, but the number has not been as high as was at one time expected. The Economic Counsel Board nevertheless considers that the present policy will, within five years, bring about full employment. Amalgamations and other steps to put industry on to a more efficient basis have increased notably and there are clear indications of a return to the pre-war pattern of Zaibatsu combines, although at present on a much smaller scale.

"The long-drawn out negotiations regarding Japan's full membership of G.A.T.T. seem likely to be renewed when present tariff discussions now proceeding at Geneva have been concluded. The need for safeguards is underlined by the 61 per cent. increase in Japan's exports in 1954, to the sterling area. Nearly 60 per cent. of those exports were textile goods although such shipments to the United Kingdom itself appear to have been lower than in the previous year.

"The Anglo-Japanese Sterling Payments Agreement is due to expire at the end of this month and in principle, but subject to certain discussions, an extension for three months is reported to have been agreed. It appears that the figure of £209 millions for the trade each way is not likely to be reached in the period of the Agreement.

Indonesia

"Indonesia has not been much in the limelight of the world in the past year because, fortunately for her, she has not been seriously affected by any of the current international polemics. Her Government has maintained its position notwithstanding a near crisis in December and in spite of Communist support which antagonises Moslem groups within the country. Yet the internal economy is far from healthy and a few weeks ago a famous economic journal did some straight talking in regard to the barriers obstructing foreign trade and restricting the operation of foreign concerns resident in that country.

"It would not help matters to reiterate complaints regarding regulations which make normal trading impossible, which upset established procedure and which discriminate against non-Indonesians. Such factors naturally give rise to a feeling of frustration and make it useless to expect the investment of foreign capital which is badly needed in order to turn to good account the potential wealth of the country. The Indonesian Government issued a statement a year ago with a view to encouraging foreign investments but almost at once afterwards a levy of 40 per cent. on overseas remittances was imposed. We agree with the Governor of the Bank Indonesia when he expressed the hope, in his report for the year 1953-54, that the promised elaboration of that statement 'would be formulated in such a way that at least as far as official conditions are concerned, Indonesia may become an attractive field of investment for foreign investors.' He added the hope that there would also be a 'positive improvement in the investment climate in Indonesia.' Another remark of his was:

"'Only as and when many of the obstructionist factors—which I shall not go into here because they may be assumed to be well known—will have been swept away, is it to be expected that the Government's efforts to attract foreign investments will crowned with success.'

"Official trade returns for the full year 1954 are not yet available, but it is reported that the unorthodox system under which import licences continue to be issued did at any rate limit imports, which were therefore expected to be some Rps. 800 millions less than in 1953. On the other hand, exports increased Rps.70 millions in value. If the oil companies' returns are omitted (as they are on a special basis), there should be a small favourable balance of trade in 1954.

"The restrictive system applied to imports has resulted in a considerable reduction in the availability of consumer goods and a consequent rise in prices. Rice production has been steadily improving and imports during the past year have again been reduced considerably. Exports of both rubber and tin from Indonesia increased as compared with 1953. In the case of rubber the increase was as much as 24,000 tons and the fortuitous rise in price in the latter part of 1954 accounted for some of the increased value of exports and also helped to maintain the ratio of gold and foreign currency holdings to the note issue.

"The returns of the Bank Indonesia show that gold and convertible foreign exchange figures rose steadily in the latter part of the year from about Rps. 1,535 millions in June to Rps. 2,127 millions in the middle of January, 1955, while the note issue increased in the same period from about Rps. 5,790 millions to Rps. 7,395 millions.

"In April last year, the Minister of Finance announced that his draft budget showed a deficit of Rps. 1,200 millions: In September, he stated that the deficit was then estimated at Rps. 2,600 millions. Later on, this figure appears to have been once more revised upwards to Rps. 3,500 millions or over. It was not, therefore, surprising that as long ago as last June the Governor of the Bank Indonesia should have shown some alarm at the budgetary situation.

The Philippines

"The Philippine Islands have had a prosperous year, but the Government has not had an easy time owing to internal political antagonisms. President Magsaysay's reputation for probity, sincerity and hard work has been enhanced and he deserves much credit for his vigorous efforts to push through a programme of rural development, striving to make the country self-sufficient and to reduce unemployment. Administrative difficulties have, however, slowed down many of the best intentions of the Government.

"In the President's 'State of the Nation' message to the joint session of the House and Senate on 24th January, after dealing with rural development and labour legislation, he referred to encouraging results in manufacturing and processing but confessed that industrial developments did not measure up to their needs. He then gave a word of welcome to foreign capital. He said that to encourage and facilitate its entry into the Philippines the essential conditions governing such entry should be specified.

"Perhaps, one of the most important events of the year was the conclusion of negotiations for the revision of the Bell Trade Act. Ratification has not yet taken place so detailed comment would be premature, but the Philippines appear to have gained considerable concessions from the United States. In the meantime the free trade period of the Act has been extended for 18 months to 1st January, 1956.

"In the financial sphere, few significant changes took place in the year but the International Reserves dropped moderately from U.S.$296 millions to U.S.$273 millions while the General Fund at 30th November last showed a surplus of Ps. 10.7 millions, as compared with a deficit of Ps. 48.7 millions in the same period of 1953. The reappointment of Mr. Miguel Cuaderno as Governor of the Central Bank for a further term of six years was much welcomed by all bankers.

"Much legislation has been in the hands of Congress during its sessions in the past year and many important Bills have been adopted, but out of some 45 so-called 'nationalisation' Bills introduced only one passed into law. This was the very controversial Act to Regulate the Retail Trade which aimed at restricting such business to Philippine nationals. After many protests, particularly by Chinese traders, at length an amending law has been submitted to the House. In the explanatory note attached to this amending Bill it was stated that the original Act had been found to have had a far-reaching effect on the national economy by causing the withdrawal of foreign capital and by heightening the problem of unemployment. It added that by 'nationalisation' they were not only driving away foreign capital which intended to enter but were also dislodging capital already established and contributing to the progress of the nation.

"How widely the above views are held in the Philippine Congress is not known, but they indicate that there is a growing realisation that ultra nationalistic measures, if applied to business concerns operated by foreign private enterprise, may likewise deter new capital and even cause long-established undertakings to withdraw from the country.

Malaya

"Important Constitutional changes came under consideration during the past year both in the Federation of Malaya and in Singapore. There was first the Report of the Committee appointed to examine the question of elections to the Federal Legislative Council and shortly afterwards the Report of the Rendel Constitutional Commission in Singapore.

"The Federation Report included a surprisingly large number of unanimous recommendations: the main disagreement being on the question of the composition of the new Legislative Council. In due course General Templer recommended a compromise providing for 52 elected members out of a total of 98, excluding the Speaker. This was approved by the Secretary of State and the Bill, which put the new proposals into effect, was passed on 18th August. The Bill covered not only the Legislative Council but also election procedures and many other matters of detail. When one bears in mind the complicated structure of the Federation of Malaya, with nine separate States and two settlements and a community of a particularly varied nature, it was a remarkable feat to bring about agreement on such a unique constitutional arrangement within a period of about a year.

"We were glad to see that in moving the third reading of the Bill the Attorney General of the Federation made it clear that Britain had not, and is not going to relinquish its responsibilities for the protection of the people in that country until the present threat of communist force is removed. At the same time, he added that the policy of self-government had not been forced on Malaya by Great Britain, but was entirely in accord with her record elsewhere. The Attorney General reminded, the Council that self-government would not produce any miraculous changes: the hard facts and problems would still remain and hard work would have to be faced and accomplished.

"We are firmly of opinion that H.M. Government has taken the right line in regard to these constitutional changes and there seems no reason to fear any untoward consequences. Adequate powers have for the present been reserved to the High Commissioner in the Federation and to the Governor in the Colony. Moreover, there is a very widespread feeling in responsible circles in Malaya that the strong link which binds the territory with H.M. Government and the Commonwealth must be firmly maintained without any time limit.

"The elections to the Legislative Council take place next July and will give great responsibilities to the leaders of the political parties. Considering how serious the so-called 'emergency' still remains and how many difficult problems in regard to financial, economic, social and administrative affairs still face the Government, the elected party will have a heavy burden to carry.

Federation's Finances

"The finances of the Federation were dealt with very clearly by the Financial Secretary, Mr. E. Himsworth, in his Budget speech to the Legislative Council on 17th November which, in spite of the spate of figures, was well worth reading for the pertinent comments, not only on the Budget but also on taxation, on the basic conditions necessary for the encouragement of ment Corporation and by the Federation Govern- investors, and on the need for extensive capital investment with which to expand the production of agricultural products, to set up new industries and so to strengthen the national economy.

"Put shortly, the accounts of the Federation of Malaya show an expected deficit of M.$173.6 millions in 1954 which will be covered by the reserve balance which was M.$355.5 millions on the 1st January, 1954. After deducting this deficit for 1954 and adding grants-in-aid from H.M. Government, the M.$30 millions loan from Singapore and other items, the reserve balance comes to about M.$289 millions. Against this there is an estimated deficit for 1955 of about M.$148 millions, but the Financial Secretary warned Councillors that expenditure was rising more rapidly than revenue and that one day the gap would have to be closed by the efforts of the country without outside aid. He emphasised that no country could be financially stronger than its basic industries, which in Malaya, meant rubber and tin, for the prosperity of which everything possible should be done, even at the expense of other desirable projects.

"There was a significant sentence in the speech of the High Commissioner of the Federation, Sir Donald MacGillivray, when he opened the budget meeting of the Legislative Council on 17th November last. He said that a very approximate computation of the cost to the British Treasury of the forces engaged in duties connected with the emergency in Malaya was M.$550 millions per annum; that is more than the total annual income of the Federation. Few Malayans realise this fact.

Rendel Commission's Report

"We referred above to the Report of the Rendel Commission which recommended a big step forward towards self-government, a step regarded by some as dangerous and by others as not far enough. Much depends on the leaders of opinion in Singapore as to whether the electorate accept their new responsibilities in going to the polls and electing as members of the Legislative Council, persons who will discharge their duties for the real benefit of all sections of the community. The large increase in the number of elected members who will sit in the new Legislative Council gives them responsibilities greater than those put upon similar assemblies in other territories. Singapore is a city which has developed a pride in its important status in the East and, indeed, in the world. These constitutional changes will give it an even greater position of importance. Its future will depend much on its elected representatives. We all hope that the leaders of the commercial community as a whole will stand together to ensure that no rash experiments will be attempted, but that safe, sound and orthodox policies will be adopted.

"The new Legislative Councils in the Federation and in Singapore will have many complicated problems to face. One of the most important concerns the organic differences existing between the Federation and the Colony. Nevertheless, the two territories are so interdependent that necessarily each Government has to ensure that whatever legislation is introduced in the one will not be prejudicial to the other. For this reason veto powers are held by the High Commissioner and the Governor, which of course limit the authority of the Legislatures and will impede progress towards self-government until a federal or other solution is evolved. A Joint Co-ordination Committee has had this matter under consideration for some time but no information as to its progress has been made public.

Industrial Development

"The Governor, Sir John Nicoll, recently urged the expansion of industrial development and the attraction of capital investment. A comparison with Hong Kong's industrial progress has been made and special inducements to encourage secondary industries have been suggested. This is a subject which is no doubt receiving the attention of the Government departments concerned. Our Singapore Branch has been playing its part in the encouragement of new factory developments. As a step in line with this policy our Manager, Mr. J. A. D. Morrison, has recently provided finance for and become Chairman of the Federal and Colonial Building Society, an organisation sponsored by the Colonial Development Corporation and by the Federation Government to encourage the building of houses which are so much needed in these territories. There are many other developments in Malaya which could be mentioned if there were more space. In particular, Singapore's magnificent harbour with its easy berthing facilities and docks has not, in recent years, received its due meed of praise. The tonnage of vessels berthed and docked and of cargo dealt with, has been increasing rapidly in the post-war years and the improvements now under way will make the port in many respects the best equipped in the East.

"A number of development projects and other plans are being held in suspense awaiting the report of the International Bank Mission which visited Malaya early in 1954. I understand the delay is due to the sickness of one of the members of the Mission.

Rubber and Tin

"There is no need to comment in detail on the subject of rubber and tin as reports on these commodities are published in profusion by those closely connected with the two industries. The natural rubber industry is so important to the Malayan economy that the improved statistical outlook and the rapid rise in price from under 1s. 5d. a lb. in January, 1954 to nearly 2s. 4d. at the end of the year naturally brought considerable optimism and benefit to Malaya. Although the average prices for the full years 1953 and 1954 showed little change, exports from Malaya

increased by 67,900 tons in 1954 compared with 1953. There is, however, a fairly general feeling that the rise in price since last August has been overdone for reasons not entirely connected with the market position. Let us hope that the recent set-back will be no more than a healthy jolt to speculators.

"The Mudie Report on the Malayan Rubber Industry which was published in September met with a mixed reception. Government and producers are now trying to work out a compromise in regard to differences on the controversial parts of the Report. The synthetic industry remains an uncertain and potentially dangerous factor over-hanging the natural rubber industry.

"Tin prices per ton in 1954 fluctuated between £620—the lowest point—and £785—the highest, but the average for the year was £708 compared with £731 in 1953. The International Tin Agreement has not had a smooth passage since it was signed in June 1954 and ratification by the necessary number of countries is still awaited before the agreement can be put into effect. If this proves abortive the industry will no doubt be able to adjust itself, although some sections will undoubtedly suffer. Malayan exports were 70,333 tons in 1954 as compared with 61,734 tons in 1953.

Malayan Trade Returns

"The Malayan trade returns for the year 1954 show a moderate reduction of about 3 per cent. in imports to M.$3,140 millions and a rise of 6 per cent. in export values to M.$3,109 millions.

"Before I pass on to other countries, I must refer to the retirement of the Governor of Singapore, Sir John Nicoll, which is to take place this Spring. Sir John's departure will be much regretted by the commercial community in that Colony where he has worked wholeheartedly for the good of all classes and races. It is regrettable that he should not see the constitutional changes and the many local projects, commenced under his influence and guidance, steered through their critical stages. However, Mr. R. B. Black, whose sterling qualities we in Hong Kong know so well, will worthily don the mantle and we wish him well in the important post which he will shortly be taking up.

North Borneo

"We are glad to be able to record that on 22nd May last, the Governor of North Borneo, Mr. R. E. Turnbull, was kind enough to open our new Bank premises at Jesselton and that during the year our new buildings at Kuala Belait and Tawau were also opened for business.

"The Budget debate of the Colony's Legislative Council in November brought the good news that at last agreement in principle had been reached with the Government of the Philippines, which will it is hoped make possible the introduction of Filipino labour to work and settle in Borneo. At any rate a partial solution of the labour shortage there seems likely in the course of this year. It was not so welcome to hear that income-tax on companies was to be increased from 30 per cent. to 40 per cent. But still more unfortunate does it seem that H.M. Government are to make no further direct grants to the Colony after this year as distinct from grants under the Colonial and Development Welfare Fund. Borneo suffered greater devastation than any other area as a result of the war and has, I believe, only received about £1 million for direct war reconstruction. Various changes in town planning arrangements have retarded rebuilding in some towns, but we are glad to note that a definite scheme for the rebuilding of shops has recently been put into effect and we are assisting the work by providing building loans on easy terms under Government guarantee. Rubber replanting legislation has recently been adopted and we have co-operated in the establishment of a fund for financing this project. A rubber cess will be imposed which will be refundable to producers after replanting is carried out.

"We were glad to see satisfactory increases of about 50 per cent. in the case of timber and copra exports in 1954 as compared with 1953.

"The happy position of Brunei State is shown in the Budget estimates for the current year of M.$100 millions for revenue and M.$43 millions for expenditure.

Thailand

"A recent article on Thailand in a prominent British newspaper was headed 'Cautious Pessimism'. Such also seems to be the general feeling of the mercantile community in Bangkok who fear that widespread corruption will bring about an upset such as took place in China not so many years ago. Others consider that this is not a fair comparison, that Thailand's leaders realise the dangers and have laid their plans to cope with any internal or external dangers. These speculations indicate that the political outlook is by no means stable. Naturally, many eyes are turned to the Laos frontier about which much nervousness exists.

"The economic situation is also rather a difficult one. Currency controls are strict and constantly changing: the official rate of exchange has remained unchanged but an active open market is permitted by the exchange control authorities. A rice surplus of 400,000 tons was accumulated from last season owing to the Government's refusal to sell at the reduced world prices but the new crop is smaller owing to unfavourable weather, so the total available for export in 1955 is estimated to be about 1¼ million tons. As from 1st January of this year trading in rice once again reverted to private hands and intergovernmental contracts have ceased. Rubber exports increased some 17,000 tons over 1953 and totalled about 114,000 tons, but tin and teak exports were reduced.

Burma

"The British have a spontaneous liking for the Burmese which is, I think, reciprocated. So it was not surprising to read in the report of the United Kingdom Industrial Delegation to Burma how much they appreciated their warm reception in Rangoon. The Delegation paid tribute to the 'enthusiasm and deep sincerity which lie behind the Government's development policy and their desire to improve the economy of the country and the conditions under which the people live and work.' They felt bound to add a mild word of warning against the Burmese attempting too much in too short a space of time. We ourselves hinted at this danger in our remarks about Burma this time last year. However, it is common to all Asian countries, whose development is somewhat retarded to feel they must hasten to make up lost ground: and some of them are indeed succeeding in their efforts. There are signs that the Burmese Government are aware of the dangers of their ambitious plans and the newly appointed Minister of Trade Development appears to be proceeding with some caution.

"The 1955 rice crop is estimated to provide an exportable surplus of 1¼ million tons, of which 900,000 tons has been sold on a Government-to-Government basis: the remainder has been put at the disposal of merchants for private sale under certain conditions. So far as figures are available it appears that exports of the leading products of the country were lower in 1954 than in 1953 and that imports were higher. As a result, external assets fell some Kyats 400 millions in the year ended October, 1954. The Finance Minister proposes to make a determined drive to increase internal savings this year and he has said that if there is then still need of capital he hopes to obtain a loan from the International Bank.

"During the year, other important matters which took place in the country, but with which we cannot here deal in detail, were the establishment of the State Commercial Bank on 11th August which I fear is deliberately being favoured to the detriment of private commercial banks; the first steps in the implementation of the Land Nationalisation Act; the assumption of its formal duties by the Karen State Government in districts where law and order have been restored; and the initiation of a local administrative system in villages, towns and districts.

"Finally, there was the signature on 5th November of the Burma-Japan Reparations Agreement by which Japan is to give to Burma as reparations 'the services of the Japanese people and the products of Japan' equivalent in value to U.S.$200 millions in ten equal annual instalments. Some fear has been expressed lest the effect of this and other clauses of the Agreement might mean the Nipponification of Burma, but the Prime Minister has ridiculed the suggestion.

India

"Thanks to the personal prestige of Prime Minister Nehru, India has, in recent years, been steadily increasing her influence and standing in international affairs. There has even been talk of the germination of a future Monroe Doctrine for Asia led by Mr. Nehru and the Asian powers which attended the Colombo-Kandy Conference last April. A possible step towards the integration of Asian countries was seen when, as a consequence of Mr. Chou En-Lai's visit to Delhi in June, a declaration of five Principles was proclaimed to govern relations between India and China. These principles restated some fundamental conditions upon which international relations are based but they did not indicate any special change in policy.

"As regards economic policy, Mr. Nehru is reported to have said that he wants a 'peaceful social and industrial revolution.' It is clear that the Prime Minister dislikes communism even more than he dislikes capitalism. On the other hand, he has claimed that there is plenty of room for private enterprise which must be given 'scope, freedom and encouragement to develop.' Mr. Nehru's right-hand man is Mr. Chintaman Deshmukh, the able Finance Minister, whose policy gives ample evidence of the practical financial mind which has maintained firm control of India's financial economy in the last few years.

"The problem of keeping a grip on economic development and planning in a country like India is immense. The unemployed and underemployed run into millions and the annual income is barely £20 per head. But the facts are being faced with realism. The Finance Minister has claimed with justice that the increase in food production is substantial, that industrial production is steadily rising, that inflation has been wiped out and that the balance of payments has improved. Moreover, private capital has been encouraged to go ahead without hindrance in certain fields of operation. We saw last year the establishment of an Industrial Development Corporation (a Government concern) and of the Industrial Credit and Investment Corporation to which reference has already been made above. Now, an extensive steel industry seems to be well on the way to establishment with new units which will probably be set up with the help of British, German and Russian capital.

Fears and Uncertainties

"There are, of course, fears and uncertainties which are widely held by merchants of many nationalities. May be these apply not so much to the present as to the future. Indianisation is not being pressed unduly, but it remains a threat of uncertain cogency. The revision of Article 31 of the Constitution may not be harmful at the present time, but there are fears as to what may happen when new people come into power. Similarly, the managing agency firms have been told that they are unduly apprehensive, yet their fears for the future are not assuaged. Finally, the nationalisation of the Imperial Bank of India was done with worthy motives, but it cause a bad impression as it was not thought to be necessary nor desirable.

"It is difficult to sum up the pros and cons, but we are inclined to regard the solid achievements of the past few years as giving grounds for hope that the clouds ahead of India will disperse before they are reached.

Ceylon

"The outstanding event of the year in Ceylon was the visit of H.M. The Queen in April. It was an unqualified success and the enthusiasm of the crowds was unmistakable. By her grace and charm Her Majesty endeared herself to all who met or saw her.

"On 17th July the inauguration of the first Ceylonese Governor-General, Sir Oliver Goonetilleke, took place and a further event of importance during the year was the conference of five Asian Prime Ministers.

"Ceylon has indeed experienced a remarkable year, not least in that she staged a notable economic recovery. Whereas at the end of 1953 there was an adverse trade balance of Rs. 40 millions, at the end of 1954 the picture was completely reversed, the preliminary figures being exports about Rs. 1,800 millions and imports Rs. 1,400 millions, giving a record favourable balance of about Rs. 400 millions. The main contributions to this recovery were first the high tea prices which averaged Rs. 2.56 per lb. in 1954, compared with Rs. 1.92 in 1953, and secondly the favourable rubber contract made with China under which some 56,000 tons were shipped to China in the year out of the total exports of about 90,200 tons. The rice part of the contract with China has not proved so successful owing to the fall in rice prices and Ceylon appears to be trying to dispose of some of the Chinese rice to other markets. The Government has meantime been pressing forward with attempts to improve and expand local rice production and a Joint United Kingdom and Australian Rice Mission has recently visited Ceylon and issued a report dealing with this matter.

"The financial position of the Government has also improved in line with trade, and external assets are reported to have risen from Rs. 607 millions in December, 1953, to Rs. 863 millions at the end of last October. The Minister of Finance announced last July a small deficit in the Budget which he proposed to meet by new taxation or borrowing. He stated that the Government did not propose to adopt any form of deficit financing. The crying need for capital for development purposes is to be met by raising loans authorised by the Ceylon Development Loans Act which was enacted early last year. This provided authority for raising loans internally, in the United Kingdom, or from the International Bank. Soon afterwards, a loan of £5 millions was successfully floated on the London market and the International Bank granted a loan equivalent to about U.S.$19 millions to finance a second stage of the Laxapana Hydro-electric Scheme. When moving the second reading of the above Act, Sir Oliver Goonetilleke, then Minister of Finance, reiterated that the Government's policy was to welcome foreign capital, that there would be no nationalisation or expropriation of any enterprises and that no special fields of development would be reserved for nationals of Ceylon. This was a very encouraging statement coming from so authoritative an official.

Indo-China

"Our office in Saigon is now situated in the independent State of Viet-Nam, more generally known as South Viet-Nam, which is, of course, distinct from the Democratic Republic of Viet-Nam (Viet-Minh), which controls the area called North Viet-Nam. The name 'Indo-China' appears to have become an anachronism, though it is still useful in referring to the combined area of the four Governments at present holding authority there.

"The Agreements signed at the Geneva Conference in June and July last year have been criticised from many angles according to the particular bias of each individual. They brought the cessation of hostilities, yet they postponed many decisions until the proposed elections in 1956. Much may happen before then, but it would be foolish to speculate about the future. It is difficult enough to follow the present events and policies of those in positions of authority. The three States of Viet-Nam, Laos and Cambodia have recently been granted complete independence by the signature of a quadripartite agreement in Paris on 29th December, 1954. The Pau Convention has thus been abrogated. Each country now has full control over its own currency and there are three autonomous Exchange Controls. An Agreement has been reached regarding shipping on the Mekong and the use of the port of Saigon by the three States, but Cambodia is contemplating the establishment of her own port on the Gulf of Siam.

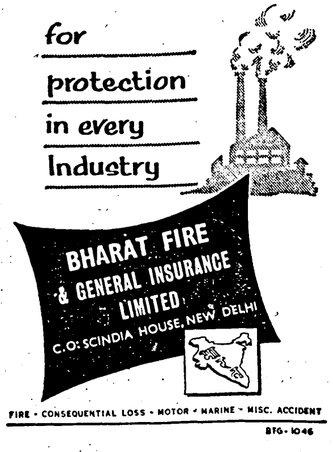
Phnom-Penh Branch

"Although the French are anxious to come to an agreement with the Viet-Minh authorities about French industrial interests in Tonkin, the prospects of a satisfactory arrangement are obscure. Owing to the precarious outlook we decided to close down our Haiphong office, but we have obtained the Cambodian Government's permission to open a branch in Phnom-Penh and our arrangements there are well under way. Cambodia, like the whole area of South Indo-China, produces large quantities of rice and a considerable amount of rubber. Phnom-Penh, its capital, is a pivot point through which much of the trade of Laos must pass, as well as that of Cambodia itself. When the latter gets her own port she will no longer be dependent on Viet-Nam for an outlet for her foreign trade.

British Bankers' Important Role

"The above notes on the various countries in which we operate have taken shareholders rapidly round the Eastern seas. We might have been more comprehensive, but we would then have risked being tedious. We have tried to state our viewpoint categorically and yet to see the picture from the other side. Without blinding our eyes to the trend of events in the East, we feel confident that British bankers still have an important part to play in Asia as elsewhere. New measures are being adopted for the mobilisation of capital to assist industrial development in the free countries of the East and particularly in the area of the 'Colombo Plan' countries. In these areas the expansion of trade is growing rapidly and will continue as the countries increase their development and raise their standards of living. We are well aware that we must continually adapt ourselves, as we have done in good times and in bad throughout the past ninety years of the Bank's existence and you may be confident that we will do so."

At a subsequent extraordinary general meeting, the two resolutions referred to, increasing the capital of the Corporation from HK$20,000,000 to HK$25,000,000 and capitalising the sum of HK$5,000,000 by the issue of one new share for every four shares now held, were carried.



THE

HONGKONG AND SHANGHAI BANKING CORPORATION

(THE LIABILITY OF MEMBERS IS LIMITED TO THE EXTENT AND IN MANNER PRESCRIBED BY CHAPTER 70 OF THE LAWS OF HONG KONG)

BALANCE SHEET AT 31st DECEMBER, 1954.

1953 Hong Kong Dollars			Hong Kong Dollars	Sterling Equivalent
20,000,000	SHARE CAPITAL— Authorised and Issued— 160,000 Shares of H.K. $125 each, fully paid		$ 20,000,000	£ 1,250,000
96,000,000	RESERVE LIABILITY OF MEMBERS H.K. $125 per Share on 160,000 Shares	$ 20,000,000	128,000,000	8,000,000
9,859,542	RESERVE FUND		10,215,256	638,453
125,859,542	PROFIT AND LOSS ACCOUNT		158,215,256	9,888,453
20,000,000	HONG KONG CURRENCY NOTES IN CIRCULATION— Authorised Note Issue	$ 20,000,000		
725,742,066	Excess Note Issue	645,742,000	675,742,000	42,233,875
2,626,471,149	CURRENT, DEPOSIT AND OTHER ACCOUNTS, including Reserves and Provisions for Contingencies and Taxation (of this total $171,174 ($421,431) is secured)	$ 2,672,640,569		
295,948	AMOUNTS DUE TO SUBSIDIARY COMPANIES	315,048		
10,557,154	ACCEPTANCES ON BEHALF OF CUSTOMERS	56,521,108		
7,760,842	PROPOSED FINAL DIVIDEND in respect of the year ended 31st December, 1954	7,760,842	2,737,237,562	171,077,348
$3,536,686,721			$3,571,194,818	£ 223,199,676

1953 Hong Kong Dollars			Hong Kong Dollars	Sterling Equivalent
$ 439,316,817	CASH IN HAND AND IN TRANSIT AND BALANCES WITH OTHER BANKS		$ 330,965,725	£ 20,686,608
680,529,674	MONEY AT CALL AND SHORT NOTICE		576,659,313	36,041,207
295,927,960	BILLS RECEIVABLE— British and other Government Treasury Bills		208,216,130	13,013,508
326,658,157	Trade Bills		494,655,277	30,915,955
725,883,047	HONG KONG GOVERNMENT CERTIFICATES OF INDEBTEDNESS issued in respect of funds deposited as security for the Excess Note Issue		645,883,047	40,367,690
276,986,868	INVESTMENTS, at under market values: British, Colonial and Other Government Securities (including $43,378,400 ($41,665,200) deposited as security for the Authorised Note Issue): Quoted in Great Britain		279,964,012	17,497,751
96,217,698	Quoted outside Great Britain		96,347,487	6,021,718
252,752	Other Investments: Quoted in Great Britain		15,702,816	981,426
14,805,971	Quoted outside Great Britain		14,745,998	921,625
645,652,680	ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS, less provision for Bad and Doubtful Debts		829,455,105	51,840,944
10,557,154	LIABILITIES OF CUSTOMERS FOR ACCEPTANCES, per contra		56,521,108	3,532,569
3,512,733,428			$3,649,136,013	£ 221,821,001
2,135,843	FIXED ASSETS— Investments in Subsidiary Trustee and Nominee Companies, at cost	$ 2,135,843		
21,817,450	Bank Premises at cost, less amounts written off	19,922,962	22,058,805	1,378,675
$3,536,686,721			$3,571,194,818	£223,199,676

Notes:—1. There are contingent liabilities on bills re-discounted amounting to H.K. $3,443,428 ($8,621,492) and commitments in respect of Confirmed Credits, Guarantees and Forward Exchange Contracts.

2. Foreign Currency Balances have been converted into Hong Kong Dollars at approximately the rates ruling at 31st December, 1954. The Sterling equivalents of the figures shown in the above Balance Sheet have been converted at the rate of H.K. $1=1/8d.

MICHAEL W. TURNER, *Chief Manager.* G. O. W. STEWART, *Chief Accountant.* C. BLAKER, R. GORDON, J. H. HAMM } *Directors.*

REPORT OF THE AUDITORS TO THE MEMBERS OF THE HONGKONG AND SHANGHAI BANKING CORPORATION.

We have examined the above Balance Sheet with the books of the Corporation kept in Hong Kong, with the audited accounts of the London Office and with the returns received from the other offices which have been signed by the Branch Managers. We have obtained all the information and explanations we have required and in our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs at 31st December, 1954, according to the best of our information and the explanations given to us and as shown by the books kept in Hong Kong and by the returns received from the other offices.

HONG KONG, 14th February, 1955. PEAT, MARWICK, MITCHELL & CO., LOWE, BINGHAM & MATTHEWS } *Chartered Accountants, Auditors.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1954.

1953 Hong Kong Dollars			Hong Kong Dollars
$6,163,025	Interim Dividend of £2 per Share, free of Hong Kong Corporation Profits Tax, paid 9th August, 1954, £250,000 @ 1/2-27/32		5,173,895
4,000,000	Appropriations recommended by the Directors: Amount to be written off Bank Premises	$ 6,000,000	
7,760,842	Final Dividend of £3 per Share, free of Hong Kong Corporation Profits Tax, £480,000 @ 1/2-27/32	7,760,842	13,760,842
9,859,542	Balance carried forward to next year		10,215,256
$ 26,783,409			$ 29,149,993

Special Administrative Expenses, including Chief Managers' emoluments, Directors' Fees and London Committee Fees amounted to H.K. $889,559 (H.K. $517,960).

1953 Hong Kong Dollars		Hong Kong Dollars
$ 9,489,174	Balance brought forward from 31st December, 1953	$ 9,859,542
17,294,235	Profit for the year, after providing for taxation on profits earned to date and after making transfers to the credit of Reserves for Contingencies, out of which Reserves provision has been made for any diminution in value of current assets	19,290,451
$ 26,783,409		$ 29,149,993

UNITED BANK OF INDIA LIMITED

Registered Office: UNITED BANK BUILDINGS, 4, CLIVE GHAT STREET, CALCUTTA

BALANCE SHEET AS AT 31st DECEMBER, 1954

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL—		
1,90,000 "A" Shares of Rs. 50 each	95,00,000 0 0	
8,20,000 "B" Shares of Rs. 25 each	80,00,000 0 0	
6,05,000 "C" Shares of Rs. 20 each	1,21,00,000 0 0	
10,40,000 "D" Shares of Rs. 10 each	1,04,00,000 0 0	
	4,00,00,000 0 0	
ISSUED CAPITAL—		
40,000 "A" Shares of Rs. 50 each	20,00,000 0 0	
3,20,000 "B" Shares of Rs. 25 each	80,00,000 0 0	
6,05,000 "C" Shares of Rs. 20 each	1,21,00,000 0 0	
10,40,000 "D" Shares of Rs. 10 each	1,04,00,000 0 0	
	3,25,00,000 0 0	
SUBSCRIBED CAPITAL—		
39,022 "A" Shares of Rs. 50 each	19,51,100 0 0	
2,98,193 "B" Shares of Rs. 25 each	74,54,825 0 0	
6,00,155 "C" Shares of Rs. 20 each	1,20,03,100 0 0	
10,35,454 "D" Shares of Rs. 10 each	1,03,54,540 0 0	
	3,17,63,565 0 0	
CALLED AND PAID-UP CAPITAL—		
8,054 "A" Shares called at Rs. 50 per share	4,02,700 0 0	
30,968 "A" Shares called at Rs. 25 per share	7,74,200 0 0	
2,07,255 "B" Shares called at Rs. 25 per share	51,81,375 0 0	
90,938 "B" Shares called at Rs. 22-8 per share	20,46,105 0 0	
1,87,563 "C" Shares called at Rs. 20 per share	37,51,260 0 0	
4,12,592 "C" Shares called at Rs. 10 per share	41,25,920 0 0	
10,35,454 "D" Shares called at Rs. 10 per share	1,03,54,540 0 0	
(Reserve Liability of Shareholders Rs. 49,00,120)		2,66,86,100 0 0
2. Reserve Fund and Other Reserves (after adjustment of Investment Reserve of Rs. 37,00,000 to Investment Account as per contra)		68,00,000 0 0
3. Deposits and Other Accounts—		
Fixed Deposits and Cash Certificates	4,71,09,244 2 3	
Staff Security Deposits	9,36,343 7 1	
Savings Bank Deposits	11,90,76,507 11 6	
Current Accounts, Contingency Accounts, etc.	13,76,56,957 9 2	
		30,47,79,052 14 0
4. Borrowings from Other Banking Companies, Agents, etc.		Nil
5. Bills Payable		47,68,886 4 9
6. Bills for Collection Being Bills Receivable as per contra—		
(i) Payable in India	1,43,97,046 0 1	
(ii) Payable outside India	75,77,307 0 3	
		2,24,74,353 0 4
7. Other Liabilities—		
Branch Adjustment	79,08,648 14 4	
Unclaimed Dividend	2,23,971 11 3	
Staff Gratuity Fund	1,05,818 1 3	
Capital Redemption Fund	1,02,660 0 0	
Sundry Liabilities for Expenses	1,21,026 4 1	
Rebate on Bills Discounted	29,443 15 6	
		84,86,568 14 7
8. Acceptances, Endorsements and Other Obligations per contra		73,38,383 7 9
9. Profit and Loss—		
Balance of Profit and Loss Account as per last Balance Sheet	9,51,133 12 1	
LESS—Appropriation for Dividend	7,96,866 11 0	
	1,54,267 1 1	
ADD—Profit for the year brought from the Profit and Loss Account	13,04,572 4 8	
	14,58,839 5 9	
LESS—Appropriations— Rs. a. p.		
Transfer to Reserve Fund under Section 17 of the Banking Companies Act	2,61,000 0 0	
Transfer to Provision for Taxation	2,46,000 0 0	
	5,07,000 0 0	
		9,51,839 5 9
10. Contingent Liabilities— Rs. a. p.		
(i) Claims against the Banking Company not acknowledged as debts	27,74,991 11 5	
(ii) Money for which the Banking Company is contingently liable—		
(a) Liability for partly paid up shares held by the Bank in Investment Account	4,63,753 14 5	
(b) Guarantee given on behalf of Directors or Officers	Nil	
(c) Guarantee on behalf of others	28,115 4 0	
(iii) Liability on Bills of Exchange re-discounted	2,205 10 6	
(iv) Liability on account of outstanding Forward Exchange Contracts	1,07,75,496 1 5	
Total .. Rs.		38,22,35,183 15 2

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		3,60,92,619 4 5
2. Balance with Other Banks in Current Accounts—		
(i) In India	1,20,076 11 5	
(ii) Outside India	1,16,74,065 1 9	
		1,17,94,141 13 2
3. Money at Call and at Short Notice		43,40,000 0 0
4. Investments: at or below Market Value (after adjustment of Investment Reserve of Rs. 37,00,000 as per contra)—		
(i) Securities of the Central and State Governments and other Trustee Securities	10,69,93,931 9 6	
Treasury Bills of the Central and State Governments	Nil	
(ii) (a) Shares, Preference, fully paid-up — Rs. a. p. 6,27,096 12 0		
(b) Shares, Ordinary, fully paid-up. 33,29,070 8 7		
(c) Shares, Ordinary, partly paid-up 8,32,405 1 5		
(d) Shares, Deferred, fully paid-up. 1,178 12 0		
	43,09,751 2 0	
(iii) Debentures or Bonds	55,88,807 10 6	
(iv) Other Investments—		
(a) Pakistan Central and Provincial Government Securities	2,90,54,977 0 0	
(b) Foreign Securities	52,500 0 0	
(c) Capital Redemption Policy	1,02,660 0 0	
(d) Gold	Nil	
		14,60,82,627 6 0
5. Advances (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India — 10,65,21,229 6 5		
(ii) Outside India — 1,20,04,318 5 11		
	11,85,25,547 12 4	
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India — 1,60,29,829 11 9		
(ii) Payable outside India — 41,27,873 9 6		
	2,01,57,703 5 3	
(Particulars required by Act X of 1949 as per separate Schedule annexed and forming part of this Balance Sheet)		13,86,83,251 1 7
6. Bills Receivable Being Bills for Collection as per contra—		
(i) Payable in India	1,48,97,046 0 1	
(ii) Payable outside India	75,77,307 0 3	
		2,24,74,353 0 4
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		73,38,383 7 9
8. Premises less Depreciation—		
At cost as per last Balance Sheet	19,28,406 12 11	
ADD—Additions during the year	14,592 3 3	
	19,43,299 0 1	
LESS—Sales or deductions made during the year	1,15,457 8 3	
Total cost to date	18,27,841 10 10	
LESS—Depreciation written off to date	1,34,872 13 8	
		16,92,968 13 2
9. Furniture and Fixtures less Depreciation—		
Cost as per last Balance Sheet	23,12,026 8 2	
ADD—Additions less deductions during the year	4,97,547 10 8	
Total cost to date	28,09,574 2 10	
LESS—Depreciation written off to date	8,46,103 1 1	
		19,63,471 1 9
10. Other Assets including Silver—		
Interest accrued on Investment	13,10,924 13 11	
E.P.T. Deposits and Tax paid in advance and deducted at source	44,58,003 1 4	
Stores, Stationery and Printed Materials	4,08,186 9 2	
Land and Buildings not used as Bank's Premises less depreciation (Cost Rs. 27,04,055-2-6 less depreciation Rs. 4,21,334-14-3)	22,82,720 4 3	
Sundries (Temporary Advances, Suspense, Security Deposits, Outstanding Rents, Stock of Stamps, Adjusting Accounts, etc.)	21,53,597 14 5	
		1,06,13,432 11 1
11. Non-Banking Assets Acquired in Satisfaction of Claims (Immovable property at Book Value)		11,59,935 3 11
Total .. Rs.		38,22,35,183 15 2

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1954

EXPENDITURE	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	29,55,079 0 9
2. Salaries and Allowances and Provident Fund (General Manager Rs. 27,413-8-0)	67,54,943 8 6
3. Directors' and Local Committee Members' Fees and Allowances	35,652 0 0
4. Rent, Taxes, Insurance, Lighting, etc.	7,09,639 6 2
5. Law Charges	75,178 1 0
6. Postage, Telegrams, Telephones and Stamps	3,13,662 6 2
7. Auditors' Fees	24,359 0 0
8. Depreciation on and Repairs to the Banking Company's Property	3,97,595 3 8
9. Stationery, Printing, Advertisement, etc.	4,75,906 14 5
10. Loss from Sale of or Dealing with Non-Banking Assets	795 10 1
11. Other Expenditure	4,02,289 14 7
12. Balance of Profit	13,04,572 4 8
Total .. Rs.	1,34,49,673 6 0

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. Interest and Discount	94,88,435 12 6
2. Commission, Exchange and Brokerage	23,46,436 10 3
3. Rents	1,72,629 9 3
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	1,011 15 3
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	4,890 3 6
7. Other Receipts	9,36,268 14 3
Total .. Rs.	1,34,49,673 6 0

(*Continued on next page*)

CREATION AND CONDUCT OF ENTERPRISES

WARNING AGAINST REPLACEMENT OF PRIVATE ENTERPRISE

A STERN warning that, if the socialistic pattern of society aimed by the powers-that-be were to result, as it well might, in the creation of vested interests in the form of bureaucrats in commercial and industrial life to replace the existing entrepreneurial, managerial and directional talents therein, the country would not make any progress, was administered by Mr. Kishan Narain, President of the Merchants' Chamber of U.P., while addressing the annual meeting of the Chamber held at Kanpur early last week. This is, indeed, a very pertinent and timely warning. As we have pointed out on many an occasion, apart from the fact that State management is not generally conducive to efficiency, it will, when it becomes all-pervading, make the individuals vassals of the State, thereby undermining the very basis of democracy. True lovers of a free society cannot, therefore, readily endorse Mr. Kishan Narain's statement that whatever may be the form and conduct of enterprise—public or privatt—the utility of enterprise and the relative value thereof to the economy must be the deciding factors. Mr. Kishan Narain may say that we are swayed by ideological considerations in making this statement. That is perfectly true, but the ideals to which we subscribe are the fundamentals of a free society and there can be no compromise on fundamentals.

Business men must, therefore, be a little careful on this point, when they try to defend the private sector. They should not indulge in loose expressions. If the test is to be "execution of a job in the least possible time and with maximum efficiency," as Mr. Kishan Narain put it, then there could be nothing wrong with the system which Hitler or Mussolini or Stalin reared. And, if the present political trends are allowed to persist unchecked, it will provide ample scope for similar characters to rise in this country. This surely is not what Mr. Kishan Narain wants to happen to this country. He was, however, right in saying that "the psychosis that public weal may not be safe with private enterprise is the very antithesis of development of welfare society on a socialistic pattern." The true concept of socialism, namely, decent living conditions for all and equality of opportunity to advance in life is not inconsistent with a system of enlightened private enterprise. Indeed, the chances of attaining these goals are better in such a society than in one in which the State dominates.

Another important piece of warning which Mr. Narain gave was that, unless the mass of Indian population was in a position to buy and consume the products of the industries and services as they develop, unemployment would be a static feature of the economy. Significantly enough, he remarked: "Industrial production and expansion will have to face a blind alley, unless development is characterised by progressive outlook and dynamism and the same comes in as a prelude to industrial expansion . . . It is the productivity of the agrarian masses and what the agrarian population is able to do with the means made available to them that will determine the ultimate goal in production and industrial expansion." Assessing the possibilities in this direction, Mr. Kishan Narain cited the following statistics:

Out of about Rs. 540 crores worth of imports from abroad annually, there are 14 items which appear to account for as much as Rs. 440 crores. A total of about Rs. 120 crores worth of imports is in the agricultural domain and it should be well within our means to put a stop to these imports through the appropriate development of our agrarian economy. Out of the remaining Rs. 420 crores worth of goods, about Rs. 130 crores will have to be treated as unavoidable and necessary imports because of the lack of natural resources in India to yield items like mineral oil. Out of the remaining Rs. 290 crores worth of imports, it should be possible for us to manufacture in India about Rs. 250 crores worth of goods in the next few years. In the manufacture of Rs. 250 crores worth of goods in India, about Rs. 200 crores worth of goods can be expected to be distributed in the form of wages and salaries and other money earnings arising from labour and service contents in raw materials, internal transport, etc. In the present state of industrial costs, about two million persons can be absorbed in direct employment resulting from this additional industrial effort in India. These two million persons should be able to generate auxiliary employment to be able to absorb another one million persons. It will thus be seen that employment potential exists for another three million persons through industrial expansion and production.

At the same time, Mr. Kishan Narain laid emphasis on a "more fragmatic approach" to rural planning and reconstruction. For industrialisation, he said, had not been able to siphon off the surplus population from land to the extent necessary. Thus, out of the total population of 249.1 million in the agricultural sector, as much as 59 per cent. (147 million, to be precise) is accounted for by non-earning dependents, according to the *Census of India*, 1951. Again, out of a total of 58 million rural families in India, 17.6 million families consist of landless workers and, what is worse, 53.7 per cent. of these landless workers are within the ages of 15 and 55. The problem, therefore, centres round, as Mr. Kishan Narain very aptly put it, the reorganisation of the rural units, "so as not only to step up land productivity on a par with the other civilised countries of the world but also to provide scope for perennial employment in rural areas in sectors other than land and agriculture."

Turning to the more specific problems confronting the business community, the President of the Merchants' Chamber of U.P. touched on certain proposals relating to Central taxation. Pointing, in particular, to proposed changes in regard to taxation of income, he warned that, if they were implemented, they would, besides enhancing the tax burden on the different sectors of income-tax assessees, adversely affect development and expansion of joint-stock enterprises. There is no exaggeration whatever in this statement. Take, for instance, the inclusion of amenities and perquisites for purposes of taxation envisaged in the Finance Bill. While there is no doubt that exemption of perquisites has led to a considerable amount of tax evasion, the manner in which the Government proposes to plug this loophole will lead to severe hardship to those who require provision of certain perquisites, such as conveyance, for the efficient discharge of their duties. We, however, do not quite agree with the grounds on which Mr. Narain sought to defend the perquisites. He said: "The concept of perquisites is a very elusive one. In the manner it has been tackled in the Finance Bill, it turns out to be purely discriminatory in character and exposes the income-tax structure to the charge of favouring employees in one sector as against those in the other. Far from rationalising the income-tax structure, it creates further confusion with regard to many invisible perquisites that do not lend themselves to any rigid calculation. In any socialistic order of society, provision of perquisites should be encouraged more and more, as the tax structure is fashioned to shorten more and more net effective money incomes at the top. What is now sought to be done is exactly the reverse of what a socialistic pattern of economy calls for."

The provision of perquisites will be in conformity with the socialistic pattern of society only if the recipients belong to the low-income group, but that is not what has been happening all along. In any case, the perquisites received by those whose basic salary does not exceed Rs. 18,000 are exempt from tax. If perquisites are used as a device to defeat the Government's objective of taxing large incomes, as they would appear to have been used, the Government cannot be criticised for taking measures to stop such evasion. Mr. Kishan Narain's criticism of the decision to amend section 23A of the Indian Income-tax Act is quite valid. The result of this amendment will be to deem thousands of genuine public companies as private companies. In recent years, the tendency had been, he pointed out, for industrial development to be financed more and more by profits built up and retained by the companies, as the savings left with the community after taxation were very little. But my mulcting the companies, for no fault of theirs, even this would be made impossible.

STATE-OWNED D.D.T. FACTORY GOES INTO PRODUCTION

The State-owned D.D.T. factory located in the industrial area on the outskirts of New Delhi has gone into production. This is the first time D.D.T. has been produced in India.

The factory has a capacity of 700 tons of D.D.T. per year. It has been set up in co-operation with the United Nations International Children's Emergency Fund and the United Nations Technical Assistance Administration. Out of its total cost of Rs. 51.75 lakhs, the two United Nations bodies have provided aid equivalent to Rs. 16.75 lakhs.

The factory expects to deliver the first 18 to 20 tons of D.D.T. for the National Anti-Malaria Campaign by next month. Full production capacity is expected to be reached in November this year when two tons of D.D.T. will be produced every day.

Work on the building of the factory began in November, 1953, and was completed at the end of last year. The installation of machinery began in August, 1954, and was completed by the end of October, 1954. Trials for production of monochlorobenzine began in January this year and the

(*Continued on next page*)

UNITED BANK OF INDIA LTD.—*(Continued)*

Schedule of particulars required under the Banking Companies Act, 1949, attached to and forming part of the Balance Sheet as at 31st December, 1954

PARTICULARS OF ADVANCES	Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured	11,86,69,706 12 8
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	1,85,72,998 9 10
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	64,40,548 11 1
(iv) Debts considered doubtful or bad not provided for	Nil
Total .. Rs.	13,86,83,251 1 7

PARTICULARS OF ADVANCES	Rs. a. p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	Nil
(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in case of Private Companies, as Members	18,08,442 2 9
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	24,066 4 6
(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	25,23,877 0 11
(ix) Due from Banking Companies	8,13,033 9 4

AUDITORS' REPORT.

We have audited the Balance Sheet as on 31st December, 1954, and Profit and Loss Account for the Year ending 31st December, 1954, of United Bank of India Ltd., as above and in attached sheets set forth respectively with Books of Accounts as kept at the Head Office with which are incorporated the Branch Balance Sheets as on 31st December, 1954, and Profit and Loss Accounts for the year ending 31st December 1954 (both in India and Pakistan) as audited, certified and reported to by the respective Auditors and report that—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory.

(b) The transactions of the Bank which have come to our notice have been within the powers of the Bank.

(c) The Balance Sheets and Profit and Loss Accounts and the relative returns received from branch offices of the Bank have been found adequate for the purpose of the audit.

(d) The Balance Sheet and the Profit and Loss Account are drawn up in conformity with the Law.

(e) Such Profit and Loss Account shows a true balance of Profit for the year.

(f) Such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and explanations given to us and as shown by the Books of the Bank

(g) In our opinion the Books of Account have been kept by the Bank as required by Section (180) of the Indian Companies Act, 1913.

CALCUTTA, 2nd March, 1955.

RAY & RAY,
Chartered Accountants.

N. N. LAW,
Chairman.

B. K. DUTT,
General Manager (Director).

A. K. ROY,
Secretary.

S. CHAUDHURI,
K. G. M. FAROQUI,
J. M. DUTT,
B. N. CHATURVEDI,
N. C. DATTA,
S. B. DUTT,
K. D. DAS.
} Directors.

SECOND FIVE-YEAR PLAN FOR MADRAS

VIEWS OF STATE INDUSTRIALISTS

A CONFERENCE of prominent industrialists of the Madras State was held in Madras on 25th March, under the chairmanship of Mr. M. Bhaktavatsalam, Minister for Industries. A background note of the present state of industrial development in the State was presented to the Conference to facilitate discussion on scientific lines. It also called for the views of the participants in the discussion on the prospects of industrial development, generally, in the State, covering major, medium-sized and small-scale industries and on the following points, in particular:

(1) What are the industries which could be established in the public sector and what should be their appropriate locations?

(2) What are the industries which should be dealt with in the private sector in the State and their suitable locations?

(3) In what form, namely, independent units, or a central unit with satellites, or industrial co-operatives, should each type of industry proposed, be established?

(4) What is the minimum economic size of each such unit and what should be the quantum of annual production?

(5) What State assistance will be required under the following heads in the case of each type of industry to be proposed for the private sector? (a) Power, (b) water, (c) capital, (d) machinery and equipment, (e) raw materials, (f) trained technical personnel, (g) marketing and (h) any other type of aid.

It is common knowledge that, except possibly for the textile industry, the State of Madras is industrially backward, as compared with States like Bombay, Bengal, Uttar Pradesh and Mysore. Even in the field of medium- and small-scale industries, the progress is by no means considerable. It is true that a good deal has been done to secure improvement in agriculture, in order to increase the supply of foodgrains and industrial raw materials, but there is need to secure an appropriate balance between agricultural and industrial development in the State. The industries, which could be established in the State, include glass, particularly sheet glass, paper, paper board and straw-board, heavy and light machinery, including electrical machinery, electrical equipment as, for example, transformers, switchgear and other accessories, a wide range of light engineering industries, such as the manufacture of typewriters, watches, clocks, air-conditioning plants, etc., electrical goods and accessories, such as water heaters, cookers, table lamps, regulators, switches, etc., heavy chemicals, drugs, light chemicals and pharmaceuticals, production of scientific instruments, photographic equipment etc., and a large range of industries in the ceramic field, such as sanitaryware, insulators, pipes, fibre-bricks, crockery and other chinaware.

Small-scale Industries

It would appear that there is wide scope for developing small-scale industries, in particular, in the form of independent units as well as satellite units, which produce components or deal with particular items of processing, so that they may be assembled or completed in a central unit, which will regulate production in the satellite units and market the products. In this connection, it is suggested that the formation of industrial co-operatives in the field of medium-sized industries, to some extent, and perhaps to an appreciable extent in the field of small-scale industries would go a long way in advancing the industrial development of the State. The membership of such co-operatives, while being confined mainly to workers themselves, may also include other persons who can provide the capital and technical know-how required. The possibility of establishing industrial estates, which can provide power, water, lighting, etc., is also suggested. Since all this involves the preparation of a comprehensive industrial plan as a part of the second Five-year Plan, little can be achieved without the active advice and co-operation of persons who have knowledge and experience of industrial and technical matters and of those who are concerned with investment. It was for this purpose the State Government called the aforesaid conference.

The highlight of the discussions was the announcement of Mr. Bhaktavatsalam that the State Government would shortly constitute two standing committees of the Conference, one for large-scale and another for small-scale and cottage industries to draw up plans for inclusion in the second Five-year Plan. He reiterated the view that the industrial policy of the country and the State was that only industries based on defence requirements and certain others of strategical or national importance, such as communications, iron and steel, the capital requirements of which might be rather beyond the competence of private enterprise, would be developed by the public sector, with the co-operation of private enterprise wherever necessary. The rest of the industrial field, he said, was left for development by private enterprise and regulated by the Industries (Development and Regulation) Act, 1951, by a system of licences. Fiscal and import controls were also designed to assist in achieving this objective. Here and there, small units, practically of the pilot plant type, might be set up in the State by the Government to serve as models and to encourage private enterprise to establish similar but larger economic units. There were the Industrial Investment Corporation, sponsored by the State Government, and the Government departments, including the Department of Industries, to give private enterprise legitimate assistance, so that a co-ordinated and combined effort could be made towards balanced industrialisation.

Economic Production

Referring to the role of small-scale industries in the Plan, the Minister for Industries said that the problem of industrial development in India, and in the State particularly, was how to increase productivity and industrialise, and at the same time find useful employment for the unemployed and under-employed and maintain employment at the highest level. It would seem that small-scale and cottage industries were likely to furnish the answer and would probably be most suitable for their conditions. But that did not mean that the development of medium and large-scale industries should be ignored. Wherever the availability of raw materials power and skill permitted economic production the Government must, of course, plan for and develop medium and large-scale industries. And the small-scale and cottage industries should be complementary, so that all could work as an integrated whole for the benefit of the people of this State and of the country. For instance, wherever possible, the Government must help develop small-scale and cottage industries to produce components and execute processes which would be assembled or completed by larger units, which might be more appropriate for the purpose. That did not preclude the setting up of medium, small-size and cottage units, which could do all the work themselves, each as an integrated unit. The entire question would depend upon the nature of the product, the demand for it, the resources available in the vicinity and the location and the nature of the markets.

Realising the importance of small-scale and cottage units, the Government of India, the Minister for Industries said, was prepared to afford special assistance to the State for the establishment and operation of small-scale and cottage industries by way of training of personnel, provision of facilities for setting up units, such as the establishment of industrial estates which would arrange for land, workshops, power, water, drainage, railway sidings, etc., and for marketing, particularly to meet Government requirements of manufactured products.

Initiating the discussion, Dr. Rm. Alagappa Chettiar, the noted industrialist, said the country was passing through a stage when production targets in many directions had been more than fulfilled, but products were not being fully absorbed. It was a "famine of a new kind." From the shortage of goods, they had come round to a stage of plenty of goods but no purchasers, thanks to lack of purchasing power in the hands of the people. They had thus to plan for increasing consumption as well as production.

The idea of starting "industrial estates" was welcomed by Mr. Easwara Aiyar, who said that in South Wales he saw how such estates were of great help in starting industries. One who wanted to start a new industry need not have to think of investing much on buildings, etc. In such estates, buildings were available on long-term lease. Such estates were located in places where plenty of labour was available in the neighbourhood and also within easy reach of power resources. Engineering colleges and laboratories of such institutions helped the industrialists by doing research for them in quality, processes, equipment, performance, etc., for which the industrialists otherwise might have to spend much money. Such work should be done keeping confidence inviolate. In advancing loans also, the Government should follow a liberal policy, taking into consideration the employment potential of a given industry, instead of merely going by its profit-earning capacity.

A reference to the role of the automobile industry in the U.S., which had brought about almost by itself the industrial prosperity of the country, was made by Mr. Anantaramakrishnan. It covered some 700 subsidiary and ancillary industries, employing nearly 50 per cent. of industrial labour. Similar results could be achieved in India too, provided cautious and steady steps were taken in that direction.

Taxation

Mr. M. A. Chidambaram Chettiar expressed the view that it was for the Government to give the lead, and tell them what they proposed to do. The Government not only took away a good lot of profit from private sector by taxation, but also was becoming a partner in industry. A large industry once started would bring along with it a number of small and ancillary industries. Neiveli held vast possibilities. A steel plant could be built on the basis of Neiveli mining. But mere discussions at the Conference about the private sector might not carry them far, until they knew what was proposed to be done in the public sector. "New industries," he said, "will not grow with the present policy and taxation measures of the Government and its control and regulating measures which were coming overnight." He was voicing the view, he said of his Chamber of Commerce—the Southern India Chamber of Commerce—in saying that in the present context, few private interests would venture to launch new industries.

Winding up the discussions, Mr. Subramaniam, Finance Minister, said that development had necessarily to be within the larger pattern of development of the country as a whole. But, as Madras was industrially an under-developed part of the country, he was sure that the Government of India would be prepared to give greater assistance for the development of the State. For that purpose, concrete proposals should be drawn up. Proceeding, he observed: "Unless we have a co-ordinated plan, it would be impossible to get the assistance we want from the Government of India. And we should do it also well in time, for once they formulate the Plan and that Plan takes crystallised shape, then even though we may put forward many useful schemes, we may be told to wait for the next Five-year Plan. That is why the problem is very urgent."

In brief, the discussions revealed that Madras had good potentialities for industrial development. All that was needed was careful planning, where the public sector could supplement, rather than compete with, the private sector. The Centre, it is to be hoped, would help the State to contribute a greater share to the country's prosperity than now. The State lacks neither resources nor manpower. Given adequate facilities, it should be possible for it to make such a contribution.

(Concluded from previous page)

first D.D.T. technical was produced on 25th March, 1955. When in full production, the factory will employ about 140 persons, including technicians, skilled workers and managerial and secretarial staff. The cost per pound of the technical D.D.T. produced in the factory is expected to be Re. 1-11-6 which compares very favourably with the cost of imported technical D.D.T. which is about Rs. 2-4 to Rs. 3 per pound. It is proposed to double the capacity of this factory and also to set up another factory with a capacity of 1,400 tons of D.D.T. per year to meet the growing requirements of the National Anti-Malaria Campaign.

The present factory is being managed by a private limited company known as the Hindustan Insecticides Limited which is owned and controlled by the Government of India in the Ministry of Production.

BRITISH INDUSTRIES FAIR

Thousands of buyers from more than 50 countries are expected to visit the British Industries Fair (B.I.F.) to be held in London and Birmingham from 2nd to 13th May. There will be two sections, one at Olympia (London) and the other at Castle Bromwich (Birmingham). About 600 firms will exhibit their products in the 19 trade sections at Olympia. Among the larger sections will be those for textiles, jewellery, fancy goods and toys. The dominant feature of the textile section will be the biggest display ever held in the B.I.F. of clothing and fabrics made from man-made fibres. Other features at Olympia will be a Hosiery Court, a "London Street" of goldsmiths and silversmiths, a Commonwealth Court, and a TV Inventors' Club. A specially constructed cinema, with 300 seats, will have the latest equipment, including large-screen television and an all-purpose screen that can be converted for the latest projection techniques. In the Castle Bromwich section, which will again include many outdoor exhibits, about 1,000 firms will be represented. Products that will interest the factory-owner and the housewife—from the latest mechanical handling equipment to recent improvements in domestic heating—will be prominent among a wide range of exhibits from the engineering, electrical, hardware, building and heating industries.

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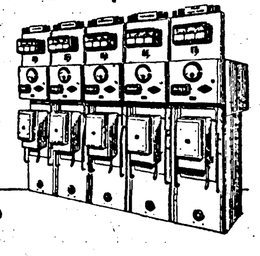
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INDIAN ALUMINIUM'S PROGRESS GOOD

DIVIDEND, HOWEVER, PASSED OVER AGAIN—OUTLOOK BETTER

SUBSTANTIAL progress in the working of the Indian Aluminium Company Ltd. (Managing Director: Mr. J. W. Cameron) during the past year is disclosed by the Directors' report and audited accounts of the Company for the year ended 31st December, 1954. The trading profit, which had dwindled from Rs. 32.58 lakhs for the 15 months ended 31st December, 1952, to Rs. 7.85 lakhs for the following 12 months, shows a rise to Rs. 20.16 lakhs. After providing for administrative, selling and other expenses and depreciation, the Company had suffered a loss of Rs. 13.65 lakhs for the previous year, but this loss has shrunk to Rs. 5.23 lakhs.

After taking into account the sum of Rs. 1.05 lakhs, being the over-provision for taxation made in respect of the previous year and excess liability in respect of the earlier year, and after paying the 5 per cent. preference dividend, the loss has been wiped out by the undistributed surplus of Rs. 9.15 lakhs brought in from the previous year, leaving a small surplus of Rs. 3.49 lakhs to be carried forward to the next year's accounts. The dividend on ordinary shares has been passed over for the second year in succession, consequent on the aforesaid loss.

The adverse result for 1954 has been largely due to the loss of smelter production resulting from power cuts enforced by the Travancore-Cochin Government during the year and higher initial costs incurred during commissioning of new equipment at the rolling mills. Production at the Company's Lohardaga Mines and the Muri ore plant was satisfactory throughout the year. The Directors point out that the operations at Muri proved that its capacity is sufficient to supply the additional ore requirements of the enlarged smelter without difficulty. Expansion of the Alupuram smelter to double its original capacity was completed on schedule in June, but the Government of Travancore-Cochin was able to supply only a part of the additional electric power which had been assured. There were also power cuts at the end of September and early in October. The cumulative effect was a loss in production of virgin metal to the extent of about 1,000 tons, which more than accounted for the loss on the year's operations. Consequent on this loss of production, the Company had to obtain replacement ingot from outside sources at a higher price in order to meet its sales commitments. It was not until 17th February, 1955, that the Company received 14,000 kw. of power. This was the first time since the smelter began producing metal in 1943 that the Company had sufficient power to operate to full capacity. The renovation of old and the installation of new additional equipment at Belur Works, increasing the Company's capacity for rolled sheet products from 4,000 tons to 7,000 tons of common alloy products yearly, was completed in 1954. In December, 1954, production reached the increased monthly rated capacity.

The following comparative table gives an idea of the Company's progress:

(In lakhs of rupees)

—	For the year ended 31-12-54	For the year ended 31-12-53	For 15 months ended 31-12-52	For the year ended 30-9-51
Sale proceeds	257.63	117.85	161.46	120.62
Manufacturing expenses (including raw materials consumed)	199.35	94.57	109.06	73.01
Depreciation and depletion ..	18.12	16.43	19.82	16.25
Trading profit	20.16	7.85	32.58	31.36
Other income	1.80	1.40	1.53	..
Administrative and other expenses	26.67	24.45	19.56	10.48
Further depreciation and amortisation	0.52	0.33	0.25	0.08
Taxation	..	..	3.50	8.00
Net profit (+) or loss (—) ..	—5.23	—13.65	+10.70	+13.64
Over provision for taxation written back	1.05	2.00	..	11.14
To reserves	..	..	6.45	11.05
To dividends—				
5% preference (less tax) ..	1.47	1.47	1.85	1.47
Ordinary	..	..	8.00 (4% p.a.)	8.00 (5% p.a.)
Carry forward	3.49	9.15	22.28	27.88

The sale proceeds for the year under review include Rs. 39.79 lakhs, representing sales of agency products. The Company, it may be recalled, took over the selling agency for Venesta Ltd. of aluminium foils other than tea chest linings. Even excluding the agency products, the sale proceeds show a rise of Rs. 80 lakhs, reflecting the overall advance in the economy of the country and the intensified efforts made by the Company to sell in new markets. Notwithstanding this the Company has not been able to make any profit during the year. An explanation for this is to be found in the sharp rise in manufacturing expenses, including raw materials consumed. The Directors observe that, due to the increased requirements of raw aluminium which could not be supplied from the smelter, because of power cuts resulting in substantial loss of ingot production, the Company had to purchase raw aluminium in 1954 to the extent of some Rs. 40 lakhs in order to fulfil its commitments to clients. In the previous year, purchases of metal from outside sources amounted to less than Rs. 2 lakhs. The larger-scale plant operations are reflected also in the increase in purchases of other raw materials and supplies from Rs. 42 lakhs to just under Rs. 70 lakhs or a rise of almost 65 per cent.

The reserves and surplus of the Company as on 31st December, 1954, aggregate Rs. 40.27 lakhs, as against a paid-up capital of Rs. 2 crores. The gross block of the value of Rs. 3.96 crores, including an addition of Rs. 51.96 lakhs made during the year, has been written down to Rs. 2.42 crores. The current assets amount to Rs. 1.96 crores, as against current liabilities aggregating Rs. 1.98 crores.

The outlook for the Company is, however, promising, as is borne out by the following extract from the Directors' report:

"The general economic condition of India continues to improve and this coupled with the hardening of prices in world non-ferrous metal markets, augurs well for 1955, more particularly as the intensive efforts made by the Company to develop new outlets for its products are beginning to bear fruit. Increased demand for aluminium paste, used in the manufacture of paint, resulted in the operation of Kalwa Works, located outside of Bombay, at near capacity during the last half of the year.

"Installation of the extrusion plant at Alupuram which will be the first such plant in India, devoted exclusively to the extruding of aluminium, was well advanced. Commercial production is scheduled to commence in March, 1955, instead of December, 1954, as originally planned, due to delay in supply of certain items of electrical equipment."

The Directors regret that the supplemental power agreement with the Government of Travancore-Cochin regarding rates to be in force for electric power until 1975, referred to in last year's report, has not yet been formally signed.

ORIENT JUTE MILLS

The steady rise in demand for jute goods, the acceleration in the pace of exports, the maintenance of prices at firm levels and the satisfactory supplies of raw jute, albeit at prices which fluctuated rather widely, were the main features of the jute markets during the past year. These are duly reflected in the financial results of the Orient Jute Mills Company, Ltd. (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) for the half-year ended 30th November, 1954. The gross profit, which had declined successively from Rs. 5.28 lakhs for the six months ended 31st May, 1953, to Rs. 3.01 lakhs in the following half-year and to Rs. 2.22 lakhs in the succeeding six months, has improved to Rs. 4.06 lakhs in the half-year under review.

The Managing Agents' commission has been provided with Rs. 25,000, the same as in the previous half-year, while the provision for depreciation has been raised from Rs. 46,000 to Rs. 48,000 and that for taxation from Rs. 66,000 to Rs. 1.46 lakhs. After all these provisions, the net profit amounts to Rs. 2.35 lakhs, as against Rs. 1.31 lakhs for the previous half-year and Rs. 4.23 lakhs for the six months ended 31st May, 1953. The net profit has been supplemented by a sum of Rs. 75,000 being the excess tax provisions made in previous years. After a lapse of two half-years, the general reserve has been strengthened by the addition of Rs. 1.25 lakhs which is, however, only half of that added out of the profit for the six months ended 31st May, 1953. The dividend has been maintained at 10 per cent. per annum, to which level it had been cut in the previous half-year from 12 per cent. per annum paid for the preceding three half-years. The dividend distribution absorbs Rs. 1.25 lakhs, leaving to be carried forward Rs. 1.21 lakhs, as against Rs. 1.08 lakhs brought in.

The following table gives a good idea of the Company's progress during the past three half-years:

(In lakhs of rupees)

—	For the half-year ended 30-11-54	31-5-54	30-11-53	31-5-53
Gunny sales	45.29	42.73	44.39	40.00
Stocks	6.17	4.82	5.79	6.93
Expenses	42.62	41.63	38.25	39.06
Gross profit	4.06	2.22	3.01	5.28
Managing Agents' commission ..	0.25	0.25	0.19	0.37
Depreciation	0.48	0.46	0.50	0.40
Taxation	1.46	0.66	0.65	0.28
Net profit	2.35	1.31	2.27	4.23
Other income	0.75	0.15	..	..
To general reserve	1.25	..	..	2.50
Dividend	1.25 (10% p.a.)	1.25 (10% p.a.)	1.40 (12% p.a.)	1.40 (12% p.a.)
Carry forward	1.21	1.08	1.33	1.06

As in the case of other mills, Orient Jute increased the working hours during the half-year under review to meet the growing demand and to reduce cost of production. From 12th July, 1954, the working hours were increased from 42½ to 45 per week and again from 45 to 48 per week from 18th October, 1954. Throughout the period under review, 12½ per cent. of the total looms remained sealed.

The balance-sheet of the Company as on 30th November, 1954, shows a good financial position. The paid-up capital of Rs. 24.91 lakhs is supplemented by reserves and surplus to the tune of Rs. 29.02 lakhs. The gross block of the value of Rs. 71.20 lakhs has been written down to Rs. 21.05 lakhs. The current assets amounting to Rs. 41.22 lakhs exceed the provision for taxation (Rs. 3.10 lakhs) and current liabilities (Rs. 5.84 lakhs) by a very large margin.

The Rs. 100 paid-up shares of the Company are being currently quoted at Rs. 190 *ex-div.*, at which rate and on the basis of the latest dividend, the yield works out to 5.3 per cent. per annum.

COMPANY MEETINGS AND DIVIDENDS

BAGDIGI KUJAM COLLIERIES CO., (1946) LTD. Annual General Meeting, Calcutta, 11th April, 1955. Transfer books remain closed from 2nd to 11th April, 1955, both days inclusive.

JUBBULPORE ELECTRIC SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 14th April, 1955. Dividend: As. 6 2/5 per share. Transfer books remain closed from 8th to 14th April, 1955, both days inclusive.

COLABA LAND AND MILL CO., LTD. Annual General Meeting, Bombay, 14th April, 1955. Dividend: *Nil*. Transfer books remain closed from 5th to 22nd April, 1955, both days inclusive.

WALCHANDNAGAR INDUSTRIES LTD. Annual General Meeting, Bombay, 15th April, 1955. Dividend: Rs. 16 per share. Transfer books remain closed from 9th to 23rd April, 1955, both days inclusive.

SAVAMALAI ESTATES LTD. Annual General Meeting, Kozhikode, 15th April, 1955. Dividend: Rs. 2-8 per share. Transfer books remain closed from 8th to 15th April, 1955, both days inclusive.

CALCUTTA SILK MANUFACTURING CO., LTD. Annual General Meeting, Calcutta, 18th April, 1955. Transfer books will remain closed from 11th to 18th April, 1955, both days inclusive.

JAWAHAR MILLS LTD. Annual General Meeting, Salem Junction, 20th April, 1953. Dividend: Re. 1-4 per share, on shares of Rs. 10 each and As. 10 per share of Rs. 5 each. Transfer books remain closed from 6th to 20th April, 1955, both days inclusive.

ORIENT JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 22nd April, 1955. Dividend: Rs. 5 per share. Transfer books remain closed from 6th to 22nd April, 1955, both days inclusive.

CHEVIOT MILLS CO., LTD., Half-yearly General Meeting, Calcutta, 22nd April, 1955. Dividend: Rs. 8 per share. Transfer books remain closed from 6th to 22nd April, 1955, both days inclusive.

TRICHINOPOLY MILLS LTD., Annual General Meeting, Tiruchirapalli, 23rd April, 1955. Dividend: As. 14 2/5 per share (9 per cent). Transfer books remain closed from 6th to 23rd April, 1955, both days inclusive.

CALEDONIAN JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 29th April, 1955. Dividend: Rs. 5 per share. Transfer books will remain closed from 16th to 29th April, 1955, both days inclusive.

PARKSIDE (NEILGHERRY HILLS) ESTATE CO., LTD. Interim-dividend of Re. 1 per share, for the year ending 30th June, 1955.

VASANTA MILLS LTD. Dividend of Rs. 15 per share, for the year ended 31st December, 1954. Transfer books remain closed from 6th to 20th April, 1955, both days inclusive.

RAJALAKSHMI MILLS LTD. Dividend of Rs. 10 per share, for the year ended 31st December, 1954. Transfer books will remain closed from 12th to 25th April, 1955, both days inclusive.

COIMBATORE COTTON MILLS LTD. Dividend of Rs. 25 per share, free of tax, for the year ended 31st December, 1954.

RADHA KRISHNA MILLS LTD. Dividend of Rs. 16 per ordinary share and Rs. 8 per 'B' ordinary share, for the year ended 31st December, 1954. Transfer books will remain closed from 20th April to 10th May, 1955 both days inclusive.

COMPANY REGISTRATIONS

WEST COAST PAPER MILLS LTD. (First Director: Mr. G. D. Somani.) Business: Manufacturers and dealers in all kinds and classes of paper, board and pulp. Authorised capital: Rs. 5,00,00,000. Public company. Address: Shree Niwas House, Waudby Road, Fort, Bombay 1.

IMPERIAL SURGICAL CO., LTD. (First Director: Mr. Acharj Nath Vig.) Business: Manufacturers, repairers, importers, exporters and dealers in all types of surgical instruments, medical appliances, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 4, India House, Fort Street, Bombay 1.

SHALIMAR BISCUITS LTD. (First Director: Mr. J. R. Shivdasani.) Business: Manufacturers and dealers in biscuits, cakes, buns, sweets, etc. Authorised capital: Rs. 10,00,000. Private company Address: Currimbhoy Manor, Warden Road, Bombay 26.

KAJARIA (MINERALS) LTD. (First Director: Mr. S. J. Kajaria.) Business: Mining, smelting and refining. Authorised capital: Rs. 5,00,000. Private company. Address: 325, Kalbadevi Road, Bombay 2.

BHARAT CERAMICS LTD. (First Director: Mr. B. H. Daroowalla.) Business: Manufacturers and dealers in ceramics and ceramic products. Authorised capital: Rs. 5,00,000. Private company. Address: 1st Floor, Jer Mahal, Kalbadevi Road, Bombay 2.

HINDUSTAN PENCILS LTD. (First Director: Mr. Ramnath Mehra.) Business: Manufacturers, importers, exporters and dealers in all types of pencils and allied goods. Authorised capital: Rs. 5,00,000. Private company. Address: 302, Himalaya House, Paltan Road, Bombay.

CHEVIOT JUTE RAISES DIVIDEND LEVEL AFTER FIVE HALF-YEARS

PROFIT OF TRICHINOPOLY MILL HIGHER

Cheviot Mills Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November, 1954.

After providing Rs. 1,92,500 (Rs. 1,25,000) for taxation and transferring Rs. 75,000 (nil) to general reserve, there is a balance of Rs. 3,00,079 (Rs. 2,63,604) at the credit of profit and loss account, from which the directors recommend payment of dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share, absorbing Rs. 35,000 (Rs. 35,000) and on ordinary shares at Rs. 8 (Rs. 6) per share, absorbing Rs. 1,27,600 (Rs. 95,700), leaving Rs. 1,37,479 (Rs. 1,32,904) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association the mills worked 42½ hours per week upto 10th July, 1954. From 12th July, 1954, working hours were increased from 42½ hours to 45 hours and again from 45 hours to 48 hours per week from 18th October, 1954. Throughout the period under review 12½ per cent. of the total looms remained sealed.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	25,95,000	Block ...	24,80,900
Reserves ...	30,14,282	Stock ...	17,58,823
Provision for taxation ...	3,40,739	Stores ...	10,65,941
Liabilities ...	6,28,130	Debts and advances ...	3,19,240
Profit and loss account ...	1,37,478	Investments	66,291
		Cash ...	10,24,434
Rs.	67,15,629	Rs.	67,15,629

Trichinopoly Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Mooljee Ramjee and Sons, Ramjeenagar) submit the audited accounts of the Company for the year ended 31st December, 1954.

The net profit for the year after providing for all expenses and writing off Rs. 47,677 (Rs. 55,537) as depreciation on fixed assets, is Rs. 4,14,192 (Rs. 2,071). Adding the balance of last year, a sum of Rs. 4,18,202 Rs. 1,01,914 including Rs. 90,000 taken from dividend equalisation fund stands to the credit of the profit and loss account. The directors recommend to dispose of this amount as follows:—

To provision for taxation Rs. 1,84,000 (*nil*), to pay a tax-free dividend of 9 (7) per cent. for the year Rs. 1,25,880 (Rs. 97,904), to rehabilitation reserve Rs. 1,00,000 (*nil*), and to be carried forward the balance of Rs. 8,321 (Rs. 4,009).

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	13,98,670	Block ...	2,91,111
Reserves ...	7,79,479	Stock-in-trade ...	15,54,469
Provision for taxation ...	44,731	Stores, spare parts etc.	2,03,838
Liabilities ...	1,62,083	Other assets ...	250
Profit and loss account ...	4,18,202	Debts, deposits and advances	4,96,017
		Investments	1,02,906
		Cash ...	1,54,574
Rs.	28,03,165	Rs.	28,03,165

New Beerbhoom Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st October, 1954.

After providing Rs. 1,46,531 (Rs. 2,00,000) for depreciation and Rs. 30,000 (Rs. 54,000) for cesses and after transferring Rs. 1,28,500 (Rs. 75,000) to development reserve, there remains a balance at the credit of profit and loss account of Rs. 1,29,624 (Rs. 2,08,159) from which the directors recommend payment of a dividend of 7 per cent. per annum on 20,000 preference shares for the half-year ended 31st October, 1954 Rs. 7,000 (Rs. 7,000), and a dividend of As. 6 (As. 8) per share on 1,77,623 ordinary shares Rs. 66,639 (Rs. 88,812) leaving to be carried forward Rs. 56,015 (Rs. 1,12,347).

Raisings for the half year ended October, 1954, totalled 2,23,942 tons as compared with 2,20,627 tons in the previous half-year and 2,48,113 tons in the half-year ended October, 1953. Despatches, which included purchased coal, totalled 2,56,752 tons as compared with 2,08,199 tons in the previous half-year and 2,53,069 tons in the half-year ended October, 1953.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	19,76,230	Block ...	30,70,282
Reserves ...	18,91,763	Stock of coal	1,04,245
Provision for taxation and cesses	2,12,040	Stores ...	6,36,336
Liabilities ...	21,87,022	Debts, deposits and advances ...	24,76,877
Profit and loss account ...	56,015	Investments ...	4,447
		Cash ...	30,884
Rs.	63,23,070	Rs.	63,23,070

Asoka Mills Ltd.

The directors of the above Company (Agents: Messrs. Lalbhai Dalpatbhai and Co., Ahmedabad) submitted the audited accounts of the Company for the year ended 31st December, 1954.

The profit for the year amounted to Rs. 9,87,753 (Rs. 13,73,870) after providing for depreciation Rs. 3,50,000 (Rs. 4,00,000) to which was added the last year's balance of Rs. 1,23,642 (Rs. 1,05,810), making a total of Rs. 11,11,396 (Rs. 14,79,680). From this sum, the following amounts were appropriated:—

To provision for taxation Rs. 4,50,000 (Rs. 5,50,000), to reserve fund Rs. 50,000 (Rs. 1,00,000), to machinery renewal fund Rs. 1,00,000 (Rs. 1,00,000), to dividend equalisation fund Rs. 50,000 (Rs. 2,00,000), to contingency fund Rs. 1,00,000 (Rs. 1,00,000). There was an available balance of Rs. 3,61,396 (Rs. 4,29,680). The directors disposed of this amount as follows:—

Paid a dividend on 6,000 5 per cent. cumulative preference shares for the year ended 31st December, 1954 (less income-tax) Rs. 22,125 (Rs. 22,125), paid a dividend on 6,000 4½ per cent. redeemable cumulative preference shares for the year ended 31st December, 1954 (less income-tax) Rs. 19,913 (Rs. 19,913) paid a dividend of Rs. 22 (Rs. 22 including bonus of Rs. 7) per share, free of income-tax on 12,000 ordinary shares for the year ended 31st December, 1954 Rs. 2,64,000 (Rs. 2,64,000) and carried forward to next year's account Rs. 55,358 (Rs. 1,23,642).

The directors reported, that the result of the working of the Mills were satisfactory. The Mills have 37,368 spindles and 914 looms and complete dyeing and bleaching plants.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	24,08,052	Block ...	82,14,168
Reserves ...	1,08,38,621	Stock-in-trade ...	30,17,960
Depreciation fund	66,70,738	Stores ...	4,79,956
Provision for taxation ...	4,20,703	Debts, deposits and advances ...	27,29,104
Liabilities ...	20,24,739	Investments	18,84,393
Profit and loss account ...	3,61,396	Cash ...	63,98,668
Rs.	2,27,24,249	Rs.	2,27,24,249

Dhanalakshmi Mills Ltd.

The directors of the above Company (Managing Agents and Secretaries: Messrs. M. Nanjappa Chettiar and Sons, Tirupur) submitted the audited accounts of the Company for the year ended 31st December, 1954.

After deducting all working expenses and interest and providing Rs. 3,75,788 (Rs. 4,75,201) for depreciation, the year's working resulted in a net profit of Rs. 20,51,725 (Rs. 11,34,166). With the sum of Rs. 9,452 (Rs. 20,746) the balance of profit brought forward from last year, there was a sum of Rs. 20,61,177 (Rs. 11,54,912) to the credit of profit and loss account. From this sum Rs. 300 (Rs. 300), Rs. 2,901 (Rs. 2,200) and Rs. 28,288 (*nil*) have been appropriated respectively for mahimai donations and income-tax, leaving a balance of Rs. 20,29,688 (Rs. 9,86,412). From this amount the directors have set apart for provision for taxes Rs. 9,40,000 (Rs. 3,60,000), for provision for bonus Rs. 3,50,000 (Rs. 1,36,000), paid a tax-free dividend of 30 (20) per cent. to the share-holders Rs. 7,30,440 (Rs. 4,86,960) and carried forward to next year Rs. 9,248 (Rs. 9,452).

The Company, has purchased, in the year of account, the ginning and pressing factory, previously known as Ratna Cotton Gin and Press Factory, for a consideration of Rs. 1,56,000. This factory consists of nine gins, a press and buildings and godowns connected therewith. The factory is 5.11 acres in extent.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	24,34,800	Block ...	13,51,525
Reserves ...	21,22,758	Stock-in-trade ...	37,66,478
Provision for taxation ...	5,73,669	Stores ...	2,66,031
Liabilities ...	5,57,847	Debts, deposits and advances ...	9,58,284
Profit and loss account ...	20,29,688	Investments	6,17,347
		Cash ...	7,59,097
Rs.	77,18,762	Rs.	77,18,762

Britannia Engineering Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1953.

Trading: The results of the works department for the year show a profit on trading account amounting to Rs. 8,51,025 compared with Rs. 16,36,133 for the preceding 12 months. The agency department shows a profit of Rs. 80,769 compared with Rs. 1,32,748 for 1952.

After charging interest and debenture interest and providing for taxation which it is estimated will be payable on the year's profit, commissions and depreciation and transferring a sum of Rs. 2,50,000 (Rs. 3,50,000) to machinery reserve and taking into account the carry forward from 1952, there remains at the credit of profit and loss account a balance of Rs. 2,67,796 (Rs. 2,25,185) from which the directors recommend payment of dividend on 1,00,000 ordinary shares at 15 (15) per cent. per annum for the year, which absorbs Rs. 1,50,000 (Rs. 1,50,000), leaving Rs. 1,17,796 (Rs. 75,185) to be carried forward.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	10,00,000	Block ...	13,44,261
Debentures ...	5,00,000	Patent Rights ...	2,25,000
Reserves ...	28,35,000	Stock-in-hand ...	4,70,274
Provision for taxation ...	7,99,592	Stores ...	9,72,887
Liabilities ...	23,10,621	Work-in-progress ...	18,51,460
Profit and loss account ...	1,17,796	Debts, deposits and advances ...	26,43,768
		Investments ...	2,300
		Cash ...	53,059
Rs.	75,63,009	Rs.	75,63,009

Agra Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1954.

Satisfactory progress is being maintained as will be seen from the schedule of units sold and revenue incorporated herein.

Half-year ended	*Units Sold*	*Revenue* Rs.
31st March, 1952	9,703,497	14,04,904
30th September, 1952 ...	11,463,384	14,97,507
31st March, 1953	10,713,328	14,32,952
30th September, 1953 ...	12,152,915	14,79,566
31st March, 1954	10,703,548	15,27,036
30th September, 1954 ...	12,960,709	15,62,370

After making adequate provision for liabilities and setting aside Rs. 75,000 (Rs. 50,000) to development and extensions account, a balance of Rs. 1,48,526 (Rs. 1,49,410) including Rs. 48,716 (Rs. 49,489) brought forward from the previous half-year remains available, and this amount, the directors recommend, be disposed of as follows:—

In payment of a dividend at the rate of 10 (10) per cent. per annum, free of income-tax for the half-year Rs. 99,980 (Rs. 99,920) and in carrying forward to next half-year Rs. 48,546 (Rs. 49,490).

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	19,99,600	Block ...	46,75,589
Debentures	10,00,000	Work-in-progress ...	3,40,532
Reserves ...	29,80,466	Stores, coal and fuel ...	9,08,763
Provision for taxation ...	2,46,950	Tools and instruments	27,569
Liabilities ...	26,94,338	Other assets	40,017
Profit and loss account ...	1,48,526	Debts and advances ...	10,99,109
		Investments	13,15,160
		Cash ...	6,63,141
Rs.	90,69,880	Rs.	90,69,880

Investment and Finance Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Bird and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st August, 1954.

Including the sum of Rs. 8,837 (Rs. 4,862) brought forward from the previous half-year and transferring Rs. 15,000 (Rs. 1,175) to general reserve and Rs. 5,000 (Rs. 7,500) to revaluation of investments reserve, there is an available balance of Rs. 27,717 (Rs. 28,536). It is proposed to dispose of this balance as follows:—

In paying a dividend on the 1st cumulative preference shares at the rate of 5 per cent. per annum, without any deduction for income-tax paid by the Company Rs. 5,000 (Rs. 5,000), in paying a dividend on the 2nd cumulative preference shares at the rate of 6 per cent. per annum, less income-tax at 48 pies plus 5 per cent. surcharge on income-tax Rs. 4,425 (Rs. 4,425), in paying a dividend on the ordinary shares at the rate of 5 (5) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 12,500 (Rs. 12,500) and in carrying forward Rs. 5,792 (Rs. 6,611).

Market.—The revival in activity in all sections continued during the period of review which saw the first sustained buying interest since 1946, particular interest being shown in Tea and Engineering shares owing to improved trading conditions. The Company's portfolio continues to stand at a conservative figure.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	9,00,000	Investments ...	11,18,234
Reserves ...	1,77,501	Debts, etc. ...	33,222
Taxation and special reserve ...	19,756	Cash	12,186
Liabilities ...	60,593		
Profit and loss account ...	5,792		
Rs.	11,63,642	Rs.	11,63,642

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

Notices

KANKNARRAH COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Forty-fourth Ordinary General Meeting of Shareholders will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, at 11-45 a.m. on Wednesday, the 4th May, 1955, for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 31st December, 1954, and the Balance Sheet as at that date.

(2) To declare Dividends.

(3) To elect a Director.

The Share Transfer Books of the Company will be closed from 20th April to 4th May, 1955, both days inclusive.

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

4, CLIVE ROW,
CALCUTTA-1, *25th March*, 1955.

Note.—Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 4th day of May, 1955, or to their Mandatees. No applications for Warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

KAMARHATTY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Fifty-fourth Ordinary General Meeting of Shareholders will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, at 12 noon on Wednesday the 4th May, 1955, for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 31st December, 1954, and the Balance Sheet as at that date.

(2) To declare Dividends.

(3) To elect a Director.

The Share Transfer Books of the Company will be closed from 20th April to 4th May, 1955, both days inclusive.

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

4, CLIVE ROW,
CALCUTTA-1, *25th March*, 1955.

Note—Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 4th day of May, 1955, or to their Mandatees. No applications for Warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

BENGAL JUTE MILL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 24th Ordinary General Meeting of the Members of the Company will be held at the Registered Office of the Company at 8, Dalhousie Square East, Calcutta, on Thursday the 28th April, 1955, at 4-15 p.m., for the purpose of receiving the Directors' Report, passing the Audited Accounts, declaring the Dividend recommended by the Directors for the year ended 30th June, 1954, electing Directors in place of the retiring Directors, appointing Auditors and for transacting any other business of the Company that may be transacted thereat.

The Share Transfer Registers of the Company will remain closed from the 22nd April, 1955, to the 28th April, 1955, both days inclusive.

By Order of the Board,
For and on behalf of
BENGAL JUTE MILL CO., LTD.,
SOORAJMULL NAGARMULL,
Managing Agents.

8, DALHOUSIE SQUARE EAST,
CALCUTTA, *28th March*, 1955.

ORIENT PAPER MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-fifth Ordinary General Meeting of the above named Company will be held at 8, Royal Exchange Place, Calcutta, on Friday, the 29th April, 1955, at 2-30 p.m., for the purpose of adopting the Directors' Report and the Audited Accounts for the half-year ended 30th September, 1954, and declaring dividends.

The Share Transfer Books will remain closed from the 18th to 29th April, 1955, both days inclusive.

By Order of the Board,
BIRLA BROTHERS LTD.,
Managing Agents.

8, ROYAL EXCHANGE PLACE,
CALCUTTA, *28th March*, 1955.

To all the Shareholders of the above named Company and in particular to Mrs. Bachubai Anklesaria, L. D. Buckley, Ct. P. R. Periakaruppan Chettiar, Mrs. Dosibai Dinshaw, A. Rudolph D'Abres, Mrs. M. D. Forest, Mr. Ebrahim Khan, Begum Doulat Khanum, Miss Hajya Essop Mia, John Rodricks, Francisco Baptista Ramos, Pran Ballav and D. N. Kalyanvala.

Note.—The dividends, when declared, will be payable on or after the 16th May, 1955.

THE DURBHANGA SUGAR COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-third Ordinary General Meeting of The Durbhanga Sugar Company, Limited, will be held at the Maharaja's Office (Raj Secretariate) at Darbhanga, on the 20th day of April, 1955, at 9 a.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Accounts for the year ended 31st August, 1954, and the Balance Sheet and Report of the Auditors thereon.

(2) To declare a Dividend.

(3) To consider remuneration of the Directors under Article 93 of the Company's Articles of Association.

(4) To elect a Director in the place of the retiring Director.

(5) To elect Auditors for the ensuing year and to fix their remuneration.

(6) To transact the ordinary business of the Company.

The Share Transfer Book of the Company will be closed from the 9th April, 1955, to 20th April, 1955, both days inclusive.

By Order of the Directors,
W. F. MALDEN,
Secretary.

LOHAT,
DISTRICT DARBHANGA, *7th February*, 1955.

THE DUNLOP RUBBER COMPANY (INDIA) LIMITED

NOTICE IS HEREBY GIVEN THAT THE 29th Ordinary General Meeting of the Company will be held at the Registered Office of the Company, Dunlop House, 57B, Free School Street, Calcutta, on the 25th day of April, 1955, at 12-15 p.m., for the following purposes:—

(1) To consider, approve and adopt the Directors' Report and Statements of Account.

(2) To declare Preference and Ordinary Dividends.

(3) To elect Directors.

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

By Order,
P. B. SEN GUPTA,
Secretary.

"DUNLOP HOUSE",
57B, FREE SCHOOL STREET,
CALCUTTA, *7th April*, 1955.

N.B.—In terms of Article 4 of the Company's Articles of Association no Preference Shareholder as such is entitled to attend the Meeting. A Debenture Stockholder as such is also not entitled to attend the Meeting.

THE MODERN MILLS, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-first Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Temple Bar Building, 70, Forbes Street, Fort, Bombay, on Thursday the 5th May, 1955, at 4-30 p.m. (S.T.):—

(1) To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st October, 1954,

(2) to declare a dividend,

(3) to elect Directors in place of those who retire by rotation but who are eligible for re-election, and

(4) to appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from Wednesday the 13th April, 1955, to Thursday the 5th May, 1955, both days inclusive.

By Order of the Board,
N. SIRUR & COMPANY LTD.,
Managing Agents,
V. N. CHANDAVARKAR,
Managing Director.

BOMBAY, *31st March*, 1955.

N.B.—The dividend when declared will be made payable at the Registered Office of the Company on and after Monday the 16th May, 1955, between 12 noon and 3-00 p.m. on week days other than Saturdays and between 12 noon and 1-30 p.m. on Saturdays to shareholders whose names stand on the Register of Members on the 13th April, 1955.

THE RAMNUGGER CANE AND SUGAR COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighteenth Ordinary General Meeting of the Shareholders of the Ramnugger Cane and Sugar Company, Ltd., will be held at the Registered Office of the Company, 7, Wellesley Place, Calcutta, on Wednesday the 4th May, 1955, at 12 noon, to transact the following business:—

1. To receive the Report of the Directors and to pass the Audited Accounts for the year ended 31st August, 1954.
2. To declare a Dividend on Preference Shares.
3. To declare a Dividend on Ordinary Shares.
4. To elect Directors.
5. To appoint Auditors and to fix their remuneration.
6. To transact any other business which may properly be brought before the Meeting.

NOTICE is also given that the Share Transfer Registers will be closed from the 18th April to 4th May, 1955, both days inclusive.

By Order of the Board,
ANDERSON WRIGHT LTD.,
Managing Agents.

CALCUTTA, *30th March*, 1955.

OLD-ESTABLISHED AND WELL CONnected London shipbrokers with strong representation on the Baltic Exchange, London, wish to contact firm of chartering agents with a view to securing British tonnage for their various requirements. Write to Box No. 952, c/o "Commerce," Brady House, Veer Nariman Road, Fort, Bombay.

Notices

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

TENDER NOTICE

TENDERS ARE INVITED FROM ESTABLISHed foundries in India only for the supply of Cast Iron C.S.T.9. Sleeper Plates, Broad Gauge and/or Metre Gauge, to be supplied by 31st March, 1956.

2. Approximately 1,08,000 Tons of Tata's off-grade and I.I.S.CO. Low Manganese Grade III Pig Iron will be available for allotment upto 75 per cent. of the orders placed on firms who will be expected to make up the remaining raw materials and melting losses by obtaining scrap or other materials available in the market. No such materials will ordinarily be supplied by Railways, but should the Railway find any such scrap available with them, they will have the option to ask the suppliers to take over the scrap with suitable adjustment in prices if required.

3. Applications for copies of tender documents should be made to the Director, Civil Engineering, Railway Board, New Delhi. Tender documents embodying conditions of supply and contract and relevant drawings will be supplied at Rs. 10 per set and will be available for sale from 1st April, 1955, except on Sunday and holidays.

4. Tenders will be received up to 13.00 hours on 30th April, 1955, and opened in the office of the Railway Board, New Delhi, at 15.00 hours on the same day.

N. K. ROY,
Director, Civil Engineering,
Railway Board.

NEW DELHI, *26th March*, 1955.

THE PEERMADE TEA COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventeenth Annual General Meeting of the Shareholders will be held at the Registered Office of the Company, Alleppey, at 9-45 a.m. on Saturday the 30th April, 1955, for the following purposes:

1. To receive and consider the Report of the Directors, Accounts and Balance Sheet for the year ended 31st December, 1954.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors.
5. To transact any other competent business which may be brought before the meeting.

The transfer books of the Company will be closed from 16th April, 1955, to 2nd May, 1955, both days inclusive.

By Order of the Board,
THE PEERMADE TEA COMPANY LTD.,
Per Pro. ASPINWALL & CO.,
(TRAVANCORE) LTD.,
H. SUTTON,
Secretaries.

ALLEPPEY, *29th March*, 1955.

THE DUNLOP RUBBER COMPANY (INDIA) LIMITED

NOTICE IS HEREBY GIVEN THAT THE Transfer Books and Registers of Members in respect of the Second Preference and Ordinary Shares of the Company will be closed from 11th April, 1955, to 30th April, 1955, both days inclusive.

By Order,
P. B. SEN GUPTA,
Secretary.

"DUNLOP HOUSE",
57B, FREE SCHOOL STREET,
CALCUTTA, *1st April*, 1955.

N.B.—As any dividends that may be declared will be paid only to Shareholders registered in the Company's Registers of Members, those holding shares on Blank Transfers are advised to register them prior to 11th April, 1955.

THE MILLOWNERS' ASSOCIATION BOMBAY

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the MEMBERS OF THE MILLOWNERS' ASSOCIATION, BOMBAY, will be held in the rooms of the Association (Second Floor, Elphinstone Building, Veer Nariman Road, Fort) at 11-30 a.m. (S.T.) on Wednesday the 20th April, 1955, to transact the following business:

(1) To receive and adopt the Committee's Report and Statement of Accounts for the year 1954;

(2) To appoint Auditors of the Association's Accounts for the current year and to fix their remuneration;

(3) To sanction the payment of certain donations for the current year;

(4) To endorse and approve the steps which have already been taken by the Committee of the Association for the establishment of a Hospital in Bombay, in conjunction with the Trustees of the Mahatma Gandhi Memorial Fund, the Government of Bombay and the Employees' State Insurance Corporation, and to authorise the Committee to take such further steps and measures as may be necessary in furtherance of the same object;

AND any other business that may be brought forward.

By Order of the Committee,
N. S. V. AIYER,
Secretary.

BOMBAY, *9th April*, 1955.

JESSOP & COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Directors have declared the payment, on 1st May, 1955, of the Dividend due on the 5 per cent. Cumulative Preference Shares of the Company for the half-year ending 30th April, 1955, without any deduction in respect of Income-tax payable by the Company.

The Preference Share Transfer Register of the Company will be closed from 23rd April to 30th April, 1955, both days inclusive.

Dividends are paid only to Preference Shareholders registered at 23rd April, 1955, or their Mandatees.

By Order of the Board,
G. M. ROBBINS,
Secretary.

63, NETAJI SUBHAS ROAD,
CALCUTTA, *1st April*, 1955.

AMERICAN LETTER

(*Concluded from page* 661)

A sharp bulge in expenditures by commercial and public utility companies is indicated for the second quarter. The housing boom, concentrated in suburban areas, is creating a large demand for shopping centres, pipelines, electric installations and other facilities.

Since sewers, water pipes and electric generating installations cannot be built overnight, this demand will last for some time even if home building should turn down.

Auto production promises to soar above 750,000 in March, far surpassing the record of June, 1950. First quarter output will approach 2.1 million units, about a third of the total expected for 1955, but uncertainties are multiplying.

In many parts of the country, instalment payment for buyers have been stretched out to three years. This is not regarded as a particularly healthy practice. There must be a drop in auto production in the second half of 1955 and that is certain to be registered in various business activity indices.

The large automobile manufacturers will soon begin to negotiate with the trade unions over the issue of a guaranteed annual wage. A strike against Ford Motor Company and General Motors Corporation is threatened vaguely. Whether walk-outs will develop, nobody really knows. It will depend on the handling of the issues by the negotiators.

Meanwhile, retail sales all over the United States are from 2 to 6 per cent. ahead of last year, varying regionally. Early Easter promotions have spurred business.—*All Rights Reserved.*

QUESTION HOUR IN PARLIAMENT

Mica Price

THE Government has received representatives from the Indian mica industry that the U.S. Government should give the same increase in price for Indian mica as it has given for Brazilian mica. The matter is under Government's consideration.

* * * *

Development of Diamond Mines

The Panna Diamond Mining Syndicate has asked for Russian technical help and advice for the development of diamond mining. The Syndicate's development scheme is said to be progressing and, in the event of development being achieved according to expectations, they would have about 2,000 carats of diamonds per day. A sum of Rs. 7,274-10 has been spent on travelling allowances and contingent expenditure of the officers of the Indian Bureau of Mines who visited diamond-bearing areas in Vindhya Pradesh and South India in connection with the study of the deposits of diamond formations for planning detailed prospecting. No modern machinery had been set up by the Bureau for the prospecting of the diamond fields.

—*Minister for Natural Resources and Scientific Research*

Postal Savings Bank

The system of cheques will be introduced in post office savings bank accounts as early as possible. The Government is advised that, before the cheque system can be introduced in post office savings bank accounts. Section 3 of the Negotiable Instruments Act should be so amended as to include the post office savings bank within the meaning of the term 'banker'. This matter and the settlement of procedural details connected with the introduction of the cheque system are being considered by the Government.

—*Deputy Communications Minister*

Loans to Shipping Companies

A provision of Rs. 832 lakhs has been included in the capital budget for 1955-56 for grant of loans to Indian shipping companies for the purchase/construction of ships. The Government is already committed to pay during 1955-56 a sum of Rs. 376.18 lakhs to Messrs. Scindia Steam Navigation Co., Ltd., Bombay, and Rs. 198.40 lakhs to the India Steamship Co., Ltd., Calcutta, representing the balance of the loans already promised to these companies. It is not definitely known at this stage which other companies will come forward for such loans during the ensuing year, but it is expected that the entire budget provision will be utilised.

—*Deputy Minister for Railways and Transport*

Survey of Bundelkhand and Vindhya Pradesh

The Geological Department has recently made a survey of Bundelkhand and Vindhya Pradesh. The survey work is still in progress. So far, this work has covered only a few parts of these areas. Uranium, monazite, etc., have been found in very small quantities. Only one new deposit of beryl ore had been discovered in the Srikakulam district of Andhra State. The survey work in that area is in progress.

* * * *

India's Financial Contribution to U.N.O.

The amounts of contribution made by India to the United Nations Organisation are: 1946—Rs. 26,03,300 ($786,507); 1947—Rs. 35,89,000 ($1,084,275); 1948—Rs. 45,34,600 ($1,370,571); 1949—Rs. 43,55,500 ($116,157,952); 1950—Rs. 50,45,000 $1,059,552); 1951—Rs. 66,17,200 ($1,389,615); 1952—Rs. 70,37,000 ($1,477,760); 1953—Rs. 68,89,900 ($1,446,878) and 1954—Rs. 63,43,705 ($1,332,178). For the year 1955, a sum of $1,226,089 (Rs. 58,38,562) has been computed as India's contribution.

—*Prime Minister*

Loan From I.M.F.

India purchased in exchange for rupees $99.98 million. The equivalent of $72.4 million has been repurchased so far.

—*Finance Minister*

Export Promotion Councils

The Export Promotion Councils, namely, the Cotton Textiles Export Promotion Council and the Silk and Rayon Textiles Export Promotion Council, were set up during the financial year 1954-55. The functions of the Councils were to undertake market studies, sent out trade delegations, appoint representatives in foreign markets, conduct propaganda and disseminate information to manufacturers and traders. The Councils are also to advise Government on standards and schemes for inspection of goods for export, investigate complaints, advise exporters in adopting methods for obviating such complaints and arbitrate in the settlement of disputes. The Cotton Textiles Export Promotion Council draws its funds from the Cotton Textile Fund. The Cotton Textile Fund Committee had decided to grant Rs. 5 lakhs to the Council during 1954-55. The Government has paid Rs. 12,000 to the Silk and Rayon Textiles Export Promotion Council and the industry has contributed Rs. 6,000.

—*Minister for Commerce*

Industrial Training Centres

The Union Ministry of Labour is running 55 industrial training centres in the country. The expenditure so far incurred on the centres is Rs. 49,30,927 (based on 1952-53 actuals). The number of persons who completed training in 1951 in vocational trades only was 1,767; in technical and vocational trades in 1952 and 1953, 6,755 and 7,215 respectively, and of those in vocational trades only in 1954, 1,572.

—*Deputy Minister for Labour*

SHORT-TERM MONEY RATES UNCHANGED

(*From Our Own Correspondent*)

BOMBAY, *6th April*

Conditions in the short-term money market continued to be stringent during the week under review also. The seasonal demand for funds gathered further momentum, with the result that banks were very keen borrowers as in previous weeks and money rates held their ground. In the inter-bank section, business was on a very attenuated scale owing to paucity of funds. Inter-bank call money rate was, therefore, stagnant at 3 per cent. Short-term deposits for one to six months were also bid at the self-same rate of 3 per cent., as were house money.

As was announced last week, there was no sale of Government of India three months' Treasury Bills this week, in view of the intervening holidays. Tenders have, however, been invited for Rs. 1 crore for the next week.

A sharp expansion of Rs. 14.50 crores in notes in circulation is disclosed by the statement of affairs of the Reserve Bank of India for the week ended 1st April, 1955, as compared with that for the previous week. Notes held in the Banking Department are lower by Rs. 4.68 crores, so that total notes issued are higher by Rs. 9.82 crores. This increase in total notes issued has been covered by a decline of Rs. 19.87 crores in foreign securities, an increase of Rs. 29.81 crores in rupee securities and a contraction of Rs. 11 lakhs in rupee coin. In the Banking Department, the deposits of the Central Government have recorded an increase of Rs. 5.57 crores, in contrast to the decline of Rs. 8.50 crores in the previous week, and those of other Governments Rs. 1.33 crores, following the rise of Rs. 41.76 crores in the previous two weeks. Deposits of banks have fallen by Rs. 1.46 crores. On the assets side, there has been a contraction of Rs. 4.79 crores in cash balances and an increase of Rs. 14.61 crores in balances held abroad. There has been no change in loans and advances to Governments, but other loans and advances are up by Rs. 27 lakhs. Of these loans and advances, outstanding advances to Scheduled banks show a fall of Rs. 1.07 crores, though there have been fresh borrowings to the extent of Rs. 3.84 crores. Investments have declined by Rs. 1.60 crores.

The consolidated statement of position of the Scheduled Banks for the week ended 25th March, 1955, as compared with that for the previous week, discloses some notable features, such as a sizable increase in the banks' deposits, a decline in their borrowings from the Imperial Bank and a fall in their advances by way of loans, cash credits and overdrafts. These changes are somewhat anomalous in the context of the busy season which is in full swing for some weeks past. The changes in the other portfolios are, however, in consonance with the seasonal pattern.

Demand deposits of banks show an increase of Rs. 2.23 crores and time deposits Rs. 1.08 crores. No worthwhile variation is noted in borrowings from banks, but a rise of Rs. 1.64 crores is disclosed by borrowings from the Reserve Bank. Borrowings from the Imperial Bank are lower by Rs. 1.67 crores. Advances disclose a fall of Rs. 1.79 crores, while inland bills purchased and discounted have risen by as much as Rs. 7.43 crores and foreign bills purchased and discounted by Rs. 1.92 crores. A decline of Rs. 1.79 crores is seen in investments. Cash on hand and balances with the Reserve Bank together account for a fall of Rs. 22 lakhs, balances with other banks in current account for Rs. 16 lakhs and money at call and short notice for Rs. 67 lakhs.

The Gilt-edged market ruled dull during the week under review, with insignificant demand. The undertone, however, remained fairly steady in the absence of large-scale offerings. The volume of business was thin. 3 per cent. 1957 had some business at Rs. 99-4, at which rate the reserve Bank was a buyer against switches. 3 per cent. 1958 was unchanged at Rs. 99-3. 3 per cent. 1959-61 had buyers at Rs. 97-5½ and sellers at Rs. 97-6. 3 per cent. 1963-65 had enquiries at Rs. 93-10½ and 3 per cent. 1964 stood at Rs. 93-10. 3 per cent. 1966-68 was on offer at Rs. 90-7 *ex-voucher*. 3 per cent. 1970-75 was placed at Rs. 86-15. 3 per cent. 1986 Conversion Loan was placed an anna lower at Rs. 80-9 on lack of enquiries. 3½ per cent. 1961 National Plan Bond was in demand at Rs. 99-8½, but sellers wanted Rs. 99-9. 3½ per cent. 1964 National Plan Loan was changed at Rs. 98-8, the price at which Reserve Bank was seller.

In the foreign exchange section, the rupee-U.S. dollar rates were unchanged during the week under review. Sterling, on the other hand, gained strength slightly in terms of the dollar. Thus, in New York, spot sterling advanced from $79⅝—2.79⅞ to $2.79.7/16—2.79.9/16, three months forward from $2.78.5/16—2.78.7/16 to $2.78.7/16—2.78.9/16 and transferable sterling from $2.76¾—2.76⅞ to $2.76½—2.76⅞.

LINSEED EASY

(*Messrs. A. Bradley & Co.*)

CALCUTTA, *4th April*

The general undertone of the linseed market during the latter part of the week has been easier, with a notable decline in prices. There have been keener offerings of new crop supplies from upcountry and arrivals somewhat better. A small daily turnover is reported, chiefly for ready goods. Demand for forward delivery has been small despite lower offers. Less activity is recorded in the oil section and *overseas markets are at present very* quiet.

Latest available quotations are: Ready Rs. 16 and April-May Rs. 15-8 per maund.

FURTHER RESTRICTION ON RAYON YARN IMPORTS

(*From Our Own Correspondent*)

BOMBAY, *6th April*

Much confusion prevailed in the rayon yarn market during the week under review. This followed the Press note with regard to import of rayon yarn issued by the Joint Chief Controller of Imports last week. The Press note says: "In order to prevent any circumvention of the restrictions on imports of art silk yarn of 120 and 150 deniers produced indigenously, it is considered necessary to enlarge the range of restrictions (viz. 101 to 119 deniers), and it has been decided that licences for art silk yarn issued hereafter should not be made valid for import of yarn of deniers 110 to 160 both inclusive." This Press note was interpreted in two ways. One section thought that the extention of the ban on imports would not cover 120 and 150 deniers which continue to be imported on the basis of 10 per cent. and 25 per cent. licences, respectively. Another section, however, felt that the extension of the ban would include those deniers as well. Thanks to the confusion arising from these interpretations, business in the rayon yarn market was practically at a standstill, as operators preferred to await clarification of the Government's policy. In a communication addressed to the Controller of Imports, the Bombay Yarn Merchants Association and Exchange Ltd. has sought for this clarification.

Rayon yarn (150D) for April delivery remained unaltered at Rs. 731. The spot section depicted a firm trend due to enlargement of the range of restriction on imports of foreign rayon yarns. Owing to better demand from silk weaving mills and limited arrivals, prices of rayon yarn registered handsome improvement. 150 Japan rallied As. 4 to Rs. 4-4. 120 Japan advanced by As. 2 to Rs. 4-3. 120 Japan rose by an anna and a half to Rs. 3-14-6. 150 Italy was higher by an anna at Rs. 3-14.

The staple fibre yarn section ruled quiet, thanks to reports of reduced demand for staple fibre yarn by mills. Such reports had an unsettling effect on the market and staple fibre yarn prices tended to decline. In the forward section, staple fibre yarn (40 x 2) for April delivery receded from Rs. 581 to Rs. 577. May delivery was quiet at Rs. 578 today. In the spot section (40 x 2), Aurora among foreign yarns shed half an anna to Rs. 3-15-6. Among indigenous yarns, Kohinoors fell by an anna and a half to Rs. 3-5. Citys were lower by half an anna to Rs. 3-3-6. New Greats eased by three pies to Rs. 3-1-6.

The cotton yarn market presented a bearish trend this week too, thanks to reduced offtake and renewed weakness in raw cotton prices. There was pressure of sales and deliveries from several spinning mills, induced by anxiety to secure increased export quotas. The pressure was so great that some of the South Indian mills were reported to have sold their stocks at considerably lower prices. Dealers in the market were, therefore, obliged to liquidate their holdings, while buyers were inclined to limit their purchases. Consequently, cotton yarn prices continued to rule weak.

The table below gives the prices of art silk staple fibre and cotton yarns quoted today, as compared with those eight days before:

	6-4-1955	29-3-1955
	Rs. a.	Rs. a.
Art silk yarn—		
150 D. April	731 0	
120 Japan (per lb.)	3 14½	3 12
150 Japan (per lb.)	4 4	4 0
120 Italy (per lb.)	4 3	4 1
150 Italy (per lb.)	3 14	3 13
Staple fibre yarn—		
40 x 2 March	577 0	579 0
40 x 2 April	578 0	581 0
Suico (per lb.)	4 2½	4 2½
New Great (per lb.)	3 1½	3 1½
Cotton yarn (per bundle of 10 lbs.)—		
20s Modern	13 4	13 5
20s Raghuvamshi	16 12	16 14
30s Madura	21 8	21 12
40s Gokak	24 8	24 8
60s Modern	58 12	59 0
80s Finlay	69 0	70 0

SUGAR DEPRESSED

(*From Our Own Correspondent*)

HAPUR, *2nd April*

The sugar markets continued to rule depressed during the week and prices for mill delivery declined further by As. 6 to As. 8 per maund. The supply position was very easy, due to the release of a further quantity of more than one lakh tons of sugar for free sale by the Government of India. Turnover was on a small scale, as traders preferred to follow a wait and watch policy. The latest prevailing rates for wholesale mill delivery are: Jaswant Rs. 29-4, Simbhauli Rs. 29-8 and Mowana Rs. 29-8. *Khandsari* prices also sagged by about Re. 1 per maund to Rs. 22 to Rs. 25.

There was appreciable advance in the ready *gur* prices during the week, that is, from Rs. 8-4 to Rs. 8-12 quoted last week to Rs. 9-8 to Rs. 10-2 today. These rates are for the second quality, as the best quality is purchased by the State Government at Rs. 10-4 per maund. The local stock is estimated at 109,500 maunds, including about 45,000 maunds owned by the State Government. Arrivals have gone down to about 500 maunds daily. The Government of India's announcement of freely licensing exports of *gur* and the U.P. Government's efforts to arrange exports were the twin factors responsible for this firmness in ready prices. The mills in East U.P. are closing their season, but, in West U.P., the cane is still available and the crushing season is expected to last upto the end of April or even upto the middle of May.

COTTON SLUGGISH

(*From Our Own Correspondent*)

BOMBAY, *6th April*

Since the time of the last report, that is 29th March, 1955, the cotton market has been sluggish. Notwithstanding the reduction in excise duty on coarse and medium cloth, mills continue to be somewhat reluctant to enter into large commitments. The dull conditions in the market are attributed to the disappointment over the inordinate delay in the announcement of an export quota for long-staple cotton. The persistence of the downward trend in spot prices locally as well as upcountry, together with lack of resistance at lower levels, has also acted as an additional damper on the market. Consequently, turnover remains restricted, with values fluctuating within a narrow range, the general tendency being downwards.

The difference between the current quotation for I.C.C. May delivery (Rs. 550) and the floor level (Rs. 495 plus Rs. 25) is very small, being only Rs. 30. Indeed, some traders fear that, even if the Government were to release a large export quota of staple cotton, the possibility of any sizable recovery in values is remote, for, in their opinion, much damage has already been done by the inordinate delay in the announcement of the quota. The fear has gathered further momentum, thanks to lack of any reference, in the Union Commerce and Industry Minister's statement in Parliament yesterday, to any measures designed to stem the rot in the cotton market. The Minister merely said: "The ceiling and the floor prices of raw cotton are altered from time to time, in view of various factors which include prices of other agricultural products, particularly foodstuffs. If the ruling prices of raw cotton go down so much as to be lower than the floor prices, the Government will certainly buy up. But that is more or less a hypothetical proposition, because, as far as can be foreseen, there will be no necessity to invoke the Government's guarantee."

Of much interest to cotton circles is the Central Government's announcement prescribing the procedure for imports of cotton of staple lengths 1-1.1/16" and above from the U.S. The procedure has come into force with immediate effect. This announcement follows the U.S. Foreign Operation Administration's $9 million (Rs. 4.2 crores) cotton authorisation to India. As already stated, cotton will be of staple length 1.1/16" and longer. The contracting period is from 4th April to 31st October, 1955, and the delivery period is from 1st August to 31st December, 1955.

The forward cotton market opened the week with an easy note. The downward trend was somewhat halted on Thursday when, following revival of hopes regarding early grant of export quota, prices staged a recovery which persisted on Saturday too. On Monday again, the market developed an easy trend. The disappointed bulls, who had earlier bought cotton in anticipation of export quota announcement, decided to sell their holdings and bears tried to depress the market. Cotton values, as a consequence, suffered a recession which gathered further momentum today.

I.C.C. May delivery was quoted at Rs. 551 on Wednesday last and receded to Rs. 547 the same day. After recovering to Rs. 533-8 on the 2nd inst., it slipped to Rs. 546-8 today before finishing at Rs. 550-8. I.C.C. August opened lower at Rs. 563, as against Rs. 566-8 last week-end, and fell to Rs. 561. After recovering to Rs. 567 on Saturday, it eased to Rs. 560 today before closing at Rs. 565-4.

The trend of prices during the week under review is indicated below:

	29-3-55	*High*	*Low*	6-4-55
I.C.C. May ...	551½	553½	546¼	550½
I.C.C. August ...	566½	567	560	565½

The spot market remained closed for four days this week. During the three days it was open, the market presented a very dull appearance. Barring Vijay, Kapadganj, Wagad and Berars which evoked some demand, other varieties were neglected. The trend of prices was downward. The latest available quotations from the Sewri market are: Sind *deshi* Rs. 560; Berar Jarilla Rs. 600; Khandesh Rs. 600; Vijay Rs. 700; Oomra *deshi* Rs. 560; Moglai Rs. 525.

The removal of price control on indigenous mill-made cloth, announced by the Pakistan Government on 27th March last, had a salutary effect on the Karachi cotton market which presented a cheerful note this week, in distinct contrast to the depressed conditions which prevailed last week. Mill interests lent good support. There was also some improvement in overseas enquiries. Cotton prices, as a consequence, staged a recovery. N.T.R.G. for May delivery was quoted on Monday at Rs. 66-7 (per 82 lbs.), as against Rs. 65-13 on 28th March, 1955. The latest available quotations for spot cotton are:

Sind *deshi* Rs. 62-8; Punjab *deshi* Rs. 55-8; 4F Punjab R.G. Rs. 65-4; S.G. Rs. 69-12; N.T.R.G. Rs. 67-4 to Rs. 68-4; S.G. Rs. 72-4 to Rs. 73-4; 289F Punjab R.G. Rs. 68-12; S.G. Rs. 73-4.

The seventh auction of the new (1954-55) Sudan cotton is being held at Khartoum today. Total offerings are estimated at 19,167 bales, of which long staple cotton account for 14,967 bales and American Nuba Mountains for 4,200 bales. The results of the auction are awaited with interest. At the last Sudan Gezira Board auction, practically all the new crop cotton offered had to be withdrawn, as no offers were received at the reserve prices. This is attributed to two factors, namely, fears of a deterioration in the quality of cotton and lack of adequate hedge facilities which would appear to have militated strongly against buyers undertaking substantial forward commitments.

The Liverpool cotton futures market experienced nervous fluctuations in prices, the general tendency being downwards. Easy advices from New York resulted in a weakening of new crop position. There was practically no offtake for small offerings

which came into the market against hedge sales of outside growths. The latest available quotations from the market are: May-June 30.93*d*. July-August 30.38*d*. October-November 29.95*d*. December-January 29.93*d*.

A notable development in the New York cotton market is the statement by the U.S. Secretary of Agriculture, Mr. Benson, to the effect that the Government did not contemplate the grant of a subsidy on exports of U.S. cotton during the marketing year ending July next. The Secretary, however, declined to say what he would do in the ensuing season. Mr. Benson admitted that cotton exports had declined on account of uncertainty over export subsidy. He was considering the possibility of issuing a statement soon "to clear the atmosphere."

During the week under review, the New York cotton market depicted a quiet trend. Operators showed little interest in business, as they preferred to await further development on export subsidy question for the new crop and also action on other farm legislation. Some selling was coupled with the suggestion of cotton State legislators that the national cotton policy should be so modified as to make lint more competitive with rayon and easier to sell in competition with foreign growths. There were, besides, hedging and liquidation. Cotton prices, therefore, tended to look down.

The following are the latest available quotations from the New York market, as compared with those eight days and 14 days before:

(In cents per lb.)

	5-4-55	28-3-55	22-3-55
Spot	34.25	34.30	34.20
May	33.61	33.66	33.61
July	33.81	33.90	33.89
October	33.84	34.01	33.91
December	33.94	34.09	34.02

SILVER MARKED DOWN

(*From Our Own Correspondent*)

BOMBAY, *6th April*

An irregular trend in both silver and gold was noted in the bullion market during the week under review. While silver closed the week on a quiet note, due to bull liquidation and reports of large arrivals of unrefined silver from upcountry centres, gold emerged better, consequent on buying by Calcutta interests in both ready and forward positions and bear covering. Paucity of stocks in Bombay and the widening of backwardation charges, resulting in the application of margin under by-law 33-D were additional factors in inducing a bullish sentiment in the yellow metal.

A notable development of the week was the frequent changes made by the Board of the Bullion Association in its earlier decision to impose a margin of Rs. 500 per bar of silver under by-law 33-D. Following the sanction by the Bombay Government of by-law 33-D referred to in these columns last week, the Board imposed on 29th March a margin of Rs. 500 per bar on all outstanding purchases in silver in the *Chaitra* settlement, as the immediately succeeding forward contract was quoted on that day more than Rs. 2 below the current forward contract. The imposition of such margin was given retrospective effect on transactions prior to 25th March, the day on which the Bombay Government published the above by-law in the *Gazette*. On 30th March, however, a section of the bull operators served a legal notice on the Board to the effect that the margin was applicable only on outstanding transactions on or after 25th March and not on prior transactions. In support of their contention, these members quoted the Bombay Government's notification that the by-law would come into force with immediate effect, that is on 25th March. The Board was, however, unwilling to yield to this demand and the issue was, therefore, referred by the Board to the Advocate-General for his legal opinion. The Advocate-General gave an oral opinion to the effect that the Board should not recover margin under the said by-law on transactions prior to 25th March. On the strength of this opinion, the Board modified, late on 30th March, its earlier decision and notified that margin would be levied only on transactions made on or after 25th March.

The members in the opposite camp, however, made representations to the Government of Bombay which, it is reported, took a serious view of the situation. It would appear that the Government Director made it clear at the meeting of the members held on 22nd March that the by-law 33-D would operate with retrospective effect. In the meantime, the Government Director discussed the issue with the Advocate-General placing the Government's point of view. Thereupon, the Advocate-General withdrew his earlier opinion. The Government, it is stated, issued a directive to the Board asking it to impose margin on outstanding transactions prior to 25th March also. Consequent on this, the Board re-modified its earlier modification on the lines of the Government directions, so that its original decision of 29th March became effective. No further action was taken by the dissident bull operators. Most of the bulls preferred to square up their outstanding positions.

Silver for forward delivery (*Chaitra* settlement —8th April) opened the week at Rs. 165-8, as against the previous week's closing of Rs. 166-1, and dropped to a low of Rs. 164-5 on Friday on persistent bull liquidation. At the lower level, there was some bear covering and replacement buying, following the first opinion given by the Advocate-General. Despite the Government's directive stated above, the forward silver gained strength to Rs. 165-12 on Monday, as one of the leading bull operators continued to sit tight on his purchases and exact heavy carry-forward charges from the sellers, although he had to pay heavy margin. Later, however, the forward silver for this settlement gave way under the weight of liquidation by other bulls and closed today at Rs. 164-11.

Forward silver for the *Vaisakh* settlement was marked down from Rs. 163-13 to Rs. 161-14 and *Jeth* settlement from Rs. 161-9 to Rs. 159.

Ready silver (.996 mint) declined from Rs. 167-1 to Rs. 165-11. The floating stocks of silver are estimated at 1,900 bars. The daily average offtake was 10 to 15 bars.

Gold for forward delivery (*Chaitra* settlement —9th April) declined from Rs. 92-7 to Rs. 91-10, in sympathy with silver, but revived to Rs. 92-6 at the close of business on Saturday, on buying by Calcutta operators and covering by bears. As this rate was As. 12 above the closing rate for the next succeeding settlement, the bulls were obliged to pay a margin of Rs. 7 per tola, in terms of the by-law 33-D. The margin was in force throughout the rest of the week, as the backwardation charges stood at As. 12 and above. Persistent buying by Calcutta interests, paucity of stocks in the ready section and the widening of the *badla* charges to As. 13 further helped bullish sentiment and forward gold for the current settlement closed today at Rs. 93-3.

Forward gold for the *Vaisakh* settlement hardened from Rs. 91-13 to Rs. 92-4 and that for the *Jeth* settlement from Rs. 91-4 to Rs. 91-8.

Ready gold gained from Rs. 93-8 to Rs. 94. The floating stocks of gold are reported to be 15,000 tolas. The daily average arrivals were 3,500 tolas, while the offtake was a shade better at 4,000 tolas on an average.

In London, silver remained unchanged almost throughout the week, but declined yesterday by 1½*d*. per fine ounce, spot silver dropping from 77*d*. to 75½*d*. and forward silver from 76¾*d*. to 75¼*d*., evidently in sympathy with the decline in New York silver price on Monday last. After moving between £12 11*s*. and £12 11*s*. ½*d*. dropped yesterday to £12 10*s*. 9½*d*. In New York, silver held its ground at 88¼c. till Saturday last, but, on Monday, declined to 87 cents, which level was maintained yesterday also.

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

	6-4-55	Highest	Lowest	29-3-55
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	94 0	94 3	92 10	93 8
Forward*	93 3	93 6	91 10	92 7
Sovereign	59 8	59 8	59 6	59 8
SILVER				
Ready (.996 fine Mint) ..	165 11	168 12	165 5	167 1
Forward†	164 11	165 12	164 5	166 1
London Silver Ready ..	76¾*d*.	77*d*.	75½*d*.	77*d*.
London Forward	75½*d*.	75¼*d*.	75*d*.	76¾*d*.
London Gold	250s. 9½*d*.	251s. 3*d*.	250s. 9½*d*.	251s. 0*d*.
New York Ready	87c.	88c.	87c.	88½c.

* 8th April settlement.
† 9th April settlement.
N.B.—Foreign bullion prices shown in the above table relates to the previous day.

OILSEED EASY

(*From Our Own Correspondent*)

BOMBAY, *6th April*

The oilseeds and oils market experienced a generally easy trend during the week under review. This was particularly pronounced in the linseed section, on discouraging overseas advices for linseed oil. The rate for linseed oil in the U.K. and the Continent was quoted at £79 per ton, as against £80 in the previous week. The groundnut section also was quiet on reports of good arrivals. Besides, Burma was quoting lower at Rs. 1,250 per ton of groundnut oil, as compared with Rs. 1,275 per ton a week back, that is a decline of Rs. 25 per ton. The performance of the castor oil section too was also not encouraging. The *kardi* and *nigerseed* sections proved no exception to the generally easy trend. As a result, business done in the market was limited and the list of prices of oilseeds and oils, as a whole, disclosed sizable losses over the week.

In the groundnut section Bold F.A.Q. lost As. 6 to Rs. 20. April-May delivery suffered As. 2 to Rs. 20 and June-July As. 14 to Rs. 20-14. Khandesh quality declined from Rs. 20-8 to Rs. 20-6. Groundnut ex-mill was lower at Rs. 10-15, as against Rs. 11-4. May delivery eased by an anna to Rs. 11.

The Bombay Oilseeds Exchange has, in a communication addressed to the Chief Controller of Exports, New Delhi, has requested the Government of India to extend the period of shipment of groundnut oilcake and deoiled groundnut meal from 15th May, 1955, upto the end of July, 1955. The communication states that these cakes are generally used as cattle fodder in autumn and winter and, therefore, they are generally bought after summer.

Bold ready, in the linseed section, eased from Rs. 21-4 to Rs. 20-4. April-May was down by As. 10 at Rs. 20. Sutna small receded from Rs. 19-11 to Rs. 18-12. Linseed oil declined from Rs. 12-8 to Rs. 12-6.

May futures, in the castorseed section opened at Rs. 71-12, as against Rs. 72-2. Thereafter, it fluctuated between Rs. 73 and Rs. 71-10. Among readys, F.A.Q. was quiet at Rs. 13-12 and Madras quality at Rs. 13-14. Castor oil Commercial, lost As. 6 to Rs. 8-4. First Pressure was also lower by a similar amount at Rs. 8-12.

Among others, *kardi* Bold lost As. 6 to Rs. 10-8 and *niger* Madras Re. 1-6 to Rs. 16-15.

The Grain and Oil Merchants Association has urged the Central Government, in the coarse of a communication addressed to the Ministry of Commerce and Industry and the Ministry of Finance to allow free exports of *niger* and *kardi* seeds. The Association says:

"Price of *nigerseed* on 1st November, 1954, was Rs. 22-4 per cwt., while the present price is Rs. 16 per cwt. Similarly the price of *kardiseed* was Rs. 14-12 per cwt. on 1st November, 1954, and the present price is Rs. 10-12 per cwt. Thus, the fall today represents nearly 33 per cent. due to not allowing export of these commodities. By stopping the export of these commodities, the Government is not only losing revenue but foreign exchange too and the agriculturists losing in prices. In spite of export duty of Rs. 7-8 per cwt. on these commodities, there is good demand for the same in foreign countries. The Government policy is to encourage export, but the policy hitherto followed, namely, allowing periodical exports in aforesaid commodities, has failed to achieve the objective, which the Government has in view. On the other hand, because of not allowing the export of the same, India is gradually losing foreign markets in these commodities. Production in these oilseeds is higher than last year. Government, therefore, in view of the changed present day condition of the trade, is requested to allow free export of *nigerseed* and *kardiseed*."

The following table shows the price of oilseeds and oil today, as compared with those at the end of the previous two weeks.

	5-4-1955	29-3-1955	22-3-1955
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	20 6	20 8	21 0
April-May	20 0	21 2	20 10
Linseed—			
Bold Ready (per cwt.) ..	20 4	21 4	21 0
April-May	20 0	20 10	20 0
Castorseeds—			
May, 1955	71 10	72 2	70 8
Madras (per cwt.)	13 14	13 14	13 12
Groundnut oil—			
Ex-mill Ready (per quarter) ..	10 15	11 4	11 7
Castor Oil—			
Commercial (per quarter) ..	8 4	8 10	8 14
Linseed Oil—			
Ready	12 6	12 8	12 5

SUGAR PRICES RECEDE

(*From Our Own Correspondent*)

BOMBAY, *6th April*

The distinctly easy conditions prevailing in the sugar market during the week ended 23rd March, 1955, gathered further momentum in the two subsequent weeks. The easiness was due to two important bearish factors, namely, reduction in the price of East German sugar by Re. 1-1 per maund (or Rs. 2-12 per bag), that is, from Rs. 30-8 to Rs. 29-7 per maund, and lowering of the minimum quantity for tender purposes from 60 tons to 20 tons. The Union Food Ministry's move to store imported sugar in centres like Nagpur, Akola, Ahmedabad, Indore, etc., and to sell it in these centres at the same prices as those prevailing at ports also acted as a damper on the market. Report of a fall in ex-mill quotations from Kanpur was another unhelpful factor. All these factors induced selling in the sugar market and prices continued their downward march during the fortnight under review.

*

Sugar for *chaitra* delivery, which stood at Rs. 84-7 on 23rd March last, was quoted lower at Rs. 83-8 today. The delivery is expected to be squared up at this level tomorrow. *Vaisakh* delivery receded from Rs. 84-4 two weeks ago to Rs. 83 today.

In the spot section, large grain indigenous sugar was done at Rs. 92-Rs. 102, as against Rs. 92-Rs. 103 on 23rd March. Medium grains were quoted at Rs. 88-8 to Rs. 89. Among foreign sugars, East German sugar dropped As. 12 to Rs. 81-8 per bag of 220 lbs. Deals in French sugar were put through at Rs. 82-Rs. 84 per bag of 220 lbs., as against Rs. 83-Rs. 84. Cuban and Czechoslovakian sugars were quiet at Rs. 91-12 (250 lbs.) and Rs. 85-Rs. 88 (220 lbs.), respectively. British refined sugar, however, elicited some support and gained As. 4 to Rs. 83-4 per bag of 224 lbs.

As already noted, the minimum quantity for which any sugar trader may submit tenders has been reduced from 60 tons to 20 tons. This decision of the Government was a sequel to slackness in demand and heavy accumulation of stocks. With the reduction in the minimum, even small consumers now have the benefit of direct purchase at Government prices. Another notable decision announced by the Government is the reduction of Re. 1-1 per maund in the price of East German sugar. It will be recalled that, following the upward revision in excise and import duty on sugar, the Central Food Ministry raised the issue price; the increase, however, was lower by a rupee per bag as compared with the increase in excise duty on indigenous sugar. With the reduction of about Rs. 2-12 now effected, the disparity in prices of indigenous sugar and imported varieties has been widened to Rs. 3-12 per bag. Such a wide disparity, it is considered, is bound to affect indigenous sugar prices adversely. For it is argued that, with less than ten weeks left for the monsoon to break, there will be a serious scramble by northern millers to sell their huge releases. The modified f.o.r. destination system for distributing imported sugar is also considered to be another factor which would force the millers to cut down their quotations substantially. In the circumstances, some trade circles anticipate a consistently steep fall in sugar prices till the end of May next.

N.B.—The rates for Indian sugars are inclusive of sales tax, while those for foreign sugars are exclusive of the tax.

(*Continued on page 711*)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	25th Mar., 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation.	172.44	1,277.09	1,277.18	1,241.99	1,185.92
Notes held in Banking Department ..	25.05	15.92	15.28	12.57	17.23
Foreign Securities ..	39.50	646.85	643.87	663.15	648.15
Rupee Securities ..	37.39	503.95	507.43	447.74	421.34
Banking Department					
Deposits of:					
Government of India	14.89	59.45	67.95	51.88	65.77
Other Governments.	..	60.27	53.42	22.68	62.59
Balances held abroad	10.06	88.15	88.77	65.50	104.82
SCHEDULED BANKS					
Demand Liabilities .	134.37	574.37	572.23	588.07	528.80
		(6.98)†	(7.07)†	(9.80)†	(8.98)†
Time Liabilities ..	102.84	576.88	575.80	570.62	527.57
		(1.56)†	(1.56)†	(2.43)†	(1.88)†
Borrowings from Reserve Bank ..	..	37.07	35.43	12.81	31.00
		(28.25)‡	(24.42)‡	(6.44)‡	(17.50)‡
Borrowings from Imperial Bank ..	..	8.07	9.75	7.32	11.50
Cash in India ..	6.71	31.61	32.41	32.52	32.07
Balances with Reserve Bank ..	25.23	46.18	45.61	46.76	40.83
Excess over statutory limits ..	15.52	10.13	9.48	9.95	7.83
Balances with other banks in current account in India ..	..	9.88	10.04	9.62	10.34
Money at call and short notice in India ..	..	11.36	12.03	17.96	9.40
Investments (at book value) ..	..	344.17	345.89	352.31	318.87
Advances and bills .	105.09	622.57	615.00	589.43	588.19*
IMPERIAL BANK					
Deposits ..	87.76	224.12	224.70	236.95	208.35
Investments ..	51.99	105.46	105.67	109.21	91.14
Advances ..	80.37	128.99	127.87	120.17	124.68
Cash ..	14.69	18.41	18.21	17.74	14.70

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes foreign bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	Week ended 1st April, 1955		Week ended 25th March, 1955	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,40,888	63,86,71,000	2,39,925	57,40,95,000
Calcutta ..	1,69,928	75,57,59,585	1,59,787	62,25,94,184
Madras ..	95,889	12,22,95,889	69,950	8,14,80,889
All Centres—				
1955 ..	..	..	1,14,83,214	26,45,05,08,000
1954 ..	..	..	3,40,72,000	70,64,29,00,000
Dec., 1954 ..	..	..	29,95,000	6,64,08,00,000
Jan., 1955 ..	..	..	29,43,000	6,22,74,00,000

Reserve Bank of India

Statement of Affairs for the week ended 18th Mar., 1955

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up ..		5,00,00,000
Reserve Fund ..		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government ..		67,95,30,000
(2) Other Governments ..		53,42,23,000
(b) Banks ..		47,71,65,000
(c) Others ..		22,07,70,000
Bills Payable ..		4,40,07,000
Other Liabilities ..		25,60,07,000
Rupees ..		231,17,22,000
ASSETS	Rs.	Rs.
Notes ..		15,27,90,000
Rupee Coin ..		17,75,000
Subsidiary Coin ..		6,04,000
Bills Purchased and Discounted—		
(a) Internal ..		48,55,000
(b) External ..		—
(c) Government Treasury Bills ..		6,22,75,000
Balances held abroad* ..		88,76,91,000
Loans and Advances to Governments ..		52,00,000
Other Loans and Advances ..		46,32,35,000
Investments ..		50,17,15,000
Other Assets ..		21,16,82,000
Rupees ..		231,17,22,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 24,41,50,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 82,15,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.	Rs.
Notes held in the Banking Department ..	15,27,90,000		
Notes in circulation ..	1277,17,56,000		
Total Notes issued ..			1292,45,46,000
Total Liabilities ..		....	1292,45,46,000
ASSETS	Rs.		Rs.
A. Gold Coin and Bullion			
(a) Held in India ..	40,01,71,000		
(b) Held outside India ..			
Foreign Securities ..	648,36,99,000		
Total of A ..			688,38,70,000
B. Rupee Coin ..			101,64,16,000
Government of India Rupee Securities ..			507,42,60,000
Internal Bills of Exchange and other commercial paper ..	....		....
Total Assets ..	....		1292,45,46,000

Ratio of Total of A to Liabilities: 52.875 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 25th March, 1955

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India ..	6,98,13,000†
(ii) Other demand liabilities ..	567,39,24,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India ..	1,55,54,000†
(ii) Other time liabilities ..	575,35,26,000
3. Borrowings in India from the Imperial Bank of India:	
(i) Demand liabilities ..	8,06,82,000
(ii) Time liabilities ..	31,000
4. Cash in India ..	31,61,35,000
5. Balances with the Reserve Bank in India ..	46,18,24,000
6. Balances with other banks in current account in India ..	9,88,05,000
7. Money at call and short notice in India ..	11,35,75,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	844,17,23,000
9. Advances in India ..	512,38,60,000
10. Inland Bills purchased and discounted in India	77,58,10,000
11. Foreign Bills purchased and discounted in India ..	32,66,77,000

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

EXCHANGE RATES

	4th April, 1955	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot. s.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months .. s.	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months .. s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months .. s.	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	479½	479½
Buyers T.T. .. Rs.	476½	476½
London on New York.. $	2.79½-2.79¾	2.79½-2.79¾
London on Paris .. Fcs.	976-977	976½-977
London on Berne Sw. Frs.	12.28½-12.28¾	12.28½-12.28¾
New York on London.. $	2.79½-2.79¾	2.79½-2.79¾

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India† ..	'51-'52	359.83	..	9,990	274.5
Pakistan ..	1949	75.04	..	1,671	223
Burma ..	1952	18.86	Kyats 3,556	356	188
Ceylon ..	1952	8.16	..	443	541
Japan ..	1952	85.50	Y. 5,283,400	7,014	820
Philippines ..	1952	21.02	Pe. 7,375	1,654	787
New Zealand ..	1952	2.05	£ (N.Z.) 727	969	4,727
Australia ..	1952	9.13	£ (A) 3,521	3,541	4,207
U.K. ..	1952	50.86	£ 14,719	19,625	3,858
U.S.A. ..	1952	159.62	$ 305,000	146,750	9,196
Canada ..	1952	14.78	$ 19,043	8,407	5,688
France ..	1952	42.55	F.Fr. 10,197,000	14,018	3,321
W. Germany ..	1952	46.99	Dm. 108,000	11,705	2,389
Italy ..	1952	47.02	Lr. 8,967,000	6,832	1,453
Norway ..	1952	3.26	Kr. 16,861	1,132	3,260
Sweden ..	1952	7.17	Kr. 26,957	3,422	4,772
Netherlands ..	1952	10.49	Grs. 19,360	2,451	2,336
Denmark ..	1952	4.37	Kr. 22,484	1,551	3,578
Switzerland ..	1952	4.85	Sw.Fr. 20,000	3,286	4,584

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, September, 1954.
† Estimates are based on the first issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 18th March, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up ..	3,00,06,000
Reserve Fund ..	3,00,00,000
Deposits:—	
(a) Central Government ..	29,97,59,000
(b) Provincial Governments ..	87,94,000
(c) Banks ..	11,10,27,000
(d) Others ..	4,05,08,000
Bills Payable ..	17,05,000
Other Liabilities ..	3,54,58,000
Rupees ..	55,72,44,000
ASSETS	Rs.
Notes ..	7,97,17,000
Rupee Coin ..	7,000
Subsidiary Coin ..	12,000
Bills Purchased and Discounted:—	
(a) Internal ..	....
(b) External ..	....
(c) Government Treasury Bills ..	....
Loans and Advances to Governments	4,39,00,000
Provincial Governments' Debtor Balances	2,38,88,000
Other Loans and Advances ..	16,15,20,000
Investments ..	15,11,13,000
Other Assets ..	8,70,87,000
Rupees ..	55,72,44,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.	Rs.
Notes held in the Banking Department ..	7,97,17,000		
Notes in circulation ..	245,50,52,000		
Total Notes issued ..			253,47,69,000
Total Liabilities ..			253,47,69,000
ASSETS	Rs.		Rs.
I A. Gold Coin and Bullion ..	7,91,42,000		
Silver Bullion ..			
Sterling Securities ..	89,72,81,000		
Government of India Securities ..	21,41,41,000		
India Notes representing assets receivable from the Reserve Bank of India ..	29,98,91,000		99,04,55,000
B. Rupee Coin ..	4,80,81,000		
Government of Pakistan Securities ..	145,87,85,000		
Internal bills of exchange and other commercial paper ..	....		150,18,89,000
II. Held with the Reserve Bank of India pending transfer to Pakistan—			
Gold Coin and Bullion ..	19,02,000		
Sterling Securities ..	3,06,12,000		
Government of India Securities ..	70,10,000		
Rupee Coin ..	29,51,000		4,24,75,000
Total Assets ..			253,47,69,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 40.68 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina ..	1st Mar., 1936	..	3½
Austria ..	3rd June, 1954	4	3½
Belgium ..	20th Oct., 1953	3	2½
Bolivia ..	30th Sept., 1950	5	6
Canada ..	15th Feb., 1952	2	1½
Ceylon ..	11th June, 1954	3	2½
Chile ..	13th June, 1935	4	4½
Colombia ..	18th July, 1933	5	4
Costa Rica ..	1st Feb., 1950	3	4
Denmark ..	22nd June, 1954	4½	5½
Ecuador ..	13th May, 1948	7	10
Egypt ..	15th Nov., 1952	3½	3
El Salvador ..	22nd Mar., 1950	4	3
Finland ..	16th Dec., 1951	7½	5½
France ..	2nd Dec., 1954	3½	3
Greece ..	1st Jan., 1954	13	10
India ..	15th Nov., 1951	3	3½
Indonesia ..	1st April, 1946	4	3
Ireland ..	25th Mar., 1952	3½	3½
Italy ..	6th April, 1950	4½	4
Japan ..	1st Oct., 1951	5.11	5.84
Mexico ..	4th June, 1942	4	4½
Netherlands ..	7th April, 1953	3	2½
New Zealand ..	26th Nov., 1954	3½	4
Norway ..	14th Feb., 1955	2½	3½
Pakistan ..	1st July, 1948	..	3
Peru ..	18th Nov., 1947	5	6
Portugal ..	12th Jan., 1944	3	2½
South Africa ..	27th Mar., 1952	3½	4
Spain ..	1st July, 1954	4	3½
Sweden ..	30th Nov., 1953	3	2½
Switzerland ..	26th Nov., 1936	4	1½
Turkey ..	26th Feb., 1951	3	4
United Kingdom ..	24th Feb., 1955	3½	4½
U.S.S.R. ..	1st July, 1936	3	4
U.S.A. ..	16th April, 1954*	1½	1½
West Germany ..	30th May, 1954	3½	3

* Effective in 12 of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January, 1954	January, 1955	Ten months, April to Jan., 1953-54	Ten months, April to Jan., 1954-55
Import Duties:				
Revenue ..	9.64	22.08	93.26	112.14
Protective ..	0.58	0.60	5.11	6.31
On surplus disposals	—	—	0.20	0.13
Total import duties	10.22	22.68	97.57	118.58
Export Duties ..	2.72	4.66	33.23	32.45
Land Customs ..	0.21	0.14	1.59	1.57
Miscellaneous ..	0.05	0.09	0.61	0.90
Gross total customs ..	13.20	27.57	132.99	153.50
Refunds and drawbacks	0.14	0.16	1.64	1.27
Net Customs ..	13.06	27.41	131.35	152.23
Gross excise ..	8.64	9.41	77.71	85.13
Refunds ..	0.09	0.07	0.82	1.49
Net Excise ..	8.55	9.34	76.89	83.69
Net total of customs and excise ..	21.61	36.75	208.24	235.92

† Net Customs plus net Excise.

Imperial Bank of India

Statement of Affairs for the week ended 18th Mar., 1955

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 50C each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid ..	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares ..	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves ..		6,35,00,000
Deposits and other Accounts ..		224,70,91,000
Borrowings from other Banking Companies Agents		12,50,00,000
Bills Payable ..		4,50,78,000
Bills for Collection being Bills Receivable as per contra ..		42,52,000
Acceptances, Endorsements and Other Obligations as per contra ..		95,000
Other Liabilities (including Inter-Office Adjustments) ..		2,57,47,000
Total .. Rs.		256,99,43,000
PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		14,83,48,000
Balances with other Banks ..		8,57,96,000
Money at Call and Short Notice ..		1,00,00,000
INVESTMENTS—		
Government and other Trustee Securities ..	93,91,03,000	
Other Authorised Investments ..	11,76,41,000	
Advances—		
Loans, Cash Credits and Overdrafts, etc. ..	108,09,26,000	
Bills Discounted and Purchased..	24,78,19,000	
Bills Receivable being Bills for Collection as per contra ..		127,87,45,000
Consents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		42,52,000
Premises less Depreciation ..		95,000
Furniture and Fixtures less Depreciation ..		1,30,44,000
Other Assets (including Inter-Office Adjustments)		45,01,000
		2,04,15,000
Total .. Rs.		256,99,43,000

Source: Department of Research and Statistics, Reserve Bank of India.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,283	12,806,704
1951 ..	1,071	691,321	8,916,923
1952 ..	963	809,243	8,336,961
1953 ..	772	456,607	5,863,608
December 1953	81	27,625	155,017
January 1954 ..	85	42,823	244,414
February ,, ..	45	26,477	188,411
March ,, ..	67	38,221	216,207
April ,, ..	72	49,193	316,553
May ,, ..	88	38,617	276,216
June ,, ..	99	50,357	259,279
July ,, ..	87	48,066	121,192
August ,, ..	74	53,068	225,154
September ,, ..	106	44,863	447,278
October ,, ..	101	80,311	403,116
November ,, ..	88	41,431	345,811
December ,, ..	81	60,780	475,852
January 1954† ..	84	51,973	325,514
February ,, ..	55	41,351	344,295
March ,, ..	91	54,302	331,419
April ,, ..	101	34,963	207,247
May ,, ..	80	40,079	216,082
June ,, ..	82	51,589	305,078
July ,, ..	122	50,189	277,492
August ,, ..	79	51,090	322,387
September ,, ..	97	50,414	353,578
October* ..	88	41,724	276,294
November* ..	62	25,115	239,701
December ,, ..	85	52,849(a)	259,599(b)

† Figures for 1954 are provisional.
(a) Not known in 6 cases.
* Revised.
(b) Not known in 8 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Units Sold
1948-49 ..	468	4,651.1	3,777.7
1953-54 ..	514	6,301.4	5,134.3
1954-55 ..	548	6,876.8	5,572.7
July 1953 ..	527	538.0	471.0
August ,, ..	529	587.9	468.9
September ,, ..	532	576.5	464.1
October ,, ..	534	582.1	468.7
November ,, ..	537	562.1	454.7
December ,, ..	540	608.0	486.9
January 1954 ..	540	589.7	479.0
February ,, ..	543	551.4	451.4
March ,, ..	548	592.6	483.5
April ,, ..	551	613.3	504.4
May ,, ..	551	639.9	518.5
June ,, ..	560	629.4	510.3
July ,, ..	563	633.4	518.5
August ,, ..	567	635.0	510.5
September ,, ..	569	647.6	523.3
October ,, ..	569	638.5	511.8
November ,, ..	574	656.5	534.0
December ,, ..	579	683.5	558.0

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

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS BANK														
	National Savings Certificates						Savings Bank Deposits		Cash Certificates Defence Savings Certificates and Defence Savings Bank Deposits. Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates §		10-Year National Plan Certificates ‡	
	5-Year†		7-Year ††		12-Year								
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*	Receipts	Outstandings*
1948-49 ..	1,48	76	72	20,40	22,55	55,66	29,91	—	12,81				
1953-54 ..	6,58	65	2,26	23,56	84,17	1,13,35	92,08	—	31,07	7,55	25,64		
1954-55 ..	5,91	1,50	4,25	26,54	1,04,38	1,17,87	1,06,29	—	34,20	6,94	32,11		
January, 1954 ..	6,15	12	2,81	2,06	1,00,45	5,91	1,00,25	—	33,78	50	31,23		
February ,, ..	6,02	11	2,99	2,13	1,02,09	9,49	1,01,89	—	33,97	54	31,73		
March ,, ..	5,91	46	4,36	2,05	1,04,38	10,39	1,06,29	—	34,20	445	32,11		
April ,, ..	5,81	11	4,20	2,18	1,05,94	10,70	1,07,51	—	34,40	70	32,77		
May ,, ..	5,71	10	4,21	1,71	1,07,06	10,08	1,07,13	—	34,57	54	33,26	34	34
June ,, ..	5,62	9	4,22	1,99	1,08,40	10,45	1,08,22	—	34,73	39	33,61	49	83
July ,, ..	5,47	12	4,29	2,27	1,10,18	11,40	1,11,02	—	34,96	46	34,08	76	1,59
August ,, ..	5,36	15	4,30	2,17	1,11,88	10,22	1,13,07	—	35,17	46	34,44	89	2,45
September ,, ..	5,24	19	4,31	2,44	1,13,76	10,33	1,14,32	—	35,34	84	34,94	1,57	4,05
October ,, ..	5,16	11	4,57	1,80	1,15,08	8,98	1,14,86	—	35,48	49	35,33	50	4,55
November ,, ..	5,06	12	4,54	2,25	1,16,76	10,24	1,16,31	—	35,59	37	35,64	53	5,23
December ,, ..	4,96	11	4,48	2,24	1,18,40	11,36	1,18,56	—	35,57	40	35,98	57	5,79
January, 1955 ..	4,88	14	4,76	2,48	1,20,28	10,51	1,20,10	—	35,03	43	36,37	54	6,33
February ,, ..	..	..	..	..	..	..	..	—	..	40	36,74	..	..

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947. † Issued from 1st April, 1948. ‡ Issued from 1st June, 1948 to 30th June 1953. †† Issued from 1st June, 1948. § Issued from 1st February, 1951. ¶ Issued from 10th May, 1954.
Figures from 1948-49 relate to the Indian Union. Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, includes those from the pre-partition holdings of Indian investors.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 27-3-'54	26-2-'55	19-3-'55	26-3-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES ..	89.4	90.6	90.6	90.6
1. Government of India ..	90.3	90.5	90.4	90.4
2. Indian States ..	95.7	96.1	96.1	96.1
3. Municipal, Port Trust, etc.	89.3	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS ..	101.4	100.7	100.6	100.6
1. Electricity ..	102.7	102.1	102.0	102.0
2. Jute ..	98.8	98.8	98.8	98.8
3. Plantations ..	99.6	99.6	99.6	99.6
4. Sugar ..	100.7	99.3	99.0	99.0
5. Coal ..	90.6	90.6	90.6	90.6
6. General Engineering ..	103.3	100.6	100.6	100.6
7. Shipping ..	102.8	100.7	100.2	100.2
8. Others ..	100.7	100.8	100.8	100.8
PREFERENCE SHARES ..	98.2	98.1	97.4	97.4
1. Electricity ..	98.1	97.3	97.2	97.5
2. Cotton ..	85.8	78.5	78.6	78.5
3. Jute ..	88.2	87.7	85.7	85.7
4. Coal ..	92.2	91.9	92.3	92.3
5. Iron and Steel ..	91.6	89.6	89.8	89.9
6. Sugar ..	75.4	82.6	82.5	83.7
7. Paper ..	87.4	90.9	89.7	89.7
8. Plantations ..	90.2	97.7	92.8	93.3
9. Miscellaneous ..	81.1	87.7	85.2	85.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	102.8	113.5	115.8	115.8
a) Financial ..	88.2	89.6	88.7	88.6
1. Banks ..	86.8	85.6	85.4	85.4
2. Insurance ..	101.8	109.1	100.2	107.8
3. Investment Trust ..	77.1	95.1	91.7	92.3
(b) Public Utilities ..	112.2	114.5	114.4	114.5
1. Electricity ..	117.7	124.0	124.3	124.1
2. Shipping and other Transport ..	106.7	99.7	98.4	98.7
3. Railways ..	85.4	87.6	88.3	89.0
(c) Manufacturing Industries.	105.8	116.0	118.7	119.5
1. Cotton, Woollen and Silk ..	102.3	103.1	103.7	103.7
2. Jute ..	98.8	95.0	99.6	100.4
3. Iron and Steel ..	123.7	139.6	149.6	149.0
4. Paper ..	122.8	207.3	222.7	223.8
5. Cement ..	134.8	141.1	148.5	148.7
6. General Engineering.	132.1	161.5	169.9	169.9
7. Sugar and Breweries.	88.5	105.8	101.5	97.5
8. Chemicals ..	111.2	136.1	136.3	135.9
d) Non-Manufacturing Industries ..	109.1	155.9	159.7	161.5
1. Coal ..	76.9	80.7	78.2	78.0
2. Mining and Oil ..	192.3	192.3	196.7	197.6
3. Plantations ..	106.6	185.6	192.8	196.2
4. Miscellaneous ..	93.7	95.7	96.5	96.0
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay ..	89.9	90.1	90.1	90.0
2. Calcutta ..	90.4	90.6	90.5	90.5
3. Madras ..	90.7	90.9	90.9	90.9
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay ..	101.4	99.5	99.1	99.1
2. Calcutta ..	102.2	101.4	101.3	101.3
3. Madras ..	100 0	100.5	100.4	100.5
PREFERENCE SHARES:				
1. Bombay ..	92.6	91.4	91.6	91.7
2. Calcutta ..	85 1	84.8	88.1	83.2
3. Madras ..	89.8	94.1	94.3	94.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay ..	113.3	118.9	119.0	119.0
2. Calcutta ..	94.4	107.6	109.8	109.7
3. Madras ..	100.5	109.3	109.9	110.2
4. Delhi ..	105 1	113.5	119.0	119.2

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	12th Mar., 1955	5th March, 1955	13th Mar., 1954	February, 1955	February, 1954	Percentage of increase (+) or decrease (—) in Feb., 1955 as compared with Feb., 1954	Annual Average 1953	1954
Food Articles ..	297.3	301.1	368.9	304.3	373.3	—18.5	380.8	358 3
Cereals ..	330	344	429	343	435	—21.1	451	404
Pulses ..	231	230	359	238	387	—38.5	494	318
Other ..	250	254	284	261	281	— 7.1	268	298
Industrial Raw Materials ..	418.7	428.9	468.7	438.1	471.4	— 7.5	450.7	447 1
Fibres ..	459	475	453	485	457	+ 6.1	420	444
Oil seeds ..	342	350	518	360	526	—31.6	572	468
Minerals ..	424	393	455	412	444	— 7.2	485	429
Others ..	483	482	404	483	403	+19.9	365	410
Semi-Manufactures ..	334.8	338.7	354.7	339.7	360.1	— 5.7	356.3	355.4
Leather ..	390	398	357	389	397	— 2.0	410	377
Mineral oils ..	221	221	221	221	221	—	224	221
Vegetable oils ..	357	365	472	391	499	—21.6	524	454
Cotton yarn ..	444*	441	448	442	451	— 2.0	441*	454
Metals ..	242	243	237	242	237	+ 2.1	226	239
Oil cakes ..	285	292	418	295	427	—30.9	430	416
Others ..	334	336	305	336	305	+10.2	248	306
Manufactured Articles ..	377.9	377.5 R	372.6	378.8	368.3	+ 2.8	367.0	375.
Textiles ..	422	421	414	421	408	+ 3.2	404	418
Jute ..	479	474	431	477	427	+11.7	398	438
Cotton ..	409*	409*	405*	410*	403*	+ 1.7	407*	413*
Rayon and Silk ..	456*	458*	491*	456*	458*	— 1.5	458*	468*
Woollen ..	310	310	318

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop	Acreage 1953-54 Final	Acreage 1952-53 Final	Outturn 1953-54 Final	Outturn 1952-53 Final
Rice 2nd .. .. tons	68,502‡	71,224†	21,693‡	23,455†
Wheat .. .. .. ,,	26,098	24,295	7,792	7,383
Jowar .. .. .. ,,	42,990	43,339	7,691	7,260
Bajra .. .. .. ,,	28,820	26,550	4,246	3,150
Barley .. .. .. ,,	8,100	8,010	2,721	2,849
Maize .. .. .. ,,	8,802	8,897	2,864	2,823
Ragi .. .. .. ,,	5,472	5,428	1,564	1,238
Small Millets .. .. .. ,,	13,167	12,431	2,183	1,905
Total cereals.. .. .. ,,	210,365	203,149	55,130	49,103
Kharif .. .. .. ,,	176,077	170,854	45,617	38,871
Rabi .. .. .. ,,	34,288	32,295	10,513	10,232
Gram .. .. .. ,,	18,893	18,014	4,551	4,165
Other Rabi Pulses* .. ,,	11,130	11,185	2,075	2,042
Jute .. .. .. bales	1,273†	1,196†	3,153†	3,129†
Cotton (3rd) .. .. ,,	16,116‡	15,010†	3,657‡	3,297†
Sugarcane (2nd) .. tons	3,617‡	3,503†	4,740‡	4,209†
Groundnut .. .. ,,	12,647‡	10,669†	3,823‡	3,573
Linseed .. .. .. ,,	3,359	3,395	355	359
Castorseed .. .. .. ,,	1,353	1,357	107	106
Rape and Mustard Seed .. ,,	5,373	5,199	828	837
Sesamum (3rd) .. .. ,,	5,861‡	5,079†	547‡	534†
Total oilseeds .. .. ,,	27,598	27,661	5,591	4,546
Tobacco .. .. .. ,,	890	895	258	241
Black Pepper .. .. ,,	209	205	22	22
Ginger .. .. .. ,,	47	46	15	14
Dry Chillies .. .. ,,	1,328	1,235	310	284
Potato (2nd) .. .. ,,	645	633	1,657	1,698

Source: Ministry of Food and Agriculture.

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

* Excluding gram and Tur.

‡ Relates to 1954-55. † Relates to 1953-54.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During February, 1955	81.8
	Corresponding month, 1954 ..	68.2
	Eight months ended Feb., 1955 ..	661.2
	Corresponding period, 1954 ..	568.8
Stocks	At the end of February, 1955 ..	83.1
	Corresponding month, 1954 ..	95.4
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 26th February, 1955	6,904
	Corresponding week, 1954 ..	4,886
	From 1st to 26th Feb., 1955 ..	69,889
	Corresponding period, 1954 ..	49,899
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 26th February, 1955	4,210
	Corresponding week, 1954 ..	40,572
	From 1st to 26th Feb., 1955 ..	133 683
	Corresponding period, 1954 ..	236,598
	RAW JUTE	(In 000 bales)
Consumption by Mills† ..	Feb., 1955 (in lakh bales) ..	4.75
	Corresponding month 1954 ..	3.96
	Eight months ended Feb., 1955 ..	38 85
	Corresponding period, 1954 ..	32.99

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1955 ..	11,58,000	10,61,900	7,91,600
Do. 31st March, 1954 ..	11,54,000	10,70,200	7,80,000
Eleven months ended Feb., 1955	10,39,400	9,53,600	7,15,100
October 1954	99,500	94,000	68,500
November ,, ...	1,00,300	95,800	68,400
December ,, ...	1,01,400	98,100	71,700
January 1954	1,02,900	99,900	71,400
February ,, ...	92,700	84,500	63,500
September ,, ...	86,300	82,400	62,300
October ,, ...	96,500	89,200	68,500
November ,, ...	98,900	90,500	68,000
December ,, ...	1,06,800	95,000	73,800
January 1955	1,02,500	95,800	72,700
February ,, ...	93,500	84,600	63,900
Indian Iron and Steel Co.			
Year ended 31st March, 1955 ..	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954 ..	5,50,020	3,49,930	2,92,440
Nine months ended Dec., 1954	5,50,541	3,54,412	3,40,957
April 1953	52,210	30,930	19,000
May ,, ...	57,810	32,350	19,700
June ,, ...	36,782	23,940	13,020
Three months ended Sept., 1953	83,290	18,850	11,640
April ,, 1954 .. Dec., 1953	1,81,830	1,15,300	1,05,940
May ,, ...	61,950	41,070	37,600
June ,, ...	62,450	35,640	35,260
Three months ended Sept., 1954	1,80,018	1,29,741	1,12,861
,, ,, .. Dec., 1954	1,88,058	1,86,801	1,20,616

FOREIGN TRADE OF INDIA

Particulars	December, 1953 Rs. (lakhs)	December, 1954 Rs. (lakhs)	Nine months, April to Dec., 1953 Rs. (lakhs)	Nine months, April to Dec., 1954 Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	3.22	10.26	83.65	69.75
Raw materials	11.70	12.29	131.42	145.89
Manufactures	22.41	23.84	201.48	223.11
Other items	.85	.85	2.90	2.31
Total ..	37.68*	46.74*	419.45*	440.86*
By land	1.76	2.31	17.37	16.02
Total Imports ..	39.44	49.05	436.75	456.88
Exports:				
By sea and air—				
Foodstuffs	17.58	24.96	117.69	150.64
Raw materials	10.10	11.63	81.52	77.90
Manufactures	22.69	22.17	187.49	190.21
Other items	.49	.52	3.15	3.49
Total ..	50.86	59.28	389.82	422.24
By land	.94	.65	5.56	4.51
Total Exports ..	51.80	59.93	395.38	426.75
Total Re-exports ..	.29	.87	3.65	3.84
Balance of trade in merchandise	+ 12.67	+ 11.21	— 45.47	— 26.24
Balance of transactions in private treasure	..	..	8	— 1
Total visible balance of trade..	+ 12.67	+ 11.21	— 45.55	— 26.25
Imports:‡				
Total C'wealth countries ..	18.80	17.42	203.98	190.91
Total Foreign countries ..	18.88	29.32	215.47	249.68
Exports:‡				
Total C'wealth countries ..	26.21	33.85	198.53	238.13
Total Foreign countries ..	22.65	25.48	191.29	184.11

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

‡ Excludes Trade by Land.

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (in thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1948-1949 ..	1,132	36,925	104,286	22,364	9,089	2,115	780	172	142	..	..	..
1952-1953 ..	1,168	34,406	128,773	28,539	11,413	2,635	949	171	169	209	169	297
1953-1954 ..	1,179	35,215	120,009	29,365	11,186	2,513	921	154	158	168	190	343
November 1953	87	2,839	9,923	2,366	989	216	64	15	14	17	12	27
December ,, ..	93	2,747	10,990	2,476	989	210	59	16	14	18	14	33
January 1954 ..	94	2,781	11,281	2,531	1,079	203	94	17	20	16	15	32
February ,, ..	101	3,157	10,313	2,274	933	178	76	13	16	14	14	30
March ,, ..	105	3,325	14,383	3,308	1,018	215	83	17	18	12	16	34
April ,, ..	..	..	..	..	953	211	83	20	15	10	15	34
May ,, ..	..	..	..	..	932	215	78	14	15	10	13	32
June ,, ..	..	..	..	..	909	210	71	10	13	7	16	32
July ,, ..	..	..	..	..	935	234	79	11	10	7	13	34
August ,, ..	..	..	..	..	935	245	79	11	9	7	11	31
September ,, ..	..	..	..	..	914	241	66	11	9	12	12	31
October ,, ..	..	..	..	..	938	241	85	13	10	19	15	32
November ,, ..	..	..	..	..	991	226	73	15	13	15	9	34
December ,, ..	..	..	..	..	1,064	229	70	20	14	21	10	36

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway.

† Progressive figures.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 31st Mar., 1955 ..	65,529
	Corresponding week, 1954 ..	67,924
	1st Sept., 1954 to 31st Mar., 1955	949,734
	Corresponding period, 1953-54 ..	990,471
Cotton Exports ..	Week ended 31st Mar., 1955 ..	16,248
	Corresponding week, 1954 ..	9,898
	1st Sept., 1954 to 31st Mar., 1955	203,452
	Corresponding period, 1953-54 ..	191,524
Mill Consumption ..	1st Sept., 1954 to 31st Mar., 1955	743,800
	Corresponding period, 1953-54 ..	723,808
Stock (with exporters, dealers and mills) in Bombay	On 31st Mar., 1955 ..	491,798
	Corresponding date, 1954 ..	541,215
Cotton Exports from Bombay (by sea)	During December, 1954 ..	24,771
	1st Sept., to 31st December, 1954	100,549
	1st Sept., to 31st December, 1953	81,266
Karachi (Pakistan)—		
Receipts	1st Sept., 1954 to 10th Mar., 1955	978,832
	Corresponding period, 1953-54 ..	1,213,868
Exports	1st Sept., 1954 to 10th Mar., 1955	842,772
	Corresponding period, 1953-54 ..	653,282

Particulars	From 1st Sept., 1954 to 28th March, 1955 Bales	From 1st Sept., 1953 to 28th March, 1954 Bales
From Bombay		
Cotton Exports from—		
United Kingdom ..	16,208	11,005
Continent	27,247	20,116
China	1,509	951
Japan	57,091	40,087
U.S.A.	13,192	11,483
Other Countries ..	1,258	1,452
Total to all foreign countries	116,505	94 294
Coastal Ports	79,430	91,143

Period	Quantity (bale of 400 lbs.)
Consumption of Cotton—	
Indian	
Foreign	
Indian	
Foreign	
Indian	
Foreign	
Stocks (Mills and Elsewhere)—	
Indian	
Foreign	
Indian	
Foreign	
Cotton Pressed in India † (in running bales)	

†Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	101½
4 % Bonds	1926-28	68,80,26,000	1960-70	101½
3 % Loan	1938-39	1,16,17,46,000	1968-65	98½
3 % Loan	1950	30,83,10,000	1964	93½
3 % Loan	1948	1,10,17,76,000	1966-68	90½
3 % V. Loan	1944	1,14,06,89,000	1957	99½
3 % Loan	1945	1,16,08,88,000	1970-75	88½
3 % Loan	1945	1,13,65,64,000	1959-61	97½
2½ % Loan	1951	50,85,68,000	1958	99½
2½ % Loan	1946	46,65,07,000	1960	94½
2½ % Loan	1946	57,00,60,000	1961	91½
2½ % Loan	1946	14,77,48,000	1978	82
2½ % Loan	1947	75,86,72,000	1952	92½
2½ % Loan	1948	60,45,01,000	1955	99½
2½% Loan (N.P. Bonds)	1953	75,00,00,000	1961	90½
2½% N.P. Loan	1954	156,75,00,000	1964	98½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,98,86,000	At option of Government after three months' notice. On September, 1966 or later at option of Government after three months' notice.	80½
3 %Loan	1946	248,01,90,000		80½
REPATRIATE STERLING LOANS‡				
4½% Loan	1928	5,85,20,000	1958-68***	108½§
PROVINCIAL LOANS				
3 % Bombay	1942	2,14,23,000	18th Sept. 1955	99½
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	99½
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97½
3 % Bombay	1949	4,00,15,000	1st Aug. 1959	93½
3 % Bombay	1950	3,01,87,700	31st July 1960	94½
3½% Bombay	1951	3,04,06,000	17th Sept. 1962	98½
4 % Bombay	1958	3,00,00,000	1st July 1963	101
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	101
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98½
3½% Cochin	1936	70,09,000	1st June 1956-61	99½
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95½
3 % Madras	1939	1,23,95,800	21st June 1959	94½
3 % Madras	1942	1,23,25,000	16th Sept. 1955	99-10½
3 % Madras	1948	1,25,10,000	14th Sept. 1956	99
3 % Madras	1944	1,07,95,000	16th Aug. 1958	97½
3 % Madras	1945	2,78,44,000	14th Sept. 1960	94½
2½% Madras	1946	3,81,77,200	1st Sept. 1961	91½
3 % Madras	1950	4,38,25,400	31st July 1960	94½
3½% Madras	1951	3,01,49,800	17th Sept. 1962	97½
4 % Madras	1958	5,00,00,000	15th July 1963	100-9½
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100½
3 % Mysore(J)	1930	1,63,44,800	1st Nov. 1955	101½
4 % Mysore(J)	1938	2,65,85,200	1st Dec. 1958-63	101½
3 % Mysore(J)	1936	5,99,72,900	30th April 1956-61	99-6½
3 % Mysore	1947	5,06,06,700	25th Jan. 1958	99-6½
4 % Mysore	1952	3,00,00,000	15th July 1963	100
3 % M.P.	1942	50,00,000	18th Sept. 1955	99
3 % M.P.	1943	50,54,200	14th Sept. 1956	98½
3 % M.P.	1944	52,69,800	16th Aug. 1958	97½
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	92½
3 % M.P.	1950	1,00,28,800	31st July 1960	94
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97½
4 % M.P.	1958	1,00,00,000	15th July 1963	100
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	98 N
3 % Punjab**	1942	2,35,80,000	15th Sept. 1956	99 N
3 % Punjab**	1943	2,48,78,200	14th Sept. 1956	99 N
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	97½N
3½% Travancore-Cochin	1954	50,00,000	16th Aug. 1958	96½
4 % Travancore-Cochin	1953	3,00,00,000	15th July 1963	99½
3 % U.P.	1936	1,69,39,800	15th Sept. 1961-66	96½
3 % U.P.	1944	3,23,96,800	16th Aug. 1958	97½
3 % U.P.	1945	2,86,31,900	14th Sept. 1960	94
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	91½N
3½% U.P.	1951	2,00,00,000	17th Sept. 1962	98
4 % U.P.	1952	4,11,23,000	1st Aug. 1964	100½
4 % U.P.	1953	5,00,00,000	15th July 1963	100½
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
85,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
40,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,85,878	4	1915*	1960	D
80,00,000	4	1918	1974	99½N
88,28,000	4	1914	1975	99½N
10,00,000	4	1916*	1960	
55,00,000	4	1916*	1975	
61,61,000	4	1923*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
55,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
18,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1976	
48,04,000	3½	1938*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
80,54,800	4	1914	1974	98½
76,90,100	4	1915	1975	98½
1,50,00,000§	3½†	1921	1981	81
68,02,800§	3½	1921	1981	144N
1,24,06,800	6	1926	1955-65	101½
98,21,600	5½	1926	1956-66	102
99,84,000§	5½	1926	1956-66	101½
1,49,49,500§	5*	1927	1957-67	102½
1,49,80,000	5	1928	1958-68	103
1,50,00,000	4†	1931	1961	98
60,00,000	3½	1935	1965	96
25,00,000	3	1938	1968-68	90
50,00,000	3	1945	2000	74N
50,00,000	3	1945	1975	84
50,00,000	3	1946	1976	84
50,00,000	3	1946	2000	73½N
50,00,000	2½	1947	1977	78
50,00,000	3	1948	1978	88½
50,00,000	3	1949	1979	96
1,00,00,000	3	1949	1979	96
50,00,000C	3	1950	1980	81½
1,00,00,000	3	1950	1960	95½
1,00,00,000	3	1950	1960	95½
50,00,000	3	1951	1981	81
50,00,000	3	1951	1961	97½
50,00,000	4	1958	1968	99½
50,00,000	4	1958	1968	99½
STERLING LOANS				
£892,500	5	1922	1952-62	£87½
£601,000	5	1924	1964-84	£87½
£885,100	5½	1929	1962	£96
MADRAS				
Rs.				Rs.
81,47,100	3½	1947	1977	
2,00,000	3	1947	1977	
2,00,000	3	1949	1979	A
45,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
80,00,000	4	1901	1961	
80,00,000	4	1902	1962	
50,00,000	4	1908	1968	
80,00,000	4	1904	1964	
80,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1909	1969	
16,00,000	4	1913	1973	97½N
50,00,000	4	1914	1974	
25,00,000	4	1918	1978	
40,00,000	5	1919	1957-79	118N
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115N
25,00,000	4	1927	1961-70	98N
10,00,000	3½	1936	1966	
STERLING LOANS‡				
£766,600	4	1909	1969	£95½N
£858,000	4	1910	1970	£95½N
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	101½
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
85,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1962	91
20,00,000	3	1938	1965-68	90
80,00,000	4	1962	1982	99½

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,50,000	4	1913-15	1974	99½
20,00,000	4	1913-15	1955	100N
15,00,000	3	1939	1940	113N
25,00,000	5	1928	1958	104½
9,46,000	5	1929	1954-59	10
28,21,500	5	1929	1959	105½
8,25,000,00	3½	1947	1977	86½
2,50,00,000	3½	1949	1979	86½
2,50,00,000	3½	1950	1965	92½
2,50,00,000	4	1952	1964	100
2,00,00,000	3½	1951	1966	97
1,50,00,000	4	1952	1963	100
1,00,00,000†	4	1952	1964	100
1,00,00,000†	4	1954	1966	99½
Rs.†		**CALCUTTA**		Rs
84,70,000	6	1925	1955	101½
86,00,000	5	1928	1958	103
25,00,000	5	1929	1957	102½
25,00,000	5	1930	1960	105½
10,00,000	5½	1932	1962	108
85,91,000	3½	1935	1965	94
40,00,000	3½	1936	1966	90
47,50,000	3	1938	1968	90
10,67,700	3	1938	1968	98½
15,56,800	3	1939	1969	99½
15,56,800	4	1939	1969	99½
15,56,800	4	1940	1957	99½
17,64,400	3½	1942	1959	98½
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1960	97
16,83,000	3½	1951	1961	97½
66,68,000	3½	1951	1966	97½
87,36,000	4	1952	1962	99½
72,50,000	4½	1954	1979	100
Rs.		**MADRAS**		Rs.
71,700	6	1925	1955	100N
2,67,300	6	1925	1955	101N
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

PREFERENCE SHARES

Company	Amount Issued. Rs. or	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	133xd	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	97	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	143	100
Deccan Sugar & Abkhari* A	7,00,000	1920	7	July Apr.	116½	100
†East India Distilleries ..	£200,000	1897	7	Jan. July	17	£1
Gwalior Sugar	4,75,000(e)	1940	7B	Dec. ..	70	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	70	100
Portalopore Co.	4,00,000	1922	10	Oct. ..	15½	10
Ramnagar Cane	4,00,000	1933-36	6	Aug. ..	107	100
Ravalgaon Sugar	20,00,000	1943	3½	Oct. Apr.	75N	100
South Behar Sugar ..	3,00,000	1936	7(a)	Oct. ..	161½	100
Travancore	15,99,135	1946	5(c)	Dec. ..	8½	10
Upper Ganges	12,00,000	1932	3	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borsora	4,00,000	1896-97	6½	Oct. Apr.	119	100
Burakur (1st)	22,90,800	1901-19	7	Apr. Oct.	123	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	5	Mar. Sept.	119	100§
Karanpura Collieries ..	1,50,000	1946	5½(a)	.. ..	69	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Oudal	2,00,000	1898-99	6½	Apr. Oct.	114	100
COTTON						
Ahmadabad Advance ..	10,00,000	1939	3	Apr. Oct.	102	100
Bangalore	5,00,000	1884	6	Jan. July	130	100
Basanti Cotton	3,00,000	1938	6½	Nov. ..	8½	10
Benares Cotton	1,05,200	1919	7	July Jan.	63	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	119	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	136	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	82	100
Bradbury	14,75,000	1919	7	June Dec.	65	50
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	140	100
Cambodia	1,00,000	1928	7	Apr. ..	125	100
Central India	50,00,000	1912	5	Apr. Oct.	475	500
Coimbatore Pioneer ..	1,00,000	1935	6½	Nov. ..	117½	100
Gujja	11,00,000	1912	6	May Nov.	143	100
Do. 'B' Pref. ..	4,20,000	1943	5	July Jan.	10½	10
Hiphistone	25,00,000	1919	7(a)	May Nov.	82	100
Kaisman	20,00,000	1919	7	June Dec.	129	100
Khetao Makanji (2nd) ..	29,52,500	1947	4	Nov. ..	87	100
Kothariji	12,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. ..	230	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January ..	791	100
Muir Mill	30,00,000	1900	6	Jan. July	815	100
Mysore Spg.	7,45,050	1944	4½	.. ..	30	50
National Rayon	1,74,64,700	1947	5	.. ..	86½	100
New Great	8,00,000	1913	5½(a)	Mar. ..	18½	200
New Victoria	26,03,500	1920	6	Apr. Oct.	3½	5
Podar Mills	10,00,000	1943	4	Feb. ..	77	100
Rajalakshmi	2,00,000	1932	6½	Apr. ..	33

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.D.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly). P=Company has Preference shares. T=Company has Debentures. N—Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and All other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period.§ In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mills	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
80,00,000	3,74,976	63,22,382	45,05,372	—2,24,488	Rajputana Textiles (Agencies) Ltd.	47,512	8,981	Apollo Mills	2-12½	2	8 4(o)	0-4 (c)	Nil		12	V.
40,00,000	24,00,000	1,34,85,581	72,25,655	—5,76,311	B. R. Sons, Ltd.	50,596	1,021	B. R. Cotton Mills ..	54½	100	Nil	Nil	Nil		3	Y.P.T.
20,98,000	2,33,99,019	4,25,75,764	3,54,21,688	52,579	Nowrosjee Wadia & Sons, Ltd. ..	1,89,680	4,855	Bombay Dyeing & Mfg.	469½	250	20 0	22 8*	20 0		12	V.
10,00,000	27,36,559	55,58,179	48,57,495	2,48,761	Ramnarain Sons, Ltd. ..	42,008	860	Bradbury Mills	159	50	100 0	100 0	75 0		3	Y.P.
1,09,42,800	2,27,54,197	2,83,17,250	1,85,13,280	31,32,663	Birla Bros., Ltd.	1,25,936	2,698	Century Syg. & Mfg. ..	380½	100	20 0	22 0	22 0		12	V.
49,00,000	15,44,150	1,16,19,462	65,52,039	—33,25,720	V. J. Plizzi (Chairman and Managing Director)	39,408	798	Colaba Land & Mill ..	56	100	Nil	Nil	Nil		12	V.
26,00,000	13,33,380	64,51,450	44,36,747	21,158	Cowasjee Jehangir & Co., Ltd.	30,130	680	Cooria Syg. & Wvg. ..	118½	100	7 8	7 8	7 8		3	V.
16,00,000	25,08,261	64,39,890	50,46,041	38,562	Ramnarain Sons, Ltd.	38,304	..	Dawn Mills	90	50	6 0	6 0			12	V.
34,00,000	27,75,000	68,55,752	60,73,724	16,489	Purannal Rachakahsa & Co.	50,296	928	Edward Textiles	260	100	15 0	15 0			12	V.
89,97,750	11,93,292	1,09,90,311	73,99,225	17,999	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	404	50	3 0	Nil	2 8½		12	V.P.
80,00,000	63,61,875	86,92,384	48,51,296	5,74,349	James Finlay & Co., Ltd. ..	46,072	784	Finlay Mills	258½	100	20 0	16 0			12	V.
11,84,000 (16,000)	75,99,589	1,20,85,307	91,11,500	8,850	Thackersey Mooljee & Co. ..	49,672	1,126	Hindoostan Spg. & Wvg. Mills	3,875	1,000	200 0*	225 0*	225 0	40 0‡	3	Y.P.
8,00,00,000C	1,13,27,885	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,38,030	6,278	India United Mills	3,992½	100	50 0	56 4*	56 4	10 0‡	12	V.
50,00,000D	71,99,043	1,22,31,586	83,59,000	3,551	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	104½	10	Nil	0 10½				
8,85,000 (35,000)									1-4½	12	Nil	0 1½				
									3,800	1,000	200 0*	225 0*	225 0	40 0‡	3	V.P.
59,85,000	40,24,767	2,15,86,170	1,74,28,945	23,212	Khatau Makanji & Co., Ltd.	84,604	1,513	Khatau Makanji Spg. & Wvg.	9924½N	500	100 0	112 8*	112 8			
1,00,00,000	1,44,50,000	3,49,39,105	2,46,94,456	12,185	Kilick Industries Ltd. ..	1,20,504	1,846	Kohinoor Mills	170	100	10 0	8 0	8 0		6	V.P.
28,00,000A	64,00,782	4,36,527	88,878	6,05,336	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	314½	100	18 0	20 0*	18 0		12	V.
3,60,000B									844	100A	6 4	6 4½			6	V.P.
22,13,050	41,30,929	1,10,76,967	48,72,195	12,177	N. Sirur & Co., Ltd. ..	48,676	644	Modern Mills	——	20B	1 4	1 4				
31,75,000	32,62,000	1,94,11,154	1,47,72,041	1,00,579	Piramal & Sons	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	85N	50	5 0	5 0			10	V.P.
1,60,40,600	2,63,011	4,93,70,648	1,10,00,000	3,01,242	Chinai & Co., Ltd. ..			National Rayon Corporation	218½	100	12 0	12 0	14 0		6	V.P.
24,00,000	25,60,685	74,52,403	46,04,752	27,546	W. H. Brady & Co., Ltd. ..	43,944	432	New City of Bombay Mfg. ..	201	100	Nil	9 0			12	V.P.
30,00,000	13,47,407	89,82,380	61,42,740	12,517	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	140	100	10 0	10 0	10 0		12	V.
12,70,100	36,36,004	42,69,552	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd. ..				147½	100	10 0	10 0	7 8		12	V.P.
48,00,000	36,07,273	1,42,08,882	91,59,811	30,475	Ramnarain Sons, Ltd. ..	34,100	873	New Union Mills	322	10	1 4				12	V.
40,00,000	43,62,741	24,64,450	22,50,000	8,99,184	Podar Sons, Ltd.	66,324	1,190	Phoenix Mills	101½	100	8 0	8 0			12	V.
5,00,000	8,44,062	21,20,749	18,99,340	2,590	David Sassoon & Co., Ltd. ..	32,600	930	Podar Mills	157½	100	10 0	10 0			12	V.P.
25,00,000	69,06,474	1,24,27,606	81,47,282	10,145	M. G. Investment Corporation, Ltd.	60,608	1,234	Sassoon & Alliance Silk Mill	14½	10	1 4	0 12			12	V.
40,00,000	66,20,061	87,30,546	45,31,044	2,69,922	Marwar Textiles (Agency) Ltd.	66,836	1,640	Sassoon Spg. & Wvg. ..	36½	10	1 4	1 4			12	V.
42,00,000	38,80,000	80,15,073	68,69,000	21,940	Forbes, Forbes Campbell & Co., Ltd.			Shree Niwas Cotton Mills ..	232½	100	12 8	14 0			12	V.P.
56,00,000	1,22,33,867	1,85,68,331	1,10,85,485	17,128	Mafatlal Gagalbhai & Sons	29,436	1,274	Simplex Mills	147½	50	15 0(o)	15 0	11 0	4 0‡	3	V.
1,00,00,000	1,18,72,086	1,70,99,941	90,25,820	40,896	Tata Industries Ltd. ..	57,288	1,633	Standard Mills..	363½	100	20 0	20 0	20 0		12	V.P.
34,00,000	60,78,465	93,47,153	58,93,468	3,74,757	James Finlay & Co., Ltd. ..	38,828	552	Swadeshi Mills	190	100	16 0	16 0			12	V.P.
82,57,438	49,90,352	1,53,47,827	43,36,353	6,865	Tata Industries Ltd. ..	61,792	1,800	Tata Mills	332½	100	30 0	20 0			12	V.
12,00,000	62,35,708	98,83,223	74,65,000	4,219	Thackersey Mooljee Sons & Co. ..	34,424	1,181	Western India Spg. & Mfg. ..	53½	25	0 0	1 8			12	V.
									3,875	1,000	200 0*	225 0*	225 0	40 0‡	3	V.P.
AHMEDABAD																
33,00,000	25,97,650	96,80,904	55,57,028	5,660	Tata Industries, Ltd.	49,164	1,016	Ahmedabad Advance Mills ..	122½	100	10 0	10 0*	5 0		6	V.P.
10,00,000	90,53,638	89,83,424	65,39,067	7,878	J. M. Hurkisaing & Sons, Ltd.	42,768	912	Arvind Mills	517½	100	20 0	20 0			12	V.P.
26,25,000	2,23,86,002	1,33,18,915	89,73,000	47,546	Narottam Lalbhai & Co. ..	62,448	1,716	Arvind Mills	1,223	100	25 0	25 0			12	V.P.
80,00,000	38,43,340	79,44,276	56,25,000	3,90,074	Mangaldas & Bros., Ltd. ..	35,884	884	Ayodyaya Ginning & Mfg.	285N	200	15 0	15 0			12	V.P.
12,00,000	1,08,38,621	82,14,168	66,70,738	53,336	Ambalal Sarabhai & Co. ..	37,368	1,128	Asoka Mills	577½	100	22 0	22 0	22 0		12	V.P.
1,24,77,852	99,36,782	3,97,51,801	2,72,53,344	23,31,386	Karamchand Premchand Ltd.	1,39,120	2,372	Calico	366½	125	18 0	18 0	8 0‡		12	V.P.
45,00,000	48,45,000	1,08,46,843	72,50,000	6,391	Tribhumal Bhogilal & Co., Ltd.	49,836	867	New Commercial Mills ..	1,090N	750	70 0	70 0			12	V.P.
89,00,000	67,41,858	1,04,63,626	83,10,306	38,617	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	763	125	35 0	35 0			12	V.
5,00,000	61,15,982	46,72,745	31,76,001	700	Jagabhai Bhogilal Nanavaty & Co., Ltd.											
12 50,000	1,09,22,589	79,71,738	52,25,077	32,522	Lalbhai Dalpatbhai & Co. ..	24,840	572	Nutan Mills	705	100	30 0*	30a 0*			12	V.P.
12,00,000	13,93,067	74,95,069	39,47,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	31,120	634	Raiwar Mfg.	927½	100	25 0	17 8			12	V.P.
32,50,000	16,74,825	84,83,940	57,47,903	4,020	Lallubhai Gordhandas Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	110N	250	Nil				12	V.P.
88,98,150	1 83,62,259	1,53,66,919	1,17,07,000	42,133	Harivallabhdas Kalidas & Co.	57,332	648	Rohit Mills	146½	100	9 0	9 0			12	V.P.
19,52,500	57,77,232	71,25,468	55,53,800	22,720	Mafatlal Chandulal & Co. (Ahmedabad), Ltd. ..	36,624	720	Shorrock Spg. & Mfg. ..	455N	100	20 0	20 0			12	V.
28,00,000	26,43,469	75,32,266	61,24,605	31,806	Harsidas Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	530N	400	35 0*	35 0*			12	V.P.
WEST BENGAL																
15,00,000	1,88,479	34,10,729	19,47,810	41,227	Calcutta Agency, Ltd. ..	13,044	356	Basanti Cotton Mills ..	3½	10	Nil	0 4			12	V.P.
7,11,280	3,95,369	40,98,098	23,80,978	47,918	Bengal Textile Agency, Ltd. ..	32,352	934	Bengal Luxmi Cotton Mills ..	28N	40	3 0	Nil	4 0		3	V.
6,00,000	22,75,078	80,45,279	51,55,000	—19,86,726	Kettlewell Bullen & Co., Ltd.	80,452	841	Bowreah Cotton Mills ..	108½	100	Nil	Nil	Nil		6,12	H.P.
19 00 000	25 15,226	97,91,258	69,83,080	—10,45,940	Kettlewell Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	212	100	Nil	Nil	Nil		4,12	V.
1,60,00,000	1,98,18,540	3,42,43,338	1,08,56,338	2,15,714	Birla Brothers, Ltd. ..	70,040	1,990	Keoram Cotton Mills ..	27½	20	1 12	1 12	1 12		3	V.P.
4,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co. ..	23,484	442	Mohini Mills	——	25	1 4				12	V.P.
19,47,750C										10	0 8					
5,00,000D	5,75,000	41,85,833	19,32,788	15,666	Hazaresmall Heeralall ..	23,196	795	Ramgoomia Cotton Mills ..	12 1N	10 1D	0 8½ Nil	0 8½ Nil			6	V.
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,09,109	59,21,613	21,03,246	2,736	Rasmal & Co., Ltd. ..	35,000	..	Alagappa Textiles (Cochin) Ltd.	63	10					12	V.P.W.
71,94,400	51,99,334	2,04,06,796	50,52,372	3,771	Madurai Trust Fund. ..	36,134	750	Aram Jabi Mills	100	100	6 0	6 0			9	W.
40,50,000	1,91,68,745	2,87,22,995	2,24,71,643	2,44,711	Binny & Co. (Madras), Ltd.	40,048	1,157	Bangalore Woollen, Cotton and Silk Mills	461½xd	100	15 0	25 0	30 0		12	V.
27,00,000	15,50,000	77,25,132	53,72,132	18,199					11½	10	0 2	0 4½	Nil		6,12	H.P.T
15,00,000	1,07,71,676	1,01,44,941	67,38,141	2,07,265	Birla Brothers, Ltd. ..	39,896	998	Birla Cotton Spg. & Wvg. Delhi	417N	10	3 0	3 0			3	V.
1,78,47,800	1,54,69,697	4,50,39,308	1,14,94,493	8,69,005	Binny & Co. (Madras), Ltd. ..	20,356	2,744	Buckingham & Carnatic ..	156½xd	100	4 0	10 0	10 0		12	V.P.W.
20 00,000	20,00,281	32,98,201	17,91,411	39,657	Prince, Leslie & Co., Ltd. ..	37,336	..	Cambodia Mills	12½	10	1 0	0 12			12	V.P.
14 99 229	4,75,000	42,54,384	15,27,257		Malabar Industrial Syndicate	16,800	..	Cannanore Spg. & Wvg. ..	128½	100	12 0	12 0			3	V.
30,00,000	26,49,773	51,86,118	47,84,815	26,773	Begg, Sutherland & Co., Ltd.	28,794	591	Cawnpore Textiles	8½	5	0 9	0 8	0 8		3	V.
12,00,000	20 60 000	30,85,973	24 65,669	4,614	R. Bheema Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	285xd	100	9 0	20 0	25 0		12	V.
80,00,000	13,90,000	33,11,381	17,06,703	3,440	T. R. N. Naidu & Co. ..	21,978	..	Coimbatore Pioneer Mills ..	225	100	10 0	10 0	10 0‡		6	V.P.
80,76,900	4,36,844	1,14,48,334	68,90,050	4,76,905	R. G. B. Naidu & Co. ..	72,188	407	Coimbatore Spg. & Wvg. ..	73½	50	Nil	Nil	3‡		6	V.
68,87,500	61,78,247	2,34,42,659	1,51,56,858	14,071	Tata Industries, Ltd. ..	1,15,188	2,062	Central India	126	100	2 0	5 0	2 0		6	V.P.
3,36,56,250 (1,00,563)	2,63,12,465	8,55,97,662	4,42,00,000	1,69,241	B. R. Charat Ram & Co., Ltd.	1,16,636	2,355	Delhi Cloth & General Mills..	37	25	2 2	1 12	2 4½		6	V.P.
24,34,800	84,72,758	47 34 037	33,82,512	9 248	M. N. Chettiar & Sons ..	32,164	201	Dhanalakshmi Mills	282½	100	20 0	20 0	30 0		12	V.
43 90,000	53 77,872	1,46,96,492	1,21,71,631	62,277	Begg, Sutherland & Co., Ltd.	53,768	1,198	Elgin Mills	17½	10	1 8	1 0	1 0		9	V.P.
48,81,000	33,91,175	88,91,779	65,24,070	37,169	Forbes, Forbes Campbell & Co., Ltd.						0 1 4/5	0 2 4/5	0 3 3/5			
80,00,000	12,75,743	1,25,73,688	88,01,206	12,571	Govindram Sakseria (Indore)	72,904	3	Gokak Mills	226½	100	17 0*	17 0	13 0		12	V.
8,96,000	10,62,423	28,57,887	14,65,329	..	G. V. Naidu & Co., Ltd. ..	51,180	1,420	Indore Malwa United ..	93½	100	6 0	6 0			12	V.
24,00,000	15,75,000	64,03,081	12,00,000	20,004	Kothari & Sons	23,784	..	Janardana Mills	78	50	3 12	4 8			12	V.
32,00,000	71,10,521	1,43,07,561	1,01,44,340	52,347	Bombay Co., Ltd.	30,312	200	Kothari Textiles	12½	10	0 12	0 8	0 8		6	V.
35,84,100						31,972	1,219	Lakshmi Cotton Mfg. ..	497½	256	37 8	37 8	7 8‡		12	V.P.
77,62,050	44,00,000	1,00,53,685	69,98,148	23,793	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	147	50	5 0	5 0	10 0		3	V.
1,75,02,488	4,13,81,878	3,66,33,243	3,44,00,463	8,66,800	A. & P. Harvey Ltd. ..	63,852	..	Madura Mills	74½	25	2 8	2 8	5 0			
12,00,000	4,17,363	27,72,881	16,02,069	1,14,098	A. L. A. R. S. Chettiar and 2 others.	22,592	100	Malabar Spg. & Wvg. ..	451	15	3 0	3 0	3 0		3	V.
60,00,000	69,00,000	61,38,483	39,86,352	30,153	W. A. Beardsell & Co., Ltd.	25,656	603	Mettur Industries Ltd. ..	120	200	10 0	12 0	12 0		12	V.
39,80,884	28,16,157	76,14,218	44,82,683	12,036	N. Sirur & Co., Ltd. ..	39,200	704	Minerva Mills	315	100	12 8	12 8		22 8*	3	V.
94,91,850	27,24,404	1,61,29,118	78,81,328	—7,44,932	Banaisai Abirchand Dudabhoy & Co.	51,340	955	Model Mills (Nagpur) ..	100	100	7 0	7 0*			12	V.
30,00,000	52,19,600	1,53,39,272	1,05,91,451	—1,77,290	Indian Textile Syndicate Ltd.	88,640	1,834	Mule Mills	137½	250	7 8	7 8*	5 0(c)		6	V.
24 12,500	58,39,566	95,23,192	61,77,444	22,997	N. Sirur & Co., Ltd. ..	49,664	500	Mysore Spg. & Mfg. ..	106½	100					12	V.P.
13,61,780	2,54,745	29,42,992	15,27,000	3,986	R. Seryonarayana Rao Esq. Manager	6,000	..	Mysore Spun Silk Mills ..	121½	100	10 0*	10 0*	8 0*	3 0‡	3	V.
22,89,870D									4½	10	Nil	Nil	Nil		8	V.
3,07,093D	25,62,532	1,02,16,296	58,90,719	—39,62,329	J. P. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills	——	D. 2½	Nil	Nil			3	V.
87,03,800	87,08,000	1,64,48,327	62,62,651	15,819	Industrial Trust Fund ..	37,788	847	Osmanabad Mills	70	D 1	Nil	Nil			12	V.
6,00,000									123	100	7 8	4 8			9	V.
6,00,000B	7,50,000	33,81,578	18,80,484	551	Bhaghyalakshmi & Co. ..	29,924	..	Palani Andavar Mills ..	75B	50A	7 8	12 0			12	V.P.
13,00,000	8,56,926	52,56,378	16,53,848	4,611	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills Ltd.	50½	100	11 4	16 0			12	V.
18,81,800A									218xd	100 A	6 0	8 0				
8,49,200B	20,58,484	59,68,909	31,35,638	1,458	A. G. Gurusamy Naidu & Co. ..	46,384	301	Radhakrishna Mills	107xd	50B	3 0	4 0			12	V.
15 00 000	32 25 000	25 50 868	16,48,985	34 422	B. R. Naidu & Sons	25 896	..	Rajalakshmi Mills	146½	50	Nil	7 8			12	V.
22,23,375	12,10,000	38,91,595	14,22,264	23,505	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	90	100	6 0	6 0	9 0		12	V.
60,00,000	82,44,508	98,29,567	33,63,291	—19,39,428	J. P. Srivastava & Sons (Rampur).	33,984	600	Raza Textiles	58	10	Nil	Nil			12	V.P.
16,00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Morarka & Co.	84,048	2,234	Sholapoor Spg. & Wvg. ..	1,600	1,000	Nil	Nil	Nil		8	V.P.
									75	300					8	V.
56,69 700	11 45 000	75,40,039	49,25,631	26,144	H. N. Palleyar, Esq. ..	31,668	292	Sri Krishnarajendra Mills ..	50	4 0*	4 0*	4 8			3	V.
98,14 800	2 90 246	35,18,906	17,73,000	—2,46,777	Copal das Lakhmichand & Co., Ltd.	17,840	440	Shree Sajjan Mills	72N	100	Nil	Nil			3	V.
15,00,000	2,49,73,585	87,38,169	62,02,083	31,22,917	Birla Brothers, Ltd. ..	36,212	1,242	Sutlej Cotton Mills	76	10	4 0	4 0	5 0		3	V.
19,50,000D	2,20,00,000	4,32,93,265	1,56,70,740	2,67,165	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	8½	100	Nil	0 8				
1,57,50,000P	5 25000	2,71,91,075	76,93,946	41,470	Encore & Sons (Travancore), Ltd.			Travancore Rayons	9½	10P.O.	Nil	0-14 2/3			12	V.P.
99,92,078	8 79 479	13,36,297	10,45 186	8 321	Mooljee Ramjee & Sons ..	16,256	..	Trichinopoly Mills	14½	10	Nil	0 8			12	V.P.T.
13,58,570	32,67,608	49,31,870	32,72,368	28,000	R. K. S. Cherry & Brothers	33,704	270	Vasanta Mills	12xd	10	0 11 1/3	0 11½	0 14 2/5		12	V.
81,00,000	47,34,135	1,34,36,933	89,50,678	1,868	Bombay Co., Ltd.	54,280	1,337	Vishnu Cotton	23½	100	12 0	12 0			12	V.P.
82,00,000									118½	100	10 0	4 0			12	V.P.

* Includes bonus.
Has mortgage loan of Rs. 80 lakhs against mortgage of fixed assets.
(b) Subject to taxation and workers' bonus.
(e) Paid out of reserves.
(g) Interim dividend of Rs. 5 per shares was paid on 42,000 shares of Rs. 50 each: final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	16,64,000	1,09,25,186	50,37,365	21,554	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	34½	25	Nil	Nil	Nil		5	V.P.
6,64,000							13½xd	10	Nil	Nil	Nil			
16,20,630	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	6½	5	0 8	0 8			3	V.
680,000A	6897,579	£1,225,541	£513,606	£57,290	Parry's Holdings Ltd. ..	East India Distilleries and Sugar	171cd	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5			
£300,000B							293cd	B. £1	Sh. 3	Sh. 4	Sh. 5 4/5		3	Y.P.
4,00,000	9,60,000	11,63,313	11,63,307	4,057	Vittal Mallya, Esq. (Chairman)	United Breweries	165	75	13 0	13 0	13 0			V.
CEMENT														
11,57,700A	8,69,857	75,78,758	45,89,342	4,636	Andhra Engineering Co., Ltd.	Andhra Cement Co.	135	A. 100	7 8	10 0*			12	Y.P.B.
39,67,420B							13½	B. 10	0 12	1 0‡				
43,14,600C	11,14,602	18,53,830	7,23,479	1,20,881	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	6½	O. 10	Nil	Nil			3	V.Y.
4,70,976D							1½	D. 5						
12,57,39,333	4,18,90,239	20,42,88,558	7,85,13,157	6,93,281	Cement Agencies Ltd. ..	Associated Cement Companies	180½	100	9 8	9 8	8 8		7	W.
60,00,000O							13½	O. 10	0 10	1 0				
26,49,798O	46,39,155	81,39,445	20,01,691	67,792	Harl Brothers Ltd.	Dalmia Cement (Bharat)‡ ..	5½	O. 2½	0 2½	0 4			12	Y.P.B.
5,00,000D							2	D. 1	Nil	0 1-3/3				
61,84,930O	8,00,000	1,45,26,685	39,60,537	1,15,792	Essen Ltd.	India Cements Ltd.	22½	O. 25	1 4	Nil	1 4		3	Y.P
7,50,000D							3½	D. 5	0 4	Nil	0 4			
59,86,000	13,00,000	1,67,86,035	51,49,060	1,62,701	Shree Laxmi Agents Ltd. ..	Shree Digvijay Cement ..	175½	100	6 0	6 0			12	W.P.
75,00,000	20,95,000	1,75,91,085	1,37,82,076	6,448	Martin Burn Ltd.	Sonavalley Portland Cement ..	7½	5	0 8	0 6			12	V
CERAMIC; MINING AND QUARRYING														
31,70,655	1,50,000	60,96,114	23,31,090	15,378	S. Lall Bhagat & Co.	Bengal Potteries	3	2½	0 2½	0 2½			12	V
10,00,000	22,81,783	56,54,921	32,63,272	8,804	Bird & Co., Ltd.	Biara Stone Lime Co.	43½N	10	0 14	0 14			3, 9	H.
£914,200	£1,105,500	£1,839,281	£997,797

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	27,36,841	1,90,70,118	1,37,10,118	1,50,325	Balmer Lawrie & Co.	Bengal Paper Mills	65	25	1 9 / Nil / 1 9		1 9½		6,12	H.P.T
90,00,000	33,44,805	1,07,13,561	71,75,830	2,34,328	Andrew Yule & Co., Ltd.	India Paper Pulp	256	100	5 0 / 6 0 / 7 0				3,9	H
85,00,000	16,12,500	1,18,13,367	47,31,061	49,179	B. P. Ramakrishnan Esq.	Mysore Paper Mills	18½	10	1 0* / 1 0*		0 12*		3	V.
1,44,82,300	1,33,71,781	3,56,00,806	85,37,779	2,36,680	Birla Bros.	Orient Paper	26½xd	10	1 0 / 1 5 / 0 7½ / 1 0 / 1 0		0 7		3,9	H.P.T.
89,06,250	70,16,849	1,11,54,742	62,73,807	2,83,827	Karamchand Thapar & Bros.	Shree Gouri Paper Mills	16½	10	0 12 / 0 12 / 0 12f				6,12	H.P.T
20,00,000 / 14,00,000A.	7,82,438	30,37,167	28,55,530	9,790	Bajoria & Co.	Star Paper Mills	13½ / 13½	O. 10 / A. 10	0 4 / 0 6 / 0 4 / 0 6				3,9	H.P.T
36,00,000A. / 36,00,000B. / 6,37,500F.D.	2,83,01,797	5,11,76,435	3,06,96,855	3,39,432	F. W. Heilgers & Co., Ltd.	Tinghur Paper Mills Co., Ltd.	43½ / 43½ / 42xd	A. 10 / B. 10 / P.O. 2½	1 0 / 1 0* / 0 12½ / 1 0* / 1 0* / 0 12½ / 1 0* / 1 0* / 0 12½ / 0 2 / 0 2 / 0 2½ / 0 2 / 0 2 / 0 2½				3,9	H.P.
PRESSING														
5,00,000	6,12,343	13,78,488	10,90,581	20,403	Andrew Yule & Co.	Calcutta Hydraulic	90	100	5 0	3 0	4 0		6	V.
4,30,000	1,00,000	4,99,376	4,73,054	2,354	Pyne & Sons	Camperdown	89N	100	7 0	7 0			6	V.
5,00,000	1,55,000	10,31,811	9,30,377	12,942	Andrew Yule & Co.	Central Hydraulic	92	100	5 0	4 0	5 0		6	V.
PROPERTY AND LAND														
20,00,700O. / 2,00,000T.	7,43,063	43 46 067	21 43 279	96,047	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10xd	O. 10	0 8	0 11½	0 9 3/5			
60,00,000	18,98,938	84,21,316	15,00,000	350	David Sassoon & Co., Ltd.	Port Canning Land	1½	D. 1	Nil	0 4/5	Nil		9	V.P.
94,00,000	35,36,934	96,99,123	1,06,646	95,262	Andrew Yule & Co.	Midnapore Zamindary	14	100	1 8	1 8			4	V.
							38½	100	2 0	1 8	4 0		4	V.P.
SAW MILLS AND TIMBER														
13,99,990	28,19,726	25,84,404	6,94,804	—97,203	Bird & Co.	Assam Saw Mills	6	5	0 4	Nil				
20,00,000 / 42,00,000 / 6,00,000	4,00,84,383	3,05,42,310	1,22,32,325	56,875	Walter & Co.	Bombay-Burmah Trading Corpn.	467½ / 171½	Ord 125 / New 50	22 8 / 9 0	15 0 / 6 0	20 0 / 8 0		9	V.
80,00,000	16,13,487	17,44 613	12,66,634	1,63,401	Jardine Henderson Ltd.	Bengal Timber Trading	38N	100	Nil	Nil			5	V.
					Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	39	10	3 0	2 8	1 01		9	V.
SUGAR (U.P. and Bihar)														
14,00,000	13,35,873	38,30,924	27,77,928	23,527	Begg, Sutherland & Co., Ltd.	Bahraiper Sugar	84	5	Nil	Nil	0 12			
22,00,000A. / 3,00,000B.	29,18,336	49,46,285	33,16,660	15,50,000	Morarji Bros., Ltd.	Basti Sugar	143N / 131N	A. 100 / B. 10	10 0 / 1 0	10-0 / 1-0	10 0 / 1 0		4	V
19,49,070	5 00 000	22 04 095	21 68 136	1,44,138	Bangur Bros., Ltd.	Bahraich Sugar	31½	74	0 12	0 12			4	V
15,00,000	13 95 319	45,47 836	11 37,841	26,084	Cotton Agents Ltd.	Bharat Sugar	34N	10	1 0	1 0			9	V.
32,00,000	26,79,431	1,35,76 859	88,79,177	61,723	Gladstone Lyell & Co., Ltd.	Carew & Co.	13½	10	1 8	1 8	1 8		6	V.P.
13,00,000	57,92,981	1,00 12,353	81,32,431	59,646	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	19½	10	Nil	Nil	0 12		6	V.P.N
18,00,000	33,84,892	67,14 964	38,49 402	24,329	Begg, Sutherland & Co., Ltd.	Chainpuria Sugar	23½	10	2 0	2 0	0 12		10	V.P.
5,99,470	6,18,362	22,66,206	14,01,242	42,955	Karamchand Thapar & Bros.	Deoria Sugar	84N	10	2 0	1 0	1 0		6	V.
14,00,000	33,23,000	69,93,552	43,50,008	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	115N	10 / A. 100	0 8 / 12 0*	1 0 / 15 0*			8	V.T.
18,00,000	8,62,500	93,36,308	36,33,342	29,748	Kilachand Devchand & Co.	Kesar Sugar	57N	50	Nil	Nil			6	V.P
7,99,100	23,05,922	29,32,672	17,61,033	64,888	Cotton Agents Ltd.	New India Sugar Mills	30N	40	Nil	Nil			7	V.P.
11,00,000	4,30,000	37,99,397	24,14,063	8,760	Karamchand Thapar & Bros., Ltd.	New Swan	34N	10	2 8	2 8	2 8		6	V.P.
20,37,500 A. / 3,71,875 B.	49,34,457	63,27,736	19,27,008	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mills	6½	10	0 12	0 4			5	V.
77,48,500	52,72,414	1,75,96,483	88,90,000	36,923	Cotton Agents Ltd.	Oudh Sugar	55N	100	20 0	20 0	20 0		6	V.
12,00,000	12,74,233	28,77,669	19,93,928	4,53,040	Dalmia Bros. & Co., Ltd.	Punjab Sugar	115N	100	6 0	11 0	11 0		7	V.P.
9,00,000	13,93,919	33,23,095	20,32,249	3,977	Begg, Sutherland & Co., Ltd.	Purbdyara Co.	104N	100	6 0	10 0	10 0		10	V.
8,00,000	6,54,762	35,43,792	21,01,613	24,540	Begg, Sutherland & Co., Ltd.	Ryam Sugar	18½	10	1 0	1 0	0 12		10	V.P.
11,50,000	17,77,737	38,17,360	22,11,179	13,455	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	16	10	1 0	1 0	0 8½		6	V.P.
20,00,000	31,68,500	1,04,96,727	55,25,283	9,337	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	17½	10	1 8	1 8	0 8		6	V.
8,99,930	61,825	27,77,828	12,85,342	—1,89,266	H. R. Ghosh, Esq., and D. N. Dutta, Esq. (Managing Directors)	Shahpore Sugar	31	10	1 0	0 8½	Nil		7	V.P.T.
7,95,462	16,32,940	89,99,970	36,32,168	97,009	Karamchand Thapar & Bros.	Shri Sitaram Sugar	25½	10	2 0	1 4	2 0*		6	V.
9,15,000O. / 4,40,000D.	47,992	27,27,402	11,46,770	—13,90,149	N. K. Jain & Co., Ltd.	South Behar Sugar	18N	O. 10 / D. 24	Nil / Nil	Nil / Nil			8	V.T.
1,00,000	20,07,388	33,34,115	30,99,750	48,719	Cotton Agents Ltd.	Upper Ganges Sugar	30½	10	1 8	1 8	1 8		10	V.P.
34,00,000	7,99,778	31,12,369	24,99,831	3,181	James Finlay & Co., Ltd.	United Provinces Sugar	26	10	1 8	0 8	0 8		6	V.P
													9	V
Other Centres														
6,99,750	65,29,871	1,40,88,073	84,27,647	33,628	W. H. Brady & Co., Ltd.	Pelapur Company	313	50	16 0	16 0	16 0			
20,000	11,90,030	11,34,813	19,36,062	20,000	A. H. Dhanukdiwalla & Co.	Bhopal Sugar Industries Ltd.	14½	10	1 0	0 10	1 0		9	V.
15,93,900	2,43,841	39,19,958	20,01,146	51,393	Sir J. P. Srivastava & Sons (Sir D. J. Ltd.	Gwalior Sugar	15N	100	3 0	Nil	Nil		9	V.P.
90,00,000	30,23,865	23,07,464	10 53 439	2,32,019	India Sugar Agencies Ltd.	India Sugar and Refineries	18	10	2 0	2 8			9	V.P.
33,77,900	42,47,476	41,33,220	19,37,712	3,477	Cowen Bros. (Bangur), Ltd.	Behand Sugar	—	5	1 4	1 4			9	V.P
10,51,200O.	67,50,000	84,06,942	27,58,342	2,346	V. Ramakrishna, Esq.	K. C. P. Ltd.	13½N	10	0 12	1 0			10	V.
8,71,190O.	98,22,877	1,23,03,930	73,11,305	2,28,221	M. S. Swaminathan, Esq. (Managing Director)	Mysore Sugar	135 / 75	O.100 / D. 10	7 8 / 10 0	7 8 / 10 0	7 8 / 10 0		6	V.P.
20,00,000	47,49,621	1,07,30,631	35,61,246	15,411	Mahisuri, Apte and Kasthali Ltd.	Phelps Sugar	50	10	2 0	2 0	2 0		6	V.
10,00,970	37,30,830	40 81 755	23 79,327	95,198	Anderson Wright Ltd.	Ramnagar Cane and Sugar	118	50	8 0	6 0	8 0		9	V.
20,00,000O. / 4,00,000D.	24,67,171	87,47,627	53,31,993	61,432	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	28½ / 95N	10 / O.50	2 0 / 9 0	Nil	2 0		9	V.S.T.
25,39,000	46,87,918	43 46,304	16,33,541	3,144	Gowan Bros. (Bangur), Ltd.	Ram Sugar	7N	D.10	0 12½	Nil	Nil		9	V.S.T.
30,10,000	30,37,798	49 76,274	19 19 196	—37,224	Perry & Co., Ltd.	Travancore Sugars	16½N	10	0 12	1 0			10	V.
1,01,00,000	61,19,890	1,35,70,930	1,04,63,312	1,79,083	Premier Construction Co., Ltd.	Walchandnagar Industries	22½	10	Nil	Nil	Nil		7	V.P
								100	14 0	14 0	16 0		9	V.P.N
TRANSPORT														
20,00,000	1,68,42,475	1,33,68,272	13,38,183	99,090	Andrew Yule & Co.	Bengal-Assam Steamship Co.	141	100	12 8	10 0	8		10	V.P
1,00,00,000	11,17,773	3,21,24,532	1,00,99,471	99,356	Dorabjee Ltd.	Bharat Line	81	100	5 0	3 0			12	V.
30,00,000	94,35,836	1,83,20,409	63,44,422	1,09,704	A. H. Dhanukdiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	164	10	1 0	1 0	1 0		6	V.
6435,500	4994,796	65 633,307	43 454,287	43,327	Khare & Co. Ltd.	India General Navigation & Rly. Co.	99	410	Rs.10	Nil			12	V.P.
8,91,06,250	74,99,233	4,41,00,609	1,32,34,755	1,64,940	Lionel Edwards Ltd.	India Steamship Co.	7½	10	0 8	0 12	Nil		3	V.P.
8,46,19,675	9,13,28,023	14,92,76,428	3,91,00,000	8,72,120	Peninsular Navigation & Co.	Scindia Steam Navigation Co.	15½	20	0 8	0 12	0 8		6	V.V.
8,00,000O. / 3,30,200F.O.	11,33,073	10,83,486	6,34,050	1,88,899	R. A. Smith, Esq., (Manager)	Walford Transport Ltd.	1½ / 1½	O. 1 / P.O. 1	as 1 3/25 / as 1 9/25	as 1 3/25 / as 1 9/25			12	V.
UNCLASSIFIED (Bombay)														
8,40,000	99,000	3,35,977	3,09,000	700	Parkes, Forbes, Campbell & Co., Ltd.	Bombay Salt Deposit	600	200	35 0	32 0	32 0			
12,34,240	2,64,173	3,18,535	90,000	40,553	Parekh Agencies Ltd.	Bombay Dyeing	70N	50	4 0	3 0			9	V.
15,00,000	1,00,000	12,30,07 18	11,000	3,403	Dene Sons, Ltd.	Dwarkesh Kanji Investment Co.	19½	10	1 0	0 12	0 12		12	V.
14,34,000	1,09,072	24,42,793	18,72,000	34,444	Chocolatti Mandal Ltd.	Gwalia Refineries	35N	50	8 0	Nil	Nil		9	V.
99,30,250	19,07,876	1,27 32 603	....	2,85,005	Premchand Roychand & Sons	Industrial Investment Trust	75	100	4 8	4 8	4 8		12	V.P.
1,00,00,000	31,25,000	31,31,427	7,78,349	18,107	R. D. Sheppard, Esq. (Mfg. Director)	Kilick Industries	172	100	10 0	10 0	11 0		6	V.
1,07,00,700A. / 30,00,000B.	5,29,083	2,64,33,763	90,15,835	—13,44,485	Auto-Auto Ltd.	Premier Automobiles	74½N	A. 100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil		6	V.
10,21,200	3,36,009	14,71,107	12,41,107	34,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	—	25	20	3 0			12	V.
8,75,000	40,23,548	8,49,75,364	1,49,34,938	4,28,741	T. Byrne, Esq. (Managing Director)	Western India Match Co.	25	100	11 0*	11 0*			12	V.
45,00,000	23,34,547	7,34,008	3,07,168	45,948	Sir Joseph Kay K.B.E. (Mfg. Director)	W. H. Brady & Co., Ltd.	197½ / 350	150	20 0	20 0	20 0		12	V.
Other Centres														
47,50,000	13,00,000	1,08,43,301	53,00,000	90,538	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	7½	O. 10	Nil	Nil.	Nil			
2,50,000	40 00 000	31,77,196	31,11,902	2,39,798	Turner Morrison & Co., Ltd.	Angelo Brook, Ltd.	21N	D. 25	10	1 4	1 4		8	Y.P.T
80,00,000	7,75,000	39,31,795	19,64,861	1,34,529	T. H. Byrne, Esq. (Mfg. Director)	Assam Match Co., Ltd.	21½	10	1 4	1 4			8	Y
30,00,000	22,07,883	1,08,29,310	30,37,138	41,361	Oberoi Hotels (India) Ltd.	Associated Hotels of India	21½	10	1 4*	1 4*			9	Y.
40,00,000O. / 10,00,000F.O.	1,11,02,712	80,35,515	30,35,515	5,43,647	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	43½N / 164	10 / O. 100	0 4 / 20 0	0 31/5 / 20 0	0 31/5		12	Y.
50,00,000	7 99 470	27,73 340		1,21,733	Lovejoy & Lowe	Birla Investment Ltd.	—	D. 40	6 0	6 0*			12	V.
30,64,000	37,09,225	1,82,29,699	38,95,001	1,63,301	P. J. P. Pereira, Esq. (Mfg. Director)	Britannia Biscuits	17½	10	1 4	1 4	1 4		9	V.P.
3,25,00,000	1,00,12,942	2,00,79,657	2,07,14,167	2,81,143	Sir Robert Menzies	British India Corporation Ltd.	12½	10	0 12	1 0	1 0		3	V.T.
1,46,00,000	1,49,00,000	4,34,75,304	3,79,41,308	30,27,313	Cecil Stock, Esq. (Mfg. Director)	Dunlop Rubber (India) Ltd.	8	5	0 10	0 8	0 1		12	V.P.
31,20,000	33,92,753	1,34,38 91048	....	3,13,308	Bird & Co., Ltd.	Eastern Investments Ltd.	37½	10	1 0	1 0			12	V.T.
14,00,000	9,97,000	33,12,343	18,06,225	11,230	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	170	100	9 0	9 0	9 0		12	V.P.
63,00,000	30,00,000	18 19 206	6,97,888	1,58,072	K. R. Fertos Esq.	Offlanders Arbuthnot & Co., Ltd.	195xd	100	20 0	10 0	7 8		H.	
30,00,000	11,00,204	40,39,433	29,41,522	1,00,000	B. P. R. Pradhan	Great Eastern Hotel	11½	10	1 0	1 0	1 0		3	V.
13,42,000	17,87,264	70,31,018	47,34,348	1,513	Birla Bros., Ltd.	Hind Cycles	25½	10	1 0	1 0	7 8		9	V.P.
4,94,13,530		3,86,00,314	60,32,710	4,34,909	Birla Bros., Ltd.	Indian Aluminium Co.	100N	250	15 0	15 0	4 4		3	V.
1,00,00,000	34,37,754	1,39,21,337	1,34,14,009	2,94,512	J. W. Cameron, Esq.	Indian Cables	8½	100	0 8	1 0			12	V.P.T.
1,50,20,230	1,09,48,264	1,32,21,233	44,27,452	39,70,964	A. R. Dykes, Esq.	Indian Rubber Manufacturers	165½	10	Nil	Nil	Nil		3	V.
8,37,970	6,30,000	13,79,993	8,39,426	11,400	G. S. Menon & Co. (India), Ltd.	Jardine Henderson	15	5	0 8	1 0	1 0*		12	V.P.
40,00,000	22,62,941	31,49,407	7,33,287	3,36,226	G. M. Mackinlay, Esq.	Machines & Co.	13	10	1 0	0 12	0 8		3	V.P
7,50,000	3,48,343	6,80,230	4,31,300	8,300	James & Co., Ltd.	McLeod & Co.	115½	100	10 0	7 8	7 8		3	V.P
44,00,000							23½	O. 5 / D. 25	Nil	Nil			9	V.
40,00,000O. / 4,00,000F.	66,98,546	25,22,037	7,33,942	1,07,006	C. L. Bajoria, Esq.	McLeod & Co.	—	O. 100 / D.O. 10	7 8 / 0 12	10 0 /			12	V.P.
1,30,97,750	23 14,260	19,97,616	8,95,141	2,52,480	T. Leslie Martin, Esq. (Mfg. Director)	Martin Burn Ltd.	23½	10	1 4	1 4*			9	V.P.
1,13,00,000	30,85,204	1,39,37,368	39,32,796	11,11,213	H. Chowdri Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	20½	10	1 4	1 4	1 4		9	V.P.
6,35,250	1,71,648	3,82,542	2,82,987	—17,042	Opaline Glass Works Ltd.	Mysore Glass and Enamel Works	—	10	1 0	1 0	1 0		3	V.
4,56,250	9,35,111	10,40,250	4,40,947	73	O. C. Handy, Esq. (Controller)	Mysore Lamp Works	14½	10	Nil	Nil			3	V.P.
10,00,000	1,50,000	14,21,286	7,19,487	35,998	K. Narayanaswamy, Esq.	Mysore Tobacco	14½	10	1 0	1 0	1 0		3	V.T.
30,00,000	40,41,339	33,31,342	27,19,000	1,75,176	Associated Industrial Development Co., Ltd.	National Jaushand Cable	32½	10	1 0	1 0	1 4		3	V.T.
79,97,000	30,00,300	69,70,051	3,78,976	10,02,000	S. K. Kinu & Co., Ltd.	National Tobacco Co.	24½	10	0 12	1 0	1 0		3	V.P.T.
40,00,000	37,00,000	44,13,494	19,71,434	1,31,400	Government Investment Trust Ltd.	Perry & Co.	24½	10	1 0	1 0			9	V.P.
33,00,000	4,41,664	1,61,45,956	41,79,829	—41,97,067	T. A. Lakshmipathy, Esq.	Rallis (India) Ltd.	43½	5	0 4½	0 4½			12	V.P.T.
1,14,00,000	1,08,11,000	4,78,23,800	3,27,36,413	38,204	Duke Jute Ltd.	Robson Industries	34½	100	Nil	Nil	Nil		6	V.P.
30,00,000	37,21,042	1,39,13,218	70,19,822	4,34,337	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	14½	10	1 0	1 4			10	V.P.T.
75,00,000	34,30,000	12,97,000	3,36,341	1,61,879	E. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	17½	10	1 0	1 0	1 8		12	V.P.
8,00,000	1,20,000	14,27,007	9,01,390	—1,04,343	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	Nil	Nil			12	V.

‡ Investments at cost. * Includes bonus.

§ Including goodwill (written down) Rs. 50 lakhs.

† Including goodwill at cost Rs. 50 lakhs.

‡ Including Rs. 1,49,00,000 which represents shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co. Ltd.	825	Amluckie	600N	100	7 8	25 0	30 01		12	Y.P.
2,76,300	4,50,000	7,71,948	3,05,709	31,218	Andrew Yule & Co. Ltd.	312	Ananda (Assam) Tea	58	10	0 12	1 4			12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co. Ltd.	420	Ananda Bag	45	10	Nil	2 8	1 81		12	Y.
5,50,000	7,21,416	16,60,355	5,32,872	—75,110	McLeod & Co. Ltd.	513	Baghmari	29½	10	Nil				12	Y.
3,40,000	8,20,000	11,50,416	2,98,096	70,514	Andrew Yule & Co. Ltd.	369	Basmatia	47½	10	2 0	2 8			12	Y.
3,30,000	3,70,000	9,24,593	3,59,593	80,009		569	Bateli	25	5	0 4	2 0			12	Y.
3,20,000	5,70,000	9,34,920	2,13,496	61,395	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	65½	10	Nil	2 0	1 81		12	Y.
16,50,000	20,60,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co.	3,967	Bishnauth	49½	10	Nil	3 8			12	Y.
6,00,000	3,500	10,38,918	1,85,067	63,716	Octavius Steel & Co., Ltd.	495	Bokakhat	25	10	Nil	Nil			12	Y.
7,50,000	4,50,000	8,36,160	2,52,708	5,960	McLeod & Co., Ltd.	450	Bormah Jan Tea	24½	10	Nil	0 12	1 01		12	Y.P.T.
35,00,000	11,92,045	73,80,473	19,49,496	26,092	Brook Bond India Ltd.	2,814	Brooke Bond	17½	10	1 0	0 8	1 4		6	Y.P.
1,20,000	1,95,997	4,60,080	1,69,074	—16,624	McLeod & Co. Ltd.	282	Dejoo Valley	41	10	Nil	1 0			12	Y.
6,00,000	7,97,500	25,17,841	16,06,120	36,977	Jardine Henderson Ltd.	1,220	Dessai & Parbutia	430	100	10 0	20 0			12	Y.
17,53,440	7,04,519	21,43,185	3,42,779	10,336	James Warren & Co., Ltd.	620	Dhelakhat	22½	10	1 0	1 8			12	Y.
4,48,970	2,70,000	11,71,408	4,34,259	8,732	James Finlay & Co., Ltd.	633	Dhunseri	28½	10	Nil	2 0	1 01		12	Y.P.
4,50,000	3,25,400	6,02,617	2,39,483	16,852	McLeod & Co., Ltd.	458	Dibrugarh	31½	10	Nil	1 0	1 01		12	Y.
2,36,700	4,75,000	8,80,047	4,70,047	43,918	Williamson Magor & Co.	625	Dimakusi	50½	10	1 0	4 8	1 01		12	Y.P.
5,90,500	6,05,000	17,90,747	10,40,247	1,14,476	Williamson Magor & Co.	615	Duffla jhur	52	10	2 0	4 0	1 01		12	Y.P.
10,00,000	4,65,000	21,78,081	8,83,081	38,641	Williamson Magor & Co.	1,177	East India Tea	32½	10	0 4	2 8			12	Y.
3,60,000	3,50,000	8,18,664	4,01,797	13,832	....	407	Gillapukri	46	10	Nil	1 12			12	Y.
3,19,000	5,60,000	13,95,316	6,19,316	79,542	Williamson Magor & Co.	546	Gohpur	53½	10	1 8	3 0			12	Y.
A 4,94,360 / B. 2,40,790	14,22,810	18,07,304	5,63,575	23,354	Octavius Steel & Co., Ltd.	1,393	Grob	45 / 22½	A 10 / B 5	2 0 / 1 0	3 0 / 1 8	0 12½ / 0 6½		12	Y.
7,00,030	7,00,000	7,04,481	2,29,888	48,032	Andrew Yule & Co., Ltd.	476	Hoograjall	56½	10	1 8	1 0			12	Y.
4,35,000	8,54,216	18,53,196	9,84,270	24,921	Andrew Yule & Co., Ltd.	1,290	Hoolungooree	300	100	Nil	12 8			12	Y.
7,50,030	5,85,000	13,98,777	2,44,299	58,941	Gillanders Arbuthnot & Co., Ltd.	938	Jutlibari	30½	10	Nil	Nil	1 01		12	Y.
2,40,000	80,000	11,45,158	6,20,851	3,559	Shaw Wallace & Co., Ltd.	1,166	Kinoley-Goalghat (Assam)	360N	100	Nil				12	P.Y.
6,50,000	4,94,133	6,79,844	1,29,844	72,557	Duncan Bros. & Co., Ltd.	1,037	Ledo	30½	10	Nil	2 0			12	Y.
4,80,000	40,000	8,94,211	84,211	14,238	Duncan Bros. & Co. Ltd.	673	Moheema	26½	10	Nil	Nil			12	Y.P.
1,50,070	4,47,344	4,05,697	16,982	14,403	Kettlewell Bullen & Co., Ltd.	433	Mothola	650N	100	Nil	40 0	15 01		12	Y.P.
O. 50,000 / P.O. 2,00,000	4,05,000	8,98,088	5,22,218	34,889	Andrew Yule & Co. Ltd.	344	Murphuland	39½ / 46	O.10 / P.O.10	2 0 / 2 8	2 0 / 2 8			12	Y.
4,00,000	3,61,274	6,00,328	3,80,669	9,567	S. C. Sen, Esq., Supervising Director	542	Naga Hills	49½	10	Nil	3 0	3 01		12	Y.
5,35,000	—	12,71,401	6,78,401	5,053	Shaw Wallace & Co., Ltd.	810	Namburnadi	26½	10	Nil	Nil			12	Y.
2,00,000	1,15,000	5,92,221	1,92,221	21,164	Duncan Bros. & Co., Ltd.	935	Nor Cinnatolilah	260N	100	Nil	5 0			12	Y.
2,00,000	5,27,500	7,37,172	2,83,495	45,300	Andrew Yule & Co., Ltd.	353	Raigarh	49½	10	Nil	2 8			12	Y.
4,00,000	4,26,802	17,09,844	6,56,992	16,877	James Finlay & Co., Ltd.	902	Sapol	45½	10	Nil	2 8	1 01		12	Y.
4,50,000	5,55,000	10,90,855	2,

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
2,00,000	2,35,000	3,76,125	22,948	34,760	Planting Agencies Ltd.	Balmadies Plantations	4½	2	0 3½	0 4	0 4		2	Y.P.T.
17,94,186	16,19,828	30,44,317	3,00,811	1,02,236	Peirce, Leslie & Co., Ltd.	Cochin Malabar	7-7½	3	0 9 3/5	0 12	0 12		6	Y.P.
18,00,000	13,78,817	31,25,582	4,43,587	1,58,644	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	17½	10	0 14 2/5	0 4 4/5	2 8		6	Y.P.
47,70,000	57,62,500	1,00,81,036	15,88,295	4,24,565	R. C. Paterson, Esq.	Consolidated Coffee	19½	10	1 12 4/5	1 8	1 12		6	Y.P.
4,00,000	3,34,078	5,19,105	46,991	11,406	Associated Planters Ltd.	Cottamal Plantations	14½	10	1 8*	1 8	1 8		3	Y.P.
18,00,000	6,86,355	22,16,637	4,18,493	57,291	A. V. Thomas & Co., Ltd.	Highland Produce	16	10	1 0	1 4	0 10½		12	Y.P.
4,00,000	10,16,061	10,85,666	1,39,566	11,970	A. V. Thomas & Co., Ltd.	Kalpetta Estates	25½	10	2 0	2 0	2 0		4	Y.P.
4,50,000	11,78,329	9,97,046	2,35,186	14,253	P. Kurian John, Esq.	Malankara Rubber	24	10	3 8	5 8	2 4		3	Y.
27,00,000	27,35,000	71,39,275	6,74,802	99,729	A. V. Thomas & Co., Ltd.	Midland Rubber	17½	10	1 8	1 8	1 12*		3	Y.P.
3,35,000	1,56,000	13,80,323	1,24,260	42,480	A. V. George & Co., Ltd.	Nenmeny Rubber	11	10	0 10	0 12			12	Y.P.
2,00,000	2,63,714	6,60,783	34,844	8,398	Associated Planters Ltd.	Nilambur Rubber Co.	12½	10	1 0	1 0			12	Y.P.
19,45,980	24,01,085	37,40,924	10,24,385	69,334	Peirce, Leslie & Co., Ltd.	Ouchterloney Valley Estates	5-12cd	2	0 3½	0 3½	0 9 3/5		10	Y.P.T.
13,50,000	6,80,000	39,49,798	3,06,746	54,658	A. V. Thomas & Co., Ltd.	Rajapuri Rubber	15-16½	10	1 8	1 12*	1 12*		6	Y.P.
3,66,780	2,50,000	5,94,562	49,313	89,904	Peirce, Leslie & Co., Ltd.	Savamalai Estates Ltd.	27½	10	3 8	3 0	2 8		11	Y.
10,00,000	3,09,600	21,81,045	1,32,358	1,227	East India Agencies	Teekoy Rubber (India) Ltd.	6½	10	0 14½	0 14 2/5	0 12		3	Y.P.T.
2,50,000	2,31,500	5,25,215	24,851	13,301	A. V. George & Co., Ltd.	Thamaraseally Rubber	25½	10	2 8	3 0	2 3½		12	Y.P.
6,10,200	2,75,005	7,98,048	62,162	17,826	Peirce Leslie & Co., Ltd.	Tirumbadi Rubber Co., Ltd.	2-0½	1	0 4	0 4½	0 1 3/5		9	Y.
6,00,000	54,522	7,40,843	98,185	2,171	Espies Thomas, Esq. (Mg. Director)	Travancore Rubber	10½	10	2 0	2 0			12	Y.
41,00,000	14,45,784	72,85,053	6,69,698	3,04,669	Aspinwall & Co. (Travancore)	Travancore Rubber and Tea Co., Ltd.	12½cd	10	0 9 3/5	1 0	0 8½		12	Y.P.T.
20,00,000	1,20,000	24,90,804	4,98,253	2,038	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	3½	25*	2 8	3 0			12	Y.
6,28,580	3,40,669	7,41,672	12,330	30,763	Harrisons & Crossfield Ltd.	Vaikundam (Travancore) Rubber	23½	10	2 0	2 0			12	Y.
1,63,000	87,259	3,50,536	15,684	1,063	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	12½	10	Nil	1 0	1 8		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	55,00,000	96,99,205	51,47,202	54,436	B. N. Elias & Co., Ltd.	879	Agarpara	14½	10	1+1	1+1	1f		3,9	H.T.P
12,00,000	27,00,000	45,81,286	32,42,838	54,874	Sahu Jain Ltd.	498	Albion	160	100	8+10	12+12	12f		5,11	H.P.
6,00,000	5,35,000	51,04,592	33,39,395	10,062	McLeod & Co., Ltd.	446	Alexandra	240	100	Nil	Nil+2½	2½f		6,12	H.P.T.
30,00,000	7,35,000	1,17,45,964	90,43,069	61,708	McLeod & Co., Ltd.	1,264	Alliance	184	100	Nil	Nil+5	6f		6,12	H.P.
49,20,700	82,13,382	2,54,81,317	1,78,90,000	1,47,643	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	228	100	10+10	7½+5	2½+5		3,9	H.P.
40,00,000	40,52,240	1,63,99,837	84,16,116	7,674	Bird & Co., Ltd.	810	Ankland	150	100	4+4	2+2	1+2½		3,9	H.P.T.
20,00,000	25,93,136	98,25,588	63,19,459	18,739	Jardine Henderson & Co.	959	Bally	193	100	Nil	4+Nil	Nil		3,9	H.P.
1,75,000	1,63,9,470	4,75,000	£1,045,310	£81,820	Sir John H. Burder (Chairman)	1,889	Barnagore	175	£5	£1	£1			3	Y.P.
28,00,000	35,49,623	89,78,590	48,75,835	53,467	Andrew Yule & Co., Ltd.	820	Belvedere	216	100	7½+7½	7½+7½	5f		6,12	H.P.
45,00,000	35,95,000	54,87,801	27,48,864	2,45,983	Soorajmull Nagarmull	600	Bengal	15	10	1	1+4			6	Y.P.T.
91,26,000	2,08,61,400	3,18,53,661	1,29,13,184	1,26,903	Birla Bros., Ltd.	1,373	Birla	204	10	3	1	1		3	Y.P.
36,00,000	29,62,925	1,11,26,330	71,77,582	1,20,609	Andrew Yule & Co., Ltd.	991	Budge-Budge	195	100	6½+6½	6+4	4+5		4,10	H.P.
7,47,380	3,16,924	41,11,370	29,06,003	1,176	Dayaram & Sons	15N	Calcutta Jute Mfg	10	10	0+8	Nil			6,12	H.P.T.
18,00,000	132,31,234	77,57,603	40,35,574	78,538	Andrew Yule & Co., Ltd.	616	Caledonian	280	100	6+6	6+6	4+5		5,11	H.
59,16,400	1,01,06,609	1,88,44,627	1,05,04,000	22,542	James Finlay & Co., Ltd.	600	Champdany	173	100	7+8	3+3	Nil+3		3,9	H.
15,95,000	30,14,282	80,62,490	55,81,540	1,37,479	Andrew Yule & Co., Ltd.	530	Cheviot	295	100	6+6	6+6	6+8		3,11	H.P.
30,15,000	27,73,000	60,14,632	44,94,094	86,036	McLeod & Co., Ltd.	500	Chitavalsah	14½	10	2½+1½	1½+½	½f		6,12	H.T.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	17	10	2	Nil			3	Y.P.
31,49,200	62,11,927	1,28,98,802	63,22,413	15,344	Bird & Co., Ltd.	766	Dalhousie	137	100	6+3	1+3	1+1½		3,9	H.P.
28,00,000	44,74,179	74,37,171	46,41,725	1,46,508	Andrew Yule & Co., Ltd.	779	Delta	257	100	10+10	10+10	6+6		5,11	H.P.
13,00,000	33,25,000	76,36,813	56,35,731	36,215	McLeod & Co., Ltd.	500	Empire	23½	10	1+½	1+½	½f		6,12	H.T.P.
21,00,000	53,28,948	2,70,49,518	1,81,05,210	40,839	Kettlewell Bullen & Co., Ltd.	465N	Fort Gloster	18¼	10	10+Nil	Nil	Nil		3,9	H.P.T.
14,00,000	13,00,000	82,13,505	49,27,586	71,285	Bangur Bros., Ltd.	380N	Fort William	100	100	Nil	Nil+5	10+10		3,9	H.T.P.
24,32,100	2,73,755	2,11,52,730	1,36,01,908	5,930	Macneill & Barry Ltd.	709	Ganges Mfg.	59½	100	Nil	Nil+Nil	Nil+½		3,9	H.P.
10,80,000	28,00,000	71,47,356	47,46,252	4,743	Gillanders Arbuthnot & Co., Ltd.	300	Gondalpara	1,000	300	30	15			12	Y.
24,00,000	31,83,104	2,20,06,557	1,67,50,294	1,56,427	Macneill & Barry Ltd.	1,394	Gourepore	326	100	12+Nil	Nil+3½	2½+7½		3,9	H.P.
40,00,000	53,68,234	72,93,746	48,50,613	2,95,107	Bangur Bros., Ltd.	1,078	Hastings	115N	100	10	10	10+10		3	Y.P.
15,80,000	18,52,626	66,38,235	49,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	44½	10	1½	1½	1+½		3	Y.P.
65,62,500	38,82,162	3,47,23,497	1,06,14,353	1,65,858	Jardine Henderson Ltd.	1,940	Howrah	29½	10	1+½	1+½	1+½		3,9	H.P.
52,50,000	20,00,000	2,42,25,884	1,49,75,884	1,64,711	Randutt Ramkisendas	2,272	Hukumchand	33	7½	2	2	1		3	Y.P.T.
O. 87,00,000 / D. 30,000	19,20,065	1,11,31,089	75,39,061	38,601	Mackinnon Mackenzie & Co.	1,076	India	{218 / —	O. 125 / D. 1	3½+3½ / A.4½+4½	3½+3½ / A.4½+4½	Nil+3½ / A.4 ½		3, 9	H.
24,00,000	27,62,899	1,37,48,710	1,20,61,507	32,488	Jardine Henderson Ltd.	1,797	Kamarhatty	{196 / 181	100 / 'B' 100	8½+6 / 8½+6	6+3 / 6+3	3f		6,12	H.P.
B. 19,20,000 / 30,000	17,86,954	1,32,65,521	97,46,515	68,418	Jardine Henderson Ltd.	1,527	Kankinarah	{142½ / 132	100 / 'B' 100	6+4 / 5+2½	5+2½ / 5+2½	2½f		6,12	H.P.
21,00,000	48,25,000	1,05,38,484	74,86,276	1,19,643	McLeod & Co., Ltd.	703	Kelvin	324	100	7½+7½	7½+7½	10f		6,12	H.P.
34,00,000	22,83,375	1,63,66,931	1,12,52,500	94,623	Anderson Wright Ltd.	1,530	Khardah	210	100	10+15	10+7½	7½f		3,9	H.P.
48,00,000	1,02,14,684	2,29,23,597	1,08,58,211	29,674	F. W. Heilgers & Co.	2,020	Kinnison	200	100	10+7	4+5	2+5		3,9	H.P.T.
24,48,000	48,31,837	1,39,26,497	78,80,252	4,428	Bird & Co., Ltd.	931	Lansdowne	130	100	7+3	2+5	1+1		3,9	H.P.
28,00,000	59,56,165	1,14,91,720	63,14,523	12,683	Bird & Co., Ltd.	840	Lawrence	146	100	11+4	2+5	1+1		3,9	H.P.
10,00,000	41,51,301	30,99,335	36,06,454	53,755	Andrew Yule & Co., Ltd.	538	Lothian	430	100	15+15	15+15	15+15		5,11	H.P.
81,65,200	26,14,412	1,92,62,004	1,19,08,316	8,502	Mackinnon Mackenzie & Co.	1,008	Megna	105	100	2½+2½	2½+2½	Nil+2½		3,9	H.
29,98,900	41,13,785	1,73,83,490	94,88,274	—7,08,068	F. W. Heilgers & Co.	815	Naihati	110	100	6+Nil	Nil	Nil		3,9	H.
20,00,000	15,05,000	28,15,067	16,73,660	3,826	Howrah Trading Co., Ltd.	425	Naskarpara	15	10	1½	Nil+½	½f		4,10	H.T.
35,00,000	44,29,326	28,38,765	9,63,390	1,88,126	Andrew Yule & Co., Ltd.	852	National	34½	10	1+1	1+1	1+1		4,10	H.P.
26,25,000	22,75,000	26,82,794	18,86,219	1,23,399	McLeod & Co., Ltd.	316	Nellimarla Jute	12½	10	2+1	1+½	½f		6,12	H.P.T.
31,50,000	34,13,033	49,75,722	24,95,902	84,459	Sahu Jain Ltd.	709	New Central	145	100	10+12	12+12	12f		6,12	H.P.
16,79,800	31,05,696	1,23,66,779	59,31,089	43,570	Bird & Co., Ltd.	567	Northbrook	242	10	1+½	1+½	1+½		3,9	H.P.T.
66,79,500	31,70,094	2,15,09,993	1,38,37,886	33,070	Macneill & Barry Ltd.	1,092	Nuddea	54	50	1+Nil	Nil+3	Nil+½		3,9	H.
24,91,000	27,81,047	71,20,511	49,55,472	1,21,195	Andrew Yule & Co., Ltd.	601	Orient	188	100	1+6	6+6	5+5		5,11	H.P.
23,00,000	4,99,002	80,67,981	62,60,401	5,641	McLeod & Co., Ltd.	400	Presidency	7½	5	Nil	Nil+½	½f		6,12	H.P.
20,00,000	1,40,946	26,48,443	7,67,493	—10,89,456	M. P. Birla, Esq.	305	Rameshwara	7½	10	Nil	Nil	Nil f		3,9	H.P.
49,50,000	8,01,372	1,73,46,455	37,04,882	18,873	Jardine Henderson Ltd.	1,276	Reliance	14½	10	Nil	½+½	Nil f		3,9	H.
£600,000	£1,093,713	£1,228,258‡		£95,425	Thomas Duff & Co. (India), Ltd.	2,013	Samnuggur	14½	£1	10%	10%			12	Y.P.
30,00,000	13,12,193	1,03,17,335	71,03,045	10,341	Bagatta More & Co., Ltd.	911	Shree Ambica	15½	10	1+1	Nil+½	½f		3,9	H.P.
14,00,000	10,29,608	48,33,752	37,62,113	2,54,934	Hindustan Investment Corporation	401	Soorah	165N	10	2+2	1+1	1+1		12	Y.P.T.
25,19,600	47,29,578	1,01,23,059	57,01,016	1,112	Bird & Co., Ltd.	650	Standard	155½	100	8+1	1+1	1+1		3,9	H.P.
£600,000	£925,119‡	£992,042		£108,510	Thomas Duff & Co. (India), Ltd.	1,794	Tiaghur	14½	£1	10%	10%			12	Y.P.
35,98,600	85,79,790	1,93,34,618	76,50,486	9,515	Bird & Co., Ltd.	1,326	Union	98½	100	10+1	1+4	1+5		3, 9	H.P.T.
£400,000	£688,035‡	£1,086,826		£1,12,138	Thomas Duff & Co. (India), Ltd.	1,531	Victoria	14½	£1	10%	10%			12	Y.P.
2,50,000	4,95,000	55,94,678	37,77,741	35,624	McLeod & Co., Ltd.	465	Waverley	7½	1	Nil	Nil+½	½f		6,12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	19,50,000	79,56,993	53,16,993	21,441	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	22½	10	1+½	½+½	½f		3,9	H.
12,00,000	8,49,582	38,20,987	35,11,987	31,068	Jardine Henderson Ltd.	Bararee Coke	20½	10	3/5+½	7/10+7/10	½f		3,9	H.
1,49,350	70,000	8,49,159	5,37,466	3,819	Andrew Yule & Co., Ltd.	Bengal-Bhaidee	54N	10	1	½	½f		6,12	H.
1,00,00,000	1,22,00,000	5,55,96,857	3,58,72,103	5,30,259	Andrew Yule & Co., Ltd.	Bengal Coal	514	200	20+20*	17½+15*	15*		4,10	H.P.
2,25,000	5,10,369	25,37,614	22,43,053	...	Andrew Yule & Co., Ltd.	Bengal-Nagpur	12½	10	½+½	Nil	Nil		6,12	H.P.
12,97,000	3,10,369	25,37,614	22,43,032	25,529	H. V. Low & Co., Ltd.	Bhalgora	6½	10					9	Y.
40,00,000	14,81,010	1,30,60,104	68,66,790	13,644	Sahu Jain Ltd.	Bharat Collieries	7—	10	½	½			9	Y.T.P.
7,13,000	14,41,318	51,71,261	36,39,224	—10,66,456	F. W. Heilgers & Co., Ltd.	Bhulanbarareo	14N	10	½ Nil	Nil	Nil f		6,12	H.
16,00,000	16,22,936	68,16,454	39,74,841	—1,34,132	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	9	10	Nil f				6,12	H.T.
7,50,000	22,09,390	41,57,477	25,36,282	98,663	F. W. Heilgers & Co., Ltd.	Borrea	30	10	1½+1½*	1½+1½*	1½f		6,12	H.P.
90,92,480	1,70,76,208	4,10,36,356	1,71,71,566	1,49,910	Bird & Co., Ltd.	Burrakur	12½	10	1+½	1+½	½f		6,12	H.P.T.
49,97,750		34,81,955	2,37,645	5,907	Hindustan Investment Corpn., Ltd.	Central India	7½	10	Nil	½	½		3	Y.
8,00,000	13,54,302	49,10,414	32,63,954	82,768	Anderson, Wright & Co., Ltd.	Central Kurkend	13N	10	Nil	½+½			6,12	H.
6,00,000	1,43,341	7,23,000k		23,618	F. W. Heilgers & Co., Ltd.	Churia	3	4	½+½	½+½	½f		6,12	H.
16,00,000	1,20,000	50,63,761	27,27,536	—1,91,155	Macneill & Barry Ltd.	Dhemo Main	8½	10	Nil	Nil	Nil f		6,12	H.
2,40,000	4362,496	£244,003	£11,181	£63,557	Jardine Henderson Ltd.	East Indian	29	£1	3§ (i)	2½	2½		4	Y.
29,63,760	71,99,925	3,66,52,739	2,81,14,367	1,85,653	Macneill & Barry Ltd.	Equitable	31½	10	2+1½	1+½	½f		6,12	H.P.
10,00,000	2,11,139	9,72,721	3,23,963	40,284	Bhatter's Agency Ltd.	Ghusick and Muslia	15N	10	½				6	Y.
12,00,000	1,22,000	37,04,970	19,00,221	445	Kilick Industries Ltd.	Hingir-Rampur	40½	50	½	½	Nil		6	Y.P.
8,00,000	5,75,000	21,42,581	18,13,083	62,148	Macneill & Barry Ltd.	Hurniladih	10½	10	½+½	½+½	½f		6,12	H.
22,00,000	1,08,577	31,70,015	10,56,245	—1,95,248	Bajpole Trust Ltd.	Josta Coal	3½	10	Nil				12	Y.P.
3,50,000	4,26,251	14,93,445	6,91,521	...	Andrew Yule & Co., Ltd.	Kalapathar	27N	10	1½+1½	1½+1	Nil		2,8	H.
20,00,000	9,375	26,40,669	2,46,630	3,145	Bird & Co., Ltd.	Karanpura Collieries	100	100	Nil	Nil	Nil		7	Y.P.
5,00,000	13,60,000	44,39,243	34,62,230	61,518	Andrew Yule & Co., Ltd.	Katras Jherriah	48½	10	2+2	2+2	2+2		1,7	H.
1,38,400	5,72,960	12,85,941	5,72,960	—2,60,236	Berriwala & Co.	Khas Kajora	5N	10	Nil	Nil			6,12	H.P.
11,00,240	64,314	16,72,961	10,41,863	—1,320	H. V. Low & Co., Ltd.	Kuardi	7N	10	½	Nil	Nil		6	Y.
9,00,000	11,86,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10½N	10	½	½	½		4	Y.
7,48,240	1,50,000	11,38,128	8,95,686	25,598	S. P. Tantia, Esq.	Narira	7½	10	½	½			6,12	H.
17,76,230	18,91,763	1,16,14,994	85,44,712	42,594	Andrew Yule & Co., Ltd.	New Beerbhoom	18½	10	Nil+½	½+½	½+½		4,10	H.P.
6,00,000	1,25,000	32,17,687	19,65,424	4,644	Octavius Steel & Co., Ltd.	New Manbhoom	8	10	Nil	Nil	Nil f		3,9	H.
1,15,000 / 1,37,500	2,47,695	12,93,355	8,05,952	8,676	Andrew Yule & Co., Ltd.	North West	{11½N / 7½N	10 / 7½	½+½ / ½	½ Nil / ½	Nil / Nil		3,9	H.
7,50,000	11,70,228	3,97,666	2,77,666	96,307	F. W. Heilgers & Co., Ltd.	Ondal	22½N	10	1+½	1+1	½f		6,12	H.P.
10,00,000	1,10,000	37,18,080	16,07,868	38,140	K. C. Thapar & Bros.	Oriental Coal	11½N	10	½	½			12	Y.T.
6,34,000	1,32,942	17,23,281	6,78,407	5,618	Deepchand Kishenlall	Parasea	9½	10	Nil	½			6,12	H.P.
15,75,000	13,00,000	44,14,803	31,19,803	22,304	Shaw Wallace & Co., Ltd.	Pench Valley	23½	10	½+½	½+½	½+½		3,9	H.
23,99,500	17,17,105	1,16,31,468	80,43,780	72,002	N. B. Elias & Co., Ltd.	Raneegunge	11½	10	Nil	Nil	½f		3,9	H.
13,50,000	7,88,385	30,74,660	25,05,660	27,848	Shaw Wallace & Co., Ltd.	Rewa	5	10	½+½	1+1			6,12	H.
20,00,000	3,95,008	32,32,218	13,30,900	438	Jaipuria Sons Ltd.	Samla Collieries	12½	10	1+½	½+½	½f		6,12	H.
1,25,000	1,85,000	12,10,180	10,21,382	19,527	Gillanders Arbuthnot & Co., Ltd.	Searsole	12½	25	2½	½	½		1	Y.
2,80,000	7,06,598	29,25,214	16,85,969	25,643	Andrew Yule & Co., Ltd.	Seepore	26	7	2+½	3+½	1f		6,12	H.P.
8,00,000	8,75,468	36,88,786	26,31,462	—1,22,722	F. W. Heilgers & Co., Ltd.	Sendra	9½N	10	Nil	Nil	Nil f		6, 12	H.T.
63,21,450	15,01,620	3,51,42,502	2,49,62,544	—6,49,301	Industrial Trust Fund (Government of Hyderabad)	Singareni	6½	10	½	Nil			12	Y.T.
17,50,000	10,85,425	37,23,396	14,57,868	3,853	Bird & Co., Ltd.	South Karanpura	10½	10	½+½	½+½	Nil+½		2,8	H.
8,00,000	14,72,339	1,69,570	23,510	59,039	F. W. Heilgers & Co., Ltd.	Standard	19½	10	1+1	1+1	½f		6,12	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Talcher	3½	2½					9	Y.
3,50,000	3,65,000	18,61,212	14,05,212	68,861	Williamson Magor & Co.	Union	17½	10	1½+1½	1+½	½f		6,12	H.
49,98,900	21,916	47,68,934	16,41,545	65,727	Hindustan Investment Corpn., Ltd.	Western Bengal	6½	10	½	½	½f		3	Y.
7,00,000	3,37,000	20,89,488	21,36,223	382	Macneill & Barry Ltd.	West Jamuria	15½	10	Nil	Nil	Nil f		6,12	H.

* Including bonus.

(i) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

(k) Investments.

(a) For seven months ended 31st March, 1954.

MARKET REPORTS

(*Concluded from page 701*)

TEAS IRREGULAR

(*Messrs. Forbes, Ewart and Figgis Ltd.*)

COCHIN, 31st *March*

Approximately 1,350,000 lbs. were on offer in sale No. 7 which was held on Tuesday, 29th March, 1955. Quality was much the same as the previous *sale, although there were rather fewer flavoury* high growns on offer. There was a fair general demand, but prices were irregular. Commons were *firm to dearer, but low medium teas met with a* poor response. Medium and good medium teas were two annas easier. Best liquoring high-growns sold well at about last rates with buyers following quality closely. There was keen competition for *whole leaf grades, particularly orange pekoes and* these were As. 1 to As. 2 dearer. Fannings generally met with less demand than broken grades. The following are the quotations:

	1955 Rs. a. p.	1954 Rs. a. p.
Low grown Travancore B.O.P.	2 4 0	2 10 0
Medium Travancore B.O.P. ...	2 6 6	2 11 0
Anaimallais B.O.P. ...	2 12 0	2 14 0
Best liquoring Nilgiri B.O.P. ...	3 7 0	4 0 0
Well made black leaf O.P. ...	2 15 0	2 11 0

London Market—*Sale of 28th March, 1955.*—*Weaker demand.* Market ½d. to 1d. lower.

Sale of 29th March, 1955.—High-growns firm, mediums and low-growns ¼d. to 1d. lower.

Colombo Market.—Limited demand. Prices brokens and fannings declining, as sale progressed. Leaf grades steady.

Calcutta Market.—No sale this week.

Export Quota.—Business has been done in 1955-56 quota at 72 piles. There are buyers of special licences at 54 piles and business has been done.

Forthcoming Auctions.—Due to Easter holidays, the auctions for April will now be as follows:—

Dust sale 'G': 5th April, sale No. 8: 19th April, dust sale 'H': 19th April, and sale No. 9: 26th April.

Catalogues for Sale No. 9 will close on 14th April.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire: "*Dust Sale G*: 475,000 lbs. Good demand for natural dusts. Best liquoring stronger. Milled dusts very weak and considerably easier."

JUTE GOODS PRICES TOO HIGH

(*From Our Own Correspondent*)

CALCUTTA, 4*th April*

The jute markets had an uneventful period during the week under review. Not much business passed for export. Despite the recent fall in prices, the present levels are considered still too high *by buyers. It is, therefore surprising that prices* of raw jute have tended to rise this week, although the advance was to the extent of only Re. 1 to Rs. 2. A situation that is becoming clearer day by day is that full interest of foreign buyers, especially *American, can be revived, if prices come down* further and the determination of prices is not left to the mercy of the speculative elements who have little or no interest in the welfare of the Indian jute industry. During 1954, the burlap consumption in the United States fell by an average of 5 million yards per month. So far during the current year, there has been no sign of an improve*ment in consumption. This is, indeed, a very bad* development despite America's need for more packe*aging materials. Prices of both raw jute and jute* goods should be brought down and a sound relationship between them evolved.

The aforesaid aim is difficult of realisation so long as speculators hold the ground. An attempt in the right direction is the establishment of a well-*organised futures market.* This has been recognised by the Government; but, as stated by Mr. P. Drollas, Chairman of the Calcutta Jute Fabric Shippers' Association at the Association's annual meeting held on Friday last, only little progress has *been made towards its establishment.* As is usual with speculation, if foreign buyers take some quantity, prices are put up, forcing buyers to withdraw *from the market.* Mr. Drollas pleaded for the abolition of the export duty. It is recognised that the duty is not a heavy one, but, if it is abolished, prices of jute goods can move down without a reduction in raw jute prices. This would ensure *cultivators to sow a much bigger area this season.* There have been more rains in the jute-growing districts this week and, with one or two more heavy showers, sowing must commence. It is very unlikely that the Finance Minister would heed the *plea for the abolition of the duty on exports of* jute goods, but, if this is done, it will change the outlook of the industry in a dramatic way.

More exports of jute goods can be achieved only if prices remain at reasonable levels and supply is uninterrupted. *If this is not done, sub*stitutes and bulk handling will make further in-*roads into the fortunes of jute goods, as the world's economy is expanding and needs more packaging materials.* Ready 40" 10 oz. hessian opened at Rs

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	11,36,301	Allahabad Bank	364xd	100	18 0	18 0	18 0	18 0	12	Y.P
14,50,000				182xd	50	9 0	9 0	9 0	9 0		
1,01,000	18,16,000	2,18,671	Andhra Bank	116cd	100	6 0	6 0	6 8	8 8	6.12	H.
22,20,000				59cd	50	3 0	3 0	3 4	1 12		
1,00,00,000	1,28,00,000	2,70,302	Bank of Baroda	10¼	50	6 0	6 0	6 0	6 0	12	Y.
40,00,000	17,00,000	11,795	Bank of Bikaner	12¼N	25	0 12	0 12	0 12		12	Y.
3,50,00,000	3,92,00,000	910,851	Bank of India	146	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,375	27,15,000	64,703	Bank of Indore	55N	25	3 0	3 0	3 0	3 0	12	Y.
50,00,000	19,00,000	25,128	Bank of Jaipur	23	50	1 8	1 8	1 8	2 0	12	Y.
50,00,000	54,00,000	2,27,018	Bank of Mysore	27½	100	16 0	16 0	16 0	16 0	12	Y.
58,99,150	81,83,240	29,609	Bombay State Co-operative Bank	55	50	2 8	2 8	2 8		6	Y.P.T.
15,00,000	26,00,000	20,774	Canara Bank Ltd.	80	50	4 8	4 8	4 8	4 8	12	P.Y.
7,50,000	10,50,000	6,878	Canara Banking Corporation Ltd.	85	50	5 0	5 0	5 0		12	Y.P.
2,42,11,875	4,00,55,697	17,68,599	Central Bank of India Ltd.	50¾	25	3 8	3 8	3 0	3 0	12	R.L.Y
62,42,375 'A'				51¾	25	3 8	3 8	3 0	3 0		
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co	81½	50	1 12	1 12	2 0	2 0	12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	78XRN	20	4 0	4 0	4 0	4 0	12	Y.
1,25,00,000	16,20,000	15,160	Hindustan Commercial Bank	10	50	—	—	—		12	Y
30,00,000	1,20,000	1,412	Hindustan Mercantile Bank	13½	50	—	—			12	Y.
75,00,000	76,00,000	1,03,750	¶Hyderabad State Bank	106N	100	6 0	5 0	5 0	6 0	6	Y.
2,75,00,000	6,35,00,000	34,18,646	Imperial Bank of India	1,880	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000				886	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000				185cd	100	12 0	12 0	12 0	12 0		
17,00,000	77,50,000	1,30,785	Indian Bank	144cd	85	10 8¾	10 8¾	10 8¾	10 8¾	6.12	R.L.H.
16,80,000				102cd	60	7 8¾	7 8¾	7 8¾	7 8¾		
49,19,675	26,00,000	2,15,839	Indian Overseas Bank	106cd	100	6 0	6 0	6 0	6 0	6.12	R.L.H.
6,25,000				50	100(A)	7 8	6 0				
2,50,000	6,33,039	1,380	Indo-Commercial Bank	15	25(B)	1 14	1 8			6.12	H.
10,00,000				22	50(C)	3 0	3 0	3 0			
87,50,000	92,50,000	4,99,040	Punjab National Bank	46½	25	1 0	1 8	2 0	1 0	12	Y.
1,00,00,000	21,75,000	93,631	Travancore Bank	18¾	25	—	—	0 10	0 12	12	Y.
40,00,000	33,00,000	1,75,874	Union Bank of India	6-6½xd	5	0 5½	0 5½	0 5½	0 5½	12	Y.
8,00,000	56,50,000	1,08,725	United Commercial Bank	46¾	50	2 0	2 0	2 0	2 8	12	H.

PRINCIPAL EXCHANGE BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend (per cent.) 1951	1952	1953	1954	Accounts Closed	Reference
£3,500,000	£5,000,000	£292,910	Chartered Bank of India, Australia and China	£2-3-9	£1	14†	16†	14†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£5-¾	£5	6†	7†	7†		12	R.L.Y.
H.K. $20,000,000	HK $128,000,000	H.K. $10,215,216	Hongkong and Shanghai Banking Corporation	$85	H.K. $125	5*	5*	5*	5*	12	Y.
$17,966,195 'A'	£14,500,500	£516,557	Lloyds Bank	£3-5-0	£5 A	12†	12†	14†	15†	12	R.L.Y.
£1,437,500 'B'				£3-7-8	£1 B	5†	5†	5†	5†	12	R.L.Y.
£375,000 'A'	£1,750,000	£200,284	Mercantile Bank of India	£4-¾	A £2½	12†	14†	14†	14†	12	R.L.Y.
£750,000 'C'				£4-¾	B £2½	12†	14†	14†	14†		
				£14	C £1	12†	14†	14†	14†		
£2,851,563	£3,104,687	£826,266	National Bank of India	£1-5-3	£1-5-3	14†	16†	16†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (1) Pakistan Currency. B-1 = Reserve liability on shares. †† O.S. Currency. (i) Interim. * £ reserve free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	3	1st December and 1st June	Carew & Co.	99½	1st June .. 1963
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	95	28th February .. 1960(c)
8,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	99¾	30th December .. 1954
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	102	27th December .. 1962-63
20,00,000	6	1st May and 1st November	Ravalgaon Sugar (New)	98	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries	103	1st April .. 1956-61
		1st May and 1st November	Walchandnagar Industries (New)	96½	1st November .. 1959-64
COAL					
30,00,000	4½	30th April and 31st October	Bharat Collieries	95½	30th June .. 1956
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	91½	30th June .. 1967(c)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	101	14th December .. 1966(a) ‡
COTTON					
6,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	99	15th November .. 1964(b)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	100½	1st January .. 1967-72(a)
12,46,000	5	1st June	Jaykrishna Textiles	50N	1st January .. 1956-59
40,00,000			Tata Mills	101	 1966-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	95	31st March .. 1966(c)‡
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	100½	14th June .. 1959
98,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	97½	30th October .. 1949
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964(c)
2,45,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101½	1st January .. 1976(c)
50,00,000	5	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	87	1st April .. 1976
15,00,000	5	1st January and 1st July	Sitas (Sverrisk) Electric Supply Co., Ltd.	96	30th June .. 1976(c)
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	98	 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	99	1st October .. 1964
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	 1958-62
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July .. 1957-67
47,72,000	4	1st April and 1st October	Tata Power	99½	15th September .. 1961-65
2,50,000		30th April and 1st October	Tata Power	71½	15th September .. 1966-70
ENGINEERING					
5,00,000	6	30th June and 31st December	Britannia Engineering	99	30th December .. 1958
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	101½	1st July .. 1957-62
61,146,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	106	31st December .. 1966 (ii)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	86½	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	101½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	100½	31st December .. 1960 (a)
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	100	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	100	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	88½	30th June .. 1960½
9,00,000	5	31st January and 31st July	Calcutta	93	31st July .. 1959
10,69,000	5	30th June and 31st December	Chitavalsh Jute Mills	96	30th June .. 1966
25,00,000	5½	31st March and 30th September	Dalhousie Jute Co.	99	31st March .. 1969(c)
8,56,000	5	30th June and 31st December	Elgin	99	15th July .. 1959(c)
25,00,000	3½	1st January and 1st July	Hukumchand	98½	30th June .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	96½	31st December .. 1964(c)
25,00,000	5½	30th June and 31st December	Naihati	98	31st March .. 1967(c)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May .. 1959
30,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Premier	92	30th June .. 1958
26,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	93	30th September .. 1965(c)
8,00,000	4½	14th March and 14th September	Scorah Jute	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	96½	30th June .. 1957
10,00,000	3½	31st January and 31st July	Waverley	88	31st July .. 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	90N	1st July .. 1956
£850,000	4½	1st January and 1st July	Calcutta Tramways	£60N	At 105% at any time on 6 months' notice or at par or every seventh year.
£159,363	5	1st April and 1st October		£77¼N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	90½	31st December .. 1959(c)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£65¼N	Any time on six months' notice.(e)
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	94½	1st September .. 1963
PLANTING					
10,00,000	5½	30th June and 31st December	Consolidated Coffee	102	1st July .. 1957-62
5,00,000	6	31st March and 30th September	Night Tea	99	1st April .. 1954-56
4,61,000	5½	30th June	Ooncherony	100½	30th June .. 1956-58
9,00,000	5	31st March and 30th September	Periakaramalai	104	31st March .. 1958-62
1,59,700	5½	31st March and 30th September	Teekoy	100½	31st March .. 1949-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	100	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December .. 1962
26,80,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December .. 1962
4,00,000	4½	30th June and 31st December	Bengal Paper Mills	96½	30th June .. 1957
8,00,000	5	1st March and 1st September	Burmah-shell	102½	1st September .. 1955-69(a)†
21,00,000	5½	1st February and 1st August	Chowringhee Properties	98	1st February .. 1964
21,54,000	4½	1st July and 1st January	Clive Buildings	89	1st July .. 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	89	 1960
1,80,00,000	5	1st January and 1st July	Dunlop Rubber	102	1st January .. 1960
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	104	31st March .. 1971(a)††
19,25,000	5	15th March and 15th September	Mettur Chemical Industries	95	30th June .. 1969(a)‡
22,87,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	535	 1964
45,00,000		30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	500 (per note)	30th September .. 1976(a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	31st December .. 1975(a)
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	98	1st April .. 1971
1,00,00,000	6	30th June and 31st December	Robtas Industries Ltd.	90	31st March .. 1961(a)
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	104½	31st December .. 1958(a)
					1st May .. 1968(a) ‡‡

(c) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-8-1954 but before 1-8-1957 and 1 per cent. premium on or after 1-8-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12 years. † Rs. 1,60,00,000 debentures will be redeemed at par annually by drawing from 1-6-1955. Any debenture outstanding on 1-6-1959 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. †† Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964, onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1958, on 6th months' notice. †† (Option to repay at par on 6 months' notice, on or after 1st January 196-.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 6th April, 1955.

—	Closing quotations 30-3-1955	High	Low	Closing quotations 6-4-1955
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	122½	—	—	122½
Apollo (2)	2-13¾	2¾	2-13¾	2-13¾
B.R. Cotton Mills (100)	52	52	40	40
Bombay Dyeing (250)	464½	472½	465	463¾
Central India (100)	127	127½	126	127
Century Mills (100)	377½	383	376	380
Colaba (100)	60	56	55¾	56
Edward Textile (200)	260	—	—	260
Elphinstone (50)	40¾	—	—	40¾
Finlay (100)	260	260	258½	260
Gokak (100)	225	231	225	230
Ind. Untd. Defd. (1)	1-4¾	1-4¾	1¾	1-4¾
Ind. Untd. Ord. (10)	10¾	10-12½	10¾	10-12½
Indore Malwa (100)	93¾	93¾	93¾	93¾
Khatau (100)	170¾	—	—	170¾
Kohinoor (100)	314½	316½	312¾	314½
Lakshmi (250)	407¾	497¾	490	492½
Madhusudhan (100)	84¾	—	—	84¾
Minerva Mills (100)	100	—	—	100
Model Nagpur (250)	137¾	—	—	137¾
Morarji (100)	218¾	—	—	218¾
Mysore (50)	107½	204	196	202
National Rayons (100)	140	—	—	140
New City (100)	147	147½	147	147½
New Great (100)	155½	155½	150	151xd
New Union (10)	32½	—	—	32½
Phoenix (100)	107½	107½	101½	101½
Podar Mills (100)	157½	—	—	157½
Sassoon Silk (10)	14¾	—	—	14¾
Sassoon Spg. (10)	37	—	—	37
Sholapur (1,000)	1,400	—	—	1,400
Shrinivas (100)	231½	235	230	234¾
Simplex (50)	145	147	144½	146¾
Standard (100)	361½	366½	360	363¾
Swadeshi (100)	189½	192	186½	190¾
Swan (100)	332½	—	—	332½
Tata Mill (25)	55	58	—	58
Vishnu (100)	117½	—	—	117½
Western India (1,000)	3,375	—	—	3,375
BANKS				
Bank of India (50)	145	146½	145	146½
Bank of Baroda (50)	108½	—	—	108½
Central (25)	50	50½	49¾	50¾
Central 'A' (25)	51¾	52	51¾	52
Dena Bank (50)	31½	—	—	31½
Imperial (P.Pd.) (500)	1,580	1,580	1,577½	1,577½
Imperial (P.Pd.) (125)	390	385	377½	380
Punjab National (25)	44½	45½	44½	45
Union Bank (5)	6-10½	6-10½	6 5½	6 1xd
United Com. (50)	45½	46½	44	44½xd
ELECTRIC COS.				
Ahmedabad (100)	110½	110½	110	110½
Amalgamated (10)	11-4½	11½	11½	11-4½
Andhra Valley (1,000)	1,403½	1,405½	1,397½	1,402½
Bom. Sub-El. (100)	126½	126½	125	125½
Surat (100)	127½	128½	127½	128½
Tata Hydro (100)	147	147½	146½	147
Tata Power (1,000)	1,492½	1,500	1,491½	1,500
INSURANCE COS.				
British India (10)	18¾	—	—	18¾
Empire of India (100)	700	—	—	700
Ind. Mercantile (20)	44½	—	—	44½
Jupiter (10)	9⅜	9⅜	8⅜	8⅜
New India (10)	52½	52½	50½	50½
Oriental (200)	7,275	—	—	7,275
Universal (10)	10½	—	—	10½
Vulcan (10)	18	—	—	18
STEEL COS.				
Ind. Iron (10)	35-3¾	35-0½	35-1½	35-0½
Tata Steel Ord. (78)	239½	241½	238¾	239
SUGAR COS.				
Belapur (50)	31½	31½	31½	31½
Bhopal (10)	14½	—	—	14½
Phaltan (50)	117½	118	116½	118
Walchand Ind. (100)	223½	226½	222½	225
CEMENT COS.				
Associated Cts. (100)	179½	180½	179½	180½
Digvijay (100)	176	179½	175½	179½
MISCELLANEOUS				
Alcock Ashdown (100)	280	280	272½	278½
Bom. Dyeing (125)	466½	471½	461½	470
Br. Ind. Petrol (4 sh.)	170	172½	168½	172½
Br. I. Corpn. (5)	3-14¾	3-14¾	3-12½	3¾
C. P. Rly. (100)	7¾	8-6½	7¾	8¾
Indian Copper (Rs.)	10½	—	—	10½
Ind. Inv. Tr. (100)	3-8¾	3-11½	3-8¾	3-10½
Kemp (200)	77	76	76	76
Kilnick (100)	226½	—	—	226½
Polson (100)	171½	172½	171	172
Port Canning (100)	150½	151½	150	151½
Premier Co. (50)	14	—	—	14
Scindia (20)	156	158¾	155½	158
Shivrajpur (10)	18-9¾	18⅜	15½	18-7½
Tata Chemicals (10)	81½	81	80	80¾
Tata Oil (25)	15	15-5½	14⅜	15½
W. I. Match (100)	40½	40½	39½	40½
	196½	200	196½	200

GOVERNMENT SECURITIES	30-3-55 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	6-4-55 Rs.
2½% 1955	99¾	—	—	99¾
2½% 1956	91	—	3.25	91½
2½% 1960	94½	—	3.97	94½
2½% 1962	92¾	—	3.79	94½
2½% 1964	82	—	3.69	82¾
3% 1957	99½	—	3.01	99½
3% 1958	99¾	—	3.29	99½
3% 1959-61	97½	3.64	3.35	97¾
3% 1963	93¾	—	3.53	93¾
3% 1962-65	93¾	3.69	3.75	93¾
3% 1966-68	90¾	4.04	3.92	90¾
3% 1986 Con. Loan	80½	4.15	3.92	80¾
4% 1960-70	101¾	3.65	3.84	101¾
4½% 1958-59*	101½	—	2.00	101½
4½% 1961 N.P. Bonds	108½	3.50	4.18	108½
3½% 1964 N.P. Loan	99½	—	3.59	99½
	98½	—	3.69	98½

BRITISH GOVERNMENT SECURITIES

	31-3-55 £	High £	Low £	6-4-55 £
2½% Brit. Consols	65¾	65¾	65¾	65¾
3% Brit. Transport 1978-88	101½	101¾	101½	101½
3% War Loan 1955-59	98	98½	98¾	98½
3½% War Loan 1952	85¾	—	—	85¾
4% Brit. Iron and Steel 1979-81	84¾	84¾	84	84¾
4% Funding 1960-90	100¾	—	—	100¾

*Current Income. x.d. = Ex-dividend. • Rupee Coins.

COMMERCE

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

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STATE-OWNED INDUSTRIES

IT was heartening to find that at least a few members of the Lok Sabha evinced a lively interest in the working of the Ministry of Production, when that Ministry's demand for grants came up for the approval of the House. It was equally heartening to note that the pleasant-mannered distinguished Minister for Production, Mr. K. C. Reddy, took the criticisms in good spirit and endeavoured his best to answer them. All this is, indeed, a healthy feature and deserves to be kept up. As readers are aware, quite a number of important industries, involving huge capital investment by the State, is under the charge of this Ministry and there is every indication that more State-owned industries will be entrusted to its care. Parliament is the only body that can effectively ensure the efficient working of these industrial concerns. Its members must, therefore, maintain a close watch over the results of these ventures and impress upon the Minister concerned the need for their sound management. It is needless to add that their criticisms should be constructive and not destructive. Their object should be not creation of political capital out of the faults found in the working of State concerns but removal of such faults, so that the country as a whole may benefit by the successful results of these concerns. Rightly or wrongly, the Government has taken to promotion and ownership of even those industries which can very well be in the private sector, provided the latter is given suitable assistance. It has assumed responsibility for certain industries despite its shortcomings in managerial ability. It is sheer foolhardiness to venture thus, but that the Government has done so is a fact which has to be faced. It is the duty of everyone, who has the welfare of the country at heart, to see that these State-owned industries succeed by offering positive suggestions and active co-operation. But this task will be possible only if adequate information about the working of these corporations is promptly placed before the members of Parliament and the Press.

On this last point, we should say that the Central Government is more accommodating and helpful than the State Governments. The latter provide hardly any worthwhile information about the working of ventures under their ownership. Even the members of the legislature are not able to get up-to-date statements of accounts and auditors' reports. The Press is, of course, completely ignored, with the result that it has to depend upon only what the Treasury and Opposition members have to say. It is to be hoped that, in future at least, the State Governments will emulate the Central Government in this respect and circulate to the Press the annual reports and the Ministry's explanations on the working of their commercial undertakings. The Ministry of Production deserves to be complimented for including in its *Report for 1954-55* a running commentary on the progress of all the industrial concerns under its charge and also the directors' reports and audited accounts of these concerns for the latest year, namely, 1953-54, together with the speeches of their chairmen, if any. These reports and acounts are drawn up in the same way as those belonging to the companies in the private sector, so that it is easy for one to study and understand them. It would, indeed, be ideal if all the Governments were to follow this method in regard to all their commercial undertakings whether or not they are registered under the Companies Act.

One of the criticisms levelled against the completely State-owned companies (that is, companies such as the Sindri Fertilisers and Chemicals Ltd. and the Hindustan Machine Tool Ltd.) or companies the majority share capital of which is owned by the State (such as the Hindustan Shipyard Ltd.) is that, in many cases, the board of directors is not a "functional body" and is lacking in personnel who know the job. There is, in our view, considerable truth in this charge. And, if any proof were needed, one has only to go into the causes for the unconscionably slow progress of some of the State undertakings such as the machine tools, housing, Chittaranjan locomotive factory, Rourkela steel factory and shipyard. It is no exaggeration to say that none of these enterprises is as successful as one was led to expect. Even the Minister for Production will readily admit the validity of this criticism. The Government must pay serious attention to remedy this defect. There seem to be two ways in which this could be done. One is to have a body of advisers chosen from the business community to guide the Ministry in regard to technical details relating to administration, purchases of plant, machinery, stores and raw materials, and appointment of technical consultants. The other is to have tried business men on the boards of directors of the State-owned companies, as was being done in the Mysore State during the pre-independence era.

A prerequisite for the success of the aforesaid suggestion is that the Government must have implicit confidence in the advice of business men chosen by it. And sufficient time and freedom must be given to them to show results before they are condemned. But this requires a definite change of heart in the Government and, to a certain extent, in business men, too. The latter, we have no doubt, will readily co-operate with the powers-that-be, if only there is better appreciation of, and respect for, their role in the economic development of the country and if they are not made to feel that they are being just tolerated as a necessary evil. We are sure that there must be many business men in this country, who would welcome an opportunity to serve the public, but in their own light and in those spheres in which they have specialised. We realise that, in the present mood of the Government, it is too much to hope that our suggestion will go home. But this suggestion seems to be the best way of ensuring successful working of State-owned industries, especially as the vast majority of members of legislatures and Parliament has little experience of industry, trade and finance. The alternative is the costly method of learning by trial and error. It is ridiculous for a poor country like India to follow this terribly costly method. Indeed, it is a crime to do so, when it can be avoided without any cost to the public.

While on the subject of board of directors of State-owned companies, it will be pertinent to draw the attention of managements of joint-stock companies in the private sector to an important feature. In all these State-owned companies, representation has been given to labour on the directorate. Mr. Michael John of the I.N.T.U.C., for instance, has a seat on the Board of the Hindustan Shipyard, while Mr. S. R. Vasavada, another I.N.T.U.C. leader, is on the Board of the Sindri Fertilisers and Chemicals. This practice by the companies in the public sector will strengthen the demand already being voiced by trade unionists in this country, including such an enlightened leader as Mr. V. V. Giri, our erstwhile Labour Minister, that representation should be given to labour on the directorate of companies in the private sector, too. The demand is likely to derive further strength, if the Government recognises the railway workers' claim for representation on the Railway Board. The employers in the private sector will do well to take note of this trend and to remember that, in course of time, it will assume serious proportions. As the Government has already recognised the workers' demand in this connection, it is obvious that the employers will get little support from it to resist this demand. It may interest them to know that the principle of co-management is gradually receiving recognition at the hands of employers in Western Europe. Several industries in West Germany are being run on the principle of co-management. The issue of bonus shares to employees by some of the big industrial concerns in the U.K. is also based on this principle. That is, perhaps, one way of placing on firm foundations a "property-owning democracy," as Sir Winston Churchill described Britain to be in one of his memorable speeches last year in his capacity as its Prime Minister.

To revert to our discussion of State-owned industries in India. Almost all of them are based on foreign technical skill secured through special agreements. In the case of a number of these ventures, such skill has been obtained from countries which are either small or which do not figure as the foremost producers of the industries concerned in the world map or with which India has had no significant trade relations. At the time when agreements were concluded with these countries, the Government was warned by its well-wishers in the private sector not to buy technical aid and skill from them, but this warning went unheeded. It is regrettable to find that events have justified this warning. Competent observers who have seen the shipyard at Visakhapatnam and the machine tool factory at Jalahalli, the two most important major industrial undertakings in the public sector, assert that one of the principal causes for the poor progress of these projects is the sluggishness of the foreign experts who are in charge of them. The shipyard is under French experts, while the machine tool factory is under Swiss experts. India's experience of Swiss experts in regard to the Perambour railway coach factory also was not satisfactory and a row had to be kicked up for bringing them round. The expert assistance received from Sweden in regard to the housing factory was so defective that it became a scandal. Mr. Reddy himself admitted in the Lok Sabha that two of the top men sent by the French concern which is in charge of the technical direction of the yard "were found not up to the mark" and had to be sent back. He, however, did not say how long the Government took to discover that these top French technicians were useless. Several instances of similar nature can be cited. But enough has been said to show that it is not safe to enter into agreements for technical and other assistance with countries which are small producers and have not attained international eminence in the fields in which India needs help. This is particularly so in the case of projects owned by the Government, for the Government itself is inexperienced in these matters. In spite of the aforesaid bitter experience, the authorities continue to make similar mistakes, as witness their steel deal with Russia, a country about which little is known.

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PROBLEMS OF PAPER INDUSTRY

FOR a country of India's continental size, the total consumption of paper is certainly pitifully small. Estimated at about 240,000 tons, the consumption works out to one pound per person, as against the impressive *per capita* consumption of 340 lbs. in the U.S. and 60 lbs. in Europe. But the trend of output and consumption in recent years, especially in 1954, has been encouraging. Mr. C. J. E. Keene, Chairman of the Indian Paper Makers' Association, was, therefore, fully entitled to the claim that 1954 was a "progressive year" for the paper industry. Addressing the recent annual meeting of the Association, he pointed out that India produced 155,328 tons of paper in 1954, as against 139,704 tons in 1953 and 108,912 tons in 1950. Had illegal strikes not interfered with production, the industry would have established an even more creditable record.

Although the paper industry may thus derive considerable satisfaction from this trend in output, it faces a somewhat difficult issue in the shape of the newly-imposed 10 per cent. excise duty. Like many measures of its kind, this levy, which forms part of the budget proposals for the current year, derives its justification from the Taxation Enquiry Commission which held that a "moderate rate of duty could be levied with exemption for hand-made paper." Whether the levy is justified or whether the 10 per cent. rate can be called "moderate" are debatable issues. Surely, a levy on paper is a tax on knowledge, considering that a very large proportion of the paper produced in the country is used for printing text books. Also, it is too early to say what the effect of this duty would be on production trends An immediate issue, however, is that the form in which the tax is being levied, that is, the *ad valorem* basis, introduces additional complications in the already necessarily complicated structure of paper prices. Because the levy is imposed at a flat rate, it distorts the finely balanced structure of paper prices. As Mr. Keene pointed out, paper is not produced in bulk like cement or sugar, there being a wide range of different qualities of paper. These, in turn, are sub-divided into different varieties in accordance with their thickness, size, colour and finish. There are further sub-divisions which depend upon the processes through which paper, after it is manufactured, passes, such as embossing, ruling and cutting. In short, there are varieties and varieties of paper, and there is necessarily a wide range of prices. A flat rate of excise duty will, therefore, weigh less heavily on some varieties, more heavily on others, and will generally distort the price differentials between varieties. It is, therefore, necessary that a different method of levy should be evolved, if excise duty is to prove a tolerable burden on the paper industry.

Such a change would no doubt be welcome to the industry. It would, however, be no solution to the problem of rising costs. Indeed, the duty is unwelcome precisely because it is imposed at a time when production costs have risen and are rising. The Government is burning the candle of industrial profits at both ends. On the one side, its decisions are calculated to increase production costs and thus reduce profits. At the other end, the profit margin is sought to be reduced through taxes. This seems particularly true of the paper industry. Mr. Keene pointed out how the industry's production costs have risen through such measures as withdrawal of concessional freight rates on bamboo, higher coal freights and increased labour costs. Surely, the Government cannot have it both ways. It cannot complain if prices of manufactured goods do not come down, while it does all it can to swell production costs and heaps fresh burdens on industries.

It should be possible for the Central and State Governments to assist the industry in bringing down its production costs. Thus, they could—in fact, they ought to—follow a constructive long-range forest policy. The paper industry has a vital interest in the conservation and development of forests, for its main raw material, bamboo, is a forest product. Mr. Keene deplored that the State Governments' forest policy seemed intended "only to derive the highest possible revenue in the shortest possible time by means of annual auctions of forest areas" and that forest areas were being "ruined by some unscrupulous contractors." Recognising that the main problem of the industry was the shortage of raw materials, which has been accentuated by the partition of the country, the Planning Commission suggested several measures which, if implemented, would improve the raw material position. These measures included: (1) Reservation of specific forests areas for the paper industry and grant of long-term leases for working such areas; (2) a rational method of price-fixation on an all-India basis to enable the industry to obtain regular supplies of bamboo and grass at reasonable prices; and (3) development of roads in forest areas for facilitating transport of raw materials to factories. The Commission further insisted that the State Governments should follow a uniform policy for leasing bamboo and other timber forests and to undertake plantation of bamboo and development of *sabai* grass in order to make good the depletion of raw materials through consumption by mills.

It is deplorable that the Central and State Governments have not given sufficient attention to the problem of raw material supply to the industry. In bamboo, this country has a raw material which is superior in certain respects to the raw material used by the paper industries in several countries. Bamboo is a first-rate raw material for paper. It is as cheap as the States' forest policies can make it. It has the additional advantage of rapid and dense growth. The softwoods, a raw material for the paper industry in certain countries, take four to five decades to attain maturity, whereas bamboo attains full growth in four to five years. Again, since bamboo grows densely, no extensive area is needed for purposes of bamboo cultivation. Further, bamboo cultivation requires little attention. Since nature has endowed this country with such excellent raw material, there should be no difficulty in assuring the industry of an ample and continuous supply of the material it needs for manufacture of paper.

Indeed, if the Government takes care to see that there is no shortage of raw material for the industry, that raw material is made available at economic prices and also provides easy communication and prompt transport facilities for the carriage of this material to the factories, it will have done a signal service to the industry. Such measures would also help bring down production costs. The industry should, on its part, respond to such assistance by producing quality paper and that, at reasonable prices. The Planning Commission has advised the industry to modernise the technique of production, in order to achieve two objectives, namely, (1) reduction in the price of paper by reducing the consumption of fuel and different raw materials and (2) improvement in the quality of different varieties of paper, particularly wrapping paper and kraft paper. It is not clear what progress the industry has made in these directions.

There is no gainsaying the fact that early and rapid advances should be made in the direction of increased output, lower prices and better quality. India's consumption of paper is bound to increase with the improvement in its economic position and the spread of literacy. Education both aids and is aided by the paper industry. There is widespread resentment that text books are costly and lack physical excellence like durability and get-up. These defects could be remedied by attention to printing and through use of better paper. It should be the joint responsibility of the Government and the industry to aid the spread of literacy and to help place attractive books at reasonable prices in the hands of young children. The market for paper is there and the necessary raw materials for producing it are there and their supply can be replenished by following a judicious forest policy. If there is surplus production, it is possible to build up even an export market. As, Mr. Keene said, "with careful husbandry of her products, the Indian industry should be able to look forward to a period of expansion and not only fulfil the growing demands for supplies of paper for the nation, but even go further and develop a healthy export trade." A prosperous and expanding paper industry is certainly not beyond the pale of immediate possibility.

TAX ON INTER-STATE SALES

THERE is no more vexatious aspect of the fiscal system in India than the levy and collection of sales tax by the States on inter-State transactions. Ever since the Supreme Court conceded the right of the States to levy the tax on inter-State sales, the State Governments have left no stone unturned to collect the tax on such sales. This has meant considerable hardship, not to say harassment, for the traders in nearly all the States. The trading community, naturally enough, heaved a sigh of relief when the Taxation Enquiry Commission, after an impartial and exhaustive survey of the problem, held that the levy of tax on inter-State sales should be the concern of the Union Government, though powers should be delegated to the States to assess and collect the tax. The receipts, the Commission said, should, however, be distributed among the States on the basis of collection.

If the scheme suggested by the Commission were implemented, it would certainly put an end to the difficulties arising from the present procedure of levying tax on inter-State trade. The dealers are now finding it very difficult, as a communication addressed by the Indian Merchants' Chamber to the Government of India points out, "to keep themselves fully informed of the provisions in the Sales Tax Acts of several States." Also, they are not in a position to "know exactly their liabilities and obligations under the various State tax laws." The Chamber says: "In short, the application of their own sales tax laws to non-resident dealers by the different State Governments has given rise to a great deal of chaos and confusion in the spheres of inter-State trade and commerce." It is precisely this state of affairs that the Commission's scheme is intended to remedy.

The Commission rightly pointed out that, if its scheme were accepted, it would become unnecessary for the States to continue their present practice of taxing non-resident dealers. It, however, recognised that some constitutional amendments would become necessary before its scheme could be implemented. Accordingly, it proceeded to suggest such amendments. It further stated: "In the event of our recommendations being accepted, it would be imperative that the States do not attempt either to tax non-resident dealers or to introduce a purchase tax during the interim period, that is, during the time taken to carry out the necessary constitutional and legislative measures for implementing the scheme proposed by us." After drawing the Union Government's attention to this recommendation, the Chamber has urged the Government "to persuade the State Governments to desist from levying and collecting inter-State sales tax from non-resident dealers, pending the implementation of the permanent solution of the problem of inter-State sales tax recommended by the Taxation Enquiry Commission."

The Chamber's request is clearly based on the Commission's recommendation. It is true that, if this request were granted, the State Governments would lose some revenue during the interim period. But it would provide considerable stimulus to inter-State trade. As this trade expands, the State Governments are bound to derive more and more revenue through receipts from the Central pool of sales tax on inter-State trade. Also, this interim period can be shortened if the Union Government takes early action to amend the Constitution and levy sales tax as recommended by the Commission. It is perhaps a sad commentary on the Union Government's sense of legislative priority that, whereas the Government has so far taken no action on the Commission's recommendation on the vital and pressing problem of sales tax on inter-State trade, it has shown indecent haste in carrying through controversial constitutional amendments of doubtful value.

In many trading centres, notably Delhi, Ludhiana and Jaipur, there has been very strong agitation against the imposition of inter-State sales tax. Wholesale and retail businesses were partially or wholly suspended last week as a mark of protest against the levy. There is evidence to show that the movement is gaining strength as well as spreading. This shows that the patience of traders—wholesale and retail—has reached breaking point. An obnoxious feature of the tax is its complexity. We have repeatedly emphasised that, in India, where traders do not possess high educational attainments, the tax system should be simple and easily intelligible. The regulations relating to inter-State sales tax do not answer this test. Small wonder that the traders find the levy not only burdensome but mysterious.

While we strongly deprecate the form which this agitation has taken, we would urge the Government to restore confidence among the traders by appropriate action. The Speaker of the Lok Sabha disallowed an adjournment motion which sought to discuss the situation arising from the levy of inter-State sales tax. In disallowing the motion, the Speaker said that sales tax was a State subject, that the situation had been continuing for a long time and that nothing had suddenly arisen to justify the motion. The Speaker is, of course, technically correct in his decision. Even so, it does not take into account the serious turn which the agitation has taken. It is to be hoped that, when the Finance Ministry's demands come up for discussion, he will allow a fuller discussion of the subject. By then, the Government too should be in a position to take a constructive decision.

SUGAR INDUSTRY HEADING FOR TROUBLE?

LANCASHIRE TEXTILES—OILS AND OILSEEDS

THURSDAY, 5 P.M.

MARKET GOSSIP

THE sugar industry seems to be in for trouble again. We advisedly say "seems to be," because the trouble can be averted, if the Government acts wisely without any further delay. This time last year, the price of sugar was shooting up. But now the reverse is true; during the last few days, there has been a perceptible fall in sugar prices. This time last year, the Government was rushing sugar to upcountry markets to prevent consumers being squeezed by the merchants. Now, too, the Government is rushing sugar bags to the interior. Only, the object is different. It wants to dispose of its sugar stocks as quickly as possible, so that it can get the maximum profit. The Government knows as well as the industry that sugar stocks are mounting and that, if it were not to sell its stocks now, it might have to do so later at prices considerably lower than those current. This anxiety of the Government is understandable. It may even appear to be laudable, for the authorities have to safeguard the interests of public revenue. But at whose cost are they doing this? The victim here happens to be the sugar industry.

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It is common knowledge that sugar mills cannot release their production to traders unless the Government permits them to do so. This control was introduced in order to prevent mills, in days of shortage, from distributing their output to hoarders and to ensure the maintenance of a reserve stock for meeting unforeseen contingencies. But the Government is using this regulation now for a different purpose, namely, to protect its stocks of imported sugar from depreciating in value. Apparently, it wants the industry to shoulder the burden of excess stocks, a case of "heads I win, tails you lose." As if this is not enough, the Government has started undercutting the mills, in that it has substantially reduced the issue price for imported sugar. As a result of this reduction, the industry will have to bear practically the whole of the recent increase in the excise duty on sugar.

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This is hardly fair to the industry. The Government has compelled the industry to pay a fixed price of Re. 1-7 per maund for sugarcane. On this basis and taking into account the increase in excise duty, the fair price for factories is Rs. 28-8 per maund. They would not be able to get this price if the Government were to continue sale of imported sugar at Rs. 29-4 even in the interior markets. Besides the heavy import duty, the Government is making a fat profit, notwithstanding the reduction made in its selling price. The landed cost of imported sugar is still cheaper. It can, therefore, very well afford to wait and let the industry sell its production first. Or it should guarantee the fair price to the industry. Indeed, the Government has a moral obligation to the industry in this respect, inasmuch as it has fixed the minimum price for cane at Re. 1-7 not only for this season but also for the next.

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Why is it that the country which faced scarcity of sugar last year is now confronted with a surfeit of it? An answer to this poser is provided by Mr. Gulabchand Hirachand in his speech to the shareholders of the Walchandnagar Industries Ltd., published on page 729 of this issue. Briefly stated, production of sugar is going up, while consumption is falling. On the basis of production up to the end of March last, it can be safely stated that the total output during the 1954-55 season will be 1.4 million tons, as against a little over 1 million tons in the 1953-54 season, an increase of about 400,000 tons. On top of this, imports (including raw sugar) are expected to amount to 600,000 tons, of which more than half have already arrived. In the past season, imports aggregated 676,000 tons. Adding the surplus of about 50,000 tons brought in from the previous season, the total supply for the current season will be of the order of 2,050,000 tons. This compares with 1,869,000 tons in the 1953-54 season. While there is thus an improvement of nearly 200,000 tons in supply, consumption is expected to fall by 300,000 tons, that is, from 1.8 million tons to 1.5 million tons. The main reason why consumption is falling is stated to be the relative cheapness of *gur* consequent upon increased production.

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On the basis of the aforesaid statistics, the country will have an end-season stock of 500,000 to 510,000 tons of sugar, as against a mere 50,000 tons at the commencement of the season. What will be the repercussions of such large stocks on the next year's production? Trade circles feel that the effect will be very serious, especially as the industry will have to nurse the bulk of these stocks. The factories may not be able to commence crushing early next season, in which case cane will go abegging. More *gur* may be produced which in turn will depress *gur* prices further. The result of this will be lower cane sowing for the subsequent season, leading, once again, to lower sugar and *gur* output and higher prices for both. In short, the fortunes of the industry will continue to fluctuate, a sad reflection on the efficiency of a planned economy which India is supposed to be.

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The sugar industry and trade feel that this state of affairs can be avoided if the Government acts quickly. Fortunately, for the country, all import orders have not yet been executed. Out of the Government's commitments of 450,000 tons, only about 300,000 tons are said to have arrived, leaving a balance of 150,000 tons. The position about raw sugar is not clear. May be, the bulk of it has yet to reach this country. It is suggested that the Government should cancel all the pending import orders and let the importers of raw sugar also do likewise. This will bring down the surplus at the end of the season to a manageable proportion of 200,000 or 250,000 tons. We are told that the Government will have nothing to lose by re-selling the sugar which it has bought as the world price has gone up by £2 to £3 per ton since the placing of orders. This margin is believed to be more than sufficient to cover the penalty it will have to pay for cancelling the shipping space that has already been reserved. Even if there were to be a slight loss on this score, it would be better, it is argued, to incur that loss rather than face the unpleasant consequences of a heavy carryover at the end of the current season. As there appears to be considerable force in this suggestion, the Government will do well to pay serious thought to it.

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In the light of what has been stated above, the outlook for sugar shares has become somewhat uncertain. So far as the Deccan factories are concerned, the effect of lower prices on profits may be offset, to a considerable extent, by the increase in production facilitated by larger sugarcane crop. But their position in the next season cannot be foreseen, unless the Government clarifies its import policy. If the suggestion made by a section of the industry is accepted and the import programme revised, the chances of their faring better, without any marked fall in their earnings, will certainly improve.

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The British cotton delegation, which was in this country last week and had discussions with millowners, importers and the Government, has returned home with some achievements to its credit. Its visit has definitely helped both the countries to understand and appreciate each other's position better. The British delegates obtained a clear view of the Indian textile industry's problems and performance. They were struck, we learn, by the high level of taxation to which the industry here is subjected. They realised that, because of this taxation—excise duties, cesses and sales tax—the effective level of import duty on their goods was not as high as they once believed it to be. It would appear that a moderate reduction in import duty on fine and superfine goods—the only varieties in which they are interested as exporters to this country—will satisfy them.

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Some spokesmen of the mill industry hold the view that India will do well to make this gesture to Lancashire which is still a power to reckon with in British domestic politics. They feel that, as the present system of quoting import duties leads to misunderstanding in foreign countries, the Government should express them at so much percentage above the excise duties. It would appear that the millowners have either suggested or are about to suggest to the Government that they would have no objection to the import duties on fine and superfine counts being reduced by 20 to 25 per cent., provided the rate of duties were related to the excise duty as just mentioned. They realise that any such reduction will have to be followed by a similar cut in the standard rates applicable to non-Commonwealth countries. But they are confident that, as the margin of preference in favour of Commonwealth countries is as high as about 40 per cent., it would be very difficult for Japan to take advantage of this reduction to the detriment of Lancashire. It is pointed out by them that, as Britain is importing Indian cotton textiles at the rate of 120 million yards per annum, it is worthwhile to offer some concession to the cotton goods of that country in the Indian market. Most of these goods will be of types not manufactured in this country. Further, it is believed that total imports of British cotton textiles may not be more than 15 or 20 million yards. If this estimate is correct, it is not, of course, something that can upset the position of Indian cotton mills. It represents only a fraction of our domestic consumption, amounting to about 5,000 million yards, including the handloom products.

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The fall in agricultural prices has rightly attracted public attention and has been the subject of Parliamentary discussion. Whether the fall is really as serious as those who speak for the farmers make out and whether the suggested remedies, including support levels, will arrest the fall are all disputable issues. But there is an aspect of this controversy that deserves notice. Whenever the subject of fall in agricultural prices is discussed, it seems to be tacitly assured that only foodgrain prices need attention. What is ignored is that, if there has been a marked fall in the prices of foodgrains, the fall is no less marked in that other variety of food articles, oilseeds. Over the last 12 months, groundnut, Khandesh quality, has declined from Rs. 36-14 to Rs. 20-4 and groundnut oil from Rs. 18-6 to Rs. 10-14. Non-edible oilseeds have suffered a similar fate. Linseed bold has declined from Rs. 26 to Rs. 21-6 and castorseed from Rs. 23-4 to Rs. 14-2. Linseed oil, which was quoted at Rs. 15 a year ago, is now quoted at Rs. 13-0 while castor oil has receded from Rs. 11-12 to Rs. 8-2. If the next monsoon turns out to be as good as the last, this trend may even be accentuated.

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For two reasons, the fall in oilseeds prices is, perhaps, more serious than that of foodgrains. In the first place, the foodgrain output per acre has increased, so that the farmers' total income has probably not been too heavily reduced. There has been no such improvement in the output of oilseeds. Secondly, it could be claimed for foodgrains that their production has very nearly caught up with demand. In the case of oilseeds, especially edible oilseeds, there is need to step up output both because they are an important article of subsidiary diet and increased production is needed to permit the crushing industry to utilise all its available capacity. The fall in oilseeds prices assumes significance only in so far as it is likely to affect adversely the cultivation of this crop.

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From the point of view of the crushing industry, an ample supply of oilseeds is a vital consideration. It is an equally vital consideration from the point of view of the people's nutritional needs. These two aspects of the oilseeds economy were lucidly explained by Mr. H. R. Raja, President of the Bombay Oilseeds Crushers' Association, in the course of his address at the recent annual meeting of the Association. Mr. Raja called attention to the fact that, for some years past, the crushing industry has been able to utilise no more than 50 per cent. of its capacity. He attributed this to "non-availability of oilseeds at appropriate times, non-parity of oils and oilseed prices, heavy cost of production, labour trouble, unbearable taxation, etc."

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Thus, while vegetable oils output is lower than what it could be, India's population is increasing at a rate of 4½ millions a year, which "will have to be fed with oils and fats for proper nourishment." The *per capita* consumption of fats in India is as low as ½ oz. per day, as against a minimum of 2 ozs. recommended by the Nutritional Advisory Committee. The Planning Commission, it may be recalled in this connection, calculated that, on the basis of the minimum level of fat consumption envisaged by the Committee, the "total annual requirements of fats of the entire population in the country would come to about 7.0 million tons, as against the present estimated consumption of 1.2 to 1.3 million tons of fats." It must be remembered, however, that the non-vegetarian section of India's population supplements its fat requirements from certain non-vegetarian sources. In any case, India's fat requirements are, to a very large extent, met from vegetable sources, that is, from vegetable oils. The production of edible oilseeds has, therefore to be increased from the present level of 5.5 million tons. Emphasising that the Indian Central Oilseeds Committee's target of 6.7 million tons of oilseeds should be reached during the period of the second Five-year Plan, Mr. Raja said that particular attention would have to be devoted to fuller utilisation of the capacity of the oilseed crushing industry and to the encouragement of cottonseed crushing. Considering that India produces a larger quantity and variety of oilseeds than any other country in the world, it is certainly strange that there is no organised facility for research. Mr. Raja deplored that, while many industries, some of them even smaller than the oil industry, had exclusive and well-equipped National Research Laboratories, there were no such facilities for the vegetable oils and allied industries.

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A controversy, similar to that of mills *versus* handlooms, has, as is well known, developed in the sphere of the oilseeds crushing industry too. Here, the village *ghanis* are pitted against the organised crushing factories. There are suggestions for the reservation of certain oilseeds for exclusive exploitation by *ghanis*. Obviously, this is an echo of the policy of reserving certain varieties of *saris* and *dhotis* for handlooms. There is also a suggestion that the power mills should be subjected to an additional cess, which is again a shadow of a similar burden to which the cotton mills have been subjected. The crushing industry is naturally perturbed by these suggestions. Mr. Raja said that any policy of reservation of certain varieties of oilseeds for crushing by *ghanis* would have "deleterious effects on employment, supply of oils to consumers, exports, etc., and will mean the ruin of this struggling industry" (crushing industry). He rightly pointed out that the village *ghani* already enjoyed certain advantages in the shape of a local market where it could buy seeds and sell its oil and cake and exemption from sales tax, income-tax and other levies. The crushing industry, besides having to pay all the taxes to which other industries are subject, has to bear the burden of railway freights, labour charges and the cess of one anna per maund of oil produced. He said: "No one would grudge the village *ghani* its due, but I trust that the Government would so devise their policies and taxation structure as would be conducive to the healthy development of the power crushing industry also, in the interests of all concerned." From this point of view, it is certainly a pity that the Committee which the Government has appointed to enquire into the position of the seeds crushing industry does not contain any representative of the power mill, although it has representatives of village *ghanis*. This is a serious defect in the composition of the Committee. It ought to be possible to include one or two representatives of the crushing industry in the Committee. Otherwise, the Committee would, as Mr. Raja pointed out, be "deprived of expert advice and guidance of this branch of industry in which crores of rupees have been invested and which has come to play an important role in the economy of India."

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A country-wide network of organised markets for oils and seeds is necessary for the progress of the oils industry. The Forward Markets Commission is now engaged in the task of regulating forward trading in seeds and oils. As a first step, it has invited applications from trading bodies which desire to be recognised for purposes of forward trading in oils and seeds. Mr. Raja, on behalf of the Association of which he is the President, urged the Commission to see that in any association it might deem proper to recognise all interests (that is, producers, consumers, crushers, exporters, *vanaspathi* manufacturers, merchants and brokers) were genuinely represented. Further, the exchange should be so organised as to render to its constituents such services as modern arrangements for

(Continued on page 763)

DULL CONDITIONS IN SHARE MARKET

WEAKNESS IN STEELS AT CLOSE

From Our Own Correspondents

BOMBAY, 14th April

TRADING on the Stock Exchange was characterised by extremely sluggish conditions during the week under review, in the absence of fresh incentives. Activity was restricted and fluctuations were confined to a narrow range. There was no selling pressure during the major part of the week and the undertone remained quietly steady. At the close of the week, however, heavy liquidation in steel shares by one of the main operators who was involved in the debacle of the cotton market affected sentiment, and values over a wide front were pruned.

The higher production of the Indian Iron and Steel Company for the year ended 31st March, 1955 failed to enthuse the operators, who appeared more concerned about the retention prices. Nor did the Prime Minister's assurances in the Lok Sabha, while moving the Constitution Amendment Bill as reported by the Joint Select Committee, that no property would be acquired except on payment of just compensation, inspire the market men, because there was no change in respect of the main issue; the payment of compensation under the Bill is non-justiciable.

In the steel section, Tata Ordinaries drifted, early in the week from Rs. 239 to Rs. 236-8, but staged a recovery to Rs. 239-8 yesterday. Today, however, the heavy selling pressure brought them down to Rs. 235-12, the lowest level since 1st March this year. Indian Irons moved between Rs. 35-6 and Rs. 35-1½, before dipping at the close to Rs. 34-15, a level that has not been seen since 4th March.

Textile shares were sustained for a while at higher levels, on reports of good enquiries in the cloth market, but subsequently developed a softening tendency in consonance with the steel shares. Bombay Dyeings advanced from Rs. 469-6 to Rs. 471-14, but retreated to Rs. 466-14. Kohinoors declined over the week by Re. 1-8 to Rs. 313 after touching Rs. 316. Centurys were done up to Rs. 383, as against last week's closing of Rs. 380, though at the close they were marked down to Rs. 378-12. Central Indias were dull at Rs. 126-8. Finlays were held at Rs. 260. Gokaks were put through at Rs. 215 *ex-div.*, as against Rs. 230 *cum-div.* last week. New Citys picked up Re. 1-4 to Rs. 141-4 and New Greats Re. 1-12 to Rs. 149. Simplex advanced by Rs. 2-12 to Rs. 149-8, due to proximity of dividend announcement. Standards closed at Rs. 343-12 *ex-div.*, as compared with Rs. 363-12 *cum-div.* Svadeshis hardened by Rs. 4 to Rs. 194-8.

The improvement in Bank of Indias and Imperial Banks, consequent on better enquiries during the latter part of the week was the main feature in the banking section. Bank of Indias gained Re. 1-12 to Rs. 148-4. Imperial Fully Paids, after dropping from Rs. 1,577-8 to Rs. 1,565, recovered to Rs. 1,580 before closing at Rs. 1,577-8. Partly Paids recorded a gain of Rs. 8-12 to Rs. 388-12, although they were done lower at Rs. 375 during the week. Barodas were fractionally lower at Rs. 108. Centrals were held at Rs. 504, while United Commercials changed hands at As. 4 better at Rs. 44-8.

In the miscellaneous section, sugar shares displayed some weakness, in contrast to the better tone in the previous week. Belapurs lost Re. 1-8 to Rs. 312, Phaltans Re. 1 to Rs. 117, Walchandnagars Rs. 2-8 to Rs. 222-8 and Bhopals As. 14 to Rs. 13-6. In the cement section, A.C.C. disclosed a loss of Re. 1 to Rs. 179-4, while Digvijays were steady at Rs. 179-8. Shipping counters did not show any deviation from the general pattern, Scindias being placed As. 4 lower at Rs. 15-3½ and Great Easterns As. 8 lower at Rs. 16-2. India Steamships softened from Rs. 7-12 to Rs. 7-10. In the engineering and mining group, Alcocks continued to rule extremely weak with a further drop of Rs. 10-10 to Rs. 261-14. Premier Constructions were, however, better by Rs. 2-8 at Rs. 160-8. Shivrajpurs slumped from Rs. 80-8 to Rs. 75-12. B.B. Petrols were on offer to decline by As. 10 to Rs. 3-4, due to disappointment over the absence of any increase in dividend. Indian Coppers lost As. 2 to Rs. 3-8½. Among other miscellaneous industrials, Bombay Burmahs (old) closed at Rs. 468-2, as against Rs. 470, after touching a high of Rs. 476-4. National Rayons moved up from Rs. 202 to Rs. 204, but slipped back to Rs. 200-8. B.I.Cs. lacked support and dropped As. 5½ to Rs. 7-13½. Killicks picked up Re. 1 to Rs. 173, Wimcos firmed up by Rs. 2-8 to Rs. 202-8. Tata Chemicals were quiet at Rs. 15 and Tata Oils at Rs. 40.

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Calcutta Stock Exchange

CALCUTTA, 13th April

There was a broadening of activity on the Calcutta Stock Exchange during the week and the volume of business increased. Tea shares were again the centre of attraction and were sent to high rates. The tea crop during this season is expected to be larger than in the previous season, and it is thought that India would be able to utilise its export quota to the full as well as complete the carry forward from the 1954-55 season amounting to 19 million lbs. Sugar shares were shown increased attention and more scrips changed hands. Another lively section was paper shares, which attracted attention on account of the plans of mills to increase their capacity and production. Engineerings were firm. There is a keen desire in the market to await Government's announcement regarding new steel prices. Jute shares, however, were sluggish around previous levels, as business for export in jute goods was lacking and there was a substantial increase in stocks of goods held by mills as at the end of March. There was a decline in the prices of jute goods, and with the expected entry of Argentina in the market the present lull may come to an end.

Sectionwise, teas accounted for several advances, the more important of which are given below:

	Rate as on 5th April	Latest quotation	Gain
	Rs. a.	Rs. a.	Rs. a.
Hoolungoorie	385 0	407 0	22 0
Telliapara	210 0	228 0	18 0
Teen Ali	45 8	52 0	6 8
Methoni	31 8	33 10	2 2
Bishnauth	50 6	53 4	2 14
East India	32 10	34 8	1 14
Hansqua	33 0	35 8	2 8
Dufflaghur	51 4	57 4	6 0
Sapoi	45 12	47 8	1 12
Baghmari	29 8	34 4	2 0
Central Cachar ..	160 0	170 0	10 0
Gungaram	483 0	506 0	23 0
Hantapara	411 0	417 8	6 8
Hasimara	49 2	50 4	1 2

Engineering shares were maintained at previous levels. Texmacos recorded rates between Rs. 16-15 and Rs. 17-3, returning today to Rs. 17-1. Burn & Cos. rose from Rs. 270 to Rs. 271 on Monday, but lost to Rs. 268 on Tuesday. Indian Irons rose from Rs. 35-5 to Rs. 35-10, but subsequently gave way to Rs. 35-2, before regaining today to Rs. 35-5. Indian Standard Wagons were steady at Rs. 139, while Indian Galvanizings, after realising Rs. 23-8 receded to Rs. 23-2. Jessops were unchanged at Rs. 35-15, but Kumardhubis were easy at Rs. 11-12.

Jutes were quiet. Howrahs receded from Rs. 29-12 to Rs. 29, although a recovery was staged today to Rs. 29-10. Ganges, on the other hand, were a few points better at Rs. 105, and Deltas changed hands at Rs. 258, as against Rs. 255 earlier. Budge Budges were shown moderate interest and at Rs. 199 were better by two points. Anglo-Indias after remaining unchanged at Rs. 228 receded today to Rs. 266, and Nationals, after registering a fall from Rs. 34-10 to Rs. 34-4 shifted to Rs. 34-8. Gourepores were steady at Rs. 344. Under moderate support, Naihattis advanced from Rs. 116-8 to Rs. 119. Chitavalsahs were fractionally higher at Rs. 14-11. *Champdanies changed hands today at Rs. 172.*

Shares of paper mills were in good demand. Titaghurs were taken from Rs. 43-14 to Rs. 44-4, but subsequent profit-taking neutralised the gain. At Rs. 258, India Pulps were strong by two points. Shree Gopals, after giving way to Rs. 16-1, recovered to Rs. 16-6. Bengals were steady at Rs. 67.

Miscellaneous industrials were not subject to visible changes. Thus B.I. Corporations were put through at Rs. 8-3 and F. & C. Oslers at Rs. 17-4. Indian Wood Products changed hands at Rs. 39-2, while Rohtas Industries moved down from Rs. 24-7 to Rs. 24. B.B. Petroleums, after giving way to Rs. 3-3 from Rs. 3-14, staged a partial recovery to Rs. 3-6. I.B. Petroleums were done at Rs. 126. Indian Cables were quiet at Rs. 25 and Indian Coppers were bought at Rs 3-10.

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Madras Stock Exchange

MADRAS, 13th April

The Madras Stock Exchange presented a mixed trend during the week under review. Textiles came in for very little enquiry on lack of demand for piecegoods both from consuming centres in India as well as abroad. The performance of teas among plantings was, however, encouraging, and some selected scrips received good support. Despite expectations of a good crop, it is believed that it might not be sufficient to meet overseas demand, which is likely to improve further. Rubbers ruled rather quiet, and so did coffees. There was little activity in banking, sugar and electric shares. Miscellaneous and insurance scrips evoked some moderate enquiry. On balance, business transacted over the week was moderate. The undertone was steady.

There were a few important dividend announcements during the week under review. The Directors of Travancore Rayons Ltd. declared a dividend of 6¼ per cent. for the year ended 31st December, 1954, as against 5 per cent. in the previous year; an increase of 1¼ per cent. The Directors of Travancore Cements Ltd. increased the dividend from 5 per cent. for the year 1953 to 6¼ per cent. for the year 1954. The West Coast Electric Supply Corporation Ltd. announced an interim dividend of 5 per cent. (tax-free) for the half-year ended 30th September, 1954. The dividend for the year ended 30th March, 1954, was 10 per cent. (tax-free). The Cambodia Mills Ltd. passed over the dividend for the year ended 31st December, 1954. The dividend for 1953 was 7½ per cent.

AMERICAN LETTER

FEDERAL RESERVE BANK BUYS BANK BILLS

PRESIDENTIAL ELECTION PROSPECTS

From Our Special Correspondent

NEW YORK, 7th April

THE business recovery in the United States made further progress in March against the background of political uncertaintics. Several Government spokesmen predicted a mid-April invasion of islands around Formosa—statements which were disputed by the White House. The financial markets, while a bit jittery, paid no attention to the forecasts of imminent shooting in the Pacific and their strength stemmed chiefly from the business outlook. The orderly transfer of the Premiership from Sir Winston Churchill to Sir Anthony Eden in Britain was also accepted here with calmness.

There is very little which can be reported on the progress of foreign trade legislation. What has happened, however, is that the Federal Reserve system, for the first time since 1951, has stepped into the open market for bankers' acceptances.

First purchases for own account and others under repurchase agreement with dealers did not amount to very much so far as total dollar amounts are concerned. Psychologically, however, it constituted market support for that type of financing.

It meant not only a change of policy, but a positive intervention on the side of the advocates for greater foreign trade headed by President Eisenhower himself. In that sense, what appeared a strictly isolated move by the monetary authorities here, should be understood abroad as a major indication of assurance of the positive attitude of Government leaders here in relation to foreign trade, regardless of what legislators do or do not about it.

While the monetary authorities in the United States are still more afraid of deflation than inflation, interest rates, at present, have a rising tendency. Commercial paper rates have been rising fractionally over the last two weeks and this trend will make itself felt, no doubt, in all segments of the money market in due course.

The Employment Act of 1946 is now the main guide of public economic policy here. This means full employment, but not necessarily maximum employment. It also means, though, that the doctrinarian concept of a balanced budget and sacrifices to achieve this end will be subordinated to the full employment philosophy, even if it does mean a little more inflation.

Cost of Living Stable

The present Administration so far has achieved a precariously fine balance between inflation and deflation. It inherited a budgetary situation it could not alter, but the means of coping with it have been far less inflationary than in previous Administrations. The net result has been that, since President Eisenhower took office, the cost of living has been more or less stable.

This has benefited the people, but it is, undoubtedly, not realised too much. It has also been of considerable benefit in the financial markets where traders and securities underwriters knew the official position and could engage in some long-range planning.

Presidential Election

Politically, things are beginning to foreshadow the Presidential election of 1956. At this time, it looks as though President Eisenhower will run again, and, as indicated in previous despatches, his popularity has never been greater.

Traditionally, he should be opposed by the Democratic standard bearer, Adlai Stevenson. So far, neither Mr. Eisenhower nor Mr. Stevenson have declared their intentions. There is another contender in the field, Averell Harriman, who has held many Government posts and who was elected Governor of New York State.

It could just be that Mr. Stevenson may figure he could not beat Eisenhower if he ran again and he may manœuvre the nomination of Harriman. It is also possible, in my opinion, that party leaders among Republicans and Democrats may force the nomination of both Eisen-

(Continued on page 763)

NEWS IN BRIEF

THE *Lok Sabha* passed on 12th April, 1955, by a very large majority, the Constitution (Fourth Amendment, Bill, as revised by the Joint Committee of both the Houses.

The production of cottonseed in India during 1954-55 is estimated at 1,431,000 tons, as compared with 1,290,000 tons in 1953-54.

Export of calcium sulphate (marine gypsum) will be licensed freely to all permissible destinations other than Portuguese possessions in India.

The Railway Corruption Enquiry Committee, appointed in October, 1953, has completed its enquiry and is expected to submit its report to the Government of India very shortly.

The Madhya Pradesh Government has taken up a preliminary enquiry in connection with the sample survey of agricultural holdings under the F.A.O. World Agricultural Census Programme. The survey is planned to be conducted in 324 villages of the State.

The first of three generators, each with a capacity of 17,000 kw. to be installed at Machkund this year, will be commissioned within the next two months. Power from the Machkund project on the Andhra-Orissa border will be available for public consumption from July.

A proposal is afoot to bring the Forest College at Coimbatore in line with the Forest College and Research Institute at Dehra Dun. For this purpose, a modern forest research institute will be established at Coimbatore, so that forest research can be done in South India without depending on the Dehra Dun Institute.

The Government of India has released a small quantity of Pashmina wool for export from the States of Punjab and Jammu and Kashmir. The future policy with regard to the export of Pashmina wool will be considered after the present quotas have been exhausted in the light of the supply and price position at that time.

The Committee of Experts appointed by the Planning Commission to study the technical and economic aspects of the West Bengal Government's scheme for the establishment of a coke-oven plant at Durgapur has submitted its interim report, in which it is reported to have expressed itself in favour of the project.

The Government of Bihar has drawn up an integrated irrigation plan at a cost of Rs. 57.2 crores for South Bihar and Chota Nagpur on the pattern of major river valley development schemes for inclusion in the second Five-year Plan. The schemes are designed to provide irrigation for about 2.3 million acres and to generate over 10,000 kw. of power.

With a view to encouraging hand-pounding of rice and use of hand-pounded rice, the Madras Government has decided not to give fresh licences for rice mills in the State. A committee appointed by the Government of India is now enquiring into the question of hand-pounding of rice and pulses and its recommendations are expected to be announced shortly.

The President has given his assent to the Coorg Agricultural Income-tax (Amendment) Bill, 1955. The purpose of this Bill is to introduce provisions on the lines of the Indian Income-tax Act for provisional assessment in a summary manner on the basis of the income admitted by the assessees in their returns, and to clarify that agricultural income during 1950-51 will also be liable for assessment.

The Government of India has decided, as an experimental measure, to license freely the export of husks of all pulses, including those of gram. Exports will be allowed by all shippers, subject to a maximum allotment of 100 tons to any one shipper from Bombay, Calcutta or Madras and 50 tons from Jamnagar, Porbandar, Veraval, Bhavnagar, Cochin, Tuticorin, Visakhapatnam, Negapatnam or Pondicherry.

A new source of oil has been discovered in Nahorkatiya in Assam. Out of the seven deep wells drilled so far in the Nahorkatiya region by the Assam Oil Company, which holds a lease for oil prospecting, five wells have shown the existence of oil. It may take some time before an estimate of the new oil find can be arrived at. The oil has been sent to Digboi for being refined.

The employment exchanges placed 12,293 persons in employment during February, 1955. The number of vacancies notified by both Government and private employers during the month was 20,094. As compared with January, the number of fresh registrations of unemployed persons and the total number of unemployed on the register during the month was smaller by 7,500 and 8,000, respectively.

The Planning Committee of the Congress Working Committee has set up a sub-committee, consisting of Mr. Govind Ballabh Pant, Mr. Morarji Desai and Mr. Gulzarilal Nanda, to review the progress of land reforms in the various States in the light of the recommendations contained in the first Five-year Plan. The Sub-committee is expected to recommend measures for speedier implementation of agrarian reforms.

The estimated total output of the iron ore mines in India increased to 362,330 tons in February, 1955, from 358,510 tons in January, 1955, according to official statistics released by the Chief Inspector of Mines in India. Returns received from 68 mines for the month of February, 1955, show that despatches aggregated 257,636 tons to the iron and steel plants and 29,912 tons to the export market. The reported stocks at the end of the month amounted to 945,938 tons.

An agreement has been concluded between the Madras and Andhra States on the question of levy of taxes on various types of vehicles plying on inter-State routes. Under the agreement, each Government will levy two-thirds of the normal tax payable under the Madras Motor Vehicles Taxation Act, 1931, so that the total amount payable to both the Governments would come to 1⅓ of the normal tax on goods vehicles traversing inter-State roads.

The Government of Mysore has introduced a Bill to amend the Mysore Sales Tax Act. This amendment Bill seeks to increase the rates of sales tax on certain kinds of tobacco and tobacco products to the level proposed in the Madras State. Thus, sales tax on bidis will be raised from one pie to three pies per rupee and on other kinds of tobacco and its derivatives from 3 pies in the rupee to 3¼ per cent. The amendment is sought to be made in order to prevent unauthorised movement of these goods into Madras to the detriment of honest dealers.

The newly reconstituted Tungabhadra Board, with Mr. B. K. Gokhale as Chairman, which met for the first time in Hospet, last week, discussed in *camera*, among other matters relating to the execution of the hydro-electric project. Addressing a Press meeting at the end of the Conference, Mr. Gokhale stated that the Board had realised the necessity of expediting the completion of the project at as early a date as possible and had initiated steps necessary for it. He disclosed that the Board had placed orders with a Czechoslovakian firm for the power machinery needed for the generation of electricity.

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From Abroad

The Government of the Netherlands has proposed abolition of centralised import of wheat into the country.

With K. L. M.'s new summer time-table, valid from 17th April to 1st October, 1955, the air network will have a length of 240,000 km. (150,000 miles) linking up 106 cities in 68 countries.

The new titanium plant, being erected by Imperial Chemical Industries in the U.K., is expected to commence production this summer. The plant will handle about 1,500 tons of raw titanium annually.

Japan has agreed to pay Thailand £15 million in settlement of its war debt. Of this amount, £5.4 million will be paid in cash and £9.6 million in goods over a five-year period beginning from the 9th inst.

American tourists spent $972 million in foreign lands in 1954 in addition to $183 million paid to foreign carriers. This foreign exchange provided foreign countries with enough dollars to pay for 10 per cent. of all their U.S. imports.

In response to a request from the Government of Colombia, the World Bank has deputed a mission, headed by Sir Herbert Stewart of the United Kingdom to advise the Government in accelerating the country's development in the field of agriculture.

Meteorological aspects of the uses of atomic energy are being considered by the World Meteorological Organisation (W.M.O.) at its second congress now in session in Geneva. The session is the first to be held since 1951, when the specialised United Nations agency began its task of promoting international co-operation in meteorology.

A delegation from the Western German Miners' Trade Union will pay a visit to Yugoslavia shortly. The members of the delegation will spend about fifteen days in the country as guests of the Central Council of the Miners' Trade Union of Yugoslavia. The delegates will acquaint themselves with workers' self-management in enterprises and with social legislation and working conditions of Yugoslav miners.

According to the latest statistical abstract of the United Nations, the density of population in the Netherlands has increased from 320 to 324 inhabitants per square kilometre. The Netherlands is thus the most densely populated country in the world. The number of inhabitants per square kilometre in the U.K. is 292, Belgium 288, Western Germany 200, Luxemburg 118, France 78, United States of America 20, Dutch New Guinea and Surinam 2, Canada and Australia 1.

The Government of Sweden has proposed a scheme of compulsory saving, with a view to freezing chiefly a part of the increased purchasing power resulting from wage increases this year. The scheme provides for a deduction of 10 per cent. of private income for a period commencing from 1st July, 1955, to 31st December, 1956. The measure will provide for taxation of company incomes also. It is estimated that this measure will yield about $2,600 million, which will be refunded primarily in the form of Government bonds.

Business activity in the United States rose during January and February, 1955, continuing the upward trend which started in the fourth quarter of 1954. According to the U.S. Department of Commerce, construction work in the first two months of the year was well above that a year ago, with a substantial rise in private residential activity. Number of housing projects begun in this period are estimated at a rate of 1,400,000 per annum, equal to the 1950 record total. The combined retail sales during the period under review were higher than those of the corresponding period of the previous year by 7 per cent.

The Westinghouse Electric Corporation has plans to build an atomic reactor test centre, which will be the first to be owned by a private corporation. Proposed for a 550-acre site, 40 miles east of Pittsburgh, the project is estimated to cost about $6.5 million. The reactor will be used for testing materials under conditions of intensive nuclear radiation. It will have a capacity of 10,000 kw. and is expected to be in operation in two years. It will have facilities for testing atomic fuel, protective materials, structural designs and other components of power-plant equipment.

World diamond sales are still rising and, in the first quarter of this year, sales of both industrial and gem stones by De Beers, which hold a semi-monopoly in this field, touched new high records. Sales of gems were £15.2 million in the first quarter of 1955, as compared with £10.9 million in the previous quarter and £11.7 million in the first quarter of 1954. Sales of industrial stones during the period under review were of the value of £6 million, as against £5.2 million in the previous quarter and £4.9 million in the first quarter of 1954. Sales have risen practically all the time since the war and various reasons for this are given. One is the American purchases of industrial stones for the stockpile. Gem stones are still very much sought after and the temporary loss of one million pounds worth of gems for the U.S. in an air crash in Scotland emphasised the tightness of supply.

PERSONAL

SIR Joseph Kay, K.B.E., Chairman and Managing Director of Messrs. W. H. Brady & Co., Ltd., left for England on Monday the 11th inst.

Mr. John Sherman Cooper, U.S. Ambassador to India, presented his credentials to President Dr. Rajendra Prasad on Saturday last.

Mr. S. Basu, Director-General of Observatories, is the leader of the Indian delegation to the Congress of the World Meteorological Organisation which commenced at Geneva on the 14th inst.

Mr. Madanmohan Mangaldas, a prominent industrialist of Ahmedabad, has been elected President, and Mr. Jayakrishna Harivallabhdas, Vice-President of the Ahmedabad Millowners' Association for the current year.

Mr. G. V. K. Murthy, Director, Brooke Bond India Ltd., has been appointed Chairman of the Company, in place of Mr. W. G. Henshilwood who retired. Mr. Murthy is the first Indian to be appointed to this high office in the Company. Mr. W. G. Henshilwood sailed for London on Monday this week.

Mr. K. R. Damle, Additional Secretary to the Union Ministry for Food and Agriculture, who headed an eight-man Indo-American Technical Co-operation Mission which toured the U.S., the U.K. and the Continent to study the training and research systems in regard to agriculture, returned from Geneva on Friday last week.

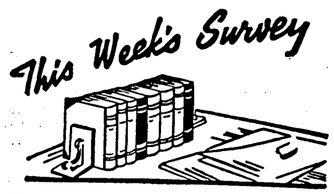
"COMMERCE" 1930

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 19th April

The Banking Enquiry

Most of the nine provincial banking enquiry committees have come to the end of their journeys and their reports, which are in course of preparation, will be submitted to the Central Committee by the middle of May. Besides these nine, committees have also been appointed by as many as fifteen Indian States and their reports are also expected before the middle of next month. The Central Committee will thus be able to start work soon with Sir B. N. Mitra as its head. The Central Enquiry Committee authorities are pleased at the manner in which enquiries have been conducted by their provincial colleagues and, from the information at their disposal, they believe that valuable data will come to them, especially from the point of view of the development of agricultural credit facilities and the promotion of indigenous banking. The provincial committees have also been looking into the question of how best to promote the investment habit in India, for it has been pointed out, time and again, that the real salvation of India lies in the mobilisation of her capital resources which lie dormant at present. So far as can be gathered at present, the provincial committees are reported to be mostly of the opinion that national savings associations, on the lines of those existing in the United Kingdom, should be started in India.



DOCK LABOUR TROUBLES

IT is difficult to forecast the reactions of the shipowners and dock labour to the appeal of Mr. O. V. Alagesan, Deputy Minister for Transport and Railways, to restrain their tempers and help ensure maintenance of peace until the Dock Labour Enquiry Committee submitted its findings. For labour, under the leadership of political self-seekers, has gone beyond its limits by indulging in not merely go-slow tactics but also incendiarism. Attacks on port and ship executives have become frequent. In fact, the working conditions at Calcutta port are conspicuous by the absence of the "Rule of Law." In other words, the 18-month-old labour unrest there has deteriorated into mob rule of the worst kind.

The state of affairs is so bad that shipowners, shippers and stevedores have complained to the Government of West Bengal and the Government of India that it would not be possible for them to carry out their normal duties, if the present conditions were to persist. They have stated that there is a deliberate decrease in the output of labour in almost all ports. As a result, the average cost per ton of cargo has, it is stated, increased from Rs. 4.7 in 1953 to Rs. 8.2 today. Besides, the inordinate delay in the turnround of ships has led to a situation of undertonnage at the port. Small wonder, therefore, the U.S.-India, Pakistan, Burma, and Ceylon. Outward Freight Conference, an organisation of shipping interests, has decided to impose a surcharge of 35 per cent. on freight and other charges on all cargoes to Bombay, Calcutta and Madras, with effect from 1st June next. The surcharge will be effective on cargoes delivered to ocean carriers at docks or alongside by lighters. The Conference has, however, stated that it would ask the member-lines to consider the question of suspension or even abolition of the proposed surcharge, if the situation at the ports were to improve by the end of May.

Naturally enough, business men have been perturbed about the deteriorating dock labour situation. The President of the Indian Chamber of Commerce, Calcutta, has expressed his fear that industry and trade would be seriously affected, unless labour conditions at Calcutta port improved. The general consensus of opinion is that India's exports would be "priced out" from foreign markets, if immediate and strong measures were not taken to check the deterioration in working conditions at all ports, for the state of affairs in other ports, too, is no better than that in Calcutta. It is time, therefore, that the work of the Dock Labour Enquiry Committee was expedited. In the meantime, interim measures should be taken in order to ensure smooth working in all the ports. It is gratifying to note that the West Bengal Government has become alive to the situation and is planning effective measures to establish a firm "Rule of Law" in the port of Calcutta, in co-operation with the port authorities and the Government of India.

CO-EXISTENCE OF ECONOMIC SYSTEMS

Marxist enthusiasts in India will do well to ponder the statement of Mrs. Joan Robinson, Professor of Economics in the Cambridge University, made in the course of a speech at Pachaiyappa's College, Madras, the other day. She said that the Marxist theory of the inevitable explosion of industrially developed capitalist countries from within had been disproved and that there was scope for the co-existence of different economic systems. If capitalist systems had developed on lines of their own and if a revolution had not come, then it meant, Mrs. Robinson declared, that capitalist countries could co-exist with communist countries. Substantiating this contention, she pointed to the rising standard of life in the capitalist countries. A large part of the benefit which had gone to the industrial workers, she observed, was due to the improved technique of production under the capitalist system. Instead of the growing tension between labour and capital in the industrial countries of the West which Marx had predicted, she found that workers there had become less and less revolutionary.

Mrs. Robinson was of the view that, "while Marx's prediction of revolution in highly industrialised countries has not come about, it has occurred in countries which are hardly developed and which are feudal in character." She felt that planning for economic development undertaken in communist countries could be adopted with advantage in the underdeveloped countries. To quote her: "One may not like the political features of the pattern, but, as an economic system, it is suited to underdeveloped countries. "Incidentally, the learned professor alluded to "India's method of planned development in a democratic set-up" and considered its success as being of the greatest importance to the world. For, in her opinion, if the method were to prove successful, or at least if it did not fail, it would mean that peaceful co-existence was possible between different economic systems as much as between different political systems. A far more practical issue on which planners in this and certain other countries in South-East Asia would be happy to be enlightened is as to which of these systems promises rapid economic progress with minimum tears. The Press report of Mrs. Robinson's speech does not show that she addressed herself to this question.

INTEGRATED PLANNING

It is an economic truism that, whatever may be the nature and size of a plan for economic development, there must be perfect co-ordination between programmes drawn up at different levels—Centre, State, district and *taluka*—if the plan is to be successfully implemented. The Planning Commission has done well, therefore, to urge the State Governments, in the course of a communication addressed to them, to aim at achieving a more integrated approach in regard to the preparation of district and village plans. Laying stress on intimate relation between planning in National Extension Service (N.E.S.) and Community Project areas and district planning, it states that a district plan will include programmes for all parts of a district irrespective of whether or not they are now covered by the N.E.S. The Commission wants the States to ensure that there is "forward planning" of areas to be included in the various N.E.S. blocks and the dates on which each N.E.S. block will be taken up as part of the N.E.S. programme. This is, indeed a valuable suggestion, in that it seeks to widen the scope of the district plans by taking into account the needs and programmes of areas which would all ultimately come under the N.E.S. at different periods of the second Five-year Plan.

Equally valuable is the suggestion of the Planning Commission that, while drawing up State programmes for agriculture, animal husbandry, co-operation, health, education and cottage industries, the State departments should note that development in areas which would come under the N.E.S. is undertaken "in a more intensive manner." The Commission has further urged the State departments to indicate clearly the specific programmes and schemes that would be tackled in detail at the State level. Attention is drawn, in particular, to the lack of sufficient emphasis on increased rural production in the village plans which are now under preparation. "These programmes," to quote the Commission, "constitute the crux of village planning."

With regard to the duration of the plan, the Planning Commission suggests that each State may adopt the period which appears best according to local conditions. If, for instance, a two-year period is taken as the basis for specific village programmes, the village can add each year one more year to its immediate programme, so that it will always have a two-year programme ahead of it. In making this suggestion, the Commission has evidently been prompted by the fact that some States find it more feasible to prepare programmes for five years in a general way and more specifically for shorter periods, say, for two or three years.

MYSORE AGRICULTURAL INCOME-TAX BILL

The Mysore Agricultural Income-tax Bill, 1955, which is now being discussed by the State Legislature, is one of the measures proposed by Mr. K. Hanumanthaiya, Chief Minister, to meet a part of the State's budget deficit. The levy is expected to yield Rs. 20 lakhs per annum. According to the statement of objects and reasons, the Bill is in consonance with the recommendations of the Taxation Enquiry Commission for the levy of agricultural income-tax in all the States. The scheme of taxation is confined to such of the agricultural crops as are considered to be of commercial and profitable nature. Foodgrains and other agricultural produce forming the necessaries of life will not be taxed. The Bill will, when passed, come into force, with retrospective effect, from 1st April, 1955. The rates of tax on agricultural incomes are as follows:

(1) On the first Rs. 1,500 of the total agricultural income—*nil;*

(2) on the next Rs. 3,500 of the total agricultural income—nine pies in the rupee;

(3) on the next Rs. 5,000 of the total agricultural income—one anna and six pies in the rupee;

(4) on the next Rs. 5,000 of the total agricultural income—two annas and six pies in the rupee;

(5) on the next Rs. 5,000 of the total agricultural income—three annas and six pies in the rupee;

(6) on the next Rs. 5,000 of the total agricultural income—four annas in the rupee; and

(7) on the balance of the total agricultural income—five annas and six pies in the rupee.

It is, however, provided that no agricultural income-tax shall be payable (1) on a total agricultural income which is less than Rs. 3,500 or (2) by a person who derives agricultural income (*a*) from any land not more than six acres in extent if it is used for growing arecanut, chillies, coconut, sugarcane, potato, onions, garlic, tea and certain other crops, or (*b*) from any land not more than 18 acres in extent if used for growing cardamom, coffee, rubber, groundnut, tobacco, cotton, mangoes or oranges. The limit of exemption will be Rs. 7,000 in case of every Hindu undivided family, which satisfies at the end of the previous year the condition that the family consisted of at least five members. It is further provided that (1) the agricultural income-tax payable shall in no case exceed one-half of the amount by which the agricultural income exceeds Rs. 3,500 or Rs. 7,000 as the case may be. In the case of every company, agricultural income-tax shall be charged at the maximum rate on the whole of the total agricultural income.

The Bill exempts from payment of the tax any agricultural income derived from property held under trust or other legal obligation wholly for religious or charitable purposes. It provides for carrying forward of losses in agricultural income in the year to the following year and set off against the agricultural income for that year. If it cannot be wholly so set off, the amount of loss not so set off will be carried forward to the following year and so on, but no loss will be carried forward for more than six years.

It may be recalled that Bihar was the first State in India to levy a tax on agricultural incomes. Then a number of other States including Assam, Bengal, Orissa, U.P., Hyderabad, Travancore-Cochin, Madras, Rajasthan, Coorg, Bhopal and Vindhya Pradesh introduced the levy. In some of these States, it was the existence of big landlords under permanent settlement or of large plantations of commercial character that drew the attention of the Governments to the desirability of this tax. Madras has restricted the tax to income from plantations.

The Taxation Enquiry Commission has supported the levy of agricultural income-tax. There is, according to it, ample justification for taxing incomes from agriculture. In fact, income from agriculture should be taken into account for the purpose of determining the rate at which the tax on the other income of the same person should be assessed, if it should prove "administratively feasible and practically worthwhile." The real significance of agricultural income-tax, as pointed out by the Commission, lies, "in the consideration that larger contributions will be secured from the higher incomes from land and to that extent, the burden of land taxation rendered more equitable than at present."

There is another and equally important reason for the levy of agricultural income-tax and this arises from the anomalies that have resulted from the fact that agricultural and non-agricultural income in India are treated as two distinct compartments, State and Union, for the purpose of taxation and from the further fact that some States have made no use of their compartment. As a result, a big landholder, for instance, with an agricultural income of, say, Rs. 50,000 pays no more than the land revenue in a State, where there is no tax on agricultural incomes, and that too at a rate which also applies to the small landholder, while another

person with a non-agricultural income of Rs. 10,000 has to pay, relatively speaking, a much larger amount in the shape of income-tax. There are also several other anomalies in the system of agricultural income-tax on which it is not necessary to dwell here. Suffice it to say that the Mysore Government's claim that its measure is in consonance with the recommendations of the Taxation Enquiry Commission is not wholly correct. First, whereas the Commission has recommended levy of this tax on all agricultural incomes, the Government proposes to confine it only to incomes from commercial crops. Secondly, the Commission has recommended an exemption limit of only Rs. 3,000, but, in this case, the limit has been fixed at a higher level, namely, Rs. 3,500. And thirdly, the Commission has recommended levy of surcharges on agricultural income-tax in the case of assessees having both agricultural and non-agricultural incomes. No such surcharge is sought to be levied under this Bill. Incidentally, a point that has been ignored both by the Bill and the Taxation Commission is that it is not equitable to levy both land revenue and agricultural income-tax. When the latter is introduced, it is but fair that land revenue should be dropped, especially as the object of collecting agricultural income-tax is to see that no discrimination is made as between agricultural and non-agricultural incomes.

FREER WORLD TRADE

The move of the 18 member-Governments of the Organisation for European Economic Co-operation (O.E.E.C.) to adopt an economic policy of expansion and free trade culminating in a return to convertibility will be widely welcomed. It follows the recommendations made by the O.E.E.C. in its sixth report published in Paris on Wednesday last week. Urging the countries of Western Europe to strive for freer trade, the O.E.E.C. observes: "The task ahead is to build a better economy than the pre-war one. The expansion of production will make it easier to liberalise trade without causing unemployment and freer trade will mean that the expansion of production is directed to the more efficient sectors. Convertibility is the technical expression of this movement towards freer international transactions."

If the West European countries were to adopt measures designed to restore convertibility, it would prove to be a step of great importance, considering that these countries play a prominent role in influencing the trend of world trade. It is true that, since the establishment of the O.E.E.C. in 1948, the countries of West Europe have generally achieved financial stability, expanded production, reduced trade barriers and improved balance of payments. In fact, it is claimed that the countries as a whole have now freed over 80 per cent. of their trade on private account. But liberalisation of invisible transactions, the O.E.E.C. says, has proceeded more slowly and the control of capital movements remains considerable. Although some progress has been made in the reduction of quantitative restrictions on dollar imports, there still remain restrictions, largely discriminating in character, mainly on American and Canadian manufactured goods. Again, no great results have been achieved in reducing the obstacles to the international movement of labour, "a field in which the restrictive spirit is still widespread."

The success of the efforts of the West European countries to liberalise world trade will, of course, depend on the policy of the U.S. which plays a formidable role in world trade. The O.E.E.C. has urged the U.S. to adopt a trade policy that would be more appropriate to its present position in the world. By doing so, the U.S. will, it rightly remarks, "contribute to a general lowering of barriers which at present so powerfully hinder trade and the optimum division of labour." For, in its considered opinion, regularity of the outflow of dollars in the form of American purchases and investment abroad was, and will remain, an essential factor in the world's economic stability. At the same time, the O.E.E.C. emphasises that, in future, West Europe's commercial transactions and investment abroad will have to play an increasingly important part.

IGNORANCE OF AIR TRANSPORT ECONOMICS

By "Rudderbar"

A RECENT announcement by the Deputy Minister for Communications in the Lok Sabha indicates that the Indian Airlines Corporation (I.A.C.) intends to operate Skymaster aircraft on the night mail services in place of the present Dakotas. The night mail, as readers are probably aware, operates on the routes Bombay-Calcutta and Madras-Delhi, both services halting at Nagpur, the focal point, for exchange of passengers and mails. The mileage flown each night is therefore approximately 4,400.

The Skymaster is a comparatively large four-engined aircraft, now approaching obsolescence but still used in fairly substantial numbers throughout the world. The I.A.C. owns three of these aircraft which have, it is understood, lately been converted to higher density seating at Copenhagen. The intention is, apparently, to purchase three more, and these, at ruling market prices, will cost in the neighbourhood of 28 to 30 lakhs of rupees each. The annual hours to be flown by the Skymaster fleet on night mail services alone can be approximately computed at 9,000 or, assuming there are six units, 1,500 hours per aircraft. Such utilisation, although not high enough to be economical, will entail a supply of spare parts and spare engines for these aircraft greatly in excess of stocks which the I.A.C. presently possesses. The capital outlay on this new venture will, therefore, run into approximately one crore and five lakhs of rupees and this is a conservative estimate.

The I.A.C's operating loss over its first year of operation was Rs. 127 lakhs and the indications are that the second year's loss will certainly exceed that of the first year by a substantial margin. This is hardly surprising, because, in the first place, the Corporation has indulged in a number of costly and ill-conceived experiments and has made no attempt to rationalise its plan of operation and, in the second place, all units of its fleet, that it to say, Skymaster, Viking and Dakotas, are, at our fares and in the context of the I.A.C's overhead costs, uneconomical to operate.

This is to say that, on every route which the I.A.C. operates, practically without exception, a loss of greater or lesser degree is incurred. It is, however, probable that the night mail services operating, as they do, at about 85 per cent. capacity, and, in spite of the very low passenger fare in force (2½ annas per seat-mile) and the poor rate of mail carriage payment received, lose less than the majority of routes.

Economics of Dakota

The cost of operating Dakota aircraft is fairly easy to assess, the only unknown quantity being the I.A.C's overhead costs. At the time of the enquiry into the affairs of our domestic air transport, which was conducted by the Rajadyaksha Committee in 1950, the Committee estimated that an economical company could operate a Dakota at an all-in cost of Rs. 586 per hour, assuming a utilisation factor of 1,500 hours per unit of the fleet. Since that time, the cost of petrol has risen and an additional figure of Rs. 30 per hour must be allowed to cover this item of expenditure. This gives us a final figure of Rs. 616 per hour. It is, of course, doubtful whether the I.A.C. does operate within this figure but, in the absence of accurate data, it is better to assume that to be the case.

At a block speed of 140 miles per hour, total Dakota operation on the night mail services amounts approximately to 11,330 hours per annum and in terms of cost, therefore, approximately Rs. 70 lakhs. Revenue is more difficult to assess. Assuming, however, a constant load factor equivalent to 18 passenger seats filled at the standard night mail fare of 2½ annas per seat-mile—and this is a reasonably generous estimate—the total annual revenue drawn from the night mail is in the neighbourhood of Rs. 45 lakhs. The operating loss, therefore, is Rs. 25 lakhs.

Skymaster Expensive

Now the Skymaster is a much larger aircraft than a Dakota. The I.A.C's present versions have been converted to take 53 seats, as against the Dakota's 21. The total payload which this aircraft is likely to offer on the comparatively short sectors of the night mail is 4½ short tons, as against the Dakota's two. It has four engines of greater horse-power than the Dakota's two, in fact, some 6,400 horse-power as compared with 2,200. All this adds up, naturally, to much more expensive operation. I have, unfortunately, no up-to-date figures of this cost but, from earlier figures in my possession, I would conservatively estimate the hourly cost as between Rs. 1,200 and Rs. 1,400, depending on the utilisation achieved, the economy exercised in the matter of overheads, and the stage lengths to be operated.

Assuming a block speed of 180 miles per hour, the annual hours of operation will, as already computed, total 9,000. If the lower figure of cost is taken, the annual operating expenditure with this type of aircraft on the night mail services will be Rs. 108 lakhs. The question of revenue is problematical The protagonists of this proposal will probably argue that these four-engined aircraft, providing greater comfort, will create additional new traffic on the night mail services. This, to a very limited extent, can be conceded. The *total annual* passenger traffic on the domestic air transport system has remained fairly constant over the past five years at about 500,000 tickets sold. There is not sufficient significance, in the mere introduction of a four-engined aircraft on the night mail routes, substantially to alter this figure. It would, in my opinion, be very generous to estimate any new traffic thus created at more than 10 per cent. of the present night mail figure. Any additional traffic over and above this figure will, therefore, merely represent traffic taken from the normal day services and attracted to the night service by the cheaper fare, the greater comfort and the supposedly greater safety factor.

We have already computed the night mail revenue earned by the present Dakota services. If we now add 10 per cent. to that figure, we shall not be far from the truth in assessing the actual revenue likely to be earned by the Skymasters. A little simple mathematics will show this to be Rs. 49,50,000. The gap between cost and revenue will thus be seen to have increased from the present Rs. 25,00,000 to the much higher figure of Rs. 58,50,000; nor does this include the loss of revenue which will occur when traffic travels by the night mail in preference to the higher-priced day services.

A Wrong Notion

The I.A.C. is, admittedly, in a difficult position. Accidents on the night mail have been too frequent to escape public notice. Not all these accidents, however, have been attributable to any defect in the Dakota; indeed, to my present knowledge, only one accident out of six can be so attributed with any certainty and that, too, might have been averted with better lighting of our airports. Indeed, the Dakota, apart from its admittedly poor single-engine performance, has a multitude of excellent characteristics. It is extremely docile and easy to handle, it lands very slowly without fuss and it has two of the world's most proven and reliable engines. In my opinion, the Dakota, on our domestic routes, has, on account of these characteristics, conserved a great many lives, which, in a faster and less docile aircraft, might have been lost in difficult circumstances. The public should realise that for every accident which occurs, there are a number of what pilots refer to as "near misses." Nor should it be imagined that four engines necessarily spell greater safety. Indeed, statistics seem to prove the contrary.

The Dakota must be replaced as soon as possible, both for economic reasons and because of its marginal single-engine performance. That cannot be done at once and in the meantime, it can be most usefully employed on the night mail but preferably with mail and freight only. The closing of the service to passengers might be an unpopular move but it need be temporary only. On the replacement of the Dakota with a suitable economic twin-engined aircraft, passenger services could be resumed.

The crux of the I.A.C's problem lies in finding a suitable aircraft to replace both the Viking and the Dakota. To purchase further Skymasters at this stage is a very doubtful policy and the proposal to place these aircraft on the night mail service displays, in my opinion, an ignorance of air transport economics so fundamental as to be almost incredible. If, on the other hand, the proposal does not spring from any inability to assess the financial implications, then, the inevitable conclusion is that such disregard of wasteful expenditure is most undesirable in a public undertaking.

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SIZE OF SECOND FIVE-YEAR PLAN

TARGET FIXED BY ECONOMISTS TOO LOW

From A Special Correspondent

NEW DELHI, 12th April

DELHI LETTER

DEMANDS of grants for various Ministries of the Government of India are being put through in Parliament during these days. Two important Ministries which are in charge of vital matters of economic interest have been able to get their demands passed by Parliament during the last few days. They are the Irrigation and Power and Production Ministries. The debates on the cut motions of these Ministries have generally been mild and even the speeches of the members of the Opposition have been insipid and dull. Most members would appear to have lost interest in the proceedings of the House, with the result that on many an occasion bells have had to be rung in order to maintain the quorum of the House. The strident advance of summer in the Capital, with the mercury exceeding well above 100 degrees, has already begun to exercise an enervating atmosphere not only to the proceedings of the House but elsewhere also.

Outside Parliament, the leading economists of the country happened to confabulate on the approximate outlay of expenditure on the forthcoming second Five-year Plan. It was suggested by these academicians that the total amount to be spent should be somewhere near Rs. 5,600 crores which should be shared between the public and private sectors in the proportion of 60 and 40 per cent, respectively. In arriving at this figure, the economists would appear to have failed to take into account the fact that the level of expenditure suggested by them might not be adequate to maintain the tempo of economic activity in the country at a progressive rate. For, according to the latest report of the Planning Commission, the expenditure during the fourth year of the Plan shows an increase of nearly Rs. 200 crores over that of the third year. In other words, during the first year of the Plan the amount of expenditure amounted to Rs. 260 crores, increasing to Rs. 270 crores during the second year. The outlay in the third year, as now revised is Rs. 340 crores, the total for the first three years being Rs. 870 crores. Assuming that the total expenditure of the Plan during the fourth year would be Rs. 540 crores, the total for the first four years may be estimated at Rs. 1,410 crores.

It is well known that, during the last year of the Plan, that is, the current year, considerable efforts are being made to step up the level of expenditure on various development projects. Many State Governments have allocated a substantially higher sum to be spent during this year with a view to catching up the lost ground of the earlier years. In fact, many of them are confident that they would be able to overreach the targets by a slight extent. The budget figure in regard to some States for 1955-56 represents nearly 30 to 35 per cent. of the total expenditure envisaged to be spent under the Plan by respective States. In case the States are able to spend according to their budget estimates for this year, the total expenditure in the last year of the Plan will amount to well above Rs. 750 crores. It may be mentioned here that even this level of expenditure from the public sector is having very little effect in tackling the unemployment problem. One is, therefore, temoted to pose the question as to how far the level of expenditure envisaged by the economists to be spent during the second Five-year Plan would be able to mitigate the intensity, much less solve, the unemployment problem in the country during the next five years.

Again, with the capital market lying low all these years and with a complete absence of invitation for fresh capital by *entrepreneurs* and industrialists, it is a doubtful proposition whether the private sector will be able to invest nearly Rs. 2,200 crores on industrial development without any large-scale, direct help from the Central and State Governments. Further, some of the Government spokesmen have now begun to give an idea of the probable level of expenditure to be incurred during the second Plan by their respective Ministries. The Railway Minister has already hinted that the railways would be requiring nearly Rs. 1,000 crores for expansion, consolidation and renovation. Mr. Gulzarilal Nanda, the Union Minister for Irrigation and Planning, revealed this week that irrigation and power schemes under the second Five-year Plan would be about Rs. 1,100 crores. According to him, the next Plan will envisage an additional irrigation of about 15 million acres and additional generation of 3 to 3.5 million kw. of power. The estimated cost of Rs. 1,100 crores, it is said, includes a carryover of Rs. 322 crores earmarked for projects scheduled to be undertaken in the first Five-year Plan. Irrigation and power schemes under the first Five-year Plan are estimated to cost Rs. 623 crores.

Apart from irrigation, power and railways, other big claimants during the second Five-year Plan are agriculture, large-scale key industries, medium, small-scale and cottage industries, housing and construction activities, roads and other forms of transport such as shipping, social services like health, education, etc. Taking all these factors into consideration, it can safely be stated that the level of expenditure in the public sector alone should be of the order of Rs. 5,000 to Rs. 6,000 crores, so that the tempo of economic activity in the country can be maintained at a progressively rising rate. Since there has been an increase of nearly 200 per cent. in the expenditure between the first and the last year of the first Plan, it should not be impossible for the Government of India to attain a level of expenditure of the magnitude of Rs. 1,500 crores during the fourth and the fifth years of the second Plan, placing the estimate of the expenditure in the first year of the second Plan at about Rs. 850 crores. At the same time, the Government of India should take note of the fact that, in order to stimulate the economic activity in the country, it is absolutely necessary to provide sufficient inducements to the private sector to expend Rs. 3,000 crores or thereabouts during the second Plan. For, without a proper development of heavy and light engineering industries, it will not be possible for the country to absorb the six million tons of steel that Government hopes to produce before the expiry of the second Plan. In other words, the target of expenditure for the second Plan should be aimed at about Rs. 8,000 to Rs. 9,000 crores. It must, however, be mentioned that, if the Government of India is earnest about the speedy establishment of a socialistic pattern of society, it must from now on try to show more tangible results in the public sector. The record of the Ministry of Production during the last one or two years, for instance, does not inspire confidence that the Government of India would be able to bring about a speedy industrial development during the second Plan without the full co-operation from the private sector.

HANDLOOM CLOTH

With a view to encouraging larger offtake of handloom cloth, the Central Government has reduced the minimum sale eligible for rebate from Rs. 5 to Rs. 2. The rates of rebate, however, remain the same, that is, a minimum of nine pies in the rupee for all States and a maximum of As. 2 in the case of Bombay and of 18 pies in the case of other States, on sales of handloom cloth made by weavers' co-operative shops and State-owned depots. The maximum rebate allowed on sales made by consumers' co-operative societies and fair price shops approved by State Governments throughout India also remains the same, that is, one anna in a rupee.

The Central Government has decided to continue the scheme of rebate on retail sales of handloom cloth by weavers' co-operative shops and State-owned depots for the year 1955-56. The rebate on retail sales by consumers' co-operative societies and fair price shops approved by State Governments, as well as on wholesale sales, has been continued till August, 1955, and that on export sales till September, 1955.

(Concluded from next column)

But, in practice, one must recognise that the connection between the immediate prosperity of the home economy and the long-term trends in the balance of payments is too tenous to do more than influence without determining the taxation pattern of the year before us. The Chancellor will no doubt attempt to hold a fine balance between giving tax reliefs, especially where they can stimulate enterprise and production and sufficient to look generous in relation to the overall expansion in national income, while, at the same time, not going as far as he otherwise might for fear lest resources should be diverted from the exigent demands of exports.

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RETROSPECT ON PROSPERITY

DELICATE TASK FACING MR. BUTLER

(From Our Own Correspondent)

LONDON, 7th April

LONDON LETTER

THE Government's pre-budget *Economic Survey*, gloomy as it is on the balance of payments trend, cannot resist pointing out that "at home 1954 was a prosperous year" or, to vary the phrase, "at home, 1954 was very successful." The Chancellor is thus going to face the dilemma of being unsure whether it is wise to use the substantial budget surplus with which the year just closed has thrown up to provide tax remissions which will increase consumption at home and may make exports more difficult, or whether to maintain an unchanged taxation pattern, build up an even larger budget surplus in the new year, and so give his maximum assistance to the balance of payments.

The latter course would be favoured by the economic purist, but it is now widely believed, following Sir Winston Churchill's retirement from the Premiership, that an election cannot be many weeks away. In that case, it would be gambling too much on an electorate's appreciation of the virtues of austerity in tax matters to present them with a bleak budget and still hope to collect their votes. An election year budget, though it may be bad for the external economy, usually has to be good for the domestic consumer, and everything in the picture of the past year at home suggests that the domestic consumer is entitled to reap some greater fruits of his industry.

Industrial production last year was no less than 29 per cent. above that of 1948 and showed an increase of over 6 per cent. on the calendar year. Part of this increase was due to the continued rise of employment in industry (the total working population in civil employment increased by 350,000 over the year), but output per man-year rose by about 4½ per cent., while prices of goods and services rose on average by 1½ per cent. over the year, and salaries rose by 7½ per cent., so that there was an increase in real income of about 6 per cent. Indeed, the national income calculated as total expenditure at market prices, after allowing for taxes and subsidies, has risen to nearly £19 million, as compared with a little over £17 million two years ago and £18 million last year. Consumption expenditure is a little less than two-thirds of these figures but investment has continued to rise normally.

All the indications are that investment is to be still higher this year than it was last—not only in the private enterprise sector but also in coal-mining, power and nationalised transport. The pattern in the private sector shows anticipated increases in iron and steel, motor manufacture, chemicals and synthetic fibres. All these increases are mainly in plant and equipment rather than in buildings but the building trades are also expected to be very active: the housing programme shows more and more houses completed each year; the new towns designed to relieve the pressure on London are active in the building of shops, offices and hotels.

The forecast is also that, without any change in taxation, money incomes and purchasing power are likely to be higher in the coming year. Remissions in taxation will increase the purchasing power still further while being unlikely to have very much effect on investment. The *Economic Survey* points out that such a trend in the economy means more imports and that, indeed, without higher imports, it would be impossible to keep up the steady rate of expansion. The higher imports must be matched by higher overseas earnings, and this in turn depends on a British industry fully competitive in the export markets; but the consumer potential of the export markets is also a relevant factor so that an expanding world economy is part of the foundation of an effectively rising standard of living in this country. The *Survey*, which is a document which emanates from the Chancellor's own Office, declares that the country cannot indeed pursue the policy of expansion without regard to the needs of the balance of payments and, thus having stressed the strength of the home economy comes round to pointing out that in future everything depends upon the balance of payments.

(Continued in previous column)

PAKISTAN NOTES

PROMOTING EXPORTS OF JUTE

W. PAKISTAN PROVINCE BY END OF NEXT MONTH

IT would appear that a new machinery for shipment of Pakistan jute to the United Kingdom would shortly be constituted in Dacca. Press reports from Dacca and Narayanganj claim that an agreement has been arrived at between the four-man delegation of the London Jute Association, headed by Mr. R. E. D. Wilcox, Chairman of the Association, and the East Pakistan Government. The delegates have also had talks with jute interests of the State in regard to the setting up of the new machinery for the promotion of raw jute exports to the United Kingdom and sought their co-operation, which is stated to have been assured. Details of the arrangement are not known at the time of writing.

The reported arrangement made by the U.K. delegation is evidently a sequel to the cancellation of trade licences of 13 jute exporting firms, towards the close of last year, by the Director of Jute Prices, Government of East Pakistan, and approved later by the Central Government. This action, it will be recalled, interrupted the flow of raw jute to the United Kingdom. It is true that the Provincial Government revalidated these licences subsequently, following the representations from the London Jute Association, Continental and other jute consuming interests, but they were only for a temporary period. It is now common knowledge that the licences were cancelled by the East Pakistan Government as the exporting firms concerned were alleged to have indulged in certain malpractices, which contravened the provisions of the East Bengal Jute Dealers Registration Act. These malpractices, it was alleged, included under-invoicing, under-grading, registration of bogus contracts, etc. Commenting on this development, Mr. A. D. Boldy, President of the Pakistan Jute Association, observed in the course of his speech at the last annual meeting of the Association as follows:

> "The written charges received by the traders concerned refer merely to petty offences under the East Bengal Jute Dealers Registration Act. We understand that all the affected firms have lodged appeals and we trust that the Government will expedite investigation and consideration. The cancellation of licences took the trade by surprise, as the Government did not take the Association into their confidence. Immediately the announcement was made, we hastened to inform the Government of its probable repercussions on local banks, local buyers and sellers, inland water transport companies, ports, foreign buyers and jute manufacturers. We made our recommendations to the Government and we are pleased that they were eventually accepted, but we are afraid that the delay in arriving at a decision did cause a lot of anxiety in the jute world, particularly on the part of our overseas friends."

There can be no two opinions on the fact that business malpractices and infringement of exchange controls are detrimental not only to the economy of Pakistan but also to the stability of jute trade itself and that, therefore, they should not be tolerated. It is high time that a system, which would be free from malpractices, was created to promote exports not merely to the U.K. but to all other countries interested in Pakistan's raw jute. Care, however, should be taken to see that the Government does not use the present situation as a pretext to monopolise trading in raw jute exports. After all, despite its shortcomings, it is private enterprise that can deliver the goods better than State monopoly. What is needed is strict control over trading practices and prescription of drastic penalties for infringement of established trade conventions and rules. If the willing co-operation of traders is to be secured, the control should take into account their practical difficulties. Incidentally, it must be mentioned that detection of malpractices will depend on the integrity of the personnel entrusted with the task.

Merging Provinces

In about a few weeks' time, at any rate by the end of next month, the new Province of West Pakistan will formally have been established. An ordinance investing the Governor-General of Pakistan with powers to bring such a Province into existence, and, for that purpose, to secure the merger of the existing units, including the States of Baluchistan, Bahawalpur and Khairpur, was promulgated on 27th March, 1955. By an order issued under this Ordinance, the Governor-General has fully authorised the Council for the Administration of West Pakistan to take whatever steps it considers necessary to set up the administration of the new Province within the time stipulated. He has also empowered the Council to issue such directions as it may deem necessary or expedient to any Provincial Government or Federated State in West Pakistan or to any officer or authority thereof.

The Government of Pakistan has already examined and approved in principle the recommendations relevant to the creation of the new Province contained in the report which the Council submitted sometime in February last. One of the principal recommendations relates to the actual set-up of the Province. The new Province will have 50 districts grouped into 11 divisions. The administration of all areas in West Pakistan at present directly administered by the Centre, including the tribal areas and Karachi, with the exception of the federal area, will vest in the new Provincial Government. No change is, however, contemplated in the present system of administration in tribal areas. Lahore will be the capital of the Province. At the headquarters of the Government will be located the Governor, the Cabinet, the Legislature and a single Secretariat. This set-up will replace the present several Governors, cabinets, legislatures and seven separate secretariats. The new Secretariat will be a compact organisation. The heads of departments and their offices will be delegated adequate administrative and financial powers, so that they may implement the decisions of the Government effectively and promptly. Mr. M. A. Gurmani, Governor of the Punjab (P), and Dr. Khan Sahib, Minister for Communications in the Central Government, have been appointed Governor and Chief Minister, respectively, of the new Province of West Pakistan.

Corporation for Small Industries

The Government of Pakistan has set up a corporation for the promotion and development of small-scale industries. The authorised capital of the Corporation is Rs. 1 crore, dividend into 100,000 fully paid up shares of Rs. 100 each, of which the share of the Central Government is 51 per cent. The Corporation will advance loans in the form of factory buildings, residential houses, machinery and equipment on a hire-purchase basis. The loans are to be repayable in a period of 20 years.

Two important considerations, it would appear, have weighed with the Government in deciding to set up the above Corporation. First, in view of the considerable pressure of population on land and meagre earnings from agriculture, there is the need for providing the agriculturists with subsidiary sources of income through establishment of small-scale industries. Secondly, small-scale industries produce goods which earn much precious foreign exchange.

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LIMITED

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Subscribed Capital	£4,562,500
Paid-up Capital	£2,851,562
Reserve Funds	£3,104,687

Head Office: 26, BISHOPSGATE, LONDON, E.C. 2

West End Office: 13, ST. JAMES'S SQUARE, LONDON, S.W. 1

BRANCHES:

INDIA: Calcutta, Chowringhee, Calcutta, Bombay, Madras, Mount Road, Madras, Bangalore, Amritsar, Kanpur, Delhi, New Delhi, Tuticorin, Cochin

PAKISTAN: Karachi, Saddar Branch, Karachi, Lahore, Chittagong, Agrabad Rd., Chittagong, Narayanganj, Khulna

BURMA: Rangoon

CEYLON: Colombo, Kandy, Nuwara Eliya

ADEN: Camp, Aden, Steamer Point, Aden, Little Aden (Sub-Branch to Aden)

SOMALI LAND PROTECTORATE: Hargeisa, Berbera

ZANZIBAR ISLAND: Zanzibar

TANGANYIKA TERRITORY: Tanga, Dar-es-Salaam, Mwanza, Lindi, Mochi, Moshi, Mikindani (Sub-Branch)

KENYA: Mombasa, Nairobi, Delamere Avenue, Nairobi, Thika, Nakuru, Naivasha (Sub-Branch to Nakuru), Kisumu, Eldoret, Kericho, Sotik (Sub-Branch to Kericho)

UGANDA: Entebbe, Port Portal, Kampala, Masaka, Jinja, Tororo, Soroti, Mbale

Current Deposit Accounts are opened and Fixed Deposits received on terms which may be ascertained on application.

The Bank issues Letters of Credit and Travellers Cheques and it offers every facility for the conduct of all classes of Banking and Exchange business with the principal commercial centres throughout the world.

The Bank's Head Office undertakes to act as Executor and Trustee in approved cases.

Savings Bank Accounts opened.

Bombay Branch: Mahatma Gandhi Road, Fort, BOMBAY 1.

G. R. WEST, *Manager.*

Kotri Barrage

What is claimed as the first giant irrigation project in Pakistan, the Kotri Barrage on the river Indus, was declared open by the Governor-General of Pakistan the other day. The Barrage is situated about 110 miles north east of Karachi. The construction of the Barrage is estimated to have cost over Rs. 24 crores. The Barrage, it is said, is a prototype of the Sukkur Barrage. Its headworks is 3,000 feet long, designed to pass a maximum flow of 875,000 cusecs. It consists of 44 bags, 60 feet span each, and has three main canals on the left bank and one main canal on the right.

The Kotri Barrage will irrigate 2.7 million acres of land, of which 1.1 million acres are at present waste and barren land. With the expansion in area under cultivation, there is expected to be a fivefold increase in agricultural output, that is, from 4.75 million maunds to 21 million maunds. The Pakistan Industrial Development Corporation has drawn up a plan to set up five sugar mills in the area commanded by the Kotri Barrage. Preparations are being made for large-scale mechanised cultivation of sugar-cane on 50,000 acres of land.

Foreign Exchange

The foreign exchange position of Pakistan continues to be none too happy. During the calendar year 1954, for instance, the total foreign exchange earnings amounted to only Rs. 127.5 crores, which compares unfavourably with Rs. 155.1 crores in 1953, Rs. 191.6 crores in 1952 and Rs. 287.9 crores in 1951. The extent of the decline in the course of four years is thus over 125 per cent. Thanks to the continued deterioration in foreign exchange earnings, Pakistan rupees are being exchanged for Indian rupees at a substantial discount. As against the official rate of 144 Indian rupees to 100 Pakistan rupees, the moneychangers, it is stated, are actually offering 112 Pakistan rupees—125 rupees in some places for 100 Indian rupees. Pakistan's weak foreign exchange position is also reflected in the current black market rate for sterling, which is reported to have been sold recently in Karachi at a premium of 25 per cent. over its official value.

Target for Cotton Production

If the several schemes outlined by the Government of Pakistan were fully implemented, the aggregate production of cotton in the country would expand to 2.5 million bales by 1957, as against the present annual output of 1.4 to 1.6 million bales. The increase in production is expected to be realised by bringing more land under cotton, using fertilisers extensively, intensifying cultivation methods, and preventing and controlling plant disease. About 700,000 acres of additional land are proposed to be brought under cotton. Cotton is Pakistan's biggest earner of foreign exchange. By 1957, Pakistan, it is estimated, will have a surplus of about 1.2 million bales for export.

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A new trade agreement between Pakistan and Germany was signed in Karachi recently. It is valid for a period of 18 months and replaces the one which expired in February last. Under the new trade pact, Pakistan and Germany are expected to exchange goods worth about Rs. 1.5 crores. The main items of exports from Pakistan include cotton, jute, hides and skins, and a number of other raw materials. Among the goods which Pakistan will import from Germany are machinery, manufactured goods, iron and steel, chemicals and medicines. Incidentally, it may be noted that, during the last three years, Pakistan had a favourable balance of trade with Germany to the extent of about Rs. 1.5 crores.

• • • •

There will not be any imports of foreign wheat into Pakistan during the current year. A decision to this effect is reported to have been taken by the Central Ministry of Food. It is said to be a sequel to the comfortable wheat supply position in the country. Wheat reserves in hand, it is claimed, are quite sufficient to meet any emergency. The Ministry is expected to launch a new wheat procurement drive shortly, under which several *mandis* are being opened where Government agents will be authorised to purchase wheat. It may be noted that the Provinces of Sind and the N.W.F.P. are deficit in wheat production and the wheat procured from the Punjab (P) will meet this deficit.

ANDHRA BANK EARNS RECORD PROFIT

DIVIDEND STEPPED UP

ESTABLISHED in 1923, the Andhra Bank Ltd. (General Manager: Mr. E. Ramachendramurti, Masulipatnam) has been serving the people of Andhra and Madras for over 30 years. Its progress during the first two decades had been very slow because of the undeveloped economy of the area now constituting Andhra State. The year 1943 was, however, an important landmark for the Bank, inasmuch as it witnessed considerable expansion in the Bank's activities, evidently due to the stimulus provided by the war. Since then, the Bank has made rapid progress. It has expanded its capital from Rs. 3.22 lakhs in 1942 to the present level of Rs. 25 lakhs. The number of offices of the Bank has risen from 14 to 60. Its reserves, which stood at a mere Rs. 47,160 in 1942, aggregate Rs. 13.51 lakhs, as at the end of 1954. Deposits have swollen from Rs. 31.16 lakhs to Rs. 652.94 lakhs. The level of profit has advanced from under Rs. 20,000 to about Rs. 5.5 lakhs.

Notwithstanding the economic progress during the past one decade, the Andhra State is still predominantly agricultural and banking there has not been fully developed. The management of the Bank has, therefore, been considering for some time now as to "how best the Bank, with its number of offices spread over all the important towns in the State, would further develop itself to spread the banking habit in the undeveloped areas and play its part in the rapid economic development of the people."

The profit of the Bank for the year ended 31st December, 1954, amounts to Rs. 5.37 lakhs, an increase of Rs. 1.25 lakhs over that for 1953. This is the second year in succession for which the profit has shown an upward trend, having risen from Rs. 3.68 lakhs for 1952, to which level it had dwindled from Rs. 5.09 lakhs earned in 1950. As a result of the increase of Rs. 1.69 lakhs during the past two years, the Bank's profit for 1954 constitutes a new high, exceeding the previous best of Rs. 5.18 lakhs earned in 1947. The increase in profit has necessitated a larger provision of Rs. 2.30 lakhs for taxation, as against Rs. 1.65 lakhs in the previous year, but such has not stood in the way of the Directors' decision to increase the allocation to the reserves from Rs. 85,000 to Rs. 1.10 lakhs and step up the dividend to the shareholders to 7½ per cent. from 6½ per cent., to which level it had been raised last year from 6 per cent. The dividend for the year under review is, however, less than the highest rate, namely, 8 per cent. paid on the present capital for the years 1947 and 1948.

The salient features of the Bank's accounts for the past four years presented in the following comparative table provide an idea of the Bank's progress in recent years:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Interest and discount	31.98	25.45	23.61	23.40
Commission and exchange ..	6.10	5.70	5.02	5.51
Interest paid	16.09	12.41	11.11	11.21
Expenses	16.33	15.00	14.01	12.67
Depreciation and repairs ..	0.27	0.25	0.20	0.16
Loss on sale of investments ..	0.62	..	0.13	0.88
Profit	5.37	4.12	3.68	4.46
Provision for taxation	2.30	1.65	1.40	1.90
To reserves	1.10	0.85	0.75	0.86
Dividend	1.87	1.62	1.50	1.50
	(7½%)	(6½%)	(6%)	(6%)
Carry forward	0.16	0.07	0.07	0.04

	As on 31st December			
	1954	1953	1952	1951
Capital	25.00	25.00	25.00	25.00
Reserves	13.51	12.41	11.28	11.98
Deposits (including contingency accounts)	6,52.94	5,39.86	4,67.45	4,45.04
Borrowings from other banks ..	..	..	..	65.00
Advances*	3,99.25	3,11.97	2,85.69	3,21.82
Investments	1,39.69	1,00.79	1,04.93	1,04.65
Cash	1,14.13	87.84	75.89	91.70
Balance-sheet total	8,17.55	6,82.73	6,03.12	6,60.62
Ratio to deposits of—	%	%	%	%
Advances	61.1	57.8	61.1	72.1
Investments	23.9	25.3	23.1	19.3†
Cash	17.5	16.3	16.2	20.7

* Include bills purchased and discounted and money at call and short notice.

† Ratio arrived at by taking into account only the unencumbered portion of the investments.

The gross income of the Bank amounts to Rs. 38.68 lakhs, exceeding the previous year's record of Rs. 31.78 lakhs by Rs. 6.90 lakhs. Receipts from "interest and discount" account for an increase of Rs. 6.53 lakhs, as against Rs. 1.84 lakhs in 1953. More than half the rise in gross income—Rs. 3.68 lakhs to be precise—has been absorbed by the increase in interest paid on deposits and borrowings. Expenses, too, have shot up, by Rs. 1.33 lakhs. In addition to these higher outgo, the Bank has also incurred a loss of Rs. 62,360 on sale of investments. Had it not been for this loss, the profit of the Bank would have been even more impressive.

Although the Bank is 31 years old, it was not until 1944 that its deposits crossed the Rs. 1-crore mark. During the past one decade, the deposits have steadily grown more than six times and, barring a decline in 1949, the trend has been consistently upward. The expansion of Rs. 1.13 crores in 1954 has been shared by all classes of deposits; fixed deposits (including cash certificates and season deposits) have gone up from Rs. 2.53 crores to Rs. 3.28 crores, savings bank deposits from Rs. 1.58 crores to Rs. 1.82 crores and current and contingency accounts from Rs. 1.29 crores to Rs. 1.43 crores. There are no outstanding borrowings from other banks as at the close of the year under review, though as on 30th June, 1954, they stood at Rs. 39.50 lakhs. Advances show a rise of Rs. 87 lakhs, but the bulk of this is due to the increase in money at call and short notice which is higher by Rs. 73 lakhs at Rs. 83 lakhs. Commercial advances are better by only Rs. 14 lakhs and even this is accounted for by the increase of Rs. 18 lakhs in bills purchased and discounted, that is from Rs. 24.25 lakhs to Rs. 42.88 lakhs. Loans, cash credits and overdrafts are slightly lower at Rs. 273.37 lakhs, as compared with Rs. 277.71 lakhs a year ago. Investments (at cost) have declined by Rs. 2.10 lakhs, evidently due to the sale of some Government securities, because the entire decline is noted in investments in Government securities which amount to Rs. 186.69 lakhs. Cash balances (other than money at call and short notice) show an expansion of Rs. 26.29 lakhs.

U.K. LOANS TO COMMONWEALTH

Details of British loans to Commonwealth countries during 1954, released by the United Kingdom Treasury last week, disclose that the total amount of the loans and grants authorised by the British Government (but not necessarily drawn) during the year was slightly smaller, being £120,000,000, as compared with £122,600,000 in 1953. The following London market loans were authorised during the past year:

(a) *Colonial:* East Africa High Commission, £7,045,000; Trinidad, £4,245,000; Nairobi City, £1,000,000; Malaya, £4,000,000.

(b) *Other Government loans:* Rhodesia and Nyasaland £10,000,000; New Zealand, £10,000,000; Ceylon, £5,000,000.

(c) Consent for private capital issues, £48,327,000.

The following loans and grants were sanctioned from Government funds:

(a) From the U.K. contribution to the International Bank for Reconstruction and Development: to India, £5,000,000, to Pakistan, £2,750,000.

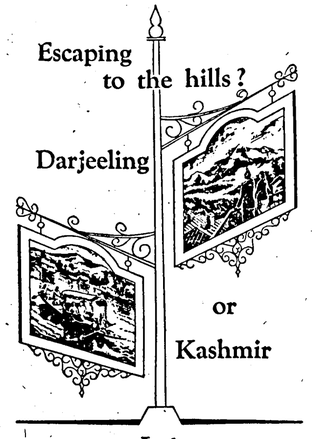
(b) Under the Colonial Development Act, £15,567,000.

(c) Colonial Development Corporation, £6,014,000.

UNITED BANK OF INDIA LTD.

At the foot of the balance-sheet of the United Bank of India Ltd., published in our issue of 9th April, 1955 (*vide* pages 692-693), the name of Mr. K. C. Das, one of the Directors of the Bank, was wrongly printed as Mr. K. D. Das. This error is regretted.

An office of the Hongkong and Shanghai Banking Corporation will be opened in Phnom-Penh (Cambodia) on 18th April, 1955.



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BANK OF RAJASTHAN MAKES GOOD PROGRESS

IMPRESSIVE RISE IN DEPOSITS

THE audited accounts of the Bank of Rajasthan Ltd. (General Manager: Mr. D. L. Gupta, Udaipur) for the year ended 31st December, 1954, indicate that there was a further expansion in the Bank's business during the past year and that the progress made by the Bank during the preceding year was well maintained in the year under review also. Thus, the total working funds of the Bank, which had improved from Rs. 1.90 crores at the close of 1952 to Rs. 2.09 crores a year later, have increased further to Rs. 2.39 crores as at the end of 1954. Deposits have expanded by about Rs. 33 lakhs to a record level of Rs. 2.03 crores; this increase compares with that of Rs. 23 lakhs in the preceding year. Advances have risen by Rs. 14 lakhs to a new high of Rs. 83.87 lakhs and liquid assets have been strengthened further. The profit, too, has gone up from Rs. 1.05 lakhs for 1953 to Rs. 1.13 lakhs for the year under review; for 1952, it was only about Rs. 85,000. After providing a small but useful sum to the reserves, the dividend has been maintained at 3½ per cent. per annum for the third year in succession.

The following comparative table gives a broad idea of the Bank's progress during the past three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Interest and discount earned ..	6.81	5.02	5.63	5.84
Commission and exchange ..	2.75	2.70	1.92	2.38
Interest paid	3.46	2.71	2.29	1.78
Expenses	5.18	4.94	4.63	4.41
Depreciation	0.20	0.22	0.11	0.21
Profit	1.13	1.05	0.85	2.00
Provision for taxation	0.54	0.50	0.27	0.25
To reserves	0.24	0.24	0.29	1.58
Dividend	0.32	0.32	0.24	0.26
	(3½%)	(3½%)	(3½%)	(4½%)
Carry forward	0.01	0.02	0.03	0.02

	As on 31st December			
	1954	1953	1952	1951
Capital	9.23	9.22	9.22	7.45
Reserves	5.03	5.01	4.82	4.56
Deposits (including contingency accounts)	2,05.79	1,72.80	1,50.22	1,52.81
Advances*	83.87	69.92	70.53	63.22
Investments	79.46	63.02	55.61	55.76
Cash	61.50	60.99	47.06	57.33
Balance-sheet total	2,39.02	2,09.50	1,90.23	1,97.24
Ratio to deposits of—	%	%	%	%
Advances	40.7	40.5	46.9	41.4
Investments	38.6	36.5	37.1	36.5
Cash	29.9	35.3	31.9	37.3

* Include bills purchased and discounted and money at call and short notice.

The gross income of the Bank for 1954 amounts to Rs. 9.95 lakhs, representing an increase of Rs. 0.98 lakh over that for 1953. This increase is smaller than that of Rs. 1.09 lakhs noted in the previous year, evidently due to the decline in commercial advances in the latter half of the year. As will be noted from the above table, the bulk of the increase in gross income is accounted for by "interest and discount" earned which is up by Rs. 0.89 lakh. Interest paid on deposits and borrowings has risen by Rs. 0.75 lakh, which increase is more than that in the previous year, evidently due to the sharp rise in deposits, particularly fixed deposits. Expenses also have gone up by a further Rs. 0.18 lakh, so that the rise in profit has not kept pace with the increase in gross income.

For the second year in succession, deposits of the Bank have recorded an expansion to establish a fresh record of Rs. 2.06 crores. Thus, the Bank had its own share of the increase in the deposits of all banks.

Advances, including bills purchased and discounted and money at call and short notice, have risen by Rs. 3.95 lakhs to Rs. 83.87 lakhs. Of these, commercial advances, that is, loans, cash credits and overdrafts and bills purchased and discounted account for Rs. 58.37 lakhs, showing a decline of Rs. 10.75 lakhs over the year. This decline, according to the Directors' report, is "due to general reduction in the demand for credit in the second half of the year on account of partial failure of *rabi* crops, particularly oilseeds crop." The report adds that a decline in commodity prices towards the end of the fourth quarter of the year further contributed to the fall in advances. The balance of advances, Rs. 25.50 lakhs, represents money at call and short notice which is in the nature of advances to other banks. Investments show an increase of Rs. 16.44 lakhs, as against Rs. 7.21 lakhs in the previous year. The bulk of investments—Rs. 79.18 lakhs to be precise—represent Government and trustee securities, the market value of the same being Rs. 77.73 lakhs. The gap between the market value and book value is more than adequately covered by an investment reserve of Rs. 1.75 lakhs. The redemption value of the securities is Rs. 79.51 lakhs, 98.7 per cent. of these maturing within 10 years. There are no securities which mature after 15 years.

PROVISION OF INDUSTRIAL CREDIT

MR. T. T. KRISHNAMACHARI'S PERTINENT ADVICE

A PERPLEXING paradox of the system of industrial credit in this country is that, whereas there is an insistent demand that more and more credit should be made available to those who desire as well as deserve it, not many borrowers are forthcoming to make use of the credit facilities offered by the industrial finance corporations; indeed, even those who can borrow are actually reluctant to utilise these institutions. This is doubtless a disturbing situation. The paradox has certainly to be resolved if the funds that are at the disposal of these institutions have to be put to maximum use and the object for which they were started have to be achieved.

Surely, if everyone in this country followed the Shakespearean dictum, "neither a borrower nor a lender be," there would be neither banking, nor credit, much less industrial progress. Credit is, in fact, the crux of the whole problem of such progress. Like mercy, it is twice blessed, in that it benefits the institution that gives and the man who receives it, provided, of course, it is given for a really worthwhile purpose and is utilised in the most efficient manner. An interesting problem seems to be that as more and more institutions for purveying industrial credit are ushered into existence, and there is no lack of willingness to grant credit, there is actually some drying up of the enthusiasm for borrowing. It was to this problem that the Union Minister for Commerce and Industry, Mr. T. T. Krishnamachari, called attention when he inaugurated the Rajasthan Finance Corporation at Jaipur. He deplored the inflow and outflow of money from the Industrial Finance Corporation of India for a period of one year was negligible. In this connection, it is worthwhile recalling what the Corporation had to say on this aspect of its operations in its last Annual Report:

"During the last six years, a number of companies, for various reasons, mostly on account of changes in the economic conditions in the country, or changes in their plans or favourable changes in their financial position, did not avail of the loans sanctioned to them. Besides this, some of the companies did not avail of the full amount of loans sanctioned; some others could not fulfil some of the important conditions and the loans sanctioned were, therefore, not disbursed to them."

This extract explains why the loans sanctioned were not availed of by the borrowers. The experience of State financial corporations is not dissimilar. But it does not entirely explain why there is reluctance to borrow. Mr. Krishnamachari, however, put his finger on the right spot when he said: "Nobody is prepared to borrow from an institution where everything is put before a magnifying glass." He was obviously referring to the adverse criticisms, in Parliament, about the working of the Corporation. Clearly, these criticisms were overdone, if not mischievously ill-conceived, as the subsequent enquiry revealed. The fact is that when the relationship between a lender and a borrower, which must necessarily be of the most intimate kind, is exposed to public gaze, and made the subject of acrimonious public controversy and rigid Parliamentary scrutiny, it is only reasonable to expect that the prospective borrowers, however honest they may be, would be willing to forgo credit rather than face criticism.

All this is not intended to suggest that the finance corporations should be unwisely generous, and that they should abandon all attempts at ascertaining the creditworthiness of borrowers. Only, it is necessary to remember that the corporations should not be compelled too frequently to answer charges, and that the corporations themselves, out of sense of frustration and fear of public criticism, interpret too rigidly the conditions for the grant of credit. This latter aspect was rightly emphasised by Mr. Krishnamachari when he said that the utmost precautions provided in the legislation defeated the purpose for which these organisations were created. He added that by mere legislation no purpose could be served. Appropriately enough, Mr. Krishnamachari stressed that, although a certain degree of strictness was introduced, the essential thing in lending credit was the worth of the man who borrowed. What is more important from the point of view of the corporations is the standard of character of the borrower. If the corporations were to decide the creditworthiness of a borrower merely on the basis of collateral he has to offer, they would not be able to make much contribution to the country's industrial progress. If the borrower's standard of character is good and the scheme he has in mind is economically sound, the corporations must help him to implement his scheme by providing the necessary credit facilities. In such cases, the corporations' duty does not end with the provision of credit. They should continue to exercise a diligent watch over the progress of their borrowers and make sure that the latter are proceeding on the right lines. If need be, they should provide their borrowers with the right advice. All these things they will be able to do, only if they are manned by the right type of personnel and have the benefit of expert advice.

In the ultimate analysis, it will be found that it is not the mere fact of the availability of credit that will determine that credit is availed of. No one in his senses will borrow, and no prudent finance corporation will lend, unless the borrower knows and can show that the loan can be put to profitable producive use. Thus, it is a question of creating the conditions under which men will be induced to borrow. This resolves itself into questions of constructive fiscal, industrial and labour policy, technical training, and of provision of transport and other prerequisites of industrial progress. Where these factors are absent or shrouded in uncertainty, the mere creation of credit will yield no satisfactory result. It is necessary to remember that credit is only a means to an end, and that, though it is necessary, it is by no means all that is needed for rapid economic progress. From this point of view, the Rajasthan Finance Corporation would be able to show significant results only when the State Government expedites its industrial schemes.

The authorised capital of the Rajasthan Finance Corporation is Rs. 2 crores, but for the present it has been decided to work with a capital for Rs. 1 crore only. The payment of the annual dividend at the rate of 3.5 per cent. is guaranteed by the State Government, after payment of income-tax and super-tax of the Corporation on its profit. Mr. Ramnath Podar, Chairman of the Corporation, averred that the Corporation would go a long way towards meeting the financial needs of small and medium size industries but that would not solve the whole of their problem. But still they needed cheap power and better means of transportation and the Rajasthan Government was fully aware of those needs. He hoped that within a few years they would get ample cheap hydro-electric power and with the construction of new roads and railways the difficulties of transport would also be solved. The success of the Corporation is, therefore, intimately bound up with provision of basic services which are clearly the responsibility of the State Government.

GIANT MERGER

The banking public of Bombay will now find the familiar name of the National City Bank of New York changed into the First National City Bank of New York. This change, which comes into effect from 1st April, 1955, follows the merger of the two giant banking companies, the 143-year old National City Bank of New York and the 92-year old First National Bank of the City of New York. The merger was ratified by more than the necessary two-thirds majority of the shareholders of both banks at their special meetings held on 30th March and approved by the Comptroller of the Currency. Under the merger plan, the National City Bank will pay to the shareholders of the First National Bank in cash a sum of $165 million for the 300,000 shares at the rate of $550 per share. This will not, however, bring about any change in the capital stock of the National City Bank which consists of 10 million shares of $20 par value or in its surplus which is $300 million. This will mean that the shares of the First National Bank will be abolished by paying the above compensation. The merger has, however, been commemorated by changing the name of the National City Bank as stated above. The Board of Directors of the National City Bank has also been reconstituted to include some Directors of the First National Bank. Mr. Howard C. Shepherd, Chairman of the Board of National City, will be Chairman and Chief Executive Officer of First National City, while Mr. Alexander C. Nagle, formerly President of First National, will become a Director and Chairman of the Executive Committee.

The National City Bank of New York was established in 1812 and, at the last year-end, had deposits aggregating $5,639 million, total resources of $6,323 million and total capital funds of $585 million (including $32 million capital funds of its trust affiliate, City Bank Farmers Trust Company). Established in 1863, the First National Bank of the City of New York had at the last year-end deposits of $556 million, total resources of $713 million and capital funds of $143 million. In the course of a joint statement issued prior to the merger, the Chairman of the National City Bank and the President of the First National Bank observed:

"Merger of the First National Bank with the National City Bank will bring into one institution two banks whose activities are largely complementary. Both banks supply general banking and fiduciary services to business and personal clients and to correspondent banks. The First National Bank, however, has specialised particularly in large corporate relationships and has no branches. The National City Bank operates seventy-one branches in New York, which supply the requirements of business and personal banking needs, including facilities for saving, for convenient payment of bills and for personal loans, of a large segment of the city's population. It also operates 57 branches in 19 foreign countries. The merger will make available to customers of the First National Bank not only more extensive foreign banking facilities, but also larger loan limits and broader banking services generally. The enlarged institution will be better able to meet the growing needs of American business, at home and overseas, and to keep pace with the expansion of the American economy. It will strengthen the leadership of New York City among the country's banking centres. It can be expected to develop a greater earning power and a greater potential for growth than the two banks could develop separately."

The combined total resources of the two institutions, including those of City Bank Farmers Trust Company of $143 million, were $7,180 million as on 31st December, 1954. The combined deposits of National City including City Bank Farmers and First National, amounted to $6,301 million. Since the assets of First National were acquired by a cash payment of $165 million for the 300,000 shares outstanding rather than through an exchange of stock, the capital structure of the First National City remains the same as National City's. At the last year-end, total capital funds were $585 million including $32 million capital funds of City Bank Farmers Trust Company.

HIND BANK LTD.

A decline of Rs. 1.35 lakhs to Rs. 6.56 lakhs in the profit is disclosed by the accounts of the Hind Bank Ltd. (General Manager: Mr. S. D. Pardiwalla, Calcutta) for the year ended 31st December, 1954. This shrinkage follows an expansion of Rs. 1.16 lakhs to Rs. 7.91 lakhs noted in the previous year and is in distinct contrast to the experience of other Scheduled banks in India during the past year. Nevertheless, the profit, after providing for taxation, is sufficient to make a useful addition of Rs. 1.50 lakhs to the reserve fund—though it represents a cut of Rs. 50,000 from that provided last year—and to maintain the dividend at 3 per cent., to which level it had been raised in the previous year from 2 per cent.

The gross income of the Bank amounts to Rs. 23.85 lakhs, as compared with Rs. 22.43 lakhs for 1953, of which the share of "interest and discount" earned is Rs. 15.54 lakhs, an increase of Rs. 1.03 lakhs, and of "commission and exchange" Rs. 8.26 lakhs, as against Rs. 7.89 lakhs in 1953. Interest paid on deposits and borrowings shows a rise from Rs. 5.75 lakhs to Rs. 7.73 lakhs and expenses from Rs. 8.53 lakhs to Rs. 9.38 lakhs. Out of the profit of Rs. 6.56 lakhs, the Directors have set aside Rs. 2.80 lakhs (Rs. 3.86 lakhs) for taxation and Rs. 1.50 lakhs (Rs. 2 lakhs) for reserve fund. The dividend absorbs Rs. 1.50 lakhs, leaving Rs. 1.13 lakhs to be carried forward.

The salient features of the Bank's latest balance-sheet are compared with those at the close of the previous three years in the following table:

(In lakhs of rupees)

	As on 31st December			
	1954	1953	1952	1951
Capital	50.00	50.00	50.00	50.00
Reserves	23.50	22.00	20.00	17.50
Deposits	4,07.01	3,90.90	3,17.09	3,48.30†
Borrowings from other banks ..	..	..	0.78	..
Bills for collection	80.81	60.32	56.88	51.36
Acceptances	1,59.23	2,29.06	96.33	95.55
Advances*	2,00.67	2,51.59	1,98.06	1,74.99
Investments	1,12.33	1,10.25	1,14.63	1,15.58
Cash balances	79.65	99.80	77.31	1,19.60
Balance-sheet total	6,70.87	7,61.79	5,52.19	5,68.08
Ratio to deposits of—	%	%	%	%
Advances	71.4	66.2	62.4	50.2
Investments	27.6	29.0	35.8	33.2
Cash	19.6	26.3	24.3	34.3

* Include bills purchased and discounted and money at call and short notice.

For the second year in succession, the deposits of the Bank have recorded an expansion, though the pace of increase in 1954 is less than that in 1953. At Rs. 407.01 lakhs, the deposits are the highest since 1948. In contrast with the general trend, fixed deposits of the Bank have declined from Rs. 139.46 lakhs to Rs. 135.86 lakhs, while savings bank deposits have improved from Rs. 14.37 lakhs to Rs. 15.28 lakhs and current and contingency accounts from Rs. 226.47 lakhs to Rs. 225.89 lakhs. Substantial decline in the bills business is indicated by the fall in bills for collection and acceptances. More than 71 per cent. of the deposits are absorbed by advances, of which commercial advances represent Rs. 262.67 lakhs, an increase of Rs. 26.08 lakhs, and money at call and short notice Rs. 28 lakhs, as against Rs. 15 lakhs. Investments are shown at below market value. Of these, investments in Government securities amount to Rs. 108.62 lakhs or about 94 per per cent. of the total. About 92 per cent. of the securities mature within the next seven years. A shrinkage of Rs. 20.24 lakhs is noted in cash balances (excluding money at call) and even at Rs. 79.65 lakhs they provide a comfortable cash coverage of 19.6 per cent. to the deposits.

WORLD TEXTILE EXPORTS IMPROVE

JAPAN SCORES OVER ALL COUNTRIES

THE calendar year 1954 witnessed a distinct improvement in the international textile trade. The quantity of cotton cloth actually exported from the chief textile producing countries of the world during the year, for instance, aggregated 5,120 million square yards. This quantity represents an increase of over 500 million square yards or 10.8 per cent. as compared with 1953, according to a statistical review recently issued by the British Cotton Board.

The bulk of the rise in world cotton cloth exports during 1954 was accounted for by Japan, the exports of which amounted to as much as 1,278 million yards—the highest figure recorded in any post-war year—as against 914 million yards in the previous year. Thus, in the past year, Japan was able to step up its exports by as much as 40 per cent. This rise followed a high level of activity in the Japanese textile industry. During 1954, the cotton spinning mills in this country produced an average of 194,000 bales of yarn per month, which was far higher than the target of 172,000 bales aimed at by the Japanese Government. It is rather difficult to say whether the aforesaid trend of Japanese cloth exports will be maintained in the current year also. Available indications, however, point to a slightly downward trend. The Textile Export Council in Japan has set the export target for cotton yarn and textiles at $250 million, as against the actual exports of the value of $275 million in 1953.

India also registered an increase in exports of cotton cloth during 1954, the quantity shipped being 898 million yards, as against 701 million yards in 1953. These figures refer only to mill-made cloth and exclude handloom fabrics. The shipments of the latter aggregated 58 million yards, as against 63 million yards in 1953. In other words, India's exports of mill cloth went up by about 28 per cent. This performance, it may be noted here, is not as splendid as that of Japan. It is regrettable that, although Indian mills had the advantage of the cheapest cotton in the world, they could not beat Japan and recapture the first rank it held in 1951. The fault is not entirely that of mills alone. The authorities, too, are to be blamed, for their policy in regard to labour, modernisation and taxation has not been conducive to higher productivity. It is needless to add that, unless they allow the mills to modernise their equipment without any further delay, Indian cotton textiles will not be able to hold for long even their existing position on the export front.

The modest improvement noted last year in India's exports must be attributed mainly to the abolition of the 10 per cent. export duty on medium counts cloth. Most of the increased trade in cotton goods was with British East and West Africa, the U.K. and Australia. India benefited, to some extent, from the continuation of restrictions on Japanese cotton goods in East Africa. Most of the Continental countries, too, were able to step up their exports. Thus, France, Belgium and Holland accounted for a rise in cotton cloth exports. Another country that figured prominently in the picture was Hong Kong in the East. Presently, this tiny British territory seems to be effectively challenging India in a number of markets, particularly in the U.K.

In sharp contrast to the above trend, exports of cloth from the U.K. suffered a fall from 709 million yards in 1953 to 637 million yards in 1954, a fall of 10.1 per cent. Similarly, shipments of cloth from the U.S. also declined from 628 million yards to 611 million yards.

The following table indicates the trend of cotton (and rayon) cloth exports from the world's chief textile producing countries during the years 1953 and 1954:

(In million yards)

	Cotton cloth		Rayon Cloth	
	1953	1954	1953	1954
Japan	914	1,278	424	603
India	701	898	..	..
U.K.	709	637	172	175
U.S.	628	611	216	172*
France	493	518	109	149
Holland	229	230	32	40
Germany	232	206†	175	224†
Belgium	182	195†	31	37†
Hong Kong ..	134	150	10	20
Portugal	96	94*	..	..
Italy	144	92†	176	126†

* For nine months. † For eleven months.

It will be seen from the above table that, during the year 1954, Japan continued to enjoy the unique distinction of being the world's largest exporter of cotton cloth for the second year in succession. India improved its position to hold second place. Next in importance was the United Kingdom, followed by the U.S., the order of importance of both the countries being more or less the same. It will be recalled that, in 1952, the U.S. was the largest exporter of cotton textiles in the world. The disappointing performance of the U.S. export trade in cotton textiles in the past two years was due to higher import restrictions in many foreign markets and competition from Japan in Indonesia and other markets in the Far East.

The figures relating to world trade in rayon cloth reveal that exports from Japan during 1954 advanced by nearly 50 per cent., from 424 million yards to 603 million yards, to be precise. As in the case of cotton goods, Japan led the field in exports of rayon cloth, too, its share being about thrice as much as its nearest rival, the United States. Exports from Germany also staged an impressive rise, the quantity shipped during the first eleven months of 1954 being 224 million yards, as against 175 million yards for the whole of 1953. Exports from France, the U.K., Holland, Belgium and Hong Kong, too, were higher. On the other hand, the trend of rayon cloth shipments from Italy, an important producer of rayon goods, was downward.

INDIAN CLOTH EXPORTS TO BURMA

An assessment of the prospects for Indian cotton piecegoods exports to Burma has been made by the Cotton Textiles Export Promotion Council in the course of an interesting analysis published in its latest issue of the *Texprocil Bulletin*. The study reveals that, since August, 1954, there has been an alarming drop in Burma's offtake of Indian fabrics. Thus, Burma purchased from India only 1.11 million yards of cloth during the month of December, 1954, as against as much as 9.73 million yards in July, 1954. For the whole of 1954, the purchase amounted to 40 million yards, as against 90 million yards in the previous year. The first blow to the export of Indian textiles to Burma was the abolition of preferential rate of customs duty which nullified the price advantage enjoyed by Indian cloth. As a result of this, as also of the burden of export duty (on coarse cloth), the prices of many varieties of Indian textiles offered to the Burmese market are higher than those of similar types of Japanese goods, by nearly 25 per cent. in some cases.

Analysing the competitive position of India *vis-a-vis* Japan, the Council has made the following points:

(1) Importers in Burma are used to placing short notice orders. Japanese exporters supply almost immediately and, in many cases, from ready stock. It is complained that orders placed with Indian mills are not executed so promptly.

(2) Indian mills and exporters are not willing to entertain small orders, nor are they able to cater to actual requirements in regard to colours and designs. Japanese exporters, on the other hand, cater even to the smallest order, bearing in mind the minutest detail of individual requirements.

(3) There is lack of standardisation of Indian cloth; even specification in final shipments vary from those of samples. But the Japanese producers offer well-known standard varieties. Rigid quality control by Japanese manufacturers has instilled confidence in Burmese importers, whereas very few mills in India control the quality of their production.

(4) Most of the Indian shipments are badly packed, which often results in cloth being damaged in transit.

(5) The markings and labellings on a large part of Indian textiles are made in a haphazard manner, while Japanese textiles are so clearly stamped and attractively labelled that they help boost the retail sale.

(6) Indian shipments contain seconds, rejects and two-part pieces, while those from Japan are in standard pieces.

In addition to the aforesaid factors, other complaints such as yardage and measurement disparities, inaccurate constructions, excessive starch, divergent price quotations to different parties at the same time, etc., are also said to have been levelled against many Indian mills and exporters. The Council, therefore, urges elimination of these defects. In its opinion, if earnest efforts are made to obviate the complaints, there are bright chances of arresting the unhappy trend. It says: "It must not be overlooked that it is much easier to regain a contiguous market whose needs Indian exporters and mills know well rather than trying to break new ground."

Incidentally, the Council has alluded to the recent changes in the dressing habits of the Burmese people who love attractive designs at cheap prices. Citing the example of Japan, the Council suggests that Indian mills may carry out consumer research at least once a year to know the changes in national tastes. The Council has also given an idea of the types of cloth required by the Burma market. The types usually in demand are said to be bleached shirting (medium, 36" grey shirting (coarse and medium) 36", 42", 44" printed material in bright colours, bold clean designs and better finish *lungis*, *dhotis* and *saris*.

INDO-BRITISH TRADE IN CARPETS

Trade in carpets between India and the U.K. formed the subject of an interpellation in the British House of Commons last week. Replying to a question relating to tariffs on imported carpets by the Governments of the two countries, Mr. Austin Low, Minister of State, Board of Trade, said: "Our trade agreement with India provides for a measure of reciprocity in preferences, though not for the level of duty. The Government of India accord the U.K. carpets a 12½ per cent. preference, but their imports are at present severely restricted for balance of payments reasons. We hope this restriction will be relaxed as soon as possible." The figures cited by Mr. Low reveal that, during the year ended February, 1955, the value of carpets (subject to duty) exported from Britain to India was £7,600, while that of carpets (duty-free) imported into Britain was £2.3 million. One of the Labour members of the House stated that "the very big increase in jute carpets exported from India is causing unemployment in the Dundee area." He suggested that some form of control might be considered. Replying to this, Mr. Low said: "I will consider that point. But you know the regulations there are at present."

U.K. COTTON MISSION

The team of six marketing experts of the British cotton industry which was in India investigating the possibilities of improving exports of British cotton textiles to this country, left for London last week-end. During its stay in New Delhi, the team is reported to have submitted a memorandum to the Ministry of Commerce and Industry. The details of this memorandum are still not made known. From Press reports, it is, however, gathered that the team has made certain suggestions evolved after its talks with the millowners of Bombay, Calcutta, Madras, Delhi and Amritsar, as also with Mr. T. T. Krishnamachari.

The Mission is understood to have come to the conclusion that it is impossible to retrieve the pre-war days of cotton textile trade with India. It has, however, selected several specialised items in which steady exports from Britain to India seems possible. These items, it is said, are either not made in India at all or are manufactured in inadequate quantities. It is also believed to have formally requested the Government of India to consider the possibility of reducing the import duty on a number of items.

PLEA FOR FREE EXPORT OF WOOL

A plea to the Government of India to allow free export of wool and to abolish the present quota system was made at the fourth All-India Wool Trade Federation's Conference held at Beawar early this week. Presiding over the conference presidential speech, Mr. Shivratan Mohatta said that India had a minimum surplus of about 41 million lbs. of wool which could be exported without jeopardising the interests of the indigenous industry. The quantitative restrictions on the export of raw wool were far from justified, he said. In his inaugural speech, Mr. U. N. Dhebar, the Congress President, said that, in the wool trade, the primary risk was being taken by the shepherd and he must be rehabilitated.

ERRATA

Commenting on the reduction in the increase in excise duty on cotton mill piecegoods originally proposed in the Budget statement for 1955-56, we observed in our issue dated 2nd April, 1955—*vide* page 618—that the reduction applied only in respect of cloth of 35 counts and below. This is not correct. For the reduction applies to cotton fabrics in which average count of yarn does not exceed 34. The three correct classifications of cloth for purposes of excise levy are: (1) 34s and below, (2) 35s to 47s, and (3) 48s and above.

The review of the woollen textile industry in India appearing in our issue dated 5th March, 1955—*vide* page 408—relates to the calendar year 1952 and not 1954 as was inadvertently mentioned. Similarly, the number of persons employed in the industry in the States of West Bengal, Bihar and Saurashtra during 1952 was 1,558 and not 13,801.

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DRIFT OF WORKERS FROM MILLS TO OTHER OCCUPATIONS

SIR RAYMOND STREAT STRESSES NEED FOR DOUBLE-SHIFT WORKING

From Our Special Correspondent

MANCHESTER, *5th April*

MANCHESTER LETTER

BRITISH cotton millowners and operatives view the approaching Easter holidays with nothing less than dismay. Fears of the biggest stoppage in the cotton towns for three years have been growing as reports have come to hand of many mills extending their normal holiday break due to shortening order books.

It is already known that some 120 Lancashire weaving mills will remain shut for periods of up to a week after the holidays have ended. Around 50,000 looms will be idle, representing one in six of those employed in the industry. It is estimated that more than 17,000 weaving operatives alone will be affected by these stoppages.

A preliminary statement on the situation has already been issued by the Cotton Spinners and Manufacturers' Association but further news is likely to reach the headquarters of this organisation before the week-end. Most weaving districts will be hit by the interference with production but the areas likely to be worst affected are Blackburn, Burnley and South and East Lancashire.

No survey of the position has been taken by spinning employers but reports filtering in to Manchester indicate that the position may be almost as serious as on the manufacturing side.

Manpower Drift

Underlining the serious state of trade in both spinning and weaving mills are official figures from the Cotton Board showing how labour is leaving the cotton industry to obtain employment in other directions where prospects of steadier jobs are available.

The Cotton Board statistics show that by mid-March the net loss of operatives in the spinning section alone this year had reached 2,500.

Spinning mills suffered their most severe manpower setback since June, 1952, in the week ended 19th March when 413 full-time and 70 part-time workers were lost.

During February, the Board's returns show, more than 900 full and part-time workers left Lancashire cotton weaving sheds. The number of operatives in the industry as a whole has declined to 284,000—6,000 fewer than the total a year ago.

With fewer operatives at work, output of cotton and rayon yarn fell to 19,080,000 lbs. in the week ended 19th March. This compared with 19,290,000 lbs. in the previous week and 20,570,000 lbs. in the corresponding week of 1954.

The Cotton Board also stated that production of cotton and rayon cloth averaged 55,630,000 yards weekly during February. In the previous month output averaged 53,690,000 yards a week and 55,480,000 yards weekly in the corresponding month last year.

Decade to Come

The next 10 years is going to be tougher for the Lancashire cotton industry than the first 10 years after World War II, Sir Raymond Streat, Chairman of the Cotton Board, said last week. "But I do not think the industry lacks either the will or the means to make a good fight for trade in the years which lie ahead," he told members of the Textile Works Managers' Federation, in conference at St. Annes.

The industry looked to the Government, however, to set conditions in which it could fight fairly and effectively. They required and deserved a fuller measure of protection in the home market. The motor car industry, for instance, enjoyed a higher rate of tariff protection and did not have Commonwealth countries sending in goods free of duty to shake their confidence on the home market. He said: "We are not asking for unreasonable measures and I do not think other industries more fortunately placed will object if the Government makes things fairer all round by adjusting the handicap so that cotton is less unfairly treated."

Sir Raymond spoke of the disadvantages imposed by the "D" Scheme of purchase tax and the need to increase cotton exports. The decline in the export trade last year was serious, he said. He added:

"To get what we want, there is an urgent need for several significant modifications of policy and structure within the industry. We must move faster towards double-shift working. Progress in double-shift working means that mills will become redundant, but not workers, technicians and managers.

"Those mills which do not intend to take all the risks which in the next 10 years will be the price of progress might wisely cease production in the fairly near future. It should be possible to find work in other and more modern mills for all their workpeople.

"I am increasingly convinced that we need bigger units and many of them should be more vertical in character. That makes it easier to translate improved mill efficiency into keener competition for export trade."

Spiral of Earnings

Six months have passed since the last wage advance was granted to Lancashire cotton operatives. In the meantime conditions, then by no means promising, have deteriorated still further. It is questionable whether the increase secured in October last has had any appreciable effect on the trade other than to raise costs of production and react on Lancashire's competitive ability.

According to the latest census of earnings issued by the Ministry of Labour, covering about 7,000,000 British workers, average payment in the last week in October was at a higher level than at any time in the past. Men for the first time earned an average of more than £10 weekly, while the overall average at more than £8 10*s*. showed a rise of 223 per cent. compared with October, 1938.

Figures relating to cotton operatives alone, as the table below shows, continue the favourable trend in earnings which has not been halted since the 1952 recession. Were it not for the rather lower wages paid to male workers the industry would compare very favourably with the general average, as the payments made to youths, women and girls are all substantially above the level of other trades.

All workers	Men (over 21)	Youths (under 21)	Women (over 18)	Girls (under 18)	All workers
	s. d.	s. d.	s. d.	s. d.	s. d.
October 1951 ..	166 0	69 1	90 1	57 11	141 1
April 1952 ..	173 7	71 9	92 2	57 9	147 3
October 1952 ..	178 6	74 11	96 4	60 9	151 11
April 1953 ..	185 11	77 7	100 8	62 6	157 7
October 1953 ..	189 2	78 11	102 5	64 11	160 1
April 1954 ..	197 8	82 0	105 8	65 10	166 6
October 1954 ..	204 5	83 7	108 2	69 5	171 9
COTTON SPINNING AND WEAVING					
October 1951 ..	166 10	90 6	105 1	79 11	124 5
April 1952 ..	149 0	80 4	93 9	70 4	111 6
October 1952 ..	160 6	88 6	102 5	77 8	121 0
April 1953 ..	166 1	90 7	106 2	79 0	124 8
October 1953 ..	178 3	95 7	113 3	85 5	133 4
April 1954 ..	180 6	96 8	114 3	85 0	134 0
October 1954 ..	191 8	104 4	121 8	92 3	142 10

The rise in wages showed little variation between the various sections, with male spinners still the highest paid at £9 12*s*. 2*d*. and women weavers £6 6*s*. 2*d*. The favourable position of juveniles was maintained, with youths receiving an average of £5 10*s*. 1*d*. in spinning and girls under 18 getting £4 13*s*. 10*d*.

There was also a proportionate rise in earnings of operatives weaving rayon and other synthetic fibres from £7 4*s*. 4*d*. to £7 10*s*. 4*d*. In the textile finishing trade average earnings increased from £7 17*s*. 5*d*. to £8 6*s*.

Yarn Imports

Foreign competition in doubled cotton yarn was blamed for causing the threat of unemployment and short-time working in Lancashire textile mills at the annual meeting of the British Cotton Yarn Doublers' Association.

Mr. Alan J. Stott, Chairman, said that imports of yarn, most of it doubled, amounted to some 10,000,000 lbs, last year, and 3,000,000 lbs. had arrived in this country in the past three months.

"Two of the countries chiefly involved—Egypt and Portugal—are newcomers to this field," he added. "The prices of this foreign yarn are such that in some cases, if no margins for doubling at all were allowed, they would still be cheaper than ours. Subsidies, cheap labour and State-aided export schemes make up the difference."

Lancashire spinners and doublers, said Mr. Stott, were forced to pay prices for cotton based on the American support policy and other cotton producing countries also sheltered under this umbrella. But in the case of India, Egypt and Portugal domestic or colonial cotton was available at much cheaper rates—in India it was 10*d*. per lb less than local spinners had to pay and in Egypt some 4½*d*. per lb. plus certain Government subsidies.—*All Rights Reserved.*

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CONCERN OVER U.S. COTTON POLICY

SUBSIDY ISSUE REMAINS UNSETTLED

A SOMEWHAT unexpected, though not perhaps unjustified, change in the attitude of the cotton consuming countries towards the U.S. cotton export policy has taken place. There is growing concern over the prospect of an export subsidy in the U.S. Formerly, the U.S. price-support policy used to be criticised on the ground that it is mainly responsible for an artificially high level of prices for cotton. This policy, it used to be said, provided a prop for world cotton prices, since the U.S. is the world's leading producer and exporter of cotton. It now seems that this line of criticism has been abandoned. There is virtually a demand for the maintenance of high prices for cotton, and a guarantee from the U.S. that it would not depress prices through the grant of export subsidy.

This change in the cotton consumers' attitude towards the U.S. cotton policy is reflected in the statement made by Mr. Austin Low, U.K. Minister of State at the Board of Trade, to the effect that Britain had "strongly represented" to the U.S. on the serious damage that the threat of a substantial artificial reduction in the price of American cotton some time after 31st July could have on the cotton industry. Mr. Low said the U.S. price governed the world price. Britain had no promise from the U.S. that there would be no export subsidy after 31st July. He said: "We have no statement of intention by them at all." Obviously, he was referring to the repeated declarations of the spokesman of the American Government to the effect that no subsidy was contemplated for cotton this season. But these statements have thrown no light whatever on the U.S. Government's probable line of action after 31st July.

Mr. Low's expression of concern over the continued uncertainty surrounding the U.S. cotton export policy follows Liverpool's request for a clarification of this policy. About three weeks ago, the Liverpool Cotton Association appealed direct to Washington for a declaration of the U.S. Government's policy. In a communication addressed to the U.S. Secretary of Agriculture, the Association drew attention to the disastrous market reaction due to uncertainty about this policy. It said that fresh importing of American cotton was virtually at a standstill and that consumption of other growths was being encouraged by price cutting in anticipation of possible American export subsidy.

Clearly, the Association's request for clarification stems from the fear of the possible losses which the U.K. as a cotton importing country would suffer on its stocks, if the U.S. granted an export subsidy and thereby depressed cotton prices. It is true that the British spinners can utilise the Liverpool cotton market to provide a hedge against a fall in cotton prices arising from an export subsidy in the U.S. Indeed, in this matter, the Liverpool market is at an advantage, for the New York market offers no hedge against a fall in prices outside the U.S. Nevertheless, the uncertainty over the U.S. cotton export policy, it is stated, operates to the long-term disadvantage of Liverpool, not only because of the general depressing effect on trade and on imports of cotton, but specifically because it discourages the building up of stocks of spot cotton.

The U.S. is obviously in a difficult position. It has a record supply of cotton in the current season, placed at 23.1 million bales (of 478 lbs. each) consisting of an output of 13.5 million bales and carryover of 9.6 million bales, as against 22.0 million bales, consisting of an output of 16.4 million bales and carryover of 5.6 million bales in the last season. Exports of American cotton upto the end of March this year were about 3 million bales. Some experts believe that exports might reach 4½ million bales during the current season, though there are many within the trade who do not think that the U.S exports would reach this total. The carryover stocks at the end of this season, it is stated, would be well over 9½ million bales.

It should therefore be clear that surplus cotton stocks are a huge burden on the American economy. Opinions differ as to the best method of disposal of these stocks. Some observers suggest selling supplies at competitive prices in the world market. There are advocates of a two-price system and those who favour a direct subsidy to the farmer. Some observers believe that the situation will adjust itself after two or three more years of acreage controls. Last week, Mr. Ezra Benson, U.S. Secretary of Agriculture, told a group of Congressmen that the Department was studying the situation with a view to developing an export programme. It remains to be seen what measures the U.S. will finally take in order to dispose of its burdensome surpluses. Meanwhile, the uncertainty over those measures will continue to cast its shadow over world cotton markets.

CROP ESTIMATE

The Fourth All-India Estimate of cotton for the current season (1954-55), issued by the Union Ministry of Food and Agriculture, places the area and production at 17,465,000 acres and 4,089,000 bales (of 392 lbs. each), as against the corresponding estimate of 16,224,000 acres and 3,686,000 bales for 1953-54. The current year's estimate thus shows an increase of 1,241,000 acres or 7.6 per cent. in area and 403,000 bales or 10.9 per cent. in production, over last year's.

The official estimate of cotton is as is well known, always lower than the trade estimates which generally reflect the true crop pattern. Trade estimates place the current season's crop at 48.27 to 48.31 lakh bales. Nevertheless, the official estimate is valuable for the reason that it throws light on the relative importance of the different growths of cotton. The following two tables give the details regarding the output of different varieties of cotton and the staple lengths of the current and previous years' estimates:

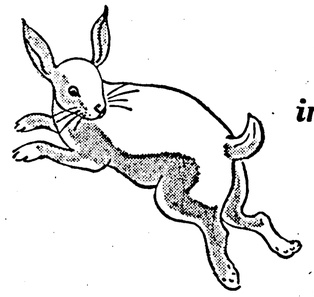
Varieties of Cotton

Varieties	Area (In 000 acres)		Output (In 000 bales of 392 lbs.)	
	1954-55	1953-54	1954-55	1953-54
Bengals	794	836	205	362
Americans ..	2,890	2,562	1,014	836
Jarilla	2,592	2,463	488	504
Verum	320	292	56	53
H. 420	431	293	73	53
Oomras	2,339	2,279	372	405
Hyderabad Gaorani	1,153	1,328	154	129
Malvi	1,202	1,134	253	253
Broach-Vijay ..	1,079	858	359	280
Surti-Sayog ..	527	488	165	130
Dholleras	1,870	1,506	502	319
Southerns ..	2,210	2,127	340	316
Comillas	58	58	18	27
Total ..	17,465	16,224	4,089	3,686

Staple Lengths

Staple	Area (In 000 acres)		Output (In 000 bales of 392 lbs.	
	1954-55	1953-54	1954-55	1953-54
Long staple ..	5,447	4,969	1,456	1,144
Medium staple ..	8,278	7,630	1,826	1,666
Short staple ..	3,740	3,625	807	876
Total ..	17,465	16,224	4,089	3,686

The increase in area and output during the current year, it is stated, has occurred mainly in Bombay, Punjab, P.E.P.S.U., Saurashtra, Kutch, Madhya Pradesh and Andhra.



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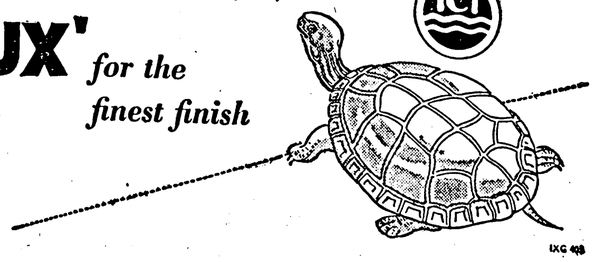

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OUTLINES OF TAX POLICY

MATTHAI COMMISSION'S THESIS EXAMINED

By Dr. Sadasiv Misra

THE Taxation Enquiry Commission was required to examine the suitability of the tax system with reference to the objective of reducing inequalities in income and wealth, as well as the development programme of the country and resources required therefor. It was also required to examine, in particular, the effect of income-tax on capital formation and maintenance and development of productive resources. These are fundamental issues on which there have been acute controversies. Political views and affiliations have further complicated the problems. The Taxation Enquiry Commission, comprising eminent authorities on the subject, was, therefore, called upon to give expert guidance on the issues.

The nature and contents of a tax system have to be adjusted to the changes in the character of society and the relation of the individual to the community. Failure in the necessary adjustment has, in the past, led to social revolutions and political upheavals. Nevertheless, till about the end of the nineteenth century, it used to be usually agreed that taxation should be "for revenue only." Progression in the tax system made slow progress. Since the First World War, taxation has been more and more utilised as an effective weapon of social and economic adjustment. Even so, the existing tax system has not been devised at any particular time to conform to any definite objectives and ideals. The system has been evolved over a long period of history. Alterations and adjustments have been introduced piecemeal from time to time to suit exigencies of situations. In fact, the most outstanding developments in the tax system have been brought about under the compelling circumstances of the two world wars. All these have, in some ways, contributed to the solution of certain problems, but they have at the same time given rise to certain others.

Consumption Taxes

Our tax system continued for long to be overridden with consumption taxes. During the inter-war years, there were severe criticisms against the system and demand for reform. The Government was conscious of the drawbacks but was unresponsive. A definitely progressive rate-structure in income-tax was introduced in 1939. "There must in future," said the Finance Member on this occasion, "be no suggestion that the administration was harsh to the small taxpayers and far too lenient to the rich." During the war, the rates of income-tax and super-tax were highly steepened. Whatever the circumstances, a change once introduced tends to continue. At the end of the war, both in rate-structure and importance, income-tax emerged almost beyond recognition.

The development of income-tax during the war made a great advance towards distributive justice. In 1947, Liaquat Ali Khan pursued the policy of moving further in this direction. He wanted to reduce the glaring disparities of income between the classes and the masses. Accordingly, the rates of income-tax were made exceedingly steep and the maximum of 15¾ annas in the rupee was made applicable to the excess of income beyond one and a half lakhs of rupees. In addition, a business profits tax and a capital gains tax were also levied. Naturally, there was acute resentment from the business interests in the community. Thereafter, the first two Finance Ministers, Dr. Shanmukham Chetty and Dr. John Matthai, in their budget speeches, emphatically pointed out that the high level of income taxation adversely affected the incentive for saving and investment and retarded production. It was necessary to provide relief in taxation to stimulate investment and expand production. Accordingly, in stages, the B.P.T. and the C.G.T. were abolished and the rates of income-tax brought down. Thereafter, the rates again went up to a certain extent. But the conflict between the two objectives had not been officially raised, presumably being left over for the expert advice of the Taxation Commission.

The directive principles of the Constitution have prescribed that concentration of wealth and income in the hands of a few has to be prevented and inequalities of income should be effectively reduced. The machinery of public finance may not be the only instrument for realising these objectives; but it is undoubtedly a very powerful and effective instrument. It must be appreciated that, if the fruits of economic progress and development are not made available to all the different sections of the community, such development may not be worth having at all. On the other hand, if attempt to secure distributive justice results in drying up the very distributable source, it would only lead to distribution of poverty. Financial policy has to shoulder the responsibility of accelerating the flow of production. The crux of the problem is to solve the conflict between these two objectives. Pointing out the importance of distributive justice, the Commission says:

"The attainment of a wider measure of equality in incomes, wealth and opportunities must form an integral part of economic development and social advance currently. . . . The tax system can certainly assist in this process by recognition of the fact that the distribution of income is not immutable, but is capable of adjustment, if definite emphasis is directed towards it in the fiscal system."

And at every stage of elaboration of this objective, the Commission hastens to sound a caution, a serious note of warning. The emphasis on distribution "should be based on a realistic appraisal of what the tax system can, at any time, achieve in the direction of lessening inequalities and, secondly, how far the process can be carried without undue adverse repercussions on private productive effort and enterprise."

Conflicting Objectives

This is not a problem peculiar to India alone. Almost in every country, fiscal policy is faced with the difficult issue of reconciling the two conflicting objectives. The President of the United States of America set out, in his tax proposals in January, 1954, the same principles in clear and straight forward terms. "We should now remove the most glaring tax inequities, particularly on small taxpayers; reduce restraints on the growth of small business, and make other changes that will encourage initiative, enterprise and production." All our discussions and criticisms with regard to financial policy have centred round this conflict between the same two objectives. The Taxation Commission has only restated the issues with a caveat to the enthusiasts for distributive justice. The degree of progression considered desirable over various income ranges will depend, says the Commission, on the need to strike a balance between the aim of lessening economic inequalities and that of sustaining and strengthening incentives to invest and to increase production. The problem is everywhere understood and appreciated; but it is exceedingly difficult to strike the balance. How far should tax policy be carried to reduce inequalities without encroaching upon incentives?

Discussing the problem of equity, the Commission is of the view that there should be a ceiling on personal net incomes after taxation and this should not exceed 30 times the average family income. With about Rs. 250 *per capita* income and 4.5 as the size of a family, the highest family income after taxation should not exceed Rs. 34,000 a year. But this concept has not been carried further. It is not suggested for immediate implementation, but to be kept in view as a long-period objective. One would expect this view to shape the considerations of rate-structure in direct taxation. But in top-most brackets of income, the scope for further increase is considered to be very small and the Commission is satisfied that present maximum income-tax rate of 13¾ annas a rupee applicable to incomes above Rs. 1½ lakhs is as far as one can go in the present circumstances. There is not the slightest doubt that even this rate is a heavy rate of taxation. But to propound an objective, even though over a long period and to leave the policy programme regarding maximum rates and their applicability over different income ranges unaffected, would make the objective sound like pious platitudes. The Commission visualises the reduction of inequalities to be achieved through an acceleration of the tempo of economic development and widening of employment and production opportunities. Hence its emphasis on encouragement to production.

The keynote underlying all the analysis by the Commission about taxation policy is the promotion of development and production. The problem of capital formation forms the central issue in the determination of appropriate objective. In the context of the development programme, the vital question is how to adapt the tax system to the imperative need for stepping up the rate of capital formation both in the public and private sectors. In the pattern of economy accepted, a large role has been assigned to private initiative and enterprise in the development programme. In the first Five-year Plan, a little less than half the total net investment has been left over to the private sector. Obviously, therefore, if tax measures depress enterprise and discourage private investment, the very development programme may be defeated.

The terms of reference required the Taxation Enquiry Commission to examine the structure and level of income-tax on capital formation and maintenance and development of productive enterprise. How has the existing income-tax affected savings, investment and enterprise? On the answer to this question will depend how far progression can go to attain distributing ends without retarding incentive to saving and investment. A factual estimate is essential in striking the balance.

Divergent Views

This issue has been the crux of conflict and dispute everywhere. In his Economic Report in January 1954, the President of the United States of America pointed out that the present structure of business income taxation "leaves too little an incentive for the assumption of risk by investors, and offers too meagre a reward to enterprisers who assume high risks." Accordingly, he initiated major reforms to remove the impediments. On the other hand, Prof. Lindholm pointed out how extensive studies in the U.S.A. showed that "people in the high-income brackets do not seem to have been materially dissuaded from making risky investments because of the high income-tax on the net return (*Current History*, August 1954). Divergent views have been expressed in our country about the effect of the present income-tax on incentive, often with little supporting evidence. The findings of the Taxation Commission were therefore eagerly awaited.

In analysing the effects of income-tax on saving and investment, the different aspects of the issue are often confused together. Taxation reduces income and, therefore, necessarily private consumption and investment. But all that amount may be utilised for capital formation by the public sector. In that case, to the extent to which this has been secured by curtailment of private consumption, there may be an increase in the capital formation over what would be otherwise possible. Taxation reduces taxpayers' ability to save and invest and not his incentive; the economy as a whole does not suffer. This issue has been made sufficiently clear by the Commission.

(*Continued on page 740*)

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EXPANSION OF SUGAR INDUSTRY UNDER SECOND FIVE-YEAR PLAN

VIEWS OF FEDERATION OF CHAMBERS OF COMMERCE

THE sugar industry is one of the major industries for which the Planning Commission is now busy formulating the development programme for inclusion in the second Five-year Plan. The programme will be based largely on the recommendations of the Development Council for Sugar Industry which is scheduled to meet at New Delhi towards the end of this month. Meanwhile, the Federation of Indian Chambers of Commerce and Industry (F.I.C.C.I.) has come out with a draft note on the second Five-year Plan, editorial comment on which was made in this journal two weeks ago. The second part of the draft includes brief notes on expansion plan for the sugar industry. In these notes, an attempt is made to assess briefly the present position of the industry and the estimated demand for sugar by 1960-61, to fix the targets of production, to determine the installed capacity, the capital, raw materials and foreign exchange resources that would be required to hit the target and to estimate the employment that is likely to be generated.

The Federation suggests that the installed capacity of the sugar industry should be raised from 2.0 million tons in 1955-56 to 2.5 million tons by 1960-61. This target is based on the rising trend of sugar consumption. The *per capita* consumption is expected to be 13 to 14 lbs. by 1960-61, which represents an increase of nearly 100 per cent. as compared with the consumption of 7 lbs. in 1950-51. In arriving at the production target, the Federation must have taken into account three factors. The first factor is the growth of population. It is estimated that India's population will increase from 385 million in 1955-56 to 416 million in 1960-61, a rise of 6.5 per cent. Secondly, the dietetic habits of the people are changing; there is a steady improvement in the demand for white sugar for tea, coffee and cold drinks. Thirdly, with the increase in the standard of living of the masses, more people are likely to take to white sugar instead of *gur*. An analysis of the trend of sugar and *gur* consumption in the first four years of the Five-year Plan bears testimony to this fact. Thus, during 1953-54, the *per capita* consumption of white sugar was higher at 10.6 lbs. as against 7.0 lbs. in 1950-51, while that of *gur* was lower at 17.0 lbs., as against 19.4 lbs.

Since 1950-51, it will be recalled, some sugar factories have expanded their installed capacity, thereby stepping up the capacity of the industry as a whole to 1.63 million tons of sugar per annum. Besides, by March, 1954, the Licensing Committee had recommended for sanction an additional capacity of about 51,000 tons per annum by way of expansion of the existing units or setting up of new units. Permission has also been granted to some sugar mills to shift their plants to suitable sites where there are adequate supplies of sugarcane. The net effect of this movement on productive capacity of the industry has so far been not perceptible. According to the Progress Report of the First Five-year Plan (1953-54), the whole question of increase in capacity was reviewed and it was felt that an additional capacity of about 450,000 tons per annum would be needed over the next two years. It was, therefore, decided that, by 1955-56, the capacity of the sugar industry should reach the level of about 2.0 million tons. But whether this level would actually be reached in the next 12 months remains to be seen. If the present state of affairs is any indication of the shape of things likely to take place in the coming months, it looks as though the chances of this target being reached are remote.

The development programme for the sugar industry as drawn up by the Federation in its draft second Five-year Plan is as follows:

		1955-56 (*Estimated*)	1960-61 (*Target*)
No. of units		200*	240
Annual rated capacity	(000 tons)	2,000	2,500
Production	(000 tons)	1,800	2,500
Investment	(Rs. crores)	N.A.	25†
Employment..	(No. of persons)	145,000	185,000*

* Estimated.

† Represents an estimate of additional capital outlay during the period of the second Five-Year Plan.

N.A.—Not available.

The increase in the production capacity of the Indian sugar industry from 2 million tons in 1955-56 to 2.5 million tons by 1960-61 will involve the setting up of about 40 new mills with a crushing capacity of 1,000 tons of sugarcane per day each. The average duration of the crushing season is taken as 120 days and recovery percentage as 10. The capital outlay on the establishment of 40 new sugar mills is estimated at Rs. 25 crores. The aggregate capital investment in the industry at present is said to be of the order of Rs. 60 crores. On a rough estimate, it is calculated that the fulfilment of the production target of 2.5 million tons by 1960-61 would involve direct employment of another 40,000 persons. Incidentally, it may be noted that the number of workers employed in the sugar industry in 1952 was 135,000. The quantity of white sugar produced in the same year was 1.2 million tons. By 1955-56, the number of workers employed is expected to be higher at 145,000.

The Federation considers that, although manufacture of sugar machinery has been undertaken in the country, a substantial part of the plant and equipment has still to be obtained from abroad. After allowing for further developments in the manufacture of machinery that may take place during the period of the next Plan, the foreign exchange required on capital account is estimated at Rs. 5 crores.

A mere expansion in the capacity of the sugar industry will not solve the problem. It must be accompanied by measures for stepping up the production of sugarcane. Assuming a recovery of 10 per cent. and a per-acre yield of 15 tons, the Federation feels that it will be necessary to bring an additional area of 450,000 acres under sugarcane cultivation. We, however, feel that stress should be laid more on intensifying sugarcane growing than on devoting a larger area. Considering the low yield of cane per acre and poor sucrose content, the scope for intensive cultivation is, indeed, vast. Viewed thus, the intensive campaign for augmenting the per-acre yield of high sucrose-content cane that has been launched by the Central Government is a step in the right direction. This would not only meet the sugarcane requirements of the new factories but also ensure adequate supplies to the existing units at lower prices. Equally important is the need for developing early and late ripening varieties of sugarcane. This would go a long way towards lengthening the period of crushing operations which is at present limited in the case of most factories to only 120 days a season.

The Union Ministry of Food and Agriculture has appointed an expert committee to examine the formula adopted for 1953-54 season for linking sugarcane prices with the price of sugar realised by factories and to suggest modifications, with a view to its improvement. The committee is also to consider the feasibility of payment for cane by factories on the basis of sugar content and other allied matters. The committee is to submit its report within six months. Mr. P. A. Gopalakrishnan, Joint Secretary to the Ministry, will be the chairman of the committee.

(*Concluded from next column*)

usuage basis. But the Board is insisting that the cost of aerial rope should be put on time basis and that this item should be included in the list of items subject to depreciation. This means that it is virtually impossible to recover more than a portion of the assistance for which this recurring item is eligible.

Finally, it is pointed out that it is several months since the Coal Board announced that the level of assistance in respect of sand-stowing for conservation would be raised from 75 per cent. to 85 per cent. of the admitted cost. Unfortunately, it is still not known when this increased assistance would become effective. Nor is it clear as to where lies the dividing line between stowing for safety and stowing for conservation, for most of the stowing projects fulfil both objects simultaneously. It is to be hoped that these complaints will be looked into by the concerned authorities and that the assistance to be given to the collieries will be based on such lines as would help execution of stowing operations to the maximum extent possible in the prevailing circumstances.

STOWING IN COAL MINES

ANOMALY IN THE SCHEME OF ASSISTANCE

LATTERLY, the promotion of stowing in collieries on an extensive scale has been receiving increasing attention at the hands of both the industry and the Government. This is only as it should be, for stowing is vitally important not only for ensuring safety of labourers working underground, but also for conserving coal, especially metallurgical, the reserves of which are limited.

Stowing, however, is a costly process and the collieries have not been in a position to raise the necessary finances for installing stowing plants. This explains why the Government of India has been rendering assistance to collieries stowing for safety and for conservation. According to the scheme now in vogue, the rate of assistance for stowing is 75 per cent. of the actual cost of stowing, subject to a maximum of Re. 1-5 per ton of material stowed by hydraulic system, and 85 per cent. of the actual cost of stowing, subject to a maximum of Re. 1-9 per ton of material stowed, where it is done by hand packing with surface material. The Government also decided recently that assistance for stowing for conservation may be granted, at the discretion of the Coal Board, at the rate of 85 per cent. of the actual cost of stowing or 85 per cent. of the average cost of stowing, whichever was less.

The following table gives a comparative statement of the number of collieries and the quantity stowed as well as the assistance rendered during the four-year period, that is, 1950 to 1954:

Period	*No. of collieries stowing*	*Quantity of material stowed* Tons	*Amount of assistance paid* (Rs. lakhs)
1950-51 ..	53	4,142,244	40.22
1951-52 ..	58	4,562,199	54.63
1952-53 ..	54	4,921,695	60.77
1953-54 ..	55	..	62.72

The collieries, however, have not been satisfied with the scheme of assistance for stowing. They allege that there are some lacunæ in the present practice, which are bound to affect the future of stowing adversely. This is best illustrated by the following extract from the address of Mr. J. W. N. Baldock, delivered at the recent annual general meeting of the Indian Mining Association:

"The Coal Board has stated that the average cost of stowing is in the neighbourhood of Re. 1-12 per ton of sand stowed, and that the Board renders assistance up to 75 per cent. of the cost, subject to a maximum of Re. 1-3 per ton. What has not been made clear, however, is that this cost of Re. 1-12 has been calculated according to the Coal Board's formula and bears little relation, in many cases, to the actual cost of stowing. As a result, far from receiving 75 per cent. of the expense of stowing, most concerns are receiving assistance at a rate considerably below this. This situation applies particularly to those who have mechanised their arrangements for excavating and transporting the stowing material. Although it is universally conceded that mechanisation is more efficient—and in the long run cheaper—the outmoded rules by which the Coal Board determines the quantum of assistance place a premium on inefficient manual methods, while the heavy capital cost of mechanical equipment goes partially unrequited. The reason for this unfortunate anomaly is to be found in the way the Board assesses allowances for depreciation, and repairs and renewals of capital equipment."

On the basis of the maximum theoretical designed capacity of the stowing installations, the Coal Board is determining the rate per ton allowed for depreciation, calculated as a percentage of written down value of the plant. But, if the plant fails in any particular year to reach the maximum designed capacity, the depreciation allowable is reduced. The same procedure is followed when dealing with the cost of repairs and renewals. There can be no gainsaying the fact that it is patently absurd to expect any machine to run continuously at its maximum designed capacity. This is particularly so in regard to sand-stowing plants, the operation of which is dependent on such unpredictable factors as monsoon floods. Besides, as such a plant has to work in rugged conditions, time must be allowed for necessary repairs and major overhauls.

There is one more complaint against the Coal Board and that relates to the basis on which it is determining the cost of aerial rope for transport of sand. It is true that the Board has admitted that haulage rope, scraper rope, pipes and conveyor belts should be charged on a

(*Continued in previous column*)

HEAVY STOCKS OF SUGAR FEARED AT THE END OF SEASON

DRASTIC REVISION OF IMPORT PROGRAMME REQUIRED

TIMELY WARNING BY MR. GULABCHAND HIRACHAND

IN an excellent survey of the problems facing the sugar industry, presented to the shareholders of Walchandnagar Industries Ltd., at their Forty-sixth Ordinary General Meeting, held in Bombay, on Friday, 15th April, 1955, Mr. Gulabchand Hirachand, Chairman of the Company, made a pointed reference to the shape of things to come in the near future. He observed that production was running at a level better than expected, while offtake was definitely falling. At the same time, the Government had entered into heavy import commitments. He feared that, unless the import programme was drastically revised before it was too late, stocks of sugar at the end of the season would be heavy. Such a state of affairs would, he warned, have a deleterious effect on the factories and cane growers, and that at a time when strenuous efforts were being made to step up the output of sugarcane in the country.

After expressing the hope that the shareholders had found the results of the year's working disclosed by the statement of accounts for the year ended 30th September, 1954, as submitted to them, quite to their satisfaction, Mr. Gulabchand Hirachand said:

"You must have noticed that the production of sugar, as well as the percentage of recovery, during the year marked considerable improvement over those for the preceding year. You must also have noticed that, even after making due provision for depreciation and setting aside a large amount of Rs. 13 lakhs for taxation for the first time in your Company's history, it has made a profit of Rs. 25,46,913-4-3, making it possible to increase the rate of dividend by 2 per cent.

Taxation

"The provision for taxation requires a word of explanation. As you are aware, the bulk of the profit earned by your Company is from its cane plantation. I am sorry to say, however, that the tendency on the part of the Income-tax authorities of late has been to fix the price of cane delivered for crushing to the manufacturing side somewhat arbitrarily, so as to minimise profit on the agricultural operations of the sugar companies and to inflate that on the manufacturing side. As assessment is in arrears for income-tax for some years, your Directors have considered it prudent to make this provision against a contingent liability which your Company may be asked to face at a later date. At the same time, I would assure you that the management will make every effort to secure that legitimate earnings from agricultural operations are not assessed as manufacturing profit to the extent that it lies in its power to do so. Quite apart from this, I must explain that the provision on this account this year appears to be large because it includes provision for two previous years also. The amount to be set aside in future will, therefore, be necessarily smaller than this.

"Though the year was not favourable on the whole for the sugar industry in this State, owing to the crop which was crushed during this year having been subjected to shortage of water-supply, your Company was able to surmount this difficulty because of the precautions taken in the earlier years to install lift irrigation facilities for raising additional crop. It is to this fact that the Company owes its larger production in a year when many of the factories showed a decline in this respect.

"The good results shown in the report before you are also in a measure due to the fact that prices for your product were maintained at profitable levels during the year, owing to the sudden jump in consumption of factory sugar. The price levels during the current season have not been so favourable, because of a very large influx of imported sugar, especially in those markets which are open to industry in this State. The entry of the Government into the field of sugar trade with a large stock of sugar imported by it from abroad has, apart from its effect on the price structure, created a number of complications in the matter of disposal of the produce.

No Planning in Imports

"The import programme has not followed any planning; the markets have, therefore, from time to time been subjected to a glut, creating unnecessary fluctuations in the price structure. The system adopted for some time of supplying sugar on what is known as an f.o.r. basis, that is, Government bearing the cost of freight and supplying sugar at various upcountry centres at the same rate as at the ports of entry, had the effect of depriving the factories of the natural markets round about them. In these markets, they could command somewhat better prices, because of the saving effected by the buyers in freight. The prices fixed by the Government for imports have also varied from time to time unexpectedly and made the disposal of indigenous product more difficult, because of a lack of system in the Government pricing policy. And, finally, the method of spasmodic releases from factories from time to time without any prearranged programme has tended to make the marketing of sugar more complicated than it used to be in the past. You will be glad to know that your Company has been consistently pressing on the attention of the Government the need for a more rationalistic and planned system of release of sugar for sale from the factories.

Quality of Sugar Raised

"At the same time, I cannot help feeling that, as time goes on, due to various factors, the task of production and disposal of sugar by the Indian industry is going to demand new skills and new techniques, both on the technological and the managerial sides of the industry. Let us hope that imports of sugar will prove a temporary phase and the complications created by this phase would disappear in a year or two. Even then, as has been proved during this period of imports from abroad, the consuming public having become more and more quality-conscious, there will be a satisfactory margin of profit only for those units of industry which are in a position to maintain a uniformly high standard of quality in their production. In view of this, it should be a matter of gratification for you that your Company has been able to hold its own, in part, because it has concentrated more and more on producing superior grades of sugar and developing new markets for these grades. Today a bulk of your product consists of superior grades which have not to stand in competition with imported sugar. This has not only made marketing of your sugar less difficult but has generally earned a reasonable premium, grade for grade, over the prevailing rates for its consistency and quality.

Outlook for Current Season

"It is difficult to say anything with any degree of precision regarding the working of your Company during the current season. In the first place, as a large part of the produce still remains to be sold, the price factors during the coming months will naturally go to shape the final results. However, I may say for your information that there is no reason for any despondency with regard to the financial results for the current year, in spite of my earlier indication of lower price trend this year. There is every reason to believe that your Company will, perhaps, during this season break all previous records in the matter of production. In any case, the higher production is bound to neutralise, to a certain extent, the fall in earnings owing to the lower price trend.

"With regard to recovery also, I am happy to say that the results so far have been very satisfactory. The standing crops which will come for crushing during the next two seasons are also in good shape and progressing satisfactorily. While, therefore, much will depend on the price trend during the next six to eight months, one would be justified in expecting satisfactory, though not spectacular, results. What I want to emphasise, however, is that to obtain these results, because of the difficulties alluded to by me, the management as well as the technical staff will have to be both as efficient and alert all the time as they have been in the past.

"So far, I have not referred to the recent increase in the excise duty on sugar amounting to 50 per cent., from the beginning of March this year. As much has been said about this rise in duty and as representations to the Government have been made by the industry for a reconsideration of this issue, I shall not say anything about it. However, I cannot help wondering how a Government, whose declared policy it is to raise the standard of living for the masses, could consistently go on heaping fresh burdens on such primary necessities as cloth and sugar, which must in the end make them dearer for the consumers. Sugar is one of the most highly taxed commodities in the country, when we consider various levies by way of excise duty, cane cess and sales tax.

Old Problems Unsolved

"Most of our old problems have remained unsolved. We have by this time, after complaining bitterly against it for years, got reconciled to the heavy incidence of cane cess. But we are disappointed that even our reasonable request to use a greater part of the income from this source directly for improving sugarcane cultivation and providing better transport conditions in the factory areas have fallen on deaf ears. Even our very modest representation for being associated in a purely advisory capacity with the authorities in fixing the programme of expenditure from cane cess, has been curtly turned down. We have also failed to obtain any relief from the steep increase in the water rates both for flow and lift irrigation. I have, however, no desire to make hardy annuals of our grievances and would, therefore, refrain from adding to those I have already mentioned.

"At the same time, I cannot help referring to a problem which might assume serious proportions unless tackled in time. The Government is carrying heavy stocks of imported sugar in its godowns. It has also entered into large-scale commitments for further imports during the year. Production within the country itself will show during this season a rise of at least 40 per cent. over that of last year. Much of this is still held by the factories. Consumption of sugar is definitely on the down grade and I should not be surprised, looking to the low price of *gur*, if it were to show a decrease of at least 2 lakh, if not 3 lakh, tons at the end of the year. The Government is naturally in a hurry to dispose of its own stocks by effecting a reduction in the issue price. Unless the programme for imports is drastically revised in time, there is every reason to believe that the country will have a big carry-over into the next season.

Government Warned

"It is feared that, with its control over the release of sugar from factories, the Government might so arrange things as to compel sugar factories to bear a substantial part of the burden of this large carry-over. This would not only create heavy financial difficulties for factories as it would necessitate locking up of their resources, but would certainly result in deterioration of the stocks during the monsoon. I, therefore, take this opportunity to warn the authorities that, unless timely steps are taken to avert this undesirable situation, they would be creating conditions which would again tend to reduce production of sugar in the country and perpetuate the vicious cycle of alternate rise and fall in production, which has been an unfortunate characteristic feature of this industry for the last few years. I need not point out that this would also have a very deleterious effect on the demand for the cultivators' cane from the factories in the coming season, just at a time when strenuous efforts are being made by all official and unofficial agencies to secure a heavy increase in cane production. We had a taste of it during the current season when cultivators in this State found it difficult to market their crop.

Subsidiary Activities

"I would now request you to turn your attention from sugar to the other products of your Company. I hope you have not failed to notice the progressive increase in the production of rectified spirit in your distillery. This stood at 2,59,518 gallons in 1951-52. In 1952-53, this had increased to 3,22,218 gallons. During the year under report, it reached the record figure of 4,70,528 gallons. The prices realised during the

(*Continued on page 763*)

IMPACT OF BUOYANT ECONOMY ON U.K. BALANCE OF PAYMENTS

OPTIMISTIC TONE OF 1955 SURVEY

By Paul Bareau

ONCE a year, the British Government publishes a survey of the economic situation. Its appearance normally precedes, by a brief period, the presentation of the Budget and it sets the general framework in which not only the Budget picture but the whole economic policy of the Government has to be set.

The *Economic Survey* for 1955, published at the end of March this year, is one of the most interesting and varied of this now well-established series of reports. It is made particularly interesting by the contrast which it presents between the buoyant domestic economy and the signs of strain in the British balance of payments which have recently become apparent and which have demanded the imposition of fairly severe remedial measures.

Of the buoyancy and appearance of prosperity of the domestic economy, there can be no doubt or question. At home, 1954, was an exceptionally successful year. Production continued to expand. For the whole domestic product the increase over the previous year was 4 per cent., and for industrial production the increase, as measured by the index of industrial production, was 6½ per cent.

It was not only production, but production per man, that increased last year. For the whole of industry, this productivity must have risen by about 4 per cent.—a figure which few other countries of the world will have matched in that particular year.

Rise in Personal Income

Rising production was matched and, perhaps, more than matched, by the rise in effective purchasing power. Personal income last year rose from £13,580 million to £14,408 million. The lion's share of this went to wages and salaries, which increased by 7½ per cent.

These are gross figures, and, after allowing for direct taxation and other charges on income, the total disposable income of the country rose by £645 million, or nearly 5½ per cent. It will be seen that the rise in disposable income was not very far out of line with the concurrent movement in production.

It is, however, interesting to note that the whole of this increase in disposable income was spent and not saved. Helped by the relaxation of restrictions on hire-purchase, the British people lived more plentifully last year than they had at any previous period of their history.

As compared with the previous year, they increased their expenditure on private motoring and cars by 19 per cent.; on household goods by 10 per cent.; on clothing and footwear by 5 per cent.; on food by 4 per cent. Their calory intake at 3,120 grammes a day was their highest ever. What is more, they ate larger quantities of the higher-quality, more expensive foods, such as meats, fats, sugar and tea and less of the roughage represented by potatoes and bread.

Investment was also maintained at a satisfactory level. Personal savings may have remained unchanged, but other sources of savings were canalised into investment and increased the total by about £155,000,000, or 5 per cent. Of this increase the bulk went into plant, machinery, vehicles and factories.

Development Programmes

British industry did not lag behind in its re-equipment and modernisation. Nor is it likely to lag behind in the years to come. There are massive development programmes dealing with atomic energy, roads, railways and housing. These are one of the guarantees of a containing policy of full employment in Britain.

So far, so good—and perhaps one should say, so far, too good. There is no doubt that the buoyancy of the domestic economy has in recent months become a little excessive. The purchasing power available for consumption at home has not only absorbed into current consumption the whole of the increase in personal incomes; it has also absorbed the bulk of the increase in production, leaving an inadequate amount for additional exports.

As a result, the domestic market has absorbed rather too much by way of imports and has, in addition, consumed some of the resources that should have gone to the export market. These influences became evident in the trend of the balance of payments towards the end of the year. The monthly trade returns in late 1954 and early 1955 showed that imports were rising sharply in value, while exports lagged behind. The gold and dollar reserves began to fall and the exchange rate of sterling against the dollar approached the lower limit of 2.78 in the official market and fell to a substantial discount in the free market.

Two Reasons

There were two main reasons for these developments. One was the increase in the volume of imports, due, in the main, to rising industrial production. The other was the reversal, during 1954, of the favourable trend in the terms of trade which previously had persisted since 1951. On the average, Britain's imports cost 5 per cent. more at the end of 1954 than at the beginning of the year, while the average prices for exports, held down by increasing competition from other industrial countries, remained virtually steady.

There is, thus, no inherent contradiction between the picture of a buoyant domestic economy described in the *Economic Survey* and the strains on the balance of payments which are also a part of the scene it reviews. The two are in fact complementary—the opposite sides of the same medal.

The steps which have been taken in Britain to deal with the situation are an increase in the Bank rate, new restrictions on hire-purchase transactions, and a general tightening of bank credit. They should suffice, provided their good is not undone by excessive wage increases and other inflationary developments.

These measures, however, are not to be taken as a sign that contraction in economic policy as a whole is now the order of the day. That is far from being the case and the *Economic Survey* ends on a note of optimism and expansion.—*Exclusive to "Commerce."*

(Concluded from next column)

operated at a higher speed once the formation of static electricity has been mastered.

New methods of applying isotopes to industry are being found every day, but, perhaps, the biggest advances during the last year or so have been the perfecting of some known methods. The greater use which industry, as well as the medical profession, is making of radioactive materials can be seen in the enormous increase of Britain's radio-isotope production, which has doubled during the past two years. Britain is by far the biggest exporter of these most modern tools of science, and there is hardly an industry which does not make use of them.

An entirely new field is opening up at the moment where vast radioactive sources, such as the waste products of nuclear energy plants, are being mustered to change chemicals, to improve plastics, or to sterilise foods and drugs. The next few years should bring new applications in these fields.

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RADIOACTIVE MATERIALS IN INDUSTRY

BRITISH ATOMIC SCIENTISTS REPORT NEW ADVANCES

By Dr. Henry Seligman

THE applications of radioactive materials to industry have for the past seven years occupied the attention of a small group of scientists. Consisting of members of the Isotope Division of Britain's Atomic Energy Research Establishment at Harwell, the group was formed to make industrialists more conscious of the modern scientific aids—aids which, as a result of continuous investigation in the field of nuclear physics, can be of great help in research, in controlling industrial processes, and in improving the quality of output.

The work in this field is fully international. Indeed, as long ago as 1951, the Atomic Energy Research Establishment organised the first International Radio-isotope Conference, followed by another in 1954, attended by over 700 delegates from 28 countries. An extremely wide field was covered, ranging over the uses of isotopes in scientific research, medicine and industry.

Radioactive materials, which can now be produced in any desired form, such as gases, organic or inorganic compounds, or incorporated into metals, have many industrial uses. They enable problems to be solved which before could not even be investigated. One such problem, the purification of metals by the method of zone melting, was described at last year's conference.

Some more recent work on similar problems, done by members of the Atomic Energy Research Establishment in conjunction with Aluminium Laboratories Ltd., of Banbury, Oxfordshire, showed that isotopes are extremely good tools for finding solidification boundaries in continuous casting processes of aluminium.

Improved Casting Process

In this case, two different radioactive methods were used. The first is called "activation analysis," in which the sample to be investigated is irradiated in a nuclear reactor after a trace of non-active material has been added during the casting process. Conclusions can then be drawn from simple autoradiographs. In the other method, a radioactive component was added during the casting. Both methods proved to be highly successful and helped to improve the casting process.

Gauges containing radioactive materials are also helping industry to produce better quality products and to save time in locating faults. These have proved of great value in measuring the thickness of materials being rolled—such materials as paper, plastics, linoleum, rubber or sheet metal. The latest developments in this type of gauge enable speedy location of corrosion in pipes without dismantling the installation. With this gauge, one operator can detect from the outside any corrosion within the pipes, eliminating the need to halt production and saving the expense of X-ray equipment.

Other thickness gauges have been improved, and Britain is now supplying some of the finest instruments of this type in the world.

Detecting Leakages

A paper read at the International Radio-Isotope Conference dealt with the use of isotopes for water flow and velocity measurements. Further progress has been made in this field since then, perhaps the most outstanding achievement being the ease with which it is now possible to detect leakages in pipelines—hitherto an exceedingly difficult task.

To trace a leak in an underground pipeline, a radioactive salt is dissolved and put into the pipe, which is then washed out with clean water. A recording detector is sent through the pipe; this records any activity that has leaked out into the surrounding ground, and by knowing at what time this recorder was at each place during its journey, it is possible to find the exact spot where the leakage has occurred. This simple method will save considerable sums in the future detection of leaks.

Isotopes are also being used in the construction of pipelines. Wherever a pipeline is being laid, all wells have to be checked with the help of X-rays, but to use a conventional X-ray apparatus in the field presents problems of its own for electrical supplies are needed, and X-ray sets require maintenance. By the use of radioactive isotopes no larger than a small pea, the need for special power lines and the problem of maintaining complicated equipment can be overcome.

Fire Risks Reduced

Radioactivity can be used, too, to reduce or prevent fire risks in certain types of factories. In the manufacture of paper and textiles or any other insulating materials, for example, it is quite common, especially in dry climates, for static electricity to be produced by the rubbing of the material. If the static electricity potential is too high, there is a danger of sparking and, therefore, a big fire risk.

Production engineers have for long been seeking a means of getting rid of "static," which can now be achieved fairly easily and cheaply by installing a radioactive source near the place where it is being formed. In most cases, this will overcome the fire risks, and, in some instances, production can be increased, for machines can be

(Continued in previous column)

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DEVELOPMENT OF KANDLA PORT

GATEWAY FOR NORTH AND CENTRAL INDIA'S TRADE

THE inauguration of the oil discharge facilities at Kandla by Lal Bahadur Shastri, Minister for Railways, and the grant of the status of a major port to Kandla, last week, represent a significant milestone in the development of shipping and transport in the country. The Kandla port development scheme is one of the biggest and unique projects undertaken after independence. For, while the existing major Indian ports were developed over decades at sites where established trade flourished, Kandla is situated at a place where very little trade exists at present.

The need for a major port on the West Coast between Kutch and Saurashtra has been felt since the loss of Karachi, following the partition of the sub-continent. The minor port at Kandla had only a single reinforced concrete jetty with a length of 300 feet and a depth of 30 feet. It was the West Coast Major Port Development Committee, appointed by the Central Government in 1948, that selected this minor port for development into a major port. Apart from the fact that a vast hinterland could be served through this port, an important consideration that weighed with the authorities in choosing Kandla for development was the necessity to provide a home for the refugees from Sind in surroundings more or less similar to those to which they had been accustomed.

Preparations for drawing up a detailed project report commenced in 1949. A Development Commissioner was appointed in August, 1949. In order to give him the benefit of advice of shipping, trade and commercial interests, an advisory committee, with Mr. Kasturbhai Lalbhai as Chairman, was constituted in October, 1949. Early in 1950, a firm of consulting engineers of international repute was entrusted with the task of preparing an outline project report, which was received in May, 1950. The consulting engineers, it will be interesting to note, endorsed the findings of the West Coast Major Port Development Committee as to the suitability of the site at Kandla Creek. They too felt that, while the best site for bulk oil discharge should be near the existing minor port jetty, the open wharves should be built at a spot about two miles south of that jetty. As recommended by the consulting engineers, the work on collection of data required to plan and execute the project was commenced immediately. The collection of data was complete by November, 1950, when tenders were invited from a selected group of outstanding harbour engineering firms for design as well as construction. The tenders, which were received in April, 1951, were examined first from the technical aspect by Prof. Agatz, a German harbour engineering expert of international repute, and later by a high level expert committee of leading engineers of the country. The contract was awarded to Messrs. McKenzies Heinrich Butzer (India) Ltd., the well-known contractors of West Germany, in association with an Indian firm.

Cost Aspect

The Kandla Port Development Project is estimated to cost Rs. 13.83 crores. It consists of the main harbour works contract, valued at Rs. 7.01 crores and the provision of port buildings, cranes, harbour equipment, roads, water-supply, staff colonies, drainage arrangements, which account for the balance of Rs. 6.82 crores. The harbour works consist of:

(i) A cargo jetty 2,700 ft. long providing for four deep-water alongside berths for ships 600 ft. long each, including three transit sheds each 450 ft. by 140 ft. and four warehouses at the back of the transit sheds each 500 ft. by 120 ft. The quay will be 75 ft. in width and provides for three railway tracks and two road tracks so as to enable direct despatch of cargo by rail as well as by road. The rail track is designed for metre-gauge operation in the first stage and conversion into broad-gauge operation when necessary in the future.

(ii) A bunder suitable for the accommodation of both lighters and sailing vessels. The bunder wharves will be equipped with cranes including provision for unloading heavy cargo up to 60 tons.

(iii) A passenger berth for passenger launches.

(iv) A floating dock berth for maintenance of port craft.

(v) An oil jetty for handling oil tankers up to 20,000 tons capacity.

The construction of the main harbour, the foundation-stone for which was laid on 10th January, 1952, is expected to be completed early in 1957. The bunder and the oil jetty are expected to be completed in June, 1955. The progress of workers on the main harbour project, which has been given on contract to Messrs. McKenzies Heinrich Butzer (India) Ltd, had continued to be rather slow, owing to certain internal differences between the partners of the contracting firm and their lack of adequate financial resources. As a result of continued pressure exercised by the Government for remedying these defects, the firm reconstituted itself recently by letting one partner withdraw from the group and allowing another German firm of engineering contractors to enter into sub-partnership with the original German partner. The result of this strengthening of the contractors' organisation has just begun to be reflected in the pace of the works. It is estimated that the quantum of outturn of work, which was some time back of the value of Rs. 10 lakhs per month, has been stepped up to Rs. 25 lakhs at present and that it would be maintained at that level till the works are completed.

The bunder and the oil jetty are expected to be completed by about the middle of June, 1955. A double 12" pipeline, with a diameter of 15", is ready to be put into commission. Oil will be pumped through this five-mile-long pipe into the oil installations constructed by the oil companies. The navigational aids to shipping in the gulf and the creek are almost ready. Work on the main wharves is proceeding apace.

The new port will be equipped with modern types of mechanical cargo handling appliances, such as mobile cranes and fork lift trucks. A suitable workshop designed primarily to carry out the maintenance of, and repairs to, floating craft, electric cranes and other tools is also being planned. All these facilities will be provided with the triple objective of quick turnround of ships, minimum handling of cargo and rapid movement to and from the transit area.

Model Township

One of the important features connected with the development of Kandla Port is the plan for a model township, namely, Gandhidham, adjacent to the port. The development of the township is expected to serve the requirements not only of displaced persons but also of trade and commercial interests. The plan, as prepared by the well-known American firm of architects and town planners, namely, Messrs. Adams, Howard and Greely, the services of which were secured under the U.S. Technical Co-operation Administration programmes, provides for three different sizes of community as follows:

(a) A community of 60,000 to 75,000 population, which may be assumed to be the minimum size, on the assumption that anything smaller than that would not serve the immediate function adequately.

(b) One of about 100,000 to 125,000 population which might be the ultimate for several decades, if no basic manufacture moves into the area beyond that directly relating to the port activity and the strictly 'local' economy; and

(c) One from 250,000 to 400,000 population accepting the more optimistic estimates of the future population when the economic possibilities of Kutch and the nearer parts of Rajastnan are more fully developed.

The overall scheme for the development of township is estimated to cost Rs. 5.67 crores.

The Kandla Port will serve a vast hinterland of 275,000 sq. miles, with a population of 45 million. On completion of the harbour works, the initial traffic expected to flow consists of about 5 million tons of oil and 4.4 million tons of general cargo per annum. The trade to and from the hinterland of the port is estimated to bring about Rs. 90 lakhs by way of railway freight alone. The following table shows roughly the position regarding the cargo that is expected to be handled at this port in its initial stages:

Import	Tons	Export	Tons
Oil	5,00,000	Salt	75,000
Coal	22,000	Groundnuts ...	20,000
Foodgrains ...	70,000	Cotton	10,000
Cotton ...	30,000	Wool	15,000
Piecegoods ...	30,000	Bonemeal and bone crust ...	12,000
Building materials ...	26,000	Other cargo ...	11,000
Chemicals and minerals	25,000		
General cargo	89,000		
Total ...	792,000		1,43,000

There can be no gainsaying the fact the development of Kandla as a major port and of Gandhidham township will together make good the loss of Karachi. It will constitute a gateway for parts of Western, Northern and Central India's trade lines. The port will add substantially to India's capacity for handling its overseas trade. Since it is a deep sea port—deep water runs closest to the shore—it will go a long way towards relieving the congestion at Bombay and facilitate the economic development of Kutch and the surrounding area rich in limestone, silica, gypsum and bauxite. Kandla is, indeed, a tribute to the vision of the late Sardar Vallabhbhai Patel and the late Mr. N. Gopalaswamy Ayyangar, who conceived the project and gave it an effective start.

BRITISH STEEL INDUSTRY'S FIVE-YEAR PLAN

The developments in Britain's iron and steel industry cited in the Government's *Economic Survey* for 1955 underline the efforts being made by the industry to meet the rising demand for steel by the country's heavy industries. These steps were outlined by the Iron and Steel Board in its report, *Development of the Iron and Steel Industry, 1953-1958*, recently laid before Parliament, in which the aim was stated to be the raising of output from last year's 18,500,000 ingot tons to 22,500,000 tons in 1958.

As that report was being studied by Parliament, the Board's Chairman, Sir Archibald Forbes, said in London that major schemes of modernisation and expansion now taking place in 25 different United Kingdom steelworks would cost £257,000,000. These had been approved for the five-year period 1953-58. Further plans were being studied that would mainly affect production after 1958, and these would bring development expenditure for the period to rather more than £300,000,000.

The estimated demand for 22,500,000 tons of steel in 1958 (of which 3,000,000 will be available for export) is based on an expected annual rise of 5 per cent. in the output of Britain's metal-using industries (compared with a 3½ per cent. annual increase in productivity in 1948-53). These demands fall into four main sectors.

First and biggest item in steel consumption is home investment, which took nearly 10,000,000 ingot tons of steel in 1953. This sector includes housing and construction, machinery, plant, and vehicles for basic industries, railways and roads, and the report comments: "It is likely that in the next five years there will be an acceleration of the rate of industrial investment generally." The expansion of the second group—embracing the motor and canning industries and production of consumers' durable goods—is expected to be at a rate higher than 5 per cent. per annum. In the third group of requirements—of steel for defence—a significant change from the 1953 level is not foreseen. In the fourth group, of goods for export, an increase in line with the upward trend of recent years is expected. Steel taken for manufacturing these goods in 1948-53 increased at roughly the same rate now being assumed for steel supplies generally in 1953-58 (the 1953 total was 3,500,000 tons). The report says that "further increases in the volume of metal-goods exports should be possible in the context of a growing volume of world trade and the great scope for capital development overseas."

Should the demand for British steel exceed the estimated level in 1958, there are possibilities of increasing supplies from home production and imports. Production is already growing rapidly, and should reach 19,500,000 tons this year. It is expected, however, that the need for imports will become "of minor significance" by 1958, for which year a nominal figure of 100,000 tons has been assumed, while about 400,000 tons should be available from reprocessing re-usable steel.

As regards finishing capacity, special attention has been paid to wide, flat products. Over the five-year period, finishing capacity for tinplate will increase 85 per cent. and for sheet about 50 per cent., while the potential output of tubes in 1958 will be nearly 40 per cent. higher than in 1953. Additional capacity being created for these three types alone will total nearly 2,000,000 finished tons.

Pig-iron output should increase from just over 11,000,000 tons in 1953 to over 15,000,000 tons in 1958. The industry's requirements of coal, home and imported ores, shipping, and transport, have all been reviewed in relation to the foreshadowed increase in iron and steel output. Expected requirements of ore in 1958 are: home-produced, 17,500,000 tons; imported, 16,500,000 tons iron ore and 500,000 tons manganese ore. The Board foresees increased supplies from Sweden and Norway due to major developments now under way in the mines there, and from Labrador and Liberia. It has invited a consultant geologist and a consulting mining engineer to advise it on expanding home supplies. In addition, Conakry ore-field in French Guinea is being developed by the British steel industry in partnership with French interests, and a field in the French West African territory of Mauretania is being surveyed by British, French, and Canadian interests. There are also possibilities of new development in Sierra Leone.

STEEL VERSUS CONCRETE

Described as the first phase of a battle between steel and concrete, an open hangar has just been inaugurated at the airport of Orly, near Paris, entirely of steel. It is the largest in the world. It is 216 metres long and has a width of roof of 38 metres (124 feet) unsupported by pillars. This has been followed by a bridge 411 metres (449 yards) long, all in welded steel, the longest in Europe. Steel is being favoured because at the time of the earthquake at Orleansville, in Algeria, the only buildings that resisted were those with steel as the basis of their construction. In the considerably enlarged public works section at this year's Foire de Paris, the annual Paris international trade fair, many exhibits will be devoted to steel and reinforced concrete construction.

NEW PRODUCTS AND PROCESSES

Akulon-coated Steel Wire Ropes

A factory at Gorinchem (the Netherlands) turns out steel wire ropes coated with Akulon, a Netherlands polyamide product of the thermoplastics group. Outside the United States of America, this factory is the only one producing steel wire ropes coated with polyamide. This coating gives the ropes a greater resistance to fatigue, corrosion, dilute acids and alkalis, wear and damage, any one of which causes may lead to untimely destruction of the usual types of steel wire ropes. The Akulon is extruded on to the steel wire rope, fitting snugly round it as a smooth coat. Ropes with a diameter of up to 16 mm. (0.63 in.) can be coated as a whole; in the case of larger diameters the separate strands are coated and then twisted to form a rope.

Gold from Air

Gold is being pulled out of the air of a pen manufacturer's workrooms at Fort Madison, Iowa, thanks to new electronic machinery. The air, containing minute particles of gold from pen-point grinding and polishing, is carried by exhaust ducts to a giant precipitron where it is charged with 13,000 volts of current. The charged particles are then attracted to plates charged with the same voltage. Each night, the gold is automatically flushed from the plates and salvaged. The operation is so new that the Sheaffer Pen Company is not yet able to determine how profitable it may be, but the Company officials expect the return to be more than the cost of the electronic equipment. In other operations, the Company salvages approximately $300,000 a year in gold dust from workbenches, floors and the aprons of workmen.

Stamp Holder for Stamping a Wide Variety of Containers

A factory at Maassluis (the Netherlands) produces an apparatus with which all sorts of containers can be provided with texts and names. It is a stamp holder consisting of metal braces and inserts, which can be assembled by means of studs and wing nuts. The use of loose plastic letters and figures makes it possible to compose in a simple manner stamps for marking cases, crates, bags, casks, drums, boxes, etc. By exchanging the inserts, which at the same time serve as handles, the braces can be readjusted, so that texts of different sizes can be composed, up to a maximum height of 50 cm. (19½ ins.). The braces are supplied in lengths of 20, 30, 40 and 60 cm. (7.9, 11.8, 15.8 and 23.6 ins.). The letters and figures can be obtained in heights of 22, 28, 35, 42, 50, 60 and 70 mm. (0.87, 1.10, 1.38, 1.61, 1.97, 2.36 and 2.76 ins.)

Radio Detection of Radio-active Metals

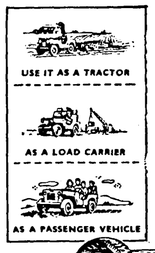
An Australian radio service man in Melbourne has designed an apparatus, which it is claimed will emit a signal when it is within 20 yards of radio-active mineral deposits. It thus has an advantage over the geiger counter for prospecting work. A small black rod from a wireless set, and a broom handle are the main parts, and the device is basically the type of radio location set often used by radio "hams" in competitions to find hidden transmitters. The antenna is a ferrox cube rod, taken from an ordinary commercial radio set, and strapped with adhesive tape to a wooden cross piece at the top of the five foot length of old broom handle. The inventor who is secretary of the Victorian Division of the Wireless Institute of Australia, states that when obout 20 yards from a granite outcrop in the Victorian district of Castlemaine, the apparatus gave out a loud hissing signal. Later, on testing a sample of the granite with a geiger counter, the counter ticked very quickly. The inventor is planning to conduct further tests and then patent the apparatus.

Oil-gas Apparatus

An engineering works at Arnhem (the Netherlands) has for some time been manufacturing an apparatus in which light fuel oil is first gasified, after which the gas is burnt in gas burners. The advantage of this system is that fuel of a reasonable price can be used, and can be converted into heat with a useful effect of 95 per cent. The combustion can be made to take place entirely automatically and with great uniformity. The system works as follows: The oil in a generator is kept at a given level by means of a level controller. This oil is gradually vaporised by the heat developed by a pilot flame and is drawn through the oil bath into the generator by a blower. Via a superheater built into the generator, the oil vapour is conveyed to a mixing chamber, where it is mixed with preheated air. The gas-air mixture then passes to the service lines via the blower. A small portion of the gas produced is conducted to the auxiliary burner to feed the pilot flame.

New Method to Destroy Locusts

French scientists have discovered that certain sounds irresistibly attract certain living creatures. The researches which led to this discovery were carried on under the direction of M. Busnel, who is the head of the laboratory for acoustics physiology of the French National Institute of Agricultural Research. The instruments already perfected include magnetophones, oscillographs, and the like, which makes it possible to analyse and study the sound emitted by the insects. It has been found that the frequency of the sound is not of as much importance as the form of the sound signal. Even a short emission of such a signal produces an automatic reaction in animals from a whale to a mosquito, sometimes repelling, sometimes attracting them. Experiments have been made on individual insects as well as swarms, and the main object is to devise some means of drawing large swarms of locusts to a desired place where they may be destroyed by employing suitable means. It is thought possible that this method will succeed in controlling one of the worst menaces to crops.



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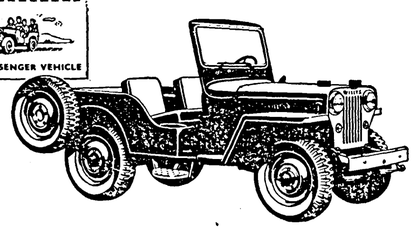

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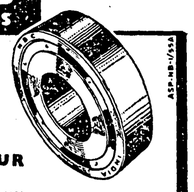

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APPOINTMENT OF INSURANCE AGENTS

IMPORTANCE OF PROPER SELECTION

IN India, as in all countries where insurers function under a free enterprise system, insurance is sold rather than bought. It is not a commodity which its purveyors sell across the counter. Rather, it must be strongly canvassed, and the prospect persuaded to go in for it. The mere fact that insurance benefits those who buy it has not in any way minimised the difficulty of selling it. The result is that insurers have to rely for an expansion of their business on a well-equipped agency force. From this point of view, the papers read at the symposium on "Appointment of Agents," organised by the Indian Life Assurance Offices Association, as part of its annual conference held in Madras, throw interesting light on the somewhat intricate problem of selection of agents.

The importance of agency force to insurance was rightly emphasised by Mr. G. Somasundara Row of the Andhra Insurance Company, Ltd., who said that the "agents of insurance companies constitute their life-blood and, inferentially, unless the agency phalanx is healthy, the insurance companies can have no good organisation, in order to meet adequately their respective needs of expansion, progress and service." After referring to the improvement in the position of agents that had been effected by the Insurance Act, Mr. Row pointed out that the crux of the problem for insurers was the selection of the right type of men. He deplored the somewhat casual manner in which insurers appointed agents. He said: "The indiscriminate and over-ambitious scheme of scattering agencies anywhere and everywhere and for the mere asking denotes desultory attention rather than determined effort to furrow the field and raise the crop in fullness of the harvest time." He regretted that "no great thought" was bestowed on the selection of agents and, in the "emotion of the first personal contact, the candidate is not only picked up but also fixed." A mere multiplication of agents, as he rightly pointed out, is only an "enormous waste of energy." In this connection, he did well to stress the need for proper training of agents.

Proceeding, Mr. Row made a few suggestions in relation to appointment of agents which merit insurers' consideration. The suggestions are:

(1) Avoidance of overlapping in fixing up agents; (2) to stop indiscriminate multiplication of agents in one and the same place irrespective of its size and potentialities; (3) clarification of jurisdiction of paid inspectors and organisers; (4) frequent visits by field officers to the centres where agents work and giving of practical suggestions to agents; (5) provision of incentive in the shape of fixed salary and allowance to successful men and (6) arranging periodical meetings of agents at the branch offices and at the head office.

It is true that many of the leading insurers already work on these lines. Even so, there ought to be a better appreciation of the need for frequent and friendly contacts between field officers and agents and of the need for reward and encouragement to the successful agents.

The principles which should guide the selection of agents were discussed by Mr. S. C. Mitra of the Palladium Assurance Company, Ltd. Mr. Mitra discussed them under four headings: (1) legal eligibility, (2) business policy, (3) non-enticement, (4) personal eligibility. By legal eligibility, he meant that the candidate should possess a licence in accordance with the relevant provisions in the Act. As regards business policy, he, like Mr. Row, stressed that the concentration of a large number of agents in a particular area did not necessarily make for larger volume of business. He said: "A company has, therefore, to decide what is the optimum number of agents that a particular locality can absorb for maximum exploitation and it should cease to appoint an agent beyond that number." He deplored the practice of enticing agents of another company. This caused instability to the trade and also injured the prospect and reputation of the agent.

As regards personnel eligibility, Mr. Mitra said that a candidate should satisfy three conditions. In the first place, he should have a reasonable standard of education. Secondly, he should possess physical fitness. Thirdly, he should be efficient as a salesman. Mr. Mitra recognised that at present there was no means of judging whether a candidate could shape well; nor was there any organised institution where insurance salesmanship was taught In this context, Mr. Mitra said that at least the negative test should be applied; the candidate should not suffer from such disability as might make him unsuccessful as an agent—for instance, stammering, shyness, or inferiority complex. Since it is the personal qualities of the agent that make him a successful salesman and an asset to the company he represents, insurers should pay utmost attention to these qualities before they decide the question of appointment of agents.

WORK OF INSURANCE DEPARTMENT

The administration of the Insurance Act, 1938, is the responsibility of the Department of Insurance, Government of India. The Controller of Insurance, who heads this Department, is responsible for tendering appropriate advice to the Central Government in connection with the discharge of the duties imposed on and the exercise of powers vested in the Central Government under the Act. The Department also plays its part in building up a healthy insurance industry. Further, it acts as actuarial and insurance adviser to the Government.

An important function of the Department is to sanction schemes of capital reconstruction that may be submitted by insurers from time to time, to approve transfers of business from one insurer to another and to appoint administrators to the companies, which, in the opinion of the Government, have been managed to the detriment of the policyholders. From the report of the working of the Department during 1954-55, which appears as a section in the report of the Finance Ministry, it would appear that no fresh schemes of reconstruction of capital structure were submitted during the year under review. Of the eight schemes which were under consideration at the beginning of the year, four schemes were sanctioned. The remaining four schemes are still under the consideration of the Department. The three cases in which orders sanctioning the reconstruction scheme were issued are the subject of appeal in the courts.

The Controller sanctioned nine schemes for transfer of business, six from insurers and three from provident societies. He rejected three cases, which involved transfer of business from provident societies. The Department has under consideration 10 cases of transfer of business (six from insurers and four from provident societies.) Further, judicial sanction was obtained in the case of transfer of business of a non-Indian insurer to an Indian insurer.

Of the eight companies which were under the management of administrators at the beginning of the year, one was ordered to be wound-up by the Court on an application made by a policyholder and the business of another was transferred to an insurance company. At present, there are six insurance companies under the management of administrators who act under the control and direction of the Controller. In all these cases, the administrators concerned pursued the task of consolidation of investments and curtailment of expenses. During the year under review no fresh appointment of administrators was made.

In the light of the experience gained in the administration of the Code of Conduct evolved for general insurers, the Executive Committee of the General Insurance Council effected certain improvements in the Code. In order to provide a more effective check on the accounts of general insurers the Committee is considering the introduction of certain reforms in the accounting system. The question of revision of tariff rates in fire insurance business was taken up with the Tariff Committee of the General Insurance Council. The Sub-committee which had been appointed to go into the question has submitted its recommendations which aim at reducing the rates in stages. Action is being taken to implement these recommendations.

It is gratifying to note that the Department has made the latest issue of the *Indian Insurance Year Book*, an annual publication of the Department, more informative than in the past. The new features of the *Year Book* are: (1) information on (a) lapses, (b) basis of life premiums of Indian insurers, and (c) contravention of section 27A of the Act; (2) additional information relating to expenses of insurers and (3) a note on the activities of the Executive Committees of the Life and the General Insurance Council.

The Department continues to act as the liaison between the Indian Insurance Companies Association Pool, Bombay, on the one hand, and the Government and local bodies, on the other. With the nationalisation of aviation industry, the Pool, at the instance of the Department, commenced transacting aviation insurance business. The Department is providing the necessary encouragement to the Pool to start marine hull insurance business, in order that it may meet the Government's insurance requirements.

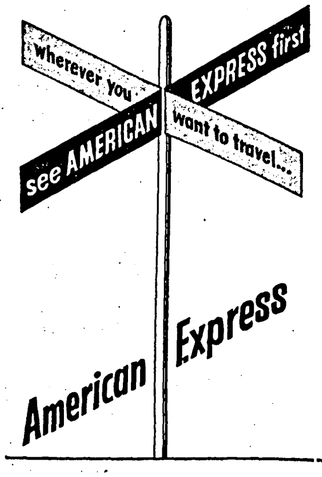
The Department is now engaged in examining a few insurance problems. Thus, it is examining the question of evolving a suitable formula for an equitable assessment of taxation of profits of non-resident insurers on re-insurance transactions. It is, however, not clear why this problem is being examined, considering that the Taxation Enquiry Commission has strongly urged the Government to abandon the practice of taxing such profits. The Department, it is further stated, is studying the question of the annual drain involved in the placing of re-insurance in foreign countries by Indian insurers. Another line of investigation which the Department is pursuing is the examination of the mortality of pensioners in Central Government service. This is intended to provide a basis for modifying the existing table of commutation values of pensions. The results of this investigation are bound to prove useful to the State Governments too.

INSURANCE IN INDIA

Some interesting calculations about the position of insurance in India *vis-a-vis* other countries were made by Dr. L. Subba Rao, Chairman of the Andhra Insurance Company, in the course of his speech at the recent annual meeting of the Indian Life Assurance Offices Association, at Madras. He pointed out that the total number of policies issued by Indian insurers was 3,833,000 and that issued by non-Indian insurers was 246,000, the total sum assured, including bonuses, being Rs. 961.9 crores, while the annual premium income was Rs. 47.41 crores. The *per capita* saving for insurance premium, according to him, was not more than Re. 1½ per year. He believed that one in 110 or 120 had taken an insurance policy, the average amount insured per policy was only Rs. 2,400, which showed that they had a low economy. In contrast, in the U.S., for a population of 150 million, there were 90 million policyholders. The average amount insured per policy was a little over Rs. 16,000.

Dr. Subba Rao averred that there was not much force in the proposal for nationalisation of insurance. Insurance, he said, was an enterprise which was best left to the private sector. He urged insurers to consider the possibility of introducing credit life insurance of the kind that was operated in the U.S. This form of insurance covered loans in the event of the death of the borrowers. He also suggested that the universities might institute a special course in insurance in order to ensure efficient service to the public.

The need for close co-operation among insurers was emphasised by Mr. N. Rama Rao, Chairman of the United India. He said that every class of insurance had to render service in greater measure to the national economy. He deplored that, although the benefits of insurance were better understood today than they were some years ago, insurance consciousness had not developed sufficiently in the country.



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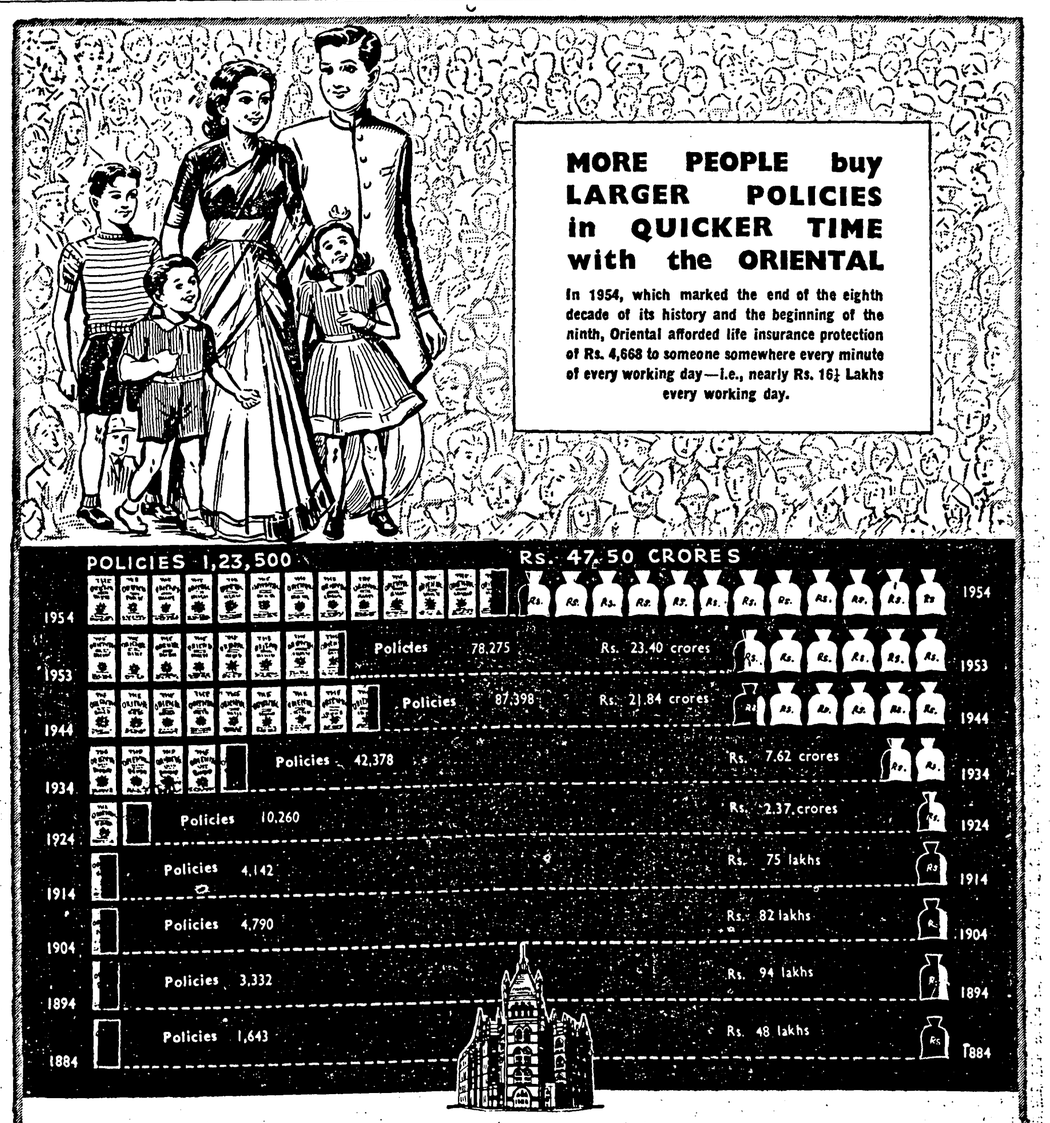

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PRESENT METHOD OF ASSESSING EXCISE DUTY WILL DISTORT PRICE STRUCTURE

MR. C. J. E. KEENE ON INDUSTRY'S FUTURE

ADDRESSING the Annual General Meeting of the Indian Paper Makers' Association, held in Calcutta on Tuesday, 5th April, 1955, Mr. C. J. E. Keene, Chairman of the Association, pointed out that the 10 per cent. excise duty which had been imposed on the industry would be a heavy burden on the consumers. He stated that if the duty was nevertheless found necessary in the interests of national economy, the Government should at least consider the question of devising a simpler method than the present *ad valorem* basis of assessment. Since paper was produced in a wide range of qualities, the price structure was necessarily complicated. And the present basis of assessment of excise duty would only add to these complications. As regards the outlook for the industry, he struck an optimistic note and stated that, if the Central and State Governments' forest policy were so designed as to conserve forest wealth, the industry "should be able to look forward to a period of expansion and not only fulfil the growing demands of supplies of paper for the nation, but even go further and develop a healthy export trade."

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

"GENTLEMEN,

"I have to regret that the report of the Association has not been in your hands for very long With your permission I will take as read the notice calling this meeting.

"My predecessor, on this occasion last year, described the previous year as being not a particularly eventful one. This year, I think, the industry has had a greater number of problems with which to contend, culminating in the major event on 1st March this year, of an excise duty of 10 per cent. *ad valorem* being imposed on indigenous production of paper. The effects of, and market reactions to, this additional burden to the consumers of our products may take a little time to be fully assessed, but it is certain that this additional cost will increase the difficulties that lie ahead in the maintenance and development of our industry. I shall refer to excise duty in greater detail later.

"Prior to this event there had been no violent fluctuations in market sentiments during the year, and whilst there has been a healthy demand for our products, broadly speaking, the position between supply and demand has been well balanced. This situation has also generally applied to supplies of raw materials, coal, chemicals and railway transport. In many ways it has been a progressive year, and production of paper in the country has again shown a gratifying increase. 155,328 tons of paper were manufactured in India during 1954 as against 139,704 tons in 1953. These figures may be compared with 108,912 tons manufactured in India in 1950. Unfortunately, during the year serious loss of production, owing to illegal strikes, was again experienced, otherwise the 170,000-ton mark would have been exceeded.

Supplies to Government

"The Government contract for 1955-56 for supplies of paper has, I am sorry to say, not yet been concluded. Since the Government takes such a large percentage of the mills' production, it is an advantage to the industry to have the contract finalised before the contract period begins so that production programmes can be planned ahead, deliveries spaced evenly, so far as transport facilities permit, throughout the contract year, and thus an even and uninterrupted flow of supplies also maintained to the civil market. Delays have, however, frequently been experienced, and this year when only 15 days remained before the new contract period was due to start we were requested by the Government to agree to an extension of two months, under the same terms, of the 1954-55 contract. Under the circumstances, it was considered the better course to accept this extension, pending finalisation of the contract for the remainder of the year.

"A matter which is becoming of increasing concern to units of our industry is the upward trend of manufacturing costs, despite the installation of much new plant, increased production and improved methods, which should result in lower cost per pound of paper produced. There are a number of reasons for this, most of which have been referred to in previous years—withdrawal of concessional freight rates on bamboo, increased cost of bamboo and forest royalties, higher coal freights, poor quality coal which we have been compelled to use, and increased labour costs being among them. During the past year there has been no indication of this upward trend being halted. Many items continue to increase, in particular labour costs and railway freight rates on paper have recently been increased. Added to this, we now have to make provision in the selling price of our products for the recently imposed excise duty. By the very nature of the uses to which paper is put, it is essential that it should be a cheap commodity and no restrictions placed on its free use and availability. For our primary raw materials we can only afford to use materials, whether of rag and textile wastes, or materials such as bamboo, grasses, reeds, etc., which, for economical paper-making, must be products which are of no commercial interest to other industries. This is a fundamental principle on which the paper-making industry is founded.

Excise Duty on Paper

"It is against this background that our concern on the new excise duty is based. If paper becomes too expensive its use becomes subject to economy as regards quantity and quality, resulting in a diminishing market. A very large portion of the production of the member-mills of this Association is paper for educational purposes—pure printing paper for school text books, pure cream laids for school exercise books, drawing cartridges, etc. The 10 per cent. excise duty will therefore be a heavy burden on these important consumers of our products at a time when the country is making every effort against illiteracy. It will tend to hamper development and improvement, and possibly mean plans for expansion in our section of industry being retarded. Another aspect which has caused considerable misgiving is that newsprint is exempt from excise duty. Members of this Association fully appreciate that newsprint should be available as cheaply as possible to the newspress, but we have had previous unfortunate experiences of newsprint, or paper imported under the guise of newsprint, finding its way into the Indian market and being readily available to consumers outside the newspaper industry in competition with our qualities of paper. As an example, newsprint has been used for such purposes as printing school text books, the initial cost of which may be cheaper, but in the long run it is no economy as newsprint is not manufactured to be durable, and the student eventually has to purchase two, or possibly more, books, when one should have sufficed. We are of the opinion that the tendency for newsprint to compete unfairly in the market against our qualities will increase, now that the difference in price is increased by the amount of excise duty which is leviable on our qualities of paper.

"The Association has expressed its regret to our Government, therefore, that this excise duty on paper should be imposed, but if in the overall picture of industrial development in the country it is unavoidable we have requested that consideration should be given to devising a simpler method of assessment than on an *ad valorem* basis. Paper is not a bulk commodity like cement, sugar or coal, there being a very wide range of different qualities of paper, each subdivided into various thicknesses, sizes, colours and finishes, and again sub-divided by subsequent processes of embossing, guillotining, ruling, cutting watermarks to position, etc., after actual manufacture. A somewhat complicated price structure is unavoidable and the excise duty will add to these complications. Also, part of the service of the paper manufacturer is to have stocks in the various specifications available to consumers at upcountry depots, and since some of our consumers, particularly publishers, do not see a return on their money for many months after the actual purchase of the paper, extended credit facilities frequently have to be given. These are among the facilities, and there are many other customs and usages of the trade of benefit to consumers which, under the rigid rules of excise, may have to be withdrawn, or at least considerably amended. So far as imports of newsprint are concerned, it is to some extent reassuring that the Government announced two days ago that newsprint is to be removed from O.G.L. and imports are to be regulated.

Raw Materials

"On the subject of raw materials, previous Chairmen of the Association have referred to forest policy. Our vital interest in this does not diminish and I therefore, make no apology for bringing it forward once more and repeating our frequent request that the Central Government should co-ordinate all State forest policies. For some years, the policy of many of the States appears to have been only to derive the highest possible revenue in the shortest possible time, by means of annual auctions of forest areas. Such a short-term policy can only result in the forest wealth of the country being gradually dissipated. Some of the forest areas are being ruined by unscrupulous contractors, whose only interest in the lease is to make as large a profit as possible during its short term. The paper industry asks that mills should be granted long-term leases on reasonable terms, and, in their own interests, they would ensure that the areas are properly developed and conserved to give adequate supplies for the present without jeopardising requirements for the future. Another aspect concerning forest policy which has been brought into prominence during the year, is the question of allocation of raw materials to mills, in the period of expansion of the industry. It cannot, of course, be regarded as true expansion if, in increasing installed capacity, existing units are deprived of their established areas for raw materials, compelled to go further and further afield for their supplies, and thus by virtue of their present sites become uneconomical units. This question has been carefully studied by the Planning Commission, and it is a source of great satisfaction to members that in the Planning Commission Publication (*Programmes of Industrial Development* 1951-56) the industry's point of view has been fully supported. This matter is of such importance to us that I would like to quote the relevant portion:

"'The main problem of the industry is the shortage of raw materials, which was accentuated by the partition of the country, as the factories in West Bengal were deprived of their supplies of bamboo previously obtained from East Bengal. In view of the projects already under implementation and other expansions which are contemplated the demand for the various raw materials is expected to expand considerably. In this connection, it may be stated that a number of units in Bengal and Bihar have to depend on supplies of bamboo from Orissa. It is, therefore, essential to organise adequate supplies of this raw material to the existing factories in the first instance, and later on to the new projected units.'

"If this wise counsel is observed we shall be quite satisfied.

"During May last a serious situation developed concerning supplies of salt cake from the Rajasthan Government. This material is obtainable only from the unique natural deposits in Rajasthan, and without it, the mills' pulp producing plants cannot operate economically. Failure of supplies would therefore be a calamity to the mills. During the previous year, we had experienced acute difficulties, but last year the position deteriorated to such an extent that large-scale dislocation of pulp production appeared imminent. It was evident to the Association that these valuable deposits were not being administered in an efficient manner—at one stage, supplies were erratic due to the comparatively trivial difficulty of the department having no empty bags in which to remove the salt cake. The Association, therefore, represented these serious difficulties to the Government of India, and when the gravity of the situation was realised, considerable and much appreciated assistance was extended by Government officials in organising more efficient arrangements. I am glad to say that for some months past there has been a considerable improvement and regular despatches have been maintained. Our thanks are due to the Government for the assistance given and I hope that this improved supply position will continue as it is necessary for the mills to build up stocks of this material to carry them over the monsoon period when work in the salt pans comes to a standstill.

On the subject of labour matters, over recent months there have been no major stoppages of work at the mills, but the past year has again seen prolonged closures, serious loss of production and wage money among large units of the industry, due to illegal strikes. This has again been the dark spot of the year's working, and, as in the previous year, has been brought about by the workers being misled by certain of their union leaders not employed in the mills. In organised industry, ours is among the foremost in improving the lot of our workers, and all that the large majority of them ask is to be allowed to work in peace. It is a matter of great regret that with present labour legislation largely benefiting the worker, the Government machinery for settling differences is frequently disregarded and illegal strikes resorted to, with serious losses to all concerned.

"In connection with railway matters, whilst at the beginning of the year the industry experienced great difficulties in obtaining adequate rail transport, particularly as regards our seasonal requirements in conveying raw materials to the mills, for the major part of the year there has been a considerable improvement. Wagons have been more readily available, and operational restrictions less. A point which has been particularly noticeable is the more rapid arrival of wagons at destinations which must result in quicker turnround and more economical use of the available wagons. I think great credit is due to the Railway authorities in achieving this gratifying improvement. Unfortunately, we have recently again struck a spell of transport difficulties, apparently of a seasonal nature, which also coincides with the industry's seasonal requirements for raw materials; in particular, one member is experiencing great difficulty in securing wagons especially in the Waltair and Khurda Road Districts of the Eastern Railway for the transport of grass, just at the peak period of their grass season. We shall, therefore, greatly appreciate urgent assistance from the railways in overcoming this latest difficulty.

Future Outlook

"On the subject of the future outlook of the industry, I have referred to some of our difficulties and uncertainties, but on the other hand there are a number of promising features. India can, with pride, regard itself as a pioneer country in developing the manufacture of high class paper from bamboo, and some of the finest pulp and paper-making plant in the world has been, and continues to be, installed in India to process this raw material. Members of this Association have taken a leading part in this development. From time to time we hear reports of the world's diminishing timber forests due to over-exploitation by the wood-pulp industry, and bamboo, with its prolific growth, should place India in a strong position as a paper-making country. The Indian market for paper should expand considerably as educational programmes and the industrialisation of the country develop. With careful husbandry of the forests, therefore, the Indian industry should be able to look forward to a period of expansion and not only fulfil the growing demands of supplies of paper for the nation, but even go further and develop a healthy export trade. Adjacent countries, of course, are also aware of this position, new pulp and paper industries are being built up and the Indian industry therefore needs every encouragement if it is to keep its lead.

"We have maintained our usual friendly relations with the Forest Research Institute at Dehra Dun and also the Indian Paper Mills' Association. During the year, members of both Associations have benefited from our mutual discussions.

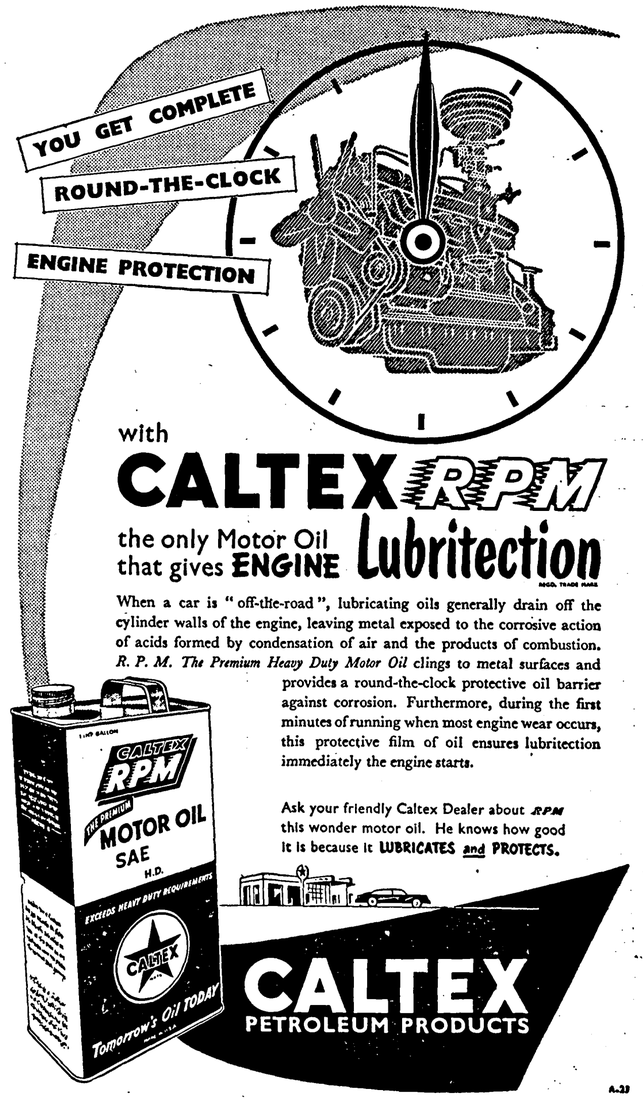
"During the year, I have had the honour of representing your interests on the Industrial Affairs Sub-committee of the Bengal Chamber of Commerce and Industry.

"I should like to tender my sincere thanks for the able assistance and advice I have received from the Vice-Chairman and other members of the Committee. In passing, I should also like to mention that whilst appreciating the great distance and difficulties of travel, attendance of upcountry committee members at least at some of our meetings, is of great assistance in our deliberations.

"I also wish to express my gratitude to the very able Secretaries who have served during the year, Messrs. Nish and Windridge."

New Committee

The Association elected Mr. V. Mehta of Shree Gopal Paper Mills Company, Ltd., as Chairman and Mr. C. I. Turcan of the India Paper Pulp Company, Ltd., as Vice-Chairman for the year 1955-56. The Committee of the Association for the year will consist of Messrs. P. H. Sykes, L. Shuttleworth and P. K. Mehta.



CHLORIDE AND EXIDE BATTERIES (EASTERN) LIMITED—CALCUTTA, BOMBAY, MADRAS

THE ANDHRA BANK, LIMITED

ESTABLISHED : 1923

Head Office: **MASULIPATNAM**

The 31st Report of the Board of Directors to be presented to the Shareholders at the 31st Annual General Meeting to be held at the Registered Office of the Bank, Cantonment Road, Masulipatam, on Sunday the 24th April, 1955.

The Directors have the pleasure to submit to the Shareholders their annual report on the working of the Bank for the year 1954 together with the Balance Sheet as at and Profit and Loss Account for the year ended 31st December, 1954, and the Auditors' Report thereon.

The net Profit of the Bank for the year 1954, including a sum of Rs. 7,142-14-2 brought forward from the previous year's account and after payment of one and a half months' substantive salary amounting to Rs. 55,880-8-9 as bonus to staff, amounted to Rs. 5,43,821-7-0, out of which the following interim appropriations were made.

	Rs.	a.	p.
Interim dividend for the half-year ended 30th June, 1954, at the rate of 7 per cent. per annum free of income-tax, which absorbed	87,500	0	0
Transferred to Statutory Reserve under Section 17 of the Banking Companies Act, 1949	75,000	0	0
The following final appropriations were further made:—			
Transferred to Statutory Reserve under Section 17 of the Banking Companies Act, 1949	35,000	0	0
Transferred to Provision for Taxes	2,30,000	0	0
Your Directors now propose:—			
To pay a final dividend for the half-year ended 31st December, 1954, @ 8 per cent. per annum free of income-tax, making a total of 7½ per cent. per annum for the year 1954, which will absorb	1,00,000	0	0
To carry forward to the next year's account	16,321	7	0
Total .. Rs.	5,43,821	7	0

The official rate of the Reserve Bank of India remained at 3½ per cent. per annum.

The Bank has, during the year, recorded all-round progress.

Three Sub-offices were opened during the year at Bobbili, Tanuku and Vuyyuru (Krishna District).

Messrs. Sri S. R. Y. Sivarama Prasad Bahadur, J. Manikyalarao and P. Sobhanadri are three of the Directors retiring by rotation under Article 94. From the next longest in office, Sri Majety Seshagirirao has volunteered to retire. The retiring Directors are eligible for re-election.

You are requested to appoint Auditors for the current year and fix their remuneration. Messrs. Brahmayya & Co., and Ch. V. Lakshmaiah & Co., the retiring Auditors, offer themselves for re-appointment.

By Order of the Board,
S. R. Y. SIVARAMA PRASAD BAHADUR,
Chairman.

22nd March, 1955.

BALANCE SHEET AS AT 31st DECEMBER, 1954

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL— 1,00,000 Shares of Rs. 100 each				1,00,00,000	0	0
ISSUED CAPITAL— 49,990 Shares of Rs. 100 each for payment in cash	49,99,000	0	0			
10 Shares of Rs. 100 each for consideration other than cash	1,000	0	0	50,00,000	0	0
SUBSCRIBED CAPITAL— 48,990 Shares of Rs. 100 each				48,99,000	0	0
AMOUNT CALLED UP— On 1,010 Shares at Rs. 100 per Share	1,01,000	0	0			
On 47,980 Shares at Rs. 50 per Share	23,99,000	0	0			
	25,00,000	0	0			
LESS—Calls unpaid	Nil					
	25,00,000	0	0			
ADD—Forfeited Shares	Nil			25,00,000	0	0
2. Reserve Fund and Other Reserves—						
Statutory Reserve under Section 17 of the Banking Companies Act, 1949	5,31,000	0	0			
Other Reserves	8,20,000	0	0	13,51,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits (including Cash Certificates and Season Deposits)	3,27,94,843	6	5			
Savings Bank Deposits	1,82,07,215	3	10			
Current Accounts, Contingency Accounts, etc.	1,42,92,171	6	0	6,52,94,230	0	3
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	Nil					
(ii) Outside India	Nil			Nil		
PARTICULARS— (i) Secured by part of investments per contra	Nil					
(ii) Unsecured	Nil			5,75,147	3	9
5. Bills Payable						
6. Bills for Collection Being Bills Receivable as per contra—						
(i) Payable in India	48,03,943	12	0			
(ii) Payable outside India	48,78,093	4	6	96,82,037	1	6
7. Other Liabilities—						
Unclaimed Dividends	52,451	6	9			
Branch Adjustments	19,15,299	1	11			
Rebate on Bills Discounted	21,523	6	9	19,89,273	15	5
8. Acceptances, Endorsements and Other Obligations per contra				13,981	5	4
9. Profit and Loss—						
Profit as per Balance Sheet as at 31st December, 1953	2,59,642	14	2			
LESS—Appropriations— (Rs. a. p.)						
Final Dividend for the half-year ended 31st December, 1953, @ 7 per cent. per annum free of Income-tax (87,500 0 0)						
Provision for Taxes (1,65,000 0 0)	2,52,500	0	0			
	7,142	14	2			
ADD—Profit for the year brought from the Profit and Loss Account	5,36,678	8	10			
	5,43,821	7	0			
LESS— (Rs. a. p.)						
Ad-interim Dividend @ 7 per cent. per annum free of Income-tax (87,500 0 0)						
Transfer to Statutory Reserve under Section 17 of the Banking Companies Act, 1949 (1,10,000 0 0)	1,97,500	0	0	3,46,321	7	0
10. Contingent Liabilities— (Rs. a. p.)						
(1) Claims against the Banking Company not acknowledged as debts	Nil					
(2) Money for which the Banking Company is contingently liable—Uncalled capital on partly paid Shares held as Investments	25,250	0	0			
(3) Arrears of cumulative preference dividends	Nil					
(4) Liability on Bills of Exchange Re-discounted	Nil					
(5) Liability on account of outstanding Forward Exchange Contracts	Nil					
Total .. Rs.				8,17,54,991	1	3

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with Reserve Bank and Imperial Bank				84,25,620	6	0
2. Balances with Other Banks in Current Accounts—						
(i) In India	27,67,802	6	10			
(ii) Outside India	2,19,377	4	6	29,87,179	11	4
3. Money at Call and Short Notice				58,00,000	0	0
4. Investments at Cost—						
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments— (Face Value Rs. a. p.)						
(a) Securities of Central and State Governments (1,87,63,500 0 0)	1,86,68,658	12	8			
(b) Fully paid-up shares of Industrial Finance Corporation of India (1,00,000 0 0)	1,00,000	0	0			
(c) Post Office National Savings Certificates (5,000 0 0)	5,000	0	0			
(ii) Shares—						
(a) Fully paid-up ordinary shares of the Madras Industrial Investment Corporation Ltd. (25,000 0 0)	25,000	0	0			
(b) Fully paid-up ordinary shares of Joint Stock Companies (12,800 0 0)	20,078	4	0			
(c) Partly paid-up ordinary shares of Joint Stock Companies (26,250 0 0)	50,625	0	0			
(iii) Debentures or Bonds	Nil					
(iv) Other Investments	Nil					
(v) Gold	Nil			1,88,69,362	0	3
5. Advances— (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors) (Rs. a. p.)						
1. Loans, Cash Credits, Overdrafts, etc.— (i) In India (2,73,37,114 4 2)						
(ii) Outside India (Nil)	2,73,37,114	4	2			
2. Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India (42,58,804 9 0)						
(ii) Payable outside India (29,293 11 0)	42,88,098	4	0	3,16,25,212	8	2
(Particulars as per separate schedule attached)						
6. Bills Receivable Being Bills for Collection as per contra—						
(i) Payable in India	48,03,943	12	0			
(ii) Payable outside India	48,78,093	4	6	96,82,037	1	6
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				13,981	5	4
8. Premises (Less Depreciation)—						
Cost as per Balance Sheet of 31st December, 1953	87,766	12	4			
LESS—Sales of building materials during the year	222	6	6			
	87,544	6	10			
LESS—Depreciation written off to-date	5,905	8	0	81,638	14	10
9. Furniture and Fixtures (Less Depreciation)—						
Cost as per Balance Sheet of 31st December, 1953	4,17,424	1	11			
Additions (net) during the year	62,629	10	1			
	4,80,053	12	0			
LESS—Depreciation written off to-date	1,53,719	4	6	3,26,334	7	6
10. Other Assets including Silver—						
Sundries (including Income-tax deducted at source, Advance Payment of Income-tax)	6,75,176	6	0			
Stationery on hand at cost	1,67,884	11	7			
Stamps on hand	4,208	8	0			
Accrued Interest on Investments	1,71,751	15	6			
Library at cost	2,653	12	6			
Premises not occupied by the banking company (cost as per Balance Sheet of 31st December, 1953) (Rs. a. p. 1,64,003 9 6)						
Additions (net) during the year (includes new constructions) (2,41,399 10 6)						
	4,05,403 4 0					
LESS—Depreciation written off to-date	5,396 12 0					
	4,00,006 8 0					
11. Non-Banking Assets Acquired in Satisfaction of Claims				14,21,831 12	5	
				21,792 12	6	
Total .. Rs.				8,17,54,991	1	3

Particulars of 'Advances' forming part of the Balance Sheet as at 31st December, 1954

PARTICULARS	Rs.	a.	p.
1. Debts considered good in respect of which the banking company is fully secured	2,63,77,469	2	10
2. Debts considered good for which the banking company holds no other security than the debtors' personal security (The above includes Rs. 43,37,982-8-10 debts for which more than one person is liable.)	45,43,297	15	1
3. Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of debtors	2,05,445	6	2
4. Debts considered doubtful or bad, not provided for	Nil		
5. Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons (fully secured)	6,23,766	13	4
6. Debts due by companies or firms in which the directors of the banking company are interested as directors, partners, or managing agents or, in the case of private companies, as members (Fully secured Rs. 20,30,578 13 4; Secured by personal liability of debtors, etc. Rs. 14,65,624 10 3)	34,96,203	7	7
7. Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons (fully secured)	8,55,804	7	9
8. Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members (Fully secured Rs. 21,95,541 4 10; Secured by personal liability of debtors, etc. Rs. 15,00,174 7 8)	36,95,715	12	1
9. Due from banking companies	2,276	0	0

(Continued on next page)

PROBLEM OF AGRICULTURAL PRICES

SHORT- AND LONG-TERM ASPECTS ELUCIDATED

By R. Dayal

IN a complex question like the stabilisation of agricultural prices, an enunciation of the problem is no less difficult than devising a solution for it. Simple questions, such as what the stability of agricultural prices means and why the stability is desired, seem to have obvious answers, but a fuller discussion of these questions will lead to a better appreciation of the problem and facilitate a solution on proper lines.

Stability means avoidance of fluctuations—three types of fluctuations to which agricultural commodities are subject, namely, short-term changes, medium-term cyclical fluctuations and the long-term trend. The first and foremost question that comes up in the problem of price stabilisation is whether the object is to eliminate only the short-term fluctuations, or also to prevent any long-term downward tendency of the prices. In our country, short-term upward and downward movements in prices may be caused by alternations of rich and poor crops due to climatic changes. To iron out these fluctuations is not a difficult task, because, if we have above-the-average crops for a year or two or even three, there would follow below-the-average crops too. All that is required is some financial resources to buy surplus stocks when climate is favourable and rivers behave well, and to sell them in times of floods and poor rainfall.

These short-term variations are not new in the history of Indian agriculture. Indian agriculture has always been subject to the vagaries of nature. Droughts, floods and plant diseases have been causing temporary fluctuations in crop yields. But stocking operations of the private trade, helped by changes in imports and exports, were able to protect the adequacy of physical supplies against weather hazards, with the result that weather changes did not cause any violent changes in prices. But, in these days of official crop forecasts, public opinion, instead of being divided, tends to be unanimous about the direction in which price movements would take place. Therefore, short-term changes in supply are likely to create, in the absence of a public storage programme, much more marked changes in prices these days than a decade and a half ago.

Implication of Government Support

On the other hand, if Government starts stabilisation purchases, it may leave no inducement for the private trade to continue speculative purchases. And Government may be taking upon itself the responsibility of a task (involving locking up of huge sums of money) which private trade would do as a matter of business. A substantial margin between floor and ceiling prices in the stabilisation programme would leave sufficient inducements for private speculative activity, without permitting wide fluctuations, and Government would be relieved of much of the burden of committing its finances to an unproductive task of commodity purchasing. Stability, therefore, would imply not inflexibility of prices, but avoidance of wide fluctuations.

Over and above these short-term fluctuations, we are likely to be faced with a permanent tendency of the prices to go down as a result of progressively increasing pressure of supply. There is a statistical method—called the method of moving average—to isolate the long-term price trend from short-term fluctuations. A five-yearly moving average of price index of food articles, for instance, is the series of average figures obtained for the quinquenniums 1949-53, 1950-54, 1951-55 and so on. The average index for the period 1949-53 was 390 and that for the period 1950-54 was 384. Though during the years 1949 and 1954, the price index ranged between 410 and 358, the five-yearly moving average shows a decline of only six points. It has isolated short-term fluctuations and denotes only the long-term trend. It is almost certain that, in the absence of corrective measures, agricultural prices will hereafter continue to show a long-term downward tendency due to our agricultural development programmes and the consequent increasing supplies. We have to decide our attitude to this long-term falling trend. Should our price stabilisation programme try to prevent it?

If we decide in favour of stabilising the "trend", then merely a programme of stabilisation purchases will not be enough. A stabilisation programme can be successful only if it involves buying as well as selling, and not buying alone. But, in the face of supplies increasing faster than the demand, a stabilisation programme would involve constantly keeping the price level higher than it would otherwise be, and accumulating, progressively and indefinitely, of surplus agricultural products year after year. Obviously, the long-term falling trend can be checked only by devising measures necessary to control the supply of, and stimulate the demand for, agricultural products.

Effect of Deficit Financing

The Finance Minister has, indeed, taken a big step towards stimulating the demand for farm products. His plan to create a budgetary deficit to the extent of Rs. 340 crores would go a considerable way in augmenting the purchasing power of the people and thus leading to a larger demand for agricultural commodities in common with other articles of consumption. But it would be wrong to be too complacent about the effect of more money incomes on the demand for agricultural products. There are the following limitations:

(1) Increase in money incomes can help agriculture a great deal where it forms only a small part of the total national income. But in India, where agriculture represents 50 per cent. of the national product, only extraordinarily big doses of new money can help. And such big doses may not be advisable on other grounds.

(2) The calorie intake in India may be lower than in advanced countries, but it has to be remembered that the inhabitants of a hot country need not derive so much heat and energy from food as people in cold climates have to do.

(3) Though the expenditure on food is quite elastic, in the sense that, with higher incomes, people would take to costlier foods, yet the consumption of food as a whole is relatively inelastic, in the sense that living people have always derived the minimum nutrition from food.

Thus, while deficit financing would definitely stimulate the demand for agricultural products in the immediate future, a general measure like this may, before long, cease to create much effect on the consumption of food articles, which constitute a major part of agricultural production. It is known that in America, for instance, the annual human consumption of wheat has virtually remained the same (about 490 million bushels) as 40 years ago. Therefore, instead of relying on a general measure, it would be necessary to study the conditions of demand and supply of individual products of agriculture. For instance, a programme for stabilising cotton prices must pay more attention to the creation of more demand by the expansion of textile production. But, in the case of wheat, the possibility of stimulating demand is not so great and it may be necessary to look more to restricting production at some future date.

In any case, it is definite that the long-term falling trend of agricultural prices can be prevented only by equating demand and supply in ways other than making stabilisation purchases. For stabilisation purchases aimed at controlling the long-term trend would mean huge financial losses to Government in addition to the locking of enormous funds permanently. It has also to be borne in mind that, by keeping prices at a higher level than they would otherwise be, stabilisation purchases themselves work against an expansion of demand.

Short-term Fluctuations

If we decide to stabilise short-term fluctuations, leaving the long-term trend alone, then the procedure to be followed would be to base floors and ceilings for each year upon the average of prices of the most recent five years (since we are assuming that a five-yearly moving average will isolate the "trend" from short-term fluctuations). Floors and ceilings fixed by the stabilisation agency would be lower each year than in the preceding year (if other measures to equate demand and supply do not succeed), but market prices may be higher than the mean between the floor and ceiling in one year, and lower in another.

The third type of price fluctuations is the trade cyclical (medium-term) fluctuations. The duration of a trade cycle is generally 10 years. During the years of prosperity, agricultural prices tend to rise faster than other prices, and during depression they tend to fall faster. While the short-term fluctuations in agricultural prices are caused by sudden changes in supply due to weather, the cyclical fluctuations are caused by changes in demand. Measures to control these types of fluctuations are in common with those needed for fighting depressions in general. But, as agricultural prices tend to fluctuate more violently than other prices, efforts are made, particularly in America, to ensure that farm prices are stabilised in relation to the prices of things that farmers buy.

THE ANDHRA BANK, LIMITED—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1954

EXPENDITURE	Rs.	a.	p.	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.				16,09,261	3	6
2. Salaries and Allowances and Provident Fund— (Rs. a. p.)						
(a) Managing Director's Honorarium	7,500	0	0			
(b) General Manager's Salary and Allowances	13,701	10	8			
(c) Others	12,02,376	14	0	12,25,578	8	8
3. Directors' and Local Committee Members' Fees and Allowances				15,925	0	0
4. Rent, Taxes, Insurance, Lighting, etc.				1,07,495	2	2
5. Law Charges				1,758	10	4
6. Postage, Telegrams and Stamps				95,522	7	0
7. Auditors' Fees				6,000	0	0
8. Depreciation on and Repairs to the Banking Company's Property				24,983	6	1
9. Stationery, Printing, Advertisement, etc.				1,09,540	6	9
10. (a) Loss from Sale of or Dealing with Non-banking Assets				Nil		
(b) Loss (net) on Sale of Investments				62,356	8	8
11. Other Expenditure				70,923	8	0
12. Balance of Profit (subject to Taxation)				5,36,678	8	10
Total .. Rs.				38,68,018	6	0

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest and Discount	31,98,287	11	5
2. Commission, Exchange and Brokerage	6,08,960	5	8
3. Rents	3,857	10	0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets. (Not credited to Reserve or any particular Fund or Account)	Nil		
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets. (Not credited to Reserve or any particular Fund or Account)	Nil		
6. Income from Non-banking Assets, and Profit from Sale of or Dealing with such Assets	850	3	3
7. Other Receipts— (Rs. a. p.) Sundry Receipts (54,554 8 1); Share Transfer Fee (523 0 0)	55,062	8	1
Total .. Rs.	38,68,018	6	0

AUDITORS' REPORT.

We have audited the Balance Sheet of the Andhra Bank, Ltd., as on 31st December, 1954, and the Profit and Loss Account for the year ended on that date, as set-forth above, with the books of the Head Office and the certified returns from Branches and Sub-Offices and we beg to report that:—

(a) We have obtained all the information and explanations we have required and such information and explanations have been found to be satisfactory;

(b) the transactions of the Company which have come to our notice have been within the powers of the Company;

(c) the returns received from the Branch Offices of the Company have been found to be adequate for the purpose of our audit;

(d) the Profit and Loss Account shows a true balance of profit for the year ended 31st December, 1954;

(e) the Balance Sheet and Profit and Loss Account are, in our opinion, drawn up in conformity with the Law;

(f) the Balance Sheet exhibits a true and correct view of the state of the Bank's affairs as on that date according to the best of our information and explanations given to us and as shown by the books of the Bank; and

(g) that, in our opinion, the books of account have been kept by the Bank as required by Section 180 of the Indian Companies Act.

MADRAS, 26th March, 1955. BRAHMAYYA & CO.
GUNTUR, 28th March, 1955. CH. V. LAKSHMAIAH & CO.,
} Chartered Accountants.

SEDIMBI RAMACHANDRA RAO,
Chief Accountant.
TUMPUDI RANGANADHA BHAGAVAT,
Deputy General Manager.
KLESVARAPU RAMACHENDRAMURTI,
General Manager.
S. R. Y. SIVARAMA PRASAD BAHADUR,
Chairman, Board of Directors.
J. MANIKYALA RAO,
Deputy Chairman.
TADEPALLY SEEIRAMULU,
Managing Director.

P. SOBHANADRI,
REPAKA SATYANARAYANAMURTY,
K. S. DUTT,
P. PARTHASARADHI,
S. RAMACHAR,
MADDI SUDARSANAM,
DANTU SURYA RAO,
MAJETY SESHAGIRI RAO,
} Directors.

The concept of price parity for agriculture has been devised to that end. It ensures that a given quantity of a farm product should buy the same amount of non-farm articles as it did in a base year. The parity price for a farm product is its average price in the base year, increased by the same proportion as the general index of prices paid by farmers had increased. Assuming that the price of wheat in a base year was Rs. 10 a maund, and the price index of things purchased by farmers has moved from 100 in the base year to 150, then the parity price for wheat would be 10 x 150/100, that is, Rs. 15 a maund.

The parity price concept, devised to counter excessive cyclical fluctuations in agricultural prices, does not imply any rigidity for agricultural prices but only their comparability to non-agricultural prices. This concept can also be used in dealing with short-term fluctuations, preferably by fixing floors and ceilings (as, for instance, between 75 per cent. and 95 per cent. of parity). But the application of the parity concept to control the long-term falling trend would amount to partial stabilisation of the trend. The long-term prices would be allowed to fall, but only to the extent of a decline in the prices of non-farm products. This partial stabilisation would involve the same difficulty of growing accumulation of stocks, though to a reduced extent.

If we decide to stabilise short-term and medium-term fluctuations in terms of "parity," leaving the long-term trend to take its own course, then every year floors and ceilings would have to be based on a lower percentage of parity than in the preceding year (for instance, between 95 per cent. and 100 per cent. in 1954, between 93 per cent. and 98 per cent. of parity in 1955 and so on).

U.S. Experience

In America, it has been realised that it is impossible to stabilise agricultural prices at 96 per cent. of parity. The President has been recommending to Congress an early implementation of the decision to control prices between 75 per cent. and 90 per cent. of parity. In view of the enormous accumulation of stabilisation stocks, it may be unavoidable in subsequent years to let prices go down to even a lower percentage of parity. The same thing is bound to happen in India. Therefore, the concept of parity does not seem to be of much value except as a measure of the terms of trade between farm and non-farm products. It cannot stabilise those terms of trade. The Government of India is at present trying to evolve a parity formula to be used in the stabilisation of prices. For the sake of simplicity, it might be better to leave out this unnecessarily cumbersome concept.

After the above analysis of what price stability means and implies, it is possible now to pass on to the second question about the objectives of price stability. These objectives can possibly be four in all:

(1) To assure a satisfactory standard of living to farmers, which would be adversely affected when prices of farm products fall; (2) to maintain the growth of income in the agricultural sector as a whole, which forms the bulk of the market for industrial goods; (3) to prevent any possible harmful effect of falling agricultural prices on industrial production; and (4) to prevent any possible harmful effect of falling prices on agricultural production.

Who Will Pay?

It is true that an undue decline in agricultural prices, which moves the terms of trade against agriculture, would deprive, to some extent, the agricultural community from sharing adequately in the fruits of the nation's economic progress. The first important question, in this connection, is as to who will have to pay and who will receive the benefit of expenditure involved in the price stabilisation programme. In a country like America, where agriculture accounts for only 9 per cent. of the total working population and even less percentage of the national income, the money spent on stabilisation purchases comes mainly from the non-agricultural classes, and the beneficiaries are the farmers and, to a small extent, the traders. But in India, where agriculture predominates, the money burden of price stabilisation funds, raised by Government through various direct and indirect taxes or deficit finance, ultimately falls, in a large measure, on the consuming population which is preponderantly agriculturist. Thus, farmers will themselves have to pay for the benefits they get.

Moreover, our agriculture consists chiefly of small farm families, who produce too little for sale to benefit appreciably from farm price support, however high. The solution to their income problem lies largely in the expansion of local non-farm employment, or in movement to better opportunities elsewhere. The aim of securing satisfactory levels of incomes to farmers can be achieved only if small farms are replaced by more efficient large-scale farms. This will require both a continuing shift of under-employed farm people into more productive work and a substantial influx of capital into agriculture. The available capital resources must be used for creating new avenues of employment, instead of using them on a price support programme.

While a price support programme would not give any net benefit to the farmers, except the fractional large-scale farmers and rentiers, it would hit hard about 4½ crores of agricultural wage earners including their dependents and an equal number of non-agriculturist rural population. These two sections together form the lowest income group in the country. Any price policy has to keep in mind the interest of these people which lies in cheaper food.

Stabilisation for Short-term Welcome

It may be noted that the above observation relates only to the long-term falling trend. Short-term fluctuations are in nobody's interest. Upward and downward fluctuations round an average do not give any net advantage to consumers or producers of agricultural products. They only create inconvenience for consumers when prices are above the averaged and for producers when prices are below the average. Stabilisation of short-term fluctuations would be welcome to all, but any checking of the long-term falling trend—a costly job—would not, on balance, contribute to the welfare of the rural population.

Next is the objective of ensuring a continuous income growth in the agricultural sector as a whole. The total income of the agricultural sector is a matter of vital importance not only to farmers but to the entire population. The agricultural population provides a major portion of the market for industrial goods. Our industries would face serious problems of marketing, if agricultural income does not expand proportionately with the expansion of industry. In fact, the Great Depression of the 1930's had its origin in the decline in agricultural incomes.

Up to the end of 1953-54, the price fall did not affect the growth in the total agricultural income. The rise in production more than offset the fall in prices. But after that, the trend is not known because figures of agricultural production cannot be known for part of the year. But the price fall has been rapid enough to evoke the fear that the agricultural income has ceased to grow.

In any case, the problem of market for industrial goods would be better solved, if the funds that would be locked in the public storage programme are instead spent on public works like roads, hospitals, rural housing, schools, etc., and on capital construction in the industrial and agricultural fields. That would not only ensure a market for manufactures but also help in withdrawing excessive population from agriculture.

Study and Research Needed

About the effect of falling agricultural prices on industrial production, the matter deserves study and research. But first thoughts suggest that, while sudden and violent movements may lead to uncertainty and suspension of production, an orderly and gradual downward movement may speed up the pace of production instead of retarding it. The various measures, other than stabilisation purchases, that we would be taking to equate the supply and demand of agricultural commodities, would ensure the long-term downward movement of prices to be step by step and not a dashing one. Then, all that is required is that short-term fluctuations, which often are abrupt and violent, should be prevented.

Lastly, so far as the effect of falling prices on agricultural production is concerned, the general belief that they adversely affect production, seems to be unfounded. Farmers do not cut down the margin of production in times of falling prices, because there is almost a proportionate and concurrent fall in the farmer's costs too. So long as there is labour superfluity in agriculture and costly machinery is not used, the equilibrium between marginal revenue and marginal cost will not be disturbed as a result of falling prices.

While the long-term falling trend will not affect agricultural production, short-term fluctuations may disturb balanced production. High price of a particular commodity relatively to others tends to induce an excessive expansion of output of that commodity, which results later in an unduly low price that in turn brings about over-contraction. In such a quick diversion of land from and to a particular commodity, the farmer's order of rotation is upset and land has to be kept fallow for a longer time. The conclusion can, therefore, be drawn that short-term fluctuations may have deleterious effect on production, while the long-term falling trend will not.—*All Rights Reserved.*

The Government of India is reported to have agreed to advance about Rs. 12 crores to the Governments of the principal wheat-growing States for the purchase of wheat on the Central Government's account in case the prices tended to decline to the uneconomic level. The measures already taken by the Government for the stabilisation of wheat prices at reasonable level include: (1) withdrawal of zonal restrictions, allowing the demands of important deficit pockets, like Calcutta and Bombay, to operate on the internal markets; (2) banning of import of wheat by flour mills from abroad for the time being; and (3) permission to flour mills in Bombay and Calcutta to purchase about 200,000 tons of wheat from the internal markets to cover their requirements for three months.

OUTLINES OF TAX POLICY

(Concluded from page 727)

But does the present income-tax in its structure and level depress incentive to save and invest? The Commission has made a broad estimate of the growth of capital formation. But whether and, if so, to what extent income-tax has affected incentive during the last few years is an exceedingly difficult issue and still remains a matter of general impression. "The disincentive effect of higher taxation," says the Commission, "on the will to work on the part of the higher-income groups is generally exaggerated." It may, perhaps, be argued from this that there is still some scope for further adjustment of income-tax for realisation of greater distributive justice. The Commission then proceeds to say that the tax system should not be strained to a limit which will endanger the productive system of the country or impair the possibilities of its expansion by affecting savings and investment in the private sector.

The tax system should be such as to promote conditions for rapid production and development. The Commission considers that the achievement of increased investment on public and private accounts represents the crux of the tax with which they are charged. Anyone who accepts the planned development programme and the role assigned to the private sector in this programme must necessarily agree that the tax system should be so designed as to assist incentive for saving, enterprise and investment. The Commission has paid special attention to this problem by suggesting appropriate incentives in the income-tax system. Promotion of such incentives is essential and imperative, and the suggestions are valuable. But this does not prove or suggest that the existing income-tax has militated against incentives. It is one thing to create special incentives and another thing to remove existing disincentives. Provision of concessions to promote rapid development is necessary; but that does not show that the existing tax has been baneful in its effects.

Since about the end of the war, special measures have been adopted in different countries providing concessions in the tax system for promoting production. On the model of the provisions made in the United Kingdom in 1944, special initial depreciation and exemption of current expenditure on research were provided in the system of our income-tax in 1946. Since then, further steps have been taken on those lines. The Taxation Commission has made several recommendations to provide incentive for developing productive enterprise. It has suggested tax concessions to encourage industrial production. Certain selected industries should be granted a "development rebate" by being allowed to charge to revenue 25 per cent. of the cost of new fixed assets. All new concerns in certain selected industries should be allowed a "tax holiday" for six years from the year when production begins. All these are advances on the lines initiated in 1946. Such reliefs and concessions are essential for an economy wedded to rapid development programme, where private initiative and enterprise are to play a substantial role. The Commission has examined the tax policy on the basis of this programme and structure. Special tax concessions for encouraging private effort and investment are essential in such a set-up and other objectives of tax policy, therefore, receive secondary consideration.—*All Rights Reserved.*

THE BANK OF RAJASTHAN LIMITED

Head Office :—Udaipur *Central Office :*—Jaipur

BALANCE SHEET AS AT 31st DECEMBER, 1954.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED—		
20,000 Shares of Rs. 100 each..	20,00,000 0 0	
ISSUED—		
20,000 Shares of Rs. 100 each..	20,00,000 0 0	
SUBSCRIBED—		
18,182 Shares of Rs. 100 each..	18,18,200 0 0	
CALLED AND PAID-UP CAPITAL—		
300 Shares of Rs. 100 each fully paid up	30,000 0 0	
17,882 Shares of Rs. 100 each Rs. 50 per Share called up	8,94,100 0 0	
	9,24,100 0 0	
LESS—Calls unpaid	1,275 0 0	
	9,22,825 0 0	
ADD—Forfeited Shares	Nil	9,22,825 0 0
2. Reserve Fund and Other Reserves—		
Reserve Fund	3,25,000 0 0	
Investment Reserve	1,75,000 0 0	
Provision for bad debts .. Rs. 5,500 0 0		
LESS—Doubtful debts not shown on the contra .. 2,825 15 9		
	2,674 0 8	5,02,674 0 8
3. Deposits and Other Accounts—		
Fixed Deposits	78,57,407 10 7	
Savings Bank Deposits	42,49,571 4 5	
Current Accounts, Contingency (Unadjusted)	84,21,374 2 8	
Staff Security Deposits	50,700 5 0	2,05,79,053 8 8
4. Borrowings from Other Banking Companies, Agents, etc.—		
(a) In India	Nil	
(b) Outside India..	Nil	
PARTICULARS—		
(a) Secured	Nil	
(b) Unsecured	Nil	Nil
5. Bills Payable		5,85,905 8 6
6. Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	8,23,906 4 8	
(ii) Payable outside India	52,636 2 0	8,76,542 6 8
7. Other Liabilities—		
(a) Unpaid Dividends	2,690 15 6	
(b) *Sundry Creditors*	8,219 13 2	
(c) Currency Notes received for collection	100 0 0	
(d) *Branch adjustments*..	2,55,738 13 4	2,66,749 10 0
8. Acceptances, Endorsements and Other Obligations as per contra..		1,36,000 0 0
9. Profit and Loss—		
Balance of last year's profit after appropriation	34,091 7 1	
LESS—Dividend for 1953	32,017 13 8	
	2,073 9 10	
ADD—Profit for the year brought from Profit and Loss Account	1,13,506 15 10	
	1,15,579 9 8	
LESS—Appropriations— Rs. a. p.		
Reserve Fund .. 24,472 9 8		
Provision for Income-tax .. 58,137 0 4		
	82,630 2 10	32,949 6 10
10. Contingent Liabilities— Rs. a. p.		
Claims against the Banking Company not acknowledged as debts .. 821 9 0		
Grand Total .. Rs.		2,30,02,859 8 11

ASSETS AND PROPERTY	Rs. a. p.	Rs. a. p.
1. Cash—		
(i) In hand and with Reserve Bank of India and Imperial Bank of India	53,47,772 12 1½	
(ii) Cash in transit	50,000 0 0	
(iii) Currency Notes sent for exchange	210 0 0	53,97,982 12 1½
2. Balances with Other Banks in Current Account—		
(i) In India	7,53,012 3 5	
(ii) Outside India	Nil	7,53,012 3 5
3. Money at Call and Short Notice		25,00,000 0 0
4. Investments—		
(i) Securities of Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments of the face value of Rs. 79,51,400, market value Rs. 77,72,645-14-0 .. *NOTE—Full provision for the difference between the market value and the cost of the investment has been made as per contra.*	79,18,274 4 0	
(ii) Shares	Nil	
(iii) Debentures or bonds	Nil	
(iv) Other Investments ..	Nil	
(v) *Gold* ..	27,463 4 5	79,45,737 8
5. Advances (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
(i) Loans, Cash Credits, Overdrafts—		
(a) In India	42,37,561 8 5½	
(b) Outside India..	Nil	
(ii) Bill discounted and purchased (excluding Treasury *Bills of the Central and State Governments*)— (Only demand bills purchased in course of collection)		
(a) Payable in India	15,09,213 8 6	
(b) Payable outside India	Nil	58,36,775 0 11½
(Particulars as per separate Schedule attached.)		
6. Bills Receivable being *Bills for Collection* as per contra—		
(i) Payable in India	8,23,906 4 8	
(ii) Payable outside India	52,636 2 0	8,76,542 6 8
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		1,36,000 0 0
8. Premises, Less Depreciation—		
Total cost as on 31st December, 1953 ..	12,790 5 9	
ADD—Additions during the year	44,827 0 0	
	57,617 5 9	
LESS— Rs. a. p.		
Depreciation as per last Balance Sheet. 3,977 0 0		
Depreciation during the year .. 1,293 4 0		
	5,270 4 0	52,347 1 9
9. *Furniture and Fixtures*—		
As per last Balance Sheet	2,03,521 12 2	
Additions during the year	8,189 1 9	
	2,11,480 13 11	
LESS— Rs. a. p.		
Depreciation as per last Balance Sheet. 65,106 9 0		
Depreciation this year .. 14,847 14 5		
	79,954 7 5	1,31,526 6 6
10. Other Assets—		
(i) *Silver*	7,109 10 8	
(ii) Sundry Debtors	12,517 7 0	
(iii) *Prepaid* Insurance	3,935 11 4	
(iv) Stationery in Stock	40,754 5 8	
(v) Stamps	7 0 0	
(vi) Indian Income-tax deducted at source	55,860 8 0	
(vii) Interest accrued on Call Money, Investment and Government of Rajasthan account	91,596 0 0	
	2,11,750 10 0	
Library—as per last Balance Sheet .. Rs. 6,970 15 8		
Additions during the year .. 397 9 9		
7,368 9 0		
LESS—		
Depreciation as per last Balance Sheet .. 2,189 11 5		
Depreciation this year .. 709 11 9		
2,899 7 2		
	4,469 1 10	
Conveyance (Motor Cars and Tongas). Rs. a. p.		
As per last Balance Sheet .. 22,954 12 3		
Less written off during the year .. 276 12 0		
22,678 0 3		
LESS— Rs. a. p.		
Depreciation as per last Balance Sheet .. 12,282 10 6		
Depreciation during the year .. 3,477 0 6		
15,759 11 0		
	6,916 5 3	2,23,136 1 1
11. *Non-Banking Assets Acquired in Satisfaction of Claims* ..		Nil
Grand Total .. Rs.		2,30,02,859 8 11

Schedule of Particulars required by the Banking Companies Act, X of 1949, attached to and forming part of the Balance Sheet as at 31st December, 1954.

PARTICULARS OF ADVANCES	Bills discounted & purchased	Loans, Advances, cash credits & overdrafts	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
(i) Debts considered good in respect of which the Bank is fully secured	12,49,797 15 8	40,58,163 9 7	53,07,961 8 10
(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	2,43,056 7 9	13,297 1 0	2,56,353 8 9
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors—			
(a) Debts guaranteed by the Government of Rajasthan	Nil	1,63,837 6 1½	1,63,837 6 1½
(b) Others	1,06,359 1 6	2,263 7 9	1,08,622 9 3
(iv) Debts considered doubtful or bad, not provided for	Nil	Nil	Nil
	15,99,213 8 6	42,37,561 8 5½	58,36,775 0 11½

	Rs. a. p.	Rs. a. p.	Rs. a. p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	Nil	Nil
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, partners or Managing Agents or in case of private companies, as members	1,35,196 0 0	1,09,627 13 3	2,44,823 13 3
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	940 1 0	940 1 0
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Companies are interested as Directors, Partners or Managing Agents or in case of private companies as members	45,063 8 0	2,66,849 0 9	3,12,912 8 9
(ix) Due from Banking Companies	Nil	Nil	Nil

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1954.

EXPENDITURE	Rs. a. p.	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.		3,41,564 13 6
2. Salaries, Allowances and Provident Fund— Rs. a. p.		
General Manager .. 11,752 8 0		
Other Staff .. 3,32,546 2 8		3,44,298 10 8
3. Directors' and Local Committee Members' fees and allowances		768 0 0
4. Rent, Taxes, Insurance, Lighting, etc.		39,021 2 6
5. Law Charges ..		2,518 8 0
6. Postage, Telegrams and Stamps		42,127 4 0
7. Auditors' Fees and Allowances		4,104 8 0
8. Depreciation on and Repairs to the Banking Company's Property (Safes, Furniture, Fixture, Conveyance and *Library, etc.*)		20,327 14 8
9. Stationery, Printing, Advertisement, Subscription to Newspapers and Uniforms for Servants, etc.		32,906 4 11
10. Loss from sale or dealing with Non-Banking assets		Nil
11. Other Expenditure— Rs. a. p.		
(i) Remittance charges .. 16,513 5 3		
(ii) Travelling extensos and Conveyance charges .. 10,670 3 0		
(iii) Other Miscellaneous Expenses .. 10,460 1 9		43,643 10 0
12. Balance of Profit (subject to Income Tax)		1,13,505 15 10
Total .. Rs.		9,95,354 12 8

INCOME	Rs. a. p.
1. Interest and Discount	8,30,729 10 4
2. Commission, Exchange and Brokerage	2,75,131 7 4
3. Rents ..	Nil
4. Net Profit on sale of Investments, Gold and Silver, Land, Premises and other assets.	Nil
5. Net Profit on revaluation of Investments, Gold and Silver, Land, Premises and other assets	Nil
6. Income from Non-Banking Assets and Profit from sale of or dealing with such assets.	Nil
7. Other Receipts	89,493 11 0
Total .. Rs.	9,95,354 12 8

AUDITORS' REPORT.

We beg to report that we have audited the Balance Sheet of the Bank of Rajasthan Ltd., Udaipur as at 31st December 1954 and the relative Profit and Loss Account of the Bank for the year ended on that date as above set forth with Books and Accounts of Udaipur and Jaipur offices and Returns of Branches and Pay Offices and report that—

(a) We have obtained all the information and explanations we have required and the same were satisfactory.
(b) In our opinion, the above Balance Sheet and Profit and Loss Account are drawn up in conformity with the law.
(c) Such Balance Sheet exhibits a true and correct view of the state of affairs according to the best of our information and explanations given to us and as shown by the books of the Bank. Also such Profit and Loss Account shows a true balance of Profit for the Year.
(d) In our opinion, Books of accounts have been kept by the Bank as required by Section 130 of the Indian Companies Act.
(e) All the transactions which came to our notice were within the powers of the Bank.
(f) The Returns received from Branches for the year ended 31st December, 1954 were duly audited by Chartered Accountants.

JAIPUR, 12th March, 1955.

B. D. GARGIEYA & CO.,
Chartered Accountants and Auditors, Beawar.

HARISINGH, Chairman.
AMAR SINGH,
G. S. PUROHIT,
D. L. MANSINGHKA } Directors.
पूसालाल मानसिंहका

D. L. GUPTA,
Ex-Officio Director and General Manager.

ANNUAL MEETING OF INDIAN BANK LIMITED

MR. K. BALASUBRAMANIA IYER'S SPEECH

GOVERNMENT'S POLICY NOT CONDUCIVE TO GROWTH OF SAVINGS AND INVESTMENTS

THE view that banks would have to play a very vital part in future for the supply of the working capital and the proper functioning of the private sector was expressed by Mr. K. Balasubramania Iyer, in the course of his address to the shareholders of the Indian Bank Ltd. at their Forty-eighth Annual General Meeting held in Madras on 9th April, 1955. While commending the various measures taken by the Government for helping banks to function effectively in this direction, the Chairman regretted that the policy of the Government in other respects had not been conducive to growth of individual savings and deposits in banks, as also investments in general. In this connection, he commented on the recent income-tax proposals and the proposed amendments to Article 31 of the Constitution.

The following is the full text of Mr. K. Balasubramania Iyer's speech:

"GENTLEMEN,

"I am very grateful to the shareholders of the Indian Bank, Ltd., for the great honour they have done me by electing me as Chairman of today's meeting.

"Gentlemen, we are living in an era of planning. The year 1954 marks the final stage of the first Five-year Plan and the second Five-year Plan is in the making now. While the first Five-year Plan emphasised the construction and development of large irrigation works, electricity schemes and agricultural improvement, the second Five-year Plan, according to the Prime Minister who is the spokesman of the Union Government, emphasised the concentration on the establishment of heavy industries and the development of transport facilities. This plan envisages a total outlay of Rs. 2,000 crores, of which nearly 65 per cent. is scheduled to be in heavy industries, which will augment the capital-base of the economy. The second Five-year Plan also recognises the need for the efficient functioning of private industry and for the co-operation of the private sector with the public sector. The total investment necessary in the private sector has been estimated by the Planning Commission to be Rs. 613 crores, of which investment in working capital will be Rs. 150 crores. For the supply of the working capital and the proper functioning of the private sector, banks will have to play a very vital part in future. In regard to the public sector also, banks will have to co-operate to a great extent with the Government and other public bodies.

"Fully appreciating the necessity for the encouragement of the sound functioning of banks, the Reserve Bank of India has taken various measures to ensure that the pattern of bank credit conforms to the general economic policy and to the needs of the situation in the country.

Bill Market Scheme

"The bill market scheme, introduced in 1952 to facilitate banks to meet the seasonal demand for funds, has now become a permanent feature of the credit system of the country. Advances under this scheme were granted at half per cent. below the Bank rate. The scope of the bill market scheme has recently been extended to be made available to all the Scheduled banks with deposits of Rs. 1 crore or over and it has been further decided now to extend the scheme to all Scheduled banks in possession of licence irrespective of the size of their deposits.

"The most important step taken by the Reserve Bank of India was the appointment in October, 1953, in consultation with the Government of India, of a committee under the chairmanship of Shri A. D. Shroff to examine how increased finance should be made available to the private sector through sources other than those which are under the consideration of the Taxation Enquiry Commission. The Committee was in particular asked to examine the possibility of providing bank finances for development purposes on a larger scale. The Committee has finished its labours and has submitted a very valuable report. Our State was represented therein by Shri S. Anantharamakrishnan, member, Local Board, Reserve Bank of India, Madras.

"There is also the proposal for the setting up of two Development and Finance Corporations. One sponsored by the Government, with a view to helping private enterprise. The other Corporation has been sponsored by private industries in India, the United States and the United Kingdom and is assisted by loans from the Government of India and the World Bank.

Government Policy Will Not Help Savings

"While the necessity for giving facilities to banks has been recognised by the Reserve Bank and the Shroff Committee has also recommended various measures for helping banks to function effectively in contributing to the working capital of all private industries, we have to note with great regret that the policy of the Union Government in other respects has not been conducive to the encouragement of savings by individuals and of the increase of deposits and of investments in banks. The recent income-tax proposals will largely affect the middle class incomes, not to speak of the richer classes. The introduction of the intermediate personal slabs, the lowering of the super tax level, slashing of the earned income allowance and the reduction of the entertainment allowances will all affect the incentive of the middling and top executives of the business world.

"The proposed amendments to Article 31 of the Indian Constitution in respect of the deprivation of the right to property and of the compensation payable to persons, whose rights to property are affected and the drastic changes introduced by the Select Committee making compensation not justiciable and including industrial and agricultural property also within the scope of the amendment, have produced panic among all property-holders and investors. They certainly tend to make the right to property guaranteed by the Constitution illusory. The wisdom of this step is to be seriously doubted at a time when our country has not yet solved the problems of production of absolute self-sufficiency in food and other cereals and of the raising of the standard of living and the increase in the national income. It is sure to produce disastrous effects on the general economy of the country. While it may satisfy the advocates of the ideologies bordering on communism, it is certainly not helpful for the practical realisation of our objective of the establishment of a Welfare State here. At any rate, it will have a deleterious effect on the deposits in banks and on investments in general. As the Scheduled and non-Scheduled banks in the country are at present the main source of supply of credit to the organised trade and industry in our country, it will seriously affect their progress also.

Nationalisation of Imperial Bank

"There is also the proposal for the nationalisation of the Imperial Bank of India and other State banks. The shareholders of the Imperial Bank of India are not in favour of such a step. When this question is viewed calmly, we are bound to come to the conclusion that it is certainly not at all desirable so far as the efficient functioning of the banking system in our country is concerned. It is also to be noted that there has been a marked decline in the prices of agricultural produce all over the country.

"There are at present, according to the figures of the Reserve Bank, 504 commercial banks working in our country, out of which 50 banks have deposits over Rs. 1 crore. The banks that have deposits over Rs. 20 crores are only eleven. We are happy and proud to note that our Bank is one of the eleven.

"The Rural Banking Enquiry Committee established by Government has recommended that the number of branches of the Imperial Bank of India should be increased and that these branches should progressively take over the cash work of the treasuries and run currency chests. Following this tendency of the Imperial Bank of India, other commercial banks also have tried to increase their branches. Our Bank also during the year opened branches at two places in the city and at six places in the districts.

"While the increase of branches may be helpful in the spread of the banking system and in the development of the banking mind among our people, the strain that it involves upon the management of banks is very great. The efficiency of periodical inspection has to be ensured and trained personnel have to be recruited to be in charge of these branches. The cost of establishment is bound to increase. The staff has to be organised on a high level for smooth and intelligent co-operation between the branches and the head office.

"Every banking institution consists of five sectors—viz., the shareholders, the depositors, the Directors, the staff and the constituents. When all the five sectors work efficiently, smoothly and soundly, the banking institution progresses very satisfactorily. I may, generally state, with a legitimate sense of satisfaction that all the five sectors in our Bank are sound.

Bank Disputes Must End

"But in regard to the staff, I have to make a few observations. As regards the clerical and subordinate staff, the All-India Industrial Tribunal (Bank Disputes), which was presided over by Shri S. Panchapagesa Sastri of blessed memory, gave its award in March, 1953. There was an appeal from the Award by the employees and the Appellate Tribunal gave its decision in April, 1954. By that decision the financial burden upon banks increased. On the representations made by the banks to the Central Government that the burden imposed by the decision of the Labour Appellate Tribunal was heavy, the Central Government modified the decisions of the Labour Appellate Tribunal and restored the scales of dearness allowances as laid down in the Sastry Award, subject to adjustments and also to the condition that no employee shall receive less total emoluments than were received by him in March, 1954. This did not satisfy the employees and the All-India Bank Employees' Union decided to observe a token strike throughout India and further threatened an All-India strike on 10th December, 1954. The Central Government thereupon appointed an enquiry commission with Justice Rajadhyaksha as Chairman to enquire into the whole matter. As a result of this, the threatened strike of the employees did not materialise. Unfortunately, Justice Rajadhyaksha died in February and the Government have appointed Justice Gajendragadkar in his place to conduct and finish the enquiry. We hope that the enquiry would be finished soon this year.

"These disputes between banks and their employees have dragged on for the past several years and no final decision satisfactory to both the parties has been arrived at. For the smooth and sound working of banks, it is absolutely necessary that these disputes should no longer exist and that the managements of banks should be allowed to use their time and labour to increase the efficiency and progress of banks. The establishment expenses consequent on these disputes and on these tentative decisions have been increasing and the net profit is also affected on that account.

"In spite of these unsatisfactory features, we note with a sense of satisfaction that, on the whole, our staff has been working loyally and rendering good service.

Satisfactory Progress

"I now refer a little in detail to the balance sheet which all of you would have, I take it, perused carefully by this time. You will be gratified to note that the Bank's progress in the year 1954 has been very satisfactory. At the foot of the balance-sheet you will find Rs. 31 crores and odd representing an increase of Rs. 3 crores, 90 lakhs and odd over the figure of Rs. 27 crores and 20 lakhs and odd last year. This is clearly a general indication of the expansion of the Bank's business in the year. If you take the gross profit of the Bank for the year, it shows an increase of nearly Rs. 8 lakhs over the gross profit of last year. But there has not been a corresponding increase in the net profit. While the gross income has risen from Rs. 83.32 lakhs in 1950 to Rs. 122.67 lakhs in 1954, the net profit has gone down from Rs. 15.62 lakhs to Rs. 13.94 lakhs. The reason is that the expenditure on the heads of 'interest on deposits' and on 'salaries and allowances etc.,' have absorbed a greater amount than last year, the increase being Rs. 7,60,000.

"While I am on the subject of 'interest on deposits' I may be permitted to state that it will be a very healthy convention to have an understanding among the leading banks as regards the rate of interest to be paid on deposits. At present, there is an unhealthy competition in our State among big banks as regards this.

"So far as the deposits are concerned, there is a marked increase by Rs. 3 crores during the year. Acceptances, endorsements and other obligations have shown an increase of over Rs. 50 lakhs over the figures of last year. This is mainly due to the fact that the foreign exchange business in our Bank has improved. It is now three years since the Foreign Exchange Department was organised by the head office of the Bank in Madras. The Bank has obtained more considerable business in Bombay, particularly in the import of dollars, cotton and metals. It is hoped that the figures for 1955 will be more satisfactory.

"For the improvement of foreign exchange business it is necessary that very qualified and trusted agents will have to be employed in distant branches like Bombay and the branches in Malaya. With a view to giving training to the members of the staff in foreign exchange business, we secured the services of Mr. S. C. Prior of the Westminster Bank Ltd., London, and also sent six members of the staff to England for training and all the six have returned after undergoing training there. The improvement in foreign exchange business is also reflected by the rise in the contingent liabilities on forward exchange contracts.

Investments Up

"The liquid resources of the Bank representing cash on hand, balances with other banks, money at call and at short notice, investment on bills discounted and purchased represents 63 per cent. of the total deposits of the Bank. The investments have gone up by Rs. 16 lakhs and this is to be accounted by the fact of the larger holdings of gilt-edged securities at Rs. 9.49 crores.

"As regards depreciation on securities, it stands now at Rs. 60 lakhs, as against Rs. 63.63 lakhs last year. The investments in securities are mostly short-dated. The securities maturing within five years amount to Rs. 3.81 crores. The securities maturing within five to ten years amount to Rs. 3,00,25,000. The securities maturing in 10 and 15 years amount to Rs. 2.24 crores. Thus, more than a third of the securities mature within the next five years and three fourths of the securities fall due for payment within ten years. The difference in the face value and the book value in the securities of Rs. 12.72 lakhs has been met by the provision of Rs. 9.50 lakhs in the sinking fund and Rs. 9 lakhs in the non-statutory reserve fund. There is no reason to feel any concern about the depreciation in the market value of the securities, when we consider the fact that major portion of the securities are terminable and redeemable within a period of five to ten years.

"The advances show an increase of Rs. 1,75,00,000 over the amount of the previous year, though the entire increase in deposit of Rs. 3 crores has not been fully utilised.

"The amount of bills for collection also shows an increase of Rs. 28 lakhs over that of last year. The book value of the premises of the Bank stands at Rs. 2.99 lakhs, whereas the market value will be somewhere about Rs. 8 lakhs. The reserve fund, together with the recommendation of Rs. 1 lakh for the appropriation to the reserve fund this year, will amount to Rs. 59 lakhs, while the paid-up capital is Rs. 57.80 lakhs. Though in 1954 no call was made on the partly paid-up shares, it is proposed to make a call of Rs. 5 on the partly paid-up shares this year.

Increased Taxes

"It is to be noted that taxation has eaten far more sharply into the profits of the year than was the case in 1953. We are making a provision of Rs. 5,75,000 for taxes.

"So far as the Directorate is concerned, we had to accept with great regret the resignation in February of Mr. M. A. Chidambaram Chettiar who, we are glad to say is now elected as the Mayor of Madras and in his place we have co-opted Sri M. A. M. Muthiah Chettiar, Kumara Raja of Chettinad. The Board of Directors have already recorded their great appreciation of the services rendered by Mr. M. A. Chidambaram Chettiar to the Bank for the period of eight years during which he was associated with the Bank as a Director.

"It now remains for me to express our thanks to the Secretary and other members of the staff for their energetic work and for their devotion to the best interests of the Bank. We should also express our thanks to the members of the Local Advisory Boards who have assisted the various branches of our Bank by their sound advice. We have always been careful in scrutinising the work of overseas branches of the Bank in Colombo and Malaya. On the whole, we are satisfied that the general progress is maintained. We have to make much greater progress in future.

"This Bank was started in August, 1907, and embodied a bold and far-reaching effort in indigenous banking by our people and we are happy to feel that we will be celebrating our golden jubilee in two years with great enthusiasm and joy."

Messrs. Kumara Rajah M. A. M. Muthiah Chettiar of Chettinad, R. K. Venkatachalam, R. Sundaram Iyer and Rao Bahadur M. R. M. S. Periannan Chettiar were re-elected Directors of the Bank.

Messrs. B. Purushottam & Co., Messrs. Sundaram & Srinivasan, Messrs. V. Soundararajan & Co., and Messrs. Brahmayya & Co., were elected Auditors of the Bank for the year 1955.

FAMILY INCOMES IN U.S. RISE

More than 40 per cent. of the families in the United States have an income over $5,000 a year, and 55 per cent. have an income of $4,000 or more. Of the total family income of $272,000 million before taxes, almost $85,900 million goes to families with incomes under $5,000, about $117,000 million to families with incomes between $5,000 and $10,000, and the remaining $70,000 million to those with incomes over $10,000. In most years since 1945, there has been a broad increase in incomes which reflected both the rise in real income and the general rise in prices.

Since 1947, total family income has increased by almost 50 per cent., while the average income per family rose by about 30 per cent. as the number of families has increased by six million.

The number of families with incomes over $10,000 now stands at 3,800,000—double the number in 1947. Real purchasing power has increased substantially from 1947 to the present time. Real income—income adjusted for price changes—has risen one-quarter since 1947.

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Subscribed Capital	,,	5,76,66,125
Paid-up Capital	,,	3,14,54,250
Reserve Fund and other Reserves	,,	4,00,55,696
Deposits as at 31-12-1954	Rs.	1,24,21,26,680

DIRECTORS:
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Dinshaw D. Romer, Esq.
Dharamsey Mulraj Khatau, Esq.
Cooverji Hormusji Bhabha, Esq.
Manmohandas Madhavdas Amersey, Esq.
C. P. Wadia, Esq.
Chimanlal Bapalal Parikh, Esq.
Framroze J. Gazdar, Esq.
H. C. Captain, Esq. (*Managing Director*).

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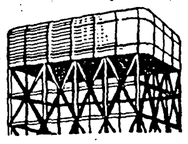

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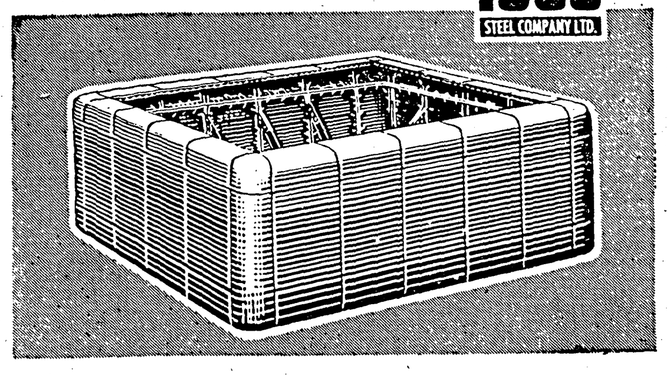

PROMOTION OF TRADE IN ASIA AND FAR EAST

MULTILATERAL AGREEMENTS PREFERRED

A WIDE range of problems relating to the development of industry and trade in the underdeveloped regions of Asia and the Far East was discussed at the seventh session of the E.C.A.F.E.'s (Economic Commission for Asia and the Far East) Committee on Industry and Trade, which was held in Tokyo from 15th to 24th March. The general consensus of opinion of the 150 delegates, who attended the Conference, was that foreign trade should be conducted as far as possible on a multilateral basis. They, however, conceded that countries might resort to bilateral agreements as temporary expedients whenever they were faced with foreign exchange difficulties or problems of export marketing. India's delegate was outspoken in expressing his country's faith in multilateral trade agreements and in holding bilateral agreements as "not serving the interests of Asian countries."

Anxiety was expressed, especially by Burma, over the possible adverse effects of an indiscriminate disposal of farm surpluses by advanced countries on the trade of the E.C.A.F.E. region. It is noteworthy that, in his reply, the U.S. delegate reaffirmed his Government's interest in an orderly liquidation of stocks. He gave the assurance that the U.S. would not dump any surpluses on world markets and that it had no desire to "undermine the position of its friends." This is no doubt an encouraging statement. But it remains to be seen how far the U.S. will be able to dispose of its burdensome surpluses without disrupting world markets.

Restrictions on trade with Communist China, and especially the American policy towards that country, were denounced by the Soviet representative in a statement in which he referred to "acts of piracy" directed against maritime shipping. This "most unwarranted and intemperate attack" was repudiated by the U.S. and some other delegates. It was pointed out that the trade restrictions objected to had been put into effect in support of a United Nations resolution against a "branded aggressor." India suggested that the trade of the countries of the E.C.A.F.E. region with China should be normalised and this question be considered from the point of view of trade, and not of politics. Burma and Indonesia supported this view.

Trade Consultations

Divergent views were expressed by the delegates on the question of conducting trade consultations between Asian and European countries. It was proposed that the E.C.A.F.E. should facilitate consultation on lines similar to those arranged in Europe by the European Economic Commission. These consultations, which would, if agreed upon, take place between countries participating in the work of the two Commissions, provide for bilateral negotiations against a multilateral setting. Several delegates, including those of India, Indonesia, Burma, France and the U.S.S.R. favoured trade consultations as proposed. They felt that such a technique might open new channels and improve and diversify trade by providing to the countries of the region more detailed knowledge of supply and market possibilities. The U.S. and some others felt that the proposal had better be considered by the Commission, rather than by the Committee and that it should be the subject of careful examination. It was also observed that, as conditions between the E.C.E. and the E.C.A.F.E. regions differed, techniques adopted in the former might not be suitable to the E.C.A.F.E. region.

The Committee endorsed the findings of an expert group, which met last year, that a regional payments union would have only a limited scope. In view of the constantly changing trade conditions, it was considered that the question be kept under review by the Secretariat, in consultation with the International Monetary Fund. The Committee agreed also with another E.C.A.F.E. expert report which had arrived at the conclusion that a budget deficit was not necessarily desirable in itself and that it might prove a valuable instrument of economic progress only under certain conditions and if it were of a moderate size. The Committee underlined the warning that a policy of deficit financing, if adopted, should be pursued with extreme caution. It is noteworthy that the Soviet delegate abstained from adopting this part of the report, as he felt that deficit financing might lead to a lowering of living standards.

The Committee discussed the issues relating to the use of electric power. It emphasised the need for using electricity for the manufacture of chemical fertilisers and considered that electricity in rural areas should be used in the first place for the development of irrigation and cottage industries rather than for domestic purposes. The delegates felt that an assessment of the hydro-electric resources of the region was one of the major tasks to be performed and they urged that appropriate standards for electrical plant and equipment be considered in the different countries. Support was given to the proposal for a visit of Asian electric power experts to Europe and North America, and it was noted that the United Nations Technical Assistance Administration would consider this proposal in 1956. France and the United Kingdom offered to contribute towards the expenses of the experts during their stay in these countries. Several delegates stressed the importance of small power generating stations. Australia and other countries, which had gained considerable experience in this field, offered their assistance for setting up such stations. The Chinese delegate reported that his country had followed many of E.C.A.F.E.'s recommendations in developing electric energy.

Another subject which evoked considerable interest was the development of mineral resources. The delegates commended, in particular, the proposals of the E.C.A.F.E.'s mineral resources sub-committee for a joint aerial survey and joint geographical mapping of areas by adjoining countries for undertaking surveys of neighbouring countries, which had no central surveys, for carrying out joint research on low-grade ore deposits and for securing effective co-operation between exporting and importing countries. Japan reported that it had rendered assistance to the exploitation of mineral ore deposits in the Philippines, Hongkong and India. Since Japan had already become an exporter of aluminium, its representative stated that his country would be willing to help other countries in the exploitation of their bauxite deposits. India offered the services of its Fuel Research Institute for joint studies, especially with Indonesia and the Philippines.

INDIA TO SUPPLY ANIMAL FEEDINGSTUFF TO U.K.

Mr. F. L. Winter, a director of the London Corn Exchange, addressing the Farmers' Club in London a few days ago, described India as the key to Britain's animal-feedingstuffs protein problem.

Speaking of imported oilcakes and meal, Mr. Winter outlined the picture of Britain's imports of vegetable protein for animals—640,000 tons in 1954, only slightly below the previous year and comparing favourably with the 1936-38 average of 595,000 tons a year.

"Until a month ago," Mr. Winter said, "we have been mainly dependent upon the Argentine for our supplies. This February, for the first time since 1941, India is granting export licences for a limited tonnage of groundnut, linseed, and cottonseed cake. In a matter of weeks, India's re-entry into the export market has helped to bring first-hand prices of groundnut cakes down from £50 to £37 per ton (c.i.f. U.K.)."

Mr. Winter recalled that last year Britain's total imports of feedingstuffs, excluding cereals, amounted to 1,466,000 tons, valued at nearly £43,000,000, as against 1,334,000 tons (nearly £40,000,000) in 1953.

For 14 years, he commented, Britain had had to compete in a strong sellers' market for her requirements of animal-feedingstuffs protein. "At the moment we see a ray of hope from India," he declared, pointing out that, up to 1941, the subcontinent had exported freely, in oilseed and oilcake, the equivalent of 1,250,000 tons of oilcake a year. "The tonnage so far released for export by India is insignificant—75,000 tons of groundnut, linseed, and cottonseed cake. But it is hoped that this is just a beginning."

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PRIVATE ENTERPRISE AND INITIATIVE

SOUND TAXATION SYSTEM WANTED

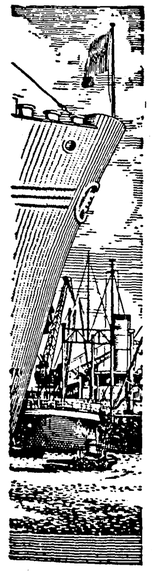
MR. G. D. Binani, President of the Indian Chamber of Commerce, Calcutta, stated the truth without any exaggeration when he said, in his address at the annual meeting of the Chamber last week, that the private sector, which represented individual initiative and enterprise, was the basis of all social and economic activity and that it always formed a vital part of a democratic society. The party-in-power, which swears by democracy, has, however, chosen to ignore this fundamental assumption. How else can one explain, for instance, the series of restrictions which the Governments—Central and State—have placed on the private sector? No one has any dispute with the ideals of a socialistic pattern of society. But what one stresses most is that, while pursuing the ideals, the machinery of the Government should not come in the way of the fullest utilisation of initiative and enterprise of the individual. The ultimate goal envisaged by the protagonists of private enterprise is the same as that of the party-in-power; the goal is the betterment of the common man's life through an increase in the level of income brought about by augmenting production, raising consumption and accelerating pace of investment. Mr. Binani did well, therefore, to urge the Government to think in positive terms towards creating the means of implementing the Plan and making it possible for the private sector to fulfil its obligations.

Mr. Binani did not merely stop at that; he ventured to suggest as to what those means were. His observations on taxation, in particular, are noteworthy. There are no two opinions on the view that, in an expanding economy, the tax structure must give the "maximum" scope and encouragement to the individual to invest in productive enterprises and to consume more. The importance of the latter, that is, the need to encourage more consumption, has somehow failed to receive adequate recognition at the hands of the Taxation Enquiry Commission, as witness its suggestion that the propensity to consume should be checked through higher taxation. Mr. Binani was certainly right when he said that this was not the right approach to the problem and did not hold good for an economy such as ours. Elucidating this point, he observed:

"Consumption, after all, is the basis of all production and, unless there is scope for increasing the level of consumption, it inhibits more production and further employment.... Our problem is that of an expanding economy. The levels of income have to rise fast enough and that will not be possible without raising the level of production and consumption. When incomes grow as consumption grows, it would be possible to provide for more investment. Production must be consumed which means that goods produced in one sector should find a market in another. Without this exchange of production through a corresponding rise in consumption, it is neither possible to raise production nor to expand the economy or push up the rate and level of employment."

Stepping up Incomes

There is considerable force in these observations of Mr. Binani, as also in his statement that taxation must rationally be viewed against the background of the poverty of the country. Those who are persistently urging an equitable distribution of income will do well to note that, in India, there are only about 800,000 persons who have incomes above the income-tax minimum and almost half the tax comes from less than 5,000 assessees, many of whom being accounted for by corporations. The level of direct taxation is already as high as, if not higher than, in any of the advanced countries, though the *per capita* income is several times less than that in those countries. Indirect taxation has reached even the barest necessities of life, including cloth, kerosene and matches. Indeed, there is hardly any item of daily use which is outside the purview of excise duty. The Union Finance Minister recently revealed in Parliament that, with the implementation of the new tax proposals, only about 100 individuals would be left with an income of over Rs. 1 lakh. What more is required to prove the comparative backwardness and the poverty of the people as a whole? The solution to this disquieting problem lies, not in levelling down of incomes, but in raising the level of incomes of the people, so that the whole country may move forward.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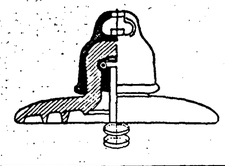
ORIENT TEXTILE ENGINEERS LIMITED
24, Netaji Subhas Road
CALCUTTA-1

PROFIT OF DUNLOP RUBBER RISES MODERATELY

SUBSTANTIAL INCREASE IN TURNOVER

THE audited accounts of the Dunlop Rubber Company (India), Ltd. (Managing Director: Mr. Cecil Stack, Calcutta), for the year ended 31st December, 1954, fully reflect the substantial increase in the production of rubber tyres and tubes and other rubber goods during the past year and the constant efforts of the Company's technical staff to follow the world trend in the development of new methods in the manufacture of rubber goods and the use and application of new materials. The Company's sales turnover and cost of goods sold during the year have recorded impressive rise and the profit has shown a welcome, albeit modest, increase, after two years of successive fall.

The gross profit (before providing for depreciation, taxation and bad debts) of the Company, which had shrunk from the record level of Rs. 146.54 lakhs in 1951 to Rs. 120.96 lakhs in 1953, has registered an increase of Rs. 5.92 lakhs to Rs. 126.88 lakhs in 1954. The net profit for the year works out to Rs. 58.63 lakhs, representing an increase of Rs. 3.25 lakhs over that for the previous year, in contrast to the decline of Rs. 11.25 lakhs noted in the previous year. The addition to reserves has been raised from Rs. 24 lakhs to Rs. 30 lakhs, thus restoring partially the cut effected last year from Rs. 39 lakhs to Rs. 24 lakhs. The dividend on ordinary shares has been comfortably maintained at 15 per cent. for the fourth year in succession.

The salient features of the Company's results for the year under review are compared with those for the previous three years in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Sale proceeds	13,70.34	12,57.95	12,97.48	14,18.78
Other income	3.26	4.90	5.03	3.25
Cost of goods sold	11,20.51	10,22.19	10,66.03	11,82.28
Selling and other expenses ..	1,19.71	1,13.20	1,04.07	86.12
Debenture interest	6.50	6.50	6.50	6.50
Gross profit	1,26.88	1,20.96	1,25.91	1,46.54
Provision for—				
Bad debts	0.30	0.30	0.30	0.80
Depreciation	30.20	27.78	25.93	38.34
Taxation	37.75	37.50	33.05	48.06
Net profit	58.63	55.38	66.63	59.34
To reserves	30.00	24.00	39.00	32.00
Dividends—				
6% preference (tax free) ..	1.80	1.80	1.80	1.80
6% preference (loss tax)	1.77	1.77	1.77	1.77
Ordinary	24.00	24.00	24.00	24.00
	(15%)	(15%)	(15%)	(15%)
Carry forward	11.89	10.82	7.01	6.78

The sale proceeds show an increase of Rs. 1.12 crores, in contrast to the decline of Rs. 1.61 crores in the previous two years. This improvement has occurred, despite further reductions in selling prices; this shows that the production must have been considerably high. The rise in production is also reflected in the increase of Rs. 98 lakhs in the cost of manufacture. The upward trend in "selling and other expenses" noted in the past several years persisted during the year under review with a further rise of Rs. 6.51 lakhs; the aggregate rise during the past three years alone is Rs. 33.59 lakhs. Such mounting expenses have been responsible for the relatively modest expansion in profit, as compared with the rise in turnover. As a result, the ratio of profit to turnover has gone down further, as will be seen from the following comparative profit margins in relation to turnover for the past three years:

	(Per cent.)		
	1954	1953	1952
Before taxation ...	7.0	7.4	7.7
After taxation ...	4.3	4.6	4.8

The provision for depreciation has been stepped up again from Rs. 27.78 lakhs to Rs. 30.20 lakhs, in consonance with the further additions to fixed capital expenditure during the year. The provision for taxation has also been raised, but it is still less in relation to the profit. This is due to the fact that last year's provision included certain exchange losses on Pakistan assessments for previous years.

The Directors have transferred Rs. 30 lakhs to the general reserve, as against Rs. 24 lakhs in the previous year, "in order to provide the resources necessary for the expansion of the business and the increase of employment." Such a large addition, together with the increase of Rs. 1.06 lakhs in undistributed surplus, has considerably strengthened the reserves and surpluses which stand at Rs. 190.89 lakhs, as against the paid-up capital of Rs. 230 lakhs, notwithstanding the fact that only as recently as in April, 1951, a sum of Rs. 60 lakhs was capitalised out of the reserves. Debenture stock is unchanged at Rs. 130 lakhs, as against which there is a redemption fund of Rs. 16 lakhs. Provision for taxation stands at Rs. 5.75 lakhs. There has been an increase of Rs. 50.12 lakhs in current liabilities to Rs. 231.87 lakhs, of which bank overdraft accounts for a rise of Rs. 40.39 lakhs, reflecting the increase in working capital requirements, and sundry creditors for Rs. 10.03 lakhs, which is again the result of greater volume of production.

There has been an addition of Rs. 29.70 lakhs to Rs. 483.18 lakhs in the gross block, of which addition to plant and machinery alone accounts for Rs. 20.61 lakhs. The gross block has been written down to Rs. 174.65 lakhs. The debenture redemption fund has been raised by Rs. 4.04 lakhs to Rs. 16 lakhs, of which Rs. 15.77 lakhs are invested in 2½ per cent. Government of India Loan 1961 (at cost); the market value of the same is Rs. 15.85 lakhs. The current assets aggregate Rs. 597.86 lakhs, representing an increase of Rs. 80.16 lakhs, of which stock inventories (at or below cost) at Rs. 395.81 lakhs, account for Rs. 33.22 lakhs, sundry debtors for Rs. 41.40 lakhs (at Rs. 179.52 lakhs, after providing Rs. 10.41 lakhs as reserve for bad debts); these increases reflect the higher level of production and turnover. Cash balances also have advanced by Rs. 5.58 lakhs to Rs. 20.06 lakhs. The current assets, at Rs. 597.86 lakhs, exceed the current liabilities and provision for taxation by a huge margin of Rs. 360.24 lakhs.

The Rs. 10 paid-up ordinary shares of the Company are being currently quoted at Rs. 38-2 *ex-div.*, at which rate and on the basis of the latest dividend, the yield on the shares works out to 4 per cent. per annum, free of tax. This low level of return reflects the confidence of investors in the Company's affairs and in its managers.

RYAM SUGAR COMPANY

In accordance with the resolution passed at the extraordinary general meeting of the Ryam Sugar Company Ltd. held on 31st March, 1955, Messrs. Begg, Sutherland & Co., Ltd., the Managing Agents of the Company, have given up their office on receiving a compensation of Rs. 2.5 lakhs, in terms of the agreement entered into with the General Fibre Dealers Ltd. representing the majority shareholders of the Ryam Sugar Company. As and from the 1st inst. the Company is being managed by a Board of Directors. Also, in accordance with the arrangements made by Messrs. Begg, Sutherland & Co., Ltd., and the British India Corporation Ltd. with the General Fibre Dealers Ltd., the latter firm has authorised the Directors of the Ryam Sugar Company to pass on to the shareholders of the Company its firm offer to purchase their shares in the Company. The terms of the offer are as follows:

(1) The price payable for each ordinary share will be Rs. 20; (2) the price payable for each preference share will be Rs. 10; (3) in all cases the purchases at the above prices will include any dividends which may be declared in respect of the period ended 30th June, 1955; and (4) the offer is conditional on its acceptance on or before 31st May, 1955, and on due delivery of the relative transfers and share certificates on completion of each purchase.

(Concluded from next column)

lakhs. The increase of Rs. 2.09 lakhs in the provision for depreciation reflects the large additions to the gross block made during the half-year. The provision for taxation has been reduced from Rs. 7.50 lakhs to Rs. 6.75 lakhs, while that for cesses has been raised from Rs. 1.10 lakhs to Rs. 1.84 lakhs. The allocation to general reserve has been doubled from Rs. 2.50 lakhs to Rs. 5 lakhs. In addition, the Directors have created a capital reserve by providing Rs. 25,854 out of the profit.

The financial position of the Company as seen from its latest balance-sheet is impressive. The reserves and surplus aggregate Rs. 133.33 lakhs, as against a paid-up capital of Rs. 120 lakhs. The provision for taxation and cesses stands at Rs. 27.49 lakhs and the current liabilities at Rs. 212.34 lakhs. There has been an addition of Rs. 12.22 lakhs to the gross block during the half-year, bringing the total fixed capital expenditure to Rs. 566.20 lakhs. The written down value is, however, only Rs. 195.39 lakhs. The current assets amount to Rs. 297.77 lakhs, exceeding the current liabilities and provisions by Rs. 57.94 lakhs.

The Rs. 200 fully paid-up shares of the Company are being currently quoted at Rs. 514 *cum-div.* On an *ex-div.* basis, the shares give a yield of 6 per cent. per annum, free of tax.

BENGAL COAL DIVIDEND MAINTAINED

DESPATCHES HIGHEST FOR FIVE YEARS

THE Bengal Coal Company Ltd. (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) is surely one of the largest and oldest units of the coal industry in India. Despite many difficulties and uncertainties surrounding the industry, the Company has gone ahead with its developments plans and is reputed to possess the deepest coal mining shafts in India, having sunk to depths exceeding 2,000 feet. It is technically equipped to increase raisings with very little extra effort and thus counteract the rising costs. But it has not been producing as much as it could, because of the inability of railways to provide the extra transport necessary for moving the increased output. The result is that the margin between costs and statutorily fixed selling prices has been progressively narrowing down.

These conditions are duly reflected in the financial results of the Company for more than two years. During this period, the profit has considerably shrunk from the level witnessed in preceding years. Thus, the gross profit, which amounted to Rs. 52.76 lakhs for the half-year ended 30th April, 1952, has shrunk to Rs. 37.35 lakhs for the six months ended 31st October, 1954. Though the profit for the latest half-year (the one ended 31st October, 1954) is a little more encouraging than that for either of the two immediately preceding half-years, when it stood at more or less the same level of Rs. 30.45 lakhs, it is short of that of Rs. 42.90 lakhs earned in the half-year ended 30th April, 1953. It discloses a decline of as much as Rs. 15.41 lakhs as compared with the profit for the half-year ended 30th April, 1952. Similarly, the net profit for the half-year under review, at Rs. 13.94 lakhs, while comparing favourably with Rs. 9.42 lakhs for the previous six months and Rs. 9.79 lakhs earned a year ago, shows a drop of Rs. 1.62 lakhs and Rs. 6.95 lakhs, respectively, as compared with that for the half-year ended 30th April of 1952 and 1953. This shows that the general conditions under which the coal industry has to operate have not shown any material improvement from what the Chairman of the Company described in his address at the last general meeting.

It is, therefore, not surprising that the Directors have chosen not to restore even partially the cut in the distribution to shareholders effected in two successive stages from 20 per cent. per annum paid for the half-year ended 31st October, 1952, to 15 per cent. per annum for the six months ended 31st October, 1953. The Directors propose to repeal this distribution of 15 per cent. per annum for the six months under review, notwithstanding the slight improvement in profit noted above.

The welcome increase in the profit of the Company for the half-year under review is mainly due to the improvement in despatches. Despatches (including purchased coal) show an increase of 161,051 tons and 98,820 tons over those during the previous two half-years, respectively, and at 1,416,790 tons, they constitute a record since the half-year ended 31st October, 1949. Such an encouraging rise in despatches does not mean that the Company's raisings have gone up correspondingly. On the other hand, the output for the half-year under review is lower by 16,228 tons than that in the previous six months, though it represents an increase of 23,233 tons over that for the corresponding six months of 1953. An explanation for the larger despatches is to be found in the increase in the quantity of coal purchased and the substantial reduction in stocks.

The following comparative table shows the trend of Company's financial results for the past four half-years:

(In lakhs of rupees)

	For the half-year ended			
	31-10-54	30-4-54	31-10-53	30-4-53
Sale proceeds	322.01	282.14	322.50	315.33
Other income	5.33	3.94	5.30	11.26
Stocks	9.02	22.72	19.24	23.91
Coal purchases	24.84	19.36	21.75	23.85
Freight, shipping charges and commission	99.69	88.84	110.80	107.38
Other expenses	151.76	155.92	160.11	161.52
Gross profit	37.35	30.45	30.47	42.90
Provision for—				
Managing Agents' commission	1.67	1.37	1.32	2.29
Depreciation	13.15	11.06	12.16	11.20
Taxation and cesses	8.59	8.60	7.20	13.85
Net profit	13.94	9.42	9.79	15.56
To reserves	5.25	2.50	2.50	7.50
Dividends—				
4½% preference	0.33	0.33	0.33	0.33
Ordinary	7.50	7.50	7.50	8.75
	(D. 10% +B. 5% p.a.)	(D. 10% +D. 5% p.a.)	(D. 10% +B. 5% p.a.)	(D. 10% +B. 7½% p.a.)
Directors' commission	0.08	0.08	0.08	0.09
Carry forward	6.07	5.30	6.29	6.91
	Tons	Tons	Tons	Tons
Raisings	1,162,401	1,178,629	1,139,168	1,214,582
Despatches (including purchased coal)	1,416,790	1,255,739	1,317,970	1,307,870

Reflecting the rise in despatches is the increase of Rs. 39.87 lakhs in sale proceeds and a decline of Rs. 13.70 lakhs in stocks. Purchases of coal have gone up by Rs. 5.48 lakhs and freight, shipping charges and commission paid by Rs. 15.85 lakhs. There has been a decline of Rs. 4.16 lakhs in other expenses, of which colliery expenses account for Rs. 2.35 lakhs and salaries and wages for Rs. 1.70

(Continued in previous column)

COIMBATORE COTTON'S PROFIT SLIGHTLY LOWER

DIVIDEND, HOWEVER, RAISED

THE Directors of the Coimbatore Cotton Mills Ltd. (Managing Agents: Messrs. R. Bheema Naidu & Co., Coimbatore) have declared a dividend of 25 per cent. for the year ended 31st December, 1954, which compares very favourably with 20 per cent. paid for the previous year. This increase follows a similar step taken by the Directors last year also when the distribution to the shareholders was enhanced from 9 per cent. paid for 1952. Thus, for the second year in succession the dividend has been raised and by doing so the Directors have restored it to the level of 1945. It must, however, be noted that during the intervening years—in 1947 to be exact—the capital of the Company was doubled by the capitalisation of part of the reserves. The latest dividend, therefore, represents a distribution of 50 per cent. on the original capital and exceeds the previous highest of 40 per cent. paid for 1943 on the old capital.

The aforesaid increase in the dividend for the year under review is not, however, commensurate with the trend of profit. In fact, the Company's gross profit for the year under review shows a decline of Rs. 1.36 lakhs to Rs. 13.06 lakhs. It may be recalled that the Company earned a gross profit of Rs. 14.42 lakhs for 1953, in refreshing contrast to the loss of Rs. 1.18 lakhs suffered in 1952. The net profit for the year amounts to Rs. 4.11 lakhs, as against Rs. 6.42 lakhs for the previous year and a loss of Rs. 1.85 lakhs for 1952. The distribution of a record dividend for the year under review, when the earnings are less than the record levels seen in earlier years, may appear anomalous, but it must be noted that the distribution of the aforesaid dividend takes up only Rs. 3 lakhs, and it cannot be said that it is beyond the capacity of the Company. The financial position of the Company is sound enough to permit the payment of such a dividend.

The salient features of the Company's results for the year under review are presented against the background of those for the previous three years in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Sales of yarn and stocks ..	78.15	67.18	74.65	96.65
Other income	0.53	0.35	0.32	0.26
Opening stocks of yarn and cotton consumed	52.39	42.43	66.54	69.34
Expenses	18.23	10.70	9.61	10.70
Gross profit (+) or loss (—) ..	+13.06	+14.42	—1.18	+16.87
Managing Agents' remuneration	1.95	1.66	0.67	2.26
Provision for—				
Depreciation	3.08	4.35	..	2.80
Taxation	4.20	1.97	..	5.40
Net profit (+) or loss (—) ..	+4.11	+6.42	—1.85	+6.91
To reserves	0.84	2.69	..	4.50
To bonus to staff	..	..	1.00	..
Dividend	3.00	3.40	1.08†	1.50
	(25%)	(20%)	(9%)	(12½%)
Carry forward	0.02	..	—1.33	1.52

† Paid out of dividend equalisation reserve.

The sale proceeds of yarn and the value of closing stocks show an increase of Rs. 10.97 lakhs, thus reversing the downward trend noted in the previous two years. Similarly, opening stocks of yarn and cotton, staple fibre, stores, etc., consumed have risen by Rs. 9.96 lakhs, in striking contrast to the decline of Rs. 24.11 lakhs in 1953 and of Rs. 2.80 lakhs in 1952. Of the rise of Rs. 2.53 lakhs in expenses salaries and wages alone account for Rs. 2.24 lakhs. The rise in sale proceeds and stocks has, thus, been more than offset by the increases in raw materials consumed and expenses. It will be noted that the provision for depreciation has been reduced by Rs. 1.27 lakhs to Rs. 3.08 lakhs, while that for taxation has been raised by Rs. 2.23 lakhs to Rs. 4.20 lakhs. It is the increase in provision for taxation that accounts for the larger decline in net profit than that in gross profit. A sum of Rs. 83,940 has been transferred to the general reserve which had not received anything in the previous year. Whereas in the previous year the dividend equalisation reserve had been strengthened by Rs. 1.08 lakhs and a provision for contingencies had been created by the transfer of Rs. 1.60 lakhs, neither of these reserves has received any credit this year.

The reserves and surplus of the Company as on 31st December, 1954, aggregate Rs. 20.65 lakhs, supplementing a paid-up capital of Rs. 12 lakhs. The provision for taxation stands at Rs. 7.88 lakhs and current liabilities at Rs. 9.36 lakhs. The gross block of the value of Rs. 30.86 lakhs has been well written down to Rs. 6.20 lakhs. The current assets amount to Rs. 43.68 lakhs, of which stock-in-trade accounts for Rs. 13.98 lakhs, cash for Rs. 1.99 lakhs and investments for Rs. 18.46 lakhs (including Rs. 18 lakhs representing fixed deposits in joint-stock banks). Thus, the liquid assets held by the Company more than adequately cover the current liabilities and the provision for taxation.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 285 *ex-div.* On this basis, the dividend for the past year gives a yield of 8.8 per cent. per annum, free of tax.

Points From The Chair

A Serious Blow to Banking Structure

"I WOULD like to make a passing reference to another matter which has a bearing on the future development of this and other banks in the private sector. You can guess that I refer to the Central Government's decision, as notified by the Finance Ministry a few weeks ago, to establish a State Bank of India and to acquire control of the Imperial Bank of India in the process. It has also been suggested that a number of other quasi-State Banks be absorbed in the new State Bank. Whatever the merits of the Government's decision are, we, as a continuing member of the private sector, are of the opinion that it is a serious blow to India's banking structure which has been built up to considerable strength over a long period of years. We believe that what it is apparently hoped to achieve by this step could have been accomplished equally well by banks in concert or individually under a Government-sponsored scheme or plan for the penetration of credit institutions into the interior of the country supported by subsidy and/or short-term guarantees against abnormal losses in the initial stages. Although the position in this regard is still very obscure it would appear to be desirable for the private banking sector to undertake a collective study of the changing conditions so that where expediency demands, a redesigning and readjustment of policies may be effected."

DR. N. N. LAW,
United Bank of India Ltd.

Amendment of the Constitution

"The proposed amendments to Article 31 of the Indian Constitution in respect of the deprivation of the right to property and of the compensation payable to persons, whose rights to property are affected and the drastic changes introduced by the Select Committee making compensation not justiciable and including industrial and agricultural property also within the scope of the amendment, have produced panic among all property-holders and investors. They certainly tend to make the right to property guaranteed by the Constitution illusory. The wisdom of this step is to be seriously doubted at a time when our country has not yet solved the problems of production of absolute self-sufficiency in food and other cereals and of the raising of the standard of living and the increase in the national income. It is sure to produce disastrous effects on the general economy of the country. While it may satisfy the advocates of the ideologies bordering on communism, it is certainly not helpful for the practical realisation of our objective of the establishment of a Welfare State here. At any rate, it will have a deleterious effect on the deposits in banks and on investments in general. As the Scheduled and non-Scheduled banks in the country are at present the main source of supply of credit to the organised trade and industry in our country, it will seriously affect their progress also."

K. BALASUBRAMANIA IYER,
Indian Bank, Ltd.

Private Sector Slowly Elbowed Out

"...when we turn to the industrial and financial spheres, the picture is not so reassuring. In the remaining period of the first Five-year Plan and under the second Five-year Plan which is under preparation, the tempo of development is to be accelerated and it has been announced that the private sector should play an important role. Indeed, this sector has upto now taken the initiative, organised and managed and developed large industries, but under the present industrial and fiscal policies of Government, this very sector is being slowly, but surely, elbowed out. If the recommendations of the Taxation Enquiry Committee are to be fully implemented—and taking the example of the last Budget, future Budgets will possibly be based on this pattern—the outlook for the private sector is extremely gloomy. If taxes absorb all the surpluses in businesses and industrial establishments, how will there be any capital left for private enterprise? With acute scarcity of capital and little or no incentive left, it is difficult to foresee what will remain of the so-called private sector."

MANEKLAL PREMCHAND,
Industrial Investment Trust Ltd.

Impact on Cigarette Industry in India

"Unfortunately, the recent budget contains measures that will materially reduce the purchasing power of the middle classes. It has also made some changes in the cigarette excise duties, which, at crtain levels, have been greatly increased. The combined effect of these measures will be profound and it will not be possible to make any reasonable assessment of their impact on the cigarette industry for some time to come. I also referred at considerable length in last year's statement to the further heavy burden that has been imposed on the cigarette industry in recent years in the shape of sales taxes and other local impositions. Everything that I said last year applies with even greater force today. This burden, which, as I explained last year, has to be met out of profits and cannot be passed on to the consumer, continues to increase in an alarming fashion."

D. S. BARRON,
Godfrey Phillips, India, Ltd.

COMPANY MEETINGS AND DIVIDENDS

DURBHANGA SUGAR CO., LTD. Annual General Meeting, Darbhanga, 20th April, 1955. Transfer books remain closed from 9th to 20th April, 1955, both days inclusive.

DUNLOP RUBBER CO., (INDIA) LTD. Annual General Meeting, Calcutta, 25th April, 1955. Dividend: Re. 1-8 per share.

GOLD MOHUR MILLS LTD. Annual General Meeting, Bombay, 25th April, 1955. Dividend: Rs. 12-8 per share. Transfer books remain closed from 29th March to 25th April, 1955, both days inclusive.

SWAN MILLS LTD. Annual General Meeting, Bombay, 26th April 1955. Dividend: Rs. 20 per share, payable on 27th April, 1955. Transfer books remain closed from 29th March to 26th April, 1955, both days inclusive.

FINLAY MILLS LTD. Annual General Meeting, Bombay, 27th April, 1955. Dividend: Rs. 16 per share, payable on 28th April, 1955. Transfer books remain closed from 29th March to 27th April, 1955, both days inclusive.

SVADESHI MILLS CO., LTD. Annual General Meeting, Bombay, 28th April, 1955. Dividend: Rs. 8 per share, payable on 29th April, 1955.

BENGAL JUTE MILL CO., LTD. Annual General Meeting, Calcutta, 28th April, 1955. Transfer books will remain closed from 22nd to 28th April, 1955, both days inclusive.

ORIENT PAPER MILLS LTD. Half-yearly General Meeting, Calcutta, 29th April, 1955. Transfer books will remain closed from 18th to 29th April, 1955, both days inclusive.

TATA MILLS LTD. Annual General Meeting, Bombay, 29th April, 1955. Dividend: Rs. 2-8 per share, payable on 30th April, 1955.

PEERMADE TEA CO., LTD. Annual General Meeting, Alleppey, 30th April, 1955. Dividend: Rs. 5-8 per share (55 per cent.) Transfer books remain closed from 16th April to 2nd May, 1955, both days inclusive.

KANKNARRAH CO., LTD. Half-yearly General Meeting, Calcutta, 4th May, 1955. Dividend: Rs. 4 per 'A' and 'B' ordinary share. Transfer books will remain closed from 20th April to 4th May, 1955, both days inclusive.

KAMARHATTY CO., LTD. Half-yearly General Meeting, Calcutta, 4th May, 1955. Dividend: Rs. 5 per 'A' and 'B' ordinary share. Transfer books will remain closed from 20th April to 4th May, 1955, both days inclusive.

RAMNUGGER CANE AND SUGAR CO., LTD. Annual General Meeting, Calcutta, 4th May, 1955. Transfer books will remain closed from 18th April, to 4th May, 1955, both days inclusive.

MODERN MILLS LTD. Annual General Meeting, Bombay, 5th May, 1955. Transfer books remain closed from 13th April to 5th May, 1955, both days inclusive.

PREMIER CONSTRUCTION CO., LTD. Dividend of Rs. 7 per ordinary share, for the year ended 31st December, 1954, payable on 16th May, 1955. Transfer books remain closed from 13th April to 2nd May, 1955, both days inclusive.

WESTERN INDIA MATCH CO., LTD. Dividend of Rs. 11 per share (includes bonus) for the year ended 31st December, 1954, payable on 14th May, 1955. Transfer books will remain closed from 25th April to 12th May, 1955, both days inclusive.

VIJAYALAKSHMI MILLS LTD. Dividend of Rs. 16 per share, for the year ended 31st December, 1954.

TRAVANCORE RUBBERS LTD. Dividend of Rs. 2 per share, for the year ended 31st December, 1954. Transfer books remain closed from 12th to 20th April, 1955, both days inclusive.

VAIKUNDAM (TRAVANCORE) RUBBER CO., LTD. Dividend of Rs. 2-4 per share, for the year ended 31st December, 1954. Transfer books remain closed from 14th to 21st April, 1955, both days inclusive.

BENGAL COAL CO., LTD. Half-yearly General Meeting, Calcutta, 28th April, 1955. Dividend: Rs. 15 per share (includes a bonus of Rs. 5 per share). Transfer books remain closed from 14th to 28th April, 1955, both days inclusive.

COMPANY REGISTRATIONS

J. GOBINDRAM LTD. (First Director: Mr. Govindram Jiwatram Hirdarmani.) Business: Manufacturers, importers, exporters and dealers in silk, woollen, rayon, cotton and other textile fabrics. Authorised capital: Rs. 10,00,000. Private company. Address: 280, Carnac Road, Ramchandra Building, Bombay 2.

MINERALS AND MERCHANDISE LTD. (Promoter: Mr. G. D. Sharma.) Business: Mining, smelting and refining. Authorised capital: Rs. 5,00,000. Private company. Address: 325, Kalbadevi Road, Bombay 2.

PROFIT OF CALICO MILLS SHRINKS

SAVAMALAI ESTATES PRUNES DIVIDEND

Ahmedabad Manufacturing and Calico Printing Co., Ltd.

THE directors of the above Company (Agents: Messrs. Karamchand Premchand Ltd., Ahmedabad) submit the audited accounts of the Company for the year ended 31st December, 1954.

During the year, Egyptian cottons were dearer and cloth prices lower than in 1953. There was some loss of production due to labour difficulties which have since been resolved. New finishing processes were added, but due to technical difficulties, the Company was unable to take full advantage of these processes. These difficulties have since been overcome and the benefit of making a varied range of textiles of superior quality including organdie and santorising, has begun to accrue. The working of the Chemical Division was satisfactory and the Government's permission to install a plant in Bombay has been received.

Post-war E. P. T. refunds amounting to Rs. 1,54,768 for the balance of 1945 and 3 months of 1946 after deducting income-tax and corporation tax were received in 1954 and were credited to machinery fund.

The accounts for the year show that the profit amounts to Rs. 60,17,655 (Rs. 71,18,203) which together with Rs. 21,45,183 (Rs. 22,19,005) brought forward from the previous year's account, makes a sum of Rs. 81,62,838 (Rs. 93,37,208) available for appropriation. From this sum, the directors have transferred Rs. 35,00,000 (Rs. 35,00,000) to depreciation fund, Rs. 11,00,000 (Rs. 15,00,000) to fund for payment for taxes on income and Rs. 25,000 (Rs. 50,000) to contingency reserve fund and have paid Rs. 5,082 (Rs. 3,822) as donations. The directors further recommend the payment of dividend on 'A' cumulative first preference shares at 4½ per cent. free of income-tax on 1,600 shares of Rs. 125 each absorbing Rs. 9,000 (Rs. 9,000), payment of dividend on Diamond Jubilee cumulative second preference shares at 4½ per cent. (subject to tax) on 16,000 shares of Rs. 50 each absorbing Rs. 36,000 (Rs. 36,000), payment of dividend on cumulative third preference shares at 4½ per cent. (subject to tax) on 38,666⅔ shares of Rs. 50 each absorbing Rs. 87,000 (Rs. 87,000), payment of a final dividend of Rs. 10 (Rs. 10) per share free of income-tax on 1,00,000 ordinary shares, together with the interim dividend at Rs. 8 (Rs. 8) per share absorbing Rs. 18,00,000 (Rs. 18,00,000) and carry forward to the following year's account Rs. 16,00,756 (Rs. 21,45,183).

Buildings, plant and machinery, stock-in-trade and stores have been insured against fire risk. Standing charges and profits have also been insured. Insurance is not taken for (1) Workmen's compensation, (2) Certain items in which the risk of loss by not insuring is nil or negligible and (3) New buildings under construction and new plant under erection.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,54,12,213	Block ...	4,24,88,718
Reserves ...	1,11,66,203	Stock-in-trade	96,29,937
Depreciation fund ...	3,07,53,344	Stores, spare parts, etc.	14,68,628
Provision for taxation ...	22,81,752	Debts, deposits and advances ...	1,51,00,088
Liabilities ...	74,99,123	Investments	3,65,600
Profit and loss account ...	27,32,759	Cash ...	7,92,425
Rs.	6,98,45,396	Rs.	6,98,45,396

Savamalai Estates Ltd.

The directors of the above Company (Agents and Secretaries: Messrs. Peirce, Leslie and Co., Ltd., Kozhikode) submitted the audited accounts of the Company for the year ended 30th November, 1954.

Acreage.—The Estate was resurveyed during the year and showed a slight increase in the total acreage from 671.04 to 671.74 and there are some alterations in the mature and immature areas.

After providing for depreciation and all charges except taxation, the accounts showed a profit of Rs. 1,21,637 (Rs. 2,06,217) to which was added the balance brought forward from last year of Rs. 1,01,620 (Rs. 94,443), making a total of Rs. 2,23,257 (Rs. 3,00,660). From this sum was transferred to taxation reserve Rs. 41,658 (Rs. 2,300) and interim dividend for the year 1953-54 at 10 (10) per cent. Rs. 36,678 Rs. 36,678), leaving a balance of Rs. 1,44,921 (Rs. 1,74,976). Out of this sum the directors paid a final dividend of 15 (20) per cent. absorbing Rs. 55,017 (Rs. 73,356) and carried forward Rs. 89,904 (Rs. 1,01,620).

The Company's general reserve stands at Rs. 2,00,000. The taxation reserve of Rs. 41,796 includes a sum of Rs. 38,875 to cover the Madras Agricultural income-tax.

Development.—Expenditure during the year was Rs. 33,286 and represents amount spent on upkeep of immature areas and cost of opening and planting the 1954 arabica new clearing of 25 acres.

Coffee.—The crop of cwts. 2,203-1-12 (cwts. 2,906-1-16) was delivered to the Coffee Board and has been valued at Rs. 2-11 (Rs. 2-4) per point which works out at approximately Rs. 139-12 (Rs. 117.06) per cwt. for robusta and Rs. 204-4 (Rs. 151.58) per cwt. for arabica. Payments received to-date amount to Rs 2-11 (Rs. 2-1) per point. The 1954-55 crop is estimated at 165 tons and present indications are that this will be harvested.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,66,780	Block ...	5,45,249
Reserves ...	2,50,000	Stock-in-trade ...	65,736
Provision for taxation ...	38,399	Stores, tools, etc. ...	28,649
Liabilities ...	33,262	Other assets	160
Profit and loss account ...	1,81,599	Advances ...	19,125
		Investments	30,247
		Cash ...	1,80,874
Rs.	8,70,040	Rs.	8,70,040

Caledonian Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November, 1954.

After providing Rs. 1,50,000 (nil) for taxation and transferring Rs. 50,000 (nil) to general reserve there is a balance of Rs. 2,03,538 (Rs. 2,48,535) at the credit of profit and loss account, from which the directors recommend payment of dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 35,000 (Rs. 35,000) and on ordinary shares at Rs. 5 (Rs. 6) per share Rs. 90,000 (Rs. 1,08,000) leaving Rs. 78,538 (Rs. 1,05,535) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association the mills worked 42½ hours per week up to 10th July, 1954. From 12th July, 1954, working hours were increased from 42½ hours to 45 hours and again from 45 hours to 48 hours per week from 18th October, 1954. Throughout the period under review 12½ per cent. of the total looms remained sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	28,00,000	Block ...	37,22,029
Reserves ...	32,31,234	Stock ...	22,53,947
Provision for taxation ...	3,26,974	Stores ...	7,94,142
Liabilities ...	12,95,139	Debts and advances ...	9,10,071
Profit and loss account ...	78,538	Investments	45,642
		Cash ...	6,054
Rs.	77,31,885	Rs.	77,31,885

Jubbulpore Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September, 1954.

The schedule of units sold and revenue set out herein indicates that satisfactory progress has been maintained.

Half-year Ended	*Units Sold*	*Revenue* Rs.
31st March, 1952	8,537,639	11,70,070
30th September, 1952	9,626,474	10,74,752
31st March, 1953	9,677,159	11,91,490
30th September, 1953 ...	10,663,476	11,90,024
31st March, 1954	10,110,661	13,41,740
30th September, 1954 ...	10,930,412	12,50,517

After making adequate provision for liabilities and setting aside Rs. 30,000 (Rs. 25,000) to development and extensions account, a balance of Rs. 1,17,509 (Rs. 1,14,006) including Rs. 28,506 (Rs. 23,887) brought forward from the previous half-year remained available, and this amount, the directors disposed of by paying a dividend at the rate of 8 (8) per cent. per annum, free of income-tax, for the half-year which absorbed Rs. 89,982 (Rs. 89,982) and carried forward to next half-year Rs. 27,527 (Rs. 24,024).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	22,49,700	Block ...	37,89,009
Reserves ...	17,34,903	Capital work-in-progress	3,00,218
Provision for taxation ...	2,52,005	Stores, etc.	4,63,816
Liabilities ...	16,35,854	Tools, etc. ...	15,201
Profit and loss account ...	1,17,509	Other assets	632
		Debts, deposits and advances ...	7,60,757
		Investments	1,39,165
		Cash ...	5,21,172
Rs.	59,89,971	Rs.	59,89,971

Colaba Land and Mill Co., Ltd.

The directors of the above Company (Chairman and Managing Director: Mr. V. J. Pilani, Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1954.

During the year, revenue from land and property amounted to Rs. 3,40,240 (Rs. 2,44,833). From this sum is deducted the mill loss of Rs. 2,77,521 (Rs. 12,83,292), leaving net profit for the year, subject to depreciation Rs. 62,719. The total loss of the Company at the year amounts to Rs. 33,25,720 (Rs. 33,88,439).

During the year, the strike which continued towards the end of the previous year was called off as a result of a settlement arrived at with the Rashtriya Mill Mazdoor Sangh on behalf of the workers and work was resumed from 6th January, 1954. However, labour unrest continued for some time resulting in loss of production, low production and poor quality. As the quota of Indian Cotton allotted to the mill by the Textile Commissioner, was insufficient to keep the mill running and as no further quota was given in spite of the directors efforts, the mill had to utilise foreign cotton for manufacture of yarn which fetched unremunerative prices. There was a fall in the prices of cloth while the manufacturing costs were mounting up. On account of these factors the directors regret that the Company was not able to show better results.

Control on production and reservation of certain varieties for the handloom continued during the year. The Cotton Textile Export Promotion Council was formed by the Government to inspect cotton textiles meant for export and to build up India's export trade. The Employees' State Insurance Scheme was inaugurated on the 2nd October, 1954 resulting in payment of increased contributions.

Further additions to the dyeing and bleaching machinery of the value of Rs. 2,52,068 have been made in order to make the processing department complete and up-to-date. No provision has been made for depreciation and for payment of bonus to workers for the year 1954. The land department yielded a profit of Rs. 3,40,240 (Rs. 2,44,833) subject to depreciation.

The Government is still retaining 14 plots in scheme 'A'. Scheme 'B' is fully developed. In scheme 'C' the Government is still retaining 10 plots. Two plots vacated by the tenants during the year have been leased out for 99 years. The proceedings relating to the Company's claim for compensation in regard to the acquisition of land in Scheme 'A' by the Government of Bombay for the purpose of a Municipal School and a fire brigade station have been concluded and the Award of the Special Land Acquisition Officer is expected.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	49,00,000	Block ...	50,57,423
Reserves ...	15,44,690	Stock-in-trade	33,25,003
Provision for taxation ...	1,50,715	Stores and spare gear	8,08,676
Liabilities ...	66,53,234	Debts, deposits and advances ...	6,73,288
		Investments	47,000
		Cash ...	11,529
		Profit and loss account ...	33,25,720
Rs.	1,32,48,639	Rs.	1,32,48,639

Godfrey Phillips, India, Ltd.

The directors of the above Company (Chairman: Mr. D. S. Barron, C.I.E., Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1954.

The Company made a net profit after provision for taxation, depreciation and all other charges, of Rs. 3,85,189 (Rs. 9,96,198). To this sum was added the balance brought forward from last year of Rs. 15,43,326 (Rs. 13,38,984). A sum of Rs. 35,013 (Rs. 57,537) was deducted representing short provision for bonus in the year 1953. After adding provision for taxation no longer required of Rs. 25,261 (Rs. 2,47,369) there was a total sum of Rs. 19,18,763 (Rs. 25,25,014). Out of this sum the directors transferred to reserve for gratuities Rs. 67,000 (Rs. 60,000), leaving a balance of Rs. 18,51,763 (Rs. 23,65,014). From this amount the directors paid a dividend on the preference shares at 5½ (5½) per cent. per annum, absorbing Rs. 1,21,688 (Rs. 1,21,688), paid a dividend on the ordinary shares at 10 (17½) per cent. per annum, absorbing Rs. 4,00,000 (Rs. 7,00,000) and carried forward to next year Rs. 13,30,075 (Rs. 15,43,326).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	70,00,000	Block ...	33,51,116
Reserves ...	7,02,000	Stock-in-hand	62,32,584
Provision for taxation ...	4,40,265	Goods-in-transit ...	1,48,720
Liabilities ...	31,06,453	Debts and advances ...	27,32,761
Profit and loss account ...	13,30,075	Goodwill ...	62,537
		Cash ...	31,022
Rs.	1,25,78,793	Rs.	1,25,78,793

Broach Electric Supply and Development Corporation Ltd.

The directors of the above Company (Managing Agents: The Rajputana Textiles (Agencies) Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1954.

During the year, the total units of energy sold amounted to 1,411,860 (1,340,506) and the revenue from energy sold amounted to Rs. 4,83,846 (Rs. 4,73,941). The number of consumers increased from 3,583 in 1953 to 4,081 in 1954.

The marked improvement in the plant capacity situation enabled the lifting of practically all restrictions on supply of energy, other than for motive power purposes. This is reflected in the increased sales, as also in the higher number of consumers served.

In the middle of the year under review, the directors, after a careful study of the operating results, decided to sanction reductions in the rates for supply of energy that were fixed by the Government of Bombay, consequent on a detailed investigation of the Corporation's operations by a Rating Committee appointed by Government, pursuant to provisions of the Electricity (Supply) Act, 1948. The rate reductions which were made effective from 1st August, 1954, covered practically all classes of consumers, and were supplemented by a discount for the prompt payment of bills.

The profit and loss account shows that the revenue from sales of energy amounts to Rs. 4,83,846 (Rs. 4,73,941) and revenue from other sources Rs. 31,919 (Rs. 27,646), making a total gross revenue of Rs. 5,15,765 (Rs. 5,01,587). After deducting all charges including depreciation and taxes of Rs. 4,05,509 (Rs. 3,98,777) the net profit amounts to Rs. 1,10,256 (Rs. 1,02,810). Compared with the figures for the preceding year, the revenue from sales of energy reflected an increase of only Rs. 9,905 against the increase in energy sales of as much as 131,354 units. However, the increase in expenses has been quite moderate due to the rigid economy observed in operating and other costs, with the result that the net profit for the year at Rs. 1,10,256 was Rs. 7,446 higher than that for the preceding year. Adding to the net profit the amount carried forward from the preceding year, as also the amounts representing excess tax provision during previous years, adjustment of debenture issue expenses and the transfer from general reserve, and deducting therefrom the various statutory and other necessary provisions as set out in detail in the appropriation account which accompanies this report, the net balance available for distribution amounted to Rs. 53,640 (Rs. 57,164), which the directors disposed of by paying a dividend on shares at As. 12 (As. 12) per share (7½ per cent.) free of income-tax absorbing Rs. 53,026 (Rs. 53,026) and carried forward Rs. 614 (Rs. 4,138).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,07,020	Block ...	14,97,733
Debentures ...	1,51,300	Stores, tools, etc.	77,515
Reserves ...	1,39,040	Other assets	52,665
Depreciation reserve ...	7,18,012	Debts, deposits and advances ...	89,507
Provision for taxation ...	43,322	Investments	20,228
Liabilities ...	1,68,216	Cash ...	1,89,876
Profit and loss account ...	614		
Rs.	19,27,524	Rs.	19,27,524

Nasik-Deolali Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: The Rajputana Textiles (Agencies) Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1954.

The balance of the authorised 6 per cent. (taxable) first mortgage debenture issue, namely Rs. 2½ lakhs out of the total issue of Rs. 10 lakhs, was offered for subscription during the year. The proceeds will be necessary to pay for the new generating set, the extension of mains and the strengthening of the distribution system.

During the year, the total units of energy sold were 4,592,279 (4,088,895) and the revenue earned from this source was Rs. 12,36,941 (Rs. 11,22,445). The number of consumers at the end of 1954, stood at 7,409, as against 6,348 in 1953. The sales of energy and the revenues derived therefrom show satisfactory improvement, consequent on the increase in the number of consumers served. The improvement in the plant capacity position enabled the Company to freely comply with all requisitions for power, and the only restriction which now applies is in respect of motive power loads which are restricted to off-peak periods.

The profit and loss account shows that the revenue from sales of energy amounts Rs. 12,36,941 (Rs. 11,22,445) and revenue from other sources Rs. 49,189 (Rs. 41,019) making a total gross revenue of Rs. 12,86,130 (Rs. 11,63,464). After deducting all expenses and charges including depreciation and taxes amounting to Rs. 11,33,662 (Rs. 9,77,982) the net profit amounts to Rs. 152,468 (Rs. 1,85,482). Although the total gross revenue shows a satisfactory increase as compared with the preceding year, the operating expenses and other charges show a proportionately higher increase, with the result that the net profit is lower. There was an increase in the provision for depreciation as also in the debenture interest, but the main increase was in the operating expenses such as fuel oil and stores, and efforts were directed towards improving the power house economy and the efficiency of the plant. The revenues were affected by the reduction in the rate for lighting by one anna per unit with effect from 1st August, 1954. The directors felt that the basic rate for lighting purposes could be reduced in view of the anticipated increase in sales, which it is now expected will materialise in the current year. Adding to the net profit the amount brought forward from the preceding year, the adjustments in respect of write-off of debenture issue expenses and previous bonus provision, as also the sum transferred from the general reserve fund, and deducting from the total, the several appropriations as well as the ad-interim dividend paid on 31st July, 1954, the balance available for disposal amounted to Rs. 68,484 (Rs. 75,518) which the directors utilised in payment of a final dividend on preference shares at the rate of Rs. 3-8 (Rs. 3-8) per share which together with the interim dividend of Rs. 3-8, made Rs. 7 (Rs. 7) per share and absorbed Rs. 3,500 (Rs. 3,500), a final dividend on ordinary shares at the rate of Rs. 5 (Rs. 5) per share, which together with the interim dividend of Rs. 5 (Rs. 4) made Rs. 10 (Rs. 9) per share and absorbed Rs. 58,420 (Rs. 58,420) and carried forward Rs. 6,564 (Rs. 13,598).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,68,400	Block ...	29,27,013
Debentures ...	10,00,000	Work-in-progress ...	28,152
Reserves ...	3,68,145	Stores, tools, etc.	2,92,981
Provision for taxation ...	96,562	Other assets	51,718
Depreciation reserve ...	9,43,380	Debts, deposits and advances ...	1,55,350
Liabilities ...	4,12,672	Investments	81,179
Profit and loss account	6,564	Cash ...	5,59,330
Rs.	40,95,723	Rs.	40,95,723

Kuardi Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. H. V. Low and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th June, 1954.

After meeting all expenses, providing Rs. 5,350 (Rs. 5,350) for depreciation and including the debit balance of Rs. 34,300 (credit of Rs. 3,411) brought forward from the last account, there was a balance of Rs. 41,320 (debit of Rs. 34,300) at the debit of profit and loss account, to be carried forward to the next account. During the year 31,120 tons of coal were raised and 22,723 tons despatched as compared with 21,954 tons raised and 18,264 tons despatched during the previous year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,00,240	Block ...	6,31,099
Reserves ...	64,314	Stock of coal	93,234
Liabilities ...	2,12,610	Stores and spare gear	38,600
		Debts, deposits and advances ...	2,71,653
		Investments ...	2,95,000
		Cash ...	6,258
		Profit and loss account ...	41,320
Rs.	13,77,164	Rs.	13,77,164

Lakurka Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. H. V. Low and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th April, 1954.

After meeting all expenses, providing Rs. 19,650 (Rs. 35,311) for depreciation and including the credit balance of Rs. 1,683 (Rs. 13,549) brought forward from the last account, there was a balance of Rs. 34,755 (Rs. 61,683) at the credit of profit and loss account and from this the directors paid a dividend of As. 4 (As. 8) only per share free of income-tax which absorbed Rs. 22,500 (Rs. 45,000) and transferred a sum of Rs. 10,000 (Rs. 15,000) to general reserve fund, leaving a balance of Rs. 2,255 (Rs. 1,683) to be carried forward to the next account. During the year 71,849 tons of coal were raised and 56,729 tons despatched as compared with 79,863 tons raised and 64,369 tons despatched during the previous year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Block ...	5,71,281
Reserves ...	11,76,413	Stock of coal	3,27,291
Provision for taxation ...	22,597	Stores and spare gear	64,613
Liabilities ...	3,89,386	Debts, deposits and advances ...	6,65,960
Profit and loss account ...	34,755	Investments	8,38,634
		Cash ...	55,372
Rs.	23,23,151	Rs.	23,23,151

Brushware Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co., Ltd., Kanpur, U.P.) submitted the audited accounts of the Company for the year ended 30th November, 1954.

The results for the year, after making the usual provisions including provision for taxation, but before allowance for depreciation, showed a profit of Rs. 8,958 (Rs. 5,510) to which was added a provision for taxation no longer required Rs. 3,500 (nil) making a total of Rs. 12,458 (Rs. 5,510). From this sum was deducted depreciation amounting to Rs. 6,000 (Rs. 5,000) leaving a balance of Rs. 6,458 (Rs. 510). To this was added the carry forward from the previous year Rs. 9,513 (Rs. 19,003) leaving at credit of profit and loss account a sum of Rs. 15,971 (Rs. 19,513). This balance, the directors disposed of in payment of a dividend of As. 8 (Re. 1) per share, free of income-tax, for the year, ended 30th November, 1954, absorbing Rs. 5,000 (Rs. 10,000) and carried forward Rs. 10,971 (Rs. 9,513). The dividend on the ordinary shares complies with the requirements of section 23A of the Indian Income Tax Act, 1922.

While the value of brush sales during the year 1954 exceeded that of the previous year, the high cost of manufacture, coupled with rising prices of raw materials, resulted in a loss on the primary activity of the Company, brushmaking. Having regard to the poor trading results and to the fact that the net profit is less than the Company's investment income, the directors consider it prudent to recommend only a dividend to shareholders of five per cent.

The managing agents have given this unsatisfactory position careful consideration and with the approval of the directors have engaged an experienced firm of industrial consultants to carry out a survey of the Company's factory with a view to effecting a reduction in manufacturing costs.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,00,000	Block ...	16,537
Reserves ...	3,10,000	Stock-in-trade	1,15,316
Provision for taxation ...	6,700	Stores and spare parts	90,990
Liabilities ...	20,505	Debts and advances ...	73,679
Profit and loss account ...	13,971	Investments	1,55,209
		Cash ...	1,445
Rs.	4,53,176	Rs.	4,53,176

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

QUESTION HOUR IN PARLIAMENT

Manufacture of Water Pipes

A WATER pipe manufacturing factory is to be set up in Chavara in Travancore-Cochin under the Indo-Norwegian Development Project. The engineer who will supervise the erection of the factory has already arrived from Norway and the machinery is expected soon.

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Export of Tapioca

The suggestion for the removal of disparity in freight rates between tapioca and maize products is under the consideration of the Government. The free licensing period of exports of tapioca flour, tapioca starch and its products has been extended from 31st March, 1955 to 30th June, 1955. The ceiling of 400 tons on individual shipments of tapioca flour, etc., has also been removed.

—Agriculture Minister

Rice Prices

The Government of India feels that the economic price for rice is Rs. 11 per maund. The question of purchasing rice has not arisen because the price has not gone down below that level.

—Deputy Minister for Food and Agriculture

World Bank Loan to Trombay Power Project

The agreement for a loan of $16.2 million for the Trombay Thermal Project was signed between Tatas and the World Bank on 19th November, 1954. The loan is available for drawal till 30th June, 1958, the closing date. The loan will be declared effective after the fulfilment of certain formalities. Withdrawals can be made from the loan after it is declared effective. From the effective date or from a date 60 days after the date of loan agreement, whichever is earlier, a commitment charge of ¾ per cent. on the principal amount of loan not withdrawn becomes payable. The rate of interest on the loan is 4½ per cent. per annum and is payable on the amounts withdrawn, while interest and other charges are payable half-yearly on 15th April and 15th October each year. The repayment of the principal will commence on 15th October, 1958, and the last instalment would be paid on 15th October, 1974.

—Finance Minister

Estate Duty

A total amount of Rs. 51,19,620 has been collected as estate duty upto the end of February, 1955. Bombay has collected the highest amount (Rs. 33,95,582).

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Decimal Coinage

The Government of India will take a decision in the near future on the proposal to decimalise Indian coinage. An inter-departmental committee has been set up to study the implications of the metric system of weights and measures and decimalisation of currency. The proposal is also being examined by the Planning Commission. It is not, however, possible to indicate when the system will be introduced in India. All but two State Governments which were consulted in the matter have agreed to the proposal.

—Minister for Revenue and Defence Expenditure

U.S. Technical Aid

Four projects will be undertaken during the current year under the Indo-American Technical Co-operation Programme. These are: Rihand valley development, improvement of power facilities in Rajasthan, Madras city power plant expansion, and training of construction equipment operators and mechanics. The amounts allotted to the aforesaid four projects are $2.9 million, $3.8 million, $2.9 million and $460,000, respectively.

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Government-Labour Relations

The question of evolving a standard for labour and management relations in Government industrial and commercial undertakings is under the consideration of the Planning Commission.

—Deputy Minister for Irrigation and Power

Mica Price

The Government of India has received representations from the Indian mica industry that the U.S. Government should give the same increase in price for Indian mica as they have given for Brazilian mica. The matter is under Government's consideration. It has been ascertained that, on representations from the Brazilian Government, the U.S. Government has established different ceilings for Brazilian and Indian mica with effect from January, 1955. Generally, dollar prices for Brazilian mica are 20 per cent. higher than for Indian mica in most grades, though, in a few cases, prices for Indian mica are higher. The U.S. Government is, however, reported to have stated that prices are based on negotiations with individual contractors. Commercial importers state that the Brazilian preferential exchange rate gives the producer some extra margin.

—Minister for Natural Resources and Scientific Research

Development of Highways

About 66 per cent. of the amount allocated for the development of national highways in the first Five-year Plan has been utilised so far. There is likely to be a 5 per cent. shortfall in the utilisation of the entire allocated amount during the Plan period. This is due to the time taken by the preliminary investigations connected with the construction of bridges and acquisition of land for the construction of new lengths and widening of existing roads.

—Deputy Minister for Railways and Transport

Notices

SHREE KRISHNA GYANODAY SUGAR LIMITED

NOTICE TO DEBENTUREHOLDERS

NOTICE IS HEREBY GIVEN THAT A General Meeting of the Holders of Debentures of the above-named Company constituted by the Trust Deed dated the 26th April, 1944, and made between the Company on the One Part and SHRI VISHNU HARI DALMIA, SAHU SHRIYANS PRASAD JAIN and SHRI M. K. ROY as Trustees of the Other Part will be held at the Registered Office of the Company at Dalmianagar on Saturday the 30th April, 1955, at 12 noon, for the purpose of considering and, if thought fit, passing an Extraordinary Resolution assenting to the following modifications in the conditions contained in the Debentures, namely:—

(a) That the time for repayment of the principal moneys secured by the said Debenture Trust Deed be postponed from 30th April, 1955, to 30th April, 1965.

(b) That the rate of interest on the Debentures be increased from 4½ per cent. per annum to 5½ per cent. per annum with effect from 1st May, 1955, as proposed by the Company and recommended by the Trustees of the said Debenture Trust Deed and empowering the Trustees with a view to effectuating such modification to concur with the Company in executing a Supplemental Trust Deed in terms of the draft which will be submitted to the Meeting.

(c) The principal indenture shall be construed as if the following clause is added thereto and numbered as clause 1A:

"The Company shall always have the option of issuing further Debentures ranking *pari passu* with the already issued series of Debentures as to charge on the mortgaged assets and on such terms as to rate of interest and on other terms as may be decided by the Company at the time of issue subject to the condition that the total amount of the face value of all such Debentures issued by the Company shall not at any time exceed 33⅓ per cent. of the cost of the mortgaged assets."

This Notice is issued pursuant to the provisions contained in Clause 2 of the Third Schedule to the said Debenture Trust Deed.

Debenture-holders are further informed that the Company's Managing Agents, Messrs. Sahu Jain Ltd., have agreed to purchase at par all such Debentures as are offered to them upto 30th April, 1955. Interest in respect of coupons falling due on 30th April, 1955, will be paid directly by the Company to the Debenture-holders. Any Debenture-holder who is not agreeable to the above proposal and desires payment of his Debentures, may at his option deliver the same against payment to Messrs. Sahu Jain Ltd. either at Dalmianagar (Bihar) or at 11, Clive Row, Calcutta, on any working day during business hours upto the said date.

DALMIANAGAR,
Dated this 26th day of March, 1955.

By Order of the Board,
A. K. JAIN,
Chairman.

NOTIFICATION OF SALE

MESSRS. J. THOMAS & CO., LTD., WILL sell by public auction, unless previously disposed of by private treaty, at their office at 8, Mission Row, Calcutta 1, on the 28th April, 1955, at 12 noon, under instructions from the owners, the Jorehaut Tea Company, Ltd., 17, St. Helen's Place, London, E.C. 3; Murmuria Tea Estate (including Hattichungie Division) in one lot as a going concern as from the 1st January, 1955.

For conditions under which the Tea Estate will be sold and arrangements for inspection or further particulars, inspection of title deeds or any information relating to the Tea Estate intending purchasers should apply to J. Thomas & Co., Ltd., 8, Mission Row, Calcutta 1, Orr Dignam & Co., Solicitors, 29, Netaji Subhas Road, Calcutta 1, or James Warren & Co., Ltd., 31, Chowringhee Road, Calcutta 16.

SOCIETE GENERALE INDUSTRIELLE DE CHANDERNAGOR
(SOCIETE ANONYME)

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Shareholders of the Company will be held at Clive Buildings, Netaji Subhas Road, Calcutta, on Tuesday the 17th May, 1955, at 12 noon, for the following purposes:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1954.
2. To elect a Director.
3. To appoint Auditors and fix their remuneration.
4. To transact any other business which may properly be transacted at the Meeting.

Notice is also hereby given that the Register of Members will be closed from the 4th May to the 17th May, 1955, both days inclusive.

By Order of the Board,

FOR SOCIETE GENERALE INDUSTRIELLE DE CHANDERNAGOR (SOCIETE ANONYME)
FOR GILLANDERS ARBUTHNOT & CO., LTD.,
K. R. FETTES,
Managing Director,
Agents.

CALCUTTA, *11th April, 1955.*

JESSOP AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-third Annual General Meeting of the Members of Jessop and Company, Limited, will be held at the Registered Office of the Company on Friday, the Sixth day of May, 1955, at 11 o'clock in the forenoon, for the transaction of the following business:—

1. To receive and consider the Accounts, together with the Reports of the Directors and Auditors, for the year ended 31st October, 1954.
2. To declare a Dividend.
3. To re-elect Directors.
4. To re-appoint the Auditors.
5. To transact any other business of an Ordinary General Meeting.

By Order of the Board,
G. M. ROBBINS,
Secretary.

63, NETAJI SUBHAS ROAD,
CALCUTTA, *25th March, 1955.*

A Member entitled to attend and vote is entitled to appoint one or more Proxies to attend and vote instead of him. A Proxy appointed specifically for this Meeting must be a Member of the Company.

The Ordinary Share Transfer Registers will be closed from 18th April to 6th May, 1955, both days inclusive.

THE INDIAN IRON AND STEEL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors have sanctioned payment of dividend on the Preference Share Capital of the Company at the rate of 5 per cent. per annum for the half-year ended 31st March, 1955.

The Preference Share Registers will be closed from the 20th to the 30th April, 1955, both days inclusive. Payment will be made on or after the 1st May, 1955, to those Preference Shareholders whose names are on the Company's Register on the 30th April, 1955, or in accordance with their instructions.

By Order of the Board,
MARTIN BURN LTD.,
T. LESLIE MARTIN,
Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA, *11th April, 1955.*

SHREE KRISHNA GYANODAY SUGAR LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twentieth Ordinary General Meeting of the Shareholders of the Company will be held on Saturday, the 30th April, 1955, at 11 a.m. at the Registered Office of the Company, at Dalmianagar (Bihar) to adopt the Directors' Report and the audited Statement of Accounts for the year ended 31st July, 1954, to declare dividends at Rs. 6 per share on "A" Class Preference Shares, Rs. 5 per share on "B" Class Preference Shares and Rs. 1-8, i.e., 15 per cent. per share on Ordinary Shares without deduction of tax, for the year ended 31st July, 1954, to elect a Director, and to appoint Auditors for the current year.

The Share Transfer Books of the Company will be closed from the 23rd April, 1955, to 30th April, 1955, both days inclusive.

By Order of the Board,
SAHU JAIN LTD.,
Managing Agents.

CALCUTTA, *11th April, 1955.*

THE WEST COAST ELECTRIC SUPPLY CORPORATION, LIMITED

INTERIM DIVIDEND

NOTICE IS HEREBY GIVEN THAT THE Directors have declared:

(a) an interim dividend at 5 per cent. free of income-tax on the Ordinary shares for the half-year ended 30th September, 1954;

(b) half-yearly dividend on Preference shares at 2·5/8 per cent. less tax.

The Share Transfer Books of the Company will be closed from 25th to 30th April, 1955, both days inclusive.

The Dividend Warrants will be posted on or after 1st May, 1955, to those Shareholders whose names stand on the Register of Members as on 24th April, 1955.

(By Order of the Board)
CHANDRIE & CO., LTD.,
Managing Agents.

MADRAS, *7th April, 1955.*

THE WESTERN INDIA MATCH COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-Second Ordinary General Meeting of the Shareholders of the abovenamed Company will be held at the Registered Office of the Company at Indian Mercantile Chambers, Nicol Road, Ballard Estate, Bombay, at 4.15 p.m. (S.T.), on Thursday the 5th day of May, 1955, to transact the following business:

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1954.
2. To declare a Dividend and a Bonus.
3. To elect two Directors in the place of those who retire by rotation, but are eligible for re-election and offer themselves accordingly.
4. To appoint Auditors for the ensuing year and to fix their remuneration.

The Transfer Books of the Company will be closed from the 25th day of April, 1955, to the 12th day of May, 1955, both days inclusive.

By Order of the Board,
T. RYDIN,
Managing Director.

INDIAN MERCANTILE CHAMBERS,
NICOL ROAD, BALLARD ESTATE,
BOMBAY, *4th April, 1955.*

The dividend and bonus when declared will be payable at the Central Bank of India Ltd., Bombay and Calcutta, on and after the 14th day of May, 1955, to those shareholders whose names stand on the Register on the 12th day of May, 1955, and warrants will be posted in due course to each shareholder at his registered address.

MONEY LESS STRINGENT

(From Our Own Correspondent)

BOMBAY, *13th April*

After remaining consistently stringent for several weeks, conditions in the short-term money market eased a little early in the week under review, with the tempo of demand slackening somewhat. Though this was attributed to holiday influences, conditions after the holidays did not, however, become stringent again. On the other hand, they were a little more comfortable from Monday onwards, thanks to an influx of funds from Calcutta and other centres. Though funds were still readily usable during morning hours and many banks were borrowers from the Reserve Bank, during closing hours a number of them was left with some surplus funds.

There was, however, no perceptible decline in interest rates. Inter-bank call money was still done at 3 per cent. though, after clearing hours, it was on offer at 2¾ per cent. Short-term deposits continued to fetch 3 per cent. for one to six months. House money was bid at 3 per cent.

The resumption of sale of three months' Government of India Treasury Bills this week brought an offer of just Rs. 1 crore, as against an invitation for a like amount. This compares with Rs. 1.05 crores offered week before last. Evidently, there must have been only one bidder, presumably the Imperial Bank. Usually, when there is none to take up the Government's offer, this Bank is prompted by the Reserve Bank to put in the tender for the required amount. The average rate of accepted tenders remained unchanged at Rs. 2-9 per cent. per annum. In the circumstances just mentioned, this is only as it should be. Tenders for Rs. 1 crore have been invited for next week also, despite the lack of demand for these Bills, as is clearly evident from this week's results.

For the second week in succession, notes in circulation have recorded a sharp expansion, the week to which they refer being the one ended 8th April, 1955. The Reserve Bank's statement for that week shows a rise of Rs. 31.18 crores in notes in circulation; this compares with the rise of Rs. 14.50 crores recorded in the previous week. Notes held in the Banking Department have declined by Rs. 2.83 crores, so that the total notes issued are higher by Rs. 28.35 crores. This is covered on the assets side by an increase of Rs. 25 crores in foreign securities and of Rs. 3.35 crores in rupee coin. The increase in the latter apparently reflects the handing over of more "rupee coin" by the Government to the Bank. Generally, the Government gives the Bank rupee coin in a round sum of Rs. 5 crores. Assuming it was so in the week under review, the Bank must have put into circulation Rs. 1.65 crores by way of one-rupee coin, so that the total addition to currency circulation during the week must have been of the order of Rs. 32.83 crores.

In the Banking Department, a decline of Rs. 7.21 crores is noted in Central Government deposits and of Rs. 31.43 crores in deposits of other Governments. Deposits of banks, too, have dropped by Rs. 1.32 crores. Cash balances have shrunk by Rs. 2.84 crores, accompanied by a decline of Rs. 23.81 crores in balances held abroad. This fall in balances held abroad is in distinct contrast to the rise of Rs. 14.62 crores in the previous week. But it is due to the addition made to foreign securities in the Issue Department. Ways and means advances to Governments are up by Rs. 74 lakhs, while a sharp decline of Rs. 17.19 crores is noted in other loans and advances, of which as much as Rs. 10.32 crores is accounted for by the reduction in bank's outstanding borrowings from the Reserve Bank against usance bills. Fresh borrowings by banks against usance bills have been to the extent of Rs. 2.13 crores during the week.

The consolidated statement of position of Scheduled banks for the week ended 1st April, 1955, discloses a rise of Rs. 7.64 crores in demand deposits, as compared with that of Rs. 2.23 crores in the previous week. Time deposits have declined by Rs. 35 lakhs. Inter-bank borrowings also have gone down by Rs. 1.24 crores. Borrowings from the Reserve Bank and the Imperial Bank show increases of Rs. 83 lakhs and Rs. 1.50 crores, respectively. Advances have gone up by Rs. 3.18 crores, inland bills purchased and discounted by Rs. 3.18 crores and foreign bills purchased and discounted by Rs. 3.59 crores. No notable change is seen in investments. Cash on hand and balances with the Reserve Bank together account for a drop of Rs. 15 lakhs and money at call and short notice for Rs. 2.29 crores. Balances with other banks are up by Rs. 84 lakhs.

There was no change for the better in the listless conditions that had been prevailing in the Gilt-edged market in the previous weeks. There was scarcely any investment support and the turnover was poor. 3 per cent. 1957 had some stray enquiries at Rs. 99-4. 3 per cent. 1958 was on offer at the unchanged rate of Rs. 99-3. Very small business was put through in 3 per cent. 1959-61 at Rs. 97-5¼. 3 per cent. 1963-65 had sellers at Rs. 93-10 and 3 per cent. 1964 at Rs. 93-9. 3 per cent. 1966-68 was unchanged at Rs. 90-7 and 3 per cent. 1970-75 at Rs. 86-15. 3 per cent. 1986 Conversion Loan was marked down by As. 3 to Rs. 80-6, even at which rate there were sellers. 3½ per cent. 1961 National Plan Bond picked up an anna to Rs. 99-9 and a fair amount of business was done at that rate. 3½ per cent. 1964 N.P. Loan was sold at Rs. 98-8.

In the foreign exchange section, the rupee U.S. dollar rates were steady, while sterling in foreign centres continued to be strong. Thus, in New York, spot sterling gained ¼ cent. to $2.79.11/16—2.79.13/16. Forward sterling three months advanced from $2.78 7/16—2.78 9/16 to $2.78⅞—2.78⅞ and transferable sterling from $2.76½—2.76¾ to $2.76¾—2.77¼.

GOLD STRONG

(From Our Own Correspondent)

BOMBAY, *13th April*

The most outstanding development of the week under review in the bullion market was the sharp rise in the price of gold, ready gold recording an increase of Rs. 3-8 per tola and forward Rs. 2-6. Although silver was in the background, with narrow movements, the undertone in this section also was firm, as witness the rise of Re. 1 in ready and Re. 1-14 in forward.

The sharp rally in gold was due to scarcity of floating stocks and brisk and sustained demand, particularly from Calcutta. Naturally, this state of affairs was availed of by the bulls to have a complete sway over the market and exact as much backwardation charges from the bears as possible, even though they were compelled by that action to pay heavy margin. The widening of backwardation charges, however, frightened the bears to cover their sales, with the result that the upward trend in gold prices got strengthened further.

It will be remembered that last week bulls were forced to pay a margin of Rs. 7 per tola on their outstanding purchases of gold in *Chaitra* delivery contract, in terms of by-law 33-D, as the next succeeding forward contract (*Vaisakh*) was quoting lower by more than As. 12. As the week progressed, this gap widened to Re. 1-8 at the close of business on Saturday. Accordingly, in terms of the above by-law, the second slab of margin, namely, Rs. 25 per tola, came into operation against the bulls. The *Chaitra* settlement, however, ran out on that day. Nevertheless, they had to pay margin at the rate of Rs. 7 per tola on their outstanding purchases in the *Vaisakh* delivery contract from Monday onwards, as the next succeeding forward contract (*Jeth*) was quoted on that day As. 13½ below the *Vaisakh* delivery.

In silver, although the interim injunction restraining the Bullion Board from imposing special margins under by-law 33-A obtained by a member was dissolved early in the week, the court having dismissed the case, these margins were not applied to the *Chaitra* delivery contract, because it is stated that the graded margins under by-law 33-D were operative and margins under both by-laws could not operate simultaneously. The bulls continued to pay margin under by-law 33-D on their outstanding purchases in *Chaitra* delivery contract at the rate of Rs. 500 per bar until the expiry of the contract, as backwardation charges stood at Rs. 2-10 to Rs. 2-14. Although the backwardation charges in the *Vaisakh* delivery contract stood at Rs. 2-14, the bulls were not required to pay a margin of Rs. 500 per bar on their outstanding purchases in *Vaisakh* settlement, as the daily closing rate was not above the opening rate for the settlement. Thus, the official starting rate for *Vaisakh* was Rs. 163-13, but the closing rate today was Rs. 163-12 that is an anna less. Thus, by manipulating the market in such a way as to keep the daily closing rate below the official starting rate, the bulls have managed to escape payment of margin and to exact, at the same time, as much *badla* as they could.

To revert to the trend of prices, Silver for forward delivery (*Chaitra* settlement) opened the week at Rs. 164-7 and after touching a high of Rs. 166-2, closed on Monday at Rs. 165-8, when the settlement ran out. Business for the *Vaisakh* settlement began at Rs. 161-14 and closed for the week at Rs. 163-12. *Jeth* delivery contract opened at Rs. 159-4 and advanced to close at Rs. 161 today.

Ready silver (.996 mint) hardened from Rs. 165-11 to Rs. 167-2 before closing at Rs. 166-12. The floating stocks of silver are estimated at 1,900 bars. The daily average offtake was 15 bars.

Gold for forward delivery in *Chaitra* settlement advanced from Rs. 93-3 to Rs. 94-7 before the settlement ran out at Rs. 94-5 on Saturday. *Vaisakh* settlement rallied from Rs. 92-4 to Rs. 94-15 today and closed at Rs. 94-10. *Jeth* settlement rose from Rs. 91-11 to Rs. 93-10 at the close today.

Ready gold had commanded a premium of Re. 1-12 over the *Vaisakh* settlement early in the week, but the premium widened to Rs. 2-1 at the close today, reflecting the shortage of floating stocks. The floating stocks are reported to be 10,000 tolas. The daily average arrivals and offtake were even at 3,000 tolas.

In London, silver was maintained at the previous week's closing rates, namely 75½*d.* for spot and 75¼*d.* for forward. Gold on the other hand, suffered a loss of a penny to £12 10s. 8½*d.* after having touched £12 10s. 10½*d.* In New York, silver was unchanged at 87 cents per fine ounce.

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

	13-4-55	Highest	Lowest	6-4-55
Gold	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	98 11	97 0	93 11	94 0
Forward*	94 10	94 15	92 1	93 8
Sovereign	60 2	60 2	59 8	59 8
Silver				
Ready (.996 fine Mint) ..	165 12	163 13	165 6	165 11
Forward†	163 12	163 13	161 12	161 11
London Silver Ready ..	75½*d*	—	—	75½*d.*
London Forward	75¼*d*	—	—	75¼*d.*
London Gold	£12s. 8½*d.*	£12s. 10½*d.*	£10s. 8½*d.*	£10s. 9½*d.*
New York Ready	87c.	—	—	87c.

* *Vaisakh*—7th May settlement.
† *Vaisakh*—9th May settlement.
N.B.—*Foreign bullion prices shown in the above table relates to the previous day.*

COTTON STILL WEAK

(From Our Own Correspondent)

BOMBAY, *13th April*

At long last, Government of India has announced an additional export quota for cotton. The quota amounts to 100,000 bales of cotton of staple length 1" and below. Of this quantity, 35,000 bales shall, it is stipulated, be exported from Saurashtra ports. The quota applies to both old and new crop cottons. Although the export quota release has been received very favourably, it has failed to have a steadying influence on the cotton market which continues to be sluggish. Perhaps, this suggests that the market had discounted the release long back. There is also some dissatisfaction over the earmarking of 35,000 bales to be shipped from Saurashtra ports. A section of the trade, however, believes that the Government will grant more export quotas of short-staple cotton.

The cotton futures market presented dull conditions during the week under review. Thanks to profit-taking and absence of support, turnover was greatly restricted and values fluctuated narrowly, the general tendency being downwards. I.C.C. May began the week at Rs. 546, as against Rs. 550-8 last week-end, and declined to Rs. 544-8 the same day. It, however, recovered to Rs. 550 on Saturday following resistance at low levels. There was, however, a setback early yesterday but, towards the close, recovery was in evidence as a result of buying support induced by export quota announcement. Today, again, the contract staged a retreat to Rs. 543-12 on account of poor demand and profit-booking. I.C.C. August opened lower at Rs. 560-8, as against Rs. 565-4 and after receding to Rs. 559-8 yesterday, it recovered to Rs. 554-8 but was marked down at Rs. 554 today before finishing at Rs. 555. The spread between the two contracts narrowed from Rs. 14-12 on the 6th inst. to Rs. 11-4 today on heavy liquidation in the August contract by prominent bull operators.

The trend of prices during the week under review is indicated below:

		6-4-55	*High*	*Low*	13-4-55
I.C.C. *May*	...	Rs. 550¼	552¼	543¾	543¾
I.C.C. August	...	Rs. 565¼	564¼	554	555

The spot market also presented a dull appearance, on account of slackness in mill demand and poor trade support. Wagad, Berars and Kapadwanjs evoked some enquiry. There was little export business, except for a small quantity of Bengal and Oomra *deshi*. In the foreign section, Pima cotton attracted some interest. There were also moderate enquiries for Egyptians.

The latest available quotations from the Sewri market are: Bengal *deshi* Rs. 560; Berar *Jarillas* Rs. 590; Khandesh Rs. 575; Vijay Rs. 700; Oomra *deshi* Rs. 540; Moglai Rs. 515.

The procedure for the import of U.S. cotton was announced by the Joint Chief Controller of Imports, Bombay, on Tuesday last week. The procedure lays down that, instead of import licences, importers will be granted sub-authorisations. A bank guarantee in prescribed form has also to be attached with the application for sub-authorisations. No contract entered into before 29th March, 1955, will be eligible for being financed under the sub-authorisations. To start with, sub-authorisations will be issued against the F.O.A. authorisation of $3 million for contracting period upto 15th May, 1955, and final delivery date, 15th June, 1955.

The cheerful note presented by the Karachi cotton market last week proved a short-lived affair. Decontrol of indigenous mill-made cloth prices and reduction of 50 per cent. in excise duty on coarse cloth failed to improve sentiment. Mill demand remained considerably restricted. Export offtake was also negligible, the actual shipments of cotton from Karachi during the six months ended March, 1955, being not more than 432,462 bales, as against 753,615 bales in the same period last year. Consequently, cotton prices suffered a precipitous fall. N.T.R.G. for May delivery which was quoted at Rs. 66-7 per 82 lbs. on the 4th inst. was hammered down to Rs. 61 yesterday. Spot cotton prices also suffered a sharp break. Yesterday's quotations for spot cotton at Karachi are given below:

Sind *deshi* Rs. 59; Punjab *deshi* Rs. 52; 4F roller Rs. 55-12; S.G. Rs. 59-12; Punjab roller Rs. 60-8; S.G. Rs. 64-8; 289F N.T. Sind S. G. Rs. 66-8; 289F Punjab roller Rs. 64; S.G. Rs. 69.

The Alexandria cotton market ruled quiet. Export business continued to be slow. Over £2 million worth of Ashmouni and Giza 30 cottons are reported to have been sold to France at the price discount of 6½ per cent. officially allowed. It is said that India, Germany and Italy made small purchases of cotton, mostly of Karnak and Giza 30 varieties. Spot market premiums for Karnaks were easy. Ashmouni and Giza 30, however, registered some improvement, owing to the tendering of large quantities of cotton to the Government. If the present rate of tenders were maintained, a shortage of free supplies of Giza 30 and higher grades of Ashmouni, it is feared, would soon be felt.

Easy conditions prevailed in the Liverpool cotton futures markets this week. This was due to fears of a U.S. cotton export subsidy in the next season which were accentuated by the non-commital statement of the U.S. Secretary of Agriculture. Selling pressure ensued as a consequence and prices stagged a retreat. The fall would have been more marked but for trade calling and some buying of new crop positions by the U.S. interests. The latest available quotations from the market are: May-June 30.52d.; July-August 30.01d.; October-November 29.45d.; December-November 29.40d.

The New York cotton market ruled quiet during the week under review too. Traders continued to be cautious with regard to large commitments, as they preferred to await further developments on export subsidy question. Slow demand for textiles in the domestic market and absence of any keen demand for cotton from abroad also served as

a damper. Even the report that the U.S. Senate had voted down the Bill proposing to raise the 1955 cotton acreage allotment failed to influence the market. Cotton prices, as a result, tended to decline.

The official estimate of the probable carryover of U.S. cotton on 1st August next has been revised upwards from 9.6 million bales to 10.2 million bales. Estimates of exports for the current season have been reduced to 4.5 million bales. Trade circles, however, continue to believe that exports will not exceed 4 million bales.

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

(*In cents per lb.*)

	12-4-55	5-4-55	28-3-55
Spot	34.20	34.25	34.30
May	33.46	33.61	33.66
July	33.67	33.81	33.90
October	33.86	33.84	34.01
December	33.93	33.94	34.09

STAPLE FIBRE YARN REACTS AT CLOSE

(*From Our Own Correspondent*)

BOMBAY, 13*th April*

The forward section of the staple fibre yarn *market presented a rather curious trend during* the week under review. Thus, distant delivery (May contract) yarn was quoted at a discount over the near delivery (April contract), a phenomenon which is quite contrary to the general tendency in the market. Market men attribute this state of affairs to a bull squeeze in April position. This is somewhat surprising, considering that there is no *shortage of goods at all in the market. Indeed, it* is said that the bull squeeze may not persist for long and it is bound to be loosened sooner or later. There are already indications which point to such a trend. Today, for instance, some bulls tried to unload their holdings and, consequently, staple fibre yarn prices staged a retreat.

Staple fibre yarn (40 x 2)* for April delivery opened the week steady at Rs. 577 and, after advancing to Rs. 584 on Monday, gradually receded to finish at Rs. 580-12. May delivery moved up *from Rs. 775-8 to Rs. 679-8, but relapsed to* Rs. 576-12 at the close today. Over the week, spot prices of yarn (40 x 2) registered improvement. Hirjis and Pankajas rose by an anna each to Rs. 2-14 and Rs. 2-15, respectively. New Greats gained half an anna to Rs. 3-2. Citys were higher by a like amount at Rs. 3-4. Sitarams improved by three pies to Rs. 3-1. Among foreign yarns, Auroras were fully maintained at Rs. 3-15-6. Fujis, however, receded by half an anna to Rs. 3-14-6.

Listless *conditions* prevailed in the rayon yarn market this week. Operators evinced little interest in fresh business, as they were not still sure whether or not the extension of the ban on imports of yarns ranging from 101 to 160 deniers would cover 120 and 150 deniers, the imports of which are allowed on the basis of 10 per cent. and 25 per cent. licences, respectively. Turnover was, *therefore, small and prices fluctuated* within narrow limits. Rayon yarn (150D) for April delivery moved irregularly between Rs. 730 and Rs. 733 and finished at Rs. 732. In the spot section, 120 Italy dropped an anna to Rs. 4-2. 150 Japan which had gone down from Rs. 4-4 to Rs. 4-1-6 on Friday recovered to Rs. 4-3-6. 120 Japan and 150 Italy moved narrowly and finished the week at Rs. 3-14-6 and Rs. 3-14, respectively, same as last week. Among indigenous yarns, National Rayons 150 Bt. Hanks I Grade were fully maintained at Rs. 3-10-6.

The bearish note depicted by the cotton yarn market in the past few weeks persisted during the week under review also. Renewed pressure of sales from several upcountry mills and weakness in raw cotton prices induced selling pressure and cotton yarn prices suffered an all-round decline. The decline was in marked evidence in the case of 20 count yarns, Maduras, Raghuvamshis and Seksarias receding by As. 4 each to Rs. 17-4, Rs. 16-8 and Rs. 15-8, respectively. Moderns lost As. 2 to Rs. 16-8. Among 10s, Podars eased by an anna to Rs. 13-3. Elphinstones were quiet at Rs. 13-2. Among 30s, Maduras slipped from Rs. 21-8 to Rs. 21-6. Simplex were unaltered at Rs. 21. Transactions in 60s were put through at lower levels. Elphinstones dropped Re. 1-4 to Rs. 49-4. Moderns decreased by As. 4 to Rs. 58-4 and Srirams by As. 2 to Rs. 55-8. Among 80s, Elphinstones shed As. 2 to Rs. 58-8. Finlays and Moderns were quiet, the former at Rs. 69 and the latter at Rs. 62. Among 40 counts, Seksarias declined by As. 4 to Rs. 22-8. Gokaks and Seksarias were unaltered at Rs. 24-12.

The table below gives the prices of art silk staple fibre and cotton yarns quoted today, as compared with those a week before:

	13-4-1955	6-4-1956
	Rs. a.	Rs. a.
Art silk yarn—		
150 D. April	732 0	731 0
120 Japan (per lb.)	3 14½	3 14½
150 Japan (per lb.)	4 3½	4 4
120 Italy (per lb.)	4 2	4 3
150 Italy (per lb.)	3 14	3 14
Staple fibre yarn—		
40 x 2 April	580 12	577 0
40 x 2 May	676 12	678 0
Suleo (per lb.)	3 15½	4 3½
New Greats (per lb.)	3 2	3 1½
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	13 4	13 4
20s Raghuvamshi	16 8	16 12
30s Maders	21 6	21 8
40s Seksaria	22 8	22 12
60s Modern	58 4	58 12
80s Elphinstone	58 8	58 10

GROUNDNUTS EASY

(*From Our Own Correspondent*)

BOMBAY, 13*th April*

A notable development of considerable significance to the working of the local seeds market is that the Bombay Oilseeds Exchange has submitted to the Forward Markets *Commission a proposal* to permit certain amendments to the by-laws of the Exchange. These amendments are evidently designed to bring the by-laws of the Exchange in conformity with the provisions of the Forward Markets (Regulation and Control) Act.

One of the amendments, proposed by the Exchange, seeks to provide a system of graded margin on net open positions in hedge contracts. The graded margin, as suggested by the Exchange, is as follows:

On the 1st 15,000 *candies*—Rs. *nil* per candy;
On the next 10,000 candies—Rs. 1 per candy;
On the next 10,000 candies—Rs. 2 per candy;
On the next 10,000 candies—Rs. 3 per candy; and
On those in excess of 45,000 candies—Rs. 4 per candy.

It is provided that it shall be permissible to any concerned member to set off the whole or any part of the deposit by way of margin against any amount due to him under the balance sheets sent in by him in respect of such settlement. It is further provided that, in respect of any deposit made by a member under this by-law on the previous inward payment day, it shall be permissible to such member to adjust the same, or any part thereof, in the balance-sheet sent in by him in respect of any subsequent settlement.

The amendment seeks also to do away with the *hitherto prevalent fortnightly settlement* and replace it by a weekly settlement. It further makes it incumbent on the part of the members to maintain a record of their daily transactions and also submit a statement of such transactions to the market authorities along with their returns to the clearing house. These changes, it is stated, are intended to check initially speculation in hedge contracts. But it is feared that, as the rates of margin are small, the proposed system might not result in any substantial reduction in unhealthy speculation. These proposals will, however, come into effect *only* after they have been accepted by the Commission and are gazetted. They will be applicable, at the outset, to transactions in castorseeds, in which hedge trading is permitted.

Apart from this, there was no important development in the market. The oil and oilseeds market exhibited a mixed trend. The groundnut section ruled easy, while the castorseed section was steady. The performance of the linseed section turned *out* to be better on good demand for linseed oil from the U.K. and the Continent at £89, as against £87. The *kardi* section came in for good support, while *nigers* lacked enquiry.

Bold ready, in the groundnut section, declined from Rs. 20-4 to Rs. 19-10. April-May delivery lost As. 6 to Rs. 19-10 and June-July As. 5 to Rs. 20-9. Kandesh quality was, however, quiet at Rs. 20-6. Groundnut oil *ex*-mill was lower by an anna at Rs. 10-14. May and June deliveries were done at Rs. 10-15 and Rs. 11, as against Rs. 11 to Rs. 11-1, respectively.

In the linseed section, Bold ready improved from Rs. 20-4 to Rs. 21. April-May delivery hardened by As. 10 to Rs. 20-10 and June-July by As. 5 to Rs. 20-5. Small Sutna gathered As. 12 to Rs. 19-8. Linseed oil moved up by As. 5 at Rs. 12-11.

May futures, among castorseeds, opened quiet at Rs. 71-2. After fluctuating between Rs. 72-4 and Rs. 70-10, it closed at Rs. 71-9. In the ready section, Madras quality gained As. 4 to Rs. 14-2. Castor oil First Pressure put on an equal amount to Rs. 9, while Commercials lost As. 2 to Rs. 8-2.

Among others, *kardi* Bold ready hardened by As. 8 to Rs. 11, while *niger* Madras quality lost As. 12 to Rs. 15-12.

The following table shows the price of oilseeds and oil today, as compared with those at the end of the previous two weeks.

	13-4-1955	6-4-1955	29-3-1955
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	20 6	20 6	20 8
April-May	19 10	20 0	21 2
Linseed—			
Bold Ready (per cwt.)	21 0	20 4	21 4
April-May	20 10	20 0	20 10
Castorseeds—			
May, 1955	71 9	71 10	72 2
Madras (per cwt.)	14 2	13 14	13 14
Groundnut oil—			
Ex-mill Ready (per quarter)	10 14	10 15	11 4
Castor Oil—			
Commercial (per quarter)	2	8 4	8 10
Linseed Oil—			
Ready	12 11	12 6	12 6

FURTHER FALL IN SUGAR

(*From Our Own Correspondent*)

BOMBAY, 13*th April*

As in the previous week, the sugar market depicted an easy trend during the week under review too. The easiness was due to reports of a reduction in the selling prices of factories in Uttar Pradesh for good medium grain sugar to Rs. 28 per maund. The Union Food Ministry's move to open more centres for the sale of German sugar at Rs. 29-7 per maund also acted as a damper. Some selling was, therefore, in evidence in this market and prices generally continued their downward march.

In the spot section, large grain indigenous sugar was quoted at Rs. 92-Rs. 101 per bag, as against Rs. 92-Rs. 102 last week. Small grain sugar was quiet at Rs. 89. Among foreign sugars, Cuban sugar receded by Rs. 2 to Rs. 89-12 per bag of 250 lbs. German sugar dropped Re. 1-8 to Rs. 80 per bag of 220 lbs. Deals in British refined sugar were put through at Rs. 83 per bag of 224 lbs., as against Rs. 83-4. Czechoslovakian sugar was done at Rs. 85-Rs. 87 per bag of 220 lbs., as against Rs. 88 French sugar, however, proved an exception and improved from Rs. 82-Rs. 84 to Rs. 82-Rs. 85 per bag of 220 lbs.

In the forward section, *Vaisakh* delivery was quiet at Rs. 83. *Chaitra* delivery was squared up at Rs. 83-12.

Arrivals of indigenous sugar into the market during the week under review amounted to 6,400 bags.

N.B.—The rates for Indian sugars are inclusive of sales tax, while those for foreign sugars are exclusive of the tax.

PEPPER REACTS AT CLOSE

(*Messrs. Parekh & Co.*)

BOMBAY, 13*th April*

Malabar black pepper witnessed a welcome break in the dullness that persisted during the last two weeks. Active conditions were noticed. Prices at Alleppey improved from Rs. 925 to Rs. 1,000 under pressure of buying by the exporters who are reported to have sold sizable quantity to Russia. The U.S.S.R. is reported to have bought so far 800 to 900 tons. Informed sources, however, report that Russia may buy a further quantity of about 600 tons, thus making a total of 1,500 tons as against 2,000 tons bought last year. At the end of the week, however, prices reacted and earlier improvement proved shortlived. At the time of writing there are sellers at Alleppey at Rs. 975. April *shipment, after touching $0.40, improved to $0.43,* while May and June shipments, after having touched $0.39½ and $0.39, improved to $0.42½ and $0.41½ respectively. The present attitude of growers is to sell rather freely in the neighbourhood of Rs. 1,000 and to show resistance whenever the prices decline to about Rs. 900.

The position of the Indian market is uncertain at present and will remain so until the attitude of Singapore sellers of Sarawak pepper is more fully known as there are conflicting reports as to the size of Sarawak crop this year.

The outturn of the crop from Tellicherry area being poor, the total production of Malabar black pepper is expected to be not more than 18,000 tons. Taking India's home consumption at a conservative figure of 6,000 tons, the exportable balance of about 12,000 tons is considered not heavy and as such any improved enquiries from U.S.A. and other consuming countries during the fall are likely to lift up the Indian prices provided Sarawak and Lampong do not prove in the meantime aggressive sellers.

Following are today's nominal quotations: Ready Rs. 125 per Bengal maund; and June Rs. 845-55 per candy of 5¼ cwts.

WHEAT PRICES RECEDE

(*From Our Own Correspondent*)

HAPUR, 11*th April*

Foodgrain prices ruled quiet to easy this week and wheat *dara* prices which earlier had improved to Rs. 12-8 per maund in mid-session, due to poor stock position caused by depletion of old stocks and meagre new crop arrivals which were hardly sufficient to meet the day-to-day requirements, declined again to Rs. 11-12 today following increased arrivals of about 500 maunds. Arrivals were mostly from smaller markets and local arrivals are likely to increase shortly, as harvesting has almost been completed and reports of increased yield are being received. The fine farm quality is quoted at Rs. 13-8 per maund. The stock with the trade is as yet negligible and a fall in prices is anticipated with increase in arrivals. Prices in other centres have also tended to fall. In Punjab the price declined by As. 8 to Rs. 11-12. In Akola, wheat is now quoted at Rs. 25 to Rs. 30 per bag. In Madras, wheat is quoted at Rs. 12-12 per maund and in Siwan, at Rs. 15-3 per maund.

The Government of India is anxious to check a further fall in prices and a conference of Food Secretaries of the wheat-producing States of India finalised plans for purchasing wheat on Government account wherever the rates fall below Rs. 10 a maund. As a further step to create internal demand, the Government of India has decided that the export of 'fines' should not be confined to products of imported wheat.

Last week's steadiness in gram prices was shortlived and rates sagged by As. 4 to As. 6 per maund to Rs. 6 for local quality and to Rs. 6-10 for Punjab quality. New crop arrivals were small and local stock is now estimated at one *khati*. Rice prices slightly declined and the prevailing rates are: Basmati Rs. 25, *raiajwayan* Rs. 18, *raimunia* Rs. 20 and coarse Rs. 11-8 per maund. Barley and *bejhar* prices eased by As. 2 each to Rs. 5 and Rs. 4-12 per maund, respectively. *Arhar* stocks are estimated at 3 *khatis*. Peas prices also continued to be depressed in pattern with the general trend in foodgrain prices. Peas *dara* is quoted at Rs. 4-12 and white quality at Rs. 5-8 per maund. *Daily* arrivals increased to about 800 maunds and, with fairly good offtake mostly to Bihar, the local stock has gone down to 2 *khatias*. *Arhar* prices too declined fractionally by As. 2 to Rs. 6-4. The prices of pulses also declined in other parts of the country. In Madras, peas was quoted at Rs. 18-8 per bag, as against Rs. 19 last week-end and, in Calcutta, the prices continued to be unchanged at Rs. 7-8 per maund, while there was slight improvement in prices in Assam from Rs. 10-10 to Rs. 11 per maund. The all-India first estimate of *rabi* pulses (other than gram and *tur*) for 1954-55 puts the current year's area at 9,486,000 acres, as against the corresponding adjusted estimate of 10,039,000 acres last year, representing a decrease of 6 per cent. in area over last year. Other pulses recorded a quiet tendency and the prevailing rates are:—*Urd* Rs. 8-10, black Rs. 9-12, *moong* Rs. 6-8 to Rs. 8 and masoor Rs. 5-8.

Pulses futures recorded a steady tendency during the week and peas *jeth* is today quoted at Rs. 4-13, *arhar jeth* at Rs. 5-13, and *ura baisakh* Rs. 9-7, as against Rs. 4-11-6, Rs. 5-11-6 and Rs. 9-7, respectively on Monday last.

SUGAR DEPRESSED

(*From Our Own Correspondent*)

HAPUR, 11*th April*

The sugar market continued to rule depressed during the week under review. Indeed, the market was *in a state of nervous anxiety*. Mills were anxious to dispose of their stocks on reports of appreciable increase in overall production and the move of the Government to lighten its stocks of imported sugar as was evidenced by the reduction in the sale price of East German sugar. Stockists, too, were reported to be following a very cautious policy. As a result of all these factors, trading was on a very small scale. Mills in East U.P. have almost closed their season, but the supply of cane in West U.P. is still enough and the season is expected to be prolonged. The prevailing mill delivery rates are:—*Jaswant* Rs. 29, Simbhauli Rs. 29-4, Mowana Rs. 29-4, Daurala Rs. 30-12, Amroha Rs. 28-4, Bijnore Rs. 28-6, Mansoorpur Rs. 30-12 and Rampur Rs. 32, retail Rs. 33-8, *khandsari* Rs. 21 to Rs. 25.

The last week-end's steadiness in the ready *gur* market continued this week also and prices were quoted at Rs. 9-12 to Rs. 10-4 per maund. The fact that arrivals have increased to 1,000 maunds with an improvement in prices shows that the producers have a stock with them which they will push in the market at a favourable price. There was good demand from outside centres and the local stock ran down to about 107,000 maunds including 46,000 maunds of *gur* owned by the State Government. Stocks at this time last year was about 38,000 maunds only. The State Government was hitherto purchasing a very small quantity at the floor price of Rs. 10-4 per maund, but the State's Chief Minister has hinted that the Government would not be able to give price support for long.

Gur prices in markets in the South are also continuing unchanged at Rs. 11-4 to Rs. 12 per maund in Baramati, at Rs. 7-8 to Rs. 9-8 in Ankamaund in Baramati, at Rs. 7 to Rs. 9 in Aklouze, at Rs. 7 to Rs. 11 palli, at Rs. 7 to Rs. 9 in Akloure, at Rs. 7 to Rs. 11 in Shrirampur and Coopergaon, and at Rs. 11-4 in Akola.

The futures section also recorded a steady tone in *pattern* with better ready prices and *gur baisakh* is now quoted at Rs. 8-14-9, *Asar* at Rs. 9-8 and *Phagun* at Rs. 9-9, as against Rs. 8-10-6, Rs. 9-7-6 and Rs. 8-12-6, quoted on Monday last. The fall in the *phagun* section is accounted for the fact that the sowings for the next season have considerably increased.

TEA DUSTS SLIGHTLY DEARER

(*Messrs. Forbes, Ewart and Figgis, Ltd.*)

COCHIN, 7*th April*

Approximately 475,000 lbs. were on offer in dust sale 'G' which was held on Tuesday, 5th April. There was good demand for natural dusts and these types were fully firm and occasionally slightly dearer. Best liquoring dusts met with some competition and must be quoted half to one anna dearer. Milled dusts met a very poor demand and the few types which sold were considerably easier. There was some competition for black, grainy Middle East descriptions.

London Market—No sale this week.

Colombo Market.—Limited demand. Considerably lower rates. Plain liquoring and poor leaf neglected. Heavy withdrawals.

Calcutta Market.—*Export.*—21,600 packages. Fair demand at much lower rates, irregularly As. 4 to As. 6 easier. Few black leaf types strongest features.

Dust.—23,000. Fair demand at easier rates. Strongest feature medium Assam powdery types. Heavy withdrawals of residue grades.

Export Quota.—Substantial business has been done in special licence at 65 pies per lb. and there are still sellers from North India. 1955-56 export rights are quoted at 96 pies buyers with offerings limited.

Forthcoming Auctions.—Dust sale 'H' will be held on Tuesday, 19th April.

HESSIAN PRICES WELL MAINTAINED

(*From Our Own Correspondent*)

CALCUTTA, 12*th April*

The expectation that Argentina would soon enter the market and cover its requirements of hessian for this year was a factor which made quotations for hessian steady, despite lack of moderate business for export during the week under review. In fact, business had been so dull in recent weeks that, when the stock figures are announced, they would show an increase as at the end of last month. Argentina's stocks of hessian are running low and, because prices have been declining, the present is considered an opportune moment for it to call for tenders. In heavy goods, business was continued to be effected with Australia and West Africa, but prices registered further falls.

Ready hessian 40" 10 oz. opened last Tuesday at Rs. 45-7 and profit-taking saw the rate recede to Rs. 44-15. Forward position was quoted As. 8 lower at Rs. 45. On Thursday, the ready position recovered to Rs. 45-1. The market was closed on Friday and Saturday on account of Easter, and yesterday, the rate was fully easy at Rs. 44-11, as speculators who had bought early in the week in expectation of a call for tenders from the Argentine, were disappointed over the delay. The eight oz. was lower yesterday at Rs. 35-12. In the heavy goods section, prices eased, with the ready B. twills being offered yesterday at Rs. 121-4, as against Rs. 125 in the beginning of the week. The decline in the price level is indicative of the present difficulty to maintain prices high.

The fall in the prices of jute goods was not reflected in raw jute. *This was principally due to* the uncertainty of forward trading in Pakistan, and sellers to Indian mills have worded the contracts in such a way so that, if exports from East Bengal were not possible, then the sellers would be at liberty to deliver Indian jute instead. Mills were in the market for a fair quantity of raw jute. Latest quotations, which do not show much change either way from those of a week ago, are given below:

	Middles Rs. a.	Middles Rs. a.	Bottoms Rs. a.	Bottoms Rs. a.
Pakistan:				
Northern	38	8	34	8
District	39	0	35	0
Indian:				
Northern	37	8	34	8
Assam Upper	37	0	34	0
Assam Lower	37	8	34	8
Daisee	38	8	35	8
Murshidabad	36	8	33	8
Western	35	8	32	8
Jungli	35	0	32	0
Orissa	38	0	35	0
Uttar Pradesh	35	0	32	0
Bimli f.a.q.	...		31	8
Pucca bales 1st marks			207	8

METALS LOOK UP

(*From Our Own Correspondent*)

CALCUTTA, 12*th April*

Conditions in the metal market during the week under review were steady. Prices were maintained at higher levels and consumers were content to buy day-to-day requirements only. The decision of the U.S. Government to divert as much as 17,500 tons of copper, meant for stockpile, to industry, is a measure of the present tightness in world supply. American producers have increased their selling price by 3 cents to 36 cents per lb. Advices from the London Metal Exchange, however, showed some easiness, spot falling by £23 to £341 a ton and forward by £20-5 to £333. New York prices also gave way, both spot and three months' delivery being lower by 1¼ cents and 1-3/5 cents, respectively. This was evidently due to proposed diversion of metal meant for Government to private industry. Despite all this, locally electrolytic copper was difficult to be located even at Rs. 260. Wire bars were priced even higher. Pointing to reports that Peru would be in a position to export considerable quantities of copper, consumers hope that India would be able to obtain some quantity from this source.

Another strong feature was electrolytic zinc, which was taken from Rs. 62-4 to Rs. 63-4. Some quantity changed hands, but the improvement was due to *firm advices from London and New York*. The upward trend in the local market would be continued, if prices were to reach the replacement-cost level. Lead changed hands in moderate quantities, and the price scored a fractional gain to Rs. 73-4 but *for moderate arrivals*, tin should have gained more than this week's improvement from Rs. 475 to Rs. 475-8. Conversely speaking, it should be said that the strong conditions in Singapore, London and New York prevented the local quotation from a drastic fall.

LINSEED QUIET

(*Messrs. A. Bradley & Co.*)

CALCUTTA, 11*th April*

A somewhat quieter tendency prevailed in the linseed market during the week and prices registered a small decline. Demand from crushers was rather limited even at lower levels. Sellers showed keener interest owing to better arrivals from upcountry, but activity was poor. Little activity was recorded in the oil section and shippers were operating rather cautiously, despite some enquiries from overseas.

Latest quotations are: Ready Rs. 15-4 and April-May Rs. 15-2 per maund.

FAIR DEMAND FOR TEA

(*From Our Own Correspondent*)

CALCUTTA, 11*th April*

Offerings of tea during the export sale held last week aggregated 21,600 packages. These were end-of-season teas. There were, however, a few bright liquoring lots. As prices were mostly lower, there was a fair demand. Keen competition was offered to tippy teas, as well as black leaf teas, prices of which advanced. There was also strong support to stylish B.P.S.s and whole-leaf grades. There were no quotations.

On Tuesday last, 23,200 chests of dusts were offered in the internal sale. Although prices were lower, there was moderate demand. Despite a fall by As. 4 to As. 6, the end-of-season residue teas had to be withdrawn heavily. C.T.C. Assams lost As. 3 to As. 4. Commons and Dooars were lower by As. 2 to As. 3. Grainy medium Assams showed the least decline, being lower by only As. 1 to As. 2. Thus, best Assam C.T.C's were quoted at Rs. 2-15 to Rs. 3, medium Assam grainy dust Rs. 2-5 to Rs. 2-5-6 and medium Dooars at Rs. 2-2.

Leaf offered in the internal sale on the following day amounted to 13,300 chests. Conditions were better in this section, and demand was satisfactory. Prices of teas with clean black leaf appearance, whole leaf grades and B.P.S.'s gained fractionally. Despite good demand, residue types lost As. 2. Low quality C.T.C. Assams were difficult to be pushed. There were no quotations.

HIDES STEADY

(*From Our Own Correspondent*)

KANPUR, 10*th April*

During the week under review, the hides and skins market ruled steady. Traders drew relief from the fact that Mr. Nehru is not so much set against the question of cow slaughter. Mr. Nehru's remarks in Parliament had a sustaining effect on the market. Weekly arrivals were up to average. The local tanners were the main purchasers.

The latest available quotations are: Wet salted cow 1st grade Rs. 360, 2nd grade Rs. 300 and 3rd grade Rs. 140 to Rs. 150 per score; wet salted buff 1st grade 1 lb. 10 ozs. and 2nd grade 1 lb. 14 ozs. per rupee; goat skins 1st grade Rs. 225 and 2nd grade Rs. 125 per 100 pieces; sheep skins Rs. 260 to Rs. 300 per 100 pieces.

KIPS FIRM

(*From Our Own Correspondent*)

MADRAS, 11*th April*

Kip prices have ruled firmer, due to good clearance of stocks by several shippers. Prices for lightweights have increased by As. 2 per lb. and U.K. importers have followed the market. Top marks continue to attract attention and higher prices have been obtained from U.K. dressers. Medium weights remain unchanged and heavies are firm. Arrivals have met with good clearance and tanners have been keen to buy raw stocks at higher prices.

Market for tanned goat has ruled firmer and prices advanced by As. 2 per lb., while sheep declined by an anna per lb. for adulterated qualities.

Notices

THE BENGAL FLOUR MILLS COMPANY, LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Ordinary General Meeting of the Company a dividend at 30 per cent. per annum for the half-year ended 31st December, 1954.

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

21, NETAJI SUBHAS ROAD,
CALCUTTA, 12*th April*, 1955.

THE BELSUND SUGAR CO., LTD.

NOTICE

THE ANNUAL ORDINARY GENERAL MEETING of Shareholders will be held at the Registered Office of the Company, 14, Netaji Subhas Road, Calcutta-1, on Monday, the 25th *of April*, 1955, at 3 p.m., for the purpose of receiving the Directors' and Auditors' Report for the year ended 30th September, 1954, passing the Accounts, declaring Dividend, electing Director and Auditors in place of those retiring and transacting any other business that may be brought forward.

Notice is hereby given that the Share Transfer Books of the Company will be closed from 11*th April* to 25*th April*, 1955, both days inclusive.

The Dividend Warrants will be sent to Registered Shareholders.

By Order of the Board,
BANGUR BROTHERS LTD.,
G. L. BANGUR,
Managing Agents.

14, NETAJI SUBHAS ROAD,
CALCUTTA, 31*st March*, 1955.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept. 1939 (pre-war)	1st April, 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,291.59	1,277.00	1,265.56	1,207.04
Notes held in Banking Department	85.05	11.25	15.92	7.34	10.63
Foreign Securities	59.50	626.94	646.56	673.15	658.15
Rupee Securities	27.39	553.75	548.95	457.74	421.34
Banking Department					
Deposits of					
Government of India	14.89	65.02	59.45	52.61	61.59
Other Governments		61.59	60.27	18.05	38.05
Balances held abroad	10.08	97.77	83.15	58.25	96.04
SCHEDULED BANKS					
Demand Liabilities	134.36	580.92	574.37	583.18	541.51
		(6.99)†	(6.9)†	(7.65)†	(8.35)†
Time Liabilities	102.24	370.37	376.88	371.29	325.41
		(1.41)‡	(1.56)‡	(2.21)‡	(1.26)‡
Borrowings from Reserve Bank	..	37.90	37.07	17.32	22.37
		(27.17)§	(26.23)§	(8.26)§	(9.00)§
Borrowings from Imperial Bank	..	9.59	8.07	9.25	13.44
Cash in India	6.70	32.73	31.61	33.29	31.33
Balances with Reserve Bank	25.17	44.92	46.18	45.65	50.45
Excess over statutory limits	15.52	8.35	10.13	9.07	16.87
Balances with other banks in current account in India	..	10.72	9.88	10.21	11.58
Money at call and short notice in India	..	9.07	11.36	15.00	10.83
Investments (at book value)	..	344.31	344.17	347.48	318.83
Advances and bills	105.09	632.52	622.57	601.64	545.50*
IMPERIAL BANK					
Deposits	37.76	231.28	224.12	228.89	216.89
Investments	61.99	106.14	105.46	105.26	92.17
Advances	30.35	129.20	128.99	124.01	124.96
Cash	14.69	15.38	18.41	16.83	14.90

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes foreign bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	Week ended 8th April, 1955 Number of Cheques	Amount Rs.	Week ended 1st April, 1955 Number of Cheques	Amount Rs.
Bombay	2,26,281	54,36,17,000	2,40,883	63,86,71,000
Calcutta	1,47,565	58,35,12,637	1,69,928	75,57,59,835
Madras	74,797	7,67,07,221	95,839	12,22,95,884
All Centres—				
1955	..	..	14,83,214	26,45,05,08,000
1954	..	..	3,40,72,000	70,64,29,00,000
Dec., 1954	..	..	29,95,000	6,64,03,00,000
Jan., 1955	..	..	29,43,000	6,23,74,00,000

Reserve Bank of India

Statement of Affairs for the week ended 8th April, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	57,81,18,000
(2) Other Governments	80,15,96,000
(b) Banks	44,94,84,000
(c) Others	21,52,12,000
Bills Payable	4,68,90,000
Other Liabilities	27,32,40,000
Rupees	198,45,40,000

ASSETS	Rs.
Notes	8,41,56,000
Rupee Coin	9,96,000
Subsidiary Coin	7,15,000
Bills Purchased and Discounted—	
(a) Internal	55,55,000
(b) External	..
(c) Government Treasury Bills	11,77,71,000
Balances held abroad	73,95,56,000
Loans and Advances to Governments	1,19,00,000
Other Loans and Advances	30,94,50,000
Investments	47,23,24,000
Other Assets	22,21,14,000
Rupees	196,45,40,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 16,85,00,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 49,80,00,000.

ISSUE DEPARTMENT

LIABILITIES		Rs.
Notes held in the Banking Department	8,41,56,000	
Notes in circulation	1322,77,22,000	
Total Notes issued		1331,18,78,000
Total Liabilities		1331,18,78,000

ASSETS		Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	651,97,61,000	
Total of A		691,99,32,000
B. Rupee Coin		105,44,17,000
Government of India Rupee Securities		533,75,29,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1331,18,78,000

Ratio of Total of A to Liabilities: 51.983 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 1st April, 1955

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India	5,88,75,000†
(ii) Other demand liabilities	575,03,49,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India	1,40,54,000†
(ii) Other time liabilities	374,96,84,000
3. Borrowings in India from the Imperial Bank of India:	
(i) Demand liabilities	9,58,60,000
(ii) Time liabilities	..
4. Cash in India	32,73,09,000
5. Balances with the Reserve Bank in India	44,91,54,000
6. Balances with other banks in current account in India	10,71,97,000
7. Money at call and short notice in India	9,07,04,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	344,31,36,000
9. Advances in India	615,57,10,000
10. Inland Bills purchased and discounted in India	50,70,31,000
11. Foreign Bills purchased and discounted in India	36,24,61,000

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

EXCHANGE RATES

	4th April, 1955	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot. s	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months .. s	1-5⅜	1-5⅜
Buyers T.T. spot to nine months .. s	1-6¼	1-6¼
Buyers T.T. 10 to 12 months .. s	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. .. Rs	4 79	4 79½
Buyers T.T. .. Rs	4 74½	4 75½
London on New York.. $	2 79⅜-2 79½	2 79½-2 79⅝
London on Paris .. Frs	892½-892¾	977 97½
London on Berne .. Sw. Frs	12 28½ 12 28¾	12 28 12 28½
New York on London.. $	2 79⅜-2 79⅝	2.79½-2 79⅝

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	'51-'52	359.32	..	9,990	274.5
Pakistan	1949	75.04	..	1,671	223
Burma	1952	18.86	Kyats 1,556	356	188
Ceylon	1953	8.16	..	442	541
Japan	1952	85.50	Y. 5,262,400	7,014	820
Philippines	1953	21.02	Ps. 7,375	1,654	787
New Zealand	1952	2.05	£(N.Z.) 727	969	4,727
Australia	1952	9.13	£(A) 3,021	3,241	2,707
U.K.	1953	50.86	£ 14,719	19,625	3,854
U.S.A.	1953	159.63	$ 305,000	146,790	9,198
Canada	1953	14.76	$ 19,043	8,407	5,698
France	1952	42.55	Fr. 10,197,900	14,118	3,321
W. Germany	1953	48.99	Dm. 103,000	11,706	2,389
Italy	1952	47.02	Lr. 5,067,000	6,832	1,453
Norway	1953	3.36	Kr. 16,461	1,132	3,369
Sweden	1953	7.17	Kr. 26,957	3,422	4,772
Netherlands	1953	10.49	Grs. 19,360	2,451	2,346
Denmark	1953	4.37	Kr. 22,464	1,551	3,572
Switzerland	1953	4.88	Sw.Fr. 20,800	2,256	4,664

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, September, 1954.
† Estimates are based on the first issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 1st April, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	21,79,07,000
(b) Provincial Governments	1,46,87,000
(c) Banks	12,42,06,000
(d) Others	4,57,70,000
Bills Payable	9,20,000
Other Liabilities	4,50,22,000
Rupees	50,85,18,000

ASSETS	Rs.
Notes	8,65,31,000
Rupee Coin	7,000
Subsidiary Coin	15,000
Bills Purchased and Discounted:—	
(a) Internal	.....
(b) External	.....
(c) Government Treasury Bills	.....
Loans and Advances to Governments	3,80,00,000
Provincial Governments' Debtor Balances	52,000
Other Loans and Advances	12,92,16,000
Investments	17,32,85,000
Other Assets	8,14,12,000
Rupees	50,85,18,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,65,31,000	
Notes in circulation	244,83,19,000	
Total Notes issued		253,48,50,000
Total Liabilities		253,48,50,000

ASSETS	Rs.	Rs.
A. 1. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	29,72,61,000	
Government of India Securities	21,41,41,000	
India Notes representing assets receivable from the Reserve Bank of India	29,97,64,000	
		99,03,28,000
B. Rupee Coin	4,32,89,000	
Government of Pakistan Securities	145,87,58,000	
Internal bills of exchange and other commercial paper	.....	
		150,20,47,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,96,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,81,000	
		4,24,75,000
Total Assets		253,48,50,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 40.63 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Belgium	3rd June, 1954	4	3½
Bolivia	20th Oct., 1953	3	2½
Canada	20th Sept. 1950	5	6
Ceylon	15th Feb., 1955	2	1½
Chile	11th June, 1954	3	2½
Colombia	13th June, 1935	4	4½
Costa Rica	19th July, 1933	5	4
Denmark	1st Feb., 1950	3	4
Ecuador	22nd June, 1954	4½	5½
Egypt	15th Nov., 1952	8	10
El Salvador	22nd Mar., 1950	4	3
Finland	16th Dec., 1951	7½	6½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1954	12	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	26th Mar., 1952	2½	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Mexico	4th June, 1942	4	4½
Netherlands	7th April, 1953	3	2½
New Zealand	26th Nov., 1954	3½	4
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	3	2
Peru	13th Nov., 1947	5	6
Portugal	12th Jan., 1944	2	2½
South Africa	27th Mar., 1952	3½	4
Spain	1st July, 1954	4	3½
Sweden	24th Nov., 1953	3	2½
Switzerland	25th Nov., 1936	4	1½
Turkey	26th Feb., 1951	2	3
United Kingdom	24th Feb., 1955	3½	4½
U.S.S.R.	1st July 1936	5	6
U.S.A.	16th April, 1954*	1½	1½
West Germany	20th May, 1954	3½	3

* Effective in 1x of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January, 1954	January, 1955	Ten months, April to Jan., 1953-54	Ten months, April to Jan., 1954-55
Import Duties:				
Revenue	9.64	22.08	92.26	112.14
Protective	0.58	0.60	5.11	6.81
On surplus disposals	..	..	0.20	0.13
Total import duties	10.22	22.68	97.57	118.58
Export Duties	2.72	4.66	33.22	32.45
Land Customs	0.21	0.14	1.59	1.57
Miscellaneous	0.05	0.09	0.61	0.90
Gross total customs	13.20	27.57	132.99	153.50
Refunds and drawbacks	0.14	0.16	1.64	1.27
Net Customs	13.06	27.41	131.35	152.23
Gross excise	8.64	9.41	77.71	85.13
Refunds	0.09	0.07	0.82	1.49
Net Excise	8.55	9.34	76.89	83.69
Net total of customs and excise	21.61	36.75	208.24	235.92

† Net Customs plus net Excise.

Imperial Bank of India

Statement of Affairs for the week ended 8th April, 1955

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares ..	5,62,50,000	
Reserve Fund and other Reserves ..		6,35,00,000
Deposits and other Accounts		223,35,15,000
Borrowings from other Banking Companies Agents		1,10,01,000
Bills Payable		466,907
Bills for Collection being Bills Receivable as per contra ..		6,06,60,000
Acceptances, Endorsements and Other Obligations as per contra		47,38,000
Other Liabilities (including Inter-Office Adjustments) ..		1,50,000
		9,41,24,000
Total .. Rs		252,28,92,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		10,80,95,000
Balances with other Banks		3,32,90,000
Money at Call and Short Notice		1,46,67,000
INVESTMENTS—		
Government and other Trustee Securities ..	92,73,43,000	
Other Authorised Investments ..	11,50,17,000	
		104,23,60,000
Advances—		
Loans Cash Credits and Overdrafts, etc. ..	96,44,07,000	
Bills Discounted and Purchased..	31,29,75,000	
		127,74,72,000
Bills Receivable being Bills for Collection as per contra ..		47,38,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		
Premises less Depreciation ..		1,05,000
Furniture and Fixtures less Depreciation		1,30,60,000
Other Assets (including Inter-Office Adjustments)		45,71,000
		2,46,25,000
Total .. Rs.		252,28,92,000

Source: Department of Research and Statistics, Reserve Bank of India.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,882	12,806,704
1951	1,071	691,321	3,819,928
1952	963	849,243	3,336,961
1953	772	466,907	3,382,806
December 1952	81	27,525	155,017
January 1953	85	42,343	244,414
February ,,	45	26,477	124,411
March ,,	67	38,231	218,207
April ,,	72	49,133	216,853
May ,,	88	38,717	276,216
June ,,	99	50,257	252,279
July ,,	87	48,066	131,123
August ,,	74	53,083	223,154
September ,,	106	44,863	467,273
October ,,	101	80,211	402,116
November ,,	88	41,431	345,211
December ,,	81	40,720	479,303
January 1954†	84	51,973	325,914
February ,,	86	41,351	344,295
March ,,	91	84,208	231,419
April ,,	101	84,563	307,247
May ,,	80	40,078	216,062
June ,,	83	21,589	205,078
July ,,	123	80,169	277,495
August ,,	79	51,000	322,487
September ,,	97	50,414	364,578
October* ,,	88	41,724	276,204
November* ,,	62	25,115	239,201
December ,,	85	52,819(a)	259,598(b)

† Figures for 1954 are provisional.
(a) Not known in 6 cases.
* Revised.
(b) Not known in 8 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns	Units generated†	Units Sold
1948-49	469	4,681.1	3,777.7
1952-53	614	6,301.4	5,134.3
1953-54	646	6,876.8	5,572.7
July 1953	627	556.0	471.0
August ,,	629	587.8	468.9
September ,,	632	576.5	464.1
October ,,	634	583.1	468.7
November ,,	637	563.1	455.7
December ,,	640	605.6	486.0
January 1954	640	568.7	478.0
February ,,	643	551.4	451.4
March ,,	645	593.6	485.5
April ,,	651	613.3	504.4
May ,,	651	630.9	515.5
June ,,	660	629.4	510.3
July ,,	663	633.4	515.8
August ,,	667	635.0	510.5
September ,,	669	647.6	523.3
October ,,	669	658.5	511.6
November ,,	674	665.5	534.6
December ,,	679	683.5	558.0

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

SMALL SAVINGS

(In lakhs or rupees)

	National Savings Certificates 5-Year† Outstandings*	5-Year† Receipts	7-Year †† Outstandings*	7-Year †† Receipts	12-Year Outstandings*	12-Year Receipts	Savings Bank Deposits Receipts	Savings Bank Deposits Outstandings	Cash Certificates Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	21/2% Ten-year Treasury Savings Deposit Certificates ‡ Receipts	21/2% Ten-year Treasury Savings Deposit Certificates ‡ Outstandings*	10-Year National Plan Certificates ‡ Receipts	10-Year National Plan Certificates ‡ Outstanding*
1948-49	1,46	76	78	20,40	22,85	58,06	24,91	— 12,81	..	..	..	..	..
1952-53	6,63	65	3,76	23,66	84,17	1,18,35	92,03	— 31,07	7,55	27,64	..	..	..
1953-54	5,91	1,50	4,26	26,54	1,04,88	1,17,37	1,09,29	— 34,20	6,94	32,11	..	..	..
January, 1954	6,15	12	3,81	2,08	1,00,45	8,91	1,00,25	— 33,78	50	31,23	..	..	..
February ,,	6,02	11	3,69	2,12	1,02,09	9,49	1,01,79	— 33,97	51	31,73	..	..	..
March ,,	5,91	46	4,26	3,05	1,04,26	16,29	1,06,29	— 34,20	44	32,11	..	..	..
April ,,	5,81	11	4,20	2,13	1,05,94	10,70	1,07,31	— 34,40	70	32,77	..	..	..
May ,,	5,71	10	4,21	1,71	1,07,06	10,02	1,07,13	— 34,57	54	33,26	24	34	..
June ,,	5,62	9	4,23	1,89	1,08,40	10,48	1,06,23	— 34,73	31	33,61	49	83	..
July ,,	5,47	12	4,29	2,27	1,10,18	11,40	1,11,02	— 34,96	46	34,03	76	1,59	..
August ,,	5,36	15	4,39	2,17	1,11,88	10,23	1,13,07	— 35,17	46	34,44	89	2,49	..
September ,,	5,24	19	4,51	2,44	1,13,72	10,23	1,14,25	— 35,34	54	34,94	1,57	4,06	..
October ,,	5,16	11	4,57	1,90	1,15,09	8,96	1,14,98	— 35,51	42	35,32	60	4,65	..
November ,,	5,06	12	4,64	2,25	1,16,76	10,74	1,16,31	— 35,68	37	35,64	54	5,23	..
December ,,	4,96	11	4,66	2,34	1,18,40	11,36	1,18,56	— 35,87	40	35,98	57	5,79	..
January 1955	4,88	14	4,76	2,43	1,20,28	10,51	1,20,10	— 36,03	43	36,37	54	6,33	..
February ,,	..	..	..	..	..	..	..	..	40	36,74	..	..	..

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947. † Issued from 1st June, 1948 to 30th June 1953. †† Issued from 1st June, 1948. ‡ Issued from 1st February, 1951. ‡ Issued from 10th May, 1954.
N Figures from 1948-49 relate to the Indian Union Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 3-4-'54	5-3-'55	26-3-'55	2-4-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	96.6	99.6	98.6	98.6
1. Government of India	90.4	90.5	90.4	90.4
2. Indian States	95.7	96.1	96.1	96.1
3. Municipal, Port Trust, etc	89.3	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	101.4	100.9	100.6	100.6
1. Electricity	102.7	102.4	102.0	102.0
2. Jute	98.8	98.8	98.8	98.8
3. Plantations	99.6	99.6	99.6	99.6
4. Sugar	100.7	99.3	99.0	99.0
5. Cotton	90.6	90.6	90.6	90.6
6. General Engineering	103.3	100.6	100.6	100.6
7. Shipping	102.3	100.6	100.2	100.2
8. Others	100.7	100.8	100.6	100.6
PREFERENCE SHARES	88.3	87.6	87.4	87.5
1. Electricity	95.9	97.2	97.5	97.6
2. Cotton	85.8	78.5	75.5	75.4
3. Jute	88.3	86.2	85.7	85.9
4. Coal	90.2	92.3	92.3	91.7
5. Iron and Steel	91.8	89.6	89.9	90.0
6. Sugar	75.9	82.8	83.7	84.3
7. Paper	87.4	89.7	89.7	89.4
8. Plantations	89.9	97.8	98.3	98.2
9. Miscellaneous	86.4	86.0	85.4	85.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	102.9	114.1	115.8	115.6
a) Financial	87.9	88.6	88.5	88.5
1. Banks	86.3	85.1	85.4	85.4
2. Insurance	102.1	109.0	107.8	107.1
3. Investment Trust	77.6	94.0	92.3	93.6
(b) Public Utilities	113.2	114.3	114.8	114.4
1. Electricity	118.8	124.1	124.1	124.3
2. Shipping and other Transport	107.9	98.9	98.7	98.1
3. Railways	95.5	87.7	89.0	89.3
(c) Manufacturing Industries.	108.5	116.9	119.5	119.1
1. Cotton, Woollen and Silk	102.7	102.7	103.7	103.8
2. Jute	81.7	94.5	100.4	99.8
3. Iron and Steel	124.1	144.9	149.0	147.5
4. Paper	138.8	208.6	223.8	223.7
5. Cement	126.7	144.7	148.7	147.5
6. General Engineering.	135.6	163.8	169.9	169.6
7. Sugar and Breweries.	89.4	105.4	97.5	98.4
8. Chemicals	112.0	135.6	135.9	134.8
d) Non-Manufacturing Industries	110.1	158.2	181.5	181.6
1. Coal	76.3	80.1	78.0	77.6
2. Mining and Oil	182.9	193.7	197.6	195.5
3. Plantations	108.7	169.0	196.2	197.6
e) Miscellaneous	93.2	95.3	96.6	95.8
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	90.1	90.1	90.0	90.0
1. Bombay	90.6	90.6	90.5	90.5
2. Calcutta	90.8	90.9	90.9	90.9
3. Madras				
DEBENTURES OF INDUSTRIAL CONCERNS:	101.4	99.4	99.1	99.1
1. Bombay	102.2	101.7	101.3	101.3
2. Calcutta	100.0	100.5	100.5	100.4
3. Madras				
PREFERENCE SHARES:	92.7	91.4	91.7	91.8
1. Bombay	85.2	83.6	83.2	83.3
2. Calcutta	90.0	94.1	94.4	94.2
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	115.5	117.8	119.0	118.1
1. Bombay	94.3	107.9	109.7	109.6
2. Calcutta	100.5	109.0	110.2	110.6
3. Madras	105.4	116.4	119.2	119.1
4. Delhi				

Source: Department of Research and Statistics, Reserve Bank of India.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	19th March, 1955	12th Mar., 1955	20th Mar., 1954	February, 1955	February, 1954	Percentage of increase (+) or decrease (—) in Feb., 1955 as compared with Feb., 1954	Financial Year Average 1953-54	1954-55
Food Articles	296.5	297.3	371.3	304.3	373.3	—18.5	384.4	339.8
Cereals	340	339	425*	342	435	—21.1	451	381
Pulses	229	231	365	233	387	—39.5	450	260
Other	248	2.0	292	291	281	— 7.1	278	291
Industrial Raw Materials	408.3	418.7	459.8	436.1	471.4	— 7.5	467.7	436.2
Fibres	445	446	459	443	455	+ 6.1	432	447
Oil-seeds	326	342	514	360	526	—31.6	574	424
Minerals	431	424	442	412	444	— 7.2	449	422
Others	461	463	403	463	403	+19.9	375	427
Semi-Manufactures	332.1	334.3 R	458.6	339.7	360.1	— 5.7	359.2	350.3
Leather	301	304	358	309	307	— 2.0	324	321
Mineral oils	221	221	221	221	221	—	224	221
Vegetable oils	347	357	477	391	499	—21.6	534	433
Cotton yarn	410	410	442 R	447	442	— 2.0	412	404
Metals	242	242	238	242	237	+ 2.1	229	240
Oil cakes	282	285	417	295	427	—30.9	433	361
Others	331	334	306	316	305	+10.2	281	312
Manufactured Articles	376.1	377.0 R	376.7	376.9	368.3	+ 2.3	367.4	377.3
Textiles	419	441 R	419	422	408	+ 3.2	408	438
Jute	465	470	477	427	427	+11.7	479	415
Cotton	407*	407* R	413*	410*	403*	+ 1.7	405*	415*
Rayon and Silk	466*	466*	405*	465*	453*	+ 1.5	414	411
Woollen	310	310	313	310	313	— 1.0	314	310
Metal products	340	340	337	340	337	+ 0.9	337	340
Others	287	287	286	284	283	+ 0.4	283	286
Miscellaneous	554.9	556.5	686.3	558.6	693.9	—19.5	616.6	612.4
All Commodities	352.3	355.1 R	394.0	361.4	385.0	— 6.5	397.5	377.4

R=Revised. * Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

Year ended August, 1939=100

	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugarcane	Gur	Tobacco	Raw cotton	Raw jute†	Groundnuts	Linseed	Castor	Jute manufactures	Cotton manufactures	Iron and steel
1953 December	482	579	185	282	357	474	575†	230	225	1177	451†	410	545	419	357	427	397	269
1954 January	478	601	222	291	365	545†	570†	289	250†	1177	483†	421	606	425	357	423	397	270
February	486	581

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop		Acreage 1953-54 Final	Acreage 1952-53 Final	Outturn 1953-54 Final	Outturn 1952-53 Final
Rice 2nd	tons	68,802†	71,224†	21,593†	23,455†
Wheat	,,	26,008	24,245	7,792	7,383
Jowar	,,	42,990	43,339	7,601	7,260
Bajra	,,	28,820	26,550	4,248	3,150
Barley	,,	8,190	8,010	2,721	2,849
Maize	,,	8,992	8,807	2,854	2,823
Ragi	,,	5,472	5,423	1,364	1,238
Small Millets	,,	13,167	12,431	2,183	1,905
Total cereals	,,	210,375	203,140	56,130	49,103
Kharif	,,	176,077	170,554	45,617	38,871
Rabi	,,	34,298	32,586	10,513	10,232
Gram	,,	18,803	18,014	4,551	4,165
Other Rabi Pulses*	,,	11,130	11,185	2,075	2,042
Jute	bales	1,273†	1,106†	3,153†	3,199†
Cotton (3rd)	,,	16,161	15,010†	3,677†	3,207†
Sugarcane (2nd)	tons	3,617†	3,503†	4,740†	4,209†
Groundnut	,,	12,647†	10,609†	3,623†	3,573†
Linseed	,,	3,290	3,305	355	356
Castorseed	,,	1,368	1,357	107	106
Rape and Mustard Seed	,,	5,573	5,199	826	837
Sesamum (3rd)	,,	5,481†	5,019†	547†	534†
Total oilseeds*	,,	27,580	25,681	5,591	4,646
Tobacco	,,	800	805	256	241
Black Pepper	,,	209	205	22	22
Ginger	,,	47	46	15	14
Dry Chillies	,,	1,328	1,235	310	274
Potato (2nd)	,,	645	633	1,657	1,694

Source: Ministry of Food and Agriculture.

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

* Excluding gram and Tur.

‡ Relates to 1954-55. † Relates to 1953-54.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During February, 1955	81.8
	Corresponding month, 1954	64.2
	Eight months ended Feb., 1955	661.2
	Corresponding period, 1954	568.8
Stocks	At the end of February, 1955	83.1
	Corresponding month, 1954	95.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 5th March, 1955	11.730
	Corresponding week, 1954	14.471
	From 1st to 5th March, 1955	81.558
	Corresponding period, 1954	84.150
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 5th March, 1955	32.256
	Corresponding week, 1954	46.804
	From 1st to 5th March, 1955	214.307R
	Corresponding period, 1954	282.900
	RAW JUTE	(In 000 bales)
Consumption by Mills†	Feb., 1955 (in lakh bales)	4.75
	Corresponding month 1954	3.96
	Eight months ended Feb., 1955	38.85
	Corresponding period, 1954	32.99

* From Calcutta. † Estimated. R=Revised.

IRON AND STEEL PRODUCTION

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,90,000
Do. 31st March, 1955	11,44,400	10,42,900	7,81,200
November 1953	1,00,800	95,800	68,400
December ,,	1,01,400	96,100	71,700
January 1954	1,02,800	99,900	71,400
February ,,	92,700	84,500	63,300
March ,,	94,600	89,700	65,000
November ,,	94,200	90,800	66,000
December ,,	1,06,600	95,000	78,800
January 1955 ,,	1,02,800	96,800	72,200
February ,,	92,500	84,600	63,900
March ,,	95,000	89,800	66,100
Indian Iron and Steel Co.			
Year ended 31st March 1953	6,26,710	4,21,480	3,12,940
Do. 31st March, 1954	8,80,020	4,49,030	2,92,440
Do. 31st March, 1955	7,15,949	5,28,240	4,56,092
April 1953	52,210	30,960	19,090
May ,,	57,810	32,850	19,700
June ,,	56,730	32,940	18,080
Three months ended Sept., 1953	63,390	19,350	11,640
,, ,, ,, Dec., 1953	1,91,520	1,15,300	1,06,940
Three months ended Mar., 1954	2,87,750	1,25,610	1,16,940
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
Three months ended Sept., 1954	1,80,018	1,29,741	1,12,461
,, ,, ,, Dec., 1954	1,56,058	1,26,401	1,20,414
,, ,, ,, Mar., 1955	1,65,108	1,43,828	1,18,186

OVERALL BALANCE OF TRADE OF INDIA JANUARY, 1955†

Particulars	January, 1954 Rs. (lakhs)	January, 1955 Rs. (lakhs)	Ten months, April to January 1953-54 Rs. (lakhs)	Ten months, April to January 1954-55 Rs. (lakhs)
1. Trade in merchandise—				
(a) Exports	44.81	54.00	439.70	481.56
(b) Re-exports	32	45	3.97	4.29
Less—Transit trade	..	2	4	27
Net re-exports	32	43	3.93	3.92
Total exports	44.63	54.43	443.63	485.48
2. Imports	40.39	53.20	484.97	509.25
Less—Transit trade	..	..	11	10
Net imports	40.39	53.20	484.86	509.15
Balance of trade in merchandise	+ 4.24	+ 1.23	—41.23	—23.67
Balance of trade in gold and silver	..	..	—8	—2
Total overall visible balance of trade	+ 4.24	+ 1.23	—41.31	—23.69

† Total values of foreign trade of India by all routes (i.e., sea air and land).

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (In thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1948-1949	1,132	36,925	104,296	22,364	9,069	2,115	780	172	142	..	..	..
1952-1953	1,168	34,406	124,773	24,589	11,413	2,625	949	171	169	209	169	257
1953-1954	1,179	35,215	129,009	29,345	11,186	2,513	921	154	168	168	190	243
November 1953	87	2,539	9,023	2,366	989	216	64	14	14	17	12	27
December ,,	93	2,747	10,900	2,476	989	210	59	16	14	18	14	23
January 1954	94	2,781	11,281	2,551	1,079	203	94	17	20	16	15	22
February ,,	101	3,157	10,313	2,274	933	178	76	13	16	14	14	20
March ,,	105	3,325	14,383	3,308	1,018	215	83	17	18	12	16	24
April ,,	..	..	..	..	953	211	83	20	15	10	15	24
May ,,	..	..	..	..	932	215	78	14	15	10	13	22
June ,,	..	..	..	..	969	210	71	10	13	7	16	22
July ,,	..	..	..	..	935	234	76	11	10	7	13	24
August ,,	..	..	..	..	935	245	79	11	9	7	11	21
September ,,	..	..	..	..	914	241	66	11	9	12	12	21
October ,,	..	..	..	..	934	241	65	13	10	19	15	22
November ,,	..	..	..	..	901	226	73	15	13	9	14	21
December ,,	..	..	..	..	1,064	229	70	20	14	21	10	26

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway.
† Progressive figures.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 7th April 1955	44 900
	Corresponding week, 1954	71 005
	1st Sept., 1954 to 7th April 1955	903 724
	Corresponding period, 1953-54	1,001,566
Cotton Exports	Week ended 7th April, 1955	7,532
	Corresponding week, 1954	9,752
	1st Sept., 1954 to 7th April, 1955	210 984
	Corresponding period, 1953-54	201,276
Mill Consumption	1st Sept., 1954 to 7th April, 1955	760,052
	Corresponding period, 1953-54	748,306
Stock (with exporters, dealers and mills) in Bombay	On 7th April, 1955	469,590
	Corresponding date, 1954	865,013
Cotton Exports from Bombay (by sea)	During December, 1954	21,771
	1st Sept., to 31st December, 1954	100,549
	1st Sept., to 31st December, 1953	81,256
Karachi (Pakistan)—		
Receipts	1st Sept., 1954 to 31st Mar., 1955	1,060,704
	Corresponding period, 1953-54	1,292,997
Exports	1st Sept., 1954 to 31st Mar., 1955	452 402
	Corresponding period, 1953-54	758,615

Particulars	From 1st Sept., 1954 to 11th April, 1955 Bales	From 1st Sept., 1953 to 11th April, 1954 Bales
From Bombay		
Cotton Exports to—		
United Kingdom	17 828	11 212
Continent	80,376	20,105
China	1,309	251
Japan	60,490	53,357
U.S.A.	14,296	12,428
Other Countries	1,258	1,452
Total to all foreign countries	125,757	99 473
Coastal Ports	87,485	104 513

Period	Quantity (Bale of 400 lbs.)
Consumption of Cotton—	
Indian	848 639
Foreign	47 336
Indian	1,700 852
Foreign	294 740
Indian	1,638 384
Foreign	284,710
Stocks (Mills and Elsewhere)—	
Indian	1,043 859
Foreign	185 848
Indian	907 292
Foreign	167 249
Week ended 1st April, 1955	21 481
Corresponding week, 1954	116 767
1st Sept., 1954 to 1st April, 1955	2 335 761
Corresponding period, 1953-54	2 678 559

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERRIBLE LOANS				
4½% Loan	1928	9,05,84,000	1955-60	101½
4 % Bonds	1926-32	63,30,26,000	1960-70	101
3 % Loan	1935-36	1,16,17,46,000	1965-65	93
3 % Loan	1940	30,23,10,000	1964	93½
3 % Loan	1942	1,10,11,78,000	1966-68	91
2½ % Y. Loan	1944	1,14,06,99,000	1967	80½
3 % Loan	1945	1,15,05,85,000	1970-75	87
3 % Loan	1945	1,13,65,64,000	1959-61	97½
3 % Loan	1951	50,36,63,000	1966	99
2½% Loan	1946	45,63,07,000	1960	94
2½% Loan	1946	57,00,69,000	1961	91
2½% Loan	1946	14,77,46,000	1962	92
2½% Loan	1947	75,86,72,000	1972	92½
2½% Loan	1948	60,45,01,000	1952	99½
2½% Loan (N.P. Bonds)	1953	75,00,00,000	1961	99½
2½% N.P. Loan	1954	158,75,00,000	1964	94½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,98,36,000	At option of Government after three months' notice. On Either 1st 1945 or later at option of Government after three months' notice.	81½ 80½
3 %Loan	1946	248,91,00,000		
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,20,000	1958-68***	108½
PROVINCIAL LOANS				
3 % Bombay	1942	3,84,23,000	18th Sept. 1955*	90½
3 % Bombay	1943	2,50,10,000	14th Sept. 1956	90½
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	92
3 % Bombay	1949	6,00,15,000	1st Aug. 1957	93
3 % Bombay	1950	3,01,87,700	21st July 1960	94½
3½% Bombay	1951	3,04,06,900	17th Feb. 1962	94
4 % Bombay	1952	5,00,00,000	15th July 1963	101
3 % Bombay	1952	8,66,72,700	1st Aug. 1964	101
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98½
3½% Cochin	1946	70,00,000	1st June 1956-61	99½
3½% Howrah Bridge (New)	1926-27	2,31,07,100	1956-66	95½
3 % Madras	1940	1,25,95,800	21st June 1955	94½
3 % Madras	1942	1,23,25,000	19th Sept. 1955	99-10½
3 % Madras	1943	1,25,10,000	14th Sept. 1956	90½
3 % Madras	1944	1,07,98,000	15th Aug. 1958	98
3 % Madras	1945	2,78,44,000	14th Sept. 1960	94½
2½% Madras	1946	2,81,77,200	1st Sept. 1961	91
3 % Madras	1950	4,35,25,400	21st July 1960	94½
3½% Madras	1951	3,01,49,300	17th Sept. 1962	97½
4 % Madras	1952	5,00,00,000	15th July 1963	100-5½
4 % Madras	1952	5,24,51,200	1st Aug. 1964	100-9½
3 % Mysore (*f*)	1930	1,68,44,200	1st Nov. 1955	101½
3 % Mysore (*f*)	1932	9,95,50,700	1st Dec. 1952-63	101½
3 % Mysore (*f*)	1936	5,99,72,900	26th April 1956-61	99
3 % Mysore	1947	5,06,05,100	25th Jan. 1958	99½
4 % Mysore	1952	5,00,00,000	15th July 1963	104½
3 % M.P.	1942	50,00,000	18th Sept. 1955	90
3 % M.P.	1943	50,54,200	14th Sept. 1956	98½
3 % M.P.	1944	52,60,900	15th Aug. 1958	97
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	92½
3 % M.P.	1950	1,00,28,800	21st July 1960	94
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97½
4 % M.P.	1952	1,00,00,000	15th July 1963	101
2 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	90½
2 % Punjab**	1942	2,85,20,100	19th Sept. 1955	90½
3 % Punjab**	1948	2,48,78,300	14th Sept. 1956	90½
3 % Punjab**	1948	2,05,81,800	14th Sept. 1960	87½
3½% Travancore	1936	50,00,000	16th Aug. 1956	99½
4 % Travancore-Cochin	1952	3,00,00,000	15th July 1963	100
3 % U.P.	1936	1,69,39,800	15th Sept. 1961-66	94½
3 % U.P.	1944	3,23,96,800	15th Aug. 1958	97
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	91½
3½% U.P.	1951	2,00,00,000	17th Sept. 1962	97½
4 % U.P.	1952	4,11,33,000	1st Sept. 1964	101-4
4 % U.P.	1953	5,00,00,000	15th July 1963	101½
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	104½
4 % W. Bengal	1953	5,00,00,000	15th July 1963	104½

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
(Rs. "	3			[Rs.
26,50,000	4	1904	1964	
25,00,000	4	1906	1966	
15,00,000	4	1907	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99½
40,00,000	4	1910	1970	
56,00,000	4	1910	1971	
50,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,85,976	4	1913*	1960	ID
80,00,000	4	1913	1974	99½
58,25,000	4	1914	1975	99½
10,00,000	4	1916*	1980	
55,00,000	4	1918*	1978	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
86,00,000	3	1929*	1959	
12,50,000	3	1930*	1960	D
12,60,000	3	1931*	1961	
18,50,000	3	1932*	1962	
24,85,000	3	1933*	1963	
15,00,000	3	1935*	1965	
40,00,000	3	1936*	1966	
10,00,000	3	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,000	4	1914	1974	96½
78,90,100	4	1915	1975	98½
1,50,10,000	5½	1921	1981	81
50,12,000	6½	1922	1982	144N
1,24,05,300	6	1925	1955-85	101½
36,31,000	5	1926	1956-86	102
90,84,600	5	1927	1957-87	102½
1,49,50,100	5	1928	1958-88	103
80,00,000	4½	1931	1961	95
80,00,000	3½	1935	1965	98
25,00,000	3	1938	1968-68	90
50,00,000	3	1945	RNS	74N
50,00,000	3	1945	1975	84
50,00,000	3	1946	1976	84
50,00,000	3	1948	1978	78½N
50,00,000	2½	1947	1977	78
50,00,000	2½	1948	1978	82½
50,00,000	3	1949	1969	96
50,00,000	3	1949	1979	96
50,00,000C	3	1950	1960	81½
1,00,00,000	3	1950	1960	96½
50,00,000	3	1950	1980	85½
50,00,000	3	1951	1981	81
50,00,000	3½	1951	1981	97½
50,00,000	3	1952	1963	90½
50,00,000	4	1953	1963	98½
STERLING LOANS				
£992,000	5	1923	1953-73	£97½
£101,100	5	1924	1954-64	£97½
£636,100	5½	1925	1962	£96
—				
MADRAS				
(Rs.				Rs.
81,47,100	3½	1947	1977	
9,00,000	3	1948	1978	
8,00,000	3	1949	1979	A*
45,00,000	4½	1954	1964	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
50,00,000	4	1899	1959	100
80,00,000	4	1901	1961	
80,00,000	4	1902	1962	
80,00,000	4	1903	1963	
60,00,000	4	1904	1964	
80,00,000	4	1905	1965	97½N
80,00,000	4	1906	1966	
15,00,000	4	1907	1967	
80,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
80,00,000	4	1914	1974	97½
25,00,000	4	1918	1978	
40,00,000	4	1919	1957-78	118N
66,00,000	6	1920	1955-65	
25,00,000	6	1926	1956-66	115N
25,00,000	4	1927	1961-70	84N
10,00,000	3½	1936	1966	
£				
STERLING LOANS				
£866,000	4	1909	1969	£88½N
£888,000	4	1910	1970	£88½N
Rs.				Rs.
CALCUTTA				
50,00,000	6	1925	1955	101
25,00,000	5½	1926	1959	107
50,00,000	4	1934	1964	90½
85,00,000	3½	1935	1965	94
80,00,000	3	1936	1966	90
50,00,000	3	1937	1967	91
50,00,000	3	1938	1968-68	90
50,00,000	4	1952	1962	99½
MADRAS				
71,70,000	6	1925	1955	100N
2,87,300	6	1926	1956	101N
15,00,000	3½	1931	1961	107N
15,00,000	3½	1932	1962	107½N

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,00,000	4	1912-13	1952	99½
50,00,000	5	1913-15	1955	104½
10,00,000	5	1920	1960	112½
28,00,000	5	1928	1958	104½
8,45,000	5	1928	1958	95
26,21,500	5	1929	1959	102½
8,25,000	3½	1947	1977	88
2,50,00,000	3½	1948	1978	86
4,00,00,000	3½	1950	1965	99½
2,50,00,000	4	1952	1964	100
2,00,00,000	3½	1952	1964	87
1,30,00,000	4	1952	1963	100
1,00,00,000	4	1953	1967	100
1,00,00,000†	4	1954	1964	99½
CALCUTTA				Rs
94,70,000	6	1925	1955	101½
26,00,000	5	1928	1958	103
25,00,000	5	1929	1957	102½
25,00,000	5	1930	1960	102½
10,00,000	5½	1932	1962	106
38,91,000	3½	1935	1965	94
80,00,000	3½	1936	1966	90
47,50,000	3	1938	1968	90
10,67,700	3	1939	1965	90½
1,56,57,000	3	1940	1965	90½
15,56,800	4	1950	1966	99½
15,56,800	4	1951	1967	97
17,64,400	3½	1942	1969	94½
21,10,000	3½	1943	1972	92
15,49,700	3½	1951	1970	97
18,33,000	3½	1941	1981	97½
46,88,000	3½	1951	1981	97½
87,36,000	4	1952	1982	99½
72,50,000	4½	1954	1979	100
MADRAS				
1,00,00,000	3½	1935	1965	100N
1,00,00,000	3½	1936	1966	101N
1,00,00,000	3½	1941	1981	107N
15,00,000	3½	1952	1982	107½N

ABBREVIATIONS

A—Held by Government of India. B—Taken up by Imperial Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable (*f*) Income-tax free. * Loans held entirely by the Trustees. **Quotations in Pak. Currency. ***Rupee Counterparts.
† Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June, 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1935. *=Interest free for first 12 years, †=Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount issued. Rs. or	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	133xd	100
BREWERIES AND SUGAR						
Bihar Sugar	5,00,000	1931	5	Dec. ..	70N	100
Crew & Co.	9 00 000 b)	1875	6½	Mar. Sept.	97	100
Cawnpore Sugar Works	10 00,000	1905-24	8	Feb. Aug.	143	100
Deccan Sugar & Abkhari* A	7,00 000	1920	7	July Apr.	116½	100
¶East India Distilleries	£200,000	1897	7	Jan. July	17	£1
Gwalior Sugar	6 75 000(c)	1940	7¾	Dec. ..	70	100
Do. (Non redeem.)	3,00 000	1940	7¾	Dec. ..	70	100
Portuboore Co.	6,00,000	1922	10	Oct. ..	15½	10
Ramnagar Cane	4,00,000	1933-34	6	Aug. ..	107	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	3 00,000	1936	7(a)	Oct. ..	161½	100
Travancore	14,99 135	1946	5(c)	Dec. ..	8½	10
Upper Ganges	12,00,000	1922	5	Jan. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borera	4,00,000	1896-97	6½	Oct. Apr.	119	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	123	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1899	6	Mar Sept.	119	10½
Karanpura Collieries	7 50 000	1946	5½ a	.. ..	69	75(pp)
††Khas Kajora	1 93 000	1931	7	Mar Sept.	3N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Oudal	2,00 000	1898-99	6½	Apr. Oct.	114	100
COTTON						
Ahmedabad Advance	10,00 000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1884	6	Jan. July	130	100
Bayaud Cotton	5,00,000	1938	6½	Nov ..	8½	10
Benares Cotton	1,05,200	1919	7	July Jan.	63	100
Bengal-Nagpur	3,00 000	1896	7	Apr Oct.	119	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	136	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	82	100
Berdbury	14,75,000	1919	7	June Dec.	65	50
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	140	100
Cambodias	1,00,000	1928	7	Apr. ..	175	100
Central India	50,00,000	1912	5	Apr. Oct.	475	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	117½	100
Elgin	11,00,000	1912	8	May Nov.	143	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	88	100
Emerson	20,00,000	1919	7	June Dec.	120	100
Khatau Makanji (2nd)	29,52,500	1947	4	Nov. ..	8½	100
Kothari	12,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. ..	210	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January	79½	100
Muir Mill	30,00,000	1900	6	Jan. July	81½	100
Mysore Spg	7,43,000	1944	4½	.. ..	30	50
Nanabai Rayabi	1,74,64,700	1941	5	.. ..	6½	100
New Great	8,00,000	1915	5½(a)	Mar. ..	18½	200
New Victoria	28,03,500	1920	4	Apr. Oct.	3	5
Podar Mills	10,00,000	1943	4	Feb. ..	77	100
Rajalakshmi	2 00 000	1932	6½	Apr. ..	33	50
Shree Nivas Cotton	4 80,000	1944	4	.. ..	6½	100
Shoapoor	32 00,000	1933	5	Apr Oct.	115	100
Swadeshi	15 00 000	1935	6	June ..	80	100
Swadeshi (Kanpur)	33 00,000	1927	6½	Apr. Oct.	117N	100
Vasanta (1st)	3,00 000	1931	6	.. ..	108½	100
Do. (2nd)	1,50,000	1938	6	.. ..	560	500
Vishnu	15,04,500	1906	7(a)	Apr. ..		
ELECTRICS						
Andhra Valley Power Supply	49 34 000	1917	7(a)	May Nov.	1,202½	1,000
Calcutta Electric	61,900 000	1919-11	5(a)	June Dec.	12½	21
Deccan Electric	19 00 000	1935	7(a)	June Dec.	101½	100
Dorma Ltd.	2,00,000	1933	6	Jan. July	101½xd	100
East India Ind.	18,93 125	1897	5½	.. ..	10	10
South Madras Ind.	8,00 000	1940	5½	July Mar	10	10
Do

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.C.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. B=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12 for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and All other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
80,00,000	3,74,976	63,22,382	43,05,372	—2,74,488	Rajputana Textiles (Agencies) Ltd	47,512	8,981	Apollo Mills	2-13½	8	0 4(e)	0-4 (c)			12	V.
40,00,000	24,00,000	1,34,85,581	72,25,444	—5,76,311	B. R. Sons, Ltd.	50,596	1,021	B. R. Cotton Mills	38	100	Nil	Nil	Nil		12	Y.P.B.
30,99,000	2,33,99,019	4,23,75,764	3,54,21,688	22,879	Bombay Dyeing & Mfg.	1,89,680	4,855	Bombay Dyeing & Mfg.	470‡	250	20 0	22 8*	20 0		12	V.
10,00,000	27,36,354	55,58,176	49,57,463	2,49,761	Ramnarain Sons, Ltd.	42,008	149	Bradbury Mills	157	50	100 0	100 0	75 0		3	Y.P.
3,09,42,900	2,27,34,197	2,83,17,240	1,85,13,240	31,32,763	Birla Bros., Ltd.	1,25,936	2,698	Century Spg. & Mfg.	380½	100	20 0	22 0	22 0		12	V.
49,00,000	13,44,450	1,16,49,462	65,52,039	—33,25,720	V. J. Plant (Chairman and Managing Director)	40,665	798	Colaba Land & Mill	56	100	Nil	Nil	Nil		12	V.
20,00,000	13,33,380	84,51,450	44,36,747	21,158	Cowasjee Jehangir & Co., Ltd.	34,130	680	Coorla Spg. & Wvg.	118½	100	7 8	7 8	7 8		3	V.
16,00,000	25,08,261	64,39,950	30,46,041	38,562	Ramnarain Sons, Ltd.	38,714		Dawn Mills	90	50	6 0	6 0			12	V.
34,00,110	27,75,000	68,55,752	60,73,724	16,489	Jamnadas Pochanchan & Co.	50,296	978	Edward Textiles	260½	800	15 0	15 0			12	V.
29,37,750	11,97,797	1,19,60,311	73,68,254	17,096	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	408	50	3 0	Nil	7 8½		12	Y.P.
50,00,000	64,31,875	1,05,11,445	71,58,256	3,50,061	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	260½	100	20 0	16 0	16 0		12	V.
11,84,000	75,99,589	1,20,85,307	91,11,500	8,850	Thackersey Mooljee & Co.	49,672	1,126	Hindoostan Spg. & Wvg. Mills	3875	1,000	200 0*	225 0*	225 0	40 0‡	3	Y.P.
8,00,00,000	1,13,27,888	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,38,030	6,278	India United Mills	993½	10	Nil	0 10½			12	V.
50,00,000 D	71,99,043	1,22,31,586	83,59,000	3,551	Dalmiah Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	3-3-0	1,000	200 0*	225 0*	225 0	40 0‡	3	Y.P.
35,000									992½N	500	100 0	112 8*	112 8			
99,85,000	40,24,767	2,15,86,170	1,74,29,945	23,212	Khatau Makanji & Co., Ltd.	54,604	1,513	Khatau Makanji Spg. & Wvg.	168½	100	10 0	10 0	5 0		6	Y.P.
1,00,00,000	1,44,30,000	3,49,59,105	2,40,94,456	12,185	Kilachand Industries Ltd.	10,504	1,846	Kohinoor Mills	314½	100	18 0	20 0*	18 0		12	V.
28,80,000 A	44,00,782	4,36,527	98,878	6,03,534	Edna Pesh, Esq.	61,516	1,640	Madhusudan Mills	84½	100A	6 4	6 4			6	Y.P.
										100B	5 1	5 4				
22,13,050	41,30,929	1,10,76,967	48,72,195	12,177	N. Framjee & Co., Ltd.	48,676	644	Modern Mills	85N	50	5 0	5 0			10	V.
31,75,000	32,62,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	218½	100	12 0	12 0	14 0		6	Y.P.
1,60,40,000	2,83,011	4,93,70,449	1,18,07,141	5,01,242	Chinai & Co., Ltd.			National Rayon Corporation	201½	100	Nil	9 0			12	V.
24,00,000	25,16,655	34,52,403	46,04,752	27,546	W. H. Brady & Co., Ltd.	45,944	432	New Egypt Jute Spg. Mfg.	140	100	10 0	10 0	10 0		12	V.
30,00,000	15,47,407	89,82,380	61,42,740	12,517	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	152	100	10 0	10 0	7 8		12	Y.P.
12,70,100	36,34,004	42,69,552	13,74,840	423	Motilal Chaudhuri & Co (Private), Ltd.										12	
48,00,000	36,07,273	1,42,08,882	91,59,811	30,475	Ramnarain Sons, Ltd.	34,100	873	New Union Mills	37½	10	1 4				12	V.
40,00,000	43,62,741	24,64,470	22,50,000	8,99,184	Peoples Sons, Ltd.	66,324	1,190	Phoenix Mills	116½	100	8 0	8 0			12	V.
5,00,000	8,44,062	21,20,749	18,99,340	2,990	David Sassoon & Co., Ltd.	32,640	936	Podar Mills	158½	100	10 0	10 0			12	Y.P.
85,00,000	69,06,474	1,20,27,406	81,47,282	10,145	M. C. Investment Corporation, Ltd	60,608	1,254	Sassoon Spg. & Wvg.	148½	100	1 4	0 12			12	V.
40,00,000	66,70,061	87,30,346	45,31,044	2,09,922	Maneklal Textiles (Agencies) Ltd.	69,836	1,640	Shree Ambika Cotton Mills	237½	100	12 8	14 0			12	V.
42,00,000	38,80,000	80,15,073	68,69,600	21,940	Forbes, Forbes Campbell & Co., Ltd.	29,436	1,274	Simplex Mills	146	50	15 0(p)	15 0	11 0	4 0‡	3	V.
56,00,000	1,22,33,867	1,85,68,311	1,16,85,495	17,128	Maneklal Gagalbhai & Sons	57,298	1,633	Standard Mills	345xd	100	20 0	20 0	20 0		12	Y.P.
1,00,00,000	82,26,342	1,92,83,887	1,02,23,292	43,759	Tata Industries Ltd.	70,764	2,000	Swadeshi Mills	195½	100	16 0	16 0	8 0		12	Y.P.
36,00,000	42,78,425	1,17,42,921	70,22,715	3,55,764	James Finlay & Co., Ltd.	36,828	552	Swan Mills	337½	100	30 0	20 0	20 0		12	V.
32,59,438	49,56,589	1,59,55,305	48,92,129	11,417	Tata Industries Ltd.	62,136	1,900	Tata Mills	54	25	1 0	1 8	2 8		12	Y.P.
12,00,000	82,53,768	96,83,223	74,03,660	4,219	Thackersey Mooljee Sons & Co.	34,424	1,181	Western India Spg. & Mfg.	3,875	1,000	200 0*	225 0*	225 0	40 0‡	3	Y.P.
AHMEDABAD																
83,00,000	25,97,650	96,80,904	55,57,028	5,660	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	172½	100	10 0	10 0*	5 0		6	Y.P.
30,00,000	90,51,638	89,83,424	65,39,067	7,578	J. M. Hosiery & Sons, Ltd.	42,768	912	Arvind Mills	520	100	20 0*	20 0*			12	Y.P.
26,25,000	2,23,06,002	1,33,18,915	80,73,000	47,546	Narottam Kalidas & Co.	62,648	1,216	Arvind Mills	1,250	100	25 0	25 0			12	Y.P.
80,00,000	38,43,340	79,44,274	56,21,110	3,90,074	Mangaldas & Bros., Ltd.	35,340	864	Ajit Cotton Ginning & Mfg.	263N	200	15 0	15 0			12	Y.P.
12,00,000	1,18,78,621	92,14,168	66,70,738	55,358	Lalbhai Dalpatbhai & Co.	37,348	914	Asoka Mills	577½	100	22 0	22 0*	22 0		12	Y.P.
1,24,75,000	1,14,06,163	4,24,18,718	3,07,53,344	16,026	Sarabhai Sons of Industrial Ltd.	25,980	2,372	Bela Mills	360½	125	18 0	18 0	18 0		12	Y.P.
45,00,000	48,55,110	1,15,[illegible]	72,[illegible]	6,161	Tarachand Begchand & Co., Ltd.	45,836	867	New Commercial Mills	1,190N	750	70 0	70 0			12	Y.P.
99,00,000	67,41,858	1,04,63,626	83,10,306	38,617	Dalpatbhai Chandulal & Co., Ltd.	31,152	664	New Electrick Spg. & Wvg.	765	125	35 0	35 0			12	V.
3,10,000	61,13,502	46,72,745	31,76,661	760	Dalpatbhai Shantilal Damania & Co. Ltd.	24,840	572	Rajan Mills	30½	100	30 0*	30 0*			12	V.
12,50,000	3,09,22,589	79,71,738	52,25,077	32,522	Lalbhai Dalpatbhai & Co.	31,120	634	Raipur Mfg.	1,007½	100	25 0	17 8			12	Y.P.
12,00,000	13,93,067	74,95,049	39,67,450	—13,50,510	Narandas Cachardas Parekh Ltd.	47,020	1,095	Saraspur Spg., Wvg. & Mfg	110½	250	Nil				12	Y.P.
92,50,000	16,74,825	84,83,946	52,67,403	4,020	Lalbhai Cachardas Ltd.	33,136	648	Sidhi Mills	146½	100	9 0	9 0			12	V.
83,98,150	1,13,42,729	1,53,[illegible]	1,17,[illegible]	42,133	Ranchhoddas Sakkar & Co.	97,332	1,781	Shri Ambika Mills	410	50	16 0	18 8			12	Y.P.
19,32,300	57,77,232	71,25,468	55,53,800	22,720	Motilal Chaudhuri & Co. (Ahmedabad), Ltd.	36,624	720	Sharpeck Spg. & Mfg.	460	100	20 0	20 0			12	V.
28,00,000	26,43,469	75,32,266	61,24,605	31,806	Birdeva Achutlal & Co., Ltd.	36,176	780	Vijaya Mills	536½	400	33 8*	33 0*			12	Y.P.
WEST BENGAL																
15,00,000	1,88,479	34,10,729	19,47,810	41,227	Calcutta Agency, Ltd.	13,644	356	Bengal Cotton Mills	4½	10	Nil	0 4			12	Y.P.P
7,11,286	3,93,369	40,58,098	23,80,978	47,518	Bengal Textile Agency, Ltd.	22,352	934	Bengal Lucknow Cotton Mills	28N	40	5 0	Nil	4 0		3	Y.P.
6,00,000	22,75,078	80,45,279	51,52,400	—18,56,726	Bethkwell Dunn & Co., Ltd.	42,572	841	Central Cotton Mills	350	100	Nil	Nil	Nil		6,12	H.P.
19,10,000	25,15,726	97,91,258	69,93,000	—11,45,940	Bethkwell Palka & Co., Ltd.	42,564	519	Elgin Mills	210	100	Nil	Nil	Nil		6,12	H.
1,60,00,000	1,98,18,540	3,42,43,338	1,08,56,338	2,15,714	Birla Brothers, Ltd.	70,440	1,960	Kesoram Cotton Mills	26½	20	1 12	1 12	3 12		3	Y.P.
4,00,000	9,75,000	84,54,408	67,06,257	5,158	Chakravartu Sons & Co.	23,484	642	Mohini Mills	—	25	1 4				12	V.P.
19,47,750										10	0 8					
5,00,000 D	5,75,000	41,85,833	19,32,788	15,666	Hazaresingh Bhemraj	23,196	795	Ramgopal Cotton Mills	12	10	0 8				12	V.
									8N	10 D	Nil	Nil				
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,09,109	59,21,613	21,03,246	2,726	Bharat & Co., Ltd.	55,000		Alagappa Textiles (Cochin) Ltd.	6	10					12	Y.P.P.
71,94,400	51,99,554	2,84,09,996	50,52,377	5,771	Industrial Trust Fund	36,138	750	Anna Jabi Mills	68	100	6 0	6 0			9	Y.
40,30,000	1,91,68,745	2,87,22,995	2,24,71,643	2,44,711	Binny & Co. (Madras), Ltd.	40,648	1,157	Bangalore Woollen, Cotton and Silk Mills	450	100	13 0	25 0	30 0		12	V.P.
27,00,000	15,50,000	77,25,132	53,72,132	18,199		29,936	782	Carnatic Cotton Mills	11½	10	0 8	0 4½			6,12	H.P.T.
15,00,000	1,07,71,[illegible]	1,01,44,941	67,39,141	8,07,265	Birla Brothers, Ltd.	98,896	998	Birla Cotton Spg. & Wvg. Delhi	67N	10	0 4	Nil				
1,78,47,360	1,54,69,697	4,50,39,308	3,14,94,493	2,69,005	Binny & Co. (Madras), Ltd.	1,20,356	2,764	Buckingham & Carnatic	157	100	3 0	3 0*	14,000		3	V.
20,00,000	26,00,406	34,17,820	15,76,634	8,55,087	Peirce, Leslie & Co., Ltd.	37,536		Cambridge Mills	113½	100	6 0	10 0	10 0		12	Y.P.B.
14,99,229	4,73,000	42,34,384	35,27,257		Madurai Industrial Syndicate	16,800		Coimbatore Spg. & Wvg.	128	100	12 0	12 0	3 0		12	Y.P.
30,00,000	26,49,773	81,86,116	49,86,815	26,773	Begg, Sutherland & Co., Ltd.	28,796	591	Coimbatore Textiles	88	5	0 9	0 9	0 8		3	V.
12,00,000	20,60,000	30,65,973	24,65,659	4,614	E. Elbern & Sons & Co.	29,184		Combined Cotton Mills	225	100	9 0	20 0	25 0		12	V.
80,00,000	13,90,000	33,17,361	17,06,703	3,010	T. R. D. Naidu & Co.	21,978		Coimbatore Pioneer Mills	128	100	9 0	15 0	10 0		6	Y.P.
20,79,000	4,38,644	1,14,48,334	68,90,870	4,76,905	R. G. S. Naidu & Co.	72,198	407	Coimbatore Spg. & Wvg.	73½	50	Nil	Nil	Nil		6	V.
46,87,500	61,76,247	2,34,42,659	1,51,56,858	14,071	Tata Industries, Ltd.	1,15,184	2,062	Cosmopolitan	127	100	2 0	3 0	2 0		6	V.
3,38,36,225	2,63,12,465	8,55,97,662	4,42,00,000	1,69,241	B. R. Chenai Ram & Co., Ltd.	1,16,636	2,355	Delhi Cloth & General Mills	38½	25	1 12	1 12	2 4½		6	Y.P.
1,00,563										2½	0 1 4/5	0 2 4/5	0 3 3/5			
84,34,800	24,72,758	47,34,037	33,82,512	9,248	M. N. Chettiar & Sons	52,164	201	Dharmaboilam Mills	276	100	20 0	20 0	30 0		12	Y.P.
85,00,000	53,27,872	1,46,96,492	1,21,71,831	62,277	Begg, Sutherland & Co., Ltd.	53,768	1,198	Elgin Mills	18	10	1 0	1 0	1 0		9	V.P.
48,81,000	33,91,175	88,91,779	65,24,070	37,169	Forbes, Forbes Campbell & Co., Ltd.											
90,00,000	12,75,747	1,25,73,688	88,01,206	12,371	Govindram Sakseria (Indore)	72,904	3	Gokak Mills	215	100	17 0*	17 0	13 0		12	V.
8,98,000	10,62,423	28,27,887	14,65,519		G. V. Naidu & Co., Ltd.	51,190	1,420	Indore Malwa United	92½	100	6 0	6 0			12	V.
84,00,000	15,75,000	64,03,061	12,00,000	20,004	Kothari & Sons	30,512	200	Jaisalmer Mills	78	50	3 12	4 8			12	V.
32,00,000	71,10,521	1,43,07,561	1,01,44,340	52,367	Bom Bay Dyeing & Co., Ltd.	31,972	1,219	Kothari Textiles	12½	10	0 12	0 8	0 8		6	Y.P.
37,92,500	44,00,000	1,00,33,845	69,98,940	25,793	G. R. Naidu & Co.	76,960	200	Lakshmi Cotton Mfg.	500	250	37 8	37 8	7 8‡		12	Y.P.
1,75,02,400	4,13,81,878	5,66,33,243	3,44,90,463	9,66,800	Madurai Chandulal & Co (Private), Ltd.	63,752		Madura Mills	145½	50	3 0	3 0	10 0		3	V.
12,00,000	4,11,363	27,72,841	16,02,069	1,14,048	A. L. A. R. Chettiar and Brothers	22,292	300	Madras Spg. & Wvg.	73	25	2 0	2 0	5 0			
60,00,000	69,00,000	61,38,483	39,86,352	50,153	M. A. Beardsell & Co., Ltd.	25,656	663	Meenakshi Industries Ltd.	455	15	3 0	3 0	3 0		12	V.
29,80,844	28,14,173	70,14,218	44,52,483	12,036	N. Sinar & Co., Ltd.	39,700	904	Meenakshi Mills	320	100	11 12	12 0	22 8*		12	V.
84,91,850	27,24,404	1,61,29,118	78,81,328	—9,44,932	Benzaiet Anchand Deodhar & Co	31,340	555	Model Mills (Nagpur)	138½	100	5 0	7 0*			12	V.
30,00,000	52,19,600	1,53,39,772	1,05,91,651	—1,77,250	Indian Textile Syndicate Ltd.	36,640	1,134	Mysore Mills	106N	100	7 8	7 8*	5 0(c)		6	Y.P.
84,93,300	42,39,264	93,23,192	41,37,444	22,997	P. Sinar & Co., Ltd.	49,044	500	Mysore Spg. & Mfg.	51½	50	Nil				12	Y.P.
13,61,780	2,58,745	29,42,992	15,27,000	3,586	R. Sanjeevanayana Rao Esq. Manager	14,640		Mysore Lyon Silk Mills	41	10	0*	10 0*	8 8*	3 0‡	3	V.P.
22,09,820									18	10	Nil	Nil	Nil		3	V.
3,07,095 D	25,62,532	1,02,16,296	58,90,719	—39,62,329	J. P. Srinivasan & Sons, Ltd.	49,676	1,198	New Victoria Mills		O. 2½	Nil	Nil				
87,65,000	87,08,000	1,64,46,327	62,62,651	15,819	Industrial Trust Fund	37,758	847	Coimbatore Mills	—	D. 10	Nil	Nil			12	V.P.
6,00,000 A									70	100	7 0	4 8			9	V.
6,00,000 B	7,50,000	33,81,578	18,80,484	351	Bhaghirathbhai & Co.	29,924		Falnir Andover Mills	127xd	50A	7 8	12 0			12	V.P.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,940		Fenkam Mills Ltd.	75B	11 4	16 0				12	V.
18,81,200 A									51	100						
8,49,200 B	20,38,894	59,66,909	31,35,636	1,458	A. G. Currimbhoy Naidu & Co.	46,324	301	Madhabrishna Mills	21xd	100 A	6 0	8 0			12	V.
									10xd	50B	3 0	4 0				
15,00,000	32,25,000	25,50,866	16,48,985	34,422	B. R. Naidu & Sons	25,196		Rambhakhni Mills	147½	50	Nil	7 8			12	V.
22,23,375	12,10,000	38,91,945	14,2[illegible],264	23,505	Raja Sarma Development Co	14,840		Rayalseema Mills	91	100	6 0	6 0	9 0		12	V.
60,00,000	82,00,300	98,29,567	35,83,291	—19,59,428	J. P. Srinivasan & Sons (Kanpur).	33,944	600	Rasi Textiles	54	10	Nil	Nil			12	V.P.
10,00,000	1,60,59,516	2,89,27,048	2,04,27,279	—1,50,02,067	Meenakshi & Co	86,048	2,234	Sholavoor Spg. & Wvg.	1,600	1,000						
										500	Nil	Nil	Nil		3	V.P.
56,69,700	11,45,000	75,40,039	49,25,631	26,144	M. N. Palayam, Esq.	31,668	292	Sri Krishnaravendra Mills	75	50	4 0*	4 0*	4 8		3	V.
28,14,800	2,00,246	35,19,908	17,73,000	—2,49,777	Gorja das Lilodhar & Co., Ltd.	17,900	440	Shree Sayaji Mills	72N	100	Nil	Nil	Nil		3	V.
15,00,000	2,49,73,985	87,38,169	62,02,085	31,22,917	birla Brothers, Ltd.	36,212	1,242	Sutlej Cotton Mills	76	20	4 0	4 0	5 0		3	V.
17,50,000 D	2,20,00,000	4,32,93,265	1,56,70,740	2,67,165	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	9½	100	Nil	0 8				
1,57,50,000 P									10	10 D	Nil	0-14 2/7			12	V.P.
99,92,070	3,25,000	2,71,91,[illegible]	76,93,946	41,430	Lakshmi Sons (Travancore) Ltd.	14,448		Travancore Rayons	14½xd	10	Nil	0 8			12	Y.P.T.
31,98,670	9,79,479	13,36,297	11,45,186	8,321	Meenakshi Mills & Sons	16,256		Trichinopoly Mills	121xd	10	0 11 1/5	0 11	0 14 2/5		12	V.
31,00,000	32,81,368	49,21,670	32,22,268	28,111	R. S. N. Chetty & Brothers	33,364	270	Vasanta Mills	270xd	100	12 0	12 0			12	V.
82,00,000	47,34,135	1,34,30,553	89,50,678	1,868	Bombay Co., Ltd.	54,210	1,337	Vathsala Cotton	115	100	10 0	12 0			12	V.P.

* Includes bonus.

Has mortgage loan of Rs. 80 lakhs against mortgage of fixed assets.

(b) Subject to taxation and workers' bonus.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each: final dividend of Rs 10 per share was paid on the increase capital of 43,000 shares of Rs. 50 each.

(c) Paid out of reserves.

X R.—Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
13,28,000	16,64,000	1,09,25,186	50,37,365	21,554	Parry & Co., Ltd.	Deccan Sugar & Abkhari	33½	25	Nil	Nil	Nil		5	Y.P.
6,64,000							13½	10	Nil	Nil	Nil			
16,20,630	15,83,781	23,47,704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6½	5	0 6	0 6			3	V.
£80,000A	£897,579	£1,225,541	£513,606	£57,290	Parry's Holdings Ltd.	East India Distilleries and Sugar	16 3/8xd	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5			Y.P.
£300,000B							20xd	B. £1	Sh. 3	Sh. 4	Sh. 5 4/5			
6,00,000	9,60,000	11,63,313	11,63,307	4,057	Vittal Mallya, Esq. (Chairman	United Breweries	165	75	15 0	15 0	15 0		3	V.
CEMENT														
11,37,700A	8,69,857	75,78,758	35,89,342	4,636	Andhra Engineering Co., Ltd.	Andhra Cement Co.	13½	A. 100	7 8	10 0*			12	Y.P.B.
39,67,420B							14½	B. 10	0 12	1 0*				
43,14,600 O	11,14,602	18,53,830	7,23,479	1,20,881	Eastern Corporation Ltd.	Assam Bengal Cement	6½	O. 10	Nil	Nil			3	Y.P.
4,70,976 D							14	D. 1						
12,67,59,331	4,18,90,259	20,42,88,558	7,85,13,157	6,93,281	Cement Agencies Ltd.	Associated Cement Companies	179½	100	9 6	9 8	8 6		7	W.
60,00,000 O							13	O. 10	0 10	1 0				
26,49,700 O	46,39,155	81,39,445	20,01,691	67,792	Hari Brothers Ltd.	Dalmia Cement (Bharat)	3½	O. 2½	0 2½	0 3			12	Y.P.B.
5,00,000 D							2	D. 1	Nil	0 1-3/5				
61,84,930 O	8,00,000	1,45,26,685	39,60,537	1,15,792	Essen Ltd.	India Cements Ltd.	24½	O. 25	1 4	Nil	1 4		3	Y.P.
7,30,000 D							3½	D. 5	0 4	Nil	0 4			
59,86,000	13,00,000	1,67,86,035	51,49,000	1,62,701	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	179½	100	6 0	6 0			12	Y.P.
75,00,000	20,95,000	1,75,91,085	1,37,82,076	6,448	Martin Burn Ltd.	Sonevalley Portland Cement	7½	5	0 8	0 6			12	V.
CERAMIC; MINING AND QUARRYING														
81,70,655	1,50,000	60,96,114	23,31,090	15,378	S. Lall Bhagat & Co.	Bengal Potteries	2⅛	2½	0 2½	0 2½			12	V.
10,00,000	22,81,783	56,54,921	32,63,272	8,804	Bird & Co., Ltd.	Bihar Stone Lime Co.	431N	10	0 14	0 8	0 8‡		3, 9	H.
8914,200	£1,105,500	£1,839,281	£997,797	£76,278	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3-0½	Sh. 2	3d.	2.4d.			12	V.
80,00,000	26,93,396	43,63,547	12,14,544	26,066	Bird & Co., Ltd.	Karampura Development	19½	10	Nil	Nil	Nil f		6, 12	H.
6,00,000	2,33,000	8,23,346	4,75,150	603	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	8½	10	1 0	0 12	0 8		3	V.
10,00,000	41,78,183	41,65,780	22,96,597	1,39,969	Bird & Co., Ltd.	Orissa Minerals	26½	10	1 8	2 0	1 0f		6, 12	H.
									2 0	2 0				
6,00,000	8,62,360	30,62,815	20,25,104	7,622	M	Reliance Firebrick & Pottery	15½	10	0 10	Nil	Nil		2, 8	H.
7,00,000	47,85,000	37,32,591	17,18,316	13,381	Killick Industries Ltd.	Shivrajpur Syndicate	75½	10	7 0*	8—0*	8 0*		11	V.
CHEMICAL														
85,00,000

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	27,36,841	1,98,78,118	1,37,10,118	1,50,325	Balmer Lawrie & Co.	Bengal Paper Mills	65	25	Nil; 1 9; 5 0; 3 0; 1 9; 6 0; 1 9; 7 0; 0 12*				6,12	H.P.T.
80,00,000	33,44,805	1,07,15,561	71,75,830	2,34,378	Andrew Yule & Co., Ltd.	India Paper Pulp	258	100	5 0; 6 0; 7 0				3,9	H
85,00,000	16,12,500	1,18,13,367	47,51,061	49,179	B. P. Ramakrishnan Esq.	Mysore Paper Mills	18⅞	10	1 0*; 1 0*; 0 12*				3	V.
1,46,82,500	1,53,71,781	3,56,00,806	85,37,779	2,56,680	Birla Bros.	Orient Paper	26½xd	10	1 0; 1 0; 0 7				3,9	H.P.T.
50,06,290	78,16,849	1,11,54,742	62,73,807	2,03,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	16⅞	10	0 12; 0 12;				6,12	H.P.T
20,00,000; 10,00,000A.	7,02,430	50,37,167	28,55,530	9,798	Bajoria & Co.	Star Paper Mills	13½; 13½	O. 10; A. 10	0 4; 0 4; 0 6; 0 6				3,9	H.P.T.
56,00,000A.; 56,04,800B.; 6,37,500P.O.	2,83,01,797	5,11,76,455	3,06,96,855	3,59,432	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	44; 44; 44; 44; 42½xd	A. 10; A. 10; B. 10; P.O. 2½	1 0; 1 0*; 0 12; 1 0*; 1 0*; 0 12; 1 0*; 1 0*; 0 12; 0 2; 0 2; 0 2; 0 2; 0 2; 0 2				3,9	H.P.
PRESSING														
8,00,000	6,12,365	15,78,488	10,90,581	20,403	Andrew Yule & Co.	Calcutta Hydraulic	90	100	5 0; 5 0; 4 0				6	W.
4,30,000	1,00,000	6,89,576	4,73,056	2,354	Pyne & Sons	Can reproduction	89N	100	8 0; 7 0				7	W.
5,00,000	1,55,000	10,91,811	9,30,377	12,962	Andrew Yule & Co.	Central Hydraulic	92	100	5 0; 4 0; 5 0				6	W.
PROPERTY AND LAND														
90,00,780O.; 8,00,000P.; 60,00,000	7,43,065	43,46,067	21,43,279	96,047	S/A. Basil, Esq., & others (Directors)	Humayun Properties	11½; 1⅛	O. 10; D. 1	0 8; Nil; 0 11½; 0 4/5; 0 9 3/5				9	V.P.
84,00,000	18,90,038	84,21,336	15,00,000	350	David Sassoon & Co., Ltd.	Port Canning Land	14	100	1 0; 1 6				4	W.
	35,56,934	96,49,123	1,06,646	95,262	Andrew Yule & Co.	Midnapore Zamindary	38½	100	2 0; 1 8; 4 0				4	V.P.
SAW MILLS AND TIMBER														
15,99,998	28,19,726	25,86,404	6,94,804	—97,203	Bird & Co.	Assam Saw Mills	6⅛	8	0 4; Nil				9	V.
50,00,000	4,08,84,385	3,05,42,310	1,22,52,525	56,875	Wallace & Co.	Bombay-Burmah Trading Corpn.	473; 173	Old 125; New 50	22 8; 9 0; 6 0; 8 0; 15 0; 20 0				5	V.
4,00,000	....	2,00,768	1,76,945	—5,49,024	Jardine Henderson Ltd.	Bengal Tin for Trading	3kN	100	Nil; Nil				6	V.P.
80,00,000	16,15,487	17,44,613	12,66,634	1,63,401	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	39½	10	3 0; 2 8; 1 01				9	V.
SUGAR (U.P. and Bihar)														
14,00,000	13,55,901	38,50,924	27,77,928	23,527	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	9⅛	5	Nil					V
12,00,000A.; 3,00,000B.	29,18,356	49,46,285	33,16,660	15,50,000	Narang Bros. & Co., Ltd.	Pasti Sugar	142½; 13½N	A. 100; B. 10	10 0; 10 0; 10 0; 1 0; 1 0; 1 0				4	V
16,00,000	5,00,000	32,06,095	21,68,136	1,66,138	Banpur Bros., Ltd.	Belsund Sugar	31½	74	0 12; 0 12				9	V.
15,00,000	13,85,319	45,47,836	11,37,841	26,084	Cotton Agents Ltd.	Bharat Sugar	18½N	10	1 8; 1 8; 1 8				6	V.P.
22,00,000	26,79,431	1,35,76,859	88,78,177	61,723	Gladstone Lyall & Co., Ltd.	Carew & Co.	13½	10	Nil; Nil				6	V.P.T
15,00,000	52,02,981	1,00,12,353	81,32,451	29,966	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	19½	10	2 0; 2 0; 0 12				10	V.P.
18,00,000	33,88,892	41,34,964	30,49,462	24,329	Begg, Sutherland & Co. Ltd.	Champarun Sugar	28½	10	2 0; 1 0; 1 0				6	V.
5,99,452	6,18,562	22,68,286	14,01,142	42,935	Karamchand Thapar & Bros.	Deoria Sugar	8⅞N	10	0 8; 0 8				8	V.T.
85,00,000A.; 30,00,000C.	33,23,000	69,95,552	45,50,000	1,08,699	Bachharaj & Co., Ltd.	Hindustan Sugar Mills	135N; —	'A' 100; O. 100	12 0*; 15 0*; 12 0*; 12 0*				6	V.P
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	37N; 30N	80; 40	Nil; Nil; Nil; Nil				7	V.P.
7,89,100	23,05,922	29,32,672	17,61,033	64,888	Cotton Agents Ltd.	New India Sugar Mills	34N	10	2 0; 2 8; 2 8				6	V.P.
11,00,000	4,20,800	37,49,397	24,14,065	8,769	Karamchand Thapar & Bros., Ltd.	New Swan	6⅛	10	0 8; 0 4				3	V.
20,97,500 A.; 8,71,875 B.	49,84,457	63,27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mills	220N; 55N	100; 25	Nil; Nil; 20 0; 20 0; 3 0; 3 0				6	V.
77,48,500	52,22,414	1,75,96,483	88,00,000	36,923	Cotton Agents Ltd.	Ouch Sugar	115N	100	6 0; 11 0; 11 0				7	V.P.
12,00,000	12,74,233	28,77,669	19,93,928	4,55,040	Narang Bros. & Co., Ltd.	Punjab Sugar	15N	100	1 0; 10 0; 10 0				10	V.
9,00,000	15,93,919	35,25,095	29,32,249	3,957	Begg, Sutherland & Co., Ltd.	Purnea Sugar Co.	18½	10	1 0; 1 0; 0 12				10	V.P.
8,00,000	6,54,162	25,43,782	21,01,613	24,340		Ryam Sugar	20N	10	1 0; 0 8; 0 8				6	V.P.
11,90,000	17,75,737	38,17,360	22,17,129	13,455	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	16	10	1 0; 0 8; 0 8				6	V.
80,00,000	21,68,560	1,04,96,727	55,25,293	3,337	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	18½	10	1 8; 1 8				7	V.P.T.
9,99,950	61,825	27,77,628	12,85,342	—1,89,266	H. K. Ghosh, Esq., and B. N. Datta, Esq. Managing Directors	Straipore Sugar	3⅞	10	0 6; Nil				6	V.
7,95,462	16,32,940	29,95,970	16,32,168	92,609	Karamchand Thapar & Bros.	Shri Sitaram Sugar	25½; 13½	10; O. 10	1 0; 2 0*; Nil; Nil				8	V.T.
9,15,000A.; 4,40,000B.	47,592	27,27,402	11,46,770	—15,90,149	N. K. Jain & Co., Ltd.	South Behar Sugar	13N	D. 2½	Nil; Nil				10	V.P.
8,00,000	20,87,588	83,26,115	50,99,754	48,719	Cotton Agents Ltd.	Upper Ganges Sugar	30⅞	10	2 0; 0 8; 2 8				6	V.P.
16,00,000	7,59,778	31,12,349	24,99,851	5,181	James Finlay & Co., Ltd.	United Provinces Sugar	26½	10	1 8; 0 8				9	V
Other Centres														
6,99,750	65,29,871	1,40,90,073	84,97,447	33,628	W. H. Brady & Co., Ltd.	Jeypore Company	313	50	16 0; 16 0; 16 0				9	V.
50,000	11,90,010	31,68,833	19,76,947	38,000	A. H. Bhwandiwala & Co. (Bombay) Ltd.	Bhopal Sugar Industries Ltd.	14½	10	1 0; 0 10; 1 0				9	V.P.
15,93,900	2,45,841	39,19,958	20,01,246	51,993		Gwalior Sugar	45N; 16½	100; 10	8 0; Nil; Nil; Nil; 1 0; 1 0; 1 0				6	V.P.
10,00,000					Birla Brothers & Sons (M. B.) Ltd.	India Sugar and Refineries	8	10	1 4; 2 4				9	V.P
3,00,000	30,25,085	23,07,464	18,53,439	2,32,019			14½N	10	0 12; 1 0*				10	V.
33,57,480	42,47,476	41,33,220	19,37,712	3,477	Coven Bros. (Bangur), Ltd.	Puland Sugar	135	O.100; D. 10	7 8; 7 8; 7 8				6	V.P.
10,51,200O.; 2,87,190D.	67,50,000	84,86,942	27,56,542	2,346	V. Ramakrishna, Esq.	K. C. P. Ltd.	75		10 0; 10 0; 10 0					
81,79,260	90,22,871	1,21,03,930	73,11,305	2,28,221	M. S. Swaminathan, Esq. (Managing Director)	Mysore Sugar	53	10	2 0; 2 0; 2 0				4	V
50,00,000	47,49,631	1,07,50,631	55,61,246	15,411	Mafatlal, Apte and Kanthilal Ltd.	Ratnagiri Sugar	118	10	2 0; 2 0; 2 0				9	V.
16,46,970	27,50,830	49,81,755	23,79,327	93,198	Anderson Wright Ltd.	Ramnagger Cane and Sugar	28½	10	2 0; 2 0				5	V.P.
20,00,000O.; 4,00,000D.	24,67,171	87,47,627	53,31,693	61,432	Walchand & Co. Ltd.	Ravalgaon Sugar Farm	95N; 15N	O. 50; D. 10	0 10; Nil; 2 0; Nil; Nil; Nil				9	V.T.
19,39,800	46,07,818	45,46,104	19,83,541	3,164	Govan Bros. (Bangur), Ltd.	Rare Sugar	16½N	10	0 12; 1 0				10	V.
80,10,000	10,37,796	49,72,274	19,13,130	—37,224	Parry & Co., Ltd.	Tarasaron Sugar	17⅞	10	Nil; Nil				7	V.P
1,01,00,000	61,19,850	1,85,70,230	1,04,63,312	1,79,083	Premier Construction Co., Ltd.	Walchandnagar Industries	223½	100	14 0; 14 0; 16 0				9	V.P.P.
TRANSPORT														
20,00,000	2,08,42,425	1,33,68,272	13,76,183	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co.	141	100	12 8; 10 0; 8				10	V.P.
1,00,00,000	11,17,773	3,37,24,932	1,60,89,871	69,356	Dinshaw Ltd.	Bharat Line	81	100	5 0; 5 0				12	V.
50,00,000	24,35,838	1,83,20,489	63,44,422	1,09,704	A. H. Bhwandiwala & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	16½	10	1 0; 1 0; 1 0				6	V.
4655,580	4954,756	45,633,307	43,454,207	43,327	R'ban & Co. Ltd.	Irrawaddy Flotilla Co.	910	100	50 0; Nil				12	V.P.
9,25,00,000	34,99,233	4,41,40,000	1,32,26,755	1,64,940	Lionel Edwards Ltd.	India Steamship Co.	18	10	0 8; 0 8				4	V.P.
9,40,19,075	7,83,28,023	14,92,76,428	3,71,00,000	2,72,820	Peninsular Navigation & Co.	Scindia Steam Navigation Co.	13½	20	0 8; 0 12				10	V.
8,40,800O.; 8,10,200P.O.	17,33,073	10,83,408	6,84,056	1,88,899	B. A. Smith, Esq., (Manager)	Walford Transport, Ltd.	1⅛; 1⅛	O. 1; P.O. 1	as 1 3/2; as 1 3/2; as 1 3/2; as 1 3/2				12	V.
UNCLASSIFIED (Bombay)														
2,40,000	95,000	3,35,957	9,80,000	760	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	35 0; 32 0; 32 0				9	V.
25,98,840	2,84,173	2,18,215	80,000	40,255	Parekh & Agencies Ltd.	Bombay-Uganda	70N	80	4 0; 4 0				12	V.
85,00,000	1,60,000	83,30,071	13,483	8,047	Dene Sons, Ltd.	Deshkaran Kanji Investments Co.	10½	25	0 12; 0 12; 0 12				3	V.
14,98,840	5,99,972	24,42,753	18,75,000	74,466	Choonilal Manilal Ltd.	Estrella Batteries	35N	50	2 8; Nil; 5 0				3	V.P.
89,99,250	19,07,876	1,27,52,603	....	2,35,005	Premchand Roychand & Sons	Industrial Investment Trust	77	100	4 0; 4 0; 4 0				12	V.
1,00,00,000	31,23,000	21,31,427	7,78,349	18,107	E. D. Sheppard, Esq. (Mg. Director)	Killick Industries	172½	100	10 0; 10 0; 11 0				6	V.
8,07,00,200A.; 10,00,000B.; 10,21,200	5,29,403	2,64,35,763	99,15,035	—13,44,485	Aero-Auto Ltd.	Premier Automobiles	74N; 1⅛	A. 100; B. 10	Nil; Nil; Nil; Nil; Nil; Nil				6	V.
8,75,00,000	3,56,405	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	23xd	20	3 0				12	V.
45,00,000	69,25,368	8,49,75,164	1,49,74,930	4,26,161	T. Rydin, Esq. (Managing Director)	Western India Match Co.	202½	100	11 0*; 11 0*				12	V.
	53,74,847	7,24,608	3,07,108	45,948	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0; 20 0; 20 0				12	V.
Other Centres														
47,50,000	15,00,000	1,88,63,301	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	6⅛; 21½N	O. 10; D. 21	Nil; Nil; Nil				8	Y.P.T
2,50,000	40 60 690	31,77,196	21,11 902	2,39,758	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	20½	10	1 4; 1 4; 1 4				8	Y.
80,00,000	7,75,000	29,21,795	19,14,061	1,34,529	Assam Match Co., Ltd.	T. H. Rydin, Esq. (Mg. Director)	20½	10	1 4; 1 4*				12	Y.
20,00,000	23,47,883	1,00,29,510	39,87,830	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	4⅞N	10	0 8; 0 31/5; 0 31/5				3	Y.P.P.
80,00,000O.; 10,00,000F.O.	1,11,42,712	59,55,915	30,55,515	5,43,847	Balmer Lawrie & Co., Ltd.	Balmer Lawrie & Co., Ltd.	164; 10	O. 100; O. 40	20 0*; 20 0*; 6 0*				12	V.
70,00,000	7,99,470	57,53,560		1,21,733	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4; 1 4; 1 4				9	V.P.
30,44,490	37,09,223	1,02,76,699	26,95,009	1,63,901	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	12½	10	0 12; 1 0; 1 0				3	V.P.
3,25,00,000	1,00,82,962	2,69,79,657	2,07,14,167	2,81,142	Sir Robert Menzies	British India Corporation Ltd.	8	5	0 10; 0 8; 0 1				12	V.P.
1,60,00,000	79,00,000	4,83,17,564	3,08,53,134	11,88,891	Cecil Stack, Esq. (Mg. Director)	Indian Rubber (India) Ltd.	37½	10	1 0; 1 0; 1 8				12	Y.P.
51,28,000	53,95,733	1,34,39,918		3,13,308	Bird & Co., Ltd.	Eastern Investments Ltd.	165	100	9 0; 9 0; 9 0				12	Y.P.
14,00,000	9,97,000	33,12,243	18,66,225	11,238	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	195xd	100	20 0; 10 0; 7 8				3	H.
65,00,000	38,00,000	18,19,106	6,87,683	1,58,072	K. R. Fetter Esq.	Gillanders Arbuthnot & Co., Ltd.	11½	10	0 8; 0 8; 7 8				9	V.
80,00,000	11,42,354	68,39,433	29,41,525	1,366	B. P. R. Syndicate	Great Eastern Hotel	25⅞	100	7 8; 7 8; 7 8				5	V.P.
12,42,800	7,07,964	70,51,010	47,39,868	19,013	Birla Bros., Ltd.	Hind Cycles	100N	100	15 0; 15 0; 4 4				3	V.
4,96,12,050		3,08,00,214	80,52,719	4,54,999	Birla Bros., Ltd.	Hindustan Motors	8⅞	10	0 8; 0 8; 0 8				12	Y.P.T.
3,60,00,000	36,77,754	3,96,21,557	1,54,14,699	2,56,512	J. W. Cameron, Esq.	Indian Aluminium Co.	16½	100	Nil; Nil; Nil; Nil				12	V.
1,52,89,220	1,09,40,984	1,32,87,233	46,27,432	19,70,066	A. R. Dresmen Esq.	Indian Cables	25	10	5 0; Nil; Nil				12	V.P.
8,27,970	5,18,000	15,79,995	8,39,426	17,480	G. B. Mountain & Co. (India), Ltd.	Indian Rubber Manufacturers	13	10	1 0; 1 0*; 1 0*				3	V.P.
2,00,00,000	52,62,941	31,49,487	7,33,287	5,26,226	G. M. Macaulay, Esq.	Jardine Henderson	117	100	10 0; 12 0; 8 0				3	V.P.
6,34,0000.	3,48,343	6,29,830	4,31,766	2,240	James & Co. Ltd.	Macfarlane & Co.	2⅞; 2⅞	O. 5; D. 5	Nil; Nil; 7 8; 7 8				9	V.
60,00,000O.; 16,00,000D.	66,28,146	25,22,837	7,33,942	1,07,086	C. L. Bajoria, Esq.	McLeod & Co.	233	O. 100; D.O. 10	7 8; 10 0; 7 8					
1,30,95,750	53 14,868	19 97 616	8,95 141	2,52,480	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	23	10	0 8; 0 8; 0 8				9	V.P.
3,15,00,000	39,01,000	1,56,11,388	39,32,798	13,11,213	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	20½	10	1 0; 1 6*				3	V.P.
6,35,255	1,72,448	7,82,942	2,60,987	—71,947	Mysore Glass and Enamel Works	Mysore Glass and Enamel Works	3½	10	Nil; Nil				3	V.P.
6,56,250	9,55,113	10,40,250	4,40,947	73	G. Chandy, Esq. ('Conservator')	Travancore Rubber Works	14½	10	1 0; 1 0; 1 0				3	V.P.
10,00,000	1,20,000	14,23,286	7,19,467	35,996	K. Narayanaswamy, Esq.	Mysore Tobacco	10½	10	1 0; 1 0; 1 0				3	V.P.
20,00,000	49,41,539	33,81,362	37,19,098	1,75,176	Associated Industrial Development Co., Ltd.	National Insulated Cable	23½	10	1 0; 1 0; 1 0				3	V.T.
79,97,000	28,68,388	69,70,031	3,78,836	10,62,030	B. N. Elias & Co., Ltd.	National Tobacco Co.	10½	10	Nil; Nil				3	V.P.T.
80,00,000	27,00,000	44,15,474	19,71,414	1,31,468	Coromandel Investment Trust Ltd.	Parry & Co.	2	2	0 4½; 0 4½				12	V.P.
8,25,00,000	4,41,684	1,61,45,956	43,79,829	—42,97,067	T. A. LyleinCopelo, Esq.	Relish (India) Ltd.	37½	100	Nil; Nil; Nil				12	V.P.T.
2,14,00,000	1,08,11,648	6,70,23,808	2,57,38,415	78,206	Saha Jain Ltd.	Rohtas Industries	24	10	1 0; 1 4				8	V.P.
40,00,000	93,21,062	1,19,12,218	70,10,822	4,54,337	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17½	10	1 0; 1 8; 1 8				12	V.P.
75,00,000	38,50,000	12,92,394	3,20,363	3,67,879	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	15½	10	1 8; 1 8; 1 8				6	V.P.
9,98,380	1,50,000	14,27,407	3,01,599	—1,04,345	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	Nil; Nil				12	V.

‡ Investments at cost. * Includes bonus.

§ Excluding goodwill (written down) Rs. 80 lakhs.

† Excluding goodwill at cost Rs. 80 lakhs.

‖ Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	...	McLeod & Co. Ltd.	825	Amluckie	600N	100	7 8	25 0	30 0		12	Y.P.
2,76,500	4,50,000	7,71,948	3,05,709	31,218	Andrew Yule & Co. Ltd.	312	Ananda (Assam) Tea	58	10	0 12	1 4	7 8		12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co. Ltd.	420	Ananda Bag	55	10	Nil	2 8	1 8		12	Y.
5,50,000	7,21,416	16,60,355	5,32,872	—75,110	McLeod & Co. Ltd.	513	Baghmari	34½	10	Nil				12	Y.
3,40,000	8,20,000	11,30,416	2,98,096	70,514	Andrew Yule & Co. Ltd.	369	Basmatia	50½	10	2 0	2 8			12	Y.
3,30,000	3,70,000	9,24,593	5,39,593	80,009		569	Batell	25⅞	5	0 4	2 0	1 8		12	Y.
3,20,000	3,70,000	9,38,920	2,13,496	61,395	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	73	10	Nil	2 0	1 8		12	Y.
16,50,000	20,00,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co.	3,967	Bishnauth	32½	10	Nil	3 8			12	Y.
6,00,000	3,500	10,18,918	1,85,067	63,716	Octavius Steel & Co., Ltd.	485	Bokakhat	25	10	Nil	Nil			12	Y.
7,50,000	4,50,000	8,36,160	2,52,708	5,960	McLeod & Co., Ltd.	450	Bormah Jan Tea	23⅞	10	Nil	0 12	1 0		12	Y.P.T.
35,00,000	11,92,045	73,80,473	19,49,496	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	18	10	1 0	0 8	1 4		6	Y.P.
1,20,000	1,95,097	4,60,080	1,69,074	—16,624	McLeod & Co., Ltd	282	Dejoo Valley	41	10	Nil	1 0			12	Y.
6,00,000	7,97,500	25,17,643	16,06,120	36,977	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	450	100	10 0	20 0			12	Y.
17,31,440	7,04,519	21,43,185	3,42,779	10,336	James Warren & Co., Ltd.	620	Dhetakhat	23½	10	1 0	1 8			12	Y.
4,68,970	2,70,000	11,71,408	4,34,259	8,732	James Finlay & Co., Ltd.	633	Dhunseri	28½	10	Nil	1 0	1 0		12	Y.P.
4,50,000	3,25,400	6,02,617	2,35,483	16,852	McLeod & Co., Ltd.	458	Dibrugarh	33½	10	Nil	1 0	1 0		12	Y.
2,36,700	4,75,000	8,80,047	4,70,047	43,918	Williamson Magor & Co.	625	Dimakusi	68	10	1 0	4 8	1 0		12	Y.P.
5,60,500	6,05,000	17,90,747	10,40,747	1,14,476	Williamson Magor & Co.	615	Duffleghur	56½	10	2 0	4 0	1 0		12	Y.P.
10,00,000	4,65,000	21,78,081	8,83,081	38,641	Williamson Magor & Co.	1,177	East India Tea	34½	10	0 4	2 8			12	Y.
3,60,000	3,50,000	8,18,664	4,01,797	13,832		407	Gillapukri	53½	10	Nil	1 12			12	Y.
3,35,000	3,60,000	13,95,316	6,19,316	79,542	Williamson Magor & Co.	546	Gohpur	45½	10	1 8	3 0			12	Y.
A. 4,94,360; B. 2,40,790	14,22,810	18,09,304	5,63,575	23,354	Octavius Steel & Co., Ltd.	1,393	Orob	22½; 22½	A. 10; B. 5	2 0; 1 0	3 0; 1 8	0 12; 0 6½		12	Y.
2,00,000	7,00,000	7,04,481	2,29,888	48,032	Andrew Yule & Co. Ltd.	476	Hoograjuli	65½	10	1 8	3 0			12	Y.
4,35,000	8,34,216	18,50,196	9,84,270	24,921	Andrew Yule & Co. Ltd.	1,290	Hoolongooree	404	100	Nil	12 8			12	Y.
7,50,000	5,85,000	13,98,777	2,44,299	38,941	Gillanders Arbuthnot & Co., Ltd.	938	Jutlibari	30⅞	10	Nil	Nil	1 0		12	Y.
2,40,000	80,000	11,45,851	6,20,851	3,993	Shaw Wallace & Co., Ltd.	1,166	Kingsley-Golaghat (Assam)	360N	100	Nil				12	P.Y.
6,50,000	4,94,133	6,79,844	1,29,844	72,557	Duncan Bros. & Co., Ltd.	1,037	Ledo	33½	10	Nil	2 0			12	Y.
4,80,000	40,000	8,94,211	84,211	14,238	Duncan Bros. & Co. Ltd.	673	Moheema	26½	10	Nil	Nil			12	Y.P.
1,50,000	4,47,344	7,54,419	4,05,697	16,982	Kettlewell Bullen & Co., Ltd.	433	Mothola	650N	100	Nil	40 0	15 0		12	Y.
O. 30,000; P.O. 2,00,000	4,05,000	8,98,088	5,22,218	34,889	Andrew Yule & Co., Ltd.	344	Murphulani	39½; 46	O. 10; P.O. 10	2 0; 2 8; 2 0; 2 8				12	Y.
4,00,000	3,61,274	6,00,328	3,80,669	9,367	S.C. Sen, Esq., Supervising Director	542	Naga Hills	49½	10	Nil	3 0	3 0		12	Y.
5,35,000	—	12,71,401	6,78,401	5,051	Shaw Wallace & Co., Ltd.	810	Namburnadi	27	10	Nil	Nil	0 8		12	Y.
5,00,000	1,15,000	3,92,221	1,92,221	21,164	Duncan Bros. & Co., Ltd.	935	New Cinnatollah	265N	100	Nil	5 0			12	Y.
2,00,000	3,27,500	7,37,172	2,83,495	45,300	Andrew Yule & Co. Ltd.	353	Rangarth	50½	10	Nil	2 8			12	Y.
6,00,000	4,26,802	17,99,844	6,36,992	16,877	James Finlay & Co., Ltd.	902	Sapoi	47½	10	Nil	2 8

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
2,00,000	2,35,000	3,76,125	22,948	34,760	Planting Agencies Ltd.	Balmadies Plantations	4½	2	0 3½	0 4	0 4		2	Y.P.T.
17,94,186	16,19,828	30,44,517	3,00,811	1,02,250	Peirce, Leslie & Co., Ltd.	Cochin Malabar	7-9½	3	0 9 3/5	0 12	0 12		5	Y.P.
18,00,000	13,78,817	31,25,582	4,43,387	1,58,644	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	16½	10	0 14 2/5	0 4 4/5	2 8		6	Y.P.
47,70,000	57,62,500	1,00,81,036	15,88,295	4,24,565	R. C. Paterson, Esq.	Consolidated Coffee	19½	10	1 12 4/5	1 4	1 12		6	Y.P.
4,00,000	3,34,078	5,19,105	46,991	11,406	Associated Planters Ltd.	Cottanad Plantations	14½	10	1 8*	1 8*	1 8		3	Y.P.
18,00,000	6,86,355	22,16,637	4,18,493	57,291	A. V. Thomas & Co., Ltd.	Highland Produce	16½	10	1 0	1 4	0 10½		12	Y.P.
4,00,000	10,16,061	10,85,666	1,39,566	11,970	A. V. Thomas & Co., Ltd.	Kalpetta Estates	26	10	2 0	2 0	2 0		4	Y.P.
4,50,000	11,78,329	9,97,046	2,35,186	14,253	P. Kurian John, Esq.	Malankara Rubber	26½	10	3 8	3 8	2 4		3	Y.
27,00,000	27,35,000	71,39,275	6,74,802	99,729	A. V. Thomas & Co., Ltd.	Midland Rubber	17½	10	1 8	1 8	1 12*		3	Y.P.
3,35,000	1,56,000	13,80,323	1,24,260	42,480	A. V. George & Co., Ltd.	Nenmeny Rubber	15	10	0 10	0 12			12	Y.P.T.
2,00,000	2,63,714	6,60,783	34,844	8,398	Associated Planters Ltd.	Nilambur Rubber Co.	12½	10	1 0	1 0			12	Y.P.
39,45,980	24,01,085	37,40,924	10,24,395	69,334	Peirce, Leslie & Co., Ltd.	Ouchterloney Valley Estates	5-10xd	2	0 3½	0 3½	0 9 3/5		10	Y.P.T.
13,50,000	6,80,000	39,49,798	3,06,746	54,658	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	16½	10	1 8	1 12½	1 12*		6	Y.P.
3,66,780	2,50,000	5,94,562	49,313	89,904	Peirce, Leslie & Co., Ltd.	Savamalai Estates Ltd.	28xd	10	3 8	3 0	2 8		11	Y.
10,00,000	3,09,600	21,81,045	1,32,358	1,227	East India Agencies	Teekoy Rubber (India) Ltd.	9	10	0 14½	0 14 2/5	0 12		3	Y.P.T.
2,50,000	2,37,500	5,25,215	24,651	13,303	A. V. George & Co., Ltd.	Thamarapally Rubber	26½	10	2 8	3 0	2 3½		12	Y.P.
6,10,200	2,75,005	7,98,048	62,162	17,826	Peirce Leslie & Co., Ltd.	Tirumbadi Rubber Co., Ltd.	2-0½	1	0 4	0 4½	0 13/5		9	Y.
6,00,000	54,522	7,40,843	98,185	2,171	Espee Thomas, Esq. (Mg. Director)	Travancore Rubber	10½cd	10	2 0	2 0			12	Y.
41,00,000	14,45,784	72,85,053	6,69,698	3,04,669	Ashinwall & Co. (Travancore)	Travancore Rubber and Tea Co., Ltd.	12-10½cd	10	0 9 3/5	1 0	0 8½		12	Y.P.T.
6,28,580	3,40,669	7,41,672	12,350	30,763	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	34½	25	2 8	3 0			12	Y.
1,65,000	87,259	3,50,536	15,684	1,063	Harrisons & Crossfield Ltd	Vaikundam (Travancore) Rubber	23xcd	10	2 0	2 0			12	Y.
					M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	12½	10	Nil	1 0	1 8		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs	Accounts Closed	Reference
60,00,000	55,00,000	96,99,205	51,47,202	54,436	B. N. Elias & Co., Ltd.	879	Agarpara	14½	10	1+1	1+1	½f		3,9	H.T.P.
12,00,000	27,00,000	45,81,286	32,42,838	54,874	Sahu Jain Ltd.	498	Albion	152	100	8+10	12+12	12f		5,11	H.P.
6,00,000	5,35,000	51,04,592	33,39,395	10,062	McLeod & Co., Ltd.	446	Alexandra	235	100	Nil	Nil+2½	21f		3,9	H.P.T.
30,00,000	7,35,000	1,17,45,964	90,43,069	61,708	McLeod & Co., Ltd.	1,264	Alliance	182	100	Nil	Nil+5	6f		6,12	H.P.
49,20,700	82,13,386	2,34,81,317	1,78,90,000	1,47,543	Duncan Bros. & Co., Ltd.	2,561	Angus-India	256	100	10+10	7½+5	2½+5		3,9	H.P.
40,00,000	40,52,240	1,63,99,837	84,16,116	7,674	Bird & Co., Ltd.	810	Auckland	153	100	5+4	2+2	1+2½		3,9	H.P.T.
20,00,000	25,93,136	98,25,588	65,19,459	18,759	Jardine Henderson & Co.	959	Bally	191½	100	Nil	4+Nil	Nil		3,9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,889	Barnagore	178	£5	£1	£1	£½	sh.2½	3	Y.P.
28,00,000	35,49,623	89,78,590	48,75,855	53,467	Andrew Yule & Co., Ltd.	820	Belvedere	217	100	7½+7½	7½+7½	5f		6,12	H.P.
45,00,000	35,95,000	54,87,801	27,48,864	2,45,983	Sooraimull Nagarmull	600	Bengal	15½	10	1	1+4			6	Y.P.T.
91,26,000	2,08,61,400	3,18,53,661	1,29,13,354	1,26,903	Birla Bros., Ltd.	1,373	Birla	20½	10	3	3	1		3	Y.P.
36,00,000	29,02,925	1,11,26,530	71,77,582	1,20,609	Andrew Yule & Co., Ltd.	991	Budge-Budge	199	100	6½+6½	6+4	4+3		4,10	H.P.
7,47,380	3,16,924	41,11,370	29,06,003	1,176	Dayaram & Sons	502	Calcutta Jute Mfg	15Nxd	10	0+8	Nil			6,12	H.P.T.
18,00,000	32,31,234	77,57,603	40,35,574	78,538	Andrew Yule & Co., Ltd.	616	Caledonian	280	100	6+6	6+6	4+5		5,11	H.
59,16,400	1,01,06,609	1,88,44,627	1,05,04,000	22,542	James Finlay & Co., Ltd.	600	Champdany	173	100	7+4	3+3	Nil+3		3,9	H.
15,95,000	30,14,282	80,62,390	55,81,540	1,37,479	Andrew Yule & Co., Ltd.	530	Cheviot	298xd	100	6+6	6+6	6+8		5,11	H.P.
30,15,000	27,75,000	60,14,632	44,94,094	86,056	McLeod & Co., Ltd.	500	Chitavalsah	14½	10	2½+1½	1½+½	½f		6,12	H.T.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	17	10	2	Nil			3	Y.P.
31,49,200	62,11,927	1,28,93,802	61,22,413	15,344	Bird & Co., Ltd.	766	Dalhousie	148	100	6+1	1+3	1+1½		3,9	H.P.
28,00,000	44,74,179	74,57,171	46,41,725	1,46,508	Andrew Yule & Co., Ltd.	779	Delta	257	100	10+10	10+10	6+6		5,11	H.P.
15,00,000	33,25,000	76,36,813	56,35,731	56,215	McLeod & Co., Ltd.	500	Empire	75	10	2+1	1+½	½f		6,12	H.P.
21,00,000	53,28,948	2,70,49,318	1,81,05,210	40,839	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	470N	100	10+Nil	Nil	Nil		3,9	H.P.T.
14,00,000	13,00,000	82,13,505	49,27,586	71,285	Bangur Bros., Ltd.	1,014	Fort William	380N	100	Nil	Nil+5	3+10		3,9	H.P.T.
24,32,100	2,73,755	21,52,730	1,36,01,908	5,910	Macneill & Barry Ltd.	1,709	Ganges Mfg.	104	100	Nil	Nil+Nil	Nil+½		3,9	H.
10,80,000	28,00,000	71,47,356	47,46,253	4,743	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	1,000	300	30	15			12	Y.
24,00,000	31,83,104	2,20,06,557	1,67,30,294	1,56,427	Macneill & Barry Ltd.	1,394	Gourepore	340	100	1½+Nil	Nil+3½	2½+7½		3,9	H.P.
46,00,000	55,68,234	72,95,746	48,50,613	2,95,107	Bangur Bros., Ltd.	1,078	Hastings	99N	100	10	10	10+0		3	Y.P.
16,80,000	18,52,626	66,38,223	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	43½	10	1½	1½	½		3	Y.P.
65,62,500	58,82,162	1,47,23,497	1,06,14,353	1,65,858	Jardine Henderson Ltd.	1,940	Howrah	17½	10	1+½	1+½	1+½		3,9	H.P.
52,50,000	20,00,000	2,42,25,884	1,49,75,884	1,64,711	Ramdutt Ramkissendas	2,272	Hukumchand	5	5	3	3	2		3	Y.P.T.
O. 87,00,000	19,20,065	1,11,31,089	75,39,061	38,601	Mackinnon Mackenzie & Co.	1,076	India	33	7½	3½+3½	3½+3½	Nil+3½		3,9	H.
D. 30,00,000								198 O.	125	A×4+4	A×4+4	A× ½			
B. 24,00,000	27,62,899	1,37,48,710	1,20,61,507	32,488	Jardine Henderson Ltd.	1,797	Kamarhatty	214	100	8½+6	6+3	3f		6,12	H.P.
B. 19,20,000								185 'B'	100	8½+6	6+3				
D. 30,00,000	17,86,954	1,32,65,521	97,46,515	68,418	Jardine Henderson Ltd.	1,527	Kanknarah	151	100	6+4	5+2½	2½f		6,12	H.P.
B. 24,00,000								141 'B'	100	6+4	5+2½				
21,00,000	48,25,000	1,05,38,484	74,86,276	1,19,643	McLeod & Co., Ltd.	703	Kelvin	345	100	7½+7½	7½+7½	10f		6,12	H.P.
24,00,000	22,83,375	1,63,66,931	1,12,52,500	94,623	Anderson Wright Ltd.	1,530	Khardah	210	100	10+10	10+7½	7½f		3,9	H.P.
48,00,000	1,02,14,684	2,29,23,597	1,08,58,211	29,674	F. W. Heilgers & Co.	1,250	Kinnison	199	100	10+7	4+5	2+5		3,9	H.P.T.
24,48,000	48,31,817	1,39,26,497	78,80,252	4,428	Bird & Co., Ltd.	931	Lansdowne	132	100	7+3	2+3	1+1		3,9	H.P.
28,00,000	59,56,165	1,14,93,720	63,14,525	12,683	Bird & Co., Ltd.	840	Lawrence	147	100	11+4	5+4	2+4		3,9	H.P.
10,00,000	41,51,301	30,99,335	36,06,454	53,755	Andrew Yule & Co., Ltd.	558	Lothian	410xd	100	15+15	15+15	15+15		5,11	H.P.
81,45,200	26,14,412	1,92,62,004	1,19,08,316	8,502	Mackinnon Mackenzie & Co.	1,008	Meena	102	100	2½+2½	2½+2½	Nil 2½		3,9	H.
29,98,900	41,12,783	1,72,83,489	94,88,274	—7,08,068	F. W. Heilgers & Co.	815	Metcalfe	119	100	6+Nil	Nil	Nil		3,9	H.
20,00,000	13,05,000	28,15,067	16,73,660	3,826	Howrah Trading Co., Ltd.	425	Naskarpara	14½	10	1+½	Nil+½	½f		4,10	H.T.
25,00,000	44,29,326	28,38,745	9,63,390	1,88,126	Andrew Yule & Co., Ltd.	852	National	34½	10	1+1	1+1	1+1		4,10	H.P.
26,25,000	22,75,000	26,82,794	18,86,219	1,23,709	McLeod & Co., Ltd.	316	Nellimarla Jute	13½	10	2+1	1+½	½f		6,12	H.P.T.
31,50,000	34,13,033	49,75,722	24,95,902	84,459	Sahu Jain Ltd.	145	New Central	100	100	10+12	12+12	12f		6,12	H.P.
16,79,880	51,05,696	1,23,66,779	59,31,089	43,570	Bird & Co., Ltd.	567	Northbrook	25½	10	1+½	1+½	1+½		3,9	H.P.T.
66,79,500	31,70,094	2,15,09,993	1,38,37,886	33,079	Macneill & Barry Ltd.	1,092	Nuddea	56	50	1+Nil	Nil+½	Nil+½		3,9	H.
24,91,000	27,81,049	71,20,511	49,35,472	1,21,195	Andrew Yule & Co., Ltd.	601	Orient	194xd	100	1+6	6+6	5+5		5,11	H.P.
25,00,000	4,99,002	80,67,981	62,60,461	5,641	McLeod & Co., Ltd.	400	Presidency	7½	5	Nil	Nil+½	½f		6,12	H.T.
20,00,000	1,40,946	25,48,443	7,67,493	—10,89,456	M. P. Birla, Esq.	305	Rameshwara	7½	10	Nil	Nil	Nil f		3,9	H.P.
49,50,000	8,01,372	1,23,46,455	57,04,882	18,873	Jardine Henderson Ltd.	1,276	Reliance	14½	10	Nil	½+½	Nil		3,9	H.P.T.
£960,000	£1,093,713	£1,228,258‡		£95,425	Thomas Duff & Co. (India), Ltd.	2,013	Samnuggur	14½	£1	10%	10%			12	Y.P.
30,00,000	13,12,193	1,03,17,335	71,03,045	10,341	Bagaria More & Co., Ltd.	911	Shree Ambica	14½xd	10	1+1	Nil+½	½f		3,9	H.P.
14,00,000	10,29,608	48,33,752	37,62,133	2,54,934	Hindustan Investment Corporation.	401	Soorah	17N	10	Nil	½			12	Y.P.T.
25,19,600	47,79,578	1,01,23,059	57,01,016	1,112	Bird & Co., Ltd.	650	Standard	154	100	8+1	1+1	1+1		3,9	H.P.
£600,000	£925,119‡	£992,042		£108,510	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	14½	£1	10%	10%			12	Y.P.
35,98,600	£5,79,790	1,93,34,618	76,30,486	9,515	Bird & Co., Ltd.	1,326	Union	198	100	10+1	1+4	1+5		3,9	H.P.T.
£400,000	£688,035‡	£1,086,826		£1,12,138	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	14½	£1	10%	10%			12	Y.P.
2,50,000	4,93,000	55,94,678	37,77,741	35,624	McLeod & Co., Ltd.	465	Waverley	7½	1	Nil	Nil+½	½f		6,12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	20,75,000	83,30,999	56,70,999	21,411	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	23xcd	10	½+½	½+½	½+½		3,9	H.
12,00,000	8,38,299	38,74,552	33,42,552	20,386	Jardine Henderson Ltd.	Bararee Coke	21½	10	3/3+½	7/10+7/10	½+7/10		3,9	H.
4,40,350	70,000	8,49,159	5,37,466	3,819	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6½	10	½	½	½f		6,12	H.
1,00,00,000	1,27,23,854	5,66,19,576	3,70,80,321	6,07,575	Andrew Yule & Co., Ltd.	Bengal Coal	519	200	20+20	17½+15*	15*+15*		4,10	H.P.
7,75,000	5,10,369	25,37,614	22,43,053	.....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	11½	10	½+½	Nil	Nil		6,12	H.P.
15,97,000	5,10,369	25,37,614	22,43,052	25,529	H. V. Low & Co., Ltd.	Bhalgora	6½	10	½				9	Y.
40,00,000	14,81,010	1,30,60,104	68,66,790	13,644	Sahu Jain Ltd.	Bharat Collieries	8	10	½ Nil	½ Nil	½ Nil f		6	Y.T.P.
7,15,000	14,41,318	51,71,261	36,39,224	—2,04,456	F. W. Heilgers & Co., Ltd.	Bhulanbarasee	14N	10	Nil	Nil			6,12	H.
16,00,000	16,22,936	68,16,454	39,74,841	—1,36,132	Anderson Wright (Ramgarh), Ltd.	Bokaro Ramgur	9	10	1½*+1½*	1½*+1½*	1f		6,12	H.T.
7,50,000	22,09,390	41,57,477	25,36,282	98,963	F. W. Heilgers & Co., Ltd.	Borrea	30	10	½+½	½+½	½f		6,12	H.P.T.
90,92,480	1,70,76,308	4,10,36,356	1,71,71,586	1,49,910	Bird & Co., Ltd.	Burrakur	12½	10	Nil	½+½	½f		6,12	Y.
49,97,750	...	34,81,955	2,57,645	3,907	Hindustan Investment Corpn., Ltd.	Central India	7½	10	Nil	½			3	H.
8,00,000	13,54,302	49,10,414	32,63,954	82,768	Anderson, Wright & Co., Ltd.	Central Kurkend	11N	10	Nil	½+½			6,12	H.
6,00,000	1,43,341	7,25,000k	.....	25,618	F. W. Heilgers & Co. Ltd.	Churia	3	4	½+½	½+½			4,10	H.P.
16,00,000	1,20,000	50,63,761	27,27,536	—1,91,155	Macneill & Barry Ltd.	Dhemo Main	8½	10	Nil	Nil	½f		6,12	H.
£240,000	£362,496	£244,003	£11,181	£63,577	Jardine Henderson Ltd.	East Indian	28½	£1	3½(i)	2½	Nil f		6,12	H.T.
29,63,760	71,99,925	3,66,52,739	2,81,14,367	1,85,653	Macneill & Barry Ltd.	Equitable	31	10	2+1½	1+½	2½		3	Y.
10,00,000	2,11,139	9,72,721	3,23,963	40,284	Bhatter's Agency Ltd.	Gwalior and Muslia	15N	10	½		½f		6,12	H.P.T.
12,00,000	1,22,000	37,04,970	19,00,221	445	Kilick Industries Ltd.	Hingir-Rampur	40½	50	½	½			3	Y.
8,00,000	5,75,000	21,42,581	18,13,043	62,148	Macneill & Barry Ltd.	Hurriladih	19	10	½+½	½+½	Nil		6	Y.P.
22,30,000	1,08,577	31,70,015	10,56,245	—1,95,248	Bajnath Trust Ltd.	Jogta Coal	3N	10	Nil	Nil	½f		6,12	H.
3,50,000	4,26,551	14,85,443	6,91,521	.....	Andrew Yule & Co., Ltd.	Kalapahari	27N	10	1½+1½	1½+1	Nil		12	Y.P.
20,00,000	9,375	26,40,669	2,46,630	3,145	Bird & Co., Ltd	Karmboni Collieries	100	100	Nil	Nil	Nil		2,8	H.
3,00,000	13,60,000	44,39,243	34,62,230	91,518	Andrew Yule & Co., Ltd.	Katras Jherriah	49½	10	2+2	2+2	Nil+2		2	Y.P.
1,38,400	5,72,960	12,85,941	5,72,960	—2,60,236	Beriwala & Co.	Khas Kajora	55	10	Nil	Nil	Nil	2+2	1,7	H.
11,00,243	64,314	16,72,961	10,41,363	—41,320	H. V. Low & Co., Ltd.	Kusunda	7N	10	½	Nil			6,12	H.P.
9,00,000	11,56,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10½N	10	½	½	Nil		6	Y.
7,48,240	1,00,000	11,58,128	8,95,686	25,998	S. P. Tantia, Esq.	Navira	7½	10	½	½	½		4	Y.
7,00,000	56,617	10,33,740	5,20,295	4,560	Amritlal Ojha & Co., Ltd.	New Bansdeopur	7½xN	10	½	½	½		6,12	H.
17,76,230	18,91,763	1,16,14,994	85,44,712	42,594	Andrew Yule & Co., Ltd.	New Beerbhoom	19	10	Nil+½	½	½+½		3,9	H.
6,00,000	1,25,000	32,17,687	19,65,424	4,644	Octavius Steel & Co., Ltd.	New Manbhoom	8½	10	Nil	Nil	½f		4,10	H.P.
1 15,000 } 1,57,500 }	2,47,693	12,93,355	8,05,952	8,676	Andrew Yule & Co., Ltd.	North West	11½N 7N	10 7½	½+½ ½+½	½+Nil ½+Nil	Nil Nil		3,9	H.
7,50,000	11,79,228	3,97,668	2,77,666	96,307	F. W. Heilgers & Co., Ltd.	Ondal	17½	10	1+½	1+1	½f		6,12	H.P.
10,00,000	1,10,000	37,18,080	16,07,868	38,140	K. C. Thapar & Bros.	Oriental Coal	11½N	10	½	½			12	Y.T.
8,34,000	1,32,942	17,23,281	6,78,407	5,618	Deepchand Kishenlall	Parasea	9½	10	Nil	½			6,12	H.P.
15,75,000	14,00,000	45,17,541	32,67,541	20,192	Shaw Wallace & Co., Ltd.	Pench Valley	23½	10	½+½	½+½	½+½		3,9	H.
23,99,500	17,17,105	1,16,31,468	80,43,780	72,002	N. B. Elias & Co., Ltd.	Rajrappa	11½	10	Nil	½	Nil		3,9	H.
13,50,000	7,88,385	30,74,960	25,05,660	27,848	Shaw Wallace & Co., Ltd.	Rewa	21½	10	½+1	1+½	½f		6,12	H.
20,00,000	3,95,008	32,32,218	13,30,500	438	Jalpaiguri Sons Ltd.	Samla Collieries	9½N	10	½+½	½f			6,12	H.
1,25,000	1,85,000	12,10,180	10,21,382	19,527	Gillanders Arbuthnot & Co., Ltd.	Searsole	12½	2½	2+½	½+½	½		1	Y.
2,80,000	7,06,598	29,25,214	16,85,969	25,643	Andrew Yule & Co., Ltd.	Seehore	25½	7	½	½	½f		6,12	H.
8,00,000	8,75,468	36,88,716	26,51,462	—1,22,722	F. W. Heilgers & Co., Ltd.	Sendra	9½N	10	Nil	Nil	Nil f		6,12	H.T.
63,21,450	15,01,620	3,51,42,502	2,49,62,544	—6,49,301	Industrial Trust Fund (Government of Hyderabad)									
17,50,000	10,85,425	37,23,396	14,57,868	3,853	Bird & Co., Ltd	Sinerenl	7	10	½	Nil			12	Y.T.
8,00,000	14,72,339	1,69,570	23,510	59,039	F. W. Heilgers & Co., Ltd.	South Karanpura	10	10	½+½	½+½	Nil+½		2,8	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Standard	19½	10	½+1	1+1	½f		6,12	H.
2,50,000	3,65,000	18,61,213	14,03,412	68,861	Williamson Magor & Co.	Tatcher	3½	2½					9	Y.
49,98,000	21,916	47,68,934	18,41,545	65,727	Hindustan Investment Corpn., Ltd.	Union	18	10	1½+1½	1+½	½f		6,12	H.
7,00,000	3,57,000	50,89,488	21,36,223	582	Macneill & Barry Ltd.	Western Bengal	7½	10	Nil	Nil	Nil f		3	Y.
						West Jamuria	15½	10					6,12	H.

* Including bonus.

(f) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

(k) Investments

(a) For seven months ended 31st March, 1954.

MARKET GOSSIP

(*Concluded from page 715*)

training, storage, survey, analysis, settlement of disputes and for dissemination of information. He then went on to say:

"The need for hedge trading in oils has now increased owing to Government's policy (1) in permitting exports of oils and not of oilseed and (2) encouraging crushing of oilseeds in growing areas. We are, however, firmly of opinion that there should be an entirely separate organisation in charge of hedge trading in oils, as existing trade terms of oilseeds and oils differ considerably and it would be cumbersome for any single organisation to deal with both oilseeds and oils."

The Commission, it is to be hoped, will take these factors into account before it recognises any trading body for purposes of carrying on forward trading in oils and seeds.

• • • •

It is very likely that, in the course of the next few weeks, a new International Tea Agreement will come into force, taking the place of the Agreement which expired on 31st March, 1955. It is believed that the Governments of the main producing countries—India, Ceylon, Indonesia and Pakistan—are considering the draft of the new Agreement and that a final decision will be reached very soon. There is much speculation regarding the main terms of the Agreement and, in particular, those in respect of the provisions regarding extension of tea areas. The fact that world production is not keeping pace with world consumption has given rise to a feeling, both in India and outside, that, for the next few years at any rate, there need not be any restrictions on new planting or the restrictions may be less severe than they have been so far. There is every possibility that the new Agreement will respect this feeling by giving complete freedom of action to the participating countries in this regard. The following comparative study of planted acreages on 31st March, 1953 and 1954 of the various countries concerned shows that the increase has not been considerable in any of the countries covered by the Agreement; indeed, in one of the countries, Indonesia, the planted acreage has actually decreased by about 2,000 acres:

	31-3-1953 Acres	31-3-1954 Acres
India	787,370	789,442
Pakistan	73,376	74,366
Ceylon	572,008	574,250
Indonesia	193,520	191,400

It is believed that extension of tea planting in the countries that were outside the Agreement, particularly in East Africa, has been much greater than in the countries covered by the Agreement. All attempts to bring East Africa within the last Agreement failed and it is very doubtful whether that country would participate in the new Agreement. Pakistan came into the last Agreement after a great deal of persuasion and it is to be hoped that it will not change its mind now.

• • • •

Although it is possible that the provisions in regard to new extension may be withdrawn from the Agreement, it is felt that the countries covered by the Agreement may continue to impose some restrictions on new planting within their own territories. That would be by way of a safeguard against indiscriminate extension, which, if not checked, may have serious economic repercussions on the countries concerned. As it is, there has already been a considerable amount of unauthorised extensions of tea acreages in India and that is likely to be the case with the other countries as well. As far as control over exports is concerned, it is thought that the new Agreement will have practically the same provision as the old one as this is considered to be quite essential. Any large increase in export allocations cannot be contemplated without serious repercussions on the world market and the restrictive provisions must, in the opinion of many, continue for some more years.

• • • •

The Directors of the National Rayon Corporation have decided to recommend the payment of a dividend of Rs. 10 per share for the year ended 31st December, 1954, thus stepping it up by a rupee from the maiden dividend of Rs. 9 paid for 1953. This decision conforms very nearly to the indication given in these columns last week. But some in market circles were expecting a still higher dividend. To this extent, it can be said that the Directors' proposal falls short of market expectation. There is, however, no reason for any sense of disappointment, for even at the current high rate of Rs. 200-8 the Company's shares offer a yield of 5 per cent. per annum. As we shall show presently, the dividend has been fully earned and it has been increased only after setting apart a handsome amount for general reserve.

• • • •

The performance of the Company during the past year has been very impressive. The gross profit of the Company amounts to Rs. 115.27 lakhs, which, as compared with that (Rs. 93.17 lakhs) for the previous year, shows a rise of Rs. 22.10 lakhs, thus maintaining the upward trend for the third year in succession. It will be interesting to note that the profit has very nearly doubled since the Company went into production four years ago. For the year 1951, the first year of production, the Company's profit amounted to Rs. 58.35 lakhs. After providing Rs. 7.08

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	11,36,201	Allahabad Bank	364	100	18 0	18 0	18 0	18 0	12	Y.P.
14,40,000				262	50	9 0	9 0	9 0	9 0		
1,01,000	13,51,000	16,321	Andhra Bank	118xd	100	6 0	6 0	6 8	7 8	6.12	H.
23,99,000				81xd	70	3 0	3 0	3 4	3 12		
1,00,00,000	1,26,00,000	2,70,302	Bank of Baroda	108	50	5 0	5 0	6 0	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	12½N	25	0 12	0 12	0 12		12	Y.
3,50,00,000	3,52,00,000	910,851	Bank of India	148	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,375	27,15,000	64,703	Bank of Indore	55N	25	3 0	3 0	3 0	3 0	12	Y.
50,00,000	10,00,000	25,123	Bank of Jaipur	23	50	1 8	1 8	1 8	2 0	12	Y.
50,00,000	54,00,000	2,27,018	Bank of Mysore	276½	100	16 0	16 0	16 0	16 0	12	Y.
59,99,150	31,52,240	29,559	Bombay State Co-operative Bank	45	50	2 8	2 8	2 8		6	Y.P.T.
15,00,000	26,00,000	20,774	Canara Bank Ltd.	80	50	4 8	4 8	4 8	4 8	12	P.Y
7,50,000	10,80,000	6,378	Canara Banking Corporation Ltd.	85	50	5 0	5 0	5 0		12	Y.P.
2,62,11,875				56½	25	3 8	3 8	3 0	3 0	12	R.L.Y
8,42,87,500	4,00,55,697	17,88,599	Central Bank of India Ltd.	52	25	3 8	3 8	3 0	3 0		
50,00,000	26,10,000	1,64,911	Devkaran Nanjee Banking Co	31	50	1 12	1 12	2 0	2 0	12	Y.
1,50,00,000	1,60,00,000	1,96,995	Halib Bank (P)	72xEN	20	4 0	4 0	4 0	4 0	12	Y.
1,25,00,000	16,20,000	15,160	Hindustan Commercial Bank	10½	50	—	—	—		12	Y.
50,00,000	1,50,000	1,412	Hindustan Mercantile Bank	13½	50					12	Y.
75,00,000	76,00,000	1,03,750	¶¶Hyderabad State Bank	105N	100	6 0	5 0	5 0	6 0	12	Y.
3,75,00,000	6,85,00,000	34,18,646	Imperial Bank of India	1,550	500	50 0	50 0	50 0	50 0	6.12	R.L.H.
1,87,50,000				388	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000	77,50,000	1,30,785	Indian Bank	183xd	100	12 0	12 0	12 0	12 0	6.12	R.L.H.
17,00,000				144xd	25	10 3½	10 3½	10 3½	10 3½		
16,50,000				142xd	60	7 3½	7 3½	7 3½	7 3½		
49,19,675	26,00,000	2,15,589	Indian Overseas Bank	101½xd	100	6 0	6 0	6 0	6 0	6.12	R.L.H.
6,25,000				50	100(A)	7 8	6 0				
2,50,000	6,33,989	1,880	Indo-Commercial Bank	15	25(B)	3 14	1 8			6.12	H.
10,00,000				21	50(C)	3 0	3 0	3 0			
87,50,000	92,50,000	4,99,040	Punjab National Bank	45	25	1 0	1 8	2 0	3 0	12	Y.
1,00,00,000	21,75,000	93,231	Travancore Bank	13½	25	—		0 10	0 12	12	Y.
40,00,000	88,00,000	1,75,754	Union Bank of India	5	5	0 8½	0 8½	0 8½	0 8½	12	Y.
2,00,00,000	56,00,000	1,08,725	United Commercial Bank	44½	50	2 0	2 0	2 0	2 8	12	H.

PRINCIPAL EXCHANGE BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	1951	1952	1953	1954	Accounts Closed	Reference
						Dividend (per cent.)					
£3,500,000	£5,000,000	£292,910	Chartered Bank of India, Australia and China	£2-4-6	£1	14†	16†	14†	16†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6½	£5	6†	7†	8†		12	R.L.Y.
N.E. $20,000,000	N.E. $128,000,000	N.E. $10,215,256	Hongkong and Shanghai Banking Corporation	£86	H.K. $125	5*	5*	5*	5*	12	Y.
£17,976,190 'A'	£14,500,000	£616,657	Lloyds Bank	£3-6-0	£5 A	12†	12†	14†	15†	12	R.L.Y.
£1,437,260 'B'				£1-7-3	£1 B	5†	5†	5†	5†	12	R.L.Y.
£375,000 'A'	£1,750,000	£200,284	Mercantile Bank of India	£4⅝	A £2½	12†	14†	14†	14†	12	R.L.Y.
£375,000 'B'				£4⅝	B £2½	12†	14†	14†	14†		
£720,000 'C'				—	C £1	12†	14†	14†	14†		
£2,581,583	£8,104,863	£896,996	National Bank of India	£1-5-7½	£1	14†	16†	16†	15†	12	R.L.Y.

‡ Halfyearly Bonus. † Bonus Bank. (A), (B), (C) Bank Shares. 1-2-0 = 1 rupee 2 annas 0 pies. ¶¶ N.E. = Nominal. * A preferential offer.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR		
19,50,000	3	1st December and 1st June	Carew & Co.	99½	1st June .. 1963
4,00,000	5½	1st March and 16th September	Carew & Co. (2nd mortgage)	95	28th February .. 1960(c)
8,00,000	5½	30th June and 30th December	Bombay Cane & Sugar Co., Ltd.	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	102	27th December .. 1955-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	88	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	103	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	96½	1st November .. 1959-64
			COAL		
30,00,000	4½	30th April and 31st October	Bharat Collieries	95½	30th June‡ .. 1958
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	91½	30th June .. 1965(c)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	101	14th December .. 1960(c) ‡
			COTTON		
8,50,000	5½	30th June and 31st December	Pasanli Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	99	15th November .. 1956(b)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	100½	1st January .. 1957-72(a)
18,68,000	5½		Jaykisan Textiles	41.50	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills	101	 1966-71
			ELECTRICS		
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	95½	31st March .. 1965(a)‡
1,25,000	4½	15th June and 15th December	Alleppey Electric Co., Ltd.	100½	14th June .. 1960
98,78,100	4½	1st April and 1st October	Andhra Valley Power Supply Co.	97½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1956(a)
2,49,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101½	1st January .. 1957(a)
25,00,000	4	30th June and 31st December	Government Electric Supply Co., Ltd.	87	31st December .. 1970
15,00,000	5	1st January and 1st July	Sijua (Dumka) Electric Supply Co., Ltd.	96	30th June .. 1976(a)
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	99	 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	99	1st October .. 1964
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	 1958-68
6,63,100	4½	1st April and 1st October	South Madras Electric Supply	94	1st July .. 1957-67
47,75,000	4	1st April and 1st October	Tata Power	90½	15th September .. 1961-65
2,50,000		1st April and 1st October	Tata Power	71½	15th September .. 1968-70
			ENGINEERING		
5,00,000	6	30th June and 31st December	Britannia Engineering	99	10th December .. 1958
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Iron & Steel Co. (2nd mortgage)	101½	1st July .. 1957-62
£1,146,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	106	31st December .. 1966 (§§)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	88½	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	101	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	100½	31st December .. 1960 (c)
			JUTE		
12,00,000	4½	1st October and 1st April	Agarpara	100	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	100	30th June .. 1960
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1956
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	88½	30th June .. 1960¶
9,00,000	5	31st January and 31st July	Calcutta	92	31st July .. 1959
10,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	96	30th June .. 1966
25,00,000	7½	31st March and 30th September	Dalhousie Jute Co.	99	31st March .. 1969(c)
8,86,000	5	30th June and 31st December	Empire	95	15th July .. 1956(c)
25,00,000	5½	1st January and 1st July	Hukumchand	93½	30th June .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	96½	31st December .. 1956(c)
25,00,000	5½	30th June and 31st December	Kaisheli	98	31st March .. 1957(c)
5,00,000	4	14th November and 14th May	Delhiwala Jute Mills Co., Ltd.	93	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	88	31st December .. 1964
8,00,000	5	30th June and 31st December	Ludlow	98	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	98	30th September .. 1962(a)
8,00,000	4½	14th March and 14th September	Soorah Jute	97	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	96½	30th June .. 1957
10,00,000	3½	31st January and 31st July	Waverley	88	31st July .. 1960
			RAILWAYS; STEAMSHIP AND TRAMWAYS		
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	90N	1st July .. 1956‡
£250,000	4½	1st January and 1st July	Calcutta Tramways	£60N	At 105% at any time on 6 months' not'ce or at par or every seventh year.
£159,368	5	1st April and 1st October	Katakhal-Lalabazar Railway	£77½N	1st October .. 1974
6,50,000	5½	30th June and 31st December		90½	31st December .. 1959(c)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	192½N	Any time on six months' notice.(c)
£,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	94½	1st September .. 1963
			PLANTING		
10,00,000	5½	30th June and 31st December	Consolidated Coffee	102	1st July .. 1957-62
8,00,000	6	31st March and 30th September	Nilgiri Tea	104½	1st April .. 1954-58
4,61,000	5½	30th June	Onchterony	104	30th June .. 1954-59
9,00,000	5	31st March and 30th September	Periakaramalai	100½	31st March .. 1958-63
1,59,700	5½	31st March and 30th September	Teekoy	100	31st March .. 1949-59
			MISCELLANEOUS		
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	100	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December .. 1962
26,00,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	96½	30th June .. 1957
8,00,00,000	6	1st March and 1st September	Burmah-Shell	102½	1st September .. 1965-69(a)†
21,00,000	5½	1st February and 1st August	Chowringhee Properties	93	1st February .. 1964
21,84,000	4½	1st July and 1st January	Clive Buildings	89	1st July .. 1965
20,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	89	 1960
1,80,00,000	5	1st January and 1st July	Dunlop Rubber	102	1st January .. 1971(c)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	104	30th June .. 1959(c)‡
10,25,000	5	15th March and 15th September	Mettur Chemical Industries	95	 1964
25,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	355	30th September .. 1976(c)
40,00,000		30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947 (per note) 800	31st December .. 1971(c)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	1st April .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	98	31st March .. 1961(c)
1,00,00,000	4	30th June and 31st December	Robins Industries Ltd.	90	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India Ltd.	103½	1st May .. 1968(c) ‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-8-1954 but before 1-8-1967 and 1 per cent. premium on or after 1-8-1967. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100 per cent. after 12 years. † Rs. 1,00,00,000 debentures will be redeemed at par annually by drawing from 1-6-1956. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. §§ Redeemable at par at 101 per cent. after 15 years. ¶ Rs. 80 lakhs will be redeemed annually by drawing from 1st May 1964, onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1963, on 6th months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 14th April, 1955:

—	Closing quotations 6-4-1955	High	Low	Closing quotations 14-4-1955
TEXTILES	Rs.	Rs.	Rs.	Rs.
Abm. Adv. (100)	122½	—	—	122½
Apollo (2)	2-12½	2-13½	2⅜	2-13
B.N. Cotton Mills (100)	40	40	38	38
Bombay Dyeing (250)	469½	471½	465	466½
Central India (100)	127	127	126	126½
Century Mills (100)	380	383	377½	378½
Colaba (100)	56	—	—	56
Edward Textile (200)	260	—	—	260
Elphinstone (50)	404	—	—	404
Finlay (100)	260	261½	250	260
Gokak (100)	230	228½	214	215xd
Ind. Unit. Defd. (1)	1-4½	1½	1¼	1-2½
Ind. Unit. Ord. (10)	10-13½	10½	10⅜	10⅜
Indore Mfg. (100)	93½	93½	91½	93½
Khatau (100)	170½	171½	168½	168½
Kohinoor (100)	314½	316	312½	313
Lakshmi (100)	492½	500	492½	500
Madhusudhan (100)	84½	—	—	84½
Minerva Mills (100)	100	—	—	100
Model Nagpur (250)	137½	138½	136½	138½
Mcarji (100)	218½	—	—	218½
Mysore (10)	12½	—	—	12½
National Rayons (100)	202	204	199½	200½
New City (100)	140	141½	140	141½
New Great (100)	147½	152	146½	149
New Union (100)	82½	—	—	82½
Phoenix (100)	101½	106½	101½	106½
Podar Mills (100)	157½	—	—	158½
Sassoon Silk (10)	14½	15	14½	14½
Sassoon Rye. (10)	8½	—	—	8½
Sholapur (1,000)	1,400	—	—	1,400
Tarapaiwala (100)	234½	236½	232½	235
Simplex (50)	149½	150	145½	149½
Standard (100)	363½	366½	362½	348½xd
Tuticorin (100)	196½	196½	189	194½
Swan (100)	832	833½	832½	833½
Tata Ord. (25)	55½	54½	52½	53½
Vishnu (100)	117½	117½	115	115
Western India (1,000)	8,875	—	—	8,875
BANKS				
Bank of India (50)	146½	148½	146½	148½
Bank of Baroda (50)	108½	108½	107½	108
Central (25)	50½	50½	50	50½
Dena Bank (50)	51½	52	51½	51½
Imperial (P.Rs.) (500)	1,577½	1,580	1,565	1,577½
Imperial (P.Rs.) (125)	380	383½	375	383½
Punjab National (25)	45	—	—	45
Union Bank (5)	6½xd	6½	6½	6½
United Com. (50)	44½xd	44½	43½	44½
ELECTRIC COS.				
Ahmedabad (100)	110½	111½	110½	111½
Amalamated (10)	11-4½	11-4½	11½	11-4
Andhra Valley (1,000)	1,402½	1,402½	1,395½	1,402½
Bom. Sub-El. (100)	125½	126½	124½	124½
Surat (100)	128½	128½	127⅜	127⅜
Tata Hydro (100)	147	147½	146	146
Tata Power (1,000)	1,500	1,500	1,488½	1,491½
INSURANCE COS.				
British India (10)	18½	18½	18⅜	18⅜
Empire of India (100)	700	—	700	700
Ind. Mercantile (20)	44½	—	—	44½
Jupiter (25)	8½	8½	7½	7½
New India (15)	50½	50½	49½	50
Oriental (100)	7,275	7,275	7,225	7,250
Universal (10)	10½	—	—	10½
Vulcan (10)	15	—	—	15
STEEL COS.				
Ind. Iron (10)	35-8½	35½	34½	35⅜
Tata Steel Ord. (75)	259	259½	256½	259½
SUGAR COS.				
Belapur (50)	81½	81½	81½	81½
Bhopal (10)	14½	14½	13½	13½
Phaltan (100)	118	119	117	117
Walchand Ind. (100)	225	228½	222½	222½
CEMENT COS.				
Associated Cm. (100)	180½	180	178½	179½
Digvijay (100)	179½	180½	178½	179½
MISCELLANEOUS				
Alcock Ashdown (100)	272½	273½	260	261½
Bom. Burmah (125)	470	476½	467½	468½
Do. (New) (50)	172½	175½	171½	173½
Br. B. Petrol (4 sh.)	8½	8-14½	8½	8½
Br. I. Corpn. (5)	8½	8½	7-13½	7-13½
C. P. Ely. (100)	101½	101½	100	101
Indian Copper (4 sh.)	8-10½	8⅜	8½	8-8½
Ind. Inv. Tr. (100)	76	77	76	77
Kemp (200)	226½	—	—	226½
Killick (100)	172	173	171½	173
Polson (100)	151½	—	—	151½
Port Canning (100)	14	—	—	14
Premier Cm. (30)	158	163	157½	160½
Scindia (20)	15-7½	15-9½	15½	15-8½
Tata Chemicals (10)	80½	80½	76½	76½
Tata Oil (25)	40½	15½	15	15
W. I. Match (100)	200	204½	200	200

GOVERNMENT SECURITIES	7-4-55	Gross Yield Earlier Redemption	Gross Yield Later Redemption	14-4-55
	Rs.			Rs.
2½% 1955	99½	—	3.25	99½
2½% 1960	91½	—	3.27	91½
2½% 1962	94	—	3.70	94
3% 1966	92⅜	—	3.46	92⅜
3% 1967	89	—	3.91	89
3% 1968	99½	—	3.29	99½
3% 1966-81	99½	—	3.25	99½
3½% 1964	97½	3.68	3.47	97½
4% 1963-65	98	—	3.85	98
4% 1966-68	95½	3.92	3.75	95½
4% 1970-75	90½	4.05	3.92	90½
4% 1960 (Con. Loan)	86½	4.15	3.93	86½
4% 1960-70	80½	—	3.72**	80½
4½% 1955-60	101½	3.60	3.84	101½
4½% 1958-68*	101	—	3.90	101½
3½% 1961 N.P. Bonds	108½	3.59	4.18	108½
3½% 1964 N.P. Loan	99½	—	3.88	99½
		—	3.69	99½

BRITISH GOVERNMENT SECURITIES

	12-4-55 £	High £	Low £	13-4-55 £
2½% Brit. Consols	63½	63½	63½	63½
3% Brit. Transport 1978-88	84	84½	84	84½
3½% War Loan 1955-59	98½	—	98	98
3½% War Loan 1952	86	86½	86	86½
4% Brit. Iron and Steel 1979-81	93½	93½	93½	93½
4% Funding 1960-90	100⅜	—	—	100⅜

*Current Income. x.d. = Ex-dividend. * Rupee Counterparts.

COMMERCE

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

VOL. XC. No. 2304 BOMBAY, 23 APRIL, 1955 PRICE Rs. 1/8

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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CENTRAL BUDGET RECONSIDERED

THE concessions which Mr. C. D. Deshmukh, Finance Minister, Government of India, has had to make in his taxation proposals, adumbrated in the budget for 1955-56, reflects in a way the theoretical nature of some of the recommendations of the Taxation Enquiry Commission. There is no doubt that, had the Finance Minister introduced a few more of the radical suggestions of the Commission, as, for instance, a ceiling on individual income, he would have had to make still larger modifications in his budget. There is a limit up to which taxes can be raised without impairing the incentive for more production. That limit is undoubtedly low in India, a relatively underdeveloped country as compared with the other countries in the West. If that limit were exceeded, as, indeed, they were, the law of diminishing returns would begin to operate and the economy, instead of moving forward, would slip backward. The force of this elementary economic law was sought to be minimised by the Commission and the Finance Minister. They evidently thought that the disincentive effect of heavy taxation was being exaggerated and that people were bound to work and produce, irrespective of the level of taxation they were asked to bear. That this assumption is an exaggeration is proved by the reliefs given by Mr. Deshmukh. The Government enjoys such an overwhelmingly large majority in both Houses of Parliament that there was nothing to prevent Mr. Deshmukh from getting his taxation proposals passed without any modification, if he had so desired. The fact that he did not do so shows that he had the common sense to realise that his proposals would turn out to be the proverbial last straw on the camel's back. The reputation of a Finance Minister lies in making the camel move on and not in burdening it to such an extent as to make it collapse.

The reliefs that he has given in the rigour of his earlier proposals are by no means very substantial. They are just sufficient to give the psychological satisfaction to those whom he sought to tax more that he has been considerate towards them. The manufacturers of cotton textiles, woollen goods, paper, electric batteries, etc., will no doubt be grateful to him for what he has done in regard to excise duty on their goods. The chief executives of business concerns and industrialists will also feel grateful to him for the relief he has given in the taxation of perquisites. The psychological effect of subjecting to tax perquisites, such as entertainment allowance, conveyance, servants, free passage for home leave, etc., on the enthusiasm and enterprise of genuine managerial staff and top executives is, perhaps, far more adverse than an increase in the direct tax on their income, because the denial of these comforts will make them sullen. The object of taxing perquisites is to prevent certain abuses which are resulting in loss of revenue to the Exchequer. But the consequences of this measure appear, as Mr. Deshmukh has now discovered after a thorough enquiry, to be far more serious than the small gain which the State is supposed to derive.

If Mr. Deshmukh has yielded some ground, it is not because he wants to do business men a favour but because he realises that, by keeping taxation at a high level, he would be taking undue risks at a time when the country is in need of large-scale industrial development. We have already explained what would have happened if he had not changed his attitude towards perquisites. India certainly has no plethora of trained workers and skilled executives. The country's progress in the sphere of industry, trade and finance would slow down, if the intelligentsia were not kept in good humour. Their voting power is practically negligible; so politically they may not be very important. But their contribution to production and to the progressive growth of national economy is immeasurable, at any rate in the present set up. It is, therefore, necessary to keep them contented. And it is this necessity that has compelled Mr. Deshmukh to tone down the rigour of his measure. Similarly, if he had not reduced the excise duties on various goods as he has done, especially in regard to textiles, he would have retarded the progress of industrial production and aggravated the unemployment problem. In fine, the *raison d'etre* for his alterations in the budget proposals has been the larger interests of the country.

The main concession given by Mr. Deshmukh relates to cotton piecegoods. The major part of this concession was announced on 21st March, 1955. This was in the form of a reduction of 6 pies in the excise duty on coarse and medium counts. He has now followed this up with a further concession; the duty on superfine counts has been reduced from As. 2-6 to As. 2 per square yard. But the duty on fine counts has been raised by a quarter anna to As. 1-3 per square yard. Besides this, the basis for the handloom cess of three pies has been changed from linear to square yard, a charge which has meant an additional burden to this industry. Thus, within a month and a half, the excise duty on cotton fabrics has been altered three times, causing considerable hardship to mills and traders. Could this hardship not have been avoided? If only Mr. Deshmukh had paid some thought to the consequences of his original proposals, stepping up this duty steeply, we dare say, he could have spared the interests concerned of all the hardship. When this question was raised in Parliament, his explanation was as follows:

> "When one has to broaden the taxation by imposing a large number of new excises, the difficulty one feels is that one has to act on information already in one's possession. Because, if one started to collect details and particulars, one would give rise to speculations in markets. Therefore, this has to be determined always in the light of observations of members of the House, of representations that may be received and so on and so forth."

This explanation does not hold good, at least in regard to cotton textiles and woollen

protect the paper industry against the indirect competition which it is experiencing from imported newsprint.

The sugar industry's case for relief has been totally ignored by the Finance Minister. The excise levied on this commodity is doubtless heavy, being as much as 14 per cent. of the selling price. Besides this, the industry has to pay a heavy cess of As. 3 per maund of cane crushed. This tax is so large in its incidence that it is a misnomer to call it a cess; really speaking, it is a State excise. As was pointed out in our last issue, in the face of rising production, consumption of sugar is falling and, consequently, stocks are accumulating with the factories. This development is due to severe competition from low-priced *gur* which is not subject to any of these tax burdens. The Finance Minister has failed to respond to the plea for a relief in the excise burden from the footwear industry either. This is also an industry where the small units and cottage units enjoy special privileges. By subjecting these organised industries to heavy excise duties and exempting small producers from such burden, the Government is discouraging economic utilisation of raw materials and penalising efficient manufacturers.

KANUNGO COMMITTEE REPORT

AT the annual meeting of the Bombay Millowners' Association, held on Wednesday, Mr. J. C. Burns, Deputy Chairman of the Association, discussed, in the course of his address, the practicability of the Kanungo Committee's recommendations in respect of the future expansion of textile industry. Mr. Burns's observations deserve wider notice, for they raise certain issues of far-reaching significance to India's textile economy. If the Government's textile policy is going to be shaped in accordance with the Committee's recommendations, then it is certainly necessary that both the Government and the public ought to know the serious defects in these recommendations.

Mr. Burns did not bring to his task any excessively critical sense. He was not so much concerned with the broader issue of mills *versus* handlooms as with the more immediate issue, namely, whether the Committee's proposals could be successfully implemented. In other words, he did not choose to question the Committee's basic assumptions. Thus, he did not enquire whether it was right or necessary that there should be a ban on all further expansion of the weaving side of the mill industry; such a ban is contemplated by the Committee. Nor did he enquire whether it was right or feasible that one section of the textile industry, namely, the handloom sector, should be continuously kept alive through reservation of markets, heaping tax and other burdens on the mill industry. The Committee could not have obtained the services of a more fair-minded critic to review its work. If Mr. Burns nevertheless found the Committee's work wanting, it is surely time the Government gave it some serious thought.

Briefly, the Committee's recommendation is that India's cloth production should be increased from the present level of 6,600 million yards, consisting of mills' production of 5,000 million yards and handloom production of 1,600 million yards, to 8,200 million yards before 1960 to meet the needs of the internal market, estimated at 7,200 million yards on the basis of the *per capita* consumption of 18 yards, and also the need for maintaining exports at the level of 1,000 million yards. The Committee has further urged that all this increase, namely, an increase of 1,600 million yards, should take place in the handloom and powerloom sector; the mill industry's output should be pegged at around the current level. Finally, in the Committee's view, the increase in cloth production should be accomplished by effecting improvement in the handloom and powerloom sector of India's textile economy. Clearly, this implies rapid expansion of the handloom industry, for an increase of 1,600 million yards in its output means a 100 per cent. increase.

The question is whether the handloom industry can deliver the goods, even if one concedes that the cotton supply position and the spinning industry will improve fast enough to supply the handlooms with the yarn they need. Mr. Burns, on his part, doubted whether the handloom industry would be able to increase its production to the extent envisaged by the Committee. He said: "I cannot help feeling doubtful in this respect: First, because of the finance required for the conversion, secondly, because of the size and scope of the organisation required to implement the recommendations, and lastly, because of the fact that these hand-powerlooms will introduce competition into the handloom industry itself and the non-powerloom may find it impossible to compete."

These are weighty reasons for questioning the practicability of the Committee's recommendations. As regards finance, the total amount estimated to be required for additional textile production is of the order of Rs. 70 crores; about Rs. 36 crores will be required for machinery, Rs. 22 crores for working capital, and Rs. 12 crores for the conversion of handloom into powerlooms and the installation of new semi-automatic handlooms. It must be remembered that the problem is not solved even with the finding of the finance that is needed for re-equipment of the handloom industry and the spinning side of the mill industry. What is necessary is that this finance should be made available in time and to the units which are in a position to utilise it to the maximum advantage. The Committee's suggestions for utilising co-operative institutions for carrying out the conversion of the handloom into technologically superior looms and for creating a special agency for increasing the spindleage are, as Mr. Burns remarked, "much less easy of implementation than they might appear at first glance." Again, assuming that the necessary technological transformation does take place in certain spheres of the handloom industry, there will still be the problem of the efficient powerloom *versus* the inefficient handloom. It is not as if the exit of the mills from the arena of conflict will stop all conflict. Only, such conflict will then assume a new shape.

If the handloom industry fails to reach the production target set for it, there is bound to be considerable suffering for the consumer. He will then be unable to obtain all the cloth he needs. Indeed, the *per capita* consumption of 18 yards, assumed by the Committee, probably errs on the low side. Any significant improvement in living standards, which must follow the implementation of the second Five-year Plan, may conceivably increase the demand for cloth beyond the 18-yard level. Should this happen, the failure of handloom industry to reach the target would be even more keenly felt than if the *per capita* consumption were held at the 18-yard level. In such a context, it is not inconceivable that the Government will first block the export outlet as an answer to the demand for larger supply of cloth for the internal market. Since textile export markets, unlike tailor-made clothes, cannot be made to order, such a measure would mean the loss of these markets won at considerable cost. It would also mean the loss of precious foreign exchange which, as Mr. Burns pointed out, is "so essential to India" in its efforts at industrialisation. If the Government does not find a wholesale ban on exports a feasible proposition, it would probably keep a limited ban on exports and introduce all the war-time measures of textile control, from which the industry has only recently won its release to the lasting satisfaction of the consumer. In either case, it is by no means a pleasant prospect to contemplate.

Whichever way the Committee's report is looked at, it appears to us that, despite its helpful approach to the textile problem, it is vitiated by the over-riding consideration that the handloom industry should be kept alive at any cost. Not only are positive incentives to be provided to this sector but its competitor, the mill industry, should be both prevented from growing and made to carry all manner of fiscal burdens from which the handloom industry should be exempt. Besides the fact that it implies a lack of sound economic logic, it does not possess even the elementary virtue of practicability, in that it may not enable the country to reach significantly higher levels of textile output. This is particularly deplorable, because it involves a very heavy burden on the consumer and means very low prices for the Indian cotton grower.

PUNJAB NATIONAL BANK

THE history of the Punjab National Bank, which entered its diamond jubilee year last week, synchronises with the history of Indian banking itself. To have started a bank in 1895 was itself an achievement for which the founders of the Punjab National will be long remembered by their countrymen. To have steered it through the stress and strain of these sixty years is certainly an even more glorious achievement. But the crowning glory of it all is that the Bank has carved for itself an honoured place as one of the country's "Big Five."

Judged by the hoary traditions of British or Continental banking, the sixty-year period through which the Punjab National has passed might well appear a brief episode. In the West, the adage, "Men may come and men may go, but the banks go on for ever," sums up the enduring traditions which banking institutions have built up. But, in India, where organised banking can boast of neither ancient origin nor smooth progress, the story of the Punjab National's progress has all the enchantment of a romance.

It is not difficult to imagine what the conditions must have been in 1895 when a few brave men in Lahore decided to start the Punjab National. Popular distrust of banks and banking, which persists even today in remote Indian villages, must have been rampant. Many must have regarded banks as not so safe as gold to put one's money in, though not so dangerous as moneylenders to borrow from. This, surely, is an attitude that is hardly conducive to progress of banking, for a bank's lending capacity is directly dependent upon the deposits it is able to command. It is in the times in which this attitude persisted that the Punjab National was born. Its humble origin, with a paltry Rs. 20,000 as capital, proved no handicap, thanks to the farsightedness, courage and financial acumen of a long and illustrious line of chairmen, managers and other officers. Among the external factors which aided its growth, mention must be made of (*a*) the growing prosperity of the Punjab, based on its network of canals, (*b*) the development of the *swadeshi* sentiment, and (*c*) the general improvement in Indian economy.

This, however, does not mean that the Bank did not have its share of trials and tribulations. The early years were no doubt smooth sailing. From a mere Rs. 20,000, the Bank's capital had grown to Rs. 1.66 lakhs at the turn of the present century. Before 1913, it had grown to Rs. 10 lakhs and the Bank's deposits to Rs. 1.63 crores. The years 1914-18, the period of the First World War, were critical ones for the banking industry; nearly 95 banks closed their doors. But the Punjab National survived it. The years 1921-26, aptly described as the "golden period" for the Punjab National, witnessed the rise in deposits to Rs. 8 crores. Then came the Great Depression which was to bring the world economic machine almost to a halt. Through ruthless economy in expenditure, the authorities pulled the Bank out of the crisis. From 1932 there was steady revival. This process was accelerated by the war boom (1939-46), during which the deposits increased to Rs. 62 crores and the number of branches to 281. But the Partition brought with it a great deal of undeserved suffering to the Bank which had served both India and the areas that were later to form Pakistan with distinction and devotion. In 1949, the Bank's deposits had again shrunk to Rs. 42 crores. The transfer of the Bank's head office from Lahore to Delhi, months in advance of the fateful decision to cut the country into two, proved to be a wise decision in retrospect. The Bank survived the Partition crisis, too. In 1951, it took over the Bharat Bank Ltd. Its Board was strengthened by the coming in of Mr. Shriyans Prasad Jain in 1953 and of Mr. Shanti Prasad Jain in 1954. The confidence of the public in the Bank is reflected in the growth of deposits which have rapidly risen to Rs. 75 crores, a record in the Bank's history.

Such, in brief, is the story of the Bank's progress. In associating ourselves with the many men, who have paid a well-deserved tribute to the Bank and offered their best wishes for its future and who have rightly recognised the Bank's national character, we cannot resist the temptation to draw an obvious lesson. The Bank's progress, impressive as it has been, could not have taken place in a regimented economy. It is only when banks are allowed to function under a system affording a reasonable amount of freedom and scope for healthy competition that the authorities can take correct decisions and take them promptly enough to avert crises, so that the institutions which they serve continue to render useful service. Again, it is only under such a system that men like Lala Yodh Raj and Mr. B. N. Puri can spring from the ranks, from the lowest rungs of the official ladder, and move on to positions of vantage and authority where they can bring to bear on policies a wisdom born of ripe experience. Once that system is abolished, banking will become a handmaid of political adventurists and, sooner rather than later, cease to be a means of national service. Those who study world economic history will come across many instances to support our warning.

MISGIVINGS ABOUT COMPENSATION

BONUS SCRIPS—DYES INDUSTRY—TUBES FOR CYCLES—TEXTILE EXPORTS

THURSDAY, 5 P.M.

MARKET GOSSIP

THE Share Markets are hesitant. The welcome modifications made by Mr. Deshmukh in the taxation proposals have failed to evoke any fresh enthusiasm. The speculators who were long in iron and steel shares have been liquidating their holdings. Their patience has been sorely tried. The Government has not obliged them by announcing its decision on the retention prices for steel. Further, some of them are said to have fared badly in bullion and cotton; this must have induced them to cut short their commitments in shares. Since yesterday, there has been a slight resistance to the downward pressure and Indian Irons and Tata Ordinaries have managed to close a little above the lowest levels touched during the week. For all that we know, this may be due more to short covering than to buying by bulls. Textiles, which had remained neglected in recent weeks, have been in the limelight for the last two days. Reports of good offtake of cloth for domestic consumption at slightly higher prices and the steadiness of the cotton market, coupled with the concessions in the excise duty on cloth, may have engendered a feeling of optimism, but it is too early to say how the textile industry will fare in the coming months of this year. Overseas advices about cloth are not quite cheerful and, in the first quarter of this year, India's cloth exports have declined by 40.4 million yards or 17 per cent., as compared with those in the corresponding quarter of 1954.

• • • •

All sorts of reports are circulating in the market regarding the retention prices for steel. While all reports seem to be unanimous that an increase in prices will be granted by the Government, "how" and "when" are the two questions on which there is no agreement. We think that our earlier information that the Government will not take a decision before the Tariff Commission gives its verdict still holds good. This means that the news may not break on the market before the monsoon sets in. During the past few years, steel shares were in their best form when the monsoon was on. Whether they will do so during the coming monsoon remains to be seen, but it is significant that the Government's decision on this vital issue to steel producers is likely to be taken just at that time.

• • • •

As to the question "how," it is widely believed that the Government may hedge the increase in prices with a condition that the resulting higher profits should not be utilised for paying more dividend and for swelling the Managing Agents' commission. If that were to be so, how could the companies pay higher dividends? And, if dividends are not to be increased in the foreseeable future, how can the market value of shares go up? It is true that the resources of the companies will expand and loans taken by them for financing expansion can be easily repaid. But, thereafter, what certainty is there that the industry will not be nationalised? Indeed, one object of the Government's stipulation that no part of the increase in retention prices should be used for paying more dividends may be to see to it that market prices of the companies' shares do not get inflated, so that it may not have to pay large compensation to shareholders. The Home Minister has, of course, clearly stated that it is not the intention of the Government to pay full market price by way of compensation whenever a property is nationalised for a public purpose. Nonetheless, the Government will have to take some basis for determining the quantum of compensation and market value of shares can be one of them. The Government will thus be interested in seeing that market value of shares of companies belonging to key industries does not get unduly inflated.

• • • •

It will be interesting to recall here the tactics adopted by the Government to nationalise the Imperial Bank. Early in 1948, the Government announced its decision to nationalise the Bank. For six years, it did not do anything about it. On the contrary, it made certain statements from time to time which, when carried to their logical conclusion, implied that it was not keen on taking over the Bank. Despite these statements, the fear of nationalisation lingered and the shares did not gain very much in value, the increase in the dividend level from 14 to 16 per cent. notwithstanding. And, when the shareholders pleaded with the Government to take the year preceding February, 1948, when it announced its decision to nationalise the Bank, as the basis for determining compensation, they got a negative reply. The basis taken, as readers are aware, was the average market value of the Bank's share for one year preceding the Government's final decision. What certainty is there that a future Government will not follow these tactics in regard to other concerns also?

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Are we unduly exaggerating the possibilities in the future? May be we are. But then consider the demands that are being made by some politicians that insurance be nationalised and Mr. Deshmukh's non-committal reply to them. The question was raised in Parliament even last week. A Congress member from Travancore-Cochin expressed himself in favour of nationalising insurance and advised the Government to establish an Insurance Corporation on the same lines as the State Bank of India. He felt that the public would have more confidence in a Government owned and controlled insurance Company. An independent member, Mr. Tulsidas Kilachand, however, opposed this suggestion and cogently argued the case against nationalisation. What did Mr. Deshmukh say in reply? He said: "We are considering this question and trying to form a view. Nothing could be gained by my entering into a detailed discussion here in the present context." Why should the Government consider the question at all, if its intention is not to nationalise insurance companies? It is obvious that the Government is seriously considering nationalisation of this service either in part or in full. This is the second time that Mr. Deshmukh has spoken thus on this question since the commencement of 1955. When he first made this remark in Madras early this year, insurance shares heavily slumped and have not recovered the ground very much since then. A few more threats of this nature by the Government's spokesmen will be sufficient to keep the market value of insurance companies' shares at a depressed level, until it finally makes up its mind. And when it does so, it will, perhaps, come forward and say that it will pay compensation on the basis of the average market value for one year preceding the date of its announcement. But this would be a period throughout which the shares had remained at low levels, thanks to the threats of nationalisation uttered by official spokesmen.

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Take the case of coal, another industry on which the sword of Damocles is hanging. For years, this industry has been asking for a fair price for its product, but the Government has turned a deaf ear to this plea. The result is that the vast majority of coal companies are working on a meagre profit, paying modest dividends. Even when the whole market is in a buoyant mood, coal shares remain friendless. In the context of the Government's present attitude towards the private sector, would it be very uncharitable if one were to allege that the Government is deliberately pinning the coal industry down, so that it could take over the coal mines for a song?

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The share market seems to have entirely missed the striking remark made by Mr. Deshmukh regarding bonus shares. Answering a complaint in Parliament that the Government was unduly delaying sanction to applications for issue of bonus shares, Mr. Deshmukh said that the applications had to be kept pending till a decision was taken on the Taxation Enquiry Commission's report. There were proposals, he said, that some sort of tax should be levied on the issue of bonus shares which were after all created out of reserves on which the full tax had not been paid to the Government. It had to be decided, he added, at what stage this capital could be subjected to some tax. Mr. Deshmukh revealed that the Government had not yet been able to reach a decision on the various complicated problems involved and it might take some time. But if any one were in a hurry for a decision, the only answer would be, he remarked, rejection of the application. It should also be realised, he stressed, that delay in answer could not be said to be affecting trade or industry, because the reserves were already there and were being utilised for the same purposes to which it could be put after the issue of such bonus shares. These remarks of Mr. Deshmukh clearly show that the Government has not yet accepted the Taxation Commission's conclusion that there was no case for taxing bonus shares. Following this view of the Commission, the public had taken it for granted that there would be no tax on issue of bonus shares and that it was only a question of time for the Government to give the green signal to those companies which had sought its permission to capitalise a part of their reserves. This view now seems to be wrong; the uncertainty still continues and none knows when it will end.

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Mr. T. T. Krishnamachari, Minister for Commerce and Industry, revealed in Parliament on Friday last that the much-talked of target of 6 million tons for steel industry had been reduced to 4.5 million tons, though subsequently it might be expanded to that figure. The main reasons for this downward revision of the target seem to be (*a*) the possibility of railways not being able to expand to the extent required for handling the traffic that will arise, (*b*) the necessity to prepare in advance the capacity for using the steel that will be produced, and (*c*) the absence of adequate engineering capacity to fabricate at least some of the equipment needed for putting up steel factories of the magnitude contemplated. Remarking that 4.5 million tons of steel meant the haulage of about 36 million tons of other materials, Mr. Krishnamachari candidly admitted that "it is a problem that baffles the best brains of the country." It will be interesting to know the effect of this reduced target on the various projects for the expansion of steel output that had been agreed to before. Whose programme will be cut? Will it be that of Tatas, or the Russian or the British schemes?

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Another interesting piece of information was given by Mr. Krishnamachari in Parliament. It related to the programme for the establishment of a full-fledged dyestuff industry, including the manufacture of intermediates. He said that the Government had before it three concerns which would start production of dyestuffs and intermediates and that it proposed to utilise the technical assistance that had been offered by a friendly country. The Government was trying to sound all the dyestuff producers, in order to regiment and streamline production on a large-scale. Questioned by some members about the country which was ready to offer technical assistance to India, the Minister said: "The expert we are getting is from a country which has no interest in dyestuff manufacture in India. He is not from a country from which any of the participants come." When pressed by some to disclose the name of the country which was willing to spare an expert, he added: "That is about as much as I can say at the moment."

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This cryptic remark of Mr. Krishnamachari has led to a certain amount of speculation in Bombay chemical circles. Some feel that the Minister must be having Russia in his mind; Russia, we are told, now has the advantage of dye experts from East Germany and Czechoslovakia. But our enquiries reveal that this surmise is not correct. The country referred to is Italy. Recently, Dr. Nagaraja Rao, Government's Industrial Adviser, had been to this country and had talks with its big group of chemical and dye manufacturers, namely, the Montecatani. An expert, or a team of experts, from this group is expected to arrive in India shortly. He will visit some of the factories started for manufacturing dyes such as Atul Products Ltd. and Associated Research Laboratories, Poona, and submit a scheme to the Government for the developent of dyestuff industry. It is believed that the scheme will be designed to use the waste gases of oil refineries and steel factories.

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A notable example of Indo-British co-operation is to be found in the organisation of India's cycle industry which has received all support and guidance from British cycle manufacturing firms. A well-known unit in this industry is T.I. Cycles of India, Ltd., Madras, which had made commendable progress, thanks to the technical assistance rendered by Tube Investments Ltd., Birmingham. It would now appear that the British firm is considering a proposal to start a factory in the neighbourhood of Madras for the production of precision tubes used in the manufacture of cycles. This was revealed by Sir Ivan Stedeford, Chairman and Managing Director of Tube Investments Ltd., in the course of a Press conference, at Madras, last week. He said that the total outlay on the factory would be about Rs. 2 crores and, if everything went well, the proposal would materialise in two years. A notable feature of the proposal is that, if it were implemented, it would not only help develop India's cycle industry but also assist the development of several other industries. Such a factory, when it is established, would be able to meet the growing demands of industrial India for precision engineering tubes. The tubes produced by this company can be used in railways, aircraft and automobiles, as well as other industries and trades.

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Sir Ivan pointed out that the kind of tube used in the manufacture of bicycles was a high precision tube and had to be made out of very high quality steel. In England, the T.I. Ltd. were the pioneers in the production of this class of tubes and they were making them for the last 30 years. They could claim to be experts in the line and they were making their own machines for the manufacture of such tubes. He said: "With all the knowledge behind us, we are interested in the possibility of starting a factory in India for the manufacture of these tubes. If we do so, with 30 years of experience in the production of cycle tubes, I think it will be a foregone conclusion that it will not be long before, as in the case of bicycles, India will produce under the management here the same quality of bicycle tubes as are being produced in England." Sir Ivan revealed that a final decision had not been taken on this proposal which required further consideration.

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Significantly enough, he added that, if India really wanted foreigners like them to come and help establish new industries, he felt there should be sufficient encouragement or at least there should be no discouragement. The recent speeches of India's Prime Minister had allayed the fears of foreigners, he said. He expressed the view that more categorical statements of the kind should be made to make the position clear for the people abroad.

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A factor, which is of considerable importance to the prosperity of textile industry is the trend of exports. From this point of view, it is gratifying to note that exports have improved month after month in the first quarter of this year. They were 58.2 million yards in January, 68.1 million yards in February and 68.2 million yards in March this year. Thus, during the first quarter of 1955, exports aggregated 192.5 million yards. The cumulative total is, however, well below the export level in the first quarter of 1954 when it was 232.8 million yards. This is due to lower offtake by the Asian and African markets. Among India's principal markets, Aden absorbed 13.72 million yards as against 25.93 million yards in the first quarter of 1954, Burma 8.01 million yards as against 10.12 million yards, East Africa 12.90 million yards as against 21.44 million yards, West Africa 11.74 million yards as against 17.91 million yards, Sudan 17.97 million yards as against 18.28 million yards and Australia 10.85 million yards as against 16.68 million yards. Analysing the trends in export trade, the latest issue of the *Bulletin* of the Cotton Textiles Export Promotion Council points out that the main reason for the decline is the "increasing inroads of Japan in the markets of Asia and Africa, and the U.K.'s determined efforts to augment exports to Australia and New Zealand."

RESTRICTED TRADING IN SHARE MARKET

SUPPORT TO TEXTILES

(From Our Own Correspondents)

BOMBAY, 21st April

BARRING some speculative buying enquiries for textile shares, activity on the Stock Exchange continued to be at a low ebb during the week under review. Due to lack of fresh incentives, and the weakness of steel shares, dealings were meagre and fluctuations were narrow. The undertone was, however, steady, in the absence of any discouraging influences.

The somewhat encouraging trend in textile shares was assisted by favourable advices from the cloth market and the reduction in excise duties on superfine cloth, announced by the Union Finance Minister in Parliament on Monday this week. Steel shares which appeared to be somewhat steady in the earlier part of the week came in for considerable pressure during the past two days. A leading operator in Calcutta is reported to have unloaded a substantial part of his holdings in Indian Irons. Though the general expectation is an increase in retention prices with a special 'load' in them, in view of the expansion plans of the two main steel producers, there seems to be another section which doubts whether the two steel producers would be entitled to the special 'load' in retention prices for rehabilitation purposes when the Government has already granted the development rebate. Anyway, in view of the uncertainty about this question, there was an inclination to lighten the commitments. Further, heavy commitments in bullion by one of the leading operators is also said to be the reason for his selling in Indian Irons. Tata Steels met with nervous liquidation in sympathy.

The sharp recession noted on Thursday last week in Tata Ordinaries persisted on Friday also with a further drop from Rs. 235-12 to Rs. 234-8 on end-of-account, considerations. The new account, however, witnessed a better trend and the shares revived to Rs. 236-12 on Tuesday. But the heavy unloading at higher levels brought the quotation down to Rs. 232-4 yesterday. On replacement buying, there was an improvement to Rs. 233-4 at the close. Indian Irons moved between Rs. 34-15½ and Rs. 34-12½, before receding to Rs. 33-14 yesterday. Today, however, they were a shade better at Rs. 33-15½.

Textile shares provided the feature of the week on revival of speculative attention. Bombay Dyeings firmed up from Rs. 466-14 *cum-div.* (dividend Rs. 20) to Rs. 458-12 *ex-div.* Kohinoors hardened by Rs. 2 to Rs. 315 and Century advanced from Rs. 378-12 *cum-div.* (dividend Rs. 22) to Rs. 367-12 *ex-div.* Central Indias were, however, dull at Rs. 126. Finlays were unchanged at Rs. 260, as also Gokaks at Rs. 215. India United Ordinaries, after soaring from Rs. 10-11 to Rs. 12-10 on reports that the holdings of the Managing Agents were to be auctioned privately at Rs. 20 per ordinary share for the purpose of reconstituting the managing agency, reacted sharply to Rs. 11-13½. Laxmis attracted support and went up by Rs. 6-4 to Rs. 506-4. New Citys advanced by Rs. 3-2 to Rs. 144-6 and New Greats by Re. 1 to Rs. 150. Shree Niwas shed Re. 1-4 to Rs. 233-12, while Simplex were marked up by Rs. 4 to Rs. 153-8. Standards were quiet at Rs. 340-10, a drop of Rs. 3-2 over the week. Svadeshis disclosed no change at Rs. 194-8, as also Tata Mills at Rs. 53-4. Vishnus picked up Re. 1-4 to Rs. 116-4.

A marked rise in Imperial Bank shares was the highlight in the banking section, following the official announcement of the compensation for the shares. In the Bill to nationalise the Imperial Bank, introduced in Parliament on Saturday last, the compensation to be paid on the fully paid shares and partly paid shares is Rs. 1,765-10 and Rs. 431-12-4 per share, respectively. Because of the big gap between this price and the market price, there were enquiries for these shares, and the fully paid-ups rose by Rs. 102-8 to Rs. 1,680 and the partly paid-ups by Rs. 12 to Rs. 408-12. Bank of Indias fell by Re. 1-8 to Rs. 146-12 on lack of support. Central Banks were quiet at Rs. 49-12 and their new shares at Rs. 51-8. Punjab Nationals were done at Rs. 43-12 *ex-div.* United Commercials shed a fraction to Rs. 44-4.

In the insurance section, New Indias revived by Rs. 2-4 to Rs. 52-4, presumably in expectation of getting higher compensation in the event of nationalisation. The Finance Minister announced in Parliament on Saturday last that the Government was considering the question of nationalisation of insurance companies and was trying to form a view. Orientals, however, dropped Rs. 25 to Rs. 7,225. Empire of Indias were marked down by Rs. 25 to Rs. 675 and British India Generals by As. 3 to Rs. 13-10.

Electricity shares showed a mixed pattern. Tata Hydro group disclosed a better tone with a rise in prices, Andhra Valleys moving up by Rs. 7-8 to Rs. 1,412 and Tata Powers by Rs. 6-4 to Rs. 1,497-8. Tata Hydros were a shade better at Rs. 146-8. Ahmedabad Electrics eased from Rs. 111-4 *cum-div.* (dividend Rs. 4) to Rs. 106-4 *ex-div.* and Bombay Suburbans by Re. 1-9 to Rs. 122-8. Surat Electrics continued to improve with a further rise of Re. 1-9 to Rs. 129-6. Amalgamated Electrics were done at Rs. 10-13. *ex-div.* (dividend As. 6), as against Rs. 11-4½ *cum-div.* a week ago.

In the miscellaneous section, sugar shares were prominent with sharp rises. While Belapurs were dull at Rs. 311, Phaltans improved by Rs. 3-8 to Rs. 120-8 and Walchandnagars by Rs. 3-2 to Rs. 225-10. Cement shares were uninspiring, A.C.C. moving between Rs. 181-4 and Rs. 178-12, before winding up at Rs. 179. Digvijays were put through at Rs. 179-12. Among shipping shares, Scindias, after an improvement from Rs. 15-3½ to Rs. 15-9½, fell to Rs. 15-6. India Steamships dropped from Rs. 7-10 to Rs. 7-7. Great Eastern Shippings were quiet at Rs. 16-1. In the engineering and mining group, Alcocks revived from Rs. 261-4 to Rs. 267-8, but reacted to Rs. 263-12. Premier Constructions were in demand and rose by Rs. 2-8 to Rs. 163, on reports about issue of bonus shares. Shivrajpurs were neglected and dropped Re. 1-4 to Rs. 74-8. Indian Coppers were quiet at Rs. 3-8, while B.B. Petrols were steady at Rs. 3-4½. Among other miscellaneous industrials, Bombay Burmahs had an early rise from Rs. 468-2 to Rs. 474-6, but the gains were almost erased when the shares closed at Rs. 468-12. Their New shares shed Rs. 2-8 to Rs. 171-4. B.I.Cs met with some support and added As. 2½ to Rs. 8. Killick Industries were steady at Rs. 173-8, as also National Rayons at Rs. 200-8. Tata Chemicals eased by As. 2½ to Rs. 14-13½ and Tata Oils, on lack of support, shed As. 4 to Rs. 39-12. Wimcos were in demand and rose by Rs. 2-8 to Rs. 205.

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Calcutta Stock Exchange

CALCUTTA, 20th April

The week under review was an uneventful one for the Calcutta Stock Exchange. Due to lack of fresh incentives trading was dull. The market was closed on Thursday and Friday on account of year-end for the Bengali business community and Bengali New Year, respectively. Saturday witnessed quiet trading, and the reopening of business on Monday did not show any better tendency. Excepting in Teas, a somewhat steadier tone was in evidence in other sections on Tuesday. Today, all the sections were a shade easy, and the small recovery made yesterday was lost.

Optimistic expectations of new retention prices for steel, which should be effective as from 1st April, was the principal cause for maintaining speculative Indian Irons without a major decline. It is expected that the new prices would take into consideration the need for more funds for the steel industry for expansion. Reports have suggested that the Government is considering certain proposals in this regard, and the stock market is enthusiastic over this matter inasmuch as more funds for development of the steel industry in the private sector, which, although will not benefit shareholders of the companies for the time being, will bring about greater activity in other engineering and allied industries. Tea shares were involved in profit-taking. Prices of this beverage have been falling during auctions of recent weeks, and there are sufficient reasons for a forecast of further falls in the new season's sales. First and foremost is the expected increase in production.

Jutes were lethargic, and liveliness would seem to await Argentina's support to the jute goods market. The tax concessions announced by the Finance Minister on Monday relating to cotton and woollen fabrics, paper, electric bulbs, fans, and batteries, and perquisites of company personnel, did not have any effect on miscellaneous industrial shares.

Sectionwise, Indian Irons declined from Rs. 35-6 to Rs. 34-11 on Saturday. On Monday, there was a recovery to Rs. 34-15 which was maintained yesterday. Today, however, there was a sharp recession to Rs. 33-15. A striking feature was provided by the early rise from Rs. 17 to Rs. 18-1 in Texmacos, but the rate was put down at Rs. 17-9 today. Indian Standard Wagons lost from Rs. 138 to Rs. 135, but recovered to Rs. 137. At Rs. 22-11, Indian Galvanizings were lower by As. 6, while Jessop & Cos. gained by one point to Rs. 35-15 *ex-div.* Richardson & Cruddas were supported at Rs. 17-10.

Although tea shares recorded several transactions, the trend of prices was definitely downwards. Dhelakhats gave way from Rs. 23, to Rs. 22-1, and, at Rs. 33-8, East Indias disclosed a loss of one point. Methonis, after reaching a high of Rs. 35-12, receded to Rs. 33-12, but subsequently recovered to Rs. 34-8. On the other hand, Bormahjans hardened from Rs. 25-8 to Rs. 26-5. Other shares that registered recession included Hasimara, Hansquas, Hattikhiras, Ledos, Nagaisurrees, Tezpores, Teloijans and Bishnauths.

Sugar shares once again provided features. Carew & Cos. were raised from Rs. 13-8 to Rs. 15-12, but today gave way to Rs. 13-6. Dharbhangas were crossed at Rs. 17-2.

A few features were provided in the miscellaneous section. Ralliis India recovered from Rs. 37-8 to Rs. 39-8. Moderate support was provided to Calcutta Tramways which, as a result, gained from Rs. 16-10 to Rs. 17-11. Rohtas Industries were fractionally higher at Rs. 24-11. Niccos were shown attention at Rs. 24-1. Orient Papers were lifted from Rs. 26-13 to Rs. 27-9, while India General Navigations were easy at Rs. 92. Martin Burns were put through at Rs. 22-14 and Indian Coppers were quiet at Rs. 3-8.

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Madras Stock Exchange

MADRAS, 20th April

The performance of the Madras Stock Exchange turned out to be disappointing during the week under review. Trading in almost every section was characterised by extremely sluggish conditions, with the result that there was hardly any noteworthy fluctuations in prices. The dull conditions in the textile section were attributed to unfavourable overseas advices. Plantings too fared no better. Teas and rubbers disclosed very little activity. So also coffees. The miscellaneous section proved no exception to the generally dull trading conditions.

A notable feature of the week under review was the decision of Textool Co., Ltd. to issue 4,000 shares of Rs. 100 each to the shareholders, as on 30th April, 1955, in proportion to 2 new shares for every 3 shares held. The Neelamalai Tea and Coffee Estates Ltd. declared an *interim* dividend of 10 per cent. for the year ended 30th June, 1955. The dividend for the year 1954 was 17½ per cent. As against these gratifying features, a disquieting aspect of the week was the adoption of the resolution to take the Mysore Gold Mining Company into voluntary liquidation at a meeting of the Company held on the 18th inst.

Among textiles, Coimbatore Cottons lost Rs. 3 to Rs. 282 and Vijayakumars Rs. 6-8 to Rs. 93-8. Ranga Vilas eased by Re. 1-8 to Rs. 62. Lakshmis 'A' (Rs. 25 paid up) suffered a loss of As. 4 to Rs. 72-12. Travancore Rayons were lower by an anna and a half at Rs. 14-4½ *cum-div.* Metturs, however, gathered Re. 1 to Rs. 319-8 and Janardhanas Rs. 5 to Rs. 83. Radhakrishnas (Rs. 100 paid up) gathered Rs. 2 to Rs. 220 *cum-div.* Cauveri Spinnings put on As. 2 to Rs. 9-4. Bangalore Woollens, however, lost Re. 1-8 to Rs. 448-8 and Buckinghams As. 8 to Rs. 156-8.

Teas, among plantings, lacked support. Halleyburias eased from Rs. 28 to Rs. 27-8. Coorg Teas were lower by As. 2 at Rs. 9-5 *ex-div.* Devasholas were quiet at Rs. 26 and Devons at Rs. 17-12. United Nilgiri Teas were neglected at Rs. 295 and Emerald Valleys at Rs. 7-11½. Udayagiris, however, advanced by As. 8 to Rs. 20-8 and Highlands by an anna to Rs. 16-2.

Rubbers too fared no better. Peninsulars lost As. 2 to Rs. 15-14, Cochin Malabars and Kallas were slightly lower at Rs. 7-7½ and Rs. 5-7½, respectively. Malankaras were colourless at Rs. 27, Mercaras at Rs. 6-7 and Sheveroys at Re. 1-9. Valkundams, however, improved by Re. 1 to Rs. 24-6 *cum-div.* and Nilamburs by As. 4 to Rs. 12-12.

Among coffees, Coffee Lands were unchanged at Rs. 16-12 while Consolidated Coffees put on an anna to Rs. 19-2. Mysore Coffees and Kadur Coffees were quiet at Re. 1-10½ each. Puthutotams were lower by an anna at Rs. 4-10, while Amalgamated Coffees moved up by As. 4 to Rs. 7.

In the miscellaneous section, Aluminium Industries declined by As. 4 to Rs. 19-2. Mysore Chromes suffered a loss of an equal amount to Rs. 4-8. Ralliis were lower at Rs. 37-8, as against Rs. 38-8. Brumtons, however, improved by As. 6 to Rs. 7-10 and Mysore Tobaccos by As. 4 to Rs. 10-12. Andhra Cement 'A' were quiet at Rs. 136-8 and 'B' at Rs. 13-14. Parrys were dull at Rs. 4-12. Textools were unchanged at Rs. 110 and Mysore Gold at Rs. 3-8½.

PUNJAB NATIONAL BANK

A special supplement of 8 pages is issued free with this number of Commerce *to commemorate the Diamond Jubilee of the Punjab National Bank.*—ED.

Notice

NOTIFICATION OF SALE

MESSRS. J. THOMAS & CO., LTD., WILL sell by public auction, unless previously disposed of by private treaty, at their office at 8, Mission Row, Calcutta 1, on the 28th April, 1955, at 12 noon, under instructions from the owners, the Jorehaut Tea Company, Ltd., 17, St. Helen's Place, London, E.C. 3; Murmuria Tea Estate (including Hattichungie Division) in one lot as a going concern as from the 1st January, 1955.

For conditions under which the Tea Estate will be sold and arrangements for inspection or further particulars, inspection of title deeds or any information relating to the Tea Estate intending purchasers should apply to J. Thomas & Co., Ltd., 8, Mission Row, Calcutta 1, Or Dignam & Co., Solicitors, 29, Netaji Subhas Road, Calcutta 1, or James Warren & Co., Ltd., 31, Chowringhee Road, Calcutta 16.

NEWS IN BRIEF

THE Travancore-Cochin State Assembly passed into law last week, the Travancore-Cochin Agricultural Income-tax (Amendment) Bill.

The 162-year old *zamindari* system was abolished in West Bengal on 15th April, 1955. The system had been introduced by Lord Cornwallis in 1793.

The all-India second estimate of linseed for 1954-55 puts the current year's area at 2,572,000 acres, as against the adjusted second estimate of 2,535,000 acres for 1953-54.

Under the Community Programme in India, 11,886 miles of *kutcha* roads and 1,145 miles of *pucca* roads were constructed up to the end of December, 1954.

Upto the end of 1954, contributions from people in cash, labour and kind aggregated about Rs. 7.48 crores under the Community Development and National Extension Schemes, while the Government spent Rs. 13.48 crores.

India and Pakistan have evolved an agreed procedure for the transfer of bank accounts under the Banking Agreement of 1949 and the bulk release of lockers and safe deposits under the Movable Property Agreement of 1950 between the two countries.

The Andhra State will have a separate Industrial Finance Corporation, as soon as the formal sanction of the Central Government is received. All the preliminary work in connection with the formation of the State Corporation has been completed. The necessary legislation will be introduced in the Legislative Assembly meeting in June next, after the formal sanction is received.

The nineteenth annual session of the Indian Roads Congress will be held at Srinagar (Kashmir) from 18th to 25th June, 1955. More than 300 highway engineers from all over India are expected to attend. Mr. H. P. Matharani, Consulting Engineer (Road Development) and Joint Secretary to the Government of India, Ministry of Transport, will preside over the Congress.

The Governments of India and the U.S. have signed four operational agreements, involving total U.S. assistance to the extent of $720,000. The Government of India's total contribution to these joint projects amounts to Rs. 4,12,61,200. The projects covering the agreements are agricultural economics research, determination of soil fertility and fertiliser use, trades training and ground-water irrigation.

The output of electricity during November, 1954, by 674 public utility power stations in India aggregated 653.8 million k.w.h., of which 534.6 million k.w.h. were sold to ultimate consumers. As compared to October, the electricity output increased by 29.5 million k.w.h. The corresponding figures of output and sale for November, 1953, are 554.3 million k.w.h. and 455.7 million k.w.h., respectively and for November, 1939, 216.6 million k.w.h. and 181.5 million k.w.h., respectively.

The Bill to amend the Travancore-Cochin General Sales Tax Act has been referred to a select committee. The Bill seeks to abolish sales tax on handloom products and levy an enhanced rate of sales tax on certain varieties of mill-made goods. The Bill also contains a proposal to introduce a single-point system of sales tax on cash crops like ginger, cardamom, lemon-grass oil, turmeric, pepper and copra. There is also a provision to set up an appellate tribunal for the disposal of sales tax cases.

The Government of India will soon set up a national rice commission under the Food and Agriculture Ministry. The Commission will promote national and international action with respect to production, conservation and consumption of rice in close collaboration with the International Rice Commission. Subjects under the purview of the Commission will include stepping up of production of rice, improvement in the quality of rice, mechanisation of rice production and reduction of losses through improved operational methods, etc.

The Indian Central Oilseeds Committee has recommended to the Government of India the establishment of an Export Promotion Council for oilseeds and vegetable oils at an early date for promoting the export trade of vegetable oils and oilseeds. The Committee has also recommended that export duty on de-oiled groundnut cake as well as groundnut cake from expeller be reduced and a more liberal quota of linseed cake should be allowed in view of the reported large accumulation of stocks in India.

The Lok Sabha has passed the Sea Customs (Amendment) Bill, with a few amendments. One of the clauses which have been further amended relates to the burden of proof in the case of goods seized. The new clause provides that where goods were seized "in the reasonable belief" that they were smuggled goods, the burden of proof would fall on the person from whose possession they were seized. This applies to gold, gold manufactures, diamonds and other precious stones, cigarettes, cosmetics and any other goods which the Central Government may by notification in the official *Gazette* specify.

The President has given his assent to the Assam Acquisition of Land for Flood Control and Prevention of Erosion Bill, 1955, and the Saurashtra Agricultural Debtors' Relief (Amendment) Bill, 1955. The former Bill replaces the Assam Acquisition of Land for Flood Control and Prevention of Erosion Ordinance, 1955, which had been promulgated to provide for speedy acquisition of land for development measures in connection with flood control or prevention of erosion. The latter Bill aims at including in the Saurashtra Agricultural Debtors' Relief Act, 1954, provisions for compensatory payments to *girasdars* or *barkhalidars* for charges on the acquired properties.

The Government of Bombay has exempted small-scale industrial units in the City and Island of Bombay employing less than 50 persons from the enforcement of the housing policy of the Government. At present, one of the conditions for grant of building permits for extension of the existing industrial undertaking or establishment of new ones is that the concern should provide accommodation for housing 40 per cent. of the labour to be employed in the new construction or 40 per cent. of the additional labour employed, as a result of the proposed extension, if such labour exceeds 20 persons in number. In view of the difficulties experienced by small-scale industries and on the advice of the State Advisory Council of Industries, the Government has exempted the industrial units employing less than 50 persons from the operation of this policy.

The Government of India has set up a committee to investigate into the working of the diamond mining industry in Vindhya Pradesh State and to submit recommendations for its improvement. The terms of reference of the Committee are to make a detailed investigation into all aspects of the diamond mining industry in the State since the coming into force of the Mineral Concession Rules in October, 1949, with particular reference to "(1) the system of raising contractors, (2) the existing arrangements for the sale of diamonds by auction at Panna, (3) the feasibility of introducing co-operative form of organisation for shallow mining and (4) the improvement of security arrangements, so that there is no leakage of revenue that accrues to the State from this industry." The Committee has been asked to submit its report not later than 1st June, 1953.

With a view to implementing the Government of India's policy to purchase indigenous wheat at the minimum price of Rs. 10 per maund and in consultation with the Government of India, the Government of Bombay is contemplating to start purchases of wheat at Dholka in Ahmedabad District, Idar in Gabarkantha District, Palanpur in Banaskantha District, Patan in Mohsana District, Dohad in Panch Mahals District, Cambay in Kaira District, Nandurbar in West Khandesh District, Niphad in Nasik District, Bijapur in Bijapur District and Annigeri in Dharwar District at Rs. 10 per maund for delivery at local godowns. Only white variety of wheat of the new crop and of fair average quality will be purchased from cultivators. Wheat below fair average quality will not be accepted.

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From Abroad

The total income of Canadian labour reached an all-time peak of $11,910 million during the year 1954. This represents an increase by 2 per cent. over that in 1953.

A contract of £11,500,000 has jointly been secured by a British and a French firm for building a new 580-mile pipeline to link the oilfields of Abadan with Teheran, the Persian capital.

The U.S. foreign aid programme will be carried on by the State Department, after the Foreign Operations Administration (F.A.O.) goes out of existence in June. The formal order for the shift will be issued in a few days.

Norway has decided to float, in co-operation with the World Bank, a $15,000,000 loan in the United States capital market. It is understood that, in addition to this, the World Bank will grant Norway a direct loan of $25,000,000, or an equivalent amount in other currencies.

The output of crude steel in the U.K. in March, 1955, was at an annual rate of 20.53 million tons, as against 20.49 million tons in the previous month and 18.96 million tons in March, 1954. The output in the first quarter of 1955 was at an annual rate of 20.29 million tons, as against 18.77 million tons in the corresponding quarter of the previous year.

While the imports of tea of the U.K. for consumption declined further during February, warehouse and customs stocks rose appreciably, and prices fetched at London auctions continued their downward trend. According to the International Tea Committee in London, tea imports of the U.K. for consumption were at a low of 38,450,000 lbs. net in February, 1955, as compared with 39,950,000 lbs. in February, 1954.

The rapid expansion of Aden, as a result of the opening of a new 5,000,000-ton-a-year oil refinery operated by the British Petroleum Company, is indicated by the fact that, during the year ended 31st March, 1955, just over 5,000 steam and motor vessels of over 200 tons called at Aden port. This is the first time that the annual turnover of shipping has exceeded the 5,000 mark, and represents a total tonnage of 22,500,000. In addition, during the same period about 1,600 *dhows* and smaller craft also used the port facilities.

PERSONAL

MR. M. M. Bowman, General Sales Manager of the Standard-Vacuum Oil Company, has retired after thirty years of service in India.

Mr. W. Jenkins, who recently retired from the Board of Directors of Messrs. W. H. Brady and Co., Ltd., Bombay, sailed for the U.K. on Thursday this week.

Dr. J. C. Ghosh, who recently resigned his office as Vice-Chancellor of the Calcutta University, has been appointed a member of the Planning Commission.

Mr. R. F. Barley and Mr. Haji Mohd. Hamza have been elected Chairman and Vice-Chairman, respectively, of the Tanners' Federation of India for 1955.

Mr. G. D. Somani, M.P., has been elected Chairman of the Millowners' Association, Bombay, for the year 1955. Mr. J. C. Burns has been re-elected Deputy Chairman of the Association.

Dr. M. S. Thacker, Director of the Indian Institute of Science, Bangalore, is likely to be appointed Secretary to the Central Ministry of Natural Resources and Scientific Research in succession to the late Dr. S. S. Bhatnagar.

Mr. R. G. Saraiya, a prominent industrialist of Bombay, who was appointed Chairman of the Bombay State Road Transport Corporation in July last, will continue for another term. The non-official members of the Corporation are Messrs. B. D. Akki, S. A. Amin, Dalatrao S. Desai, Chimanlal Manilal Parikh and P. K. Sawant.

"COMMERCE" 1930

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 26th April

Tea Restriction Scheme

The Dutch Indies tea growers' meeting at Bandeong and Batavia have agreed to restrict Dutch Indies production by 8,500,000 pounds, compared with the 10,000,000 pounds stipulated by Ceylon and British Indies growers. The scheme has thus been ratified by all British and Dutch interests in India, Java and Ceylon, and it is expected that some form of limitation of output will be adopted by gardens in Northern India which are not members of the Indian Tea Association. The scheme, it should be explained here, provides for a total reduction on last year's crop of about 57,200,000 lbs. as under:

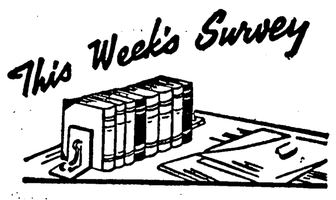
	Lbs.
Northern India	32,500,000
South India	4,000,000
Ceylon	11,200,000
Java Sumatra	9,500,000
	57,200,000

In Northern India, gardens will be restricted on a scale varying between 3 per cent. and 15 per cent. of the average crop for the last three years based on the average price obtained over the same period, gardens which make the finest tea being assessed at 3 per cent. and those which make the commonest tea at 15 per cent. Considering the fact that stocks of all tea in the United Kingdom on 31st January last stood, approximately, at 283 million lbs., against 251 million lbs. twelve months ago, a reduction of 57 million lbs. in output this year should very coonsiderably ease the stock position at Home, provided, of course, consumption shows no diminution.

According to reports from Bonn (West Germany), the final agreement for the building of a pilot steel plant in Pakistan has been signed between the German firm of Krupps and the Pakistan Government. The plant is estimated to cost about £18,400,000 and will entail the construction of pipelines to bring natural gases from about 200 miles away and the installation of a plant for the enrichment of inferior ores. The Government of Pakistan will finance upto 75 per cent. of the cost. It hopes to secure foreign assistance under the Colombo Plan and from the World Bank.

A new post-war record for the volume of material handled, showing the healthy state of the United Kingdom wool textile industry, was set up by the Bradford Conditioning House during March, 1955. For the first time, the monthly total for tops, wools, noil, wastes and yarns exceeded 10,000,000 lbs. (the actual total was 10,273,239 lbs.). This compares with 7,688,671 lbs. in February, 1955 and 9,473,167 lbs. in March last year. The Conditioning House set up another record during March, 1955, carrying out 27,586 tests, as compared with 21,167 in the previous month and 25,654 in March, 1954.

The U.S. Senate voted, on the 15th inst., increased appropriations for the United Nations expanded technical assistance programme and other international activities. The appropriation measure now goes to conference with the House, to reconcile differences between the Senate and the House versions. As approved by the Senate, the measure provides $945,412,835 for all purposes, an increase of $8,225,400 over the total in the House version of the measure. The appropriation applies chiefly to expenditures for the remainder of the fiscal year ending 30th June, 1955.



ENCOURAGING PRIVATE ENTERPRISE

THE view that greater opportunities lie ahead for private enterprise in the field of economic development and much more could be done in this direction if greater encouragement were given to such enterprise by the State was expressed by Mr. Eugene R. Black, President of the International Bank for Reconstruction and Development, in the course of his address before the nineteenth session of the Economic and Social Council of the United Nations held in New York the other day. An important step in this direction, as he said, is the proposed International Finance Corporation. It may be recalled that this Corporation, which will be an affiliate of the World Bank, was first proposed by Mr. Black in 1951. After having been discussed several times in the U.N., the proposal was finally approved by the U.N. General Assembly in December last. The draft charter has now been prepared by the World Bank and sent to its 56 member-Governments for their approval. The Corporation will come into operation when 30 member-nations, the aggregate subscriptions of which would be at least $75 million, out of the total capital of $100 million, accept the Charter.

The Corporation, as is now well known, is intended to work directly and intensively in the field of private enterprise. Its purpose will be both to find and provide capital for private undertakings of economic value to member-countries. Though it will be affiliated to the World Bank, it will be entirely separate and distinct from the Bank. The Charter gives this body more freedom than that now possessed by the World Bank. Also, its functions differ from those of the World Bank, in that, while the Bank insists on the guarantee of the Government of the member-country concerned before a loan is granted, the I.F.C. will lend its funds without such guarantee. Another notable feature of the I.F.C.'s functions is that, contrary to earlier expectations, it will not invest its funds in capital stock. It will provide, in effect, venture capital by investing, for instance, in securities which will give the Corporation a right to participate in the profits of the enterprise and which, when sold to private investors, would be convertible into capital stock. The I.F.C. will not assume management responsibility. It will be under an obligation to revolve its funds by selling its investments to private investors as opportunity offers.

The success of the Corporation, as Mr. Black very rightly said, would be judged, not primarily by the amount or profitability of its own investments, but by the extent to which it generated an increase in the flow of private capital. The I.F.C. would "supplement and not substitute for private investment." As far as financing is concerned, the Corporation, he said, would regard itself as the last resort, not the first. It would not invest in projects where the private interests concerned were not carrying a full share of the investment. It would have authority to invest in private agricultural, financing and commercial undertakings, but its main emphasis is likely to be on industry. Mr. Black felt that the Corporation would be an effective clearing house to bring together investment opportunities, private capital and experienced management.

Expressing his views on the scope for private investment, Mr. Black said that investors were gaining confidence in the prospects of economic development and he believed that this trend should be encouraged by creating positive inducements for more private capital to come forward, internationally and domestically. He, however, frankly admitted that, if private capital had to play this constructive role on a broad scale, it required "certain attitudes and practices by all concerned." Evidently, he does not find the attitudes and practices of some countries and investors conducive to a proper functioning of private capital. To quote what he said:

"Private business men going abroad, for example, must conduct their affairs on proven principles of sound business—on a sense of responsibility to the community, to their workers and to their customers. Their enterprise must benefit the host country as well as themselves. And I believe this concept is fully accepted by the great majority of present-day business men who are investing overseas. At the same time, countries which desire the benefits of private capital must do those things which attract and which do not repel it. A grudging tolerance is not sufficient. Upon occasion we read announcements to the effect that a country is willing to 'allow' private capital to come in. But certainly private capital does not come in when it is 'allowed'; it comes in when it is encouraged. Primarily, Governments must, by deed as well as word, show private capital that it is welcome.

"The opportunities for development that lie ahead of us are vast. They are also varied, and they are complex. There is no simple formula to convert aspirations into achievements. A nation's resources cannot be successfully developed by Government decree—nor by the efforts of any one segment of private enterprise. Progress is a joint product. And economic advance requires an effective partnership of public and private endeavour—it requires both public funds and private capital, both wise public policies and energetic private initiative. The Bank itself represents such a partnership. I think our record indicates that, given goodwill and common sense, this kind of partnership can produce results."

It is to be hoped that these words of the World Bank President will have the desired effect in all those countries where private capital is badly needed but decried and all impediments placed in the way of such enterprise in playing its role in economic development.

A MILLOWNER'S PLEA

A pertinent warning that Mr. Neville N. Wadia, the outgoing Chairman of the Millowners' Association, Bombay, gave, when he addressed the annual meeting of the Association held on Wednesday this week, was that the proposed amendment to section 23A of the Indian Income-tax Act would adversely affect a large number of companies in different ways. Mr. Wadia said that several genuine public companies, particularly those engaged in industry, would be forced to pay a higher dividend or a penal tax. Such would, he declared, undermine their financial stability and retard their expansion. And he added: "A year ago, they would have gained an anna in tax on the amount undistributed. Such an important change in their position will not benefit Government, labour or shareholders in the long run."

There is considerable force in these observations of Mr. Wadia, as also in his view that the new clauses in the Company Law Bill, as introduced by the Select Committee, would strike at the very root of the managing agency system. Emphasising the vital role which the system had all along been playing in the country's economy, Mr. Wadia averred that, up to now, the industrial development of India had been based on this system and the public had been encouraged to share the risk of new ventures, because managing agents were prepared to back them with their resources. One of the most important advantages of the managing agency system was that the services of the few who had experience in running industries could be utilised for more than one concern. Proceeding, he remarked: "That it is dangerous to change horses in mid-stream none will deny, much less so when the form of the other horse is yet unknown." In the considered opinion of Mr. Wadia, if it is sought to prevent concentration of too much power, a law on the lines of the recent enactment against monopolies and cartels in Great Britain would surely serve the purpose.

The retiring Chairman of the Bombay Millowners' Association also warned against the dangerous consequences of the latest amendment to the Constitution. The amendment, he felt, placed in the hands of an unknown Government of the future a weapon which could destroy our democracy, if used ruthlessly. Indeed, the Chairman feared that this added uncertainty might make the investing public "undesirably cautious" and would thus slow down the pace of development in the private sector and hinder the co-operation which had been coming from abroad.

Mr. Neville Wadia made a few interesting remarks on the second Five-year Plan. Pointing, in particular, to the huge capital outlay expected to be provided by the private sector—half of the total anticipated outlay of Rs. 5,600 crores is to be provided by this sector—Mr. Wadia declared that there was clearly no room for dispute between the public and private sectors. What was required was utmost co-operation between the two sectors. An important suggestion which he put forward in this connection relates to the creation of a liaison body between the Government and the industry. Such a body, according to him, could do much to remove misunderstandings and keep the private sector fully informed of what was expected of it. It would be invaluable in advising the order in which it was desirable to establish new industries and help expedite their erection. Mr. Wadia appealingly pleaded when he asked: "Now that the good ship 'State' is fully armed, cannot its guns be turned away from the merchantmen and its course set to guide the ever-expanding convoy to the haven of plenty for all?" Will the authorities listen to this plea?

Mr. Wadia touched on the latest award of the Labour Appellate Tribunal which cost the Bombay mills Rs. 3.5 crores. He thought that it was a rare occasion when either of the parties was satisfied with its decisions. Incidentally, Mr. Wadia revealed that an agreement had recently been reached with the Rashtriya Mill Mazdoor Sangh, designed to set up panels comprising representatives of the Association and the Union from which could be selected persons from both sides who would try to settle a number of points without recourse to the courts. The success of this new move, which deserves to be widely welcomed, will be watched with interest. If it were to prove successful—and we sincerely hope it will—there is no reason why this method cannot, as Mr. Wadia rightly said, be extended to cover all labour disputes.

WORLD POPULATION

World's population, according to the forecast made in the U.N. *Demographic Yearbook for* 1954, published in New York on Thursday last week, is expected to register a steady increase in the coming years. The forecast is based on two distinct trends in population growth, namely, longer life and fewer deaths in infancy. Incidentally, the total population of the world as at the end of 1953 is estimated at 2,547 million.

Several striking features about the recent changes in world population, it is reported, are revealed in the *Yearbook*. Among these, three stand out most prominently. First, the world birth rate has been declining since it touched the peak in the year 1946-47, although it is still above the pre-war level. The most striking change is in Japan where the birth rate has declined perceptibly. During 1953, for instance, the number of births per thousand population in Japan was 21.5, as against 34.3 in 1946-47, which represents a fall of 37 per cent. About 35 per cent. of the countries reporting account for a birth rate exceeding 34 per thousand, as compared with a rate of 25 in the industrialised countries. It is, however, stated that information for Asia and Africa is sketchy. Secondly, there has been a continuing trend towards a lower still-birth ratio. In Ceylon, for instance, the still-birth rate in 1953 was 40, as against 66 in 1938. Thirdly, life expectancy has increased considerably, thanks partly to a reduction in infant mortality and general death rate and partly to world-wide improvements in health conditions. Generally speaking, deaths from tuberculosis continue to decrease, while those from heart disease and cancer are higher.

Another highlight of the *Yearbook* relates to density of population. Central Europe has the highest population density, the number of persons per square kilometre (1 kilometre = about 5 furlongs) being 129. South Central Asia comes next with a density of 94, followed by Southern Europe with a density of 83. By Continents, the population density is 82 people per square kilometre for Europe, 51 for Asia, and 8 for the Americas and 7 for Africa.

The *Yearbook* also furnishes interesting data with regard to the trend of migration of population. There has been a moderate recession in migration which had touched the post-war peak during the years 1949 to 1951. The U.K. had the highest emigration rate in 1953; about 155,000 Britons settled abroad. In the same year, it had the third highest immigration rate; it received 78,000 people from overseas. The U.S. received the maximum number of immigrants in 1953—a total of 189,000 persons—while Canada came next with 169,000. Australia received 75,000 immigrants. The number of persons who emigrated from Italy during 1952 (the latest available figure) was 131,000. Most of them went to Argentina.

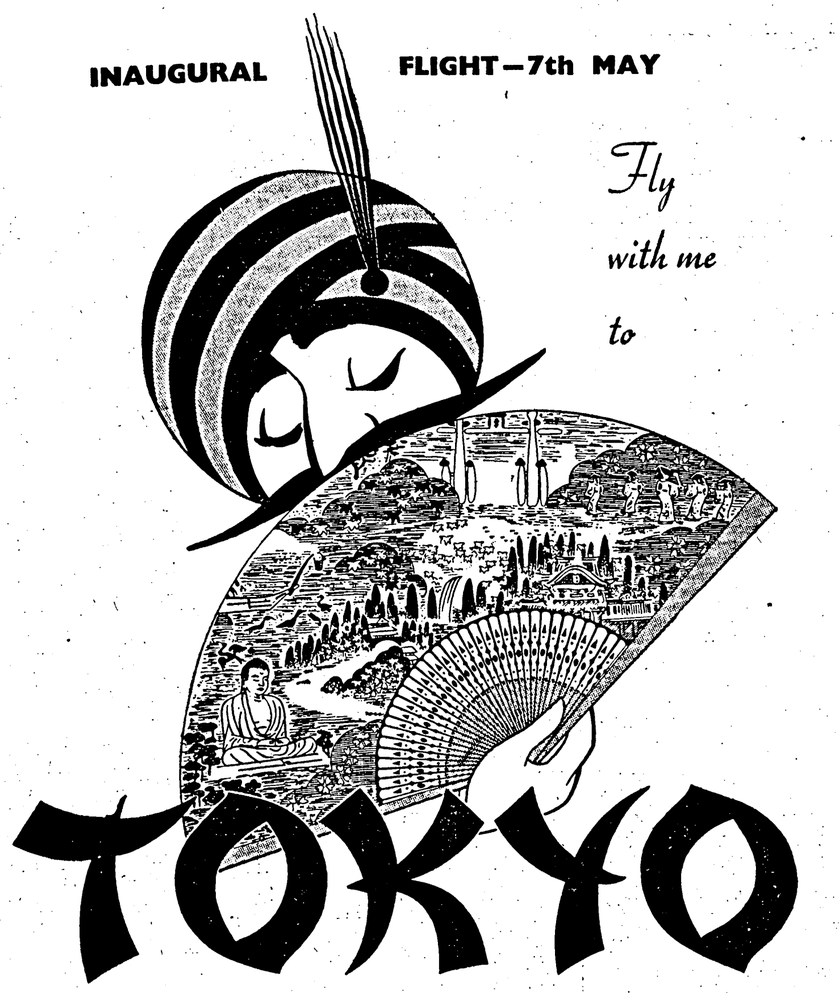
INDO-PAKISTAN RAIL TRAFFIC

Although political and economic relations between India and Pakistan have not been as happy as one would wish, it is, indeed, gratifying to note that the two countries should have reached an amicable agreement at least on one issue, that of resumption of railway traffic. Under the agreement, which is the outcome of the Indo-Pakistan railway conference held at Karachi recently, the railway traffic between the two countries will be resumed on the Sind-Jodhpur and Gandasinghwale-Ferozpur routes with effect from 1st June next. It will be recalled that the traffic on the Lahore-Amritsar route was resumed last year. Similarly, the movement of goods to and from West Bengal to Assam through East Pakistan will commence from 1st May, 1955. It is also decided to run a through train between Calcutta and Lahore.

The resumption of goods traffic between West Bengal and Assam through East Pakistan is of vital importance to the economy of Assam, in that it would ensure cheaper and quicker transport. As readers are aware, since the Partition, Assam has been adversely affected by lack of proper transport facilities. Thanks to the refusal of the East Bengal Government to allow goods traffic between West Bengal and Assam to pass through its territory, a large part of the traffic is handled by steamers and the balance by the Assam rail link or by air. This has resulted in considerable cost and inordinate delay in the movement of goods. What is worse, the traffic is often dislocated during the monsoon which incidentally coincides with the movement of tea crop. With the resumption of rail communication *via* East Bengal, the cost of transporting tea from Assam estates will be reduced. There will also be a saving in the cost of coal. Because of limited transport, the tea gardens in Assam have been obliged to use expensive local coal which is generally considered to be unsuitable for their purposes. The jute industry will be the other beneficiary. Raw jute grown in Assam can be moved to the jute mills in West Bengal more quickly. All these advantages of the resumption of rail traffic between Assam and West Bengal *via* East Bengal will, however, be nullified, if adequate attention is not paid to the question of simplifying customs formalities and eliminating pilferage. It is to be hoped that the authorities on both sides of the border will examine this question in right earnest.

BRITISH BUDGET

Britain's latest Budget for 1955-56 presented to Parliament on Tuesday this week places the aggregate revenue yield at £4,844 million on the basis of the existing taxation. The expenditure is expected to amount to £4,562 million, leaving a surplus of £282 million. This surplus compares with the actual surplus of £433 million and the budgeted surplus of £10 million for 1954-55. In view of the "considerable" surplus for 1955-56, the Chancellor of the Exchequer has announced several tax concessions. A cut of 6d. in the standard rate of income-tax (9s. in the pound) paid on higher incomes and of 3d. in the rates on lower incomes is proposed to be made. The reduction in the standard rate of income-tax is to be supplemented by increasing the personal allowances. Adjustments are also contemplated in income-tax which will remove 2.4 million people from tax liability. Another important proposed tax concession is the cut in the purchase tax by half, that is, from 50 per cent. to 25 per cent. on textile piecegoods. These tax concessions would slash the nation's tax bill by £158 million.



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WORK OF COMMERCE AND INDUSTRY MINISTRY

ENGINEERING INDUSTRY TO RECEIVE FILLIP

From A Special Correspondent

NEW DELHI, 19*th April*

IT was generally expected that, in the course of his reply to the debate on the demands for grants for his Ministry, Mr. T. T. Krishnamachari, Commerce and Industry Minister, would gradually unfold his plans towards further improvement of the work of his Ministry and the possible future development of industries during the next 12 months. Instead, his reply turned out to be one of sarcasm, derision, ridicule and that of gliding over important points raised by some members of Parliament. He must have, perhaps, felt that as the main work for the current fiscal year and the policy that his Ministry would be following had already been outlined in the Annual Report of the Ministry circulated to the members of Parliament a few days before, it was not necessary to dwell on this important point. It is stated in this booklet that the Ministry will be setting up several panels and development councils whose principal task would be to formulate development programmes for inclusion in the second Five-year Plan. It will be remembered that, in 1953, three Development Councils were set up, namely, heavy chemicals (acids and fertilisers), internal combustion engines and power driven pumps and bicycles. In 1954 another Development Council was set up for the sugar industry. In February this year, two more Development Councils, one for heavy electrical industries and another for light electrical industries were constituted. The former will deal with units engaged in the manufacture and production of electric motors and machinery and equipment for the generation, transmission and distribution of electric energy (excluding house service meters and panel instruments). The latter will deal with units engaged in the manufacture and production of telephones, telegraph apparatus and wireless communication apparatus, electric lamps, electric fans, batteries, dry cells and storage, radio receivers and house service meters and panel instruments. In March, 1955, another Development Council was established for pharmaceuticals and drugs. Thus, seven Development Councils have already been set up and, of these, some are working. Besides, three more Development Councils are proposed to be set up in the coming months. They are: art silk textiles, woollen textiles and heavy chemicals (alkalis).

DELHI LETTER

Special Surveys

Special surveys of certain industries are also to be undertaken, for example, cotton textiles, dyestuffs, printing machinery, etc. A survey party has already been examining the position in respect of the machinery in the cotton textile mills. The Commerce and Industry Ministry is hoping that the expansion schemes in regard to the increase in the production of cement, iron and steel, aluminium, soda ash and fertilisers are expected to make good progress during the year. At the same time, the Ministry is anxious to ensure fuller utilisation of the existing capacity in the engineering industries in the light of the recommendations made by the Engineering Capacity Survey Committee. In the cottage and small-scale industries section, the proposal is to establish Industrial Estates and Central Workshops in selected areas for making available certain essential facilities and technical services to the small *entrepreneur*. Special efforts are proposed to be made to encourage exports of handicrafts through exhibitions in foreign countries and also by setting up an organisation for promoting and financing exports. In the sphere of foreign trade, it is proposed to set up more Export Promotion Councils and to assist the export trade by framing rules for drawback of duty on raw materials utilised in the export of more of manufactured articles.

Mr. Krishnamachari was in an apologetic mood in regard to the rationalisation of textile industry. He did not reveal as to what he proposed to do with the recommendations of the Kanungo Committee Report on the Textile Industry; nor did he tell the members of Parliament as to the manner and method by which he proposed to put into practice his earlier motto "Rationalisation without Tears," He merely attempted to defend the appointment of the survey party for investigation into the state of the machinery in textile mills. He stated that, with Government freely licensing spinning units, he was interested in evaluating the future needs of the proposed new spinning mills and also in ascertaining the requirements for replacement of machinery in case of old or worn out textile mills in the country, especially as a number of uneconomic units were working at present. In other words, he wanted to have an idea as to whether the indigenous textile machinery industry would be capable of producing the quantum of machinery needed to rehabilitate the existing textile mills and also to meet the requirements of the proposed spinning mills, without at the same time sacrificing the quality of production which should be on par with the best in the world. This type of investigation was, according to the Minister, further necessary with a view to framing a rational policy in regard to the imports of textile machinery and also for the manner in which the indigenous industry should be expanded with a view to catering to the needs of the country in the coming years.

Machine Tool Industry

From this, he went on to state that a recent survey undertaken to examine the position of the machine tool industry revealed that, although way back in 1952 there were misgivings among private machine tool producers about the possibility of the Jalahalli factory impinging on their sector, the position now was that the capacity was not adequate. He revealed that the Government would have to set up not merely one but two or three machine tools factories in order to take up the slack that now existed in regard to the production of machine tools in the private sector. In other words, the survey revealed that there was considerable scope for the private sector to augment the production of machine tools in the country.

The Minister also informed Parliament that the idle capacity with the engineering industry was practically *nil* at the present time, in view of the fact that the industry had been working with full capacity during the last few months. This state of affairs was also due to the implementation, from time to time, of the many interim recommendations of the Committee by the Government of India. He observed in this connection: "In the structural industry, the order books of all the big structural factories are fully booked for the next 6 to 12 months. We are planning for many things in the second Five-year Plan and one of the things that the Railway Ministry is planning is to get about 22,000 wagons a year, which is nearly twice their demand at the present moment. And, the maximum capacity of structural firms, including new firms which have been set up, is less than 12,000 wagons a year."

With a view to filling up the gap in the engineering industry, Mr. Krishnamachari stated that he was planning to set up three units with forging and foundry capacity, fairly big, and to which any person who was a manufacturer could go and give his designs and be sure that the design would not be used for some other purpose. If the private industry was ready to build up this industry in different parts of the country, it was well and good; otherwise, the Government would, he added, undertake this venture either of its own accord or in co-operation with the private sector, if the latter was willing to work with Government.

Automobile Industry

The Minister also referred to the progress of the automobile industry and to the necessity of strengthening the structure of the dyestuff industry. In regard to the former, he pointed out that the Hindustan Motors had been able to achieve an indigenous content of 65 per cent.; the Premier Automobiles had very nearly reached the 50 per cent. level in regard to their truck; the Standard Motor Company was keeping up to its schedule. He also informed the House that the manufacturers of motor cars had agreed to effect an initial reduction of about 7½ per cent. in the prices. He further stated that steps would be taken shortly to protect the spare parts industry. In regard to the dyestuff industry, he told the House that Government would be utilising the technical assistance that had been offered by a friendly country for furthering the prospects of this industry. It is expected that three concerns would shortly be starting production of dyestuffs, as also intermediates. The Minister hoped to obtain self-sufficiency in regard to soda ash within a very measurable distance of time, since the Government had licensed three new factories and had also encouraged the expansion of the existing factories. Strangely enough, he did not touch on the proposed work of the National Industrial Development Corporation fathered by him.

Mica Insulating Bricks

Insulating bricks and shapes are used in the construction of furnaces as backing material. The heat conductivity of these bricks is low and when a layer of such material is placed behind a furnace wall, heat losses would be reduced and thermal efficiency would appreciably improve. Vermiculite bricks are one type of insulating material and are generally used in moderate temperature furnaces. These may also be used for such purposes as low temperature heat insulation and in refrigeration units. Uptil now, good quality vermiculite has not been found in India and this material is imported into this country at a cost of nearly Rs. 500 per ton. About 500 tons of vermiculite are now consumed in the country, but it is expected that, with the industrial development of the country proceeding apace, the demand for this type of insulating material will greatly increase.

The cost of vermiculite bricks is rather high. With a view, therefore, to replacing vermiculite with an indigenous material, the Central Glass and Ceramic Research Institute, Calcutta, has recently developed a process by which insulating bricks comparable in properties and performance to vermiculite bricks can be made from waste mica. This is evident from the following technical data:

Comparison of Mica and Vermiculite Bricks

	Bulk density lb./cu. ft.	*Crushing strength* p.s.i.	*Conductivity* B.T.U.
Low density type—			
(*a*) Mica bricks ..	40	80	0.915
(*b*) Vermiculite bricks.	37	70	0.930
High density type—			
(*a*) Mica bricks ..	44	150	1.38
(*b*) Vermiculite bricks.	47	125	1.35

It is stated that the performance trials for thermal insulation of mica bricks conducted on both laboratory and industrial furnaces have yielded highly satisfactory results. Even after continuous use for one year, their insulating value is reported not to have deteriorated in the least. The use of such bricks on a muffle furnace is reported to have resulted in a fuel saving of 30 to 40 per cent.

India is one of the largest producers of mica in the world, and huge quantities of mica waste whose disposal is a problem, are available as raw materials for this industry. The main operations involved are those usually practised in ceramic industries, namely, grinding, mixing, pressing, drying and heating, etc., and no elaborate equipment is required. We are told that the process, which is covered by Indian Patent No. 48667 and has been established by pilot plant experiments, can be easily worked in existing refractory manufacturing plants.

ROURKELA BEGINS TO TAKE SHAPE

Rourkela, where the one-million ton steel plant to be set up in co-operation with the German Combine of Krupp-Demag is to be located, is beginning to take shape. Already, 10,000 men and women are working at the site where the township is to be built and in the brick-fields. Long strips of land are being acquired for use as brickfields. About a score of houses being built in the first sector of the township have risen above the plinth area. Two small diesel generating sets have been erected and are in commission. Another set with a higher capacity is to be installed shortly. Of the 10,000 persons now working at Rourkela, about 6,000 are those who will be displaced by the acquisition of land. It is estimated that only 2,350 families will be affected by this acquisition, which means that the majority of able-bodied men and women amongst the persons to be displaced have already found employment. The Development Officer of Hindustan Steel Limited has already taken a census of the population to be displaced, with the purpose of finding employment for all of them if possible, and training those who have the necessary qualifications, as skilled workers. Meanwhile, the Government of Orissa has selected an area to rehabilitate the displaced.

The progress of detailed proving of iron ore is proceeding satisfactorily. On the average, the ore contains above 60 per cent. of iron. The drilling party is now moving to the southern section and it is hoped that drilling will be completed before the rains. Approach roads to the ore deposits have been constructed.

FINANCING INDUSTRIES IN INDIA

PRESENT POSITION AND PROSPECTS ANALYSED

THE first Five-year Plan for the development of Indian economy has to run only a year more and it is but natural that Government and private industrialists should devote their attention to the formulation of the second Five-year Plan. Though no final decision has been taken by the Planning Commission on the amount to be spent during the second Plan period, the panel of economists set up by the Planning Commission is reported to have suggested that the total expenditure should be of the order of Rs. 5,600 crores, to be shared by the public and private sector in the proportion of 60 per cent. and 40 per cent., respectively. In other words, the outlay of the public sector would be about Rs. 3,400 crores and that of the private sector Rs. 2,200 crores. This is over Rs. 1,000 crores more than the estimated amount to be spent on the first Plan by the public sector and Rs. 750 crores more by the private sector.

While there is a section of public opinion which considers that the aforesaid target for the second Five-year Plan is too low, there is another section which feels that the private sector would not be able to reach even the above target of its own accord, because of the limited resources available within the country. It is, therefore, but appropriate and timely that the problem of financing industries in India should have been chosen by Mr. M. A. Master, ex-General Manager of the Scindia Steam Navigation Company, Ltd., as the subject of his address to the first All-India Conference of Management Executives held in Bombay last week-end. Mr. Master's analysis of some of the important aspects of this problem, in the light of the experience of the first Five-year Plan and the recent developments in the Government's policy with regard to private enterprise, makes very interesting reading.

First Five-year Plan

The target fixed in the first Five-year Plan for the public sector is about Rs. 2,249 crores and that for the private sector Rs. 1,450 crores. The total internal resources available to the public sector during the period of the Plan have been estimated at Rs. 1,260 crores (in the five years from 1951-52 to 1955-56) or an average of Rs. 250 crores per annum. Even during the year 1955-56 when a development expenditure of Rs. 792 crores has been visualised, the Taxation Enquiry Commission has estimated a shortfall of Rs. 320 crores in that year, after taking into consideration the sum of Rs. 150 crores available from external sources. Thus, according to the Commission, not more than Rs. 320 crores would be available to the public sector for financing the projects from internal resources in 1955-56. This is an important matter which, in the opinion of Mr. Master, should be borne in mind while considering the study of financing industries in the private sector. So far as the private sector is concerned, it is expected to raise Rs. 613 crores during the first Plan period for the purpose of meeting the expansion of the industrial capacity, modernisation and replacement, working capital and current depreciation not covered by income-tax allowances. This works out to about Rs. 120 crores per annum.

Coming to the second Five-year Plan, the estimate of Rs. 5,500 crores for both public and private sectors is realistic in Mr. Master's opinion. The share of the private sector in this target is placed at Rs. 2,000 crores. As Rs. 613 crores were provided for organised industries in the private sector under the first Five-year Plan, it is not unreasonable, according to Mr. Master, to say that about Rs. 1,000 crores will be required to meet the needs of organised industries in the next Plan. The question, however, is how to raise this finance. Are the people willing to invest in the private sector?

In answering these posers himself, Mr. Master said that, when profit motive was deprecated by the powers-that-be, people were not likely to invest their savings, unless they were assured of a reaasonable dividend on their investments. While people were assured by the Government that it had no desire to nationalise existing industries, on the ground that it had neither the resources nor the personnel required for that purpose, the threat of nationalisation was always there. Mr. Master quoted the instances of the air transport and road transport services where the assurances of the Government had not been honoured. The latest instance wherein the people's faith in the Government's assurances has been shaken is the nationalisation of the Imperial Bank of India, on the ground that it would help the development of rural economy. In addition, the Government's action in amending the Constitution has given the investing public a rude shock. Without mincing words, Mr. Master gave expression to his views on the Constitution Amendment Bill. He said:

> "The fundamental right of property guaranteed by the Constitution will be abrogated when the Bill becomes the law of the land. We are told by the Prime Minister that property is not a goddess whom the people should worship. He has added that there is nothing sacred or divine about that fundamental right. It is not divinity that troubles the suffering humanity. It is the music of the belly which no mortal can ignore to hear. Their property is their milch cow which gives nourishment to their children and keeps them alive. That is the reason of their deep and abiding attachment to their property right. The Prime Minister has again and again given assurances, both inside and outside Parliament, that no property will be taken away without compensation. If that is the intention of Parliament, it is difficult for the layman to understand why no provision for compensation is to be found in either section 31 (2-a) or section 31 (*a*). If the Bill, as amended by the Select Committee, becomes the law of the land, the question of compensation cannot and will not arise even if Tata Steel Limited was to be amalgamated with the Hindustan Steel Limited on the ostensible ground of public interest. A wise Government will not ignore these psychological factors. They play an effective part in human life—political, social and economic."

Spirit of Co-operation will be Shaken

While the Prime Minister had sought the co-operation of the people in building up a new India, Mr. Master points out that the spirit of co-operation was likely to be shaken to its very foundation by the threat of nationalisation and the abrogation of the fundamental right of property. These developments, Mr. Master said, would have a psychological effect on the will to invest in the private sector. They would make the people hesitate in investing as freely and readily in private enterprise in the future as in the past. This does not mean that investments in the private sector will cease altogther. What Mr. Master wanted to convey was that the existing difficulties in raising new capital would be considerably enhanced by the aforesaid developments.

Mr. Master went on to examine the sources from which the private sector finds its finance and the extent to which each source could provide the required funds in future. The first source is equity capital from the savings of the people. These savings form the common pool for both the public and private sectors. With the increase in both direct and indirect taxation, Mr. Master said, the volume of this pool was bound to become thinner and thinner. As the public sector would have the first claim to draw upon this common pool for its own requirements, the private sector would have to depend upon the residue that might be left after the public sector had satisfied its needs. Moreover, the private sector could not raise any fresh capital or even utilise corporate savings without the permission of the Controller of Capital Issues. Quoting from the Taxation Enquiry Commission's report, Mr. Master pointed out that the increase in paid-up capital of public companies declined from Rs. 18.94 crores in 1946 to Rs. 8.99 crores in 1951. Even during the years 1951-52 and 1952-53, when the effect of the Korean war boom conditions were still there, the amount of equity capital raised by the private sector did not exceed Rs. 11 crores on an average. Mr. Master thought that this amount was not likely to increase in the coming years for reasons mentioned above.

The second source is borrowings by way of debentures and loans from the public, banks and investment institutions. In this connection, Mr. Master commended the three recommendations of the Shroff Committee, namely, (1) the formation of a consortium or syndicate by the leading banks in India in co-operation with the insurance companies for underwriting or investing in new issues of shares and debentures of industrial companies, wherever they were satisfied about the soundness of the projects; (2) liberalisation of remittance facilities for banks; and (3) liberalisation of section 27 of the Insurance Act so as to enable insurance companies to release a substantial amount for long-term investment in the private sector. The implementation of these recommendations would, in the opinion of Mr. Master, lead to an increase in the available amount of equity capital and facilitate the issue of debentures. The formation of the Industrial Credit and Investment Corporation of India would also help in raising long-term finance by way of equity capital, debentures and borrowings.

In this connection, Mr. Master also welcomed the formation of the National Industrial Development Corporation which is "conceived mainly as an instrument of Government for securing a harmonious development of industries in both the private and public sectors." He, however, made a strong request to the Government to state the nature and the extent of finance which this co-operation would provide for the expansion of the existing and the creation of new industries in the private sector. The Industrial Finance Corporation of India also has, in recent years, been a source of good help in providing fairly large sums of long-term finance by way of loans to a number of industries in the country, but Mr. Master desired that it would have to make a substantial increase in the amount of maximum loan that could be given to any company at present, as also liberalise the terms and conditions of the granting of the loan, if it were to render effective and fruitful service to the private sector.

Loans from Government and World Bank

Loans from the Government and the World Bank constituted another source of finance for the private sector. The Government of India has so far given or sanctioned loans and special advances to the tune of Rs. 30 crores to the steel industry, Rs. 3 crores to Atul Works and Rs. 15 crores to the shipping industry. Proposals have been submitted by the shipping industry for loans aggregating Rs. 80 crores to enable it to double the target of 6 lakh tons (g.r.t.) in the second Five-year Plan. There is every possibility of the loans being sanctioned. The World Bank has sanctioned a loan of Rs. 13 crores to the steel industry, Rs. 5 crores to I.C.I.C. and Rs. 8 crores to the Tata Hydro-electric Companies for the Trombay Thermal Project. While appreciating the Government of India's policy of providing finance by way of loans to the private sector, and acknowledging that the World Bank loans constitute substantial help, Mr. Master expressed the view that still larger amounts should be given by way of such loans, in order to make good the dwindling share of the private sector in the common pool.

The last important source from which the private sector derives its finance is corporate savings, that is, undistributed profits of companies. These savings play a very important part in the expansion of industries in the West. According to the Taxation Enquiry Commission, the retained profits of companies in India to the extent of Rs. 69.3 crores were utilised for financing expansion of 492 companies during the post-war years 1946-51. No data is available for the amount of retained profits utilised for financing capital expenditure during the period of the first Plan. Though these corporate savings form an important source, Mr. Master was of the opinion that it would not be possible to rely on these to any great extent for the further expansion of Indian industries. The new industries would take several years before such savings could be built up, provided they were allowed to earn substantial profits. Further, with the amendment of section 23A of the Income-tax Act, a number of companies would be forced to distribute 60 per cent. of their profit.

Summing up the whole position, Mr. Master said that, while the Taxation Enquiry Commission recognised that the maximum rate of investment in the public sector should be attained in a manner consistent with maintaining and strengthening the incentive to the private sector to step up its own rate of investment, the incentive to the private sector was being weakened, instead of being strengthened. Commenting on a recent remark of India's Vice-President that "in spite of the great achievements of free enterprise, it (free enterprise) had produced power-hungry and money-mad people," Mr. Master observed in all humility:

> "It will be rightly agreed that wherever such people exist, they will deserve the condemnation of all right-thinking men. It is, however, a cruel irony of fate that, while the Government are bent upon removing the concentration of economic power from the hands of the capitalists, they are actually encouraging the concentration of such economic power amongst the politicians and the ruling race. It will be a sad and fateful day for India, if the people will be made to share the growing belief that the industrialists are devils and politicians are angels. One should not, however, forget the vital truth of history that when economic power is wedded to political authority, its ambition will know no bounds, and when ambition overruns ability and integrity, it may spell disaster for the country."

GOVERNMENT TO TAKE OVER THE IMPERIAL BANK

BILL INTRODUCED IN PARLIAMENT

As was anticipated by us, the Government of India has been fairly quick in implementing its final decision to nationalise the Imperial Bank of India, announced on 20th December, 1954. It has already taken the first step in this direction. A Bill for taking over the Bank and establishing a State Bank of India was introduced by Mr. Chintaman D. Deshmukh, Finance Minister, in the Lok Sabha on Saturday, 16th April, 1955. That Parliament fully endorses the Government's decision was evident from the warmth with which it greeted the introduction of the Bill; Mr. Deshmukh, we are told, was loudly cheered when he rose to introduce the measure. This is striking evidence of the fact that the criticisms levelled against the Government—mostly by the spokesmen of finance, trade and industry—are not shared by the vast majority of the House.

In the first place, the Imperial Bank of India will be taken over by the Reserve Bank of India by paying compensation to its shareholders, as mentioned in the Bill. Later, the Reserve Bank will float the State Bank of India and transfer to it all the assets and liabilities of the Imperial Bank. This may be followed by an expansion of the State Bank brought about by an absorption of certain State associated banks. For this, a separate Bill will be introduced later. The Reserve Bank will always hold a minimum of 55 per cent. of the share capital of the State Bank of India, the balance being offered to the public. To begin with, the shareholders of the Imperial Bank will be given preference while allotting the shares of the State Bank of India. The shareholders of the Imperial Bank have full freedom to exercise this option.

The Bill provides for compensation to the shareholders of the Imperial Bank at the rate of Rs. 1,765-10 per fully paid-up share and Rs. 431-12-4 per partly paid share. The compensation will be given in Central Government securities, but shareholders are entitled to claim payment in cash up to the first Rs. 10,000.

As readers are aware, the Government's decision to take over the Imperial Bank and convert it into the State Bank of India is in pursuance of one of the recommendations of the Rural Credit Survey Committee, popularly known as the Gorwala Committee, which was asked to go into the question of credit needs of agriculturists and others in rural areas.

The Imperial Bank came into existence on 27th January, 1921, by the amalgamation of three Presidency Banks—the Bank of Bengal (established in 1806), the Bank of Bombay (established in 1840) and the Bank of Madras (established in 1843). It has an authorised, issued and subscribed capital of Rs. 11.25 crores divided into 225,000 ordinary shares of Rs. 500 each. The paid-up capital is only Rs. 5,62,50,000 consisting of 75,000 fully paid-up shares and 1,50,000 partly paid shares with Rs. 125 called up and paid up. Thus, the old Presidency Banks are, in effect, assuming a new name and new responsibilities after an interval of 34 years.

The Reasons

The following is the statement of objects and reasons of the Bill:

"The Reserve Bank had appointed in August, 1951, a Committee of Direction for conducting an all-India rural credit survey. The general report of the survey embodying the Committee's recommendations was received last year. The report makes comprehensive recommendations relating to numerous aspects of the problem of rural credit. One of the important recommendations and an integral part of the solution of the rural credit problem propounded by the Committee is the setting up of a State Bank of India as one strong integrated State-partnered commercial banking institution with an effective machinery of branches spread over the whole country for stimulating banking development by providing vastly extended remittance facilities for co-operative and other banks and following a policy which would be in effective consonance with national policies adopted by the Government without departing from the canons of sound business. Such a State Bank of India is envisaged as coming into being by the amalgamation of the Imperial Bank with certain 'State-associated' banks. On 20th December, 1954, the Government announced that they accepted in principle this recommendation of the Committee and that they had decided as the first step towards the setting up of such an institution, to assume effecive control over the Imperial Bank. This Bill seeks to give effect to this decision."

Minimum Shareholding

Suitable provisions are made relative to the acquisition of the undertaking of the Imperial Bank, the taking over of its business and staff, the payment of compensation to shareholders, the setting up of an appropriate machinery for the governance of the State Bank, the business which the Bank may and may not transact, etc. It is contemplated that the Reserve Bank will always hold a minimum shareholding of 55 per cent. in the paid-up capital of the Bank. By virtue of this holding and the composition of the Board of Directors of the Bank as well as by virtue of the power, to give directions in matters of policy involving public interest vested in the Central Government, it is provided that the general working of the State Bank shall be responsive to and in consonance with Government policies while the autonomy of the institution in its day-to-day working will be fully maintained. Amendments necessary to the Reserve Bank of India Act, 1934, and to the Banking Companies Act, 1949, consequentially to the establishment of this institution, have been provided for in Schedules III and IV to the Bill.

Important Features of the Bill

The following are some of the more important features of the Bill:

The general scheme is that the Imperial Bank should be taken over as a going concern from a day to be notified in this behalf by the Government as the "appointed day." On the "appointed day," the undertaking of the Imperial Bank, including all its assets and liabilities and all other interests and rights and obligations of whatever kind, will be transferred to the State Bank. All officers and employees of the Imperial Bank (except the Managing Director, the Deputy Managing Directors and other Directors) shall from that day hold corresponding office for the same tenure and on the same conditions as previously with the State Bank. (There is provision, however, about remuneration and terms and conditions to be subsequently altered by the State Bank.)

Compensation Formula

On the "appointed day," all shares in the capital of the Imperial Bank shall be deemed transferred to the Reserve Bank. The Reserve Bank will pay to every shareholder compensation based on a certain formula. A provision has been made for fixing the amount of compensation in the Bill itself (*vide* Schedule I). The amount mentioned is arrived at on the basis of the average market value over the previous 12 months' period prior to 20th December, 1954. The particulars about cash payment and payment in Government promissory notes are laid down as previously decided by the Government.

The provision for compensation is similar to that adopted when the Reserve Bank was nationalised and is in conformity with the announcement made on 20th December, 1954.

Compensation would be payable up to the amount of the first Rs. 10,000 in cash if so desired by the shareholder in terms of the Government announcement in this behalf. The issued capital of the State Bank will stand allotted initially to the Reserve Bank in lieu of the shares of the Imperial Bank that it would take over and compensate. Of this shareholding, the Reserve Bank will be authorised to dispose of up to 45 per cent. to private parties. That is to say, a minimum of 55 per cent. of the shareholding in the State Bank will always be held by the Reserve Bank of India. In the disposal of 45 per cent. of the shareholding to private parties a preferential position in the allotment of shares is accorded to the former shareholders of the Imperial Bank.

Management

The management of the State Bank will be vested in a Board of Directors which will be composed of:—

A Chairman and a Vice-Chairman to be appointed by the Central Government after consultation with the Central Board in that behalf;

Not more than two Managing Directors to be appointed by the Central Board with the approval of the Central Government;

Six Directors to be elected by the shareholders other than the Reserve Bank;

Eight Directors to be nominated by the Central Government in consultation with the Reserve Bank;

One (official) Director to be nominated by the Central Government; and

One Director to be nominated by the Reserve Bank.

Apart from the Central Board, there will be a limited number of Local Boards corresponding to an equal number of Local Head Offices. The Central Office of the State Bank will be in Bombay and three of the Local Head Offices will be at Madras, Calcutta and Bombay, the remaining being at such places as the Central Government in consultation with the Central Board of the State Bank may determine.

List of Business

Detailed provisions have been laid down as to the business which the State Bank may transact and the business which it may not transact basing these largely on the regulations of the Imperial Bank which at present govern like matters in that institution. Provision is, however, made for the State Bank acquiring or holding shares in the capital of other banking companies and forming or conducting any such banking companies as its 'subsidiaries.' This provision is intended primarily to enable the State Bank to take over as subsidiaries in suitable cases the State-associated banks to be integrated with it.

Section 34 includes a provision designed to facilitate the amalgamation of other banking companies with the State Bank. This provision is intended to facilitate the amalgamation of such units with the State Bank.

A provision has been made whereby the State Bank is under obligation to open 250 branches according to a programme to be approved by the Central Government in consultation with the Reserve Bank in this behalf as suggested in the Rural Credit Survey Report. An integration and Development Fund will be maintained by the State Bank into which shall be paid the dividends payable to the Reserve Bank on its shareholding of 55 per cent. in the State Bank. The amount of this fund is to be applied for meeting losses incurred on losing branches established in pursuance of the relevant provision.

First Schedule

The following is the First Schedule to the Bill laying down the terms of compensation for the transfer of shares of the Imperial Bank to the Reserve Bank:

1. In this schedule, "shareholder" means any person who immediately before the appointed day is registered as the holder of a share in the Imperial Bank.

2. As full compensation for the shares in the capital of the Imperial Bank which, by reason of this Act, are transferred to and vested in the Reserve Bank, the Reserve Bank shall pay to every shareholder, in the manner set out hereinafter, an amount calculated at the rate of Rs. 1,765-10 per share in the case of a fully paid-up share and Rs. 431-12-4 per share in the case of a partly paid-up share.

3. Notwithstanding the transfer of the shares in the capital of the Imperial Bank to the Reserve Bank, any shareholder who immediately before the appointed day is entitled to the payment of dividend on the shares of the Imperial Bank held by him shall be entitled to receive from the State Bank—

(a) All dividends accruing due on his shares in respect of any half-year which ended before the appointed day and remaining unpaid.

(b) Dividends calculated at a rate to be specified by the Central Government in respect of any period immediately preceding the appointed day for which the Imperial Bank has not declared any dividend.

4. (1) The compensation provided for in this schedule shall be given in Central Government securities, and the form of such securities and the value thereof, computed with reference to their market value, shall be such as the Central Government may, by notification in the *Gazette*, specify in this behalf:

Provided that where the amount of such compensation is not an exact multiple of the value of the Government security as so notified, the amount in excess of the nearest lower multiple of such value shall be paid by cheque drawn on the Reserve Bank.

(2) Notwithstanding anything contained in sub-paragraph (1), any person who is registered as the holder of a share in the Imperial Bank on the 19th day of December, 1954, shall, if he applies in writing in this behalf to the Reserve Bank before the expiry of one month from the appointed day, be entitled to be paid, by cheque drawn on the Reserve Bank, any compensation payable to him up to the first Rs. 10,000.

(*Continued on page* 801)

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WORLD BANK'S LENDING OPERATIONS

DEVELOPMENT LOANS AGGREGATE $1,500 MILLION

By Prof. B. R. Shenoy

The International Bank for Reconstruction and Development, popularly known as the World Bank, is, like the International Monetary Fund, a co-operative organisation of member-nations. Both institutions have an identical membership of 56 countries. They are sister organisations, often referred to as "Bretton Woods Twins." Both were the outcome of the United Nations Monetary and Financial Conference of 44 nations assembled at Bretton Woods, New Hamphire, in July, 1944. Except for the U.S.S.R., Liberia, and New Zealand, all other nations present became members of the Bank. Its Articles of Agreement were formally accepted by 30 countries on 27th December, 1945. Six months later, on 25th June, 1946, the Bank formally commenced operations. The first loan was advanced to the Credit National of France in May, 1947, the amount advanced being $250 million. Three other reconstruction loans followed in August of the same year, the borrowing countries being the Netherlands, Denmark and Luxembourg.

If you hail a taxi-cab in Washington and ask to be taken to the International Monetary Fund, the chances are that the taxi-driver would not know where to go. Ask the same man to take you to the World Bank. He would put no further questions and would proceed to 1818 H Street. Both institutions are housed in the same building. But, somehow, the Bank is better known. It is also probably, generally better liked by the member-countries. At least that seems to be the common impression. The framers of the Articles of Agreement of the two institutions seem to have anticipated this relative popularity. The Articles provide that a country may, if it so preferred, be a member of the International Monetary Fund alone. But a country joining the Bank had first to join the Fund.

The reasons probably lie in the obligations of membership of the two institutions. Membership of the Fund involves several restrictive commitments in the sphere of domestic policy. Members cannot engage in competitive exchange depreciation. To ensure this, alterations in the agreed exchange rate beyond a limit of 10 per cent., are permissible only after consultation with the Fund. The continuance of exchange restrictions after the period of post-war transition requires annual consultation with the Fund. This involves a review of the member's monetary, fiscal, and economic situation and policies. Members may not engage in gold or exchange transactions at premium prices or otherwise permit disorderly exchange practices. Even so access to the Fund's resources is subject to restrictions and close scrutiny of the borrower's economic position and prospects.

The obligations of membership of the Bank are light by comparison. The Bank does not concern itself with the internal monetary or economic policies of members. Such concern is limited to countries who are debtors of the Bank or have applied for a loan. In all cases, the Bank's interest is primarily restricted to the successful execution and working of the projects financed by the Bank, and the ability of the debtor to discharge its loan repayments according to the agreed schedule. Otherwise membership obligation is limited to the immediate payment of 2 per cent. of the subscription in gold or U.S. dollars, and certain commitments regarding the payment of the rest of the subscription.

The purpose of the Bank, as its name indicates, is to finance reconstruction and development. The Articles of Agreement require the Bank to give "equitable consideration to projects for development and projects for reconstruction alike." The resources of the Fund cannot be availed of for these purposes. They are meant to be utilised only to meet the short-term payments difficulties of members. The magnitude of the finance required and the risks involved were so great that private capital could not be expected adequately to fulfil the needs. It was, therefore, recognised that an international investment institution like the World Bank, the risk of whose operations could be shared by member-nations roughly in accordance with their economic strength, was a post-war necessity. The Bank is not conceived as a rival to other international lending agencies, official and private. It was rather meant to supplement the funds available from these sources. By its example it was hoped that it would point the way to private capital which may seek international avenues for investment. Under the Articles of Agreement the Bank could guarantee such investment. The Bank, however, has not so far invoked its statutory function as a guarantor of private loans.

The loanable resources of the Bank are much smaller than the resources of the International Monetary Fund. The Bank, however, has not had to decline a loan application for want of resources. The gross total loanable funds of the Bank are somewhat over $2,000 million or about 54 per cent. of the gold and convertible currency resources, and about 25 per cent. of the total resources, of the Fund. On the other hand, the total loans of the Bank far exceed the total loans of the Fund. The loan disbursements are less by $500 million, being about $1,500 million. The total loans of the Fund were under 14 per cent. of its resources.

The loanable resources of the Bank are drawn from four sources. The first is subscription by members towards the Bank's capital. Generally, the amount of this subscription approximates to the amount of the members' quota in the Fund. But only 2 per cent. of the subscription is immediately payable. This must be done in gold or dollars. 18 per cent. of the remaining subscription is payable in the currency of the members. The use, for lending, of this part of the subscription, however, requires the approval of the member concerned. The total of the capital subscription, including releases under 18 per cent., amounted to $926 million as on 30th September, 1954. This remains the largest part of the loanable funds of the Bank. But its relative importance has been on the decline.

The second source of the Bank's funds consists of borrowings by the Bank from the capital markets of the world. The Bank has borrowed from the U.S., Canada, U.K., and Switzerland. Switzerland, it may be noted, is not a member of the Bank. But Swiss francs being required by the Bank's borrowers, the Bank borrowed from the Swiss capital market. The total capital, excluding premium receipts, raised under this head amounted to $850 million as on 30th September, 1954. The relative importance of the resources raised by loans has been growing. The expectation is that, in due course, it will account for the largest part of the Bank's resources.

The third source is the sale proceeds of the loan bonds representing member-country borrowings from the Bank. The bonds are sold with or without the Bank's guarantee. The demand for these bonds is a measure of the confidence of the investors in the soundness of the Bank's loans, though, in part, it also reflects the trust in the financial stability of the Bank's debtors concerned. Most of the purchasers of the bonds are institutional investors, primarily banks and insurance companies. The bonds are of varying maturity. In some cases (e.g., certain loans to the Netherlands, Belgium and Japan) certain private interests participated with the Bank in making the loans. In essence these operations amount to private capital being canalised for investment in member-countries through the mediation of the Bank. Part of the loans made to most of the borrowing members have been sold in this manner, the amounts sold in the case of India being $12½ million as at 31st October, 1954. Including repayments of capital by borrowers, the resources raised under this head amounted to $193 million.

The net earnings of the Bank constitute the fourth source of its loanable funds. Unlike the International Monetary Fund, which suffered a loss of about $8 million in seven years of its operation, the World Bank has been consistently making profits. Excluding the statutory commis-

(*Continued on page* 811)

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DEVELOPMENT OF HANDLOOM INDUSTRY

CONDITIONS REGISTER DISTINCT IMPROVEMENT

ONCE again, the problems relating to handloom industry figured prominently on the floor of the Lok Sabha last week. The opportunity was provided by the Commerce and Industry Ministry's demands for grants. As usual, the protagonists of the handloom industry criticised the Government for not having taken adequate and proper steps to develop this sector of the cotton textile economy. In fact, some members went to the extent of saying that the Government's policy had almost tolled the death-knell of the handlooms. To quote a Communist member from Andhra:

"People dependent on handlooms are suffering great hardships. Unemployment is increasing among them and they do not have any alternative means of livelihood. All this is the result of the unkind and unrealistic policy of the Commerce and Industry Ministry which is biased towards the mill industry. The Government must immediately render full help to the handloom industry, so that it may survive. The first thing should be to give cheap yarn to the handloom weavers. To ensure a steady supply of yarn, the Government should establish its own spinning units. The percentage of reservation of *saris* and *dhotis* to be produced by handlooms should be increased and the cloth for turbans for military personnel should be taken exclusively from handloom products."

The foregoing extract will clearly reveal that, in their anxiety to earn the political support of the handoom weaver, some legislators do not hesitate to exaggerate and put forward fantastic proposals calculated to inflict serious injury on the country's economy. The view that the handloom industry continues to be confronted with a depressed state of affairs is clearly exaggerated. Thanks to the several active steps taken by the Central Government and the liberal financial assistance granted by it, the conditions of the handloom industry have registered a distinct improvement. A review of the work done by the regional offices of the Central Marketing Organisation of the All-India Handloom Board, made at the second conference of the officers in charge of these regional offices, held at Bombay on Friday last week, revealed that considerable progress had been made by the States in implementing the various development schemes, as a result of which the conditions of weavers had imprved, production had gone up, and there was increase in the earnings of weavers. Indeed, Mr. Nityanand Kanungo, Union Deputy Minister for Commerce and Industry, claimed, during the debate, that, in the sphere of handloom and *khadi*, the achievement was creditable. The statistics cited by the Minister reveal that production of handlooms has gone up from 1,100 million yards in 1952 (and 1,200 million yards in 1953) to 1,330 million yards in 1954. The rise in output has been accompanied by larger off-take. In Madras State, for instance, the sales of handloom cloth by co-operatives alone are now reported to be at the average rate of Rs. 27 lakhs per month, as against Rs. 21 lakhs some time ago.

Government Assistance

As already stated, the handloom industry has received assistance on a very substantial scale from the Government. Since 1953, more than Rs. 6 crores have been sanctioned out of the Handloom Cess Fund for various schemes of development. The Government gave, during 1954, more than Rs. 2.33 crores as loans in the form of share and working capital for co-operatives. There are 188 sales depots functioning in different States, besides 16 mobile sales vans. Assistance has also been given to co-operatives for the establishment of common processing plants for dyeing, calendering and finishing, for supply of improved equipment, for research and designing, etc. Further mention may be made of the scheme for giving subsidy (varying from 9 pies to 18 pies in the rupee) on sales of handloom cloth by co-operative societies and approved fair-price shops (in Bombay where handloom cloth has to meet with keener competition, the subsidy is As. 2). Two new measures taken during the year 1954-55 also deserve mention. One is the conversion of three handloom factories in Madras State into industrial co-operative workshops where workers would also be members of the co-operative societies and would thus share in the profits. It is proposed to form further industrial co-operatives depending on the experience gained in these schemes. The second scheme relates to housing subsidy to weavers' colonies run by co-operatives of the type that exists in Yemmiganur in Andhra State. For each house, the Centre will give an outright grant of 25 per cent. and a long-term loan of 50 per cent. If the cost of the house is over Rs. 5,000, the grant and loan will be restricted to Rs. 1,250 and Rs. 2,500, respectively. Assistance will be given for setting up central workshops in the colony for certain processes.

All these are in addition to the measures taken by the Government for ensuring adequate supplies of yarn to the handloom industry. The average quantity of free yarn actually supplied to the industry every month during 1954 was substantially higher at 82,000 bales, as against 73,000 bales in the previous year. During 1954, the Government sanctioned Rs. 10 lakhs each to the spinning mills in Andhra and Madras States to be run by handloom co-operatives. A third co-operative spinning mill is being planned in Orissa.

To revert to the debate in the Lok Sabha. Intervening in the debate, Mr. Kanungo referred, in particular, to the criticisms of the report of the Textile Enquiry Committee of which he was Chairman. Mr. Kanungo did not think that the House would like the bulk of the population engaged in the handloom industry to be content with a pittance of wages. If the condition of the weavers was to be improved, they must, he emphasised, be given efficient tools and facilities for producing more and cheaply. In this connection, he made it clear that the Committee's recommendations sought merely to prevent the type of development where the self-employed labourer would degenerate into a wage slave. Mr. Kanungo struck a most realistic note when he said that to stop modernisation was not only illogical but would mean stagnation and regression of small-scale industries.

STANDARDS FOR TEXTILES

The Indian Standards Institute has published three standards which prescribe method for determination of relaxation shrinkage of woven fabrics containing wool, simple methods for identification of common commercial textile fibres and methods for determining the desizing efficiency and the relative efficiency of amylolytic enzymes. The first and the third standards are tentative. All the three standards have been prepared by the I.S.I.'s Textile Chemistry Sectional Committee.

The first standard has been prepared, with a view to meeting the need for determining relaxation shrinkage of woven fabrics containing wool. The methods described in the second standard are simple, and are applicable to fibres of vegetable and animal origins as also to manufactured fibres. They are expected to be especially useful to organisations with limited testing facilities. The third standard has been prepared to meet the need for determining the desizing efficiency and the relative efficiency of amylolytic enzymes which are extensively used in the cotton textile industry for desizing in preference to desizing by 'rot steeping' or acid steeping. Methods for evaluating the desizing efficiency of three types of enzymes, namely, malt extracts, pancreatic diastases and bacterial diastases have been prescribed in this standard.

The minimum limit of purchase of handloom cloth, for which rebate is admissible, has been reduced from Rs. 5 to Rs. 2. This decision has been taken by the Government of India on the recommendation of the All India Handloom Board. All the State Governments have been asked to implement the decision immediately.

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RATIONALISATION OF COTTON MILLS

A DEFINITE OFFICIAL POLICY WANTED

ALTHOUGH more than seven months have elapsed since Parliament gave its stamp of approval for the introduction of rationalisation in the cotton mill industry, the Government of India has still not taken any steps to implement the resolution. Provoked naturally by this inordinate delay, Mr. Sarottam P. Hutheesing, the retiring Chairman of the Ahmedabad Millowners' Association, urged the Government, in the course of his address at the annual meeting of the Association held at Ahmedabad last week, to announce, without further delay, a "definite policy" on this vital issue. The enunciation of such a policy has assumed special significance in the present context of the imperative need for raising the productivity of labour employed in cotton mills, in order to make cloth cheaper for consumers in the country and to enhance the competitive ability of Indian goods in overseas markets. The attempt made in some quarters to thwart rationalisation by creating the bogey of mass displacement of labour are indeed deplorable. The entire problem, as Mr. Hutheesing rightly said, requires a dispassionate and unbiased approach by all the concerned parties in the larger national interests.

Mr. Hutheesing commended the Textile Enquiry Committee's approach to the question of rationalisation. In his opinion, the implementation of the recommendations regarding rehabilitation and installation of automatic looms would have far-reaching effect both on the earnings of workers and on the quality of the product. He, however, considered that the 20-year period of spread-over as suggested by the Committee was a long one, particularly when the industry had not sufficient opportunity in the past to replace the worn-out machinery and plant due to their non-availability during the war and post-war years and also to lack of necessary finances. If the target of exports laid down by the Kanungo Committee were to be achieved, it was essential, Mr. Hutheesing declared, that the rehabilitation of old and obsolete machinery was effected at a quicker pace and that installation of automatic looms increased at least three-fold to enable the industry to produce better quality cloth both for export and for the home market.

Rapid Rehabilitation

There is considerable force in these observations. Even Mr. T. T. Krishnamachari is fully aware of the need for a rapid rehabilitation of the cotton mill industry. Replying to the debate on the demands for grants for his Ministry, Mr. Krishnamachari said in the Lok Sabha last week that "quite a lot of our textile mills were working with worn-out machinery." Indicating that the Government was freely licensing spinning units and that mills were not able to get the machinery from local manufacturers, the Minister observed: "The textile survey recently ordered is to find out the exact state of the machinery and their needs in future, so that the manufacture of such machinery, or imports if necessary, can be planned."

To revert to Mr. Hutheesing's address. He was critical of the Textile Enquiry Committee's opposition to the increase in the loomage of composite mills. The Committee, he declared—and rightly so—ought to have recommended such an increase at least in the case of uneconomic units when it was the intention of the Government to put such units on an efficient basis. He thought that the increase in looms would be so very negligible that there would be no appreciable rise in the overall output of cloth. Mr. Hutheesing was also critical of the Committee's suggestion for continuing the existing reservation of fields of production for handloom industry. The Committee, he felt, should have appreciated the difficulties of a large number of mills having wider width looms which, due to restrictions on production, had become unremunerative; the position had become all the more difficult with the levy of excise duty on square yard basis.

Incidentally, the retiring Chairman of the Ahmedabad Millowners' Association appealed to the Government to revise the basis of the excise duty from specific rate to *ad valorem* rate. In his considered opinion, excise duty would be fair and equitable if it were levied on *ad valorem* basis. For, otherwise, the incidence of duty would work out higher on low-priced goods than that on higher-priced goods, other things remaining the same.

MILL STOPPAGES IN LANCASHIRE

EMPIRE COTTON AGAIN EXCEEDS THE ONE-MILLION-BALE MARK

From A Special Correspondent

MANCHESTER, 12*th April*

MANCHESTER LETTER

IMMEDIATELY before Parliament dispersed for the Easter recess there had been high hopes in Lancashire that the Government would make known its future policy towards the cotton trade. Mr. Thorneycroft, President of the Board of Trade, however, had to admit that such far-reaching issues were involved that it would not be practicable to make a statement before the adjournment. "Other Governments as well as ours are affected," he said, "and we must weigh the issues fully before reaching a final decision. We are giving serious study to the whole subject in all its implications."

From the local viewpoint it is unfortunate that the case for cotton should have been presented at a time when political uncertainties have exceeded the shadows cast over the industrial scene. Yet if confirmation were needed of how serious the situation is in Lancashire the official figures of mill stoppages for Easter should have provided a clear-cut answer.

From a survey undertaken by the Ministry of Labour it has been ascertained that more than 300 spinning and weaving mills have decided to extend their normal holiday stoppage —and 176 of them closed down for the whole of this week. Altogether over 50,000 operatives are affected by these developments, which underlines the gravity of the current state of trade.

If it could be assumed that these drastic steps would bring some swift alleviation of the position there would be less grounds for pessimism, but it would be idle to pretend that these stoppages—widespread as they are—will do more than scratch the surface of the problem. Order lists have been shrinking for so long and are now so thin that without a sudden and unpected revival in demand more interferences with output must soon become inevitable.

Too Much Cotton

Not only is the Lancashire cotton trade awaiting news from London as to what the British Government proposes to do to assist the industry but information from the United States is also urgently required to remove existing uncertainties. The American Government's deliberation in announcing its surplus cotton supplies policy may well prove the greater burden for Lancashire to carry in the long run.

Mr. Benson, the United States Secretary for Agriculture, is being pressed on all sides to formulate plans for the disposal of the abundance of raw cotton now proving such a drag on world markets. Latest information, however, is that no official plans are likely to be announced for another two months. This delay is bound to have a further depressing tendency on trade in yarn and piecegoods, not only in Lancashire but in other areas where cotton goods are produced.

From the American viewpoint the biggest obstacle to expanding cotton exports is held to be the inadequacy of dollar earnings on the part of the main cotton importing countries. In addition, many areas of the world are now growing supplies of cotton in larger quantities than ever before which compete with the American staple.

The latest estimate of the cotton carryover in the United States is at least 10,500,000 bales at the end of the current season, whereas only four years ago the surplus was less than 2,500,000 bales. The increase in available supplies can to some extent be attributed to the high support prices ruling in the United States which are now being condemned on all sides.

Damaging Confidence

Although the American Administration is obviously loath to make any early pronouncement about its future cotton policy, the matter has been taken up by the British Government. In the final debate in the House of Commons before the Easter recess, Mr. Low, Minister of State, Board of Trade, said that representations had been made to the American Government pointing out the serious damage to confidence which had already resulted from uncertainty as to the future trend of cotton prices. He agreed that the price of United States cotton was being kept artificially high by the support policy and that the world price of cotton was above the economic price of production in some countries.

The recent statement on behalf of the American Government that it would seek to avoid any undue disruption of world prices in disposing of its surpluses is at least an encouraging assurance, but it is difficult to see how the imposition of an export subsidy could fail to have unfortunate effects on goods already held. The attitude of buyers in restricting their purchases of the raw material and processed goods can be readily understood.

One of the effects of this prevailing mood of caution is that stocks of raw cotton held in this country are now very much smaller than for a long time past. According to figures quoted in the House of Commons barely 250,000 bales are in private hands, excluding mills and stocks afloat. The Raw Cotton Commission still holds about 55,000 bales, but a large proportion of all stocks is long-staple cotton. In January, total supplies were equivalent to about 18 weeks' consumption, whereas before the war stocks were normally available to meet the requirements of the mills for at least six months ahead.

New Crop Records

Once more the Empire's cotton fields have provided bigger crops than ever before. In 1954, a new record was established, according to the annual report of the British Cotton Growing Association, when production reached 1,226,600 bales. This was an advance of 172,600 bales on the previous best figure in 1951, and brought the average crop in the five years from 1951 to 1954 inclusive to above the 1,000,000-bale mark annually.

Nor was last year's increased production due to a spectacular rise in output in any particular country, although generally favourable weather conditions were encountered. The report describes the advance as "the result of the steady effort made in encouraging increased production and the provision of better seed for planting, also marketing facilities, following the strengthening of agricultural and other departments which has taken place in the post-war period."

Output from the Anglo-Egyptian Sudan, at 498,500 bales, was second only to the peak 1951 crop of 526,600 bales, while Uganda contributed almost 400,000 bales. Tanganyika for the first time produced over 100,000 bales, whereas the previous best from this area was 77,800 bales. Even better results were obtained from Nigeria, where the crop of 143,200 bales was 30,000 bales above the 1952 high level, and nearly three times as much as before the war.

Among the minor cotton growing countries the progress made by Aden is quite remarkable. From a bare 100 bales produced in 1949, the crop was raised to nearly 10,000 bales in 1951. After a setback in the following year output reached 10,400 bales in 1953, but last year the growth was doubled at 21,700 bales, and the report forecasts a further substantial increase in 1955.

Empire crops are now a very different proposition to the tiny yields achieved fifty years ago when the Association was beginning its pioneer efforts. The current report refers to the financial resources now available after years of high cotton prices for developing growing facilities and the substantial sums which can be used to cushion the price to the African farmer in the event of a general fall in cotton values.

Fresh Manpower Fall

Lancashire cotton spinning mills suffered their biggest manpower setback since June, 1952, in the final week of March. The Cotton Board has announced that the mills lost 520 full-time and 180 part-time operatives. In the first three months this year the spinning labour force has fallen by more than 3,000. A total of 2,336 full-time and 720 part-time workers have left the industry.

With fewer operatives at work, output of cotton and rayon yarn fell slightly in the week ended 26th March. Production aggregated 19,010,000 lb., compared with 19,080,000 lb. in the previous week and 20,690,000 lb. in the corresponding week last year.—*All Rights Reserved.*

SUBSTITUTE FOR WOOL FABRICS

The American Army's statement that there is no substitute for all-wool fabrics is the result of long and intensive research from which the consumer can readily benefit. This is the view of Senator Joseph C. O'Mahoney of Wyoming. According to Senator O'Mahoney, the inherent qualities of wool cannot be satisfactorily duplicated in fabrics with even a small degree of synthetic content. As far as the Army is concerned, wool is still the essential fibre for uniforms, and nothing can be substituted for it. Apart from the factors of service, comfort, and appearance, which are paramount in both military and civilian fabrics, wool offers important advantages in the manufacture of fabrics and clothing. When synthetic fibres are mixed with wool in any appreciable quantity, the resulting fabrics have not been found satisfactory in the manufacture of uniforms. It has been discovered that synthetic mixtures tend to melt under the needle in the high-speed machinery needed to produce Army uniforms. The higher the percentage of synthetic fibres, the more rapid the rate of burning.

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TRENDS IN FREE WORLD COTTON CONSUMPTION REVIEWED

IMPORTANCE OF TEXTILE EXPORTS

THE production of cotton, like that of all other commodities, is determined by consumption. From this point of view, it is certainly gratifying to note that there has been a significant increase in the free world's cotton consumption in the last two or three years. Thus, in 1953-54, it was estimated at 27 million bales (of 478 lbs. each), as against 25.9 million bales in 1952-53 and 25.2 million bales in 1951-52. As regards the current season, the available data on cotton consumption are too inadequate to hazard a guess. But the International Cotton Advisory Committee points out, in the course of its latest review (March review) of the world cotton situation, that "by and large, aggregate free world cotton consumption to the end of December was very slightly ahead of the corresponding period in 1953-54."

The following table gives the free world's cotton consumption in 1934-35 to 1938-39 (average), in the 1952-53 and 1953-54 seasons:

Cotton Consumption

(In 000 bales of 478 lbs.)

	1934-35 to 1938-39 Average	1952-53	1953-54
Free World Total	22,270	25,900	27,000
Of which			
Canada	268	271	300
U.S.	6,464	9,461	8,580
Belgium	357	371	432
France	1,203	1,160	1,332
W. Germany	1,195	1,073	1,224
Italy	665	864	876
Netherlands	244	295	324
U.K.	2,741	1,564	1,812
India	3,036	3,875	3,768
Japan	3,441	2,005	2,568

The details relating to cotton consumption in the current season, as already stated, are incomplete. They are available only upto the end of November, 1954. In the following pairs of figures, the consumption of cotton in the first four months of the current season in some of the leading cotton consuming countries is compared with that in the corresponding period of the 1953-54 season which is given in brackets:

(In 000 bales of 478 lbs. each)

U.S. 2,893 (2,986); Canada 113 (109); U. K. 615 (590); France 439 (422); W. Germany 425 (402); Italy 265 (267); Netherlands 110 (107); Belgium 190 (180); Japan 718 (860); India 1,277 (1,226).

It will be seen from the figures given above that cotton consumption is currently running at below last year's levels in Japan and the U.S. In Japan, the fall in consumption is attributed to curtailment of yarn production undertaken in the interest of more remunerative export prices and the restoration of a better balance between supply and offtake. Plans are now under way, it is stated, to extend production restrictions to the weaving section of the industry. Indeed, a return to the war-time system of production and marketing controls is reported to have been advocated by the Cotton Spinners Association. Other factors in Japan's textile situation are the uncertainties in the sphere of cotton textile exports, substantially increased stocks of both yarn and cloth and payments difficulties in the import of raw cotton.

As regards the U.S., cotton consumption, as a reference to the figures given above will show, was lower in the beginning of the current season than in the corresponding period of 1953-54. But increased cotton consumption during the second quarter of 1954-55 counterbalanced to a large extent the decrease during the first quarter, so that aggregate consumption has almost caught up with last season.

Outside these two countries, consumption in most instances is at a higher level this season. In Western Europe, it is estimated that consumption over the first four months increased by 100,000 bales, of which an increase of 50,000 bales took place in the U.K. and W. Germany. Since the turn of the year, the French industry has been adversely affected by the less favourable export situation and the decline in domestic textile demand. An encouraging trend is disclosed by W. Germany, Canada and India. Summing up the trends in cotton consumption, the Committee says: "On balance, it presently appears that aggregate consumption in these main countries may remain at last season's level." Elsewhere, however, it is estimated that consumption could increase by 400,000 bales. The estimated level of consumption in 1954-55 in some of the minor cotton-consuming countries with their consumption in 1953-54 within brackets is given below.

(In 000 bales of 478 lbs. each)

Pakistan 650 (430); Turkey 325 (275); Korea 225 (150); Argentina 430 (400); Colombia 150 (133); Mexico 350 (330); Hongkong 225 (204); Iran 85 (70).

To the cotton-growing countries, particularly to the cotton-exporting countries, the level of world cotton consumption is of very great interest, for it is this level that generally determines the market for raw cotton. Discussing the relationship between consumption and exports of cotton, the Committee observes:

"There is normally a very close relationship between cotton consumption and exports. Thus, last season, both consumption and exports set new records for the post-war period. To be more exact, however, it is consumption in net importing countries that determines the volume of exports. This explains why, despite the expectation of a further increase in free world consumption this season, cotton shipments are not likely to increase. The increase in cotton consumption will be in net exporting countries, including the U.S. In view of the significantly lower consumption in Japan, aggregate consumption in net importing countries is not likely to be any higher than last season."

An interesting line of enquiry is to investigate the relationship between cotton consumption and textile exports. Free world cotton consumption, as pointed out at the outset, increased from about 22.3 million bales in pre-war years to 26.0 million bales in 1952-53 and still further to 27.0 million bales in 1953-54. The level of textile exports has, on the other hand, been well below pre-war levels. Textile exports aggregated 6,200 million square yards per annum in 1934-38 (average), but fell to 5,500 million square yards in 1950. Despite some recovery in 1951 to 5,750 million square yards, they fell to 4,700 million square yards in 1952 and 1953. In 1954, there was again some recovery to 5,180 million square yards, but they will still be a thousand million yards below the pre-war average. Commenting on the divergence in the trends of cotton consumption and textile exports, the Committee points out that "textile exports have become less important as a determining factor in the level of cotton consumption."

Textile Exports

The Committee has pursued this line of enquiry by calculating the proportion of cotton, represented by textile exports, to total mill consumption. In 1934-38 (average), mill consumption was 21.8 million bales per annum and textile exports, expressed in raw cotton equivalent, were 3.1 million bales. This means that about 14 per cent. of the cotton consumed was exported in the form of finished textiles. In recent years, this has fallen to 10 per cent. Thus, in 1954, mills consumed 26.7 million bales but cotton textile exports, expressed in raw cotton equivalent, aggregated 2.6 million bales. This can be explained by the fact that many of the cotton-producing countries use more cotton than formerly so that they are less dependent on foreign sources for their textile needs. Some of them have actually turned out to be exporters of piecegoods. This has the effect of reducing textile exports but increasing the level of cotton consumption.

Fluctuations in cotton textile exports are, therefore, of only minor importance in explaining changes in free world cotton consumption. A decline of 10 per cent. in textile exports means a drop of only one per cent. in aggregate cotton consumption. If textile exports do not serve as a very reliable index of cotton consumption, they are important in explaining the geographical distribution of raw cotton consumption. The ratio of textile exports, expressed in their raw cotton equivalent to total cotton consumption, varies from country to country. In 1954, it was as high as 37 per cent. in Netherlands, 30 per cent. in Japan, 25 per cent. in Belgium, 21 per cent. in the U.K. and in Germany, 14 per cent. in India and 5 per cent. in the U.S. The level of cotton textile exports is thus extremely important in Western Europe and Japan. If this level declines, the consumption of raw cotton will also decline. But, all the same, trends in textile exports have lost something of their former importance as a guide to cotton consumption.

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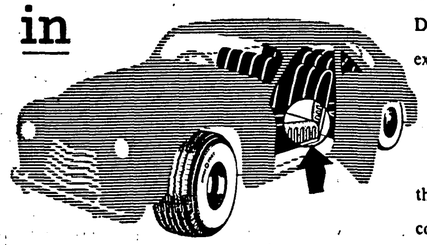

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1. Capital— Deposit with Reserve Bank of India under Section II (2) of the Banking Companies Act, 1949	20,65,718 12 0	
2. Reserve Fund and Other Reserves		Nil
3. Deposits and Other Accounts— Fixed Deposits	16,83,838 1 6	
Savings Bank Deposits	51,969 3 6	
Current Accounts, Contingency Accounts, etc.	1,58,18,061 14 8	1,75,03,899 3 8
4. Borrowings from Other Banking Companies, Agents, etc.— (i) In India	25,00,000 0 0	
(ii) Outside India	Nil	25,00,000 0 0
PARTICULARS— (i) Secured	Nil	
(ii) Unsecured	25,00,000 0 0	
5. Bills Payable		6,24,257 9 8
6. Bills for Collection Being Bills Receivable as per contra— (i) Payable in India	34,18,273 5 11	
(ii) Payable outside India	55,12,866 5 9	89,31,139 11 8
7. Other Liabilities— (i) Head Office and Branches outside India	3,36,11,547 2 5	
(ii) Staff Provident Fund	1,51,686 5 1	3,37,63,233 7 6
		2,13,69,483 3 0
8. Acceptances, Endorsements and Other Obligations per contra ..		
9. Profit and Loss— Profit for the year (subject to Auditors' Fees)	2,12,402 0 9	
Less—Remitted to Head Office	1,24,179 0 0	88,223 0 9
10. Contingent Liabilities— Rs. a. p. (i) On Outstanding Forward Exchange Contracts .. .. .. 28,88,54,733 11 7 (ii) On Bills Re-discounted .. .. 60,24,002 5 6 (iii) Provision has not been made for future Gratuities to Staff—the liability for which has not been ascertained.		
Total .. Rs.		8,47,80,236 4 3

PROPERTY AND ASSETS.	Rs. a. p.	Rs. a. p.
1. Cash— In hand and with Reserve Bank of India and Imperial Bank of India (including Foreign Currency Notes)		25,04,877 3 9
2. Balances with Other Banks on Current Accounts— (i) In India	Nil	
(ii) Outside India	9,77,993 12 4	9,77,993 12 4
3. Money at Call and Short Notice		30,00,000 0 0
4. Investments (At Book Value)— (i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	20,49,562 8 0	
(ii) Shares	Nil	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	20,49,562 8 0
5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors): (I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p. (i) In India .. .. 2,30,28,417 13 8 (ii) Outside India .. .. Nil	2,30,28,417 13 8	
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India .. .. 40,39,778 12 8 (ii) Payable outside India .. 1,82,35,117 0 1	2,22,74,895 12 9	4,53,03,313 10 5
PARTICULARS OF ADVANCES— (i) Debts considered good in respect of which the Banking Company is fully secured	2,68,31,861 6 9	
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	91,99,689 5 7	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	92,71,762 14 1	
(iv) Debts considered doubtful or bad, not provided for ..	Nil	
	4,53,03,313 10 5	
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	2,665 4 8	
(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	Nil	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	9,160 14 11	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	Nil	
(ix) Due from Banking Companies	19,810 12 6	
6. Bills Receivable Being Bills for Collection as per contra— (i) Payable in India	34,18,273 5 11	
(ii) Payable outside India	55,12,866 5 9	89,31,139 11 8
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		2,13,69,483 3 0
8. Premises, Less Depreciation		Nil
9. Furniture and Fixtures, Less Depreciation		Nil
10. Other Assets— Advance Payment of Tax	3,59,677 5 0	
Stamps, Sundry Deposits, Prepaid Expenses and Charges Recoverable	45,453 3 5	
Adjusting Account	2,34,125 14 6	
Inter-Branch Adjustment	4,009 12 2	6,43,866 3 1
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Total .. Rs.		8,47,80,236 4 3

PROFIT AND LOSS ACCOUNT OF THE INDIAN BRANCHES FOR THE YEAR ENDED 31st DECEMBER, 1954.

EXPENDITURE	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	4,43,753 14 0
2. Salaries and Allowances and Provident Fund (including Salary and Allowances of Principal Officer Rs. 63,581-10-8)	9,72,609 10 0
3. Directors' and Local Committee Members' Fees and Allowances	Nil
4. Rent, Taxes, Insurance, Lighting, etc.	1,45,804 10 10
5. Law Charges	10,052 10 0
6. Postage, Telegrams and Stamps	51,420 11 8
7. Auditors' Fees	Nil
8. Depreciation on and Repairs to Banking Company's Property	Nil
9. Stationery, Printing, Advertisement, etc.	61,037 1 3
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil
11. Other Expenditure including Proportion of London Office Administration Charges..	3,88,168 4 0
12. Balance of Profit (subject to Auditors' Fees)	2,12,402 0 9
Total .. Rs.	22,85,248 14 6

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. Interest and Discount	15,00,534 6 4
2. Commission, Exchange and Brokerage	7,75,689 8 2
3. Rents	Nil
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account) ..	Nil
6. Income from Non-Banking Assets, and Profit from Sale or Dealing with such Assets	....
7. Other Receipts	9,025 0 0
Total .. Rs.	22,85,248 14 6

T. M. TAGG,
Manager.

We have audited the foregoing Balance Sheet of the Indian Branches of The British Bank of the Middle East, as at 31st December, 1954, and also the foregoing Profit and Loss Account for the year ended on that date, in which are incorporated the authenticated returns of the Calcutta Branch and report that :—

(a) We have obtained all the information and explanations which we have required ;

(b) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law ;

(c) such Balance Sheet exhibits a true and correct view of the state of the Branches' affairs according to the best of our information and the explanations given to us and as shown by the books of the Branches ; and

(d) in our opinion, books of account have been kept by the Branches as required by Section 130 of the Indian Companies Act, 1913.

(Sd.) A. F. FERGUSON & CO.,
Chartered Accountants.

BOMBAY, 26th March, 1955.

SUGAR STOCKS ACCUMULATE WITH MILLS

GOVERNMENT URGED TO REVISE IMPORT POLICY AND REDUCE EXCISE DUTY

IT was only last week that we referred in our Market Gossip columns to the repercussions of the Central Government's policy with regard to sugar imports and the recent increase in excise duty on the indigenous sugar industry and trade. We alluded, in particular, to fears regarding heavy accumulations of stocks with the mills. That these fears are not at all exaggerated is clearly borne out by the disquieting reports emanating from the sugar producing centres of North India. A Press message from Lucknow, for instance, avers that the sugar industry in Uttar Pradesh is facing what the millowners call the "crisis of accumulated stocks." The sugar mills, it is said, have been able to sell so far barely 20 per cent. of their output in the current season, the remaining 80 per cent. lying unsold in factory godowns. The aggregate quantity of sugarcane actually crushed by the factories up to the end of March, 1955, is estimated at over 7.3 million tons, as against 5.4 million tons during the entire season 1953-54. About 700,000 tons of sugarcane, it is said, are still to be crushed. The majority of mills, excepting about 17 factories in the Eastern District which have closed, is continuing crushing operations. On the basis of the average recovery of 9.56 per cent., the total production of sugar amounts to about 696,000 tons. Excluding the quantity sold, the stocks lying unsold with the mills are stated to amount to as much as 556,000 tons. The sugar millowners fear that the carry-over of sugar at the end of the current season would amount to over 366,000 tons. Incidentally, the total sugar production in Uttar Pradesh in the current season is expected to amount to over 800,000 tons as against 560,030 tons in 1953-54.

The heavy accumulation of stocks with the sugar mills is attributed to low level of demand in the country which, in turn, is said to be due to three factors. First, the price of *gur* has suffered a steep fall making *gur* relatively more attractive than sugar. *Gur* of high quality is now quoted in the Hapur market at Rs. 9-12 to Rs. 10-4 per maund, as against Rs. 14-4 to Rs. 15 a year before. In many other parts of India, the price of *gur* is still cheaper. Near Belapur and Kolhapur, it is as low as Rs. 7-8 per maund. Consequently, consumers are said to have switched over to *gur* from factory sugar. Secondly, the imposition of an extra excise duty on Indian sugar has aggravated this trend. The reduction in demand for factory sugar is indicated by the persistently downward trend in prices. The retail price at which sugar is being sold in the Hapur market is Rs. 33-8 per maund, which is practically the same as that prevailing prior to the upward revision of the excise duty announced on 28th February, 1955. Thirdly, the Union Food Ministry's action in storing imported sugar in centres like Nagpur, Akola, Ahmedabad, Indore, etc., and selling it in these centres at the same price as those prevailing at ports has acted as a curb on the upcountry dealers' tendency to lay by stocks before the monsoon. These dealers feel that, since the Government is doing the stocking, it is unnecessary for them to tie down their monetary resources in sugar stocks. Moreover, the very knowledge throughout the country that there is plenty of sugar this year has led to leisurely offtake by consuming centres.

Uncertainty in Sugar Markets

The sugar millowners of Uttar Pradesh are, naturally enough, very much perturbed over heavy accumulations of stocks resulting in a drop in prices. They are finding it difficult to effect fresh sales of sugar, owing to the uncertainty prevailing in the sugar markets. A large number of dealers who had made purchases of sugar but had not taken delivery yet are understood to be trying to back out under some pretext or other. Efforts are being made by sugar dealers to persuade the mills to reduce their delivery rate, so that the total loss consequent on the fall in sugar prices may be shared between them and the mills. A few mills are reported to have already agreed to this proposal, in order to give relief to their old customers. It is thought that it will take considerable time for the conditions in the sugar markets to become normal.

In view of the persistence of the weakness in sugar markets, the sugar millowners of Uttar Pradesh have made a representation to the Government of India urging the latter to abolish the extra excise duty on Indian sugar and also to reconsider its sugar import policy. A six-man deputation of factory-owners recently waited upon Mr. C. B. Gupta, Uttar Pradesh Industries Minister, with a view to seeking the support of the State Government for the measures they have suggested to the Centre. The deputationists assured the Minister that the sugar factories would crush in the current season "every maund of sugarcane offered to them, so that the cane growers might not suffer as a result of the crisis." The reaction of Mr. Gupta to the points raised by the sugar millowners are, however, not known.

It is not the sugar industry in Uttar Pradesh alone that is confronted with a crisis. For the industry in Madhya Bharat also is faced with a like situation. According to the Secretary of the Madhya Bharat Sugar Mills Association, the sugar mills are not in a position to compete with imported sugar, due to increased excise duty, high cost of production and low recovery. Further, the Government of India has decided to import about 300,000 maunds of German sugar into the State and sell it at Rs. 29-7 per maund. The Government is not charging railway freight for the movement of sugar from Bombay docks to various places in the State and is selling sugar in Madhya Bharat depots at the ex-Bombay dock price of Rs. 29-7 per maund. The Secretary has, therefore, appealed to the Union Government, in the course of a telegram addressed to it, either to discontinue further despatches of sugar to Madhya Bharat or to raise the selling prices of imported sugar by adding railway freight.

Plea Fully Justified

The plea for the reduction in the excise duty on sugar put forward by the industry is fully justified. The increase in the excise duty on sugar amounts to 50 per cent. over the rate prevailing before 1st March, 1955. Such a high incidence of tax is not, as Mr. S. G. H. Davis, Chairman of the East India Distilleries and Sugar Factories Ltd., rightly remarked at the recent annual meeting of the Company, calculated to be of benefit either to the cane grower or to the industry. Substantiating this contention, Mr. Davis observed: "Sugar prices have remained at more or less the same level as before the increase in duty, indicating consumer resistance, with *jaggery* as a cheap and ready substitute for sweetening material. It would appear then that the burden of the additional excise duty has to be carried by the industry indefinitely, unless the Government of India deem fit to withdraw the increase or reduce its incidence as a result of representations now being made. I may mention in passing that one result of the increase in excise duty is to nullify, on present sugar prices, the advantage the cane growers would have under the special system of bonus payments they have hitherto enjoyed."

The upward revision in excise duty on sugar was also criticised by Mr. Gulabchand Hirachand, a prominent sugar millowner of the Deccan. In his speech at the last annual meeting of the Walchandnagar Industries Ltd., Mr. Gulabchand said that sugar was one of the most highly taxed commodities in the country in the form of excise duty, cane cess and sales tax. "I cannot help wondering," he declared, "how a Government whose declared policy it is to raise the standard of living of the masses, could consistently go on heaping fresh burdens on such primary necessities as cloth and sugar, which must in the end make them dearer for the consumers." Further, Mr. Gulabchand reiterated the complaint regarding the heavy incidence of cane cess. He regretted that even the sugar industry's reasonable request to use a greater part of the income from this source directly for improving sugarcane cultivation and providing better transport conditions in the factory areas had fallen on deaf ears. The industry had failed, too, to obtain any relief from the steep increase in water rates for both flow and lift irrigation. Mr. Gulabchand criticised also the tendency on the part of the income-tax authorities to fix the price of cane delivered for crushing to the manufacturing side somewhat arbitrarily, "so as to minimise profit on the agricultural operations of the sugar companies and to inflate that on the manufacturing side."

There is considerable truth in the aforesaid observations of Mr. Davis and Mr. Gulabchand. Now that the sugar industry is faced with the grim problem of heavy accumulation of stocks, there is need for stepping up the demand for indigenous sugar. One of the surest ways of bringing about such enlarged demand is to reduce the incidence of tax.

NEW SUGAR MILLS IN MADRAS

The Central Government has granted licences for the establishment of four new sugar mills in the State of Madras. Of these mills, one with a daily cane crushing capacity of 400 tons is to be started near Tiruvannamalai in N. Arcot district; another with a capacity of 800 tons is to be located near Pettaivaithalai in Tiruchirapalli district, a third with a 1,000-ton capacity is to be located in Vadapathimangalam in Tanjore district and the fourth with a capacity of 800 tons is to be started in Kuliannoor in S. Arcot district. In addition, an application for starting a 600-ton factory on a co-operative basis near Vellore in N. Arcot district is pending with the Government of India.

Incidentally, the sugar deficit of Madras State is estimated at about 50,000 tons per annum. The Government of Madras has now decided to examine if and to what extent the deficit in sugar supplies can be met by expanding the existing units and by the output in the four factories for which licences have already been issued.

The all-Pakistan final estimate of sugarcane crop for the season 1954-55 places the area at 1,017,000 acres, as against 962,000 acres in the final estimate of last season, which represents an increase of 5.7 per cent. The aggregate yield of sugarcane for the season is estimated at 12,275,000 tons, as against 12,629,000 tons in the corresponding estimate of the previous season, or a decrease of 2.8 per cent.

BANK OF MADURA LIMITED, MADURAI

Abridged Balance Sheet as at 31st December, 1954

CAPITAL AND LIABILITIES	Rs. a. p.	PROPERTY AND ASSETS	Rs. a. p.
Capital Paid-up and Reserves	12,76,218 12 1	Cash and Bank Balances ..	25,02,741 13 1
Deposits	2,26,31,274 10 4	Investment at Cost	84,67,490 14 6
Bills for Collection (as per contra)	1,70,797 3 9	Loans, Cash Credits, Overdrafts, etc.	1,29,33,257 12 2
Other Liabilities	2,02,978 14 11	Bills for Collection (as per contra)	1,70,797 3 9
Profit and Loss Account ..	1,13,980 11 3	Other Assets	3,20,962 8 10
Total .. Rs.	2,43,95,250 4 4	Total .. Rs.	2,43,95,250 4 4

V. RM. VALLIAPPA CHETTIAR,
N. A. ANNAMALAI CHETTIAR,
O. RM. M. SP. SV. A. ANNAMALAI CHETTIAR. } *Directors.*

KARUMUTTU THIAGARAJAN,
Chairman.

P. S. VISWANATHAN,
Secretary.

COMPOSITION AND FUNCTIONS OF COAL BOARD

NEED FOR REORGANISATION

THE composition and the functions of the Coal Board have, of late, come in for a good deal of criticism. The colliery owners have been insisting that the reconstitution of the Coal Board and a re-definition of its functions will go a long way towards arresting the deteriorating conditions of the coal industry. The main grievance against the Coal Board is that its Chairman is a non-technical person and that he is burdened with too many responsibilities; he has to do responsible duties of the Coal Commissioner, as well as those of the administrative head of the State collieries. It is also complained that, frequently, there is a certain degree of arbitrariness in the decisions taken by the Coal Board. It is true that the private sector in the coal industry can participate in the Coal Board's deliberations, but this can be done only through the medium of advisory committees, the advice of which is not mandatory and, therefore, liable to rejection.

The concentration of the functions of the Coal Commissioner and the head of the State collieries in a single official has, it is stated, created an anomalous position. It is complained that, in settlement of disputes between the State and private collieries, the Coal Commissioner has generally been partial towards the former. It is pointed out, for instance, that, although large quantities of brick-burning coal have accumulated at the pitheads of private collieries, the Coal Commissioner has failed to allot a fair share of wagons to these collieries. Ironically enough, the Commissioner, it is stated, has allowed a major portion of the demand for brick-burning coal not only from Government projects but also semi-Government projects to be met by State collieries and allotted top priority for the supply of wagons to transport such coal. Commenting on the present set-up of the Coal Board, Mr. J. W. N. Baldock described the Board, in his presidential address at the last annual general meeting of the Indian Mining Association, as a "pale shadow of the National Commission, which the Indian Coalfields Committee of 1946 recommended as an overall authority for the coal industry."

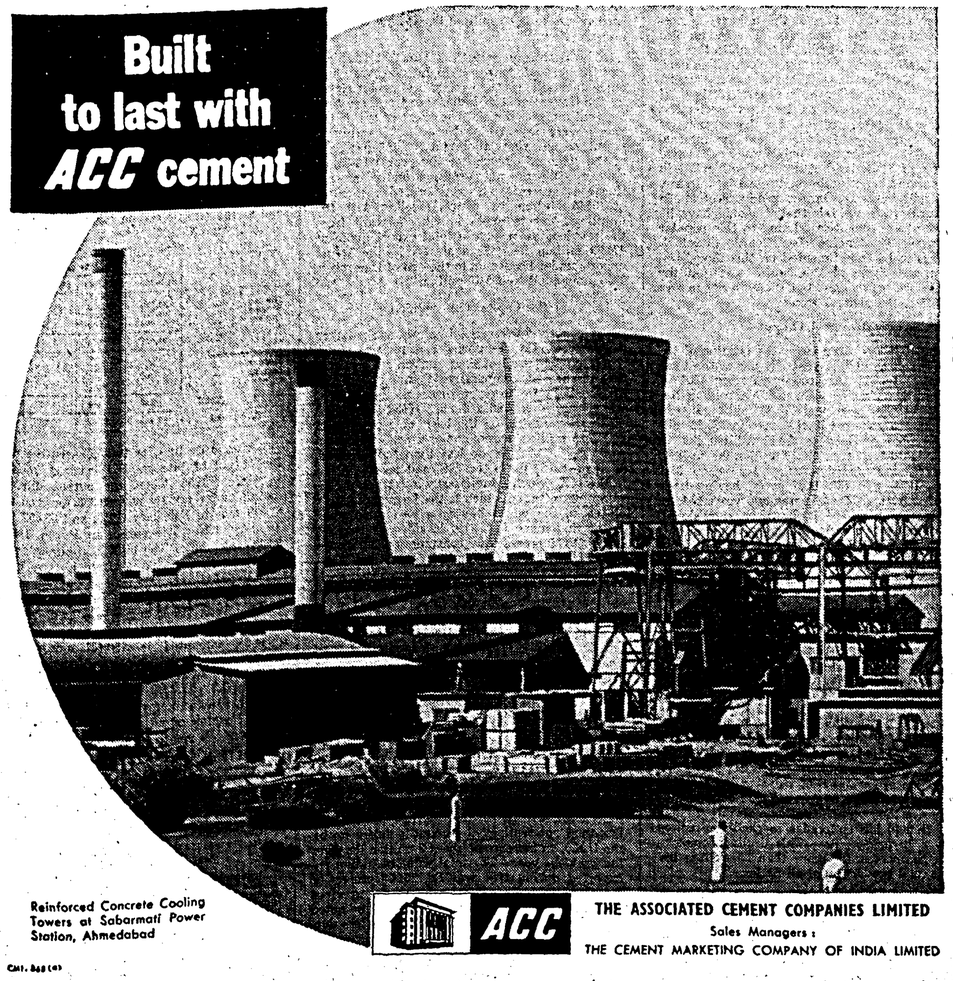
Whether all these criticisms are justifiable or not, it would appear that the Coal Board, as at present constituted, has lost the confidence of private colliery owners. It will be recalled that the Coal Board is a statutory body set up under the provision of the Coal Mines (Conservation and Safety) Act, 1952 (XII of 1952). The Act, and the rules framed thereunder in 1954, give the Coal Board enormous powers relating to control of production and despatches of coal. These powers include pegging of coking coals of individual collieries and initiating measures for the promotion of stowing, washing and blending. Besides, the Board is authorised to control grading, opening, closure and/or abandonment of mines, as well as working of mines, including depillaring operations.

Indeed, the powers of the Board cover virtually every aspect of the industry commencing from the opening of a mine or opening a new seam upto the time coal reaches the consumer. There is a chain of controls running through every operation of the industry. Coal is a basic industry, upon the healthy development of which rests the progress of a number of industries for which coal as fuel accounts for a major portion of the cost of production. It is, therefore, necessary that the responsibility for the progress of the industry should vest in an efficient and impartial body. Any arbitrary action may result in short-term benefits but, in the long run, its effects may turn out to be fearfully adverse. Consequently, measures affecting such a basic industry as coal should be taken after consulting all the interests affected.

The consensus of opinion among private colliery owners is that the Coal Board should be an independent body, and that its chief should not hold any additional office as the Coal Commissioner or as the head of State collieries. The Board should be under the chairmanship of an independent person of the status of a High Court Judge and include representatives of the private sector. These are not extravagant demands. The Government must recognise that private enterprise has an honourable part to play in this sector. It cannot play such part unless the Government holds the scales even between the public and the private sectors, and avoids giving the impression that it favours its own sector at the expense of the private sector.

COAL STATISTICS

The output of coal in collieries in India increased from 3,155,419 tons in January, 1955 to 3,248,578 tons in February, 1955 according to official statistics released by the Chief Inspector of Mines in India. The despatch of coal, however, amounted to 2,502,267 tons, as against 2,672,013 tons in the preceeding month. Coal stocks at pitheads increased from 3,511,921 tons at the beginning of the month to 3,782,888 tons at the close of the month. During the month under review 839 collieries were working, with an average daily employment of 367,255 workers.



Reinforced Concrete Cooling Towers at Sabarmati Power Station, Ahmedabad

THE ASSOCIATED CEMENT COMPANIES LIMITED
Sales Managers :
THE CEMENT MARKETING COMPANY OF INDIA LIMITED

INDIAN TEA STATISTICS

PER CAPITA CONSUMPTION IN INDIA LESS THAN HALF POUND

THERE would appear to be a tendency among the general public to be carried away by the statement that 1954 was a prosperous year for the Indian tea industry. Such a statement leads to a misconception that all is well with tea producers, and that the entire benefit of the prosperity is reaped by them. It is not generally realised that there are others also who have been sharing in this prosperity. We do not have in mind the workers alone who too have derived immense benefit from the boom in prices of tea. We have also in mind the Government and the country as a whole. A close study of the maiden issue of *Tea Statistics* 1954, published by the statistics branch of the Indian Tea Board, will bear this contention. These statistics show that the rise of about 31 million lbs. in the output of tea in India has raised the foreign exchange earnings of the country by over Rs. 28 crores despite a decline of nearly 51 million lbs. in exports, and has brought about an increase of over Rs. 8 crores (in 1954-55) in the revenue earned by the Central Government by way of customs and excise duties on tea.

The aforesaid publication is the first of its kind issued by the Indian Tea Board, intended to be a concise book of reference for various statistics connected with the tea industry and trade of the world, with special emphasis on those of India. Accordingly, the publication gives detailed information regarding the Indian tea industry, along with some essential statistics relating to the major producing and consuming countries of the world, so that a co-ordinated study of international position of the industry is possible within a small compass. The Indian Tea Board proposes to make this publication an annual feature. We warmly welcome this decision by the Board as it serves a very useful purpose. There is by no means a plethora of statistical publications on tea in this country. The few that are available are the products of private enterprise. It is true that the International Tea Committee publishes an *Annual Bulletin of Statistics*, but it comes rather late in the year and is not quite comprehensive. In any case, India being the largest producer of tea in the world, it is but fair that it should have its own source of statistics relating to this popular beverage. The Indian Tea Board, therefore, deserves to be complimented on this thoughtful enterprise. Some of the figures given in the bulletin are provisional, but these do not in any way affect the general trend.

Area and Output

The statistics given cover the position of tea up to the close of last year. It places the total output of tea in this country during 1954 at 638.50 million lbs., as against 607.74 million lbs. in the previous year and 613.35 million lbs. in 1950. In 1951, the production rose to 629.20 million lbs., but declined to 614.51 million lbs. in 1952 and still further to 607.74 million lbs. in 1953. The area under cultivation of tea as on 31st March, 1954, was 789,441.67 acres, having been extended from 785,584.24 acres two years before. The figure for 1953-54 is, however, provisional. A State-wise distribution of the area and output reveals that Assam possesses the largest area under this commodity with 386,096.94 acres producing the largest quantity, namely, 339.39 million lbs., as against 385,459.36 acres in the previous year when the output aggregated 316.41 million lbs. West Bengal comes second with an acreage of 196,603.64, as against 196,339.73 in 1952-53 and an output of 160.46 million lbs., as compared with 160.34 million lbs. in 1953. The area under tea in Madras and Coorg as on 31st March, 1954, extended to 85,867.92 acres from 84,917.59 acres a year before, and the production rose from 63.41 million lbs. to 67.75 million lbs. Travancore-Cochin produced in 1954 58.60 million lbs. out of 83,514.11 acres, as compared with 55.45 million lbs. out of 83,358.81 acres. The trend of production in various States during the past five years shows that, while in all main tea producing States the output has grown sizably, that in West Bengal has suffered a marked contraction of over 19 million lbs. This decline compares with the increase of more than 25 million lbs. in the total production of all States.

The number of tea gardens as on 31st March, 1954, was 6,310, as against 6,262 a year before and 6,240 two years ago. Madras and Coorg possess the largest number, with 2,872 gardens, Travancore-Cochin 1,136, Punjab 912, Assam 789 and West Bengal 296. It will be noted that Assam, the largest tea producing State, has got a smaller number of gardens than Punjab which produces only 2 million lbs. of tea.

Despite higher production, the quantities of teas sold at different auctions were lower in 1954-55 than in the previous year. The total quantity sold in Calcutta during the past year aggregated 261.13 million lbs., as against 272.94 million lbs. in 1953 and 286.12 million lbs. in 1952. Of this, sales for export amounted to 167.72 million lbs., a decline of 20.75 million lbs. from those in 1953-54 and of 49.90 million lbs. from 1952-53. Sales for internal consumption reveal an increase from 68.50 million lbs. in 1952-53 to 84.47 million lbs. in 1953-54 and 93.41 million lbs. in 1954-55. A quantity of 29.14 million lbs. was sold at Cochin auctions during 1954, as against 33.31 million lbs. in 1953 and 25.20 million lbs. in 1952. Of this quantity, export sales accounted for 22.15 million lbs. and sales for consumption in India for 6.99 million lbs., as compared with 28.96 million lbs. and 4.35 million lbs., respectively in 1953. Sales of Indian tea at London auctions, which had successively gone up from 53.57 million lbs. in 1951 to 212.77 million lbs. in 1953, declined to 190.42 million lbs. in 1954. While North Indian tea accounted for a decline to 162.37 million lbs. from 187.39 million lbs. in 1953, to which level it had gone up from 41.36 million lbs. in 1951, South Indian tea sales had kept up the upward trend from 12.21 million lbs. in 1951 to 25.38 million lbs. in 1953, with a further rise to 28.05 million lbs. during the year under review.

The decline in sales for export at Calcutta and Cochin and those sold in London was obviously due to the cautious releases of export rights by the Government of India in order to see that internal markets did not run short of tea, if too much were exported. Thus, the Government permitted an export allotment of 133.5 per cent. of the standard exports for the year 1954-55, as against 135 per cent. permitted under International Agreement. This represented a quantity of 464.91 million lbs. which, together with the unutilised export quota brought forward from the previous year, gave a total export quota of 474.99 million lbs. As against this, the actual exports under licence up to the end of December, 1954, amounted to 355.67 million lbs.

'Per Capita' Consumption

It is not, however, possible to judge whether such larger sales for internal consumption really increased the level of consumption in India, in the absence of comparative figures. The Tea Board's bulletin, however, places the quantity of tea consumed in India during 1953-54 at 175.68 million lbs. which, on the basis of a population of 367.55 million, works out to a *per capita* consumption of 0.48 lb. or less than half-a-pound, as against 0.69 lb. in the U.S. and nearly 10 lbs. in the U.K. Such a ludicrously low level of consumption in India, which is the largest producer of tea in the world having a vast population, shows that much is left to be done by the Tea Board to increase the consumption at home. Even if the home consumption is raised to 2 lbs. per head, which is only about one-fifth of the *per capita* consumption in the U.K., the present level of production in this country will have to be stepped up considerably to meet the internal demand alone, not to mention the needs of export markets. From this, readers can well imagine the enormous scope for increasing production of tea in India.

The quantity of tea exported from India during 1954 aggregated 450.41 million lbs., representing a decline of 50.58 million lbs. from that (500.99 million lbs.) in 1953, and an increase of 35.57 million lbs. over that (414.84 million lbs.) in 1952. The U.K. was the main importer with 327.29 million lbs. to its credit, as against 355.25 million lbs. in 1953. The U.S. was the second largest importer with 32.16 million lbs. (that is, less than one-tenth of the quantity taken up by the U.K.), an increase of about 2 million lbs. over the previous year. The total value of Indian tea exported during 1954 was Rs. 131.28 crores, as compared with Rs. 103.10 crores in the previous year and Rs. 80.91 crores in 1952. It will be noted that, though the quantity exported was less dur-

(*Continued on page* 811)

JUTE STOCKS IN MARCH HIGHER

PRODUCTION RECOVERS

THERE was a sharp rise in the stocks of jute goods as at the end of March, 1955, as compared with those a month earlier. According to statistics published by the Indian Jute Mills Association, the stocks at the end of March, 1955, were at a high level of 94,473 tons, as compared with 82,858 tons, an increase of 11,615 tons at the end of the previous month. This is the highest level touched since February, 1954, when the stocks stood at 95,417 tons. A variety-wise analysis reveals that the stocks of hessian goods rose from 26,668 tons in February, 1955, to 33,976 tons in March, 1955, that is an increase of 7,308 tons. The stocks of sackings were higher by 4,027 tons at 58,932 tons and others by 280 tons at 1,565 tons. This is the fourth month in succession that sacking goods have risen and the third consecutive increase in hessian stocks. The stocks are well above the mills' monthly production capacity under the present working hours' agreement.

Over the past four months, hessian stocks have increased by 10,644 tons and sackings by 13,910 tons and others by 247 tons, thereby making a total of 24,810 tons. The continuous increase in stocks is chiefly due to lack of overseas enquiries. The expectations of a sizable demand from Argentina have not yet materialised. Another factor responsible for the accumulation of stocks is the fall in shipments occasioned by labour troubles in Calcutta port. A third factor is the increase in production in the month under reference. It is true that February is a short month and that the output in March, a month of 31 days, should be higher than in the preceding month. But the actual rise has been much more than that warranted by this factor. It may be noted here that, in January which is also a month of 31 days, the production was perceptibly less than in March, 1955, as we shall presently show.

The following table gives the stocks of hessians, sackings and other varieties as at the end of March, 1955, as compared with those at the end of the two preceding months, as also at the close of March, 1954.

	As on			
	31-3-1955	28-2-1955	31-1-1955	31-3-1954
Civil				
Hessian	33,739	26,393	23,776	29,298
Sacking	58,723	54,696	51,018	60,607
Others	1,565	1,285	1,157	1,005
Total ..	94,027	82,374	75,951	91,000
Government				
Hessian	237	275	233	290
Sacking	209	209	200	710
Others	Nil	Nil	Nil	15
Total ..	446	484	442	1,015
Grand total ..	94,473	82,858	76,393	92,015

After a decline for two consecutive months, the output of jute goods recovered once again in March, 1955. Thus, the output during the month under review was 89,258 tons, as against 81,879 tons in February, 1955, and 83,852 tons in January, 1955. The output in March, 1954, was 75,586 tons only. The bulk of the increase is accounted for by sackings, which rose by 4,413 tons to 50,844 tons. Hessian production advanced from 32,143 tons to 34,776 tons and others from 3,305 tons to 3,638 tons. The total production during the nine months of the season, namely, 1954-55 amounted to 750,467 tons, as against 644,357 tons in the corresponding period of the 1953-54 season.

The table below gives the output of the chief varieties of jute manufactures during each of the three months ended March, 1955, as also during March, 1954:

	March, 1955	February, 1955	January, 1955	March, 1954
Civil				
Hessian	34,766	32,001	32,206	34,328
Sacking	50,884	46,421	48,342	37,830
Others	3,638	3,305	3,022	3,120
Total ..	89,238	81,817	83,660	75,278
Government				
Hessian	10	52	68	11
Sacking	10	10	124	284
Others	Nil	Nil	Nil	13
Total ..	20	62	192	308
Grand total ..	89,258	81,879	83,852	75,586

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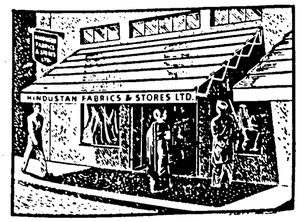

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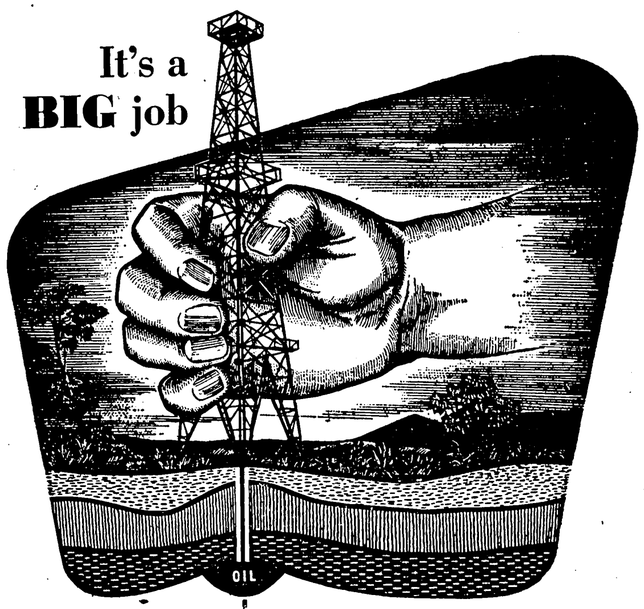

looking for oil

Have you ever considered what a long, elaborate and costly business it is looking for oil ? Although oil lies thousands of feet underground, the oil prospector may have to take to the air—to photograph the lie of the land and make aeromagnetic surveys. Or he may create artificial earthquakes, in what is called a seismic survey. Then the findings have to be interpreted, in geophysical laboratories, before a test well is bored perhaps to a depth of as much as three miles.

The Assam Oil Company, for many years the pioneer of oil search in India, discovered a fresh source of oil recently at Nahorkatiya in Upper Assam. Crores of rupees have been spent in the search and many more will have to be spent on the development of this discovery.

And all the time, remember, the search for more oil is going on—for further sources of this most elusive mineral are vital for India's industrial development. All the very latest scientific methods and technical equipment, including aeromagnetometers and even helicopters, are being employed. No effort in fact is being spared to reduce India's dependence on oil purchases from abroad.

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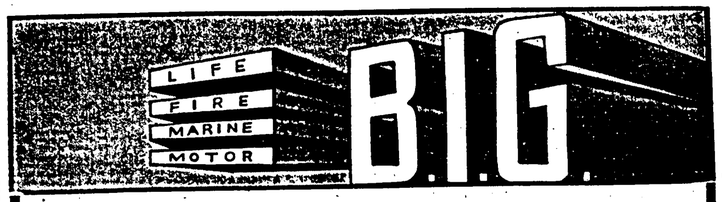

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IRRIGATION AND POWER PROJECTS

THEIR PROGRESS SO FAR REVIEWED

THAT an improvement in the low living standards of the majority of people in India is dependent chiefly on provision of adequate irrigation and power is axiomatic. It is true that, in the initial years of the first Five-year Plan, several handicaps, including the lack of proper technical personnel, led to defective planning in certain cases, thereby delaying the execution of the irrigation and power projects. It is also true that there were glaring instances of embezzlement of funds by dishonest officers in charge of such projects as the Damodar Valley and the Hirakud. But it is gratifying to note that, subsequently, some of these obstacles were removed and steps were taken to expedite the execution of the projects in an orderly way. This is clearly evident from the address of Mr. Gulzarilal Nanda, Minister for Irrigation, Power and Planning, in the Lok Sabha, while opening the debate on the demands for grants for his Ministry, as well as from the annual report of the Ministry for 1954-55. Some idea of the magnitude of expenditure in the second Five-year Plan, now under preparation, was also given by Mr. Nanda.

It will be recalled that a sum of Rs. 729 crores has been earmarked for expenditure by both the Centre and the States on irrigation and power projects, under the Five-year Plan. Of this, the well-known major irrigation and power schemes account for Rs. 615 crores and the minor irrigation schemes for Rs. 114 crores. The total allocations works out to 32.5 per cent. of the entire outlay under the Plan.

Out of this outlay, the original provision for multi-purpose projects, which are Centrally financed, was Rs. 174 crores. Subsequently, additions were made to the extent of Rs. 50 crores. Thus, the total works out to Rs. 224 crores. But even this sum is likely to be exceeded. For the actual expenditure during the 3 years 1951-54 alone was as much as Rs. 129 crores. The revised estimates for 1954-55 is Rs. 53 crores and the budget provision for 1955-56 is Rs. 59 crores. Accordingly, the total comes to Rs. 241 crores, as against the provision of Rs. 224 crores, an increase of Rs. 17 crores.

Percentage of Expenditure

The percentage of actual expenditure to the sums earmarked for multi-purpose projects, which stood at 14.9 in 1951-52, increased to 18.8 in 1952-53, 24.1 in 1953-54 and to about 24 in 1954-55. The budget provision for 1955-56 is about 26 per cent. Thus, the total performance will be about 107.8 per cent. of the planned estimate.

The provision for new schemes in the first Five-year Plan was a little more than Rs. 30 crores. Of this, the expenditure during the first three years was a little more than Rs. 1.60 crores and the revised estimates for 1954-55 on several of these schemes came to about Rs. 4.2 crores. The budget provision for 1955-56 is Rs. 26 crores. Thus, the total comes to Rs. 31.8 crores.

Regarding expenditure by the States, the original provision was Rs. 294 crores. Later additions amounted to Rs. 67 crores. The total thus comes to Rs. 361 crores. The actual expenditure during 1951-55 is estimated at Rs. 243 crores, which represents 67 per cent. of the total expenditure. It will be noted that, whereas the total expenditure by the Centre is running ahead of the target set under the Plan, that by State Governments is lagging far behind. This feature is common to all the development projects under the Plan and clearly shows that, if development is to take place according to the Plan, the State Governments should be more energetic than they have been.

So far as the physical targets are concerned, the total area planned to be brought under irrigation, including minor irrigation, was 29 million acres, while the total power to be generated was 2.23 million kw. As compared with the position in 1950-51, these targets represent an increase of 8.5 million acres or 56 per cent. in respect of irrigation and 1.1 million kw. or 65 per cent. in respect of power. The new area irrigated upto March, 1955, was 4.9 million acres, that is, 58 per cent. of the planned area. It is estimated that, by the end of the Plan period, as much as 7 million acres, or 87.5 per cent. would be under irrigation. The capacity of power projects executed upto the end of March, 1955, was 700,000 kw., that is, 64 per cent. of the planned targets. It is anticipated that, by the end of the planned period, the entire target of 1.1 million kw. capacity will be achieved.

So far as the progress of a few important projects are concerned, it is said that work at Bhakra-Nangal is proceeding satisfactorily. With its 680 feet high dam, which is the highest straight gravity dam in the world, and the vast network of canals extending over 2,000 miles, the Bhakra-Nangal Project is the largest multi-purpose project in India. The Bhakra dam is being constructed across the river Sutlej in a natural gorge just before the river enters the plains. The Nangal dam is located 8 miles downstream and will form a balancing reservoir to take up diurnal variations of water released from Bhakra and thus ensure steady supplies. There will be two power houses on the Nangal canal, each containing 2 units of 24,000 kw. The power house at the Bhakra dam will have one unit of 90,000 kw.

The construction work on the Project was started in 1946. The Nangal dam and Nangal Hydel Channel have been completed. The Bhakra main line and branches were opened for non-perennial irrigation in July, 1954. The power house at Ganguwal was put into commission for commercial purposes in January, 1955. The work on power house No. 2 is in an advanced stage and is expected to be completed by the end of 1955. At Rupar, the headworks have been completed, except for the installation of gates and gearing. Earthwork and masonry work on the remodelling of Sirhind canal and branches have also been completed except for work below water in the main line.

According to the present programme of construction, the Project is scheduled to be completed by the end of 1959, when perennial irrigation will start. On the completion of the Project, an area of 5.86 million acres will be under irrigation by the main irrigation network of Bhakra canals, 3.72 million acres of additional area under Sirhind canals and 0.53 million acres by the Bist Doab canal. The entire 5.86 million acres will, however, not receive irrigation. Some areas are high and some uncultivable. It is estimated that only 4.64 million acres can receive the direct benefits of canal irrigation and that, on an average, 3 million acres will be under crop each year. The Project, when fully developed, will help produce 1.13 million tons of additional wheat and other foodgrains, 0.8 million bales of cotton, 0.5 million tons of sugarcane, 0.1 million tons of pulses and oilseeds.

According to the latest project report, which is being finalised, the Project is estimated to cost about Rs. 157 crores. An expenditure of Rs. 100 crores was incurred upto the end of December, 1954. A provision of Rs. 22.28 crores has been made in the budget estimate for 1955-56. The Project is being executed jointly by the participating States of Punjab, P.E.P.S.U. and Rajasthan. Interest-bearing loans are being advanced by the Central Government to the three participating States to meet the entire expenditure on the Project.

Hirakud

The first stage of the Hirakud Project was begun in 1948; after some initial difficulties, the work on this project has been gathering momentum. The Project will be substantially completed and power and irrigation water made available by August 1956. With the completion of the first stage, there will be additional production of paddy to the extent of 4.5 million maunds. The revised estimate for Stage I of the Project is Rs. 70.78 crores. An expenditure of Rs. 37.95 crores (excluding liabilities to the extent of Rs. 5.82 crores upto the end of December, 1954) was incurred upto the end of January, 1955. A provision of Rs. 17.38 crores has been made in the budget for 1955-56. Interest-bearing loans are advanced by the Government of India to the Government of Orissa to meet the entire cost of the Project.

In regard to the Damodar Valley Corporation, the Bokaro thermal station, with an installed capacity of 1,50,000 kw., and the Talaiya hydro-electric station, with an installed capacity of 4,500 kw., have been brought under commercial operation. The Konar dam has been completed and the under-sluice gates are expected to be installed by June, 1955. The progress on the Maithon dam is, however, behind schedule. This has affected the programme for Panchet hill dam also for its execution is dependent largely on the equipment to be released from Maithon.

At Tungabhadra, the dam on the Mysore Andhra side has been completed, except for the installation of shutters, which, too, is in progress now. The dam, including the spillway shutters and the operations' bridge, is expected to be completed by December, 1956. On the power side, the dam power house is expected to be completed by June, 1956 and the canal power house by December, 1956, in accordance with the original programme.

Chambal Project

The Chambal Project is a multi-purpose project of the States of Madhya Bharat and Rajasthan. The original estimated cost of the Project, according to the Project Report prepared in 1952, was Rs. 49.30 crores. The revised estimate amounts to Rs. 71.69 crores. The first stage of the Project is estimated to cost about Rs. 48 crores and comprises:

(a) Construction of Gandhisagar Dam across the Chambal at the boundary of Madhya Bharat and Rajasthan, to create a reservoir having a gross capacity of 5.73 m.a.ft. and live storage of 5.06 m.a.ft. (Rs. 8.90 crores);

(b) a power station at Gandhisagar Dam (Rs. 5.00 crores);

(c) high tension transmission lines to a length of 772 miles (Rs. 8.54 crores); and

(d) construction of a barrage across the Chambal, above Kotah City, with irrigation canals taking off on both sides of the river (Rs. 25.59 crores).

The Project is being executed jointly by the States of Madhya Bharat and Rajasthan. The completion of Stage I will provide irrigation to an area of 14 lakh acres in the two States and generate 69,000 kw. of power (installed capacity). Excavation of foundations for the Gandhisagar Dam was started in 1953. Preliminary arrangements, such as construction camps, access roads, collection of tools and plants, etc., are well under way.

Rihand Dam

The Rihand Dam Project comprises the construction of a concrete gravity dam across the Rihand River, near the village Pipri in U.P. The Dam will be 3,004 ft. long and 271 ft. high above the river bed. The power house at the base of the Dam is designed to house 6 generating sets of 40,000 kw., one of which will be a stand-by. 132 kv. and 866 kv. transmission lines to Allahabad, Mirzapur, Sultanpur, Banaras, Mau, Gorakhpur, etc., will be constructed to make available Rihand power to the eastern parts of Uttar Pradesh. The estimated cost of the Project is about Rs. 45 crores. One of the main uses of the power will be for pumping water from 4,000 tube-wells for the irrigation of 16 lakh acres in the U.P. and 5 lakh acres in Bihar. Large-scale industrial developments, such as production of aluminium, caustic soda and chlorine, paper, textile, fertilisers, plastics, are expected to take shape in the neighbourhood of the Dam site as raw materials are available there. A part of the power generated will be given to Vindhya Pradesh for the development of cottage industries and for domestic use.

Preliminary work on the scheme, which started as early as December, 1947, was slowed down in October, 1949, owing to the urgent need at the time for concentrating effort on short-term food producing schemes. The tempo work was resumed in October, 1951. Extensive drilling of the foundation rock and detailed investigation, including sub-surface exploration of the quarry for concrete aggregate, have been completed. Land has been acquired for the construction of the colony at the dam site and at Mirzapur. Work of excavation of abutments of the Dam, switchyard and spillway is in hand. Permanent buildings have been constructed at Mirzapur. The civil works on the project are expected to be completed by 1960.

The second Five-year Plan, which is under preparation, is expected to provide for irrigating about 15 million acres and for additional power to the extent of 3 to 3½ million kw. This order of expansion is likely to entail an expenditure of about Rs. 1,100 crores. This is inclusive of a spillover of Rs. 322 crores on account of projects in the first Five-year Plan. Uptil now, 39 investigated schemes for irrigation and 89 investigated schemes for power, which are estimated to cost together about Rs. 429 crores, have been received by the Planning Commission for inclusion in the Plan. Mr. Nanda is of the considered view that, having regard to the target of doubling the irrigated area of the country in 15 years, the State Governments have not made adequate progress in investigating the necessary sites and the area. This is, indeed, a sad commentary on the enterprise of our State Governments.

NEW PRODUCTS AND PROCESSES

New Plastic Made From Sawdust

SAWDUST, which is usually considered a waste product of the lumber industry, may soon be used for making a number of plastic products. According to Mr. Kenneth H. Brockschmidt, Plastics Engineering Company of Sheboygan, Wisconsin, sawdust combined with small quantities of powdered resin can easily be moulded into a cheap and useful plastic. Sawdust plastic can be used for making chair seats, salad bowls, toys, heals for women's shoes, and croquet and bowling balls.

Aureomycin Helps X-Ray in Treating Cancer

The use of one of the antibiotic "wonder drugs" to increase the benefits of X-ray treatment against certain kinds of cancer is reported in the United States. Dr. Charlotte P. Donlan, a radiologist at George Washington University, Washington, says that the new method "offers possibly a more effective method of attack" against seriously advanced cancers. Whether the antibiotic, aureomycin, enhances the effects of irradiation by making the treated cells more sensitive to the rays, or whether the drug's benefit is due to direct attack on infection is not yet known.

Service Tray

An inventor from Vienna has designed a new type of service tray, which makes it possible to serve customers in snack bars, restaurants, etc., quickly with complete meals. Each course is on a separate dish and the tray holds the various types of plates and bowls. Food is kept hot and protected against dust or bacteria. The new type of tray is well fitted for self-service restaurants, hospitals, homes, etc. The tray can be made of plastic material, is very light in weight, can be easily cleaned, is acid-resistant, and excellently suited for mass-production.

Largest Radio Telescope in U.S.

The largest radio telescope in the United States, a giant dish-shaped radiation-receiving instrument 60 feet in diameter, will be built soon at the Harvard University Observatory near Cambridge, Massachusetts. It will be used to record and study the radio radiations that are constantly reaching the earth from outer space. Radio astronomy, as this type of study is called, is only about 20 years old as a science. It has given astronomers a new "eye" with which to learn more about the sun, and the structure of the Milky Way galaxy of which the sun and its planets are a part. The largest radio telescope now in use in the U.S. is 50 feet in diameter and is operated by the Naval Research Laboratory at Washington.

Ethylene Dichloride

Ethylene dichloride, a synthetic organic chemical is employed for numerous commercial and industrial purposes. In India, its chief use at present is as a grain fumigant but it can also be used for a number of other purposes like domestic fumigation, solvent extraction of oil cakes, concentration of vitamins A and D in shark liver oil vapour phase, degreasing of metal articles, industrial dry cleaning, solvent for lacquers, etc. Exact information about the present requirements for ethylene dichloride is not available but it has been estimated that roughly 1,000 tons of ethylene dichloride and similar materials are being imported annually. This demand will increase as other uses for the material are developed. In foreign countries besides chlorine, the main raw material, ethylene is obtained from natural gas or catalytic cracking of petroleum products; ethylene is however not available in India to any appreciable extent.

Investigations have been successfully conducted at Shri Ram Institute for Industrial Research, Delhi, under a scheme of research sponsored by C.S.I.R., to utilise ethyl alcohol as a raw material for obtaining ethylene and chlorinating it to ethylene dichloride. The crude ethylene chloride obtained is purified in the usual manner. The predominant features of the process are (i) the use of fluidised bed reactor for generation of ethylene from alcohol and (ii) an efficient chlorinator working at 90-95° F. without local heating. Both these make the process economic. A chief advantage of the process is the extension in the use of chlorine, a surplus product of the Indian alkali industry, to new fields. The process (covered by Indian Patent No. 51958) has been worked on a laboratory pilot plant of approximately 100 lbs. a day capacity with an efficiency of 95-96 per cent. conversion. The material produced is of a high standard of purity. The plant and equipment required can be easily fabricated in India with a minimum of special materials.

Compact Device Makes and Seals Bottle Caps

In response to the demand for a complete self-contained, compact machine to make aluminium caps, apply them to bottles and seal them firmly, a new rotary sealer has been developed by a British firm. It has met with immediate success, and installations have been made in bottling plants in Britain, Sweden, Western Germany and elsewhere. The rotary sealer is so designed that it can be installed in any existing conveyer track to cap and seal filled bottles coming from the bottle-filling machine, and to return them to the conveyer for transmission to the labelling or crating machine. It will accept and cap a wide range of bottle sizes. Several models of the rotary sealer are available, giving a varied rate of output up to a maximum of 15,000 bottles per hour.

Atom Used in Dental Research

Radioactive energy may prove a useful tool in modern dentistry, according to U.S. scientists. At the University of Michigan's School of Dentistry, Dr. Joseph T. Hartsook and his associates are studying the teeth of animals to determine how calcium hydroxide, a substance which dentists use to seal the pulp of diseased tooth, is absorbed. The study is being made with the aid of radioactive isotopes, one of the most useful peaceful products of atomic energy. Radioactive isotopes emit radiations, which can be detected wherever they are. Thus, by mixing them with calcium hydroxide and placing the mixture in a tooth, the action of the calcium hydroxide and placing the mixture in a tooth, the action of the calcium hydroxide can be studied. Dr. Hartsook says: "By tagging the calcium hydroxide with radioactive isotopes, we hope to find out what kind of interplay goes on between the paste-like substance and the cells of dental pulp."

Laboratory Machine Speeds Analytical Work

The American Cyanamid Company, a U.S. chemical manufacturing concern, has perfected a laboratory machine which has completed in 4½ years a job that would have taken one person 165 years to accomplish. The machine isolated eight components from the hormone substance ACTH, which is used for the treatment of arthritis. One component was found to be the most powerful as a curative agent, and its isolation may help to bring about a more effective treatment for arthritis.

New "Gun" Will Help Nuclear Research Worker

Engineers in Britain are constructing a new "gun" with a barrel 100 yards long. It is, however, not a weapon but an important new tool for the nuclear research worker. Known as a proton linear accelerator, it will be used to speed up the protons of hydrogen with which atoms are bombarded and split. The "gun's" bombardment will produce mesons, sub-atomic particles about which present knowledge is incomplete. The "gun," which is being built at the U.K. Atomic Research Establishment at Harwell, will employ an electrical potential of 600,000,000 volts to make the protons travel at a speed of 95,000 miles a second. Its use will provide 1,000 times more mesons than are now available at Harwell.

Ship Protected Against Water Friction

A special rubber-like preparation is now being used to protect the bow and the rudder of the U.S. ocean liner "United States," the speediest passenger ship on the North Atlantic run. The preparation is needed because the ship's speed is so great that paint will not stay on her bow and other surfaces exposed to severe water friction. On its record-breaking maiden voyage in 1952, it crossed the Atlantic Ocean in three days, 10 hours, 40 minutes, at an average speed of 35.59 knots. The protective preparation was developed by the DuPont Company, a U.S. chemical concern. Its performance to date has been highly successful, and the U.S. Lines, owners of the "United States," predict that its future use on ships of all nations should save shipping concerns millions of dollars a year.

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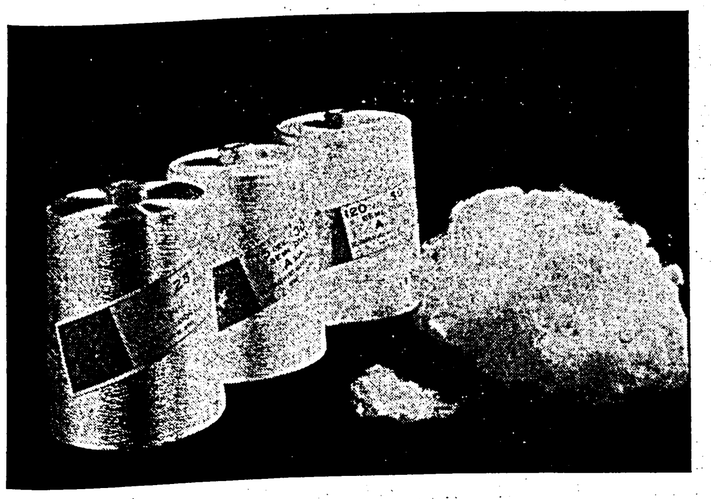

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TITLE TO LIFE POLICIES

AGENTS' RESPONSIBILITY FOR EFFECTING NOMINATION OR ASSIGNMENT

IN few countries is the time lag between the occurrence of a claim on an insurer and its settlement greater than in India. Although Indian insurers are by no means unaware of the importance of prompt settlement of claims, and many of them do take particular care to settle the claims promptly enough, there are many factors, beyond their control, which render such settlement a difficult problem. The peculiar inheritance laws in this country, the ignorance of law on the part of the policyholders and their heirs, the proverbial laws delays and the innate tendency on the part of insurers to play for safety first are only some of the factors that make the settlement of claims, in the event of the death of policyholders, a somewhat prolonged affair.

These issues were discussed in a symposium on "Title to Life Policies," organised by the Indian Life Assurance Offices Association, at the Insurance Conference, held at Madras. Several papers of technical interest were read at this symposium. The strictly legal aspects of the subject were very ably dealt with by Dr. J. P. Contractor of the New India Assurance Company, Ltd. Mr. H. D. Suri of the Bharat Insurance Company, Ltd., and Mr. T. S. Krishnamurthy of the United India Life Assurance Company, Ltd. The settlement of claims is not only a legal problem but a human problem. From this point of view, the paper read by Mr. R. S. Datar of the Western India Life Assurance Company, Ltd., deserves notice, because the author chose to discuss the issues against the background of conditions in an average Indian home.

A Will to Cover Policies

There will be little difficulty for insurers if the policyholder dies leaving a will that covers his policies, for the insurer can, then call upon the claimant to produce a probate or letters of administration with the will annexed, or a succession certificate. But, in this country, as Mr. Datar points out, the number of persons who leave a will do not probably form more than one per cent. If a policyholder dies leaving behind his duly constituted nominee or assignee, then also there will be little difficulty for the insurers in respect of payment of claims. But there is a lamentable neglect on the part of policyholders in effecting assignments or nominations. As Mr. Datar observes: "Sometimes lack of prudence, sometimes over-confidence in the durability of one's own life, sometimes the tendency to put off things out of sheer idleness, and very often complete ignorance, coupled with the want of sufficient instruction from the Insurance agent or the insurer, has been preventing people from effecting nominations or assignments in respect of their policies." The result is that, in the majority of death claims, it is found that the policyholder has left behind no will and has effected no assignment nor nomination. It is these claims that cause "most of the headaches for the insurer."

In such cases, it is, of course, open to the insurer to demand a succession certificate or letters of administration. Only, it will be extremely difficult for the claimants to produce it. Also, it creates a sense of frustration in the claimants. Mr. Datar, whose paper reveals an intimate knowledge of an average Indian family, describes a typical case. He says:

"To illustrate, let us assume that a gentleman X who belongs to the average class of policyholders in this country dies leaving behind a widow A, some children and two or three brothers. A and her children have then to seek shelter either with one of her brothers-in-law or with her own father. These relatives, though they readily give to the unhappy family a temporary shelter under their own roof, are not quite willing to run about or spend money for obtaining the succession certificate or the Letters. They have their own preoccupations and are themselves living from hand to mouth. Sometimes, out of selfish motives, they just try to put off the thing. A, the widow, being not literate enough and being without the necessary financial means, is not in a position to look after this job. Thus, years pass before anything is done about it. Moreover, the story does not end there. The delay caused has further repercussions by way of an unfavourable impression about the utility of insurance on the mind of the average man in the street. 'What's the good of it?' he begins to ask. He may not be right in his judgment, but the fact is that he does start thinking in these terms, and it hardly needs to be added that this, in its turn, tends to affect adversely the business interests of the insurer."

In view of the difficulties mentioned above, some insurers have resorted to the practice of demanding consent letters and indemnity bonds. This does not work in all cases. If the deceased policyholder had been a member of a joint Hindu family, it would be necessary for the claimant to produce consent letters from the father or brothers of the deceased. These relatives may not be willing to give such letters, for they have "an eye on the money" themselves. Or, they may have the fear that the widow may remarry and the amount may thus pass into the hands of her second husband. From this point of view, the Madras High Court's decision in *M. Venkata Subba Rao* vs. *Lakshminarasamma* takes a liberal view of the rights of natural claimants to the policy amounts that become payable by an insurer on the death of the policyholder who had been a member of a joint Hindu family. Their Lordships observed:

"In our opinion, having regard to modern social conditions and the growth of individual consciousness in marked contrast to the more corporate outlook of an earlier day, the general presumption must be that, when one of the members of a joint family insures his life, the amount of the policy belongs to the assured as his separate property and does not become a joint family asset."

Hindu Family

It seems to us that Mr. Datar is correct in predicting that, if a case of this kind came up before other High Courts, a similar view is likely to be taken by the judges. The Hindu joint family is gradually breaking up. It is, therefore, unlikely that the High Courts will ordinarily treat the policy of an individual member of the family as a joint asset. Mr. Datar says:

"In view of all this, therefore, I feel that, in dealing with claims falling under this class, an insurer should show more boldness and pay up the claim amount to the heirs on intestacy of the deceased policyholder. At least, a beginning should be made with cases that do not involve large amounts."

Insurers will welcome the Government's attempt at codifying the Hindu Law, for the contemplated measure will perhaps lessen the chances of disputes in succession. But the question about succession under Muhammadan Law will still remain unsettled. Mr. Datar, therefore, rightly emphasises that Parliament will do well "to lay down a special line of succession for purposes of life policies applicable uniformly and irrespective of the personal law to which the deceased policyholder may be subject." The line of succession may be clearly defined, in order to give effect to the primary intention of a person in taking out a policy, namely, to provide for those who are financially dependent on him. He says that "it would be proper to assign the top places in the list to the widow, sons and unmarried daughters."

All these difficulties would cease to exist if the policyholders leave a will or effect assignments or nominations. It is the duty of insurance representatives to impress upon policyholders the need for effecting nomination or assignment in good time in order to avoid legal complications at a later date. A wholesome practice, which is gradually coming into vogue, is to get the name of the nominee incorporated in the text of the policy at its very inception. When this practice becomes universal, there will be little or no chance of disputed succession. Meanwhile, the agents should see that, in all the policies they help to place there is no neglect on the part of the policyholders to effect assignment or nomination.

PANDYAN INSURANCE

A modest increase of Rs. 1 lakh to Rs. 19.52 lakhs in the net premium income is disclosed by the report and accounts of the Pandyan Insurance Company, Ltd. (Manager: Mr. S. C. Rawlinson, Madurai, Madras State), for the year ended 31st December, 1954. The improvement in the Company's marine business is responsible for the increase in the total premium income. The fire premium income declined slightly from Rs. 9.02 lakhs to Rs. 8.81 lakhs, whereas the marine premium income improved from Rs. 6.46 lakhs to Rs. 8.65 lakhs. There was, however, a setback in the Company's miscellaneous department which yielded a premium income of only Rs. 2.06 lakhs as against Rs. 3.05 lakhs in the previous year. The dividend has been maintained at 15 per cent.

The claims experience of the Company shows a mixed pattern. In the fire department, the claims ratio was slightly lower at 28.5 per cent. as against 29.8 per cent. in 1953. A more welcome decline occurred in the miscellaneous department, where it was 30.3 per cent. in 1954, as against 53.1 per cent. in the previous year. In the marine department, the ratio was somewhat higher at 18.1 per cent. as compared with 12.7 per cent. in 1953. Reserve for unexpired risks has been maintained at 100 per cent. level in the marine department and 50 per cent. level in the miscellaneous department. In the fire department, it is gratifying to note that a small additional reserve of Rs. 75,000 over and above the usual 50 per cent. level for the reserve for unexpired risks has been created.

All the three departments worked on a profitable basis. The underwriting profits in the fire, marines and miscellaneous departments were respectively Rs. 1.82 lakhs, Rs. 1.42 lakhs and Rs. 1.34 lakhs, as against Rs. 1.98 lakhs, Rs. 2.44 lakhs and Rs. 30,000 in 1953. These profits, together with the income from interest and dividends (Rs. 4.68 lakhs) and from other sources of income, make in all Rs. 9.26 lakhs. After providing Rs. 1.37 lakhs for depreciation and Rs. 3.03 lakhs for taxation and after meeting certain items of expenditure (not applicable to any particular account), there is a balance of Rs. 4.27 lakhs, which, together with the balance carried forward from the previous year, makes Rs. 4.64 lakhs as the sum available for appropriation. The transfer to general reserve absorbs Rs. 1.5 lakhs and the payment of 15 per cent. dividend Rs. 3 lakhs, leaving a balance of Rs. 13,866 to be carried forward to current year's account.

The financial position of the Company is very sound. Besides a capital of Rs. 20 lakhs, the Company has reserves and funds aggregating Rs. 64.84 lakhs, inclusive of fire fund (Rs. 5.16 lakhs), marine fund (Rs. 8.66 lakhs) and miscellaneous fund (Rs. 1.03 lakhs).

HEALTH INSURANCE

A detailed memorandum setting forth the defects and shortcomings of the working of the Health Insurance Scheme in Bombay was submitted last week by the Indian National Trade Union Congress to the Government of Bombay. A deputation also waited on the Minister for Labour, Mr. Shantilal Shah. The memorandum complained against the inadequate number of panel doctors, particularly in Thana, Dombivili and Kalyan areas and the shortage of diagnostic centres. It stated that panel doctors refuse to enrol workers living in Ambernath, Kalyan and Thana in order to avoid paying visits to them. Great inconvenience is caused by the fact that doctors refuse to attend to insured persons outside the hours fixed for the purpose. The workers have to lose the wages for that day, in order to avail themselves of medical benefit. Similarly, the workers are able to avail themselves of the use of diagnostic centres only during certain hours.

Both hospitalisation arrangements and treatment, according to the memorandum, are inadequate. Chemists often refuse to give certain drugs prescribed by hospital and panel doctors on the ground that they are not included in the approved list. Sometimes, workers who are involved in serious accidents, are not admitted in hospital without accident report from employers. The deputation stressed that, unless the Scheme was made more liberal than at present, it would not be popular with the workers. It made a number of suggestions for improving the working of the Scheme. These included: (1) Appointment of a Medical Board to assess permanent disability to workers from injuries in accidents; (2) appointment of a public relations officer; (3) extension of the sickness benefit period of 56 days or increase in the rate of sickness benefit from one-half to three-fourths of the daily wages, and (4) provision for a rebate in the contribution made by workers if they do not find it necessary to avail themselves of any of the benefits during the year.

ESTATE DUTY POLICIES

The Estate Duty Act exempts, as is well known, insurance policies for amounts not exceeding Rs. 50,000 taken out by any person, liable to duty, for the express purpose of paying the duty on his estate, though the amount of the policy is agreeable with the rest of the estate for purposes of determining the rate of the duty. Insurers are already issuing policies to meet the needs of those who intend providing for the payment of estate duty. In this connection, the Central Board of Revenue proposes to issue two new rules, the draft of which has been published in the *Gazette of India Extraordinary* dated 26th March, 1955. The first rule provides that, where a policy of insurance is taken out for the express purpose of paying estate duty or where an existing insurance policy is assigned to the President of India for the purpose of paying estate duty, such insurance policy should within one month of the date on which it is taken out or assigned, be deposited with the Commissioner of Income-tax (who is also the Controller of Estate Duty) within whose jurisdiction the insured resides. The second rule requires the insurers to furnish to the estate duty authorities particulars about these policies within one month after they are taken out or assigned to the President of India. The particulars to be furnished by the insurers are: (1) the number of new policies taken out for the purpose of payment of estate duty, together with the names and addresses of the assured and the amount payable under such policies and (2) similar information in respect of existing policies assigned to the President of India.

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OUTLOOK FOR CO-OPERATION IN INTERNATIONAL TRADE

RESULTS ACHIEVED AT THE RECENT GENEVA CONFERENCE ANALYSED

By Eric Wyndham White

EXECUTIVE SECRETARY OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE

THE periods immediately following the two major wars of the present century have been marked by the efforts of Governments, through international co-operation, to remove the economic and social causes which had led to the political frictions which touched off the flames of war. Although on each occasion nationalism has, in many directions, been accentuated—and in the aftermath of the Second World War this is even more true than in the inter-war period—the appalling consequences of modern warfare have quickened the desire to find co-operative means for what are, for a time at least, sharply recognised as the deep underlying forces which led the peoples of the world into internecine conflict. As the memory of active hostilities recedes, so does the initial fervour and enthusiasm for genuine and constructive international collaboration.

The aftermath of the Second World War has followed this pattern, despite the crushing burdens of post-war reconstruction. An impressive structure of international organisations and agreements was built up in the first few years after the war, producing a group of alphabetically designated institutions before which any but the initiated may feel somewhat bewildered.

Lesson of Inter-war Period

The lesson of the inter-war period had deeply impressed upon peoples' minds the fundamental importance of combating economic isolationism and so, side by side with the purely political organisations and agreements, there were evolved a formidable array of economic and social institutions directed towards this end. Operating under the broad co-ordinating authority of the United Nations, through its Economic and Social Council, there were established a number of so-called "specialised agencies" dealing with problems of food and agriculture, health, labour, education, science and culture and, of particular importance, the big three economic institutions—the International Bank for Reconstruction and Development, the International Monetary Fund and the ill-fated International Trade Organisation which did not progress beyond the drafting of its charter. Running through the work of all these agencies were certain fundamental principles. It was conceived that, through international action and co-operative policies, there should be a maximum development of the productive resources of the world, whether in agriculture, mining or industrial production, that this increased production of wealth should be distributed more freely, and that access to the world's resources should be equal for all and free from arbitrary barriers and discriminations. The creation of international credit institutions and programmes of economic development would also contribute towards directing a share of this new wealth into developing the resources and raising the standards of living in vast areas of the world whose populations were living at intolerably low standards, as compared with those of the more fortunate places.

The high hopes which were placed in these institutions and agreements were doomed to relative disappointment. The problems of post-war reconstruction were so great that all the resources of Governments were absorbed in the struggle for recovery. These difficulties were in turn accentuated by the emergence of menacing political conditions which have become familiarly known as "the cold war."

The negotiations in 1947-48 for establishing the International Trade Organisation were brought to a conclusion at the stage when optimism was giving way to disillusionment and disappointment. The complicated and wide-ranging Havana Charter for the International Trade Organisation did not, therefore, find the basis for enthusiastic public support as it might have done somewhat earlier. This was particularly true in the United States without whose active participation an International Trade Organisation could play no effective role.

Stability in Field of Customs

It says much for the vision and perseverance of the architects of the International Trade Organisation that, whilst they were constructing in a very elaborate way, they took the precaution of laying the foundations for a more modest structure for international trade co-operation in the form of the General Agreement on Tariffs and Trade. This began its life as the result of tariff negotiations in Geneva in 1947 between 17 countries widely representative of the main geographical areas of the world and including the most important trading countries. These countries negotiated between themselves a vast number of tariff concessions which were later extended in a series of subsequent conferences, notably at Annecy and Torquay. These tariff negotiations covered a very large percentage of the world's trade. They established, and the General Agreement on Tariffs and Trade has maintained until this day, a stability in the field of customs tariffs which has made an important contribution to the economic recovery which we have witnessed during the last few years. But, if this is the most distinctive achievement of the G.A.T.T., it is, perhaps, even more significant that, in order to give reality to these tariff concessions and to prevent them from being nullified or counterbalanced by other action in the field of commercial policy, they were surrounded by a series of rules on commercial policy. These rules have become a world-wide international code, governing the relations of some 34 countries which between them do four-fifths of the world's trade. The corner-stones of this code are first the principle of most-favoured-nation treatment, secondly, the elimination of all forms of discrimination, and, thirdly, the acceptance of the principles of consultation and friendly settlement of trade questions in place of the jungle law of unilateral action and retaliation. The Agreement also seeks, in addition to the lowering of customs tariffs, to remove other barriers to the free flow of trade, in particular, the dismantling of the use of import quotas as an instrument of national protection. On these various matters, I shall have more to say at a later stage.

G.A.T.T. From Modest Beginnings

The G.A.T.T. started from modest beginnings. The original membership increased from the 17 in 1948 to the present number of 34, together with Japan which, although not yet a full contracting party, is negotiating for accession, and whose trade relations are meanwhile governed by the General Agreement in respect of 23 countries which are contracting parties.

The contracting parties to the General Agreement meet together from time to time in regular sessions in the course of which differences arising out of the G.A.T.T. code are discussed, consultations take place and disputes between the contracting parties are settled through the mediation of the *contracting parties*—that is, the member-Governments acting as a body. As these regular sessions have succeeded one to another, they have come to constitute a vital international institution which, though lacking the legal attributes of an organisation, has through its effectiveness and realism become an essential part of the international structure. In fact, it has been well said that, if the G.A.T.T. did not exist today, it would be necessary to invent it.

International conferences cannot work, unless there is an international secretariat or staff to prepare, arrange and service the meetings and to ensure continuity of action. Consequently, the G.A.T.T. has established a small secretariat to perform these functions. It is another of the distinguishing features of the G.A.T.T. that its organisation is small and its budget modest, in sharp contrast to the substantial budgets of most of the other post-war institutions. The charge of "swollen bureaucracy" that has been levelled at many of the post-war international organisations can hardly be applied to the G.A.T.T. secretariat. This is an element of strength, since it cannot seriously be asserted that the G.A.T.T. is wasteful of public funds nor that the taxpayer does not get real value for his money.

Universal Character of G.A.T.T.

So far, I have sketched in the broadest outline the origin and development of the G.A.T.T. Having survived this period of experiment and trial, the member-Governments decided at their eighth session in Geneva in October 1953 to undertake a review of the Agreement and of its operation since 1947. Their purpose in doing so was to see to what extent the Agreement itself should be amended or its administration modified so as to contribute more effectively to the attainment of its objectives. The object of the review was, therefore, a constructive one. It was to take advantage of the lessons to be derived from the period of experiment and trial in order to equip the G.A.T.T. to play what had come to be recognised as an essential part in the world of the future. Even so the review was clearly a hazardous undertaking. It involved throwing open to re-discussion and re-negotiation delicate balances of interest which had been arrived at through lengthy and difficult negotiations. This review would take place at a time when the seller's market which had prevailed in the post-war years had given way to a more competitive buyers' market and where the stresses and strains of the struggle for world markets were beginning to assert themselves again. Moreover, the G.A.T.T. was still a young and tender plant. It was still a new thing for Governments to have accepted firm and detailed obligations in the sensitive field of commercial policy. The G.A.T.T., because of its universal character, includes in its membership countries of the most diverse economic interests, and their agreement upon a code of obligations of universal application involves peculiar difficulties. In particular, there was a growing restiveness amongst those countries which are in an early stage of economic development at continuing to accept limitations on their freedom in the field of commercial policy which they feared might impede the attainment of their economic development.

O.T.C.

It is, therefore, with a sense of solid achievement that we can contemplate the results of the Review of the General Agreement on Tariffs and Trade which was concluded in Geneva on 4th March of this year. Not the least important of these results is the agreement for the establishment of an Organisation for Trade Co-operation. The primary purpose of this Organisation will be to administer the General Agreement. Its terms of reference, however, empower it to sponsor other international agreements in the field of trade to facilitate consultation on trade questions, to sponsor international trade negotiations and to study problems of international trade and commercial policy and make recommendations on these matters. The Organisation, therefore, whilst providing on a permanent basis for a more effective administration of the General Agreement, has also a dynamic aspect through which, in the light of experience, the area of international collaboration in the whole field of trade and commercial policy can be extended and broadened.

I would now like to outline some of the trends which were manifested in the discussions we have had during the past four months. In the first place, I would like to refer again to the different economic conditions which existed when the Review took place, as compared with those existing at the time when the Agreement was first negotiated. At that time, most of the parties to the Agreement were still suffering acutely from the economic difficulties consequent upon the war. The most characteristic of these difficulties was that most of them were finding it impossible to earn the foreign exchange, particularly dollars, to finance their import requirements from abroad. In other words, most of the contracting parties were suffering acutely from balance-of-payments difficulties. The Agreement recognised this fact by allowing a wide escape from the rule forbidding the use of import quotas, by permitting quotas to be maintained in order to safeguard a country's balance of payments. Moreover, the Agreement also admitted that if its balance-of-payments position obliged a country to maintain restrictions on imports, those restrictions might be administered in a discriminatory manner, when the situation required, subject to certain qualifications and conditions. The comprehensive ban on the use of import quotas was, therefore, relatively easy for many countries to accept at a time when it seemed that they would be for a very long time, perhaps an indefinite time, in balance-of-payments difficulties, and, therefore, able to profit from the exception provided for this purpose. That situation had materially changed by the time the review of the General Agreement was undertaken. Some of the major trading countries such as the United Kingdom, Germany and Benelux were by then in a position where they could envisage that at no distant date their balance-of-payments difficulties

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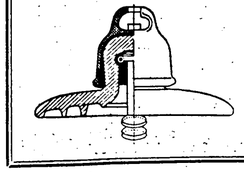
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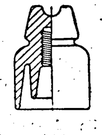

would have been resolved and they would be in a position to restore the convertibility of their currencies. However, in order to accept the risks of convertibility it was important that these countries should feel that they would have safeguards against the use by other countries of quantitative import restrictions against the exports of the convertible countries. For these near convertible countries, therefore, the strengthening of the rules against the use of import quotas and the strengthening of the machinery for enforcing these rules was an important condition of their return to convertibility.

Convertibility

On the other hand, the possibility of an early return to more normal monetary conditions, accompanied by stricter rules relating to use of quantitative restrictions and stricter enforcement of these rules, raised serious problems for many countries who, behind restrictions maintained for balance-of-payments reasons, had been affording incidental protection to domestic industries. These countries felt that the sudden withdrawal of these restrictions, which is, in fact, required by the G.A.T.T. rules as soon as the balance-of-payments difficulties are resolved, would create serious economic and social problems for them by exposing a number of important industries to foreign competition which, without a period of adjustment, they would not be able to withstand. This problem was particularly acute in the field of agriculture. This, of course, was no surprise. For some years, a measure of regional convertibility of currencies had been introduced into Europe through the European Payments Union, and consistent with G.A.T.T. doctrine, the European countries through the Organisation for European Economic Co-operation, had been progressively removing quantitative restrictions maintained by them on their trade with their European partners. But the O.E.E.C. had found that it was not practicable to apply a code of liberalisation which goes as far as the doctrine of the G.A.T.T. and that they, therefore, required the liberalisation of trade only on a percentage of total imports. The O.E.E.C. also required a lesser effort in certain sectors of production which are particularly sensitive, and notably in the agricultural sector. It was, therefore, to be expected that, when a similar problem arose in the broader field of the G.A.T.T., the same difficulties would be experienced.

It has been argued in some quarters that economic and social realities in effect render it impracticable to apply the same rules regarding import restrictions to agricultural as to manufactured products and that the former have to be treated on a separate footing. This is a doctrine which could hardly find recognition in any international trade agreement. It would be hard, indeed, to ask countries which depend on the export of agricultural and primary products to accept limitations on their freedom to protect their industrial production whilst at the same time offering them no safeguards against restrictions against their own exports. Moreover, it is difficult to see, on economic grounds, how the effects of uneconomic use of resources and inefficient production are not as large in the field of agriculture and primary production as they are in manufacture. This is not to deny the special arguments that there are for maintaining agricultural production but it has yet to be demonstrated that the arbitrary use of quota restrictions is the only—or necessarily the best—way of achieving this objective.

The solution found by the contracting parties to this problem is typical of the practical approach which has marked their activities over the years. The objective of the G.A.T.T. is that quantitative restrictions shall be dismantled as rapidly as possible after the financial difficulties giving rise to them are overcome. If this objective can best be achieved by giving a period of grace to enable the countries experiencing so-called "hard-core" problems to make the necessary adjustments to enable them to get rid of restrictions, then this seems a better method of proceeding than to admit reserved percentages of trade or other exceptions to the generality of the rules of the Agreement. It has, therefore, been agreed that if countries in dismantling their restrictions are, in connection with particular industries, confronted with this sort of problem, the rules of the G.A.T.T. will be waived for a limited period of time provided certain conditions are satisfied, so as to afford these countries time for adjustment.

A problem of a somewhat different character was presented by the agricultural problems of the United States. In that country, there is legislation which requires the President in certain circumstances to impose fees and import restrictions on agricultural imports in circumstances where such action would not be justified by the G.A.T.T. The occasions on which such actions have been taken in the past have been relatively limited, but they have involved conflicts with the obligations of the United States under the General Agreement. Moreover, the existence of supported agricultural prices in the United States, which are often well above the world market prices, has a tendency to attract abnormal imports from abroad thus increasing the problems of maintaining the supported prices and increasing the large stocks of agricultural products which, under the agricultural programme, have to be purchased at support prices by the United States Administration. In order to regularise its position under the G.A.T.T., the United States Government sought at the review session for a waiver of obligations which would enable the President to comply with the requirements of United States legislation without being in breach of the G.A.T.T. A waiver on these lines, subject to provisions for consultation with the Governments likely to be affected, was in fact agreed to. This case again emphasises the difficulty of reconciling the necessities of agricultural protection with the requirements of a sound international trade policy, but again I do not think that it is an argument for suggesting that agricultural policy must be excluded from the purview of international trade rules. There are many special elements in the United States position which led the contracting parties to come to their decision. The vast expansion of United States agricultural production during the Second World War, in order to meet the heavy demand which the world made on United States agricultural production in the early post-war years, is one important factor. Secondly, the measures which the United States may be called upon to take under its legislation are not in essence measures designed to protect inefficient production so much as measures made necessary by the maintenance of artificial price levels for the sale of domestic production. It is clear that the policy of the contracting parties will be to consider these problems as they may arise on a case-by-case basis and to give such flexibility to the rules of the Agreement as will command the collective support of the member-Governments in each case.

In the result, the rules relating to quota restrictions on imports have been reaffirmed and provision has been made for their more effective enforcement as soon as conditions exist for the dismantling of the widespread restrictions which are now maintained for balance-of-payments reasons.

Regional Discrimination

In the same way, as there have been protagonists of regional action as against universal action in the political and military fields, the same arguments are often put forward regarding economic co-operation. As far as the economic field is concerned, it has never seemed to me that these ideas should be in conflict. It is, I think, clear that the ultimate basis for economic co-operation must be world-wide and that regional action should be directed towards the attainment of the objectives of universal co-operation. Within this framework, however, there is ample room for constructive regional activity provided that this does not degenerate into regional discriminatory trade blocs. Some of the warmest protagonists of regional co-operation, particularly as it has been so admirably demonstrated in the O.E.E.C., feared that if the G.A.T.T. were strenthened and more effectively applied, particularly in restraining discrimination, it would be difficult to continue the intimate regional collaboration which has enabled the level of trade among European countries to be restored to a much higher level than would have been possible in the absence of regional discrimination. The discussions on the review of the G.A.T.T. appear to have dissipated most of these fears. If the financial conditions for the general application of the policy of non-discrimination come about, the advantage of discrimination, whether national or regional, would also disappear, and regional co-operation could concentrate on other constructive aspects of economic development and action which would contribute to the general welfare of the international trading community. If, however, these hopes for the restoration of normal trading conditions are disappointed and a case can be made that, owing to unexpected circumstances some measure of discrimination on a regional basis would in fact, be more favourable to maintaining the level of international trade than the strict enforcement of the rule of non-discrimination, there would be sufficient flexibility in the administration of the G.A.T.T. rules to enable such arrangements to be sympathetically considered.

Underdeveloped Countries

I should like to say also a few words about the position of the underdeveloped countries. As I said earlier, some of these countries have felt that the G.A.T.T. is for them an unbalanced bargain. They consider that the advantages which primary producers derive from the Agreement are slight and that they do not compensate the underdeveloped countries for abandoning their freedom to use restrictive devices of any kind they judge necessary to assist their economic development. They have also felt that the exceptions admitted to the rules of the Agreement admitted in favour of underdeveloped countries were less extensive and generous than those admitted for fully developed countries to use quantitative restrictions when in balance-of-payments difficulties. This whole problem was carefully examined prior to the Review Session and, after extensive consultation with the Governments concerned, a new approach to the problem of underdeveloped countries was worked out. It involves abandoning the negative approach to the problem and substituting, therefor, a positive one. It recognises that countries in an early stage of economic development which are, therefore, in a position to afford relatively low standards of living for their people should have certain facilities for the development of new industries. These should consist, in the first instance, of a greater flexibility in the use of the import tariff for this purpose. Secondly, it is recognised that countries which are developing rapidly are likely to encounter chronic balance-of-payments difficulties particularly when the economies of these countries are mainly dependent upon the export of primary commodities subject to violent price fluctuations. It is recognised, therefore, that these countries have a special need for flexibility in the use of quantitative restrictions for balance-of-payments reasons. Finally, it is recognised that even these facilities may not always afford to these countries a reasonable chance for establishing new industries and it was, therefore, agreed that, if no protective measures permitted by the Agreement are feasible and practicable, the country concerned can apply for permission to deviate from the rules and if this permission is granted, to proceed with impunity, or if the permission were refused to proceed nevertheless on the condition that other countries could restore the balance of the contract by being released from equivalent obligations.

This new doctrine coupled with provisions for consultations when there is a serious decline in the offtake of primary products, and provisions for certain flexibility in tariff negotiations, should go far to meet the difficulties which the Agreement has presented for the underdeveloped countries.

These were the main themes of the G.A.T.T. Review. I have only been able to touch on them lightly and many subsidiary but important matters such the extension of the rules against export subsidies I have not had time to touch at all.

Outlook

Now, what can be said by way of summary of the outlook for co-operation in world trade? We can take stock, in the first place, of what has so far been achieved. As far as my own organisation is concerned, the achievement is solid, indeed, in the field of tariff reduction, unprecedented. In this connection, those who are engaged in business will, no doubt, be particularly impressed by the contribution which the G.A.T.T. has made to stability in trading conditions. Less well known is the success which has been achieved and the new techniques which have been evolved for the friendly settlement of disputes. This, too, is of great and direct practical importance to the trading community. The principal trading countries have clearly manifested their desire to continue and strengthen international trade. It has become clear that the best basis for such co-operation is a code of clearly defined rules and obligations which are however, administered with flexibility and realism. It is also clear that progress must be achieved by stages and that the modest and realistic approach which has characterised the work of the G.A.T.T. is more likely to be productive than the more elaborate and ambitious approach which characterised the working out of the Havana Charter for an International Trade Organisation. Finally, and perhaps most important of all, none of these efforts can be successful, unless there is constant and strong support from all sectors of public opinion in all countries.

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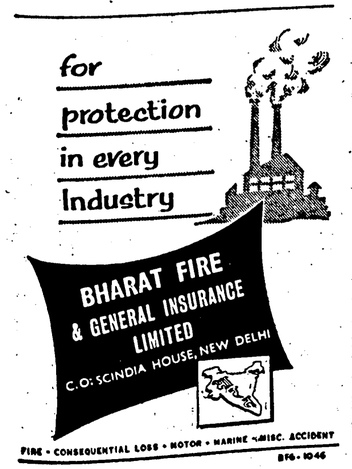

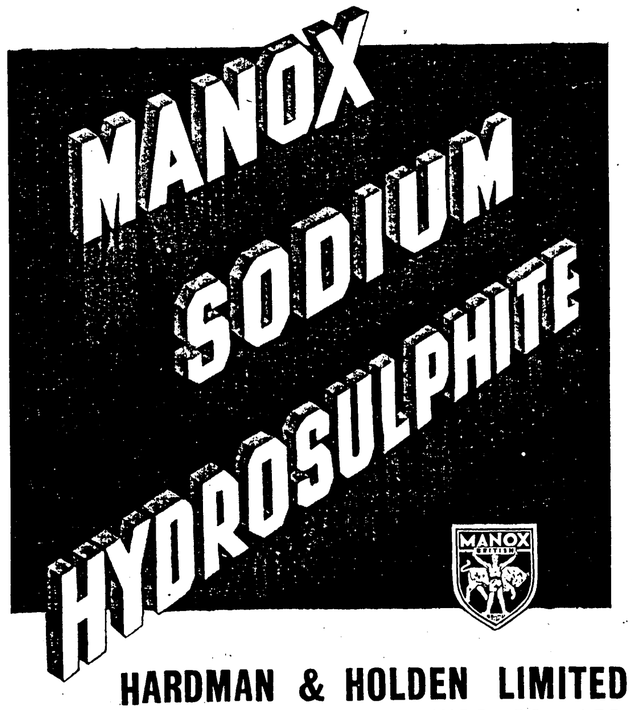

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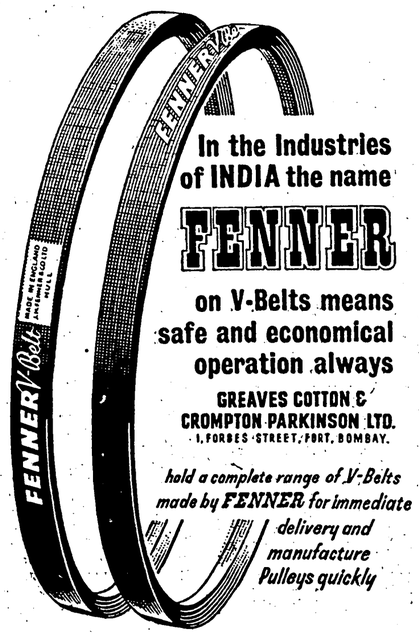

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INDIA'S FOREIGN TRADE DURING 1954

ADVERSE BALANCE NARROWS DOWN

ONE of the most satisfactory features of India's economy during the calendar year 1954 was the distinct improvement in its foreign trade. Despite an increase of Rs. 6 crores in total imports aggregating Rs. 587 crores, the adverse balance in 1954 narrowed down from Rs. 49 crores in 1953 to Rs. 24 crores. The reduction in adverse balance thus was rendered possible by a marked fall of Rs. 31 crores in imports of foodgrains and a notable rise of nearly 6 per cent. in exports, the aggregate value of such being Rs. 563 crores, which compares favourably with Rs. 532 crores in the previous year. What is more, the terms of trade also were in favour of India, the index number of which (that is, the ratio of export price index to import price index) in 1954 being 98.0, as against 92.4 in 1953. This was the net result of a rise in the export price index and a fall in import price index. The index number of average unit of declared values for exports on sea- and air-borne account (Base 1948-49=100) during the first 11 months of the year stood higher at 111.9, as against 111.2 in the corresponding period of 1953. The average index for import values in the same period was 114.5, which compares favourably with 115.3 a year before. In other words, the country earned more on its exports, while it paid less for its imports. From the quantum index point of view also, the terms of trade were decidedly in favour of India. While the average export quantum index during the period January-November, 1954, was lower at 111.2, as against 116.0 in the same period in 1953, the average import quantum index moved up from 85.5 to 88.3.

In spite of a general fall in price levels during 1954, exports from India showed an increase both in quantity as well as in value. Tea and jute were, as usual, the most important export commodities and accounted for 40 per cent. of the total export earnings. Timely steps were taken by the Government to remove licensing restrictions on exports. A number of commodities, including coal tar pitch, handloom cloth, etc., was either decontrolled or placed under open general licences. Again, commodities such as chrome ore, kyanite, tyres and tubes, and indigenously manufactured drugs and medicines were placed on the free licensing list. Some items which were prohibited for export during 1953, such as rice, pulses and coal tar, were licensed for export during 1954. Exports of groundnut oil which had been banned from the middle of 1953 to the middle of 1954 were again resumed when internal prices returned to normal. Export quotas in respect of raw cotton, H. P. S. groundnut kernel, castor oil, etc., were liberalised in the last quarter of 1954 when it was found that there was noticeable improvement in this supply. Steps were also taken by the Government to adjust export duties. Thus, the export duty on groundnut oil was first brought down from Rs. 350 to Rs. 225 per ton on 1st September, 1954, and was further reduced to Rs. 100 on 4th November. The export duty on castor oil was reduced from Rs. 300 to Rs. 125 per ton. The *ad valorem* duty on black pepper was also slashed from over Rs. 100 to Rs. 15 per cwt. When the flow of manganese ore began to slow down, the export duty of 15 per cent. *ad valorem* was abolished. With a view to augmenting the sendings of cut and polished precious stones, the export duty on these was reduced from 20 per cent. to 5 per cent. Export duties on certain varieties of raw cotton were also revised in the direction towards the close of the year.

The cumulative effect of all these factors was the encouraging performance on the export front during the year under review. The improvement in exports (on sea- and air-borne account) was shared principally by tea, the exports of which earned for India as much as Rs. 130.8 crores, as against Rs. 102.6 crores in 1953. It is interesting to note that this improvement in value was recorded despite a reduction in the quantum of exports, from 502 million lbs. to 447 million lbs. Earnings from exports of jute manufactures were also higher by Rs. 10.9 crores at Rs. 121.4 crores, on account of the increase in the quantity shipped from 748,000 tons to 843,000 tons. The value of cotton piecegoods exported, too, registered an advance from Rs. 62.4 crores to Rs. 66.4 crores. But the extent of the rise in value was only a little over 6 per cent., as against the increase of as much as 30 per cent. in the quantity actually exported which, during 1954, was 861 million yards, as compared with 658 million yards in the previous year. This was the result of world-wide decline in cotton textile prices reflecting the growing competition in international textile market. Another important item of export which registered a rise in value, notwithstanding a fall in quantum, is lac. Thus, while the quantity actually shipped was lower by 59,000 cwts. at 527,000 cwts., the value was higher by Rs. 1.8 crores. In the case of vegetable oils and raw wool, both the quantum and the value of exports were higher. Although the quantity of raw hides and skins exported during 1954 remained the same (at 13,000 tons), their value spurted from Rs. 5.9 crores to Rs. 6.8 crores, on account of higher prices earned in export markets.

In distinct contrast to the encouraging general trend, the performance of manganese and raw cotton was none too happy. The value of manganese ore exports fell appreciably from Rs. 36.5 crores to Rs. 12.7 crores, following reduced shipments which amounted to only 894,000 tons, as against 1,658,000 tons. Similarly, raw cotton fetched only Rs. 8.5 crores, as against Rs. 20.0 crores, consequent on the decline in the quantity exported from 257,000 bales to 155,000 bales. Despite a sizable rise in the quantum of pepper exports (from 229,000 cwts. to 283,000 cwts.), the aggregate value of spices (mainly pepper) was lower at Rs. 13.5 crores, as against Rs. 16.6 crores. The position in respect of mica was similar; the quantum of exports was better by 97,000 cwts. at 330,000 cwts., but their value was marked down from Rs. 7.9 crores to Rs. 6.5 crores. Thanks to reduced shipments of tanned hides and skins (amounting to 460,000 cwts., as against 525,000 cwts., their earnings receded from Rs. 25.0 crores to Rs. 21.4 crores.

A notable aspect of India's export trade during 1954 was the change in the order of commodities in the list. Tea enjoyed the pride of place as the biggest earner of foreign exchange. In the previous year, this commodity had stood second. Jute goods were pushed down from the first place to the second place. Cotton piecegoods retained their third position. The next four places in order of importance were occupied by hides and skins (tanned), vegetable oils, spices (mainly pepper) and manganese. The order in the previous year was manganese, hides and skins (tanned), raw cotton and spices.

The quantity and the value of the most important items of exports during 1954, as compared with the two previous years, are shown below:

Exports

(Value in crores of rupees)

	1952	1953	1954
Jute manufactures	162.4	110.5	121.4
Tea	80.2	102.6	130.8
Cotton piecegoods	61.5	62.4	66.4
Manganese	32.9	36.5	12.7
Hides and skins (tanned)	17.2	25.0	21.4
Raw cotton	24.6	20.0	8.5
Spices (mainly pepper)	22.8	16.6	13.5
Fruits, vegetables (mainly cashewnuts)	16.7	14.3	11.9
Tobacco	14.8	11.9	11.1
Vegetable oils	24.1	9.4	14.9
Mica	9.0	7.9	6.5
Lac	9.2	7.5	9.3
Raw wool	8.6	6.5	8.1
Coir manufactures	7.2	6.0	6.0
Hides and skins (raw)	5.9	5.9	6.8
I. Food group	146	153	183
II. Raw materials and semi-manufactures group	143	116	102
III. Manufactures group	294	242	256

Quantum of Exports

Items	Unit	1952	1953	1954
Tea	Mill. lbs.	413	502	447
Cashew kernels	000 cwts.	531	573	543
Pepper	000 cwts.	254	229	283
Tobacco	Mill. lbs.	96	78	74
Raw cotton	000 bales*	297	257	155
Lac	000 cwts.	658	586	527
Mica	000 cwts.	307	233	330
Manganese ore	000 tons	1,412	1,658	894
Hides and skins—raw	000 tons	15	13	13
Raw wool	Mill. lbs.	39	24	29
Cotton piecegoods	Mill. yds.	598	658	861
Jute manufactures	000 tons	737	748	843
Coir manufactures	000 cwts.	1,220	1,476	1,466
Hides and skins—tanned	000 cwts.	402	525	460
Vegetable oils	000 cwts.	2,710	1,166	1,384

* 1 bale=392 lbs.

On the import side, the Government of India relaxed several restrictions on imports of essential items and liberalised, on a controlled basis, a wide variety of imports. The scope for the "newcomers" scheme was enlarged and supplementary licences over the prescribed quotas were issued for commodities not directly competing with indigenous production and by liberal licensing of several other commodities. O.G.Ls. Nos. 35, 36, 37 and 38 were issued in supersession of the earlier ones, but the items on the O.G.Ls. were not substantially modified.

Thanks to the adoption of a liberal import trade control policy, the total value of goods and commodities imported into India (on sea- and air-borne account) during 1954 was larger at Rs. 563.79 crores, as against Rs. 544.54 crores in the previous year. The important items which contributed to the rise in the value of imports were (the figures in brackets indicate the extent of the rise): Non-ferrous metals (+Rs. 6.9 crores), vehicles (+Rs. 8.5 crores), mineral oils (+Rs. 60 lakhs), iron and steel (+Rs. 2.3 crores), and dyes and colours (+Rs. 36 crores), raw cotton (+Rs. 7.5 crores), and chemicals, drugs and medicines (+Rs. 6.3 crores). The rise in the imports of several industrial raw materials reflects the higher level of industrial activity and production in the country during 1954. Further, the prices of imports were by and large lower than in 1953. In some cases, they were below the pre-Korean war level. The volume of imports, therefore, was greater than the figures of value indicate. Another striking development in the import trade was the further fall in imports of foodgrains, owing to satisfactory food position. During 1954, these imports amounted to only Rs. 48.4 crores, as against Rs. 84.5 crores. Imports of machinery and millwork were also lower at Rs. 81.5 crores, as against Rs. 87 crores, electrical goods at Rs. 10.8 crores, as against Rs. 15 crores, and cotton manufactures at Rs. 2.6 crores, as against Rs. 3.3 crores. The following table indicates the trend of imports (commodity-wise) during the last three years:

Imports

(Value in crores of rupees)

	1952	1953	1954
Foodgrains	208.1	84.5	48.4
Mineral oils	84.4	86.0	86.6
Raw cotton	115.4	50.0	57.5
Machinery and millwork	94.6	87.0	81.5
Chemicals, drugs, medicines, etc.	30.5	24.4	30.7
Iron and steel	25.5	23.0	25.3
Vehicles (excluding locomotives)	85.0	23.2	31.7
Dyes and colours	12.5	15.8	19.4
Electrical goods	12.9	15.0	10.8
Cutlery, etc.	15.9	14.8	17.9
Non-ferrous metals	20.3	16.7	23.6
Paper, etc.	12.6	12.6	13.6
Cotton manufactures	5.4	3.3	2.6
Other yarns and textile fabrics	9.4	12.6	15.0

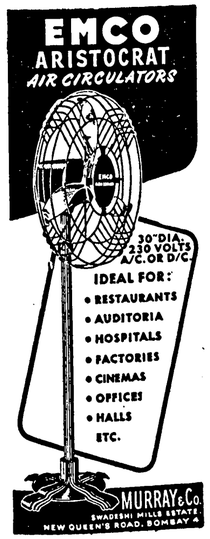
The U.K. and the U.S. continued to be India's principal buyers and suppliers during 1954, as will be seen from the following statement which shows the geographical distribution of trade during the last three years:

Geographical Distribution of Trade

(Value in crores of rupees)

	1952	1953	1954
Main Importers of Indian Goods—			
U.K.	125.7	147.5	174.2
U.S.A.	115.5	94.2	88.5
Australia	23.4	16.0	22.7
Burma	23.5	20.3	16.4
W. Germany	12.5	10.3	14.6
Japan	25.3	25.9	16.0
Canada	12.7	18.9	15.0
Argentine	4.5	20.9	15.7
Ceylon	19.9	17.6	17.5
Aden	9.0	8.7	7.3
Singapore	16.1	9.3	7.0
Nigeria	6.5	8.0	8.6
Netherlands	10.3	6.3	9.9
France	6.0	5.3	5.3
Main Suppliers to India—			
U.K.	149.3	140.6	143.9
U.S.A.	273.9	90.5	72.3
W. Germany	24.5	28.8	24.5
Egypt	20.1	21.7	22.0
Burma	21.1	18.2	44.0
Italy	11.6	21.0	20.8
Australia	16.1	26.9	14.3
Japan	13.7	10.5	16.6
Bahrein Islands	17.8	17.6	21.3
Saudi Arabia	15.3	18.4	17.4
Netherlands	12.6	10.9	13.4

The foregoing figures reveal that, from the export angle, the U.K. turned out, as in the previous year, to be the best customer for India's products. Its share in the total value of export trade was higher at 31.7 per cent., as against 28.2 per cent. in 1953. W. Germany, Canada and the Netherlands also purchased more from India than in the previous year. On the other hand, the offtake of Indian goods by the U.S. suffered a fall, its share in the total receding from 16.2 per cent. to 15.3 per cent. Likewise, Burma, Japan, Argentine, Aden and Singapore also imported less from India. Ceylon and France maintained their imports from India more or less at the previous year's level. The distribution of this country's imports by countries of origin reveals that the U.K. occupied the first place, its percentage share in the total being 24.5 in 1954 as against 24.7 in 1953. There was a spurt in imports from Burma; as a result, this country's share in India's imports rose to 7.5 per cent. from 3.2 per cent. in the previous year. W. Germany, Egypt, Japan, Bahrein Islands, Saudi Arabia and the Netherlands were the other countries which sent out more goods to India. There was, however, a considerable decline in imports from the U.S., Canada and Australia, due chiefly to a fall in imports of wheat. The percentage share of the U.S. in India's import trade in 1954 was lower at 12.5, as against 15.7 in 1953.



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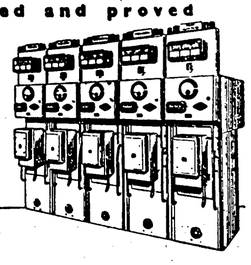

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EFFICIENCY IN INDUSTRIAL PRODUCTION

SOME TIPS TO MANAGERS

By L. Ploskal

MANAGING DIRECTOR, SCIENTIFIC MANAGEMENT (INDIA) LTD.

THERE is no doubt that efficiency is the most precious asset, any man or woman must possess, if he or she is to be successful. Efficiency is, first of all, a mental attitude which generates a tremendous amount of creative and co-ordinating energy directed towards a given target. If you study the history of great industrial and commercial concerns, you invariably find that efficiency is the foundation of their greatness.

In my opinion, wealth is created by efficient production, efficient distribution and efficient maintenance of existing values. There is no formula for individual and national prosperity—but efficiency. There are many cases of lucky speculations—however, speculation may increase some values but can hardly build up prosperity.

Productivity in industry is determined by two sets of factors: modern technical equipment and efficient production methods. To install new machinery is a long-term policy necessitating huge investments. Efficient production methods can be introduced within a few weeks at practically insignificant cost. More than that: these initial expenses bring rich returns in a very short time—expressed in months, not years.

There is no doubt that the highest productive intensity has been achieved in U.S.A. Their production methods have been carefully and thoroughly studied from all possible angles. About six years ago, the Anglo-American Productivity Council was formed and many productivity teams toured U.S.A. and Great Britain and critically analysed the reasons of American productivity. Their reports constitute a highly important contribution towards the practical solution of the productivity problems.

Human Factor in Industrial Production

It is extremely interesting that the unanimous conclusion arrived at is that, in the last analysis, the human not the technical factor is decisive in production. The attitude of the American unions and workers towards efficient production methods is constructive and encouraging, since they are well aware that their own standard of living is dependent on it.

In the U.S.A., a contract between a union and a single company is common. Sometimes, the factory pays union representatives to handle union business on the spot. If unions are willing to co-operate in incentive schemes and specific workloads, they have the right to see that workloads are reasonable and that incentives have the proper chance to operate.

The problem of active and mutually fruitful co-operation between management and labour is of vital and fundamental importance not only for the workers and industries concerned, but for the whole country. If one appreciates that all forms of production consist of labour expenditure in some form or other, it will be readily seen that not only the willing co-operation but also the correct estimation of labour, is of paramount importance for the economic and social stability of the country.

Management Duties and Responsibilities

The prosperity of every industrial and commercial undertaking depends on the efficient management. What is management? This question may seem to you rather silly—because you visualise automatically yourself—if you are the manager and your answer is simple: management—that's me—of course. If you are not in that fortunate position your answer is equally simple: management—that old B or M—accompanied by some adjectives. Generally, we may say that "management is a human process—you manage men and women—not chairs, typewriters, machines."

What are the duties and responsibilities of a general manager? They fall into five categories: (i) planning; (ii) implementation; (iii) co-ordination; (iv) leadership and (v) control.

Planning: To manage a factory is an extremely complicated and responsible job: it requires, first of all, careful and experienced planning. In principle, scientific management is based on comparison of achieved results with planned targets. An industrial enterprise is a living organism, composed of many forces moving in different directions. The term "force" is not meant in a physical sense, but describes forces affecting production in a positive or negative way. A slump in demand is definitely a negative factor—therefore a hostile force, so are also idle machines, high expenses, lack of co-operation and, naturally, any kind of inefficiency.

Planning is absolutely necessary on a small private scale as well as on a national level. I myself have had more than 20 years' experience in planning. Before the World War II, I was employed by one of the largest international combines in the world, which controlled about 25 foreign companies and about 10,000 retail shops all over the world. Twice a year, every department worked out its target for the next six months. The sales forecasts at home and abroad formed, naturally, the basis of the whole production plan for the purchase of raw materials, installation of new machines, etc. The targets were, at the same time, yardsticks of efficiency. If the results in any department were not satisfactory, a careful and ruthless analysis revealed all the shortcomings which had to be removed. Not only the targets but also methods to reach them must be planned, otherwise all the planning will be useless.

Co-ordination: To reach the planned targets, the general manager must co-ordinate interpersonal relations and production methods. He may be compared to the conductor of an orchestra—he must co-ordinate all the individual efforts of each musician.

Leadership and morale: A dynamic and powerful personality, just and honest, cannot fail to inspire his staff and workers to co-operate willingly and loyally—if not enthusiastically—to reach the targets. Successful leadership is one of the highest qualities to be achieved.

Control: Control means checking of actual performance against the targets. Without proper control, checking efficiency is bound to fall very low.

Now, if a manager asked me what advice I would give him, my answer would be this:

1. *Plan*: Modern industrial production is unthinkable without planning. A well-thought-out plan ought to be the target on which all the energies of the factory should converge.

2. *Direct—Co-ordinate—Compare—Control*: Carefully selected sets of charts will make your responsible and difficult task easier. Control facts and trends.

3. *Improve*: There cannot be any progress without continuous improvements. Improve relentlessly and energetically: this is the surest way to success and prosperity. If, for example, you manage to increase your output and sales by 1 per cent. a week—or a month—what a tremendous benefit your company and your employees will reap in one year.

4. *Cultivate and Reward initiative*: By encouraging creative thinking, you release new energies which will assist you in solving many difficult problems.

5. *Install Incentive schemes*: The work of each employee is doubly stimulated: by self-interest and by a spirit of competition.

6. *Use Scientific Costing System*: A scientific costing system is the backbone of modern industrial calculations. It reveals any wastage and defects at the very moment of their occurrence.

7. *Pay special attention to plant maintenance*: Plant maintenance is very often sadly neglected. A small initial effort can easily prevent many costly repairs.

8. *Do not try to save money on the progress and efficiency departments*: It would be too costly for your company.

9. *Use trained experts*: They cost nothing because they take only 10 per cent. of the profit they have earned for your firm.

10. *Infuse enthusiasm and cheerfulness*: They are the best tonics and lubricants for co-operation.

Time and Motion Studies

Frank Gilbreth, an American, is the founder of the Time and Motion Economy. He became known as the "Motion Study Man." At 14, he began to carry a stop watch in his waistcoat pocket and it shaped his career. It brought him fame and fortune. It is a fact, that there is no waste of any kind in the world, that equals the waste from needless, ill-directed and inefficient motions and the resulting unnecessary fatigue. The basic ideas of time and motion economy are as follows: each operation is carefully analysed and dissected into its basic motions or elements, which are measured by stop watches and the time noted on Time Study sheets. The average figure for every basic motion is then carefully compiled out of 15—40 data. After deducting allowances for fatigue, relaxation, personal needs, etc., the final figure represents the Standard Time for the basic motion in question. If the operation, under consideration, is divided into, say, seven elements or basic motions, then the Standard Time for the whole operation is the total of seven basic motions. The Standard Time is the standard of measurement of labour cost and a scientific basis for the price calculation of final products.

To sum up:

1. Motion studies analyse microscopically the relevant elements of each operation;

2. Motion economy is concerned with the selection of the most economical methods to perform the operation in question;

3. Time studies establish standard times for each basic operation.

The time and motion economy is usually linked up with incentive schemes, the advantages of which must be clearly evident to the workers, as otherwise a great deal of friction can hardly be avoided.

Incentive Schemes

The aim and object of each incentive scheme is to reward extra output expressed in the time saved. If, that is, the standard time for a certain job is say, 24 hours, but the work has been finished in, say, 18 hours, then six hours or 25 per cent. of the standard time has been saved. Now the question arises: should the workers receive reward for the whole of the time saved or should they share it with the employer in an agreed proportion, say 50/50 or 2/3: 1/3, 2/3 for workers. When 50 per cent. share was, agreed, then the workers would receive for 18 hours' work 21 hours' pay and 22½ hours' pay in case of a 2/3: 1/3 agreement. If the whole time is given to them they would obtain 24 hours' pay for 18 hours' work. Increased output is highly beneficial to the factories, because the percentage of overheads is reduced and the machines better utilised.

Costing System

The backbone of any industry is a scientific costing system which reveals any inefficiency or wastage during the production at the very moment of its occurrence. The profit and loss account, produced at the end of a period, does not disclose these defects.

Office Efficiency

I should like to stress another fact, which is not generally appreciated: namely, that the *industrial output depends on Office Efficiency.* The office can play a vital part in increasing the industrial output. Management needs facts and figures—quickly, accurately and cheaply. Only this production can be planned and controlled. To give this service the office must be efficient—with the right staff, the right machinery and equipment. It is *an established fact that the Effectiveness of Management is the greatest single factor in European and American Industrial Supremacy. Plans without control are anæmic—controls without plans chaotic.*

Efficient management is based on facts and their trends. Graphs will present complicated data in a simple form without forcing the manager to study long rows of dull figures. If systematically worked out, the graphs inform the management in a precise way, whether the planned targets have been reached and if, not, why, and who was responsible for the failure; they register and measure idleness of machines and men; they point out to the sore spots in the financial position of the company, etc.

Charts ought to be selected and combined with a view of forming a control system of the main factors affecting production, distribution, administration and financial position. By graphic comparisons of results achieved and targets set, complicated problems are presented in an extremely simple and clear way, so that vigorous steps to deal with the difficulties can be taken immediately.

I regret to say that quality control is often neglected in Indian industry and I should like to give you the following tips for efficient quality control:

1. The quality control must be economical: neither too much nor too little.

It is easy to determine the amount and costs of quality control in industry: it is obvious that the costs should be smaller than the corresponding value gained by the improved quality of finished products plus the decrease in rejections and rework.

2. Quality control in modern industry consists of process control and inspection of finished goods.

The object of process control is to detect and eliminate the causes of defective work. Its practical application varies from plant to plant.

3. It is essential to keep classified records of defects and errors in production.

Record only important data and avoid inflated paper work. These figures, entered and summarised on special "Analysis Sheets," point out the causes of defective work resulting in wastage of time, material and inconsiderable financial loss.

4. Examine carefully your "analysis sheets" to find out the roots of faulty work and departmental errors.

Defective work is usually caused by a variety of factors, such as carelessness, insufficient supervision, faulty tool design, poor quality of raw materials, etc.

5. Take energetic steps to remove the causes of rejections and rework.

6. Apply simple but effective methods and procedures in your departments to ensure efficient quality control.

7. Infuse a sense of responsibility in your staff.

Unless your employees are fully responsibility-conscious, impartial and as well, aware of the importance of their work—a great deal of their effort is likely to be wasted. Half measures are of no use.

8. Keep records of improvements achieved and of money saved. It is most encouraging to see good results from one's work.

9. Install a generous incentive scheme for your department.

You and your staff should participate in the savings brought about by efficient work. It will be most beneficial for the whole production.

10. Spare no efforts to make all employees of your plant quality-conscious.

Consider it as your patriotic duty which, in addition, will bring you extra rewards.

To sum up: Efficiency pays immediately high dividends, not only to the shareholders—but also to the staff and workers. Efficiency conscious management is the highest asset any mill or factory can possess.

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BALANCE SHEET AS AT 31ST DECEMBER, 1954 (ABRIDGED)

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
Capital—						
Authorised	50,00,000	0	0			
Issued and Subscribed	25,00,000	0	0			
Paid-up				15,00,000	0	0
General Reserves				4,56,000	0	0
Contingency Fund				1,45,000	0	0
Deposits—						
Fixed, Current, Savings Bank and Other Deposits				3,15,72,000	4	9
Borrowings from Other Banks, Agents, etc.				Nil		
Bills Payable				2,80,776	12	4
Bills for Collection (as per contra)				19,99,350	15	11
Branch Adjustments				5,40,204	14	6
Unclaimed Dividends and Other Liabilities				3,34,084	9	3
Chitty Liabilities (as per contra)				17,98,071	12	1
Profit				2,23,293	5	3
Total .. Rs.				3,88,48,782	10	1

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
Cash in hand and with Banks				99,03,410	9	9
Investments—						
Securities of the Central and State Governments	71,73,464	10	7			
Preference and Ordinary Shares of Joint Stock Companies	3,29,525	8	0			
				75,02,990	2	7
Loans and Advances—						
Loans, Cash Credits, Bills Discounted and Purchased and Other Debts				1,64,18,848	8	2
Bills Receivable (as per contra)				19,99,350	15	11
Chitty Assets (as per contra)				17,98,071	12	1
Safes and Furniture and Stationery in stock				3,00,347	7	8
Bank Premises and Other Immovable Properties				6,37,300	0	0
Other Assets				2,88,463	1	11
Total .. Rs.				3,88,48,782	10	1

Notice

MACNEILL AND BARRY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of this Company has sanctioned payment of the Dividend on the Preference Share Capital of the Company at the rate of 5½ per cent. per annum for the half-year ended 31st March, 1955.

Payment will be made on 1st May, 1955, to those Preference Shareholders whose names appear on the Company's Register on that date, or in accordance with their instructions.

By Order of the Board,

A. H. FORSTER,
Secretary.

2, FAIRLIE PLACE,
CALCUTTA, *13th April*, 1955.

SETBACK IN EARNINGS OF FINLAY GROUP MILLS

PROFIT OF GOLD MOHUR LOWEST SINCE 1940

A SETBACK of varying degree in the profits of all the three textile mills under the management of Messrs. James Finlay & Co., Ltd., Bombay, namely, the Finlay Mills Ltd., the Gold Mohur Mills Ltd. and the Swan Mills Ltd., for the year ended 31st December, 1954 is disclosed by the latest accounts of the respective companies. The extent of decline is, however, not uniform in all the cases, the drop being smallest in the case of the Swan Mills and largest in the case of the Gold Mohur. Thus, the gross profit of the Finlay has fallen from Rs. 22.60 lakhs for 1953 to Rs. 17.67 lakhs, that of the Gold Mohur from Rs. 19.93 lakhs to Rs. 8.13 lakhs and that of the Swan from Rs. 26.38 lakhs to Rs. 24.82 lakhs.

The slight improvement in the profit of the Finlay, noted a year ago, when it rose from Rs. 21.90 lakhs to Rs. 22.60 lakhs, has been more than offset by the decline in 1954, thus restoring the downward trend that commenced in 1951 when the profit was Rs. 31.21 lakhs. Thus, in the course of the past three years, the profit of the Finlay has suffered a decline of Rs. 13.54 lakhs or over 43 per cent. and, at Rs. 17.67 lakhs for the year under review, it is the lowest for the past five years. In the case of the other two mills, the decline has been continuous for the past three years, the Gold Mohur being the worst sufferer with a fall of Rs. 23.16 lakhs or nearly 74 per cent., that is from Rs. 31.39 lakhs to Rs. 8.13 lakhs. It may also be added here that the past year turned out to be the worst year for this Mill since 1940. The profit of the Swan Mills has dwindled from Rs. 45.39 lakhs for 1951 to Rs. 24.82 lakhs for the year under review, the lowest level since 1949. The net profit of Finlay for the year 1954 amounts to Rs. 6.86 lakhs, as compared with Rs. 8.33 lakhs for the previous year. The Gold Mohur has earned a net profit of Rs. 2.88 lakhs, a decline of Rs. 5.36 lakhs over the year. The net profit of the Swan has been marked down from Rs. 9.73 lakhs to Rs. 7.05 lakhs.

Nothwithstanding this setback in the earnings, the dividends of all the three companies have been maintained at the previous year's levels, Finlay paying 16 per cent., Gold Mohur 12½ per cent. and Swan 20 per cent. It may be recalled that Finlay reduced the distribution to the shareholders last year from 20 per cent. paid for the preceding two years to 16 per cent., following the capitalisation of Rs. 10 lakhs and the issue of one share for every four shares as capital bonus in September, 1953. *This is the fourth year in succession for* which the dividend of Gold Mohur is repeated, after the capitalisation of Rs. 25 lakhs in August, 1951 and the issue of one share for every share held as capital bonus. The Swan Mills had enhanced the dividend level from 25 per cent. paid for 1951 to 30 per cent. the following year, but had to cut it to 20 per cent. after the issue of bonus shares in the ratio of 1 :-2 by the capitalisation of Rs. 12 lakhs in September, 1953. The maintenance of the dividend by all the three companies for the year under review has been rendered possible by the large undistributed surplus brought in from the previous year. Both Finlay and Gold Mohur have not added anything to the reserves; this is the third year in succession for which Finlay has not strengthened the reserves. A sum of Rs. 2 lakhs has been added to the rehabilitation and development fund of the Swan Mills.

A fairly broad picture of the Companies' progress during the past three years is provided by the synopses of their profit and loss accounts published at the bottom of this page.

A welcome improvement is noted in the sale proceeds of all the three companies after two years of successive recession. The rise in sale proceeds in the case of the Finlay Mills is mainly accounted for by cloth sold, which has gone up from Rs. 136.93 lakhs to Rs. 144.40 lakhs. The increase of Rs. 7.15 lakhs in other income of this company is due to larger receipts from bleaching, mercerising and dyeing charges. Of the increase of Rs. 20.52 lakhs in expenses, cost of cotton consumed accounts for Rs. 1.55 lakhs, stores, spares and chemicals for Rs. 7.57 lakhs, mill salaries and wages (including dear food allowance) for Rs. 9.52 lakhs. Provision has been made in the accounts for the year under review for the increase in dearness allowance from May, 1953 to December, 1954 amounting to Rs. 5.33 lakhs, and the additional bonus (Rs. 1.16 lakhs) payable for the year 1952 in accordance with the Award of the Labour Appellate Tribunal.

Sale proceeds of cloth of the Gold Mohur Mills have risen by Rs. 18.46 lakhs and those of waste by Rs. 1.71 lakhs, while those of yarn have declined by Rs. 1.87 lakhs. The cost of cotton consumed has gone up by Rs. 15.89 lakhs, dyeing, bleaching and mercerising charges by Rs. 6.14 lakhs and mill salaries and wages by Rs. 5.05 lakhs, while stores, spares and chemicals account for a decline of Rs. 1.77 lakhs. The increase in dearness allowance from May, 1953 to December, 1954 and the additional bonus payable for 1952, as per the Award of the L.A.T., have cost the Company Rs. 5.40 lakhs.

The increase of Rs. 63.58 lakhs in sale proceeds of the Swan Mills is mainly accounted for by the increase of Rs. 62.39 lakhs in sales of cloth. This has been offset by the rise of Rs. 48.99 lakhs in cotton consumed, of Rs. 3.93 lakhs in dyeing, bleaching and mercerising charges and of Rs. 9 lakhs in mill salaries and wages, of which the aforesaid award of the L.A.T. accounts for Rs. 4.75 lakhs.

The following summaries of the latest balance-sheet of the three Companies disclose their sound financial position:

	As on 31st December, 1954		
	FINLAY	GOLD MOHUR	SWAN
	Rs.	Rs.	Rs.
Capital	50,00,000	50,00,000	35,00,000
Reserves and surplus	65,22,338	49,56,413	66,33,229
Provision for taxation ..	11,73,367	6,28,984	10,63,901
Liabilities	86,87,729	23,87,645	71,26,486
Gross block	1,05,11,445	80,35,526	1,17,43,921
Less—Depreciation	71,58,296	48,29,387	70,22,715
Net block	33,53,149	32,06,139	47,20,206
Stock-in-trade	61,80,002	77,85,415	88,41,871
Stores, spares, etc.	16,77,155	8,39,425	10,29,109
Debts, deposits and advances..	13,21,784	14,05,022	37,62,777
Investments	4,00,410	81,000	71,500
Cash balances	37,06,132	1,56,040	5,063
Total .. Rs.	1,66,38,632	1,34,73,041	1,84,28,516

It will be observed that the reserves and surplus of all the Companies stand at impressive levels and the current liabilities and provisions for taxation are more than adequately covered by current assets. All the three Companies have made substantial additions to the gross block, Finlay accounting for Rs. 17.24 lakhs, Gold Mohur for Rs. 13.01 lakhs and Swan for 17.66 lakhs. These, coupled with large stock-in-trade, have evidently brought about a shrinkage in the cash balances of Finlay from Rs. 54.87 lakhs to Rs. 37.06 lakhs and of Gold Mohur from Rs. 32.61 lakhs to Rs. 1.56 lakhs. In the case of Swan not only the cash balances have dwindled by Rs. 4.85 lakhs but there has been borrowings from banks to the extent of Rs. 42.91 lakhs.

The Directors report that the rehabilitation of the spinning, machinery of the Finlay Mills continues and 8,500 new spindles, together with the necessary preparatory machinery, have been received and are under erection at present. The new mixing room and blow-room machinery of the Gold Mohur Mills and the Swan Mills have been installed and are now in operation. 6,500 new spindles with the necessary preparatory machinery have been received for the Gold Mohur Mills and are being erected.

The Rs. 100 paid-up shares of Finlay are being currently quoted at Rs. 260 *cum-div.*, Gold Mohur at Rs. 187-8 *cum-div.* and Swan at Rs. 335 *cum-div.* On an *ex-div.* basis, the shares give a yield of 6.5 per cent., 7.1 per cent. and 6 per cent. per annum, free of tax, respectively.

The Directors of the Orient Paper Mills (Agents: Birla Brothers) have decided to issue 50,000 preference shares of Rs. 100 each forming part of the unissued capital of the Company. The shares will be issued at par for cash and will carry a fixed cumulative preferential dividend of 5½ per cent. per annum, tax-free. They will be redeemable at par at any time at the option of the Company on giving three months notice, but not before 31st March, 1957.

(In lakhs of rupees)

	For the year ended 31st December											
	1954	1953	1952	1951	1954	1953	1952	1951	1954	1953	1952	1951
	FINLAY				GOLD MOHUR				SWAN			
Sale proceeds (net)	194.06	187.62	228.22	268.68	213.43	197.14	207.53	236.01	303.87	240.29	293.35	306.13
Other income	23.98	19.83	16.77	19.11	0.36	1.34	1.35	1.40	3.65	4.18	4.05	4.09
Expenses	205.37	184.85	223.10	256.45	205.66	178.77	178.80	206.02	253.70	218.09	255.50	264.82
Gross profit	17.67	22.60	21.90	31.21	8.13	19.93	30.08	31.39	24.82	26.38	41.80	45.39
Agents' commission	1.74	2.38	2.19	3.12	0.80	1.99	3.01	3.14	2.48	2.64	4.18	4.54
Provision for—												
Depreciation	3.07	4.51	2.43	3.60	3.10	2.80	4.67	2.00	11.29	5.51	3.84	4.00
Taxation	6.00	7.50	8.00	11.00	1.35	6.80	11.00	11.00	4.00	8.50	16.00	17.00
Net profit	6.86	8.33	9.29	13.49	2.88	8.34	11.33	15.25	7.05	9.73	17.78	19.85
To reserves and other funds ..	0.70	..	0.29	4.80	..	3.00	3.00	7.25	2.00	2.50	10.40	11.50
Dividend	8.00	8.00†	8.00	8.00	6.25	6.25	6.25	6.25	7.20	7.20†	7.20	8.00
	(16%)	(16%)	(20%)	(20%)	(12½%)	(12½%)	(12½%)	(12½%)	(20%)	(20%)	(30%)	(25%)
Carry forward	3.91	5.74	5.41	4.27	2.04	5.41	5.48	5.38	3.60	5.78	5.71	5.56

On the increased capital of Rs. 50 lakhs raised by the capitalisation of Rs. 10 lakhs out of the reserve fund.
On the increased capital of Rs. 36 lakhs raised by the capitalisation of Rs. 12 lakhs out of the reserve fund.

VASANTA MILL RAISES DIVIDEND LEVEL

SMART RISE IN PROFIT

THE directors of the Vasanta Mills Ltd. (Managing Agents: Messrs. R. K. Shanmugham Chetty and Bros., Coimbatore) have declared a dividend of 15 per cent. for the year ended 31st December, 1954, as against 12 per cent. paid for the previous two years. It may be recalled that the dividend had been raised to 12 per cent. two years ago in four successive stages from 5 per cent. paid for 1948. By enhancing the dividend level for 1954, they have restored it to that paid for the years 1944, 1945 and 1946 and that on a greatly enhanced capital. It will be recalled that the ordinary capital of the Company was trebled in 1947 from Rs. 7 lakhs to Rs. 21 lakhs by the capitalisation of Rs. 14 lakhs, so that the dividend for 1954 represents 45 per cent. on the old capital, exceeding the previous highest of 30 per cent. paid for 1943. The latest increase in the dividend is in consonance with the notable improvement in the earnings of the Company for the year under review and has been decided upon only after setting apart a sizable amount to reserves.

The gross profit of the Company for 1954 amounts to Rs. 18.58 lakhs, exceeding that for the previous year by Rs. 6.05 lakhs. This increase compares very favourably with that of Rs. 4.01 lakhs noted last year. Notwithstanding the rise of Rs. 10.06 lakhs in the course of two years, the profit for 1954 is fractionally lower than that of Rs. 18.67 lakhs for 1951. The net profit, which had risen from Rs. 3.95 lakhs for 1952 to Rs. 4.58 lakhs for the following year, has further appreciated to Rs. 6.46 lakhs for the year under review. Out of the net profit, the Directors have set aside Rs. 3 lakhs to the general reserve which had not received anything last year. The Directors had, however, transferred a year ago Rs. 99,475 to the reserve for contingencies and Rs. 1 lakh to the reserve for replacement and renovation of machinery, both of which have not been strengthened further.

The following comparative table, giving the summaries of accounts for the past four years, provides an idea of the Company's progress since 1951:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Sale proceeds	160.57	131.50	140.88	173.89
Raw materials consumed ..	118.07	95.08	112.54	131.58
Manufacturing and other expenses	30.55	23.81	20.10	22.24
Gross profit	18.58	12.58	8.53	18.67
Managing Agents' commission..	1.88	0.90	0.55	1.20
Depreciation	4.73	3.55	2.52	4.85
Taxation	6.00	3.50	1.50	6.00
Net profit	6.46	4.58	3.95	7.31
To general reserve	3.00	..	0.50	2.00
To other reserves	..	1.99	0.50	3.78
Dividends—				
Preference	0.28	0.28	0.28	0.28
Ordinary	3.15	2.52	2.52	2.10
	(15%)	(12%)	(12%)	(10%)
Carry forward	0.30	0.28	0.50	0.39

The rise in sale proceeds, raw materials consumed and expenses indicate a larger production, brought about by the expansion in the Mill's spinning capacity. The Directors' report states that the spinning plant was expanded during the year by the addition of 4,000 spindles, bringing the spindleage capacity of the Mill to 37,704.

The balance-sheet of the Company as on 31st December, 1954, discloses a sound financial position. Even after the capitalisation of Rs. 14 lakhs in 1947 and the issue of two ordinary shares for one share held as capital bonus, the reserves and surplus aggregate Rs. 30.30 lakhs, and supplement a paid-up capital of Rs. 25.50 lakhs. The reserves are made up of a general reserve of Rs. 15.50 lakhs, a reserve for replacement and renovation of machinery of Rs. 11 lakhs, a dividend equalisation reserve of Rs. 3 lakhs, a contingency reserve of Rs. 2 lakhs and an investment depreciation reserve of Rs. 50,000. There is a provision of Rs. 6.30 lakhs for taxation. The current liabilities aggregate Rs. 22.22 lakhs. There has been an addition of Rs. 7.66 lakhs to the gross block during the year, bringing the total value of the block to Rs. 56.92 lakhs up to the end of the year. The aforesaid increase in fixed capital expenditure is evidently on account of the expansion programme taken up during the year, referred to earlier. The gross block stands written down to a book value of Rs. 20.11 lakhs. The current assets amount to Rs. 66.32 lakhs, represented by stock-in-trade to the extent of Rs. 39.30 lakhs, stores and spares Rs. 3.36 lakhs, book debts Rs. 8.79 lakhs, investments Rs. 7.24 lakhs and cash Rs. 7.63 lakhs.

In accordance with the expansion programme, the Directors have placed orders for a further 5,880 spindles. These are expected to be received and to go into full production before the end of the current year. The Directors consider that this expansion will make the Mill a sound economic unit.

The Directors have also taken up the construction of 32 tenements for accommodating the workers of the Company, taking advantage of the financial assistance offered by the Union Government under the Subsidised Industrial Housing Scheme. These tenements are expected to be completed before the end of June, 1955.

The Rs. 100 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 230 *cum-div.* On an *ex-div.* basis, the shares give a yield of 7 per cent. per annum, free of income-tax.

COMPANY MEETINGS AND DIVIDENDS

BELSUND SUGAR CO., LTD. Annual General Meeting, Calcutta, 25th April, 1955. Dividend: As. 12 per share. Transfer books remain closed from 11th to 25th April, 1955, both days inclusive.

JAYSHREE TEXTILES LTD. Annual General Meeting, Calcutta, 26th April, 1955. Transfer books remain closed from 13th to 26th April, 1955, both days inclusive.

RADHA KRISHNA MILLS LTD. Annual General Meeting, Peelamedu, 27th April, 1955. Dividend: Rs. 16 per ordinary share and Rs. 8 per "B" ordinary share. Transfer books remain closed from 20th April to 10th May, 1955, both days inclusive.

DEORIA SUGAR MILLS LTD. Annual General Meeting, Calcutta, 28th April, 1955. Transfer books remain closed from 19th to 28th April, 1955, both days inclusive.

TIDE WATER OIL CO. (INDIA) LTD. Half-yearly General Meeting, Calcutta, 30th April, 1955. Dividend: *Nil*. Transfer books will remain closed from 28th to 30th April, 1955, both days inclusive.

SHREE KRISHNA GYANODAY SUGAR LTD. Annual General Meeting, Dalmianagar (Bihar), 30th April, 1955. Dividend: Re. 1-8 per share. Transfer books remain closed from 23rd to 30th April, 1955, both days inclusive.

BARAREE COKE CO., LTD. Half-yearly General Meeting, Calcutta, 4th May, 1955. Dividend: As. 11-1/5 per share. Transfer books remain closed from 21st April to 4th May, 1955, both days inclusive.

KAMARHATTY CO., LTD. Half-yearly General Meeting, Calcutta, 4th May, 1955. Dividend: Rs. 5 per share. Transfer books remain closed from 20th April to 4th May, 1955, both days inclusive.

KANKNARRAH CO., LTD. Half-yearly General Meeting, Calcutta, 4th May, 1955. Dividend: Rs. 4 per share. Transfer books remain closed from 20th April to 4th May, 1955, both days inclusive.

RAMNUGGER CANE AND SUGAR CO., LTD. Annual General Meeting, Calcutta, 4th May, 1955. Dividend: Re. 1-8 per share. Transfer books remain closed from 18th April to 4th May, 1955, both days inclusive.

WESTERN INDIA MATCH CO., LTD. Annual General Meeting, Bombay, 5th May, 1955. Dividend: Rs. 11 per share (includes bonus of Re. 1), payable on or after 14th May, 1955. Transfer books will remain closed from 25th April to 12th May, 1955, both days inclusive.

SHAHJAHANPUR ELECTRIC SUPPLY CO., LTD. *Annual General Meeting*, Calcutta, 6th May, 1955. Dividend: As. 8 per share. Transfer books will remain closed from 29th April to 6th May, 1955, both days inclusive.

JESSOP & CO., LTD. Annual General Meeting, Calcutta, 6th May, 1955. Dividend: Re. 1-8 per share. Transfer books remain closed from 18th April to 6th May, 1955, both days inclusive.

SOCIETE GENERALE INDUSTRIELLE DE CHANDERNAGOR (SOCIETE ANONYME) (GONDALPAR MILLS). Annual General Meeting, Calcutta, 17th May, 1955. Transfer books will remain closed from 4th to 17th May, 1955, both days inclusive.

BENGAL FLOUR MILLS CO., LTD. Dividend of Re. 1-8 per share, for the half-year ended 31st December, 1954.

WEST COAST ELECTRIC SUPPLY CORPORATION LTD. Interim dividend of As. 8 per share, for the half-year ended 30th September, 1954. Transfer books will remain closed from 25th to 30th April, 1955, both days inclusive.

COMPANY REGISTRATIONS

GROVESONS LTD. (Managing Director: Mr. Brijmohan Amarnath Grover.) Business: Engineers, founders, smiths, mechanists, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 4th Floor, Advani Chambers, Sir P. Mehta Road, Bombay-1.

DARUVALA BROS. LTD. (First Director: Mr. B. V. Daruvala.) Business: Importers, exporters and dealers in drugs, medicines and chemical and pharmaceutical products. Authorised capital: Rs. 5,00,000. Private company. Address: Shroff Mansion, Princess Street, Bombay-2.

ELECTRO ENGINEERING CO., LTD. (First Director: Mr. J. F. Selwyn.) Business: Electric engineers and contractors, mechanical engineers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Sea View Building, 1st Pasta Lane, Colaba, Bombay No. 5.

DHANSAR ENGINEERING CO., LTD. (First Director: Mr. R. P. Agarwalla.) Business: Merchants, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 24, Netaji Subhas Road, Calcutta.

ATLAS LTD. (First Director: Mr. S. B. Bose.) Business: Cinematographic trade. Authorised capital: Rs. 10,00,000. Private company. Address: 11/1/4, Russa Road, Calcutta.

QUESTION HOUR IN PARLIAMENT

Penicillin Manufacture

ABOUT 32 items of raw materials are required for the manufacture of penicillin. Out of these, only 12 items are being imported. The estimated cost of all the materials imported will be Rs. 27 lakhs per year. Two of these materials can possibly be replaced by indigenous production.

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Synthetic Oil Plant

Three international firms are being contacted for the preparation of project reports on the proposed synthetic oil plant.

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Fertiliser Factory

It has been decided that the proposed fertiliser factory in the Bhakra Nangal area should have a capacity of about 200,000 tons of ammonium nitrate per annum. Certain preliminary steps towards the implementation of the decision to set up the factory have already been taken and work on the project is expected to be started as soon as technical and other details are settled after examination of the final report of the Fertiliser Production Committee. These details will be settled only after examining the final report of the Fertiliser Production Committee, and no reliable estimate of the total cost of the project can be given at this stage.

—Production Minister

Financial Assistance to Nepal and Sikkim

The Government proposes to give Rs. 1,66,31,000 exclusively as a grant to Nepal and Rs. 55 lakhs to Sikkim during the current financial year. The amount to Sikkim includes Rs. 9.75 lakhs as part of a loan of Rs. 21 lakhs to be given for the construction of an aerial ropeway in Sikkim. This loan is required to be treated as a 15-year loan recoverable at the rate of Rs. 2 lakhs per annum payable by the Sikkim Durbar one year after the completion of the project.

—Prime Minister

Remittances by Foreign Firms

During 1954, Rs. 1,922.02 lakhs were remitted from India to foreign countries by foreign firms and companies, including banks, on account of profits, as compared with Rs. 1,667.29 lakhs in the previous year. In 1954, Rs. 59.39 lakhs were invested by foreign firms and companies in India, as against Rs. 153.60 lakhs in 1953. These figures do not include remittances individually of less than Rs. 20,000, as such onward remittances were not reported to the Reserve Bank. The figures do not also include investments in the form of goods, plant and machinery, nor do they include capital issued for the services rendered by foreign firms or reinvestment of profits in India.

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Russian Aid

India has not been offered any financial aid by Soviet Russia recently.

—Finance Minister

U.S. Loan to India

About $25 to $30 million are being utilised for purchase of wheat and cotton out of the $45 million loan from the U.S. It is expected that the entire quantity will be received during the current financial year.

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Industrial Schemes

The number of industrial schemes, in which Indian firms are required to pay royalties to foreign firms for technical know-how, sanctioned by the Government of India in 1954, is 39. The royalty so far paid amounts to Rs. 44.56 lakhs which include payments made in respect of arrangements entered into in earlier years also.

—Minister for Revenue and Civil Expenditure

Import Duty on Antibiotic Drugs

The amount of revenue derived from customs duty on import of antibiotic drugs during the period April, 1954 to January, 1955, was Rs. 63,34,115. Out of this, Rs. 26,91,861 had been derived on account of customs duty on the import of penicillin, while the remaining amount of Rs. 36,42,254 was on account of import duty on other antibiotics, such as streptomycin and so on. The amount of revenue derived from customs duty on import of surgical instruments in the same period was about Rs. 11 lakhs.

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Hali Sicca Currency

The *Hali Sicca* currency has ceased to be legal tender with effect from 1st April, 1955. The total amount of the currency that has not yet been withdrawn and may have remained with the members of the public is of the order of Rs. 6.49 crores as on 1st April, 1955.

—Minister for Revenue and Defence Expenditure

Jeep Spares Manufacture

Within the next four years, India will be able to manufacture 70 per cent. of the components of jeeps. The report of the firm, to which a manufacturing licence was granted in November last, on the measures it has taken to implement its programme for the manufacture of jeeps is due in May and is being awaited.

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Soap Export to Burma

There has been a decline in India's share in the soap trade in Burma, due to the withdrawal of preferential tariffs. The average annual imports of soap to Burma in the past three years show that India does not enjoy the position of the principal supplier of soap. (The diminution of India's share in the soap trade in Burma is due to the curtailment in export of Lever Brothers—Mr. T. T. Krishnamachari.)

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Futures Market for Shellac

The Forward Markets Commission is looking into the question of having a regulated futures market for shellac. The Union Government has turned down the recommendation of the Bihar Shellac Enquiry Committee that export of seedlac and shellac on consignment should be stopped. The Government does not consider it necessary to interfere with the normal trade practices. Exporters are free not to export on consignment account, if they find that such exports have not proved to be advantageous. In a buyer's market, the Government does not want to take the responsibility of stopping spot sales. The question of introducing quality control is also under consideration.

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State Trading

The Government has not decided as a policy not to enter the export trade in any commodity.

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Assistance to Silk Industry

Financial assistance amounting to Rs. 7.68 lakhs has been given by the Central Government to Mysore State for the promotion of silk industry during the year.

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Zinc Factory

The question of establishing a zinc factory should be taken up only after the ore output has reached the required target of 1,000 tons daily. This is the view of the Committee which was formed to examine the question of the establishment of a zinc factory in India. But today the output is only 300 tons. All the requirements in respect of zinc are met at present from imports from foreign countries.

—Deputy Minister for Commerce and Industry

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Flood Control

It is proposed to establish a river research station in Assam for the study of rainfall data, with a view to controlling floods. Reconnaissance survey for selecting a suitable site has been made and other details are being worked out by the Assam Government. The detailed scheme, when ready, will have to be accepted by the Planning Commission for inclusion in the Plan before it can be implemented.

—Deputy Irrigation Minister

State Insurance

The amount paid as cash benefits on account of sickness, maternity, disablement and dependents benefits during 1953-54 under the Employees State Insurance Scheme was Rs. 19,23,167. A sum of Rs. 11,28,611 was spent on medical benefits. The employees' contribution during the period in areas where the scheme was implemented was Rs. 15,15,949. The contribution of employers in other areas was Rs. 1,61,27,644.

—Deputy Minister for Labour

Taming of Ravi River

The Governments of India and Pakistan have agreed that the Deputy Commissioners of the border districts concerned should explain to their counterparts in the other country the object of the works undertaken by either country along the Ravi and along other rivers near the boundary. It has also been agreed that the Executive Engineers of the two sides should meet and discuss the plans with a view to causing the least inconvenience to the residents of villages on the other side whenever protective works are proposed to be undertaken.

—Parliamentary Secretary to Minister for External Affairs

Output of Gold and Iron Ore

About 240,794 ozs. of gold were produced in India during 1954. The total production of iron ore amounted to 3.73 million tons.

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Manganese Deposits

A low grade manganese deposit has been discovered in Sunakania Hill in Baud area in Orissa.

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Oil and Gas Division

The nucleus of the Oil and Gas Division has started work in the Jaisalmer area in Rajasthan. The Division will be manned by Indians, but foreign experts will also be employed whenever necessary. The equipment required for prospecting and drilling is being obtained.

—Minister for Natural Resources

Employment Situation

The average number of vacancies notified to employment exchanges during the first two months of 1955 was 21,242 as against 19,990 per month in 1954. The number of employment-seekers on the live registers of exchanges decreased from 609,780 at the end of December, 1954, to 605,933 at the end of February, 1955. These figures may be signs of an improvement in the situation, but it is not possible to draw any final conclusions from them just yet.

—Labour Minister

Silk Industry

The silk industry has been helped for a long time, but it has not shown any improvement. In fact, because of constriction of imports, the demand for silk goods has suffered. During 1954, the Mysore silk industry showed a slight improvement and, if this trend is maintained, it will perhaps go to meet one-third and one-half of silk requirements.

—Commerce and Industry Minister

AMALGAMATED COALFIELD REPORTS HEAVY ACCUMULATION OF STOCKS

CAMBODIA MILL SKIPS OVER DIVIDEND

Amalgamated Coalfields, Ltd.

THE directors of the above Company (Managing Agents: Messrs. Shaw Wallace and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September, 1954.

The Company's profit for the half-year, after the inclusion of Rs. 21,441 (Rs. 20,589) brought forward and Rs. 79,455 (*nil*) stores depreciation written back was Rs. 4,67,469 (Rs. 3,29,454). After making provision for taxation Rs. 1,93,558 (Rs. 85,000) there remained a sum of Rs. 2,73,911 (Rs. 2,44,454). Out of this amount the directors placed to machinery replacement and development reserve Rs. 1,25,000 (Rs. 1,00,000) paid a dividend at the rate of 10 (10) per cent. per annum, free of income-tax, absorbing Rs. 1,27,500 (Rs. 1,27,500) and carried forward Rs. 21,411 (Rs. 16,954).

Capital expenditure on development, mechanisation and buildings totalled Rs. 3,74,006 for the half-year. A sum of Rs. 1,25,000 has been placed to development reserve towards the cost of sinking and equipping new pits at Eklehra and Rawanwara Collieries.

Output and despatches of steam and other grades of coal for the last three half-years are as follows:—

Half-year ended	*Raisings* Tons	*Despatches* Tons
30th September, 1954 ...	4,01,400	3,77,585
31st March, 1954 ...	3,90,636	3,82,889
30th September, 1953 ...	3,74,537	3,92,351

Production figures were again up but due to transport difficulties and the glut of small coal on the market, heavy stocks of slack and dust coals accumulated at all collieries. During the half-year 10,000 tons of these stocks had to be written of as unsaleable due to weathering and spontaneous combustion.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Block ...	26,60,000
Reserves ...	20,75,000	Stock of Coal	3,35,196
Provision for taxation ...	2,15,000	Stores ...	13,73,739
Liabilities ...	28,68,512	Debts, deposits and advances ...	30,94,864
Profit and loss account ...	21,411	Investments	1,12,500
		Cash ...	1,53,624
Rs.	77,29,923	Rs.	77,29,923

Cambodia Mills Ltd.

The directors of the above Company (Managing Agents and Secretaries: Messrs. Peirce, Leslie & Co., Ltd., Coimbatore) submitted the audited accounts of the Company for the year ended 31st December, 1954.

The result of the Company's working for the year after allowing Rs. 1,90,633 (Rs. 1,59,341) for depreciation was a loss of Rs. 87,744 (profit of Rs. 6,19,837). The unappropriated profit brought forward was Rs. 39,657 (Rs. 93,399) from which was deducted dividend paid on cumulative preference shares at 7 per cent., free of income-tax, for the year ended 31st December, 1954 Rs. 7,000 (Rs. 7,000). The net debit balance carried forward is Rs. 55,087 credit of Rs. 39,657 after providing Rs. 2,60,000 for taxation, Rs. 2,50,000 for involuntary unemployment to labour, transferring Rs. 6,579 to reconstruction and development reserve and paying ordinary dividend at 7½ per cent. free of tax, absorbing Rs. 1,50,000.

The main reason for the adverse trading result was the difficulty of procuring raw cotton suitable for the coarse counts of yarn which are a feature of the mills production, at anything other than very high prices. Additional factors which contributed to the loss were the Arbitration Award on the bonus question for 1952 and 1953 which imposed a heavy liability on the company over and above the amount which had already been reserved and paid out, and the payment of compensation to waste pickers arising out of the 1948 Tribunal Award.

The directors inform that considerable progress has been made in implementing the Rehabilitation Scheme. The intermediate frame and drawing frame have now arrived and the yarn conditioning machine is due very shortly. Fifteen new carding engines, the vacuum card stripping plant and a shirley opener for the blowroom are expected to be installed during the course of the year. These developments will further increase the efficiency of the preparatory machinery and should lead to reduced production costs.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,00,000	Block ...	14,41,186
Reserves* ...	19,45,319	Stock-in-trade ...	31,57,990
Liabilities ...	23,55,774	Stores and spare parts	1,86,111
		Tools, etc. ...	18,426
		Debts, deposits and advances ...	12,46,993
		Investments	2,35,197
		Cash ...	95,190
Rs.	64,01,093	Rs.	64,01,093

*Reserves are shown after deducting a sum of Rs. 55,087 standing at the debit of profit and loss account.

Pench Valley Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September, 1954.

The Company's profit for the half-year, after the inclusion of the amount brought forward of Rs. 22,304, was Rs. 3,89,073. After making provision for taxation of Rs. 1,50,756, there remained Rs. 2,38,317. Out of this amount the directors placed to development reserve Rs. 1,00,000 paid a dividend at the rate of 15 per cent. per annum, free of income-tax, absorbing Rs. 1,18,125 and carried forward Rs. 20,192.

Output and despatches of steam and other grades of coal for the last three periods are as follows:—

	Raisings Tons	*Despatches* Tons
Half-year ended 30th September, 1954	2,15,388	2,11,473
Seven months ended 31st March, 1954	2,51,508	2,52,289
Half-year ended 31st August, 1953	2,14,306	2,16,775

Raisings were maintained at previous levels. In order to maintain future production, plans are well advanced for developing the lower seams at Chandametta Collieries and orders for the necessary plant and equipment have already been placed. To provide the necessary finance a further Rs. 1,00,000 has been placed to development reserve.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,75,000	Block ...	12,50,000
Reserves ...	14,00,000	Stock of coal	1,09,487
Provision for taxation ...	4,81,000	Stores ...	7,39,707
Liabilities ...	14,79,277	Debts, deposits and advances ...	17,56,943
Profit and loss account ...	20,192	Investments	4,07,240
		Cash ...	6,92,092
Rs.	49,55,469	Rs.	49,55,469

Bararee Coke Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Jardine Henderson Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1954.

The profit and loss account shows a balance of profit of Rs. 1,10,253 (Rs. 1,40,735) to which has to be added the balance brought forward from the previous half-year, of Rs. 31,068 (Rs. 36,826) and excess profits tax post-war refund received Rs. 22,927 (*nil*) Rs. 53,995 (*nil*) and the directors have transferred from by-product stock reserve account the sum of Rs. 25,000 (*nil*), making a total of Rs. 1,89,248 (Rs. 1,99,561). Out of this sum there has been written off for claims considered irrecoverable Rs. 362 (*nil*), provided for depreciation Rs. 30,565 (*nil*) provided for taxation Rs. 40,000 (Rs. 65,000), provided for doubtful debts Rs. 13,881 (*nil*) and paid dividend previously forfeited Rs. 55 (*nil*), leaving a balance available for disposal of Rs. 1,04,386 (Rs. 1,34,561), which the directors recommend should be dealt with as follows:—

In payment of a dividend on the share capital of 7 (7) per cent. without any deduction for income-tax paid by the Company, absorbing Rs. 84,000 (Rs. 84,000), leaving a balance to be carried forward to the next account of Rs. 20,386 (Rs. 50,561).

Manufacture and despatches during the half-year were as follows:—

	Manufactured Tons	*Despatched* Tons
Coke	23,187 (31,988)	23,638 (29,791)
Tar and pitch	971 (1,309)	900 (1,495)
Sulphate of ammonia	210 (369)	197 (503)
	Gallons	Gallons
Benzol	4,007 (6,407)	6,422 (8,094)

The Works had to be shut down in May, 1954, for overhaul of plant and machinery and this accounts for the substantial fall in the production of coke and by-products as compared with recent half-years. At the time of writing this report, production has recovered to some extent and it is hoped that gradually normal production will be restored but in view of current labour conditions this may take some time. Despatches suffered in consequence of the fall in production and on account of irregularity in the supply of wagons. Relations between management and labour at the Works were satisfactory throughout the half-year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	3,32,000
Reserves ...	8,38,299	Stock of coal, coke and by-products, etc. ...	3,79,523
Provision for taxation ...	3,46,324	Stores ...	8,45,167
Liabilities ...	6,06,734	Debts and advances ...	13,86,089
Profit and loss account ...	20,386	Investments	800
		Cash ...	68,164
Rs.	30,11,743	Rs.	30,11,743

Shahjahanpur Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th September, 1954.

The revenue account shows a profit on the year's working of Rs. 73,093 (Rs. 88,391) and after deducting from this arrears of depreciation Rs. 5,415 (Rs. 5,414), gratuity to retired employees Rs. 1,313 (Rs. 383), expenditure during construction written off Rs. 741 (*nil*), provision for taxation 1955-56 Rs. 15,951 (Rs. 33,000), reserve for deferred taxation Rs. 8,700 (Rs. 14,700) and appropriation under the Electricity (Supply) Act, 1948 Rs. 3,721 (Rs. 3,657), there is a credit balance of Rs. 37,252 (Rs. 31,236). After adding to this Rs. 5,882 (Rs. 27,279), the balance brought forward from last year, and Rs. 6,309 (Rs. 12,866), being the amount transferred from reserve for tariffs and dividends control in accordance with paragraph II (2) of the sixth schedule to the Electricity (Supply) Act, 1948, and also Rs. 10,451 (*nil*) on account of provision for taxation in respect of the previous year no longer required, there is a balance of Rs. 59,894 (Rs. 71,382) at credit of profit and loss account, which the directors recommend be disposed of as follows:—

Pay a dividend at 5 (5) per cent. for the year ended 30th September, 1954, without any deduction of income-tax paid by the Company Rs. 45,500 (Rs. 45,500) and to carry forward the balance of Rs. 14,394 (Rs. 5,882 after transferring to general reserve Rs. 20,000).

A continuous supply of energy was maintained throughout the year, and a small increase in the number of units sold was recorded as compared with the previous year. Information has been received from the State Government that a bulk supply of electricity can be made available to the Company within a period of two months. Details with regard to the tariff that would be applicable and the method of supply are under discussion. The Company's future prospects are considered good.

The number of units of electricity sold during the year was 22,24,801 as compared with 22,05,213 in 1952-53 and 20,68,878 in 1951-52. The number of consumers connected to the Company's System at 30th September, 1954 was 2,009 representing a connected load of 2,433 kw. as compared with 1919 with a connected load of 2,420 kw. at the close of the previous financial year. These figures include bazar lighting consumers numbering 99 as against 101 at 30th September, 1953.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,10,000	Block ...	7,31,684
Reserves ...	2,72,300	Stores, tools, etc. ...	2,66,241
Provision for taxation ...	44,004	Other assets	26,268
Liabilities ...	3,11,719	Debts, deposits and advances ...	1,58,021
Profit and loss account ...	59,893	Investments	3,17,393
		Cash ...	98,909
Rs.	15,98,516	Rs.	15,98,516

Braithwaite & Co. (India) Ltd.

The directors of the above Company (Secretary: Mr. Y. S. Tayal, Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1954.

After making provision to the extent of Rs. 9,00,000 (Rs. 9,00,000) to meet the Company's liability in respect of income-tax and super-tax, transferring Rs. 4,00,000 (Rs. 4,00,000) to general reserve and after providing for depreciation and other sundry charges, the profit for the year amounted to Rs. 6,94,084 which compares with the profit last year of Rs. 6,04,189. This profit together with the amount of Rs. 1,52,392 (Rs. 1,14,182) brought forward from last year's accounts, leaves a sum of Rs. 8,46,477 (Rs. 7,18,371) which the directors recommend be dealt with as follows:—

In paying a dividend for the year ended 31st December, 1954, of Re. 1-2 (Re. 1) per share Rs. 6,36,726 (Rs. 5,65,979) and in carrying forward Rs. 2,09,750 (Rs. 1,52,392).

Prospects remain good. The Company celebrated its Silver Jubilee on the 28th February, this year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,61,853	Block ...	13,34,848
Reserves ...	33,30,700	Erection plant, tools and tackle ...	2,32,963
Provision for taxation ...	11,67,951	Contracts-in-progress ...	49,15,307
Liabilities ...	36,55,669	Stock of materials and stores ...	5,12,848
Profit and loss account ...	8,46,476	Debts, deposits and advances ...	8,46,800
		Investments	21,92,303
		Cash ...	29,27,580
Rs.	1,29,62,649	Rs.	1,29,62,649

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

MONEY COMFORTABLE

(From Our Own Correspondent)

BOMBAY, 20*th April*

Comfortable conditions were witnessed in the short-term money market during the week under review. The slight easing of the stringency noted last week would appear to have persisted this week also. The seasonal demand for funds did not appear to have abated to any marked extent, though it was not as keen as it was a few weeks ago. The influx of funds reported last week proved to be a great relief to the market. However, during the week under review, one of the leading Scheduled banks, which was the main supplier of funds to the market last week, is reported to have utilised a considerable portion of its surplus funds for purchasing Government securities. Nevertheless, borrowers were able to get their requirements in full.

Inter-bank call money was done at 2¾ to 3 per cent. with borrowers over. Short-term deposits were in demand at 3 per cent. for one to six months.

The weekly tenders for three months' Government of India Treasury Bills brought a better response this week than in the previous one, in that the amount offered aggregated Rs. 1.51 crores, as against Rs. 1 crore last week. The larger tenders did not, however, bring about any decline in the interest rate, the average rate of accepted tenders having remained unchanged at Rs. 2-9-0 per cent. per annum. Tenders for Rs. 1 crore have been invited for next week also.

There has been a further expansion in notes in circulation during the week ended 15th April, 1955, but it is only a fraction of that noted in the previous two weeks, the exact rise being Rs. 2.56 crores. Disclosing this, the Reserve Bank's statement for that week shows a rise of Rs. 7.32 crores in notes held in the Banking Department, thus nearly offsetting the decline of Rs. 7.51 crores in the previous two weeks. The total notes issued, therefore, recorded an increase of Rs. 9.88 crores. This is covered by a rise of Rs. 10 crores in foreign securities and a decline of Rs. 12 lakhs in rupee coin. In the Banking Department, deposits of the Central Government have declined by Rs. 2.43 crores, following the drop of Rs. 7.21 crores in the previous week. Deposits of other Governments, which had fallen by Rs. 31.43 crores a week ago, have further declined by Rs. 5.84 crores. Deposits of banks have risen by Rs. 5.54 crores. Balances held abroad have dwindled by Rs. 10.60 crores. Loans and advances to Governments are lower by Rs. 88 lakhs, while other loans and advances have gone up by Rs. 3 crores. Outstanding loans and advances to Scheduled banks against usance bills, which disclosed a fall of Rs. 10.32 crores in the previous week, have risen by Rs. 6.43 crores. Fresh advances against these bills aggregate Rs. 10.84 crores. Investments are lower by Rs. 1.11 crores.

The Scheduled banks' statement for the week ended 8th April, 1955, as compared with that for the previous week, reveals no notable variation in demand deposits, while time deposits are up by Rs. 2.52 crores. Inter-bank borrowings have risen by Rs. 3.50 crores, while borrowings from the Reserve Bank are down by Rs. 16.57 crores and those from the Imperial Bank by Rs. 1.66 crores. A decline of Rs. 5.32 crores is noted in advances, while an increase of Rs. 2.55 crores has occurred in inland bills purchased and discounted and of Rs. 1.36 crores in foreign bills. Investments are lower by Rs. 1.94 crores. Cash-on-hand and balances with the Reserve Bank are together higher by Rs. 4.51 crores, balances with other banks by Rs. 60 lakhs and money at call and short notice by Rs. 4.43 crores.

The Gilt-edged market disclosed slightly better conditions during the week under review, in that there were some enquiries for popular issues and a fairly good volume of business was put through, though this was not reflected in prices. 3 per cent. 1986 Conversion Loan recovered on bear-covering by As. 6 to Rs. 80-12. A good volume of business was done in 3½ per cent. 1961 at Rs. 99-9. 3½ per cent. 1964 attracted enquiries at Rs. 98-7½, but the market quotation was Rs. 98-8, at which rate the Reserve Bank continued to be a seller.

In the foreign exchange section, the rupee disclosed some strength in terms of the U.S. dollar, the banks' selling rate moving down from Rs. 479½ to Rs. 478½ per $100 and the buying rate from Rs. 475½ to Rs. 474½ per $100. Sterling continued to rule strong in terms of the dollar, but towards the close was marked down fractionally. Thus, in New York, spot sterling, after rising from $2.79-11/16—2.79-13/16 to $2.79⅞—2.79⅞, declined to $2.79⅝—2.79⅞. Forward sterling (three months) advanced from $2.78⅝—2.78⅞ to $2.78¾—2.78⅞, before closing at $2.78½—2.78⅞. Transferable sterling rose from $2.76⅞—2.77⅛ to $2.77⅛—2.77⅜.

FAIR DEMAND FOR TEA DUSTS

(From Our Own Correspondent)

CALCUTTA, 19*th April*

During the internal sale held last week, tea dusts offered aggregated 17,444 packages. Although prices were easy, there was fair demand. C.T.C. Assams declined by As 2, and poor liquoring teas by As. 3 to As. 4. Fibrous residue teas were available at rates lower by As. 4 to As. 6. There was a fractional decline in the prices of medium Assams, commons, and Dooars with clean leaf and useful liquors. The quotations were: Best Assam C.T.C. Rs. 2-13, medium Assam grainy dust Rs. 2-5, and medium Dooars Rs. 2-1-6.

BULLION QUIETLY STEADY

(From Our Own Correspondent)

BOMBAY, 20*th April*

The bullion market disclosed quietly steady conditions during the week under review, with fluctuations confined to a markedly narrow range, in distinct contrast to the sharp movements witnessed in the previous weeks. The movements in gold, in particular, which had been hectic in the preceding week, were very restricted on account of the demand having slackened considerably. The small quantity of arrivals and the continued shortage of floating stocks, however, kept the sentiment intact. This is reflected in the further widening of the premium of ready gold over the forward from Rs. 2-1 to Rs. 2-6.

In silver, the bulls were in no mood to relax their hold on the market, as witness the widening of the backwardation charges from Rs. 2-14 to Rs. 3.

The week under review was not, however, devoid of any new developments. Business in the *Ashad* delivery (third settlement) contract began on Friday last in gold and on Saturday in silver. On Saturday, the closing rate for gold in this settlement (at Rs. 91-5½) was above the official opening rate of Rs. 91-4 and was Re. 1-2 below the closing rate for the *Jeth* delivery contract (the second settlement), that is, the immediately preceding contract. Under by-law 33-D, margin is applicable on the outstanding purchases in *Jeth* delivery contract, if that contract is regarded as a current contract. Opinion on the definition of current contract, however, would appear to have differed and the Board could not come to a decision on the question of imposing margin in respect of *Jeth* settlement. Even legal opinion seems to differ on this point. One legal lummary considers that only the *Vaisakh* delivery contract can be treated as the current contract, the other contracts being succeeding contracts, and as such margin will be applicable only on the outstandings under that settlement. Another lawyer says that, since business has been permitted in all the three forward contracts simultaneously, all of them should be considered as current contracts. But since *Ashad* delivery contract has no succeeding contract, the question of applying margin does not arise. As the other two contracts are having succeeding contracts and backwardisation charges are quoted over As. 12, margins, according to him, are applicable to *Vaisakh* and *Jeth* settlements. Margin is already applicable in *Vaisakh* and the dispute is, therefore, only in respect of *Jeth* settlement. The dispute is likely to be referred to the Advocate-General for a verdict.

To revert to the market trend. Silver for forward delivery in *Vaisakh* (9th May) settlement declined from Rs. 163-12 to Rs. 162-10 on Monday, but revived to Rs. 163-8 at the close today. *Jeth* silver was marked down from Rs. 161 to Rs. 159-14, before closing at Rs. 160-8. Business for *Ashad* settlement opened at Rs. 157-13 and at the close today was done at Rs. 158-6.

Ready silver (.996 Mint), after reacting from Rs. 166-12 to Rs. 165-10, improved to Rs. 166-12. The floating stocks of silver are estimated at 1,800 bars. The daily average offtake was 20 bars.

Gold for forward delivery in the *Vaisakh* settlement tended to decline early in the week from Rs. 94-10 to Rs. 93-8, but revived to touch a high of Rs. 94-15 yesterday. Today, however, it closed at Rs. 94-11. *Jeth* gold softened from Rs. 93-10 to Rs. 92-7, but hardened to Rs. 93-5 at the close. Business in *Ashad* settlement opened at Rs. 91-8 and closed for the week at Rs. 92-5.

Ready gold disclosed a gain of As. 6 over the week, when it closed today at Rs. 97-1. The floating stocks are reported to be 10,000 tolas. The daily average arrivals were 3,000 tolas and the offtake was 3,500 tolas on an average.

In London, silver suffered a drop of ½d. per fine ounce early in the week, but held its ground subsequently, spot silver quoting 75½d. and forward silver 75¼d. Gold was marked down from £12 10s. 8½d. to £12 10s. 7d. In New York, silver remained unchanged at 87 cents.

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

	20-4-55	Highest	Lowest	13-4-55
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	97 1	97 3	95 10	96 11
Forward*	94 11	94 15	93 8	94 10
Sovereign	60 12	60 12	60 10	60 2
SILVER				
Ready (.996 fine Mint) ..	166 12	166 12	165 10	166 12
Forward†	163 8	163 13	162 10	163 12
London Silver Ready ..	75½d.	—	—	75¼d.
London Forward	75½d.	—	—	75¼d.
London Gold	250s. 7d.	250s. 7d.	250s. 6½d.	250s. 8½d.
New York Ready	87c.	—	—	87c.

* *Vaisakh*—7th May settlement.
† *Vaisakh*—9th May settlement.
N. B.—Foreign bullion prices shown in the above table relates to the previous day.

LINSEED FIRM

(Messrs. A. Bradley & Co.)

CALCUTTA, 18*th April*

Generally firm conditions prevailed in the linseed market and fairly good enquiries were noted. Trading was rather poor, owing to scarcity of ready goods and firm advices from the centres. Keen enquiries from crushers and lack of sufficient supplies resulted in higher price levels. The oil market was active and prices advanced appreciably. Good demand from shippers covering against previous sales resulted in some business, whilst enquiries from overseas were fairly good. The latest available quotations for April-May delivery is Rs. 15-14 per maund.

FORWARD COTTON IRREGULAR

(From Our Own Correspondent)

BOMBAY, 20*th April*

The cotton market has still not picked up strength. In fact, it continues to be sluggish. Despite the release of a further export quota of 100,000 bales of cotton, speculative sales have not disappeared. Exporters of cotton are rather critical of the Government's announcement. It had been expected that the Government would permit a limited export of cotton stapling over ¾". But the additional quota of 100,000 bales consist of only cotton stapling ¾" and below of any crop. There is also the further restriction that 35,000 bales should be exported from Saurashtra ports. It is pointed out by leading sections of the trade that the additional quota would only swell the quantity of unused quotas, estimated at 130,000 bales. Overseas enquiries have been few in recent weeks and the high export duty of Rs. 150 per bale is considered to be influencing foreign interests to fill in their requirements with only a minimum of Indian cotton. If export prospects were to improve, there should, it is emphasised, be a reduction of at least 33⅓ per cent. in the export duty on cotton. The need is said to be all the greater in view of the downward trend in prices of outside growths. Attention is further drawn to the slump in world textile market, improvement in the production of short-staple cotton in he U.S., and easy trend in the Egypt, Sudan and East African cotton markets.

After presenting a somewhat steady trend in the earlier sessions of the week under review, the futures section of the cotton market witnessed a relapse towards the close on Monday which gathered further momentum yesterday and today. The initial steadiness was due to higher upcountry as well as local spot advices. Rumours of the formation of a bull syndicate also influenced the sentiment of operators favourably. There was professional support on a large-scale, besides continued covering by shorts. Cotton prices, therefore, tended to improve. The upward trend was, however, halted on Monday. The increase in excise duty on fine cloth and conversion of the basis of additional cess from linear yard to square yard were interpreted bearishly. Advices from the spot market were also not encouraging. Selling pressure ensued and cotton prices suffered a fall which persisted yesterday and today too.

I.C.C. May contract commenced the week higher at Rs. 544, as against Rs. 543-12 last week, and, after improving to Rs. 554 on Monday, declined to Rs. 547-8 today, before finishing at Rs. 549-12. I.C.C. August opened at Rs. 555. It gradually rose to Rs. 561 on the 18th inst. Thereafter, it drifted lower, the closing rate today being Rs. 559-4. The spread between the two contracts narrowed down from Rs. 11-4 last week-end to Rs. 9-8 today, owing to switch-over operations by bear operators from May delivery to August contract.

The trend of prices during the week under review is indicated below:

	13-4-55	*High*	*Low*	20-4-55
I.C.C. May Rs. ...	543¾	554	544	549¾
I.C.C. August Rs. ...	555	561	552½	559¼

In the spot market, prices of domestic staple styles advanced moderately from the seasonal lows of last week, on account of a revival in mill demand. Kala Wagad, Kalyan, Vijay and Surti cottons evoked particular attention. There were limited enquiries for 320F and 216F. Among foreign styles, there was moderate demand for Egyptian Karnak and Giza 90, mainly from Ahmedabad mills. No fresh purchases were reported in Sudans or East Africans.

The latest available quotations from the Sewri market are: Bengal *deshi* Rs. 560; Berar Jarillas Rs. 600; Khandesh Rs. 560; Vijay Rs. 710; Oomra *deshi* Rs. 550; Moglai Rs. 520.

The Karachi cotton market depicted a steady tone during the week under review. The steadiness was aided by slight improvement in offtake by domestic mill and overseas interests. Cotton prices, as a result, tended to look up. N.T.R.G. for May delivery was quoted yesterday at Rs. 62-15 (in Pakistan rupees for 82 pounds weight), as against Rs. 61 a week before. The latest available quotations from the spot cotton market at Karachi are:

Sind *deshi* Rs. 59; Punjab *deshi* Rs. 51-8; 4F Roller Rs. 57-15; S.G. Rs. 61-15; Punjab Roller Rs. 62-7; 289F N.T. Roller Rs. 65-5; 289F N.T. Sind S.G. Rs. 70-7; 289F Punjab Roller Rs. 65-15; S.G. Rs. 70-15.

In the Alexandria cotton market, demand continued to be moderate, being confined mostly to Karnaks. The premiums for spot Karnak Fully Good and above were about 250 Liverpool points more than the official support prices. Giza 30 and Ashmouni, however, were on offer at small discounts. Thanks to poor offtake, cotton is reported to have commenced moving in volume into the hands of the Egyptian Cotton Commission. The bulk of the deliveries made so far is accounted for by Giza 30 and Ashmouni varieties. The premiums for entitlement currencies are maintained at their recent high levels, which, it is said, fetch overseas buyers paying in those currencies attractive discounts. Notwithstanding this, demand has not registered any increase, since comparable outside growths are on offer at greatly reduced prices. In addition, the possibility of the U.S. cotton exports being subsidised in the ensuing season is also stated to have discouraged large purchases of Egyptian cotton.

The selling price of Egyptian Cotton Commission (cotton graded good, good to fully good and fully good) are: Karnak 77.77T, 76.27T and 80.77T; Menouf 67.77T, 71.77T and 75.77T; Giza 30 65.90T,

68.90T and 71.90T; Ashmouni 59.90T, 62.90T and 65.90T.

Despite uncertainty regarding the U.S. Government's cotton export policy for the next season, the Liverpool cotton futures market was active during the week under review. This was attributed to enlarged enquiries for yarn and cloth. The expectation that the Chancellor of the Exchequer would cut the purchase tax on textiles (the expectation has proved correct, with Mr. Butler's announcement of the cut in the budget statement presented yesterday) also enthused the interests of operators. Buying support ensued as a consequence and cotton values registered handsome gains. The latest available quotations from the market are: May-June 30.94d.; July-August 30.40d.; October-November 30.12d., and December-January 30.07d.

Conditions in the New York cotton futures market were distinctly bearish this week. Intermittent heavy liquidation in near-bys kept prices at depressed levels. Mill demand was insufficient to hold up values. The continued slow activity in home and export markets acted as a damper. There was extensive switching from near-by May to later months. At a meeting of the New York Cotton Exchange held the other day, the members voted to send back to the Board of Managers for further consideration the proposal to change the base of the futures contract of middling 15/16" to middling 1" cotton.

Yesterday, the U.S. Department of Agriculture offered to sell about 150,000 bales of its surplus cotton. The purpose of the offer, it is said, is to meet the needs of American consumers and exporters for grades and qualities now in short supply in regular market channels. This cotton will be sold either at 105 per cent. of parity plus handling charges or at the American market price, whichever is higher. Department officials say that, for most grades of cotton, the market price is lower than the 105 per cent. parity price. It is the first time since last autumn that the Agriculture Department has offered to sell any of its surplus cotton. The Department is holding about 1,750,000 bales. Department officials say that their offer should prevent any further price increases because of short supply.

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

(In cents per lb.)

	19-4-55	12-4-55	5-4-55
Spot	33.95	34.20	34.25
May	33.16	33.46	33.61
July	33.41	33.67	33.81
October	33.76	33.86	33.84
December	33.90	33.93	33.94

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 20th April

Steady conditions prevailed in the sugar market during the week under review, in distinct contrast to the easy trend witnessed in the previous week. Two factors were responsible for the steadiness. First, the Central Government decided to sell East German sugar in destination centres at a higher price of Rs. 30-8 per maund, as against the previous rate of Rs. 29-8. Secondly, there was a slight rise in ex-mill quotations of sugar in the Bombay-Deccan, following rumours of a possible delay in the next release of indigenous sugar for sale in the free market. These factors induced some buying support and prices were fully maintained. These developments have, however, not imparted any strength to sugar markets in U.P. and Bihar. The ex-mill rates in these States are as low as they were a week ago.

In the forward section, *Vaisakh* delivery improved by As. 4 to Rs. 83-4. Business in *Jeth* delivery began at Rs. 83 and the quotation has been nominal at this level throughout the week.

Among imported sugars in the spot section, British refined sugar hardened by As. 12 to Rs. 83-12 per 224 lbs. German and Czechoslovakian sugars were unaltered at Rs. 80 and Rs. 85-87 per 220 lbs., respectively. French sugar was, however, quoted lower at Rs. 81¾-84¼ per 220 lbs., as against Rs. 82-85. Among indigenous varieties, medium grain was done at Rs. 88-89 and large grain at Rs. 92-100.

The Government of India has modified the f.o.r. destination system for the sale of imported sugar. As against the earlier decision to issue East German sugar at the same price as that prevailing in Bombay port, namely, Rs. 29-8 per maund, it has now been decided to charge a higher price of Rs. 30-8. The stations in which the modified f.o.r. system operates include Ratlam, Indore, Ujjain, Jaipur, Jodhpur, Ahmedabad, Nagpur, Poona and Akila. It is reported that the Union Food Ministry proposes to open more depots at every one of these stations, in order to facilitate distribution of imported sugar to all the areas served through these centres.

N.B.—The rates for Indian sugars are inclusive of sales tax, while those for foreign sugars are exclusive of the tax.

RAYON YARN QUIET

(From Our Own Correspondent)

BOMBAY, 20th April

The rayon yarn market ruled quiet during the week under review. The bearish trend was due partly to large arrivals of imported yarn and partly to the sale of 1 million lbs. of yarn by the National Rayon Corporation Ltd., Bombay. Stockists were eager to lighten their commitments, while buyers were somewhat reserved in anticipation of a further fall in prices. Consequently, quotations for rayon yarns slided downwards. In the forward section, 150D April contract receded from Rs. 732 to Rs. 730 yesterday before recovering to Rs. 731 today. Among spot yarns, 150 Japan dropped As. 2½ to Rs. 4-1. 120 Japan and 150 Italy fell by an anna and a half each to Rs. 3-13 and Rs. 4-0-6, respectively. 150 Italy eased by half an anna to Rs. 3-13-6. Among indigenous yarns, National Rayons 150 Bt. cones I grade declined by 4½ pies to Rs. 3-6-1½ and II grade by 3 pies to Rs. 3-5-9. Bt. hanks I grade eased by 3 pies to Rs. 3-10-3.

In distinct contrast with the bearish trend of the rayon yarn market, the staple fibre yarn section depicted a fully steady note. This was attributed to the continued bull squeeze in April position. Staple fibre yarn (40×2) for April delivery forged ahead from Rs. 580-12½ last week-end to Rs. 585 on Monday, but reacted to Rs. 582-8 today. May delivery firmed up by Rs. 6-4 to Rs. 583 on the 18th inst. Today, however, it slipped to Rs. 578-12. Foreign yarns (40 x 2) in the spot section registered gains, Auroras and Fujis advancing by half an anna each, the former to Rs. 4 and the latter to Rs. 3-15. Indigenous yarns (40×2) also tended to look up. New Greats and Kohinoors put on half an anna each to Rs. 4-2-6 and Rs. 3-4-9, respectively.

Trading in the cotton yarn market remained dull. As a result of poor offtake of yarn, operators were not keen on fresh business. Turnover was, therefore, greatly restricted and values fluctuated narrowly, the general tendency being downwards. Cotton yarns of 40 counts were the worst sufferer. Seksarias dropped As. 8 to Rs. 22. Gokaks gave way from Rs. 24-12 to Rs. 24-8. Moderns lost As. 2 to Rs. 24-10. Among 60s, Elphinstones receded by As. 4 to Rs. 49. Raghuvamshis finished As. 2 lower at Rs. 53-4. Among 10s, Elphinstones slipped by an anna to Rs. 13-1. Moderns were quiet at Rs. 13-4 and Podars at Rs. 13-3. Deals in 20s were limited, Maduras being quoted at Rs. 21-7 and Simplex at Rs. 21. Yarns of 20 counts and 80 counts, however, proved an exception and their prices were fully maintained at more or less last week's levels. Among the former, Moderns were done at Rs. 16-8, Maduras at Rs. 17-4, Centurys at Rs. 15-14 and Seksarias at Rs. 15-8. Among 80s, Moderns received special buying support and strengthened by As. 8 to Rs. 62-8.

The table below gives the prices of art silk staple fibre and cotton yarns quoted today, as compared with those a week before:

	20-4-1955	13-4-1955
	Rs. a.	Rs. a.
Art silk yarn—		
150 D. April	731 0	732 0
120 Japan (per lb.)	3 13	3 14½
150 Japan (per lb.)	4 1	4 2½
120 Italy (per lb.)	4 0½	4 2
150 Italy (per lb.)	3 13½	3 14
Staple fibre yarn—		
40 x 2 April	582 8	580 12
40 x 2 May	576 12	576 12
Aurora (per lb.)	4 0	3 15½
New Great (per lb.)	3 2½	3 2
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	13 4	13 4
20s Raghuvamshi	16 8	16 8
20s Madura	21 7	21 6
40s Seksaria	22 0	22 8
60s Modern	59 0	58 4
60s Elphinstone	58 8	58 8

PEPPER DULL

(Messrs. Parekh & Co.)

BOMBAY, 20th April

During the entire week dull conditions persisted in Malabar black pepper. In the absence of any new incentive, Alleppey fluctuated within a narrow range of Rs. 975 and Rs. 962½. There was no noteworthy fresh buying, as exporters fully covered their requirements against their sale of 1,000 tons to the U.S.S.R., which is to be lifted by the s.s. *Rita* due to arrive at Cochin at the end of this month or in the beginning of May. There was no notable enquiry from U.S.A. which, after paying $0.42 for April shipment, is reported to have withdrawn asking for concession in price. In view of the stiff attitude of Indian growers, exporters are not in a hurry to cut their price to meet the U.S.A. buyers, as they are expecting some fresh buying by U.S.S.R. on the arrival of the s.s. *Rita*. Nor are they in a mood to sell blank as nothing is definitely known regarding the size of the coming Sarawak crop.

A noteworthy feature of the market is the meeting of Indian exporters at Cochin at which the question that came up for discussion was whether India should not decide against exports of pepper after the 15th May during the monsoon on the usual A.S.T.A. terms, as it involves risk of detention and heavy penalty for faulty arrivals and insect infestation. Nothing is so far definitely decided but the majority of the exporters are in favour of such joint action. The recent wholesale detention of shipment of Finger Turmeric in U.S.A. on account of mouldy arrivals, frightened exporters who fear that the F.D.A. may become very strict while inspecting the shipment of pepper during the coming monsoon. If no way out is found in time, we fear deadlock conditions in the export market, though unity of action is not so easy where there is diversity of interests. It is only when all exports, whether on sale or on consignment, are stopped, except on condition that detention due to mould and insect infestation be on buyer's account, that the contemplated move on the part of the Indian exporters can bear any tangible result.

Following are today's nominal quotations: Ready delivery Rs. 125 per Bengal maund, and June delivery Rs. 840-50 per candy of 5¼ cwts.

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 20th April

A notable development of the week under review is the approval by the Forward Markets Commission of the amendments to the by-laws of the Bombay Oilseeds Exchange, to which reference was made in this report last week. Forward trading in castorseeds September delivery commenced on the 18th inst., according to the new by-laws which introduced, for the first time, a system of margin on outstanding business.

The oilseeds market, which ruled rather comparatively dull early in the week, later exhibited a firm trend. Linseed led the market, following firm foreign advices for linseed oil at as high as £93 per ton, as against £90 a week back. The performance of the groundnut section too was encouraging. This was attributed to reduced arrivals of the seed and expectations of fresh quota for H.P.S. groundnuts. The castorseeds section too ruled firm. Advices from the U.K. and the Continent were steady at £78 and the U.S. at 9.5c. The *kardi* and *niger* seed sections also looked up in sympathy with the rest. As a result, business done was sizable and prices firmed up and disclosed sizable gains over the week.

Bold ready in the groundnut section advanced from Rs. 19-10 to Rs. 20-8. April-May delivery gathered As. 10 to Rs. 20-4 and June-July As. 9 to Rs. 21-2. Khandesh quality hardened by As. 8 to Rs. 20-14. Groundnut oil, ready delivery, improved from Rs. 10-14 to Rs. 11-2½. May and June deliveries changed hands at Rs. 11-3 and Rs. 11-4, as against Rs. 10-15 and Rs. 11, respectively, at the end of last week.

The U.K. has figured as a consistent buyer of linseed oil. This chiefly explains the firm trend in the linseed section. Bold ready advanced from Rs. 21 to Rs. 22-11. April-May delivery was higher by Re. 1-12 at Rs. 22-6 and June-July by Re. 1-6 at Rs. 21-11. Linseed oil put on As. 8 to Rs. 13-3.

Castorseed, May delivery opened at Rs. 71-10 as against Rs. 71-9. After fluctuating between Rs. 73-14 and Rs. 71-2, it closed at Rs. 73-8. September delivery opened on the 18th inst. at Rs. 76-6. After declining to Rs. 74-12, it moved up to Rs. 78-2, before closing at Rs. 78. Ready Madras was enquired higher at Rs. 14-8, as against Rs. 14-4. Castor oil Commercial gained As. 2 to Rs. 8-4. First Pressure too improved by a similar amount to Rs. 9-4.

The following table shows the price of oilseeds and oil today, as compared with those at the end of the previous two weeks.

	20-4-1955	13-4-1955	5-4-1955
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	20 14	20 6	20 6
April-May	20 4	19 10	20 0
Linseed—			
Bold Ready (per cwt.)	22 11	21 0	20 4
April-May	22 6	20 10	20 0
Castorseeds—			
May, 1955	73 8	71 9	71 10
Madras (per cwt.)	14 8	14 2	15 14
Groundnut oil—			
Ex-mill Ready (per quarter) ..	11 2½	10 14	10 15
Castor Oil—			
Commercial (per quarter) ..	8 4	8 2	8 4
Linseed Oil—			
Ready	12 2	12 11	12 6

FOODGRAINS BEARISH

(From Our Own Correspondent)

HAPUR, 18th April

The downward trend in foodgrain prices continued. In accordance with its price support policy and with a view to stabilising the prices of foodgrains at reasonable levels, the Government of India has agreed to advance Rs. 12 crores to wheat producing States for purchasing wheat on their account wherever the market rate falls below Rs. 10 per maund. The wheat *dara* prices at Hapur, which had declined last weekend to Rs. 11-12, as against Rs. 12-8 per maund a fortnight ago, further eased to Rs. 10-12 today. The fine farm quality is quoted at Rs. 11-12 per maund. Daily arrivals have increased, amounting to 1,200 maunds, and all the arrivals were fully absorbed, the purchase being mostly done by millers from Delhi. Stocks with the trade is negligible. Rice prices eased further on the reported decision of the Government of India to auction about 250,000 tons of rice by the end of June. This is due to heavy stock position of rice with the Government, aggregating about 1.6 million tons, some of which is fast deteriorating. An earnest effort is being made to export 200,000 tons of rice to Britain and the Near East countries. Heavy quantities of rice at a subsidised rate is being sent to Bihar and Orissa.

Gram prices continued to be depressed. Desi quality was quoted at Rs. 6 and Punjab quality at Rs. 6-10 per maund. Arrivals of new crop are still small and the stock is just one *khati*. Barley and *bejhar* prices improved fractionally, due to increased seasonal demand, and are quoted at Rs. 5 and Rs. 4-12 per maund, respectively. *Bejhar* stock here is 3 *khaties*. The *jowar* prices were weak at Rs. 5-8 per maund. As *jowar* prices fell below the uneconomic level of Rs. 4 per maund in some parts of the State, the State Government has begun purchasing this commodity at Rs. 5-8 per maund in eastern districts of the State to give price support. Ready peas prices also eased by As. 3 per maund for dara quality to Rs. 4-13 and for white quality to Rs. 5-12 per maund. Daily arrivals have increased to 2,000 maunds and, due to considerable offtake, the stock is still 3 *khaties*.

SUGAR DEPRESSED

(From Our Own Correspondent)

HAPUR, 18th April

Sugar prices continued to be depressed on reports of accumulations of heavy stocks with factories in Uttar Pradesh and Madhya Bharat. Cheapness of imported sugar also added to the bearish trend. The sugar mills are anxious to liquidate their stocks, but the traders are still following a wait and watch policy, on expectation of a heavy fall in prices of sugar. Sugar factories in U.P. attribute the rise in unsold stocks to the glut in supplies as a result of heavy imports and diversion of consumption from sugar to *gur* following the sharp decline in the prices of *gur*. The official sources in New Delhi now expect that the total production of sugar this season will amount to 1.4 million tons, thus showing an increase of 400,000 tons over last year's production. The latest mill delivery rates are; Jaswant Rs. 29-2, Simbhauli Rs. 29-4, Mowana Rs. 29-2, Daurala Rs. 30, Amroha and Bijnore Rs. 28-4, Mansoorpur Rs. 30-8, Rampur Rs. 31-8, retail Rs. 33-8, *khandsari* Rs. 21 to Rs. 25.

After presenting a steady trend in the earlier sessions of the week, the *gur* market developed easiness on reports that the State Government which had purchased about 200,000 maunds in these western districts of the State was anxious to dispose of its stocks. The ready *gur* prices declined from Rs. 9-10 to Rs. 10 per maund last week to Rs. 9 to Rs. 9-8. Arrivals have again increased to 1,000 maunds daily. There are some reports of several kolhus again crushing cane, as the factories have not arranged to take delivery. The local stock is estimated at 104,500 maunds, including about 47,000 maunds owned by the State Government.

Gur prices in the South, on the other hand, continued to be almost at last week's level, due to diminishing stocks. The estimated stocks there are: Baramati 500,000 *behals*; Sholapur district 350,000 *behals*; Shrirampur and Belapur 600,000 *behals* and Coppergaon 350,000 *behals* and Kolhapur 300,000 *behals*.

The futures section of *gur*, however, ruled a shade steady on expectation of exports and the latest prices on Monday are: *Gur baisakh* Rs. 9-1-4½, *asar* Rs. 9-11 and *phagun* Rs. 8-10-3, as against Rs. 8-14-9, Rs. 9-8 and Rs. 8-9 on Monday last.

JUTE GOODS RALLY AT CLOSE

(From Our Own Correspondent)

CALCUTTA, 19th April

Jute goods ruled quiet in the early part of the week under report, but became lively during the week-end, following substantial business in heavy goods for export. In sympathy, hessians advanced fractionally. Earlier, prices dropped on reports that stocks of goods held by mills as at the end of March were substantially higher at 94,400 tons, as against 82,900 tons in February. Of the increase of 11,500 tons, as much as 7,200 tons were hessian. Sacking accounted for a rise of 4,000 tons and other constructions for 300 tons. This is the fourth consecutive month since mills' stocks have begun to increase, and the stocks as at the end of last month represent the production of about five weeks. Such heavy accumulation is attributed to inadequate buying by overseas countries, which apparently consider that, despite the recent fall, present prices are higher. Support from Argentina has not yet come for hessian, and that principally accounts for the huge accumulation in hessian. Production of all constructions aggregated 88,900 tons, so that demand—both internal and external—should have been for 77,400 tons only. Demand for hessian from burlap manufacturers in America is being kept low, presumably to depress the market. This contributed only to a fractional fall in prices this week, as stockists expected that Argentina would enter the market at any time.

Ready B. twills were earlier quoted at Rs. 120-4, June goods at Rs. 117-8 and May position at Rs. 118-8. As business with foreign countries was expected, these rates advanced to Rs. 122-2, Rs. 119-4 and Rs. 120-12, respectively. Over the week-end, business was, in fact, done in heavy cees, Cubans, B. twills and Liverpool twills with overseas countries. This pushed the ready position further to Rs. 123-10. June goods to Rs. 120-12 and May goods to Rs. 122. Yesterday, the ready position rose further to Rs. 124-8. Shipping during the current month is expected to be moderate and stocks as at the end of this month should show a satisfactory decline. In sympathy with heavy goods, hessian was steady with prices registering a small fractional rise. The 10 oz. 40" opened last Tuesday at Rs. 44-8 and steadied around Rs. 44-12 towards the close. Business was put through. Yesterday, there was a further gain to Rs. 45, with the eight oz. quoting at Rs. 36-2.

Raw jute prices were steady and tended to rise. The uncertainty caused about movement of further supplies from East Pakistan arising from the detention of raw jute in flats in Khulna has encouraged local stockists to keep reserved. Movement in Khulna is held up, since the Pakistani authorities are delaying the issue of export licences. This is refraining dealers in East Bengal from entering into further commitments to Indian mills. In the meantime, the need for mills to replenish supplies is becoming acute. For this reason, they are unable to reduce prices of jute goods. Foreign buyers are watching the situation and they appear to be hopeful of a further fall in prices of jute goods. How this can happen is difficult to say, as, without a decline in raw jute prices, mills would be put to losses, if they sought business in goods at rates lower than those existing at present. This was the cause why, earlier in the week, no business in goods was transacted. Latest quotations for raw jute are given below (figures in brackets relate to rates prevailing last week):

(Per maund)

	Middles Rs.	Bottoms Rs.
Pakistani—		
Northern	39 (38-8)	35 (34-8)
District	39-8 (39)	35-8 (35)
Indian—		
Northern	38 (37-8)	35 (34-8)
Assam Upper	37-8 (37)	34-8 (34-8)
Assam Lower	38 (37-8)	35 (34-8)
Daisee	39 (38-8)	36 (35-8)
Murshidabad	37 (36-8)	34 (33-8)
Western	36-8 (35-8)	33-8 (32-8)
Jungli	36 (35)	33 (32)
Orissa	38-8 (38)	35-8 (35)
Uttar Pradesh ..	36 (35)	33 (32)
Bimli f.a.q.	..	Rs. 31-8 (same)
Pucca bales 1st marks ..	Rs. 212-8 (207-8) per bale	

METALS GENERALLY EASY

(From Our Own Correspondent)

CALCUTTA, 19th April

The feature of the metal market, during the week under review was the decline in the price of electrolytic copper from Rs. 265 to Rs. 260. At one time, the quotation was as low as Rs. 255. This was due to easy advices from the London Metal Exchange. New York prices also registered a fall, following the release of the metal from Government's stockpile. The reported withdrawal of the labour strike in a Chilean mine did not have any perceptible influence in arresting the declining trend in the American markets. There were stray official enquiries for ingots in the local market. The fire-refined copper was priced at Rs. 215.

Mercury was quoted at Rs. 1,228 a flask, but interest was insignificant. Tin, which opened at Rs. 475, closed lower at Rs. 474. Lead was steady at Rs. 74 and electrolytic zinc at Rs. 63-8. Some local shortage was feared in lead. There were rumours that the U.S. would continue to purchase zinc and lead for stockpile even after 30th June.

HIDES LOOK UP

(From Our Own Correspondent)

KANPUR, 17th April

During the week under review, the trend of prices in the hides and skins market was upward. This was due to scarce supplies and stronger demand. The wholesale traders concerned are apprehensive over the persistent demand for banning cow slaughter. They feel that the demand would substantially and adversely affect supplies of cow hides in future. The main purchasers were the local tanners and the Madras dealers.

The latest available quotations are: Wet salted cow 1st grade Rs. 400, 2nd grade Rs. 300 and 3rd grade Rs. 140 to Rs. 150 per score; wet salted buff 1st grade 1 lb. 12 ozs. and 2nd grade 1 lb. 14 ozs. per rupee; goat 1st grade Rs. 290 and 2nd grade Rs. 250 per 100 pieces; sheep skins Rs. 225 to Rs. 170 per 100 pieces.

SLOW TRADING IN KIPS

(From Our Own Correspondent)

MADRAS, 18th April

Trading in kips was slow, due to Easter holidays and also to the Madras prices being too high in relation to buyers' ideas. Arrivals were of usual volume and clearance was fair-sized, but prices ruled firm. There was patchy demand for cow calf superior tannages only. Owing to U.S.A. buying, the buff calf market was strong. Arrivals of buffs, as also of tanned cow inferior fifths, were poor. The tanned skins market was firm, due to shippers' active buying in the local market. There were several enquiries for tanned goat skins from overseas.

BANKING

(Concluded from page 774)

5. (1) Any shareholder to whom compensation is payable under this schedule may apply to the Reserve Bank before the expiry of three months from the appointed day for the transfer to him of shares in the State Bank in lieu of such compensation, and for the purposes of such transfer the value of each share of the State Bank shall be such as may be determined by the Reserve Bank in this behalf.

(2) If on receipt of an application under sub-paragraph (1), the Reserve Bank, in its discretion, decides to transfer any shares to applicant, it shall issue to the State Bank a warrant in the prescribed form directing it to transfer in favour of the person specified in the warrant such number of shares as may be specified therein out of the shares standing allotted to it under sub-section (1) of section 5, and the State Bank shall be bound to comply with such warrant.

(3) A warrant issued by the Reserve Bank under this paragraph shall not be liable to duty under the Indian Stamp Act, 1899.

6. (1) The Reserve Bank may, if it decides to transfer, in pursuance of paragraph 5, more than 2,53,125 shares, require the State Bank to issue to it such further shares as may be necessary to secure that it holds not less than 55 per cent. of the issued capital of the State Bank, and the State Bank shall, without prejudice to the provisions contained in sub-section (3) of section 5, comply with such requirement on the Reserve Bank subscribing Rs. 100 for each share.

(2) No share issued to the Reserve Bank at par under this paragraph shall carry dividend at a rate higher than four per cent. per annum.

BANK OF MADURA

The working of the Bank of Madura Ltd. (Secretary: Mr. P. S. Viswanathan, Madurai) during the year ended 31st December, 1954 has resulted in a profit of Rs. 1,13,319, which is very nearly the same as that (Rs. 1,14,939) earned for 1953. With the surplus of Rs. 662 brought in from 1953, the amount available for appropriation is Rs. 1,13,981. Out of this sum, the Directors have transferred Rs. 1 lakh to the reserve fund, which had received Rs. 1.15 lakhs in the previous year, and Rs. 12,500 to the investment reserve, as against Nil last year, leaving a surplus of Rs. 1,481. No dividend has been paid this year also; this is the fourth year in succession for which the shareholders have had to go without any return.

The capital of the Bank is unchanged at Rs. 11.25 lakhs, as against which there are reserves aggregating Rs. 2.64 lakhs, including the allocations from the profit for 1954. Deposits, which had gone up from Rs. 192.93 lakhs to Rs. 205.03 lakhs as at the close of 1953, have further advanced to Rs. 226.31 lakhs. This expansion is lendable resources has been accompanied by a rise in advances (including money at call and short notice) from Rs. 122.71 lakhs to Rs. 129.33 lakhs. The ratio of advances to deposits, however, has slided down from 59.8 per cent. to 57.1 per cent. At the same time, investments have been strengthened from Rs. 67.63 lakhs to Rs. 84.67 lakhs, the market value of which is Rs. 83.86 lakhs. Cash balances have, however, dwindled from Rs. 28.59 lakhs to Rs. 25.03 lakhs, but, thanks to the addition to investments, the total liquidity ratio has gone up from 46.9 per cent. to 48.5 per cent.

NATIONAL AGRICULTURAL CREDIT FUND

A Bill to amend the Reserve Bank of India Act, 1934, was introduced by the Union Minister for Revenue and Expenditure in the Lok Sabha on 18th April, 1955, as a part of the integrated solution of the rural credit problem. The object of the Bill is to invest the Reserve Bank with certain specific responsibilities calculated to enable it to play its dual role in the reorganisation of the co-operative structure and in enlarging and facilitating the supply of rural credit through it. The Bill seeks to carry out the recommendations of the Committee of Direction appointed by the Reserve Bank in August, 1951, for conducting an all-India rural credit survey.

The Bill provides for the setting up of a National Agricultural Credit (Long-term Operations) Fund by the Reserve Bank. The amount in the fund will be applied exclusively for the making of loans and advances to State Governments for subscribing to the share capital of co-operative credit societies, for the making of medium-term loans to State co-operative banks for agricultural purposes and for the making of long-term loans and advances to Central Land Mortgage Banks.

It is also provided that a second fund called National Agricultural Credit (Stabilisation) Fund should be set up by the Reserve Bank, the amount therefrom being applied exclusively for the making of medium-term loans and advances to State co-operative banks to enable them to convert short-term credit into medium-term credit whenever necessary owing to drought, famine or other like calamities.

Notice

THE UNITED FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighty-third Ordinary General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Bankshall Street, Calcutta, at 3-55 p.m. on Wednesday the 4th May, 1955, for the following purposes:—

(1) To receive the Directors' Report and the Audited Accounts for the half-year ended 30th November, 1954.

(2) To declare a Dividend.

(3) To elect a Director.

(4) To appoint Auditors.

The Transfer Register will be closed from the 27th April to the 4th May, 1955, both days inclusive.

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

CALCUTTA, 31st March, 1955.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1949 (pre-war)	8th April, 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation.	173.44	1,322.77	1,291.59	1,281.19	1,226.28
Notes held in Banking Department ..	25.05	8.42	11.25	10.73	10.67
Foreign Securities ..	59.50	651.97	626.95	678.15	678.15
Rupee Securities ..	87.89	683.75	653.75	472.05	421.34
Banking Department					
Deposits of:					
Government of India	14.89	57.81	65.02	55.22	60.61
Other Governments.	..	30.16	61.59	18.51	27.08
Balances held abroad	10.08	73.96	97.77	52.73	74.77
SCHEDULED BANKS					
Demand Liabilities .	124.86	584.38	580.92	582.97	539.86
		(9.38)†	(5.89)†	(8.52)†	(7.06)†
Time Liabilities ..	102.24	378.90	376.87	376.47	327.84
		(1.41)†	(1.41)†	(1.38)†	(1.28)†
Borrowings from Reserve Bank ..	..	21.33	37.90	26.43	26.92
		(16.85)‡	(27.17)‡	(18.61)‡	(13.18)‡
Borrowings from Imperial Bank ..	..	7.92	9.59	8.82	11.55
Cash in India ..	6.70	34.77	32.78	34.47	31.26
Balances with Reserve Bank	25.17	47.39	44.92	46.19	41.56
Excess over statutory limits ..	15.52	10.60	8.85	9.52	8.02
Balances with other banks in current account in India .	..	11.32	10.72	10.10	11.20
Money at call and short notice in India ..	..	13.50	9.07	15.16	10.43
Investments (at book value) ..	..	242.37	244.31	247.46	216.33
Advances and bills .	105.09	631.11	632.52	609.18	602.16*
IMPERIAL BANK					
Deposits	87.76	223.85	231.28	227.21	212.43
Investments	51.98	104.24	106.14	104.84	90.05
Advances	30.35	127.75	129.20	124.93	127.79
Cash	14.69	14.14	15.38	19.55	15.59

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes foreign bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	Week ended 15th April, 1955 Number of Cheques	Amount Rs.	Week ended 8th April, 1955 Number of Cheques	Amount Rs.
Bombay ..	8,16,778	69,51,88,000	8,28,231	54,86,17,000
Calcutta ..	1,45,021	45,02,20,964	1,47,562	56,85,12,687
Madras ..	80,635	7,74,82,795	74,797	7,67,07,271
All Centres—				
1953 ..	..	..	1,14,82,214	96,45,05,08,000
1954 ..	..	..	3,40,72,000	70,64,29,00,000
Dec., 1954 ..	..	..	29,95,000	6,64,03,00,000
Jan., 1955 ..	..	..	29,43,000	6,22,74,00,000

Reserve Bank of India

Statement of Affairs for the week ended 15th April, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	55,88,51,000
(2) Other Governments	24,81,56,000
(b) Banks	50,49,40,000
(c) Others	21,29,61,000
Bill Payable	5,36,40,000
Other Liabilities	27,80,01,000
Rupees ..	194,55,49,000

ASSETS	Rs.
Notes	15,74,07,000
Rupee Coin	10,71,000
Subsidiary Coin	7,79,000
Bills Purchased and Discounted—	
(a) Internal	56,05,000
(b) External	....
(c) Government Treasury Bills ..	11,98,98,000
Balances held abroad*	68,25,06,000
Loans and Advances to Governments ..	81,000,000
Other Loans and Advances	83,94,46,000
Investments	46,11,80,000
Other Assets	22,85,57,000
Rupees ..	194,55,49,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 23,28,00,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 80,54,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	15,74,07,000	
Notes in circulation	1825,33,85,000	
Total Notes issued		1841,07,92,000
Total Liabilities ..	....	1841,07,92,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India ..	40,01,71,000	
(b) Held outside India ..	....	
Foreign Securities	661,97,61,000	
Total of A ..		701,99,32,000
B. Rupee Coin		105,82,56,000
Government of India Rupee Securities		533,75,14,000
Internal Bills of Exchange and other commercial paper ..	....	....
Total Assets ..	....	1841,07,92,000

Ratio of Total of A to Liabilities: 52.346 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 8th April, 1955

	Rs.
1. Demand Liabilities in India:	
(1) Borrowings from banks other than the Imperial Bank of India	9,88,44,000†
(4) Other demand liabilities	574,99,14,000
2. Time Liabilities in India:	
(1) Borrowings from banks other than the Imperial Bank of India	1,41,04,000†
(4) Other time liabilities	377,48,55,000
3. Borrowings in India from the Imperial Bank of India:	
(1) Demand liabilities	7,91,58,000
(4) Time liabilities	....
4. Cash in India	34,76,88,000
5. Balances with the Reserve Bank in India ..	47,39,18,000
6. Balances with other banks in current account in India	11,32,48,000
7. Money at call and short notice in India ..	13,50,21,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	242,37,22,000
9. Advances in India	510,24,84,000
10. Inland Bills purchased and discounted in India	83,25,11,000
11. Foreign Bills purchased and discounted in India	27,60,99,000

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

EXCHANGE RATES

	20th April, 1955	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot. s.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months .. .. s.	1-5 3/8	1-5 3/8
Buyers T.T. spot to nine months .. .. s.	1-5 1/4	1-5 1/4
Buyers T.T. 10 to 12 months	1-5 1/4	1-5 1/4
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	479	479
Buyers T.T. .. Rs.	474½	474½
London on New York.. $	2.79 11/16–2.79 13/16	2.79 11/16–2.79 13/16
London on Paris .. Fcs.	983½–983¾	983½–983¾
London on Berne .. Sw. Fcs.	12.28 1/4–12.28 1/2	12.28 1/4–12.28 1/2
New York on London.. $	2.79 11/16–2.79 13/16	2.79 11/16–2.79 13/16

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India† ..	'51-'52	359.88	..	9,000	274.5
Pakistan ..	1949	75.04	..	1,671	222
Burma ..	1953	18.86	Kyats 3,556	258	168
Ceylon ..	1953	8.16	..	448	541
Japan ..	1952	86.50	Y. 5,388,400	7,014	820
Philippines ..	1953	21.02	Ps. 7,875	1,654	787
New Zealand ..	1953	2.06	£ (N.Z.) 727	969	4,737
Australia ..	1953	9.18	£ (A) 3,931	3,541	4,307
U.K. ..	1953	50.86	£ 14,719	19,625	3,858
U.S.A. ..	1953	159.63	$ 305,000	145,790	9,194
Canada ..	1953	14.78	$ 19,048	9,407	5,658
France ..	1953	42.85	F.Fr. 10,197,000	14,018	3,231
W. Germany..	1953	48.99	Dm. 108,000	11,708	2,389
Italy	1953	47.02	Lr. 8,967,000	6,832	1,453
Norway ..	1953	3.86	Kr. 16,861	1,132	2,929
Sweden ..	1953	7.17	Kr. 34,957	3,432	4,772
Netherlands ..	1953	10.49	Grs. 19,360	3,451	3,286
Denmark ..	1953	4.37	Kr. 22,484	1,551	3,572
Switzerland ..	1953	4.88	Sw.Fr. 20,800	3,256	4,664

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, September, 1954.
† Estimates are based on the first issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 8th April, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	19,55,21,000
(b) Provincial Governments	1,34,98,000
(c) Banks	12,23,85,000
(d) Others	4,00,91,000
Bills Payable	9,37,000
Other Liabilities	3,89,86,000
Rupees ..	47,23,63,000

ASSETS	Rs.
Notes	4,74,80,000
Rupee Coin	6,000
Subsidiary Coin	16,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Loans and Advances to Governments ..	3,75,00,000
Provincial Governments' Debtor Balances ..	3,09,91,000
Other Loans and Advances	10,49,80,000
Investments	15,23,80,000
Other Assets	8,90,07,000
Rupees ..	47,23,63,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	4,74,80,000	
Notes in circulation	248,63,53,000	
Total Notes issued		253,38,33,000
Total Liabilities ..		253,38,33,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion ..	7,91,42,000	
Silver Bullion	....	
Sterling Securities	20,72,51,000	
Government of India Securities	21,41,41,000	
India Notes representing assets receivable from the Reserve Bank of India	29,97,64,000	99,03,26,000
B. Rupee Coin	4,22,72,000	
Government of Pakistan Securities	145,87,88,000	
Internal bills of exchange and other commercial paper	....	
		150,10,80,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	3,56,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,21,000	
		4,24,75,000
Total Assets ..		253,38,33,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 40.64 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1946	..	3½
Austria	3rd June, 1954	4	3½
Belgium	29th Oct., 1953	3	2½
Bolivia	30th Sept. 1950	5	6
Canada	15th Feb., 1955	2	1½
Ceylon	11th June, 1954	3	2½
Chile	18th June, 1945	4	4½
Colombia	18th July, 1952	5	4
Costa Rica ..	1st Feb., 1950	5	4
Denmark	22nd June, 1954	4½	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador ..	22nd Mar., 1951	4	3
Finland	16th Dec., 1951	7½	6½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1954	12	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th Jan., 1952	3½	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	8.11	8.84
Mexico	4th June, 1942	4	4½
Netherlands ..	7th April, 1952	3	2½
New Zealand ..	25th Nov., 1954	3½	4
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	3	3
Peru	1st Jan., 1947	5	6
Portugal	12th Jan., 1944	3	2½
South Africa ..	27th Mar., 1952	3½	4
Spain	1st July, 1954	4	3½
Sweden	15th April, 1955	2½	3½
Switzerland ..	26th Nov., 1936	1	1½
Turkey	30th Feb., 1951	3	4
United Kingdom ..	24th Feb., 1955	3½	4½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	16th April, 1954*	1½	1½
West Germany ..	20th May, 1954	3½	3

* Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January, 1954	January, 1955	Ten months, April to Jan., 1953-54	Ten months, April to Jan., 1954-55
Import Duties:				
Revenue	9.64	22.08	92.26	112.14
Protective	0.59	0.60	5.11	6.21
On surplus disposals ..	—	—	0.20	0.18
Total import duties ..	10.22	22.68	97.57	118.53
Export Duties	2.72	4.66	28.22	32.45
Land Customs	0.21	0.14	1.50	1.57
Miscellaneous	0.05	0.09	0.61	0.90
Gross total customs ..	13.20	27.57	122.90	153.50
Refunds and drawbacks ..	0.14	0.16	1.64	1.27
Net Customs	13.06	27.41	121.35	152.23
Gross excise	8.64	9.41	77.71	85.15
Refunds	0.09	0.07	0.82	1.49
Net Excise	8.55	9.34	76.89	83.66
Net total of customs and excise	21.61	36.75	208.24	235.92

† Net Customs plus net Excise.

Imperial Bank of India

Statement of Affairs for the week ended 15th April, 1955

CAPITAL AND LIABILITIES

	Rs.	Rs.
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 76,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		8,25,00,000
Deposits and other Accounts ..		220,37,54,000
Borrowings from other Banking Companies Agents		9,50,00,000
Bills Payable		6,25,75,000
Bills for Collection being Bills Receivable as per contra		46,81,000
Acceptances, Endorsements and Other Obligations as per contra ..		1,05,000
Other Liabilities (including Inter-Office Adjustments)		4,37,77,000
Total .. Rs.		252,96,22,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		13,36,64,000
Balances with other Banks ..		8,85,75,000
Money at Call and Short Notice ..		1,24,00,000
INVESTMENTS—		
Government and other Trustee Securities	92,56,87,000	
Other Authorised Investments ..	11,50,17,000	
		104,07,04,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	94,41,85,000	
Bills Discounted and Purchased..	31,44,51,000	
Bills Receivable being Bills for Collection as per contra		125,86,36,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		46,81,000
Premises less Depreciation ..		1,05,000
Furniture and Fixtures less Depreciation		1,30,61,000
Other Assets (including Inter-Office Adjustments).		45,77,000
		2,49,19,000
Total .. Rs.		252,96,22,000

Source: Department of Research and Statistics, Reserve Bank of India.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,553	12,806,704
1951	1,071	691,321	9,515,993
1952	958	809,248	9,836,961
1953	772	456,507	9,383,508
December 1953	81	27,525	156,017
January 1954 ..	55	42,853	344,414
February ,, ..	46	26,477	189,411
March ,, ..	67	32,521	318,207
April ,, ..	72	49,123	319,553
May ,, ..	85	38,917	276,216
June ,, ..	99	50,357	253,279
July ,, ..	87	48,056	181,122
August ,, ..	74	52,063	225,154
September ,, ..	101	44,943	407,378
October ,, ..	101	50,811	405,111
November ,, ..	88	41,431	345,241
December ,, ..	81	40,790	479,353
January 1954† ..	84	51,978	325,514
February ,, ..	85	41,561	344,298
March ,, ..	91	54,908	381,419
April ,, ..	101	54,948	307,247
May ,, ..	80	40,078	216,083
June ,, ..	83	31,589	205,072
July ,, ..	123	50,189	277,492
August ,, ..	79	51,090	325,878
September ,, ..	97	50,414	276,294
October* ..	88	41,724	239,701
November** ..	82	25,115	259,598(b)
December ,, ..	55	52,849(a)	

† Figures for 1954 are provisional.
* Revised.
(a) Not known in 6 cases.
(b) Not known in 8 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated†	Units Sold
1948-49	469	4,651.1	3,777.7
1952-53	514	5,201.4	4,124.9
1953-54	545	5,876.5	4,572.7
July 1953 ..	527	436.9	471.0
August	529	437.9	466.9
September ,, ..	532	376.6	464.1
October ,, ..	534	453.1	485.7
November ,, ..	537	463.1	486.9
December ,, ..	540	503.6	....
January 1954 ..	540	509.7	478.0
February ,, ..	543	451.4	451.4
March ,, ..	545	503.6	458.5
April ,, ..	551	513.8	504.4
May ,, ..	551	539.9	518.5
June ,, ..	550	529.4	510.3
July ,, ..	552	533.4	515.5
August ,, ..	557	535.9	510.3
September ,, ..	559	547.0	511.8
October ,, ..	562	559.8	534.6
November ,, ..	574	556.7	538.0
December ,, ..	579	583.5	....

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

SMALL SAVINGS

POSTAL SAVINGS‖ (In lakhs or rupees)

	National Savings Certificates 5-Year† Outstandings*	5-Year† Receipts	7-Year †† Outstandings*	7-Year †† Receipts	12-Year Outstandings*	12-Year Receipts	Savings Bank Deposits Outstandings*	Cash Certificates, Defence Savings Certificates and Defence Savings Deposits Outstandings‖	2½% Ten-year Treasury Savings Deposit Certificates ‡ Receipts	2½% Ten-year Treasury Savings Deposit Certificates ‡ Outstandings*	10-Year National Plan Certificates ‡ Receipts	10-Year National Plan Certificates ‡ Outstandings*
1948-49	1,46	76	72	20,40	22,55	55,66	29,91	— 12,31	..	..	..	..
1952-53	6,82	55	3,26	22,66	34,17	1,12,25	92,02	— 21,07	7,15	25,64	..	..
1953-54	5,91	1,30	4,38	26,34	1,06,38	1,17,57	1,06,29	— 24,20	9,54	33,11	..	..
January, 1954 ..	6,18	12	3,51	2,08	1,00,45	2,01	1,00,25	— 23,78	50	31,52	..	..
February ,, ..	6,02	11	3,29	2,12	1,02,09	2,49	1,01,29	— 23,97	84	31,73	..	..
March ,, ..	5,91	46	4,26	2,05	1,04,86	16,29	1,06,16	— 24,20	44	32,11	..	..
April ,, ..	5,81	11	4,20	2,18	1,05,94	10,70	1,07,51	— 24,40	70	32,77	..	..
May ,, ..	5,71	10	4,21	1,71	1,07,05	10,08	1,07,18	— 24,57	54	33,28	84	84
June ,, ..	5,62	9	4,22	1,80	1,08,40	10,48	1,08,22	— 24,78	39	33,61	49	53
July ,, ..	5,47	13	4,19	2,27	1,10,18	11,40	1,11,02	— 24,96	46	34,06	76	1,56
August ,, ..	5,34	15	4,39	2,17	1,11,88	10,22	1,12,07	— 25,17	42	34,44	39	2,45
September ,, ..	5,24	19	4,51	2,44	1,13,78	10,23	1,14,35	— 25,34	54	34,94	1,57	4,05
October ,, ..	5,16	11	4,57	1,90	1,15,09	8,98	1,14,96	— 25,51	43	35,33	60	4,65
November ,, ..	5,08	12	4,64	2,25	1,16,76	10,24	1,16,51	— 25,69	37	35,64	58	5,23
December ,, ..	4,96	11	4,68	2,34	1,18,40	11,26	1,18,56	— 25,87	40	35,98	57	5,79
January, 1955 ..	4,88	14	4,76	2,45	1,20,28	10,51	1,20,10	— 26,03	43	36,37	54	6,33
February ,, ..	..	..	..	..	..	..	..	..	40	36,74	..	..

* At the end of period. ‖ Progressive net repayments at the end of period from 15th August, 1947. † Issued from 1st June, 1948. †† Issued from 1st June, 1948 to 30th June 1952. ‡ Issued from 1st February, 1951. § Issued from 10th May, 1954.
‖ Figures from 1948-49 relate to the Indian Union. Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian Investors.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 10-4-'54	12-3-'55	2-4-'55	9-4-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.7	96.6	96.6	96.5
1. Government of India ..	90.5	90.5	90.4	90.4
2. Indian States	95.7	96.1	96.1	96.1
3. Municipal, Port Trust, etc.	89.3	89.4	89.4	89.3
DEBENTURES OF INDUSTRIAL CONCERNS ..	101.4	106.7	106.6	106.8
1. Electricity	102.7	102.2	102.0	102.0
2. Jute	98.8	98.8	98.8	98.8
3. Plantations	99.5	99.6	99.6	99.6
4. Sugar	100.7	99.1	99.0	99.0
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering ..	102.0	100.6	100.6	100.6
7. Shipping	102.8	100.2	100.2	100.2
8. Others	100.7	100.6	100.6	100.6
PREFERENCE SHARES ..	88.3	87.3	87.5	87.3
1. Electricity	95.9	97.2	97.5	97.5
2. Cotton	85.7	78.5	78.4	78.5
3. Jute	88.4	85.4	85.9	85.9
4. Coal	90.2	92.3	91.7	91.7
5. Iron and Steel ..	92.1	89.9	90.0	90.1
6. Sugar	75.0	82.8	84.3	84.2
7. Paper	87.4	89.7	89.4	85.0
8. Plantations	89.9	97.8	98.2	98.1
9. Miscellaneous	86.2	85.6	85.4	84.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	103.6	115.9	115.6	115.8
a) Financial	87.7	88.7	88.5	87.8
1. Banks	86.2	85.8	85.4	84.6
2. Insurance	101.2	100.8	107.1	106.4
3. Investment Trust ..	88.4	93.6	93.6	94.4
(b) Public Utilities	113.0	114.7	114.4	114.6
1. Electricity	113.8	124.5	124.8	124.4
2. Shipping and other Transport	106.6	99.0	98.1	98.6
3. Railways	85.0	88.0	89.8	89.3
(c) Manufacturing Industries.	107.8	119.4	119.1	119.1
1. Cotton, Woollen and Silk	103.8	103.7	103.8	103.6
2. Jute	80.9	97.0	99.8	99.6
3. Iron and Steel ..	127.6	149.9	147.5	147.4
4. Paper	188.7	219.7	223.7	225.5
5. Cement	127.5	149.5	147.5	148.0
6. General Engineering.	140.1	168.3	169.6	170.4
7. Sugar and Breweries.	90.8	106.1	98.4	99.0
8. Chemicals	112.6	136.4	134.8	135.0
d) Non-Manufacturing Industries	111.1	160.9	161.8	164.1
1. Coal	76.8	78.9	77.6	77.6
2. Mining and Oil ..	163.4	197.8	195.5	195.2
3. Plantations	110.8	104.4	197.6	202.5
e) Miscellaneous	93.4	96.7	95.9	95.7
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.2	90.1	90.0	90.0
2. Calcutta	90.7	90.6	90.5	90.4
3. Madras	90.9	90.9	90.9	90.8
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	101.3	99.2	99.1	99.1
2. Calcutta	102.2	101.5	101.8	101.8
3. Madras	100.0	100.4	100.4	100.4
PREFERENCE SHARES:				
1. Bombay	93.0	91.6	91.8	91.9
2. Calcutta	85.3	83.1	83.3	83.0
3. Madras	89.7	94.2	94.2	94.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	114.2	119.3	118.1	117.5
2. Calcutta	94.5	109.9	110.7	110.3
3. Madras	100.6	110.0	110.6	110.3
4. Delhi	107.1	114.3	119.1	118.3

† Figures for 1954 are provisional.
(a) Not known in 6 cases.
* Revised.
(b) Not known in 8 cases.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	2nd April, 1955	26th March, 1955	3rd April, 1954	February, 1955	February, 1954	Percentage of increase (+) or decrease (—) in Feb., 1955 as compared with Feb., 1954	Financial Year Average 1953-54	1954-55
Food Articles	295.3	293.0	330.5	304.3	373.3	—18.5	384.4	339.8
Cereals	338	336	429	343	435	—21.2	451	381
Pulses	227	227	378	238	387	—38.5	450	280
Other	247*	245	307	261	281	— 7.1	278	291
Industrial Raw Materials ..	403.4	400.1	464.0	436.1	471.4	— 7.5	467.7	436.2
Fibres	444	429	451	485	457	+ 6.1	432	447
Oil seeds	327	334	519	350	525	—31.6	574	424
Minerals	408	423	434	412	444	— 7.2	449	422
Others	474	475	400	483	403	+19.9	375	427
Semi

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Acreage 1953-54 Final	Acreage 1952-53 Final	Outturn 1953-54 Final	Outturn 1952-53 Final
Rice 2nd .. .. tons	68,502†	71,224†	21,502‡	23,455†
Wheat .. .. .. ,,	25,093	24,295	7,792	7,352
Jowar .. .. .. ,,	42,990	43,339	7,691	7,260
Bajra .. .. .. ,,	28,820	26,550	4,246	3,150
Barley .. .. .. ,,	8,190	8,010	2,721	2,849
Maize .. .. .. ,,	3,892	3,897	2,854	2,823
Ragi .. .. .. ,,	5,472	5,428	1,564	1,238
Small Millets .. .. ,,	13,167	12,431	2,183	1,905
Total cereals .. .. ,,	210,035	203,119	55,130	49,108
Kharif .. .. .. ,,	176,077	170,884	45,617	38,871
Rabi .. .. .. ,,	34,288	32,295	10,513	10,232
Gram .. .. .. ,,	18,893	18,014	4,551	4,165
Other Rabi Pulses* .. ,,	11,130	11,185	2,075	2,041
Jute .. .. bales	1,273‡	1,196†	3,152‡	3,129†
Cotton (3rd) .. .. ,,	16,116‡	15,010†	3,657‡	3,297†
Sugarcane (2nd) .. tons	3,617‡	3,503†	4,749‡	4,200†
Groundnut .. .. .. ,,	12,647	10,957†	3,923‡	3,573†
Linseed .. .. .. ,,	3,569	3,395	355	359
Castorseed .. .. .. ,,	1,868	1,857	107	106
Rape and Mustard Seed .. ,,	5,373	5,199	828	837
Sesamum (3rd) .. .. ,,	5,861‡	6,079†	567‡	534†
Total oilseeds .. .. ,,	27,598	27,661	5,591	4,846
Tobacco .. .. .. ,,	890	895	256	241
Black Pepper .. .. ,,	209	205	22	22
Ginger .. .. .. ,,	47	46	15	14
Dry Chillies .. .. ,,	1,328	1,285	310	284
Potato (2nd) .. .. ,,	645	653	1,657	1,698

Source: Ministry of Food and Agriculture.

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

* Excluding gram and Tur.

‡ Relates to 1954-55. † Relates to 1953-54.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During March, 1955 ..	89.3
	Corresponding month, 1954 ..	75.6
	Nine months ended Mar., 1955 ..	750.5
	Corresponding period, 1954 ..	644.4
Stocks	At the end of March, 1955 ..	94.5
	Corresponding month, 1954 ..	92.9
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 12th March, 1955 ..	3,677
	Corresponding week, 1954 ..	2,477
	From 1st to 12th March, 1955 ..	85,215
	Corresponding period, 1954 ..	66,627
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 12th March, 1955	9,829
	Corresponding week, 1954 ..	8,139
	From 1st to 12th March, 1955 ..	224,136
	Corresponding period, 1954 ..	291,039
	RAW JUTE	(In 000 bales)
Consumption by Mills† ..	March, 1955 (in lakh bales) ..	5.18
	Corresponding month, 1954 ..	4.38
	Nine months ended Mar., 1955 ..	48.58
	Corresponding period, 1954 ..	37.37

* From Calcutta. † Estimated. R = Revised.

IRON AND STEEL PRODUCTION

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953 ..	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954 ..	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955 ..	11,34,400	10,43,900	7,61,200
November 1953	1,00,800	95,800	68,400
December ,, ...	1,01,400	98,100	71,700
January 1954	1,02,800	99,800	71,400
February ,, ...	92,700	84,500	63,300
March ,, ...	94,600	89,700	65,000
November ,, ...	98,800	90,800	68,000
December ,, ...	1,06,500	98,000	73,800
January 1955	1,02,500	95,800	72,200
February ,, ...	93,500	84,500	63,900
March ,, ...	95,000	89,800	66,100
Indian Iron and Steel Co.			
Year ended 31st March, 1953 ..	6,28,710	4,31,460	3,12,940
Do. 31st March, 1954 ..	5,80,020	3,49,980	2,97,440
Do. 31st March, 1955 ..	7,18,949	5,28,240	4,56,093
April 1954	58,210	30,960	19,090
May ,, ...	57,910	32,550	19,700
June ,, ...	56,780	22,940	18,020
Three months ended Sept., 1953.	63,890	18,550	11,840
,, ,, ,, Dec., 1953	1,61,880	1,16,800	1,08,940
Three months ended Mar., 1954.	1,87,750	1,28,510	1,16,940
Three months ended June, 1954.	1,82,770	1,17,870	1,07,480
Three months ended Sept., 1954.	1,80,018	1,29,740	1,18,581
,, ,, ,, Dec., 1954	1,68,068	1,34,801	1,20,416
,, ,, ,, Mar., 1955	1,65,108	1,48,828	1,18,136

OVERALL BALANCE OF TRADE OF INDIA JANUARY, 1955†

Particulars	January, 1954 Rs. (lakhs)	January, 1955 Rs. (lakhs)	Ten months, April to January 1953-54 Rs. (lakhs)	Ten months, April to January 1954-55 Rs. (lakhs)
1. Trade in merchandise— (a) Exports	44,81	54,00	439,70	451,56
(b) Re-exports	82	45	3,97	4,29
Less—Transit trade..	..	2	4	37
Net re-exports ..	82	43	3,93	3,92
Total exports ..	44,63	54,43	443,63	455,48
2. Imports	40,39	53,20	484,97	509,25
Less—Transit trade ..	..	..	11	10
Net imports ..	40,39	53,20	484,86	509,15
Balance of trade in merchandise	+ 4,24	+ 1,23	—41,23	—23,67
Balance of trade in gold and silver	..	..	—8	—2
Total overall visible balance of trade	+ 4,24	+ 1,23	—41,31	—23,69

† Total values of foreign trade of India by all routes (i.e., sea air and land).

RAILWAY TRAFFIC ‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (In thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1948-1949 ..	1,132	36,925	104,286	22,854	9,089	2,115	780	172	142	..	..	..
1952-1953 ..	1,169	34,406	123,778	23,539	11,413	2,635	949	171	169	209	160	297
1953-1954 ..	1,179	35,215	129,009	29,865	11,186	2,513	921	154	158	168	190	348
November 1953	87	2,539	9,923	2,356	989	216	64	15	14	17	12	27
December ,, ..	93	2,747	10,990	2,476	989	210	59	16	14	18	14	33
January 1954 ..	94	2,781	11,281	2,531	1,079	203	94	17	20	16	15	32
February ,, ..	101	3,157	10,318	2,274	933	178	76	13	16	14	14	30
March ,, ..	105	3,325	14,383	3,308	1,018	215	83	17	18	12	16	34
April ,, ..	..	..	..	..	953	211	83	20	15	10	15	34
May ,, ..	..	..	..	..	932	215	78	14	15	10	13	32
June ,, ..	..	..	..	..	909	210	71	10	13	7	16	32
July ,, ..	..	..	..	..	935	234	76	11	10	7	13	34
August ,, ..	..	..	..	..	935	245	79	11	9	7	11	31
September ,, ..	..	..	..	..	914	241	66	11	9	13	13	31
October ,, ..	..	..	..	..	938	241	65	13	10	19	15	32
November ,, ..	..	..	..	..	991	226	78	15	13	15	9	34
December ,, ..	..	..	..	..	1,004	229	70	20	14	21	10	36

Equated to M. G. Wagons (1 B. G. = 2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway.
† Progressive figures.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 14th April, 1955 ..	65,664
	Corresponding week, 1954 ..	73,564
	1st Sept., 1954 to 14th April, 1955	1,111,388
	Corresponding period, 1953-54 ..	1,198,430
Cotton Exports ..	Week ended 14th April, 1955 ..	8,806
	Corresponding week, 1954 ..	5,107
	1st Sept., 1954 to 14th April, 1955	219,790
	Corresponding period, 1953-54 ..	206,858
Mill Consumption ..	1st Sept., 1954 to 14th April, 1955	794,714
	Corresponding period, 1953-54 ..	772,808
Stock (with exporters, dealers and mills) in Bombay	On 14th April, 1955 ..	495,846
	Corresponding date, 1954 ..	606,018
Cotton Exports from Bombay (by sea)	During December, 1954	24,771
	1st Sept., to 31st December, 1954	100,549
	1st Sept., to 31st December, 1953	81,256
Karachi (Pakistan)—		
Receipts	1st Sept., 1954 to 7th April, 1955	1,002,632
	Corresponding period, 1953-54 ..	1,309,055
Exports	1st Sept., 1954 to 7th April, 1955	447,705
	Corresponding period, 1953-54 ..	802,965

† Incomplete.

Particulars	From 1st Sept., 1954 to 18th April, 1955 Bales	From 1st Sept., 1953 to 18th April, 1954 Bales
From Bombay		
Cotton Exports to—		
United Kingdom ..	18,578	11,212
Continent ..	31,797	21,207
China	2,133	201
Japan	54,741	58,478
U.S.A.	15,326	12,426
Other Countries ..	1,360	1,452
Total to all foreign countries	133,935	100,021
Coastal Ports	90,749	108,996

Particulars	Period	Quantity (Bale of 400 lbs.)
Consumption of Cotton— Indian	January, 1955	348,638
Foreign		57,856
Indian	Five months ended Jan., 1955	1,700,853
Foreign		294,740
Indian	Same Period, 1954 ..	1,638,884
Foreign		234,710
Stocks (Mills and Elsewhere) — Indian	As on 31st January, 1955 ..	1,043,859
Foreign		185,498
Indian	As on 31st January, 1954 ..	907,298
Foreign		157,299
Cotton Pressed in India † (In running bales)	Week ended 8th April, 1955 ..	35,579
	Corresponding week, 1954 ..	124,928
	1st Sept., 1954 to 8th April, 1955	2,494,881
	Corresponding period, 1953-54 ..	2,802,497

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,54,000	1955-60	101⅝
2½% Bonds	1926-32	63,80,28,000	1960-70	101
3% Loan	1958-59	1,16,17,46,000	1963-65	98½
2½% Loan	1950	30,88,10,000	1954	98 3/16
2½% Loan	1948	1,10,11,78,000	1956-58	90½
2½% V. Loan	1944	1,14,06,89,000	1957	99½
2½% Loan	1945	1,15,06,83,000	1970-75	86
2½% Loan	1946	1,18,85,54,000	1965-71	97½
2½% Loan	1951	50,85,63,000	1958	99 3/16
2½% Loan	1946	45,63,07,000	1960	94½
2½% Loan	1949	57,00,89,000	1961	91½
2½% Loan	1946	14,77,48,000	1976	88
2½% Loan	1947	78,86,72,000	1968	92½
2½% Loan	1949	60,46,01,000	1955	99⅝
2½% Loan (N.P. Bonds)	1953	76,00,00,000	1961	99 3/16
2½% N.P. Loan	1954	156,75,00,000	1964	98½
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,26,000	At option of Government after three months' notice. On September, 1956 or later at option of Government after three months' notice.	80⅞
3% Loan	1946	248,91,90,000		80⅞
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,20,000	1958-68***	108½
PROVINCIAL LOANS				
2½% Bombay	1942	3,54,23,300	18th Sept. 1955†	99½
2½% Bombay	1948	3,50,00,000	14th Sept. 1956	99 3/16
2½% Bombay	1944	3,44,00,000	15th Aug. 1958	97½
2½% Bombay	1949	6,00,18,000	1st Aug. 1962	94
2½% Bombay	1950	3,01,87,700	31st July 1960	94½
2½% Bombay	1951	3,04,06,900	17th Sept. 1962	98½
4% Bombay	1953	5,00,00,000	16th July 1963	101
4% Bombay	1952	3,66,72,700	1st Aug. 1964	101
2½% Cochin	1945	1,00,00,000	16th Dec. 1955-58	98½
2½% Cochin	1946	70,00,000	1st June 1956-61	99½
2½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95½
3% Madras	1939	1,22,95,600	21st June 1959	94½
3% Madras	1945	1,23,25,000	18th Sept. 1955	99-10½
3% Madras	1943	1,25,10,000	14th Sept. 1958	99½
3% Madras	1944	1,07,95,000	16th Aug. 1958	98
3% Madras	1945	2,75,44,000	14th Sept. 1960	94½
2½% Madras	1946	2,61,77,200	1st Sept. 1961	91½
3% Madras	1950	4,88,28,400	31st July 1962	94½
2½% Madras	1951	3,01,49,800	17th Sept. 1963	97 3/16
4% Madras	1953	5,00,00,000	16th July 1968	100-0½
4% Madras	1952	5,24,81,200	1st Aug. 1964	100-0½
3% Mysore (*)	1930	1,68,44,800	1st Nov. 1955	101½
4% Mysore (*)	1933	2,98,86,200	1st Dec. 1955-63	101½
2½% Mysore (*)	1936	5,99,72,900	20th April 1956-61	99 3/16
3% Mysore	1947	5,08,05,700	25th Jan. 1958	99½
4% Mysore	1953	5,00,00,000	16th July 1968	100 3/16
3% M.P.	1943	50,00,000	18th Sept. 1955	99
3% M.P.	1943	50,84,200	14th Sept. 1956	98½
3% M.P.	1944	52,99,800	15th Aug. 1958	97½
3% M.P.	1949	3,08,00,000	18th Sept. 1954	97½
3% M.P.	1950	1,00,28,800	31st July 1960	94
2½% M.P.	1951	1,00,00,000	17th Sept. 1962	97½
4% M.P.	1953	1,00,00,000	16th July 1963	100
3% Punjab**	1929-44	3,49,37,200	16th Aug. 1955	98 3/16
3% Punjab**	1943	2,35,20,000	16th Sept. 1956	99 3/16
3% Punjab**	1945	2,48,78,800	14th Sept. 1956	99 3/16
3% Punjab**	1948	2,95,81,600	14th Sept. 1960	97½
2½% Travancore	1938	50,00,000	16th Aug. 1956	96½
4% Travancore-Cochin	1953	3,00,00,000	15th July 1963	100
3% U.P.	1936	1,69,39,800	15th Sept. 1961-66	90½
3% U.P.	1944	3,23,96,800	15th Aug. 1958	97½
3% U.P.	1945	2,36,81,900	14th Sept. 1960	94
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	91 3/16
2½% U.P.	1951	3,00,00,000	17th Sept. 1962	98
4% U.P.	1952	4,11,23,000	1st Aug. 1964	100½
4% U.P.	1953	5,00,00,000	15th July 1968	100 3/16
2½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4% W. Bengal	1952	3,00,00,000	1st Aug. 1964	100 3/16
4% W. Bengal	1953	5,00,00,000	15th July 1968	100½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1954	
25,00,000	4	1905	1955	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99½ N
40,00,000	4	1909	1970	
58,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	D
14,35,578	4	1913	1960	
80,00,000	4	1918	1974	99½ N
88,25,000	4	1914	1975	100 N
10,00,000	4	1915*	1960	
50,00,000	4	1916*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
85,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
12,50,000	3½	1932*	1962	
24,55,000	3½	1935*	1965	
15,00,000	3½	1936*	1966	
48,04,000	3½	1938*	1960	
10,00,000	3½	1939*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,200	4	1916	1974	98½
76,90,100	4	1918	1976	98½
1,60,00,000C	3½	1921	1981	81
65,02,900C	6½	1921	1981	144N
1,24,00,000	6	1922	1955-65	101½
98,21,600	5½	1926	1956-66	102
99,24,500B	5	1928	1966-86	101½
1,49,49,000B	5	1937	1967-87	102½
1,49,80,000	5	1938	1968-88	108
80,00,000	4½	1931	1991	95
60,00,000	3½	1935	1968	96
25,00,000	3	1938	1968-88	90
50,00,000	3	1945	2005	74N
50,00,000	3	1945	1975	84
50,00,000	3	1946	1976	84
50,00,000	3	1946	2006	78½N
50,00,000	2½	1947	1977	78
50,00,000	3	1948	1978	82½
50,00,000	3	1949	1979	86
1,00,00,000	3	1949	1959	96
50,00,000C	3	1950	1960	81½
1,00,00,000	3	1950	1960	96½
1,00,00,000	3	1950	1960	96½
50,00,000	3	1951	1961	81
1,50,00,000	3½	1951	1961	97½
50,00,000	4	1952	1962	99½
50,00,000	4	1953	1963	99½
STERLING LOANS				
£892,600	5	1922	1953-63	£87½
£901,000	5	1924	1954-64	£87½
£835,170	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
31,47,169	3½	1947	1977	
9,88,000	3	1947	1977	
3,00,000	3	1948	1978	A
45,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1903	1963	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
50,00,000	4	1904	1964	97½N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
15,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
60,00,000	4	1919	1957-79	118N
66,00,000	4	1920	1955-80	
25,00,000	5	1926	1956-86	115N
25,00,000	4	1927	1961-70	98N
10,00,000	3½	1928	1968	
STERLING LOANS				
£566,600	4	1909	1969	£78½
£333,000	4	1910	1970	£98½
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	101
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
50,00,000	3	1936	1966	90
50,00,000	3	1937	1967	91
20,00,000	3	1938	1968-88	90
30,00,000	4	1952	1962	99½

MUNICIPAL LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,80,000	4	1913-15	1974	99½
20,00,000	4	1913-15	1965	100½
10,00,000	4	1920	1980	113N
25,00,000	5	1928	1958	104½
8,45,500	5	1929	1954-59	104½
29,21,500	5	1929	1959	102½
3,25,000	3½	1947	1977	84
2,50,000	3½	1949	1979	86
2,50,000	3½	1950	1960	92½
2,50,000	4	1952	1962	100
2,00,000	3½	1951	1966	97
1,80,000	4	1952	1962	100
1,00,000†	4	1952	1964	100
1,00,000†	4	1964	1966	99½
CALCUTTA				
Rs.				Rs.
84,70,000	6	1925	1955	101½
26,00,000	5	1928	1958	108
25,00,000	5	1929	1957	108½
25,00,000	5	1929	1958	108½
10,00,000	5	1929	1962	108
38,91,000	3½	1935	1965	94
60,00,000	3	1936	1966	90
47,50,000	3	1937	1967	91
10,67,700	3	1938	1968	90½
16,56,800	4	1939	1954	99½
15,56,800	4	1939	1959	99½
15,56,800	4	1940	1957	99½
17,56,400	3½	1942	1959	96½
21,10,000	3½	1948	1972	98
15,49,000	3½	1951	1960	97½
16,33,000	3½	1951	1961	97½
66,00,000	3½	1951	1966	97½
87,88,000	4	1952	1962	97½
72,50,000	4½	1954	1979	100
MADRAS				
Rs.				Rs.
71,700	6	1925	1955	100N
2,67,800	6	1922	1955	101N
15,00,000	3½	1941	1961	107N
15,00,000	3½	1952	1962	107½N

ABBREVIATIONS

N—Nominal.

A—Held by Government of India. B—Taken up by Imperial Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable; (f) income-tax free. * Loans held entirely by the Trustees. **Quotations in Pak. Currency. ***Rupee Counterparts

† Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June, 1944.

‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. j—Interest free for first 12 years. t—Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	133xd	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	97	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	143	100
Deccan Sugar & Abkhari† A	7,00,000	1920	7	July Apr.	116½	100
¶East India Distilleries ..	£200,000	1897	7	Jan. July	17	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	68	100
Partabpore Co.	6,00,000	1922	10	Oct. ..	15½	10
Ramnagar Case	4,00,000	1933-34	6	Aug. ..	107	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar ..	5,00,000	1936	7(a)	Oct. ..	16½	100
Travancore	14,99,135	1946	5(c)	Dec. ..	9½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borron	4,00,000	1896-97	6½	Oct. Apr.	119	100
Burrakur (1st)	£2,99,800	1901-19	7	Apr. Oct.	123	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	119	100½
Karanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	69	75(pp)
¶Khas Kajora	1,93,000	1931	3	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1938	7	Jan. July	13	10
Oudel	9,00,000	1896-97	6½	Apr. Oct.	114	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	102	100
Bangalore	6,00,000	1934	6	Jan. July	130	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8½	10
Benares Cotton	1,05,200	1919	7	July Jan.	63	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	119	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	136	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	82	100
Bradbury	14,75,000	1919	7	June Dec.	65	98
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	145	100
Cambodia	1,00,000	1922	7	Apr. ..	125	100
Central India	50,00,000	1913	5	Apr. Oct.	49½	100
Coimbatore Planter	1,00,000	1935	6½	Nov. ..	117½	100
Elgin	11,00,000	1912	8	May Nov.	143	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	87½	100
Emerson	20,00,000	1919	7	June Dec.	129	100
Khatau Makanji (2nd) ..	99,22,500	1947	4	Nov. ..	87	100
Kothari	12,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay) ..	16,00,000	1896	5(a)	.. ..	230	250
Morarjee Goculdas, Spg. & Wvg.	17,25,000	1947	4½	January ..	79½	100
Muir Mill	30,00,000	1906	4	Jan. July	81½	100
Mysore Spg.	7,45,000	1944	4½	.. ..	30	50
National Rayon	1,74,64,700	1947	3	.. ..	86	100
New Great	8,00,000	1913	5½(a)	Mar. ..	185½	200
New Victoria	26,05,500	1

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N—Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicates the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and All other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
80,00,000	3,74,976	63,22,382	43,85,372	—2,24,484	Rajputana Textiles (Agencies) Ltd.	47,512	8,981	Apollo Mills	2½	2	0 4(c)	0-4 (c)	Nil		12	V.
40,00,000	84,00,000	1,34,85,581	72,29,655	—5,76,311	B. R. Sons, Ltd.	30,396	1,021	B. R. Cotton Mills ..	30	100	Nil	Nil	Nil		1	V.P.Y.
80,00,000	2,33,99,019	4,25,75,764	3,54,21,688	52,579	Nowrosjee Wadia & Sons, Ltd.	1,89,680	4,855	Bombay Dyeing & Mfg.	468½	250	20 0	22 8*	20 0		12	V.
10,00,000	27,36,259	55,58,179	48,57,495	2,48,761	Ramanlal Sons, Ltd. ..	42,008	860	Bradbury Mills	159	50	100 0	100 0	75 0		3	V.P.
1,99,42,800	8,27,54,197	2,83,17,250	1,85,13,280	31,32,663	Birla Bros., Ltd.	1,25,936	2,698	Century Spg. & Mfg. ..	365½xd	100	20 0	22 0	22 0		12	V.
49,00,000	15,44,650	1,16,09,462	65,52,039	—33,25,720	V. J. Plani (Chairman and Managing Director)	40,668	798	Colaba Land & Mill ..	56	100	Nil	Nil	Nil		12	V.
86,00,000	13,33,380	64,51,450	44,36,747	21,158	Cowasjee Jehangir & Co., Ltd. ..	30,130	480	Coorla Spg. & Wvg. ..	118½	100	7 8	7 8	7 8		3	V.
16,00,000	25,08,261	64,39,890	50,46,041	38,562	Ramanrao Sons, Ltd. ..	38,304		Dawn Mills	90	50	6 0	6 0			12	V.
84,00,000	27,75,000	68,55,752	60,71,244	16,489	Purannal Radhakishan & Co.	50,296	528	Edward Textiles ..	260	100	15 0	15 0			12	V.
89,97,750	11,93,292	1,09,90,311	78,99,886	17,999	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	40½	50	1 8	Nil	2 8		12	V.P.
50,00,000	84,31,875	1,05,11,445	71,58,296	3,90,661	James Finlay & Co., Ltd. ..	46,072	784	Finlay Mills	260	100	20 0	16 0	16 0		12	V.
11,84,000	75,99,589	1,20,85,307	91,11,800	8,850	Thackersey Mooljee & Co. ..	49,672	1,126	Hindoostan Spg. & Wvg. Mills	3,825	1,000	200 0*	225 0*	225 0	40 0t	3	V.P.
2,00,00,000C	1,13,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,38,038	6,278	India United Mills ..	865	250	50 0	54 0	56 4	10 0t		
50,00,000D									11-13½	10	Nil	0 10½			12	V.
6,65,000									14½	10	Nil	0 1½				
35,000	71,99,043	1,22,31,586	83,50,000	8,551	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	5,850	1,000	200 0*	225 0*	225 0	40 0t	3	V.P.
									865N	500	100 0	112 8*	112 8			
89,85,000	40,24,767	2,15,86,179	1,74,28,945	83,212	Khatau Makanji & Co., Ltd.	84,604	1,515	Khatau Makanji Spg. & Wvg.	167½	100	10 0	10 8	8 0		6	V.P.
1,00,00,000	1,44,50,000	3,49,59,105	2,46,94,456	12,185	Kilachand Industries Ltd. ..	1,20,504	1,846	Kohinoor Mills	313½	100	15 0	20 0*	18 0		12	V.
80,00,000A	64,00,782	4,36,227	88,878	6,06,356	Dina Nath, Esq.	61,216	1,640	Madhusudan Mills ..	86N	500	100 0	112 8*	112 8	40 0t	3	V.P.
8,60,000B									80B	100A	1 4	1 4				
22,15,000	39,74,916	3,14,37,317	54,72,963	16,412	N. Sirur & Co., Ltd. ..	48,676	644	Modern Mills	80N	50	5 0	5 0	5 0		10	V.P
91,75,000	32,62,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	218½	100	12 0	12 0	14 0		6	V.P.
1,60,40,000	8,63,811	4,93,70,648	1,10,00,000	3,01,242	Chinai & Co., Ltd. ..			National Rayon Corporation	198½	100	Nil	Nil			12	V.P.
84,00,000	83,60,685	14,52,403	46,04,752	27,946	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	144½	100	10 0	10 0	10 0		12	V.
90,00,000	13,47,407	89,82,380	61,42,740	12,317	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	150	100	10 0	10 0	7 8		12	V.P.
18,76,100	34,34,004	43,60,552	18,76,680	483	Mofatlal Chandulal & Co (Bombay), Ltd.	34,100	873	New Union Mills	32½	10	1 4				12	V.
48,00,000	34,07,273	1,42,08,882	91,98,811	30,475	Ramanrao Sons, Ltd. ..	66,324	1,190	Phoenix Mills	108½	100	8 0	8 0			12	V.
60,00,000	43,62,741	24,64,450	22,50,000	8,99,184	Podar Sons, Ltd. ..	32,600	930	Podar Mills	158½	100	10 0	10 0			12	V.
5,00,000	8,44,062	21,20,749	18,99,340	2,590	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	14½	10	1 4	0 12			12	V.
85,00,000	69,06,474	1,24,22,608	81,47,282	10,145	M. G. Investment Corporation, Ltd.	60,608	1,250	Sassoon Spg. & Wvg. ..	37	10	1 4	1 4			12	V.
60,00,000	86,20,061	57,30,546	45,81,044	8,49,922	Marwar Textiles (Agency) Ltd.	18,436	1,640	Shree Nivas Cotton Mills ..	232½	100	12 8	14 0			12	V.
42,08,000	88,80,000	80,15,075	68,69,000	81,940	Forbes, Forbes Campbell & Co., Ltd.	29,436	1,274	Simplex Mills	153½	50	15 0(c)	15 0	11 0	4 0t	3	V.
56,00,000	1,22,33,867	1,85,08,331	1,18,85,485	17,128	Mafatlal Gagalbhai & Sons	57,288	1,633	Standard Mills	340	100	20 0	20 0	20 0		12	V.P.
1,00,00,000	82,76,342	1,92,83,887	1,02,22,292	43,799	Tata Industries Ltd. ..	70,764	2,000	Sveadesh Mills	193½	100	16 0	16 0	8 0		12	V.P.
56,00,000	62,78,465	1,17,42,921	70,22,715	3,29,764	James Finlay & Co., Ltd. ..	38,828	552	Swan Mills	336½	100	30 0	20 0	20 0		12	V.
32,59,438	49,96,589	1,39,55,305	48,92,129	11,417	Tata Industries Ltd. ..	62,096	1,800	Tata Mills	52½	25	1 0	1 8	2 8		12	V.P.
18,00,000	82,55,706	98,83,223	74,45,000	4,819	Thackersey Mooljee Sons & Co. ..	34,424	1,181	Western India Spg. & Mfg. ..	3,875	1,000	200 0*	225 0*	25 0	40 0t	3	V.P.
AHMEDABAD																
80,00,000	25,97,650	96,80,904	55,57,028	5,640	Tata Industries, Ltd. ..	49,144	1,016	Ahmedabad Advance Mills ..	122½	100	10 0	10 0*	5 0		6	V.P.
10,00,000	30,33,638	89,83,424	65,39,067	7,878	P. M. Birkmanshaw & Sons, Ltd. ..	42,768	912	Arvind Mills	520	100	20 0*	20 0*			12	V.P.
86,25,000	8,23,56,002	1,33,18,912	89,73,000	47,546	Narottam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	1,221	100	25 0	25 0			12	V.P.
80,00,000	38,43,342	79,44,276	54,23,946	3,90,074	Mangaldas & Bros., Ltd. ..	35,884	884	Arvindas Ginning & Mfg.	285N	200	15 8	15 0			12	V.P.
12,00,000	1,08,38,621	82,14,168	66,70,738	55,358	Lalbhai Dalpatbhai & Co. ..	37,348	914	Asoka Mills	577½	100	22 0	22 0*	22 0		12	V.P.
1,24,70,175	1,11,66,207	4,24,68,718	3,07,57,944	16,00,756	Kasturbhai Premchand Ltd. ..	1,39,120	2,372	Bombay Mills	231	100	18 0	18 0	18 0		12	V.P.
45,00,000	48,43,008	1,05,39,863	72,50,000	6,391	Tricumlal Bhoglal & Co., Ltd.	45,836	867	New Commercial Mills ..	1,090N	750	70 0	70 0			12	V.
99,00,000	67,41,858	1,04,63,626	83,10,306	38,617	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	779	125	35 0	35 0			12	V.
5,00,000	61,15,962	46,72,743	31,76,001	700	Jagabhai Bhoglal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	705	100	30 0*	30 0*			12	V.
12,50,000	3,09,22,589	79,71,738	82,25,077	32,522	Lalbhai Dalpatbhai & Co. ..	31,128	634	Raipur Mfg.	1,030	100	22 0	17 8			12	V.P.
13,00,000	13,93,067	74,93,660	39,67,450	—18,80,810	Mangaldas Girdhardas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	110N	250	Nil				12	V.P.
32,50,000	16,74,825	84,83,940	52,67,803	4,020	Lallubhai Gordhandas Ltd. ..	33,156	648	Rohit Mills	147½	100	8 0				12	V.P.
82,98,150	1,90,84,338	1,60,18,812	1,54,23,000	2,52,570	Bhaveshbhaikhas Kalidas & Co.	71,848	1,753	Shree Sajjan Mills	1,000	100	16 0	18 0	20 0		12	V.P.
19,32,300	57,77,232	71,23,468	55,33,800	22,720	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg. ..	455	100	20 0	20 0			12	V.
28,00,000	26,43,469	75,32,266	61,24,605	31,806	Haridas Achratlal & Co., Ltd. ..	36,176	780	Vijaya Mills	536½	400	35 0*	35 0*			12	V.P.
WEST BENGAL																
15,00,000	1,88,479	34,10,729	19,47,810	41,227	Calcutta Agency, Ltd. ..	13,044	356	Basanti Cotton Mills ..	4½	10	Nil	0 4			12	V.P.P
7 11,280	3,95,369	40,98,098	23,80,978	47,818	Bengal Textile Agency, Ltd. ..	32,352	936	Bengal Luxmi Cotton Mills ..	31N	40	3 0	Nil	4 0		3	V.
4,00,000	22,71,793	80,75,189	51,52,008	—21,22,781	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills ..	30N	100	Nil	Nil	Nil		6,12	H.P.
19,00,000	25,17,371	99,37,816	69,83,080	—9,27,405	Kettlewell Bullen & Co., Ltd.	42,944	818	Gember Mills	201	100	Nil	Nil	Nil		6,12	H.
1,40,00,000	1,98,18,540	3,42,43,338	1,08,56,338	2,15,714	Birla Brothers, Ltd. ..	70,040	1,990	Kesoram Cotton Mills ..	26½	20	1 12	1 12	1 12		3	V.P.
4,00,000	9,75,908	84,54,400	67,06,257	6,158	Chakravarti Sons & Co. ..	23,484	442	Mohini Mills	—	10	0 8				12	V.P.
83,96,288										10	0 8					
19,47,750D	5,75,000	41,85,833	19,32,782	13,666	Hazareesull Heeralall	23,196	995	Rampooria Cotton Mills ..	12	10	0 8	0 8				V.
5,00,000D									1N	10D	Nil	Nil				
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,09,109	99,21,613	81,69,246	2,736	Rasnal & Co., Ltd.	35,000	750	Alagappa Textiles (Cochin) Ltd.	6	10					12	V.P.R
71,94,400	31,99,334	2,06,06,796	30,52,372	3,771	Industrial Trust Fund, ...	38,136	1,157	Azam Jahi Mills	71	100	6 0	6 0			9	V.
40,50,000	1,51,68,745	2,87,22,995	2,24,71,643	2,44,711	Binny & Co. (Madras), Ltd. ..	40,068		Bangalore Woollen, Cotton and Silk Mills ..	450	100	15 0	25 0	30 0		12	V.P.
27,00,000	15,30,808	77,25,132	53,72,132	18,199		29,936	782	Bengal-Nagpur Cotton Mills ..	11½	10	0 4	0 4	Nil		6,12	H.P.R
18,00,000	1,07,71,676	1,01,44,941	67,39,141	8,87,265	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	70N	10	3 0	3 0			3	V.
1,78,47,800	1,54,69,697	4,50,39,308	1,14,94,493	8,69,005	Binny & Co. (Madras), Ltd. ..	1,20,356	2,744	Buckingham & Carnatic ..	156½	100	4 0	10 0	10 0		12	V.P.
80,00,000	20,00,406	34,17,520	19,76,654	8,55,087	Peirce, Leslie & Co., Ltd. ..	37,576		Cambodia Mills	11½	10	0 12	0 12	Nil		12	V.P.
14,99,229	4,75,800	42,54,384	15,27,257		Malabar Industrial Syndicate	16,800		Cannanore Spg. & Wvg. ..	128	100	12 0	12 0			3	V.
90,00,000	16,49,773	51,86,118	47,84,818	28,773	Begg, Sutherland & Co., Ltd.	28,796	591	Champaran Textiles ..	4½	5	0 8	0 8	0 8		3	V.
18,00,000	20,60,800	30,52,973	24,65,699	4,614	E. Dhanraj Naidu & Co. ..	28,864		Coimbatore Cotton Mills ..	282	100	9 0	20 0	25 0		12	V.
80,00,000	13,90,000	33,17,341	19,08,703	3,400	T. R. N. Naidu & Co. ..	21,978		Coimbatore Pioneer Mills ..	223	100	9 0	13 0	10-0d		6	V.P.
38,76,000	4,34,644	1,14,43,334	68,98,860	4,78,905	E. G. R. Naidu & Co. ..	72,118	487	Coimbatore Spg. & Wvg. ..	73½	50	Nil	Nil	3F		6	V.
46,87,500	61,78,347	2,34,42,659	1,51,56,858	14,071	Tata Industries, Ltd. ..	1,15,188	2,062	Central India	125½	100	2 0	3 0	2 0		6	V.P.
3,38,36,222									8½	5	1 4	2 12	2 4			
1,00,543	2,63,12,465	8,55,97,662	4,42,00,000	1,69,241	B. R. Charat Ram & Co., Ltd.	1,16,636	2,355	Delhi Cloth & General Mills ..	37½	25	0 1 4/5	0 2 4/5	0 3/5		6	V.P
84,34,800	84,72,758	47,34,037	33,82,512	9,248	M. N. Chettiar & Sons ..	32,164	201	Dhanalakshmi Mills ..	276	100	20 0	20 0	30 0		12	V.
43,00,000	23,27,172	1,46,96,492	1,21,21,631	62,277	Begg, Sutherland & Co., Ltd.	53,768	1,198	Elgin Mills	17½	10	1 8	1 0	1 0		9	V.P.
48,81,000	33,91,175	88,91,779	65,34,878	37,169	Forbes, Forbes Campbell & Co., Ltd.	72,904	3	Gokak Mills	214½	100	17 8*	17 0	13 0		12	V.
60,00,000	12,73,943	1,25,73,688	88,01,206	12,371	Govindram Sakaria (Indore)	51,188	1,420	Indore Malwa United ..	93½	100	6 0	6 0	6 0		12	V.
8,90,000	10,62,423	28,57,887	14,68,539		G. V. Naidu & Co., Ltd. ..	22,784		Janardana Mills	83	50	3 12	4 8			12	V.
24,00,000	15,75,000	64,03,081	12,00,000	20,004	Kothari & Sons	30,812	200	Kothari Textiles	12½	10	0 12	0 8	0 8		6	V.
80,00,000	71,10,321	1,43,07,541	1,01,44,340	32,367	Bombay Co., Ltd.	31,972	1,219	Lakshmi Cotton Mills ..	506½	250	37 8	37 8	7 8		12	V.P.
35,64,100	44,00,000	1,00,53,685	69,98,848	23,793	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	145½	50	5 0	5 0	10 0		3	V.
17,82,050									72½	25	2 8	2 8	3 0			
1,75,82,480	4,13,81,878	8,66,33,243	3,44,90,463	9,66,800	A. & F. Harvey Ltd. ..	4,63,852		Madura Mills	452½	15	0 8	0 8	3 0		12	V.
18,00,000	4,17,343	27,72,881	16,02,069	1,14,098	A. L. A. R. S. Chettiar and 2 others.	22,992	100	Meenakshi Spg. & Wvg. ..	128	100	8 0	8 0			12	V.
60,00,000	69,00,000	61,38,483	39,86,352	30,133	W. A. Beardsell & Co., Ltd. ..	25,656	603	Mettur Industries Ltd. ..	319½	100	12 8	12 8	22 8*		3	V.
29,80,884	28,14,137	76,14,218	44,82,683	12,036	N. Sirur & Co., Ltd. ..	39,200	704	Minerva Mills	100	100	8 0	7 0			12	V.
84,91,850	27,24,404	1,61,29,118	78,81,528	—7,44,932	Benzigar Abdulkhaid Dadabhoy & Co.	31,340	955	Model Mills (Nagpur) ..	138½	250	7 8	7 8*			6	V.
96,00,000	52,19,600	1,39,39,272	1,05,91,441	—7,77,290	Indian Textile Syndicate Ltd.	82,640	1,834	Moti Mills	106N	100				5 0(c)	12	V.
84,83,500	36,39,366	93,23,192	61,27,444	22,997	N. Sirur & Co., Ltd. ..	49,644	500	Mysore Spg. & Mfg. ..	121½	10	10 0*	10 0*	8 8*	3 0t	12	V.P.
13,61,780	2,58,745	29,42,992	18,27,000	3,986	R. Suryanarayana Rao Esq. Manager	6,000		Mysore Sugar Silk Mills ..	4½	10	Nil	Nil	Nil		3	V.P.
22,99,820C									1½	1	0. 2½	Nil	Nil			
2,01,095D	28,61,552	1,02,16,296	58,90,719	—39,62,329	J. P. Srivastava & Sons, Ltd. ..	49,676	1,198	New Victoria Mills ..			D. 1	Nil	Nil		3	V.
87,61,800	87,08,000	1,64,48,327	62,62,651	15,819	Industrial Trust Fund	37,782	847	Osmanshahi Mills	65	100	7 0	4 0			12	V.
6,00,000A									111xd	50A	7 0	4 0				
6,00,000B	7,50,000	33,81,278	18,80,484	551	Bhagkrishnbhai & Co.	29,924		Palani Andavar Mills ..	157xd	75B	11 4	11 0			9	V.
12,00,000	8,56,928	32,54,578	18,63,848	4,411	C. S. R. Modaliar & Sons ..	27,980		Pankaja Mills Ltd. ..	52	100					12	V.
16,81,700A									220cd	100A	6 0	8 0	16 0			
8,49,200B	80,00,000	73,90,455	41,41,878	28,607	A. G. Gurusamy Naidu & Co.	54,864	301	Radhakrishna Mills ..	110cd	50B	3 0	4 0	8 0		12	V.
15,00,000	82,25,000	25,50,868	16,48,945	34,422	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	50	50	Nil	7 8			12	V.
22,23,375	12,10,000	38,91,395	14,22,264	23,305	Rayalaseema Development Co. ..	14,800		Rayalaseema Mills	91	100	6 0	6 0	9 0		12	V.P.
60,00,000	62,46,308	98,29,367	55,63,291	—19,39,428	J. P. Srivastava & Sons (Rampur)	33,984	600	Rama Textiles	52	10	Nil	Nil			12	V.
16,00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Meenaks & Co.	84,048	2,234	Sholapur Spg. & Wvg. ..	1,600	1,000	Nil	Nil	Nil		12	V.P.
									75	100						
26,69,700	11,45,000	73,40,039	49,25,631	26,144	H. N. Pallegar, Esq. ..	31,668	292	Sri Krishnarajendra Mills ..	73	50	4 0*	4 0*	4 8		3	V.
28,14,800	8,00,244	52,18,906	17,73,000	—2,46,777	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	72N	100	Nil	Nil	Nil		3	V.
15,00,000	2,40,73,985	87,38,169	62,02,085	31,22,917	Birla Brothers, Ltd.	36,212	1,242	Sutlej Cotton Mills	76	10	1 0	1 0	3 0		3	V.
17,30,000C	9,20,00,000	4,32,93,265	1,54,70,740	2,67,165	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	88	100	Nil	0 8			12	V.
1,57,50,000D									9	10F.O.	Nil	0 8				
39,92,978	3,25000	2,71,91,025	76,93,946	41,430	Empees & Sons (Travancore), Ltd.			Travancore Rayons ..	14xd		1-14 2/5				12	V.P.
19,97,470	8 79 479	13,36,297	10,45,184	8,321	Meeghee Ramjee & Sons ..	16,256		Trichinopoly Mills ..	12xd	10	Nil	0 8				
21,88,800	32,00,000	56,21,298	86,81,499	30,508	R. K. S. Chetty & Brothers ..	33,704	270	Vasavee Mills	230	100	11 1/5	0 12	11½	0 14 2/5	12	V.P.
80,00,000	67,34,133	1,34,36,933	89,36,476	1,868	Bombay Co., Ltd.	54,280	1,337	Vikhas Cotton	230cd	100	12 0	12 0	15 0		12	V.
									115	100	10 0	4 0			18	V.P.

* Includes bonus.

Has mortgage loan of Rs. 80 lakhs against mortgage of fixed assets

(b) Subject to taxation and workers' bonus.

(p) Interim dividend of Rs. 5 per shares was paid on 42,000 shares of Rs. 50; each; final dividend of Rs 10 per share was paid on the increase capital of 63,000 shares of Rs. 30 each. K. R.=Rs.Right

(e) Paid out of reserves.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	16,64,000	1,09,25,186	50,37,365	21,554	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	33½	25	Nil	Nil	Nil		6	V.P.
6,64,000							13½	10	Nil	Nil	Nil			
16,20,630	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	7	5	0 8	0 8			8	W.
480,000A	£897,579	£1,225,541	£513,606	857,290	Parry's Holdings Ltd. ..	East India Distilleries and Sugar	16½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5			V.P.
300,000B							28½	B. 8½	Sh. 3	Sh. 4	Sh. 5 4/5			
6,00,000	9,60,000	11,63,313	11,63,307	4,057	Vittal Mallya, Esq. (Chairman	United Breweries	165	75	15 0	15 0	15 0		3	W.
CEMENT														
81,37,700A	8,69,857	75,78,758	85,89,342	4,636	Andhra Engineering Co., Ltd. ..	Andhra Cement Co. ..	136½	A. 100	7 8	10 0*			12	V.P.R.
89,67,420B							13½	B. 10	Nil	Nil	Nil			
43,14,600C	11,14,602	18,53,830	7,23,479	1,20,881	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	6½	O. 10	0 8	0 7½	0 8		3	V.N.
4,70,976D							1	D. 1	Nil	Nil			7	W.
£2,67,39,333	4,18,90,259	20,42,86,558	7,85,13,157	67,792	Cement Agencies Ltd. ..	Associated Cement Companies	178½	100	9 0	9 0	8 8			
60,00,000O.							11½	O. 10	0 10	1 0			12	V.P.D.
R6,49,798O.	46,39,155	81,39,445	20,01,691		Hari Brothers Ltd.	Dalmia Cement (Bharat)†	3½	O. 2½	0 2½	0 3				
5,00,000D.							2	D. 1	Nil	0 1-3/4				
£1,84 930O.	8,00,000	1,45,26,685	39,60,537	1,15,792	Essen Ltd.	India Cements Ltd.	24½	O. 25	1 4	Nil	1 4		3	V.P.
7,30,000D.							4½	D. 5	0 4	Nil	0 4			
£9,86,000	13,00,000	1,67,86,035	51,49,060	1,62,701	Shree Digvijay Cement	Shree Digvijay Cement ..	179½	100	6 0	6 0			12	V.P.
75,00,000	20,95,000	1,75,91,085	1,27,82,076	6,448	Martin Burn Ltd.	Semenvilay Portland Cement ..	7½	5	0 8	0 6			12	W.
CERAMIC; MINING AND QUARRYING														
91,70,655	1,50,000	60,96,114	23,31,090	15,378	S. Lall Bhagat & Co.	Bengal Potteries	2½	8½	0 2½	0 2½			13	W.
							43½N	10	0 14	0 14			3, 9	H.
10,00,000

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
						PAPER								
45,00,000	23,36,841	1,98,78,118	1,37,10,118	1,30,325	Balmer Lawrie & Co.	Bengal Paper Mills	66	25	1 9 / Nil	Nil / 1 9	1 9½		6,12	H.P.W.
80,00,000	33,44,805	1,07,15,561	71,75,830	2,34,328	Andrew Yule & Co., Ltd.	India Paper Pulp	256	100	5 0 / 5 0	6 0 / 6 0	7 0½		5,9	H.
85,00,000	16,12,500	1,18,13,367	47,51,061	49,179	B. P. Ramakrishnan Esq.	Mysore Paper Mills	19½	10	1 0*	1 0*	0 12*		5	W.
1,46,82,500	1,53,71,781	8,56,00,806	85,37,779	2,56,680	Birla Bros.	Orient Paper	27½	10	1 0 / 1 0	1 0 / 1 0	0 7		5,9	H.P.W.
80 06,290	78,16,849	1,11,24,742	62,73,807	2,83,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	17	10	0 12	0 12	0 12		6,12	H.P.W
80,00,000 / 10,00,000A.	7,02,430	50,37,167	22,55,530	9,758	Bajoria & Co.	Star Paper Mills	13½ / 13½	O. 10 / A. 10	0 4 / 0 4	0 4 / 0 4			5,9	H.P.W.
							43½	A. 10	1 0*	1 0*	0 12			
							43½	B. 10	1 0*	1 0*	0 12			
56,00,000A. / 26,04,200B. / 4,37,500P.O.	2,83,01,797	5,11,76,455	3,06,96,855	3,59,432	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.			1 0*	1 0*	0 12		5,9	H.P.
							42½d	P.O. 2½	0 2 / 0 2	0 2 / 0 2	0 2			
						PRESSING								
8,00,000	6,12,365	13,78,488	10,90,581	20,403	Andrew Yule & Co.	Calcutta Hydraulic	90	100	3 0	3 0	4 0		6	W.
4,30,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	100	100	7 0	7 0			6	W.
5,00,000	1,55,000	10,91,811	9,30,377	12,962	Andrew Yule & Co	Central Hydraulic	92	100	5 0	4 0	5 0		6	W.
						PROPERTY AND LAND								
30,00,780O. / 8,00,000D.	7,43,065	43,46,067	21,43,279	96,047	S. (A. Basil, Esq., & others (Directors)	Humayun Properties	11½ / 16	D. 10 / D. 1	0 8 / Nil	0 11½ / 0 4/5	0 9 3/5 / Nil		9	W.P.
60,00,000	18,90,038	84,21,356	15,00,000	350	David Sassoon & Co., Ltd.	Port Canning Land	12	100	1 0	1 0	1 0		4	W.
84,00,000	33,56,934	96,49,123	1,06,646	95,262	Andrew Yule & Co.	Midnapore Zamindary	39	100	2 0	2 8	2 8		4	W.P.
						SAW MILLS AND TIMBER								
13,99,998	28,19,726	25,86,404	6,94,804	—97,203	Bird & Co.	Assam Saw Mills	6½	5	0 4	Nil			9	W.
30,00,000 / 42,00,000	4,08,84,383	3,05,42,310	1,22,52,525	56,875	Wallace & Co.	Bombay-Burmah Trading Corpn.	466½ / 170½	Old 125 / New 50	22 0 / 9 0	25 0 / 8 0	20 0 / 8 0		5	W.
6,00,000	....	21,00,868	1,76,945	—3,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	38N	100	Nil	Nil			6	V.P.
80,00,000	16,15,487	17,44,613	12,66,634	1,63,401	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	39½	10	3 0	2 8	1 0½		9	W.
						SUGAR (U.P. and Bihar)								
14,00,000	13,55,901	38,50,924	27,77,928	23,527	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	9½	5	Nil	Nil	0 12		7	
12,00,000A. / 3,00,000B.	29,18,556	49,46,285	33,16,660	15,500	Narang Bros. & Co., Ltd.	Basti Sugar	142N / 13½N	A. 100 / B. 10	10 0 / 1 0	10 0 / 1 0	10 0 / 1 0		4	V
19,49,050	5,00,000	32,06,095	21,68,136	1,66,138	Bangur Bros., Ltd.	Belsund Sugar	31½	7½	0 12	0 12			9	V.
15,00,000	13,85,319	45,47,836	11,37,841	26,084	Cotton Agents Ltd.	Bharat Sugar	18½N	10	1 8	1 8	1 8		6	V.P.
32,00,000	26,79,431	1,35,76,859	88,78,177	61,723	Gladstone Lyall & Co., Ltd.	Carew & Co.	155	10	Nil	Nil	0 12		6	V.P.W.
15,00,000	53,02,981	1,00,12,353	81,32,451	39,696	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	19½	10	2 0	2 0	0 12		10	V.P.
18,00,000	32,88,892	67,14,964	50,49,402	24,329	Begg, Sutherland & Co., Ltd.	Champarun Sugar	28½	10	2 0	1 0	1 0		6	V.
5,99,452	8,18,562	22,46,284	14,01,142	42,935	Karamchand Thapar & Bros.	Deoria Sugar	8N	10	0 8	0 8			8	V.T.
35,06,000A. / 10,00,000O.	33,25,000	69,95,552	45,50,008	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	175N / —	'A' 100 / O. 100	12 0* / 12 0*	15 0* / 15 0*			6	V.P
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	57N / 30N	80 / 40	Nil / Nil	Nil / Nil			7	V.P.
7,89,100	23,05,922	29,32,672	17,61,033	64,888	Cotton Agents Ltd.	New India Sugar Mills	34N	10	2 8	2 8	2 8		6	V.P.
11,00,000	4,20,000	37,49,397	24,14,063	8,749	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 8	0 4			5	V.
10,87,500 A. / 2,71,875 B.	49,84,457	63,27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mills	220N / 53N	100 / 25	20 0 / 5 0	20 0 / 5 0	20 0 / 5 0		6	V.
77,48,500	52,22,414	1,75,96,483	88,00,000	36,923	Cotton Agents Ltd.	Oudh Sugar	115N	100	6 0	11 0	11 0		7	V.P.
12,00,000	12,74,233	28,77,669	19,95,928	4,55,000	Nareng Bros. & Co., Ltd.	Punjab Sugar	104N	100	6 0	10 0	10 0		10	V.
9,00,000	15,93,919	35,23,095	29,32,549	3,957	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	13½	10	1 0	1 0	0 12		10	V.P.
8,00,000	8,54,762	25,43,782	21,01,613	24,340	Begg, Sutherland & Co., Ltd.	Ryam Sugar	20N	10	1 0	0 8	0 8		6	V.P.
11,99,000	17,75,737	38,17,360	22,17,129	13,455		Samastipur Central Sugar	19	10	1 0	0 8	0 8		6	V.
80,00,908	21,68,360	1,04,96,727	55,25,283	2,337	Sahu Jain Ltd.	Shree Krishna Gyaneshwar Sugar	17	10	1 8	1 8			7	V.P.T.
8,99,950	61,825	27,77,628	12,85,342	—1,89,266	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	31	10	0 6½	Nil			8	
7,95,462	16,32,940	29,95,970	16,32,168	92,009	Karamchand Thapar & Bros.	Shri Sitaram Sugar	83½	10	1 8	2 0*			8	V.T.
9,15,000O. / 4,40,000D.	47,292	27,21,402	11,46,770	—15,90,149	N. K. Jain & Co., Ltd.	South Behar Sugar	1N / 1N	O. 10 / D. 2½	Nil / Nil	Nil / Nil			10	V.P.
8,00,000	20,87,588	83,26,115	50,99,754	48,719	Cotton Agents Ltd.	Upper Ganges Sugar	30½	10	2 0	0 8	2 8		6	V.P.
18,00,000	7,99,778	31,12,369	24,99,851	5,181	James Finlay & Co., Ltd.	United Provinces Sugar	26½	10	1 8	0 8			9	V
						Other Centres								
6,99,750	85,29,871	1,40,80,073	84,87,447	33,628	W. H. Brady & Co., Ltd.	Belapur Company	311	50	16 0	16 0	16 0		8	V.
50,000	11,90,010	31,68,833	19,76,042	38,000	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	13½	10	1 0	0 10	1 0		9	V.P.
15,93,900	2,45,841	39,94,598	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	45N	100	5 0	Nil	Nil		6	V.P.
80,00,000 / 3,00,000	30,25,085	25,07,464	18,53,439	2,32,019	India Sugar Agencies Ltd.	India Sugar and Refineries	14½ / —	10 / 5	2 8 / 1 4½	2 8 /			9	V.P
33,57,580	42,47,476	41,33,220	19,37,712	3,477	Gowan Bros. (Rampur), Ltd.	Buland Sugar	14½N	10	0 12	1 0			10	Y.
10,32,2000 / 2,87,190D	67,50,000	84,86,942	27,56,542	2,346	V. Ramakrishna, Esq.	K. C. P. Ltd.	135 / 85	O.100 / D. 10	7 8 / 10 0	7 8 / 10 0	7 8 / 10 0		6	V.P.
81,79,280	90,22,871	1,21,03,930	73,11,305	2,28,221	M. S. Swaminathan, Esq. (Managing Director)	Mysore Sugar	53	10	2 0	2 0	2 0		6	V.
50,00,000	47,49,631	1,07,30,631	55,61,246	15,411	Parikh Agencies Ltd.	Phalton Sugar	118½	50	5 0	5 0	5 0		9	V.
85,00,000	1,80,000	25,30,071§§	13,483	8,047	Dunn Sons, Ltd.	Rameswar Sugar	30N	50	2 8	Nil	2 8		3	V.P.
14,98,840	8,09,622	26,42,753	18,75,000	74,466	Choonilal Manilal Ltd.	Ratnagiri Sugar	77	100	4 8	4 8	4 8		12	V.
99,99,250	19,07,876	1,27,52,603§§	....	2,83,005	Premchand Roychand & Sons	Industrial Investment Trust								
1,00,00,000	31,25,000	21,31,427	7,78,349	18,107	E. D. Sheppard, Esq. (Mg. Director)	Killick Industries	173½	100	10 0	10 0	11 0	4 0	6	Y.
8,07,00,200A. / 10,00,000B.	5,29,603	2,64,35,762	98,15,035	—13,44,485	Asco-Auto Ltd.	Premier Automobiles	72N / —	A. 100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil		6	V.
10,21,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	23½d	20	3 0				12	V.
8,75,00,000	69,25,568	8,49,75,164	1,49,74,930	4,26,761	T. Rydin, Esq. (Managing Director)	Western India Match Co.	203½	100	11 0*	11 0*			12	V.
45,00,000	53,74,847	7,24,608	3,07,168	45,948	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	V.
						Other Centres								
47,50,000	15,00,000	1,88,63,301	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	6½	O. 10	Nil	Nil	Nil		3	Y.P.T.
2,50,000							21½N	D. 25						
50,00,000	40,60,690	31,77,196	21,11,902	2,39,798	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	20½	10	1 4	1 4	1 4		8	V.
24,00,000	7,75,000	29,21,793	19,64,061	1,34,529	T. H. Rytin, Esq. (Mg. Director)	Assam Match Co. Ltd.	20½	10	1 4*	1 4*			8	V.
28,00,000	23,47,883	1,00,29,510	39,87,830	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	4½N	10	0 4	0 3 1/5	0 3 1/5		12	
80,00,000O. / 30,86,000P.O.	1,11,62,712	59,55,515	30,55,515	5,43,847	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	157 / —	O. 100 / D. 40	20 0* / 6 0*	20 0 / 6 0*			3 / 12	V.P.
20,00,000	7,99,470	57,53,560§§	....	1,21,723	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4	1 4		9	V.P.
36,64,480	87,99,225	1,02,29,699	26,95,003	1,63,501	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	12½	10	0 12	0 8	1 0		3	V.P.T.
3,25,00,000	1,00,82,962	2,69,29,657	2,07,14,167	2,81,142	Sir Robert Menzies	British India Corporation Ltd.	7½	5	0 10	0 8	0 1		12	V.P.
1,60,00,000	1,79,00,000	4,83,17,964	3,08,33,134	11,88,891	Cecil Stuck, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	35½	10	1 8	1 8	1 8		12	V.P.T.
51,26,000	53,95,753	1,34,39,918§§	....	3,13,508	Bird & Co., Ltd.	Eastern Investments Ltd.	165	100	9 0	9 0	9 0		12	V.P.
14,00,000	9,97,000	33,12,243	18,66,225	11,238	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	195xd	100	20 0 / 7 8	10 0 / 7 8	7 8 / 7 8		3 / 9	H.
65,00,000	38,00,000	18,19,106	6,87,888	1,58,072	K. R. Fettes, Esq.	Gillanders Arbuthnot & Co., Ltd.	11½	10	10 0	7 8	7 8		3	V.
20,00,000	11,42,334	48,39,433	29,41,525	1,366	B. P. R. Syndicate	Great Eastern Hotel	258	155	15 0	15 0	4 4		3	V.P.
12,42,800	7,07,964	70,51,010	47,39,868	19,013	Birla Bros., Ltd.	Hind Cycles	8½	10	Nil	Nil			12	V.P.T.
4,96,12,450		3,05,00,214	60,32,719	4,34,999	Birla Bros., Ltd.	Hindustan Motors	151	100	5 0	Nil	Nil		3	V.P.
1,00,00,000	36,77,754	3,96,21,357	1,54,14,699	2,96,212	J. W. Cameron, Esq.	Indian Aluminium Co.	25½	10	1 0	1 0*	1 0*		12	V.P.
1,52,89,220	1,09,40,984	1,32,87,233	46,27,452	19,70,046	A. R. Drinnan, Esq.	Indian Cables	13	10	1 0	0 12	0 8		3	V.P.
8,27,970	5,38,000	15,79,995	8,39,626	17,480	G. B. Meadows & Co. (India), Ltd.	Indian Rubber Manufacturers	116	100	10 0	7 8	7 8		3	V.P.
8,00,00,000	52,62,941	31,49,487	7,53,287	5,26,226	G. M. Mackinlay, Esq.	Jardine Henderson	2½ / 23½	O. 5 / D. 1	Nil	Nil			3	V.P
6,24,000O. / 66,908D.	3,48,343	6,89,830	4,31,766	2,340	James & Co., Ltd.	Macfarlane & Co.							8	V.
40,80,000O. / 5,00,000D.	66,38,146	25,22,837	7,33,942	1,07,086	C. L. Bajoria, Esq.	McLeod & Co.	23 / —	O. 100 / D.O. 10	7 8 / 0 4	10 0 / 0 8			12	V.P.
1,30,05,750	53 14,868	19,97,616	8,95,141	2,52,480	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	23	10	1 4	1 4*	1 6		9	V.P.
1,15,00,000	39,01,000	1,36,11,388	59,32,798	13,11,213	H. Chitwell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	20½	10	1 0	1 0	1 0		3	V.P.
6,35,255	1,72,448	7,82,942	2,60,927	—71,442	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3½	10	Nil	Nil			3	V.P.
8,56,250	9,55,113	10,40,250	4,40,947	73	G. Chandy, Esq. (Controller)	Mysore Lamp Works	14½	10	1 0	1 0	1 0		12	V.
10,00,000	1,20,000	14,23,286	7,19,467	35,998	K. Narayanaswamy, Esq.	Mysore Tobacco	10½	10	1 0	1 0	1 4		3	V.P.
80,00,000	49,41,539	53,81,562	37,19,098	1,75,176	Associated Industrial Development Co., Ltd.	National Insulated Cable	23½	10	0 12	1 0	1 0		3	V.T.
						National Tobacco Co.	10½	10	Nil	Nil			3	Y.P.
79,97,000	28,68,388	69,70,031	3,78,834	16,62,630	R. N. Elias & Co., Ltd.	Parry & Co.	4½	2	0 4½	0 4½			12	V.P.
40,00,000	27,00,000	2,21,45,194	19,71,434	1,31,468	Corromandel Investment Trust Ltd.	Ralliis (India) Ltd.	36½	100	Nil	Nil	Nil		12	V.P.T.
8,25,00,000	6,41,684	1,61,45,956	43,79,829	—42,97,067	T. A. Lykiardopulo, Esq.	Rohtas Industries	26½	10	Nil	Nil			3	V.P.
1,14,00,000	1,08,11,658	6,70,23,808	2,57,88,415	78,204	Bake Jain Ltd.	Spencer & Co., Ltd.	17½	10	1 8	1 4			10	V.P.T.
40,00,000	93,51,062	1,19,21,811	70,10,822	4,34,257	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	17½	10	1 0	1 0	1 8		6	V.P.
95,00,000	84,50,000	12,92,396§	3,20,545	3,47,879	R. H D. Campbell, Esq.	Travancore Ogale Glass	3½	10	Nil	Nil			3	V.P.
9,98,580	1,50,000	14,27,407	3,01,599	—1,04,545	Ogale Bros., Ltd.								12	V.

§§ Investments at cost.

* Includes bonus.

§ Excluding goodwill (unless down) Rs. 80 lakhs.

¶ Excluding goodwill at cost Rs. 80 lakhs.

§ Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
							ASSAM								
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co. Ltd.	825	Amluckie	600N	100	7 8	25 0	30 0		12	V.P.
2,76,500	4,50,000	7,71,948	3,05,709	31,218	Andrew Yule & Co. Ltd.	312	Ananda (Assam) Tea	62	10	0 12	1 4	7 8		12	Y.
2,50,000	6,43,250	10,47,044	2,03,058	71,998	Gillanders Arbuthnot & Co. Ltd.	420	Ananda Bag	55	10	Nil	2 8	1 8		12	Y.
5,50,000	7,21,416	16,60,355	3,32,872	—75,110	McLeod & Co. Ltd.	513	Baghmari	33½	10	Nil				12	Y.
3,40,000	8,20,000	11,50,416	2,98,096	70,514	Andrew Yule & Co. Ltd.	369	Baramatia	50	10	2 0	2 8			12	Y.
2,50,000	3,70,000	9,24,593	5,59,393	80,009		569	Batoli	25½	5	0 4	2 0	1 8		12	Y.
3,20,000	5,70,000	9,38,920	2,13,496	61,395	Gillanders Arbuthnot & Co., Ltd.	566	Borjan	70	10	Nil	2 0	1 8		12	Y.
16,30,000	20,60,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co.	3,967	Bukhanah	22½	10	Nil	3 8			12	Y.
8,00,000	3,500	10,38,918	1,85,067	63,716	Octavius Steel & Co., Ltd.	485	Bokakhat	23½	10	Nil	Nil			12	Y.
7,50,000	4,30,000	8,36,160	2,52,708	5,960	McLeod & Co., Ltd.	450	Bormah Jan Tea	25½	10	Nil	0 12	1 0		12	Y.P.T.
35,00,000	11,92,045	73,80,473	19,49,496	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	16½	10	1 0	0 8	1 4		6	Y.P
81,20,000	1,95,097	4,60,080	1,69,074	—16,624	McLeod & Co., Ltd.	282	Bujoo Valley	56	10	Nil	1 0			12	Y.
6,00,000	7,97,500	25,17,843	16,06,120	36,977	Jardine Henderson Ltd.	1,220	Dessai & Parbuttie	460	100	10 0	20 0			12	Y.
17,53,440	7,04,319	21,43,185	3,42,779	10,336	James Warren & Co., Ltd.	620	Dhekakhat	22	10	1 0	1 8	0 8		12	Y.
4,68,970	2,70,000	11,71,408	4,34,259	8,733	James Finlay & Co., Ltd.	633	Dhonsari	27½	10	Nil	2 0	1 0		12	Y.P.
4,50,000	3,25,000	6,02,617	2,15,483	18,852	McLeod & Co., Ltd.	458	Dibrugarh	32	10	Nil	1 0	1 0		12	Y.
2,36,700	4,75,000	8,80,047	4,70,047	43,918	Williamson Magor & Co.	625	Dimakusi	71½	10	1 0	4 8	0 8		12	Y.P.
5,60,500	6,05,000	17,90,747	10,40,747	1,14,478	Williamson Magor & Co.	615	Duffla gur	36	10	2 0	4 0	1 0		12	Y.P.
10,00,000	4,65,000	21,78,081	8,83,081	38,641	Williamson Magor & Co.	1,177	East India Tea	33½	10	0 4	2 8			12	Y.
3,60,000	3,30,000	8,18,664	4,01,797	13,818		407	Gillapukri	46	10	Nil	1 12			12	Y.
3,38,000	5,60,000	13,95,316	6,19,316	79,542	Williamson Magor & Co.	546	Gohpur	33½	10	1 8	3 0			12	Y.
A.4,94,360 / B.2,40,790	14,22,810	18,09,304	5,63,575	23,354	Octavius Steel & Co., Ltd.	1,393	Grob	46½ / 24½	A.10 / B.7	2 0 / 1 8	3 0 / 1 8	0 12½ / 0 6½		12	Y.
2,00,000	7,00,000	7,04,481	2,29,888	48,032	Andrew Yule & Co. Ltd.	476	Hoograjuli	67	10	1 8	3 0			12	Y.
4,35,000	8,34,216	18,30,196	9,84,270	24,921	Andrew Yule & Co., Ltd.	1,290	Hoolongooree	404	100	Nil	12 8			12	Y.
7,50,000	5,85,000	13,98,777	2,44,299	58,941	Gillanders Arbuthnot & Co., Ltd.	938	Jutilbari	30	10	Nil	Nil	1 0½		12	Y.
4,40,000	80,000	11,45,831	6,20,831	3,593	Shaw Wallace & Co., Ltd.	1,166	Kingsley-Goalghat (Assam)	360N	100	Nil				12	P.Y.
6,50,000	4,94,133	6,79,844	1,29,844	72,537	Duncan Bros. & Co., Ltd.	1,037	Ledo	34½	10	Nil	2 0			12	Y.
4,80,000	40,000	8,84,211	84,211	14,238	Duncan Bros. & Co., Ltd.	673	Mohesma	24½	10	Nil	1 12			12	Y.P.
1,50,000	4,47,344	7,54,419	4,03,697	16,982	Kettlewell Bullen & Co., Ltd.	433	Mothola	650N	100	Nil	40 0	15 0		12	Y.
O. 50,000 / P.O.2,00,000	4,05,000	8,98,088	5,22,218	34,889	Andrew Yule & Co., Ltd.	344	Murphulani	40 / 66	O.10 / P.O.10	2 0 / 2 8	2 0 / 2 8			12	Y.
4,00,000	3,61,274	6,00,328	3,80,669	9,567	S.C. Sen, Esq., Supervising Director	542	Naga Hills	37½	10	Nil	3 0	3 0		12	Y.
5,35,000	—	12,71,401	6,78,401	5,053	Shaw Wallace & Co., Ltd.	810	Nambarnadi	26½	10	Nil	Nil	0 8		12	Y.
5,00,000	1,15,000	3,92,221	1,93,223	21,160	Duncan Bros. & Co., Ltd.	935	New Chanasolikah	258	100	Nil	5 0			12	Y.
2,00,000	5,27,500	7,37,172	2,83,495	45,300	Andrew Yule & Co. Ltd.	353	Rajgarh	51½	10	Nil	2 8			12	Y.
6,00,000	4,26,802	17,09,844	6,56,992	16,877	James Finlay & Co., Ltd.	902	Sapoi	42	10	Nil	2 8	1 0		12	Y.
4,50,000	5,55,000	10,90,855	2,91,547	40,145	Octavius Steel & Co., Ltd.	515	Tea Ali	74½	10	1 0	1 0	1 0		12	Y.
5,98,000	6,22,706	9,98,134	2,39,265	14,436	McLeod & Co., Ltd.	495	Teloijan	37½	10	Nil	1 8	1 8		12	Y.
4,00,000	6,10,127	9,31,000	1,96,021	68,026	Gillanders Arbuthnot & Co., Ltd.	488	Tengpani	67	10	0 12	2 8	1 8		12	Y.
12,86,310	12,99,803	32,67,067	12,72,067	39,741	Shaw Wallace & Co., Ltd.	2,132	Terpore	35½	10	Nil	1 8	1 0		12	Y.P.
5,20,000	10,00,000	22,15,368	9,60,625	31,146	McLeod & Co., Ltd.	1,050	Tyroon	59	10	Nil	1 0	1 8		12	Y.
						CACHAR									
3,00,000	1,75,000	5,00,750	1,74,879	—5,24,933	Gillanders Arbuthnot & Co., Ltd.	862	Arcuttipore	16½	10	Nil	Nil			12	Y.
7,00,000	16,500	7,78,531	53,201	—2,82,861	Octavius Steel & Co., Ltd.	649	Eastern Cachar	14½	10	Nil	Nil			12	Y.
12,60,000	8,60,000	28,62,721	9,39,883	45,187	Octavius Steel & Co., Ltd.	2,134	Hailakandi	34½	10	Nil	2 8	1 0		12	Y.
4,50,000	1,67,837	2,97,600	7,468	11,615	Bullion Co., Ltd.	577	Kalinugger and Khoreel	110	100					12	Y.
3,60,000	15,000	3,59,567	1,19,567	7,047	Duncan Bros. & Co., Ltd.	600	Kunchunpore	25½	10	Nil	Nil			12	Y.
7,00,000	2,50,000	10,45,279	2,29,279	40,167	Duncan Bros. & Co., Ltd.	1,344	North-Western Cachar	260	100	Nil	Nil			12	Y.
1,84,000	6,445	3,65,037	75,678	—90,997	Octavius Steel & Co., Ltd.	487	Pathemara	25½	10	Nil	Nil			12	Y.P.
2,60,000	3,16,288	5,12,508	1,44,826	—5,55,218	McLeod & Co., Ltd.	638	Roopacherra	28½	10	Nil				12	Y.
5,25,000	3,23,998	7,56,451	2,31,451	43,999	Duncan Bros. & Co., Ltd.	488	Rungamattee	178	50	Nil	Nil	10 0	2 8	12	Y.
4,00,000	5,11,948	10,03,243	3,04,127	—49,109	Davenport & Co., Ltd.	642	Sonai River	27½	10	N

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
					PLANTING: PRODUCE AND RUBBER									
2,00,000	2,35,000	3,76,125	22,948	34,760	Planting Agencies Ltd.	Balmadies Plantations	4½	2	0 3½	0 4	0 4		2	Y.P.T.
17,94,186	16,19,828	30,44,517	3,00,811	1,02,250	Peirce, Leslie & Co., Ltd.	Cochin Malabar	7-8½	3	0 9 3/5	0 12	0 12		5	Y.P.
18,00,000	13,78,817	31,25,582	4,43,587	1,58,644	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	16½	10	0 14 2/5	0 4 4/5	2 8		6	Y.P.
47,70,000	57,62,500	1,00,81,036	15,88,295	4,24,565	R. C. Paterson, Esq.	Cottamal Plantations	19½	10	1 12 4/5	1 8	1 12		6	Y.P.
4,00,000	3,34,078	5,19,105	46,991	11,406	Associated Planters Ltd.	Highland Produce	14½	10	1 8*	1 8*	1 8		3	Y.P.
18,00,000	6,86,355	22,16,637	4,18,493	57,291	A. V. Thomas & Co., Ltd.	Kalpetta Estates	16½	10	1 0	1 4	0 10½		12	Y.P.
4,00,000	10,16,061	10,85,666	1,39,566	11,970	A. V. Thomas & Co., Ltd.	Kalpakara Rubber	26	10	2 0	2 0	2 0		4	Y.
4,50,000	11,78,329	9,97,046	2,35,186	14,253	P. Kurian John, Esq.	Midland Rubber	27	10	3 8	5 8	2 4		3	Y.
27,00,000	27,35,000	71,39,775	6,74,802	99,729	A. V. Thomas & Co., Ltd.	Nennemy Rubber	17½	10	1 8	1 8	1 12*		3	Y.P.
3,35,000	1,56,000	13,80,323	1,24,260	42,480	A. V. George & Co., Ltd.	Nilambur Rubber Co.	15	10	0 10	0 12			12	Y.P.T.
2,00,000	2,63,714	6,60,783	34,844	8,398	Associated Planters Ltd.	Ouchterloney Valley Estates	12½	10	1 0	1 0			12	Y.P.
19,45,980	24,01,085	37,40,924	10,24,385	69,334	Peirce, Leslie & Co., Ltd.	Rajagiri Rubber	5-7½	2	0 3½	0 3½	0 9 3/5		10	Y.P.T.
13,50,000	6,80,000	39,49,798	3,06,746	54,658	A. V. Thomas & Co., Ltd.	Savannalai Estates Ltd.	16½	10	1 8	1 12*	1 12*		6	Y.
3,66,780	2,50,000	3,94,562	49,313	89,904	Peirce, Leslie & Co., Ltd.	Teekoy Rubber (India) Ltd.	26½cd	10	3 8	1 0	2 8		11	Y.
10,00,000	3,09,600	21,81,045	1,32,358	1,227	East India Agencies	Thamarapally Rubber	9½	10	0 14½	0 14 2/5	0 12		3	Y.P.T.
2,50,000	2,37,500	5,25,215	24,851	13,303	A. V. George & Co., Ltd.	Tirumbadi Rubber Co., Ltd.	26	10	2 8	3 0	2 3½		12	Y.P.
6,10,200	2,75,005	7,98,048	62,162	17,826	Peirce Leslie & Co., Ltd.	Travancore Rubber	1-1½	1	0 4	0 4½	0 1 3/5		12	Y.
6,00,000	54,522	7,40,843	98,185	2,171	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber and Tea Co., Ltd.	19½cd	10	2 0	2 0			12	Y.
41,00,000	14,39,673	74,86,897	7,65,148	3,28,925	Aspinwall & Co. (Travancore)	Tropical Plantations Co.	12½cd	10	0 9 3/5	1 0	1 8		12	Y.P.T.
20,00,000	1,20,000	24,90,804	4,98,253	2,038	P. T. Thomas, Esq. (Mg. Director)	Valoondam (Travancore) Rubber	34	25	2 8	3 0			12	Y.
6,28,580	3,40,669	7,41,672	12,350	30,763	Harrisons & Crossfield Ltd.	Woodland Estates	24½cd	10	2 0	2 0			12	Y.
1,65,000	87,259	3,50,536	15,684	1,063	M. K. Thomas, Esq. (Mg. Director)		12½	10	*Nil*	1 0	1 8		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	55,00,000	96,99,205	51,47,202	54,436	B. N. Elias & Co., Ltd.	879	Agarpara	14½	10	1+1	1+1½	1f		3,9	H.T.P.
12,00,000	27,00,000	45,81,286	32,42,838	54,874	Sahu Jain Ltd.	498	Albion	150	100	8+10	12+12	12f		3,11	H.P.
6,00,000	5,35,000	31,04,892	33,39,393	10,062	McLeod & Co., Ltd.	446	Alexandra	235	100	*Nil*	*Nil*+2½	2½f		6,12	H.P.T.
30,00,000	7,35,000	1,17,45,964	90,43,069	61,708	McLeod & Co., Ltd.	1,264	Alliance	178	100	*Nil*	*Nil*	6f		6,12	H.P.
49,20,700	82,13,386	2,54,81,317	1,78,90,000	1,47,643	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	225	100	10+10	7½+5	2½+5		3,9	H.P.
40,00,000	40,52,240	1,63,99,837	84,16,116	7,674	Bird & Co., Ltd.	810	Auckland	149	100	5+4	2+2	1+2½		3,9	H.P.T.
20,00,000	23,93,136	98,25,588	65,19,459	18,759	Jardine Henderson & Co.	959	Bally	187	100	*Nil*	4+*Nil*	*Nil*		3,9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	178	Barnagore	178	£5	£1	£1	£½	sh.2½	3	Y.P.
28,00,000	35,49,623	89,78,590	48,75,855	53,467	Andrew Yule & Co., Ltd.	820	Belvedere	217	100	7½+7½	7½+7½	5f		6,12	H.P.
45,00,000	36,45,000	35,76,391	29,60,822	2,93,071	Soorajmull Nagarmull	600	Bengal	15½	10	1	1½	1½		6	Y.P.T.
91,26,000	2,08,61,400	3,18,53,661	1,29,13,354	1,26,903	Birla Bros., Ltd.	1,373	Birla	18½	10	3	3	3		3	Y.P.
36,00,000	29,67,925	1,11,26,330	71,77,582	1,20,609	Andrew Yule & Co., Ltd.	991	Budge-Budge	196	100	6½+6½	6+4	4+5		4,10	H.P.
7,47,380	3,16,924	41,38,590	29,87,611	2,610	Dayaram & Sons	502	Calcutta Jute Mfg	14	10	0+f	*Nil*	1f		6,12	H.P.T.
18,00,000	92,31,234	77,57,603	40,35,574	78,538	Andrew Yule & Co., Ltd.	616	Caledonian	280xd	100	6+6	6+6	4+5		5,11	H.
99,16,400	1,01,06,609	1,88,44,627	1,05,04,000	72,542	James Finlay & Co., Ltd.	600	Champdany	172	100	7+8	3+3	*Nil*+3		3,9	H.
15,95,000	30,14,282	80,62,490	55,81,540	1,37,479	Andrew Yule & Co., Ltd.	530	Cheriot	298xd	100	6+6	6+6	6+8		5,11	H.P.
30,15,000	27,75,000	60,14,632	44,94,094	86,056	McLeod & Co., Ltd.	500	Chitavalsah	14½	10	2½+1½	1½+½	1f		6,12	H.T.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,667	Shree Krishna Investment Co., Ltd.	969	Clive	17	10	2	*Nil*			3	Y.P.
31,49,200	62,11,927	1,28,95,802	63,22,413	15,344	Bird & Co., Ltd.	766	Dalhousie	149	100	6+1	1+3	1+1½		3,9	H.P.
28,00,000	44,74,179	74,57,171	46,41,725	1,46,508	Andrew Yule & Co., Ltd.	779	Delta	252	100	10+10	10+10	6+6		3,11	H.P.
15,00,000	33,25,000	76,36,813	56,33,731	56,215	McLeod & Co., Ltd.	500	Empire	25	10	½+½	½+½	½f		6,12	H.T.P.
21,00,000	53,28,948	2,70,49,518	1,81,05,210	40,839	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	470N	100	10+*Nil*	*Nil*	*Nil*		3,9	H.P.T.
14,00,000	13,00,000	82,13,503	49,27,586	71,285	Bangur Bros., Ltd.	1,014	Fort William	380N	100	*Nil*	*Nil*+5	10+10		3,9	H.T.P.
28,32,100	2,73,755	2,11,52,730	1,36,01,908	5,930	Macneill & Barry Ltd.	1,709	Ganges Mfg.	104	100	*Nil*	*Nil*+*Nil*	*Nil*+½		3,9	H.P.
10,80,000	28,00,000	71,47,356	47,46,252	4,743	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	1,000	300	30	30			12	H.
24,00,000	31,83,104	2,20,06,557	1,67,50,294	1,56,427	Macneill & Barry Ltd.	1,394	Gourepore	337½	100	1½+*Nil*	*Nil*+3½	2½+7½		3,9	H.P.
40,00,000	55,66,234	72,95,746	48,50,613	2,95,107	Bangur Bros., Ltd.	1,078	Hastings	115N	100	10	10	10+0		3	Y.P.
16,80,000	18,52,626	66,38,235	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	45½	10	1½	1½	1½		3	Y.P.
65,62,500	58,82,162	1,47,23,497	1,06,14,353	1,65,858	Jardine Henderson Ltd.	1,940	Howrah	29½	10	1+½	1+½	1+½		3,9	H.P.
52,50,000	20,00,000	2,42,25,884	1,49,75,884	1,64,711	Ramdutt Ramkissendass	2,272	Hukumchand	33	7½	5	3	2		3	Y.P.T.
O. 87,00,000	19,20,065	1,11,31,089	75,39,061	38,601	Mackinnon Mackenzie & Co.	1,076	India	198 O.	125	31+3½	34+3½	*Nil*+3½		3, 9	H.
D. 30,000								D.		A*k*+½	A*k*+½	A*k*+½			
24,00,000	28,34,204	1,36,86,233	1,21,96,305	84,189	Jardine Henderson Ltd.	1,797	Kamarhatty	214	100	8½+6	6+3	3+3		6,12	H.P.
B. 19,20,000								185	'B' 100	8½+6	6+3	3+3			
30,00,000	18,14,767	1,31,87,376	98,19,537	62,312	Jardine Henderson Ltd.	1,527	Kanknarrah	154	25	6+4	5+2½	2½+4			
B. 24,00,000								141xd	'B' 100	6+4	5+2½	2½+4			
21,00,000	48,25,000	1,05,38,484	74,86,276	1,19,643	McLeod & Co., Ltd.	703	Kelvin	345	100	7½+7½	7½+7½	10f		6,12	H.P.
54,00,000	22,83,375	1,63,66,931	1,12,52,500	54,623	Anderson Wright Ltd.	1,530	Khardah	210	100	10+15	10+7½	7½f		3,9	H.P.
48,00,000	1,02,14,684	2,29,23,997	1,08,58,211	29,674	F. W. Heilgers & Co.	1,250	Kinnison	196	100	10+7	4+5	2+5		3,9	H.P.T.
24,48,000	48,31,812	1,39,26,497	78,80,252	4,428	Bird & Co., Ltd.	931	Lansdowne	132	100	7+3	2+3	1+1		3,9	H.
28,00,000	39,56,165	1,14,93,720	63,14,525	12,683	Bird & Co., Ltd.	840	Lawrence	147	100	11+4	2+3	2+4		3,9	H.P.
10,00,000	41,51,301	50,99,335	36,06,454	53,755	Andrew Yule & Co., Ltd.	558	Lothian	410	100	15+15	15+15	15+15		5,11	H.P.
81,45,200	26,14,412	1,92,62,004	1,19,08,316	8,502	Mackinnon Mackenzie & Co.	1,008	Magna	100½	100	2½+2½	2½+2½	*Nil*2½		3,9	H.
29,98,900	41,13,783	1,72,83,489	94,88,274	—7,08,068	F. W. Heilgers & Co.	815	Naihati	119	100	6+*Nil*	*Nil*	*Nil*		3,9	H.
35,00,000	15,05,000	28,15,067	16,73,660	3,826	Howrah Trading Co., Ltd.	425	Naskarpara	14½	10	½+½	*Nil*+½	½f		4,10	H.T.
44,29,326	28,38,765	28,38,765	9,63,390	1,88,126	Andrew Yule & Co., Ltd.	852	National	34½	10	½+½	½+½	½f		4,10	H.P.
26,25,000	22,75,000	26,83,794	18,86,219	1,23,399	McLeod & Co., Ltd.	316	Nellimarla Jute	13	10	2+1	1+½	1f		6,12	H.P.T.
31,50,000	34,13,033	49,75,722	24,93,902	84,459	Sahu Jain Ltd.	709	New Central	148	100	10+12	12+12	12f		6,12	H.P.
16,79,880	51,05,696	1,23,66,779	59,31,089	43,570	Bird & Co., Ltd.	567	Northbrook	26½	10	8+1	1+1	1+½		3,9	H.P.T.
66,79,500	31,70,094	2,15,09,993	1,38,37,886	33,079	Macneill & Barry Ltd.	1,092	Nuddea	35½	10	1+*Nil*	*Nil*+½	*Nil*+½		3,9	H.
24,91,000	27,81,049	71,20,511	49,55,472	1,21,195	Andrew Yule & Co., Ltd.	601	Orient	189	100	1+6	6+6	5+5		5,11	H.
25,00,000	4,99,002	80,67,981	62,60,461	3,641	McLeod & Co., Ltd.	400	Victoria	7½	5	*Nil*	*Nil*+½	½f		6,12	H.T.
20,00,000	1,40,946	26,48,443	7,67,493	—10,89,456	M. P. Birla, Esq.	305	Rameshwara	7½	10	*Nil*	*Nil*	*Nil*f		3,9	H.P.T.
49,50,000	8,01,372	1,23,46,455	57,04,882	18,873	Jardine Henderson Ltd.	1,276	Reliance	14½	10	*Nil*	½+½	*Nil*½		3,9	H.
£600,000	£1,093,713	£1,228,258‡		£95,425	Thomas Duff & Co. (India), Ltd.	2,013	Samnugur	14xd	£1	10%	10%	*Nil*		12	Y.P.
30,00,000	13,12,193	1,03,17,335	71,03,045	10,341	Bagaria More & Co., Ltd.	911	Shree Ambica	14½xd	10	1+1	*Nil*+½	½f		3,9	H.P.
14,00,000	10,29,608	48,33,752	37,62,133	2,54,934	Hindustan Investment Corporation.	401	Soorah	16N	10	*Nil*				12	Y.T.
25,19,600	47,29,578	1,01,23,059	57,01,016	1,112	Bird & Co., Ltd.	650	Standard	153	100	8+1	1+1	1+1		3,9	H.P.
£600,000	£925,119‡	£992,042		£108,510	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	£1	£1	10%	10%			12	Y.P.
35,98,600	£3,79,790	1,93,34,618	76,50,486	9,515	Bird & Co., Ltd.	1,326	Union	193	100	10+1	1+4	1+5		3,9	H.P.T.
£400,000	£688,035‡	£1 086,826		£1,12,138	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	14xd	£1	£1	10%			12	Y.P.
2,50,000	4,95,000	55,94,678	37,77,741	33,624	McLeod & Co., Ltd.	465	Waverley	7½	1	*Nil*	*Nil*+½	½f		6,12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	20,75,000	83,30,999	56,70,999	21,411	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	23½xd	10	½+½	½+½	½+½		3,9	H.
12,00,000	8,38,299	38,74,552	33,42,552	20,386	Jardine Henderson Ltd.	Bararee Coke	20½xd	10	3/5+½	7/10+7/10	½+7/10		3,9	H.
4,49,350	70,000	8,49,139	5,37,466	3,819	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	2N	10	*Nil*	*Nil*	*Nil*		6,12	H.
1,00,00,000	1,27,25,854	5,66,19,576	3,70,40,321	6,07,575	Andrew Yule & Co., Ltd.	Bengal Coal	524	200	20+20	17½+13	15+15		6,12	H.P.
2,25,000	5,10,369	25,37,614	22,43,053	.....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	11	10	½+½	*Nil*	*Nil*		6,12	H.P.
15,97,000	5,10,369	25,37,614	22,43,052	25,529	H. V. Low & Co., Ltd.	Bhalgora	7½	10	½	½			9	Y.
40,00,000	14,81,010	1,30,60,104	68,66,790	13,644	Saha Jain Ltd.	Bharat Collieries	7½	10	½	½	*Nil*		9	Y.T.P.
7,15,000	14,41,318	51,73,261	36,39,224	—2,04,456	F. W. Heilgers & Co., Ltd.	Bhulanbarare	14N	10	½ *Nil*	*Nil*	*Nil*		6,12	H.
16,00,000	16,22,936	68,16,454	39,74,841	—1,36,132	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	9½	10	*Nil*	*Nil*			6,12	H.T.
7,50,000	22,09,390	41,57,477	25,36,282	98,663	F. W. Heilgers & Co., Ltd.	Borneo	30	10	1½*+1½*	1½*+1½*	1f		6,12	H.P.
90,97,480	1,70,76,208	4,10,36,356	1,71,71,386	1,49,910	Bird & Co., Ltd.	Burrakur	13½	10	½+½	½+½	½f		6,12	H.P.T.
49,97,750	.....	34,81,955	2,57,645	5,907	Hindustan Investment Corpn., Ltd.	Central India	7½	10	*Nil*	½	½		3	Y.
8,00,000	13,54,302	49,10,414	52,63,954	87,768	Anderson, Wright & Co., Ltd.	Central Kurkend	13N	10	*Nil*	½+½			6,12	H.
4,00,000	1,43,341	7,25,000k		25,618	F. W. Heilgers & Co., Ltd.	Churia	2½	4	½+½	½+½	½f		6,12	H.
16,00,000	1,20,000	50,63,761	27,27,536	—1,91,155	Macneill & Barry Ltd.	Dhemo Main	8½	10	*Nil*	*Nil*	*Nil*f		6,12	H.T.
£240,000	£362,496	£244,003	£11,181	£63,577	Jardine Henderson Ltd.	East Indian	28½	£1	2½(*l*)	2½	2½		4	Y.
29,63,760	71,99,925	3,66,72,739	2,81,14,367	1,83,653	Macneill & Barry Ltd.	Equitable	31½	10	2+1½	1+½	½f		6,12	H.P.T.
10,00,000	2,11,139	9,72,721	3,23,963	40,284	Bhatter's Agency Ltd.	Ghusick and Muslia	15N	10	½	½			3	Y.
12,00,000	1,22,000	27,04,970	19,00,221	445	Killick Industries Ltd.	Hingir-Rampur	40½	50	½	½	*Nil*		6	Y.P.
8,00,000	5,75,000	31,42,581	18,13,083	62,148	Macneill & Barry Ltd.	Hurriladih	19	10	½+½	½+½	½f		6,12	H.
22,00,000	1,08,577	31,70,015	10,56,245	—1,95,248	Bajnath Trust Ltd.	Jeota Coal	3N	10	*Nil*				12	Y.P.
3,50,000	4,26,551	14,45,445	6,91,521	.....	Andrew Yule & Co., Ltd.	Kalapahari	27N	10	1½+1½	1½+1	*Nil*		2,8	H.
20,00,000	9,375	26,40,669	2,46,630	3,145	Bird & Co., Ltd.	Karanpura Collieries	100	100	*Nil*	*Nil*	*Nil*		2	Y.P.
5,00,000	13,60,000	44,39,243	34,62,230	91,518	Andrew Yule & Co., Ltd.	Katras Jherriah	50½	10	2 + 2	2 + 2	2 + 2		1,7	H.
1,38,400	3,72,960	12,85,941	5,72,960	—2,60,236	Berriwala & Co.	Khas Kajora	5N	10	*Nil*	*Nil*			6,12	H.P.
11,00,240	64,314	16,72,961	10,41,863	—41,320	H. V. Low & Co., Ltd.	Kuardi	7N	10	½	*Nil*	*Nil*		6	Y.
9,00,000	11,86,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10	½	½	½		4	Y.
7,48,240	1,50,000	11,38,128	8,95,686	25,998	S. P. Tantia, Esq.	Narira	7½	10	½	½			6,12	H.
7,00,000	26,617	10,33,740	5,20,295	4,560	Amritlal Ojha & Co., Ltd.	New Bansdeopur	7½N	10	½+½	½	½+½		3,9	H.
17,76,230	18,91,763	1,16,14,994	85,44,712	42,594	Andrew Yule & Co., Ltd.	New Jeerah	20½	10	*Nil*+½	½	½+½		4,10	H.P.
6,00,000	1,25,000	32,17,687	19,65,424	4,644	Octavius Steel & Co. Ltd.	New Manbhoom	10	10	*Nil*	*Nil*	*Nil*		3,9	H.
1,15,000 }	2,47,693	12,93,355	8,05,952	8,676	Andrew Yule & Co., Ltd.	North West	11½N	10	½+½	½+*Nil*	*Nil*		3,9	H.
1,57,500 }							7½N	7½	½+½					
							17½N	10	½+½	½+1	½f			
7,50,000	11,79,728	3,97,666	2,77,666	96,307	P. W. Heilgers & Co., Ltd.	Ondal	9½	10	½	½			6,12	H.P.
10,00,000	1,10,000	37,18,080	16,07,868	38,140	K. C. Thapar & Bros.	Oriental Coal	9½	10	*Nil*	½			12	Y.T.
8,34,000	1,32,942	17,23,281	6,78,407	5,618	Deepchand Kishenlall	Parasea	23xd	10	½+½	½+½	½+½		6,12	H.P.
14,00,000	14,00,000	45,17,541	32,67,541	20,192	Shaw Wallace & Co., Ltd.	Peench Valley	11½	10	*Nil*	*Nil*	½		3,9	H.
15,75,000	17,17,105	1,16,31,468	80,43,780	72,002	N. B. Elias & Co., Ltd.	Ranegunge	21½	10	½+1	1+1			3,9	H.
23,99,500	7,88,385	30,74,660	23,05,660	27,848	Shaw Wallace & Co., Ltd.	Rewa	9½	10	½+½	½			6,12	H.
13,50,000	3,95,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Samla Collieries	12N	2½	½	½	½		6,12	H.
20,00,000	1,85,000	12,10,180	10,21,382	19,327	Gillanders Arbuthnot & Co., Ltd.	Searsole	25½	7	2+1	½	½		1	Y.
1,25,000	7,06,598	29,25,214	16,83,969	25,643	Andrew Yule & Co., Ltd.	Seodra	9½N	10	*Nil*	*Nil*	*Nil*		6,12	H.P.
2,40,000	8,75,468	36,88,786	26,51,462	—1,22,722	F. W. Heilgers & Co., Ltd.								6,12	H.T.
8,00,000	15,01,620	3,51,42,502	2,49,62,544	—6,49,301	Industrial Trust Fund (Government of Hyderabad)	Singareni	7	10	½	*Nil*			12	Y.T.
63,21,450					Bird & Co., Ltd.	South Karanpura	10½	10	½					
17,50,000	10,85,425	37,23,396	14,57,868	3,853	F. W. Heilgers & Co., Ltd.	Standard	18½	10	½+1	½+½	*Nil*+½		2,8	H.
8,00,000	14,72,339	1,69,570	23,310	39,039	Villiers Ltd.	Tarcher	3½	2½	½	½	½f		6,12	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,336	Williamson Magor & Co.	Udaipur	18	10	1½+1½	1+½	½f		6	Y.
3,50,000	3,65,000	18,61,212	14,05,212	68,861	Hindustan Investment Corpn., Ltd.	Western Bengal	7½	10	½	½	½		6,12	H.
49,98,000	21,016	47,68,934	16,41,345	65,727	Macneill & Barry Ltd.	West Jamuria	15½	10	*Nil*	*Nil*	*Nil*f		6,12	H.
7,00,000	3,57,000	30,89,488	21,36,223	582										

* Including bonus.

(b) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

(k) Investments.

(e) For seven months ended 31st March, 1954.

SECTION 23A COMPANIES

EXPLAINING the changes proposed in Section 23A of the Indian Income-tax Act in the Lok Sabha on 18th April, 1955, Mr. C. D. Deshmukh, Union Finance Minister, observed:

"I now turn to a very important matter—Section 23A. In regard to this, I have seen a mass of criticism in the Press and I have received a large number of representations from the business community, in general. This section of the Act is a complicated one and I must explain in a little detail the implications of the amendment and of the changes I now propose.

"Under the income-tax law, when three or four persons carry on business as a firm, the profits of the firm are, at the end of the year, distributed among the various partners in terms of their partnership and the tax is levied on each of these individuals according to the personal rates applicable to each of them on the income so received. If, however, the same business is carried on by a company of which these persons are the members, the tax on the profits of the business is imposed not on the individuals but on the company itself. If Section 23A did not exist, it would be possible for the company to pay tax on its profits at company rates of tax which are much lower than the tax payable on high personal incomes and retain the balance in the accounts of the company. The fund of the company, being completely in the control of these few persons, can be utilised for their own personal expenditure by showing them as loans and advances from the company, and the business activities of these persons can also be continued in the name of the company. By trading in the name of the company, these persons would, therefore, be in a position to carry on their activities without paying their appropriate taxes. It is the object of Section 23A to prevent this unjustifiable advantage to persons who have controlling interest in companies. The section requires that, where a company is in the control of a few persons, it must distribute 60 per cent. of its profits as dividends, so that super-tax can be collected from the richer shareholders. In order that the company may not build up limitless reserves, the section also requires that, when the reserves of the company exceed the share capital or the cost of the assets, whichever is greater, it should not be permitted to build up any more such reserves and should distribute its entire future profits.

"The question, therefore, is what is the kind of company to which such provision should apply? Up to now, it has been applied to companies of which less than 25 per cent. of the shares has on the last day of the accounting year of the company been held by the public. This provision has been evaded in many ways, particularly by temporarily transferring, on the last days of the accounting year, some of the shares to certain nominees who are then claimed to be the members of the public. It is now proposed that the provisions of this section should apply to companies where less than six persons hold or have a controlling interest in 50 per cent. or more of the shares. In other words, the scope of the section is being widened, and more companies will be required to distribute at least 60 per cent. of the distributable profits as dividends, and more of the richer shareholders of these companies will be required to pay super-tax on such dividends.

"There are also other changes such as that the burden of the tax for non-distribution of the required percentage will be placed on the company and not on the shareholders, that account will be taken of certain expenses actually incurred but not allowed for income-tax purposes, that capital created out of the reserves by the issue of bonus shares will not be regarded as capital for the purpose of determining whether the hundred per cent. rule should apply, etc.

"Apart from minor criticisms, the main argument against this provision is that it is an impediment to the ploughing back of profits. This is not wholly correct, because, once the reserves are actually converted into fixed assets of the company, there is no impediment to the gradual building up of fresh reserves up to the value of the new assets. There is no doubt, however, that, by enforcing the distribution of profits, we shall regulate both the rate and the maximum of the reserves that can be built up. And, to that extent, the criticism has some point in it.

"In this connection, I should like to mention that, when the reserves of a company are in the control of a few persons, it does not necessarily follow that they will either be ploughed back into the industry or even be otherwise properly utilised. We have many cases of the misuse of such reserves. Further, the building up of such reserves without payment of the taxes at the personal rates of the real owners of such reserves leads to concentration of wealth and of economic power in a few hands. So long, therefore, as there is no control over the disposition of reserves and so long as other means cannot be found of preventing the concentration of wealth in a few hands, some restrictions, the House will agree, must remain on the reserves that

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	11,36,801	Allahabad Bank	864	100	18 0	18 0	18 0	18 0	12	Y.P
14,40,000				162	50	9 0	9 0	9 0	9 0		
1,01,000	13,51,000	16,321	Andhra Bank	118cd	100	8 0	8 0	8 0	7 8	6.12	H.
25,99,000				81cd	70	3 0	3 0	3 4	3 12		
1,80,00,000	1,28,00,000	2,70,302	Bank of Baroda	104½xd	50	6 0	6 0	6 0	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	12½N	25	0 12	0 12	0 12	—	12	Y.
2,50,00,000	9,55,00,000	910,851	Bank of India	147	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
19,30,176	27,15,000	54,703	Bank of Indore	55N	25	3 0	3 0	3 0	3 0	12	Y.
50,00,000	10,00,000	25,128	Bank of Jaipur	22	50	1 8	1 8	1 8	1 8	12	Y.
50,00,000	34,00,000	2,27,015	Bank of Mysore	27½	100	16 0	16 0	16 0	16 0	12	Y.
59,99,150	51,88,240	29,809	Bombay State Co-operative Bank	45	50	2 8	2 8	2 8	—	6	Y.P.T.
15,00,000	26,00,000	20,774	Canara Bank Ltd.	50	50	4 8	4 8	4 8	4 8	12	P.Y
7,40,000	10,40,000	6,876	Canara Banking Corporation Ltd.	55	50	5 0	5 0	5 0	—	12	Y.P.
3,01,11,375	4,00,55,697	17,88,899	Central Bank of India Ltd.	49½	25	3 8	3 8	3 0	3 0	12	R.L.Y
66,41,575 'A'				51½	25	3 8	3 8	3 0	3 0		
40,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co.	81	50	1 12	1 12	2 0	2 0	12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (F)	72 XEN	20	4 0	4 0	4 0	4 0	12	Y.
1,25,00,000	16,20,000	15,160	Hindustan Commercial Bank	10	50	—	—	—	—	12	Y.
50,00,000	1,80,000	1,412	Hindustan Mercantile Bank	13½	50	—	—	—	—	12	Y.
75,00,000	75,00,000	1,08,750	††Hyderabad State Bank	105N	100	6 0	5 0	5 0	5 0	9	Y.
3,75,00,000	6,25,00,000	84,18,646	Imperial Bank of India	1,560	500	50 0	50 0	50 0	50 0	6.12	R.L.H.
1,87,50,000				410	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000	77,50,000	1,80,785	Indian Bank	175xd	100	12 0	12 0	12 0	12 0	6.12	R.L.H.
17,00,000				140xd	66	10 8½	10 8½	10 8½	10 8½		
14,80,000				99½xd	50	7 8½	7 8½	7 8½	7 8½		
49,19,575	26,00,000	2,15,889	Indian Overseas Bank	105	100	6 0	6 0	6 0	6 0	6.12	R.L.H.
8,25,000				50	100(A)	7 8	6 0			6.12	H.
2,50,000	6,25,000	1,850	Indo-Commercial Bank	18	25(B)	1 14	1 8				
10,00,000				21	50(C)	3 0	3 0	2 0			
87,50,000	92,50,000	4,99,040	Punjab National Bank	43xd	25	1 0	1 8	2 0	2 0	12	Y.
1,00,00,000	81,75,000	93,681	Travancore Bank	12½	25	—	—	0 10	0 12	12	Y.
40,00,000	32,00,000	1,78,874	Union Bank of India	5	5	0 5½	0 5½	0 5½	0 5½	12	Y.
2,00,00,000	86,00,000	1,06,725	United Commercial Bank	44½	50	2 0	2 0	2 0	2 8	12	H.

PRINCIPAL EXCHANGE BANKS

Paid-up Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend (per cent) 1951	1952	1953	1954	Accounts Closed	Reference
£3,500,000	£5,000,000	£392,910	Chartered Bank of India, Australia and China	£2-4-6	£1	14†	16†	14†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£109,597	Eastern Bank	£8½	£5	6†	7†	8†	—	12	R.L.Y.
N.E. $20,000,000	NE $128,000,000	N.E. $10,215,256	Hongkong and Shanghai Banking Corporation	$86½	H.K. $125	8*	8*	8*	8*	12	Y.
£17,966,195 'A'	£14,500,500	£516,557	Lloyds Bank	£3-5-0	£5 A	12½	12½	14†	15†	12	R.L.Y.
£1,437,296 'B'				£1-6-3	£1 B	5†	5†	5†	5†	12	R.L.Y.
£375,000 'A'				£4 ⅜	£4 A	12½	14†	14†	14†	12	R.L.Y.
£375,000 'B'				£4 ⅜	£4 B	12½	14†	14†	14†		
£720,000 'C'				£14	£5 C	12†	14†	14†	14†		
£2,851,568	£8,104,687	£826,266	National Bank of India	£1-5-7½	£6	16†	16†	16†	16†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pak-stan Currency. R-L—Reserve liability on shares. †† O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	5	1st December and 1st June	Carew & Co.	99½	1st June .. 1963
4,00,000	5½	1st March and 16th September	Carew & Co. (2nd mortgage)	95	28th February .. 1960(e)
6,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd.	99½	30th December .. 1964
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	102	27th December .. 1953-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	88	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	101	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	96½	1st November .. 1959-64
COAL					
30,00,000	4½	30th April and 31st October	Bharat Collieries	95½	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	91½	30th June .. 1957(e)
50,00,000	5½	15th June and 16th December	Equitable Coal Co	101	14th December .. 1956(e) ‡
COTTON					
6,50,000	5½	30th June and 31st December	Banaras Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	99	15th November .. 1956(b)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	100½	1st January .. 1957-72(e)
18,56,000	5½		Jaybharat Textiles	90N	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills	101	.. 1956-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	95	31st March .. 1965(a)†
1,25,000	4½	15th June and 16th December	Ahmedabad Electric Co., Ltd.	100½	14th June .. 1956
92,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	87½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964(e)
2,48,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101½	1st January .. 1976(a)
25,00,000	4	30th June and 31st December	Gwalior Electric Supply Co., Ltd.	87	31st December .. 1970
18,00,000	5	1st January and 1st July	Bihar (Jharkhi) Electric Supply Co., Ltd.	96	30th June .. 1976(e)
7,56,250	5½	1st January and 1st July	South Madras Electric Supply	99	.. 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	99	1st October .. 1964
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	.. 1965-68
6,68,800	4½	1st April and 1st October	South Madras Electric Supply	96	1st July .. 1957-67
47,72,000	4	1st April and 1st October	Tata Power	90½	15th September .. 1951-55
2,50,000		1st April and 1st October	Tata Power	71½	15th September .. 1965-70
ENGINEERING					
5,00,000	6	30th June and 31st December	Britannia Engineering	99	10th December .. 1956
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	101½	1st July .. 1957-62
21,46,500	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	95½	31st December .. 1964 (ii)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	88½	31st May .. 1956
1,50,00,000	5	1st April and 1st October	Tata Locomotive	101½	1st October .. 1950-55
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	100½	31st December .. 1960 (e)
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	100	31st March .. 1960
6,00,000	5½	30th June and 31st December	Alexandra	100	30th June .. 1960
18,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	88½	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	93	31st July .. 1959
10,89,000	5	30th June and 31st December	Chitavalsah Jute Mills	96	30th June .. 1960
25,00,000	5½	31st March and 30th September	Dalhousie Jute Co.	99	31st March .. 1960(e)
8,56,000	5	30th June and 31st December	Empire	95	15th July .. 1960(e)
25,00,000	5½	1st January and 1st July	Hukumchand	98½	30th June .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	94½	31st December .. 1964(e)
25,00,000	5½	30th June and 31st December	Rahimi	98	31st March .. 1967(a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	98	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	85	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	93	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	98	5th September .. 1961(e)
8,00,000	4½	14th March and 14th September	Sorah Jute	96	14th September .. 1957
18,00,000	4½	30th June and 31st December	Union	96½	30th June .. 1957
10,00,000	3½	31st January and 31st July	Waverley	55	31st July .. 1950
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,80,000	4	1st January and 1st July	Barasat-Easthat Light Railway	1936	90N	1st July .. 1946
£250,000	4½	1st January and 1st July	Calcutta Tramways	1908	£40N	At 105% at any time on 6 months' notice or as par or every seventh year.
£189,868	5	1st April and 1st October		1923	£77½N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90½	31st December .. 1959(e) Any time on six months' notice.(e)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	1st September .. 1963.
1,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	94½	—	
PLANTING						
10,00,000	3½	30th June and 31st December	Consolidated Coffee	102	1st July .. 1957-62
9,00,000	6	31st March and 30th September	Nilgiri Tea	90½	1st April .. 1954-58
4,61,000	5½	30th June	Ouchterlony	104	30th June .. 1954-59
9,00,000	5	31st March and 30th September	Periakaramalai	100½	31st March .. 1958-62
1,80,700	5½	31st March and 30th September	Teekoy	100	31st March .. 1949-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	100	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December .. 1966
19,80,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	95	30th June .. 1957
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	102½	1st September .. 1965-69(e)†
21,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1st February .. 1964
21,54,000	4½	1st July and 1st January	Clive Buildings	89	1st July .. 1956
30,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	89	 1960
1,80,00,000	5	1st January and 1st July	Dunlop Rubber	103	1st January .. 1971(a)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	104	30th June .. 1960(a)‡
19,25,000	5	15th March and 15th September	Mettur Chemical Industries	95	 1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	93½	30th September .. 1976(e)
48,00,000		30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	90N (per note)	31st December .. 1972(e)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	1st April .. 1971
1,00,00,000	3½	31st March	Orient Paper Mills Ltd.	95	31st March .. 1961(e)
1,00,00,000	4	30th June and 31st December	Robins Industries Ltd.	90	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	105½	1st May .. 1965(e) ‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (e) Option to repay on 3 months' notice at ¼ per cent. premium after 1-8-1954 but before 1-8-1957 and 1 per cent. premium on or after 1-8-1957. † With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent after 12 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-6-1955. Any debenture outstanding on 1-6-1960 will be redeem on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. ‡‡ Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1956, onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1962, on 6th months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 21st April, 1955.

—	Closing quotations 14-4-1955	High	Low	Closing quotations 21-4-1955
	Rs.	Rs.	Rs.	Rs.
TEXTILES				
Abm. Adv. (100)	122½	—	—	122½
Apollo (2)	2-12½	2-12½	2-4½	2-8
B.B. Cotton Mills (100)	88	80	79	80
Bombay Dyeing (250)	466½	474½	456½	468xd
Central India (100)	126½	127	125	126
Century Mills (100)	378½	383½	365	367xd
Colaba (100)	56	—	—	56
Edward Textile (800)	260	—	—	260
Elphinstone (50)	40½	—	—	40½
Finlay (100)	260	261	250	260
Gokak (100)	215xd	216	214½	215
Ind. Untd. Defd. (1)	2-3½	1-5½	1-4	1-4½
Ind. Untd. Ord. (10)	10½	12½	10½	11-13½
Indore Malwa (100)	93½	93½	92½	93½
Khatau (100)	168½	171½	167½	167½
Kohinoor (100)	318	316½	311	315
Lakshmi (250)	500	507½	501½	506½
Madhusudhan (100)	84½	—	—	84½
Minerva Mills (100)	100	—	—	100
Model Nagpur (250)	185½	—	—	188½
Morarji (100)	218½	—	—	218½
Mysore (60)	121½	—	—	121½
National Rayons (100)	200½	203	198½	200½
New City (100)	141½	144½	141½	144½
Raw Great (100)	149	152	149	150
New Union (10)	32½	—	—	32½
Phenix (100)	106½	—	—	106½
Podar Mills (100)	184½	—	—	184½
Sassoon Silk (10)	14½	—	—	14½
Sassoon Spg. (10)	37	—	—	37
Shahpur (1,000)	1,400	—	—	1,400
Shirtalvas (100)	225	226½	221½	222½
Simplex (40)	149½	155½	148½	153
Standard (100)	349 xd	343½	336½	340½
Swadeshi (100)	194½	196	193½	194½
Swan (100)	358½	356½	355	356½
Tata Mill (25)	58½	58½	53	58½
Vishnu (100)	116	116½	115	116½
Western India (1,000)	9,875	—	—	9,875
BANKS				
Bank of India (50)	148½	148½	146½	146½
Bank of Baroda (50)	105	—	—	105
Central (25)	50½	50½	49½	49½
Central 'A' (25)	51½	52	51½	51½
Dena Bank (50)	51	—	—	51
Imperial (F.Pd.) (500)	1,577½	1,580	1,580	1,580
Imperial (F.Pd.) (125)	388½	412½	390	408½
Punjab National (25)	46	45	43	43xd
Union Bank (5)	6½	6½	6-10½	6-10½
United Com. (50)	44½	44½	44½	44½
ELECTRIC COS.				
Ahmedabad (100)	111½	107½	106½	106½xd
Amalgamated (10)	11-4½	11-5½	10-8	10-8xd
Andhra Valley (1,000)	1,402½	—	—	—
Bom. Suburban (100)	124½	1,410	1,400½	1,410
Burnt (100)	127½	124½	122½	122½
Tata Hydro (100)	148	—	—	124½
Tata Power (1,000)	1,401½	147	145½	145½
		1,500	1,480½	1,497½
INSURANCE COS.				
British India (10)	18⅜	18⅜	18½	18½
Empire of India (100)	700	—	—	675
Ind. Mercantile (20)	44½	—	—	44½
Jupiter (15)	7½	7½	7	7
New India (15)	50	52½	49½	52½
Oriental (100)	7,250	7,250	7,225	7,225
Universal (10)	10½	10½	10½	10½
Vulcan (10)	15	—	—	15
STEEL COS.				
Ind. Iron (10)	28⅜	34-15½	33½	33-15½
Tata Steel Ord. (75)	236½	236½	232½	235½
SUGAR COS.				
Belapur (50)	81½	81½	81½	81½
Bhopal (10)	15½	—	—	15½
Phaltan (50)	117	120½	117	120½
Walchand Ind. (100)	222½	223½	220½	223½
CEMENT COS.				
Associated Cis. (100)	179½	181½	178½	179
Digvijay (100)	179½	180	179	179½
MISCELLANEOUS				
Alcock Ashdown (100)	261½	270	261½	263½
Bom. Burmah (125)	468½	474½	466½	468½
Do. (New) (50)	178½	178½	170½	171½
Br. B. Petrol (4 sh.)	2½	2-5½	2-2½	2-4½
Et. L. Corpn. (5)	7-12½	8	7-12½	8
C. P. Rly. (100)	100	—	—	100
Indian Copper (5 sh.)	2-6½	2-8½	2-7½	2½
Ind. Inv. Tr. (100)	77	—	—	77
Kamp (200)	226½	—	—	229½
Killick (100)	173	173½	172½	173½
Polson (100)	151½	151½	140½	140½
Premier Cos. (30)	14	14	12	12
Scindia (20)	166½	166½	158½	163
Shivrajpur (10)	16-9½	16-9½	15½	16½
Tata Chemicals (10)	75½	77	74	74
Tata Oil (25)	15	15	14½	14-13
W. I. Match (100)	40½	40½	39½	39½
	202½	205	201½	205

GOVERNMENT SECURITIES	15-4-55	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	21-4-55
	Rs.			Rs.
2½% 1955	99½	—	3.37	99½
2½% 1960	91½	—	3.97	91½
2½% 1960	94½	—	3.79	94½
2½% 1976	92½	—	3.86	92½
3% 1957	99	—	3.91	99
3% 1958	99½	—	3.89	99½
3% 1959-61	97½	—	3.95	97½
3% 1964	97½	3.68	3.47	97½
3% 1966-68	93½	—	3.64	93½
3% 1966-68	93½	3.92	3.75	93½
3% 1970-75	90½	4.05	3.91	90½
3% 1965 Con. Loan	86½	4.15	3.94	86½
4% 1960-70	80½*	—	3.72**	80½
4½% 1958-60	101½	3.60	3.34	101½
4½% 1958-60*	101½	—	3.00	101
2½% 1961 N.P. Bonds	99½	3.59	4.18	105½
2½% 1964 N.P. Loan	98½	—	3.89	99½
			3.69	98

BRITISH GOVERNMENT SECURITIES

	14-4-55	High	Low	20-4-55
	£	£	£	£
2½% Brit. Consols	63½	63½	63½	63½
3% Brit. Transport 1978-88	64½	64½	63½	63½
3% War Loan 1955-59	98½	98½	98½	98½
3½% War Loan 1952	85½	85½	85½	85½
3½% Brit. Iron and Steel 1978-81	93½	93½	93½	93½
4% Funding 1960-90	100½	100½	100½	100½

*Current Income. x.d.—Ex-dividend. * Rupee Counterparts.

COMMERCE

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

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SOME THOUGHTS ON NATIONALISATION OF IMPERIAL BANK

THE expeditious manner in which the Government is implementing the programme for nationalisation of the Imperial Bank of India and for widening the powers of the Reserve Bank to render financial assistance to co-operatives is an unmistakable indication of its earnestness to provide credit facilities to rural areas. Both the measures—the State Bank Bill and the Reserve Bank of India Act Amendment Bill—have received the overwhelming support of Parliament; indeed, there was scarcely any dissenting voice, and the Government was warmly congratulated on its decision to take over the Imperial Bank. This should serve as an eye-opener to our business men, now living in their own little world, with little contact with the masses. The days when they could confine themselves only to their business without caring for anything else, leaving their philosophy to be nursed and protected by professional politicians, are gone.

Many business men, in their capacity as chairmen of banks, insurance companies and industrial concerns, criticised the Government's decision to nationalise the Imperial Bank. Several shareholders of the latter Bank cried hoarse a few weeks back, at a special meeting of theirs convened for considering this very issue, and declared at the top of their voices that the compensation offered by the Government was unfair and inadequate. Yet, who cared? There was not a single member in Parliament to support their stand. On the contrary, there were many who criticised the Government on the ground that the quantum of compensation was generous; some even described it as over-generous. Mr. A. C. Guha, Minister for Revenue and Defence Expenditure, who piloted the Bill in the unavoidable absence of the Finance Minister, Mr. C. D. Deshmukh, who was indisposed, was almost apologetic in defending the terms of compensation. The impression created by his remarks on this subject is that the shareholders of the Imperial Bank ought to be grateful to the Government for the compensation which they will now get. The business men and shareholders, who vainly protested against the Government's decision, forgot that the vast majority in Parliament does not think the same way as they do. It is thus obvious that, if private enterprise is to have an honourable place in the scheme of development and is not to be simply tolerated as something to be eliminated as early as possible, those who are in it must seriously endeavour to find a place for themselves in the field of politics.

So far as the formation of the State Bank is concerned, there is every justification for it in theory. The rejuvenation of rural economy will not be possible, unless credit facilities in rural areas are expanded. The problem is very urgent, because, in many parts of the country, agricultural credit is extremely difficult to be had, as the traditional sources which supplied it have either become reserved or gone dry. The various legislations seeking to protect agricultural debtors from the claims of creditors, as well as land reforms, have made the cost of credit heavy and reduced the availability of credit. The vacuum that is thus being created must be filled in quickly. One of the reasons for the sharp fall in prices of agricultural commodities this year is the inadequate supply of finance in rural areas. There is no point in trying to revive individual credit; it is neither feasible nor desirable. The expansion of institutional credit is the only alternative. Since commercial banks have not been able to rise to the occasion for a number of reasons, State intervention in this sphere has become inevitable.

The Gorwala Committee, which went into this question in great detail, has come to the conclusion that the co-operative method, in spite of all its defects, is the only one by which credit can be carried to rural areas. It has suggested an integrated scheme under which co-operative banking is to be fostered through active State participation in the movement and through the assistance of a strong commercial bank having a net-work of branches throughout the country. The chief function of this bank will be to provide remittance and exchange facilities to co-operative banks along with others, besides providing the usual banking services in the collection of bills, safe custody of drafts, etc. It is for this purpose that the Committee chose the Imperial Bank and other State-associated banks, the minor editions of the Imperial, its justification for selecting them being that they were all sponsored and sustained by the State for a long time. The Government's moral right to acquire these banks in order to direct them to work in a particular direction, as dictated by the current needs of the country, is beyond doubt and one has only to read the cogent arguments advanced by the Gorwala Committee to feel convinced of this.

The establishment of a well-integrated commercial bank, having large resources and branches all over the country, may turn out to be a good thing in many other respects, too. Such a bank can be of great assistance to other commercial banks also. Mr. Guha gave the welcome assurance that the new State Bank of India will continue to render the same assistance to commercial banks as is being given by the Imperial Bank now. It can offer more remittance facilities than it is able to do now, as it will have more branches. Through it, the Reserve Bank can exercise effective control over credit supply and interest rates throughout the country. With the authority of Government behind it, the State Bank will be able, in course of time, to infuse confidence among the people in the new areas where it is expected to operate to place their savings with it in the form of deposits. Thus, more deposit resources can be brought into the banking system. There is a special provision in the charter of the State Bank for absorbing other commercial banks on a voluntary basis. This will enable it to take over small and uneconomic banks, thereby minimising the chances of bank failures, which are a hindrance to the spread of the banking habit. Again, if the establishment of a State Bank were to result in all these advantages and in strengthening the rural economy, the private sector, too, would stand to benefit from it, in that the prosperity of trade and industry is dependent upon a healthy rural economy and a sound banking system. Admittedly, this must have been the reason why Mr. G. D. Birla, one of India's foremost business men, welcomed the recommendations of the Gorwala Committee and advocated their effective implementation. But all these gains can be realised only if the State Bank is worked efficiently and the assumption that the co-operative method can be successfully applied in the rural areas proves correct. There are serious doubts on both the points.

The power which the State Bank of India will have for doing good can also be used for keeping a tight grip over the private sector. Considering the fact that this Bank is being brought into existence just at the time when the Government's economic policy has been given a socialistic tinge and the responsible spokesmen of the Government have been repeatedly stating that the public sector must dominate the private sector, the misgivings among business men that the State Bank might very well be used for this purpose are not unjustified. It is well to remember, in this connection, that, by nationalising the largest commercial bank, together with some of the well-known State-associated banks, the Government will bring under its command nearly half the banking sector. Out of the total deposits with Scheduled banks amounting to Rs. 942 crores as at the close of 1954, the combined share of the Imperial and the 10 State-associated banks was about Rs. 342 crores, or a little over 36 per cent., the share of the former alone being Rs. 231.36 crores or 24.5 per cent. If to this were added the deposits with the Postal Savings Bank (Rs. 118.56 crores as at the end of 1954), it would be seen that, in the very near future, the public sector in the field of banking would hold the whip-hand over the private sector. Through the State Bank, the Government can effectively dictate the interest rates and discriminate between public and private undertakings, or between one private undertaking and another, in the matter of providing credit. Since the Board will consist predominantly of Government nominees, there will be plenty of scope for practising favouritism on political grounds. It is quite conceivable that a business man who does not support the party-in-power may not get from the State Bank credit facilities or get them only in part, even though he may be fully creditworthy. Such a possibility is not pure figment.

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The Imperial Bank has been accused of similar practices in the past. For proof, if any were needed, one should read the instance given by Dr. Pattabhi Sitaramayya, Governor of Madhya Pradesh, in the course of his tribute to the Punjab National Bank Ltd., published on page v of the supplement to the last issue of this Journal.

The danger of economic power being utilised for retaining political power, which, ultimately, will lead to autocracy, is also one of our grounds for opposing the entry of State into the co-operative movement, however desirable it may be on other grounds. The risk is, indeed, very great, as co-operative method is to be applied to a far larger sphere of the community's activity than at present. It is not suggested here that this danger is imminent; the danger is a long-term one and all lovers of true democracy—there are many in the present Congress Party, the foremost among them being our distinguished Prime Minister himself—will do well to appreciate the necessity for introducing some corrective forces that will neutralise it.

There is a fear that, when the State Bank concentrates its attention on the opening of more branches in rural areas—there is a statutory obligation that it should open 400 branches in a period of five years—it will not be able to devote the same attention to commercial banking as the Imperial is doing at present. While this fear is not groundless, it need not necessarily materialise for three reasons. In the first place, the State Bank's main function is to act only as a channel for remitting funds. It is true that it may have to provide advances to co-operative banks, but it can easily draw against such advances from the Reserve Bank. Secondly, it will be able to function in the sphere of rural credit only if the other recommendations of the Gorwala Committee for strengthening the co-operative movement are effectively implemented. This will take more time than is generally believed. Thirdly, when it expands its sphere of operations in the country, its deposits too will expand, especially as money incomes in the interior are expected to increase, thanks to large doses of developmental expenditure. Given efficient management, therefore, the State Bank can discharge its new duties, without suffering any setback in its commercial banking activities.

Another doubt that is raised is whether business men themselves will be keen on banking with the State Bank, as they may fear that the Government will pry into their secrets or that their affairs will be discussed in Parliament. The latter fear is an offshoot of the treatment meted out by Parliament to the Industrial Finance Corporation. It is gratifying to find that, in order to allay such fears, a specific provision has been made in the charter of the State Bank imposing an obligation on the Bank in regard to the fidelity and secrecy of the affairs of its constituents. Mr. Guha drew the particular attention of Parliament to this aspect of the Act and averred that the House must be prepared to respect this provision if the commercial character of the Bank were to be maintained. It is evidently with a view to avoiding the risk of Parliament wanting to probe into the business secrets of the Bank and minimising Government interference that the ownership of the Bank has been vested in the Reserve Bank of India. The auditing of the Bank, it is noteworthy, will be done by private auditors and not by the Comptroller and Auditor-General. If the latter does it, his report will have to be placed on the table of the House and is liable to be debated. This is a sensible safeguard, though it is a double-edged weapon.

DECIMAL COINAGE

TIME and again, the subject of decimal coinage and metric system of weights and measures comes up for discussion in this country. Neither India's coinage nor its system of weights has any rational or scientific basis. Many changes have taken place in India's coinage system during the period preceding the firm establishment of British rule all over the country, though the system of weights and measures has shown, perhaps, greater resilience to change. The need for placing both the systems on a more scientific basis has, however, been felt for a long time now. A more insistent demand has been for the introduction of a uniform system of weights and measures. Such a demand was again made last week in the Lok Sabha by means of a private resolution which, in an amended form, was subsequently adopted.

The demand for placing India's coinage system on a scientific basis has generally taken the form of a plea for the introduction of decimal coinage. The chief advantages of a decimal system, it is now generally conceded, are facility in calculation and ease in learning by school children. Even those who oppose the change themselves admit that the decimal system is more scientific. Only, they are opposed to the change, because, in the transitional stage, it is likely to create some hardship. This was the stand that was taken by Gandhiji in 1946 by when the Government had already mooted the proposal for decimal coinage. He said that it was scientific and yet manifestly against the interests of the poor. He was afraid that the traders would exploit the ignorance of the peasants who might be cheated in transactions involving new coinage. This argument did not carry conviction to many sections. Even the present Prime Minister, Mr. Nehru, who was then out of the Government, expressed himself in favour of decimal coinage. In any case, it seems unwise to rely now on the arguments which might or might not have held good a decade ago in order to oppose the introduction of decimal coinage.

That the difficulties of the transitional stage may be easily exaggerated is clear from the fact that, in certain Indian States, notably in Hyderabad, both the indigenous and the "British" Indian coins circulated freely without causing any confusion. Further, the change-over is likely to be easier now than in the past, thanks to an increase in literacy and the development of the means of communication, such as transport agencies, and the increase in the informal means of education, such as the Press and the radio. Such change-over will also be facilitated by the financial integration of the country that has already taken place. Above all, the Indian peasant, contrary to urban belief, is both shrewd and adaptable. He might be pound foolish. But penny wise he is. And decimalisation applies only to "pennies," the coins of smaller denominations. In fact, it is advisable to carry through the reform now, since there is still a large non-monetised sector, rather than postpone it to a later date when the extension of the monetary sector will perhaps render the change more difficult. Finally, by implementing the change, India will have fallen in line with many of the leading countries of the world, such as the U.S. and France, and with some countries nearer home, Ceylon, for instance.

Although the concept of decimal originated in this country, it has not been extensively used for coinage or for other purposes. In 1945, when the Central Government first mooted the proposal for decimal coinage, it was widely welcomed. However, in view of certain influential opposition, the ranks of which included no less a person than Gandhiji, it was decided to circulate the Bill. Nothing was done about it afterwards and the Bill lapsed. The present Government's attitude is favourable to the introduction of decimal coinage. In this attitude, the Government has been influenced by the views of the Planning Commission which, after an objective examination of the whole issue, has unreservedly expressed itself in favour of the change. Explaining the Government's attitude, the Union Minister for Commerce and Industry, Mr. T. T. Krishnamachari, said that it had been decided to introduce both decimal coinage and metric system of weights and measures, that the coinage reform would precede the reform of weights and measures, and that the entire change would be spread over a certain period of years—a "reasonably short" period.

The details of the Government's decision on decimal coinage are not known at present. The present system is governed by the Indian Coinage Act which will have to be suitably amended in the event of a change-over to decimal system. Presumably, the Government will adopt the original proposal (first mooted in 1945) to divide the rupee into 100 cents. It had then been decided that the present half-rupee and quarter-rupee should continue as at present; only they would represent 50 cents and 25 cents, respectively. The other coins, according to that proposal, would be 10-cent, 5-cent, 2-cent and 1-cent pieces and possibly ½-cent piece too. The existing 2-anna, one-anna, ¼-anna and ⅛-anna coins had no counterparts in the scheme. This was the original proposal.

There is no reason why the same proposal should not now be adopted. The introduction of ½-cent piece, however, is not necessary, for the pie coins have gone into oblivion, following the war-time and post-war inflation. No coin less than ¼ anna is freely in circulation. Apart from the general opposition to decimal coinage, as such, the only serious objection, which was then raised against the proposal, was that it did not retain the nomenclature of annas and pies, to which the Indian public had become habituated. This objection cannot be sustained. A decimal system means a change. It would be difficult to build the present nomenclature into the new system. Also, in the transitional period, it would cause a great deal of confusion, if the terms "annas" and "pies" were retained in the new system. It is better to bid good-bye to these worthy coins and not to have any nostalgic feelings for the traditional annas and pies.

It is well to recall what the Government had to say, exactly a decade ago, in defence of the proposal for decimal coinage which unfortunately never came into effect. It emphasised that the present system was "by no means ideal for purposes of calculation and accounting." It added: "The basis for the suggestions now made is that modern trade and commerce demand quick and simple methods of computation and that, in this respect, there is nothing to compete with the decimal system as evidenced by the fact that it has gradually displaced all other forms in most countries of the world (India, Great Britain and certain Empire countries being the most important exceptions). To give a few examples, Ceylon, China, Iraq, Palestine, Malaya, the Netherlands East Indies and Thailand all now have a decimal coinage and it is arguable that India too should fall into line with the modern practice that has found such general favour."

The Government of that day, of course, realised that the introduction of a new system of coinage would have adverse reactions in the initial stages, since all rates and prices would have to be quoted on the new basis, and there would be additional work in the matter of fixation of new rates and issue of new railway tickets, stamps, etc. It was also realised that both the systems would have to be in operation during the initial period. It was, however, believed that the "probable confusion" in the transition period would, to some extent, be mitigated by a wide distribution of slips of paper setting forth the arithmetical relation between the two types of coinage. "The initial difficulties involved," the Government went on to say, "are inherent in any radical change in the coinage and must be faced, if India desires to have the advantages of a simplified and rational system of coinage." These observations, made a decade ago, are as true today as then. It is, therefore, to be hoped that the Government will not, on grounds of initial difficulties, hold up a reform which is already overdue.

The reform of weights and measures through the introduction of metric system is more difficult to implement than decimal coinage. It was first proposed as far back as in 1870 by a far-sighted British civilian, one Mr. Stratchey. For many long years since then, it was treated as a mere academic proposal. In 1949, a sub-committee of the Indian Standards Institution, under the chairmanship of Mr. J. C. Ghosh, recommended the change-over to metric system of weights and measures. It advocated a gradual change-over to the new system which, it thought, should be spread over a period of ten to fifteen years. Mr. T. T. Krishnamachari revealed that, when he assumed office in 1952, he initiated discussions on the subject. The Planning Commission, to which it was referred, welcomed the change. Encouraged by this response from an impartial expert body, he has appointed a committee (Chairman: Mr. N. Kanungo), consisting of departmental representatives and experts, to consider not merely the phasing of the programme for the change-over to the new system but also the type of legislation necessary to implement it.

The entire question should be examined very minutely by technical experts. The contemplated change is, as already stated, more difficult to implement than reform of coinage. For one thing, coinage has already been standardised for the whole country, so that the transfer to a decimal system involves only one change. Weights and measures have not been so standardised. There are many systems of weights and measures in the country, varying not only from State to State but also from district to district, so that the supplantation of all these systems by the metric system would imply several changes. Secondly—and this is a more important consideration—the change affects the whole range of engineering industry. Because of India's traditional connection with Britain, current specifications for machinery in this country are in "lbs." and "inches." In the ordering of spare parts, and in matters relating to re-equipment and modernisation, an abrupt change might cause considerable confusion. The change-over, if it is found technically advantageous, should necessarily be implemented over a period of years which would be sufficiently long to facilitate smooth transition.

INTEREST RATES IN MANY PARTS OF WORLD TENDING TO HARDEN

STERLING STRONG—OUTLOOK FOR NICKEL

THURSDAY, 5 P.M.

MARKET GOSSIP

SLIGHTLY steadier conditions have come to prevail in the share markets. There has been a sizable unloading in the steel section by tired bulls, as a result of which the technical position of this section has improved to some extent. Leading textile shares have been fairly well supported on encouraging reports from the domestic cloth market. It is said that profits of mills in the first quarter of this year have been good and that, with the cost of living in Bombay and Ahmedabad receding and with cotton prices stabilising at lower levels, the mills should be able to fare well in the coming months. Sugar shares are at a discount, thanks to disquieting news of falling prices and rising stocks. The turnover, however, has been small. The immediate trend of the market depends upon the Government's decision on retention prices for steel. Since we referred to this question last week, there have been dogmatic reports in a section of the daily Press that the Government has granted an increase of Rs. 54 to Rs. 60 per ton to the T.I.S.Co., while no decision has been taken in regard to the price payable to the I.I.S.Co. Our enquiries reveal that it is premature to say anything definite on this question, as the Government has not yet made up its mind. Currently, the management of T.I.S.Co. is busy on its plan for expansion and its spokesmen will have further discussions with the Government either this week-end or early next week.

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The Lok Sabha has endorsed the Bill for converting the Imperial Bank of India into the State Bank of India. From the speech of Mr. Guha, Minister for Revenue and Defence Expenditure, it is clear that the ten State-associated banks also will be taken up one by one. It is not necessary to pass separate legislation for absorbing them, if they agree to come in voluntarily. It would appear that most of them, especially the Bank of Mysore, the Travancore Bank, the Hyderabad State Bank, and the Bank of Saurashtra, have agreed to merge themselves with the State Bank of India. The three banks in Rajasthan have also been persuaded to walk into the parlour and it looks as though they will not be able to hold out much longer. The position of the Bank of Baroda, the biggest of all the State-associated banks, is still not very clear. At one time, the authorities were inclined to leave it out of the scheme, but they seem to have changed their minds since then, for, if it were exempted, the State Bank of India will have to open as many as 50 branches in Western India most of them in the same centres where the Bank of Baroda already has branches. The chances of this Bank remaining outside the scheme now appear to be slender. It would appear that Mr. B. Venkatappiah, Executive Director of the Reserve Bank and one of the architects of the integrated scheme for expansion of rural credit, is being tipped as the chief of the State Bank of India.

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After remaining comfortable for nearly two weeks, the short-term money market has been experiencing a slight pull during the last two or three days, though this is not reflected in the inter-bank call rate which is unchanged at 2¼ per cent., to which level it had declined from 3 per cent. the week before last. There are, however, more borrowers at this rate than there were last week. There has been a slight broadening of demand for funds; this is partly due to the month-end requirements of industries. It is also stated that there has been a depletion of funds, as some banks are reported to be suppliers to Calcutta and Madras where money is fetching higher rates. There are, however, no definite indications for ascertaining whether the seasonal demand for funds has begun to taper off and whether money rates will go up again. The latest Reserve Bank's statement, however, shows that banks are still keen borrowers of funds against usance bills. Be that as it may, the experience of the last two or three seasons has shown that the short-term money rates in India cannot go beyond 3 per cent., so long as the Reserve Bank continues to supply funds to banks against usance bills. This is in refreshing contrast to the trend of money rates in other countries where they have been steadily hardening since the beginning of the year.

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Indeed, there are sufficient indications of a world-wide movement towards dearer money and credit restrictions. The rise in Bank rates of a few countries since the commencement of the year and the hardening of interest rates for commercial paper in the U.S. during the past few weeks are taken as clear manifestations of this trend. In distinct contrast to the reductions made by a fairly large number of leading commercial countries in their Bank rates during 1954 (very few countries raised the Bank rates during the past year), four leading commercial countries have already raised their Bank rates within a short period since the beginning of 1955. The U.K. raised its Bank rate twice within a span of hardly a month; towards the close of January, 1955, it was raised from 3 to 3½ per cent. and again in the last week of February from 3½ to 4½ per cent. Norway put up its Bank rate from 2½ to 3½ per cent. in the middle of February. Sweden increased it from 2¾ to 3¾ per cent. only a few days ago. In the U.S., the Federal Reserve Bank of Kansas City raised its discount rate to 1¾ per cent. two weeks ago. As against these increases, there has been a cut in Bank rate only in one country so far; Canada lowered it from 2 per cent. to 1½ per cent. in February.

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Canada made a reduction in its Bank rate because this rate was higher than the open market rates which had taken a downward trend during the previous six months. In the U.S. on the other hand, the recovery in business and the slight tightening of the Federal Reserve monetary policy which began towards the close of last year resulted in a perceptible hardening of interest rates. Barring a break early in March, on account of the Treasury's refinancing operations resorted to in February, there has been a continuous rise in these rates and the rise has been somewhat steeper during the past few weeks. Thus, the U.S. Treasury Bill rate, which had been quoted at 1.088 per cent. early in February, rose to 1.231 per cent. in the first week of March and to as high as 1.652 per cent. in the second week of April. In line with this trend, the rates for commercial paper have been stepped up by ¼ per cent. to 1⅜ per cent. for 30-90 day paper and 2¼ per cent. for six months. Thus, the open market rates were pushed up above the rediscount rates of the Federal Reserve Banks, which had remained unchanged at 1½ per cent. since April, 1954. In the American market, unlike in London, it is possible, on account of certain rediscounting conventions, for these rates to stand above the official rate, without any undue pressure from the Federal Reserve Banks. But the official policy would appear to have been changed now and there is a possibility of a general rise in interest rates. In fact, the Federal Reserve Bank of Kansas City has, as already noted, been the first to step up its rate.

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Discussing these trends in world money markets and the main reason therefor, "Lombard," the well-known columnist of the Financial Times, London, observes:

"The main reason why the rise in the U.K. rate is being accompanied by upward movements in other countries would seem to be that the inflationary tendencies which played such a large part in producing the switch in British monetary policy are proving to have their counterpart abroad. Both Norway and Sweden have discovered in recent months that, owing in part to the large proportion of their resources they have been devoting to capital development, they are faced with a situation wherein demand is likely to move well ahead of supply. Similarly, although U.S. officials have argued that the rise in the American Bank rate has been made for technical reasons rather than to achieve an economic objective, there is no doubt that its basic explanation lies in the recent upsurge in economic activity leading to the creation of an inflationary situation. For the technical adjustment had become necessary because the existing American Bank rate had been left out of line with other short-term rates by the rise in the latter during the past few months. And the reason why market rates have been rising is to be found in the fact that, in other aspects of its monetary control policy, the U.S. Administration had been pursuing tactics which were clearly designed to bring about a rise in market rates by making credit less plentiful."

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The high interest rates in Britain and on the Continent are making themselves felt on American banks too. Thus, the New York City banks have raised the rate of interest they pay on foreign banks' deposits from 1½ per cent. to 1¾ per cent. They have done this with a view to arresting the withdrawal of balances by foreign banks. The firm trend in the money market is having its reaction on the Canadian money market, too, where tighter conditions have again come to prevail with a hardening of short-term money rates. It remains to be seen whether the Canadian Bank rate also will be forced up.

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In the face of this world-wide movement towards dearer money rates, the strength of sterling is certainly remarkable. So long as London was the only dear-money centre, short-term funds from other parts of the world, notably from the U.S., would flow to London, imparting fresh strength to sterling. But the margin between the money rates in London and those in the U.S. has narrowed, so that the transfer of short-term funds from the U.S. to London is not as profitable as it once was. Thus, the margin, which, was till recently as high as 1 per cent., is now only about ¼ per cent. Despite this, the quotation for sterling against the dollar has firmed up. Ready sterling is now quoted higher at $2.79.13/16-15/16 as against $2.79¼-½ early this month and $2.78⅞-¾ early in March. Indeed, this movement would have acquired even greater strength had it not been for the intervention of the Bank of England. The Bank, it is stated, has sold dollars against sterling in the exchange market. This it could do easily enough. The official market has had an opportunity to gain dollars, thanks to encouraging exports of such sterling commodities as rubber, tin and cocoa to the U.S. Indeed, such exports are one of the main reasons for the strength of sterling. Again, the overseas buyers of British goods are less chary of postponing payments by obtaining credit in London, the cost of borrowing in London having gone up through the increase in the Bank rate. A notable feature of the market for sterling is that transferable sterling is firmer than at any time in the past twelve months. Thus, it is quoted at $2.77.3/16-5/16, as against $2.76¾-¼ early this month and $2.75¾-⅞ early last month. The British authorities are, however, keen on seeing that the margin between transferable sterling and official sterling does not widen so far as to encourage commodity shunting to the detriment of the sterling area's earnings of dollars. With this end in view, they have had to sell dollars against transferable sterling, though such sales are far less than the dollar gains through exports of sterling commodities to the U.S.

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The prospects for the mill industry, with which the value of textile scrips is intimately connected, are being rendered uncertain by the Government's erroneous attitude towards this industry. Last week, Mr. J. C. Burns, the Deputy Chairman of the Bombay Millowners' Association, pointed out, in effect, how the policy, recommended by the Kanungo Committee, of freezing mill output at current levels was wrong in principle and likely to prove unworkable in practice. The Committee, as is well known, has recommended the continuation of the present policy of reservation of certain fields of production for the handloom industry. A reference to these two features of the Committee's report was made this week by another spokesman of the mills, Mr. T. V. Baddeley, Vice-Chairman of the Svadeshi Mills Co., Ltd., who, in the absence of the Chairman, Mr. A. D. Shroff, presided over the annual meeting of the Company. Referring to these recommendations of the Committee, he said: "I cannot comprehend how the country's industrial development will be served by restricting the normal efficient growth of the largest organised Indian industry which will be the case if these recommendations are accepted."

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An equally important but more immediate issue is the Government's attitude towards modernisation and re-equipment. If the Government were to permit the mills freely to carry through rationalisation and modernisation schemes, it would help bring down production costs and thereby enable the mills to pass on the benefit to all. This is particularly important for mills which have a surplus labour force which they cannot retrench because of labour laws and which they cannot employ usefully because of the Government's unhelpful attitude towards expansion and modernisation. This is the kind of problem which the Svadeshi Mills, along with several other mills in the country, faces today. Referring to this issue, Mr. Baddeley said: "This problem of surplus labour can be satisfactorily solved without economic hardship, if we are allowed, whilst rationalising, to increase our productive capacity and thus gainfully employ the excessive labour force on our hands. I regret to state that, in view of the Committee's recommendation, even this simple measure will now be denied to us and we are, therefore, caught unfortunately in a policy which increases our costs without giving us any freedom to apply the right remedies." Surely, both the shareholders and the workers are bound to suffer through the adoption by the Government of a policy which in effect, prevents mill managements from putting their house in order.

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A notable departure from the past tradition is that the dividends are to be paid "without deduction of income-tax" as against a "free-of-income-tax payment," made till now. Thereby hangs an interesting question in income-tax law. The change is not voluntary, for the management has been compelled to make it. Explaining the need for the change, Mr. Baddeley said:

"In vew of higher depreciation charges for tax purposes, payment of dearness allowance in respect of past years, and similar charges, it is likely that the Company will not be liable to pay any income-tax for the year 1954. Therefore, the dividend will not come out of taxed profits for the year. The tax authorities have adopted the stand that in such circumstances, although the dividend is deemed to be paid out of past taxed profits, it is not a tax-free dividend and renders the shareholders liable to tax thereon. We consider that this stand is not correct, but the question can only be settled by an authoritative ruling by the Courts which can only be given in the assessment proceedings of an individual shareholder and not in the Company's assessment proceedings."

Since a similar situation is likely to occur in respect of other companies too, the Court's ruling on the issue, should it be raised by any shareholder, will be awaited with interest.

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India's needs of nickel are quite considerable, but no economically workable deposits are known to exist in this country. Its entire requirements of this metal are, therefore, met by imports. In 1950 as many as 1,177 tons were imported. In the following year, they rose to 1,461 tons. Owing to conditions of scarcity created by the Korean war, India's offtake of nickel in 1952, however, dropped suddenly to 463 tons. But, with the cessation of hostilities in Korea, the supply position in the free world improved and, in 1953, imports rose sharply to 1,798 tons. The imports take the form of nickel pallets, coin blanks, alloy ingots, alloy scraps, alloy sheets and other sorts. In view of this dependence on foreign supplies, those engaged in the non-ferrous metals trade and industry as well as Government which needs nickel for coinage purposes, will be interested to know the present position of, and future prospects for, this important metal. Accordingly, the observations made by Dr. John F. Thompson, Chairman of the International Nickel Co. Inc., in his address to the shareholders of the Company at their annual meeting held in New York on the 27th inst., will be read with interest.

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With the free world supply of nickel at a record 390 million pounds and with a reduction in the demand for defence production, Dr. Thompson is of the opinion that the supply of nickel for civilian consumption would improve, though complete

(Continued on page 859)

EQUITIES CONTINUE TO BE SLUGGISH

ACTIVITY THINS DOWN

(From Our Own Correspondent)

BOMBAY, 28th April

TRADING on the Stock Exchange continued to be sluggish during the week under review also. Barring a few select counters in textiles which hardened on good enquiry, fluctuations were very narrow and the volume of business was small due to a thinning down of speculative activity. Besides, holiday influence and end-of-account considerations also contributed to restrict the activity on the Exchange. Furthermore, the delay in the eagerly awaited announcement regarding an increase in retention prices of steel chilled the enthusiasm of the operators. There was a report in a section of the Calcutta Press to the effect that the Government had decided to give an interim increase of Rs. 54 per ton in *the retention prices for the Tata Iron and Steel* Company, but this did not have any effect on Tata Ordinary shares, as this report lacked official confirmation. Nevertheless, Tata Ordinaries displayed a steady tone with a tendency to recover, but the upward movement was checked by the weakness of Indian Irons.

The market remained closed today on account of a *Jain* festival.

In the steel section, Tata Ordinaries hardened from Rs. 233-4 to Rs. 236-12 on Tuesday, but fell back to Rs. 234-12 at the close yesterday, due to selling pressure induced by the weakness of Indian Irons. Indian Irons edged forward from Rs. 33-15½ to Rs. 34-4½, before reacting to Rs. 33-15 on unloading by a prominent bull operator.

Activity in textile shares was mostly on a selective basis and fair gains were recorded by popular counters over the week. Bombay Dyeings came up *from Rs. 458-12 to Rs. 468-2, but shed a part of the* gain when they closed yesterday at Rs. 463-12. Centurys rallied from Rs. 367-12 to Rs. 377-12 on good speculative enquiry, but profit-taking pulled them down to Rs. 374 yesterday. Kohinoors moved between Rs. 315 and Rs. 318-4 before closing at Rs. 315-4. Central Indias were featureless at Rs. 126-4. Ahmedabad Advances received attention and gained Rs. 8-12 to Rs. 131-4. Edward Mills advanced by Rs. 2-8 to Rs. 262-8, Finlays by Rs. 4 to Rs. 264-8 and Gokaks by Rs. 2 to Rs. 217. Indu Ordinaries were quiet at Rs. 11-11½. Khataus picked up Re. 1-4 to Rs. 168-12 and New Greats Rs. 2 to Rs. 152. Phoenix were marked up by Rs. 5-10 to Rs. 112-8 and Shree Niwas changed hands Re. 1-4 better at Rs. 235. Simplex moved in a narrow groove and finished As. 8 better at Rs. 154. Standards moved up by Rs. 3-2 to Rs. 343-12, Svadeshis by Rs. 2-12 to Rs. 197-4 and Swans by Rs. 3-12 to Rs. 340. Tatas were steady at Rs. 53-12 and Vishnus were done Re. 1-14 higher at Rs. 118-2.

Bank shares had a easy spell, with a marking down in quotations of leading banks. Imperial Fully Paids shed Rs. 15 to Rs. 1,665 and Partly Paids Rs. 3-12 to Rs. 405. Central Banks declined by Rs. 2-8 to Rs. 47-4 and their 'A' shares by Rs. 2 to Rs. 49-8. Bank of Indias were quiet at Rs. 146-4, while Bank of Barodas disclosed no change at Rs. 104-8 ex-div., as also Punjab Nationals at Rs. 43. United Commercials, however, gained a fraction to Rs. 44-12.

Insurance shares were steady with small appreciation in values of select counters. Orientals advanced by Rs. 100 to Rs. 7,325 and New Indias by Re. 1 to Rs. 53-4. Indian Mercantiles changed hands As. 8 better at Rs. 45. British India Generals were held at Rs. 13-10, Empire of Indias at Rs. 675 and Industrial and Prudentials at Rs. 42-8.

Activity in electricity shares was restricted and price variations were small. Ahmedabad Electrics were stagnant at Rs. 106-4, while Amalgamated *Electrics gained Re. 1 to Rs. 10-14. Bombay Subur*bans showed no change at Rs. 122-8, whereas Surat Electrics were lower by As. 10 at Rs. 128-12. The Directors of Surat Electricity have decided to maintain the final dividend for 1954 at Rs. 4-8 per share, making the total dividend for the year Rs. 7 per share, the same as for the previous year. Andhra Valleys declined by Rs. 5 to Rs. 1,405 and Tata *Powers by Rs. 5 to Rs. 1,492-8. Tata Hydros was* dull, but steady, at Rs. 147.

The weakness of sugar shares on apprehensions about the prospects for the industry due to accumulation of stocks and higher production was the main feature of the trading in the miscellaneous section. Belapurs, after advancing from Rs. 311 to Rs. 314-4, dropped precipitously to Rs. 306-8. Walchandnagars declined from Rs. 225-10 *cum-div.* to Rs. 206-4 *ex-div.* (dividend: Rs. 16). Phaltans shed Re. 1-8 to Rs. 119 and Bhopal Sugars As. 2 to Rs. 13-4. Cement shares were featureless, but the undertone was steady. A.C.Cs. gained a fraction to Rs. 179-4 and Digvijays to Rs. 180. In the shipping group, Scindias attracted some attention and were marked up by As. 4 to Rs. 15-10. Great Eastern Shippings were maintained at Rs. 16-1, while India Steamships were quiet at Rs. 7-5½. Engineering and mining shares were mainly listless. Alcock Ashdowns were lower by Re. 1-4 at Rs. 262-8 and Premier Constructions by Re. 1-8 at Rs. 161-8. Josts Engineerings were steady at Rs. 94. Larsen and Toubros changed hands a fraction higher at Rs. 13-4. Shivrajpurs eased from Rs. 74-8 *cum-div.* (dividend: Rs. 9) to Rs. 65-4 *ex-div.* Indian Coppers were maintained at Rs. 3-8. B.B. Petrols were steady at Rs. 3-5½ on encouraging corporate news.

Among miscellaneous industrials, Bombay Burmahs (old) fluctuated between Rs. 470-10 and Rs. 466-4, before closing at Rs. 467-8. British India Corporations were firm with a rise of As. 10 to Rs. 8-10 on interested outside buying. Killick Industries picked up Re. 1-8 to Rs. 175, while National Rayons were uninspiring with a small loss of Re. 1-4 to Rs. 199-4. Tata Chemicals reacted from Rs. 14-13½ to Rs. 14-6½. Tata Oils were quiet at Rs. 39-12. Hindustan Motors gained ground from Rs. 8-9 to Rs. 9, on support from interested quarters. Wimcos were in request, but sellers were scarce. Consequently, they moved up by Rs. 3-2 to Rs. 208-2.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, 27th April

Although a firm note was in evidence on the Calcutta Stock Exchange after early dullness, business was at a low ebb. The report, not yet officially confirmed, that the retention price for T.I.S.C.O. has been raised to Rs. 385 a ton from Rs. 331 has caused jubilation in market circles. *Although no information is yet available regard*ing the new retention price for Indian Iron and Steel Company, Ltd., and the Mysore Iron and Steel Company, it is expected that these producers would also get the benefit of the increase. The present prices granted to these concerns are Rs. 378 and Rs. 384 per ton respectively, which are higher because of Government's recognition that costs of production for these producers are higher than that for Tatas. On the same principle, Indian Irons and Mysore Irons should get higher retention prices. Trading in Indian Irons was cautious this week, and the loss that occurred early last week, following the heavy unloading of a needy operator, was not fully made good. This would perhaps have to wait for definite news regarding the retention prices.

Sectionwise, engineerings evoked keen interest, and with a broadening of activity, prices forged ahead. Texmacos were again a feature and were taken to Rs. 18-14, the week's gain amounting to one point. Richardson and Cruddas hardened to *Rs. 19-8 from Rs. 17-7. Indian Galvanisings were* fractionally higher at Rs. 23-2, as against Rs. 22-10 a week ago. Jessop & Cos., after remaining unchanged for major part of the week, spurted to Rs. 36-3 yesterday. Indian Irons were done around Rs. 34.

In jutes, selected attention raised the prices of a few shares. Other counters moved down. In the former group was included Birlas which at Rs. 19-7 gained nearly a point, while Ganges improved to Rs. 107 from Rs. 104. Nuddeas were fractionally higher at Rs. 56, Barnagores remaining unchangned at Rs. 178. Anglo-Indias at Rs. 218 lost 4 points, and Deltas sagged to Rs. 251 from Rs. 255. Indias were pulled down to Rs. 194 from Rs. 204. Howrahs changed hands today at Rs. 29-14 as against Rs. 29 last Thursday.

Although the list of transactions declined in the tea section, selected shares made some recovery. From Rs. 49-12, Bishnauths recovered to Rs. 52-8, but subsequently lost to Rs. 50-12. The star feature was *provided in the rise in Brahmaputras to* Rs. 11-3 from Rs. 10. Batelis were fractionally *higher at Rs. 24-8. New Dooars, although lower at* Rs. 626, were steady. Nambburnadis were taken earlier at Rs. 26-4 as against Rs. 25-4 previously, but subsequently lost the gain in its entirety. *Dhelakhats hardened to Rs. 22-2 from Rs. 21, Rani*cheeras to Rs. 28-14 from Rs. 28-8, and Bokhahats *to Rs. 23-12 from Rs. 23-8.*

In the miscellaneous section, too, provided some features. Thus, B.I. Corporations at Rs. 8-9 strengthened by As. 9. Rohtas Industries were taken to Rs. 25-4 from Rs. 24-8, and Rallis India to Rs. 43-8 from Rs. 39-12. Fractional gains were recorded in F. & C. Oslers at Rs. 17-8, Niccos at Rs. 24-4, Martin Burns at Rs. 23-2, Calcutta Landing and Shippings at Rs. 15-2, and Metal Corporations at Rs. 8-11. From Rs. 27, Orient Papers moved to Rs. 27-12 but finished at Rs. 27-6. Titaghur Papers were steady at Rs. 44.

Among sugars, Carew & Cos. receded from Rs. 15-6 to Rs. 11-14, thus losing almost the recent gains. Today, however, the rate recovered to Rs. 12-11. On the other hand, Champarans hardened to Rs. 30-6 from Rs. 29-6.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, 27th April

The dull trading conditions witnessed on the Madras Stock Exchange last week persisted this week. There was very little business worth mentioning, with the result that price movements were confined to narrow limits. Textiles came *in for stray enquiries on lack of overseas as well* as domestic demand for cloth. In plantings, teas were colourless. This was partly due to technical *reaction after a continuous rise for a long* time in the past. The performance of rubber shares were also discouraging, while coffees ruled better. Miscellaneous scrips proved no exception to the generally colourless trend.

A notable feature of the week in an otherwise dull market was the declaration of a dividend of 25 per cent. by The Anandan Rubber Co., Ltd., and The Udayagiri Rubber Co., Ltd., for the year ended 31st December, 1954. The dividends of the Companies for the previous year were 10 per cent. each.

The Nilgiri Tea Estates have repaid the outstanding debentures of Rs. 4 lakhs. The Company has also issued 6 per cent. Indian Union income-tax-free debentures of Rs. 500 each for Rs. 12.50 lakhs and the debentures have already been allotted. Besides, as many as 84,375 shares of Rs. 10 each will be issued at par. The existing preference shareholders will be given 100 new ordinary shares for every 200 preference shares held by them. The ordinary shareholders will be allotted 100 new ordinary shares for every 100 ordinary shares held.

Textile scrips came in for sporadic enquiry. Cambodias put on As. 4 to Rs. 11-15 and Maduras As. 7 to Rs. 46-2. Pankajas rallied Re. 1 to Rs. 52. Bangalore Woollens, however, lost Rs. 3-8 to Rs. 445 and Venkatesas Rs. 3 to Rs. 117. Buckinghams disclosed a loss of Re. 1 at Rs. 155 and Coimbatore Spinnings Re. 1-8 at Rs. 72. Mettures were unchanged at Rs. 319-8 and Premiers at Rs. 152-8.

Teas lacked support. Chandramalais lost As. 2-6 to Rs. 6-3-6 *and Parksides As. 4 to Rs. 24-4 cum-div.* Periakaramalais were lower by an anna at Rs. 8-1 and Twyfords by As. 10 at Rs. 25-8. Coonoor Teas were quiet at Rs. 31-8 *ex-div.* and Emerald Valleys at Rs. 7-11½. Highlands, however, put on As. 2 to Rs. 16-4.

Rubbers too were wanting in enquiry. Cochin Malabars eased by an anna and a half to Rs. 7-6 and Kallas by an anna to Rs. 5-6. Teekoys were lower at Rs. 9-1, as against Rs. 9-2. Be Bes were dull at Rs. 4-10½ and Rajagiris at Rs. 16-1. Malankaras, however, put on As. 8 to Rs. 27-8.

Coffee Lands, among coffee scrips, rallied As. 5 to Rs. 16-15 and Consolidated Coffees As. 6 to Rs. 19-6. Mysore Coffees lacked support at Re. 1-10½, Kadur Coffees at Re. 1-10½ and Puthutotams at Rs. 4-10.

Andhra Cement 'B', among miscellaneous scrips, lost As. 2 to Rs. 13-12 and India Steel Rolling Mills an anna to Rs. 12-13. Mysore Chemicals and Fertilisers declined from Rs. 10-10 to Rs. 10-6 and Mysore Chromes from Rs. 4-8 to Rs. 4-4.

INDIAN INDUSTRIES FAIR

The Indian Industries Fair will be held in New Delhi from 29th October to 15th December, 1955. Organised by the Federation of Indian Chambers of Commerce and Industry and supported by the Government of India, the Fair will be the biggest of its kind ever held in the country so far. Already 13 foreign countries, including the United States, the United Kingdom, East and West Germany, the U.S.S.R., China, Poland, Czechoslovakia, Rumania and the Netherlands, have responded to the invitations extended by the Federation to participate in the Fair.

At a time when India is planning industrialisation on a vast scale, it is essential that the industrialists and Government officials should make a thorough study of the design, quality, performance and technique of capital goods manufactured by advanced industrial countries. As the proposed Fair provides facilities for an on-the-spot study of foreign capital equipment, it will serve a useful purpose from this point of view. The Fair aims at presenting a comprehensive picture of the economic progress achieved so far by India and forecast the possible prospects. It will also help promote economic relations between India and foreign countries by interchange of ideas in industrial and commercial fields.

Notice

THE VISHNU COTTON MILL LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-eighth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 9, Wallace Street, Fort, on Friday the 20th May, 1955, at 4-30 p.m. (Standard Time), for the purpose of transacting the following business:—

(1) To adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1954.

(2) To sanction the declaration of a Dividend.

(3) To confirm the appointment of Mr. G. R. B. Hall and Mr. A. A. S. Rae as Directors.

(4) To elect Directors in place of Sir Chunilal V. Mehta, K.C.S.I., and Mr. Jaisinh Vithaldas who retire by rotation but being eligible offer themselves for re-election. Mr. Jaisinh Vithaldas is interested as a partner in the firm of Cotton Buyers to the Company.

(5) To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board of Directors,
of THE VISHNU COTTON MILL LIMITED,
For THE BOMBAY COMPANY LIMITED,
R. L. COGHLAN,
Managing Director,
Secretaries, Treasurers and Agents.

BOMBAY, 21st April, 1955.

NEWS IN BRIEF

NEARLY 2,600 new goods wagons, all manufactured within the country, were delivered to the Indian railways during January, 1955.

The total shipping tonnage of vessels that entered Indian ports was nearly 2 crores N.R.T. (Net Registered Tonnage) during 1953-54.

The production of ammonium sulphate at the Sindri Fertiliser Factory during April-September, 1954, amounted to 135,000 tons, as against 128,000 tons during the corresponding period in 1953.

Thirty-nine industrial schemes were sanctioned by the Government of India during 1954 in which Indian firms were required to pay royalties amounting to Rs. 44·6 lakhs to foreign firms for technical "know-how."

A group of Chinese engineers will pay a visit to India shortly, at the invitation of the Government of India in co-operation with the Indian mills concerned, with a view to studying the manufacture of paper pulp.

About one million acres of land will be brought under a new method of paddy cultivation in the Madras State. The new method evolved by the Madras Agricultural Department is claimed to be a definite improvement over the Japanese method.

The Government of India proposes to undertake a survey of the prospective areas in search of oil, with a view to increasing domestic output and reduce imports as far as possible. The scheme for exploration of oil will be undertaken over a period of five years at a cost of Rs. 8.5 crores.

The first phase of the Damodar Valley Corporation scheme will be substantially completed by June, 1957. In regard to the projects included in the second phase, namely, Balpahari, Bermo, Bokaro and Ayar, the Corporation has been asked to send proposals, so that they may be included in the second Five-year Plan.

The Planning Commission has approved of a programme of expansion of steel production in the Mysore Iron and Steel Works at Bhadravati from the present level of 25,000 tons to 100,000 tons, including stainless, tool and alloy special steel. The cost of the programme is estimated at about Rs. 12 crores.

The all-India final estimate of *kharif* pulses, other than tur, for 1954-55 puts the current year's area and production at 14,935,000 acres and 1,497,000 tons, as against the partially revised estimate of 15,192,000 acres and 1,543,000 tons for last year. This shows a decrease of 257,000 acres or 1.7 per cent. in area and 46,000 tons or 3.0 per cent. in production over last year.

During December, 1954, 679 public utility power stations in India generated 680.8 million kw.h. of electricity, of which 558.0 million kw.h. were sold to ultimate consumers. The corresponding figures for December, 1953, are 594.8 million kw.h. and 486.8 million kw.h., respectively, and those for December, 1939, 236.2 million kw.h. and 198.4 million kw.h., respectively.

The Madras Government will establish an agricultural research station with a 430-acre farm in the Lower Bhavani Project region. The research station will be the biggest of its kind in India and will conduct research in the production of cotton, groundnuts and millets and will also study other agricultural problems peculiar to the region served by the Lower Bhavani. The scheme is estimated to cost Rs. 2.50 lakhs.

A new method of manufacturing good quality washing soaps from non-edible oils, such as *neem, karani* and *undi* oils, has been evolved by the Village Industries Research Laboratory, Poona. The Industries Ministry to which the method has been communicated, is expected to consult industrial experts before adopting it for commercial production. It is claimed by the Laboratory that the process is very simple and economical.

The output of gold in India was on the decline during the latter half of 1954. From 21,702 ounces produced in June, 1954, the output declined to 17,872 ounces in December, 1954. This is in contrast to the rising trend in the first half of the year, when the output rose from 19,289 ounces in January to 21,702 ounces in June. The average monthly production in 1953 was 18,585 ounces and in 1952 it was 21,105 ounces.

The total number of voters, according to the 1954 electoral rolls, was about 182,019,123. Of these, 142,389,779 belonged to Part A States, 34,640,709 to Part B States and 4,988,635 to Part C States, according to a written reply to a question given in the Lok Sabha this week. The statement showed that the total number of voters at the time of the first general election was 173,213,635, the number of voters in Parts A, B and C States being 135,762,925, 32,585,163 and 4,865,547, respectively.

The Kashmir Government has decided to mechanise and expand its handloom silk weaving factory at an estimated cost of about Rs. 3 lakhs to provide employment for about 600 workers. Dobby and Jacquard powerlooms are being imported from abroad. The factory will specialise in the manufacture of brocades and floral design fabrics. In this connection an officer will be deputed to Surat to undergo three months' training. Some weavers are also being brought from Surat. The mechanisation scheme is expected to solve the unemployment problem among labourers in Kashmir.

The total merchandise trade of India on private and Government accounts during March, 1955, amounted to Rs. 99.48 crores, of which exports (excluding transit trade of Pakistan) accounted for Rs. 45.92 crores and re-exports for Rs. 77 lakhs. Imports aggregated Rs. 52.79 crores. Exports of treasure amounted to Rs. 19 lakhs and imports Rs. 50 lakhs. The merchandise import is exclusive of the value of certain consignments of Government stores awaiting adjustment. Subject to this deficiency in import figure and excluding the figure for transit trade, the total value of exports (including re-exports) of merchandise, gold and silver fell short of imports by Rs. 6.07 crores.

A review of the river valley projects recently completed or now being executed or under consideration is contained in a pamphlet published by the Central Board of Irrigation and Power. The pamphlet meets the demand for a publication which would embody the salient points of all such projects from the layman's point of view. Classified as leaflet No. 3 in the Board's Popular Series, it gives information available up to August, 1954, being the 4th and revised edition. The Board believes that the pamphlet will keep the public in touch with the activities of the Central and State Governments in the field of harnessing the water wealth of the nation and rouse interest to ensure early and proper utilisation of the benefits from river valley projects as and when they become available.

The national income of India was Rs. 10,600 crores in 1953-54, as compared with Rs. 9,860 crores in 1952-53 and Rs. 9,990 crores in 1951-52. This is revealed by the second issue of the annual paper on national income just released by the Central Statistical Organisation. The *per capita* income worked out to Rs. 283.9 in 1953-54 and Rs. 267.4 in 1952-53, as against Rs. 274.5 in 1951-52. The estimates for 1952-53 were based on the detailed method of estimation followed for the earlier years. The estimates for 1953-54 are, however, based on partial material and are subject to revision. The national income in 1952-53 showed a decline of Rs. 130 crores or 1.3 per cent. relative to 1951-52. If the necessary adjustments were, however, made for the price levels in the two years, an increase in real terms of 3.9 per cent. in 1952-53 over 1951-52 would be indicated as *compared with* an increase of 4.5 per cent. between 1952-53 and 1953-54. The corresponding increase in *per capita* income in real terms would be 2.5 per cent. and 3.3 per cent., respectively. On the whole, between 1949-49 and 1953-54 the *per capita* income rose by some 8 per cent. at constant prices.

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From Abroad

Dutch retail tea prices have been further reduced by 6.10 cents per 100 grammes (6.2d.-10.3d. per pound), after a cut of 2.12 cents on 17th March, 1955.

Swedish commercial banks raised on the 21st inst. their interest rates by 1 per cent., following the increase in the Riksbank's discount rate by 1 per cent. to 3½ per cent. on the 18th inst.

The Pakistan Government has announced an export allotment of 30 million lbs. of tea for the year ending 31st March, 1956. The Pakistan Tea Licensing Committee, Sylhet, will allot quotas to individual tea estates which will carry export rights without restrictions as to destination.

The U.S. has plans to build its first atomic-powered ship. The new ship will not require refuelling "for scores of thousands of miles." The projected ship is regarded as another part of the American programme for peaceful uses of atomic energy. Specifications for the vessel are being developed by the Atomic Energy Commission and the Maritime Administration.

The first trade fair of the atomic industry will be held in Washington from 26th to 30th September, 1955. The Fair, which will be held, in conjunction with the *Atomic Industrial Forum's* autumn meeting, will have as its theme, "Marketing the Products of Atomic Energy." The Fair will demonstrate the extent to which peaceful atomic energy and its associated products and services have advanced as a sector of the industrial economy.

The French Ministry of Finance has decided to extend facilities to French residents for the sale of securities held abroad and the employment of the proceeds for the buying of other securities of the *currency or country concerned.* The facilities also apply where foreign companies increase capital. Although the decision affects only capital holdings and the prohibition of speculative transactions remains, it reflects the relatively easier foreign exchange position of France.

The U.S. Department of Commerce has announced that it will ease restrictions against the export of unpublished technical information by excluding certain types of scientific and educational material from licensing controls. The department intends to drop licensing requirements for scientific information "not directly and significantly related to design, production and utilisation in industrial processes," and for material used for "instruction in academic institutions and laboratories."

Krupps of West Germany have announced that they are now making titanium, the new metal which is indispensable for jet engines and supersonic rockets. As a result, Krupps have become the first Western firm outside Canada and the United States to make titanium, which combines the lightness of aluminium with the resistance qualities of the best stainless steel. At present, the metal costs fifteen times as much as the best stainless steel. The combined production of Canada and the United States is only 3,000 tons a year.

The U.S. Atomic Energy Commission (A.E.C.) has invited private industry to submit proposals to finance, build and operate an engineering test reactor, which the Government would use on a contract basis. The proposed reactor will provide certain radiation facilities which the A.E.C. will need by 1957 for the development of cores, fuel assemblies and other components of reactor projects both for defence and civilian power purposes. The A.E.C. estimates that it will cost bttween $10 million and $15 million to build the reactor desired.

The Ceylon Government has reduced the export duty on tea from Re. 1.30 to Re. 1 per lb. with effect from 22nd April, 1955. This cut in duty restores it to the level from which it had been raised to Re. 1.30 on 21st January last. While announcing the increase in duty in January, the Finance Minister had said that it would not affect consumers at home or abroad, but would be borne by producers. But, since February onwards, the tea buyers in the U.K. suddenly developed a stiffening attitude and prices began to decline. The Ceylon Government has, therefore, been obliged to yield to consumer resistance and effect a cut of 30 cents per lb. in the export duty.

PERSONAL

MR. Jawaharlal Nehru, Prime Minister of India, returned to New Delhi on Thursday this week, after attending the Asian-African Conference at Bandung.

Mr. G. H. Middleton, C.M.G., Deputy High Commissioner for the United Kingdom in India, who had been to the U.K. for consultations, returned to New Delhi on Saturday last.

Mr. Naval H. Tata, Mr. Ratilal M. Gandhi and Mr. S. K. Nevatia have been elected President, Chairman and Vice-Chairman, respectively, of the Central Organisation for Oil Industry and Trade.

Mr. W. A. B. Iliff, leader of the World Bank Mission, which recently toured the Indian side of the Indus Basin in connection with the Indo-Pakistan canal water dispute, left New Delhi for Washington by air on Tuesday.

Mr. J. K. Doshi has been elected Chairman of the Bombay Regional Council of the Institute of Chartered Accountants of India. Messrs. M. P. Chitale, V. B. Haribhakti and S. G. Argade have been elected Vice-Chairman, Secretary and Treasurer, respectively.

Mr. P. Thapar, Secretary to the Union Ministry of Food and Agriculture, and Dr. S. R. Sen, Economics and Statistical Adviser in the Ministry, will represent India at the twenty-first session of the F.A.O. Council meeting to be held in Rome in June next.

Mr. Lalji Mehrotra, a former President of the Federation of Indian Chambers of Commerce and Industry, will lead the Indian delegation of over fifty leading business men to the Fifteenth Congress Session of the International Chamber of Commerce to be held at Tokyo from 15th to 21st May next.

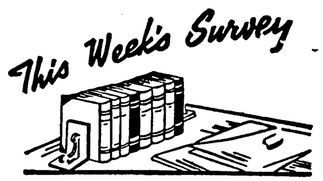
"COMMERCE" 1930

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 3rd May

British Trade with India

In view of the persistent cry for a boycott of British goods—a slogan with a political background—it is interesting to note what Mr. T. M. Ainscough, who has just returned from England to his post at Calcutta as H. M. Senior Trade Commissioner in India and Ceylon, said before the Royal Society of Arts in London in mail week. Speaking of the Indian market for British goods and the best methods of meeting and overcoming the difficulties of unrestricted and vigorous competition from foreign competitors, Mr. Ainscough said that he was firmly convinced that the difficulties Great Britain experienced sprang from purely economic causes. The remedies were those of rationalisation of production and marketing that could only be applied by the manufacturers and merchants themselves. Mr G. M. Gillett, Parliamentary Secretary, Department of Overseas Trade, speaking from the chair, said that the difficulties confronting British trade in India were similar to those which presented themselves in the Dominions and other markets where formerly the United Kingdom had much less competition to meet. Anxious to develop their industries, the Dominions put up protective tariffs, not only against other nations of the world, but against British goods as well. The remedies Mr. Ainscough proposed for improving the British Indian trade had their application to other parts of the Empire. He entirely endorsed Mr. Ainscough's regrets that there had been a newspaper campaign in Great Britain which tended to exaggerate the seriousness of the political position in India. There was an intimate relationship between great political issues and the condition of industry. It was extremely important that those who were responsible for circulating news in the Press should seek to give sound and proper information free from exaggeration, in view of the prejudicial effect of false or highly coloured statements not only upon the relationship between different peoples, but also upon British industries.



BANDUNG CONFERENCE

IT is hardly surprising that, in the *communique* issued by the organisers of the Bandung Conference, in which 29 Asian and African nations participated, the discussion of the basic economic issues of these countries should stand out prominently. It is true that the political complexion of the Governments of these countries varies greatly. Some of them are communist—China, for instance—some profess socialist ideals—India, for instance—while some have no desire to label themselves—Ceylon, for instance. But the basic problem is economic everywhere. The Governments' chief concern is to implement such measures as will raise the low living standards in these areas. The problem is as old as it is difficult to solve. Only, a welcome feature of world conferences is that increasing attention is being given to the problem of economic development of the Asian and African regions.

The decisions at the Bandung Conference, however, deserve special notice for they reveal what the backward countries themselves feel about the task ahead. In international gatherings sponsored by the Western countries, it is the voice of the sponsors that generally prevails. This voice is no doubt sympathetic to the claims of backward countries. But it is difficult not to notice a certain paternalistic—or even patronising—attitude on the part of the sponsors towards these countries. This might be pardonable, considering that the aim of the sponsors is certainly commendable, namely, to raise the living standards of the backward regions. But this could be more easily achieved if the underd[illegible]d countries themselves real[illegible] [illegible]d cause of their backs by realised the nature [illegible]iate remedial [illegible] awardness, and the appro[illegible] adopted. [illegible] measures that deserve to be [illegible]

[illegible] the Bandung Conference provided an opportunity precisely for such introspection. The result, as is only to be expected, is all to the good. The Asian-African Conference, according to the *communique*, recognised the "urgency" of promoting economic development of the region. There was general desire for economic co-operation to the mutual benefit of the participating countries. These countries agreed to provide technical assistance to one another to the maximum extent practicable in the form of experts, trainees, pilot projects and equipment for demonstration purposes. They also contemplated exchange of know-how and establishment of national and, where possible, regional training and research institutes for imparting technical knowledge and skills in co-operation with the existing international agencies.

Unlike some spokesmen of Iron Curtain countries, who, in their incurably suspicious mood, look upon financial assistance from U.N. bodies as a clever device by the West to keep the underdeveloped countries in bondage, the Asian-African Conference recognised that the assistance that is being received through international or bilateral arrangements had made a valuable contribution to the implementation of their development programme. The Conference recommended the early establishment of a special U.N. Fund for economic development, the allocation by the World Bank of a greater part of its resources to Asian-African countries and the early establishment of an International Finance Corporation which should include in its activities the undertaking of equity investment and encouragement and promotion of joint ventures among Asian-African countries in so far as this will promote their common interest.

Although the conference emphasised the need for mutual co-operation among the countries of this region, it stated that such emphasis did not "preclude either the desirability or the need for co-operation with countries outside the region, including the investment of foreign capital." But it must be admitted that mere assertion of the desirability of, or need for, foreign capital cannot possibly induce it to come into this region on any significant scale. What is necessary is the creation of a climate in which such capital will feel a sense of security. Foreign investors must be induced to realise that this region offers attractive facilities for investment. This implies that the countries should not adopt discriminatory laws to the detriment of foreign interests. It also implies the adoption of helpful fiscal policies. Indeed, such policies would assist the flow of foreign capital as well as the mobilisation of domestic capital.

In view of the damage that is frequently inflicted on the economy of this region by violent fluctuations in the prices of, and trade in, the region's staple export commodities, the Conference did well to emphasise the "vital need for stabilising the commodity trade in the region." The principle of enlarging the scope of multilateral trade was accepted though it was recognised that some countries would have to resort to bilateral trade agreements in view of their prevailing economic conditions. It recommended that collective action be taken by participating countries for stabilising international prices of, and demand for, primary commodities through bilateral and multilateral arrangements. It was also decided that they should, as far as possible, adopt a common approach to such questions when they come up for discussion in international bodies. The Conference stressed the need for diversification of export trade for processing (as far as practicable) of raw materials before export, for intra-regional trade fairs and for exchange of trade information. Surely, there is scope for improvement in every one of these spheres. It should thus be possible to increase the intra-regional trade of this region to the benefit of participating countries. From this point of view, the Conference did well to agree to the appointment of liaison officers in participating countries for the exchange of information on matters of mutual interest.

The Conference agreed that encouragement should be given to the establishment of national and regional banks and insurance companies. It felt that exchange of information relating to oil, such as remittance of profits and taxation, might finally lead to the formulation of a common policy. It attached considerable importance to the development of shipping. It expressed con[illegible]cern at the frequent increases in freight rates by shipping companies. Here, the fault seems to lie, to a considerable extent, with the accusers. Very often, the reason for the rise in freight rates to certain ports in this region is the delay in the turnround of ships caused by strikes and go-slow tactics adopted by dock labour and the evil of pilferage at certain ports. If the situation in the ports improves and the authorities do not flinch from adopting measures that would make it easier for shipowners to serve the ports, the freight rates are bound to decline.

Finally, the Conference emphasised the particular significance of the development of nuclear energy for peaceful purposes and welcomed the initiative of the powers concerned in offering to make available information regarding such uses of atomic power. It urged the speedy establishment of an international atomic energy agency with adequate representation for Asian-African countries. This is a field in which the Western countries can certainly render real service to the underdeveloped countries. Among the Western countries, the U.K. has taken the lead in the development of atomic power for peaceful uses. It is to be hoped that, when Britain's present nuclear power plans are fully implemented, that country will be able to help organise nuclear power stations in the Asian-African region.

The decisions of the Conference on the economic issues of the Asian-African region, as stated above briefly, differ neither in content nor in approach from the resolutions that generally find favour with the various specialised bodies of the United Nations. This is not to suggest that the Bandung Conference is not without its significance. Indeed, the Conference has done a signal service in emphasising the economic issues, for it is an effective vindication of the belief of the free nations that it is only when these issues are settled that political freedom will have a meaning for the teeming millions of this region.

TEXTILE LABOUR WAGES

A notable feature of the deliberations of the seventh session of the Indian National Textile Workers' Federation, held in Sholapur this week, is the adoption of a resolution demanding the revision of the minimum wage of textile labour, so as to bring it in line with the concept of minimum wage as embodied in the report of the Fair Wages Committee. The session felt that the wages should be such as to encourage workers to accept higher responsibilities and exert greater effort. The resolution urged the fixation of wages in terms of the existing prices, thereby obviating the need for a separate dearness allowance. In this connection, it emphasised the need to take immediate steps to revise the working class cost of living index, in the light of the changes that have taken place during the last 30 years in the workers' mode of living, education and social progress, as well as in the average size of the family and house rent. Broadly speaking, the session called for an overhaul of the entire wage structure by determining the differentials over the minimum wage, taking into consideration such factors as skill, responsibility, training, workload, hazards, working conditions, average production and the automatic nature of the work involved.

There are no two opinions that the worker should be assured of at least the "living wage," which according to the Fair Wages Committee represents a standard of living that provides not merely for a bare physical sustenance of the worker and his family but also for the maintenance of health and efficiency, a certain measure of frugal comfort and some insurance against death and old age. While the lower limit of the fair wage must obviously be the minimum wage, the upper limit is to be set by the capacity of the industry to pay. But, between these two limits, the actual wage in any industry must depend on the productivity of labour, the prevailing rates of wages in other industries, the level of national income and distribution, and the place of the industry in the economy of the country.

There has been a growing volume of opinion that a substantial portion of the dearness allowance paid to workers, if not all, should be integrated with the basic wage, as "the cost of living index is not likely to come down to pre-war levels." This view has also been supported by the Planning Commission. It accepted the recommendation of the Gadgil Committee that 50 per cent. of dearness allowance admissible to the Central Government servants drawing a basic pay upto Rs. 750 per month should be amalgamated with their pay and suggested that similar benefit should be extended to workers in the private sector also. The workers' demand for merging at least a portion of the D.A. with wages is, therefore, fully justified.

The Conference adopted a few other important resolutions. Of these, mention may be made of the one which called upon the Government to revise the standards and priorities adopted by the Labour Appellate Tribunal in the determination of the quantum of bonus. By another resolution, it referred to the need for labour participation in management in such matters as purchasing, production and selling and asked for facilities for workers getting full knowledge of the "inside working" of the industry at every stage.

Both the demands are of a highly controversial nature. The demand for labour participation in management is a subject on which employers in this country have yet to speak out their minds, while there are conflicting opinions on the question of payment of bonus to labour. While some feel that there is need to do away altogether with bonus and introduce instead a reasonable scale of wages, others still believe in the outmoded system of bonus. Be that as it may, there is no denying the fact that many of the disputes in recent years have arisen out of differences on the question of determination of the quantum of bonus to be paid to workers.

IMPORT OF SILK FABRICS

There is much force in the plea for allowing imports of silk fabrics on some quota basis, which Mr. Babubhai M. Chinai, President of the Silk Merchants' Association, Bombay, put forward in the course of his address at the annual general meeting of the Association held on Monday last. Thanks to the imposition of a complete ban on imports, consumers have not been able to secure adequate quantities of quality silk fabrics, and that at a reasonable price. The production of silk fabrics by the indigenous industry is reported to be at a very low level. Indeed, the progress made by the silk industry has been none too happy. Even Mr. T. T. Krishnamachari deplored, in the course of his speech in the Lok Sabha the other day, that, although the silk industry had been helped for a long time, it had not shown any improvement; in fact, because of constriction of imports, the demand for silk goods had suffered.

The continuance of the import embargo on silk fabrics does not seem to be justified. Mr. Chinai did well, therefore, to warn that, if imports of silk piecegoods were not allowed, persons who had been habitual consumers of silk fabrics

would take to rayon goods and that, in the long run, the interests of the silk industry and trade would greatly suffer. The warning is quite timely and pertinent. It is to be hoped that the Government would pay heed to it and allow imports of silk piecegoods on a quota basis. Such a course would be doubly beneficial. Besides relieving the supply position, it would induce, as Mr. Chinai rightly remarked, the indigenous industry to take necessary steps to improve the quality of their product.

Mr. Chinai's plea for liberalising imports of raw silk is also justified. There is a wide gap between indigenous output and the total demand in the country. The quantity of raw silk actually produced is now at an annual rate of not more than 2 million lbs., as against the estimated requirements of 3 million lbs. and the self-sufficiency target of 8 million lbs. The quality of silk, too, is said to be still not up to the mark, being no higher than the international 'D' grade. What is worse, raw silk prices are ruling very high *vis-a-vis* those in other silk producing countries like Japan and Italy. The handloom and *jari* weaving industries are, therefore, finding it difficult to meet the normal requirements of their basic raw material at an economic price. Although attention has been drawn to this aspect time and again, it is a pity that the Government should still refuse to relax restrictions on imports of raw silk. Evidently, the Government feels that free imports of raw silk would adversely affect the indigenous sericulture industry. This fear is no doubt a legitimate one. No serious damage to this industry would, however, be caused, if the Government were to allow imports of raw silk to the extent of the gap in domestic supplies.

To revert to Mr. Chinai's speech. Mr. Chinai urged the Government to revoke its decision to effect imports of raw silk through the Central Silk Board and to allow imports through normal trade channels. This plea, too, is fully justified. Instances are not wanting to prove that attempts at monopolising imports and distribution of goods have proved a failure. Apart from the basic objection that such a system of trading interferes with the fundamental right of private interests, it will, as Mr. Chinai pertinently pointed out, adversely affect the interests of consumers. Surely, trade is not the legitimate sphere of any Government department or a specially-sponsored agency. Mr. Chinai minced no words when he said that "in principle, such trading is a negation of the recognition of private enterprise as the basis for the organisation of the trading activities."

RAILWAY-SHIPPING CO-ORDINATION

Mr. M. C. Shah, Minister for Revenue and Civil Expenditure, reiterated that the Government of India had under consideration a proposal to constitute a shipping committee to enquire into the problem of rail-ship competition and suggest measures for developing each as a complement to the other. The need for such a co-ordination committee, it may be recalled, was emphasised by Mr. Lal Bahadur Shastri, Minister for Railways, when he presented the Railway Budget in February last. In fact, the constitution of such a committee would satisfy a long-felt demand of shipowners.

The main task before the committee will be to enquire into the allegation of the shipowners that the freight charged by railways for bulk carriage of goods, such as coal, is so low that it is impossible for shippers to compete with it. They have further pointed out that railway freight bears no relation to cost of transport, with the result that the transport of certain commodities by railways are virtually subsidised by the higher freight charged on other commodities or by other means. They point out that there were 35 to 40 shipments of coal per month by coastal vessels in 1948-49, when the railways were faced with wagon shortage, whereas there are now only about 13 shipments following improvement in the railway wagon situation. This decline in the transport of coal by ships is attributed to extremely low rates charged by railways for transport of coal. It has, they complain, resulted in short-carriage by the shipping companies and, consequently, financial losses for a number of them.

The mere reservation of coastal trade to shipping, according to shipping interests, is not enough but coastal shipping should also be assured of sufficient cargo, if it is to develop on sound lines. It would appear that shipowners are demanding an assurance by the Government to take steps to see that at least 2 million tons of coal are transported by coastal ships. Otherwise, there will be, it is feared, no incentive on the part of shipowners to modernise their fleet and acquire new tonnage.

The carriage of coal is not, of course, the only aspect of the problem of rail-ship competition. In any attempt at solving the problem, one should remember that railways and shipping are the two sides of the same coin. It would be wrong to favour the prosperity of the one at the cost of the other. Both the systems of transport should receive the Government's attention and support. How to ensure the economic use of these systems will be the main problem before the proposed Co-ordination Committee.

INDUSTRIAL DEVELOPMENT

Sir Eric Coates, leader of the British Steel Mission, now in India exploring the possibilities for participation of the United Kingdom in the erection of a steel plant in India, warned last week that there was a possibility of industrial development in India "going out of balance." India today faces, according to him, the danger of embarking upon too many projects which might make basic adjustments difficult, if not altogether impossible. He rightly holds that what is essential at present is a proper marshalling of the country's natural resources, namely, mineral, water and, above all, labour in the best possible manner in order to obtain the maximum utility. He points out as an instance that, while the erection of a steel plant is a simple proposition, the question of ensuring a steady supply of fuel and other raw materials at the steel plant is a big problem in itself. This requires marshalling up of the resources required which, in its turn, presupposes planning in that direction also side by side with that for the erection of the steel plant. He has clearly stated that the first requisite in this connection is increasing the output of coal. It is gratifying to note that the Government of India has asked the Coal Commissioner to submit a plan, in consultation with the Planning Commission, for a steady increase in the output of coal in the second Five-year Plan.

It is again noteworthy that Sir Eric expressed the view that there is urgent need for expanding transport facilities, particularly railways. Pertinently enough, he says: "You must streamline your expansion in advance of the coming load." Transport is vital to the progress of all industries, to steel in particular. The target of steel production is no doubt now being fixed lower than originally. Thus, Mr. T. T. Krishnamachari, Commerce and Industry Minister, recently averred that the country's steel production target in the second Five-year Plan would be lower at 4.5 million tons, as against 6 million tons as originally estimated. Even so, the increase in steel production would demand an enormous increase in transport facilities. At the same time, it would require, as Sir Eric emphasised, other adjustments to be made. Thus, it would be necessary to give a fillip to such engineering industries as use steel, so that the increased steel production could be rapidly absorbed.

AGRICULTURAL STATISTICS

Many complaints, both against the inadequacy and the inaccuracy of Indian statistics, have for long been made by the public in this country. Although attempts have been made to improve methods of collection of statistics as well as to extend their coverage, there is no doubt that the data are not always very correct. This is particularly true of agricultural statistics, for they are collected at the village level where their collection is in the hands of men who have never been trained for their job.

In recent years, there has been a welcome awareness of the consideration that if Indian statistics are to be improved the problem should be tackled at the lower levels of District administration. Both the Technical Committee on Co-ordination of Agricultural Statistics in 1949 and the conference of State Ministers of Co-operation and Agriculture in 1953 laid great stress on adequate training for the primary reporting agencies. A concrete step has now been taken with the organisation by the Ministry of Food and Agriculture of a three-month course of training in agricultural statistics, in Delhi. The first batch of 21 revenue and land record officials from nine States have now completed this course.

These officials, it is stated, will form the nucleus of a scheme which is designed to ensure the collection of reliable agricultural data on a uniform standard throughout the cou[illegible] of Under this scheme, the officers who have [illegible] been trained will in their turn organise br[illegible] training courses for primary reporters in co[illegible]venient batches at the headquarters of the

(*Continued on page 859*)

MR. REDDY ON MANAGEMENT OF PUBLIC UNDERTAKINGS

NO SEPARATE CORPORATION FOR RURAL CREDIT

From A Special Correspondent

NEW DELHI, *26th April*

A NUMBER of subjects of considerable economic importance cropped up during the week in Parliament. The passing of the Finance Bill clause by clause led to interesting discussions on many problems of current interest. Earlier in the week, the Finance Minister, Mr. C. D. Deshmukh, announced a number of concessions, particularly in regard to Central excise duties. The total tax reliefs aggregated Rs. 8.88 crores, resulting in an increase in the revenue gap from Rs. 8.47 crores to Rs. 17.35 crores. Generally speaking, it is suggested that the imposition of so many indirect taxes only eight weeks ago and their withdrawal or modification as the case may be within a short period, indicate that the Finance Minister has been somewhat hasty in his decisions and that he has been able to realise that, in an underdeveloped country like India with low consumption habits, taxation of consumption has to be carried out cautiously. Hence, even the recommendations of the Taxation Enquiry Commission have to be studied very carefully and implemented in a manner that will not create any disequilibrium in the economy of the country. During the debate, the Finance Minister reviewed at length the implications of section 23A of the Income Tax Act and pointed out that the main motive of amending that section was to tighten the loopholes, in order to prevent tax evasion by directors of small companies. Unfortunately, Mr. Deshmukh could not participate in the proceedings owing to indisposition and the burden of replying to the debate on the Finance Bill during subsequent days fell on Mr. M. C. Shah, Minister for Revenue and Civil Expenditure.

DELHI LETTER

Public Companies

Another subject of importance on which Government policy was enunciated related to the management of companies in the public sector. Mr. K. C. Reddy, Minister for Production, stated that Government did not consider it necessary or correct, purely for the sake of theoretical uniformity, to convert an undertaking from the departmental to the company form of management regardless of the circumstances and the requirements of the case. He added that, if it was found that it would be advantageous to change to the company form of management for specific reasons, for example, if a large and rapid expansion had to be effected under a more flexible pattern of management, the matter would be examined again and a decision taken on merits.

According to the Production Minister, three organisations, namely, Government salt sources, State collieries and National Instruments Factory were still being managed departmentally. They were all old activities of Government which were well organised even before independence. The State collieries and the National Instruments Factory, Mr. Reddy continued, were really service departments. As regards the Government salt sources, he said that there was no advantage which a company was expected to have in preference over the present pattern.

State Bank of India Bill

The consideration of the State Bank of India Bill seeking to constitute a State Bank for India and to transfer to it the undertaking of the Imperial Bank of India and to provide for other related matters was another subject of importance that came before Parliament this week. The Bill was moved by Mr. A. C. Guha, Minister for Revenue and Defence Expenditure. Mr. Guha announced that the proposed State Bank would open 400 branches in rural India which would work in close co-operation with co-operative banks and warehousing societies. These banks would not only cater to agricultural credit but would also serve the interests of small-scale and cottage industries. According to Mr. Guha, the Government had no intention *at present* to encroach on private commercial banks. It is unlikely that statements such as this will allay public apprehension regarding nationalisation of banks. On the other hand, such statements will continue to create a certain amount of misgivings about Government's industrial and financial policies, especially when many leading spokesmen of the party-in-power have been making unwarranted and provocative statements which cannot stand even bare scrutiny. It is, therefore, necessary that in matters like this, the Government should unequivocally declare its policy for another 25 years at least, so that the private sector could go on with its plans for industrial expansion. Otherwise, it is difficult, nay impossible, for the Government to achieve the optimum economic activity in the country during the second Five-year Plan.

Non-official Resolutions

Among the non-official resolutions that came up for discussion during the week, two were subjects of great economic importance. These were: (i) the establishment of a Central Agricultural Finance Corporation with branches all over the States to provide credit facilities for agricultural operations in the country and (ii) the introduction of uniform weights and measures throughout the country based on the metric system. In régard to the former, the Government spokesman did not favour the idea of a central body, but stated that the Government was keenly conscious of the need for improving the rural credit structure. According to him, with the implementation of the land reforms and also that of the important recommendations of the Rural Credit Survey Committee, there would be a definite improvement in regard to the availability of money for agricultural purposes.

The chances of implementation of the other non-official resolution with some modifications, namely, the introduction of metric system in regard to weights and measures as well as coinage, appear to be bright. Mr. T. T. Krishnamachari, Minister for Commerce and Industry, made certain weighty pronouncements on this subject. He informed the House that the Planning Commission was already in favour of introducing decimal coinage and the metric system of weights and measures. He also stated that the Finance Minister would shortly introduce legislation for decimal system of coinage which would precede the introduction of uniform weights and measures. He told the House that a committee under the chairmanship of Mr. Kanungo, Deputy Minister for Commerce and Industry, had been set up for standardisation of weights and measures.

Metric System and Decimal Coinage

The efforts to introduce the metric system and decimal coinage in India have a long history. In fact, it was nearly 90 years ago that the first step was taken in this direction. In 1867, this question was considered from all angles and the then Government of India was fully convinced of the beneficial results that the adoption of this system would confer on the country. The moving spirit behind this reform was one Col. R. Strachy, a good and scholarly Englishman, who advocated the adoption of this system with great fervour and reason. In 1870 and 1871, the Government passed the necessary legislations but the implementation of these Acts was deferred on account of the unhelpful attitude taken by the then Secretary of State for India. The latter opposed the move, apparently on account of some pressure from some railway companies which were not well disposed towards this reform due to some ulterior motives. These railway authorities, perhaps, thought that the adoption of this system would entail considerable expense to them.

The whole scheme was thus pigeonholed, although some thoughtful economists, administrators and politicians made some attempts to focus the attention of the public to this much needed reform. They were convinced that the metric system was best suited to India, especially as India happens to be the birthplace of the decimal system and as it is from this country the idea has spread to many distant countries. The credit for the adoption of the metric system doubtless belongs to France. At the present time, more than 75 per cent. of the countries in the world have adopted the metric system, largely due to the inherent superiority of this system over others. Nearer home, Ceylon and Malaya have adopted the decimal system in regard to coinage.

(*Continued on page 859*)

FRUITS OF PROSPERITY

MR. BUTLER'S BUDGET

From Our Own Correspondent

LONDON, *23rd April*

OF course, the surprising thing about Mr. Butler's pre-election Budget is that, after all the talk of balance of payments difficulties and indeed the references in the Budget speech to the deterioration of the position as compared with a year earlier, there should be no apparent additional steps taken about what may be the major problem facing the new Government. In short, this seemed to be a purely domestic Budget paying lip service to the needs of the export trade through the proposals to give income-tax reliefs.

LONDON LETTER

The background for the tax concessions was the astonishingly high surplus in the year just closed of over £430 million, as compared with an estimate of a budget which would only just balance. The surplus arose through the receipt of an extra £100 million on income-tax and surtax (these revenues now produce over £2,000 million) and another £100 million on customs and excise. Total budet revenue at £4,700 million was, therefore, £200 million higher than the previous budget estimate. On the expenditure side, the actual defence bill turned out at more than £100 million under the estimate and the expenditure on the Civil Departments showed a similar gain. The Government, therefore, spent £4,300 million, about £200 million less than they had allowed for.

The Chancellor had this year to reckon with an estimated expenditure slightly greater than that allowed for a year ago. The national debt charge on interest is going to be higher because of higher money rates, and the Civil Departments are also going to spend more. The total comes to £4,562 million. But, on the revenue side, Mr. Butler saw the prospect of a still larger income amounting to £4,844 million. He had, therefore, a prospective surplus of £282 million and his Budget gives away about half of this—his excuse for not giving away more than this being that the capital expenditure bill which does not come into the normal Budget figures is going to be somewhat higher and he does not want to encourage undue spending.

Much play has been made with the relief to the Lancashire cotton industry by remitting purchase tax on household textiles and cotton piecegoods, but this concession is not going to cost the Chancellor more than £2 million—a small price to pay for such an important election county. The rest of the money goes on straightforward income-tax concessions designed primarily to help the family man. The allowance for married people is increased by more than for single people and the allowance for children is also appreciably raised to the not inconsiderable figure of £100 per child. But the major concession is in the reduction of the standard rate of income-tax by 6d. to 8s. 6d.

And it is here that his opponents hope to make political capital out of the budget; for, they say, the greatest gain goes to corporations and to large incomes for obviously the people who were in the lower tax brackets and who do not pay the standard rate (and this applies to most wage earners in the country) do not benefit from this substantial cut of over 5 per cent. which is what it amounts to. But the Chancellor, who has his eye on the marginal vote, has no doubt reckoned that the gain to the middle income classes will make them look at this as a Budget in their interests and the Chancellor's Party as the one which they should support.

The other line on which the Chancellor is vulnerable to attack is that his Budget has paid inadequate attention to the balance of payments difficulties. There ought, say his opponents, to have been more tax benefits for earned incomes than for investment incomes—to which the Chancellor replies that this country must increase its investments and therefore investors must have encouragement. Equally, he says, he could not reduce indirect taxation which naturally falls most heavily on the lower income earners without increasing consumption and increasing the country's import bill. Labour's answer to that is that the only sure way of directing the economy towards the export industries is by control of resources and that financial devices by themselves cannot achieve the necessary objectives. So both Parties go to the country sure that the Budget is in their favour and we must wait some weeks before we know whose judgment was right.—*All Rights Reserved.*

AMERICAN LETTER

PRESIDENT'S WARM SUPPORT TO O.T.C.

ANOTHER WAGE SPIRAL IN THE OFFING

From Our Special Correspondent

NEW YORK, *21st April*

THERE is great popular interest in the United States about the discussions at the Asian-African Conference in Bandung, Indonesia, where Prime Minister Nehru of India plays such an important part. The papers here have reported faithfully also on the statements of Red China's Premier Chou En-lai and of Ceylon's Prime Minister Sir John Kotelawala's remarks demanding that Mr. Chou disavow Communist imperialism.

Coupled with these developments in Indonesia, there has been generated here an undertone of fear over the imminence of another outbreak of shooting in Asia. There are endless discussions in print whether or not the outlying islands off Formosa should or should not be abandoned. In the absence of any clear-cut line either from the White House or Congress, an atmosphere of uncertainty has been allowed to generate. The only constructive thing which can be said about it is that it has put up the prices of stocks which are concerned with defence industries on the various securities exchanges in the United States.

Foreign Economic Policy

In the foreign trade field, President Eisenhower has submitted to Congress one of the important phases of his foreign economic policy. He asked approval of U.S. membership in the 34-nation Organisation for Trade Co-operation which was formed last month at Geneva, Switzerland. The O.T.C. is basically a mechanism for applying fair practices in international trade.

It seeks to discourage artificial restrictions on trade, such as discriminatory tariffs. It is the new administrative organisation for the General Agreement on Tariffs and Trade, usually called G.A.T.T., which has been in existence for eight years.

The President said O.T.C. was an example of free nations working together in the economic field comparable to N.A.T.O. in the military realm. If the U.S. were to refuse to join, he said, it "would strike a severe blow at the development of co-operative arrangements in defence of the free world."

Another development in the same field was an indication by the International Bank for Reconstruction and Development of the proposed establishment of the affiliated International Finance Corporation. If this new company should work as planned, it may have a value to the world's capital markets far in excess of its own contribution. The Charter for the new concern has been submitted by the World Bank to the U.S. and 55 member-Governments for acceptance. The new company which would take some time to get going would have an initial capital of $100 million in U.S. dollars and gold, of which Washington would contribute $35,168,000. The Corporation would make fixed-interest loans and debt security investments in private venture capital enterprises, chiefly in the so-called underdeveloped countries.

Rediscount Rate Raised

On the domestic scene, the most dramatic development of last week was an increase of the rediscount rate of various Federal Reserve Banks from 1½ to 1¾ per cent. It served notice on the economy that the credit and fiscal authorities do not want the present business boom to get out of hand.

The current level of high activity is supported by extraordinarily high automobile production which in turn has led to a consistent steel output of about 95 per cent. of capacity in recent weeks and, also, by better than expected consumer spending as well as by a housing boom which continues unabated.

As indicated in previous despatches, the auto boom has two basic reasons. One is that retail sales in this field have picked up much more than was anticipated. Another is that the industry is presently negotiating for a new contract with its trade unions. The principal agreements in the industry between management and labour expire between 31st May and 30th June, 1955.

The big issue this time is the guaranteed annual wage for workers. Fearing that a prolonged strike may ensure, output has been stepped up to assure a backlog of car inventory.

Many informed individuals believe management may give in and agree to the guaranteed annual wage in the end. This would have incalculable repercussions.

The next labour contracts up for renegotiation are those of the steel workers. If the auto unions get that concession, the steel industry can hardly refuse similar arrangements. This brings up the inevitable question how far such arrangements can be carried. Are seasonal farm workers going to get the same privilege, or painters, plasterers, bricklayers and electrical workers? In other words, where does the guaranteed annual wage end and what price social security—as desirable as the aims may be? But can a free enterprise system stand the strain?

Ford Stock to be Sold

Another piece of interesting information which has intrigued U.S. business and financial quarters is that Ford Motor Company here is about to issue stock to the public for the first time in its 51 years of existence and, thus, it will become obligatory to issue its first public financial statement.

The stock to be sold is that of the Ford Foundation, now worth about $800 a share. It is expected to be split ten-to-one and marketed at about $60 a share. Earnings last year are estimated at about $6 a share which would conform to the General Motors ratio of share prices of about 10 times earnings. However, the stock is non-voting and, unless the rules are changed, it cannot be quoted on the New York Stock Exchange.

The Ford Foundation is a philanthropic organisation which contributes to many worthy causes. The decision to sell its holdings, or at least the major part of it, seems to stem from the desire to diversify the risk. The Ford family would retain control by holdings of some 130,000 voting shares.

On the general news scene, one of the great medical triumphs of the century was confirmed last week. The anti-polio vaccine, developed under the leadership of Dr. Jonas E. Salk of the University of Pittsburgh, was tested and found to be "safe, effective and potent."

Thus, millions of vaccinations are in the offing which represent a boost to the pharmaceutical and chemical industries, but mankind is now on the road to conquering one of its dread scourges, the crippling, killing poliomyelitis, or infantile paralysis.

The outcome of the peace treaty with Austria and of the British elections are being awaited here with some suspense.—*All Rights Reserved.*

The Federal Reserve Board of the U.S. has raised the margin on stock purchases from 60 per cent. to 70 per cent. This action has been taken consequent on the continued sharp increases in the use of credit in the steadily rising stock market. It may be recalled that early in January this year the Board raised the margin from 50 per cent. to 60 per cent., but, despite this action, the use of credit continued to increase, so that the Board has increased the margin again.

The U.K. Government has lent its support for the establishment of a new international trade body, the Organisation for Trade Co-operation (O.T.C.), proposed recently by 34 nations at Geneva. These nations, which are members of the G.A.T.T. have agreed to set up the O.T.C. after a four-month review of the working of G.A.T.T. The proposed amendments to G.A.T.T. worked out at Geneva and the setting up of the O.T.C. are expected to improve and strengthen appreciably G.A.T.T.'s value as an instrument to facilitate the expansion of international trade.

Notice

INDUSTRIAL FINANCE CORPORATION OF INDIA

KEELING ROAD, NEW DELHI.

NOTIFICATION

IT IS HEREBY NOTIFIED THAT THE SHARE Register of the Corporation will be closed and the registration of transfers suspended from the 16th June, 1955, to the 30th June, 1955, (both days inclusive).

V. R. SONALKER,
Managing Director.

25th April, 1955.

PAKISTAN NOTES

SETTING UP STEEL PLANT

AGREEMENT WITH GERMAN FIRM

A VITAL deficiency in Pakistan's industrial set-up would be filled, if the factory for manufacturing steel, the blue-print for which has been prepared by the Pakistan Industrial Development Corporation (P.I.D.C.), were established. An agreement for the erection of a pilot plant was signed at Essen (W. Germany) last week by Mr. Ghulam Faruque, General Director of the P.I.D.C., and the representatives of the West German firm of Krupps. The firm will act as the consulting engineers for the project. It is already reported to be preparing to commence deliveries of machinery to Pakistan.

The proposed steel factory will be located at Kot Adu on the Indus, north of Karachi. Natural gas at Sui in Baluchistan—about 200 miles from Kot—will be piped to Kot and also to the industrial area of the Punjab around Lahore. The gas will be utilised to drive the turbines of a 120,000-kilowatt electricity works to be built at Kot. More electricity is expected to be available later from a new Indus dam planned near Kot. Already tenders have been invited for the supply of 40,000 tons of steel piping necessary for the long pipeline.

The aggregate annual capacity of the pilot steel plant is estimated at 55,000 tons. After the pilot scheme is completed, the capacity of the steel works will be increased to 300,000 tons per annum. This stage is expected to be reached in about two and a half years' time.

Evacuee Bank Accounts

It is gratifying to be told that India and Pakistan have at last amicably settled all outstanding problems relating to movable property of evacuees and bank accounts. This is the result of the Indo-Pakistan Conference held at Karachi recently. The Indian delegation to the Conference was led by Mr. Mehr Chand Khanna, Union Minister for Rehabilitation, while Pakistan's delegation was led by Sardar Amir Azam Khan, Pakistan's Minister for Refugees and Rehabilitation. The two delegations held a series of discussions on the questions of transfer of bank accounts under the Banking Agreement of 1949 and the bulk release of lockers and safe deposits under the Movable Property Agreement of 1950. An agreed procedure for effecting such transfer has been evolved.

The decisions are subject to ratification by the Governments of the two countries. An Implementation Committee consisting of two or three representatives of each country is being set up for the overall supervision of the implementation of the decisions taken in respect of movable evacuee property, evacuee claims and the Banking Agreement. This Committee is to meet once a month in each country.

Cotton Research

The U.K. Government has agreed to supply Rs. 6 lakhs worth of equipment for Pakistan's Cotton Research Institute. The aid is being given under the Technical Co-operation Scheme of the Colombo Plan. The equipment will be for testing the suitability of new cotton-growing areas for assessing the value of different methods of cultivation, for developing new varieties, and for maintaining the purity of established types.

The Pakistan Cotton Research Institute is regarded as a vital adjunct to the expanding cotton textile industry. At this Institute, samples of cotton will be processed to determine their spinning properties, fibres and yarns will be lifted, and research will be carried out in such selected fields as utilisation of cotton crop by products and biological studies of insect menace.

Sugar Mill for E. Bengal

The Pakistan Industrial Development Corporation is reported to have completed the preliminary work on the construction of a new sugar mill at Mahimaganj, Rangpur, in East Bengal. The proposed mill will have a daily cane-crushing capacity of 54,000 maunds. The machinery and equipment required for the mill which have already been shipped from Germany are scheduled to reach Chittagong by July next.

The aforesaid mill is one of the two mills which the P.I.D.C. proposes to set up in East Bengal on the recommendations of the E. Bengal Provincial Industrial Advisory Council for making the Province self-sufficient in sugar.

PROGRESS OF CO-OPERATIVE MOVEMENT

SOME UNSATISFACTORY FEATURES HINDER GROWTH

THOSE who are concerned with the reorganisation of the Co-operative Movement in India will find much food for serious thought in the *Review of the Co-operative Movement in India* 1950-52, just released by the Agricultural Credit Department, Reserve Bank of India. The appearance of the *Review* is timely, in that the data on the growth of co-operation in India should prove to be of valuable assistance particularly to Members of Parliament, who are now required to examine several legislative measures calculated to expand co-operative credit in India. Its chief utility lies in the insight it gives into the present position of the co-operative credit structure, the activities of the different types of co-operative institutions and their shortcomings, co-operative production and marketing and the role of State aid and State control in the reorganisation of the Co-operative Movement.

In several directions, the *Review* makes encouraging reading. The data reveal that the progress made by co-operative societies in India during the years 1950-52 was by no means inconsiderable, as will be clear from the table below:

Year	No. of societies	Membership (Lakhs)	Working capital (Rs. crores)
1949-50	173,090	125.61	233.10
1950-51	181,190	137.15	275.85
1951-52	185,650	137.92	306.34

It will be seen that, as between 1949-50 and 1951-52, the number of societies in India rose from 173,000 to 186,000, that is a rise of 7.3 per cent. In the same period, their membership increased from 125.61 lakhs to 137.92 lakhs, the increase in this case being 9.8 per cent. In the case of working capital, however, the improvement was marked, in that it advanced from Rs. 233.10 crores to Rs. 306.34 crores, representing thus a rise of 31.4 per cent. This overall progress is attributed to implementation of schemes of reorganisation and development in the areas of former princely States and in other regions.

Another feature of the Movement during the two-year period under review relates to the manner in which it was geared to the requirements of national economic policy. Thus, co-operatives played a notable role in the Government's policy of increasing agricultural production, by undertaking provision of credit, supply of seed, fertiliser, etc. There was also a shift in the lending policies of certain land mortgage banks in favour of productive loans. Efforts were made by co-operatives to enter the field of large-scale mechanised industry, too, as witness the starting of a co-operative spinning mill in the Madras State and a sugar mill in each of the States of Bombay and Madras. Co-operatives helped the State in its work of rehabilitating groups of people placed in an economically disadvantageous position such as refugees, handloom weavers, ex-toddy tappers.

Agricultural Credit Societies

As in the past, agricultural credit societies still form a large proportion of the total number of co-operative societies, though their predominance declined slightly from 69 per cent. of the total to 64 per cent. in the period under review. This slight reduction is attributed to an increase in the number as well as in proportion of agricultural societies in the three years ended 1951-52. But there was a marked rise in the working capital of agricultural credit societies which rose from Rs. 35.22 crores, in 1949-50, to Rs. 46.82 crores in 1951-52. An analysis of the composition of working capital shows that the dependence of societies on borrowings from central financing agencies became more pronounced during the years mentioned above. This is reflected in the table below:

(In crores of rupees)

	1949-50	1950-51	1951-52
Owned funds	15.29	17.26	19.21
Deposits	3.92	4.29	4.23
Other borrowings	15.99	19.40	23.37

The table above reveals that, while the requirements under aggregate working capital were steadily rising, the societies were not able to make a proportionate addition to their owned funds or deposits. Thus, at the end of 1951-52, deposits were larger at Rs. 4.23 crores only, as compared with Rs. 3.92 crores at the end of 1949-50. Expressed as a percentage of working capital, they show a fall from 11 per cent. to 9 per cent. during the period. On the other hand, the proportion of other borrowings rose from 45 per cent. to 50 per cent. Commenting on this important feature, the *Review* observes—and this needs to be underlined as it relates to one of the fundamental weaknesses of the co-operative Movement in India—as follows: "The increasing dependence on borrowings from financing agencies for working funds throws into relief the fact that the primary objective of co-operative credit movement, viz., the promotion of thrift and savings, has largely remained unfulfilled in practice."

The financing agencies, particularly apex and central banks, in their turn, had to resort to increased borrowing elsewhere. Although the amount of share capital and reserve funds of these agencies rose in 1950-51, their proportion to total working capital showed little change at 11 per cent. Their deposits registered an upward movement in 1950-51, but the trend suffered a reverse in the following year in the case of apex banks, and remained more or less stationary in the case of central banks. This was due to the fact that the period under review witnessed tight conditions in the money market. The financing agencies sought to meet their demand by borrowing from the Reserve Bank of India. The *Review* observes: "While the demand for funds from the Movement tended to rise in step with the growing scale and diversity of its operations, two features presented themselves in regard to the supply of such funds; on the one hand, credit from the Reserve Bank for the financing of seasonal agricultural operations and marketing of crops showed signs of becoming more freely available and, on the other, efforts to retain existing deposits and to add to them proved increasingly hard."

High Rates of Interest

Apart from the lack of adequate owned funds, the Movement continues to suffer from other unsatisfactory features. Interest rates, for instance, are very high in certain regions. They are as much as 12 to 15 per cent. in U.P., 12½ per cent. in West Bengal, and 12 to 19 per cent. in Vindhya Pradesh. In certain other States, however, relatively lower rates are charged. It is 6¼ per cent. in Madras and 6¼ to 10-15/16 per cent. in Bombay. It is common knowledge that even these rates are considered to be high from the point of view of the borrowing capacity of the cultivator, while the financing agencies, for their part, complain that the rates charged by them are not remunerative. Their failure to attract deposits at low rates, the inadequate volume of their transactions and the high rate at which the financing banks provide them with funds are responsible for the high rates charged by the financing agencies on loans to rural societies. Of course, funds of considerable magnitude made available by the Reserve Bank at 1½ per cent. per annum on agricultural loans have contributed towards lowering the rates of interest, but such outside assistance can hardly be expected to prove a permanent remedy for cheapening rural credit. It should be achieved by the institutions in three ways, (a) by expanding their transactions, (b) by augmenting their deposits through mobilising rural savings, and (c) by rationalising and strengthening the central financing agencies.

For a considerable time now, the enlargement of multipurpose societies in preference to single-purpose credit societies has been an accepted policy of State Governments. There has, as a result, been an increase in the number of these societies from 29,525 in 1949-50 to 39,930 in 1951-52. Their membership too has risen from 15 lakhs to 21 lakhs. Similarly, the working capital of these societies has advanced from Rs. 7.55 crores to Rs. 13.33 crores. But the bulk of their funds has come from Central financing agencies rather than from their owned resources. A point to be noted is that the multi-purpose idea gathered momentum under conditions created by war. It prospered, because these societies handled controlled commodities during the war. With the removal of controls and the return to competitive trading, the favourable conditions under which they flourished disappeared. Their non-credit business declined and, consequently, their incomes dropped. They are now struggling to adapt themselves to the changed conditions. The *Review*, therefore, is quite pertinent when it observes that "the aim of covering through these societies the entire social and economic life of the cultivator remained unfulfilled." It traces the poor progress of multi-purpose societies to the limited resources, the absence of competent technical personnel, lack of assistance from some financing agencies and disloyalty of most members of the societies. These drawbacks should be tackled first, if the multi-purpose societies are to play their role in the rehabilitation of rural society.

Role of State Aid

Last but not the least of the weaknesses of the Co-operative Movement in India is the undue importance attached to the role of the State in the reorganisation of co-operative credit. Three broad principles underlie the contemplated expansion of the credit movement. First is the acceptance of a pyramidal pattern of credit structure, with the apex institution at the top, the central or district banks at the middle, and primaries at the base. The second principle is based on strengthening the institutions at each level in respect of finance as well as organisation through internal reform as well as external assistance from the State and the Reserve Bank in various forms. Provision of adequate trained personnel to these institutions forms the third plank. The point is that the responsibility for putting these three principles into practice is laid on official shoulders, and where officialdom predominates, red-tapism and rigid practices are bound to appear and these, in their turn, would render the whole Co-operative Movement an artificial agency rather than a democratic organisation enjoying freedom to develop on lines most suited to its growth in different parts of the country. It is this sense of feeling which often makes one doubt the advisability of making the Co-operative Movement a full-fledged State-sponsored activity.

GRINDLAYS BANK LTD.

In distinct contrast to the experience of Indian Scheduled banks during the past year, the profit of Grindlays Bank Ltd. (General Manager in India: Mr. A. Simpson) for the year ended 31st December, 1954, has suffered a shrinkage of Rs. 3.39 lakhs, that is, from Rs. 4.51 lakhs to Rs. 1.12 lakhs. This decline shows that the downward trend noted in the previous two years has persisted, the profit having dwindled from Rs. 13.14 lakhs for 1951 to a mere Rs. 1.12 lakhs for the year under review.

The following comparative table brings out clearly how the profit of the Bank has dwindled during the past three years:

(In lakhs of rupees)

	1954	1953	1952	1951
Interest and discount earned ..	80.15	84.89	85.34	83.11
Commission and Exchange ..	25.98	27.27	26.13	30.10
Interest paid	7.77	8.44	6.76	4.74
Expenses	47.23	48.24	47.54	45.29
Depreciation and repairs ..	0.06	0.99	0.06	0.06
Profit	1.12	4.51	9.14	13.14

The decline in the main sources of earnings, namely, "interest and discount" and "commission and exchange," as also in interest paid, indicates that the Bank's turnover must have declined during the year under review. Expenses of the Bank, which had gone up by nearly Rs. 3 lakhs in the previous two years, have dropped by only Rs. 1 lakh.

The balance-sheet of the Bank as on 31st December, 1954, discloses an expansion of Rs. 36 lakhs to Rs. 9.89 crores in its deposits, thus more than offsetting the decline of Rs. 25 lakhs noted in the previous two years. There were no outstanding borrowings from other banks as at the close of 1953, but at the end of 1954, they amounted to Rs. 3 lakhs. Bills for collection (contra item), which had fallen by Rs. 2.11 crores in the previous two years, have declined further by Rs. 41 lakhs to Rs. 78 lakhs. Acceptances, endorsements and other obligations have also dropped from Rs. 1.65 crores to Rs. 1.64 crores.

On the assets side, the Bank's advances have receded by Rs. 1.82 crores to Rs. 4.67 crores. Of these advances, loans, cash credits and overdrafts have declined from Rs. 5.40 crores to Rs. 3.48 crores, while bills purchased and discounted have risen from Rs. 1.09 crores to Rs. 1.18 crores. Investments (shown at below market value) have been strengthened from Rs. 3.09 crores to Rs. 3.86 crores and cash balances and money at call from Rs. 1.37 crores to Rs. 1.86 crores.

FINANCIAL RESULTS OF LLOYDS BANK

UPWARD TREND IN PROFIT MAINTAINED —PART OF RESERVES CAPITALISED

A VERY high level of business activity, as reflected by the rise in advances and the strengthening of the holdings in British Government securities, have been the main factors responsible for the further improvement in the earnings of Lloyds Bank Ltd. (Chairman: Sir Oliver Franks, London), for the year ended 31st December, 1954, notwithstanding the rise in operational costs. The profit of the Bank has recorded an increase of £102,291 over that for 1953 to £2,186,072, thus maintaining the upward trend since 1946. It must, however, be noted that the extent of rise in profit for 1954 is less than that (£119,116) noted a year ago and falls very much short of the increase (£148,807) recorded in 1952. Thus, the pace of increase in the Bank's profit has slowed down in recent years and this is attributable to no less a cause than the mounting administrative costs.

With the undistributed surplus of £555,780 brought in from 1953, the profit available for appropriation amounts to £2,741,852, as against £2,502,023 in the previous year. The Directors have transferred £500,000, same as in the previous year, to the general reserve, but have raised the allocation to the reserve for future contingencies from £300,000 to £500,000. The dividend on the 'A' shares has been raised from 14 per cent. to 15 per cent. (less tax), by stepping up the interim dividend from 6 per cent. to 7 per cent., the final one being maintained at 8 per cent. It may be recalled that the dividend on these shares had been raised last year from 12 per cent. to 14 per cent., by enhancing the final distribution from 6 per cent. to 8 per cent. The distribution of the dividend on the 'A' shares has taken up £1,185,769 and that on the 'B' stocks has absorbed £39,526, leaving a surplus of £516,557 to be carried forward.

Besides the increase in dividend, the holders of 'A' shares have since the close of the year, received another 'gift' by way of an increase in the paid-up value of the shares from £1 to £1 5s., thereby reducing the uncalled liability from £4 to £3 15s. per share. This has been done by capitalising a sum of £3,593,239, being part of the sum standing to the credit of the general reserve. The Directors say that the unpaid balance of £3 15s. per 'A' share could be called up only in the event of liquidation of the Bank. This means that, for all practical purposes this liability has been eliminated, because it is unthinkable that this 278-year old bank would ever be wound-up. The elimination of that part of the liability on the shares which could be called up at any time at the option of the Directors is in line with modern practice. The Directors have also announced their intention to recommend in due course a dividend of 12 per cent. for the current year on the 'A' shares in their new form. This will represent an equivalent of 15 per cent. on these shares in their old form, that is with a paid-up value of £1 each. This is, of course, subject to profits being maintained during the current year. In other words, the distribution to the 'A' shareholders will be maintained, profit permitting. The aforesaid intention of the Directors to pay a dividend of 12 per cent. on the increased capital was announced long before the British Budget for 1955-56 was presented. Under the Budget proposals the shareholders will stand to benefit by the reduction in the standard rate of income-tax, so that the net return to them will be more than what they have received for the past year.

The reserves of the Bank as at the close of 1954 amount to £17 million. Following the capitalisation of a sum of £3.59 million, the reserves have since been reduced to £13.41 million, but this decline has been made good to some extent by the transfer of £1.09 million (£1,093,239 to be precise) from the contingency account to the general reserve, thus bringing the total reserves to £14.5 million. The Bank's deposits (including contingency accounts) have swelled by £41.27 million to a fresh record level of over £1,244 million. After two years of successive decline, the Bank's liability for acceptances, endorsements, guarantees and other obligations (contra item) has staged a sharp rise of £36.27 million to £131.05 million. It, however, falls very much short of that at the close of 1951. On the assets side, loans and advances have recorded an increase of £12.21 million, in refreshing contrast to the decline of £20.80 million in 1953 and £32.12 million in 1952. Thus, the increase in loans and advances has not made good even the decline witnessed in 1953. The Bank's holdings of British bills of exchange have fallen from £6.82 million to £3.10 million. There has, however, been an increase in the holdings of British Government Treasury Bills from £234.60 million to £248.91 million. Dominion, Colonial and Foreign Bills stand reduced from £5.74 million to £2.78 million. The Bank's investments in Government securities have been strengthened by £14.47 million to £424.52 million. Of these, investments in British Government securities aggregate £377.81 million and are all redeemable at fixed dates, the majority maturing within 10 years. The market value of these and other quoted investments as on 31st December, 1954, was higher than the book value. Cash balances have been maintained at a slightly higher level.

The working of the Indian branches of the Bank during the year ended 31st October, 1954, has resulted in a profit of Rs. 16.39 lakhs, representing a sharp fall of Rs. 10.17 lakhs from that earned in the previous year. Income from "interest and discount" has gone up slightly from Rs. 126.37 lakhs to Rs. 126.80 lakhs, while that from "commission and exchange" has suffered a small decline from Rs. 34.63 lakhs to Rs. 33.94 lakhs. The outgo by way of interest paid on deposits and borrowings has gone up from Rs. 37.64 lakhs to Rs. 41.85 lakhs and expenses (other than depreciation on Bank's property) have risen from Rs. 92.74 lakhs to Rs. 98.77 lakhs.

The Bank's deposits as on 31st December, 1954, show an expansion of Rs. 2.30 crores to Rs. 39.80 crores. Inter-bank borrowings have grown from Rs. 40 lakhs to Rs. 1.49 crores. Loans, cash credits and overdrafts have risen from Rs. 14.26 crores to Rs. 15.06 crores, bills purchased and discounted from Rs. 2.41 crores to Rs. 2.54 crores. Investments have been strengthened from Rs. 19.91 crores to Rs. 20.44 crores and are shown at or under market value. Cash on hand and balances with the Reserve Bank and other banks aggregate Rs. 3.32 crores, as against Rs. 3.16 crores a year ago. Money at call and short notice amounts to Rs. 2.60 crores, as against *nil* at the close of 1953.

The following comparative table brings out the salient features of the Bank's balance-sheet as at the close of the past four years:

(In thousands of £'s sterling)

	As on 31st December			
	1954	1953	1952	1951
Capital	15,810	15,810	15,810	15,810
Reserve fund ..	17,000	16,500	16,000	14,800
Undistributed surplus ..	617	556	418	597
Deposits	1,244,306	1,203,039	1,163,011	1,169,647
Acceptances, endorsements and guarantees (contra) ..	131,058	94,784	121,770	164,524
Cash, money at call and balances with other banks ..	252,892	252,049	252,165	254,524
Bills	224,800	247,156	195,664	188,880
T. D. Rs.	..	..	..	18,500
Items in transit ..	23,066	18,626	15,143	18,876
Investments—				
Gilt-edged ..	424,525	410,055	406,019	360,189
Trade ..	5,900	8,119	6,184	8,020
Loans and advances ..	301,192	288,976	309,778	341,904
Bank premises ..	8,741	8,515	7,956	7,587
Balance sheet total ..	1,410,461	1,332,702	1,323,908	1,357,211
Ratio to deposits of—	%	%	%	%
Cash	20.3	20.9	21.6	21.7
Gilt-edged investments ..	34.1	34.1	34.8	30.8
Loans & advances	24.2	24.0	26.5	29.0

SWEDEN RAISES BANK RATE

An increase in the Swedish Riksbank's discount rate from 2½ per cent. to 3½ per cent., effected on the 19th inst., was one of a series of anti-inflationary measures adopted by the Swedish Government this month. The other measures included the decision (a) to issue a 24-year loan of an unspecified amount, bearing interest at 4½ per cent. per annum, (b) to enhance the rate of tax on company incomes, and (c) to draw up a plan for encouraging voluntary savings.

Following the rise in the Bank rate, commercial and savings banks in Sweden decided to raise their rates of interest on both deposits and loans by 1 per cent. on an average.

MODIFICATIONS IN CLOTH EXCISES

REACTION OF MILLOWNERS

FOR the second time since he first presented his budget proposals for 1955-56, the Union Finance Minister has modified the excise duties on cotton fabrics. Moving for consideration the Finance Bill for 1955-56 in the Lok Sabha on Monday last week, the Finance Minister announced four important changes. First, the classification of cotton fabrics into four categories, namely, coarse, medium, fine and superfine, as it was prior to 1st March, 1955, has been restored. The definition of fabrics has also been suitably modified, taking the average count of the yarn as the basis for classification, instead of the count of the warp yarn only. In other words, the average counts of the aforesaid four categories of cloth are (a) up to and including 16s. (b) 17s to 34s both inclusive, (c) 35s to 47s both inclusive and (d) 48s and above. Secondly, the original proposal in the Finance Bill of taxing superfine cloth at As. 2-6 per square yard has been changed to As. 2 per square yard, as the former is considered to be too heavy. Thirdly, the duty on fine cloth has been raised from 12 pies to 15 pies per square yard, which, in terms of linear yard, is roughly equivalent to what it was before 1st March, 1955, that is, 18 pies per yard. Fourthly, the handloom cess of three pies per linear yard which was being collected on fabrics of cotton (as also on artificial silk and woollen cloth) is converted into a cess of three pies per square yard. This will bring the unit for assessment of the cess in line with that for the basic excise duties.

The Finance Minister's decision to enhance the excise duty on fine cloth and to calculate handloom cess on the basis of square yard and not linear yard is, indeed, regrettable. These two changes will raise the tax burden on the cotton mills to the extent of Rs. 1.6 crores and Rs. 1.4 crores, respectively, or Rs. 3 crores in the aggregate. This is not a small burden, considering that the purchasing power of people is getting restricted. It is reported that the mills are finding it difficult to sell their production of fine and superfine cloth, owing to consumer resistance. In these circumstances, it will be difficult for the mills to pass on the incidence of excise duty to consumers by a straight increase in prices. Unless, therefore, the Finance Minister reduces the excise duty, the mills are likely to find themselves in a serious plight. That there is no exaggeration whatever in this view will be evident from the setback to production of fine cloth. The quantity of this variety of cloth actually produced during the calendar year, for instance, was substantially lower at 476 million yards, as against over 838 million yards in the previous year. The downward trend in output would appear to have persisted in the current year also.

Excise on Superfine Cloth

Although the Finance Minister has reduced the excise on superfine cloth by half an anna, the incidence of duty that actually falls on it is more than that prevailing prior to the presentation of the Budget statement on 28th February, 1955, as will be seen from the following table:

Excise duty (including handloom cess) on superfine cloth with an average width of 47"

(In pies)

New excise tariff as announced on 18th April, 1955, on square yard basis ...	27
In terms of linear yard, the above rate of duty works out to	33¼
Pre-budget duty on linear yard basis ...	33
Net increase in the rate per linear yard over pre-budget level	2¼

Indeed, the incidence of excise on superfine cloth is, as Mr. J. C. Burns, Deputy Chairman of the Millowners' Association, Bombay, stated, in the course of his speech at the annual meeting of the Association held in Bombay last week, "still extremely heavy." Assuming that the average width of superfine cloth is approximately 47, the excise duty (including the handloom cess) on cloth the ex-mill price of which is As. 12 per linear yard equals, Mr. Burns estimates, as much as 24.48 per cent. The following figures as cited by him will give some idea of what excise means:

Ex-mill price (Annas per yard)	*Excise* (Per cent.)
12	24.48
14	20.98
16	18.36
18	16.32
20	14.69
22	13.35
24	12.24

According to Mr. Burns, the largest proportion of superfine cloth sells between As. 12 and Re. 1-8 per yard, so that the incidence of excise on this category remains high and averages no less than 17.2 per cent. On a total quantity of about 312 million yards of superfine cloth, the excise (including handloom cess) is estimated to yield Rs. 5.73 crores, as against the total amount of Rs. 28.4 crores expected to be received from excise on all varieties of cloth during 1955-56.

Incidence Very Heavy

Mr. Burns put forward a strong plea for sympathy for the superfine section of the Indian cotton mill industry, which, he said, produced goods which were a necessity in this country with its hot climate. And he added that, in no circumstances could superfine cloth be called a luxury article. Elucidating this point, Mr. Burns observed:

"The name 'superfine' is in a sense an unfortunate one. It appears to suggest a luxury article, which, in a country today advocating austerity, detracts from the merits of superfine. There are four varieties of cloth, as classified by the Textile Commissioner—coarse, medium, fine and superfine. These descriptions refer to the fineness or diameter of the threads used in their construction. In a country with a warm climate, fine cloths become more of a necessity than a luxury and, in the summer season, superfine cloths are worn by all classes and sections of the population. India has a tradition for fine cloths and led the world in the manufacture of fine fabrics. Indian muslins were world famous at a time when the world generally clothed itself with the coarsest of weaves. But today, on the basis of the tendency to regard superfine as a luxury, this section of the industry is subjected to an excise which seems out of proportion. I would not wish to appear ungrateful for the reduction announced on Monday afternoon (18th April, 1955)—far from it—but I would, nonetheless, like to point out that the incidence of excise on superfine is still extremely heavy."

There is considerable force in these observations of Mr. Burns. It is, however, doubtful if the Finance Minister will be willing to make any further modifications in excise duty.

When a clause-by-clause debate on the Finance Bill took place, Mr. N. V. Gadgil criticised the Government for having reduced the excise duty on superfine cloth and alleged that the Government had yielded to pressure groups from Ahmedabad mills which account for a large proportion of this variety of cloth produced in this country. Mr. T. T. Krishnamachari intervened in the debate and declared that, if the Government had not been courageous enough to make the changes in the taxation proposals it did, industries would have been ruined, a view remarkably similar to the one expressed by this journal when it commented on the budget proposals. Mr. M. C. Shah, who replied to the debate on behalf of Mr. Deshmukh, characterised the insinuation of Mr. Gadgil, a member of the ruling party, as being the voice of a desperate person. Dismissing the charge as wholly untrue, he said that, despite the reduction in the rate of duty, the reduced duty was somewhat more than the one prevailing before the Budget day, as a result of the change in the unit basis for purposes of both the excise duty and the handloom cess. He was really very effective when he added that the duty on fine cloth, which was produced in rather great quantity by the Ahmedabad mills, was first proposed at one anna and then revised to one anna and three pies. As was pointed out by us last week, the changes made in the taxation proposals were dictated not by any desire on the part of the Government to do the industrialists a favour but by the realisation that they were necessary in the larger interests of the country.

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WOOL PRICES

The downward trend in wool prices would appear to have been arrested, although the average price for the current season (1954-55) is expected to be lower by 11 per cent. as compared with the previous year. Wool prices in the next few months, the Australian Bureau of Agricultural Economics states, will be maintained at their present levels. In support of this view, the Bureau points to the increase in consumption. According to it, one important factor is the likelihood of a rise in the demand for wool in America during 1955. The continued steadiness of raw wool prices should assist American manufacturers to rebuild trade stocks which are at a low level. The improvement in retail sales, new Government orders for wool textiles, and reorganisation of mills are the other pointers to a healthier market for wool in the U.S.

The fall in wool prices that has been in evidence in the past year or so is attributed to the tendency among manufacturers at all stages of the woollen industry, especially in America and the U.K., to adjust their buying only to meet orders already in hand. This has resulted in the carrying of smaller stocks than usual. The stable wool prices at the existing lower levels, it is, however, felt, will have a beneficial effect on the wool market, in general, in that they will induce manufacturers and wholesalers to place forward orders and rebuild stocks.

TEXTILE TRADE IN O.E.E.C. COUNTRIES

A scheme for liberalising trade in printed textiles in the countries of the Organisation for European Economic Co-operation (O.E.E.C.) has been evolved by Prof. Wisselink, of the University of Rotterdam. The scheme envisages immediate abolition of import duties on printed textiles, if necessary, at the same time maintaining or re-introducing a provisional quota system. It also envisages control over export rebates and special fiscal facilities. The scheme was discussed by the delegates to the last annual meeting of the International Federation of Textile Printers held at Scheveningen. The decisions taken at the meeting are, however, not made known.

Prof. Wisselink considers that the present half-way position in the European liberalisation of printed textiles is untenable, especially for small countries. In his considered opinion, the creation of one big free West European market is essential, since it is the only way to achieve a considerable increase in production runs and a cut in cost prices. To quote him: "Only the creation of one big European market, together with close co-operation between West European textile industries, will enable Western Europe to compete successfully with India, the U.S., Japan and the U.K." Prof. Wisselink estimates that the O.E.E.C. countries have a total over-capacity of 700 million metres of textiles that have to be sold in the world market.

HANDLOOM INDUSTRY

The Government of India has decided to strengthen the Central Marketing Organisation for Handloom by having two headquarters—one for the northern zone and the other for the southern zone—each having four different regional offices. This information was furnished by Mr. V. Nanjappa, Textile Commissioner and Chairman of the All-India Handloom Board, at the meeting of the Board's Standing Committee held in Bombay recently. Referring to the schemes for developing the handloom industry, Mr. Nanjappa disclosed that the total expenditure incurred by the Governments of 12 States which had supplied figures till the end of March, 1955, was Rs. 2.57 crores, out of a total amount of Rs. 6.43 crores sanctioned. The Central Government, it is said, has agreed to provide a sum of Rs. 5 crores for the development of the industry during 1955-56 which, together with the unspent balances of the previous year, would make available Rs. 8 crores to the State Governments for expenditure in the current financial year.

The Standing Committee considered, among other things, a scheme for the training of employees of weavers' co-operative societies and apex bodies and subsidy for the running expenses of production-cum-sales societies and yarn distribution societies. The Committee decided that the All-India Handloom Week should, in future, be held in the first fortnight of February each year.

LOANS TO SPINNING MILLS

Replying to a question in the Rajya Sabha, the Minister for Commerce and Industry, Mr. T. T. Krishnamachari, said the other day that, while the Madras Government had drawn a loan of Rs. 10 lakhs sanctioned for the spinning mill at Tirunelveli, the Andhra Government had not yet drawn the loan of an equal amount for the mill at Guntakal. He added that the loan to the Madras Government was recoverable in five years and the first instalment was recoverable in November, 1954. Replying to a further question on the subject, Mr. Krishnamachari said that the State Governments had been told that they were responsible for repayment of the loans to the Government of India.

STABLE COTTON PRICES VITAL TO FUTURE OF CLOTH INDUSTRY

WORKERS' WAGES RAISED

From Our Special Correspondent

MANCHESTER, *19th April*

MANCHESTER LETTER

IT has been an important week so far as political developments in the United Kingdom are concerned. Industry as a whole is vitally affected by moves to hold a General Election on 26th May while uncertainty over what the Chancellor of the Exchequer may do in his Budget has also been a contributing factor.

At least it is now known that the prospect of a new Government will be relieved by the end of next month, although many of the other current uncertainties may well be prolonged. At the time of writing the Budget proposals are still a secret but there has been more than usual interest in Lancashire about the Chancellor's statement this year. The view has been gaining ground in the cotton industry that at long last something will be done to deal with the now universally condemned purchase tax. In fact, it has been suggested that a reply to the deputation which visited Sir Winston Churchill last month has been deliberately withheld in order not to anticipate the Chancellor's statement.

It has been frequently stressed that lack of confidence about the future is the basic cause of Lancashire's troubles. They cannot be cured or even eased until not only the cloth import problem is resolved. It is essential also that some degree of stability in raw material rates is obtained and this can only come from appropriate action by the authorities in the United States to gain control over the surplus supplies of cotton which exist.

Conflicting advices continue to be received from across the Atlantic about the probable measures to be taken in this connection. Mr. Benson, Secretary of Agriculture, who at first was quoted as saying that plans would not be formulated for another two months, has later given an indication that no subsidy is contemplated.

The very fact that such contradictory statements are being made leads inevitably to wider fluctuations in prices. The Liverpool market, no less than New York, has been influenced by these reports and rapid changes in values only add to the confusion of the already burdened cotton trader who is trying to assess future prospects.

Strength Amid Weakness

However dismal the prospects for the cotton trade may seem at the moment, it is as well to remember that there are compensating factors in the situation—although they may be few in number. If such a position had been reached perhaps 20 years ago, firms engaged in all branches of the industry would have been far more vulnerable than they are at present. Both individually and collectively the cotton trade in Lancashire has gained undreamed-of strength in the intervening years.

Some indication of the general experience of the trade can be obtained from comparing financial results announced by cotton spinning and weaving companies during the first three months of the year with previous figures. Taken as a whole, 19 spinning and weaving concerns announced financial statements during the first quarter of 1955 and their average profits have shown an increase from nearly £47,000 to over £61,000. The fact that the dividend paid, at 17 per cent., has been reduced by more than 1 per cent. is perhaps a recognition of the forbidding shape of things to come.

Allowing for the obvious backdating of all such results, which cover preceding periods when trade has varied, it is not likely that similar returns will be received from other textile companies for at least some months to come. Unless there is a sudden change in the situation, however, those firms the books of which are made up towards the end of the year may well begin to reflect the current stagnation.

Power to Recover

How long this already extended phase of slackness within the industry will persist cannot yet be gauged, but both spinners and weavers are now far more able to withstand adversity than they have ever been in the past. It is true that assets can be drained away by a prolonged era of bad trade, but it is equally a fact that Lancashire has not dissipated her resources over the prosperous decade through which the industry has passed since the war.

For example, the credit balances available for the 120 spinning and weaving firms covered by a special analysis at the end of last year amounted to nearly £16,500,000, giving an average of over £137,000 per company. In addition, the 12 leading combines carried forward almost £6,000,000 to their current accounts, an average of nearly £500,000 each.

Such financial strength was entirely absent before the war when many cotton companies had been struggling against serious difficulties ever since the slump in the 1920's. These credit balances, too, are only a small part of the main picture which is represented by assets and reserves totalling many millions of pounds.

Wages Matters

More than 40,000 workers in the British textile finishing industry have received wage increases as a result of variations in the cost of living index figure. The increases became operative from the second Friday in April, it was disclosed in Manchester.

The cost of living payment for adult male workers on time rates was increased from 26s. 7d. to 28s. 5d. weekly, giving a total payment of £6 8s. 5d. The payment for women workers was raised from 19s. 4d. to 20s. 8d. making a weekly rate of £4 9s. 2d. The increases operate under a cost of living agreement between employers and the trade union.

An application for a wage increase of 15s. weekly has been tabled on behalf of maintenance mechanics and electricians in Lancashire cotton spinning and weaving mills and in finishing works. The two unions involved in the claim—the Amalgamated Engineering Union and the Electrical Trades Union—will negotiate with spinning and weaving employers *jointly but* separate discussions will take place with employers in the finishing section.

Maintenance workers in spinning and weaving received a wage advance of 2½d. an hour, increasing the basic weekly rate to £8 14s. 5d. in October. The last pay award made to maintenance men in the finishing section was almost 12 months ago.

Lancashire Trade Missions

Tribute to the work of the Lancashire textile mission which recently visited India to explore the prospects for raising exports of British cotton goods to the Indian market has been paid at a meeting of the Manchester Chamber of Commerce.

Mr. H. E. Pardoe, the President, said some time must elapse before a detailed report could be made available by the delegation leader, the Hon. Angus D. Campbell.

"This is being keenly awaited, but meanwhile the Manchester Chamber and the industry generally must feel a deep sense of gratitude for the competent manner in which they have conducted their investigations, which it is hoped will lead to improved conditions for exports to the Indian market," said Mr. Pardoe.

The good wishes of the Chamber were also expressed to Mr. T. Gray Hill, who will be leading a Lancashire textile design mission to Japan on 30th April. The visit to Japan reciprocates the Japanese mission to Britain last October as a result of Lancashire complaints of "piracy" of British designs.

U.S. Interest in Lancashire

Heads of a number of U.S. firms will visit Lancashire this summer to see at firsthand the opportunities for expansion North-West England has to offer to American industry.

The visits will form part of business missions to Britain by U.S. industrialists, Mr. G. S. F. Ritson, Director of the Lancashire and Merseyside Industrial Development Association, said when he returned to Manchester after a tour of key American cities. A full report on the tour will be given to the General Council of the Association later this month.

In the four weeks he spent in the United States Mr. Ritson visited New York, Philadelphia, Boston, Chicago, Detroit, Cleveland and Pittsburg, contacting new firms and communicating with others which have already shown some interest in opening out in Lancashire.

"Getting them over here is essentially a long job, however," said Mr. Ritson. "But I am hopeful there might be developments from contacts I made in Boston and Pittsburg."

Mr. Ritson's visit was part of the Development Association's bid to attract a wider range of industry to Lancashire and so minimise the risk of unemployment which stems from over-dependence on the cotton trade.—*All Rights Reserved.*

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VALUE OF MARKET RESEARCH IN PROMOTING USES OF COTTON

SIGNIFICANT RESULTS SEEN IN U.S.

BEING the leading cotton-growing and cotton-consuming country in the world, the U.S. is naturally interested in increasing the uses of cotton, so that the growers and all the interests connected with the marketing of cotton might benefit through such an increase. Much interest is naturally evinced in that country in "promotional" programmes which are designed to extend the consumption of cotton. A necessary basis for such a programme is the knowledge of the various uses to which cotton is put. The National Cotton Council of the U.S. has for some time now been engaged in research into the uses of cotton. An article on this aspect of the Council's activities by Mr. M. K. Horne, Chief Economist of the Council, which appears in the latest issue of the *Cotton and Allied Textile Industries*, the official organ of the International Federation of Cotton and Allied Textile Industries, Manchester, will be read with interest in this country which ranks next only to the U.S. as a cotton-growing and cotton-consuming country.

From the point of view of cotton men, a welcome feature of the trends in textile consumption in the U.S. is that the consumption of cotton has increased by 50 per cent. to nine million bales (of 478 lbs. each), as compared with 1930. This is the more remarkable because other consumer goods, such as automobiles and electrical conveniences, are also competing with textiles and also because cotton has had to yield ground to rayon in certain industrial uses; in tyre cord manufacture, for instance, rayon has displaced cotton to the tune of 50,000 bales. The increase in the consumption of cotton, in the face of those adverse factors, is attributed to "striking gains" in the clothing and household uses of cotton. Not only has there been a total increase in consumption, which must take place anyway in a country with a growing population and rising living standards, but there has been an increase in *per capita* consumption of cotton goods as well. Mr. Horne remarks that this gain for cotton is clearly the "work of quality improvement and sales promotion."

Market Research

Mr. Horne defines market research as an "orderly, systematic investigation and analysis of our end-use markets, such as the bag market and the carpet and rug markets." The U.S. National Cotton Council's market research programme, it is stated, consists of two parts. The first part, or what might be called the quantitative part, consists in measuring the size of each important end-use market. In sheets, shirts, towels and so on, they determine the quantity of cotton consumed annually and the quantity of each competing material consumed. These estimates, which are made year after year, give the total size of each of the markets and cotton's relative position within the market.

The second part of the programme is qualitative in nature, in that it seeks to determine why cotton is gaining or why it is losing in each market. He adds:

"We are constantly enquiring as to why cotton sells or fails to sell. What does the consumer like about it, and what does he dislike about it? What can be done that will cause the consumer to like our products better and to buy more of them? We explore the significance (1) of specific qualities, (2) of merchandising methods, and (3) of price in our effort to arrive at the best possible method of expanding consumption. The first part is obviously statistical in its nature, while the second part calls for projects of several types. We use polls of consumer opinion. We employ special surveys of end-use markets whenever these are made timely by any circumstance which seem to raise either a special danger or a special opportunity for cotton products. Most of all, we rely on periodic interviews with the leading retail executives of the country, to keep us informed and up to date on our market position with respect to the final consumer."

All this information is supplied to appropriate agencies which utilise it for promoting the use of cotton. Thus, the Sales Promotion Division of the Council uses it to form judgment as to what markets are useful for cotton and what markets need special promotional effort. The Technical Department studies this research information and supplies it to the agencies that are engaged in textile research, design and engineering. Information about the place of cotton in national economy is also supplied to the public, the administrators and the legislators. The dissemination of such information, it is stated, has proved "valuable in combating legislation that would discriminate against our products."

The author, however, recognises that market research could be easily overdone. Such research, he points out, is not an end in itself. A major portion of the budget of an organisation devoted to increased consumption of any article should be spent on promotion rather than on market research. At the same time, one should not underestimate the value of market research. Some textile executives question the value of market research, for they feel that they themselves know their markets well enough. Mr. Horne concedes that the textile executive knows a great deal about his markets. Even so, market research may shed some new light on those markets. Thus, the executive may know all about the immediate market which he serves "without necessarily knowing all about his ultimate market (that is, the final consumer's reaction to various end products of that cloth)." Market research will reveal why the final consumer buys a certain type of dress or drapery or automobile seat cover. Secondly, market research tends to give a more objective picture of the market situation; it eliminates the "human equation, the prejudice that we find (or at least suspect) in every human being." Thirdly, it aids judgment. Explaining this, Mr. Horne says:

"It is to the third point that I would give the greatest emphasis. There is a wealth of experience to prove that market research can increase the value of any man's knowledge, judgment, and intuitions. The broader a man's knowledge and vision becomes, the more he sees the wisdom of checking his viewpoint against the findings of objective research. Market research is surely not a substitute for business judgment—quite the opposite. It is an instrument for expanding the value of a business man's judgment, insights, and 'hunches'... Market research is helpful in cutting down the risk of mistakes and in reducing indecision as to programmes that ought to be undertaken."

The proof of the pudding is in the eating; market research must produce some tangible result. Can such research show any important gain to its credit? It can. Mr. Horne points out that, in the last decade, the Council realised that there was a possibility of developing large markets for all-cotton rugs or carpets. Through effective promotion, quality improvements, new merchandising methods, a new market for some 200,000 bales was developed. Again, cotton had lost heavily to rayon in men's sports shirts. It is now steadily regaining this market. By emphasising cotton's washability, resistance to hard wear and comfort, cotton goods are finding more extensive use in "informal wear." Finally, the Council is now "use-testing an experimental automobile seat cover which has been developed to embody just the qualities which market research has found to be most in demand." Thus, its market research programme supplies the Council with significant information about trends in the use of cotton and provides the necessary guidance for formulating the correct promotional campaign.

COIMBATORE MARKET COMMITTEE

The Annual Report for 1954 of the Coimbatore Market Committee, Tirupur, South India (Chairman: Mr. S. M. Kalidas), continues to be an informative document. Besides cotton, this centre handles groundnut and tobacco crops. As regards cotton, the Committee places the 1953-54 crop at 120,000 bales as against the official estimate of 97,000 bales. The total quantity of cotton marketed in the district during 1954 amounted to 150,000 bales. inclusive of arrivals of 30,000 bales from neighbouring districts as against 100,000 bales in 1953. The consumption of cotton by the Coimbatore mills during 1954 was about 187,000 bales consisting of about 87,000 bales Cambodia and Karungani, about 70,000 bales other Indian varieties and about 30,000 bales foreign cotton. Exports of cotton from the district to other centres in India amounted to 50,000 bales, and the year-end stocks of 18,000 bales.

As regards the 1954-55 crop, the Committee estimates the land under cotton and the yield at 375,000 acres and 100,000 bales respectively. The land under cotton consists of 137,000 acres of irrigated area and 40,800 acres of unirrigated area under Cambodia cotton and 5,000 acres of irrigated area and 133,000 acres of unirrigated area under Karungani cotton and 55,930 acres under M.U. 1 variety. Thus, the total area under Cambodia cotton is placed at 178,300 acres as against 109,750 acres in 1953-54 and the land under Karungani cotton at 140,770 acres, as against 125,250 acres in the previous season. The area under M.U. 1 is 55,930 acres, as against 45,000 acres in 1953-54. There has thus been an increase in the area under each of the three varieties of cotton. Despite the increase in acreage the crop, it is stated, is likely to be less than the 1954-55 season, since it has been adversely affected by the unfavourable weather conditions which prevailed during the period following the sowing of cotton. Unlike in the previous year, there have been no attacks of boll-worm.

The Committee has continued to publish the daily market reports which are so useful to the trade. The publication of monthly bulletins has been resumed with effect from January, 1955. An interesting feature of the work done by the Committee in 1954 was the publication of three leaflets in Tamil for the benefit of growers. In one leaflet the growers were urged to utilise the services of the regulated markets for selling their commercial crops. Another leaflet gave an imaginary conversation between two growers on the benefits of regulated markets, while the third leaflet described at some length the manifold advantages of regulated markets. It would appear that the Committee has submitted to the State Marketing Officer, Madras, a *kumni* song in Tamil—*kumni* is a rural tune—bringing out the advantages of regulated markets. We heartily commend this feature of the Committee's work to the attention of the authorities of all regulated markets in India.

After all, the problem of persuading the farmers to utilise the services of regulated markets is the same in all parts of India. They must be convinced that these markets offer them advantages which they can never derive in other centres. In this connection, the Committee makes certain interesting observations. The growers in the Coimbatore area, it is stated, are aware of the advantages of regulated markets. Nevertheless, they, in their "dire need for money," choose to sell their produce at their doors, to the agents of mills and traders, who pay cash and transport the produce in their lorries. It is only when credit facilities are provided, the Committee points out, the growers would be attracted to the regulated markets. Such facilities, the Committee rightly holds, are the *sine qua non* of regulated marketing of agricultural produce.

IT-9468

INTERNATIONAL FINANCE CORPORATION

SALIENT FEATURES OF ITS CHARTER

IN our last issue, a brief reference was made to the draft charter of the International Finance Corporation, which will be an affiliate of the World Bank. The draft Charter, or Articles of Agreement, has been circulated to all countries which are members of the Bank and is now ready for acceptance by member-Governments. Attached to the Charter is a memorandum explaining its main features. The next step will be for those Governments which desire to join the new organisation to take whatever legislation or other action that may be required to accept membership and to subscribe their respective share of the I.F.C.'s capital.

In a letter forwarding the Charter to member-Governments, Mr. Eugene R. Black, President of the World Bank, observes:

"The Executive Directors have devoted several months to the formulation of the proposed Articles of Agreement and explanatory memorandum and have approved them for submission to Governments. Although the Executive Directors' action has not committed Governments to join the International Finance Corporation the various views expressed by Governments have been carefully considered and fully discussed. It is my opinion that the proposed Articles of Agreement afford a most satisfactory framework for the esablishment and functioning of the new institution. I therefore recommend the proposed Articles of Agreement for early and favourable consideration ...

The basic objective of the Corporation is to further economic development by encouraging the growth of productive private enterprise in member-countries, particularly in the less developed areas, thus supplementing the activities of the International Bank for Reconstruction and Development (popularly known as the World Bank). In carrying out this purpose, the Corporation will:

(a) in association with private investors, assist in financing the establishment, improvement and expansion of productive private enterprises which would contribute to the development of its member-countries by making investments, without guarantee of repayment by the member-Government concerned, in cases where sufficient private capital is not available on reasonable terms;

(b) seek to bring together investment opportunities, domestic and foreign private capital, and experienced management; and

(c) seek to stimulate, and to help create conditions conducive to, the flow of private capital, domestic and foreign, into productive investment in I.F.C. member-countries.

Membership in the Corporation will be open to Governments which are members of the World Bank. The I.F.C. will have an authorised capital of $100 million, available for subscription by members in amounts proportionate to their subscriptions to the capital of the Bank. Subscriptions will be paid in gold or United States dollars. The authorised capital is divided into 100,000 shares of $1,000 each.

The United States would be the largest shareholder in the Corporation; its subscription would amount to $35,168,000. The United Kingdom would be the next largest shareholder, with a subscription of $14,400,000. The following list shows the capital available to some of the important countries:—

Countries	*In thousands of U.S. dollars*	*Countries*	*In thousands of U.S. dollars*
United States ..	35,168	Japan ..	2,769
United Kingdom ..	14,400	Australia ..	2,215
China	6,646	Italy	1,994
France	5,815	Indonesia ..	1,218
India	4,431	Brazil	1,163
Germany	3,655	Pakistan ..	1,108
Canada	3,600	Sweden ..	1,108
Netherlands ..	3,046	South Africa ..	1,108
Belgium	2,492	Denmark ..	753

The Corporation will come into being when at least 30 Governments have subscribed at least $75 million to its capital.

The I.F.C. will be affiliated with the World Bank in the following ways:

(a) Membership in the Bank will be a prerequisite to membership in the Corporation.

(b) Each Governor of the Bank representing a Government which joins the Corporation will become a member of the Board of Governors of the new institution.

(c) The I.F.C.'s Board of Directors will be composed of those Executive Directors of the Bank who represent at least one Government which joins the I.F.C.

(d) The President of the World Bank, who is Chairman of the Bank's Executive Directors, will also be Chairman of the Corporation's Board of Directors.

The Corporation will, however, be an entity separate and distinct from the Bank. The assets of the two institutions will be kept entirely separate, and the Corporation is prohibited from borrowing from the Bank.

The new institution will have its own President. He will be appointed by its Board of Directors on the nomination of the Chairman. Subject to the policy direction of the Board and the Chairman, the President will be responsible for the conduct of the Corporation's business.

The Corporation will make its investments without governmental guarantee. It will be authorised to make both fixed-interest loans and investments of other kinds. It may, for instance, buy securities which would give the Corporation a right to participate in the profits of an enterprise and which, when sold by the I.F.C. could be converted by the purchasers into capital stock. The Corporation itself, however, will not be authorised to invest in capital stock; nor will it assume responsibility for managing the enterprises in which it invests.

The I.F.C.'s charter gives it more latitude in financing private enterprise than the World Bank has. The Bank may lend to private borrowers only with a governmental guarantee; this has deterred both private *entrepreneurs* and governmental sponsors from seeking loans for private projects. Secondly, the Bank makes only fixed-interest loans, whereas the type of financing required for the establishment or expansion of a private enterprise is often venture capital as well as fixed obligations.

The Corporation will have authority to invest in any kind of productive private enterprise, including agricultural, financial and commercial undertakings; but its main emphasis is likely to be on industry. In addition to its financing operations, the I.F.C. will serve as a clearing house to bring together investment opportunities, private capital and experienced management.

In the case of an *entrepreneur* looking for capital and for technical skills from abroad, for instance, the Corporation would seek to interest investors outside the country who would be able to provide management experience as well as capital. Conversely, in the case of an *entrepreneur* interested in establishing or expanding an operation abroad, the Corporation would seek to recruit domestic capital and local partners in the country of investment.

In either case, the Corporation itself might invest in the enterprise. But it would do so only if it were satisfied that the private interests concerned were contributing a full share of the funds required, and that the remaining requirements could not be met from other private sources on reasonable terms. The Corporation will supplement, and not substitute for, private investment; as far as financing is concerned, it will regard itself as the last resort.

The Corporation will seek to revolve its funds by selling its investments to private investors whenever it can appropriately do so on satisfactory terms. The Corporation will be authorised to raise additional funds by selling its own obligations in the market, but it is not likely to do so in the early years of its operations.

Enterprises in which the I.F.C. invests will not, by reason of that investment, have any special status under domestic laws and regulations. Although the Corporation itself will have substantially the same privileges and immunities as the World Bank, its charter does not exempt it from applicable foreign exchange regulations on the transfer of earnings and of repayments of principal on its investments. In this respect, the I.F.C. will be in the same position as private investors generally.

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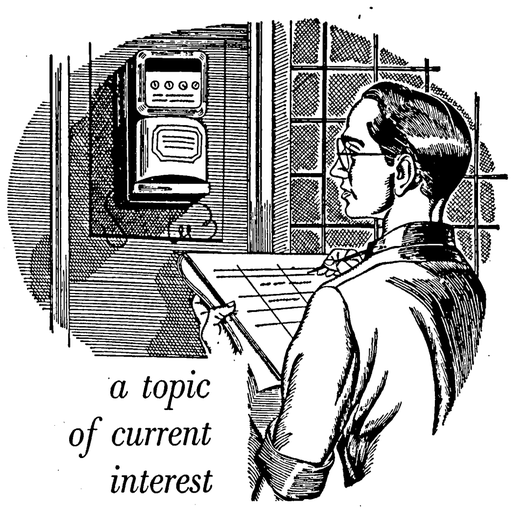

a topic of current interest

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CANE CULTURAL OPERATIONS IN U.P.

GOVERNMENT TO GIVE COMPENSATION TO CULTIVATORS

THE Uttar Pradesh Government's move to intensify the varietal, manurial and cultural operations in the sugarcane fields is a step in the right direction. This is part of the soil and zonal extension scheme. The Government proposes to pay compensation to those cane growers who permit it to try out such operations on their plots. The amount of compensation, which will be given in the form of free supply of manure, fixed at Rs. 150 per acre in the case of varietal trials and Rs. 200 per acre for manurial trials. Incidentally, it is said that about 30 varietal and 24 manurial trials are conducted on an average in cultivators' fields during a year.

The aforesaid decision seems to be a sequel to the lack of sufficient response and support from the sugarcane growers to the varietal, manurial and cultural operations, thanks to the financial loss involved. The operations are tested under the actual conditions of the growers' fields and, since these require many additional operations which do not conform to the normal practice, the sugarcane cultivators are very reluctant to carry them out. In order that trials may prove of value, they have also to be laid out according to statistical designs. This involves a further loss to the cultivators, as some land has to be left out without crop as plot and block boundaries. Besides, in all manurial experiments, a non-manure plot has to be provided along with the treated plots which too causes financial loss to cultivators.

Progress in Cane Cultivation

The need for intensifying development of sugarcane in Uttar Pradesh cannot be overemphasised. Although Uttar Pradesh is the major centre of the Indian sugar industry and accounts for more than 50 per cent. of the total sugar output, the sugar industry in the State has all along been in a none too happy position. For the progress in the primary stage of sugar industry—that is, cultivation of cane—has lagged behind that in the manufacturing stage—that is, production of sugar. Not only has the yield of cane per acre been very low but the quality of the cane also has been relatively poor, as compared with other sugar-producing States. Thus, the average quantity of sugarcane raised on one acre of land in the U.P. during 1953-54 was not more than 11.2 tons, as against 28.3 tons in Madras, 26.2 tons in Bombay and 17.1 tons in Mysore. Similarly, the recovery of sugar from cane in the U.P. was as low as 9.87 per cent., which compares unfavourably with 11.76 in Bombay, 10.82 in Hyderabad, 10.20 in Mysore and 10.06 in the Punjab.

A brief reference may be made to some of the results of research carried out in manurial and cultural operations at the important research stations in Uttar Pradesh during 1952-53. Experiments conducted at the Shahjanpur research station reveal that Co.S.510 has shown excellent performance in regard to both cane yield and juice consistently for three years. This variety is reported to be quite satisfactory in almost all zonal centres. The highest yield derived from the sugarcane variety under normal irrigation treatment among six other varieties is 42.3 tons (1952-53). Green manure for Co.453 varieties has resulted in stepping up the average yield of cane by about 6.6 tons per acre. The practice of soaking the setts in plain water for 24 hours before planting, it is claimed, will improve germination further and thereby raise the final yields. The placement of fertilisers at 6" depths has led to slightly higher uptake of nitrogen. In juice quality and fibre-content, Co.S.510 and Co.S.430 have been found to be more suitable for sugar manufacturing. An experiment carried out in order to observe the effect of fungicides on the resistance of varieties against red-rot has indicated that pre-sowing fungicidal treatments do not provide any appreciable protection against red-rot infection. The average loss of weight due to attack by termite is estimated at 29.8 per cent., by top borer at 23.6 per cent., by stem borer at 17.6 per cent. and by root borer at 9 per cent. The percentage loss of sugarcane juice on account of termite, top, and stem and rot borers is found to be 0.78, 0.48 and 0.01, respectively.

The sugarcane research carried out at the Muzaffarnagar station reveals that, of the 11 varieties tried, Co.S.469 has proved to be the outstanding as regards both yield (32.2 tons) and recovery (12.5 per cent.). The mixture of ammonia sulphate, groundnut cake and farmyard manure—each 40 lbs.—has given a per-acre yield of 27.3 tons of cane.

The standard varietal trial conducted at the Gorakhpur research station has shown that 30 to 50 per cent. more yields can be obtained from Co.S.443, Co.S.430, Co.S.517, Co.S.416 and Co.S.511 than the standard variety Co.453. Application of superphosphates has not shown any effect on cane yield or juice quality.

PLIGHT OF U.P. CANE GROWERS

A plea to the Government of Uttar Pradesh not to allow any sugar mill in the State to close till it has crushed all the cane supplies available in its area was put forward by the Executive Committee of the U.P. Co-operative Cane Unions' Federation in the course of a resolution adopted at a meeting held in Lucknow recently. The plea is based on the ground that a large quantity of sugarcane is standing in the fields in the different parts of the State and, unless suitable arrangement for its disposal is made, an appreciable quantity of cane would be lying unsold with the growers, causing considerable hardship. The Committee requested the Government to see that the entire standing crop of the cane growers is supplied to the sugar mills at the minimum price fixed by the Central Government. To quote it: "There should not be any objection on the part of the sugar mills to pay the minimum price fixed by the Government, as the cane this season is very healthy and the recovery is far better in comparison to previous years."

The anxiety of the U.P. cane growers over the surfeit of sugarcane supplies is understandable. But it will not be fair to compel the sugar mills to purchase all the cane that is available at the fixed minimum price, unless the Government guarantees the mills a fixed fair price. The profit margin of sugar mills has already fallen perceptibly, thanks to the heavy incidence of excise duty on sugar and to the marked fall in prices. What is worse, the sugar mills are reported to be facing the grim problem of disposing of the accumulated stocks. As was indicated in these columns last week, as much as 80 per cent. of the sugar produced in the current season is still lying unsold with the sugar mills. In these circumstances, how can the mills be asked not to cease crushing until they finish all the cane available in their area, unless the Government comes forward with some assurance to the mills in regard to the disposal of sugar at profitable rates?

SUGARCANE PESTS

One of the disquieting aspects of sugarcane cultivation in India is the great damage that is being caused by pests. The Agricultural Departments of the State Governments and the research laboratories have no doubt endeavoured to evolve methods to deal with these pests. But the problem as such has not been completely tackled. This is probably because adequate and proper attention has not been paid to the adoption of such measures as are introduced in the other leading sugar producing countries of the world. It is, for instance, stated that Hawaii has achieved considerable success in the matter of fighting the pests. Much significance is, therefore, attached to the proposed visit to Hawaii of Dr. E. S. Narayanan, Head of the Division of Entomology of the Pusa Institute, who has left for Washington under the T.C.A. programme to study work on biological control of insects in the U.S. During his stay in Hawaii, Dr. Narayanan is expected to study the methods adopted there for controlling sugarcane pests.

THE TRAVANCORE BANK
LIMITED

UNDER THE PATRONAGE OF AND LARGELY SUPPORTED BY THE GOVERNMENT OF TRAVANCORE-COCHIN

Authorised Capital .. Rs. 2 Crores
Issued and Paid-up Capital .. .. Rs. 1 Crore
Reserves .. .. Rs. 21,75,000

OFFERS COMPLETE BANKING SERVICES INCLUDING FOREIGN EXCHANGE FACILITIES

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

R. F. WISHART,
Managing Director.

ACCIDENTS IN COAL MINES

DEBATE IN RAJYA SABHA

THE introduction in the Rajya Sabha recently of a non-official resolution calling upon the Government of India to take such measures as would assure, to the extent humanly conceivable, safety of working in collieries and to provide for deterrent punishments to those violating the safety provisions under the Coal Mines Safety Regulations, gave an opportunity to the members to discuss problems relating to working conditions in collieries. Although the resolution moved by Mr. S. Banerjee was rejected, Mr. Khandubhai Desai, Union Labour Minister, accepted the spirit behind it and gave categorically the assurance that the new regulations which were being finalised would be issued shortly. He revealed that the views of employers, workers and State Governments on the new regulations were being studied. The Government was awaiting the reports of Courts of Enquiry appointed to go into the recent mine accidents and, if necessary, would constitute, after the receipt of their reports, a committee to enquire into the general question of accidents.

Mr. Desai admitted that courts were not awarding deterrent punishments to those disobeying the safety regulations with the result that the offenders had been let off lightly. The Centre had, he disclosed, invited the attention of the State Governments to this question and suggested the appointment of special magistrates fully acquainted with the technical problems of working in collieries and having powers to award deterrent punishment to offenders. In the meantime, the Labour Minister stated that the Government was taking all possible steps to increase the frequency and the extent of inspection by strengthening the Directorate of Inspection.

It is common knowledge that coal mining is still one of the most dangerous occupations in the world. As pertinently pointed out in the I.L.O. report on "Safety in Coal Mines," published in 1953, "civilisation still depends on coal; it is unthinkable that the men who provide it should be needlessly killed or multilated." In the words of the United States Bureau of Mines: "Coal is one of the most important of all basic materials, not only in industry, but in all phases of modern life; without it, many industries could not function, hence the welfare of the industry as a whole is of prime importance to the life of the entire community and, in fact, the entire world."

Accidents in collieries in India have been latterly on an upward trend. As disclosed by Mr. Khandubhai Desai, the rate of fatal accidents declined from 1.36 in 1,000 in 1940 to 0.72 per 1,000 in 1950. Since then, it has gone up slightly. It was 0.90 per 1,000 in 1951, 0.91 in 1952, 0.97 in 1953 and 0.98 in 1954. The accidents in 1950 in Japan, it will be interesting to mention here, were 1.86 per 1,000, in the U.K. 0.83, in France 1.10, in the U.S. 2.15, in Canada 3.19 and in South Africa 1.66. It is said that the increase in accidents in India since 1950 is due to the inclusion of the collieries that were in the former Princely States; these collieries had not been taken into account in the statistics of accidents and inspected properly in the initial stages. The inspections in 1954 were, however, larger, being as many as 7,200, as against 6,469 in 1953, 5,978 in 1952 and 5,467 in 1951.

It is generally accepted that all responsibility for the prevention of accidents cannot be imposed on any individual in an undertaking. Accident prevention is virtually a task that requires the co-operation of all concerned, including Government, employers and employees. Safety in coal mining cannot be successfully promoted by legislation alone. There must not only be a means of securing the enforcement of legislation efficiently, but also safety activities of other kinds, such as research, education, training and propaganda. It is needless to add that much remains to be done in Indian mines. The workers themselves have to acquire safe working practices, as a number of accidents are caused by human failings, such as ignorance, lack of or improper training and faulty follow-up of the workers' initial training.

The demand for coal might increase by more than a third during the second Five-year Plan, according to Mr. K. C. Reddy, who stated in Parliament on the 22nd inst. that schemes for increasing the annual output to meet the increased demand were being drawn up by the Coal Commissioner, in consultation with the Planning Commission, for the consideration of the Government of India.

GRINDLAYS BANK LIMITED

(*Incorporated In England*)

BALANCE SHEET OF INDIAN BRANCHES AS AT 31st DECEMBER 1954

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
Deposit with Reserve Bank of India under Section II (2) of the Banking Companies Act, 1949	20,33,062 8 0	
2. Reserve Fund and Other Reserves	Not applicable	
3. Deposits and Other Accounts—		
Fixed Deposits	1,57,39,042 0 9	
Savings Bank Deposits	2,28,66,851 9 6	
Current Accounts, Contingency Accounts, etc. ..	6,02,56,972 11 2	
		9,88,62,896 5 5
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	3,00,000 0 0	
(ii) Outside India	Nil	
		3,00,000 0 0
PARTICULARS—		
(i) Secured	Nil	
(ii) Unsecured	3,00,000 0 0	
5. Bills Payable		6,21,789 0 5
6. Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	37,91,006 0 3	
(ii) Payable outside India	40,66,656 14 5	
		78,57,662 14 8
7. Other Liabilities—		
(i) Inter Branch Balances—Net—Head Office and Branches outside India	36,91,927 3 5	
(ii) Staff Provident Fund and Other Funds	20,22,064 15 5	
		57,13,992 2 10
8. Acceptances, Endorsements and Other Obligations per contra .. (Includes Rs. 9,22,741-9-0 in respect of Guarantees given to Government Departments secured against part of the Bank's Investments)		1,63,82,953 1 9
9. Profit and Loss—		
Balance as per last Balance Sheet	4,51,560 2 11	
ADD—Profit for the year	1,11,776 8 6	
	5,63,336 11 5	
LESS—Remittance to Head Office	4,83,397 0 7	
		79,939 10 10
10. Contingent Liabilities—		
(i) Claim of approximately Rs. 17,030 against the Banking Company not acknowledged as a debt		
(ii) On Bills re-discounted Rs.	61,27,156 5 4	
(iii) On Outstanding Forward Exchange Contracts .. .. .. Rs.	2,96,56,074 1 9	

NOTE.—Provision has not been made to the full extent for future gratuities to Staff the liability for which has not been ascertained.

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank of India and Imperial Bank of India (including Foreign Currency Notes)		84,14,798 10 1
2. Balances with Other Banks on Deposit and Current Accounts—		
(i) In India on Current Accounts	66,670 8 0	
(ii) In India on Deposit Account	1,00,00,000 0 0	
(iii) Outside India	5,12,380 10 1	
		1,05,79,051 2 1
3. Money at Call and Short Notice		20,00,000 0 0
4. Investments (at Below Market Value)—		
(i) Securities of the Central and State Governments and Other Trustee Securities, including Treasury Bills of the Central and State Governments	3,86,46,575 2 6	
(ii) Shares	Nil	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	
		3,86,46,575 2 6
5. Advances (other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)—		
(1) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India 3,48,38,218 10 10		
(ii) Outside India .. Nil		
	3,48,38,218 10 10	
(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India .. 20,45,609 15 11		
(ii) Payable outside India .. 97,86,345 3 9		
	1,18,31,955 3 8	
PARTICULARS OF ADVANCES—		
(i) Debts considered good in respect of which the Banking Company is fully secured	4,06,35,582 6 11	
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	29,05,835 3 7	
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	31,29,256 4 0	
(iv) Debts considered doubtful or bad, not provided for ..	Nil	
	4,66,70,173 14 6	
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	63,502 2 6	
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	Nil	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,05,938 12 9	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	Nil	
(ix) Due from Banking Companies	Nil	
		4,66,70,173 14 6
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	37,91,006 0 3	
(ii) Payable outside India	40,66,656 14 5	
		78,57,662 14 8
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,63,82,953 1 9
8. Premises, Less Depreciation—		
Cost to 31st December, 1953	4,13,416 2 6	
Additions during the year	1,23,327 8 0	
	5,36,743 10 6	
LESS—Depreciation written off to date	23,160 0 0	
		5,13,583 10 6
9. Furniture and Fixtures Less Depreciation		Nil
10. Other Assets—		
Deposits and Prepaid Expenses	11,29,319 5 0	
Inter-Branch Adjustment (Net)-Branches in India	25,115 6 10	
Silver	Nil	
		11,54,434 11 10
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Total .. Rs.		12,98,19,233 3 11

PROFIT AND LOSS ACCOUNT OF INDIAN BRANCHES FOR THE YEAR ENDED 31st DECEMBER 1954

EXPENDITURE	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	7,76,998 2 11
2. Salaries and Allowances and Provident Fund (including Salary and Allowances of General Manager Rs. 57,070-0-0)	34,87,772 13 3
3. Directors' and Local Committee Members' Fees and Allowances	Nil
4. Rent, Taxes, Insurance, Lighting, etc.	3,22,861 7 3
5. Law Charges	56,102 8 10
6. Postages, Telegrams and Stamps	1,24,799 15 3
7. Auditors' Fees	11,685 0 0
8. Depreciation on and Repairs to Banking Company's Property	6,000 0 0
9. Stationery, Printing, Advertisement, etc.	1,42,259 1 9
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil
11. Other Expenditure including Proportion of London Office Administration Charges	5,77,312 9 11
12. Balance of Profit	1,11,776 8 6
Total .. Rs.	56,17,568 3 8

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. Interest and Discount	30,15,285 14 10
2. Commission, Exchange and Brokerage	25,98,482 11 10
3. Rents	1,732 4 0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
5. Net Profit on Revaluation of Investments, Gold, and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Income from Non-Banking Assets, and Profit from Sale or Dealing with such Assets	Nil
7. Other Receipts	2,067 5 0
Total .. Rs.	56,17,568 3 8

(Sd.) A. SIMPSON,
General Manager in India.

We have audited the foregoing Balance Sheet of the Indian Branches of Grindlays Bank Ltd., as at 31st December, 1954, and also the foregoing Profit and Loss Account for the year ended on that date, in which are incorporated the authenticated returns of the Calcutta, Madras, Delhi, New Delhi and Simla Branches and report that:—

(a) we have obtained all the information and explanations which we have required

(b) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;

(c) such Balance Sheet exhibits a true and correct view of the state of the Branches' affairs according to the best of our information and the explanations given to us and as shown by the books of the Branches; and

(d) in our opinion, books of account have been kept by the Branches as required by Section 130 of the Indian Companies Act, 1913.

BOMBAY, 29th March, 1955.

(Sd.) A. F. FERGUSON & CO.,
Chartered Accountants.

OUTLOOK FOR INDIAN TEA INDUSTRY

CONCERN OVER CONSUMER RESISTANCE AND INCREASING BURDENS

A NOTE of warning against drawing a rosy picture of the prospects for the tea industry was struck by Mr. B. K. Banerjee, Chairman of the Indian Tea Planters' Association, Jalpaiguri, in the course of his address at the annual general meeting of the Association held a few days ago. Mr. Banerjee was at pains to show that one bumper year did not justify the drawing of a rosy picture, because such prosperity was bound to be temporary. Mr. Banerjee was, however, not alone in taking a sober view of the industry's prospects, as it was only a month ago that the Chairman of the Indian Tea Association cautioned that the prosperous conditions would prove less permanent than was generally expected. This growing concern about the outlook for the industry is evidently born of the fear that high prices might bring problems and reactions which would "stick like the demon on the industry, just as the old man did on the shoulder of Sindbad the Sailor," even though the prices might decline.

The first and foremost of these problems and reactions is the consumer resistance to prices beyond a certain level. The steady decline in tea price at the London auctions from the peak of 7s. 1.09d. per lb. for North Indian tea, touched on 20th January, 1955, to 5s. 1.05d. at the sale on 31st March, 1955, is taken as an ominous portent. Beyond a certain price level, the consumer either cuts down his consumption or changes over to a cheaper substitute. After all, as Mr. Banerjee pointed out, tea is not an essential food, but a fashionable drink which becomes a necessity by continued habit. "There are teas which are cheaper to the consumer abroad than Indian teas," Mr. Banerjee said, "and there are also other beverages which are competing with tea; so, if Indian tea becomes too costly, the consumer has a wide range of cheaper substitutes to turn to."

Keen Competition

As an instance of how India and Ceylon, which share the bulk of the finance for tea propaganda by the U.S. Tea Council, are being slowly squeezed out of the field, because of the high price of their teas, by countries offering cheaper tea, Mr. Banerjee quoted some figures of imports of tea by the U.S. The quantity of tea imported by the U.S. increased from 86.8 million lbs. in 1951 to 115 million lbs. in 1954. Up to the year 1953, the countries which derived the largest benefits of the expansion of the U.S. tea market were India, Ceylon and Indonesia, Ceylon having the lion's share. In 1954, the Tea Council countries were able collectively to increase their exports by only 1.4 million lbs. or 20 per cent., while countries outside the Tea Council were able collectively to increase their exports by 67 per cent. Thus, British Africa and other African countries were able to step up their exports to the U.S. from 2.78 million lbs. in 1953 to 5.72 million lbs. in 1954. Similarly, Formosa shipped 4.80 million lbs., as against 1.87 million lbs. and others 5.4 million lbs., as against a mere 1.42 million lbs. Japan, which exports green tea, improved its position by sending 3.6 million lbs., as compared with 3 million lbs. Among the Tea Council countries themselves, Indonesia gained by 3.6 million lbs., thereby pushing up its exports to the U.S. by 32 per cent. over 1953; India raised its exports by only 9 per cent., while Ceylon's exports fell by 13 per cent. Thus, Ceylonese tea fetching the highest price in 1954 got "the hardest knock" in the American market. In the U.K. also, following the rise in tea price to peak levels in January this year, there was a fall in sales by 5 to 10 per cent., big buyers reduced their dealings and the grocers stayed fresh purchases. There was also a cut in price by blenders. A stalemate in auctions developed, followed by a dramatic drop in prices, and nobody can say at what level prices will stabilise themselves. Mr. Banerjee, therefore, expressed the industry's anxiety over the London auctions which draw about 50 per cent. of the world's exports and have a vital bearing on the prospects for tea trade in every country.

The high prices for tea naturally provide an incentive to over-production. "For a commodity like tea, the consumption of which cannot be speeded up at will," Mr. Banerjee observed, "unlimited production is a positive menace." In this connection, he pointed out how Indonesia and a few other countries had expanded or were expanding their production and said that, in any estimate of the prospects for the industry in 1955, allowance must be made for more tea which the price incentive would bring into the markets. Mr. Banerjee also indicated the possibility of cheaper Chinese tea being imported into Britain for being blended with Indian and Ceylonese tea. The conclusion of contracts worth £4 million by two British businessmen in Canton recently for the purchase of Chinese tea is very significant.

The high level of prosperity for tea in the past one and a half years has brought in its wake heavy burdens on the industry such as higher export duties, customs cess and the application of the Plantation Labour Act, 1951, imposing statutory obligations for labour welfare. In pursuance of a tripartite agreement in February, 1955, there has been an *ad hoc* increase of 16 per cent. in the wages of workers with effect from January, 1955, pending a revision of minimum wages by the statutory Minimum Wages Advisory Committee. The obligations under the Plantation Labour Act which became effective from 1st April, 1954, are, according to Mr. Banerjee, calculated to increase the annual *capital* cost of the estates by about As. 5 per lb. of tea manufactured in the first three or four years and about As. 4 per lb. in the next eight years, besides a *recurring* cost of about As. 3 to As. 4 per lb.

Summing up the whole position, Mr. Banerjee observed:

"The enhanced export duty and wage bill and the expenses for implementation of the Plantation Labour Act are elements of costs which the consumer beyond our borders, who absorbs 75 per cent. of our total production, has to pay to get his cup of tea; so long as he pays a price which will enable the industry to meet cost of production inclusive of all these elements and a reasonable profit for the producers, there will be no cause for anxiety. Unfortunately, tea markets are influenced by so many factors, some of which I have already dealt with, over which we of the industry, or even our Government, have no manner of control, that the burdens which the industry has attracted as the offshoot of its phenomenal prosperity in 1954, may break its back even under a price recession less serious than of 1952."

While welcoming the sliding scale of export duty introduced in the last Budget, Mr. Banerjee suggested that consistent with the principle of less price, less duty, the Government should amend the sliding scale by starting with a minimum slab of As. 2 (instead of As. 4) and also for a minimum price up to which the tea would attract no export duty.

Transport Difficulties

Besides the aforesaid problems common to all tea planters, there are problems peculiar to North Bengal planters, the chief of which is the transport difficulty arising from the limited capacity of the Assam Rail Link and from the bottlenecks of the wagon ferry at Bhagalpur and Mokameh and of transhipment points at Sakrigate-Manihari crossing and at Dhubrighat. Giving an idea of the magnitude of the transport problem, Mr. Banerjee said:

"I may say that the North Bengal gardens require 120,000 tons of coal for a season's manufacture; it is necessary that 70 per cent. of this, or 84,000 tons, should be at the gardens by May, 1955. This works out to a target of 4,200 tons per week. During 11 weeks, from 1st January to 22nd March, 1955, the gardens are supposed to have received about 11,000 tons by both the routes or 1,000 tons per week; thus the performance has been no more than 25 per cent. of the target. As regards cement, fertilisers and tea garden stores, our necessity was an average wagon space of 800 tons per month for the first five months of the year. Our reports are that it has not been possible to effect 50 per cent. of this monthly movement target in the first three months of 1955. The estates have booked orders against permits for cement and iron and steel materials and these should have reached the gardens, preferably by March this year to be of use in building labour houses and hospitals, factory extensions etc. So also the fertilisers which must have been applied to the tea bushes by now to have the optimum result in this year's crop. Delayed arrival of these goods would upset the programme for which they are needed and might lead to huge financial loss for the estates."

Mr. Banerjee also made a reference to the International Tea Agreement which expired on 31st March, 1955. He was of the view that the International Tea Regulation Scheme had a wholesome effect on the tea markets of the world duirng the last quarter of a century and, therefore, strongly urged the Government of India to try to give a fresh lease of life for five years. He was, however, opposed to the continuation of the restriction on replanting and new extensions, because it was absurd that regulated countries would accept a self-denying ordinance of expanding tea market by propaganda at their cost and of propping up prices by applying a brake to their own production, only to give the unregulated countries unlimited scope to step up their production to meet the increasing demand for tea.

INDIAN TEA INDUSTRY IN 1955

Indian tea production in 1954 reached an all-time high level of 638.5 million lbs., representing an increase of just over 5 per cent. over the previous year's figure of 607.75 million lbs. While the increase was not particularly large in North India, it was very significant in South India, where the crop was 8 million lbs. more than in the previous year. Exports of Indian tea in 1954 amounted to a little over 450 million lbs., as compared with 501 million lbs. in the previous year, but the total value of the tea exported in 1954 was about Rs. 270 million in excess of the value of tea exported in 1953. This was no doubt due to the unusually high prices realised in 1954, as compared with 1953. An index of this high price realised for export teas in 1954 may be seen in the fact that, whereas the average price realised in the London auctions during 1954 was 5s. 3d. a lb., that realised during previous year was only 3s. 6d. The price in the internal market also reached high levels in 1954, despite the fact that, after deducting actual exports from the total crop, there was as much as 188 million lbs. available for local consumption.

Production trends during the first three months of 1955 show that the South India crop is quite good and comparable in quantity with that of the corresponding period of last year. In fact, the production in February this year exceeded that of 1954 by about 2 million lbs. The North India crop prospects are not yet known since the season there starts only in April. However, as a very rough estimate, we may consider that the all-India crop of 1955 may reach at least a total of 630 million lbs.

Imports of tea into the United Kingdom and the U.S.A. during 1954 amounted to 327 million lbs. and 41 million lbs. respectively, representing an increase of 12 million lbs. and 4 million lbs., respectively, over those of the previous year. It is difficult to speculate for the time being on the extent of imports of Indian tea into the U.K. in 1955 but judging from price trends and purchase indications it is improbable that the figure would exceed, or even equal, that of 1954. This may not be the case with imports into the U.S.A., where there has been a distinct and steady increase in tea consumption in the past two years and where Indian tea is believed to have established a firm market. But export figures from other producing countries show that, in 1954, Ceylon and Indonesia exported to the United Kingdom proportionately much larger quantities than was done by India; and, while Ceylon exports to the U.S.A. were smaller, Indonesian exports to the U.S.A. were considerably larger, as compared with 1953.

It is too early to make a forecast of world production and consumption in 1955. World production in 1954 was considerably more than that of 1953, largely because of the greater output in India and Ceylon. We may assume that this increase, as well as the increase in Indonesia (the third largest tea producer), will maintain itself in 1955. What we do not know, and cannot guess, is the expected increase in world consumption, though the general impression appears to be that consumption will be large enough to absorb the production and there will be no surplus worth mentioning. Estimates of consumption are always difficult to make: even in India, we have no clear estimates of annual consumption and various figures ranging between 170 and 195 million lbs. have been put forward.

The policy of the Government of India appears to be to see that there is no chance of any shortage of tea within the country. This is considered to be essential, so that prices to the local consumer are kept as low as possible. There is no question of exporting anything by starving the internal market, which it is probably the Government's intention to explore and expand as much as possible.

It is now fairly generally recognised that Indian tea prices are on the downward trend and that there is no prospect of these going up again during the remainder of this year. The levy of State agricultural taxes and the implementation of the provisions of the Plantation Labour Act and other legislation will definitely reduce profit margins to something much less than those of 1954. Nevertheless, there is no reason to assume that the overall position and prospects for the Indian tea industry during 1955 will be unsatisfactory.

THE U.P.A.S.I.

A Press Note issued by the United Planters' Association of Southern India describes the main features of the recent reorganisation of the Association. State Associations of planters of Madras, Travancore-Cochin, Mysore and Coorg have now been set up and these bodies will look after plantation affairs in their own territories, and the U.P.A.S.I. will function as the central co-ordinating and advisory body for all plantation problems of South India. The main committees of the U.P.A.S.I. will be composed almost entirely of representatives of the State Associations. The former Product Committees of the U.P.A.S.I. dealing with the affairs of the different crops of tea, coffee and rubber have been abolished and their functions have been handed over to a newly formed Planting Committee. The former South India Estate Labour Relations Organisation has now been merged with the U.P.A.S.I. and labour problems will now be dealt with by the new Executive Committee. The U.P.A.S.I. headquarters will continue to be in Coonoor.

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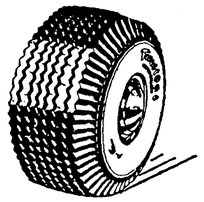
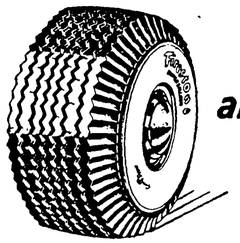
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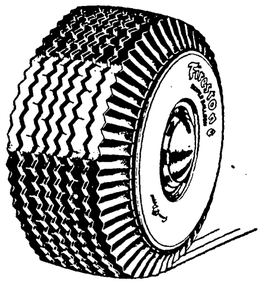
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AIR-INDIA INTERNATIONAL MAKES GOOD BEGINNING

OUTLOOK DEPENDS UPON ABILITY TO INVEST LARGE SUMS ON FLEET RENOVATION

THE report on the working of the Air-India International Corporation during the first accounting period ended 31st March, 1954, published towards the close of last week, bears a pleasing appearance. Both in get-up and presentation of particulars, the Report beats its predecessors issued when the Corporation was under the management of the private sector. The form in which the accounts are presented and the method followed for explaining the progress of the Corporation, and its future programme, are quite satisfactory, being in accordance with the best traditions of the enlightened section of the private sector.

It will be recalled that, although the organisation was formally constituted, under the Air Corporations Act, 1953, on 15th June, 1953, it took over, as a going concern, the assets and business of Air-India International Ltd. only on 1st August, 1953. Consequently, the Report covers only the financial results of the Corporation for the eight months of the year ended 31st March, 1954. The activities of the Corporation, however, are covered up to 31st December, 1954. While the balance-sheet and the profit and loss account of the Corporation are analysed elsewhere in this issue, it is proposed to refer here to the operational activities and other connected matters.

The Corporation has made a good beginning. It has completed the initial task of organising itself into a compact and efficient operating unit, with its own flying equipment, ground facilities and personnel. It has completed the first stage of considerable expansion of its fleet and operations with no more than normal teething troubles and has spread its wings to the Far East, firmly laying the foundations of successful operations in that area.

The fleet taken over by the Corporation on 1st August, 1953, consisted of four Lockheed Model 749A Constellation aircraft. There was no change in it during the eight months under review. Today, however, the Corporation's fleet consists of three Constellations (excluding the *Kashmir Princess*, which was lost this month), five Super Constellations and one Dakota.

Three Routes

Air-India International operates on three routes, namely, India-United Kingdom, India-East Africa and the Far East. In October, 1953, a tourist class was introduced in the U.K. route at a substantial reduction on first class basis. This development is an important landmark in the history of air transport, in that it recognised "both the demand for cheaper transportation at some sacrifice of space, comfort and other amenities and the ability of modern aircraft to provide it at the necessary reduction in cost. It is intended to tap the much wider passenger market which cannot afford the cost of the standard on luxury services." Commenting on this innovation, the Report observes:

"A tourist class on scheduled air transport services was first introduced on the domestic routes of the United States of America in 1951. The experiment was a complete success and was extended to the North Atlantic in 1952, and to the Far East and the Pacific in October, 1953. While the introduction of tourist services on international routes has tapped an important new source of traffic, it has created special problems for the smaller carriers. Whereas large carriers operating multiple frequencies with large fleets are able to run separate first class and tourist services, small carriers owning small fleets are compelled to provide first and tourist accommodation in the same aircraft. This necessitates substantial modifications to cabin interiors and the provisions of separate compartments and passenger amenities. To provide this mixed configuration, A.-I.I's 40-seater Constellation aeroplanes were converted so as to offer 34 tourist seats in one compartment and 16 luxury seats in the other. This conversion, including the manufacture of high density tourist seats, was effected entirely in the Corporation's own workshops at Santa Cruz at considerable saving of expenditure and foreign exchange. The new Super Constellation aircraft purchased by the Corporation lend themselves much better to the provision of separate tourist and luxury accommodation as they are not only of greater size but are divided into a number of separate cabins and are equipped with toilets fore and aft. Tourist services on the Corporation's routes have, on the whole been a success and have accounted for a good part of the increase in passenger traffic. They have not appreciably affected the demand for standard air passages and are a welcome source of additional traffic to fill the expanded capacity offered by the Corporation."

The Corporation proposes to commence, next month, an India-Tokyo service in the Far East, by extending the service which now terminates at Hongkong. It also proposes to introduce a luxury service from Bombay to London with effect from 9th May, 1955. Another proposal is to include Beirut, Prague and Zurich on its Bombay-U.K. flight.

The growth of the Corporation's operations during the eight months ended 31st March, 1954, and estimates for 1954-55 and 1955-56 are as follows:

	1953-54 (Actuals)	1954-55 (Estimates)	1955-56 (Estimates)
Hours flown	8,800	14,700	23,600
Miles flown	2,145,000	3,665,000	5,905,000
Capacity ton-miles offered ..	11,551,000	22,052,000	44,124,000

In terms of ton-mileage flown, the Corporation is today already the seventeenth on the list of 65 International carriers which are members of the I.A.T.A. Considering the rising tempo of India's economic activities, the Report says: "We see no reason why it (the Corporation) should not in time become one of the leading airlines in the world." Proceeding, the Report remarks: "We believe that it has an important role to play in the future Five-year Plans and we hope that such a role will be assigned to it and that funds will continue to be made available for the expansion of its fleet and engineering facilities."

Spare Capacity

As already said, the Corporation has a fleet of Constellation and Super Constellation aircraft and a Dakota. This leaves little or no spare capacity for further expansion. A correct assessment of future events and prospects, particularly where the international nature of operations adds to the uncertainties, are difficult to make. Subject to this qualification, the Report makes the following observation regarding the outlook:

"We are in the relatively fortunate position of being able to assume that the successive Five-year Plans will provide a substantial and continuous expansion in trade and travel between India and other countries. Furthermore, as international traffic curves have since the war shown a steady and continuous rise, we may assume, without undue risk, that substantially the same rate of annual increase over our routes will continue for some years more. Finally, the development of tourist services and the probable introduction in a few years of 'coach' or third class services, provide further support for the conclusion that we should plan for a continued expansion of our fleet and organisation in the coming years if we are to carry a fair share of the growing traffic, and particularly if, as we believe desirable, we are expected one day to extend our operations across the Atlantic and/or the Pacific to the American Continent."

An important problem facing international air operators is the need for constant change in the aircraft arising from the rapid pace of technological progress in aviation and the incessant pressure of competition within the aircraft manufacturing industry and the air transport industry alike. In keeping with this need, the Corporation may have to change its plans for acquiring Comet Mark III's in favour of turbo-propellor aircraft, the latest type of plane. Such changes place a heavy financial burden on air operators, which makes it very difficult for underdeveloped countries like India to hold their position successfully, from the financial angle, in the field of international air transport. Questioning the necessity for such quick change of aircraft, the Report observes:

"While technological progress no doubt brings great benefits with it, we believe that, in a public utility service which is financially as marginal as air transport, the price being paid for the extra speed and comfort provided by new generations of aircraft brought out in quick succession is disproportionate to the benefits accruing to the travelling public. Furthermore, we fear that in the pursuit of higher speed and range, the criteria of stamina and trouble-free operation and, therefore, of low-cost maintenance are being sacrificed. The air transport industry, particularly in the international field, is itself partly to blame for the state of affairs. It is now 35 years old, and the time has come for it to lay greater emphasis on lower costs of operation and regularity than on glamour and sensational performance. There would seem to be much force in the view of those who consider that what both the industry and the travelling public require are *less complicated* and finicky and more rugged and durable, and, therefore, more economical aeroplanes and engines, even at some slight sacrifice in performance."

This is an international problem which can be solved only through understanding among all the world operators. Till then, India has to do what its competitors do. The Directors of Air-India International are fully alive to this. Thus, they candidly admit:

"Pending a more realistic approach to the problem, and, if we wish to remain in business, we have no option but to keep abreast of the rest of the industry and constantly to renovate our fleet: for only thus can we continue to hold our own with the leaders of the industry in this acutely competitive business and to retain the patronage of the travelling public which is our life blood."

This would involve constant renovation of fleet and improvement of its service conditions, requiring large capital expenditure from time to time. The Government must be ready for such expenditure and provide large sums for this purpose in its development plans. Herein comes the importance of the Corporation's appeal to the Government for assigning to it an appropriate role in the Five-year Plans.

OWNERSHIP OF MANGANESE MINES

It is, indeed, gratifying to hear from Mr. K. D. Malaviya, Minister for Natural Resources and Scientific Research, that nationalisation of manganese mines was not, in the existing circumstances, a practical proposition. Opposing a non-official resolution urging State-ownership of manganese mines, the Minister asserted that there were many more important sections of the industrial sector in the country which deserved to be nationalised. He was of the considered opinion that the exploration of oil resources, the establishment of a synthetic petrol project, the generation of power and the utilisation of nuclear fission for the production of electricity were a few among the important sections of the industry which should be in the public sector. He averred that there was no desire on the part of the Government of India to encourage foreign enterprises at the cost of Indian enterprises in this sector. The Government's policy was that no lease of prospective licences should be given to any foreign concern in the future, if Indian talent, capital and technical skill were available. Nevertheless, he admitted that there could still be stray cases of foreign investments. So far as the foreign concerns already engaged in mining operations were concerned, they had to be allowed to carry on till the expiry of the existing agreements. Incidentally, he revealed that, as regards the conversion of the ore into ferro-manganese, the Government was proceeding cautiously as excessive conversion of this ore into this alloy might not be an economic proposition. The Government was actively considering as to what should be the quantities of ferro-manganese to be manufactured in the country.

Moving his resolution, which was later withdrawn, Mr. R. K. Malaviya of Madhya Pradesh alleged that the two foreign interests which controlled primarily the mining operations in his State, made enormous profits at the cost of labour. The profit margin of these firms, he said, was as high as 300 per cent. They had declared a dividend of 50 per cent. for the year 1953. As a result of the wide margin of profit, latterly there had been a mushroom growth of small producers. This state of affairs presented, he said, a striking contrast to the treatment meted out to workers, inasmuch as a male worker was given a daily wage of only Re. 1-2 and a female worker As. 14. These rates, he felt, were the lowest as compared with those prevailing in other industries.

MADRAS STATE ON HEAVY ELECTRICAL PLANT

The Government of Madras, it is reported, has submitted a memorandum to the Centre making out a case for the location of the proposed Rs. 50-crore heavy electrical plant in the State. It is stated that the existence of a large number of trained personnel and a number of engineering and technical institutions to train more persons, if need be, not to speak of the progress of electrification of rural and urban areas in the State, are all factors in favour of locating the factory in the State. Such a step will, it is stated, also help the State meet its claims in the matter of industrial development. It is expected that this subject will be discussed at the ensuing meeting of the National Development Council scheduled to be held in New Delhi early in May.

NEW PROGRAMME FOR ACCESS TO NUCLEAR DATA

The U.S. Atomic Energy Commission has announced a new programme under which organisations or individuals can obtain access to non-military atomic energy technological data for private purposes. The plan simplifies and supersedes the provisional arrangements for industrial participation which formerly made restricted data in the field of reactor technology available under three distinct types of agreements. Under the new programme, non-military information classified as confidential may be made available to any person who can show that the information sought is for use or application in his business, profession or trade.

NEW PRODUCTS AND PROCESSES

K.L.M. Experiments With Electronics

WITH the aid of tiny electronic devices, each no larger than a hazelnut and weighing only one gramme, it is expected that in future it will be possible to save weight and space as well as electric power on board aircraft. This is because such devices (called "transistors") may be able to replace practically all of the tubes now used in aircraft radio equipment. Two of these transistors were recently put into service by K.L.M. which is now carrying out tests with them on a limited scale. The development of the transistor has been made possible through the knowledge of nuclear physics acquired in recent years, for the construction of this midget instrument is very closely connected with our knowledge of the structure and behaviour of the atoms. The heart of a transistor consists of a particle of germanium about the same size as the head of a pin. The manufacturing process is still in the stage of laboratory production, and the transistor has not yet been perfected.

Universal Truck Loader

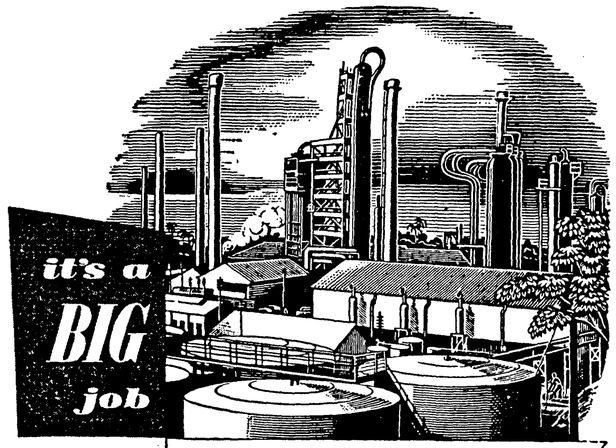
Unloading of a truck is usually carried out by tipping the body of the truck which, owing to the height from which the goods such as bricks are falling, causes a high percentage of breakage. A well-known Austrian industrialist has developed a new and very practical device for the loading and unloading of trucks which is unexpensive, easy to be assembled to the truck and of very simple operation. Moreover, the savings of labour, time and handling material achieved by the new device are, it is stated, so high that they easily cover the expenses in a few weeks. The new loading device consists mainly of a slanting surface which prolongs the platform of the tipped car down to the ground. After the unloaded goods have glided smoothly down to the lower border of the chute, the truck is slowly moved and, while the chute moves away with the truck, the goods glide to the ground without any detrimental jolts. By means of special attachments, loads of all kinds can be loaded or unloaded easily and quickly with the help of a pulley driven by one of the rear wheels of the truck lifted by a roller jack. This makes drawing up of loads up to 1.5 tons and unloading of loads very easy and eliminates all risks.

Automatic Blind Flying System for Link Trainers

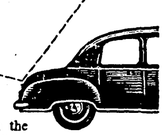
For the first time in the history of civil aviation, technicians have succeeded in adapting the Zero Reader so that it can be employed in the Link Trainers, the mock-up aircraft in which pilots practice instrument landing on the ground. This is the outcome of prolonged experiments made by K.L.M. technicians at Schiphol Airport, Amsterdam. The Zero Reader is a very important aircraft instrument. It has been used in aviation for several years past and it is of the greatest assistance when landing in bad visibility. K.L.M. started experimenting with a Zero Reader for the Link Trainer, because there was none available on the market and the blind-flying system installed on the aircraft could not be adapted for practical use in the Link Trainer. In all probability K.L.M. now possesses the only Link Trainer in the world (an American F-45 Link Trainer) equipped with a fully automatic blind-flying installation. Since the Zero Reader performs various additional functions in the air, and this would impose too much of a burden on the Link Trainer instructor, the system had to be made almost entirely automatic. In spite of numerous technical difficulties, in the course of the years the original hand-operated apparatus has been developed into an ingenious automatic device which works very accurately. K.L.M. has decided to construct two more of these Zero Reader installations for its Link Trainers during the coming months.

Detection of Metal Objects in Saw Timber

An instrument for the purpose of detecting metal objects in saw timber is a new Norwegian item which has attracted much interest. Naturally, it is the wood working industry which is primarily interested in this detector. It is a well-known fact that nails and other metal pieces which grow into the saw lumber cause considerable damage and economic loss within the sawmill industry. It is also assumed that the wood-pulp industry will utilise the detector as well. The instrument is constructed and developed by Teknisk Union, a Norwegian technical consultant firm. During the experimental period, this organisation collaborated with Brække Bruk, a Norwegian sawmill firm. The nail detector is based upon the same principle as the mine detector, i.e., changes in a magnetic field are registered when a metallic object comes within the field. The described detector consists of two main parts; the registering apparatus and a ring. The latter component is partly submerged in water and is connected with the registering apparatus through a watertight cable. Tests were conducted for four weeks and during this period, 23,000 logs were sawn. Cases of "nail sawing" were non-existent during the entire period. As many as 146 logs were removed because they contained in-grown nails and other metal pieces. Savings resulting from elimination of lost working time were computed in conjunction with the tests and the analysis shows that the initial investments are returned within a relatively short period. Following the preliminary tests at Brække Bruk, the firm of Teknisk Union conducted similar tests in co-operation with the Swedish sawmill firm, Kosta Sagverk. The results here were equally satisfactory. A number of instruments are presently in use at Scandinavian plants. In addition, several detectors were sold recently and will be put to use shortly. The firm—Teknisk Union—is presently developing a hand detector which is to indicate the exact location of metal objects in logs. Furthermore, experiments aiming at production of a low-cost instrument are presently being conducted.



turning oil into petrol



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WORKING OF HEALTH INSURANCE IN 1952–53

DIRECTOR-GENERAL ON TASK AHEAD

THE Employees State Insurance Corporation has, in accordance with the provisions of the Employees State Insurance Act, 1948, published the annual report and audited accounts for the year ended 31st March, 1953. It is certainly deplorable that the Corporation should take two years for the publication of its accounts for the year 1952-53. But it must be admitted that the Corporation has made up for the delay by giving many details regarding the working of the Corporation. It is nevertheless to be hoped that the Corporation will hereafter publish its reports expeditiously.

During 1952-53, the total income of the Corporation aggregated Rs. 1.71 crores, inclusive of Rs. 8.56 lakhs being the grant-in-aid from the Central Government and Rs. 1.62 crores being the income from contributions. Expenditure aggregated Rs. 28.46 lakhs, so that the excess of income over expenditure was Rs. 1.43 crores. The large excess of income over expenditure is presumably due to the fact that, while contributions from employers were collected from many regions in the country, the Scheme was implemented during the year under review only in two centres, namely, Kanpur and Delhi. Since the operation of the Scheme was limited to two centres only, the Administration gives the impression of being top-heavy. Thus, out of the total expenditure of Rs. 28.46 lakhs, the salaries and allowances of the staff of the Corporation amounted to Rs. 15.29 lakhs as against Rs. 10.09 lakhs in 1951-52. The total amount of benefits paid was Rs. 4.46 lakhs, inclusive of the sickness benefit of Rs. 3.50 lakhs. The capitalised payment for the permanent disablement and dependents' benefit fund and the payment of the Corporation's contribution to State Governments absorbed Rs 1.52 lakhs and Rs. 1.45 lakhs, respectively.

Liquid Assets

The Corporation's balance-sheet, as on 31st March, 1953, shows, as is only to be expected of an organisation still in its infancy, a high proportion of liquid assets. The following is the summary of the Corporation's balance-sheet:

Liabilities	Rs.	Assets	Rs.
Reserves and other funds	2,00,378	Block ...	9,66,755
Loans from Central Government	2,48,678	Deposits and advances	59,932
Other Liabilities ...	1,006	Investments	82,55,595
Income and expenditure account ...	1,25,42,332	Cash ...	37,10,112
	Rs. 1,29,92,394		Rs. 1,29,92,394

The statistics regarding the working of the dispensaries show that in Kanpur over 5.9 lakh persons attended them, while in Delhi over 3 lakhs utilised the services of the State Insurance dispensaries. Sickness benefit was paid to 18,225 persons in Kanpur and to 4,775 persons in Delhi. The Director-General of the Corporation observes, in the course of the annual report, that their experience of the working of the Scheme is "still very limited both in time and extent." But the incidence of cash benefits in this limited period, he says, has been found to be "considerably more favourable than was assumed in the actuarial estimates for these benefits." This experience, limited as it is, cannot, of course, form a guide to the future. It is nevertheless encouraging to be told that there was practically no evidence of any attempt to take undue advantage of the benefit provisions of the Scheme.

Complaints

The authorities of the Corporation, it is again satisfactory to note, are continuously alive to the need for improving the services of the Corporation. The complaints against the medical benefit aspect of the Scheme are stated to be of three kinds. First, there were complaints of the shortage of stocks of medicines in certain dispensaries and lack of cordial and sympathetic behaviour on the part of the doctors and other staff. These complaints were largely redressed during the year under review. Secondly, there were complaints about the lack of facilities of specialist treatment and hospitalisation. The authorities have taken up this matter with the State Governments. Thirdly, there was a general demand for the extension of the benefits under the Scheme to workers' families. Referring to this demand, the Director-General observes: "The financial implications of the proposal for the extension of medical care to families need most careful consideration not only of the Corporation which has to see that it can meet its share of these costs out of the contributions prescribed in Schedule 1 to the Act which will ultimately come into force but also on the part of the State Governments who will have to find one-third of all costs of medical care from their resources."

Need for Co-operation

It is admitted that the progress made so far "cannot, by any means, be said to be satisfactory," but the foundation for the extension of the Scheme in other parts of the country has been laid. The Director-General has stressed that, since the Scheme represents a "venture with which many interests are concerned," the co-operation of all parties is essential for its successful working. The attitude of the State Governments, employers and workers towards the Scheme, it is stated, has "generally been very helpful." The task which lies ahead of the Corporation, it is recognised, will continue to be "strenuous" as the work of implementing the Scheme all over the country is by no means an easy one. But, if the fullest co-operation of all interests is forthcoming, it should be possible to extend the Scheme all over the country within a "reasonable period."

FIRE INSURANCE IN U.S.

The operations of 100 fire insurance companies in the United States, according to the statistics published by the Spectator, Philadelphia, show that the decade 1944-53 witnessed an underwriting profit of 2.84 per cent. In the decade 1935-44, the ratio was 2.88 per cent. and it dropped steadily until the 1938-47 decade when it amounted to an underwriting loss of 0.93 per cent. The decade 1939-48 registered a loss of 0.42 per cent. The following decade 1940-49 showed considerable improvement with an underwriting profit ratio of 1.46 per cent. Since then, the ratio has continued to improve.

One hundred casualty companies for the decade 1944-53 had an underwriting profit ratio of 2.6 per cent. The casualty profit ratio has been declining. In the decade 1938-47 it was 5.0 per cent. In the following two decades, it stayed at 4.6 per cent. In the 1941-50 decade, the ratio fell to 4.2 per cent. and to 3.2 per cent. in 1942-51 and 2.6 per cent. in 1943-52.

HEALTH INSURANCE IN HYDERABAD

In Hyderabad, to which centre the Health Insurance Scheme is being extended this week, about 18,000 factory employees are expected to benefit through the operation of the Scheme. The Scheme will come into effect in Hyderabad, Secunderabad, Samat Nagar and certain other suburbs. It may be mentioned here that the Scheme is now in operation in seven centres in the Punjab, Kanpur, Delhi, Bombay, Nagpur, Coimbatore and four centres in Madhya Bharat.

Two local offices, it is stated, have already been established in Hyderabad. A pay office has also been established for the purpose of paying cash benefits to insured workers. Three full-time dispensaries have been set up. Arrangements have also been made for insured persons to get medical benefit at nine more dispensaries.

NATIONALISATION OF INSURANCE

MR. TULSIDAS KILACHAND ON ITS DANGERS

NOTHING is more symptomatic of the cavalier manner in which even major issues are decided by the Government without taking into account the repercussions of such an action on the existing interests than the Finance Minister's statement that the question of nationalisation of insurance is now under the active consideration of the Government. Replying to the debate in the Lok Sabha on the Finance Ministry's demands for grants, held on 16th April, 1955, in the course of which Mr. Tulsidas Kilachand, the well-known Bombay industrialist and member of Parliament, questioned the propriety and the need for nationalising insurance, Mr. C. D. Deshmukh, Finance Minister, observed: "We are considering this question and are trying to form a view. Nothing could be gained by my entering into a detailed discussion in the present context."

Surely, Mr. Deshmukh, with his extensive knowledge of public finance, now fortunately supplemented by years of experience in managing the national purse, cannot be unaware of the gravity of the issues involved in nationalisation of insurance. He ought to know too that such a major question could not be merely settled at the departmental level. In any democratic country, it would be considered a question on which a straight mandate from the people should be obtained. The least that one would expect the Government to do is to have the question examined by competent experts and leaders of public opinion. Even this method, of course, provides no guarantee that the Government will go by the opinion of an expert and impartial body, considering that civil aviation was nationalised, despite the verdict of the Rajadhyaksha Committee. But one would expect the Government to have the question examined at length so that the interests concerned could have an opportunity to express their views. A departmental examination can hardly do justice to so vital an economic and social issue as nationalisation of insurance.

Per Capita Insurance

Nationalisation of insurance is, as we pointed out in these columns a few weeks earlier, neither necessary nor desirable. A similar view was expressed by Mr. Tulsidas Kilachand who, in the course of his speech in the Lok Sabha, explained why insurance was best left under the care of private enterprise. He pointed out how life and general insurance had made great headway in the U.K., the U.S. and other industrially advanced countries where insurance was under private enterprise. The per capita life insurance in India was only Rs. 26, as compared with Rs. 1,840 in the U.K. and Rs. 9,200 in the U.S. Again, in the U.K. the premium income of general insurers was Rs. 678 crores, as against Rs. 21 crores in India. He added:

"We have yet to travel a long way to reach the pre-eminent position enjoyed by companies in other advanced countries. In my opinion, this outstanding position has been achieved in those countries as the business has all along been and continues to be managed as a private enterprise. I, therefore, believe that, in our country also, private enterprise should be allowed to continue to manage this business rather than work it through a Government scheme."

Mr. Tulsidas drew the attention of the House to the fact that a substantial portion of the assets of Indian insurers was invested in Government and semi-Government securities. He further pointed out that the shareholders of insurance companies, unlike the shareholders in other companies, were entitled to participate only to a limited extent in the profits of the companies. Thus, shareholders of insurance companies, as is well known, are allowed to receive only 7½ per cent. of the total surplus. He added: "I do not believe, therefore, that the Government stand to benefit to any great extent by having control of investments of a nationalised insurance industry." He also pointed out how the attempts made by the authorities in the U.K. to develop the Government-sponsored Postal Insurance had not been successful.

As regards general insurance business, Mr. Tulsidas did well to emphasise how the peculiar character of this business was not conducive to its being administered by the State. He said that the risks in general insurance business were distributed amongst insurance companies all over the world. Indian companies in

(Continued in previous column)

(Concluded from next column)

their transactions with foreign insurers were both giving and receiving business. At the same time, many Indian general insurers were extending their operations in foreign territories. Nationalisation of insurance would stifle these activities. Indeed, even the report to the effect that there was a possibility of insurance being nationalised in this country made the foreign insurers cautious in the exchange of insurance business with Indian insurers and discouraged Indian insurers from expanding their activities. This adversely affected Indian insurers and also India's balance of payments.

Finally, Mr. Tulsidas rightly urged that what Indian insurance needed was not nationalisation but the very antithesis of nationalisation, larger freedom from State interference. In particular, he cited the working of the Code of Conduct for general insurers which had not eradicated malpractices in the field. He pleaded for restoration of the "normal working" of the insurance machinery. It is to be hoped that the Government will eschew all thoughts of nationalisation, or even of further control on insurance, and instead adopt a positive, helpful and constructive approach to insurers, so that insurance could be rendered a more efficient means of national service, functioning under the care of an enlightened private enterprise.

DUNLOP RUBBER CO. (INDIA), LTD.

MR. CECIL STACK'S REVIEW

THE Twenty-ninth Annual General Meeting of the Dunlop Rubber Company (India) Ltd. was held in Calcutta on 25th April, 1955. Addressing the shareholders, Mr. Cecil Stack, Managing Director, said:

"The Directors' report and accounts for the year 1954 have been in your hands for some time, and with your permission I will take them as read.

"I should like to preface my remarks this year by referring to a change in our Board of Directors. Sir Satyendra Nath Roy, who has been a Director since 1948, resigned his seat on the Board for reasons of ill health. His wide knowledge, experience and astute judgment have been of great help to us and I would like to express our sincere appreciation of the valuable service he has rendered to the Company, also the hope that it will not be long before he will be well again.

The Year's Trading

"The year under review has generally been a satisfactory one. The volume of sales of all our products was higher compared with the previous year. In terms of production, and using our principal raw material, crude rubber, as the basis, we exceeded 1953 by 18 per cent. On the other hand, total sales in value increased only 9 per cent. This difference is largely explained by the reduction made last year in our selling prices of tyres for passenger cars, trucks and buses, motor cycles, cycles and animal-drawn vehicles.

"Our consumption of crude rubber in 1954 was the highest since our factory commenced production in 1936 and this is indicative of the progress made by the rubber manufacturing industry as a whole, which, in my opinion, can be regarded as evidence of the sound manner in which the industry has been allowed to develop. The increasing expansion of India's economy, the implementation of the Five-year Plan and the emphasis to be placed on industry in the second Five-year Plan all help to accentuate the growing importance of our own particular industry. The development of mechanisation in agriculture as well as the expansion of industry as a whole will make demands which rubber manufacturers will only be able to meet by expanding their output and by producing a wider range of articles.

"With the exception of cycle, there was no overall shortage of tyre stocks throughout the year under review, but difficulties associated with the distribution of our products continued to be experienced as the result of transport bottlenecks and inadequate availability of railway wagons.

"The net profit for the year was Rs. 96,37,915, as compared with Rs. 92,88,299 for 1953, but, because of the selling price reductions already referred to, the ratio to turnover has declined in 1954 from 7.4 per cent. to 7 per cent. before taxation and from 4.6 per cent. to 4.3 per cent. after taxation.

Products

"Our technical staff work in close contact with the world-wide group research establishments of the Dunlop Rubber Company, Ltd., the benefits of which are fully available to your Company. In this way we are able to keep abreast of all new developments, such as the tubeless car tyre, the introduction of which during the year was an outstanding achievement. This tyre is the most important development since the advent of balloon tyres in 1922. It provides added protection against punctures and bursts. It also retains the air much better than the conventional tyre, thus maintaining a more constant air pressure and so reducing tyre wear. With all its advantages it costs no more than a conventional cover and tube of the same size.

"In the truck and bus range our Trakmaster tyre, introduced only the year before, became so popular that it proved impossible to meet the demand. More equipment is now in use which will help to remedy the situation.

"Our sales of pneumatic tyre equipment for animal-drawn vehicles were well in excess of any previous year; likewise, our sales of tractor and aero tyres. In addition, the continued rapid expansion of India's bicycle manufacturing industry helped us to break the record set the year before in our production and sales of cycle tyres and rims.

"In line with tyres, sales of all our other products advanced substantially. The intensity of our sales efforts, supported by sustained publicity, has popularised Dunlopillo Latex Foam Cushioning throughout the country.

"The remarkable progress made in our industrial transmission belting business in the previous year continued throughout 1954, and our conveyor belting, the manufacture of which only commenced in 1953, is already being used on the major hydro-electric projects as well as in mines, power stations, steel works and numerous factories where the inexpensive handling of large quantities of materials is vitally necessary. Our industrial Vee belts and fan belts also continue to sell in increasing quantities and as the result, we were able to reduce our selling prices.

"During the year, we commenced the manufacture of pneumatic tool, welding and high pressure braided hoses by the lead press moulded process. This type of hose in long lengths had not formerly been made in India and I am glad to say that our hoses are already proving popular wherever there is a demand for them.

"This overall expansion of our manufacturing activities contributed in no small measure to the fact that, in 1954, rubber manufacturers consumed approximately 4,000 tons of rubber more than India produced. That the deficit this year is expected to be over 5,000 tons should encourage the rubber planting industry in South India to make serious efforts to increase their production.

Raw Materials

"The raw materials supply position was satisfactory throughout 1954, but delays in the clearance of shipments through the Calcutta Port, due to labour troubles, caused anxiety at certain times. There were no significant changes in prices except of crude rubber of which we were allowed to import part of our requirements, because indigenous supplies were insufficient. Prices ranged between Rs. 84 and Rs. 150 per 100 lbs., as compared with the controlled price for local rubber of Rs. 138.

Profit and Loss Account

"As I have indicated earlier, the net profit for the year was Rs. 96,37,915 and, after deducting the charge for taxation, the balance of profit available for disposal is Rs. 69,45,891, as compared with Rs. 62,39,833 for 1953. The Directors are recommending the same rate of ordinary dividend as for 1953, that is 15 per cent. which will absorb Rs. 24 lakhs. The Directors also recommend the transfer of Rs. 30 lakhs to general reserve, as against Rs. 24 lakhs last year. This will increase general reserve to Rs. 1 crore 68 lakhs as shown in the balance-sheet. The total amount transferred to reserves during the last 10 years was Rs. 2 crores 45½ lakhs. These appropriations represent shareholders' profits retained and fully employed in the business. I would like to stress here the great need for such conservation of the financial resources of the Company. In addition to the funds required for development and expansion schemes, the Company is continually striving to improve the standard of living conditions for its factory employees by providing more residential, hospital, educational and other welfare facilities. During the last ten years the Company has spent over Rs. 80 lakhs on buildings for this purpose and very considerable additional expenditure, depending on the continuing prospects of the Company, is planned for the next three years. The Company's housing estate at present accommodates just over 3,700 persons representing employees and their families, and this number will continue to rise over the next three or four years, if, as we hope, the resources are available to complete our plans.

Balance Sheet

"The additions to fixed assets during the year amounted to Rs. 30 lakhs, consisting mostly of plant for expansion and rehabilitation. The amount of depreciation written off in 1954 was Rs. 30,20,000, as against Rs. 27,78,000 in 1953.

"Stock inventories at Rs. 3,95,81,000 are Rs. 33,22,000 higher than at the close of the previous year. This was due mainly to increased production, raw material prices having remained fairly stable throughout the year. Sundry debtors are up by Rs. 41,40,000 as a result of the greater sales turnover. Bank and current balances are also higher than last year, making the total increase in current assets Rs. 80,15,000. The net working capital increased by approximately Rs. 68 lakhs during the year, which is partially reflected in the closing bank overdraft of Rs. 128 lakhs, as compared with Rs. 88 lakhs at the end of 1953.

Employee Relations

"During the past year, we have striven further to extend and improve our social amenities for employees. The 64 new staff flats constructed in 1953 were all allocated and occupied in 1954, the building of new quarters for the watch and ward staff was commenced, as well as additions to the existing facilities for sport, and the survey work was put in hand for the construction of a further 100 married operatives' quarters. Thus, we endeavour to maintain our high reputation for working conditions and general labour relations, which have remained consistently good throughout the year. Staff and operatives have continued to exert their best endeavours and have contributed greatly towards the successful outcome of the year's activities. I am sure you will wish to join with the Directors in expressing warm thanks for their loyal and faithful service."

Consumption of natural and synthetic rubber in the U.S. during March 1955 reached an all-time high level of 134,987 tons, compared with 118,613 tons in February and 109,769 tons in March, 1954. Consumption of natural rubber in March was 57,933 tons as against 51,004 tons and 53,709 tons respectively. America consumed 77,054 tons of synthetic in March (67,609 tons in February and 56,060 tons in March last year).

The ratio of use of natural to synthetic was little changed at just under 43 per cent.

U.S. stocks of natural rubber at 31st March were 98,216 tons and those of synthetic 141,372 tons.

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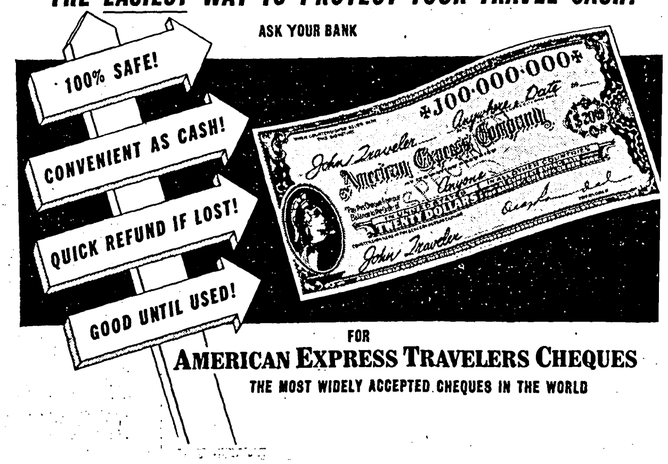

FOR

AMERICAN EXPRESS TRAVELERS CHEQUES

THE MOST WIDELY ACCEPTED CHEQUES IN THE WORLD

LLOYDS BANK LIMITED

(INCORPORATED IN ENGLAND)

BALANCE SHEET 31st DECEMBER, 1954.

LIABILITIES

Capital—			
AUTHORISED: £74,000,000 in 14,500,000 "A" Shares of £5 each; 1,500,000 "B" Shares of £1 each			
ISSUED: £73,302,076 in 14,372,956 "A" Shares of £5 each, £1 per share paid up	£14,372,956		
1,437,296 "B" Shares, converted into Stock	1,437,296		
		£15,810,252	
Reserve Fund—			
Share Premium Account	1,148,683		
General Reserve	15,856,317		
		17,000,000	
Profit and Loss Balance, as per Account below		616,557	
			33,326,809
Current, Deposit and Other Accounts, including Contingency Accounts (Public Accounts secured as per Note III are also included)	1,244,305,784		
Balances in Account with Subsidiary Companies	1,109,511		
			1,245,415,295
Final Dividends, less Income-Tax (subject to confirmation by the Members)			652,178
Notes in Circulation (Isle of Man) (see Note III)			9,415
Acceptances			3,241,450
Endorsements, Guarantees, and other Obligations			127,816,135
			£1,410,461,277

NOTES.

I. Investments in British Government Securities amounting to £377,806,821 which are all redeemable as fixed dates, the majority maturing within 10 years, are taken at or under cost and below redemption price. Market value of these Investments at the 31st December, 1954, was greater than the balance sheet figure.

II. Other Investments: the market value of the quoted investments at the 31st December, 1954, was greater than the balance sheet figure.

III. Securities and Other Investments totalling £1,036,666 (1953: £886,666) nominal are lodged for Public and Other Accounts and for the Note Issue in the Isle of Man.

IV. Foreign Currencies have been converted at the official rates of exchange ruling at the 31st December, 1954; in the case of Eastern Branches as at the 31st October, 1954.

E. J. HILL, G. Y. HINWOOD, } Chief General Managers.

C. B. HOWLAND, Chief Accountant.

ASSETS

Cash, in hand, with Bank of England and Eastern Reserve Banks	£97,584,064		
Balances with, and Cheques in Course of collection on, other Banks in the United Kingdom and Ireland	74,451,815		
		£171,835,879	
Money at Call and Short Notice		74,100,000	
Balances with Banks abroad		6,955,800	
British Government Treasury Bills	248,915,000		
British Bills of Exchange	3,099,337		
Dominion, Colonial and Foreign Bills (including India, Pakistan and Burma Treasury Bills, £975,000)	2,785,693		
		254,800,030	
Investments (see Notes I, II and III)—			
Securities of, or guaranteed by, the British Government	377,806,821		
Other Investments, including Securities of Dominion and Colonial Governments, British Public Boards and British Municipal Corporations } quoted £39,642,248; unquoted 7,077,001			
		424,526,170	
Loans and Advances after deducting provision for Bad and Doubtful accounts		301,192,104	
Items in Transit		23,086,345	
			1,256,495,331
Trade Investments			
Subsidiary Companies			
The National Bank of Scotland Limited			
Consolidated Capital Stock £4,897,320 (nominal), £1,224,830 paid up, taken at amount paid up, plus proportion of Reserve Fund and undivided Profits	4,436,049		
Lloyds Bank Executor and Trustee Company (Channel Islands) Limited 100,000 Shares of £1 each, fully paid, at cost	100,000		
Nominee and other Companies (written down to nil)	—		
	4,536,049		
Lloyds and National Provincial Foreign Bank Limited— 12,000 Shares of £50 each, fully paid, at £50 per share	600,000		
Other Trade Investments at cost or under	3,853,997		
		8,990,046	
NOTE: There is a contingent liability for uncalled Capital in respect of a portion of these Investments.			
Other Assets and Accounts (including sundry Properties at cost, less amounts written off)		5,177,605	
Bank Premises, at cost, less amounts written off		8,740,710	
Liabilities of Customers for Acceptances, as per contra		3,241,450	
Liabilities of Customers for Endorsements, Guarantees, and other Obligations, as per contra		127,816,135	
		£1,410,461,277	

OLIVER FRANKS, Chairman.
A. J. RAISMAN, Deputy Chairman.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1954.

Dr.

To Interim Dividends, less Income-Tax	£573,122
" General Reserve	500,000
" Reserve for Future Contingencies	500,000
" Final Dividends, less Income-Tax (subject to confirmation by the Members)	652,178
" Balance to be carried forward	616,557
	£3,241,857

Note.—Directors' Emoluments amounted to £74,886 (1953: £70,589), including £7,188 (1953: £6,471) paid to certain Directors by Subsidiary and other Companies and £417 (1953: Nil) pension to a Director in respect of past services as Chairman.

Cr.

By Balance brought forward	£555,780
Profit brought in, after providing for taxation on the profits of the year and after making transfers to the credit of contingency accounts out of which accounts full provision has been made for any diminution in value of assets	2,686,072
	£3,241,852

REPORT OF THE AUDITORS TO THE MEMBERS OF LLOYDS BANK LIMITED

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Bank as far as appears from our examination of those books, and proper returns adequate for the purposes of our audit have been received from Branches not visited by us.

We have satisfied ourselves as to the Cash, in hand, with Bank of England and Eastern Reserve Banks, the Balances with, and Cheques in course of collection on, other Banks in the United Kingdom and Ireland, the Balances with Banks abroad, and the Bills. We have also verified the correctness of the Money at Call and Short Notice and the securities representing the investments of the Bank. We have examined the above Balance Sheet and Profit and Loss Account which are in agreement with the books of account at Head Office and certified returns from the Branches—the Eastern Branches accounts being brought in as at the 31st October, 1954. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required of banking companies by the Companies Act, 1948, and, on the basis authorised therein, the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at the 31st December, 1954, and the Profit and Loss Account gives a true and fair view of the profit, ascertained in the manner therein indicated, for the year ended on that date.

In our opinion the group accounts (comprising the Balance Sheet and Profit and Loss Account of the Bank and the annexed accounts of The National Bank of Scotland Limited), have been properly prepared in accordance with the provisions of the Companies Act, 1948, applicable to banking companies and, on this basis, give a true and fair view respectively of the state of affairs and of the profit of Lloyds Bank Limited and its subsidiary dealt with by such group accounts so far as concerns members of Lloyds Bank Limited.

8 Frederick's Place, E.C. 2, 18th January, 1955.

PRICE WATERHOUSE & CO., Chartered Accountants.

BALANCE SHEET OF THE INDIAN BRANCHES OF LLOYDS BANK LIMITED AS AT 31st DECEMBER, 1954.

CAPITAL AND LIABILITIES

	Rs. a. p.	Rs. a. p.
Capital—		
Deposit with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949	22,89,062 8 0	
2½% Loan 1961 Rs. 25,00,000 at Rs. 91-9-0.		Nil
Reserve Fund and Other Reserves		
Deposits and Other Accounts—		
Short Deposits and Deposits at call	7,83,58,077 5 9	
Fixed Deposits	4,69,67,058 10 8	
Savings Bank Deposits	2,46,85,967 0 9	
Current Accounts, Contingency Accounts, etc.	18,78,44,033 0 3	
		29,80,55,136 1 5
Borrowings from other Banking Companies, Agents, etc.—		
(i) In India	1,45,00,000 0 0	
(ii) Outside India	3,68,033 4 0	
		1,48,68,033 4 0
Particulars:—	Rs. a. p.	
(i) Secured by Central Government Securities per contra		
(ii) Unsecured	1,48,68,033 4 0	
Bills Payable		14,09,635 3 4
Bills for Collection being Bills Receivable as per Contra—		
(i) Payable in India	2,46,67,539 12 0	
(ii) Payable outside India	66,57,977 8 8	
		3,13,25,517 6 2
Other Liabilities—		
Inter Branch Balances—Net—Head Office and Branches outside India	1,82,46,576 8 6	
Inter Branch Adjustments—Branches in India	34,39,127 1 5	
Staff Provident Fund	62,48,820 4 7	
		2,79,34,523 14 6
Acceptances, Endorsements and other Obligations per Contra		2,86,23,167 11 9
Contingent Liabilities—		
Liability on account of outstanding Forward Exchange Contracts	Rs. 16,12,20,787 13 4	
		Rs. 50,22,16,013 9 2

PROPERTY AND ASSETS

	Rs. a. p.	Rs. a. p.	Rs. a. p.
Cash—			
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)			3,26,50,736 2 9
Balances with other Banks—			
Current Accounts			
(i) In India	2,50,636 13 9		
(ii) Outside India	2,95,862 1 1		
Money at call and short Notice			5,46,498 14 10
Investments—At or under Market Value			3,60,00,000 0 0
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments (of which nominal value Rs. 7,86,10,400 are lodged as security for borrowings from other Banks and for other accounts)			
(ii) Shares		20,48,78,231 12 1	
(iii) Debentures or Bonds		Nil	
(iv) Other Investments		Nil	
(v) Gold		Nil	
		Nil	
			20,48,78,231 12 1
Advances—			
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the auditors)			
(I) Loans, Cash Credits, Overdrafts, etc.—	Rs. a. p.		
(i) In India	15,06,10,787 1 6		
(ii) Outside India	Nil		
		15,06,10,787 1 6	
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—			
(i) Payable in India	71,11,862 15 11		
(ii) Payable outside India	1,82,65,013 2 1		
		2,53,76,881 3 0	
Particulars of Advances—			17,59,87,668 4 6
(i) Debts considered good in respect of which the Banking Company is fully secured		10,89,75,405 13 7	
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security		2,23,46,785 13 8	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors		4,96,65,526 9 3	
(iv) Debts considered doubtful or bad, not provided for		Nil	
		17,59,87,668 4 6	
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons		2,86,774 3 8	
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners, or Managing Agents or, in the case of private companies, as members		Nil	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons		3,01,176 0 0	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members		Nil	
(ix) Due from banking companies		31,45,743 5 9	
Bills Receivable Being Bills For Collection as per Contra—			
(i) Payable in India		2,46,67,539 12 0	
(ii) Payable outside India		66,57,977 8 8	
			3,13,25,517 6 2
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations Per Contra			2,86,23,167 11 9
Premises Less Depreciation—			
Original Cost		9,73,246 16 0	
Less—Depreciation		61,734 0 0	
			9,11,511 16 0
Furniture and Fixtures Less Depreciation			Nil
Other Assets, including Stores—			
Income Tax Advance Payments		1,12,930 12 0	
Interest, Exchange, Commission, Discount and Expenses		16,53,750 10 1	
			17,07,681 6 1
(No adjustments made as at 31st December, 1954, for the two months, November and December for accrued Interest and Exchange receivable and payable and Commission receivable)			
Non-Banking Assets Acquired in Satisfaction of Claims			Nil
		Rs.	50,22,16,013 9 2

W. T. O. PARKER, General Manager (Eastern Branches).

(Continued in next page)

PROTECTION TO INDUSTRIES IN INDIA

ITS HISTORY AND ACHIEVEMENTS

By M. D. Bhat, I.C.S.

CHAIRMAN, TARIFF COMMISSION, GOVERNMENT OF INDIA

[The history of tariff protection, the functions of the present Tariff Commission, the principles under which tariff protection is granted to industries and the responsibilities expected of a protected industry to the country, in general, were explained by Mr. M. D. Bhat, I.C.S., Chairman of the Tariff Commission, with a masterly grasp of facts, in his address to the All-India Conference of Management Executives, recently organised by the Bombay Labour Bureau. We reproduce on this page the text of Mr. Bhat's address, as it gives a connected, concise and up-to-date account of the progress of tariff protection in India, and will, therefore, serve as very useful reference material for business men and students of economics interested in this subject.—ED.]

FROM very early times, commercial contact and intercourse had existed between India and countries in the West, and Indian products, such as precious stones, pearls and silk were exchanged for products of those countries. With the discovery of the sea route to India, direct contact was established between India and Britain and large quantities of Indian calicoes, muslins and chintzes were exported by British traders to their country by ships. Customs duties on goods imported by sea by these and other traders were levied by the rulers of Indian territories where goods from foreign countries were landed. The duties were low and did not generally exceed 5 per cent. of the value of goods. The industrial development of India up to this time was on the same level as that of more advanced countries in Europe. Forces were, however, operating in Europe at this time which culminated in the Industrial Revolution in the middle of the eighteenth century. The discoveries made between 1760 and 1820 brought about great changes in the economic life of the people in Europe, especially in Britain. In India, however, the industrial organisation remained almost unaffected. It was only about a century later, that is, between 1850 and 1855, that the first cotton mill and jute mills and coal mining industry were established in India. The railway was also introduced in India about this time. Although the foundation of modern industry, which relies on machines and power to operate machines was laid in 1850, India's position in subsequent years was transformed to that of supplier of raw materials to Britain and other countries in exchange for their manufacture.

Fiscal Commission of 1921-22

For nearly 60 years thereafter, and in fact upto the end of the First World War, hardly any progress was made in establishing other industries. The policy of Government during this period was that of *laissez faire* and the demand made by Indians for active assistance by Government towards industrialisation of India remained unheeded. The *Swadeshi* Movement of 1905 stimulated cottage industries and encouraged the promotion of a few new industries of modern type, but due to various reasons, including lack of support from Government, they came to grief. One important industry, viz., iron and steel, was, however, started in the early years of this century. The First World War brought home to Government the necessity of establishing key industries But very little was done in the way of starting large-scale and basic industries and the few industries that grew up during the war years languished subsequently because they could not face competition from industrially advanced countries. Pressure from industrialists and prominent Indians in the Legislature led to the appointment of a Fiscal Commission in 1921-22. The Commission in its report stressed the advantages of development of Indian industries and recommended a policy of discriminating protection. It also recommended the appointment of a Tariff Board as an integral part of the scheme. These recommendations were adopted by Government in 1923 and the history of industrial protection in India may be said to have commenced from that year.

Triple Formula

The triple formula for the grant of protection as laid down by the Commission was (i) possession of natural advantages, such as abundant supply of raw materials, cheap power, sufficient supply of labour or large home market, (ii) industry was not likely to develop at all or not likely to develop rapidly without protection, and (iii) industry must be one which would eventually face world competition without protection. These conditions were rather exacting and narrowly interpreted in their application. The industry had first to be established and secondly it had to prove that it possessed certain natural advantages. The possession of raw materials was considered to be an essential condition for grant of protection to an industry and in two cases in which one of the important raw materials was not available in the country, Government refused to grant protection, although it was recommended by the Tariff Board. New industries or industries in embryo were excluded from the scope of protection. Further, some of the ancillary recommendations made by the Commission rendered the application of the triple formula more rigorous. Even then, it is remarkable that considerable progress was made by some of the important industries during the inter-war period. In many countries industrial production showed a heavy decline during the period of great depression which started in 1929, but, in India, the output of principal industries, namely, steel, cotton piecegoods, sugar, match and paper showed a marked increase. The favourable position was largely due to the fact that during these years, the effect of the policy of protection had begun to manifest itself. Other industries, such as sericulture and plywood and tea chests, also benefited from the protection granted to them.

The machinery and procedure of *ad hoc* Tariff Boards were, however, found to be dilatory and the policy of discriminating protection was considered by the industrial and commercial bodies to be generally unsatisfactory and inadequate. A dynamic policy for an underdeveloped country was demanded by them. The Second World War revealed how ill-equipped India was to make any large-scale industrial contribution to war effort. It disclosed the deficiencies and gaps in her industrial structure. At the same time, under the stress of war conditions and in some cases with the active help of Government, a number of new industries grew up. Due to the difficulties of importing the latest type of machinery from abroad, most of them were equipped with old and improvised machinery. With the cessation of hostilities, it was feared that these industries would be exposed to severe competition from foreign countries. As Government had given an assurance in 1940 to some of these industries that, if they were conducted on sound lines, they would be protected after the war from unfair competition, they appointed a Tariff Board in November, 1945, to examine the cases of war-time industries for protection and assistance.

The conditions laid down by Government for grant of protection were: (i) that the industry was established and conducted on sound business lines, (ii) that, having regard to the natural or economic advantages enjoyed by the industry and its actual or probable costs, it was likely to develop sufficiently to be able to carry on successfully without protection, or (iii) that it was an industry in which it was desirable to grant protection or assistance and that the probable cost of such protection or assistance to the community was not excessive. These conditions were undoubtedly more favourable than the conditions laid down by the Fiscal Commission in 1922 but, nevertheless, they ruled out the possibilities of developing potential industries for which the country possessed natural advantages. Even in highly industrialised countries like the U.K., the U.S.A., Germany and Japan, tariff protection was granted to new industries, sometimes along with other measures of assistance, such as subsidies, import restrictions, etc. Protection was essential for industries manufacturing machinery, precision tools, etc., which were of a highly technical nature and which required large investment of money. The capital required for such industries was not likely to be forthcoming, unless conditions of security were created by an assurance of protection. Many war-time industries were, however, protected by Government on the recommendation of the Tariff Board by converting the then existing revenue duties into protective duties at the same or higher rates.

Fiscal Commission of 1949-50

With the advent of independence, Government felt it necessary to review their tariff policy and appointed a Fiscal Commission in 1949 to report on (a) the future policy which they should adopt in regard to protection to and assistance of industries, and the treatment and obligations of the industries, which might be protected or assisted, (b) the machinery required to implement such a policy, and (c) any other matter having a direct bearing on the effective implementation of this policy. The Fiscal Commission divided industries broadly in two groups: (1) those included in plans approved by Government, and (2) those not included in plans

LLOYDS BANK LIMITED—*(Continued)*

AUDITORS' REPORT ON THE INDIAN BRANCHES OF LLOYDS BANK LIMITED UNDER SECTION 30 OF THE BANKING COMPANIES ACT, 1949.

We report that we have audited the Balance Sheet of the Indian Branches of Lloyds Bank Limited, dated 31st December, 1954, and above set forth and the annexed Profit and Loss Account for the year ended 31st October, 1954, with the books and accounts as kept at the General Manager's (Eastern Branches) Office, Calcutta, in which are incorporated certified returns from the Indian Branches and have obtained all the information and explanations we have required. In our opinion such Balance Sheet and Profit and Loss Account are drawn up in conformity with the law and the Balance Sheet exhibits a true and correct view of the state of the Bank's Indian Branches' affairs according to the best of our information and the explanations given to us and as shown by the books at Calcutta and the certified returns from the Branches. In our opinion books of account have been kept as required by law.

CALCUTTA, 23rd March, 1955.

PRICE WATERHOUSE & CO., Chartered Accountants.

PROFIT AND LOSS ACCOUNT OF THE INDIAN BRANCHES FOR THE YEAR ENDED 31st OCTOBER, 1954.

EXPENDITURE

	Rs. a. p.
To Interest paid on deposits, borrowings, etc.	41,85,071 2 11
" Salaries and Allowances and Provident Fund (includes General Manager (Eastern Branches) Rs. 94,761-5-4)	77,26,563 5 1
" Directors' and Local Committee Members' fees and allowances	—
" Rent, Taxes, Insurance, Lighting, etc.	8,74,128 7 6
" Law Charges	69,649 9 0
" Postages, Telegrams and Stamps	1,20,949 8 3
" Auditors' fees	10,000 0 0
" Depreciation on and Repairs to the banking company's property	3,87,838 4 5
" Stationery, Printing, Advertisement, etc.	4,63,517 0 6
" Loss from sale of or dealing with non-banking Assets	—
" Other Expenditure (including proportion of Head Office Expenditure)	9,01,695 14 9
" Balance of Profit (subject to Indian Income Tax and Super-Tax)	16,39,405 4 3
	Rs. 1,80,88,405 6 8

INCOME

(Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)

	Rs. a. p.
By Interest and Discount	1,26,79,639 15 8
" Commission, Exchange and Brokerage	38,93,706 7 0
" Rents	15,059 0 0
" Net Profit on sale of Investments, Gold and Silver, Land, Premises and Other Assets	—
" Income from non-banking assets, and profit from sale of or dealing with such Assets	—
" Other receipts	—
" Loss	—
	Rs. 1,80,88,405 6 8

W. T. O. PARKER, General Manager (Eastern Branches).

proved by Government. The first group was subdivided into three categories: (i) those required for defence and strategic purposes, (ii) basic and key industries, the products of which were indispensable to other industries, and (iii) other industries whose development was desirable in the national interest. The Commission recommended that industries in the first category should be established and maintained by giving necessary protection whatever the cost might be. As regards industries in the second category, they expressed the view that, as their development was in the national interest, protection should be given to them. In regard to the industries in the third category, and the industries in the second group, that is, industries not included in plans approved by Government, the Commission suggested that the case of each industry should be examined by the Tariff Authority and, if it was satisfied on examination that protection was justified, protection should be granted. The Commission further recommended that a permanent Tariff Authority called the Tariff Commission should be set up.

Tariff protection was accepted by the Fiscal Commission primarily as a means to an end and as one of the instruments for promoting economic development of the country. The new policy of protection to industry as recommended by the Commission was implemented by Government by enacting the Tariff Commission Act of 1951. The Tariff Commission was constituted under this Act in January, 1952, not merely to look into claims of industries to protection or assistance, but also to serve as an after-care organisation, so that no protected industry would suffer at any stage of its development. The setting up of a permanent Tariff Authority has also made it possible to formulate long-range views, to accumulate experience and to build up an efficient body of experienced officers.

Duties and Functions of Tariff Commision

The Commission, being a statutory body, is free from interference of the executive or influence from pressure groups. The duties and functions of the Commission are wider than those assigned to the post-war Tariff Board and include enquiry into and report on: (i) claims of industries to protection or assistance; (ii) prices of commodities, whether protected or not; (iii) action to deal with dumping and abuse of protection; (iv) effects of protection on the general level of prices in the country; (v) effects of tariff concessions under trade or commercial agreements on the development of specified industries, and (vi) tariff anomalies. The Commission is empowered to enquire into claims to protection of not only established industries, that is, those which are in actual production, but also of embryonic industries, that is, those which have not started production, but which are likely to do so if suitable protection is granted to them. Except in cases of grant of initial protection and fixation of prices of commodities where the Commission can act on a reference from Government, it can start enquiries and submit reports to Government on its own initiative. The Commission is free to decide the duration of protection according to the requirements of each industry and enjoys wide discretion both in regard to the general principles relating to fixation of tariffs and principles relating to obligations of protected industries. In order to safeguard the interests of the consumers, the Commission is required under the Act to investigate at prescribed intervals into the working of the protected industry with particular reference to the cost of production, scale of output, quality of the product and prospect of future expansion and to submit its report to Government.

The Commission enjoys a quasi-judicial status, and, while it functions as an independent body in assessment of facts and formulation of its conclusions and recommendations, it has to submit its report to Government. In this respect, the Commission acts as an advisory body, because the conclusions reached by it are not the result of any application of law to facts as is the case with judicial pronouncements, but an appraisal of facts in the light of economic principles. The principles which should be kept in view in making enquiries have been laid down in the Tariff Commission Act. According to these principles, actual costs have to be worked out in the case of representative units of the industry and an estimate of their future costs of production has to be made. A comparison is then made between the fair ex-works price of the product estimated for the industry as a whole with the c.i.f. price or landed cost without duty of the corresponding imported product and, on the basis of this comparison, the quantum of protection required by the industry is assessed. Freight disadvantage and allowance for prejudice are added to the fair ex-works price before the comparison is made, in cases in which it is established from evidence that it is necessary to take those factors into account.

Difficulties are sometimes experienced in arriving at the value of fixed assets or fixed capital of representative units. Fixed assets are generally assessed on their original book value and depreciation is calculated at income-tax rates, though, in some cases, special depreciation has been allowed to enable the industry to build up additional reserves. Another important issue relates to return on capital. The present practice is to allow generally a rate of return varying from 8 to 10 per cent. on the gross block, that is, the original value of the fixed assets. Interest on working capital is allowed usually at 4½ per cent., i.e., 1 per cent. higher than the Bank rate, the working capital being taken to be equivalent to usually three to six months' cost of production of the industry.

Work Done by Tariff Commission

Since the policy of discriminating protection was adopted by Government in 1923, 108 cases of industries which had applied for protection or assistance were examined by the Tariff Board and Tariff Commission. In 63 cases out of these, protection was granted and in the remaining cases their claims to protection were rejected. Of these, 19 industries have since been deprotected. The 44 industries which are enjoying protection today include metallurgical industries like aluminium, non-ferrous metals, alloy tool and special steels; engineering industries like bicycles, cotton textile machinery, electric motors; chemical and allied industries like soda ash, stearic and oleic acid, and sheet glass; food industries like preserved fruits, cocoa powder and chocolates and sago; and textile industries like sericulture and art silk fabrics. A study of the progress made in production since the industry was granted protection reveals that over a fairly wide range of the country's industrial economy, protection has made a distinctive contribution to promoting development.

Forms and Methods of Protection

The purpose of protection is to promote domestic production by counteracting, overcoming or preventing foreign competition, either by diminishing the power of the foreign competitor by creating against him a barrier of defence or by strengthening domestic resources. There are various methods of granting protection. Levy of import duties, grant of subsidies, restriction of imports, pooling of indigenous and imported products and fixation of import quotas are some of the well-known methods. Each method has its own advantages and disadvantages and these are weighed by the Tariff Commission before any method or a combination of two or more methods is considered suitable for any industry. Generally speaking, tariffs have been mainly employed for giving protection to industries. In addition to this, assistance is sometimes given to industries by administrative measures. Restrictions on imports were first introduced during the last world war and have since been continued on balance of payments considerations. Some of the industries protected by tariffs have received additional measure of protection as a result of these restrictions.

Results of Protection

The policy of protection followed by Government during the last 30 years or so has greatly benefited Indian industries. Despite the limitations of the protective policy explained earlier, not only have the protected industries been stabilised, but many allied and subsidiary industries have been established during this period. These industries have also provided employment to large numbers of persons and helped to develop skill and technique among the workers. Industries like cotton textiles, sewing machines, etc., have also succeeded in developing export markets. A criticism is sometimes made that all this has taken place at the cost of consumers. As has already been pointed out, in several cases, the grant of protection involved a mere conversion of revenue duty into equivalent protective duty and in such cases protection did not oridinarily impose any additional burden on the consumers. Where, however, the original rate of duty was enhanced for the purpose of granting protection, an additional burden was imposed on the consumers, but it is difficult to estimate precisely the extent of this burden. Taking a long-range view of the national economy, the cost involved temporarily could not be said to be excessive. It was a sacrifice which had to be made to insure future advantages.

Role of Industrial Management

Indigenous industries have certain advantages as well as disadvantages in comparison with corresponding industries in foreign countries. The advantages may arise from such factors as availability and lower cost of raw materials, lower wages and proximity of large centres of consumption. The disadvantages, on the other hand, may arise from such factors as higher cost of plant, machinery and equipment, lack of technical know-how, lower output per worker, long and costly transport and small volume of demand. In these and other matters, the role of industrial management is most important. The management must exploit the advantages to the utmost and lessen the extent as well as duration of the disadvantages as much as possible. It must avoid waste and exercise economy in every possible way and continuously strive to reduce the cost of production, to maintain the highest standard of quality of the industrial product, to adopt technological improvements introduced in foreign countries and to expand and diversify production. It is generally observed that little attention is paid to research and to maintenance of a proper system of cost accounting. The importance of research and cost accounting from the point of view of removing deficiencies in plant, machinery and equipment, in processing, in organisation and in effecting economies cannot be stressed too strongly. India has large resources of raw materials and they can be economically exploited if adequate encouragement is given by the consuming industries. The management must, therefore, encourage the development and expansion of feeder industries by using their products as far as possible.

Labour has a significant contribution to make to the industrial development of the country. While workers are entitled to favourable consideration of their legitimate demands, the community which ultimately bears the burden of protection has a right to expect that, by identifying themselves with their employment, workers will be able to achieve the maximum output. The management, on the other hand, should create a climate in which stable and cordial relations would be maintained between it and labour so that by close co-operation both could fulfil the obligations which they owe to the community on account of the burden imposed on it by protection.

Although India has made considerable progress in establishing new industries and in expanding and diversifying production of old industries during the last 30 years or so, it is still far behind the industrially advanced countries of the world. There are several gaps in the industrial set-up of the country, particularly in the field of manufacture of different types of machinery. The policy followed by the Government envisages rapid industrialisation in both public and private sectors. Towards this objective, both public and private sectors have to direct their efforts. The Five-year Plan has already achieved a great measure of success in increasing agricultural production. Industrial production has also increased during the last four years of the Plan. As the standard of living of the masses improves with the implementation of the current and the next Five-year Plans, the domestic market for industrial products is bound to expand progressively and protection may be relied upon to play its part in accelerating the process of industrialisation to meet the growing demand in the country.

THE BOMBAY STATE CO-OPERATIVE BANK LIMITED

9, BAKEHOUSE LANE, FORT, BOMBAY—1.

ESTABLISHED IN 1911.

Chairman: SHRI RAMANLAL C. SARAIYA, O.B.E.

Money deposited with this Bank helps the Indian Agriculturists and Co-operatives.

PAID-UP SHARE CAPITAL:

Subscribed by the Shareholders—	Rs.	Rs.	
Individuals ..	10,20,500		
Societies ..	24,26,600		
		34,47,100	
Subscribed by the Government of Bombay ..		26,00,000	
			60,47,100
RESERVE AND OTHER FUNDS ..			57,21,900
TOTAL DEPOSITS			8,93,11,600
WORKING CAPITAL			12,17,58,000

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Collection arrangements in many of the important cities of Indian Union. Deposits of all kinds accepted. Terms on application.

V. F. VARDE, *Hon. Managing Director.*

ELEVENTH SESSION OF E.C.A.F.E.

DELIBERATIONS AND CONCLUSIONS

AFTER deliberating for eleven days, the U.N. Economic Commission for Asia and the Far East (E.C.A.F.E) concluded its eleventh session on 7th April, 1955. One of the highlights of the session was the debate on the economic situation in Asia. The debate revealed a sense of sober satisfaction among the delegates in regard to the general progress made in the spheres of agriculture and industry, as well as in the formulation and, to some extent, the implementation of development programmes. Concern was, however, expressed about the pace of advance in the region which, it was said, was still much slower than what was necessary. Indeed, it was stated that advances in Asian economic development were hardly keeping abreast of the population growth of about 1.5 per cent. per annum. "Most of the countries of the region," to quote a report issued at the end of the conference, "find themselves nearly a decade after the end of the war with a real income per head of the population either lower than before the war or barely at pre-war levels, despite strenuous efforts made to increase output and to raise living standards."

What is the above state of affairs due to? The one common explanation given is that the pace of economic development in the E.C.A.F.E. region has all along been hindered by lack of adequate financial resources. This is no doubt a very difficult problem. But even more disquieting are certain basic weaknesses of Asian economies. Mention, for instance, may be made of the instability of the still predominantly agricultural economies and their dependence on the fortunes of a small number of raw material exports. Again, foreign exchange earnings and budget revenues have been declining since the Korean boom, while Governments are attempting to maintain or even increase their development expenditures. The region's international balance of payments, as a consequence, is unsatisfactory.

Improving Living Standards

Despite these difficulties, the Governments of the Asian countries continue to proceed with great determination with their economic development programmes. Export promotion measures are being adopted to enhance exchange earnings. In the search for export outlays, bilateral payments arrangements have been concluded, although multilateral trade and payments arrangements are accepted by most of the countries of the region as desirable ends. There is in the region a "burning desire" to improve living standards through economic development. It is felt that "more elaboration" is required in the techniques applied for the programming of economic development. The E.C.A.F.E. Secretariat has, accordingly, been urged and authorised to devote more of its resources (1) to an appraisal and promotion of economic development, (2) to the promotion of measures for international co-operation, and (3) to the provision of advisory services to Governments. With a view to enabling the Secretariat to carry out this task, an Economic Development Section has been set up in the E.C.A.F.E. Secretariat.

The economic progress, though significant, has not yet lifted Asian incomes and food consumption above pre-war levels. In fact, the present tendency is said to be towards economic stagnation. If this is to be prevented, there is an imperative need for a much larger measure of assistance—capital and technical. The E.C.A.F.E. Survey estimates the aggregate capital requirements of the region (excluding Japan and Mainland China) at $5,000 million per annum, against which the amount of foreign capital now being made available is of the order of only $1,000 million. Incidentally, it is stated that several countries are endeavouring to attract private capital from abroad, but the actual inflow has been small and, in some cases, there has actually been a net outflow. The need for larger foreign economic aid was impressively brought out at the recent annual region of the E.C.A.F.E. The representatives from the various non-Asian countries were one in recognising the fundamental needs of the region and in readily responding to the plea for more assistance, but there were differences in the approach to the region's problems and in the interpretation of the current economic situation.

In the considered opinion of the E.C.A.F.E., a large part of the resources should be devoted to activities designed to strengthen economic co-operation both among Asian countries and also with countries in other parts of the world. Projects of this character, as planned or already initiated, have been incorporated in the Commission's work programme and priorities for 1955-56. Confidence is expressed to the effect that other concrete opportunities for regional co-operation would emerge in due course and be brought to the attention of the Commission.

The details of the discussions held at the recent annual session of the E.C.A.F.E. reveal that international commodity agreements for wheat and sugar are considered as measures which would defeat the instability of agricultural raw material reports. Hope was expressed that the Commission on International Commodity Trade recently established would produce good results. Reassuring was the statement of the U.S. delegation that agricultural surpluses would not be dumped and would not unduly disrupt world markets.

Balanced Economic Development

Great emphasis was laid on achieving a balanced economic development with due recognition being given to the importance of agriculture. This is only as it should be, considering that agricultural surpluses are essential to provide the foreign exchange required for the purchase of machinery and equipment for industry. Attention was drawn, in particular, to the need for implementing such of those development projects as would utilise the vast human resources. In this context, the progressive development of cottage and small-scale industries and introduction of community development programmes along the lines of traditional self-help methods of co-operation as was being done in India was recommended. Much emphasis was also laid on the need for promoting increased trade within the region and for ensuring greater regional co-operation in fields like rice, iron ore, coal, etc. One of the proposals made was that, in view of the present difficult rice situation, the E.C.A.F.E. should bring the representatives of supplying and consuming countries together for discussions about long-term solutions of difficulties arising from current rice surpluses.

Human Resources

Attention was focused on the vast human resources in the region, on the one hand, and the shortage of trained personnel as one of the major obstacles to more rapid economic development, on the other. The importance was stressed of awakening the consciousness of the masses so that they would "accept" immediate sacrifice for future economic progress.

Keen interest was shown in the possibilities of the use of atomic energy for peaceful and industrial purposes, and the view was expressed that Asian countries should watch developments closely, lest they should "miss the bus again."

The Conference felt that the time had come to give closer attention to programmes of economic development and planning. The E.C.A.F.E. Secretariat was, therefore, authorised to proceed with "continuing" projects and activities on a high priority basis, "providing, in particular, for a periodical view of these plans and their implementation in the countries of the region." It was, however, stressed that these studies should be devoted to techniques of economic programming and should not infringe upon the national prerogatives.

Concern was expressed over disparities in freight rates. The Secretariat was asked to undertake a study of this problem. It was felt that a study of the railway freight rates should be made, since this question was of importance to the landlocked countries. The Secretariat was also asked to initiate a study on the promotion and improvement of public communication systems for domestic and commercial purposes, and the establishment of telecommunication facilities for industry.

The U.N. technical assistance activities were highly commended. The share of the E.C.A.F.E. region in the expanded programme of the U.N. during 1955 was estimated at 35 per cent. Shortage of finance, it will be recalled, had caused the 1953 programme for Asia to fall slightly short of the $6 million originally earmarked, to $5.88 million or 33.1 per cent. of the world total, to be precise. The number of experts whose services were made available during 1953 was 680 and the fellowships aggregated 374.

Problems of the rice-producing countries came up for discussion on several occasions. Burma and Thailand, in particular, were concerned over the continuation of the buyers' market, despite price reductions on the part of exporters. They also voiced anxiety over the increased competition from other foodgrains, especially wheat, and tendencies at self-sufficiency among rice-consuming countries. India and Ceylon, as well as other rice-consuming countries, on the other hand, defended their policies of self-sufficiency as a protection against the recurrence of rice prices in excess of the purchasing power of the consumer countries. India pointed out that it was producing rice at a cost lower than the lowest price of imported rice and offered to meet, under the auspices of the E.C.A.F.E. and the F.A.O., to discuss problems of rice-exporting and rice-importing countries.

Type of Economic System

Some discussion took place on the type of economic system suited for this region. India, Burma and Indonesia stressed the socialist character of their constitutions while recognising, at the same time, the importance of private capital. Ceylon announced its determination to follow a policy in favour of strengthening the private sector.

Inter-Regional Trade Co-operation

As requested by the Economic and Social Council, the Conference considered the question of inter-regional trade co-operation. Various opinions were voiced concerning the possibility of trade consultations to be organised by the E.C.E. and the E.C.A.F.E., similar to those taking place from time to time under the auspices of the Economic Commission for Europe. Such trade consultations, if agreed on, might bring together within the framework of the United Nations trade experts from countries participating in the work of the E.C.E. and the E.C.A.F.E. Following informal consultations, India, with the support of the U.S., moved a resolution in which the concept of trade consultations between interested countries on specific problems was endorsed in principle, though it was felt that methods and procedures should be more fully explored. It was also held that the consultations should not exclude member-countries of the U.N. other than those participating in the work of the regional commissions. Finally, the Indian resolution, adopted unanimously, referred the whole matter back to the Economic and Social Council (beginning in Geneva in July).

Cambodia, Ceylon, Japan, Laos and Viet Nam, which were until recently associate members of the E.C.A.F.E., attended the Tokyo Conference for the first time as full and equal members of the Commission. The total membership of the Commission now comprises 21 full members and three associated members (Hongkong, Malaya and British Borneo, and Nepal).

The next session of the E.C.A.F.E. will be held in India.

U.S. AID TO COLOMBO PLAN COUNTRIES

"U.S. assistance to the countries of the Colombo Plan—like that provided by Canada, Australia, New Zealand and the United Kingdom—is bilaterally given and bilaterally received. The U.S. contribution, in other words, is the sum total we do in the various countries of the area to promote the economic development of those countries." In these words, Samuel C. Waugh, U.S. Assistant Secretary of State for Economic Affairs, explained in a recent speech how the United States is assisting the Colombo Plan nations to advance their economies.

Since the plan began in 1951, member-countries outside South and South-East Asia have authorised expenditures of $1,092 million from their own resources for projects in benefiting countries. Almost half of this total has come from the United States in the form of grants for development assistance and technical co-operation programmes, special loans and grants for wheat to meet emergency situations, credits by the U.S. Export-Import Bank and the exchange of scholars and teachers under special legislation for this purpose.

Of the total U.S. grant assistance extended since the programme began, over 30 per cent. was used to improve and utilise agricultural and natural resources. About 20 per cent. of the total assistance went to supplying commodities to meet such urgent situations as threatened famine conditions in Pakistan. The development of communication and power facilities utilised 16 per cent., while 12 per cent. of the technical co-operation and development assistance money was allocated to industry and mining projects.

Health and sanitation projects received 10 per cent. and approximately six per cent. of the funds was used to assist in the establishment of community development programmes designed to raise the level of productivity and living conditions in rural areas. The programmes for improving educational facilities and the training of administrators took five per cent.

DEVELOPMENT COUNCIL FOR PHARMACEUTICALS

REDUCTION IN PRICES OF DRUGS URGED

THE need for developing the pharmaceutical industry in India on a sound footing can hardly be overemphasised. On the industry depends, to a great degree, the health of the people which, in turn, is the source of energy and capacity required for productive work. This observation may be somewhat jarring to the ears of some, because prevention is better than cure. But sickness has not been banished even in the richest countries of the world and so drugs that cure mankind of physical afflictions are vital to the health of any nation. Unfortunately, the pharmaceutical industry in India is still in its infancy. Out of a total of 1,643 pharmaceutical factories, as many as 1,568 are small-scale units. Many of them, according to the Pharmaceutical Enquiry Committee, are situated in insanitary places and their equipment is antiquated and inadequate, and they lack technically qualified staff to supervise the manufacture of drugs. Besides, they have no laboratories to check the quality of raw materials or finished products. Preparation of sub-standard drugs in these units is not uncommon and what is more disquieting is that most of the drugs are priced high and beyond the reach of the common man. Difficulty is being experienced regarding lack of proper collection, storage and marketing of certain varieties of raw materials.

The weaknesses of the pharmaceutical industry were highlighted at the first meeting of the Development Council for the industry, set up in February last at New Delhi, held on the 21st inst. The meeting was addressed by both Mr. T. T. Krishnamachari, Minister for Commerce and Industry, and Rajkumari Amrit Kaur, Minister for Health. The speeches give us an indication of the problems facing the Council and the suggestions made therein merit full consideration by the industry.

Mr. T. T. Krishnamachari made a pointed reference to the high price of drugs and pharmaceuticals and suggested some kind of Governmental control to check this trend. He deplored the tendency among producers of drugs and pharmaceuticals in this country to follow the American pattern of high margins of profits. He characterised this tendency as "unadulterated exploitation" by those who possessed scientific knowledge of manufacturing these products. It was, therefore, appropriate that the Minister should remind the Council of its duty to help the people who were ailing, especially the poor, by bringing down the prices of drugs and pharmaceuticals to their purchasing capacity. In this task, he promised the fullest support of the Government to the Council.

While profiteering deserves to be condemned, it is necessary to bear in mind that the pharmaceutical industry, if it is to serve the people well, should be encouraged to build up sufficient reserves for being expended on research and discovery of new medicines and drugs. Just imagine how much money the I.C.I. or the Glaxo Laboratories are spending and have spent on this score. Such expenditure, it is needless to add, does not yield immediate results and the cost of a new medicine should not be considered only in terms of the present block account but also by taking into account the enormous sums spent on research that led to the discovery of that medicine. If a rigorous control on profits of some of the world-renowned fine chemical companies had been exercised, the discovery of such well-known drugs as penicillin and paludrine might not have taken place. In saying this, it is not suggested that the Minister was wrong in his criticism. What is sought to be said here is that genuine and progressive-minded manufacturers of drugs should not feel discouraged in their attempts to establish a strong and sound pharmaceutical industry as a result of any measures taken to eliminate wanton profiteering.

Rajkumari Amrit Kaur, Union Minister for Health, inaugurating the Council, expressed the hope that "the Council will devise ways and means of setting up speedily an efficient pharmaceutical industry in India, which will not only be in the interests of the country's economy but also help in developing an efficient pharmaceutical trade and profession in India." She drew the attention of the Council to the various recommendations of the Pharmaceutical Enquiry Committee and was confident that, if implemented, they would go a long way towards putting the industry on progressive lines. She called for the initiation of necessary steps to develop the industry in order to make the country independent of imports from outside. This was, she said a matter of great importance and one which should receive top priority at the hands of the Council.

Commenting on the latest amendments incorporated in the Drugs (Amendment) Bill passed recently by Parliament, the Health Minister said that they were necessary to bring the rule-making power under the Central Government and to make punishments for the manufacture, sale and distribution of spurious, sub-standard and misbranded drugs more stringent. She considered that they would result in a tightening of the control over standard of drugs.

With a view to establishing uniformity in standards of production and inspection, the Enquiry Committee had made certain specific recommendations. One of them was that every manufacturing unit should maintain minimum scales of equipment, accommodation and staff. The Health Minister said that steps were being taken to implement the suggestion by introducing suitable changes in the Drug Rules. Referring to centralisation of Drug Standard Control, the Minister said: "The Central Health Council considered this recommendation and wisely decided that the production of drugs and pharmaceuticals should be brought under the control of the Central Government. The question of making suitable amendments in the Drugs Act in the light of the decision taken by the Central Health Council is being examined. The main results of centralisation will be to bring about uniform standards of licensing of pharmaceutical factories under the Drugs Act and better co-ordination between the working of the Drugs Act and that of the Industries (Development and Regulations) Act."

Rajkumari Kaur then stated that the supply position in respect of essential drugs was more satisfactory and that prices of drugs were on the decline, as was evident from the fact that the cost of antibiotics, vitamins, supra drugs, etc., had registered an appreciable fall as compared with the prices prevalent in 1948 and 1949. Pleading for self-sufficiency in drugs, she said:

"While framing our import policy, the capacity of indigenous production is kept in view, so that there may be an incentive to the development of our home industry. It is gratifying to note that the latter has made considerable headway in recent years. The statistics compiled by the Pharmaceutical Enquiry Committee reveal that the sale value of drugs made in India is to the tune of about Rs. 34.7 crores, while that of imported drugs is about Rs. 12 to Rs. 14 crores annually. The capital involved in the home industry is approximately Rs. 23.64 crores. The bulk of imported drugs comprises antibiotics, vitamins, sulpha drugs, glandular products and special preparations such as dental and other anaesthetics. The attention of the indigenous industry must be drawn towards the latter classes of drugs. We must all think now in terms of becoming self-sufficient in the matter of our drug supply."

Adverting to the terms of reference to the Council and, particularly, to the research problems of the industry, the Minister said:

"The terms of reference of this Development Council cover all aspects of the industry. The Council is representative of various interests affecting the industry and trade and I am confident that its suggestions will be invaluable for Government in planning its development and making a serious attempt from all angles to place it on a self-sufficient basis within the least possible time. The work relating to the research in drugs, the development of medicinal plants and the production of basic chemicals is already under the consideration of Government and the various scientific bodies sponsored by Government. In addition to this, every large unit in this country or a number of units combined together should form research and testing centres of their own for the benefit of the industry."

Incidentally, the Health Minister did well in uttering a warning to the medical practitioners against the tendency of becoming agents of the manufacturers of patented medicines. She remarked:

"What is more important is that the industry should create confidence in the minds both of the consumer and the medical profession. The medical profession should extend the hand of co-operation to the industry and try to support indigenous products in preference to foreign articles, particularly proprietary articles. It hurts me considerably to see a large amount of money being utilised for the import and production of proprietary drugs which can easily be compounded by our own chemists on the prescriptions of medical practitioners. Medical practitioners must keep up the art of prescription writing and should not encourage the use of patent and ready-made expensive formulations. You will remember that this very aspect was stressed by me at the time of the inauguration of the Pharmaceutical Enquiry Committee when I said that it was a sorry state of affairs to notice that the medical profession was beginning to lose the art, as it were, of writing prescriptions and thereby falling back on patent medicines for their patients. It should, on the other hand, be the duty of the profession to eliminate from the minds of the public the unnecessary importance attached to patent and proprietary drugs. As you are all aware, the sale of patent medicines has of late been on the increase in India due to advertisement. My Ministry has already taken steps to regulate advertisements of drugs in the lay Press and to ensure that unnecessary claims made on their behalf are controlled. The rules under the Drugs and Magic Remedies (Objectionable Advertisements) Act have come into force from the 1st of April, 1955, and it is hoped that this legislation will reduce the evil effects of self-medication by the general public."

One of the reasons for the unduly expensive medical treatment in India is the mechanical prescription of patent medicines by medical practitioners. Any measures devised by the Council to check this tendency will be of immense benefit to the sick people the bulk of whom is beyond the reach of these medicines.

DEVELOPMENT OF ALKALI INDUSTRY

Of the many Development Councils so far established, the one set up for heavy chemicals (alkalis) will have a tough time in tackling the problems facing the industry. For this industry generally is suffering from a series of shortcomings. Its progress has not been uniform. The producers have started manufacturing secondary products and the development of primary products has been neglected. As these latter need large investments and as the former has not been quite a success, capital is not flowing in sufficient quantities to establish large units which alone can produce primary products on an economic basis. And for this the industry has for long been claiming advance protection for almost all its products. The industry is also experiencing difficulty in respect of railway freight, supply of wagons, etc. These difficulties will have to be considered by the Development Council which is expected to draw up targets for the industry in the second Five-year Plan. In fact, Mr. Nityanand Kanungo, Deputy Minister for Commerce and Industry, stated, while inaugurating the meeting of the Council, that it should draw up targets for soda ash, caustic soda, chlorine and its products, calcium carbide and other chemicals.

Emphasising the importance of the task before the Council, the Deputy Minister pointed out that the growth of many industries was dependent on the development of alkali industries. For instance, soap, rayon, dyestuffs, aluminium, textiles, matches, sugar, plastics and others all consumed alkalis in large quantities. The targets which might be fixed for these items would become practicable, he said, only if there was a corresponding increase in the production of the basic alkalis.

Reviewing the recent development in the field of heavy chemicals industry, Mr. Kanungo observed that three new factories for the manufacture of soda ash with a total capacity of 520 tons had been licensed under the Industries Act and were expected to be set up soon. The two existing units had already expanded their capacity to 260 tons per day. In regard to caustic soda, 10 new schemes were expected to be completed within the next two or three years, raising the capacity from about 42,000 tons to 106,000 tons. There were, besides, 12 units already in existence. Even with all this expansion, the demand in the country would not, he said, be fully met and there was scope for further development. In this context, he sought the advice of the Council in regard to future plans.

In this industry, too, as in the case of pharmaceuticals, the cost of production is very high. Mr. Kanungo, therefore, did not lose the opportunity to emphasise the need for lowering costs. In this connection, he reminded the Council that the alkali industry had been given tariff protection and that it enjoyed a sheltered market because of the operation of the import control. Nevertheless, he considered it important that such vital raw materials should be available to the other industries which consume them at the lowest possible price. He felt that production in India should cost no more than that in any other country.

RAILWAY LABOUR TRIBUNAL

Mr. Sankar Saran, who constitutes the one-man tribunal for adjudication of disputes between the railway administration and labour, is holding the preliminary sitting of the Tribunal in Bombay. The disputes referred to the Tribunal relate mainly to the redistribution of grades of various categories of staff, application of revised scales of pay for certain categories of staff, with effect from 1st January, 1947, including payment of arrears, admissibility of officiating pay to staff working in the higher grades without the imposition of any minimum time limit, and conditions governing workshop leave of short duration. The first dispute regarding the redistribution of grades is of great importance to the staff of the railways which employ nearly a million workers with a large number of grades. The main task of the Tribunal at this sitting is to frame issues arising out of the written statement of the demands submitted by the National Federation of Indian Railwaymen.

The appointment of a Tribunal was, it will be noted, envisaged under the permanent negotiating machinery set up by the Government of India in December, 1951, which provides that, if after a discussion between the Railway Board and the Federation, agreement is not reached on any matters of importance, such matters may be referred to a tribunal consisting of an equal number of representatives of labour and the Railway Board with a neutral chairman. However, both the Federation and the Railway Board agreed that, in this case, a one-man tribunal, consisting of Mr. Sankar Saran, would do and that both of them should represent their cases to him.

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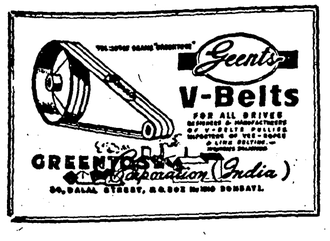

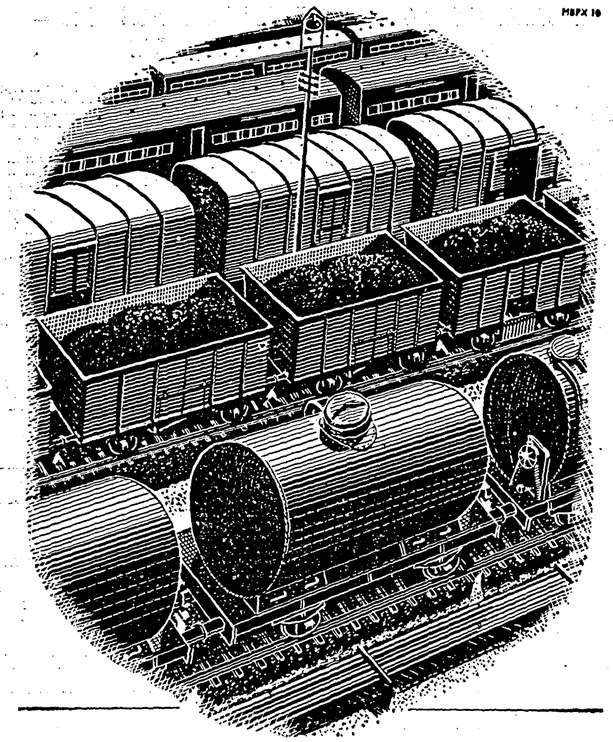

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RESULTS OF TWO TATA GROUP MILLS

PROFIT OF SVADESHI LOWEST SINCE 1940—TATA MILL RAISES DIVIDEND

THE working of cotton textile mills in India during 1954, judged from the results of many of the mills which have been analysed in these columns in recent weeks, has clearly proved that the benefits of freedom from distribution and price controls enjoyed by the industry throughout the year were neutralised to *some extent by the continuance of production* control, which restricted the manufacturing potential of the industry by not permitting it to change the range and type of production to *satisfy the varying seasonal and market requirements.* Another adverse factor was the fall in prices of cloth in the face of an increase, in excise duties. The financial results of the Svadeshi Mills Company, Ltd. and the Tata Mills Ltd., both under the management of Tata Industries Ltd., Bombay, for the year ended 31st December, 1954, bear further evidence of the aforesaid trading conditions.

The gross profit of the Svadeshi Mills amounts to Rs. 11.98 lakhs, recording a decline of Rs. 11.15 lakhs from that (Rs. 23.13 lakhs) for the previous year, thus more than counteracting the increase of Rs. 5.78 lakhs noted a year ago. What is more, the year's profit represents the lowest earned since 1940. The gross profit of the Tata Mills, however, has been maintained at the previous year's level, the exact profit for the year being Rs. 9.73 lakhs, as against Rs. 9.70 lakhs for 1953, and a loss of Rs. 2.30 lakhs for 1952. If the Company has not suffered any setback in the earnings, it is obviously due to the benefit of the *modernisation programme* carried out during the year. The net profit of the Svadeshi Mills amounts to Rs. 8.31 lakhs, as compared with Rs. 12.44 lakhs for 1953, and that of the Tata Mills Rs. 3.40 lakhs, as against Rs. 4.12 lakhs for the previous year.

The dividend on ordinary shares of the Svadeshi Mills has been halved from 16 per cent. to 8 per cent., but it is being paid on a higher capital raised during the year by the capitalisation of Rs. 25 lakhs from the reserve fund. It must also be noted that even for the payment of this lower dividend, the Directors have had to draw a part of the amount required from the dividend equalisation fund. The dividend of the Tata Mills has, on the other hand, been raised to 10 per cent. from 6 per cent. paid for 1953, to which level it had been enhanced last year from 4 per cent. paid for 1952. It may be noted, in this connection, that the dividends of both the Companies for the year under review are being paid *without deduction of income-tax*; this means that the dividends are taxable at the hands of the shareholders, whereas in respect of the previous years they were tax-free in their hands. This change is due to the fact that there is no tax liability for the Companies, thanks to the advantage of initial depreciation allowance and the incidence of taxation on the dividends has, therefore, to be borne by the shareholders at the rate applicable to them on the basis of their total income.

A bird's-eye view of the performance of the two Companies during the past year can be had from the table published at the foot of this page.

It will be observed that, while the sale proceeds and consumption of raw materials have shown a decline, expenses have risen by Rs. 8.02 lakhs in the case of the Svadeshi Mills and Rs. 8.33 lakhs in the case of the Tata Mills. In the case of the Svadeshi Mills, the rise in expenses is accounted for mainly by the increase of Rs. 2.21 lakhs in salaries and wages and Rs. 3.21 lakhs in stores and fuel. The cost of the extra dearness allowance in respect of the period May, 1953, to December, 1954, and bonus for the year 1952 under the award of the Labour Appellate Tribunal amounts to Rs. 9.18 lakhs, thus reducing the Company's profit to that extent. The Directors estimate that an additional burden of Rs. 4.43 lakhs per annum has to be met by the Company from January, 1955, so long as the cost of living index remains over 350. The Directors add that the Company was again handicapped by too low a quota of Indian cotton to meet its full requirements and, as a consequence, high-priced foreign cotton had to be used which reduced the profits appreciably.

The increase in expenses of the Tata Mills is accounted for mainly by the rise of Rs. 3.68 lakhs in salaries and wages and Rs. 2.52 lakhs in repairs and renewals. As a result of the award of the L.A.T., the Company has been called upon to pay Rs. 7 lakhs as extra dearness allowance for the period May, 1953, to December, 1954. So long as the cost of living index remains above 350, the Company will have to bear an additional burden of Rs. 4.20 lakhs a year from January, 1955, onwards. So far as the bonus for 1952 is concerned, the Company has represented to the Industrial Court claiming that no bonus is payable to the workers as the Company incurred a loss for that year. The case has not yet been decided. The question of bonus for 1953 is also before the Industrial Court. As in the case of the Svadeshi Mills, the quota of Indian cotton to the Tata Mills was inadequate to meet its full requirements and foreign cotton had to be used which reduced the Company's profit to some extent.

The financial position of the two companies can be judged from the following synopses of their latest balance-sheets:

	SVADESHI Rs.	TATA Rs.
LIABILITIES		
Capital	1,15,00,000	32,50,438
Reserves and surplus	63,70,141	50,08,006
Debentures	..	39,00,000
Provision for taxes	..	44,200
Liabilities	5,75,466	94,26,693
	1,26,02,246	
ASSETS		
Gross block	2,11,10,783	1,64,79,133
Less—Depreciation	1,02,23,292	48,92,129
Net block	1,08,87,491	1,15,87,004
Stock-in-trade	1,12,26,517	69,12,454
Stores and spares	13,14,610	15,48,381
Debts, deposits and advances ..	24,91,576	13,37,957
Investments	49,69,178	2,81,645
Cash	10,58,479	1,11,046
Total ..	2,29,47,853	2,17,28,337

In pursuance of the Companies' plans for the reorganisation and renovation of the mills, machinery of the value of about Rs. 31.94 lakhs was installed during the year by the Svadeshi Mills and of about Rs. 21 lakhs by the Tata Mills. In addition, machinery awaiting installation at the end of the year amounted to Rs. 11.65 lakhs in the case of the Svadeshi Mills and Rs. 4.41 lakhs in the case of the Tata Mills. With the installation of new spinning frames, the spinning department of the Tata Mills was able to achieve considerable economies in working, thereby augmenting the profits of the Company.

The Rs. 100 fully paid-up shares of the Svadeshi Mills are being currently quoted at Rs. 196 *cum-div.* On an *ex-div.* basis, the latest dividend provides a yield of 4.25 per cent. per annum (taxable). The Rs. 25 paid-up shares of the Tata Mills are being currently placed at Rs. 54-4 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 4.83 per cent. per annum (taxable).

WIMCO'S PROFIT LOWEST SINCE 1947

A decline in production on account of strikes in some of the factories and intense competition from low-priced cottage products have had an adverse effect on the earnings of the Western India Match Company, Ltd. (Managing Director: Mr. T. Rydin, Bombay), for the year ended 31st December, 1954. Thus, the gross profit of the Company for the year amounts to Rs. 90.98 lakhs, representing a decline of Rs. 9.16 lakhs from that for the previous year. Though this shrinkage may not be serious, it should be noted that this is the second year in succession in which a fall in profit has occurred, the drop in the previous year being Rs. 5.90 lakhs. The aggregate decline of Rs. 15.06 lakhs in the course of the past two years has brought the profit of the Company to the lowest level since 1947.

The net profit, at Rs. 41.47 lakhs, shows a decline of only Rs. 1.56 lakhs from that for 1953, due to lower provision for depreciation, as explained below. Despite this small setback, the addition to the reserves has been raised from Rs. 4.56 lakhs to Rs. 6 lakhs and the distribution to the shareholders has been maintained at 11 per cent., made up of a dividend of 10 per cent. and a bonus of 1 per cent. This has been rendered possible by the absence of any allocation to gratuity. This is the sixth consecutive year for which the return to shareholders is being maintained.

The progress of the Company during the past three years is reflected in the following comparative table giving the salient features of the profit and loss account:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Gross sale proceeds ..	10,28.19	11,09.81	11,85.11	11,94.80
Other income	10.21	11.09	15.88	6.91
Closing stocks	27.28	41.57	27.10	24.05
Purchases of finished goods	0.29	0.01	2.20	14.95
Excise duty	497.03	539.72	569.75	575.96
Manufacturing and other expenses	445.12	494.99	528.06	521.89
Gross profit	90.98	100.14	106.04	93.97
Managing Agents' commission	8.40	8.16	9.22	8.25
Provision for—				
Depreciation	6.66	18.30	13.50	11.43
Taxation	34.45	30.65	33.15	32.00
Net profit	41.47	43.03	50.17	42.29
To Shahdara factory goodwill written off ..	..	..	0.01	..
,, reserves	6.00	4.56	20.00	12.00
,, dividend	30.25	30.25†	24.20	24.20
	(D. 10% +B. 1%)	(D. 10% +B. 1%)	(D. 10% +B. 1%)	(D. 10% +B. 1%)
,, gratuity	..	4.08	..	3.27
,, extra commission to Managing Agents ..	4.20	4.08	4.61	4.12
Carry forward	5.29	4.28	4.21	2.86

† On the increased capital of Rs. 2.75 crores, raised by the capitalisation of Rs. 55 lakhs in November, 1953.

The Directors report that, during the year under review, strikes occurred in the Company's factories at Calcutta and Madras and production was lower than in the previous year. Sales also were lower in 1954, being been "adversely affected by intensified competition from the low-priced products of subsidised cottage manufacturers." Reflecting these, are the decline of Rs. 71.12 lakhs in sale proceeds, Rs. 14.29 lakhs in closing stocks, Rs. 42.69 lakhs in excise duty and Rs. 49.87 lakhs in expenses. The substantially lower provision for depreciation is explained by the Directors in their report as follows:

"In this year's accounts, depreciation has been calculated differently from previous years. Your Directors have thought it preferable now to introduce the 'straight line' system, whereby each accounts year will bear the same amount of depreciation for each asset until such asset has been completely written off within its expected lifetime. In the past, we wrote off in the accounts ordinary depreciation, initial depreciation, etc., to the full extent allowed by the Income-tax Department in their assessment. To the extent that the amount of depreciation allowed by the Income-tax Act in this year's assessment (as well as in the future) exceeds our book depreciation, the consequent tax advantage taken, as it were, in advance, is being provided for in our books. The tax advantage to be derived from the recently introduced development rebate is being treated in the same way."

This also explains the increase in the provision for taxation from Rs. 30.65 lakhs to Rs. 34.45 lakhs, which includes provision for deferred taxes on depreciation and development rebate.

The Company's factory at Shahdara in Pakistan, which was reopened early in 1953, worked satisfactorily during the year under review and the profit earned by the Company in Pakistan has been included in the year's accounts. The Pakistan authorities desire that the Company's interests in Pakistan be converted into a Pakistani company. In fact, it was on the condition that a Pakistani company would be established within two years that the lease of the Shahdara factory was renewed.

The paid-up capital of the Company remains unchanged at Rs. 275 lakhs, after the capitalisation of Rs. 55 lakhs in November, 1953. The reserves and surplus aggregate Rs. 80.54 lakhs. The reserve for taxation amounts to Rs. 133.41 lakhs and current liabilities aggregate Rs. 141.89 lakhs. The Company has made additions to the extent of Rs. 48.62 lakhs during the year to the gross block, which a depreciation fund of Rs. 153.96 lakhs has been built up. The current assets amount to Rs. 492.34 lakhs, exceeding the current liabilities and taxation by Rs. 217.04 lakhs.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 205 *cum-div.* On an *ex-div.* basis, the shares offer a yield of 5.67 per cent. per annum, free of tax.

AIR-INDIA INTERNATIONAL

The operations of the Air-India International Corporation during the eight months from 1st August, 1953, to 31st March, 1954, the first accounting period after the nationalisation of the former Air-India International Ltd., have resulted in a gross profit of Rs. 34.30 lakhs, as compared with Rs. 36.22 lakhs earned during the year ended 31st December, 1952, the last year of the Company's operations under private enterprise. After making a provision of Rs. 22 lakhs (as against Rs. 38.36 lakhs set aside for the 12 months ended December, 1952) for depreciation, the profit works out to Rs. 18.30 lakhs, as against a loss of Rs. 2.14 lakhs. This profit has been arrived at without making any provision for payment of interest on capital of Rs. 94.88 lakhs provided by the Government. (The question of charging a fixed rate of interest on the Government's share of the capital is dealt with exhaustively by the Board of Members of the Corporation in its report, to which a reference will be made later on.)

After setting aside Rs. 5.25 lakhs for deferred taxation and Rs. 6 lakhs for interest on bonds to be issued to Air-India International Ltd., the Board has decided to appropriate the balance of Rs. 7.05 lakhs thus: to write off goodwill Rs. 10,000, transfer to insurance fund Rs. 2.10 lakhs, transfer to reserve fund Rs. 4.50 lakhs and carry forward Rs. 0.35 lakh.

The revenue earned by the Corporation from carriage of traffic, including mail and charter

(*Continued in next page*)

(In lakhs of rupees)

	For the year ended 31st December							
	1954	1953	1952	1951	1954	1953	1952	1951
	SVADESHI				TATA			
Sale proceeds (net)	832.09	837.46	823.18	826.21	308.67	309.95	289.51	335.22
Cotton, art silk, etc., consumed	150.89	153.10	178.34	154.21	133.39	148.44	165.03	165.63
Expenses	171.90	163.88	142.20	124.84	160.48	152.15	133.20	140.26
Gross profit (+) or loss (—)	+11.98	+23.13	+17.35	+50.99	+9.73	+9.70	—2.30	+27.61
Managing Agents' commission	0.67	1.28	0.94	4.70	0.58	0.58	..	1.47
Depreciation	3.00	6.00	6.00	4.00	5.75	5.00	..	5.00
Provision for taxation	..	1.41	..	17.00	..	..	..	5.00
Net profit (+) or loss (—) ..	+8.31	+12.44	+10.41	+25.29	+3.40	+4.12	—2.30	+18.14
To reserves	6.00	12.75	10.00	14.25	3.00	1.75	..	5.00
,, dividend equalisation fund ..	0.28	0.20	0.20	0.15	0.35	0.25	..	7.25
,, gratuities account	..	..	..	..	..	..	..	0.75
Dividends*	0.75	0.75	0.75	0.75	..	..	..	..
5 per cent. Preference	8.00	12.00	12.00	13.50	3.36	1.05	1.30	5.21
Ordinary	(8%)†	(16%)	(16%)	(18%)	(10%)†	(6%)	(4%)	(16%)
Carry forward	0.44	0.41	0.91	0.70	0.11	0.07	—2.05	0.25

* Paid out of dividend equalisation fund. † Without deduction of income-tax.

Points From The Chair

Egypt's Economy

"ALL these efforts have inspired the country with a sense of definite progress. This progress, however, must not let us lose sight of the two fundamental conditions governing the tasks that lie ahead, namely, the stability of our currency and the maintenance of confidence. For, despite the achievement of a balanced economy, the danger of inflation may loom once more, if the ordinary budget receipts and savings fail to finance the large development projects together with the permanent social services and recourse is made to an expansion in the note circulation. Sooner or later, the cost of living would inevitably rise as a result of excessive increase in the money supply over a number of years, and the purchasing power of our currency, which the Government has laboured to maintain during the past two years, would be threatened. This would bring a great deal of distress to the majority of the population since salaries and wages normally lag behind the steadily soaring cost of living. Fortunately, the authorities are fully aware of all such dangers."

ALY SHAMSY,
National Bank of Egypt.

Export Duty on Tea

"I would also like to question the wisdom of an export duty on tea, which, though no doubt justifiable at the price of the commodity we have recently seen, does in effect give all other producing territories, who have either a small or perhaps no export duty at all, a direct incentive to attract capital away from India and elsewhere. Where ample land and labour is available, as in Africa, the result may be highly expensive some years hence. We all know that, if at any time tea production exceeds consumption, inevitably the selling price will fall below the cost of production, to all except the cheapest producers and it will then probably be found that the export duty will be maintained, while the actual producer is selling his product at a loss."

G. H. MANSFIELD,
Travancore Tea Estate Co., Ltd.

Re-insurance Overplayed

"One of the dominating factors in our market is the enormous lines subscribed by insurance units of varying strength. I cannot believe that it is healthy for enormous lines to be written by units of the market whose financial resources cannot be compared with the amount of their subscriptions. It is obvious that these lines can only be absorbed with the aid of very extensive reinsurance contracts. Reinsurance is a necessary part of our business, but it would appear as if the use of reinsurance has been overplayed. I may be on dangerous ground in making this statement, but there have been pointers already in the market which show that my criticism may not be unfounded."

HON. R. M. PRESTON,
Marine Insurance Co., Ltd.

(*Concluded from previous page*)

revenue, amounts to Rs. 235.07 lakhs, of which earnings from passengers alone account for Rs. 163.24 lakhs, mails for Rs. 44.60 lakhs and cargo and excess baggage for Rs. 26.30 lakhs. The cost of operations has taken up Rs. 71.10 lakhs. Salaries, wages and provident fund have absorbed Rs. 46.30 lakhs, traffic and passenger service expenses Rs. 30.43 lakhs, maintenance and engineering Rs. 20.46 lakhs and other expenses Rs. 30.42 lakhs.

The total assets of the Corporation, as on 31st March, 1954, amount to Rs. 654.39 lakhs. Since the close of the year, the Corporation has undertaken further commitments of about Rs. 530 lakhs in respect of capital expenditure and for ground facilities, equipment and spares required for expanding operations. The capital of the Corporation stands at Rs. 478.97 lakhs, of which a sum of Rs. 284.09 lakhs represent the net value of the assets and liabilities taken over from Air-India International Ltd. under the Air Corporations Act, 1953, subject to adjustment, the balance of Rs. 194.88 lakhs representing amounts received from Government against capital requirements.

The report of the Corporation suggests that the Government desires to treat this amount as loan capital, instead of equity capital, and charge a fixed interest on it against the profit. The Board of the Corporation has pointed out that this policy is unrealistic, because of the peculiar nature of air-transport operations. The present profit of the Corporation is not, and cannot be expected, for some years, to be sufficient to provide a return on the whole of the funds invested in it. The result of such a policy would be, the Board observes, that a recurring artificial loss would be created, which in any case would have to be met by a subsidy or further loans. The interest on such subsidy or loans would merely aggravate the next year's adverse results. In a memorandum submitted to the Government, the Chairman of the Corporation is said to have made a strong recommendation that, in keeping with a directive in the Act requiring the Corporations to be operated as business concerns and on business lines, the Government should apply to its financing the same general principles as apply to Government-owned joint stock companies. He has also made specific proposals, with which the other Members of the Corporation have expressed general agreement, applicable to both the Corporations, which, in the case of Air-India, would result in Government earning a return only out of profit, if any.

COMPANY MEETINGS AND DIVIDENDS

UNITED PROVINCES ELECTRIC SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 2nd May, 1955. Dividend: Rs. 5 per share. Transfer books remain closed from 26th April to 2nd May 1955, both days inclusive.

UNITED FLOUR MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 4th May, 1955. Transfer books remain closed from 27th April to 4th May, 1955, both days inclusive.

METHONI TEA CO. LTD. Annual General Meeting, Calcutta, 6th May, 1955. Dividend: Rs. 4-8 per share (includes interim dividend of Re. 1 paid on 28th February 1955). Transfer books remain closed from 29th April to 6th May, 1955, both days inclusive.

BELVEDERE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 13th May, 1955. Dividend: Rs. 5 per share. Transfer books remain closed from 30th April to 13th May, 1955, both days inclusive.

ASSAM MATCH CO., LTD. Annual General Meeting, Bombay, 16th May, 1955. Dividend: Re. 1-4 per share (includes bonus of As. 8 per share), payable on and after 23rd May, 1955. Transfer books will remain closed from 5th to 21st May, 1955, both days inclusive.

INDIAN WOOD PRODUCTS CO., LTD. Annual General Meeting, Calcutta, 17th May, 1955. Transfer books will remain closed from 3rd to 17th May, 1955, both days inclusive.

SHREE NIWAS COTTON MILLS LTD. Annual General Meeting Bombay, 23rd May, 1955. Dividend: Rs. 14 per share, payable on or after 1st June, 1955. Transfer books will remain closed from 3rd to 23rd May, 1955, both days inclusive.

ORIENT PAPER MILLS LTD. Dividend of As. 8 per share, for the half-year ended 30th September, 1954.

GIELLE TEA CO., LTD. Interim dividend of Re. 1 per share, for the year ended 31st December, 1954. Transfer books remain closed from 26th April to 2nd May, 1955, both days inclusive.

PAHARGOOMIAH TEA ASSOCIATION LTD. Second interim dividend of Rs. 2 per share, for the year ended 31st December, 1954.

KILLICK INDUSTRIES LTD. Interim dividend of Rs. 4 per share, for the year ending 30th June, 1955, payable on and after 27th May, 1955. Transfer books will remain closed from 6th to 20th May, 1955, both days inclusive.

LAKSHMI COTTON MANUFACTURING CO., LTD. Final dividend of Rs. 26-4 per ordinary share, for the year ended 31st December, 1954, payable on 23rd May, 1955. Transfer books will remain closed from 4th to 18th May, 1955, both days inclusive.

VISHNU COTTON MILL LTD. Dividend of Rs. 4 per share, for the year ended 31st December, 1954, payable on 25th May, 1955. Transfer books will remain closed from 6th to 20th May, 1955, both days inclusive.

NATIONAL RAYON CORPORATION LTD. Dividend of Rs. 10 per share, for the year ended 31st December, 1954, payable on 10th June, 1955. Transfer books will remain closed from 16th May to 9th June, 1955, both days inclusive.

PREMIER CONSTRUCTION CO., LTD. Dividend of Rs. 7 per share, for the year ended 31st December, 1954, payable on 16th May, 1955. Transfer books will remain closed from 13th April to 2nd May, 1955, both days inclusive.

TRAVANCORE RAYONS LTD. Dividend of As. 10 per share, for the year ended 31st December, 1954. Transfer books remain closed from 26th April to 10th May, 1955.

COMPANY REGISTRATIONS

BANGUR LAND DEVELOPMENT CORPORATION LTD. (First Director: Mr. B. Bangur.) Business: To purchase, take on lease, acquire any lands, buildings, etc. Authorised capital: Rs. 1,00,00,000. Public company. Address: 14, Netaji Subhas Road, Calcutta.

OSLER PROPERTIES LTD. (First Director: Mr. S. B. Mehta.) Business: To acquire by purchase, lease or otherwise land, building, etc. Authorised capital: Rs. 1,00,00,000. Public company. Address: 12, Old Court House Street, Calcutta.

MODY COMPANY (EXPORTS) LTD. (First Director: Mr. K. L. Modi.) Business: Manufacturers, importers, exporters and dealers in all kinds of goods, hessian, jute, etc. Authorised capital: Rs. 10,00,000. Public company. Address: 67-B, Netaji Subhas Road, Calcutta.

RADICE & CO. (INDIA) LTD. (First Director: Mr. L. W. Radice.) Business: Buyers, sellers and dealers in mica and other minerals. Authorised capital: Rs. 10,00,000. Public company. Address: 7, Chittaranjan Avenue, Calcutta.

SREE JAGADAMBA TEA CO., LTD. (First Director: Mr. N. M. Dani.) Business: Cultivate tea, coffee, etc. Authorised capital: Rs. 10,00,000. Private company. Address: Block 97, Fifth Floor, Stephen House, Calcutta.

PATNI TRADING CO., LTD. (First Director: Mr. B. L. Saraogi.) Business: Dealers, balers, etc., of jute, flex, hemp, etc. Authorised capital: Rs. 5,00,000. Public company. Address: P-17, Kalakar Street, Calcutta.

BLUE STAR ENAMELWARE CO., LTD. (First Director: Mr. E. P. Master.) Business: Manufacturers and dealers in all kinds of iron enamelware products, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 49, Stephen House, Calcutta.

MINEREX (INDIA) LTD. (First Director: Mr. K. S. Janakiram.) Business: Prospecting and Surveying of minerals, ores, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 1B, Southern Avenue, Calcutta.

QUESTION HOUR IN PARLIAMENT

Foreign Investments

OUT of a total projected investment of Rs. 105 crores on new industrial units licensed under the Industries (Development and Regulation) Act, 1951, the approved foreign investment amounts to Rs. 28 crores, inclusive of Rs. 23 crores on account of the oil refineries.

—*Commerce and Industry Minister*

Trade with China

During 1954, India's exports to China were valued at Rs. 1,77,12,000, while imports from China were of the order of Rs. 94,41,000. The commodities exported included jute manufactures, tobacco, spices, mica, lac, oils (other than linseed), drugs and medicines, and machinery. Indian imports during the period included raw silk, raw hides, spices, drugs and medicines, oils, chemicals, instruments and appliances. It is too early to evaluate the results of the Indo-China Trade Agreement. The friendly trade relationship established as a result of these contacts has borne fruit, especially in the matter of exports of Indian tobacco.

—*Deputy Commerce and Industry Minister*

Baraset-Bashirhat Light Railway

The Government has no intention of nationalising the Baraset-Bashirhat Light Railway. It has come to the conclusion that the acquisition of the old and obsolete assets of the Railway is not justified, as that railway cannot meet the present and future traffic needs of the area.

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W. Coast Road Development

The Union Government has decided to spend Rs. 5.5 crores to improve the 640-mile West Coast road from Bombay to Cape Comorin, excluding the portion lying in Goa. Apart from improving practically the entire length of the road, a number of stream crossings is to be bridged. The work will be completed by the end of the second Five-year Plan period.

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Rail Safety Device

A programme of introducing the lock and block arrangements as a safety measure on all railways at a cost of Rs. 5 crores is in hand. The introduction of this safety device will take a few years. This will minimise the chances of train collisions.

—*Deputy Minister for Transport and Railways*

Provident Fund Act

The Government of India is considering a proposal to extend the Employees' Provident Fund Act of 1952 to all industries employing more than 10,000 people. At this stage, I am not in a position to give the House the list of industries which will be covered by the Act.

—*Labour Minister*

Mining Regulations

Revision of the mining regulations and strengthening of inspectorates are under the consideration of the Government. A museum of safety, health and welfare is also being set up in Bombay as part of the Central Labour Institute. It is not correct to say that accidents in mines are increasing. In 1953, the death rate per thousand workers in mines was 0.65, as against 0.77 in 1951. In factories, the death rate was 0.09 in 1951, as against 0.10 in 1949. Regulations under the Indian Mines Act will be finalised very soon.

• • • •

Provident Fund Act

Data in respect of well established industries are being collected and a final decision will be taken shortly on the industries that will come within the purview of the Employees Provident Fund Act. The Government will consider the question of extending the Act to the plantation industry.

—*Deputy Labour Minister*

Soil Conservation

During 1954-55, the Government of India sanctioned a subsidy of Rs. 4,36,655 and loans of Rs. 19 lakhs to the various States for soil conservation schemes.

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Central Agricultural Service

The question of constituting a Central Agricultural and Animal Husbandry Service is under consideration. This will be a Central Government service and not an all-India service.

—*Minister for Agriculture*

Air Corporations

The Indian Airlines Corporation's operating losses during the year 1954-55 amount to Rs. 55.66 lakhs, while depreciation and interest on bonds and borrowings amount to Rs. 44 lakhs and Rs. 15.93 lakhs, respectively. The total losses thus are estimated at Rs. 115.59 lakhs. The Corporation's total revenue for the year is estimated at Rs. 680.60 lakhs. With regard to the introduction of Skymasters for the night airmail services, larger traffic and mails are expected to make the service economic in due course.

—*Deputy Communications Minister*

Godavari Survey

The survey of Godavari Valley has indicated the possibility of finding deposits of coal in that area. Drilling operations in the Godavari coalfields in Andhra State are now under contemplation. A detailed mapping of the coalfields in Singareni, Kothagudlem and Tandur areas in Hyderabad has been completed. The Geological Survey of India is not conducting any gold prospecting operations in Malabar.

—*Minister for Natural Resources*

DUNBAR AND BOWREAH COTTON MILLS REMAIN OFF DIVIDEND LIST

SHARP DECLINE IN PROFIT OF RAMNUGGER

Dunbar Mills, Ltd.

THE directors of the above Company (Managing Agents: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1954.

The account shows, without providing for depreciation, a profit of Rs. 1,18,455 (loss Rs. 3,27,568) which has to be deducted from the debit balance brought forward from the last account, namely, Rs. 10,45,860 (Rs. 5,24,085), leaving a net debit balance of Rs 9,27,405 (Rs. 12,51,654, after providing Rs. 4,00,000 for taxation in respect of previous year). The directors recommend that this should be carried forward to the next account.

Export business during the half-year was satisfactory. Double shift operations were started from 19th October, 1954, partly in spinning and fully in the weaving sections.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	19,00,000	Net block ...	29,54,776
Reserves ...	25,17,571	Stock-in-trade ...	48,37,463
Provision for taxation ...	2,32,337	Stores and spares, etc.	6,55,430
Liabilities ...	59,43,417	Debts, deposits and advances ...	11,40,376
		Investments	55,250
		Cash ...	22,626
		Profit and loss account ...	9,27,404
Rs.	1,05,93,325	Rs.	1,05,93,325

Bowreah Cotton Mills, Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1954.

The account shows, without providing for depreciation, a loss of Rs. 2,96,055 (Rs. 5,92,891) to which has to be added the debit balance brought forward from the last account, namely, Rs. 18,86,726 (Rs. 9,68,728), making a total debit balance of Rs. 21,82,781 (Rs. 17,46,619, after providing Rs. 1,85,000 as additional provision for taxation in respect of previous year). The directors recommend that this should be carried forward to the next account.

The Mills could not work fully on double shifts, owing to power and labour difficulties. The labour adopted go-slow tactics which ultimately culminated in an illegal strike lasting from 21st December, 1954 to 8th January, 1955. These had their cumulative detrimental effect upon the results for the half-year.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	18,00,000	Block ...	29,23,189
Reserves ...	22,71,793	Stock-in-trade ...	35,41,140
Provision for taxation ...	33,178	Stores and spares ...	11,01,252
Liabilities ...	66,83,774	Debts, deposits and advances ...	9,43,201
		Investments	48,603
		Cash ...	48,579
		Profit and loss account ...	21,82,781
Rs.	1,07,88,745	Rs.	1,07,88,745

Ramnugger Cane & Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Anderson Wright, Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st August, 1954.

Crushing operations started on 5th December, 1953, and continued up to 4th March, 1954. During this period, the total quantity of sugarcane milled was 1,398,985 maunds with an average recovery of 10.05 per cent., as compared with 2,101,143 maunds and 10.33 per cent., respectively during the previous season. The total crush was made up of 1,015,726 maunds of cane from the Company's own farms and 383,259 maunds of cane purchased from cultivators. The corresponding figures for the preceding season were 1,436,653 maunds and 664,490 maunds, respectively. The sugarcane crop, having been severely affected by drought and later by floods, suffered heavily both in yield and in quality. These adverse weather conditions, in fact, affected the cane crop all over India, particularly in Bihar, East U.P. and West Bengal. The total production of sugar in the country, consequently, recorded a fall of 23.84 per cent., as compared with the previous year's figures.

The minimum price of sugarcane payable by factories was increased from Re. 1-5 per maund to Re. 1-7 per maund for gate deliveries. The special additional excise duty of Re. 1-6 per cwt. of sugar imposed in the previous year was discontinued. In accordance with the policy announced by the Government at the beginning of the season, 25 per cent. of the factory's production was requisitioned at an ex-factory price of Rs. 27-2 per maund for I.S.S. Grade E. 27.

The Company imported 8,328.4 tons of raw sugar from Cuba to be refined at the factory. Refining operations commenced on 3rd August, and a quantity of 2,085 tons was processed by 31st August, 1954. This was an entirely new venture, and the results obtained in regard to the recovery and to the quality of refined sugar were very satisfactory. The total quantity of sugar thus refined was allowed to be sold in the free market.

The total production of molasses was requisitioned by the State Government for supply to distilleries in West Bengal. The price of molasses thus requisitioned was reduced from Re. 1-6 to Re. 1 per maund with effect from 25th March, 1954.

The profit, after deducting all working charges and commissions, and after providing Rs. 2,97,420 (Rs. 1,54,877) for depreciation and Rs. 1,20,000 (Rs. 5,05,000) for taxation, amounts to Rs. 3,07,005 (Rs. 6,89,510). Adding the amount brought in from last year, namely, Rs. 95,198 (Rs. 1,61,652), the total available for appropriation is Rs. 4,02,203 (Rs. 8,51,162). The directors recommend that this should be dealt with as follows:

In payment of a cumulative preference dividend at 6 per cent. per annum, without any deduction in respect of Indian income-tax or Bengal agricultural income-tax paid by the Company Rs. 24,000 (Rs. 24,000); in payment of a dividend on the ordinary shares at 15 (20) per cent. per annum without any deduction in respect of Indian income-tax or Bengal agricultural income-tax paid by the Company Rs. 2,48,973 (Rs. 3,31,964), to be transferred to reserve for replacements and extensions Rs. 1,00,000 (Rs. 2,00,000) and to be carried forward Rs. 29,230 (Rs. 95,198, after adding Rs. 2,00,000 to general reserve).

Refining of raw sugar for the season 1954-55 was completed on 14th November, 1954. The factory started crushing on 21st November, 1954. Supplies of cane from the Company's farms and from cultivators have, so far, been better than last season's. According to present estimates the total crush this season is expected to be 23 lakh maunds, as against 1,398,985 maunds crushed in the previous season.

The Government of India have fixed a minimum price of Re. 1-7 per maund for cane. As in the past two years, the Government will not exercise any statutory control on the price or on the distribution of sugar, but they have stipulated that 25 per cent. of the factory's production must be kept in reserve at their disposal in case of need. The excise duty on sugar has been increased from Rs. 3-12 to Rs. 5-10 per cwt. with effect from 1st March, 1955. The industry has lodged a protest as it is felt that the incidence of the increase of 50 per cent. in duty will fall largely on the industry itself.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	20,59,820	Block ...	27,13,268
Debentures	5,95,000	Stock-in-trade	10,03,333
Reserves ...	28,50,830	Stock of raw sugar ...	33,96,469
Provision for taxation ...	9,13,922	Stores, tools, etc. ...	11,58,100
Liabilities ...	40,78,442	Standing sugarcane ...	12,26,502
Profit and loss account ...	29,230	Other assets	1,75,608
		Debts and advances ...	6,40,502
		Cash ...	13,462
Rs.	1,05,27,244	Rs.	1,05,27,244

Shree Krishna Gyanoday Sugar Ltd.

The directors of the above Company (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st July, 1954.

After providing Rs. 2,19,570 (Rs. 6,03,382) depreciation the account shows a net profit of Rs. 3,98,138 (Rs. 8,65,149) to which is added balance brought forward from last year Rs. 3,337 (Rs. 4,188) making a total of Rs. 4,01,475 (Rs. 8,69,337). This amount the directors recommend to be appropriated as follows:—

Payment of dividend without deduction of income-tax on 6,000 "A" class preference shares at Rs. 6 per share Rs. 36,000 (Rs. 36,000), on 12,000 "B" class preference shares at Rs. 5 per share Rs. 60,000 (Rs. 60,000) and on 2,00,000 ordinary shares at Re. 1-8 (Re. 1-8) per share, i.e., 15 per cent. Rs. 3,00,000 (Rs. 3,00,000) and the balance of Rs. 5,475 (Rs. 3,337 after providing Rs. 3,70,000 for taxation and transferring Rs. 1,00,000 to general reserve) to be carried forward.

The working results of the two factories during the 1953-54 season were as under:—

	Cane crushed Mds.	Sugar produced Mds.	Recovery Per cent.
Hathwa ...	1,505,570	146,703	9.74
Lauriya ...	1,741,073	169,757	9.75

The crush has improved during the current season. Hathwa and Lauriya factories have closed with a total crush of 3,252,000 mds. and 2,742,000 mds. cane with a recovery of 10.1 per cent. and 10.6 per cent. respectively.

The improvement achieved in the quality of sugar produced at Hathwa, due to changing of the factory into carbonation process has been satisfactory. The 2' gauge tramway line intended for the transport of sugarcane from interior of the cane areas to Hathwa factory has been completed for a distance of about 14 miles and has been actually utilised during the current season for transport of sugarcane. This tramway line is, however, further to be extended for a distance of about 5 miles during the coming off-season. It is hoped that in the next crushing season substantial quantities of sugarcane would be transported by this tramway line and the cane which generally used to reach the factory after 4-5 days would now be received on the day of purchase itself and crushed in the factory the same day resulting in higher recovery. The Government has also decided to allow us to deduct from the cane price, transport charges on the cane that would be purchased from centres served by this tramway line and these transport charges would cover up the cost of running and maintenance of the tramway line. It is hoped that during the crushing season 1955-56, the factories at Hathwa and Lauriya would crush at least 50 per cent. cane over that crushed in the season 1954-55, due to increased plantation of sugarcane in the areas of the two factories.

The production of power alcohol and spirits during the year under review, at 903,122.9 bulk gallons, as compared to 782,984 bulk gallons in the previous year, was the highest ever since the start of the distillery. The financial results of the working of distillery have, however, not been satisfactory for the reason that the price of power alcohol still continues to be uneconomic and the Government have not so far increased the same despite ceaseless representations. The Government appear now to appreciate the position and the price of power alcohol is expected to be increased.

The Company has started refining of imported raw sugar during the year 1954-55. The directors have also taken Guraru Sugar Factory on lease and this factory is being worked for refining raw sugar exclusively from 9th January, 1955. This coupled with increased production of sugar from sugarcane during the crushing season 1954-55 makes the prospects of profit for the year 1954-55 better.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	38,00,000	Block ...	51,76,602
Debentures	15,00,000	Stock-in-trade	24,74,640
Reserves ...	21,68,560	Stores ...	11,16,960
Provision for taxation ...	13,90,859	Other assets	84,912
Liabilities ...	32,86,584	Debts, deposits and advances ...	34,94,000
Profit and loss account ...	4,01,475	Investments	12,138
		Cash ...	1,88,220
Rs.	1,25,47,478	Rs.	1,25,47,478

Tide Water Oil Co. (India), Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st October, 1954.

After providing for depreciation and having brought in the debit balance of Rs. 55,639 (Rs. 53,424) from the previous half-year, there is a debit balance on profit and loss account of Rs. 70,248 (Rs. 50,315), which the directors recommend be carried forward.

Despite very considerable reduction in the special allowance, as compared with the previous half-year, the increase in the debit balance on profit and loss account is Rs. 14,609 only. The directors are hopeful that the results for the current half-year will show more completely the benefits of the new arrangements referred to by the directors in their report accompanying the accounts for the half-year ended 31st October, 1953.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	6,00,000	Block ...	63,550
Reserves ...	8,95,900	Stocks ...	11,82,819
Provision for taxation ...	60,581	Goodwill ...	2,00,000
Liabilities ...	13,16,129	Debts, deposits and advances ...	9,49,423
		Cash ...	4,06,570
		Profit and loss account ...	70,248
Rs.	28,72,610	Rs.	28,72,610

Jessop and Co., Ltd.

The directors of the above Company (Chairman and Managing Director: Mr. S. S. H. Sitwell, Calcutta) submit the audited accounts of the Company for the year ended 31st October, 1954.

In view of the current events it will be of interest to record that Jessop and Company was started in about 1788 as an Indian Company by Henry and George Jessop, and was located on the site still occupied by the Head Office of the Company. In 1902, this Indian limited company sold its interests to a private London company which was formed under the name of Jessop and Company Limited. The business, however, remained solely in India and continued in this manner until 1932. At that time an Indian private limited company was again formed, which was solely owned by the London company. Later in 1941, this Indian company was converted to a public limited company, and shares were made available on the Calcutta market in increasing quantities until by 1947 some 56 per cent. of the total number were so placed. The London Company continued to hold the remaining shares until a few weeks ago, when these were sold to Indian interests. Thus, after nearly 170 years the shares of the Company are now entirely on the Indian market and the Company may be considered to be wholly Indian owned. This change will not affect the Company's affairs which will be conducted in the same manner as heretofore.

During the year under review, the Company's works were fully employed and the future prospects are encouraging. The import section of the Company's business, however, continued to be handicapped by licence difficulties and affected by growing competition. In view of the increasing requirements of the Company for liquid finance for its working and future expansion, the directors recommend that the dividend on the ordinary shares be maintained at 15 per cent., or Re. 1-8 per share, free of income-tax, and that Rs. 8.75 lakhs be transferred to reserves.

The net revenue for the year amounts to Rs. 16,86,193 (Rs. 15,46,628) after setting aside Rs. 3,00,000 (Rs. 2,82,958) for managing directors' commission, providing Rs. 10,10,000 (Rs. 10,00,000) for taxation and writing off bad debts Rs. 80,208 (*nil*). Adding the balance brought forward from last year Rs. 2,96,744 (Rs. 2,90,116), the available for distribution is Rs. 19,82,937 (Rs. 18,11,744). Out of this sum the dividend on the 5 per cent. cumulative preference shares (free of income-tax) absorbs Rs. 50,000 (Rs. 25,000). The directors recommend the following further appropriations: Transfer to special reserve Rs. 4,75,000 (Rs. 4,75,000), transfer to general reserve Rs. 4,00,000 (Rs. 2,50,000) and dividend on the ordinary shares of 15 (15) per cent., free of income-tax, Rs. 7,65,000 (Rs. 7,65,000). The balance to be carried forward to next year amounts to Rs. 2,92,937 (Rs. 2,96,744).

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	61,00,000	Block ...	41,10,135
Reserves ...	49,47,258	Stock-in-trade	49,02,562
Provision for taxation ...	20,91,858	Stores, spare parts, etc.	5,97,620
Liabilities ...	1,42,26,878	Direct imports-in-transit	2,63,728
Profit and loss account ...	2,92,937	Work-in-progress ...	61,43,600
		Debts and advances ...	1,12,89,884
		Investments ...	2,50,460
		Cash ...	1,00,942
Rs.	2,76,58,931	Rs.	2,76,58,931

Port Shipping Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1954.

After providing Rs. 30,680 (Rs. 11,761) for depreciation and Rs. 38,500 (Rs. 6,000) for taxation, the accounts show a balance of Rs. 1,32,644 (Rs. 2,51,323, including Rs. 1,82,604 being the E.P.T. refund) at the credit of the profit and loss account. The directors recommend the payment of a dividend of As. 8 (As. 8) per share, absorbing Rs. 70,411 (Rs. 70,411) and leaving a balance of Rs. 62,233 (Rs. 56,112, after transferring Rs. 1,25,000 to the general reserve) to be carried forward.

Freight earnings were higher than in the two previous half-years. Conditions in the Port of Calcutta continue to be difficult.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	14,08,220	Block ...	25,97,764
Reserves ...	24,75,000	Stores ...	88,209
Provision for taxation ...	60,415	Debts, deposits and advances ...	4,16,425
Liabilities ...	3,88,776	Investments	7,78,410
Profit and loss account ...	62,233	Cash ...	5,13,836
Rs.	43,94,644	Rs.	43,94,644

Modern Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. N. Sirur and Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st October, 1954.

The result of the Company's operations during the year shows a profit of Rs. 6,36,790 (Rs. 2,57,648) after charging off Rs. 3,68,046 (*nil*) in respect of increase in dearness allowance payable to workers from 1st May, 1953 to 31st October, 1954 and the additional 5 per cent. bonus for 1952 under the recent Labour Appellate Tribunal Awards. This profit of Rs. 6,36,790 (Rs. 2,57,648) together with Rs. 12,177 (Rs. 24,034) brought forward from the previous year's account, makes a total of Rs. 6,48,967 (Rs. 2,81,682). From this sum, the directors have allocated to depreciation on buildings Rs. 65,000 (Rs. 65,950) and depreciation on machinery Rs. 5,26,250 (Rs. 1,88,032), leaving a balance of Rs. 57,717 (*nil* after providing Rs. 27,700 for taxation) to which the directors propose to add by transfer from the reserve fund (which has already been taxed in previous years) Rs. 1,80,000 (Rs. 5,95,000), making a total of Rs. 2,37,717 (Rs. 5,95,000), to be disposed of as under:—

Pay a dividend of Rs. 5 (Rs. 5) per share on 44,261 ordinary shares of Rs. 50 each for the year ended 31st October, 1954 Rs. 2,21,305 (Rs. 2,21,305) and to carry to next year's account Rs. 16,412 (Rs. 12,177) after setting apart Rs. 3,61,518 to balance of depreciation on machinery.

The Labour Appellate Tribunal, Bombay, modified the Award of the Bombay Industrial Tribunal by granting an increase in the quantum of bonus for the year 1952 and also enhanced the dearness allowance payable to the workers on a sliding scale ranging from 5 per cent. to 10 per cent. with retrospective effect from May, 1953. As a result of this modification, the additional burden amounting to Rs. 3,68,046 has considerably reduced the year's profits. In order to enable the payment of a dividend of Rs. 5 per share, the directors have decided to transfer from the reserve fund (which has already been taxed in previous years) a sum of Rs. 1,80,000 to the profit and loss account of the year under report. No provision has been made in the accounts of the year under report, for bonus for the calendar year 1953 in respect of which a dispute is pending before the Bombay Industrial Tribunal.

The directors report, that as recommended by the Millowners' Association, the Company has become a member of the Bombay Textile Research Association and paid a sum of Rs. 18,375 as the first instalment of entrance fee of Rs. 73,500 to the Research Association. The directors have taken this step after careful consideration, as in their opinion, the work of the Research Association will be beneficial to the textile industry as a whole. The balance amount will be paid in three further instalments, two during the Company's current accounting year and the final one in December, 1955.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	22,13,050	Block ...	59,64,354
Debentures	12,00,000	Stock-in-trade	86,83,965
Reserves ...	39,74,916	Stores and spare parts	9,80,797
Provision for taxation ...	55,958	Loose tools	22,878
Liabilities ...	87,26,115	Debts, deposits and advances ...	6,02,467
Profit and loss account ...	2,37,717	Investments	1,25,309
		Cash ...	27,986
Rs.	1,64,07,756	Rs.	1,64,07,756

Bengal Flour Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1954.

The profit for the half-year (including items relating to previous half-years), after providing for taxation and depreciation was Rs. 3,45,028 (Rs. 2,41,103) to which was added the balance brought forward of Rs. 67,309 (Rs. 35,086), making a total of Rs. 4,12,336 (Rs. 2,77,895). The directors have transferred Rs. 90,000 (*nil*) to tax contingency reserve and Rs. 50,000 (Rs. 1,00,000) to general reserve leaving a balance of Rs. 2,72,336 (Rs. 1,77,895) available for distribution which they recommend be dealt with as follows:—

Pay a dividend on 1,20,000 shares at 30 (17½) per cent. per annum, absorbing Rs. 1,80,000 (Rs. 1,05,000) and carry forward Rs. 92,336 (Rs. 72,695).

Profits from milling approximated to those of the previous half-year and the directors' recommendation to increase the dividend rate has been made possible only as a result of exceptional receipts.

In their last report the directors drew attention to the necessity of building up a reserve against the extra tax burden of future years arising from special tax allowances granted now. It has been calculated that the Company is short reserved by Rs. 90,000, hence the transfer of this sum to tax contingency reserve.

Although there was a sustained demand for all the company's products during the half-year, systems of controls introduced by the Government of India in September prevented the mills manufacturing to capacity. These controls were removed in March, 1955. A licence was granted towards the end of 1954 to purchase indigenously grown wheat and this, combined with the imported wheat issued by the Government of India, permitted the Company to improve its otherwise lower milling production.

The private importation of wheat has not been allowed but the Company is continuing its efforts in this direction. Considerable improvements have been carried out in the mills, enabling the Company to manufacture at even more economical levels.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	12,00,000	Block ...	7,75,000
Reserves ...	8,30,000	Stock-in-trade	1,00,152
Provision for taxation ...	7,09,000	Stores and spare parts	3,64,492
Liabilities ...	5,50,465	Debts, deposits and advances ...	8,40,885
Profit and loss account ...	92,336	Investments	34,649
		Cash ...	12,66,623
Rs.	33,81,801	Rs.	33,81,801

Bengal Jute Mill Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Soorajmull Nagarmull, Calcutta) submitted the audited accounts of the Company for the year ended 30th June, 1954.

The gross profit amounted to Rs. 19,71,479 (Rs. 18,46,832). After providing Rs. 2,12,210 (Rs. 2,72,998) for depreciation and Rs. 4,73,932 (Rs. 3,53,121) for interest, commission allowance and other expenses there was an available balance of Rs. 12,85,338 (Rs. 12,20,713) to which was added the amount brought forward from the previous year of Rs. 2,45,983 (Rs. 4,28,770) making a total of Rs. 15,31,321 (Rs. 16,49,483). From this was deducted provision for bad and doubtful debts and advance Rs. 50,000 (Rs. 2,50,000) and reserve for taxation (income-tax, super-tax etc.) Rs. 6,25,000 (Rs. 5,36,000) leaving a balance of Rs. 8,56,321 (Rs. 8,63,483).

The directors disposed of this balance by paying a dividend of 5½ per cent. per annum on 10,000 redeemable cumulative preference shares for the year ended 30th June, 1954 (free of income-tax) Rs. 55,000 (Rs. 55,000), by paying a dividend on 4,45,000 ordinary shares of Re. 1-2 (Re. 1-4) per share (free of income-tax) for the year ended the 30th June, 1954 Rs. 5,06,230 (Rs. 5,62,500) and carried forward Rs. 2,95,071 (Rs. 2,45,983).

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	55,00,000	Block ...	26,15,569
Debentures	20,00,000	Stocks ...	23,59,706
Reserves ..	35,95,000	Stores and spare parts	11,31,586
Provision for taxation ...	23,79,041	Other assets	13,04,658
Liabilities ...	65,35,532	Debts, deposits and advances ...	47,58,724
Profit and loss account ...	15,31,321	Investments	5,000
		Cash ...	93,65,651
Rs.	2,15,40,894	Rs.	2,15,40,894

Travancore Rubber and Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Aspinwall and Co. (Travancore) Ltd., Alleppey) submitted the audited accounts of the Company for the year ended 31st December, 1954.

The balance of Rs. 15,94,191 (Rs. 11,98,103) in profit and loss account, carried to appropriation account, bears income-taxes amounting to Rs. 6,04,008 (Rs. 4,27,700) and depreciation Rs. 98,977 (Rs. 92,635) leaving a carry forward to the balance sheet of Rs. 8,92,756 (Rs. 6,78,477).

Controlled rubber prices remained unchanged throughout the year, and improved results are wholly attributable to more profitable tea working.

Rubber.—Crops slightly exceeded the previous years figure, although non-tapping on Sundays applied throughout the year. Estate expenditure and average sale prices are compared below:—

	Crop.	Estate expenditure.	All-in cost.	Average sale price.	Net profit.
	lbs.	cts. per lb.	cts. per lb.	cts. per lb.	cts. per lb.
1951 ..	10,94,201	55.50	87.18	120.09	32.91
1952 ..	10,89,098	64.55	90.63	124.46	33.83
1953 ..	9,89,722	64.91	98.49	129.27	30.78
1954 ..	10,03,214	64.10	98.55	129.40	30.85

With consumption of rubber in India exceeding production the Company has had no difficulty in disposing of its crop expeditiously. It is conservatively estimated that a crop of 10,15,000 lbs. of rubber will be collected during 1955.

Tea.—Crop slightly exceeded the previous year's harvesting in spite of a 10-day strike on one division. The sale average of Rs. 2-6-9 per lb. is a record. All-in cost below shows a marked rise of which 13 95 cents per lb. is accounted for by increased tax liabilities, and 11.87 cents per lb. by export quota purchases which enabled the Company to take advantage of good export prices on an increased proportion of crop.

Comparative figures of tea crops, cost and revenue for the last four years are given:—

	Crop.	Estate expenditure.	All-in cost.	Average sale price.	Net profit.
	lbs.	cts. per lb.	cts. per lb.	cts. per lb.	cts. per lb.
1951 ..	11,28,758	118.89	166.90	197.78	88.88
1952 ..	12,11,543	123.19	144.47	158.21	10.54
1953 ..	11,50,696	122.75	160.26	186.22	25.96
1954 ..	11,53,752	128.68	195.26	241.23	45.97

For 1955 a crop of 12,50,000 lbs. of tea is estimated at an Estate expenditure of 133.86 cents per lb. Although the market today is lower than at the end of 1954, yet useful prices continue to be paid for the well-made black teas produced by this Company.

The Company's acreage under tea is 1,886.98 and that under rubber 3,459.67.

Weather conditions of the year under review were not particularly favourable to harvesting of either tea or rubber, though end of the year rains have usefully protected the early months of the current year against drought conditions.

After having deducted the interim dividend of 5 (2½) per cent. and preference dividends paid, the total amount available for disposal was Rs. 8,96,425 (Rs. 7,59,669) which the directors disposed of by payment of a final dividend on the paid up ordinary capital of 10 (7½) per cent. Rs. 4,10,000 (Rs. 3,07,500), transfer to non-executive staff retirement fund Rs. 40,000 (Rs. 30,000), transfer to rubber replanting reserve Rs. 67,500 (Rs. 67,500), transfer to dividend equalisation fund Rs. 50,000 (Rs. 50,000), leaving to be carried forward Rs. 3,28,925 (Rs. 3,04,669). The total dividend paid was 15 per cent. as against 10 per cent. in 1953.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	57,00,000	Block ...	67,21,749
Reserves ...	12,72,173	Stock-in-trade ...	7,01,802
Provision for taxation ...	6,41,772	Stores and spare parts	2,38,230
Liabilities ...	6,61,392	Other assets	48,593
Profit and loss account ...	8,96,425	Debts, deposits and advances ...	1,48,756
		Investments	8,08,124
		Cash ...	5,04,508
Rs.	91,71,762	Rs.	91,71,762

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

SOME BOMBAY LABOUR ACTS

OBJECTS OF PROPOSED AMENDMENTS

THE main subjects discussed at the recent meeting of the Bombay State Labour Advisory Board related to the proposed amendments to the Workmen's Compensation Act, the Bombay Industrial Relations Act, the Industrial Employment (Standing Orders) Act, and the Industrial Disputes Act. The Government of Bombay had proposed to amend the Workmen's Compensation Act some time ago, but did not proceed with it, as there was a prospect of the Centre introducing a legislation for the whole of India. But this prospect has receded and the Bombay Government does not wish to wait any more. The amendments mainly seek to extend the Workmen's Compensation Act to (1) cover more workmen, (2) increase the quantum of compensation and (3) secure expeditious payment of compensation.

The amendments to the Bombay Industrial Relations Act and the Industrial Employment (Standing Orders) Act provide for the removal of certain disparities between them. Whereas the former Act applies to all concerns employing 20 or more persons, the provisions of the latter apply only to establishments employing not less than 100 persons. Again, under the former Act, the model standing orders, as notified by the Government, apply to all concerns in a particular industry till standing orders for each individual concern are certified. But the model standing orders prescribed under the Industrial Employment (Standing Orders) Act serve only as a model, with the result that till standing orders for an establishment are certified under that Act—and this takes a considerably long time because of the very large number of standing orders to be certified and the detailed procedure to be gone through—the workers are left in a state of uncertainty for want of standing orders applicable to them. In order to remove these disparities, it is proposed that the Central Act should be applied to all establishments employing at least 50 workers and that provision should be made for the application of model standing orders, notified under the Act, to all establishments till standing orders for each individual establishment are settled. Thereafter, it will be open to the employer or workmen concerned to apply for modification of the model standing orders according to the needs and requirements of each case.

The proposed amendment to the Industrial Disputes Act, 1947, provides, *inter alia*, for the termination of the service of a workman on the ground of absence on account of ill health, provided his absence exceeds six months in the aggregate during the preceding 12 months and requires the employer to give notice to the prescribed authority of his intention to effect lay-off. It is also proposed that the quantum of compensation should be determined by the authorities under the Payment of Wages Act and they should be treated as "wages."

It is true that the employers concede that there are certain technical defects in the Acts referred to above and that these defects should be remedied. But they are averse to any drastic changes in the content of the Acts, which increase the financial burdens of the employers. In fact, their main grievance against the proposed amendments to the Workmen's Compensation Act is that they increase the financial burden of the industries, the finances of most of which are already in a difficult situation.

So far as the amendment to the Industrial Disputes Act is concerned, the employers contend that the prescription that the employer should give notice of intention to effect lay-off is not justifiable for occasions to lay-off arise suddenly. One difficulty the Government has to face, in this connection, is the determination of the quantum of compensation arising from lay-off or retrenchment due to the workmen. As the determination of these amounts has given rise to several contentious issues which cannot be properly decided, it is proposed that such determination should be made by the authorities appointed under the Payment of Wages Act and that, for this purpose, compensation payable under the Industrial Disputes Act should be defined as "wages," as defined under the Payment of Wages Act. There appears to be little opposition to this provision.

As regards the amendments to the Bombay Industrial Relations Act and the Industrial Employment Standing Orders Act seeking to remove the disparities between the two Acts, the employers, we find, are not opposed to them.

Notices

THE LAKHSHMI COTTON MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixtieth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 9, Wallace Street, Fort, on Wednesday the 18th May, 1955, at 4.30 p.m. (Standard Time), for the purpose of transacting the following business:—

(1) To adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1954.

(2) To sanction the declaration of a Dividend.

(3) To confirm the appointment of Mr. R. E. Forrester as Director.

(4) To elect Directors in place of Mr. D. M. Khatau and Mr. R. E. Forrester who retire by rotation but being eligible offer themselves for re-election.

(5) To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board of Directors
of THE LAKHSHMI COTTON MFG. CO., LTD.,
For THE BOMBAY COMPANY, LIMITED,
R. L. COGHLAN,
Managing Director,
Secretaries, Treasurers & Agents.

BOMBAY, 20*th April*, 1955.

KHARDAH COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ordinary Half-yearly Meeting of the Shareholders of the Khardah Company, Limited, will be held at the Registered Office of the Company, 7, Wellesley Place, Calcutta, at noon on Thursday the 26th May, 1955, for the following purposes:—

(1) To receive the Report of the Directors and to pass the Audited Accounts for the half-year ended 30th September, 1954.

(2) To elect a Director.

(3) To elect Auditors for the current year and to fix their remuneration.

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

(5) To transact any other business which may properly be brought before the meeting.

The Share Transfer Register of the Company will be closed from 12th May to 26th May, 1955, both days inclusive.

By Order of the Board of Directors,
ANDERSON WRIGHT, LTD.,
Managing Agents.

CALCUTTA, 21*st April*, 1955.

ROHTAS INDUSTRIES LIMITED

NOTICE

THE 22ND ORDINARY GENERAL MEETING of the Shareholders of the Company will be held at the Registered Office of the Company at Dalmianagar on Wednesday the 18th May, 1955, at 3 p.m. to receive and adopt the Directors' Report and Audited Accounts for the year ended 31st October, 1954, to declare dividends at Rs. 9 per Preference, Rs. 4-4 per "B" Preference and Rs. 1-8 per Ordinary Share (15 per cent. on Ordinary Shares) free of Income-tax, to elect Directors and to appoint Auditors.

Share Transfer books of the Company will remain closed from 11th May to 18th May, 1955, both days inclusive.

By Order of the Board,
SAHU JAIN LTD.,
Managing Agents.

CALCUTTA, 18*th April*, 1955.

THE SOORAH JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE 118th Ordinary General Meeting of the Shareholders of the Company will be held at the Principal Office of the Company at No. 8, Royal Exchange Place, Calcutta, at 2-30 p.m. on Wednesday the 11th May, 1955, for the following purposes:—

(1) To receive and consider the report of the Directors and to pass the audited accounts for the year ended 31st December, 1954.

(2) To declare Dividends on Ordinary and Preference shares.

(3) To elect Directors in place of those retiring by rotation.

(4) To appoint Auditors and fix their remuneration.

(5) To transact any other business which may be brought before the meeting with the permission of the Chairman.

The Share Transfer Books of the Company will remain closed from 2nd to 11th May, 1955 (both days inclusive).

By Order of the Board,
HINDUSTHAN INVESTMENT CORPORATION LTD.,
Managing Agents.

CALCUTTA, 20*th April*, 1955.

In particular to Mr. Alexander Holmes King, Mr. Kasam Ahmad Vaiz and Mr. E. S. E. Moses.

Note.—The Directors have recommended dividends, on Preference Shares at 7 per cent. (Free of Income-tax) and on Ordinary Shares at Re. 1 per share (Free of Income-tax).

If Dividends on shares as recommended by the Directors are declared at the meeting, THE DIVIDENDS WILL BE PAYABLE ONLY TO THE REGISTERED SHAREHOLDERS, whose names are on the Company's Register on 11th May, 1955. No application need be sent for dividends, as relative Dividend Warrants will be posted to such Shareholders by the 31st May, 1955.

The shareholders are advised to notify any change of address.

THE INDIAN WOOD PRODUCTS COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-fifth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office, Clive Buildings, Netaji Subhas Road, Calcutta, on Tuesday the 17th May, 1955, at 12-35 p.m., for the following purposes:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 30th September, 1954.
2. To declare a Dividend.
3. To elect a Director.
4. To appoint Auditors and fix their remuneration.
5. To transact any other ordinary business of the Company.

Notice is also hereby given that the Register of Members of the Company will be closed from the 3rd May, 1955, to the 17th May, 1955, both days inclusive. Dividend Warrants will be sent only to Registered Shareholders or their Mandatees.

By Order of the Board,
FOR GILLANDERS ARBUTHNOT & CO., LTD.,
P. E. G. W. PARISH,
Managing Director,
Managing Agents.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, 19*th April*, 1955.

DEMAND FOR GILT-EDGED WIDENS

(*From Our Own Correspondent*)

BOMBAY, 27*th April*

Conditions in the short-term money market remained fairly comfortable during the major part of the week under review. Towards the close, however, there were signs of a depletion of floating funds on account of an increase in demand for money. Though most of the banks were able to get their requirements, some of them had to seek aid from the lender in the last resort. Inter-bank call money among larger banks was bid at 2½ per cent. with borrowers over. Smaller Indian banks were borrowers up to 3 per cent. Short-term deposits were at 3 per cent. for one to four months, and for longer periods up to six months the rate was 2½ to 3 per cent.

Offers at this week's sale of the Government of India Treasury Bills were on a smaller scale than in the previous week, the total amount offered aggregating Rs. 1.10 crores, as against Rs. 1.51 crores last week. The average rate of accepted tenders, however, rose by 5 pies to Rs. 2-9-5 per cent. per annum, after having remained unchanged at Rs. 2-9 per cent. for three weeks. Tenders for Rs. 1 crore have been invited for next week also.

After three weeks of successive rise aggregating Rs. 48.24 crores, notes in circulation have declined by Rs. 9.19 crores during the week ended 22nd April, 1955. The Reserve Bank's statement for that week discloses an increase of Rs. 9.71 crores in notes held in the Banking Department, following the rise of Rs. 7.32 crores in the previous week. The consequent increase of Rs. 52 lakhs in total notes issued has been covered by a similar rise in rupee coin. In the Banking Department, deposits of the Central Government have dwindled by Rs. 2.27 crores. This is the third week in succession when the Central Government's deposits have shown a decline, the aggregate fall during the three weeks being Rs. 11.91 crores. Deposits of other Governments have, on the other hand, shown an increase of Rs. 6.10 crores, in contrast to the decline of Rs. 37.28 crores in the previous two weeks. Deposits of banks, which had risen by Rs. 5.54 crores in the previous week have gone down by Rs. 2.18 crores. On the assets side of the Banking Department, balances held abroad have recorded a decline of Rs. 5.12 crores. No notable variation is seen in loans and advances to Governments, while other loans and advances have risen by Rs. 1.21 crores. There have been further large borrowings by Scheduled banks against usance bills to the extent of Rs. 8.22 crores during the week under review; this follows a rise of Rs. 10.84 crores in these borrowings in the previous week. The outstanding borrowings, however, show an increase of only Rs. 1.48 crores. A decline of Rs. 2.49 crores is noted in investments.

The consolidated statement of position of Scheduled banks for the week ended 15th April, 1955, discloses a sharp rise of Rs. 6.63 crores in demand deposits and Rs. 1.83 crores in time deposits. Inter-bank borrowings have also risen by Rs. 1.15 crores and borrowings from the Reserve Bank by Rs. 3.58 crores. Borrowings from the Imperial Bank have declined by Rs. 1.88 crores. For the second week in succession, advances have recorded a drop, the decline during the week under review being Rs. 7.25 crores. Inland bills purchased and discounted have also fallen by Rs. 1.18 crores and foreign bills by Rs. 8 lakhs. Investments are up by Rs. 19 lakhs. Cash on hand and balances with the Reserve Bank have improved by Rs. 1.78 crores and money at call and short notice by Rs. 5.52 crores.

The Gilt-edged market presented very steady conditions during the week under review. There was a keen demand for many securities and values appreciated all round. The volume of business also enlarged and the turnover could have easily been more than what it actually was had sellers been readily forthcoming. 3 per cent. 1957 put on an anna to Rs. 99-5, there having been buyers even up to Rs. 99-5½. 3 per cent. 1958 also rose by an anna to Rs. 99-4. 3 per cent. 1959-61 was in demand an anna better at Rs. 97-7. 3 per cent. 1963-65 picked up an anna to Rs. 93-11. 3 per cent. 1964 was wanted at Rs. 93-10, an anna higher than in the previous week. A rise of As. 2 to Rs. 90-9 is noted in 3 per cent. 1966-68 and of an anna to Rs. 86-15 in 3 per cent. 1970-75. 3 per cent. 1986 Conversion Loan gained an anna to Rs. 80-13. There were keen enquiries for 3½ per cent. 1961 National Plan Bonds and a large parcel of these securities changed hands an anna higher at Rs. 99-10. 3½ per cent. 1964 National Plan Loan was unchanged at Rs. 98-8, though there were buyers at Rs. 98-7½.

There was hardly any change in the rupee-U.S. dollar rates during the week under review, the banks' selling rate having been maintained at Rs. 478½ and buying rate at Rs. 474½ per $100. Sterling, on the other hand, continued to gain strength in terms of the dollar. Thus, in New York, the spot sterling rose from $2.79-11/16—2.79-13/16 to $2.79-13/16—2.79-15/16 and forward sterling (three months) from $2.78½—2.78¾ to $2.78-11/16-2.78-13/16. Transferable sterling appreciated from $2.77¼—2.77½ to $2.77-3/16—2.77-5/16.

LINSEED EASY

(*Messrs. A. Bradley & Co.*)

CALCUTTA, 25*th April*

After a firm opening, a small reaction set in in the linseed market towards the close and prices were marked down slightly. Advices from the centres were somewhat easier and arrivals were slightly better. Crushers were buying cautiously at somewhat lower prices and the activity in the local market was reported on a small scale only. The oil section was generally quieter and activity was on a small scale. Buyers were showing a more cautious attitude. Latest available quotation is April-May Rs. 15-4 per maund.

BOOMLET IN BULLION

(*From Our Own Correspondent*)

BOMBAY, 27*th April*

Conditions akin to a boomlet prevailed in the bullion market during the week under review. Prices of both silver and gold appreciated sharply under strong spell of speculative buying and bear-covering. There was a broadening of demand for silver in the ready section, too, resulting in a further depletion of already depleted stocks. This strengthened the hands of bull operators who had the control of the market even before. Though there was an increase in the arrivals of gold during the latter part of the week, the demand continued to be on the high side, with the result that the bullish enthusiasm was well preserved. Consequently, ready silver touched yesterday a high of Rs. 171-3 per 100 tolas, the highest level seen since 1st May, 1954, and ready gold reached a peak of Rs. 98-2, a level not seen since March, 1952. Today, however, there was a sharp reversal of the upward trend, consequent on heavy profit-taking and the imposition of margin in gold in *Jeth* settlement.

The dispute over the definition of current contract, referred to in these columns last week, was settled this week, following the receipt of the Advocate-General's opinion on the question. According to the Advocate-General, the words "current forward contract" in the by-law 33-D(1)(a)(i) of the Exchange mean a contract for any of the settlements which are current and the words "next succeeding contract" are only relative terms. He is stated to be of the view that, when the Board permits forward transactions for three settlements, the margin is applicable to all the settlements which have succeeding contracts, provided the conditions under which margins are leviable in terms of the by-law are fulfilled. Accordingly, margin is applicable in gold in respect of the outstanding purchases in gold in *Vaisakh* and *Jeth* settlements, which, as we stated last week, were quoted As. 12 more than the succeeding contracts. At a meeting of the Board of Directors held today, a resolution calling upon the bulls to pay the margins on their outstanding purchases in gold in the aforesaid two settlements was passed.

Silver for forward delivery in *Vaisakh* settlement, after remaining quiet early in the week, rallied to Rs. 165-7 on Saturday. The attempts of bulls who had been trying to keep the daily closing prices for this settlement below the official opening rate for it, in order to avoid payment of a margin of Rs. 500 per bar, because the backwardation charges had already crossed Rs. 2, were frustrated when the bears themselves came forward on Saturday to cover their purchases and pushed up the closing price to Rs. 164-6. The bulls were, therefore, obliged to pay a margin of Rs. 500 per bar in terms of the by-law 33-D(1)(a)(i). This, however, did not check the upward trend in prices and forward silver in the *Vaisakh* settlement rose to 167-7 yesterday. Though there was a decline today, the backwardation charges widened to Rs. 3-2 in the morning. This would have attracted a margin of Rs. 2,500 per bar, if the closing quotation today had stayed at over Rs. 3 above the closing rate for the *Jeth* settlement, but the bulls managed to bring down the closing to Rs. 165-14, a rate only Rs. 2-15 above that for the *Jeth* settlement.

Jeth silver advanced from Rs. 160-9 to Rs. 164-12, before closing at Rs. 162-15 today. *Ashad* silver rose from Rs. 158-6 to Rs. 162-10, but closed today at Rs. 160-11.

Ready silver (.996 Mint) hardened from Rs. 166-12 to Rs. 171-3, but the closing was lower at Rs. 169-10. The premium for ready over forward widened from Rs. 3-4 towards the close of the previous week to Rs. 3-12. The floating stocks of silver are estimated at 1,700 bars. The daily average offtake was 30 bars.

Gold for forward delivery in *Vaisakh* settlement advanced from Rs. 94-11 to Rs. 95-6 on Saturday. After a temporary reaction to Rs. 94-11 on Monday, it rose to touch a high of Rs. 96-2 yesterday, before finishing at Rs. 94-15 today. As the closing rate today was above the official opening rate for this settlement and stood at Re. 1-9 over the closing rate for the next succeeding forward contract (namely *Jeth*), the second slab of margin —Rs. 25 per tola—under by-law 33-D(1)(a)(i) was enforced on the outstanding purchases in *Vaisakh* settlement.

Ready gold gained from Rs. 97-1 to Rs. 98-2, but almost the entire gain was wiped out today when it closed at Rs. 96-15. The premium for ready over the forward narrowed from Rs. 2-6 to Rs. 2. The floating stocks of gold are reported to be 10,000 tolas. The daily average arrivals were 3,500 tolas and the offtake, too, was no more than 3,500 tolas on an average.

In London, silver remained unchanged at 75½*d.* for spot and at 75¼*d.* for forward. Gold, however, declined from £12 10*s.* 8*d.* to £12 10*s.* 6½*d.* per fine ounce. Silver price at New York was kept unchanged at 87 cents.

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

	27-4-55	Highest	Lowest	20-4-55
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	97 0	98 2	96 0	97 1
Forward*	94 15	96 2	94 4	94 11
Sovereign	61 6	61 8	61 0	60 12
SILVER				
Ready (.996 fine Mint) ..	169 10	171 3	166 8	166 12
Forward†	165 14	167 7	163 4	163 8
London Silver Ready ..	75¼*d.*	—	—	75½*d.*
London Forward	75¼*d.*	—	—	75¼*d.*
London Gold	250*s.* 6½*d.*	250*s.* 7½*d.*	250*s.* 6½*d.*	250*s.* 5*d.*
New York Ready	—	—	87*c.*	87*c.*

* *Vaisakh*—7th May settlement.
† *Vaisakh*—9th May settlement.
N. B.—Foreign bullion prices shown in the above table relates to the previous day.

FORWARD COTTON RALLIES AT CLOSE

(*From Our Own Correspondent*)

BOMBAY, 27*th April*

A notable event of the past week in so far as the cotton market is concerned was the fixation of room-rates for the I.C.C. May contract by the Room-rates Committee of the East India Cotton Association on Monday last. The rates for some of the more popular styles now fixed, as compared with those fixed for the February contract on 24th January, 1955, are given below:

Variety	'On' Rates in rupees I.C.C. May	I.C.C. Feb.
Jarilla 13/16"	45	65
Jarilla 27/32"	75	90
Jarilla 7/8"	110	115
Buri American 7/8"	120	125
Gavrani 7/8"	120	125
Surti 7/8"	210	170
Vijay 25/32"	120	120
Vijay 13/16"	140	140
Kalyan 25/32"	120	—
Western 13/16"	30	50
Kumpta 7/8"	140	140
Jaydhar 7/8"	150	150
Laxmi 7/8"	200	165
216F 7/8"	190	175
L.S.S. 13/16"	85	120

The foregoing room-rates have met with general approval of the trade. They are considered to be quite reasonable, in that they compare favourably with rates quoted in the spot market. It is believed that there may not be many appeals against the rates. Nevertheless, market circles expect less tenders against the maturing contract. This expectation is based on two considerations. First, since the room-rates are lower than the currently ruling prices, operators will prefer to sell their holdings in the spot market at higher prices, instead of tendering them against the contract, as that may involve a certain amount of risk. It is pointed out that traders having a sale will be inclined to switch over to the next settlement by paying the *badla* Such switch-over operations from May delivery to August contract have already started taking place. They are partly responsible for the narrowing of the spread between the two contracts from Rs. 9-8 on Wednesday last to Rs. 3-8 today. Secondly, there is the possibility of a large number of tenders being rejected, what with reports of deterioration in the quality of current season's cotton crop in several areas.

Although the room-rates are thus not calculated to encourage tenders, the immediate reaction to the announcement of these rates was a recession in prices. Thus, I.C.C. May contract, which had advanced from Rs. 549-12 last week-end to Rs. 557 on Monday, was quoted yesterday at Rs. 552-4; at one time, it was even lower at Rs. 552. Apparently, the smart rise preceding the fixation of rates had discounted the differences fixed. The bulls almost withdrew support and even lightened their commitments in May. There was also persistent bear pressure. Today, however, a distinct recovery was in evidence. The recovery was aided by frantic covering by shorts and speculative bull support induced by firm advices from spot section and cotton piecegoods market, as also by renewed reports regarding deterioration in quality of cotton in several producing areas. Not only were yesterday's losses completely made up, but today's closing rates were higher than those a week before.

I.C.C. May contract opened the week higher at Rs. 550, as against Rs. 549-12 last week-end. Following bull support and covering by bears, the contract gradually moved up to touch Rs. 557 on Monday. The upward trend was halted yesterday when the market turned distinctly easy. The easiness was due to reports of a fall in the basis of practically all the leading varieties in the spot market which followed fixation of lower room-rates. The May contract was lower at Rs. 552-4 at the close yesterday. It, however, picked up strength today following revival of bull support, and finished at Rs. 563¾, after seeing a high of Rs. 566. The August contract improved from Rs. 559-4 last week-end to Rs. 565-8 on the 25th inst. After receding to Rs. 558 yesterday, it recovered to Rs. 569½ today. Towards the close, it was a shade lower at Rs. 567.

The trend of prices during the week under review is indicated below:

	20-4-55	*High*	*Low*	27-4-55
I.C.C. May	Rs. 549¾	566	548	563¼
I.C.C. August	Rs. 559½	569½	558½	567

In the spot market, domestic staple styles were in regular demand. Enquiries were particularly keen for Wagad. Vijay also elicited support, on account of the growing scarcity of good quality lots. Among exportable styles, limited business was reported in Oomra *deshi* and Zodas. There was good enquiry for Gezira L styles of the 1953-54 crop which resulted in fair turnover for prompt shipment, while new crop S and L grades remained neglected, despite their prices being considerably lower than the reserve rates. Ahmedabad mills purchased small lots of Egyptian Karnak for near shipment. There were no transactions in U.S. or East African cottons. No interest was evinced by traders in U.S. (F.O.A.) cotton, as mills were not inclined to make any commitments at current prices.

The latest available quotations from the Sewri market are: Bengal *deshi* Rs. 560; Berar Jarillas Rs. 620; Khandesh Rs. 570; Vijay Rs. 725; Oomra *deshi* Rs. 565; Mogial Rs. 535.

Importers of raw cotton of staple length 1-1/16 inches and above from the U.S. should inform their

suppliers that the transaction is being financed by the Foreign Operations Administration, Washington, according to the procedure announced in Bombay on Saturday last by the Joint Chief Controller of Imports. The relevant procurement authorisation numbers and the special provisions affecting the suppliers in carrying out the transaction should be made known to the supplier. No contract entered into before 4th April this year will be eligible for being financed under this sub-authorisation. Contracts must be made on or before 15th October, 1955. Another condition attached to the import of long-staple cotton from the U.S. is that at least 50 per cent. of the linear tonnage, 50 per cent. of the tramp tonnage and 50 per cent. of the tanker tonnage should be shipped on U.S. flag vessels. No contract should cover reginned, loose or pickery cotton except when a contract is limited solely to such cotton. Purchase in the U.S.A. can be made freely at the prevailing U.S. market price.

The steady tone depicted by the Karachi cotton market last week gathered further momentum during the week under review. Following renewed enquiries from mill interests and foreign purchasers, operators evinced much interest in fresh business. The syndicate of seven cotton shippers formed recently is reported to have made sizable purchases. The Karachi market, it is stated, is at present supported by speculators who are holding fast to their purchases, as they believe that there is paucity of tenderable cotton against N.T. May delivery. Consequently, prices of cotton continued their upward march. In the forward section, N.T.R.G. May contract advanced from Rs. 62-15 on Tuesday last week to Rs. 63-14 (for 82 lbs. weight) yesterday.

The latest available quotations from the spot cotton market at Karachi are: Sind *deshi* Rs. 59; Punjab *deshi* Rs. 51-8; 4F Roller Rs. 58-14; S.G. Rs. 62-14; Punjab Roller Rs. 62-14; S.G. Rs. 67-14; 289F N.T. Roller Rs. 66-14; 289F N.T. Sind S.G. Rs. 61-8; 289F Punjab Roller Rs. 66-14; S.G. Rs. 71-14.

Buoyant conditions were witnessed in the Alexandria cotton market this week. There was enlarged demand from the U.S. and India, mainly for Karnak, the spot premium for which improved by 50 penny points per lb. Quotations for Ashmouni and Giza 30 were fully maintained. Total tenders to the Government up to the 16th inst. aggregated about 75,000 bales. Entitlement premiums also continued to be steady at high levels. Russia is reported to have purchased 15,000 bales of Karnak recently. There are rumours that large deals are being negotiated with Poland and China. Plans to increase Egyptian cotton exports to China, it is stated, were discussed at meetings between the Egyptian and Chinese Premiers at the Asian-African Conference at Bandung.

Cotton circles in Sudan are expecting a drastic downward revision in the reserve prices. The expectation is based on lack of bids at successive auctions. At the recent auction of Sudanese cotton at which 14,000 bales were offered for sale, there were no buyers at all. Although many shippers are reported to be now offering Gezira new crop 'S' and 'L' at attractive discounts below the reserves, no sizable business seems to have been put through. The Sudan Government is considering the sale of cotton on a barter basis, should it prove to be in the public interest. Disclosing this in Parliament, the Sudan Minister for Finance and Economy stated the other day that the Government had facilitated sale of cotton by long-term contract, instead of short-term contracts. He revealed that his Ministry and the Gezira Cotton Scheme Board had sent missions to study conditions in the European and American markets. The Minister expected good demand for Sudan cotton from the U.K. where stocks were becoming low. While the marketing of new crop cotton has thus been held up, the Gezira Board, it is said, has succeeded in liquidating some of its old crop stocks. India has been a buyer of the 'L' grade for prompt shipment.

The Liverpool cotton futures market ruled quiet this week, notwithstanding some measures of relief to the textile industry announced in the Budget. Trading was slow. Owing to hedge selling and reports of heavy *May tenders in New York*, values tended to look down. The latest available quotations from the market are: May-June 31.04d.; July-August 30.24d.; October-November 29.99d.; December-January 29.92d.

The New York cotton futures market remained steady during the week under review, in distinct contrast to the bearish trend prevailing last week. Thanks to replacement buying by trade and commission houses, cotton values registered improvement.

The U.S. Department of Agriculture is expected to announce shortly its decision with regard to cotton export subsidy for the next season. An indication to this effect was given by the Secretary on Tuesday last week. A section of cotton trade expects that export subsidies are unlikely and that surplus stocks would be liquidated by continued acreage control. Another section, however, points to a recent report which avers that the Department of Agriculture is considering a proposal to reduce price support for cotton and to increase acreage allotments. Incidentally, it is said that the next season's crop is to be supported at 90 per cent. parity and changes, if any, will apply only to the 1956-57 cotton season.

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

(In cents per lb.)

	26-4-55	19-4-55	12-4-55
Spot	34.35	33.95	34.20
May	33.57	33.16	33.46
July	33.70	33.41	33.67
October	33.91	33.76	33.86
December	34.02	33.90	33.93

RAYON YARN FULLY STEADY

(From Our Own Correspondent)

BOMBAY, *27th April*

Induced by reports of acute scarcity of tenderable quality yarns, the rayon yarn market ruled fully steady during the week under review. Even reports regarding discount offers by overseas suppliers—to the extent of 3 to 5 per cent.— on popular varieties and expectation of others following suit were completely overlooked. Bulls lent good support to the market and rayon yarn values tended to look up. In the spot section, 120 Italy moved up by As. 3-6 to Rs. 4-4. 120 Japan and 150 Japan spurted by an anna each to Rs. 3-14 and Rs. 4-2, respectively. 150 Italy gathered half an anna to Rs. 3-14. Among indigenous yarns, National Rayons 120 Bt. cones II grade picked up an anna and a half to Rs. 3-14-6 and 1 grade were higher by 15 pies at Rs. 3-15. 150 Bt. cones II grade was fully maintained at Rs. 3-5-9. Rayon yarn (150D) for April delivery rallied Rs. 2 to Rs. 733.

The question of permitting forward business in a few more varieties, in addition to the present 150 deniers, is reported to be under the consideration of the Yarn Merchants' Association and Exchange Ltd. Details are now being worked out and a final decision is expected to be taken in a few weeks' time.

The staple fibre yarn section also depicted a fully steady trend this week. Better demand from important consuming centres, particularly in Gujerat, the U.P. and the Punjab, was responsible for the trend. As a consequence, staple fibre yarn prices registered improvement. Staple fibre yarn (40×2) for April delivery rallied Re. 1-8 to Rs. 584. May delivery strengthened from Rs. 578-12 to Rs. 581. Among foreign yarns (40 x 2), in the spot section, Auroras hardened by an anna and a half to Rs. 4-1-6. Shincos were fully maintained at Rs. 4-3. Among indigenous yarns (40×2), New Greats rose by half an anna to Rs. 3-3. Seksarias gained three pies to Rs. 2-15-9. Kohinoors were steady at Rs. 3-4-9, Sitarams at Rs. 3-1-3 and Century Specials at Rs. 3-1-6.

The cotton yarn market too ruled distinctly steady this week, in contrast with the bearish trend presented in the past few weeks. The chief factor which imparted steadiness was withdrawal of sales at low prices by several South and North Indian mills. Another helpful factor was the report of encouraging advices from overseas consuming centres—Aden, Hongkong, Singapore and Ceylon. The prices at which consumers in these centres were ready to buy Indian cotton yarn were said to yield a sizable return to exporters. Improvement in offtake also influenced the sentiment of operators favourably. Buying enquiries for cotton yarn, therefore, broadened and prices forged ahead. Sixty count yarns were particularly in the limelight. Among them, Finlays firmed up by Rs. 2 to Rs. 61. Raghuvamshis advanced by Re. 1-4 to Rs. 54-8. Moderns spurted by a rupee to Rs. 60. Yarns of 40 counts were also well supported, Seksarias gaining As. 8 to Rs. 22-8 and Gokaks As. 4 to Rs. 24-12. Among 80s, Moderns were fully maintained at Rs. 62-8. Deals in 30 count yarns were put through at more or less last week's levels. Cotton yarns of 10 counts, however, proved an exception and suffered a fall in prices for want of support. Podars receded by As. 5 to Rs. 12-14. Moderns lost As. 4 to Rs. 13 and Elphinstones As. 3 to Rs. 12-14. Twenty count yarns were also neglected. Seksarias slided down by As. 6 to Rs. 15-2 and Centurys by As. 5 to Rs. 15-9. Raghuvamshis eased by As. 4 to Rs. 16-4. Moderns were lower by As. 2 at Rs. 16-4.

The table below gives the prices of art silk staple fibre and cotton yarns quoted today, as compared with those a week before:

	27-4-1955	20-4-1955
	Rs. a.	Rs. a.
Art silk yarn—		
150 D. April	733 0	731 0
120 Japan (per lb.)	3 14	3 13
150 Japan (per lb.)	4 2	4 1
120 Italy (per lb.)	4 4	4 0½
150 Italy (per lb.)	3 14	3 13½
Staple fibre yarn—		
40 x 2 April	584 0	582 8
40 x 2 May	581 0	578 12
Aurora (per lb.)	4 1½	4 0
New Great (per lb.)	3 3	3 2½
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	13 0	13 4
20s Raghuvamshi	16 4	16 8
30s Madura	21 7	21 7
40s Sekaria	22 8	22 0
60s Modern	60 0	59 0
80s Modern	62 8	63 8

OILSEEDS DULL

(From Our Own Correspondent)

BOMBAY, *27th April*

At last, the expectation of the market operators that the Government would announce a fresh quota of H.P.S. groundnuts has materialised. According to a Press Note issued by the Ministry of Commerce and Industry, on the 26th inst., the Government of India has decided to issue a quota of 15,000 tons of H.P.S. groundnuts for export till end of July, 1955 by established shippers and co-operative societies of growers and groundnuts.

Barring this, there was no development worth mentioning in the oilseed and oil market during the week. Even the announcement of H.P.S. quota did not have any perceptible effect on the trend of prices in the groundnut section, as it had already been discounted. In significant contrast to the firm conditions witnessed last week, the linseed section put on a cheerless appearance. This was attributed to profit-taking at the higher levels and a recession in export demand. The *niger* and *kardi* seed sections proved no exception to the generally dull trend witnessed during the week under review. Price movements were, therefore, limited to narrow levels. The undertone was, however, steady.

Both sellers and buyers were generally reserved in the groundnut section. Bold F.A.Q. eased from Rs. 20-8 to Rs. 20-4. April-May delivery was quiet at Rs. 20-4, while June-July delivery suffered an anna to Rs. 21-1. Khandesh quality, however, put on As. 6 to Rs. 20-10. Groundnut ready was fractionally lower at Rs. 11-2. On the Continent, groundnut oil remained unaltered at £96 per ton. H.P.S. had enquiries from the U.S. at 14 cents per pound.

The rains in Madras and other Southern districts have been widespread and heavy. It is said that the rains have benefited greatly the standing groundnut crop in South and North Arcot districts. They have also hastened the sowing of groundnut crop in Pollachi and Salem.

The output of the *vanaspati* industry, a chief consumer of groundnut oil, in March, 1955, was 22,000 tons. This brings the total output in the first quarter of this year to about 57,000 tons, as against 63,000 tons in the corresponding period of the previous year. The decline thus of about 6,000 tons is substantial. Nevertheless, it would appear that the manufacturers are not much perturbed about it. Now that the prices of vegetable oil have declined to reasonably low levels, it is expected that it would be possible in future to deliver to consumers *vanaspati* at prices cheaper than now.

Bold ready, in the linseed section, declined from Rs. 22-11 to Rs. 22-4. June-July delivery eased from Rs. 21-11 to Rs. 21-8. Linseed oil disclosed a loss of As. 3 at Rs. 13. It was quoted in the U.K. between £92 and £93 a ton, as against £93 a week back.

May futures, in the castorseed section, opened at Rs. 73-10, as against Rs. 73-8. Later declining to Rs. 72-8, it recovered to close at Rs. 72-14. September delivery changed hands at Rs. 77-14, as against Rs. 78. Subsequently, it fluctuated between Rs. 78-6 and Rs. 76-12, before closing at Rs. 77-4. Madras quality gathered As. 2 to Rs. 14-10. Castor oil First Pressure eased from Rs. 8-10 to Rs. 8-3, while Commercial quality was quiet at Rs. 8-3. Castor oil Commercial was quoted in the Continent at about £80 per ton and in the U.S. at 9.5 cents per lb.

Among others, *Kardi* Bold gained As. 4 to Rs. 11-12, while June-July delivery was quiet at Rs. 12-2. Niger F.A.Q. was eventless at Rs. 12-2.

The following table shows the price of oilseeds and oil today, as compared with those at the end of the previous two weeks.

	27-4-1955	20-4-1955	13-4-1955
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	20 10	20 14	20 6
April-May	20 4	20 4	19 10
June-July	21 2	21 2	20 9
Linseed—			
Bold Ready (per cwt.) ..	22 4	22 11	21 0
April-May	21 14	22 6	20 10
June-July	21 8	21 11	20 5
Castorseeds—			
May, 1955	72 14	73 8	71 9
Madras (per cwt.)	14 10	14 8	14 2
September	77 4	78 0	—
Groundnut oil—			
Ex-mill Ready (per quarter) ..	11 2	11 2½	10 14
Castor Oil—			
Commercial (per quarter) ..	8 4	8 4	8 2
Linseed Oil—			
Ready	13 0	13 3	12 11

PEPPER IMPROVES

(Messrs. Parekh & Co.)

BOMBAY, *27th April*

During the earlier part of the week Malabar black pepper ruled quiet with small business passing as New York was making purchases in small lots. Alleppey remained quiet but steady at Rs. 975 while garbled hovered round about Rs. 170. Turnover in garbled at Cochin was reported very poor, in view of some settlement troubles in March and April delivery.

In the later part of the week, all primary markets showed improvement under pressure of buying by exporters who were reported to have sold further quantity of 600 tons to Russia. Business in ungarbled at Alleppey was reported done at as high as Rs. 1,000. Purchases of about 2,000 tons by Russia and China have made the position of Indian pepper healthy, the total export from November, 1954, to March, 1955, having reached the figure of 8,000 tons (this figure is inclusive of the quantity to be shipped to U.S.S.R.). As a result, growers are now reported to be in a comfortable position and are not likely to press sales below Rs. 900, even if U.S.A. continues to take small quantity for the coming two months or so. America, after trying in vain to buy Malabar black at price below $0.40, is reported at present to be in the market and has bought April shipment at $0.43. Locally there are buyers for May shipment at $0.43 and June at $0.42½ with sellers reserved. Future of pepper is now solely dependent upon the attitude of Sarawak where the new crop will soon begin to move.

Bears in India and elsewhere are expecting lower prices as they think that Sarawak growers being generally weak holders will press sales on the market during June and July. But everything depends upon the prospects of new crop of Sarawak which are so far not so favourable as expected earlier.

In the delivery section, business is reported to be poor. Following are today's nominal quotations:—Ready Rs. 125 (as against Rs. 123 a week ago) per Bengal maund and June Rs. 870-80 (Rs. 840-50) per candy of 5¼ cwts.

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, *27th April*

The sugar market presented a steady trend during the week under review too. The steadiness was due to the delay in the normal monthly release of indigenous sugar for sale in the free market. Reports of an improvement in *ex*-mill prices of sugar in the North and the South also imparted strength to the market. Consequently, there were good enquiries for sugar and prices were fully maintained.

Sugar for *vaishak* delivery improved from Rs. 83-4 to Rs. 83-6 per bag. *Jeth* delivery gathered an anna to Rs. 83-1.

In the spot section, medium grain indigenous sugar advanced by a rupee to Rs. 89-90. Large grain was fully steady at Rs. 92-100. Small grain was quoted at Rs. 88. Among foreign sugars, German and Czechoslovakian sugars were throughout steady at the last week's levels of Rs. 80 and Rs. 85-87 per 220 lbs., respectively. French sugar was quoted today at Rs. 82-84 per 220 lbs., as against Rs. 81½-84½ a week before. British refined sugar, however, slided down by As. 8 to Rs. 83-4 per 224 lbs.

Arrivals of indigenous sugar into the market this week were slightly higher, being 7,900 bags, as against 7,500 bags in the previous week.

The normal monthly release of indigenous sugar for sale in the free market, which was due on Saturday last, has still not been announced and, as a result, the *ex*-mill prices in the North and the South have, as already stated, tended to look up. The President of the Indian Sugar Mills Association has urged the Union Food Ministry to suspend the release for some time, with a view to checking the downward trend in prices of indigenous sugar. The position in the Bombay-Deccan area is, however, entirely different, in that practically the entire quantity of sugar so far released has already been sold out. The sugar mills are reported to be finding it difficult to find storage facilities for the sugar already produced and still being produced. It is understood that the mills have made a representation to the Food Ministry to release a reasonable quota of sugar for sale in the free market. Such, it is pointed out, would not only solve the problem of storage but also meet the local demand in their areas and thereby help check any upward trend in prices of sugar.

N.B.—The rates for Indian sugars are inclusive of sales tax, while those for foreign sugars are exclusive of the tax.

SAGGING TENDENCY IN JUTE GOODS

(From Our Own Correspondent)

CALCUTTA, *26th April*

Quiet conditions were in evidence in the jute markets during the week under review. Prices of raw jute moved down fractionally, while those of jute goods were affected noticeably. Argentina continued to keep away from the market. This was contrary to expectations of speculators, who had bought heavily earlier. The order from Argentina is unusually delayed, but there is a feeling in the market that speculators are responsible for this. For, with even a hint of coming business from overseas countries, speculators have been buying and raising prices. Such a tendency has retarded prices of raw jute from falling, and manufacturers of jute goods have perforce to maintain prices at the higher level. Under such a situation, it is a safe guess that substitutes are continuing to make inroads into the fortunes of Indian jute goods in foreign markets.

However, judging from current trends of burlap consumption in the United States, it is possible that offtake by that country would improve. During the month of March, consumption was 71 million yards as against 65 million yards in February. Consumption during the three months ended March amounted to 198 million yards, which was 1 million yards higher than that for the corresponding period last year. There is no surprise in the fact that purchases for export to America are just nominal now, as that country buys for stock only after August. It is high time now, however, that buying of hessians on behalf of Argentina commenced. The interests of the jute industry would be served well, if marketing of jute goods were completely taken away from speculators, and should be left to mills themselves.

Jute goods had a steady start this week, with ready hessians 40" 10 oz. standing at Rs. 44-13 and B. twills at Rs. 123-12. The forward positions were priced at Rs. 44-10 and Rs. 121 respectively. Speculators were active, and bear covering imparted a firm tone. However, business with foreign countries was insignificant. Prices, therefore, gave way, forcing down prices of raw jute also. However, the falls were not proportionate, and mills, were the losers and raw jute stockists the gainers. Prices of jute goods, thus, went on losing, and by the week-end, ready 40" 10 oz. hessians at Rs. 44-3, had lost ten annas, and June goods moved down to Rs. 44-3 from Rs. 44-10. B. twills, at Rs. 119-8, were lower by Rs. 4-4, and the forward position sagged to Rs. 118 from Rs. 121. In heavy goods, business continued to be done with foreign countries on a moderate scale especially in Liverpool twills and cornsacks. Since Monday, the rates have been maintained at the week-end levels.

As stated, there was a fractional fall in the prices of raw jute. Mills bought some quantity of the old crop. Assam bottoms old crop gave way to Rs. 34 from Rs. 35-8. Sellers of new crop were reserved, and no offers were put forward. To set matters right, mills changed their buying policy, and sent out ideas that they would buy old and new crops together. However, sellers remained unmoved. This was apparently due to the uncertainty caused by the ban in East Pakistan, according to which, forward business can be entered into only if prices contracted are not lower than the quotations prevailing at the time of entering into the contract. Generally, at this time of year, forward commitments are made at a discount. The fact that such business is not done has cheered up the sentiment of stockists of indigenous jute here. They are hoping that prices would move up. However, with the present dullness in the jute goods markets and with foreign buyers reluctant to enter into commitments even at the present rates, it is difficult to believe that raw jute prices, if moved further, would be supported by buyers.

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, 25th *April*

The foodgrains market ruled easy during the week under review also. The rice section, however, depicted a steady note. Wheat prices were today quoted below Rs. 10 per maund for *dara* quality, despite the fact that the State Government had, under instructions from the Centre, geared up its machinery to purchasing wheat at Rs. 10 per maund. The fine quality is quoted at Rs. 10-8 per maund. Daily arrivals mounted to 2,000 maunds. Arrivals were absorbed well. The State of U.P. is having a bumper wheat crop and it is estimated that this year's surplus will be about 100,000 tons.

In Punjab, wheat prices have also declined and a further fall is expected with the beginning of new crop arrivals within a week there. In Madhya Pradesh and Bihar, the wheat prices continue unchanged. The rice prices recorded small gains due to better trade enquiry and rice exports from India will commence again after June for a period of four months, as, out of a target of 200,000 tons, not even 50,000 tons have so far been exported. The demand for India rice is now reported to be increasing in the U.K. and the Middle East countries. The latest rates of rice here are: Rice *basmati* Rs. 26; *raimunia* Rs. 21; *ramajwayan* Rs. 19; and coarse Rs. 12 per maund.

The coarse grain prices continued depressed during last week at Rs. 6 to Rs. 6-8 per maund for gram and Rs. 4-12 and Rs. 4-8 per maund for barley and *bejhar*, respectively. Arrivals of new crop have begun, but the stock with the trade is still very meagre, being one *khati* of gram and 4 *khaties* of *bejhar*. *Jowar* prices continue depressed and the State Government has been purchasing *jowar* at the floor price of Rs. 5-8 per maund in East U.P. and Madhya Pradesh Government has also begun purchasing *jowar* in order to give price support.

In contrast with the general fall in foodgrains prices, pulses disclosed a hardening tendency and peas *dara* improved to Rs. 5 per maund and white quality to Rs. 6 per maund. Daily arrivals have increased to about 1,500 maunds but trade demand from outside is satisfactory and due to good offtake, the stock is now 6 *khaties*. *Arhar* prices were unchanged at Rs. 6 per maund and arrivals of new crop have begun in small quantities, averaging 25 maunds daily. Other pulses recorded a steady tone and the prevailing rates are: *Urd* green Rs. 10; black Rs. 11-4 to Rs. 12-4; *moong* Rs. 6-12 to Rs. 7-8; and *massor* Rs. 5-10 per maund.

The pulses also registered a firm tone and prices advanced in all sections with an appreciable rise in *urd biasakh* quotations. Peas *jeth* is today quoted at Rs. 4-15-4; *arhar jeth* Rs. 6-0-6 and *urd biasakh* Rs. 11, as against Rs. 4-12-3, Rs. 5-12 and Rs. 9-10, respectively, on last Monday 18th April. The rise in *urd biasakh* is mainly attributed to poor stock position and due to coming delivery date.

POOR DEMAND FOR TEAS

(Messrs. Forbes, Ewart and Figgis Ltd.,)

COCHIN, 21st *April*

The offerings in Sale No. 8 which was held on Tuesday, 19th April, amounted to 1,300,000 lbs. Quality showed a distinct falling away and there were far too many teas of poor leaf appearance on offer. These teas will always fail to find favour with buyers, particularly on a declining market. At this sale, buyers showed a marked preference for clean, black, well-made teas and these sold at a considerable premium over the flakey, open, fibrous types. From the outset there was a poor demand and sweet liquoring low medium brokens and fannings were As. 3 to As. 4 lower. Medium and good medium teas sold at rates which were As. 4 to As. 6 easier. Best liquoring teas opened firm, but weakened towards the close, buyers followed quality closely and these types must be quoted easier. Whole leaf teas sold well at rates which were fully firm and often dearer. The following are the quotations:—

	1955 Rs. a. p.	1954 Rs. a. p.
Low-grown Travancore B.O.P.	2 2 0	2 9 0
Medium Travancore B.O.P. ...	2 3 6	2 10 0
Anaimallais B.O.P.	2 8 0	2 13 6
Best liquoring Nilgiri B.O.P.	3 8 6	3 6 0
Well-made black leaf O.P. ...	3 0 6	2 12 6

London Market.—Sale of 18th April, 1955:—Weak demand. Withdrawals considerable. Teas sold marked decline of fully 2d.

Sale of 19th April, 1955:—Where quality was maintained, price unchanged. Others 2d. to 3d. lower.

Colombo Market:—Fair demand. Gulf types slightly lower rates. Few best types saleable. Sharp decline. Others neglected. Bulk of sale withdrawn.

(Continued on page 859)

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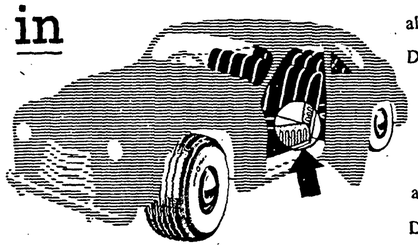

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MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	15th April, 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation.	172.44	1,325.32	1,322.77	1,277.18	1,230.00
Notes held in Banking Department	35.05	15.74	8.42	15.28	6.04
Foreign Securities ..	59.50	661.98	651.97	643.37	678.15
Rupee Securities ..	37.89	583.75	583.75	507.43	421.34
Banking Department					
Deposits of:					
Government of India	14.89	55.30	57.81	67.05	51.33
Other Governments.	..	24.32	30.16	58.42	29.60
Balances held abroad	10.08	68.35	73.96	88.77	74.18
SCHEDULED BANKS					
Demand Liabilities .	134.36	591.90 (10.28)†	584.38 (9.38)†	572.23 (7.07)†	542.20 (6.38)†
Time Liabilities .	102.24	380.98 (1.67)†	378.90 (1.41)†	375.80 (1.56)†	328.06 (1.83)†
Borrowings from Reserve Bank ..	..	24.91 (23.25)‡	21.23 (16.85)‡	35.43 (24.42)‡	28.39 (15.05)‡
Borrowings from Imperial Bank ..	..	6.04	7.92	9.75	12.55
Cash in India .	6.70	35.96	34.77	32.41	33.00
Balances with Reserve Bank .	25.17	47.99	47.39	45.61	41.07
Excess over statutory limits .	15.52	10.78	10.80	9.43	7.40
Balances with other banks in current account in India .	..	11.20	11.52	10.04	10.25
Money at call and short notice in India .	..	19.02	18.50	12.03	12.16
Investments (at book value) ..	..	342.56	342.37	345.89	312.38
Advances and bills .	105.09	622.62	631.11	615.00	556.74*
IMPERIAL BANK					
Deposits ..	87.76	220.87	223.35	224.70	210.81
Investments ..	31.99	104.07	104.24	105.67	86.36
Advances ..	80.35	125.86	127.75	127.87	127.81
Cash ..	14.69	17.05	14.14	18.21	15.54

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes foreign bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	Week ended 22nd April, 1955		Week ended 15th April, 1955	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,79,511	51,21,88,000	3,16,775	69,51,88,000
Calcutta ..	1,88,876	61,31,10,067	1,45,021	45,02,20,964
Madras ..	86,220	7,95,06,887	80,835	7,74,82,795
All Centres—1955 ..	..	..	1,14,83,214	26,45,05,08,000
1954 ..	..	..	3,40,75,000	70,64,29,00,000
Dec., 1954 ..	..	..	29,95,000	6,64,08,00,000
Jan., 1955 ..	..	..	29,48,000	6,23,74,00,000

Reserve Bank of India

Statement of Affairs for the week ended 22nd April, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		53,11,08,000
(2) Other Governments		30,41,67,000
(b) Banks ..		48,31,34,000
(c) Others		22,70,15,000
Bills Payable		4,05,21,000
Other Liabilities		29,41,11,000
	Rupees ..	195,00,57,000

ASSETS	Rs.	Rs.
Notes		25,45,04,000
Rupee Coin		7,69,000
Subsidiary Coin		8,55,000
Bills Purchased and Discounted—		
(a) Internal		61,48,000
(b) External		—
(c) Government Treasury Bills		12,09,39,000
Balances held abroad*		88,22,58,000
Loans and Advances to Governments		17,00,000
Other Loans and Advances		35,15,26,000
Investments		43,62,98,000
Other Assets ..		22,50,56,000
	Rupees ..	198,00,57,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 24,76,00,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 68,86,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.	Rs.
Notes held in the Banking Department ..		25,45,04,000	
Notes in circulation		1,316,13,65,000	
Total Notes issued ..			1,341,58,69,000
Total Liabilities ..		.....	1,341,58,69,000
ASSETS	Rs.	Rs.	Rs.
A. Gold Coin and Bullion			
(a) Held in India ..	40,01,71,000		
(b) Held outside India	..		
Foreign Securities ..	661,97,61,000		
Total of A ..			701,99,32,000
B. Rupee Coin			105,34,23,000
Government of India Rupee Securities			533,75,14,000
Internal Bills of Exchange and other commercial paper		.....	....
Total Assets ..		.....	1,341,58,69,000

Ratio of Total of A to Liabilities: 52.326 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 15th April, 1955

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India	10,27,62,000†
(ii) Other demand liabilities	581,62,05,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India	1,76,06,000†
(ii) Other time liabilities	379,31,41,000
3. Borrowings in India from the Imperial Bank of India:	
(i) Demand liabilities	5,68,00,000
(ii) Time liabilities	35,05,000
4. Cash in India	35,95,53,000
5. Balances with the Reserve Bank in India	47,98,58,000
6. Balances with other banks in current account in India	11,19,97,000
7. Money at call and short notice in India	19,01,98,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	842,55,84,000
9. Advances in India	503,00,02,000
10. Inland Bills purchased and discounted in India	52,09,15,000
11. Foreign Bills purchased and discounted in India	37,53,17,000

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

EXCHANGE RATES

	27th April, 1955	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot. s.	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months .. s.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months .. s.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months .. s.	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	4785	479
Buyers T.T. .. Rs.	474½	474½
London on New York.. $	2.79½–2.79¾	2.79⅜–2.79⅝
London on Paris .. Fcs.	983½–983¾	983½–983¾
London on Berne .. Sw. Frs.	12.28½–12.28¾	12.28½–12.28¾
New York on London.. $	2.79⅜–2.79⅝	2.79⅜–2.79⅝

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India† ..	1953–54	373.37	..	10,600	283.9
Pakistan ..	1949	75.04	..	1,671	222
Burma ..	1952	18.86	Kyats 3,556	358	188
Ceylon ..	1953	8.16	..	443	541
Japan ..	1952	86.50	Y. 5,283,400	7,014	810
Philippines ..	1953	21.02	Ps. 7,875	1,654	787
New Zealand ..	1953	2.05	£(N.Z.) 727	969	4,727
Australia ..	1952	9.18	£(A) 3,521	3,841	4,207
U.K. ..	1952	50.86	£ 14,719	19,625	3,858
U.S.A. ..	1952	159.63	$ 305,000	146,790	9,196
Canada ..	1953	14.78	$ 19,048	8,407	5,688
France ..	1952	42.55	F.Fr. 10,197,000	14,018	3,221
W. Germany..	1953	48.90	Dm. 109,000	11,705	2,859
Italy ..	1952	47.02	Lr. 8,967,000	6,522	1,452
Norway ..	1952	3.36	Kr. 16,861	1,132	3,360
Sweden ..	1953	7.17	Kr. 30,957	3,472	4,778
Netherlands ..	1953	10.49	Grs. 19,360	3,451	3,236
Denmark ..	1952	4.37	Kr. 22,484	1,551	3,573
Switzerland ..	1953	4.88	Sw.Fr. 20,500	3,286	4,664

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, September, 1954.
† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 6th April, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	19,55,21,000
(b) Provincial Governments	1,84,93,000
(c) Banks	12,23,85,000
(d) Others	4,00,91,000
Bills Payable	9,87,000
Other Liabilities	3,39,86,000
Rupees ..	47,23,63,000

ASSETS	Rs.
Notes	4,74,80,000
Rupee Coin	6,000
Subsidiary Coin	16,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Loans and Advances to Governments ..	2,75,00,000
Provincial Governments' Debtor Balances	3,09,91,000
Other Loans and Advances	10,49,33,000
Investments	16,23,80,000
Other Assets	6,90,07,000
Rupees ..	47,23,63,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.	Rs.
Notes held in the Banking Department ..	4,74,80,000		
Notes in circulation	248,63,59,000		
Total Notes issued ..			253,38,39,000
Total Liabilities ..			253,38,39,000
ASSETS	Rs.	Rs.	Rs.
I. A. Gold Coin and Bullion:			
Silver Bullion ..			
Sterling Securities ..	39,72,61,000		
Government of India Securities ..	21,41,41,000		
India Notes representing assets receivable from the Reserve Bank of India	29,97,64,000	99,08,86,000	
B. Rupee Coin ..	4,22,72,000		
Government of Pakistan Securities ..	145,87,56,000		
Internal Bills of exchange and other commercial paper ..	.....		
		150,10,30,000	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—			
Gold Coin and Bullion ..	16,02,000		
Sterling Securities ..	3,06,12,000		
Government of India Securities ..	70,10,000		
Rupee Coin	29,91,000		
		4,24,75,000	
Total Assets ..			253,38,39,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 40.54 per cent.

PRINCIPAL BANK RATES %

Centre		From	To
Argentina	1st Mar., 1936	..	3½
Austria	3rd June, 1954	4	3½
Belgium	29th Oct., 1953	3	2½
Bolivia	30th Sept. 1950	5	6
Canada	15th Feb., 1955	2	1½
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	15th July, 1938	5	4
Costa Rica ..	1st Feb., 1950	3	4
Denmark	23rd June, 1954	4½	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador ..	22nd Mar., 1950	4	3
Finland	16th Dec., 1951	7½	8½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1954	13	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th Mar., 1953	2½	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	6.11	5.84
Mexico	4th June, 1942	4	4½
Netherlands ..	7th April, 1952	3	2½
New Zealand ..	26th Nov., 1954	3½	4
Norway	14th Feb., 1952	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Portugal	12th Jan., 1944	3	2½
South Africa ..	27th Mar., 1952	3	3½
Spain	1st July, 1948	4	3½
Sweden	18th April, 1955	2½	3
Switzerland ..	26th Nov., 1936	4	1½
Turkey	25th Feb., 1941	5	8
United Kingdom ..	24th Feb., 1955	3½	4½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	26th April, 1954*	1½	1½
West Germany ..	20th May, 1954	4½	5

* Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	February, 1954	February, 1955	Eleven months, April to Feb., 1953-54	Eleven months, April to Feb., 1954-55
Import Duties:				
Revenue	10.88	12.29	102.65	124.43
Protective	0.45	0.46	5.56	6.77
On surplus disposals	..	..	0.20	0.18
Total import duties	10.88	12.75	108.41	131.33
Export Duties	2.41	4.22	25.86	37.05
Land Customs	0.11	0.12	1.70	1.60
Miscellaneous	0.08	0.10	0.98	1.00
Gross total customs	13.41	17.19	146.63	171.07
Refunds and drawbacks	0.18	0.19	1.77	1.46
Net Customs	13.23	17.00	144.86	169.61
Gross excise	7.50	9.26	84.98	94.86
Refunds	0.08	0.15	0.90	1.70
Net Excise	7.42	9.11	84.08	93.46
Net total of customs and excise†	20.70	26.11	228.94	263.27

† Net Customs plus net Excise.

Imperial Bank of India

Statement of Affairs for the week ended 22nd April, 1955

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid ..	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves ..		6,35,00,000
Deposits and other Accounts ..		218,98,18,000
Borrowings from other Banking Companies Agents		10,50,00,000
Bills Payable ..		5,75,54,000
Bills for Collection being Bills Receivable as per contra ..		45,69,000
Acceptances, Endorsements and Other Obligations as per contra ..		1,12,000
Other Liabilities (including Inter-Office Adjustments)		4,92,30,000
Total .. Rs.		253,58,37,000
PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		14,49,87,000
Balances with other Banks		3,51,72,000
Money at Call and Short Notice ..		1,00,00,000
INVESTMENTS—		
Government and other Trustee Securities ..	92,45,26,000	
Other Authorised Investments ..	11,59,61,000	
		103,84,87,000
Advances—		
Loans, Cash Credits and Overdrafts, etc. ..	93,31,65,000	
Bills Discounted and Purchased..	31,73,52,000	
Bills Receivable being Bills for Collection as per contra ..		125,05,17,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		1,12,000
Premises less Depreciation ..		1,30,62,000
Furniture and Fixtures less Depreciation ..		45,92,000
Other Assets (including Inter-Office Adjustments)		2,44,52,000
Total .. Rs.		253,58,37,000

SMALL SAVINGS

POSTAL SAVINGS (In lakhs or rupees)

	National Savings Certificates 5-Year† Outstandings*	5-Year† Receipts	7-Year †† Outstandings*	7-Year †† Receipts	15-Year Outstandings*	15-Year Receipts	Savings Bank Deposits Receipts	Savings Bank Deposits Outstandings*	Cash Certificates Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-Year Treasury Savings Deposit Certificates ‡ Receipts	2½% Ten-Year Treasury Savings Deposit Certificates ‡ Outstandings*	10-Year National Plan Certificates ‡ Receipts	10-Year National Plan Certificates ‡ Outstandings*
1948-49 ..	1,46	76	72	20,40	22,55	55,66	29,91	—	12,31	—	—	—	—
1949-50 ..	6,52	66	3,16	22,86	84,17	1,15,55	66,06	—	21,07	7,56	22,64	—	—
1950-51 ..	9,91	1,60	4,26	26,54	1,04,88	1,17,87	1,06,29	—	24,30	5,94	32,11	—	—
January, 1952 ..	8,15	18	3,81	3,06	1,00,45	8,91	1,00,25	—	23,78	50	31,22	—	—
February ..	8,02	11	3,80	2,12	1,02,09	9,49	1,01,80	—	23,97	84	31,78	—	—
March ..	8,91	46	4,26	3,05	1,04,33	16,29	1,06,39	—	24,20	44	32,11	—	—
April ..	8,81	11	4,20	3,18	1,05,84	10,70	1,07,61	—	24,40	70	32,77	—	—
May ..	8,71	10	4,21	1,71	1,07,06	10,08	1,07,12	—	24,57	54	33,36	54	54
June ..	8,62	9	4,23	1,20	1,08,40	10,48	1,06,29	—	24,73	39	33,61	49	53
July ..	8,47	12	4,20	2,27	1,10,18	11,60	1,11,02	—	24,96	46	34,06	76	1,50
August ..	8,36	15	4,19	2,17	1,11,58	10,32	1,12,07	—	25,17	46	34,52	69	2,18
September ..	8,24	10	4,21	2,44	1,13,76	10,23	1,14,52	—	25,34	54	34,94	1,57	4,06
October ..	8,16	11	4,17	1,90	1,15,06	8,96	1,14,98	—	25,51	43	35,33	60	4,66
November ..	8,06	12	4,04	2,25	1,16,76	10,24	1,16,21	—	25,66	37	35,64	58	5,23
December ..	4,96	11	4,06	2,34	1,18,40	11,56	1,18,54	—	25,87	40	35,98	57	5,79
January, 1953 ..	4,88	14	4,74	2,45	1,20,23	10,51	1,20,10	—	26,03	45	36,27	54	6,33
February ..	..	..	..	..	..	..	..	—	..	40	36,74	..	..

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947. ‡ Issued from 1st June, 1945 to 30th June 1953. † Issued from 1st June, 1948. § Issued from 1st February, 1951. ¶ Figures from 1948-49 relate to the Indian Union. Outstandings do not include Indian Union's share of the pre-partition holdings of Indian investors. ** Issued from 1st June, 1945 to repayments, however, include those from the pre-partition holdings of Indian investors.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 17-4-'54	19-3-'55	9-4-'55	16-4-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.7	90.6	90.5	90.5
1. Government of India ..	90.5	90.4	90.4	90.3
2. Indian States	95.7	96.1	96.1	96.1
3. Municipal, Port Trust, etc.	89.8	89.4	89.3	89.3
DEBENTURES OF INDUSTRIAL CONCERNS	101.3	100.6	100.8	100.8
1. Electricity	102.7	102.0	102.0	102.0
2. Jute	98.8	98.8	98.8	98.8
3. Plantations	99.6	99.6	99.6	99.7
4. Sugar	100.4	99.0	99.0	99.0
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering ..	101.0	100.6	100.6	100.6
7. Shipping	102.8	100.2	100.2	100.2
8. Others	100.7	100.6	100.6	100.6
PREFERENCE SHARES ..	88.4	87.2	87.3	87.2
1. Electricity	98.7	97.8	97.6	97.7
2. Cotton	85.5	78.6	78.5	78.5
3. Jute	88.4	85.7	85.9	86.1
4. Coal	90.2	91.3	91.7	91.7
5. Iron and Steel ..	92.2	89.8	90.1	90.2
6. Sugar	75.8	82.5	84.2	84.4
7. Paper	87.4	89.7	88.0	88.2
8. Plantations	89.9	98.8	98.1	97.5
9. Miscellaneous ..	86.4	85.2	84.9	84.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	104.5	115.3	115.8	115.7
a) Financial	88.3	88.7	87.8	87.9
1. Banks	86.6	86.4	84.6	84.7
2. Insurance	101.7	109.2	106.4	106.5
3. Investment Trust ..	79.1	94.1	94.4	94.4
(b) Public Utilities ..	113.8	114.4	114.6	114.3
1. Electricity	119.3	124.3	124.4	124.1
2. Shipping and other Transport	108.6	98.4	98.6	98.3
3. Railways	86.7	88.3	89.3	89.1
(c) Manufacturing Industries.	122.5	118.9	119.1	119.0
1. Cotton, Woollen and Silk	104.0	103.7	103.6	103.6
2. Jute	80.5	99.6	99.6	99.5
3. Iron and Steel ..	130.0	149.6	147.4	149.2
4. Paper	194.4	222.7	225.5	223.3
5. Cement	128.5	148.5	148.0	148.8
6. General Engineering.	141.8	169.9	170.4	169.9
7. Sugar and Breweries.	92.3	101.6	99.0	99.0
8. Chemicals	113.5	136.3	135.0	135.4
d) Non-Manufacturing Industries	112.6	159.7	164.1	163.6
1. Coal	77.1	78.2	77.6	77.5
2. Mining and Oil ..	167.4	196.7	195.2	186.7
3. Plantations ..	111.2	202.8	202.5	204.8
e) Miscellaneous	84.4	99.6	95.7	95.9
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	90.1	90.1	90.0	90.0
1. Bombay	90.7	90.4	90.4	90.4
2. Calcutta	90.9	90.9	90.8	90.8
3. Madras				
DEBENTURES OF INDUSTRIAL CONCERNS:	100.9	99.1	99.1	99.1
1. Bombay	102.1	101.3	101.3	101.3
2. Calcutta	100.0	100.4	100.4	100.4
3. Madras				
PREFERENCE SHARES:	93.0	91.6	91.9	91.9
1. Bombay	85.8	83.1	83.0	82.9
2. Calcutta	89.9	94.2	94.4	94.8
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	115.6	119.0	117.5	116.7
1. Bombay	95.5	109.8	110.3	110.5
2. Calcutta	101.2	109.8	110.3	110.2
3. Madras	108.1	119.0	118.8	118.6
4. Delhi				

Source: Department of Research and Statistics, Reserve Bank of India.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,291	5,810,928
1952	963	809,348	8,356,961
1953	772	466,607	3,882,606
December 1953 ..	61	27,525	156,017
January 1954 ..	85	42,852	244,414
February	45	55,177	192,411
March	67	58,231	318,207
April	72	49,172	318,853
May	88	58,617	278,214
June	99	80,357	255,276
July	87	48,056	181,122
August	74	58,063	253,154
September	108	64,568	447,273
October	101	80,211	408,116
November	88	41,921	245,211
December	81	40,750	475,853
January 1954† ..	84	51,978	323,514
February	85	41,351	244,295
March	91	54,902	331,419
April	101	54,962	307,247
May	80	40,078	216,082
June	81	51,539	306,075
July	122	80,189	577,492
August	79	51,090	352,567
September	97	50,414	348,873
October	88	41,724	276,294
November	62	25,115	159,701
December	88	53,549(a)	259,589(b)

† Figures for 1954 are provisional. * Revised.
(a) Not known in 6 cases. (b) Not known in 8 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Units Sold
1948-49	409	4,651.1	3,777.7
1953-54	614	6,801.4	5,184.3
1954-55	641	6,876.8	5,372.7
July 1953	627	558.9	471.8
August	632	587.9	458.9
September	632	576.5	464.1
October	634	583.1	466.7
November	637	568.1	455.7
December	640	606.6	456.9
January 1954 ..	640	589.7	478.0
February	642	541.4	451.4
March	645	592.8	458.5
April	651	613.3	504.4
May	651	599.5	518.5
June	660	539.4	510.3
July	662	635.4	516.5
August	667	642.9	510.5
September	669	647.6	523.3
October	660	656.5	531.4
November	674	654.4	531.6
December	679	683.5	558.0

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	9th April, 1955	2nd April, 1955	10th April, 1954	March, 1955	March, 1954	Percentage of increase (+) or decrease (—) in Mar., 1955 as compared with Mar., 1954	Financial Year Average 1953-54	1954-55
Food Articles	286.4	295.3	289.0	297.0	271.4	—20.0	284.4	339.8
Cereals	334	338	432	339	429	—21.0	451	381
Pulses	219	227	301	229	302	—30.7	450	250
Other	232	247*	324	249	280	—13.4	278	291
Industrial Raw Materials ..	399.1	403.4	472.2	412.7	462.5	—10.8	467.7	436.2
Fibres	440	444	461	452	447	+ 1.1	432	447
Oil seeds	323	327	523	336	513	—34.1	574	424
Minerals	402	408	454	417	444	— 6.1	449	422
Others	473	474	390	480	405	+18.5	375	427
Semi-Manufactures	326.9	329.5 R	359.9	333.5	355.5	— 6.3	359.2	350.3
Leather	393	390	380	390	388	+ 0.5	405	376
Mineral oils	221	221	221	221	221	—	224	221
Vegetable oils	324	337	494	354	476	—25.6	534	433
Cotton yarn	432	434	456	440	449	— 2.0	442	454
Metals	244	243	240	242	238	+ 1.7	229	240
Oil cakes	285	286 R	418	284	415	—31.6	433	381
Others	338	330	306	333	306	+ 8.8	281	312
Manufactured Articles ..	376.1	376.1 R	380.6

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop		Acreage 1953-54 Final	Acreage 1952-53 Final	Outturn 1953-54 Final	Outturn 1952-53 Final
Rice 2nd	tons	68,502‡	71,224†	21,593‡	23,455†
Wheat	,,	26,098	24,285	7,792	7,353
Jowar	,,	42,990	43,339	7,691	7,260
Bajra	,,	23,320	26,550	4,246	5,150
Barley	,,	8,190	8,010	2,721	2,849
Maize	,,	8,828	8,897	2,554	2,523
Ragi	,,	5,472	5,423	1,564	1,238
Small Millets	,,	13,167	12,431	2,183	1,906
Total cereals	,,	210,565	208,149	58,130	49,104
Gram*	,,	176,077	170,884	45,817	38,371
Total Rabi Pulses*	,,	24,258	22,295	10,618	10,222
Other Rabi Pulses*	,,	18,893	18,014	4,551	4,165
Jute	bales	11,120	11,185	2,075	2,042
Cotton (4th)	,,	1,278‡	1,196†	3,153‡	3,129†
Sugarcane (Fnd)	tons	17,465‡	16,224†	4,092‡	3,658†
Groundnut	,,	8,617‡	3,503†	4,742‡	4,209†
Linseed	,,	12,547‡	10,659†	3,823‡	3,773†
Castorseed	,,	2,899	2,895	855	859
Rape and Mustard Seed	,,	1,272‡	1,375†	1121	1087
Sesamum (3rd)	,,	5,873	5,199	826	837
Total oilseeds	,,	5,861‡	6,079†	567‡	534†
Tobacco	,,	27,598	27,661	5,591	4,546
Black Pepper	,,	890	895	256	241
Ginger	,,	209	206	22	22
Dry Chillies	,,	47	46	15	14
Potato (2nd)	,,	1,328	1,235	310	284
	,,	645	633	1,657	1,698

Source: Ministry of Food and Agriculture.

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

* Excluding gram and Tur.

‡ Relates to 1954-55. † Relates to 1953-54.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During March, 1955	89.3
	Corresponding month, 1954	75.5
	Nine months ended Mar., 1955	750.5
	Corresponding period, 1954	644.4
Stocks	At the end of March, 1955	94.5
	Corresponding month, 1954	92.9
		(In 000 bags)
Exports (Jute Bags)	Week ended 19th March, 1955	3,219
	Corresponding week, 1954	2,236
	From 1st to 19th March, 1955	88,434
	Corresponding period, 1954	68,863
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 19th March, 1955	8,723
	Corresponding week, 1954	5,067
	From 1st to 19th March, 1955	232,859
	Corresponding period, 1954	237,006
	RAW JUTE	(In 000 bales)
Consumption by Mills†	March, 1955 (in lakh bales)	5.18
	Corresponding month, 1954	4.88
	Nine months ended Mar., 1955	48.58
	Corresponding period, 1954	47.87

* From Calcutta. † Estimated. R = Revised.

IRON AND STEEL PRODUCTION

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1955	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,84,400	10,42,900	7,81,200
November 1953	1,00,800	95,800	68,400
December ,,	1,01,400	98,100	71,700
January 1954	1,02,800	99,900	71,400
February ,,	92,700	84,500	63,800
March ,,	94,800	89,700	65,000
November ,,	98,800	90,500	68,000
December ,,	1,06,800	99,000	78,800
January 1955	1,02,500	95,900	72,700
February ,,	93,500	84,500	63,900
March ,,	95,000	89,800	66,100
Indian Iron and Steel Co.			
Year ended 31st March, 1955	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954	5,80,020	3,49,980	2,92,440
Do. 31st March, 1955	7,18,949	5,25,240	4,09,093
April 1953	52,210	30,980	19,000
May ,,	57,810	32,550	19,700
June ,,	56,720	23,940	13,020
Three months ended Sept., 1953	63,990	38,550	21,640
,, ,, Dec., 1953	1,81,520	1,15,800	1,06,940
Three months ended Mar., 1954	1,87,750	1,28,510	1,16,940
Three months ended June, 1954	1,82,770	1,17,570	1,07,460
Three months ended Sept., 1954	1,80,018	1,29,741	1,18,421
,, ,, ,, Dec., 1954	1,88,058	1,38,601	1,20,416
,, ,, ,, Mar., 1955	1,66,108	1,48,823	1,18,186

FOREIGN TRADE OF INDIA

Particulars	January, 1954	January, 1955	Ten months, April to Jan., 1953-54	Ten months, April to Jan., 1954-55
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	2.98	12.77	86.63	82.52
Raw materials	11.39	12.57	142.81	157.44
Manufactures	22.51	25.63	224.29	248.74
Other items	.89	.6	3.29	2.57
Total	37.57*	51.03*	457.02*	491.07*
By land	2.30	2.17	19.60	18.18
Total Imports	39.87	53.20	476.62	509.25
Exports:				
By sea and air—				
Foodstuffs	13.48	20.80	131.17	171.58
Raw materials	5.15	12.43	89.67	90.92
Manufactures	21.64	19.97	209.11	210.14
Other items	.48	.89	3.68	4.03
Total	40.75	53.59	433.58	476.64
By land	3.56	4.1	6.12	4.92
Total Exports	44.31	54.00	439.70	481.56
Total Re-exports	.32	.43	3.23	3.22
Balance of trade in merchandise	+ 4.24	+ 1.23	− 41.23	− 25.67
Balance of transactions in private treasure	..	..	.8	− .2
Total visible balance of trade	+ 4.24	+ 1.23	− 41.81	− 25.69
Imports ‡:				
Total C'wealth countries	17.60	20.61	221.48	211.01
Total Foreign countries	20.07	30.42	235.54	280.06
Exports ‡:				
Total C'wealth countries	25.08	30.91	223.58	269.34
Total Foreign countries	18.72	22.68	210.02	207.30

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

‡ Excludes Trade by Land.

RAILWAY TRAFFIC ‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (in thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1948-1949	1,152	36,925	104,286	22,364	9,069	2,115	780	172	142	..	..	..
1952-1953	1,168	34,406	125,778	23,539	11,413	2,635	949	171	169	209	169	207
1953-1954	1,179	35,215	129,009	23,345	11,186	2,612	921	154	153	158	190	243
November 1953	87	2,939	9,923	2,366	989	216	64	15	14	17	12	27
December ,,	93	2,747	10,990	2,476	989	210	59	16	14	18	14	23
January 1954	94	2,751	11,281	2,531	1,079	208	94	17	20	16	15	22
February ,,	101	3,157	10,313	2,274	933	178	76	18	16	14	14	20
March ,,	106	3,325	14,383	3,308	1,018	215	83	17	18	13	16	24
April ,,	..	..	..	..	953	211	83	20	15	10	15	24
May ,,	..	..	..	..	933	216	78	14	15	10	18	22
June ,,	..	..	..	..	909	210	71	10	13	7	16	22
July ,,	..	..	..	..	935	234	76	11	10	7	18	22
August ,,	..	..	..	..	935	246	79	11	9	7	11	21
September ,,	..	..	..	..	914	241	66	11	9	12	13	21
October ,,	..	..	..	..	934	241	65	18	10	19	15	22
November ,,	..	..	..	..	991	226	73	15	15	15	9	24
December ,,	..	..	..	..	1,064	229	70	20	14	21	10	26

Equated to M. G. Wagons (1 B. G. = 2 M. G.). ‡ The figures relate to Broad and Metre Gauge of Class I Railway.

† Progressive figures.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 21st April, 1955	75,421
	Corresponding week, 1954	51,005
	1st Sept., 1954 to 21st April, 1955	1,186,809
	Corresponding period, 1953-54	1,251,035
Cotton Exports	Week ended 21st April, 1955	9,853
	Corresponding week, 1954	8,229
	1st Sept., 1954 to 21st April, 1955	229,643
	Corresponding period, 1953-54	214,612
Mill Consumption	1st Sept., 1954 to 21st April, 1955	820,876
	Corresponding period, 1953-54	797,308
Stock (with exporters, dealers and mills) in Bombay	On 21st April, 1955	529,708
	Corresponding date, 1954	631,746
Cotton Exports from Bombay (by sea)	During December, 1954	24,771
	1st Sept., to 31st December, 1954	100,549
	1st Sept., to 31st December, 1953	81,256
Karachi (Pakistan)—		
Receipts	1st Sept., 1954 to 7th April, 1955	1,092,632
	Corresponding period, 1953-54	1,309,665
Exports	1st Sept., 1954 to 7th April, 1955	447,705
	Corresponding period, 1953-54	802,965

Particulars		From 1st Sept., 1954 to 25th April, 1955 Bales	From 1st Sept., 1953 to 25th April, 1954 Bales
From Bombay			
Cotton Exports to—			
United Kingdom	..	20,242	12,055
Continent	..	33,736	21,306
China	..	2,631	251
Japan	..	66,678	56,475
U.S.A.	..	15,526	12,426
Other Countries	..	1,860	1,452
Total to all foreign countries	..	140,273	103,965
Coastal Ports	..	93,879	114,229
Consumption of Cotton—	Period		Quantity (Bale of 400 lbs.)
Indian	..	January, 1955	348,638
Foreign	..		57,356
Indian	..	Five months ended Jan., 1955	1,700,352
Foreign	..		294,740
Indian	..	Same Period 1954	1,638,854
Foreign	..		284,710
Stocks (Mills and Elsewhere)—			
Indian	..	As on 31st January, 1955	1,043,859
Foreign	..		135,898
Indian	..	As on 31st January, 1954	907,928
Foreign	..		157,298
Cotton Pressed in India † (In running bales)		Week ended 15th April, 1955	60,631
		Corresponding week, 1954	105,532
		1st Sept., 1954 to 15th April, 1955	2,638,574
		Corresponding period, 1953-54	2,909,591

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,06,64,000	1955-60	101
4% Bonds	1928-29	63,80,26,000	1960-70	101½
2½% Loan	1934-35	1,16,17,46,000	1965-68	93½
3% Loan	1935	80,84,10,000	1964	94
3% Loan	1948	1,10,11,78,000	1968-68	90½
2¾% Loan	1944	1,14,09,000	1957	99½
3% Loan	1945	1,16,08,83,000	1970-75	86½
3% Loan	1946	1,18,65,64,000	1959-61	97½
3% Loan	1951	50,35,63,000	1966	99½
2½% Loan	1946	45,83,07,000	1960	91½
2½% Loan	1946	57,00,69,000	1961	92
2½% Loan	1949	74,77,48,000	1976	82
2½% Loan	1947	75,86,72,000	1962	92½
2½% Loan	1948	60,45,01,000	1955	99½
2½% Loan (N.P. Bonds)	1953	75,00,00,000	1961	99½
2½% N.P. Loan	1954	156,75,00,000	1964	98½
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,36,000	At option of Government after three months' notice. On September, 1966 or later at option of Government after three months' notice.	80½
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,20,000	1958-68***	108½
PROVINCIAL LOANS†				
3% Bombay	1948	2,54,22,000	17th Sept. 1955	99½
3% Bombay	1948	3,50,00,000	14th Sept. 1958	99½
3% Bombay	1944	3,44,00,000	15th Aug. 1958	97
3% Bombay	1949	6,00,15,000	1st Aug. 1962	93
3% Bombay	1950	3,01,67,700	31st July 1960	94
2½% Bombay	1951	3,04,06,900	17th Sept. 1962	88½
2½% Bombay	1952	5,00,00,000	15th July 1963	101
4% Bombay	1952	3,66,72,700	1st Aug. 1964	101
3% Cochin	1945	1,00,00,000	16th Dec. 1955-58	98½
4½% Cochin	1936	70,00,000	1st June 1955-61	99½
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95½
3% Madras	1939	1,23,95,000	21st June 1959	94
3% Madras	1942	1,28,25,000	18th Sept. 1958	99½
3% Madras	1943	1,25,10,000	14th Sept. 1958	99½
3% Madras	1944	1,07,95,000	16th Aug. 1958	98
3% Madras	1945	2,78,44,000	14th Sept. 1960	94
2½% Madras	1946	3,21,77,900	1st Sept. 1961	91
3% Madras	1950	4,85,26,400	21st July 1960	94
2½% Madras	1951	3,01,49,300	17th Sept. 1962	87½
4% Madras	1953	5,00,00,000	15th July 1963	100-5½
4% Madras	1952	5,24,81,200	1st Aug. 1964	100-9½
5% Mysore (J)	1930	1,63,44,200	1st Nov. 1955	101
4% Mysore (J)	1932	2,92,56,200	1st Dec. 1955-58	101
3% Mysore (J)	1936	2,99,72,900	30th April 1956-61	93
3% Mysore	1947	5,06,05,700	25th Jan. 1958	99½
4% Mysore	1953	5,00,00,000	15th July 1963	100-7½
3% M.P.	1949	50,00,000	18th Sept. 1955	99
3% M.P.	1943	50,54,200	14th Sept. 1956	98½
3% M.P.	1944	52,69,800	15th Aug. 1958	97
3% M.P.	1946	2,08,00,000	15th Sept. 1964	92½
3% M.P.	1950	1,00,28,800	31st July 1960	94
2½% M.P.	1951	1,00,00,000	17th Sept. 1962	87½
4% M.P.	1953	1,00,00,000	15th July 1963	99½
3% Punjab*	1938-44	3,49,87,200	16th Aug. 1958	98½
3% Punjab*	1942	1,85,20,000	14th Sept. 1955	99½
3% Punjab*	1943	2,48,78,800	14th Sept. 1956	99½
3% Punjab*	1945	2,95,81,600	14th Sept. 1960	97½
2½% Travancore	1936	50,00,000	16th Aug. 1956	96½
4% Travancore-Cochin	1953	3,00,00,000	15th July 1963	100-1½
3% U.P.	1936	1,09,39,900	15th Sept. 1961-66	90½
3% U.P.	1944	3,29,96,800	15th Aug. 1958	97
3% U.P.	1946	2,36,21,900	14th Sept. 1960	94
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	91½
2½% U.P.	1951	2,00,00,000	17th Sept. 1962	87½
4% U.P.	1952	4,11,82,000	1st Aug. 1964	100½
4% U.P.	1953	5,00,00,000	15th July 1963	100½
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	88
4% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4% W. Bengal	1953	3,00,00,000	15th July 1963	100½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs. 85,00,000	4	1904	1964	Rs.
85,00,000	4	1905	1965	
15,00,000	4	1906	1967	
75,00,000	4	1907	1968	
75,00,000	4	1908	1968	99½ N
40,00,000	4	1909	1969	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,85,876	4	1918*	1960	D
80,00,000	4	1918	1974	99½ N
88,25,000	4	1919	1975	100 N
10,00,000	4	1919*	1960	
55,00,000	4	1919*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,38,000	5½	1926*	1960	
85,00,000	5½	1929*	1959	
12,50,000	5½	1930*	1960	D
12,50,000	5½	1930*	1961	
18,50,000	5½	1932*	1962	
24,50,000	5½	1935*	1975	
15,00,000	5½	1935*	1976	
48,04,000	5½	1936*	1960	
10,00,000	5½	1938*	1958	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs. 80,24,200	4	1914	1974	Rs.
76,90,100	4	1916	1975	98½
1,50,00,000C	3½†	1921	1981	98½
68,02,900C	4†	1921	1981	81
1,24,06,300	5	1922	1955-65	144N
98,21,600	5½	1926	1956-66	101½
99,54,500	5	1926	1955-65	101½
1,49,49,500B	5	1927	1957-67	102½
1,49,80,000	5	1928	1958-68	103
80,00,000	4½	1928	1961	95
80,00,000	3½	1935	1965	94
50,00,000	3	1938	1968-68	90
50,00,000	3	1947	1968	74N
50,00,000	3	1948	1978	84
50,00,000	3	1949	1976	84
50,00,000	3	1949	1976	78½N
50,00,000	2½	1947	1977	78
50,00,000	3	1948	1978	82½
1,00,00,000	3	1949	1959	96
50,00,000C	3	1949	1959	96
1,00,00,000	3	1950	1960	81½
1,00,00,000	3	1950	1960	96½
50,00,000	3	1950	1960	96½
1,50,00,000	3½	1951	1961	81
50,00,000	4	1952	1962	97½
50,00,000	4	1953	1963	98½
STERLING LOANS				
£992,600	5	1929	1958-68	£87½
£601,000	5	1924	1954-64	£87½
£885,100	5½	1928	1962	£96
MADRAS				
Rs. 81,47,100	3½	1947	1977	Rs.
1,86,000C	3	1947	1977	
3,00,000	3	1948	1978	A
45,00,000C	4½	1964	1964	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs. 50,00,000	4	1899	1959	Rs. 100
80,00,000	4	1901	1961	
80,00,000	4	1902	1962	
60,00,000	4	1903	1963	
80,00,000	4	1904	1964	
80,00,000	4	1905	1965	97½N
80,00,000	4	1906	1966	
80,00,000	4	1907	1967	
80,00,000	4	1908	1968	
25,00,000	4	1912	1972	
50,00,000	4	1913	1973	97½N
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	4	1917	1977	118N
66,00,000	6	1920	1955-60	
25,00,000	6	1926	1956-66	118N
25,00,000	4	1927	1961-70	98N
10,00,000	3½	1936	1966	
STERLING LOANS†				
£566,600	4	1909	1969	£68½
£333,000	4	1910	1970	£68½
CALCUTTA				
Rs. 50,00,000	6	1925	1955	101
25,00,000	5½	1929	1959	107
50,00,000	5½	1930	1964	99½
35,00,000	5½	1935	1964	98
50,00,000	3	1936	1966	80
50,00,000	3	1937	1962	91
20,00,000	3	1938	1963-68	90
80,00,000	4	1952	1962	99½

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,60,000	4	1912-13	1974	99½
20,00,000	4	1912-13	1955	100½
25,00,000	5	1920	1960	113½
25,00,000	5	1921	1961	104½
8,45,500	5	1929	1959-69	102½
26,51,500	5	1929	1959	102½
8,25,000,000	3½	1947	1977	85
2,50,00,000	3½	1949	1979	88
4,00,00,000	3½	1950	1965	92½
2,50,00,000	4	1952	1964	100
2,00,00,000	3½	1951	1966	97
1,00,00,000	4	1953	1963	100
1,00,00,000†	4	1954	1964	100
1,00,00,000†	4	1954	1964	99½
CALCUTTA				Rs
Rs. 84,70,000	6	1925	1955	101
86,00,000	5	1928	1958	108
25,00,000	5	1929	1957	102½
25,00,000	5	1929	1959	102½
10,00,000	5½	1932	1962	108
25,00,000	3½	1935	1965	94
60,00,000	3	1936	1966	80
47,50,000	3	1938	1968	90
10,07,700	3	1938	1968	90
35,56,700	4	1939	1964	99½
15,56,800	4	1939	1964	99½
15,56,900	4	1940	1957	99½
17,64,400	3½	1942	1959	96½
21,10,000	3½	1943	1972	95
15,49,000	3½	1951	1961	97
18,83,000	3½	1951	1961	97½
36,98,000	3½	1951	1966	97½
87,86,000	3½	1951	1968	97½
72,80,000	4½	1954	1969	100
MADRAS				
Rs. 71,700	6	1925	1955	100N
27,300	5	1927	1957	101N
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

PREFERENCE SHARES

Company	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	133	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	99	100
Cavepores Sugar Works	10,00,000	1905-24	8	Feb. Aug.	144½	100
Dwcan Sugar & Abkhari* A	7,00,000	1928	7	July Apr.	116½	100
†East India Distilleries	£200,000	1897	7	Jan. July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15½	10
Ramnagger Cane	4,00,000	1933 36	6	Aug ..	107	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	161½	100
Tamuvore ..	14,99,135	1946	5(c)	Dec. ..	7½	10
Upper Ganges	12,00,000	1932	3	Dec. ..	90N	100
Do.	15 00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borras	4,00,000	1896-97	6½	Oct. Apr.	119	100
Burakur (1st)	£2,99,800	1901-19	7	Apr. Oct.	123	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar Sept.	119	100½
Karanpura Collieries	7,50,000	1946	5½(a)	.. ..	70	75(pp)
††Khas Kajora	1,75,000	1931	5	Mar. Sept	4N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13xd	10
Ondal	8,00 000	1896-99	6½	Apr. Oct.	114	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	102	100
Bangalore	4,00,000	1884	6	Jan. July	130	100
Bassein Cotton	5,00,000	1938	6½	Nov ..	8	10
Bennett Coleman	1,05,200	1919	7	July Jan.	63	100
Benares Cotton	3,00,000	1896	7	Apr Oct.	119	100
Bengal-Nagpur	6,00,000	1900	8	Feb. Aug.	135	100
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	80	100
Do. 'B'	14,75,000	1919	7	June Dec.	65	30
Bradbury	21,30,200	1920	7½	Jan. July	140	100
Buckingham & Carnatic	12,00,000	1928	7	Apr. ..	123	100
Cambodia	50,00,000	1912	5	Apr. Oct.	490	500
Central India	1,00,000	1935	6½	Nov. ..	117½	100
Coimbatore Pioneer	11,00,000	1912	8	May Nov.	143	100
Gaze ..	4,20,000	1943	5	July Jan.	10½	10
Do. 'B' Pref.	25,00,000	1919	7(a)	May Nov.	87½	100
Elphinstone	20,00,000	1919	7	June Dec.	129	100
Escorts	29,52,500	1947	4	Nov. ..	87	100
Ghatau Makanji (2nd)	12,00,000	1937	6	Nov. ..	10½	10
Kothari	16,00,000	1896	5(a)	.. ..	230	250
Lakshmi Cotton (Bombay)	17,25,000	1947	4½	January ..	79½	100
Morarjee Goculdas Spg. & Wvg	90,00,000	1900	6	Jan July	81½	100
Mulji Mill	7,45,030	1944	4½	.. ..	30	50
Mysore Spg.	25,00,000	1947	5	.. ..	85½	100
National Rayon	1,74,64,700	1913	5½(a)	Mar. ..	185½	20
New Great	8,00,000	1919	6	Apr. Oct.	3	5
New Victoria	26,05,500	1920	6	Feb. ..	77	100
Podar Mills	10,00,000	1943	4	Apr. ..	53	50
Rajalakshmi	2,00,000	1932	6½	.. ..	5	100
Shree Niwas Cotton	4 80,000	1944	4	.. ..	54	100
Shoapoor	32,00,000	1945	5(a)	Dec. ..	114½	100
Swadeshi	15 00 000	1935	8	Apr Oct.	80	100
Swadeshi (Kanpur)	35 00,000	1927	6	June ..	117N	100
Vasanta (1st)	3,00,000	1931	6½	Apr. Oct.	108½	100
Do. (2nd)	1,50,000	1938	6	.. ..	556½	500
Vishnu	15,66,500	1908	7(a)	Apr. ..		
ELECTRICS						
Andhra Valley Power Supply	49,34,000	1917	7(a)	May Nov.	1,202½	1,000
Calcutta Electric	81,50,000	1909-11	5(a)	June Dec.	12½	21
Poona Electric	4,00,000	1935

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. *P.O.*=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. s.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and All other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period.] In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
80,00,000	3,74,976	63,22,382	43,85,372	—2,24,468	Rajputana Textiles (Agencies) Ltd.	47,512	8,981	Apollo Mills	2-10½	8	0 4(o)	0-4 (c)			12	W.
40,00,000	84,00,000	1,34,85,581	72,25,655	—3,76,311	B. R. Sons, Ltd.	30,596	1,021	B. R. Cotton Mills	30	100	Nil	Nil	Nil		3	V.P.Y.
80,96,800	2,33,99,019	4,25,75,764	3,54,21,688	52,579	Nowrosjee Wadia & Sons, Ltd.	1,00,680	4,855	Bombay Dyeing & Mfg.	830	20	0 22 8*	20 0			12	Y.
10,00,000	27,36,359	55,58,179	48,57,495	2,48,761	Ramaraim Sons, Ltd.	42,008	860	Bradbury Mills	159	50	100 0	75 0			3	V.P.
1,09,42,800	2,27,54,197	2,83,17,250	1,85,13,280	31,32,663	Birla Bros., Ltd.	1,25,936	2,698	Century Spg. & Mfg.	374	100	28 0	22 0	22 0		12	W.
49,00,000	15,44,490	1,16,09,462	65,52,039	—33,25,720	V. J. Plaut (Chairman and Managing Director)	40,668	798	Colaba Land & Mill	56	100	Nil	Nil			12	W.
86,00,000	13,33,380	64,51,450	44,36,747	21,158	Cowasjee Jehangir & Co., Ltd.	30,130	860	Coorla Spg. & Wvg.	118½	500	7 8	7 8	7 8		3	W.
16,00,000	25,08,261	64,39,990	50,46,041	38,562	Ramnarain Sons, Ltd.	38,304		Dawn Mills	90	50	6 0	6 0			12	W.
84,00,000	27,75,000	68,35,722	60,31,724	16,489	Purusmal Radhakishan & Co.	50,296	928	Edward Textiles	26½	890	15 0	15 0			12	W.
89,97,750	11,93,292	1,09,90,311	73,99,225	17,999	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	40½	50	3 0	Nil	2 8i		12	V.P.
50,00,000	64,31,875	1,05,11,445	71,38,296	3,90,661	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	264½	100	29 0	16 0	16 0		12	W.
11,84,000	75,99,589	1,20,85,307	91,11,500	8,850	Thackersey Mooljee & Co.	49,672	1,126	Hindoostan Spg. & Wvg. Mills	3,825	1,800	200 0*	225 0*	225 0	40 0i	12	
16,200									865	250	50 0	56 4*	56 4	10 0i	3	V.P
8,90,00,000O	1,13,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,38,038	6,278	India United Mills	11-11½	10	Nil	0 10½			12	W.
80,00,000D									14½	1D	Nil	0 14				
8,65,000	71,99,043	1,22,31,586	83,99,000	3,551	Dwarkadas Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	3,830	1,000	200 0*	225 0*	225 0	40 0i	3	V.P.
35,000									865N	500	100 0	112 8*	112 8			
89,85,000	40,24,767	2,15,86,170	1,74,28,945	23,212	Khatau Makanji & Co., Ltd.	56,604	1,513	Khatau Makanji Spg. & Wvg.	168	100	10 0	8 0	8 0		6	V.P.
1,00,00,000	1,44,50,000	3,49,59,105	2,46,94,456	12,185	Kilachand Industries Ltd.	1,20,504	1,846	Kohinoor Mills	315	100	18 0	20 0*	18 0		12	V.
25,80,000A	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	84	100A	6 4	6 4			6	V.P.
3,60,000B										50B	1 4	1 4				
82,13,050	39,74,916	1,14,37,171	54,72,963	16,412	N. Sirur & Co., Ltd.	48,676	644	Modern Mills	80N	50	5 0	5 0	5 0		10	V.P.
31,75,000	32,62,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	108	100	12 0	12 0	14 0		6	V.P.
1,60,40,600	2,63,011	4,93,70,648	1,10,00,000	3,01,242	Chinai & Co., Ltd.			National Rayon Corporation	199½	100	Nil	9 0			12	V.P.
84,00,000	25,60,685	74,52,403	46,04,752	27,546	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	144½	100	10 0	10 0	10 0		12	V.
30,00,000	15,47,407	89,82,380	61,42,740	12,517	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	152	100	10 0	10 0	7 8		12	V.P.
12,70,108	34,36,004	42,69,552	13,74,680	423	Mafatlal Chandulal & Co. (Bombay), Ltd.	34,100	873	New Union Mills	31½xd	10	1 4				12	W.
48,00,000	36,07,273	1,42,08,882	91,99,811	30,475	Ramnarain Sons, Ltd.	66,324	1,190	Phoenix Mills	112½	100	8 0	8 0	8 0		12	V.
40,00,000	43,62,741	24,64,450	22,30,000	8,99,184	Podar Sons, Ltd.	32,600	930	Podar Mills	158	100	10 0	10 0			12	V.P.
3,00,000	8,44,062	21,20,749	18,99,340	2,390	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	18	10	1 4	0 12			12	V.
25,00,000	69,06,474	1,24,22,606	81,47,282	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	35½xd	100	1 4	1 4			12	V.
60,00,000	66,20,061	87,30,546	45,71,044	2,69,922	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills	235	100	12 8	14 0			12	V.P.
42,00,000	38,80,000	80,15,073	68,69,000	21,940	Forbes, Forbes Campbell & Co., Ltd.	29,436	1,274	Simplex Mills	154	50	15 0(p)	15 0	11 0	4 0i	3	V.
56,00,000	1,22,33,867	1,85,08,331	1,10,85,485	17,128	Mafatlal Gagalbhai & Sons	57,288	1,633	Standard Mills	343½	108	20 0	20 0	20 0		12	V.P.
1,00,00,000	82,26,342	1,92,83,887	1,02,23,292	43,799	Tata Industries Ltd.	70,764	2,000	Swadeshi Mills	197½	100	16 0	16 0	8 0		12	V.P.
56,00,000	62,78,465	1,17,42,921	90,22,715	3,59,764	James Finlay & Co., Ltd.	38,828	552	Swan Mills	340	100	30 0	20 0	20 0		12	V.P.
32,59,438	49,96,589	1,59,55,303	48,92,129	11,417	Tata Industries Ltd.	62,096	1,800	Tata Mills	238	25	1 0	1 8	2 8		12	V.P.
18,00,000	62,35,708	98,83,823	74,65,000	4,219	Thackersey Mooljee Sons & Co.	54,424	1,181	Western India Spg. & Mfg.	5,875	1,000	200 0*	225 0*	225 0	40 0i	3	V.P.
AHMEDABAD																
83,00,000	25,97,650	96,80,904	55,57,028	5,660	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	131½	100	10 0	10 0*	5 0		6	V.P.
10,00,000	90,33,638	89,83,424	65,39,067	7,878	F. M. Hutheesing & Sons, Ltd.	42,768	912	Arvind Mills	520	100	20 0*	20 0*			12	V.P.
86,25,000	2,23,86,002	1,33,18,915	89,73,000	47,546	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,215	100	25 0	25 0			12	V.P.
80,00,000	38,43,340	79,44,276	56,25,000	3,90,074	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning & Mfg.	336½	200	15 0	15 0			12	V.P.
12,00,000	1,06,18,621	82,14,168	66,70,738	55,358	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	577½	100	22 0	22 0*	22 0		12	V.P.
1,24,79,011	1,11,66,203	4,24,88,718	3,07,53,344	16,00,756	Karamchand Premchand Ltd.	1,39,120	2,372	Calico	373½	125	18 0	18 0	18 0		12	V.P.
45,00,000	48,45,000	1,03,59,863	72,50,000	6,391	Tricumlal Bhoglial & Co., Ltd.	45,836	867	New Commerce Mills	1,090N	70	10 0	10 0			12	V.
99,00,000	67,41,858	1,04,63,626	83,10,306	38,617	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	774	125	35 0	35 0			12	V.P.
5,00,000	61,15,982	46,72,745	31,76,001	700	Jayabhai Bhoglial Nanavaty & Co.	24,840	572	Nutan Mills	705	100	30 0*	30 0*			12	V.P.
12,50,000	1,09,22,589	79,71,738	52,25,077	32,522	Lalbhai Dalpatbhai & Co.	31,120	634	Raipur Mfg.	1,026½	100	25 0	17 8			12	V.P.
12,00,000	13,93,067	74,93,069	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	110N	850	Nil				12	V.P.
32,50,000	16,74,325	1,41,83,940	52,87,803	4,020	Lalubhai Gordhandas Ltd.	33,156	648	Rohit Mills	147½	100	9 0	9 0			12	V.P.
88,98,150	1,90,84,338	1,60,18,812	1,34,25,000	2,52,570	Harivallabhdas Kalidas & Co.	94,116	1,733	Shri Ambica Mills	414½	50	16 0	18 0	20		12	V.P.
19,52,500	57,77,232	71,25,468	55,53,800	22,720	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	455	100	20 0	20 0			12	V
28,00,000	26,43,469	75,32,266	61,24,605	31,806	Haridas Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	536½	400	35 0*	35 0*			12	V.P.
WEST BENGAL																
15,00,000	1,88,479	34,10,729	19,47,810	41,227	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	4½	10	Nil	0 4			12	V.P.P
7 11,280	3,95,369	40,98,098	23,80,978	47,818	Bengal Textile Agency, Ltd.	32,352	956	Bengal Luxmi Cotton Mills	31N	40	3 0	Nil	4 0		8	V
6,00,000	22,71,793	80,75,189	51,52,000	—21,82,781	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	385	100	Nil	Nil	Nil		6,12	H.P
19 00 000	25,17,711	99,37,856	69,43,080	—9,27,403	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	202	100	Nil	Nil	Nil		6,12	H.
1,60,00,000	1,98,18,340	3,42,43,338	1,08,56,338	2,15,714	Birla Brothers, Ltd.	70,040	1,990	Kesoram Cotton Mills	268	20	1 12	1 12	1 12		3	V.P.
3,00,000	9,75,008	84,54,400	67,06,287	8,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	25	1 4			18	V.P
89,96,288										25	1 4					
19,47,750O	5,75,000	41,85,833	19,32,788	15,666	Hazareemull Heeralall	23,196	795	Rampoonia Cotton Mills	12	10	0 8					V
5,00,000D									1N	1D	Nil	Nil				
SOUTH INDIA AND OTHER CENTRES																
18,00,000	9,09,109	89,21,613	21,03,246	2,736	Ramal & Co., Ltd.	55,000		Alagappa Textiles (Cochin) Ltd.	6	10					12	V.P.W.
71,94,400	51,96,334	2,06,06,796	30,32,372	5,771	Industrial Trust Fund.	36,136	750	Aram Jati Mills	71	100	6 0	6 0			9	Yi
40,50,000	1,91,68,745	2,87,22,995	2,24,71,643	2,44,711	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	445	100	15 0	25 0	30 0		12	V.P.
27,00,000	15,50,000	77,25,162	53,72,132	18,199		29,936	782	Bengal-Nagpur Cotton Mills	11½	10	0 8	0 4	Nil		6,12	H.P.T
15,00,000	1,12,09,588	1,12,05,727	78,65,727	5,50,791	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	70N	10	3 0	3 0	3 0		3	V.
1,78,47,800	1,54,69,697	4,50,39,308	1,14,94,493	2,69,003	Binny & Co. (Madras), Ltd.	1,20,356	2,744	Buckingham & Carnatic	150	100	10 0	10 0	10 0		12	V.P.
20,00,000	20,00,406	34,17,820	19,76,634	8,55,087	Peirce, Leslie & Co., Ltd.	37,336		Cambodia Mills	111	10	1 0	0 12	Nil		12	V.P.
14,99,229	4,75,000	42,54,384	15,27,257		Malabar Industrial Syndicate	16,800		Cannanore Spg. & Wvg.	128	100	12 0	12 0			12	V.
30,00,000	24,49,773	51,86,118	47,54,813	26,773	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	9	10	0 8	0 8	0 8		3	V.
12,00,000	20,60,000	30,85,973	24,65,699	4,614	R. Bhoema Naidu & Co.	28,864		Coimbatore Cotton Mills	282	100	9 0	20 0	25 0		12	V.
20,00,000	13,90,000	33,17,381	17,08,703	3,400	T. R. N. Naidu & Co.	21,978		Coimbatore Pioneer Mills	223	100	9 0	15 0	10-0i		6	V.P.
20,76,900	4,38,646	1,14,48,334	68,90,050	4,76,905	R. G. R. Naidu & Co.	72,168	407	Coimbatore Spg. & Wvg.	72	50	Nil	Nil	37		6	V.
46,81,500	61,78,247	2,34,42,459	1,51,56,858	14,071	Tata Industries, Ltd.	1,15,188	2,062	Central India	126½	100	2 0	5 0	2 0		6	V.P.
3,38,36,225	2,63,12,465	8,55,97,662	4,42,00,000	1,69,241	B. R. Charat Ram & Co., Ltd.	1,16,636	2,355	Delhi Cloth & General Mills	37½	100	12 0	12 0	12 0		6	V.P
1,00,563										25	0 1 4/5	0 2 4/5	0 3 3/5			
24,34,800	24,72,758	47,34,037	33,82,512	9,248	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	274	100	20 0	20 0	30 0		12	V.
63,00,000	33,27,872	1,46,96,492	1,21,71,631	62,277	Begg, Sutherland & Co., Ltd.	53,768	1,198	Elgin Mills	178	10	1 8	1 0	1 0		9	V.P.
48,81,000	33,91,175	88,97,779	65,24,020	37,169	Forbes, Forbes Campbell & Co., Ltd.		3	Gokak Mills	217	100	17 0*	17 0				
90,00,000	12,75,743	1,25,73,688	88,01,206	12,371	Govindram Sakharia (Indore)	72,904	1,420	Indore Malwa United	93½	100	6 0	6 0	13 0		12	V.
8,90,000	10,42,423	28,57,887	14,65,579		G. V. Naidu & Co., Ltd.	23,784		Janardana Mills	82½	50	3 12	4 8			12	V.
24,00,000	15,75,000	64,03,081	12,00,000	20,004	Kothari & Sons	51,180	200	Kothari Textiles	18½	10	0 12	0 8	0 8		12	V.P.
32,00,000	71,10,521	1,43,07,561	1,01,44,340	52,347	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	506½	250	37 0	37 0	7 81		12	V.P.
35,94,100	44,00,000	1,00,53,685	69,98,848	23,793	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	145	50	3 0	3 0	10 0		3	Y.
17,82,050								Madura Mills	72½	12	2 8	2 8	3 0			V.P.
1,75,02,480	4,13,81,878	5,66,33,243	3,44,90,463	9,66,800	A. & F. Harvey Ltd.	4,63,852		Malabar Spg. & Wvg.	46½	15	3 0	3 0	3 0		12	V.
12,00,000	4,17,363	27,72,881	16,02,069	1,14,098	A. L. A. R. S. Chettiar and Others.	22,592	100	Meenakshi Mills	120	100	8 0	8 0			12	V.
60,00,000	40,00,000	61,38,483	39,54,352	50,133	W. A. Bentinck & Co., Ltd.	23,656	603	Mettur Industries Ltd.	319½	100	12 0	12 0	22 8*		3	V.
20,80,884	29,14,157	98,14,218	44,82,685	12,034	N. Sirur & Co., Ltd.	39,200	704	Minerva Mills	98½	100	5 0	7 0*			12	V.
84,91,850	27,24,404	1,61,29,118	78,81,528	—7,44,932	Ramalal Abirchand Dadabhoy & Co.	51,340	955	Model Mills (Nagpur)	137½	100	7 8	7 8*	5 0(c)		6	V.
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—1,79,290	Indian Textile Syndicate Ltd.	88,441	1,834	Muir Mills	107½	100					6	V.
24,83,500	56,39,566	93,25,192	61,37,444	22,997	N. Sirur & Co., Ltd.	49,644	500	Mysore Spg. & Mfg.	121½	50	10 0*	10 0*	8 8*	3 0i	12	V.
13,61,780	2,58,745	29,42,992	15,27,000	3,986	R. Suryanarayana Rao Esq. (Manager)	6,000		Mysore Spun Silk Mills	4-1½	10	Nil	Nil	Nil		3	V.
22,88,200	25,62,532	1,02,16,296	58,90,719	—39,62,329	J. P. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills	1½	10	0. 2½	Nil			12	V.P.
3,07,095D											D. 1	Nil				
87,03,800	87,08,000	1,64,48,327	62,62,651	15,819	Industrial Trust Fund	37,788	847	Osmanshahi Mills	65	100	7 0	4 0			9	V.
4,00,000A	7,50,000	33,81,578	18,80,484	551	Bhaghyalakshmi & Co.	29,924		Palani Andavar Mills	111	50A	7 8	12 0			12	V.P.
6,00,000B									157½	25B	1 4	1 8	0 8			
15,00,000	8,56,928	92,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,580		Pankaja Mills Ltd.	52	100					12	V.
16,81,200A	20,00,000	73,90,455	41,41,878	28,607	A. G. Curusamy Naidu & Co.	54,864	301	Radhakrishna Mills	220cd	100A	6 0	8 0	16 0		12	V.
8,49,200B									110cd	50B	3 0	4 0	8 0			
15,00,000	32,25,000	25,50,868	16,48,985	34,422	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	134xd	50	Nil	4 0	8 0		12	V.P.
22,23,375	12,10,000	38,91,595	14,22,264	23,505	Rayalaseema Development Co.	14,800	600	Ramalinga Mills	51	100	6 0	6 0	9 0		12	V.
60,00,000	62,44,508	98,29,367	35,63,291	—19,59,428	J. P. Srivastava & Sons (Rampur).	33,984		Rasta Textiles	1	10	Nil	Nil			12	V.
16,00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Morarka & Co.	86,048	2,234	Sholapoor Spg. & Wvg.	1,800	1,000	Nil	Nil	Nil		3	V.P.
										500	Nil	Nil				
36,69 700	11,45,000	75,40,039	49,25,631	26,144	H. N. Pallenjee, Esq.	31,668	292	Sri Krishnarajendra Mills	75	50	4 0*	4 0*	4 8		3	V.P.
26,14,800	2,00,246	35,19,906	17,73,000	—2,46,777	Gopaldas Liladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	72N	100	Nil	Nil	Nil		3	V.
2,49,73,945	2,49,73,945	87,38,169	62,02,083	31,22,917	Birla Brothers, Ltd.	36,212	1,242	Sutlej Cotton Mills	76	10	4 0	4 0	5 0		3	V
17,50,000O	2,20,00,000	4,32,93,265	1,56,70,740	2,67,165	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	9	100	Nil	Nil			12	V.P.
1,57,50,000P									100	100P.O.	Nil	0-14 2/3				
99,92,020	2 25000	2,71,91,025	76,93,946	41,430	Tinnette & Sons (Travancore), Ltd.	16,256		Travancore Rayons	14½cd	10	Nil	0 8			12	V.P.
13 98 670	2 79 479	13,36 297	10 45 186	8,321	Mooljee Rampee & Sons	33,704	270	Trichinopoly Mills	21xd	10	0 11 1/3	0 11½	0 14 2/5		12	V.P.T.
13 98 670	32,00,000	56,92 293	16 81,499	30,500	R. K. S. Chetty & Brothers	18,000	100	Vasanta Mills	215xd	100	12 0	12 0	15 0		12	V.P.
21,00,000	47,34,135	1,34,36,933	89,50,478	1,868	Bombay Co., Ltd.	54,280	1,337	Vishnu Cotton	115½	100	10 0	4 0			12	V.P.

(b) Subject to taxation and workers' bonus. (c) Paid out of reserves

p) Interim dividend of Rs. 5 per shares was paid on 47,000 shares of Rs. 50 each: final dividend of Rs. 10 per share was paid on the increase capital of 63,000 shares of Rs. 50 each. E. R.=Ex-Right

Includes bonus

Has mortgage loss of Rs. 20 lakhs against mortgage of fixed assets

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	16,64,000	1,09,25,186	50,37,365	21,554	Parry & Co., Ltd.	Deccan Sugar & Abkhari	24½	25	Nil	Nil	Nil		5	V.P.
6,64,000							13½	10	Nil	Nil	Nil			
16,20,630	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	7½	5	0 5	0 5			3	V.
680,000A	6897,579	61,225,541	8513,606	857,290	Parry's Holdings Ltd.	East India Distilleries and Sugar	16½	A. 16ab.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5			V.P.
300,000B							28½	B. 41	Sh. 3	Sh. 4	Sh. 5 4/5			
6,00,000	9,60,000	11,63,313	11,63,307	4,057	Vittal Mallya, Esq. (Chairman	United Breweries	165	75	15 0	15 0	15 0		3	V.
CEMENT														
11,37,700A	8,69,857	75,78,758	85,89,342	4,636	Andhra Engineering Co., Ltd.	Andhra Cement Co.	136½	A. 100	7 8	10 0*			12	V.P.W.
39 47,420B							13½	B. 10	0 12	1 0*				
43,14,600	11,14,602	18,53,830	7,23,479	1,20,881	Eastern Corporation Ltd.	Assam Bengal Cement	6½	O. 10	Nil	Nil			3	V.P.
4,70,976D							14	D. 1						
12,67,59,333	4,18,90,259	20,42,88,558	7,85,13,157	6,93,281	Cement Agencies Ltd.	Associated Cement Companies	179½	100	9 8	9 8	8 8		7	W.
60,00,000O							14½	O. 10	0 10	1 0				
26,49,980O	46,39,155	81,39,445	20,01,691	67,792	Hari Brothers Ltd.	Dalmia Cement (Bharat)†	3½	2½	0 21	0 4			12	V.P.W.
5,00,000D							1½	D. 1	Nil	0 1-3/8				
61,84 930O	8,00,000	1,45,26,685	39,60,537	1,15,792	India Cements Ltd.		24½	O. 25	1 4	Nil	1 4		3	V.P.
7,30,000D							4½	D. 5	0 4	Nil	0 4			
59,86,000	13,00,000	1,67,86,035	51,49,060	1,62,701	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	180	100	6 0	6 0			12	V.P.
75 00,000	20,93,000	1,75,91,085	1,37,82,076	6,448	Martin Burn Ltd.	Sonevalley Portland Cement	76	5	0 8	0 6			12	W.
50,00,000	....	1,04,00,351	34,33,980	2,75,554	Easel Ltd.	Travancore Cements Ltd.	9 xcd	10	0 8	0 8	0 10		12	Y.
CERAMIC; MINING AND QUARRYING														
81,70,655	1,50,000	60,96,114	23,31,090	15,378	S. Lall Bhagat & Co.	Bengal Potteries	3½	8½	0 2½	0 2½			12	V.
10,00,000	22,81,783	56,54,921	32,63,272	8,804	Bird & Co., Ltd.	Biara Stone Lime Co.	43½N	10	0 14	0 14	0 8f		3,9	H.
6914,200	£1,105,500	£1,839,281	£997,797	£76,278	Ollianders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3½	Sh. 2	0 1	2.4d.			12	W.
80,00,000	26,93,596	43,63,547	12,14,544	26,084	Bird & Co., Ltd.	Raipur Development	18½	10	Nil	Nil	Nil f		6,12	H.
6,00,000	7,33,000	8,23,846	4,75,150	503	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	8½	10	1 0	0 12	0 5		3	V.
10,00,000	41,78,183	41,65,780	22,96,997	1,39,969	Bird & Co., Ltd.	Orissa Minerals	25½	10	2 0	2 0			6,12	H

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
						PAPER								
45,00,000	25,36,841	1,98,78,118	1,37,10,118	1,50,325	Balmer Lawrie & Co.	Bengal Paper Mills	64½	25	Nil 1 9	Nil 1 9	1 9		6,12	H.P.T.
90,00,000	33,44,805	1,07,15,561	71,75,830	2,34,328	Andrew Yule & Co., Ltd.	India Paper Pulp	259	100	5 0	6 0	7 0	1 94	3,9	H.
25,00,000	16,12,500	1,18,13,567	47,51,061	49,179	B. P. Ramakrishnan Esq.	Mysore Paper Mills	18½	10	1 0*	1 0*	0 12*		3	V.
1,46,92,500	1,69,72,408	3,91 23 962	91,37,779	2,47,582	Birla Bros.	Orient Paper	27⅞	10	1 0	1 0	0 12		3,9	H.P.T.
80 06,290	78,16,849	1,11,54,742	62,73,807	2,03,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	17½	10	0 12				6,12	H.P.T
80,00,000	7,02,430	50,37,167	28,53,530	9,798	Rajoria & Co.	Star Paper Mills	13½	O. 10	0 4	0 6			3,9	H.P.T.
10,80,000A.							13½	A. 10	0 4	0 6				
56,00,000A.	2,83,01,797	5,11,76,455	8,06,96,855	3,39,432	P. W. Hellgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	43½	A. 10	1 0	1 0*	0 12		3,9	H.P.
36,04,300B.									1 0	1 0*	0 12			
4,37,500P.O.							43½	B. 10	1 0	1 0*	0 12			
							41xd	P.O. 24	0 2	0 2	0 2			
									0 2	0 2	0 2			
						PRESSING								
8,00,000	6,12,365	15,78 488	10,90,581	90,403	Andrew Yule & Co.	Calcutta Hydraulic	90	100	5 0	5 0	4 0		6	V.
4,50,000	1,00,000	6,89,526	4,72,056	2,354	Pyne & Sons	Camperdown	89N	100	7 0	7 0			8	V.
5,00,000	1,55,000	10,91,811	9,30,377	12,962	Andrew Yule & Co	Central Hydraulic	92	100	5 0	4 0	5 0		8	V.
						PROPERTY AND LAND								
18,00,780O.	7,43,065	43,46,067	21,43,279	96,047	S. A. Basil, Esq., & others (Directors)	Hussayon Properties	10½	D. 10	0 8	0 11½	0 9 3/5		9	V.P.
8,00,000D.							1⅛	D. 1	Nil	0 4/5	Nil			
40,00,000	18,80,038	84,21,356	18,00,000	550	David Sassoon & Co., Ltd.	Port Canning Land	12	100	1 0	1 0			4	V.
94,00,000	35,56,934	96,49,123	1,06,646	93,262	Andrew Yule & Co.	Midnapore Zamindary	39	100	2 0	1 8	1 8		4	V.P.
						SAW MILLS AND TIMBER								
13,99,998	28,19,726	25,86,404	6,94,804	—97,203	Bird & Co.	Assam Saw Mills	65	8	6 4	Nil			5	V.
50,00,000	4,08,84,385	5,05,42,510	1,22,57,525	56,875	Wallace & Co.	Bombay-Burmah Trading Corpn.	467½	Old 125	22 0	15 0	20 0		9	V.
42,00,000							171½	New 50	9 0	6 0	8 0			
8,00,000		2,00,768	1,76,945	—3,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	38N	100	Nil	Nil			4	V.P.
80,00,000	16,15,487	17,44 613	12,66,634	1,63,401	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	39½	10	3 0	2 8	1 0		9	V.
						SUGAR (U.P. and Bihar)								
14,00,000	13,55,901	38,50,924	27,77,928	23,527	Begg, Sutherland & Co., Ltd.	Bahrampur Sugar	9½	5	Nil	Nil	0 12			
12,00,000A.	29,18,356	49,46,285	33,16,660	15,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	140N	A. 100	10 0	10-0	10 0		4	V
3,00,000B.							13½N	B. 10	1 0	1-0	1 0			
19,49,050	5,50,000	31 91 657	23 33 812	49 906	Bangur Bros., Ltd.	Belsund Sugar	10½	74	0 12	0 12	0 12		9	V.
15,00,000	13,85,319	45,47,836	11,37,841	26,084	Cotton Agents Ltd.	Bharat Sugar	18½N	10	1 8	1 1	1 8		6	V.
32,00,000	26,79,431	1,35,76,859	88,78,177	61,723	Gladstone Lyall & Co., Ltd.	Carew & Co.	12⅞	10	Nil	Nil	0 12		6	V.P.
15,00,000	23,02,981	1,00 12,533	81,52,451	59,996	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	19½	10	2 0	2 0	0 12		10	V.P.
18,00,000	33,88,892	67,14,964	30,49,402	24,329	Begg, Sutherland & Co., Ltd.	Champaran Sugar	30½	10	2 0	1 0	1 0		6	V.
5,99,452	6,18,562	22,44,286	14,01,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	71½N	10	0 8	1 0			8	V.
88,00,000A.	35,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	173N	'A' 100	12 0*	12 0*			8	V.T.
10,00,000O.								O. 100	12 0*	15 0*				
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	57N	80	Nil	Nil			6	V.P
							30N	40	Nil	Nil				
7,89,108	23,05,922	29 32,672	17,61,033	64,888	Cotton Agents Ltd.	New India Sugar Mills	34N	10	2 8	2 8	2 8		7	V.P.
11,00,000	4,20,000	37,49,397	24,14,045	8,749	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 8	0 4			6	V.P.
10,67,506 A.	49,84,457	63,27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mills	220N	100	20 0	20 0	20 0		5	V.
2,71,875 B.							55N	25	5 0	5 0	5 0		6	V.
77,48,500	52,22,414	1,75,96,483	88,00,000	36,923	Cotton Agents Ltd.	Oudh Sugar	115N	100	6 0	11 0	11 0		7	V.P.
12,00,000	12,74,233	28,77,669	19 95 928	55,000	Nawang Bros. & Co., Ltd.	Punjab Sugar	104N	100	6 0	10 0	10 0		10	V.
9,00,000	15,93,919	35,23,093	29,32,249	3,957	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	18½	10	1 0	1 0	0 12		10	V.P.
8,00,000	6,34,762	35,43,782	21,01,613	24,340	Ryam Sugar	Ryam Sugar	19½N	10	1 0	0 0	0 6		6	V.P.
11,99,000	17,75,737	38,17,360	22 17,129	13,455	Samastipur Central Sugar	Samastipur Central Sugar	15½	10	1 0	0 8	0 8		6	V.P.
30,00,000	81,48,298	1,08,85 319	37,08,717	5,475	Saha Jain Ltd.	Shree Krishna Gyanodey Sugar	17½	10	1 8	1 8	1 8		8	V.P.T.
9,99,950	61,825	87,77,628	12,85,342	—1,89,266	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitapore Sugar	38	10	0 6½	Nil			8	V.
7,95,462	16,32,940	29,95,970	16,32,168	92,609	Karamchand Thapar & Bros.	Shri Sitaram Sugar	13½d	10	1 0	2 0*			8	V.
9,15,000O.	47,592	27,27,402	11,46,770	—15,90,149	N. K. Jain & Co., Ltd.	South Behar Sugar	1N	O. 10	Nil	Nil			8	V.T.
4,40,000D.							1N	D. 24	Nil	Nil				
8,00,000	20,87,588	83,26,113	50,99,754	48,719	Cotton Agents Ltd.	Upper Ganges Sugar	30½	10	2 0	2 0	2 0		10	V.P.
16,00,000	7,99,778	91,12,569	84,99,651	5,181	James Finlay & Co., Ltd.	United Provinces Sugar	26	10	1 8	0 8			6	V.P.
						Other Centres								
6,99,750	65,29,871	1,40,80,073	84,87,447	33,628	W. H. Brady & Co., Ltd.	Belapur Company	306½	50	16 0	16 0	16 0		9	V.
50,000	11,50,010	31,68 833	19,76,042	38,000	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	13½	10	1 0	0 10	1 0		9	V.
15,93,900	2,45,841	39,19,958	20,01,146	51,593	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	48N	100	3 0	Nil	Nil		9	V.P.
10,00,000							18½	10	2 8					
3,00,000	30,25,085	25,07,466	18,53,439	2,32,019	India Sugar Agencies Ltd.	India Sugar and Refineries	—	5	1 4	2 4			9	V.P.
33,57,380	42,47,476	41,33,226	19,37,712	3,477	Govan Bros. (Rampur), Ltd.	Buland Sugar	14½N	10	0 12	1 0			10	V.
10,35,200O.							135½	O.100	7 8	7 8	7 8			
2,87,190D.	67,50,000	84,86,942	27,56,542	2,346	V. Ramakrishna, Esq.	K. C. P. Ltd.	85	D. 10	10 0	10 0	10 0		6	Y.P.
81,79,240	90,22,871	1,21,03,930	73,11,303	2,28,221	M. S. Swaminathan, Esq. (Managing Director)	Mysore Sugar	53	10	2 0	2 0	2 0		6	V.
50,00,000	47,49,631	1,07,50,631	55,61,246	15,411	Mafatlal, Apte and Kasliwal Ltd.	Phaltan Sugar	119	30	2 0	2 0	2 0		6	V.
16,39,920	28,90,830	53,90,015	26,76,747	28,230	Anderson Wright Ltd.	Ramnagger Cane and Sugar	123xd	10	2 0	1 8	1 8		8	V.P.
20,00,000O.	24,67,171	87,47,627	53,31,89	61,432	Watchand & Co., Ltd.	Ravalgaon Sugar Farm	93N	O.30	9 0	Nil	2 0		8	V.P.T.
4,00,000D.							7N	D.10	0 11½	Nil	Nil		9	V.P.T.
19,99,608	46,07,818	45,46,104	19,83,541	3,144	Govan Bros. (Rampur), Ltd.	Rare Sugar	10½N	10	0 12	1 0			10	V.
80,00,000	10,57,776	59,76,254	17,87,159	—32,224	Parry & Co., Ltd.	Travancore Sugars	8½	10	Nil	Nil	Nil		7	V.P.
1,01,00,000	61,19,850	1,85,70,930	1,04,63,512	1,79,083	Premier Construction Co., Ltd.	Walchandnagar Industries	206½d	100	14 0	14 0	16 0		9	V.P.R.
						TRANSPORT								
20,00,000	1,08,42,425	1,33,68,272	13,76,183	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co.	152	100	12 8	10 0	7 8		10	V.P.
1,00,00,000	11,17,775	3,57,24,952	1,60,89,871	69,556	Dinshaw Ltd.	Bharat Line	81	100	7 0	5 0			12	V.
50,00,000	94,35,838	1,83,20,489	63,44,422	1,09,704	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	16½	10	1 0	1 0			8	V.
						India General Navigation & Rly. Co	92	410	Rs.10	1 0	1 0			
4655,580	4954 756	45,633,307	43,454,207	63,458	Kilburn & Co., Ltd.	India Steamship Co.	7½	10	0 8	0 8		Nil	12	V.P.
2 25,00,000	74,99,233	4,41,60,669	1,52,36,755	1,64,960	Lloyed Edwards Ltd	Scindia Steam Navigation Co.	14	20	0 12	0 12	0 8		4	V.P.
9,40,19,673	7,83,28,023	14,92,76,428	3,71,00,000	8,72,820	Narottam Morarjee & Co.	Walford Transport Ltd.	1½	O. 1	as 1 3/25	as 1 3/25			6	V.T.
8,40,800O.								P.O. 1	as 1 9/25	as 1 9/25			12	V.
8,10,200P.O.	17,33,073	10,83,408	6,54,036	1,88,899	Ej A. Smith, Esq., (Manager)									
						UNCLASSIFIED (Bombay)								
2,40,000	95,000	5,35,937	3,89,000	760	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	35 0	32 0	32 0		9	V
15,98,860	2,84,173	2,18,255	80,000	40,555	Parekh Agencies Ltd.	Bombay-Uganda	69½N	50	4 0	3 0			9	V.
85,00,000	1,00,000	25,30,071	13,483	8,047	Dwes Sons, Ltd.	Deccaran Nanji Investment Co.	30½	10	0 12	0 12	0 12		12	V.
14,98,840	3,09,622	26,42,753	18,75,000	74,466	Choonilal Manilal Ltd.	Estrela Batteries	35N	50	2 8	Nil	3 8		3	V.
99 99,250	19,07,876	1,57,52,603	....	2,85,003	Premchand Roychand & Sons	Industrial Investment Trust	77	100	4 8	4 8	4 8		12	V.P.
1,00,00,000	31,25,000	21,31,427	7,78,349	18,107	E. D. Sheppard, Esq. (Mg. Director)	Kilick Industries	175	100	10 0	10 0	11 0	4 0½	12	V.
2,07,00,200A.	5,29,603	2,64,35,763	98,15,035	—13,44,485	Auto-Auto Ltd.	Premier Automobiles	74N	A. 100	Nil	Nil	Nil		6	Y.
10,00,000B.							—	B. 10	Nil	Nil				
12,10,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	23xd	20	3 0				6	V.
2,75,00,000	75,25,568	8,92 47,116	1,53,96,500	5,28 887	T. Rydin, Esq. (Managing Director)	Western India Match Co.	205½	100	11 0*	11 0*	11 0*		12	V.
45,00,000	53,74,847	7,24,608	3,07,108	45,948	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	V.
						Other Centres								
47,50,000	15,00,000	1,88,63,301	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	6½	D. 10	Nil	Nil	Nil		9	Y.P.T.
2,50,000							2½N	D. 2½						
40,00,000	40,60,690	31,77,194	21,11,902	2,59,798	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	16	10	1 4	1 4	1 4		6	V
50,00,000	8 25 000	35,74 632	20 11,857	1,17,493	T. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	21½	10	1 4*	1 4*	1 4*		12	V
28,00,000	23,47,883	1,00,29,510	39,87,830	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	41N	10	0 4	0 3 1/5	0 3 1/5		9	V.
90,00,000O.	11,82,712	39,55,515	30,55,515	3,43,847	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	157½	O. 100	20 0*	20 0*			3	Y.P.T
10,86,000P.O.							—	D. 40	6 0	6 0				
20,00,000	7,99,470	57,53,560		1,21,733	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4			12	V.
20,64,440	87,09,225	1,02,29,499	66,95,003	1,63,501	F. I. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	13	10	0 12	0 8	1 4		9	V.
3,25,00,000	1,00 82,962	2,69,29,657	2,07,14,167	2 81 142	Sir Robert Menzies	British India Corporation Ltd.	8½	5	0 10	0 8	1 0		9	V.
1,60,00,000	1,79,00,000	4,83,17,964	3,08,23,124	11,88,891	Cecil Cook, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	35½	10	1 8	1 8	0 8		12	V.
31,24,000	33,95,753	1,34,39,918§§	....	3,13,308	Bird & Co., Ltd.	Eastern Investments Ltd.	171	100	9 0	10 0	9 0		12	V.
14,00,000	9,97,000	33,12,243	18,66,225	11,236	MacNeill & Barry Ltd.	Ganges Rope Co. Ltd.	191	100	20 0	10 0	9 0		12	V.P.
									10 0	10 0	7 8		9	V.
65,00,000	38,00,000	18,19,106	6,87,888	1,58,072	K. R. Fetter, Esq.	Gillanders Arbuthnot & Co., Ltd.	11½	10	10 0	7 8	7 8		9	H.
80,00,000	11,42,554	48,99,433	29,41,525	1,5,948	B. P. R. Pradhan	Great Eastern Hotel	258N	150	15 0	7 8	7 8		3	V.P
12,42,800	7,07,964	70,51,010	47,39,848	19,015	Birla Bros., Ltd.	Hind Cycles	100N	100	8 0	8 0			12	V.
4,94,12,650		3,05,00,214	40,32,719	4,54,997	Birla Bros., Ltd.	Hindustan Motors	5½	10	Nil	Nil	Nil		12	Y.P.T.
1,60,00,000	36,77,754	3,96,21,557	1,54,14,609	2,94,512	J. W. Cameron, Esq.	Indian Aluminium Co.	153	100	5 0	Nil	Nil		12	V.
1,52,87,220	1,09,40,984	1,52,87,233	46,27,452	19,70,048	A. R. Dickenson, Esq.	Indian Cables	23½	10	1 0	1 0*	1 0*		12	V.P.
8,27,970	3,38,608	13,79,995	8,36,426	17,480	G. S. Menton & Co. (India), Ltd.	Indian Rubber Manufacturers	13	10	1 0	0 12	0 8		12	V.P.
8,00,00,000	52,62,941	31,49,487	7,53,287	5,24,726	G. M. Mackinlay, Esq.	Jardine Henderson	116	100	10 0	7 8	7 8		3	V.P.
6,34,000O.	3,48,343	6,89,830	4,31,760	2,240	James & Co., Ltd.	Mackarine & Co.	7½	O. 5	Nil				12	V.P.
66,800D.							2½	D. 1	Nil	Nil				
40,80,000O.	66,88,146	23,22,837	7,33,942	1,07,086	C. L. Bajoria, Esq.	McLeod & Co.	215	O. 100	7 8	10 0			3	V
5,00,000D.							—	D.O. 10	0 4	0 4				
1,30,95,750	53 14,868	19,97,616	8,05,141	2,57,480	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	23½	10	1 0	1 0*	1 6		12	V.P
1,25,00,000	39,01,000	1,56,11,348	39,32,798	13,11,213	H. Chilwell Jones, Esq. (Chairman)	Mysore Pen Co. of India, Ltd.	20½	10	1 0	1 0	1 0		9	V.P.
6,35,255	1,72,448	7,22,942	2,60,987	—71,442	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	38	10	1 0	Nil	1 0		9	V.P.
5,56,250	9,55 113	10,40,282	4,40,947	73	G. Chandy, Esq. (Controller)	Mysore Lamp Works	14½	10	1 0	1 0	1 0		12	V.
10,00,000	1,20,000	14,23,286	7,19,467	35,998	K. Narayanaswamy, Esq.	Mysore Tobacco	3½	10	1 0	1 0	1 0		3	V.P.
20,00,000	49,41,539	53,81,562	37,19,068	1,75,176	Associated Industrial Development Co., Ltd.	National Insulated Cable	14	10	1 0	1 0	1 4		9	V.T.
79,97,000	28,68,388	69,70,031	3,78,836	10,62,030	B. N. Elias & Co., Ltd.	National Tobacco Co.	24½	10	0 12	1 0	1 0			
40,00,000	27,00,000	44,15,474	19,71,434	1,51,468	Coromandel Investment Trust Ltd.	Parry & Co.	10½	10	Nil	Nil			3	V.P.T.
2,25,00,000	6,41,684	1,61,45,956	43,79,829	—42,97,067	T. A. Lyklamelopulo, Esq.	Rallis (India) Ltd.	43	2	0 4½	0 4½			12	V.P.T.
1,14,00,000	1,08,11,858	6,70,23,808	2,57,86,413	78,204	Babu Jain Ltd.	Rohtas Industries	21½	100	Nil	Nil	Nil		12	V.P.T.
40,00,000	93,51,062	1,19,17,218	79,10,022	4,54,537	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	23½	10	1 0	1 0			12	V.P.
15,00,000	88,50,338	12,92,396‡	3,20,563	3,67,879	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	17½	10	1 0	1 8	1 8		10	V.P.
9,98,380	1,50,000	14,27,407	3,01,599	—1,04,545	Ogale Bros., Ltd.	Travancore Ogale Glass	14½	10	1 0	1 0			6	V.P.
							3½	10	Nil	Nil			12	V.

§§ Investments at cost. * Includes bonus. ‡ Excluding goodwill at cost Rs.1/10 lakhs.

§ Excluding goodwill (written down) Rs. 80 lakhs. ‡ Excluding Rs. 1,49,00,000 which represents shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
							ASSAM								
4,45,700	6,11,774	9,59,057	4,78,517	...	McLeod & Co. Ltd.	825	Amluckie	600N	100	7 8	25 0	30 0		12	V.P.
2,76,500	4,50,000	7,71,348	3,05,709	31,218	Andrew Yule & Co. Ltd.	312	Ananda (Assam) Tea	62	10	0 12	1 4	7 8		12	V.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co. Ltd.	420	Ananda Bag	57	10	Nil	2 8	1 8		12	V.
5,30,000	7,21,416	16,60,355	5,32,872	—75,110	McLeod & Co. Ltd.	513	Baghmari	31½	10	Nil				12	V.
3,40,000	8,20,000	11,50,416	2,98,096	70,514	Andrew Yule & Co. Ltd.	369	Baamatia	48	10	2 0	2 8			12	V.
3,30,000	3,70,000	9,24,393	3,59,393	80,009		569	Bateli	24½	5	0 4	2 0	1 8		12	V.
3,20,000	5,70,000	9,38,920	2,13,496	61,395	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	70	10	Nil	2 0	1 8		12	V.
16,50,000	20,60,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co.	3,967	Bhanenah	30½	10	Nil	3 8			12	V.
6,00,000	3,500	10,38,918	1,85,067	63,716	Octavius Steel & Co., Ltd.	485	Bokakhat	23½	10	Nil	Nil			12	V.
7,50,000	4,50,000	8,36,160	2,52,708	5,960	McLeod & Co., Ltd.	450	Bormah Jan Tea	24½	10	Nil	0 12	1 0		12	Y.P.T.
35,00,000	11,92,043	73,80,473	19,49,496	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	18½	10	1 0	0 8	1 4		6	V.P
1,20,000	1,95,097	4,60,080	1,69,074	—16,634	McLeod & Co. Ltd	282	Dejoo Valley	56	10	Nil	1 0			12	V.
6,00,000	7,97,500	25,17,843	16,06,120	36,977	Jardine Henderson Ltd.	1,220	Dessai & Parbattia	448	100	10 0	20 0			12	V.
17,53,440	7,04,319	21,43,185	3,42,779	10,336	James Warren & Co., Ltd.	620	Dhekalchat	21½	10	1 0	1 8	0 8		12	V.
4,68,910	2,70,000	11,71,408	4,34,259	8,732	James Finlay & Co., Ltd.	633	Dhunseri	27½	10	Nil	2 0	1 0		12	V.P.
4,50,000	3,25,400	6,02,617	2,35,483	16,852	McLeod & Co., Ltd.	458	Dibrugarh	31½	10	Nil	1 0	1 0		12	V.
2,36,700	4,75,000	8,80,047	4,70,047	43,918	Williamson Magor & Co.	625	Dimakusi	72	10	1 0	4 8	1 0		12	V.P.
3,60,500	6,05,000	17,90,747	10,40,747	1,14,474	Williamson Magor & Co.	615	Duffleghur	56	10	2 0	4 0	1 0		12	V.P.
10,00,000	4,65,000	21,78,081	8,83,081	38,641	Williamson Magor & Co.	1,177	East India Tea	32	10	0 4	2 8			12	V.
3,60,000	3,50,000	8,18,564	4,01,797	13,833		407	Gilapukri	46	10	Nil	1 12			12	V.
2,38,000	3,50,000	13,95,316	6,19,316	79,542	Williamson Magor & Co.	346	Gohpur	53½	10	1 8	3 0			12	V.
A.4,94,360								45½	A.10	2 0	3 4	0 12½			
B.2,40,790	14,22,810	18,09,304	5,63,575	23,354	Octavius Steel & Co., Ltd.	1,393	Grob	B.5	1 0	1 8	0 6½			12	V.
2,00,000	7,00,000	7,04,481	2,29,888	48,032	Andrew Yule & Co. Ltd.	476	Hoograjuli	67½	10	1 8	3 0			12	V.
4,35,000	8,54,216	18,50,196	9,84,270	24,921	Andrew Yule & Co. Ltd.	1,290	Hoolongooree	387½	100	Nil	12 8			12	V.
7,50,000	5,85,000	13,98,777	2,44,299	38,941	Gillanders Arbuthnot & Co., Ltd.	938	Jutiburi	28½	10	Nil	Nil	1 0		12	V.
2,40,000	80,000	11,45,851	6,20,851	3,393	Shaw Wallace & Co. Ltd.	1,166	Kingsley-Golaghat (Assam)	360N	100	Nil				12	P.V.
6,30,000	4,94,133	6,79,844	1,29,844	72,557	Duncan Bros. & Co., Ltd.	1,037	Lede	33½	10	Nil	2 0			12	V.
8,00,000	11,40,000	19,48,410	4,74,285	45,524	Octavius Steel & Co., Ltd.	612	Methoni	33½	10	Nil	1 8	4 8		12	V.
4,80,000	40,000	8,84,211	84,211	14,238	Duncan Bros. & Co. Ltd.	673	Mohesena	33½	10	Nil	Nil			12	V.P.
1,50,000	4,47,344	7,54,419	4,05,697	16,982	Kettlewell Bullen & Co., Ltd.	433	Mothola	650N	100	Nil	40 0	15 0		12	V.
O. 50,000								40	O.10	2 0	2 0				
P.O.2,00,000	4,05,000	8,98,088	5,22,218	34,889	Andrew Yule & Co., Ltd.	344	Murphulani	46	P.O.10	2 0	2 8			12	V.
4,00,000	3,61,274	6,00,328	3,80,669	9,567	S.C.

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
2,00,000	2,35,000	3,76,125	22,948	34,760	Planting Agencies Ltd.	Balmadies Plantations	4½	2	0 3½	0 4	0 4		2	Y.P.T.
17,94,186	16,19,828	30,44,517	3,00,811	1,02,250	Peirce, Leslie & Co., Ltd.	Cochin Malabar	7½	3	0 9 3/5	0 12	0 12		5	Y.P.
18,00,000	13,78,817	31,25,582	4,43,587	1,58,644	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	16½	10	0 14 2/5	0 4 4/5	2 8		6	Y.P.
47,70,000	57,62,500	1,00,81,036	15,88,295	4,74,545	R. C. Paterson, Esq.	Consolidated Coffee	19½	10	1 12 4/5	1 8	1 12		6	Y.P.
4,00,000	3,34,078	5,19,105	46,991	11,406	Associated Planters Ltd.	Cottanad Plantations	14½	10	1 8*	1 8*	1 8		3	Y.P.
18,00,000	6,86,355	22,16,637	4,18,493	57,291	A. V. Thomas & Co., Ltd.	Highland Produce	16½	10	1 0	1 4	0 10½		12	Y.P.
4,00,000	10,16,061	10,84,666	1,39,566	11,970	A. V. Thomas & Co., Ltd.	Kalpetta Estates	26	10	2 0	2 0	2 0		4	Y.P
4,50,000	11,78,329	9,97,046	2,35,186	14,253	P. Kurian John, Esq.	Malankara Rubber	27½	10	3 8	5 8	2 4		3	Y.
27,00,000	27,35,000	71,39,275	6,74,802	99,729	A. V. Thomas & Co., Ltd.	Midland Rubber	17½	10	1 8	1 8	1 12*		3	Y.P.
3,35,000	1,56,000	13,80,323	1,24,260	42,480	A. V. George & Co., Ltd.	Nenmeny Rubber	15	10	0 10	0 12			12	Y.P.T.
2,00,000	1,63,714	6,60,783	34,844	8,398	Associated Planters Ltd.	Nilambur Rubber Co.	12½	10	1 0	1 0			12	Y.P.
19,45,980	24,01,085	37,40,924	10,24,385	69,334	Peirce, Leslie & Co., Ltd.	Ouchterloney Valley Estates	5-5½	2	0 3½	0 3½	0 9 3/5		10	Y.P.T.
13,50,000	6,80,000	39,49,798	3,06,746	54,658	A. V. Thomas & Co., Ltd.	Rajapiri Rubber	16½	10	1 8	1 12*	2 12*		6	Y.P.
3,66,780	2,50,000	5,94,562	49,313	89,904	Peirce, Leslie & Co., Ltd.	Savamalai Estates Ltd.	26½	10	3 8	3 0	2 8		11	Y.
10,00,000	3,09,600	21,81,045	1,32,358	1,227	East India Agencies	Teekoy Rubber (India) Ltd.	9½	10	0 14½	0 14 2/5	0 12		3	Y.P.T.
2,50,000	2,37,500	3,25,215	24,851	13,303	A. V. George & Co., Ltd.	Thamarapally Rubber	26½	10	2 8	3 0	2 3½		12	Y.P.
6,10,200	2,75,005	7,98,048	62,162	17,826	Peirce Leslie & Co., Ltd.	Tirumbadi Rubber Co., Ltd.	1-15½	1	0 4	0 4½	0 13 5/5		9	Y.
6,00,000	54,522	7,40,843	98,185	2,171	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	17xd	10	2 0	2 0			12	Y.
41,00,000	14,29,673	74,86,897	7,65,148	3,28,925	Aspinwall & Co. (Travancore)	Travancore Rubber and Tea Co., Ltd.	21xd	10	0 9 3/5	0 12	1 8		12	Y.
20,00,000	1,20,000	24,90,804	4,98,253	2,038	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	34½	25	2 8	3 0			12	Y.P.T.
6,28,580	3,40,669	7,41,672	12,350	30,763	Harrisons & Crosfield Ltd.	Valkundam (Travancore) Rubber	22xd	10	2 0	2 0			12	Y.
1,65,000	87,259	3,50,536	15,684	1,063	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	12½	10	*Nil*	1 0	1 8		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	55,00,000	96,99,205	51,47,202	54,436	B. N. Elias & Co., Ltd.	879	Agarpara	14½	10	1+1	1+1	1f		3,9	H.T.P.
12,00,000	27,00,000	45,81,286	32,42,838	14,374	Sahu Jain Ltd.	498	Albion	8+10	10	8+10	12+12	12f		5,11	H.P.
6,00,000	5,35,000	51,04,592	33,39,395	10,062	McLeod & Co., Ltd.	446	Alexandra	*Nil*	10	*Nil*	*Nil*+2½	2½f		6,12	H.P.T.
30,00,000	7,35,000	1,17,45,964	90,43,069	61,708	McLeod & Co., Ltd.	1,264	Alliance	*Nil*	100	*Nil*	*Nil*+5	6f		6,12	H.P.
49,20,700	82,13,386	2,54,81,317	1,78,90,000	1,47,643	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	10+10	10	7½+5	7½+5	2½+5		3,9	H.P.
40,00,000	40,52,240	1,63,99,837	84,16,116	7,674	Bird & Co., Ltd.	810	Auckland	5+4	10	2+2	2+2	2+2½		3,9	H.P.T.
20,00,000	25,93,136	98,25,588	65,19,459	18,759	Jardine Henderson & Co.	959	Bally	*Nil*	100	4+*Nil*	*Nil*	*Nil*		3,9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,889	Barrackpore	£1	£5	£1	£1	£1	sh.2½	3	Y.P.
28,00,000	35,49,623	89,73,096	49,13,770	1,11,9117	Andrew Yule & Co., Ltd.	820	Belvedere	7½+7½	10	7½+7½	7½+7½	5+5		6,12	H.P.
45,00,000	36,45,000	55,76,391	29,60,822	2,95,071	Soorajmull Nagarmull	600	Bengal	1½	10	1	1½	1½		6	Y.P.T.
£21,26,000	£,08,61,400	3,18,33,661	1,29,13,354	1,26,903	Birs Bros., Ltd.	1,373	Birs	£1	£3	£1	3	3		3	Y.P.
36,00,000	29,62,925	1,11,26,330	71,77,582	1,20,609	Andrew Yule & Co., Ltd.	991	Budge-Budge	19½	10	6+6½	6+4	4+5		4,10	H.P.
7,47,380	3,16,924	41,38,590	29,87,611	2,610	Dayaram & Sons	502	Calcutta Jute Mfg	13½	10	0+8	*Nil*	1f		6,12	H.P.T
18,00,000	32,31,234	77,37,603	40,35,574	78,538	Andrew Yule & Co., Ltd.	416	Caledonia	260	100	6+6	6+6	4+5		5,11	H.
59,16,400	1,01,06,609	1,88,44,627	1,05,04,000	22,542	James Finlay & Co., Ltd.	600	Champdany	171	100	7+8	3+3	*Nil*+3		3,9	H.
15,95,000	30,14,282	80,62,490	55,81,540	1,37,479	Andrew Yule & Co., Ltd.	530	Cheriot	298xd	100	6+6	6+6	6+8		5,11	H.P.
30,15,000	27,75,000	60,14,632	44,94,094	86,056	McLeod & Co., Ltd.	500	Chitavalsah	14½	10	2½+1½	1½+½	1f		6,12	H.T.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	16½	10	2	*Nil*			3	Y.P.
31,49,200	62,11,927	1,28,98,802	63,22,413	15,344	Bird & Co., Ltd.	766	Dalhousie	149	100	6+1	1+3	1+1½		3,9	H.P.
28,00,000	44,74,179	74,57,171	46,41,725	1,46,508	Andrew Yule & Co., Ltd.	779	Delta	253	100	10+10	10+10	6+6		5,11	H.P.
15,00,000	33,25,000	76,36,813	36,35,731	56,215	McLeod & Co., Ltd.	500	Empire	25	10	1+1	1+1	1f		6,12	H.T.P.
21,00,000	53,28,948	2,70,49,518	1,81,05,210	40,839	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	470N	100	10+*Nil*	*Nil*	*Nil*		3,9	H.P.T.
14,00,000	13,00,000	82,13,905	49,27,586	71,285	Bangur Bros., Ltd.	1,014	Fort William	380N	100	*Nil*	*Nil*+5	10+10		3,9	H.T.P.
24,32,100	2,73,755	2,11,52,730	1,36,01,908	5,930	Macneill & Barry Ltd.	1,709	Ganges Mfg.	106	100	*Nil*	*Nil*+*Nil*	*Nil*+4		3,9	H.P.
10,80,000	28,00,000	71,47,356	47,46,252	4,743	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	1,000	300	30	15			12	
24,00,000	31,83,104	2,20,06,537	1,67,50,294	1,56,427	Macneill & Barry Ltd.	1,394	Gourepore	337½	100	12+*Nil*	*Nil*+3½	2½+7½	*Nil*2½	3, 9	H.P.
40,00,000	55,68,234	72,95,746	48,50,613	2,95,107	Bangur Bros., Ltd.	1,078	Hastings	115N	100	10	15	10+10	*Nil*f	3,9	Y.P.
16,80,000	18,52,626	66,38,235	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	44½	10	1½	1½	½	½	3	Y.P.
65,62,500	58,82,162	1,47,23,477	1,06,14,353	1,65,878	Jardine Henderson Ltd.	1,940	Howrah	29½	10	1+½	1+½	1+½		3,9	H.P.
52,50,000	20,00,000	2,42,25,884	1,49,75,884	1,64,711	Ramdutt Ramkissendas	2,272	Hukumchand	32½	7½					3	Y.P.T.
O. 87,00,000	19,20,065	1,11,31,089	75,39,061	38,601	Mackinnon Mackenzie & Co.	1,076	India	195	125	3½+3½	3½+3½	*Nil*+3½		3, 9	H.
D. 30,000								—	100	A+4+4	A+4+4	As. 1			
24,00,000	28,34,204	1,36,86,233	1,21,96,305	84,189	Jardine Henderson Ltd.	1,797	Kamarhatty	211	100	8½+6	6+3	3+3		6,12	H.P.
B. 19,20,000								177	'B' 100	8½+6	6+3	3+3			
30,00,000	18,14,767	1,31,87,376	98,19,537	62,312	Jardine Henderson Ltd.	1,527	Kankinarrah	154	100	6+4	5+2½	2½+4		6,12	H.P.
O. 30,00,000								134xd	'B' 100	6+4	5+2½	2½+4			
B. 24,00,000	48,25,000	1,05,38,484	74,86,276	1,19,643	McLeod & Co., Ltd.	703	Kelvin	71½+7½	10	7½+7½	7½+7½	10f		6,12	H.P.
21,00,000	22,83,375	1,63,66,931	1,12,52,500	94,623	Anderson Wright Ltd.	1,530	Khardah	10+15	10	10+15	10+10	7½f		3,9	H.P.
54,00,000	1,03,14,144	2,29,23,597	1,08,38,211	29,674	F. W. Heilgers & Co.	1,250	Kinnison	196	100	10+7	4+5	2+5		3,9	H.P.T.
48,00,000	48,31,837	1,39,26,497	78,80,252	4,428	Bird & Co., Ltd.	931	Lansdowne	129	100	7+7	2+5	1+1		3,9	H.P.
24,48,000	39,56,165	1,14,93,720	63,14,525	12,683	Bird & Co., Ltd.	840	Lawrence	147	100	7+4	2+3	2+4		3,9	H.P.
28,00,000	41,51,000	1,30,99,315	56,04,454	33,159	Andrew Yule & Co., Ltd.	858	Lothian	410	100	11+4	5+3	2+4		5,11	H.P.
10,00,000	26,14,412	1,92,62,004	1,19,08,316	8,502	Mackinnon Mackenzie & Co.	1,008	Megna	100	100	15+15	15+15	15+15		5,11	H.P.
81,65,200	41,13,783	1,72,83,489	94,88,274	—7,08,068	F. W. Heilgers & Co.	815	Naihati	115	100	2½+2½	2½+2½	*Nil*2½		3, 9	H.
29,98,900	15,05,000	38,13,000	16,73,660	13,886	Horsman Trading Co., Ltd.	456	Naskarpara	44½	10	6+*Nil*	*Nil*+½	*Nil*		3, 9	H.
20,00,000	44,29,326	28,38,765	9,63,390	1,88,126	Andrew Yule & Co., Ltd.	852	National	29½	10	1½	*Nil*+½	1f		4,10	H.T.
35,00,000	22,75,000	26,82,794	18,86,219	1,23,399	McLeod & Co., Ltd.	316	Nellimarla Jute	34½	10	1+½	1+1	1+1		4,10	H.P.
26,25,000	34,15,033	49,75,722	24,95,902	84,459	Saha Jain Ltd.	709	New Central	12½	10	2+1	1+½	1f		6,12	H.P.T.
31,50,000	51,05,896	1,23,66,779	59,31,089	43,570	Bird & Co., Ltd.	567	Northbrook	146	100	10+12	12+12	12f		6,12	H.P.
16,79,880	31,70,094	2,15,09,993	1,38,37,486	33,079	Macneill & Barry Ltd.	1,092	Nuddea	26½	10	1+1	1+½	1+½		3,9	H.P.T.
66,79,500	27,81,049	71,20,511	49,55,472	1,21,195	Andrew Yule & Co., Ltd.	601	Orient	59½	50	1+*Nil*	*Nil*+½	*Nil*+½		3, 9	H.
25,00,000	4,99,002	80,67,981	62,60,461	5,641	McLeod & Co., Ltd.	400	Presidency	188	100	1+6	6+6	5+5		5,11	H.P.
20,00,000	1,40,946	26,48,443	7,67,493	—10,89,456	M. P. Birla, Esq.	305	Rameshwara	½	5	*Nil*	*Nil*+½	1f		6,12	H.T.
49,50,000	8,01,372	1,23,46,455	57,04,882	18,873	Jardine Henderson Ltd.	1,172	Reliance	7½	10	*Nil*	*Nil*+*Nil*	*Nil*f		3,9	H.P.
£600,000	£1,093,713	£1,228,258‡	.....	£95,425	Thomas Duff & Co. (India), Ltd.	2,013	Samnuggur	14½	10	*Nil*	1+½	*Nil*f		3,9	H.P.T
30,00,000	13,12,193	1,03,17,335	71,03,045	10,341	Bagaria More & Co., Ltd.	911	Shree Ambica	141xd	61	10%	10%			12	Y.P.
14,00,000	10,29,608	48,33,772	37,62,133	2,34,934	Hindustan Investment Corporation	401	Soorah	141xd	10	1½	*Nil*+½	1f		3,9	H.P.
25,19,600	47,29,578	1,01,23,059	57,01,016	1 112	Bird & Co., Ltd.	650	Standard	16N	10	*Nil*	1			12	Y.P.T.
£600,000	£625,119‡	£992,004	.....	£108,510	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	153	100	8+1	1+1	1+1		3,9	H.P.
35,98,600	85,79,790	1,93,34,618	76,50,486	1,01,127	Bird & Co., Ltd.	1,326	Union	14xd	61	10%	10%			12	Y.P.
£400,000	£688,035‡	£1,086,826	.....	£1,12,138	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	185	100	10+1	1+4	1+3		3, 9	H.P.T.
2,50,000	4,95,000	35,94,678	37,77,741	35,624	McLeod & Co., Ltd.	465	Waverley	14xd	61	10%	10%			12	Y.P.
								7½	1	*Nil*	*Nil*+½	1f		6,12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	20,75,000	83,30,999	56,70,999	21,411	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	23½xd	10	1+1	1+1	1+1		3,9	H.
12,00,000	8,38,299	38,74,552	35,42,552	20,386	Jardine Henderson Ltd.	Barasat Coke	20½xd	10	3/4+7/10	7/10+7/10	1+7/10		3,9	H.
4,49,350	70,000	8,49,159	5,37,466	3,819	Andrew Yule & Co., Ltd.	Bengal-Bihadoee	35N	10	2	2	2		6,12	H.
1,00,00,000	1,27,25,854	5,66,19,576	3,70,80,321	6,07,575	Andrew Yule & Co., Ltd.	Bengal Coal	509	200	20+20	17½+15	15+15		10	H.P.
2,25,000	5,10,369	23,37,614	22,43,053	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	11	10	1	*Nil*	*Nil*		6,12	H.P.
15,97,000	5,10,369	23,37,614	22,43,052	25,529	H. V. Low & Co., Ltd.	Bhalgora	7½	10	½				6,12	H.P.
40,00,000	14,81,010	1,30,60,104	68,66,790	13,644	Sahu Jain Ltd.	Bharat Collieries	½	10					9	
7,15,000	14,41,318	51,73,261	36,39,224	—2,04,456	F. W. Heilgers & Co., Ltd.	Bhulanbarave	14N	10	½	*Nil*	*Nil*		6	Y.T.P.
16,00,000	16,22,936	68,16,454	39,74,841	—1,36,132	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	9½	10	*Nil*				6,12	H.
7,50,000	22,09,390	41,57,477	25,38,282	98,663	F. W. Heilgers & Co., Ltd.	Borsora	36	10	1½+1½	1½+1½	1f		6,12	H.
90,92,480	1,70,76,208	4,10,36,356	1,71,71,586	1,49,910	Bird & Co., Ltd.	Burrakur	12½	10	½	1	1f		6,12	H.P.
49,97,750		54,81,955	2,57,645	5,969	Hindustan Investment Corpn., Ltd.	Central India	7½	10	*Nil*	½	½		6,12	H.P.T.
8,00,000	13,54,302	49,10,414	32,63,954	82,768	Anderson, Wright & Co., Ltd.	Central Kurkend	13N	10	*Nil*	½	½		3	
6,00,000	1,43,341	7,25,000‡	.....	25,618	F. W. Heilgers & Co., Ltd.	Churia	2½	4	½	½	½		6,12	H.
16,00,000	1,20,000	50,63,761	27,27,536	—1,91,155	Macneill & Barry Ltd.	Dhemo Main	½	10	*Nil*	*Nil*	*Nil*		6,12	H.
£240,000	£362,496	£244,003	£11,181	£63,377	Jardine Henderson Ltd.	East Indian	28	61	5a (1)	2½	*Nil*		6,12	H.T.
29,63,760	71,99,925	3,66,52,739	2,81,14,367	1,85,653	Macneill & Barry Ltd.	Equitable	31½	10	2+½	2½	2½		5	Y.
10,00,000	2,11,139	9,72,721	3,22,963	40,284	Bhattacharya Agency Ltd.	Ghusick and Muslia	15N	10	1+½	1+½	1f		6,12	H.P.T.
12,00,000	1,22,000	37,04,970	19,00,221	445	Killick Industries Ltd.	Hingir-Rampur	40½	50	½				3	Y.
8,00,000	5,75,000	21,42,581	18,13,083	62,148	Macneill & Barry Ltd.	Hurriladih	19	10	½	½	*Nil*		6	Y.P.
22,00,000	1,08,577	31,70,015	10,56,245	—1,95,248	Bajpeie Trust Ltd.	Jeota Coal	11N	10	½+½	½+½	1f		6,12	H.
3,50,000	4,26,551	14,85,445	6,91,521	....	Andrew Yule & Co., Ltd.	Kalapahari	27N	10					6,12	Y.P.
20,00,000	9,375	26,40,669	2,46,630	3,145	Bird & Co., Ltd.	Karanpura Collieries	100	100	1½+1½	1½+1	*Nil*		2,½	H.
5,00,000	13,60,000	44,39,243	34,62,230	91,318	Andrew Yule & Co., Ltd.	Katras Jhariah	48½	10	*Nil*	*Nil*	*Nil*		2	Y.
1,38,400	5,72,960	12,85,941	5,72,960	—2,40,336	Beriwala & Co.	Khas Kajora	5N	10	2+2	2+2	2+2		6	
11,00,240	64,314	16,72,961	10,41,963	—41,320	H. V. Low & Co., Ltd.	Kuardi	7N	10	*Nil*	*Nil*			6,12	
9,00,000	11,86,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10	½	½	*Nil*		6	
7,48,240	1,50,000	11,58,128	8,95,686	25,598	S. P. Tantia, Esq.	Navira	7½	10	½	½			4	
7,00,000	26,617	10,33,740	5,70,295	4,560	Amritlal Ojha & Co., Ltd.	New Bansdeopur	7½N	10	½	½			6,12	.Y.
17,76,230	18,91,763	1,16,14,996	85,44,712	42,594	Andrew Yule & Co., Ltd.	New Beerbhoom	20½	10	½+½	½	½+½		6	
6,00,000	85,000	28,21,499	16,23,233	2,485	Octavius Steel & Co. Ltd.	New Manbhoom	9 5/6	10	*Nil*+½	½	½+½		3,10	
1,15,000 } 1,57,500 }	2,47,693	12,93,355	8,05,952	8,676	Andrew Yule & Co., Ltd.	North West	11½N 7½N	10	*Nil*	*Nil*	*Nil*		3,9	
7,50,000	11,79,228	3,97,666	2,77,666	96,307	F. W. Heilgers & Co., Ltd.	Ondal	19½	10	½+*Nil*	½+*Nil*	*Nil*		3,9	H.
10,00,000	1,10,000	37,18,030	16,07,868	38,140	K. C. Thapar & Bros.	Oriental Coal	9½	10	1+1	1+1	1f		6,12	H.P.
8,34,000	1,32,942	17,23,281	6,78,407	5,618	Deepchand Kishenlall	Parasea	9½	10	½	½			12	Y.T.
15,75,000	14,00,000	45,17,541	32,47,541	20,192	Shaw Wallace & Co., Ltd.	Pench Valley	23½	10	½	½	½		6,12	H.P.
33,99,300	17,17,107	1,16,31,468	80,43,780	72,039	B. N. Elias & Co., Ltd.	Raneegunge	11½	10	½	½	½+½		3,9	H.
13,50,000	7,88,385	30,74,660	23,05,660	27,848	Shaw Wallace & Co., Ltd.	Rewa	21½	10	*Nil*	½	½		3,9	H.
20,00,000	3,95,008	32,12,218	13,30,500	438	Jaipuria Sons Ltd.	Samla Collieries	9½	10	1+1	1+1	1		6,12	H.
1,25,000	1,85,000	12,10,180	10,21,382	19,757	Gillanders Arbuthnot & Co., Ltd.	Searsole	12N	10	½+½	½f			6,12	H.
2,00,000	7,06,398	29,25,214	16,85,969	25,643	Andrew Yule & Co., Ltd.	Seebpore	23½	10	½	½	½		1	Y.
8,00,000	8,75,468	36,88,786	26,51,462	—1,22,722	F. W. Heilgers & Co., Ltd.	Sendra	9½N	10	2+2	1+1	1+1		6,12	H.P.
63,21,450	15,01,620	3,51,42,502	2,49,62,544	—6,49,301	Industrial Trust Fund (Government of Hyderabad)			10	*Nil*	*Nil*	*Nil*f		6,12	H.T.
17,50,000	10,85,425	37,23,396	14,57,868	3,853	Bird & Co., Ltd.	Singareni	7	10	½	½	*Nil*		12	Y.T.
8,00,000	14,72,319	1,69,570	23,310	29,039	F. W. Heilgers & Co., Ltd.	South Karanpura	11½	10	½+½	½+½	*Nil*+½		2,8	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Standard	18½	10	1+1	1+1	1		6,12	H.
3,50,000	3,65,000	18,61,212	14,05,212	68,861	Williamson Magor & Co.	Taloher	4	5	½	½	½		3	Y.
49,98,000	21,916	47,68,934	16,41,545	65,727	Hindustan Investment Corpn., Ltd.	Union	18	10	1+1½	1+½	1f		6,12	H.
7,00,000	3,57,000	50,89,488	21,36,223	582	Macneill & Barry Ltd.	Western Bengal	7½	10		½	½		3	Y.
						West Jamuria	15½	10	*Nil*	*Nil*	*Nil*f		6,12	H.

* Including bonus.

(f) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

(b) Investments.

(a) For seven months ended 31st March, 1954.

MARKET GOSSIP

(*Concluded from page 815*)

satisfaction of all civilian requirements is not possible. The free world production capacity for nickel, according to him, is expected to increase, by 1958, to at least 450 million pounds. The increase in his own Company's annual productive capacity, since the year prior to Korea, is stated to be over 40 million pounds, while its deliveries in all forms in 1954 set a record at 282 million pounds.

* * *

The adverse effect of Government stockpiling and defence requirements on the civilian consumption of nickel seems to be cause for concern to Dr. Thompson. These two between them accounted for 40 per cent. of the total free world supply of nickel in 1954. While stockpiling is expected to continue, the scheduled intake for this purpose is likely to be lowered; and, after satisfying defence requirements, the supply of nickel for civilian consumption is expected to be more this year than last year. Although this is encouraging, he sees in the high percentage of absorption of nickel by the Government (for stockpiling and defence purposes) a source of danger to the nickel industry itself. Explaining why he feels that way, he says:

"The Company's mangement feels today, as it always has, that adequate defence preparedness is impossible without a healthy nickel-consuming civilian industry. The value of such an industry was clearly demonstrated twice within the last 15 years, during World War II and during the Korean conflict. Today, however, Government stockpiling and defence requirements have, of necessity, weakened a part of this important market by restricting the amounts of nickel available for civilian purposes. Many manufacturers, in the fear that relief would be long delayed, have been endeavouring to eliminate nickel in new design plans for their products. If this situation continues, it can only have consequences detrimental to the security of the free world. In times of national emergency, it is necessary not only to possess the required strategic materials, but it is equally necessary to have the trained manpower, technical knowledge and facilities to use them most effectively."

Dr. Thompson does not stop with this. He reverts to this subject once again after reviewing, in some detail, his Company's policy of fair and equitable treatment to all its consumers in the distribution of nickel. He avers that the insufficiency of the limited supply for civilian purposes remaining under existing conditions is not only a present handicap to its customers but a potential harm to its long-range business. For it impairs the development and expansion of markets for nickel and weakens the nickel-consuming industries in overseas countries.

* * *

Incidentally, Dr. Thompson gives an idea of the uses to which nickel can be put, and the data furnished by him are interesting. Thus 36 per cent. of total nickel consumption in 1954 was in the production of nickel alloy steels including stainless steels. Malleable nickel and non-ferrous alloys absorbed 30 per cent.; electroplating 16 per cent.; high temperature and electrical resistance alloys 7 per cent.; cast irons 4 per cent.; and catalysts and magnetic alloys 1 per cent. each. Miscellaneous applications accounted for the remaining 5 per cent.

SURVEY

(*Concluded from page 819*)

taluka or revenue circles. The success of the whole attempt at improvement of agricultural statistics depends upon the adequacy of the training which the primary reporters receive. It is, therefore, to be hoped that the officers trained in Delhi will be able to organise such training course. They should preferably be conducted in Indian languages. The District Collectors should be asked to exercise special care to see that the courses are properly organised and the candidates benefit from such training.

DEVELOPMENT OF TOURISM

The six-year plan for the development of tourism in India would, when implemented successfully, go a long way towards promoting the tourist industry. It is bound to increase the number of tourists visiting India, thereby increasing the country's foreign exchange earnings. Already, the number of tourists visiting India has been on the uptrend. It has advanced from about 20,000 in 1951 to 25,448 in 1952, 28,060 in 1953 and 39,333 in 1954. Although reliable figures

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	11,36,801	Allahabad Bank	164	100	15 0	18 0	18 0	18 0	12	Y.P.
14,50,000				18£	50	9 0	9 0	9 0	9 0		
1,01,000	18,51,000	16,321	Andhra Bank	118xd	100	6 0	6 0	6 8	7 8	6.12	H.
25,00,000				8xd	70	3 0	3 0	3 4	3 12		
1,80,00,000	1,26,00,000	2,70,802	Bank of Baroda	104½xd	50	6 0½	6 0	6 0½	6 0½	12	Y.
50,00,000	17,00,000	11,796	Bank of Bikaner	12½N	25	0 12	0 12	0 12		12	Y.
2,50,00,000	3,28,00,000	910,551	Bank of India	147½	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,275	27,15,000	64,703	Bank of Indore	55N	25	3 0½	3 0	3 0	3 0	12	Y.
50,00,000	19,00,000	25,128	Bank of Jaipur	23	50	1 8	1 8	1 8	1 8	12	Y.
50,00,000	84,00,000	2,27,018	Bank of Mysore	274	100	14 0	16 0	16 0	16 0	12	Y.
50,00,000	51,53,540	29,606	Bombay State Co-operative Bank..	55	50	2 8	2 8	2 8		6	Y.P.T.
15,00,000	26,00,000	20,774	Canara Bank Ltd.	80	50	4 8	4 8	4 8	4 8	12	P.T.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd...	85	50	5 0½	5 0½	5 0½		12	Y.P.
2,82,11,576				47½	25	3 8	3 8	3 8	3 0	3	
82,42,375 'A'	4,00,56,697	17,88,899	Central Bank of India Ltd. ..	49½	25	3 8	3 8	3 0	3 0	12	R.L.Y
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co ..	31	50	1 12	1 12	2 0	2 0	12	Y.
1,50,00,000	1,00,00,000	1,06,895	Habib Bank (F)	7EXEN	20	4 0	4 0	4 0	4 0	12	Y.
50,00,000	25,00,000	1,12,820	Hind Bank	23xd	50	1 0	1 0	1 8	1 8	12	Y.
1,25,00,000	16,20,000	16,160	Hindustan Commercial Bank ..	9½	50	—	—	—		12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank ..	12½	50	—	—			12	Y.
75,00,000	76,00,000	1,08,750	††Hyderabad State Bank ..	106N	100	6 0½	5 0	5 0	6 0	9	Y.
3,75,00,000	6,35,00,000	£4,18,646	Imperial Bank of India ..	1,665	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,57,50,000				405	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000	77,50,000	1,80,785	Indian Bank	175	100	12 0	12 0	12 0	12 0	12	Y.
17,00,000				141	85	10 8½	10 8½	10 8½	10 8½	6.12	R.L.H.
16,00,000				100½	40	7 8½	7 8½	7 8½	7 8½		
49,19,575	26,00,000	2,15,839	Indian Overseas Bank	104	100	6 0	6 0	6 0	6 0	6.12	R.L.H.
4,25,000				40	100(A)	7 8	8 0				
2,50,000	6,28,939	1,880	Indo-Commercial Bank	16	25(B)	1 14	1 8			6.12	H.
10,00,000				20½	50(C)	3 0	3 0	3 0			
87,50,000	92,50,000	4,99,040	Punjab National Bank	48xd	25	1 0	1 8	2 0	2 0	12	Y.
1,00,00,000	21,75,000	95,681	Travancore Bank	14	25	—	—	0 10	0 12	12	Y.
40,00,000	25,00,000	1,75,574	Union Bank of India	64	5	0 8½	0 8½	0 8½	0 8½	12	Y.
2,00,00,000	86,50,000	1,08,725	United Commercial Bank	44½	50	3 0	2 0	2 0	2 8	12	H.
PRINCIPAL EXCHANGE BANKS										Dividend (per cent.)	
£8,500,000	£5,000,000	£292,910	Chartered Bank of India, Australia and China	£2-4-0	£1	14†	16†	14†	16†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6½	£5	6†	7†	3†		12	R.L.Y.
N.K. $20,000,000	NK$128,000,000	N.K. $10,216,256	Hongkong and Shanghai Banking Corporation	£86½	H.K. $125	5*	5*	5*	5*	12	Y.
£17,956,195 'A'	£14,500,500	£516,557	Lloyds Bank	£8-5-0	£5 A	12†	12†	14†	15†	12	R.L.Y.
£1,437,296 'B'				£1-6-3	£1 B	5†	5†	5†	5†	12	R.L.Y.
£875,000 'A'	£1,750,000	£200,284	Mercantile Bank of India ..	£4½	A £2½	12†	14†	14†	14†	12	R.L.Y.
£375,000 'B'				£4½	B £2½	12†	14†	14†	14†		
£720,000 'C'				—	C £1	12†	14†	14†	14†		
£2,951,568	£3,104,687	£826,266	National Bank of India	£1-3-1½	£8 12½	16†	16†	16†	16†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.=Reserve liability on shares. †† C.S. Currency. (I) Interim. * 8 per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £		Principal Repayable
BREWERIES AND SUGAR						
10,50,000	3	1st December and 1st June ..	Carew & Co.	1938	99½	1st June 1946
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960(e)
6,00,000	5½	30th June and 30th December ..	Ramnagar Cane & Sugar Co., Ltd. ..	1926	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	103	27th December .. 1955-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	88	1st November .. 1958-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	108	1st April 1955-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New) ..	1944	96½	1st November .. 1958-64
COAL						
30,00,000	4½	30th April and 31st October ..	Bharat Collieries	1946	95½	30th June 1956
20,00,000	4½	30th June and 31st December ..	Burrakur Coal Co.	1947	91½	30th June .. .. 1967(e)
50,00,000	5½	15th June and 15th December ..	Equitable Coal Co.	1953	101	14th December .. 1956(e) ‡
COTTON						
3,50,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1942	85	30th April 1964
4,00,000	4½	10th May and 10th November ..	Bengal-Nagpur	1937	90	15th November .. 1956(b)
1,00,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	1952	100½	1st January .. .. 1957-72(e)
18,25,000	5½		Jaybree Textiles	1949	60N	1st January 1956-59
40,00,000	5	1st June	Tata Mills		101c	 1966-72
ELECTRICS						
10,00,000	4½	30th June and 31st December ..	Agra Electric Supply Co., Ltd. ..	1950	95†	31st March .. .. 1965(e)
1,25,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..	..	100½	15th June 1960
96,29,000	4	1st April and 1st October	Andhra Valley Power Supply Co. ..	1946	97½	1st October 1960
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1959
2,45,01,500	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	101	1st January .. .. 1976(e)
28,00,000	5	30th June and 31st December ..	Gangyam Electric Supply Co., Ltd.	1945	87	31st December .. 1970
15,00,000	5	1st January and 1st July ..	Sijua (Jharrish) Electric Supply Co., Ltd.	1951	94	30th June .. .. 1976(e)
7,56,200	5½	1st January and 1st July ..	South Madras Electric Supply	1949	99	 1957-61
3,00,000	5½	1st May and 1st November ..	South Madras Electric Supply	1952	99	1st October 1964
1,00,000	5	1st January and 1st July ..	South Madras Electric Supply	..	94½	 1968-82
6,65,600	4½	1st April and 1st October ..	South Madras Electric Supply	..	94	1st July 1957-67
47,78,000	4	1st April and 1st October ..	Tata Power	1949	90½	15th September .. 1951-55
2,50,000		1st April and 1st October	Tata Power	1...	71½	15th September .. 1956-70
ENGINEERING						
5,00,000	6	30th June and 31st December ..	Britannia Engineering	1949	99	30th December .. 1956
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1952	99	30th June 1956
30,00,000	5½	15th September and 15th March..	Indian Hume Pipe (2nd mortgage)	1948	101½	1st July 1957-66
21,46,500	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage).	1936	496	31st December .. 1964 (II)
10,00,000	5	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	85½	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	101½	1st October 1960-66
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100½	31st December .. 1960 (e)
JUTE						
18,00,000	4½	1st October and 1st April ..	Agarpara	1939	100	31st March 1949
6,00,000	5½	30th June and 31st December ..	Alexandra	1939	95	30th June 1959
18,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	90½	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd.	1940	99	30th June 1955
10,00,000	5	30th June and 31st December ..	Bengal Jute Mill Co., Ltd.	1948	98½	30th June 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1949	92	31st July 1959
10,00,000	5	30th June and 31st December ..	Chhatabah Jute Mills	1951	96	30th June 1966
25,00,000	7½	31st March and 30th September..	Dalhousie Jute Co.	1954	99	31st March .. .. 1966(e)
6,56,000	5	30th June and 31st December ..	Empire	1951	95	15th July .. .. 1966(e)
25,00,000	5½	1st January and 1st July ..	Fakirchand	1947	98½	30th June 1957
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co., Ltd. ..	1940	94½	31st December .. 1964(e)
25,00,000	5½	30th June and 31st December ..	Kalhati	1952	98	31st March 1966
5,00,000	4½	14th November and 14th May ..	Kelinarain Jute Mills Co., Ltd. ..	1939	93	14th May 1959
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd.	1945	88	31st December .. 1964
8,00,000	6	30th June and 31st December ..	Presidency	1945	92	30th June 1958
25,00,000	5	31st March and 30th September.	Reliance Jute Mills Co., Ltd. ..	1950	98	30th September .. 1964(e)
8,00,000	4½	14th March and 14th September.	Soorah Jute	1937	96	14th September .. 1957
12,00,000	4½	30th June and 31st December ..	Union	1937	96½	30th June 1957
10,00,000	3½	31st January and 31st July ..	Waverley	1922	68	31st July 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July ..	Barasat-Basirhat Light Railway ..	1936	x90N	1st July 1964
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	1909	£40N	At 105% at any time on 6 months' notice or at par or every seventh year.
£189,363	5	1st April and 1st October ..		1932	£77½N	1st October 1974
6,50,000	3½	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1945	90½	31st December .. 1959(e)
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1905	£33½N	Any time on six months' notice.(e)
5,00,00,000	4½	1st March and 1st September ..	Scindia Steam Navigation	..	94½	1st September .. 1968
PLANTING						
10,00,000	5½	30th June and 31st December ..	Consolidated Coffee	..	..	....
5,00,000	6	31st March and 30th September..	Nilgiri Tea	..	102x	1st July 1957-60
4,61,000	5½	30th June	Onchterlony	..	100½	1st April 1954-58
9,00,000	5	31st March and 30th September..	Periakaramalai	..	104	30th June 1954-58
1,29,700	5½	31st March and 30th September..	Tedoo	..	100½	31st March 1954-62
					100	31st March 1953-63
MISCELLANEOUS						
15,00,000	5½	31st March and 30th September..	Aluminium Corporation of India Ltd.	1946	100	30th September .. 1953
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1963
24,50,000	4½	1st April and 1st October ..	Associated Hotels of India	1948	86	31st December .. 1962
4,90,500	4½	30th June and 31st December ..	Bengal Paper Mills	1937	96½	30th June 1962
8,00,00,000	5½	1st March and 1st September ..	Burmah-Shell	1954	102	1st September .. 1957
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1918	92	1st February .. .. 1958-69(e)††
21,54,000	4½	1st July and 1st January ..	Clive Buildings	1938	89	1st July 1964
20,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87	15th September .. 1956
1,00,00,000	4	31st March and 30th September..	Dalmia Cement Ltd.	1946	89	 1960
1,80,00,000	5	1st January and 1st July ..	Dunlop Rubber	1950	102	1st January 1966
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	104	30th June .. .. 1971(e)††
12,28,000	5	15th March and 15th September.	Nestlor Chemical Industries	1949	95	 1969-72
28,57,000	4	31st March and 30th September..	Martin Burn Ltd. (Convertible Notes)	1949	535	30th September .. 1964
48,00,000		30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes)..	1947	500 (per note)	31st December .. 1973(e)
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	90N	1st April 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	96	31st March .. .. 1961(e)
1,00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1949	90	31st December .. 1969
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	104½	1st May .. .. 1968(e) ‡‡

(e) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at par on 1-8-1964 or any subsequent interest date. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent after 15 years. † Rs. 1,50,00,000 debentures will after 1-8-1954 but before 1-8-1957 and 1 per cent premium on or after 1-8-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent after 15 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-9-1955. Any debenture outstanding on 1-9-1960 will be redeemed on that date with option to redeem all debentures at par. †† Option to repay on 3 months' notice at par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st cent of a cumulative sinking fund of 11 per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Option to repay at par on 6 months' notice, on or after 1st January 1961. May 1964, onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1958, on 6th months' notice. ‡‡ Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 27th April, 1955.

—	Closing quotations 21-4-1955	High	Low	Closing quotations 27-4-1955
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	122½	—	—	122½
Apollo (2) ..	2 3/16	2-11/16	2 3/16	2-10½
B.B. Cotton Mills (100)	30	35	30	30
Bombay Dyeing (250).	456xd	466½	450½	463½
Central India (100) ..	128	127	126½	126½
Century Mills (100) ..	367xd	377½	368½	374
Colaba (100)	56	—	—	56
Edward Textile (200).	200	202½	200	202½
Elphinstone (50) ..	40½	—	—	40½
Finlay (100)	260	264½	260	264½
Gokak (100)	215	217	216	217
Ind. Unitd. Defd. (1).	1-4½	1-4½	1-4½	1-4½
Ind. Unitd. Ord. (10).	11-13½	12 1/16	11½	11-11½
Indore Malwa (100)	95½	93½	93½	93½
Khatau (100)	167½	171½	167½	168½
Kohinoor (100) ..	315	318½	310½	310½
Lakshmi (250) ..	506½	—	—	506½
Madhusudhan (100) ..	84½	—	—	84½
Minerva Mills (100) ..	100	100	98	98½
Model Nagpur (250) ..	198½	—	—	198½
Morarji (100)	218½	—	—	218½
Myrtle (50)	121½	—	—	121½
National Rayons (100).	200½	201½	198½	199½
New City (100) ..	144½	—	—	144½
New Great (100) ..	150	154	151	152
New Union (10) ..	82½	—	—	82½
Phenix (100)	106½	112½	106½	112½
Podar Mills (100) ..	105½	—	—	105½
Sassoon Blk (10) ..	14½	—	—	14½
Sassoon Spg. (10) ..	27	27	25½	25½xd
Sholapur (1,000) ..	1,400	—	—	1,400
Shrinivas (100) ..	238½	236½	232½	235
Simplex (50)	158½	165	158½	164
Standard (100) ..	340½	344½	338½	338½
Svadeshi (100) ..	194½	198	194½	197½
Swan (100)	338½	340	330½	340
Tata Mill (25) ..	53½	54½	53½	53½
Tinnah (100)	110½	118½	116½	116½
Western India (1,000).	3,875	—	—	3,875
BANKS				
Bank of India (50) ..	146½	146½	145½	146½
Bank of Baroda (10)..	108	—	—	108
Central (25)	49½	49½	47	47½
Central 'A' (25) ..	51½	51½	49½	49½
Dena Bank (50) ..	81	81	80½	80½
Imperial (F.Pd.) (500)	1,680	1,678½	1,660	1,665
Imperial (P.Pd.) (125).	408½	408½	405	405
Union Bank (5) ..	43xd	48	42½	43
United Com. (50) ..	6-10½	6 3/16	5½	6½
	44½	45	44	44½
ELECTRIC COS.				
Ahmedabad (100) ..	106½xd	106½	105 11/16	106½
Amalgamated (10) ..	10 3/16xd	10½	10 1/16	10½
Bom. Sub-El. (100) ..	1,410	1,412½	1,400	1,405
Surat (100)	122½	123½	122½	122½
Tata Hydro (100) ..	129½	129½	128½	128½
Tata Power (1,000) ..	146	—	—	147
	1,497½	1,501½	1,492½	1,492½
INSURANCE COS.				
British India (10) ..	18½	—	—	18½
Empire of India (100).	678	—	—	675
Ind. Mercantile (50) ..	44½	45	44½	45
New India (15) ..	8½	7½	7½	7½
Oriental (100)	7,225	54	52½	53½
Universal (10)	10½	—	—	7,310
Vulcan (10)	10	—	—	10½
				10
STEEL COS.				
Ind. Iron (10) ..	33-15½	34-4½	33½	33½
Tata Steel Ord. (78) ..	235½	236½	234½	234½
SUGAR COS.				
Belapur (50)	31½	31½	30½	30½
Bhopal (10)	15½	—	—	15½
Phaltan (50)	120½	—	—	120½
Walchand Ind. (100)..	22½	22½	20½	20½xd
CEMENT COS.				
Associated Cts. (100)..	179	180½	179	179½
Digvijay (100)	179½	181	179½	180
MISCELLANEOUS				
Alcock Ashdown (100).	263½	—	—	—
Bom. Burmah (15) ..	46½	26½	26½	26½
Do. (New) (50).	47½	47½	46½	46½
Br. B. Petrol (4 sh.) ..	2-4½	17½	170	171½
Br. I. Corpn. (5) ..	3½	3½	3-4½	3-5½
C. P. Ry. (100) ..	8½	8½	8½	8½
Indian Copper (2 sh.).	100	100	98½	98½
Ind. Iron & St. (100)	77	3-8½	3½	3½
Kamp (200)	226½	—	—	77
Kilnick (100)	175½	—	—	226½
Polson (100)	140½	175	175½	175
Port Canning (100)	12	14½	14½	14½
Premier Cos. (30) ..	163	12	12	12
Sebadia (20)	15½	165	161	161½
Shivrajpur (10) ..	74½	15½	15½	15½
Tata Chemicals (10) ..	14-15½	74½	65	65½xd
Tata Oil (25)	30½	14-15½	14½	14-9
W. I. Match (100) ..	205	30½	30½	30½
		208½	203½	205½

GOVERNMENT SECURITIES	22-4-55 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	27-4-55 Rs.
2½% 1955	99½	—	—	99½
2½% 1961	91½	—	3.40	91½
2½% 1962	94½	—	3.94	94½
2½% 1964	92 3/16	—	3.79	92 3/16
2½% 1966	82	—	3.86	82
2½% 1967	99½	—	3.91	99½
3% 1968	99½	—	3.31	99½
3% 1979-81	97½	—	3.25	97½
3% 1964	97½	3.65	3.46	97½
3% 1963-65	93½	—	3.64	93½
3% 1966-68	93½	3.92	3.76	93½
3% 1970-75	90½	4.03	3.90	90½
3% 1984 Con. Loan ..	86½	4.16	3.94	86½
4% 1960-70	103½	—	3.72**	103½
4½% 1958-59	101½	3.62	3.84	101½
4½% 1958-68* ..	101	—	1.84	101
2½% 1961 N.P. Bonds	103½	3.59	4.18	103½
3½% 1964 N.P. Loan.	99½	—	3.57	99½
	98½	—	3.69	98½

BRITISH GOVERNMENT SECURITIES	22-4-55 £	High £	Low £	27-4-55 £
2½% Brit. Consols ..	62½	63½	61½	61½
3% Brit. Transport 1978-88	82½	84½	81½	81½
3% War Loss 1955-59	90½	90½	90	90½
3½% War Loss 1952 ..	84½	84½	81½xd	81½
3½% Brit. Iron and Steel 1978-81 ..	92½	92½	91½	91½
4% Funding 1960-90.	100½	100½	99½	99½

*Current Income. x.d.=Ex-dividend. ** Rupee Counterparts.

COMMERCE

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

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MISGIVINGS OF SUGAR INDUSTRY

THE observations made by Dr. Punjabrao Deshmukh, Union Minister for Agriculture, and Mr. P. A. Gopalkrishnan, Joint Secretary to the Union Ministry of Food and Agriculture, at the meeting of the Development Council for Sugar Industry held at New Delhi last week, provide a pleasant revelation, namely, that the Government—the Food and Agricultural Ministry, to be precise—can no longer be regarded as being ignorant of the problems of the sugar industry. On the contrary, it seems to have a complete understanding of the problems in all their details and can be trusted not to be misled by any vested interests, of which there are plenty not merely among sugar millowners, but also among workers, growers of sugarcane and State Governments. Such close acquaintance with the industry's affairs certainly augurs well for its future. This industry is one of those which are now destined for a prolonged period of control by the State and, if the Government is aware of the strong and weak points of these industries and knows how to tackle them, it will make their working easier. The sugar industry has suffered enough in the past, owing to amateurish handling of controls by the officials. It is, therefore, heartening to find evidence that this will be a thing of the past and that the officials and Ministers have gathered enough experience through the hard, albeit expensive, way of trial and error.

At the same time, it must be said that the mastery which the Government is gaining over the art of administering economic controls, in general, and control over the sugar industry, in particular, gives rise to a disquieting thought. Emboldened by the experience which it has gained, the Government might, one of these days, virtually nationalise the industry. There may be no firm basis for this misgiving at present, but it cannot be ruled out as being totally groundless. Apart from the change in the economic philosophy of the Government, two pointers are there to visualise the way in which the wind may blow in future years. One is the recommendation of the Taxation Enquiry Commission that the Government should set up a special committee to examine a proposal that sugar, along with a few other industries, might be made the subject of fiscal monopoly. This has been regarded by sugar millowners as an implied threat of nationalisation. The creation of fiscal monopoly may, in effect, prove worse than outright nationalisation, inasmuch as the owners of the industry may be reduced to the status of a wage earner, with no guarantee of the safety of, and a fair return on, their capital. The Government has already gained experience in selling sugar by reserving the imports to itself. It now knows how to store sugar, where to store it, and how to sell it. If it continues to do this business for two more years, as it well may, it will have achieved a fair amount of proficiency in sugar business. It will be interesting to note, in this connection, that nearly a third of the sugar consumed during the 1953-54 season was procured and sold by the Government and a slightly smaller proportion of consumption will be met by it during the current as well as the next season.

The second pointer is the establishment of new sugar factories through co-operative societies, with the State and Central Governments taking up substantial shares in the capital of these societies. This is doubtless State entry into the field of sugar manufacture through the back door. It may be true that the Government's intention in helping promotion of sugar co-operatives is not so deliberate as all that, but the ultimate outcome of this step may be what we fear. In any case, a clear statement from the Government clarifying its intentions, at least in regard to the recommendation of the Taxation Enquiry Commission, is called for, in order to dispel the misgivings of the industry. The earlier this is done the better, for this particular misgiving has not yet gained wide currency among sugar mill-owners. When it gains currency, it will affect fresh investment in the industry so essential for its expansion. Already a few of the millowners, who have realised the implications of the Taxation Enquiry Commission's recommendation, have decided not to engage in substantial capital expenditure until the Government's intentions in regard to creation of fiscal monopoly are clearly made known. Both Dr. Punjabrao Deshmukh and Mr. Gopalkrishnan know the necessity for further investment in sugar industry. We are sure that they realise that, so long as the aforesaid uncertainty lasts, such investment will be retarded. They should, therefore, endeavour to allay this apprehension as early as possible.

Now that the Government's knowledge and experience of sugar industry have improved, any failure on the part of the industry to put its house in order and to behave scrupulously will hasten the day of nationalisation. The industry must not, in its own interest, give rise to the impression that suggestions made by it are designed to feather its nest. It must be careful particularly when putting forward suggestions which are likely to result in higher prices for consumers. The suggestion that the Government should cancel or re-sell sugar that has already been bought in foreign countries but not yet shipped to this country falls within this category and the industry should not press this idea too hard. For, if the suggestion is accepted and if, in the next year, sugar supply falls, leading to higher prices, the industry will be accused of having played a nasty trick on the innocent Government. The industry should not take the worthless risk of earning this odium.

It is not suggested here that no advice should be given to the Government. Let the industry by all means help the officials to understand the position, but the responsibility for taking decisions should be left to the officials themselves. If it feels

the Government will be able to repurchase the sugar, which it is now advised to re-sell, in case the necessity for it arises next year, without any loss. Be that as it may, the quantity of foreign sugar that is yet to arrive, namely 223,000 tons, is scheduled to reach this country only after the monsoon, thereby giving plenty of time for domestic producers to dispose of a good part of their stocks. In view of all this and of the wide swings in consumption and production during recent years, the Government's desire to play for safety and the consequent reluctance to cancel the unshipped purchases of foreign sugar is quite understandable. The Government, however, must give all possible assistance to the sugar industry to store its surplus stocks and to commence production in the next season in good time. It must also protect the industry against any loss that may occur on these stocks owing to a fall in prices. It is gratifying to find that Mr. Gopalkrishnan is fully alive to this need, as witness the following quotation from his speech at the meeting of the Development Council:

"Reports from most parts of the country indicate that ex-factory prices for standard quality sugar are ruling in the neighbourhood of Rs. 28-8 per maund. This is a rockbottom price, which ensures only a small margin of profit to most factories and probably different amounts of losses to the others. Any further fall in prices, although it might be welcome to consumers, would be undesirable as long as the cost of production remains what it is. To the extent that costs cannot be reduced, maintenance of an appropriate level of prices is absolutely necessary for the survival of the industry."

It is to be hoped that the Government will not swerve either in spirit or in letter from the undertaking implied in the aforesaid remark of its Joint Secretary.

A notable feature of this sugar season is that production has gone up without any significant increase in the acreage under sugarcane. This has been possible because of the special efforts made by the Union Agricultural Ministry, in co-operation with the State Governments, to increase the per-acre yield of sugarcane by application of more fertilisers. As Dr. Punjabrao pointed out with justifiable pride, this experience illustrates most pointedly the ample scope that exists for increasing the average yields of sugarcane. But the distinguished Minister was a little too optimistic when he inferred from this experience that it would not be necessary for pursuing the policy laid down by the late Mr. Kidwai for shifting factories suffering from unsuitable location to areas ideally suited for growing sugarcane. Mr. E. P. Moon, Adviser to the Planning Commission, who went into this question, found that as many as 20 factories were unsuitably located. Even he seems to admit that only some of these factories can be left undisturbed by proper development of cultivation of cane in their areas of operation.

While it should be possible to improve the average yield of cane per acre by application of fertilisers, more irrigation, etc., there is no gainsaying the fact that, climatically, the tropical areas in the Deccan and South India are more suited for growing sugarcane than the sub-tropical North. The average yield of cane in Bombay and Madras States, for instance, is 28.2 tons and 21.1 tons, respectively, whereas it is only 10.4 tons in the Gangetic area. The same trend is revealed by a study of the average yield in some select farms in all these States where all possible care is taken to step up production on a scientific scale. As against only 60 tons in U.P., the select farms in Bombay and Madras yielded 127 and 94 tons, respectively, during 1953-54. Thus, if the effort and money that are spent to improve the economics of the unsuitably located factories in North India are diverted to the Deccan and South, the results achieved would be far greater than otherwise. While, of course, every effort must be made to improve the yield of cane and the quality of cane grown in Uttar Pradesh, Bihar and other North Indian States, it will be ridiculous to try to perpetuate, by all possible means, the units rendered uneconomic due to locational defect, instead of shifting them to proper sites. To do so will amount to following a policy of least resistance. In any case, in any scheme for expansion of the sugar industry, high priority and preference should be given to the tropical zones. And, if the State Governments in these zones are slack in creating the necessary conditions, the Centre should intervene and persuade them to follow a policy that will be conducive to the establishment of sugar factories in their areas. It is needless to add that, if the Centre fails to do this, it will aggravate the already lopsided growth of the sugar industry.

Although the policy of shifting unsuitably located sugar factories advocated by Mr. Kidwai has not yielded spectacular results—the State Governments are to be principally blamed for this, because they were not co-operative—it has served at least one good purpose. It has induced some sense of responsibility among the State Governments, cane growers and factory workers where these factories are situated. The threat of removal of these factories to some other State has made all of them climb down and take, or promise to take, the measures necessary for economic working of these factories. The workers have promised to be reasonable in their demands; the cane growers are willing to ensure regular supply of cane to the factories and take to intensive cultivation; and the State Governments, for their part, have agreed to see to it that the workers and cane growers keep their promises. It will thus be noted that Mr. Kidwai's policy has not been without commonsense or purpose behind it. The Union Minister for Agriculture would be making a mistake, if he were to give up that policy; he would actually be throwing away an effective weapon for bringing the indifferent States and cane growers, as well as the bullying workers, to their proper senses.

The Development Council deserves to be complimented on rejecting the suggestion for setting up sugar refineries put forward as part of the plan for raising production in the country. We are not one of those who believe that consumption of sugar will not expand rapidly in the coming years. If all the plans for the development of India are executed according to schedule, there will be a marked expansion in the demand for white sugar. But this demand can and should be met by developing the indigenous sugar industry and not by importing sugar, either raw or refined, for ever. As we have pointed out on a number of occasions ere now, the expansion of the domestic sugar industry will be one of the quickest and ideal ways in which gainful employment can be provided for a large number of people in rural areas.

POWER POLITICS IN KANPUR

It is unfortunate that, after 19 years of comparative industrial peace, Kanpur, the nerve-centre of the U.P. textile industry, has been afflicted by a major industrial strife. The majority of the 46,000 textile workers have struck work, under the leadership of the *Suti* Mill *Mazdoor Sabha*, with effect from the 2nd inst., as a protest against rationalisation schemes introduced in certain mills and for redressal of certain other grievances. Ironically enough, the sponsors of the strike are the very persons who, in the course of their memorandum to the Committee appointed in 1938, under the chairmanship of Dr. Rajendra Prasad, now President of India, pleaded for the introduction of rationalisation in the cotton textile industry. Again, a few of these sponsors are the very persons who signed the Nimbkar Committee Report justifying the introduction of the scheme of rationalisation. Further, at the Tripartite Conference held last summer at Naini Tal, it is these very labour leaders who gave their unmixed blessing to the principles of operational reforms in the industry. It was this acceptance that led to the appointment of a seven-man committee, including three labour leaders, in order to find ways and means of applying the principles of these reforms to individual mills in Kanpur. And now, these labour leaders have gone back on their commitments.

At the time of writing, there appears to be hardly any prospect of a settlement between the employers and employees in respect of the main demands in dispute. While the *Sabha* is determined to have its vital demand conceded by fighting to the last, the employers too are in no mood to yield to the threats of labour. The chief demand of the *Sabha* is that the Government should constitute a special tribunal under section 3 of the U.P. Industrial Disputes Act, consisting of a High Court Judge and two eminent economists, to enquire into the various aspects of rationalisation. The *Sabha* has called upon the Government to abide by its decision that, no rationalisation scheme which would lead to unemployment would be sanctioned. Further, it has demanded that, if any work-load were to be increased, the workers should get wages at par with those obtaining in Bombay. Besides, no worker should be subjected to increased work-load, unless he consented or the *Sabha* gave its consent on behalf of the workers collectively. The *Sabha* has listed a number of interim demands which, it says, must be accepted before it agrees to appear before the Tribunal. The main demands are:

(a) As regards rationalisation schemes already enforced by millowners, the *status quo* should be strictly observed, with effect from 25th May. This means cancellation of retrenchment measures enforced by the Muir, Cawnpore Textiles, Cawnpore Cotton and Swadeshi Mills.

(b) Workers of Lalimli, who at present hardly get work for two days in the week, should get at least 15 days' wages in a month irrespective of the period of lay-off in a given month.

(c) Substitute workers who report for duty but are returned for want of work should get at least As. 8 per day as compensation on the days they cannot be put to work. Such compensation is paid in Bombay textile mills.

(d) Retirement gratuity obtaining in the British India Corporation group of mills should be enforced in all the Indian-owned mills as well.

(e) Wage-cuts of workers for their absence on May Day, 1953, and *Shahid* Day, should be restored.

(f) Bonus equal to one week's basic wage for every year since 1952 should be given to workers of all those mills which have refused to give bonus. For the future, three months' basic wages should be recognised as bonus due at the end of every year.

(g) Recognition should be given to the *Surti* Mill *Mazdoor Sabha* and formation of works committees or trade councils be expedited.

Clarifying the position of employers, the Employers' Association of Northern India has alleged that the *Sabha* has made too much capital out of "fancied" grievances of labour in the textile industry. A few of these grievances are already subject matters of consideration by the conciliation boards and the adjudication machinery of the State. These matters, having become *sub judice*, at the instance of labour, cannot now be brought to figure in the list of grievances.

There is no gainsaying the fact that the present plight of the cotton textile industry in U.P., as witness the closure of a number of mills in Agra, Hathras, Lucknow, Banaras and Kanpur, following their uneconomic and inefficient operation, is deplorable. The need of the hour is to place the industry in the State at par with that in Ahmedabad and Bombay. In fact, the industry's demand is for permission to organise its production on the lines on which textile production has been organised in Ahmedabad and Bombay for several years now. As the Employers' Association points out pertinently enough, this request is "not to feather the employers' nest but in order to stand by its commitments to the Government and the public of the State to maintain the employment potentials unimpaired and to sustain the economy of the State in the manner expected and vouchsafed to this industry."

The present strike is costing the country dear. In terms of production, it means a loss of one million yards of cloth every day. The loss of one day's production in these mills deprives 90,000 persons of their share of cloth for one year, on the basis of a *per capita* consumption of cloth of about 12 yards. Thousands of cotton growers, who earn their livelihood by supplying cotton to Kanpur mills, have been hit hard by a further fall in the price of cotton. A large number of handloom weavers who obtain cotton yarn from Kanpur mills will suffer a depletion in the supply of yarn available to them. A considerable number of middle class people, who earn their livelihood by working for the textile mills of Kanpur as agents, dealers, shopkeepers, suppliers of stores, etc., will also suffer a great deal if the strike is prolonged.

Now that the Government of U.P. has decided not to interfere with the dispute, the burden of settlement of the dispute has fallen upon the employers and employees. Unfortunately, the real struggle behind the scene is between the *Suti* Mill *Mazdoor Sabha* and the I.N.T.U.C. The *Sabha* consists of the Communist, Praja Socialist and other political groups which constitute a united opposition to the Congress in the political field. It also consists of a few well-known labour leaders who are Congress men and who, till recently, held key position in the Kanpur branch of I.N.T.U.C. Apparently, the *Sabha*, the membership of which is no more than 3,000, is trying to capitalise the present situation in order to emerge as the sole representative of Kanpur textile labour. In these circumstances, there is little likelihood of a compromise, unless the trade union leaders responsible for the strike rise above politics and view dispassionately the economic problems facing the textile industry in Kanpur.

ORIENTAL LIFE MUTUALISATION SCHEME

UNREST AMONG BANK STAFF—REACTIONS TO COMPANIES BILL—TREND OF WORLD SUGAR

THURSDAY, 5 P.M.

MARKET GOSSIP

THE Bombay Stock Exchange will soon erase from its boards a share which has enjoyed the distinction of being the highest-quoted scrip, namely, the Oriental Life. Now that the Directors of the Oriental—or to give it its full name, the Oriental Government Security Life Assurance Co., Ltd.—have initiated the formal proceedings to give effect to their much talked of decision to convert their company, the biggest of India's life assurance companies, into a mutual office, its shares will cease to be quoted on the Stock Exchange in the near future. The place of this scrip will probably be taken up by the debentures that will be issued by way of compensation to the shareholders. It had been known for sometime now that the ranks of mutual insurers would be strengthened by the addition of the Oriental. The details of the scheme had not, however, been disclosed to the public, though forecasts had appeared in these columns from time to time. Under the scheme, which has now been made available to shareholders, the 3,000 shares of Rs. 200 each of the Company will be converted into 3,000 debentures of the face value of Rs. 8,800 each, carrying interest at the rate of 4 per cent. per annum. The figure of Rs. 8,800, the Chairman, Sir Cowasjee Jehangir, Bart., states in his circular letter to the shareholders, represents "the intrinsic value of the share and is a proper and equitable figure as between the shareholders on the one hand, and the policyholders on the other."

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This figure, it is further stated, has been arrived at by "capitalising at a fair rate of interest the approximate dividend which the shares would earn in future out of the 7½ per cent. of the surplus which are likely to be disclosed from time to time at future triennial valuations of the Company, having regard to the business at present written by the Company and its future likely prospects." Dividends on insurance companies, it may be mentioned here for the benefit of those who are uninitiated into the mysteries of insurance law, are payable out of the 7½ per cent. of the surplus disclosed at any valuation; the rest of the surplus is allocated to policyholders. For 1952, 1953 and 1954, the Company has paid a dividend of Rs. 175 per share, free of income-tax, as against Rs. 125 in each of the three previous years. The shares are currently quoted in the neighbourhood of Rs. 7,450, at which level the yield works out to 2.3 per cent. The yield promised on the debentures is, however, higher at 4 per cent. But then the yield is only one of the factors that have to be taken into consideration. The Company's shares have been greatly fancied by the investors for their intrinsic worth. In 1946, they had touched an all-time high of Rs. 8,600. In 1949, when all shares were down, they had declined to Rs. 4,000. Thereafter they recovered and at one time last year stood at the high level of Rs. 8,025.

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To revert to the Oriental's mutualisation scheme. Until redemption, the debenture-holders have the right to elect their directors to the Board of the Mutual Company. At the outset, the number of such directors will be five but this number will go on dwindling until the debentures are paid off. For every reduction of 600 in the number of outstanding debentures, the number of debenture-holders' directors will diminish by one. The Board will consist of twelve directors, of whom three will be elected under the provisions of section 48 of the Insurance Act, five by the debenture-holders and the remaining four directors by the members of the Mutual Company, that is, by the policyholders again. The scheme provides, in accordance with section 49 of the Insurance Act, that the interest to be paid on the debenture for the three years succeeding any valuation shall not exceed 10 per cent. of the surplus disclosed at that valuation. In the event of any shortfall, it will be made good and paid out of the higher surplus (if any) that may be revealed in the subsequent valuation. The scheme further provides that 15 per cent. of the surplus at any valuation will be utilised to pay interest on debentures and the balance carried to a sinking fund. At the end of 20 years, all the debentures shall be redeemed, though the Company has the option to redeem all the debentures at the end of 10 years, and if this right were not exercised, it could be done so at the end of 15 years. Commending the scheme to the acceptance of shareholders, the Chairman observes:

"The scheme is a just and equitable one between the shareholders on the one hand and the policyholders on the other, and the shareholders get for each share a debenture the face value of which represents the intrinsic value of the share, and which carries a fair rate of interest for this type of security. It will be noticed that the debentures are not made a charge on the Company's assets, which is not necessary for, having regard to the assets and position of the Original Company, the debentures will be paid off with interest as provided in the scheme, and there can be no doubt about it."

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The scheme, after it is approved by the shareholders at the meeting to be held on 15th June next, will be submitted to the Central Government. Under section 6c of the Insurance Act, the Central Government, if it is satisfied that the scheme is reasonable, will accord its sanction. Against this decision, it is open to any aggrieved shareholder to prefer an appeal to the High Court within 90 days of the order sanctioning the scheme. It is believed that the Central Government will not withhold its sanction to the scheme, as the informal consent of the Finance Ministry has already been secured by the Company's Board of Directors.

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There have been no outstanding developments in the share market this week, excepting heavy liquidation in Indian Irons which has brought the value of that share to nearly Rs. 33. Tata Ordinaries have been irregular, their value fluctuating between Rs. 235 and Rs. 238, with considerable resistance at the lower level. Market circles have now taken it for granted that an increase of Rs. 50 to Rs. 60 per ton in the retention price for the Company will be granted by the Government, that the Company's plan to double its production under the second Five-year Plan has been finalised and that this plan has received the support and blessings of the Government. They are, however, anxiously waiting to see whether any strings are attached to the increase in the retention price, whether the Company has been successful in getting any assurance from the Government giving immunity against nationalisation and if so for what period.

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For the second week in succession, leading textile shares have been well supported. Centurys were the hot favourite, while Bombay Dyeings and Kohinoors enjoyed limited turnover. Among the backbenchers, New Greats shot up Rs. 10 to Rs. 162 due to some buying by a few influential operators. There are rumours that the management of this Company is likely to change hands in the near future. Similar rumours were there in the past, but nothing came out of them. There is no reason to believe that it will be different this time.

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The Government of India has been quite sensible in reducing the import duties on cotton goods, both British and non-British. This is a sequel to the representations made by the British Government that India's import duties were prohibitive. The manner in which the duties have been reduced is in line with our earlier anticipations. The reduction has set at rest an ugly controversy that had risen in both the countries, a controversy that nearly threatened to disturb Indo-British trade relations. In material terms, it may mean very little either to India or Britain, but it has yielded a large psychological gain. The Government in Britain is pleased with India's gesture, while its counterpart in India is happy that it has been able to accommodate Britain, its best customer, without having to embarrass its domestic manufacturers. That the share market has well received this development is evident from the absence of any setback in the value of textile shares. This is only as it should be, for the reduction in duties is not likely to be accompanied by any large imports. On the contrary, India's gesture to Britain has averted the possibility of the British Government placing restrictions on imports of Indian cotton goods into the U.K.

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The bullion market is heading for a crisis. The bears have been badly caught and are being forced by the bulls to pay heavy penalty in both gold and silver for carrying forward their commitments. As against floating stocks of 10,000 tolas of gold and 500 bars of silver, total outstanding sales (or purchases, if you like, because there can be no sale unless there is a purchase) are said to be of the order of 80,000 tolas and 1,500 bars. It is noteworthy that such a large turnover in the current settlement has taken place, despite the heavy margins which the bulls have had to pay. All this is rank speculation, but it will be ridiculous on the part of the Government to intervene at this stage. The bears and bulls must be allowed to fight out their battles to the bitter end. The consequences of this battle will not harm the general public in any way.

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The work of the Bank Award Enquiry Commission is now progressing rapidly under the chairmanship of Mr. Justice P. B. Gajendragadkar, who has taken the place of the late Mr. Justice Rajadhyaksha, and the report of the Commission is expected to be submitted to the Government of India by the end of next month. The peace between banks and their workmen, which prevailed for a short time after the workmen had agreed to co-operate with the Commission, has, however, again been disturbed over the question whether the increment of basic pay and consequential increase in dearness allowance which have become due to bank workmen from 1st April, 1955, are to be added to the total emoluments, which the workmen are getting at present, or whether they can be set off against the temporary adjustable allowance which forms part of their total emoluments. It will be recalled that the Government order of 24th August, 1954, modifying the Decision of the Labour Appellate Tribunal has provided that "where, by reason of this Decision as modified by the Central Government by its order dated 24th August, 1954, becoming enforceable, the monthly emoluments inclusive of all allowances of any employee of a bank are less than what he in fact received or would have received in the normal course for the month of March, 1954, the reduction in the emoluments shall not be given effect to at once, but shall be spread over a period of three years from the date on which this Decision as modified becomes enforceable, so that on the completion of one year from the date this Decision as modified becomes enforceable, the monthly emoluments of the employee are reduced by one-third of the difference between the emoluments he in fact received or would have received in the normal course for the month of March, 1954, and the monthly emoluments to which he is entitled under this Decision as modified, and on the completion of two years, the monthly emoluments are reduced by a further one-third of such difference and so on."

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According to the aforesaid provision, the total emoluments of bank workmen at present are made up of basic pay *plus* allowances *plus* temporary adjustable allowance. The contention of the workmen is that the increment in basic pay and increase in dearness allowance which have become due from 1st April, 1955, cannot be set off against the above temporary adjustable allowance and must be added to the total emoluments which they are getting at present. The Indian banks, on the other hand, maintain that they can be set off against the temporary adjustable allowance and that the total emoluments need be increased only if and to the extent that the increment of basic pay and the increase in dearness allowance are greater than the temporary adjustable allowance. In support of this view, they rely upon clause 5 of the Government Order mentioned above which states that no change in paragraphs 285 to 292 of the Sastry Award is called for. It is reported that these banks have taken counsel's opinion in the matter and that the opinion supports the above view. It is also reported that the Government of India holds the same view, but that it cannot issue any statement on the subject, first, because interpretation of a statute or a statutory order of Government can be given only by a relevant court of law and, secondly, because it does not wish to be considered as taking any side in the present controversy. It is further reported that bank workmen are trying to make the banks accept their contention by conducting daily demonstrations in Bombay and a number of other cities in India and by resorting to a pen-down strike daily for two or three hours in Calcutta. A pen-down strike hampers the work of a bank more than an ordinary strike, because, whereas during an ordinary strike, when the workmen are away, officers can do the work of the workmen at least to some extent, they cannot do so during a pen-down strike when the workmen remain seated in their chairs but refuse to do any work. Indian banks have acted on their above view in making payments to their workmen for the month of April 1955, and have not increased the total emoluments of the workmen where there has been enough temporary adjustable allowance for the set-off of the increment in basic pay and increase in dearness allowance. It is reported, however, that the Exchange banks in Calcutta have increased the total emoluments by the increment of basic pay and increase of dearness allowance that have become due from 1st April, 1955, but have called these additional emoluments a temporary advance to be adjusted when effect is given to the directives that will be given by the Bank Award Enquiry Commission. These directives, as approved by Government, will be given retrospective effect from 1st April, 1954. Meanwhile, bank employees are said to have decided to go on a token strike all over India sometime next week.

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The future of joint-stock enterprise, in which the stock exchanges in the country are greatly concerned, will be largely determined by the Companies Bill. This Bill, in the form in which it has emerged from the Select Committee, is not calculated to inspire much confidence among large-scale investors. The many restrictive clauses which the Select Committee has proposed will impose not a little hardship on company managements. It is true that for some time now business men were aware of some of these provisions. Those who knew the composition of the Select Committee, which contained only two representatives of trade and industry, had lost all hope of seeing the Committee take a less dispassionate view of the role of private enterprise. Even so, it will be widely regretted that the Committee has not taken note of the many closedly reasoned representations made by representatives of the business community.

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The Committee has made many major changes in the Draft Bill. Among these mention deserves to be made of the provisions relating to managing agents, for this will affect the very basis of joint-stock enterprise in India. Most joint-stock units—nearly 75 per cent. of them—are managed by managing agency firms. It is this system which has been the main target of the Committee's axe. Thus, the Central Government is given power to notify that all companies engaged in any industry or business specified by it shall have no managing agent. In any case, there will be no managing agents from 15th August, 1960; the Government has powers to grant exemptions from the operation of this rule. The Committee has also decided that no person should be a managing agent for more than ten companies after 15th August, 1960, when all managing agencies, except those that have been renewed with the consent of the Government, come to an end. In order to prevent evasion of this requirement, persons closely associated with the managing agent of a company will be treated as the managing agent of that company for the purpose of reckoning the number of ten. But, in calculating this number, a private company, which is neither a subsidiary nor a holding company of a public company, an unlimited company, an association that does not work for profit are, of course, excluded. That the Committee has attached the greatest importance to conformity with the clause restricting the maximum number of companies that may be managed by a person is clear from the fact that a heavy penalty, namely, a fine of Rs. 1,000 for each day on which, and in respect of each company for which, a person acts as managing agent for more than ten companies has been provided.

(*Continued on page* 911)

NARROW MOVEMENTS IN SHARES

SELECT TEXTILES IN FAVOUR

(From Our Own Correspondent)

BOMBAY, *5th May*

TRADING on the Stock Exchange continued to be lifeless again this week also. The trend of prices was indecisive and the range of fluctuations was narrow. There was absolutely no enthusiasm on the part of speculative operators to lend support to the market. There were several factors which restrained activity. The delay in announcement of retention prices of steel, made the operators weary. The major changes made by the Joint Select Committee in the Company Law Amendment Bill in regard to the system of managing agents caused further uneasiness. The move made by some members of the Congress Parliamentary Party to have a reduction in the compensation to be paid to the shareholders of the Imperial Bank, the assurance given by the Prime Minister and Finance Minister that the principle of compensation at market value accepted in the case of the Imperial Bank would not govern future State acquisitions and that henceforward compensation would have to be only "just and fair" in consonance with the latest amendment of the Constitution, were viewed with concern. The reduction of import duty on British textiles was also a deterrent factor. Besides, in Calcutta, sentiment remained depressed under the cumulative influence of selling pressure in Indian Irons sharp fall in jute goods and weakness of tea shares. This, in its turn, subdued the tone of the local market. Conditions were thus not conducive to active trading. The reports that the Chairman and Vice-Chairman of the Tata Steel would leave for the U.S. on 12th May for discussions on the financial aid for the Company's expansion programme gave rise to fresh hopes that the retention price would be announced in a few days' time. But this had no appreciable effect on prices.

In the steel section, Tata Ordinaries staged an improvement in the earlier part of the week from Rs. 234-12 to Rs. 238-4, but reacted to close at Rs. 235-12 today. Indian Irons edged forward from Rs. 33-15 to Rs. 34-5 before finishing As. 10 lower at Rs. 33-5.

Select counters in the textile section attracted attention and prices recorded fair gains. Bombay Dyeings moved between Rs. 461-4 and Rs. 466-14 before closing at Rs. 464-6. Kohinoors came up to Rs. 317-12 from Rs. 315-4 and finished at Rs. 315-8. Centurys received considerable speculative support and rallied by Rs. 10-8 to Rs. 384-8. New Greats, Lakshmis, Shree Niwas and Standards were the other counters which were in the limelight, New Greats recording a gain of Rs. 11 to Rs. 163, Lakshmis Rs. 26-4 to Rs. 532-8, Shree Niwas Rs. 3-2 to Rs. 238-2 and Standards Rs. 21-4 to Rs. 360.

The weakness of Barodas, which dropped by Rs. 3-8 to Rs. 101, was the main feature in the banking section. Centrals made a recovery of Re. 1-8 to Rs. 48-12 and their 'A' shares Re. 1 to Rs. 50-8. Imperial Fully Paids picked up Rs. 15 to Rs. 1,680, while Bank of Indias were steady at Rs. 146-8.

On reports that the scheme of mutualisation would be considered by the shareholders of the Oriental at a meeting to be held on 15th June next and be forwarded to the Central Government, the shares gained Rs. 140 to Rs. 7,450. New Indias, on the other hand, shed Rs. 2-4 to Rs. 51.

In the miscellaneous section, sugar shares were fairly steady, Belapurs being done at Rs. 307, Phaltans at Rs. 118-12 and Walchandnagars Rs. 2-8 higher at Rs. 208-12. On news that the dividend has been raised from Rs. 6 to Rs. 8-8 per share, Digvijays spurted from Rs. 180 to Rs. 186-12, but reacted to close at Rs. 181-4. Scindias were quiet at Rs. 15-8¾ and Great Easterns at Rs. 15-15. Alcock Ashdowns gathered Re. 1-14 to Rs. 264-6, while Premier Constructions were dull at Rs. 161. Larsen and Toubros hardened from Rs. 13-4 to Rs. 13-13. The Company has maintained the dividend at Re. 1 per share of Rs. 10 for the year 1954 and this is the sixth consecutive year for which the dividend is being maintained at this level. Shivrajpurs were steady at Rs. 65-8, while Indian Coppers were featureless at Rs. 3-7. B.B. Petrols gained As. 1½ to Rs. 3-6½. Bombay Burmahs (old) were quietly steady at Rs. 466-4, while B.I.Cs reacted from Rs. 8-10 to Rs. 8-3¼. National Rayons found support to go up by Rs. 2-4 to Rs. 201-8, while Wimcos dropped Rs. 3-2 to Rs. 205.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, *4th May*

A livelier trend was in evidence on the Calcutta Stock Exchange during the sessions till Monday. Factors such as the Finance Minister's gestures in reducing the new excise duties as well as his decision to tax perquisites of company officials in each case, more or less, on its merits, reports of increasing industrial production, and the expectation of an early announcement regarding new retention prices for steel, helped broaden enquiries and made operators active. However, a note of caution was in evidence during the two sessions, yesterday and today, following the report from New Delhi giving details of the changes proposed by the Joint Committee of the Lok and Rajya Sabhas, to whom the Company Law Amendment Bill had been referred.

If the changes incorporated by the Joint Committee in the Bill are accepted by Parliament, that would control the system of managing agency in such a way that it would be difficult for the agencies to function. The mending that is being aimed now may as well bring about the end of the system. The market is particularly interested in this subject, since the great part of the development the country has to its credit has been the work of companies which are directed by experienced personal as managing agents. The activity in the market is cautious, because of the new changes proposed.

Textiles remained quiet, and operators were waiting for the official announcement which was made yesterday and which revised the import duties on certain classes of textiles as a gesture to Lancashire. Elgin Mills were steady and at Rs. 18-5 accounted for a rise of As. 11. Kesorams were unchanged at Rs. 26-8, whereas Cawnpores declined to Rs. 8-14 from Rs. 9-1 and Dunbars to Rs. 198-8 from Rs. 200.

Coals were a little better, and the best feature was provided by Central Indias rising to Rs. 7-13 from Rs. 7-2. Western Bengals hardened to Rs. 7-7 from Rs. 7-4, while Khatras Jherriahs crossing at Rs. 48-4 were lower by As. 11. From Rs. 11-4, South Karanpuras were shifted to Rs. 11-14, Standards remaining quiet at Rs. 17-12. Pench Valley gave way to Rs. 23 from Rs. 23-3. Burrakurs could not go beyond Rs. 13-5 after opening at Rs. 13-1.

The weak nature of the jute goods market was fully reflected in jutes, where, however, Howrahs were a singular exception to the general trend of the section. The quotation opened at Rs. 29-14 last Thursday and had risen to Rs. 30-12 by the week-end. On Monday, the gain was fully maintained, but on Tuesday the rate sagged to Rs. 30-5. Nationals hovered at about Rs. 34-6 for most part of the week but closed lower at Rs. 33-15. Nuddeas were maintained at Rs. 56. Champadanies recovered to Rs. 173 from Rs. 171, but Budge Budges were pulled down to Rs. 190 from Rs. 194. Ganges were two points lower at Rs. 106, while Lansdownes at Rs. 132 regained three points. Gourepores lost to Rs. 336-8 from Rs. 337-8. Chitavalsahs to Rs. 14-6 from Rs. 14-9, and Dalhousies to Rs. 140 from Rs. 149.

Although there were no impressive rises in engineerings, prices were steady. Richardson and Cruddas were bought at the higher rate of Rs. 18-7 but subsequently receded to Rs. 18-1. Indian Galvanisings were an outstanding feature for the spurt to Rs. 23-11 from Rs. 23-2. Jessop & Cos. were shown keen interest, which improved the rate to Rs. 36-10 from Rs. 36; but subsequently there was a sagging tendency which saw the quotation give way to Rs. 36-2. Braithwaites hardened to Rs. 24-6 from Rs. 23-11. Indian Irons were dealt with around Rs. 34. Kumardhubis were steady at Rs. 11-9. Texmacos, although fractionally lower at Rs. 18-4, were steady.

Among sugars, Champarans were raised to Rs. 31-5 from Rs. 30-8. Carew & Cos., after regaining to Rs. 13-2 from Rs. 12-9, fell to Rs. 12-2. Bairampores encountered support at Rs. 9-9 as against Rs. 8-5 previously.

Miscellaneous industrials provided some features. A strong counter was Indo-Burma Petroleums, which, following the news of the declaration of dividend of 30 per cent. for the year ended December last, as against 20 per cent. for 1953, reached a high of Rs. 150, a gain of 27 points. Subsequently, profit-taking reduced the gain to Rs. 147 at which rate, however, the quotation was fully steady. Another feature was provided by Rohtas Industries hardening to Rs. 26-2 from Rs. 25-7. Martin Burns were better at Rs. 23-7 as against an opening of Rs. 23-2. From Rs. 25-1, Indian Cables were raised to Rs. 25-9. Titaghur Papers were marked As. 3 higher at Rs. 44-3.

After remaining steady early, teas were pulled down as offerings began to increase and not sufficient buying support was forthcoming. East Indians lost to Rs. 28-8 from Rs. 30-8, Hantaparas to Rs. 342 from Rs. 365, and Hasimaras to Rs. 45 from Rs. 48. Earlier, Brahmaputras hardened to Rs. 10-15 from Rs. 10-9, but moving down to Rs. 10-10 were nevertheless steady. At Rs. 15-4, Brooke Bonds were lower by Rs. 1-14. Duffaghurs were hammered down to Rs. 49-14 from Rs. 52.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, *4th May*

For the third week in succession, the performance of the Madras Stock Exchange turned out to be discouraging. In fact, there was a general wave of selling pressure. Under the leadership of tea scrips, most of the others declined and recorded sizable losses over the week. The decline in the tea scrips was due to prospects of good crop. The cut in the retail price of tea leaves in the U.K., following accumulation of heavy stocks, was another contributory factor. Rubber and coffee scrips ruled almost easy in sympathy with the tea scrips. The miscellaneous scrips proved no exception to the generally dull trend. Business transacted was limited to a narrow range.

A notable feature of the week was the declaration of a dividend of 25 per cent. each by the Anandam Rubber Co., Ltd., and the Udayagiri Rubber Co., Ltd., for the year ended 31st December, 1954. The dividend for the previous year was 10 per cent. each. The directors of the Tropical Plantations Ltd. have announced a dividend of 20 per cent. for the year ended 31st December, 1954, as against 12 per cent. in the previous year. The directors of Rane (Madras) Ltd. have decided to hold an extraordinary general meeting on 21st May, 1955, to sub-divide the existing shares, both ordinary and preference, into ordinary shares of Rs. 5 each. After this, they propose to issue new shares. Regarding the issue of new shares by The Nilgiri Tea Estates Ltd., referred to last week, it is decided to put through all transfers of shares received by them upto 11th May, 1955, so that such holders are entitled to apply for the right shares and post to such transferees applications and renunciation forms immediately. The Company will also accept renunciation letters from shareholders till 20th May, 1955.

OUTLOOK FOR INVESTMENT

A bright future for equity investments in India was forecast by Mr. V. Rangachari, the retiring President of the Madras Stock Exchange Association Ltd. Addressing the annual general meeting of the Association, held last week in Madras, Mr. Rangachari said that India was now "on the threshold of an industrial revolution, the like of which this country had not experienced before." The harvests of the first Five-year Plan and the even greater adventure to be embarked under the second Five-year Plan for the uplift of the economic and social conditions of our vast population would, in his opinion, provide sufficient opportunities for the wise investment of our funds and our talents. If they did not, he failed to see what else would.

Mr. Rangachari did not, however, fail to draw attention to some of the developments during the past twelve months which had shaken the faith of the investors, namely, the Avadi Resolution adopting the socialistic pattern of society, nationalisation of the Imperial Bank of India and the amendment to Article 31(*a*) of the Constitution. He said it was premature to predict whether the welfare State could be attained through socialistic policies. But he voiced the concern of the stock markets over its implications. He rightly averred that the stock markets would continue to feel fettered by fears of hasty or ill-conceived implementation of the ideal of welfare State. As regards the State Bank of India, Mr. Rangachari said that future experience alone could show how far it would be possible for the State Bank to achieve the twin objectives of retaining its predominant position in the commercial field and at the same time extending its operations on the rural side and how much money would flow into the State Bank by way of rural deposits. Referring to the amendment to the Constitution, Mr. Rangachari pointed out that it was disquieting that this amendment proceeded from the apprehension that the Courts might not interpret the law according to the intentions of the makers.

Another important development of particular concern to investors in Madras, on which Mr. Rangachari dwelt at length, was the levy of agricultural income-tax on plantation crops by the Governments of Madras and Mysore. He said that the assumption that a flat rate of tax on the income of plantation companies could not be regressive in its incidence ignored the material difference between industrial concerns and plantation companies. Thus, while industrial concerns were able to plough back a substantial portion of the profit by means of depreciation and other allowances, so as to enable them to modernise and expand their plants and machinery every few years, planting companies got little depreciation benefit. If, therefore, a large portion of their profits were taxed away, as at present, they could retain nothing for replanting old areas and opening up new ones. Plantations were at a further disadvantage. For, they had not only to contend against the fluctuations in commodity prices but also against variations in the crop harvested, which could be great, particularly with a fruit crop likely coffee. The implications of these, it would appear, have not been fully appreciated by the Government as witness the meagre concessions given in the shape of allowance for replanting expenditure. The Government seems to have been carried away by the temporary prosperity enjoyed by the industry. But the position has changed considerably and the industry is again facing anxious times, particularly in tea.

EXPORT DUTY ON TEA

The Government of India has fixed the price of tea, for the purpose of determining the export duty, at Rs. 3-6-6 per lb. for the month of May, 1955, as against Rs. 3-8-9 per lb. for April and Rs. 4-3 per lb. for March. On this basis, the export duty will be As. 8 per lb., being the same as that for the previous month. The reason for the duty remaining unchanged, despite a slight fall in the price basis, is that the rate of duty is the same for any basis price which falls within the slab between Rs. 3-4 and Rs. 4 per lb. Accordingly, the export duty will be lower only if the basis falls below Rs. 3-4 per lb.

NEWS IN BRIEF

EXPORT of wheat products, such as *atta, maida, sooji* and *rawa* obtained from indigenous wheat has been permitted by the Government of India.

The Government of India has decided to allow free licensing of exports of copper utensils and copper artware to all permissible destinations, other than the Portuguese possessions in India.

The Coke Oven Plant at Sindri, which started operation on 1st September, 1954, has already reached the production target of 600 tons per day, making Sindri self-sufficient in regard to its coke requirements.

The Bombay Senate has approved of a scheme to start a course in business management to be conducted by the School of Economics and Sociology. The course will be open to junior business executives already in employment and diplomas will be awarded to successful candidates.

The Mysore Legislative Assembly has passed a resolution seeking to fix the maximum salary of a Government officer at Rs. 1,000 per month and requesting the State Government to appoint a Committee to evolve a salary structure removing the existing disparity in salaries.

An official delegation from the Reserve Bank of India will pay a visit to Kashmir in the middle of this month on a study tour to examine the working of co-operatives in the State. The delegation will suggest various measures for developing the co-operative movement in the State.

Talks between India, Pakistan and the World Bank on the Indus water dispute will be resumed at Washington on the 12th inst. The World Bank's award on the dispute will be the basis for further talks. It is expected that the talks will enable the parties concerned to reach some sort of a settlement in the near future.

The Union Government has been licensing freely, with effect from 30th April, the export of indigenous maize starch to all permissible destinations, except the Portuguese possessions. Licences will be granted on shipping bills to manufacturers as well as non-manufacturers of maize starch till the end of September, 1955.

The Madhya Pradesh Government has assured the cultivators in the State that it would buy wheat from them, if the price of approved quality wheat falls below Rs. 10 per maund. The State Government has already selected 28 centres where arrangements for the purchase of wheat would be made.

The British Steel Mission to India, led by Sir Eric Coates, has returned to London. It is reported to have favoured, in its preliminary report, Durgapur in Bengal as the site for the third steel plant, because of its "decided advantages" over the other sites. The Mission will, however, study in detail the claims of other sites in the Bengal-Bihar industrial belt before making its final recommendations.

The Travancore-Cochin State Government is considering a proposal to establish a factory for the manufacture of steel poles under the second Five-year Plan. The factory will be the first of its kind in India and will be established near Cochin, with a capital of Rs. 50 lakhs. It is expected to turn out 300,000 poles a year. The Government hopes to get the necessary technical assistance from Germany.

India is not likely to become self-sufficient in arecanut before 1966-67, that is before the end of the third Five-year Plan, according to Dr. Punjabrao Deshmukh, Minister for Agriculture, as arecanut plant takes eight to ten years to bear fruit. It is, however, a conservative estimate, but the target is likely to be reached earlier than that. Efforts are being made to increase production both by intensive and extensive cultivation.

The Government of India has stopped the sale of imported wheat in Calcutta and Bombay with effect from 2nd May, 1955. This step is stated to be one of the important measures which the Government is taking to provide further support to the price of wheat in internal markets. This step is expected to increase the demand for indigenous wheat by at least 60,000 tons per month.

The Mysore Legislative Council has passed a resolution, after discussing the report of the Committee which went into the question of the working agreement entered into by the Government with the Kolar Gold Fields mining companies in 1949, urging the Government to take such measures as it may consider necessary in the interests of the State. The State Legislative Assembly, it may be noted, had earlier adopted a resolution approving the recommendations of the Committee.

Five operational agreements have been signed in New Delhi between the Governments of India and the United States involving the total U.S. assistance to the extent of over $1.28 million. The Government of India's total contribution to these joint projects exceeds Rs. 2.2 crores. The projects covered under these agreements are: (1) assistance to technical educational institutions; (2) live-stock improvement; (3) ground-water exploration; (4) flood control, and (5) modern storage of foodgrains.

The Licensing Committee of the Government of India has granted a licence to a private concern to start and run a ferro-manganese factory in Srikakulam district, Andhra State. The factory will be started in collaboration with a foreign firm, at a cost of Rs. 1.5 crores. It will be capable of manufacturing 30,000 tons of ferro-manganese per annum. Several places in Srikakulam and Visakhapatnam Districts are said to contain manganese ore and this will be utilised to manufacture ferro-manganese, the surplus of which, after meeting the country's requirements, can be exported.

Experiments at the Indian Veterinary Institute, Izatnagar, have shown that cow-dung can be used as a poultry food. The Institute, which carried out a systematic search for cheaper sources of proteins, found that cow-dung has male and female hormones and can be profitably used as proteinous diet for hens. Washed and dried cow-dung, when given to hens, increases their egg-laying capacity; washings of cow-dung when mixed with normal food and given to chickens induce quicker growth accompanied by a better development of combs and wattles.

A Bill to provide for the establishment of river boards for the regulation and development of inter-State rivers and river valleys has been introduced in the Rajya Sabha. According to the statement of objects and reasons of the Bill, before giving any advice to State Governments in regard to regulation or development, a Board will try to secure agreement among the State Governments both with respect to the measures to be undertaken and with respect to the sharing of financial liability involved in undertaking such measures. Another Bill to provide for the adjudication of disputes relating to waters of inter-State rivers and river valleys has also been introduced.

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From Abroad

Hungary has signed an agreement to buy 50,000 tons of Egyptian cotton valued at £850,000 (Egyptian). This agreement follows those made with the Soviet Union and Rumania.

China, which had to import most of its requirements of paper until a few years ago, has started exporting newsprint to Viet Nam, India and other countries. China produces 30 varieties of paper, including insulating paper, cement bag paper and fibre sheets.

At a meeting held last week in London, shipowners from 16 countries passed a resolution urging that aid by Governments, direct or indirect, towards the development and operation of national air services should be progressively eliminated as rapidly as practicable.

Negotiations for Japan's full entry into G.A.T.T. are going on smoothly. Japan has won the support of 21 member-nations and, if its application is backed by 23 countries, it would automatically be admitted. Britain is one of the countries which is opposed to Japan becoming a full member for domestic reasons.

France proposes to subsidise exports to French Union territory, for the first time, in an attempt to recapture its dwindling markets for textiles in Indo-China. France no longer enjoys special preference in that market where sales have fallen. These losses partly explain the recession in the French textile industry which has developed this year after a two-year period.

Australia's production of crude steel during 1954 amounted to 1.65 million tons, as compared with 1.28 million tons in 1953, or a rise of about 29 per cent. This trend is in refreshing contrast to the decline of 5.1 per cent. in the total world production. No other country in the world has shown a proportionate increase in crude steel production even remotely comparable to that of Australia.

The Norwegian Parliament voted another £250,000 last week to the Norwegian technical aid project in India. In previous years, the Norwegian Parliament had voted altogether £1,500,000 to this project. The project is designed to help fishing communities in Travancore-Cochin, by improving catching and distributing methods and by raising health standards.

The difficulties, which occurred recently over one of the biggest Russian contracts signed last year covering an export order for about £7 million worth of British textile machinery, are reported to have been resolved. The settlement, however, still "leaves in jeopardy" several million pounds worth of orders for British goods for which Russia negotiated last year.

India will get 98,000 tons of steel under an agreement signed in New Delhi recently by the U.S. and Indian Governments. The U.S. will contribute about $11 million towards the project. India's cost will be approximately $1,260,000 mainly to cover transportation and inland handling. The agreement forms part of the overall U.S. technical and economic aid for India's development.

The Brazilian Government proposes to continue its policy of supporting cruzeiro coffee prices in the 1955-56 crop year. Unofficial estimates place the new crop at 16 million to 17 million bags, which, together with the carryover, will make available between 21 million and 22 million bags for export during the next crop year. This is expected to result in a fall in prices.

One of West Germany's leading manufacturers of detergents, the Rel-Chemie Company of Boppard on the Rhine, is considering licensed production of synthetic detergents in India and Japan. The Company has already floated a corporation in Brazil for the production of detergents. Half of the capital for the Brazilian venture will be provided by the German company and the remainder by Brazilian interests.

PERSONAL

MR. E. Royston and Mr. J. K. Srivastava have been elected Chairman and Deputy Chairman, respectively, of the Employers' Association of Northern India, Kanpur.

The Earl of Home, Secretary of State for Commonwealth Relations, U.K., will visit India, Pakistan and Ceylon on his return journey from a visit to Australia and New Zealand during the British Parliament's summer recess.

Mr. N. D. Gulhati, Joint Secretary to the Union Ministry of Irrigation, has left for Cairo, *en route* to the U.S. Mr. Gulhati is leading the nine-man Indian delegation at the Indus water dispute talks to be resumed at Washington on the 12th inst.

Mr. H. Subramaniam of Messrs. Chitra and Co., stock and share brokers, Madras, and Mr. K. Venkataraman of Messrs. Venkataraman and Co., have been elected President and Vice-President, respectively, of the Madras Stock Exchange Association Ltd. for the year 1955-56.

Mr. Hollister, a lawyer, has been selected by President Eisenhower as the head of the International Co-operation Administration, the new agency for foreign aid, which will replace the present Foreign Operations Administration on 1st July, 1955.

Mr. A. C. Ramalingam, J.P., has been re-elected President of the Institute of Secretaries, Bombay, for the year 1955. The other members of the Council of the Institute are: Messrs. C. C. Sutaria, A. D. Tarkas, J. B. Tijoriwala, V. G. Ghate, E. R. V. Raghavan, I. S. Mehta, C. J. Gambhirwala, H. A. Bharucha, P. L. Kapadia, and M. De Melo.

Mr. A. D. Calhoun, Vice-President of the First National City Bank of New York, New York, has arrived in Bombay in the course of his tour of the Far Eastern countries and India. He has already visited the Far Eastern countries and will pay a visit to Colombo and Karachi before leaving for New York.

OBITUARY

Mr. T. V. Sundaram Iyengar

We regret to record the demise of Mr. T. V. Sundaram Iyengar, founder of Messrs. T. V. S. and Sons, well-known motor dealers and transport operators in South India, in Kodaikanal on Thursday last week. Mr. Iyengar was 78 at the time of his death. He was the pioneer in the motor transport industry in South India and started a bus service in Madura District in 1912. In 1923, he established the firm of Messrs. T. V. Sundaram Iyengar and Sons Ltd., which now operates a large number of buses and lorries under the name and style of Southern Roadways Ltd., besides many depots and service stations. The bus and lorry service established by Mr. Iyengar has earned a reputation for its punctuality, efficiency and courtesy. Mr. Iyengar was a very progressive employer, keenly interested in the welfare of his employees.

"COMMERCE" 1930

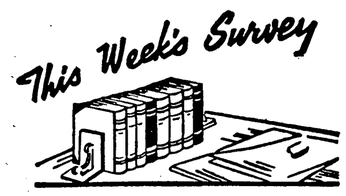
FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *10th May*

Bank Rate Reduction

Mr. Philip Snowden seems to be quite pleased that the Bank of England rate has again fallen. He explains the further drop from 3½ to 3 per cent. as a direct result of his bombshell Budget. For our own part, we cannot, we regret, regard this extended Bank rate declension as a cheerful reflection of the existing industrial position. It would have been much better, we think, if a sustained demand for financial accommodation had imparted a firm tone to money rates; whereas, on the contrary, the Bank rate declension suggests a protracted period of cheap money, the result of the comparatively low level of discount rates abroad, a recession in trade activity, and a decline in commodity prices. Although a still further reduction in the British Bank rate is considered improbable at the moment, yet we shall not be surprised, all things considered, if a reduction to 2½ per cent. takes place within the ensuing three months. Opinion in financial markets is admittedly an erratic pendulum, having a tendency towards extremes; but it would be foolish to close our eyes to market tendencies; and in the monetary situation of today the tendency is undoubtedly downwards. In spite of Mr. Snowden's boast, we beg leave to submit the postulate that the Governor of the Bank of England made his declension decision not under the influence of budget considerations, but because of the exigencies of the international monetary situation as a whole; and it is more than likely that the reduction in the rate was influenced largely by the Wall Street slump.

The Government of India has placed a £200,000 order for eight large cranes of varying sizes with a British firm of railway-plant manufacturers. The firm has gained the contract in the face of keen competition from firms all over the world. It is expected that the order, one of many from India, will be completed by the end of 1956 or early in 1957. The contract for the cranes is part of the Indian Government's programme for the re-equipment of its railways.



CAPITAL AND EMPLOYMENT

ANY dispassionate analysis of the problem of employment—rather of unemployment—in the country will be widely welcomed, considering that the discussion of this issue, more than of any other, is apt to be clouded by sentiment, if not by passion too. It was precisely such an analysis that Mr. K. C. Mahindra, Chairman of the Indian Aluminium Company, Ltd., attempted in his comprehensive address at the annual meeting of the Company. Mr. Mahindra, who, with characteristic self-revelation, said he was not of the "gloom and doom" tribe of business men, tried to clear the cobwebs of shibboleths and half-truths that have grown around this topic. This is a task which was well worth doing, for many errors in economic policy have been committed under the ostensible guise of providing more employment. And Mr. Mahindra has done it well indeed.

The first thing to remember about unemployment is that it cannot be solved without some check on population. Mr. Mahindra rightly held that the country should adopt "long-term measures for restricting the birth rate." In the absence of such measures, even if the country reached the target of 12 million new jobs, which the Government has in view, it would not solve the problem. The next thing to remember is the consideration that unemployment is a "direct co-efficient of the productivity of the nation." The countries with a high man-hour output have a higher level of employment and of wages. Emphasising that people should work more intensively than at present, Mr. Mahindra pointed out how the average American, though he works 15 per cent. fewer hours, has roughly 50 per cent. more purchasing power than he had 25 years ago. This has been possible because capitalism has placed in the hands of men tools for increased production; capitalism has, as Nicolai Lenin, whom Mr. Mahindra quoted approvingly, said, "created a productivity unknown under serfdom."

How have these higher plateaus of productivity, with all the accompanying advantages of higher wages, more leisure, and better amenities, been reached in the West? The answer must be sought in the technological revolution that has taken place in those countries. In India, as Mr. Mahindra pointed out, many advocates of handicrafts and cottage industries "seem to believe implicitly that the closing of all factories would provide employment for a large number of people and that there would be no shortage in the production of goods and articles." Obviously, they do not realise that their policy is bound to result in economic stagnation, if not in economic deterioration.

Surely, what the country needs is a bold programme of industrialisation that will utilise the best that science can offer. It is true that the implementation of such a programme would imply a high rate of capital formation as well the ability to know and use technical advances. It is also true that technical know-how has to be borrowed from abroad. Indeed, it is being done even now, though not from the right sources. This is true particularly of some Government-sponsored deals. Drawing attention to this defect in State-owned projects, Mr. Mahindra said: "For steel we have gone to Russia, for shipbuilding to France, for machine tools to Switzerland—all very amiable arrangements, but Russians are not reputed to have the most modern technology in steel operations, nor the French in shipbuilding, nor the Swiss in machine tools manufacture. Must we import antiquated practices in our haste to install industrial facilities in the country?"

Some schemes for economic improvement need more capital than others. In this connection, Mr. Mahindra made the very pertinent suggestion that the Government might implement such labour-intensive schemes as housing, slum-clearing, roads and communications, irrigation and hydro-electric projects and leave the other schemes, which are merely capital-intensive, to the private sector. This would seem to provide an eminently workable basis for the demarcation of the economic sphere into private and public sectors. It also fits in with the generally accepted view that while public utilities are best administered by the State, industries and services with a high risk element are best left to the care of private enterprise.

UNEMPLOYMENT INSURANCE

One of the important subjects on the agenda of the 14th session of the Indian Labour Conference to be held at Bombay next week relates to the desirability of introducing unemployment insurance scheme in place of the present provisions for lay-off and retrenchment compensation. It is believed that this item has been placed before the Conference at the instance of the All-India Manufacturers' Organisation (A.I.M.O.), Bombay.

It would appear that the proposal to institute an unemployment insurance scheme is a sequel to the difficulties experienced by industries, particularly the medium and small-scale industrial units, as a result of heavy compensation prescribed for lay-off and compensation under the Industrial Disputes (Amendment) Act, 1953. The A.I.M.O. itself has criticised these compensation levies as being heavy in their incidence. The lay-off compensation, as is well known, is equal to 50 per cent. of the total of basic wage and dearness allowance and is payable for 45 days in a year. This period of compensation is liable to be extended without limit even if the lay-off continues for reasons beyond the control of the management, when there is no agreement to the contrary between an employer and his workers. Compensation, in the case of retrenchment, is payable at the rate of 15 days' average pay for every completed year of service or any part thereof in excess of six months. Since such legislation had not been anticipated, many concerns, the A.I.M.O. points out, had not made any provision for payment of compensation. Retrenchment compensation, according to it, is particularly heavy as this requires payment for the entire period of previous years of service of the retrenched workers. Further, no distinction has been made between large-scale units, on the one hand, and small-scale units, on the other. All the units covered by the Indian Factories Act, irrespective of their resources and capacity, have been treated alike for purposes of this law.

This is not all. Even the retrenchment of a small number of workers, consequent upon rationalisation of the methods of production, which is of benefit to the factory concerned, has not been differentiated from the cases of substantial or wholesale retrenchment of workers due to the closure of the factory either partially or wholly, on account of such difficulties as shortage of electric power, irregular supply of raw materials, lack of railway transport, competition from imports, etc., which are beyond the control of the management. Such units, it is rightly held, actually need monetary aid for resuming their normal working. Consequently, the A.I.M.O. holds that any additional burden by way of retrenchment compensation will make it altogether impossible for them to carry on, thereby defeating the very object of the Government to promote employment opportunities and encourage medium and small-scale industries. Accordingly, it has suggested that the burden of compensation should be borne equally by the workers, who are the sole beneficiaries, employers and the Government. It has advocated the institution by the Government of a compulsory insurance scheme to cover the risks of lay-off and retrenchment, the premium being payable by Government, employers and employees in equal proportion. There is no doubt that the unemployment insurance scheme, advocated by the A.I.M.O. is an improvement over the present scheme of compensation and would provide an effective and practicable solution to the problem of payment of compensation to retrenched workers.

DEVELOPMENT OF CHEMICAL INDUSTRY

The tale of progress of the Indian chemical industry in 1944, narrated, in some detail, by Mr. Mohanlal T. Shah, President, Bombay Branch of the Indian Chemical Manufacturers Association, at the annual meeting held at Bombay on Monday last, makes impressive reading. The industry has every reason to be proud of its achievements in the year. In its history the year will stand out as an important landmark in that it witnessed a series of developments of outstanding significance. Thus it saw the birth of two Development Councils, one for heavy chemicals and the other for pharmaceuticals. A high power committee was appointed in the year for the location of additional fertiliser plants. Steps were initiated to implement the various recommendations of the Pharmaceutical Enquiry Committee which submitted its report last year. Action was also taken to establish a fertiliser-cum-heavy water plant at Nangal during the year.

Progress was recorded in other directions too. Chemical production as measured by the index figure rose from 517.7 in 1953 to about 610 in 1954. Out of 137 items manufactured, the output of all but 37, recorded an increase during the year. New production capacity was established in several basic chemicals and production commenced in several new lines. Special attention was paid to long-term problems of the industry. Attempts were also made to start the manufacture of chemotherapeutics and dyestuffs. A scheme for the manufacture of sulphuric acid from gypsum and pyrites made progress. Production of sulphuric acid and caustic soda reached new high levels in the year under review. The first plant for the production of acetic acid, calcium carbide and ammonium chlorine commenced regular operations. There was also increase in production of drugs and pharmaceuticals.

The picture thus presented is, indeed, encouraging, but this should not give room for any complacency. For, as we have emphasised ere now, in spite of this progress, only the fringe of the problem has been touched. The industry is not only still undeveloped but is facing many handicaps retarding its growth to full dimensions. Mr. Shah's emphasis on the urgency for eliminating the handicaps must be said to be both timely and appropriate, as the industry has a great role to play in the second Five-year Plan period. The chief reason for the progress of the industry not being commensurate with the needs of the country is shortage of capital. This is an industry the capital cost of which is generally higher than that of other industries owing to the high rate of obsolescence of capital equipment. Additional investment is needed for the education of scientists and chemical engineers and for setting up laboratories for research and experiment. Thus, the capital needs of this industry are large and, if on top of this, the capital market is tight, the magnitude of this difficulty of the industry can be easily imagined.

Apart from shortage of capital, non-availability of electric power at cheap rates has also arrested the growth of the chemical industry. In this connection, Mr. Shah's fear of Bombay losing its leadership in the field of chemical industry may be considered as genuine. For, if the State Government does not come forward with bold schemes for generating and supplying electric power, the chances are, as he says, that the industry may migrate to the Punjab, Bihar or Bengal where the prospects of getting power easily are brighter, thanks to the large river valley projects, such as Bhakra Nanal and Damodar Valley which are nearing completion. He thinks that provision of cheap power, tariff protection and financial assistance in the shape of loans and grants are quite essential, if the State is to produce or expand, under the second Five-year Plan, production of nitrogenous and phosphatic fertilisers, caustic soda and bleaching powder, ferro-manganese, ferro chrome, phosphoric acid and phosphates. Mr. Shah, however, feels gratified at the recent steps taken by the State Government for increasing the supply of power through the execution of the Koyna Hydro-electric Project, and the Trombay Power Jog electric power generators in Mysore.

The mere availability of power is not enough. What is equally important is its cost. Power must be made available at cheap rates, if the chemical industries using it are to work economically. For, as Mr. Shah says, power accounts for a major share in the cost of production of chemicals. In the opinion of Mr. Shah, the power rate should not be more than half anna per unit for producing caustic soda electrically and quarter anna per unit for producing phosphorus economically, a raw material for safety matches, phosphor copper and phosphates used in medicines, tooth pastes, rust-resisting compositions, etc. He adds further that, if power is cheap, acids and alkalis could be produced cheap, and these, in their turn, help concentration, purification, and reaction of enormous quanties of monozite and other products for securing materials such as uranium or thorium for generating atomic energy for peaceful purposes. He quotes the latest view prevailing in the U.S. that it would pay to produce nuclear energy in places where the cost of coal is more than $10 per ton. In Bombay State, the cost of coal at factory sites is about Rs. 45 per ton, which, in terms of U.S. dollar is equivalent to

about $10. Mr. Shah, therefore, considers it advisable to formulate schemes for generating atomic energy as a source of power to the regions in the West Coast of Bombay which are far removed from Indian coal mines. This argument sounds convincing.

U.S. TARIFFS

It is gratifying to note that the U.S. Senate Finance Committee has at last approved of President Eisenhower's recommendations for a liberalised foreign trade programme. The Bill embodying these recommendations, it will be recalled, was first moved in the Congress in January last. Having been approved by the House of Representatives, it came before the Senate Finance Committee. Before giving its consent, the Committee made some amendments to the Bill. As approved by the Committee, the Bill seeks to extend the Reciprocal Trade Agreements Act for three years with effect from 12th June, 1955, and give the President authority to reduce tariffs at the rate of 5 per cent. per year for three years, that is, by 15 per cent. during that period, in return for similar advantages in foreign markets. None of the so-called commodity amendments to protect specific products from foreign competition by the use of import quotas or higher tariffs has been adopted. The Committee has, however, accepted a compromise proposal designed to forestall such amendments when the Bill reaches the Senate shortly.

The U.S. Senate's decision on the programme recommended by President Eisenhower will be awaited with considerable interest the world over. Any impartial observer of trends in world trade in the past few years will readily admit that it is the high level of tariff wall and the cumbersome customs regulations maintained by the U.S. and several other countries that have all along been the biggest stumbling blocks in the way of an expanding and multilateral system of world trade. Despite the repeated emphasis laid, ere now, on the need for lowering U.S. tariffs and simplifying customs procedure as a means of strengthening the economy and security of the non-dollar areas of the free world, the progress actually achieved in this direction has been none too satisfactory. It is doubtful whether the Bill, as now passed by the Senate Finance Committee, will meet with the approval of the Senate. The doubt arises from the host of demands for protection from individual industries. There is also a general movement to restrict the scope of the Bill either by limiting the President's power to ignore the recommendations of the Tariff Commission or by renewing the existing Act for less than three years asked for. Drawing attention to these possibilities, the *Financial Times* (London) observes:

"If these two groups of interests can make common cause, the Administration may have difficulty in getting the Bill through. Both parties too are more or less united on the general question of regaining the legislative initiative for Congress. Democratic opinion is divided on the Presidential request for approval of U.S. participation in the Organisation for Trade Co-operation (which is to replace the G.A.T.T.) and a similar request about membership of the new International Finance Corporation will complicate matters still further. The Trade Bill is certain to be contested bitterly on the floor of the Senate, and it is likely to be passed in a satisfactory form only if the President is willing to throw the full weight of his prestige behind it. He will have to exert further pressure during the next two or three weeks, if the Bill is to go through substantially unamended."

Viewed against this background, it will be appreciated that President Eisenhower's renewed plea for Congressional enactment of the Administration's trade programme is, indeed, commendable. The rejection of the programme, Mr. Eisenhower has clearly warned, will constitute a serious setback to the U.S. hopes for global peace. And he minces no words when he declared: "Either we foster flourishing trade between the free nations or we weaken the free world and our own economy." Equally commendable is the plea of Mr. Pink, Chairman of the Citizens Conference on International Economic Union—a private organisation—for support to two Congressional Bills, one to extend the U.S. Reciprocal Trade Agreements Act and the other to ratify U.S. membership in the Organisation for Trade Co-operation (O.T.C.). The plea is based on the need to preserve the General Agreement on Tariffs and Trade (G.A.T.T.) and prevent international trade warfare. The ratification of the O.T.C. membership by the U.S. is regarded as an essential prerequisite for operating the revised G.A.T.T. machinery. The O.T.C., it is said, would interpret trade agreements, conciliate disputes and grant waivers where necessary. Incidentally, it is interesting to note that the 34 signatories to the G.A.T.T., including the U.S., together account for 80 per cent. of world trade.

WOES OF LAMP PRODUCERS

The Government's attitude towards the lamp manufacturing industry in India appears to be not as helpful as it should be. The State can help the industry in many ways, but the experience of lamp manufacturers shows that such help is not readily forthcoming. According to Mr. B. K. Rohatgi, Chairman, the Indian Lamp Factories Association, Calcutta, they are finding it difficult to get their samples tested at the Government Test House. It is stated that this institution not only charges a high rate but also causes delay in submitting the reports on its tests. If this charge is true, the Government must take prompt steps to enhance the utility of the Testing House.

Further, Government Departments do not appear to pay adequate attention to the question of placing orders for special types of lamps. For Mr. Rohatgi observes, in the course of his address at the annual meeting of the above Association held at Calcutta on 28th April, that orders are denied to the manufacturers even when the lamps are according to specifications. He, therefore, suggests that the Indian Standards Institution should lose no time in laying down the specifications for Indian lamps, so that they may facilitate the removal, once for all, of doubts regarding the quality of different lamps produced by the industry.

Considerable hardships are being experienced by the industry on account of the manner in which the State Governments make payments for lamps purchased by them. Not only are delays caused in payments but no sales tax is paid even on those purchases which are not exempted from sales tax laws. This attitude is regrettable indeed. The Development Council for light engineering industries, on which lamp manufacturers are also represented, should take up this question with the Government.

Railway bottlenecks too seem to contribute their own quota to the troubles of the lamp manufacturing industry. According to Mr. Rohatgi, at some stations goods are accepted at the goods shed and wagons are allotted after a long time and when the goods are despatched no previous intimation is given to either the consignor or the consignee. In certain other centres, bookings are suddenly opened or closed without notice. Complaints similar to these have been made by other industries also in the past. Railways will do well to adopt some suitable procedure to avoid the irregularities pointed out by Mr. Rohatgi.

Lamp manufacturers see in the new excise duties on electric lamps at the specific rates, as levied by the Finance Minister in his modified Finance Bill for 1955-56, another source of difficulty. It is feared that this would increase the price by about one anna for lamps upto 100 watts, As. 4 for lamps from 150 to 300 watts and As. 8 for those of 500 watts and above. As the industry is already suffering from surplus capacity, the imposition of this additional burden is expected to aggravate the situation further.

Mr. Rohatgi is of the opinion that the current 12½ per cent. restriction on production of the industry should be continued in 1955 also. For, he considers that the total internal production during 1954 was short of the total restricted capacity of the industry by about 5 million pieces, in spite of an increase of 15 per cent. in the output of lamps and of 1 million kw. in that of electricity.

The President of the Indian Lamp Factories Association thinks that there is need for caution in estimating the demand for lamps in the country. He estimates the total demand for all sorts of lamps during the next five years to be 40 million lamps, taking into account the demand on account of increased power supply and expansion in housing and industrial activities. This demad does not, however, include the miniature lamps. In this context, he suggests that the Government should restrict rigidly the importation of these lamps, as the industry is able to satisfy the internal demand.

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RISE IN REAL "PER CAPITA" INCOME

It looks as though the pace of economic development in India has been more than commensurate with the rate of population growth. During the year 1953-54, for instance, the national income of India (at 1948-49 prices) was higher by 4.5 per cent. at Rs. 9,950 crores, as compared with the previous year, while population registered a rise of only 1.3 per cent. to 373.37 million. These calculations are based on the estimates made by the Central Statistical Organisation in the second issue of its annual paper on national income. The increase, in real terms, of 4.5 per cent. in the national income during 1953-54, compares favourably with 3.9 per cent. in 1952-53. The corresponding increase in *per capita* income in real terms also compares favourably being 3.3 per cent. during the year under review, as against 2.5 per cent. in 1952-53. The *per capita* income of an Indian (at constant prices) was Rs. 266.5, as against Rs. 258.1. The estimates for 1953-54, we are told, are based on partial material and are subject to revision, while those for 1952-53 are based on the detailed method of estimation followed for the earlier years.

A comparison of the figures of net national output at current prices presents a somewhat different picture. Thus, the national income of India during 1953-54 is estimated at Rs. 10,600 crores, as compared with Rs. 9,860 crores in 1952-53, which represents a rise of 7.5 per cent. The *per capita* income works out to Rs. 283.9, as against Rs. 267.4.

The following table indicates India's net national output at current and constant prices during the last four years:

	1950-51	1951-52	1952-53	1953-54 (Prelimi-nary)
Net output (in crores of rupees)—				
At current prices ..	9,530	9,990	9,860	10,600
At 1948-49 prices	8,850	9,160	9,520	9,950
Per capita net output (Rs.)—				
At current prices	265.2	274.5	267.4	283.9
At 1948-49 prices	246.3	251.7	258.1	266.5
Index number of net output (1948-49=100)—				
At current prices	110.2	115.5	114.0	122.5
At 1948-49 prices	102.3	105.9	110.1	115.0
Index number of per capita net output (1948-49=100)—				
At current prices	107.4	111.2	108.3	115.0
At 1948-49 prices	99.8	101.9	104.5	107.9

The latest official figures relating to national income throw some interesting light on capital formation and finance in the public sector, as also on the Government's share in national expenditure during the first two years of the Five-year Plan. These are given below:

	1950-51	1951-52	1952-53
Government capital formation and finance (in crores of rupees)—			
Surplus on current account and maintenance provision	190	280	170
Borrowing at home	50	Nil	70
Borrowing abroad	10	70	80
Extra-budgetary receipts and adjustment for cash balances	20	—50	80
Gross capital formation on current account	270	300	300
Government share in national expenditure (percentage)—			
Current expenditure on commodities and services (Government administration)	5.6	5.5	5.8
Administrative capital expenditure..	1.0	1.0	1.2
Enterprises capital expenditure ..	1.6	1.8	1.7
Net national expenditure at market price	100.0	100.0	100.0

It will be seen from the foregoing figures that the gross capital formation on Government account during the first two years of the Five-year Plan was very low, being no more than Rs. 300 crores per annum. The Government's share in the generation of the net product also stands low; during 1952-53, the contribution made to the net domestic product of the country on Government account was a bare 8.7 per cent.

ECONOMIC ASPECTS OF BANDUNG

BUDGET DEFICIT MAY BE MUCH GREATER

From A Special Correspondent

NEW DELHI, 3rd May

DELHI LETTER

THE proceedings and conclusions reached in the historic Bandung Conference attracted considerable attention both inside and outside Parliament this week. Members of Parliament were inclined to assess the results of this important Asian-African Conference in the political and economic spheres in the coming months. It is conceded that this Conference reflects the political emergence in world affairs of over half the world's population.

It is generally admitted that greater political cohesion will naturally lead to intimate economic relationship between these powers in the coming years. From the point of view of economic strength, the countries which assembled at Bandung recently are backward, despite substantial natural and potential resources. Their foreign trade is limited, being confined to exports of some essential raw materials, foodgrains, etc. The necessity to improve the economic conditions in these countries as early as practicable was fully recognised by almost all the leading statesmen of this part of the world. Hence, during the Conference week, economic and cultural issues were referred to separate committees and their reports were finally adopted by the committee of the whole Conference.

As a result of India's leading role in this Conference, the responsibility of this country in influencing and moulding the economic policy of the participating countries will become greater in the coming years. Generally speaking, the flow of international trade is greater among neighbouring countries than between nations separated by long distances, but this factor is not much pronounced in the foreign trade of many Asian and African countries. This is because many of these countries had long been or still is under the political subjugation or control, as the case may be, of some leading Western powers. India, for instance, has long been having intimate trade connections with the U.K. which happens to be not only the best customer for India's products but also the leading supplier of manufactured goods. Indonesia has also good economic relationship with Holland because of long political bondage with the latter. Even today, Holland happens to head the list in the import trade of Indonesia. The U.S.A. has long been enjoying the lion's share in the trade of the Philippines and, for many years, the goods manufactured in the U.S.A. were allowed into this Island free of duty. Similarly, the foreign trade of Burma, Malaya, Ceylon, etc., is greatly with the U.K., while that of Viet Nam and the former Indo-China was until recently controlled by the French Government. The political subjugation and control have long been very much pronounced in regard to many countries in Africa. Almost all the leading West European powers have long ago divided this huge African Continent amongst themselves. While the U.K. tried to push its goods and manufactures through the adoption of Imperial Preference, France was trying to restrict the imports of manufactured articles of other countries into the territories under its control in Africa. Even today nearly 50 per cent. of exports of France are being sent to the colonies controlled by it. The vast mineral oil resources of the Middle East are now controlled by the U.K. and the U.S.A. which has come into this field in recent years.

Another factor that should be borne in mind is that the economic prosperity of many of these countries is dependent on a very few commodities. Any sharp fluctuations in their prices and any change in the pattern of demand, either uncontrolled or regulated, have important repercussions on the prosperity of the vast humanity inhabiting this part of the world. Rice and rice products, for instance, are nearly responsible for more than 80 to 85 per cent. of Burma's export trade. Similarly, rice, rubber and mineral products for Cambodia-Laos-Viet Nam, tea, copra and allied products and rubber for Ceylon, tea, copra, rubber, tin (and tin ore) and petroleum and products for Indonesia, rubber and tin for Malaya, raw jute, raw cotton, raw wool and hides and skins for Pakistan, abaca (unmanufactured), coconut products and sugar for the Philippines, rice and rubber for Thailand, tea, jute goods, cotton manufactures, spices, etc., for India, long-staple cotton for Egypt, etc.—all these commodities occupy places of importance in the export trade of the countries mentioned against them. As stated above, the main customers for these commodities are Europe and the U.S.A. and, in consequence, any change in the economic conditions in this part of the world has been affecting considerably the fortunes of the Asian-African countries. Again, the scientific and technological advances, as, for instance, the manufacture of synthetic rubber by the U.S.A. and Canada, have also been exercising unhealthy repercussions on the economy of the Far Eastern countries, inasmuch as the substitution of artificial rubber for natural rubber has been restricting the consumption of the latter, with adverse effects on the prosperity of natural rubber producing countries.

The diversification of foreign trade of these countries is necessary, in order to impart a certain amount of stability to their economies. In almost all these countries, perhaps with the exception of India, Japan and some other nations, there is absence of entrepreneurial skill and managerial personnel, not to speak of technical and skilled personnel to man the industries. The problem has to be tackled from scratch. Private capital is shy and risk capital almost non-existent. Hence, the Governments of these underdeveloped countries will have heavy responsibilities to discharge, particularly in raising the living standards of their people. It is, therefore, encouraging that the Bandung Conference has proposed the establishment of a special United Nations Fund for economic development. With capital from this fund, the Governments might begin to set up some processing industries for which raw materials are readily available in their countries. Among the assembled nations, India has been making rapid progress, as also China with the help of Soviet Russia. Japan is perhaps the only country with high industrial traditions. In the Middle East, Turkey too made notable progress in recent years, while Egypt is now making efforts to improve its economy in a number of directions. There is considerable scope for these countries to develop shipping, banking, insurance, etc., with a view to bringing about a rapid economic development of their people. Technological institutions will have to be established for promoting technical education. In all these, the scope for India, occupying as it does a pivotal geographical position, to play a leading part is considered good.

Only last week it was suggested here that, as a result of the changes in the Finance Act due to many concessions afforded by the Finance Minister, the budget deficit of the Central Government for 1955-56 would increase by about Rs. 8.88 crores to Rs. 17.35 crores. As matters stand, the deficit is expected to increase further by about Rs. 20 to Rs. 25 crores in the coming months. For instance, the budget estimate of export duties on tea is placed at Rs. 30 crores for 1955-56, as against Rs. 19 crores in the revised estimate for 1954-55, and Rs. 11.62 crores being the actuals for 1953-54. Higher realisations from this tax were expected to result on account of the introduction of the slab system of export duty. Some time before the budget, the duty was raised to As. 10 per lb. and since prices of tea were then ruling very high in the export markets of the world, it was presumably thought by the Government that, as a result of the operation of the slab system of export duty, the collections from this tax would swell to such an extent as to yield Rs. 30 crores to the Treasury. The latest trend of tea prices in the London market, however, suggests that the high prices of tea are not likely to be maintained in the coming months. Already, the rate for Indian common tea in London has come down to 4s. 6d. per lb. and, if the decline were to persist for some time more, the export duty will have to be brought down from As. 8 to As. 6. In such an event, it will be doubtful whether the Government will get a total revenue of about Rs. 16 crores in 1955-56, as against the estimated figure of Rs. 30 crores. This apart, there is a proposal to restrict the imports of sugar, in which case the revenue from this item will also decline. In all, it is likely that the total yield from these two items alone will decline by about Rs. 20 to Rs. 25 crores, taking up the budget deficit well above Rs. 40 crores for the current year, unless there is a corresponding increase in the yield of other taxes.

POLICY AND POLITICS

LABOUR PARTY MANIFESTO

From Our Own Correspondent

LONDON, 30th April

LONDON LETTER

TO the surprise of nearly everyone not closely connected to the inner circles of Labour Party policy making, the manifesto published on the eve of the election has come as something of a shock. It had been generally assumed that the Labour Party had been without a policy throughout its years of opposition and that this election had come before it had realised that it had to have something more positive than mere opposition with which to appeal to the electorate. The first warnings came in the budget debate, when to the surprise of both sides of the House, Mr. Gaitskell succeeded in attacking the Chancellor's budget for distributing his benefits mainly to those who needed them least. This line of attack was made to look much more reasonable than Mr. Butler had anticipated it could be and it is already clear that the Conservatives are no longer placing a major reliance on the budget to win the extra votes they need for a larger working majority. Their line is to show that freedom from controls has given the economic system in the country a chance to expand fruitfully but they are vulnerable in the face of the rumblings of an uneasy balance of payments.

The Socialist attack will show that the free economic paradise can work for a time, but it is no substitute for that degree of control over the economy which is necessary if it is to expand continuously.

Indeed, their manifesto "Forward with Labour" takes its boldest line in the field of planning and public ownership. The Opposition have apparently passed through the phase at which they had qualms about further nationalisation: They know that the nationalised industries have been praised in private by both sides for the work they have done in increasing investment and advancing technical efficiency in their various fields. Labour have thus been emboldened to repeat that they will re-nationalise iron and steel and road transport and, further, that they will nationalise a part of the profitable chemical and machine-tool industries. They are also prepared to make a new approach to the problem of farm support. The present Government has leaned towards implementing the guarantees to producers through the mechanism of a free market, making up through deficiency payments to producers as a whole the gap between what the market pays and the guaranteed price. But producers are very control-minded and the Socialist Party has definitely decided to back them wholeheartedly in the formation of Producer Boards, which, they say, must be designed to protect the consumer as well as the farmer. This admirable objective they will find more difficult to achieve than to enunciate.

The consumer is also going to be looked after through the establishment of a Consumers Advisory Service which will be a watch-dog against shoddy goods, unscrupulous trade practices and poor food standards. If necessary, the Labour Party would be prepared to reintroduce price controls but they are at great pains to rebut any charge that they would reintroduce rationing. Whether they would, in fact, be able in the distributive trades to control both prices and quality without paying out Government money or allowing producers to charge excessive prices and without rationing remains to be seen, but neither their own past experience nor that of the present Government has been happy in this respect. No one, indeed, in the distributive field has found it easy to do without the spur of competition but there are admitted inefficiencies in retailing and the manifesto can certainly make political capital out of it.

Naturally, great changes on the domestic financial front are promised. The receivers of earned income would benefit in comparison with the receivers of investment income and apparently a new Labour Chancellor would be expected to tax capital gains. The Opposition believe that adjustments in the tax system, coupled with further nationalisation and positive control over investment, will encourage higher production. "Fair shares" is to be the slogan under which prices are to come down, industrial production and exports are to increase, and the balance of payments is to be put right and long-term prosperity ensured.—*All Rights Reserved.*

COMPANIES BILL TOO COMPLICATED

DISSENTING MINUTE OF MR. TULSIDAS KILACHAND AND MR. G. D. SOMANI

THE Joint Select Committee Report on the Companies Bill was presented to Parliament on Monday, the 2nd inst. The Report is by no means unanimous, there being as many as seven minutes of dissent. We give below a long extract from the dissenting minute jointly submitted by two Members of Parliament belonging to the business community, namely, Mr. Tulsidas Kilachand and Mr. G. D. Somani, wherein they have clearly explained the complexities of the Bill:

The Joint Committee have made many major changes in the Draft Bill, some of which are of a fundamental nature. The more important of the new provisions are those relating to managing agents and secretaries and treasurers; those requiring greater details to be given in balance-sheets and profit and loss accounts, and filing of balance-sheets of private companies with the Registrar; those affecting the qualifications, rights and duties of directors; those providing for investigation of the ownership of companies and giving increased powers to the Central Government in respect of appointment of inspectors; and those tightening up the provisions relating to prospectus. The Bill in its present form is prolix, instead of concise; complex, instead of simple and intelligible; and restrictive and rigid, instead of flexible. It is mainly on the issue of these objectionable features of the Bill we differ from the majority view.

The existing Companies Act has about 300 sections. The Draft Bill contained 612 clauses, whereas the Bill as it has emerged from the Joint Committee contains about 690 clauses. Even the revised U.K. Companies Act is shorter, and includes 462 sections. Moreover, there are many instances of loose drafting, especially in clauses 2(2), 4, 51A, 131, 189A, 223, 272A and 420. There are many provisions which add to the complexity of the Bill. Probably, clauses 2(2), 5A and 6 defining "associate," and "relative" and "persons in accordance with whose directions or instructions the directors are accustomed to act" are the ones that are chiefly responsible for the complexity of the Bill. The meaning of the term "associate" has been made more comprehensive, and now includes a number of persons, firms and corporations, who were not regarded as "associates" at all in the Draft Bill or in the existing law. The third term will lead to arbitrary interpretations. Complications will also arise owing to such provisions as liability of promoters for omission of relevant facts from prospectuses, even where such omission is of an immaterial nature, or gives an impression to shareholders less favourable than that which they would otherwise have got. Other provisions which are unnecessary in our opinion are: independent auditing by qualified auditors of private companies; filing of balance-sheets of private companies with the Registrar; and the filing of the draft of the managing agency agreement (before the agreement is signed) with the Registrar along with the memorandum and articles. The margin of time in the existing Act for raising the minimum subscription before allotting shares has been reduced from 180 days to 120 days. We think this will cause the abortion of many new enterprises, as in India the capital markets are not highly developed and other conditions are not as favourable as in other countries. At the same time, it will not afford a commensurate benefit to subscribers. The provision in the Bill allowing persons who are not members to attend and vote at company meetings, and to speak in the meetings of private companies, is a dangerous provision, as it will enlarge the scope of professional mischief-mongers. The provision in one of the schedules to disclose the secret reserves of a company, in its published accounts is unnecessary, and it will create confusion and might lead to embarrassing demands on the management from shareholders and other demands that are inconsistent with the present policy of the Government to encourage corporate savings.

Retrospective Effects

The complexity of company management would certainly increase if this Bill is enacted, as it contains many clauses which have a retrospective effect, and which would cause disturbance in existing rights and liabilities of shareholders and others and create embarrassing situations. Especially objectionable in this respect are the clauses relating to the voting, dividend and other rights of shareholders, and investments of a company in excess of the prescribed limit. Prevailing share values are based on existing rights of shareholders, and if these rights are disturbed changes in share value would occur, resulting in undeserved losses to some and windfalls to others. According to clause 356, investments made after 1st April, 1952, and before the commencement of this Act, which are in excess of the prescribed limit, and which do not get the requisite approval in a general meeting of the Company and of the Government, are required to be sold off within two years. This may lead to heavy losses to the companies affected, particularly if there is no ready market for such shares.

Over and above these complexities, there are many needless prohibitions and restrictions in the Bill. The absolute prohibition against the issue of equity shares with differential rights in respect of voting, dividends, etc., does not seem to us to be advisable in the prevailing circumstances. Similarly, the prohibition to appoint associates as buying and selling agents on commission basis in India irrespective of the fact that their business connection with managing agents or secretaries and treasurer is remote, and irrespective of the fact that they may be the best qualified parties, may not necessarily operate to the benefit of the company. Clause 74 prohibits the redemption of preference shares from sale proceeds of the company's property. We do not see why a company should not be allowed to redeem its preference shares out of the sale proceeds of its unwanted property. Similarly, we are unable to understand why clause 73 prohibits the application of, or writing off of, premiums received on shares to or against items other than those laid down in the clause, especially the writing off of premiums against revenue losses. In many instances, even minute details which should best have been left to the company to work out, are sought to be regulated by law.

Needlessly Heavy

There are many instances of restrictions being needlessly heavy. For instance, the appointment of managing agent or associate as selling or buying agent outside India requires a special resolution instead of an ordinary resolution. Similarly, loans to companies under the same management in excess of specified limits also require a special resolution, instead of an ordinary resolution. There is no reason why a special resolution, instead of an ordinary one, is necessary for the appointment of certain persons connected with managing agents as directors, especially as the right of managing agents to nominate ex-officio directors is limited to one-third of the Board or two persons, whichever is less. Under clauses 287A and 287B, an increase in the remuneration of directors is subject to Government approval, although the fixing of such remuneration in the first instance is not subject to their approval. Similarly, Government approval is necessary whenever there is a change in the constitution of managing agents, not only when such change is of a material nature, but also when such change is of no consequence at all, as, for example, when a nominal or infinitely small fraction of the shareholding is transferred.

Joint-stock companies have been the most important form of industrial and commercial organisation in all democratic countries during the last century, and, indeed, the number of joint-stock companies and the value of their paid-up capital in any country may be regarded as a rough index of its industrial and commercial development. As the company law of a country has an important bearing on its economic development, its provisions should be conducive to the promotion of joint-stock companies, their efficient and honest management and healthy growth. In our view, the present Bill contains many provisions which are needlessly restrictive rather than helpful, and complex and ambiguous rather than simple and intelligible. This will hinder rather than facilitate promotion of companies, and make their day-to-day administration rigid and difficult, especially for smaller parties who cannot afford either to employ legally qualified staff or to pay heavy fees to legal experts. In India, the companies tend to be smaller in size than in advanced countries such as the U.K. and the U.S.A. Moreover, in the interest of industrialisation, especially in the countryside, it is necessary that more and more companies should come into existence, and, to this purpose, the Company Law should be made simple and flexible, in order to make its operation easy for promoters and organisers in the countryside. If the present complex and restrictive character of the Bill is retained, it may discourage the formation of small companies, especially in the countryside, and cause the conglomeration of companies in large cities, such as Bombay and Calcutta, where expert legal advice and other facilities are available. In our opinion, the cumulative effect of the Bill, if passed, on economic growth will be, to say the least, not salutary.

Another important feature of the Bill to which we would draw attention is that the Government have acquired powers—listed in Appendix A—some of which are unnecessary in our opinion, which will restrict the scope of the formation of healthy traditions so necessary for the growth of human institutions. It is our conviction that most of the malpractices in the past have been due not to imperfections in the law itself, but due to the laxity and lack of vigilance on the part of the administration. We are, therefore, of the view that, in order to carry out their responsibilities under this Act, the Government should create a special department under the Finance Ministry, staffed by top-ranking administrators and legal experts, to cope with the work. Wherever the Government wish to delegate the powers to other persons or authorities, they should take care to see that such persons are of the highest calibre, in no case below the rank of a joint secretary, and that such authorities have adequately qualified and experienced members and staff.

Revolutionary Change

The most revolutionary change brought about by the Joint Committee is the incorporation of a provision authorising the Government to prohibit, by notification, the managing agency system in any industry. Although the Company Law Committee and other responsible bodies had recommended that the managing agency system should be mended rather than ended, certain powerful political elements have been obsessed with the idea of gradually abolishing it. The Joint Committee have added a provision authorising the Government to do away with managing agents in any industry, allowing the appointment of secretaries and treasurers in their place.

The problem which neither the Joint Committee nor the Government have solved is that of an alternative form of managerial organisation to replace managing agents. That the system is indispensable in the present circumstances is proved by the fact that the Joint Committee have found it necessary to allow in notified industries the appointment of secretaries and treasurers, whose functions, powers and terms of appointment differ only slightly from those of managing agents. We are of the view that it is not advisable to abolish the managing agency system merely because of the abuses to which it has been subjected

(*Continued on page 911*)

PAKISTAN NOTES

TEXTILE IMPORTS FROM U.K.

CESS ON TEA RAISED

PAKISTAN will be importing from Britain, within the next few months, $5.2 million worth of cotton yarn and piecegoods. An agreement to this effect was signed between the Governments of the two countries on 29th April last. The payment for British cotton textiles will take the form of supply of raw cotton by the U.S. to Britain. Disclosing this in the British House of Commons, Mr. Peter Thorneycroft, President of the Board of Trade, stated the other day that the arrangement was part of a grant of aid to Pakistan by the U.S. from which the U.K. would benefit. Incidentally, it may be noted that Pakistan has also contracted to purchase $1.5 million worth of textiles from W. Germany.

With the aforesaid arrangement, the earlier move of the Pakistan Government to buy cotton textiles worth $9 million from India under the U.S. Aid Programme is likely to be shelved. Sometime in February, 1955, it will be recalled, the Government of Pakistan made enquiries for lowest price quotations of *saris*, voiles, shirtings, and other fine and superfine varieties of cloth produced by Indian mills. The enquiry was the result of the extension of the U.S. Aid Programme to Pakistan. Under this proposal, payment for textiles supplied by India to Pakistan was to take the shape of American raw cotton. This proposal was not, however, viewed quite favourably by Indian cotton textile interests. This was so for two reasons, namely, satisfactory cotton crop and prospects of India getting a large quantity of American cotton under a separate Foreign Operations Administration aid programme.

Tea Cess Raised

The Government of Pakistan has enhanced the rate of cess on tea produced in and issued from tea factories from Re. 1-8 to Rs. 2 per 100 lbs. The proceeds of the cess are to be utilised by the Pakistan Tea Board for purposes which include promotion, sale and consumption of Pakistan tea in the country, organisation and assistance of research connected with the tea industry, and generally adoption of such measures as may appear advisable in the interest of the tea industry. The Government considers that the increase of cess is negligible and that it will not, therefore, result in any upward trend in the retail price of tea.

U.S. Industrial Mission

The U.S. Foreign Operations Administration is expected to send an industrial survey mission to Pakistan towards the end of this month. The mission is being sent at the request of the Pakistan Government. It is to consist of six or seven senior industrial and engineering experts of a leading firm of consultants. These experts will be assisted by other experts who will also visit Pakistan for short periods. The mission will be staying in Pakistan for about a year during which it will study methods of augmenting industrial output and make recommendations regarding future industrial expansion, besides exploring ways and means of attracting more U.S. private capital for Pakistan's industries.

River Board for E. Bengal

An *ad hoc* sub-committee, with Lieut.-Col. T. M. Oag, Director of the Central Engineering Authority, as Chairman, has been set up by the Government of Pakistan to report on the proposal for setting up an Inland Waterways Board in East Bengal for better administration and improvement of inland water transport. The Committee will examine the desirability and practicability of bringing under a single authority all the functions pertaining to the administration of inland water transport and the maintenance of navigable waterways which are at present dealt with by different departments of Central and Provincial Governments.

RESERVE BANK AMENDMENT BILL PASSED

TWO FUNDS FOR RURAL CREDIT

THE Reserve Bank of India (Amendment) Bill is awaiting the assent of the President, now that both the Houses of Parliament have passed the measure. This Bill, along with (a) the State Bank of India Bill at present before the Rajya Sabha, and (b) another Bill to be sponsored by the Ministry of Food and Agriculture for establishing a National Warehousing Development Fund, will form the trio to accord legislative sanction necessary for dispensing rural credit under the integrated system evolved by the Rural Credit Survey Committee appointed by the Reserve Bank of India. The expeditious manner in which the Government is attempting to implement the recommendations of this Committee indicate, among others, (a) the earnestness of the Government to provide financial assistance to rural areas as quickly as possible, and (b) the faith of the Government and the Reserve Bank of India in the efficacy of the Co-operative Movement as an agency for distributing credit. These indications are welcome in that the object of the Government's action is both noble and ambitious. But mere legislation provides no guarantee for success. It must be supplemented by adequate funds, well trained staff and an overhauled administration to handle the job efficiently.

Now to the debate on the Reserve Bank of India (Amendment) Bill. One striking feature of it in both the Houses was the general agreement among the members on the objective of the measure. One of the objects of the Bill is to authorise the Reserve Bank of India to set up two funds, namely, (a) the National Agricultural Credit (Long-term Operations) Fund, and (b) the National Agricultural Credit (Stabilisation) Fund. The Central Government proposes to credit the Long-term Operations Fund with Rs. 10 crores, as against only Rs. 5 crores recommended by the Rural Credit Survey. The main purpose of this Fund is to make loans and advances to State Governments in order to enable them to subscribe, directly or indirectly, to the share capital of co-operative credit societies and to make loans and advances to central land mortgage banks. The Stabilisation Fund is intended to stabilise the co-operative credit system, by ironing out fluctuations in its fortunes arising from farmers' temporary inability to repay the loans taken by them. The balances standing to the credit of this Fund will be utilised exclusively for making medium-term loans and advances to State co-operative banks to enable them to convert short-term credit into medium credit wherever necessary. Experience has shown that, whenever natural calamities such as drought, excessive rains, floods and famines, etc., occur collection of loans from farmers by co-operative societies has not been possible. Consequently, these societies, in their turn, fail to repay their loans to co-operative banks. It is in order to meet such emergencies that provision has been made to establish the Stabilisation Fund. To begin with, the Reserve Bank is to provide at least Rs. 1 crore to this Fund.

The Bill has also a provision to amend the definition of a "co-operative credit society." This definition widens the scope for, and operation of, the Reserve Bank of India in granting loans to co-operative credit societies.

Another important clause of the Bill seeks to remove the obligatory provision of the Reserve Bank to maintain an office in London. The removal of this provision enables the Reserve Bank either to maintain or abolish its London office, if it finds that such action is necessary.

Inadequate Funds

One of the common criticisms of the Bill during the debate was that the amount provided for both the Funds was inadequate. This criticism was, however, ably met by Mr. A. C. Guha, Minister for Revenue and Defence Expenditure, in the course of his reply to the debate. He pointed out that out of the sum of Rs. 5 crores provided under sub-section 4A of section 17 of the Act, for loans to co-operative banks, it was possible for the Reserve Bank to advance only Rs. 20 lakhs. "So it is no use," he added, "putting a bigger sum unless we can set up the appropriate machinery to utilise the sum." He further stated that the section referred to above set a maximum of Rs. 5 crores to the loan which the Bank could give to co-operative credit societies. But now the Bill did not put any such maximum. On the contrary, it put a minimum below which this contribution should not go. He added that, while the Credit Survey Committee had recommended an initial credit of only Rs. 5 crores to the Long-Term Operations Fund, the Government, as stated already, had raised it to Rs. 10 crores. He assured the House that the Government would not be niggardly in this matter. It was, he said, earnest in helping co-operatives for providing agricultural credit.

Some members of Parliament were of the view that the Reserve Bank's inspection of the apex and central banks was not effective, and that these institutions were not co-operating with the Reserve Bank. Replying to this point, Mr. Guha said that co-operation was a State subject. Technically speaking, the Reserve Bank had not got any authority over the Co-operative Movement. But almost all co-operative organisations had agreed to work under certain directions of the Reserve Bank. They had voluntarily agreed to submit themselves to inspection by the officers of the Reserve Bank. The Reserve Bank had been issuing directives and instructions to the co-operatives and the latter had been doing everything to implement these instructions and directives, subject to their capacity to implement them. The Reserve Bank had also started, he continued, some school for training the personnel to man the co-operative organisation, and in that respect also the co-operative institutions of the different States had been co-operating with the Reserve Bank.

Multi-purpose Idea Excluded

A member in the Lok Sabha suggested that the definition of co-operative credit societies should be extended to cover multi-purpose societies also. Even the Deputy Speaker pointed out that the multi-purpose societies did the work of selling, marketing, etc., and gave loans also. If it was purely credit, the purpose might not be served. He, therefore, wanted to know the reason for excluding these multi-purpose societies from the scope of the Bill. Answering the query, Mr. Guha stated that the Bill before the House was intended only for co-operative credit societies and not for other types of co-operatives. He said that functions such as marketing and selling would be covered by the warehousing and marketing boards that would be set up under a separate legislation. For the purpose of assisting these boards, there would be, he said, the Co-operative Development Fund. The legislation for this purpose would be sponsored, he declared, by the Ministry of Food and Agriculture.

A few questioned the wisdom of State Governments associating themselves with the Co-operative Movement. They doubted the efficacy of the idea of the State taking 51 per cent. share, which was itself against the very principle of co-operation. They averred that the share capital should come from the people themselves. Replying to this criticism, the Minister said that State partnership had been suggested by the Gorwala Committee, because the co-operative organisation was abnormally weak as the rural economy itself was weak. Without help from the State, it was, he remarked, not possible for the rural economy properly to develop and enable the co-operative organisation to function effectively. The Committee itself stated that certain units which were not so very strong might combine against the opposing forces, but the combination of those very units could not have an effective existence or function against the forces which were very strong. The disparity between rural economic forces or co-operative organisations and the opposing forces was so wide that, without some support from the State it was not possible for the co-operative organisations to develop. That was why, he said, it had been suggested that there must be State partnership for the development of co-operative organisations. The Bill was intended to make such State partnership possible.

There was some discussion on the rate of interest at which loans would be granted to peasants by the co-operatives, as the Reserve Bank advanced loans to the latter at as low a rate as 1½ per cent. The Minister apprised the House that, about two years ago, the rate was somewhat high and the Reserve Bank had been asking the co-operative banks to reduce the rate. He thought that, generally speaking, the rate was fixed more or less at 6¼ per cent. In some States, a higher rate existed, but he felt that it would be brought down to near about 6¼ per cent.

HINDUSTAN COMMERCIAL BANK LTD.

A further setback in the financial results of the Hindustan Commercial Bank Ltd. (Managing Director: Mr. Kishen Chand Puri, Kanpur) is disclosed by its audited accounts for the year ended 31st December, 1954. The profit of the Bank, which had declined to Rs. 2.60 lakhs in 1953, after having steadily risen from Rs. 1.54 lakhs for 1949 to Rs. 4.80 lakhs for 1952, has dwindled further to a low of Rs. 71,759 for the year under review. This profit includes a sum of Rs. 20,585 transferred from the reserve for taxes. This is the lowest profit earned by the Bank since its inception in 1943.

With the sum of Rs. 15,160 brought in from the previous year, the profit available for appropriation is Rs. 86,919, out of which the Directors have utilised a sum of Rs. 70,000 for writing off bad debts, as against Rs. 2.56 lakhs utilised last year for a similar purpose, as well as for writing off furniture and stationery in respect of Pakistan branches. The above appropriation leaves Rs. 16,919 to be carried forward.

The following comparative table clearly brings out the Bank's progress during the last three years:

(In lakhs of rupees)

	As on 31st December			
	1954	1953	1952	1951
Capital	125.00	125.00	125.00	125.00
Reserves	15.48	16.41	15.20	15.20
Deposits	422.98	434.68	450.83	497.88
Borrowings from other banks ..	95.50	121.57	102.00	84.75
Advances	283.04	309.98	308.47	310.86
Investments	291.15	289.73	289.43	289.66
Cash	54.36	67.45	71.02	86.02
Balance-sheet total	710.29	759.26	783.73	810.29
Ratio to deposits of—	%	%	%	%
Advances	66.9	71.3	68.4	62.4
Investments*	46.2	38.7	41.6	41.1
Cash	12.8	15.5	15.7	17.3

* Ratio arrived at after taking into account the investments earmarked against borrowings from other banks.

The downward trend in the deposits of the Bank noted since 1946 has persisted during the year under review also, with a decline of Rs. 11.70 lakhs, as compared with Rs. 16.15 lakhs in 1953. With this shrinkage, the total drop in the Bank's deposits since 1946 amounts to Rs. 9.39 crores. The rise in borrowings from other banks noted at the end of 1953 has been reversed, with a decline of Rs. 26.07 lakhs in this portfolio. Advances, which had shown a small increase at the end of 1953, have declined by Rs. 26.94 lakhs. Investments (at book value) show a slight increase of Rs. 1.42 lakhs. Of the total investments, as much as Rs. 244.33 lakhs represent holdings of Government securities and shares of the Industrial Finance Corporation. Their market value stands at Rs. 225.84 lakhs. The bulk of these securities mature within ten years. Shares and debentures of joint-stock companies amount to Rs. 46.81 lakhs, the market value of the same being Rs. 35.60 lakhs. Cash balances have shrunk by Rs. 13.09 lakhs, thus maintaining the downward trend for the third year in succession.

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CO-OPERATION IN MONETARY AFFAIRS

ACHIEVEMENTS OF I.M.F.

By Prof. B. R. Shenoy

THE International Monetary Fund is a co-operative organisation of 56 member-countries. The Fund's operations, functions and activities are governed by the Articles of Agreement and the By-laws and Rules and Regulations framed in terms of the Articles. The Articles of Agreement came into force, upon its signature by representatives of 30 countries, on 27th December, 1945. The first meeting of the Executive Directors was held in Washington, the headquarters of the Fund, on 6th May, 1946. The Fund opened its doors for exchange transactions on 1st March, 1947, and the first loan was advanced to France on 8th May of that year, the amount being $25 million.

India is the fifth largest member of the Fund, the other four in the order of their importance being the U.S., the U.K., China and France. India's subscription, the equivalent of $400 million, is a little over 4½ per cent. of the total capital of the Fund, or quotas as it is called, the subscription of the U.S. being somewhat over 31 per cent. The largest five members account for 62 per cent. of the Fund's quotas which aggregate an equivalent of $8.90 billion. Russia is not a member, though she had participated in the deliberations of the United Nations Monetary and Financial Conference at Bretton Woods in July, 1944. If Russia had decided to join, India would not have been one of the big Five. With the withdrawal of Poland in March, 1950 and the exit of Czechoslovakia on 2nd January, 1955 (because she was expelled from the World Bank), Yugoslavia is the only communist member of the Fund. The People's Republic of China is not a member; as in the United Nations, Formosa is.

Borrowers

If we exclude repayments, India is the fifth largest borrower from the Fund, the other four in the order of the amounts borrowed being the U.K., which raised $300 million, Brazil, France, and Japan. The total gross borrowings from the Fund amounted to $1.16 billion. As a result of repayments amounting to $46.7 million, the net amount of the loans outstanding against India as at 30th September, 1954 to $53.3 million. Viewed from the amounts outstanding, the largest debtor of the Fund today is France, Brazil is second, Japan third and India fourth.

The management of the Fund vests in a full-time Board of 16 Executive Directors and 16 Alternates. Each of the Big Five, which includes India, nominates one Executive Director and one Alternate, the remaining 22 seats being filled by election by the remaining 51 members. But the quota and the number of votes of Belgium (and Luxemburg), Canada, Germany and Netherlands being large enough to elect a place on the Board they have their own independent Directors and Alternates.

The main purpose of the Fund, as stated in the Articles of Agreement, is threefold. First, to maintain orderly exchange arrangements, to avoid competitive exchange depreciation, which had been the cause of much damage during the inter-war period and to provide for exchange rate alterations through international consultation; secondly, to facilitate balance in international payments at maximum levels of trade, employment, and real income; and, finally, to assist in the speedy re-establishment of free multilateral convertibility of currencies, that is, to terminate the regime of bilateralism and exchange restrictions which hamper the growth of world trade and the most effective international division of labour and specialisation in production.

Success of the Fund

How far has the Fund succeeded in attaining these objectives? In assessing the achievements of the Fund, one general consideration should be borne in mind. It is a co-operative organisation of sovereign nations. Though certain penalties, as, for example, denial of the use of Fund resources, exercise of exchange discrimination by members and, ultimately, expulsion, exist in the Articles of Agreement for breaches of conduct *vis-a-vis* the Fund, in practice, almost the only weapon in the armoury of the Fund for normal 'peace-time' use is persuasion. When powers of inducement and coercion are lacking and acceptance of decisions rests mainly on goodwill, decisions may often lack point and force.

In the sphere of orderly exchange arrangements, though competitive exchange depreciation has been happily absent, multiple exchange rates exists over wide parts of the world and the Fund's efforts, aimed at unification of the rates, have not been attended with significant success. The episode of the initial attitude of the Fund on transactions in gold at premium prices, the response of certain gold producing countries to this attitude, and the ultimate turn which the Fund attitude took has not added to the prestige of the Fund. There have been other instances of the failure of the Fund fiat to run and the fiat being amended to conform to the least common measure of agreement.

The Articles of Agreement of the Fund had envisaged that the exchange and payments restrictions would begin to be lifted within three years after the date of the commencement of operations, and that such restrictions may be an exception, rather than the general rule, after five years. But, though world production is about one-half and world trade about one-third above the pre-war levels, payments restrictions, within the meaning of the Fund Articles, exist today in 45 member-countries. Since the spring of 1954, with the general improvement in the payments position of most parts of the world, however, restrictive exchange and trade practices, including discrimination against dollar imports, have been considerably reduced and modified. This may be said to constitute a move towards general convertibility.

Dollar and Gold Reserves

The dollar and gold resources of the Fund amount to about $3,896 million. But, notwithstanding the widespread post-war dollar scarcity, the gross total dollar loans of the Fund as at 30th September, 1954, amounted to $957 million, or less than one-fourth of the gold and dollar resources. Since 1950, with the general improvement in the payments position of the world, repayments have exceeded fresh borrowings, except for 1953, when fresh borrowings exceeded repayments. As a result, as at 30th September, 1954, the outstanding loans amounted to $558 million, or about 6 per cent. of the total gold and currency resources of the Fund. The gross amount of the loans was under 14 per cent. of these resources. Hampered as the Fund is by practical limitations in other spheres of activities, it has not been very active even as a lender of scarce currencies in a background of hard currency scarcity. The bulk of the burden of meeting this scarcity has been borne by the foreign aid programme of the U.S.

Nevertheless, for these limitations, the Fund has played a useful part in post-war international financial affairs. The successful emergence of the Fund from the Bretton Woods Conference was in itself an achievement and a measure of the willingness of nations to co-operate in monetary affairs, considering the failures of past monetary conferences beginning with the Paris Conference of 1867. Acceptance of the principle of international co-operation in monetary and exchange affairs is an established fact.

The Fund offers a convenient venue for annual gatherings of Ministers of Finance and/or Governors of Central Banks of 56 nations for useful contacts, exchange of views, and may be for taking important decisions on regional and bilateral problems unhampered by publicity and speculation.

Stand-by Credit

The Fund's decision of 13th February, 1952, to extend renewable stand-by credit to members, for example, in connection with programmes for maintaining or achieving convertibility, indicates flexibility of approach to the problem confronting member-countries. Belgium was the first country to avail itself of this arrangement, in June, 1952, for $50 million. Finland, Mexico and Peru followed. In the case of Peru and Mexico, the amount of the credit granted involved waiver of the condition that a member may not borrow more than 25 per cent. of its quota in a 12-month period.

In terms of its scheme of March, 1952, the Fund has been arranging for the purchase or sale of gold with a saving in transport cost at a nominal fee of 1/32 of one per cent. from each partner to a completed transaction. Buyers and sellers inform the Fund of the place and amount of the gold, required or available for sale, and the Fund matches buyers with sellers without gold being moved. The total transactions effected under this scheme amounted to $298 million as at 30th April, 1954.

The Fund has a large body of competent technical staff, some of the members being of international reputation. The Fund makes available to member-countries their technical know-how and also the benefit of the knowledge which a study of diverse problems and conditions in member-countries necessarily brings with it. During the year ended 30th April, 1954, 54 staff members visited 41 member-countries for informal exchange of views on current problems and policies, for consultations for the removal of exchange restrictions, and for furnishing technical assistance. The staff of the Fund is international, a total strength of 434 persons being drawn from 38 countries. An international civil service, besides contributing to the concept of world unity, benefits the Fund by pooling together the diversity of their experiences and also benefits the countries concerned through the new experience of world problems which their nationals are able to gain.

Restrictive Measures

In the sphere of domestic policy of member-countries the Fund has taken the stand that restrictive monetary and fiscal measures are an essential pre-condition for a solution of the world's payments difficulties. Inflation has been the primary cause of payments deficits. Payments equilibrium at a high level of international trade, domestic production and employment cannot be attained without monetary and price stability. In the absence of these measures of reform at home, it would not be possible to liberalise import restrictions and embark upon a programme of convertibility, though success of convertibility would also require a revision of the tariff and customs regulations by the U.S. and liberal dollar credit by the U.S., Canada, and the International Monetary Fund. This Fund attitude has latterly exerted increasing influence in the shaping of the monetary and fiscal policies of member-countries.

HYDERABAD STATE FINANCE CORPORATION

The experience of the Hyderabad State Finance Corporation in its lending operations during its first working year does not seem to be quite dissimilar to that of a number of other State Corporations. During the period ended 31st March, 1955, the Corporation received 38 applications for an aggregate loan of Rs. 95.15 lakhs. They came from a variety of industries such as bobbins, ceramics, chemicals, cotton ginning, electric supply, glass, light engineering, oilseeds crushing, rice-flour mills, tanneries, textiles, tobacco and cigarette manufacturing, etc. The largest number of applications from any industry was nine for a total loan of Rs. 35.8 lakhs; these applications came from oilseeds crushing concerns. Four textile mills wanted accommodation to the tune of Rs. 12.50 lakhs. A laminated products manufacturer wanted Rs. 7 lakhs. Four applications from rice mills were for a total loan of Rs. 8.3 lakhs. One cigarette factory applied for Rs. 8 lakhs.

Out of the 38 applications, as many as 20—which had together applied for a total loan of Rs. 51.48 lakhs—succeeded in getting loans up to Rs. 38.56 lakhs. Besides, the Corporation agreed to subscribe for 7 per cent. first mortgage debentures of Rs. 7 lakhs out of a total sum of Rs. 10 lakhs issued by a cotton mill in the State. Including these debentures the total accommodation sanctioned amounted to Rs. 48.56 lakhs. Of this, the total amount actually paid out to the borrowers was Rs. 26.4 lakhs. The causes for the disparity between the amount sanctioned and the amount actually disbursed included non-maturity, during the year, of commitments for which the loans were sought, non-arrival of machinery for which orders had been placed, the practice of making payments only after the expenditure is incurred in respect of putting up buildings, and defects in title deeds.

Of the remaining 18 applications, 11 for a sum of Rs. 21.35 lakhs were either rejected or withdrawn. One application for Rs. 10 lakhs was under investigation while six for an aggregated loan of Rs. 12.32 lakhs were pending investigation.

The Corporation charges interest on its loans at 6¼ per cent. per annum subject to a rebate of ½ per cent. for prompt payment of interest and instalments of principal.

After payment of expenses of administration and other charges, excluding taxation, the net profit earned during the year amounted to Rs. 1.91 lakhs. Of this amount, the Directors have earmarked Rs. 54,800 for income-tax. A sum of Rs. 15,000 has been allocated to reserves. The balance of Rs. 1.21 lakhs is proposed to be utilised for payment of dividend to the shareholders of the Corporation at the rate of 3½ per cent. per annum, requiring a sum of Rs. 3.21 lakhs. As the payment of dividend is guaranteed by the State Government, the balance of nearly Rs. 2 lakhs is to be made up by a subvention from the Government.

PROTECTION TO STARCH INDUSTRY

QUESTION OF CONTINUANCE UNDER SCRUTINY

WITHIN eight months from now—on 31st December, 1955, to be precise—tariff protection to the Indian starch industry will expire. The question of continuing protection beyond that date is currently being examined by the Tariff Commission. A public enquiry into the question was held in Bombay on Friday last week; the enquiry was opened by Mr. M. D. Bhat, Chairman of the Tariff Commission.

The starch industry, it will be recalled, was first granted protection in April, 1948, when, on the basis of the former Tariff Board's recommendation, the Government of India converted the revenue duty of 18 per cent. *ad valorem* into a protective duty at the same rate and fixed the period of protection up to 31st March, 1950. In 1949, the period was extended by two more years. The protective duty on starch was then raised to 20 per cent., the revenue duty of 18 per cent. on imported farina was changed into a protective duty of 20 per cent. *ad valorem*, and a protective duty of 20 per cent. *ad valorem* was levied on imported sago flour. The period of protection was subsequently extended upto 31st December, 1954, and the protective duty on starch, farina and sago flour was raised to 30 per cent. *ad valorem* (exclusive of surcharge). It was further extended up to the end of the current calendar year in accordance with the Indian Tariff (Third Amendment) Act, 1954.

Opening the public enquiry, Mr. M. D. Bhat briefly traced the history of the starch industry. The review reveals that the industry came into existence in 1938, when two factories were set up, one in East Punjab and the other in Gujerat. Owing to keen competition from imports, the industry did not make any headway. In 1942, imports of starch were prohibited, with the result that a number of factories was started in different parts of the country. In the following year, however, the Government banned production of starch from wheat, thanks to shortage of foodgrains. In 1944, the Government imposed control on manufacture and price of maize starch. The supply position of indigenous maize continued to be difficult till 1953. Since then, it has greatly improved. During this period, imports of maize were allowed, so that indigenous production of starch was not hampered. As supplies of starch were still unsatisfactory, the textile mills were asked in 1953 to use tamarind kernel powder to the extent of 33⅓ per cent. of their total requirements of the sizing material. The order was, however, withdrawn towards the end of 1954 when maize was freely available. There has since been a marked reduction in the price of maize starch. During 1954, the bulk of the country's requirements of starch was met from indigenous sources and the industry is now able to maintain and expand its production of starch mostly from indigenous maize.

Present Position

There are at present 11 starch factories, of which six are in regular production. The remaining five work spasmodically and are now closed down. The installed capacities and the actual rates of output of the six units working are given below:

(In tons)

	Installed capacity	Actual output		
		1952	1953	1954
Anil Starch Products Ltd.	21,000	1,657	7,255	13,238
Maize Products Ltd.	14,618	2,154	6,860	11,333
Bharat Starch and Chemicals Ltd.	13,860	1,415	4,508	6,439
Sukhji Starch and Chemicals Ltd.	4,320	N.A.	665	3,844
Gwalior Maize Products	3,000	N.A.	N.A.	N.A.
Narendrasinghji Industrial Corporation	1,500	N.A.	N.A.	N.A.

N.A.—Not available.

It will be seen from the above figures that the quantities of starch actually produced by the first-mentioned four factories has registered distinct improvement in the last two years, although they still fall short of the actual capacities. Along with improvement in output, the quality of the product, too, is reported to have generally improved. While this is gratifying, one hears several complaints made by consumers. The Millowners' Association, Bombay, for instance, points to defects such as lack of consistency in quality, inability to make a homogenous mixture, variation in physical appearance from white to cream in colour, unsatisfactory keeping quality and inclusion of foreign matter in starch powder. Some of the importers state that indigenous starch is not of uniform quality, that it has low viscosity, that its ash content is higher and that its solubles are higher. Incidentally, it may be noted that no standards have been laid down by the Indian Standards Institution for maize starch. Drawing the industry's attention to the defects in quality, Mr. Bhat emphasised that, although the starch industry had made considerable progress during the period of protection, it must continue its efforts at improving the quality of its products. He also urged the industry to explore all possible ways of lowering its cost of production, so that "it may be able to increase its competitive strength and achieve a greater measure of stability."

As regards the domestic demand for starch, estimates vary widely—from 30,000 tons to 70,000 tons per annum. The Textile Commissioner has estimated the demand for all kinds of starch at about 50,000 tons, while the Ahmedabad Millowners' Association places the estimate of the textile industry's requirements alone at 50,000 tons. On the basis of the figures relating to domestic output of maize starch and imports of all kinds of starch in the past six years, the total quantity of starch available for consumption works out to an annual average of 32,235 tons. This figure, however, does not include production of tapioca starch and tamarind kernel powder used by textile mills during the years 1953 and 1954.

Suitable Raw Material

The most suitable raw material for the manufacture of starch is maize, an important cereal crop grown in India. The total production of maize is estimated at 2.5 million tons, the area devoted to this crop being 8.5 million acres. The per-acre yield is much less than that in the U.S. It is, however, said that steps are being taken to raise the yield by using improved varieties of seed. The quantity of maize required for producing about 50,000 tons of maize starch is 80,000 tons, or less than 100,000 tons which represent just 4 per cent. of the total production of maize.

The starch industry, according to Mr. Bhat, has asked for continuance of tariff protection mainly on the ground that it is still not in a position to compete with industries in foreign countries where production is carried on a mass scale. One of the units, however, feels that no protection is needed, since, in its opinion, no foreign manufacturer is able to supply starch at the price at which indigenous starch is being sold at present. Besides continuance of protection, the starch industry has pleaded for free exports of all by-products—gluten, brass, oilcake and maize oil—which, it is said, would help the industry to consolidate its position. But a leading importer would appear to feel that the starch industry needs no more protection and that, in any case, the ban on imports is not justified. For he says that the industry is now in a position to stand on its own legs.

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CORRESPONDENTS ALL OVER THE WORLD

PRODUCTION CONTROL ON CLOTH

PLEA FOR ABOLITION

THE restrictive provisions under which the cotton textile industry continues to operate were highlighted by Mr. N. H. Tata, Chairman of the Tata Mills Ltd., in his speech at the annual general meeting of the Company's shareholders held in Bombay on Friday last week. He referred, for instance, to the ban on the manufacture of certain types of remunerative coloured check cloth and the fixation of quantitative quotas on production of *dhotis*. As if this was not enough, the Government imposed an additional excise duty of 3 pies per yard on all varieties of mill cloth produced and sold in India, including coarse cloth used by the masses. More recently, the Government imposed quantitative restrictions on production of printed cloth, too.

All the aforesaid restrictive provisions, as readers are aware, are born of the Government's anxiety to better the lot of the handloom weavers. In fact, this anxiety has been allowed to grow to such an extent that the authorities would seem to have almost lost sight of the real economic issues involved. There is no exaggeration whatever in the statement of Mr. Tata that to create new jobs and foster handloom and cottage industries at the expense of a large organised industry such as cotton textiles would be a case of robbing Peter to pay Paul and that such a policy cannot last without disastrous effects on the economy of the country as a whole. "There is," to quote him, "a growing disposition on the part of our Governments—both at the Centre and in the States—to ignore the technological developments and advantages of large organised industries. The Government has been laying particular stress on the growth and development of the handloom and *khadi* industries, and is actively assisting the revival of cottage and small-scale industries." Although the pursuit of this policy in a vast and overpopulated country like India, where there is need for more employment opportunities, is quite understandable, it is, as Mr. Tata pertinently remarked, necessary to maintain a judicious balance between the large- and small-scale industries. He felt that it was great folly on the part of the Government to ignore the legitimate needs of the cotton mill industry which contributed substantially to the national well-being.

Export Duty

Mr. Tata made a brief reference to the reduction in the export duty on coarse cloth from 10 per cent. to 6¼ per cent. He was sorry that the reduction had practically no effect on exports; actually, the rate of exports of coarse cloth in the current year had been lagging behind the level of the previous year. Mr. Tata was strongly of the opinion that, if the Government were keen on achieving the export target of 1,000 million yards, it should forthwith abolish the export duty on coarse cloth. Otherwise, he was afraid that cloth exports during 1955 would be lower than those in the previous year.

The Chairman of the Tata Mills criticised the proposed decisions of the Government to do away with the Appellate Labour Tribunal. He said that it was the misconceived notion of workers that these Tribunals were used by employers against the interests of workers which had apparently led to the decision. Mr. Tata no doubt admitted that the Appellate Tribunal's machinery was cumbersome to a point, but added that the great stabilising force of a codified case law on the subject which emanated from such a high Tribunal should not be lightly done away with. He urged the Government to consider once again the matter dispassionately before taking a final decision on such a vital issue merely on sentimental grounds to appease workers.

Speaking about his own mills, Mr. Tata gave an account of the reorganisation programme. He stated that there was still substantial renovation to be done in the carding, fly frame, and dyeing and finishing sections. This, Mr. Tata declared, would be contingent upon the management's ability not only to find the money required but also to make labour agree to rationalisation.

The scheme of the Governments of Madras and Mysore to set up a wool processing centre at Vanimangalam in North Arcot District, Madras, has been approved by the Government of India. The total cost of the scheme is estimated at Rs. 11,30,000. A third of the cost will be borne by the Union Government and the balance will be shared equally by the Governments of Madras and Mysore.

COTTON ELECTORS URGED TO SUPPORT LABOUR CANDIDATES

BUDGET PROPOSALS DISAPPOINT LANCASHIRE

From A Special Correspondent

MANCHESTER, *26th April*

MANCHESTER LETTER

THE plight of Lancashire's textile industry is being made a General Election issue. The Legislative Council of the United Textile Factory Workers' Association—the "Cotton Workers' Parliament"—has decided to table an emergency resolution for their annual conference opening at Morecambe later this week calling on cotton electors to "support the Parliamentary Labour Party in its defence of Lancashire."

The resolution which has been put forward by the Weavers' Amalgamation, biggest union in the industry, "highly appreciates" the efforts made on behalf of the cotton industry by Labour M.Ps. "It notes the constant pressure brought to bear on the Government by Labour members in Parliament over the past year and believes that their continued pressure will compel the Government to act effectively in Lancashire's interest," adds the resolution.

Tax and Price Policy

To say that Lancashire traders were disappointed with Mr. Butler's Budget proposals would be a vast understatement. Whether many had been buoyed up by false hopes of the abolition of purchase tax on textiles or not, there had been a feeling within the industry that more would be done than just the halving of the tax on certain types of textile goods.

While the general lowering of direct taxation should increase spending power, despite the Chancellor's appeal for savings, evidence is not lacking that such increased expenditure is liable to favour purchases of other goods rather than clothing. The proposals as they stand, however, do little to assist the trade from its current state of stagnation.

Purchase tax, and particularly the application of the "D"-scheme, has been a brake on the development of new cloth constructions for so long, and so many rational statements had been submitted pointing this out, that it was widely felt that the case for its abolition would receive favourable consideration. The present adjustment of the tax does nothing to change the basic principle and merely maintains its unfortunate effect.

The "Purchase tax must go" cry has been taken up by Sir Alfred Roberts, General Secretary of the 50,000-strong Cardroom Workers' Amalgamation. "There is no other industry which is so badly handicapped by purchase tax as the textile industry," Sir Alfred said in his quarterly report.

There was general agreement that Lancashire's export trade must depend to a large extent in the future on the production of high quality cloths, but quality goods could not be produced effectively and efficiently for export alone. They must depend on home demand if they were to be anything more than speculative. The Report said:

"Purchase tax and the 'D' scheme have either debased quality or have so reduced demand for quality materials that many of our best export lines have now disappeared. The effect of purchase tax on our exports is in sharp contrast to the experience of some of our foreign competitors who receive practical encouragement to export by their Governments, in some instances in the form of export subsidies."

"No Nationalisation" Call

Lancashire mills should "fight like tigers" to maintain their exports of several hundred million yards of cotton cloth annually, according to Sir Raymond Streat, Cotton Board Chairman. But, he warned, not all the mills and machinery in use in 1951—the post-war boom year—would necessarily be needed to meet future demand.

"On the contrary, while we should never acquiesce in any further decline in the volume of the cotton industry's production, we should hope to achieve the required output on fewer machines in fewer mills," he told the annual luncheon meeting of the Preston Chamber of Commerce.

Sir Raymond hit out at advocates of a nationalised cotton industry. "Today there is occasional talk in some circles of reorganising the industry by a plan made centrally," he said. He added:

"That is being done in coal, which has been nationalised. I am convinced that in cotton the better conception is that the aim in view should be accomplished by individual decisions by individual companies. Those who have the stomach and the nerve for the future competitive struggles will decide to stay in. Those who feel otherwise and think it best so to act, will stop their mills whilst they can do so without loss. These units making individual decisions can almost always outwit the heavy-footedness of centralised decisions and that is what our agile foreign competitors would do."

Scheme for Imports

An instruction to British textile importers that they should import foreign cloth only for processing and subsequent re-export was suggested by Mr. Cyril Lord, head of a 16-mill Lancashire textile group, as the solution to Lancashire's problems of short-time working and shortening order books.

This order could be issued without any contravention by the Government of international obligations, Mr. Lord told a Press Conference in Manchester. But for the importation of 266,000,000 yards of foreign cloth last year—half of it from India—Lancashire would have balanced her production.

"Mr. Butler has said that our imports will have to be restricted. I think the first thing he should restrict is unnecessary imports such as these fabrics," he said. "I can't possibly see that we would be affecting any standing arrangement if we gave an internal instruction to our importers that they could only import to re-export."

Mr. Lord urged that the Government should stipulate that re-exported cloth should not be stamped "British." Exported fabrics should be marked with the name of the country of origin and be stamped "Processed in Britain."

Empire Crops

New high records for Commonwealth cotton crops were set up in 1954, Golden Jubilee year of the British Cotton Growing Association, Lord Derby, the President told the annual meeting at Manchester.

The total cotton produced in the countries with which the Association was concerned reached 1,226,600 bales—16 per cent. greater than the previous best. For the first time production had averaged more than 1,000,000 bales a year over a five-year period. Most of the countries contributed to this achievement, with record crops from Nigeria, Tanganyika Territory and Aden and second highest production from the Sudan and Uganda.

"There may in the coming years be considerable fluctuations in the quantities produced, due to climatic conditions, but there is no reason to anticipate any general lowering in the level of production," said Lord Derby.

"There was every probability that calls for further capital expenditure in the near future would amount to substantial sums. In Nigeria, where the Association had the responsibility of ginning and baling the whole crop, the outturn this year would probably exceed 180,000 bales, which was three times the quantity that would have been considered a good crop prior to the war.

Lord Derby added: "To handle that quantity efficiently means more buildings and machinery, as well as more staff and housing, for we cannot expect Governments to encourage African farmers to grow more cotton without our being in a position to process it for export."—*All Rights Reserved.*

Competitors in world markets in cotton goods are arising in many places where even a few years ago such a development would have appeared unlikely. Third only to India and Japan as suppliers of cloth to Britain last year were the mills of Hong Kong and the rising trend of imports from that Colony has lately been most marked. According to a survey of the situation, there are now 13 cotton spinning mills in Hong Kong, all equipped with the latest technical devices. In operation are 214,000 spindles worked in three eight-hour shifts over 24 hours. Some 45,000 more spindles are expected to be in use within the next few months.

Raw cotton supplies reach the Colony from the same sources which provide the basic raw material for other textile producing countries. The range of counts spun is still relatively low, normally from 10's to 42's, but output from the mills is running at about 72,000,000 lb. per annum with scope for considerable expansion. On the weaving side, several spinning mills have looms installed and these, together with other machinery in independent sheds, make a total of around 6,000 looms in the Colony. The cloths produced are mainly sheetings, shirtings and drills, although fair quantities of small wear are also woven. In addition to exporting fabric to the United Kingdom, the Hong Kong mills are also shipping goods to Pakistan, Indonesia, Australia and East and South Africa. No textile printing is carried on in the Colony but cloth dyeing and finishing works are in operation and yarn dyeing has lately been introduced.

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VALUATION OF COTTON STOCKS

APPELLATE TRIBUNAL'S SUPPORT FOR ESTABLISHED ACCOUNTING PRACTICE

AN interesting question in accounting practice in relation to the valuation of cotton stocks by mills was decided by the Appellate Tribunal in the case arising out of the appeal by the mills in Madhya Pradesh against the decision of the Adjudicator. Mill managements, accountants and managers in mills, as well as auditor firms in this country, will no doubt be happy, at least relieved, to note that, after an examination of the relevant issues, the Appellate Tribunal upheld the existing practice of valuing cotton stocks at market price, thereby setting aside Adjudicator's decision questioning this practice.

Since cotton is the most important raw material for the cotton mills and also accounts for the major portion of the cost of production of cloth, all mill managements naturally exercise considerable care in buying cotton at a time when its prices are low. Indeed, if the mills exercised such prudence it would frequently make all the difference between a modest profit and a heavy loss. But cotton is notoriously susceptible to violent fluctuations in prices. Even the most prudent of mill managements may find that its best judgment has been belied by actual trend of prices and that the prices of cotton, at the time of the preparation of the balance-sheet, are well below the prices which it has paid. Established accounting practice, as is well known, is to value the cotton stocks, for purposes of balance-sheet, at cost or market price whichever is lower. This practice has, of course, been approved by auditors, who, according to section 145 of the Indian Companies Act, have to certify that the balance-sheet exhibits a "true and correct view of the state of the company's affairs according to the best of their information and the explanation given to them and as shown by the books of the Company."

It is this time-honoured practice that came to be questioned by the Adjudicator in the dispute between the Nagpur Mills and their workers. It would appear that several mills had to face the situation arising out of the fall in cotton prices in the year 1951-52, one of the two years to which the bonus dispute referred. The mills concerned showed a loss of Rs. 16.33 lakhs, which represented the difference between the higher prices at which cotton had been bought and the prices which prevailed at the time of the presentation of the balance-sheet. The Adjudicator raised an objection to this practice and proceeded to convert the loss shown by the mills into a profit of Rs. 1.66 lakhs.

The Adjudicator held that it was improper to take into account the market value of the existing raw materials at the year-end, instead of their cost price, and that this method of accounting was artificial and could not be allowed to be adopted in determining the question of bonus. The mills, on the other hand, contended that this was the principle and practice of accounting which had been followed by them all along and that it conveyed a true picture of their financial position as on the date of the balance-sheet. Discussing this issue, the Appellate Tribunal said:

"It is not in dispute that the mills have all along adopted this practice for the valuation of stocks for the purposes of their balance-sheets, and there is, therefore, no adverse inference to be drawn from the fact that they have adopted the system in the balance-sheet of this particular year, and in effect the mills contend that what they had done is perfectly legitimate and reflects in the balance-sheet the true financial position of the year. The price of cotton had fallen by the end of the year and the market value of the stock had accordingly decreased, and that fact was duly indicated in the balance-sheet in the same manner as had been done in the previous years. But the Adjudicator takes the view that it would be improper to take the market price of raw materials into account instead of their cost price, apparently because the Adjudicator thought that this system of accounting would not be sound, unless the fall in price of raw materials resulted in a corresponding fall in the price of manufactured articles: and he relies for this decision on a statement in Batliboi's book on 'Advanced Accounting.' We cannot see how the passage which has been quoted supports the conclusion of the Adjudicator whereby he has converted a shown loss of Rs. 16.33 lakhs into a profit of Rs. 1.66 lakhs."

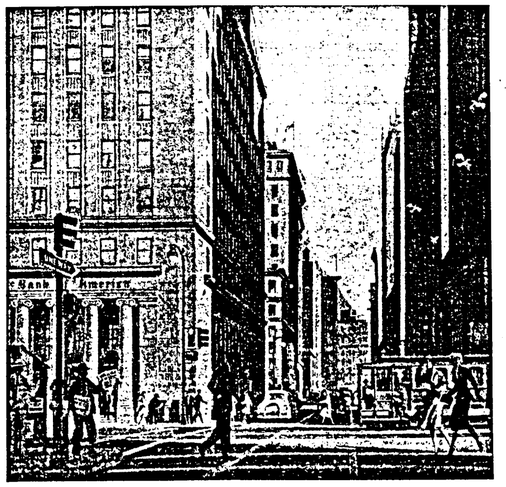
Proceeding, the Appellate Tribunal observed that the mills' balance-sheets had been duly audited, and the mills were to frame their balance-sheet in accordance with law and with established practice in such matters. The Tribunal conceded that there might be some ground for complaint if the concerns had "suddenly changed over to a different system of valuation of stock." Accordingly, it held that there was "no impropriety involved in taking the market price of the stock where the market price is lower than the cost price," and further, that the Adjudicator was "in error in his approach to the matter."

The Tribunal next turned its attention to the Adjudicator's argument that the mills could adopt the accounting practice they did only if the price of the manufactured articles had declined. It pointed out that it was difficult to understand this argument in the context of the grant of bonus, for, if the price of the manufactured article remained at a higher level, it would go towards augmenting the profits of the year and of reducing the loss occasioned by the decline in the price of cotton. And the price of the manufactured article would produce a larger profit out of which the workers could claim bonus. The Tribunal, therefore, rejected the Adjudicator's view that the loss figure shown was "artificial."

In effect, the Appellate Tribunal has upheld the validity of the accounting practice of the mills in valuing their cotton stocks for purposes of balance-sheet, under which the stocks are valued at cost or market price, whichever is lower. This is an effective vindication of a practice which is as old as it is correct.

IMPORTS OF COTTON

During the current season (that is, 1954-55 season), actual imports of cotton have been far less than the quantity permitted to be imported. Thus, during the period 1st September, 1954 to 16th April, 1955, actual imports were only 2,51,765 bales of 400 lbs. each, as against 4,44,659 bales being the quantity licensed. The sources of supply of the cotton which has actually arrived are: Egypt (72,063 bales); East Africa (85,909 bales); Peru and other parts of sterling area (3,999 bales)—total of sterling area cotton 1,81,418 bales; U.S. 70,222 bales; Mexico 125 bales—total of dollar area cotton 70,347 bales.



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United States Government Securities and Securities Guaranteed by the Government	2,414,191,925.87
Federal Agency Securities	167,123,060.20
State, County, and Municipal Securities	$65,439,454.38
Other Securities	114,137,926.86
Stock in Federal Reserve Bank	10,500,000.00
Loans Guaranteed or Insured by the United States Government or its Agencies	1,230,573,393.30
Other Loans and Discounts	2,812,738,751.23
Accrued Interest and Accounts Receivable	38,266,946.53
Bank Premises, Furniture, Fixtures, and Safe Deposit Vaults	74,421,807.25
Other Real Estate Owned	1,802,647.53
Customers' Liability on Account of Letters of Credit and Acceptances, and on Endorsed Bills and Notes	275,838,505.00
Other Resources	1,796,351.47
TOTAL RESOURCES	$9,163,355,289.49

LIABILITIES

Capital	$150,000,000.00	
Surplus	200,000,000.00	
Undivided Profits	111,140,888.22	
Reserves	5,455,800.10	
TOTAL CAPITAL FUNDS		$466,596,688.32
Reserve for Possible Loan Losses		62,618,458.13
DEPOSITS — Demand	$4,192,360,317.72	
DEPOSITS — Savings and Time	4,078,274,433.42	8,270,534,751.14
Liability for Letters of Credit and as Acceptor of and Endorser on Acceptances, Bills, and Notes		278,554,052.21
Reserve for Interest Received in Advance		30,660,665.00
Reserve for Interest, Taxes, etc.		54,390,674.69
TOTAL LIABILITIES		$9,163,355,289.49

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Condensed Statement of Condition December 31, 1954

RESOURCES		LIABILITIES	
Cash and Due from Banks	$ [illegible]	Capital	$ [illegible]
United States Government Obligations, direct and fully guaranteed	[illegible]	Surplus	[illegible]
Other Securities	[illegible]	Undivided Profits	[illegible]
Loans and Discounts	[illegible]	TOTAL CAPITAL FUNDS	$ [illegible]
Accrued Interest	[illegible]	Reserve for Possible Loan Losses	[illegible]
Customers' Liability on account of Letters of Credit and Acceptances, and on Endorsed Bills and Notes	[illegible]	Deposits	[illegible]
Other Resources	[illegible]	Liability for Letters of Credit and as Acceptor of and Endorser on Acceptances, Bills and Notes	[illegible]
		Reserve for Interest Received in Advance	[illegible]
		Reserve for Interest, Taxes, etc.	[illegible]
TOTAL RESOURCES	$188,404,334.04	TOTAL LIABILITIES	$188,404,334.04

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BA-8

MEETING OF DEVELOPMENT COUNCIL FOR SUGAR INDUSTRY

ESTABLISHMENT OF REFINERIES OPPOSED

SEVERAL decisions of outstanding importance to the sugar industry were taken by the Development Council for Sugar Industry at its meeting held in New Delhi on Tuesday last week. The decisions covered practically all the aspects of the sugar industry, including the agricultural side. Considerable significance is attached to these decisions, which is only as it should be. Now that the Government of India is formulating the second Five-year Plan, it would be very helpful if the Council could, as Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, rightly remarked, in the course of his address at the meeting, give the Government a comprehensive picture of what possibly could be included in the Plan about the development of the sugar industry, in order to make up the shortfall and introduce economy and better technology in the industry.

One of the most important decisions taken by the Council was that a joint committee of the Council and the Indian Central Sugarcane Committee be formed to formulate a development programme for sugar industry in the second Five-year Plan. It will be recalled that the Planning Commission had asked the Council some time ago to estimate the country's sugar requirements at the end of the next Plan and to suggest methods of achieving the target. At its last meeting—held on 15th December, 1954—the Council recommended a production targct of 2.25 million tons, to be attained by raising the installed capacity from 2.0 million tons to 2.5 million tons. The two questions which had been under the Council's consideration for some time and which were discussed at last week's meeting were: (1) should the rise in installed capacity be achieved by expanding the existing units or installing new units or partly by establishing raw sugar refineries? and (2) should sugar output be stepped up by shifting or rehabilitating the factories unsuitably located lying idle due to inadequate cane supplies?

Refineries

The Council expressed itself against the setting up of refineries to cover the additional capacity fixed for the second Plan. The opposition was on the score that the cost of establishing a refinery would almost be the same as that required for setting up a sugar mill. It was, therefore, felt that the starting of sugar factories in areas where cane was available or where it could be grown should be one of the methods to raise sugar production. The opposition to refineries also stemmed from two other considerations. First, if and when sugar prices slumped, the contingency of sugar mills not being able to pay a fair price to cane growers would arise. Secondly, refineries had to depend on imported raw sugar to refine it into crystal sugar.

In the first Five-year Plan, the Planning Commission had emphasised the desirability of fuller utilisation of the existing installed capacity of the sugar industry. Mr. E. P. Moon, Chairman of the Expert Committee appointed for the purpose at the Council's first meeting in August, 1954, presented an interim report to the Council last week. According to the report, the replies to the Committee's questionnaire indicate that 16 factories are lying idle and 20 are unsuitably located. If proper measures are taken to develop cane cultivation in their areas of operation, there will be no need, according to Mr. Moon, for some of these factories to be shifted. The Council decided to appoint a subcommittee to suggest measures to encourage employment of technically qualified persons in the sugar industry. The Council felt that the technical efficiency of the sugar mills was on the lower side *vis-a-vis* the more advanced sugar-producing countries of the world. This, we are told, is due to the fact that, since a large number of persons holding technical posts does not possess the requisite qualifications and training, they are not able to initiate improvements in factories and tackle the special engineering and manufacturing problems.

Grading and Inspection of Sugar

Yet another important action taken by the Council was the constitution of a standing Advisory Committee to review, every year in the light of existing circumstances, the position regarding the variations in the volume of production of different grades, changes in consumer preferences and actual prices ruling in the market. This Committee, it is said, is to be entrusted with the work of (a) determining the degree of whiteness of sugar standard and (b) advising on the preparation and issue of standards. The decision to appoint this Sub-committee followed the presentation of the report of the Sub-committee (Chairman: Mr. R. C. Srivastava) on inspection for ensuring correct grading of sugar. The Committee has recommended a system which aims at reducing the expenditure on inspection work and the number of disputes between the mills and the merchants about the quality of sugar to the minimum. A suggestion has been made that such disputes should be referred for settlement to a committee of arbitrators, consisting of the representatives of the interests concerned. As the scheme for grading and inspection will promote orderly marketing of sugar and will be in the interest of the trade, industry and consumers alike, the Committee opines that the expenditure on the staff to be appointed by the Government for working it should be met out of the sugar excise fund and not by levying an extra charge on sugar. The Committee has further recommended adoption of certain price differentials for various grades of sugar, taking I.S.S. D.28 as the basis.

The Council accepted the reports of the Expert Committees set up for (a) utilisation of the by-products of the sugar industry by establishing subsidiary industries and (b) introduction of a uniform system of chemical control and reporting of technical data by the industry. It also decided to recommend that a Government-sponsored delegation should be sent to the important cane-producing countries of the world, in order to study the developments abroad. The Council was informed by Sardar Lal Singh that the Sub-committee, appointed to devise a system for making payment for sugarcane on the basis of its quality, would submit its report within a month. The existing system of payment according to weight, Sardar Lal Singh said, did not provide any incentive either to cultivators to grow better varieties of cane, improve agricultural practices and deliver freshly harvested cane to the mills, or to the factories to develop their technical efficiency.

A Tricky Matter

The series of problems facing the Indian sugar industry were lucidly outlined by Dr. Punjabrao Deshmukh, Union Minister for Agriculture, in his inaugural speech, and by Mr. P. A. Gopalkrishnan, Joint Secretary to the Central Food and Agriculture Ministry and Chairman of the Council. Dr. Deshmukh urged the Council to evolve something which would help the Government to stabilise both production and distribution of sugar, because, otherwise, every interest, in its turn, suffered losses without any proportionate gain to any other interest. Sometimes it was the sugarcane growers, sometimes it was the millowners, and almost always it was the consumer who had to pay heavily for all this. Characterising the matter of sugar production and consumption, as a tricky matter, he said:

"You must be remembering very well how from a burdensome surplus of over 200,000 tons of sugar we almost overnight faced a fairly long period of acute scarcity wherein black market and high prices were rampant for a long time. When we calculated our figures of consumption, my mind was not very free from doubts altogether and I think, to a certain extent, this will probably be illustrated in the course of this year. Of course, these are factors which can explain easily this shifting from surplus to deficit and from deficit to surplus, and we can easily reason out the situation. But I would like you to be reminded that, without much increase in the acreage, we are likely this year to produce more sugar than we did in any preceding year. This illustrates most pointedly the ample scope that exists for increasing our average yields of sugarcane. In the middle of a season, we made a short drive and arranged for the supply of larger quantities of fertilisers to the cultivators and mills. . . . Apart from this drive for better cultivation and increased yields, the situation demanded that there was need to bring about expansion in the existing units and licensing the establishment of new factories in areas where adequate quantities of sugarcane were available."

From the estimates of sowing this year, Dr. Deshmukh hoped that the next season would also be a very good one and that we might look forward to still larger production of sugarcane. He categorically stated that, despite patent difficulties, we should not discourage increased production not only of sugarcane but also of sugar, *gur* and *khandsari*. For he said that our *per capita* consumption was miserably low, as compared with the other advanced countries of the world; our yields also had similarly much scope for expansion. In view of these, Dr. Deshmukh remarked: "Our ideal must be not to limit production but one of producing all the products in larger quantities so as to be able to distribute it at prices which would be within the purchasing capacity of our people."

Sugar Imports

The Minister for Agriculture admitted that imports of foreign sugar cost valuable currency which India could ill afford to spare. But he justified imports on two grounds. First, the Government had to prevent prices from shooting up and to ensure that everyone got this energy-giving substance in the quantities required by him. Secondly, the Government did not want to give a chance to a section of people who were against removal of controls to complain about prevalence of higher prices and black market.

Dr. Deshmukh referred to the problem of finding a suitable solution to sugar factories which were not properly situated. He was against the shifting of such factories. In his opinion, the mere cause of insufficiency of sugarcane was not incapable of solution by the commonsense method of propaganda and cultivation. The Minister could safely guarantee that, with little more attention, no factory needs be declared unsuitably located merely for this reason, because "we can double the average production in that area and, if we can do so, all the needs of that factory are likely to be fully satisfied."

Immediate Problems of Sugar Industry

Presiding over the meeting, Mr. P. A. Gopalkrishnan emphasised at the outset that, although the main concern of the Council was the development of the sugar industry in its long-range aspect, it could not afford to ignore the immediate problems which had a vital bearing on its future development; the immediate problems were falling demand for sugar and slumping prices, on the one hand, and a bumper production and prospects of a heavy carry-over, on the other. Indeed, Mr. Gopalkrishnan warned that, unless these immediate problems were solved in a manner satisfactory to the industry and the consumer, the future growth of the industry might be seriously jeopardised.

With regard to the question of sugar prices, Mr. Gopalkrishnan alluded to reports from most part of the country that the ex-factory price of standard quality sugar was ruling at Rs. 28-8 per maund. He considered this as a rockbottom price which ensured only a small margin of profit to most factories and probably different amounts of losses to others. Any further fall in prices, though welcome to consumers, would be undesirable as long as cost of production remained what it was. To the extent that costs could not be reduced, maintenance of an appropriate level of prices was absolutely necessary for the survival of the industry. Touching on the Government's policy in this respect, Mr. Gopalkrishnan claimed that both the fixation of selling prices for imported sugar and the policy of releasing indigenous sugar from factories were aimed at maintaining a level of sugar prices in the country "which is fair to the industry and the consumer."

No Cause for Alarm

The Chairman of the Development Council for Sugar Industry was rather disappointed at the symptoms of alarm exhibited in certain quarters as regards the prospects of sugar production in the current season. Ever since sugar was decontrolled, the Government, he said, had found it necessary to import large quantities of foreign sugar to supplement home production. And he asked: Why should anyone be alarmed in these circumstances, if internal production tends to go up? On the other hand, we should, he pointed out, regard increased production as an occasion for rejoicing; in spite of an enormous rise in the consumption of crystal sugar, higher domestic output was making the country less and less dependent on imports. In this connection, he indicated that there was still enormous scope for expansion of the industry and increase in output. In support of this contention, he said that, although the average sugar production in India had registered an unprecedented increase —30 per cent.—during the first four years of the Five-year Plan, the country had to import large quantities of foreign sugar. Mr. Gopalkrishnan, therefore, wanted the prospect of a bumper sugar production in the current season and a large carry-over to be regarded not with alarm but with a sense of relief. Elucidating this point, he observed:

"If we are left with a carry-over of between 500,000 tons and 600,000 tons at the end of 1955, we may not have to import any sugar in 1956. This is, of course, on the assumption that the production in 1956 will be as good as in the current year. But can anyone who knows the Indian sugar industry say with confidence one year or even a few months in advance what the production is going to be in a particular year? So much depends upon weather conditions and a proper distribution of rainfall. Last year, with an area under cane only slightly less than in the current year, we were able to produce only 1,000,000 tons of sugar. This year, the production is going to be about 50 per cent. more. With these fluctuations in production, we should not get panicky when production goes up in a particular year, but conserve and use the carry-over in the succeeding year or years when the production may not come up to the same level."

Nevertheless, Mr. Gopalkrishnan did not minimise the financial and storage problems which inevitably went with bumper production and a large carry-over, as witness his statement that, with all the godowns in the country bulging with foodgrains, the problem of sugar storage had become extremely difficult. He urged the Council to tackle this problem satisfactorily, in view of the projected expansion of the industry and the programme for further increase in production. He suggested preparation of an inventory of godown space available for storing sugar both in factory premises and in the big centres of consumption. He also wanted the Council to draw up a programme for constructing more godowns to meet the requirements of expanding production.

Mr. Gopalkrishnan made a brief reference to a general statement made by one of the subcommittees of the Council that, unless *gur* prices were also maintained at a reasonable level in conformity with the minimum price for cane paid by factories, fluctuations in production and consumption of sugar and *gur* would continue to be as violent as at present. He was of the view that, if there was a single factor, other than weather, which was more responsible than others for the intensity of these fluctuations, it was the level of *gur* prices which ruled from season to season. If these fluctuations were to be reduced to reasonable dimensions, it would be necessary, according to Mr. Gopalkrishnan, to evolve a correlation between *gur* and sugar prices.

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CO-OPERATIVE SUGAR MILLS FOR PUNJAB (I)

One more State to apply the co-operative method to the sugar industry is the Punjab(I). Already, two co-operative sugar mills have been sponsored by this State Government—one at Rohtak and the other in the Jullundur Division—and these are scheduled to commence production in the ensuing (1955-56) season. Both units have a share capital of Rs. 1 crore each, of which an aggregate of Rs. 40 lakhs worth of shares are reported to have already been sold to cane growers. The shares have been subscribed largely by small cane growers. The State Government has decided to invest "a substantial amount" in the enterprises. The balance of the fund required is to be arranged as loans from such financial institutions as the Industrial Finance Corporation. Besides giving financial assistance, the Punjab Government has taken the initiative to place orders with a well-known British firm for the necessary plant and machinery which are expected to be actually installed by October next. Before placing orders, a committee of experts, it is said, had examined tenders from several British, German, Japanese and Czechoslovakian firms.

The idea of the co-operative pattern for the sugar industry in the Punjab will be carried a stage further with the State Government's implementation of a proposal for setting up four or five more sugar factories during the second Five-year Plan period. Disclosing this at a Press Conference in Chandigarh, Chaudhri Lehri Singh, Punjab Minister for Co-operatives, said the other day that the proposed factories would have a daily cane-crushing capacity of 1,000 tons each with scope for further expansion. Indeed, he claimed that they would be the largest co-operative industrial units in the country. According to the Minister, the State Government was considering Hansi, Gurdaspur and certain other towns for the location of the factories.

WANTED—A LONG-TERM PLAN FOR COAL

GOVERNMENT MUST CLARIFY ITS POLICY SOON

THE Indian Collieries Union (I.C.U.), Katrasgarh (Bihar), has submitted to Mr. K. C. Neogy, member of the Planning Commission in charge of industry and transport, a memorandum on long-term planning for the coal industry. The Union has estimated the demand for coal to rise to as much as 70 million tons by 1960 and this, it states, can be met by planning for an annual increase of five to six million tons from now onwards. It, however, fears that such an increase will not be possible, unless the industry is assured of transport facilities in the first instance. It further contends that the removal of the present system of control over production will also go a long way towards helping the industry to hit the target of 70 million tons by 1960. The Union has arrived at the target of 70 million tons to be reached by 1960 as follows:

	Million tons
Output in 1954	36.7
Extra coal required for three new steel plants and for additions to the existing plants (4.5 million tons)	11.0
Normal yearly increase in total consumption in private sector of different industries	5.0
New thermal plants and power stations	2.0
Additional requirements of coal for manufacturing 2 million tons additional quantity of soft coke	3.0
Additional requirements for brick burning	3.0
New industries both in public and private sector	5.0
Additional requirements for foreign export if both coal and wagons are available as stated above	1.0
Colliery consumption at the rate of 10 per cent. on the additional quantity	3.0
Total	69.7

It is true that production of coal in 1954 at 36,773,605 tons was 926,707 tons higher than that in the previous year. It was also higher by as much as 551,075 tons over the previous record touched in 1952. The record of despatches in 1954 was also gratifying in that the improvement was slightly better than the raisings. At 31,946,972 tons, the despatches were higher by 1,286,253 tons over those in the previous year. Even as compared with the record despatches of 31,093,387 tons in 1952, they were higher by 850,585 tons. There is, however, no gainsaying the fact that the credit for improvement in despatches goes chiefly to the railway authorities who ceaselessly endeavoured to supply more wagons for collieries for despatches of coal. The authorities succeeded not only in arresting the downward trend in the supply of wagons but in lifting it up. The supply of wagons in the later half of 1954 was, on an average, as many as 100 wagons more per day than those in the corresponding period of the preceding year.

Does this mean that there is nothing to worry about the future of the transport situation? Certainly not, for the simple reason that instances are not wanting to prove that even today maldistribution of wagons is leading to accumulation of stocks at various pitheads. The fact that, more often, empty wagons have been moving in certain areas for lack of indents, while in certain other areas there has been a shortage of wagon supply, discloses lack of planning in the distribution of wagons for transporting coal. These shortcomings, however, pale into insignificance as compared with the task involved in moving a coal output of 70 million tons, a quantity which represents an increase of 90.7 per cent. over the present output. If coal production is to reach this target in a period of five years, there is no doubt that there will have to be a tremendous increase not only in the number of wagons now being supplied to the industry, but also in the number of locomotives and railway track mileage.

The Indian Collieries Union points out that the transport bottleneck problem cannot be solved merely by increasing the wagons, locomotives, line capacity and/or by improvement of major junctions and yard capacities, for there is a great need for toning up the administrative efficiency of the Eastern Railway authorities which has been deplorably poor. It alleges that not only have the authorities been circumventing the orders of the Railway Board, but that they have, for reasons best known to themselves, withheld the legitimate information requested by those trade interests that are concerned with coal transport. The Union has characterised the recently introduced transport rationalisation scheme as faulty and unwise. It reiterates the oftrepeated complaint that, in the matter of allotment of wagons, the State collieries are still being favoured in preference to private collieries.

In order to increase the present output of 36.7 million tons to 70 million tons, it will be necessary to open up not only new seams but also new collieries. According to one estimate, there will be need for opening about 200 new collieries, each with a production capacity of at least 10,000 tons of coal per month. This requires heavy investment which in turn calls for better incentives to colliery owners and the relaxation, if not the entire removal, of restrictions on opening or reopening mines, whether it be of coking or non-coking coal.

The biggest obstacle to investment in the coal industry is, however, the threat of nationalisation. It will be recalled that, in the course of a reply to an interpellation in Parliament, Mr. K. C. Reddy recently stated that a proposal to bring progressively new coal prospecting and opening of new mines within the direct responsibility of the State was under consideration. But, as regards the acquisition of existing mines, the position is still very uncertain. Dealing with this question, the Indian Collieries Union observes as follows:

"The Union would impress upon the Commission the fact that, coal being a wasting asset, all mines necessarily require continuous development to maintain even their existing level of output, not to speak of increasing the same, and also require long-term planning and a large capital outlay and as such a much longer period of life if one is to get any return out of such costly developments. Besides the question of nationalisation, the amendment to the Constitution on the question of payment of adequate compensation, if and when mines are acquired by Central or any State Government, has further complicated the situation. In order to achieve fully the object of a planned development of this industry, it is absolutely necessary for the Government to remove the present feeling of uncertainty about the industry's future from the minds of mineowners and to assure the private sector that it would be given a definite period of life for at least 25 years."

Under the Government's industrial policy of 1948, the coal industry is immune from nationalisation only for three more years. As this time limit is drawing near and as the industry is urgently in need of advance planning for expansion, it is high time the present state of uncertainty was removed. The Government must soon come forth with a clear enunciation of its policy on this industry.

OIL-COAL BLEND FOR RICHER GAS

Gas from a big new oil refinery at Altona, Victoria (Australia), will be used to enrich black coal gas for the State's domestic, commercial, and industrial use. The Gas and Fuel Corporation was expected to complete the laying of an eight and a half mile pipe-line from the refinery to its gas works last month. The refinery gas will ultimately be used to enrich brown coal gas, when the Corporation's plans for supply of this product from coal are completed. The pipeline from the refinery to the gas works, now nearing completion, has been coated with two layers of coal-tar enamel to prevent corrosion. Fibre glass was impregnated in the first layer to give greater strength, and after the second layer had been applied, the pipe was wrapped in asbestos felt. The line is broken up into insulated sections, about 1,500 feet in length, to limit stray electric currents which contribute to corrosion. These currents come from nearby train or tram lines.

PROSPECTS FOR TEA INDUSTRY

CONSUMPTION IN INDIA WILL BE A CONTROLLING FACTOR OF WORLD PRICES

THE Indian tea industry enjoyed the most prosperous season during 1954, in which "prices reached heights which could not have been foreseen by even the most sagacious prophets" in the industry. As we pointed out in these columns last week, the boom conditions have not brought about any sense of complacency among the planters; on the other hand, they are more worried than anybody else over the consequences of high prices for tea. The boom has brought home to the planters, as well as to the traders, that it also "brings its troubles which are in some cases more difficult to overcome than those brought by a slump." Very high prices naturally attract increased duties, taxes and larger demands from labour, thereby resulting in a rise in the production cost of tea. It is much easier to raise the costs than to lower them, as was proved in 1952. It will not also be easy to cut wages in adverse conditions or to persuade the Government to remove the duties and taxes imposed during prosperous conditions.

Besides the aforesaid factors, which have an important bearing on the future of the tea industry, the delicate balance between the world supply and consumption, which has been responsible for the violent fluctuations during the post-war period, is one of the uncertain factors in assessing the future of the industry. In this context, the reports of the two leading firms of tea brokers, Messrs. J. Thomas & Co., Ltd., Calcutta, and Messrs. Forbes, Ewart and Figgis Ltd., Cochin, for the year 1954, in which an attempt has been made to assess the outlook for 1955, will be read with interest.

Messrs. J. Thomas and Co. admit that the task of looking ahead over the next twelve months is difficult because of the speed with which the situations affecting the tea market change nowadays. The examples of the years 1952, 1953 and 1954 showed that the prophesies of both the pessimists in 1952 and the optimists in 1953 and 1954 were confounded. Nevertheless, the firm enumerates the various factors which are likely to affect the trend of the market in the coming season.

The output of tea by the major producing countries of the world during 1954 amounted to 1,195.8 million lbs. which was 52 million lbs. above the previous record level reached in 1951. In addition to this increase by the major producing countries, the minor producing countries, such as Japan, Iran, Mozambique and others are also expected to have produced more tea than before. Notwithstanding this increase in production, price of tea shot up last year. The upward trend in output is expected to continue during 1955 too. The North India tea gardens have endeavoured to procure as much manure as will produce the maximum crop they can possibly manufacture. South India and Ceylon are also capable of producing larger crops than the previous year's record levels. Pakistan and East Africa are the two other countries which are expected to produce more tea to meet their own internal requirements and to export more. Accordingly, Messrs. Thomas and Co. expect the production of tea in the leading producing countries during 1955 to be at least as large as that manufactured in 1954 and very likely larger. "In order to assess the market for the coming season," the firm adds, "it must be considered whether the world consuming public are able to absorb an increased amount of tea or whether any increase in production over the present world tea crops will flood the market and again produce slump conditions as in 1952."

The next important factor on which the future of the tea industry depends is, therefore, the level of world consumption. No country, according to Messrs. Thomas and Co., would appear to have settled down from the turmoil of the Second World War to enable the tea buyers and blenders to assess accurately either the number of people drinking tea, their individual financial capacity, or their *per capita* tea consumption. "At times, various figures are produced and published which show that world consumption in all countries is rising to a degree which still makes it seem level or even in excess of world production," the firm adds, "but what these figures probably show in reality is not actual consumption, but a temporary absorption of tea due to stock-piling." Unlike in pre-war years, dealers and blenders, we are told, are unable financially to hold stocks of tea sufficient to keep the world tea market stable and prevent the price of packet tea fluctuating as it has done recently. The stocks held by small grocers and individual tea drinkers all over the world constitute an unknown factor, so that the primary distributor is not able to assess how much tea is being actually drunk and how much is being stock-piled by his clients. It is the hidden stock figure that forms the delicate balance between world production and consumption and has been responsible for the violent fluctuations in prices during the post-war years. Messrs. Thomas and Co., therefore, observe that the tea markets of the world are likely to continue to fluctuate to the detriment of the whole trade until the *per capita* consumption in all countries can be more accurately assessed. They go on to say: "At the present time, nobody seems to be in any way certain whether or not there is an excess of tea being manufactured in relation to world consumption. It is, therefore, impossible for the major producing countries to gauge what their crop outturn should be, since any major increase takes some time to achieve as in any agricultural product."

No doubt, the world consumption of tea is rising, but what is difficult to assess is whether it is rising in consonance with the rise in world production. Moreover, the price of tea is an important controlling factor. The popularity of tea over other beverages has been kept up so long, because it is still the cheapest drink: "Should, however, the price of tea ever get so high as to bring coffee or any of the other many excellent beverages on offer to the public into competitive range," the firm warns, "then the tea consumption both in the U.K. and in all other countries might very soon fall."

Summing up the position, Messrs. Thomas and Co. observe:

"We consider that it is probable world production has now reached a stage when it must at least equal world consumption. It would, therefore, seem advisable, remembering that there are many acres of young tea which will shortly be coming into full bearing, that the machinery for the voluntary crop regulation scheme which came into being in 1952 should be kept as a safeguard against another sudden and disastrous slump such as took place in that year.

"The fact that world production may have at last reached that debatable figure of world demand should not necessarily forecast a sign of bad times for the tea industry. On the contrary, it is to be hoped that this situation will render the big blending and distributing houses able to procure tea at prices economic both to themselves and to the producer and, at the same time, enabling them to hold stocks of tea on their own account large enough to meet any sudden demand from their consuming clients.

"We base our forecast for 1955 on this hope and, although we anticipate a lower market than the extraordinary boom which took place in 1954, we think good and economically very satisfactory prices will be paid for well-made and desirable tea, while, perhaps, the buyers in auction may be enabled to serve their public by neglecting ill-manufactured and stalky grades, thus improving the blends of tea put out to their clients. Prices should rise to very satisfactory levels when the second flush quality teas are on offer in Calcutta, but there will probably be a recession in September when the quality of tea on offer deteriorates. The extent of this price recession will depend on the amount of tea manufactured to the end of August when the announcement of this crop figure is made in early September. Should, however, world auction prices of tea be too dear to enable world tea buyers to hold adequate stocks, it is our fear that the tea market may fluctuate somewhat violently to the detriment of the whole trade for several years to come."

Messrs. Forbes, Ewart and Figgis are also of the view that the production of tea this year would be maintained and possibly exceed the level of 1954. So far as South Indian crop is concerned, prospects are considered good, provided adverse weather conditions are not experienced in the coming months. The firm feels that world production must be increased if the shortage of 1954 is not to be repeated. Referring to consumption, it draws attention to the increased tea drinking habit in India. "India is drinking very much more of the tea she produces," it says, "so much so that the internal consumption in India now figures largely as a controlling factor of the world price of tea." Substantiating this statement, the firm observes:

"During the past eight to ten years, consumption has been doubled from 90 million pounds per annum to the present-day figure of approximately 180 million pounds per annum. The average crop for the past eight years, including 1954, is 602 million pounds, as against a crop figure of 560 million pounds for 1947—an increase of 42 million lbs. Consumption in India is increasing rapidly and at a far greater pace than the increase in production of tea. India now consumes nearly 30 per cent. of its production—how long will it be before 50 per cent. or more is consumed? Will production catch up with this increase? Not unless drastic and immediate action is taken to plant new areas of a considerable acreage. If this is not done, the amount of Indian tea available for sale to export markets will yearly diminish with a corresponding falling off in India's foreign trade balances."

The prospects for 1955 are considered by the firm as not entirely unsatisfactory and it expects that this year the market will stabilise at a level which proves economical to the consumer and gives a fair profit to the producer.

JUTE GOODS DESPATCHES SLACK

MIDDLE EAST COMPLAINS AGAINST MALPRACTICES

FOR sometime now, the Indian jute industry has been passing through a somewhat uneasy time. A part of this uneasiness may be traced to the behaviour of prices of both jute goods and raw jute. During the past one month, while the prices of jute goods have staged a marked decline, there has not been a corresponding fall in those of raw jute. B. twills which were quoted at Rs. 126-8 per 100 bags on 28th March last are at present quoted at Rs. 114-12 (2nd May). Hessians 40"×10 oz. have, during this period, drifted down from Rs. 44-8 per 100 yards to Rs. 42-11. But, in the case of raw jute, as disclosed by the movement in the price for Assam bottom, the trend has been steady. Thus, Assam bottom moved narrowly between Rs. 33 and Rs. 34-8 per maund during the whole of April, although the rate was marked down a little to Rs. 31-8 on the 2nd inst. Besides the fall in prices of jute goods in the face of steady prices for raw jute, shipments of jute goods last month was disappointing. In the first 25 days of April, despatches of hessians aggregated 18,450 tons, as against 21,800 tons in the same period of the preceding month. Similarly, shipments of sackings dropped from 23,000 tons to 20,900 tons. The decline in April shipments is believed to be due, in the main, to non-materialisation of orders for hessians from Argentina. The total U.S. offtake in April is yet to be known, though in March the demand for hessians was on a relatively lower scale. It is believed that the U.S. purchases in April must have been more than in the preceding month. As far as sackings are concerned, the quantity of goods lifted by Australia, Burma and the Middle East would appear to be not encouraging.

While on this subject, it is quite appropriate to recall here the complaints of the Middle East consumers against Indian jute goods which were made to the Goodwill Mission of Indian business men that visited the Middle East countries at the beginning of this year. This Mission was led by Mr. M. P. Birla, now Chairman of the Indian Jute Mills Association, and was sponsored by the Government of India. Mr. Birla is reported to have stated that the present trade practices in jute goods are creating a bad name for India, as jute shippers from Calcutta are stated to have defaulted often. The experience of Syrians in jute transactions with India has been so unsatisfactory that they are thinking of making arrangements for bulk handling of their cereals. On investigation of these complaints, the Mission found that they were directed against firms which were new to the jute trade. The Mission has, it is stated, advised the Middle East importers to deal with only such shippers as have evolved a form of contract with provision for payment of compensation in cases of non-shipping.

The Mission has recommended that the Government of India should insist on a contract providing for payment of compensation in cases of default. It considers that this should be done, although the Middle East market for jute goods is a small one. "Unless this is done," says the Mission, "it would be very risky to maintain and expand the Indian market for jute goods in these countries. The necessity for taking effective measures early is all the greater, as all these countries may be expected to increase their agricultural output under their development programmes, thereby creating a bigger demand for jute goods." It is to be hoped that the Government will take necessary action to prevent the malpractices so that India may establish a sound reputation for just and fair dealings with the merchants in the Middle East region.

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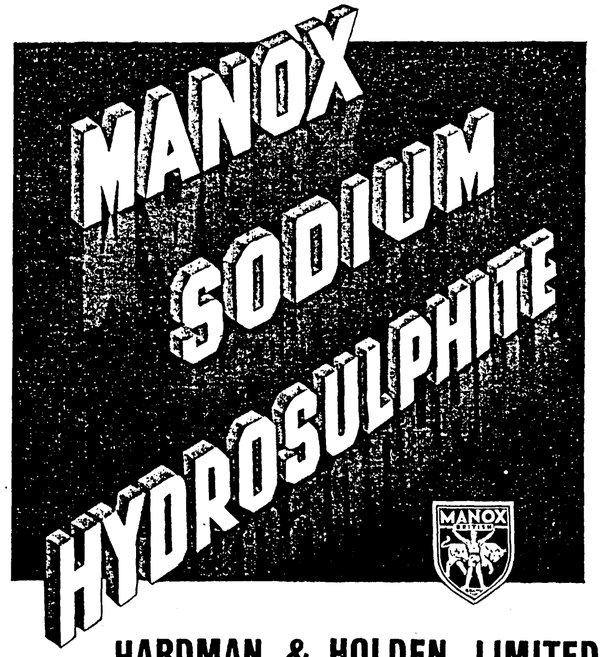

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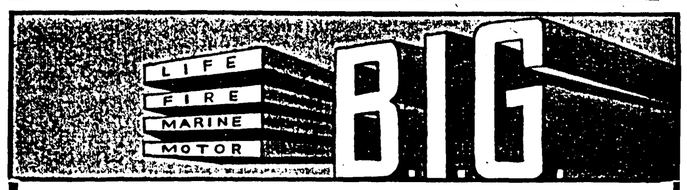

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FLAG DISCRIMINATION IN SHIPPING

RIGHTS OF YOUNG MARITIME NATIONS MUST BE RECOGNISED

By Dr. Sudhir Sen

IN the history of world shipping, few issues have been so potent in generating international ill-will as the one that has come to be known as "flag discrimination." The connotation of these ill-chosen words was nebulous even when they first came into vogue soon after World War I. It has grown more so with the passage of time, thanks to the strenuous attempts made by some of the leading maritime nations to apply to them an increasingly elastic meaning. Today, with the best of intentions, we are unable to know where flag discrimination begins, and where it ends.

The very attempt to treat these words as if they could, like rubber, be stretched almost to any length has invested them with a certain explosive quality. A second factor has contributed even more decidedly to that unfortunate end. With the arbitrarily extended meaning, these words have come to be used mostly as a tool of propaganda. Behind the loud campaign against flag discrimination as carried on by the leading maritime countries of Europe, one can easily detect the thinly veiled motive to stabilise the *status quo* in world shipping, and thereby to perpetuate the supremacy which they now enjoy.

And this is, perhaps, the worst feature of this artificial campaign—the palpably disingenuous motives of its self-appointed crusaders; the sanctimonious role which they have now come to play; their vociferous plea for the "freedom of the seas," accompanied by a strenuous endeavour to keep them as their closely guarded preserves; the crusaders' zeal employed mainly to thwart the legitimate aspirations of other maritime nations to build up their merchant navies. They indiscriminately level the charges of flag discrimination against almost any State measure to promote national shipping, on the ground that it violates the sacred principle of free competition on the high seas, except when such measures are taken by their own Governments. Such charges seldom fail to boomerang, for almost inevitably they evoke prompt and sharp retorts, usually in the shape of an unanswerable *tu quoque*! No wonder that, in such a situation, flag discrimination should have become a prolific parent of mutual recrimination.

Debate Between Two Giants

For some time past, we have been witnessing an interesting debate between the two giants of the shipping world on the application of the so-called 50-50 rule. There was a chorus of protest from British shipowners, when 250,000 tons of coal purchased by Britain in the U.S.A. under an *ad hoc* agreement were brought under this "50 per cent. American ships" rule. For example, the U.K. Chamber of Shipping, at its seventy-eighth annual general meeting held on 24th February last, passed a resolution expressing the "consternation" with which the British shipping viewed the application of this rule to a transaction of this nature.

Speaking in support of this resolution, Mr. L. G. Dann made the following homely but significant remarks: "If you give a pair of crutches to a cripple, the cripple can hardly demand that you send them by registered post and not by Carter Paterson. He should gratefully accept the gift. If, on the other hand, you offer to help him to acquire crutches and you stipulate how they are to be transported, he has the right to object and to decline the help on your terms." In short, the British thesis has been that, even if the application of the 50-50 rule were justified in the case of gift cargo or aid cargo, it would be unwarranted to extend it to trade cargo.

While our interest in this debate is essentially academic, it would be pertinent to make two comments. First, no useful purpose can be served if the extension of the 50-50 rule to trade cargo is branded as flag discrimination—it can at best express the resentment of one party without convincing the other, generate heat without throwing much light on the rights and wrongs of the case. And, secondly, the 50-50 rule as advocated by the U.S.A. was not suddenly gotten from the blue, but had almost four decades of history behind it. The Cargo Preference Act of 1954, which applied this rule to all Government cargoes, was the culmination of the forces that had been at work all these years. In short, America, too, has a case that cannot be summarily brushed aside, and, in any case, no solution of the problem can be reached through a refusal to understand and appreciate the viewpoint of the other party.

The American Case

What, then, is the American case? It rests, above all, on the bitter lesson learnt in two world wars—how easily the overseas trade of the nation can be jeopardised and its security endangered in times of war, unless it possessed an adequate merchant marine of its own. "It is high time we repaired our mistake and resumed our commercial independence on the seas," said President Wilson, exactly 40 years ago, in his third annual message to the Congress. "For, it is a question of our independence," he continued. "If other nations go to war or seek to hamper each other's commerce, our merchants, it seems, are at their mercy. . . . We must use their ships, and use them as they determine. We have not enough ships of our own. We cannot handle our own commerce on the seas. Our independence is provincial and is only on land and within our own borders."

Since then, America has been exerting herself, though somewhat fitfully, to "repair the mistake" of her overwhelming dependence on foreign flag ships. The Merchant Marine Act of 1920 prescribed in unequivocal language that the U.S.A. "shall have a merchant marine of the best equipped and most suitable types of vessels sufficient *to carry the greater portion of its commerce and to serve as a naval or military auxiliary in time of war or national emergency* ultimately to be owned and operated by the citizens of the United States and it is hereby declared to be the policy of the United States *to do whatever may be necessary to develop and encourage the maintenance of such a merchant marine. . .*" (our italics).

Mandate Reaffirmed Again

This mandate was again reaffirmed by the Congress, almost in equally strong language, in the Merchant Marine Act of 1936: "For the national defence and development of its foreign and domestic commerce, the U.S.A. shall have a merchant marine sufficient to carry *its domestic water-borne and a substantial portion of its overseas commerce* and to provide shipping service *on all routes* essential for domestic and overseas commerce *at all times*: capable of serving as a naval and military auxiliary in time of war or national emergency; owned and operated under the U.S. flag by U.S. citizens *as far as practicable*; composed of the best equipped, safest and most suitable types of vessels, constructed in the U.S.A. and manned with a trained and efficient citizen personnel." And to foster the development and to encourage the maintenance of such a merchant marine was the declared policy of the U.S.A.

Yet it is a known fact that the last war again caught the U.S.A. largely unprepared. The disaster was averted through a gigantic national effort directed to build new ships at breakneck speed. What could be more natural than for an impatient American public to demand that the unmistakable mandates given by the Congress in 1920 and 1936 must be implemented forthwith, that a repetition of the experience of the last two world wars must be averted at all costs? The changed political climate of the post-war world, with the threat of another war hanging ominously on the horizon, has no doubt given a powerful impetus to that demand.

The genesis of the Cargo Preference Act goes back to 1915 when President Wilson cried out in anguish, "We have not ships enough of our own," or in any case to the Merchant Marine Act of 1920. What is surprising is that its implementation has been delayed so long. Besides, in view of the declared policy of the U.S.A., even this Act has, if anything, shown moderation in two directions: Whereas the Act of 1920 had laid down that "the greater part" of the U.S. overseas commerce should be carried in U.S. vessels, the Cargo Preference Act has restricted the proportion to 50 per cent; and even this 50 per cent. is to be applied, not to the entire export-import trade, but only to the Government-financed or controlled cargo.

You may call this flag discrimination if you like. But, in American eyes, the step is dictated by inexorable logic; it is also looked upon as unimpeachable in principle. During and immediately after the war, the U.S.A. had, more than once, emphasised her determination to carry at least 50 per cent. of her trade in her own bottoms and for this purpose to build and maintain a merchant fleet of 17 million gross tons. This policy was criticised by the British interests and others, although Britain, too, had already declared that she must continue to serve the world with a large and efficient mercantile marine. This criticism evoked a sharp reply from a leading official of the Maritime Commission. "If American ships can provide a service that obtain half of the traffic on an average over all routes where American commerce moves, such a share of the business can hardly be deemed unreasonable or be the basis for a charge that America is encroaching on some holy ground that is the peculiar heritage of any particular nation."

Case of India

We have recapitulated the salient facts relating to the "50-50" Act passed by the U.S.A., because they have a special relevance to the younger maritime countries, including India. In defending her right to build up her merchant fleet to safeguard her commerce and to serve as the second line of defence, America was, in effect, also upholding the rights of the underdeveloped maritime countries. For much of the arguments used by her in this controversy also apply to them almost with equal force.

There are solid reasons why a country like India must do her utmost to build up an adequate mercantile marine as fast as possible. First, shipping is a valuable industry with a high potential for creating employment and income; India, with her geographical location on the Indian Ocean, her 3,000-mile long coastline and her long tradition as a sea-faring nation, is particularly well suited to develop this industry. Secondly, shipping is very often an essential prerequisite for developing national trade. To promote her own commerce, especially with the countries of the Middle East, Africa and South-East Asia, India must have her own shipping service. She can ill afford to continue her one-sided dependence on foreign shipping lines for her own commerce since their natural interest lies in promoting the trades of their own countries, and not of others. Thirdly, economic history is littered with examples to show how well-established conferences have mercilessly exploited their monopolistic positions. From the national angle, the only possible safeguard is to own and operate a sizable fleet. There is no other means to curb the greed of shipping monopolies. Fourthly, overseas trade carried in foreign bottoms has imposed a heavy drain on India's limited foreign exchange resources. This cannot go on indefinitely, much less so at a time when she must earn and husband her foreign exchange with great care to implement urgent national plans. Lastly, as with other nations, a merchant navy is indispensable as the second line of defence—to carry essential goods across the seas in times of national emergency, in order to keep the wheels of the economy running with reasonable smoothness. Indeed India's need for an adequate mercantile fleet is greater today than ever before. Without it, her economy will, in time of war, become virtually a hostage to belligerent countries; and her policy of non-alignment with power blocks and non-entanglement in war will tend to become illusory.

The crusaders against flag discrimination have deprecated the tendency on the part of the young maritime countries to build up and operate "uneconomic fleets"; and they have felt themselves called upon to forestall this tendency by every possible means. In assuming that the fleets would be uneconomic, they, however, overlook some elementary economic considerations.

First, so far as India is concerned, it cannot be denied that she enjoys very substantial natural advantages for developing her shipping industry. There is no reason why, after a reasonable period of time, she should not be able to compete, on an equal footing, with the leading maritime nations of the world. Her entire coastal shipping is now looked after exclusively by Indian shipowners, although not long ago there were over-confident cynics who were prone to dispose of the idea of coastal reservation as a costly illusion. And what has happened on the coast can no doubt be repeated some day in the overseas field as well. It is not a question of ability, but of opportunity; and, even if some extra price has to be paid to support an infant

industry in its early stages, it will be amply compensated in due course.

Second, it is easy to exaggerate even this initial extra price. The losses due to the failure to develop overseas commerce in the absence of national shipping, the exorbitant rates that have to be paid frequently to foreign shipping even in times of peace, and far more so in times of war owing to the inevitable scramble for tonnage, would far outweigh this extra price.

And *third*, since the merchant navy is a naval or military auxiliary, it is entitled to the same treatment as the defence services. The only respect in which it differs from these is that the merchant navy has a peace-time economic role to perform so that it can largely pay its way. But because it is much less of a burden on the national exchequer than the other defence services, we cannot insist that shipping must pay its way one hundred per cent. both in peace and war.

Historical Reason

If there is overwhelming justification for building up a vigorous national shipping, there is also an historical reason why this industry deserves special treatment at this stage of India's economic development. It is true that, even during her colonial regime, India succeeded in making significant progress with many of our industries. But the degree of progress achieved was far from uniform—it was largely the accidental result of the struggle against political obstacles that stood in the way. It is a well-known fact that for Indian shipping the struggle was particularly hard, bitter and long-drawn-out, that the progress was far to slow and painful; the result is that we are now faced with a far bigger leeway in this field, so that a correspondingly bigger effort will be needed to make it up.

The infant shipping industry of a country like India cannot grow without active support from the State. But shipping is a *floating factory*; it has to compete on the high seas with the ships of other nations; no protective wall can be erected around it as in the case of land-based industries. That is why assistance to shipping can be given only in such forms as subsidies, tax concessions, loans at concessional rates of interest, reservation of State cargo to national vessels, coastal reservation, and similar other measures.

Is it discrimination to adopt such measures to promote national shipping? No more so than would be tariff protection given to a land-based infant industry; no more so in the case of India than in the case of other countries; no more so today than they were in the past when the leading maritime nations employed them extensively and treated it as their right to do so. Indeed, it would be discrimination if what were then considered as legitimate rights are now branded as discrimination against others; and it would be discrimination against ourselves if we were not to exercise similar rights in defence of our legitimate self-interest. The younger maritime nations will need substantial State assistance, because they are late-comers in the field; because they have to acquire tonnage at a time of soaring prices; because they have to compete with established shipping lines that have piled up large financial resources through generations of successful shipping; and, lastly, because world trade is dominated by powerful conferences that resolutely pursue a blocked-door policy.

Blocked-door Policy

This last point is particularly important. The Chairmen of the two leading Indian shipping companies have, more than once, expressed their resentment that, though members of the India-U.K.-Continent Conferences, they have, in spite of repeated representations, been hitherto refused entry into the supplementary sister conferences on the same route, for example, Colombo-U.K., U.K.-Colombo, Aden-U.K., U.K.-Aden and other conferences. Is it discrimination against a new entrant like India to deny her entry into these conferences? No; it is far worse than that; it is as good as an attempt to throttle the shipping of a weaker nation. Such blocked-door policy of the entrenched conferences often leaves the non-member maritime nations often with no other alternative than to adopt the policy of cargo reservation for national ships. It is the real parent of the 50-50 Act which the conferences themselves so readily repudiate.

All this shows how far we have travelled from the International Maritime Convention, passed through the League of Nations in 1923, urging that there should be no preferential treatment to national ships as regards berthings or other facilities, port dues, light dues, etc. In that restricted meaning, the stand against flag discrimination was perfectly legitimate. But trouble began almost in the same year when the Congress held in Rome under the auspices of the International Chamber of Shipping, passed a resolution pleading for "equal opportunity to all ships under all flags in all parts of the world," and opposing any attempt to restrict the carriage of goods or passengers between different countries to vessels sailing under the flag of any nation as being "contrary to international comity and disastrous to international commerce."

The Convention on the Inter-Governmental Maritime Consultative Organisation, or I.M.C.O., of 1948 also recognised that "assistance and encouragement given by a Government for the development of its national shipping and for purposes of security would not in itself constitute discrimination." This was a wise decision, but, unfortunately, its value was whittled down by an elastic proviso that "such assistance and encouragement is not based on measures designed to restrict the freedom of shipping of all flags to take part in international trade." The net effect of this proviso is that the membership of the I.M.C.O. may easily become an obstacle to the promotion of national shipping. This explains why India, along with a large number of under-tonnaged maritime countries, has so far refused to join the I.M.C.O.

The resolution of the U.K. Chamber of Shipping passed in February last, not only expressed its "consternation" over the application of the 50-50 rule by the U.S.A., but also registered its "equal concern" over the growing tendency of other countries to support their mercantile marines by requiring a proportion of imports and/or exports to be shipped in national flag tonnage; and, in furtherance of its declared policy of opposing flag discriminatory practices wherever they are met, it resolved to renew its efforts to bring all such practices to an end. A resolution like this has become almost an annual ritual at the shipping conferences organised by the maritime nations of West Europe.

Rigidity of British Shipping Outlook

The monotonous persistence with which British shipping has been passing these resolutions underlines, above all, the psychological difficulty it has been experiencing in adjusting itself to the changed political and economic climate of the mid-twentieth century. The way British industry, in general, and British industry in India, in particular, have adjusted themselves to the altered conditions of the post-war world has evoked wide admiration even among Indian nationalists. But British shipping, to judge from the rigidity of its outlook, seems to have remained an exception so far. Yet how much it has to gain from a frank recognition of the rights of underdeveloped maritime countries to promote their shipping! It will not only help create a most favourable atmosphere of mutual goodwill, but will also yield solid economic benefits in other directions. Her shipyards will receive increasingly large orders from the younger maritime nations. Moreover, with her unchallenged supremacy as the centre of world shipping and her network of brokers and agents, owners and charterers, underwriters and average adjusters, naval architects and classification societies, superintendents and surveyors, clubs and solicitors, and the Baltic Exchange, she will be called upon to render specialised services on a much larger scale than in the past.

On the other hand, the continuation of the indiscriminate cry agaist flag discrimination is likely to achieve the opposite result. It has certainly been instrumental in inducing Indian shipping circles to study with much greater attention what measures other maritime countries have taken in the past and are taking now to help their own national shipping. The painstaking research with which they are now digging out facts is well illustrated by the special number of the *Indian Shipping*, the journal of the Indian National Steamship Owners' Association, which has just been brought out on the question of Flag Discrimination. The mass of facts brought together in this issue will serve as an eye-opener to the Government as well as to the public in India. It unmistakably reveals the fact, which has long been known to Indian shipowners, that *our Government, far from doing too much, is not doing enough even today for our own shipping.*

Three Steps Essential

To end the present futile controversy over flag discrimination three steps are essential: to restore to these ill-fated words the limited meaning in which they were first used, that is, inequality of treatment at ports; to recognise the rights of underdeveloped maritime nations to build up adequate merchant fleets; and to allow them to take whatever measures they consider appropriate to achieve this objective, subject to a scrupulous avoidance of discriminatory treatment at ports. There is no reason why the reservation up to 50 per cent. of national cargo for national ships should not be permitted. After all, this will still leave a generous margin of national trade to be carried in the bottoms of the leading maritime nations.

(*Continued on page* 911)

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IRON AND STEEL IN ASIA AND THE FAR EAST

SCOPE FOR DEVELOPMENT EXAMINED

By V. M. Subramanian*

THE combined iron and steel production of the countries of Asia and the Far East is very small, amounting to less than 5 per cent. of the world total. Present Asian consumption, though larger than production, is also very low. Steel consumption potentialities of the Asian countries are, however, very considerable. The *per capita* consumption of steel is about 545 kilogrammes in the United States, 300 kilogrammes in the United Kingdom, and about 130 kilogrammes in Western Europe, while in Asia and the Far East it is less than 5 kilogrammes. The region abounds in resources of essential raw materials. Some of these are favourably located (for example, India and China), while others are available in substantial quantities but require further preparation and treatment before they can be utilised. In a number of the underdeveloped countries, the known iron ore deposits are richer than those of some of the industrial countries of Europe.

It is needless to say that the distinguishing feature of the industrialised countries is not the extent of their iron ores, but the degree to which they are able to utilise the iron ores which are available to them. The ratio of pig iron production in most of the industrialised countries to the world production exceeds the corresponding ratio of iron ore reserves, whereas the reverse is true in underdeveloped countries of the E.C.A.F.E. region. The United Kingdom has about 2.5 per cent. of the probable iron ore reserves (iron content) of the world, whereas it produces about 8.3 per cent. of the world production of pig iron. The United States has about 6.4 per cent. of the world probable ore reserves, whereas it produces about 49.6 per cent. of the world production of pig iron. India has about 21.0 per cent. of the probable world iron ore reserves but its production of pig iron is only about 1.3 per cent. of the world production. The corresponding figures for iron ore for the Philippines and Indonesia are 1.8 and 0.2, respectively, whereas the production of pig iron is *nil*.

Continental Countries

It will also be interesting to note that France has to import over half its metallurgical fuel and that Germany has always been dependent upon imported ore. Before the war, when Germany was producing 20 million tons of steel, more than two-thirds of its ore was imported. Belgium relies almost entirely on imports for its ore supplies. Luxembourg produces neither coking coal nor coke. Italy is entirely dependent on imported coal. Sweden also depends upon imported coal. Large imports of iron ore are a feature of the United Kingdom's raw material supplies. It will thus be seen that, while some countries have more than enough coal and others have more than sufficient iron ore, there is no country which is independent in respect of both of these key materials.

The most heavily populated underdeveloped countries, China and India, which account for almost two-fifths of the world population, are, however, endowed with enough iron ore for large-scale modern iron and steel industries. Most of the other countries of the region have adequate iron ores to support a modern steel industry. A number of these have more iron ore than they are likely to use domestically within the foreseeable future, and are thus in a position to eport iron ores without impairing their own steel-making potentialities.

In Asia, three quarters of the known coal reserves (outside the U.S.S.R.) are in China, and the bulk of the remainder is in India. If these reserves of iron ore and coking coal were fully utilised, both these countries would be able to plan for an iron and steel production five times the existing capacity thus paving the way for an all-round industrial development. Both the Philippines and the Republic of Indonesia have deposits of iron ores with 45 to 50 per cent. of iron content, totalling about a thousand million tons in each country. Both of these countries possess coal deposits but probably only relatively small quantities of coking coal. The Philippines also has petroleum, coke and Indonesia, oil, Indo-China has large high quality coal deposits and anthracite and reservse of possibly 100 million tons of good grade iron ores. South Korea has large reserves of ore with 40 per cent. iron content and smaller reserves with 55 per cent. iron content. It has huge reserves of anthracite. Burma has deposits of iron ore and coal. Further surveys are likely to indicate larger and better reserves. Thailand has reserves of several million tons of good iron ore. Pakistan has reserves of iron ore and coal but coking coals have not yet been found. Reserves of natural gas have been recently discovered. Oil also is available.

It is apparent, therefore, that the iron and steel making capacity of Asia and the Far East might be very much expanded and might be extended to countries otherwise lacking the prerequisite complement of raw materials, by the development of trade in iron ore and coal within the region even assuming that only the well established coke blast furnace method of iron making will be adopted.

Transport Requirements

The total transportation requirements for steel produced on such a basis and delivered to markets in Asia and the Far East would be less than those involved in steel delivered from the United States or Europe. The cost of transporting finished steel produced in industrialised countries to markets in the E.C.A.F.E. region is a very substantial part of the total cost of the delivered steel.

The foregoing facts are, of course, based on the assumption that pig iron would be manufactured by the coke-blast-furnace method.

Recent technical developments have opened up a number of important possibilities for iron and steel production in the underdeveloped areas of the E.C.A.F.E. region substituting for high grade coking coal other fuels and energy sources which may be available to them, such as inferior coking coals, non-coking coals, hydro-electric power, petroleum, charcoal and natural gas. Other technological developments also permit the creation of iron and steel works in locations where large-scale markets do not at present exist, where adequate transportation facilities are absent or where iron ore deposits, fuel and energy sources are available but not on a scale sufficient to support large-scale operations. With an alternative smelting process, capital requirements may be substantially reduced because a smaller plant is feasible.

New Processes

Many processes which do not require coking coal have now been developed among which may be mentioned the Krupp-Renn process, the Sturzelberg process, the Basset process, the Wiberg process, the Hoganas process, the Tysland-Hole furnace, and the low-shaft furnace, operated with or without oxygen, using briquetted carbon and ore fines. In addition to economical considerations, investigations will have to be made in every case on the chemical as well as the physical characteristics of the ore and tests on pilot plants done before a definite choice of method or combination of methods can be made.

The low-shaft furnace at Liege has a great future, as recent experiments have revealed the possibility of its use with or without oxygen and with a wide variety of raw materials and fuels, even including lignites. The main advantages are a smaller capital and production cost and the possibility of using a more plentiful and less costly fuel and of the smelting of ore-fines and the production of a rich gas. Many countries in the E.C.A.F.E. region including Burma, the Philippines, Indonesia, Pakistan and Thailand may find this method eminently suitable.

The Sturzelberg process was developed in Germany to process the purple ore, obtained during the process of producing sulphuric acid from pyrites. The purple ore is a ferric oxide with about 42 per cent. iron and a high quantity of zinc and sulphur. The process yields iron of a very high quality and valuable metal oxides as by-products. Any type of coal can be used, even lignite. The process is not affected by the sulphur content of ore and coal.

The Basset process operating in Denmark produces pig iron in a rotary kiln with a highly basic slag with a basicity of about 3.0. This slag remains solid during the process and forms nodules which can be used for cement production. High sulphur raw materials including pyrite cinders and ore fines can be used. The silica content of the ore must be low and the ore must be fairly rich.

The high sulphur coals and the fairly rich ores with low silica content of Pakistan, Thailand and the Philippines could possibly be worked in the basic rotary kiln of the Sturzelberg type or the Basset type. Though the Sturzelberg process produces pig iron of an excellent quality, it should be borne in mind that the cost of production is rather high.

The high sulphur South Arcot lignites and the Salem ores of South India can be utilised for production of pig iron in a basic rotary kiln.

In the Philippines, the high phosphorus high grade iron ores in Camarines Norte and the bituminous non-coking coals of near-by Linguan coal mines in Bataan Island offer a suitable combination for the Sturzelberg process. The high phosphorous pig iron may be blown directly into steel in the basic Bessemer.

Wiberg Process

The Wiberg process uses carbon monoxide and a little hydrogen for the gaseous reduction of iron ore. Low grade fuels may be used without the sulphur and phosphorus in the fuel getting into the sponge iron. The ores must have a sufficient mechanical strength and should be fairly rich with an iron content above 60 per cent.

The Hoganas sponge-iron process uses a very rich concentrate which is packed in layers with coal in ceramic containers. These are fired in a furnace in a manner similar to that used for firing refractory bricks. The iron is exceedingly pure and can be used for the production of high quality steel.

The Wiberg process and the Hoganas process may find application in countries with fairly rich iron ores but no coking coal and with small markets for iron. It is claimed that the Wiberg process can be used even without electrical energy.

The German Humboldt low-shaft furnace process is based on the direct smelting of fine ore, fluxes and non-coking coal in the form of briquettes for the production of pig iron. Any type of fuel can be used. The capital cost and operation cost are lower than those for a corresponding blast furnace.

The ore-coal briquette method may find application in certain locations of Burma, the Philippines, and Indonesia. The low-shaft furnace will form an ideal combination with the open hearth furnace as the rich gas from the former can be utilised in the latter.

The high phosphorus laterites of Jubbulpore, India, with a high content of fines, when reduced with the coal from South Rewa by the ore-coal briquettes smelting method, would yield a pig iron suitable for conversion in the basic Bessemer.

India

As there is a great shortage of good foundry iron in India, the ore-coal briquettes process could be very profitably adopted for utilising the huge surplus of cheap ore fines and non-coking coals and cheap slack. Non-coking coals in India are generally lower in phosphorus whereas the Indian coking coals are characterised by a high phosphorus content, which excludes their application for the making of standard grade ferro-manganese with phosphorus below 0.35 and hematite pig iron.

The high grade below phosphorus and low sulphur iron ores of the Tavoy District in Burma and the medium to high volatile Thelndaw coals of the near-by Mergui District may offer a suitable combination for the Humboldt process or the Liege low-shaft process.

The high phosphorus hematites of Camarines Norte, in the Philippines, when reduced with the coal from the near-by Linguan mines in Bataan Island in the Humboldt low-shaft furnace or the Liege international furnace will yield a pig iron suitable for conversion into steel in the basic Bessemer.

The Bukit Ranggal iron ores of South Sumatra in Indonesia, and the coals of South Sumatra, offer a combination for the Humboldt process or the Hoganas or the Wiberg process.

Malaya has very large reserves of high grade iron ores in Pahang, Trengganu, Perak, Johore and Kelantan. These can be smelted in the Humboldt low-shaft furnace or the Liege type furnace with the Batu Arang coals. The Hoganas and Wiberg processes also may be found suitable.

The Krupp-Renn process can utilise highly siliceous ores as well as ores with a high titanium content. Low-grade iron ores in powdery form and a low content of sulphur and phosphorus in the ore and fuel are desirable for the acid Renn process. Any type of solid fuel can be used, even those of inferior quality and with a high ash content. High sulphur raw materials necessitate further treatment. This process may be employed for the utilisation of some of the low-grade ores found in Thailand, Pakistan, Burma and Indonesia, where the quality of coal available is also poor.

The Salem magnetites and South Arcot lignites of South India offer a favourable combination. The magnetites require preliminary treatment. The fuel with a rather high sulphur content yields on low temperature carbonisation a coke with more than 1.0 per cent. sulphur. The luppes obtained with this fuel would require several slag flushings and renewals in the electric steel furnace or defollowed by finishing in the open hearth furnace. sulphurisation in a special pre-melting furnace This would also permit finishing in a basic converter if the iron is high enough in phosphorus. The low iron and high phosphorus laterites and the clay iron stones of Bengal-Bihar could be converted into high phosphorus luppes by using coal from Raniganj.

The medium grade, low sulphur iron ores of Ceylon may possibly be reduced in an acid Renn

(*Continued on page* 911)

**V. M. Subramanian is chief of the iron and steel section of the United Nations Economic Commission for Asia and the Far East (E.C.A.F.E.) in Bangkok, Thailand. He recently visited France, Belgium, Britain, Sweden, West Germany and Austria, to study some of the latest iron and steel manufacturing techniques.*

NEW PRODUCTS AND PROCESSES

Chicken Feed in Crumbs

A FACTORY at Deft (the Netherlands) has put on the market a new form of chicken feed which combines the advantages of mealy and granular food. This food is supplied in the form of crumbs, in two compositions; one for young chickens of 0 to 6 weeks, the other for chickens 7 to 13 weeks. Older chickens can change over to normal poultry food. This chicken feed need not be mixed. It does not raise a dust and is not sticky, so that nothing is left in the bag. It can be scattered into the feeding boxes without spilling and can easily be picked up by the young chickens as soon as they are twenty-four hours old; it does not stick to their bills. When this food is used, neither the drinking water nor the feeding boxes are soiled by scraps of food caking on the walls of the boxes and turning sour.

Electrical Resistance Heating

A new grade of nickel-chromium alloy for high temperature furnace resistors, known as Brightray H, has been developed as a result of extensive work carried out in the research laboratories of the Mond Nickel Company, Limited. Brightray H is a modified composition of the well-known 80/20 nickel-chromium alloy and is intended for use as a heating element in electric resistance furnaces where the elements operate in the temperature range 1100-1250° C. Having proved successful in several metallurgical heat treatment furnaces and for the high-temperature firing of pottery, the new alloy has been put into production at the Birmingham Works of Henry Wiggin and Company Ltd., and is now available in the form of rod, wire and strip.

Oxidation resistance of the new alloy at temperatures above 1100° C. is better than that of the standard 80/20 nickel-chromium alloy. Laboratory tests on strip 0.88 mm. thick by 14 mm. wide and on rod heated continuously in air to 1250° C. gave lives of over 1,000 hours. This shows a considerable improvement over the life which can be obtained with the standard 80/20 nickel-chromium alloy in similar conditions. The specific resistance of Brightray H at room temperature is 126-130 michrohms/sq. cm./Cm. This increases by 3.6 to 4 per cent. as the temperature is raised to about 450° C. and decreases by 6 to 9 per cent. between 450 and 900-1000° C. As the temperature is further increased, the specific resistance rises slightly but up to 1300° C. remains less than the value at room temperature.

Temperature °C.	*Approx. Specific Resistance michrohms/sq. cm./Cm.*
20	126-130
500	130-136
1,000	122-127
1300	124-126

The density at 20° C. is 7.8-8.1. Brightray H does not embrittle in service and has high strength and improved oxidation resistance even at high operating temperatures.

Artificial Photosynthesis

For the first time in history, scientists have been able to make food the way plants do. It is a discovery that, potentially, could provide a new food source for mankind. The plant process which the scientists have succeeded in duplicating is photosynthesis. This is the process by which plants use sunlight to make carbohydrates from carbon dioxide, water and soil minerals. Scientists characterise it as the most important chemical action in the world and the basis of all life. The first achievement of complete photosynthesis outside of living plant cells was announced recently in Berkeley, California, to the American Association for the Advancement of Science by a group of University of California plant physiologists. They have succeeded in duplicating to a certain degree the complete process of splitting water into hydrogen and oxygen and "fixing" carbon dioxide to produce starches and sugars, using the energy of light. This is what nature does in plants, but more efficiently. According to Dr. Daniel I. Arnon, the achievement "brings nearer the day when man, after mastering the secrets of the processes in green cells, will reduce his age-long dependence on crop plants for food and energy."

Photosynthesis in nature depends on extremely minute particles found in the cells of leaves, which contain the green pigment, chlorophyll. These particles, or "chloroplasts," can be isolated from the leaves. In the past, it has been possible to use these isolated chloroplasts in the laboratory to duplicate the first part of the photosynthetic process, the splitting of water into oxygen and hydrogen. Previous attempts to duplicate the second and more important process—the combining of hydrogen and carbon to produce starches and sugars—have failed. It had been assumed that something else contained in the plant cell was essential. The second step has now been achieved, however, and a series of organic compounds has been produced on a small scale.

The process of making starches and sugars chemically is extremely complicated and not as yet entirely understood. Presumably, the substances known as enzymes, which are governors of physiological activity, are necessary. The present experiments demonstrate the important fact that these substances are contained within the chloroplast, rather than supplied by some other part of the plant cell. "These experiments demonstrate," Dr. Arnon said, "that the chloroplast is a remarkably complete photosynthetic unit capable of carrying out the principal reactions of photosynthesis outside the living cell. "The importance of the work lies in the firm hope it gives of elucidating the detailed mechanisms of photosynthesis. Then the day would be nearer when man could devise his own photosynthetic reactions by the energy of the sun. . . . Should this prove attainable, it would usher in an era of unlimited abundance for the benefit of all mankind."

ASSOCIATED STONE INDUSTRIES (KOTAH) LTD., RAMGANJ MANDI

SPEECH OF SARDAR DALJIT SINGHJI

THE Ninth Annual General Meeting of the Shareholders of Associated Stone Industries (Kotah) Ltd., held on the 23rd April, 1955, at Ramganj Mandi, Kotah District (Rajasthan), was presided over by Sardar Daljit Singhji, Chairman of the Company. Addressing the shareholders at the meeting, the Chairman said:

"GENTLEMEN,

"I deem it a great privilege in welcoming you all here, this afternoon, and presenting the directors' report and the audited statement of accounts of your Company together with the auditors' report for the year ending 30th September, 1954. These have already been circulated, and it is hoped that you have gone through them.

"On looking at the aforesaid reports, you will agree with me that the result of working of the Company is quite satisfactory and that the financial stability of the Company is quite sound.

"Although there has been a fall in the sales as compared to the previous year and the profits have also registered a slight decrease, the progress attained in all major spheres is such that any concern can be proud of. This progress has been largely due to the harmonious relations between the labour and the management. The employees and the labourers have given unstinted co-operation in the working of the Company and let me hope that these relations will continue to remain so. The management has also discharged its duty towards labour by providing all the amenities that the Company can afford. Recently, a swimming pool and a garden have been provided for the employees of the Company. A housing scheme for labour is also under preparation, and if the necessary financial assistance from the Central and State Governments is forthcoming, it will be given concrete shape in the near future.

"The most important and serious problem confronting the Company is the problem of wagon supply. This shortage of wagon supply is the real cause for the fall in sales and profits in the year under report. The huge accumulated stock of flooring stones lying in the railway yard, awaiting transportation has led to blocking of huge capital. The immensity of this problem will be obvious when it is realised that at present the stocks of stone so accumulated measure about 1½ crore sq. ft. and are of the value of Rs. 40,00,000 at market value. The accumulated stocks will require 4,500 wagons for clearance.

"It is the age of planning. In the national plan for reconstruction, housing occupies a central place and the flooring stone industry is of utmost importance if our housing plans are to succeed, as desired by our leaders. It is really surprising that the importance of transport facilities in giving necessary encouragement to this industry is lost sight of. We hope the authorities concerned will realise the urgency of the situation and do the needful in the matter before it is too late.

"Instead of there being an increase in the number of wagons supplied to the Company, there has been an unfortunate gradual fall every year in the supply of wagons. Moreover, this supply of wagons is mostly made in the monsoon season. This uneven distribution in wagon supply creates serious problems for the Company's dealers, who have to block their large capital in one season and face the consequential financial difficulties. Our demand that throughout the year a daily quota of 10 wagons should be fixed for the Company is a very modest and reasonable demand and I hope it will be accepted by the railway authorities.

"In case the situation regarding the wagon supply is permitted to deteriorate, I may warn, in unmistakable terms, that unfortunate results will follow. The Company may in these circumstances be forced to bring down the production and curtail the number of employees and labourers. This will not only lead to depriving of hundreds of men of their means of livelihood with all the dire consequences, but also cause loss of revenue to the railways and the Government of Rajasthan to the tune of several lakhs. I thus appeal to the authorities to be considerate and without delay formulate a policy regarding the regular and systematic supply of wagons in adequate number to the Company.

"The management also deserves credit for putting the Kotah Stone on the industrial map of India by their organised efforts. I may also mention here that in the true traditions of our country, the Company has been helping charitable causes, by awarding scholarships, providing medical relief and organising eye and surgical camps.

"Before I conclude, gentlemen, I, on behalf of you all and myself, thank our Director-in-charge, Shri Hiralal M. Parikh, for captaining the ship of industry with remarkable skill and ability. Thanks are also due to Shri J. D. Kora, the energetic Manager and Secretary of the Company, for his sincere efforts in achieving all-round progress of this concern and also the officers, staff, the labour and the customers for their sincere co-operation. I also thank our auditors and legal advisers for their valuable guidance.

"Thanking you all, once again, I now commend for your approval the resolution to adopt this report and accounts."

PROBLEMS OF MARINE INSURANCE

BRITISH SPOKESMAN ADVOCATES CAUTIOUS UNDERWRITING POLICY

SOME plain words of advice exhorting British marine insurers to adopt cautious underwriting practices were uttered by Mr. C. H. Johnson, Chairman of the Liverpool Underwriters' Association, at the annual meeting of the Association. British marine insurers have established a record of service which is well worth emulation by insurers in any part of the world. If impartial observers like Mr. Johnson find it necessary to exhort them to be cautious, then it should be clear that marine underwriters in other parts of the world are doubly in need of such advice.

Marine insurance is international in character. And the advice, which Mr. Johnson gave, has therefore a world-wide significance. It certainly applies to this country in which marine insurers have by no means been very prosperous. Claims experience is not as comfortable as one would wish. It is, however, true that one should not measure the worth of that experience with reference to a year or two, for the history of marine insurance shows that years of favourable experience may be followed by years of heavy losses. All the same, the words of advice of caution are not out of place.

Marine Profit

Even in the short run, it is not clear that marine underwriters are writing profitable business. Discussing the 'profit' aspect of marine insurance, Mr. Johnson said:

"Unfortunately, in marine insurance, the punishment does not always adequately fit the crime—some underwriting adventurers are saved by their overriding commissions. Despite published marine underwriting profits—not all of them earned in the same underwriting year—is it true that underwriters are making money? I believe that, if each section of our business could be costed as are manufactured goods in order to fix a proper sale price, we should find that large sections of hull and cargo businesses are not paying."

The reason why marine underwriting turns out frequently to be an unprofitable venture is that the underwriters sacrifice quality at the altar of quantity. As Mr. Johnson said, there is the incentive to write a large premium income. He said: "To some underwriters it may be the lure of a low expense ratio, to others it may be a mistaken idea of prestige, whilst some may be under pressure from those who sit in authority over them." He emphasised that, although the view might be "unpalatable," a definite policy of restriction would encourage underwriters to write more selectively and also strengthen their determination to eliminate bad accounts and so enhance the possibility of making an underwriting profit.

Competition

Proceeding, Mr. Johnson deplored the conditions of unbridled competition that prevailed in the insurance market. He did not, of course, suggest that marine underwriters should not be courageous. Only, he emphasised that courage could often be more effectively shown through an insistance upon a "fair contract than in blindly assuming large liabilities for too little premium." He added: "A lot of money has been lost in underwriting for lack of the courage to say No." He recognised that, "inevitably there must be competition to act as a natural check upon excessive rates." At the same time, it should be "reasonable." Explaining the place of competition in the sphere of insurance, he said:

"Competition is the natural rivalry found in all healthy business; it has led in the past to greater efficiency and is one of the safeguards to policyholders. Fair competition does not exclude co-operation between underwriters. No individual action, however, sound from the underwriting point of view, can effectively stem unbridled competition such as one meets with today. Expediency in meeting competition nullifies underwriting experience and leads to the substitution of hope for judgment, the former appearing to spring eternally in the breasts of underwriters. Rate-cutting does not call for either intelligence or skill but this disease is as catching and almost as devastating in its effect as myxamatosis! Even the most rabid rate-cutter will concede that, in these days of keen competition, a reduction in rate on one account or one class of business almost inevitably leads to reduction being demanded elsewhere; assured or their brokers generally have an uncanny sense of finding out when their competitors obtain more favourable insurance cover, and are not slow to demand similar favourable treatment, even where the experience of their accounts may not justify any similar concessions.

"The general reluctance to jeopardise the retention of any account is due largely to the individualistic attitude of some underwriters whose competitive inclinations have forced the pace against any sense of discretion. They reserve to themselves the right to make any rate necessary to keep an account, irrespective of results or conditions. Consideration of present-day market conditions is too often assumed to concern only the two parties to the marine contract—the assured and the underwriter—overlooking the brokers, whose potent influence, I fear, generally depresses rates and broadens conditions. On the other hand, let me say frankly that the responsibility for a weak market does not rest upon the brokers. One cannot stress too emphatically that, if all underwriters stood by agreements and in other matters used normal discrimination, they have the power in their own hands to say what shall or shall not be done."

Reinsurance

Marine insurers the world over are greatly indebted to the British insurance market for the reinsurance facilities it offers and without which the insurers would hardly be able to carry the wide range of risks involved in marine insurance. Reinsurance facilities are, however, open to abuse. In Mr. Johnson's view, they are being abused. He said that the "prostitution of reinsurance as is seen today is aggravating many of the problems facing the market." He warned that this "indiscriminate support of reckless underwriting here and overseas may ere long have a boomerang effect." Pleading for caution in the acceptance of reinsurance risks, he said:

"Original underwriting companies are encouraged to underwrite on unsound lines at rates which, when further reduced by heavy deductions, are hopelessly inadequate to their reinsurers. The overriding commission which they retain gives them an eminently satisfactory rate on their low retentions. The facility with which reinsurance treaties are accepted, with unduly generous terms, suggest that many underwriters do not realise that they are providing the sinews of war to their competitors as well as encouraging the abuse of the proper function of reinsurance."

Suggestions

Since insurers in many parts of the world look to the British insurance market to provide them the support and the guidance they need, it is of utmost importance to the underwriters in all countries that the British market must be healthy and strong. From this point of view, Mr. Johnson made a few constructive suggestions. He stressed the need for setting up of a central bureau or clearing house with the object of collating underwriting and claims data for the use of the market. He added:

"Either through such a central body or preferably, through our existing underwriting organisations, underwriters could have as their targets:

"(1) (a) The "pooling" of British market experience and the exchange of information with other national underwriting associations; (b) recording of business showing bad results.

"(2) (a) The investigation of risks with a view to their elimination or reduction by co-operation with the assured, carriers and other third parties in whose care the goods may be during transit; (b) continuous surveys of experimental shipments designed to find out when and where damage or loss occurs; (c) representations to shippers of improved methods of packing and, also, to carriers where they should take more care in carriage and handling.

"(3) (a) Reduction of claims costs, surveys, adjustment. (b) Collection and assimilation of the vast amount of information acquired by cargo surveyors at underwriters' expense about damage of various types to all classes of goods, both raw materials and manufactured goods, all too rarely made available to underwriters. (c) Marine claims settling agents and their surveyors could be used to gather information about the conditions of various commodities on outturn at destination.

If the suggestions made above were implemented, there is no doubt that there would be a welcome improvement in the claims experience of marine insurers. It should be clear that, if insurers joined together and studied their common problems, they would be able to achieve better results than what they could, if they acted individually.

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Bombay Fire & General Insurance Company, Ltd.
(Incorporated in India)
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INSURER'S INVESTMENT

An interesting question as to whether the money spent by an insurer in constructing an imposing building was an extravagant expenditure came up before Mr. G. K. Damodara Rao, Additional Judge, City Civil Court, Madras, who held that it did not constitute extravagant or imprudent expenditure. The case arose out of a representative suit filed by two policyholders of the United India Life Assurance Company, Ltd., praying for a permanent injunction to restrain the Company from expending any moneys belonging to the policyholders' trust fund for the construction of the proposed 14-storey building in the city. The plaintiffs contended that the trust deed of the Company provided that the policyholders' fund should not be vided under the trust deed. In 1939, the Directors amended the Articles of the Association of the Company which enabled them to make such investments of trust funds as provided in the amended Articles. The plaintiffs' contention was that the Directors had no right to amend the Articles of the Association and, since the policyholders were the true beneficiaries of the trust fund, their consent should be taken before amending the Articles. They further argued that, since the Company already possessed a big building, the proposed construction would be an "extravagant and unwise investment." On behalf of the Company, it was contended that the plaintiffs' rights were restricted by the terms of the policy contract and that the plaintiffs had no other interest in the Company.

The Judge, after analysing the evidence in the case, held that the trust deed was intended not for making policyholders beneficiaries but to create a fund to satisfy the claims of policyholders. The fact that a direct claim against the trustee was prohibited and they had only to look to the Company for payment negatived the plaintiffs' claim that they should be regarded as beneficiaries. As regards the argument that a new building was unnecessary, he said:

"I am not in the least satisfied that the proposed investment on an imposing building on Mount Road for a very progressive insurance company, which now bids fair to compete with the leading insurance companies in India, is an imprudent and extravagant investment. On the other hand, I would even state that the proposed building would enhance the reputation of the Company and double its business and the imposing edifice will not only be a standing monument infusing confidence in the minds of the policyholders, both present and future, but will also afford them such security financially which such an imposing building is bound to give."

Emphasising that the Company proposed to spend Rs. 60 lakhs on the building, as against Rs. 87 lakhs which the management had been permitted to invest in other than "approved investments," the Judge held that the proposed investment was not extravagant and did not also offend the provisions of section 27A of the Insurance Act. He pointed out that it was also of some importance to note that the Controller of Insurance who had been apprised of the proposed investment, had not objected to it. Accordingly, he dismissed the suit.

INSURANCE ACT AMENDED

Last week, the Lok Sabha passed the Insurance Act (Amendment) Bill, which seeks to empower the Central Government to apply such of the provisions of the Insurance Act as it thinks desirable to the insurance business carried on by the Government. The Bill amends suitably section 118 of the Act. This section, as it stands at present, does not permit the application of the Act to Government-sponsored insurance business. It would appear that this has resulted in the denial to the policyholders of the Post Office Life Insurance Fund of the rights of assignment or of transfer of policy or of nomination. The original nominations made by policyholders are irrevocable whereas in the case of private insurers the policyholders can change the nominations. The Bill seeks to remedy this defect by empowering the Government to apply any provision of the Insurance Act to any Government-sponsored insurance business.

In the course of the debate, a member from West Bengal pleaded for extending Postal Insurance to the common man until the Government nationalised the insurance industry in the country. Replying to the debate, Mr. B. R. Bhagat, Parliamentary Secretary to the Finance Ministry, said that Postal Insurance had been extended recently to the employees of the Government-sponsored commercial and industrial undertakings. He did not think that it would be practicable for the Government to extend Postal Insurance to the public at this stage, as the "proposition was beset with administrative difficulties."

COMPTOIR NATIONAL D'ESCOMPTE DE PARIS

(FRENCH BANK)

(Incorporated in France with Limited Liability)

BALANCE SHEET OF INDIAN BRANCHES AS AT 31st DECEMBER, 1954

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital— Deposited with Reserve Bank of India under Section 11 (2) of the Banking Companies Act 1949, Government Securities of the face value of Rs. 20,50,000 included in investments on the opposite side.	Not applicable	
2. Reserve Fund and Other Reserves ..	Not applicable	
3. Deposits and Other Accounts—		
Fixed Deposits	80,07,997 7 0	
Saving Bank Deposits	Nil	
Current Accounts, Call Deposits, Contingency Accounts, etc..	2,40,90,297 7 8	3,20,98,294 14 8
4. Borrowings from Other Banking Companies, Agents, etc.—		
(1) In India	Nil	
(2) Outside India	6,46,950 7 1	6,46,950 7 1
PARTICULARS—		
(i) Secured	Nil	
(ii) Unsecured	6,46,950 7 1	
5. Bills Payable ..		10,15,602 11 4
6. Bills for Collection Being Bills Receivable as per contra—		
(i) Payable in India	75,64,045 12 2	
(ii) Payable outside India	20,11,151 4 10	95,75,197 1 0
7. Other Liabilities—		
Head Office and Balances of Foreign Branches	93,60,266 11 6	
Unexpired Discounts	24,780 0 9	
Pension and Provident Funds	4,59,320 3 1	98,44,366 15 4
8. Acceptances, Endorsements and Other Obligations per contra ..		84,12,562 14 6
9. Profit and Loss—		
Profit for the year 1954 brought from the Profit and Loss Account	2,20,010 12 0	
Less—Merged with Head Office and Inter-Branch Balances..	2,20,010 12 0	Nil
10. Contingent Liabilities— Rs. a. p.		
(i) For Bills of Exchange rediscounted, all of which have run off .. 1,55,714 14 0		
(ii) For Outstanding Forward Exchange Contracts (net) .. 40,84,780 0 0		
(iii) Guarantees given on behalf of others (including Rs. 10,864 10 8 given on behalf of an Officer of the Bank) 18,61,739 2 8		
(iv) On Partly-paid Shares of a Joint Stock Company .. 8,500 0 0		
Total .. Rs.	6,15,92,974 15 6	6,15,92,974 15 6

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash— In hand and with Reserve Bank of India and Imperial Bank of India (including Foreign Currency Notes) ..		85,56,593 13 5
2. Balances with Other Banks on Current Accounts—		
(i) In India	94,816 6 6	
(ii) Outside India	3,45,271 14 5	4,40,088 4 11
3. Money at Call and Short Notice ..		15,00,000 0 0
4. Investments (at cost or market value whichever is lower)—		
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments ..	51,70,978 7 0	
(ii) Shares—Partly-paid Shares—unquoted	Written off	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold ..	Nil	51,70,978 7 0
(Securities of the face value of Rs. 20,50,000 deposited with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949, of Rs. 4,500 as deposit with Post and Telegraph Offices, and of Rs. 4,00,000 with Reserve Bank of India as security against guarantees given on behalf of clients to Government Departments)		
5. Advances—		
(Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)		
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India .. 1,90,77,217 2 2		
(ii) Outside India .. 900 0 0	1,90,78,117 2 2	
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India .. 25,09,221 6 3		
(ii) Payable outside India .. 93,38,841 8 8	1,18,48,063 14 6	
(Particulars of Advances as per attached Schedule)		3,09,26,180 0 8
6. Bills Receivable Being Bills for Collection as per contra—		
(i) Payable in India	75,64,045 12 2	
(ii) Payable outside India	20,11,151 4 10	95,75,197 1 0
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra ..		84,12,562 14 6
8. Premises Less Depreciation .. (Transferred to Head Office Account)		Nil
9. Furniture and Fixtures Less Depreciation ..		Written-off
10. Other Assets—		
Branch adjustments (in India)	53,013 5 6	
Head Office and balances of or with Foreign Branches	7,97,880 12 3	
Interest accrued on Investments	45,047 0 0	
Other Interest Receivable	11,378 6 8	
Advance Payment of Income-tax and Tax deducted at source..	12,50,547 8 0	
Stamps	5,866 3 0	
Prepaid Expenses and Amounts receivable	42,884 14 9	
Deposits	5,586 4 0	22,11,374 6 0
11. Non-Banking Assets Acquired in Satisfaction of Claim ..	Nil	Nil
Total .. Rs.		6,15,92,974 15 6

Schedule of Particulars of Advances required by the Banking Companies Act, 1949 (Act X of 1949), attached to and forming part of the Balance Sheet as at 31st December, 1954

PARTICULARS	Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured ..	2,36,74,241 12 5
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security ..	36,65,366 14 0
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	36,86,571 5 3
(iv) Debts considered doubtful or bad, not provided for ..	Nil
Total .. Rs.	3,09,26,180 0 8

PARTICULARS	Rs. a. p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other person	10,241 14 0
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members ..	Nil
(vii) Maximum total amount of advances including temporary advances, made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons ..	20,889 13 0
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members ..	Nil
(ix) Due from Banking Companies ..	10,97,717 11 8

Dr. PROFIT AND LOSS ACCOUNT OF THE INDIAN BRANCHES FOR THE YEAR ENDED 31st DECEMBER, 1954 Cr.

EXPENDITURE	Rs. a. p.
1. To Interest paid on Deposits, Borrowings, Head Office and Foreign Branches Accounts, etc. ..	6,69,237 4 3
2. ,, Salaries and Allowance and Provident and Pension Funds ..	9,32,837 5 8
(Salaries and Allowances to Manager of Principal Office in India Rs. 49,251-0-8 excluding Special Bonus)	
3. ,, Directors' and Local Committee Members' Fees and Allowances ..	Nil
4. ,, Rent, Taxes, Insurance, Lighting, etc. ..	1,61,661 12 0
5. ,, Law Charges ..	7,151 6 0
6. ,, Postages, Telegrams and Stamps ..	46,372 2 7
7. ,, Auditors' Fees ..	6,400 0 0
8. ,, Depreciation on and Repairs to the Banking Company's Property ..	Nil
9. ,, Stationery, Printing, Advertisements, etc. ..	47,061 4 3
10. ,, Loss from Sale of or Dealing with Non-Banking Assets ..	Nil
11. ,, Other Expenditure (including Income-tax Provision and Head Office Supervision Charges) ..	5,27,541 6 8
12. ,, Balance of Profit ..	2,20,010 12 0
Total .. Rs.	26,18,354 5 5

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. By Interest and Discount including from Head Office and Foreign Branches Accounts ..	12,54,300 15 5
2. ,, Commission, Exchange and Brokerage ..	12,28,739 7 8
3. ,, Rents ..	1,02,980 0 0
4. ,, Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account) ..	16,750 0 0
5. ,, Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)..	12,195 15 9
6. ,, Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets ..	Nil
7. ,, Other Receipts ..	1,437 15 4
Total .. Rs.	26,18,354 5 5

(Sd.) M. MINNE,
Manager for India.

REPORT OF THE AUDITORS

We have audited the foregoing Balance Sheet of the Indian Branches of Comptoir National d'Escompte de Paris, as at 31st December, 1954, and also the foregoing Profit and Loss Account for the year ended on that date, in which are incorporated the audited returns of the Calcutta Branch, and report that :—

(a) we have obtained all the information and explanations which we have required ;

(b) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;

(c) such Balance Sheet exhibits a true and correct view of the state of the Branches' affairs according to the best of our information and the explanations given to us and as shown by the books of the Branches ; and

(d) in our opinion books of account have been kept by the Branches as required by Section 130 of the Indian Companies Act, 1913.

(Sd.) A. F. FERGUSON & CO.,
Chartered Accountants.

BOMBAY, 30th March, 1955.

INDIAN ALUMINIUM COMPANY, LIMITED

CASE FOR INDIA'S INTENSIVE INDUSTRIAL PROGRESS PRESENTED

MR. K. C. MAHINDRA ON OUTLOOK FOR ALUMINIUM

PRESIDING over the Seventeenth Annual General Meeting of the Indian Aluminium Company, Ltd., held at Calcutta on Wednesday, 27th April, 1955, Mr. K. C. Mahindra, Chairman, emphasised the need for intensive industrialisation of the country without relaxing the efforts on the agricultural front. At the same time, he urged the planners to remember that mere increase in production without a corresponding increase in consumption would not add to the strength of India's economy. He called upon industrialists and business men to serve the Government by offering their disinterested and expert advice "whether it is heeded or not." He said: "Confidence in business sector has to be regenerated in Delhi." As regards the immediate outlook for the aluminium industry, he expressed "restrained optimism." The industry was still in a nascent stage and low prices and considerable development were necessary to win markets which, in turn, would result in larger and lower cost production.

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

"The year just ended was the second successive year in which the Company has suffered a loss on its operations. This result is no doubt as disappointing to you as it is to me, particularly in view of the fact that the market demand for aluminium in the past year has been relatively good and sales of the Company's products, amounting to almost Rs. 2 crores, were the highest achieved in any year.

"As has been briefly stated in the Directors' report accompanying the audited accounts sent to you, the main factors responsible for our not being able to make any profit were the highly competitive market conditions during the greater part of the year and the loss of metal production due to inadequate power supply to the Company's Alupuram smelter.

"Until recently, imported aluminium sheets and circles were being offered in India at prices which bore no relation to the level of prices in their respective home markets; for instance, circles from the U.K. were being quoted as low as £222 per ton, and circles from Japan at £215 per ton c.i.f. Indian port. Such prices would hardly cover the full cost of production, and can only be explained in the light of surplus fabricating capacity in their respective countries, and the vital need, in the case of Japan, to earn foreign exchange for its national economy. In the face of this severe competition, the prices that the Company could obtain for its products were quite unremunerative, but, with better market conditions, prices are now improving and I look forward to profitable trading conditions during the current year.

Outlook

"However, the outlook for the immediate future must be one of restrained optimism. The aluminium industry is still a nascent industry, and low prices and considerable product development are necessary to win markets which in turn will bring larger and lower-cost production. Our customers may rest assured that we do not seek high prices, but only reasonable prices, and that we look to increasing consumption of aluminium, on the basis of favourable quality, service and prices, as the source of future prosperity for our industry.

"At practically every annual meeting, I have had occasion to speak on the subject of power supply to our Alupuram Works. I regret having to refer to it again and the distress it has caused to us in respect of our past year's operations. Under our agreement with the Travancore Government, power supply should have been increased to 14,000 kw. by March, 1947, but, after long delay and repeated postponements, the Government finally intimated that the additional power would be made available to Alupuram Works from 1st June, 1954. The expansion of the smelter to 5,000 tons annual capacity was accordingly completed by 1st June, but it was not until 18th February, 1955, that full power was made available, almost nine months after the revised agreed date for the supply. This delay in receiving full power supply resulted in the loss of over 1,000 tons of metal production at the smelter, which had to be replenished owing to our commitments by purchases of imported and indigenous metal at considerably higher cost. However, the plant is now operating at full capacity and we are assured that there will be no need for any interruptions in full power supply in the future. I hope this ends the unhappy chapter in our relations with the Travancore-Cochin Government and that future co-operation will not be marred by recrimination over past events.

"The expansion of the Company's smelting facilities at Alupuram and rolling facilities at Belur, started in 1953, has now been completed. The extrusion plant located near the smelter at Alupuram has also come into operation. The new equipment at Belur can roll coils of lesser thickness and greater lengths, required for the manufacture of foil. Sheet over six feet in width can also be rolled for the needs of the transportation industries. A corrugating machine turns out roofing and siding sheets for pre-fabricated constructions—dwellings, offices, storage godowns and grain bins. The extrusion plant at Alupuram is designed to produce a variety of shapes, tubes and sections for structural or architectural applications.

Scope for Aluminium

"By making aluminium available in an increasing variety of semi-fabricated forms and at the same time providing other manufacturers with technical help so that they can design and fabricate numerous finished products where aluminium can be suitably used, the Company is trying to promote the use of aluminium in all applications where it has proved its superiority over other materials. It is a pioneering effort, but, in this virgin field, the potentialities for growth for this young metal are great indeed.

"One relieving feature of this year's Finance Bill, giving effect to the Central Government's budget proposals, is the provision for a development rebate of 25 per cent. of the cost of new plant and machinery installed after 31st March, 1954, which will be deductible from business profits for tax purposes. Particularly welcome to us is the fact that the Company will obtain this benefit for the entire plant and machinery involved in the recent Alupuram and Belur expansions. The Government has also under consideration the recommendation of the Taxation Enquiry Commission for a tax-holiday for six years for certain industries of national importance, and, if this proposal is accepted and the concession extended to the aluminium industry, it would constitute a substantial encouragement for further expansion of production facilities which are still quite inadequate for the country's needs.

Smelter at Hirakud

"During the past year, the project to build a smelter at Hirakud has been under active consideration, and your Directors have had consultations with the major shareholders in regard to its financing. The complex issues involved require further examination before a decision can be reached, and, in the meantime, the position in regard to the date when adequate firm electric power will be available from the Hirakud power stations will also have been clarified.

"In my address to you last year, I stated that the problem of chronic and enforced idleness amongst millions in this country cannot be resolved, unless we adopt long-term measures for restricting the birth rate. Too many mouths to feed will remain a standing menace to the target of abundant economy toward which all our plans are directed.

"During the year, the Finance Minister prescribed the goal of providing 12 million new jobs by 1961 but did not tell us how to reach it. It cannot be too strongly emphasised that unemployment remains a direct coefficient of the productivity of the nation. While in the matter of population, this productivity needs to be restrained, in the matter of work, every effort should be exercised to make people work more intensively if we are to arrive at a sensible solution of this chronic problem. Today, the average American, though he works 15 per cent. fewer hours, has roughly 50 per cent. more purchasing power than he had 25 years ago. This remarkable advance is almost entirely a result of the fact that national productivity, which may be defined as average output per man-hour, has shown an average annual increase since 1930 of more than 2 per cent. a year. The most important requirement for increasing productivity is the 'will to realise it—not only the desire for it but the hope for it and the optimism about it—packed by resourcefulness and incentiveness and coupled with the willingness to sacrifice to accumulate capital.' I am tempted to give another quotation—'In the last analysis, productivity of labour is the most important, the principal thing for the victory of the new social system. Capitalism created a productivity unknown under serfdom.' In our present tolerant receptive mood for things and ideas flowing out of the Russo-Chinese zones, I commend this quotation from the pen of Nicolai Lenin.

India Skidding Back

"In the adoption of modern technological methods of production, what do we find in actual practice? The call for support of handicrafts and cottage industries comes from various quarters, but I do not see there any recognition of the fact that efforts in this direction have so far been clouded with the illusion of primeval simplicity and provide support for backwardness and inefficiency. We seem to be skidding back in time. Even the Prime Minister has stated, perhaps in an unguarded moment, that 'we could remove the unemployment problem in India today by breaking down all the factories in India.' He added, however, that, 'although everybody will be working, their average income will go down and that there will be trouble.' Yet some very sincere advocates of what has come to be known as the Sarvodaya theory of economics, have taken issue with the Prime Minister on the statement that the average income will go down. They seem to believe implicitly that the closing of all factories would provide living for a larger number of people and that there would be no shortage in the production of goods and articles. Their theory seems to be that, if the factories were to close down, everyone now compelled to remain unemployed, would be inspired to take to some work or other and we would have more production as a matter of course!

Industrialisation

"The case for intensive industrialisation in India lies in a bare recital of the facts of the situation today. In temperate zones, where rainfall is uniform throughout the year, one arable acre will support one person. India has only three-quarters of an arable acre per person and unpredictable rains. By a combination of research and agricultural credit renovations, Japan was able to increase in pre-war years its standard of living cumulatively by 3 per cent. every year. This, however, necessitates the development of manufactures side by side in an increasing measure and over the years Japanese economy became a typical export economy in order to sustain the increasing standard of living. Likewise, with similar emphasis on intensive upgrowth of our agricultural economy, India would need to develop her manufactures, inclusive of ever-widening the volume and the sphere of our exports.

"Domestic capital formation in India is running about Rs. 20 *per capita* or $4 annually, as compared with $130 for U.K. and $385 for U.S. Another worthy comparison is the average deposits per head:—In India Rs. 25, in U.K. Rs. 1,636 and in the U.S.A. Rs. 4,493. We have, however, been told that finance is no problem and we may accordingly ignore this slack. But an important factor which usually escapes the attention of planners is what may be called the consumption element. More and more production is asked for but, unless consumption keeps pace, such production will not add to the strength of our economy. Lord Beveridge, in his classic thesis on unemployment in Great Britain, has attributed the growth of unemployment, principally to chronic or recurring deficiency of total demands for the products of industry. He comes to a valid conclusion that State policy should be one of socialising demand rather than socialising production. Only recently, our Prime Minister stated that the most important consideration must be what could be done for providing fuller

employment because mass production of commodities would not raise the standard of living unless there was mass consumption which means that the mass, as a whole, must have greater purchasing power.

"We accordingly come to the theme of social justice. There is a cry for redistribution of wealth and for taking the spending power away for the rich unto the hands of the poor. In the latest fashioning of society into socialistic pattern, the well-known classic method has been preached and partly accepted by the Government, namely, to intercept the flow of wealth before it reaches private pockets. No one appears to have stopped to compare the virtues of levelling up, instead of the levelling down which the present socialising process has done.

"It still remains true that general purchasing power must increase, in order to be able to absorb increased production. It is generally recognised that a more than liberal treatment of the working class is necessary but it is not at all necessary to demolish the carefully nurtured plant of industrial content in the hope of replacing it by a full-grown tree transplanted from elsewhere.

Government Needs Guidance

"One fact of the unemployment problem is the maximum utilisation of resources available in the country. Direction no doubt must come from the central planning authority. It is agreed that Government actions, its decrease, its engagements should provide the maximum propulsive push to development, but, in the designing of such a movement, business men can play a leading part and I would like to submit that initiative in this direction should come from individuals—men of experience and knowledge, ungrugingly and with no personal motives, should come forward to assist. We have the sorry spectacle of Government planners in their zealous search for technical collaboration becoming a ready prey to over-eager talk from questionable interests. For steel, we have gone to Russia, for shipbuilding to France, for machine tools to Switzerland—all very amiable arrangements, but Russians are not reputed to have the most modern technology in steel operations, nor the French in shipbuilding, nor the Swiss in machine tools manufacture. Must we import antiquated practices in our haste to install industrial facilities in the country? Business men must take a share of the blame for such happenings and should proceed now to initiate actively the promotion of safeguards for the future. Then again in the pattern of development is it not wise for Government to concentrate on projects of the maximum labour-employing type and leave the capital-intensive schemes for the private sector to develop? Government has had long experience and has the necessary personnel and organisation to develop intensively the housing programme, the slum clearing projects, the roads and communications, the large irrigation and hydro-electric multiple works—all these provide employment to the largest number of people, per rupees of investment. To the private sector may be left such schemes where heavy capital investment is involved proportionately to the number of people who will receive employment.

"Full employment is not a ridge but a plateau where there should be considerable room for manœuvre. Here is where cumulative business experience can be most helpful. I do not belong to the 'gloom and doom' tribe of business men. If Government in its collective wisdom has restricted the free play of economic forces which we, as business men consider detrimental, we should in our turn attempt, honestly and convincingly, to persuade Government of the error of its ways; such should be the democratic concept of behaviour. We have failed to do so, because of our sectional interests. Appeals have been made for a closer liaison between Government and private industry. In the present atmosphere no number of advisory or consultation bodies will supplant the honest, true-to-fact recitals of arguments for or against certain policies and procedures and I suggest that we as men of experience should provide such a service to Government irrespective of whether it is heeded or not. Confidence in the business sector has to be regenerated in Delhi and I submit that through service, service on a national level and inspired by the national ideal, we can recapture the trust and the ear of our legislators. The vista of our industrial horizon presents a glorious opportunity and 'all are needed by each one; nothing is fair or good alone' (Emerson).

"In conclusion, I would like to express, on your behalf and mine, our appreciation of the loyal services rendered by the employees of the Company during the course of another difficult year."

EUROPEAN COMMUNITY OF COAL STEEL

A TRULY INTERNATIONAL GOVERNMENT

THE European Coal and Steel Community is an attempt to circumvent the economic consequences of the political division of Europe. This fragmentation had created a state of affairs in which the closing of the frontiers and the narrowing of the markets were seriously impeding the economic development of Europe. It was found that the European countries could not maintain a level of economic existence suited to the modern world within the limits of their political frontiers. The price which Europe was paying as a result of these conditions can be vividly realised by considering the following facts:

In 1913, the six countries at present forming the Community, namely, Germany, Belgium, France, Italy, Luxembourg and the Netherlands, were producing among them almost as much steel as the United States and six times as much as Russia. But, in 1952, the same six countries had come down to half the American production and hardly more than that of the Soviet Union. In the 23 years between 1929 to 1952, the American steel production had increased by two-thirds, and that of the Soviet Union had increased seven times, while the production of the six countries had been raised by only one-fifth. The creation of a great internal European market had become necessary in order to give to the Europeans an opportunity to regain their place and play their proper role in the modern world.

The European Community of Coal and Steel is the first organisation of the federal type in Europe. It is founded on the pooling of all the resources in coal and steel of the countries already mentioned within a common market, subject to a common administration and regulated by common institutions acting in the interest of the whole Community. It has broken with the conventional system of international organisations, in which the representatives of the member-States act according to their respective national mandates and often exercise a veto. The Community, on the other hand, is a supra-national body, formed by a fusion of the national sovereignty of the constituent States and charged with the duty of looking after the common interests and enforcing common regulations.

The Mission of the Community

The main objects of the Community are, first, to maintain a common market for the two products of coal and steel, which by reason of their importance in human society can furnish a starting point for European unity; secondly, to raise the standard of living by encouraging an economy of expansion through competition, which, given the size of the market, will make possible a lowering of the cost of production; thirdly to ensure continued production at the highest possible level and to safeguard employment.

The industrial hub of Western Europe has the form of a triangle, of which each side measures about two hundred miles in length. It covers the coal of the Ruhr, north France and Belgium. It is delimited in the south by the coal and iron deposits of Lorraine, the Sarre and Luxembourg. In spite of its relatively small area this territory produces about 60 per cent. of the coal and 70 per cent. of the ferrous minerals of the Community.

Not a single country within the Community is self-sufficient. Germany produces only about half the iron needed by her furnaces; France buys one-third of her coal and half her coke, most of which come from the Ruhr; Belgium and Luxembourg export two-thirds of their production to the world market, but they in their turn are dependent on the minerals from Lorraine and the Ruhr. In order to reach full development, each country has to share its resources with the other countries.

The territory of the Community extends over 1,300,000 square km. with 160 million consumers, and its resources amount to 6 per cent. of the total production of the six countries and 15 per cent. of the industrial production, employing 1,750,000 individuals. In order to create the common market, all the restrictions on commercial exchange on the territories of the six nations have had to be abolished. The Community has had to eliminate about 1,500 miles of land frontiers which formerly separated the six countries. Within the territory of the Community, all restrictions in regard to exchange, tariffs and customs have been abolished. Every European consumer of iron and coal is now free to buy his coal and steel anywhere within the Community, as it suits his interest, and he is assured that he will not be subject to discriminatory treatment. As a result, the internal exchange of goods within the Community has increased markedly and steel and coal production has reached its highest figures yet in 1954.

Organs of the Community

The treaty which set up the Community (signed on 18th April, 1951) is valid for 50 years and it has created the following organs for the functioning of the Community:

(1) *The High Authority*: This is composed of nine members and is the executive organ of the Community. Its President is appointed by the common consent of the States Members, and this body which may be called a European Government confined to steel and coal, takes decisions which become immediately operative within the territory of the six countries. Its function is to create and maintain the common market by doing away with the customs barriers and encouraging free movement of goods within the Community.

(2) *The Consultative Committee*: It is composed of 51 members, representing the workmen, consumers and merchants, and the producers in equal numbers. Its function, as its name implies, is to advise the High Authority in all matters when decisions affecting the Community are taken.

(3) *The Common Assembly*: It is, so to say, the parliament of the Community. It is composed of 78 members elected by the legislatures of the countries concerned, and its purpose is to maintain the democratic character of the Community by controlling the action of the High Authority. The Assembly can overrule the latter by adopting a motion of censure by a two-thirds majority, after examining the annual report which the High Authority submits to it. The Assembly meets at least three times a year, and its seat is at Strasbourg.

(4) *The Court of Justice*: The tribunal, consisting of seven judges, has the power to confirm or annul the decisions of the High Authority. All disputes in connection with the interpretation of the treaty are dealt with, not by the national Governments concerned, but by this body. The judgments of the Court are obligatory on individuals, corporations, Governments and even on the High Authority.

(5) Last of all, there is the *Council of Ministers*, which is constituted by the Ministers concerned of the six countries. Its function is to co-ordinate and harmonise the activities of the High Authority with those of the Governments of the countries of the Community. It is a co-ordinating organisation and not one of supervision.

In short, the Community is founded and it works on the principle of a truly international Government.

Steelmaking furnaces in the United States produced 9,979,000 net short tons of ingots and castings in March, the third highest monthly total on record and 2,700,000 tons more than in March 1954. Last month's output was exceeded only in March and May 1953. Trade sources report, meanwhile, that the steel upsurge is accelerating rather than abating. *Iron Age* magazine predicts that production, which has reached 95 per cent. of capacity in recent weeks, will reach a peak of 98 per cent. this year. All-time output records may be set in the next few weeks, the magazine says. Even a dip in automotive demand, if it should come, is causing little apprehension among steel makers, in view of the rising demand from other industrial consumers.

THE HINDUSTAN COMMERCIAL BANK, LIMITED

DIRECTORS' REPORT TO SHAREHOLDERS

GENTLEMEN,

The Directors beg to submit the audited Balance Sheet as at and the Profit and Loss Account for the year ended 31st December, 1954.

The profit for the year including the balance of Rs. 15,159-15-0 brought forward from the last year and after providing for all working expenses and depreciation, etc., amounted to Rs. 86,918-14-6. Your Directors have decided to make the following appropriations therefrom :—

	Rs. a. p.
1. Amount utilised for writing off of Bad Debts	70,000 0 0
2. Balance to be carried forward to next year's account	16,918 14 6
Total .. Rs.	86,918 14 6

The business of the Bank during the year under review continued to be satisfactory.

The Bank's branches at Mauranipur and Dehra Dun have since been closed down as the same were found to be unremunerative.

The Directors express their gratitude to the Bank's Constituents and Shareholders for their continued confidence and support.

The Directors have examined the list of Accounts drawing their special attention, as received from the Auditors and are of opinion that the Accounts mentioned therein are either not bad or doubtful or have either been written off and that the Bank holds adequate provision for them as much as is considered necessary.

According to the Articles of Association of the Bank, three Directors, viz.,

1. Sir Padampat Singhania, Kt.,
2. R. R. Kedar Nath Khetan, and
3. S. R. Sardar Gurbaksh Singh,

retire by rotation from the Board and are eligible for re-election.

You are requested to appoint Auditors for the current year and to fix their remuneration.

For and on behalf of Directors,

PADAMPAT,
Chairman.

KANPUR, 29th March, 1955.

BALANCE SHEET AS AT 31st DECEMBER, 1954.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL—		
5,00,000 Ordinary Shares of Rs. 100 each		5,00,00,000 0 0
ISSUED AND SUBSCRIBED CAPITAL—		
2,50,000 Ordinary Shares of Rs. 100 each		2,50,00,000 0 0
AMOUNT CALLED AND PAID-UP—		
Rs. 50 per share on 2,50,000 Ordinary Shares of Rs. 100 each		1,25,00,000 0 0
2. Reserve Fund and Other Reserves—		
(i) Reserve Fund as per last Balance Sheet	14,00,000 0 0	
(ii) Sinking Fund in respect of Buildings and Investment Reserve Fund	1,48,000 0 0	
		15,48,000 0 0
3. Deposits and Other Accounts—		
(i) Fixed Deposits, Short Term Deposits, Three Years' Cash Certificates and Security Deposits	2,03,70,254 7 1	
(ii) Savings Bank Deposits	70,32,270 6 7	
(iii) Current, Contingency (unadjusted) and Other Accounts..	1,48,95,115 0 9	
		4,22,97,639 14 5
4. Borrowings from Other Banking Companies, Agents, Etc.—		
In India (secured by part of Investments as per contra) ..	95,50,000 0 0	
Outside India (secured by part of Investments as per contra)	Nil	
		95,50,000 0 0
5. Bills Payable		4,12,404 14 6
Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	36,84,798 0 2	
(ii) Payable outside India	90,830 7 10	
		37,75,628 8 0
7. Other Liabilities—		
(i) Unclaimed Dividends and other items	79,925 11 6	
(ii) Branch adjustments	3,95,878 2 2	
(iii) Amount representing difference in Exchange between Indian and Pakistan Currency reserved against Bad Debts of Pakistan branches kept in Suspense	2,04,084 6 9	
		6,79,888 4 15
8. Acceptances, Endorsements and Other Obligations as per contra		2,53,576 0 0
9. Profit and Loss Account—		
Balance as per Balance Sheet as at 31st December, 1953 ..	15,159 15 0	
ADD—Net Profit for the year 1954 as per Statement annexed (after making an appropriation of Rs. 70,000 towards Bad and Doubtful Debts) subject to taxation	1,758 15 6	
		16,918 14 6
10. Contingent Liabilities—	Rs. a. p.	
(a) On partly-paid shares of Joint Stock Companies	3,12,500 0 0	
(b) Claims against the Banking Company not acknowledged as Debts ..	5,81,532 0 1	
(c) Liabilities on Bills of Exchange rediscounted	Nil	
(d) Liability on account of outstanding Forward Exchange Contracts ..	Nil	
(e) Money for which the Banking Company is contingently liable for indemnity on behalf of constituents and Directors	5,175 0 0	
Carried forward .. Rs.		7,10,29,056 7 10

NOTE—

(1) No account has been taken of the present liability in respect of future payments of gratuity to staff and various claims made by employees not acknowledged as debts and under dispute.

(2) The figures of Bank's Branches in Pakistan have been incorporated in the Balance Sheet and the Profit and Loss Account at the Official rate of exchange.

(3) The liability of the Bank in respect of taxes payable for the year 1947 and onwards in Pakistan and in respect of years from 1950 to 1953 in India has not been assessed.

(4) The classification of Loans and Advances does not take into account the Displaced Persons (Debts Adjustment) Act, which may have an effect on the same.

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.	Rs. a. p.
1. Cash—			
In hand and with the Reserve Bank and Imperial Bank ..			51,57,650 0 1
2. Balances with Other Banks on Current Accounts—			
(i) In India		1,88,012 13 6	
(ii) Outside India		90,724 8 1	
			2,78,737 5 7
3. Money at Call and Short Notice			Nil
4. Investments (at Book Value)—			
(i) Securities of the Central and State Governments and Shares of Industrial Finance Corporation of India (Face Value: Rs. 2,43,05,885-0-0—Estimated Market Value: Rs. 2,25,84,423-6-0) (Government Paper of the face value of Rs. 3,80,000 lodged as security against guarantee of Rs. 3,24,857 given on behalf of the constituents of the Bank in which a director of the Bank is interested as proprietor—guarantee fully covered by Bank's own fixed deposits)			2,44,33,294 2 6
Mature for payment—	Rs. a. p.		
(1) Within 6 years	78,90,000 0 0		
(2) Within 8 years	1,31,16,000 0 0		
(3) Within 10 years .. .. and	12,20,000 0 0		
(4) Over 10 years	21,60,885 0 0		
Rs.	2,43,05,885 0 0		
(ii) Shares of Joint Stock Companies— Preference Shares (fully paid-up) including Rs. 2,00,000 in respect of a Company since gone into liquidation—	Rs. a. p.		
Reconstruction Scheme under consideration	31,23,314 6 0		
Preference Shares (partly paid-up).	3,00,000 0 0		
Ordinary Shares (fully paid-up)	8,22,664 9 8		
Ordinary Shares (partly paid-up)..	17,068 12 0		
Debentures and Convertible Notes.	4,12,500 0 0		
		46,81,387 11 3	
NOTE.—Market value as at 31st December, 1954, has been estimated by applying market rates where available and taking book value where market rate is not available, at Rs. 35,59,643-9-0.			
(iii) Gold		Nil	
			2,91,14,681 13 9
5. Advances—			
(i) Loans, Cash Credits, Overdrafts, etc.—	Rs. a. p.		
(1) In India	2,41,07,199 8 10		
(2) Outside India	26,07,770 12 6		
		2,67,14,970 0 4	
(ii) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—			
(1) Payable in India	15,80,125 8 9		
(2) Payable outside India ..	Nil		
		15,80,125 8 9	
PARTICULARS OF ADVANCES—	Rs. a. p.		
(i) Debts considered good in respect of which the Banking Company is fully secured	2,05,23,436 15 11		
(ii) Debts considered good representing claims reported to have been lodged but not yet admitted with (a) West Punjab Government for commodities alleged to have been taken over by them or sale proceeds deposited into Treasuries of Pakistan, (b) debts against mortgage of immovable property in West Punjab	4,56,683 13 2		
NOTE.—Due to abnormal conditions and incomplete information, the Auditors are unable to express any opinion on this.			
(iii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	63,07,497 11 4		
NOTE.—It includes a sum of Rs. 21,41,266-14-4 regarding advances in West Punjab branches in respect of which the Auditors are unable to express any opinion.			
(iv) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	10,06,477 0 8		
(v) Debts considered doubtful or bad not provided for	Nil		
	2,83,04,095 9 1		
(vi) Debts due by Directors or Officers of the Banking Company or any of them severally or jointly with any other persons	10,89,532 14 5		
(vii) Debts due by Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members (including Documentary Demand Bills for Rs. 5,05,770-7-3 since paid and Rs. 19,18,948-9-8 secured by Bank's own deposits)	32,03,769 1 9		
(viii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons ..	11,04,817 0 0		
(ix) Maximum total amount of advances, including temporary advances granted during the year to the Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	32,03,769 1 9		
(x) Due from Banking Companies ..	Nil		
6. Bills Receivable being Bills for Collection as per contra—			
(i) Payable in India	36,84,798 0 2		
(ii) Payable outside India	90,830 7 10		
			37,75,628 8 0
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra			2,53,576 0 0
8. Land and Buildings—			
Bank Premises at cost (provision of depreciation in Sinking Fund as per contra)			13,99,788 15 3
9. Furniture, Fixtures and Equipments, etc.—			
Book Value as on 1st January, 1954		10,54,149 3 5	
DEDUCT—Sales and amounts written off during the year less additions made		386 13 3	
		10,53,762 6 2	
LESS—Amount written off to-date for depreciation		9,70,639 9 5	
			4,83,122 12 9
Carried forward .. Rs.			6,87,67,290 0 6

(on next page)

MOVE TO ADOPT METRIC SYSTEM OF WEIGHTS AND MEASURES

SUGGESTIONS OF I.S.I. COMMITTEE RECALLED

[The adoption by Parliament of a private member's resolution recommending the adoption of a uniform system of weights and measures has led to a revival of public interest in the introduction of metric system of weights and measures, and in the allied subject of decimal coinage. Both these reforms have been accepted in principle by the Government of India which has set up a Central Committee under the chairmanship of Mr. N. Kanungo to implement them. The article on this page gives an interesting account of the genesis and the progress of the movement for the introduction of metric system of weights and measures.—ED.]

EVEN in the nineteenth century the question of standardising weights and measures in India received a great deal of attention from successive Governments, Central and Provincial. The work of the Committee appointed by the Government of India in 1867-68 is worthy of special mention. It recommended the adoption of the English standard of weights and measures; but on a strong note of dissent by Col. Richard Strachey, himself an engineer and an administrator, with which two other members agreed, official opinion swayed in favour of the metric system and the Government of India passed the Indian Weights and Measures Act of 1870 which defined the kilogram as the standard of weight. This Act did not receive the sanction of the Secretary of State as it was considered to be too drastic. A modified Act equating the seer to the kilogram—Act XXXI of 1871—also remained a dead letter. Thereafter, the metric system seems to have gone out of favour and in 1889 the Measures of Length Act was passed fixing the Imperial yard and its sub-divisions as the primary units of length. This Act is still current.

In 1914, another committee, after an extensive survey of the diversity of weights and measures in the country, recommended that a uniform system should be adopted throughout India. As regards the system, two members recommended a combination of the English and Indian systems while the third member put in a strong note of dissent advocating the adoption of the metric system. No immediate legislative action was taken following this report and it was only in 1939 that the Standards of Weights Act (Act IX) of 1939 was passed repealing the Act of 1871. This new Act prescribed the weights in terms of the tola-seer-maund series and the grain-pound-ton series. Since the enforcement of the Weights and Measures Act was in the hands of the Provinces, some of them passed the necessary Acts incorporating the provisions of the Central Act. These included Bihar, Bombay, Madras, Orissa, East Punjab and Uttar Pradesh from the Part A States, Hyderabad, Madhya Bharat, Mysore, Rajasthan and Travancore-Cochin from the Part B States and Bhopal and a few other Part C States. Actual enforcement does not appear to have been particularly effective. The local weights and measures still continue to be used in most of the States, varying from village to village and market to market, causing a lot of confusion in the day-to-day trade in the country.

Since 1939, opinion in favour of the metric system has been steadily growing. The manufacturing sub-committee of the National Planning Commission of 1940 and the Indian Science Congress in 1946 under the presidentship of Mr. Jawaharlal Nehru favoured the adoption of the metric system. In 1946 a Decimal Coinage Bill was introduced by the Government in the Central Legislature.

To investigate this matter more thoroughly and to make specific recommendations to the Government of India about weights and measures, the Indian Standards Institution (I.S.I.) appointed a special committee in May, 1948, with the concurrence of the Government of India and in pursuance of one of the functions of the I.S.I., namely, "to consider and recommend to the Government of India national standards for measurement of length, weights and energy." This special committee consulted all the States and various industrial, commercial and trade interests as well as Government Departments and others connected with the problem, and finally recommended that the best solution to the problem was the adoption of the metric system of weights and measures over a period of 11 to 15 years, preceded by the introduction of decimalised coinage. It recommended three stages for this purpose, namely, a preparatory stage of three to five years in which no extensive changes would be made but large-scale propaganda would be undertaken and gradual introduction of change-over encouraged; a change-over stage of about five years in which the change-over would be effected in the agencies under the control of Central and State administrations and in public life; and a final stage of three to five years when the country would be brought over to the metric system entirely and after which no other system would be regarded as legal. It recommended that decimalised currency should precede the final adoption of the metric system of weights and measures.

As the report of the Sub-committee, which was endorsed by the General Council of the Indian Standards Institution, involved radical

THE HINDUSTAN COMMERCIAL BANK, LIMITED—*(Continued)*

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
Brought forward .. Rs.		7,10,29,056 7 10
Total .. Rs.		7,10,29,056 7 10

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
Brought forward .. Rs.		6,87,67,290 0 6
10. Other Assets including Silver—		
(i) Interest accrued on Investments and outstanding dividend on Shares of Joint Stock Companies ..	2,59,688 12 7	
(ii) Deposits with Electric Supply Companies and Government Departments	3,007 0 0	
(iii) Telephone Suspense	7,100 0 0	
(iv) Prepaid Expenses, Advance Payments and other amounts recoverable	53,861 10 1	
(v) Amount due from Postal Department in respect of insured parcels lost in transit	60,800 0 0	
(vi) Income-tax deducted at source on interest on Government Securities and Shares of Joint Stock Companies ..	10,29,565 8 7	
(vii) Stamps, Stationery and Library at Cost, including Rs. 20,000 for articles in West Punjab Branches, the existence of which could not be verified	1,95,613 8 1	
(viii) Silver	Nil	
(ix) Motor Cars— Rs. a. p.		
Cost as on 31st December, 1953 .. 74,123 15 6		
Additions less sales during the year 11,226 4 0		
85,355 3 6		
LESS—Depreciation written off up-to-date 40,185 9 6		
	45,169 10 0	
(x) Land for premises and non-banking assets comprising property not acquired in satisfaction of any claims	4,46,700 8 0	
(xi) Taxes imposed but not adjusted as not admitted as debt and kept in suspense pending the disposal of appeal filed	1,24,280 8 0	
		22,28,766 7 4
11. Non-Banking Assets Acquired in Satisfaction of Claims (at cost).		86,000 0 0
(NOTE.—Market value as per certificate of the Managing Director: Rs. 40,000.)		
Total .. Rs.		7,10,29,056 7 10

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1954.

EXPENDITURE	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	12,23,564 10 10
2. Salaries and Allowances and Provident Fund Contribution (including Rs. 52,800 being the Salary and Allowances paid to the Managing Director)	12,51,669 6 8
3. Directors' and Local Committee Members' Fees and Allowances— Rs. a. p.	
Directors' Fees and local (Lahore) Members' Fees 8,470 0 0	
Directors' Travelling Expenses (including Rs. 3,676-8-0 paid to Managing Director) 4,808 4 0	
	8,278 4 0
4. Rent, Taxes, Insurance, Lighting and Expenses on Bank's Property	1,93,616 14 8
5. Law Charges	7,392 6 2
6. Postage, Telegrams, Telephones and Stamps	58,767 4 4
7. Auditors' Fees	7,000 0 0
8. Depreciation on Company's Property and Loss on Sale and amounts written off	45,059 5 6
9. Stationery, Printing, Advertisement, etc.	62,383 11 7
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil
11. Net Loss on Sale of Investments	151 13 9
12. Other Expenditure	71,186 12 8
13. Balance being Net Profit (after making an appropriation of Rs. 70,000 for Bad and Doubtful Debts) subject to taxation carried to Balance Sheet	1,758 15 6
Total .. Rs.	29,31,634 9 8

INCOME (Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. Interest and Discount	20,36,241 4 3
2. Commission, Exchange and Brokerage	4,48,867 6 2
3. Rents on Bank Premises (excluding rent on premises used by the Bank)	2,01,523 14 0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	300 0 0
7. Other Receipts— Rs. a. p.	
(i) Dividends, Share Transfer Fees, Provident Fund Contributions Forfeited, etc. 2,16,731 10 3	
(ii) Amount transferred from Reserve for Taxes 29,885 3 9	
(iii) Bad Debts realised 7,785 3 3	
	2,45,102 1 3
Total .. Rs.	29,31,634 9 8

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the Balance Sheet of the Hindustan Commercial Bank Ltd., as at 31st December, 1954, as above set forth and the annexed Profit and Loss Account for the year ended the same date with the books and accounts kept at the Head Office in Kanpur in which are incorporated (a) the returns of the Bank's Branches in India and Pakistan certified by the respective Branch Managers and annexed at the Head Office on the basis of the information with the Head Office, and (b) Statements of Accounts prepared at the Head Office based on the records of the various other branches in Pakistan which were evacuated in the year 1947. Subject to the comments disclosure and adequate provision for Bad and Doubtful debts and the notes appearing on the face of the Balance Sheet, we report that :—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory.

(b) The transactions of the Bank which have come to our notice, have been within the powers of the Bank.

(c) The returns received from the Branch Offices of the Bank have been found adequate for the purpose of audit.

(d) In our opinion the said Balance Sheet and Profit and Loss Account are drawn up in conformity with the law.

(e) The Balance Sheet exhibits a true and correct view of the state of the Bank's affairs and the Profit and Loss Account shows a true balance of Profit for the year according to the best of our information and explanations given to us and as shown by the books and records of the Bank kept at its Head Office, and

(f) In our opinion, Books of Account have been kept by the Bank as required by Section 150 of the Indian Companies Act, 1913.

P. L. TANDON & CO.,
Chartered Accountants,
Auditors.

KANPUR, 29th March, 1955.

M. D. KHANNA,
Accountant.

U. S. MEHROUTRA,
Inspector of Branches.

PADAMPAT, Chairman.
GURUSHARAN LAL,
SITAL PRASAD,
PANNALAL BERIWAL,
D. INDER SINGH,
} Directors.

M. N. KHANNA,
Secretary

KISHEN CHAND PURI,
Managing Director.

changes from the existing system, the recommendations had to be studied with reference to their repercussions on each branch of national life including trade and commerce, and the private and public sectors of industry. Doubts were felt in some quarters whether the implementation of the recommendations could be undertaken at this juncture when there were so many urgent demands on Government resources. On the other hand, the advantages of adopting the metric system were also many. There is no uniformity in regard to weights and measures in the country and this leads not only to confusion but also to a great deal of exploitation by the unscrupulous of the ignorant. Moreover, now that India is embarking upon a heavy programme of industrial development, the country has to make a choice between the two major systems of weights and measures which are internationally prevalent. Of these, the metric system is by far the more important and used in scientific and technical research all over the world. The metric system, moreover, has considerable advantages of simplicity from the point of view of mass education. Indeed, as a country which invented the decimal system, it is curious that its use in weights and measures in this country has remained so insignificant. In order to make a proper assessment of the advantages—as well as the difficulties—in introducing the metric system in the country, the Planning Commission on the 30th August, 1954, decided that Mr. Pitambar Pant should undertake a full study of the problem and prepare a memorandum for the consideration of the Planning Commission.

Gradual Transition

Further studies were, therefore, undertaken by Mr. Pant in consultation with the Indian Standards Institution and the Ministry of Commerce and Industry and other Ministries of of Government to ascertain the general opinion of the industry as well as the Central Ministries, on the introduction of the metric system and the cost that it was likely to involve in the public and private sectors. The Ministry of Commerce and Industry, through a circular issued to a large number of industrial units, obtained firsthand information regarding the views of organised industries on the subject and also of the cost that was likely to be incurred by the industry if the metric system was finally adopted. The general conclusion reached on the basis of the replies received from these industrial units is that the metric system could be adopted without much difficulty or adverse repercussions provided the transition is spread over a period of 10 to 15 years. As regards the cost of conversion, it is expected to be of the order of Rs. 1 crore per year over a transition period of 10 years.

After considering Mr. Pitamber Pant's report the Planning Commission has come to the conclusion that the metric system of weights and measures and decimal coinage should be accepted in principle and necessary steps should be taken to introduce them throughout the country. For this purpose it has recommended the setting up of a Central Metric Committee to consider:

(a) the form in which legislation should be introduced;

(b) the phasing of the actual change-over from the present arrangements to the metric system; and

(c) other work connected with the change-over such as education and propaganda.

The Central Committee will function under the chairmanship of Mr. N. Kanungo, M.P. Deputy Minister, Commerce and Industry, and will have the right to co-opt representatives of State Governments as well as experts whose presence on the Committee is likely to prove helpful. The co-operation of the State Governments is of the greatest importance to the success of the scheme, because, constitutionally, while the Centre has the power to prescribe the standards in regard to weights and measures, the actual implementation and enforcement of these standards is a State responsibility.

The lines on which the reform of weights and measures should take place have been broadly indicated by the Special Committee appointed by the Indian Standards Institution to consider the question of national standards for measurement of length, weights and energy (to which a reference has been made above). The Committee reviewed the great diversity of weights and measures prevailing in India. It felt that, in order to facilitate the development of the national and international trade and to put an end to the colossal loss in time and energy caused by this diversity, the weights and measures in use in this country should be standardised. It endorsed the resolution of the Interim Government of India of February, 1947, and recommended that the metric system should be adopted as the standard system of weights and measures. A summary of the Committee's recommendations is given below:

In view of the impending development programmes for the establishment of centrally controlled industrial and technical establishments, the Committee recommended that, as early as practicable, metric standards should be introduced in all the agencies under the control of the Government of India, such as the Railways, the Postal services, the Defence services and other scientific, technical and industrial establishments. As regards the adoption of the metric system of weights and measures in the general public life of the country and in everyday trade activities, the Committee realised that the process would have to be necessarily slow.

Nomenclature

The Committee recommended that in the event of the adoption of the metric system of weights and measures, its international nomenclature be adopted *in toto*. The Committee further recommended that, in the event of the Central Legislature preferring the adoption of Indian or Indianised nomenclature for the corresponding metric units, it was important to avoid the retention of the existing names such as *sair, guz*, etc., as they were liable to lead to confusion in the minds of the public. Mr. B Singh, who represented the Federation of Indian Chambers of Commerce and Industry in the first meeting and then resigned, however, wished it to be recorded that he was not in favour of the adoption of the international nomenclature and preferred the nomenclature suggested in Dr. Verman's report, both for basic units and for multiples and sub-multiples.

The Committee realised that the expenditure required for the change-over to the metric system was likely to be considerable. It therefore recommended that the transition period be extended over a number of years and the actual change-over carried out in three stages as detailed below. The Committee was, however, satisfied that ultimately the standardisation, along the lines recommended, would more than repay the expenditure inevitable in its introduction. Its uniformity would lead to security to the masses in their day-to-day commercial dealings; its simplicity would result in a tremendous saving of time, money and energy in commercial and technical calculations and in education and training of the younger generation; its international character would help stimulate overseas trade; etc.

The change-over to the metric system, according to the Committee, should be carried out in three distinct stages, as follows:

(a) Preparatory stage of three to five years when no extensive changes would be enforced, but intensive education and dissemination of information on the metric system of weights and measures would be carried out and wherever practicable, gradual introduction of the metric system would be encouraged; (b) change-over stage of about five years in which the change-over will be effected in the agencies under the control of Central and Provincial administrations and in public life; and, (c) final stage of three to five years when the country would be brought over to the metric system entirely and after which no other system would be regarded as legal.

Again, the Committee recommended the creation of a central agency for guiding educational activity, for carrying on intensive propaganda to popularise the new system, for co-ordinating the activities of Central, Provincial and State Governments in respect of all the measures connected with the change-over and for acting as a clearing house of all information connected with the subject. This agency may or may not be needed after the third period, since all questions of enforcement will be the responsibility of the Provincial and State units.

The Committee considered the suggestion for specifically providing in Central and Provincial legislation for the mode of sale of different commodities and felt that such a provision would, to a large extent, remove the malpractices at present prevalent in the trade.

As regards decimalised currency, the Committee felt that it would be an advantage if the adoption of decimalised currency preceded the introduction of the metric system of weights and measures. It therefore recommended that the decision of the Interim Government of India for the adoption of the decimalised currency should be implemented as early as possible and also that weights and dimensions of the new coins should be related to the metric system of weights and measures, so as to facilitate propagation of general knowledge of the magnitude of the new units among the public.

With the above objectives in view, the Committee recommended that as soon as possible the Centre should initiate legislation on the subject of weights and measures which, among other things, should provide for the following:

(1) Standards of weights and measures (linear, square, cubic and capacity) based on the metric system.

(2) Nomenclature based on the international basic units and fractions and multiples thereof.

(3) Use of international nomenclature for basic units to be compulsory and universal.

(4) Indian nomenclature for multiples and sub-multiples may be adopted but in all these cases any name applying to a fraction or a multiple should contain the name of the basic unit, for example, 'centimeter' may be termed 'satakmeter', etc.

(5) Schedule specifying commodities of everyday use to be sold on the basis of specific units of either weight, volume, linear measure, square measure or number. A schedule or schedules may be found necessary allowing use of more than one set of units for certain commodities. Some members of the Committee, however, felt that this should form the subject matter of a separate Act.

(6) A model form of legislation for adoption by Provinces and States for the purpose of enforcement of standards. This model, among other things, should include tolerances of weights and measures to be allowed for different purposes. The Provinces and States should be required to adopt this model legislation as such but minor modifications may be permitted, if found absolutely necessary to suit local conditions.

(7) Creation of a central agency for education, propaganda and co-ordination of activities of Central Departments and Provincial and State units in respect of all activities envisaged to be carried out during the three stages of development.

(8) Defining the three stages of change-over and provision for periodic review of the time limits allocated for each.

The following programme of activities for the three stages of development was recommended by the Committee.

Preparatory Stage

(1) The Government of India to introduce the decimal system of currency in which the weights and dimensions of coins should be related to the metric system.

(2) Intensive education and propaganda programme, including the following: (a) teaching in elementary and secondary schools and in technical and engineering institutions, schools to keep samples of all standard metric weights and measures; (b) Press and radio publicity; (c) public speeches and Press conferences by eminent people; (d) publicity films (using mobile cinema wherever possible); (e) popular exhibitions; (f) publication of informative bulletins and pamphlets including conversion tables; (g) free distribution of conversion tables through post offices; (h) public discussions and symposia; (i) publicity through village *panchayats*; (j) the Government to sell to the public standard metric weights and measures at the beginning, later, private parties to produce and sell these units.

(3) All Central and Provincial units to initiate preliminary preparations and estimates of cost of equipment for conversion to the new system.

(4) Wherever regulated markets exist, the authorities controlling them might introduce the use of metric system in their day-to-day operations.

(5) All agencies to initiate designing their new schemes of development on the metric system with the ultimate object of going over to that system entirely at an appropriate stage.

(6) All engineering designs and plans which may be considered necessary to be executed on the basis of foot-pound system to give metric equivalents.

(7) The Centre to establish an official agency for the preparation, deposition and checking of primary, secondary and reference standards.

(8) Planning of enforcement agencies by Provincial and State units wherever they are needed and augmentation of existing agencies for the new task.

(9) If any of the Provincial or State Governments feel ready for the adoption of the model form of legislation suggested by the Centre, they should be free to adopt it during this period.

Change-over Stage

(1) Adoption by all Provincial and State Governments of the model legislation proposed by the Centre; (2) implementation of the planning suggested already; (3) all central agencies to go over to the new system from a red-letter day to be declared by each agency, retaining existing facilities only for replacement of parts of existing machinery; (4) all engineering designs and plans to be based on metric system giving foot-pound equivalents where considered necessary; (5) in everyday public use and for trade purposes, metric system to be gradually and progressively introduced; (6) land records to be changed to the new system at the time of transactions, such as transfer, sale or any other registration of land.

Final Stage

The final stage should be in the nature of a period of grace during which the change-over to the metric system would be finalised and the use of all other systems eliminated from the legitimate activities of all departments, Central, Provincial or State, and from everyday public life. Old land records, however, might remain in the older system of measure until any transaction takes place, when they will have to be changed to the new system. After the end of this period the metric system should be the only recognised system having legal sanction.

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Paid-up Capital ...	... ...	„ 50,00,000
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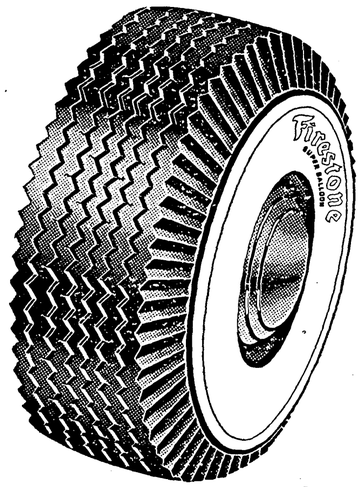

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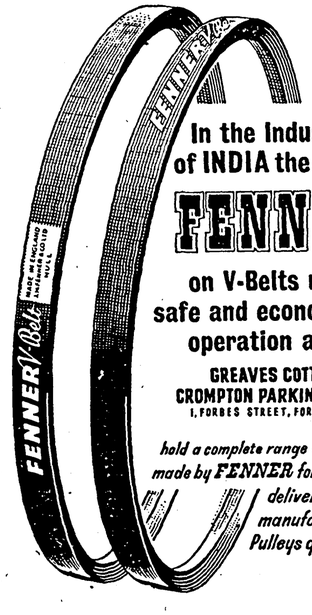

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INDIA'S BALANCE OF PAYMENTS

MARKED CONTRACTION IN SURPLUS DURING LAST YEAR

THE sizable surplus of Rs. 58.7 crores witnessed in India's balance of payments on current account during 1953 suffered, according to preliminary figures compiled by the Reserve Bank of India, a marked contraction during 1954, to as low as Rs. 3.7 crores. An interesting feature, however, is that this low level of surplus was achieved on a higher level of foreign trade, with both imports and exports registering an increase. An even more welcome feature was the improvement in India's terms of trade which had suffered during the preceding year. In other words, this country was able to get more imports at a lower price, while exports fetched a higher price. Thus, although the surplus on current account was very much smaller than in the previous year, there is every reason to feel satisfied with India's performance on the foreign trade front last year. It is noteworthy that, while the level of world trade rose, as compared with 1953, by 3.6 per cent. only, India's total trade advanced by as much as 5.6 per cent. This is in marked contrast to the trends in 1952 and 1953 when the trade registered a sharp fall of 20 per cent. The table below reveals at a glance the overall position of India's balance of payments in 1954, as compared with that in 1953:

(Rs. in crores)

	1954	1953
(a) Imports	624.5	575.1
(b) Exports	548.8	536.0
(c) Trade balance	—75.7	—39.1
(d) Official donations (net)	+ 5.0	+18.4
(e) Other Government Invisibles (net)	+19.6	+22.0
(f) Private Invisibles (net)	+54.8	+57.4
(g) Total (d+e+f)	+79.4	+97.8
(h) Current account (g—c) (net)	+ 3.7	+58.7
(i) Errors and omissions	+ 8.2	— 2.8
(j) Capital account (net)	+11.9	+55.9

Current Account

It will be seen from the table above that the aggregate imports rose by Rs. 49.4 crores to Rs. 624.5 crores. Exports also rose but by only Rs. 12.8 crores to Rs. 548.8 crores. The adverse trade balance, therefore, widened from Rs. 39.1 crores in 1953 to Rs. 75.7 crores. As the causes for the rise in the adverse trade balance were explained in our issue of 23rd April, 1955, there is no need to refer to them once again here. Suffice it to mention now the salient trends which were responsible for this deficit. The higher imports were the result of an improvement in the availability of goods in foreign countries, the rising tempo of development in India and the Government's liberal import policy. There was, besides, a steep fall in the value of imports on Government account by Rs. 35.2 crores to Rs. 117.2 crores, thanks to curtailment in food imports. On the export front, the increase of Rs. 12.8 crores, as stated above, is significant, in that it contrasts with a steep decline of Rs. 113 crores in 1953. The credit for improvement in exports during the year under review goes to three principal commodities, namely, jute, cotton manufactures and tea, which rose, as compared with the preceding year, by Rs. 12 crores, Rs. 8 crores and Rs. 16 crores, respectively.

As stated earlier, the terms of trade, too, were favourable to India in regard to both export and import prices. This is reflected in the index of net terms of trade (base 1952-53) which rose from 100 in 1953 to 108 in 1954. Between 1953 and 1954, the index of import prices receded by about 3 per cent. to 91, while that of export prices rose by a more or less equal measure to 98.

In marked contrast with the deficit of Rs. 75.7 crores on visible trade account, there was a surplus of Rs. 79.4 crores on account of invisible trade in 1954 (*vide* (*g*) in the table above). This surplus in invisible receipts was, however, Rs. 18.4 crores lower than that in 1953. This fall is due to a decline in the official donations (*d*) from Rs. 18.4 crores to Rs. 5 crores. These donations were chiefly in the form of aid received under the Indo-American Technical Co-operation Agreement, the Colombo Plan and the Ford Foundation. The decline under this head is, it is stated, only apparent as data supplied have not been complete. There was also a small setback of the order of Rs. 2.4 crores in the receipts under the item "other Government invisibles" which amounted to Rs. 19.6 crores, as against Rs. 22 crores in 1953. Private invisibles (*f*) too revealed a fall of Rs. 2.6 crores from Rs. 57.4 crores to Rs. 54.8 crores.

Capital Account

As a result of these variations in the visible and invisible trade transactions, the balance of payments on current account (*h*) showed a surplus of only Rs. 3.7 crores in 1954, as stated at the outset. Corresponding to this surplus, transactions on capital account showed a net investment of Rs. 11.9 crores in 1954, as compared with the net investment of Rs. 55 crores in 1953 (see (*j*) on the table above). An analysis of the relevant figures shows that the balance on capital account is the result of transactions affecting both foreign assets and foreign liabilities. India's foreign exchange reserves, consisting of the foreign balances of the Reserve Bank, authorised dealers and the Government, increased by Rs. 4.1 crores. In respect of net assets on amortisation account, however, there was a reduction of Rs. 6.9 crores, mainly due to repayment of debt by Burma from the proceeds of rice sales to India.

On the liabilities side, there was repurchase of our currency from the International Monetary Fund equivalent to repayment of our short-term dollar borrowing to the extent of Rs. 22.2 crores (*vide* Table 2 given below). Deposits and investments of foreign official and banking institutions, however, rose by Rs. 15.4 crores during the year. Net private capital remittances (both short and long-term) and net imports of Indian currency brought about a further reduction of liabilities to the extent of Rs. 14.8 crores.

Other capital transactions such as the utilisation and repayment of long-term loans from the I.B.R.D., changes in the rupee balances of foreign individuals and in the ownership of portfolio securities increased the country's indebtedness by Rs. 6.9 crores.

The table below shows the net position of assets and liabilities under capital account during 1954:

(Rs. in crores)

	Assets	Liabilities	Net Asset
Private—			
Long-term capital	— 6.8	— 9.4	+ 2.6
Short-term capital	+ 0.1	— 5.5	+ 5.4
Official—			
Long-term capital—			
(a) Official loans	..	+ 0.9	— 0.9
(b) Bank loans	..	..	..
(c) Portfolio securities	+ 0.2	+ 2.3	— 2.1
(d) Amortisation	—16.1	—10.9	— 5.2
(e) Others	..	— 0.6	+ 0.6
Short-term capital—			
(a) Liabilities to I.M.F. and I.B.R.D.	..	—22.2	+22.2
(b) Other liabilities	..	+15.4	—15.4
(c) Others	+ 1.1	— 5.6	+ 4.7
Monetary gold	..	..	..
Total movement of capital and monetary gold	—21.5	—33.4	+11.9

NEW PROCESS IN FOOD PRESERVATION IN U.S.

United States scientists have developed a new food preservation process called dehydrofreezing. Apples, apricots, peas and pimientos are now being commercially preserved by this process. Other fruits and vegetables—cherries, peaches, carrots, boysenberries and diced potatoes—have been tested, and will likely be added to the list of commercial products as the new industry expands. The process was developed by the U.S. Department of Agriculture (U.S.D.A.) at its Western Regional Research Laboratory in Albany, California. It provides a means for adequate preservation and, because of the great decrease in weight, resulting from partial dehydration, for economical transportation from producing countries to other nations.

The dehydrofreezing process not only saves space and weight, but also retains the flavour and texture of fresh fruits and vegetables. Ordinary freezing tends to rupture cellular structure; and many frozen fruits and vegetables break down somewhat when thawed for consumption. Cells that have been partially dehydrated, however, are not ruptured so easily by the freezing process.

Dehydrofrozen foods retain approximately half of their original weight and volume. They are reconstituted for use in the home by soaking them in water. Essentially, the dehydrofreezing process consists of (1) conventional preparation of the commodity as for regular canning or freezing; (2) inactivation of enzymes, when necessary, to prevent browning; (3) rapid drying to reduce weight and volume by approximately one-half; (4) packaging and freezing; (5) storage or transportation at 0 degrees Fahrenheit.

Various types of drying equipment can be used, depending largely on the product. For instance, commercial prune-drying equipment has proved suitable for halved apricots, which take three to four hours for dehydration. Apple slices and pimientos can be dried in one hour or less. A continuous rotary drier has been devised by U.S.D.A. to suit the needs of the new process. This drier delivers air through the food by four separate ducts, each with a blower and steam coils. The tendency of foods to stick to the drum of the new machine has been partially overcome by a wire-mesh liner that reduces the area of flat metal surface. Longitudinal wood strips around the inside of the drum assure a mixing rather than a sliding action. A slow rotating speed of four revolutions a minute avoids abrasion.

Pies made from dehydrofrozen apples are delicious—as good as any made from the fresh fruit. In general, apple varieties that are good for ordinary canning or freezing can also be used for dehydrofreezing. The flavour of apricot pies made from dehydrofrozen fruit was found better in baking tests than that of pies made from frozen, dried or canned apricots prepared from the same lot of fruit. Preserves prepared from the dehydrofrozen apricots did not disintegrate during cooking. Dehydrofrozen pimientos have been found superior for use in soups, cheese and meat products. They hold flavour unusually well, and their reduced moisture offers advantage in food manufacturing. After a year of storage at minus 10 degrees Fahrenheit, dehydrofrozen peas were found to be as good as ordinary frozen peas. Colour, flavour and texture were excellent.

Estimates based on the experimental studies indicate that the processing costs of dehydrofreezing are a little higher than in quick freezing. Lower packaging, freezing, storage and distribution costs, however, are expected to result in an overall saving.

U.K.'S FOREIGN TRADE IN JANUARY-MARCH, 1955

The monthly average of the total value of U.K. exports in the first quarter of the current year was £247.3 million, an increase of 10 per cent. over the average for the same period last year. The value of exports in March, 1955, with 27 working days, was, however, slightly above this average and amounted to £260.3 million.

Imports into Britain registered a rise of 23 per cent. in the first quarter monthly average, at £335.5 million, over the average for the same quarter in 1954. The U.K.'s March imports were considerably higher than this average, as they aggregated in value £365.4 million.

The excess of imports over total exports (including re-exports) was £92.4 million in March, as against £77.6 million a month in the first quarter.

The provisional figures published by the U.K. Board of Trade reveal, however, an improvement in the value of exports to North America, during the three months ended March, 1955. The monthly average for the period was £23.7 million, as against £22.4 million a month in the first quarter of 1954. Exports to the U.S. amounted to £15.7 million. The first quarter average of £13.9 million per month was £2 million more than in the same period last year. But exports to Canada, which averaged £9.8 million in the quarter, was about £700,000 lower than that in the corresponding period in 1954.

TAMING VISHWAMITRI

During winter and summer, Baroda's river, Vishwamitri, is just a watercourse, a trickle going down to the sea in a deep gully of silt rich plains of Cambay-Coast, Gujarat. But, during the rainy season, this river becomes a raging flood, spreading its watery tentacles over miles and miles of surrounding territory, causing heavy damage to people in that area. But now that the Government of Bombay has taken over the task of controlling the destructive force of the Vishwamitri, it will no longer be able to cause the recurring damage to life and property.

The Vishwamitri is now being widened by latest modern machinery like Allis Chalmers tractors, bulldozers and scrapers at work under the expert guidance of a specialist in mechanical earth moving. A group of Baroda contractors are seeing to it that by June, 1955, the Vishwamitri would no longer create havoc by rising to the height of 10-20 ft., inundating Baroda and surrounding villages. The river is being given a wide path of her floodwaters now and this has been made possible in a very short time by the use of gigantic Allis Chalmers equipment.

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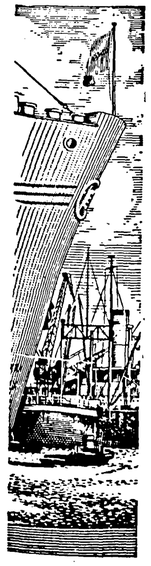
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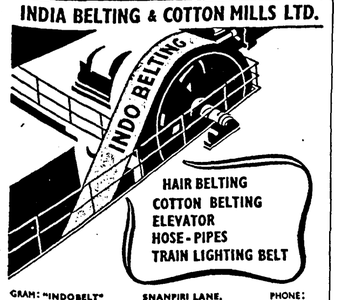

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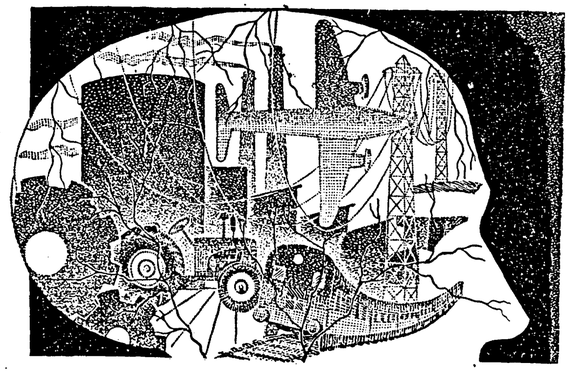
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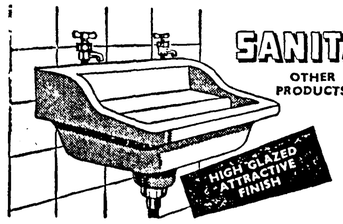

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KANKNARRAH AND KAMARHATTY RAISE DIVIDEND LEVELS

PROFITS SHOW NOTABLE IMPROVEMENT

AFTER two half-years of successive setback, the earnings of the Kanknarrah Company, Ltd., and the Kamarhatty Company, Ltd., both under the management of Messrs. Jardine Henderson Ltd., Calcutta, for the six months ended December, 1954, have recorded a notable rise, thanks to the improvement in overseas demand, particularly for sacking goods, noted since April, 1954. The gross profit of the Kanknarrah Company, which had fallen from Rs. 14.19 lakhs for the half-year ended 30th June, 1953, to Rs. 5.57 lakhs for the half-year ended 30th June, 1954, has improved to Rs. 9.69 lakhs for the six months ended 31st December, 1954. Similarly, the gross profit of the Kamarhatty Company, which had receded from Rs. 13.75 lakhs to Rs. 5.74 lakhs in the course of the previous two half-years, has gone up to Rs. 12.80 lakhs for the half-year under review.

The net profit of the Kanknarrah amounts to Rs. 2.40 lakhs, as compared with that of Rs. 1.39 lakhs for the previous half-year and Rs. 2.26 lakhs for the corresponding six months of 1953. The Kamarhatty Company has earned a net profit of Rs. 3.66 lakhs, which represents an increase of Rs. 2.21 lakhs and Rs. 0.94 lakh, respectively, over those for the previous two half-years. Consequent on this improvement in the earnings, the dividends of both the Companies have been raised. Thus, the dividend of the Kanknarrah, which had been maintained at 5 per cent. per annum for the previous two half-years, after having been halved from 10 per cent. per annum paid for the half-year ended 30th June, 1953, has been stepped up to 8 per cent. per annum. The Directors of the Kamarhatty have decided to raise the dividend to 10 per cent. per annum from 6 per cent. per annum paid for the previous two half-years, to which level it had been cut from 12 per cent. per annum paid for the six months ended 30th June, 1953. No addition to reserves has been made in the case of the Kanknarrah Company, while the Kamarhatty Company has transferred to the machinery renewal reserve account a sum of Rs. 2.50 lakhs, of which Rs. 2 lakhs represent the sum drawn from the reserve for derequisition expenses, now no longer required, the relative expenditure having been already incurred.

During the half-year under review, the working hours of the two Companies were raised from 42½ and 45 per week with effect from 12th July and again to 48 hours per week from 18th October, at which level of working the mills still continue to operate. "The offtake of finished goods," the Directors of the two Companies report, "remains fairly satisfactory and stocks, so far, have not risen to any appreciable extent."

Recalling their reference, in their last report, to the extensive floods in North East India and East Pakistan during the last growing season and their effect on supply and price, the Directors observe in their latest report as follows:

"As envisaged in the last report of the Directors, the extensive floods in North East India and in East Pakistan during the last growing season have resulted in an appreciable loss in the quantitative outturn of the present season's crop; quality also has been considerably affected and the higher grades of jute have been in short supply. At the close of the half-year under review, there were substantial doubts regarding the sufficiency of supplies of raw jute and prices rose steeply in the early weeks of the current trading period. It now appears, however, to be generally accepted that supplies will be adequate and prices lately have reacted sharply. While prices obtainable for finished goods have followed the trend of raw material prices, the rise in the latter part of the period under review was not proportionate to the rise in raw jute prices and, once again, at the beginning of the current period, it became practically impossible to effect forward sales of the Company's production at a profit simultaneously with the purchase of raw jute."

A detailed picture of the Companies' results of working during the half-year under review, as compared with those for the previous three half-years, can be obtained from the table published at the bottom of these columns.

It will be noted that, while the sale proceeds for the half-year under review in the case of both Companies are well above those for the half-year ended 30th June, 1953, their gross profits are lower than those earned three half-years before, the shortfall being more perceptible in Kanknarrah. The explanation for this is to be found in the sharp rise in the level of expenses.

The latest balance-sheet of the Kanknarrah Company discloses that the paid-up capital of Rs. 64 lakhs is supplemented by reserves and surplus aggregating Rs. 18.77 lakhs. The provision for taxation stands at Rs. 18.20 lakhs. The current liabilities amount to Rs. 24.08 lakhs. The gross block of the value of Rs. 132.71 lakhs has been written down to a book value of Rs. 33.68 lakhs. The current assets amounting to Rs. 91.37 lakhs exceed the current liabilities and provision for taxation by more than 100 per cent.

The paid-up capital of the Kamarhatty Company amounts to Rs. 59.20 lakhs, as against which there are reserves and surplus aggregating Rs. 29.18 lakhs. The provision for taxation amounts to Rs. 29.47 lakhs and current liabilities aggregate Rs. 20.27 lakhs. The gross block of the value of Rs. 137.52 lakhs has been written down by Rs. 122.62 lakhs. The current assets amount to Rs. 123.22 lakhs and exceed the current liabilities and provision for taxation by a large extent.

The Directors of the Kamarhatty Company have under consideration a scheme for the replacement of some of the obsolete machinery in the Companys' mills. It is proposed to install preparing and spinning machinery of the most modern type and an initial expenditure of about Rs. 35 lakhs is contemplated. To a substantial extent this will have to be found from the Company's own resources in the first instance.

The Rs. 100 paid-up ordinary shares of the Kanknarrah and Kamarhatty are being currently quoted at Rs. 152 *ex-div.* and Rs. 209 *ex-div.*, respectively. On this basis, the latest dividends of these two Companies provide a yield of 5.26 per cent. and 4.78 per cent. per annum, respectively.

(In lakhs of rupees)

	KANKNARRAH				KAMARHATTY			
	For the half-year ended				For the half-year ended			
	31-12-1954	30-6-1954	31-12-1953	30-6-1953	31-12-1954	30-6-1954	31-12-1953	30-6-1953
Sale proceeds	128.01	107.27	115.61	118.09	148.92	125.30	138.34	137.53
Stocks	22.43	24.90	18.78	19.62	26.42	25.61	16.68	22.82
Manufacturing and other expenses	118.62	107.85	107.79	102.23	157.16	128.88	124.61	120.10
Gross profit	9.69	5.57	7.05	14.19	12.80	5.74	8.27	18.75
Managing Agents' remuneration	2.46	1.68	1.88	2.95	2.98	1.84	2.45	3.40
Depreciation	1.50	1.00	1.00	2.50	2.00	1.00	1.00	1.50
Taxation	2.60	1.50	1.90	5.05	4.05	1.45	2.10	5.90
Net profit	2.40	1.39	2.26	3.69	3.66	1.45	2.72	2.94
To reserves and provision for doubtful debts and other contingencies	0.23	..	0.90	0.30	2.61	..	1.10	..
Transfer from reserves	..	..	..	..	2.00	..	..	..
Dividends—								
6 per cent. Preference	0.30	0.30	0.30	0.30	0.48	0.48	0.48	0.48
Ordinary	2.16 (8% p.a.)	1.35 (5% p.a.)	1.35 (5% p.a.)	2.70 (10% p.a.)	2.16 (10% p.a.)	1.30 (6% p.a.)	1.30 (6% p.a.)	2.59 (12% p.a.)
Carry forward	0.62	0.63	0.95	1.23	0.84	0.82	0.65	0.80

LAKSHMI AND VISHNU COTTON MILLS

The difficult trading conditions during 1954 affected the working results of cotton mills in India in a varying degree, though the general trend of profits was downward. For the Lakshmi Cotton Manufacturing Company, Ltd., and the Vishnu Cotton Mill, Ltd., both under the management of the Bombay Company, Ltd., Bombay, the past year was the leanest for many years. The gross profit of the Lakshmi Cotton declined from Rs. 15.87 lakhs for 1953 to Rs. 14.74 lakhs, thus maintaining the downward trend noted since 1951 when the profit amounted to Rs. 37.32 lakhs. At Rs. 14.74 lakhs, the profit is the lowest since 1941. The performance of the Vishnu Cotton was even worse, inasmuch as it suffered a loss of Rs. 1.08 lakhs, in distinct contrast to the profit of Rs. 3.59 lakhs earned in 1953, to which level it had declined from Rs. 31.91 lakhs in 1951. This is the first time since many years that the Company has suffered a loss.

After providing for Agents' remuneration, the Directors of the Lakshmi Cotton have set aside Rs. 7.91 lakhs, as against Rs. 8.06 lakhs, for 1953, for depreciation and Rs. 2.90 lakhs, as against Rs. 2.30 lakhs, for taxation, leaving a net profit of Rs. 2.78 lakhs, as compared with Rs. 4.51 lakhs for 1953. The net profit has been supplemented by a sum of Rs. 1.98 lakhs, being the amount transferred from the engine and machinery fund (Rs. 98,049) and the dividend equalisation fund (Rs. 1 lakh). The amount transferred from engine and machinery fund represents initial depreciation, which had previously been set aside to this fund, on plant and machinery which, for income-tax purposes, has now been totally written off. Notwithstanding this addition, the net profit is not sufficient to maintain the dividend at 15 per cent. paid for the previous two years, after having cut it from 20 per cent. paid for 1951. The Directors have, therefore, pruned it to 13¾ per cent., the lowest level after the ordinary capital of the Company was doubled in 1948 by the capitalisation of Rs. 16 lakhs from the reserves.

The Directors of the Vishnu Cotton have made a provision of Rs. 11.882 lakhs, as against Rs. 6.66 lakhs in the previous year, for depreciation, resulting in a net loss of Rs. 13.08 lakhs, as compared with a loss of Rs. 3.63 lakhs in 1953. This loss has been covered by drawing Rs. 1.03 lakhs from depreciation, renewal and extension fund (now no longer required) and Rs. 12.50 lakhs from the reserve fund. It may be recalled that the previous year's loss of Rs. 3.63 lakhs was covered by the sum of Rs. 2.22 lakhs brought in from 1952 and by Rs. 1.55 lakhs drawn from the reserve for taxation and depreciation, renewal and extension fund. The Directors had also transferred last year a sum of Rs. 2.10 lakhs from the dividend equalisation fund to pay a modest dividend of 4 per cent. for 1953 (as against 7 per cent. for 1952 and 14 per cent. for 1951). This year also, they have had to draw Rs. 2.09 lakhs from the dividend fund to distribute the 7 per cent. (less tax) preference dividend and maintain the ordinary dividend at 4 per cent.

Referring to the trading conditions during the past year, the Directors observe, in their latest reports, as follows:

"Trading conditions were difficult throughout the year, particularly in the first half, and particularly in coarse and medium styles. Production control, especially the restriction on the production of *dhotis* to a small quota, adversely affected the Company's profits. Moreover, as a result of changing fashions, internal demand for many of the mill's traditional styles has contracted, and the Mill has had to look increasingly to export markets to fill the looms. Conditions in the export market were, and still are, very competitive, and the Company is at some disadvantage in this trade, relative to mills in Bombay or in other ports, owing to its mill being situated upcountry."

The following synopses of the Companies' latest balance-sheets (as at 31st December, 1954) disclose their financial position:

	Lakshmi	Vishnu
LIABILITIES	Rs.	Rs.
Capital	48,00,000	47,66,500
Reserves and surplus	69,51,599	23,21,698
Reserves for taxation	5,70,185	19,400
Liabilities	50,25,029	1,08,12,967
Total	Rs. 1,70,55,813	1,88,21,560
ASSETS		
Gross block	1,42,27,744	1,88,85,086
Less—Depreciation	1,08,78,587	1,00,83,900
Net block	33,49,157	88,01,846
Building and machinery not taken into block	2,02,578	20,88,884
Stock-in-trade	76,37,460	68,47,840
Stores	11,90,732	14,50,049
Debts and advances	34,87,903	40,18,422
Investments	7,78,175	6,62,167
Cash	16,808	8,059
Total	Rs. 1,70,55,813	1,88,21,560

It may be noted that the reserves of both the Companies stand at the above-noted levels after the capitalisation of Rs. 32 lakhs in the case of the Lakshmi Cotton and Rs. 16 lakhs in the case of the Vishnu Cotton. It will be recalled that, in 1944, the Lakshmi Cotton capitalised Rs. 16 lakhs out of the amount standing to the credit of the reserves. This was utilised to issue 6,400 5 per cent. (taxable) cumulative preference shares of Rs. 250 each as free bonus to the then existing ordinary shareholders in the proportion of one preference share for every ordinary share. In April, 1948, for the second time, a sum of Rs. 16 lakhs was capitalised and issued as bonus (ordinary) shares in the ratio of one share for one share. The Directors of the Vishnu Cotton capitalised Rs. 16 lakhs and issued 16,000 ordinary shares of Rs. 100 each as bonus shares in the proportion of one share for one ordinary share held. The current assets of the two Companies more than adequately cover the current liabilities and provision for taxation. In fine, the financial position of both the Companies is still quite sound, though, a couple of years ago, they had bigger reserves than they have at present.

NEW GREAT INSURANCE

During the year ended 31st December, 1954, the net premium income of the New Great Insurance Co., Ltd., rose by Rs. 5.58 lakhs to Rs. 75.17 lakhs. The premium income from the marine and miscellaneous departments was Rs. 18.78 lakhs and Rs. 14.42 lakhs respectively, which was slightly higher than in 1953, whilst in the fire department it was lower at Rs. 21.18 lakhs. The total premium income from the life department amounted to Rs. 20.79 lakhs, showing an increase of Rs. 3.10 lakhs over last year. The aggregate total of the underwriting reserves in respect of general insurance business at the end of 1954 was Rs. 36.58 lakhs as against Rs. 33.51 lakhs in the previous year. The life fund stood at Rs. 73.21 lakhs as against Rs. 38.92 lakhs in 1953. The net profit for the year, after taking into account the balance carried forward from the previous year amounted to Rs. 2.58 lakhs as against Rs. 2.51 lakhs for the previous year. The Directors have maintained the same sate of dividend as last year, namely Re. 1-4 per share or 6¼ per cent. on the paid-up capital, tax-free.

Points From The Chair

Consumption Should be Raised

"THAT capital formation need not arise wholly through restrictions on consumption and that in India during the last three years, while consumption expenditure has risen by about 9 per cent., capital formation has approximately doubled, is pointed out by a Research Institute in one of its recent studies. This has been a very timely analysis and I hope the authorities will give due weight to the aspect brought to light. Even in the democratic countries of Western Europe where full employment exists, there is today no attempt to restrict consumption in order to generate developmental activity. They aim at achieving development by strengthening productivity which results in cost reduction and higher wages and widening scope for new development. With such a large unemployed population and low level of consumption we need not go in for a policy that even advanced countries do not seem to favour. What is required in our country is large-scale development to create more employment giving more purchasing power to the people and stimulating consumption. There can be more and more production only if there is more consumption. Unless this is aimed at and realised, all that may be done to develop production will not produce the desired results."

SHANTI PRASAD JAIN,
Punjab National Bank Ltd.

Labour Appellate Tribunal

"The Appellate Tribunal had occasions to give decisions both in favour of the workers as well as the employers. This was inevitable when laws are interpreted impartially and justly. But, unfortunately, the workers have seen in it an agency for exploitation by employers for delaying and defeating the judgments of the lower tribunals. This misconceived notion of workers has led Government to revise their views on the subject and we are informed that they propose to abolish the Appellate Tribunal and, instead, set up National and State Tribunals with no right of appeal from one to the other. Whilst admitting that the Appellate Tribunal's machinery was cumbersome to a point, the great stabilising force of a codified case law on the subject which emanated from such a high Labour Tribunal should not be lightly done away with."

N. H. TATA,
Tata Mills Ltd.

Sarvodaya Movement and Unemployment

"In the adoption of modern technological methods of production, what do we find in actual practice? The call for support of handicrafts and cottage industries comes from various quarters, but I do not see there any recognition of the fact that efforts in this direction have so far been clouded with the illusion of primeval simplicity and inefficiency. We support for backwardness and inefficiency. Even the Prime seem to be skidding back in time. Minister has stated, perhaps in an unguarded moment, that 'we could remove the unemployment problem in India today by breaking down all the factories in India.' He added, however, that, 'although everybody will be working, their average income will go down and there will be trouble.' Yet some very sincere advocates of what has come to be known as the *Sarvodaya* theory of economics, have taken issue with the Prime Minister on the statement that the average income will go down. They seem to believe implicitly that the closing of all factories would provide living for a larger number of people and that there would be no shortage in the production of goods and articles. Their theory seems to be that, if the factories were to close down, everyone now compelled to remain unemployed would be inspired to take to some work or other and we would have more production as a matter of course."

K. C. MAHINDRA,
Indian Aluminium Co., Ltd.

Prospects for Coffee Plantations

"At our meeting last year, I told you how the uncertainty about coffee prices was retarding the progress of the coffee industry, and that a wonderful opportunity of taking full advantage of the very high prices in world markets was slipping by because of the Government of India's policy to restrict the export of coffee. I am glad to report that this was partly resolved by their belated, but nevertheless welcome, decision to release up to 9,000 tons of coffee for export. It was unfortunate that the decision could not have been made sooner and that more of the higher quality Arabica Plantation coffee, which fetches a better price abroad, was not exported, but we have nonetheless benefited in a very much better point valuation and this, we hope, may exceed the Rs. 2-11 per point received to date. Another welcome relief came in January this year when the export duty on coffee was reduced from Rs. 62-8 per cwt. to Rs. 21 per cwt. It is reported that about 4,000 tons of coffee will be released for export from the current season's crop and that the Plantation coffee will be exported first, so we could entertain some hope that the coffee industry may yet be allowed to progress forward into the future, were it not for another burden which is now falling upon us and threatens our hard-won prosperity. I refer to the Madras agricultural income-tax, for which we have had to make a provision of Rs. 38,875 in our balance-sheet to meet this levy. We have already had to meet the cost of leave with wages to labour under the Plantation Labour Act, and with other even heavier commitments foreshadowed under this Act, we may soon find it impossible to continue the development of our property at the rate we have planned."

W. W. KILGOUR,
Savamalai Estates Ltd.

COMPANY MEETINGS AND DIVIDENDS

SOORAH JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 11th May, 1955. Dividend: Re. 1 per share. Transfer books remain closed from 2nd to 11th May, 1955, both days inclusive.

NEW SHORROCK SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Ahmedabad, 13th May, 1955. Dividend: Rs. 35 per share, payable from 26th May, 1955. Transfer books remain closed from 27th April to 18th May, 1955, both days inclusive.

SHORROCK SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Ahmedabad, 13th May, 1955. Dividend: Rs. 25 per share (includes Golden Jubilee bonus of Rs. 5 per share). Transfer books remain closed from 27th April to 18th May, 1955, both days inclusive.

BELVEDERE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 13th May, 1955. Dividend: Rs. 5 per share. Transfer books remain closed from 30th April to 13th May, 1955, both days inclusive.

ASSAM MATCH CO., LTD. Annual General Meeting, Bombay, 16th May, 1955. Dividend: Re. 1-4 per share (includes bonus of As. 8 per share), payable on and after 23rd May, 1955. Transfer books remain closed from 5th to 21st May, 1955, both days inclusive.

INDIAN WOOD PRODUCTS CO., LTD. Annual General Meeting, Calcutta, 17th May, 1955. Dividend: Re. 1-12 per share (final). Transfer books remain closed from 3rd to 17th May, 1955, both days inclusive.

LAKSHMI COTTON MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 18th May, 1955. Dividend: Rs. 33-12 per share (includes interim dividend of Rs. 7-8), payable on 23rd May, 1955. Transfer books remain closed from 4th to 18th May, 1955, both days inclusive.

ROHTAS INDUSTRIES LTD. Annual General Meeting, Dalmianagar, 18th May, 1955. Dividend: Re. 1-8 per share. Transfer books will remain closed from 11th to 18th May, 1955, both days inclusive.

SEEBPORE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 19th May, 1955. Dividend: Re. 1 per share. Transfer books remain closed from 5th to 19th May, 1955, both days inclusive.

VISHNU COTTON MILL LTD. Annual General Meeting, Bombay, 20th May, 1955. Dividend: Rs. 4 per share, payable on 25th May, 1955. Transfer books remain closed from 6th to 20th May, 1955, both days inclusive.

SHREE NIWAS COTTON MILLS LTD. Annual General Meeting Bombay, 23rd May, 1955. Dividend: Rs. 14 per share, payable on or after 1st June, 1955. Transfer books remain closed from 3rd to 23rd May, 1955, both days inclusive.

CENTRAL DISTILLERY AND CHEMICAL WORKS LTD. Annual General Meeting, Meerut, 24th May, 1955. Dividend: As. 12 per ordinary share and As. 14 per deferred share. Transfer books will remain closed from 11th to 24th May, 1955, both days inclusive.

KHARDAH CO., LTD. Half-yearly General Meeting, Calcutta, 26th May, 1955. Transfer books will remain closed from 12th to 26th May, 1955, both days inclusive.

ANANDAM RUBBER CO., LTD. Dividend of Rs. 2-8 per share, for the year ended 31st December, 1954.

UDAYAGIRI RUBBER CO., LTD. Dividend of Rs. 2-8 per share, for the year ended 31st December, 1954.

NEELAMALAI TEA AND COFFEE ESTATES LTD. Interim dividend of As. 8 per share, for the year ending 30th June, 1955. Transfer books remain closed from 1st to 7th May, 1955, both days inclusive.

COMPANY REGISTRATIONS

HIMALAYAN FINANCE AND INVESTMENTS LTD. Managing Director: Mr. Brahma Shum Shere Jang Bahadur Rana.) Business: Dealers in shares, stocks, etc. Authorised capital: 19,00,000. Private company. Address: Room No. 60/63, 'Stephen House', Calcutta.

BHARAT CERAMIC INDUSTRIES LTD. (First Director: Mr. S. K. Mozumdar.) Business: Manufacturers and dealers in all kinds of ceramic glass, etc. Authorised capital: Rs. 15,00,000. Public company. Address: Stephen House, Calcutta.

SAHAJANAND ENGINEERING WORKS LTD. (First Director: Mr. Dhirubhai Chandulal Dave.) Business: Manufacturers of fabricated steelwork and other mechanical works, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Thackersee Jivraj Wadi, King Edward Road, Sewree, Bombay.

VIDYUT COPPER CONDUCTORS LTD. (First Director: Mr. Ishwarlal Manishanker Jariwala.) Business: Manufacturers, sellers, and dealers in copper and brass wires, nuts, bolts, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Anand Bhawan, Vagheshwaripole, Sonifalia, Surat.

ATLANTIC—NAAZ LTD. (First Director: Mr. Faridoon Aspandyar.) Business: Provision merchants, restaurant keepers, etc. Authorised capital: Rs. 3,00,000. Private company. Address: "Meher House' Cowasji Patel Street, Bombay.

FILM DISTRIBUTORS LTD. (First Director: Mr. V. A. P. Aiyar.) Business: Film producers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 3/2, Madan Street, Calcutta, 13.

SHREE GOVIND PROPERTY AND INVESTMENT LTD. (First Director: Mr. G. B. Patel.) Business: To acquire by purchase, lease, exchange any land, building, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 10, Jackson Lane, Calcutta.

QUESTION HOUR IN PARLIAMENT

Pensions to Foreigners

A SAVING of Rs. 10 lakhs a year has resulted from the transfer of the responsibility of paying pensions and other liabilities to persons who had served the British Crown in this country to the U.K. Government. The U.K. is arranging the payment of pensions. India had already given Rs. 224 crores in 1948, but it will get back about Rs. 50 crores and another Rs. 8 crores on account of income-tax. The whole matter is now the responsibility of the U.K. Government.

* * * *

Soviet Aid

The U.S.S.R. has agreed to place at the disposal of the U.S. Expanded Technical Co-operation Administration a sum of Rs. 50 lakhs, of which Asian countries can take advantage for getting experts or equipment. India proposes to send about 18 officials to find out whether there are experts and equipment that can be of use to India. No agreement has been signed by the Government of India with Soviet Russia for aid under the U.N. scheme. There are no prospects of India signing any such agreement, as there is no necessity for it.

—*Minister for Revenue and Civil Expenditure*

Foreign Aid

According to revised estimates, India has received from 1948 to 1954-55 Rs. 40.48 crores and Rs. 6.2 lakhs from the U.S. and the U.K., respectively, as financial aid on a grant basis. During the same period, India gave Rs. 213.73 lakhs to friendly countries by way of financial assistance.

* * * *

Dollar Debts Repaid by Government

The Government of India has repaid dollar debts to the extent of $10.66 million (Rs. 5.13 crores). Dollar grants from U.S. Government are not utilised for repayment of dollar loans. Sterling releases and dollar and other foreign exchange earnings (on trade and other accounts) together constitute our expendable foreign exchange resources. It is not possible to relate the repayments to any one of these different sources. The dollar debts are incurred, taking into account the overall resources available to the Government to meet its developmental and other needs. The unspent sterling balances are not automatically available to Government for its expenditure unless it can find equivalent rupee resources.

—*Finance Minister*

Sugar Position

Sugar production in the current (1954-55) season is expected to be more than 1.5 million tons, as against 1.0 million tons in 1953-54, without any addition to the acreage under sugarcane. In view of the increased production of indigenous sugar, it may not be necessary to import sugar during 1955-56 except for the commitments already made. The total quantity of sugar which the Government has already purchased in foreign countries but which is yet to arrive in India is 223,000 tons. The offtake of sugar from factories during the current season from 1st November, 1954 to 31st March, 1955, was 347,000 tons, as against 528,000 tons in the corresponding period of the previous year. The offtake of imported sugar was, however, 317,000 tons, as against 205,000 tons in the same period last year. Thus the total decline in the offtake of both imported and indigenous sugar during the past five months was 69,000 tons. The stocks of indigenous sugar held by the factories on 31st March, 1955, aggregated 999,000 tons. The stock of imported sugar with the Government on this date was 105,000 tons.

—*Minister for Agriculture*

Nominee System for Salt

The Government has accepted the recommendation of the Commodity Controls Committee that the nominee system for salt should be abolished in stages and has requested the State Governments to implement it. Certain State Governments have abolished the nominee system altogether, while some have agreed to a partial abolition of the system as an experimental measure. The States in which the nominee system has been abolished partially as an experimental measure would review the position after some experience and decide whether the system should be abolished altogether. The nominee system existed partially or wholly in ten States.

—*Production Minister*

Small-scale Match Factories

About 180 small-scale match factories were reported to be working in the country by the end of 1954. The production capacity of these units is difficult to assess, but about 35 per cent. of the total match production in the country is accounted for by them. The small-scale units enjoy preferential rates of excise duty.

—*Deputy Minister for Commerce and Industry*

Indian Steam Road Rollers

The total number of steam road rollers manufactured in the Telco Works so far is 950 and the provisional price per roller is Rs. 37,500. The final price is yet to be fixed. According to an agreement with a manufacturing firm in the U.K., the Government acquires the manufacturing rights in respect of their steam road rollers. A sum of about £100 per road roller is expected to be paid to the U.K. firm for the 950 rollers for exploiting the manufacturing rights. The U.K. firm was manufacturing steam road rollers for all export markets, at the time the agreement was entered into.

—*Commerce and Industry Minister*

NEW SHORROCK MAINTAINS DIVIDEND

FLOODS AFFECT BELSUND SUGAR

New Shorrock Spinning and Manufacturing Co., Ltd.

THE directors of the above Company (Managing Agents, Secretaries, Treasurers and Agents: Messrs. Mafatlal Chandulal and Co., Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1954.

The Company has made during the year, the profit of Rs. 28,34,770 (Rs. 29,78,822) to which is added last year's carry forward of Rs. 38,617 (Rs. 1,795) making a total of Rs. 28,73,387 (Rs. 29,80,617). Out of this amount the directors have resolved to appropriate to depreciation fund Rs. 8,25,000 (Rs. 9,00,000), and to provision for taxation Rs. 9,50,000 (Rs. 4,50,000) leaving a balance of Rs. 10,98,387 (Rs. 18,50,000 after setting apart Rs. 5,00,000 to dividend equalisation fund). Out of this balance the directors recommend payment of dividend at Rs. 35 (Rs. 35) per share, free of income-tax, on 31,200 ordinary shares Rs. 10,92,000 (Rs. 10,92,000) leaving a balance to be carried forward to next year's account of Rs. 6,387 (Rs. 38,617).

The Company's properties have been insured against fire, riot and civil commotion risks. Standing charges and profits have also been insured. The Mills worked day and night shifts during the year. The Mills have 51,132 spindles and 864 looms.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,00,000	Block ...	1,14,89,135
Reserves ...	66,61,702	Stock-in-trade ...	27,22,783
Depreciation fund ...	91,35,306	Stores and spare parts	11,42,379
Provision for taxation ...	16,55,613	Debts, deposits and advances ...	43,33,329
Liabilities ...	32,50,725	Investments	36,13,616
Profit and loss account ...	10,98,387	Cash ...	24,00,491
Rs.	2,57,01,733	Rs.	2,57,01,733

Shorrock Spinning and Manufacturing Co., Ltd.

The directors of the above Company (Managing Agents, Secretaries, Treasurers and Agents: Messrs. Mafatlal Chandulal and Co. (Ahmedabad) Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1954.

The Company has made during the year, the profit of Rs. 15,21,214 (Rs. 17,74,650) to which is added last year's carry forward of Rs. 22,720 (Rs. 8,070) making a total of Rs. 15,43,934 (Rs. 17,82,720). Out of this amount the directors have resolved to appropriate to depreciation fund Rs. 6,50,000 (Rs. 7,70,000), and to provision for taxation Rs. 4,00,000 (Rs. 1,00,000) leaving a balance of Rs. 4,93,934 (Rs. 4,12,720 after appropriating Rs. 2,00,000 to machinery renewal fund and Rs. 3,00,000 to dividend equalisation fund). The directors recommend that this amount appropriated in payment of dividend at Rs. 20 (Rs. 20) per share, free of income-tax, on 19,500 ordinary shares Rs. 3,90,000 (Rs. 3,90,000), payment of Golden Jubilee bonus dividend at Rs. 5 (*nil*) per share, free of income-tax, on 19,500 ordinary shares Rs. 97,500 (*nil*) leaving a balance to be carried forward to next year's account of Rs. 6,434 (Rs. 22,720).

The Company's properties have been insured against fire, riot and civil commotion risks. Standing charges and profits have also been insured. During the year the Mills worked day and night shifts. The Mills have 36,624 spindles and 720 looms.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,52,500	Block ...	78,08,018
Reserves ...	59,00,194	Stock-in-trade ...	30,01,185
Depreciation fund ...	55,53,800	Stores and spare parts	7,71,445
Provision for taxation ...	41,979	Debts, deposits and advances ...	14,21,460
Liabilities ...	19,08,027	Investments	5,69,000
Profit and loss account ...	15,43,934	Cash ...	33,29,326
Rs.	1,69,00,434	Rs.	1,69,00,434

Belsund Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bangur Brothers Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th September, 1954.

The result for the year, after providing for depreciation and Rs. 2,15,854 (*nil*) for labour bonus for the year 1949-50 and 1950-51 showed a profit of Rs. 1,38,925 (Rs. 6,13,792) from which has been deducted for taxation reserve Rs. 10,255 (Rs. 2,90,000) leaving a balance of Rs. 1,28,670 (Rs. 3,23,792). To this amount was added the carry forward from the previous year of Rs. 1,66,138 (Rs. 2,37,248) leaving at credit of profit and loss account Rs. 2,94,808 (Rs. 5,61,041). This sum the directors disposed off as follows:—

Transferred to reserve Rs. 50,000 (Rs. 2,00,000), paid a dividend at As. 12 (As. 12) per share free of income-tax for the year ended 30th September, 1954 Rs. 1,94,902 (Rs. 1,94,902) and carried forward to the next account Rs. 49,906 (Rs. 1,66,138).

The factory commenced crushing on the 23rd December, 1953, and finished on the 6th March, 1954, with a total crush of 1,306,997 maunds of cane as compared to 2,833,894 maunds of cane in the previous year. The main factors contributing to this small crush were the serious effects of the large flood that occurred in the cane area and the diversion of cane to *gur* making. The quality of cane available was normal and the recovery increased to 10.73 per cent. from 10.54 per cent. in the previous year.

The Government of India revised the sugar policy for the year under report by retaining 25 per cent. of the total sugar production of the year for control sales. The cane price was also increased to Re. 1-7 per maund at the factory and Re. 1-5 per maund at out stations. Cane cess was reduced to As. 3 per maund, cane co-operative society commission was maintained at the previous rate of 9 pies per maund of cane. Additional excise duty of Re. 1 per maund levied during the season 1952-53 was removed.

Building and machinery were maintained in good order and necessary additions and alterations were made at the factory.

Season 1954-55—The cane supply during the year is anticipated much more than that of the last year. This year, the Government has not made any change in the cane price though an additional excise duty of Rs. 1-14 per cwt. has been levied since 1st March, 1955, on stock of sugar available with the factory and also on production of sugar since made.

Raw Sugar—In April, 1954, the Government of India for the first time in the history of Indian Trade sponsored a scheme to import raw sugar to be refined in sugar factories during the off-season. The Company, under the above scheme imported 7,919 tons of raw sugar. The refining process was started from the month of October, 1954, and hardly more than one-third of the quantity imported was refined when the crushing season of 1954-55 came in operation and the process was postponed for the off-season.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,49,050	Block ...	8,57,845
Reserves ...	5,00,000	Belvita machinery and plant ...	1,21,744
Provision for taxation ...	55,433	Stocks ...	5,74,068
Liabilities ...	55,53,839	Stores and spare gear	8,85,010
Profit and loss account ...	2,94,808	Debts, deposits and advances ...	57,71,984
		Investments	914
		Cash ...	1,41,570
Rs.	83,53,135	Rs.	83,53,135

Seebpore Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts for the half-year ended 31st December, 1954.

After providing Rs. 92,500 (Rs. 91,000) for depreciation and Rs. 1,34,500 (Rs. 58,000) for taxation and cesses, and after transferring Rs. 30,000 (Rs. 4,310 to capital reserve) to general reserve there remains at the credit of profit and loss account Rs. 89,411 (Rs. 66,956) out of which the directors recommend dividend on 4,000 5 per cent. non-taxable cumulative preference shares Rs. 10,000 (Rs. 10,000), dividend of Re. 1 (As. 14) per share on 40,000 ordinary shares Rs. 40,000 (Rs. 35,000) leaving to be carried forward Rs. 39,411 (Rs. 21,956).

Raisings for the half-year were 65,379 (55,749) tons as compared with 55,705 tons in the previous half-year and despatches 71,646 (60,861) tons as against 63,168 tons.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,80,000	Block ...	11,57,205
Reserves ...	7,36,598	Stock of coal ...	45,986
Provision for taxation ...	1,59,812	Stores ...	90,311
Liabilities ...	5,07,716	Debts, deposits and advances ...	4,30,799
Profit and loss account ...	39,411	Cash ...	3,99,236
Rs.	21,23,537	Rs.	21,23,537

New Manbhoom Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1954.

The revenue account shows a loss of Rs. 1,602 (loss of Rs. 45,544) as a result of the half-year's working, and after debiting and crediting sundry items, there is a gross loss for the half-year of Rs. 52,592 (gross loss of Rs. 81,629). After adjusting this and also Rs. 300, being the amount paid in respect of forfeited dividend, against the balance brought forward from the previous half-year and Rs. 40,000 (Rs. 1,70,000) being the amount transferred from general reserve, and also Rs. 10,734 (Rs. 18,248) on account of sundry adjustments in respect of previous half-years, there is a net credit balance of Rs. 2,485 (Rs. 9,405) on profit and loss account to be carried forward.

The raisings for the half-year under review amounted to 62,220 tons, despatches being 61,393 tons. This compares with 62,554 tons and 65,134 tons respectively for the previous half-year and with 59,771 tons and 50,377 tons respectively for the corresponding half-year in 1953.

For the current year the Coal Board has restricted the output of the Colliery to 77,000 tons selected 'B' coal and 50,000 tons grade II coal. This is the same output as allowed for 1954 and does not, in the opinion of the directors, allow the Colliery to be worked economically. A strong protest has therefore been lodged and it is hoped that this appeal will receive due consideration. The Colliery can easily increase its raisings, and in anticipation of a favourable hearing steps have been taken to increase slightly the raisings for the succeeding half-year which should result in more favourable trading.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	12,54,728
Reserves ...	85,000	Stock of coal	58,148
Liabilities ...	12,84,014	Stores, etc. ...	2,11,619
Profit and loss account ...	2,485	Debts, deposits and advances ...	3,59,613
		Investments	36,948
		Cash ...	50,443
Rs.	19,71,499	Rs.	19,71,499

Methoni Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1954.

Tea crop.—A crop of 9,553 (10,037) maunds was manufactured and disposed of, for sale in Calcutta for export 8,662 (9,242) maunds, and for sale in Calcutta for internal consumption 891 (795) maunds. The teas realised an average price of Rs. 3-4-5 per lb. as compared with Rs. 2-0-9 per lb. obtained for the previous season's crop of 10,037 maunds. The Company's export quota for season 1954 was 5,481 maunds.

Area.—No extensions were put out during the year and the area under cultivation remains unchanged at 611.96 acres.

The revenue account shows a profit of Rs. 11,82,056 (Rs. 4,95,432) and after deducting from this staff commission and bonus Rs. 87,807 (Rs. 35,816), managing agents' commission on profits Rs. 23,518 (Rs. 9,880), reserve for taxation Rs. 4,00,000 (Rs. 1,17,000), provision for assam sales tax Rs. 5,000 (*nil*) and depreciation Rs. 72,567 (Rs. 81,264) there is a balance of Rs. 5,93,164 (Rs. 2,51,472) to which is added interest on investments (Net) Rs. 903 (*nil*), profit on sale of machinery Rs. 800 (Rs. 6,600) and post-war refund of excess profits tax (Net) Rs. 1,360 (*nil*) making a net profit for the year of Rs. 3,96,227 (Rs. 2,58,072). After adding to this the adjusted credit balance of Rs. 39,297 (Rs. 6,379) brought forward from the previous year, there is a credit balance of Rs. 6,35,524 (Rs. 2,65,435) on profit and loss account. The directors recommend that this balance be disposed of as follows:—

Ad-interim dividend of 10 (*nil*) per cent. for season 1954 without any deduction for income-tax paid by the Company—paid on 28th February, 1955, Rs. 80,000 (*nil*), pay a final dividend of 35 (15) per cent. for season 1954, without any deduction for income-tax paid by the Company (making a total of 45 (15) per cent. for season 1954) Rs. 2,80,000 (Rs. 1,20,000), place to buildings and machinery reserve account Rs. 1,50,000 (*nil*), place to contingencies reserve account Rs. 50,000 (*nil*), place to hail insurance reserve account Rs. 30,000 (*nil*) and carry forward Rs. 45,524 (Rs. 45,435 after placing Rs. 1,00,000 to reserve account).

The estimated crop of tea, for season 1955 is placed at 10,000 maunds, at a total cost of Rs. 12,58,975 excluding capital expenditure amounting to Rs. 78,500.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	14,74,125
Reserves ...	11,40,000	Stock of tea	7,60,416
Provision for taxation ...	4,82,690	Stores ...	1,23,455
Liabilities ...	5,82,284	Debts, deposits and advances ...	39,564
Profit and loss account ...	45,524	Investments	2,96,570
		Cash ...	3,56,368
Rs.	30,50,498	Rs.	30,50,498

Assam Match Co., Ltd.

The directors of the above Company (Managing Director: Mr. T. Rydin, Bombay) submit the audited accounts of the Company for the year ended 31st December, 1954.

During the year a strike occurred at the factory at Dhubri and production was lower than the previous year. Sales were also affected by competition from the low-priced products of subsidised Cottage manufacturers and also as a result of floods in Assam, which prevented proper distribution of the Company's matches.

A sum of Rs. 83,666 (Rs. 2,47,196) has been provided for depreciation on buildings and machinery. In this year's accounts depreciation has been calculated differently from previous years. The directors have thought it preferable now to introduce the "straight line" system, whereby each year will bear the same amount of depreciation for each asset until such asset has been completely written off within its expected life time. In the past it was written off in the accounts, ordinary depreciation, initial depreciation, etc. to the full extent allowed by the Income-tax department in their assessment. To the extent that the amount of depreciation allowed by the Income-tax Act in this year's assessment (as well as in the future) exceeds the book depreciation, the consequent tax advantage taken, as it were, in advance, is being provided for in the books. The tax advantage to be derived from the recently introduced development rebate is being treated in the same way. For

1954 a provision of Rs. 3,02,000 (Rs. 5,00,000) has been made for taxation.

The net profit for the year, after providing for depreciation and taxes for 1954 as aforesaid, is Rs. 4,07,965 (Rs. 6,14,515) to which should be added the sum of Rs. 1,34,528 (Rs. 1,35,909), being the balance carried over from last year, making a total of Rs. 5,42,493 (Rs. 7,50,424) which the directors recommend may be dealt with as follows:—

To pay a dividend for the year ended 31st December, 1954, at the rate of 7½ (7½) per cent. per annum (i.e. As. 12 (As. 12) per share) free of income-tax absorbing Rs. 2,25,000 (Rs. 2,25,000), to pay a bonus for the year ended 31st December, 1954, at the rate of 5 (5) per cent. per annum (i.e. As. 8 (As. 8) per share) free of income-tax absorbing Rs. 1,50,000 (Rs. 1,50,000), to set aside for general reserve Rs. 50,000 (Rs. 1,65,896) and to carry forward to next year's account Rs. 1,17,493 (Rs. 1,34,529 after setting aside Rs. 75,000 for dividend equalisation fund).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	35,74,632
Reserves ...	7,75,000	Stock-in-trade ...	4,65,218
Depreciation fund ...	20,11,857	Raw materials	8,28,825
Provision for taxation ...	15,41,265	Stores ...	7,05,715
Liabilities ...	4,24,083	Goods-in-transit ...	90,056
Profit and loss appropriation account ...	5,42,493	Other assets	40,060
		Debts, deposits and advances ...	20,69,445
		Investments	6,071
		Cash ...	5,13,276
Rs.	82,94,698	Rs.	82,94,698

Belvedere Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1954.

After providing Rs. 1,67,000 (Rs. 1,85,000) for taxation there is a balance of Rs. 2,76,411 (Rs. 3,08,372) at the credit of profit and loss account from which the directors recommend payment of dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 24,500 (Rs. 24,500) and on ordinary shares at Rs. 5 (Rs. 7-8) per share Rs. 1,40,000 (Rs. 2,10,000), leaving Rs. 1,11,911 (Rs. 73,872) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association the mills worked 42½ hours per week up to 10th July, 1954. From 12th July, 1954, working hours were increased from 42½ hours to 45 hours and again from 45 hours to 48 hours per week from 18th October, 1954. Throughout the period under review 12½ per cent. of the total looms remained sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,00,000	Block ...	40,59,326
Reserves ...	35,49,623	Stocks ...	29,40,592
Provision for taxation ...	1,25,009	Stores ...	9,29,234
Liabilities ...	11,09,599	Debts, deposits and advances ...	4,01,045
Profit and loss account ...	1,11,911	Investments	55,358
		Cash ...	10,587
Rs.	83,96,142	Rs.	83,96,142

Calcutta Jute Manufacturing Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Dayaram and Sons, Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June, 1954.

The gross profits for the half-year under report are Rs. 2,27,091 (loss of Rs. 51,976). After meeting expenses of management and providing for interests, debenture interests, depreciation and managing agents' commission etc. the revenue account showed a net profit of Rs. 39,619 (loss of Rs. 51,976) to which was added the amount brought forward from the previous half-year of Rs. 1,176 (credit of Rs. 3,515), making a total of Rs. 40,795 (debit of Rs. 48,461). This amount, the directors dealt with as follows:—

Paid a dividend free of income-tax on preference shares at the rate of 6½ (6½) per cent. per annum Rs. 19,500 (Rs. 19,500 paid of general reserve) on ordinary shares at the rate of 5 per cent. (*nil*) per annum (As. 4 (*nil*) per share) Rs. 18,685 (*nil*) and carried forward a balance of Rs. 2,610 (debit of Rs. 48,461).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,47,380	Block ...	11,50,979
Debentures	9,00,000	Stock-in-trade ...	12,25,504
Reserves ...	3,16,924	Stores and coal ...	2,76,564
Provision for taxation ...	81,535	Debts, deposits and advances ...	9,66,248
Liabilities ...	9,99,738	Investments	1,500
Profit and loss account ...	40,794	Cash ...	65,576
Rs.	36,86,371	Rs.	36,86,371

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

In our issue of 26th March, 1955—*vide* page 589—it was mentioned, under the feature "Company Registrations," that a company by the name of India International Co., Ltd., had been registered with the object of manufacturing, exporting and importing motor cars, etc. The main object of this Company is to deal in liquors and we are informed that the Company has no intention of manufacturing any item.

Notices

THE STANDARD COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 28th April, 1955, a Dividend of 15 per cent. per annum was recommended to be paid for the half-year ended 31st December, 1954, without any deduction for Income-tax paid by the Company.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE ONDAL COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 28th April, 1955, the following Dividends were recommended to be paid for the half-year ended 31st December, 1954, without any deduction for Income-tax paid by the Company.

On Preference Shares ... 6½ per cent. per annum
On Ordinary Shares ... 10 per cent. per annum

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE BORREA COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 28th April, 1955, the following Dividends were recommended to be paid for the half-year ended 31st December, 1954, without any deduction for Income-tax paid by the Company.

On Preference Shares ... 6½ per cent. per annum
On Ordinary Shares ... 20 per cent. per annum

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE ONDAL COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE ONE hundred and eleventh Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday the 27th May, 1955, at 10-30 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December, 1954, declaring the Dividends recommended by the Directors, electing Directors and Auditors and for transacting any other ordinary business of the Company.

The Share Registers of the Company will be closed from the 13th to the 27th May, 1955, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CALCUTTA, 28*th April*, 1955.

THE BHULANBARAREE COAL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-seventh Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday the 27th May, 1955, at 10-40 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December, 1954, electing Directors and Auditors, and for transacting any other ordinary business of the Company.

The Share Register of the Company will be closed from the 13th to the 27th May, 1955, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CALCUTTA, 28*th April*, 1955.

THE STANDARD COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and eighth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday the 27th May, 1955, at 11 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December, 1954, declaring the Dividend recommended by the Directors, electing Directors and Auditors and for transacting any other ordinary business of the Company.

The Share Register of the Company will be closed from the 13th to the 27th May, 1955, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CALCUTTA, 28*th April*, 1955.

THE BORREA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE ONE hundred and twenty-eighth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday the 27th May, 1955, at 11-10 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December, 1954, declaring the Dividends recommended by the Directors, electing Directors and Auditors and for transacting any other ordinary business of the Company.

The Share Registers of the Company will be closed from the 13th to the 27th May, 1955, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CALCUTTA, 28*th April*, 1955.

PUNJAB NATIONAL BANK LIMITED

ONE HUNDRED AND EIGHTH ANNUAL GENERAL MEETING

MR. SHANTI PRASAD JAIN STRIKES A NOTE OF OPTIMISM ABOUT INDIA'S FUTURE

THE One Hundred and Eighth Ordinary General Meeting of the shareholders of the Punjab National Bank Ltd. was held on 12th April, 1955 at the Head Office of the Bank, 8, Underhill Road, Delhi. The following is a summary of the speech delivered on the occasion by Mr. Shanti Prasad Jain, Chairman of the Bank.

The Chairman described the occasion as a momentous one in the history of the Bank; for it was on that day, 60 years ago, that a few enterprising patriotic individuals established the Punjab National Bank. Reviewing, briefly the history of the Bank, he paid glowing tributes to Sardar Dayal Singh Majithia, Lala Harkishan Lal, Lala Lajpat Rai, Babu Purushottam Das Tandon, and other Chairmen and Directors who had made valuable contribution in the building up of the Bank.

Working Results for 1954

Commenting upon the audited balance-sheet and profit and loss account for the year 1954, Mr. Shanti Prasad stated that the working capital of the Bank as on the last day of the year was Rs. 91.16 crores, which represented an increase of Rs. 11.38 crores over the previous year. Deposits aggregated Rs. 75.64 crores, which showed a gain of Rs. 10.33 crores over 1953. The increase in deposits during the year worked out to 15.82 per cent., as against 10.85 per cent. in case of other Scheduled banks. The percentage increase in the number of depositors during the year worked out to 4.71, as against 3.18 in case of other Scheduled banks. This was a testimony of the growing faith and confidence of the people in the Bank and its management.

Loans at Rs. 32.40 crores were higher by Rs. 6.85 crores as compared with the previous year. The percentage of loans to deposits worked out at 42.83, as against 55.80 in case of other Scheduled banks, which fact showed that the Bank could increase its advances further substantially. The Chairman continued that, in order to ensure increased utilisation of Bank's resources in export and import trade of the country, the foreign exchange department of the Bank had been reorganised and expanded.

On the assets side of the balance-sheet, the figures indicated a strong liquid position. Assets in cash, bank balances, money at call and short notice, investment in Government and trustee securities, bills discounted and purchased, totalled Rs. 50,23,67,136 which represented 66.42 per cent. of deposits of the Bank, as against 55.39 per cent. in case of other Scheduled banks.

Speaking about the profits and their appropriation, Mr. Jain said that transactions for the year had resulted in a profit of Rs. 56.86 lakhs including a sum of Rs. 3,10,289 brought forward from the previous year's account, as against a profit of Rs. 41.79 lakhs last year. Out of this profit, the following appropriations were made: Rs. 16 lakhs for taxation; Rs. 12.5 lakhs for contingency reserve; Rs. 40,000 for charity; Rs. 2,47,140 for reserve fund, raising it to Rs. 92.5 lakhs; Rs. 50,000 to staff gratuity account, Rs. 9.5 lakhs for bonus to staff and Rs. 10.5 lakhs for dividend at 12 per cent. per annum to the shareholders. These appropriations left a sum of Rs. 4,99,040 to be carried forward to next year's account.

Speaking about the staff, the Chairman said that the staff on the rolls of the Bank numbered 6,265 on 31st December, 1954. The establishment expenses for the year amounted to Rs. 1,46,59,993 giving an average of Rs. 2,340 as yearly salary paid per head. This figure for the year 1950 was Rs. 1,951 only. The bonus paid to the staff during 1954 was Rs. 9,50,000, as against Rs. 7,50,000 in 1953, Rs. 5,48,462 in 1952 and Rs. 3,77,201 in 1951. In order to give improved and quick service to the constituents, modern banking methods were being studied and a training school had been started at the head office of the Bank to equip the officer staff with better knowledge and broader outlook.

Mr. Jain added that the Bank placed at the disposal of its clients a chain of properly equipped safe deposit vaults. There were 94 safe deposit vaults with 40,568 lockers as on 31st December, 1954, in different branches of the Bank.

The Chairman disclosed on this occasion that the Bank was shortly constructing a modern six-storeyed building to house its head office at the junction of Parliament Street and Asoka Road in New Delhi.

Private Sector in National Economy

Making a few observations about the achievements of Indian economy during the last few years, the Chairman said that efforts in various fields of activity had steadied the economic forces and the disequilibrium and inflationary trends that appeared to gather momentum after independence had been rectified as a result of increased agricultural and industrial production. There had been a gradual fall in prices. The contribution made by the private industrial sector in these achievements was commendable. He continued that, on objectives, there was certainly no difference in this country. The common aim was to create more and more wealth and ensure its equitable distribution. Referring to the Avadi resolution on the socialist pattern of economy, he observed that it was in accordance with the common objectives. The socialistic pattern envisaged in the resolution did not imply State ownership of the means of production, but an economy maintaining efficiency in productive mechanism; and both public and private sectors working to give to the common man increased opportunities for work and higher standard of living within his lifetime. If the socialistic pattern did not generate a rate of developmental activity which gave to the community the desired advancement, the common man would consider it as sentimental philosophy. The people should have minimum requirements of living standards and amenities in respect of medical attention and education, etc. This was outside the means of existing national income. Our national income had to be multiplied many times for which there has to be tremendous all-round activity. As maximum production of goods and services was the need of the times, the country's advancement would be slowed down if instead of doing everything possible to stimulate developmental activity, sluices were built all round. It would be pertinent to recall the strong plea made by the private industrial sector on the eve of the first Five-year Plan that a bolder plan and accelerated pace of development would have been the only method of creating greater employment. However, subsequent events had proved beyond doubt that cautious expenditure caused by fears of inflationary spirals had not been called for. The Chairman said: "We are again at a crucial stage. There must be clear lead; otherwise, we shall find that we have got into the wrong bus to reach the intended destination."

The Chairman did not favour the Taxation Enquiry Committee's recommendations to tax consumption in order to channelise savings for development expenditure. The capital formation need not arise wholly through restrictions on consumption. According to recent studies of a research institute, during the last three years, consumption expenditure had risen by about 9 per cent., while capital formation had approximately doubled. Mr. Jain called the attention of the authorities to this analysis and stated that in Western countries of Europe where full employment existed, there were no restrictions on consumption to create developmental activity.

Unemployment Problem

Speaking about the unemployment problem in the country, the Chairman stated that there was partial unemployment among the agricultural population and large-scale unemployment among the educated. The unemployed also included those who had courage, enterprise, skill and were prepared to take risks, but lacked capital. As the country aimed at broad-based economy, such intelligent unemployed had to be given an opportunity. The State must see that this enterprising section of intelligentsia were equipped with the required capital by the financial institutions of the country.

The Chairman said that much hope had been raised by the appointment of various committees to assist development by giving aid to the private sector. In this connection, he referred to the Shroff Committee and its offshoot, the Handoo Report and the promotion of the Development Corporation which is intended to help the private sector and create an atmosphere conducive to development activity. After the noise that the reports had made, these had been laid to rest. Such reports had no significance unless their intent was fully implemented and given concrete shape. He also referred to the report of the Rural Credit Enquiry Committee which promised to provide credit to the cultivator through the medium of nationalised banks. The extent of the resources that the Reserve Bank would place at the disposal of the nationalised banks was not known and had probably not been worked out. There was also no information about the machinery, through, and the basis on which, the credit would reach the cultivator.

Optimism About Future of Country

Striking a note of optimism about the future of the country, he said that agricultural production would further go up with the completion of various irrigation projects. Industrial production was also sure to keep its upward trend. Although the rate of incrqase in production, statistically, compared favourably with the position in foreign countries, he did not consider it satisfactory and sufficient for meeting the expanding needs of our people.

The Chairman was anxious that the Punjab National Bank should provide credit to industry, trade and consumer in a bigger way. The list of securities for loans was proposed to be enlarged, so that financial accommodation could be extended to small manufacturers after proper scrutiny of their assets. In the internal market the Bank might finance sales on instalment basis which had proved so profitable and useful to American economy.

He further said that, as regards banking habit, the country was indeed backward as compared with other advanced countries. The deposits of our Scheduled banks formed only 78 per cent. of currency in circulation, whereas they were about four times of currency in circulation in the U.K. and the U.S. With the improvement in economic prosperity for which efforts on national scale were afoot, further development of banking would surely take place. In this context Mr. Jain referred to one or two points from the Shroff Committee report. The first was the desirability of making issuance of cheques on a bank without funds a criminal offence. The second point was that of maintaining the secrecy of bank-customer relations. These points, he felt, should receive the attention of the Reserve Bank and the Government for further consideration. Referring to the order of the Government that the funds of quasi-Government institutions, etc., could only be deposited with the Imperial Bank of India, he suggested that the Government should draw a list of approved banks for this purpose instead of prohibiting operations as they had done. Expressing his abiding faith in the economy of the country, he said, "even the most pessimistic must feel optimistic about the future destiny of our country and the material well-being of our people. In this task of building up of our country, may it be the destiny of our Bank to play its rightful part gloriously as it has endeavoured to do during the last 60 years."

Before concluding, Mr. Shanti Prasad Jain thanked all the constituents of the Bank, Directors of the General Board, and local Advisory Committees for their continued confidence and co-operation. Making special mention of the work done by Mr. B. N. Puri, he said: "To our General Manager, Shri B. N. Puri, genuine appreciation is due for his zeal, organising ability and drive. But for his invaluable assistance and the loyal and unstinting labours of the officers and the staff, I would not have been in a position today to report to you, as I have done, about the increasing strength, stability and prestige of your Bank."

MONEY STRINGENT AGAIN

(From Our Own Correspondent)

BOMBAY, 4th *May*

The pull on the short-term money market, experienced towards the close of the previous week, continued to be felt, and that on a greater scale, during the week under review. There was a broadening of demand for money to a more perceptible extent, in the face of a shrinking volume of floating funds, with the result that banks had some difficulty in getting their requirements from the market. Actually, from Monday onwards, they had to pay higher interest rates for their borrowings from the market. Exchange banks, as well as prominent Indian banks, were keen borrowers. Many of them had to seek the assistance of the Reserve Bank.

Inter-bank call money, after being done at 2¾ per cent. up to Saturday, was bid at 3 per cent. from Monday onwards by all sections of banks. Small Indian banks were, however, less keen borrowers. Short-term deposits were in demand at 3 per cent. for one to four months and at 2¾ to 3 per cent. for longer periods up to six months. House money continued to be placed at 3 per cent.

Notwithstanding the reappearance of stringent conditions, the response to this week's sale of three months' Government of India Treasury Bills was somewhat better than in the previous week. The total amount offered was Rs. 122.25 lakhs (against an invitation for Rs. 100 lakhs), an increase of Rs. 12.25 lakhs over the previous week. The average rate of accepted tenders also dropped from Rs. 2-9-5 per cent. to Rs. 2-9-3 per cent. per annum.

A contraction of Rs. 5.37 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 29th April, 1955. This is the second week in succession in which the shrinkage is noted, the decline in the previous week having been of the order of Rs. 9.19 crores. Notes held in the Banking Department have risen by Rs. 5.77 crores, so that the increase in total notes issued is only Rs. 40 lakhs, which is covered by a similar rise in rupee coin. The downward trend in deposits of the Central Government noted in the previous three weeks has persisted in the week under reference also, the precise fall being Rs. 2.09 crores. Deposits of other Governments have risen again by Rs. 4.58 crores. An increase of Rs. 35 lakhs is seen in deposits of banks. On the assets side of the Banking Department, balances held abroad are lower by Rs. 5.04 crores. Loans and advances to Governments have gone up by only Rs. 72 lakhs and other loans and advances by Rs. 30 lakhs. There have been fresh borrowings to the extent of Rs. 4.02 crores by Scheduled banks against usance bills, while repayments have been very little. Investments disclose a fall of Rs. 2.06 crores.

Small variations are disclosed by the consolidated statement of position of Scheduled banks for the week ended 22nd April, 1955. Demand deposits, for instance, are higher by only Rs. 31 lakhs and time deposits by Rs. 66 lakhs. Inter-bank borrowings are lower by Rs. 65 lakhs, while borrowings from the Reserve Bank have risen by Rs. 1.58 crores. Borrowings from the Imperial Bank, on the other hand, have declined by Rs. 1.56 crores. An increase of no more than Rs. 97 lakhs is noted in advances. Inland bills purchased and discounted show a decline of Rs. 66 lakhs, while foreign bills are higher by Rs. 61 lakhs. No worthwhile variation is noted in investments. Cash on hand and balances with the Reserve Bank have together dropped by Rs. 3.27 crores, balances with other banks by Rs. 65 lakhs and money at call and short notice by Rs. 3.36 crores.

The Gilt-edged market continued to present steady conditions, with a broadening of demand from institutional investors. The raising of Reserve Bank of India's selling rates for some securities by an anna, also provided a stimulant. The volume of business also was on an enlarged scale, 3 per cent. 1957 was in demand and hardened by an anna to Rs. 99-6. 3 per cent. 1958 had buyers at last week's rate of Rs. 99-4. 3 per cent. 1959-61 attracted buyers at Rs. 97-7 and 3 per cent. 1963-65 at Rs. 93-11. 3 per cent. 1964 was unchanged at Rs. 93-10, but there were enquiries at Rs. 93-10½. The Reserve Bank raised its selling price of 3 per cent. 1966-68 and 3 per cent. 1970-75 by an anna to Rs. 90-10 and Rs. 87, respectively. 3 per cent. 1986 Conversion Loan gained an anna to Rs. 80-14. 3½ per cent. 1961 National Plan Bond was wanted an anna higher at Rs. 99-11. 3½ per cent. 1964 National Plan Loan had buyers at Rs. 98-8½, although the Reserve Bank raised its price by an anna to Rs. 98-9.

The rupee continued to rule steady in terms of the U.S. dollar, with no change in rates. Sterling disclosed an irregular trend, but the underlying sentiment was cheerful. Thus, in New York, spot sterling, after hardening from $2.79 13/16-2.79 15-16 to $2.79⅞-2.80, reacted to $2.79 11/16-2.79 13/16 on Friday last. There has since been a recovery to $2.79⅞-2.80. Forward sterling (three months) dropped from $2.78 11/16-2.78 13/16 to $2.78½-2.78⅝, before regaining to $2.78⅞-2.78⅞. Transferable sterling closed at $2.77 3/16-2.77 5/16, after being down at $2.76⅞-2.77.

LINSEED FIRM

(Messrs. A. Bradley & Co.)

CALCUTTA, 2nd *May*

Conditions in the linseed market were more or less unchanged during the week under review. Prices were maintained firm, although trading was small. Transactions were very scarce, because supplies were short and millers were reluctant to make purchases at higher levels. Forward trading was almost at a standstill. The oil market was quiet but steady. Prices showed no change, but enquiries were very scarce. Latest quotation is May Rs. 15-4 per maund.

BULLION ERRATIC

(From Our Own Correspondent)

BOMBAY, 4th *May*

Hectic fluctuations in prices of both silver and gold, reflecting the trial of strength between the bulls and bears, characterised the trading on the Bullion Exchange during the week under review. Aggressive buying by bulls, coupled with good demand in ready, lifted up the price of both the metals to new high levels, the ready silver touching Rs. 172-1 and gold Rs. 99-4.

The reactionary trend in prices noted on Wednesday last week, following the opinion given by the Advocate-General to the effect that the margin was applicable to *Jeth* settlement also, proved to be a temporary affair and bullish sentiment once again gained strength, despite the announcement by the Board that margin would be applicable to all outstanding purchases in *Jeth* settlement. This was due to reports that some bull operators were likely to bring an injunction against the enforcement of margin on the *Jeth* settlement. These reports proved correct on Saturday, when one of the bull operators filed a suit in the High Court challenging the authority of the Directors of the Bombay Bullion Association to ask for margin on *Jeth* settlement. He also obtained an interim injunction restraining the Board from enforcing the margin till the disposal of the suit. This, coupled with the heavy demand in the ready section, strengthened the hands of bulls and prices soared to new heights on Saturday and the spread between the *Vaisakh* and *Jeth* settlements in silver also widened to Rs. 3-2, that is, over the limit at which a margin of Rs. 2,500 per bar, according to the second slab of margin under by-law 33D(1)(a)(i), becomes payable. Accordingly, the bulls were obliged to pay a margin of Rs. 2,500 per bar on their outstanding purchases of silver in *Vaisakh* settlement. The backwardation charge in gold also widened to Rs. 2-6 on Saturday.

The widening of the backwardation charges did not restrain the bull operators, because they had already been obliged to pay the maximum margin in respect of their outstanding purchases of silver as well as gold in the *Vaisakh* settlement. On the other hand, they were emboldened by the fact that they would not be called upon to pay a higher margin even if the backwardation charges were to widen to any extent. They, therefore, became more aggressive in extracting as much *badla* from the bears as possible. Accordingly, the backwardation charges for silver further widened to Rs. 4-6 on Monday.

On Tuesday, however, the bulls became nervous when the Court dissolved the interim injunction and also dismissed the notice of motion taken by the bull operator in connection with his suit filed earlier. The hearing of the suit was, however, postponed to July next. In view of the dissolution of the interim injunction, the bulls were called upon to pay a margin of Rs. 500 per bar of silver and Rs. 7 per tola of gold on their outstanding purchases in the *Jeth* settlement. There was, therefore, a heavy selling pressure which pushed back the rates by a sizable extent from the peak levels touched on Saturday.

Today, however, prices again disclosed a hardening tendency on resurgence of speculative buying and backwardation charges also widened to Rs. 5-12 in silver and Rs. 2-15 in gold.

Silver for forward delivery in *Vaisakh* settlement opened at Rs. 166-10 and advanced to Rs. 168-5 on Monday. After reacting to Rs. 166-15 yesterday, *Vaisakh* silver closed today at Rs. 168-1. *Jeth* silver touched a high of Rs. 164-12 before closing at Rs. 162-5, as against the previous week's closing of Rs. 162-15. *Ashad* silver opened at Rs. 161-10 and hardened to Rs. 162-8 before finishing at Rs. 159-9.

The opening and closing prices of ready silver (.996 Mint) were Rs. 170-2 and Rs. 170, respectively. The highest level touched was Rs. 172-1.

The floating stocks of silver are reported to be 1,700 bars. The daily average offtake was 20 bars.

Gold for forward delivery in *Vaisakh* settlement opened at Rs. 95-12 and appreciated to Rs. 96-10 on Saturday. After reacting to Rs. 95 yesterday, forward gold steadied up to Rs. 95-6½ at the close today. *Jeth* gold moved up from the previous week's closing of Rs. 93-6 to Rs. 94-4, but finished today at Rs. 92-7½. *Ashad* gold gained strength from Rs. 92-8 to Rs. 93, but wound up today at Rs. 91-1½.

Ready gold rallied from Rs. 96-15 to Rs. 99-4, but retreated to close at Rs. 97. The floating stocks of gold are estimated at 10,000 tolas. The daily average arrivals and offtake were even at 3,000 tolas.

In London, silver remained unchanged at 75½d. for spot and at 75¼d. for forward. Gold, on the other hand, fluctuated between £12 10s. 6½d. and £12 10s. 4½d., before closing a penny lower over the week at £12 10s. 5½d. Price of silver in New York was stagnant at 87 cents.

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

	4-5-55	Highest	Lowest	27-4-55
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	97 0	99 4	96 8	97 0
Forward*	95 6½	96 10	95 0	94 15
Sovereign	62 0	62 0	61 4	61 6
SILVER				
Ready (.996 fine Mint) ..	170 0	172 1	169 15	169 10
Forward†	168 1	168 5	166 7	165 14
London Silver Ready ..	75½d.	—	—	75½d.
London Forward	75¼d.	—	—	75¼d.
London Gold	250s. 5½d.	250s. 6½d.	250s. 4½d.	250s. 5½d.
New York Ready	87c.	—	—	—

* *Vaisakh*—7th May settlement.
† *Vaisakh*—9th May settlement.
N. B.—Foreign bullion prices shown in the above table relates to the previous day.

FORWARD COTTON FIRM

(From Our Own Correspondent)

BOMBAY, 4th *May*

The firm trend witnessed in the cotton futures market towards the close of last week gathered further momentum during the week under review. The firmness was aided by persistent covering by nervous shorts following strict survey results. Tenders against I.C.C. May contract issued on Monday aggregated not more than 400 bales, a quantity which was less than what the market had expected. These included 200 bales of Kalyan, 100 bales of Vijaya, and 50 bales each of Kumtha and Laxmi. The low level of tenders indicates that, since the room rates are lower than the currently ruling prices, operators prefer to sell their holdings in the spot market at higher prices, instead of tendering them against the contract. There was also renewed speculative bull support induced by firm advices from the cotton piecegoods market and reports of deterioration in quality of cotton in several producing areas. The volume of transactions put through was fairly large, the average daily turnover during the week being more than 40,000 bales. Today's closing quotations were substantially higher than those a week before.

I.C.C. May contract opened the week steady at Rs. 565 and improved to Rs. 567-12 on the same day under the influence of short-covering. The upward trend was somewhat halted on Friday when, on account of offerings from bulls and switchover by a prominent operator, the contract receded to Rs. 559-8. A distinct recovery was once again in evidence on Saturday. There was heavy short-covering induced by reports of lack of any tenders on the first notice day. The sentiment of the market was also influenced favourably by speculative bull support and reports that an appeal lodged against the fixation of tendering differentials had been rejected. Consequently, I.C.C. May contract spurted to Rs. 564-4. The improvement persisted in the three subsequent sessions of the week also, thanks to strict survey results, and the contract touched Rs. 578 today before finishing at Rs. 575-8. I.C.C. August contract opened at Rs. 568, as against Rs. 567 last week-end, and, after declining to Rs. 565 on the 29th inst., gradually moved up to Rs. 579-8 today before closing at Rs. 578. The spread between the two contracts narrowed down further, from Rs. 3-8 last week-end to Rs. 2-8 today.

The trend of prices during the week under review is indicated below:

	27-4-55	*High*	*Low*	4-5-55
I.C.C. May ... Rs.	563½	578¼	559½	575¼
I.C.C. August ... Rs.	567	579¾	565	578

The spot section ruled quietly steady. Little business was done in Kalyan, Wagad and Kala, although there were intermittent enquiries. Lakshmis were neglected, but Jaidhar evoked some interest. Demand for 320F, Navsari certified and Surat certified was somewhat better and their premiums recorded an improvement. There was also fair enquiry for Buri, 0394 and Vijays. Among exportable styles, Oomra *deshi* met with support. Among foreign cottons, East Africans failed to elicit any noticeable support, despite their being offered at Rs. 20 per candy lower than the prices a week ago. No deals were put through in Sudans, Egyptians and Americans. Small transactions were, however, reported in the ready Californian stocks.

The latest available quotations from the Sewri market are: Bengal *deshi* Rs. 565; Berar Jarillas Rs. 625; Khandesh Rs. 590; Vijay Rs. 750; Oomra *deshi* Rs. 560; Moglai Rs. 525.

Distinctly easy conditions prevailed in the Karachi cotton market this week, in distinct contrast to the steady tone witnessed in the two previous weeks. Demand from mill interests slackened. Overseas enquiries also were poor. Selling pressure was, therefore, in evidence and values of cotton staged a retreat. In the forward section, N.T.R.G. May was quoted yesterday at Rs. 62-14, as against Rs. 63-14 a week before. July contract was quoted at Rs. 61-14. The latest available quotations from the spot cotton market at Karachi are: Sind *deshi* Rs. 58, Punjab *deshi* Rs. 50; 4F Punjab R.G. Rs. 57-4; S.G. Rs. 62-4 to Rs. 64-4; L.S.S. Punjab R.G. Rs. 61-4; S.G. Rs. 66-4; N.T.R.G. Rs. 64-4 to Rs. 66-4; S.G. Rs. 68-4 to Rs. 70-4; 289F Punjab R.G. Rs. 64-12; S.G. Rs. 69-12.

The Alexandria cotton market presented a steady note during the week under review, despite only moderate export sales. Entitlement currencies continued to be firm at their recent high premiums. The stocks of current crop with the Egyptian Cotton Commission at the middle of last month aggregated 72,272 bales. The Commission held, in addition, 48,000 bales of previous season's crop (all Karnak). The estimate of Egyptian cotton crop for the season 1955-56 places the total yield at 9 million cantars, as against the latest private current crop estimate of 7.5 million cantars. Cotton exports from Egypt during the period 1st September, 1954 to 20th April, 1955, amounted to 473,167 bales (720 lbs.), of which purchases made by India accounted for 56,599 bales.

The selling prices (in tallak) of Egyptian Cotton Commission cotton graded good, good to fully good and fully good are: Karnak 73.20, 77.70, 82.80; Menoufi 69.20, 73.20, 77.20; Giza (30) 67.05, 70.05, 73.05; Ashmouni 61.05, 64.05, 67.05.

Another auction of the new (1954-55) Sudan cotton was held at Kampala on Wednesday last week. Offerings by the Lint Marketing Board aggregated 16,000 bales of all qualities. Bids were accepted for 3,800 bales at half penny lower than the rates realised at the previous auction. Although bids for the remaining quantity were lower still, the Board finally decided to accept them. The eleventh auction of the new crop is being held at Khartoum today. Offerings are estimated at 19,357 bales, of which Gezira 'S' accounts for 7,176 bales,

Gezira 'L' for 6,884 bales, Al-Wi 'L' for 897 bales and Nuba Mountains for 4,400 bales.

Induced by reports of improved trading in yarn and cloth, following reduction in the purchase tax on consumer goods, the Liverpool cotton futures market depicted a fully steady note this week and cotton prices generally staged a recovery. The recovery movement may be expected to gather further strength in the ensuing week, thanks to the abolition of purchase tax on textiles, announced by the British Prime Minister, and the reduction in the import duty on U.K. textiles announced by the Government of India. The latest available quotations from the market are: May-June 31.51d; July-August 30.56d; October-November 29.80d; December-January 29.75d.

The New York cotton futures market ruled strong this week too. The most important factor which lent support was trade buying. There was, besides, switching of contracts from near position to July and later positions and cotton prices firmed up. The improvement would have been more marked but for profit-taking, liquidation and hedge selling.

It is understood that the U.S. Senate Agricultural Sub-committee has urged the Government immediately to export about 700,000 bales of surplus cotton held in stock. The Sub-committee is also reported to have recommended adoption of two important steps in order to enable the U.S. farmers once again to get their share of the world cotton market. These are: grant of a cotton export subsidy and a reduction in price support for cotton now set at 90 per cent. of parity. The Sub-committee estimates the U.S. cotton carryover as on 1st August, 1955, at 10.6 million bales, as against 9.7 million bales held on the corresponding date last year.

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

(In cents per lb.)

	3-5-55	26-4-55	19-4-55
Spot	34.70	34.35	33.95
May	33.95	33.57	33.16
July	33.98	33.70	33.41
October	34.03	33.91	33.76
December	34.09	34.02	33.90

RAYON YARN EASY

(From Our Own Correspondent)

BOMBAY, 4th *May*

The most outstanding development of the week under review in the rayon yarn market was the decision taken by the Bombay Yarn Merchants Association and Exchange Ltd. to resume, with effect from the 12th inst., trading in June-July, 1955, fixed delivery and onward contracts in 150 and 120 deniers rayon yarn on cones. The varieties which will be made tenderable are first quality yarn produced by the National Rayon Corporation Ltd., Bombay, any ticket of first quality Japanese yarn, first and second quality of Snia marks Italian yarn, and yarn of Holland Enka (first, second and claimless quality). In these transactions, a case having a packing of 180 to 220 lbs. will be considered tenderable. The members desiring to take delivery of goods will have to make payment in the Association at the rate of 200 lbs. a case. The members shall have to adjust among themselves their accounts of the difference in weights. The brokerage shall be allowed at the rate of As. 10 per case. The by-laws for transactions with regard to the clearing system, delivery and survey of goods, margin system, slips of statement, time of business, etc., will be the same as those pertaining to transactions in the fixed delivery contracts of 150 denier rayon yarn and 40×2 staple fibre yarn as published on 12th May, 1954.

Since the attention of operators was focussed on the extension of forward business to a few more varieties from the 12th inst., the rayon yarn market ruled dull during the week under review. Turnover was greatly restricted and values of rayon yarn tended to drop. The undertone of the market was easy. In the forward section 150D May delivery receded by Rs. 2 to Rs. 733. In the spot section, 120 Italy and 150 Italy dropped an anna and a half each to Rs. 4-2-6 and Rs. 3-12, respectively. 150 Japan declined by half an anna to Rs. 4-1-6. 120 Japan was quiet at Rs. 3-14-6. Among indigenous yarns, National Rayons 120 Bt. cones I grade advanced by As. 2 to Rs. 4-1. II grades gathered an anna and a half to Rs. 4. 150 Bt. cones I and II grades lost nine pies each to Rs. 3-7 and Rs. 3-6-6, respectively.

In distinct contrast to the easy trend in rayon yarn market, the staple fibre yarn section ruled firm during the week under review. The firmness was the result of renewed encouraging advices from consuming centres. Demand for yarn broadened and a handsome improvement was witnessed in both the forward and spot sections. Staple fibre yarn (40×2) for May delivery advanced from Rs. 582 last week-end to Rs. 591 today before finishing at Rs. 588-8. Business in June delivery commenced at Rs. 582-8 yesterday. After rallying to Rs. 588 today, it closed a shade easy at Rs. 585-8. In the spot section (40×2), Shincos among foreign yarns rallied As. 3 to Rs. 4-6. Auroras gathered half an anna to Rs. 4-2. Among indigenous yarns, Pankajas elicited good support and spurted by an anna to Rs. 2-15-9. Phœnix picked up nine pies to Rs. 2-15-3. Hinds were better at Rs. 3-0-6, as against Rs. 3-0-3.

Irregular conditions prevailed in the cotton yarn market this week. While coarse count yarns were neglected, finer count yarns evoked good buying support. Among 10s, Elphinstones dropped As. 2 to Rs. 12-12. Podars were quiet at Rs. 12-14. Among 20s, Raghuvamshis receded by As. 2 to Rs. 16-2. Maduras lost an anna to Rs. 17-2. Deals in 60 count yarns, however, were put through at higher levels. Finlays and Moderns rose by a rupee each to Rs. 62 and Rs. 61, respectively. Raghuvamshis improved by As. 8 to Rs. 53. Among 80s, Moderns strengthened by As. 4 to Rs. 62-12. Finlays were fully maintained at Rs. 68-8. Among 40s, Moderns gained As. 10 to Rs. 25-4, while Seksarias receded by As. 2 to Rs. 22-6.

The table below gives the prices of art silk staple fibre and cotton yarns quoted today, as compared with those a week before:

	4-5-1955	27-4-1955
	Rs. a.	Rs. a.
Art silk yarn—		
100 D. May	733 0	—
150 Japan (per lb.)	3 14½	3 14
150 Japan (per lb.)	4 1½	4 2
120 Italy (per lb.)	4 2½	4 4
150 Italy (per lb.)	3 12	3 14
Staple fibre yarn—		
40 x 2 May	588 8	581 0
40 x 2 June	585 8	—
Shinco (per lb.)	4 6	4 6
New Great (per lb.)	3 2½	3 3
Cotton yarn (per bundle of 10 lbs.)—		
10s Elphinstone	12 12	12 14
20s Raghuvamshi	16 2	16 4
30s Madura	21 4	—
40s Seksaria	22 6	22 8
60s Modern	61 0	60 0
80s Modern	62 12	62 8

HIDES STEADY

(From Our Own Correspondent)

KANPUR, 2nd *May*

The conditions of the hides and skins market during the week under review were similar to those prevailing in the previous week. Fresh arrivals were a shade lower in volume. Arrivals of small volume of cows were specially noteworthy. The main purchasers were the local tanners. The Madras dealers were interested in lighter cow and goat.

The latest available quotations are: Wet salted cow, 1st grade Rs. 360 to Rs. 400, 2nd grade Rs. 270 to Rs. 350 and 3rd grade Rs. 140 to Rs. 150 per score; wet salted buff, 1st grade 1 lb. 10 ozs. and 2nd grade 1 lb. 13 oz. per rupee; goat, 1st grade Rs. 300 and 2nd grade Rs. 250 to Rs. 275 per 100 pieces; sheep skins Rs. 200 to Rs. 250 per 100 pieces.

OILSEEDS BETTER

(From Our Own Correspondent)

BOMBAY, 4th *May*

A notable development of the week under review is the announcement of further changes in the export policy of the Government in respect of oilseeds and their oils and cakes on the 30th April. The chief among them is the decision of the Government to allow free export of cottonseed oil and sesamum oil for shipment up to the end of July with immediate effect. Other notable changes include the abolition of export duty on cottonseed oil and a reduction in the duty on exports of sesamum oil from Rs. 300 to Rs. 75 per ton. Further, the Government has decided to release a small quantity of sesamum seed for export. Exports will be licensed freely for shipment till the end of July. The present level of duty, which is Rs. 150 per ton, is, however, left unchanged.

Notable concessions have been granted in regard to exports of oilcakes. The Government has reduced the duty on decorticated and undecorticated cottonseed oilcakes from Rs. 100 and Rs. 50 per ton, respectively, to a uniform level of Rs. 30 per ton. It has abolished the export duty on nigerseed cake, kardiseed cake and castorseed cake. The duty of Rs. 50 per ton on the remaining cakes, namely, linseed cake, sesamum cake and mustard cake is left unchanged. Except in the case of linseed cake, exports of all the above cakes, will be licensed freely up to ceilings previously announced for shipment up to the end of July. The quota released earlier for export of linseed cake has already been exhausted. It is announced that there will be no change in the levels of duty on groundnut oilcake and meal. A further small quota for export will, it is stated, be released as soon as the export ceilings announced earlier are reached. Shipment against their ceilings will be permitted up to the end of June.

The week under review is also significant for two other developments. The first is the decision of the Government of India to issue fresh export licences for *kardi* and *niger* seeds. These licences, it is stated, will be given for quantities that were not shipped during the validity period of the previous licences, "which are deemed to have lapsed." The shipping bills will be valid for a period of 15 days and will not be extended further. Secondly, the Government has announced the procedure for the export of H.P.S. groundnut quota released on the 26th April.

As a result of these developments, the tone of the oil, oilseeds and oilcake improved considerably during the week. Cottonseed shot up by Re. 1-8 to Rs. 11 per bag. Nigerseed was quoted at Rs. 115 per ton, as against Rs. 99 per ton, a week ago. Castorseed cake shot up by Rs. 7 to Rs. 97 and cottonseed cakes by Rs. 15 to Rs. 125 per ton. Indian cottonseed oil is still the cheapest in world markets, being quoted at £10 per ton below world prices, but it is stated that buyers are still preferring oil from Sudan, Belgian Congo and America, as they consider that the Indian oil is inferior in quality.

Traders in the groundnut section are expecting further announcement of export quota in H.P.S. groundnuts and a reduction in export duty on groundnut oil, which is now Rs. 100 per ton. As a result, groundnut seed Bold F.A.Q. advanced from Rs. 20-4 to Rs. 21-8. June-July gained Re. 1 to Rs. 22-1. Khandesh quality was better by Re. 1-2 at Rs. 21-12. Groundnut oil ready gathered As. 7 to Rs. 11-9.

The Centre has earmarked 5,000 tons of H.P.S. groundnut for export by co-operative societies out of a total quota of 15,000 tons, announced on 26th April. The remaining quota of 10,000 tons for export by established shippers will be allotted at the rate of 45 per cent. of their best exports during any one of the basic years. Established shippers of groundnut during 1949 or 1950 will also receive allotments.

In the castorseed section, May (future) delivery opened quiet at Rs. 72-14. After fluctuating between Rs. 74-6 and Rs. 72-8, it closed at Rs. 72-15. September delivery gained As. 11 to Rs. 77-13, the highest and the lowest touched being Rs. 79-9 and Rs. 76-12, respectively. Among spots, Madras quality put on As. 2 to Rs. 14-12. Castoroil Commercial quality, gained an anna to Rs. 8-5 and First Pressure As. 6 to Rs. 8-10.

The linseed section, however, lacked support. Bold ready lost As. 4 to Rs. 22, while June-July hardened by an anna to Rs. 21-9. Linseed oil eased from Rs. 13 to Rs. 12-14. Linseed oil was quoted in the U.K. at £91 per ton, as against £92 to £93 last week.

The following table shows the price of oilseeds and oil today, as compared with those at the end of the previous two weeks.

	4-5-1955	27-4-1955	20-4-1955
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	21 12	20 10	20 14
April-May	21 8	20 4	20 4
June-July	22 1	21 1	21 2
Linseed—			
Bold Ready (per cwt.) ..	22 0	22 4	22 11
April-May	22 0	21 14	22 6
June-July	21 9	21 8	21 11
Castorseeds—			
May, 1955	72 15	72 14	72 8
September	77 15	77 4	78 0
Madras (per cwt.)	14 12	14 10	14 8
Groundnut oil—			
Ex-mill Ready (per quarter) ..	11 9	11 2	11 2½
Castor Oil—			
Commercial (per quarter) ..	8 5	8 4	8 4
Linseed Oil—			
Ready	12 14	13 0	12 8

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 4th *May*

Despite the release of 130,000 tons of indigenous sugar for sale in the free market, the sugar market depicted a fully steady trend during the week under review also. The chief factor which imparted steadiness was scarcity of floating stocks, thanks to absence of arrivals of indigenous sugar into the market in the past few days caused by difficulties in clearing wagons at Wadi Bunder. There was, besides, good demand from merchants.

In the spot section, large grain indigenous sugar spurted by Rs. 2 to Rs. 94-102 per bag. Medium grain advanced from Rs. 89-90 to Rs. 89-93. Small grain was steady at Rs. 88. Among imported sugars, British refined sugar elicited special buying support and rallied a rupee to Rs. 84-4 per 224 lbs. German and French sugars were throughout steady at the last week's levels of Rs. 80 and Rs. 82-84 per 220 lbs., respectively. Czechoslovakian sugar, however, proved an exception and moved down from Rs. 85-87 to Rs. 84-86 per 220 lbs. for want of support.

Sugar for *Vaishak* delivery was fully steady at Rs. 83-6 per bag. The settlement is likely to be squared up around this level. *Jeth* delivery gathered an anna to Rs. 83-2.

The fears regarding a marked fall—to the extent of 300,000 tons—in the consumption of sugar during the current (1954-55) season, expressed in certain circles, would appear to be clearly exaggerated. An indication of this is provided by the fact that the total offtake of indigenous and foreign sugar during the five months ended March, 1955, was lower by only 69,000 tons at 664,000 tons, as compared with the corresponding period of the previous season. Even this fall, it is pointed out, would not have occurred, had it not been for low prices of *gur*, very heavy arrivals of imported sugar at the ports in the beginning of the season, vacillating Government policy with regard to prices and sales, and downward trend in the prices of foodgrains, cotton, oilseeds, and other agricultural commodities.

N.B.—The rates for Indian sugars are inclusive of sales tax, while those for foreign sugars are exclusive of the tax.

JUTE DULL

(From Our Own Correspondent)

CALCUTTA, 3rd *May*

In the absence of fresh incentives, the jute markets were again dull. Support for jute goods from overseas countries was lacking, and Argentina continued to keep away from the market. Prices of both hessians and heavy goods had, therefore, to give way. One redeeming feature was the losses seen in raw jute also. Present trends in the market are a clear indication that foreign buyers of jute goods do not even desire to support the current prices, which, judging from the recent high levels touched, should be considered low. They are also out of proportion to the prices of raw jute, and the profits of mills, if any, would be only marginal. Raw jute must come down to more reasonable levels to enable mills to make prices of finished goods attractive to foreign buyers. That will alone oust the substitutes from the foreign markets. Contrary to earlier expectations, stocks of goods with mills as at the end of the last month would show a further rise, as although business in heavy goods was about average hessians was less active owing to lack of interest shown in America and Argentina.

In view of the uncertainty about future price trends, weak holders who had bought recently in

expectation of Argentina's entry in the market began to unload. This invited the decline in hessian prices, and heavy selling in *fatka* affected prices of heavy goods also. Ready hessians 40" 10 oz. opened at Rs. 44 on Tuesday last. On the following day, the price receded to Rs. 43-14. Mills did some business for the forward position, but buyers were reserved. Soon the ready position recovered to Rs. 44, but activity by speculative elements saw the rate fall to Rs. 43-1 by the week-end. Yesterday, the quotation was easier at Rs. 43, with the eight oz. at Rs. 34-6. In heavy goods, there was more speculative activity, and ready B. twills touched Rs. 116-10 by the week-end as against an opening of Rs. 118-4. At Rs. 116-8, the June position was lower by As. 12. Yesterday, ready B. twills declined further to Rs. 115-4, the week's loss amounting to Rs. 2.

In sympathy with the fall in prices of jute goods, raw jute also gave way. Assam bottoms at Rs. 33 eased by one rupee. Prices of most other constructions also declined, but stockists were inclined to refrain from making offers. Forward commitments in the new crop were entered into but so far the quantity involved has been insignificant. This has been due to the ban in Pakistan against forward sales at lower prices and to the consequent expectation of a rise in prices. It is reported that other overseas buyers approached the Pakistani Government, and have found a solution to this problem. No information is, however, available as to the nature of the solution and the advisability of exporters to India copying the same. But for this uncertainty, raw jute prices in India would have moved down further. There is plenty of jute from the old crop still left in the hands of stockists in both East and West Bengal, and the expectation is that there should be a sizable carryover. The crops in the next season in both the countries should not be lower than the 1954-55 season's.

HEAVY WITHDRAWALS AT TEA AUCTION

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, 28th *April*

The offerings in sale No. 9 which was held on Tuesday, 26th April, amounted to approximately 1,075,000 lbs. Quality continues to decline and was only evident in a few high-grown invoices, whereas teas of poor appearance continue to be manufactured in greater quantities and sellers are strongly advised to take greater care in their manufacture, as teas of this description meet with very little demand on a falling market. With the weak market prevailing throughout the world, this sale met with a poor demand and prices generally declined by As. 6 and withdrawals were heavy. Only O.P.s and F.P.s were well supported and these sold at around last rates. The following are the quotations:—

	1955	1954
	Rs. a. p.	Rs. a. p.
Low grown Travancore B.O.P.	1 13 0*	2 8 6
Medium Travancore B.O.P. ...	1 15 0*	2 9 0
Anamallais B.O.P.	2 4 0*	2 11 6
Best liquoring Nilgiri B.O.P. ...	2 13 0	3 4 0
Well made black leaf O.P. ...	2 15 6	2 12 6

* Nominal

London Market.—No sale this week.

Colombo Market.—Fair demand. Black leaf sorts declined by 25 cents. Others little enquiry. Bulk withdrawn.

Calcutta Market.—Good general demand. Black Dooars As. 1 to As. 2 dearer. C.T.C. irregular. Medium Assam half to As. 1½ easier. Poorest improved demand.

Export Quota.—The market for special licence has eased and sellers are now available at 39 pies with buyers scarce. New season's quota is quoted at As. 5 nominal and some business has been effected at this level in Calcutta.

Forthcoming Auctions.—Dust sale 'T' will be held on 3rd May and sale No. 10 will be held on 10th May.

As we go to press, Messrs. Forbes, Ewart and Figgis, wire:

"*Dust Sale.*—383,000 lbs. Poor demand. Market has declined irregularly As. 4 to As. 5. Many withdrawals."

METALS MARKED DOWN SLIGHTLY

(From Our Own Correspondent)

CALCUTTA, 3rd *May*

Conditions were steady in the metal market during the week, although prices were a little lower. It would be remembered that the lead for copper prices to go up was taken by the London Metal Exchange. During this week, London registered a fall of £11 per ton in the price of copper, while New York maintained prices firm at previous levels. The fall in London was attributed to lack of buying from the Continent, which had bought sufficient quantities in London earlier. Further, Western Germany was believed to be re-selling in London some quantity from its recent purchases. Another factor for the wide fluctuations in London was that Great Britain had sold 20,000 tons to Rhodesia from Government stocks.

In the local market, the supply of wire bars continued to be tight, but some fresh arrivals are expected. The acuteness of the supply position can well be imagined when it is known that in the quarter ended March imports of copper wire bars and ingots were just above half of the arrivals in the previous quarter. Electrolytic copper cathodes moved down from Rs. 260 to Rs. 250. Tin was a strong feature and, after rising to Rs. 485, closed at Rs. 483. Even at the lower level it was above the replacement cost. This was due to the scarcity of supplies. Now that the replacement cost has been touched, importers would enter into commitments. Mercury was steady at Rs. 1,238, although business passing was poor. The price of lead receded from Rs. 75 to Rs. 74. The supply position should cause anxiety to consumers, as imports during the first quarter of this year amounted to only 1,660 tons, that is 2,870 tons less than those in the last quarter of 1954. In electrolytic zinc also, the price was fractionally lower at Rs. 61-12, as against an opening of Rs. 62-8.

WHEAT RECEDES

(From Our Own Correspondent)

HAPUR, 2nd *May*

Wheat prices continued easy and a further fall was recorded during the week. Wheat *dara* was quoted today at Rs. 9-4 per maund and fine quality at Rs. 10-8 per maund, as against Rs. 10 and Rs. 11 respectively, last week-end. Owing to increase in arrivals of new crop in Delhi and, the Punjab, the mills in Delhi restricted their purchases here and this accounted for a slack demand and consequent fall in wheat prices. Stockists are also hesitant to build up stocks for fear of a further fall in prices and this too acted as a bearish factor. Wheat prices have gone down to Rs. 9-8 in Delhi area, to Rs. 10-4 in the Punjab and Rs. 10-8 in P.E.P.S.U. The Government of India is also anxious to check a further fall in wheat prices and has, therefore, decided to permit exports of wheat products, manufacured out of imported wheat on an *ad hoc* basis to all permissible destinations. The State Government has not yet begun its purchases of wheat on behalf of the centre, but arrangements are being finalised to begin purchases in the U.P. and the Punjab. Daily arrivals here now average about 1,000 maunds and the wheat stock is estimated at 2 *khaties*.

In contrast with the general trend in wheat prices, rice prices continued steady at almost last week's level. Gram prices continued to be depressed being quoted at Rs. 6 today for local quality and Rs. 6-8 per maund for Punjab quality, and arrivals of new crop being still small, the gram stock is 1 *khati*. Barley and *bejar* prices improved by As. 4 to Rs. 5 and Rs. 4-12 per maund, respectively, due to good seasonal demand and *bejhar* stock is now estimated at 3 *khaties*. The State Government is already purchasing *jowar* to give price support to the falling prices at Rs. 5-8 per maund and has so far purchased about 5,000 tons of *jowar*.

Pulses prices continued to rule steady, due to good demand for peas from Madras side, being quoted at Rs. 5 per maund for *dara* quality and upto Rs. 7 per maund for white quality. Daily arrivals average 1,200 maunds and trade stock has increased to 10 *khaties*. *Arhar* prices also ruled steady due to poor stock position and negligible arrivals of new crop. Other pulses continued steady and are quoted at: *Urd* Rs. 10-4 to Rs. 12-4, *masoor* Rs. 7-4 to Rs. 7-12, *masoor* Rs. 5-10. Pulses future section also ruled steady and *urd baisakh* is now quoted at Rs. 11-11, *peas jeth* Rs. 5-1-4½ and *arhar jeth* Rs. 6-1-3, as against Rs. 11, Rs. 4-15-4½ and Rs. 6-0-6, respectively, on Monday last.

FAIR SUPPORT FOR TEAS WITH BLACK LEAF APPEARANCE

(From Our Own Correspondent)

CALCUTTA, 3rd *May*

Steady conditions were in evidence during last week's sale of dusts for domestic consumption. Offerings aggregated 17,700 packages. Commons and Dooars with black leaf appearance received fair support and prices advanced by an anna to As. 2. On the other hand, the best C.T.C. good liquoring sorts of Upper Assam declined by As. 2, although for a time they were irrigular. Medium Assams encountered only poor support and before the sale closed declined by ½ anna to As. 1½. Prices for the residue fibrous teas rose above valuations; these teas were difficult to be pushed in recent sales. The quotations were: best Assam C.T.C. Rs. 2-12 to Rs. 2-14, medium Assam grainy dust Rs. 2-4 to Rs. 2-5, and medium Dooars Rs. 2-2 to Rs. 2-2-6.

FURTHER FALL IN SUGAR PRICES

(From Our Own Correspondent)

HAPUR, 2nd *May*

The sugar markets continued to rule depressed and a further fall was registered in the mill delivery prices of sugar. Dr. Punjabrao Deshmukh, Minister for Agriculture, informed the Lok Sabha that, without any addition to acreage, sugar production in the current season was expected to go up by 50 per cent. as compared with last year and the production was likely to be 1.5 million tons. About 223,000 tons out of the Government purchased stocks, he said, was still to arrive from foreign countries. Sugar producers in India have expressed their great concern over the shrinkage of market for sugar. With a drop of about Rs. 2 per maund for the consumer and with an additional excise duty of Re. 1-6 having burdened the industry, the industry is said to be facing a 'crisis'. The mills on this side are still getting enough cane and the season is expected to last for another fortnight. The latest mill delivery rates are: Jaswant Rs. 29, Simbhaull Rs. 29, Mowana Rs. 29, Amroha Rs. 28-4, Bijnore Rs. 28-6, Rampur Rs. 31 and retail Rs. 32 and *khandsari* Rs. 21 to Rs. 25 per maund.

The last week end's steadiness in ready *gur* prices was maintained this week also and *gur* was quoted at Rs. 9-12 to Rs. 10-4 and the wet quality at Rs. 9 per maund. Daily arrivals averaged 400 maunds and the stock locally is estimated at 103,000 maunds, including about 47,000 maunds owned by the State Government purchased under the price support policy at Rs. 10-4 per maund.

Gur prices in the markets in the South are also ruling steady as the season has nearly come to a close. At Baramati (Poona), the stock is estimated at 450,000 *behalas* and first grade *gur* is quoted at Rs. 11 per maund, while inferior quality upto Rs. 8 per maund. At Akluze (Sholapur), *gur* prices range between Rs. 8 to Rs. 10-8 and stock is estimated at 250,000 *behalas*. In Shrirampur, prices range between Rs. 6-8 to Rs. 10 and at Koppergaon between Rs. 7 to Rs. 10 per maund. At Kohlapur, the stock is estimated at 750,000 *behalas* and demand is good from Bombay, Gujerat and Saurashtra side.

The *gur* futures for *baisakh* delivery side recorded a downward trend on the eve of delivery date and prices from last week-end at Rs. 9-9-10½ sagged to Rs. 9-5-6 quoted today. *Asar* delivery prices also declined to Rs. 9-14-3, as against Rs. 10 quoted on Monday last and *gur phagun* is now quoted at Rs. 9-2, as against Rs. 9-0-3 last week-end.

KIPS RULE QUIET

(From Our Own Correspondent)

MADRAS, 2nd *May*

Trading in kips with the U.K. was quiet, due to the importers' inability to follow Madras prices. Locally, prices were steady. Shippers were interested in buying in all sections. Arrivals were taken up readily and stocks did not accumulate in the Periamet market. Prices would appear to have touched top and were due to register a mild decline, in view of good shipments to the U.K. during the months of March and April.

Arrivals of buff hides were readily taken up by exporters to the U.S.A., and prices rule 2d. above U.K. buyers' ideas. There was patchy trading in cow calf and buff calf premium marks.

In the tanned skins section, prices were steady to weak, due to moderate demand from overseas. Arrivals were cleared by exporters, and there was no clogging of stocks in the market.

Notices

THE KARANPURA DEVELOPMENT COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixty-eighth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday the 27th May, 1955, at 10-15 a.m., for the purpose of receiving the Directors' Report, passing the Audited Accounts for the half-year ended 31st December, 1954, electing Directors and Auditors, and for transacting any other ordinary business of the Company.

The Share Transfer Registers of the Company will be closed from the 13th to the 27th May, 1955, both days inclusive.

By Order of the Board,

BIRD & CO., LTD.,
Managing Agents.

CALCUTTA, 28th *April*, 1955.

THE BURRAKUR COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and eighth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday the 27th May, 1955, at 11-30 a.m., for the purpose of receiving the Directors' Report, passing the Audited Accounts for the half-year ended 31st December, 1954, declaring the Dividends recommended by the Directors, electing Directors and Auditors and for transacting any other ordinary business of the Company.

The Share Transfer Registers of the Company will be closed from the 13th to the 27th May, 1955, both days inclusive.

By Order of the Board,

BIRD & CO., LTD.,
Managing Agents.

CALCUTTA, 28th *April*, 1955.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

In crores of Rupees †

	1st Sept., 1939 (pre-war)	22nd April, 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation.	17244.	1,816.14	1,825.82	1,281.19	1,220.68
Notes held in Banking Department ..	25.06	25.45	15.74	10.73	16.76
Foreign Securities ..	59.50	661.98	661.98	678.15	678.15
Rupee Securities ..	37.89	533.75	533.75	472.65	421.34
Banking Department					
Deposits of:					
Government of India	14.89	53.11	55.39	55.22	60.27
Other Governments.	..	30.42	24.32	18.51	28.67
Balances held abroad	10.06	58.23	63.85	62.78	73.71
SCHEDULED BANKS					
Demand Liabilities .	184.86	591.06	591.90	582.97	545.57
		(9.13)‡	(10.28)‡	(8.52)‡	(7.52)‡
Time Liabilities ..	102.24	352.14	350.95	376.47	325.71
		(2.17)‡	(1.67)‡	(1.86)‡	(1.23)‡
Borrowings from Reserve Bank ..	..	26.49	24.91	26.43	29.57
		(24.76)‡	(22.28)‡	(18.61)‡	(15.21)‡
Borrowings from Imperial Bank ..	..	4.48	6.04	8.82	11.81
Cash in India ..	6.70	34.55	35.96	34.47	35.45
Balances with Reserve Bank ..	25.17	46.13	47.99	46.19	41.96
Excess over statutory limits	15.52	8.94	10.78	9.52	8.11
Balances with other banks in current account in India	..	10.54	11.20	10.10	11.11
Money at call and short notice in India	..	15.66	19.02	15.16	11.01
Investments (at book value)	..	342.69	342.56	347.46	313.93
Advances and bills	106.09	622.54	622.62	609.18	558.13*
IMPERIAL BANK					
Deposits ..	87.76	218.96	220.37	227.21	211.68
Investments ..	51.99	103.85	104.07	104.64	86.40
Advances ..	30.35	125.05	125.86	124.93	127.10
Cash ..	14.69	18.01	17.05	19.55	16.43

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes foreign bills purchased and discounted in India

CLEARING HOUSE RETURNS

Centre	Week ended 29th April, 1955		Week ended 22nd April, 1955	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,72,927	56,17,89,000	2,79,511	61,21,88,000
Calcutta ..	1,55,884	54,61,93,886	1,82,876	61,31,10,067
Madras ..	83,950	7,02,51,689	86,220	7,98,06,367
All Centres—1955 ..	..	..	1,14,83,214	26,45,06,08,000
1954 ..	..	..	3,40,72,000	70,64,29,00,000
Jan., 1955 ..	..	..	29,45,000	6,23,74,00,000
Feb., „ ..	..	..	28,78,000	6,20,87,00,000

Reserve Bank of India

Statement of Affairs for the week ended 29th April, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	51,01,85,000
(2) Other Governments	84,99,80,000
(b) Banks ..	48,66,27,000
(c) Others	22,79,70,000
Bills Payable	2,07,16,000
Other Liabilities	29,47,52,000
Rupees	199,92,10,000

ASSETS	Rs.
Notes	21,22,20,000
Rupee Coin	7,12,000
Subsidiary Coin	7,62,000
Bills Purchased and Discounted—	
(a) Internal	57,30,000
(b) External	..
(c) Government Treasury Bills	11,42,50,000
Balances held abroad*	58,18,58,000
Loans and advances to Governments	89,00,000
Other Loans and Advances	35,45,07,000
Investments	41,56,52,000
Other Assets	25,46,24,000
Rupees	199,92,10,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 24,84,00,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 72,88,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department ..	81,22,20,000	
Notes in circulation ..	1810,76,57,000	
Total Notes issued ..		1841,98,77,000
Total Liabilities ..		1841,98,77,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion:		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities ..	661,97,61,000	
Total of A ..		701,99,32,000
B. Rupee Coin ..		106,24,81,000
Government of India Rupee Securities ..		533,75,14,000
Internal Bills of Exchange and other commercial paper ..	....	....
Total Assets ..	....	1841,98,77,000

Ratio of Total of A to Liabilities: 52.810 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 22nd April, 1955

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India ..	9,12,83,000†
(ii) Other demand liabilities ..	581,93,02,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India ..	2,16,55,000†
(ii) Other time liabilities ..	379,97,72,000
3. Borrowings in India from the Imperial Bank of India:	
(i) Demand liabilities ..	4,47,71,000
(ii) Time liabilities ..	40,000
4. Cash in India ..	34,54,77,000
5. Balances with the Reserve Bank in India ..	46,12,56,000
6. Balances with other banks in current account in India ..	10,54,44,000
7. Money at call and short notice in India ..	15,65,56,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	842,68,87,000
9. Advances in India ..	503,96,97,000
10. Inland Bills purchased and discounted in India	61,43,29,000
11. Foreign Bills purchased and discounted in India ..	35,14,06,000

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

EXCHANGE RATES

	4th May, 1955	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot. s.	1-5⅝	1-5⅝
Sellers T.T. D.D. upto six months .. s.	1-5⅝	1-5⅝
Buyers T.T. spot to nine months .. s.	1-4½	1-4½
Buyers T.T. 10 to 12 months .. s.	1-4½	1-4½
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	4765	4765
Buyers T.T. .. Rs.	4741	4741
London on New York.. $	2.79½-2.80	2.79½-2.79¾
London on Paris .. Fcs.	983-983½	983½-983¾
London on Berne .. Sw. Frs.	12 27½-12 27¾	12.28½-12.28¾
New York on London.. $	2.79⅜-2.79½	2.79⅜-2.79⅜

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India† ..	1954-55	373.87	..	10,600	283.9
Pakistan ..	1949	75.04	..	1,671	223
Burma ..	1952	18.86	Kyats .. 3,556	356	188
Ceylon ..	1952	8.16	..	442	541
Japan ..	1952	85.50	Y. 5,283,400	7,014	820
Philippines ..	1952	21.02	Ps. 7,375	1,654	787
New Zealand ..	1952	2.06	£(N.Z.) 727	969	4,727
Australia ..	1952	9.18	£ (A) 3,521	4,241	4,207
U.K. ..	1952	50.86	£ 14,719	19,625	3,858
U.S.A. ..	1952	159.63	$ 305,000	146,790	9,196
Canada ..	1952	14.78	$ 19,048	8,407	5,688
France ..	1952	42.55	F.Fr. 10,197,900	14,018	3,321
W. Germany..	1952	48.99	Dm. 108,000	11,706	2,389
Italy ..	1952	47.02	Lr. 6,967,000	6,523	1,453
Norway ..	1952	3.36	Kr. 16,861	1,122	3,369
Sweden ..	1952	7.17	Kr. 36,957	3,422	4,772
Netherlands ..	1952	10.49	Grs. 19,590	2,451	2,336
Denmark ..	1952	4.37	Kr. 23,484	1,551	3,572
Switzerland ..	1952	4.88	Sw.Fr. 20,800	2,236	4,584

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, September, 1954.
† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 22nd April, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	20,90,39,000
(b) Provincial Governments ..	1,05,59,000
(c) Banks	12,69,71,000
(d) Others	4,30,47,000
Bills Payable	10,86,000
Other Liabilities	3,55,14,000
Rupees ..	48,62,10,000

ASSETS	Rs.
Notes	8,57,85,000
Rupee Coin	6,000
Subsidiary Coin	16,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills ..	10,54,000
Loans and Advances to Governments ..	3,33,00,000
Provincial Governments' Debtor Balances	3,47,36,000
Other Loans and Advances	9,09,95,000
Investments	15,42,65,000
Other Assets	8,60,53,000
Rupees ..	48,62,10,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,57,85,000	
Notes in circulation	244,96,43,000	
Total Notes issued		253,54,28,000
Total Liabilities ..		253,54,28,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion ..	7,91,42,000	
Silver Bullion		
Sterling Securities ..	40,18,01,000	
Government of India Securities	21,41,41,000	
India Notes representing assets receivable from the Reserve Bank of India	29,97,64,000	
B. Rupee Coin	4,88,68,000	
Government of Pakistan Securities	145,47,57,000	
Internal bills of exchange and other commercial paper	....	
		99,43,48,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets ..		253,54,28,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 40.78 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina ..	1st Mar., 1936	..	3½
Austria ..	3rd June, 1954	4	3½
Belgium ..	20th Oct., 1953	3	2½
Bolivia ..	30th Sept. 1950	5	6
Canada ..	16th Feb., 1955	2	1½
Ceylon ..	11th June, 1954	3	2½
Chile ..	13th June, 1935	4	4½
Colombia ..	18th July, 1933	5	4
Costa Rica ..	1st Feb., 1950	3	4
Denmark ..	22nd June, 1954	4½	5½
Ecuador ..	15th May, 1948	7	10
Egypt ..	15th Nov., 1951	3½	3
El Salvador ..	22nd Mar., 1950	4	3
Finland ..	16th Dec., 1951	7½	5½
France ..	2nd Dec., 1954	3½	3
Greece ..	1st Jan., 1954	12	10
India ..	15th Nov., 1951	3	3½
Indonesia ..	1st April, 1946	4	3
Ireland ..	25th Mar., 1952	3½	3½
Italy ..	6th April, 1950	4½	4
Japan ..	4th Nov., 1951	6.11	5.84
Mexico ..	4th June, 1942	4	4½
Netherlands ..	7th April, 1953	3	2½
New Zealand ..	20th Nov., 1954	3½	4
Norway ..	14th Feb., 1955	2½	3½
Pakistan ..	1st July, 1948	3	3
Peru ..	13th Nov., 1947	5	6
Portugal ..	13th Jan., 1944	3	2½
South Africa ..	27th Mar., 1952	3½	4
Spain ..	1st July, 1954	4	3½
Sweden ..	18th April, 1955	2½	3½
Switzerland ..	26th Nov., 1948	4	1½
Turkey ..	26th Feb., 1954	5	4
United Kingdom ..	24th Feb., 1955	3½	4½
U.S.S.R. ..	1st July, 1948	3	4
U.S.A. ..	19th April, 1954	1½	1½
West Germany ..	20th May, 1954	3½	3

* Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	February, 1954	February, 1955	Eleven months, April to Feb., 1953-54	Eleven months, April to Feb., 1954-55
Import Duties:				
Revenue ..	10.38	12.29	102.65	124.43
Protective ..	0.40	0.46	5.86	5.77
On surplus disposals	..	..	0.20	0.18
Total import duties	10.78	12.75	108.41	131.38
Export Duties ..	2.43	4.22	35.86	37.05
Land Customs ..	0.11	0.12	1.70	1.59
Miscellaneous ..	0.06	0.10	0.86	1.00
Gross total customs	13.41	17.19	146.83	171.07
Refunds and drawbacks	0.13	0.19	1.37	1.46
Net Customs ..	13.28	17.00	144.86	169.61
Gross excise ..	7.50	9.26	84.98	94.86
Refunds ..	0.08	0.15	0.90	1.70
Net Excise ..	7.42	9.11	84.08	92.66
Net total of customs and excise† ..	20.70	26.11	228.94	262.27

† Net Customs plus net Excise.

Imperial Bank of India

Statement of Affairs for the week ended 29th April, 1955

CAPITAL AND LIABILITIES	Rs.	Rs.
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid ..	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares ..	5,62,50,000	
Reserve Fund and other Reserves ..		6,35,00,000
Deposits and other Accounts ..		217,06,88,000
Borrowings from other Banking Companies Agents		11,00,00,000
Bills Payable		3,56,54,000
Bills for Collection being Bills Receivable as per contra ..		45,21,000
Acceptances, Endorsements and Other Obligations as per contra ..		81,000
Other Liabilities (including Inter-Office Adjustments) ..		6,55,99,000
Total ..	Rs.	252,94,93,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		14,21,09,000
Balances with other Banks		3,34,65,000
Money at Call and Short Notice ..		1,06,67,000
Investments— Government and other Trustee Securities ..	91,92,13,000	
Other Authorised Investments ..	11,92,54,000	
Advances— Loans, Cash Credits and Overdrafts, etc.	98,41,66,000	103,31,67,000
Bills Discounted and Purchased..	25,33,41,000	
Bills Receivable being Bills for Collection as per contra ..		125,05,07,000
Company's Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		45,21,000
Premises less Depreciation ..		81,000
Furniture and Fixtures less Depreciation ..		1,30,67,000
Other Assets (including Inter-Office Adjustments)		4,46,12,000
Total ..	Rs.	252,94,93,000

SMALL SAVINGS

(In lakhs of rupees)

	National Savings Certificates 5-Year† Outstandings*	5-Year† Receipts	7-Year †† Outstandings*	7-Year †† Receipts	12-Year Outstandings*	12-Year Receipts	POSTAL SAVINGS Savings Bank Deposits Outstandings*	Cash Certificates Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-Year Treasury Savings Deposit Certificates ‡ Receipts	2½% Ten-Year Treasury Savings Deposit Certificates ‡ Outstandings*	10-Year National Plan Certificates §† Receipts	10-Year National Plan Certificates §† Outstandings*
1953-54 ..	6,88	66	3,26	23,86	84,17	1,13,33	92,08	— 31,07	7,86	25,64	..	..
1954-55 ..	5,91	1,50	4,26	38,84	1,04,88	1,17,37	1,06,29	— 24,20	8,04	33,11	..	..
1954-55 ..	..	..	..	..	..	..	..	..	5,57	37,15	..	..
February 1954 ..	6,02	11	3,99	3,13	1,02,09	9,49	1,01,89	— 23,97	54	31,72	..	..
March ..	5,91	46	4,26	3,05	1,04,88	16,29	1,06,29	— 24,20	44	32,11	..	..
April ..	5,81	11	4,20	2,18	1,05,84	10,70	1,07,81	— 24,40	70	32,77	..	..
May ..	5,71	10	4,21	1,71	1,07,06	10,02	1,07,12	— 24,57	54	33,26	34	34
June ..	5,62	9	4,22	1,89	1,08,40	10,48	1,08,28	— 24,73	39	33,61	49	83
July ..	5,47	12	4,29	2,27	1,10,18	11,40	1,11,02	— 24,94	46	34,06	76	1,59
August ..	5,36	15	4,39	2,17	1,11,86	10,22	1,13,07	— 25,17	46	34,44	89	2,45
September ..	5,24	19	4,51	2,44	1,13,76	10,23	1,14,98	— 25,34	54	34,94	1,57	4,05
October ..	5,16	11	4,57	1,90	1,15,09	8,96	1,16,28	— 25,46	42	35,32	60	4,44
November ..	5,08	12	4,64	2,25	1,16,78	10,24	1,16,31	— 25,59	37	35,64	56	5,22
December ..	4,96	11	4,66	2,34	1,18,40	11,36	1,18,56	— 25,67	40	35,98	57	5,79
January, 1955 ..	4,88	14	4,76	2,43	1,20,28	10,31	1,20,10	— 26,03	42	36,37	54	6,32
February ..	4,81	12	4,79	2,27	1,21,88	11,18	1,22,33	— 26,19	40	36,74	48	6,81
March ..	..	..	..	..	..	..	..	..	47	37,15	..	..

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947. † Issued from 1st June, 1948 to 30th June 1953. †† Issued from 1st June, 1948. ‡ Issued from 1st February, 1951. ‡ Issued from 10th May, 1954. § Figures from 1948-49 relate to the Indian Union. Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 17-4-'54	19-3-'55	9-4-'55	16-4-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES ..	96.7	96.6	96.5	96.5
1. Government of India ..	90.5	90.4	90.4	90.3
2. Indian States ..	95.7	96.1	96.1	96.1
3. Municipal, Port Trust, etc. ..	89.3	89.4	89.3	89.3
DEBENTURES OF INDUSTRIAL CONCERNS ..	101.3	100.6	100.6	100.6
1. Electricity ..	102.7	102.0	102.0	102.0
2. Jute ..	98.8	98.6	98.6	98.5
3. Plantations ..	99.6	99.6	99.6	99.7
4. Sugar ..	100.4	99.0	99.0	99.0
5. Coal ..	90.6	90.6	90.6	90.6
6. General Engineering ..	101.0	100.6	100.6	100.6
7. Shipping ..	100.7	100.2	100.2	100.2
8. Others ..	100.7	100.6	100.6	100.6
PREFERENCE SHARES ..	98.4	97.2	97.3	97.3
1. Electricity ..	98.7	97.2	97.5	97.7
2. Cotton ..	85.8	78.6	78.5	78.5
3. Jute ..	88.4	85.7	85.9	86.1
4. Coal ..	90.2	92.3	91.7	91.7
5. Iron and Steel ..	92.2	89.8	90.1	90.2
6. Sugar ..	79.8	84.2	84.2	84.4
7. Paper ..	87.4	89.7	88.0	88.2
8. Plantations ..	98.9	98.3	98.1	97.5
9. Miscellaneous ..	86.4	88.8	84.9	84.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	104.5	115.8	115.8	115.7
a) Financial ..	88.1	88.7	87.8	87.8
1. Banks ..	86.6	85.4	84.6	84.7
2. Insurance ..	101.7	109.2	105.4	106.5
3. Investment Trust ..	91.1	94.4	94.1	94.4
(b) Public Utilities ..	113.9	114.4	114.6	114.3
1. Electricity ..	119.8	124.8	124.4	124.1
2. Shipping and other Transport ..	108.6	98.4	98.6	98.8
3. Railways ..	88.7	88.8	89.2	89.1
(c) Manufacturing Industries.	108.8	119.7	118.1	119.0
1. Cotton, Woollen and Silk ..	104.0	103.7	103.6	103.6
2. Jute ..	80.5	99.6	99.6	99.5
3. Iron and Steel ..	130.0	149.6	147.4	146.3
4. Paper ..	194.4	228.7	225.5	225.3
5. Cement ..	128.5	148.5	148.0	148.8
6. General Engineering.	141.8	169.9	170.4	169.9
7. Sugar and Breweries.	92.3	101.5	99.0	99.0
8. Chemicals ..	113.5	136.3	135.0	135.4
(d) Non-Manufacturing Industries ..	115.5	158.7	164.1	163.8
1. Coal ..	77.3	78.3	77.6	77.5
2. Mining and Oil ..	167.4	196.7	195.2	186.7
3. Plantations ..	111.3	192.8	202.5	204.8
b) Miscellaneous ..	84.4	88.8	86.7	86.9
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	90.1	90.1	90.0	90.0
1. Bombay ..	90.7	90.5	90.4	90.4
2. Calcutta ..	90.9	90.9	90.8	90.8
3. Madras ..				
DEBENTURES OF INDUSTRIAL CONCERNS:	100.9	99.1	99.1	99.1
1. Bombay ..	102.1	101.3	101.3	101.3
2. Calcutta ..	100.0	100.4	100.4	100.4
3. Madras ..				
PREFERENCE SHARES:	93.0	91.6	91.9	91.9
1. Bombay ..	85.8	83.1	83.0	83.9
2. Calcutta ..	89.9	94.2	94.4	94.8
3. Madras ..				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	115.6	119.0	117.5	116.7
1. Bombay ..	95.5	109.8	110.3	110.5
2. Calcutta ..	101.3	109.9	110.3	110.2
3. Madras ..	108.1	119.0	118.8	118.6
4. Delhi ..				

Source: Department of Research and Statistics, Reserve Bank of India.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1951 ..	1,071	691,321	3,818,928
1952 ..	963	809,242	3,236,961
1953 ..	773	456,807	2,582,626
1954 ..	840	477,133	2,524,650
January 1953 ..	55	43,222	244,414
February „ ..	44	25,477	128,411
March „ ..	67	38,221	212,207
April „ ..	72	49,133	218,583
May „ ..	83	35,617	176,216
June „ ..	99	50,357	252,279
July „ ..	87	43,066	191,122
August „ ..	74	53,052	235,154
September „ ..	106	44,863	467,375
October „ ..	101	80,211	403,116
November „ ..	88	41,431	345,311
December „ ..	81	40,780	479,353
January 1954† ..	84	51,973	325,514
February† ..	85	41,821	244,295
March „ ..	91	54,928	331,419
April „ ..	101	40,072	307,247
May „ ..	80	40,072	218,063
June „ ..	82	51,589	305,078
July „ ..	123	90,189	577,493
August „ ..	79	51,090	352,587
September „ ..	97	50,414	368,875
October „ ..	83	41,724	276,524
November „ ..	63	25,118	139,701
December „ ..	101	54,455	282,763
January 1955 ..	87	47,694(a)	320,651(b)

† Figures for 1954 are provisional. * Revised.
(a) Not known in 2 cases. (b) Not known in 4 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns†	Units generated†	Units Sold
1948-49 ..	469	4,651.1	3,777.7
1953-54 ..	614	6,301.4	5,134.3
1953-54 ..	645	6,376.8	5,172.7
September 1953 ..	632	576.5	464.1
October ..	634	588.1	464.7
November ..	637	563.1	445.7
December ..	640	608.6	456.9
January 1954 ..	640	539.7	473.0
February ..	642	541.4	451.4
March ..	645	596.6	483.6
April ..	651	612.3	504.4
May ..	651	639.9	510.8
June ..	652	633.4	515.5
July ..	662	655.9	515.5
August ..	667	647.6	523.5
September ..	660	629.5	511.4
October ..	660	656.5	534.4
November ..	670	653.6	538.9
December ..			
January 1955 ..	684	668.5	545.2

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	16th April, 1955	9th April, 1955	17th April, 1954	March, 1955	March, 1954	Percentage of increase (+) or decrease (—) in Mar., 1955 as compared with Mar., 1954	Financial Year Average 1953-54	1954-55
Food Articles ..	282.4	286.4	281.8	297.0	271.4	—20.0	334.4	339.8
Cereals ..	325	334	423	359	429	—21.0	451	481
Pulses ..	216	219	398	229	262	—36.7	450	290
Other ..	235	232	316	249	289	—13.4	278	291
Industrial Raw Materials ..	396.9	400.4 R	477.3	412.7	462.5	—10.8	467.7	436.2
Fibres ..	436	440	454	452	447	+ 1.1	452	447
Oil seeds ..	317	327 R	527	358	513	—24.1	574	424
Minerals ..	431	402	469	417	444	— 6.1	449	423
Others ..	467	478	399	450	405	+18.15	275	427
Semi-Manufactures ..	327.7	328.9	365.1	333.5	365.8	— 8.3	359.2	350.3
Leather ..	393	393	376	393	388	+ 0.5	408	376
Mineral oils ..	221	221	221	221	221	—	224	221
Vegetable oils ..	326	324	524*	324	476	—25.6	534	433
Cotton yarn ..	432	432	459	440	449	— 2.0	442	454
Metals ..	245	244	240	242	238	+ 1.7	229	240
Oil cakes ..	282	285	448	234	415	—31.6	438	361
Others ..	328	328	305	333	306	+ 8.8	281	312
Manufactured Articles ..	375.3	376.1	381.5	378.3	373.9	+ 0.6	387.4	377.3
Textiles ..	417	419	429	419	416	+ 0.7	405	421
Jute ..	450	459	436	468	424	+10.4	403	448
Cotton ..	407*	407*	416*	408*	409*	— 0.2	406*	415
Rayon and Silk ..	434*	434*	562*	435*	499*	— 6.2	431*	460*
Woolen ..	310	310	318	310	312	— 1.0	314	311
Metal products ..	240	240	240	240	237	+ 0.9	237	240
Others ..	287	287	289	287	286	+ 0.3	285	286
Miscellaneous ..	539.8	543.0	713.2	553.3	626.9	—10.4	626.6	612.4
All Commodities ..	344.2	346.4

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop		Acreage 1953-54 Final	Acreage 1954-55 Final	Outturn 1953-54 Final	Outturn 1954-55 Final
Rice 2nd	tons	68,502‡	71,224†	21,592‡	23,455†
Wheat	,,	26,098	24,285	7,772	7,288
Jowar	,,	47,090	45,389	7,691	7,260
Bajra	,,	23,820	25,550	4,248	3,150
Barley	,,	8,190	8,010	2,721	2,849
Maize	,,	8,893	8,897	2,854	2,723
Ragi	,,	5,472	5,428	1,664	1,288
Small Millets	,,	13,167	12,481	2,188	1,906
Total cereals	,,	210,185	203,149	55,130	49,108
Kharif	,,	176,077	170,854	45,617	39,571
Rabi	,,	34,288	32,295	10,513	10,222
Gram	,,	18,893	18,014	4,551	4,165
Other Rabi Pulses*	,,	11,130	11,185	2,075	2,043
Jute	bales	1,375†	1,196†	3,153	3,197†
Cotton (4th)	,,	17,465‡	16,224†	4,092‡	3,668†
Sugarcane (fnd)	tons	2,617‡	2,503†	6,749‡	5,209†
Groundnut	,,	12,247‡	10,849†	3,323‡	3,573†
Linseed	,,	2,389	2,295	255	259
Castorseed	,,	1,273‡	1,176†	112‡	108†
Rape and Mustard Seed	,,	3,373	3,199	296	287
Sesamum (3rd)	,,	5,861‡	5,079†	567‡	584†
Total oilseeds	,,	27,593	27,661	5,591	4,845
Tobacco	,,	890	895	256	241
Black Pepper	,,	209	205	22	22
Ginger	,,	47	46	15	14
Dry Chillies	,,	1,328	1,285	310	284
Potato (fnd)	,,	645	653	1,667	1,698

Source: Ministry of Food and Agriculture.

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

* Excluding gram and Tur.

‡ Relates to 1954-55. † Relates to 1953-54.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During March, 1955	89.3
	Corresponding month, 1954	75.6
	Nine months ended Mar., 1955	750.5
	Corresponding period, 1954	644.4
Stocks	At the end of March, 1955	94.5
	Corresponding month, 1954	95.9
		(In 000 bags)
Exports (Jute Bags)	Week ended 26th March, 1955	3,211
	Corresponding week, 1954	4,824
	From 1st to 26th March, 1955	91,645
	Corresponding period, 1954	78,587
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 26th March, 1955	8,628
	Corresponding week, 1954	12,222
	From 1st to 26th March, 1955	241,482
	Corresponding period, 1954	309,228
	RAW JUTE	(In 000 bales)
Consumption by Mills†	March, 1955 (in lakh bales)	5.18
	Corresponding month, 1954	4.88
	Nine months ended Mar., 1955	48.58
	Corresponding period, 1954	57.37

* From Calcutta. † Estimated. R = Revised.

IRON AND STEEL PRODUCTION

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,34,400	10,42,900	7,81,200
November 1953	1,00,800	93,800	68,400
December ,,	1,01,400	98,100	71,700
January 1954	1,08,500	99,800	71,400
February ,,	92,700	84,500	63,800
March ,,	94,600	89,700	65,000
November ,,	98,800	90,500	68,000
December ,,	1,08,500	95,000	78,800
January 1955	1,02,500	95,800	72,200
February ,,	98,500	84,500	68,900
March ,,	95,000	89,300	66,100
Indian Iron and Steel Co.			
Year ended 31st March, 1953	6,36,710	4,31,460	3,12,940
Do. 31st March, 1954	5,80,020	3,49,980	2,92,440
Do. 31st March, 1955	7,15,949	5,28,240	4,59,092
April 1953	53,210	30,980	19,090
May ,,	57,610	32,850	19,700
June ,,	56,730	32,940	19,050
Three months ended Sept., 1953	62,890	18,350	11,640
Dec., 1953	1,21,530	1,13,800	1,05,940
Three months ended Mar., 1954	1,57,750	1,28,510	1,16,940
Three months ended June, 1954	1,32,770	1,17,870	1,07,450
Three months ended Sept., 1954	1,50,010	1,29,741	1,12,861
,, ,, ,, Dec., 1954	1,58,063	1,36,801	1,20,618
,, ,, ,, Mar., 1955	1,65,108	1,48,529	1,18,136

OVERALL BALANCE OF TRADE OF INDIA JANUARY, 1955†

Particulars	February, 1954 Rs. (lakhs)	February, 1955 Rs. (lakhs)	Eleven months, April to February 1953-54 Rs. (lakhs)	Eleven months, April to February 1954-55 Rs. (lakhs)
1. Trade in merchandise—				
(a) Exports	40,84	45, 95	480,04	531,45
(b) Re-exports	41	40	4,88	4,69
Less—Transit trade	..	3	4	39
Net re-exports	41	37	5,079	4,30‡
Total exports	40,75	50,82	449,63	535,75
2. Imports	41,21	50,1.5	484,97	567,95
Less—Transit trade	..	2	11	12
Net imports	41,21	50,13	484,86	567,83
Balance of trade in merchandise	— 46	— 8,81	—41,23	—32,08
Balance of trade in gold and silver	..	— 1	—8	—2
Total overall visible balance of trade	— 46	— 8,82	—41,31	—32,10

.. Total values of foreign trade of India by all routes (i.e. sea, air and land).

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (in thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1952-1953	1,168	34,406	128,773	28,589	11,418	2,635	949	171	169	209	169	297
1953-1954	1,179	35,215	129,009	29,365	11,186	2,513	921	164	158	166	190	343
December 1953	93	2,747	10,990	2,476	980	210	59	16	14	18	14	33
January 1954	94	2,781	11,291	2,531	944	202	94	17	20	16	15	32
February ,,	101	3,157	10,513	2,374	1,018	179	76	18	16	14	14	30
March ,,	105	3,225	14,383	3,306	1,018	215	83	17	18	12	16	30
April ,,	106	3,198	9,923	2,275	953	211	83	20	15	10	16	34
May ,,	111	3,437	10,220	2,341	932	215	78	14	15	10	15	34
June ,,	..	..	..	..	909	210	71	10	13	7	15	33
July ,,	..	..	..	..	935	224	76	11	10	7	16	33
August ,,	..	..	..	..	935	245	76	11	9	7	18	34
September ,,	..	..	..	..	914	241	66	11	9	7	15	31
October ,,	..	..	..	..	934	241	65	12	10	12	15	31
November ,,	..	..	..	..	991	226	75	15	13	19	15	32
December ,,	..	..	..	..	1,064	229	70	20	14	21	10	34
January 1955	..	..	..	..	1,082	223	74	20	17	19	15	35

Equated to M. G. Wagons (1 B. G. = 2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway.
† Progressive figures.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 28th April, 1955	64,576
	Corresponding week, 1954	70,857
	1st Sept., 1954 to 28th April, 1955	1,251,288
	Corresponding period, 1953-54	1,321,722
Cotton Exports	Week ended 28th April, 1955	8,470
	Corresponding week, 1954	5,045
	1st Sept., 1954 to 28th April, 1955	238,118
	Corresponding period, 1953-54	219,657
Mill Consumption	1st Sept., 1954 to 28th April, 1955	840,492*
	Corresponding period, 1953-54	821,808
Stock (with exporters, dealers and mills) in Bombay	On 28th April, 1955	682,274
	Corresponding date, 1954	646,191
Cotton Exports from Bombay (by sea)	During December, 1954	24,771
	1st Sept., to 31st December, 1954	100,549
	1st Sept., to 31st December, 1953	81,256
Karachi (Pakistan)—		
Receipts	1st Sept., 1954 to 14th April, 1955	1,119,065
	Corresponding period, 1953-54	1,320,887
Exports	1st Sept., 1954 to 14th April, 1955	469,288
	Corresponding period, 1953-54	533,018

* Adjusted.

Particulars	From 1st Sept., 1954 to 2nd May, 1955 Bales	From 1st Sept., 1953 to 2nd May, 1954 Bales
From Bombay		
Cotton Exports to—		
United Kingdom	21,493	12,152
Continent	86,843	21,856
China	2,778	.. 251
Japan	68,972	58,166
U.S.A.	16,778	12,476
Other Countries	1,860	1,452
Total to all foreign countries	146,724	106,083
Coastal Ports	94,670	115,749

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	February, 1955	52,578
Foreign		50,061
Indian	Six months ended Feb., 1955	2,022,925
Foreign		2,047,917
Indian	Same Period, 1954	1,949,766
Foreign		2,041,074
Stocks (Mills and Elsewhere)—		
Indian	As on 28th February, 1955	1,161,158
Foreign		185,585
Indian	As on 28th February, 1954	1,036,118
Foreign		146,158
Cotton Pressed in India (In running bales)	Week ended 22nd April, 1955	23,948
	Corresponding week, 1954	30,835
	1st Sept., 1954 to 22nd April, 1955	2,820,148
	Corresponding period, 1953-54	2,999,425

† Incomplete

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	101
4 % Bonds	1928-32	63,80,28,000	1960-70	101¼
3½% Loan	1935-36	1,15,17,46,000	1955-65	98 ½
3 % Loan	1936	80,33,10,000	1964	93 ½
3 % Loan	1948	1,10,11,78,000	1966-68	90¼
2½% Y. Loan	1944	1,14,06,99,000	1957	99 ½
3 % Loan	1945	1,15,06,65,000	1970-75	87
3 % Loan	1946	1,18,65,64,000	1959-61	97 ½
2½% Loan	1951	50,85,68,000	1958	92
2½% Loan	1946	45,63,07,000	1960	94¼
2½% Loan	1947	57,00,69,000	1961	91 ½
2½% Loan	1946	34,77,46,000	1976	82
2½% Loan	1947	75,86,72,000	1962	92 ½
2½% Loan	1948	60,45,01,000	1965	90
2½% Loan (N.P. Bonds)	1952	75,00,00,000	1961	99¼
2½% N.P. Loan	1954	156,75,00,000	1964	98 ½
NON-TERMINABLE LOANS				
3 %Loan	1896-97	8,98,36,000	At option of Government after three months' notice.	80‡
3 %Loan	1946	248,91,90,000	On September, 1958 or later at option of Government after three months' notice.	80‡
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,20,000	1958-65**	108‡
PROVINCIAL LOANS†				
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	99½
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	99 ½
3 % Bombay	1944	2,44,00,000	15th Aug. 1957	97 ½
3 % Bombay	1949	6,00,15,000	1st Aug. 1962	93 ½
3 % Bombay	1950	3,01,87,700	31st July 1960	94¼
3½% Bombay	1951	8,04,06,000	17th Sept. 1962	98¼
4 % Bombay	1953	5,00,00,000	15th July 1963	101
4 % Bombay	1952	3,56,72,700	1st Aug. 1964	101
4 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98¼
3½% Cochin	1936	70,09,000	1st June 1956-61	99¼
5 % Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95½
3 % Madras	1939	1,22,95,600	21st June 1959	94½
3 % Madras	1942	1,22,25,000	18th Sept. 1956	99 ½
3 % Madras	1943	1,35,10,000	14th Sept. 1956	99½
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98
3 % Madras	1945	2,79,44,000	14th Sept. 1960	94¼
2½% Madras	1946	2,81,77,200	1st Sept. 1961	91½
2 % Madras	1950	4,88,25,400	21st July 1962	94½
2½% Madras	1951	3,01,49,800	17th Sept. 1962	95
4 % Madras	1952	5,00,00,000	15th July 1963	100-8¼
4 % Madras	1953	5,54,81,200	1st Aug. 1964	100-9½
5 % Mysore (*f*)	1930	1,69,44,800	1st Nov. 1955	101½
4 % Mysore (*f*)	1938	2,98,58,200	1st Dec. 1958-62	101½
3 % Mysore (*f*)	1938	5,96,72,900	30th April 1956-61	99½
3 % Mysore	1947	5,96,08,700	25th Jan. 1958	99 ½
4 % Mysore	1953	5,00,00,000	15th July 1968	100-1½
3 % M.P.	1942	50,00,000	18th Sept. 1955	99
3 % M.P.	1943	50,54,200	14th Sept. 1956	98½
3 % M.P.	1944	52,59,800	15th Aug. 1958	97½
3 % M.P.	1948	2,08,00,000	15th Sept. 1964	92½
3 % M.P.	1950	1,00,25,800	21st July 1960	94
2½% M.P.	1951	1,00,00,000	17th Sept. 1962	97½
4 % M.P.	1953	1,00,00,000	15th July 1968	100
3 % Punjab**	1938-44	3,49,87,800	15th Aug. 1958	99 ½
3 % Punjab**	1942	2,35,80,000	18th Sept. 1956	99 ½ N
3 % Punjab**	1943	2,40,75,800	14th Sept. 1956	98 ½N
3 % Punjab**	1948	2,95,81,800	14th Sept. 1960	97½N
2½% Travancore	1938	50,00,000	16th Aug. 1956	99½
4 % Travancore-Cochin	1953	5,00,00,000	15th July 1968	100 1½
3 % U.P.	1936	1,99,39,800	16th Sept. 1961-66	90½
3 % U.P.	1942	2,22,96,500	15th Aug. 1958	97½
3 % U.P.	1948	2,36,81,900	14th Sept. 1960	94½
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	91½N
2½% U.P.	1951	2,00,00,000	17th Sept. 1962	96
4 % U.P.	1953	4,11,88,000	1st Aug. 1964	100½
4 % U.P.	1953	5,00,00,000	16th July 1968	100½
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4 % W. Bengal	1953	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	3,00,00,000	16th July 1968	100½

PORT TRUST LOANS

Amount	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 86,50,000	4	1904	1964	Rs.
85,00,000	4	1905	1965	
40,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99¼ N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,85,876	4	1913*	1960	D
60,00,000	4	1914	1974	100¼N
88,25,000	4	1914	1975	100 N
10,00,000	4	1915*	1960	
55,00,000	4	1915	1976	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	D
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
18,50,000	3½	1932*	1962	
24,50,000	3½	1933*	1963	
15,00,000	3½	1935*	1968	
45,04,000	3½	1936*	1966	
10,00,000	3½	1938*	1960	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs. 80,24,000	4	1914	1974	Rs. 98¼
70,90,100	4	1916	1975	98¼
1,50,00,000	5½	1921	1981	61
68,02,8000	5½	1921	1981	144N
1,24,08,300	5	1922	1955-65	101½
1,47,80,000	5½	1926	1956-66	108
99,84,500B	5	1926	1956-66	101
1,49,49,500B	5	1927	1957-67	102½
1,47,80,000	5½	1928	1958-68	108
80,00,000	4½	1931	1991	
50,00,000	3½	1935	1965	96
25,00,000	3	1938	1968-88	90
50,00,000	3	1945	2005	74N
50,00,000	3	1945	1975	84
50,00,000	3	1946	1976	84
50,00,000	3	1946	2006	72¼N
50,00,000	2½	1947	1977	78
50,00,000	3	1948	1978	83½
1,00,00,000	3	1949	1959	96
50,00,000	3	1949	1969	96
50,00,000	3	1950	1980	81½
1,00,00,000	3	1950	1960	95½
50,00,000	3	1951	1981	95½
1,50,00,000	3½	1951	1961	81
50,00,000	4	1953	1981	97½
50,00,000	4	1953	1968	99½
50,00,000	4	1958	1968	99½
STERLING LOANS				
£892,500	5	1922	1952-52	£87½
£901,000	5	1924	1954-54	£87½
£838,170	5½	1928	1962	£96
MADRAS				
Rs. 81,47,100	3½	1947	1977†	Rs.
9,85,000	3	1947	1977	
8,00,000	3	1949	1979	
45,00,000	4½	1954	1964	A

IMPR. TRUST LOANS

Amount Sanctioned	Interest payable	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
50,00,000	4	1899	1959	100
50,00,000	4	1901	1961	
80,00,000	4	1903	1963	
80,00,000	4	1905	1965	
80,00,000	4	1906	1966	
80,00,000	4	1907	1967	
80,00,000	4	1908	1968	97¼N
15,00,000	4	1908	1968	
80,00,000	4	1909	1969	
80,00,000	4	1910	1970	
40,00,000	4	1911	1971	
40,00,000	4	1912	1972	
80,00,000	4	1913	1973	
80,00,000	4	1914	1974	97¼N
40,00,000	4	1915	1975	
56,00,000	6	1919	1957-79	118N
25,00,000	6	1920	1955-80	
25,00,000	6	1926	1956-86	115N
10,00,000	5½	1927	1961-76	98N
		1936	1966	
STERLING LOANS				
£566,600	4	1909	1959	£95¼N
£388,000	4	1910	1970	£95½N
BOMBAY				
Rs. 50,00,000	6	1925	1955	101
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
50,00,000	3	1936	1966	90
50,00,000	3	1937	1967	91
30,00,000	3	1938	1968	90
80,00,000	4	1953	1963	99½

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,60,000	4	1912-13	1974	99½
20,00,000	4	1913-14	1955	100 ½
20,00,000	5	1920	1960	113 ½N
15,00,000	5	1921	1961	104½
8,45,500	5	1929	1954-59	104½
25,21,500	5	1929	1959	107½
8,25,00,000	3½	1939	1964	102½
2,50,00,000	3½	1940	1965	98
4,00,00,000	3½	1949	1979	84
2,50,00,000	3½	1950	1965	92½
5,00,00,000	3½	1951	1966	100
1,80,00,000	4	1952	1962	97
1,00,00,000	4	1952	1964	100
1,00,00,000	4	1954	1966	99 ½
Rs.				Rs.
CALCUTTA†				
84,70,000	6	1922	1955	101
36,00,000	5	1926	1956	108
25,00,000	5	1929	1957	108½
25,00,000	5	1929	1958	108½
82,91,000	3½	1935	1962	108
60,00,000	3	1936	1966	94
47,00,000	3	1938	1968	90
10,67,700	3	1945	1965	96
15,56,800	3	1945	1965	96
18,56,800	3	1948	1968	99½
15,49,000	3½	1948	1968	99½
18,88,000	3½	1951	1971	97½
96,88,000	3½	1951	1961	97½
87,36,000	4	1952	1962	99½
72,80,000	4½	1954	1962	99½
Rs.				Rs.
MADRAS				
71,700	6	1925	1955	100N
2,67,800	6	1926	1955	101N
18,00,000	3½	1931	1961	107N
18,00,000	3½	1932	1962	107½N

ABBREVIATIONS.

A—Held by Government of India. B—Taken up by Imperial Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(*f*) Income-tax free. * Loans held entirely by the Trustees. **Quotations in Pak. Currency. ***Repatriable (Counterparts.
† Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June, 1954.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1954. ‡—Interest free for first 12 years. †—Interest free for first 7 years.

N—Nominal.

PREFERENCE SHARES

Company	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar., Sept.	134	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	70N	100
Crew & Co.	2,00,000(b)	1875	6½	Mar., Sept.	100	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb., Aug.	144	100
Deccan Sugar & Abkhari* A	7,00,000	1920	7	July, Apr.	116½	100
East India Distilleries	£200,000	1897	7	Jan., July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec.	68	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec.	68	100
Parabpore Co.	6,00,000	1922	10	Oct.	158	10
Ramnagar Cane	4,00,000	1933-34	6	Aug.	107	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct., Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	16½	100
Travancore	14,99,135	1946	5(a)	Dec.	7½	10
Upper Ganges	12,00,000	1932	5	Dec.	90N	100
Do.	15,00,000	1944	5(a)	Dec.	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan., July	121	100
Borera	4,00,000	1936-37	6½	Jan., Apr.	119	100
Burrakur (1st)	£2,99,800	1901-19	7	Apr., Oct.	124	100
Do. (2nd)	4,50,000	1946	6(a)	..	8½	10
Equitable	4,00,000	1895	6	Mar., Sept.	120	100½
Karharbaree Collieries	2,50,000	1946	5½a	..	70	75(pp)
††Khas Kajora	1,93,000	1931	7	Mar., Sept.	31N	10
New Beerbhoom	2,00,000	1920	7	Jan., July	13	10
Oudal	2,00,000	1898-99	6½	Apr., Oct.	114	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr., Oct.	102	100
Bangalore	4,00,000	1884	6	Jan., July	130	100
Bearsal Cotton	3,00,000	1938	6½	Nov.	8	10
Benares Cotton	1,05,200	1919	7	July, Jan.	63	100
Bengal-Nagpur	3,00,000	1894	7	Apr., Oct.	119	100
Bowreah 'A'	6,00,000	1900	8	Feb., Aug.	135	100
Do. 'B'	6,00,000	1900	7	Feb., Aug.	80	100
Broach	14,75,000	1919	7	June, Dec.	65	90
Buckingham & Carnack	21,30,200	1920	7½	Jan., July	140	100
Cambodia	1,00,000	1928	7	Apr., ..	125	100
Central India	30,00,000	1912	5	Apr., Oct.	490	500
Coimbatore Planter	1,00,000	1933	6½	Nov.	117½	100
Elgin	11,00,000	1912	8	May, Nov.	143	100
Do. 'B' Pref.	4,00,000	1943	5	July, Jan.	10½	10
Elphinstone	25,00,000	1919	7(a)	May, Nov.	87½	100
Experam	20,00,000	1919	7	June, Dec.	129	100
Khatau Makanji (2nd)	29,92,500	1947	4	Nov.	87	100
Kothari	12,00,000	1937	6	Nov.	10 &	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	..	230	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January	79½	100
Mysore Mill	30,00,000	1900	6	Jan., July	81½	100
Mysore Spg.	7,43,030	1944	4½	..	30	50
National Rayon	1,74,64,700	1947	5½	Mar.	85½	100
New Great	8,00,000	1919	7	Apr., Oct.	185½	200
New Victoria	26,05,500	1920	6	Apr., ..	5	5
Podar Mills	10,00,000	1943	4	Feb.	77	100
Rajnikhabai	2,00,000	1922	6½	Apr., ..	53	50
Shree Nivas Cotton	4,80,000	1944	4	..	..	100
Shahapoor	12,00,000	1943	3(a)	..	96	100
Sredashi	15,00,000	1935	8	Apr., Oct.	110xd	100
Sredashi (Kanpur)	35,00,000	1927	6	June	80	100
Vasanta (1st)	20,00,000	1931	6½	Apr., Oct.	117N	100
Do. (2nd)	1,50,000	1938	6	..	108½	100
Vishnu	15,66,500	1908	7(a)	Apr., ..	556½	500
ELECTRICS						
Andhra Valley Power Supply	49,34,000	1917	7(a)	May	Nov.	1,175xd	1,000
Calcutta Electric	£1,500,000	1909-11	5(t)	June	Dec.	12½	£1
Poona Electric	4,00,000	1935	7(a)	June	Dec.	103	100
South Arcot	2,00,000	1933	6	June, July	101½xd	100
South Madras Ltd.	£3,12,525	1940	5½	July	May	10–4½	10
Do. (2nd)	8,00,000	1940	5½	..	..	130	100
Surat Electric Co.	3,00,000	1937	6½	Apr.	Oct.	121½xd	100
Tata Hydro-Electric Power	£9,28,000	1917	7(a)	May	Nov.	1,300	1,000

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations. e.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and All other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
80,00,000	3,74,976	63,22,382	43,85,372	—2,24,488	Rajputana Textiles (Agencies) Ltd.	47,512	8,981	Apollo Mills	2½	5	0 4(c)	0-4 (c)			12	V.
40,00,000	84,00,000	1,34,85,581	72,25,655	—5,76,311	B. R. Sons. Ltd.	30,596	1,021	B. R. Cotton Mills	30	100	Nil	Nil			12	V.
80,98,000	2,33,99,019	4,25,75,764	3,54,21,688	42,570	Nowrosjee Wadia & Sons, Ltd. ..	1,89,680	4,855	Bombay Dyeing & Mfg.	4648	250	20 8	22 8*	20 0	Nil	3	V.P.W.
10,00,000	27,36,359	55,58,179	48,57,495	2,48,761	Ramaraim Sons, Ltd. ..	42,008	860	Bradbury Mills	159	50	100 0	100 0	75 0	0	12	V.
1,99,42,800	2,27,34,197	2,83,17,250	1,83,13,280	31,32,663	Birla Bros., Ltd.	1,25,936	2,698	Century Spg. & Mfg. ..	3848	100	20 0	22 0	22 0	0	3	V.
49,00,000	15,44,490	1,16,09,462	65,52,039	—35,25,720	V. J. Pilani (Chairman and Managing Director) ..	40,668	798	Colaba Land & Mill	56	100	Nil	Nil	Nil		12	V.
86,00,000	13,33,380	64,51,450	44,36,747	21,158	Cowasjee Jehangir & Co., Ltd. ..	30,130	680	Coorla Spg. & Wvg. ..	118½	100	7 8	7 8	7 8		12	V.
16,00,000	25,08,261	64,39,890	50,46,041	38,562	Ramnarain Sons, Ltd. ..	38,304	..	Dawn Mills	90	50	6 0	6 0			12	V.
84,00,000	27,75,000	68,55,752	60,73,724	16,489	Purusmal Raghakishan & Co. ..	50,296	928	Edward Textiles	262½	800	15 0	15 0			12	V.
89,97,750	11,93,292	1,09,90,211	73,99,225	17,999	K. D. Jaisn, Esq. (Chairman) ..	43,376	886	Elphinstone Spg. & Wvg.	404	50	3 0	Nil	2 8	Nil	12	V.
50,00,000	64,31,875	1,03,11,445	71,58,256	3,90,661	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	249xd	100	20 0	16 0	16 0		12	V.P.
11,84,000	75,99,589	1,20,85,307	91,11,580	8,850	Thackersey Mooljee & Co. ..	49,672	1,126	Hindoostan Spg. & Wvg. Mills	865	1,000	200 0*	225 0*	225 0	40 0t	12	V.
16,000									1½-5½	150	50 0	56 4*	56 4	10 0t	3	V.P.
8,00,00,000	1,13,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,38,038	6,278	India United Mills	18	Nil	0 10					
90,00,000									1-3½	125	Nil	0 10				
8,65,000	71,99,043	1,22,31,586	83,39,000	3,551	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	3,830	1,000	200 0*	225 0*	225 0	40 0t	12	V.
25,000									865N	500	100 0	112 8*	112 8			
59,85,000	40,24,767	2,15,86,170	1,74,28,945	23,212	Khatau Makanji & Co., Ltd. ..	84,604	1,513	Khatau Makanji Spg. & Wvg.	1661	100	10 0	10 0	8 0		3	V.P.
1,00,00,000	1,44,50,000	3,49,59,105	2,46,94,456	12,185	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	316	100	18 0	20 0*	18 0		6	V.P.
22,80,000A	64,00,782	4,36,527	88,878	6,08,336	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	944	100A	6 4	6 4			12	V.
3,60,000B										200B	1 0	1 4				
82,13,050	39,74,916	1,14,37,317	54,72,963	16,412	N. Sirur & Co., Ltd.	48,676	644	Modern Mills	80N	50	5 0	5 0	5 0		10	V.P.
81,75,000	32,62,000	1,94,11,154	1,47,72,041	1,09,579	Premal & Sons	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	2188	100	12 0	12 0	14 0		6	V.P.
1,40,40,600	2,83,011	4,93,70,648	1,10,00,000	9,01,242	Chinai & Co., Ltd.	45,044	432	National Rayon Corporation	201	100	Nil	Nil			12	V.P.
84,00,000	25,60,685	74,52,403	46,04,752	27,346	W. H. Brady & Co., Ltd. ..	45,044	432	New City of Bombay Mfg. ..	144	100	10 0	10 0	10 0		12	V.
80,00,000	13,47,407	89,82,380	61,42,740	12,217	W. H. Brady & Co., Ltd. ..	49,012	1,018	Swan Cotton Spg. & Wvg.	162	100	10 0	10 0	7 8		12	V.
18,70,100	36,36,004	42,60,552	13,74,680	423	Mafatlal Chandulal & Co (Bombay), Ltd.	34,100	873	New Union Mills	31½	10	1 4				12	V.J.
48,00,000	36,07,273	1,42,08,882	91,59,811	30,475	Ramparain Sons, Ltd.	66,324	1,190	Phenix Mills	112½	100	8 0	8 0			12	V.
40,00,000	43,62,741	24,64,450	22,50,000	8,99,184	Podar Sons, Ltd.	32,600	930	Podar Mills	158	100	10 0	10 0			12	V.
5,00,000	8,44,062	21,20,740	18,99,340	2,990	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	144	10	1 4	0 12			12	V.
83,00,000	69,06,474	1,24,22,606	81,47,282	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg. ..	35½	10	1 4	1 4			12	V.
60,00,000	46,20,061	87,30,546	45,01,044	2,69,922	Marwar Textiles (Agency) Ltd. ..	66,836	1,640	Shree Niwas Cotton Mills ..	238½	100	12 8	14 0			12	V.P.
42,00,000	38,80,000	80,15,073	68,69,000	21,940	Forbes, Forbes Campbell & Co., Ltd.	29,436	1,274	Simplex Mills	154	50	15 0(p)	15 0	11 0	4 0t	3	V.
56,00,000	1,22,33,867	1,85,08,331	1,10,85,485	17,128	Mafatlal Gagalbhai & Sons ..	57,288	1,633	Standard Mills	355	100	20 0	20 0	20 0		12	V.P.
1,00,00,000	82,26,342	1,52,83,887	1,02,23,292	43,799	Tata Industries Ltd.	70,764	2,000	Svadeshi Mills	189xd	100	16 0	16 0	8 0		12	V.P.
36,00,000	62,78,465	1,17,42,921	70,22,715	3,39,764	James Finlay & Co., Ltd. ..	38,828	552	Swan Mills	315xd	100	30 0	20 0	20 0		12	V.P.
32,59,438	49,96,389	1,59,55,305	48,92,129	11,417	Tata Industries Ltd.	62,096	1,800	Tata Mills	51½xd	25	1 8	2 8	2 8		12	V.P.
18,00,000	82,55,708	98,83,323	34,65,800	4,319	Thackersey Mooljee Sons & Co. ..	54,424	1,181	Western India Spg. & Mfg. ..	3,875	1,000	200 0*	225 0*	35 0	40 0t	8	V.J.
AHMEDABAD																
80,00,000	25,97,650	96,80,904	55,57,028	3,668	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills .	131½	100	10 0	10 0*	5 0		6	V.J.
10,00,000	90,35,638	89,83,424	65,39,067	7,878	P. M. Hasbenzing & Sons, Ltd. ..	42,768	912	Arvind Mills	320	100	20 0*	20 0*			12	V.P.
26,25,000	2,23,86,002	1,33,18,915	89,73,000	47,346	Narottam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	1,211	100	25 0	25 0			12	V.P.
80,00,000	38,43,340	79,44,276	56,25,000	3,90,074	Mangaldas & Sons, Ltd. ..	35,884	884	Arvindas Ginning & Mfg. ..	336½	200	15 0	15 0			12	V.P.
12,00,000	1,08,38,621	82,14,168	66,70,738	55,358	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	577½	100	22 0	22 0*	22 0		12	V.P.
1,24,79,011	1,11,66,203	4,24,88,718	3,07,53,344	16,00,756	Karamchand Premchand Ltd. ..	1,39,120	2,372	Calico	378½	125	18 0	18 0	18 0		12	V.P.
45,00,000	48,45,000	1,05,59,863	72,30,000	6,391	Tricumdi Bhogilal & Co., Ltd. ..	45,836	867	Commercial Mills	1090N	750	70 0	70 0			12	V.P.
89,00,000	66,61,702	1,14,89,135	91,35,306	6,387	Mafatlal Chandulal & Co., Ltd. ..	51,152	864	New Shorrock Spg. & Wvg.	775	125	35 0	35 0	35 0		12	V.
8,00,000	61,15,982	46,72,745	31,76,001	700	Jagabhai Bhogilal Nanavaty & Co. Ltd.	24,840	572	Nutan Mills	705	100	30 0*	30 0*			12	V.
12,50,000	1,09,22,589	79,71,738	82,25,077	32,922	Lalbhai Dalpatbhai & Co. ..	31,120	634	Raipur Mfg.	1,026½	100	25 0	17 8			12	V.P.
12,00,000	13,57,067	74,93,069	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	110N	250	Nil	Nil			6,12	H.
32,50,000	16,74,825	84,83,940	32,67,803	4,020	Lallubhai Gordhandas Ltd. ..	33,156	648	Rohit Mills	147½	100	9 0	9 0			6,12	H.
88,98,150	1,90,84,538	1,60,18,812	1,34,25,000	2,52,570	Harivallabhdas Kalidas & Co. ..	54,116	1,733	Shri Ambika Mills	414½	50	16 0	18 0	20 0		12	V.P.
19,32,500	59,00,194	78,08,018	62,03,800	6,434	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg. ..	455	100	20 0	20 0	25 0*		12	V.
28,00,000	26,43,469	75,32,266	61,24,605	31,806	Hariess Achratlal & Co., Ltd. ..	36,176	780	Vijaya Mills	536½	400	33 8*	35 0*			12	V.P.
WEST BENGAL																
15,00,000	1,88,479	34,10,729	19,47,810	41,227	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	4½	10	Nil	0 4			12	V.
7,11,280	3,95,369	40,98,008	23,80,978	47,818	Bengal Textile Agency, Ltd. ..	32,352	936	Bengal Luxmi Cotton Mills ..	40N	40	3 0	Nil	4 0		12	V.P.T.
6,00,000	22,71,793	80,75,189	31,52,000	—21,82,781	Ketlewell Bullen & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills ..	385	100	Nil	Nil	Nil		8	V.
19,00,000	25,17,571	99,37,856	69,83,080	—9,27,405	Ketlewell Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	198½	100	Nil	Nil	Nil		6,12	H.
1,60,00,000	1,94,18,540	3,42,43,338	1,08,56,338	2,15,714	Birla Brothers, Ltd.	70,040	1,990	Kesoram Cotton Mills ..	26½	20	1 8	1 12	1 12		6,12	H.
6,00,000	9,75,000	84,54,400	67,06,237	5,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	25	1 4½				3	V.P.
83,96,280										16	0 8½					
19,47,750O	5,75,000	41,85,833	19,32,788	15,666	Hazaremull Heeralall	23,196	795	Rampooria Cotton Mills ..	12	10	0 8½				12	V.P.
5,00,000D									1N	1D	Nil	0 3½				V.
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,09,109	59,21,613	21,03,246	2,736	Ramal & Co., Ltd.	55,000	750	Alagappa Textiles (Cochin) Ltd.	6	10						
71,94,400	51,99,334	2,06,06,796	50,52,372	3,771	Industrial Trust Fund, ...	36,136	1,157	Azam Jahi Mills ..	68	100	6 0	6 0			12	V.P.W.
40,50,000	1,91,68,745	2,87,22,995	2,24,71,643	2,44,711	Binny & Co. (Madras), Ltd. ..	40,068		Bangalore Woollen, Cotton and Silk Mills ..	440	100	15 0	25 0	30 0		9	Vi
27,00,000	15,50,000	77,25,162	53,72,132	18,199		29,936	782	Bengal-Nagpur Cotton Mills..	11½	10	6 8	0 4½			12.	V.P.
15,00,000	1,12,09,588	1,12,05,727	78,65,727	5,50,791	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	67N	10	0 4	Nil	Nil		6,12	H.P.T
1,78,42,800	1,54,69,697	4,50,39,308	1,14,94,493	2,69,005	Binny & Co. (Madras) Ltd. ..	1,20,356	2,744	Buckingham & Carnatic ..	153½	100	4 0	4 0	5 0		12	V.
20,00,000	20,00,406	34,17,820	19,76,634	8,55,087	Peirce, Leslie & Co., Ltd. ..	37,536		Cambodia Mills	18	10	1 4	0 10	10 0		12	V.P.
14,99,229	4,75,000	42,54,384	15,27,257		Madhav Industrial Syndicate	16,800	591	Cannanore Spg. & Wvg. ..	129	100	12 0	12 0	Nil		12	V.P.
80,00,000	28,49,773	51,86,118	47,94,815	26,773	Begg, Sutherland & Co., Ltd. ..	28,796		Cawnpore Textiles ..	82	5	0 9	0 9	0 8		3	V.
18,00,000	20,60,000	30,85,973	24,65,699	4,614	R. Sheriff Naidu & Co.	24,844		Coimbatore Cotton Mills ..	278	100	9 0	20 0	25 0		12	V.
80,00,000	13,90,000	33,17,341	17,08,703	3,400	T. R. N. Naidu & Co.	21,978		Coimbatore Pioneer Mills ..	223	100	9 0	13 0	10-0		12	V.
80,76,900	4,36,644	1,14,48,334	88,90,050	4,76,905	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg. ..	70½	50	Nil	Nil	37		6	V.
48,87,500	61,78,247	2,34,42,639	1,51,56,858	14,071	Tata Industries, Ltd.	1,15,188	2,062	Central India	126½	100	20 0	30 0	2 8		6	V.P.
3,38,36,225	2,63,12,465	8,55,97,662	4,42,00,000	1,69,241	B. R. Charat Ram & Co., Ltd. ..	1,16,636	2,355	Delhi Cloth & General Mills..	37½	22	1 2	1 12	2 4		6	V.P.
1,00,563										2½	0 4/5	0 2 4/5	0 3 3/5			
84,34,800	24,72,758	47,34,037	33,82,512	9,248	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	270	100	20 0	20 0	30 0		6	V.P.
63,00,000	53,27,872	1,46,96,492	1,31,71,631	62,277	Begg, Sutherland & Co., Ltd. ..	53,768	1,198	Elgin Mills	17½	10	1 8	1 8	1 0		9	V.
48,81,000	33,91,175	88,91,779	65,54,070	37,169	Forbes, Forbes Campbell & Co., Ltd.	72,904		Gokak Mills	217½	100	17 0*	17 8	13 0		12	V.
90,00,000	12,75,743	1,25,73,688	88,01,506	12,371	Govindram Sakseria (Indore)	51,180	1,420	Indore Malwa United ..	91½	100	6 0	6 0			12	V.
8,50,000	10,62,423	28,37,887	14,65,529		G. V. Naidu & Co., Ltd. ..	23,784		Jaipur Mills	81	50	3 12	4 8			12	V.
24,00,000	15,75,000	64,03,081	12,00,000	20,004	Kothari & Sons	30,312	200	Kothari Textiles	12½	10	0 12	0 8			12	V.
82,00,000	69,32,519	1,42,27,744	1,05,78,587	19,080	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg. ..	332½	250	37 8	37 8	33 12		12	V.P.
33,84,100	44,00,000	1,00,53,685	69,98,848	23,793	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	144½	50	5 0	5 0	10 0		12	V.P.
17,82,050									72	25	2 8	2 8	5 0			
1,75,02,480	4,13,81,878	5,66,33,243	3,44,90,463	9,66,800	A. & F. Harvey Ltd.	4,63,852		Madura Mills	46	15	1 8	1 8	1 0		3	V.
12,00,000	4,17,363	27,72,881	16,02,069	1,14,098	A. L. A. R. S. Chettiar and Brothers.	22,592	100	Maihar Spg. & Wvg. ..	120	100	8 0	8 0	3 0		12	V.
60,00,000	69,00,000	61,38,483	39,86,352	50,153	W. A. Beardsell & Co., Ltd. ..	25,656	603	Mettur Industries Ltd. ..	325	100	12 8	12 8	22 8*		12	V.
59,80,844	28,14,157	76,14,218	44,82,685	12,036	N. Sirur & Co., Ltd.	39,200	704	Minerva Mills	98½	100	7 8	7 0*			12	V.
94,91,850	27,24,404	1,61,29,118	78,81,928	—7,44,932	Bansilal Abichand Dadabhoy & Co.	51,340	1,034	Model Mills (Nagpur) ..	138½	250	7 8	7 8*	3 0(c)		4	V.
80,00,000	52,19,600	1,53,39,272	1,05,91,531	—7,77,290	Indian Textile Syndicate Ltd. ..	88,440	1,834	Muir Mills	108½N	100	Nil	Nil			12	V.
24,83,500	56 57,566	93,23,192	61,77,444	22,997	Mysore Spun Silk Mills ..	49,644	500	Mysore Spg. & Mfg. ..	121½	50	10 0*	10 0*	8 8*	3 01	3	V.P.
13,61,780	2,58,745	29,42,992	15,27,000	3,986	R. Suryanarayana Rao Esq. Manager	6,000	..	Spun Silk Mills	1½	10	Nil	Nil	Nil		3	V.J.
22,89,887O	25,62,532	1,02,16,296	58,90,719	—39,62,329	J. P. Srivastava & Sons, Ltd. ..	49,676	1,198	New Victoria Mills	—	10	Nil	Nil			3	V.
3,07,095D									2½	5	Nil	Nil				
27,03,800	87,08,000	1,64,48,327	62,62,651	15,819	Industrial Trust Fund	43,852	847	Osmanshahi Mills	65	100	7 0	4 0			12	V.P.
4,00,000A									111	50A	7 0	4 0				
6,00,000B	7,50,000	33,81,578	18,80,484	551	Bhagyalakshmi & Co.	29,924	..	Palani Andavar Mills	157	75B	11 4	12 0			9	V.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills Ltd.	53½	100	11 4	16 0			12	V.P.
16,81,200A	20,00,000	73,50,455	41,41,878	28,607	A. G. Gurusamy Naidu & Co. ..	54,864	301	Radhakrishna Mills	220xd	100A	6 0	8 0	16 0		12	V.
8,49,200B									308	50B	3 0	4 0	8 0			
15,00,000	52,25,000	28,50,868	16,48,985	34,422	B. R. Naidu & Sons	25,896	..	Rajalakshmi Mills	134	50	Nil	4 0			12	V.
22,23,375	12,10,000	38,91,595	14,22,264	23,505	Rayalaseema Development Co. ..	14,800	..	Rayalaseema Mills	90	100	6 0	6 0	9 0		12	V.P.
60,00,000	62,86,508	98,29,567	35,63,291	—19,59,428	J. P. Srivastava & Sons (Rampur).	33,984	600	Raza Textiles	53	10	Nil	Nil			12	V.
									1,600	1,800					12	V.P.
16,00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Morarka & Co.	86,048	2,234	Sholapoor Spg. & Wvg. ..		500	Nil	Nil	Nil			
									74½	50	4 0*	4 0*	4 8		3	V.P.
86,69,700	11,45,000	75,40,039	49,25,631	26,144	H. N. Palleger, Esq.	31,668	292	Sri Krishnarajendra Mills ..	72N	100	Nil	Nil	Nil		3	V.
86,14,800	2,00,244	35,18,906	17,73,000	—2,46,777	Gopaldas Liladhar & Co., Ltd. ..	17,880	440	Shree Sajjan Mills	76	10	4 0	4 0	5 0		3	V.
15,00,000	2,49,73,985	87,38,169	62,02,083	31,22,917	Birla Brothers, Ltd.	36,212	1,242	Sutlej Cotton Mills							3	V
17,50,000O	2,20,00,000	4,32,93,263	1,56,70,740	2,67,165	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	9	10O	Nil	0 8				
1,57,50,000P									9½	10P.O.	Nil	0-14 2½				
99,92,020	3,25000	2,71,91,025	76,93,946	41,430	Parrott & Sons (Travancore), Ltd.			Travancore Rayons ..	14 8xd	10	Nil	Nil			12	V.P.
13,98,620	8,79,479	13,36,297	10,45,186	8,321	Trichinopoly Mills	16,256	..	Trichinopoly Mills	10	10	0 11 1/3	0 11½	0 14 2/3			
21,00,000	57,00,000	56,92,795	*6,81,499	30,590	Vasanta Mills	33,704	270	Vasanta Mills	213	100	12 0	12 0	15 0		12	V.
32,00,000	31,99,443	1,38,35,036	1,00,33,350	22,250	Bombay Co., Ltd.	54,280	1,495	Vishnu Cotton	120	100	10 0	4 0	4 0		12	V.P.

*Includes bonus. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.

** Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(p) Interim divident of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
13,28,000	16,64,000	1,09,25,186	50,37,365	21,554	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	32½	25	Nil	Nil	Nil		5	V.P.
6,64,000							13½	10	Nil	Nil	Nil			
16,20,630	15 83,781	23,47 704	11,58,077	16,143	Mr. K. O. Khanna	Dyer Meakin Breweries ..	7½	5	0 8	0 8			5	V.
680,000A	£897,579	£1,225,541	£513,606	£57,290	Parry's Holdings Ltd.	East India Distilleries and Sugar	16½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5			V.P.
4300,000B							28½	B. £1	Sh. 3	Sh. 4	Sh. 5 4/5			
6,00,000	9,60,000	11,63,313	11,63,307	4,057	Vittal Mallya, Esq. (Chairman ..	United Breweries	165	75	15 0	15 0	15 0		3	V.
CEMENT														
11,37,700A.	8,69,857	75,78,758	45,89,342	4,636	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	136½	A. 100	7 8	10 0*			12	V.P.W.
39,67,420B.							13½	B. 10	0 12	1 0*				
43,14,600C.	11,14,602	18,53,830	7,23,479	1,20,881	Eastern Corporation Ltd.	Assam Bengal Cement ..	6½	O. 10	Nil	Nil			3	V.P.
4,70,976D.							1½	D. 1						
82,67,29,333	4,18,90,259	20,42,88,358	7,85,13,157	6,93,281	Cement Agencies Ltd.	Associated Cement Companies	179½	100	9 8	9 8	8 8		7	V.
60,00,000O.							14½	O. 10	0 10	1 0				
86,49,798D.	46,39,155	81,39,445	20,01,691	67,792	Hari Brothers Ltd.	Dalmia Cement (Bharat)† ..	3½	O. 2½	0 2½	0 4			12	V.P.W.
5,00,000D.							1½	D. 1	Nil	0 1-3/5				
61,84,930O.	8,00,000	1,43,26,685	39,60,537	1,15,792	Essen Ltd.	India Cements Ltd.	24	O. 25	1 4	Nil	1 4		3	V.P
7,50,000D.							4½	D. 5	0 4	Nil	0 4			
59,84,000	13,00,000	1,67,86,035	51,49,060	1,62,701	Shree Laxmi Agents Ltd.	Shree Digvijay Cement ..	182	100	6 0	4 0			12	V.P.
75,00,000	20,95,000	1,75,91,085	1,37,82,106	6,448	Martin Burn Ltd.	Sonewalley Portland Cement ..	7½	5	0 8	0 6			12	V.
50,00,000	....	1,04,00,351	34,33,980	2,75,554	Essel Ltd.	Travancore Cements Ltd. ..	9½cd	10	0 8	0 8	0 10		12	Y.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	20,36,841	1,38,78,118	1,37,10,118	1,50,325	Balmer Lawrie & Co.	Bengal Paper Mills	65	25	1 9 / Nil	Nil / 1 9	1 9½		6,12	H.P.T.
80,00,000	33,44,805	1,07,15,561	71,75,830	2,34,328	Andrew Yule & Co., Ltd.	India Paper Pulp	258	100	5 0 / 5 0	6 0 / 6 0	7 0 / 7 0		8,9	H.
25,00,000	16,12,500	1,18,13,367	47,31,061	49,179	B. P. Ramakrishnan Esq.	Mysore Paper Mills	17½	10	1 0* / 1 0*	1 0* / 1 0*	0 15* / 0 15*		8	V.
1,46,82,500	1,69,72,408	3,91,23,962	91,37,779	2,47,582	Birla Bros.	Orient Paper	27½	10	1 0 / 1 0	1 0 / 1 0	0 7½ / 0 8½		3,9	H.P.R.
50 06,290	78,16,849	1,11,54,742	62,73,807	2,33,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	17½	10	1 12 / 0 12	0 12 / 0 12			6,12	H.P.T
30,00,000 / 18,00,000A.	7,02,430	30,37,167	28,55,530	9,798	Bajoria & Co.	Star Paper Mills	13½ / 44½	O. 10 / A. 10	0 4 / 0 4	0 6 / 0 6			8,9	H.P.S
36,00,000A. / 36,00,000B. / 4,37,500F.O.	2,83,01,797	5,11,76,455	3,06,56,855	3,59,432	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	44½ / 44½ / 41¼d	A. 10 / B. 10 / P.O. 8½	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	0 12½ / 0 12½ / 0 2½		8,9	H.P
PRESSING														
8,00,000	6,12,365	15,78,488	10,50,581	20,403	Andrew Yule & Co.	Calcutta Hydraulic	90	100	5 0	5 0	4 0		8	V.
6,30,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	89N	100	5 0	4 0	5 0		8	V.
3,00,000	1,55,000	10,91,811	9,30,377	12,962	Andrew Yule & Co	Central Hydraulic	92	100	5 0	4 0	5 0		8	V.
PROPERTY AND LAND														
10, 3,780O. / 8,00,000D.	7,43,065	43,46,067	21,43,279	96,047	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10½ / 1½	O. 10 / D. 1	0 8 / Nil	0 11½ / 0 9 3/5	0 9 3/5 / Nil		9	W.P.
40,00,000	18,80,038	84,21,336	15,00,000	350	David Sassoon & Co., Ltd.	Port Canning Land	12	100	1 0	1 8	1 8		4	V.
94,00,000	35,56,594	96,49,123	1,06,646	95,282	Andrew Yule & Co.	Midnapore Zamindary	39	100	2 0	1 8	4 0		4	W.P.
SAW MILLS AND TIMBER														
13,99,998	28,19,726	25,86,404	6,94,804	—97,203	Bird & Co.	Assam Saw Mills	5⅜	8	0 4	Nil			9	V.
30,00,000 / 42,00,000	4,08,84,385	3,05,42,310	1,22,52,525	56,875	Wallace & Co.	Bombay-Burmah Trading Corpn.	466½ / 170¼	Old 125 / New 50	22 0 / 9 0	15 0 / 6 0	20 0 / 8 0		9	V.
6,00,000	—	2,80,768	1,76,945	—5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	38N	100	Nil	Nil			5	V.
20,00,000	16 15,487	18,19,049	13,53,015	1,79 568	Gillanders Arbuthnot & Co. Ltd.	Indian Wood Products	39½d	10	3 0	2 8	2 12		6	V.P.
SUGAR (U.P. and Bihar)														
14,00,000	13,55,901	38,50,924	27,77,928	23,527	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	9½	5	Nil	Nil	0 12			
12,00,000A. / 3,00,000B.	29,18,356	49,46,285	33,16,660	15,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	140N / 13½N	A. 100 / B. 10	10 0 / 1 0	10-0 / 1-0	10 0 / 1 0		7	V
19,40,850	5,50,000	31,91,457	23,33,811	49,900	Bangur Bros., Ltd.	Bangur Sugar	34N	10	0 12	0 12	0 12		4	V
15,00,000	13,85,319	45,47,836	11,37,841	26,084	Cotton Agents Ltd.	Bharat Sugar	19½N	10	1 8	1 8	1 8		9	V.
92,00,000	26,79,431	1,35,76,859	88,78,177	61,723	Gladstone Lyall & Co., Ltd.	Carew & Co.	12½	10	Nil	Nil	0 12		6	V.P.
15,00,000	33,02,981	1,00 12,353	81,37,451	59,696	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	19½	10	2 0	2 0	0 12		6	V.P.
18,00,000	32,88,692	67,14,964	30,49,402	24,329	Begg, Sutherland & Co., Ltd.	Champarun Sugar	31	10	2 0	1 0	1 0		10	V.P.
2,99,452	6,18,562	22,66,284	14,01,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	7½dN	10	0 8	1 0			6	V.
85,00,000A. / 10,00,000O.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	115N / 57N	A. 100 / O. 100	12 0* / 12 0*	15 0* / 15 0*			8	V.P.
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	30N	40	Nil	Nil			7	V.P.
7,89,100	23,05,922	29,32,672	17,61,033	64,888	Cotton Agents Ltd.	New India Sugar Mills	54	10	2 8	2 8	2 8		6	V.P.
11,00,000	4,20,000	37,49,397	84,14,063	8,769	Karamchand Thapar & Bros., Ltd.	New Savan	68	25	0 8	0 4			4	V.
10,87,500 A. / 2,71,875 B.	49,84,457	63,27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mills	220N / 53N	100 / 25	20 0 / 5 0	20 0 / 5 0	20 0 / 5 0		5	V.
77,48,500	52,22,414	1,75,96,483	88,00,000	36,923	Cotton Agents Ltd.	Oudh Sugar	115N	100	6 8	11 0	11 0		7	V.P.
12,00,000	12,74,233	28,77,669	19,93,928	35,000	Narang Bros. & Co., Ltd.	Punjab Sugar	115N	100	6 0	10 0	10 0		10	V.
9,00,000	15,93,919	35,23,095	29,32,249	3,957	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	18½d	10	1 0	0 0	0 12		9	V.P.
8,00,000	6,54,762	25,43,782	21,01,613	24,340	Begg, Sutherland & Co., Ltd.	Ryam Sugar	19½N	10	1 0	0 0	0 8		6	V.P.
11,99,000	17,75,737	38,17,360	22,17,129	13,455		Ramasipur Central Sugar	15½	10	1 0	0 8	0 8		4	V.P.
80,00,000	81,48,560	1,08,85,319	57,08,717	5,475	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	17½	10	1 0	1 0	1 8		8	V.P.T.
9,99,950	61,825	27,71,628	12,85,342	—1,89,266	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Shalpore Sugar	3½	10	0 6½	Nil			8	V.P.T.
7,95,462	16,32,940	29,95,970	16,32,168	92,009	Karamchand Thapar & Bros.	Shri Sitaram Sugar	13½d	10	1 0	2 0*			6	V.
9,15,000A. / 4,40,000D.	47,292	27,27,402	11,46,770	—15,90,149	N. K. Jain & Co., Ltd.	South Behar Sugar	1 / 3N	O. 10 / D. 24	Nil / Nil	Nil / Nil			8	V.T.
8,00,000	20,87,588	83,26,115	80,99,734	48,719	Cotton Agents Ltd.	Upper Ganges Sugar	30N	10	2 0	0 8	2 8		10	V.P.
16,00,000	7,59,778	31,12,569	24,59,851	5,181	James Finlay & Co., Ltd.	United Provinces Sugar	25½	10	1 8	0 8			6	V.P.
Other Centres														
6,99,750	85,29,871	1,40,80,075	84,87,447	33,628	W. H. Brady & Co., Ltd.	Belapur Company	307	50	16 0	16 0	16 0		9	V.
30,00,000	11,90,010	31,68,833	19,76,042	38,000	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	13½	10	0 10	0 10	1 0		9	V.P.
15,93,900	2,45,841	39,19,958	20,01,146	31,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	46N	100	3 8	Nil	Nil		6	V.P.
10,00,000 / 3,00,000	30,25,085	25,07,464	18,53,439	2,32,019	India Sugar Agencies Ltd.	India Sugar and Refineries	16½	10	2 8	2 8			6	V.P.
33,37,580	42,47,476	41,33,220	19,37,712	3,477	Covens Bros. (Rangpur), Ltd.	Buland Sugar	14½N	10	2 8	1 8			9	V.P.
10,22,200O. / 2,87,190D.	67,50,000	84,86,942	27,56,542	2,546	V. Ramakrishna, Esq.	K. C. P. Ltd.	115 / 90	O. 100 / D. 10	7 8 / 10 0	7 8 / 10 0	7 8 / 10 0		10	V.
81,79,260	90,22,871	1,21,03,930	73,11,305	2,28,221	M. S. Swaminathan, Esq. (Managing Director)	Mysore Sugar	53½	10	2 0	2 0	2 0		6	V.P.
50,00,000	47,49,631	1,07,50,651	55,61,246	15,411	Mafatlal, Apte and Kasliwal Ltd.	Phaltan Sugar	119	50	8 0	6 0	8 0		6	V.
16,59,820	28,50,830	53,90 015	26,76,747	20,230	Anderson Wright Ltd.	Ramnagar Cane and Sugar	24½d	10	2 0	2 0	1 8		9	V.
20,00,000O. / 4,00,000D.	24,67,171	87,47,627	53,31,89	61,432	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	9½ / 9N	O. 10 / D. 10	0 9 / 0 11½	Nil / Nil	3 0 / Nil		8	V.P.T.
19,99,600	46,07,818	45,46,104	19,83,541	3,164	Govan Bros. (Rangpur), Ltd.	Rasa Sugar	16½N	10	0 12	1 0	Nil		9	V.P.T.
80,00,000	10,37,776	59 76,254	17,87,159	—37,224	Parry & Co., Ltd.	Travancore Sugars	8½	10	Nil	Nil	Nil		10	V.
1,01,00,000	61,19,890	1,85,70,930	1,04,63,512	1,79,083	Premier Construction Co., Ltd.	Walchandnagar Industries	208½	100	14 0	14 0	16 0		7	V.P.
TRANSPORT														
20,00,000	1,08,42,425	1,33,68,272	13,76,183	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co.	142	100	12 8	10 0	7 8		10	V.P.
1,00,00,000	11,17,773	3,27,26,932	1,60,89,871	69,556	Dinshaw Ltd.	Bharat Line	81	100	5 0	5 0			12	W
50,00,000	84,32,180	1,83,20,489	63,49,722	1,09,704	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	15½	10	1 0	1 0	1 0		6	V.
6655,580	6954,756	85,633,307	43,454,207	43,327	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	93	410	Rs.10	Nil			9	V.P.
8,25,00,000	74,99,233	4,41,60,669	1,52,36,755	1,64,960	Lionel Edwards Ltd	India Steamship Co.	74	10	0 8	0 8	Nil		12	V.P.
9,40,19,673	7,83,28,023	14,92,76,428	8,71,00,000	2,72,820	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	15-9½	20	0 8	0 12			3	V.P.
8,40,800O. / 8,10,200F.O.	17,33,073	10,83,408	6,54,056	1,88,899	E. A. Smith, Esq., (Manager)	Walford Transport Ltd.	1 / 1½	O. 1 / P.O. 1	as 1 3/25 / as 1 9/25	as 1 3/25 / as 1 9/25			12	V.
UNCLASSIFIED (Bombay)														
2,40,000	95,000	5,35,957	3,89,000	760	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	600	500	35 0	32 0	32 0		9	V
15,98,860	2,04,173	2,18,255	80,000	40,555	Parekh Agencies Ltd.	Bombay-Uganda	69½N	50	4 0	3 0			9	V
75,00,000	1,80,000	25,30,071	13,483	8,047	Dese Sons, Ltd.	Deccan Nandi Investment Co.	81	100	0 12	0 12	0 12		12	V.
14,98,840	3,09,672	26,42,753	18,75,000	74,466	Choonilal Manilal Ltd.	Estrela Batteries	35N	50	2 0	Nil	Nil		3	V.
99,99,250	19,07,876	1,27,52,603	....	2,85,005	Premchand Roychand & Sons	Industrial Investment Trust	72½d	100	4 8	4 8	4 8		12	V.P.
1,00,00,000	31,25,000	21,31,427	7,78,349	18,107	E. D. Sheppard, Esq. (Mg. Director)	Killick Industries	171	100	10 0	10 0	11 0	4 0	6	V.
2,07,00,200A. / 50,00,000B.	5,29,603	2,64,35,763	98,15,035	—13,44,485	Aero-Auto Ltd.	Premier Automobiles	77½N	A. 100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil		6	V.
10,21,200	5,36,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	23½d	20	3 0				6	V.
2,75,00,000	73,25,548	2,92,47,116	1,52,96,500	5,28,887	T. Rydin, Esq. (Managing Director)	Western India Match Co.	208½	100	11 0*	11 0*	11 0*		12	V.
45,00,000	53,74,847	7,24,608	3,07,108	45,948	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	V.
Other Centres														
47,50,000 / 2,50,000	15,00,000	1,88,63,301	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	6½ / 19½	D. 10 / D. 2½	Nil	Nil	Nil		8	V.P.T
30,00,000	40,60,690	31,77,196	21,11,902	2,39,758	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	19½	10	1 4	1 4				
30,00,000	8,25,000	35,74,632	20,11,857	1,17,493	T. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	20½d	10	1 4*	1 4*	1 4*		6	V.
20,00,000	23,47,883	1,00,29,310	39,87,830	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	4½N	10	0 6	0 31/5	0 31/5		12	V.
80,00,000O. / 10,00,000F.O.	1,11,42,712	59,55,515	30,55,515	5,43,847	O T Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	160 / —	O. 100 / D. 40	20 0* / 6 0*	20 8½ / 6 0*			9	V.P.T
20,00,000	7,99,470	37,53,560		1,21,733	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4			12	W.
30,64,680	37,09,225	1,02,29,699	26,93,003	1,63,501	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	12½	10	1 0	1 4	1 4		9	V.P.
3,25,00,000	1,00,82,962	2,69,29,657	2,07,14,167	2,81,142	Sir Robert Menzies	British India Corporation Ltd.	8-3½	5	0 8	0 8	1 0		3	V.P.T.
1,60,00,000	1,79,00,000	4,83,17,964	3,08,53,134	11,88,891	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	35½	10	0 8	0 8	0 1		3	V.P.T.
51,28,000	33,95,753	1,34,29 918§	....	3,13,308	Bird & Co., Ltd.	Eastern Investments Ltd.	170	100	1 8	1 8	1 8		12	V.P.
14,00,000	9,97,000	33,12,243	18,66,225	11,238	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	190	100 / 20	10 0 / 10 0	10 0 / 7 8	9 0 / 7 8		12	V.P.
65,00,000	38,00,000	18,19,106	6,87,888	1,58,072	K. R. Fettes, Esq.	Gillanders Arbuthnot & Co., Ltd.	11½	10	0 0	0 0	0 8		3	V.
30,00,000	11,42,334	68,39,433	29,41,525	1,366	S. P. S. Syndicate	Great Eastern Hotel	258N	100	10 0	7 8	7 8		9	V.
12,12,800	7,07,964	70,51,010	47,99,968	19,013	Birla Bros., Ltd.	Hind Cycles	100N	100	8 12	12 0	4 4		12	V.P.
4,96,12,650		3,05,00,214	60,52,719	4,34,999	Birla Bros., Ltd.	Hindustan Motors	8½	10	0 0	0 0			3	V.
1,60,00,000	36,77,754	3,96,21,557	1,54,14,699	2,96,512	J. W. Cameron, Esq.	Indian Aluminium Co.	15½	100	Nil	Nil	Nil		12	V.P.T.
1,52,89,220	1,09,40,964	1,32,87,233	46,27,452	99,70,064	A. R. Dirksen, Esq.	Indian Cables	23½	10	5 0	Nil	Nil		3	V.
8,27,970	5,38,000	15,79,995	8,39,426	17,480	G. E. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers	15	10	1 0	1 0*	1 0*		12	V.P.
2,00,00,000	52,62,941	31,49,487	7,33,287	5,26,226	G. M. Mackinlay, Esq	Jardine Henderson	118	100	10 0	9 12	0 8		3	V.P.
6,34,000O. / 46,00,000D.	3,48,343	6,59,830	4,31,766	2,340	James & Co., Ltd	Macfarlans & Co	28 / 22½	O. 5 / D. 1	Nil	Nil	7 8		3	V.P.
40,80,000O. / 5,00,000D.	66,58,146	25,22,837	7,33,942	1,07,084	C. L. Bajoria, Esq.	McLeod & Co.	—	D.D. 10	7 8	10 0			3	V
1,30,93,750	53 14,868	19,97,616	8,93,141	2,52,480	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	23½	10	1 6	0 8			12	V.P.
1,15,00,000	39,01,001	1,96,11,388	59,72,798	13,11,213	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	20½	10	1 6	1 6			9	V.P.
6,55,255	1,72,448	7,82,942	2,60,987	—71,442	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3½	10	1 0	1 0	1 0		9	V.P.
6,56,250	9,55,113	10,40,250	4,40,947	73	G. Chandy, Esq. (Controller)	Mysore Lamp Works	14½	10	Nil	Nil			12	V.
10,00,000	1,20,000	14,23,286	7,19,467	35,998	K. Narayanaswamy, Esq.	Mysore Tobacco	11	10	1 0	1 0	1 0		12	V
20,00,000	49,41,539	33,81,562	37,19,098	1,75,176	Associated Industrial Development Co., Ltd.	National Insulated Cable	24½	10	0 12	1 0	1 0		3	V.P.
79,97,000	28,68,388	69,70,031	3,78,836	18,62,030	B. N. Elias & Co., Ltd.	National Tobacco Co.	10½	10	Nil	Nil	1 4		3	V.T.
40,00,000	27,00,000	44,15,474	19,71,434	1,31,468	Commercial Investment Trust Ltd.	Parry & Co.	3½	2	0 4½	Nil			12	V.P.
2,25,00,000	6,41,684	1,61,45,956	43,79,829	—42,97,067	T. A. Lyklamipatio, Esq.	Rallis (India) Ltd.	39½	100	Nil	Nil	Nil		12	V.P.
1,14,00,000	1,08,11,858	6,70,23,808	2,57,84,415	78,206	Bata Jain Ltd.	Rohtas Industries	26	10	Nil				12	V.P.
40,00,000	93,31,562	1,19,12,218	70,10,822	4,34,337	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17½	10	1 8	1 4			10	V.P.
15,00,000	28,30,000	12,92,396§	3,20,363	3,67,679	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	14½	10	1 8	1 4	1 8		6	V.P.
9,98,380	1,50,000	14,27,407	3,01,599	—1,04,545	Ogale Bros., Ltd.‡	Travancore Ogale Glass	3½	10	Nil	Nil			12	V.

§ Investments at cost. * Includes bonus † Excluding goodwill (written down) Rs. 80 lakhs ‡ Excluding goodwill at cost Rs. 80 lakhs

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	31,218	McLeod & Co. Ltd.	825	Amluckie	600N	100	7 8	21 0	30 0		12	V.P.
2,76,500	4,50,000	7,91,948	3,05,799	21,218	Andrew Yule & Co. Ltd.	312	Ananda (Assam) Tea	46xd	10	0 12	1 4	7 8		12	V.
3,50,000	9,50,000	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co. Ltd.	420	Ananda Bag	54	10	Nil	2 8	1 8		12	V.
5,30,000	7,21,416	16,60,353	5,32,872	—75,110	McLeod & Co. Ltd.	313	Beghmari	29	10	Nil				12	V.
3,40,000	8,20,000	11,50,416	2,98,096	70,514	Andrew Yule & Co. Ltd.	369	Baemaitia	47	10	2 0	2 8			12	V.
3,30,000	3,70,000	9,24,593	5,59,593	80,009	....	566	Batell	25½xd	5	0 4	2 0	1 8		12	V.
3,20,000	5,70,000	9,38,920	2,13,496	61,395	Gillanders Arbuthnot & Co., Ltd.	565	Betjan	65	10	Nil	2 0	1 8		12	V.
14,50,000	20,60,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co.	3,967	Bishnauth	46½	10	Nil	3 8			12	V.
4,00,000	3,500	10,38,918	1,85,067	63,716	Octavius Steel & Co., Ltd.	485	Bokakhat	23½	10	Nil	Nil			12	V.
7,50,000	4,50,000	8,36,150	2,52,708	3,960	McLeod & Co., Ltd.	450	Bornah Jan Tea	22½	10	Nil	0 12	1 0		12	V.P.T.
95,00,000	11,92,045	73,80,473	19,49,496	—26,092	Brook Bond India Ltd.	2,834	Brooks Bond	15½	10	1 0	0 8	1 4		6	V.P.
1,20,000	1,95,097	4,60,080	1,69,074	—16,624	McLeod & Co., Ltd.	282	Dejoo Valley	33½	10	Nil	1 0			12	V.
6,00,000	7,97,500	25,17,843	16,06,120	36,977	Jardine Henderson Ltd.	1,220	Dejoal & Parbattia	445	100	10 0	20 0			12	V.
17,53,440	7,04,519	21,43,185	3,42,779	10,136	James Warren & Co., Ltd.	620	Dhekahat	20½	10	1 0	1 8	0 8		12	V.
4,68,970	2,70,000	11,71,408	4,34,259	8,732	James Finlay & Co., Ltd.	633	Dibrasari	25½	10	Nil	2 0	1 0		12	V.P.
4,50,000	3,25,400	6,02,617	2,35,483	16,812	McLeod & Co., Ltd.	458	Dibrugarh	30½	10	Nil	1 0	1 0		12	V.
2,36,700	4,75,000	8,80,047	4,70,047	43,918	Williamson Magor & Co.	625	Dimakusi	70½	10	1 0	4 8	1 0		12	V.P.
5,60,500	6,05,000	17,90,747	10,40,747	1,14,476	Williamson Magor & Co.	613	Dullaghur	49½	10	2 0	4 0	1 0		12	V.P.
10,00,000	4,65,000	21,78,081	8,81,081	18,641	Williamson Magor & Co.	1,177	East India Tea	28	10	0 4	2 8			12	V.
3,60,000	3,50,000	8,18,664	4,01,797	13,832	Williamson Magor & Co.	407	Gillapukri	44	10	Nil	1 12			12	V.
2,38,000	3,60,000	13,95,316	6,19,316	79,542		546	Gohpur	53	10	1 8	3 0			12	V.
A. 4,94,360 / B. 2,40,790	14,22,810	18,09,304	5,63,575	23,354	Octavius Steel & Co., Ltd.	1,393	Grob	41½ / 22½	A. 10 / B. 5	2 0 / 2 0	3 0 / 1 8	0 12½ / 0 6¼		12	V.
2,00,000	7,50,000	7,04,481	2,29,888	48,032	Andrew Yule & Co., Ltd.	476	Hoograjuli	70½	10	1 8	3 0			12	V.
4,35,000	8,56,416	18,50,196	9,84,270	94,921	Andrew Yule & Co., Ltd.	1,290	Hoolungooree	375N	100	Nil	12 8			12	V.
7,50,000	5,85,000	13,98,777	2,45,299	58,941	Gillanders Arbuthnot & Co., Ltd.	938	Jutlibari	25½	10	Nil	Nil	1 0		12	V.
2,40,000	80,000	11,45,851	6,20,851	5,993	Shaw Wallace & Co., Ltd.	1,166	Kingsley-Goalghat (Assam)	360N	100	Nil				12	P.V.
6,50,000	4,94,133	6,79 844	1,29,844	73,557	(Duncan Bros. & Co., Ltd.	1,037	Lede	31½	10	Nil	2 0			12	V.
8,00,000	11,40 000	19,48,410	4,74,785	45,524	Octavius Steel & Co., Ltd.	612	Meleni	28½	10	Nil	1 8	4 8		12	V.
4,80,000	60,000	8,54,211	84,211	14,238	Duncan Bros. & Co., Ltd.	873	Mohesera	19½	10	Nil	Nil			12	V.P.
1,50,000	4,47,344	7,54,419	4,05,697	16,982	Kettlewell Bullen & Co., Ltd.	433	Mothola	650N	100	Nil	40 0	15 0		12	V.
O. 50,000 / P.O. 2,00,000	4,05,000	8,98,088	5,22,218	54,889	Andrew Yule & Co., Ltd.	344	Murphulani	5 / 51	O.10 / P.O.10	2 0 / 2 8	3 0 / 2 8			12	V.
4,00,000	3,61,274	6,00,328	3,80,669	9,567	S.C. Sen, Esq., Supervising Director	542	Naga Hills	45	10	Nil	3 0	3 0		12	V.
3,35,000	—	2,77,401	6,78,401	5,053	Shaw Wallace & Co., Ltd.	810	Nambunardi	24	10	Nil	Nil	0 8		12	V.
3,00,000	1,15,000	3,92,221	1,92,221	21,164	Duncan Bros. & Co., Ltd.	935	New Chinnatoilah	255	100	Nil	5 0			12	V.
2,00,000	3,27,500	7,37,172	2,83,493	45,905	Andrew Yule & Co., Ltd.	353	Raisarh	49½	10	Nil	4 0			12	V.
5,00,000	4,26,803	17,09,844	6,56,992	40,145	Octavius Steel & Co., Ltd.	902	Sapoi	40	10	Nil

TEA AND OTHER PLANTING COMPANIES—Continued.

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
2,00,000	2,35,000	3,76,125	22,948	34,760	Planting Agencies Ltd.	Balmadies Plantations	4½	2	0 3½	0 4	0 4		2	Y.P.T.
17,94,186	16,19,828	30,44,517	3,00,811	1,02,250	Petrie, Leslie & Co., Ltd.	Cochin Malabar	7½	3	0 9 3/5	0 12	0 12		3	Y.P.
18,00,000	13,78,817	31,25,582	4,43,587	1,58,644	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	17	10	0 14 2/5	0 4 4/5	2 8		6	Y.P.
47,78,000	57,62,500	1,00,81,036	13,88,295	4,24,565	R. C. Paterson, Esq.	Consolidated Coffee	19½	10	1 12 4/5	1 8	1 12		6	Y.P.
4,00,000	3,34,078	5,19,105	46,991	11,406	Associated Planters Ltd.	Cottanad Plantations	14½	10	1 8	1 3	1 8		3	Y.P.
18,00,000	6,86,355	22,16,637	4,18,493	57,291	A. V. Thomas & Co., Ltd.	Highland Produce	15½	10	1 0	1 4	0 10½		3	Y.P.
4,00,000	10,16,061	10,85,666	1,39,566	11,570	A. V. Thomas & Co., Ltd.	Kalpetta Estates	25½	10	2 0	2 0	2 0		12	Y.P.
4,50,000	11,78,329	9,97,044	2,35,186	14,253	P. Kurian John, Esq.	Malankara Rubber	27½	10	3 8	3 8	2 4		4	Y.P.
27,00,000	27,35,000	71,39,275	6,74,802	99,729	A. V. Thomas & Co., Ltd.	Midland Rubber	17½	10	1 8	1 8	1 12*		3	Y.P.
3,35,000	1,56,000	13,80,323	1,24,260	42,480	A. V. George & Co., Ltd.	Nenmeny Rubber	15	10	0 10	0 12			3	Y.P.
2,00,000	2,43,714	6,60,783	34,844	8,398	Associated Planters Ltd.	Nilambur Rubber Co.	13	10	1 0	1 0			12	Y.P.T.
19,45,980	24,01,085	37,40,924	10,24,385	69,334	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates	54½	2	0 3½	0 3½	0 9 3/5		12	Y.P.
13,50,000	6,80,000	39,49,798	3,06,746	54,658	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	16½	10	1 8	1 12*	1 12*		10	Y.P.T.
3,66,780	2,30,000	2,94,562	49,313	89,904	Peirce, Leslie & Co., Ltd.	Savamalai Estates Ltd.	26½	10	3 8	3 0	2 8		6	Y.P.
10,00,000	3,09,600	21,81,045	1,32,358	1,227	East India Agencies	Teekoy Rubber (India) Ltd.	9½	10	0 14½	0 14 2/5	0 12		11	Y.
2,50,000	2,37,500	5,25,215	24,851	13,303	A. V. George & Co., Ltd.	Thamarapally Rubber	26½	10	2 8	3 0	2 13½		3	Y.P.T.
6,10,200	2,75,003	7,98,048	62,162	17,826	Peirce Leslie & Co., Ltd.	Tirumbadi Rubber Co., Ltd.	1½	1	0 4	0 4½	0 1 3/5		12	Y.P.
6,00,000	54,522	7,40,843	98,185	2,171	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	17½	10	2 0	2 0			9	Y.
41,00,000	14,39,673	74,86,897	7,65,148	3,28,935	Aspinwall & Co. (Travancore)	Travancore Rubber and Tea Co., Ltd.	11½	10	0 9 3/5	1 0	1 8		12	Y.
20,00,000	1,20,000	24,90,804	4,98,253	2,038	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	35½xd	25	2 8	3 0			12	Y.P.T.
6,28,580	3,40,669	7,41,672	12,350	30,763	Harrisons & Crossfield Ltd.	Valkonda (Travancore) Rubber	22½d	10	2 0	2 0			12	Y.
1,65,000	87,239	3,50,536	15,684	1,063	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	12½	10	Nil	1 0	1 8		12	Y.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	55,00,000	96,99,205	51,47,202	54,436	B. N. Elias & Co., Ltd.	879	Agarpara	14½	10	1+1	1+½	½		3,9	H.T.P.
12,00,000	27,00,000	45,81,286	32,42,838	54,874	Babu Jain Ltd.	498	Albion	149½	100	8+10	12+12	12½		3,11	H.
6,00,000	3,35,000	51,04,592	33,39,395	10,062	McLeod & Co., Ltd.	446	Alexandra	235	100	Nil	Nil+2½	2½		6,12	H.P.T.
30,00,000	7,35,000	1,17,45,964	90,43,069	61,708	McLeod & Co., Ltd.	1,264	Alliance	180	100	Nil	Nil+5	5½		6,12	H.P.
49,20,700	82,13,386	2,34,81,317	1,78,90,000	1,47,643	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	219	100	10+10	7½+5	2½+5		3,9	H.P.
40,00,000	40,52,240	1,63,99,837	84,16,116	7,674	Bird & Co., Ltd.	810	Auckland	144	100	3+4	3+2	2½+5		3,9	H.P.
20,00,000	25,93,136	98,25,588	65,19,459	18,759	Jardine Henderson & Co.	939	Bally	186	100	Nil	4+Nil	Nil		3,9	H.P.T.
4275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,889	Barasgore	176	£5	£1	£1	£8	sh.24½	3,9	H.P.
28,00,000	35,49,823	89,73,096	49,13,770	1,11,917	Andrew Yule & Co., Ltd.	820	Belvedere	212xd	100	7½+7½	7½+7½	5+5		3	Y.P.
45,00,000	36,45,000	55,76,391	29,60,822	2,95,071	Soorajmull Nagarmull	600	Bengal	142xd	10	1	1	1		6,12	H.P.
91,26,000	2,08,61,400	3,18,53,661	1,29,13,354	1,26,903	Birla Bros., Ltd.	1,373	Birla	19½	10	½	½	½		6	Y.P.T.
34,00,000	29,62,925	1,11,26,530	71,77,582	1,20,609	Andrew Yule & Co., Ltd.	991	Budge-Budge	190	100	6½+6½	6+4	4+5		3	H.
7,47,380	3,16,924	41,38,590	29,87,611	2,610	Dayaram & Sons	502	Calcutta Jute Mfg.	14½ N	10	0+8	Nil	4+5		4,10	H.P.
18,00,000	32,31,234	77,57,603	40,35,574	78,538	Andrew Yule & Co., Ltd.	616	Caledonian	275xd	100	6+6	6+6	4+5		6,12	H.P.T.
59,16,400	1,01,06,699	1,88,44,627	1,05,04,000	22,542	James Finlay & Co., Ltd.	600	Champdany	173	100	7+8	5+3	Nil+3		3,11	H.
13,95,000	30,14,282	80,62,490	55,81,540	1,37,479	Andrew Yule & Co., Ltd.	530	Cherrot	298xd	100	6+6	6+6	6+6		3,9	H.
30,15,000	27,75,000	60,14,632	44,94,094	86,056	McLeod & Co., Ltd.	500	Chitavalasah	141	10	2½+½	1½+½	½		3,11	H.P.
14,00,000	17,00,000	78,04,949	64,24,460	18,447	Shree Krishna Investment Co., Ltd.	969	Clive	16½	10	2	Nil	½		6,12	H.T.P.
31,49,200	62,11,927	1,28,98,802	63,22,413	15,344	Bird & Co., Ltd.	766	Dalhousie	140	100	6+1	1+5	1+1½		3	Y.P.
28,00,000	44,74,179	74,57,171	46,41,725	1,46,508	Andrew Yule & Co., Ltd.	779	Delta	253	100	10+10	10+10	6+6		3,9	H.P.
15,00,000	33,25,000	76,36,813	56,35,731	56,215	McLeod & Co., Ltd.	500	Empire	23½	10	4+10	Nil	Nil		3,11	H.P.
21,00,000	53,28,948	2,70,49,518	1,81,05,210	40,839	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	470N	100	10+Nil	7+7	Nil		6,12	H.T.P.
14,00,000	13,00,000	42,13,505	49,27,586	71,285	Bengur Bros., Ltd.	1,014	Fort William	380N	100	Nil	Nil+5	10+10		3,9	H.P.T.
24,32,100	2,73,795	2,11,52,700	1,36,01,908	5,930	Macneill & Barry Ltd.	1,709	Ganges Mfg.	105	100	Nil	Nil+5	Nil+4½		3,9	H.T.P.
10,80,000	28,00,000	71,52,963	48,43,692	—76,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	990	300	30	Nil+Nil	Nil		3,9	H.P.
24,00,000	31,83,104	2,20,06,557	1,67,50,294	1,56,427	Macneill & Barry Ltd.	1,394	Gourepore	136½	100	15+Nil	15	Nil		12	Y.
40,00,000	55,68,234	72,95,746	48,50,613	2,95,107	Bengur Bros., Ltd.	1,078	Hastings	115N	100	10	10	2½+7½		3,9	H.P.
16,80,000	18,52,626	66,38,233	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	44½	10	1½	1½	10+5		3	Y.P.
65,62,500	58,82,162	1,47,23,497	1,06,14,353	1,65,858	Jardine Henderson Ltd.	1,940	Howrah	30½	10	1+½	1+½	1+½		3,9	Y.P.
52,50,000	20,00,000	2,44,22,584	1,49,75,884	1,64,913	Ramdutt Ramkissendas	2,272	Hukumchand	32½	10	2	2	2		3,9	Y.P.
O. 87,00,000	19,20,065	1,11,31,089	75,39,061	38,601	Mackinnon Mackenzie & Co.	1,076	India	194 O.	125	31+31	31+31	Nil+3½		3	Y.P.T.
D. 30,00,000								D.	1	A2½+4	A2½+4	A2½+4			
24,00,000	28,34,204	1,36,86,233	1,21,96,305	84,189	Jardine Henderson Ltd.	1,797	Kamarhatty	210xd	100	8+6	6+3	3+3		3, 9	H.
B. 19,20,000								183xd	100	8+6	6+3	3+3		6, 12	H.P.
30,00,000								151xd	100	6+4	5+2½	2½+4			
B. 24,00,000	18,14,767	1,31,87,376	98,19,537	62,312	Jardine Henderson Ltd.	1,527	Kankarrah	136 B'	100	7½+7½	7½+7½	10		6, 12	H.P.
21,00,000	48,25,000	1,05,38,484	74,86,276	1,19,643	McLeod & Co., Ltd.	703	Kelvin	540	100	10+12	10+7½	7½+5		3,9	H.
54,00,000	23,83,375	1,68,29,755	1,14,44,827	35,864	Anderson Wright Ltd.	1,530	Khardah	1250	100	7+5	5+2½	2½+4		3,9	H.P.
48,00,000	1,02,14,684	2,29,23,597	1,08,58,211	29,676	F. W. Heilgers & Co.	191	Kinnison	191	100	10+12	12+12	12		6,12	H.P.T.
24,48,000	48,31,837	1,39,26,497	78,80,252	4,428	Bird & Co., Ltd.	931	Lansdowne	132	100	7+5	2+5	1+1		3,9	H.P.
28,00,000	39,56,165	1,14,93,720	53,14,322	12,683	Bird & Co., Ltd.	840	Lawrence	147	100	7+5	2+5	1+1		3,9	H.P.T.
10,00,000	41,51,301	50,99,335	36,06,454	23,757	Andrew Yule & Co., Ltd.	558	Lothian	157	100	8+10	10+10	7+5		3,9	H.P.
81,65,200	26,14,412	1,92,62,004	1,19,08,318	8,502	Mackinnon Mackenzie & Co.	1,008	Megna	115½	100	15+15	15+15	15+15		3,11	H.P.
29,98,900	41,13,783	1,72,83,489	94,88,274	—7,08,008	F. W. Heilgers & Co.	815	Nuddea	215½	100	25+25	25+25	Nil½		3,11	H.P.
20,00,000	13,05,000	28,15,067	16,73,660	3,826	Howrah Trading Co., Ltd.	435	Nuggerpara	111	100	6+Nil	Nil	Nil		3,9	H.
35,00,000	44,29,326	28,38,765	9,63,390	1,88,126	Andrew Yule & Co., Ltd.	852	National	148	10	1½	Nil+½	½		3,9	H.
24,25,000	22,75,000	26,82,794	18,86,219	1,23,399	McLeod & Co., Ltd.	316	Nellimarla Jute	14½	10	1+1	1+1	½		4,10	H.T.
31,50,000	34,13,033	49,75,722	24,95,902	84,459	Sahu Jain Ltd.	709	New Central	12½	10	2+1	1+1	1+1		4,10	H.
16,79,880	31,05,696	1,23,66,779	39,31,089	43,570	Bird & Co., Ltd.	567	Northbrook	148	100	10+12	12+12	12		6,12	H.P.T.
86,79,500	31,70,094	2,15,09,993	1,38,37,886	33,079	Macneill & Barry Ltd.	1,092	Nudden	264	10	1+½	1+½	½		6,12	H.P.
25,00,000	27,81,049	71,20,511	49,35,472	1,21,195	Andrew Yule & Co., Ltd.	601	Orient	36	50	½+Nil	Nil+½	Nil+½		3,9	H.P.T.
20,00,000	4,99,002	80,67,981	62,60,461	5,641	McLeod & Co., Ltd.	400	Presidency	189xd	100	1+6	4+4	2+5		3,9	H.
49,50,000	1,40,946	26,48,443	7,67,493	—10,89,456	M. P. Birla, Esq.	305	Rameshwara	7½	5	Nil	Nil+½	½		3,11	H.P.
8,00,000	8,01,372	1,23,64,450	57,04,882	18,873	Jardine Henderson Ltd.	1,276	Reliance	7½	10	Nil	Nil	Nil		6,12	H.T.
£600,000	£1,093,713	£1,228,258‡	.....	£95,425	Thomas Duff & Co. (India), Ltd.	2,013	Samnuggur	14½	10	Nil	Nil	Nil		3,9	H.P.
30,00,000	13,12,193	1,03,17,335	71,03,045	10,341	Bagaria More & Co., Ltd.	911	Shree Ambica	14½	10	1½	1+½			3,9	H.P.T.
14,00,000	10,29,608	48,13,752	37,62,133	2,54,934	Hindustan Investment Corporation.	401	Soorah	17½N	10	1+1	1½	½		12	Y.P.
25,19,600	47,29,578	1,01,23,059	57,01,016	3,112	Bird & Co., Ltd.	650	Standard	153	100	8+1	1+1	1+1		3,9	H.P.
£600,000	£925,119‡	£992,042	.....	£108,510	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	14½	10	1½	1½	1½		12	Y.P.T.
25,98,600	85,79,790	1,93,34,618	76,30,486	9,515	Bird & Co., Ltd.	1,326	Union	188	100	10+1	1+3			3,9	H.P.
£400,000	£688,035‡	£1,086,826	.....	£1,12,138	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	14	10	1½	1½	1+3		12	Y.P.
2,50,000	4,95,000	35,94,678	37,77,741	35,624	McLeod & Co., Ltd.	465	Waverley	8½	1	Nil	Nil+½	½		3, 9	H.P.T.
														12	Y.P.
														6,12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	20,75,000	83,30,999	56,70,999	21,411	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	23½xd	10	½+½	½+½	½+½		3,9	H.
12,00,000	8,38,299	38,74,552	35,42,552	20,386	Jardine Henderson Ltd.	Bararee Coke	20½xd	10	3/5+½	7/10+7/10	½+7/10		3,9	H.
4,49,350	70,000	8,49,159	2,37,466	3,819	Andrew Yule & Co., Ltd.	Bengal-Bhaidee	51N	10	½	½	½		6,12	H.
8,00,00,000	1,27,23,854	5,66,19,576	3,70,80,321	6,07,575	Andrew Yule & Co., Ltd.	Bengal Coal	500xd	200	20+20	17½+15½	15⁰+15⁰		6,12	H.
2,25,000	5,10,369	25,37,614	22,43,053	.....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	11½	10	½+½	Nil	Nil		4,10	H.P.
15,97,000	5,10,369	25,37,614	22,43,052	3,529	H. V. Low & Co., Ltd.	Bhalgora	7	10					6,12	H.P.
40,00,000	14,81,010	1,30,60,104	68,66,790	13,644	Saha Jain Ltd.	Bharat Collieries	7½	10	½	½	Nil		6,12	H.P.
7,15,000	14,41,318	51,73,261	36,39,224	—2,04,456	F. W. Heilgers & Co., Ltd.	Bhulanbararee	14N	10	½ Nil	½ Nil	Nil		9	Y.
18,00,000	16,32,936	68,16,454	39,76,841	—1,36,132	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	12N	10	Nil				6	Y.T.P.
7,30,000	22,09,390	41,37,477	25,34,282	98,643	F. W. Heilgers & Co., Ltd.	Borne	30	10	1½+1½	1½+1½	1½		6,12	H.
90,92,480	1,70,76,208	4,10,36,356	1,71,71,586	1,49,910	Bird & Co., Ltd.	Burrakur	13½	10	½	½	½		6,12	H.T.
49,97,750	.....	34,81,955	2,57,645	5,907	Hindustan Investment Corpn., Ltd.	Central India	7½	10	½	½	½		6,12	H.P.
8,00,000	13,54,302	49,10,414	32,63,954	82,768		Central Kurkend	13N	10	Nil	½	½		6,12	H.P.T.
6,00,000	1,43,341	7,25,000%	.....	25,618	F. W. Heilgers & Co., Ltd.	Churia	22	4	½	½	½		3	Y.
16,00,000	1,20,000	50,63,761	27,27,536	—1,31,155	Macneill & Barry Ltd.	Dhemo Main	8½	10	½+½	½+½	½		6,12	H.
£240,000	£562,496	£244,003	£11,181	£63,577	Jardine Henderson Ltd.	East Indian	20½	£1	Nil	Nil	Nil		6,12	H.
29,63,760	71,99,925	3,66,52,739	2,81,14,367	1,85,653	Macneill & Barry Ltd.	Equitable	31½	10	24 (?)	2½	½		6,12	H.T.
10,00,000	2,11,139	9,72,721	3,23,943	40,284	Bhattacharjee Agency Ltd.	Ghusick and Muslia	14½N	10	2+1½	1+1	2½		4	Y.
12,00,000	1,22,000	37,04,970	19,00,221	445	Kilick Industries Ltd.	Hingir-Rampur	40½	50	½	½	½		6,12	H.P.T.
8,00,000	5,75,000	21,42,581	18,13,083	62,148	Macneill & Barry Ltd.	Hurriladih	19	10	½	½	Nil		3	Y.
22,00,000	1,08,577	31,70,013	10,94,245	—1,95,248	Bajpuria Trust Ltd.	Jogta Coal	11½	10	½+½	½+½	½		6	Y.P.
3,50,000	4,26,551	14,85,445	8,91,521	.....	Andrew Yule & Co., Ltd.	Kalapahari	27½	10	Nil				6,12	H.
20,00,000	9,375	26,40,669	2,46,430	3,145	Bird & Co., Ltd.	Karanpura Collieries	100	100	14+14	14+1	Nil		12	Y.P.
3,00,000	13,60,000	44,39,243	34,62,230	91,218	Andrew Yule & Co., Ltd.	Katras Jharriah	48½	10	Nil	Nil	Nil		2,8	H.
1,38,400	3,72,960	12,85,941	3,72,960	—2,60,236	Beriwala & Co.	Khas Kajora	5N	10	2+2	2+2	2+2		2	Y.P.
11,00,240	64,314	16,72,961	10,41,863	—41,320	H. V. Low & Co., Ltd.	Kusardi	7N	10	Nil	Nil			1,7	H.
9,00,000	11,86,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10	½	Nil	Nil		6,12	H.P.
7,48,240	1,30,000	11,58,128	8,95,686	25,598	S. P. Tantia, Esq.	Narin	7½	10	½	½	Nil		4	Y.
7,00,000	26,817	10,33,740	3,20,295	4,560	Amritlal Ojha & Co., Ltd.	New Bansdeopur	7½	10	½	½			4	Y.
17,76,250	18,91,763	1,16,14,994	85,44,712	42,594	Andrew Yule & Co., Ltd.	New Beerbhoom	19½	10	½	½	½+½		6,12	H.
5,00,000	85,000	29,00,087	16,42,360	2,485	Octavius Steel & Co. Ltd.	New Manbhoom	8½	10	Nil+½	½+½	½+½		3,9	H.
1,15,000	2,47,693	12,93,355	8,05,952	8,676	Andrew Yule & Co., Ltd.	North West	11½N	10	Nil	Nil	Nil		4,10	H.P.
1,57,500							7½N	10	½	½	Nil		3,9	H.
7,50,000	11,79,118	5,97,666	2,77,666	96,307	F. W. Heilgers & Co., Ltd.	Ondal	7½	10	½+½	½+Nil	Nil			
10,00,000	1,10,000	37,16,080	16,07,868	38,140	K. C. Thapar & Bros.	Oriental Coal	19½	10	½+½	½+Nil	Nil		3,9	H.
5,94,000	1,23,942	17,22,281	6,78,407	5,618	Deepchand Khemchand	Parasea	9½N	10	½+½	½+½	½			
15,75,000	14,00,000	45,17,541	32,47,541	20,192	Shaw Wallace & Co., Ltd.	Peach Valley	9½	10	Nil				6,12	H.P.
23,99,500	17,17,103	1,16,31,468	80,43,780	72,002	N. B. Elias & Co., Ltd.	Ranegunge	23	10	½	½	½		3	Y.T.
13,50,000	7,88,385	30,74,660	25,05,660	27,848	Shaw Wallace & Co., Ltd.	Rawa	11½	10	½+½	½+½	½+½		6,12	H.P.
20,00,000	3,95,008	32,32,218	13,30,500	438	Sanla Collieries	Sanla Collieries	21½	10	½	½	½		3,9	H.
1,25,000	1,85,000	12,10,180	10,31,382	19,527	Gillanders Arbuthnot & Co., Ltd.	Searsole	9½	10	½+½	1+1			3,9	H.
2,80,000	7,36,598	29,34,340	17,77,135	39,411	Andrew Yule & Co., Ltd.	Seebpore	12½N	10	2½	½			6,12	H.
8,00,000	8,75,468	36,88,786	26,31,462	—1,22,722	F. W. Heilgers & Co., Ltd.	Sendra	26	7	2+1	½+½	½		6,12	H.
63,21,450	15,01,620	3,51,42,502	2,49,62,544	—4,49,301	Industrial Trust Fund (Government of Hyderabad)	Singareni	54N	10	Nil	½+½	1+1		6,12	H.P.
17,50,000	10,85,425	37,23,396	14,37,868	3,853	Bird & Co., Ltd.	Soura Karanpura	7	10			Nil		6,12	H.T.
8,00,000	14,72,339	1,09,570	23,510	39,039	F. W. Heilgers & Co., Ltd.	Staudard	11½	10	½	Nil			12	W.T.
10,00,000	12,598	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Talcher	17½	10	½+½	½+½	Nil+½		2,8	H.
3,50,000	3,65,000	18,61,212	14,05,212	68,861	Williamson Magor & Co.	Union	3½	2½	½	½	½		6,12	H.
49,98,000	21,916	47,68,934	16,41,545	65,727	Hindustan Investment Corpn., Ltd.	Western Bengal	18½	10	1½+1½	1+½	½+½		9	Y.
7,00,000	3,57,000	50,85,488	21,36,223	382	Macneill & Barry Ltd.	West Jamuria	7½	10	½		½		6,12	H.
							15½	10	Nil	Nil	Nil†		6,12	H.

* Including bonus.

(1) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

(b) Investments.

(c) For seven months ended 31st March, 1954.

MARKET GOSSIP

(Concluded from page 863)

Further, if a person is found to have contravened this provision, the Government will have powers to choose not more than ten companies in which alone such person should function as managing agent. Another qualification made here is that the right of managing agency cannot be made heritable or devisable by will. If such an agreement has already been entered into between a company and its managing agents, then the Government will decide whether the heir or devisee is a "fit and proper" person to manage the affairs of the company.

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What alternative for the managing agency system has the Committee in view? Although it has not discussed this issue, it would appear that the Committee favours the institution of "secretaries and treasurers." It has stated that it has no wish to make changes in the system of "secretaries and treasurers" who exercise much the same functions as "managing agents" or "managers" but with this vital difference, that "secretaries and treasurers" have no right to appoint any of their nominees to the directorate. The system, according to the Committee, is free from most of the abuses to which the managing agency system has been subject. Further, the remuneration of "secretaries and treasurers" will, be subject to a maximum of only 7½ per cent., of net profit. Nor can they be appointed as selling or buying agents either by the articles or the agreement between them and the companies, though the board may sanction such appointment.

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The main question that deserves to be asked, and which will no doubt occur to many observers, is: For whose sake is the system of managing agency being demolished? If it is to serve the interests of shareholders, there is nothing to suggest that there has been a clamour for ending the system. It is true that the system has come in for criticism. But many shareholders realised that the system, with all its faults, had served them well in the past, and if its defects were removed, it would serve them even better. The demand was always for "mending" the system rather than for "ending" it. Thus, even the Bombay Shareholders' Association, which may be generally taken as the watch-dog of shareholders' interests, generously recognised that any sudden termination of the system was undesirable because it would disorganise industrial management. Apart from the consideration that it has, by and large, vindicated itself before the bar of economic history of this country, the system is essentially an outgrowth of India's economic conditions—the absence of an integrated capital market, underwriting firms, holding companies, investment trusts, or syndicates which in advanced countries, provide the capital that is needed for new industries, and also the lack of managerial ability. Since these conditions continue to operate, the system of managing agency, it must be conceded, has not outlived its utility. And yet the Government has thought it fit virtually to destroy the system, to arm itself with enormous powers to decide which of the managing agency firms after 1960, might continue to render service and which of them should be asked to close down. If the Committee's decisions are likely to benefit shareholders, then the shares of managed companies should show at least some immediate rise. But no significant improvement in share values has been recorded. This suggests that the Committee would not be right if it thought that its decisions stem from a consideration for shareholders.

• • • •

It is noteworthy that there has been no tendency, on the part of business men and industrialists, to decry the value of the provisions designed to place limitations on the remuneration of managing agents and of other clauses restricting the powers of managing agents. It is the Committee's decision to end the system that is rightly opposed. This point of view was expressed by Mr. Babubhai M. Chinai, President, Indian Merchants' Chamber, who said: "Enlightened commercial opinion had welcomed the provisions in the Bill designed to vest in the shareholders of the Company greater control over the management in the matter of the remuneration payable to them, in the matter of the powers to be exercised by the managing agents and in regard to several detailed aspects concerning the day-to-day working of the company. But the proposals relating to the future of the managing agency system as such, as they have emerged from the Select Committee, are not such as would strengthen the fabric of joint-stock enterprise in the country in a manner which would enable it to fulfil the role of subserving the programme of planned development."

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Another ground on which the report has been attacked is that it violates the well-established convention that, at the select committee stage, no major change should take place. Mr. Homi Mody, drew attention to the gravity of this development in an interview to the Press. He pointed out how all these years it had been an accepted principle of legislation that, if any radical changes were made in a Bill, it had to be recirculated for public opinion. This practice had been done away with, so that the legislature functioned without any reference to public opinion. He added:

"The Bill as it has now emerged arms the

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	11,86,501	Allahabad Bank	854	100	18 0	18 0	18 0	16 0	12	Y.P.
14,50,000				18¾	50	9 0	9 0	9 0	9 0		
1,01,000	13,51,000	16,321	Andhra Bank	114xd	100	6 0	6 0	6 0	8 0	6.12	H.
22,99,000				79xd	70	3 0	3 0	3 4	3 12		
1,00,00,000	1,28,00,000	2,70,802	Bank of Baroda	101	50	6 0	6 0	6 0	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	12½N	25	0 12	0 12	0 12		12	Y.
3,50,00,000	3,52,00,000	910,451	Bank of India	146¾	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,275	27,15,000	64,703	Bank of Indore	58N	25	3 0	3 0	3 0	3 0	12	Y.
50,00,000	19,00,000	25,128	Bank of Jaipur	23	50	1 8	1 8	1 8	2 0	12	Y.
50,00,000	84,00,000	2,27,015	Bank of Mysore	274	100	16 0	16 0	16 0	16 0	12	Y.
59,99,150	51,88,240	29,809	Bombay State Co-operative Bank..	85	50	3 8	3 8	3 8		6	Y.P.T.
15,00,000	26,00,000	20,774	Canara Bank Ltd.	80	50	4 8	4 8	4 8	4 8	12	F.Y.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd..	85	50	5 0	5 0	5 0		12	Y.P.
2,62,11,575	4,00,55,697	17,88,599	Central Bank of India Ltd. ..	48¾	25	3 8	3 8	3 0	3 0	12	R.L.Y
92,45,375 'A'				50¾	25	3 8	3 8	3 0	3 0		
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co. ..	31	50	1 12	1 12	1 0	2 0	12	Y.
1,50,00,000	1,00,00,000	1,06,896	Habib Bank (P)	72ZRN	20	4 0	4 0	4 0	4 0	12	Y.
50,00,000	22,50,000	1,12,820	Hind Bank	22¾	50	1 0	1 0	1 8	1 8	12	Y.
1,25,00,000	15,42,000	16,919	Hindustan Commercial Bank ..	9¾	50	—	—	—	—	12	Y.
50,00,000	1,50,000	1,418	Hindustan Mercantile Bank ..	12¾	50	—	—			12	Y.
75,00,000	78,00,000	1,08,750	††Hyderabad State Bank	105N	100	6 0	5 0	5 0	6 0	9	Y.
3,75,00,000	6,85,00,000	$4,18,846	Imperial Bank of India	1,575	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,57,50,000				411¾	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
34,96,000	77,50,000	1,20,755	Indian Bank	177	100	12 0	12 0	12 0	12 0	6.12	R.L.B.
17,00,000				141	65	10 3½	10 3½	10 3½	10 3½		
16,90,000				100¾	40	7 8½	7 8½	7 8½	7 8½		
49,19,675	26,00,000	2,15,529	Indian Overseas Bank	104	100	6 0	6 0	6 0	6 0	6.12	R.L.B.
6,25,000	6,83,939	1,880	Indo-Commercial Bank	50	100(A)	7 8	6 0			6.12	H.
2,50,000				18	25(B)	1 14	1 8				
10,00,000				20	50(C)	3 0	3 0	3 0			
37,50,000	92,50,000	4,99,040	Punjab National Bank	43xd	25	1 0	1 8	2 8	3 0	12	Y.
1,00,00,000	21,70,000	93,681	Travancore Bank	14¾	25	—	—	0 10	0 12	12	Y.
40,00,000	38,00,000	1,75,874	Union Bank of India	6¾	5	0 5½	0 5½	0 5½	0 5½	12	Y.
2,00,00,000	86,50,000	1,06,725	United Commercial Bank	44¾	50	2 0	2 0	2 0	2 8	12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,500,000	£5,000,000	£392,910	Chartered Bank of India, Australia and China	£2-4-4½	£1	14†	16†	14†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£0¾	£5	6†	7†	8†		12	R.L.Y.
H.K. $20,000,000	HK$128,000,000	H.K. $10,215,256	Hongkong and Shanghai Banking Corporation	£86½	H.K. $125	5*	5*	5*	5*	12	Y.
£17,966,195 'A'	£14,500,500	£516,557	Lloyds Bank	£3-6-0	£5 A	12†	12†	14†	15†	12	R.L.Y.
£1,457,295 'B'				£1-6-3	£1 B	5†	5†	5†	5†	12	R.L.Y.
£375,000 'A'	£1,750,000	£200,284	Mercantile Bank of India	£4¼	A £5¾	12†	14†	14†	14†	12	R.L.Y.
£374,000 'B'				£4¼	B £5¾	12†	14†	14†	14†		
£720,000 'C'				—	C £1	12†	14†	14†	14†		
£2,851,563	£3,104,687	£326,266	National Bank of India	£1-3-1½	sh. 16¾	14†	14†	14†	16†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. †† O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company		Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
19,50,000	3	1st December and 1st June ..	Carew & Co.	1938	99¾	1st June 1948
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	95	25th February .. 1960(c)
6,00,000	6½	30th June and 30th December ..	Ramnagger Cane & Sugar Co., Ltd.	1926	99¾	30th December .. 1954
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	103	27th December .. 1952-62
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	88	1st November .. 1959-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries ..	1941	103	1st April 1956-61
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New)	1944	96½	1st November .. 1959-64
			COAL			
30,00,000	4½	30th April and 31st October ..	Bharat Collieries	1944	95½	30th June .. 1956
30,00,000	4½	30th June and 31st December ..	Burrakur Coal Co.	1947	91½	30th June .. 1967(c)
50,00,000	6½	15th June and 15th December ..	Equitable Coal Co.	1948	101	14th December .. 1961-(c) ‡
			COTTON			
8,50,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1943	85	30th April .. 1964
4,00,000	4½	10th May and 10th November ..	Bengal-Nagpur	1897	99	15th November .. 1954(b)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic ..	1952	100½	1st January .. 1957-72(c)
12,68,000	5½		Jaybree Textiles	1949	80N	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills	..	101	 1966-71
			ELECTRICS			
10,00,000	4½	30th June and 31st December ..	Agra Electric Supply Co., Ltd. ..	1950	98	31st March .. 1966(c)
1,25,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..	..	100½	14th June .. 1956
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1948	87	1st October .. 1959
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(c)
2,45,01,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1949	101	1st January .. 1970(c)
25,00,000	4	30th June and 31st December ..	Cossipore Electric Supply Co., Ltd.	1945	87	31st December .. 1970
15,00,000	5	1st January and 1st July ..	Sijua (Jhariah) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(c)
7,56,200	5½	1st January and 1st July ..	South Madras Electric Supply ..	1940	99	.. 1957-61
2,00,000	5½	1st May and 1st November ..	South Madras Electric Supply ..	1939	99	1st October .. 1954
1,00,000	5	1st January and 1st July ..	South Madras Electric Supply ..	..	94½	.. 1952-56
6,63,800	4½	1st April and 1st October ..	South Madras Electric Supply ..	..	94	1st July 1957-67
47,78,000	4	1st April and 1st October ..	Tata Power	1940	99½	15th September .. 1951-55
2,50,000	5	1st April and 1st October ..	Tata Power	..	71½	15th September .. 1966-70
			ENGINEERING			
5,00,000	6	30th June and 31st December ..	Britannia Engineering	1949	99	10th December .. 1955
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1938	99	30th June .. 1956
30,00,000	5½	15th September and 15th March..	Indian Hume Pipe (2nd mortgage)	1943	101½	1st July 1957-62
21,14,000	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage).	1936	99¾	31st December .. 1946 (II)
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	88½	31st May 1971
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	101½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100¾	31st December .. 1960 (a)
			JUTE			
15,00,000	4½	1st October and 1st April ..	Agarpara	1939	100	31st March .. 1949
6,00,000	5½	30th June and 31st December ..	Alexandra	1939	100	30th June .. 1949
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	90½	31st December .. 1954
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd. ..	1940	99	30th June .. 1955
10,00,000	4	30th June and 31st December ..	Bengal Jute Mill Co., Ltd. ..	1945	88½	30th June .. 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1940	93	31st July 1959
10,62,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	96	30th June .. 1966
25,00,000	4½	31st March and 30th September..	Dalhousie Jute Co.	1954	99	31st March .. 1968(c)
8,56,000	5	30th June and 31st December ..	Empire	1941	95	15th July .. .. 1966(c)
25,00,000	3½	1st January and 1st July ..	Hukumchand	1947	93½	30th June .. 1957
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co. Ltd. ..	1940	94½	31st December .. 1964(c)
25,00,000	5½	30th June and 31st December ..	Malhati	1952	98	31st March .. 1967(c)
5,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd. ..	1939	93	14th May 1959
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1945	88	31st December .. 1964
8,00,000	4	30th June and 31st December ..	Presidency	1943	98	30th June .. 1948
25,00,000	5	31st March and 30th September..	Reliance Jute Mills Co., Ltd. ..	1950	99	5th September .. 1964(c)
8,00,000	4½	14th March and 14th September..	Sorah Jute	1951	96	14th September .. 1957
12,00,000	4½	30th June and 31st December ..	Union	1937	96½	30th June .. 1957
10,00,000	3½	31st January and 31st July ..	Waverley	1925	85	31st July .. 1960
			RAILWAYS ‡ STEAMSHIP AND TRAMWAYS			
4,80,000	4	1st January and 1st July ..	Barasat-Basirhat Light Railway ..	1936	80N	1st July .. 1956¶
£350,000	4½	1st January and 1st July ..	Calcutta Tramways ..	1909	£60N	At 105% at any time on 6 months' notice or at par at every seventh year.
£189,363	5	1st April and 1st October ..		1933	£77¼N	1st October .. 1974
6,50,000	3½	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1945	90½	31st December .. 1959(c)
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1906	£35¼N	Any time on six months' notice(c)
6,00,00,000	4½	1st March and 1st September ..	Scindia Steam Navigation	..	94½	1st September .. 1968
			PLANTING			
10,00,000	5½	30th June and 31st December ..	Consolidated Coffee	..	102	1st July 1957-62
9,00,000	6	31st March and 30th September..	Nilgiri Tea	..	100½	1st April 1954-56
4,61,000	5½	30th June	Oonhetkotagy	..	104	30th June .. 1954-59
9,00,000	5	31st March and 30th September..	Periakaramalai	..	100½	31st March .. 1952-62
1,59,700	5½	31st March and 30th September..	Teakoy	..	100	31st March .. 1949-59
			MISCELLANEOUS			
15,00,000	5½	31st March and 30th September..	Aluminium Corporation of India Ltd.	1946	100	30th September .. 1955
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1945	96	31st December .. 1964
26,80,000	4½	1st April and 1st October ..	Associated Hotels of India ..	1948	86	31st December .. 1962
4,90,000	4½	30th June and 31st December ..	Bengal Paper Mills	1937	96½	30th June .. 1957
8,00,00,000	5½	1st March and 1st September ..	Burmah-shell	1954	102	1st September .. 1965-69(c)†
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1916	92	1st February .. 1964
21,84,000	4½	1st April and 1st January ..	Clive Buildings	1936	89	1st July 1956
20,00,000	4	15th March and 15th September .	Dalhousie Properties	1946	87	15th September .. 1960
1,00,00,000	4	31st March and 30th September..	Dalmia Cement Ltd.	1946	89	 1960
1,80,00,000	5	1st January and 1st July ..	Dunlop Rubber	1950	102	1st January .. 1971(c)††
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	104	30th June .. 1969(c)‡‡
12,28,000	5	15th March and 15th September.	Mettur Chemical Industries ..	1949	96	 1954
39,87,000	4	31st March and 30th September..	Martin Burn Ltd. (Convertible Notes)	1946	335	30th September .. 1971(c)§
45,00,000		30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes)..	1947	500 (per note)	31st December .. 1972(c)
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	90N	1st April 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	95	31st March .. 1961(c)
1,00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1946	90	31st December .. 1962
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	104½	1st May .. .. 1968(c)§§

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at 1 per cent. premium after 1-3-1954 but before 1-4-1957 and 1 per cent premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent after 12 years. † Rs. 1,00,00,000 debentures will be redeemed at par annually by drawing from 1-6-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. ‡‡ Redeemable at a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. §§ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964, onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1968, on 6th months' notice. †† [Option to repay at par on 3 months' notice, on or after 1st January 1961.

Notices

KESORAM COTTON MILLS LIMITED

CIRCULAR LETTER TO THE SHAREHOLDERS

DEAR SIR/MADAM,

At the Extraordinary General Meeting of the Company held on the 29th April, 1955, the following alteration was effected in the Memorandum of Association of the Company:--

"The Capital of the Company is Rs. 2,60,00,000 (Rupees Two Crores Sixty Lakhs) divided into 20,000 Preference Shares of Rs. 100 each and 24,00,000 (Twenty-four lakhs) Ordinary Shares of Rs. 10 each".

The change in the face value of Ordinary Shares involves the subdivision of each of the Company's existing Ordinary Shares of Rs. 20 each into two shares of Rs. 10 each. Holders of Ordinary Shares are, therefore, requested to submit on or before the 15th May, 1955, their Share Certificates to the Registered Office of the Company for subdivision and replacement by Share Certificates bearing the new face value of Rs. 10 each.

Those who hold Ordinary Shares under blank transfer are requested to get their shares registered on or before the 15th day of May, 1955, failing which the existing Share Certificates of Rs. 20 each will be subdivided and issued in the name of the registered holders as on 15th May, 1955.

Yours faithfully,

BIRLA BROTHERS LIMITED,
Managing Agents.

CALCUTTA, *30th April*, 1955.

THE BURRAKUR COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 28th April, 1955, the following Dividends were recommended to be paid for the half-year ended 31st December, 1954, on 1st Ordinary Shares—6¼ per cent. per annum, on out any deduction for Income-tax paid by the Company in each case and on 2nd Preference Shares—6 per cent. per annum after deduction of Income-tax paid by the Company.

By Order of the Board,

BIRD & CO., LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE INDO-BURMA PETROLEUM COMPANY, LIMITED

(Originally Incorporated in Burma)
Registered in India under Ordinance No. LIV of 1942

DIRECTORS' REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1954

NOTICE IS HEREBY GIVEN THAT THE Forty-seventh Ordinary General Meeting of the Company will be held at the Registered Office of the Company at Clive Buildings, Netaji Subhas Road, Calcutta, on Friday the 27th May, 1955, at 11 a.m.

(1) To receive the Directors' Report and Statement of Accounts.
(2) To sanction the declaration of a Dividend.
(3) To elect three Directors.
(4) To appoint Auditors for the ensuing year.

The Ordinary Share Transfer Books of the Company will be closed from the 13th May, 1955, to 27th May, 1955, both days inclusive.

By Order of the Board,

STEEL BROTHERS & COMPANY, LTD.,
Managing Agents.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, 23rd *April*, 1955.

COMMERCE

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

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SECOND FIVE-YEAR PLAN

WHILE the outlines of the second Five-year Plan are still vague, the overall objectives of that Plan have been determined and clearly stated. The objectives are: (a) An increase of 25 to 27 per cent. in national income during the five-year period, or about 5 per cent. per annum, and (b) provision of employment to 10 to 12 million people during this period. The details of the Plan for achieving these objectives are yet to be worked out, but a broad outline thereof was presented last week to the Standing Committee of the National Development Council, consisting of members and top-ranking officials of the Planning Commission, the Chief Ministers of States and selected Central Government Ministers concerned with the economic progress of the country, and to the members of the All-India Congress Committee which met at Berhampur (Orissa) this week. The broad outline is based on three papers prepared by economic "experts," independent, as well as those connected with the Planning Commission. Briefly, the substance of the outline is this: There will be a total outlay of Rs. 6,300 crores, of which the share of the public sector will be Rs. 4,300 crores and that of the private sector Rs. 2,000 crores; the public sector's share includes Rs. 900 crores of non-development expenditure. Emphasis will be on heavy and capital goods industries, in order to reduce India's dependence on foreign countries for the supply of essential machinery, and on small-scale, cottage and home industries, in order to produce consumer goods and provide employment in rural areas. Not much importance is attached to large-scale factories producing consumer goods. Irrigation and agriculture, too, will receive prominence, but the stress will be on medium-sized projects and regional balance. Rural electrification will also be given high priority. Community Projects and National Extension Service will be rapidly expanded, so as to cover the entire rural area in the country. A determined attempt will be made to rouse people's enthusiasm in these projects and to secure their wholehearted co-operation for making them a tremendous success.

How does this broad picture of the next Plan compare with the current Plan scheduled to end in March, 1956? The 5 per cent. increase desired in national income per year is higher, as compared with the rise at the rate of 3 per cent. per annum registered in the first four years of the current Plan. In fine, under the first Plan, the national income is expected to rise by 15 per cent., as against 11 per cent. expected by the planners in the beginning. In the second Plan, this rate of expansion should be increased by two-thirds. It has been stated by one of the Planning Commission members that, in order to secure this increase, 10 to 11 per cent. of national income will have to be invested. In the first Plan, it was assumed that, to secure an overall increase of 11 per cent. in national income during the five years, 5 to 6½ per cent. of national income will have to be invested. But experience so far suggests that, although national income has gone up by 3 per cent. per annum, or 15 per cent. for the five-year period, the amount invested would be no more than Rs. 2,050 crores, or a little over 4 per cent. of national income, on an average. This does not necessarily mean that the relation between investment and expansion in national income under the second Plan will be in the same proportion as under the first Plan. Favourable weather and existence of large unutilised capacity helped the country to secure a larger increase in national income with a relatively low rate of investment. Under the second Plan, more productive capacity, requiring heavy capital investments, will have to be created, even assuming that Nature will continue to take a benevolent interest in the country. Further, increase in national income will also depend upon the type of investment.

Some of the distinguished economists, who were consulted on this subject, are of the view that, given wise planning and an investment of Rs. 5,600 crores (excluding obviously the non-development expenditure), it should be possible to obtain a rise in national income of 5 per cent. per annum. This assertion rests on the assumption that a sum of Rs. 6,300 to Rs. 6,500 crores can be raised and invested in the five-year period. But the assumption itself is open to doubt for two reasons. In the first place, it bears no relation to one's experience hitherto in regard to the Government's capacity to raise resources and its ability to expend such a large amount. Secondly, the socio-economic policy of the Government is such as to aggravate the difficulty in getting foreign investments, generally sought by all democratic countries to fill the gap between the available domestic resources and the capital needed for development.

It will be recalled that, in the first three years of the first Plan, only Rs. 860 crores, or 40 per cent. of the expenditure proposed over the five-year Plan period, were invested. In the fourth year, completed a month and a half ago, Rs. 541 crores were scheduled to be spent, while, in the last year, an expenditure of Rs. 710 crores is expected to be incurred. It, however, remains to be seen whether all this will be spent. As against this, if the estimated expenditure under the second Five-year Plan is to be realised, the State alone will have to invest at the rate of Rs. 860 crores per annum on an average, that is, Rs. 150 crores more than the amount expected to be expended in the current year (1955-56). None but an incorrigible optimist would say that the present Government would be able to invest such large amounts *judiciously*. The projects chosen for investment are far more difficult than those in the first Five-year Plan. They will take more time and require efficient administrators with knowledge of industrial management and salesmanship. The Government has not got them in sufficient numbers; nor is there any reason to feel that it will be able to get them in time, unless it is prepared to conscript men from the private sector, which will be contrary to the spirit of democratic planning, or import foreigners on a far larger scale than is being done at present.

Equally optimistic will it be to think that the State will be able to divert, on the lines suggested by economic experts, including the Taxation Enquiry Commission, 10 per cent. of national income to investment. The sum and substance of their suggestions is that people should be taxed more, both directly and indirectly. There are serious limitations to the Governments' ability to implement these suggestions. The State Governments have not responded, in the past, to put up the taxes on agriculture and no amount of exhortation by the Planning Commission and the Taxation Enquiry Commission will induce them to take the risk of incurring the unpopularity of peasants. The political factor is an important one and cannot be lightly ignored. By compelling agriculturists to pay more at a time when prices are declining, the Congress Governments in the States may drive them into the hands of left-wingers. In fact, at the A.-I.C.C. meeting last week, a number of State Chief Ministers questioned the feasibility of raising any substantial sums from farmers by way of taxation. The other taxes suggested, such as an increase in direct taxes on middle and upper classes and a wide variety of indirect taxes, are also out of question. The first attempt made by Mr. Deshmukh to implement this suggestion met with failure, as witness his complete re-writing of the budget proposals for 1955-56 about a month ago. It is not denied that the scope for collecting more by way of excises is bound to widen, but for that one will have to wait for quite a few years more. The new industries must be firmly established and allowed to attain the stage of prosperity before they can be subjected to excise duties.

It should not, however, be difficult to obtain a saving of 10 to 11 per cent. of India's national income, if the approach made is different. By the end of the first Five-year Plan, India's national income will be of the order of Rs. 11,000 crores. Ten per cent. of this will mean Rs. 1,100 crores per year and, during a five-year period, it will aggregate about Rs. 6,000 crores, assuming a progressive rise of 5 per cent. per annum in national income. If people are given incentive to save and invest and if the private sector is kept in a buoyant mood, it should be possible to get savings of this order. But what is being

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done now by the powers-that-be is to discourage savings by heavy taxation and by denouncing the sanctity of private property. This very policy is also responsible for discouraging the flow of foreign investment and encouraging existing foreign investments to take to wings. It must be conceded that the approach advocated by us is not one under which the public sector can dominate and doctrinaire socialism can thrive. It is an approach under which the role of the State will essentially be that of a friend, philosopher and guide of the people and not that of a business man or feudal lord. It is also based on the conviction that a socialistic Welfare State is not a practicable proposition to an underdeveloped country which subscribes to democracy.

While the emphasis laid on heavy industry is right, the heavy industries will be stillborn, if simultaneous efforts are not made to establish and encourage those industries which can consume the products turned out by the heavy industries. What is the good of increasing the production of steel, if the industries that consume steel are not there or are allowed to languish? What is the good of establishing industries that manufacture plant and machinery, if consumer goods industries, where such plant and machinery can be used, are not allowed to expand or modernise their equipment? Herein comes the contradiction in an economic policy which aims at establishing heavy industries and seeks, at the same time, to meet the increase in the demand for consumer goods mostly through small-scale and cottage industries.

The stress on cottage industries, etc., is based on the theory that it is easier and quicker to provide employment through them. The capital investment required for improving and expanding these industries is relatively small, as compared with that required for putting up large-scale industries. Labour need not be very mobile and concentration of economic power can be easily avoided. The dependence on foreign countries for the supply of machinery can be greatly reduced during the stage of development. The number of people to be employed per machine will be greater. So run the arguments advanced in favour of small industries. These are all perfectly true. But, apart from the contradiction in policy referred to in the previous paragraph, it is well to bear in mind that heavy dependence on these industries to solve unemployment will mean continuation of low living standards for two reasons. First, the wages that can be offered by these industries, even if they are equipped with improved types of machinery, the necessity for which is now conceded by the Congress Party, will be small and insufficient to command the comforts and conveniences offered by the modern world and longed for by people all over the world. And, secondly, the cost of products manufactured by them will be so high that the cost of living, too, will remain high. Besides these two drawbacks, the profits earned by these industries will be so meagre that they will be able neither to meet the cost of replacement nor to pay any taxes to the State. Then, there is the task of organising these industries on scientific lines and making arrangements for the marketing of their products. That this task is a stupendous one is admitted by all the planners. The reorganisation has to be done through the State Governments most of which have shown nothing but indifference all along. Failure on their part to reorganise cottage industries and improve their efficiency may well lead to a shortage of consumer goods and inflation, especially if development expenditure in other spheres takes place according to plan. In saying all this, we do not suggest that there is no place at all for small and cottage industries. What we wish to emphasise is that they can offer only a minor solution to the problem of underemployment and unemployment. It will be wrong to rely on them as a major source of gainful employment and then to try to protect them by artificial means such as restrictions on production of, and imposition of penal taxes on, large-scale units. Once a step is taken in this direction, it will be difficult to retrace it, for many a vested interest will have grown in the meantime. The result will be to render the task of economic development of the country even more complicated and difficult than it is now.

COMMUNITY PROJECTS

THE eyes of Asia and Africa are today focussed on the progress of Community Projects and National Extension Service in India. For two reasons, the two Continents are interested in the working of this twin programme designed to bring light and life to India's rural population. For one thing, they too have, as does India, vast underdeveloped regions, and, in their attempts at developing them, they are facing problems similar to those of this country. For another, they are eager to be benefited by the experience already gained by India in its attempt to rehabilitate rural people who are still following outmoded methods of production and suffering from poverty, illiteracy and disease. The outside attention which these development programmes have attracted is, no doubt, due to the fact that the results so far obtained by organising these programmes have been encouraging to a degree. The remarks of Mr. Chester Bowles, a former U.S. Ambassador to India, on this Indian experiment in village uplift are worth noting. In the course of an article to an Indian monthly, he writes: "In Africa and other parts of Asia, I have seen remarkable progress in village development and rural education, but if all of the similar programmes in the Middle East, Africa and South Asia are put together, they will add up to less than what is going on in India." This compliment is, indeed, flattering, and may lull one into complacency which is not at all warranted by the series of disquieting trends disclosed in the *Evaluation Report* on the second year of working of the Community Projects in India. This *Report* released on the eve of the Conference of Development Commissioners held in Simla early this week, is a candid document and should bring home to the Project Organisers the serious problems that will have to be tackled by them.

Before referring to the disquieting features of the progress of Community Projects and National Extension Service, it will be helpful to record here the results so far achieved by these programmes. The Community Project scheme went into action in India two and a half years ago—on 2nd October, 1952, to be precise. The The National Extension Service was inaugurated exactly a year after. Thus, the two together have been in operation for a sufficiently long period to indicate broad trends of progress. Today both of them cover nearly 100,000 villages in the country. Their main aim is "to set free the creative energies of the people, so that they may build up, through their own efforts and through their own institutions, a richer and improving social life." The administration and leaders of village and other associations have gained considerable experience in the working of these Projects and this has inspired confidence in them for further effort. In many areas, popular prejudice and apathy towards new ideas have waned and today there is more willingness to participate in development programmes than in the past. The peasant, who was once impervious to new processes and new techniques of production, now welcomes knowledge on better cultivation, better education and better industrial techniques. In the areas bordering Community Project centres, there is, it is stated, a growing desire among the people to get the development projects extended to their villages. People have become medical-minded, though they do not still appreciate the importance of hygiene and preventive medicine. All the aptitudes and signs of active community life are in full evidence in the *panchayats* and other bodies. In many places, in the context of expanding life, old feuds and factions have yielded place to co-operation and mutual help. It is this change in outlook of the people that has earned for the Community Projects and National Extension Service a deserving tribute from the Prime Minister. In his message to the Simla Conference referred to above, he said:

"Much has happened in these few years which has led to this result. But, I think the most significant development of these years has been in the domain of Community Projects and National Extension Service scheme. Apart from practical results which have been achieved—and these are both visible and considerable—there is something even more important even though it cannot be measured and weighed. This imponderable factor is the spirit of the people, removal of inertia in thought and action, development of team spirit in national work and sense of partnership of the people in great undertakings."

While this dynamic change in outlook of the masses is by no means a mean achievement, the record of progress in regard to the realisation of the other major objectives of these programmes, such as increased production, provision for more employment and organisation of co-operative effort, does not appear to be as encouraging as it should be. This is attributed to a number of shortcomings. Of these, defects in the administrative set-up stand out prominently. Lack of co-ordination among various departments, we are told, still persists. As a result, progress of project activities has been held up at several points and this, in its turn, has in a few cases weakened the confidence of people in the whole scheme. This lack of co-ordination is not limited to the attitude of departments alone. For it is found in relations between superior officers and the Block level technical officers and between the latter and the development officer at the Block level. Further, the Collector's responsibility for development has been accepted, but, in many cases, the staff under him is not trained. Again, at the Block level, untrained village level workers have been recruited and many of them are unable to interpret correctly even the implications of the programme. The whole movement thus stands exposed to the danger of being enmeshed in bureaucratic controls and compulsion, instead of being the people's effort to raise themselves, aided by official support. If the Community Projects are to function smoothly and succeed, a thorough reorganisation of the administrative machinery is, therefore, necessary.

The aforesaid defects in the administrative machinery has a vital bearing on the future progress of the Community Projects. They call for caution in stepping up the pace of expansion of the Blocks. It is necessary to sound this note of caution because of the Government's desire to cover the whole of India under these projects by the end of 1961. Such a large-scale extension will call for an enormous number of trained personnel which is already in short supply. Even as it is, there is difficulty in recruiting and training the necessary personnel. And if the Government were to proceed with its scheme of extension work, disregarding this bottleneck, the quality of movement would undoubtedly suffer. Again, we are told that the supply lines have failed to keep pace with the present rate of expansion in the programme. Seed, fertilisers, implements, improved strains of breeding cattle, road-making equipment, etc., are all needed for demonstration as well as for normal use. Experience has shown that, for some reason or other, the flow of these supplies fails to materialise just at the time when it is needed. Besides, lack of adequate and satisfactory facilities for storage has come to be felt as a major obstacle to successful distribution of these supplies. Those shortages would be accentuated, if the Projects were extended to new areas indiscriminately.

The progress of Community Project schemes in the sphere of co-operation also leaves much to be desired. Although the multi-purpose type of village society is gaining ground, there is a danger of this society becoming an all-purpose society, utilising its resources for a number of purposes—such as production or construction, etc.—beyond its capacity. Further, it is depressing to note that, in certain States, little attention is being paid for promoting co-operation even in the more familiar channels of rural credit. And, in the areas where co-operation is fairly well developed, the societies are still functioning as the privileged associations of the well-to-do classes, ignoring thereby the needs of people with modest incomes. Owing to a narrow and individualistic interpretation of the nature of credits, membership is restricted to a few selective ones in certain societies. Commenting on this unsatisfactory state of affairs, the *Evaluation Report* says: "It is, therefore, by no means rare to find, in development areas and Blocks, that there are no societies; what few there are have not many members; what members there are cannot get adequate funds, because the financing agencies are working with very meagre resources." We have no doubt that these and other defects in the Co-operative Movement will receive the attention of those engaged in the rehabilitation of the Movement under the integrated credit system envisaged by the Rural Credit Survey Committee.

The contribution of Community Project programmes to the development of village industries is extremely disappointing. The *Report* says that, in the centres selected for evaluation purposes, there have been no noticeable cases of improvement in the position of village craft. Evidence collected in these centres shows that no active programme exists for promoting employment, production, organisation or welfare of village craftsmen. This lacuna is attributed to the prevailing uncertainty of finding a market for the goods and to the rapid changes in the tastes and demands of the people. The *Report* suggests that these two factors need further investigation. We may, however, add here that the Community Project Administration can play an active role in promoting village industries by seeking the assistance of the recently constituted Small-scale Industries Board.

INVESTORS IN INDUSTRIES LIABLE TO BE NATIONALISED WARNED

FURTHER REGIMENTATION OF ECONOMY IN OFFING

THURSDAY, 5 P.M.

MARKET GOSSIP

RELIABLE information trickling from New Delhi indicates that left-wing elements within the Congress Party are forcing the Government to speed up the pace of bringing into existence the Socialistic pattern of society as understood by them and not as propounded by its author, Mr. Jawaharlal Nehru. This danger was envisaged by this journal early this year. We warned Mr. Nehru then that the cry for socialism would become so strong that it would be impossible for him to follow a realistic policy divorced from doctrinaire considerations. The left-wingers have already succeeded in extracting a promise from the Government that the principle adopted by it for payment of compensation to shareholders of the Imperial Bank of India, namely, compensation payable at market value, would not be taken as a precedent when any other undertaking or property is taken over for a public purpose. At the A.-I.C.C. session at Berhampur this week, the same elements raised the demand for nationalisation of many things and stressed the need for wiping out the so-called capitalist class as early as possible. Mr. Nehru, of course, rebuked them for talking in the air and for not being practical. But how long will he be able to resist the pressure from these elements. The Socialists and the Communists are provoking him to move further left by declaring that the Congress Party is paying only lip sympathy to socialism. Before the next General Elections, the Congress Party may, therefore, decide to prove its *bona fides* by socialising a few more industries, trade and services, in order to see that the other parties do not steal their votes.

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It was only a few days ago that Mr. K. P. Tripathi openly criticised Mr. C. D. Deshmukh for his attitude in the matter of compensation to shareholders of the Imperial Bank. Mr. Tripathi is a member of Parliament and General Secretary of the I.N.T.U.C., which is the labour wing of the Congress Party. He is the right-hand man of the Labour Minister, Mr. Khandubhai Desai, and has so far been successful in holding up the implementation of the Government's resolution on rationalisation of cotton and jute textile industries, a resolution very modest in scope, limiting modernisation of these two industries to a very narrow extent. He, along with a few other members of the Congress Party, is responsible for the drastic amendments to the Companies Bill, whittling down the powers and rights of managing agents and vesting in the Government enormous powers of regulation of joint-stock companies. Here is what this gentleman said on compensation last week:

"The Constitution Amendment Bill, except for some opposition from vested interests, was hailed all over the country. The reason for this was that it made it possible for the Government, without interference of courts, to fix compensation in a discriminatory manner, that is, higher rates for small holders and lower rates for large holders, under a slab system thereby making acquisition of property for social reconstruction a practical proposition. At that time, it was never suggested that, after the Government had taken over power, it will be utilised for adopting a discriminatory policy between agricultural holdings and commercial and industrial holdings. If that were known, there would have been tremendous opposition from agricultural interests. Uptil that time, the slab system of compensation had been applied only to agricultural interests, and it was naturally thought that, after the amendment of the Constitution, this slab system would be extended to acquisition in the industrial and commercial sectors. But the Finance Minister is said to be of the view that the slab system cannot be applied to the commercial and industrial sectors.

"If this position is admitted, it amounts to creating two types of property, agricultural and non-agricultural. The political and economic repercussions of this will be great. The agricultural sector will never accept this inferior position. It will fight back. If it fails, then there will be a scramble for non-agricultural property. Both will be harmful for the nation. Some people enjoy industrial and commercial property because there are others who are content to be on land, and both are regarded as valuable equally. Any difference in the two types will destroy this equilibrium.

"The principle of the higher rate of compensation for the small holder and lower rate for the large holder, as applied in the case of *zamindari* abolition, should be extended to the acquisition of commercial and industrial property as well."

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It will be difficult for the Congress Governments to resist the suggestion of Mr. Tripathi. In fact, a careful perusal of the speeches of Mr. Pant, Home Minister, on the Constitution Amendment Bill shows that he has already accepted the suggestion in principle. There is thus a great risk in holding large blocks of shares at least in those industries which are liable to be nationalised outright or virtually nationalised. Investors must, therefore, be cautious in buying equities in these industries, unless and until the Government publicly denounces the utterances of Mr. Tripathi and other Congress men like him.

The suggestion made by Mr. Tripathi is, of course, absurd. There can be no comparison of property in the form of shares or land with *zamindari* rights. In almost all cases, *zamindaris* were held by individuals and so there was no practical difficulty in following the slab system of compensation. But industrial and farm properties are held not only by individuals but also by institutional investors, including banks and insurance companies, the assets of which belong to millions of people. If these institutions were to suffer heavy losses due to payment of inadequate compensation in accordance with the principle of slab system for shares of companies taken over by the Government, it is the people in general—depositors, policyholders, shareholders—who will suffer. Is it the desire of the General Secretary of the I.N.T.U.C. that this should happen? Again, investments in shares of industrial concerns and farm lands are from the hard-earned savings of the people. They cannot be compared with *zamindars*, almost all of whom were middlemen and not the real owners of such property. If the State were to expropriate holdings in industries and lands, what incentive will there be for saving and utilising such savings for the development of industries? Surely, there can be no greater deterrent to economic progress than such statements as the one made by Mr. Tripathi. Since this gentleman holds a position of responsibility in the Congress Party, the Government must come forward, without any further delay, with a statement, clarifying its position on this vital question.

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Now many investors may want to know as to which are the industries that are likely to be nationalised. This is a question for which no categorical answer can be given. If, however, the recommendations made by the economists and planning experts for drawing up the second Five-year Plan can be taken as an indication of what is likely to happen, it is possible to say which industries are likely to be affected. In their memorandum to the Planning Commission, the panel of economists make the following suggestion:

"It may also be found necessary, during the Plan period, to include within the public sector some activities closely related to the present declared scope, such as basic minerals. The proper organisation of coal production in the country and conservation and utilisation of coal resources may also require including that industry in the public sector. Similarly, the special importance that will now be attached to production by small establishments will make it necessary to include not only the generation but also the distribution of electric power fully within the public sector. While we do not recommend any significant extension of the public sector beyond the terms of policy accepted by Government, we must make it clear that there is no objection in principle to such extension. In fact, the limiting factor is one of being able to cope with the administrative burden that would result from such extension. The cost of compensation may also have to be considered. If, however, during the course of the Plan period, circumstances become either more favourable from the administrative point of view, or if it is found that opportunities for monopolistic or quasi-monopolistic exploitation are increasing in the private sector, there should be no objection to a further extension of the public sector. State trading in exports of jute, for example, was recommended many years ago by a representative committee consisting of administrators, business men, etc. In view of the peculiar position of these exports and the methods of trading in them, it is worth examining again whether State trading in jute should not be undertaken.

"We are not in a position to make specific recommendations at this stage, but we would certainly emphasise the need for Government to examine each possibility of extension of the public sector to any important activity where, because of the policy under the Plan or other factors, a group of producers or traders is reaping special advantages."

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The Economic Divisions of the Planning Commission and the Ministry of Finance seem to have vied with the panel of economists in expressing its views on this subject. In their note to the members of the Standing Committee of the National Development Council they have expressed the need for the State to be prepared to nationalise banks, insurance companies and a section of the trade, in order to bring about a socialistic pattern of society.

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It will be seen from what has been stated above that coal, electricity, insurance and banking are marked for nationalisation. There is no specific mention of steel in the aforesaid references, but it is also liable to be nationalised after 1958, when the 10-year period of immunity guaranteed by the Government expires. Mention may also be made of gold mining; the Mysore Government is trying to drive a hard bargain with the Kolar Gold Mining Companies and, if the latter were to refuse to yield, nationalisation seems to be almost certain. Prudence, therefore, demands that one should be cautious in investing one's savings in the ordinary shares of companies belonging to these industries, until the Government's mind on this question is clearly known.

All the experts whose advice was sought by the Government for drafting the second Five-year Plan have trimmed their advice to hasten the advent of the socialistic pattern of society. They have cared very little for the impact of their restrictions on the private sector. Nor have they cared to ponder the ability of the State to implement projects which require skill and experience. They have not cared for the implications of their suggestion to the democratic set-up either. They have welcomed the Select Committee changes in the Company Law Bill and approved of the recent amendments to the Constitution. They have advocated more controls on organised industries. They are agreed that small-scale and cottage industries should receive prominence in the production of consumer goods. And, in order to keep these uneconomic units going, they have proposed a number of restrictions on the economic units. In this context, the following extract from the memorandum of the economists will make interesting reading:

"Confining to hand industries all increases in consumption goods during the second Plan period will make it necessary to extend the operation of licensing legislation to include even processing activities. The best way of dealing with the situation would be for all State Governments to bring within licensing and regulatory legislation such establishments carrying out the processing and preparation of primary products and the production of consumer goods as are not covered by the existing Regulation of Industries Act. A number of other regulations on consumption goods industries will follow from the common production plan for machine and hand industries in particular spheres. The division of markets between machine and hand industry is sought to be maintained today in the case of cloth production by a system of excises and subsidies, on the one hand, and reservation of fields, on the other. The principle of reservation may not be so easily applicable to all industries and, in their case, a comparatively stable relation between prices of hand and machine products could be maintained only through excises and subsidies. There may be doubts whether these purely fiscal measures will prove successful; and, if these doubts were justified, other measures may be required to implement effectively a common production programme."

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On the subject of taxation, the economic experts have gone a step further than the Taxation Enquiry Commission itself. Warmly endorsing the recommendations of this Commission and suggesting their early implementation, the economists go to the extent of saying that an investment of Rs. 4,300 crores by the public sector in the second Five-year Plan would necessitate a much greater fiscal effort than was anticipated by the Taxation Enquiry Commission (which had bargained for an investment of only Rs. 3,500 crores), if significant inflationary effects are to be avoided. They have recommended amendment of the Constitution to remove the present exemption of "articles essential to the life of the community" from the scope of sales tax. This suggestion is based on the view that goods which are consumed by the masses also should be subjected to taxation. They have favoured measures to secure a practical ceiling of incomes through a further steepening of taxes on incomes and wealth, including estate duty. Indeed, they feel that such a course has become an imperative necessity.

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The Economic Division of the Planning Commission also concurs with the views of University Professors. Endorsing the Taxation Enquiry Commission's recommendation that there should be a ceiling on net personal incomes, it says blandly that "a few steps must be taken in this direction in the second Plan." It further wants "conspicuous consumption" by the well-to-do classes to be curbed by a fairly stiff system of taxes on them and by reducing spendable incomes through direct taxation. It is obvious from these recommendations that all these so-called experts, too, have been influenced by a desire to get into the good books of Mr. Nehru. The very fact that these experts, who want all consumption goods to be taxed, have not advocated re-introduction of duty on salt, an article of common consumption, only goes to prove our inference. It their excuse for not recommending re-introduction of salt duty is that it will be politically impossible, then one should like to know as to why this consideration was not taken into account when proposing taxation of other necessary consumption goods.

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Viewed against the foregoing background of recent developments, it is not surprising that equity values have been steadily drifting down. Although there is no selling pressure of great magnitude, there is no buying enquiry from investors. There has been a precipitous fell in the value of Bank of Baroda shares owing to fears that, in the event of the Bank being nationalised and merged with the State Bank of India, the compensation offered by the Government might not be adequate. Fear of nationalisation was also responsible for the drop in insurance and electric shares. The Tata Iron and Steel shares have drifted down, as the expected Government announcement regarding the retention prices for the Company has not materialised. Reports from Calcutta say that the Government has agreed to give a provisional increase of Rs. 54 per ton for Tatas and of Rs. 8 per ton for Indian Irons, pending the findings of the Tariff Commission, and that the price receivable by both the Companies will be uniform. This report, however, has failed to cheer up the market, for that very report has it that neither shareholders nor managing agents of companies will derive any additional benefit from this increase for several years to come. Apparently, market circles think that a rise in retention prices, subject to such a condition and in the face of threat of nationalisation after two years, is of no tangible value for investors in the shares of these companies.

EASY TREND ON STOCK EXCHANGE

BANK OF BARODAS SLUMP

(From Our Own Correspondent)

BOMBAY, 12th May

ACTIVITY on the Stock Exchange remained subdued for yet another week. Speculators, as well as investors, were apathetic to do any fresh buying. On the other hand, a growing anxiety to liquidate their holdings was in full evidence. This was because of a sense of disappointment over the delay in the announcement of the steel prices which the market was expecting to be made known early this week. Operators were also worried over the prospects for investment in equities, in the light of the Government's economic policy, as enunciated at the Avadi session of the Congress and reiterated at the A.I.C.C. meeting at Berhampur this week. This fear induced certain institutional investors to unload their holdings. The heavy fall in the shares of the Bank of Baroda and gradual weakening of the electricity shares for some time now are taken as an indication of the investors' apprehension over the inadequate compensation they might get in the event of nationalisation. The general sentiment was, therefore, affected and there was an all-round fall in prices during the week, though they were not very marked.

Steel shares displayed some steadiness early in the week, on expectation of an announcement regarding steel retention price and abatement of selling pressure in Indian Irons from Calcutta. Later on, they ruled quiet on renewed offerings. Tata Ordinaries, after being marked up from Rs. 235-12 to Rs. 237-12, reacted today to a low of Rs. 232-12 and closed at Rs. 233-4. Indian Irons hardened from Rs. 33-5 to Rs. 33-15, but retreated to Rs. 33-9 at the close today.

The textile section also was affected by the general sentiment. Barring Standards and one or two other scrips, the entire section disclosed a downward trend. The selective buying interest noted in the previous weeks dwindled considerably during the week under review. Bombay Dyeings picked up early in the week from Rs. 464-6 to Rs. 468-2, but gradually lost ground to Rs. 461-14 at the close. Kohinoors finished at Rs. 312-4, after gaining strength from Rs. 315-8 to Rs. 317-8. Century shares, which had been keenly bid during the previous three weeks, showed an irregularly lower trend, losing Rs. 3-8 at Rs. 381. Central Indias were dull at Rs. 125-8. Finlays lost Rs. 2 to Rs. 247. Gokaks were featureless at Rs. 217, as also Indu Ordinaries at Rs. 11-3. Mysores gave way from Rs. 121-14 to Rs. 111-4. New Greats, however, gained further ground from Rs. 163 to Rs. 165. But New Unions changed hands Rs. 2 lower at Rs. 30-8. Shree Niwas were quiet at Rs. 237-8 and Simplex at Rs. 153. Standards, which had provided a good feature last week with a rise of Rs. 21-4, moved up further from Rs. 360 to Rs. 363-12, on reports that the scheme to amalgamate the New China Mills Co., Ltd., with the Standard Mills had been approved by the Directors and the scheme will be forwarded to the High Court for sanction. Svadeshis lost Re. 1-8 to Rs. 186-8 and Tatas Re. 1-4 to Rs. 50. Swans put on Re. 1-8 to Rs. 186-8.

For the second week in succession the shares of the Bank of Baroda ruled weak, the decline during the week under review being Rs. 4-4 to Rs. 96-12. This is the lowest level touched since 1940 and compares with a peak of Rs. 352 reached in 1946. The decline was attributed to selling on fears about compensation in the event of the Bank's merger with the State Bank of India. Central Banks were marked down by a rupee to Rs. 47-12 and their new shares by As. 8 to Rs. 50. Imperial Banks attracted some enquiries, the Fully Paids being taken up Rs. 10 higher at Rs. 1,690 and the Partly Paids Re. 1-4 better at Rs. 412-8. Bank of Indias gathered Re. 1-12 to Rs. 148-4. Punjab Nationals were unchanged at Rs. 42-4, while United Commercials picked up As. 4 to Rs. 44-12. Union Banks were done As. 3 lower at Rs. 6-7.

In the insurance section, Orientals showed weakness, dropping from Rs. 7,450 to Rs. 7,340. New Indias were steady at Rs. 51-8. Industrial and Prudentials attracted attention and were picked up Rs. 2-4 higher at Rs. 44-4. British India Generals had enquiries, but the quotation was unchanged at Rs. 13-10. Vulcans gained As. 4 to Rs. 15-4.

An easy trend was noted in the electricity section. The weakness was also due to the imposition by the Government of 33⅓ per cent. cut in power supplies to large consumers in the Southern City of Bombay. Andhra Valleys lost Rs. 10 to Rs. 1,367-8 and Tata Powers reacted from Rs. 1,465 to Rs. 1,450 and their new shares from Rs. 1,142-8 to Rs. 1,135. Ahmedabad Electrics slumped from Rs. 135-5 to Rs. 101-14, but gathered strength to Rs. 105. Their new shares gave way from Rs. 54 to Rs. 51-4. Bombay Suburbans held ground at Rs. 122-8, while Surat Electrics changed hands As. 10 higher at Rs. 129-6.

The miscellaneous section followed the general pattern and values were marked down. In the sugar group, Belapurs lost Re. 1-8 to Rs. 305-8, Phaltans As. 4 to Rs. 118-8, Bhopals As. 4 to Rs. 13 and Walchandnagars Rs. 4-6 to Rs. 204-6. Cement shares showed contrasting trend; A.C.C. dropped Re. 1-4 to Rs. 176, while Digvijays moved up by Re. 1-12 to Rs. 183. In the engineering and mining group, Alcocks ruled easy, giving way from Rs. 264-6 to Rs. 261-4. Premier Constructions were unimpressive at Rs. 160-12. Larsen and Toubros were held at Rs. 13-13¼. Shivrajpurs were done Re. 1-12 better at Rs. 67-4 and Indian Coppers a shade higher at Rs. 3-7¾, while B.B. Petrols were quiet at Rs. 3-6¼. Among shipping shares, Scindias were quiet, dropping from Rs. 15-8½ to Rs. 15-5¼. India Steamships were dull at Rs. 7-5½ and Great Easterns at Rs. 15-15. In the other miscellaneous industrial group, Bombay Burmahs were on offer, losing Rs. 6-4 to Rs. 460, consequent on the decline in tea prices and postponement of two auctions at London. Killick Industries were just steady at Rs. 170-8 and National Rayons at Rs. 200-12. Tata Chemicals met selling pressure and lost As. 10½ to Rs. 14-0½. Tata Oils shed As. 4 to Rs. 39-8 and Wimcos As. 15 to Rs. 204-1.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, 11th May

In the absence of any incentives, trading on the Calcutta Stock Exchange was featureless during the week under review. There was a decline in the number of transactions, although buyers supported selected counters offered at lower levels. The main contributory factors were the weakness in the commodity markets, and the delay in the announcement of new retention prices for steel. The report by the Parliamentary Joint Committee on the Company Law Amendment Bill continued to affect sentiment, and it is difficult to see how, in the light of the changes proposed by the Committee, both investors and operators can do business in the market with confidence.

Offerings in teas increased, and the fall in prices in the tea auctions in Calcutta and London depressed sentiment. At lower levels, support was forthcoming. But as soon as the demand was satisfied, the lower trend resumed its course again. Jute shares fully reflected the weak conditions in the goods market. Reports of substantial increases in stocks of goods with mills as well as unconfirmed rumours of a reduction in the working hours of mills kept sellers busy and buyers idle. The volume of transactions in this section declined very noticeably. Engineering shares were steady at the lower levels, but Indian Irons were on occasions pulled down. Selected miscellaneous industrials received buying support.

Textiles were maintained at previous levels. The expectation that the revision in the import duties of British textiles is not likely to affect the Indian industry aided sentiment. Elgin Mills were held steady at Rs. 18-4, while Bengal-Luxmis at Rs. 40-8 added a gain of As. 8. Kesorams spurted to Rs. 27-4 from Rs. 26-12, and Dunbars were firm at Rs. 232.

Only meagre interest was shown to coals. Central Indias improved to Rs. 8-1 earlier from Rs. 7-12, but declined to Rs. 7-10 subsequently. Burrakurs were steady at Rs. 13, while Dhemo Mains were pulled down to Rs. 8-9 from Rs. 8-14. At Rs. 11-12 Raneegunges were lower by As. 3, South Karanpuras remaining unchanged at Rs. 11-12. Equitables lost to Rs. 31-10 from Rs. 32. East Indians were enquired at Rs. 29-8.

Jutes lacked strength. Howrahs were dealt in at rates between Rs. 29-4 and Rs. 30-9, today touching the lower level of Rs. 29-4. Kinnisons sagged to Rs. 186 from Rs. 191. However, Gourepores remained unchanged at Rs. 336-8, while Megnas were steady at Rs. 100. Ganges were quiet at Rs. 103-8. Earlier, Nationals recovered to Rs. 34-4 from Rs. 33-8 but on Monday gave way to Rs. 33-12 and today to Rs. 33-11. At Rs. 288 Cheviots lost several points. Champdanies weakened to Rs. 162 from Rs. 170.

Engineerings accounted for a few features. At Rs. 268, Burn & Cos. recovered by Rs. 5. From Rs. 18-4, Texmacos gave way to Rs. 17-7 but recovered to the opening level, at which rate the scrip was fully steady. Jessop & Cos. were firmly held at Rs. 36, and at Rs. 24 Indian Galvanizings registered a further fractional improvement. From Rs. 33-6, Indian Irons recovered to Rs. 34, but again lost to Rs. 33-9 and quoted today at Rs. 33-11. There was no change in Richardson and Cruddas at Rs. 18-1.

Earlier, teas touched low levels, at which stage buying support was afforded to the more popular counters. A recovery was then made. From Rs. 44-12, Hasimaras were hammered to Rs. 43-12; but were afterwards taken to as high as Rs. 48-12. The rate fell to Rs. 45-14 yesterday but again recovered today to Rs. 46-14. Tezpores improved to Rs. 31-10 from Rs. 29-12. Hantaparas, after being lower at Rs. 332, hardened to Rs. 344. Similarly, Sonai Rivers at first gave way to Rs. 21 from Rs. 24-6 but, thereafter realised Rs. 23-8. Duffla-ghurs were raised to Rs. 48-6 after being lower at Rs. 46-15.

Miscellaneous industrials were steady. Although the number of transactions declined in conformity with the general trend, there were a few features on interested buying. Thus, Indian Cables were raised from Rs. 25-7 to Rs. 27-4. Indo-Burma Petroleums continued to draw in support at the improved rate of Rs. 147. Titaghur Papers were fractionally better at Rs. 44-6, and Orients put on a few annas at Rs. 27-10. Martin Burns were shifted to Rs. 23-9 from Rs. 23-5. Rohtas Industries rallied from Rs. 23-15 to Rs. 24-3, while Rallis India receded from Rs. 39 to Rs. 39-12.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, 11th May

The Madras Stock Exchange ruled extremely easy this week. In fact, there was a general wave of heavy selling pressure and, consequently, a fall in the prices of a number of scrips. This trend was predominant in tea shares, thanks to discouraging support at Cochin tea auctions and lack of orders for tea leaves from the U.K. Rubbers and coffees ruled easy, in sympathy with tea scrips. Textiles, too, lacked support. Miscellaneous scrips proved no exception to the generally easy trend. Naturally, the volume of business done on the Exchange was limited.

There were a few important dividend announcements during the week under review. The Nenmeny Rubber and Produce Co., Ltd., for instance, declared a dividend of 15 per cent. for the year ended 31st December, 1954, as against 7½ per cent. for the previous year. Tharmarapally Rubber Co. have announced a dividend of 30 per cent. for the year ended 31st December, 1954, the same as in the previous year. The Balanoor Tea and Rubber Co. Ltd., and Devon Tea and Produce Co., Ltd., have recommended a dividend of 15 per cent. each for the year ended 31st March, 1955. The dividend for the previous year was 12½ per cent. in each case. The Andhra Cement Co., Ltd., has maintained the dividend at 10 per cent. for the year ended 31st December, 1954.

Sectionwise, among textiles, Bangalore Woollens lost Rs. 5 to Rs. 435 and Buckinghams Rs. 2 to Rs. 151-8. Coimbatore Pioneers were lower by Rs. 2-8 at Rs. 220. Dhanalakshmis suffered a loss of Rs. 2 at Rs. 268. Mettura, however, improved to Rs. 325 to Rs. 340 and Pankajas from Rs. 53-8 to Rs. 55.

Among teas, Devasholas declined by Re. 1 to Rs. 24-4 and Coorg Teas by Re. 1-1 to Rs. 8-2. Highlands receded by As. 10 to Rs. 15-4 and Nilgiri Teas by As. 14 to Rs. 13-8 cum-right. Nonsuch Teas eased from Rs. 33-12 to Rs. 31-8 and Talyar Teas from Rs. 13-2 to Rs. 12-8. Peermades were done lower by Rs. 3-4 at Rs. 38-4.

In the rubber section, Kailas lost As. 3½ to Rs. 5 and Malankaras As. 8 to Rs. 26-12. Pullangodes were down by As. 3 at Rs. 3-10 and Rajagiris by As. 4 at Rs. 15-13.

Among coffees, Coffee Lands disclosed a loss of As. 2 at Rs. 16-14 and Consolidated Coffees As. 6½ at Rs. 19-8. Amalgamated Coffees, however, gained As. 6 to Rs. 8.

In the miscellaneous section, Aluminium Industries suffered a loss of As. 2 to Rs. 19. Rallis declined from Rs. 41-8 to Rs. 40-4 and Spencers from Rs. 17-6 to Rs. 17-2. Mettur Chemicals were down by As. 2 at Rs. 6-8 and F.A.C.Ts by an anna and a half at Rs. 4-14½.

Notice

THE NEW INDIA ASSURANCE COMPANY, LIMITED

BOMBAY

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from 23rd May to 21st June, 1955, both days inclusive.

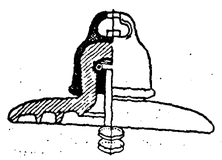
By Order of the Board,

B. K. SHAH,

General Manager.

BOMBAY, 12th May, 1955.

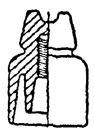
HIGH AND LOW TENSION INSULATORS WITH FITTINGS AND ALL ELECTRIC TRANSMISSION LINE MATERIALS



ORIENT TEXTILE ENGINEERS LIMITED

24, Netaji Subhas Road

CALCUTTA-1



NEWS IN BRIEF

THE Saurashtra Government proposes to start 13 more power-houses in the State by the end of this year, under the rural electrification scheme.

The preliminary report of the British steel mission regarding the location of the third steel plant is expected within ten weeks, according to the Union Minister for Commerce and Industry.

India's exports to the Soviet Union increased from Rs. 36 lakhs in 1953 to Rs. 2.52 crores in 1954. Imports from the Soviet Union increased from Rs. 44 lakhs to Rs. 1.13 crores during the same period.

The Experts Committee set up by the Planning Commission to examine the West Bengal Government's scheme for the establishment of a coke oven plant at Durgapur is reported to have found the place suitable for the purpose.

A two-year tobacco extension service will be organised by the Government of India in the Guntur District, Andhra, which is the largest centre for the production of Virginia cigarette tobacco in India. The cost of the scheme will be Rs. 1.50 lakhs.

An all-India survey of the textile industry, including an enquiry into the working of the uneconomic units, will be launched shortly by the Government of India. A special bureau under a director is being set up by the Textile Commissioner for this purpose.

The output of iron ore in India during March, 1955, amounted to 376,061 tons, as compared with 369,915 tons in February, 1955. Despatches aggregated 271,917 tons to iron and steel plants and 54,720 tons to the export market. Stocks at the end of the month were reported to be 989,585 tons.

The Government of India has decided to give additional licences to established importers and actual users of aluminium ingots, bars, etc. who might have booked firm orders against licences already granted to them. The additional licences are to enable them to obtain extra supplies as and when they are on offer.

The Union Government has decided to licence freely the export of sesamum seed and sesamum oil to all permissible destinations, excepting the Portuguese possessions in India, up to the end of July, 1955. The export of sesamum seed will be licenced subject to a maximum of 250 tons per shipper from all ports taken together.

The Madhya Bharat Government has decided to invest Rs. 1 crore in buying wheat in such of the organised markets in the State where the price of standards quality falls below Rs. 10 per maund. Purchase of wheat on behalf of the Government has already begun in some of these markets where prices have fallen below Rs. 10 per maund.

The all-India second estimate of small millets for 1954-55 puts the current year's area and production at 12,199,000 acres and 2,029,000 tons respectively, as against 12,030,000 acres and 1,984,000 tons in the corresponding estimate for 1953-54. This shows an increase of 169,000 acres or 1.4 per cent. in area and 45,000 tons or 2.3 per cent. in production over 1953-54.

Electricity generated by 684 public utility power stations in India during January, 1955, was 665.8 million kw.h., of which 545.2 million kw.h. were sold to ultimate consumers. The output decreased by 15 million kw.h., as compared to December, 1954. The corresponding figures for January, 1954, are 580.7 and 478.0 million kw.h. and for January, 1939, are 210.9 and 176.6 million kw.h., respectively.

Large quantities of limestone deposits, suitable for the manufacture of Portland cement have been found to exist near Jaggayyapeta, Krishna District, Andhra State. It is estimated that roughly 269 million tons of limestone will be available for conversion into cement from this area. As large quantities of cement would be required for the Nandikonda and various other projects proposed to be undertaken by the Government during the first and second Five-year Plan periods, the discovery of limestone deposits within reasonable distance from the Nandikonda project is of great significance.

The Indian Airlines Corporation has announced that, with effect from 16th May, 1955, the new Delhi-Bombay feeder service via Agra, Gwalior, Bhopal, Indore and Aurangabad will commence operating to a thrice-weekly frequency. The newly arrived Herons will be utilised on the route. The service will leave Delhi on Mondays, Wednesdays and Fridays and return back from Bombay on Tuesdays, Thursdays and Saturdays. This is the first route in India to be operated by the four-engined Heron aircraft. It will provide an air connection to the residents of Agra, Gwalior, Bhopal, Indore and Aurangabad with Delhi and Bombay.

The Planning Commission is reported to have agreed to study the Madras Government's scheme to deepen the Palk Straits Channel, connecting the Bay of Bengal with the Indian Ocean. The scheme, if implemented, will enable coastal vessels and international liners to cross direct either way without having to go round Ceylon. This will reduce the length of the voyage by about 300 miles. The cost of the scheme is estimated at Rs. 3 crores and shipping firms, particularly coastal vessel companies, may be asked to share the cost of the scheme. The Madras Government has suggested that this scheme may be taken up as an integral part of the coastal shipping and port development plans under the second Five-year Plan. This will also automatically help the development of Tuticorin port and arrest soil erosion at Dhanushkodi.

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From Abroad

China has agreed to buy crepe rubber from Ceylon at a price higher than the world market price. The price has not yet been fixed.

The cotton crop of Egypt for 1954-55 amounted to 7,746,260 kantars (of 99.05 lbs. each), an increase of 664,391 kantars over the previous year.

Iraq is reported to have set up a jute mill in Baghdad with the assistance of Pakistan and two more will be established shortly. Turkey and Egypt also have asked for Pakistan's assistance in establishing jute mills.

A new joint-stock company formed in Egypt with a capital of £500,000 will manufacture 600 railway wagons and carriages per annum. First of its kind in Egypt, the company is due to start production next year.

Almost half of the increase in the national income of Norway since 1905 is due to industrial expansion. Industry now provides a livelihood for a third of the population and contributes 40 per cent. of the national income and 80 per cent. of the total export earnings.

An agreement has been reached between Britain and the U.S. on the arrangements for the expenditure of over $70 million of aid on imports of American surplus commodities. This amount will be provided out of funds voted by the U.S. Congress last year, but so far Britain has received only about $1 million in the form of cotton.

A £60-million trade agreement between China and private Japanese business men was signed on 4th May. The agreement replaces the one signed two years ago and provides for the exchange of goods worth £30 million each way during the next 12 months. Payment will be made in cash in sterling.

The U.S. Senate has approved President Eisenhower's "no-tariff" trade Bill. The Bill extends the tariff reducing Reciprocal Trade Agreements Act for three years and authorises new selective cuts of up to 15 per cent. in import duties. The Bill is claimed as the keystone of the President's programme for expanded world trade.

The Norwegian Government has appointed a committee to investigate the question of securing representation of employees on the managing boards of certain industrial companies. The Committee has been asked to make recommendations in the form of a Bill to be presented to Parliament next year.

The Netherlands Bank has been authorised to grant incidental permission for the public issue of foreign debentures on the Netherlands capital market. Hitherto this had only been possible for Belgian and Luxemburgian issuers. A condition incumbent on these issues is that the funds resulting therefrom shall be transferred via the European Payments Union (E.P.U.).

Nearly 7,000 jute looms are expected to be in production within two months' time in East Bengal. Their output, amounting to 200,000 tons of jute products, are valued at Rs. 25 crores. Nine mills of varying capacity are, it is stated, using 1.2 million bales of raw jute to manufacture gunny cloth, gunny bags, twists and yarn, twin canvas and other types.

The Foreign Operations Administration proposes to give $2.5 million to Pakistan for expansion and modernisation of its air transport system over a period of three years. Under this programme, Pan American Airways will send a team of experts to Pakistan to work with Pakistan personnel in all phases of airline operation both in the air and on the ground.

The European Coal and Steel Pool High Authority has announced a reduction of its tax on coal and steel production in the Pool from 0.9 per cent. to 0.7 per cent. from 1st July next. The levy is used for administrative costs, for sponsoring research and to build up a loan fund for Pool industries. The Authority's guarantee fund from the levy at present amounts to about $75 million.

The Roan Antelope and Mofulira Mines in Rhodesia have offered to sell copper at a fixed basic price of £280 per ton c.i.f. U.K. to U.K. consumers who are willing to instil a degree of stability into their resale prices for copper and brass products. This price is effective from 9th May and will remain fixed for at least 30 days from that date, subject thereafter to variation at 24 hours' notice. In the event of variation, the adjusted price will again remain fixed for a definite period.

A survey of investment intentions in the U.S., conducted by the McGraw-Hill Publishing Company recently, shows that American business corporations will spend a record amount on new plant and equipment during the current year. The earlier survey made by the Company in the autumn of 1954 showed that manufacturing industries intended to cut their investment in 1955 by 7 per cent. from the 1954 level, while now they expect to increase their capital outlays by 3 per cent. over 1954.

PERSONAL

MR. Clifford C. Taylor, Agricultural Attache to the U.S. Embassy in New Delhi, left for the U.S. on Saturday last.

Sir Alexander Clutterbuck, the outgoing High Commissioner for the U.K. in India, is due to sail from Bombay for the U.K. on the 15th inst.

Mr. Seijiro Yoshizawa, Director-General of the World Economic Research Institute, Tokyo, has been appointed Ambassador of Japan to India.

Mr. J. C. Mathur, I.C.S., Secretary to the Government of Bihar, Education Department, has been appointed Director-General, All-India Radio, New Delhi.

Mr. N. Govindarajan, seniormost member of the Union Public Service Commission, has been appointed Chairman of the Commission, vice Mr. R. N. Banerjee who retired on 9th May, 1955.

Mr. R. G. Saraiya, Chairman of the Bombay State Road Transport Corporation, is leaving for Tokyo on the 14th inst. to attend the 15th Congress of the International Chamber of Commerce to be held there from the 15th to 21st inst.

Mr. M. R. A. Baig, until recently India's Minister in the Philippines, has been appointed as officer on special duty in the Union Ministry of External Affairs. He is expected to take over the post of Chief of Protocol in August or September next from Mr. I. S. Chopra.

Dr. John Matthai, a former Finance Minister, Government of India, and at present Vice-Chancellor of the Bombay University, has been appointed Chairman of the Board of Directors of the State Bank of India to be set up under the State Bank of India Act recently passed by Parliament.

"COMMERCE" 1930

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 17th May

The Salt Campaign

Now that the campaign against the Salt Act has been given up by the Indian *satyagrahis*, it is worthwhile to enquire into the incidence of this tax, the source of supply, and the extent of demand for this indispensable article of everyday use. Let us begin with the refutation of the statement that salt production in India is a Government monopoly. Some thirty per cent. of the total consumption is imported, thirty-five per cent. is manufactured by licensees, subject to a payment of excise, and thirty-five per cent. is produced by or for sale to Government. The United Kingdom took the leading place in supplies of imported salt before the war. Her share in the pre-war year was 22.5 per cent., but this was reduced in 1928-29 to 11.2 per cent. Aden and Egypt are now the principal sources of supply, the former providing in 1928-29 one-third of the total and Egypt 18.6 per cent. The total quantity imported was nearly 615,000 tons. Bengal took about 67 per cent. of this total, for it is a market which prefers fine white crushed salt. The sources at which salt is produced for sale by Government are the Khewra mines in the Punjab, the Sambhar Lake and subsidiary sources in Rajputana, and the large factory at Kharaghora, on the edge of the Lesser Runn of Cutch. In addition, there are several monopoly factories for the manufacture of "bay" salt in Madras and one in the Bombay Presidency. In the areas dependent on the first two sources, the practice of the country is to buy salt by weight and not by measure. The salt issued is of uniform quality, and is sent out at cost price, generally on indents received for issues by rail. The system has the advantage that it facilitates large-scale production, which, in the case of salt, conduces greatly to the cheapening of cost, that it eliminates the private profits of the manufacturers and to some extent that of the dealers, and that it enables the Government to regulate the supply to meet the demand and to place a reliable article on the market at cost price plus duty.

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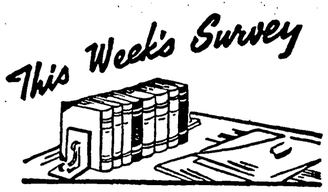

MERGER OF D. A. WITH BASIC WAGE

IT is hardly surprising that one of the main subjects on the agenda for the fourteenth session of the Indian Labour Conference, which commenced at Bombay today, is the merger of dearness allowance with basic wage. For there has of late been a growing volume of opinion that a substantial portion of the dearness allowance paid to workers to neutralise the rise in cost of living should be merged with the basic wage, as there are little prospects of the cost of living index retreating to the pre-devaluation level, let alone the pre-war level. This view has been endorsed even by the Planning Commission. It will be recalled that, while accepting the recommendation of the Gadgil Committee that 50 per cent. of the dearness allowance admissible to the Central Government servants drawing a basic wage upto Rs. 750 per annum should be amalgamated with the basic wage, the Commission had suggested the extension of the recommendation of the Committee to workers in the private sector, too. The Government of India has already implemented the recommendation of the Gadgil Committee in so far as its employees are concerned.

There are few who can dispute on dispassionate and logical grounds that a portion of the dearness allowance should be merged with the basic wage. Normally, an allowance should be only a small percentage of the basic pay. Ironically enough, this is not so in the case of dearness allowance. In fact, in some cases, dearness allowance is even more than the basic wage of the workers. As is common knowledge, this is essentially due to the fact that the basic wage has remained in many cases stationary at pre-war levels, while the living costs have shot up to more than three times the pre-war level. Small wonder that, on account of this abnormal position and as the rise in the cost of living index has almost come to stay, the demand for the absorption of a part of the dearness allowance has gathered momentum and there is a ring of justice in it.

Assuming that the merger of a part of the dearness allowance with the basic wage is a foregone conclusion, the most important point to be determined is the level at which the basic wage should be fixed. It will be recalled that, as early as 1947, the Central Pay Commission, which enquired into the structure of pay scales of civil servants, recommended that the basic wage of Central Government employees should be determined on the basis of a cost of living index at 160 to 175 points, taking into consideration the cost of living index in 1939 as 100. The scales of dearness allowance recommended by the Central Pay Commission were worked out on a slab system with the cost of living index at 160 as the base. The Fair Wages Committee (1948) endorsed the basis adopted by the Central Pay Commission and accordingly felt that the basic wage should be fixed in relation to the cost of living index number of 160 to 175, on the assumption that the index in 1939 was 100. On the other hand, the Gadgil Committee, which submitted its report on 4th October, 1952, considered that the cost of living index was not likely to recede to the level anticipated by the Central Pay Commission. Consequently, it suggested that, taking the pre-war level to be 100, the cost of living index at the level of 265 to 284 should be made the basis for fixing basic wages.

The Industrial Tribunals have so far not followed any uniform policy in regard to the determination of basic wages and dearness allowance. The Bombay Industrial Court has fixed the basic wage of cotton textile workers on the basis of the cost of living in pre-war years. The Industrial Tribunal (Bank Disputes), 1950, fixed the basic wages on the cost of living index number for 1944, that is, 258. The Minimum Wages Act, 1948, provides that the minimum wages which might be fixed under the Act might consist of a basic rate of wages and a special allowance variable with the cost of living index number and the cash value of concessions in respect of supplies of essential commodities, or an all-inclusive rate allowing for the basic rate, the cost of living allowance or the cash value of the concessions. The actual wage rate fixed by the various State Governments do not, however, show any uniformity, as, in some cases, dearness allowance has been fixed separately, while in others a consolidated wage has been fixed.

One of the arguments adduced by employers against the merger of a portion of the D.A. with the basic wage is that it would lead to increased rates of payment of provident fund, etc. It was because of this opposition that no decision could be taken on this issue at the eleventh session of the Indian Labour Conference held in August, 1951. Now that the Employees' Provident Funds Act, 1952, which applies to six major organised industries, is proposed to be extended to a number of others as a next step, this argument hardly holds good. The ultimate objective, it may be noted, is to extend this Act to all industries. The scheme framed under the Act, which now applies to cement, cigarettes, electrical, mechanical or general engineering products, iron and steel, paper and textiles (cotton, jute and woollen), provides for a contribution of 6¼ per cent. of the total of basic wages and dearness allowance each by the employers and the employees. The Government has now proposed to extend the scope of the Act so as to apply to those industries which employ 10,000 workers or more. They are (1) heavy and fine chemicals, including artificial manure, (2) matches, (3) edible oils and fats, (4) printing presses, (5) tea factories, (6) rice, flour and dal mills, (7) sugar factories and refineries, (8) glass and glass products, (9) leather products, (10) tanneries and leather finishing, (11) cotton ginning and baling, (12) rubber and rubber products, (13) electricity generating, transforming and distributing stations, (14) glass and glass works, (15) coir and rope works, (16) automobile repairing and servicing workshops and (17) pottery, china and earthenware. These industries certainly cover practically all the industries in the private sector. In fact, the question of extending this Act to all these industries is also scheduled to be discussed at this conference. It is also proposed to examine the possibilities of extending the scope of the Act to plantations, mica, manganese, iron ore, gold and limestone mines, in course of time, and, if possible, commence the collection of the relevant statistics now alone.

RAISING ADMINISTRATIVE EFFICIENCY

No other single factor has hampered the pace of implementation of development plans so much as the lack of sufficient sense of urgency, attention and vigour on the part of the ministries and the executive departments concerned. Viewed thus, the efforts made by the Organisation and Methods Division of the Cabinet Secretariat since its inception in March 1, 1954, to improve administrative efficiency in all branches of the Central Government are, indeed, commendable. The three important tasks to which the Division has addressed itself are: (1) To make all concerned conscious of the prevailing inefficiency and of the need and scope for improvement; (2) to find out facts and to see what actually is wrong and where to locate the causes which adversely affect speed and quality of work; and (3) to devise and apply appropriate remedies. In the discharge of these tasks, the Division has already met with considerable success. That there is no exaggeration whatever in this statement will be clearly evident from a perusal of the first Annual Report of the Division (1954-55) placed on the table of the Lok Sabha on Tuesday last week.

With a view to finding out the real causes for the delay in implementing development plans, the Division carried out detailed case-studies of 22 cases selected by the ministries themselves. It was clear that the delay in all these cases was, as stated at the outset, almost due to lack of sufficient care, attention and vigour on the part of the ministries and the executive departments concerned. Very little blame, if any, could be attached to the Finance Ministry. But it was clear that almost all the spending ministries did tend to exaggerate their demands in anticipation of a cut by the Finance Ministry. This, in turn, aggravated the tendency on the part of the latter to assume such exaggeration and to prune in every case irrespective of its real merits. If this vicious circle is to be broken, then the officials of the spending ministries and the officers of the Finance Ministry must develop personal contacts and get their difficulties ironed out by direct talks, instead of through files.

The case-studies carried out by the Division disclosed quite a good number of causes of delay. Mention, for instance, may be made of delays in the examination of proposals, passing of orders by officers, and in the movement of papers and delays caused by reference of proposals to the Finance Department with inadequate details, repeated queries about matters of detail, examination of proposals by technical officers in attached offices, and disinclination on the part of finance officers to accept estimates furnished by administrative ministries. Mention may also be made of delays arising from inadequate inter-departmental consultation and lack of co-ordination, selection and recruitment of personnel by the Union Public Service Commission, and difference of opinion between the Central and State Governments on matters of detail and financial liability.

The Division has done well to call upon the ministries to provide statistical returns showing the speed of disposal of papers and to reinstitute, on a firm and effective basis, two other controls—a weekly check on the outturn of work by the dealing assistants in the section and a monthly statement of cases pending for more than a month. A regular scrutiny of these returns by the appropriate officers will be very useful in that it will keep up the flow of work and speed up inter-departmental references. Incidentally, the returns will serve to draw attention to good or bad work by the individual members of the staff, thus facilitating a proper appraisal of merit for purposes of promotion. Another welcome step taken by the Division relates to the process of "lowering the decision-taking level, which today is too high everywhere," through adequate delegation of authority to the section officer.

The Division has also taken steps to promote closer collaboration between the officers of the administrative ministries, the executive officers and the officers of the Finance Ministry. Decisions were recently taken to introduce certain changes in the existing system of budgetary and financial control and advice, and to provide an internal financial machinery within the administrative ministries on the British pattern. Surely, this arrangement should enable the ministries to make better use of their own delegated authority and to apply financial canons to proposals which have to be referred to the Finance Ministry. Further, the Division has introduced several procedural reforms to correct the more glaring faults common to all ministries. Steps have been also taken to eliminate unnecessary movement of papers between officers and accumulation of arrears in many ministries.

The foregoing account will clearly show the useful role which the Organisation and Methods Division has been playing. Indeed, it is no exaggeration to say that the establishment of this Division has justified itself fully. It is to be hoped that the State Governments will emulate the example of the Centre and set up similar bodies. It is common knowledge that the administrative efficiency in the Secretariats of State Governments is at a low level and there is urgent need for enhancing it.

SOVEREIGNTY FOR WEST GERMANY

The emergence of West Germany as a sovereign State, following a proclamation ending the Occupation Statute by the three Allied occupying powers on the 5th inst., is expected to give a strong fillip to the resurgence of that country into a full-fledged economic political power. For this act restores to Germany an important measure of freedom in the economic and political field. Germany now is free to resume normal diplomatic relations with Soviet Russia and other East European countries and to conclude commercial and other treaties with them.

The area which is now West Germany (excluding West Berlin) comprises only 52.1 per cent. of the territory of the former Reich in 1937 (excluding Austria but including the Saar Basin). But, in the first year after the collapse on 8th May, 1945, of the Nationalist Socialist Dictatorship, even this reduced area, instead of being allowed to function as a single unit, was cut into three occupation zones, each isolated from the other. It was not until the end of 1946 that the British and American occupation zones were merged into a "combined economic area"; the French zone was joined to this area a year and a half later, in mid-1948, after the drastic currency reform. Now has come the next important step, namely, complete freedom to that part of Germany which was fortunate enough to fall into the hands of the democratic Western powers.

Looking back over the decade since the collapse of the Nazi dictatorship, the change that has taken place in the war-devastated economy

of the country is highly creditable. In 1946, the industrial output of the combined economic area was only about one-third of the 1936 level. Since then, there has been an astonishing recovery. Taking 1936 as the base, the index of industrial production in October, 1954, was 192.1, as against 172.6 a year before and the average of 113 for 1950. A comparison of other economic indices, as compared with 1950, discloses the following picture:

	1950	1954
National income (in million R.M. or D.M.)	71,521	105,296 (a)
Employment (in 000 persons) ..	13,903	16,831 (b)
Cost of living (1938=100) ..	156	170 (c)
Retail prices (1938=100) ..	172	179 (c)
Exports (in million R.M. or D.M.)	8,362	17,719 (d)
Imports (in million R.M. or D.M.)	11,373	15,353 (d)
Gold and exchange reserves (in million D.M.)	4,894 (f)	10,773 (e)
Interest rates:		
Discount rate	6%	3%
Loan rate	7%	4%

(a) Estimate, (b) September, (c) October, (d) January to October, (e) end of December, (f) end of 1952.

West Germany has made such tremendous recovery since 1951 in particular that it has been able to compete effectively with Britain and other European countries in the world markets and to relax import restrictions to a much greater extent than other European countries; indeed, it has expressed its readiness to introduce full convertibility. Now that Germany has regained a far greater measure of freedom in the economic and industrial field, there is no doubt that its economic record in the future will be better still.

Despite the freedom it has obtained, West Germany has given certain assurances regarding air traffic, the use of atomic energy and deconcentration of industry. In the field of development of atomic energy, it has agreed to limit the manufacture and import of energy to 3,500 grammes of nuclear fuel per year for the next two years. It has also agreed to limit the capacity of atomic power plant to 10 megawatts for two years. There will, however, be no limitations thereafter. All indications are that after this period, W. Germany will speed up its plans for the development of atomic energy in such a manner as to catch up with the progress already made by Britain and the U.S. The restrictions relating to decentralisation and deconcentration of industry will, however, prevail until the process is completed by the Federal Government. But this, it is stated, will largely be a matter of formality in all cases excepting a few, such as Krupps and Flicks, the assets of which have to be disposed of. A mixed committee has been set up to grant extension of time for the completion of the formality. This means that cartels and industrial concentrations can be allowed to go on with the consent of the Allied powers in cases where their presence is considered absolutely necessary.

The sovereignty of West Germany will not, however, be complete until the unnatural boundary between West and East Germany is obliterated. The reunification of these two areas can only be achieved by peaceful means and with the willing consent of the Soviets. Until this is accomplished, there are hardly any prospects of political contentment for the Germans who are a strong-willed nation and who regard the perpetuation of the unnatural separation as a national dishonour. Again, reunification alone can assure the people of the Soviet occupation zone freedom from want and liberty of thought. Reunification of the two parts of Germany is necessary for the integrated development of the country's resources on sound economic lines. More than anything else, peace on this planet will be in peril so long as this nation is kept in two parts, and that under two differing ideologies. It is to be devoutly hoped that Providence will bestow on the statesmen of the world the frame of mind necessary to unite the two Germanys into one and to give unfettered freedom to Germans to decide for themselves the type of government they want.

RAJASTHAN WOOL INDUSTRY

The prospects for wool producers in Rajasthan would certainly be bright, if the efforts of the State Government to develop the industry on a sound and solid footing succeed. The Government has drawn up a development programme for wool to be included in the second Five-year Plan. The programme envisages an aggregate capital outlay of Rs. 3.8 crores, the bulk of which—Rs. 2.8 crores to be precise—is to be accounted for by the public sector. The implementation of the programme is expected to result in an overall increase of 20 per cent. in

(Continued on page 949)

PERILS OF SOCIALISING INDUSTRY

By "Rudderbar"

IN every field of human endeavour, all worthwhile achievements have been the fruit of individual genius. We are standing too close to our own times to distinguish the truth of this statement in relation to modern progress. Nevertheless, when our history comes to be written, the names of individuals, many probably presently unknown to the public but who have benefited humanity in various ways, will assuredly adorn the pages and that, too, when Presidents, Ministers, and politicians, who today monopolise the world scene, may long have been forgotten. Turning to the past, the list of such men is endless. Consider, for example, the contribution to the science of surgery made by Lister and Pasteur, to locomotion by Stephenson and the Wright Brothers, to communications by Graham Bell and Marconi, and these, great names though they are, represent a mere random selection from the galaxy available. Nor should those be forgotten whose genius flowered in the fields of industry, commerce and transportation. Henry Ford, for example, one of the pioneers of mass production, and the early promoters of railroads, steamship companies and chain stores. However much we may deplore certain aspects of the industrial age, however distasteful may have been some of the methods employed, it can hardly be denied that these men conferred immense benefits on present generations and particularly with regard to the raising of living standards for great masses of people.

Easy and swift communications, cheap and safe transportation, a multiplicity of cheap manufactured goods, the better raising and distribution of food and other items, too numerous to mention, were the fruits of private enterprise. In most instances, moreover, and even in the case of concerns which are today gigantic in scope and complex in their organisation, it is not necessary to go very far back in time to trace their origins to single individuals. These were men of great imagination and drive, who, starting often from small beginnings, built up great enterprises. Nor did India lack men of vision and determination, as, for example, the house of Tatas bears witness today. These things are surely worth pondering by those who profess to believe that only the State can supply the material needs of the people today.

It is, of course, undeniable that many a great business was erected on a labour force working under the most inhuman conditions. One need only study the early history of industrialism in Great Britain, which, incidentally, gave rise to Karl Marx and his doctrine, to realise just how bad those conditions were. What is, perhaps, not realised, however, is that the times themselves were harsh. Servants of the State were little or no better off, as witness the appalling conditions of service that used to prevail in those days in the police and armed forces. Be that as it may, we have travelled very far since those bad old days and few would deny the vast transformation which has taken place, partly, no doubt, by social legislation, but mainly on account of the humanising influence of modern ways, themselves the result of higher living standards.

Whilst the benefits—and the drawbacks—of private enterprise under a capitalist system are available for all to study and criticise, comparable results of a system of complete State ownership and control are practically inaccessible, and those which do emerge from behind the iron and bamboo curtains are obscured by a smoke screen of propaganda. Nevertheless, the Government, in its wisdom, has announced its intention of promoting a Socialistic pattern of society, with the accent on State ownership and control of industry. The implication is, therefore, that much now within the private sector will pass into the keeping of the State and, whatever views may be held on this trend of affairs, all will desire to see a successful outcome of the policy for the sake of the nation.

Success, however, will not attend the public ownership of industry, unless a considerable improvement of present methods is forthcoming, because, judging by present results, those concerns which have already been acquired by the State are hardly likely to hasten the advent of prosperity and the welfare State. Consider, for example, our domestic air transport. Nationalised in 1953, this industry, in its first year of working, has cost the taxpayer Rs. 127 lakhs, and its second financial year, now nearing completion, is likely, so it is understood, substantially to increase this deficit. It is interesting to note that, in its last year of working under private enterprise, when it received a subsidy of Rs. 39 lakhs, the industry registered an aggregate loss of Rs. 12 lakhs, or, taking the subsidy into account, Rs. 51 lakhs. Not only, then, has the total loss been more than doubled under State ownership, but the whole deficit has to be borne by the public exchequer instead of the comparatively small amount formerly paid as subsidy.

These figures speak for themselves but they do not tell the whole tale. The workers, who were loud in their welcome of nationalisation, are now by no means happy. They are, in fact, learning the hard way that, whilst there is scope for collective bargaining with private enterprise, one cannot argue, with any hope of success, with a Government. They are learning, too, the dangers of monopoly in their line of employment. And, lastly, but not perhaps of least importance, they are learning that the more impersonal relations between management and employee which presently prevail are not to their liking.

Why should the mere fact of nationalisation bring about such unsatisfactory results? It is, I suggest, largely a question of direction and management. In private enterprise, the manager of a large company is one whose ability, knowledge of the industry, sense of responsibility and quality of leadership have been carefully assessed, probably over a long period of time. The Board consists of men, the majority of whom have wide experience of industry and commerce. If the manager fails, and many good subordinates fail when placed in top executive posts, he becomes an expensive liability and is replaced. In State-owned concerns, if the practice to date is to be taken as accepted policy, both direction and management are placed in the hands of civil servants, who, however excellent their qualities, seldom have any knowledge of the working of commerce and industry and, almost never, any specialised knowledge of the particular industry for which they are made responsible.

A very exceptional man may be able partly to offset this grave initial handicap and, by the exercise of his personality, contrive to drive a team of experts chosen from the industry itself. To achieve this, however, he must have one quality *in excelsis*, the ability to read and judge men. The policy of the Government in selecting civil servants for these posts is, doubtless, based on some such expectation. The failure of the policy to date lies in the overoptimistic assumption that civil servants are exceptional men. Mere academic achievement required for entry into the civil service is no guarantee of personality or character and early training in the sphere of Government administration, although a lifelong asset to the civil servant employed in his proper role, can be a positive drawback in the world of commerce.

Some of the spheres in which civil servants have been employed as managers of State-owned undertakings are highly technical and, indeed, of such a nature as positively to require some knowledge and background of the particular industry concerned. These include aircraft manufacture, shipbuilding, air transport, and the production of articles ranging from fertilisers to locomotives. In all cases, those selected to manage these industries are, doubtless, able and conscientious men, but it would be asking a lot of Providence to expect such exceptional qualifications as would counterbalance their lack of experience of commerce and industry.

If it is, indeed, the intention of the Government, in its pursuit of a Socialistic pattern of society, to absorb into the public sector many of the industries now established under private enterprise, some change of policy in regard to management and direction of these concerns seems to be given first priority. Without inspired leadership and expert direction and management, the handicaps which, in any event, beset a State-owned undertaking—I refer to the bureaucratic methods which inevitably creep into such undertakings and eventually sour management/employee relations and kill all enthusiasm—will be insuperable. If the present distrust of proven leaders in the private sector persists into the future and the country is deprived of the benefit of their knowledge and experience, then, inevitably, the results of State-ownership will follow the same pattern as has been exemplified in the case of air transport; heavy losses will be incurred and the promotion of the welfare State, far from being hastened, will remain a very idle dream.

AMERICAN LETTER

ECONOMIC TRENDS IN UNITED STATES

CURRENT YEAR MAY TURN OUT TO BE BEST BOOM YEAR UNLESS STRIKES OCCUR

From Our Special Correspondent

NEW YORK, 6th *May*

THE business boom continues in the United States. Increase of margin requirements for the purchase of listed stocks from 60 to 70 per cent. and the raise of the re-discount rate from 1½ to 1¾ per cent., designed to curb activity and speculation in securities, have had little, if any, effect up to this point.

Sales of new automobiles and the building of new homes, commercial buildings and local Government expenditures for highways, schools and other public construction have been the chief sustaining factors of the high levels of production and consumption,

All the depression talk which was so prevalent a year ago has disappeared and there is wide praise for the monetary policy of the Administration which was at least in part responsible for the reversal of trend.

Politically, this means, of course, that, aside from the great personal popularity of the President, the chances for the Republicans generally are pretty good.

In the Democratic Party, there are at this time two major contestants to run for the Presidency next year. They are Adlai Stevenson, who was defeated by Eisenhower in 1952, and Governor Averell Harriman of New York, who was elected to that post by a very narrow margin of votes.

Both men are good friends, both are extremely wealthy and both have no ulterior motive but ambition. Stevenson, as head of the Party, has the first choice. Both men, I know, would support one another through their political machines.

It is now conceded that Stevenson may not want to commit himself too soon and risk a second defeat at the hand of Eisenhower, unless the political and economic climate changes. He may also decline to run. In both events, Harriman would undoubtedly be the candidate, according to the present political constellation.

For him a defeat would not be quite so serious as for Stevenson. Besides, he was a strong supporter of Franklin Delano Roosevelt and he served in his shadow in various posts. His accomplishments were adequate, but they were by no means regarded as brilliant. Mr. Stevenson, on the other hand, is a witty man of considerable brain. Since a large segment of the electorate is always suspicious of brains, it may be that Harriman's chances at the polls are better than Stevenson's. Both are gentlemen who do not need the job. Both are well meaning and they would be running out of personal ambition plus *pro bono publico*.

Corporate Earnings

First quarter corporate earning reports of United States business and industry show in most cases gains in sales and earnings, as compared with the first three months of 1954, according to a tabulation of 818 statements by First National City Bank.

A factor in increased profits was the continued substantial enlargement in the capital investment of corporate enterprise. The combined net income of the reports at hand, showed a figure of about $2,500 million, an increase of 27 per cent. over the first quarter of 1954.

The number of companies reporting increases over a year ago exceeded those with decreases by a ratio of better than three-to-one. Working capital of the corporations under review was also increased.

Retained earnings and depreciation allowances still constitute the major sources of capital expansion funds, with new stock and bond issues providing minor though significant portions.

Among the manufacturing industries making sharp recoveries were textiles and apparel, iron and steel, automobiles and parts, chemicals and cement-glass-stone products. Many manufacturers are predicting that new high records set in the first quarter and the future outlook may mean that 1955 will be the best in their industries.

Labour Situation

One uncertainty in the picture revolves around the outcome of present negotiations between management and labour for wage contract renewals in the automotive industry. The main issue is the annual guaranteed wage. Some informed people believe the industry, now riding on the crest of a boom, will give in to these demands in one form or another. However, there remains much opposition to such measure.

The thinking of the antagonists was clearly represented in the current issue of *Guaranty Survey*, published by Guaranty Trust Co. of New York. The Bank says, in the final analysis, it is not the employer who hires labour and pays wages. It is the consumer.

The publication suggests "while the aspiration is easy to understand, a guaranteed wage is impossible to meet, because the demand for labour is determined by the demands for the products of labour and, in a free society, this cannot be guaranteed by anyone."

After this question has been settled in the automobile industry, possibly before the end of the month, the same question will rear its ugly head in the steel industry. There remains an outside chance of major strikes which may disrupt production schedules seriously and negate all present predictions that 1955 may be the biggest boom year ever.

No material change is expected in the money market picture. A fiscal and credit policy of mild restraint is still in evidence, driving interest rates fractionally higher and bond prices slightly lower against the background of a consistently strong stock market. The big problem is the real estate boom which in several sections of the country has resulted in over-building. The very easy mortgage terms are now in the process of being tightened so that this situation is apt to correct itself in due course.

Rubber Plants Sold

Another notable development was that the Washington Government took last week $81,595,072 in cash for three Texas rubber plants and thereby completed, substantially at least, the sale of the Federally-owned rubber industry to private interests. The transfer completed a week-long series of contract signing covering twenty-four plants from New England to California. This is in line with the policy of the present Administration to get out of business which can be run better and more efficiently by industry.—*All Rights Reserved.*

(*Concluded from next column*)

and knitware and thus save themselves the expense of a staffed exhibit.

The group which shows least diminution from its former glory is the jewellery and silverware group, dominated more than ever this year by Smiths who boast that they are the largest makers and exporters of clocks and watches in the world.

But pottery and glassware which should be one of the great sections of the Fair and which is an important export industry has shrunk to an insignificant group of stands among which only the Royal Crown Derby stands out. Another industry in which this country is predominant, the making of scientific and optical instruments, has withered away even more dramatically, and although what is shown is of interest it cannot claim to be even faintly representative of the vast group of manufacturers engaged in the trade.

So much for London. At Castle Bromwich, Birmingham, the Fair shows little change from past years. Its interest does not lie in *decor* or imaginative design but centres rather in the massed products of over a thousand firms whose names are household in the Midlands and the North and who cover the engineering, electrical, building, heating, and hardware industries, making products from ball-bearings to Bailey bridges. Some of the products are too large to be housed in the 2,000 ft. long hangars and are shown outside. Such are the structural, agricultural, mining and contractors equipment which form an impressive display. But the Birmingham exhibition, following the pattern of previous years, has continued to attract its high quota of overseas buyers.—*All Rights Reserved.*

B.I.F. STRIKES CRISIS

LEVEL OF PERFORMANCE LOW

From Our Own Correspondent

LONDON, 7th *May*

LONDON LETTER

THIS year, the fortieth anniversary of the British Industries Fair, the internationally famous London Exhibition, has struck a crisis. Ever since its foundation, till this year, Government Departments—either the old Department of Overseas Trade or the Board of Trade—have been responsible for running this vast shop window of light industry. Heavy industry has always been exhibited at the Birmingham section of the Fair and that has continuously been run by the Birmingham Chamber of Commerce. But this time it was decided to run the London section commercially and to put it in the hands of a new company formed for the purpose and in which the London Chamber of Commerce participated. The level of performance was low.

The result has not been happy and obviously the organisers have a great deal to learn. In the first place, the Fair had become increasingly notable for magnificent design in its *decor* and general lay-out, but this year obviously the money wasn't there for such expenditure, and *decor* has been left entirely to individual exhibitors only one of which—British Celanese, the rayon producers—rose to the occasion with a stand that was a gardener's fantasy, textiles and clothing mingling with trees and curious and metallic shapes. But it was a stand that caught the eye and demanded further investigation and that is surely the purpose of Fair *decor*.

This year, also, the Fair has been entirely housed in one of London's two great exhibition halls—Olympia—instead of extending into both, and textiles, which were usually an exhibition in themselves, are confined to a relatively small section of the Fair. Gone, too, is the extensive Commonwealth section in which all the countries of the Commonwealth, great and small, illustrated their principal industries. All that is left is a small Colonial group and only Pakistan of the Commonwealth countries has an exhibit which, however, is much less splendid than usually shown.

Just as the exhibitors are less, so the attendance of buyers and public has fallen, too. The reduction is less noticed among the overseas buyers whose numbers for the first few days of the Fair were about two-thirds of last year but who have come from Australia, Canada, India, New Zealand and South Africa in largest numbers, and among the European countries principally from France and Germany. Home buyers are down to about one-half as many as last year, and even the public attendance is less than usual despite the extended hours of admission.

The trouble is that a Fair of this nature loses its appeal if it is not widely representative of the industries concerned. Buyers are not going to trouble to come from distant countries nor even from other parts of Great Britain to see the exhibits of an unrepresentative group of firms which still leaves them with the necessity of finding out what other firms in the trade have to offer before they can place their orders. Another year of the Fair being run in this way will put an end to it. However, it is proposed that next year the Fair should be run at two different times of the year—in the early months for the seasonal trades who have to get ready through the year with their orders for the following autumn, for example, textiles, fancy goods, jewellery, cutlery, stationery, pottery and glassware. That will leave the scientific goods, packaging machinery, office appliances, and offshoots such as boats and caravans for exhibit at the traditional time. We must suspend judgment until we see how this works out. But it will certainly no longer be quite the same Fair as in the past.

This year, although the textile group has been reduced in size, it still remains the largest single exhibit and is dominated by the synthetic fibres. I.C.I. exhibit their terylene and ardil. Then there are British Nylon Spinners, Courtaulds with viscose rayon, and British Celanese with acetate rayon. All of them show a trend towards combining the man-made fibre with a natural fibre. There are few firms of note beyond the giants of the man-made fibre industry and the great names of Yorkshire ad Lancashire are absent. Some firms have taken the opportunity of having small shop windows in glass cases to show their specialities in hosiery

(*Continued in previous column*)

PAKISTAN NOTES

SCOPE FOR FOREIGN CAPITAL

U.S. COMMERCE DEPARTMENT ON LIMITATIONS

PAKISTAN does have much to offer—both real and tangible—to foreign investors in that country. This is the conclusion which the U.S. Department of Commerce has arrived at in its report on investment conditions in Pakistan—the report is the outcome of the enquiries conducted during 1953—issued recently. In saying so, the Department is, of course, not unaware of some of the disturbing trends in Pakistan's economy. In fact, it is fully conscious of them, as witness its special warning to the foreign *entrepreneur* to base his calculations on certain major premises in regard to Pakistan. In this context, it enumerates a series of major deterrent factors—both long-term and short-term—which inhibit the flow of private foreign capital into Pakistan.

The long-term factors, deterrent to potential investors, are summed up thus: the economy is predominantly agricultural, and industry, though gradually increasing in importance, still accounts for less than one per cent. of the national income. Incidentally, it is stated that, out of a total population of 75.8 million, 22 million are economically active, though probably less than one million are employed in organised industries. Besides, there is a crippling shortage of power. Skilled labour is at a premium, in spite of widespread unemployment. The market is restricted by the low *per capita* income of the population and the present rate of domestic capital formation is quite inadequate to the country's needs. Explaining the short-term factors, the Department alludes to the far-from-satisfactory contemporary financial situation, marked by a serious decline in foreign exchange reserves and recurrent inflationary pressures. Negotiations to obtain Government approval to invest in Pakistan are found to be both protracted and costly. Taxes—corporation and individual—are high. In trading activities, it is necessary to employ a large percentage of Pakistanis.

Against this background, the U.S. Commerce Department sets the strong determination of Pakistan to diversify their economy by industrialisation which is seen as something more than "an enthusiastic expression of national pride." Attention is also drawn to the recognition by Pakistan's leaders of the need to associate private foreign investment with domestic enterprise, the growing understanding by officials of the value of foreign co-operation, the aptitude of many Pakistanis to acquire industrial skills after adequate training, and the element of flexibility in applying controls over the issue of foreign capital.

The review of the industrial progress of Pakistan since its birth, as made by the U.S. Department of Commerce, reveals that progress has been most rapid in the field of cotton textiles and that the country is now more or less self-sufficient in respect of coarser grade cotton cloth. The aggregate output of cloth which was just 88 million yards in 1948 rose to 237.7 million yards in 1953. The improvement in output followed a notable expansion in the size of the industry. By 1954, there were 44 mills with 724,334 spindles and 10,475 looms, as against 17 mills with 177,417 spindles and 4,824 looms in 1947.

In the field of jute goods manufacture, progress, it is said, has been steady, notwithstanding lack of adequate power supply. By 1954, there were under construction in East Bengal 11 jute mills with 6,250 looms, of which 1,500 looms were already in operation. When all the 11 mills work satisfactorily, the production of jute will be at the rate of 200,000 tons per annum, of which 160,000 tons are expected to be available for export.

In the sphere of heavy industry, Pakistan has five cement factories, of which four are situated in the western wing. Their combined production was estimated at 596,000 tons in 1952, as against the development programme requirements of 1 million tons annually. Additional capacity is being installed. While Pakistan's annual consumption of sugar is about 300,000 tons, production in 1953 amounted to 83,000 tons. The country has also initiated steps to expand the small steel industry; steel ingot output in 1953 was 10,419 tons, as compared with 6,865 tons in 1952 and 2,881 tons in 1951. This falls far short of the country's annual requirements of iron and steel which are estimated at 350,000 tons. The gap will still remain large even taking into account the present rated capacity of 30 rolling mills (not all of which are in regular operation) which is no more than 80,000 tons. German interests are collaborating with the Pakistan Industrial Development Corporation in planning and developing steel resources. Large-scale manufacture of paper is being developed at Karnafuli in East Bengal.

Nevertheless, the U.S. Department of Commerce feels that there is still much to be done before Pakistan approaches self-sufficiency in some of the basic ingredients of industrialisation. According to the Department, the number of manufacturing establishments (excluding mines) employing 20 or more workers and using power during 1953 was 1,800, of which the Punjab accounted for 821, East Bengal for 415, Sind for 258, Karachi Federal capital area for 255, the N.W.F.P. for 35 and Baluchistan for 16. Over the whole field of manufacture, the textile industries predominate and there are 525 establishments engaged in the various branches of cotton and jute manufacture. Of these, more than three-fifths are engaged in cotton ginning and pressing. About 63 jute press houses and 1 mill were working in East Bengal at the end of 1953. Food manufacturing (other than beverages) accounts for 386 factories, more than half of which being engaged in rice milling, and there are 117 tea producing concerns.

From the assessment of the extent of foreign capital invested in Pakistan made by the U.S. Department of Commerce, it is gathered that there has been little U.S. private investment in Pakistan. In contrast, there is a considerable number of well-established British firms, as well as the participation of British capital in industrial enterprises such as chemicals, drugs, textiles and metal products. The position with regard to foreign investments in Pakistan as at 31st August, 1952 was as follows:

Country	*No. of companies*	*Issued capital (Lakhs of rupees)*
U.K.	... 51	12,28
U.S.	... 2	17
India	... 14	3,31
Other countries	... 38	5,71
Total	... 105	21,47

In a situation in which the need for much greater capital formation and investment is widely conceded, the Department thinks that there is little to particularise the fields in which foreign capital would be the most useful and, presumably therefore, specially welcome. But, in common with all the new nation States of Asia, Pakistan policy is, it is said, inevitably conditioned by such factors as the historical past, religious and racial susceptibilities, and a feeling that the Moslems of the sub-Continent have hitherto been slow to take advantage of modern industrial and financial techniques. "It appears clear," says the U.S. Department of Commerce, "that foreign capital will not be equally welcome in all fields in Pakistan." The foreign investor, for instance, will be discouraged in purely trading and commercial pursuits, but he may expect to receive encouragement in new manufacturing industries, "particularly those which are desired for immediate and rapid establishment or expansion."

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ACTIVITIES OF BOMBAY STATE CO-OPERATIVE BANK

PROGRESS IN 1953-54 REVIEWED

IN view of the important role assigned to co-operative institutions for dispensing rural credit under the proposed integrated scheme, hereafter increasing attention will be paid to the activities of leading co-operative banking institutions. For the operations of these institutions, which are closely linked with village finance, not only reflect the prevailing economic conditions of the rural areas but also reveal their strong points as well as their weaknesses, as agencies for reorganisation of agricultural credit. A review of the latest Administration Report, namely, that for 1953-54, of the Bombay State Co-operative Bank Ltd., for instance, will provide one with an idea as to the problems facing this Bank, the leading co-operative central financing agency in the State.

The Bombay State Co-operative Bank is an apex institution and caters to the banking needs of the Co-operative Movement in the State. It functions as a balancing centre for co-operative institutions in this State as also in other States. During 1953-54, its paid-up share capital rose by Rs. 48,000 to Rs. 60.47 lakhs, inclusive of Rs. 26 lakhs contributed by the Government of Bombay. The new shares (value being Rs. 50 each) were allotted to co-operative institutions at a premium of Rs. 10 per share, the premium being credited to the Reserve Fund. The total membership of the Bank was 10,016 of which co-operative institutions formed 57.4 per cent. as against 56.9 per cent. in the preceding year, the rest being individual members. The share capital held by these institutions accounted for 70.4 per cent. of the total, as against 69.7 per cent. in 1952-53, excluding the share capital held by the Government.

The Bank's by-laws provide for admission of B class members, that is, persons who are (a) members of primary societies, (b) parties to proceedings under the State Debtors' Relief Act, and (c) creditworthy agriculturists. These members have no right to participate in the management of the Bank, but are eligible to borrow from the Bank moneys against pledge of valuables or agricultural produce or for raising crops. The membership of this class was 3,408 in 1953-54.

Deposits Drop

During the year under review, the Bank's total deposits dropped by Rs. 27.12 lakhs to Rs. 911.81 lakhs. This was due to (a) recession in commodity prices, (b) loss of business due to removal of control on essential commodities and rationing of foodstuffs, (c) diversion of savings from the co-operative organisation to the business freed from controls, (d) outflow of funds kept with co-operative institutions for contributions to the National Plan bonds and for purchases of post office cash certificates induced by attractive facilities, (e) opening of branches by commercial banks in the area served by the Bank, and (f) the closure of the Bank's branches in certain districts of the State.

An analysis of the types of deposits with the Bank discloses a fall of Rs. 46.44 lakhs in fixed deposits from societies. But deposits from individuals rose by Rs. 6 lakhs in the year under review. The current and savings deposits of societies showed a rise of Rs. 2.44 lakhs, while those of individuals were lower by Rs. 30.33 lakhs. Deposits excluding call deposits were lower by Rs. 57.47 lakhs. Call deposits, on the other hand, rose by Rs. 30.33 lakhs. The overall decline in deposits was partly due to the closing of five of the branches in North Satara and Ahmedabad Districts which accounted for a reduction in deposits amounting to Rs. 30.5 lakhs.

Borrowings Rise

The Bank's borrowings during the year under review stood at Rs. 130.90 lakhs as against Rs. 123.93 lakhs in the preceding year. Of these, advances from the Reserve Bank for its own use amounted to Rs. 25 lakhs and for the use of other central financing agencies Rs. 99.4 lakhs, as compared with Rs. 50 lakhs and Rs. 67.43 lakhs respectively in 1952-53.

The total advances of all types to societies and individuals, including bills discounted, aggregated Rs. 572.76 lakhs or Rs. 39.71 lakhs more than those in 1952-53. During the year, 2,838 applications were received from agricultural credit and multi-purpose societies and 323 from non-credit and non-agricultural societies. Of these, 49 belonging to the former and 76 to the latter were rejected. The amount of agricultural credit granted was Rs. 317.71 lakhs. Advances for non-agricultural and non-credit purposes amounted to Rs. 135.27 lakhs. The percentage of advances to total working capital was 46.21, as against 43.37 in 1952-53. Out of the total outstandings under all types of advances (Rs. 572.76 lakhs), unauthorised arrears amounted to Rs. 67.47 lakhs which compared very favourably with the arrears of Rs. 101.59 lakhs in the previous year. The improvement was due to special action taken by the Department Officers under the State Co-operative Societies Act.

The total gross income for the year amounted to Rs. 24.39 lakhs, as against Rs. 25.24 lakhs for the previous year. The fall in income is attributed to lower yield of interest on investments and loans. On the other hand, the total management expenses at Rs. 20.40 lakhs were higher by nearly Rs. 1.47 lakhs over those in the previous year at Rs. 18.93 lakhs. The increase was on account of the revision of pay scales and allowances of the staff. The net profit was, therefore, lower at Rs. 3.99 lakhs, as against Rs. 6.31 lakhs in 1952-53. The ratio of expenses to gross income was 83.6 as compared with 75. Commenting on the fall in the net profit, the Report observes: "During the last three years, the ratio of expenses to gross income has tended to increase from 70 per cent. in 1951-52 to 83.6 per cent. during the year under review, which accounts for the sharp fall in the net profit of the Bank. Owing to the rise in the amounts locked up with societies in liquidation and larger provision for overdue interest with some of the industrial societies, as also to the higher cost of borrowed funds, the net profit of the Bank dropped from Rs. 6.31 lakhs last year to Rs. 3.99 lakhs for the year under review."

Dividend Cut

The distribution to shareholders for 1953-54 was reduced from 5 per cent. to 4 per cent. by cutting the bonus part of 1 per cent. At the annual general meeting of the Bank held in September last, it was decided to pass over the bonus to shareholders and to reduce the bonus to staff from two months' salary to one month, in view of the fall in profits.

The lending rate to agricultural societies is, it is stated, limited to 4½ per cent., that is 1 per cent. higher than the Bank rate under the integrated scheme of agricultural credit, irrespective of the cost of funds. As against this, the average borrowing rate for deposits and loans was higher by 0.13 per cent., while the net cost of borrowed funds, including management expenses, was higher by 0.31 per cent.

A notable feature of the Bank's activities is its vigorous attempts at providing production credit to agriculturists. An attempt was made in 1953 to measure the extent of credit requirements of the entire agricultural industry in the Bombay State. The survey estimated the total seasonal agricultural credit for the cropped acreages of different crops at Rs. 108 crores. As against this, the production finance advanced by co-operatives was Rs. 12 crores only. If the institutional credit organisation is ultimately to replace the private agencies, at least half of Rs. 108 crores should, the Report says, be provided by the institutional credit organisation. There are 34,600 villages in the State. Of these, only 15,000 are served by 10,600 agricultural credit and multi-purpose societies, with a total membership of 8.87 lakhs. On this basis, the average loan per member works out to Rs. 126—a sum not at all adequate for production finance, considering the commercial crops, such as cotton, sugarcane, tobacco and potatoe grown in the State—requiring enormous sums for cultivation, seed, manuring, etc. This poor progress of co-operative credit has prompted the Bank to launch experiments on new schemes for providing credit for agriculturists. Of these schemes, its experiments in giving crop loans have evoked considerable attention. In giving these loans, factors such as the past performance of the borrower, insistence on sale of produce through marketing societies, proper assessment of crop acreages, fixation of different scales of finance based on productivity of the soil, introduction of improved methods of cultivation, and the financial and administrative efficiency of resources of the local society properly to administer the crop loan system are taken into consideration. The system has not yet been uniformly tried in the State, but it is considered to be full of great possibilities of developing rural credit on a scientific basis and has been commended for adoption by the Rural Credit Survey Committee of the Reserve Bank of India. This subject deserves further systematic study by the leading co-operators, as well as the officials of the Departments of Co-operation.

BILL FOR DECIMAL COINAGE

A Bill to amend the Indian Coinage Act, 1906, designed to bring in the decimal coinage system, was introduced in the Lok Sabha on the 7th inst. by Mr. A. C. Guha, Minister for Revenue and Defence Expenditure, as previously indicated by the Minister for Commerce and Industry, Mr. T. T. Krishnamachari. The main feature of the Bill is the elaborate provisions contained in it, for converting annas and pies into cents.

Under the provisions of the Bill, the present rupee will continue to be the standard coin and remain unaltered. The rupee is now divided into 16 annas and each anna into 12 pies. But, according to the Bill, the rupee is proposed to be divided into 100 cents and there is provision for issuing fresh coins in denomination of cents. The rupee, half rupee and quarter rupee will be equivalent to 100 cents, 50 cents and 25 cents respectively, and will be legal tender in payment or on account accordingly.

For some time to come, the existing coins of different denominations will also contine to circulate and provision has been made for conversion of these coins into cents. Thus all coins issued under the authority of the Act in any denomination of annas, pice, and pies will be legal tender in payment, or on account, at the rate of 16 annas, 64 pice or 192 pies to 100 cents calculated in respect of any such single coin or number of coins tendered at one transaction to the nearest cent, or where the cent above and the cent below are equally near, to the cent below. All references in any enactment, or in any notification, rule or order under any enactment or in any contract, deed, or other instrument to any value expressed in annas, pice and pies will be construed as references to the value expressed in cents converted in the manner mentioned above.

The statement of objects and reasons appended to the Bill says that modern trade and commerce demand speed and simplicity in the method of computation and the decimal system is admirably suited for the purpose. The decimal system has already displaced all other systems in advanced countries. Public opinion in India also has all along expressed itself in favour of the decimal system.

A Bill on the subject was introduced in 1946. It was, however, not proceeded with, owing to the unsettled financial and political conditions after Partition. The Government now feels—and rightly so in our opinion, as witness our remarks in the course of a leading article a fortnight ago—that the present is the opportune time for the change-over in the coinage system.

It may be mentioned here that it will take some time for the new coinage to come into force. Of course, the proposed Bill has a provision empowering the Government to fix the date on which the new coinage system can be put into effect. For this, the Bill should be passed by both the Houses and then receive the assent of the President. As the Lok Sabha was adjourned *sine die* on the day the Bill was introduced, it could not be proceeded with. It is, therefore, natural to expect that it will be taken up for consideration in the ensuing autumn session. Meanwhile, the Government also should get the new coins minted in the required quantities so that they may be ready for circulation on the day to be fixed by it. For these coins, the Government need not depend on foreign countries, as it has, in the Alipore Mint, one of the most up-to-date mints in the world capable of turning out the required quantity of new cupro-nickel coins needed under the decimal system.

BANK OF KARNATAK LTD.

The working of the Bank of Karnatak Ltd. (Managing Director: Mr. L. D. Nadgir, Hubli), during the year ended 31st December, 1954, has resulted in a profit of Rs. 22,697. With the sum of Rs. 410 brought forward from 1953, the amount available for appropriation is Rs. 23,107, as against Rs. 23,065 a year ago. Out of this, the Directors have transferred Rs. 5,000 to statutory reserve fund, which had received Rs. 4,600 last year, and Rs. 1,000 to provision for depreciation on investments, as against Rs. 500 provided a year ago. After making a provision of Rs. 8,000 (Rs. 8,500) for taxation, the Directors have distributed a dividend of 2½ per cent. less tax, the same as for 1953, absorbing Rs. 9,061 (Rs. 9,055), leaving Rs. 46 to be carried forward.

The Bank's reserves as at the close of 1954 amount to Rs. 29,000. The deposits aggregate Rs. 18.86 lakhs, an increase of Rs. 3.55 lakhs over the year. Advances (including bills purchased and discounted) account for Rs. 11.66 lakhs, investments (at cost) for Rs. 5.11 lakhs and cash balances for Rs. 7.48 lakhs. The Bank's entire investments are in Government and Trustee securities, the market value of the same, as on 31st December, 1954, being Rs. 4.90 lakhs. The advances bear a ratio of 61.8 per cent. to deposits and investments and cash balances 66.7 per cent.

U.S. ECONOMIC AID PROGRAMME

MR. STASSEN COMMENDS INDIA'S GREAT EFFORTS

THE emergence of the U.S. as the generous donor to the war-ravaged and economically underdeveloped countries is certainly the most striking development in recent world history. Of late, however, there has been strong opposition within that country to the continued performance of such role. Many far-sighted Americans, no doubt, agree that, in the interests alike of democracy and their own security, the U.S. should be prepared to bear the financial burden implied in aiding economic recovery and development in other countries. At the same time, many influential voices have been raised in protest against such aid on the ground that it compels the American taxpayer to pay too heavy a price. Further, they argue that the countries, by constantly looking to the U.S. for eleemosynary aid, lose that self-reliance which forms the ultimate basis for all economic development.

It is a compromise between these two trends in American public opinion that is found in President Eisenhower's message to the U.S. Congress, asking for authorisation of mutual security aid for the next fiscal year. Emphasis is thus laid on self-reliance of the recipient countries, on loans rather than grants. But the larger issues of protection for the democratic way of life have not escaped attention. A notable feature is that the programme, he has recommended, proposes no economic aid for the original Marshall Plan countries, obviously because these countries are no longer in need of such aid. There is a welcome shift in emphasis from these countries to the Asian region. Justifying this change, Mr. Eisenhower pointed out that free Asia contains 770 million people, one-third of the world's population. He added: "Most of them are citizens of newly independent States. Some have been engaged in recent war against communists. All are threatened. Capital is very scarce. Technical and administration skill is limited. Within the area, however, abundant resources and fertile lands are ready for development."

The "major responsibility" for economic progress, he did well to stress, must lie with the countries themselves. His point was that at best, foreign capital, as well as foreign aid, can only launch or stimulate the process of creating "dynamic economics." He defined the U.S. role as the role of a country that has the "capacity, the desire, the concern to take the lead in friendly help for free Asia." He visualised three forms of such aid. The U.S. could assist in providing and mobilising capital for useful and constructive development. It could encourage private industry to join with the people of free Asia in building their private industry. It could advise on the means by which a free nation builds upon the initiative of independent farmers to achieve a steady advance towards better standards of living, in contrast to the mounting failures of collectivist agriculture.

Quantum of Aid

For the fiscal year 1955-56, commencing on 1st July next, Mr. Eisenhower recommended for congressional approved funds aggregating $3,530 million for the mutual security programme. Of this amount, $712.5 million is for economic programmes, including $172 million for continuation of technical co-operation programmes, $175.5 million for special programmes, $165 million for development assistance, $200 million for the special President Fund for Asian Economic Development, and $100 million for worldwide contingency fund. He also requested $1,000 million for defence support which serves both economic and defence purposes and $1,717.2 million for military assistance and direct forces support. The total amount asked for next year is about the same as was requested for the current year, though it is about $800 million more than the Congress finally granted. The sum, requested for purely military purposes, is below last year's levels. Thus, the President has requested for $1.7 billion for military assistace as against $2.5 billion he asked last year and just under $2 billion that was voted. He suggested that the Congress might enact broad rules for the use of the $200 million fund for Asian development through loans and grants. He added: "To help assure the most effective use of these funds, this appropriation should be available for use over a period of years." He said: "Wisdom and economy in their use cannot be achieved through speed." It may be, however, wondered whether a fund of so small a magnitude, especially when it is spread over a number of years, could achieve at all any really significant results in a continent of the size of Asia.

Explaining the pattern of expenditure under the mutual security programme, Mr. Eisenhower pointed out that, based on the experience of the past two years, nearly 75 per cent. of the dollars appropriated under the programme would be "immediately spent within the U.S. for commodities, services, machinery and other items." The commodities will include food, cotton, coal and other goods for which the U.S. capacity or surplus supply most readily matches requirements. He indicated that approximately $350 million of agricultural products were expected to be used in the fiscal year 1955-56. This would include a "significant" export of major surplus crops. Shipments under the Mutual Security Programme, he further explained, would be "in addition to but co-ordinated with sales of surplus agricultural commodities for foreign currencies under the Agricultural Trade Development and Assistance Act." The rest of the dollars, that is, 25 per cent.—will also aid the recipient countries. Thus, the offshore procurement contracts assist in establishing a defence production base in key points of the world, besides providing the dollars the countries need for buying the needed goods from the U.S.

Some administrative changes have been proposed by the U.S. President. The affairs of the Foreign Operations Administration will be transferred to the Department of State, except for certain military aspects which will be transferred to the Department of Defence. "This transfer to permanent departments of the Government," he said, "will reflect the significance of this programme as an integral part of our foreign policy." The International Co-operative Administration, he said, would be a new semi-autonomous unit within the Department of State. Its Director will report to the Secretary of State and give, on the latter's behalf, supervision and direction to the mutual security operations.

Philosophy Behind The Aid

In conclusion, Mr. Eisenhower re-stated, in a particularly fascinating manner, the political and economic philosophy of the aid programme. He said: "The other free nations need the U.S. and we need them, if we all are to be secure. Here is a clear case of inter-woven self-interest." He further said that the U.S. economy "cannot be strong and continue to expand without the development of healthy economic conditions in other free nations and without a continuous expansion of international trade." He added: "Neither can we be secure in our freedom, unless, elsewhere in the world, we help to build the conditions under which freedom can flourish by destroying the conditions under which totalitarianism can flourish—gross poverty, illiteracy, hunger and disease." Here is the main argument for international co-operation of the kind that will induce the economically advanced countries to initiate, and the underdeveloped countries to profit by, a well-co-ordinated programme of economic assistance.

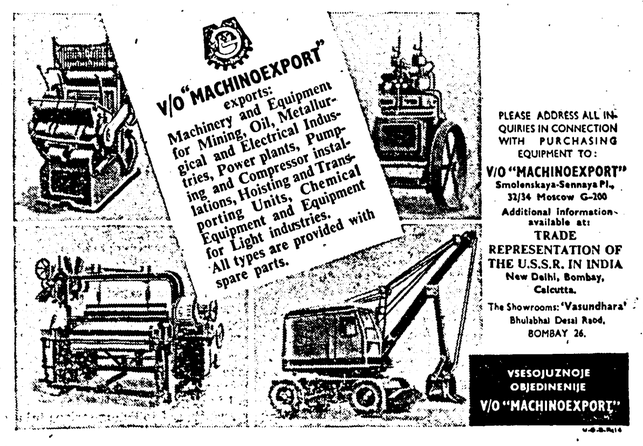
Exactly a fortnight after President Eisenhower's message to the U.S. Congress, both the Secretary of State, Mr. Dulles, and the Foreign Operations Director, Mr. Harold Stassen, urged the U.S. Senate Foreign Relations Committee to authorise the $3,530 million Mutual Security Programme recommended by President Eisenhower. Both expressed their full faith in the belief that an increase in Asia's economic strength could be another effective resistant to communism. Mr. Dulles drew the attention of the Committee to the fact that the President's Fund for Free Asia was designed to stimulate the development of economic strength and co-operation in the area. Referring to the suggestion that the U.S. superiority in modern weapons had lessened the need for Allied support, Mr. Dulles characterised it as a dangerous misconception. He added that the U.S. needed the support of other free nations just as the latter needed that of the U.S. "The peoples of these nations, their territories, their farms and factories, their mines and scientific and technical skills," he remarked, "all are priceless assets in the hands of the free. But, under communist control, these human and material sources would be harnessed and used against the U.S." Continuing, he emphasised that the U.S. could not rely exclusively upon any single weapon or technique. He considered that his country's technological advantages must be reinforced by other means of defence, both military and non-military. This view is quite sound, in that the superiority in modern weapons is not guaranteed to last for ever; for history has full of examples to show as to how progress in scientific research has rendered obsolete today what was considered yesterday to be the most progressive in technological development. There is, therefore, force in Mr. Dulles's contention that superiority in modern weapons was not a product of any special magic, and that one could not rely exclusively upon any single weapon or technique. He considered the U.S. superiority as part of "our overall technological capacity, and is a composite of various human skills, mineral resources, laboratories and factories, trained military personnel, bases and other facilities many of which are freely made available by our friends and allies."

While thus Mr. Dulles stressed as to why the U.S. needed the support of other nations, including Asian countries, Mr. Stassen strove to show how world security and stability centred in Asia. Asia, to Mr. Stassen, was a focal point of present Communist pressure. Funds were needed under the Mutual Security Programme "to meet the defence support and direct forces support needs of countries in the area."

Mr. Stassen's Remarks

The use of the funds authorised under the Programme is not, however, limited to provide defence support alone. It is intended for aiding the economic development of the region also. This is evident from Mr. Stassen's remarks on the aid to be given to India under the Programme. The tribute paid by him to the way in which this country is struggling to improve its standard of living is noteworthy. He said: "The 370 million people of India are now engaged in an effort, unprecedented in history, to wage a successful struggle against disease, poverty, illiteracy and general economic distress, under

(*Continued on page 927*)



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IMPORT DUTY ON COTTON GOODS REDUCED SUBSTANTIALLY

BRITAIN APPRECIATES INDIA'S GESTURE

A BRIEF reference to the reduction in the import duty on cotton textiles, announced by the Union Finance Minister in Parliament on the 3rd inst., was made in our Market Gossip columns last week. It is now proposed to survey here the details of this decision. The reduction in import duties applies to both British and non-British cotton textiles. As against the import duties varying from 60 to 80 per cent. *ad valorem* on cotton piecegoods of British manufacture hitherto existing, the duties have now been cut to 25 per cent. *ad valorem plus* the excise duty on superfine fabrics and the handloom cess payable by domestic producers. The excise duty on superfine fabrics is As. 2 per square yard, the highest duty that is levied on Indian mill-made piecegoods. The handloom cess is 3 pies per square yard, so that the total excise duty payable is As. 2-3 per square yard. This duty, according to Sir Anthony Eden, British Prime Minister, is roughly equivalent to 5 per cent. *ad valorem*. In other words, the relief for British textiles is of the order of 30 per cent. on the variety mostly in demand in India. The scheme of preferential duties under the Indo-British Trade Agreement will continue, the non-British textiles paying a higher duty varying from 45 to 65 per cent. *ad valorem* (in addition to the excise duty and handloom cess as against 100 per cent. *ad valorem* duty hitherto). The revised rates will be in force for a period of one year, after which the whole position will be re-examined by the Government of India in the light of its effects on the indigenous cotton mills.

For purposes of record, the extent of the cuts in the rates of standard and preferential import duties (excluding excise duty and handloom cess as indicated in the footnote to the table) on the different varieties of piecegoods, British and non-British, is indicated below:

(Per cent. *ad valorem*)

Variety	British manufacture		Non-British manufacture	
	Old	Revised	Old	Revised
Grey piecegoods (excluding bordered grey chadars, *dhotis, saris* and scarves) ..	65	25†	100	60†
Printed piecegoods and printed fabrics	60	25†	100	65†
Piecegoods not otherwise specified	60	25†	100	65†
Printed sateens including Italians of sateen weave, velvets and velveteens, and embroidered all-overs ..	80	25†	100	45†
Others	75	25†	100	50†

† Besides the duty at these rates, the excise duty leviable for the time being on superfine cotton fabrics, together with the handloom cess of 3 pies per square yard, will also have to be paid.

The reduction in India's tariff duty on cotton textile imports is a sequel to the representation made by the British Government and the Lancashire millowners to the Government of India. It was early in 1953, it will be recalled, that the Central Government raised the import duties on cotton textiles to very high levels on revenue considerations, from roughly 18¾-21¼ per cent. to 60-80 per cent. *ad valorem* on British and to 100 per cent. on non-British. There was, however, some relaxation in the quota restrictions on imports which had been introduced for balance of payments considerations. As the duty was prohibitively high, the relaxation of quotas had no effect. On the contrary, imports actually declined from 5.3 million yards in 1951 and 4.3 million yards in 1952 to 3.9 million yards in 1953 and still further to 3.8 million yards in 1954. While thus, imports from the U.K. shrunk, India's exports of cloth to the U.K. recorded a sharp increase in recent years. Thus, in 1954, India exported 125.19 million yards, as against 20.35 million yards in 1953, 5.77 million yards in 1952 and 89.12 million yards in 1951. The bulk of these exports were re-exported by Britain after processing and finishing, while a part of it was consumed in the domestic market. This led to competition with Lancashire mills in their own home markets. It is said that, in 1954, something like 60 million yards of Indian cloth were consumed in Britain itself.

These trends, namely, the fall in imports of British cotton goods into India and the rise in India's exports of cotton goods to the U.K., coupled with a general slackening of orders for British cotton goods from other parts of the world, roused the anxiety of Lancashire millowners about their future. The British textile workers, too, were concerned by this development. Both employers and employees brought considerable pressure on the U.K. Government and carried on a strong agitation for arresting these disturbing trends. The British Government in turn urged the Government of India to revise the textile import policy. In October, 1954, the quantitative restrictions on Lancashire textiles were removed. This measure, however, did not result in any improvement in cloth exports from Britain to India. The U.K. Government again represented to the Indian Government pleading for a reduction in import duties on the ground that they were prohibitive. Attention was also drawn to the fact that Indian textiles were not at all subject to any import duty in the U.K. Following on a visit to India of Mr. A. R. W. Low, British Minister of State at the Board of Trade, early this year, arrangements were made for a mission from the Lancashire textile industry to visit India. The mission, led by Mr. Angus Campbell, visited India last month. After surveying the position, the mission came to the conclusion that, with the heavy import duties and range and quality of Indian production, it was impossible for Lancashire to compete in the Indian market. It, therefore, requested the Union Government to offer equitable terms of trade to enable Lancashire to compete evenly in the Indian market. The Government examined the whole problem in close consultation with the leading millowners' associations and was satisfied that the reduced duties as set out earlier would not cause any damage to the indigenous textile industry.

Two Considerations

Two important considerations, it would appear, weighed with the Government of India in taking the decision to reduce import duties on textiles. First, the duties which were primarily levied for revenue purposes had failed to provide any sizable yield and their scaling down would give better results. Secondly, it is in India's interests to nurse British goodwill. Apart from the sizable market in the U.K. itself, Indian cotton goods are in demand in the colonial markets, too. If these markets are to be retained, it is necessary to be on good terms with the British Government. For the British Government's counter-move could be imposition of a quantitative control or import duties on Indian textiles, or both, which would surely lead to a reduction in Indian exports to the U.K. and its colonies. This, in turn, will aggravate India's problem of disposing of its textile production.

The reduction in import duties on textiles has been widely welcomed by both the Indian millowners and the traders. A section of textile interests, however, has criticised the measure as being one capable of inflicting serious injury on the indigenous industry. The criticism is clearly exaggerated. For the rise in cloth imports into India from the U.K. as a result of tariff cut would be negligible, the quantity that may actually be expected to be imported being not more than 15 to 16 million yards. Similarly, there is no justification for the fear that Japan would stage a come-back in the Indian textile market, inasmuch as the Government always possesses emergency powers to deal with the flooding of imports into India. Moreover, the reduced duties are subject to a review after a year.

Reactions in U.K.

The Indian Government's gesture by way of tariff cut on textile imports has been appreciated by practically all sections in the U.K. Mr. Herbert Morrison, Deputy Opposition leader in the British House of Commons, for instance, said the other day that "we welcome the action of the Indian Government." Alluding to this, Sir Anthony Eden, the British Prime Minister, stated in the House of Commons that "that is something about which we can all agree." Characterising the present preference in favour of British exports as substantial and important, Sir Anthony dcelared: "These arrangements will result in a welcome opportunity for increased trade." The British Press, too, has hailed India's action in good spirit. Commenting on the tariff cut, *The Times* (London), for instance, observes:

"The (British) Government have been wise in seeking to help the Lancashire cotton industry not by creating new barriers to international trade, but by a lessening of the existing restrictions. The Indian tariffs on imports of cloth from Britain had been set at a crippling level. The concession now made by the Indian Government has called for courage, because they, like the British Government, have their own 'Lancashire' opinion to deal with. The concession is substantial in scale and should help to open the Indian market to more textiles from Lancashire and Northern Ireland, which still also enjoy a preference in India. The change made plus the complete removal of purchase tax, which was only halved in the Budget, gives the kind of relief which is healthy, namely, encouragement to seize trading opportunities and to take the steps of reorganisation and re-equipment for which there is still plenty of room and which will make the Lancashire industry more uniformly competitive."

In so far as the textile millowners and workers of Lancashire are concerned, although the Indian Government's decision has been welcomed, greater emphasis is being laid on the need for regulating cloth imports into Britain. The mere tariff cut, it is pointed out, would do little to solve Lancashire's problems and build up mill order books again. "The real problem facing Lancashire is," to quote an official of the Cotton Spinners' and Manufacturers' Association, "the increasing volume of Indian cloth reaching Britain." Mr. William Roberts, President of the United Textile Factory Workers' Association, goes even to the extent of saying that "what we should like to see is a quota on Indian cloth imports into Britain, calculated on the average imports over a number of years." This plea has not found favour with the British Government, as witness the clear statement of

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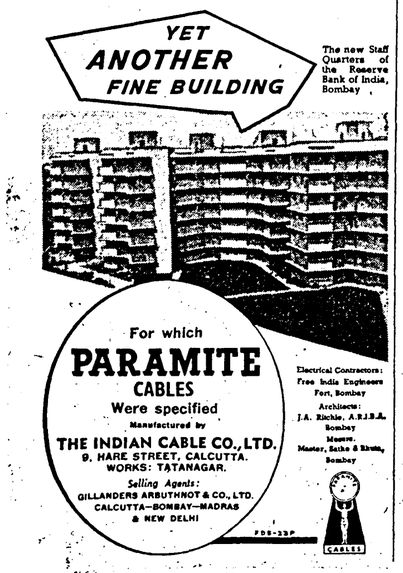

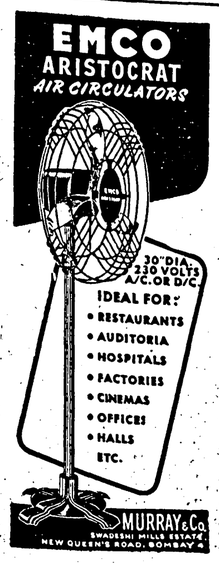

REACTIONS TO INDIA'S TARIFF CUT ON TEXTILE IMPORTS

DOWNWARD TREND IN CLOTH EXPORTS

By Our Special Correspondent

MANCHESTER, *3rd May*

MANCHESTER LETTER

THERE is much talk in the air in Lancashire at the moment about a revival of redundancy, in view of the critical situation which has developed over the past 12 months. Because vocabularies differ, the words used may not always be identical, but, in the end, they all add up to some kind of proposal to deal with surplus plant.

Two significant speeches have been made in the past few days dealing with this topic. In the first, Sir Raymond Streat made a singularly outspoken address to the Preston Chamber of Commerce, in which he looked ahead to the future. The size of Britain's cotton industry required for a balanced national economy, he said was one able to produce the great bulk of the requirements of the home market and still cater for an export trade of several hundred millions of yards. "Not all the machinery or all the mills we had in 1951 will rightly be needed to produce that volume of goods in future years," he went on. "Without accepting any further decline in the volume of the cotton industry's production we should hope to achieve the requisite yardage on fewer machines in fewer mills."

Without actually using the word redundancy, Sir Raymond called for "the consolidation of productive capacity in modernised mills." Such a development, he believed, would be necessary in other textile producing countries. Just as Britain was the first to introduce factory industry so we became the first country to deal on a large-scale with fully mature industries which needed consolidation and modernisation. Sir Raymond, however, rejected any idea of a centrally-made plan on the lines of nationalisation. He felt that the aim could be accomplished by individual decisions by individual companies. In his words: "Those who have the stomach and the nerve for the future competitive struggles will decide to stay in. Those who feel otherwise will stop their mills whilst they can do so without loss."

Unions and Shifts

The second important contribution to current problems came from the trade union side. Mr. William Roberts, President of the United Textile Factory Workers' Association, opened its annual conference by appealing for joint action to cope with the situation. He observed that the suggestion of concentrating the mills in more efficient units with increased modernisation and shift work was originally put forward in the Working Party Report. But, he added, from the time the report was issued to the time when the effect of the 1952 recession was felt, there was little effort inside the industry to face up to the potential dangers to trade.

Mr. William Roberts bluntly told the unions that no solution could be provided by a shorter working week on single shifts. He declared: "Lancashire is alone in working the single-shift system. Our competitors in Europe who operate two shifts experience similiar difficulties in facing competition from Japan, India and other low-wage earning countries, so it should be clear that we cannot hold our own without a more serious approach to the question of productive hours."

Indian Tariff Cut

Early comment among Lancashire cotton traders on the announcement that Indian import duties were to be lowered was to the effect that the relief was welcomed but would not make any material difference to the position. Shipments of British cotton goods to India are at present running at around 3,000,000 yards annually and even an improvement to 10 or 15 million yards would do little to reduce the huge gap which exists between trade in the other direction.

Both employers and union leaders warn that the tariff cuts would do little to solve Lancashire's problems and build up mill order books again. On behalf of the Cotton Spinners' and Manufacturers' Association, a spokesman said: "These reductions will, in effect, enable more Lancashire cloth to enter India, but the real problem is the increasing amount of Indian cloth coming into Britain." Mr. William Roberts, President, United Textile Factory Workers' Association, said that Lancashire would appreciate the Indian duty cuts, because they made the position fairer, Indian cloth entered this country duty-free. He said: "I don't think it is going to make a great deal of difference to Lancashire's exports, however. What we should like to see is a quota on Indian cloth imports into Britain, calculated on the average imports over a number of years."

Mr. H. E. Pardoe, President of the Manchester Chamber of Commerce, describe the tariff reductions as a tribute to the work of the Lancashire textile mission which recently visited India. "It is a trimuph for two-way negotiations in trade. If half a dozen other countries would follow suit Lancashire mills would probably be busier," he said.

No Quality Drop

Lancashire's efforts to increase mill efficiency must not be made at the expense of quality, Mr. William T. Winterbottom, President of the Master Spinners' Federation, said at Bolton when he was installed as President of the Textile Institute. Today, with textile industries established in most countries, the quality of British textiles remained unequalled, but Lancashire now faced competition from low wage cost countries with whom she could not compete on a price basis alone.

He told the annual meeting of the Institute: "We are continually exhorted to increase our efficiency by various means, such as new machinery and work study methods and, while it is essential that we should do everything in our power in this direction, we must at no point sacrifice quality."

Mr. Winterbottom said that trading conditions operating today made it more than ever necessary that technical efficiency in the cotton industry should be at the highest possible level. "The work needed to make and keep our industry competitive is high, but there are ample rewards. The textile industry has never had more to offer to those who are prepared to make themselves competent in its service."

Lancashire-Pakistan Deal

Orders worth nearly £2,000,000 for cotton yarn and cloth have been obtained for Lancashire mills as a result of a three-way barter scheme announced by the President of the Board of Trade. American aid to Pakistan was first offered in the form of raw cotton, but the Pakistan mills are well supplied with raw material. The scheme involves the manufacture of cotton goods by other countries and shipment of the finished fabrics to Pakistan. Already Germany and other Continental textile mills have signed agreements to make these supplies for Pakistan. The orders obtained will help to keep Lancashire machinery running at a time when many firms are finding progress very difficult.

Mr. James Ainsley, Secretary of the Manchester Chamber of Commerce, welcomed the news, describing the scheme as "an important agreement which should be of considerable help to Lancashire exporters." Special licences, he said, would be issued by the Pakistan Government to importers qualified to operate the plan. Interested textile merchants will be kept advised of the arrangements, Mr. Ainsley added, and dealers in Pakistan are expected to notify their British contacts what type of goods they want very shortly.

Imports Up—Exports Down

Earnings from cotton goods exported from the U.K. during the first three months of 1955 at £28,696,267 were about £1,400,000 lower than last year, but were slightly in excess of the 1953 totals. Imports, however, cost considerably more, being £7,424,877, as against £4,905,066 last year and £2,945,691 in 1953.

Cloth exports in March were nearly 10,000,000 square yards lower than 12 months ago, being 53,825,000 square yards worth £6,896,400. The corresponding figures last year were 63,774,000 yards valued at £7,935,927. Yarn shipments amounted to 3,573,330 lbs., valued at £1,553,526, as against 3,459,857 lbs. worth £1,436,370 in March, 1954.

The following table shows recent quarterly comparisons:

(Cloth in sq. yards; yarn in lbs.)

	Exports		Imports
	Cloth	Yarn	Cloth
1954			
1st quarter	176,756,000	11,174,000	50,010,000
2nd ,, ...	166,249,000	10,164,300	55,080,000
3rd ,, ...	151,035,000	9,004,900	72,840,000
4th ,, ...	142,644,000	10,044,700	88,840,000
1955			
1st quarter	165,814,000	10,667,800	99,341,000

Among the chief consuming countries of Lancashire-made piecegoods, Australia and

(*Continued on page 943*)

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MADHYA BHARAT — 41, Tukogunj, Main Road, INDORE
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WORLD MARKET FOR TEXTILES, 1938-53

DECLINE IN CONVENTIONAL TEXTILES BEING OFFSET BY MAN-MADE FIBRES

THE G.A.T.T. Trade Intelligence Unit has prepared a paper on the world market for textiles, 1938-53. The Paper is based on annual data for 1938 and 1948-53, on the consumption of raw cotton, rayon (both staple fibre and filament) and raw wool for 86 countries and territories, as well as the trade of these countries and territories in yarns, tissues and other manufactures in respect of each of the three main fibres. The extensive nature of these data makes it possible to gain a comprehensive view of the structural changes that have occurred in the world's textile industry and trade since the war.

The course and the results of the analysis based on these data, and on certain additional statistics which have been specially collected, are summarised below:

World consumption of the three fibres taken together (which may be considered as an approximate index of textile production) *increased significantly less since pre-war than the world's total industrial output.* The latter stood since 1948 continuously much higher than in 1938, until in 1953 it nearly reached twice the pre-war volume. World textile production, while also exceeded the pre-war level in 1948, failed to rise uninterruptedly, showing a substantial decline in 1952, and, in 1953, though well above the preceding year, it was only 28 per cent. higher than before the war.

The fluctuations in the industrial consumption of individual fibres show wide differences in post-war years. In 1953, cotton consumption was 17 per cent. and wool consumption about one-fifth above 1938, while rayon consumption had grown even more than the world's total industrial production and was at well over twice the pre-war level.

The Textile Crisis

There are substantial *differences in the way in which the* 1952 dip in total fibre consumption, sometimes referred to as "*the textile crisis,*" *reflected itself in the consumption of each fibre.* In cotton, there hardly was any actual decline, but rather an adjustment after the strong increase in 1951. Rayon consumption in 1952 was more severely affected but established a new record in 1953. Wool consumption, which reached a post-war peak in 1950, fell even below the 1948 level in 1951 and 1952 and recovered only partly, though vigorously, in 1953.

The so-called "*textile crisis*" of 1951-52 *appears,* upon closer analysis, to be nothing more than the *perfectly plausible result of market responses,* as far as production developments are concerned.

The differences in both the amplitude and the timing of the "crisis" noted in the preceding paragraph are essentially the result of demand conditions as determined by income and price levels. Western Europe and North America (which comprise the largest part of the world's textile production) depend for the disposal of their textile output in varying degrees upon markets in the industrial and the non-industrial regions, respectively. The dependence upon the outside (i.e., the non-industrial) world is least for wool textiles, intermediate for cotton textiles and highest for rayon goods. On the other hand, *income* levels and hence the demand for imported goods of all descriptions, including textiles, in the non-industrial regions depend mainly upon the proceeds of primary products exported, and those proceeds, after reaching a maximum in 1951 as the result of the Korean boom, fell precipitously in 1952. It is this fall in income in primary producing regions which accounts for the moderate fall in cotton textile exports from, and hence the production in, the industrial countries and for the larger fall in rayon goods exports and hence production, both of which occurred in 1952 while the effects of the Korean boom were being liquidated.

The *prices* of textile products generally moved in sympathy with the prices of their raw materials. As a result of the spectacular increase in the price of raw wool in 1950-51, the price of wool textiles rose in 1951 to nearly 50 per cent. above 1949. Raw cotton prices rose less, and the price of cotton textiles in 1951 was only 20 per cent. higher than in 1949. The price of rayon goods was hardly affected by the Korean boom, in spite of the large increase in the prices of cellulose. Hence, it is the increase in the price of wool textiles—most of which are sold in the markets of the industrial world—which caused production to fall already in 1951. Cotton textiles, the price of which rose far less, but which depend more than wool textiles upon markets in the primary producing regions, so far from declining in 1951, rose substantially, because of the high income levels in those regions and in spite of such price increase as there was. Rayon textiles, finally, the sale of which depends most on incomes in primary producing regions and the price of which was affected least, fell like cotton textiles in 1952, only more so. It is thus a combination of price movements and of income changes in industrial and non-industrial regions, respectively, which accounts for the different course of "the textile crisis" in respect of each major fibre.

It follows from the preceding analysis that *international trade in textiles was affected far more heavily than production by the "crisis."* Though lower in relation to pre-war, the volume of world textile exports rose twice as fast from 1948 to 1950 as the volume of world exports of all commodities. In 1951, there was a halt in this extraordinary increase, followed in 1952 by a severe slump to a level even lower (by 8 per cent.) than before the war. In 1953, there was a recovery both in world exports, which had fallen only slightly in 1952, and in world textile exports. As a result of this movement, however, the ratio of exports to production in 1952 and 1953 was no smaller, as compared with pre-war, in respect of textiles, than it was for all commodities. It, therefore, appears that the year 1953 may, in spite, or even because of, the "textile crisis," well be chosen for comparison with pre-war as far as structural changes are concerned.

Closer analysis of the *origin of world exports* reveals the presence, in respect of cotton and rayon, of a relatively small, though widening group of *major exporting countries.* In wool, by contrast, the group of major exporters was unchanged. Briefly stated, the position is as follows:

In 1938, about 14 per cent. of world output of *cotton goods* (measured by raw cotton consumption) was exported. Six countries (Belgium, France, Italy, the United Kingdom, the United States and Japan) produced about half (49 per cent.) of the total, and their net exports were 71 per cent. of the world aggregate. In 1953, the six countries still produced almost the same proportion of the total as before the war, but their exports had fallen to 58 per cent. Two new countries (Germany and India), with 15 per cent. of world production now, had exports representing 13 per cent. of the world total.

Rayon Goods

In 1938, 20 per cent. of world output of *rayon goods* entered international trade. Four countries (France, Italy, the United Kingdom and Japan) had about 50 per cent. of world production and 76 per cent. of world exports. In 1953, world production had increased by 114 per cent. since 1938, and 16 per cent. of it was exported. The four countries, which predominated in world trade before the war, produced in 1953 only 31 per cent. of the world total and accounted for 55 per cent. of world exports. Three new countries (the Netherlands, Switzerland and the United States), represented 33 per cent. of world output, with their combined exports supplied 21 per cent. of all trade.

In 1938, the proportion of world production of *wool textiles* that was traded internationally was 16 per cent. Four countries (Belgium, France, Italy and the United Kingdom), representing about one-third of production, accounted for one-half of world exports. In 1953, when world production was higher by nearly a quarter, the same four countries still represented one-third of the total. But, in trade, their share had risen from 49 to 67 per cent. of world exports. This increased concentration of exports upon the traditional supplying countries creates a situation wholly different from that in the markets for cotton and rayon textiles. In the international wool textile market, there have been no new competitors.

The total *value* of textile exports from nine major supplying countries (i.e., all those which have been mentioned in the preceding paragraph, except India for which comparable data are lacking) in 1953 had risen somewhat less above 1938 than the value of international trade as a whole. Nevertheless, world trade in textile products still accounted for nearly 5 per cent. of total world exports (against 5½ per cent. in 1938). However, there was a large shift in the destination of textile exports from the nine countries. In 1938, their bulk—about 71 per cent. of value—was directed to the non-industrial regions. In 1953, that share had fallen to 58 per cent. Within this reduced share, the United States and France (on account of her dependencies) were the only suppliers that showed relative gains, mainly at the expense of Japan and Germany. Within the increased share destined to the industrial world, the importance of the United States also rose, but the principal gains were made by European countries (mainly Belgium and the Netherlands). Their combined gains were as large as the United Kingdom's losses—the share of Japan being small and unaltered.

Geographical Shifts

As a counterpart to the shift in the destination of exports from the major countries, there were fundamental *geographical shifts in the production of textiles.* In ten exporting countries (i.e., all those mentioned above, including India) the production of textiles, taking the three fibres together, stood in 1953 about one-quarter above 1938. In the rest of the world, it had risen 85 per cent. above pre-war. However, the development between 1938 and 1953 in the two categories of countries—the exporting and the importing areas, respectively—was entirely different, also as regards the timing. Between 1938 and 1948, there was an increase in the exporting countries of only 6 per cent. but, in the rest of the world, it was 52 per cent. Since 1948, the rate of growth in production has been only slightly higher in the importing areas than in the exporting countries—22 and 17 per cent. respectively, from 1948 to 1953.

However, owing to the much faster growth in population, the quantum of textiles available per caput hardly varied in the importing areas, whereas in the exporting countries, where population grew much less—largely because of territorial changes—it rose by nearly one-fifth. A study of *the position in major importing areas* brings out several significant features of the world situation:

In the first place, the *development of cotton textile production in Latin America* has genuinely replaced more than 60 per cent. of the cotton textiles which in 1938 were imported by that area. Secondly, the large increase in imports of rayon goods into Asia (other than Japan and India) and Africa accounts for nearly the whole (83 per cent.) of the increase in the net exports of such goods from the ten major exporting countries. Finally, both the total quantum of wool textiles exported by the ten countries, and the distribution of these exports among the areas in the rest of the world, was, in 1953, the same as in 1938.

In 1953, the *world consumption of raw cotton, and hence the production of cotton goods,* exceeded the 1938 level by 15 per cent. whereas rayon output had risen 114 per cent. At the same time, however, world exports of raw cotton had *fallen* 21 per cent. and of dissolving pulp—the main raw material in rayon production—they had risen only 30 per cent. by volume. This failure of trade in raw materials to rise in anything like the same proportion as production is due to the geographical redistribution of the cotton and rayon textile industries. In both these branches, production has moved closer to the sources of the raw material, as well as the markets, for their respective products.

Trade in Raw Materials

The *increase in the world's cotton textile production* between 1934-38 and 1953 has taken place entirely outside those areas, that is, Western Europe and Japan, which imported all of their raw cotton. In the remaining parts of the world, that is, the United States, India and the "rest of the world," cotton textile production rose by 36 per cent. between 1934-38 and 1953. But the raw cotton imports of these three areas were almost exactly the same in those two periods. Their net exports of raw cotton, on the other hand, fell in correspondence with the decline in net imports by Western Europe and Japan.

In respect of *rayon and dissolving pulp production,* two tendencies are at work: on the one hand, rayon output is rising fast in countries where dissolving pulp is already being produced (that is, Austria, Canada, Finland, Norway and Sweden); on the other hand, dissolving pulp is increasingly being produced in countries where rayon output is already well established (for example, the United States, Germany and Italy).

Hence the *difference in the rates of growth as between rayon and cotton textiles* has had but a mitigated repercussion upon the volume of international trade in corresponding raw materials. On the other hand, that volume has declined mainly because of the geographical redistribution of textile production. But that effect has been smaller upon trade in raw cotton than upon trade in *dissolving pulp;* the geographical distribution of cotton textile production—an old established industry which develops only slowly—has offered fewer opportunities than the young and fast growing rayon textile industry to move closer to both the market for its products and the sources of its raw material.

There is no reason to expect that this tendency towards a falling volume of trade in raw materials will be reversed or even halted, especially if rayon itself should, as may well be thought, in future suffer increased competition from wholly synthetic fibres. Production of these, however, is not likely to develop outside the economically more advanced countries, on account of the heavy investment called for. There may, therefore, in the longer run, be some compensation for the reduced volume of trade in the conventional textile raw materials, and in the corresponding textiles, through intensified trade in both yarns and tissues produced out of man-made fibres.

The composition of trade in textiles has changed substantially since pre-war, not only as regards its distribution as between products made of the three main fibres, but also within each fibre, as between yarns, tissues and other manufacturers. In respect of both cotton and wool products, the volume of trade in yarns fell more than trade in tissues while trade in other manufactures increased. (In respect of rayon, the opposite development occurred, with yarns rising more than tissues while other manufactures lost ground.) It would thus appear that the development of textile production in the less industrialised regions has on the whole diminished their demand for yarns more than for tissues, particularly in respect of cotton manufactures where the shift from yarns to tissues in international trade is particularly pronounced.

Yarn Trade

This development has also been accompanied by a *change in the export prices of both cotton yarn and cotton tissues* by the major suppliers to non-industrial destinations. On the average, the cotton yarns destined to the non-industrial regions were in 1953 more highly priced than those traded among the major exporters, while, in 1938, their prices had been equal to all destinations. Cotton fabrics, on the other hand, which in 1938 had a much lower average price in exports to the non-industrial regions, had by 1953 nearly reached the same price, irrespective of destination. The geographical redistribution of cotton textile production appears to have diminished the demand in the less advanced countries particularly for lower grade products, a tendency which is likely to continue.

Contrary to expectations, the shift in the composition of international trade in cotton manufactures from yarns to tissues has failed to influence significantly the *composition of the stock of equipment in respect of spindles and looms.* Although no explanation can be offered for such a highly technical phenomenon, the main feature brought out by the statistical information available is the entirely different level of the ratio of spindles to looms in major exporting countries, as compared to the rest of the world. There is much room for technical research in this direction.

The omission involved in leaving unexplained what is obviously an important and fast developing phenomenon may, however, be tolerated in the context of the present investigation since the statistics available on international trade in textile machinery do not permit sufficiently uniform distinctions between types of equipment. *While relatively unimportant in comparison with trade in textile products and in textile raw materials, world exports of textile machinery have grown in value more rapidly than either of these two large sectors of world trade.* In volume, the increase is comparatively even greater since the price level of textile machinery in 1953 was only twice as high as in 1938, while the prices of textile products and textile raw materials were at about three and four times, respectively, the pre-war level. The total volume of exports by the eight most important supplying countries may be estimated to have increased by 1953 to more than twice the pre-war level. Of the total, only one-quarter was before the war accounted for by exchanges of textile machinery among the main producers. In 1953, this proportion exceeded one-third. While exports to industrial destinations rose three-fold in volume from 1938 to 1953, supplies to other destinations went up by 60 per cent. only.

In view of the tendencies discussed, and even allowing for the probability that wholly synthetic fibres will continue chiefly to be produced in the older industrial countries, the *prospects for an increased volume of international trade in textile machinery appear to be favourable,* for the same reasons which seem to justify the expectation that trade in textiles, and in textile raw materials may continue to decline.

BANKING

(Concluded from page 923)

a democratic form of government. The eyes of all Asia and, in fact, of all the world are focussed on this great effort, and are comparing it closely with the claims of progress being made by another great neighbour to the East under totalitarian rule."

Mr. Stassen next referred to the overwhelming success of the Andhra elections in defeating communist forces. He characterised this success as real progress and thought that, in order to make the progress a continuous one, there must be an increase in the momentum of economic development. In this process of increasing it, the U.S. proposed, he said, "to play a marginal but important role." During the current year, India received Mr. Stassen told the Foreign Relations Committee, a higher percentage of its aid on a loan basis than any other country under the Mutual Security Programme. He anticipated that a major part of the assistance proposed for the fiscal year 1955-56 could be furnished on a similar scale. So far, there are no indications that the Committee would oppose this demand for assistance to India. The total economic aid to India for 1955-56 contemplated by the U.S. Administration is $85 million. This may not be as much as India needs. All the same, it is welcome, for it will reduce the strain on the people who have to shoulder an enormous burden in their task of securing a rapid rise in living standards. The marginal relief provided by friendly foreign countries will make all the difference between economic development with stability and with inflation.

AMERICAN OVERSEAS FINANCE CORPORATION

A new company for financing exports of capital equipment from the United States has received preliminary authorisation from the U.S. Federal Reserve Board to proceed with its organisation. The proposed company, American Overseas Finance Corporation, is being sponsored by the Chase-Manhattan Bank. It is regarded as a pioneer project for enlisting export capital from private investors in a field in which Government agencies have predominated.

American Overseas will have a capitalisation of from $15 million to $25 million. Chase has been arranging with the U.S. Export-Import Bank, the Government's foreign trade lending institution, for official guarantee of some of the company's future loans. The Export-Import Bank reportedly will guarantee 25 per cent. of the credits granted by the company, which will finance exports with "medium term" credits of six months to five years.

Under present plans, the company will finance up to 60 per cent. of the sales price. Of the remaining 40 per cent. half is to be covered by a down payment by the overseas buyer and half will be held by the American seller. The funds will be used almost exclusively to cover shipments of capital equipment to aid in the economic development of other countries.

ACTIVITIES OF WORLD BANK

The International Bank for Reconstruction and Development reported a net income of $18.6 million for the nine-month period ended 31st March, 1955, compared with $15 million for the corresponding period ending 31st March, 1954. This income was placed in the supplemental reserve against losses on loans and guarantees, and raised the reserve to $115.4 million. Loan commissions amounted to $9.9 million and were credited to the Bank's special reserve, increasing that reserve to $58.9 million. Total reserves on 31st March, 1955, were $174.3 million.

Gross income, exclusive of loan commissions, was $43.8 million, compared with $37 million for the corresponding period in 1954. Expenses, including interest on bonds and expenses of bond issuance, aggregated $25.2 million.

During the nine-month period, the Bank made 13 loans amounting to $254.4 million in Austria, Australia, Belgium, British East Africa, Ceylon, Colombia, El Salvador, Finland, India, Mexico and Peru. These loans increased total loans signed by the Bank to $2,168.9 million. Disbursements on loans were $188.7 million, bringing the total disbursements to $1,594.2 million.

Principal repayments received by the Bank amounted to $120.6 million, which included $113.1 million of prepayments made on loans to the Netherlands and Iraq. Total principal repayments to the Bank, including prepayments, were $137.1 million on 31st March, 1955. In addition, $56.4 million of borrowers' obligations which had been sold by the Bank were paid on or before maturity.

During the period the Bank sold or agreed to sell $63.3 million principal amount of loans—$62.5 million without the Bank's guarantee and $800,000 with guarantee. On 31st March, 1955, the total of loans sold or agreed to be sold amounted to $168.1 million, of which $109.6 million were sold without the guarantee of the Bank.

The total of Bank bonds outstanding on 31st March, was $8.38 million. During the last quarter, the Bank redeemed $10 million of the 2 per cent. Serial Bonds of 1950, Can.$700,000 of the 4 per cent. Ten Year Canadian Dollar Bonds of 1952, and Sw. Fr. 3.5 million of the 2½ per cent. Swiss Franc Serial Bonds of 1950. In March, 1955, the Bank agreed to sell Can.$15 million of 3¼ per cent. Ten Year Canadian Dollar Bonds dated 1st April, 1955, with settlement arranged for 19th April, 1955.

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DECCAN SUGAR MILLS' CONTRIBUTION TO PROVIDENT FUND

INDUSTRIAL COURT'S DECISION SET ASIDE

THE decision of the Labour Appellate Tribunal of India at Bombay on the appeals preferred by the employers and workers of seven Deccan sugar companies owning eight factories against the award of the Bombay Industrial Court is a typical compromise favourable to employers on some issues and unfavourable on a few others. On the main issue, namely, provident fund, the decision has gone against the workers, whereas it has been favourable to them in regard to housing for temporary and seasonal workers. On gratuity, the workers of only two companies have been lucky. On the question of retention allowance for the off season, the *status quo* has been maintained.

Considering the series of stresses and strains to which the sugar industry in the Bombay Deccan has all along been subjected, it is, indeed, gratifying that the Labour Appellate Tribunal has set aside the award of the Industrial Court for an upward revision in the contribution of employers to provident fund. The Tribunal's decision to this effect was made known on Monday last week. Following this decision, the employers' contribution to the provident fund will be 8¼ per cent. of the basic wage only, and not 8½ per cent. of the total emoluments of workers as ordered by the lower Court. This decision does not, however, affect the contribution of employees which, as the workers themselves have desired, would remain at 8½ per cent. of the total emoluments.

The Appellate Tribunal's decision is applicable only to seven sugar companies which were involved in the Industrial Court's award. The Walchandnagar Industries Ltd., one of the biggest factories in the Deccan, was not a party to this, as it had no dispute with its workers on these issues. The seven companies are the Belapur, the Phaltan, the Kolhapur, the Changdeo, the Godavari, the Maharashtra and the Brihan Maharashtra.

The chief consideration which weighed with the Tribunal in deciding to reduce the employers' contribution was that, while fixing the rate of contribution, the Industrial Court had acted under a misapprehension. Further, the Tribunal characterised the contribution at 8½ per cent. of the total emoluments as "extremely high." Incidentally, the Tribunal observed that a half-hearted attempt was made on behalf of labour to support a rate of contribution based on the total emoluments and that such a contribution was contemplated neither in the demands put forward by labour nor in the explanations of these demands as contained in the statements filed by them before the Adjudicator.

A Comparison

It may be mentioned here, for purposes of comparison, that, under the Employees' Provident Fund Act, 1952, which has been made applicable to cement, cigarette, engineering, iron and steel, paper and textiles, the employers' contribution to the fund is fixed at 6¼ per cent. of the basic wages and dearness allowance payable to employees. The employees are required to contribute the same amount as contributed by the employers. However, if they so desire and if the scheme so permits, they can contribute more, subject to a maximum of 8½ per cent. of their basic wages and dearness allowance. It will be noted that, under the aforesaid decision, the Deccan sugar factories have been required to pay at a higher rate, namely, 8½ per cent. but only on the basic wage.

A welcome feature of this dispute is the readiness of workers to contribute 8½ per cent. of their total emoluments, even though the employers will be contributing less. It is welcome, because it reflects the readiness of workers to save, and the country now needs more savings. It is, however, to be hoped that workers will not dissipate these savings by drawing advances against their contributions.

Payment of Gratuity

The Tribunal has rejected the appeal of the workers' unions with regard to gratuity except in the case of two companies, Belapur and Phaltan. The workers had put forward two demands. First, every employee should be paid a gratuity at the rate of one month's wage per year of service to be calculated at the last rate of his wage. Secondly, the gratuity should be paid even before the completion of five years' service in case of dealth, retrenchment or termination of service due to reasons beyond the control of the employee. While on these demands, the Adjudicator had refrained from making any order and had postponed it "because of the uncertain financial position of the companies resulting from the fact that the minimum wage has been raised ... and the standardisation of the wages in the industry has still to be done." The Tribunal, after examining the statements of accounts submitted to it by the Companies, would appear to have come to the conclusion that the aforesaid demands of workers were not justified. It has, however, made an exception by granting gratuity equal to 15 days' basic wage to workers of the Belapur Company, Ltd., and the Phaltan Sugar Works Ltd., as these, in its opinion, are in a position to bear the additional burden of a gratuity fund. The payment of gratuity by these two Companies is to be subject to the following conditions:

(1) On the death of an employee while in the service of the Company or on his becoming physically or mentally incapable of further service, gratuity should be paid to the disabled employee or, if he is dead, to his heirs or legal representatives or assignees;

(2) on voluntary retirement or resignation of an employee after 15 years of continuous service;

(3) on termination of service by the company after five years of continuous service; and

(4) no gratuity in case of dismissal for misconduct.

The decision of the Tribunal to discriminate against two factories may sound flattering to their management, but it is a costly flattery. It is, indeed, suprising that the learned judges on the Tribunal should have shown such discrimination in giving their verdict. The exception is justified by the Tribunal on the ground of capacity to bear the burden of a gratuity fund. But what is this capacity due to? The answer is not far to seek. It is due to the efficient and honest working of the mills and wise husbanding of resources during times of prosperity. By asking the more efficient sugar mills alone to bear the additional burden of gratuity fund, the Tribunal has only placed a premium on inefficiency and imprudence.

Retention Allowance

An important decision of the Industrial Court which has been upheld by the Appellate Tribunal relates to payment of retention allowance to workers during the off season. The Court had directed the sugar companies to pay to every seasonal skilled and semi-skilled worker a retention allowance of 25 per cent. and 10 per cent., respectively, of his consolidated wages on his re-employment in the next season; the payment was to be made in two equal instalments, the first within one week from the date of re-employment and the second within one month of the first payment. Both the workers and the managements were dissatisfied with this direction and filed appeals against it. The workers demanded a retention allowance of 50 per cent. to skilled employees and 25 per cent. to semi-skilled and unskilled workers, while the managements were opposed to the payment of the allowance. The Tribunal has rejected the plea of the workers for an increase in the quantum of retention allowance and its extension to unskilled labour, although it has clearly stated that the higher retention allowance that is now being paid by certain factories should be continued. The Tribunal's reasons for the stand it has taken are as follows:

"The retention allowance is intended to tide workers over the off season. The allowance made for this purpose should not be unreasonably burdensome. As regards the unskilled workers, they are of the agricultural class and, since what is the off season for the factories is the agricultural season for them, they should have comparatively little difficulty in finding employment and cannot make a grievance that, during this period, they are not employed by the sugar companies. This, in fact, is the reason which is given by the workers themselves for distinguishing between unskilled workers, on the one side, and skilled and semi-skilled, on the other. The contention that there should be no distinction between the different categories of labour is answered by the distinction made in the combined demand; it is more difficult for the skilled people to find suitable employment during the off season than for the semi-skilled."

Conceding the principle of a retention allowance during the off season, the Tribunal points to the recommendation made by the Sugar Factories Labour (Wages) Enquiry Committee (1947), appointed by the U.P. and Bihar Governments. In this connection, it alludes to the apprehension of the sugar mills that the direction to pay retention allowance may be regarded as requiring the mills to re-employ those persons when they present themselves for re-employment regardless of whether or not the companies require their services. In its opinion, the direction as made by the Adjudicator is not capable of such misconstruction. All that it provides for, it says, is the payment of retention allowance if the worker is re-employed.

Provision of Housing

Another important decision of the Industrial Court which the Appellate Tribunal has upheld but with some modifications "so as to lessen the burden on the companies" relates to provision of housing for temporary and seasonal workers. The sugar factories have been directed to provide all such workers who come for work from a distance of more than three miles with housing accommodation consisting of a living room, a kitchen and a verandah covering a total area of 312 sq. ft. Where, however, workers are unmarried or are not accompanied by their families, community provision may be made for them giving each one of them at least 120 sq. ft. The quarters should be located in a place which is free from flooding in an ordinary monsoon season, or the plinth should be sufficiently high. The walls of the quarters may be of mud plaster and the roofs should be of corrugated iron or asbestos sheets or some such non-inflammable substance.

It will be interesting to note here that the management of the Belapur Company, Ltd., has already provided housing accommodation for almost all its permanent employees and expects that it will be able in the near future to provide quarters for all of them. These employees include factory and farm staff. Housing in the case of the former is *pucca* with brick walls and wooden roofs-*cum*-C.C.I. sheets or asbestos sheets, and that for farmer workers is *katcha*.

To revert to the Labour Appellate Tribunal's award. The Tribunal has not given any decision in regard to hours of work, as it feels that no question of law is involved and that appeals are not maintainable. The Industrial Court had directed that no agricultural workers should be required or allowed to work in excess of 54 hours a week. The sugar mills opposed the fixation of any limit and the Kolhapur Sugar Mills' workers sought a reduction of the limit fixed.

QUALITY STANDARD FOR "GUR"

The Indian Central Sugarcane Committee of the *Gur* and *Khandsari* Sub-committee has recommended to the Union Government fixation of a minimum standard of quality for *gur* for each region and each important *mandi*. Such standards, it is pointed out, would need to conform to the demands of internal consumers and of foreign markets in case of exports. The need for laying down quality standards assumes special significance in regard to a commodity such as *gur* the quality of which varies widely. The quality depends mainly on the chemical composition of cane juice and the method of boiling and clarification adopted. Emphasising the importance of making *gur* cleaner and presentable in appearance, the Sub-committee has indicated various types of furnaces and *bels* suitable for different regions. It has also suggested that immediate trials of bulk storage of *gur* should be carried out, with a view to finding out the best method of handling and storing *gur* in large quantities.

In the sugar economy of India, the *gur* sector occupies the most important place. Out of the total production of sugarcane, as much as 60 per cent is converted into *gur*. During the season 1953-54, the aggregate *gur* output in India amounted to 2.57 million tons. The development of *gur* industry is, therefore, regarded as being of vital importance to cane growers.

ECONOMICS OF LOW-GRADE COAL

ARE WASHERIES ESSENTIAL?

LAST week we dealt with certain problems pertaining to the development of the coal industry, as mentioned by the Indian Collieries Union (I.C.U.) in its memorandum to the Planning Commission. The subjects covered were the threat of nationalisation and rationalisation of coal mines. This week we propose to deal with the development of low-grade collieries, the reserves of which are virtually unlimited. The biggest obstacle in the way of developing these collieries is a certain amount of prejudice against the utility of low-grade coal, the ash content of which is higher than in high-grade coal. There are some who argue that, if these collieries are to be assured of a dependable future, the establishment of central washeries, where the low-grade coal is washed and made easily usable, is very essential. There are a few others who feel that, as the capital cost of such washeries is heavy, the best remedy lies in asking the coal consumers to change their boilers in such a manner as to permit the use of low-grade coal. Which of the alternatives is desirable is, however, a highly debatable question.

It is well known that low-grade coal can be used for the manufacture of soft-coke and for brick burning. It can also be used as fuel in a number of small industries. According to Dr. H. H. Koppers, an eminent German fuel technologist, even coal with 35 per cent. or 40 per cent. ash content can be successfully used for commercial purposes by dust gasification. Recalling this observation, the I.C.U. observes that the Coal Board's formula that "coal with more than 35 per cent. ash content is not at all useful for commercial purposes" is wholly incorrect.

Mr. Robert Foot, a well-known authority on washing coal, points out, in his paper on "The characteristics of the Empire coals and their bearing on the industrial potential of the Empire," read at the fourth Empire Mining and Metallurgical Congress held in the U.K. in July, 1949, that, "in most Commonwealth countries, methods of cleaning coal have been adapted from those developed from coal in the U.S. and the U.K. which have favourable washability characteristics." He is of the opinion that "if the greatest advantage is to be derived from Commonwealth coal of poor washability, much research and development will be required in order to devise methods of cleaning adapted to their particular characteristics." In other words, it is necessary to ensure that washeries suitable for washing low-grade coal should be established. But, as their establishment requires heavy investment, the I.C.U. favours changes in the types of boilers of coal consuming industries, which would enable them to make use of low-grade coal, instead of installation of central washeries.

A reference is also made in the I.C.U. memorandum to the advantage taken by the competitors of soft coke of the prejudice that exists in the minds of consumers against the quality of soft coke. To substantiate its charge, it quotes the following extract from the Report of Dr. C. Forrester:

"Competitors of the soft coke industry have attempted to make capital out of the presence of much ash in soft coke. But investigation of the point has actually shown that the presence of a reasonably large amount of ash is actually an advantage. Moderately high ash soft coke gives a more moderate fire that lasts longer due to the blanketing effect of the ash, which incidentally retains the heat from the surrounding red-hot coke and gives an ideal source of heat for most coking purposes. Furthermore, the fire lasts longer with one stoking—an economical advantage of great direct appeal to the housewife."

In view of the above observation, the I.C.U. urges that the present restriction on the manufacture of soft coke from ungraded coal, with ash content of over 35 per cent. should be withdrawn.

EXPORT PROSPECTS FOR AUSTRALIAN COAL

Good prospects exist for the export of Australian coking and gas-making coal to Japan, Hong Kong and Singapore, according to an Australian trade delegation which conducted a survey of Asian markets in December last. Australia's coal stocks are now higher than at any time in its history, and the industry fears that establishments of new oil refineries in the various States will lessen local demand. Commenting on the delegation's report, the Minister for National Development, Senator W. H. Spooner, has indicated that Japan would be interested in taking coal from the New South Wales South Coast, if it could be landed at a competitive price. Deposits there have been classified by the Japanese as coking coal. There is also a possibility of supplying superior gas-making coal to Hong Kong and Singapore. These markets were held by Australia until World War II.

FUTURE OF WORLD TEA INDUSTRY

INFLUENCE OF PRODUCING COUNTRIES GROWING

TEA is no longer a luxury-beverage of a few; it has become an indispensable necessity for the masses in many countries. Developed over a period of hundred years, it has turned out to be an international commodity. It is grown in underdeveloped areas of the world, but finds its largest consumers in the advanced countries. Since the close of World War II, there has been a rapid increase in the consumption of tea in the producing countries themselves and, what is more, the rise has been more rapid than in the major consuming countries, thanks to the improvement in the standard of living of the people of these countries. Examining this trend, in the course of an illuminating article in the latest (April, 1955) issue, the *N.B.I. Review*, published by the National Bank of India, draws attention to the introduction of a "fresh element," namely, the new economic policies of the four major producing countries. This new element has brought about a shift in the tea industry's centre of gravity from the West to the East. The policy decisions, in so far as they affect production, will be made more and more in the producing countries themselves. The consuming countries, except as buyers, the *Review* avers, are likely to exercise a diminishing influence upon the affairs of the industry.

Elaborating this view, the *N.B.I. Review* says that, since the attainment of independence, the four main producing countries have developed a distinctive attitude towards the great plantation industries which figure so prominently in their national economies. Having recognised the immense value of tea in their export trade, they have conceded the need for keeping the consuming market in good countenance. However, the *N.B.I. Review* points out, "the conditions on which producers may operate are now primarily designed to fit into national, social and fiscal policies rather than to harmonise with the needs or preferences of overseas markets. The Governments of the major producing countries have brought the tea industry under closer supervision than heretofore, but the policies and objectives followed by them are not necessarily identical and vary according to the importance of the part played by tea in their export trade. In India, for instance, tea is only one of the constituents of the export trade; in Ceylon, it is the major item of export, in Pakistan it helps to diversify the economy of East Pakistan; and in Indonesia, the small indigenous grower, whose production may or may not be "estate controlled," figures more prominently than elsewhere.

It is not possible to guess yet, the *Review* says, how far the policies of these Governments will weaken the "supra-national" cohesion acquired by the industry as a whole following the International Tea Regulation Scheme of 1933. It may well be that some Governments, hard-pressed for revenue or for other reasons, will be tempted to put their own interests before the welfare of the tea industry as a whole. If, therefore, the collective wisdom and strength of the tea industry is to be preserved intact, opines the *N.B.I. Review*, the new nation States of South Asia will need to exercise a measure of caution.

The *N.B.I. Review* also draws attention to the rising trend of consumption everywhere and nowhere more rapidly than in the producing countries themselves, all of which have recorded a welcome improvement in the standard of living of their people. Thus, consumption in India and Pakistan, which had stood before the war at about 80 million lbs., rose to 202 million lbs. in 1954. The U.K. consumed more than 500 million lbs. in 1954, as compared with 464 million lbs. in 1953. The consumption in the U.S. advanced from 108 million lbs. to 115 million lbs. between 1953 and 1954. Over a longer period, namely, from 1948 to 1954, world consumption rose from 1,038 million lbs. to 1,279 million lbs. This compared with the average of 983 million lbs. in 1934-38. Over the same period, world supply increased from 1,028 million lbs. to 1,300 million lbs., as against an average of 981 million lbs. in 1934-38. The excess of production over absorption in 1954 was, thus, no more than 21 million lbs., a quantity which is microscopically small as compared with the figures of total production and consumption. The production has, therefore, to be stepped up, in order to keep a reasonably comfortable relationship between supply and demand, so that the fortunes of the industry can be stabilised.

What then are the chances of stepping up production to keep pace with the ascending curve of demand? Answering this poser, the *N.B.I. Review* points out that tea production cannot be automatically put into top gear as in some industrial processes. Tea bushes require time to grow. "In Northern India," it goes on to say, "a good deal of young planting of four or five years ago is expected to come into bearing soon. Heavier yields are likely to be obtained from the increasing resort to hedge planting; but the added yield is understood to be purely fortuitous in the early years of a bush life and there is no guarantee that it will continue. Given reasonable weather, Indian production will almost certainly exceed soon the 650-million-lb. mark." Pakistan also has plans to increase production. Indonesian production, which had fallen from the average of 165 million lbs. in 1934-38 to 30 million lbs. in 1948, progressively rose to 103 million lbs. in 1954 and further recovery depends on the establishment of law and order in the plantation districts and the restoration of confidence, so that large producers may have some incentive to go ahead. The addition of another 40 million lbs. to Indonesia's output, according to the *N.B.I. Review*, would make a vast difference to the somewhat precarious world supply-demand relationship.

The *N.B.I. Review*, however, observes that taxation, labour and other policies of some of the producing countries have not been positively encouraging to new planting in recent years. Referring to the taxation of tea industry, it makes the following pertinent observations:

"Tea is now a heavily taxed commodity and it is necessary to say a word about this aspect of the industry's affairs. Sir John Kotelawala's statement in January that the producer and not the consumer pays the export duty was literally quite correct, but, in the context of record high prices, it was also not a little disingenuous. In so far as the Governments of the producing countries cannot tax the foreign consumer directly, they must, and in actual fact do, collect the export duty from the local producer. But the real point is how much of the duty is passed on in the final price to the housewife overseas. Quite clearly the proportion of export duty passed on to the ultimate consumer will vary according to the supply position. If supplies are tight and prices are high, consuming markets will be willing (though reluctant, as recent events have shown) to bear the whole incidence of the export duty. When supply is markedly in excess of demand, the consumer will be less willing, and in a free market certain forces will quickly operate to transfer the burden elsewhere. Either the duty must be absorbed into production costs proper or be spread over the producing, distributing and other sections of the industry, or it must be reduced or perhaps even abolished altogether."

In this context, it welcomes the slab system of export duty introduced in India, as buyers know where they stand when auction prices rise or fall, and urges the need for other producing countries making similar adjustments, particularly as production costs are tending to become more rigid under the impact of minimum wage agreements and higher local taxation.

The *N.B.I. Review* also draws attention to the growing but natural desire on the part of the Government of India and Ceylon, which account for more than 75 per cent. of the world tea production, to bring tea under closer control and establish marketing and other facilities nearer home than heretofore. Thus, Ceylon auctions are being held in Colombo for some time, instead of in London. In India also, there is a desire to divert more export tea auctions from Mincing Lane to Calcutta and Cochin. It is stated that, in the next two years, an additional 50 million lbs. of export tea is to be so diverted. However, India may be in a less favourable position in developing auctions in its domestic markets than Ceylon. For Ceylon developed them during a period of prosperity when difficulties, which might ordinarily be experienced, were not encountered. India proposes to expand local auctions at a time when prices have receded from their peak and producers may even be running into a period of surplus rather than shortage. In such circumstances, the *N.B.I. Review* points out, the value of an alternative outlet for Indian tea will be correspondingly greater.

(*Concluded from next column*)

be quite optimistic as indicated by the table below:

	In lakh bales 1954-55
Supply—	
Opening Stocks:	
With mills in India	11.32
Carry forward in India	7.00
Carry forward in Pakistan	15.00
Total ...	33.32
Jute crop:	
In India	35.00
In Pakistan	46.00
Mesta crop:	
In India	7.00
Total ...	121.32
Distribution:	
Mill consumption in India	60.34
Domestic consumption	1.00
Exports from Pakistan	35.00
Mill consumption in Pakistan	7.00
Total ...	103.34
Carryover at end of season	17.98

The estimated surplus of about 1.8 million bales at the end of June next contrasts with an expected deficit of 2.7 million bales in respect of India alone early in the season. Besides, the new crop reports from the various jute-growing areas disclose that conditions are satisfactory and that the weather both in India and Pakistan is very favourable for the cultivation of the crop. All these indicate that mill production is not likely to be hampered for want of raw jute either at the close of this season or early the next one.

SUPPLIES OF RAW JUTE

MILLS FAVOURABLY PLACED

IT is now increasingly becoming clear that the early fears of a shortage of raw jute towards the end of the current season are unlikely to prove correct. On the contrary, a gradual improvement in supplies is disclosed by the latest figures covering the first nine months of the current season. Thus, purchases by the I.J.M.A. mills of raw jute during July-March, 1954-55, aggregated 4.47 million bales. This was 935,000 bales more than the purchases during the same period of the 1953-54 season. Again, there was an increase of 548,000 bales to 4.5 million bales in the receipts at mill godowns in the nine-month period of this season. Further, stocks of raw jute held by the mills at the end of March this year, at 1.38 million bales, were more or less the same as those exactly a year before. This fairly comfortable position is due to larger arrivals of the raw material into Calcutta during the period. The total imports of raw jute into the city and mill stations in the nine months ended March, 1955 aggregated 4.7 million bales, 500,000 bales more than the imports in the same period of the preceding season. Most of this improvement was shared by indigenous jute, the arrivals of which rose from 3 million bales to 3.7 million bales. Arrivals from Pakistan, on the contrary, declined from 1.2 million bales to 958,000 bales.

The fall in the supplies of raw jute from Pakistan during the period becomes significant when it is noted that the trade estimates of the Pakistan jute crop for 1954-55 season reveal a rise of nearly 1.9 million bales, as compared with the Pakistani official crop forecast placed at 2.7 million bales. Ordinarily, the better supply position should have induced higher despatches of raw jute from Pakistan to India. But thanks to the restrictions placed on trading by the East Bengal Government, exports have tended to decline. Thus, Pakistan's total exports during July-December, 1954, amounted to 2.4 million bales only, whereas, during the same period of 1953, they were higher at 2.6 million bales. For some months now it will be recalled the Pakistani authorities have been very scrupulous in passing jute for export. There is a ban on "forward sales at a discount" and the ban is being vigorously enforced. The authorities have virtually stopped the export of cross jute and habi-jabi. The result has been that consumers of jute on the Continent, in the U.K. and India have found it difficult to procure their requirements of jute from Pakistan. An outcome of this difficulty was the visit of a delegation from the U.K. to Pakistan for conducting negotiations with the Pakistan authorities on various points connected with the jute trade. The delegation was headed by Mr. H. Burton Pirie of D. Pirie & Co., Ltd., Dundee, and on its return submitted a report (22nd April last) to the members of the Dundee jute industry.

According to the Report, full and frank exchange of views took place between the delegation and the Ministry of Commerce, the State Bank and the Government of East Pakistan. The delegation was, it is stated, greatly encouraged by the very friendly response received from all quarters in Pakistan and, as a result of consultations, a much greater degree of mutual confidence and understanding of each other's problems was established. The points on which agreement was reached concerned trading licences, remittances, forward trading and minimum prices. The Report observes that the Pakistan Government showed a most realistic attitude in resolving the difficulties which overseas buyers had experienced. The Delegation's main task was to clear up the uncertainties and misunderstandings which had arisen during the present season, in order that the future marketing of the jute crop might proceed smoothly without any interruptions as in the past.

While thus a way has been paved for the smooth passage of jute from Pakistan to the U.K., there is no indication that similar facilities would be provided for despatches of raw jute to India. The position still bristles with difficulties, as so far no concerted approach seems to have been made by importers in this country. This is because the stocks with mills are stated to be comfortable and that they do not wish to place orders for Pakistan jute at their current prices which are considered to be relatively high, as compared with the prices quoted for jute goods. Besides, trade estimates of overall supply and distribution of raw jute this season appears to

(*Continued in previous column*)

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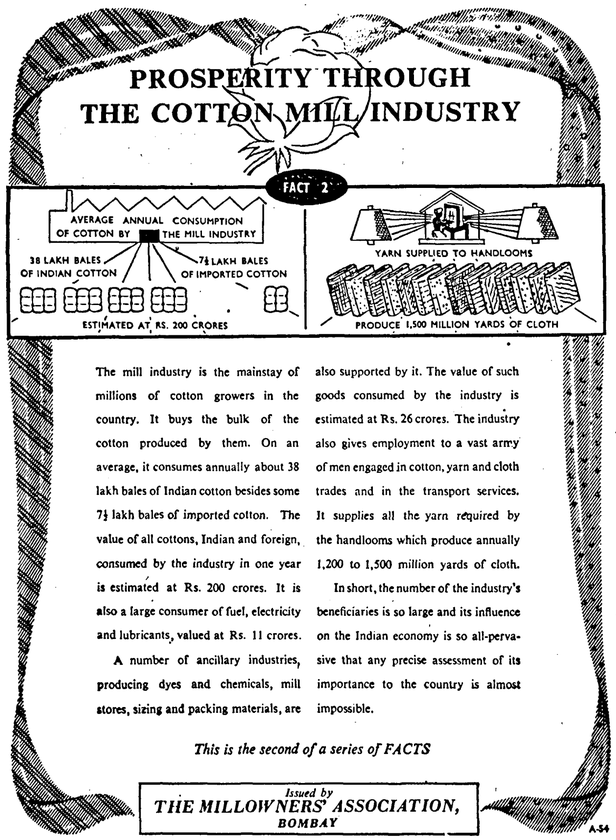

The mill industry is the mainstay of millions of cotton growers in the country. It buys the bulk of the cotton produced by them. On an average, it consumes annually about 38 lakh bales of Indian cotton besides some 7½ lakh bales of imported cotton. The value of all cottons, Indian and foreign, consumed by the industry in one year is estimated at Rs. 200 crores. It is also a large consumer of fuel, electricity and lubricants, valued at Rs. 11 crores.
A number of ancillary industries, producing dyes and chemicals, mill stores, sizing and packing materials, are also supported by it. The value of such goods consumed by the industry is estimated at Rs. 26 crores. The industry also gives employment to a vast army of men engaged in cotton, yarn and cloth trades and in the transport services. It supplies all the yarn required by the handlooms which produce annually 1,200 to 1,500 million yards of cloth.
In short, the number of the industry's beneficiaries is so large and its influence on the Indian economy is so all-pervasive that any precise assessment of its importance to the country is almost impossible.
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RISING COST OF RIVER VALLEY PROJECTS

FREQUENT REVISIONS DUE TO LACK OF BASIC DATA

IT is only natural that frequent upward revisions of the estimates of the cost of hydro-electric and irrigation projects should cause considerable concern to the Centre and the States as it would upset all calculations about the economics of these projects. This is especially so, when the revised estimates exceed the original estimates by crores of rupees. It is said that the revised estimates of six projects, namely, the Bhakra-Nangal, the Hirakud, the Damodar Valley, the Kosi, the Chambal and the Rihand Projects, have raised the total cost of these projects from about Rs. 324 crores to as much as Rs. 477 crores. This represents an increase of over Rs. 150 crores, or 46 per cent. over the original estimates.

It is admitted that there will always be a certain amount of uncertainty in regard to costs of big multi-purpose projects, the execution of which is spread over a number of years. It has particularly been very difficult to closely predict the construction costs in recent years, as the changes are dictated by unpredictable variations in costs of labour and raw materials. This is so not merely in India and other underdeveloped countries, but also in the industrialised West. The index of construction cost in the U.S., for instance, remained fairly normal prior to 1914-15 in between 90 to 100. It shot up rapidly during the war and immediately afterwards to a peak of about 275. Suddenly, it broke downward to 165 in the bottom of the brief depression in 1921-22, from which it recovered quickly to a level of about 210, or over double the pre-war level. This level continued for about 13 years excepting for a deep dip during the Great Depression of 1931-33. With the approach of the Second World War and its defence preparations, as well as during and after the war, the index again shot upward at a steep angle, stabilising temporarily in 1948-49 at about 480. Then, it moved abruptly to 520 in August 1950. Since then, there have again been abrupt changes.

Erratic Fluctuations

It is evident that such erratic fluctuations in basic construction costs introduce a big element of speculation into all estimates of costs of projects which take a long time for completion. Much of it is due to world-wide influences. The progressive rise in prices during a period of years may lead to the general belief that the true cost has increased. But it may not be so. It may be due to depreciation of money value. So, even the appraisal of benefits of the projects, which are estimated to accrue over the long-range future, is a difficult job.

According to a memorandum relating to cost of river valley projects in India placed on the table of the Lok Sabha on the 7th inst., excluding modifications in estimates necessitated by expansion in the scope of projects, the main reason for the upward revision has been a general lack of basic data relating to rates of important items of work of the projects. Increased cost of materials and the devaluation of the rupee have also accounted for the increase in estimates. The Rates and Costs Committee, set up in February, 1954, is examining the rates of major items of work prevalent on the various river valley projects, with a view to preparing a comprehensive schedule of rates to be adopted as a basic schedule for projects, with such modifications as may be necessary for local conditions, and a standard analysis for the main items. Again, in consultation with the Comptroller and the Auditor-General, the Committee has also been asked to make recommendations on stores accounting rules, P.W.D. forms, etc., to be adopted for large projects. The report of the Committee is expected to serve as a comprehensive manual for the future guidance of those engineers who will be entrusted with the task of preparing project estimates for river valley projects.

Another important reason for a general lack of basic data is due to shortage of technical personnel. With the inclusion of additional schemes and the consequent increase in the tempo of work anticipated during the next 15 years, the need for taking steps to make a realistic assessment of the technical manpower position in the country is essential. An attempt was made by the Centre to collect the necessary information in the various States, but the response was not satisfactory. A Technical Personnel Committee was, therefore, appointed in July, 1954, under the chairmanship of Mr. W. X. Mascarenhas, Chief Engineer, Bombay, to go into the question. The report of the Committee is expected to be received by the Government shortly.

It is to be hoped that the reports of the Rates and Costs Committee and the Technical Personnel Committee, along with that of the Construction Plant and Machinery Committee already before the Government, will go a long way towards minimising the fluctuation in the cost estimates of the projects. It will be recalled that the recommendations of the Construction and Plant Machinery Committee, appointed in September, 1953, to examine the efficient operation and the maintenance of plant and machinery used in river valley projects were first considered in the Engineers' Seminar at Roorkee in July, 1954, and later by the Co-ordination Board of Ministers on 14th October, 1954. The recommendations of this Committee are expected to make for considerable economies by increasing the output of mechanical equipment and lowering operational costs.

DEMAND FOR BHAKRA-NANGAL POWER

It would appear that the earlier fear that there might not be sufficient demand for all the power that could be produced by the Bhakra-Nangal Hydro-electric Project when it is completed has now proved groundless. In fact, there has already emerged the anxiety that there might be a substantial deficit in power supply in the Bhakra-Nangal area. It is said that the proposed fertiliser-*cum*-heavy-water plant at Bhakra alone will consume as much as 150,000 kw. This is more than half of the capacity of the Bhakra-Nangal hydel projects. It may be mentioned here that the Bhakra, with its four electricity units, will generate about 200,000 kw. in a normal year and Nangal about 96,000 kw. according to present plans. This means that, after meeting the needs of fertiliser-*cum*-heavy-water plant, there will be a supply of only 146,000 kw., a quantity not considered adequate for serving the requirements of other industries in this area. Consequently, the desirability of installing two more generating units at Bhakra is being examined.

BHADRAVATI TO PRODUCE STAINLESS STEEL

Addressing a Press Conference recently, Mr. H. Siddaveerappa, Minister for Home and Industries, Government of Mysore, disclosed that the Planning Commission had just approved of a Rs. 15 crore-plan of the Mysore Iron and Steel Works for the expansion of its present output of 25,000 tons of steel to 100,000 tons in the second Five-year Plan. The most important product that will be manufactured under the expansion scheme, to be finalised shortly in consultation with an American firm of specialists, is the manufacture of stainless steel which is now imported. Mysore had, he said, rich deposits of chromite and this was the main raw material required for the manufacture of stainless steel. Stainless steel is used not only in the manufacture of utensils but also surgical and scientific instruments, etc.

The expansion scheme also provides for an increase in the output of ferro-alloys from 4,000 tons per year to 30,000 tons per year. It is also proposed to set up an additional cement plant, with a capacity of 300 tons per day, at a cost of Rs. 1.6 crores. It will be recalled that only recently the capacity of the cement factory at Bhadravati was increased from 60 tons a day to 260 tons a day. A committee to investigate into the question of the location of the site for the establishment of this plant will be constituted shortly. The present source of raw material for cement production is Bhadigund mines, the reserves of which are just sufficient to supply the requirements of the existing cement factory at Bhadravati. As such, the proposed factory is expected to be set up either at Hosadurga or near Chicknaikanahalli where sufficient quantities of the raw material for cement exist.

PLASTICS AS BUILDING MATERIAL

Extensive testing of new building material went hand in hand with building activity in Germany after a normal living standard had been restored. Without exaggerating, it may be said that the Grobbaustelle *Deutsche Bundesrepublik* have gathered experiences which are unlikely to find their equals elsewhere. Though plastics may not be able to compete with the usual building material they have found good prospects when compared with coloured metals, light metals, or other relatively expensive building material on account of their special qualities. There are scarcely any new premises in Germany in which plastics have not been introduced to a considerable extent. Plastic lamps and plastic floors justify the term "from top to bottom."

Steel tubes covered with a shrinkable skin of Vinyl-plastic provide dirt-resisting door handles agreeable in use. Doors have often received panels made of safety glass with fine inlaid wire. Banisters are provided with soft plastics, the bars covered with shrinkable plastic tubes. Lamps largely consist of organic glass shapable in various ways. Tableplates are being manufactured of tasteful plastics in layers which are very infugitive. Pillars in halls are often panelled with bright plastics. Armchairs have artificial leather coverings, their stuffing being made of foam rubber.

Also building insulations, for instance, stopping of surface water very often consists of plastics in the way of foils. Vinyl-plastic tubes have been introduced in water-supply, when muddy soil or huminacidiferous foundation will exclude iron tubes, or when water has to be absolutely free of taste (springs) or when acidiferous waste water is to be drained. After the war, the plastic spattle floor has met with very much favour in Germany. It might be called tinned floors. They have largely been applied in building dwellings. As it depends a lot on preventing spattle substance from being changed, certain prescriptions regarding quality have been introduced in Germany. Properly laid out spattle floors have proved very good indeed.

Also plates covered with soft Vinyl-plastic are being applied. Generally the plates are welded into large surfaces. The edges of steps, the spaces on each side, and the ledges are connected by welded covers. Soft profiles of Vinyl-plastic adapt any bends through warm shaping. Banister covers being heated with an infra-red apparatus are able to adapt any bends.

Great experience in the way of plastics has been gathered in the lines of lighting and illumination. German experts will gladly place these experiences at the disposal of international expert circles. The large Plastics Fair taking place in Düsseldorf from 8th October to 16th October this year, the second big German plastics fair after the war will offer opportunities to meet with the latest German experiences in plastics in the building line, and also provide possibilities for discussions with German experts. It cannot be doubted that building must be carried on in a very different way in our modern time of jet planes and atom power. Düsseldorf will show one how to apply the latest achievements of material technique.

"SHORTHAND" BY MACHINE

Free secretarial services will be available to overseas buyers at the British Industries Fair at Olympia, London, where, at the kiosk of the Office Appliance and Business Equipment Trades Association in the National Hall, there will be an efficient staff to deal with urgent business with the minimum delay. The girls on duty will be using the Palantype method of machine shorthand, which is becoming increasingly popular in all parts of the world because of the advantages it offers in legibility, accuracy and transcription. The machine has 29 keys, and records speech phonetically on a band of automatically-moving paper, a series of keys being struck as a chord to express each syllable. The operator, who sits with the machine on her knees, can follow the proceedings around her as her fingers move by touch across the noiseless keys.

A single reporter can easily operate the machine at high speeds over long sessions without undue fatigue, and, as the notes are printed, they are equally legible whether taken at high speeds or slowly. Also, being based on phonetics, the machine can easily be adapted to almost any language with which the operator is familiar. Lengthy reports can be completed speedily with the help of transcribers, who, because only the ordinary letters of the alphabet are used instead of complicated symbols, can quickly learn to read the stenotyped script. This advantage is rapidly being appreciated by employers with extensive businesses. Sometimes at important conferences, when verbatim reports are required quickly for publication, a steady outflow from a team of reporters enables the transcription to be ready within three-quarters of an hour of the words being spoken.

The Palantype machine was patented in Britain in 1939, but, because of war-time manufacturing difficulties, it did not come into general use until 1946, when it was one of the first non-essential products involving the use of steel to be given a licence for manufacture, and today it is still made by the same firm. Although similar machines have been widely used in France, Holland and the United States for some time, the Palantype system has proved so efficient during the past nine years that it is already being taught in six countries and operated in 17 languages. These include Afrikaans, Czech, Danish, English, French, German, Hausa, Hebrew, Italian, Norwegian, Polish, Portuguese, Russian, Serbo-Croat, Spanish, Swedish and Welsh.

The Palantype College in Holborn, London, is the main centre for teaching the system. A general secretarial training, with Palantyping substituted for written shorthand, is given there to small classes of men and women, many of whom learn to operate the machine in more than one language. At present students from 20 different countries attend the college for instruction. They come from all over Europe—from Austria, Denmark, Finland, France, Germany, Italy, Norway, Portugal, Sweden and Switzerland—from various parts of Africa, including Kenya and Uganda, Nigeria and Sierra Leone; from the Seychelles and India, and from Canada and the United States of America. In addition, there have in the past been students from Argentina, Barbados, Brazil, China, Fiji, the Gold Coast, Greece, Holland, Iceland, Indo-China, Israel, Jamaica, the Philippines, Spain, Tanganyika, Trinidad, South Africa and Yugoslavia, among other countries.

Fully qualified Palantype operators find their way into secretarial employment, but many attain the higher standard required of the verbatim reporter and get jobs keeping the records of committees, courts and certain overseas Parliaments; while others travel the world reporting important conferences, or find work with the United Nations.

NEW PRODUCTS AND PROCESSES

Fighting Tooth Decay

A RESEARCH group, headed by the co-discoverer of streptomycin, Dr. Albert Schatz, has developed a new method to isolate microbes that might be the cause of tooth decay. As a result, it is stated that, for the first time, it is possible to isolate directly from tooth cavitie the bacteria destroyer of keratin, a protein supporting tooth enamel.

Yeast From Tree Sugars

A yeast made from tree sugars, called torula, is being manufactured by the Charmin Paper Mills of Green Bay, Wisconsin, and the Red Star Yeast and Products Company of Milwaukee. The yeast, a by-product of papermaking, is being produced in a new plant with a capacity of 6,000 tons a year, which the manufacturers say will be the major American source of the product. Torula is already being used in animal and poultry feeds and in pharmaceutical preparations. Its use in human food has so far been limited. It was produced initially in Europe during World War II as a vitamin and protein supplement.

Hydraulic Pedal-Operated Sausage Stuffing Machine

An engineering works at Deventer (the Netherlands), which has for some years past supplied the home market with a simple but very handy sausage stuffer, now also offers this article for export. This machine has no motor drive, but is operated by means of a pedal with hydraulic transmission. As the machine leaves both hands free, one man can make all sorts of sausage. The cylinder capacity is 20 or 30 litres (4.4 or 6.6 gal.). As the transmission is hydraulic, no gear wheels are required, so that the machine is noiseless and wear is reduced to a minimum. A handy construction of the machine between the meat cylinder and the compression cylinder prevents the leakage of oil into the meat. Breakage of casings is reduced to a minimum. Four stuffing horns are supplied with this sausage stuffer. Thanks to its simple design, the initial cost of the machine is low.

New Rolls Royce and Bentley Models

Rolls Royce Ltd., has announced the production of two entirely new models. These are the Rolls Royce Silver Cloud, which will replace the Silver Dawn, and the S. Series Bentley which will replace the B7 model. Both cars share the same completely new engine, chassis and body work and the only difference between them lies in the fact that each model retains its own famous design of radiator grille. The engine is of 4,887 c.c., a developed version of the 4,850 c.c. power unit fitted to the Bentley Continental in 1954, and is coupled to the Rolls Royce automatic gearbox. Four years of design work and testing, have gone into the production of these saloons, which are capable of well over 100 m.p.h. (160 k.p.h.) Interior fittings have the mark of craftsmanship. Each half of the backrest of the full width seat is adjustable independently for rake to suit driver and passenger. The ventilation system is of a new design and keeps both windscreen and rear window clear. Other features include a wider view both ahead and astern, wider seats with ample room for five, and a larger and more conveniently shaped luggage boot.

Power Engines

Worthington Corporation Harrison, N.J. (U.S.A.) has announced a completely new line of Power Engines. According to W. E. Wechter, Manager of the Corporation's Engine Division, the new engines, known as the SW 14 line, are a high pressure turbo-supercharged, four-cycle design, rated from 1,360 to 5,000 hp at 450 rpm. Largest of the new line is a 16-cylinder V-engine, which will develop twice as much power as present diesels of the same weight and dimensions which have been previously built for similar services. According to Mr. Wechter, the new SW 14 engines have many outstanding features, which are based on many years of field experience, research and testing. The SW 14 line was developed as a result of more than ten years' study of market requirements for both direct drive and electric power generation, particularly for applications in private and public electric central stations; water works; sewage disposal plants; petroleum and chemical plants; mining, quarry and cement plants; gas and oil pipelines; irrigation and drainage projects; industrial power plants; dredges; radio and radar stations. The tri-power arrangements permit use of the new engines as oil diesel, dual fuel diesel, or spark ignition gas. The manufacturer claims its new SW 14 engine to be the only low speed, heavy duty, high pressure turbo-supercharged engine in the United States designed and built for a capacity exceeding 200 psi bmep. It is extremely simple and devoid of complicated turbo-charging control systems. One of the unique features built into the new SW 14 line is inter-changeability of major parts between the in-line and the V-engines, such as cylinders, heads, rods, pistons, bearings, fuel injection equipment, etc. When an in-line engine is installed today, for example, with a view toward adding a V-engine at a later date, the user is not confronted with stocking many different spare parts to service both engines during periodic overhaul.

TRAVANCORE RAYONS LIMITED

MR. A. R. RAMANATHAN OUTLINES PROGRESS AT ANNUAL MEETING

THE Ninth Annual General Meeting of the Travancore Rayons Ltd. was held on 3rd May, 1955. Addressing the shareholders at the meeting, Mr. A. R. Ramanathan, Chairman of the Company, gave a brief account of the Company's working during the past year and its expansion plans on hand. The following are extracts from his speech:

"The results of 1954 have shown a good improvement, maintaining the progressive upward trend in the business of the Company. There has been a smart rise in the net profit from about Rs. 15 lakhs for 1953 to Rs. 22,30,664-9 for the year under review, after writing off depreciation of Rs. 23,59,464-4-10. As you are all aware, in view of the 'initial' and other special depreciation allowed to us, the profits of the Company have not become liable to income-tax assessment so far. Such a position cannot obviously continue for long. The book value of the assets will become almost nil for income-tax purposes much sooner than according to our balance-sheet method. This means that in the years to come, our income-tax liability will be much higher than what it would normally be. To meet this position smoothly and without any dislocation, your Directors have, with prudent foresight, conserved a portion of the profits by transferring a sum of Rs. 12,75,000 to 'deferred taxation reserve.'

"Out of the balance of profit of Rs. 9,97,094-9-11, a dividend of 5 per cent. on the preference shares, absorbing Rs. 2,49,970, and a dividend of 6¼ per cent. on the ordinary shares, absorbing Rs. 6,24,002-8, have been recommended, leaving a sum of Rs. 1,23,122-1-11 to be carried forward. Although your Directors could have improved further the distribution to the ordinary shareholders, they have advisedly adopted a conservative policy in the interest of a steady future, and the need for ploughing back into the business as much of the profits as possible, to meet our expansion programmes.

"The expansion plans envisaged are being put through with the least interruption to current production. The six new spinning machines have been erected, and they are expected to go into production by about the middle of this month. An additional quantity of 1.8 tons of rayon yarn per day will be available to the market very shortly. The rayon yarn market was fairly stable during the last year. I believe, the healthy, balanced atmosphere now prevalent will continue and that the rayon spinning and weaving industries will work hand in hand in the interest of the well-being and stability of both, with the full knowledge that excessive imports of rayon yarn is to the advantage of neither.

"As regards transparent film, the second plant has already begun functioning from 7th March, 1955. It is expected that it will be able to reach its peak capacity of four tons a day in the course of a month or two. The machinery for the moisture-proof plant has also arrived, and the erection of the same is likely to be completed in June-July, whereafter your Company will be able to convert a part of the production into the moisture-proof heat-sealing variety.

"The market for transparent film was very active during the period under review and continues to be so, indicating the great popularity of this packaging medium and the consequent increase in demand. Although, in the recent past, the demand for this product outstripped supply, we have endeavoured to satisfy all genuine demands to the best of our ability, at steady and reasonable prices.

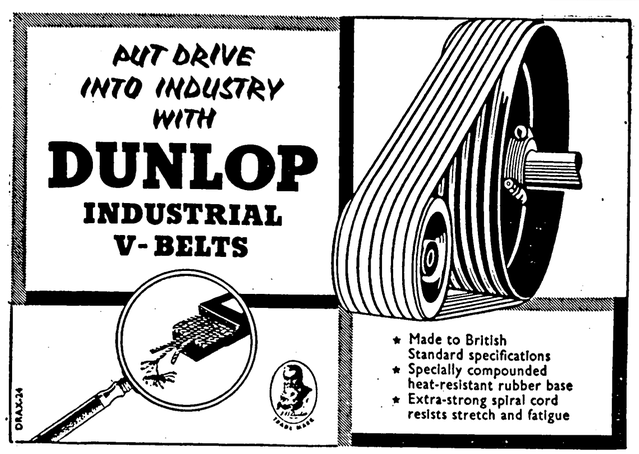
"The liability to the Travancore-Cochin Government has been further reduced by Rs. 12.5 lakhs, to Rs. 61.5 lakhs, and the block account has been substantially increased by about Rs. 42 lakhs, through investments in new plant and machinery.

"It is expected that the demand for rayon yarn will be more than doubled by the second plan period. I hope, chemical pulp plants too will be established, with a view to eliminating the industry's precarious dependence on foreign sources for wood-pulp—the main basic raw material. The Travancore-Cochin State would be ideal for the location of one of such plants. But before launching on these, it is highly essential that conclusive tests are made on pilot-plant scale to establish beyond doubt the indigenous raw materials best suited for the purpose. Your Directors are giving due consideration to this matter, in conjunction with the Travancore-Cochin Government, with a view to utilising the Eetta bamboo available in the forests of North Travancore. In addition, varieties of soft wood available in the Nilgiris could also be considered.

"In keeping with our role under the second Five-year Plan, it is the intention of your Directors to consider carefully the second phase of your Company's expansion, after successfully consolidating the first phase of the expansion now under way.

"As your Directors' report has indicated, it has been decided that, in grateful memory of our late Founder-Chairman, a life-size statue of his be erected in the factory. A sum of Rs. 1,50,000 is also being contributed to a Trust Fund created by munificent donations and contributions by the companies in which the late Chairman was interested, for providing special training facilities in foreign countries for deserving candidates.

"In fulfilment of a wish, which the late Founder-Chairman had in mind in the period preceding his tragic demise, the Managing Agents are going ahead with plans to put up, near the factory, a well-equipped and modern hospital known as the 'M. Ct. M. Chidambaram Chettiar Memorial Hospital.' This will serve the employees of the factory and also the citizens around. The cost is expected to be about Rs. 2½ lakhs, and the amount will be donated by the Managing Agents."



NATIONALISATION OF INSURANCE

WILL THE PUBLIC BENEFIT BY IT?

By K. A. Pandit, B.Sc., F.I.A. (London)

NATIONALISATION of Insurance is again being talked about, particularly in view of the declared objective of the Congress and the Government to set up a socialistic pattern of society. The general thinking has been focussed more on this question, because insurance and banking are twin industries and, if steps have been taken towards nationalisation of the one (though in part), the other may be nationalised soon after. The Congress objective, however, is not tied down to any dogma. The welfare of the society is the main purpose. Thus, it has been repeatedly clarified by the Congress spokesman, as also at Government level, that there is not going to be any wholesale socialisation but that the industries will be controlled and that both the public and private sectors will be allowed to work for the common good.

Thus, in the light of the above clarification, it may be supposed that insurance or banking may not be nationalised wholesale. Even if a public sector is set up in these industries, the private sector may be allowed to work so long as it continues to serve the interests of the nation. But this does not eliminate the threat of nationalisation altogether. It cannot be said at what stage the insurance industry would be found incapable of advancing the national interests and nationalisation resorted to. It will, therefore, be opportune to examine whether it will be beneficial in the larger interests of the nation to nationalise insurance and whether, by nationalisation, the insurance industry will be placed on a better footing.

Not Yet Fully Developed

Insurance in this country has still a long way to go before it can fully cater to the needs of the people. Big national plans have been launched by the Government to increase the *per capita* income and to provide employment to the largest number of people in the shortest time. With such expansion programmes, it is certain that insurance needs will increase and the business will have to be made more widespread. The *per capita* insurance of our country is also very low, as compared with the U.S. or the U.K. Thus, the principal task before us is to see that insurance is expanded and popularised more and more. The question is, who will do this? Will the privately managed industry be competent to expand the business Or will it be necessary to set up a nationalised industry?

It is generally known that life insurance business in this country has to be sold. A large agency force has to be employed for canvassing the business and the commissions paid amount to about 30 to 50 per cent. of the new premiums. According to statistics available, about 280,000 agents were found employed in this business in the year 1953. The business is very rarely demanded direct.

Now, in this set-up of the business, a nationalised industry, offering uniform insurance benefits at uniform rates can never succeed. Even by maintaining this agency force, it is unthinkable that nationalised insurance can expand business, since there is no free demand. People are not insurance-minded.

Competition is Necessary

For popularising insurance and spreading it more and more, what is necessary is healthy competition among agents. There should be more and more companies offering benefits at competitive rates through a network of agency force set up all over the country. For this purpose, there should be a large number of healthy units working independently and efficiently. Thus, a privately managed industry is indispensable, if the main objective is to raise the *per capita* insurance of the people.

There is no doubt that insurance business has increased in the past few years and every year the scope is getting enlarged. This, however, has not been achieved without keen competition among a few well managed companies. The experience of the past one year clearly shows what healthy competition for business could achieve. The business of some companies expanded by 100 per cent.

Thus, in the interests of the nation, private enterprise in insurance should remain. In fact, more and more companies should be encouraged to work in the villages and try to see that no earning member of a family remains without insurance. This is the task before us and any hasty step on the part of the Government to nationalise will kill all incentives and put the clock back.

At the same time, it will not be out of place to consider the possibility of a State-managed insurance industry which may undertake to accept insurances of Government employees or other semi-Government institutions. Even at the present stage, there are a few Government-sponsored Insurance Funds run by the States. They may be merged together and a bigger unit set up. But, at the same time, private insurers, too, will have to be fully encouraged.

No Tangible Benefit to the State

It is sometimes argued that nationalisation of insurance will place at the hands of the Government large funds for investment in the National Plans and thus be helpful in finding the additional finance necessary for the execution of the Plans. There is not much weight in this argument. Under the Insurance Law, investment up to 50 per cent. has to be compulsorily made in Government and other approved securities. Thus, even without nationalisation large proportions of the funds are available for investment in Government obligations. Even out of the balance 50 per cent., it can be shown that only small proportions are available as free investment. According to the *Insurance Year Book*, 1954, published by the Controller of Insurance, the following percentages show the proportions invested by companies in different categories:

	Per cent.
Government and other approved securities ...	49.0
Municipal and Port Trust securities.	5.9
Mortgages on property.	4.6
Loans on policies.	7.4
Loans on stocks and shares and other loans	0.7
Debentures of companies	4.6
Preference shares.	3.6
Ordinary shares.	6.3
Land and house property	5.5
Agents' balances, outstanding premiums. ...	4.9
Deposits, cash and stamps	5.3
Miscellaneous	2.2

It will be seen that, in addition to the Government securities, 7.4 per cent. is invested as loans on policies, 4.9 per cent. as agents' balances and outstanding premiums, 5.3 per cent. as deposits and cash, 2.2 per cent. miscellaneous, total 19.8 per cent.

Thus, about 20 per cent. has been invested in the business itself for the purpose of conducting the same.

The balance available is 30 per cent., half of which is invested by the Companies in equity capital which, it will be readily conceded, is nothing but supplying capital for financing private enterprise, the national objective. Thus, it is wrong to say that the nationalised insurance will place more funds at the hands of the Government for financing the Plans.

Very often, it is said that insurance in this country is not properly managed by companies and that the earlier it is nationalised the better. This, I think, is merely a hasty method of generalising opinions, formed by viewing some bad managements. No doubt, there may be some companies which are still not being managed properly. But their number is very small and fast disappearing. On the other hand, there is a large number of companies, commanding a substantial volume of business, which are being managed in the best manner possible. In the past decade, many companies have consolidated their positions and it can be stated, without fear of contradiction, that insurance in the hands of a large number of them is quite safe.

Moreover, with the controls exercised by the Government over investments and management expenses, it is certain that, in a very short time, it will be seen that almost all companies are properly set up and the business worked on healthy lines. I would, therefore, say that this threat of nationalisation should be removed by the Government at the earliest, by making an assuring statement, so that there may arise possibilities for the formation of more companies either proprietory or mutual. Even on a co-operative basis, insurance is bound to develop.

People May Suffer

Lastly, from the point of view of services to the public, I do not think nationalised insurance industry will be helpful. Today, the insurance industry, through its network of agents, offers insurance policies at the very doors of the people. For a single proponent very often, there is an approach from a number of agents from different companies and he has a wide choice at his command. In nationalised insurance, it is doubtful if this type of service would be available at all. Perhaps, a stage may come when the agency force may be entirely eliminated and the proponents required to wait in queues at the Government Offices for their proposals being accepted.

In addition to the above facility, free competition among insurers has brought about such conditions that a number of alternatives is offered to policyholders before their policy lapsed. Some companies offer automatic paid-up policies, whereas some offer extended benefits and so on. Can it be supposed that State-owned Insurance Corporation will be able to make business so elastic and helpful to the public? I doubt very much.

In conclusion, I would only say that this matter of nationalisation of insurance should be dispassionately and thoroughly considered by the Government from the standpoint of public good. The companies should also be prepared to allow the Government to start a State-managed industry offering insurance to Government employees only and prove by efficient management that they are able to serve the public better. This will surely show in the long run what private enterprise can do.

The North British and Mercantile Insurance Company, Ltd., of the U.K., proposes to expand its activities in the U.S. For this purpose, the Company, along with three of its American subsidiaries, is negotiating to buy all the capital stock of the Central Surety and Insurance Corporation of Kansas City for $9.25 million. If the deal is put through, the North British will secure a share in the U.S. accident business, which is the main field of operations of the Central Surety. The purchase price includes a premium of $2.75 million above the policyholders' surplus, or book value, which was nearly $6.50 million at the close of 1954. This premium covers the Central Surety's goodwill, management, personnel and agency organisation. The 145-year old North British and Mercantile has got offices in India also, doing life, fire and miscellaneous business.

CANARA MUTUAL ASSURANCE COMPANY LTD.

COMMENDABLE PROGRESS DURING 1954

MR. B. VAIKUNTA BALIGA'S SPEECH AT ANNUAL MEETING

THE Twentieth Annual General Meeting of the Canara Mutual Assurance Company, Ltd., was held at Udipi on 30th April, 1955. In the course of his address to the policyholders (which was read by Mr. M. D. Kamath, a Director of the Company, in the unavoidable absence of the Chairman), Mr. B. Vaikunta Baliga, Chairman of the Company, outlined the progress made by the Company during the past year. He also referred to some of the recent developments which have a bearing on insurance business as a whole, of which the most important was taxation. While welcoming the decision of the Government to raise the exemption limit allowed to income-tax payers for insurance premiums, Mr. Baliga regretted the Government's refusal to concede the demand of mutual insurers for exemption from payment of income-tax.

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

"FRIENDS,

"The year of 1954 began with great hopes and has ended with greater hopes for 1955. Scanning through the twelve months of 1954, we find that it has been a very good year for the world, in general, and for India, in particular, because it has several highly satisfactory achievements and historic events to its credit both in the political and in the economic field. The cold war has ended during the last year and in its place a situation has developed in which there is a keen desire for peaceful co-existence among the nations of the world. India's relations with the other countries of the world and its neighbours has improved considerably. In the economic sphere also, 1954 was a year of progress with tangible and definite results to its credit and this has been well reflected by the affairs of the 'Canara Mutual' also.

"During the year, proposals of the aggregate value of Rs. 1,02,73,700 were received by this Company. Out of these, as also cut of the proposals pending on hand at the beginning of the year, a business of Rs. 88,29,450 resulted in new policies. The premium income and income from interest and other sources amounted to Rs. 20,15,646 and Rs. 3,59,479-6-5, respectively. Calculated as per rule 25 of the Insurance Rules, the ratio of expenses of management to the premium income comes to 12.76 per cent. The life fund at the close of the year stands at Rs. 1,06,49,229-12-11. The net addition to the life fund during the year is Rs. 12,69,185-10-7. The investment reserve fund stands at Rs. 3,54,400 and is quite sufficient for meeting the fluctuation in the values of Government securities and other investments. The following statement indicates the progress made by the Company in recent years:

Year	Premium income	Net income from interest and other sources	Life fund at the end of the year
	Rs.	Rs.	Rs.
1948	14,57,550	1,11,190	42,10,975
1950	16,78,012	1,71,813	61,91,192
1952	17,55,933	2,44,999	82,48,569
1954	20,15,646	3,59,479	1,06,49,229

Attractive Bonus

"During the year under review the results of the fifth valuation of the Company were out and you already know the excellent bonus declared by the Company. This has been hailed as most unique from all quarters and it has attracted not only more business in the existing organisation but has also brought in new persons from other areas where we had no representation so far. The premium rates of the Company were reduced on all new policies issued from 1st April, 1954. Dr. A. V. Baliga became a Director of the Company on 27th October, 1954. His presence on the Board has inspired the agents to work with more vigour. On account of the attractive features and the intensive efforts put forth by our Chief Agents for South India, The Commercial Corporation of India Ltd., and Messrs. Ratilal & Co. of Ahmedabad, our newly appointed Chief Agents for Saurashtra, Gujerat and Cutch, since September, 1954, and also the members of our field force under both these Chief Agents, there was, during 1954, a rise of about 76 per cent. in the business over 1953.

"During this year, viz., 1955, we have also been able to open a branch at New Delhi and have appointed Shri Ramchandra H. Kubba as our Branch Manager and we are confident that the branch will progress satisfactorily.

"The year that we passed through was also a year of unprecedented competition at various levels. One or two Indian insurers reduced their premium rates drastically. This was followed by a number of other insurers and then the Government intervened and the drastic reduction in premiums, which had been offered at the expense of insurance agents, was slightly modified. A short time thereafter some insurers introduced staff insurance tables which was done again at the expense of agents and so the premium rates in those cases became very low. Once more the Government had to intervene and get the premium rates under the said staff tables raised to a certain workable level. As a result of this keen competition and other practices, the insurance business has been affected. But I am happy to say that our Company has shown substantial progress in its new business figures for 1954 without even introducing such staff tables. It is evident, therefore, that the interests of the policyholders of this Company are quite safe and well guarded in the hands of the Board of Directors.

Taxation

"Referring to other matters that have got a direct bearing on our business, I have to mention the report of the Taxation Enquiry Commission which has discussed at some length the important question of taxation of insurance companies and the taxation proposals of this year's Budget of the Central Government. The Commission's report also gives an indication of the pattern of taxation that will be adopted for the years to come. The Commission's recommendations and their supporting arguments are, therefore, of vital importance. Taxation has a significant part to play in the progress of any industry and it is more so in the case of insurance, because the investments of insurers are mostly regulated by the Central Government and its Statutes. While the Commission was gathering information to arrive at certain conclusions, the Indian insurers, through their associations, had represented to them that the exemption limit allowed to income-tax payers for insurance premiums paid by them should be raised. And, as a result, the Commission recommended an increased limit which has been incorporated by the Ministry of Finance in its recent Budget proposals. An income-tax payer can, therefore, avail now of the benefit of abatement of tax on insurance premiums upto a total of one-fifth of his income subject to a maximum of Rs. 8,000 a year, instead of the former limit of one-sixth of his income subject to a maximum of Rs. 6,000.

"The mutual insurers in India had represented to the Taxation Enquiry Commission that they, like co-operative insurers, should be exempted from payment of income-tax. But seeing that mutual and co-operative insurers wert almost alike in the matter of the structure of their companies, the Commission recommended the withdrawal of the exemption from income-tax enjoyed by the co-operative insurers, instead of extending it to mutual insurers also. This is really a regrettable turn of events, because both mutual and co-operative insurance companies are non-profit-making institutions and formerly both were exempt from payment of income-tax. During the war period the Government had somehow roped in mutual insurers for purposes of income-tax and now on the pretext of making no discrimination between similar institutions, they have accepted the recommendations of the Taxation Enquiry Commission and placed co-operative insurers on a par with mutual insurers and taxed both. In other countries, like the U.K., the U.S. and Canada, mutual insurers are exempt from income-tax and in one of these countries when the Government tried to tax mutual insurers by fresh legislation, cases were filed by the aggrieved insurers against the said measure and the Courts there held that it was not a laudable object of the Government or the Legislature to have attempted to tax mutual insurers by declaring as profit what was really not profit and this decision made the said legislation ineffective. We shall have, therefore, to pursue further and persuade the Government to exempt both the mutual and co-operative insurers from income-tax.

Nationalisation

"The cry for nationalisation of insurance which was first raised in 1947 is being echoed from time to time; but it is now clear that nationalisation of insurance companies can do no good either to the country, or the Government or the public. The principle of mutualisation appears to have progressed and one more proprietory insurance company, and that too the biggest among the Indian insurers, has received the blessings of the Government to mutualise itself. This is actually going to be the second such conversion and it is expected that this movement of voluntary mutualisation of proprietory insurers will gain further momentum.

"The problem of State and Central Governments entering into unhealthy competition with the Indian insurers is still there. Probably, it will take some time before it becomes possible for the Indian insurers to persuade successfully the Central and the State Governments to desist from encouraging, subsidising or experimenting with such schemes at the expense of the taxpayer.

"Selection and training of agents is a subject that deserves the special attention of insurers in India, because the better the selection and training of agents, the greater will be the business that they secure and the better will be the morale of the Indian insurance world. As selection standards are raised and training is imparted to the selected ones, the double purpose of building up of public goodwill and removing the ill-will caused by some of the less competent agents in the past will be very well served. In this regard, I am glad to report that the Indian Life Assurance Offices Association is trying to prepare an aptitude index test for insurance agents suitable for Indian conditions on the lines of a similar test prepared by the Life Insurance Agency Management Association of America. The Indian Association is also evolving a suitable syllabus for the purpose of training insurance agents in India. This is a step in the right direction and, with such effective attempts at raising the standards of insurance agents, there is no reason why we, in India, should not have a very healthy and prosperous community of insurance agents working all over the country and producing very satisfactory results.

"Finally, I once again wish to point out that the future of this Company is very bright because of its various attractive features, the best among them being its incorporation as a mutual company and the next being its excellent bonus record, efficient and able management. Let me express my sense of gratitude to you all, the policyholders, who are the owners of this Company and whose number is ever on the increase. I have no hesitation whatsoever in requesting you to recommend this Company to your relations and friends. To my colleagues on the Board, I express my sincere appreciation for all the assistance and advice so willingly given in the working of the Company. Let me also congratulate the Managing Director, Sri T. R. A. Pai, for all his pains and upright efforts which have resulted in the creation of an unlimited goodwill for this Company and placed it so high in the Indian insurance world. Our thanks are also due to the Chief Agents, The Commercial Corporation of India Ltd. and to the newly appointed Chief Agents, Messrs. Ratilal & Co., and the field force for their excellent and encouraging work during the last year. The Company's achievements reported here and elsewhere have become possible on account of the loyal support and able services rendered by our staff-personnel and to them I have every pleasure to convey our sense of appreciation."

COMMERCIALISM ON RAILWAYS

SOME FEATURES OF RATING POLICY

By J. E. Castellino

HISTORICALLY, all the world over, heterodoxy has always been anathema, but, fortunately, the rebel, who thinks ahead of his time, is later hailed as the spear-head of progress. Traditionally again, the duly constituted authority must regard as sacred and inviolable the views held and the opinions expressed in the past and it is only the impact of irrepressible forces that can compel a change in outlook and provoke a reorientation in policy. After all, it is inevitable that, in the course of years, brick after brick of precedent should be added to the well of knowledge which hems in the Government official; and a fissure can only be effected by wise and constructive criticism. By a strange fate, India, which is the home of traditionalism, is today recognising that the time is overdue when every policy has to be judged, to be tested, analysed and readjusted to the needs of the day. Age-old lines of action no longer evoke respect, unless, day in and day out, their validity stands justified by the prevailing circumstances.

Right from the inception of railway transport in India, the opinion has been field that railways are a commercial undertaking. In fact, in that famous minute of Dalhousie, the commercial justification is as strong as, if not stronger than, the military and administrative requirements of modern means of transport. Now and then, in response to reasoned representations from merchants and industrialists or from traders' associations, a change in policy, even in outlook, is engineered, the merciless flaying in the Press, often based on inadequate knowledge and generally characterised by incorrect appreciation of local conditions, serving to focus attention. But never in the history of the railways in India has anyone ever dared to suggest that our railways are run not as a commercial undertaking but as an instrument for social justice and economic progress.

Heavy Responsibility

The claim, however, puts on the administration a heavy responsibility, for it is difficult, in a Welfare State, where the largest of all undertakings is directly managed by the Government, to dissociate from its policy measures which have a socialistic tinge. The most notable example is the lack of profiteering, a measure which is euphemistically known as cutely and promptly reacting to market conditions and justified as ordinary commercial practice; more positively, the grant of concessions, let us say, to school children or nurses or associations is again a policy which cannot be fully defended on strictly economic grounds.

Commercialism, therefore, as interpreted by railways does not have the same connotation as that placed on it by mercantalist enterprises. Here, the contagious influence of India's acceptance of a "mixed economy" is quite apparent, but, if the wind is mercifully tempered to the shorn lamb, it is equally necessary that every aspect of rating should be tested in the crucible of existing economic processes, so that, when the sun of prosperity shines, the sweet-smelling hay of reserves may be legitimately garnered and wisely stored against the proverbial rainy day. On this account, a few factors which project themselves for active consideration with the recent advances in the knowledge of railway working are being analysed, so that the country may be prepared to accept a radical change in policy. It is not that the administration is old-fashioned or wooden-headed; it is the people that is not yet ripe for reform; it is the climate that is still unfavourable to such a complete upheaval.

Strictly, if the railways are to be run as commercial undertakings, there can be no place in the budget for a contribution to General Revenues. Government, of course, is entitled to obtain, on its investment of Rs. 800 crores on railways, a fair adequate return. Commercialism demands that this should be treated in the nature of bank charges for advances and the railways cannot be considered solvent unless this amount is regularly paid. It is equally apparent that, as in commercial enterprises, adequate provision should be made for maintenance, for depreciation, and for future development. These are, however, high policies in which "politics" may be involved. What is our interest is a practical study of rating problems.

Does commercialism justify the same level of charges, throughout this vast country? At once a cat is cast among the pigeons. If cost of operation and if value of service are the twin guiding principles of rating, how can there be, in a country of vastly varying geographical features and staggering stages of economic development, any uniformity in the scale of charges? There are sections where passenger traffic predominates; there are sections where coal makes almost the whole contribution; there are hill-sections and river-basins; there are railways in the vicinity of the coalfields; there are areas where the traffic is in one direction, for one part of the yard, and in the other direction, at another period. In fine, there is an endless variety of traffic requirements and of operational costs. How, in the sacred name of economics, can a fixed scale of charges be justified?

Passenger Traffic

Equally assailable is the practice in respect of passenger traffic. To the pocket of an upper class traveller, it makes not the slightest difference whether he enjoys the luxury of a berth at night or suffers the indignity of sharing it with others, during the day; the price of his ticket is the same! Quite patently, the value-of-service principle is violated. But is the sanctity of the cost-of-service principle honoured? Surely, it cannot be argued that it costs the railways the same whether a berth is used to accommodate one person or three? The railways, all over the world, realise the economic need for discriminating between the day and the night traveller: for a "sleeper," an additional fee is payable. Even in this country such a practice is becoming recognised: the third class passenger can now stretch his tired limbs in comparative comfort by paying a surcharge for sleeping accommodation.

In another direction, the law of supply and demand is violated, even though, in a sense, it is honoured. A fixed charge for a special train, to be run at any time of the year and at any period of trading activity, is an economic anomaly: it ignores all considerations of seasonal demands, traffic peaks, track availability, staff requirements, and such factors which considerably affect costs of service. It is accepted that concessions offer rich dividends when capacity is idle: the "day" and "half-day" excursion specials are evidences of commercial policy, properly applied. But how can a predetermined charge for a special train be justified? In a sense, however, economic justice is obtained even in this country; the applicant for a special train does not obtain his requirements, at times of brisk traffic. But this is a left-handed compliment to the rules of commercialism.

Here, then, is the core of the perennial complaint, loudly but incorrectly voiced by the people—incorrectly because the specific instances do not always justify it. Not for a day have the railways of India been really worked on strictly commercial lines. The procedure in Government offices casts a restraining influence; the fear of undue discrimination infuses caution; the rules of accounting kill the exercise of initiative; the whole set-up renders impossible individual decisions, suited to the needs of the moment. Is there no escape from this octopus of official procedure? Cannot modern scientific development provide some lubricant for Governmental machinery? Is the heavy hand of bureaucracy allergic to antiseptic elbow grease?

To deny free but restrained play of economic forces is to invite disaster. Progressively, Governments have been compelled to apply commercial principles to, and adopt trade practices in, the operation of transport services. For example, shipping corporations have wide powers to vary the charges for the cargo, in accordance not only with the trend of traffic but even with the requirements of a particular ship. Similarly, in air transport, off-season fares are part and parcel of the schedule. For charter services—which correspond to special trains—the charges vary according to the law of supply and demand: it would be fantastic to expect them to be fixed and unalterable. In principle, therefore, even as a matter of procedure in Government Departments, there is nothing to prevent railway administrations from adopting ordinary commercial methods in the fixing of rates and fares. Why then, is the schedule of charges so rigid? How has it come to be so uniform?

It would be unfair to attribute this state of affairs to the usual forces which affect affairs of State! Before the railways of India came under the ægis of Government, they were privately managed. True, during those days, there was a measure of freedom. As recent as 1942, the basis of fares varied: the then East Indian Railway carried a third class passenger for two pies a mile! The erstwhile Assam Bengal Railway had an exceptional classification for its two monopolies, jute and tea! There were different scales of charges for coal, depending on the location of the coalfields. All these "peaks and valleys" have been flattened out by the steam-roller of uniformity. Is this economically justified? Does this system reflect adequately the twin principles of railway rating? Can the claim that railways are commercial concerns be properly sustained?

If due regard is to be paid to costs of operation, then, in a country which is a Continent, charges can never be uniform. If the value of service principle has any validity, then the price of transport must vary with the stage of economic development of an area. If the plea of average costs is made, then the inflated mileage principle—which happily still obtains—stands condemned. If the need for stability of charges is stressed, then "commercialism" is a mismomer. It becomes evident that some drastic re-thinking is absolutely necessary—both in the interests of the country's trade and commerce and of its largest undertaking!

There are various directions in which, without undue risk (which incidentally is the *sine qua non* of all commercial activity), the principles of trade and commerce can find application. Within the steel framework of a maximum and a minimum, variations should be permitted, so that charges are co-related to the important factors of supply and demand at any particular time and in any particular region. Very simply, sleeping accommodation must be subject to a fee; excursion specials should be run at prices suited to the season and related to the costs; seasonal demands and one-way traffic must be made not only to meet the full costs of operation plus overheads, but also to contribute handsomely to profits and surplus. As a corrollary, off-season movements and return loads must be carried at concessional rates; and so on. These "economic principles" have been rarely, if ever at all, observed on Indian Railways.

Another Aspect of Rating

There is one more aspect of rating which appears to have been completely shut out from the view of commercial officers. Is not an engine-run a good yard-stick for measuring costs? Alternatively, can it not be considered correct to measure efficiency in terms of trips between marshalling yards and transhipment junctions? In other words, must not scientific rating be closely related to the unalterable features of operation, namely, the fixed run between one engine-shed and another, or between one marshalling yard and another, or between a station and a tranship point?

It is strange that this fruitful avenue should have remained entirely unexplored for such a long period. In a sense, however, the railway systems, in more developed parts of the world, appear to have been propelled into that direction: witness the emphasis on express train-loads, between rail-head distributing centres. But economic thought has not been devoted to this very important aspect of railway rating. Mere distance is, therefore, no index to costs. Once a scale is determined—so much per maund per mile, according to the ordinary rules and practice of classification, the charges must perforce be related, first, to the "economic zone" between two operational points, that is, marshalling yards, and, secondly, to the "uneconomic" distance, which does not conform to the pattern of train working. For example, if the distance of the haul is 300 miles, and if the run between two marshalling yards is 250 miles, then the correct and scientific charge would be made up of X—for 250 miles—plus $\frac{2}{5}$ for 50 miles, plus Y, Y being a surcharge for the uneconomic haulage of 50 miles. If the haul is of 200 miles, the charge would be X for 250 miles minus $\frac{1}{5}$, plus Z, the cost of the uneconomic haulage. There would be endless variations, but scientific calculation of freight charges cannot obviously afford to ignore the geographical and operational factors. Mathematicians will certainly express this formula in better terms, but the idea is clear: mere distance cannot determine the correct charges; it is location of "exchange" points—engine sheds, marshalling yards, etc.—which must influence rating.

Nowhere in the world has scientific attention been focussed on this important factor. The railway's all-pervading role has, to some extent, been modified to the provision of carriage between rail-heads of distribution, where road or river transport has considerably affected costs of operating short-distance services. By the inevitable process of competitive attrition distribution between large towns has come to be the economic sphere of operation, best suited to the railway. Theoretically, however, this conception has not been rationalised; the core of this practice has not been analysed. On the plane of economic thought, the most appropriate yard-stick for measuring costs and for determining economic zones cannot but be provided by the geographical features of railway operation—the points where engines are changed, trains marshalled, crew relieved, transhipment effected, so that there is begun a completely fresh unit of operation.

Scope Immense

What a concept! Here, a "flying saucer" is flung upon the calm waters of rating complacency: what ripples will it cause? The plea is for a reorientation of policies, for a more realistic approach to the problem of costs. The thesis is that "commercialism" on railways is in its infancy; it needs to be developed. The scope is immense. Every day there is a change in the supply-and-demand position; do the railways react to it? Every week, there is a variation in traffic trends; are the railways empowered to vary their charges accordingly? Every month, there is a different ebb-and-flow; is advantage taken of the situation? It is not unusual for empties to be moved to an inter-change point—for inter-railway requirements—when, with a little foresight and initiative, economical use could be made. Are the Rates Officers ever kept informed of the direction of traffic? Does the Commercial Department ever take into account track capacity or wagon availability, when considering requests for special rates? Has the concept of "the economic run" found thought, let alone acceptance?

There are, of course, the traditional arguments against indiscriminate use of powers to vary rates and fares; there is the specious plea of the many advantages of fixity of charges, not only over months but over years; there is the claim of equal treatment to every trader, irrespective of the zone of his activities; there is even the economic argument of the "average cost." But what does all this really add upto? Would any economist seriously suggest that, on the railways of Europe, a uniform basis of charge would be scientific, or at any rate, advantageous both to trade and industry as well as to the railways? Are railway managements so devoid of commercial sense that ordinary trading principles mean nothing? What becomes of the principle of joint costs, or to the mechanism of pricing "main" and "bye" products, in relation to empty running of trains, flow of empties, light engine miles, availability of paths, and such other recognised features of railway operation? Is the Railway Rates Tribunal a mere symbol of authority, not an effective check on abuse of powers?

Bulk Carriage

If, elsewhere in the world, by the pressure of competitive forces, the railways' sphere of influence has been restricted to major movements from one important trade centre to another, if it is increasingly becoming recognised that the most economical haul for railways is bulk carriage from one rail-head to another, if, in future, goods trains will run in whole-train loads as express services between important distribution centres, obviously theory must begin to take account of practice. The elimination of branch line services is another indication of the same economic tendency; long-distance bulk movement is the traffic for the railway.

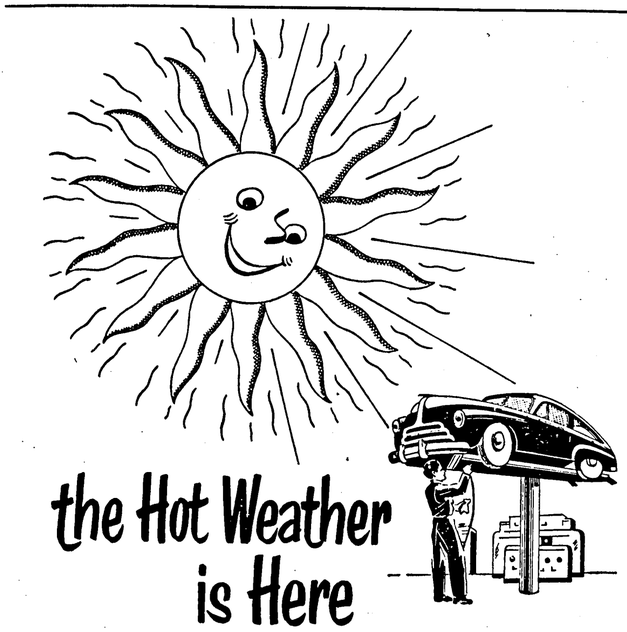
While the term "bulk traffic" needs no further explanation, it is necessary to discuss the concept of long-distance traffic. Mere length of total haul, irrespective of the number and complexity of intermediate halts, can have no significance in an analysis of costs. Just as an economical run for a motor vehicle consists in a fairly uninterrupted movement on top gear over a period of time, so also, on the rails, wagon-miles, and engine-miles and train-miles per day, are the important figures, as they affect costs and indicate efficiency. The rolling stock must roll; then only is its economic purpose fulfilled and expense kept down. If there is a long stoppage at a marshalling yard, or a loco shed, or a tranship point, then obviously costs begin to mount, as "unproductiveness" comes into play. Thus, the most economical run is that between two such operating centres; hence, also, the economic significance of this unit of measurement, and its relationship to the problem of scientific charges.

These are novel considerations, almost revolutionary in their consequences and if this conception of rating has any validity, then some wholesale re-organisation is inevitable, if not in the manner of determining the maxima and the minima, at least in the day-to-day translation of these rating principles into practice. The usual programme for "hurrying up slowly" need no longer cause any anxiety; economic forces will galvanise Government into action. Nor need there be any fears on the administrative plane; where all are blind, the leader must stumble! Timidity will be in evidence, but today discretion is being exercised by railway officers, on various matters, and, with decentralisation of authority, must come greater assumption of responsibility. Against the danger of abuse of power, there is already adequate provision; the utility of the Railway Rates Tribunal can best be tested by permitting railway administrations to show due preference to a particular person or a particular type of traffic or particular movement of goods—it is undue preference which invites mischief under Section 42 of the Indian Railways Act—within the four corners of "Commercialism." In fact, set rules and fixed charges are strange bed-fellows for commercialism, and rubber-stamp decisions are a denial of progress.

Nascent Industries

Long long ago, "commercialism" was defined as earning 17 annas when previously only 16 annas of revenue was obtained. To take full advantage of the market situation is the function of the *entrepreneur;* enterprise has otherwise no meaning. Railway managements may not fully exploit the economic possibilities by holding a pistol to the community, but they must be empowered to serve the country in the best possible manner—a function that cannot be fulfilled under existing rules of procedure and present methods of operation. If nascent industries deserve help by way of concessional rates, then an extra levy from more established concerns is unassailable. If during an economic blizzard, some protection is justified, then at times of brisk trade—and this also embraces seasonal movements of an inelastic nature—freight charges must fully reflect the value of service principles.

More and more, Governments are compelled to incline to the view that, when an enterprise is run by the State—be it a bank, a fertiliser factory, a steel-plant, a pharmaceutical concern and an air service—commercial principles cannot be jettisoned without serious risk of inefficiency. The railways of India are the largest single undertaking in the country: in a sense, the most potent instrument of progress. Can "commercialism" be absent from the railway policy? In the past, monopolistic conditions prevailed; at present, there are heavy restrictions on Road Transport; what is the future to be? More than mere lip-service to the commercial factors of rating will be necessary, if the railways are to fulfil their role in the country's economy.—*All Rights Reserved.*



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U.S. CROP SURPLUSES AT RECORD LEVEL

SHORTCOMINGS OF RIGID PRICE SUPPORT PROGRAMME

[In recent weeks, there has been a persistent demand from a section of public opinion in this country for State support to agriculture to prevent prices of agricultural commodities from going down to uneconomically low levels. Although the Government of India has not introduced a full-fledged programme, it has made a beginning in this direction by giving selective support to certain commodities through State Governments. With finance provided by the Centre, wheat, rice, coarse grains, and gur (brown sugar) are being bought at fixed prices by State Governments in Northern and Western India at selected marketing centres. At present, the magnitude of this operation is only modest, but there is no doubt that, in course of time, the Government will have to devise an integrated, comprehensive policy for preventing wide swings in agricultural prices and that, as a part of this policy, it will have to buy agricultural surpluses and release them to the market in times of scarcity. In this context, it will be useful for India to know the experience of other countries which have programmes for protecting farmers against the vagaries of free market forces, so that it can profit from such experience. With this object in view, we reproduce below a review of the American experience of farm price support programme given in the May, 1955 issue of the Monthly Letter *of the First National City Bank of New York. Incidentally, the author of the review has prefaced the subject matter by briefly reciting the current farm situation in the U.S.*—ED.]

CROP production in 1955, given favourable growing conditions, is expected to approach the bumper harvests of recent years, despite Government efforts to curtail output in the face of mounting crop surpluses. The Department of Agriculture has estimated that 59 principal crops planted or grown this year may total 353.5 million acres, only slightly below 1954. Plantings of 16 leading spring crops are placed at 285.5 million acres, 3.2 million above a year ago. Government restrictions are mostly responsible for reduced plantings of wheat, cotton, tobacco, rice, flaxseed, and sugar beets. On the other hand, several million acres diverted from these crops are being planted to soybeans and feed crops, including restricted corn. Like last year, many farmers, who feed nearly all the corn they produce and are not concerned with price support on that crop, are expected to overplant corn acreage allotments.

Drought and dust-storms have plagued some wheat areas, particularly in the southern and central Great Plains. As a result, the Department of Agriculture cut its forecast of the winter wheat crop as of 1st April to 662 million bushels, 17 million below last December's estimate. Cold weather has caused considerable damage to fruits and vegetables in the south-east. But, with mechanisation and other modern farm technology available to offset adverse weather, it would take a major drought or flood to dampen seriously current prospects for another overall bountiful crop harvest.

Crop Surpluses at Record Level

Welcome as abundant harvests are to farmers, they pose a national problem at a time when crop surpluses are already at record levels. The 1st July wheat carryover is expected to be a record of about a billion bushels, enough to meet domestic requirements for 18 months. The anticipated 1st August cotton carryover of nearly 10.5 million bales, while not a record, is well over a year's domestic consumption.

Since Federal price supports for many farm products have been more attractive than market prices, the bulk of old crop carryovers will be owned by the Government. The Commodity Credit Corporation's investment in farm products at the end of February reached an all-time high of over $7.4 billion, up $1.2 billion over the year previous. Wheat, cotton and corn alone constituted over three-fourths of this investment, with the balance distributed over more than two dozen commodities ranging from tobacco down to honey.

The fantastic nature of this whole business is illustrated by the problem of merely finding storage space, particularly for wheat. Thanks to use of mothballed Government ships, big circus-type tents, and other temporary structures, existing grain storage facilities seem adequate until 1955 crops start to market. However, another large harvest would further aggravate the storage problem, especially if C.C.C. efforts in disposing of present stocks are not too successful.

C.C.C. officials are reported to be considering asking the Congress for $2 billion more borrowing authority, on the ground that the present $10 billion limit may not be enough to meet price support commitments during the coming crop season. Due to a similar situation, the C.C.C. borrowing limit was increased twice last year, first from $6.75 billion to $8.5 billion and later to the current $10 billion.

A Record of Failure

This demonstrates more forcibly than ever the failure of the agricultural price support policies pursued up to now. The piling up of surplus stocks of farm commodities has occurred, despite drastic cutbacks in acreage. For example, wheat acreage was cut nearly 17 million from 79 million acres in 1953 to 62 million in 1954, with a further cut to 55 million scheduled for this year. Cotton was cut 7 million acres, from 27 million in 1952 to 20 million in 1954, with 18 million indicated for this year.

Despite these restrictions, total crop output has held close to levels of post-World War II years when we were sending more wheat and other farm products abroad. The explanation is simple. With high, rigid support prices on basic crops, acreage controls have been offset by (1) heavier fertilisation and other intensive crop practices, and by (2) the shift of diverted acres to non-basic crops (such as soybeans and barley) which, despite lower supports, apparently still are profitable to produce for Government storage. In the case of wheat, many farmers are growing high-yielding, poor-quality varieties that return larger Government cheques at the expense of high-quality wheat needed by flour mills.

The upshot of this policy of high, rigid price supports has been self-defeating. By encouraging surplus production, it has had a continuing depressing effect upon farm prices and incomes. Under this programme net farm income has fallen from $16.8 billion in 1947 to $12 billion in 1954. Although the flexible support programme provided for in the Agricultural Act of 1954 has been denounced by its opponents as "ruining" the farmer, actually no crops have yet been marketed under that programme. The Act becomes effective for the first time with 1955 production. The diminishing effectiveness of high price supports is indicated by the number of farm commodities selling below the support levels.

Strangely enough, in the light of this record of failure, there are still people who advocate a return to the old system. In March, the House Agricultural Committee by a 23 to 11 vote favourably reported out a bill calling for fixed price supports at 90 per cent. of parity on basic crops during 1955-57 in lieu of the flexible support programme enacted last year.

Farmers Fed Up With Controls

Proponents of high price supports have argued that farmers were willing to submit to the controls necessary to maintain the higher prices. Recent reports, however indicate that farmers are becoming more and more fed up with controls and may reject the restriction necessary to bring supplies in line with 90 per cent. of parity supports or something close to it.

Many observers predict that wheat farmers this year may vote down marketing quotas on the 1956 crop. They cite farmers' growing resentment over controls, and the prospect of lower price supports for 1956. Actually, current estimates indicate price supports on wheat, if quotas are approved, ranging between 75 and 80 per cent. of parity. Apparently, the feeling is that farmers will not regard this as sufficient inducement to compensate for controls, and that they may prefer to take their chances with unrestricted plantings and free market prices.

We have referred to the tendency of many corn farmers to disregard price supports and the acreage restrictions that go with them. According to E. Howard Hill, President of the Iowa Farm Bureau, "over half our corn producers chose to give up eligibility for corn loans rather than make an acreage cut last year." Iowa farmers preferred to grow as much corn as they liked—and turn it into marketable meat.

Equally pertinent were remarks by Senator James O. Eastland of Mississippi, leader of the Congressional cotton bloc, before the annual convention of the American Cotton Manufacturers Institute last month. Declaring that mechanised American farms cannot operate under a programme of curtailed acreage and high support prices, he stated:

"Let me stress the fact that a one-third reduction in acreage (referring to the effect of cotton acreage allotments) by no means results in a corresponding reduction in farm operating costs. In fact, very little, if any, reduction takes place in overall costs. The acres taken out of cotton are put into corn, soybeans, grain sorghums or other crops. These acres have to be prepared for planting, then planted, cultivated and harvested.

"Forcing farmers to divert land from cotton to these other crops generally results in a loss which can only be charged to their cotton operation. Cotton farmers are just beginning to realise, for the first time, the very serious effect a smaller volume has on their net income."

Calling attention to the decline in American cotton exports and rising cotton production abroad, Senator Eastland went on to say:

"This trend proves the absurdity of the United States attempt to keep world cotton supplies in balance through production controls in this country. It further proves the absolutely false premise of any farm policy which prevents a farm commodity from meeting its competition."

Price Flexibility Essential

If farmers reject production controls, prices must be allowed enough freedom to perform their function in adjusting supplies to demand. The flexible price support programme enacted by the Congress last year is a big step in this direction.

One of the great weaknesses of attempting to curb overproduction by acreage restrictions is that, by and large, they apply across the board, making no allowance for variations in farmer efficiency, suitability of land, etc. The efficient and inefficient, the good farms and the poor, are cut down alike. There is a minimum of sifting out, and of incentive for farms to be devoted to products for which they are best suited.

We hear a great deal about the drought and dust-storms in certain areas of the west and south-west. The truth is that, for the most part, these areas should never have been taken out of pasture and planted to wheat, and would not have been but for the high prices brought about first by the war and later maintained by Government price supports. As a recent newspaper statement by Grover C. Helm, President of The National Bank of Bloomington, Illinois, put it:

"We are more than ever convinced that the high support prices on agricultural commodities have been one of the causes of the deterioration of the soil in the western and south-western States. Much of the thin land that was used for grazing has now been ploughed up and put into wheat, and, as a result, the high winds during the winter months have blown the topsoil in every direction."

We referred to the tendency of some wheat farmers to concentrate on high-yielding wheat to sell to the Government rather than upon quality wheat for the flour millers. Secretary of Agriculture Benson, in an address before the Pacific Dairy and Poultry Association at Salt Lake City in March, elaborated on this theme and brought out clearly some of the distortions created by high price supports, as follows:

"In talking about this wheat surplus problem, we lump all wheat together—spring and winter—hard and soft—red and white—high protein and low protein. Yet farmers know there can be at least as great a difference between different types of wheat as there is between Holstein and Hereford cattle.

"At a time when we have a record-breaking surplus of wheat in the United States, there is an acute shortage of durum wheat and a tight situation with respect to high protein milling wheat. Flour has been selling at the highest prices since 1920.

"Farmers in some parts of the country have been concentrating upon exceptionally high-yielding wheat, rather than upon quality wheat. Since the grain is produced for sale to the Government at a fixed guaranteed price, rather than for conversion into bread, the sole objective is to grow as many bushels as possible on the allotted acreage.

"Unrealistic price supports have brought about a sharp rise in wheat production outside the area we normally think of as the commercial wheat country. The Corn Belt has become the source of more wheat. So have the grasslands of the southern Great Plains and the dairy regions of the north-east.

"In Illinois, the 1953 wheat acreage was 51 per cent. above the 10-year average. In Michigan, it was up 46 per cent. Even in New York, the increase was 36 per cent. One 'dust bowl' county of eastern Colorado, which reported a mere 5,000 acres of wheat in 1939, had 365,000 acres in this one crop by 1952 as the 'suitcase' farmers and speculators moved in."

What has been the result? As Secretary Benson went on to point out:

"Now, farmers in the low-cost areas where most of our wheat has been produced in recent decades find themselves in the same production strait-jacket as growers in States less favourably suited to efficient wheat production. The man who has been growing quality wheat for the market gets cut back on the same basis as the man who grows wheat for the Government loan."

(Continued on page 959)

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Reserve Fund and other Reserves - „ 4,00,55,696
Deposits as at 31-12-1954 - Rs. 1,24,21,26,680

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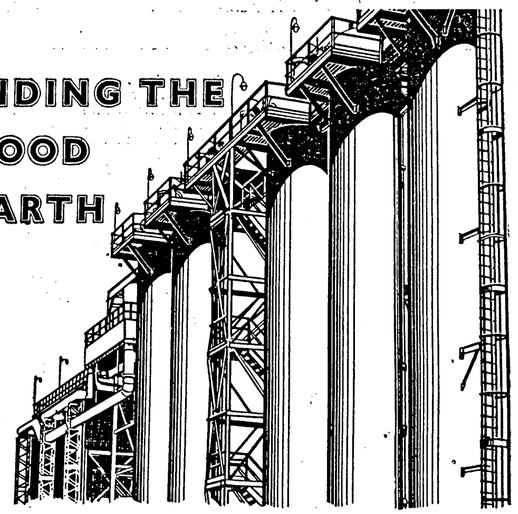

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REVIEW OF CUSTOMS PROCEDURES

NEED FOR AN ENQUIRY COMMITTEE

THE mercantile community in India may be said to have won most of its battles in freeing the import control system from unnecessary shackles and avoidable impediments, so that the country's requirements of essential commodities could be imported without much delay. The same cannot be said of its efforts at securing relief from costly customs formalities and cumbersome procedural matters. In the result, the importers and through them the country have not received the full benefit of rationalisation of import controls. Consequently, it was only quite appropriate that the Indian Merchants' Chamber, one of the leading organisations representing the business community in Bombay, should have taken up for discussion the difficulties and problems arising out of customs procedures with Mr. E. Rajaram Rao, Member, Central Board of Revenue (Customs), on the 5th inst.

One of the serious difficulties experienced by importers in this country arises out of the absence of provision for appeal from decisions or orders of customs officials. Under the Sea Customs Act, as it exists today, the only remedy open to those who are aggrieved by the decisions of customs officials is to appeal to the Central Board of Revenue. No provision exists for appeals to an independent appellate machinery. Provision for such a machinery, however, exists in the Income-tax law. This body hears appeals from parties aggrieved by the decisions of the Income-tax officials. The Indian Merchants' Chamber has for long been suggesting the desirability of (*a*) setting up an independent Appellate Tribunal for customs purposes also on the lines of the independent Appellate Tribunal for Income-tax purposes and (*b*) making the necessary provision for the same in the Sea Customs Act. This suggestion was discussed by the Chamber with Mr. Rajaram Rao. It is gratifying to note that the matter is, according to Mr. Rao, now under the active consideration of the Government. It is to be hoped that the Government will expedite its decision and take prompt steps to appoint an independent appellate machinery for customs purposes as early as possible.

Lack of uniformity in assessment of import duties at different ports is another difficulty about which the trading community has been complaining for a considerable time now. The examples given by the Chamber are astounding. Thus, blowers equipped with motors of more than ¼ h.p. were hitherto assessed to duty at the rate of 5¼ per cent. *ad valorem* under item 72(b) of the Indian Customs Tariff. A recent consignment of blowers imported into the Port of Bombay was assessed to duty at 50 per cent. under item No. 73(18). However, at the other ports, consignments of blowers have been assessed to duty, only after separating the motor, at a lower rate, and the blower portion at 37½ per cent. as electrical appliances. Similarly, art silk fabrics in Bombay are subject to a duty based on the market value of these fabrics, while in other ports they are based on the invoice value of the goods. Such lack of uniformity in assessments results in placing the Bombay importer at a disadvantage *vis-a-vis* that of his confrere in other ports. Alluding to this discrimination, Mr. Rao is reported to have agreed, in principle, with the Chamber's suggestion regarding the need for achieving uniformity in assessment, and stated that it was inevitable that there might be difference in the basis of assessment to duty of particular items at the various ports, as the Collectors of Customs had sometimes to use their discretion in determining the classification of articles for purposes of assessment. He, however, added that, whenever instances of such differential basis of assessment were brought to the notice of the Central Board of Revenue, the latter would do the needful in the matter.

Changes in Classification

There have also been innumerable instances where goods belonging to one classification of the customs schedule are treated under another classification under the same schedule and assessed at a higher duty. An instance of this is seen in the case of Sheafer's Crest De Lux fountain pens. These, hitherto allowed to be cleared under the customs item No. 45(3), are now deemed to be cleared under item 61(8). As a result of this, the duty on these pens is now 78¾ per cent. as compared with 30 per cent. formerly. As the pen is not capable of being used for any other purpose than writing, though it is plated with gold, there does not seem to be any justification for a change in the classification of this article. This point, too, was brought to the notice of Mr. Rao. In this context, the Chamber made another suggestion to the effect that, whenever there was a change in the classification of an article, commitments entered into with foreign suppliers prior to the date of the announcement of the change in classification should not be affected by new classification and that goods imported under such commitments should be allowed to be cleared under the old classification. To this Mr. Rao replied that, under the law, customs could not postpone the date of enforcement of a new classification. Further, he said that there were administrative difficulties in allowing clearance of goods imported in terms of prior commitments under the old classification.

The Chamber also drew attention to the recent amendment to the Sea Customs Act, according to which the onus of proof in regard to smuggled goods would be shifted to the importer, and expressed the hope that the Government would take necessary steps to avoid hardship and harassment to *bona fide* persons, while enforcing the new provision. Replying to this suggestion, Mr. Rao drew the attention of the Chamber to the assurance given by the Minister in Parliament that the new provision would be implemented in such a way as not to cause any harassment to *bona fide* persons and stated that the assurances would be observed by the Customs Department both in letter and spirit.

Delay in Chemical Tests

Mr. Rajaram Rao was also apprised of the inconvenience caused to importers by the inordinate delay in the submission of chemical tests on the samples drawn from the imported consignments. In the absence of results of such tests, the exact classification of the imported goods and the import duty cannot be decided. In the case of seasonal goods, particularly, such difficulty is more keenly felt as the traders are likely to be put to financial loss owing to the delay in clearance of goods and to a possible fall in prices during the intervening period. It is true that the importer is allowed the facility to clear the goods, when the classification of the imported article is in dispute, on his executing a bond to pay the difference in duty as subsequently determined on the basis of the chemical test. But the difficulty is that the bonds are required to be countersigned by a Scheduled bank and the Reserve Bank of India. For getting such a countersignature from the Reserve Bank of India, the importers are required to deposit a large sum with the Scheduled bank. This means locking up substantial funds otherwise available for business purposes. Consequently, the Chamber pleaded that the chemical tests should be expedited in the shortest possible time.

The Chamber made another suggestion, that the Government should appoint at an early date an Enquiry Committee, with non-officials represented on it, to scrutinise the customs procedures and formalities required to be observed by importers and exporters and to suggest steps for simplifying them. Mr. Rao replied that the Government would certainly give its consideration to this suggestion.

The Central Government has decided to continue the free licensing of export of castor oil on shipping bills upto the end of August, 1955 to all permissible destinations, excluding Portuguese Possessions in India by (1) established shippers who have already established their basic year exports of castor oil, effected by them during any one of the calendar years 1951, 1952 or 1953, and (2) non-established shippers who are eligible to export castor oil. Exports by others will not be permitted.

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PROTECTION TO GLUCOSE INDUSTRY

POOR PROGRESS ATTRIBUTED TO SEVERE COMPETITION

PROTECTION was first granted to the glucose industry in 1948. In that year, the then existing revenue duty of 30 per cent. *ad valorem* was converted into an equivalent protective duty. The protection was for a period of two years ended on 31st March, 1950. Subsequently, the duration was extended up to 31st December, 1953. Meanwhile, in 1951 a surcharge of 5 per cent. was levied, and the duty was consequently enhanced to 31½ per cent. *ad valorem*. The industry's case was once again reviewed in 1953 and protection was, as a result, extended up to 31st December, 1954, and the rate of duty on non-medical glucose was increased from the then existing level of 31½ per cent. *ad valorem* (inclusive of surcharge) to 50 per cent. *ad valorem*. Protection was further extended upto 31st December, 1955, by the Indian Tariff (Third Amendment) Act, 1954. As the protection is thus due to expire at the end of this year, the Tariff Commission has taken up the examination of the industry's case for continuance of protection after that date. As a preliminary to the investigation, the Chairman of the Commission, Mr. M. D. Bhat, opened the public enquiry on the 2nd inst. in its offices at Bombay.

It will be seen from the foregoing account that not only the period of protection has been extended but there has been an increase in the quantum of protection also. Besides this, a section of the industry, namely, liquid glucose, received protection through import restrictions too. For balance of payments considerations, the system of import quotas was introduced in 1953 and changes in the quotas were generally helpful to the industry, in that they ranged from 15 per cent. to 25 per cent. of half of the best year's imports. The point is whether this form of assistance would be continued after the expiry of the present period of protection. That would depend upon the balance of payments position, unless, of course, the Tariff Commission chooses to recommend protection through import controls also. The present position of the industry, as given by the Chairman of the Commission in his initial remarks opening the public enquiry, shows that the industry has a large leeway yet to make up. In this connection, Mr. Bhat observed: "Although the glucose industry has not so far been able to make much headway, it has a future, but its progress and stability would depend, in a large measure, upon the success it achieves in its efforts to maintain the highest standard of quality for its products and to lower its cost of production."

In 1946, the scope of enquiry was limited to liquid glucose. In its report in 1953, the Commission confined the scope of enquiry to non-medical glucose. Since then, it is stated that the Government has granted to three firms licences for setting up plants to produce crystalline glucose. In view of this development, the Commission may have to extend the scope of its enquiry to this product also.

Another difficulty which the Commission is sure to face in its investigations will be in regard to the estimated domestic demand for glucose. In 1953, the Commission estimated the demand for liquid glucose at 3,500 tons per annum. While some producers think that this estimate holds good for the present, others have estimated the demand for liquid glucose at 3,250 tons per annum and for dextrose at 1,950 tons. As the confectionery industry is the principal consumer of liquid glucose, its requirements are of a fluctuating character, estimated variously at between 2,500 and 3,000 tons. There appears to be a certain amount of uncertainty regarding the rated capacity. In 1951, the total rated capacity for manufacturing non-medical glucose was estimated at 5,350 tons in 1952, as compared to 3,600 tons estimated by the Tariff Board in 1947. The present rated capacity of four concerns is placed at 5,450 tons of liquid glucose. Of these concerns, however, one is stated to be having only a pilot plant and another has gone out of production since 1948. The present effective capacity is, therefore, expected to be no more than 3,100 tons. As regards glucose powder, the rated capacity of one firm is 300 tons per shift. But it is reported that permission for manufacturing it has been granted to three new units, with an aggregate rated capacity of 5,300 tons per annum; these are likely to go into production at the end of this year. While deciding the question of continuance of protection, account

(*Continued on page 943*)

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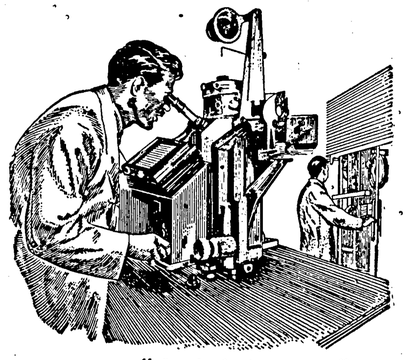
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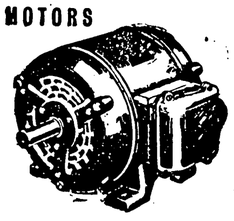
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(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report, and to pass the Accounts for the half-year ended 31st December, 1954.

(2) To declare a Dividend.

(3) To elect Directors. Mr. C. L. Bajoria and Dr. S. C. Law retire by rotation and, being eligible, offer themselves for re-election.

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

The Share Transfer Books of the Company will be closed from 16th to 30th May, 1955, both days inclusive.

By Order of the Board,
Per Pro McLEOD & Co., LTD.,
W. URE,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA. *9th May*, 1955.

Note.—Payment of the proposed dividend if declared, will be made on or after 20th June, 1955, only to those members whose names are registered in the Books of the Company on the 30th May, 1955, or to their Mandatees.

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

CHITAVALSAH JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-seventh Ordinary General Meeting of the Shareholders of CHITAVALSAH JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 30th May, 1955, at 3-15 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 31st December, 1954.

(2) To declare Dividends.

(3) To elect a Director. Mr. C. L. Jatia retires by rotation and, being eligible, offers himself for re-election.

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

The Share Transfer Books of the Company will be closed from 16th to 30th May, 1955, both days inclusive.

By Order of the Board,
Per Pro McLEOD & Co., LTD.,
W. URE,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *9th May*, 1955.

Note.—Payment of the proposed dividends, if declared, will be made on or after 20th June, 1955, only to those members whose names are registered in the Books of the Company on the 30th May, 1955, or to their Mandatees.

No application for Warrants will be necessary. Claims on behalf of holders of Shares on blank transfer will not be entertained.

NELLIMARLA JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-first Ordinary General Meeting of the Shareholders of NELLIMARLA JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 30th May, 1955, at 3-30 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 31st December, 1954.

(2) To declare Dividends.

(3) To elect a Director. Mr. C. L. Jatia retires by rotation and, being eligible, offers himself for re-election.

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

The Share Transfer Books of the Company will be closed from 16th to 30th May, 1955, both days inclusive.

By Order of the Board,
Per Pro McLEOD & Co., LTD.,
W. URE,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *9th May*, 1955.

Note.—Payment of the proposed dividends, if declared, will be made on or after 20th June, 1955, only to those members whose names are registered in the Books of the Company on the 30th May, 1955, or to their Mandatees.

No application for Warrants will be necessary. Claims on behalf of holders of Shares on blank transfer will not be entertained.

THE ALEXANDRA JUTE MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-ninth Ordinary General Meeting of the Shareholders of THE ALEXANDRA JUTE MILLS, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 30th May, 1955, at 3-45 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 31st December, 1954.

(2) To declare Dividends.

(3) To elect Directors. Messrs. C. L. Bajoria and J. H. Methold retire by rotation and, being eligible, offer themselves for re-election.

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

The Share Transfer Books of the Company will be closed from 16th to 30th May, 1955, both days inclusive.

By Order of the Board,
Per Pro McLEOD & Co., LTD.,
W. URE,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *9th May*, 1955.

Note.—Payment of the proposed dividends, if declared, will be made on or after 20th June, 1955, only to those members whose names are registered in the Books of the Company on the 30th May, 1955, or to their Mandatees.

No application for Warrants will be necessary. Claims on behalf of holders of Shares on blank transfer will not be entertained.

WAVERLEY JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventy-fifth Ordinary General Meeting of the Shareholders of WAVERLEY JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 30th May, 1955, at 4 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 31st December, 1954.

(2) To declare Dividends.

(3) To elect Directors. Messrs. C. L. Bajoria and A. N. Sil retire by rotation and, being eligible, offer themselves for re-election.

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

The Share Transfer Books of the Company will be closed from 16th to 30th May, 1955, both days inclusive.

By Order of the Board,
Per Pro McLEOD & Co., LTD.,
W. URE,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *9th May*, 1955.

Note.—Payment of the proposed dividends, if declared, will be made on or after 20th June, 1955, only to those members whose names are registered in the Books of the Company on the 30th May, 1955, or to their Mandatees.

No application for Warrants will be necessary. Claims on behalf of holders of Shares on blank transfer will not be entertained.

LARSEN AND TOUBRO LIMITED

NOTICE IS HEREBY GIVEN THAT THE Tenth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, J. K. Building, Dougall Road, Ballard Estate, Bombay, on Wednesday the 15th June, 1955, at 4.30 p.m., to transact the following business:—

1. To receive the Directors' Report and the Audited Statement of Accounts for the year ended 31st March, 1955.
2. To sanction the declaration of a Dividend.
3. To elect Directors in place of Mr. Solomon J. Judah and Mr. H. Holck-Larsen, who retire by rotation, but being eligible, offer themselves for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.
5. To transact any other business that may be transacted at an Ordinary General Meeting.

The Transfer Books of the Company will be closed from Wednesday the 25th May to Saturday the 18th June, 1955, both days inclusive.

By Order of the Board,
A. CORONEOS,
Constituted Attorney.

BOMBAY, *4th May*, 1955.

Note.—The Dividend when sanctioned will be made payable on or after 20th June, 1955, to those shareholders whose names stand on the Company's Register on 15th June, 1955.

Notices

UNIVERSITY OF BOMBAY

SCHOOL OF ECONOMICS AND SOCIOLOGY

SECTION IN BUSINESS MANAGEMENT

APPLICATIONS ARE INVITED FOR THE posts of (1) a Reader in Business Management, and (2) a Lecturer in Business Management. The Reader and the Lecturer will be required to give instruction in one or more subjects included in the Course for Business Management. The Course will cover the following subjects:—(1) Management Principles, (2) Management Practice, (3) International Trade, (4) and (5) Marketing, Distribution and Transportation, (6) Economic Analysis, (7) Economic Statistics, (8) Personnel Management and Business Psychology, (9) Higher Business Control, (10) Public Finance and Public Utilities.

The Reader and the Lecturer will also be required to help in the organisation of this Section which, in the beginning, will conduct part-time courses in the evening. The Reader and the Lecturer will carry out their duties under the general supervision and guidance of the Head of the Department of Economics, who will be responsible for the conduct of this Course.

Candidates must have high qualifications in one or more of the subjects referred to above. Those with teaching experience and/or practical experience in business will be preferred.

The grade of the post of Reader is Rs. 500-25-800 and that of the post of Lecturer is Rs. 300-25-600. They will have the benefits of Provident Fund and D.A. according to scales prevailing from time to time. A higher starting salary may be paid to a person possessing high qualifications. The appointments will, in the first instance, be on probation for a period of two years.

Seven copies of the application in the prescribed form (which can be had from the Office of the Registrar) will have to be submitted. Selected candidates will have to present themselves for interview at their own cost. Applications should reach the Registrar, University of Bombay, Bombay-1, latest by 31st May, 1955.

S. R. DONGERKERY,
University Registrar.

BOMBAY, *2nd May*, 1955.

MINERVA MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY-FIFTH ORDINARY GENERAL MEETING of the Shareholders of the above Company will be held at the Registered Office of the Company, Temple Bar Building, 70, Forbes Street, Fort, Bombay, on Wednesday the 15th June, 1955, at 4-30 p.m. (S.T.).

(1) To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st December, 1954.

(2) To declare a Dividend.

(3) To elect Directors in place of those who retire by rotation, but who are eligible for re-election, and

(4) To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from Friday the 20th May, 1955, to Tuesday the 14th June, 1955, both days inclusive.

By Order of the Board,
N. SIRUR & Co., LTD.,
Managing Agents,
V. N. CHANDAVARKAR,
Managing Director.

BOMBAY, *5th May*, 1955.

N.B.—The Dividend when declared will be made payable at the Imperial Bank of India, Bombay, on and after Wednesday the 22nd June, 1955, to those shareholders whose names stand on the Register of Members on the 20th May, 1955, and who have paid all dues to the Company, whether in respect of the calls on their shares, interest thereon or otherwise. The dividend warrants will be made negotiable at par at the Imperial Bank of India, Bangalore. Shareholders are requested to intimate change of address, if any.

INDUSTRIAL FINANCE CORPORATION OF INDIA

NOTICE

TENDERS ARE INVITED FOR THE PURchase of the undermentioned properties belonging to the Punjab Vanaspati and Oil Mills Ltd., situate at Aishbagh, Lucknow (U.P.), either in one lot or in different lots. The said properties are mortgaged in favour of the Industrial Finance Corporation of India and are to be sold by the latter in exercise of the powers conferred on it by Deed of Mortgage dated the 6th April, 1950, the Deed of Further Charge dated the 31st October, 1950, and by law.

PROPERTIES TO BE SOLD

Lot No. 1. Mills known as Punjab Vanaspati and Oil Mills Ltd., situate at Aishbagh, Lucknow (U.P.), consisting of 254,020 sq. ft. or B 9-6-12-4 of leasehold land, the factory and other buildings and structures and the plant and machinery, etc., therein.

Lot No. 2. The Plant and Machinery for the manufacture of Oils.

Lot No. 3. Leasehold land, factory buildings and structures.

All the envelopes containing the tenders should be superscribed "Tender for the purchase of properties of the Punjab Vanaspati and Oil Mills Ltd." and sent by Registered Post addressed to the Managing Director, Industrial Finance Corporation of India, so as to reach on or before the 7th June, 1955, and the receipt of the tender will be acknowledged by regular receipts. For particulars of properties, conditions of sale and inspection of properties, please apply to the Corporation.

The Corporation is not bound to accept any or the highest tender.

Dated the 7th May, 1955.

V. R. SONALKER,
Managing Director,
Industrial Finance Corporation of India.

U.S. HOSPITAL BUILDING,
KEELING ROAD, POST BOX No. 363,
NEW DELHI.

THE MODERN MILLS, LIMITED

NOTICE OF 14th DIVIDEND

NOTICE IS HEREBY GIVEN THAT A Dividend of Rs. 5 per share of Rs. 50 for the year ended 31st October, 1954, sanctioned by the Shareholders at the Twenty-first Ordinary General Meeting held on the 5th May, 1955, is made payable at the Registered Office of the Company on and after Monday the 16th May, 1955, between 12 noon and 3 p.m. on week days, other than Saturdays, and between 12 noon and 1-30 p.m. on Saturdays, to those shareholders whose names stood on the Register of Members on the 13th April, 1955.

By Order of the Board,
N. SIRUR & Co., LTD.,
Managing Agents,
V. N. CHANDAVARKAR,
Managing Director.

Registered Office:—
TEMPLE BAR BUILDING,
70, FORBES STREET, FORT,
BOMBAY, *5th May*, 1955.

THE SIMPLEX MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the Company will be closed from the 17th June, 1955, to the 1st July, 1955, both days inclusive.

Shareholders are requested to notify immediately any change in address to the undersigned.

By Order of the Board,
FORBES FORBES CAMPBELL & CO., LTD.,
Agents.

FORBES BUILDING,
HOME STREET, FORT,
BOMBAY, *7th May*, 1955.

MANCHESTER LETTER

(*Concluded from page* 925)

West Africa remain the best customers. Australia took 29,875,000 square yards, as against 30,231,000 yards last year and Nigeria 17,831,000 yards, as against 17,079,000 yards. Shipments to the Gold Coast increased from 8,403,000 yards to 12,915,000 yards, but business with South Africa slackened from 23,133,000 yards to 15,878,000 yards.

Sales of cotton yarn during the first quarter of the year were widely distributed, such countries as Canada, the Irish Republic, Finland, South Africa and India all taking more than 500,000 lbs. Out on her own is Australia as a consumer with 1,920,956 lbs.

From the table above, it can be seen that imports of cloth into this country are now not far short of two-thirds the volume of exports. Practically 100,000,000 yards of grey and finished fabric reached Britain in the first quarter and the rising trend of arrivals has not been halted.

Chief suppliers of grey cloth remain India, with 43,677,000 yards, as against 25,468,000 yards a year ago. Big advances, however, have been made by Japan, the shipments of which amounted to 27,148,000 yards in the quarter, as against only 2,258,000 yards last year, and by Hong Kong whose mills have already sent 13,127,000 yards, as against 1,736,000 yards, a year ago.—*All Rights Reserved.*

COMMERCE AND INDUSTRY

(*Concluded from page* 940)

would also be taken of this development. Withdrawal or a reduction in the quantum of protection, may affect the plans of these concerns.

A disquieting fact about this industry is the poor rate of actual production in 1953 and 1954 by the two principal producers with a total rated capacity of 3,100 tons. Their total production of liquid glucose amounted to 73 tons in 1953 and 170 tons in 1954. The reasons for this poor performance will also have to be ascertained.

The principal raw material required for the manufacture of glucose is pure starch with a strictly limited content of protein and soluble impurities. Until 1953, the industry was handicapped by high prices of maize starch. In 1953, the price of starch was Rs. 50-8 per cwt. As a result of increase in production, the price has since come down, the latest price being placed at Rs. 20 per cwt. This reduction should help the industry to reduce costs and increase its production.

As regards the quality of liquid glucose, the opinion of some consumers is not favourable to the industry. The defects pointed out by them are that it is not crystal clear and has traces of iron ore and that it is, therefore, not suitable for use in the manufacture of clear boiled sweets. Besides, in some cases, it has colour and smell which imparts off-flavour to the product, while in others the conversion is not properly controlled and the pH is considerably low. Differences between samples and the actual supplies are considered not uncommon.

The industry, however, has requested for continuance of protection mainly on the ground of consumers' prejudice against its products and of severe competition from well established manufacturers in foreign countries who can sell their glucose in India at very low prices. The industry has also asked for a complete ban on the import of liquid glucose and restriction on imports of crystal glucose. It has also requested that starch should be allowed to be imported free of customs duty till there is an improvement in the quality of indigenous starch. Before these demands are conceded, the Commission has to satisfy itself that they are justified by the facts gathered by it.

TRADE WITH MIDDLE EAST

Prospects of exporting Indian manufactured goods to the Middle East countries have been indicated by the goodwill trade mission which recently toured these countries. The mission, in its report, has pointed out that it is possible for India to enter the market for semi-capital goods, like light engineering products, straightaway.

There is a strong competition from West European countries for such manufactured goods. The mission has stated that Indian products could sell only if the prices are lower than European prices. More important than prices, the margins granted by Indian exporters to dealers should ensure proper maintenance and servicing facilities for items like diesel engines, sewing machines, electric motors, irrigation pumps and textile machinerry.

Regarding capital equipment, the mission has observed that at present India is not in a position to enter the Middle East market, but there is no reason why an export market for capital goods should not be developed gradually. The mission has recommended that a delegation of specialists, consisting of the representatives of the various export industries should make a thorough study of the market for semi-capital goods and manufactures to ascertain the exact needs of the countries in the region.

RESULTS OF ROHTAS IMPRESSIVE

GROSS PROFIT AT RECORD LEVEL—DIVIDEND RAISED AGAIN

AN all-round increase in production, except in sugar, thanks to the satisfactory implementation of the proposals for modernisation and expansion, a substantial rise in earnings and a further increase in the dividend level are the outstanding features of the Directors' report and accounts of the Rohtas Industries Ltd. (Managing Agents: Messrs. Sahu Jain Ltd., Dalmianagar, Bihar), for the year ended 31st October, 1954. The gross profit of the Company for the year under review has jumped up to a record level of Rs. 118.85 lakhs from Rs. 84.10 lakhs for 1952-53, to which level it had dropped from the previous best of Rs. 89.09 lakhs earned in 1950-51. The net profit amounts to Rs. 41.20 lakhs, an increase of Rs. 3.76 lakhs over that for the previous year. It, however, falls short of that (Rs. 46.78 lakhs) for 1950-51 by Rs. 5.58 lakhs.

The dividend on ordinary shares has been stepped up from 12½ per cent. for 1952-53 to 15 per cent. This is the third consecutive occasion when the dividend has been raised. It will be noted that the dividend has thus been doubled from 7½ per cent. paid for 1950-51, when the Company returned to the dividend list after a break of four years. By enhancing the dividend level to 15 per cent., the Directors have restored it to the record rate of 15 per cent. paid for 1942-43. It must, however, be noted that, between 1942-43 and the year under review, the ordinary capital has been raised by Rs. 84 lakhs. Thus, the latest dividend represents a distribution of 57 per cent. on the capital in 1942-43.

Expansion in Production

The expansion in production achieved by the Company in its various units during the year under review, as well as during the first five months of the current year, is reflected in the following comparative table:

TABLE I

	Year ended 31st October			Five months ended March, 1955
	1952	1953	1954	
Paper .. .. (tons)	13,644	12,338	16,074	7,793
Cement .. .. (tons)	835,020	802,716	853,238	135,559
Asbestos .. .. (tons)	..	2,029	4,334	1,990
Caustic soda .. (tons)	1,838	1,355	1,604	727
Power .. (k.w.h.)	74,809,508	73,612,150	83,191,000	36,046,730
Vanaspati .. (tons)	..	..	668	2,425
Sugar .. (maunds)	845,222	861,640	182,890	225,761
Sugar recovery (%)	9.50	9.78	9.72	10.07

Referring to the production during the year under review, the Directors make the following observations:

"Improved working and efficiency of the power house have been attained as a result of the modernisation that has been carried out during the year and since, with the installation of an ash-handling plant, change of stokers of the old boilers, reblading of the rotors of the old turbines and modification in the coal handling plant. The production of paper and boards has gone up by 30 per cent. The output of coated boards has doubled. This has been possible through the installation of a second coating plant during the year. The German Yankee Machine into production, but full output is expected to be attained only in the current year.

"Comparing the performance of the last four years, cement has registered a record output. The modernisation of the first cement kiln has been completed since the close of the accounting year and the full effect of the improvement in output and coal consumption will be obtained in the current year. In spite of the stoppage of one of the kilns for about 1½ months for remodelling, the output for the year is expected to exceed last year's. After remodelling, the coal efficiency of the old kiln has come up to the level of the new kiln. The asbestos cement unit has shown significant improvement. Apart from increase in the output of asbestos cement corrugated sheets, which has gone up by 50 per cent., plain and tile pattern sheets have been manufactured and introduced in the market. They have been received well. The manufacture of other useful items such as door frames and shutters has also been undertaken. This unit should soon contribute to the improved working of the Company.

"The *vanaspati* factory which was closed in June, 1952, due to uneconomic working, was restarted and it went into production in the latter part of the year under review. Our popular brands 'Hanuman' and 'Rohtas' are gaining their market quickly.

"With regard to the sugar-factory, the setback has been due to non-availability of adequate sugarcane. Therefore, though the 16-mile-long railway line from Dalmianagar to Nasriganj has been working, full advantage could not be taken. As mentioned in the last report, your Company imported raw sugar for refining under the Union Government's scheme. Results have been satisfactory."

The following comparative table gives an idea of the Company's progress in financial results for the past three years:

TABLE II

(In lakhs of rupees)

	For the year ended 31st October			
	1954	1953	1952	1951
Sale proceeds	6,71.61	5,43.98	6,03.90	4,78.81
Other income	7.53	6.81	5.83	4.45
Stocks	79.52	67.07	83.32	61.11
Raw materials, stores, etc., consumed	4,01.14	3,02.79	3,96.45	2,78.93
Other expenses	1,71.59	1,47.44	1,60.92	1,35.53
Gross profit	1,18.85	84.10	84.68	89.09
Managing Agents' remuneration	8.85	5.60	5.73	6.42
Depreciation	43.80	41.06	39.70	35.89
Taxation	25.00	..	..	..
Net profit	41.20	37.44	39.15	46.78
Transfer from reserves ..	..	..	1.15	23.25
To reserves	15.00	35.00	50.00	1.10
Dividends—				
Preference	5.41	5.41	5.41	15.14
Ordinary	17.10 (15%)	14.25 (12½%)	11.40 (10%)	8.55 (7½%)
Carry forward	4.47	0.78	12.59	33.58

Reflecting the improvement in production noted above is the rise (*a*) of Rs. 127.63 lakhs in sale proceeds to a record level of Rs. 671.61 lakhs, (*b*) of Rs. 98.35 lakhs in consumption of raw materials, stores, etc., to Rs. 401.14 lakhs, and (*c*) of Rs. 24.15 lakhs to Rs. 171.59 lakhs in other expenses. After a break of six years, the Directors have made a provision of Rs. 25 lakhs for taxation. This large provision accounts for the relatively small increase of Rs. 3.76 lakhs in net profit, as compared with that of Rs. 34.75 lakhs in gross profit. The allocation to the general reserve, which had been reduced from Rs. 50 lakhs to Rs. 35 lakhs in the previous year, has been further cut to Rs. 15 lakhs.

The latest balance-sheet shows that the paid-up capital of Rs. 218.76 lakhs is supplemented by reserves and surplus aggregating Rs. 122.17 lakhs. Of these reserves, general reserve alone accounts for Rs. 100 lakhs, the entire amount having been built up out of the profits for the past three years. There is a debenture liability of Rs. 122 lakhs, made up of 10,000 4 per cent. bearer bonds of Rs. 1,000 each, issued in 1946 and repayable on 31st December, 1959, or earlier, and 2,200 6 per cent. bonds of Rs. 1,000 each repayable on 31st October, 1962, or earlier. The aforesaid 6 per cent. bonds are out of the total issue of Rs. 90 lakhs, the balance of Rs. 68 lakhs being lodged with bankers as security against overdraft. The current liabilities aggregate Rs. 225.27 lakhs and provision for taxation Rs. 25 lakhs. Of the above liabilities, loans from banks alone account for Rs. 124.17 lakhs. The gross block of the value of Rs. 699.97 lakhs, including an addition of Rs. 37.63 lakhs during the year under review, has been written down to Rs. 399.15 lakhs. The current assets amount to Rs. 314.06 lakhs and more than adequately cover the current liabilities and provision for taxation.

The further modernisation and development programme of the Company which is on hand is explained by the Directors as follows:

"The programme of modernisation and extension of capacity of the paper and board units and the bamboo pulp and soda recovery plants is going on according to plan. The machinery ordered have started arriving and installations are going on apace. Your Company has further placed order for one more paper machine.

"The increase in the production capacity of the board plant has already been partially achieved. The modernisation of the wet portion of the board plant will be completed by the middle of this year resulting in substantial increase in production. The drier portion expansion will be completed before the end of the year, when full increase, as contemplated, will be achieved. The expectations of your Directors in the stepping up of the capacity and new lines of manufacture must be partially fulfilled by the close of this year and completely by next year, when the total capacity will exceed 52,000 tons of paper and boards.

"To meet the increased requirements of the pulp and paper factories, the capacity of the caustic soda and chlorine plant is required to be augmented. Your Company has, therefore, placed order for the latest type of Mercury cells and electrical equipment, installation of which would reduce power consumption. The plant is expected to go into operation by the end of this year with a capacity of about 5,000 tons of caustic soda and 4,500 tons of chlorine per year."

The trend of production during the first five months of the current year has been encouraging, as will be seen from Table I published above.

The Rs. 10 paid-up ordinary shares of the Company are being currently quoted at Rs. 24-3 *ex-div.* On this basis, the latest dividend gives a yield of 6.2 per cent. per annum, free of tax.

TRAVANCORE RAYON'S EARNINGS BETTER

DIVIDEND STEPPED UP

THE maiden dividend of 5 per cent. on ordinary shares paid by Travancore Rayons Ltd. (Managing Agents: Messrs. Emcete and Sons [Travancore] Ltd. Rayonpuram, Travancore-Cochin State) for 1953 has been followed up with a higher distribution of 6¼ per cent. for the year ended 31st December, 1954. This is in consonance with the Company's encouraging performance during the past year, as witness the record production, sales and profit. The gross profit, which had jumped up from Rs. 17.47 lakhs for 1952 to Rs. 40.38 lakhs for 1953, has further risen to Rs. 47.68 lakhs, which exceeds the previous record of Rs. 42.23 lakhs by a handsome margin. The net profit also has established a fresh record with a rise from Rs. 15.56 lakhs to Rs. 22.31 lakhs.

Out of the net profit, the Directors have transferred Rs. 12.75 lakhs to the deferred taxation reserve, in order to meet, without financial or business dislocation, the deferred income-tax liability likely to arise in the coming years. It is with this object in view that they have also transferred the entire sum of Rs. 3.25 lakhs standing to the credit of contingency reserve to the deferred taxation reserve, bringing it to Rs. 16 lakhs. Consequent on this large transfer from the year's profit, the dividend on the ordinary shares has been restricted to 6¼ per cent. The Chairman has justified this modest dividend on the ground that a conservative dividend policy is being pursued in the interest of a steady future and the need for providing funds to meet the expansion programmes.

The Directors observe that the trading conditions during the year were satisfactory. The demand for rayon yarn, they say, was steady and the demand for transparent film was good due to the popularity, which the Company's products have gained in the market, and the increased use to which they are put. It is stated that the transparent film has found new users in this country, particularly the textile industry. The prices for both rayon and transparent film were stable. In addition to these factors, the Government's policy was also helpful in pushing up the Company's sales. The balanced import restrictions of the previous years were maintained during the year under review also, thus affording necessary relief to the indigenous industry. Nevertheless, the recent announcement of an excise duty of 10 per cent. on paper is stated to have put up the cost to the consumer and the effect of this imposition remains to be seen.

The salient features of the Company's working results for the past four years are given in the following comparative table, so as to provide an idea of its progress:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Sale proceeds	161.65	152.97	57.92	104.49
Closing stocks	31.00	40.71	56.15	30.23
Expenses	104.82	97.23	96.43	58.60
Gross profit	47.68	40.38	17.47	42.22
Managing Agents' commission..	1.77	1.51	0.64	0.97
Depreciation	23.69	23.31	12.45	33.38
Net profit	22.31	15.56	4.38	8.00
Reserves	12.75*	..	..	1.93†
Preliminary expenses and underwriting commission written off	..	..	..	3.11
Dividends—				
6% preference (tax free)	2.50	12.50‡	0.94§	..
Ordinary	6.24	5.00	..	..
Carry forward	(6½%) 1.22	(5%) 0.41	2.84	4.93

* Deferred taxation reserve.
† Reserve for contingencies.
‡ For five years from 1949 to 1953.
§ For three years from 1946 to 1948.

The balance-sheet of the Company as on 31st December, 1954, discloses that the paid-up capital of the Bank is unchanged at Rs. 149.92 lakhs. Excepting for a sum of Rs. 16 lakhs provided for deferred tax liability, there are no reserves. The current liabilities amount to Rs. 137.75 lakhs, having gone up from Rs. 117.42 lakhs as at the close of 1953. The loan from the Travancore-Cochin Government, secured by 4 per cent. first mortgage debentures, has been reduced from Rs. 44 lakhs to Rs. 31.50 lakhs, excluding interest accrued, as per the modified terms of repayment of the debenture loan agreed upon by the Government. The unsecured loan from the State Government is, however, unchanged at Rs. 30 lakhs. Loans from banks secured by raw materials and stock-in-trade have, on the other hand, gone up from Rs. 11.81 lakhs to Rs. 16.67 lakhs and unsecured loans from Rs. 7.77 lakhs to Rs. 16.67 lakhs. The gross block of the value of Rs. 275.67 lakhs stands written down to a book value of Rs. 175.39 lakhs.

(*Continued on next page*)

Points From The Chair

Training of Agents

"SELECTION and training of agents is a subject that deserves the special attention of insurers in India, because the better the selection and training of agents, the greater will be the business that they secure and the better will be the morale of the Indian insurance world. As selection standards are raised and training is imparted to the selected ones, the double purpose of building up of public goodwill and removing the ill-will caused by some of the less competent agents in the past will be very well served. In this regard, I am glad to report that the Indian Life Assurance Offices Association is trying to prepare an aptitude index test for insurance agents suitable for Indian conditions on the lines of a similar test prepared by the Life Insurance Agency Management Association of America. The Indian Association is also evolving a suitable syllabus for the purpose of training insurance agents in India. This is a step in the right direction and, with such effective attempts at raising the standards of insurance agents, there is no reason why we, in India, should not have a very healthy and prosperous community of insurance agents working all over the country and producing very satisfactory results."

B. VAIKUNTA BALIGA,
Canara Mutual Assurance Co., Ltd.

Incentive—A Prerequisite for Speedy Development

"While on this subject of finding all ways and means of increasing production and employment and improving the standard of living, I would plead for a healthy co-ordination between the public and private sectors. There must be full scope and opportunities for creative abilities and talents, no matter wherefrom they come. Here, I would say a few words on the most maligned 'profit-motive.' In a free economy, incentive is the foremost prerequisite for speedy and dynamic development. There can be no greater incentive than an appeal to the fundamental instinct of man, namely, the urge to own things. I consider this a legitimate and rational concept, on the basis of which many countries of the world have achieved and are achieving phenomenal success and prosperity. Even in Communist countries, the principle of rewards according to efforts is slowly coming to be recognised. Then, I cannot but doubt the wisdom of far-reaching measures aiming at the negation of constitutional protection to private property, institution of constitutional provision regarding company management, elimination of the age-long and proven managing agency system, and so on."

A. R. RAMANATHAN,
Travancore Rayons Ltd.

Growing Free World Demand for Aluminium

". . . . the decision to expand further reflects what appears to be an unrelenting demand for primary aluminium. In many of our markets, aluminium has recently been and is now in short supply. Civilian consumption of our metal in most industrial countries has reached new high levels and, despite increased smelting output by ourselves and others, some shortages have developed. However, to see this situation in correct perspective, it is important to bear in mind that free world production is currently in excess of consumption and that such shortages as exist result from Government purchases for stockpile. We can only speculate as to how long these purchases will continue or what tonnages are currently being channelled to stockpile. The recently announced programme of the U.S. Government to defer or reduce its stockpile purchasing programme during the first half of this year should help meet the increasing civilian demand in the United States."

NATHANAEL V. DAVIS,
Aluminium Ltd.

(*Concluded from previous page*)

Besides the above gross block, machinery under erection accounts for Rs. 42.19 lakhs. The current assets (excluding machinery under erection) aggregate Rs. 87.31 lakhs.

There has been considerable progress in the Company's expansion schemes taken up in 1953. Most of these schemes will be completed by June, 1955. The second transparent cellulose film plant has been functioning since 7th March, 1955, and the production of this machine is being made available to the market. It will reach its peak capacity of four tons per day in a month or two. The moisture-proof plant and the printing and bag-making machines are expected to function by about June, 1955. The six Butterworth rayon spinning machines, now under erection, will also be put into commission by the middle of this month, making available a further quantity of 1.8 tons of rayon yarn per day, bringing the total daily production to 7.3 tons.

The Rs. 10 paid-up ordinary shares of the Company are being currently quoted at Rs. 14-6 *cum-div.* On an *ex-div.* basis, the shares give a yield of 4.5 per cent. per annum.

ROYAL DUTCH AIRLINES

At the annual general meeting of shareholders, on 4th May, 1955, the Board of Directors of Royal Dutch Airlines recommended the payment of a dividend of 5 per cent. on the ordinary shares and 4½ per cent. on the cumulative preference shares of the Company for the year. It may be mentioned here that the dividend was 4 per cent. on all shares.

COMPANY MEETINGS AND DIVIDENDS

UPPER JUMNA VALLEY ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 20th May, 1955. Dividend: As. 10 per share. Transfer books remain closed from 14th to 20th May, 1955, both days inclusive.

BOKAKHAT TEA CO., LTD. Annual General Meeting, Calcutta, 25th May, 1955. Transfer books will remain closed from 17th to 25th May, 1955, both days inclusive.

KHARDAH CO., LTD. Half-yearly General Meeting, Calcutta, 26th May, 1955. Dividend: Rs. 5 per share. Transfer books remain closed from 12th to 26th May, 1955, both days inclusive.

ASSAM SAW MILLS AND TIMBER CO., LTD. Annual General Meeting, Calcutta, 26th May, 1955. Transfer books remain closed from 13th to 26th May, 1955, both days inclusive.

INDO-BURMA PETROLEUM CO., LTD. Annual General Meeting, Calcutta, 27th May, 1955. Dividend: Rs. 12 per share (includes interim dividend of Rs. 2 already paid), payable on 28th May, 1955.

BHULANBARAREE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 27th May, 1955. Dividend: *Nil*. Transfer books remain closed from 13th to 27th May, 1955, both days inclusive.

BURRAKUR COAL CO., LTD. Half-yearly General Meeting, Calcutta, 27th May, 1955. Dividend: As. 10 per share. Transfer books remain closed from 13th to 27th May, 1955, both days inclusive.

CHURULIA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 27th May, 1955. Transfer books remain closed from 13th to 27th May, 1955, both days inclusive.

BORREA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 27th May, 1955. Dividend: Re. 1 per share. Transfer books remain closed from 13th to 27th May, 1955, both days inclusive.

KARANPURA DEVELOPMENT CO., LTD. Half-yearly General Meeting, Calcutta, 27th May, 1955. Dividend: *Nil*. Transfer books remain closed from 13th to 27th May, 1955, both days inclusive.

ONDAL COAL CO., LTD. Half-yearly General Meeting, Calcutta, 27th May, 1955. Dividend: As. 8 per share. Transfer books remain closed from 13th to 27th May, 1955, both days inclusive.

STANDARD COAL CO., LTD. Half-yearly General Meeting, Calcutta, 27th May, 1955. Dividend: As. 12 per share. Transfer books remain closed from 13th to 27th May, 1955, both days inclusive.

CALCUTTA STEAM NAVIGATION CO., LTD. Half-yearly General Meeting, Calcutta, 30th May, 1955. Dividend: Rs. 3 per share. Transfer books will remain closed from 16th to 30th May, 1955, both days inclusive.

SURAT ELECTRICITY CO., LTD. Annual General Meeting, Bombay, 3rd June, 1953. Dividend: Rs. 4-8 per share (final), payable on 17th June, 1955. Transfer books will remain closed from 20th May to 3rd June, 1955, both days inclusive.

VICTORIA MILLS LTD. Annual General Meeting, Bombay, 9th June, 1955. Dividend: Rs. 15 per share, payable on 20th June, 1955. Transfer books will remain closed from 27th May to 9th June, 1955, both days inclusive.

NATIONAL RAYON CORPORATION LTD. Annual General Meeting, Bombay, 9th June, 1955. Dividend: Rs. 10 per share, payable on and from 10th June, 1955. Transfer books will remain closed from 16th May to 9th June, 1955, both days inclusive.

MINERVA MILLS LTD. Annual General Meeting, Bombay, 15th June, 1955. Dividend: Rs. 5 per share, payable on 22nd June, 1955. Transfer books will remain closed from 20th May to 14th June, 1953, both days inclusive.

SARUGAON TEA CO., LTD. Interim dividend of Re. 1-8 per share, for the year ended 31st December, 1954.

TROPICAL PLANTATIONS LTD. Dividend of Rs. 5 per share, for the year ended 31st December, 1954. Transfer books will remain closed from 21st to 28th May, 1955, both days inclusive.

ANGLO-FRENCH TEXTILE SOC. ANON. Dividend of Rs. 5 per share, for the year ended 31st December, 1954. Transfer books remain closed from 10th to 22nd May, 1955, both days inclusive.

MAFATLAL FINE SPINNING AND MANUFACTURING CO., LTD. Dividend of Rs. 15 per share, for the year ended 31st December, 1954.

COMPANY REGISTRATIONS

BENGAL LINE LTD. (First Director: Mr. P. C. Ray.) Business: To purchase, charter, etc., ships. Authorised capital: Rs. 5,00,00,000. Public company. Address: 4, Lyons Range, Calcutta.

SHRI RAMANUJ DAS COTTON (SPG.) MILLS LTD. (First Director: Mr. Hariram Bagrodia.) Business: Spinning, weaving, etc. Authorised capital: Rs. 10,00,000. Public company. Address: 33, Netaji Subhas Road, Calcutta.

RESEARCH CHEMICAL AND GLASS INDUSTRIES LTD. (First Director: Mr. J. S. Gupta.) Business: Manufacturers and dealers in glass tubes, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 22, Prince Answar Shah Road, Calcutta-33.

U.T.C. LTD. (Managing Director: Mr. M. N. Ghose.) Business: Search for, prospect, examine and explore mines, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 25, Circus Avenue, Calcutta-17.

QUESTION HOUR IN PARLIAMENT

Second Five-year Plan

THE draft outline of the second Five-year Plan will be ready by the end of November this year. The draft would be prepared after discussions with the State Governments and the Central Ministries regarding their respective plans. The Plan will be placed before Parliament. The Planning Commission proposes to have meetings with the informal consultative committee of members of Parliament.

—*Minister for Planning*

Cess on Salt Production

The Government of India has decided to exempt small-scale licensed producers of salt working in areas up to 10 acres from the payment of cess. Encouragement of small-scale producers has been the main reason for this decision. The increased production of unlicensed factories in the Tuticorin area had affected the production of licensed factories in that area to some extent and the latter had to suspend production. But, according to information available with the Salt Department, there is no accumulation of stocks with the licensed producers. The Government has given up its proposal to introduce the system of restricting unlicensed production of salt to two and a half acres as it would result in discouraging small producers who have established themselves with great effort. Licensed manufacturers are not experiencing difficulties in regard to transport, while unlicensed manufacturers are not in a better position. On the other hand, the licensed manufacturers are able to send their salt under preferential as well as ordinary traffic, while the unlicensed manufacturers are able to send their salt under "ordinary booking" only. It may be possible and the Government is seriously considering the question of imposing quality control on salt.

—*Production Minister*

Expenditure of Embassies

The official team sent recently for surveying the expenditure of the Indian Ambassies abroad has not come across any major instance of extravagance. The report of the team is confidential and it is neither proper nor is it the practice to place it on the table of the House.

—*The Prime Minister*

Foreign Embassies

The purpose of the team was to make recommendations in regard to fixation of foreign allowances, equipment of embassies, etc., and also to look into the efficiency of foreign missions. The recommendations of the team are now under consideration of the Government. The team consisted of two Joint Secretaries of the External Affairs Ministry and one Joint Secretary of the Finance Ministry. A budget provision of Rs. 1.50 lakhs has been made for the expenses of the team, but the actual expenditure is not yet known.

—*Deputy Minister for External Affairs*

Import of Cotton Textiles from U.K.

During 1954, 3.8 million yards of cotton piece-goods were imported into India from the U.K., as against 3.9 million yards in 1953, 4.3 million yards in 1952, 5.3 million yards in 1951 and 4.7 million yards in 1950. Imports of other cotton manufactures from the U.K. were valued at Rs. 14 lakhs in 1954, Rs. 12 lakhs in 1953, Rs. 19 lakhs in 1952, Rs. 13 lakhs in 1951 and Rs. 3 lakhs in 1950. The imports of cotton twist and yarn in the same year amounted to 1,763,000 lbs., as against 2,061,000 lbs., and 2,516,000 lbs., 135,000 lbs. and 572,000 lbs., respectively. During 1954, 340,000 lbs. of sewing and darning thread was imported from the U.K. This compares with 1,068,000 lbs. in 1953, 732,000 lbs. in 1952, 947,000 lbs. in 1951 and 218,000 lbs. in 1950. There was no import quota for Lancashire textiles for the current year, as licences were valid on currency area basis and not for a particular country. Soft currency licences, he added, could be utilised for imports from Lancashire.

—*Minister for Commerce and Industry*

Art Silk Export

A scientific study section is being set up to examine the export possibilities of art silk by the Export Promotion Council. To capture foreign markets, the Council proposes among other things, to undertake market studies, send out trade delegations, appoint agents and representatives in foreign markets, and conduct propaganda. Specifications of quality and package of goods for export are under preparation in collaboration with the Indian Standards Institute.

—*Deputy Minister for Commerce and Industry*

Appellate Tribunal for Postal Department

A proposal to appoint an Appellate Tribunal in the Posts and Telegraphs Department either on an all-India basis or tribunals or on a zonal basis is under the Government's consideration.

Air Corporations

The number of aeroplanes with the Air Corporations as on 31st March, 1955, was 102, as against 100 a year before and 102 as on 1st August, 1953.

—*Deputy Communications Minister*

TRAVANCORE CEMENT PAYS MORE

VIOLENT FLUCTUATIONS IN PRICES TELL ON KHARDAH JUTE

Travancore Cements Ltd.

THE directors of the above Company (Managing Agents. Essel Ltd., Kottayam) submitted the audited accounts of the Company for the year ended 31st December, 1954.

The accounts show that a profit of Rs. 5,51,405 (Rs. 1,44,898) was made for the year 1954, to which was added the amount brought forward from 1953 of Rs. 2,86,431 (Rs. 3,92,454) making a total of Rs. 8,37,836 (Rs. 5,37,352). From this sum was deducted dividend for 1953 amounting to Rs. 2,50,000 (Rs. 2,50,000) donations amounting to Rs. 917 (Rs. 921) and income-tax refund of Rs. 1,135 (*nil*) leaving an available balance of Rs. 5,88,054 (Rs. 2,86,431). The directors paid a dividend of 6¼ (5) per cent. for 1954, which absorbed Rs. 3,12,500 (Rs. 2,50,000) and carried forward to the next year Rs. 2,75,554 (Rs. 36,431).

The Company proposes to manufacture white cement at the factory.

Since its inception, the Company has been working on maximum capacity. In each year, it has had long periods of reduced production and long periods when it has had to close down completely for want of electricity. This is over now. With the help of our cement, the electricity problem is now solved by our Government. In spite of these difficulties beyond our control, the 50,000 tons-a-year factory has a remarkable record of production. Barring a decline in 1952 to 45,000 tons, the Company's production has risen from 46,000 tons in 1950 to 49,000 tons in 1954.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,00,000	Block ...	69,66,371
Liabilities ...	41,12,378	Stock ...	4,54,109
Profit and loss account ...	5,88,054	Stores and spares ...	17,02,290
		Debts, deposits and advances ...	5,36,851
		Investments ...	24,875
		Cash ...	15,936
Rs.	97,00,432	Rs.	97,00,432

Khardah Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Anderson Wright Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1954:—

The revenue account after deduction of all working charges and commission shows a profit of Rs. 8,19,099 (Rs. 8,59,979) to which is added the amount carried forward from the last half-year of Rs. 94,623 (Rs. 3,07,185) making a total of Rs. 9,13,722 (Rs. 11,67,164) after providing for loss on sale of car Rs. 858 (*nil*), taxation Rs. 2,80,000 (Rs. 3,25,000) and depreciation Rs. 2,00,000 (Rs. 1,50,000) there remains an available balance of Rs. 4,32,864 (Rs. 6,92,164), which the directors recommend be dealt with as follows:—

For payment of dividends for the half-year ended 30th September, 1954, without any deduction in respect of income-tax paid by the Company on preference shares at the rate of 6 per cent. per annum Rs. 27,000 (Rs. 27,000), on ordinary shares at the rate of Rs. 5 (Rs. 7-8) per share Rs. 2,70,000 (Rs. 4,05,000), to be transferred to general reserve Rs. 1,00,000 (*nil*) and to be carried forward Rs. 35,864 (Rs. 2,60,164).

The mill worked 42½ hours per week until the 10th July, 1954, and 45 hours per week from the 12th July, 1954, until the end of the half-year, but with 12½ per cent. of the total complement of looms sealed in compliance with the main and supplementary working time agreements of the Indian Jute Mills' Association. The question of working hours was reviewed by the I.J.M.A. in September and in view of the considerably improved overseas demand and the consequent reduction in stocks of finished goods held by member mills, the Association decided to extend the weekly working hours from 45 to 48 as from 18th October, 1954, and this extension has since continued to be in force.

The period under review witnessed violent fluctuations in prices of both raw jute and jute goods. As a large jute crop for the season 1954-55 was generally anticipated at the time, prices were depressed but later when it became evident that the extensive floods in the jute growing areas of North Bengal, Assam and East Pakistan had resulted in an appreciable loss in the outturn of the present season's crop, prices recovered considerably. While the position of raw material supplies still continues to be a matter of controversy, it is now felt that the mills will not be faced with any actual shortage of raw jute, although the carry over at the close of the season will be less than has been the case for some years past. As a result of this shortage aggravated by the now rigid control of exports of Pakistani jute, prices of Indian jute advanced steadily during the latter part of the period under review, the increased cost of the raw material having thus rendered it extremely difficult to trade at a profit. The margin of manufacturing profit therefore continued to be very low, but this notwithstanding the profits for the half-year have been better than that of the period immediately preceding.

The directors report that they are presently negotiating with machinery manufacturers with a view to the purchase of modernisation equipment which will be installed in stages. It is felt that this rehabilitation programme is vital to ensure better working results. In order therefore to provide the necessary finance to meet this heavy capital expenditure, provision has been made by the transfer from profits of an appropriate amount to general reserve account.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	63,00,000	Block ...	53,85,128
Reserves ...	23,83,375	Stock ...	45,17,930
Provision for taxation ...	3,36,090	Stores ...	19,53,498
Liabilities ...	43,79,960	Debts and advances ...	11,77,453
Profit and loss account ...	35,864	Investments ...	1,41,459
		Cash ...	2,59,821
Rs.	1,34,35,289	Rs.	1,34,35,289

Shri Ambica Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Harivallabhdas Kalidas and Co., Ahmedabad) submitted the audited accounts of the Company for the year ended 31st December, 1954.

After providing a sum of Rs. 17,18,000 (Rs. 16,00,000) for depreciation and a sum of Rs. 18,00,000 (Rs. 18,00,000) for estimated taxation the working of the year showed a profit of Rs. 20,68,996 (Rs. 18,95,390). To this amount was added the balance of profit from the previous year Rs. 42,133 (Rs. 1,23,551) making a total of Rs. 21,11,129 (Rs. 20,18,941) out of which, the directors carried to reserve fund Rs. 5,80,160 (Rs. 1,00,000), to gratuity fund Rs. 50,000 (Rs. 75,910) and to investment reserve fund Rs. 13,139 (*nil*) leaving a balance of Rs. 14,67,830 (Rs. 11,41,467) after providing Rs. 1,00,000 for additional depreciation on machinery from which the following dividends were paid:—

Dividend on 5,600 first cumulative preference shares of Rs. 100 each at Rs. 5 (Rs. 5) per share free of income-tax for the year ended 31st December, 1954, Rs. 28,000 (Rs. 28,000), dividend on 7,000 second cumulative preference shares of Rs. 100 each at Rs. 4 (Rs. 4) per share free of income-tax for the year ended 31st December, 1954, Rs. 28,000 (Rs. 28,000), dividend on 57,963 ordinary shares of Rs. 50 each at Rs. 20 (Rs. 18) per share free of income-tax for the year ended 31 December, 1954, Rs. 11,59,260 (Rs. 8,96,454) and carried forward Rs. 2,52,570 (Rs. 42,133).

The directors state that they have not yet been able to carry out the proposals of capitalisation of a part of undivided profits standing to the credit of the reserve fund and the issue of bonus shares as also the consolidation of two ordinary shares of Rs. 50 each into one of Rs. 100 each, as per resolutions of the Extraordinary General Meeting of the Company held on 3rd October, 1954, since the necessary consent of the Central Government has not yet been received in that behalf. The directors, however, hope to receive such consent in the near future.

With regard to the Lal Mills, the directors state that a petition for winding-up of the said mill company has been filed on behalf of the Company in the court of the District Judge at Ahmedabad and the Hon. Court has passed orders accepting the petition and appointing Shri Balkrishna Harivallabhdas, a Director of the Company and a member of the managing agents firm as a provisional liquidator with powers to continue the working of the said mills until an effective order for winding-up is made.

There are 94,116 spindles and 1,733 looms in the mills.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	41,58,150	Block ...	1,60,18,812
Reserves ...	1,84,41,239	Stock-in-trade ...	97,79,598
Provision for depreciation	1,34,25,000	Stores and spare gear	9,02,693
Provision for taxation ...	28,04,191	Debts, deposits and advances ...	1,02,30,893
Liabilities ...	91,84,880	Investments	1,18,81,979
Profit and loss account ...	21,11,129	Cash ...	13,10,614
Rs.	5,01,24,589	Rs.	5,01,24,589

Jay Shree Tea Gardens Ltd.

The directors of the above Company (Managing Agents: Messrs. Birla Brothers Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1954.

After making provision for depreciation, taxation and after making sundry adjustments and allocation of Rs. 15,52,300 (Rs. 10,00,000) to the reserve fund, there remained a balance of Rs. 5,57,001 (Rs. 59,519). Adding Rs. 83,892 (Rs. 24,373) being the amount brought forward from the previous year, there remained a balance of Rs. 6,40,892 (Rs. 83,892) at the [illegible] loss account. The directors paid a dividend on 5,85,690 ordinary shares at Rs. 1 (*nil*) per share free of income-tax Rs. 5,85,690 (*nil*) and carried forward the balance of Rs. 55,202 (Rs. 83,892).

The results of working during the year have been very satisfactory. The depression in the tea market, which set in in 1952, was over and the markets have been continually improving. There was a brisk demand for Indian teas throughout the year. Tea prices touched a peak in the months of December, 1954 and January, 1955 and the export quota rights broke an all-time record when they were sold at 384 pies per lb. The spiralling prices were, however, responsible for creating consumers' resistance in the United Kingdom—the main tea consuming country and this has resulted in sharp decline in tea prices during the last few weeks. The outlook for the current year, therefore, is not very bright specially in view of the continuous rise in the cost of production.

During the year the Company acquired three new estates: two estates namely Merchiston and Invercauled acquired for Rs. 11,05,000 are situated in one group in the Travancore and Cochin State, while the third, adjacent to the Company's existing Nahor Habi Tea Estate, acquired for Rs. 6,50,000, is the Rajabari Division of Messrs. Lukwah Tea Estate. The areas under tea in these estates are approximately as follows:—

Merchiston 489 acres, Invercauld 334 acres and Rajabari 265 acres.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	58,56,900	Block ...	57,00,000
Reserve fund	30,00,000	Stock-in-trade ...	25,24,523
Provision for taxation ...	20,45,358	Stores ...	3,83,191
Liabilities ...	25,76,025	Debts, deposits and advances ...	16,02,777
Profit and loss account ...	55,203	Investments	1,95,947
		Cash ...	31,27,048
Rs.	1,35,33,486	Rs.	1,35,33,486

Central Distillery and Chemical Works Ltd.

The directors of the above Company (Managing Agents: Messrs. Krishna Gupta and Devalal, Meerut Cantt.) submit the audited accounts of the Company for the year ended 30th September, 1954.

The working during the year under review has been satisfactory and the net profit during the year, after providing for taxation depreciation, etc. amounts to Rs. 97,703 (Rs. 64,478). Adding to this, the amount of Rs. 8,032 (Rs. 16,783) brought forward from the preceding year, there is a total of Rs. 1,05,737 (Rs. 81,262) at the credit of the profit and loss account. The directors recommend the following dividend free of income-tax for distribution, amongst the shareholders out of the above amount as follows:—

On ordinary shares at As. 12 (As. 12) per share, on preference shares at Rs. 7-5-9 (Rs. 7-5-9) and on deferred shares at As. 14 (As. 14) per share. This will absorb Rs. 48,230 (Rs. 48,230) out of the balance amount, the directors further recommend that a sum of Rs. 50,000 (Rs. 25,000) may be taken to the general reserve account and Rs. 7,507 (Rs. 8,032) may be carried forward to the next year.

The Government of India has been pleased to sanction the extension of the plant from 5 lakh gallons to 12 lakh gallons per annum and the directors are trying to import an efficient unit from abroad. The Industry Ministry appears to be of the view that the Plant should be fabricated in India and further progress will be made in this connection as soon as the general policy is decided. In any case the Company will have to make heavy capital investment in the next year to carry out these extensions.

The economic disposal of spent-wash is still a problem with the Company, as with most of the other distilleries. The Company's products are still retaining their lead in quality and continue to be in demand all over the country.

The term of the present managing agents, Messrs. Krishna Gupta and Devalal expires on October 13, 1955. The Directors have proposed that Messrs. H. G. Gupta and Sons of which Mr. Hans Raj Gupta is the senior partner be appointed managing agents for 10 years.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,42,310	Block ...	2,07,420
Reserves ...	2,53,100	Stock-in-hand	2,83,667
Provision for taxation ...	2,99,974	Loose tools ...	4,698
Liabilities ...	1,59,421	Debts, deposits and advances ...	5,69,116
Profit and loss account ...	1,05,737	Investments	74,933
		Cash ...	3,20,708
Rs.	14,60,542		[illegible]red [illegible]

The gross [illegible]xhs stands [illegible] 175.39 lakhs.

N.B.—Figures within brackets [illegible] corresponding period of the previous [illegible])

STRINGENCY IN MONEY KEEN

(From Our Own Correspondent)

BOMBAY, 11th *May*

There was a heavy demand for funds from banks in the short-term money market during the week under review. As the volume of floating money had already shrunk considerably, the broadening of demand created acute stringency in the market, with the result that banks had to look to the Reserve Bank for assistance on a greater scale than in the previous week. The call for funds by banks was, it is stated, due to heavy drawings by cotton textile mills for purchase of cotton and by sugar factories carrying large stocks.

Inter-bank call money was keenly bid by all sections of banks at 3 per cent. Short-term deposits for one to six months was in request at 3 per cent. House money was also taken up at 3 per cent.

For the second week in succession, the Government of India three months' Treasury Bill rate has declined. The average rate of accepted tenders, which had declined from Rs. 2-9-5 per cent. to Rs. 2-9-3 per cent. last week, has dropped to Rs. 2-9 per cent. per annum this week. The amount offered while the third, adjacent to the Company's existing in response to the usual invitation for Rs. 100 lakhs is also more at Rs. 156 lakhs, as compared with Rs. 122.25 lakhs last week and Rs. 110 lakhs two weeks ago. These results are somewhat anomalous in the context of the growing stringency in the short-term money market, but not inexplicable.

After contracting for two consecutive weeks to the tune of Rs. 14.56 crores in the aggregate, notes in circulation have staged a rise of Rs. 18.49 crores during the week ended 6th May, 1955. Notes held in the Banking Department show a fall of Rs. 20.68 crores with the result that the total notes issued are lower by Rs. 2.19 crores, which is covered by a decline of Rs. 2.15 crores in rupee coin and Rs. 4 lakhs in rupee securities. In the Banking Department of the Reserve Bank's returns for the week under review, the Central Government's deposits have dropped further by Rs. 93 lakhs, bringing them to just over Rs. 50 crores. Deposits by other Governments have dwindled by Rs. 11.78 crores and those of banks by Rs. 1.42 crores. A small rise of Rs. 57 lakhs is noted in balances held abroad. Loans and advances to others than Governments have risen by Rs. 5.04 crores, evidently due to the borrowings by banks against usance bills. There have been fresh borrowings against these bills to the tune of Rs. 14.94 crores during the week, reflecting the renewed stringency in the short-term money market. A substantial part of these borrowings had been repaid during the week itself, as witness the rise of only Rs. 5.10 crores in outstanding borrowings.

Minor variations are disclosed by the Scheduled banks' statement for the week ended 29th April, 1955. Demand deposits are lower by Rs. 1.13 crores, while time deposits are higher by Rs. 1.52 crores. Inter-bank borrowings show an increase of Rs. 49 lakhs. Borrowings from the Reserve Bank are up by Rs. 43 lakhs and those from the Imperial Bank by Rs. 49 lakhs. A fall of Rs. 54 lakhs is noted in advances and a rise of Rs. 90 lakhs in bills purchased and discounted. There has been an increase of Rs. 1.71 crores in investments. Cash on hand and balances with the Reserve Bank are unchanged, while balances with other banks disclose a fall of Rs. 38 lakhs and money at call and short notice an increase of Rs. 1.45 crores.

The Gilt-edged market displayed firm conditions, with an all-round enquiry for securities well sustained. The raising of the Reserve Bank's selling rates for 3 per cent. 1966-68, 3 per cent. 1970-75 and 3½ per cent. 1964 by a further one anna this week was responsible for the continued strength of the market. In the absence of any offerings, the volume of business was at a low level. By stepping up its selling rates for some securities for the second week in succession, the Bank has given a clearer indication to the market that it is preparing the way for the new loan. Keen interest is evinced in the market in guessing the terms of the new loan.

3 per cent. 1957 had enquiries, but the price was unchanged at Rs. 99-6. 3 per cent. 1958 was wanted an anna better at Rs. 99-5. 3 per cent. 1959-61 had buyers up to Rs. 97-9. 3 per cent. 1963-65 put on an anna to Rs. 93-12, as also 3 per cent. 1964 to Rs. 93-11. 3 per cent. 1964 was marked up by the Reserve Bank to Rs. 90-11 and 3 per cent. 1970-75 to Rs. 87-1. 3 per cent. 1986 Conversion Loan was steady at Rs. 80-14. 3½ per cent. 1961 National Plan Bond was well maintained at Rs. 99-11, while 3½ per cent. 1964 was in demand at Rs. 98-10, the Reserve Bank's selling rate this week.

Early in the week, the rupee gained some strength in terms of the U.S. dollar with a drop in banks' selling rate from Rs. 478½ to Rs. 478½ and in buying rate from Rs. 474½ to Rs. 474 per $100. But, today, there was a slight weakening and the initial gain was lost. Sterling displayed some easiness *vis-a-vis* the dollar. In New York, spot sterling dropped from $2.79½-2.80 to $2.79½-2.79¾, three months' forward from $2.78⅞-2.78¾ to $2.78⅞-2.78⅝ and transferable sterling from $2.77.3/16-2.77.5/16 to $2.77½-2.77¾.

LINSEED STEADY

(Messrs. A. Bradley & Co.)

CALCUTTA, 9th *May*

A steady undertone has been observed in linseed and firm prices have been maintained during the week under review. Trading has been small. Upcountry markets have remained firm and despatches to this centre are rather scarce. Enquiries from local mills mainly for ready goods have resulted in a small daily turnover. The oil section has been fairly active and the export demand has been somewhat better; keen enquiries from shippers at better prices have resulted only in a small turnover. The latest quotation is as follows: May-June Rs. 13-8 per maund.

BULLION DECLINES

(From Our Own Correspondent)

BOMBAY, 11th *May*

A bearish trend was in evidence in the bullion market during the week under review, in distinct contrast to the hectic rise noted during the previous weeks. The slackening of the demand in the ready section and tired bull liquidation in the forward were the main factors for the downward trend. The settlement of *Vaisakh* contract which expired on the 7th inst. in gold and on the 9th in silver passed off smoothly, but not without the bulls exacting as high a *badla* as Rs. 7-8 in silver and Rs. 3-6 in gold.

A feature of this week's trading was the widening of the spread between *Jeth* and *Ashad* forward contracts from Rs. 2-12 to Rs. 3-14 in silver and from Re. 1-6 to Re. 1-9 in gold, both in favour of bulls. To some extent, this was brought about by bears themselves, because they were anxious to force the bulls to pay more margins (under by-law 33-D) and thereby weaken their financial strength and hold on to their purchases. But, fortunately for the bulls, the margins under by-law 33-D on the *Jeth* settlement became inoperative automatically as the daily closing prices fell during the week below the official starting rates for this settlement, evidently due to selling by bulls themselves. Thus, the bulls were able to exact higher backwardation charges from the bears without payment of margin.

Silver for forward delivery in the *Vaisakh* settlement opened higher at Rs. 168-4 and, after a further hardening to Rs. 168-14, fell to Rs. 166 on Saturday. There was, however, a sharp rise to Rs. 169 on Monday, before the settlement ran out at Rs. 167-6. *Jeth* silver hardened from Rs. 162-5 to Rs. 162-10 early in the week, but dropped to a low of Rs. 160-1 yesterday. This represents a decline of Rs. 4-11 from the previous week's peak of Rs. 164-12. Today, however, it was a shade better at Rs. 160-7. Over the week, this settlement has lost Re. 1-14. The margin on outstanding purchases in this settlement became inoperative on Saturday, as the closing price on that day crossed below the official starting rate of Rs. 161-9. Since then, the margin has not become operative again. After an initial hardening to Rs. 159-14, *Ashad* silver fell to Rs. 156-6 and closed at Rs. 156-12, as against the week's opening rate of Rs. 159-12.

Ready silver (.996 mint) was marked down from Rs. 170 to Rs. 163-7. The floating stocks of silver are reported to be 1,000 bars. The daily average offtake was no more than 10 bars.

Gold for forward delivery in *Vaisakh* settlement opened at Rs. 95-7 and retreated to Rs. 94-12 on Saturday when the settlement ran out. *Jeth* gold began at Rs. 92-11, but was marked down to Rs. 90-6 before closing at Rs. 90-14. As the daily closing price on Monday fell below the official starting rate of Rs. 91-4, the margin clause became ineffective from that day onwards. *Ashad* gold declined from Rs. 91-5 to Rs. 89-5.

Ready gold moved down from Rs. 97 to Rs. 93. The floating stocks of gold are estimated at 10,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was 2,500 tolas on an average.

In London, silver disclosed a firm trend, having been marked up from 75½d. to 76½d. for spot and from 75½d. to 76d. for forward. Gold, on the other hand, moved between £12 10s. 5d. and £12 10s. 6d. before closing at £12 10s. 5½d. per fine ounce. Price of silver in New York was unchanged at 87 cents.

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

	11-5-55	Highest	Lowest	4-5-55
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	93 0	97 1	92 8	97 0
Forward*	90 14	92 11	90 6	92 7½
Sovereign	61 8	62 4	61 8	62 0
SILVER				
Ready (.996 fine Mint) ..	163 7	170 6	163 1	170 0
Forward†	160 7	162 11	160 1	169 9
London Silver Ready ..	76½d.	76½d.	75½d.	75½d.
London Forward	76d.	76d.	75½d.	75½d.
London Gold	£250s. 5½d.	£250s. 6d.	£250s. 5d.	£250s. 5½d.
New York Ready	87c.	—	—	87c.

* *Jeth*—7th June settlement.
† *Jeth*—9th April settlement.
N. B.—Foreign bullion prices shown in the above table relates to the previous day.

POOR DEMAND FOR DUSTS

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 5th *May*

The offerings in dust sale "I" which was held on Tuesday, 3rd of May, amounted to approximately 3,86,000 lbs. There was a poor demand for all types and prices were irregularly As. 4 to As. 5 easier with heavy withdrawals. Milled dusts continue to be neglected and the few types which sold were up to As. 8 easier. Better liquoring black leaf dusts were As. 2 to As. 3 easier.

Export Quota.—Some business was effected in special licence at 42 pies and new quota at 78 pies, but following the news that there would be no decrease in the rate of export duty, the market has eased and special licence is now quoted at As. 3 and new quota at As. 5½ sellers.

Forthcoming Auctions.—Sale No. 10 will be held on Tuesday, 10th May and dust Sale "J" will be held on Tuesday, 17th May, 1955.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd., wire:

"*Sale* 10:—Approximately 1.6 million lbs., of which 70 per cent. withdrawn without bids. Best liquoring teas and black leaf types useful demand at about As. 4 decline, whereas other teas sold prices dropped As. 6 to As. 8. Main interest from internal market."

FORWARD COTTON BUOYANT

(From Our Own Correspondent)

BOMBAY, 11th *May*

Buoyant conditions prevailed in the cotton futures market during the week under review. The driving force was provided by strict survey results and issuance of small tenders against May delivery. Tenders issued on Thursday and Monday aggregated not more than 100 bales and 400 bales, respectively, as against 400 bales on Monday last week. The low level of tenders is attributed to the preference of operators to sell their holdings in the spot market at higher prices, instead of tendering them against the contract and expose themselves to the risk of loss. There was, therefore, considerable nervous short-covering which was accompanied by renewed bull support induced by encouraging advices from the piecegoods market and reports of deterioration in quality of cotton in several producing areas. Consequently, quotations for forward cotton registered a substantial improvement over those prevailing at the close of last week.

A peculiar feature of the price movement in the futures market during the week under review was that the August contract which had all along been commanding a premium over the May contract was quoted at a discount. This was due to transfer of purchases from August to May contract and the consequent selling pressure on the August delivery. This, in turn, was the result of the eagerness of several shorts to buy May, as they had no cotton to tender. As these lines are written, the trend in the futures market remains fully firm. Cotton circles expect that the May contract will advance further in prices, if extensive short-covering follows against the reported overall short position estimated at more than 100,000 bales.

I.C.C. May contract opened the week at Rs. 577-8 and shot up to Rs. 600 on the 6th inst. At this level, profit-taking ensued and the contract receded to Rs. 590-12 on Monday. But, yesterday again, the market picked up strength and the contract moved up to Rs. 598. The improvement persisted today also, although, towards the close, there was a slight setback, the contract finishing at Rs. 595. I.C.C. August opened at Rs. 579-8 and rose to Rs. 590 on Saturday. After declining to Rs. 578 yesterday, it recovered to Rs. 583 today before closing at Rs. 580-8.

The trend of prices during the week under review is indicated below:

	4-5-55	*High*	*Low*	11-5-55
I.C.C. May ...	Rs. 575½	600	577½	595
I.C.C. August ...	Rs. 578	590	578	580½

The spot section depicted a fully steady trend during the week under review. There were renewed enquiries for domestic staple styles. Upcountry advices suggested that mills were interested in purchasing desirable lots of cotton and were offering even higher premiums for popular varieties. Khandesh, Vijay and Moglai met with enlarged buying enquiries and registered improvement in prices. Oomra *deshi* elicited good support from overseas interests. Demand for Bengals was slack and their prices suffered a fall. Among foreign cottons, moderate business took place in Karnak and Giza 30 mainly with Ahmedabad spinners for prompt shipment but at prices considered unremunerative by leading shippers. There was some business in small lots of Californians, East Africans and Sudans were neglected.

The latest available quotations from the Sewri market are: Bengal *deshi* Rs. 540; Berar Jarilias Rs. 625; Khandesh Rs. 600; Vijay Rs. 775; Oomra *deshi* Rs. 560; Moglai Rs. 530.

A firm trend was in evidence in the Karachi cotton market during the week under review, in contrast to the easy conditions witnessed in the previous week. The firmness was aided by considerably enlarged enquiries from indigenous mills and also from overseas interests. Buying support emerged, as a consequence, and cotton prices registered handsome improvement. In the forward section, N.T. roller May contract was quoted yesterday at Rs. 64-15, as against Rs. 62-14 a week before. Similarly, May contract stood higher at Rs. 63-11, as against Rs. 61-14. The latest available quotations from the spot market at Karachi are: Sind *deshi* Rs. 58; Punjab *deshi* Rs. 50-8; 4F roller Rs. 38-3; 4F S.G. Rs. 63-3; Punjab roller Rs. 62-11; S.G. Rs. 67-11; 289F N.T. roller Rs. 66-15; 289F N.T. Sind S.G. Rs. 71-7; 289F Punjab roller Rs. 66-15; S.G. Rs. 62-11.

It is reported that Egypt recently concluded a barter deal with Russia covering an exchange of 13,900 bales of cotton (Karnak) for petroleum products. It is also reported that about 4,000 bales of Ashmouni and Karnak have been sold to Hungary. These reports would appear to have had no effect on the Alexandria cotton market. For Karnak prices have not only not advanced but have actually been quoted a penny per pound lower in India. The spot premiums of Ashmouni and Giza 30, however, have tended to look up of late, thanks to accumulation of stocks with the Cotton Commission which are not available for sale at present. At the end of April, the stock of these two varieties aggregated 31,744 bales and 50,547 bales, respectively. The premiums for entitlement currencies too have improved and the foreign buyers paying in these currencies, it is stated, get attractive discounts. But this has not stimulated purchases by them. The final estimate of cotton crop (excluding scarto) made by the Ministry of Agriculture places the production higher at 7,567,000 cantars, as compared with 7,082,000 cantars estimated in December last.

An auction of the new (1954-55) Sudan cotton is being held at Khartoum today. Offerings are estimated at 18,178 bales, of which Gezira "S" and "L" varieties account for 14,178 bales and Nuba Mountains for 4,000 bales. The trade response at the auction is expected to be encouraging, owing to downward revision in the reserve prices effected by the Gezira Cotton Board. Until recently, it will be recalled, the reserve prices had been fixed

higher, so much so that there was *no* lack of bids in the previous four consecutive auctions and the offerings had to be withdrawn. Even at the auction held on 27th April, 1955, only 299 bales of G4S out of 16,072 bales of "S" and "L" cotton on offer were sold. It is now estimated that the Sudan Gezira crop will produce 122,000 bales "S" and 136,000 bales "L", as against 125,092 bales and 165,651 bales, respectively, in the previous season.

The recovery in cotton prices noted in the Liverpool cotton futures market last week gathered further momentum during the week under review. It was induced by abolition of purchase tax on cotton goods and reduction in the import duty on U.K. textiles announced by the Government of India. The market put on a more cheerful appearance and cotton values continued their upward march. The improvement would have been more marked but for the absence of any positive statement from the U.S. Government on cotton policy. The latest available quotations from the market are: May-June 32.07d.; July-August 30.87d.; October-November 29.87d.; December-January 29.79d.

The New York cotton futures market ruled strong this week too on renewed trade demand and short-covering. A part of the rise in the price of nearby May was attributed to Liverpool buying against sales of October and beyond. The expectation of better export sales in the near future also imparted strength to the market.

The U.S. Congress has passed the Bill seeking to repeal the provisions of Public Law 480 which requires that privately owned stocks exported against funds made available to foreign countries should be replaced by C.C.C. loan or stocks. The provision had throttled exports to countries against 480 funds, because of the much higher prices that had to be quoted taking into account the cost of redeeming loan cotton. This had made the U.S. cotton too high-priced *vis-à-vis* comparable outside growths, so that the importing countries made little use of the 480 funds allocated to them. With the elimination of the "buy back" provision, it is generally expected that an impetus will be given to exports against 480 funds, particularly to those countries which require shorter staple cottons. The U.S. Department of Agriculture has announced that the loans on the last season's crop of upland cotton, maturing on 31st July next, will be extended up to 1st November next, after which date they will be bought by the Commodity Credit Corporation. The outstanding loans of the 1954 crop extra long-staple will be bought on 1st August, 1955.

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

(In cents per lb.)

	10-5-55	3-5-55	26-4-55
Spot	35.00	34.70	34.35
May	34.65	33.95	33.57
July	34.19	33.98	33.70
October	34.15	34.03	33.91
December	34.20	34.09	34.02

STAPLE FIBRE STRONG

(From Our Own Correspondent)

BOMBAY, 11th *May*

The rayon yarn market was devoid of any development during the week *under review*. In the absence of any inspiring factors, operators evinced little interest in fresh business. They were more inclined to await developments tomorrow when trading will commence in the new varieties of yarn which are included in the forward list. Transactions were, therefore, very much limited and values moved narrowly. The undertone of the market, however, remained fully steady. Rayon yarn for May delivery fluctuated between Rs. 732 and Rs. 735 before finishing at Rs. 733 same as last week. In the spot section, 150 Japan gathered 3 pies to Rs. 4-1-9. 120 Japan and 150 Italy were fully maintained at Rs. 3-14-6 and Rs. 3-12, respectively. 120 Italy, however, eased by half an anna to Rs. 4-2 for want of support. Indigenous yarns also suffered losses. National Rayons 150 Bt. Hanks I grade dropped nine pies to Rs. 3-9. 120 Bt. cones I grade declined by half an anna to Rs. 4-0-6 and 150 Bt. cones I by three pies to Rs. 3-6-9.

Despite reports of heavy stocks in Bombay and Madras, the staple fibre yarn section ruled strong this week. Good enquiries from consuming centres, particularly Surat and Banaras, lent support to the market and staple fibre yarn values tended to look up. In the forward section, 40×2 May delivery spurted from Rs. 593-8 to Rs. 592, but closed lower at Rs. 589-4. June delivery advanced by Rs. 5-8 to Rs. 591 but closed easy at Rs. 588-4. Prices of spot yarn (40×2) also registered improvement. Kohinoors hardened by an anna and a half to Rs. 3-6-6. Sitarams and Seksarias were better by 3 pies each, the former at Rs. 3-2 and the latter at Rs. 3-0-6. New Greats, on the other hand, failed to receive support and lost half an anna to Rs. 3-2. Among foreign yarns, Sulcos firmed up by As. 2 to Rs. 4-8. Auroras rose by an anna to Rs. 4-3.

The marked improvement witnessed this week in raw cotton prices would appear to have had no effect on the cotton yarn market. Although transactions put through were fairly large, prices were generally a shade easy. Among 80 count yarns, Seksarias dropped As. 4 to Rs. 53-8. Finlays and Moderns, however, were throughout maintained at the last week's levels of Rs. 68-8 and Rs. 62-12, respectively. Among 60s, Finlays fell by a rupee to Rs. 61. Moderns lost As. 4 to Rs. 60-12. Among 20s, Maduras declined by As. 2 to Rs. 17. Centurys receded by an anna to Rs. 15-8. Among 10s, Elphinstones moved down by As. 2 to Rs. 12-10. Podars were quiet at Rs. 12-14. Deals in 40 counts yarns were restricted, in view of shortage of stocks. Thirty count yarns were quiet.

Overseas enquiries for cotton yarn are reported to be very encouraging and it is expected that all licences granted to the mills for export will be exhausted in the near future. Out of the estimated export quota for 15,000 bales of yarn for the second quarter of 1955, licences for 13,000 bales have already been issued.

The table below gives the prices of art silk staple fibre and cotton yarns quoted today, as compared with those a week before:

	11-5-1955	4-5-1955
	Rs. a.	Rs. a.
Art silk yarn—		
150 D. May	733 0	733 0
120 Japan (per lb.)	3 14½	3 14½
150 Japan (per lb.)	4 1½	4 1½
120 Italy (per lb.)	4 2	4 2½
150 Italy (per lb.)	3 12	3 12
Staple fibre yarn—		
40 × 2 May	589 4	588 8
40 × 2 June	588 4	586 8
Sulco (per lb.)	4 8	4 6
New Great (per lb.)	3 2	3 2½
Cotton yarn (per bundle of 10 lbs.)—		
10s Elphinstone	12 10	12 12
20s Maduras	17 0	17 2
30s Maduras	21 4	21 4
40s Seksaria	—	22 6
60 s Moderns	60 12	61 0
80s Seksaria	53 8	53 12

OILSEEDS DULL

(From Our Own Correspondent)

BOMBAY, 11th *May*

The oilseeds market presented rather dull conditions. Despite the decision of the Government of India to continue free licensing of exports of castor oil on shipping bills up to the end of August, 1955, to all permissible destinations, excluding Portuguese possessions in India, there was hardly any movement of prices worth noting in the castorseed section. For there was very little enquiry at the prevailing rate of £78 to £80 per ton of castor oil, Commercial quantity from the U.K. and the Continent. The *groundnut section* ruled slightly easy on lack of demand for the oil both from inland centres as well as overseas markets. The *linseed section*, however, ruled better on expectation of revival of interest in linseed oil from the Continent. The *kardi* seed section lacked support, while *nigers* ruled firm. Business transacted during the week under review was, on balance, small and price fluctuations confined to narrow limits.

In the castorseed section, May delivery opened the week at Rs. 73-1 as against Rs. 72-15. After fluctuating between Rs. 73-3 and Rs. 71-6, it closed lower at Rs. 71-12. Market circles expect a smooth settlement in May delivery contract, as the bulk of the business in this position has been transferred to September. September delivery, which changed hands at Rs. 78-3 early in the week, as against Rs. 76-13 on the previous day, was done today, at Rs. 77-8, the highest and the lowest touched during the week being Rs. 78-7 and Rs. 76-10, respectively. Among spots, Madras quality was almost quiet at Rs. 14-12. Castor oil was dull at Rs. 13-8.

According to the Press Note issued on the 10th inst., established shippers who have already established their basic year exports of castor oil, effected by them during any one of the calendar years 1951, 1952 and 1953, and non-established shippers who are eligible to export castor oil in terms of the notice No. 4613, dated 17th December, 1954, issued by the Joint Chief Controller of Exports, Bombay, will be eligible for export licences.

Bold ready, in the groundnut section declined from Rs. 21-10 to Rs. 21-8. May-June delivery was done lower at Rs. 21-10, as against Rs. 22-1, and August-September at Rs. 22-5 as compared with Rs. 22-10. Khandesh quality eased from Rs. 21-12 to Rs. 21-8. Groundnut oil ready suffered a loss of an anna at Rs. 11-8. June delivery was lower by an anna and a half at Rs. 11-11.

Last week's showers in Madras and a number of other groundnut producing centres in the South have greatly benefited the summer crop. They have also helped early sowing of the winter crop in certain Southern districts.

In the linseed section, Bold ready gained As. 7 to Rs. 22. April-May delivery improved from Rs. 22 to Rs. 22-8 and June-July from Rs. 21-9 to Rs. 22-5. Linseed oil put on As. 6 to Rs. 13-4.

Among others, *kardi* Bold was quiet at Rs. 12, while *niger*, Madras quality, put on Re. 1-4 to Rs. 18.

The Oilseeds Exchange has requested the Government of India to *permit free exports of kardi* and *niger* seeds, and if that is not possible to fix separate ceilings for their exports.

The following table shows the price of oilseeds and oil today, as compared with those at the end of the previous two weeks.

	10-5-1955	4-5-1955	27-4-1955
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	21 8	21 12	20 10
June-July	21 10	22 1	21 1
Linseed—			
Bold Ready (per cwt.)	22 7	22 0	22 4
April-May	22 6	22 0	21 14
June-July	22 5	21 9	21 8
Castorseeds—			
May 1955	71 12	72 15	72 14
September	77 8	77 15	77 4
Madras (per cwt.)	14 12	14 12	14 10
Groundnut oil—			
Ex-mill Ready (per quarter)	11 8	11 9	11 2
Castor Oil—			
Commercial (per quarter)	8 4	8 8	8 4
Linseed Oil—			
Ready	12 4	12 14	12 0

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 11th *May*

The sugar market presented fully steady conditions during the week under review too. The steadiness was due principally to an all-round increase of As. 8 per maund in the ex-mill quotations for sugar. There was, besides, sustained demand from consuming centres. Operators were interested in enlarging their commitments and prices of sugar ruled firm.

Small grain indigenous sugar in the spot section picked up As. 8 to Rs. 88-8 per bag. Medium grain improved from Rs. 89-93 to Rs. 89-94. Large grain was quoted at Rs. 96-101, as against Rs. 94-102 a week before. Among foreign sugars, Czechoslovakian sugar *met with special* buying support and strengthened from Rs. 84½-86 to Rs. 86-88 per 220 lbs. German and French sugars were *fully steady* at Rs. 80 and Rs. 82-84 *per 220 lbs.*, respectively. British refined sugar, however, was a shade easy at Rs. 84, as against Rs. 84-4 per 224 lbs.

In the forward section, *Jeth* delivery hardened by As. 2 to Rs. 83-3 per bag. *Shravan* delivery which had receded from Rs. 87-8 to Rs. 87-4 recovered to Rs. 87-8.

The sugar traders feel that the Union Food Ministry should follow a more liberal policy with regard to the release of indigenous sugar. This view is based on the need for ensuring the consumer adequate supplies of sugar at a fair price. In support of this view, the traders point to the absence of any programme for importing substantial quantities of sugar in the monsoon months and scant supplies of sugar with the Deccan mills. It is, therefore, stated that the major consuming centres have inevitably to look to the U.P. mills for their normal requirements of sugar. Besides liberalising releases, the sugar traders also want the Food Ministry to improve the wagon position, so that the wayside stations will be able to obtain their normal pre-monsoon requirements of sugar in time.

N.B.—The rates for Indian sugars are inclusive of sales tax, while those for foreign sugars are exclusive of the tax.

PEPPER IMPROVES

(Messrs. Parekh & Co.)

BOMBAY, 11th *May*

During the fortnight under review Malabar black pepper advanced on fairly good demand from New York, particularly for the shipment during the first half of *May*. *New York* is reported to have paid as high as $0.48 for the shipment by named steamers. Broadening of grinders' demand coupled *with reserved* offers from producing countries seem to have forced New York dealers to revise their ideas for the future of pepper.

Prices at Alleppey showed steady improvement from Rs. 1,000 to Rs. 1,087½. Growers in North Malabar and Travancore-Cochin area are reported reserved sellers. They sell only small quantity. At every next sale, they ask for a higher price. A strong undertone is reported with market distinctly in sellers' favour owing to tightness of physical stock as about 12,750 tons of Malabar pepper are reported to have been already marketed during November, 1954 to April, 1955, *for export* and for internal *consumption*. The volume of floating *stocks* at primary markets is reported to be very small. Sellers generally are reluctant to oversell, in view of unfavourable crop reports from Sarawak and Lampong. The impending dock strike at Singapore is also said to be responsible for the present strength in New York, London and India.

The *noteworthy* features of the fortnight were the meeting of the first Convention of all India Pepper Merchants at Bombay and the decision to create an Export Promotion Council for Pepper. The question of detention of pepper shipments to U.S. for the reason of mould and/or infestations was seriously considered from various angles by the Convention, and as a result, a cable was sent to the *President* of the A.S.T.A., at New York, suggesting him to arrange for the incorporation of a clause in the A.S.T.A. contract to cover insurance jointly against the risk of detention by the buyers, but his reply proved unsatisfactory. Consequently, the members of the Convention, before taking any further steps, decided among themselves to create a voluntary pool called "contingent detention deposit risk" as a tentative measure to overcome risks arising out of detention of pepper during the monsoon. Every shipper is required to pay 1 per cent. of the value of his export towards the pool fund. It, however, now remains to be seen how the scheme works out in practice. In view of increased production in Sarawak and Lampong, the monopoly in pepper enjoyed formerly by India has now become past history. Indian exporters should, therefore, think twice before taking any embarrassing steps.

Garbled at Cochin touched Rs. 190, while small business in ungarbled was reported at Rs. 1,100 at Alleppey. May shipment (A.S.T.A.) was reported done at $0.46 while, June shipment changed hands at prices ranging from $0.45½ to $0.46, with reserved sellers.

In the delivery section, June and July deliveries were done at prices ranging from Rs. 910-20 to Rs. 990-1,000. The local daily offtake of pepper for rallment to mofussil was reported good.

Following are today's *nominal* quotations: Ready delivery Rs. 140 per Bengal maund and June Rs. 990-1,000, and July Rs. 990-1,000 per candy of 5¼ cwts.

RAW JUTE PRICES DECLINE

(From Our Own Correspondent)

CALCUTTA, 10th *May*

In the continued absence of any real buying for export, prices of jute goods tumbled during the week under review. It was due to unloading by nervous stockists of heavy quantities in an attempt to get rid of their holdings, before the price situation worsened. The decline was precipitated by a single operator releasing his huge holdings, and he was reported to be in need of cash for covering his cotton deals in *Bombay*. Prices of raw jute also gave way, but the loss in goods was by far greater. Mills are not showing interest in raw jute, as they have adequate stocks, believed to last for about three months. These stocks had been bought at a time when prices were high, and as such, if mills were to sell goods at the present lower levels, the extent of losses mills would have to suffer could well be imagined. By all means, details of stocks with mills at the end of April, when published, would indicate rises, and this factor had already been taken into consideration in the market. If, however, the figures reveal results worse than the expectations of the market, a further nervousness is bound to prevail in the goods market. The situation is being closely watched by overseas buyers, who do not seem inclined to enter the market in its present lethargic state. If the market returned to steadiness, buying support from the United States and Argentina *could follow*.

There is need in the world for more jute goods, if they are offered to consumers at fair prices. It may be mentioned here that, last year, Dundee mills were able to produce 85 per cent. more goods than before the war. It is reasonable to say that the Dundee mills had also sold all these both for internal consumption as well as for export. With all the advantages India has got over Dundee—cheap labour and availability of raw jute nearer to mills are two of them—Indian mills are finding themselves in a situation where, rather than thinking in terms of increasing production, they are finding it difficult to work plants economically. *During this week*, there was a rumour that mills were contemplating to reduce working hours to 45 hours per present 48 a week, as a solution to reduce the heavy accumulating stocks. Subsequently, information available indicated that this rumour was baseless. However, if the present trend in the market continues, a reduction in production can be only a logical solution.

From Rs. 33-8, Assam bottoms old crop gave way to Rs. 31-8. Other constructions also lost by two points each. Pakistani new crop offers (forward) contained a provision for supply of Indian jute in case sellers failed to supply Pakistani jute. Buyers did not show interest in such conditional offers this week, but hoped that the position would improve. Some business was done in Indian new crop, but for nearer delivery, some premium was paid. However, mills believe that the next crop would be bigger, and that this would bring down prices.

Ready B. twills were being quoted at Rs. 114-6 early in the week. Some enquiries were received from overseas countries. But these were not sufficient to drive away the put towards the downward direction. In addition to this factor, there was the apprehension that as and when the stock figures as at the end of April were announced, prices would further tumble. Before this occurred, however, the *fatka* operators desired to lessen their commitments in an attempt to reduce losses. The number of offers increased, and the ready position sagged to Rs. 112. The July-September goods, at Rs. 108-8, lost as much as Rs. 5-8. At the lower levels, some covering was done, and the ready position recovered to Rs. 114 and the July-September to Rs. 110-8. These prices were maintained subsequently, and rumours of a possible cut in production encouraged prices to remain at that level. However, it was soon known that these reports lacked foundation, and a down-trend set in. As the week was closing, the ready B. twills were priced at Rs. 113-8, i.e., lower by As. 14 on balance. The lower level remained unaltered yesterday.

A similar trend was in evidence in hessians, 40" 10 oz. hessians opened at Rs. 42-15 and shaded to Rs. 42-2. Later on they recovered to close at Rs. 42-12. The 8 oz. hessians were priced at Rs. 34-6.

WHEAT RECOVERS

(From Our Own Correspondent)

HAPUR, 9th *May*

The foodgrains market ruled steady to firm during the week. The Union Government's announcement of new measures for stabilising wheat prices in the internal markets and support to the prices of wheat if they tend to fall below Rs. 10 per maund had the desired effect and the *dara* wheat prices which had touched the lowest level of Rs. 9-4 per maund last week-end improved during the week and were today quoted at Rs. 9-14 per maund. Fine quality was transacted at Rs. 11 per maund. The sale of imported wheat in Calcutta and Bombay has been stopped. This step is expected to increase the demand for indigenous wheat by at least 60,000 tons per month. The limit of purchase by flour mills in Bombay and Calcutta in the internal market has also been doubled by allowing them to buy wheat upto their requirements for the next six months. The purchase of wheat on behalf of the Government has also begun in many markets, including Hapur, but, as the *dara* wheat prices are very near the floor fixed by the Government, the quantity offered for sale to the Government has been very small. Daily arrivals of wheat here average 1,200 maunds and, after a fairly good offtake to consuming centres including Bihar, the stocks have swelled to 5 *khaties*. Wheat prices in the Punjab and P.E.P.S.U. have also recorded appreciable advance, from Rs. 9-8 to Rs. 11 per maund, due to Government purchases and grant of permission to export of Indian wheat products. In the Akola market, in Madhya Pradesh, wheat prices also improved from Rs. 29 to Rs. 31 per bag. In Madras, wheat prices continued unchanged at Rs. 33 to Rs. 35 per bag and at Rs. 12 to Rs. 12-12 per maund in Siwan market in Bihar.

Rice prices also ruled a shade firm, due to poor local stocks, and the latest prevailing prices here are: Rice *basmati* Rs. 26-8, *ramajwayam* Rs. 19, *raimunia* Rs. 20-8 to Rs. 21 and coarse Rs. 12-8 per maund. The coarse grain prices ruled steady, due to good seasonal demand and small arrivals of new crop. The latest prices as on Monday are: Barley Rs. 5-4, *bejhar* Rs. 5, gram Rs. 6 to Rs. 6-6. Stocks: Gram one *khati* and *bejhar* 6 *khaties*. The *jowar* prices also improved due to State Government purchasing. It was quoted at Rs. 5-8 per maund in east U.P. and about 5,000 tons of *jowar* have been purchased on State account. Pulses prices also recorded further gains during the week, *dara* quality improving to Rs. 5-5 per maund and fine quality was quoted at Rs. 7 per maund. Daily arrivals average 800 maunds which are very low as compared with last year and the local stock is now 12 *khaties*, as against 27 *khaties* at this time last year. Outside demand is moderate and some enquiry was also reported for export purposes. Arrivals of new crop of *arhar* are very meagre and the stock is almost *nil*, as against 15 *khaties* last year, and this too has resulted in *arhar* prices being ruling steady. Other pulses continued steady and the prevailing rates on Monday were: Urd green Rs. 10-4, black Rs. 11-12, *moong* Rs. 7-12 to Rs. 8-4 and *masoor* Rs. 6-4 per maund.

The pulses futures ruled firm in line with the ready section and the current quotations are: Peas *jeth* Rs. 5-6-6, *arhar jeth* Rs. 6-6-3, as against Rs. 5-1-4½ and Rs. 6-1-3, respectively, on the 2nd inst. The *bhadon* delivery transactions have also begun in peas and *arhar*. They were quoted today at Rs. 5-8-9 and Rs. 6-5-9, respectively.

SUGAR RECEDES

(From Our Own Correspondent)

HAPUR, 9th *May*

The last week-end steadiness in sugar prices was short-lived and prices ruled quiet during the week under review with the trade having adopted a hand-to-mouth policy. A panic condition had been created due to the abnormally heavy indigenous production expected and heavy imports. In east U.P., most of the mills have closed crushing operations, but in west U.P., due to bumper cane crops and low gur prices, half of the factories are expected to continue their season up to the 15th inst. and even onwards. *Khandsari*, reported good turnover in the producing markets in Muzaffarnagar District, on account of the marriage season demand, and prices recorded small gains. The latest prevailing mill-delivery prices are: Jaswant Rs. 29-2, Simbhauli Rs. 29-4, Mowana Rs. 29-5, Daurala Rs. 30-8, *Amroha* Rs. 29-7, *Bijnore* Rs. 28-8, Mansoorpur Rs. 30-8, Rampur Rs. 31, retail Rs. 32-4 and *khandsari* Rs. 21 to Rs. 26-8 per maund.

Ready *gur* prices continued to rule steady, due to decreasing arrivals averaging 300 maunds daily and fairly good offtake which was greater than daily arrivals. The stocks here have dwindled to 100,000 maunds, including that owned by the State Government. The latest prevailing prices are: *Gur* dry Rs. 9-14 to Rs. 10-4 and wet Rs. 9-7 per maund. Prices of *gur* in the markets in the south have also improved with the closing of the season and dwindling of stocks. Some exports have also taken place from Madras, but the export performance so far has been not very encouraging.

Gur futures ruled quietly easy and the latest quotations are: *Gur, asar* Rs. 9-12-7½, *phagun* Rs. 9-0-4½, as against Rs. 9-14-3 and Rs. 9-2, respectively, last week-end. *Baisakh* delivery was settled at Rs. 9-4-6 during the week.

KIPS STEADY

(From Our Own Correspondent)

MADRAS, 9th *May*

There has been no appreciable change in the kip market. Prices rule steady. Arrivals have been on the usual scale and clearance moderate. U.K. buying has been patchy and the market is a shade quiet. Stocks of inferior grade cow hides are scarce and shipments to U.K. have been small in this selection.

The tanned skins market has also remained unchanged, except that light weight goat skins are in great demand.

Shipments during April were: To the U.K.: 3,363 bales tanned cow, 216 tanned cow calf, 70 tanned buff hides, 442 tanned buff calf, 832 tanned goat, 559 tanned sheep and 5 bales dry salted goat; to the Continent: 422 bales tanned goat and 69 tanned sheep; to the U.S.A.: 101 tanned buff hides, 73 tanned buff calf, 86 tanned goat, 20 tanned sheep, 86 dry salted goat and 18 bales tanned snake skins.

HIDES RULE STRONG

(From Our Own Correspondent)

KANPUR, 8th *May*

During the week under review, the hides and skins market ruled strong. Supplies from mofussil sources were ample. The goods coming from the local butcheries were progressively smaller in volume due to the advent of summer. The main purchasers were the local tanners. The Madras dealers were lukewarm.

The latest available quotations are: Wet salted cow, 1st grade Rs. 400 to Rs. 360, 2nd grade Rs. 380 to Rs. 320 and 3rd grade Rs. 320 to Rs. 140 per score; wet salted buff, 1st grade 1 lb. 10 ozs. and 2nd grade 1 lb. 12 ozs. per rupee; goat skins, 1st grade Rs. 300 and 2nd grade Rs. 250 to Rs. 275 per 100 pieces; sheep skins Rs. 200 to Rs. 225 per 100 pieces.

TEA PRICES MARKED DOWN

(From Our Own Correspondent)

CALCUTTA, 10th *May*

During the internal sale held last week offerings of dusts amounted to 18,200 chests. Although there was a fair general demand, prices eased. This was so because of consumers' resistance to pay higher prices in overseas countries. Especially the cut in London prices had an effect on the local market trend. Prices of teas with a clean black leaf appearance and bright liquors declined by an anna to As. 2, while the residue end-of-season teas were irregular. The good liquoring CTCs were As. 2 to As. 3 easier. The quotations were: best Assam CTC Rs. 2-10, *medium Dooars* Rs. 2 to Rs. 2-1, and medium Assam grainy dust Rs. 2-2 to Rs. 2-3.

Leaf offerings aggregated 1,878 chests, of which 102 chests were of the new season's tea and the remainder of the old. Demand was fair, but prices were irregular. Fannings were very weak. No quotations were given.

SURVEY

(Concluded from page 919)

raw wool output, that is, from about 21 million lbs. at present to more than 25 million lbs. and a rise of 200 per cent. in finished woollen goods. With the anticipated improvement in raw wool production, there will be, it is said, an additional annual income of Rs. 1.20 crores to the State.

The need for developing the Rajasthan wool industry on rational lines is of special significance, considering the vital role which the industry plays in the economy of Rajasthan, in particular, and of India, in general. The different branches of the wool industry provide employment to as many as one million people in the State. Out of the 21 million lbs. of wool annually produced in Rajasthan, which represent about a third of India's total wool clip, about 17 million lbs. are exported, most of which goes to overseas markets, earning a large amount of precious foreign exchange.

The development scheme for the wool industry in Rajasthan, it is claimed, is a very comprehensive one embracing practically all the aspects of sheep and wool industry, such as co-ordination, breeding, extension, research and technical education. It is proposed to start 17 more stud sheep breeding farms in addition to the three farms now in existence. These farms will bring out, on an average, 2,000 rams for distribution purposes annually. With the opening of another 20 stud breeding farms in the private sector, the demands of stud rams for the whole State can be met. Encouragement will be given to operations connected with shearing, grading and marketing of wool, washing, dipping and dozing on community lines. About 160 extension centres, in addition to the 40 already existing, will be set up. It is also proposed to have one wool textiles testing laboratory (at present there are two sheep breeding and research stations and one laboratory) and one woollen technological institute (there is now only one sheep and wool training school). In order to keep an efficient technical and administrative control over all the organisations, a central co-ordinating office will be established. There will be a full-fledged directorate for sheep and wool improvement, a pasture improvement specialist, and an economist to collect, compile and analyse facts and figures on various problems of wool industry.

With the establishment of all the 200 community shearing and extension centres, 2 million sheep will be under controlled breeding and at least 6 million lbs. of graded wool, valued at Rs. 1.80 crores, will be handled. The number of rams produced at the farms will be 2,000 per year, costing Rs. 2 lakhs. The sheep and wool training school will turn out about 50 technicians. The woollen technological institute will turn out 50 artisans and 30 diploma holders every year. Under utilisation centres, a central finishing centre will be able to finish 80,000 yards of woollen cloth per annum. The carding and spinning centres will produce 300,000 lbs. of handspun yarn and 10,000 lbs. of machine-spun yarn. The weaving centres will manufacture 30,000 blankets, 12,000 square yards of druggets and carpets, and 5,000 square yards of tweeds. The central dye-house will be able to dye 24,000 lbs. of yarn annually and the carbonising plant will carbonise 2 million lbs. of burry wool. The 20 breeding farms proposed to be set up in the private sector will produce 2,500 breeding rams, 2,500 mutton lambs and 50,000 lbs. of graded wool every year. The production of felt sheet for industrial purposes and fine worsted cloth is expected to be 360,000 square yards each.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	29th April, 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation.	172.87	1,810.77	1,816.14	1,291.95	1,117.19
Notes held in Banking Department .	35.05	31.22	25.45	11.25	20.40
Foreign Securities .	50.50	651.98	651.98	626.98	678.15
Rupee Securities .	37.39	533.75	533.75	533.75	421.24
Banking Department					
Deposits of:					
Government of India	14.89	51.02	53.11	65.02	86.77
Other Governments.	..	35.00	30.42	61.59	25.31
Balances held abroad	10.08	53.19	58.23	97.77	74.05
SCHEDULED BANKS					
Demand Liabilities .	154.36	590.39 (9.59)†	591.06 (9.13)†	580.92 (5.89)†	536.92 (8.20)†
Time Liabilities .	102.24	333.70 (2.20)†	332.14 (2.17)†	376.57 (1.41)†	323.47 (1.25)†
Borrowings from Reserve Bank ..	..	26.92 (24.54)‡	26.49 (24.76)‡	37.90 (27.17)‡	44.06 (24.11)‡
Borrowings from Imperial Bank ..	..	4.97	4.45	9.59	18.80
Cash in India .	6.70	54.13	54.55	32.73	32.48
Balances with Reserve Bank ..	..	46.61	46.13	44.92	40.52
Excess over statutory limits .	15.52	10.42	8.94	8.85	7.10
Balances with other banks in current account in India .	..	10.16	10.54	10.72	10.69
Money at call and short notice in India .	..	17.11	15.66	9.07	10.57
Investments (at book value)	..	344.40	342.69	344.81	322.85
Advances and bills .	105.09	623.90	623.54	632.52	563.13
IMPERIAL BANK					
Deposits .	37.76	217.09	218.96	281.23	208.11
Investments .	51.99	103.32	103.85	106.14	93.25
	30.35	125.05	125.05	129.20	130.57
Advances ..	14.04	17.56	18.01	15.38	13.23
Cash ..					

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
§ Excludes foreign bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	Week ended 6th May, 1955		Week ended 29th April, 1955	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,80,261	62,69,87,000	2,72,927	56,17,59,000
Calcutta ..	1,57,420	65,44,97,793	1,55,584	54,61,93,886
Madras ..	78,574	7,64,73,854	88,950	7,62,51,689
All Centres—				
1955 ..	..	..	1,14,83,214	26,45,05,02,000
1954 ..	..	..	3,40,72,000	70,64,29,00,000
Jan., 1955 ..	..	..	29,48,000	6,23,74,00,000
Feb., ..	..	..	28,78,000	6,20,87,00,000

Reserve Bank of India

Statement of Affairs for the week ended 6th May, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up ..	5,00,00,000
Reserve Fund ..	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government ..	50,08,76,000
(2) Other Governments ..	23,21,39,000
(b) Banks ..	47,24,33,000
(c) Others ..	22,08,38,000
Bills Payable ..	8,56,00,000
Other Liabilities ..	81,16,30,000
Rupees ..	186,64,06,000

ASSETS	Rs.
Notes ..	10,58,87,000
Rupee Coin ..	3,93,000
Subsidiary Coin ..	6,25,000
Bills Purchased and Discounted—	
(a) Internal ..	52,70,000
(b) External ..	....
(c) Government Treasury Bills ..	11,49,78,000
Balances held abroad* ..	58,75,95,000
Loans and Advances to Governments ..	80,00,000
Other Loans and Advances ..	40,49,82,000
Investments ..	41,48,38,000
Other Assets ..	27,43,86,000
Rupees ..	186,64,06,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 29,94,00,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 87,82,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department ..	10,58,87,000	
Notes in circulation ..	1829,26,10,000	
Total Notes issued ..		1839,79,97,000
Total Liabilities ..	....	1839,79,97,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India ..	40,01,71,000	
(b) Held outside India		
Foreign Securities ..	661,97,61,000	
Total of A ..		701,99,32,000
B. Rupee Coin ..		104,09,22,000
Government of India Rupee Securities ..		533,71,43,000
Internal Bills of Exchange and other commercial paper ..	....	....
Total Assets ..	....	1839,79,97,000

Ratio of Total of A to Liabilities: 52.395 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 29th April, 1955

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India ..	9,59,02,000†
(ii) Other demand liabilities ..	580,79,89,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India ..	2,19,54,000†
(ii) Other time liabilities ..	851,50,20,000
3. Borrowings in India from the Imperial Bank of India:	
(i) Demand liabilities ..	4,96,89,000
(ii) Time liabilities ..	20,000
4. Cash in India ..	34,12,86,000
5. Balances with the Reserve Bank in India ..	46,50,99,000
6. Balances with other banks in current account in India ..	10,15,94,000
7. Money at call and short notice in India ..	17,10,93,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	344,39,70,000
9. Advances in India ..	908,48,33,000
10. Inland Bills purchased and discounted in India	81,99,09,000
11. Foreign Bills purchased and discounted in India ..	38,47,94,000

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

EXCHANGE RATES

	11th May, 1955	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot. s.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months .. s.	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months .. s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months .. s.	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	4784	4784
Buyers T.T. .. Rs.	4744	4744
London on New York.. $	2.79 11/16-2.80	2.79 11/16-2.80
London on Paris .. Fcs.	982-982 1/2	983-983 1/2
London on Berne .. Sw. Fcs.	12.28 11/16-12.28 13/16	12.27 11/16-12.27 13/16
New York on London.. $	2.79 11/16-2.79 13/16	2.79 11/16-2.79 13/16

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India† ..	'53-'54	373.37	..	10,500	283.9
Pakistan ..	1949	75.04	..	1,671	222
Burma ..	1952	18.56	Kyats .. 3,556	356	198
Ceylon ..	1952	8.16	..	442	541
Japan ..	1952	85.50	Y. 5,282,400	7,014	820
Philippines ..	1953	21.02	Ps. 7,375	1,654	787
New Zealand ..	1952	2.04	£(N.Z.) 727	969	4,757
Australia ..	1952	9.13	£(A) 3,521	3,541	4,207
U.K. ..	1952	50.56	£ 14,719	19,625	3,888
U.S.A. ..	1952	158.65	$ 305,000	146,780	9,196
Canada ..	1952	14.78	$ 19,043	8,407	5,688
France ..	1952	42.55	F.Fr. 10,197,000	14,018	3,321
W. Germany..	1952	48.99	Dm. 102,000	11,706	2,389
Italy ..	1952	47.02	Lr. 8,967,000	6,322	1,453
Norway ..	1952	3.26	Kr. 16,851	1,123	3,862
Sweden ..	1952	7.17	Kr. 24,957	3,422	4,773
Netherlands ..	1952	10.49	Grs. 19,360	2,451	2,336
Denmark ..	1952	4.37	Kr. 22,484	1,551	3,572
Switzerland ..	1952	4.85	Sw.Fr. 20,500	2,258	4,654

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, September, 1954.
† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 29th April, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up ..	3,00,00,000
Reserve Fund ..	5,00,00,000
Deposits:—	
(a) Central Government ..	21,81,16,000
(b) Provincial Governments ..	91,10,000
(c) Banks ..	13,29,07,000
(d) Others ..	4,25,73,000
Bills Payable ..	10,22,000
Other Liabilities ..	4,07,88,000
Rupees ..	50,46,06,000

ASSETS	Rs.
Notes ..	11,07,25,000
Rupee Coin ..	6,000
Subsidiary Coin ..	19,000
Bills Purchased and Discounted:—	
(a) Internal ..	....
(b) External ..	....
(c) Government Treasury Bills ..	11,25,000
Loans and Advances to Governments ..	3,33,00,000
Provincial Governments' Debtor Balances ..	2,07,50,000
Other Loans and Advances ..	7,95,05,000
Investments ..	15,81,96,000
Other Assets ..	9,08,80,000
Rupees ..	50,46,06,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department ..	11,07,25,000	
Notes in circulation ..	242,57,69,000	
Total Notes issued ..		253,64,94,000
Total Liabilities ..		253,64,94,000

ASSETS	Rs.	Rs.	Rs.
I. A. Gold Coin and Bullion ..	7,91,42,000		
Silver Bullion ..			
Sterling Securities	40,15,01,000		
Government of India Securities ..	21,41,41,000		
India Notes representing assets receivable from the Reserve Bank of India ..	29,97,64,000		
B. Rupee Coin ..		4,49,34,000	99,43,48,000
Government of Pakistan Securities ..		145,47,37,000	
Internal bills of exchange and other commercial paper ..		....	
			149,96,71,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—			
Gold Coin and Bullion ..		19,02,000	
Sterling Securities		3,06,12,000	
Government of India Securities ..		70,10,000	
Rupee Coin ..		29,51,000	
			4,24,75,000
Total Assets ..			253,64,94,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 40.76 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina ..	1st Mar., 1935	..	3 1/2
Austria ..	3rd June, 1954	4	3 1/2
Belgium ..	29th Oct., 1952	3	2 1/2
Bolivia ..	20th Sept. 1950	5	6
Canada ..	15th Feb., 1935	2	1 1/2
Ceylon ..	11th June, 1954	3	2 1/2
Chile ..	18th June, 1935	4	4 1/2
Colombia ..	18th July, 1933	5	4
Costa Rica ..	1st Feb., 1950	3	4
Denmark ..	22nd June, 1953	4	4 1/2
Ecuador ..	13th May, 1948	7	10
Egypt ..	15th Nov., 1952	3 1/2	3
El Salvador ..	22nd Mar., 1950	4	3
Finland ..	16th Dec., 1951	7 1/2	5 1/2
France ..	2nd Dec., 1954	2 1/2	3
Greece ..	1st Jan., 1954	12	10
India ..	15th Nov., 1951	3	3 1/2
Indonesia ..	1st April, 1946	4	3
Ireland ..	25th Mar., 1953	3 1/2	3 1/2
Italy ..	6th April, 1950	4 1/2	4
Japan ..	1st Oct., 1951	5.11	5.84
Mexico ..	4th June, 1942	4	4 1/2
Netherlands ..	7th April, 1953	3	3 1/2
New Zealand ..	26th Nov., 1954	3 1/2	4
Norway ..	14th Feb., 1955	2 1/2	3 1/2
Pakistan ..	1st July, 1948	3 1/2	3
Peru ..	19th Nov., 1947	5	6
Portugal ..	12th Jan., 1950	3	3 1/2
South Africa ..	27th Mar., 1952	3 1/2	4
Spain ..	1st Jan., 1954	4	4 1/2
Sweden ..	18th April, 1952	3 1/2	3 1/2
Switzerland ..	26th Nov., 1936	2	1 1/2
Turkey ..	25th Feb., 1953	3	4
United Kingdom ..	24th Feb., 1955	3 1/2	4 1/2
U.S.S.R. ..	1st July, 1950	2	1
U.S.A. ..	16th April, 1954*	1 1/2	1 1/2
West Germany ..	30th May, 1954	5 1/2	5

* Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	February, 1954	February, 1955	Eleven months, April to Feb., 1953-54	Eleven months, April to Feb., 1954-55
Import Duties:				
Revenue ..	10.88	12.29	102.65	124.42
Protective ..	0.45	0.46	5.56	5.77
On surplus disposals	..	—	0.30	0.12
Total import duties	10.88	12.75	108.41	130.28
Export Duties ..	5.41	6.22	35.86	37.05
Land Customs ..	0.11	0.13	1.70	1.69
Miscellaneous ..	0.06	0.10	0.68	1.09
Gross total customs	16.46	17.19	146.65	171.87
Refunds and drawbacks	0.18	0.19	1.77	1.46
Net Customs ..	16.28	17.00	144.86	169.41
Gross excise ..	7.50	9.26	84.98	94.88
Refunds ..	0.08	0.15	0.30	1.70
Net Excise ..	7.42	9.11	84.68	93.16
Net total of customs and excise† ..	20.70	26.11	228.94	262.57

† Net Customs plus net Excise.

Imperial Bank of India

Statement of Affairs for the week ended 6th May, 1955

CAPITAL AND LIABILITIES

	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.		11,25,00,000
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.		11,25,00,000
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares ..		5,62,50,000
Reserve Fund and other Reserves		8,35,00,000
Deposits and other Accounts ..		215,17,26,000
Bills Payable ..		13,00,00,000
Bills for Collection being Bills Receivable as per contra		5,16,77,000
Acceptances, Endorsements and Other Obligations as per contra ..		40,26,000
Other Liabilities (including Inter-Office Adjustments) ..		81,000
Total .. Rs.		258,33,29,000

PROPERTY AND ASSETS

	Rs.	Rs.
Cash in hand and with Reserve Bank		13,44,49,000
Balances with other Banks ..		3,64,71,000
Money at Call and Short Notice ..		1,00,00,000
INVESTMENTS—		
Government and other Trustee Securities ..	91,61,14,000	
Other Authorised Investments ..	11,19,79,000	
		102,80,93,000
Advances—		
Loans, Cash Credits and Overdrafts, etc. ..	94,93,62,000	
Bills Discounted and Purchased..	32,59,99,000	
Bills Receivable being Bills for Collection as per contra		127,53,61,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		40,26,000
Premises less Depreciation ..		81,000
Furniture and Fixtures less Depreciation ..		1,30,93,000
Other Assets (including Inter-Office Adjustments)		46,64,000
		2,30,81,000
Total .. Rs.		253,33,29,000

Source: Department of Research and Statistics, Reserve Bank of India.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1951 ..	1,071	661,321	3,818,928
1952 ..	963	809,248	3,236,961
1953 ..	772	456,807	2,352,906
1954 ..	840	477,138	2,372,630
January 1953 ..	65	42,252	244,414
February ,, ..	46	22,477	125,411
March ,, ..	67	38,231	216,207
April ,, ..	72	49,122	218,353
May ,, ..	83	39,617	276,216
June ,, ..	99	80,357	252,278
July ,, ..	87	48,066	181,122
August ,, ..	74	53,052	225,154
September ,, ..	106	44,563	447,273
October ,, ..	101	80,211	402,116
November ,, ..	88	41,431	245,211
December ,, ..	81	40,790	476,353
January 1954† ..	84	51,973	325,514
February ,, ..	85	41,251	244,295
March ,, ..	91	84,302	531,419
April ,, ..	101	34,963	207,247
May ,, ..	80	40,073	216,062
June ,, ..	88	81,589	505,072
July ,, ..	122	80,189	277,492
August ,, ..	79	51,090	322,857
September ,, ..	97	50,414	365,878
October ,, ..	88	41,724	276,924
November ,, ..	62	22,115	139,701
December*,, ..	101	54,455	262,763
January 1955 ..	87	47,694(a)	320,651(b)

† Figures for 1954 are provisional. * Revised.
(a) Not known in 2 cases. (b) Not known in 4 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Units Sold
1948-49 ..	469	4,651.1	3,777.7
1952-53 ..	614	5,301.4	4,134.5
1953-54 ..	643	5,876.8	5,572.7
September 1953 ..	632	576.5	464.1
October ,, ..	634	583.1	465.7
November ,, ..	637	568.1	455.7
December ,, ..	640	608.6	486.9
January 1954 ..	640	589.7	478.0
February ,, ..	642	551.4	451.4
March ,, ..	645	593.6	488.8
April ,, ..	651	612.3	504.4
May ,, ..	651	629.9	515.5
June ,, ..	660	629.4	510.3
July ,, ..	663	632.4	515.8
August ,, ..	667	635.0	510.5
September ,, ..	669	647.6	532.3
October ,, ..	669	656.5	511.4
November ,, ..	674	654.5	534.6
December ,, ..	679	683.5	558.0
January 1955 ..	684	668.5	545.2

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

SMALL SAVINGS

POSTAL SAVINGS§§ (In lakhs of rupees)

	National Savings Certificates 5-Year† Outstandings*	Receipts	7-Year †† Outstandings*	Receipts	12-Year Outstandings*	Receipts	Savings Bank Deposits Receipts	Out-standings*	Cash Certificates Series Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	3½% Ten-Year Treasury Savings Deposit Certificates ‡ Receipts	Outstandings*	10-Year National Plan Certificates ‡ Receipts	Outstandings*
1952-53 ..	6,33	66	3,29	23,96	84,17	1,18,55	92,08	—	31,07	7,56	35,34		
1953-54 ..	5,91	1,50	4,26	26,54	1,04,38	1,17,57	1,06,29	—	34,30	6,94	38,11		
1954-55 ..	..	..	..	..	..	..	..	—	..	5,57	37,15		
February 1954 ..	6,02	11	3,29	2,12	1,03,99	9,49	1,01,99	—	33,97	84	31,72		
March ,, ..	5,91	46	4,26	3,06	1,04,38	16,29	1,06,29	—	34,30	1,11	32,11		
April ,, ..	5,81	11	4,29	2,18	1,04,34	10,70	1,07,51	—	34,40	70	32,77		
May ,, ..	5,71	10	4,31	1,71	1,07,05	10,08	1,07,12	—	34,57	84	33,36		
June ,, ..	5,62	9	4,22	1,99	1,09,40	10,44	1,08,22	—	34,78	39	33,61	34	34
July ,, ..	5,47	12	4,29	2,57	1,10,16	11,40	1,11,09	—	34,96	46	33,91	49	84
August ,, ..	5,36	15	4,39	2,17	1,11,88	10,22	1,12,07	—	35,17	46	34,08	76	88
September ,, ..	5,24	19	4,21	2,44	1,12,76	10,22	1,14,21	—	35,36	46	34,44	76	1,59
October ,, ..	5,10	11	4,37	1,90	1,13,09	8,96	1,14,86	—	35,51	48	34,94	1,57	2,45
November ,, ..	5,06	12	4,64	2,22	1,16,76	10,24	1,16,21	—	35,69	48	35,22	3	4,05
December ,, ..	4,96	11	4,66	2,34	1,18,40	11,34	1,18,54	—	35,87	37	35,54	60	4,65
January, 1955 ..	4,85	14	4,76	2,42	1,20,28	10,51	1,20,16	—	36,03	40	36,36	57	5,22
February ,, ..	4,81	12	4,79	2,27	1,21,88	11,12	1,22,23	—	36,19	43	36,87	54	5,78
March ,, ..	..	..	..	..	..	..	..	—	..	47	37,15	48	6,32
												48	6,81

* At the end of period. @ Progressive net repayments at the end of period from 16th August, 1947.
§§ Figures from 1945-46 relate to the Indian Union. Outstandings do not include Indian Union's share of the pre-partition liabilities
50th June 1948. †† Issued from 1st June, 1948. ‡ Issued from 1st February, 1951. ‡ Issued from 1st June, 1945 to repayments, however, include those from the pre-partition holdings of Indian investors.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 1-5-'54	1-4-'55	23-4-'55	30-4-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.3	90.5	90.6	
1. Government of India ..	90.2	90.4	90.4	
2. Indian States ..	95.7	96.1	96.1	
3. Municipal, Port Trust, etc.	89.3	89.3	89.3	
DEBENTURES OF INDUSTRIAL CONCERNS	101.3	100.6	100.8	
1. Electricity ..	102.7	102.0	102.0	
2. Jute ..	98.8	98.8	98.8	
3. Plantations ..	99.6	99.7	99.6	
4. Sugar ..	100.3	99.0	99.0	
5. Coal ..	90.6	90.6	90.6	
6. General Engineering ..	101.0	100.6	100.6	
7. Shipping ..	102.8	100.2	100.2	
8. Others ..	100.7	100.6	100.8	
PREFERENCE SHARES ..	98.1	97.6	97.8	
1. Electricity ..	99.2	97.7	97.9	
2. Cotton ..	84.2	78.4	78.5	
3. Jute ..	88.3	86.2	86.5	
4. Coal ..	90.2	91.8	92.0	
5. Iron and Steel ..	91.3	90.1	90.6	
6. Sugar ..	75.9	84.1	83.3	
7. Paper ..	87.3	88.2	88.8	
8. Plantations ..	90.2	97.7	97.9	
9. Miscellaneous ..	86.5	86.1	86.1	
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	104.2	116.1	114.7	
a) Financial ..	87.8	88.3	88.2	
1. Banks ..	86.4	85.0	84.8	
2. Insurance ..	101.1	107.7	106.7	
3. Investment Trust ..	75.9	94.9	93.0	
(b) Public Utilities ..	113.4	114.4	114.2	
1. Electricity ..	119.4	125.9	123.6	
2. Shipping and other Transport ..	106.7	98.9	99.0	
3. Railways ..	87.3	89.7	89.7	
(c) Manufacturing Industries.	108.3	118.3	116.0	
1. Cotton, Woollen and Silk ..	103.0	108.5	103.6	
2. Jute ..	83.0	98.5	98.4	
3. Iron and Steel ..	129.9	144.2	143.2	
4. Paper ..	196.2	225.6	225.6	
5. Cement ..	126.5	148.5	148.7	
6. General Engineering.	140.2	169.4	168.5	
7. Sugar and Breweries.	90.9	99.0	97.5	
8. Chemicals ..	112.8	131.9	130.4	
d) Non-Manufacturing Industries ..	111.9	161.0	158.3	
1. Coal ..	78.0	77.5	76.6	
2. Mining and Oil ..	161.0	186.2	183.2	
3. Plantations ..	112.1	200.1	196.4	
e). Miscellaneous ..	94.3	95.6	96.8	
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.8	90.0	90.1	
1. Bombay ..	90.3	90.5	90.5	
2. Calcutta ..	90.6	90.8	90.9	
3. Madras ..				
DEBENTURES OF INDUSTRIAL CONCERNS:	100.9	99.2	99.2	
1. Bombay ..	102.1	101.8	101.8	
2. Calcutta ..	100.0	100.4	100.5	
3. Madras ..				
PREFERENCE SHARES:	92.6	91.8	92.2	
1. Bombay ..	84.9	83.4	83.3	
2. Calcutta ..	90.1	91.4	95.4	
3. Madras ..				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	114.4	116.6	116.4	
1. Bombay ..	95.8	109.9	109.8	
2. Calcutta ..	101.8	110.0	109.9	
3. Madras ..	107.4	116.5	116.0	
4. Delhi ..				

Source: Department of Research and Statistics, Reserve Bank of India.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	23rd April, 1955	16th April, 1955	24th April, 1954	March, 1955	March, 1954	Percentage of Increase (+) or decrease (—) in Mar., 1955 as compared with Mar., 1954	Financial Year Average 1953-54	1954-55
Food Articles ..	279.7	282.4	276.5	297.0	371.4	—20.0	384.4	339.8
Cereals ..	324	325	421	359	429	—21.0	451	381
Pulses ..	211	216	380	229	362	—36.7	450	280
Other ..	230	235	306	249	289	—13.4	278	291
Industrial Raw Materials ..	392.5	398.9	474.7	412.7	462.5	—10.8	467.7	436.2
Fibres ..	430	436	461	452	447	+ 1.1	432	447
Oil seeds ..	318	317	530	332	513	—34.1	574	424
Minerals ..	417	421	448	417	444	— 6.1	449	422
Others ..	449	457	400	480	405	+18.15	375	427
Semi-Manufactures ..	327.0	327.7	366.3	333.5	355.8	— 6.3	359.2	350.3
Leather ..	393	393	375	393	388	+ 0.5	403	376
Mineral oils ..	221	221	221	221	221	—	224	221
Vegetable oils ..	329	328	520	354	476	—25.6	534	433
Cotton yarn ..	429	433	455	440	449	— 2.0	442	454
Metals ..	245 *	245	240	245	238	+ 1.7	229	240
Oil cakes ..	277	282	443	284	415	—31.6	438	381
Others ..	329	328	306	333	306	+ 8.8	281	312
Manufactured Articles ..	375.4	375.3	382.7	376.3	373.9	+ 0.6	367.4	377.3
Textiles ..	418	417	430	419	416	+ 0.7	405	421
Jute ..	451	450	445	468	424	+10.4	408	448
Cotton ..	407*	407*	417*	408*	409*	— 0.2	408*	415
Rayon and Silk ..	494*	494*	562*	494*	499*	— 0.8	451*	469*
Wool en ..	310 *	310	318	310	318	— 1.0	314	311
Metal products ..	340	340	340	340	337	+ 0.9	337	340
Others ..	287	287	288	287	286	+ 0.3	285	286
Miscellaneous ..	538.6	539.8	706.2	553.3	686.9	—19.4	686.9	612.4
All Commodities ..	342.3	344.2	402.4	353.8	394.0	—10.2	397.5	377.4

R=Revised. * Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMM

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Acreage 1953-54 Final	Acreage 1954-55 Final	Outturn 1953-54 Final	Outturn 1954-55 Final
Rice 2nd .. .. tons	68,502‡	71,224†	21,502‡	23,455*
Wheat .. .. .. "	26,028	24,235	7,792	7,393
Jowar (2nd) .. .. "	41,425‡	41,376†	5,998‡	5,535†
Bajra .. .. .. "	23,820	26,550	4,246	3,130
Barley .. .. .. "	8,140	8,010	2,721	2,849
Maize .. .. .. "	8,892	8,897	2,854	2,823
Ragi .. .. .. "	5,472	5,428	1,564	1,238
Small Millets .. .. "	13,187	12,431	2,183	1,905
Total cereals .. .. "	210,565	203,149	58,130	49,103
Gram .. .. .. "	176,077	170,864	45,617	38,871
Rape .. .. .. "	34,288	32,295	10,513	10,232
Kharif pulses .. .. "	14,035‡	15,192†	1,407‡	1,543†
Tur (2nd) @ .. .. "	5,630‡	5,055†	1,798‡	1,307†
Gram .. .. .. "	18,893	18,014	4,551	4,165
Other Rabi Pulses* .. "	11,130	11,185	2,075	2,042
Jute .. .. .. bales	1,273‡	1,196†	3,153‡	3,120†
Cotton (4th) .. .. "	17,465‡	16,224†	4,080‡	3,686†
Sugarcane (2nd) .. tons	3,617‡	3,562†	4,745‡	4,296†
Groundnut .. .. "	12,647‡	10,897†	3,623‡	3,573†
Linseed .. .. .. "	3,869	3,305	855	959
Castorseed .. .. "	1,273‡	1,375†	1112‡	1069†
Rape and Mustard Seed "	6,373	6,199	826	837
Sesamum (3rd) .. "	5,612	6,079†	567‡	534†
Total oilseeds .. .. "	27,593	27,681	5,591	4,546
Tobacco .. .. .. "	890	895	256	241
Black Pepper .. .. "	209	205	22	22
Ginger .. .. .. "	47	46	15	14
Dry Chillies .. .. "	1,326	1,235	310	294
Potato (2nd) .. .. "	845	638	1,657	1,604

Source: Ministry of Food and Agriculture.

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

* Excluding gram and Tur. @ Excludes Tur.

‡ Relates to 1954-55. † Relates to 1953-54.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During March, 1955 ..	89 3
	Corresponding month, 1954 ..	75 6
	Nine months ended Mar., 1955 ..	750 5
	Corresponding period, 1954 ..	644 4
Stocks	At the end of March, 1955 ..	94 5
	Corresponding month, 1954 ..	92 9
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 2nd April, 1955	3 191
	Corresponding week, 1954 ..	20 085
	From 1st to 2nd April, 1955 ..	94 836
	Corresponding period, 1954 ..	93,772
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 2nd April, 1955	8,523
	Corresponding week 1954 ..	41,307
	From 1st to 2nd April, 1955 ..	205 065
	Corresponding period, 1954 ..	350,625
	RAW JUTE	(In 000 bales)
Consumption by Mills† ..	March, 1955 (in lakh bales) ..	5 18
	Corresponding month 1954 ..	4 38
	Nine months ended Mar., 1955 ..	43 53
	Corresponding period, 1954 ..	37 37

* From Calcutta. † Estimated. R = Revised.

IRON AND STEEL PRODUCTION

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953 ..	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954 ..	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955 ..	11,84,400	10,42,000	7,81,200
December 1953	1,01,400	95,100	71,700
January 1954	1,02,800	99,900	77,400
February "	92,700	84,500	65,300
March "	94,600	89,700	65,000
April "	98,200	77,500	64,800
December "	1,05,600	95,000	78,800
January 1955	1,02,500	95,800	72,200
February "	98,500	84,600	63,900
March "	95,000	80,500	66,600
April "	95,100	88,000	66,200
Indian Iron and Steel Co.			
Year ended 31st March 1953 ..	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954 ..	5,80,020	3,49,930	2,97,440
Do. 31st March, 1955 ..	7,19,949	5,28,240	4,59,093
April 1955	52,210	30,980	19,090
May "	57,810	32,550	19,700
June "	56,780	22,940	13,020
Three months ended Sept., 1953.	68,890	18,850	11,840
Do., Dec., 1953	1,31,600	1,18,300	1,06,940
Three months ended Mar., 1954	1,87,760	1,28,510	1,16,940
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
Three months ended Sept., 1954	1,80,018	1,20,741	1,12,463
Do., Dec., 1954	1,96,068	1,36,401	1,20,418
Do., Mar., 1955	1,65,108	1,48,828	1,18,186

OVERALL BALANCE OF TRADE OF INDIA JANUARY, 1955†

Particulars	February, 1954	February, 1955	Eleven months, April to February 1953-54	Eleven months, April to February 1954-55
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
1. Trade in merchandise—				
(a) Exports	40,84	45,95	450,04	531,45
(b) Re-exports	41	40	4,33	4,69
Less—Transit trade ..	..	8	4	39
Net re-exports ..	41	37	5,079	4,30
Total exports ..	40,75	50,32	445 63	535,75
2. Imports	41,21	501,8	454,97	567,95
Less—Transit trade ..	..	2	11	12
Net imports ..	41,21	59,13	454,86	567,83
Balance of trade in merchandise	— 46	— 8.81	—41,23	—32,08
Balance of trade in gold and silver	..	— 1	—8	—2
Total overall visible balance of trade	— 46	— 8,82	—41,31	—32,10

* Total values of foreign trade of India by all routes (i.e. land).

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (In thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1952-1953 ..	1,168	34,406	128,773	28,539	11,413	2,635	949	171	169	209	169	297
1953-1954 ..	1,179	35,215	129,009	29,345	11,166	2,613	921	164	158	168	190	343
December 1953 ..	93	2,747	10,990	2,476	989	210	59	16	14	18	14	33
January 1954 ..	94	2,781	11,281	2,531	944	202	94	17	20	16	15	32
February " ..	101	2,157	10,313	2,274	1,018	179	76	13	16	14	14	30
March " ..	105	2,325	14,383	2,306	1,018	215	83	17	18	15	16	34
April " ..	106	2,198	9,923	2,275	953	211	63	20	15	10	15	34
May " ..	111	3,437	10,220	2,341	932	215	78	14	16	10	13	32
June " ..	..	..	..	..	909	210	71	10	13	7	13	32
July " ..	..	..	..	..	935	234	76	11	10	7	16	32
August " ..	..	..	..	..	935	245	79	11	9	7	13	34
September " ..	..	..	..	..	914	241	68	11	9	7	11	31
October " ..	..	..	..	..	934	241	65	13	10	13	13	31
November " ..	..	..	..	..	991	226	78	15	18	25	9	34
December " ..	..	..	..	..	1,064	229	70	20	14	21	10	36
January 1955 ..	..	..	..	..	1,082	223	74	20	17	19	15	35

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway.

† Progressive figures.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 5th May, 1955 ..	56 694
	Corresponding week, 1954 ..	81,396
	1st Sept., 1954 to 5th May, 1955	1,310 079
	Corresponding period, 1953-54 ..	1,373,118
Cotton Exports ..	Week ended 5th May, 1955 ..	9,553
	Corresponding week, 1954 ..	4,548
	1st Sept., 1954 to 5th May, 1955	247,666
	Corresponding period, 1953-54 ..	224,205
Mill Consumption ..	1st Sept., 1954 to 5th May, 1955	865,585
	Corresponding period, 1953-54 ..	854,830
Stock (with exporters, dealers and mills) in Bombay	On 5th May, 1955 ..	640,823
	Corresponding date, 1954 ..	661,606
Cotton Exports from Bombay (by sea)	During January, 1954 ..	28,136
	1st Mo., to 31st Jan., 1955 ..	128,685
	1st Sept., to 31st Jan., 1954 ..	122,509
Karachi (Pakistan)—		
Receipts	1st Sept., 1954 to 21st April, 1955	1,138 235
	Corresponding period, 1953-54 ..	1,329,105
Exports	1st Sept., 1954 to 21st April, 1955	430,736
	Corresponding period, 1953-54 ..	841,608

Particulars	From 1st Sept., 1954 to 9th May, 1955 Bales	From 1st Sept., 1953 to 9th May, 1954 Bales
From Bombay		
Cotton Exports to—		
United Kingdom ..	22,717	
Continent	38 191	12,661
Hongkong	3,221	22,500
China		201
Japan	71,758	
U.S.A.	15,916	58,557
Other Countries ..	1,360	12,478
		1,402
Total to all foreign countries	153,158	107 847
Coastal Ports	102,814	123 227
	Period	Quantity (Bale of 400 lbs.)
Consumption of Cotton—		
Indian	February, 1955	322 573
Foreign		(to 051
Indian	Six months ended Feb., 1955	2,022 926
Foreign		814,791
Indian	Same Period, 1954 ..	1,949 766
Foreign		841,074
Stocks (Mills and Elsewhere)—		
Indian	As on 28th February, 1955 ..	1,161 158
Foreign		135,385
Indian	As on 28th February, 1954 ..	1,092 118
Foreign		146 153
Cotton Freezed in India † (In running bales)	Week ended 29th April, 1955 — Corresponding week, 1954 ..	24 615
	1st Sept., 1954 to 29th April, 1955	107 119
	Corresponding period, 1953-54 ..	2 909 311
		3,106,544

* Adjusted. † Incomplete

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,54,000	1955-60	101
4 % Bonds	1926-33	63,30,26,000	1960-70	101½
3½% Loan	1934-39	1,16,17,46,000	1963-65	99¾
3 % Loan	1950	30,83,10,000	1964	93½
3 % Loan	1943	1,10,11,76,000	1966-68	91½
3 % V. Loan	1944	1,14,06,89,000	1957	94½
3 % Loan	1945	1,15,05,83,000	1970-75	87½
2½% Loan	1945	1,13,65,54,000	1959-61	97½
3 % Loan	1951	50,35 63 000	1958	99½
2½% Loan	1946	65,63,07,000	1960	94½
2½% Loan	1946	57,00,69,000	1962	91½
2½% Loan	1946	14,77,48,000	1976	82
2½% Loan	1947	75,86,72,000	1952	92½
2½% Loan	1948	60,45,01,000	1955	99½
2½% Loan (N.P. Bonds)	1953	75,00,00,000	1961	93½
2½% N.P. Loan	1954	156,75,00,000	1964	96½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,86,000	(At option of Government after three months' notice. On Expiry of 1986 or later at option of Government after three months' notice.	80½
3 % Loan	1946	248,91,90,000		80½
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,20,000	1958-68***	108½
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,22,800	18th Sept. 1955†	99½
3 % Bombay	1943	3,50,60,000	14th Sept. 1956	99½
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97½
3 % Bombay	1949	6,00,15,000	1st Aug. 1963	93½
3½% Bombay	1950	3,01,87,700	21st July 1960	94½
3½% Bombay	1951	4,04,06,900	17th Sept. 1962	98
4 % Bombay	1953	5,00,00,000	16th July 1963	101
4 % Bombay	1954	3,66,72,700	1st Aug. 1964	101
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98½
3½% Cochin	1936	70,00,000	1st June 1956-61	99½
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95½
3 % Madras	1939	1,22,95,600	21st June 1959	94½
3 % Madras	1942	1,23,25,000	18th Sept. 1956	99½
3 % Madras	1943	1,25,10 000	14th Sept. 1956	99½
3 % Madras	1944	1,07,98,000	14th Aug. 1958	98
3 % Madras	1945	2,75,46,000	14th Sept. 1960	94½
2½% Madras	1946	2,81,77,200	1st Sept. 1961	91½
2½% Madras	1950	4,85,25,400	21st July 1960	94½
2½% Madras	1951	3,01,49,800	17th Sept. 1962	90
4 % Madras	1952	5,00,00,000	16th July 1963	100½
4 % Madras	1953	5,24,81,200	1st Aug. 1964	100½
3 % Mysore (J)	1938	1,68,44,800	1st Nov. 1955	101½
3 % Mysore (J)	1938	2,95,82,200	1st Dec. 1955-62	101½
3 % Mysore (J)	1938	5,99,72,900	20th April 1956-61	99½
3 % Mysore (J)	1938	5,00,00,700	1st Jan. 1958	99½
4 % Mysore	1953	5,00,00,000	16th July 1963	100-1/8
3 % M.P.	1942	50,00,000	18th Sept. 1955	99½
3 % M.P.	1943	50,04,200	14th Sept. 1956	99½
3 % M.P.	1944	52,59,500	15th Aug. 1958	97
3 % M.P.	1948	2,08,00,000	16th Sept. 1964	92½
3 % M.P.	1950	1,00,29,900	21st July 1960	94
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97½
4 % M.P.	1953	1,00,00,000	16th July 1963	100
3 % Punjab**	1938-44	2,48,47,800	15th Aug. 1958	98 N
2 % Punjab**	1942	2,85,20,000	18th Sept. 1958	99-1/8 N
2 % Punjab**	1943	2,48,78,800	14th Sept. 1956	99 N
2 % Punjab**	1945	2,95,81,500	14th Sept. 1960	97½N
3½% Travancore	1936	50,00,000	16th Aug. 1956	99½
4 % Travancore Cochin	1953	3,00,00,000	16th July 1963	100 1/8
3 % U.P.	1936	1,89,89,800	15th Sept. 1961-66	90½
3 % U.P.	1944	3,23,96,800	15th Aug. 1958	97½
3 % U.P.	1945	2,36,21,600	14th Aug. 1959	96½
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	91½
2½% U.P.	1951	2,00,00,000	17th Sept. 1962	97½
4 % U.P.	1952	4,11,88,000	1st Aug. 1964	100-1/8
4 % U.P.	1953	5,00,00,000	16th July 1963	100-1/8
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
3 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	3,00,00,000	16th July 1963	100½

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
36,60,000	4	1904	1964	
85,00,000	4	1905	1966	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99½ N
40,00,000	4	1909	1970	
66,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,878	4	1913*	1960	D
80,00,000	4	1913	1973	99½ N
88,25,000	4	1914	1975	100 N
10,00,000	4	1915*	1960	
65,00,000	4	1915	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
85,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
18,00,000	3½	1932	1962	
24,88,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
49,04,000	3½	1938*	1968	
10,00,000	3½	1939*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	
76,90,100	4	1915	1975	99
1,50,00,000	4††	1921	1981	81
66,02,900	6½	1921	1981	144N
1,24,06,800	6	1925	1955-65	101½
98,21,600	5½	1926	1956-66	107
99,84,500	5	1926	1956-66	101½
1,49,49,500	5	1927	1957-67	102½
1,50,00,000	5	1928	1958-68	103
80,00,000	4½	1931	1991	98
80,00,000	5½	1935	1965	96
25,00,000	3	1938	1968-88	80
50,00,000	3	1945	2005	74N
50,00,000	3	1945	1975	84
50,00,000	3	1946	1976	84
50,00,000	3	1947	2006	78½N
50,00,000	2½	1947	1977	78
50,00,000	3	1948	1978	82½
50,00,000	3	1949	1979	96
1,00,00,000	3	1950	1980	96
50,00,000	3	1950	1990	81½
1,00,00,000	3	1951	1981	96½
50,00,000	3	1951	1991	94½
50,00,000	3	1952	1982	81
1,50,00,000	3½	1961	1991	97½
50,00,000	4	1958	1968	97½
50,00,000	4	1958	1988	96½
STERLING LOANS				
£992,500£	5	1922	1959-82	£87½
£601,700	5	1924	1954-64	£87½
£885,100	5½	1928	1962	£96
MADRAS				
Rs.				Rs.
21,47,100	3½	1947	1977	
9,00,000	3	1947	1977	
3,00,000	3	1948	1978	A
45,00,000	4½	1954	1979	
			1984	

INPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
50,00,000	4	1903	1963	
50,00,000	4	1904	1964	
50,00,000	5½	July 1905	{10-4} 1965	97½N
15,00,000	4	1906	1966	
30,00,000	4	1907	1967	
25,00,000	4	1908	1968	
18,00,000	4	1912	1972	
80,00,000	4	1913	1973	
25,00,000	4	1914	1974	97½
40,00,000	4	1916	1976	
68,00,000	5	1919	1957-79	118N
25,00,000	5	1920	1966-80	
25,00,000	5	1926	1966-86	116N
10,00,000	5½	1927	1961-70	96N
			1936	
STERLING LOANS				
£666,666	4	1909	1959	£68½
£338,100	4	1910	1970	£66½
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	101
25,00,000	6	1926	1956	
50,00,000	6	1928	1958	103
50,00,000	5½	1929	1964	99½
83,00,000	5½	1930	1965	94
80,00,000	5½	1931	1966	90
50,00,000	5	1936	1966	90
50,00,000	3	1937	1967	91
80,00,000	3	1938	1968-88	90
80,00,000	3	1952	1968	99½

MUNICIPAL LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
30,00,000	4	1913-14	1974	99½
30,00,000	4	1913-15	1975	100 N
10,00,000	4	1920	1960	11 N
25,00,000	5	1928	1958	104½
25,25,000	5	1929	1959-59	75
8,25,000	5	1929	1959	102½
2,50,000	3½	1937	1977	86½
4,00,000	3½	1938	1978	84
2,50,000	3½	1940	1980	82½
2,00,000	3½	1941	1981	78
1,80,000	3	1942	1982	82½
1,00,00,000	4	1953	1963	94
1,00,00,000	4	1954	1964	100
		1964	1966	99 N
CALCUTTA				Rs.
84,70,000	6	1925	1955	101
36,00,000	6	1928	1958	103
25,00,000	5	1929	1957	102
10,00,000	5	1929	1959	102½
83,91,000	5½	1932	1962	98
60,00,000	5	1936	1966	94
47,50,000	3	1938	1968	90
10,67,700	3	1938	1968	90
18,58,800	3	1939	1955	93
19,56,000	3	1939	1956	99½
17,64,000	3	1940	1957	99½
21,10,000	3½	1942	1959	99½
15,49,000	3½	1942	1959	98
18,45,000	3½	1943	1960	97
66,88,000	3½	1951	1961	97
67,36,000	4	1952	1966	97½
78,50,000	4½	1953	1967	99½
		1954	1968	100
MADRAS				
Rs.				Rs.
71,700	6	1925	1955	
8,67,300	6	1926	1956	100N
15,00,000	5½	1931	1945	101N
15,00,000	3½	1961	1991	107N
		1962	1992	107½N

N—Nominal.

ABBREVIATIONS

A—Held by Government of India. B—Taken up by Imperial Bank of India. C—Held by Commissioners.

(f) Income-tax free. * Loans held entirely by the Trustees. **Quotations are for Rupee Counterparts. D—Domestic Loan not marketable

Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. ***Rupee Counterparts

PREFERENCE SHARES

Company	Amount issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	134	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	100	100
Cawnpore Sugar Works	10,00,000	1905-24	5	Feb. Aug.	144	100
Deccan Sugar & Abkhari* A	7,00,000	1920	7	July Apr.	116½	100
¶East India Distilleries ..	£500,000	1897	7	Jan. July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	68	100
Do. (Non-voting.)	5,00,000	1940	7B	Dec. ..	68	100
Puranpore Co.	4,00,000	1922	10	Oct. ..	158	10
Ramnagar Cane	4,00,000	1933-34	6	Aug. ..	107	100
Ravalgaon Sugar	20,00,000	1943	3½	Oct. Apr.	75N	100
South Behar Sugar ..	3,00,000	1936	7(a)	Oct. ..	141½	100
Travancore	14,92,135	1946	5(c)	Dec. ..	7½	10
Upper Ganges	12,00,000	1932	3	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,508	1905	7	Jan. July	121	100
Borne	4,00,000	1896-97	6½	Oct. Apr.	119	100
Burrakur (1st)	£2,99,800	1901-19	7	Apr. Oct.	124	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	120	100½
Karanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	70	75(pp)
¶Khas Kajora	1,25,000	1931	7	Mar. Sept.	3½N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Onda	2,00,000	1898-99	6½	Apr. Oct.	114	100
COTTON						
Ahmedabad Advance ..	10,00,000	1929	5	Apr. Oct.	102	100
Bangalore	6,00,000	1884	6	Jan. July	130	100
Bassani Cotton	3,00,000	1938	6½	Nov ..	8	10
Benares Cotton	1,05,200	1919	7	July Jan.	63	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	119	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	135	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	80	100
Bradbury	14,75,000	1919	7	June Dec.	65	50
Buckingham & Carnatic	21,30,000	1920	7½	Jan. July	140	100
Cambodias	1,00,000	1928	7	Apr. ..	125	100
Central India	50,00,000	1912	5	Apr. Oct.	490	500
Coimbatore Pioneer ..	1,00,000	1935	6½	Nov. ..	117N	100
Elgin	11,00,000	1912	8	May Nov.	143	100
Do. 1st Pref. ..	4,20,000	1943	3	July Jan.	101	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	87½	100
Emperor	20,00,000	1919	7	June Dec.	129	100
Khatau Makanji (2nd)	29,92,500	1947	4	Nov. ..	87	100
Kothari's	12,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. ..	230	250
Morarjee Goculdas, Spg. & Wvg.	17,25,000	1947	4½	January	79½	100
Muir Mill	30,00,000	1900	6	Jan. July	80½N	100
Mysore Spg.	7,45,050	1944	4½	.. ..	30	50
National Rayon	1,74,64,700	1947	5	.. ..	87	100
New Great	6,00,000	1913	5½(a)	Mar. ..	185½	200
New Victoria	24,05,500	1920	8	Apr. Oct.	3	5
Podar Mills	10,00,000	1943	4	Feb. ..	77	100
Rajalakshmi	2,00,000	1932	6½	Apr. ..	53	50
Shree Nivas Cotton ..	4,00,000	1944	5	.. .

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N—Nominal quotations. e.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and All other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. s.	1953 Rs. s.	1954 Rs. s.	1955 Rs. s.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
50,00,000	3,74,976	63,22,382	43,05,372	—2,24,486	Rajputana Textiles (Agencies) Ltd.	47,512	8,981	Apollo Mills	2-10½	5	0 4(c)	0-4 (c)			12	W.
40,00,000	84,00,000	1,34,81,581	72,25,455	—5,76,311	B. R. Sons, Ltd.	50,596	1,921	B. R. Cotton Mills	30	100	Nil	Nil	Nil		3	W.
20,00,000	2,33,99,019	4,25,75,764	3,54,21,688	52,579	Nowrosjee Wadia & Sons, Ltd. ..	1,89,680	4,855	Bombay Dyeing & Mfg.	463½	250	20 0	22 0*	20 0		12	V.P.W.
10,00,000	27,36,559	33,58,179	48,57,495	2,48,761	Ramniklal Sons, Ltd.	42,008	860	Bradbury Mills	160½	50	100 0	100 0	75 0		12	W.
1,89,42,800	2,27,54,170	2,83,17,250	1,85,13,280	31,32,665	Birla Bros., Ltd.	1,25,936	2,698	Century Spg. & Mfg. ..	383	100	20 0	22 0	22 0		3	V.P.
49,00,000	13,44,490	1,14,09,462	65,52,039	—33,25,720	V. J. Plani (Chairman and Managing Director)	40,668	798	Colaba Land & Mill	558	100	Nil	Nil	Nil		12	W.
16,00,000	13,33,380	64,51,450	44,36,747	81,158	Cowasjee Jehangir & Co., Ltd. ..	30,130	480	Coorla Spg. & Wvg. ..	118½	100	7 8	7 8	7 8		12	W.
16,00,000	25,08,261	64,39,890	30,46,041	38,562	Ramnarain Sons, Ltd. ..	38,304	..	Dawn Mills	90½	50	6 0	6 0			3	W.
84,00,000	27,75,000	68,55,752	60,73,724	16,486	Parsamal Radhakishan & Co.	50,296	928	Edward Textiles	200	500	15 0	15 0			12	W.
89,97,750	11,93,392	1,07,90,311	78,99,238	17,999	K. D. Jalan, Esq. (Chairman)	43,176	886	Elphinstone Spg. & Wvg.	40½	50	3 0	Nil	2 81		12	V.P.
50,00,000	64,31,875	1,05,11,445	71,58,296	3,90,661	James Finlay & Co., Ltd. ..	46,072	784	Finlay Mills	247	100	20 0	16 0	16 0		12	V.
11,84,000 / 16,808	75,99,589	1,20,85,307	91,11,500	8,850	Thackersey Mooljee & Co. ..	49,672	1,126	Hindoostan Spg. & Wvg. Mills	1,800 / 250	200 / 250	0* 225 0* / 30 0	225 0 / 56 4*	56 4	40 0t / 10 0t	3	W.
8,00,00,000C / 90,00,000D	1,13,27,883	4,58,17,844	3,07,00,000	—16,41,890	Agarwal & Co.	2,38,030	6,278	India United Mills	865 / 11½	10 / 10	Nil	0 10 / 0 5			3	W.P.
8,65,000	71,99,043	1,22,31,586	83,39,000	3,551	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	1-3½ / 3,830	1,000	200 0*	225 0*	225 0		12	W.
25,000	40,24,767	2,15,86,170	1,74,28,945	23,212	Khatau Makanji & Co., Ltd. ..	84,604	1,513	Khatau Makanji Spg. & Wvg.	865½	500	100 0	112 8*	112 8	40 0t	3	W.P.
1,00,00,000	1,44,50,000	3,49,59,105	2,46,94,456	12,185	Kilachand Industries Ltd.	1,20,504	1,846	Kohinoor Mills	166½	100	10 0	10 0	8 0		6	W.P.
28,80,000A / 3,60,000B	64,00,782	4,36,527	88,878	6,08,536	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	844 / —	100A / 10B	6 4 / 1 4	6 4 / 1 4	18 0		12	W.
22,13,050	39,74,916	1,14,37,317	54,72,963	16,412	N. Sirur & Co., Ltd.	48,676	644	Modern Mills	85N	50	5 0	5 0	5 0		6	W.P.
31,75,000	52,32,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	2188	100	12 0	12 0	14 0		10	W.
1,60,40,600	2,83,011	4,93,70,648	1,10,00,000	8,01,242	Chiripal & Co., Ltd.	201	104	National Rayon Corporation	201½	100	Nil	9 0			6	V.P.
84,00,000	25,60,685	74,52,403	46,04,752	27,546	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg.	141½	100	10 0	10 0	10 0		12	V.P.
50,00,000	13,47,407	89,82,380	61,42,740	12,517	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	164	100	10 0	10 0	7 8		12	V.P.
12,76,108	36,36,004	42,69,582	13,76,686	483	Mafatlal Chandulal & Co (Bombay), Ltd.	34,100	873	New Union Mills	31½	10	1 4				12	V.
48,00,000	36,07,273	1,42,08,882	91,39,811	30,475	Ramnarain Sons, Ltd.	66,324	1,190	Phenix Mills	115	100	8 0	8 0			12	W.
40,00,000	43,62,741	24,64,450	22,30,000	8,99,184	Podar Sons, Ltd.	32,600	930	Podar Mills	158½	100	10 0	10 0			12	W.
5,00,000	8,44,062	21,20,749	18,39,340	2,590	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	14½	10	1 4	0 12			12	V.P.
85,00,000	69,06,474	1,24,27,606	81,47,782	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg. ..	36½	10	1 4	1 4			12	V.
60,00,000	66,20,061	87,30,546	45,01,044	8,69,922	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills ..	237½	100	12 8	14 0			12	V.P.
42,00,000	38,80,000	80,15,073	68,69,000	21,940	Forbes, Forbes Campbell & Co., Ltd.	29,436	1,274	Simplex Mills	153	50	15 0(p)	15 0	11 0	4 0t	3	V.
56,00,000	1,22,33,867	1,85,08,331	1,18,85,485	17,128	Mafatlal Gagalbhai & Sons ..	57,288	1,633	Standard Mills	366½	100	20 0	20 0	20 0		12	V.
1,00,00,000	82,26,342	1,52,83,887	1,02,23,292	43,799	Tata Industries Ltd.	70,764	2,000	Svadeshi Mills	187½	100	16 0	16 0	8 0		12	V.P.
36,00,000	62,78,465	1,17,42,521	70,22,715	3,59,764	James Finlay & Co., Ltd. ..	38,828	552	Swan Mills	316½	100	30 0	20 0	20 0		12	V.P.
32,39,438	49,96,389	1,59,55,305	48,92,129	11,417	Tata Industries Ltd.	62,096	1,800	Tata Mills	51	25	1 0	1 8	2 8		12	V.
12,00,000	62,35,708	98,83,223	74,65,000	4,819	Thackersey Mooljee Sons & Co. ..	54,424	1,181	Western India Spg. & Mfg. ..	3,875	1,000	200 0*	225 0*	25 0	40 0t	12	V.P.
AHMEDABAD																
83,00,000	25,97,650	96,80,904	55,57,028	5,660	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills ..	131½	100	10 0	10 0*	5 0		6	V.P.
10,00,000	90,33,638	89,83,424	65,39,067	7,878	P. M. Hutheesing & Sons, Ltd. ..	42,768	912	Arvind Mills	555	100	20 0*	20 0*			12	V.P.
26,25,000	2,23,86,002	1,33,18,915	89,73,000	47,546	Narottam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	1,200xd	100	25 0	25 0			12	V.P.
80,00,000	38,43,340	79,44,276	86,23,000	8,90,074	Mangaldas & Bros., Ltd. ..	85,884	884	Arvindya Ginning & Mfg. ..	336½	200	15 0	15 0			12	V.P.
12,00,000	1,08,38,621	82,14,168	66,70,738	55,356	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	637	100	22 0	22 0*	22 0		12	V.P.
1,24,79,011	1,11,66,203	4,24,88,718	3,07,33,344	16,00,756	Karamchand Premchand Ltd. ..	1,39,120	2,372	Calico	395½	125	18 0	18 0	18 0		12	V.P.
45,00,000	48,45,000	1,05,59,863	72,50,000	6,391	Tricumlal Bhogilal & Co., Ltd.	45,836	867	New Commercial Mills ..	1,105N	750	70 0	70 0			12	V.P.
8,00,000	66,61,702	1,14,89,135	91,35,306	6,387	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	792	125	35 0	35 0	35 0		12	V.
55,00,000	81,15,982	46,72,745	31,76,001	700	Jaychand Bhogilal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	705	100	30 0*	30 0*			12	V.
12,50,000	1,09,22,589	79,71,738	82,25,077	32,522	Lalbhai Dalpatbhai & Co. ..	31,120	634	Raipur Mfg.	1,026½	100	25 0	17 8			12	V.P.
12,00,000	13,93,067	74,93,069	89,47,450	—13,90,810	Mangaldas Girdhardas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	47½	100	Nil	Nil			12	V.P.
32,50,000	16,74,825	84,83,940	52,07,803	4,020	Lalbhai Gordhandas Ltd. ..	23,156	648	Shahi Mills	153½	100	8 0	8 0			12	V.P.
18,98,150	1,90,84,338	1,60,18,812	1,24,75,000	2,52,770	Hathibhai Kalidas & Co. ..	84,116	1,733	Shri Ambica Mills	410	50	16 0	18 0	20 0		12	V.P.
19,32,500	59,00,194	78,08,018	62,03,800	6,434	Mafatlal Chandulal & Co. (Ahmedabad), Ltd. ..	36,624	720	Shorrock Spg. & Mfg. ..	460	100	20 0	20 0	25 0*		12	V.P.
28,00,000	26,43,469	75,32,266	61,24,605	31,806	Harisiddhi Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	536½	400	35 8*	35 0*	35 0*		12	V.
WEST BENGAL																
15,00,000	1,88,479	34,10,729	19,43,810	41,227	Calcutta Agency, Ltd. ..	13,044	356	Basanti Cotton Mills ..	48	10	Nil	0 4			18	V.P.
7 11,280	3,95,369	40,89,998	23,80,978	47,818	Bengal Textile Agency, Ltd. ..	32,352	936	Bengal Luxmi Cotton Mills ..	38N	40	3 0	Nil	4 0		8	V.
6,00,000	22,71,793	80,75,189	51,22,000	—21,82,781	Ketkewill Bullen & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills ..	375	100	Nil	Nil	Nil		3	V.
19,00,000	25,17,371	95,37,856	49,33,000	—5,27,403	Ketkewill Bullen & Co., Ltd. ..	42,544	818	Dunlop Mills	200	100	Nil	Nil	Nil		6-12	H.P.
1,60,00,000	1,98,18,340	3,42,43,348	1,08,56,338	2,15,714	Birla Brothers, Ltd. ..	70,040	1,990	Kesoram Cotton Mills ..	26½	20	1 12	1 12	1 12		6-12	H.
6,00,000	9,78,008	84,54,400	67,06,287	8,158	Chakravarti Sons & Co. ..	23,484	442	Mohini Mills	—	15 / 10	1 4½ / 0 8				3	V.P.
19,47,700C / 5,00,000D	5,75 000	41,85,833	19,32,788	13,666	Hazaresmull Eicemlall	23,196	795	Rampooria Cotton Mills ..	12 / 8N / 1D	10 / 10 / Nil	0 3½ / Nil	0 3½ / Nil			6	Y.
SOUTH INDIA AND OTHER CENTRES																
15,80,000	9,09,109	29,21,613	21,03,246	8,756	Ramai & Co., Ltd.	55,000	..	Alagappa Textiles (Cochin) Ltd.	54	10						
31,94,400	31,99,354	2,06,06,796	50,52,372	3,771	Indonesia Trust Fund. ..	36,136	750	Assam Jute Mills	68	100	6 0	6 0			12	V.P.
46,30,000	1,91,68,745	2,87,22,995	2,24,71,643	2,44,711	Binny & Co. (Madras), Ltd. ..	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	437½	100	15 0	25 0	30 0		9	V.
27,00,000	15,50,000	77,25,162	53,72,132	18,199		29,936	782	Bengal-Nagpur Cotton Mills ..	11	10	0 8	Nil	Nil	Nil	12	V.P.
15,00,000	1,12,09,588	1,12,05,727	78,65,727	5,50,791	Birla Brothers, Ltd. ..	39,896	998	Birla Cotton Spg. & Wvg. Delhi	70N	10	0 4	Nil			6,12	H.P.W
1,78,47,800	1,54,69,697	4,50,29,308	1,94,493	26,773	Binny & Co. (Madras), Ltd. ..	1,20,356	2,744	Buckingham & Carnatic ..	152	100	3 0	3 0	3 0		3	V.
20,00,000	20,00,406	34,17,820	19,76,634	8,55,087	Peirce, Leslie & Co., Ltd. ..	37,534	..	Cambodia Mills	118	10	1 0	0 12	10 0		12	V.
14,99,229	4,75,000	42,54,384	15,27,257	..	Malabar Industrial Syndicate	16,800	..	Cannanore Spg. & Wvg. ..	130½	100	12 0	12 0	Nil		12	V.P.R.
36,00,000	24,49,773	31,86,118	17,84,818	26,773	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	81	5	0 9	0 9	0 8		3	V.
18,00,000	20,60,000	30,85,973	24,65,699	4,614	R. Bheema Naidu & Co. ..	24,864	..	Coimbatore Cotton Mills ..	276½	100	9 0	20 0	25 0		3	V.
80,00,000	13,90,000	33,11,341	19,08,303	9,400	T. R. N. Naidu & Co. ..	21,978	..	Coimbatore Textile Mills ..	222	100	9 0	10 0	Nil		12	V.
98,78,900	4,84,444	1,14,48,334	44,90,060	4,76,903	R. G. S. Naidu & Co. ..	72,188	407	Coimbatore Spg. & Wvg. ..	70	30	Nil	Nil	10-0t		12	V.
46,87,300	61,78,247	2,84,42,659	1,51,34,858	14,071	Tata Industries, Ltd. ..	1,15,188	2,062	Central India	126	100	2 0	5 0	2 0		6	V.P.
2,38,34,325 / 1,00,563	2,63,12,465	8,55,97,662	4,42,00,000	1,69,241	B. R. Charat Ram & Co., Ltd.	1,16,636	2,355	Delhi Cloth & General Mills ..	37½	25 / 5½	2 2 / 0 1 4½	2 2 / 0 4½	2 2 / 0 3½		6	V.P.
84,34,800	24,72,758	47,34,037	33,82,512	9,248	M. N. Chettiar & Sons ..	32,164	201	Dhanalakshmi Mills	268	100	20 0	20 0	30 0		6	V.P.
45,00,000	57,77,872	1,46,56,492	1,21,71,631	62,277	Begg, Sutherland & Co., Ltd.	32,768	1,198	Elgin Mills	18½	10	1 8	1 0	1 0		12	V.
48,81,008	33,91,175	88,91,779	65,24,878	37,169	Forbes, Forbes Campbell & Co., Ltd.	72,904	3	Gokak Mills	216½	100	17 0*	17 0	13 0		12	V.P.
50,00,000	12,75,743	1,25,73,688	88,01,206	12,371	Govindram Sakseria (Indore)	31,180	1,420	Indore Malwa United ..	91½	100	6 0	6 0			12	V.
8,90,000	10,62,423	88,57,887	14,68,589	..	G. V. Naidu & Co., Ltd. ..	22,784	..	Jasardana Mills	81cd	50	3 0	4 0			12	V.
84,00,000	15,75,000	64,03,081	12,00,000	20,004	Kothari & Sons	30,512	500	Kothari Textiles	72½	100	12 0	8 0			12	V.
82,00,000	69,32,519	1,42,27,744	1,05,78,587	19,080	Bombay Co., Ltd.	31,972	1,219	Lakshmi Cotton Mfg. ..	352½	250	27 8	37 8	35 12		12	V.
35,54,100	44,00,008	1,00,53,685	69,38,848	85,793	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	141 / 72	50	3 0	3 0	10 0		12	V.P.
1,73,03,480	4,13,81,878	8,66,33,243	3,44,90,463	9,66,800	A. & F. Harvey Ltd.	4,63,852	100	Madura Mills	45½	25	2 8	2 8	3 0		3	V.
12,00,000	4,17,363	27,72,881	16,02,069	1,14,098	A. L. A. R. Chettar and Others.	22,592	603	Malabar Spg. & Wvg. ..	120	100	6 0	3 0	3 0		12	V.
60,00,000	69,00,000	61,38,483	89,96,152	30,153	W. A. Boardwell & Co., Ltd. ..	25,656	704	Madras Mills (Nagpur) ..	335	100	12 8	12 8	22 8*		12	V.
29,80,884	28,14,117	76,14,218	41,47,283	12,036	N. Sirur & Co., Ltd.	39,200	1,254	Model Mills (Nagpur) ..	138½	100	7 0*	7 0*			12	V.
94,91,850	27,24,404	1,81,29,118	78,81,228	—3,44,932	Benubhai Abirchand Dadabhoy & Co.	51,340	1,834	Muir Mills	110N	100	7 8	7 8*	5 0(c)		12	V.
90,00,000	52,19,600	1,18,36,278	1,05,91,631	—17,77,190	Indian Textile Syndicate Ltd. ..	48,640	500	Mysore Spg. & Mfg. ..	114½	50	10 0*	10 0*	8 0*		6	V.
84,83,300	56,29,568	93,23,192	81,77,444	22,997	N. Sirur & Co., Ltd.	49,644	..	Mysore Sugar Silk Mills ..	44	10	Nil	Nil	Nil	3 01	3	V.
22,89,880	2,58,745	29,42,992	18,27,000	3,986	R. Sarvanarayana Roe Esq. Managing	6,000	..	New Victoria Mills	1½ / D. 2½	10 / D. 1	Nil / Nil	Nil / Nil	Nil		11	Y.P.T.
8,00,000	25,63,532	1,02,16,296	58,90,719	—39,62,329	J. P. Srivastava & Sons, Ltd.	48,676	1,198	Osmanshahi Mills	70	100	7 0	Nil			3	V.
37,63,600	87,08,000	1,64,48,327	62,62,651	15,819	Industrial Trust Fund	27,788	847	Palani Andavar Mills ..	111 / 58A	100 / 75B	7 0 / 4 0	4 0 / 12 0			12	V.P.
4,00,000A / 4,00,000B	7,50,000	33,81,578	18,20,484	551	Bhagkyalakshmi & Co.	29,924	..	Pankaja Mills Ltd.	157 / 55	100	11 4	18 0			9	V.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons ..	27,980	..	Radhakrishna Mills	223cd / 111cd	100 / 50B	10 0 / 3 0				12	V.P.
16,81,200A / 8,49,200B	20,00,000	73,90,455	41,41,878	28,607	A. G. Gurusamy Naidu & Co.	54,864	301	Rajalakshmi Mills	133½	50	4 0	8 0	16 0		12	V.
8,00,000	32,25,000	25,50,868	16,48,985	34,422	R. R. Naidu & Sons	25,896	..	Rayalseema Mills	90	100	Nil	7 8	8 0		12	V.
15,00,000	12,10,000	38,91,595	14,22,264	23,500	Rayalseema Development Co. ..	14,800	600	Sona Textiles	59	10	0 6	0 6	9 0		12	V.P.
22,23,375	12,10,000	58,29,367	35,63,291	—19,39,428	J. P. Srivastava & Sons (Rampur).	33,984	2,234	Sholapoor Spg. & Wvg. ..	1,400 / 800	1,000 / 500	Nil / Nil	Nil / Nil	Nil		12	V.
60,00,000	62,44,308	2,89,27,048	2,04,27,279	—1,50,02,067	Murarka & Co.	86,048	2,234	Sri Krishnarajendra Mills ..	74½	50	4 0*	4 0*	Nil		3	V.
16,00,000	1,60,39,516	8,49,27,048	2,04,27,279	26,144	H. N. Pallegar, Esq.	31,668	292	Shree Rajkamal Mills	72N	100	Nil	4 0*	4 8		3	V.P.
36,69,700	11,45,000	75,40,039	49,25,631	—2,46,777	Gopaldas Liladhar & Co., Ltd. ..	17,880	440	Sutlej Cotton Mills	76	10	4 0	Nil	Nil		3	V.
28,14,800	2,00,246	35,18,906	17,73,000	21,221	Birla Brothers, Ltd.	36,212	1,242	Bangalore Woollen, Cotton and Silk Mills ..	437½	100	4 0	4 0	3 0		3	V.
15,00,000	2,49,73,985	87,38,169	62,02,085			1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	9 / 100	100 / 10P.O.	Nil / Nil	0 9 2½ / 0-4 2½			3	V.
17,50,000C / 1,57,50,000PO	2,20,000,000	4,32,93,265	1,56,70,740	2,67,165	Jaipuria Brothers	1,56,256	..	Travancore Rayons	14½cd / 12	10 / 10	0 11 1/2	0 3 8	0 10		12	V.P.
99,84,040	16,00,000	2,75,11,606	1,00,28,764	1123,122	Emcete & Sons (Travancore), Ltd.	33,704	270	Trichinopoly Mills	213	100	12 0	12 0	14 2½		12	V.P.T.
19 98,670	8 79 479	56,92,298	56,81,499	30,500	Meeriee Ramjee & Sons ..	26,212	1,493	Vasanta Mills	121½	100	10 0	4 0	15 0		12	V.
21,00,000	32,00,000	1,38,35,036	1,00,33,390	22,250	R. K. B. Chetty & Brothers ..	54,280		Vishnu Cotton		100	10 0	4 0	4 0		12	V.P.
32,00,000	31,99,443				Bombay Co., Ltd.										12	V.P.

*Includes bonus.

** Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(b) Subject to taxation and workers' bonus.

(g) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X, R.=Ex-Right.

(c) Paid out of reserves.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. s.	1953 Rs. s.	1954 Rs. s.	1955 Rs. s.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
13,28,000 / 6,64,000	16,64,000	1,09,25,186	50,37,365	21,554	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	32½ / 13½	25 / 10	Nil / Nil	Nil / Nil	Nil / Nil		5	V.P.
16,20,630	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	7½	5	0 8	0 8			9	V.
480,000A / 300,000B	£897,579	£1,225,541	£513,606	£57,290	Parry's Holdings Ltd. ..	East India Distilleries and Sugar	17 / 28½	A. 16sh. / B. 41	Sh. 1 3/5 / Sh. 3	Sh. 1 3/5 / Sh. 4	Sh. 1 3/5 / Sh. 5 4/5		3	V. / V.P.
6,00,000	9,60,000	11,63,313	11,63,307	4,057	Vittal Mallya, Esq. (Chairman	United Breweries	165	75	15 0	15 0	15 0		3	V.
CEMENT														
61,37,700A / 39,67,420B	8,69,857	75,78,758	35,89,342	4,636	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	136½cd / 131cd	A. 100 / B. 10	7 8 / 0 12	10 0* / 1 0*			12	Y.P.R.
43,14,600O / 4,70,976D	11,14,602	18,53,830	7,23,479	1,20,881	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	6½ / 1½	O. 10 / D. 1	Nil	Nil			3	W.N.
42,67,59,333	4,18,90,259	20,42,88,558	7,85,13,157	6,93,281	Cement Agencies Ltd. ..	Associated Cement Companies	178½	100	9 8	9 8	8 8		7	W.
60,00,000O, 86,49,798O, 3,00,000D, 61,84 930O, 7,50,000D	46,39,155	81,39,445	20,01,691	67,792	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	14½ / 34 / 2 / 24	O. 10 / O. 25 / D. 1 / O. 25	0 10 / 0 2½ / Nil / 1 4	1 0 / 0 4 / 0 1-3/5 / Nil	1 4½ / 0 4		12	Y.P.W.
59,86,000	13,00,000	1,67,86,035	51,49,060	1,62,701	Shree Laxmi Agents Ltd. ..	India Cements Ltd.	4½	D. 5	0 4	Nil	0 4½		3	V.P.
75,00,000	20,93,000	1,75,91,085	1,37,82,076	6,448	Martin Burn Ltd.	Shree Digvijay Cement ..	183	100	6 0	6 0			12	W.P.
50,00,000	....	1,04,00,351	34,33,980	2,75,554	Essel Ltd.	Sonavalley Portland Cement ..	7½	5	0 8	0 6			12	W.
						Travancore Cements Ltd. ..	9½cd	10	0 8	0 8	0 10		12	Y.
CERAMIC; MINING AND QUARRYING														
81,70,653	1,50,000	60,96,114	23,31,090	15,378	S. Lall Bhagat & Co.	Bengal Potteries	3½	2½	0 2½	0 2½			12	W.
10,00,000	22,81,783	56,54,921	32,63,272	8,804	Bird & Co., Ltd.	Birla Stone Lime Co.	43½N	10	0 14 / 0 8	0 14 / 0 8	0 8f		3, 9	H.
£514,200	£1,105,500	£1,839,281	£997,797	£76,278	G

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs	Reserves Rs	Gross Block Rs	Depreciation Rs	Carried Forward Rs	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
						PAPER								
45,00,000	20,36,841	1,98,78,118	1,37,10,118	1,50,325	Balmer Lawrie & Co.	Bengal Paper Mills	65	25	Nil / 1 9	1 9 / 1 9½			6,12	H.P.T
30,00,000	33,44,805	1,07,15,561	71,75,830	2,34,328	Andrew Yule & Co., Ltd.	India Paper Pulp	258	100	5 0 / 5 0	6 0 / 6 0	7 0 / 7 0		3,9	H
85,00,000	16,12,500	1,18,13,367	47,51,061	49,179	B. P. Ramakrishnan Esq.	Mysore Paper Mills	17½	10	1 0* / 1 0	0 12* / 0 12	0 15* / 0 7½		3	W.
1,46,82,500	1,69,72,408	3,91,23,962	91,37,779	2,47,582	Birla Bros.	Orient Paper	27½	10	1 0 / 1 0	1 0 / 1 0	0 8 /		3,9	H.P.T
90,06,290	78,16,849	1,11,54,742	62,73,807	2,83,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	16½	10	0 12 / 0 12	5,99,593 / 0 12			6,12	H.P.T
20,00,000 / 10,80,000A.	7,02,430	50,37,167	28,55,530	9,798	Bajoria & Co.	Star Paper Mills	13½ / 44½	O. 10 / A. 10 / A. 10 / B. 10	0 4 / 1 0* / 1 0* / 1 0*	0 6 / 1 0* / 1 0* / 1 0*	0 12 / 0 12 / 0 12 / 0 12		3,9	H.P.T.
56,00,000A. / 36,04,300B. / 4,37,500P.O.	2,83,01,797	5,11,76,455	3,06,96,855	3,59,432	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	44½ / 41xd	P.O. 2½	0 2 / 0 2	0 2 / 0 2	0 2 / 0 2		3,9	H.P.
						PRESSING								
8,00,000	6,12,365	15,78,488	10,90,581	20,403	Andrew Yule & Co.	Calcutta Hydraulic	90	100	5 0	5 0	4 0		6	V.
4,50,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	89N	100	7 8	8 0			7	V.
5,00,000	1,55,000	10,91,811	9,30,377	12,962	Andrew Yule & Co	Central Hydraulic	92	100	5 0	4 0	5 0		6	V.
						PROPERTY AND LAND								
10,,2,780O. / 8,00,000D.	7,43,065	43,46,067	21,43,279	96,047	B./A. Basil, Esq., & others (Directors)	Humayun Properties	10½ / 1½	O. 10 / D. 1	0 8 / Nil	0 11½ / 0 12	0 9 3/5 /		9	W.P.
60,00,000	18,90,938	84,21,336	15,00,000	350	David Sassoon & Co., Ltd.	Port Canning Land	11½	100	1 0	1 8	1 8		4	W
84,00,000	35,56,934	96,49,123	1,08,646	95,262	Andrew Yule & Co.	Midnapore Zamindary	39	100	2 0	1 8	4 0		4	W.P.
						SAW MILLS AND TIMBER								
13,99,998	28,19,726	25,86,404	6,94,804	—97,203	Bird & Co.	Assam Saw Mills	5½	8	0 4	Nil			9	W.
50,00,000 / 42,00,000	4,08,84,385	3,05,42,310	1,22,52,525	56,875	Wallace & Co.	Bombay-Burmah Trading Corpn.	466½ / 172½	Old 125 / New 50	22 8 / 9 8	15 0 / 6 0	20 0 / 8 0		8	W.
6,00,000	.....	2,90,768	1,76,945	—5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	39N	100	Nil	Nil			6	V.P.
20,00,000	18,15,487	18,19,049	13,53,013	1,79,568	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	39½cd	10	3 0	2 8	2 12		9	W.
						SUGAR (U.P. and Bihar)								
14,00,000	13,55,971	38,50,924	27,77,928	23,527	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	9½	5	Nil	Nil	0 12			
12,00,000A. / 3,00,000B.	29,18,356	49,46,285	33,16,660	15,50,000	Narang Bros. & Co., Ltd.	East Sugar	140N / 13½N	A. 100 / B. 10	10 0 / 1 0	10 0 / 1 0	10 0 / 1 0		4	W
19,45,050	5,50,000	31,91,657	23,33,812	49,906	Bangur Bros., Ltd.	Belsund Sugar	10½	74	0 12	0 12	0 12*		9	V.
15,00,000	13,85,319	45,47,836	11,27,841	26,084	Cotton Agents Ltd.	Bharat Sugar	19N	10	1 8	1 8	1 8		6	V.P.
32,00,000	26,79,431	1,35,76,859	88,78,177	61,723	Gladstone Lyall & Co., Ltd.	Carew & Co.	12½	10	Nil	Nil	0 12		6	V.P.T.
15,00,000	53,02,981	1,00,12,335	81,32,451	59,696	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	19½	10	2 0	2 0	0 12		10	V.P.
18,00,000	32,88,892	47,14,964	50,49,402	24,329	Begg, Sutherland & Co., Ltd.	Champarun Sugar	30½	10	2 0	1 0	1 0		6	V.
5,99,432	6,18,562	22,46,286	14,01,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	7½xdN	10	0 8	1 0			8	V.T.
85,00,000A. / 10,00,000D.	33,25,000	49,95,552	45,50,008	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	115N / —	A. 100 / O. 100	12 0* / 12 0*	15 0* / 15 0*			6	V.P
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	57N / 30N	80 / 40	Nil / Nil	Nil / Nil			7	V.P.
7,89,100	23,03,922	29,32,672	17,61,033	64,888	Cotton Agents Ltd.	New India Sugar Mills	34N	10	2 8	2 8	2 8		6	V.P.
11,00,000	4,00,000	37,49,397	24,14,065	8,769	Karamchand Thapar & Bros., Ltd.	New Savan	61	10	0 8	0 4			5	V.
10,87,500 A. / 8,71,875 B.	49,84,457	63,27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mills	220N / 55N	100 / 25	20 0 / 5 0	20 0 / 5 0	20 0 / 5 0		6	V.
77,48,500	52,22,414	1,75,96,483	88,00,008	36,923	Cotton Agents Ltd.	Ouch Sugar	115N	100	6 0	11 0	11 0		7	V.P.
12,00,000	12,74,233	28,77,649	19,95,928	—55,000	Nanang Bros. & Co., Ltd.	Punjab Sugar	115N	100	6 0	10 0	10 0		10	V.
9,00,000	15,93,919	35,23,093	29,32,249	1,957	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	18½xd	10	1 0	1 0	0 12		10	V.P.
8,00,000	6,34,762	25,43,782	21,01,613	24,340	Begg, Sutherland & Co., Ltd.	Ryam Sugar	19½N	10	1 0	0 8	0 8		6	V.P
11,99,000	17,75,737	38,17,366	32,17,129	13,455	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	15½	10	1 0	0 8	0 8		6	V.
80,00,000	21,68,360	1,08,85,319	57,08,717	5,475	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	17½	10	1 8	1 8	1 8		8	V.P.T.
9,99,950	61,825	27,77,628	12,85,342	—1,89,266	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	3½	10	0 6½	Nil			6	V.
7,95,462	16,32,940	29,95,970	16,32,168	92,009	Karamchand Thapar & Bros.	Shri Sitaram Sugar	18½	10	1 0	2 0*			8	V.T.
9,15,000O. / 4,40,000D.	47,592	27,27,402	11,46,770	—15,90,149	N. K. Jain & Co., Ltd.	South Behar Sugar	19N / 8N	O. 10 / D. 2½	Nil / Nil	Nil / Nil			10	V.P
8,00,000	20,87,588	83,26,115	50,99,754	48,719	Cotton Agents Ltd.	Upper Ganges Sugar	30N	10	2 0	0 8	2 8		6	V.P.
16,00,000	7,99,778	81,12,369	84,99,851	5,181	James Finlay & Co., Ltd.	United Provinces Sugar	25½	10	1 8	0 8			9	V.
						Other Centres								
6,99,750	65,29,871	1,40,80,073	84,87,447	33,628	W. H. Brady & Co., Ltd.	Belapur Company	305½	50	16 0	16 0	16 0		9	V.
50,000	11,90,010	31,68,833	19,76,042	38,000	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	12	10	1 0	1 0	1 0		9	Y.P.
15,93,900	2,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M. B.) Ltd.	Cawnpur Sugar	46N / 18½	100 / 10	Nil / 2 8	Nil / 2 8½	Nil		6	V.T.
10,00,000	30,25,085	25,07,464	18,53,439	2,32,019	India Sugar Agencies Ltd.	India Sugar and Refineries	14N	10	1 4	1 4	1 4		9	V.T
3,00,000	42,47,476	41,33,228	19,37,712	3,477	Goyen Bros. (Rampur), Ltd.	Buland Sugar	10	10	0 12	1 0			10	V.
33,57,586 / 10,52,200O. / 2,87,190D. / 81,79,240	67,50,000	84,86,942	27,56,542	2,546	V. Ramakrishna, Esq	K. C. P. Ltd.	133½ / 90	O.100 / D. 10	7 8 / 10 0	7 8 / 10 0	7 8 / 10 0		6	V.P.
	90,22,871	1,21,03,930	73,11,305	2,28,221	M. S. Swaminathan, Esq. (Managing Director)	Mysore Sugar	53½	10	2 0	2 0	2 0		6	V.
50,00,000	47,49,631	1,07,50,631	55,61,246	15,411	Mafatlal, Apte and Kasulal Ltd.	Platina Sugar	116½	50	6 0	8 0	8 0		9	V.
16,59,820	20,50,830	53,90,015	26,76,747	20,230	Anderson Wright Ltd.	Ram nagger Cane and Suga	24½	10	2 0	2 0	1 8		8	V.P.T.
80,00,000O. / 4,00,000D.	24,67,171	87,47,627	53,31,89	61,432	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	9N / 7N	O. 10 / D.10	Nil / Nil	Nil / Nil	Nil / Nil		9	V.P.T.
19,99,908	46,07,818	45,46,104	19,83,541	3,144	Govan Bros. (Rampur) Ltd.	Raza Sugar	101N	10	0 12	1 0			10	V
80,00,000	10,37,776	59,75,254	17,87,159	—37,224	Parry & Co., Ltd	Travancore Sugars	7½	10	Nil	Nil	Nil		7	V.P
1,01,00,000	61,19,890	2,85,70,950	1,04,63,312	1,79,083	Premier Construction Co., Ltd.	Walchandnagar Industries	206½	100	14 0	14 0	16 0		9	V.P.R
						TRANSPORT								
20,00,000	1,08,42,425	1,33,68,272	13,76,183	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co.	142	100	12 8	10 0	7 8		10	Y.P.
1,00,00,000	11,17,773	3,57,24,932	1,60,89,871	69,556	Dinshaw Ltd.	Bharat Line	81	100	5 0	5 0			12	V.
50,00,000	84,35,838	1,83,20,489	63,44,422	1,09,704	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	15½	10	1 0	1 0	1 0		6	V.
6655,580	6954 756	65,633,007	43,454,207	43,327	Kilburn & Co., Ltd.	India Coastal Navigation & Rly. Co	93	Rs.10	Nil	Nil			4	V.
2,25,00,000	74,99,233	4,41,60,669	1,52,36,755	1,64,560	Lionel Edwards Ltd	India Steamship Co.	7-5½	10	0 8	0 8	Nil.		12	V.P.
9,40,19,673	7,83,28,023	14,92,76,428	3,71,00,000	2,72,820	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	15-6½	20	0 8	0 12	0 8		3	V.P.
8,40,000O. / 6,10,200P.O.	17,33,073	10,83,408	6,54,056	1,88,899	E. A. Smith, Esq., (Manager)	Watford Transport Ltd.	16 / 1½	O. 1 / P.O. 1	as 1 3/25 / as 1 9/25	as 1 3/25 / as 1 9/25	0 8		6 / 12	V.T. / V.
						UNCLASSIFIED (Bombay)								
2,40,000	95,000	5,35,957	3,89,000	760	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	35 0	32 0	32 0		9	V
15,98,860	2,04,173	2,18,255	80,000	40,555	Parakh Agencies Ltd.	Bombay-Uganda	69N	80	4 0	5 0			8	V
85,00,000	1,80,000	25,30,071	13,483	8,047	Dean Sons, Ltd.	Devkaran Nanji Investment Co.	10½	25	0 12	0 12	0 12		3	V
14,98,840	3,09,622	26,42,753	18,75,000	74,466	Choonilal Manilal Ltd.	Estrela Batteries	35N	50	2 8	Nil	3 0		3	V.P
99,99,250	19,07,876	1,27,52,603	....	2,85,005	Premchand Roychand & Sons	Industrial Investment Trust	58	100	4 8	4 8	4 8		12	V.P
1,00,00,000	51,25,000	21,31,427	7,78,349	18,107	E. D. Sheppard, Esq. (Mg. Director)	Killick Industries	170½	100	10 0	10 0	11 0	4 01	6	V.
1,07,00,200A. / 10,00,000B.	5,29,603	2,64,35,763	98,15,035	—13,44,485	Auto-Auto Ltd.	Premier Automobiles	75½	A. 100 / B. 10	Nil / Nil	Nil / Nil			6	Y.
10,21,200	5,56,605	14,71,107	12,41,107	36,753	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	23	20	3 0				6	V.
8,75,000	75,25,568	8,92,47,116	1,52,36,500	5,28,887	T. Rydin, Esq. (Managing Director)	Western India Match Co.	206½	100	11 0*	11 0*	11 0*		12	V.
45,00,000	53,74,847	7,24,608	3,07,108	45,548	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	V.
						Other Centres								
47,50,000	15,00,000	1,88,63,301	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	61	O. 10	Nil	Nil.	Nil		3	V.P.T.
2,50,000	40,60,690	31,77,196	21,11,902	2,39,798	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	19½	10	1 4	1 4	1 4		8	V
50,00,000	8,25,000	35,74,632	20,11,857	1,17,453	T. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	10½	10	1 4*	1 4*	1 4*		8	V
28,00,000	23,47,883	1,00,29,510	39,87,838	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	4½N	10	0 4	0 3 1/5	0 3 1/5		12	V.
60,00,000O. / 1,10,62,712	1,11,62,712	59,55,515	30,55,515	5,43,847	O. T Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	161 / —	O. 100 / D. 40	20 0* / 0 6*	20 0* / 0 6*			3	V.P.T
10,00,000P.O.	7,99,470	57,53,560	....	1,21,733	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4			12	V.
20,00,000	37,09,225	1,02,29,699	26,93,003	1,63,901	F. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	12½	10	0 12	0 8	1 4		9	V.P.
30,64,480	1,00,82,962	2,02,29,657	2,07,14,167	2,81,142	Sir Robert Menzies	British India Corporation Ltd.	8½	5	10	0 8	1 0		12	V.P.T.
3,25,00,000	1,60,00,000	4,93,17,964	3,08,33,134	11,88,891	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	35½	10	1 8	1 8	0 1		12	V.P.
1,60,00,000	79,00,000	1,34,39,918	....	3,13,308	Bird & Co., Ltd.	Eastern Investments Ltd.	170	100	9 0	9 0	9 0		12	V.P.T.
51,26,000	53,95,753			11,238	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	190	100	20 0	20 0	7 8		12	V.P.
14,00,000	9,97,000	53,12,243	18,66,225	1,58,072	K. R. Fettes Esq.	Gillanders Arbuthnot & Co., Ltd.	118	10	10 0	10 0	7 8		8	H.
65,00,000	38,00,000	19,19,106	6,67,885	1,366	B. P. R. Syndicate	Great Eastern Hotel	258N	250	15 0	15 0	15 0		9	V.P
30,00,000	11,42,354	68,39,433	29,41,525	19,013	Birla Bros., Ltd.	Hind Cycles	109N	100	6 0	8 0	4 4		3	V.P.
12,42,600	7,07,944	70,51,010	47,39,268	4,54,999	Birla Bros., Ltd.	Hindustan Motors	8½	10	Nil	Nil	Nil		12	V.P.T.
4,94,12,650	36,77,754	3,05,00,214	60,52,719	2,96,312	J. W. Cameron, Esq.	Indian Aluminium Co.	151	100	5 0	Nil	Nil		12	V.P.
1,60,00,000	1,09,40,984	3,96,21,557	1,54,14,609	19,70,064	A. R. Driemen Esq.	Indian Cables	26½	10	1 0	1 0	1 0		3	V.P.
1,52,89,220	5,38,000	1,32,87,233	46,27,452	17,480	G. E. Mauntes & Co. (India), Ltd.	Indian Rubber Manufacturers	13	10	1 0*	1 0*	1 0*		12	V.P.
8,27,970	52,62,941	15,79,995	8,39,426	5,26,226	G. M. Mackinlay, Esq.	Jardine Henderson	116½	100	10 0	12 0	6 8		3	V.P.
8,00,000		31,49,487	7,33,287	9,240	James & Co., Ltd.	Macfarlane & Co.	— / 5	O. 5 / D. 1	Nil	Nil	7 8		3	V.P.
6,54,000O. / 2,00,000D.	3,48,343	6,09,830	4,31,766	1,07,086	C. L. Bajoria, Esq.	McLeod & Co.	220	O. 100 / D.O. 10	7 0 / 0 4	10 0 / 0 4			8	V
40,80,000O. / 5,00,000D.	66,88,146	25,22,837	7,33,942	2,52,480	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	23½	10	0 12	1 0	1 0		12	V.P.
1,30,93,750	53,14,868	19,97,616	8,95,141	13,11,213	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	20½	10	1 0	1 0	1 0		9	V.P.
1,15,00,000	39,01,000	1,56,11,388	59,32,798	—71,442	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	8½	10	Nil	Nil			3	V.P.
6,35,250	1,72,448	7,82,942	2,60,987	73	G. Chasty, Esq. (Controller)	Mysore Lamp Works	14½	10	1 0	1 0	1 0		12	V.P.
6,56,250	6,55,113	10,40,250	4,40,947	35,598	K. Narayanaswamy, Esq.	Mysore Tobacco	11	10	1 0	1 0	1 0		12	V.P.
10,00,000	1,20,000	14,23,286	7,19,467	1,75,176	Associated Industrial Development Co., Ltd.	National Insulated Cable	23½	10	0 12	1 0	1 0		3	V.P.
20,00,000	49,41,539	53,81,562	27,19,098		B. N. Elias & Co., Ltd.	National Tobacco Co.	9½	10	Nil	Nil			3	V.T.
	28,68,388	69,70,031	3,78,836	10,62,030	Cavendish Investment Trust Ltd.	Parry & Co.	4½	10	0 4½	0 4½			3	V.P.T.
79,97,000	27,00,000	44,15,474	19,71,434	—42,97,067	T. A. Lykiardopulo, Esq.	Rallis (India) Ltd.	39	100	Nil	Nil			12	V.P.
46,00,000	6,41,684	1,61,45,956	43,79,329	4,46,951	Bahu Jain Ltd.	Rohtas Industries	24½xd	10	1 8	Nil	Nil		12	V.P.T.
8,25,00,000	1,17,70,208	5,94,43,157	3,00,81,612	6,44,527	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17½	10	1 0	1 4	1 8		12	V.P.
1,14,00,000	93,51,062	1,19,12,218	78,10,822	3,67,879	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	14½	10	1 0	1 8	1 8		10	V.P.T.
40,00,000	38,50,000	12,92,304	3,20,363	—1,06,543	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	Nil	Nil			6	V.P.
75,00,000	1,56,000	14,27,407	3,01,599										12	V.P.
9,94,380													12	V.

‡ Investments at cost.

† Excluding goodwill (written down) Rs. 60 lakhs.

* Includes bonus.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
							ASSAM								
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co. Ltd.	825	Amluckie	600N	100	7 8	25 0	30 0		12	Y.P.
2,76,500	4,50,000	7,71,948	3,05,709	31,218	Andrew Yule & Co. Ltd.	312	Ananda (Assam) Tea	46xd	10	0 12	1 4	7 8½		12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co. Ltd.	420	Ananda Bag	54	10	Nil	2 8	1 8½		12	Y.
5,50,000	7,21,416	16,60,355	5,32,872	—75 110	McLeod & Co. Ltd.	513	Baghmari	26½	10	Nil	Nil			12	Y.
3,40,000	8,20,000	11,50,416	2,98,096	70,514	Andrew Yule & Co. Ltd.	369	Bamaatia	47	10	2 0	2 8			12	Y.
3,30,000	3,70,000	9,24,593	5,59,593	80,009	....	599	Bateil	25½xd	5	0 4	2 0	1 8½		12	Y.
3,20,000	5,70,000	9,39,920	2,13,496	61,395	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	65	10	Nil	2 0	1 8½		12	Y.
16,50,000	20,60,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co.	3,967	Bishnauth	47½	10	Nil	3 8			12	Y.
6,00,000	2,53,500	10,49,416	2,08,130	61,929	Octavius Steel & Co., Ltd.	485	Bokakhat	23½	10	Nil	Nil	1 0		12	Y.
7,50,000	4,50,000	8,36,160	2,52,708	5,960	McLeod & Co., Ltd.	450	Bormah Jan Tea	20½	10	Nil	0 12	1 0		12	Y.P.T
35,00,000	11,92,045	73,80,473	19,49,496	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	15½	10	1 0	0 8	1 4		6	Y.P
1,20,000	1,93,097	4,40,080	1,69,074	—16,624	McLeod & Co., Ltd	282	Dejoo Valley	53½	10	Nil	1 0			12	Y.
6,00,000	7,97,500	23,17,843	16,06,120	36,977	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	424	100	10 0	20 0			12	Y.
17,53,440	7,04,519	21,43,185	3,42,779	10,336	James Warren & Co., Ltd.	620	Dhekakhat	19½	10	1 0	1 8	0 8½		12	Y.
4,68,970	2,70,000	11,71,408	4,34,259	8,732	James Finlay & Co., Ltd.	615	Dhunseri	24½	10	Nil	2 0	1 0½		12	Y.P.
4,50,000	3,25,400	6,02,617	2,35,483	16,852	McLeod & Co., Ltd.	458	Dibrugarh	30½	10	Nil	1 0	1 0½		12	Y.
2,36,700	4,75,000	8,80,047	4,70,047	43,918	Williamson Magor & Co.	625	Dimakusi	69½	10	1 0	4 8	1 0½		12	Y.P.
3,60,500	6,05,000	17,90,747	10,40,747	1,14,476	Williamson Magor & Co.	615	Duffla shur	48	10	2 0	4 0	1 0½		12	Y.P.
10,00,000	4,65,000	21,78,081	8,83,081	38,641	Williamson Magor & Co.	1,177	East India Tea	28½	10	0 4	2 8			12	Y.
3,60,000	3,50,000	8,16,864	4,01,797	13,932	....	407	Gillapukri	44	10	Nil	1 12			12	Y.
3,38,000	3,60,000	13,95,316	6,19,316	79,542	Williamson Magor & Co.	546	Gohpur	30½	10	1 8	3 0			12	Y.
A.4,94,360 / B.2,40,790	14,22,810	18,09,304	5,63,575	23,354	Octavius Steel & Co., Ltd.	1,393	Grob	37½ / 18½ / 7½	A 10 / B 5	2 0 / 1 0	3 0 / 1 8	0 12½ / 0 6½		12	Y.
2,00,000	7,00,000	7,04,481	2,29,888	48,032	Andrew Yule & Co., Ltd.	476	Hoograjuli		10	1 8	3 0			12	Y.
4,35,000	8,54,216	18,50,196	9,54,270	24,921	Andrew Yule & Co., Ltd.	1,290	Hoolongooree	375N	100	Nil	12 8			12	Y.
7,50,000	5,85,000	13,98,777	2,44,299	38,941	Gillanders Arbuthnot & Co., Ltd.	938	Jutilibari	22½	10	Nil	Nil	1 0½		12	Y.
2,40,000	80,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,166	Kingsley-Golaghat (Assam)	360N	100	Nil				12	P.Y.
6,50,000	4,94,133	6,79,844	1,29,844	72,557	Duncan Bros. & Co., Ltd.	1,037	Ledo	26½	10	Nil	2 0			12	Y.
8,00,000	11,40,000	19,48,410	4,74,285	45,524	Octavius Steel & Co., Ltd.	612	Methonl	26½	10	Nil	1 8	4 8		12	Y.
4,80,000	40,000	8,94,211	84,211	14,238	Duncan Bros. & Co. Ltd.	671	Moheema	18½	10	Nil	Nil			12	Y.P.
1,50,000	4,47,344	7,34,419	4,05,097	16,968	Kettlewell Bullen & Co., Ltd.	433	Motiola	650N	100	Nil	40 0	15 0		12	Y.
O. 50,000 / P.O.2,00,000	4,05,000	8,98,088	5,22,218	34,889	Andrew Yule & Co., Ltd.	344	Murphulani	45 / P.O.10	O.10 / P.O.10	2 0 / 2 8	2 0 / 2 8			12	Y.
4,00,000	3,61,274	6,00,328	3,80,669	9,367	S.C. Sen, Esq., Supervising Director	542	Naga Hills	41	10	Nil	3 0	3 0½		12	Y.
3,35,000	—	12,71,401	6,78,401	5,053	Shaw Wallace & Co., Ltd.	810	Namburnedi	23½	10	Nil	Nil	0 8½		12	Y.
5,00,000	1,15,000	5,92,221	1,92,221	21,164	Duncan Bros. & Co., Ltd.	935	New Cinnatollah	25½	100	Nil	5 0			12	Y.
2,00,000	4,27,500

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
					PLANTING: PRODUCE AND RUBBER									
2,00,000	2,35,000	3,76,125	22,948	34,760	Planting Agencies Ltd. ..	Balmadies Plantations ..	3¾	2	0 3½	0 4	0 4		2	Y.P.T.
17,94,186	16,19,828	30,44,517	3,00,811	1,02,250	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar ..	7–5½	3	0 9 3/5	0 12	0 12		5	Y.P.
18,00,000	13,78,817	31,25,582	4,43,587	1,58,644	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	16½	10	0 14 2/5	0 4 4/5	2 8		6	Y.P.
47,70,000	57,62,500	1,00,81,036	15,88,295	4,24,565	R. C. Paterson, Esq. ..	Consolidated Coffee ..	18–12½	10	1 12 4/5	1 8	1 12		6	Y.P.
4,00,000	3,34,078	5,19,105	46,991	11,406	Associated Planters Ltd. ..	Cottanad Plantations ..	14½	10	1 8*	1 8*	1 8		3	Y.P.
18,00,000	6,86,355	22,16,637	4,18,493	57,291	A. V. Thomas & Co., Ltd. ..	Highland Produce ..	15½	10	1 0	1 4	0 10½		12	Y.P.
4,00,000	10,16,061	10,85,666	1,39,566	11,970	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates ..	25	10	2 0	2 0	2 0		4	Y.P.
4,50,000	11,78,329	9,97,046	2,35,186	14,253	P. Kurian John, Esq. ..	Malankara Rubber ..	26½	10	3 8	3 8	2 4		3	Y.
27,00,000	27,35,000	71,39,275	6,74,802	99,729	A. V. Thomas & Co., Ltd. ..	Midland Rubber ..	16½	10	1 8	1 8	1 12*		3	Y.P.
3,35,000	1,56,000	13,80,323	1,24,260	42,480	A. V. George & Co., Ltd. ..	Neromeny Rubber ..	15cd	10	0 10	0 12			12	Y.P.T.
2,00,000	2,63,714	4,60,783	34,844	8,398	Associated Planters Ltd. ..	Nilambur Rubber Co. ..	13½	10	1 0	1 0			12	Y.P.
19,45,980	24,01,085	37,40,924	10,24,385	69,334	Cuchterloney Valley Estates	Peirce, Leslie & Co., Ltd. ..	3¾	2	0 3½	0 3½	0 9 3/5		10	Y.P.T.
13,50,000	6,80,000	39,49,798	3,06,746	54,658	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber ..	15½	10	1 8	1 12*	1 12*		6	Y.P.
3,66,780	2,50,000	5,94,562	49,313	89,904	Peirce, Leslie & Co., Ltd. ..	Savamalai Estates Ltd. ..	26½	10	3 8	3 0	2 4		11	Y.
10,00,000	3,09,600	21,81,045	1,32,358	1,227	East India Agencies ..	Teekoy Rubber (India) Ltd.	9	10	0 14½	0 14 2/5	0 12		3	Y.P.T.
2,50,000	2,37,500	3,25,213	24,851	13,303	A. V. George & Co., Ltd. ..	Thamaraparly Rubber ..	26cd	10	2 8	3 0	2 3½		12	Y.P.
6,10,200	2,75,005	7,98,048	62,162	17,826	Peirce Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	1–14½	1	0 4	0 4½	0 1 3/5		9	Y.
6,00,000	54,522	7,40,843	98,185	2,171	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber ..	16½	10	2 0	2 0			12	Y.
41,00,000	14,29,673	74,86,897	7,65,148	3,28,925	Aspinwall & Co. (Travancore)	Travancore Rubber and Tea Co., Ltd.	10½	10	0 9 3/5	1 0	1 8		12	Y.P.T.
20,00,000	1,20,000	24,90,804	4,98,253	2,038	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co. ..	35½cd	25	2 8	3 0			12	Y.
6,28,580	3,40,669	7,41,672	12,350	30,763	Harrisons & Crossfield Ltd.	Vaikundam (Travancore) Rubber	21½	10	2 0	2 0			12	Y.
1,65,000	87,259	3,50,536	13,684	1,063	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates ..	12½	10	*Nil*	1 0	1 8		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs	Accounts Closed	Reference
60,00,000	55,00,000	96,99,205	51,47,202	54,436	B. N. Elias & Co., Ltd. ..	879	Agarpara ..	14	10	1+1	1+1	1f		3,9	H.T.P.
12,00,000	27,00,000	45,81,286	32,42,838	54,874	Sahu Jain Ltd. ..	498	Albion ..	149	100	8+10	12+12	12f		3,9	H.P.
6,00,000	5,35,000	51,04,592	33,39,395	10,062	McLeod & Co., Ltd. ..	446	Alexandra ..	235	100	*Nil*	*Nil*+2½	2½f		6,12	H.P.T.
30,00,000	7,35,000	1,17,45,964	90,43,069	61,708	McLeod & Co., Ltd. ..	1,264	Alliance ..	180	100	*Nil*	*Nil*+5	5f		6,12	H.P.
49,20,700	82,13,386	2,54,81,317	1,78,90,000	1,47,643	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India ..	219	100	10+10	7½+5	2½+5		3,9	H.
c40,00,000	40,52,240 *	1,63,99,837	84,16,116	7,674	Bird & Co., Ltd. ..	810	Auckland ..	138	100	5+4	2+2	1+2½		3,9	H.P.T.
20,00,000	25,93,136	98,25,588	65,19,459	18,759	Jardine Henderson & Co. ..	959	Bally ..	184	100	*Nil*	*Nil*	*Nil*		3,9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,889	Barasgore ..	177½	£5	£1	£1	£1	sh.2½	3	Y.P.
28,00,000	35,49,623	89,73,096	49,13,770	1,11,9117	Andrew Yule & Co., Ltd. ..	820	Belvedere ..	212cd	100	7½+7½	7½+7½	5+5		6,12	H.P.
45,00,000	36,45,000	55,76,391	29,60,822	2,95,071	Soorjmull Nagarmull ..	600	Bengal ..	144xd	10	1	1	1		6	Y.P.T.
91,26,000	2,08,61,400	3,18,53,661	1,29,13,354	1,26,903	Birla Bros., Ltd. ..	1,373	Bir'a ..	19½	10	3	3	1½		3	Y.P.
36,00,000	29,62,925	1,11,36,530	71,77,582	1,20,609	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	64+6½	100	6+4	6+4	4+5		4,10	H.P.
7,47,380	3,16,924	41,38,590	29,87,611	2,610	Dayaram & Sons ..	502	Calcutta Jute Mfg	14½ N	10	0 9 3/5	*Nil*	1f		4,12	H.P.T.
18,00,000	32,31,234	77,51,603	40,35,574	78,538	Andrew Yule & Co., Ltd. ..	616	Caledonian ..	275cd	100	6+6	6+6	4+5		3,11	H.
59,16,400	1,01,06,609	1,88,44,427	1,05,04,000	22,542	James Finlay & Co., Ltd. ..	600	Champdany ..	164	100	7+8	3+3	*Nil*+3		3,9	H.
15,95,000	30,14,282	80,62,490	55,81,340	1,37,479	Andrew Yule & Co., Ltd. ..	530	Cheriot ..	298xd	100	6+6	6+6	6+8		3,11	H.
30,15,000	27,75,000	60,14,632	44,94,094	86,056	McLeod & Co., Ltd. ..	500	Chitavalah ..	14½	10	2½+1½	1½+3	1f		6,12	H.T.P.
16,00,000	17,00,000	78,04,949	64,24,440	18,647	Shree Krishna Investment Co., Ltd.	969	Clive ..	16½	10	2	*Nil*			3	Y.
31,49,200	62,11,927	1,28,98,802	63,22,413	15,344	Bird & Co., Ltd. ..	766	Dalhousie ..	140	100	6+4	1+3	1+1½		3,9	H.P.
28,00,000	44,74,179	74,57,171	46,41,725	1,66,508	Andrew Yule & Co., Ltd. ..	779	Delta ..	25½	10	10+10	10+10	6+6		5,11	H.P.
15,00,000	35,25,000	76,36,813	56,35,731	56,215	McLeod & Co., Ltd. ..	500	Empire ..	25⅜	10	4+4	4+4	1f		6,12	H.T.P.
11,00,000	53,28,948	2,70,49,318	1,81,05,210	40,839	Ketlewell Bullen & Co., Ltd.	1,884	Fort Gloster ..	470N	100	10+*Nil*	*Nil*	*Nil*		3,9	H.P.
14,00,000	13,00,000	82,12,503	49,27,586	71,285	Bangur Bros., Ltd. ..	1,014	Fort William ..	380N	100	*Nil*	*Nil*+3	10+10		3,9	H.P.T.
24,32,100	2,73,755	2,11,52,730	1,36,01,908	5,930	Macneill & Barry Ltd. ..	1,709	Gangee Mfg. ..	103½	100	*Nil*	*Nil*+*Nil*	*Nil*+½		3,9	H.P.
10,80,000	28,00,000	71,32,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara ..	990	300	30	15	*Nil*		3,9	H.P.
24,00,000	31,83,104	2,20,06,337	1,47,50,294	1,56,427	Macneill & Barry Ltd. ..	1,394	Gourepore ..	336½	100	1½+*Nil*	1½+3½	2½+7½		3,9	H.P.
40,00,000	55,68,234	72,92,744	48,50,613	2,95,107	Bangur Bros., Ltd. ..	1,078	Hastings ..	115N	100	10	10	10+6		3	Y.P.
16,80,000	18,52,626	66,38,235	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly ..	44½	10	1	1	1		3	Y.P.
65,62,500	58,82,162	1,47,23,497	1,06,14,353	1,65,858	Jardine Henderson Ltd. ..	1,940	Howrah ..	30½	10	1+½	1+½	1+½		3,9	H.P.
52,50,000	20,00,000	2,42,23,884	1,49,75,884	1,64,711	Ramdutt Ramkissendas ..	2,272	Hukumchand ..	32½	10	2½	1+½	1+½		3	Y.P.T.
O. 87,00,000	19,20,063	1,11,31,089	75,39,061	38,601	Mackinnon Mackenzie & Co.	1,076	India ..	195	O. 125	3½+3½	3½+3½	*Nil*+3½		3,9	H.
D. 30,000									D. 1	As.+4	As.+4	As.+			
24,00,000	28,34,204	1,36,86,233	1,21,96,305	84,189	Jardine Henderson Ltd. ..	1,797	Kamarhatty ..	206	100	8½+6	6+3	3+3		6,12	H.P.
B. 19,20,000								183xd	'B' 100	8½+6	6+3	3+3			
30,00,000	18,14,767	1,31,87,376	98,19,537	62,312	Jardine Henderson Ltd. ..	1,527	Kankinarrah ..	151xd	100	6+4	5+2½	2½+4		4,12	H.P.
B. 24,00,000								135½	'B' 100	6+4	5+2½	2½+4			
21,00,000	48,25,000	1,05,38,484	74,86,276	1,19,643	McLeod & Co., Ltd. ..	703	Kelvin ..	340	100	7½+7½	7½+7½	*Nil*		6,12	H.
21,00,000	23,83,375	1,46,29,755	1,14,44,627	35,864	Anderson Wright Ltd. ..	1,530	Khardah ..	190	100	10+15	10+7½	7½+5		3,9	H.P.
54,00,000	21,64,000	2,29,23,597	1,08,58,211	29,674	F. W. Heilgers & Co. ..	1,250	Kinnison ..	186	100	10+7	4+5	2½+5		3,9	H.P.
48,00,000	1,02,14,684	1,39,26,497	78,80,252	4,428	Bird & Co., Ltd. ..	931	Lansdowne ..	132	100	7+3	2+3	1+1		3,9	H.P.
24,48,000	48,31,837	1,14,93,720	63,14,525	12,683	Bird & Co., Ltd. ..	640	Lawrence ..	145	100	11+4	3+3	3+4		3,9	H.P.
28,00,000	39,56,165	41,51,730	36,06,454	53,755	Andrew Yule & Co., Ltd. ..	558	Lothian ..	410	100	15+15	15+15	5+15		3,11	H.P.
10,00,000	26,14,413	50,99,335	19,08,316	8,502	Mackinnon Mackenzie & Co.	815	Magna ..	115½	100	2½+2½	2½+2½	*Nil*2½		6	H.
81,65,200	41,13,783	1,92,51,004	94,88,274	—7,08,068	F. W. Heilgers & Co. ..	1,008	Nathati ..	111	100	6+*Nil*	*Nil*	*Nil*		3,9	H.
29,98,900	15,05,000	72,82,446	48,50,613	1,826	Howrah Trading Co. ..	425	Naskarpara ..	148	10	1½	*Nil*+½	1f		4,10	H.
20,00,000	44,29,326	28,15,067	16,73,660	1,88,426	Andrew Yule & Co., Ltd. ..	852	National ..	35½	10	1+1	1+1	1+1		4,10	H.
35,00,000	22,75,000	28,38,765	9,63,390	1,23,399	McLeod & Co., Ltd. ..	316	Nellimarla Jute	112½	10	2+1	1+1½	1f		6,10	H.
26,25,000	23,13,033	26,82,794	18,86,219	84,434	Sahu Jain Ltd. ..	709	New Central ..	148	100	10+12	12+12	12f		6,12	H.P.T.
31,50,000	34,13,033	49,75,722	24,95,902	43,470	Bird & Co., Ltd. ..	367	Northbrook ..	168	10	1+½	1+½	1+½		6,12	H.P.
16,79,880	31,05,696	1,23,66,779	59,31,089	33,079	Macneill & Barry Ltd. ..	1,092	Nuddea ..	54½	50	1+*Nil*	*Nil*+½	*Nil*+½		3,9	H.P.T.
66,79,500	31,70,094	2,15,09,993	1,38,37,886	1,21,195	Andrew Yule & Co., Ltd. ..	601	Orient ..	189xd	100	1+6	4+4	3+3		3,9	H.
24,91,000	27,81,049	71,20,511	49,55,472	2,441	McLeod & Co., Ltd. ..	400	Presidency ..	7½	5	*Nil*	*Nil*+½	1f		3,11	H.P.
25,00,000	4,99,002	80,67,981	62,60,461	—10,89,456	M. P. Birla, Esq. ..	305	Rameshwara ..	7f	10	*Nil*	*Nil*	*Nil*		6,12	Y.P.
20,00,000	1,40,946	26,48,443	7,67,493	18,875	Jardine Henderson Ltd. ..	1,276	Reliance ..	14½	10	*Nil*	1½	*Nil*f		3,9	H.P.
49,50,000	8,01,372	1,23,46,455	57,04,882	859,425	Thomas Duff & Co. (India), Ltd.	2,013	Semnagar ..	14½	£1	10%	10%	*Nil*		3,9	H.P.T
£600,000	£1,093,713	£1,228,258‡	....	10,341	Bagaria Mors & Co., Ltd. ..	911	Shree Ambica ..	14½	£1	10%	*Nil*+½	1f		12	Y.P.
30,00,000	13,12,193	1,03,17,335	71,03,045	2,34,934	Hindustan Investment Corporation.	401	Soorah ..	172N	10	*Nil*				3,9	H.P.
14,00,000	10,29,608	48,33,752	37,62,133	1,112	Bird & Co., Ltd. ..	650	Standard ..	148	100	8+1	1+1	1+1		12	Y.P.T.
23,19,600	47,29,578	1,01,23,059	57,01,016	£108,510	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur ..	14½	£1	10%	10%			3,9	H.P.
£600,000	£925,119‡	£992,042	....	9,515	Bird & Co., Ltd. ..	1,326	Union ..	188	100	10+1	10+4	1+3		12	Y.P.
35,98,600	85,79,790	1,93,34,618	76,50,486	£1,12,138	Thomas Duff & Co. (India), Ltd.	1,331	Victoria ..	14	£1	10%	10%			3,9	H.P.T.
£400,000	£688,035‡	£1,086,826	....	35,624	McLeod & Co., Ltd. ..	465	Waverley ..	8½	1	*Nil*	*Nil*+½	1f		12	Y.P.
2,50,000	4,95,000	55,94,678	37,77,741											6,12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	20,75,000	83,30,999	36,70,999	21,411	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	23½xd	10	1+1	1+1	1+1		3,9	H.
12,00,000	8,38,299	38,74,552	35,42,552	20,386	Jardine Henderson Ltd. ..	Bararee Coke ..	20½	10	3/5+1	7/10+7/10	8+1		3,9	H.
4,49,350	70,000	8,49,139	3,57,466	3,819	Andrew Yule & Co., Ltd. ..	Bengal-Bhaidee ..	5½N	10	20+20	17½+1	7+7/10		6,12	H.
1,00,00,000	1,27,25,854	5,66,19,576	3,70,80,321	6,07,575	Andrew Yule & Co., Ltd. ..	Bengal Coal ..	500xd	200	1	1	1		6,12	H.
2,25,000	5,10,369	25,37,614	22,43,053	....	H. V. Low & Co., Ltd. ..	Bengal-Nagpur ..	11½	10	1+1	1+1	1+1		4,10	H.P.
15,97,000	5,10,369	25,37,614	22,43,052	25,529	Sahu Jain Ltd. ..	Bhalgora ..	7	10	1	1	1		6,12	H.P.
40,00,000	14,81,010	1,30,60,104	68,94,790	13,644	F. W. Heilgers & Co., Ltd. ..	Bharat Collieries ..	7½	10	*Nil*	*Nil*	*Nil*		9	
7,15,000	14,41,318	51,73,361	34,39,224	—2,04,456	Anderson Wright (Ramgarh), Ltd.	Bhulanbararee ..	11½	10	*Nil*f	*Nil*	*Nil*f		6	Y.T.P.
16,00,000	16,22,934	68,16,454	39,74,841	—1,34,132	F. W. Heilgers & Co., Ltd. ..	Bokaro-Ramgur ..	12N	10	1½+1½*	1½+1½*			6,12	H.
7,50,000	22,09,390	41,57,477	25,34,282	98,643	Bird & Co., Ltd. ..	Borree ..	30	10	1+1	1+1	1f		6,12	H.T.
90,92,480	1,70,76,208	4,10,36,356	1,71,71,586	1,49,910	Hindustan Investment Corpn., Ltd.	Burrakur ..	12½xd	10	*Nil*	1+1	1+1		6,12	H.P.
49,97,750	....	34,81,935	2,57,645	5,907		Central India ..	7f	10	*Nil*	1	1		6,12	H.P.T.
8,00,000	13,54,302	49,10,414	32,43,954	82,768	F. W. Heilgers & Co., Ltd. ..	Central Kurkend ..	13N	10	*Nil*	1	1		3	Y.
6,00,000	1,43,341	7,25,000k	....	25,618	Macneill & Barry Ltd. ..	Churia ..	2½	4	1+½	1+½	1f		6,12	H.
16,00,000	1,20,000	50,63,761	27,27,536	—1,91,155	Jardine Henderson Ltd. ..	Dhemo Main ..	8½	10	*Nil*	*Nil*	*Nil*f		6,12	H.
£240,000	£342,496	£244,005	£11,181	£63,577	Macneill & Barry Ltd. ..	East Indian ..	28½	£1	3 (1)	2½	2½		6,12	H.T.
29,63,760	71,99,925	3,66,52,739	2,81,14,367	1,85,653	Bhatter's Agency Ltd. ..	Equitable ..	31½	10	2+1½	1+1	1f		4	Y.
10,00,000	2,11,139	9,72,721	3,23,963	40,284	Killick Industries Ltd. ..	Giridih ..	14½N	10	1				6,12	H.P.T.
12,00,000	1,22,000	37,04,970	19,00,221	445	Macneill & Barry Ltd. ..	Gimlay-Rampur ..	40½	50	1	1	1		3	Y.
8,00,000	5,75,000	21,42,581	18,13,083	62,148	Bajrang Trust Ltd. ..	Hurriladih ..	19	10	3+1	1+1	1		6	Y.
22,00,000	1,08,577	31,70,015	10,56,245	—1,95,248	Andrew Yule & Co., Ltd. ..	Jeetal Coal ..	13½N	10	*Nil*	1	1		6,12	H.
3,50,000	4,26,551	14,93,445	9,91,521	3,145	Bird & Co., Ltd. ..	Kalapahari ..	27N	10	1½+1½	1½+1	*Nil*		12	Y.P.
20,00,000	9,375	29,40,669	2,46,630	91,518	Andrew Yule & Co., Ltd. ..	Karanpura Collieries	100	100	*Nil*	*Nil*	*Nil*		2½	H.
5,00,000	13,60,000	44,39,243	34,62,230	—2,40,236	Berlawala & Co. ..	Katras Jherriah ..	48½	10	2+2	2+2	2+2		2	Y.P.
1,38,400	5,72,960	12,85,941	5,72,960	—41,320	H. V. Low & Co., Ltd. ..	Khas Kajora ..	5N	10	*Nil*	*Nil*			3	Y.
11,00,240	64,314	16,72,961	10,41,463	2,253	H. V. Low & Co., Ltd. ..	Kusum ..	7N	10	1	*Nil*	*Nil*		6,12	H.
9,00,000	11,86,413	28,69,268	22,97,987	25,598	S. P. Tandia, Esq. ..	Lakurka ..	10N	10	1	1	1		6,12	H.P.
7,48,240	1,50,000	11,58,128	8,95,686	4,560	Amritlal Ojha & Co., Ltd. ..	Navira ..	7½	10	1	1	1		6	Y.
7,00,000	26,617	10,33,740	5,20,295	42,594	Andrew Yule & Co., Ltd. ..	New Banadoopur ..	7½N	10	1	1	1		4	Y.
17,76,230	18,91,763	1,16,14,994	15,42,712	2,485	Octavius Steel & Co. Ltd. ..	New Beerbhoom ..	19	10	*Nil*+½	1+½	1+½		6,12	H.
6,00,000	85,000	29,00,087	16,42,360	8,676	Andrew Yule & Co., Ltd. ..	New Manbhoom ..	9½	10	*Nil*	1	*Nil*		3,9	H.
1,15,000	2,47,693	12,93,355	8,05,952			North West ..	11½N	10	1+1	1+1	*Nil*		4,10	H.P.
1,57,500				96,307	F. W. Heilgers & Co., Ltd. ..	Ondal ..	7½N	7½	1	1+*Nil*	*Nil*		3,9	H.
7,50,000	11,79,228	3,97,666	2,77,666	38,140	K. C. Thapar & Bros. ..	Oriental Coal ..	19½	10	1+1	1+1	1f		6,12	H.P.
10,00,000	1,10,000	37,18,080	16,07,868	5,618	Deepchand Kisberlall ..	Parasea ..	9½	10	*Nil*	1	1		6,12	Y.T.
8,34,000	1,32,942	17,23,281	6,78,407	20,192	Shaw Wallace & Co., Ltd. ..	Pench Valley ..	23	10	1	1	1		6,12	H.
15,75,000	14,00,000	45,17,541	32,67,541	72,002	N. B. Elias & Co., Ltd. ..	Rameegunj ..	11½	10	1+1	1+1	1+1½		3,9	H.
23,99,500	17,17,105	1,16,31,468	80,43,780	27,844	Shaw Wallace & Co., Ltd. ..	Rewa ..	21½	10	1+1	1+1	1		3,9	H.
13,50,000	7,89,385	30,74,660	25,05,660	438	Jaipuria Sons Ltd. ..	Samla Collieries ..	9½	10	1+1	1+1	1+1		6,12	H.
20,00,000	3,93,008	32,32,218	13,30,500	19,527	Gillanders Arbuthnot & Co., Ltd.	Searsole ..	12½N	2½	1	1	1		4,12	H.
1,25,000	1,85,000	12,10,180	10,21,382	39,411	Andrew Yule & Co., Ltd. ..	Seebpore ..	26	2½	2½	1	1+1		12	Y.
2,80,000	7,36,598	29,34,340	17,77,135	—1,22,722	F. W. Heilgers & Co., Ltd. ..	Sendra ..	9½N	10	*Nil*	1	*Nil*		6,12	H.P.
8,00,000	8,75,468	36,88,786	26,51,462	—6,49,301	Industrial Trust Fund (Government of Hyderabad)	Singareni ..	7½	10	1	1	1		4,12	H.T.
63,21,450	12,01,620	3,51,42,302	2,49,62,544			South Karanpura ..	11½	10	1+1	*Nil*				
				3,853	Bird & Co., Ltd. ..	Standard ..	18½	10	1+1	1+1	*Nil*+½		12	Y.
17,50,000	10,85,425	37,23,396	14,57,868	39,039	F. W. Heilgers & Co., Ltd. ..	Talcher ..	3½	2½	1	1	1f		2,9	H.
8,00,000	14,72,339	1,09,570	23,310	—3,64,536	Villiers Ltd. ..	Union ..	18	10	1+1½	1+1	1f		6,12	H.
10,00,000	12,940	30,13,423	15,43,501	68,861	Williamson Magor & Co. ..	Western Bengal ..	7½	10	*Nil*		1f		6	Y.
3,50,000	3,65,000	18,61,212	14,05,212	68,727	Hindustan Investment Corpn., Ltd.	West Jamuria ..	15½	10	*Nil*	*Nil*	*Nil*f		6,12	H.
49,98,000	21,916	47,68,934	16,41,545	582	Macneill & Barry Ltd. ..								6,12	H.
7,00,000	3,57,000	30,89,488	21,36,223											

TELEPHONE INDUSTRY

PROGRESS IMPRESSIVE

By Jagdeesh Prasad

MANAGING DIRECTOR, INDIAN TELEPHONE INDUSTRIES LIMITED

SIX and a half miles east of the city of Bangalore, on the road to Madras, is Duravani Nagar, the telephone city. In 1948, the travellers on this road, after crossing the Krishnarajapuram railway overbridge, came across snake-infested waste land with rocks jutting out and patches of cultivation showing here and there. Today, on this site stands one of India's most modern factories.

The Indian Telephone Industries (I.T.I.), as this factory is called, was the first nationalised industry to be set up in free India. Starting from scratch in 1949, it is today producing 1,000 telephones a week. This number is twice the target originally set for 1955-56. It is also making every week about 600 lines of automatic exchange equipment and one carrier telephone system.

Although the industry was started as a purely Government owned concern, in January 1950 it was converted into a private limited company with the Government of India, the Government of Mysore and the Automatic Telephone and Electric Company, Ltd. (A.T.E) of Liverpool as partners. The Union Government holds about 90 per cent. of the shares; the holding of the A.T.E. is nominal, but, under the 15-year agreement executed in May 1948, it supplies the technical "know-how," etc. The management of the Company is entrusted to a Board of Directors, all of whom except one nominee of the A.T.E. are nominated by the President of India. The government department responsible for the factory is the Ministry of Communications, the Secretary of which is the Chairman of the Board. The managing director is a whole-time employee entrusted with the working of the Company. A number of committees, like the works committee, production committee, suggestion committee and standards committee, function within this organisation to effect improvements.

The factory grounds cover an area of about 370 acres. The main factory consists of eight units each laid out for the production of a particular type of equipment on a product control basis which involves minimum handling of materials. There are over 1,000 machines in use. These vary in size from the small cord binding machines to the 150-ton presses. Included are about 200 German machines which, in most cases, had to be completely rebuilt in the factory. Jigs, fixtures and tools in use number over 9,000. Although initially all of these were imported, many of the tools are now being made in the fine tool room in the factory. Expert tool-makers work in this shop. The jig borers used are correct to a thousandth part of a millimetre. Other machines also are suitable for the precision work required of them. Bakelite moulding presses with the capacity ranging from 27 to 150-ton pressure are installed for making telephone parts and other mouldings for telephone exchange equipment. Sixty-one automatic lathes, capable of turning something like 30 million parts a year, are available. The smaller screws are made on machines which produce two per second. There are other different types of lathes, milling machines; presses (big and small), polishers, grinders, coil winding machines and others too numerous to mention.

The tropical climate is particularly severe on the equipment and so every component has to be properly clothed. The plating shop, remar

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	11,36,301	Allahabad Bank	264	100	18 0	18 0	18 0	15 0	12	Y.P
14,50,000				168	50	9 0	9 0	9 0	9 0		
1,01,000				114	100	6 0	6 0	6 0	7 0		
23,90,000	13,51,000	16,821	Andhra Bank	79	70	3 0	3 0	3 4	3 12	6.12	H.
1,90,00,000	1,25,00,000	2,70,802	Bank of Baroda	99½xd	50	6 0	6 0	6 0	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	121N	25	0 12	0 12	0 12	—	12	Y.
2,50,00,000	3,52,00,000	910,851	Bank of India	148	50	7 0	7 0	7 0	7 0	6.12	R.I.Y.
15,30,375	27,15,000	64,708	Bank of Indore	55N	25	3 0	3 0	3 0	3 0	12	Y.
30,00,000	10,00,000	25,128	Bank of Jaipur	23	50	1 8	1 8	1 8	2 0	12	Y.
50,00,000	54,00,000	2,27,018	Bank of Mysore	274	100	16 0	16 0	16 0	16 0	12	Y.
59,99,150	51,52,240	29,409	Bombay State Co-operative Bank	55	50	2 8	2 8	2 8	—	6	Y.P.T.
15,00,000	25,00,000	20,774	Canara Bank Ltd.	50	50	4 8	4 8	4 8	4 8	12	F.Y
7,50,000	10,50,000	6,278	Canara Banking Corporation Ltd.	55	50	5 0	5 0	5 0	—	12	Y.P.
2,67,11,575	4,00,56,697	17,58,899	Central Bank of India Ltd.	48½	25	3 8	3 8	3 0	3 0	12	R.I.Y
56,43,875 "A"				50½	25	3 8	3 8	3 0	3 0		
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co	81	50	1 12	1 12	2 0	2 0	12	Y.
1,50,00,000	1,10,00,000	1,05,998	Habib Bank (F)	61	50	4 0	4 0	4 0	4 0	12	Y.
50,00,000	22,50,000	1,12,870	Hind Bank	23½	50	1 0	1 0	1 8	1 8	12	Y.
1,25,00,000	18,42,000	16,919	Hindustan Commercial Bank	9½	50	—	—	—	—	12	Y
50,00,000	1,50,000	1,412	Hindustan Mercantile Bank	12½	50	—	—	—	—	12	Y.
75,00,000	16,00,000	1,08,750	††Hyderabad State Bank	116N	100	6 0	5 0	5 0	6 0	9	Y.
3,75,00,000	6,25,00,000	84,18,846	Imperial Bank of India	1,686½	500	30 0	30 0	30 0	30 0	6.12	R.L.H.
1,67,50,000				412½	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000	77,50,000	1,20,785	Indian Bank	177	100	12 0	12 0	11* 0	11 2	12	
17,00,000				142	85	10 3½	10 3½	10 3½	10 3½	6.12	R.L.H.
16,50,000				101½	60	7 8½	7 8½	7 8½	7 8½		
49,19,675	26,00,000	2,15,589	Indian Overseas Bank	103	100	6 0	6 0	6 0	6 0	6.12	R.L.H.
6,25,000				50	100(A)	7 8	6 0				
2,50,000	9,33,939	1,280	Indo-Commercial Bank	18	25(B)	1 14	3 8			6.12	H.
10,00,000				20	50(C)	3 0	3 0	2 0			
37,50,000	92,50,000	4,99,040	Punjab National Bank	42½	25	1 0	1 8	2 0	2 0	12	Y.
1,00,00,000	21,75,000	98,631	Travancore Bank	14½	25	—	—	0 10	0 12	12	Y.
40,00,000	32,00,000	1,75,874	Union Bank of India	64	5	0 5½	0 5½	0 5½	0 5½	12	Y.
3,00,00,000	56,50,000	1,06,725	United Commercial Bank	44½	50	2 0	2 0	2 0	2 8	12	H.

PRINCIPAL EXCHANGE BANKS

						Div'dend (per cent.)					
£3,500,000	£5,000,000	£292,910	Chartered Bank of India, Australia and China	£2-9-10½	£1	16†	16†	14†	15†	12	R.I.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£8½	£5	6†	7†	8†	—	12	R.I.Y.
H.K. $20,000,000	HK$128,000,000	H.K. $10,215,256	Hongkong and Shanghai Banking Corporation	$98	H.K. $125	5*	5*	5*	5*	12	Y.
£17,966,195 'A'	£14,500,500	£616,557	Lloyds Bank	£8-7-7½	£6 A	12†	12†	14†	15†	12	R.I.Y.
£1,437,596 'B'				£1-6-3	£1 B	5†	5†	5†	5†	12	R.I.Y.
£875,000 'A'	£1,750,000	£200,284	Mercantile Bank of India	£4½	A £2½	12†	14†	14†	14†	12	R.I.Y.
£875,000 'B'				£4½	B £2½	12†	14†	14†	14†		
£720,000 'C'				—	C £1	12†	14†	14†	14†		
£2,951,562	£9,104,687	£826,266	National Bank of India	£1-2-0	£1-2-0	16†	16†	16†	16†	12	R.I.Y.

§ Includes bonus. † Less Tax. (B) Pak-stan Currency. h-1 = Reserve liability ca sh ares. †† C.P. Currency. (I) Interim. * 6 per share free ceiar.

DEBENTURES

Amoun Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR		
19,50,000	3	1st December and 1st June	Carew & Co.	99½	1st June .. 1963
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	95	25th February .. 1960(c)
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	88	1st November .. 1958-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	103	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	96½	1st November .. 1959-64
			COAL		
30,00,000	4½	30th April and 31st October	Bharat Collieries	95½	30th June .. 1956
20,00,000	4½	30th June and 31st December	Burrakar Coal Co.	91½	30th June .. 1965(c)
80,00,000	4½	15th June and 15th December	Equitable Coal Co.	101	14th December .. 1964(a) §
			COTTON		
3,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	99	15th November .. 1955(b)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	100½	1st January .. 1967-72(c)
18,00,000	5½		Jaybhee Textiles	80½	1st January .. 1958-59
40,00,000	5	1st June	Tata Mills	101	 1966-71
			ELECTRICS		
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	95	31st March .. 1963(c)
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	100½	14th June .. 1960
96,28,100	4	1st April and 1st October	Andhra Valley Power Supply Co.	97½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964(c)
2,46,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101	1st January .. 1970(c)
25,00,000	4	30th June and 31st December	Coorepore Electric Supply Co., Ltd.	87	31st December .. 1970
15,00,000	5	1st January and 1st July	Eliya (Dorrish) Electric Supply Co., Ltd.	96	30th June .. 1957(c)
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	99	 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	99	1st October .. 1959
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	 1952-62
6,53,900	4½	1st April and 1st October	South Madras Electric Supply	94	1st July .. 1957-67
47,72,000	4	1st April and 1st October	Tata Power	99½	15th September .. 1961-66
5,50,000		1st April and 1st October	Tata Power	71½	15th September .. 1966-70
			ENGINEERING		
5,00,000	6	30th June and 31st December	Britannia Engineering	99	10th December .. 1958
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	101½	1st July .. 1957-62
41,48,000	4	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	104	31st December .. 1956 (II)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	88½	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	101½	1st October .. 1960-65
40,00,000	5	31st December	Textile Machinery Corporation Ltd.	100½	31st December .. 1956(c)
			JUTE		
12,00,000	4½	1st October and 1st April	Agarpara	100	31st March .. 1969
4,00,000	5½	30th June and 31st December	Alexandra	100	30th June .. 1960
4,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	95	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	86½	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta Jute	98	31st July .. 1959
10,89,000	5	30th June and 31st December	Chitavalsah Jute Mills	98	30th June .. 1966
25,00,000	5½	31st March and 30th September	Dalhousie Jute Co.	99	31st March .. 1960(c)
6,34,000	5	30th June and 31st December	Empire	95	30th July .. 1960(c)
25,00,000	3½	1st January and 1st July	Hukumchand	98½	30th June .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	96½	31st December .. 1964(c)
25,00,000	5½	30th June and 31st December	Shamnagar	98	31st March .. 1960(c)
5,00,000	4	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	92	14th May .. 1956
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	92	30th June .. 1958
25,00,000	5	31st March and 10th September	Reliance Jute Mills Co., Ltd.	98	8th September .. 1962(c)
9,00,000	4½	14th March and 14th September	Rossmah Jute	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	96½	30th June .. 1957
10,00,000	3½	31st January and 31st July	Waverley	88	31st July .. 1960
			RAILWAYS; STEAMSHIP AND TRAMWAYS		
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1936	100N	1st July .. 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£40N	At 105% at any time on 6 months' notice or at par or every seventh year.
£189,268	5	1st April and 1st October		1933	£77½N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90½	31st December .. 1959(c)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	Any time on six months' notice(c)
10,00,000	4½	1st March and 1st September	Betadia Steam Navigation	.. ..	94½	1st September .. 1963
			PLANTING		
10,00,000	5½	30th June and 31st December	Consolidated Coffee	102	1st July .. 1957-62
8,00,000	6	31st March and 30th September	Kluphi Tea	100½	1st April .. 1954-56
4,81,000	5½	30th June	Cherkeriyam	104	30th June .. 1954-59
9,00,000	5	31st March and 30th September	Periakaramalai	100½	31st March .. 1952-62
1,89,700	5½	31st March and 30th September	Teekoy	100	31st March .. 1949-59
			MISCELLANEOUS		
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	100	30th September .. 1965
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	95	31st December .. 1966
26,80,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December .. 1962
4,90,800	4½	30th June and 31st December	Bengal Paper Mills	96½	30th June .. 1957
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	102	1st September .. 1965-69(c)†
21,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1st February .. 1964
21,54,000	4½	1st July and 1st January	Cities Buildings	89	1st July .. 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	89	 1960
1,80,00,000	5	1st January and 1st July	Dunlop Rubber	102	1st January .. 1971(c)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	104	30th June .. 1969(c)‡
15,25,000	5	15th March and 15th September	Metur Chemical Industries	95	 1964
35,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	545	30th September .. 1974(a)
45,00,000		30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	500 (per note)	31st December .. 1972(a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	102½	1st April .. 1971
1,50,00,000	5½	1st January and 1st July	Orient Paper Mills Ltd.	96	31st March .. 1961(a)
1,00,00,000	4	30th June and 31st December	Robtas Industries Ltd.	90	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India Ltd.	104½	1st May .. 1968(a) ‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at par per cent. premium after 1-8-1954 but before 1-8-1957 and 1 per cent premium on or after 1-8-1957. † With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent after 15 years. † Rs. 1,00,00,000 debentures will be redeemed at par annually by drawing from 1-8-1965. Any debenture outstanding on 1-8-1969 will be redeemed on that date with option to redeem debentures at 101 per cent. on 1-8-1964. ‡‡ Redeemable at par per annum commencing in 1941 by purchase at any price less than par or by annual drawings ... 1st May ... 1968 ... cent of a cumulative sinking fund of 11 per cent. per annum commencing ... years at ... 101 ... May ... 1968 onwards. ... dividend of Rs. 1-12 per share ...

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 12th May, 1955.

—	Closing quotations 5-5-1955	High	Low	Closing quotations 12-5-1955
TEXTILES	Rs.	Rs.	Rs.	Rs.
Abm. Adv. (100)	18½	—	—	
Apollo (5)	2½	2-12½	2-10½	2 12
B.B. Cotton Mills (100)	30	30	29	29
Bombay Dyeing (250)	464	468	461½	461½
Central India (100)	128	125	120	125
Century Mills (100)	384½	386	380	381
Colaba (100)	55	—	—	55
Edward Textile (200)	202½	—	—	260
Elphinstone (50)	40	40½	40	40½
Finlay (100)	249	—	—	247
Gokak (100)	217½	217½	215½	217
Ind. Unit. Defd. (1)	1-3½	1	1-3½	1-3½
Ind. Unit. Ord. (10)	11½	11½	11½	11½
Indore Malwa (100)	91½	91	89	91
Khatau (100)	166½	—	—	166
Kohinoor (100)	315½	317½	311½	312½
Lakshmi (250)	532½	—	—	532½
Madhusudhan (100)	84½	—	—	84
Minerva Mills (100)	98½	—	—	98
Model Nagpur (250)	138½	—	—	138½
Morarji (100)	218½	—	—	216
Mysore (50)	121½	115	—	111½
National Rayons (100)	201½	202½	111½	111½
New City (100)	144½	—	100½	200
New Great (100)	163	167	161	144½
New Union (10)	52½	52½	50½	165
Parwati (100)	115	—	—	115
Podar Mills (100)	158½	—	—	158½
Sassoon Silk (10)	14½	—	—	14½
Sassoon Spg. (10)	35½	35½	35½	35
Sholapur (1,000)	1,400	—	—	1,400
Shrinivas (100)	238½	238½	238½	227½
Simplex (50)	158½	164½	152	158
Standard (100)	360	370	352½	363½
Swadeshi (100)	188	189	186	186
Swan (100)	315	316½	315	316½
Tata Mill (25)	51½	51½	50	50
Vishan (100)	120	121½	120	121½
Western India (1,000)	3,875	—	—	3,875
BANKS				
Bank of India (50)	146½	148½	146½	148½
Bank of Baroda (50)	101	101	96½	96
Central (25)	48½	48½	47½	47½
Dena Bank (50)	50½	50½	50	50
Imperial (F.Pd.) (500)	1,690	—	—	20½
Imperial (F.Pd.) (125)	411½	1,692½	1,678½	1,690
Punjab National (25)	42½	412½	410	412½
Union Bank (5)	44	42½	42½	42½
United Com. (50)	44½	6-10½	5½	6½
ELECTRIC COS.		45	44½	44½
Ahmedabad (100)	105½	105½	101½	105
Amalgamated (10)	10-13½	10-13½	10½	10½
Andhra Valley (1,000)	1,407	1,371½	1,357½	1,357xd
Bom. Sub-Kl. (100)	192½	192½	191	125
Surat (100)	125½	130	125	129½
Tata Hydro (100)	144xd	144½	143	144
Tata Power (1,000)	1,465xd	1,470	1,447½	1,453½
INSURANCE COS.				
British India (10)	13½	—	—	12½
Empire of India (100)	675	—	—	675
Ind. Mercantile (20)	45½	—	—	45½
Jupiter (15)	8½	—	—	8½
Raw India (15)	51	51½	51	51½
Oriental (200)	7,450	7,515	7,340	7,340
Universal (10)	10½	—	—	10½
Vulcan (10)	15	15½	15	15½
STEEL COS.				
Ind. Iron (10)	33½	33½	32½	33½
Tata Steel Ord. (78)	235½	237½		238½
SUGAR COS.				
Belapur (50)	307	307	304	305½
Bihar (10)	13½	13½	13	13
Phalton (50)	113½	120	113	118½
Walchand Ind. (100)	206½	208½	204½	204½
CEMENT COS.				
Associated Cts. (100)	179½	179½	177½	178
Dalmiya (100)	181½	183½	181½	183
MISCELLANEOUS				
Alcock Ashdown (100)	264½	265	260	261½
Bom. Burmah (128)	466½	469½	457½	460
Do. (New) (50)	170	172½	170	172½
Br. B. Petrol (6 sh.)	3-6½	3½	3½	3-6½
Br. I. Corpn. (5)	8-3½	8½	8½	8½
C. P. Ely. (100)	99½	99½	98½	99½
Indian Copper (2 sh.)	9½	8	7-9	8-1
Ind. Inv. Tr. (100)	77	84	70	72½
Kamp (200)	226½	77	—	226½
Killick (100)	170	—	—	141½
Polson (100)	141½	171½	170½	170
Port Canning (100)	171½	—	—	141½
Premier Cos. (50)	151	—	—	152
Sidndia (50)	15-8½	16½	160	160
Shivrajpur (10)	65½	68	15-4½	15-5½
Tata Chemicals (10)	14½	14½	65½	67½
Tata Oil (25)	82½	80	78	14-0½
W. L. Match (100)	205	206½	204½	204½

GOVERNMENT SECURITIES	5-5-55 Rs	Gross Yield Earlier Redemption	Gross Yield Later Redemption	12-5-55 Rs.
2½% 1955	99½	—	3 48	99½
2½% 1960	91½	—	2.97	91½
2½% 1962	94½	—	3.78	94½
2½% 1964	92½	—	3.86	92½
2 % 1957	98	—	3.91	98
2 % 1958	99½	—	2 26	99½
2 % 1959-61	97½	—	2 20	97½
2 % 1964	93½	3 66	2 46	93½
2 % 1965-68	92½	—	2 53	92½
2 % 1966-68	91½	3 68	3 75	91½
2 % 1970-75	87	4 03	3 89	87
4 % 1960 Con. Loan	80½	4 15	3 92	80½
4 % 1960-70	101½	—	3 72**	87½
4½% 1958-59	80½	3.62	5.54	80½
3½% 1961 N.P. Bonds	103½	—	1.54	101
3½% 1964 N.P. Loan	99½	3 59	4 18	103½
3 %	98½	—	3 55	99½
5		—	3.67	98½

BRITISH GOVERNMENT SECURITIES

	4-5-55 £	High £	Low £	11-5-55 £
2½% Brit. Consols				
3 % Brit. Transport 1978-88	60½	60½	60½	60½
3% War Loan 1955-59	80½	80½	80	80½
3½% War Loan 1952	97½	97½	96½	96½
3½% Brit. Iron and Steel 1976-81	80½	80½	80½	80½
4 % Funding 1960-90	89½	89½	88½	88½
	98½	98½	97½	97½

*Current Income. x.d. = Ex-dividend. **Rupee Counterparts.

COMMERCE

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

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VOTERS IN LANCASHIRE WARNED

IT is not surprising that the Labour Party in Britain has launched a determined drive for votes in Lancashire by making wild promises, because Lancashire—the seat of British cotton industry—is a key area in the General Elections to be held on Thursday next. The Labour Party has come out with a promise to carry out, if it were returned to power, a four-point programme for aiding the cotton industry. The four points are: (1) Protection against unfair competition, (2) re-establishment of the Raw Cotton Commission to revive long-term contracts with Commonwealth cotton growers, (3) review of the operation of the "D" scheme as it affects textile goods and clothing with a view to assisting the export trade, and (4) encouragement of higher quality standards of textiles. Here, we are concerned only with the first point of the programme. The implementation of this part of the programme, we are told, will be done through the establishment of a central trading commission which will purchase all imported cotton yarn and piecegoods, with the power to restrict those goods and only those goods which come to the U.K. on the basis of "unfair competition." Negotiations, we are further told, will later be held with the Government of India and the G.A.T.T., with a view to bringing about an agreed code of fair competitive practices in the world's textile trade. The suggestion contains an insinuation that India, which now accounts for the bulk of cotton piecegoods imported by Britain, is indulging in unfair trade practices. While we shall deal with this insinuation presently, it is necessary to warn the voters in Lancashire in advance that they would be greatly disillusioned if they were to think that India would agree to the Labour Party's proposal.

The British Labour Party apparently feels that one of the solutions to the difficulties of the cotton industry lies in imposing restrictions on imports of cloth from abroad, particularly from India. Addressing an election meeting in London the other day, Mr. Harold Wilson, a former Labour President of the Board of Trade, for instance, claimed that every one in Lancashire agreed that quantities of Indian grey cloth coming to Britain were "utterly unreasonable." This is certainly a tall claim, for the processing section of the British textile industry does not support it. Further, the British consumers, with their high sense of patriotism and *swadeshi* spirit, would be the first to refuse to buy Indian cloth, if they were convinced that it was competing unfairly with the cloth manufactured in their own country. Be that as it may, Mr. Wilson then went on to declare that the Indian grey cloth would not be available in Britain at present prices, if it were not for the unfair competition based on Indian raw cotton prices. And he added that these prices represented a cost of production threepence a yard cheaper than that of Lancashire mills which had to buy cotton at prices artificially maintained by the U.S. Government. While welcoming the reduction in Indian tariffs on British cotton goods, he thought that it would not solve either the export or the home market problem of the U.K. cotton industry.

The proposal of the British Labour Party to restrict imports of Indian textiles, it may be noted, is in consonance with the demand for such an action put forward by Lancashire mill-owners and workers alike. This demand is based on the hollow allegation that India is undercutting the British manufacturers in their home market. That this charge is not justified has been admitted by the present British Government. Mr. Wilson's reiteration of the charge is, therefore, mischievous; it is purely an election stunt to mislead British workers who are not aware of conditions in India and who are afraid that their wages would be cut if imports of cloth were to continue on the present scale. Mr. Wilson is very unjust to India by repeating a charge which has been proved to be baseless. He is not right in using India as a bait for attracting labour votes and laying all the blame on this country for the chronic ills of Lancashire. The British cotton industry would be no better even if all the imports of Indian cloth into Britain were to be stopped. On the contrary, such an action would adversely affect Britain's export trade in cotton textiles, for more than half of the Indian cloth imported by that country is processed and re-exported. It would also adversely affect the fortunes of the textile finishing industry as well as workers employed in that industry. Indeed, Indian cloth is, as has been rightly admitted by impartial British observers, instrumental in assisting the British textile industry not only to maintain its export but also to preserve its reputation for producing quality goods.

The real problem of the British cotton industry is not one of meeting competition from imports of cloth from India. On the other hand, it is one of expanding its exports which have tended to decline of late. Instead of agitating for imposition of restrictions on imports of cloth into Britain, those connected with the Lancashire industry should explore ways and means of raising its competitive capacity. Did it ever occur to British cotton magnates that a part of their difficulties is due directly to full, nay, overful, employment in their country? Is it not a fact that, because of this, they have to offer fantastically high wages to their workers? If they are squeezed in between high wages and relatively high prices, which they have to pay for the major portion of the cotton consumed by them, why blame poor India for their difficulties? They ought to blame their stars for it. They must also bear in mind that, if India can be charged with deliberately keeping the price of cotton below the so-called world parity in order to confer a benefit on its mills, Britain, too, can be charged with subsidising all its engineering industries through the policy of two-price system for steel, coal, chemicals, etc. Those who live in glass houses should not throw stones at others.

It is a pity that this aspect has been completely overlooked by the Labour Party in its anxiety to catch votes. There is no exaggeration whatever in the statement of Peter Thorneycroft, President of the Board of Trade, that the Labour Party's proposals would worsen, rather than improve, the textile situation. For any move on the part of Britain to impose restrictions on imports of cloth from India and also from other countries under the guise of a special Government trading agency, which is what the Labour Party proposes to do, is bound to provoke the Governments of other countries to retaliate by raising tariffs and imposing quotas against British textiles. It is needless to add that enforcement of quantitative restrictions on imports is against the spirit of the G.A.T.T. Further, it will amount to a violation by Britain of the Indo-British Trade Agreement of 1939. What is worse, a retaliatory tariff and quota war, which the imposition of quantitative import restrictions would touch off, would not be confined to textiles alone. It would have adverse repercussions on the entire Indo-British trade and, perhaps, on Britain's trade with other countries too. This aspect has been forcibly stressed by a British contemporary, the *Financial Times*, London, as witness its remark that "it (a retaliatory tariff and quota war) could well lead to a return to the beggar-my-neighbour trade policies of the thirties." This is, indeed, a pettinent and wholesome warning which anyone who wants to follow the policy advocated by the British Labour Party would do well to heed. After all, it must be remembered that Britain cannot afford to allow itself to be guided solely by what is good for a section of industry and that, too, a section which is destined to shrink in size, during the coming years, under the pressure of changing pattern of world trade.

The attitude of the Conservative Party to imports of cloth into Britain is realistic, in refreshing contrast to the stand taken by the Labour Party. Taking a constructive view of the problem, the present Government, manned by the Conservatives, was recently successful in persuading the Government of India to readjust the import duties on cloth imported into India at a lower level. It has thereby made it possible for Lancashire mills to step up their exports to India from about 3 million yards per annum in the past year or two to an estimated figure of 15 to 20 million yards per annum in the coming years. Even if these exports amount to no more than 15 million yards, they would be equal to 25 per cent. of Indian cloth consumed in Britain; indeed, the proportion would be higher when viewed in terms of value, because the value of a yard of Indian cloth (mostly coarse and grey medium, semi-finished) exported to Britain is only a fraction of that of Lancashire cloth (mostly fine and superfine, highly finished) brought into India. To this extent, Lancashire mills get some relief and British exports substantial gain. But we do not pretend that this will solve the problem of these mills. As already pointed out, even if all imports of cloth into Britain were drastically reduced, the relief to Lancashire would not be material. It is gratifying to find that the ruling Party in Britain is not only conscious of this but has no hesitation in owning it publicly. As late as on Tuesday this week, Sir Anthony Eden, British Prime Minister, candidly admitted, in the course of a Television Press Conference, that "to stop imports coming from different parts of the Commonwealth raised a very big issue of another character

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affecting not only Lancashire but all our export trade." Proceeding, he was honest enough to declare before all British voters that "this is not a decision I would be prepared to take in an election campaign." This remark shows that Sir Anthony is fully conscious of the serious nature of the problem facing Lancashire mills and of the undesirability of making political capital out of it.

Lancashire has for long been regarded in this country as the centre of British cotton mill industry and nothing else. This impression is not correct, for it is a big engineering centre, too. In fact, in the past one year, a large number of workers has migrated from the mills to engineering shops and other avenues of employment, so much so that, at present, cotton mills employ less than 20 per cent. of the total labour force in Lancashire area. Despite the large-scale shift in employment, trade union leaders have taken sides with Lancashire millowners in demanding restrictions on imports of cloth into Britain, evidently because they are afraid that they cannot dictate terms to employers unless employment is maintained in an over-extended state. Admittedly, this must be the reason why they do not relish the argument that workers employed in cotton mills can be more profitably engaged in other industries with a bright future before them. It is, however, needless to add that they are taking a very shortsighted view, for, if their demand for adoption of restrictive trade practices to bring benefit to the cotton industry were conceded, it would provoke reprisals against British goods, adversely affecting the fortunes of other British industries and of the workers employed by them. It is difficult to believe that British trade union leaders are not aware of this simple point.

PLAN FOR AGRICULTURAL DEVELOPMENT

THE outline of the draft programme for development of agriculture to be included in the second Five-year Plan, published this week by the Union Ministry of Food and Agriculture, reveals that this sector is not likely to receive the same priority as it did in the first Five-year Plan. For the total expenditure on agriculture during the next five years, estimated at Rs. 650 crores, represents only 10.3 per cent. of the total outlay of Rs. 6,300 crores on the second Plan, whereas, in the first Plan, about 17 per cent. of the total expenditure of Rs. 2,144 crores was earmarked to this sector. Again, while the total outlay on the second Plan is proposed to be stepped up by about 194 per cent., that is, from Rs. 2,144 crores to Rs. 6,300 crores, the sum allocated to agriculture is to be raised by only 74 per cent., from Rs. 374 crores to Rs. 650 crores. Although agriculture is thus being given a relatively lower priority in the second Plan, it is encouraging to note that the planners have not overlooked the need for securing a substantial increase in agricultural production in order to maintain the tempo of development in the other sectors of the economy at a high level. They have not only set aside larger sums under the various heads, but also fixed higher targets for foodgrains and raw materials essential for increasing industrial production.

The draft programme fixes the target for cereals at 63.5 million tons to be reached by 1960-61. This is 8.5 million tons more than the target set for the first Plan. It is proposed to raise the output of pulses from 10 million tons in 1955-56 to 11.5 million tons in 1960-61. This will make available, it is stated, for every adult 15.5 ounces of cereals and 2.8 ounces of pulses or 18.3 ounces a day, as compared with the average requirements of about 16 ounces a day. The Plan further envisages the sugar production to be increased to 2.25 million tons and that of oilseeds to 7 million tons by the end of the second Plan, as against 1.5 million tons and 5.5 million tons, respectively, in the first Plan. It is pointed out that this will serve to raise the *per capita* consumption of food from its present level of 1,800 calories to 2,250 calories per diem. As it is common knowledge that the diet in India is unbalanced, it is proposed to make provision, in the Plan, for a large supply of supplementary and protective foods such as milk, meat, fish, fruit and vegetables. This emphasis on balancing the diet reflects the anxiety of our planners to provide adequate nourishment to the people in order to improve the general health of the nation.

Equal attention has also been devoted to the need for making available to the country larger supplies of principal raw materials such as cotton, jute, sugarcane and exportable commodities such as tobacoo, pepper and cashewnuts. Thus, the target for cotton production is fixed at 5.5 million bales, as against 4.2 million bales in 1955-56. The increase of 13 lakh bales to be attained during the next five years is intended to raise the output of cloth in the country from the present level of 6,200 million yards to 7,900 million yards per annum. In thus enhancing the target for cloth production, the planners seem to have been guided by the belief that, by 1960-61, the *per capita* consumption of cloth in the country would go up to 20 yards, as compared with 15 yards at present. It is proposed to produce 5.5 million bales of jute per annum by the end of the second Plan period. With regard to exportable commodities, it is proposed to spend Rs. 16 lakhs on tobacco, Rs. 36 lakhs on arecanut, Rs. 51 lakhs on pepper and Rs. 18 lakhs on cashewnut. No indication of the physical targets for these crops is given.

Apart from fixing higher production targets, the planners have laid great emphasis on the development of certain sections of agriculture which had been assigned a lower priority in the first Plan. This is done by allocating substantially large sums to these sections. Thus, in the first Plan, for warehousing, credit and co-operative development, a sum of only Rs. 22 crores had been set aside, but, in the new programme, the amount earmarked for this purpose stands at as high as Rs. 40 crores. This enlarged provision evidently takes into account the arrangements now under progress for the reorganisation of rural credit under the integrated institutional credit system, as envisaged by the Rural Credit Survey Committee appointed by the Reserve Bank of India. Among the other heads of expenditure under the programme, the allocation for dairy development is Rs. 20 crores, as against a mere Rs. 60 lakhs in the first Plan. Likewise, forestry development schemes have been provided with Rs. 16.6 crores, as compared with Rs. 76 lakhs in the first Plan. But the most significant increase is seen in respect of resettlement of landless workers. The expenditure under this head was only Rs. 1.5 crores in the first Plan. In the new programme, it is estimated at as high as Rs. 50 crores. It remains to be seen how this large sum will be spent. Apparently, this is the amount that will be utilised for payment of compensation to owners of land, whose holdings exceed the contemplated ceilings, and for developing fallow and virgin land on which landless workers are to be resettled. Among the other items, fisheries, agricultural research, veterinary education and training and marketing of crops have all been allocated substantially large sums.

The foregoing account is just a brief picture of the tentative proposals for the development of agriculture in the second five-year period. They will be discussed by the Union Ministry for Food and Agriculture with the State Governments and the Planning Commission. It is possible that they may undergo some modifications in the light of these discussions. Certain proposals in the programme, however, give rise to a number of issues, the implications of which require to be carefully considered, so that the Government's economic policies may be suitably modified.

Under the first Plan, the objective has been to overcome the shortages in food and raw materials caused by the war and the Partition. This objective has been more than fully achieved. Opinion, however, differs as to the relative shares of the factors that led to this improvement in production, namely, (a) good monsoons, (b) improved methods of cultivation, (c) additional land brought under cultivation and (d) high prices of commodities resulting from speculative activities in the commodity markets. Besides, the extent of increase in food production due to improved methods yet remains to be assessed, because the average yield is still more or less stationary in almost all crops. Moreover, there is a school of thought in the country which firmly believes that improvement in agricultural production was due, to a considerable extent, to successively good monsoons during the last three seasons. Until, therefore, the country has provided itself with means to meet the irregularities of monsoon, it will be risky to slow down the campaign for increased production of food and vital raw materials.

Then again, there is another important issue, namely, what would be the effect of higher production aimed under the Plan on agricultural prices? As a result of the efforts made under the first Plan, there has already been a considerable decline in prices of agricultural commodities. The average wholesale price index for food articles (Base: 1939=100) for 1954-55 was 339.8, as against 384.4 for the previous year or a decline of 11.6 per cent. The decline in prices will be greater still, if production is stepped up further, unless, of course, the rise in consumption also keeps pace. As it will not be possible to achieve an arithmetical balance between supply and demand and as it is necessary to stabilise prices at reasonable levels with a view to providing incentive to farmers to maintain production according to the Plan, steps must be taken to absorb the surplus and build up buffer stocks. Such stocks will be useful for holding prices down when, for some reason or other, production falls. The establishment of buffer stocks, however, will be possible only if construction of warehouses is given high priority. The main aim, of course, should be to stimulate consumption and this will require adoption of a realistic economic policy which wil facilitate prompt absorption of the increased production of raw material and food. If, for instance, a cotton crop of 5.5 million bales is to be absorbed, then the cotton mill industry must be enabled to consume that cotton. Whether this will be feasible so long as the present policy of restricting the expansion of weaving capacity of mills in favour of handlooms continues is open to question.

FOREST INDUSTRIES

A NOTABLE feature of the three-day session of the Central Board of Forestry, which concluded at Ootacamund on the 15th inst., was the importance given to the problems pertaining to the supply of raw materials to paper, plywood and match industries. It is pleasing to find that the Conference not only admitted that these industries had been finding it difficult to get their raw materials in sufficient quantity and at reasonable prices, but also accepted the suggestions of these industries for solving their difficulties. Thus, the Central Board has suggested that (a) specific forest areas be reserved for the paper industry and long-term leases be granted for working such areas; (b) a rational method of price fixation be adopted; and (c) roads be developed in the forest areas concerned, with a view to facilitating quicker and efficient transport. It has also recommended the establishment of a central co-ordination agency for better marketing of timber and other forest produces both internally and abroad.

The implementation of these welcome recommendations of the Board depends on the attitude of the States, for forests are in the State list. The Central Board, therefore, has requested the State Governments to consider its recommendations sympathetically and devise measures for ensuring the continuity of supplies of raw materials to the industries mentioned, all of which are important. The Central Government, too, has been asked to ensure that these industries were set up with due regard to sustained supply of raw materials and to collect the overall statistics of supplies required by, and available for, them. The Board has further requested the Centre to advise the States regarding the scope for the development of such industries, so that they might plan suitably the exploitation of forests and afforestation.

One of the main reasons for the lack of planned afforestation throughout the country is the absence of co-ordination of policies followed by State Governments. The proposal of the Government of India to constitute a Forestry Commission to co-ordinate such policies, as disclosed by Dr. Punjabrao Deshmukh, Union Minister for Agriculture, in the course of his address to the Conference, is, therefore, most welcome. The Commission, it is stated, will also be entrusted with the task of (1) undertaking technical scrutiny of major working plans, (2) collecting forest statistics, (3) pooling of technical information and (4) carrying out extension work to popularise afforestation measures. It is, however, not clear whether the Commission would be a statutory body with adequate powers to enforce policies, best suited to the nation as a whole. Unless the Commission has such powers, it would be impossible to regulate the activities of recalcitrant States. Further, plans for development of forests and soil conservation must be interlinked as the latter cannot be successfully carried out over large parts of the country without the former. It is proposed to spend Rs. 45 crores in the second Five-year Plan on soil conservation and it would appear that a separate Board would be constituted for the purpose. It is to be hoped that the functions of the Forestry Commission and Soil Conservation Board would not conflict. This is best ensured by drawing up an integrated plan for afforestation and soil conservation.

PROSPECTS FOR IRON AND STEEL SHARES

NEW LOAN LIKELY EARLY NEXT MONTH

THURSDAY, 5 P.M.

MARKET GOSSIP

THE main development of the week so far as the share market is concerned has been the Government's decision on the retention prices for steel payable to the Tata Iron and Steel Co., Ltd., and the Indian Iron and Steel Co., Ltd. The announcement came at a time when the market had given up hopes of receiving it in the near future. Premature reports indicating the possibility of an increase in retention prices had led to high expectations and disappointment followed when they did not materialise. So keen was the market's disappointment that, when the Government's decision was correctly forecast by the City Editor of the *Statesman* five days in advance, none in the market was prepared to take it seriously. Thus, there was an element of surprise in the timing of the announcement, though there was none in the contents thereof. As the market had discounted the increase in retention prices well ahead of the day of announcement, there was no perceptible reaction to it in the value of the shares of these two Companies. Generally speaking, the Government's decision has had a steadying effect and arrested the sagging trend witnessed last week.

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Elsewhere in this issue (*vide* page 1007), we have published the full text of the Government's Press note on the subject of steel retention prices. It will be seen therefrom that the following are the salient features of the Government's decision:

(1) With effect from 1st April, 1955, both the T.I.S.Co. and the I.I.S.Co. are to get uniform prices. Hitherto, they were receiving different prices, the Tata Steel getting Rs. 47 per ton less than the Indian Iron.

(2) The uniform retention price is Rs. 385 per ton. This compares with Rs. 331 per ton received by Tatas and Rs. 378 per ton by Indian Irons upto 31st March last. In other words, Tatas get an increase of Rs. 54 per ton and Indian Irons Rs. 7 per ton.

(3) The aforesaid increase in prices is provisional, subject to the findings and recommendations of the Tariff Commission which has been asked to go into the claims of these Companies in detail.

(4) The extra profits made by the Companies as a result of the present increase in retention prices are to be utilised only for development and expansion and not for any other purpose, except with the express permission of the Government.

(5) The colliery block of the steel companies is to be treated as an integral part of their steel block and the Companies should be allowed to recover their actual cost of raising coal in the price of steel. This question was hanging fire all these days, as the Government could not make up its mind.

(6) The perod for which the revised retention prices should remain in force will be decided by the Tariff Commission.

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The basis on which the Government has fixed the provisional retention prices is not clear. The Government has, however, directed the Tariff Commission that it should fix the uniform price on the basis of the cost of production of the Indian Iron. The uniform price should also be such as would enable both the producers to obtain a portion of their capital requirements for their current and additional expansion programmes from internal resources and to raise the balance from outside. This is, indeed, a generous attitude on the part of the Government towards the steel companies, in refreshing contrast to the parsimonious policy followed by it in recent years. In fact, the Government seems to have gone to the other extreme now. Two years ago, it refused to accept the Tariff Commission's recommendation for a return of 10 per cent. on gross block and fixed the prices on the basis of only 8 per cent. return. But, at present, it has accepted the cost of production of the smaller of the two units as the basis, irrespective of whether or not it means more than a gross return of 10 per cent. on gross block to the bigger producer. It was expected that, as the production of the I.I.S.Co. had been running at a rate much higher than the one assumed by the Tariff Commission for determining the cost of production, there would be no increase in the retention price for Indian Iron. Some even went to the extent of saying that the price for this Company would be reduced. Not only have these expectations been falsified but there has actually been a rise of Rs. 7 per ton in this Company's retention price. This sudden, nevertheless welcome, change in the Government's policy is astonishing. It reminds us, however, of the butcher who fattens his cattle before converting them into meat.

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There are some in the market who are afraid that the Tariff Commission might cut a part of the increase in retention price given by the Government. This fear is unwarranted, because the Government might not accept any such recommendation from the Commission which is only an advisory body. Further, we have a feeling that the Government must have already consulted the Commission informally before announcing the provisional increase in the retention prices. According to a reliable source, the Commission, which had been proceeding with the matter in a leisurely fashion, had to sit up late nights for a few days and quickly produce an interim report for the guidance of the Minister for Commerce and Industry.

No part of the profit accruing from the increase in retention prices—Rs. 54 and Rs. 7 in the case of the T.I.S.Co. and I.I.S.Co., respectively—can be utilised by the Companies for payment of dividends and bonus to workers. It is not clear, however, whether the commission to managing agents is leviable on the increased profit. The Companies can, of course, utilise a part of the increased profit for stepping up dividend and paying bigger bonus to workers, provided the Government gives its consent. But it is very doubtful whether the Government will agree to such a course. There is, however, nothing to prevent these Companies from paying higher dividends if their profits go up as a result of other causes, such as increased efficiency and higher production of special steels on which there is no price control. The chances of such a development, however, appear to be remote. It will be, in our opinion, safe for investors to proceed on the assumption that, for some years to come, neither of the two steel Companies will be able to increase their dividends.

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It is true that, as a result of the increase in prices, financially both the Companies will be stronger, after the completion of their development programmes, than they are now. They will have large reserves backed on the assets side by huge assets in the form of up-to-date plant and machinery. But the question is whether the shareholders will be permitted by the Government to have the full benefit of these reserves. Legally, of course, the reserves belong to them. Nevertheless, misgivings are sure to arise in the minds of investors, in view of the Government's lack of respect for the sanctity of the individuals' right to hold property. Then, there is the threat of nationalisation hanging like the sword of Damocles on the industry. Everyone is wondering as to what the Government will do after 1958. It would, therefore, be helpful to investors if the Government and/or the Congress Party were to make its intentions clear. Such a clarification will enable the Companies to raise a part of the finance necessary for implementing their expansion programmes.

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The Press note issued by the Government discloses that the expansion of Tata Steel's capacity is to be only to the tune of 500,000 tons of finished steel which is appreciably less than the figure indicated by earlier reports. It further reveals that the capacity of Indian Iron and Steel too will be expanded by 100,000 tons. One hears of this expansion for the first time, the impression that prevailed all along being that there would be no change in this Company's programme to expand up to 700,000 tons of finished steel. But, according to the Press note, the I.I.S.Co.'s capacity will be raised to 800,000 tons. Apparently, it is this factor that must have been responsible for the increase of Rs. 7 per ton in the retention price payable to this Company.

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The strings attached by the Government to the increase in the retention price of steel, coupled with the threat of nationalisation, have greatly reduced the scope for speculation in iron and steel shares. At their current market value, the shares of T.I.S.Co. and Indian Iron yield 4.47 per cent. and 2.9 per cent., respectively. These yields are not attractive enough to evoke fresh investment demand. Further, dividends are not likely to be raised, to any substantial extent, in the foreseeable future. This is another reason why investment demand for these shares will be at a low ebb. And no speculator can succeed as a bull, unless he is reasonably certain that he can unload his purchases on the investors. There is not much room for speculators to exploit the market as bears either, because any substantial fall in the prices of these shares will evoke buying by investors who are prepared to take some risk. Other things remaining the same, therefore, these two popular counters will henceforth have a colourless existence on the Stock Exchange.

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But will other things remain the same? Ordinarily they should. Speculators, however, are not prepared to let this happen. They are now busy gossipping about the terms on which the T.I.S.Co. will be raising fresh equity capital to finance the expansion programme. One version which seems to be gaining credence is that the Company will issue the new share at the face value of Rs. 75 each, that is, without collecting any premium from the shareholders. It sounds fantastic to be told that a scrip which is commanding a high premium of Rs. 160 will be issued at par. But it is argued that it is not so fantastic, because that is one way of safeguarding the interests of shareholders from the danger of nationalisation at inadequate rate of compensation. If the capital of the Company is doubled and the new shares are issued in the proportion of one for one at the par value of Rs. 75, then the *ex-right* market value of the Company's shares will be only Rs. 155 or Rs. 160, assuming that the dividend on the enhanced capital will be reduced to a level which will give a yield of, say, 5 per cent., free of tax. The underlying idea here seems to be that, in the event of nationalisation, Parliament will not regard a rate of Rs. 160 per share, which is only a little over twice its face value, as an unduly high rate of compensation. Some speculators are, however, arguing that the Company will be able to maintain the dividend on the proposed increased capital too. But this seems unlikely. In any case, all this talk pertains to a development that seems to be a long way off and is, therefore, only of academic importance.

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In the case of Indian Irons, the hopes of bulls rest on the optimistic expectation that, somehow or other, the Company will be able to increase the dividend from Re. 1 to Re. 1-8 per share. They argue that the efficiency of the Company has greatly increased and that output per worker is higher than in the case of T.I.S.Co. Even assuming that this optimism is fully justified, it would appear to have already been discounted in the current price. On the basis of a dividend of Re. 1-8 per share, it will be interesting to note, the yield will be barely 4.5 per cent., not a high rate considering the uncertain economic policy of the Government.

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There has been a slight fall in the trade demand for money, though there has been no appreciable change in the short-term rates of interest. Whether this is the beginning of the end of the busy season or a temporary break is not yet clear. But the Reserve Bank has been making preparations for launching the new loan. Market circles believe that the new loan may be announced some time in June, most probably in the first week. As usual, the imminence of a new issue has attracted a sizable amount of buying enquiry for the existing loans from institutional investors and the Reserve Bank has been availing itself of this opportunity to push up the value of all dated loans, one after another. During the last few days, it has put up its selling rates for medium and long-medium dateds by As. 2 to As. 3.

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From the way in which the Reserve Bank has been operating in the Gilt-edged market, it looks as though the new loan will be a 10-year one, carrying interest at 3½ per cent. and issued at Rs. 98-8. It may be noted that there are no maturities in 1965 so that the problem of repayment will not be difficult. Some say that the year 1967, in which also there are no maturities, may be preferred by the Bank. But this seems very unlikely, for institutional investors are still not in favour of going in for loans maturing after 10 years. Further, for a 12-year loan, the issue price will have to be fixed at a lower level, namely, Rs. 98, if it is to compete effectively with the existing loans maturing in the neighbourhood of that year. The Finance Minister may not relish the idea of issuing Central Government loans at so low a rate as Rs. 98. Another reason for not preferring a loan maturing in 1967 is that the Government may want to reserve that year for borrowings in the coming year. Be that as it may, with the date for the issue of new loan drawing near, some of the insurance companies and banks are no longer interested in buying any of the existing loans. They want to reserve their cash resources for taking up the new issue, because they are pretty sure that they will be pressed by influential sources to subscribe to big blocks of that loan and that they will not be able to resist such pressure.

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It is now almost certain that, unlike last year, the Centre will borrow from the market only to cover its needs and that the States will be allowed to approach the capital market direct for putting through their borrowing programmes individually. The States, however, will be permitted to tap the market only after the Centre completes its programme.

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The Bank of India will be completing fifty years of its existence next year. This has already led to a rumour that the Bank, in order to commemorate its Golden Jubilee, will either issue bonus shares at the rate of one share for every five shares held or pay a special dividend of Re. 1 per share. For the past year, it may be noted, the Bank paid a dividend of 14 per cent. per annum or Rs. 7 per share of Rs. 50 each. No confirmation of this rumour was available at the time of writing.

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Harvesting time continues for tramp shipowners in the North Atlantic markets and it would appear that the best part of the freight rate crops have yet to be reaped. With the number of ships able to present for early loading becoming desparately few, the competition for available space is increasing. As a result, tramp freight rates have shot up to new high levels. The U.K. National Coal Board has re-entered the market for the import of U.S. coal for loadings during May-October, with the result that tramps have been booked at a high rate of 59s. per ton for shipment of coal from the U.S., as against 50s. a month back. The Continental shippers have booked for shipment of American grain to the Continent with the Gulf tramps at rates ranging from $10.25 to $10.75 per ton, as against $9.70 a month ago, on the basis of discharge at Antwerp or Rotterdam. In fact, tramps have been booked even at an enhanced rate of $11.25 for Antwerp for early loading. The U.K. shippers first tried to mark time in the face of this heavier Continental activity, but had to come in; they offered as much as 76s. for loading in St. Lawrence, as against the highest of 67s. touched last month. Although enquiries in the River Plate for tramps for shipment of grain have been limited, the undertone has been firm in sympathy with the strength in neighbouring trade. The Pacific markets also continued to move from strength to strength. Wheat, for instance, was shipped to Japan at $11.90, as against $11.75 early in the month.

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The trend of freight market in the Far East is comparatively dull, especially in Indian waters, but a steadier tone is developing on the strength of expanding demand for lumber and grain carriers on the Pacific coast. Australian shippers have booked tramps at 117s. 6d. for June loading of bulk wheat *ex-silo* destined to the U.K. This represents a rise of 21s. 3d. per ton on business done only recently. An extra of 12s. 6d. at 127s. 6d. is being paid for home-bound Queensland sugar cargoes.

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An interesting development is the increased interest which the liner companies have been

(*Continued on page 1007*)

DULL CONDITIONS ON STOCK EXCHANGE

NEW STEEL PRICES FAIL TO INSPIRE

(From Our Own Correspondents)

BOMBAY, 19th *May*

ALTHOUGH the announcement of an increase in retention prices for the two main producers of steel was long awaited, it failed to evoke any enthusiasm among the operators on the Stock Exchange. On the other hand, the announcement was greeted by the Stock Exchange on Monday evening with a dip in Tata Ordinaries from Rs. 233 to Rs. 231-12 and in Indian Irons from Rs. 33-11½ to Rs. 33-6½. Thereafter, there were feeble recoveries in both the scrips, but there was no air of jubilation.

Activity on the Exchange during the entire week was listless. Speculators' interest was limited and confined to a few select scrips. The already sapped enthusiasm of the operators was further shattered by the publication of the Prime Minister's statement at the recent meeting of the Congress Parliamentary Party that he was interested in acquiring at the right time banks, insurance and mines. Centurys, among textiles, and National Rayons and British India Corporations among the miscellaneous shares were the only counters which enjoyed some support. Price fluctuations were generally confined to a very narrow range and the undertone was quietly steady.

In the steel section, Tata Ordinaries dropped from Rs. 233-4 to Rs. 231-12 on end-of-account considerations. The new account opened at Rs. 232-12, but the announcement of the new retention prices brought them down to Rs. 231-12, as they were not without strings. There was, however, a recovery to Rs. 234-12 yesterday, but the closing today was again lower at Rs. 233-8. After an initial improvement from Rs. 33-9 to Rs. 33-14, Indian Irons dipped to Rs. 33-6½ following the announcement of new retention prices. Hardening to Rs. 33-11, they drifted lower at the close to Rs. 33-8.

The textile section was generally dull, with small declines in most counters. The reports from foreign cloth markets were hardly inspiring to evoke support for these shares. Bombay Dyeings advanced from Rs. 461-14 to Rs. 463-2, but retreated to Rs. 458-12 on Tuesday. After a recovery to Rs. 463-2, they closed at Rs. 460-10. Kohinoors dipped from Rs. 312-4 to Rs. 308-12 before recovering to Rs. 312. Central Indias were quiet at Rs. 125, while Centurys gathered strength from Rs. 381 to Rs. 384-4 before closing at Rs. 382-8. Edward Textiles attracted good attention and gained Rs. 6-4 to Rs. 266-4. Finlays lost Rs. 2 to Rs. 245, Gokaks Rs. 1-8 to Rs. 215-8 and Indu Ordinaries As. 5 to Rs. 10-14. Khataus were, however, well held at Rs. 166-4, while Mysore Spinnings gathered Rs. 2-13 to Rs. 114-1, New Greats Rs. 1 to Rs. 166 and Phœnix Rs. 3-12 to Rs. 118-12. Shree Niwas fell from Rs. 237-8 to Rs. 235. Simplex were dull at Rs. 152-8. Standards were steady at Rs. 363-12, while Svadeshis were marked down by Rs. 3-4 to Rs. 183-4. Swans gained Rs. 1-4 to Rs. 315, whereas Tatas lost As. 12 to Rs. 49-4 and Vishnus Rs. 7-8 to Rs. 128-12.

Notwithstanding the Prime Minister's hint at nationalisation of banks at an early date, bank shares presented a steady front. Barodas were, in fact, very prominent with a rise of Rs. 3-4 to Rs. 100. Centrals were unchanged at Rs. 47-12, while their New shares were quiet at Rs. 49-8. Imperial Fully Paids added Rs. 5 to Rs. 1,695 and Partly Paids Re. 1-4 to Rs. 413-12. It has been announced by the Stock Exchange authorities that dealings in Imperial Bank shares will cease on the Stock Exchange as from 30th May, as a sequel to Government's decision to bring into force the State Bank of India Act, 1955, on 1st July, 1955. All outstanding business in these shares will have to be settled by delivery and payment before 2nd June, so that the buyers will have enough time to lodge the shares with the Bank authorities. The Imperial Bank has announced that the transfer books will remain finally closed from 16th to 30th June, in preparation for the changeover on 1st July. Bank of Indias were steady at Rs. 148-8 and Punjab Nationals at Rs. 42-4 *ex-div.*, while United Commercials were quiet at Rs. 44-8.

Business in the insurance section was meagre, but the undertone was easy, as reflected by the heavy drop in the values of Orientals and New Indias on first fears of nationalisation. Orientals declined by Rs. 90 to Rs. 7,250. New Indias hardened early in the week from Rs. 51-8 to Rs. 52-4, on the announcement of a higher dividend of Rs. 2-8 per share, as against Rs. 2 for the previous year, but fell to Rs. 49-12. Indian Mercantiles had business As. 4 higher at Rs. 45-12. After the previous week's sharp rise of Rs. 2-4, Industrial and Prudentials were stagnant at Rs. 44-4 and Empire of Indias at Rs. 675.

The undertone in electricity shares was easier and most of the counters disclosed fall in prices. Ahmedabad Electrics, however, maintained a steady front at Rs. 105. Bombay Suburbans were unchanged at Rs. 122-8, but their new shares were marked down by Rs. 6-12 to Rs. 118-12. Surat Electrics gained Re. 1-4 to Rs. 130-12 and Andhra Valleys Rs. 2-8 to Rs. 1,370. Tata Hydros (Old) lost As. 12 to Rs. 143-8 and their New shares Re. 1-12 to Rs. 109. Tata Powers shed Rs. 3-12 to Rs. 1,450 and their new shares Rs. 5 to Rs. 1,130.

Barring a few select counters, the miscellaneous section was far from bright. Turnover was small and price variations were narrow, the trend being downward. Despite the shortage of cement in the country, cement shares failed to inspire support. A.C.C. moved down from Rs. 178 to Rs. 175-4, while Digvijays were quiet at Rs. 182-12. In the sugar section, a drop of Rs. 4-8 to Rs. 301 in Belapurs was the outstanding feature. Phaltans, however, picked up Rs. 2 to Rs. 120-8 and Walchandnagars Re. 1-4 to Rs. 205-10. In the engineering and mining group, Alcocks dipped from Rs. 261-4 to Rs. 255. Premier Constructions were done at Rs. 152-8 *ex-div.*, as against Rs. 160-12 *cum-div.* last week. Larsen and Toubros were stagnant at Rs. 13-13½. Shivrajpurs were quiet with a drop of As. 12 to Rs. 66-8. Indian Coppers were steady at Rs. 3-8½, while B.B. Petrols were dull at Rs. 3-5½. Shipping shares were featureless, Scindias dropping As. 3 to Rs. 15-2½; Indian Steamships remained dull at Rs. 7-5 and Great Eastern Shippings at Rs. 15-15. In the miscellaneous group, Bombay Burmahs moved down from Rs. 460 to Rs. 458-2. British India Corporations finished up from Rs. 8-5 to Rs. 9-1½ on support from interested quarters and closed at Rs. 8-15½. Killick Industries were dull at Rs. 170. National Rayons were active, rising from Rs. 200-12 to Rs. 206-4, before closing at Rs. 204-8. Tata Chemicals were just steady at Rs. 14-1, as also Tata Oils at Rs. 39-8. Wimcos had business at Rs. 185 *ex-div.*, as against Rs. 204-1 *cum-div.* last week, the net loss suffered by this scrip over the week being Rs. 8-10. Such a heavy fall in this scrip reflects the investors' loss of confidence in the organised match industry's future owing to the keen competition offered by the heavily subsidised cottage match industry.

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Calcutta Stock Exchange

CALCUTTA, 18*th May*

Listless conditions were noticed on the Calcutta Stock Exchange during the week in the absence of any fresh development to provide incentives for both operators and investors. There was no reaction in the market to the announcement of higher retention prices for steel. For this was in accordance with earlier anticipations. Also it was clear that the benefit derived by the two major producers would not be passed on to shareholders, as the additional funds had to be utilised for further expansion. Ordinarily, the Prime Ministers' talks in New Delhi over the Kashmir dispute should have aroused interest, inasmuch as better relations between India and Pakistan in the political field should usher in a better atmosphere for holding the trade talks proposed between the two countries on the 26th inst.

Earlier, in the week, teas made an earnest bid to recover. But, later, the general depressed conditions, the fears of a substantial increase in the Indian and Ceylonese crops during this season, the expectations of keen competition in world markets, and the further fall in prices in the Calcutta auction for domestic consumption, resulted in selling pressure. An adequate number of buyers could not be found and prices gave way. Judging from this week's moderate business for export in the jute goods market, jute shares should have recorded a cheerful trend. But this was not so because of the general weakness. Coals were likewise easy. Collieries are not able to execute schemes of conservation, as the installation of washeries would be expensive and, in the face of the recent amendment to the Constitution, this industry is looking forward to Government assurance that the full expenses incurred in connection with any scheme of conservation would be paid back in the event of nationalisation.

Trade circles have greatly regretted the reported reluctance of Bombay textile millowners to supply textile goods to Pakistan in return for American cotton valued at $9 million. Consequently, India has almost lost the Pakistani market for $9 million worth of piece-goods, and the offer would appear to have gone to Japan and West Germany. The plea for the rejection of the offer that India has its own cotton in huge quantities and that imports of American cotton are planned under the F.O.A. aid programme, in addition to the sterling area cotton for which import licences have already been issued, is all beside the point. For the creation of the market in Pakistan for Indian textile goods worth $9 million, additional or otherwise, was dependent on India taking cotton required to maufacture them from the United States.

Coals were easy. Thus, Bengals lost Rs. 14 to Rs. 494. At Rs. 12-9, Burrakurs receded by As. 3. East Indians gave way from Rs. 29-8 to Rs. 29. Equitables were supported to Rs. 30-12 as against Rs. 31-10 previously.

Jutes received poor support and, as a result, quotations receded. Nationals opened at Rs. 33-10 and fell to Rs. 33-2. At Rs. 174, Barnagores were lower by Rs. 2-8. Ganges eased fractionally to Rs. 103-8. Belvederes were pushed back to Rs. 207 from Rs. 211.

Among engineerings, Indian Irons opened at Rs. 33-10 and, after realising Rs. 33-15, receded to Rs. 33-5. Today, a slight upward trend took the rate to Rs. 33-10. Jessop & Cos. fell from Rs. 35-11 to Rs. 35-4. Kumardhubis, on the other hand, were held steady at Rs. 12-4 as against an opening of Rs. 12-1. Texmacos were pulled down to Rs. 17-15 from Rs. 18-3. Earlier, Burn & Cos. at Rs. 272 put on five points, but, subsequently, gave way to Rs. 269.

A strong feature in the miscellaneous section was B.I. Corporations, which, on interested buying, spurted from Rs. 8-2 to Rs. 8-13. Indian Cables were subjected to profit-taking and lost one point to Rs. 26-2. Dunlop Rubbers were supported at Rs. 36-2, as against Rs. 35-10, while Ganges Ropes receded from Rs. 191 to Rs. 188. Rohtas Industries were fractionally lower at Rs. 24, while Rallis India recovered from Rs. 39 to Rs. 39-8. Martin Burns were unchanged at Rs. 23-8.

Shares of paper mills were paid keen attention. Bengals were raised to Rs. 68-4 from Rs. 66-4 and India Pulps to Rs. 257 from Rs. 254. Orients, after being done at Rs. 27-9, receded to close at Rs. 26-14.

There were more offers in the tea section and buyers were difficult to be found. In the process, quotations receded, although, during mid-week, an attempt was made at recovery. Bishnauths were pulled down from Rs. 46-8 to Rs. 43-11, Gairkhattas from Rs. 330 to Rs. 310, Tezpores from Rs. 30-6 to Rs. 29-7 and Dufflaghurs from Rs. 48-2 to Rs. 46-10. After declining from Rs. 220 to Rs. 210, Birparas recovered to Rs. 218. Hansquas finished at Rs. 25-4 after recovering from Rs. 25-12 to Rs. 26-12.

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Madras Stock Exchange

MADRAS, 18*th May*

The performance of the Madras Stock Exchange was discouraging this week also. Planting scrips generally lacked support, with teas coming to suffer sizable losses. The lower prices fetched for tea leaves at Cochin auctions and the fear that the dividend declarations for the current year may not be favourable due to the prospects of prices declining further were responsible for an easy trend in the tea section. Rubbers and coffees were able to evoke no more than scattered enquiry. The trend in textile shares was not different in the absence of demand. The fears that the U.K. may restrict imports of Indian textiles seemed to have dampened the enthusiasm of operators in this section. Miscellaneous shares moved in sympathy with the generally dull trend of the market. The list, as a whole, showed losses, on balance, with the exception of a few counters which met with sound selective support.

There were a few notable dividend announcements this week also. The Balasubramaniam Mills Ltd. declared a dividend of 15 per cent., tax-free, for the year ended 31st December, 1954, as against 7½ per cent. for the previous year. Coimbatore Pioneers declared a final dividend of 10 per cent., thereby making a total of 20 per cent. for the year ended 31st December, 1954, as against 15 per cent. for the previous year. The directors of Mysore Chemicals Manufactures Ltd. declared a dividend of 20 per cent. for the year ended 31st March, 1955, as against 12½ per cent. for the previous year. The Mysore Glass and Enamel Works Ltd., however, passed over the dividend for the year ended 31st March, 1955.

Among textile scrips, Bangalore Woollens declined from Rs. 435 to Rs. 427-8. Coimbatore Spinnings were lower by Rs. 2 at Rs. 68 and Rajalakshmis by Re. 1-8 at Rs. 132. Balasubramaniams, (Rs. 40 paid up), however, put on Rs. 2 to Rs. 50 *cum-div.* and 'B' (Rs. 70 paid up) Rs. 3 to Rs. 83. R. C. Ambicas were better by Re. 1 at Rs. 164. Buckinghams were quiet at Rs. 151-8 and Metturs at Rs. 340.

In the tea section, Blue Mountains lost As. 2 to Rs. 3-8 and Devasholas Rs. 4 to Rs. 24. Haileybur las receded by Rs. 8 to Rs. 24. Parkslides were also lower by a similar amount at Rs. 21-8 *ex-div.* Waterfalls declined by As. 3½ to Rs. 3-9. Chandramalais, however, put on As. 2½ to Rs. 5 and Talayars As. 2 to Rs. 12-8.

Cochin Malabars, among rubbers, put on As. 2 to Rs. 7-7-6 and Malankaras As. 4 to Rs. 27. Rajagiris were higher at Rs. 16-1, as against Rs. 15-13 and Kailas at Rs. 5-1, as compared with Rs. 4-15. Bes, however, lost As. 2 to Rs. 4-4 and Teekoys As. 4 to Rs. 8-12.

Coffee scrips also lacked support. Coffee Lands receded by As. 4 to Rs. 16-8 and Puthuthotams by As. 2 to Rs. 4-1. Kadur Coffees were quiet at Re. 1-10½ and Mysore Coffees at Re. 1-10. Consolidated Coffees, however, put on As. 2½ to Rs. 18-11½.

Among miscellaneous scrips, Aluminium Industries eased from Rs. 19 to Rs. 18-12. Rallis dropped by Re. 1-4 to Rs. 39 and Travancore Cements by As. 8 to Rs. 8 *ex-div.* Nundydroogs suffered a loss of As. 7 to Rs. 4-4 and India Cements As. 6 to Rs. 23-10. Bruntons, however, put on As. 2 to Rs. 7-12 and Andhra Cement 'A' Re. 1 to Rs. 137-8 *cum-div.* Textools also put on Re. 1 to Rs. 107 ex-right. Mysore Chemicals and Manufacturers were done at Rs. 19-12 *cum-div.*, as against Rs. 19-8.

NEWS IN BRIEF

THE citizens of Ujjain have strongly protested against the Government of India's decision to have a forward market in cotton at Indore.

The Government of India has decided to permit the export of a further quantity of 5,000 tons of linseed oilcake to all permissible destinations, *excluding the* Portuguese possessions in India, for shipment upto the end of June, 1955.

The Government of India has decided, in consultation with the Board of Trustees of the Coal Mines' Provident Fund, to grant interest to the subscribers of the Fund on their accumulations at the rate of 3½ per cent. during the year 1955-56.

In pursuance of a recommendation by the Planning Commission, the Government of India has decided to set up a panel for formulating schemes for the development of canning industry, with Dr. M. B. Ghatge, Agricultural Marketing Adviser, Ministry of Food and Agriculture, as convenor.

The Union Ministry of Agriculture has convened a conference of representatives of the various States from 26th to 28th May to consider production targets to be fixed for the second Five-year Plan, the contributions that States could make in achieving the same and the financial implications.

The Hyderabad Government has tentatively decided to introduce prohibition in the State. In the first instance, two districts in Marathwada, lying adjacent to Bombay State, will go "dry." The State Government is also considering the extension of the dry belt on the borders with Andhra and Bombay.

One of the several feeder routes planned by the Indian Airlines Corporation was inaugurated on the 16th inst., when the newly acquired 14-seater Heron aircraft landed in Bombay on that day on its first flight on the Delhi-Agra-Gwalior-Bhopal-Indore-Aurangabad-Bombay route. The new service will operate thrice-weekly in the initial stages.

India has agreed to supply to Pakistan immediately 28 broad-gauge railway passenger coaches and underframes with wheels for another 22 coaches. The supply will be made on a 'no-profit' basis. Negotiations for the supply of rolling stock, it may be remembered, were held between Indian and Pakistan railway officials a few weeks ago and India agreed to meet Pakistan's requirements in spite of the rolling stock shortages on its own railways.

The Directorate of Marketing and Inspection, Central Ministry of Food and Agriculture, has brought out a new edition of the report on the "Marketing of Rice in India and Burma," first published in 1941. The new edition incorporates the changes in the marketing conditions of this most important of all food crops in India since 1941, following the momentous changes which have taken place in the country, like the Partition, adjustment of the boundaries of the various States and the imposition of a number of controls.

The Government Precious Instrument Factory, Lucknow, proposes to manufacture industrial jewel stones. An engineer of the factory will shortly be sent to Switzerland for short-term training in this art. Although the raw materials, namely, agate, sapphire and ruby, are available in India in abundance, no attempt has so far been made to manufacture industrial jewel stones which are essential components of such delicate instruments as clocks, watches, water and electric meters; consequently, these raw materials are being exported.

Sulphate of ammonia can now be delivered ex-docks at Bombay on payment of Rs. 345 per ton and moved to any place in the State by the buyers, says a Bombay Government Press Note. The buyers may arrange to transport the goods at their own cost by road, rail or road-cum-rail route. On reaching the centre for which the quantity is indented, the rate and distance rebates admissible and the railway freight from Bombay to the railway station nearest to the centre will be paid to the buyer by the District Agricultural Officer concerned. The cost of transport and handling from the docks to the railway station in Bombay will have to be borne by the indentor.

The Union Ministry of Commerce and Industry is reported to be considering measures to promote the manufacture of machinery and machine tools in India. It is examining the present state of the machinery industry and the manner in which it should progress. Several schemes for the manufacture of boilers, diesel road rollers, jute machinery, blow-room machinery for the cotton textile industry, vehicular diesel engines, etc., are being considered. Proposals for the manufacture of cement machinery in collaboration with foreign firms are said to have reached an advanced stage. A comprehensive survey of the types of machine tools installed in large factories has begun, with a view to assessing the replacement, as well as future, needs of machine tools.

The Government of India has decided to liberalise the licensing policy for the import of carding engines, ring frames and raw accessories which was announced on 15th April. Import of carding engines of 45" will be licensed freely to actual users who have been exclusively using 45" cards. Applications for carding engines of other sizes from persons who have obtained permission to set up new mills to expand their existing factories will be considered on an *ad hoc* basis. Licences for roller and clearer cards and their parts will be granted freely to actual users. Applications for import of ring frames will be considered *ad hoc*. Licences for carding engines and ring frames will be valid for nine months from the date of issue and will not be revalidated after that date.

The total gross sea and land customs revenue collected in the Indian Union during March, 1955, amounted to Rs. 17.16 crores, as compared with Rs. 14.57 crores in March, 1954. Of the total customs revenue collections, import duties accounted for Rs. 13.02 crores (as against Rs. 11.9 crores in March, 1954), export duties for Rs. 3.94 crores (Rs. 2.49 crores) and land customs and miscellaneous for Rs. 20 lakhs (Rs. 18 lakhs). The total gross collection of Union excise duties amounted to Rs. 12.32 crores, as compared with Rs. 9.02 crores. These bring the total customs and excise revenue for the financial year to 31st March, 1955, to Rs. 295.25 crores, as against Rs. 256.23 crores for the previous year. Of this, import duties accounted for Rs. 144.36 crores (Rs. 120.31 crores for 1953-54), export duties for Rs. 41.39 crores (Rs. 38.51 crores), land customs and miscellaneous for Rs. 2.88 crores (Rs. 2.54 crores) and Union excise duties for Rs. 106.62 crores (Rs. 94.87 crores).

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From Abroad

Negotiations between Indian and Pakistan representatives on the division of the Indus waters were resumed in Washington on the 12th inst., under the auspices of the World Bank.

West Germany has opened negotiations with Denmark, Sweden and Norway for the reduction of about 250 different rates of customs duties. The negotiations are within the framework of the G.A.T.T.

Coffee-growing countries of Latin America will launch shortly a campaign addressed directly to consumers in an effort to increase coffee-drinking. A preliminary budget of $500,000 has been drawn up.

The Pakistan Government has ratified the agreed formula relating to the transfer of bank accounts and lockers drawn up at the Indo-Pakistan discussions held in Karachi at Ministerial level in April last.

Japan had a favourable balance of about $100 million in its trade with South-East Asian countries during 1954, thus making a remarkable trade recovery. It, however, fears that, in order to maintain this improvement, it will have to face keen competition from India which is rapidly growing as an industrial country in Asia.

The Union of Burma Airways has placed an order for three Vickers Viscount 700-D turbo-prop airliners for delivery in the first half of 1957. Including the initial provision for spares, the order is worth just over £900,000. It brings the total of Viscounts ordered so far to 189.

The U.S. factory workers continue to enjoy record purchasing power and stability in consumer prices, the Department of Labour reports. Average weekly net spendable earnings in March for a worker with no dependent rose to a record high of $62.19, representing a weekly increase of about $3.60 over last year. A worker with three dependents took home an average of $69.47 in March.

Pakistan and West Germany have signed an agreement for the promotion of trade between the two countries. Under the agreement, West Germany has undertaken to issue import licences freely to specified Pakistani commodities. West Germany has also agreed to import nearly 20,000 tons of cotton from Pakistan before June, 1956. The agreement also provides for technical training for Pakistani nationals in German institutions and factories.

A contract under which ten Americans will assist in the setting up of a big cement plant in Gresik, East Java, has been signed in Jakarta. The plant is to be financed mainly through a loan by the U.S. Export-Import Bank. The Indonesian Parliament recently approved borrowing an additional $14 million from the Bank to be used specifically in the construction of the plant. The total cost of the project will be approximately $20 million.

The International Chamber of Commerce estimates foreign investment needs by less-developed countries at about $6,500 million annually for the next 10 or 20 years. In an evaluation prepared for the United Nations Economic and Social Council (E.C.O.S.O.C.), the Chamber emphasises the important contribution that private investment can make towards economic development in conjunction with public investment. It also emphasises that there is considerable competition for the available supply of risk capital.

An agreement has been concluded between the Pakistan Industrial Development Corporation and the German firm, Ageg, for the setting up of a factory to manufacture electrical goods at Lahore at an estimated cost of Rs. 50 lakhs. The factory will be completed in three years and work on it will be undertaken as soon as the agreement is approved by the Pakistan Government. Electrical motors, transformers, switchboards and other electrical appliances are proposed to be manufactured at the factory, thus meeting substantially the electrical requirements of that country.

Talks between India and Pakistan on trade between the two countries will reopen in Karachi on 26th May. The object of fresh talks is to enter into a new trade agreement which expired on 30th June, 1953, since when trade is being carried on through normal channels without a trade agreement. In 1950-51, the total volume of trade between India and Pakistan amounted to Rs. 75 crores, India accounting for 19 per cent. of Pakistan's total foreign trade while the U.K. and Japan accounted for 17 per cent. and 14 per cent., respectively. By 1953-54, India's trade with Pakistan had declined to Rs. 17 crores. While the volume of Pakistan's trade with India continued to fall, that of the U.K. rose correspondingly, so that the U.K. now tops the list of countries trading with Pakistan, handling 22 per cent. of its total trade, as against 17 per cent. in 1950-51.

PERSONAL

MR. M. S. Thirumale Iyengar, Chief Engineer, Hirakud Dam Project, will lead the Indian delegation to the Fifth International Congress on Large Dams to be held in Paris from 31st May to 4th June next.

Mr. Malcolm MacDonald, Commissioner-General for the U.K. in South-East Asia, has been appointed High Commissioner for the U.K. in India, in succession to Sir Alexander Clutterbuck. Mr. MacDonald will take up his new post at the beginning of September next.

Mr. J. R. D. Tata and Mr. J. D. Choksi, Chairman and Vice-Chairman, respectively, of the Tata Iron and Steel Co., Ltd., Bombay, left for the United States on Thursday last week to obtain capital for the Company's expansion programme.

Mr. S. N. Mehta, Development Commissioner, Madhya Pradesh, has been appointed General Manager of the Steel Plant at Bhilai. He has already assumed charge of his office under the Union Ministry of Production.

Mr. E. H. Cattell, Assistant Manager, Lloyds Bank Ltd., Bombay, has been appointed Manager of the Bombay branches of the Bank, in succession to Mr. F. D. Hall, who is proceeding on leave preparatory to retirement.

Dr. J. C. Ghosh, till lately Vice-Chancellor of the Calcutta University, has taken over charge as a member of the Planning Commission. He will deal with planning problems relating to education, health, scientific and industrial research.

Mr. S. Boothalingam, I.C.S., Special Secretary, Union Ministry of Commerce and Industry, has taken over as Secretary of the Ministry, in place of Mr. H. V. R. Iengar, who has proceeded on leave. Mr. B. B. Saksena, Deputy Secretary in the Ministry, has taken over as Joint Secretary.

Mr. Joseph Rucinski, Assistant Director, Department of Operations for Asia and Middle East of the World Bank, has been appointed Director of the Department, in succession to Mr. Francois-Didier Gregh, who has resigned from the Bank to take up appointment in the North Atlantic Treaty Organisation as Deputy Secretary-General for Economic and Financial Affairs.

Mr. Kanwar Sain, Chairman of the Central Water Power Commission, arrived in Bombay on Sunday last after attending a symposium and conference on arid zones held recently at Albuquerque, New Mexico. Mr. Sain also attended a meeting of the Advisory Board of the U.N.E.S.C.O. on arid zones held at Socorro. He later undertook a study of the latest techniques followed by the Weather Bureau for forecasting floods and flood control measures adopted by the U.S. Government.

"COMMERCE" 1930

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 24*th May*

Indian Gold Mines' Jubilee

The present year marks the jubilee of three of the famous Indian gold mines—the Mysore, the Nundydroog and the Ooregum. All the three have had good management—the managers of the mines, from the commencement of the present time, being Messrs. John Taylor and Sons of London. During the fifty years of its useful existence, nearly 8,000,000 tons of ore have been crushed at the Mysore mine for a total production of over 6,000,000 ounces of fine gold, the realised value of which is about £26,000,000, while dividends, amounting in the aggregate to £10,244,000, have been paid. The Nundydroog has produced to date over £10,000,000 worth of gold and has distributed dividends amounting to nearly £3,000,000. The first dividend was paid in 1888 and since then the shareholders have received an unbroken succession of dividends varying from year to year in amount, but generally, of a substantial character. As regards Ooregum, the forty tons of ore crushed and the forty-two ounces of gold produced in 1880 have expanded to nearly 4,900,000 tons and 3,080,000 ounces, respectively, while the first dividend of some £24,000 paid in 1890 has been followed by distributions amounting to more than £3,750,000. Incorporated in 1879, as the Ooregum Gold Mining Company of Madras, Limited, the Ooregum can boast of being the pioneer mine of the Kolar Goldfield.

OIL PRICES AND PROFITS

EVER since the publication of the U.S. Federal Trade Commission's report on the working of international oil companies more than two and a half years ago, there has been a feeling that the oil companies of the world have successfully manœuvred to keep oil prices at an extortionately high level. This feeling has gathered fresh strength on account of the wide publicity given all over the world to the distorted versions of the Report of the Economic *Commission for Europe (E.C.E.) on oil prices. Is* this feeling justifiable? "Certainly not," if what Sir Frederick Godber, Chairman of the "Shell" Transport and Trading Company, Ltd., London, says is to be believed. And there is no reason why he should not be believed, because his arguments are convincing. If there is another side to it, then the critics of oil companies must come out with their replies to Sir Frederick's well-reasoned case.

In his customary annual statement, circulated to shareholders, along with the Directors' report and statement of accounts of the Company for 1954 (*vide* pages 984 and 985 of this *issue), Sir Frederick categorically* asserts that the allegation that world oil prices have been kept at an unreasonably high level through the machinery of an international cartel is baseless. It is true that the selling prices are high but they cannot, in his opinion, be lower. Further, they are "not too high for the economic health of the consumer." Prices are high, not because the basic prices quoted by the oil companies are high but because the incidence of taxation, in the shape of sales taxes and excise duties, is prohibitively high. From this, it follows that, if oil prices are reduced by the companies, the *consumer may not be the beneficiary, for the Governments may try to absorb the advantage* of that reduction by stepping up the taxes on oil further. This will doubtless happen in India, where motor cars are regarded as a symbol of luxury and large wealth and not as an item of utility.

Giving an impressive account of the incidence of taxes on oil, Sir Frederick observes that the Shell Company pays as much as three times the net earnings by way of sales and excise taxes. World-wide, these taxes represent one-fifth of the sale proceeds and in Europe one-third. Over half the realisation of the Group from petrol sales in Europe represents sales or *similar other taxes.*

Be that as it may, are the world oil companies making unconscionably high profits? The answer of Sir Frederick here again is an emphatic "no." So far as the "Shell" Company is concerned, its profit for 1954 was £134 million. This represents a return of less than 14 per cent. The Company sold 26,000 million gallons of oil and, therefore, on all operations, that is, on producing, shipping, refining and marketing combined, the profit margin, world-wide, was about 1¼d. per imperial gallon and, even of this, only a small portion of the profit goes by way of payment of dividend. By what standard, he rightly asks, can this return be judged excessive?

What are the prospects of reducing basic prices in the near future? The chances are slender. For the capital expenditure necessary for finding, producing, shipping, manufacturing each extra barrel of oil has risen considerably in recent years. Now that the demand for world energy is expected to rise by 3 per cent. annually in the next 25 years, and a sizable portion of it will have to be met by the oil industry, the capital expenditure is bound to increase. Unfortunately, the financial needs of the industry have outgrown the capacity of the world capital markets to provide them and so they can be met only by retaining in business and appreciable portion of the earnings. The capital expenditure of the "Shell" Group alone in 1954 was £226 million, as against £220 million in 1953, £188 million in 1952 and £164 million in 1951. About two-thirds of these capital outlays has been met from depreciation and other provisions and the remainder from the retained earnings of the Group.

Sir Frederick argues that, in view of the increased capital needed per gallon of output of oil, only a part of such expenditure will yield an added return and, as much of it cannot offer the prospect of any great income, it has to be treated as part of the cost of maintaining the business in efficient condition. In order to drive home the point, it is better to quote him "... much of our capital expenditure," he says, "may be defensive and, consequently, does not offer any great increase of income. The normal test of profit-earning cannot be applied to such investment, which must be treated rather as a cost of maintaining our business than as new investment on which added return can be expected." It will thus be seen that there is very little truth in the allegation that the oil companies have been charging high prices, in order to make huge profits and pay high dividends to shareholders. It will also be clear that the present basic prices of oil and oil products can be reduced only at the cost of future development of the industry.

LABOUR CONFERENCE

The most important subject that came up for discussion at the fourteenth session of the Indian Labour Conference held in Bombay, related to certain amendments, proposed by the Government of India, to the Minimum Wages Act, 1948. It would appear that the representatives of employers and employees agreed to the amendment of section 3(1)(*a*) and 3(1A) of the Act with a view to permitting the omission of the specification of the period within which the minimum wages have to be fixed. They also concurred with the proposal that the minimum rates of wages fixed should continue to remain in operation until revised and notified by the appropriate Government. This requires amendment of section 3(1) (b). The members endorsed the principles of the proposed amendment to section 19 to the effect that records and registers of factories could be seized by Government authorities in the event of irregularities. It was, however, felt that the requirements of the Evidence Act should be kept in view in this connection and the amendments be so drafted in consultation with the Law Ministry as not to cause undue hardship to employers. The Conference also agreed to amend the Act in order to enable the recovery of wages not paid before the prescribed date and to make such non-payment an offence.

It will be recalled that the Minimum Wages Act, as amended in 1954, required fixation of wages for employments in Part I and Part II of the Schedule to the Act before 31st December, 1954. Part I of the Schedule relates to certain unorganised industrial employments and Part II to agricultural employments. So far as employment in Part I of the Schedule is concerned, wage fixation has already been completed in most cases. As regards employment in agriculture (Part II of the Schedule), the intention as embodied in the recommendation of the Planning Commission and subsequently endorsed by the Indian Labour Conference and the Minimum Wages Central Advisory Board has been that wage fixation should proceed on the basis of a phased programme, all areas being ultimately covered within the period of the first Five-year Plan, that is, by 31st March, 1956.

As, under the existing Act, the period during which the minimum wages could be fixed expired on 31st December, 1954, it is not legally possible to fix minimum wages for workers in the specified industries, except in two cases, namely, (1) *in respect of* employment in which the number of workers is less than 1,000 at present, but may become 1,000 or more in future, and (2) in respect of new employments added to the Schedule under section 27 of the Act. In both cases, minimum wages will have to be fixed within one year of such a finding or addition. It is not, however, unlikely that, while wages are being fixed, a certain category might have been inadvertently left out, or a certain unit omitted. It is, therefore, necessary that the Act should be amended in such a manner that it is possible to take continuous action in respect of the types of cases mentioned, even after the time limit expires.

The I.L.O. Convention (No. 26) concerning Minimum Wage Fixing Machinery, 1928, which has already been ratified by the Government of India, also provides that machinery to fix minimum wages, as and when necessary, should be created or maintained by the ratifying member-States. What is needed, therefore, is not a mere extension of time limit for wage fixation but the creation of a standing machinery for fixing wages for the existing scheduled employments as well as others that might subsequently be added. The purpose behind laying down time limit for the fixation of minimum wages having been served to a great extent, the machinery for the future must be of a standing nature. It is to achieve these objectives that the Act is proposed to be amended and there is all the justification for the same.

The Conference also considered the desirability of extending the Employees' *Provident* Funds Act, 1952, to certain additional well-established industries. It was the considered opinion of the Conference that all industries with a total employment strength of 10,000 workers throughout India in factories employing 50 or more persons should be covered. The employers' representatives raised the question of capacity of the industry to pay and desired that employers should also be consulted in this regard before an industry was included in the Schedule. It was considered that there was no bar to the inclusion of seasonal industries in Schedule I of the Employees' Provident Funds Act. *Only the eligibility* qualification should, it was felt, be suitably reduced. It was agreed that an employee who had worked for two-thirds of the number of working days in the preceding season should be eligible for provident fund benefits. The number of working days for a seasonal industry and other details would be determined by the Central Government and incorporated in the Employees' Provident Funds Scheme. The reduction of eligibility qualification in the case of seasonal industries would, it was realised, necessitate the amendment of the Scheme suitably.

The proposal to extend the Employees' Provident Funds Sch*eme is a sequel* to the recommendation of the Planning Commission that the Act should be extended, in gradual stages, during the period of the Five-year Plan to all industries after it had been put on a sound basis in case of industries where it is now applicable. The Act and the scheme framed thereunder are at present applicable to six major organised industries, namely, cement, cigarettes, electrical, mechanical or general engineering products, iron and steel, paper and textiles. Section 4 of the Act empowers the Central Government to extend the provisions of the Act to other industries also.

A third important *subject* discussed at the Conference related to child labour and its protection. It was felt that inspection services, including medical inspectorate, should be reinforced for better implementation of protective legislation. Protective laws should be rationalised by providing a uniform minimum age of employment of 14, uniform hours of work, rest interval, weekly rest days and non-employment at night, that is, between 7 p.m. and 6 a.m It was opined that the provision regarding age of employment need not at this stage apply to agriculture and plantation labour. State Governments, it was felt, should be requested to provide such *general* and vocational training and education to children, before they attained the age of employment, as might be practicable. The employers' and employees' representatives agreed to the need for total elimination of child labour and pledged their co-operation for eradicating it. The assurance of employers' representatives expressly included not only labour directly employed by them but also contract labour.

That child labour should as far as possible be prohibited is admitted by one and all. The directive principles of State policy *embodied in* the Constitution enjoin that the State so direct its policy *"that tender* age of children is not abused and that citizens are not forced by economic necessity to enter into vocations unsuited to their ages or strength; that childhood and youth are protected against exploitation, and against moral and material abandonment." Article 24 of the Constitution also says that "no child below the age of 14 years shall be employed to work in any factory or mine or engaged in any hazardous employment." Protective labour legislation in India is generally in conformity with these directive principles. Unfortunately, a study on child labour recently carried out by the Labour Bureau has revealed that, *despite protective* legislation, the evil of employing children persists, and that the worst sinners in this respect are the small-scale and cottage industries, control over which is difficult and scope for evasion enormous. It is high time that child labour was abolished. It is gratifying to note that employers have assured full co-operation to the Government in this task. But this alone is not sufficient. The evil is so widespread that its eradication will not be possible, unless public opinion is mobilised in favour of this reform. All responsible members of the public who come across the evil of child labour must be encouraged immediately to report the matter to any official of the Government, so that he can check up and initiate punitive action against the culprit.

COMMUNITY PROJECTS

The various decisions reached at the four-day conference of Development Commissioners held at Simla last week should doubtless be very helpful for making the Community Projects and the National Extension Service (N.E.S.) as efficient agencies for improving the health of rural India. The most important of these decisions is the suggestion to introduce a phased programme of work in new areas which would be taken up as Extension Blocks or Community Projects. The phased programme consists of four stages. The first one is the pre-extension stage and covers six months. During this period, in the area proposed to be brought under a community scheme, people will be enlightened as to the purpose of the project and their responsibility to achieve the purpose with the assistance of the trained staff. In the second stage, called extension period, proper emphasis would be laid on correlating research with actual field work relating to the different problems of the area. The third period, namely, period of intensification relates to intensive Community Project work in the area. After the area receives attention as Extension Block for a period varying between one and two years, it might be converted into the Community Project area to receive attention under intensive Community Development Programme. The fourth stage is normalisation which will continue on the same level as in the community project area with the trained staff continuing to be in service. The four stages would thus transform a completely untouched area into an improved one in which attention is concentrated on the many-sided development of rural life.

The success of this programme depends on various factors, such as the availability of trained personnel, adequate and timely supplies of materials, the enthusiastic co-operation of the people and co-ordination of the activities of the various departments which are concerned with the development of Community Projects and Extension Service. These factors which have been stressed in the *Evaluation Report* on second year's working of the projects have, it is gratifying to note, received the attention of the Development Commissioners. This is borne out by the other decisions reached at the Simla Conference. The importance of trained personnel, for instance, was recognised through discussions, on the various problems of imparting training to Village Level Workers, Block Development Officers, Social Education Organisers and Subject Matter Specialists. The Conference further felt that it was time they handed over powers regarding approval of schemes as well as their execution to statutory bodies now functioning in the Project areas. It recommended manufacture and introduction of improved varieties of implements in the rural areas. With a view to improving rural housing, the Conference suggested grant of loans on a long-term basis to villagers. It further recommended that *panchayats* might be empowered to levy water rates to enable them to maintain minor irrigation works, while States should be responsible for the maintenance of bigger schemes. It discussed the question of requesting State Governments to implement the policy of consolidation of land holdings as soon as possible, as it was essential for bringing about systematic long-term improvement in agriculture. It was decided that such Development Commissioners of States as have had experience of consolidation work should prepare notes indicating the principles of consolidation and lines on which work had been done by them and supply such notes to the Community Project Administration for circulating them among other States.

INTER-STATE RIVERS

Two important Bills relating to the development of inter-State rivers and river valleys were introduced in the Rajya Sabha, just before it adjourned, by the Minister for Irrigation and Power, Mr. Gulzarilal Nanda. One Bill seeks to establish river boards for the regulation and development of inter-State rivers and river valleys. According to the Statement of Objects and Reasons given in this Bill, the Board will try to secure' among the State Governments agreement both in regard to the measures to be undertaken for developing the river potential and sharing the financial responsibility involved in undertaking such measures. The second Bill seeks to provide for the adjudication of disputes relating to waters of inter-State rivers. It will be recalled that the Government of Madras recently urged the Centre to arrange for arbitration or mediation in regard to its dispute with the Mysore Government over the utilisation of the Palar waters.

The importance of these two Bills will be evident when it is realised that natural resources do not conform to man-made boundaries. Development of inter-State rivers on sound economic lines will be possible only if all the States concerned act jointly, as a chain of connected problems extends from the source to the mouth of each river. In fact, the entire drainage basin of a river system should, as a rule, be treated as the unit of area of operation, in order to assure faster economic progress. If the T.V.A. of the United States has become a model, certainly it is due to the co-operation of the seven States through which the Tennessee River flows. It is easy to imagine the confusion which would follow if one set of engineers, for instance, attempted to develop a river for navigation, another for power and a third for flood control or each one programmed for the development of the river according to its whims within its State without regard to its consequences on the other States. After all, water control is not an end in itself but only a means for the promotion of social welfare of not a part of the people who inhabit the beds of the river in a particular State, but all those who depend on the waters of the river for their sustenance.

For the first time in India, an Indian firm in Calcutta, in collaboration with two British firms, will undertake building of motor and trailer coaches to meet the demand for 104 coaches for the proposed electrification of Calcutta's suburban railways. The coaches are expected to be delivered in 1957, the year in which Calcutta's suburban railways are to be electrified.

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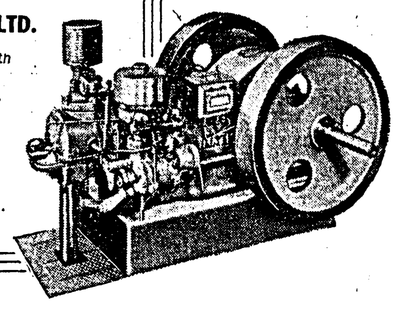

WORKS: *P-61, Circular Garden Reach Road, Kidderpore, Calcutta.* REG. OFFICE: *Hall & Anderson Building, Park Street, Calcutta.*

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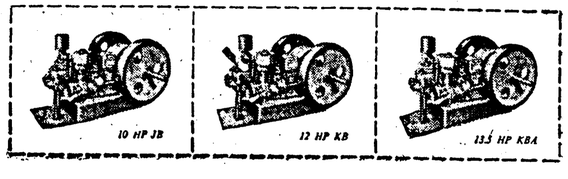

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FOREIGN AID FOR INDIA

TREND OF THOUGHTS IN THE CAPITAL

From A Special Correspondent

NEW DELHI, 17th *May*

THE implications of foreign aid in the form of outright grants or as loans at attractively low rate of interest for the purpose of providing additional funds towards the building up of the economy of underdeveloped countries and raising the living standards of their people are being discussed afresh at high levels in Government circles. The occasion for this has been provided by the repeated statements issued by Mr. C. Rajagopalachari during the past few days. Having been acknowledged as an elder statesman of the country and being gifted with an uncanny eye to perceive the future course of probable events many years ahead of their actual happening, his tirade against receiving grants from the U.S.A. or for that matter, from any other country without any *quid pro quo* has a special significance, especially as India has already been displaying an extremely shy attitude to receiving aid in the form of outright grants from foreign countries. Its spokesmen have, from time to time, not tired of declaring that India would be prepared to receive aids from foreign friendly nations without any strings attached to them. In fact, India has been receiving such help only on this condition during the last four years and more.

DELHI LETTER

The total foreign aid of all sorts, including loans from the International Bank, Technical Co-operation Assistance Scheme, grants under Colombo Plan, Ford Foundation Scheme, etc., amounted to Rs. 131.9 crores during the first three years of the Plan period, that is 1951-54. During the fourth year, that is, 1954-55, the budget figure relating to external aid was originally estimated at Rs. 48 crores. In the course of his budget speech in February last, the Finance Minister Mr. C. D. Deshmukh, stated in regard to foreign aid as under:

"For the current year (1954-55) a sum of $60.5 million was authorised by the U.S. Government as development assistance to India. About 50 per cent. of this assistance is being utilised in obtaining agricultural commodities like wheat and cotton. Out of this sum of $60.5 million, the Government of India have agreed that a sum of $45 million or its rupee equivalent should be a loan. The Government of Canada have again offered to provide a further sum of the order of $13 million, the Government of Australia a sum of £2.5 million and the Government of New Zealand a further sum of £250,000. The Ford Foundation, which has been providing assistance for programmes of development, particularly in the field of training, made available an additional sum of $1.1 million. Under the Colombo Plan, we are also providing assistance to neighbouring countries. In the budget for the next year (1955-56), the total sum to be received by us by way of external assistance under the Colombo Plan and from friendly countries is expected to amount to Rs. 74 crores, while we shall be spending on the provision of such aid to other countries approximately Rs. 2 crores. During the current year (1954-55), India obtained two more loans from the International Bank for Reconstruction and Development; a loan of $16.2 million to Tatas for their Thermal Power Project at Trombay and another of $10 million to the recently established Industrial Credit and Investment Corporation of India. This brings the total of loans from the Bank to India to $126.7 million."

Government Chary of Taking Aid

In view of the vehement opinion that is being expressed by some sections of the American public from time to time against the foreign policy pursued by India, the Government of India has already become chary of accepting American grants even if offered without strings. That was presumably the reason why India reduced the free gift voluntarily to about 25 per cent., treating the balance as loan.

According to the latest reports from the U.S.A., the sum provisionally earmarked for India to be given in 1955-56 is $85 million. Out of this sum, $70 million are for economic development and $15 million for technical assistance. Pakistan, which is only one-fifth of India, has been allocated a higher sum of $92 million, that is, $7 million more than the sum meant for India. The sum earmarked for Pakistan is divided as under: $63 million for defence (economic) support; $20 million for direct forces support; and $9 million technical aid. Besides this sum, President Eisenhower proposes that a sum of $200 million will be made available for regional development in the various global areas. All the figures thus far is tentative, as the American Congress has the power to strike out or amend any or all of them.

It may be noted that outright grants by the U.S.A. for the economic development of India have been extremely limited, the total utilised during the first three years of the Plan being only Rs. 22.6 crores, including the money allocated by the Ford Foundation Schemes. The total sum allotted for this purpose was, however, higher at Rs. 84 crores. Whatever may be the reasons for the non-utilisation of funds, one thing is clear, that, out of Rs. 860 crores expended during the first three years, the total outright grants utilised work out to 2.6 per cent. only. Other external loans such as the wheat loan of Rs. 90.4 crores, as also those from the World Bank, carry interest and have to be paid back in the coming years.

The question that is being posed in the Capital is whether India would be able to dispense with outright gifts and direct loans from big powers consequent on the "cold war" between leading world powers. India's policy of non-alignment, the persistence of big powers in conducting experiments with destructive weapons such as atom and hydrogen bombs, etc. "The dangerous dissemination of deleterious matter," according to Mr. Rajagopalachari, has already been fouling the world atmosphere, spreading mysterious diseases among mankind. He has compared this to the apparently innocent spitting in public places by tuberculosis patients who spread the germs of this deadly disease among the people. His argument is that a country receiving outright grants from big powers cannot remain neutral since it has a moral obligation to return it in some way or other. According to him, India can maintain its moral power and newly acquired independence if it refuses such aids and undergoes some sacrifice in maintaining its ideals. It may be mentioned that some countries like Syria has been totally refusing outside help, presumably with a view to maintaining strict neutrality. It is suggested that when Parliament reassembles in August next the question of accepting foreign aid will come to the forefront.

Moral Obligation

The problem is now being viewed from different aspects. It is stated that, during the first few years, underdeveloped countries will have to get capital, plant and machinery, technical know-how, etc., from advanced industrialised nations. Even the U.S.A. has been able to develop its economic strength on account of the continued inflow of capital from the U.K. and other West European countries. It is argued that the U.K. was able to develop its industries and general economy on account of the wealth derived from its colonial possessions, particularly from India, during the eighteenth and nineteenth centuries. In his book *The Discovery of India*, Mr. Jawaharlal Nehru writes, under the caption "The Plunder of Bengal Helps the Industrial Revolution in England," that the cost of transition from a pre-industrialist economy to an economy of capitalist industrialism in the U.K. was paid particularly by the people of India, in the form of famine and death and vast unemployment. He adds: "It may be said that a great part of the costs of transition to industrialism in western Europe were paid for by India, China and the other colonial countries, whose economy was dominated by the European powers." It is, therefore, suggested that the Western industrial nations, including the U.S.A., have a great moral obligation to redeem their debt and come to the help of Asian countries which were instrumental to their present phenomenal prosperity and high living standards. This view is supported by no less a person than Mr. Chester Bowles, a former U.S. Ambassador to India.

Apart from the western world's moral obligation to underdeveloped countries, it is asked as to whether India could afford to give up foreign aid, particularly outright gifts and grants. During the first Plan, the total aid in all forms is estimated at about 10 per cent., out of which nearly 40 per cent. represents wheat loan. During the second Plan, the estimates of foreign aid are placed around Rs. 500 to Rs. 600 crores. It is possible that about Rs. 150 crores can be utilised out of sterling balances which could not be fully utilised during the last two years and more. Out of the balance of Rs. 450 crores, it is possible that Colombo Plan countries might be able to give about Rs. 50 crores. Another Rs. 200 crores might be forthcoming from the World Bank for purposes of development of specific projects. Perhaps, about Rs. 200 crores, mostly in the form of loans, might be had from the U.S.A. Since the planners are thinking of spending about Rs. 6,300 crores during the next Plan period, the contribution from the U.S.A. will come to about less than 4 per cent. of the total outlay. Mr. Rajagopalachari characterised the nature of foreign help as one of convenience which would speed up the pace of development projects. Since the help from the U.S.A. will form a minor proportion of contemplated expenditure under the second Plan, it is claimed that the total refusal of taking any direct aid from this country and other big world powers is not likely to affect the economic progress of India to any material extent. It is, however, possible that people who hold this view might not be averse to taking foreign help if it were offered through the United Nations Organisation. It is likely that the opposition members of Parliament will take up the question of foreign aid and persuade the Government of India not to accept gifts or grants from big world powers, so that India could follow its policy of non-alignment with dignity.

STRIKE WAVE IN BRITAIN

HAVE WORKERS ACHIEVED THEIR OBJECT?

From Our Own Correspondent

LONDON, 14th *May*

ALTHOUGH there has been a crop of strikes in this country in the last few months, they have not so far become an election issue. This is because, while some voices on the right are urging legislation to make strikes in some circumstances illegal, the Conservative Party does not wish to have themselves associated in the minds of the working class voter (on whom the Conservatives depend for much of their support) with any sort of anti-labour policy.

LONDON LETTER

The real problem of unofficial strikes is, in fact, of as much concern to the Labour Party as it is to the Conservatives and, one can say, of as much concern to the Trade Union Movement.

It is, of course, difficult to say on the face of it, whether many of the recent strikes have achieved their object or not. The newspaper strike ended by the men going back to work without their demands being met as a preliminary to immediate consideration by the employers of those demands. The autumn dock strike ended in the same way; while the railway strike threatened in April was also withdrawn at the last minute on the understanding that the locomotive men's request for higher pay differentials would be immediately considered. So, while, in all these cases, the men resumed work as a preliminary to further negotiation, the strike apparently forced immediate consideration of the grievances.

Just recently there has been a tug-boat strike at Liverpool and a coal strike in Yorkshire. The tug-boat men have gone back—this time on their terms; and the Yorkshire strike is somewhat in suspense. In the latter case, the trouble is the dissatisfaction with the method of calculating pay for filling coal into trucks. This dissatisfaction has been widespread and the National Coal Board has been trying to deal with grievances and, indeed, a new and simplified system has been started at some pits. The strikers found cause for dissatisfaction either that they were not consulted in the revised arrangements or that the revised arrangements were not being applied yet at their particular pits. Undoubtedly, irritation at the slow working of the arrangements to put right the grievances and the very poor labour relations which appear to exist between the National Coal Board, the National Union of Mineworkers, and the men working at the pit, are important factors. There are all kinds of contracts between the Coal Board and the miners at different pits, inherited from the days of private ownership to cover all the kinds of jobs which the mine-workers may be called on to do, and to compensate, or not as the case may be, the results of handling different qualities of coal. Most of the miners have gone back, some want something on account before they go back, and it is not clear whether the strike will start growing again or die out.

Dock Strike

Finally, there is another threatened dock strike: This time the result of arguments between two unions. The new National Association of Stevedores and Dockers wants to be recognised by all port employers in the same way as the latter recognise the General and Transport Workers' Union. Recognition has been given in London, and after a threatened strike was given in Manchester. Elsewhere the port employers are afraid that if they recognise the new Union, the Transport and General Workers' Union will come out on strike, but in fact, as they are not recognising the new union, it is calling out its considerable membership and there is every likelihood that, in spite of appeals by the Transport and General Workers' Union, a substantial number of men in the latter Union will join in.

This last story is one for which the Government cannot avoid responsibility. The attitude of the Ministry of Labour is traditionally that it is neutral in trade disputes, whether between unions and employers or between one union and another. It only comes in when both parties appeal to it to do so and they have exhausted the usual conciliation machinery. But while there is a case to be made for the neutrality of the Ministry where the dispute is between unions and employers, it is difficult to see the justification for this attitude when a dispute between rival unions brings the commerce of

(Continued on next page)

INVESTMENT IN BRITISH INDUSTRY

ENCOURAGING POSITION, DESPITE VULNERABLE ECONOMY

By W. Rees-Mogg

WHEN the Bank of England raised the Bank rate to 4½ per cent., with the approval of Mr. R. A. Butler, the Chancellor of the Exchequer, it was taken as a warning that the British economy was outrunning itself. Too many imports were coming in, not enough foreign currency was being earned. A number of reasons has been given for this development, but the basic diagnosis is now agreed.

The immediate cause of the return of this strain on the economy was that everything had been going just a little too well. There were more goods in the shops and more money to buy them. Output was higher and investment was higher. Because output was rising, firms wanted to lay up bigger stocks, and that had a big, and probably temporary, effect on the import bill. In addition, there was a special point of trouble. Britain, like the rest of Europe, had an exceptionally bad harvest and an extra quantity of food, particularly of food for animals, had to be brought in. This is by no means a bad position for an economy to be in. It is not a position of crisis like the economic crisis of the reconstruction period after the war. But it is a situation in which the confidence of industrialists can be tested severely. It is worth taking a second look at the investment position in Britain at a time like this, because one might fear that investment would be affected by the measures taken to check the new economic problem.

Spate of Investment Plans

In 1954 and the first months of 1955, there was a positive spate of new investment plans. Almost every week, one read of a new decision to spend tens, sometimes hundreds, of millions of pounds over a period of a number of years. Some of these plans were made by the nationalised industries. The railways, which had previously been at the back of the investment queue, announced a £1,200,000,000 plan to modernise and re-equip the whole system. That will take 15 years to carry out. Hundreds of millions of pounds are to be spent in the next ten years on the construction of nuclear power stations. The coal industry also has a large capital development plan. The Government plans a major road-building programme. And so on.

All this would not be so satisfactory, if the Government and the State corporations were the only part of the economy in which the level of investment was sufficiently high. This has always been seen as a danger by the City of London, because it is much easier for these bodies to borrow the money they need. There are fortunately no signs that this fear has been justified. Private firms have put in hand their own programmes. The steel companies, most of whose biggest units have been denationalised, have increased their programme for expanding steel capacity. The motor car manufacturers have announced plans for capital expenditure of a very large size. The largest have come from the British Motor Corporation, which is the amalgamation of the Austin and Morris companies, and from Ford and Vauxhall. Vauxhall is the British subsidiary of General Motors. There are also big expansion plans in a number of other industries, including particular chemicals and oil.

New Money for Industry

One sign of this has been a great increase in the number of issues of stock made on the London market. Despite the fact that a number of the largest capital plans were going to be financed from companies' internal resources, from ploughed-back profits, the new money raised by British industry rose from £96,000,000 in 1953 to £197,000,000, in 1954, according to figures compiled by the London *Financial Times*. Figures for new factory building also boomed. By the third quarter of last year, the rate of approval of new factory projects had reached 7,000,000 square feet a month, more than double the rate in the same period a year before.

The investment boom also showed itself in a number of other ways. There was, for instance, a great increase in the demand for steel. Some types of steel ended the year in very short supply and steel imports had to be increased. The machine tool industry was also kept busy and orders are high.

This great expansion in investment has been supported by a great increase in savings. Gross savings are now running at more than £800,000,000 a year. In a recent article, Professor Cairncross, of Glasgow University, estimated that new capital formation in Britain was higher than ever before. He said that it was necessary to go back before the First World War to find a period when the flow of savings bore a higher relationship than now to the national income. It should also be remembered that, in those years before 1914, a large proportion of British saving consisted in the net earnings from foreign investment. Those net earnings do not now exist, as investments have been cashed and debts increased in two world wars.

Signs of Confidence

Both these savings and the investment that flows from them are signs of the confidence of the British in their own economy. Impressive also is the investment in Britain by American companies. Since the war, 40 per cent. of American investment in Europe has been in Britain. That, too, is a sign of confidence.

On what, then, is this confidence based? In the first place, there is a feeling that Britain has made a real come-back economically. The country shows strong signs of internal and external prosperity and is not over-worried by short-term difficulties, by bumps on the road. There is also the encouraging success of technical development programmes which both absorb investment and make it more profitable. British industry ended the war largely obsolete and in some parts technically backward. There had first been the economic stagnation of part of the 1920's and the 1930's and then the total diversion of all resources to war purposes. There has had to be a major effort to re-equip and to modernise. That effort has been made and is continuing.

This, then, is an encouraging position. The productive capacity of Britain has increased and is increasing. The prosperity of the country rests on the solid basis of large investment and a high rate of savings. But it is not a position in which there is any room for complacency. Britain's economy is only ten years away from a state of complete exhaustion. It is still vulnerable to the ebb and flow of world trade. British industry may be in a confident frame of mind, but it is conscious of the difficulties that remain to be tackled.—*Exclusive to "Commerce."*

MARKETING OF BRITISH WOOL

The British Wool Marketing Board has announced details of arrangements for the 1955 home wool clip. Of prime interest to the 120,000 wool growers in the United Kingdom is the schedule of maximum prices for each of about 200 grades of wool. This schedule is based on an overall average price of 54.17d. per lb.

The Board's statement is a pointer to the flourishing state of the wool-growing industry in Britain today. Encouraged by the stability of prices under the marketing scheme, farmers are now aiming at better fleeces in their flocks and a higher standard of preparation of the clip to meet the needs of manufacturers. Under the new financial arrangements between the Board, the National Farmers' Unions and the Government, a figure of 58½d. per lb., including marketing costs, has been guaranteed to the Board for the 1955 clip. Although the increase in the Bank rate may add nearly ½d. per lb. to costs, the Board hopes to achieve further economies in expenses under its own control, and only 4½d. is to be set aside for marketing costs.

Although Britain produces only cross-bred and coarse carpet wools, the home clip now makes a higher average price than the clips of New Zealand and the U.S.A., which contain a proportion of fine mernio wools. During 1953-54, for instance, wool at New Zealand sales averaged 50½d. per lb. (greasy), as compared with 53d. at British sales. This is due largely to the fact that much British wool is sold almost at the point of manufacture, and there are no shipping costs. "Guaranteed prices to wool producers which have been constant at 54d. per lb. (net) during the four years 1952 to 1955," the Board observes, "have had a significant effect on the recent increase in Britain's sheep population. The National Farmers' Unions and the Wool Board regard the new financial agreement with the Government as a helpful mechanism for continued stability and confidence in the sheep industry."

LONDON LETTER

(*Concluded from previous page*)

the country to a standstill. The Minister has got a clear case there for bringing the heads of the unions together and bringing all the pressure he can bear on them to be sensible and to sort out their differences without stoppages of work.

As regards the other disputes, a good deal is heard about agitators but the agitators would be ineffective, if there were no dispute on which they could work and if there were always close relations between union headquarters and local branches. There is, indeed, scope for enquiry into the working of the whole Trade Union system and there again the Minister of Labour cannot avoid responsibility, in view of the high place the unions have now gained in the economy of the country, for insisting that they keep their own houses in order.—*All Rights Reserved.*

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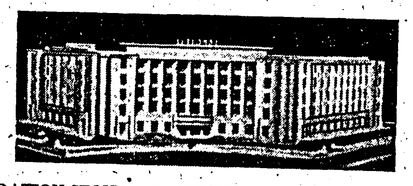

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BOMBAY STATE FINANCE CORPORATION

MODIFICATION IN LOAN POLICY

STARTED just seventeen months ago, the Bombay State Financial Corporation is slowly feeling its way in providing financial assistance to needy industries in the Bombay State. Such assistance, according to the second annual report of the Directors of the Corporation, covering the year ended 31st March, 1955, amounted to Rs. 68.37 lakhs to 31 applicants. This sum may appear to be rather small, as compared with the total request for loans amounting to Rs. 2.90 crores from 119 applicants. But it is due to many hurdles which the Corporation has to cross, before it can render assistance on an impressive scale. To mention some of the major hurdles. First, the Corporation can hardly afford to be very liberal in sanctioning loans indiscriminately, ignoring sound principles of banking. Secondly, it has itself to acquire sufficient experience regarding the present position of industries in the State, their financial soundness, their method of business, etc., so that it may have an idea as to the extent to which it has to adjust its lending policy in order to make available more and more of its funds to creditworthy, sound and promising industrial ventures. In fact, the loan policy of the Corporation underwent certain modifications—as will be shown presently—during the year under review. Thirdly, the industries needing financial help from the Corporation have also to gain experience regarding the aims of the Corporation, the limitations under which it has to operate, its loan policy, the procedures and formalities which have to be gone through before a loan is actually sanctioned by it, the nature of security acceptable to it, etc. In other words, as the Corporation is still in its initial stages, the intimacy between it and the managements of industry, which is necessary for any expansion of business, has not been established yet as much as needed.

Applications

Of the 31 applications for which loans were sanctioned, 18 were for the aggregate value of Rs. 17.37 lakhs, whose requirements were below Rs. 2 lakhs each. As many as 12 of the remaining 13 applications were for a total loan of Rs. 44.50 lakhs requiring loans between Rs. 2 lakhs and Rs. 5 lakhs. Only one loan was sanctioned for a sum exceeding Rs. 5 lakhs.

Of the 119 applications received by the Corporation, as many as 66, requiring Rs. 128.94 lakhs in the aggregate, were pending investigation. Seventy-three applications for Rs. 40.70 lakhs were disposed of for some reason or other. Some of them were not eligible for loans under the State Financial Corporations Act. A few others failed to submit themselves for a detailed examination of their proposals. Some of them were not technically sound, while others were for amounts less than Rs. 75,000 and, therefore, had to be transferred to the Director of Industries, Government of Bombay, who deals with such applications under the State Aid to Industries Act. The Corporation does not accept applications seeking accommodation for less than Rs. 75,000.

The largest number of applications came from general engineering companies for a total sum of Rs. 74.70 lakhs. Of these, 11 applications for Rs. 20.62 lakhs were approved of. The next largest was from textile mills which accounted for 25 applications for Rs. 38.77 lakhs. Only 6 of them, covering a sum of Rs. 12.70 lakhs, were sanctioned. Twenty-one applications for Rs. 29.11 lakhs came from electricity supply concerns, of which three were successful in getting loans amounting to Rs. 4.3 lakhs. Among other applicants were from concerns engaged in the manufacture of matches, metals, pharmaceuticals, paper, sugar, vegetable oils and others. The purposes for which loans were sanctioned included expansion of existing units and development of new lines of manufacture. Loans were, for instance, granted to four textile concerns for acquiring processing machinery in the form of dyeing, bleaching and printing equipment. Loans were given to develop new lines of manufacture of elastic webbing and velvet and velvetine and allied products. In the engineering group, loans were sanctioned for the expansion of three units of which one is engaged in the production of vital machine tools for mechanical industries. The Corporation has granted loans for the manufacture of new lines in this group, such as hacksaw blades, tested and untested steel chains and patented type of water taps.

The Board of Directors of the Corporation has decided to appoint advisory committees in respect of (a) chemical, (b) engineering, and (c) textile industries for examining the loan applications from concerns engaged in these industries. It is interesting to note, in this context, that the Corporation has had the co-operation of reputed business houses such as Tata Industries, Killick Industries Ltd., A.C.C. Ltd., National Rayon Corporation Ltd. and associations such as the A.-I.M.O. and the All-India Chemical Manufacturers' Association in suggesting names of persons with high technical qualifications and experience to serve on the advisory boards in the three groups of industries mentioned above.

Loan Policy

The year under review is noted for a modification in the loan policy of the Corporation. As a result of the new policy, the Corporation now entertains applications for loans upto Rs. 10 lakhs from industrial concerns in the State. Previous to the change, it had proposed to limit the loan to a single concern to Rs. 5 lakhs only. Secondly, formerly there was no intention to advance loans for working capital. But now, the Corporation advances loans for this purpose upto a limit of Rs. 1.5 lakhs per concern. Thirdly, the Corporation will receive applications for loans amounting to Rs. 75,000 and above (but upto Rs. 10 lakhs) from industrial concerns, those below this sum being entertained by the Bombay Government under the State Aid to Industries Rules. For two to three years more, the Corporation will continue to receive applications from electricity concerns in the State. Thereafter, this work will be undertaken by the Bombay State Electricity Board, which though formed on 6th November, 1954, under the Electricity Supply Act, is yet to organise and raise its own resources for the purpose.

Profit

The working of the Corporation during the year resulted in a net profit of Rs. 2.40 lakhs. Of this, a sum of Rs. 1.06 lakhs has been provided for taxation. After making necessary appropriations for reserves (Rs. 16,000) and writing off of preliminary expenses (Rs. 11,145), there remains a balance of Rs. 1.07 lakhs. The Corporation has requested the Bombay Government to give subvention for the balance of Rs. 2.43 lakhs to make up the guaranteed dividend of 3½ per cent. payable to the shareholders of the Corporation.

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INDUSTRIAL FINANCE CORPORATION ACT

The Government of India proposes to modify the Industrial Finance Corporation Act, 1948, and the State Financial Corporations Act, 1951. The modifications are based on the experience so far gained in operating the Acts, as also on certain recommendations made in 1953 by the Industrial Finance Corporation Enquiry Committee, presided over by Mrs. Sucheta Kripalani. They have been incorporated in a Bill entitled. "The Industrial and State Financial Corporations (Amendment) Bill, 1955." The Bill was introduced in the Lok Sabha on 12th April last, and is expected to be taken up for consideration in the ensuing autumn session of Parliament.

The Enquiry Committee had recommended that the administrative set-up should be remodelled so as to have a full-time paid Chairman to be assisted by a General Manager in place of the present arrangement of an Honorary Chairman and a paid whole-time Managing Director. Agreeing with this recommendation, the Government has incorporated an amendment to this effect in the Bill mentioned above. According to it, the paid Chairman will be appointed by the Central Government in consultation with the Board of Directors of the Corporation. He will receive such salary and allowances as may be determined by the Board with the approval of the Central Government. He is to hold office for a period of three years or until his successor is appointed. He is also eligible for reappointment. He should exercise such powers and discharge such duties as are assigned to him by the Act or as may be delegated to him by the Board. If he feels that circumstances warrant immediate action in respect of any matter within the competence of the Board or the Central Committee, he can take such action as he deems necessary. But, soon after, he should make a written report to the Board or the Central Committee, to that effect. The Government reserves to itself the right to remove the Chairman from office. With the appointment of the Chairman will cease the posts of the Managing Director and Deputy Managing Director.

Provision is made in the Bill for the abolition of the present Executive Committee and for replacing it by a Central Committee, as was suggested by the Enquiry Committee. The Central Committee will consist of (a) a Chairman, (b) two directors elected by the nominated directors, and (c) two directors elected by the elected directors. The Chairman of the Board will be the Chairman of the Central Committee also. A director elected to be member of the Central Committee is to hold office as such for the rest of his term of office as Director of the Corporation for which he is so elected. Subject to such general and special directions as the Board may give, the Central Committee will be competent to deal with any matter within the competence of the Board. The minutes of every meeting of the Central Committee should be laid before the Board at its next following meeting.

The Corporation has been empowered, from time to time, to appoint one or more advisory committees for assisting in the performance of its functions effectively. It may also appoint a General Manager and such other officers and staff as it considers necessary. It has been given powers to appoint more than one director on the Board of Directors of a loanee company. It can not only sell but also lease the property pledged or mortgaged to it.

Doubts have arisen while operating the Industrial Finance Corporation Act as to whether concerns which are not actually engaged but are formed with the object of engaging in the manufacture or processing of goods are eligible for loans from the Corporation. Provision has been made to clarify the intention that concerns which have been formed with the object of engaging in the manufacture or processing of goods are also eligible for receiving loans. A similar change is proposed in the State Financial Corporation Act, 1951, also. In other words, the change widens the definition of "industrial concern" to include those concerns brought into being with the object of manufacturing or processing commodities.

WORLD BANK LOAN TO NORWAY

As briefly reported in this journal recently, the World Bank and the New York investment market have completed a combined operation to lend $40 million to the Kingdom of Norway. The operation consists of an offering of $15 million of Norwegian bonds in the U.S. market and of a grant of a $25 million loan by the World Bank. The proceeds of the $40 million loan will be applied to the foreign exchange costs of capital equipment for the development of the Norwegian economy.

The new bond issue is designated as the "Kingdom of Norway External Loan Bonds of 1955" and is dated 15th April. The loan is divided into four categories according to maturities. Thus it consists of (a) $2.5 million of three-year 3¾ per cent. bonds, (b) $2.5 million of four-year 3¾ per cent. bonds, (c) $2.5 million of five-year 3¾ per cent. bonds and (d) $7.5 million of ten-year 4¼ per cent. sinking fund bonds, due 15th April, 1965. All maturities are being offered at 100 per cent. plus accrued interest. All the bonds are callable for redemption in whole or in part on thirty days' notice at the option of the Norwegian Government. Provision has been made for a redemption premium of ¼ of 1 per cent. for each period of 12 months or fraction thereof from the date fixed for redemption to the respective maturity dates.

For sinking fund purposes, the ten-year bonds are callable on 30 days' notice at 100 per cent. plus accrued interest to the date of redemption. Retirements under the sinking fund are on a semi-annual basis commencing on 15th October, 1960, and on each interest payment date thereafter.

The World Bank loan of $25 million to Norway made currently with the bond issue, is for a term of 20 years and carries interest at 4¾ per cent. including the statutory commission of 1 per cent. A total of $5 million will be amortised on a semi-annual basis in the sixth and seventh years. Amortisation of the remaining $20 million will begin in November 1965.

BENEFITS OF FOREIGN PRIVATE INVESTMENTS

VIEWS OF AN AMERICAN INDUSTRIALIST

MR. H. W. Balooyen, Vice-President of American and Foreign Power Company, Inc., which has large overseas investments in public utilities, says the benefits to a host country of foreign private capital investments appear to be one of the least understood economic topics of our time. This, he says, is indicated by some of the headlines and newspaper stories which heralded the recent publication of the report on foreign capital in Latin America by the U.N. Department of Economic and Social Affairs.

"To the uninitiated," he adds, "it would appear that the U.N. experts had made a startling discovery which reflected no credit on the foreign business firms—particularly American firms—with Latin American investments. U.S. investors actually have taken out more money than they have put into Latin America during the past 25 years! If this is truly a 'little-known situation' as stated in one of our important newspapers, and, of itself, is considered to be cause for alarm, then it is only too evident that we have not progressed very far in our understanding of foreign investment fundamentals. It should be self-evident that a foreign investment by a private company, like a domestic investment, is made in the expectation of profit. It should be equally evident that a company's shareholders will not be satisfied, for long, with a reported profit which does not result in their receiving cash income, in a currency they can use. Why then, should a private company be expected to put into foreign investments over a period of years more than it takes out? And why should the sum total of private companies in the United States with Latin American investments be expected to do so? And, finally, why should it be at all surprising if the return on these investments, on the average, should be somewhat higher than in the United States, when the additional risks attendant upon investments in the less-developed countries are considered?

"Actually, the most surprising discovery in the recent U.N. report is the fact that, with petroleum investments eliminated, the return on U.S. private investments in Latin America in recent years has been approximately the same or somewhat less than could have been earned on similar investments in the United States. The real question, of course, is not whether in a specific year, or over a period of years, the inflow of private U.S. capital has exceeded the outflow of profit remittances. It is not purely a matter of balancing foreign exchange income and outgo, although it can be easily demonstrated that U.S. private investments, by promoting exports and reducing requirements, have resulted in a net gain in dollar exchange for Latin America of very sizable proportions. What is significant is whether these investments, all things considered, have been beneficial to the countries which have received them."

Mr. Balooyen said this matter was placed in its true perspective at a recent U.N. meeting by the U.S. representative, Roger W. Straus. He quoted Mr. Straus' remarks as follows:

"The benefits of private investment cannot be measured simply by looking at its effect on a country's foreign exchange account. ... To appreciate its full contribution we must analyse its whole impact on the domestic economy in terms of such things as the training of local labour, the development of related local industries, the growth of new or existing cities or towns, the production of commodities which otherwise would have to be imported—in short, all the things that go to make up national prosperity and economic strength."

Mr. Balooyen said this point was further developed in an article on foreign investments in the November, 1954, issue of the Commerce Department's *Survey of Current Business*. "This article," he explained, "also placed emphasis on the fact that gains to foreign countries from U.S. private investments should be considered in the light of the contributions made to overall output; and it estimated that 'as much as one-tenth of the value of goods and services produced in Latin America may be accounted for by U.S.-owned enterprises.' The article stated, further, that 'some 25 per cent. of total exports to the United States by foreign countries is produced by U.S. direct investment companies abroad which have developed and made possible this large trade.'

"Some idea of the magnitude of this item may be gained by comparing $900 million, which is one-fourth of Latin American exports to the United States in 1952, with the unusually large net outflow of $336 million on U.S. investment account for that year to which attention is called by the U.N. report. The report placed the net outflow during the 1925-29 period at $100 million per year and, for the 1946-51 period, at $241 million per year. But this still is not the whole story. U.S. companies and their subsidiaries in Latin America make direct payments in income taxes, royalties and other taxes and payments of well over $1,000 million a year. Generally speaking, this represents income these Governments would not get were it not for these private investments. Part of this total represents payment in dollars and part is payment in local currency; but these payments, taken as a whole, have a double effect. They help the national Governments to balance their budgets; and the dollar portion helps in balancing their foreign exchange accounts, supplying part of the funds required for essential imports and for service of foreign investments and loans."

In its approach to the question of whether the service of U.S. private investments in Latin America is imposing an undue burden on foreign exchange resources of the Latin American countries, the U.N. report compared the gross outflow of income to the United States ("transferred investment yields") with exports to the United States, the resultant percentage being labelled "the investment service ratio." Mr. Balooyen pointed out that the U.N. report estimated the investment service ratio on U.S. private investments in Latin America as 19 per cent. for 1952. He said the overall ratio is completely distorted by the inclusion of the relatively high yields from the Venezuelan petroleum industry. If Venezuela's ratio is omitted, he said, the investment service ratio for 1952 would be only 5.5 per cent. Similarly, he said, the gross earnings of U.S. private investments in Latin America, excluding Venezuela, were only 8.7 per cent. in 1952. Comparable rate of return in the United States that year was 10.5 per cent.

"I am sure that it is well understood by our friends in Latin America," concluded Mr. Balooyen, "that the contribution of U.S. private capital cannot be adequately measured by offsetting dollar figures of direct income and outgo. Most of these investments are in basic industry and natural resource development in such fields as mining, petroleum, agriculture, transportation, electric power and heavy industry. Private investments of this type have a catalytic effect on the entire national economy, as they create and stimulate the growth of a wide variety of related and complementary industries, thus creating new sources of national wealth. Furthermore, these investments customarily bring with them the technical skills and administrative experience required for their most effective economic utilisation."

The Netherlands Bank has published a number of regulations involving ampler possibilities for the purchase and sale and the import and export of foreign securities by residents in the Netherlands. The purchase is possible of such foreign securities as are officially listed on the Exchange of the country in whose currency the purchase is made and of those of which the original shares or certificates are listed on the Amsterdam Stock Exchange.

Foreign securities of residents can be exported to all countries, with the exception of Indonesian securities and other foreign securities expressed in Netherlands guilders.

The State Bank of India Act, 1955, which has already received the assent of the President, will come into force from 1st July, 1955, in pursuance of sub-section 2 of section 1 of the Act. As already reported, Dr. John Matthai, a former Finance Minister, will be the Chairman of the Board of Directors of the State Bank.

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EXPORT OF INDIAN COTTON YARN

TRADERS URGE REVISION OF POLICY

A VIGOROUS plea for liberalising restrictions on exports of cotton yarn has been put forward by the Bombay Yarn Merchants' Association and Exchange Ltd., in the course of a communication addressed to the Chief Controller of Imports and Exports. It will be recalled that, under the present policy, only a limited quantity of yarn—estimated at 10,000 bales—is allowed for export by mills. The allotment of quotas is made on the following basis:

(1) In respect of composite mills, the unit which actually delivered, during the quarter January-March, 1955, 120 per cent. of obligations fixed under the Cotton Textiles (Control Order), 1948, are permitted to export 40 per cent. of the excess of actual deliveries over 120 per cent;

(2) in respect of purely spinning unit, these mills which delivered in the same quarter one-fourth of the actual quantity delivered by them during 1954 or their obligations fixed under the Order, whichever is higher, are permitted to export 40 per cent. of the excess of actual deliveries above the stated higher limit;

(3) the licensing period for deliveries during January-March, 1955, commenced in April, 1955, while that for deliveries during April-June, 1955, will commence in July next;

(4) the last date for effecting shipment against such allotment is 30th September, 1955;

(5) the different counts of yarn permitted to be exported in relation to the actual quantity and counts of yarn delivered by mills during the relevant period.

When the Government of India announced the above policy in February last, it stated that the policy was designed to help the mills to liquidate their stocks of yarn by providing an incentive to mills to deliver increased quantities of "free yarn." This objective, the Association observes, has not been realised. For, according to it, hardly 10,000 bales of yarn are allowed for export. It is practically impossible for the composite mills to reach the peak figures of their production to the extent of 120 per cent. The spinning mills also are allowed not more than 40 per cent. quotas. Indeed, the Association points out that large stocks of yarn have accumulated with the mills with the result that prices of yarn have suffered a sharp fall. The average price of 20 counts yarn is at present Rs. 15 per bundle of 10 lbs., as against Rs. 16-8 in January and Rs. 16-4 in March, 1955. Two factors are said to have been responsible for such a state of affairs. First, the production of yarn has registered a marked expansion, the monthly rate of output now being about 140 million lbs. On this basis, the aggregate production for the whole of the calendar year 1955 may be estimated at 1,680 million lbs., as against 1,563 million lbs. in 1954 and 1,506 million lbs. in 1953. Secondly, following the Government's decision not to supply yarn to unauthorised powerlooms, these looms have to depend on supplies of rayon yarns.

Competition in Yarn Trade

In support of the plea for an early liberalisation of restriction on cotton yarn exports, the Association has drawn the Government's attention to the keen competition that has already developed in the world cotton yarn market. Citing the instance of Hong Kong, which was once a very important market for Indian cotton yarn, the Association points to the appreciable rise in exports of yarn by other countries to this market, in distinct contrast to the marked fall in exports from India. During the first 10 months of 1954, India exported to Hong Kong a bare 1.65 million lbs. of yarn, as against 5.6 million lbs. in the whole of 1952. In the same period, Egypt exported 5.22 million lbs., as against 1.61 million lbs., and Japan shipped 2.78 million lbs., as against 1.10 million lbs. "There is," to quote the Association, "keen competition *inter se* the exporting countries, and, looking to the statistical reports of the past three years, it will be evident that, if the present restricted policy were persued by the Government, Italy, the U.K., Japan and Egypt would capture the overseas markets." In vew of such competition, as also of the need for maintaining our export trade in cotton yarn abroad, the Association urges the Government to allow more exports. Elucidating this aspect further, it observes: "Exports of cotton yarn in adequate quantities is not only necessary to relieve congestion of stocks and to stabilise prices, but to help establish and develop export markets for yarn in countries like Ceylon, Burma, Indonesia and Siam. It is learned that these countries have cut down their imports of Indian handloom cloth by nearly 80 per cent., in order to encourage and develop their own handloom industry and for which there is a good demand for 20s and 40s cotton yarn. While India is losing her export trade in handloom cloth with those countries and as a consequence of restricted import of cotton yarn from India, these countries have started buying their requirements of yarn from Japan and other countries."

Supply Position Comfortable

In this connection, the Association seems to dispel the fears of the Government that the adoption of a more liberal policy for cotton yarn exports would result in scarcity of supplies for domestic consumption. During the years 1952 and 1953, when the production of yarn was low, India exported 21 million lbs. and 17 million lbs. of cotton yarn, respectively, and no dearth of yarn, it says, was felt either by consumers or traders. The following table gives the statistical position in respect of cotton yarn in the past five years:

(In million lbs.)

	1954	1953	1952	1951	1950
Production	1,563	1,503	1,447	1,292	1,166
Imports	2	2	..	1	3
Total supplies ..	1,565	1,505	1,447	1,293	1,169
Yarn used by mills for weaving cloth	1,039	1,014	934	897	755
Exports	8	17	21	27	84
Supplies of yarn available for handlooms and other consumers	518	474	472	372	320

This view is supported by the remarks of Mr. W. W. Kilgour, Chairman of the Cambodia Mills Ltd. (Coimbatore), made at the annual general meeting of the Company held on 23rd April, 1955. Mr. Kilgour said: "We have read much in the papers about weavers' societies calling for increased supplies of yarn, but the production figures show that the market has been supplied with much more than they can readily consume, so much so that the dealer associations in the States (Madras) have been obliged to call on the Government to permit yarn exports to ease the situation brought about by overproduction. I regret to say that no yarn exports were permitted at all last year and it is only in the past month that Government have realised that there is an exportable surplus, but, in permitting the export of yarn, they have applied such a rigid formula that little advantage may be had from it."

In view of all these considerations, the Association warns that, if liberal exports of yarn were not allowed, the mills and the traders would be subjected to severe loss and the country might miss the chance of regaining its customary markets and developing new markets. The Association also urges the Government to remove discrimination between the mills and the traders in granting export quotas. Under the present policy, only the mills are allowed to export cotton yarn. Such a policy is considered to be highly detrimental to the export trade in general. In support of this view, the Association points out that even the quotas given to mills under the present policy are actually utilised by the mills' trade nominees and the mills only derive the benefit of exports. According to it, it is the traders who bear the risk of price fluctuations. The Association, therefore, emphasises that the Government should immediately revise its cotton yarn export policy in such a way as to permit issue of liberal quotas not only to mills but also to established traders.

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DEVELOPMENT OF HANDLOOM INDUSTRY

The All-India Handloom Board has laid down general principles governing the implementation of schemes for the development of the handloom industry. According to these, the State Governments may encourage conversion of throw-shuttle looms to fly-shuttle looms. The entire cost of such conversion will be paid as a grant, subject, however, to a ceiling of Rs. 25 per loom. The Board considers that there is at present no need for conversion to frame looms. The introduction of take-up motion to fly-shuttle looms may be encouraged, the expenses being met from the cess fund as a grant subject to a ceiling of Rs. 70 per loom (for the lever, roller, beams, etc.).

With regard to the provision of warping frames (the type required by Saurashtra), financial assistance will be given in the form of an outright grant from the cess fund. A sum of Rs. 20 per frame is said to be quite reasonable. Wherever there is concentration of looms, one warping frame should be equated with 12 looms, so that the maximum possible benefit may be taken out of such a frame. Wherever there is no concentration, a frame may have to be made available, irrespective of the number of looms. Financial assistance in the form of grant from the cess fund will also be admissible for the provision of slays, the extent of assistance considered reasonable being Rs. 50 each if the slay is required with cloth roller, warp, beam, etc., Rs. 30 each if it is required with cloth roller only and Rs. 25 each if the slay only is required. The Board permits sanctioning of proposals for a limited number of looms with jacquards. The reasonable cost of one such loom is estimated at Rs. 300, of which 50 per cent. is to be given as loan and the remaining as grant.

In the case of self-leasing vertical warping machines, the State Governments have been advised to sanction proposals only for a small number. The cost of the machine—Rs. 500—will be paid as a grant. A grant of Rs. 50 will also be paid to cross border dobby. A grant for the supply of (1) iron reeds and (2) bamboo and cholam reeds will be admissible at actual cost but subject to a maximum of Rs. 20 and Rs. 10 per reed, respectively. The reeds, however, should remain the property of co-operative societies for the use of their members. The average life of a bamboo or cholam reed is estimated at five years. For the supply of varnished healds, a grant of Rs. 20 per set may be sanctioned. The supply of warping drums to primary co-operative societies for the preparation of long warps may be subsidised by grants to the extent of three-fourths of the actual cost of each drum. No assistance will be admissible for warping beams for long warps, as these it is felt, do not constitute a distinctive improvement.

PROSPECTS FOR TEXTILES IN SWITZERLAND

The prospects for Indian textiles in Switzerland are indicated by the Cotton Textiles Export Promotion Council in the course of a review published last week. The Council holds out bright chances of building up a good export market for fabrics used in Swiss embroidery factories, house-hold linen manufacturing firms and processing mills. The special varieties of textiles which are particularly in demand in Switzerland include basic cloth such as grey sheetings, cambrics, etc., materials such as those utilised for conversion into bedsheets, tablecloth, towels and the like, and finer quality mulls, voiles and cambrics used in the embroidery industry. Emphasising the quality aspect, the Council points out that, since Switzerland is a highly competitive market, quality fabrics alone will have chances of success. Incidentally, it may be noted that, although Switzerland has a highly developed cotton textile industry, it does not produce all the cloth it needs to feed the local processing industry. The basic cloth is being imported from the U.K., Germany, Belgium, the U.S. and Japan. While the main demand for fine and super-fine qualities is met by the U.K., Germany and Holland, the requirements of medium varieties are met by Japan and Belgium. Moreover, the indigenous textile industry is not in a position to satisfy the demand of the processors and embroidery mills at an economic price. In order to maintain their competitive position in export markets, they have perforce to use imported cloth. The aggregate imports of such cloth are of the order of 25 million yards per annum.

NEW FORWARD MARKETS FOR COTTON

The Central Government has decided to permit establishment of forward markets for cotton in some other centres, in addition to the East India Cotton Association (E.I.C.A.), Bombay. This decision is a sequel to the recommendation made by the Forward Markets Commission. The Government, however, considers that the opening of the new markets should be done gradually and as a result of experience gained in their working. It accordingly feels that, to begin with, futures markets must be established only at two centres, these being Akola in Madhya Pradesh and Indore in Madhya Bharat, while the E.I.C.A. will continue to provide hedging facilities in respect of all varieties of Indian cotton. Generally, the Akola and Indore Associations will provide hedging facilities only for the locally grown varieties of cotton.

It will be recalled that, by a notification dated 30th July, 1954, the Government of India applied section 15 of the Forward Contracts (Regulation) Act, 1952, to full pressed, half pressed or loose Indian cotton throughout India, except the State of Jammu and Kashmir. Following this application, all transferable contracts for purchase or sale of Indian cotton entered into otherwise, than between members of an association recognised under the Act in this behalf or through or with such members became illegal. The recognition previously accorded by the Government of Bombay to the E.I.C.A., however, continued to remain effective.

(Continued on page 994)

FUTURE POLICY FOR COTTON INDUSTRY

MILLOWNERS DISSATISFIED WITH PRIME MINISTER'S ANNOUNCEMENT

From A Special Correspondent

MANCHESTER LETTER

MANCHESTER, 10th *May*

THE major event affecting cotton traders has been the long awaited statement by the Prime Minister setting out future policy for the cotton industry. The Prime Minister announced the complete lifting of purchase tax on certain types of non-wool textile goods, including piecegoods and household textiles, but refused to take any action to deal with the growing volume of imports of foreign cloth into the United Kingdom. These measures, he believed, would go a long way towards assisting Lancashire traders in their problems in conjunction with the previously announced reductions in import duties by the Indian Government. The reception in Lancashire, however, was far from favourable.

Concern at the Government's failure to include in its plans to help Lancashire any measure to limit imports of cotton cloth from India and Hong Kong was expressed at a special meeting in Manchester of the Cotton Board's Standing Conference on Overseas Trade Policy. The Conference represents every section of the cotton industry. A statement issued after the meeting noted with "profound dismay" the Government's refusal to take any action whatever on imports of cotton goods which were the matter of greatest concern to the industry. Imports from India and Hong Kong entered Britain duty-free and without limit, and so far this year had continued to increase over the alarming rate of 1954. The statement went on: "Because of the conditions under which they are produced, it is difficult to see any end to their expansion in the home market. In view of the threat which these imports constitute to the stability of the industry, indeed to the existence of the industry at anything like its present size, the Conference feels it would be failing in its duty if it accepted the present Government's decision without protest."

Plea for Control on Imports May be Revived

Representations urging some control of foreign cloth imports will be renewed by industry leaders as soon as the new Parliament assembles after the general election. The statement added that the Conference felt the Government should have imposed some limit on the volume of foreign cloth imported for use in the home market. It pointed out that the industry was not seeking exceptionally favourable treatment but relief from what was described as "the exceptionally unfair burden it carries." On the subject of purchase tax, the Conference welcomed abolition of tax on piecegoods, but said that, as the "D" line would continue on made-up garments, which formed the bulk of the home trade in textiles, the deterrent to the production of quality goods would continue.

Such a shout went up about the further concession abolishing purchase tax on the range of textiles mentioned in the Budget statement that it was not immediately realised how little the goods involved affected the whole picture. No made-up clothing, for example, is concerned in the concession. This, again, is a move in the right direction, but very much more is wanted by the industry before confidence can be regained.

A factor of considerable importance is that numerous traders took the opportunity after the Budget to place contracts in household goods, furnishings and the type of cloths on which the tax was halved. Stocks had been allowed to run down and replenishments were needed. A fortnight later, they found that, had they waited, they would have saved more; meanwhile, their new orders will prove somewhat expensive. This policy of reducing purchase tax by slow degrees is the worst possible method of dealing with the situation, as it prolongs the uncertainty which is already besetting the industry.

The possibility of further concessions cannot be ruled out, as trade leaders have already determined to continue their campaign for complete abolition of the tax after the new Government takes office. Obviously, wholesalers will keep their purchases at a minimum until they observe the outcome of the fresh approach to the authorities.

Manpower Drift

More than 10,000 operatives have left Lancashire cotton spinning and weaving mills in the last 12 months. Manpower figures given by the Cotton Board show that the drift of workers to other jobs, which has increased in recent weeks, had reduced the mill labour force at the end of the first quarter this year to 279,970. A year ago, the number of cotton workers was 290,540. In the five weeks up to 2nd April, the weaving section of the industry lost 1,465 full-time and 210 part-time operatives. In the week ended 23rd April, manpower wastage in spinning exceeded recruitment by 548—the biggest labour setback since the first week of June, 1952. There was a further loss of 80 part-time workers.

The reduction in the mill labour force is having its effect on cloth and yarn production. Output of cotton and rayon cloth during the month ended 2nd April, averaged 54,520,000 yards weekly, as compared with a weekly average of 55,630,000 yards in the previous month and 56,440,000 yards in the corresponding month of 1954. Spinning mills produced 18,520,000 lbs. of cotton and rayon yarn in the week ended 23rd April, as against 13,490,000 lbs. in the previous week and 16,910,000 lbs. in the same week last year when output was curtailed by Easter holidays. Most weeks this year, production has easily exceeded the 19,000,000-lb. mark.

Calculation of Yarn Prices

As the liquidation of the Raw Cotton Commission has neared its completion, there has been a good deal of interest, not only amongst spinners but also in other sections of the trade, as to the method which would be adopted to calculate yarn prices when the Commission's symbol quotations were eventually withdrawn. The basis MENY is shortly to be discontinued and the Commission is engaged in closing its books as far as possible. There will be little surprise within the trade that the Yarn Spinners' Association has decided to carry on basing its calculation for American yarn prices on the suitable delivery month in the New York futures market. Experience during the past year has proved that this method is the most convenient for all concerned, giving stability of price over each day's trading and providing the industry with a firm basis on which to operate.

There may be protests from Liverpool that the market there is suffering from the fact that spinners are more inclined to cover their sales in New York in view of this decision. Yet the narrowness of the facilities offered in Liverpool is an adverse factor, leading to some unnecessary movement in prices when a tight supply position is encountered.

Spinners, in general undoubtedly approve of these arrangements, although there remains considerable dissatisfaction at the absence of suitable facilities for covering purchases of long-staple cotton and outside growths in Liverpool. Pressure is still being exerted on the authorities to introduce an appropriate contract to surmount this difficulty.

Re-equipment Undisturbed

When trade conditions are unfavourable, there is a tendency in some quarters to expect that millowners will begin to restrict their purchases of plant and cut down modernisation plans. Over a lengthy period of depression, this may well be so, but, in the early stages of a difficult trading period, the very problems involved may stimulate re-equipment policies. That such has happened in Lancashire over the past year has been disclosed by Textile Machinery Makers Ltd., whose annual report commented on the fact that orders from the local industry had exceeded those contracted at any other time in the past. Individual reports of mill companies, too, frequently contain references to modernisation plans which are being carried out, involving replacement of machinery and introduction of up-to-date devices.

Even when firms are forced into the position of stopping machinery and putting operatives on short time, advantages can be gained. Opportunity is then taken to make changes in the mills and introduce improvements in the plant. Although there is a limit to what can be done in this connection on a short-term basis, the gains obtained at a later date may well assist the industry to recover from the current recession faster than might now be anticipated.—*All Rights Reserved.*

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TRAVANCORE CEMENTS LIMITED

SPEECH OF MR. C. S. LOGANATHAN AT EIGHTH ANNUAL MEETING

ADDRESSING the shareholders of the Travancore Cements Ltd. at their Eighth Ordinary General Meeting held at Kottayam on 5th May, 1955, Mr. C. S. Loganathan, Chairman of the Company, said that, with a reasonable measure of encouragement, there should be no difficulty for the cement industry to reach the proposed target of ten million tons for the industry to be attained under the second Five-year Plan. He was sure that the Company would take its due share of the effort, however small, in the implementation of the target.

The following is the full text of Mr. Loganathan's speech delivered on the occasion:

"GENTLEMEN,

"I have great pleasure in welcoming you to the eighth annual meeting of the Company. The Directors' report and the audited accounts for the year ended 31st December, 1954, have been in your hands for some time and I shall, therefore, with your leave, take them as read.

"Since we last met, a new chapter of history has been made for our country. I refer to the 60th session of the Indian National Congress held at Satyamurthynagar, which resolved to establish a socialistic pattern of society, where the principal means of production are under social ownership or control, production is progressively speeded up and there is equitable distribution of the national wealth. An ideal has to be set before the country, consistent with our traditions and genius, and there cannot be any greater ideal than the one adopted. The motto underlying this resolution is that every one should work hard and produce more, so that there may be enough for distribution amongst all.

"Outside our country, there was the epoch-making Asian-African Conference held recently at Bandung of 29 nations. The primary object of the Conference was to promote mutual understanding and goodwill amongst the different nations of the world. The Conference has been an outstanding success. The resolutions passed at the Conference have influenced tremendously to ease the tension in the East, have set the Western powers athinking and have brought the prospects of world peace nearer than ever before.

"To establish the socialistic pattern of society, some planning has to be done. The first Five-year Plan was evolved under conditions of stress and strain. Further, it was the first attempt ever made. Having seen the fruits of the first planning, the second Five-year Plan is being drawn up with more enthusiasm, greater vigour, fuller confidence and better expectations.

"Unemployment is great in South India and more so in the Travancore-Cochin State. It is growing in proportion every year, and it cannot be left without being tackled. The second Five-year Plan provides for a large capital investment in both private and public sectors, and envisages rapid industrialisation of the country, providing for greater employment. In this, labour is expected to play a vital role and if industrial peace prevails, there will, undoubtedly, be more production of wealth and greater volume of employment.

"Turning to our own cement industry with which we are immediately concerned, we have had to face many trials and hardships in the last few years. The labour cost has been mounting up year after year. On top of it has come the levy of an excise duty of Rs. 5 per ton. From the first of April this year, there has been an increase in the railway freight of nearly 10 per cent. All these have been done without a *quid pro quo* for the industry.

Revision of Prices

"The Tariff Commission went into the question of revision of prices, and submitted their recommendations to the Government. If the Government had implemented their recommendations in full, the position of the industry would have been far happier today. As things are, the industry is not able to make full provision for replacements or additions. The Budget speech of the Honourable Finance Minister this year shows that he is not unaware of these problems. He has granted a development rebate of 25 per cent. of the cost of the new fixed assets in the year of installation of the new plant and machinery instead of the present initial depreciation allowance of 20 per cent. He has also added that this rebate would not be taken into account in calculating the ordinary and double depreciation. Even though the concessions granted fall far short of the requirements of 'industry,' it is gratifying to note that Government do realise the need for relief to industry.

"I feel compelled to say, in this connection, that the cement industry, if it so minds, can do much for itself, in the matter of selling cement in the country. Attempts were made in the past to have a single organisation for marketing of cement internally, but without success. The difficulties in the way of creating such an organisation are not insurmountable. With a little amount of sacrifice from all producers—not more than what a big brother is expected to make for a small brother—a common pool for the marketing of cement can and should be achieved. It is time that the industry and the Union Government give consideration to this question more seriously. This will enable cement to be sold at a uniform price to all the consumers in India, leading to greater consumption; this will avoid maintenance of many selling agencies by different producers, reduce cross transport and relieve shortage of rolling stock, and, above all, help the industry as a whole to take full advantage of the demand for Indian cement in adjoining countries in the Near East.

"The success of implementation of all the projects outlined in the first Five-year Plan is in no small measure due to the cement industry, which was able to reach the target set for it. In the second Five-year Plan, the industry is expected to reach a total production of 10 million tons. With a reasonable measure of encouragement, there should be no difficulty for the industry to reach this target in the period set. Your Company will, I am sure, take its due share of effort, however, small, in the implementation of the target.

"Turning to your own Company, the Directors in their report for last year expressed the hope that as a result of the increase in the price of Rs. 8 per ton for our cement sanctioned by Government with effect from February, 1954, the factory would be in a position to operate with a reasonable profit. You will, I am sure, be gratified to note that the expectation has been fully realised during the year under review. I take this opportunity of assuring you that, given normal working conditions, the results that have been achieved will be maintained in the years to come.

White Cement To be Manufactured

"Your Company, with a view to making its position stronger, proposes to take up the manufacture of white cement at the factory. There are only a few places in the world where the raw materials for producing a real white cement are available. In Travancore, such special raw materials are available, and a white cement of world quality can be produced. It might also be of interest to know that this will be the first plant in the whole of the East to manufacture first class white cement. Supply of machinery and technical assistance has been arranged. We are only waiting for the permission of the Government to go ahead with the scheme.

"During the year under review, the relationship between labour and management has been very cordial. The present satisfactory position of the Company is not a little due to the loyal, untiring effort of the workers and staff, and to the cordial relationship subsisting between the workers and the management. Your Company on its side has always tried to do its best for the employees. The figures given in the balance-sheet should be quite revealing. We trust these conditions of mutual trust and co-operation will continue for ever.

"I now move that the Directors' report and the statement of accounts be adopted."

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ROLE OF VILLAGE OIL INDUSTRY IN RURAL ECONOMY

PLAN FOR CO-ORDINATION OF "GHANI" AND MILL SYSTEMS

By M. N. Krishnamurthy

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[For centuries, Indian villages had been a real abode for a vast population carrying on localised industries, feeding themselves from the products of their own farms and thus enjoying a contented life. With the advent of mechanisation and pressure of population on cultivable land, the villages are no more than a symbol of ancient civilisation and culture. In this article an attempt is made to present some lines of approach to revive one of the essential village industries, namely, the village oil industry.—ED]

INDIA'S economic structure is greatly linked with its rural folk, who constitute about 85 per cent. of the entire population and are living in about 4½ lakhs of villages. The impact of two world wars has wrought a radical change in their socio-economic conditions. With the advent of mechanisation and the trend of industries towards consolidation with fewer and larger concerns, the traditional village industry has now virtually ceased to be a profitable undertaking. The majority of the people eke out their livelihood by agriculture alone, but agriculture provides bare subsistence, in view of the fact that the average holdings are small and cultivation is done almost entirely by human labour. According to the latest estimate, there are over 15 million unemployed and an equal number of under-employed in rural areas. To add to the gravity of the problem there are one and a half million new entrants that swell the employment market every year. In urban areas, about one in four constitutes the educated unemployed. Thus the problem of unemployment in the country is of serious magnitude. Indeed, it is one of the greatest issues facing the Government today.

India has vast natural resources. Perhaps, it occupies the foremost place in the world in the matter of production of oilseeds and other oil-bearing materials. According to the present figures, the production of major oilseeds exceeds 5.5 million tons per annum. By methods of intensive cultivation this output is likely to expand. Over and above this, there is a plan to expand coconut and copra production and a number of minor oil-bearing materials of forest and non-forest origin. Having such potential resources, could we abandon for ever the old traditional village *ghanis* that once had been the most productive tool in exchange for modern expellers? Or would it be worth our while to revive them? This question has arisen in the minds of many prominent persons. The Government of India has set up an expert Committee to go into all the aspects of *ghani* and mill systems of crushing oilseeds and to find a satisfactory formula for both the sectors. It is the aim of this paper to shed some light on the possible approaches to the manifold and intricate problems that are likely to require decisions on the part of industry, Government or the general public. For an adequate appraisal of the future pattern and for deciding as to how *ghani* and other systems of extraction might co-operate to serve the material needs of the country, some picture of the different systems that are in vogue is essential.

Growth of Large-scale Mills

The factors that have contributed to the growth of large-scale mills at the present time are many and varied. To mention some of them: (1) The production of oilseeds has increased; (2) large exports of groundnut, carried on hitherto, were restricted; (3) the production of *vanaspati* increased from 48,000 tons from 9 factories in pre-war period to 2.5 lakh tons from 49 factories in 1954; (4) soap factories have multiplied; and lastly (5) due to increase in population, there has been a general increase in consumption levels of edible and industrial oils. It is roughly estimated that there are at present over 1,000 large oil mills in the country that crush about 2.5 million tons of oilseeds per annum. It is believed that these mills in the country with an invested capital of Rs. 33 crores, provide employment for about 60,000 people with a wage bill amounting to Rs. 4 crores.

Solvent Extraction System

The solvent extraction industry, which entered the world in this century, has already gained wide popularity on account of its high extraction efficiency and superior quality of the meal. In many places in Europe and the U.S.A., especially after the Second World War, a number of oil mills have changed over to pressing combined solvent extraction process. In India, it is believed that there are at present about two or three commercial mills working on this system. The oilcake when extracted with non-toxic solvents is found to be superior as a cattle-feed on account of its protein value. Claims have also been established that the solvent meal, when processed, can be used with complete satisfaction even for human consumption. The extracted oil can either be used as an industrial oil or for edible purposes after some refining.

Village *Ghani* System

The village oil industry is a time-honoured industry and even today it is chiefly carried on in the traditional way. At present, about a third of the total quantity of oils produced is through this village system, consisting of about 4 lakhs of bullock-driven *ghanis*. Statistics on the exact number of *ghanis* working in various States of India is lacking. However, the Madhya Pradesh Government Report says that, in the smaller villages, there are no *ghanis* at work and in bigger villages their number has been reduced to about a quarter during the last two decades. In the opinion of this writer, this statement is more or less true of the rest of India, too. The causes are not far to seek. The village *ghanis* suffer from lack of organisation and inadequate equipment and, what is more, there is a colossal loss of oil in the cake. The wastage is all the more significant when judged from the low nutritional standards of the nation in the matter of edible oils, population growth and need to export oils to earn foreign exchange. Furthermore, as the nutritive value of the cake as a feed for cattle lies in its protein content, the surplus oil in the cake only tend to reduce the nutritive value. It is on this account that, in Europe and the U.S.A., the cakes with high oil content do not command as good a price as cake with less oil content. It is also true that the *ghani*, due to the low crushing pressure and elimination of high temperature cooking, produces a light coloured oil with less free fatty acid content, apart from the obvious defects arising from unhygienic conditions.

Future Pattern

In order to revive the village oil industry, the task will not be easy, unless a comprehensive approach is made between village *ghani* crushing system and the latest solvent extraction system, on the one hand, and the expeller oil mills, on the other. Such a plan may lead to (*a*) the regional development of the areas where the raw materials are plentiful, (*b*) the expansion of local markets, thereby relieving stress on transport, and (*c*) a fall in the price payable by consumers.

The present *ghani* crushing results in production of oilcake of as high an oil content as 13 per cent. About 10 to 12 per cent. of the oil can however be extracted by solvent extraction process. The extracted oil can, of course, find a ready outlet without any prior treatment in the village soap industry since it is one of the important twelve industries marked for intensive development by the Planning Commission. As regards the solvent extracted meal, it is rich in protein value and has a high digestibility co-efficient. It will, therefore, serve as an ideal cattle feed. This need is all the more urgent, since India has the largest cattle population in the world and the largest number supported per acre of pasture land. A large number of them is under-nourished. The milk produced is totally inadequate for the needs of the people. It is on account of this that the solvent extraction industry has a great role to play in India's rural economy.

If *ghanis* and the solvent extraction industry are to work in collaboration, a number of factors have to be taken into consideration. Included among these are the relation between the number of *ghanis* and the optimum capacity of the solvent extraction factory and regular supply of genuine oilcakes from *ghanis* to the extraction centre. Plant economics dictate the necessity of continuous operation all the year round. This calls for adequate storage facilities for *ghani* cake to prevent it from deteriorating during handling. The best way of tackling all these problems is to stimulate a joint enterprise by the *ghani* owners for the establishment of solvent extraction factory. In its initial stages, the necessary finances and technical aid have to come forth from the Government or through some industrial corporation or some international organisation.

In order to establish a stable relation between *ghani* and expeller mills, the only approach that is possible is through rationalisation of raw material and improvement in *ghani* design.

Rationalisation of Raw Materials

For centuries, the Indian folk have been accustomed to use raw oils obtained from village *ghanis*. Particularly, oils such as obtained from coconut, sesame, rape and mustard, on account of their characteristic odour and traditional use, have their acceptance only in their crude state. Groundnut which entered this country in the last century and which is one of the largest crops has very little acceptance as a raw oil for a majority of the population and, till recently, a large proportion of this crop was exported to foreign countries. The oil has acceptance only in the form of *vanaspati* and it is largely because of this industry that the consumption of groundnut oil has been considerably stepped up. Cottonseed oil in crude form is too dark and unpleasant in taste for direct consumption, but in the form of *vanaspati*, this too may find a ready acceptance throughout the country. It would, therefore, be just to reserve the total produce of copra, sesame, rape and mustard, which is more than a third of the total major oilseeds production, together with a certain quantity of groundnut, the raw oil of which may be consumed as such, to the village sector. The oil that is necessarily to be refined before it is used for edible purposes, or industrial oils can come from expellers, since there is a close link between expelling, refining, hydrogenation and soap manufacturing operations. There should also be a ceiling in this sector termed "Expeller-Vanaspati-Soap Combine" to the extent necessary.

There are several minor oilseeds such as safflower, *niger*, *mowrah*, tobacco seed, *karanj*, *neem*, poppy, argemone, etc. that are available in this country. There are other oil-bearing materials like rice bran and maize germ which have vast potentialities. *En masse*, they will contribute a substantial share of production in oils. But their treatment in large mills will not be so economical due to scattered supplies. They can, however, be exploited as small business ventures in village mills, as they yield a fair return to the investors. With National Forestry Programme, minor crops production is likely to expand and what is needed is an organisation for collection of raw materials. There are also ample marginal and waste lands in the villages where cultivation of these crops can be undertaken with much advantage.

Modernisation in *Ghani*

Of late, there has been a considerable amount of interest in revolutionising *ghani* design to make the village a productive centre. In this respect, it would be appropriate if consideration is paid to certain important aspects of design, namely, desirability of handling all kinds of raw materials in small quantities, low cost on plant and maintenance, high grade materials for parts subject to wear and durability of construction and efficiency equal to commercial mills in actual working. Recently, the Madras Cottage Industries Research Institute claimed perfection of a model estimated to cost about Rs. 300 per *ghani*. Its novel feature is its feasibility of installation in any ordinary low-roofed cottage. The mechanical improvements in the shape of extremely short pestle, the ball and roller bearings provided between the pestle and the load beam and the mortar, indicate not only reduced friction but also less effort on the part of the bullock to drive the mill. Further, the model has demonstrated higher oil yield and productive capacity with single bullock power.

If the village oil industry is to cater to a large population, the vegetable oil industry will have to be tackled in its entirety. The best way is to co-ordinate the functions of *ghani* and the solvent extraction, on the one hand, and the "Expeller-Vanaspati-Soap Combine," on the other. The regional institutes for the small-scale industry, with the collaboration of the National Laboratories of the Council of Scientific and Industrial Research, may be entrusted with the task of studying the problem as a whole and plan its development in an integrated way.—*All Rights Reserved.*

FULL EMPLOYMENT OF SUGAR MILLS' INSTALLED CAPACITY

FINDINGS OF EXPERT COMMITTEE

ONE of the most important aspects of sugar manufacture discussed by the Development Council for Sugar Industry at its recent meeting in New Delhi—a detailed reference to the meeting was made in this journal two weeks ago—related to the need for stepping up sugar output by shifting or rehabilitating the factories unsuitably located or lying idle due to inadequate cane supply. The discussions centred round the interim report of the Expert Committee. This Committee, it will be recalled, was constituted by the Council at its inaugural meeting held on 9th August, 1954, with a view to making a thorough examination of the cases of all unsuitably located and idle sugar mills and preparing a plan for their rehabilitation. The Committee is presided over by Mr. E. P. Moon, I.C.S., Adviser, Planning Commission and includes Mr. D. D. Puri, Mr. R. H. Chishti and Mr. Jhunuk Prasad, the last two being Cane Commissioners of Uttar Pradesh and Bihar, respectively.

The Expert Committee held its first session on 30th October, 1954. At this meeting, the Committee felt that for preparing the requisite plan it was necessary to address a communication to all the sugar mills in the country, asking each one of them whether it considered itself to be unsuitably located and what facilities it considered necessary for its rehabilitation at its existing site or for shifting itself to a more agreeable site. The Committee also considered it desirable to ascertain from the idle factories the causes responsible for their closing and the measures required to enable them to re-start operations either at the existing sites or at other suitable sites. A questionnaire was accordingly issued to all the sugar mills. By 13th April, 1955, 85 mills, out of a total of 157 in existence, had replied to this questionnaire. On the basis of these replies, the Expert Committee has drawn up an interim report referred to at the outset.

Location Unsuitable

The preliminary findings of the Committee revealed that 20 out of 85 sugar mills considered themselves to be unsuitably located. Of these, 10 mills (two each in U.P. and Andhra, and one each in Bihar, Madhya Bharat, Ajmer, Saurashtra, Madras and Vindhya Pradesh) have suggested that, if suitable measures were taken to develop cane cultivation in the areas of their operation, there would be no need for them to move out to other suitable areas. In respect of all these mills, excepting the Indian Sugar Works, Siwan (Bihar), in respect of which no action is said to be possible owing to pending litigation, the Committee agrees that, *prima facie*, there is no sufficient ground for shifting them and that, at much less expense, measures can be taken to enable them to operate successfully even where they are now situated.

Examining the position of each one of the nine mills, the Committee says that the Ganesh Sugar Mills Ltd., Anandnagar (U.P.) has been asked to put forward definite proposals for being rehabilitated in its present size. The factory has also been given an opportunity to explain, if it so desires its case personally before the Committee at its next meeting. The Committee has suggested to the Andhra Sugars Ltd., Tanuku (Andhra), to approach the State Government for obtaining the financial help required by it for starting an agricultural farm. In the case of the Kirlampudi Sugar Mills Ltd., Pithapuram (Andhra) and the Bhavnagar Sugar Mills Ltd., Dhola Jn. (Saurashtra), the Committee has invited the views of the State Governments concerned on the points raised by the mills in their replies to the questionnaire. The Murugappa Sugar Co., Ltd., Mailpatti (Madras), has been advised to approach the Industrial Finance Corporation for getting the desired assistance for modernising and expanding its plant to an economic size. The Committee has requested the State Government concerned to indicate the steps so far taken by it for working the Jiwaji Rao Sugar Co., Ltd., Dalauda (Madhya Bharat) successfully and has asked as to what further steps appear necessary in this connection. As regards the Noori Sugar Works, Bhatni (U.P.), the Committee is of the opinion that the Factory can work successfully after the disputes among the partners are over. It has, therefore, decided not to go further into the case of this factory. The Committee has invited the views of the State Government on the proposals for rehabilitation submitted by the Bijay Sugar Mills Ltd., Bijainagar (Ajmer). The Committee feels that it will not serve any useful purpose to consider the rehabilitation or shifting of the Shri Laxmi Narain Sugar Works Ltd., Harpalpur (Vindhya Pradesh), as it has a small worn-out plant of uneconomic size. The factory has been informed accordingly.

With regard to the Indian Sugar Works, Siwan (Bihar), there is, according to the Committee, a good *prima facie* case for holding that the factory is unsuitably located, but, as litigation is in progress between the partners and the case is pending before the High Court, no definite action for shifting it is possible till the Court pronounces its decision. In view of increased supplies of sugarcane in the area, the Government of Bihar is examining the possibility of working the factory at the existing site during the next season under an Authorised Controller.

Shifting of Factories

The number of sugar factories which have stated that their existing sites are unsuitable and that they would live to shift to other sites is nine. Of these, the Committee is of the view that, since the existing site of the Jagajit Sugar Mills Ltd., Phagwara (P.E.P.S.U.), is suitable, there is no case for shifting it to another site. It has decided that *prima facie* there is case for shifting the R. B. Lachmandas Sugar and General Mills Ltd., Jarwal Road (U.P. the Shri Anand Sugar Mills Ltd., Khalilabad (U.P.), the Belvandi Sugar Farm, Belwandi (Bombay), the D. B. Sindhi Sugar Mills Ltd., Deoria (U.P.), and the Nawabganj Sugar Mills Co., Ltd., Nawabganj (U.P.—idle plant of 700 tons capacity). In the case of the last mentioned three mills, arrangements are being made to get their machinery inspected in order to ensure that it is in sufficiently good condition to justify a move. The machinery of the other two mills is said to be in good order. The State Governments concerned have been addressed regarding these factories. The U.P. Government has already agreed to the shifting of the two first mentioned units and has suggested alternative sites which have been communicated to the factories concerned. A reply from the Government of Bombay regarding the Belvandi Sugar Farm is awaited. In the case of Bhopal Sugar Industries Ltd., Sehore (Bhopal) and Raza Sugar Co., Rampur (U.P.), the Committee considers that it may be more economical to try to develop cane cultivation in the respective areas rather than to shift them. Arrangements are, therefore, being made to hold consultations with the representatives of the factories and the State Governments concerned. As regards the Etikoppaka Co-operative Agricultural and Industrial Society Ltd. (Andhra—idle plant of 75 tons capacity), the Committee has decided not to pursue investigations, as it is a small uneconomic unit.

One factory, namely, Coimbatore Agro-Industries Ltd., Podanur (Madras), has expressed the desire to change over to *jaggery* refining, because sugar production is not profitable owing to competition from *gur* in its area. This is a small factory of only 50 tons capacity and the Committee does not feel that the question of shifting or rehabilitating it requires to be pursued. The Factory has been informed accordingly.

The interim report of the Expert Committee does not cover those sugar mills which have a daily cane crushing capacity of less than 100 tons. The explanation given by the Committee for this exclusion is that, as the minimum economic unit under present-day working conditions is round about 800 tons, it is not worthwhile to examine the cases of very small and uneconomic units. It was this very consideration which first weighed with the Committee in deciding to limit investigations "to factories of about economic size possessing machinery which could still be used over a number of years."

It will be seen from the foregoing account that, out of the 157 sugar mills in existence, as many as 65 mills—these exclude nine units which have a daily cane crushing capacity of less than 100 tons and as such not taken into account for the enquiry—have not cared to submit replies to the Expert Committee's questionnaire. Does it mean that all these mills are quite suitably located and that there is no need either for shifting them or for rehabilitating them? The only

(*Continued on page 994*)

UTILISATION OF COAL

CONTINUED RESEARCH IN FUEL ECONOMY NEEDED

REPRESENTATIVES of the coal industry are said to have expressed their concern to the Planning Commission at the Government's proposal to bring new prospecting and mining of coal under the direct responsibility of the State, as well as at the restrictions on opening up even new seams. Their contention is, according to Press reports, that it would be difficult, if not altogether impossible, to reach the contemplated target of 60 million tons for the second Five-year Plan—an increase of 23 million tons over the present target of 37 million tons—unless the Government provided a reasonably free atmosphere for the private industry in this sector to carry on its activities. It is also stated that the need for substantial Government aid for setting up washing and blending plants to the maximum extent possible stressed by them as the requirements of metallurgical coal alone are estimated to be 16 million tons by the end of the Second Plan. It may be noted here that the present consumption of coking coal for both metallurgical and non-metallurgical purposes is between 8 and 12 million tons. Of this, consumption for purely metallurgical purposes is placed at 3 million tons.

It is admitted that, if the second Five-year Plan were to succeed, the preliminary requisite is to make available fuel in sufficient quantity at a reasonable price. In fact, what is needed is not merely an increase in production but rationalisation of production and consumption of coal. As India's deposits of high-grade and coking coal are limited, this aspect requires greater attention. Unfortunately, not only are the production techniques antiquated and, therefore, labour productivity low, but there is also a woeful lack of blending and washing facilities. Recent experiments conducted at the Fuel Research Institute, Dhanbad, and private industrial concerns like Tatas have revealed that the country's second grade coal is capable of improvement to first grade by washing and blending. It is high time, therefore, the Government encouraged large-scale beneficiation by providing the necessary financial and other technical aids.

Not only is the need for raising the output per man-hour to the highest pitch great but also the need for making the best possible use of fuel. In other words, the output per ton of coal consumed is equally relevant from the point of view of bringing down costs. The overriding economic consideration should always be the total cost of production of manufactured goods per unit of coal.

Consumption

The iron and steel industry is, generally, by far the single largest consumer of coal in a number of industrial nations of the West. Now that India has undertaken a large expansion of this basic industry, it is all the more necessary that the country should take keen interest in discovering ways and means of using this fuel economically and efficiently. In the U.K., for instance, large-scale experiments are being continuously carried out in the efficient use of fuel by this industry. It is gratifying to note that, in recent years, steady progress has been made in this direction and that coke used per ton of pig iron has declined progressively. The industry has tried to supplant the use of coal by liquid fuel and gas, wherever feasible. The greatest change has occurred in the open hearth furnaces where fuel oil, other liquid fuels and coke oven gas are tending to supplant gas-producer coal.

As is well known, coal is a wasting asset and any reckless exploitation of its resources is fraught with danger to the future well-being of the nation. It is true that economic generation of atomic power may revolutionise fuel technology itself. But the prospects of generating the energy at a cheap rate in commercial quantities in the near future are yet distant. Besides, it would appear that the general opinion among fuel technologists is that, whatever be the changes in fuel technology, coal will still hold the field for a long time to come as the main source of fuel to the iron and steel industry, and it will, perhaps, continue to be the cheapest fuel until the world's coal resources reach the stage of exhaustion.

GERMAN MERCANTILE MARINE

RAPID PROGRESS MADE THANKS TO STATE ASSISTANCE

THE German pre-war merchant marine of over 4 million gross register tons had been reduced to a mere 118,000 tons after the capitulation of Germany in 1945. As late as the autumn of 1949, the Federal Republic of Germany disposed of only 248,000 gross register tons of shipping. The situation of German ocean shipping after the Second World War differed radically from that which existed after the First World War in 1918. At that time, Germany was not forbidden to engage in shipping or the building of merchantmen. Its shipyards, research and development institutions, as well as training workshops had remained intact, so that the reconstruction of its merchant marine could begin immediately after the end of the war.

In 1945, however, the Potsdam Agreement prohibited any building of sea-going ships. Later, the Control Council permitted at least the remaining ships to be replaced, but the size of the individual vessel was limited to 1,500 gross register tons and the speed to 12 knots. It was only in long-draw-out and laborious negotiations with the Allies that the German Federal Government gradually obtained the reduction of all such limitations.

The first advance was achieved in November, 1949, by the Petersburg Agreement which relaxed the fetters imposed on shipbuilding and shipping. The last step was made in the Agreement of 3rd April, 1951, concerning Industrial Controls which did away with almost all the remaining restrictions on German merchant shipping.

The German Federal Republic could now tackle the task of creating a merchant marine adequate to her economic needs. To be sure, the big shipyards of West Germany had been largely destroyed or dismantled, and the shipping companies, in losing their fleets, had lost the major part of their material assets. It was, therefore, incumbent on the Federal Ministry of Transport to facilitate the financial side of merchant marine reconstruction. This was all the more difficult, since, in view of world market conditions, reconstruction had to be left to private business. A law concerning loans for the purpose of building or buying merchant ships, dated 27th September, 1950, was a first step in this direction. Pursuant to this law, 227 million DM. were paid from budget funds and 194 million DM. pledged or at least earmarked up to 31st March, 1953. Over and above this, 171 million DM. were loaned and another 130 million DM. earmarked up to that date from E.R.P. counterpart funds. In addition, funds for providing employment amounting to 23.5 million DM. were channelled into shipbuilding during the same period. In order to pre-finance further investments of this kind, the German Federal Ministry of Transport obtained a rediscount credit from the Central Bank for banks engaged in the financing of shipbuilding.

Taxation Aids

The reconstruction of the merchant marine was also promoted by the taxation policies and tax legislation of the German Federal Republic. The law on income taxes offered shipowners favourable opportunities of writing ships down to depreciation account, thus enabling them to finance shipbuilding practically with short-term funds.

All in all, more than 1.5 billion DM. were invested in the reconstruction of the German merchant marine between 1st September, 1949, and 31st March, 1953. This sum will have risen to over 2 billion DM. by the time the current building programmes of the Federal Ministry of Transport have been carried through.

This reconstruction and financing policy has yielded positive results. Through a combination of new construction, purchases abroad and the rehabilitation of raised wrecks the German merchant marine grew from 248,000 gross register tons on 1st September, 1949, to 730,000 tons on 1st January, 1951, and on 1st January, 1952, a total of 1,160,000 tons of shipping were sailing under the German flag.

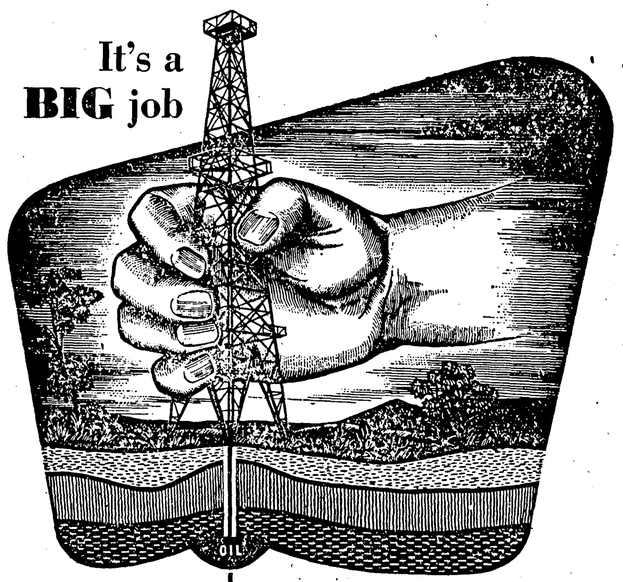
Until 1st October, 1954, 380 ships totalling 901,910 gross register tons were built under seven rebuilding programmes established by the German Federal Government, while 256 ships totalling 436,745 gross register tons were built outside those programmes, that is, a total of 636 ships measuring 1,338,654 gross register tons added to the merchant marine of the German Federal Republic. In addition, 193 ships bought abroad and totalling 635,363 gross register tons were put to sea under the German flag.

Thus, on 1st October, 1954, the German merchant marine consisted of 2,123 ships totalling 2,258,388 gross register tons. At the same date the German deep-sea fishing fleet contained 840 ships totalling 148,588 gross register tons. Besides, 357 lighters, tug boats and other auxiliary vessels totalling 58,458 gross register tons were registered at that date.

Sailing the Old Lanes Again

The German merchant marine is gradually winning back its traditional transport markets in the face of keen international competition. While by the middle of 1949, only the line services to Denmark, Sweden, Finland, Britain, Holland and Belgium had been re-established, the second half of 1949 witnessed the resumption of services to Spain, Portugal, and the Near East. In 1950, services were resumed to the West Indies, Cuba, Mexico, the east coast of North America and the Gulf of Mexico, in 1951 to Brazil, the Persian Gulf, Pakistan, the Canary Islands, West and South Africa, the east coast of South America, Canada and the Great Lakes, in 1952 to India, and early in 1953 to the west coast of South America. Subsequently, as the merchant marine grew, further services as, for instance, to the west coast of North America, to the Far East and to Australia, were opened up again by German ships.

In recent years, German shipping companies have also been able to resume again their co-operation with foreign lines and have become members of numerous shipping conferences in which international line shipping along the various sea lanes is associated. The Association of German Ship Owners is again a member on a footing of equality of the International Chamber of Shipping, i.e., of the international organisation comprising almost all the shipowners' associations of the entire world.



looking for oil

Have you ever considered what a long, elaborate and costly business it is looking for oil ? Although oil lies thousands of feet underground, the oil prospector may have to take to the air—to photograph the lie of the land and make aeromagnetic surveys. Or he may create artificial earthquakes, in what is called a seismic survey. Then the findings have to be interpreted, in geophysical laboratories, before a test well is bored perhaps to a depth of as much as three miles.

The Assam Oil Company, for many years the pioneer of oil search in India, discovered a fresh source of oil recently at Nahorkatiya in Upper Assam. Crores of rupees have been spent in the search and many more will have to be spent on the development of this discovery.

And all the time, remember, the search for more oil is going on—for further sources of this most elusive mineral are vital for India's industrial development. All the very latest scientific methods and technical equipment, including aeromagnetometers and even helicopters, are being employed. No effort in fact is being spared to reduce India's dependence on oil purchases from abroad.

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PROSPECTING · DRILLING · PRODUCING · REFINING

TREND OF TEA SALES IN APRIL

CEYLON GOVERNMENT'S ATTEMPTS TO SUPPORT MARKET UNSUCCESSFUL

THE month of April was a notable one for the tea industry, inasmuch as it was during this month there was a sudden slump of about 1s. per lb. in tea price both at London and Ceylon. Auctions had to be suspended in London, in order to allow prices to stabilise. It was also during this month that the Ceylon Government stepped in to support the market. In striking contrast to this trend in two important tea markets, the internal market for tea in India ruled fairly steady, the prices for dusts in particular remaining at a very satisfactory level.

During the month only one export sale was held in Calcutta, as against three sales held in March. Four dusts and two internal leaf sales were also held, as compared with four internal leaf and dust sales in March. Offerings in the export sale amounted to 21,247 chests, in the dust sale 76,561 chests and the external leaf sales 21,039 chests. In the one export sale, the market displayed some weakness, prices falling by As. 4 to As. 6. As already stated, in the internal sales prices remained fairly steady, particularly for dusts. The following comparative table shows the quantities of tea sold during the last two seasons upto the end of April and the average prices realised:

	1954-55		1953-54	
	Packages	Averages	Packages	Averages
		Rs. a. p.		Rs. a. p.
Export—				
Assam	814,073	3 2 11	848,823	2 0 9
Darjeeling	92,116	3 8 4	92,846	2 8 5
Dooars	471,064	2 15 4	450,194	1 14 1
Cachars, etc. ..	211,904	2 15 3	241,926	1 14 0
	1,589,177	3 1 6	1,633,789	1 15 10
Dust—				
Assam	411,802	2 8 2	421,587	1 14 7
Darjeeling	10,243	2 7 3	11,772	1 14 7
Dooars	189,578	2 4 5	207,847	1 12 1
Cachars, etc. ..	85,702	2 4 0	81,098	1 11 10
	697,325	2 6 9	722,104	1 13 5
Internal leaf	434,975	2 3 7	100,147	1 12 5

Commenting on the comparative steadiness in the Calcutta internal sales, Messrs. J. Thomas & Co., Ltd., observe in their review for the month of April, as follows:

"The comparative steadiness of the Calcutta internal sales proved, if nothing else, that the demand inside India for tea was constant and that India is capable of consuming a useful percentage of the tea it produces. We must expect, however, that when the new season's export sales reopen on 6th June, 1955, prices will be considerably lower than they were in early March and possibly as much as As. 8 lower than in June, 1954.

"The present lack of demand in the Colombo and London auctions is probably mainly due to buyers' lack of finance rather than a surplus of tea. The very sharp drop in values from January's peak of 6s. 10½d. per pound for common tea to Rs. 3 per lb. has naturally caused very severe monetary loss to blenders and buyers and they are not in a position to make their normal purchases.

"In Colombo, tea has steadily been piling up due to lack of demand until the Government were forced to enter the market. In London, the quantities for sale have been drastically curtailed and auctions postponed in an effort to stimulate demand. However, it must be remembered that, in London, particularly, the quality of the offerings generally has been extremely poor and producers must be regretting that they continued manufacture late in the season. In Colombo too, reports indicate that producers have been plucking very coarse which is not surprising, since it was difficult to imagine how Ceylon's crop could go on and on increasing year after year, if all pretensions to quality were not abandoned. It would appear, therefore, that it is poor quality tea which is helping to clog the markets and the remedy for this state of affairs would appear to lie in producers' hands.

"We would suggest, therefore, that it might be advisable for the major producing countries to make an announcement as to their intended outturns for the coming year in order that buyers may be in a position to operate free from the fear of an overproduction of tea. The prices at present being realised in auction in Colombo and London are for the majority of the offerings, below the cost of production. Such a state of affairs cannot obviously be allowed to continue and any measures that can help to remedy this state of affairs would be welcomed by all section of the trade."

It may be recalled that on 27th April, Mr. J. R. Jayawardene, Minister for Agriculture, Ceylon, announced that his Government would enter the Colombo market as a buyer in the interests of tea producers. At the same time, he announced that for a period of three months, the Government of Ceylon would remove existing quantitative restrictions on the export of tea to London auctions. The Minister, however, said that there would be no reduction in the export duty of Rs. 1 per lb. until the Government had studied the reaction of the last change in the export duty made on 21st April, when it was reduced from Re. 1.30 to Re. 1. In the meantime, production centres of tea were instructed not to despatch any more tea to Colombo and arrangements were made by the Governor of the Central Bank of Ceylon with banks and other financial institutions for credit facilities for producers unable to sell their stocks.

The Ceylon Government's decision to step into the market as a buyer is somewhat ironical. For it was only three months back, the Ceylon Prime Minister ridiculed the high prices of tea prevalent in London and said that consumers in the U.K. were paying more than they should. He also suggested that tea could be purchased more cheaply in Colombo direct than through London. Since then, nothing more has happened than the interaction of the normal forces of supply and demand. It is true that such a reaction has proved to be more painful to those in the trade who had bought at peak prices of 6s. 10d. early in the year and had to part with their stocks at 4s. 6d. It is also true that the price of Ceylon tea went down almost to the cost of production of some estates and the Ceylon Government's anxiety to give the tea producers some support is understandable. But how far this method can be effective is doubtful, because the decline in prices is not restricted to Ceylon tea alone but to teas of other countries also. Further, tea stocks in London bonded warehouses at the end of April aggregated about 176 million lbs., that is nearly three times more than their recent low level.

The output of North Indian tea upto the end of April this year is 20.3 million lbs., as compared with 16 million lbs. last year, thus showing an increase of 4.3 million lbs. It is too early to judge the trend of North India tea production and there is plenty of time to adjust the tea crop to meet the demand. Reports from South India and Ceylon indicate that the crop is already well ahead of last year. It is, therefore, suggested in some quarters that India and Ceylon should come to an agreement early in the season to limit their exports. Such action on the part of India and Ceylon alone would be contrary to the spirit of the International Tea Agreement to which all the exporting countries are signatories and might be misconstrued by consumers who have had to pay high prices for well-nigh two seasons. Any attempt by producers to hold prices of their commodity at a high level without the consent of consumers will not prove a success in the long run. Tea is no longer a monopoly of three or four countries. Numerous small producing countries have appeared on the map of the tea world and they will try to take full advantage of any restrictive policies followed by the principal tea growing and exporting countries.

The latest reports from Ceylon go to show that the Government's attempts at bolstering up the tea market by appearing as a buyer have failed. At the last week's auction the Government bought no more than 265,000 lbs. out of total offerings of over 5 million lbs. This week, it bought even less, 130,000 lbs. Having thus failed in its attempts, the Ceylon Government is considering other measures to afford relief to tea producers. The Government has appointed a committee of seven members of Parliament to prepare a scheme of relief for small-holders during the present crisis. It will also consider a proposal to buy green leaf at guaranteed price. Some members of Parliament representing tea-growing districts have suggested to the Finance Minister that export duty on tea should be reduced and that green leaf be bought from small-holders at a guaranteed price and that the cost of manufacturing a pound of tea be fixed by the Government to ensure a standard price to the bought leaf manufacturer. Once these two prices were fixed, the Government, according to them, could offer a price above the cost of production at the auctions. The Finance Minister is reported to have told the deputationists that he could not make any promise of a reduction in export duty.

The Committee of the Tea Trade Association of Cochin is reported to have decided to postpone leaf sale No. 11, scheduled to be held on 24th May, until 31st May. This decision has been reached in view of the heavy stock of tea lying unsold from sales 8, 9, and 10.

JUTE STOCKS HIGHER STILL IN APRIL

FALL IN OUTPUT

THE position of jute mills, from the point of view of stocks of finished goods, appears to be deteriorating once again. For, as at the end of April last, the stocks with the mills aggregating 103,352 tons show that accumulation continues, there being a further increase of 8,700 tons over the previous month. The last occasion when these stocks exceeded this figure was September, 1953. In that month, the stocks were as high as 118,000 tons, but thereafter they declined gradually until a low of 69,013 tons was seen in November, 1954. The down-trend witnessed a reversal in the following month and, since then, there has been a continuous rise. This is due to increase in working hours to 48 a week, slackness in offtake by foreign countries, rise in prices induced by speculative forces in the jute goods market, and lower despatches from Calcutta owing to labour troubles in that port.

In view of the persistent rise in stocks, as noted above, there are rumours that the jute industry would be obliged to revert to a 45-hour week. Although Press reports indicate that the I.J.M.A. has no intention of reducing working hours, it must be mentioned that, if no active steps are taken to arrest the rising trend, sooner or later, the mills will have to face, once again, the "crisis of stocks" which they did in 1953. One of the ways in which the mills can be helped to expand their sales is the abolition of export duties on jute goods. There is no reason why the Government should not give this concession when it has often declared that export duties are never looked upon as a source of revenue. The earlier the Government moves in the matter the better for the industry.

A variety-wise analysis of stocks reveals that, of the increase of 8,700 tons in the total stocks during April, 1955, hessians, at 39,029 tons, accounted for about 5,000 tons. The rise in the stocks of sackings was only about 3,800 tons, from 59,000 tons to 62,800 tons.

The table below gives the stocks of hessians, sackings and others as at the end of April, 1955, as compared with those at the end of the two preceding months as also at the close of April, 1954:

Jute Goods Stocks

(In tons)

	As on			
	30-4-1955	31-3-1955	28-2-1955	30-4-1954
Civil				
Hessian	38,784	33,762	26,303	31,905
Sacking	62,502	58,802	54,696	57,290
Others	1,501	1,565	1,956	1,616
Total ..	102,787	94,179	82,374	90,800
Government				
Hessian	248	237	275	297
Sacking	320	209	209	236
Others	Nil	Nil	Nil	3
Total ..	565	446	484	536
Grand Total ..	103,352	94,625	82,858	91,426

The output of jute goods during April, 1955, declined by about 3,900 tons, that is, from 89,238 tons to 85,682 tons to be precise. The decline may be attributed to the difficult conditions prevailing in both the raw jute and jute manufactures markets in the month under review. The high prices of raw jute and the paucity of orders from overseas countries for the purchase of jute goods were not at all conducive to increased production. The output of hessians declined from 34,776 tons to 32,780 tons and of sackings from 50,844 tons to 49,326 tons.

The table gives the output of the various types of jute goods during each of the three months ended April, 1955, as also during April, 1954:

Jute Goods Production

(In tons)

	April, 1955	March, 1955	February, 1955	April, 1954
Civil				
Hessian	32,777	34,776	32,001	31,605
Sacking	49,183	50,834	40,431	40,572
Others	2,379	3,638	3,805	2,910
Total ..	84,339	89,238	81,317	74,787
Government				
Hessian	3	10	52	17
Sacking	143	10	10	184
Others	Nil	Nil	Nil	1
Total ..	146	20	62	202
Grand Total ..	85,682	89,258	81,379	74,989

With April production, the total quantity of goods manufactured in the first ten months of the season 1954-55, amounted to 836,149 tons which compares with 719,346 tons in the same period of the preceding season.

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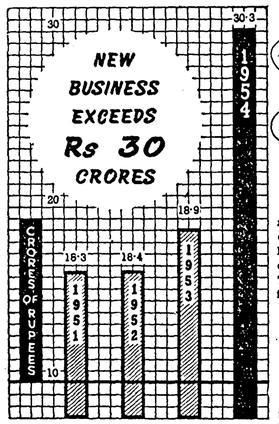

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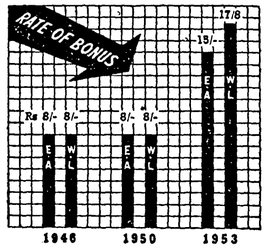

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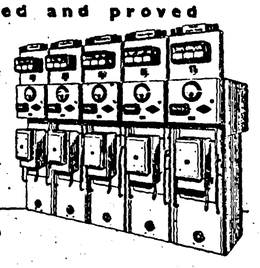

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LANDMARK IN ALUMINIUM INDUSTRY

NEW ROD MILL SET UP IN T.-C. STATE

THE opening of a new mill of the Aluminium Industries Ltd., Kundara, for continuous casting and rolling of electrolytic conductor-grade aluminium rod by Mr. Panampilli N. Govinda Menon, Chief Minister, Travancore-Cochin, on the 13th inst., is a landmark in the progress of aluminium industry in this country. This mill is the first of its kind in Asia. A notable feature of the mill is the revolutionary process it employs in the manufacture of rods. Under this process, the conventional pre-heating and billet casting is eliminated and aluminium rods are continuously cast and rolled directly from molten metal in a matter of well under two minutes. The capacity of the mill is about one ton an hour.

The aluminium rod manufactured by the mill is essential for conductor manufacture. A gratifying feature of the new mill is that indigenous metal (that is, ingot made at the reduction works of the Indian Aluminium Co., Ltd., Alwaye), will be used in the processing of the rod. Indeed, from bauxite to the finished conductor, it will be a completely Indian product—Indian aluminium, Indian rod and Indian conductor. According to Mr. B. V. D. Menon, a Director of the Company, this new mill represents a step forward in achieving self-sufficiency in the raw materials required by the Company.

The importance of the development of aluminium industry will be evident from the fact that, today, aluminium is by far the most economic metal for the manufacture of conductors. It is true that silver is the best conductor of electricity, but it is very costly. Next comes copper, but being a scarce and strategic metal of great importance, its price has gone up heavily. Further, its supply is limited and cannot be readily had. Besides, the price of copper is generally an index of international tension and, therefore, it is unstable. This explains why aluminium is slowly replacing copper in many spheres, especially in the electrical industry.

Although aluminium conductors for high tension power transmission lines have come into prominence in India only recently, their progress has been rapid. The demand for them, which is estimated at 5,000 tons annually today, is expected to shoot up to no less than 10,000 tons in the next few years, following the progress of plans for electrification of rural areas on a large-scale which are either in the offing or already being implemented. Fortunately, India has considerable reserves of bauxite. The total deposits are estimated at 250 million tons and the workable deposits containing over 50 per cent. of alumina at only 28 million tons. Even at the latter assessment, an annual output of 50,000 tons of finished aluminium can be maintained for over 100 years. The deposits of bauxite are widespread, high grade metal being available in Bihar, Bombay, Madhya Pradesh, Orissa, Kashmir and Madras (Salem).

The chief producers of aluminium in India are the Aluminium Corporation of India, Ltd., with an ingot aluminium capacity of 2,000 tons a year, and the Indian Aluminium Co., Ltd., Calcutta with a capacity of 5,000 tons a year. The latter company, which, originally started operations at its plant in Alupuram, Alwaye, on imported material, has now its own works at Muri in Bihar. Among the non-integrated fabricators, mention may be made of Venesta Ltd., Calcutta, which produces foil in sufficient quantities to supply practically all the country's requirements of tea-chest liners. Besides, the Aluminium Industries Ltd., the Indian Cable Co., Ltd., Tatanagar, the National Insulated Cable Co., Shamnagar, the Electrical Manufacturing Co., Dum Dum, and the Hindustan Conductors Ltd., Faridabad, produce aluminium conductors.

While aluminium cable, steel reinforced, can be used with advantage for rural distribution schemes, involving long spans, all-aluminium cables (without steel reinforcement) can be used for distribution schemes involving spans of 250 ft. and less. In 1952, the Travancore-Cochin State alone took nearly 1,000 miles of all-aluminium conductors. In fact, all-aluminium provides more for lesser money.

If one were to study the history of industrial progress during the past half century, one would find that the two important industries that have contributed substantially to the economic development of a number of nations in the world are hydro-electric and aluminium. So great are the potentialities of these two industries that the underdeveloped countries have pinned their faith in their development for their future progress. To quote the significant remarks of the *Aluminium News*:

"Hydro-electric power has attained prominence as the most efficient source of energy known to man. Aluminium has accelerated the spreading of the usefulness of electricity through its peerless capacity to carry electrical energy from the point of origin to the point of use. A happy combination of lightness, strength, carrying capacity, and low costs, places aluminium ahead of all other commercial conductors. The union of aluminium and electricity has stimulated unparalleled advance of industrial expansion and better living, giving promise of a brighter tomorrow for all mankind."

Besides its contribution to the transmission of electricity, aluminium has a variety of uses. It is stated that there are 4,000 end uses to which the metal can be put and they range from the manufacture of spoons to ship super-structures. Its versatility has offered a challenge to the ingenuity of designers and fabricators.

The remakable properties which, apart from its high coductivity, has helped the metal to the forefront are lightness, resistance to corrosion, malleability and ductility. The basic characteristics of aluminium are well suited to the requirements of the present technological age, in terms of speed, economy and efficiency. Pure aluminium readily combines with other elements to yield a range of alloys which retain the distinctive lightness of the parent metal and acquire strength values of a high order. The lightness of the metal with its high tensile strength has made it the high ideal metal for aircraft and other transportation purposes. The corrosion resistance of aluminium has reduced the cost of maintenance, repairs and replacements.

The pattern of use for which the metal is put has been changing in this country also as in others, but at a slower pace. In 1947, for instance, India consumed 12,000 to 13,000 tons, 90 per cent. of which was in the form of utensils. Today, the consumption of the metal is as much as 20,000 tons and it is expected to rise to 27,000 tons by 1957. The pattern of demand too has changed considerably. It is estimated that, in another two years, the utensil industry will consume only 35 to 40 per cent. of the aggregate consumption. Aluminium for conductors alone are expected to account for another 35 to 40 per cent., packing 7 per cent. and transportation and building for most of the rest.

PRICES OF AUTOMOBILE SPARE PARTS

The Government of India has decided that, with effect from 1st June, 1955, the "mark-up" on the landed cost of fast-moving automobile spare parts should not exceed 70 per cent. in fixing retail list prices. This means that fast-moving parts, that is, parts in which the turnover is quick, will be sold to consumers at a margin not exceeding 70 per cent. of the landed cost. So far, the retail prices have been 100 per cent. or even more above the landed cost. A list of spare parts which Government considers as fast-moving ones has been prepared and circulated to the interests concerned. These include hardware items, rubber components, assemblies including components and repair kits of a number of parts and a number of fittings and accessories. The manufacturers and importers have been asked to bring other fast-moving parts, which have not been included in the list, within the scope of the new retail prices. No maximum limit is imposed for the present for other parts which are mainly slow moving. But retail price lists will have to be published by manufacturers and importers for these parts also. The Government has also decided that retail price lists, for both fast and slow-moving parts, should be published by all manufacturers and importers.

One of the most comprehensive and well-equipped oil laboratories in India has been built by Burmah-Shell Refineries Ltd., in Trombay, to undertake work of testing products manufactured by the Refinery. In many respects, the oil laboratory is unique in the sense that it contains a variety of instruments hitherto unknown in India, such as the low temperature distillation apparatus for light hydrocarbons, the flame photometer to analyse the catalyst used in the catalytic cracker, etc.

The Laboratory consists of four main sections —the routine laboratory, the finished products laboratory, the technological laboratory and the engine laboratory. The routine laboratory is working on a 24-hour basis to carry out testing necessary for checking the operation and products of the various processing units. The finished products laboratory determines whether the finished products, such as kerosine, motor spirit, diesel oils and furnace oils are up to specification. The technological laboratory carries out various experiments and tests for the improvement in quality of the manufactured products. The engine laboratory tests petrol on its so-called "octane rating." In all these departments, qualified Indians are using their experience gained during a period of extensive training in the Shell laboratories in the U.K. and Europe.

RIVER VALLEY PROJECTS

MACHINERY LYING IDLE

ALTHOUGH the report of the Plant and Machinery Committee, appointed by the Government of India in October, 1953, was submitted as early as in 1954, it was made available to the public only last week. The Committee, it will be recalled, was appointed to enquire into and report on measures necessary for the efficient operation and maintenance of construction plant and machinery used in river valley projects. A casual glance at the official summary of the Report reveals that there is a colossal rate of sickness of these plant and machinery. It is said that as much as 48 per cent. of the equipment was idle in 1953-54 for want of spare parts. At the same time, about Rs. 6 crores was locked up in spare parts of types which had no future either for immediate or remote utilisation. The availability factor equipment for works visited by the Committee was only 52 per cent. and the Committee seems to have had every reason to fear that the position might be still worse in case of projects not visited by it. A part of the loss is due to the lack of personnel trained in handling the latest machinery. The Report says:

"The mechanisation of projects is a new sphere in which the Indian engineers are not yet fully oriented. It should be realised that we are attempting to adopt 1953 techniques in this country with a background which is 50 years behind the times in relation to the countries that we try to follow. The entire approach is in a process of evolution. Until 1948, there was scarcely any heavy earth-moving equipment in India, whereas today there is an approximately Rs. 40 crores worth of machinery in our projects."

The Committee has made a number of recommendations in order to avoid the repetition of past mistakes. The chief amongst these is the suggestion to set up a machinery and spare parts directorate to keep a record of the equipment in use by the projects, to watch their release and to plan their future utilisation. It has further suggested that, in the case of inter-State transactions, the Directorate could act as an arbitrator for pricing old equipment. As the mechanisation of projects is a new sphere in which Indian engineers are not fully oriented, the Committee feels that it would necessarily take time to train the administrative, technical and ministerial staff to obtain high efficiency in this field and emphasises the need for a central agency to guide the trained and experienced men. To quote the remarks of the Committee:

"Unless a central employment bureau can guide them to other projects where their experience could be helpful, the benefit of such valuable training will be lost in the country. In the absence of such an organisation, the projects will have to depend upon raw hands and train them in a wasteful manner."

The picture of the position of machinery thus presented is indeed disquieting. It is true that, while commenting on the Report from Ahmedabad this week, Mr. Gulzarilal Nanda, Union Minister for Irrigation and Power, stated that the situation had since improved, following implementation of the recommendations of the Committee. But this is only a vain consolation for there can be no real improvement in the position so long as India is dependent upon foreign sources for machinery and spare parts. India, it may be noted, does not at present manufacture much of the machinery, equipment and installation required for use in river valley projects. This dependence on foreign sources, at a time when the country has embarked on a vast programme of harnessing its rivers, is indeed unfortunate.

Lack of standardisation is one of the important causes for non-utilisation of available equipment to the fullest extent possible. Standardisation, so far as river valley projects are concerned, plays an important part both in the field of design and construction. It is said that the principles of standardisation of important mechanical equipment, as recommended by the Committee, has been accepted by the Government with the proviso that the position should normally be reviewed after every five years, the period being curtailed, if special circumstances so warranted.

Much of the difficulty noted above could have been avoided if there had been proper planning. It is needless to add here that advance planning of all mechanical equipment used in a dam is essential, for construction work will normally be in full swing before the first mechanical equipments, such as embedded frames for gates, staircase frames, etc., are installed in the dam. If there is lack of proper planning, procurement will be delayed, resulting generally in the retardation of the progress of the works. Advanced planning depends again on the ability of technical personnel in charge of the projects.

NEW PRODUCTS AND PROCESSES

Wind Tunnel

MAN-MADE winds, up to velocities of 3,800 miles an hour, are expected to be produced soon at the U.S. Air Force station at Tullahoma, Tennessee, for testing and evaluating supersonic planes, aircraft engines, and guided missiles. The winds will be produced by two 83,000-horse-power motors built at the East Pittsburgh, Pennsylvania, plant of Westinghouse Electric Corporation. Delivered to the test site recently, they were given a trial "start-up" by two "starting" motors of 25,000-horse-power each. The combined rating of all four motors, when installation is completed, will be 216,000-horse-power. The wind-maker, with its motors connected in tandem fashion to five even larger compressors, will be more than 600 feet long. In operation, the wind tunnel will force gales around two separate closed courses inside a huge pipe. The pipe itself is nearly wide enough to hold four lines of automobiles. Each of the 83,000-horse-power motors weighs 225 short tons, as much as a railroad locomotive. All four motors together will use as much electric power as needed to supply the entire city of Nashville, Tennessee, which has about 200,000 population. The wind tunnel will require 100,000 gallons of cooling water a minute, a consumption equal to that of the city of Washington, D.C., which has a population of more than 861,000.

Automatic Milling and Grinding Machine

A machine tool factory at The Hague (the Netherlands) produces an automatic milling and grinding machine for making milling cutters, in particular those of a special shape. The performance of cutters with a large number of teeth which are cut to special shapes is much higher than that of cutters with few teeth formed by relief milling. The new milling and grinding machines are capable of turning out these modern, many-teethed cutters automatically. The cutters are first milled and, after exchanging the milling for the grinding unit, subsequently grind. The correct shape is transferred to the workpiece by means of a copying template, over which runs a tapered tracer roll. The movement of the tracer roll over the template, the lifting of the roll and its replacement for the next master pattern, as well as the turning of the workpiece, take place entirely automatically. The magnification ratio of the copying device is 1:2.7 or 1:11.

Lysine Produced Synthetically

Lysine, an essential element in human nutrition, is now being made synthetically by the Du Pont Company in the United States. Many foods, notably those made chiefly of wheat, are deficient in this substance. Lysine is one of eight amino acids—called nature's building blocks for body tissues—that are considered essential to human well-being. Some foods such as meat, eggs, fish and cheese have a proper balance of the essential amino acids. On the other hand, many foods, particularly those consisting mainly of grains, do not. In some cases the lack of balance can be corrected by the addition of small quantities of lysine. Tests have, for example, shown that adding two-tenths of one per cent. of lysine to wheat flour increases the protein value of bread from 70 to 100 per cent. Research indicates that infant growth can, in many cases, be improved substantially by adding lysine to children's diets.

Portable Emergency Lamp for Motorists

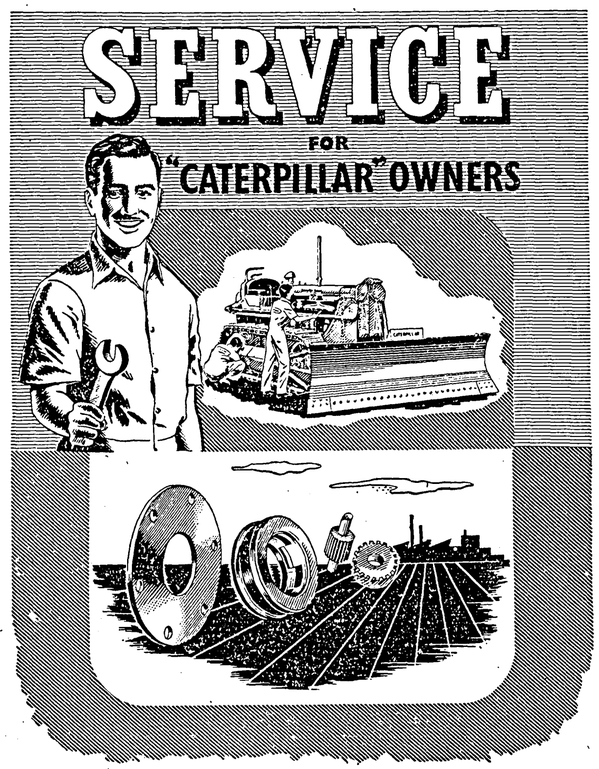
An incandescent lamp factory at Eindhoven (the Netherlands) produces a handy portable lamp mounted on a strong permanent magnet. The material of this magnet retains its magnetic force for a very long time, so that even after many years this lamp firmly adheres to all iron parts. This lamp is a godsend to every motorist, who has a breakdown at night. The shape of the magnetic part is such that the lamp can be attached in various positions to all possible iron parts. The lamp radiates a generous bundle of white light in front and at the same time a red light at the back. It can, therefore, also be used to replace a faulty tail light or number-plate light. The lamp can also be conveniently used for map reading and as a hand lamp.

Valuable Minerals Found in Coal

Coal, in addition to its heating qualities, is also a natural storehouse of many of the world's rare but valuable minerals. According to the U.S. Bureau of Mines, experiments are now being conducted to determine if these minerals can be extracted from coal in commercial quantities. The principal mineral elements found in coal in sufficient quantity to be economically important include cobalt, beryllium, boron, titanium, vanadium, chromium, nickel, molybdenum and copper. Because of the presence of these minerals, scientists say that the day may soon come when coal will be mined for its valuable minerals as well as for fuel.

Yeast from Tree Sugars

A yeast made from tree sugars, called torula, is being manufactured in Green Bay, Wisconsin, by the Charmin Paper Mills and the Red Star Yeast and Products Company. The yeast, a by-product of papermaking, is being produced in a new plant with a capacity of 6,000 tons a year, which the manufacturers say will be the major American source of the product. Torula is already being used in animal and poultry feeds and in pharmaceutical preparations. Its use in human food has so far been limited. It was produced initially in Europe during World War II as a vitamin and protein supplement.



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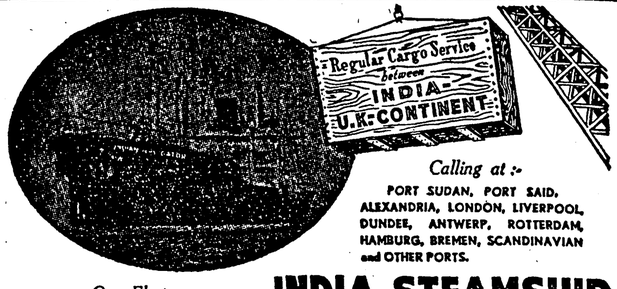

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INSURERS ASKED TO TAP THIS LINE

THE call given by Mr. A. C. Guha, Minister for Revenue and Defence Expenditure, Government of India, to insurers of Patna, while inaugurating there the Insurance Club on the 9th inst., to extend their activities to rural areas, is advice which is both merited and timely. Its merit lies in the fact that its implementation will open up a new vista for expansion of insurance business. As Mr. Guha himself pointed out, the *per capita* insurance in India is only Rs. 26. This compares very unfavourably with Rs. 1,900 in Australia, Rs. 2,900 in New Zealand, Rs. 5,000 in Canada, Rs. 7,000 in the U.S. and almost the same amount in the U.K. These figures show how backward India is in making its people insurance-minded. This backwardness is, of course, due primarily to the underdeveloped nature of our economy and its high level of population. There is, however, no doubt that insurance in India can occupy a much higher place than it does now, provided insurers work hard and concentrate their energy on new fields, particularly in rural areas. India is an agricultural country and, as is well known, about 70 per cent. of the country's national wealth is derived from agriculture, and insurers may well disperse their activities—in this predominantly rural industry—for underwriting not only life but also general business. In this context, it is worth recalling Mr. Guha's observations. He said: "In some of the advanced countries there is a system of crop insurance, cattle insurance and such other things. I know there is an intrinsic difference in the structure of agriculture in our country and in the U.S. or some other Western countries. In spite of these differences and other difficulties, I think it is yet possible to extend your activities in the agricultural sphere in the form of crop insurance, cattle insurance, etc."

This advice of Mr. Guha may be said to have been timely. For the present time appears to be the most opportune to initiate moves for establishing crop and cattle insurance schemes. Thanks to a number of changes which have taken place, and are still taking place, in the Indian economy, the climate for initiating the schemes is now more favourable than in the past. The major and minor river valley projects completed under the Five-year Plan have, by ensuring regular supplies of water to crops, eliminated the vagaries of the monsoon and the crops today are a good risk for insurance companies. Secondly, a nation-wide attempt is being made to finance agricultural crops by a system of integrated institutional credit. It is proposed to distribute this credit through the State Bank of India to be established in July next. When the flow of this credit starts, the position of agriculture will improve perceptibly. Besides, schemes have been launched for not only increasing per-acre yield of crops but also establishing warehouses and marketing boards for storing and selling the produce on scientific methods. These schemes will also help make crop insurance a practical as well as a remunerative business venture. More or less, these considerations are also applicable to schemes of cattle insurance. Mr. Guha is, therefore, quite right when he says: "Insurance must move along with the nation and adapt to the changed and changing conditions. We are all working under a plan. Insurance business will surely help the Plan for developing the country."

Some Bad Practices

No appreciable expansion in insurance business, however, can take place on sound lines, unless insurers adopt the right kind of principles and practices. Experience has shown that it is not uncommon for insurers to deviate from the accepted path. Mr. Guha's references to the "bad practices prevalent in the business" are not unwarranted. According to him, even some reputable insurance firms are not free from these drawbacks. His particular complaint relates, to their attitude towards the tendency of overlooking the provisions in the Insurance Act relating to restrictions on expense ratio. He is of the opinion that As. 4 in the rupee paid as cost of insurance companies or 25 per cent. of their income, is undoubtedly a big amount. His appeal to insurers to make a determined bid to reduce the expense ratio should not go unheeded by them in their own interests. In this context, his deprecation of unhealthy competition in the business should serve as a note of warning to insurers who eagerly take over the business of other insurers by unfair means. Mr. Guha's appeal to field workers and insurers to be careful in selecting good lives is also appropriate, as in the craze for new business, the quality has deteriorated considerably and this is reflected in the ratio of lapses of life insurance policies. In this context, his call to field workers to serve the policyholders and keep the reputation of their companies clean is worthy of being heard. He remarks:

"The last Insurance Companies Act has given certain amenities and privileges and security to the field workers. It is primarily their responsibility to keep the reputation of their company clean and above any reproach. Their first attention should be service to the policyholders. I can recollect about four decades ago an insurance agent was just a most unwelcome intruder in the house. But I think things have changed. It would depend very much on the field worker himself to make him a welcome friend and not an unwanted busybody. So long the field worker's job was just a side show of any middle-class man. He himself would not give any respectability to his job and naturally the public also would not treat him as such. But I think under the changed circumstances of free India and of the fairly developed insurance companies and under the changed provisions of the Insurance Act, field working of insurance companies has become a respectable profession for anyone intellectually and morally well equipped. Insurance has a social value, as I have said, and philologically, the word means giving a sort of security or surety to the person."

Progress of Insurance

While reminding thus the field workers of their responsibilities towards the business, Mr. Guha is not unconscious of the progress that has already been made by Indian insurance during the past few years. He considers the rise in the assets of insurance companies from Rs. 168 crores in 1947 to Rs. 297 crores in 1953 as quite significant. The total annual premium income of Indian life offices at Rs. 37 crores compares, he says, favourably with Rs. 6.1 crores earned by foreign life offices in India. His observations, in this context, are worth reproducing here, as, incidentally, they indicate the Government's policy towards foreign insurers. He says:

"Foreign insurance companies are doing business here and it is not our policy to put any discriminating conditions to foreign investment. But as foreign companies have been working here, may we not expect that Indian life companies also should start their business in other countries? This is a source of the invisible income of the nation and from the point of view of earning of foreign exchange, it is an important issue. I am glad that Indian life insurance companies are not quite idle in this sphere also. From Rs. 1.4 crores in 1947, its annual premium income in foreign countries has increased to Rs. 4.3 crores in 1950. Compared to the business that is being done by foreign life companies in India, this achievement is far from satisfactory."

Mr. Guha points out that insurance provides for the individual family as well as helps in making greater savings for the country's national income, and in this, insurance has a social value. Upto 1949, about 4 or 5 per cent. of India's national income was being saved for reinvestment. In the past six or seven years, the rate of savings has gone up, he says, by another 2 or 3 per cent. But he feels that the country can save more and that insurance can provide the best means for effecting such saving. Although this is true, we may add here that the Government's tax policy, as also other unhelpful economic policies, is acting as a hindrance to the growth of the country's economy. Unless the economy as a whole continues to be buoyant, the rate of growth of insurance, it is needless to add, will be slow, spread over a long period.

ACHIEVEMENT OF PRIVATE SECTOR IN INSURANCE

Within a short period of 30 days, the National Insurance Company, Ltd., Calcutta, has had the distinction of laying the foundations of two new buildings, one at Kanpur early last month, and another at Delhi on the 3rd inst. The foundation-stone laying ceremony at Delhi was performed by Mr. K. N. Katju, Minister for Defence, Government of India, while Mr. K. M. Munshi, Governor of U.P., laid the foundation-stone for the Kanpur building. The events indicate, in a way, the eagerness of the Company to spread the gospel of insurance among the people of the country by constructing imposing buildings in their midst.

This attempt by the National Insurance is, indeed, a tribute to the spirit of the private sector. In fact, the President of the Company, Mr. Lakshmipat Singhania while requesting Mr. Katju to lay the foundation-stone, spotlighted the attention of his audience on the role of private enterprise in building up insurance in India. In view of the danger of nationalisation of insurance, Mr. Singhania's reference to this role is both relevant and opportune. Thus, private enterprise in the field of insurance has taken the volume of new business from Rs. 36 crores in 1940 to Rs. 137.5 crores in 1953. It can today claim that every third family in urban India has at least one policy. It has entered rural areas with non-medical schemes of insurance and can be expected to depend upon spreading insurance over the whole of rural India. It has never lacked initiative and is today making lump-sum payments to cover untimely death, and providing capital which the insured could utilise for building a house, or meeting the expenses of marriage or education of his children, pension in old age, etc. Private enterprise has not only popularised insurance inside the country but has carried the message of Indian insurance even beyond India over the land and across the seas. It is no longer confined to life business alone. It has diverted it into international channels by making rapid progress in general insurance. It keeps invested in Government securities more than 50 per cent. of its total funds. If the restrictions are relaxed, it could play, according to Mr. Singhania, an increasing role, by providing funds for both the public and private sectors for further investment.

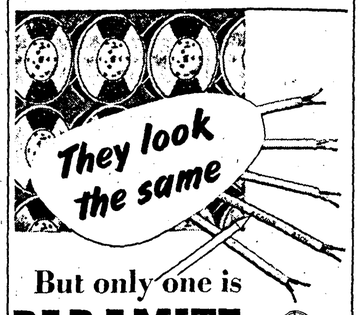
Private enterprise has enabled the insurance industry to employ 75,000 people directly over and above the three lakh agents who are engaged in insurance work. What is more, insurance employs mostly educated classes in which the problem of unemployment is most acute. Thus, private enterprise can be expected to play an increasingly important role in making the dream of socialistic pattern of society a reality.

HEALTH INSURANCE

The Employees' State Insurance Scheme, as we pointed out last week, has now been extended to Hyderabad. The Scheme, which is already in operation in Nagpur, Bombay, Coimbatore, Delhi, Kanpur, four industrial centres in Madhya Bharat and seven industrial centres in the Punjab, covers 7½ lakh workers or about one-third of the insurable population. Plans to implement the Scheme have made progress in Calcutta City and Howrah District and six centres in Saurashtra. Referring to the progress of the Scheme, Col. V. M. Albuquerque, Director-General, Employees' State Insurance Corporation, in his broadcast from the Hyderabad Station of the All India Radio, said:

"The Northern States stole a march in introducing the Scheme first. Though the Southern States have been late starters, they are catching up very quickly. The Andhra Government has taken a decision to start the Scheme in seven industrial centres. The Scheme is expected to start in Madras City in a few months and the State Government is considering its early extension to all centres of the State with 2,000 or more workers. It is also likely that the Government of Travancore-Cochin will introduce the Scheme shortly. The Mysore Government is expected to take an early decision regarding Bangalore."

There has, as is well known, been a persistent demand for the extension of medical benefit under the Scheme to the families of insured persons. The Union Labour Minister, Mr. Khandubhai Desai, who inaugurated the Scheme in Hyderabad, reiterated that the Government was considering the question of such extension. Col. Albuquerque, in his broadcast, also emphasised that the demand for such extension was a "very legitimate" one. He said that it was once feared that the inclusion of families might be too ambitious and beyond the financial and administrative resources of the Scheme. It would, however, appear that the experience in the working of the Scheme limited though it was, has been favourable. The Director-General revealed that the Corporation had appointed an independent actuary to study the finances of the Corporation to see whether, on the present scheduled contributions of employers and employees, it would be possible to render outpatient medical care to families also. The report of this actuary is expected to become available to the Corporation in the middle of this year.



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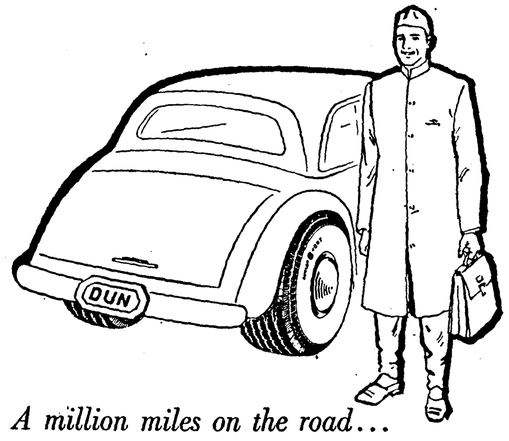

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SIR FREDERICK GODBER'S VIEWS ON OIL PRICES

THE Annual General Meeting of The "Shell" Transport and Trading Company, Limited, will be held on June 1 at The Chartered Insurance Institute, 20, Aldermanbury, London, E.C.

The following is the statement by the Chairman, Sir Frederick Godber, which has been circulated with the report and accounts for the year ended December 31, 1954:—

The Board of Directors

Little more than a year after his resignation from the board owing to ill health, Sir Andrew Agnew, our colleague for so many years, has passed away.

In my statement last year I paid tribute to Sir Andrew's half-century of devoted and untiring service to your company and to the group. I recalled, too, his outstanding work in building up the group's tanker fleet into one of the world's largest and most efficient maritime enterprises. I feel sure you will wish to join in extending sympathy to Lady Agnew and to all the members of his family.

Balance-sheet and Revenue Statement

The financial results of the group are reported elsewhere in this statement. The dividends paid to the parent companies for 1954 amounted to £26,841,299, compared with £22,186,010 for 1953. In consequence the net revenue of your company, which consists mainly of dividends from the group, was £10,527,844, against £8,670,523 in 1953.

After deducting the Preference dividends paid and accrued and the interim Ordinary dividend of 1s. per £1 unit free of income tax, paid on January 18, 1955, there remains available for distribution, including the carry forward from 1953, an amount of £9,538,414.

The directors now recommend a final dividend of 2s. per £1 unit free of income tax which, if approved, will be payable on June 8, 1955, and will absorb £6,541,763.

Reference has already been made in this report to an issue during 1954 of 10,902,939 Ordinary shares through the capitalization of part of the company's share premiums reserve.

When commenting on this issue in my statement last year, I said that one of its objects was to broaden the basis of the ownership of the company. You may, therefore, be interested to learn that during 1954 registered Ordinary stockholders increased by approximately 10,000, and in December numbered over 142,000. You will appreciate, of course, that the number of individuals who own the equity of the company must exceed this figure by a substantial margin, there being no record of those who prefer to be registered in the name of nominees, or of holders of Ordinary stock in bearer warrant form.

By means of such issues from time to time the shareholder has obtained in concrete form acknowledgment of the growth of the assets which his shares represent, and of the business in which they are used.

The Royal Dutch/Shell Group

The assets of The "Shell" Transport and Trading Company, Limited, are substantially in the form of investments in a large number of companies known collectively as the Royal Dutch/Shell Group. Your company has a 40 per cent. interest in these companies and the Royal Dutch Petroleum Company a 60 per cent. interest.

The greater part of these investments is held through three principal wholly owned operating companies—The Anglo-Saxon Petroleum Company, Limited, N.V. De Bataafsche Petroleum Maatschappij, and The Shell Petroleum Company Limited. The managing directors of each of these three companies are identical and at present are: The Hon. Sir Francis Hopwood, Jonkheer J. H. Loudon, H. Bloemgarten, J. W. Platt, F. A. C. Guépin, F. J. Stephens, L. Schepers.

At last year's annual general meeting I mentioned that it was proposed to make available a figure of group income for 1954 on a half-yearly basis. The publication of these results, which was made in September, was widely appreciated and favourably commented upon, as affording an opportunity of following more closely the current trading results of the group. I am glad to say that this year we propose to publish similar results on a quarterly basis, and that figures for the first quarter will be available within a few weeks.

I will now proceed to the report on the group financial results for 1954.

THE ROYAL DUTCH/SHELL GROUP REPORT ON THE YEAR 1954

Financial Position

Net income of the group for 1954, after taxation and elimination of minority interests, was £134,474,218, compared with £130,413,373 in 1953.

Higher activity in all phases of the group's operations resulted in an increase in the volume of sales in 1954 of nearly 10 per cent. in world outside North America, and of 4 per cent. in North America. This improvement was reflected in an increase in group net income before taxation of £23 million. The greater part of this increase, however, has been offset by higher taxation provisions, to which reference is made later. As a consequence of these larger tax provisions, the net income of the group after taxation increased by only £4 million over the previous year. This is a very significant fact.

Out of the 1954 income, dividends of £26,841,299 have been paid to the parent companies—Royal Dutch Petroleum Company and The "Shell" Transport and Trading Company, Limited.

Sales proceeds and other income, amounting in 1954 to £1,851,039,043, were higher by £150,324,593 than in the previous year. The greater proportion of the more valuable light products achieved in 1953 sales was maintained in 1954, in spite of the fact that the higher demand pressed more heavily on fuel oils. Geographically the improvement was particularly pronounced in Europe, where it is attributable to the record level of economic activity reached in western European countries during 1954. The increasingly high standard of quality of group companies' products also contributed to the improvement, since it resulted in public preference for them becoming more marked.

In the U.S.A. sales and income of Shell Oil Company were higher, in spite of the U.S. oil industry's general experience during 1954 of more difficult conditions, which were reflected in a reduction of allowable production of crude oil, and in one of the smallest annual increases in consumption since the war.

Costs and expenses of the group rose in total at about the same rate as sales. Operating expenses amounted to £1,044 million in 1954, against £977 million in 1953. In addition to those costs directly attributable to the production, manufacturing, transporting and marketing of oil and chemicals, there are other heavy expenses connected with exploration and with research, both of which increased. In 1954 group companies spent more than £50 million on exploration in an intensification of the search for new oil; this, like the expenditure on research, is a cost incurred to safeguard our future position.

Depreciation, depletion and amortisation charges were, at £155 million, higher than in 1953 by £7 million. The upward trend in this item during recent years has thus continued, and is likely to do so in the future in view of the high level of present day capital expenditures.

Larger sales have also meant higher sales taxes, excise duties and similar levies, which rose by £58 million in 1954 to a total of £406 million. The steep increase in this item is in great part attributable to the increase in sales in Europe, where these levies are particularly onerous.

Taxation on income of group companies throughout the world in 1954 was £102 million, and was thus £19 million higher than in 1953. This increase is principally due to the fact that taxable income was substantially higher in 1954 than in 1953. The provision also includes certain charges in respect of extra or new taxation levied during 1954 and relating partly to prior years, as is to be expected in operations so widespread and diversified as those of the group. In some years such charges arise, while in other years amounts may be brought back into the accounts. In 1953 these factors operated on balance in our favour, but in 1954 this was not the case.

It must be remembered that income taxes are levied on group companies by fiscal authorities all over the world, in fact by more than 50 different governments. In the same way the income of £134 million is spread over an equally large number of countries, and while a few of these contribute a very significant proportion, no preponderant part is attributable to activities in any one country.

Assets and Liabilities

Turning now to the statement of assets and liabilities, you will see that some changes in presentation are made, in order that a more detailed and clearer picture of the financial position may be given. Long-term receivables have been separated from current receivables, and a new item, short-term borrowings, appears under current liabilities. This is made up of bank overdrafts, short-term accommodation bills with banks, and long-term borrowings due within one year; the two last items were formerly included in accounts payable. In addition, separate figures have been shown for cash and for short-term marketable securities.

There have again been substantial increases in property, plant, and equipment, the gross investment in which stood at £1,694 million at the end of 1954. The rise in the figure for investments from £85 million to £104 million is due to a number of causes, the chief of which is the group's initial investment in Iran; there were also other substantial investments in joint production, refining, and marketing enterprises.

Stocks of materials have continued to fall—from £102 million to £92 million—despite the higher level of activities and some rising prices. This is due to the development in group companies of the most modern methods of material indenting and stock control, by means of which they have taken full advantage of the easier world markets for materials. The increase in trade has resulted in the value of oil stocks and of accounts receivable rising to £216 million and £199 million respectively.

It is gratifying to note the increase in cash and securities, which at the end of 1954 together amounted to £346 million. Against this improvement, however, must be set very substantial forward capital commitments; moreover taxation liabilities have risen to £129 million, and these must be met irrespective of the course of our future generation of funds. It is essential for our cash position to be strong, in order that we may be in a position to meet requirements for funds in nearly every country in the world, in most of which facilities for raising funds are limited or negligible.

Capital Expenditures

Our capital expenditures during 1954 were quite as high as was predicted a year ago. The figures for the past four years in millions of pounds were as follows:—

	1954	1953	1952	1951	Total	1951/54
	£	£	£	£	£	%
Exploration and production ..	110	101	96	88	395	50
Oil refineries and chemical plants	57	73	51	45	225	28
Marketing facilities	28	30	30	24	112	14
Ocean-going fleets	27	13	6	3	49	6
Miscellaneous	4	4	5	4	17	2
Total .. £	226	220	188	164	798	100

About two-thirds of these outlays have been met from depreciation and other provisions, and the remainder from the retained earnings of the group.

In the light of information available at present it appears probable that the future levels of capital expenditures will, if anything, be even higher than in the recent past. Since such vast sums are concerned, it is desirable to give an explanation of the factors governing them.

In the survey of activities it is suggested that the rise of world energy demand over the next 25 years may be of the order of 3 per cent. annually, in which case demand would double within this period; and that the oil industry will have to contribute an increasing proportion of these great additional requirements. Moreover the capital expenditure necessary for finding, producing, shipping, manufacturing and marketing each extra barrel of oil has risen considerably in recent years. This trend is attributable to higher capital costs in all phases of the industry—to the ever-increasing cost of finding new oil to replace reserves; to rising costs of capital goods, such as ships; to the public's demand for higher quality products, which entails increasing use of expensive plant such as catalytic cracking and reforming units; and to the demand for a higher standard of technical services, which frequently involves the provision of extra equipment.

In this sense, therefore, much of our capital expenditure may be defensive, and consequently does not offer prospects of any great increase of income. The normal test of profit-earning cannot be applied to such investment, which must be treated rather as a cost of maintaining our business than as new investment on which added return can be expected.

E.C.E. Report on Oil Prices

The explanation which I have just given you should afford a good understanding of the financial administration of the group's operations, and for that matter of the business of any of the larger companies in the international oil industry. I have given explanations on similar lines in previous years and I hope, therefore, that you have been adequately informed, and so have obtained an understanding of the financial aspects of the industry.

I stress this because recently there has been considerable publicity concerning oil prices arising out of a document published last March by the United Nations Economic Commission for Europe. This document set forth the results of a study made, on its own initiative, by the Secretariat of that Commission for its Coal Committee, and while there seems to have been a serious effort to elucidate for the committee the basis and machinery of prices at present charged for oil in western Europe, the fact that on the authors' own admission the document had to be based on incomplete knowledge of relevant facts, and that its conclusions, as well as many of its statements, are accordingly erroneous and academic, makes it very questionable whether it ought to have been presented to the committee as a contribution of value.

Furthermore, on the accepted precept that a little learning is a dangerous thing, it is even more questionable whether it should, or even would, have been published in the ordinary course of events. However, the decision to publish it was undoubtedly influenced by the fact that before even the coal committee, for whom it was prepared, had had an opportunity of considering the document, leakages of its contents appear to have taken place, and the Press here as well as elsewhere gave much publicity to distorted versions, which alleged that the document accused the oil industry of charging extortionate prices through the machinery of an international oil cartel. Such accusations are not included in the report itself, nor is there any foundation for them.

Nevertheless, these distorted "leakages," and the sensational criticism indulged in on the strength of them, engendered a good deal of interest in the subject generally, whereas probably the report itself, if it had not been so heralded, would not have done anything of the kind, either on its merits as a study or as sensational material. In fact since its publication views on its limitations have been widely endorsed in the Press, as well as by spokesmen of H.M. Government and the U.S. State Department. Nevertheless, in the light of the events which I have described it is appropriate that I should supplement my comments on the finances of the group in relation to certain statements and inferences in the E.C.E. document and the critical expressions which it evoked.

The point, supposedly extracted out of the document, which has been responsible for most publicity is that prices of oil products, such as petrol, in western Europe may be too high. The reasons given for this suggestion are that such prices are linked to prices in the U.S.A., and that the cost of producing crude oil in the Middle East, which is the main source of supply for western Europe, is lower than that in the United States. Actually the document does not contain any such statement in this precise form. This is the interpretation applied by those responsible for the publicity to certain phraseology in it; but since the wording of the document might without too much stretch of imagination carry the implication in question, and since it has been quoted in many quarters as a positive criticism of the industry, it is best that I should deal with it as such.

Prices and Profits

I am sure that all of you must know that, like most other commodities, crude oil and also oil products are sold on the basis of market prices. Market prices in their movements are not necessarily respecters of costs, let alone costs in one particular area or particular phase of the business. What, therefore, is the criterion by which to judge whether or not, a market price at a given moment is too high?

The total profits of the major oil companies, including our own, represent large sums in terms of money. But the quantity of oil which is sold is also very large, as is the capital required to put it into consumption. I will use our own companies' results in dealing with this question. Our business is primarily financed by our shareholders, who provided the money with the sole object of receiving some reasonable return on it in relation to the circumstances. The profit of the group for the last year was £134 million, and this means a return on capital employed of less than 14 per cent. We sold 26 thousand million gallons of oil and therefore on all operations, that is on producing, shipping, refining, and marketing combined, our profit margin world-wide was about 1¼d. per imperial gallon. By what standards can either of these results be judged excessive?

Even so, only a small proportion of these profits go to the shareholders in dividends. I explained to you last year in cold terms that, if we are to maintain our business all over the world in strength and in progress, heavy capital expenditure is inescapable; and also that, since the capital requirements of the international oil business have now outgrown the money markets of the world, they can be financed only by retaining in the business an appreciable proportion of earnings. Even in the U.S.A., where capital is much more plentiful, it has been estimated that 90 per cent. of gross investment in the oil industry since the war has been financed by funds generated within the industry.

I have already commented on the great increase in energy requirements forecast for the future, and the part which the oil industry is expected to play in filling these. We should be failing in our duty to the public as well as to our shareholders if we did not continue to make whatever provision is possible to enable us to play our part in this expansion. To the extent, therefore, that these future requirements must be financed out of earnings, it is a complete fallacy to regard such earnings as profits in the conventional sense. Moreover, should prices fall to a point where it became impossible for the industry to make adequate provision for financing expansion, there would be a shortage of oil products, with the consequence that economics would eventually prevail. This would inevitably, after a period of dislocation, bring us back to where we are to-day, which shows clearly enough what is the influence which must govern prices in the industry.

I would, however, like to put one more test to this question. Are oil prices too high for the economic health of the consumer?

It is impossible to assert seriously that they are since oil products are probably the main victims of taxation all over the world.

You will see from the financial statements that the payments of sales and excise taxes by group companies were three times group net earnings. World-wide they represent over one-fifth of sales proceeds, but in Europe they reach one-third. If petrol in Europe is taken by itself—and its price has been especially criticised—well over half of our realizations represent sales or similar taxes. Such heavy imposts inevitably raise the cost of living since, taking the United Kingdom as an example, four-fifths of petrol used is for industrial and commercial purposes or for public authorities. Therefore, while it might with reason be asserted that the consumer is paying too much, it is not the basic price which is responsible for this, and Governments must hold the view that the basic price of oil is economically so favourable to the consumer that he can afford to pay much more in the form of taxation.

None of the information which I have now reviewed and amplified is new to you. I have given it in more concise terms in previous years, particularly last year, and it is a curious fact that the authors of the E.C.E. document, seeking knowledge as they obviously were, seem to have neglected industry reports. The same must apply to many of the other critics, who could not have seriously raised some of the questions which they did, if they had had the knowledge which has been conveyed to the shareholders of this company in recent years, and which would have been available by reading the reports, had they made any effort to procure them.

World Oil Conditions

Total world oil consumption in 1954 showed a substantial increase over the 1953 level, for which the latter months of the year were mainly responsible. Though the growth in the U.S.A. was one of the smallest of the post-war years, in the rest of the world, excluding the Russian sphere, it approached the remarkable figure of 10 per cent.

Contributing to this increase was the rising demand for fuel oil, which continued into the early months of this year, and which during the winter months reached such a level that it stretched available fuel oil supplies world-wide to the limit. In consequence the price of that product rose in February of this year. The world's future energy requirements are likely to make further heavy demands on the oil industry, in particular for fuel oil, until such time as atomic energy becomes a significant factor.

A consequence of the unexpectedly buoyant demand for all products over the winter months was the rapid rise of short-term tanker freight rates, which by February last had more than doubled between the trough of midsummer and the peak of winter. At the height of this activity tankers on short-term charter amounted to as much as one-fifth of the total tonnage employed in moving oil, and consequently this rise in short-term rates was a major factor during the winter months in freighting costs. In contrast, the basis used for establishing the freight rates charged by group companies resulted in variations of less than 10 per cent. during the corresponding period.

The world tanker position remains in surplus. Though the winter demand brought tankers out of lay-up, at the period of highest demand, there were still over one million tons idle. Moreover, a record total of 4½ million tons of new buildings became available in 1954 and the building programme still continues at the very high level of 8 million tons, about half of which will come into service this year. The creation of this modern tanker fleet with its lower operating costs must be detrimental to the trading prospects of older tankers in a continuing highly competitive market, and their increased scrapping or conversion to other uses will become still more necessary.

The future requires that supplies of crude oil, the raw material from which the industry's manifold oil products are derived, be at all times available in sufficient quantity to fulfil potential demands. This can only be achieved by continuous exploration for new oil discoveries. It will be appreciated that over the past years those prospects which were most readily accessible have already been tested, with the consequence that reserves for the future must be sought, for the most part, in remote and less accessible regions, at the greater depths which modern methods enable the drill to reach, or in off-shore waters. The search goes on, but year by year becomes for these reasons more hazardous, more difficult and more costly.

I have made reference earlier to the large capital sums which the industry is called upon to spend; a considerable proportion arises from the increasing demands for refineries in the areas of consumption. I do not propose to go in detail into the arguments for or against this trend, since they vary widely in the differing circumstances of one country as compared with another. It is, however, as well to sound a note of warning that there is a minimum limit of capacity below which a refinery, if it is to produce the high quality of products increasingly in demand, cannot economically be justified. Self-sufficiency, however, appealing it may be from the point of view of national prestige, can in certain circumstances only be at the expense of flexibility, and hampers the replacement and modernization of equipment which is so necessary. Up-to-date quality at the lowest

(Continued on page 987)

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION LTD.

THE RT. HON. VISCOUNT KNOLLYS' STATEMENT

SYSTEM OF FREE ENTERPRISE IN INSURANCE DEFENDED

"THAT British insurance has survived the tests imposed by wars and radical changes in the political and economic scene and has been able to build itself up in spite of them into a great and thriving national asset, has been chiefly due to the intrinsic merit of the system of free enterprise under which it operates." This is the view expressed by the Rt. Hon. Viscount Knollys, G.C.M.G., M.B.E. D.F.C., Chairman of the Employers' Liability Assurance Corporation Ltd., in his statement to the shareholders accompanying the Directors' report and statement of accounts of the Corporation for the year ended 31st December, 1954.

The following is the full text of Viscount Knolly's statement:

"My first duty is the sad one of recalling to our shareholders the death of Lord Courtauld-Thomson on 1st November, 1954, just two months before he was due to retire from the Chairmanship of the Corporation, which he had held for over twenty years. On behalf of his colleagues on the Board and of all those on the staff of the Corporation and its associated companies who had the privilege of knowing him, I would like to pay tribute to the qualities which made him so greatly respected during his long life, and which have ensured that he will long be remembered with deep affection.

"His influence on the fortunes of 'The Employers' was profound. For twenty years in almost daily contact with the executive, his hard-headed judgment, imaginative advice and enthusiastic urge, combined with a disarming sense of humour, stimulated and cheered us all. He was at his best when problems were difficult, for he was fearless as well as far sighted. We shall miss him much. I am only sorry that he did not live to know of the outstanding profit which the Corporation earned in his last year as Chairman.

"Although he was known personally to many of our staff from all parts of the world, I had the good fortune to know him better than any. I have acknowledged my own debt to him elsewhere, but I should like to take this opportunity of saying how conscious I am of the difficult task I have in following him as Chairman of the Corporation, to which office my fellow Directors did me the honour of electing me at the end of last year. I am fortunate in being able to rely on the invaluable help of my colleagues, and particularly in having the continued support of Lord Waverley, our Deputy Chairman, whose experienced judgment was so much appreciated by my predecessor.

"As was announced last year, Mr. C. E. Keysell has, as General Manager, assumed the duties of Chief Executive, in which he will be supported by Mr. A. E. Gover as Deputy General Manager and Secretary, and Mr. C. S. B. Crocker as Assistant General Manager.

Share Capital

"The issue of fresh capital which we made last April in the form of an offer of new shares to our shareholders at the date of issue was entirely successful, and we were particularly pleased that nearly all of them took up the full number of shares which they were entitled to acquire. Of the proceeds, a part has already been used in the purchase, on 1st July, 1954, of The Halifax Insurance Company of New York, the name of which has since been altered by us to The Halifax Insurance Company of Massachusetts. Some part also has been added to our investments in Canada to enable us to take advantage of the exceptional opportunities which exist there for the development of profitable business, and the balance is, as we indicated at the time of the issue, being applied to support expansion of our business in these countries or elsewhere as and when it is needed.

Dividend

"Your Directors have decided to recommend for 1954 a final dividend at the rate of 3s. 6d. per share, making, with the interim dividend already paid, a total of 5s. 0d., or 6d. per share more than that for 1953. The cost of this, on the share capital as now increased, amounts to £283,750 net, as against a net cost of £190,463 for the 1953 dividend.

Fire

"In the United States, our fire business showed a gratifying increase in premium volume, but the high reserves required in respect of long-term premiums, which are the rule in fire insurance there, penalise for the time being any marked development. Furthermore, the abnormal sequence of three severe hurricanes in the Eastern States affected not only our branch but also the six months' accounts of our new American subsidiary, and, in consequence of these two factors, our group fire results showed a net loss for the year. It is, however, satisfactory that we are building up our United States fire account, since this class of business has been profitable in the past, and in our view will continue to be so over the years. I am, moreover, glad to be able to express confidence in the future of The Halifax Insurance Company of Massachusetts, since its agency representation, which change of ownership has hardly disturbed, is well spread and of high quality.

"In other territories overseas, our total fire business continued to grow, but at a slower pace than in recent years. Not all countries contributed to this growth, but it is in those British Dominions from which we derive a substantial proportion of our fire business that we are able to report the best increases in premium income. The claims during the year were again reasonable and, in consequence, it was a profitable period for the Corporation's fire business in the general overseas field.

"In the United Kingdom, we succeeded in increasing the premium income. The claims experience worsened somewhat, and, as a result, our home fire business, although satisfactory, was unable to contribute quite the same quota of profit to the fire account as that to which we had become accustomed in previous years.

Accident and General

"The excellent results on this account reflect successful operations in nearly every part of the world in which we are represented, and particularly in the United States and Canada, where we transact most business.

"In the United States, we had an outstanding year, ending with the highest amount of profit that we have ever earned there. Premium volume showed a rather smaller percentage increase than usual. This was principally because we were not aiming at too rapid expansion in a market which has been becoming more and more competitive, while rate changes on the whole were of little significance. Business activity, too, experienced a slight recession from the level of 1953, though it was, in fact, higher than that in any other year.

"The profit which we earned in Canada was again satisfactory, and continued a long succession of good results on this account.

"Both of our largest classes, motor and workmen's compensation, turned out well. Though either of them presents problems to us locally from time to time, as to any other company that writes them, I feel confident that we can carry them at a profit in the long run.

"In the United States, in particular, motor business, which is our largest class there, proved even better than in 1953, and we have to go back a long way before we find two consecutive years of such good experience. Although the cost of claims has continued to rise, their frequency has fallen, and this may be the result of the many road safety campaigns operative in all States to which your attention was called last year.

"The improved results have naturally made motor business more attractive and, with a slower rate of expansion in the amount of it available, a buyer's market has developed. Competition has become keener than ever and is likely to be the most important factor in 1955. The inevitable result must be the forcing down of rates to some extent, although not necessarily to an unprofitable level. For the long view, we may hope that measures taken in recent years to put the rating structure on a more stable basis will prove effective to the extent that, although there will still be fluctuations in results, they will not be so marked as in the past.

"Our United States workmen's compensation results recovered in 1954 and made a good contribution to the total profit there. Premiums fell away slightly, owing to the lower level of payrolls. The favourable experience in general over recent years has automatically given rise to a tendency towards reductions in rates, the effect of which, as they were mainly in the latter part of 1954, has hardly been felt so far. As compensation benefits have not kept pace with the increase in the cost of living, it is likely that they will be raised in many areas when the State Legislatures meet this year, and, if past practice is followed, corresponding increases in rates are not likely to be made concurrently. On the other hand, there is the prospect of a higher level of wages in 1955 from increased business activity, and so there should still be a margin for profit.

"In overseas territories, other than the United States, workmen's compensation, owing to various local conditions or proscriptions, amounts to only a small part of our operations. Motor business is, therefore, proportionately much the most important class, and I am glad to report that it has again yielded us a good profit. In Canada, we equalled the good results of 1953, and in Australia and South Africa, where we also do a large business, claims experience for 1954 showed a satisfactory improvement over that for previous years.

"The other classes of business included in this account, in spite of a deterioration in the results of public liability in the United States, contributed their fair share to the total profit. On our employers' liability business in the United Kingdom, the high level of damages has continued, but the application of revised rates of premium, in conjunction with our efforts in the field of accident prevention, has created a more favourable account, on which a profit has been made.

Life

"Our associated life office, the Clerical, Medical and General Life Assurance Society, continues to do well. The value of the Society's assets showed a considerable increase during 1954, as a result of the general prosperity of industrial undertakings, and was further enhanced by a fall in market rates of interest, which have, however, fluctuated to some extent since the end of the year. The interest yield on the Society's life assurance fund is based upon book values and is, accordingly, not greatly influenced by temporary fluctuations in market values.

"The figures for 1954 represent yet another year's progress in the series of excellent results to which the Clerical, Medical and General has now accustomed us. I feel sure that our shareholders will appreciate that so high a standard of achievement, regular though it is, is not an automatic phenomenon, but has been maintained by constant care and forethought in the management of the Society's business and investments.

Marine

"The greater part of the decrease in net marine premiums of The Merchants Marine Insurance Company, Ltd. is accounted for by a deliberate policy of reducing lines on the less desirable hull risks.

"The first year settlements in respect of the current year were among the lowest for some years, and settlements on previous years were more favourable than in 1953. The improvement in 'after the third year' settlements of claims in the accounts, to which your attention was called last year, has continued.

"Cargo business still continues to show a profit, but business is being written today at rates which must in the long run be disastrous to the whole cargo market. Reasonable competition has always been a healthy element in marine business and I hope that this will continue to be so, but some rates leave little or no margin for total losses or even heavy general average claims.

Aviation

"Our main interest in this field is still our holding of Aviation and General Insurance Company shares. In spite of the many serious flying accidents which we have seen reported during

the year, this Company has again shown a good profit.

Investments

"Forecasts of the course of business economies which turn out to be correct are rare. It is all the more striking, therefore, that business in the United States in 1954 behaved almost exactly as had been prophesied. A gentle recession at the beginning of the year did not, as had been feared, become severe. It was halted in the summer and an up-turn in almost all types of business activity took place in the autumn. This is still continuing. For once, fears and talk of depression did not themselves create a snowballing effect, and the natural buoyancy of demand and the well-justified confidence for the future set the economy once more on the upward course. Certain features still make one cautious, as, for example, the high level of instalment buying, although hire-purchase in itself has become a well-established and practical feature of the American way of life. When fearing over-production, one must always remember that there are 200,000 more people in the United States every month and that in 20 years' time the population there will have grown by over 40 millions to over 200 million people. Such conditions must provide a constantly increasing demand for all kinds of goods.

"The stock market, with the exception of a few flurries, has evidently taken this view. Our own investment in equities, modest in proportion to our total portfolio, has provided a welcome appreciation in our investment total. The bond market has not shown striking movements, but the issue by the United States Government of a 40-year bond earlier this year confirmed the fairly comfortable state of the market at that time.

"During my visit to the United States last year, I was able once again to meet all the members of our Executive Committee there, and to hear their views on the country's financial and economic situation and prospects, and on our own investment policy. At the time of our discussions, which took place in October, 1954, the recession which had started earlier in that year and which I have discussed above had been successfully checked, and our move from short-term securities into long-term corporate obligations, to which Lord Courtauld-Thomson referred last year, had been nearly completed. Thus, our bond portfolio is restored to its usual pattern of evenly spread maturities, but contains an increased proportion of high grade corporate bonds, on which we obtain a somewhat higher yield than on Government securities of comparable date.

"The state of our total investments is summarised later, and I feel sure that shareholders will find it highly satisfactory.

Overseas Visits

"The regular exchange of visits between our executives from London and our senior representatives all round the world was continued throughout the past year.

"Last autumn, I paid one of my usual visits to the United States, including the active and prosperous Western seaboard, and also to Canada. There, in company with the Deputy Chairman, I took the opportunity of seeing the recently developed area of Kitimat, a centre of great promise for Canadian heavy industry.

"Early this year I flew to inspect the Corporation's Australian Branch and to discuss the development of our growing interests there with Mr. S. C. Smith, our Manager for Australia. I had the opportunity on this visit to approve the purchase of excellent office premises in Melbourne for the use of the Branch. I found the country prosperous and growing in population and production, but their problems of inflation and balance of payments have been brought out by the recent import restrictions they have had to reimpose. The consequences of the chronic increases in rates of wages and salaries since the war may have a serious effect in the long run on the sales of Australian products abroad.

"The Deputy Chairman, Lord Waverley, while in the United States on the business of one of his other interests, was able to call at our offices in Philadelphia and Chicago, and several Directors who have travelled abroad in the past year have seen other of the Corporation's branches or agencies.

Anniversary Year

"I would like to call your attention to the fact that the 25th October this year is the 75th anniversary of our incorporation in 1880. Our history, since we issued our first policy, is to a large extent that of our great development in the last twenty-one years, the main facts of which were set out in the Chairman's statement last year, and can now be rounded off with our progress and profitable trading in 1954. We should not, however, under-estimate the pioneer work done in earlier years of our life, seeing that the seeds of much of our later prosperity were sown by our entry into Canada and South Africa in 1883, Australia in 1884 and the United States in 1886.

"In the three-quarters of a century upon which we now look back, the world has been changed more fundamentally and more violently than in any other similar period before. That British insurance has survived the tests imposed by wars and radical changes in the political and economic scene, and has been able to build itself up, in spite of them, into a great and thriving national asset, has been chiefly due, I am convinced, to the intrinsic merit of the system of free enterprise under which it operates.

"Companies conduct their affairs primarily in the interests of their own member shareholders and their policyholders, and it is healthy competition that keeps their service to the public efficient and their operations successful. Indeed, twenty-one years of experience as a chief executive have shown me that rivalry between the leading offices in this country is a very real thing. Boards and staffs are obliged by it to use all their skill and imagination to the best possible advantage in the management of the business of insurance, and in the handling of investments and other assets. What they thus achieve is, beyond any question, beneficial to the nation as well as to the companies themselves, seeing that it includes not only a constant and well directed supply of funds for Great Britain's industry and commerce but also the production year after year of a great volume of profits earned abroad and remitted here. In this, the Corporation has played a full part, particularly through its large interests in the great hard currency area of the North American continent.

Executive and Advisory Committees

"It was with the greatest regret that we learned of the death on 10th June, 1954, of Mr. Charles Francis Adams, who had been a member of our Executive Committee in the United States for 50 years until his resignation from it in September, 1953, and Chairman of it from 1933 to 1952. Mr. Adams was long regarded as the 'first citizen' of his native State of Massachusetts, and was a great American, who was devoted to his country. His opinions were balanced, free from bias and fearlessly spoken, as is the way with a man of his strong character and conspicuous integrity. He was a sincere and greatly valued friend of the Corporation.

"To fill the vacancy so caused, your Directors invited Mr. Edward L. Bigelow, Chairman of the Board of the Second Bank-State Street Trust Company of Boston, Massachusetts, to become a member of the United States Executive Committee, and were delighted to have his acceptance. Mr. Bigelow, as his office indicates, holds an important position in the New England financial world, and it will be of the greatest benefit to our Committee to have his experience and ability at their disposal.

"I am pleased to report that our Local Advisory Directors in Canada have had Mr. R. H. B. Ker added to their number. Mr. Ker is President of Ker and Stephenson Ltd. and Director of several undertakings, including the British Columbia Electric Company and the Montreal Trust Company and he is, undoubtedly, a most valuable addition to those available to Mr. Curtis, our Manager for Canada, for consultation on his investment problems.

"In Australia we have appointed Sir Leslie J. Morshead, K.C.B., K.B.E., C.M.G., D.S.O., a Local Advisory Director. Sir Leslie is President of the Bank of New South Wales and has other important interests in Australia, and we are very glad that he is now associated with our Australia Branch.

Tribute to Officials and Staff

"You will, I know, wish me to say how grateful we are to our officials, managers, staff and agents throughout the world for their excellent work during this successful year. May I also on my own behalf offer them sincere thanks for the splendid support which they have given me throughout the twenty-one years that I was the executive head of the Corporation.

"In particular, I would on this occasion like to record the Board's appreciation of the skilful and farsighted efficiency with which Mr. E. A. Larner has managed the affairs of our United States Branch over all the period since he became our United States Manager and Attorney in 1947. At the end of last year your Directors decided to recognise both his personal achievement and the importance of the office he holds by appointing him United States General Manager and Attorney.

"In conclusion, may I refer to the new form of presentation which I have chosen for this statement. It is designed to make it easier to read, shorn as it is of the mass of figures which have before been included with the rest of the statement, but are this year shown separately. I trust that our shareholders and others will appreciate this innovation."

BANCO DI ROMA

HEAD OFFICE: ROME

ESTABLISHED 1880

PAID-UP CAPITAL AND RESERVE

L3,000,000,000

OVER 200 BRANCHES IN ITALY.

BRANCHES ABROAD:

TURKEY ... ... ISTANBUL, IZMIR
LEBANON ... BEIRUT, SAIDA, TRIPOLI
SYRIA ... ... DAMASCUS
ERITREA ... ... ASMARA, MASSAUA
LIBYA ... ... TRIPOLI
SOMALIA ... MOGADISHU, MERCA

REPRESENTATIVE OFFICES:

LONDON—NEW YORK—BUENOS AIRES
FRANKFORT-ON-MAIN.

FOREIGN AFFILIATED BANKS:

BANCO DI ROMA (France): Paris, Lyons, Monte Carlo.

BANCO DI ROMA PER LA SVIZZERA: Lugano, Chiasso.

BANCO DI ROMA (Belgique): Brussels.

BANCO ITALO-EGIZIANO: Alexandria, Cairo.

CORRESPONDENTS ALL OVER THE WORLD

THE "SHELL" TRANSPORT AND TRADING COMPANY LIMITED

(*Concluded from page 985*)

cost can be provided only if the refiner is in a position to keep pace with the rapid developments in refinery techniques.

RECENT GROUP ACTIVITIES

Bombay Refinery

As has become customary, a separate and illustrated survey of activities is being circulated with this report. The achievements of group companies in 1954 follow the pattern of increasing and intensive activity in all phases of the business, which has been the keynote of past reports.

The wide range of these activities includes the considerable developments in marine exploration areas, of which drilling in the off-shore Texas and Louisiana concessions, in Qatar (Persian Gulf) and the Gulf of Paria (Trinidad) are examples. In the Gulf of Paria, where we operate with partners, oil has been found since the end of the year, though the extent and nature of the find have yet to be determined.

Last year I mentioned that oil had been found in Nigeria. Although since then oil indications have been found in a second well also located in the coastal area, much further work will be required before the value of this discovery can be assessed.

In the refining sphere, Geelong (Australia) started operating in mid-1954 and Bombay early this year, whilst the capacity and scope of our manufacturing facilities are being expanded in many places to meet growing product requirements.

Supplementing the transportation chapter in the survey, a further 19 general purpose tankers of 18,000 tons are expected to be delivered by the builders during 1955, as well as seven of the 31,000-ton ships on order. These deliveries will further improve the efficiency of the fleet.

In February of this year an offer was made by Shell Chemicals Ltd. of £5 million for the acquisition of the entire issued share capital of Petrochemicals Ltd., and in full settlement of the claims upon that company. The terms of the offer were accepted, and Petrochemicals Ltd. has consequently become a group company. The acquisition of this interest gives the group an immediate entry into a chemical field in the United Kingdom which is complementary to its present interests; it will also provide rights in certain new and important fields of chemical research.

PROBLEM OF RAISING PRODUCTIVITY

PSYCHOLOGICAL APPROACH ADVOCATED

WHENEVER presidents of employers' organisations address their members, they are generally known to confine themselves to problems of employer-employee relations and to comment on the hardships caused to industries by the unhelpful attitudes of labour and Governments in their approach to solve these problems. A departure from this traditional approach is found in the presidential address delivered by Mr. G. D. Somani, at the twenty-second annual session of the All India Organisation of Industrial Employers held in Bombay on the 13th inst. He devoted a good part of his speech to the general problem of economic development of India and offered a number of constructive suggestions for tackling it. It is primarily from this point of view that he looked at the subject of employer-employee relations.

The chief problem facing India today is, according to Mr. Somani, essentially the problem of recasting the occupational patterns, that is, enlarging and diversifying employment opportunities. At present, the means of livelihood for the bulk of the country's population is agriculture. There is, therefore, a need to reduce the preponderance of agriculture by creating new occupational opportunities in industry, transport, commerce, professions, service, etc. A prerequisite for creating these conditions is an increase not only in the capital stock available in the country, but also the productivity of the different factors of production. This, Mr. Somani says, is possible only by taking to modern modes of production. In this connection, he is of the opinion that cottage industries would not be of much avail in increasing production. Explaining his contention, he remarks: "...an improvement in the standard of living of the people and an improvement in the working conditions of labour force will be possible only when the modern modes of production are utilised. However much cottage industries may appeal to sentiment, they are variety of areas where exploitation of man by man is the greatest for the simple reason that Government or municipal supervision is almost impossible, and furthermore, because low productivity has to be made up by drudgery and overwork." The truth of this statement is evident from our remarks in the course of a leading article last week and, therefore, further comment on Mr. Somani's contention will be superfluous. Suffice it to underline his warning against the danger of solving productivity through the traditional and slow means of capital formation. "We have to think," he says, "in terms of utilising on a greater scale newer methods like encouraging voluntary labour, deficit financing, etc." He further avers that while basic capital intensive industries must be started, a new type of industries—different from the present cottage and handcraft industries and the present large-scale factory industries in industrially advanced countries—should be evolved so that such industries will not require large capital investments but which will at the same time produce efficiently and cheaply. This type of industry, he observes, may with advantage be operated to produce consumer goods.

Another suggestion emphasised by Mr. Somani relates to the need for imparting training in new skills necessary for rapid industrialisation. Industrial society undergoes constant changes when new processes of manufacture are introduced. This requires people to make adjustments in the methods of working and manner of living. In other words, people must be ready to change their jobs, learn new skills and move to work in different areas. This applies not only to workers but also to managements. "I should also like to mention," Mr. Somani remarks, "that management also must increasingly use psychological techniques in running industry. As industry becomes increasingly complex and as workers become increasingly conscious of their rights and responsibilities, it is necessary for managements in India, as has been done by managements in advanced industrial countries, to divide work into specialised categories, such as production, marketing, personnel control, etc." His organisation, we are told, is taking keen interest in spreading the principles of scientific management, particularly personnel management. Further, the logic of his contention that labour leaders should be trained in the basic principles of economics in addition to the methods of organising trade unions is too obvious to need any emphasis.

Mr. Somani's appeal to the Labour Minister not to proceed with the abolition of the Appellate Labour Tribunal but to strengthen it, as well as the labour courts, is in line with the consensus of opinion among employers generally. He, however, says that if the Tribunal is abolished, the structure of adjudication machinery should be carefully considered.

Referring to the demand for the appointment of a wage commission, Mr. Somani states that no purpose would be served by the Commission, as the Joint Consultative Board of Industry and Labour is seized of the problem. The Board has decided to initiate a comprehensive study of wage structure in the country and elsewhere. Such preliminary studies as have been made till now show, according to Mr. Somani, that the percentage of factory wages to *per capita* income is the highest in India, being 419. This compares with 216 in Japan, 190 in the U.S., 145 in the U.K., and 127 in Argentina. These differences can be largely accounted for by differences in occupational distribution, the levels of underemployment and unemployment, the relative productivity of agriculture and industry, etc. The factory worker in India is better paid than the worker either in cottage industries or in agriculture. The point is, Mr. Somani argues, that the fundamental objective of a national wage policy must form part and parcel of the country's general economic and social policy and that wages should be fixed at a level which will not curtail employment opportunities. He considers that the appointment of a wage commission would induce workers to entertain expectations which, in practice, cannot be fulfilled.

EXPORT PROMOTION DRIVE

The Government of India is reported to have drawn up a 12-point programme for promotion of exports from India. This programme, parts of which are already being implemented, is calculated to increase the exports of Indian merchandise abroad. The move has been made not a day too soon. For the increase which has taken place in industrial and agricultural production necessitates concerted action for finding a market abroad for the additional output. The extent of the increase in the industrial output is evident from a rise of about 40 per cent. in industrial production during the past five years, as witness the rise in the relevant index figure from 105 in 1950 to 146.5 in 1954. If this improvement is to be maintained India should concentrate its attention on developing foreign markets for its goods, and this the programme referred to above is expected to do.

One of the major steps to promote exports from India is the establishment of Export Promotion Councils for a number of commodities. Already two Councils, one for cotton textiles and the other for silk and art silk fabrics, have been established. Now it is proposed to set up a few more of such Councils for cashewnuts and pepper, tobacco, shellac, mica, sports goods, plastics and engineering goods. The Councils for plastics, cashewnuts and pepper will, it is reported, be set up shortly. These Councils undertake market studies in foreign countries, appoint representatives, conduct publicity and disseminate information about market conditions, lay down standards of quality and packing and attend to complaints from foreign importers.

There have been complaints of exports of substandard goods from India. With a view to eliminating such complaints, steps have been taken to ensure the quality of the goods according to samples. In the case of cotton textiles, a certification trade mark scheme has already been in operation, under which certain varieties of cloth for export can be inspected and stamped to ensure that the importers get quality goods. In the case of hemp, tobacco and raw wool, exports of only those grades covered by certificates granted under the Agmark rules are permitted.

Again, special import licences are being issued to exporters to make additional quantities of raw materials available to them. These raw materials include raw silk, precious stones, plastic raw materials and chicory. Rebate of import duties is also granted on raw materials used in finished articles exported from India. This concession applies to such products as art silk fabrics, embroidered goods, linoleum, automobiles, crown corks, plastic radios, radio batteries, electric fans, bicycles and cigarettes.

Among other measures adopted to promote exports are the removal of discrimination in shipping freights against Indian goods and efforts at securing stability in the process of primary products. Besides, controls on exports to the extent of 90 per cent. of the items entering export trade have been removed. Again, export duties are not looked upon as a source of revenues, and wherever possible, duties have been slashed. Under this category come cotton textiles, jute goods, pepper, groundnut oil and castor oil. Duties have also been removed altogether on a number of other items.

For commodities such as tea, jute, handloom and handicrafts, export promotion work is being handled by special boards like the Indian Tea Board, the Indian Jute Mills Association, the All-India Handloom Board and the All-India Handicrafts Board. The Tea Board has set up Tea Promotion Councils in the U.S.A. and other countries in collaboration with the tea trade of these countries and other tea-producing countries like Ceylon and Indonesia. The Tea Council in the U.S. is conducting publicity over the radio and television for increasing consumption of tea. The I.J.M.A. has sent goodwill missions to overseas countries and in the U.S. it has launched a campaign through farm and trade journals, radio and television, and leaflets to increase the offtake of Indian Jute manufactures. The Handloom Board is implementing an external marketing scheme under which commercial travellers are being appointed, and sales emporia are being opened in important centres in the Middle East and South-East Asia.

It has been decided to set up in New York a trade centre for marketing Indian handicrafts. The centre will explore local markets by means of test consignments of specific categories of Indian goods. The details of a trade corporation to be associated with this centre are being worked out.

A decision has been taken to start an export credit guarantee scheme on the lines of those in operation in the U.K., Canada and Japan. The scheme is in the nature of an insurance risk for exports and will have some new features, including payment of compensation to foreign importers, for default on the part of exporters.

Sponsoring trade delegations is another step to promote exports to overseas countries. Indian delegations have recently visited countries in the Middle East, East Asia, the Soviet Union and Poland to acquaint those markets with the products of Indian industries unknown to them so far. A tobacco delegation, which visited East Asian countries last year, was able to conclude a deal for exporting 2,000 metric tons of tobacco to China, thereby creating a lasting taste for Indian tobacco.

Showrooms have been set up by Indian missions abroad where Indian goods are displayed throughout the year. They are located in Colombo, Bangkok, New York, London, Paris, Brussels, San Francisco, Prague, Rome, Alexandria, Tokyo, Jakarta, Hamburg, Geneva, Buenos Aires, Rio de Janeiro and Rangoon. Besides, it is proposed to hold an exhibition in Hongkong or Jakarta this year for displaying Indian manufactures. Last year Indian goods were exhibited in Cairo, London, Toronto, Damascus, Sacramento, Frankfurt and Lausanne.

The new export promotion drive, as stated above has, undoubtedly, great potentialities. But its performance will be judged by the results it yields. This depends, to a major extent, on the personal which handles the various schemes of the programme and the wholehearted co-operation offered by trade and industry.

ANOTHER STATE-OWNED D.D.T. FACTORY

A second State-owned D.D.T. factory is to be set up near Alwaye in Travancore-Cochin State. The factory, which will have a capacity of about 1,400 tons of D.D.T. per year, is estimated to cost about Rs. 75 lakhs.

The Government of India has also decided to double the capacity of the factory set up near Delhi with the assistance and technical collaboration of U.N.I.C.E.F. and U.N.T.A.A. This factory has already gone into production and is expected to reach its rated capacity of 700 tons per year by the end of 1955. After expansion its capacity will be 1,400 tons per year.

With the doubling of the Delhi plant and the setting up of a second plant at Alwaye, a total capacity for the production of about 3,000 tons of D.D.T. per year will have been established in the country.

D.D.T. is an important weapon in the campaign against malaria which has been launched by the Government on a country-wide scale. It is estimated that, at its peak, the campaign will require about 8,000 tons of insecticides per annum. Thereafter for maintenance purposes, the requirement will not exceed 5,000 tons per annum. Besides D.D.T., benzene hexa-chloride is being used in the anti-malaria campaign, and it is expected that in the near future, capacity for the production of about 2,000 tons of benzene hexa-chloride will be established in the private sector. Taken with the capacity for the production of approximately 3,000 tons of D.D.T. per annum as approved by Government, this will cover the entire recurring requirements of the country.

DOCKYARD LABOUR

Seventy-one per cent. of the 25,440 dockyard workers in India in September, 1952, were permanent while three per cent. were on contract basis. The Bombay and West Bengal Units employed over 10,000 workers each whereas Visakhapatnam and Cochin employed 3,779 and 584 workers respectively.

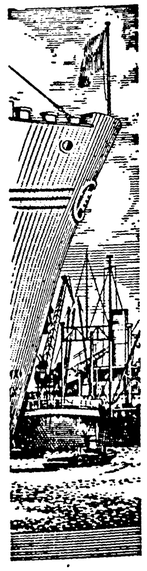
The minimum monthly basic wage rate of workers was the highest in Cochin, being Rs. 65. It varied from Rs. 26 to Rs. 54-9 in Bombay and Rs. 30 to Rs. 41-7 in West Bengal. In Visakhapatnam, the wage rate was Rs. 45-8.

Dearness allowances varied from Rs. 40 to Rs. 61-12 in Bombay and Rs. 30-14 to Rs. 43 in West Bengal. In Cochin and Visakhapatnam the allowances were Rs. 39-13 and Rs. 30, respectively. Eight units paid bonus. Some units also paid travelling and attendance allowances, etc.

In addition to statutory leave, workers in all the dockyards got between 10 to 17 holidays with pay during a year. They were also entitled to 7 to 15 days' sick leave with pay.

All dockyards except one maintained well-equipped dispensaries with qualified doctors to provide free medical aid to the workers. The dockyards provided facilities for the education of workers' children.

The workers enjoyed provident fund facilities in all the dockyard, with an equal amount of contribution from the employees. In addition to the provident fund, 11 units also paid gratuity to their employees, usually at the rate of a month's pay for each year of service subject to a maximum of 15 months' pay. One unit also paid pension to employees with over 20 years' service.



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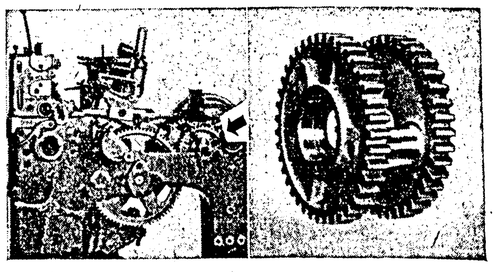

S.G. Iron gear crank for eccentric drive on a weaving machine, shown alone and in position on the machine. (By courtesy of Adolph Saurer, S.A.)

Iron castings with vastly improved properties are now in commercial production. The important difference in these new irons is in the form of the graphite which is present as spheroids instead of flakes. Properties which may be expected in commercial production fall within the following ranges:

	Maximum Stress t.s.i.	Yield Point t.s.i.	Elongation %
As Cast (Pearlitic)	35—45	25—35	1—5
Annealed (Ferritic)	27—35	20—25	10—25

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INDIA SUGARS AND REFINERIES EARN BETTER PROFIT

EXPANSION SCHEME SANCTIONED BY GOVERNMENT

AFTER two years of successive recession, in which the gross profits had dwindled from Rs. 28.91 lakhs to Rs. 10.42 lakhs, the working of the India Sugars and Refineries Ltd. (Managing Agents: The India Sugar Agencies Ltd., Madras) during the year ended 30th September, 1954, has turned out to be more encouraging, the gross profit having gone up to Rs. 12.17 lakhs. Notwithstanding the improvement noted above, the Company's profit for the year under review is one of the lowest in the last seven years of its history. Also, the dividend on ordinary shares has been cut from 25 per cent. to 17½ per cent., though it is on the increased capital from 1st July, 1954, raised by the capitalisation of a sum of Rs. 16 lakhs out of the reserves.

The Company's factory crushed during the year under review 97,155 tons of sugarcane and produced 9,985 tons of sugar, as against 89,666 tons crushed in the previous year producing 9,425 tons of sugar. Thus, both the quantity of cane crushed and the output of sugar were higher than in the previous year. They, however, fell very much short of the record quantities of cane crushed and sugar produced in 1951-52. The Company has had to pay again, during the year under review, a sum of Rs. 3.32 lakhs as bonus to sugarcane growers under what is known as the S.I.S.M.A. formula. In the previous year, it had to pay as much as Rs. 9 lakhs over and above the contracted rates, consequent on the application of the S.I.S.M.A. formula. The Government of India is reported to be considering the revision of this system of bonus-payment and the Directors naturally await the outcome of this with more than ordinary interest.

An idea of the Company's progress during the past three years can be had from the following comparative table giving the salient features of its profit and loss accounts:

(In lakhs of rupees)

	Year ended 30th September			
	1954	1953	1952	1951
Sales and closing stock ..	90.24	107.28	133.66	116.09
Other income	4.82	2.67	1.71	0.97
Expenses	82.89	99.53	115.20	88.15
Gross profit ..	12.17	10.42	20.17	28.91
Managing Agents' commission and office allowance ..	1.11	0.72	1.96	2.85
Depreciation ..	0.38	4.00	1.37	1.15
Provision for taxation and contingencies	5.50	3.75	7.50	10.50
Net profit	5.18	1.95	9.34	14.40
To reserves	..	..	5.00	8.76
Dividends—				
7% per cent. Preference ..	0.09	0.09	0.09	0.09
Ordinary ..	2.11	3.25	3.25	3.25
	(17½%)	(25%)	(25%)	(25%)
Carry forward	4.20	2.32	3.71	2.71
Cane crushed (in tons) ..	97,155	89,660	182,634	111,529
Sugar produced (in tons) ..	9,985	9,425	12,502	11,946

The 'other income' shown in the above table includes for the year under review a sum of Rs. 2.50 lakhs representing premium on shares and Rs. 0.51 lakh representing E.P.T. Post-war Refund. It may also be noted that the provision for depreciation has been substantially reduced, while that for taxation and contingencies has been raised. The Directors point out in their report that the addition to the reserve for taxation and contingencies has been calculated on a very conservative basis that, in the circumstances now existing, this measure of caution is necessary. For the second year in succession, no addition to the reserves has been possible. The Directors have instead carried forward a substantially larger sum.

During the year under review, the Company capitalised a sum of Rs. 16 lakhs from out of the general reserve, but the entire amount has not been utilised to issue bonus shares. Only a sum of Rs. 12.71 lakhs has been utilised for that purpose, the balance of Rs. 3.29 lakhs being kept in suspense. Also the 60,000 ordinary shares of Rs. 5 paid-up were made fully paid-up. The bonus shares become entitled to dividend only from 1st July, 1954.

Even after the aforesaid capitalisation, the Company's reserves and surplus aggregate Rs. 18.30 lakhs, as against a paid-up capital of Rs. 29.01 lakhs, besides a bonus share suspense of Rs. 3.29 lakhs. The provision for taxation and contingencies amounts to Rs. 14.73 lakhs. The current liabilities aggregate Rs. 31.30 lakhs. The gross block of the value of Rs. 26.97 lakhs stands well written down to a book value of Rs. 8.46 lakhs. The current assets amount to Rs. 68.18 lakhs and exceed the current liabilities and provision for taxation by a handsome margin of Rs. 41.15 lakhs.

The Company's proposals to put up an additional plant, with a view to increasing the crushing capacity by about 50 per cent. and improving the economy and efficiency of the factory, has been sanctioned by the Government. The Managing Agents are arranging to implement it as quickly as possible. The Company has also made substantial progress on the subsidised industrial housing scheme and the Directors hope that, before the next annual general meeting of the Company to be held in 1956, it would have been completed in all its phases.

The Rs. 10 paid-up ordinary shares of the Company are being currently quoted at Rs. 18-6. At this rate and on the basis of the latest dividend, the yield works out to 9.5 per cent. per annum free of tax.

INDIAN WOOD PRODUCTS

Slightly better results are disclosed by the audited accounts of the Indian Wood Products (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) for the year ended 30th September, 1954. Trading profit, for instance, which had declined from Rs. 17.94 lakhs to Rs. 16.85 lakhs in the previous year, shows an increase to Rs. 17.42 lakhs for the year under review. The net profit (after providing the managing agency commission, depreciation and taxation) is, however, almost unchanged at the previous year's level of Rs. 7.65 lakhs, to which it had dwindled from Rs. 9.22 lakhs for 1951-52. As in the previous year, the Directors have strengthened the reserve fund by the addition of Rs. 2 lakhs from the year's profit and have declared a slightly higher dividend to shareholders, by raising the final distribution. The interim dividend paid in December last was unchanged at 10 per cent., while the final dividend has been raised from 15 per cent. to 17½ per cent. Though the rate of dividend for the year under review is less than those paid for the years 1951-52 and 1950-51, the quantum of distribution is higher than for any of the other previous years. The Company's capital was raised in March, 1953, by the capitalisation of Rs. 5 lakhs out of the reserves.

The following comparative table, bringing out the salient features of the profit and loss account for the past four years, gives a good idea of the Company's progress:

(In lakhs of rupees)

	Year ended 30th September			
	1954	1953	1952	1951
Sale proceeds	37.41	34.61	34.94	32.74
Cost of manufacturing ..	20.07	17.82	17.01	15.17
Trading profit	17.42	16.85	17.94	17.64
Other income	0.06	0.43	1.69	0.27
Other expenses	1.29	1.82	1.28	1.08
Managing Agents' commission	1.82	1.64	1.74	1.73
Depreciation	0.86	1.04	1.12	1.04
Taxation	5.84	5.58	6.27	6.86
Net profit	7.65	7.65	9.22	7.70
To reserve	2.00	2.72	3.00	2.50
Dividend	5.50	5.00	5.25†	5.25
	(27½%)	(25%)	(30%)	(35%)
Carry forward	1.90	1.63	1.70	0.74

† Final dividend of 15 per cent. on the increased capital of Rs. 20 lakhs raised by the capitalisation of Rs. 5 lakhs in March, 1953.

Commenting on the Company's working during the year, the Directors observe, in their report, as follows: "The profit for the year was slightly higher than last year and this is satisfactory, as this year's figures include no excess profits tax refund or interest on advance payment of tax. By working three shifts, considerably more timber was processed and this resulted in a marked increase in production of both Cutch and Katha, though the extraction percentage of Cutch was appreciably lower this year. The value of our stocks of Khair wood increased further, due to the higher royalty charged by the U.P. Government."

The Company's financial position, as seen from its latest balance-sheet, is quite satisfactory. The paid-up capital of Rs. 20 lakhs is supplemented by reserves and surplus aggregating Rs. 19.95 lakhs, of which general reserve accounts for Rs. 13 lakhs and repairs and replacement reserve for Rs. 4.40 lakhs. The reserves would have been more impressive but for the capitalisation of a sum of Rs. 8 lakhs, once in June, 1948, when Rs. 3 lakhs were capitalised and issued to the then existing shareholders in the proportion of one share for every four shares held, and the second time in March, 1953, when Rs. 5 lakhs were capitalised and issued to the existing shareholders in the proportion of one new share for every three shares held. The provision for taxation stands at Rs. 2.56 lakhs and current liabilities aggregate Rs. 11.28 lakhs. The gross block of the value of Rs. 18.19 lakhs stands written down to a book value of Rs. 4.66 lakhs. The current assets amount to Rs. 49.13 lakhs and exceed the current liabilities and provision for taxation by a huge margin of Rs. 35.29 lakhs.

The Rs. 10 paid-up ordinary shares of the Company are being currently quoted at Rs. 39-8 *ex-div.* On this basis, the yield on the shares works out to 7 per cent. per annum free of income-tax.

I.B. PETROL'S PROFIT SHRINKS SLIGHTLY

DIVIDEND, HOWEVER, RAISED

THE year ended 31st December, 1954, represents the first full year for the Indo-Burma Petroleum Company, Ltd. (Managing Agents: Messrs. Steel Brothers & Co., Ltd., Calcutta) after the participation of the Burma Government in the oil industry of that country, for which negotiations were successfully concluded in January, 1954, between the Government and three participating oil companies, namely, (1) the Indo-Burma Petroleum Company, Ltd., (2) the Burmah Oil Company, Ltd., and (3) the British Burmah Petroleum Company, Ltd. Under the new arrangements, details of which were given in our issue dated 5th June, 1954, (*vide* page 1092), the Indo-Burma Petroleum, along with the Burmah Oil Company (Burma Trading) Ltd., was appointed selling agents of the new company, the Burma Oil Co. (1954) Ltd., in respect of its products.

The aforesaid arrangement has not, however, seriously affected the working results of the Indo-Burma Petroleum for the year under review. The gross profit has no doubt declined from Rs. 61.68 lakhs earned in 1953 to Rs. 56.24 lakhs, but it still stands well above that for either of the years 1952 and 1951. The net profit amounts to Rs. 19.26 lakhs, as compared with Rs. 9.90 lakhs for the previous year. The higher net profit is accounted for by the substantial reduction in the provision for taxation from Rs. 44 lakhs to Rs. 24 lakhs. The net profit is supplemented by a sum of Rs. 13.02 lakhs being the adjustment in respect of previous years, the corresponding amount for 1953 being Rs. 7.57 lakhs. A sum of Rs. 4.83 lakhs has been provided out of the above profit towards provision for contingent liability, from which the Directors wrote back last year Rs. 6.10 lakhs as no longer required. No addition to reserves has been made as in previous years. The dividend on ordinary shares has been raised from 20 per cent. to 30 per cent. This is the third year in succession for which the dividend is being thus raised. Thus, in the course of the last three years, the dividend has been trebled from 10 per cent. (paid for 1951) to 30 per cent. for the year under review.

The Company's progress during the past three years can be judged from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Sale proceeds	664.49	638.14	607.06	578.75
Other income	10.48	10.76	19.90	14.90
Expenses	621.80	590.15	577.48	540.56
Gross profit	56.24	61.68	49.47	47.09
Managing Agents' remuneration	2.57	2.92	2.80	2.00
Depreciation	5.58	4.86	4.35	9.21
Taxation	24.00	44.00	27.16	22.30
Net profit	19.26	9.90	14.60	13.58
Adjustment account previous years	13.02	7.57	6.86	8.63
Other income	..	6.10	8.01	..
Provision for contingent liability	4.83	..	6.10	..
To reserve	..	4.08	9.50	10.60
Bonus to staff	..	..	0.25	0.25
Dividends—				
7% Preference	2.58	2.58	2.58	2.58
Ordinary	30.00	20.00	15.00	10.00
	(30%)	(20%)	(15%)	(10%)
Carry forward	0.64	0.92	4.03	2.10

The paid-up capital of the Company stands at Rs. 150 lakhs, made up of 250,000 ordinary shares of Rs. 40 each fully paid and 50,000 7 per cent. taxable cumulative preference shares of Rs. 100 each fully paid-up. As against this, there are reserves and surplus aggregating Rs. 158.62 lakhs. These include, among others, capital reserve at Rs. 110.50 lakhs, general reserve at Rs. 36 lakhs and dividend equalisation reserve at Rs. 5 lakhs. The provision for taxation amounts to Rs. 27.83 lakhs and current liabilities aggregate Rs. 170.75 lakhs. The gross block of the value of Rs. 57.27 lakhs has been written down to a book value of Rs. 13.09 lakhs. Trade investments aggregate Rs. 72.50 lakhs and current assets Rs. 421.61 lakhs. Of these current assets, investments in Government securities (at cost less depreciation reserve) account for Rs. 128.46 lakhs—the market value as at the close of the year being Rs. 133.94 lakhs—and cash balances for Rs. 187.03 lakhs. It will be noted that the surplus of current assets over current liabilities and provision for taxation is quite substantial.

The announcement of higher dividend was greeted by the Calcutta Stock Exchange where the Company's shares (Rs. 40 fully paid up) are quoted with a sharp jump in the value of these shares from Rs. 122-8 to Rs. 146. They are, however, currently being quoted at Rs. 135 *ex-div.* At this rate and on the basis of the latest dividend, the yield on the shares works out to 8.9 per cent. per annum.

EMPLOYERS' LIABILITY ASSURANCE CORPN.

HIGHER DIVIDEND ON RAISED CAPITAL

THE most outstanding feature of the working results of the Employers' Liability Assurance Corporation Ltd. (General Manager: Mr. C. E. Keysell, M.B.E., London) for the year ended 31st December, 1954, is the exceedingly good performance shown by the accident and general department of the Corporation. Here, not only the upward trend in premium income noted in the previous years was kept up in the year under review but the underwriting profit almost doubled. To mention the figures, the premium income (less re-insurances) of this department, which had steadily advanced from £11.85 million in 1949 to £22.40 million in 1953, staged a further rise to £23.22 million in 1954. It will be interesting to note here that, during the last five years, the premium income of the accident and general department has almost doubled itself. The underwriting profit of this department, which had risen from £233,171 in 1952 to £796,562 in 1953, shot up to £1,579,230 in the year under review. In the fire department, however, the experience of the Corporation was somewhat different. Though the premium income improved further from £2.44 million to £2.80 million, the underwriting profit suffered a sharp decline from £119,266 to £1,778, thus maintaining the downward trend noted in the previous two years.

The excellent results of the accident and general departments more than offset the setback in the fire department, so that the total underwriting profit of the Corporation for 1954, at £1,581,008, compares very favourably with that of £915,828 earned in 1953. The Corporation's share of the life profit of the Clerical, Medical and General Life Assurance Society is £55,815, almost the same as in the previous year. This, together with the interest of £1,004,003 earned on investments, after providing £351,466 towards staff pension account and expenses not charged to other accounts, gives a total trading profit of £2,289,360. This not only represents an increase of £831,051 over that for 1953 but is also a fresh record in the annals of this seventy-four year old Corporation. Out of the aforesaid profit, the Directors have set aside £1,246,620 for U.K. taxation, leaving a net profit of £1,042,740. This net profit, together with the surplus of £882,422 brought in from the previous year, gives a total distributable sum of £1,925,162, as compared with £1,322,885 in the previous year. Out of this, the Directors have transferred £324,317 to the general reserve and £150,000 to contingencies account. In November, 1954, the Directors had paid an interim dividend of 1s. 6d. per share. They have now recommended the payment of a final dividend of 3s. 6d. per share of £1 each, making a total of 5s. per share (less tax) or 6d. per share more than that for 1953. As the dividend for 1954 is on an increased capital, particulars of which are given in the last para of this article, the cost of this has gone up from £190,463 to £283,750, leaving a surplus of £1,167,095 to be carried forward.

The following comparative table gives an idea of the Corporation's progress in underwriting fire and accident and general business in recent years:

(In £'s sterling)

—	For the year ended 31st December			
	1954	1953	1952	1951
Fire—				
Provision for unexpired risks at the beginning of the year ..	1,394,711	1,150,801	966,577	802,022
Premium income ..	2,802,419	2,443,350	2,104,525	1,812,320
Claims paid and outstanding ..	1,207,209	1,027,378	861,254	700,890
Commission paid ..	629,202	501,487	454,692	358,078
Expenses ..	611,101	529,965	440,024	386,590
Provision for unexpired risks at the end of the year ..	1,676,533	1,394,711	1,150,801	966,577
Profit ..	1,778	119,266	120,395	165,184
Accident and General—				
Provision for unexpired risks at the beginning of the year ..	8,065,301	7,600,556	7,027,086	6,274,507
Premiums (less re-insurances) ..	23,218,649	22,403,966	20,371,508	19,176,466
Claims paid and outstanding ..	13,788,457	13,130,831	12,623,127	12,397,839
Commission paid ..	4,388,384	4,188,650	2,013,212	2,649,150
Expenses ..	3,454,903	3,258,880	2,959,842	2,715,428
Provision for unexpired liability at the end of the year ..	8,339,626	8,065,391	7,600,556	7,027,086
Profit ..	1,579,230	796,562	233,171	919,219

The excellent results achieved in accident and general business reflect the successful operations in nearly every part of the world in which the Corporation is represented, and particularly in the U.S. and Canada where it transacts most business. In the U.S., the Corporation had an outstanding year ending with the highest amount of profit that it had ever earned there. "The premium volume showed a rather smaller percentage increase than usual," the Chairman, the Rt. Hon. Viscount Knollys, says in his annual statement (the full text of which appears elsewhere in this issue) to the shareholders. "This was principally because we are not aiming at too rapid expansion in a market which has been becoming more and more competitive, while rate changes on the whole were of little significance. Business activity, too, experienced a slight recession from the level of 1953, though it was, in fact, higher than that in any other year." In Canada, the Corporation's profit in this class of business was again satisfactory and "continued a long succession of good results on this account." Commenting on the experience in fire account, the Chairman says that the high reserves required in respect of long-term premiums penalise for the time being any marked development." "Furthermore," he adds: "the abnormal sequence of three severe hurricanes in the Eastern States affected not only our branch but also the six months' accounts of our new American subsidiary, and, in consequence of these two factors, our group fire results showed a net loss for the year."

During the year under review, the Corporation capitalised a sum of £1,154,318 out of the general reserve, in order to pay up the uncalled liability of 15s. per share on the 1,539,090 shares of £1 each. The share capital was thereafter raised to £2 million by the issue of a further 460,910 fully paid shares of £1 each at 90s. per share. The proceeds of this issue are being used for the further development of the Corporation's business and a part has been applied to the purchase of a subsidiary company in the U.S. The aforesaid capital is supplemented by a general reserve of £5 million, including premium on new shares amounting to £2.5 million.

Points From The Chair

Competition and Quality

"A NEW fashion has, however, arisen—the cry for knockout competition in private enterprise. It is sometimes hard to reconcile this with a simultaneous clamour for industry to be nationalised and thereby become a monopoly. We in the electrical manufacturing industry believe most wholeheartedly in competition—let there be no mistake about that. We also believe in progress; we even spare a thought for the safety of those who use our products, which are inevitably linked to a lethal source. We are inclined to think it a little old-fashioned to believe in the law of the jungle. When you harness nature it is advisible to see that your bridle and reins are in good condition. Modern science has supplanted the horse by the production of many wonderful means of transport. But if an engine fails or a wing breaks during the transatlantic flight, the fact that an airline has effected an economy, or made a profit, by paying for its aircraft lower prices brought about by cut-throat competition would be of little consideration."

D. D. WALKER,
British Electrical and Allied Manufacturers' Association (Incorporated).

Research and Development

"The rising cost and increasing scarcity of office labour and the problems presented by the aggravating complexities of modern business have during the past year, even more than previously, led managements to intensify their studies of and to explore the potentials of the new trends in book-keeping and computing. Public lectures have been held; newspapers and magazine articles have appeared, and many study groups have been set up by professional bodies and commercial and industrial concerns. All these factors taken together have given great impetus to those revolutionary changes in the design, production and use of office machines to be, onset of which I have drawn your attention in earlier years. Changes such as these should carry interesting developments for your company but, like a gradually developing photographic plate, the picture has now cleared to the point, where I can say with confidence, not only that the punched card industry will be able to assimilate the new techniques but also that it will turn them to advantage by widening the market in such a way that your products, hitherto considered by commerce and industry as valuable ancillaries, will often become the central pivots without which businesses would, in many cases, be severely impeded."

COL. A. T. MAXWELL,
Powers-Samas Accounting Machines.

World Oil Conditions

"Total world oil consumption in 1954 showed a substantial increase over the 1953 level, for which the latter months of the year were mainly responsible. Though the growth in the U.S.A. was one of the smallest of the post-war years, in the rest of the world, excluding the Russian sphere, it approached the remarkable figure of 10 per cent. Contributing to this increase was the rising demand for fuel oil, which continued into the early months of this year, and which during the winter months reached such a level that it stretched available fuel oil supplies world-wide to the limit. In consequence, the price of that product rose in February of this year. The world's future energy requirements are likely to make further heavy demands on the oil industry, in particular for fuel oil, until such time as atomic energy becomes a significant factor."

SIR FREDERICK GOBBER,
The "Shell" Transport and Trading Company, Ltd.

Tea Prices

"The high prices ruling at the beginning of 1955 were not, it will be seen, warranted by the actual state of supply and demand, and the very sharp fall that occurred thereafter was not fully justified either—as so often happens, the pendulum has tended to swing too far in each direction. The position is, however, by no means out of balance and I hope that in the current season prices will establish themselves at levels which, while satisfactory to producers, will give the public their tea at a cost not out of line with those of other important items in the domestic economy."

R. W. B. DUNLOP,
Walter Duncan & Goodricke Ltd.

COMPANY MEETINGS AND DIVIDENDS

ARRAH-SASARAM LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 25th May, 1955. Dividend: 3 per cent. (Rs. 3 per share) less income-tax. Transfer books remain closed from 15th to 25th May, 1955, both days inclusive.

CHAPARMUKH-SILGHAT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 25th May, 1955. Dividend: 1¾ per cent. (Rs. 1-12) less income-tax. Transfer books remain closed from 15th to 25th May, 1955, both days inclusive.

HOWRAH-SHEAKHALLA LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 25th May, 1955. Dividend: 3 per cent. (Rs. 3) less income-tax. Transfer books remain closed from 15th to 25th May, 1955, both days inclusive.

FUTWAH-ISLAMPUR LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 25th May, 1955. Dividend: 1¾ per cent. (Rs. 1-12) less income-tax. Transfer books remain closed from 15th to 25th May, 1955, both days inclusive.

SHAHDARA (DELHI)-SAHARANPUR LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 25th May, 1955. Dividend: 6 per cent. (Rs. 6) less income-tax. Transfer books remain closed from 15th to 25th May, 1955, both days inclusive.

EASTERN MANUFACTURING CO., LTD. Annual General Meeting, Calcutta, 26th May, 1955. Dividend: Rs. 3 per share. Transfer books remain closed from 19th to 26th May, 1955, both days inclusive.

ASSAM SAW MILLS AND TIMBER CO., LTD. Annual General Meeting, Calcutta, 26th May, 1955. Dividend: *Nil.* Transfer books remain closed from 13th to 26th May, 1955, both days inclusive.

PRESIDENCY JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 30th May, 1955. Dividend: As. 3 per share. Transfer books remain closed from 16th to 30th May, 1955, both days inclusive.

UDAYGIRI RUBBER CO., LTD. Annual General Meeting, Kottayam, 30th May, 1955. Dividend: Rs. 2-8 per share. Transfer books will remain closed from 26th to 30th May, 1955, both days inclusive.

ANANDAM RUBBER CO., LTD. Annual General Meeting, Kottayam, 30th May, 1955. Dividend: Rs. 2-8 per share. Transfer books will remain closed from 26th to 30th May, 1955, both days inclusive.

ALEXANDRA JUTE MILLS LTD. Half-yearly General Meeting, Calcutta, 30th May, 1955. Transfer books remain closed from 16th to 30th May, 1955, both days inclusive.

NELLIMARLA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 30th May, 1955. Transfer books remain closed from 16th to 30th May, 1955, both days inclusive.

WAVERLEY JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 30th May, 1955. Transfer books remain closed from 16th to 30th May, 1955, both days inclusive.

CHITAVALSAH JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 30th May, 1955. Transfer books remain closed from 16th to 30th May, 1955, both days inclusive.

SHREE DIGVIJAY CEMENT CO., LTD. Annual General Meeting, Seeka, 6th June, 1955. Dividend: Rs. 8-8 per share, payable on 7th June, 1955. Transfer books remain closed from 16th May to 1st June, 1955, both days inclusive.

INDIA SUGARS AND REFINERIES LTD. Annual General Meeting, Hospet (Bellary Dist.), 6th June, 1955. Dividend: Re. 1-12 per ordinary and "B" ordinary shares, free of income-tax, payable on or after 20th June, 1955. Transfer books will remain closed from 23rd May to 6th June, 1955, both days inclusive.

LARSEN AND TOUBRO LTD. Annual General Meeting, Bombay, 13th June, 1955. Dividend: Re. 1 per ordinary share, payable on or after 20th June, 1955. Transfer books will remain closed from 25th May to 18th June, 1955, both days inclusive.

DILARAM TEA CO., LTD. Interim dividend of Rs. 20 per share, for the year ended 31st December, 1954, payable on or after 30th May, 1953.

COMPANY REGISTRATIONS

RUSTOM DUBASH INVESTMENT LTD. (First Director: Mr. R. D. Dubash.) Business: To invest in, acquire by purchase, lease, exchange or otherwise, lands, buildings, etc. Authorised capital: Rs. 10,00,000. Private company. Address: Darabshaw House, Ballard Road, Ballard Estate, Fort, Bombay.

VISSANJI KHIMJI & CO., LTD. (First Director: Seth Ratansey Karsondas.) Business: Cotton brokers, buying agents, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 9, Wallace Street, Fort, Bombay-1.

SHREE BANSIDHAR LTD. (First Director: Mr. Raojibhai M. Patel.) Business: Dealers in dyes, dyestuffs, colours, chemicals, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Attarwala Compound, opposite City Mills, Kankaria Road, Ahmedabad.

ASSAM SAW SUFFERS LOSS AGAIN

UDAYAGIRI AND ANANDAM RUBBERS RAISE DIVIDEND LEVELS

Assam Saw Mills and Timber Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Bird and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th September, 1954.

After providing Rs. 2,00,997 (Rs. 1,55,049) for depreciation and crediting a sum of Rs. 12,000 (*nil*) being allowance forgone by management agents, the profit and loss account shows a loss of Rs. 3,20,289 (Rs. 97,203) which increases the debit balance brought forward from the previous year to Rs. 4,17,492 (Rs. 97,203) and this amount the directors recommended should be carried forward.

General Report.—The directors regret that although the Tea Trade prospered during 1953-54 and the demand for tea chests increased considerably, the capacity for manufacture in the country is now so great that there is overproduction.

In addition, the road and river communication difficulties mentioned in the previous year's report have not been solved and in fact, although the directors are in touch with the State Government and the North East Frontier Agency continuously over this problem and have no doubts about their interest in helping them, it is not going to be an easy problem to solve.

The directors report that while the indigenous capacity exists to produce many more tea chests than are required by the Tea Trade, and although in the year 1954-55 the Company has sold virtually the whole production, the price obtainable is not such as to enable the Company to expect much, if any, profit.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,99,998	Block ...	21,01,700
Reserves ...	28,23,970	Work-in-progress ...	50,164
Liabilities ...	9,91,913	Stock-in-trade ...	5,87,509
		Stores and spare parts	11,63,775
		Other assets	74,386
		Debts, deposits and advances ...	6,85,756
		Investments	87
		Cash ...	1,35,012
		Profit and loss account ...	4,17,492
	Rs. 52,15,881		Rs. 52,15,881

Udayagiri Rubber Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. George and Co., Ltd., Kottayam) submit the audited accounts of the Company for the year ended 31st December, 1954.

The tea harvested during the year was 2,26,940 (2,28,620) lbs. at 129.41 (130.74) cents per pound against an estimate of 2,25,000 (2,20,000) lbs. at 132.40 (131) cents per pound. The crop estimated for 1955 is 2,25,000 lbs. at 151.91 cents per pound. The tea was sold at an average price of 275 (191.25) cents (Rs. 2-12) per pound.

The net profit after providing for managing agents' remuneration, depreciation and taxes, and transferring Rs. 85,000 to the debenture redemption fund is Rs. 37,870 (Rs. 56,047) to this has to be added the balance brought from last year of Rs. 18,004 (Rs. 19,558) making a total of Rs. 75,874 (Rs. 75,604). This is reduced by 7 per cent. dividend on preference shares paid in February, 1955, Rs. 5,600 (Rs. 5,600), the directors now recommend the payment of a dividend of 25 (10) per cent. on the ordinary shares Rs. 55,000 (Rs. 22,000) leaving a balance of Rs. 15,274 (Rs. 18,004 after transferring Rs. 30,000 to debenture redemption fund) which is proposed to be carried forward.

The visiting agent reports that the estate is in excellent condition. The total acreage under tea is 440 acres.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	8,04,287
Debentures	2,49,000	Stock-in-trade ...	1,05,140
Reserves ...	4,42,422	Stores and spare parts	10,742
Provision for taxation ...	1,22,500	Other assets	3,930
Liabilities ...	67,055	Debts, deposits and advances ...	1,29,964
Profit and loss account ...	75,874	Cash ...	2,02,788
	Rs. 12,56,851		Rs. 12,56,851

Anandam Rubber Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. George and Co., Ltd., Kottayam) submit the audited accounts of the Company for the year ended 31st December, 1954.

Tea crop secured during the year was 2,05,610 (8,400) lbs. at an estate cost of 108.03 cents per pound. The crop estimated for 1955 is 2,10,000 pounds at 129.14 cents per pound. The tea was sold at an average price of 262.5 cents (Rs. 2-10) per pound.

The rubber harvested during the year was 1,16,420 (1,17,923) lbs. at 57.34 (67.78) cents per pound. The crop estimated for 1955 is 1,10,000 lbs. at 63.63 cents per pound. The average selling price for rubber was 125.75 (124.16) cents per pound.

The net profit after providing for managing agents' commission, depreciation and taxes (Rs. 1,30,000) is Rs. 1,64,241 (Rs. 45,618) to which has to be added the balance from the last year of Rs. 30,637 (Rs. 27,520) making a total of Rs. 1,94,979 (Rs. 73,137) which is reduced by preference dividend for 1954 paid in February, 1955, Rs. 17,500 (Rs. 17,500, the directors now recommend to pay 25 (10) per cent. dividend on the ordinary shares Rs. 62,500 (Rs. 25,000) and transfer to reserve for capital expenditure Rs. 80,000 (*nil*) leaving a balance of Rs. 34,979 (Rs. 30,637) which is proposed to be carried forward. Before arriving at the above profits, Rs. 26,211 has been transferred to the reserve for leasehold land from the current year's profits, to bring it up to Rs. 3,50,000.

The acreage under rubber is 329 and that under tea is 300. Both Pookulam and Kannambra Estates are in good condition.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	9,50,634
Debentures	87,500	Stock-in-trade ...	1,27,385
Reserves ...	3,85,000	Stores and spare parts	9,163
Provision for taxation ...	1,42,998	Other assets	1,293
Liabilities	60,454	Debts, deposits and advances ...	95,259
Profit and loss account ...	1,94,979	Cash ...	1,87,197
	Rs. 13,70,931		Rs. 13,70,931

Upper Jumna Valley Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1954.

The following schedule in respect of the sale of electricity and revenue indicates that satisfactory progress has been maintained during the half-year under review. The Government of Uttar Pradesh has sanctioned additional load for development purposes in the towns supplied through the hydel grid and further development is taking place in Delhi Shahdara.

Half-year ended	*Units Sold*	*Revenue* Rs.
31st March, 1952 ...	3,174,549	6,49,675
30th September, 1952 ...	3,635,698	6,66,947
31st March, 1953 ...	3,537,022	6,96,433
30th September, 1953 ...	3,659,582	6,96,992
31st March, 1954 ...	3,758,678	7,37,088
30th September, 1954 ...	4,379,345	7,43,320

After providing for all charges in compliance with the provisions of the Electricity (Supply) Act, 1948, there remains a balance of Rs. 45,218 (Rs. 62,274) including Rs. 27,667 (Rs. 26,460) brought forward from the previous half-year, available for distribution, and this the directors recommend be disposed of as follows:—

Payment of a dividend at the rate of 10 (10) per cent. per annum free of income-tax for the half-year Rs. 24,875 (Rs. 24,875), an additional payment of As. 2 (As. 2) per share free of income-tax Rs. 6,219 (Rs. 6,219) and in carrying forward to next half-year Rs. 14,124 (Rs. 31,181).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,98,750	Block ...	8,03,347
Reserves ...	5,15,041	Stores ...	3,10,704
Provision for taxation ...	37,161	Tools and instruments	11,020
Liabilities ...	13,48,764	Debts, deposits and advances ...	6,88,370
Profit and loss account ...	45,218	Investments	84,057
		Cash ...	5,47,236
	Rs. 24,44,934		Rs. 24,44,934

Arrah-Sasaram Light Railway Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March, 1954.

The gross earnings for the half-year were Rs. 8,72,228 (Rs. 7,55,852) which is Rs. 1,16,376 (Rs. 10,115) more than the earnings of the corresponding period ended 31st March, 1953. There are increases of Rs. 73,351 (Rs. 32,942) under coaching and Rs. 40,915 (decrease of Rs. 25,412) under goods and Rs. 2,110 (Rs. 2,583) under miscellaneous. The working expenses for the half-year were Rs. 7,54,194 (Rs. 6,72,766) plus Rs. 74,408 (Rs. 65,922) set aside to renewal reserve, making a total of Rs. 8,28,602 (Rs. 7,38,688) which is Rs. 89,913 (Rs. 80,047) more than the figure for the corresponding period ended 31st March, 1953. The net earnings for the half-year were Rs. 43,626 (Rs. 17,164). The balance available for distribution is net profit for this half-year were Rs. 43,626 (Rs. 17,164). The balance forward Rs. 34,731 (Rs. 53,206), making a total of Rs. 72,282 (Rs. 80,568). The directors recommend that the available balance be disposed of as follows:—

Payment of a dividend for the half-year ended 31st March, 1954, at the rate of 6 (6) per cent. per annum less income-tax costings Rs. 47,995 (Rs. 47,995) and balance to be carried forward Rs. 24,287 (Rs. 32,573.)

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,69,300	Block ...	29,70,561
Reserves ...	6,22,599	Stores ...	1,19,143
Provision for taxation ...	2,21,186	Other assets	20,223
Liabilities ...	11,12,564	Debts, deposits and advances ...	5,31,808
Profit and loss account ...	72,282	Investments	2,98,866
		Cash ...	2,57,330
	Rs. 41,97,931		Rs. 41,97,931

Chaparmukh-Silghat Railway Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March, 1954.

The route mileage of line open for traffic at the end of the half-year was 50.81 miles, mileage opened for traffic during the half-year was *nil*, gauge 3-3⅜" and date of first opening for traffic 30th March, 1920.

The total capital expenditure to the close of the half-year was Rs. 35,46,011 (Rs. 35,44,567). The gross earnings during the half-year were Rs. 2,65,097. During the corresponding period in 1953 they were Rs. 1,27,660. The increase was Rs. 1,37,437 (decrease of Rs. 1,48,585). The working expenses are as usual, 50 (50) per cent. of the gross earnings. The net earnings were therefore Rs. 1,23,008 against Rs. 63,830 in 1953 inclusive of interest on loans. The balance available for distribution is Rs. 88,420 (Rs. 95,419) including the balance brought forward of Rs. 38,119 (Rs. 84,042). The directors recommend that the available balance be disposed of as follows:—

Payment of Rs. 2-9-3.6 (Rs. 2-9-3.6) per share representing a dividend at the rate of 3¼ (3¼) per cent. per annum less tax for the two half-years ended 30th September, 1953 and 31st March, 1954 Rs. 80,019 (Rs. 80,019) and balance to be carried forward Rs. 8,401 (Rs. 15,400). The amount proposed to be distributed as dividend is computed as follows:—

3¼ per cent. on share capital Rs. 31,00,000 for the year ended 31st March, 1954 Rs. 1,08,500, less income-tax and surcharge thereon Rs. 28,481.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,00,000	Block ...	28,10,290
Reserves ...	1,00,000	Other assets	7,35,721
Provision for taxation ...	60,939	Book debts	1,56,097
Liabilities ...	3,61,615	Cash ...	8,266
Profit and loss account ...	88,420		
	Rs. 37,10,974		Rs. 37,10,974

Tropical Plantations, Ltd.

The directors of the above Company (Chairman: Mr. Lakshmana Rau, Kottayam) submit the audited accounts of the Company for the year ended 31st December, 1954.

The area under tea is 497.76 acres, that under rubber is 1,816 acres, and that under coconuts, pepper and arecanuts is 479.5. Cashew plantations cover 45 acres; cardamom plantation cover 25 acres; coffee plantations cover 104 acres and teak plantations cover 30 acres. The total area of the estate is 3,230.47 acres.

Tea.—The tea crop harvested during the year amounted to 3,77,683 (3,49,212) lbs. (796 (736) lbs. per acre). The production cost is 107.085 (115.745) cents (Re. 1-1-1.603) per lb., and the average price realised is 237.284 (158.453) cents (Rs. 2-5-11.545) per lb.

Rubber.—The rubber crop obtained during the year is 7,44,938 (8,15,244) lbs. 425 (456) lbs. per acre) at a cost of 60.413 (57.095) cents (As. 9-7.992) per lb. and the average price realised is 126.093 (122.734) cents (Re. 1-4-2.009) per lb.

After providing Rs. 3,14,021 (Rs. 1,80,814) for taxation and after charging depreciation, bonus to staff and remuneration to the managing director, the net profit for the year amounts to Rs. 4,90,238 (Rs. 3,52,117). This together with Rs. 2,038 (Rs. 9,921) brought forward from the previous year aggregates to Rs. 4,92,276 (Rs. 3,62,038). Out of this, the directors have transferred Rs. 90,000 (Rs. 1,20,000) to general reserve, leaving a balance of Rs. 4,02,276 (Rs. 2,42,038) available for distribution. The directors recommend payment of a dividend of 20 (12) per cent. Rs. 5 (Rs. 3) per share, free of income-tax and agricultural tax absorbing Rs. 4,00,000 (Rs. 2,40,000) and propose to carry forward the balance of Rs. 2,276 (Rs. 2,038) to 1955 accounts.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	19,87,530
Provision for taxation ...	3,11,611	Stock-in-trade ...	3,25,545
Liabilities ...	2,21,670	Stores and spare parts	1,02,486
Profit and loss account ...	4,92,276	Other assets	987
		Debts, deposits and advances ...	13,593
		Cash ...	3,95,416
	Rs. 30,25,557		Rs. 30,25,557

Eastern Manufacturing Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1953.

The profit for the year after providing for depreciation Rs. 1,80,000 (Rs. 2,00,000) and making sundry adjustments amounts to Rs. 36,135 (Rs. 59,794) to which must be added the balance brought forward from the previous year of Rs. 8,368 (Rs. 16,074), making a total of Rs. 44,503 (Rs. 75,868). From this amount the directors recommend a dividend on 2,000 6 per cent. preference shares at Rs. 6 per share absorbing Rs. 12,000 (Rs. 12,000) and a dividend on 8,500 ordinary shares at Rs. 3 (Rs. 3) per share absorbing Rs. 25,500 (Rs. 25,500), leaving to be carried forward a sum of Rs. 7,003 (Rs. 8,368).

Jute stocks are shown at cost price. Stocks of finished goods sold and unsold have been calculated at contract or market prices. Unfinished goods have been taken at cost price. Buildings, power plant and machinery have been maintained in thorough repair.

Working hours.—The portion of the mill which was engaged in the manufacture of specialities like webbing, carpet, sashcord, etc., continued exempted from the working time agreement of the Indian Jute Mills' Association. In terms of clause 10 of the working time agreement, 111 looms out of the registered complement of 396 looms worked 96 hours per week. The balance loom hours were sold.

Business Outlook: Webbing.—With a reduction in prices and a marked improvement in quality, overseas demand for the webbing improved considerably and a satisfactory turnover was recorded in spite of competition in some of the principal export markets. Towards the latter part of the year, increased loom working was found necessary to deal with a large Government order. *Twine.*—In spite of the abolition of export duty on twine in September, 1953, export interest did not revive and sales were made mostly on the local market. Sashcord shipments to East and West Africa were maintained. *Gunnies.*—During the period, trading conditions remained difficult with an upward trend in prices of both raw jute and manufactured goods towards the end of the year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,50,000	Block ...	11,00,914
General reserve ...	5,00,000	Stocks ...	19,97,170
Provision for taxation ...	35,952	Stores ...	2,23,571
Liabilities ...	24,63,805	Debts, deposits and advances ...	5,93,045
Profit and loss account ...	7,003	Investments	600
		Cash ...	1,41,460
	Rs. 40,56,760		Rs. 40,56,760

Associated Stone Industries (Kotah) Ltd.

The directors of the above Company (Managing Agents: Rajputana Mining Agencies Ltd., Ramganjmandi) submitted the audited accounts of the Company for the year ended 30th September, 1954.

The working of the Company for the period ending 30th September, 1954, after providing Rs. 51,316 for depreciation on assets has resulted in a profit of Rs. 4,21,004. To this, a sum of Rs. 7,98,284, the balance of profits brought forward from the last year was added, making a total of Rs. 12,19,288.

As compared to the previous year, this year the sales have decreased on account of the short supply of wagons. Though the sales of polished stone of 11,62,318 sq. ft. was the highest, since the inception of the Company, the total sale was only 76,53,139 sq. ft. during the period under report.

Out of the total profits of Rs. 12,19,288, the directors have paid an interim dividend free of income-tax on 85,000 ordinary shares at Re. 1 per share Rs. 85,000 and on 1,00,000 deferred shares at Re. 1-6-9 per share Rs. 1,42,187, leaving a balance of Rs. 9,92,100, from which the directors have made provision for charity and donations amounting to Rs. 10,000, paid bonus to staff Rs. 15,000 and bonus to labourers Rs. 21,000. This leaves a balance of profit of Rs. 9,46,100. Out of this sum, the directors have paid a dividend at 6 per cent. on 2,000 6 per cent. cumulative preference shares, absorbed a sum of Rs. 12,000 and carried forward Rs. 9,34,100.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,50,000	Block ...	4,60,495
Reserves ...	4,49,514	Stock-in-trade	21,05,503
Liabilities ...	8,25,769	Stores, spare parts, etc.	1,39,864
Profit and loss account ...	12,19,288	Other assets	3,000
		Debts, deposits and advances ...	11,80,425
		Investments	30
		Cash ...	1,55,254
	Rs. 40,44,371		Rs. 40,44,371

Bokakhat Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1954.

Tea crop.—A crop of 3,801 (4,031) maunds was manufactured and has been disposed of for sale in Calcutta for export 3,117 maunds and for sale in Calcutta for internal consumption 684 maunds. The average price per lb. realised was Rs. 3-2-1 as compared with Rs. 2-0-4 a lb. obtained for the previous season's crop of 4,031 maunds. Owing to adverse climatic conditions the crop fell short of the estimate by 300 maunds. The Company's export quota for season 1954 was 2,900 maunds. No extensions were put out during the year and the area under cultivation remains unchanged at 484.66 acres.

The revenue account shows a profit of Rs. 3,63,489 (Rs. 1,47,298) and after deducting, gratuity Rs. 3,480 (*nil*), staff commission and bonus Rs. 22,324 (Rs. 8,814), managing agents' commission on profits Rs. 7,280 (Rs. 2,938) and depreciation Rs. 23,062 (Rs. 33,119) there is a balance of of Rs. 3,07,343 (Rs. 99,727). To this sum is added the refund of income-tax paid at source on interest on investments for the year 1952-53 of Rs. 375 (*nil*) giving a net profit for the year of Rs. 3,07,718 (Rs. 1,00,549). After adding to this the adjusted credit balance of Rs. 64,211 (debit of Rs. 36,833) brought forward from the previous year, there is a credit balance of Rs. 3,71,929 (Rs. 63,716) on profit and loss account from which the directors recommend to pay a dividend of 10 (*nil*) per cent. for season 1954 without any deduction for income-tax paid by the Company Rs. 60,000 (*nil*), place to reserve account Rs. 2,00,000 (*nil*), place to buildings and machinery reserve account Rs. 50,000 (*nil*) and carry forward Rs. 61,929 (Rs. 63,716).

The estimates for season 1955 provide for a crop of 4,500 maunds at a cost of Rs. 6,23,117 excluding expenditure of a capital nature amounting to Rs. 69,060.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	8,41,286
Reserves ...	2,53,500	Stock of tea	2,61,062
Provision for sales tax ...	2,700	Stores ...	46,497
Liabilities ...	3,31,653	Debts, deposits and advances ...	33,750
Profit and loss account ...	61,929	Investments	1,000
		Cash ...	66,187
	Rs. 12,49,782		Rs. 12,49,782

Eastern Investments, Ltd.

The directors of the above Company (Secretaries: Messrs. Bird and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1954.

The profit and loss account after paying an interim dividend on the cumulative preference shares at the rate of 2½ (2½) per cent. per annum less tax, amounting to Rs. 46,094 (Rs. 46,094) and after transferring Rs. 75,000 (Rs. 2,50,000) to general reserve, shows a credit balance of Rs. 8,20,742 (Rs. 8,19,307) including the sum of Rs. 3,11,873 (Rs. 3,15,489) brought forward from last year. The directors propose to dispose of this as follows:—

In paying a final dividend of 2½ (2½) per cent. per annum making the total dividend at 5 (5) per cent. for the year on the 25,000 issued preference shares less income-tax at 48 pies per rupee plus 5 per cent. surcharge on income-tax Rs. 46,094 (Rs. 46,094), in paying a dividend of 9 (9) per cent. per annum on the 51,260 issued ordinary shares, without any deduction for income-tax paid by the Company Rs. 4,61,340 (Rs. 4,61,340) and in carrying forward Rs. 3,13,308 (Rs. 3,11,873).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	76,26,000	Investments ...	1,34,39,918
Reserves ...	53,95,753	Debts, etc.	5,16,486
Provision for taxation ...	6,17,139	Cash ...	3,52,424
Liabilities ...	5,56,628		
Profit and loss account ...	3,13,308		
	Rs. 1,45,08,828		Rs. 1,45,08,828

Jawahar Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Umaiyambika and Co., Chettinad) submit the audited accounts of the Company for the year ended 31st December, 1954.

After deducting all working expenses and interest and providing Rs. 3,79,724 (Rs. 2,64,363) for depreciation, the year's working has resulted in a net profit of Rs. 9,51,081 (Rs. 1,53,287). From this the directors have appropriated Rs. 33,475 (Rs. 40,000) for debenture redemption reserve, Rs. 1,206 (Rs. 373) for donations and presents in 1954, Rs. 36,668 (*nil*) for writing off the balance of loss of 1952, and provided Rs. 4,42,936 (Rs. 40,000) for taxes. Thus, out of this year's profit there is a balance of Rs. 4,00,596 (Rs. 1,12,914). The directors recommend to dispose of this sum as follows:

To set apart for reserve for dividend equalisation Rs. 1,25,000 (*nil*), reserve for contingencies Rs. 1,20,373 (*nil*), pay a tax-free dividend of 12½ (7½) per cent. to shareholders Rs. 1,11,250 (Rs. 63,000) and to carry forward to next year Rs. 43,973 (Rs. 49,914).

The directors inform that the Company has decided to put up a branch mill at Chettinad with 12,000 spindles. Orders have already been placed for a major portion of the machinery required for this mill. It is expected that this branch mill may go into production in the first quarter of 1956.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,90,000	Block ...	13,99,064
Debentures ...	4,17,000	Stock-in-trade	13,46,415
Reserves ...	7,16,354	Stores, etc. ...	1,86,440
Provision for taxation ...	6,15,000	Debts, deposits and advances ...	6,31,563
Mahimai ...	24,965	Investments	2,13,926
Liabilities ...	14,15,901	Cash ...	7,02,408
Profit and loss account ...	4,00,596		
	Rs. 44,79,816		Rs. 44,79,816

United Provinces Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1954.

Normal development has been maintained inasmuch that the demand for electricity shows progressive increase and satisfactory progress is being maintained as will be seen from the schedule of units sold and revenue incorporated herein.

Half-year Ended	*Units Sold*	*Revenue* Rs.
31st March, 1952 ...	25,430,966	31,52,162
30th September, 1952 ...	28,185,332	34,33,172
31st March, 1953 ...	28,300,558	34,62,595
30th September, 1953 ...	31,257,135	37,86,990
31st March, 1954 ...	30,249,935	37,97,207
30th September, 1954 ...	34,269,077	39,84,423

After making adequate provision for liabilities and setting aside Rs. 85,000 (Rs. 50,000) to development and extensions account, a balance of Rs. 3,60,681 (Rs. 3,59,568) including Rs. 83,389 (Rs. 78,548) brought forward from the previous half-year remains available, and this the directors recommend be disposed by payment of a dividend at the rate of 10 (10) per cent. per annum free of income-tax for the half-year Rs. 2,80,000 (Rs. 2,80,000) and in carrying forward to next half-year Rs. 80,681 (Rs. 79,568).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	56,01,185	Block ...	1,37,87,338
Debentures	30,00,000	Stores, coal, fuel, etc.	18,28,651
Reserves ...	46,56,372	Work-in-progress ...	6,66,830
Liabilities ...	65,76,744	Tools and instruments ...	1,44,262
Profit and loss account ...	3,60,681	Goods-in-transit ...	2,01,602
		Other assets	89,228
		Debts, deposits and advances ...	24,04,869
		Investments	5,60,277
		Cash ...	5,11,905
	Rs. 2,01,94,982		Rs. 2,01,94,982

Societe Generale Industrielle De Chandernagor (Gondalpara Mill)

The directors of the above Company (Agents: Messrs. Gillanders Arbuthnot and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1954.

After taking credit for a sum of Rs. 1,50,000 (Rs. 1,00,000) on account of commission waived by the agents, the result of the year's working has been a loss of Rs. 76,869 (profit of Rs. 1,17,550) to which is added unclaimed dividend previously forfeited paid during the year Rs. 900 (*nil*) and provision for business profit tax previously underestimated Rs. 12,590 (*nil*), making a total of Rs. 90,359 (credit of Rs. 1,17,550). The above loss is reduced by the amount brought forward from the previous year of Rs. 4,743 (credit of Rs. 41,193), profit on sale of motor vehicle Rs. 197 (*nil*), rebate in respect of foodstuffs Rs. 1,317 (*nil*), excess provision for liabilities Rs. 473 (*nil*), provision made against the difference between the cost of raw jute stock and estimated realisable value written back Rs. 40,000 (*nil*) and post war refund of excess profits tax Rs. 69,535 (*nil*), leaving a balance of Rs. 23,907 (Rs. 1,58,743) at credit of profit and loss account. From this has to be deducted transfer to depreciation reserve Rs. 1,00,000 (Rs. 1,00,000). This leaves a loss to be carried forward to next year of Rs. 74,093 (credit of Rs. 4,743 after paying a dividend of Rs. 15 per share absorbing Rs. 54,000).

In accordance with the Indian Jute Mills' Association's main and supplementary working time agreements the mill worked 42½ hours per week up to 10th July, 1954, 45 hours per week up to 16th October, 1954 and 48 hours per week during the remaining part of the year, with 12½ per cent. looms sealed throughout the year.

During the first half of the year, raw jute prices were not in parity with the prices received for manufactured goods and this is the reason for the poor result shown.

Jute in stock and process has been taken into account at rates corresponding with forward sales of manufactured goods, and manufactured goods have been taken into account at contract or market rates.

In view of the difficult conditions mentioned above, reflected in the poor result of the year's working, the directors are unable to recommend the payment of a dividend. The agents have waived the sum of Rs. 1,50,000 (Rs. 1,00,000) from the commission due to them by the Company.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,80,000	Block ...	23,09,271
Debentures ...	1,800	Stock ...	12,31,137
Reserves ...	28,00,000	Stores ...	4,62,320
Provision for taxation ...	68,943	Debts, deposits and advances ...	15,80,848
Liabilities ...	17,37,478	Investments	79,089
Profit and loss account ...	23,907	Cash ...	51,453
	Rs. 57,14,128		Rs. 57,14,128

TEXTILES

(Concluded from page 972)

The Forward Markets Commission recently submitted a report on the establishment of futures markets at various centres in India. The report contained the following recommendations:

(1) The continuance of recognition of the E.I.C.A. should be on a permanent basis;

(2) futures markets should immediately be set up in Akola, Indore and Ahmedabad;

(3) the Madhya Pradesh Commercial Exchange Ltd., Akola, and the West India Cotton Association, Ahmedabad, must be recognised for a period of three years;

(4) an association (to be newly constituted at Indore) should be recognised for a period of three years as soon as an application is received from it, provided the Commission is satisfied that it is fully representative of the interests concerned and accords a balanced representation to Indore and Ujjain on its Board of Directors; and

(5) futures markets should be opened, in due course, at two or three additional centres in the country.

The Central Government's decision to permit establishment of forward markets at Akola and Indore will be widely welcomed by the cotton interests of these centres, as it would afford them hedge facilities nearer home. There is, however, a predominant section of cotton interests in Bombay which is opposed to the decision. The opposition stems from the consideration that the opening of forward markets in more than one centre is against the principle of unitary trading in respect of not only Bombay State but India as a whole. Attention is also drawn to the possibilities of increased speculation and, consequently, an exaggeration of the bullish and bearish trends in cotton economy.

RELIEF TO PONDICHERRY TEXTILE MILLS

A brief reference to the plight of the textile mills in Pondicherry and the measures under the consideration of the Government of India to help these mills tide over the difficult situation was made in these columns last week. The mills have since been exempted from payment of export duty on cotton cloth produced by them for a period of six months with effect from the 1st inst. For the same period, the mills are also permitted to export unlimited quantities of cotton yarn produced by them from the port of Pondicherry.

Giving the above information, Mr. V. S. Matthews, Chief Secretary, Pondicherry, stated the other day that the measures would greatly contribute to the rehabilitation of labour and help the industry itself "which is a major factor in Pondicherry's economy." Mr. Matthews called upon the mills to work at their full capacity by re-employing the labour which had been idle for some days now.

RADAR FOR RAYON RESEARCH

One of the instruments used by scientists at Britain's newest rayon research station, opened at Manchester, is a naval radar set, which has been converted to industrial use to show at a glance how the motions of looms are synchronised. The set is attached to a loom, and the pattern of lines of material being woven can be interpreted from the screen.

Electronic devices now in use include one which detects any faults in the yarn before it is woven into cloth. Another—one of the smallest electronic "brains" ever made—is used for calculating the structure of rayon fibre, while an electron microscope magnifies objects 200,000 times. These are used in conjunction with an X-ray camera to investigate the molecular structure of fibres. In the machinery development department, new ideas in textile design are being exploited. A number of improved machines have been developed, such as a knitting machine capable of shaping parts of a garment and of knitting purl as well as plain stitches.

Bombay Cotton Annual, 1953-54. Published by the East India Cotton Association Ltd., Bombay. Price: Rs. 4.

The *Bombay Cotton Annual* has been so very popular for well over three decades that the latest edition—the one covering the season 1953-54—hardly needs any fresh introduction. The *Annual* is an authoritative compendium of practically all aspects pertaining to every branch of the cotton trade. It contains innumerable tables giving a wealth of statistical information on cotton crop forecasts, acreage, production, ginning returns, exports, imports, consumption, stocks and prices. Also given are statistical data relating to production and exports of yarn and piecegoods, spindles and looms in Indian mills and the growth of Indian cotton mills. Statistics relating to all the important foreign cottons are also given. The utility of the publication is further enhanced by the inclusion of a list of cotton pressing factories in India, the schedule of the Indian cotton contract and freight-age on full pressed cotton bales to Bombay (Wadi Bunder or Cotton Depot) from the various railway stations in India as quoted by the Central Railway. As usual, the reference material is preceded by a factual survey of the events in the cotton world in the 1953-54 season. Indeed, the *Annual* is a handy book of reference to all those who are interested in cotton and cotton textiles.

The period of free licensing of all permissible varieties of cotton piecegoods (mill-made and powerloom) and cotton manufactures including cotton waste blankets, for shipment has been extended by a further period of six months, that is, upto the end of the current calendar year. The licensing procedure and other conditions will remain the same as hitherto. The extension of the time limit is welcomed by trade interests, in that it will enable exporters of cloth to plan their overseas sales well in advance for shipment.

The Central Government has decided to allow for export during the current half-year a further quantity of 1 million yards of grey drill processed in mineral khaki shade by outside processes (other than mills).

SUGAR

(Concluded from page 976)

answer which the Committee gives is: "It may be assumed that there are few, if any, other factories that are unsuitably located, since no others have replied to this effect in answer to the questionnaire, which was issued some months ago." Is this assumption correct? We, for our part, are not so sure as the Committee is. It is quite possible that some at least of the mills that had not replied to the questionnaire are not located in the right place. In any case, the Committee should have insisted on all those 65 mills to submit their replies. The Expert Committee will, therefore, do well to call upon these factories also to reply to the questionnaire and base its final report on the results of its study of all the sugar mills, excluding those with a capacity of less than 100 tons.

The general impression is that defective location of factories is a feature of only Uttar Pradesh, Bihar and other northern parts of India, considered not so ideal for growing sugarcane. The Committee's findings show that this impression is not wholly correct, because they show locational defects in both tropical and subtropical parts of India. Thus, out of 20 factories referred to earlier, 6 are located in the Deccan and South India, that is, areas which are climatically more suitable for sugarcane cultivation than North India. The problem of shifting or rehabilitating the unsuitably located and idle sugar mills is, therefore, a problem not confined to North India alone.

Notices

TEXTILE MACHINERY CORPORATION LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifteenth Ordinary General Meeting of the Shareholders of the Company will be held at No. 8, Royal Exchange Place, Calcutta, on Friday the 24th June, 1955, at 3-30 p.m.

(a) To receive and adopt the Directors' Report and Audited Accounts for the year ended 31st December, 1954.

(b) To declare dividend on Preference and Ordinary Shares.

(c) To elect Directors.

(d) To appoint Auditors for the current year and fix their remuneration.

(e) To transact any other business that may be brought before the Meeting with the permission of the Chairman.

The Share Transfer Books will be closed from 11th June to 24th June, 1955, both days inclusive.

By Order of the Board,
BIRLA BROTHERS LIMITED,
Managing Agents.

8, ROYAL EXCHANGE PLACE,
CALCUTTA, *29th April, 1955.*

THE INDIA SUGARS & REFINERIES LIMITED
MADRAS

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-first Ordinary General Meeting of the Company will be held at the Factory of the Company at Hospet on Monday the 6th June, 1955, at 4 p.m., to transact the following business:

1. To receive and adopt the Directors' Report and Audited Accounts for the year ended 30th September 1954.
2. To declare Dividends on Preference and Ordinary Shares.
3. To elect Two Directors in place of:
   (i) Shri H. Sitarama Reddy,
   (ii) Shri S. M. Ramakrishna Rao,
   who retire and are eligible for re-election.
4. To appoint Auditors for the year 1954-55 and fix their remuneration, and
5. To consider any other subject that may be placed before the Meeting by the Chairman.

The Share Transfer Books of the Company will be closed from 23rd May, 1955, to 6th June, 1955 (both days inclusive).

By Order of the Board,
for THE INDIA SUGAR AGENCIES LTD.,
Managing Agents.
C. HARIPRASAD,
General Manager.

MADRAS, *8th May, 1955.*

The Directors have recommended a dividend of 17½ per cent. per annum, free of Indian Income-tax, on the Original Ordinary shares and corresponding dividend on the other Ordinary Shares, and 7½ per cent. per annum less tax on Preference Shares.

THE BENGAL PAPER MILL COMPANY, LIMITED

THE DIRECTORS HAVE DECIDED TO recommend to the forthcoming General Meeting of the Shareholders to be held on 31st May, 1955, dividends for the half-year ended 31st December, 1954, as follows:—

(a) Dividend on Cumulative Preference Shares at 7 per cent. per annum, free of Income-tax.

(b) Dividend on "A" Cumulative Preference Shares at 7 per cent. per annum, free of Income-tax.

(c) Dividend on "B" Cumulative Redeemable Preference Shares at 6 per cent. per annum (subject to deduction of Income-tax).

(d) Dividend on Ordinary Shares at 12½ per cent. per annum, free of Income-tax.

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

21, NETAJI SUBHAS ROAD,
CALCUTTA.

PUBLIC WORKS DEPARTMENT

TENDER NOTICE

SEALED B-1 TENDERS IN SEPARATE covers for the work of (1) Providing 50' wide concrete roads connecting Queen's Road and skirting of playground in Block II B.B.R.S. Bombay, estimated to cost Rs. 23,399, and (2) Paving of footpath in front of developed plots in Block No. II B.B.R.S., estimated to cost Rs. 38,219, will be received upto 4.00 p.m. on 30th May, 1955, by the Executive Engineer, Presidency Division, P.W.D., Fort, Bombay, and opened at 4.15 p.m. the same day if possible. Tender forms will be issued upto 4 p.m. on week days and 1 p.m. on Saturdays except Sundays and Holidays and the date on which the tenders are to be received, on payment of Rs. 5 each.

Further particulars can be had on application. Right is reserved to reject any or all tenders without assigning any reasons.

GILT-EDGED BUOYANT

(From Our Own Correspondent)

BOMBAY, *18th May*

There was a slight lull in activity in the short-term money market during the week under review. The heavy demand for bank credit noted in the previous week abated a little with the result that banks were not keen borrowers. There was, however, no appreciable improvement in the supply of funds, as the return of money from upcountry was by no means large. Basically, therefore, there was no fundamental change in the state of the market, with no perceptible variation in interest rates. Inter-bank call money rate continued to stay at 3 per cent. per annum among all sections of banks. There was also no change in the short-term deposit rates either, with banks offering 3 per cent. for one to six months. House money, too, fetched the self-same rate of 3 per cent. per annum.

The results of Treasury Bill sales during the week were fully in conformity with the state of the market described above. Although offerings at Rs. 138.75 lakhs were Rs. 17.25 lakhs less than those in the previous week, the average rate of accepted tenders was unchanged at Rs. 2-9 per cent., to which level it had declined in two successive weeks from Rs. 2-9-5 per cent. per annum. Tenders have been invited for Rs. 100 lakhs next week also, same as those this week.

Minor variations are disclosed by the Currency Department of the Reserve Bank of India statement for the week ended 13th May, 1955. Notes in circulation show a rise of only Rs. 1.83 crores, while notes held in the Banking Department are lower by no more than Rs. 2.02 crores. The consequential decline of Rs. 19 lakhs in total notes issued is covered by a similar fall in rupee coin. In the Banking Department, after five weeks of successive decline, the deposits of the Central Government staged a rise of Rs. 1.84 crores, which contrasts with the aggregate decline of Rs. 14.93 crores in the preceding five weeks. Continuing the drop of Rs. 11.78 crores in the previous week, the deposits of other Governments have gone down by another Rs. 3.97 crores in the week under review. Deposits of banks are up by only Rs. 72 lakhs, but this rise is in contrast with the decline of Rs. 1.42 crores noted in the previous week. A drop of Rs. 1.69 crores is noted in balances held abroad. Loans and advances to Governments are unchanged, while other loans and advances show a rise of Rs. 4.03 crores, following the net increase of Rs. 3.49 crores in Scheduled banks' borrowings against usance bills—the total borrowings under this head during the week being Rs. 11.26 crores.

A sharp drop of Rs. 8.08 crores in demand deposits is the outstanding feature of the Scheduled banks' statement for the week ended 6th May, 1955, as compared with that for the previous week. Time deposits, on the other hand, show a rise of Rs. 20 lakhs. Inter-bank borrowings are lower by Rs. 1.46 crores, while borrowings from the Reserve Bank of India have gone up by Rs. 5.37 crores and those from the Imperial Bank by Rs. 1.77 crores. A rise of Rs. 2.54 crores is noted in advances and of Rs. 74 lakhs in inland bills purchased and discounted. Foreign bills purchased and discounted have, however, declined by Rs. 69 lakhs. Investments are higher by Rs. 33 lakhs. Cash on hand and balances with the Reserve Bank are together lower by Rs. 41 lakhs. Balances with other banks in current account show no worthwhile change, but money at call and short notice has dwindled by Rs. 1.95 crores.

The *Gilt-edged* market maintained its buoyancy during the week under review also. There was a keen demand for short and short-medium dated securities, but the demand could not be satisfied in the absence of sellers. The indication given by the authorities last week that they were preparing the way of the new loan by stepping up their selling rates for some of the medium-dated issues was further confirmed this week when the Reserve Bank raised today its selling price for 3 per cent. 1966-68 by As. 3 to Rs. 90-14 and that of 3½ per cent. 1964 by As. 2 to Rs. 98-12. The general consensus of opinion is that the authorities are likely to issue a 3½ per cent. 1965 loan at Rs. 98-8. There are, however, some who are inclined to think that the new loan will be a 12-year one, interest at 3½ per cent. and issue price Rs. 98.

3 per cent. 1957 put on As. 2 to Rs. 99-8 and 3 per cent. 1958 moved up by a similar extent to Rs. 99-7. 3 per cent. 1959-61 was bid up to Rs. 97-12, a rise of As. 3 over the week. 3 per cent. 1963-65 advanced by As. 6 to Rs. 94-2 and 3 per cent. 1964 by As. 4 to Rs. 93-15. 3 per cent. 1966-68 was done up to Rs. 90-13, as against Rs. 90-11 last week, though the Reserve Bank's selling rate was pitched up to Rs. 90-14. 3 per cent. 1970-75 had business at Rs. 87-0½, the Bank's selling rate being Rs. 87-1. 3 per cent. 1986 Conversion Loan, however, was marked down from Rs. 80-14 to Rs. 80-11½. 3½ per cent. 1961 National Plan Bond hardened by As. 2 to Rs. 99-13, and 3½ per cent. 1964 National Plan Loan was done up to Rs. 98-11½, the Bank's selling rate being Rs. 98-12.

In the foreign exchange section, the rupee displayed a slight weakness in terms of U.S. dollars, the bank's selling rate for ready dollar rising from Rs. 478½ to Rs. 479 per $100 and the buying rate from Rs. 474½ to Rs. 475 per $100. This is presumably due to the weakening of the pound sterling *vis-a-vis* the U.S. dollar. Thus, in New York, spot sterling moved down from $2.79½-2.79¾ to $2.79 9/16-2.79 11/16 and three months' forward sterling from $2.78½-2.78¾ to $2.78½-2.78¾. Transferable sterling, however, displayed some steadiness, the rate moving up from 2.77½-2.77¾ to $2.77½-2.77¾.

BULLION RECOVERS EARLY LOSS

(From Our Own Correspondent)

BOMBAY, *18th May*

The bearish trend noted in the Bombay bullion market during the previous week persisted during the first half of the week under review also, prices of both silver and gold retreating by a substantial extent on nervous liquidation by bulls and fresh selling by bears. Reports of arrivals of *kutcha* silver from upcountry centres and rumours of an expansion in the inflow of contraband gold induced nervousness among bulls. Seizing this opportunity, the short-sellers became aggressive and hammered down the market. As a result, forward silver for delivery in *Jeth* settlement dropped on Saturday to a low of Rs. 157-6, the lowest level seen by it since the middle of January. Forward gold in *Jeth* settlement also came down on that day to Rs. 88-4, the lowest level seen since the first week of January.

Revival of bull support and heavy covering by shorts on rumours of the formation of a bull syndicate in silver, coupled with the heavy demand for ready gold, however, changed the complexion of the market from Monday onwards and values of both the metals improved substantially. As a result, the earlier fall in prices of both the metals was almost made good when the market closed today. Nevertheless, as the spread between the first and second settlements in silver widened yesterday to more than Rs. 5, buyers of silver in *Jeth* settlement with outstanding commitments had to pay a margin at the rate of Rs. 500 per bar in terms of by-law 33D(1)(b) which states: "Whenever the daily official closing rate of the current forward contract is lower than its official starting rate and the daily official closing rate of the current forward contract is quoted higher than the daily official closing rate of the next succeeding forward contract by Rs. 5 or more per 100 tolas or by Rs. 2-8 per tola of gold, every member who has outstanding purchases shall pay to the Association a margin amount at the rate of Rs. 500 per silver bar and Rs. 7 per tola of gold."

Silver for forward delivery in *Jeth* settlement opened the week at Rs. 160-4 and reacted to a low of Rs. 157-6 on Saturday. Thereafter, it recovered by stages to close today at Rs. 159-11. *Ashad* silver declined from Rs. 156-9 to Rs. 152-2 before gaining strength to Rs. 153-15. Business in *Shravan* settlement opened on Monday this week at Rs. 151-12 and declined to Rs. 149-10 before finishing the week at Rs. 151-7.

Ready silver (.996 Mint) gained from Rs. 163-7 to Rs. 163-11, the premium over the forward rate for the first settlement widening from Rs. 3 to Rs. 4. The floating stocks of silver are reported to be 900 bars. The daily average offtake was 15 bars.

Gold for forward delivery in *Jeth* settlement opened the week at Rs. 90-10, and retreated to Rs. 88-4 on Saturday, but the broadening of demand for ready metal and bull manipulations lifted it up to Rs. 90-10 at the close today. *Ashad* gold moved down from Rs. 89-5 to Rs. 87-3, before finishing at Rs. 89-4. Dealings in *Shravan* settlement were begun on Monday at Rs. 86-4, the closing rate today being higher at Rs. 88-2.

Ready gold moved up from Rs. 88-3 to Rs. 92-10, the closing rate being the same as the opening rate. The floating stocks of gold are estimated at 15,000 tolas. The daily average arrivals were 4,000 tolas, while the offtake was no more than 3,000 to 3,500 tolas on an average.

In London, both silver and gold displayed a firm trend. Spot silver was marked up from 76½d. to 78¼d. and forward silver from 76d. to 77¾d. per fine ounce. Gold rose from £12 10s. 5½d. to £12 10s. 7d. per fine ounce. In New York also, silver was strong, gaining from 88½ cents to 89¾ cents per fine ounce.

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

	18-5-55	Highest	Lowest	11-5-55
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	92 10	92 11	89 8½	92 0
Forward*	90 10	90 11	88 4½	90 14
Sesavion	60 0	60 12	58 12	61 8
SILVER				
Ready (.996 fine Mint) ..	163 11	163 9	160 14	163 7
Forward†	160 11	160 9	157 6	160 7
London Silver Ready ..	78¼d.	78¼d.	76½d.	76¼d.
London Forward	77¾d.	78d.	76d.	76d.
London Gold	250s. 7d.	250s. 8½d.	250s. 6d.	250s. 5½d.
New York Ready	89½c.	89¾c.	88½c.	87c.

* *Jeth*—7th June settlement.
† *Jeth*—9th June settlement.
N. B.—Foreign bullion prices shown in the above table relate to the previous day.

DEMAND FOR TEA LOW

(From Our Own Correspondent)

CALCUTTA, *17th May*

Offerings during last week's sale for domestic consumption aggregated 18,000 chests. Demand was much below that required to stir the market to liveliness. As a result, the market opened As. 2 lower than previous rates, and closed As. 2 to As. 3 lower. The low-priced residue teas were easy. Assams and medium Dooars fully represented the general market trend described above. Among Assam C.T.Cs, the liquoring teas were sold at valuations. The balance declined by As. 4 and, in spite of this, a moderate quantity had to be withdrawn without attracting buyers. The rates were: best Assam C.T.C. Rs. 2-7 (nominal), medium Dooars Re. 1-14-6, and medium Assam grainy dust Rs. 2 to Rs. 2-1.

FORWARD COTTON SLUMPS

(From Our Own Correspondent)

BOMBAY, *18th May*

It looks as though the morale of the Bombay cotton market has been shaken once again by a heavy slump in cotton prices during the week under review. The net decline over the week was as much as Rs. 13 in I.C.C. May contract and Rs. 12-12 in I.C.C. August contract. This is surprising, considering the encouraging advices from the piecegoods market and renewed reports of deterioration in quality of cotton in several producing areas. The slump in prices was chiefly due to the sudden impact of selling by bulls, following fixation of lower room rates—at Rs. 13 "on," as against the last rates of Rs. 25 "on"—by the East India Cotton Association. The bulls felt that, since the room rates were unusually favourable to sellers, the volume of tenders would be larger on the coming notice days, because the penalty in the event of rejection is small. Another factor which imparted weakness to the market was the report that the *ad hoc* Committee had declared Morvi cotton at above ⅞" staple as non-exportable. There was, besides, the news that all the eight lots of cotton had been passed in the Survey. The cumulative effect of all these factors was that the cotton market was almost in a state of panic and cotton prices toppled down. Even the Central Government's decision not to entertain any applications for import of cotton from non-dollar areas failed to induce recovery.

The forward section exhibited distinctly weak conditions during the first few sessions of the week under review. This was due to issuance of larger tenders on Thursday—700 bales, as against 400 bales on Monday last week. Option dealers, together with bulls, rushed to sell their holdings. Weak spot advices and the fact that some lots of Kalyan and Bagalkot were passed on appeal on Friday also acted as dampers. The values of cotton, as a result, suffered a break. Selling was somewhat abated on Saturday, when the market picked up strength, following purchases by professionals and shorts at low levels. Consequently, prices staged a slight recovery. The recovery gathered further momentum in the beginning on Monday, but soon tables were turned against it and prices backed away on sudden impact of selling from bull quarters for reasons stated at the outset. The recession persisted till practically the close today.

I.C.C. May contract began the week at Rs. 594 and was hammered down to Rs. 572 on Friday. After recovering to Rs. 590-8 early on Monday, the contract retreated to Rs. 579 today before closing at Rs. 582. I.C.C. August contract slumped from Rs. 581 to Rs. 568 on Saturday and, after recovering to Rs. 575-8 on the 16th inst., it relapsed to Rs. 565-8 before finishing at Rs. 567-12.

The trend of prices during the week under review is indicated below:

	11-5-55	High	Low	4-5-55
I.C.C. May ...	Rs. 595	595	572	582
I.C.C. August ...	Rs. 580½	581	563½	567¾

A feature of trading in the spot market during the week under review was that spinners' demand for domestic staple styles was confined only to purchases of selected lots to fill in nearby needs. Prices of most varieties of cotton tended to recede. Berar *deshis* and high grade Bengals, however, evoked support from exporters, following enquiries from Japan for the latter. In the foreign section, operators evinced interest in Sudans, thanks to the sharp reduction in the reserve prices announced by the Gezira Cotton Board for the cottons offered in the auction last week. Barring some business which took place in ready lots of Californians and Egyptians, there was practically no interest in other foreign styles.

The latest available quotations from the Sewri market are: Bengal *deshi* Rs. 540; Berar Jarillas Rs. 620; Khandesh Rs. 595; Vijay Rs. 760; Oomra *deshi* Rs. 540; Moglai Rs. 520.

The whole of the 100,000 bales of Bengals released for export so far during the current season is reported to have been sold out. With regard to Oomras and Dholleras, more than 50 per cent. of the export quota has been disposed of. It is, however, in respect of the 25,000 bales of old crop ⅞" cotton that the performance on the export front would appear to be none too satisfactory, in that no more than 3,000 bales are said to have been sold. As regards the export quota of 100,000 bales of new crop cotton stapling ⅞" released on 12th April, the quantity sold does not exceed 8,000 bales.

The question of setting up a machinery under the ægis of the East India Cotton Association (E.I.C.A.), for arbitrating U.S. cotton on the basis of universal grade standards was discussed by the two U.S. cotton experts with the cotton interests at a meeting held in Bombay last week. These experts are Mr. Edward J. Overby, Director of the Cotton Division Agricultural Marketing Service, Washington, and Mr. Alton L. Smith, Chairman of the Board of Supervising Cotton Examiners, Memphis. At the aforesaid meeting, the trade interests are believed to have suggested preparation of the standards once a year, instead of once in three years as is now being done by the U.S. Department of Agriculture.

While at Bombay last week, Mr. Overby expressed the view that there was not even the remotest possibility of an export subsidy for U.S. cotton during the 1954-55 season. According to him, the public announcement on this question had been held up by the rift on the issue between the executive branch and the congressional legislation section. Mr. Benson, the Agriculture Secretary, was, he said, trying to reconcile these two groups. As soon as Mr. Benson was assured of sufficient backing to his viewpoint, which is opposed to any export subsidy, he would make a public statement forthwith.

The firm trend witnessed in the Karachi cotton market last week gathered further momentum during the week under review. Inspired by excellent buying enquiries from the domestic textile industry and foreign importers, operators were busy enlarging their commitments by buying on a large-scale, so much so that prices of cotton continued their upward march. N.T. Roller May cotton contract, which was quoted at Rs. 64-15 (per 82 lbs. weight) eight days ago, stood at as high as Rs. 67-12 yesterday. July contract spurted from Rs. 63-11 to Rs. 65-10. The quotations for spot cotton at Karachi yesterday were: Sind *deshi* Rs. 59; Punjab *deshi* Rs. 51-8; 4F. roller Rs. 60-10; 4F. S.G. Rs. 65-10; Punjab roller Rs. 64-10; S.G. Rs. 69-10; 289 F.N.T. roller Rs. 68-10; S.G. Rs. 73-10; 289F Punjab roller Rs. 68-14; S.G. Rs. 74-10.

Poland and China are two more countries with which Egypt is reported to be negotiating for the sale of cotton. Recently, Egypt concluded a cotton deal with Russia involving 13,900 bales (720 lbs.). It also sold about 4,000 bales of Ashmouni and Karnak to Hungary. Thanks to higher discount rates, fair deals in cotton were put through with India, the U.S. and Germany. Enquiries were confined mostly to Karnak good and fully good. Giza 30 also met with some support. Interest in Ashmouni, however, declined slightly. The premiums for entitlement sterling continued to be firm at the recent highs. The aggregate quantity of cotton sold for export by the Government during the current season up to the 4th inst. was 574,907 bales.

The Sudan Gezira Board held its 12th auction at Khartoum on the 11th inst., when 14,178 bales Gezira S and L and AL/WL varieties and 4,000 bales of Nuba Mountain cotton were offered for sale. The reserve prices were the same as before. Barring a few lots of Gezira S and L and whites varieties; the balance of 12,727 bales Gezira and 3,400 bales whites had to be withdrawn, owing to paucity of bids. As a consequence, the Sudan Gezira Board has been forced to revise the reserve prices downward to take effect from the 18th inst. and also to discontinue weekly auctions to be replaced by daily auctions. During these auctions, the unsold sampled lots will be offered at buyers' request.

An auction in East African cotton was held at Kampala on Wednesday last week. Contrary to earlier expectation of a decline, prices at the auction were fairly steady. B.P. 52 cotton fetched Rs. 1,555 c.i.f. and Busoga Rs. 1,515. Offerings of Jinja, it is reported, had to be withdrawn, since the bids were below those expected by the Lint Marketing Board.

The Liverpool cotton futures market ruled strong during the week under review too. There was good trade fixing brought about by encouraging advices from cloth and yarn markets. Consequently, cotton values moved further upwards. The improvement would have been more marked but for the uncertain U.S. official policy regarding export of cotton in the ensuing season. Traders were not inclined much to enter into any large commitments on new crop positions. This attitude was supported recently by the U.S. Senate Agricultural Sub-Committee's recommendation for a flexible but effective export subsidy. Interest in spot cotton was limited mainly to medium qualities of U.S. cotton for spot and shipment. Egyptian types also received some support. The latest available quotations from the futures market are: May-June 32.30*d.*; July-August 31.33*d.*; October-November 30.65*d.*; December-January 30.42*d.*

An irregular trend was in evidence in the New York cotton futures market this week. Thus, spot and nearby positions suffered a fall in prices, under renewed hedge selling and scattered realising by earlier buyers. Later deliveries, on the other hand, tended to look up, following switching operations. The general tendency of the market was easy. Business in new crop positions was slow, pending further developments with regard to the official cotton policy for the ensuing season.

The total production of cotton in the U.S. in 1954 is estimated at 13.68 million bales, which is higher by 110,000 bales as compared with the official December estimate, according to the final report on the 1954 cotton crop issued recently by the Crop Reporting Board of the U.S. Department of Agriculture. The cultivated and the harvested areas are estimated at 19.79 million acres and 19.25 million acres, respectively. The yield per acre was 341 lbs., the highest ever recorded.

The Mid-April parity price of cotton is fixed at 35.22 cents, a figure which is 12 points below that of the previous month. The price is, however, the same as the Mid-January parity price. Of this price, 90 per cent. represents the support level for Mid 1" cotton of New crop unless mid-July parity is higher.

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

(In cents per lb.)

	17-5-55	10-5-55	3-5-55
Spot	34.75	35.00	34.70
May	—	34.65	33.95
July	34.11	34.19	33.98
October	34.25	34.15	34.03
December	33.33	34.20	34.09
March	34.28	—	—

RAYON YARN QUIET

(From Our Own Correspondent)

BOMBAY, 18th *May*

A notable event of the week under review in the rayon yarn market was the resumption, with effect from the 12th inst., of trading in June-July 1955 fixed delivery and onward contracts in 150 and 120 deniers rayon yarn on cones. Practically no deals were put through. This was so because most of the traders were out of the station enjoying a holiday in their home towns. The few operators who were in the market were disinclined to enter into fresh commitments, as they preferred to await details regarding the actual stock position in respect of rayon yarn on cones.

Thanks to limited enquiries from consuming centres and expectation of arrivals from abroad, the forward and spot sections ruled quiet and prices tended to drift downwards. Rayon yarn (150) May delivery, declined by Rs. 2 to Rs. 731 yesterday but recovered a rupee today. In the spot section, 120 Japan and 150 Japan receded by 18 pies and 21 pies to Rs. 3-13 and Rs. 4, respectively. 120 Italy was quiet at Rs. 4-2. 150 Italy were lower by half an anna at Rs. 3-11-6. Prices of indigenous yarns, however, were fully steady, owing to temporary scarcity of supplies. National Rayons 120 Bt. cones I grades hardened by nine pies to Rs. 4-1-3 and II grades gained half an anna to Rs. 4-1-3. 150 Bt. cones I and II grades were fully maintained at Rs. 3-6-9 and Rs. 3-6-3, respectively. 150 Hanks I grade was steady at Rs. 3-9.

The staple fibre yarn section depicted an easy trend this week, notwithstanding reports of enlarged demand from consuming centres and of reduced production in several mills. The easiness was due to lack of good and persistent support from traders who were more inclined to watch the trend of rayon and cotton yarn prices. Consequently, transactions in staple fibre yarn were effected at lower prices. Staple fibre yarn (40x2) for May delivery, which had improved from Rs. 589-4 to Rs. 593-8 on Friday, receded to Rs. 590 today. June contract, after advancing by Rs. 4-4 to Rs. 592-8, relapsed to Rs. 589 today. Among indigenous yarns (40x2) in the spot section, Kohinoors dropped an anna to Rs. 3-5-6. Citys shed six pies to Rs. 3-3-6. New Greats lost 4½ pies to Rs. 3-1-7½. Among foreign yarns, Suicos were quiet at Rs. 4-8 and Shincos at Rs. 4-7.

Conditions in the cotton yarn market were very irregular during the week under review. Enquiries were larger, but actual offtake was limited. There were reports of increasing stocks with dealers and mills. In a communication addressed to the Central Government, the Bombay Yarn Merchants' Association and Exchange Ltd. has urged for liberalisation of cotton yarn exports. As regards coarse cotton yarns, in particular, demand was considerably restricted and several mills had revised their rates downwards. Among 10 count yarns Elphinstones fell by As. 2 to Rs. 12-8. Podars lost an anna to Rs. 12-13. Among 20s, Moderns and Seksarias eased by As. 2 each to Rs. 16-2 and Rs. 15, respectively. Medium count yarns, however, were generally steady on buying support, Maduras among 30s being quoted at Rs. 21-3 and Moderns among 40s at Rs. 25. Fine and superfine count yarns also ruled steady. Thus, among 60s, Finlays strengthened by a rupee to Rs. 62. Moderns advanced by As. 4 to Rs. 61. Among 80s, Finlays were fully maintained at Rs. 68-8 and Moderns at Rs. 62-12.

The table below gives the prices of art silk staple fibre and cotton yarns quoted today, as compared with those a week before:

	18-5-1955	11-5-1955
	Rs. a.	Rs. a.
Art silk yarn—		
150 D. May	732 0	733 0
120 Japan (per lb.)	3 13	3 14½
150 Japan (per lb.)	4 0	4 1½
120 Italy (per lb.)	4 2	4 3
150 Italy (per lb.)	3 11½	3 12
Staple fibre yarn—		
40 x 2 May	590 0	589 4
40 x 2 June	589 0	588 4
Suicos (per lb.)	4 8	4 8
New Greats (per lb.)	3 1½	3 2
Cotton yarn (per bundle of 10 lbs.)—		
10s Elphinstone	12 8	12 10
20s Modern	16 2	16 4
30s Maduras	21 2	21 4
40s Seksaria	22 6	—
40s Modern	61 0	60 12
80s Finlay	68 8	68 8

GROUNDNUTS EASY

(From Our Own Correspondent)

BOMBAY, 18th *May*

The dull conditions witnessed last week in the oilseeds market continued to persist this week also. Lack of buying support was in full evidence in almost all the sections, with the result that the prices declined and recorded notable losses over the week. The groundnut section was in the lead. Reports from Madras that the crushers were granted a small quota of only 15,000 tons of groundnut oil for export dampened the enthusiasm of operators both in Madras and in the local market, as they expected a higher quota. Again fears of large arrivals of seeds and oils from Saurashtra, following the removal of export duty on oils and oilseeds by the State Government, also depressed sentiment of the groundnut section. The linseed section was, however, steady early in the week owing to enquiries from the U.K. and the Continent; but thanks to shortage of shipping space, exporters were unable to do any business. Subsequently, there was selling pressure and the final quotations, as a result, were a shade lower than those a week previously. The performance of *kardi* and *niger* seed sections was also not encouraging, in sympathy with the groundnut section. The castorseed section proved no exception to the generally easy trend, in the absence of any notable overseas enquiries. Business, as a whole, done in the market was, therefore, small. The undertone, however, remained quiet.

In the groundnut section, Bold ready declined from Rs. 21-6 to Rs. 20-5. August-September delivery disclosed a loss of As. 12 to Rs. 21-9. Khandesh quality eased from Rs. 21-8 to Rs. 21. Groundnut oil ready lost As. 3 to Rs. 11-5. June and July delivories were lower at Rs. 11-5 and Rs. 11-6, as against Rs. 11-11 and Rs. 11-12, respectively.

Trading in Bold ready in the linseed section was done at Rs. 22-5, as against Rs. 22-7. June-July delivery receded from Rs. 22-5 to Rs. 21-1. Linseed oil was down by an anna at Rs. 13-3.

May, 1955, futures, among castorseeds, were enquired at Rs. 70 as against Rs. 71-13 at the end of last week, thereby disclosing a loss of Re. 1-12 over the week. The highest touched was Rs. 71-14, while the closing rate of Rs. 70 was the lowest. Tenders to the extent of more than 2,000 candies are reported to have been delivered against May contract. September delivery opened the week at Rs. 77-13 as against Rs. 77-8 end of the previous week. After fluctuating between Rs. 77-14 and Rs. 75, it closed at Rs. 75-1. Among readys, Madras quality declined from Rs. 14-12 to Rs. 14-6 and Kanpur from Rs. 13-8 to Rs. 13-6. Castor oil, Commercial quality, was virtually quiet at Rs. 8-4 and first pressure at Rs. 8-12.

Among others, *kardi*, ready bold, suffered a loss of As. 12 at Rs. 11-4. June-July delivery receded from Rs. 12 to Rs. 11-10. *Niger* F.A.Q. eased from Rs. 18 to Rs. 17-8 and Madras quality from Rs. 19 to Rs. 18-4.

The Government of India has decided to permit export of a further quantity of 5,000 tons of linseed oil cake to all permissible destinations excluding the Portuguese possessions in India, for shipment upto the end of June, 1955. Exports will be allowed against advance registration of sales by the following categories of shippers:

(1) Crushers of linseed who are able to produce a certificate from the excise authorities to show that they have paid cess on linseed crushed during any one of the three years, 1952, 1953 or 1954; or

(2) Shippers who exported any oil of controlled variety, namely, castor oil, cottonseed oil, groundnut oil, kardi seed oil, linseed oil, mustard oil, *niger* seed oil, rape seed oil, etc., during the period from 1st January, 1949, to 31st December, 1954.

The maximum quantity for which a crusher or shipper will be allowed to register sales is 200 tons from all the ports taken together. Eligible crushers and shippers should submit their application for registration of sales supported by documentary evidence of firm contract and evidence of freight having been booked together with the required cess certificate or documentary evidence showing exports of controlled varieties of oils during 1949 to 1954 as the case may be. Registration of sales will be stopped as soon as the ceiling is reached. Licences for export will be endorsed on shipping bill, the validity period of which will be restricted to 15 days as usual.

Reports from the U.K. and the Continent disclosed that there is very good demand for oilcake especially for groundnut and linseed cakes. There are also encouraging enquiries from Japan and the Far Eastern countries. It is stated that the recent abolition of export duties on niger, kardi and castorseed cakes and the reduction of duty on cotton cake to Rs. 30 per ton, have been responsible for substantial export enquiries. In spite of a high duty of Rs. 50 per ton on exports of linseed, mustard and sesamum cakes, and Rs. 230 per ton on those of groundnut cake, the profit margin is stated to be appreciable.

The following table shows the price of oilseeds and oil today, as compared with those at the end of the previous two weeks.

	18-5-1955	10-5-1955	4-5-1955
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	21 0	21 8	21 12
June-July	20 5	21 10	22 1
Linseed—			
Bold Ready (per cwt.)	22 5	22 7	22 0
April-May	22 5	22 3	22 0
June-July	22 1	22 5	21 9
Castorseeds—			
May, 1955	70 0	71 12	72 12
September	75 1	77 1	77 12
Madras (per cwt.)	14 6	14 12	14 13
Groundnut oil—			
Ex-mill Ready (per quarter) ..	11 5	11 8	11 9
Castor Oil—			
Commercial (per quarter) ..	8 4	8 4	8 8
Linseed Oil—			
Ready	13 3	13 4	13 14

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 18th *May*

The steady trend witnessed in the sugar market in the past few weeks persisted during the week under review also, following renewed demand from consuming centres and the delay on the part of the Government in announcing liberal releases of sugar from the Bombay-Deccan mills. Arrivals of indigenous sugar into the Bombay market amounted to 9,600 bags only.

In the forward section, *Shravan* delivery gained As. 12 to Rs. 88-4. *Jeth* delivery hardened by As. 3 to Rs. 83-6.

In the spot section, large grain indigenous sugar was quoted at Rs. 95-Rs. 102, as against Rs. 96-Rs. 101 a week before. Small and medium grains were fully steady at Rs. 88½ and Rs. 89-Rs. 94, respectively. Among foreign sugars, Czechoslovakian sugar met with renewed buying support and advanced by Rs. 2 to Rs. 88-Rs. 90 per 220 lbs. British refined sugar was throughout maintained at the last week's level of Rs. 84 per 224 lbs., as also German and French sugars at Rs. 80 and Rs. 82-Rs. 84 per 220 lbs., respectively.

It is understood that the sugar mills in the Deccan have made a representation to the Union Food Ministry urging the latter to issue more frequent and more liberal releases of sugar. This plea is on the ground that the sugar mills have already sold the entire quantity of sugar released and that

they are carrying heavy stocks at present. Attention is also drawn to the fact that heavy imports of foreign sugar into Bombay harbour have sufficiently jeopardised the interests of the indigenous industry. The Deccan sugar mills consider as unfair the Government's policy of regulating sugar release with a view to protecting the interests of U.P. sugar factories alone.

The quantity of sugar produced by sugar mills in India upto the end of April, 1955 amounted to 1.49 million tons. On this basis, the total sugar output for the whole of the current season is estimated at 1.55 million tons—a record in the history of the Indian sugar industry—exceeding the previous peak production by 60,000 tons. The figures relating to the offtake of indigenous and imported sugar reveal that the total offtake upto the end of April, 1955 was only 9 per cent. less than that in the corresponding period of the previous season. The real trouble, therefore, is not so much the fall in consumption as the fact that the offtake of imported sugar has been heavier than indigenous sugar, a trend which was not in evidence in the previous season. The total offtake of sugar from all the mills in India upto 30th April, accounted for not more than 27 per cent. of the production till that date, leaving as much as 73 per cent. to be cleared in the next five months of the current season.

The speedy lifting of imported sugar *vis-a-vis* indigenous sugar in consuming centres is attributed to the fact that the Regional Directorates (Food) can secure as many wagons as they require and can move huge quantities of sugar to various way-side stations, a facility which has been denied to indigenous mills. It is, therefore, not surprising that the sugar mills in Bihar are reported to be carrying about 92 per cent. of their output. This is, indeed, disquieting and the sugar industry is justified in complaining that the sugar import policy of the Food Ministry has resulted not only in marketing difficulties for the mills but also in a reduction of prices. The authorities will do well to follow a more realistic policy for releases of indigenous sugar and afford adequate transport facilities to the hard-pressed mills.

PEPPER STEADY

(Messrs. Parekh & Co.)

BOMBAY, 18th *May*

With stiff attitude of growers, a very steady trend was evinced by Malabar pepper during the week. There being a scarcity of contracts, small enquiry was enough to push up prices. At Alleppey prices improved to Rs. 1,125 after a temporary reaction, while at Cochin garbled were quoted at Rs. 192.

New York, after haggling for a lower price, is reported to have paid $0.47 for afloat parcels, while May shipment was done at $0.46. The news of competitive selling in New York by Lampong and Sarawak has so far failed to have any adverse effect on our primary markets, as growers are reserved sellers in view of the present comfortable stock position on the coast.

Indian exporters, in general, are of opinion that the present selling by Lampong and Sarawak is only a passing phase; for, the former are selling their balance of old crop which is reported to be not more than a few hundred tons and the latter can only sell a small quantity for May and June shipments, because the quality of their new crop will not prove to be up to the mark of A.S.T.A. standard before the month of July. With the improvement in prices, holders of Lampong and growers in Sarawak are also likely to present a firm front as is usual in the pepper trade.

Indian growers along with important exporters are said to be bullishly inclined, as they think when prices advance to a level of Rs. 1,200, sellers may become all the more stiff. Conversely grinders in New York are likely to become aggressive buyers, when the spot price stabilises at round about $0.50.

In Bombay, May, June and July shipments are quoted at a flat rate of $0.46 to $0.47 with a few sellers, while June, July and August deliveries are quoted at Rs. 1,030-40, Rs. 1,030-40 and Rs. 1,020-30, respectively.

Following are today's nominal quotations:—

Ready delivery Rs. 140 (as against Rs. 140 a week ago) per Bengal maund, June Rs. 1,030-40 (Rs. 990-1,000), July Rs. 1,030-40 (Rs. 990-1,000) and August Rs. 1,020-30 per candy of 5¼ cwts.

HEAVY WITHDRAWALS IN TEA AUCTIONS

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 12th *May*

The offerings in sale No. 10 which was held on Tuesday, 10th May, amounted to approximately 1,625,000 lbs. With very little support from exporters and with the increased quantity of tea available, there was a poor demand and prices generally declined by As. 6 to As. 8 with very heavy withdrawals. Best liquoring and Middle East types received some competition at rates fully As. 4 lower, but F.Ps. and O.Ps. reflected the general drop in price. The following are the quotations:—

	1955			1954		
	Rs.	a.	p.	Rs.	a.	p.
Low-grown Travancore B.O.P.	1	9	0*	2	8	0
Medium Travancore B.O.P. ...	1	9	6*	2	8	9
Anamallais B.O.P.	2	0	0*	2	11	0
Best liquoring Nilgiri B.O.P.	2	7	3	3	0	0
Well made black leaf O.P. ...	2	10	0*	2	11	3

*Nominal.

London Market.—High-grown 2*d.* dearer. Medium and low-grown easier tendency.

Colombo Market.—Mediums continue neglected. Considerably improved demand. Best quality and Persian Gulf types dearer rates. Five millions offered.

Calcutta Market.—Fair general demand. Market As. 2 to As. 3 easier. C.T.C. and best liquoring sorts weakest feature.

Export Quota.—The special licence market again eased and business was done today at 21 pies. 1955-56 export quota, however, continues to have buyers at As. 4½.

Forthcoming Auctions.—Dust sale "J" will be held on Tuesday, 17th May, and sale No. 11 will be held on Tuesday, 31st May. Dust sale "K" will be held on Tuesday, 7th June.

At a meeting of the Committee of the Tea Trade Association of Cochin held on 12th May, it was decided to postpone leaf sale No. 11 advertised for Tuesday, 24th May, until Tuesday, 31st May. This decision was reached, in view of the heavy stock of tea lying unsold from sales 8, 9 and 10.

Dust sale "J" will be held, as advertised, on 17th May, but dust sale "K" will not be held until Tuesday, 7th June.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire as follows:—

"*Dust Sale J.*—420,000 lbs. Better demand. Well made and better liquoring sorts sold well at last rates. Others irregularly As. 4 easier."

ARGENTINA BUYS JUTE GOODS

(From Our Own Correspondent)

CALCUTTA, 17th *May*

At long last, Argentina appeared as a buyer of Indian hessians. This caused prices of both hessians and heavy goods to move up, and rumours that mills would have to curtail working hours were no longer in circulation. It was on Tuesday last that first indications were available that some business had already been put through with Argentina. Rates began to rise, and bears were busy with covering. By this time, Argentina had already commenced to negotiate for a further quantity, and on Friday it was definitely known that purchases during this week by Argentina had amounted to 59,500 metric tons, which will be shipped between now and December next. As stocks in that country are running low and as it has entered the market very late, the expectation in the market is that a good portion of the aforesaid quantity will be shipped in the near future. Shippers are expected to get busy soon, and sellers anticipate that shippers will turn to stockists to meet commitments. Sellers have already put on a reserved air. There were a good number of enquiries for heavy goods also, and during this month shipping of both hessians and sackings is expected to reach high levels. However, it has been unfortunate that prices are being pushed up, especially when everybody is aware that overseas buyers have been so far delaying showing interest only in an attempt to take prices down to more reasonable levels. This trend has already affected raw jute prices which are also moving up.

The need for an economic relation between the prices of raw jute and the finished products cannot be overemphasised. Overseas buyers of jute goods are reluctant to pay higher prices and if these go beyond the rates for substitutes, jute goods are priced out. In fact, consumption of packing materials all over the world is on the increase, and several countries have embarked on schemes of setting up jute mills. Nearer home, Pakistan has already established a few mills, and production is soon to be stepped up to 200,000 tons a year. As time goes on, East Bengal will increase its exports of raw jute, as it will have to feed most of the new mills that are being planned in the Middle East and Turkey. These considerations have not perturbed the local dealers as it is believed that there is plenty of raw jute in Pakistan.

Early in the week, jute goods were much depressed, and ready 40" 10 oz. hessians were priced as low as Rs. 42-13, and B. twills Rs. 113-4. This followed the announcement of the stock position of the I.J.M.A. mills as at the end of April, 1955, according to which hessians increased to 39,000 tons from 34,000 tons and sackings to 62,800 tons from 59,000 tons. In view of the rise in stocks with mills, fears of a possible reduction in mills' production were entertained, which, if materialised, would have only raised the prices of goods. It was at this stage, heavy goods were enquired at lower levels, and B. twills at Rs. 113-8 gained As. 4. The enquiries came from the Middle East and Africa. Simultaneously, indications were forthcoming of Argentina's definite interest in hessians, and the 40" 10 oz. consequently recovered to Rs. 43-1 from Rs. 42-13. Shippers showed keen interest even at the improved rates, and this was taken as confirmation of receipt of substantial orders from overseas. By Thursday, hessians 40" 10 oz. gathered strength to Rs. 43-10, and B. twills to Rs. 115-8. On Friday, Argentina's interest was fully confirmed, and the prices reached Rs. 44-4 and Rs. 116-12 respectively. Profit-taking intervened at this stage, and hessians gave way fractionally to Rs. 44-2 and B. twills to Rs. 116-4 by the week-end. Yesterday, B. twills spurted to Rs. 117-4, and the 10 oz. hessians at Rs. 44-4 recorded a gain of As. 2. The eight oz. was steady at Rs. 36.

Raw jute was also steady, and on support from mills prices hardened by 1 to 1½ points. Thus Assam Bottoms moved to Rs. 33 from Rs. 31-8. Business was also done in new crop, but near delivery was difficult. Most of the sellers booked business for delivery after August. It can now be said that not much is left of the old crop, and sellers are naturally reserved.

BASE METALS STEADY

(From Our Own Correspondent)

CALCUTTA, 17th *May*

Although the business that passed through the metal market during the week under review was insignificant, prices of base metals were held steady. Stockists of electrolytic copper were unable to quote firm rates, in view of the uncertainty caused in overseas markets following the fixation of prices at £280 a ton by the Rhodesian Selection Trust group in regard to copper from the mines of Roan Antelope and Mofulira as from 9th May. There is the provision for variation in price after one month from 9th May, at 24 hours' notice. The adjusted price will again remain in force for a definite period. In Calcutta, quotations were difficult, as stockholders were awaiting definite trends from overseas markets. The price of tin hardened from Rs. 485 to Rs. 495. This was so because of the difficult supply position. It was only recently the local quotation touched the replacement level, and this had enabled importers to enter into commitments. Some time would elapse before fresh supplies are received. The slow unloading of the imports that had reached Kidderpore Docks was also a cause for the upward movement. Antimony was priced at Rs. 167-8, with supplies being adequate to meet current needs. Mercury was steady at Rs. 1,255, although Bombay reported a higher price at Rs. 1,320. The cause for the higher level was the decline in stocks and speculators' desire to build up their holdings in view of the changing situation. Virgin lead was unchanged at Rs. 74. Demand was little, but ready metal was becoming difficult to find. Electrolytic zinc opened at Rs. 62 and moved to Rs. 62-4.

KIPS RECEDE

(From Our Own Correspondent)

MADRAS, 16th *May*

Arrivals of kips were on the usual scale, but clearance was restricted, due to lack of fresh buying orders from the U.K. Prices declined by six to nine pies per lb., but these are far above U.K. importers ideas. Arrivals of buffs were large, but selections poor. Tanned cow calf and buff calf superior marks were in good demand.

In the tanned skins London public auctions last week, prices of goat skins advanced by 6*d.* to 12*d.* on March levels, due to Continental support. Light weights, especially lower grades, were keenly competed for at 12*d.* to 18*d.* over March prices. It is believed that light weights will be in good demand and raw goat prices will rule firm in South India for some more time. Tanned Sheep auction reports on opening showed an advance of 3*d.* to 6*d.* and the sales have not yet concluded. In the local market, prices of goat and sheep skins remained steady and clearance by shippers was fair-sized.

FOODGRAINS BETTER

(From Our Own Correspondent)

HAPUR, 16th *May*

The foodgrains market ruled steady during the week and wheat prices for *dara* quality, after an initial rise from Rs. 9-14 to Rs. 10-8 during the mid-session, receded to Rs. 10-2 today. The fall in wheat prices was under pressure of heavy arrivals which mounted to an average of 4,000 maunds daily. Demand from consuming centres was very brisk and, after good offtake, the local stock here increased to 12 *khaties*, as against 5 *khaties* last week-end. Owing to an improvement in the ceiling price for average quality, the Government purchases of wheat were discontinued here and in other parts of the State, and the total quantity so far purchased on Government account all over the State is about 30,000 maunds. Rice prices continued steady at almost last week's levels and this may be accounted for by the fact that the demand is active due to the marriage season and the local stocks too are not very heavy.

Despite an increase of 7.4 per cent. in area at 19,577,000 acres and 11.3 per cent. in production at 4,559,000 tons, as revealed by all the second all-India estimate of gram for 1954-55, gram prices advanced during the week by As. 6 to Rs. 6-4 for local quality and to Rs. 6-14 per maund for punjab quality. Gram stock swelled to 5 *khaties*. Barley and *bejhar* prices also improved during the week and were today quoted at Rs. 5-8 and Rs. 5-4 per maund, respectively. Arrivals of new *bejhar* crop averaged 150 maunds daily and the seasonal demand was very good and the stock was estimated at 7 *khaties*. An appreciable rise in peas prices was another feature of trading in the week and peas average quality advanced to Rs. 5-14 per maund and fine quality to Rs. 7 per maund, as against Rs. 5-5 and Rs. 6-8, respectively, last week-end. The Government of India's announcement of fresh export quota of pulses also acted as a bullish factor. *Arhar* prices moved to Rs. 6-8 in sympathy with peas. Other pulses continued steady and the latest prevailing rates are: *Urd* green Rs. 10-8, black Rs. 12-4, *moong* Rs. 7-12 to Rs. 8-4 and *masoor* Rs. 6-4 per maund.

Pulses futures initially advanced during the week, but, at a later stage receded slightly, due to profit-taking at the highest level. Peas *jeth* was quoted today at Rs. 5-11-6, *arhar jeth* at Rs. 6-8, peas *bhadon* at Rs. 5-13-9 and *arhar bhadon* at Rs. 6-7-6, as against Rs. 5-6-6, Rs. 6-6-3, Rs. 5-8-9 and Rs. 6-5-9 respectively, on the 9th inst.

SUGAR IMPROVES

(From Our Own Correspondent)

HAPUR, 16th *May*

Revival of demand from consuming centres, including Saurashtra and Bombay side, resulted in a small advance of mill delivery prices for sugar during the week. The sugar mills in west U.P. are still getting enough cane and the season is expected to continue up to the end of the month. The aggregate output of sugar which had been estimated at 1.4 million tons sometime ago is now estimated to touch an all-time record of 1.6 million tons. Reports of increased sowings for the next season continue to pour in. The latest mill delivery rates for sugar are: Jaswant Rs. 29-4, Simbhaull Rs. 29-4, Mowana Rs. 29-6, Daurala Rs. 31-4, Amroha Rs. 28-8, Bijnore

(*Continued on page* 1007)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	6th May, 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,329.26	1,310.77	1,322.77	1,233.75
Notes held in Banking Department	35.06	10.54	31.22	8.42	12.14
Foreign Securities	59.50	661.98	661.98	651.97	688.15
Rupee Securities	37.39	633.71	633.75	533.75	421.22
Banking Department					
Deposits of:					
Government of India	14.89	50.09	51.02	57.81	34.76
Other Governments	..	23.21	25.00	30.16	21.04
Balances held abroad	10.08	58.76	53.19	73.96	65.25
SCHEDULED BANKS					
Demand Liabilities	134.36	580.95	590.39	584.33	523.34
		(8.23)†	(9.50)†	(9.38)†	(7.25)†
Time Liabilities	102.24	383.80	383.70	378.90	329.15
		(2.10)†	(2.20)†	(1.41)†	(1.44)†
Borrowings from Reserve Bank	..	32.29	26.92	21.35	54.12
		(29.94)‡	(24.84)‡	(16.85)‡	(29.86)‡
Borrowings from Imperial Bank	..	6.74	4.97	7.92	16.37
Cash in India	6.70	34.12	34.13	34.77	32.32
Balances with Reserve Bank	25.17	46.21	46.61	47.39	37.65
Excess over statutory limits	15.52	9.49	10.42	10.60	10.54
Balances with other banks in current account in India	..	10.14	10.16	11.32	9.23
Money at call and short notice in India	..	15.16	17.11	13.50	10.57
Investments (at book value)	..	344.73	344.40	342.37	323.25
Advances and bills	105.09	626.49	623.90	631.11	567.20*
IMPERIAL BANK					
Deposits	37.76	215.18	217.09	223.35	206.99
Investments	31.99	102.81	103.32	104.24	93.28
Advances	30.35	127.34	125.95	127.75	133.43
Cash	14.69	17.09	17.56	14.14	14.42

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes foreign bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	Week ended 13th May, 1955		Week ended 6th May, 1955	
	Number of Cheques	Amount	Number of Cheques	Amount
		Rs.		Rs.
Bombay	2,53,012	59,46,39,000	2,80,281	62,69,37,000
Calcutta	1,52,693	46,39,31,939	1,57,420	65,44,97,798
Madras	85,005	7,40,95,653	78,574	7,64,73,354
All Centres—1955	..	..	1,14,82,214	26,45,06,08,000
1954	..	..	3,40,72,000	70,84,29,00,000
Jan., 1955	..	..	29,43,000	6,23,74,00,000
Feb., ,,	..	..	25,78,000	6,20,87,00,000

Reserve Bank of India

Statement of Affairs for the week ended 13th May, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	51,92,80,000
(2) Other Governments	19,24,49,000
(b) Banks	47,98,52,000
(c) Others	22,34,10,000
Bills Payable	3,88,04,000
Other Liabilities	32,96,51,000
Rupees	188,32,46,000

ASSETS	Rs.
Notes	5,51,70,000
Rupee Coin	9,17,000
Subsidiary Coin	5,77,000
Bills Purchased and Discounted—	
(a) Internal	53,80,000
(b) External	..
(c) Government Treasury Bills	11,16,49,000
Balances held abroad*	52,07,27,000
Loans and Advances to Governments	30,00,000
Other Loans and Advances	44,52,40,000
Investments	41,47,21,000
Other Assets	29,08,65,000
Rupees	188,32,46,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 33,43,00,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 99,08,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,51,70,000	
Notes in circulation	1331,09,40,000	
Total Notes issued		1339,61,10,000
Total Liabilities	....	1339,61,10,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	661,97,61,000	
Total of A		701,99,32,000
B. Rupee Coin		103,90,42,000
Government of India Rupee Securities		533,71,36,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1339,61,10,000

Ratio of Total of A to Liabilities: 52.403 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 6th May, 1955

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India	8,22,65,000†
(ii) Other demand liabilities	572,72,17,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India	2,09,54,000†
(ii) Other time liabilities	381,70,60,000
3. Borrowings in India from the Imperial Bank of India:	
(i) Demand liabilities	6,73,74,000
(ii) Time liabilities	58,000
4. Cash in India	34,11,69,000
5. Balances with the Reserve Bank in India	46,21,27,000
6. Balances with other banks in current account in India	10,18,78,000
7. Money at call and short notice in India	15,15,05,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	344,73,22,000
9. Advances in India	505,96,95,000
10. Inland Bills purchased and discounted in India	82,73,01,000
11. Foreign Bills purchased and discounted in India	37,79,27,000

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

EXCHANGE RATES

	16th May, 1955	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	1-5 13/16	1-5 13/16
Buyers T.T. spot to nine months	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	1-6 3/16	1-6 3/16
Bombay on New York—		
Sellers T.T. D.D. Rs.	479	475¾
Buyers T.T. Rs.	474¾	474¼
London on New York $	2.79½-2.80	2.79½-2.80
London on Paris Fcs.	980-981	982-982½
London on Berne Sw. Fcs.	12 21/16-12 2/16	12 2/16-12 2/16
New York on London $	2.79½-2.80	2.79½-2.79½

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	'55-'54	378.37	..	10,600	283.9
Pakistan	1949	75.04	..	1,671	222
Burma	1952	18.86	Kyats 3,556	356	186
Ceylon	1953	8.16	..	443	541
Japan	1952	85.50	Y. 5,288,400	7,014	820
Philippines	1955	21.02	Pe. 7,275	1,564	767
New Zealand	1952	2.06	£ (N.Z.) 727	969	4,727
Australia	1952	9.18	£ (A) 3,821	3,341	4,207
U.K.	1952	50.86	£ 14,719	19,635	3,858
U.S.A.	1953	159.63	$ 305,000	146,790	9,196
Canada	1952	14.78	$ 19,043	8,407	5,688
France	1952	42.45	F.Fr. 10,197,000	14,018	3,281
W. Germany	1952	48.99	Dm. 108,000	11,705	2,389
Italy	1952	47.02	Lr. 2,907,000	4,523	1,452
Norway	1952	3.26	Kr. 16,561	1,132	3,369
Sweden	1952	7.17	Kr. 24,957	3,422	4,773
Netherlands	1952	10.49	Grs. 19,350	3,451	3,245
Denmark	1952	4.37	Kr. 22,484	1,551	3,572
Switzerland	1952	4.88	Sw.Fr. 20,800	2,358	4,884

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, September, 1954.
† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 6th May, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits—	
(a) Central Government	16,79,59,000
(b) Provincial Governments	3,44,19,000
(c) Banks	13,59,42,000
(d) Others	3,93,65,000
Bills Payable	8,92,000
Other Liabilities	3,49,77,000
Rupees	47,65,44,000

ASSETS	Rs.
Notes	7,35,75,000
Rupee Coin	6,000
Subsidiary Coin	14,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	11,36,000
Loans and Advances to Governments	4,86,00,000
Provincial Governments' Debtor Balances	2,22,55,000
Other Loans and Advances	8,52,10,000
Investments	15,50,20,000
Other Assets	9,29,19,000
Rupees	47,65,44,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,53,75,000	
Notes in circulation	245,92,93,000	
Total Notes issued		253,46,68,000
Total Liabilities		253,46,68,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	40,18,01,000	
Government of India Securities	21,41,41,000	
India Notes representing assets receivable from the Reserve Bank of India	29,97,64,000	
		99,42,48,000
B. Rupee Coin	4,31,08,000	
Government of Pakistan Securities	145,47,87,000	
Internal bills of exchange and other commercial paper	....	
		149,78,45,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,21,000	
		4,24,75,000
Total Assets		253,46,68,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 40.79 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	3rd June, 1954	5	4½
Belgium	29th Oct., 1953	3	2½
Bolivia	30th Sept. 1950	5	6
Canada	15th Feb., 1950	2	1½
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1938	6	4
Costa Rica	1st Feb., 1950	5	4
Denmark	22nd June, 1954	4½	5½
Ecuador	13th May, 1948	8	10
Egypt	20th Nov., 1952	3½	3
El Salvador	22nd May, 1950	4	3
Finland	16th Dec., 1951	7½	8½
France	2nd Dec., 1954	2½	3
Greece	1st Jan., 1954	12	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	2
Ireland	25th Mar., 1953	3½	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	6.11	6.84
Mexico	4th June, 1942	4	4½
Netherlands	7th April, 1953	3	2½
New Zealand	26th Nov., 1954	3½	4
Norway	14th Feb., 1953	3½	3½
Pakistan	1st Apr. 1948	3	3
Peru	13th Nov., 1947	5	6
Portugal	12th Jan., 1944	3	2½
South Africa	27th Mar., 1952	3½	4
Spain	1st July, 1954	4	4½
Sweden	16th April, 1953	2½	3½
Switzerland	26th Nov., 1936	1½	1½
Turkey	26th Feb., 1951	2	1½
United Kingdom	24th Feb., 1955	3½	4½
U.S.S.R.	1st July, 1936	6	4
U.S.A.	16th April, 1954*	1½	1½
West Germany	5th May, 1954	3½	3

* Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	February, 1954	February, 1955	Eleven months, April to Feb., 1953-54	Eleven months, April to Feb., 1954-55
Import Duties:				
Revenue	10.38	12.29	102.65	124.48
Protective	0.45	0.46	5.56	5.77
On surplus disposals	—	—	0.20	0.12
Total import duties	10.83	12.75	108.41	131.33
Export Duties	3.41	4.22	35.86	27.05
Land Customs	0.11	0.13	1.70	1.69
Miscellaneous	0.05	0.10	0.96	1.00
Gross total customs	18.41	17.19	146.93	171.07
Refunds and drawbacks	0.18	0.19	1.77	1.46
Net Customs	18.23	17.00	144.86	169.61
Gross excise	7.50	9.26	84.98	94.38
Refunds	0.08	0.15	0.80	1.70
Net Excise	7.42	9.11	84.08	92.68
Net total of customs and excise†	20.70	26.11	228.94	262.27

† Net Customs plus net Excise.

Imperial Bank of India

Statement of Affairs for the week ended 13th May, 1955

CAPITAL AND LIABILITIES	Rs.	Rs.
Capital—		
Authorised Capital— 2,25,000 shares of Rs. 500 each	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		5,62,50,000
Deposits and other Accounts		6,35,00,000
Borrowings from other Banking Companies		212,95,71,000
Bills Payable		15,50,00,000
Bills for Collection being Bills Receivable as per contra		7,01,57,000
Acceptances, Endorsements and Other Obligations as per contra		41,08,000
Other Liabilities (including Inter-Office Adjustments)		38,000
Total	Rs.	4,70,39,000
		252,87,58,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		14,01,55,000
Balances with other Banks		8,00,04,000
Money at Call and Short Notice		1,12,33,000
Investments— Government and other Trustee Securities	90,04,18,000	
Other Authorised Investments	11,19,79,000	
		102,13,97,000
Advances— Loans, Cash Credits and Overdrafts, etc.	94,84,54,000	
Bills Discounted and Purchased	32,00,85,000	
		126,25,39,000
Bills Receivable being Bills for Collection as per contra		7,01,57,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		41,08,000
Premises less Depreciation		38,000
Furniture and Fixtures less Depreciation		1,30,85,000
Other Assets (including Inter-Office Adjustments)		48,55,000
Total	Rs.	252,87,58,000

SMALL SAVINGS

POSTAL SAVINGS@ (In lakhs or rupees)

	National Savings Certificates 5-Year† Outstandings*	5-Year† Receipts	7-Year†† Outstandings*	7-Year†† Receipts	15-Year Outstandings*	15-Year Receipts	Savings Bank Deposits Outstandings*	Savings Bank Deposits Receipts	Cash Certificates and Defence Savings Certificates and Defence Savings Bank Deposits Outstandings‡	2½% Ten-Year Treasury Savings Deposit Bills Certificates§ Receipts	Outstandings*	10-Year National Plan Certificates‡ Receipts	Outstandings*
1953-54	6,83	66	2,24	23,66	54,17	1,18,55	97,08	— 31,07	7,55	25,64			
1954-54	5,91	1,50	4,26	36,54	1,04,52	1,17,37	1,06,29	— 34,01	6,94	32,11			
1954-55	..	..	..	..	..	..	..	..	5,57	37,15			
February 1954	6,02	11	2,99	2,12	1,03,09	9,49	1,01,89	— 32,97	54	31,78			
March	5,91	46	4,26	3,05	1,04,52	16,29	1,06,29	— 34,20	44	32,11			
April	5,81	11	4,29	2,18	1,05,84	10,70	1,07,51	— 34,40	44	32,77			
May	5,71	10	4,21	1,71	1,07,08	10,08	1,07,13	— 34,57	54	32,32			
June	5,62	9	4,22	1,29	1,08,40	10,46	1,08,22	— 34,74	54	32,38			
July	5,47	12	4,29	2,27	1,10,19	11,40	1,11,02	— 34,96	39	32,61	54		54
August	5,36	12	4,39	2,17	1,11,88	10,22	1,12,07	— 35,17	46	34,08	69		69
September	5,24	10	4,51	2,44	1,12,76	10,22	1,14,25	— 35,34	46	34,44	76	1,50	1,50
October	5,16	11	4,57	1,90	1,13,08	8,86	1,14,06	— 35,51	54	34,94	1,17	3,63	3,63
November	5,06	12	4,64	2,25	1,13,76	10,24	1,14,21	— 35,69	43	35,32	60	4,05	4,05
December	4,96	11	4,66	2,34	1,13,40	11,36	1,13,54	— 35,87	37	35,54	55	4,44	4,44
January, 1955	4,83	14	4,76	2,45	1,20,22	10,51	1,20,10	— 36,03	40	35,98	57	5,22	5,22
February	4,61	12	4,79	2,27	1,21,58	11,13	1,22,33	— 36,19	43	36,37	54	5,70	5,70
March	..	..	..	..	..	..	..	..	47	36,74	48	6,32	6,32
									47	37,15	..	6,51	6,51

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† With effect from 1st June, 1948. †† Issued from 1st June, 1948. § Issued from 1st February, 1951. ‡ Issued from 1st June, 1948 to 30th June 1955. †† Issued from 1st June, 1948. § Issued from 1st February, 1951. ‡ Issued from 1st June, 1948 to 30th June 1955.
@ Figures from 1948-49 rebate to the Indian Union. Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 8-5-'54	9-4-'55	30-4-'55	7-5-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.2	90.5	90.6	90.6
1. Government of India	90.1	90.4	90.4	90.5
2. Indian States	95.7	96.1	96.1	96.2
3. Municipal, Port Trust, etc.	89.2	89.3	89.3	89.3
DEBENTURES OF INDUSTRIAL CONCERNS	101.0	100.8	100.8	100.6
1. Electricity	102.1	102.0	102.0	102.0
2. Jute	98.8	98.8	98.8	98.8
3. Plantations	99.6	99.6	99.6	99.6
4. Sugar	100.3	99.0	99.0	99.0
5. Cotton	90.6	90.6	90.6	90.6
6. General Engineering	101.0	100.6	100.6	100.6
7. Shipping	102.3	100.2	100.2	100.2
8. Others	100.7	100.5	100.5	100.6
PREFERENCE SHARES	98.1	97.7	97.8	98.0
1. Electricity	94.9	97.5	97.9	98.1
2. Cotton	84.3	78.5	78.5	78.7
3. Jute	88.2	85.9	86.5	86.7
4. Coal	90.2	91.7	92.0	92.2
5. Iron and Steel	92.2	90.1	90.6	90.8
6. Sugar	75.9	84.2	83.3	83.3
7. Paper	87.8	88.0	88.8	89.3
8. Plantations	96.1	96.1	97.9	97.9
9. Miscellaneous	85.5	84.9	86.1	86.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	104.3	115.8	114.7	113.8
1. Bombay	88.3	87.8	88.8	88.1
2. Calcutta	87.0	84.6	84.8	84.9
3. Madras	100.7	100.4	100.7	100.1
4. Delhi	78.3	94.4	93.0	90.3
(b) Public Utilities	113.1	114.6	114.5	113.8
1. Electricity	119.6	124.4	123.6	122.8
2. Coal	105.0	98.6	99.0	99.1
3. Plantations	87.6	89.3	89.7	89.9
(c) Manufacturing Industries	108.2	118.1	118.9	117.2
1. Cotton, Woollen and Silk	102.8	103.6	103.6	104.0
2. Jute	92.3	99.6	98.4	97.4
3. Iron and Steel	130.8	147.4	143.2	142.3
4. Paper	195.4	225.1	225.1	225.1
5. Cement	126.6	148.0	148.7	148.5
6. General Engineering	139.8	170.4	168.5	167.7
7. Sugar and Breweries	92.2	99.0	97.5	97.6
8. Chemicals	112.6	135.0	130.4	131.0
(d) Non-Manufacturing Industries	112.3	164.1	158.3	153.2
1. Coal	77.9	77.6	76.6	77.1
2. Mining and Oil	164.9	195.2	183.2	185.3
3. Plantations	111.5	192.5	196.4	185.2
(e) Miscellaneous	95.0	95.7	96.8	96.1
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.7	90.0	90.1	90.1
1. Bombay	90.1	90.4	90.5	90.6
2. Calcutta	90.5	90.8	90.9	90.9
3. Madras				
DEBENTURES OF INDUSTRIAL CONCERNS	100.9	99.1	99.2	99.2
1. Bombay	101.8	101.3	101.3	101.3
2. Calcutta	100.0	100.4	100.5	100.4
3. Madras				
PREFERENCE SHARES	92.3	91.9	92.2	92.4
1. Bombay	84.9	83.0	83.5	83.6
2. Calcutta	90.0	94.4	95.4	95.4
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	114.6	117.5	116.4	116.0
1. Bombay	96.3	110.3	109.8	109.2
2. Calcutta	101.2	110.3	109.9	109.4
3. Madras	107.0	118.8	119.0	115.3
4. Delhi	..	..	..	..

Source: Department of Research and Statistics, Reserve Bank of India.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1951	1,071	661,321	3,515,925
1952	963	608,242	3,836,061
1953	772	456,807	3,372,630
1954	840	477,135	3,573,630
January 1953	85	42,852	244,414
February ,,	68	28,477	159,411
March ,,	67	38,521	216,307
April ,,	72	49,182	318,953
May ,,	88	38,617	276,216
June ,,	99	50,857	253,279
July ,,	87	48,066	191,122
August ,,	74	35,063	225,154
September ,,	106	44,863	447,378
October ,,	101	50,211	407,116
November ,,	88	41,481	345,311
December ,,	81	40,780	479,355
January 1954†	84	51,972	325,814
February ,,	85	41,351	344,598
March ,,	91	34,808	231,419
April ,,	101	34,963	207,247
May ,,	80	40,078	216,062
June ,,	82	21,589	206,078
July ,,	122	30,189	277,192
August ,,	79	31,090	292,887
September ,,	97	50,414	383,978
October ,,	88	41,724	276,594
November ,,	62	25,115	229,701
December ,,	101	54,455	292,763
January 1955	87	47,694(a)	320,651(b)

† Figures for 1954 are provisional. * Revised.
(a) Not known in 3 cases. (b) Not known in 4 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Consumers	Units generated‡	Units Sold
1948-49	489	4,681.1	3,777.7
1949-50	614	6,201.4	5,124.3
1953-54	845	8,876.3	8,016.7
September 1953	832	578.5	464.1
October ,,	834	583.1	464.7
November ,,	837	563.1	454.9
December ,,	840	608.6	486.0
January 1954	840	586.7	471.6
February ,,	843	541.4	433.5
March ,,	851	589.3	474.2
April ,,	860	629.4	510.3
May ,,	866	633.4	515.8
June ,,	868	635.0	510.5
July ,,	867	647.6	522.3
August ,,	860	636.0	511.5
September ,,	860	590.5	484.6
October ,,	874	564.5	456.9
November ,,	879	558.5	453.7
December ,,	884	603.5	545.2
January 1955	..	..	..

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	30th April, 1955	23rd April, 1955	1st May, 1954	March, 1955	March, 1954	Percentage of increase (+) or decrease (—) in Mar., 1955 as compared with Mar., 1954	Financial Year Average 1953-54	Financial Year Average 1954-55
Food Articles	274.9	27.97	372.7	297.0	371.4	—20.0	384.4	339.8
Cereals	314	324	417	339	429	—21.0	451	381
Pulses	212	211	373	229	262	—36.7	450	280
Other	230	230	305	249	289	—13.4	278	291
Industrial Raw Materials	393.1	392.9R	473.5	412.7	462.5	—10.8	432	437
Fibres	425	430	465	452	447	+ 1.1	574	424
Oil seeds	325	319R	523	338	513	—34.1	449	422
Minerals	423	417	431	417	444	— 6.1	375	427
Others	445	449	404	480	405	+18.15		
Semi-Manufactures	358.5	327.0	385.0	333.5	355.	— 6.3	359.2	350.3
Leather	390	395	375	390	388	+ 0.5	403	376
Mineral oils	221	221	221	221	221		224	221
Vegetable oils	331	329	514	354	476	—25.6	534	433
Cotton yarn	429	429	462	440	449	— 2.0	442	454
Metals	244	245	240	242	238	+ 1.7	229	240
Oil cakes	300*	300*	227	447	234	—31.6	438	381
Others	329	329	305	323	306	+ 8.8	281	312
Manufactured Articles	374.4	375.5R	383.9	378.3	373.9	+ 0.8	367.4	377.3
Textiles	416	418	431	419	416	+ 0.7	405	421
Jute	439	451	445	458	424	+10.4	408	445
Cotton	407*	407*	419*	408*	409*	— 0.2	406*	415
Rayon and Silk	484*	484*	562*	468*	499*	— 6.2	451*	469*
Woollen	310	310	318	310	318	— 1.0	314	311
Metal products	340	340	340	340	337	+ 0.9	337	340
Others	287	287	289	287	286	+ 0.3	255	256
Miscellaneous	537.9	538.6	695.3	553.3	689.0	—19.4	689.0	612.4
All Commodities	340.6	342.4R	401.0	353.8	394.0	—10.2	397.5	377.4

R=Revised. * Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

Year ended August, 1939=100

	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugarcane	Gur	Tobacco	Raw cotton	Raw jute	Groundnuts	Linseed	Coal†	Jute manufactures	Cotton manufactures	Iron and steel
1954																		
January	478	601	222	291	355	545†	570†	289	250†	1177	458†	421	406	425	257	422	397	270
February	486	581	204	265	340	490	569†	294	220	1177	436†	404	396	401	257	437	403	278
March	486	584†	208	237	315	549†	547†	294	228	1177†	479	389	396	377	257	424	409	270
April	456	547	208	222	321

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop		Acreage 1953-54 Final	Acreage 1952-53 Final	Outturn 1953-54 Final	Outturn 1952-53 Final
Rice 2nd	tons	68,502†	71,224†	21,592‡	23,455†
Wheat	,,	26,098	24,285	7,722	7,853
Jowar (2nd)	,,	41,425‡	41,376†	5,998‡	5,535†
Bajra	,,	28,820	26,550	4,246	3,150
Barley	,,	8,190	8,010	2,721	2,549
Maize	,,	8,892	8,897	2,854	2,823
Ragi	,,	5,472	5,428	1,564	1,238
Small Millets	,,	13,167	12,431	2,158	1,966
Total cereals	,,	210,565	208,149	58,780	49,108
Gram/	,,	176,077	170,854	45,617	38,871
Kheri/	,,	84,288	82,295	10,518	10,232
Kharif pulses @	,,	14,935‡	15,192†	1,497‡	1,543†
Tur (2nd)	,,	5,630‡	5,695†	1,782‡	1,809†
Gram (2nd)	,,	19,577‡	18,229†	4,550‡	4,095†
Other Rabi Pulses*	,,	11,130	11,185	2,078	2,048
Jute	bales	1,273‡	1,194†	3,153‡	3,179†
Cotton (4th)	,,	17,455‡	16,224†	4,069‡	3,868†
Sugarcane (2nd)	tons	3,617‡	3,505†	4,749‡	4,209†
Groundnut	,,	12,647‡	10,859†	3,823‡	3,573†
Linseed	,,	2,268	2,295	858	859
Castorseed	,,	1,273‡	1,275†	112‡	105†
Rape and Mustard Seed	,,	5,873	5,199	838	837
Sesamum (3rd)	,,	5,261‡	6,079†	567‡	584†
Total oilseeds	,,	27,598	27,661	5,591	4,646
Tobacco	,,	890	895	256	241
Black Pepper	,,	209	205	22	22
Ginger	,,	47	46	15	14
Dry Chillies	,,	1,326	1,285	310	284
Potato (2nd)	,,	645	633	1,657	1,698

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (gur).
* Excluding gram and Tur. @ Excludes Tur.
‡ Relates to 1954-55. † Relates to 1953-54.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During April, 1955	85.7
	Corresponding month, 1954	74.9
	Ten months ended April, 1955	836.1
	Corresponding period, 1954	719.8
Stocks	At the end of April, 1955	108.4
	Corresponding month, 1954	91.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 9th April, 1955	13,377
	Corresponding week, 1954	10,651
	From 1st to 9th April, 1955	108,718
	Corresponding period, 1954	104,423
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 9th April, 1955	67,514
	Corresponding week, 1954	85,102
	From 1st to 9th April, 1955	817,519
	Corresponding period, 1954	885,727
	RAW JUTE	(In 000 bales)
Consumption by Mills†	April, 1955 (in lakh bales)	4.97
	Corresponding month, 1954	4.85
	Ten months ended April, 1955	48.50
	Corresponding period, 1954	41.72

* From Calcutta. † Estimated. R=Revised.

IRON AND STEEL PRODUCTION

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co. Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,300	7,80,000
Do. 31st March, 1955	11,54,400	10,42,900	7,51,200
December 1953	1,01,400	95,100	71,700
January 1954	1,06,800	99,800	71,400
February ,,	92,700	84,500	65,300
March ,,	94,600	89,700	65,000
April ,,	88,200	77,500	54,800
December ,,	1,06,600	95,000	78,800
January 1955	1,02,500	95,800	72,200
February ,,	98,500	84,500	68,900
March ,,	95,000	89,300	66,100
April ,,	95,100	88,000	66,200
Indian Iron and Steel Co. Year ended 31st March, 1953	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954	5,80,020	3,49,980	2,92,440
Do. 31st March, 1955	7,15,949	5,28,240	4,59,093
April 1953	52,210	30,980	19,000
May ,,	57,810	32,850	19,700
June ,,	56,780	32,940	13,020
Three months ended Sept., 1953	68,890	18,350	11,640
Dec., 1953	1,81,680	1,15,800	1,06,940
Three months ended Mar., 1954	1,57,750	1,28,810	1,16,940
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
Three months ended Sept., 1954	1,80,018	1,29,741	1,12,561
,, ,, Dec., 1954	1,88,068	1,34,801	1,20,814
,, ,, Mar., 1955	1,65,108	1,48,828	1,18,188

FOREIGN TRADE OF INDIA

Particulars	February, 1954	February, 1955	Eleven months, April to Feb., 1953-54	Eleven months, April to Feb., 1954-55
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air— Foodstuffs	3.61	12.20	91.20	94.26
Raw materials	12.28	16.47	155.17	178.90
Manufactures	22.77	27.70	250.03	276.44
Other Items	.84	.9	5.63	2.47
Total	39.00*	56.46*	500.03*	547.07*
By land	1.52	2.69	21.42	20.38
Total Imports	40.52	59.15	521.45	567.95
Exports:				
By sea and air— Foodstuffs	11.14	17.66	142.81	188.60
Raw materials	8.11	10.91	97.78	102.65
Manufactures	20.13	20.58	229.24	230.60
Other Items	.40	.35	4.03	4.42
Total	39.78	49.47	473.86	526.27
By land	.56	.48	6.68	5.18
Total Exports	40.34	49.95	480.04	531.45
Total Re-exports	.41	.40	4.38	4.69
Balance of trade in merchandise	— .46	— 8.81	— 45.69	— 32.08
Balance of transactions in private treasure	— .1	— .1	.9	— .2
Total visible balance of trade	— .46	— 8.82	— 45.78	— 32.10
Imports ‡:				
Total C'wealth countries	17.56	28.81	241.02	234.70
Total Foreign countries	21.44	32.65	259.01	312.37
Exports ‡:				
Total C'wealth countries	21.86	26.68	245.42	296.67
Total Foreign countries	17.92	22.79	227.94	230.60

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

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (In thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1952-1953	1,168	34,406	128,778	28,539	11,418	2,635	949	171	169	209	169	297
1953-1954	1,179	35,215	129,009	29,265	11,186	2,518	921	154	158	188	190	343
December 1953	93	2,747	10,990	2,476	959	210	59	16	14	18	14	23
January 1954	94	2,781	11,281	2,531	944	202	94	17	20	16	15	32
February ,,	101	2,157	10,313	2,274	1,018	179	76	18	16	14	14	30
March ,,	105	2,325	14,383	3,305	1,018	215	83	17	18	18	18	34
April ,,	106	3,198	9,923	2,275	958	211	83	20	15	10	15	34
May ,,	111	3,437	10,220	2,341	982	215	78	14	15	10	13	32
June ,,	..	..	..	..	909	210	71	10	13	7	16	32
July ,,	..	..	..	..	935	234	76	11	10	7	18	34
August ,,	..	..	..	..	935	245	79	11	9	7	11	31
September ,,	..	..	..	..	914	241	66	11	9	12	12	31
October ,,	..	..	..	..	938	241	65	12	10	19	15	33
November ,,	..	..	..	..	991	226	73	15	12	25	9	34
December ,,	..	..	..	..	1,064	229	70	20	14	21	10	36
January 1955	..	..	..	..	1,062	223	74	20	17	19	15	35

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway.
† Progressive figures.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island— Cotton Receipts	Week ended 12th May, 1955	59,319
	Corresponding week, 1954	51,240
	1st Sept., 1954 to 12th May, 1955	1,368,338
	Corresponding period, 1953-54	1,424,858
Cotton Exports	Week ended 12th May, 1955	14,969
	Corresponding week, 1954	7,484
	1st Sept., 1954 to 12th May, 1955	262,635
	Corresponding period, 1953-54	231,589
Mill Consumption	1st Sept., 1954 to 12th May, 1955	890,421
	Corresponding period, 1953-54	879,830
Stock (with exporters, dealers and mills) in Bombay	On 12th May, 1955	661,960
	Corresponding date, 1954	679,296
Cotton Exports from Bombay (by sea)	During January, 1955	28,185
	1st Sept., to 31st Jan., 1955	129,885
	1st Sept., to 31st Jan., 1954	122,509
Karachi (Pakistan)— Receipts	1st Sept., 1954 to 28th April, 1955	1,158,288
	Corresponding period, 1953-54	1,334,928
Exports	1st Sept., 1954 to 28th April, 1955	513,849
	Corresponding period, 1953-54	866,216

Particulars	From 1st Sept., 1954 to 16th May, 1955 Bales	From 1st Sept., 1953 to 16th May, 1954 Bales
From Bombay Cotton Exports to— United Kingdom	28,417	12,561
Continent	39,505	22,759
Hongkong	3,379	251
China	..	..
Japan	74,986	59,321
U.S.A.	16,193	12,428
Other Countries	1,450	1,452
Total to all foreign countries	158,890	108,850
Coastal Ports	106,897	124,476

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	February, 1955	322,573
Foreign		24,051
Indian	Six months ended Feb., 1955	3,022,925
Foreign		344,791
Indian	Same Period 1954	1,949,766
Foreign		241,074
Stocks (Mills and Elsewhere)— Indian	As on 28th February, 1955	1,161,158
Foreign		185,385
Indian	As on 28th February, 1954	1,032,118
Foreign		146,158
Cotton Pressed in India † (in running bales)	Week ended 6th May, 1955	105,574
	Corresponding week, 1954	98,982
	1st Sept., 1954 to 6th May, 1955	3,105,645
	Corresponding period, 1953-54	3,204,806

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	100¾
2½% Bonds	1926-52	63,80,56,000	1960-70	101⅜
3% Loan	1938-39	1,16,17,46,000	1953-65	94
3% Loan	1950	80,83,10,000	1954	96
3% Loan	1948	1,10,11,78,000	1966-68	90½
3% Loan	1944	1,14,06,89,000	1957	89
3% V. Loan	1945	1,15,06,82,000	1970-74	87¾
3% Loan	1946	1,13,65,64,000	1959-61	97½
3% Loan	1951	50,26,62,000	1958	96
2½% Loan	1946	45,55,07,000	1960	94
2½% Loan	1946	57,00,69,000	1961	92
2½% Loan	1946	14,77,48,000	1976	92
2½% Loan	1947	75,56,72,000	1962	92
2½% Loan	1948	60,45,01,000	1955	99⅜
2½% Loan (N.P. Bonds)	1953	75,00,00,000	1961	99⅜
2½% N.P. Loan	1954	156,75,00,000	1964	98½
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,03,36,000	At option of Government after three months' notice. On September, 1966 or later at option of Government after three months' notice.	80½
3% Loan	1946	248,91,90,000		80½
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,20,000	1958-68***	108⅜
PROVINCIAL LOANS				
3% Bombay	1942	3,54,22,300	16th Sept. 1955	99½
3% Bombay	1943	3,50,00,000	14th Sept. 1956	99½
3% Bombay	1944	3,44,00,000	16th Sept. 1958	97½
3% Bombay	1949	6,00,15,000	1st Aug. 1962	99½
3% Bombay	1950	3,01,87,000	21st July 1960	94½
3% Bombay	1951	3,04,06,900	17th Sept. 1963	98
3% Bombay	1953	5,00,00,000	15th July 1963	101½
4% Bombay	1952	3,66,72,700	1st Aug. 1956	101½
3% Cochin	1948	1,00,00,000	16th Dec. 1955-58	98½
2½% Cochin	1936	70,09,000	1st June 1956-61	99½
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95½
3% Madras	1939	1,23,95,600	21st June 1959	94
3% Madras	1942	1,23,25,000	18th Sept. 1956	99½
3% Madras	1944	1,25,10,000	16th Sept. 1958	99½
3% Madras	1944	1,07,95,000	16th Aug. 1958	98
3% Madras	1945	2,78,44,000	14th Sept. 1960	94½
2½% Madras	1946	2,81,77,500	1st Sept. 1961	91½
3% Madras	1950	4,88,25,400	21st July 1964	94
3½% Madras	1951	3,01,49,300	17th Sept. 1963	98
4% Madras	1952	3,00,00,000	15th July 1962	100⅜
4% Madras	1953	5,24,81,200	1st Aug. 1964	100½
5% Mysore (S)	1930	1,63,44,300	1st Nov. 1955	101½
4½% Mysore (S)	1935	2,98,58,800	1st Dec. 1955-62	101½
4% Mysore (S)	1936	5,99,72,900	30th April 1956-61	99½
3% Mysore	1947	5,08,06,700	25th Jan. 1958	99½
4% Mysore	1953	5,00,00,000	15th July 1963	100-1½
3% M.P.	1942	50,00,000	18th Sept. 1955	99½
3% M.P.	1943	50,84,200	14th Sept. 1956	98½
3% M.P.	1944	52,60,500	16th Aug. 1958	97
3% M.P.	1949	2,08,00,000	15th Sept. 1964	92½
3% M.P.	1950	1,00,28,800	21st July 1960	94
3% M.P.	1951	1,00,00,000	17th Sept. 1963	97½
4% M.P.	1953	1,00,00,000	16th July 1968	100
4% Punjab**	1939-44	2,48,87,800	15th Aug. 1958	98 N
3% Punjab**	1942	2,82,80,000	18th Sept. 1956	99½ N
3% Punjab**	1945	2,48,78,800	14th Sept. 1956	97 N
3% Punjab**	1945	2,98,81,800	14th Sept. 1956	97 N
4% Travancore-Cochin	1952	50,00,000	16th Aug. 1956	98½
4% Travancore-Cochin	1953	2,00,00,000	15th July 1968	100 ½
3% U.P.	1936	2,39,39,800	15th Sept. 1961-66	90½
3% U.P.	1942	2,29,98,800	16th Aug. 1958	97½
3% U.P.	1943	2,98,31,900	14th Sept. 1960	94½
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	91½
2½% U.P.	1951	2,00,00,000	17th Sept. 1962	97½
4% U.P.	1952	4,11,88,000	1st Aug. 1964	100½
4% U.P.	1953	5,00,00,000	16th July 1963	100½
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
3½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4% W. Bengal	1953	3,00,00,000	16th July 1968	100½

PORT TRUST LOANS

Amount	Interest payable	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs. 26,50,000	4	1904	1964	Rs.
25,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	99½ N
75,00,000	4	1908	1968	
90,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,85,876	4	1915*	1960	D
80,00,000	4	1918	1974	99½ N
58,25,000	4	1914	1978	100 N
10,00,000	4	1915*	1960	
55,00,000	4	1916*	1975	
61,61,000	4	1922*	1960	
11,61,000	4	1924*	1960	
10,55,000	4	1926*	1960	
85,00,000	4	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
15,50,000	3½	1932*	1962	
24,55,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
90,24,800	4	1914	1974	99
78,90,000	4	1916	1976	99
1,50,00,000C	3½	1921	1981	94
68,02,800C	6½	1921	1981	144N
1,24,00,000	5	1925	1955-85	101½
98,21,500	5½	1926	1956-86	104
99,84,300B	5	1926	1956-86	101½
1,49,49,500B	5	1927	1957-87	102½
1,49,30,000	5	1928	1958-88	103
80,00,000	4½	1931	1991	95
60,00,000	4½	1935	1965	96
25,00,000	3	1938	1963-68	86
50,00,000	3	1945	2005	74N
50,00,000	3	1945	1975	84
50,00,000	3	1946	1976	84
50,00,000	3	1946	2006	78½N
50,00,000	2½	1947	1977	78
50,00,000	3	1948	1978	82½
50,00,000	3	1949	1959	96
60,00,000	3	1949	1969	96
50,00,000	3	1950	1980	91
50,00,000	3	1950	1960	96½
1,00,00,000	3	1950	1960	95½
50,00,000	3	1951	1981	87
1,50,00,000	3½	1951	1961	97½
50,00,000	4	1958	1968	99½
50,00,000	4	1958	1968	96½
STERLING LOANS				
£892,600	5	†1922	1958-63	£87½
£901,000	5	†1924	1954-64	£87½
£835,100	5½	1928	1962	£96
MADRAS				
Rs. 81,47,100	3½	1947	1977	Rs.
2,86,000	3	1947	1977	
3,00,000	3	1948	1978	
45,00,000C	4½	1964	1994	A

IMPR. TRUST LOANS

Amount sanctioned	Interest payable	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs. 50,00,000	4	1899	1959	Rs. 100
80,00,000	4	1901	1961	
80,00,000	4	1902	1962	
80,00,000	4	1903	1963	
80,00,000	4	1904	1964	
80,00,000	4	1905	1965	97½N
15,00,000	4	1906	1966	
80,00,000	4	1907	1967	
25,00,000	4	1908	1968	
18,00,000	4	1912	1972	
80,00,000	4	1913	1973	
80,00,000	4	1914	1974	97½N
40,00,000	4	1916	1976	
66,00,000	6	1920	1957-70	113N
25,00,000	6	1920	1955-60	
25,00,000	6	1926	1956-66	115N
10,00,000	3½	1928	1961-70	94N
		1928	1960	
STERLING LOANS				
£666,600	4	1909	1969	£65½
£833,400	4	1910	1970	£65½
CALCUTTA				
Rs. 50,00,000	6	1925	1955	Rs. 101
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
50,00,000	3½	1935	1965	94
50,00,000	3	1936	1966	90
20,00,000	3	1937	1967	91
50,00,000	3	1938	1968-69	90
50,00,000	4	1953	1963	99½
MADRAS				
Rs. 21,00,000	6	1925	1955	100N
27,00,000	5	1927	1957	101N
15,00,000	3½	1941	1961	107N
15,00,000	3½	1942	1962	107N

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,60,000	4	1912-13	1974	99½
10,00,000	4	1913-14	1975	100½N
10,00,000	4	1920	1980	113N
23,00,000	5	1923	1983	104½
8,45,500	5	1929	1954-69	to
26,21,500	5	1929	1969	102½
8,25,000,000	3½	1947	1957	84½
4,00,00,000	3½	1948	1958	84
2,50,00,000	3½	1949	1959	84
3,00,00,000	3½	1952	1964	92½
1,00,00,000	3½	1951	1966	100½
1,00,00,000	4	1953	1963	93
1,00,00,000	4	1952	1962	100½
	4	1953	1964	100
	4	1954	1966	99 ⅜
CALCUTTA				
84,70,000	6	1926	1956	101
96,00,000	5	1928	1958	106
25,00,000	5	1929	1957	105½
25,00,000	5	1929	1959	105½
20,00,000	5½	1932	1962	108
28,91,000	5½	1935	1965	104
60,00,000	5	1936	1966	99
10,00,000	5	1937	1967	99
15,56,800	4	1938	1968	99½
15,56,800	4	1939	1969	99½
15,56,800	4	1940	1970	99½
17,64,400	3½	1942	1972	96½
81,10,000	3½	1943	1973	94½
15,49,000	3½	1942	1972	95
18,38,000	3½	1944	1974	97
87,00,000	3½	1951	1961	97½
87,38,000	3½	1951	1966	97½
72,50,000	4½	1954	1962	99½
		1954	1979	100
MADRAS				
Rs. 71,700	6	1925	1955	Rs. 100N
2,97,300	5	1927	1957	101N
15,00,000	3½	1941	1961	107N
15,00,000	3½	1942	1962	107½N

N—Nominal.

ABBREVIATIONS

A—Held by Government of India. B—Taken up by Imperial Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable
(f) Income-tax free. * Loans held entirely by the Trustees. **Quotations in Pak. Currency. ***Bypass Counterparts
† Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June, 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1945. ‡‡ Interest free for first 5 years.

PREFERENCE SHARES

Company	Amount issued Rs. or	Year of issue	Rate per cent.	Approximate Month of Payment	Latest Available Quotation Rs.	Paid-up per Share Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar., Sept.	134	100
BREWERIES AND SUGAR						
Shars: Sugar	5,00,000	1931	5	Dec.	70N	100
Carew & Co.	3,00,000(b)	1875	6½	Mar., Sept.	100	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb., Aug.	144	100
Dalcoar Sugar & Abkhari	7,00,000	1920	7	July, Apr.	116½	100
East India Distilleries	£500,000	1897	7	Jan., July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec.	68	100
Do. (Non-redeem.)	3,00,000	1940	7B	Dec.	68	100
Purtabpore Co.	6,00,000	1923	10	Oct.	15½	10
Ramnagar Case	4,00,000	1933-34	6	Aug.	102xd	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct., Apr.	75N	100
South Bihar Sugar	5,00,000	1936	7(a)	Oct.	16½	100
Travancore	14,99,115	1946	5(c)	Dec.	7½	10
Upper Ganges	12,00,000	1932	5	Dec.	90N	100
Do.	15,00,000	1946	5(a)	Dec.	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan., July	121	100
Borras	4,00,000	1896-97	6½	Oct., Apr.	119	100
Borrakur (Ist)	22,99,800	1901-19	7	Apr., Oct.	124	100
Do. (2nd)	4,50,000	1946	6(a)	..	8½	10
Equitable	4,00,000	1895	6	Mar., Sept.	120	100½
Karanpura Collieries	7,50,000	1946	5½(a)	..	70	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar., Sept.	3½N	10
New Beerbhoom	1,20,000	1920	7	Jan., July	13	10
Oudal	2,00,000	1898-99	6½	Apr., Oct.	114	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr., Oct.	102	100
Bangalore	6,00,000	1884	6	Jan., July	130	100
Benani Cotton	3,00,000	1938	6½	Nov.	7½	10
Benares Cotton	1,03,200	1919	7	July, Jan.	85	100
Bengal-Nagpur	3,00,000	1895	7	Apr., Oct.	119	100
Bowreah 'A'	6,00,000	1900	8	Feb., Aug.	133	100
Do. 'B'	5,00,000	1900	7	Feb., Aug.	78	100
Bradbury	14,75,000	1919	7	June, Dec.	65	80
Buckingham & Carnatic	21,30,200	1920	7½	Jan., July	140	100
Cambodias	1,00,000	1928	7	Apr., Oct.	125	100
Central India	50,00,000	1912	5	Apr., Oct.	490	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov.	117½	100
Elgin	11,00,000	1912	8	May, Nov.	143	100
Do. 'B' Pref.	4,20,000	1943	5	July, Jan.	10½	10
Elphinstone	25,00,000	1919	7(a)	May, Nov.	87	100
Emerson	20,00,000	1919	7	June, Dec.	131	100
Khatau Makanji (2nd)	29,52,500	1919	4	Nov.	87	100
Kothari	13,00,000	1937	6	Nov.	10½	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	..	230	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	6(a)	January	79½	100
Mudr Mill	30,00,000	1900	6	Jan	80½N	100
Myore Spg.	7,45,000	1944	4½	..	30	25
National Rayon	1,74,64,700	1947	3	..	88½	100
New Great	5,00,000	1913	5½(a)	Mar.	185½	200
New Victoria	26,03,500	1920	3½	Apr., Oct.	3½	5
Podar Mills	2,00,000	1932	4½	Feb.	77	100
Rajnagar	4,80,000	1944	4	Apr.	53	50
Shree Niwas Cotton	32,00,000	1943	3(c)	..	6½	100
Sholapoor	15,00,000	1935	5	Apr., Oct.	110xd	100
Svadeshi	35,00,000	1927	6	June	80	100
Svadeshi (Kanpur)	20,00,000	1931	6½	Apr., Oct.	117N	100

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. V=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal notations. e.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, tools and plant. All other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors o Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
60,00,000	3,74,976	63,22,382	43,85,372	—2,24,486	Rajputana Textiles (Agencies) Ltd.	47,512	8,981	Apollo Mills	2-11½	5	0 4(c)	0-4 (c)			12	W.
40,00,000	24,00,000	1,34,85,581	72,25,655	—5,76,311	B. R. Sons, Ltd.	50,596	1,921	B. R. Cotton Mills	30	100	Nil	Nil			12	W.
20,00,000	2,33,90,019	4,25,75,764	3,54,21,688	52,579	Nowrosjee Wadia & Sons, Ltd. ..	1,89,680	4,855	Bombay Dyeing & Mfg.	850	50	20 0	22 8*	Nil		12	V.P.W.
10,00,000	27,36,559	55,38,179	40,57,495	2,48,761	Ramniranjan Sons, Ltd. ..	42,000	860	Bradbury Mills	160	50	100 0	100 0	75 0	0 0	12	V.
1,09,42,800	*2,37,54,197	2,83,17,250	1,85,13,280	31,32,663	Birla Bros., Ltd.	1,25,936	2,698	Century Spg. & Mfg. ..	384½	100	28 0	22 0	22 0		12	V.
69,00,000	13,44,490	1,14,09,462	65,52,039	—33,25,720	V. J. Pilani (Chairman and Managing Director)	40,668	798	Colaba Land & Mill	55½	100	Nil				12	V.
26,00,000	13,35,388	64,51,450	44,36,747	21,158	Cowasjee Jehangir & Co., Ltd. ..	30,130	480	Coorla Spg. & Wvg. ..	118½	100	7 8	7 8	Nil	Nil	12	W.
16,00,000	25,08,261	64,39,890	50,46,041	38,562	Ramniranjan Sons, Ltd. ..	38,304	1,362	Durga Mills	90½	50	6 0	6 0	7 8		12	W.
14,40,000	27,75,000	68,35,752	60,73,724	16,489	Premanand Raghunathdas & Co.	50,296	928	Edward Textiles	265	100	15 0	15 0			3	W.
89,97,750	11,93,292	1,09,90,311	78,99,525	17,999	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	40½	50	3 0	Nil			12	V.
50,00,000	64,31,875	1,05,11,445	71,58,296	3,90,661	James Finlay & Co., Ltd. ..	46,072	784	Finlay Mills	243	100	20 0	16 0	2 81		12	V.
11,84,000	73,99,589	1,20,85,307	91,11,980	8,850	Thackersey Mooljee & Co. ..	49,672	1,126	Hindoostan Spg. & Wvg. Mills	3,825	1,000	200 0*	225 0*	225 0		12	V.P
6,00,00,000O	1,13,27,885	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,38,038	6,278	India United Mills	463½	250	50 0	56 0*	56 4	40 0½	3	V.P
8,65,000	71,99,043	1,22,31,586	83,99,000	3,551	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	10-15½	10	Nil	0 10½			12	W.
35,000									1-3½	1D	Nil	0 1				
59,85,000	40,24,767	2,15,86,170	1,74,28,945	23,212	Khatau Makanji & Co., Ltd. ..	84,604	1,513	Khatau Makanji Spg. & Wvg.	1,830	1,000	200 0*	225 0*	225 0		12	W.
1,00,00,000	1,44,50,000	3,49,59,105	2,46,94,456	12,185	Kilachand Industries Ltd. ..	1,20,504	1,846	Kohinoor Mills	630½	500	100 0	112 8*	112 8	40 0½	3	V.P.
88,98,000A	64,00,782	4,36,527	88,878	6,09,536	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	313	100	18 0	20 0	18 0		4	V.P.
3,60,000B									844	100A	8 0	8 0			12	V.
82,13,050	39,74,916	1,14,37,317	54,72,963	16,412	N. Sirer & Co., Ltd. ..	48,676	644	Modern Mills	85N	60	5 0	5 0	5 0		6	V.P.
31,75,000	32,62,000	1,54,16,154	1,47,72,041	1,09,579	Premnal & Sons	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	218½	100	12 0	12 0	14 0	10	V.T	
1,37,71,400	61,70,518	3,74,05,779	1,55,06,000	8,72,076	Chinai & Co., Ltd.	45,944	432	National Rayon Corporation	206½	100	Nil	9 0	10 0	6	V.P	
84,00,000	25,60,685	74,52,403	46,04,752	27,546	W. H. Brady & Co., Ltd. ..	49,012	1,018	New City of Bombay Mfg.	140½	100	10 0	10 0	10 0	6	V.P	
90,00,000	15,47,407	89,82,280	61,42,740	12,517	W. H. Brady & Co., Ltd. ..			New Great Spg. & Wvg.	166	100	10 0	10 0	7 8	12	V.P.	
12,78,100	36,34,004	42,69,552	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd. ..	34,100	873	New Union Mills	30½	10	1 4			12	V.	
48,00,000	34,07,273	1,42,08,882	91,98,811	30,475	Ramnaraina Sons, Ltd. ..	66,324	1,190	Phoenix Mills	115	100	8 0	8 0		12	V.P.	
40,00,000	43,62,741	24,64,450	22,50,000	8,99,184	Podar Sons, Ltd.	32,600	930	Podar Mills	158½	100	10 0	10 0		12	V.	
3,00,000	8,44,062	21,20,749	18,99,240	2,590	David Lamson & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	14½	10	1 4	0 12		12	V.	
15,00,000	69,06,474	1,24,22,606	81,47,282	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg. ..	35½	10	1 4	1 4		12	V.	
60,00,000	66,20,061	87,30,346	45,01,044	2,69,922	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Nivas Cotton Mills ..	235½	100	12 0	14 0		12	V.	
42,00,000	38,80,000	80,15,073	68,69,000	21,940	Forbes, Forbes Campbell & Co., Ltd.	29,436	1,274	Simplex Mills	153	50	15 0(c)	15 0	11 0	4 01	12	V.
56,00,000	12,33,867	1,83,08,331	1,16,85,485	17,128	Mafatlal Gagalbhai & Sons	57,288	1,633	Sonsdeed Mills	362½	100	20 0	25 0	20 0		12	V.
1,00,00,000	62,26,342	1,92,83,887	1,02,33,292	43,759	Tata Industries Ltd. ..	70,784	2,000	Sreedhi Mills	184	100	14 0	16 0	8 0		12	V.P
50,00,000	62,78,465	1,17,42,921	70,22,715	3,59,764	James Finlay & Co., Ltd. ..	38,828	552	Swan Mills	315	100	30 0	30 0	20 0		12	V.P
32,59,438	49,96,589	1,39,55,305	48,92,129	11,417	Tata Industries Ltd. ..	62,096	1,800	Tata Mills	492	25	1 0	1 8	2 8		12	V.P
18,00,000	62,55,708	98,83,323	74,65,000	4,819	Thackersey Mooljee Sons & Co.	54,424	1,181	Western India Spg. & Mfg.	3,875	1,000	200 0*	225 0*	225 0	40 0½	12	V.P
AHMEDABAD																
88,00,000	25,97,650	96,80,904	55,57,028	5,668	Tata Industries, Ltd.	49,164	1,016	Ahmedabad Advance Mills ..	131½	100	10 0	10 0*			12	V.
10,00,000	90,53,638	89,83,424	65,39,067	7,878	P. M. Hutheesing & Sons, Ltd. ..	42,768	912	Arvind Mills	527½	100	20 0	20 0	5 0			
20,25,000	2,22,86,002	1,33,18,915	89,71,000	47,546	Narottam Lalbhai & Co. ..	62,448	1,216	Arvindas Mills	1,186	100	25 0	25 0			6	V.P.
80,00,000	38,43,140	79,46,276	96,21,000	*3,90,074	Mangaldas & Bros., Ltd. ..	35,884	884	Ayodya Ginning & Mfg.	336½	200	15 0	15 0			12	V.P.
12,00,000	1,08,38,621	82,14,168	66,70,738	33,358	Lalbhai Dalpatbhai & Co. ..	37,948	1,000	Asoka Mills	607½	100	22 0	15 0			12	V.P.
1,12,00,000	1,11,00,000	4,24,88,718	3,01,52,344	16,00,765	Ramchand Premchand Ltd. ..	1,39,120	2,372	Calico	1,000	125	18 0	18 0	22 0		12	V.P.
45,00,000	46,45,000	1,05,59,863	72,30,000	6,391	Tricumlal Bhagilal & Co., Ltd. ..	43,836	867	New Commercial Mills ..	1,105N	750	70 0	70 0	10 0		12	V.P.
99,00,000	66,61,702	1,14,89,135	91,35,306	6,387	Mafatlal Chandulal & Co., Ltd. ..	51,152	864	New Sherrock Spg. & Wvg.	777	125	35 0	35 0	35 0		12	V.P.
3,00,000	61,15,982	46,72,745	31,74,001	700	Jagabhai Bhagilal Nanavaty & Co., Ltd.	34,840	572	Nutan Mills	705	100	30 0*	30 0*			12	V.P.
12,50,000	1,89,22,589	79,71,728	82,25,077	32,522	Lalbhai Dalpatbhai & Co. ..	31,120	634	Rajnagar Mfg.	1,026½	100	25 0*	8 0			12	V.
12,00,000	13,93,067	74,93,069	89,67,450	—18,90,810	Manubhai Chotharadas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	250	250	Nil					
32,50,000	16,74,825	84,83,940	52,67,803	4,020	Lallubhai Gordhandas Ltd. ..	33,136	648	Rohit Mills	153½	100	9 0	9 0			12	V.P.
88,98,150	1,90,84,538	1,60,18,812	1,34,25,000	2,52,570	Harivallabhdas Kalidas & Co. ..	94,116	1,732	Shri Ambica Mills	409	50	16 0	12 0			12	V.P.
19,32,500	59,00,194	78,08,018	62,03,800	6,434	Mafatlal Chandulal & Co. (Ahmedabad), Ltd. ..	36,624	720	Shorrock Spg. & Mfg.	460	100	20 0	20 0	20 0		12	V.P.
28,00,000	26,43,469	75,32,266	61,24,605	31,806	Haridas Achratlal & Co., Ltd. ..	36,176	780	Vijaya Mills	336½	100	35 0*	35 0*	25 0*		12	V.
										400					12	V.P.
WEST BENGAL																
15,00,000	1,88,479	34,10,729	19,47,810	41,227	Calcutta Agency, Ltd. ..	13,044	356	Essanti Cotton Mills ..	4 R	10	Nil				12	V.
7 11,280	3,95,369	40,01,098	23,80,978	21,827	Benny Textile Agency, Ltd. ..	32,352	936	Bengal Luxmi Cotton Mills ..	38N	48	3 0	0 4				
6,00,000	22,71,793	80,75,189	51,52,000	—21,82,781	Kettlewell Bullen & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills ..	48	100	Nil	Nil	4 0		18	V.P.T.
19,00,000	23,17,571	99,37,856	69,83,080	—9,27,405	Kettlewell Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	375	100	Nil	Nil	Nil		8	Y.
1,60,00,000	1,98,18,540	3,42,43,338	1,08,56,338	2,15,716	Birla Brothers, Ltd. ..	70,040	1,990	Kesoram Cotton Mills ..	200	100	35 0	35 0	35 0		6,12	H.P.
4,00,000	9,73,000	84,54,400	67,06,257	3,158	Chakravarti Sons & Co. ..	23,484	442	Mohini Mills	262½	20	1 12	1 12	1 12		6,12	H.
83,94,258									—	10	1 4½				12	V.
19,47,750O	5,75 000	41,85,833	19,32,788	15,666	Hazareesoll Eserlall	23,196	793	Rampoorie Cotton Mills ..	12	10	0 8				3	V.P
3,00,000D									8 N	10D	0 8	0 8			18	Y.P.
										1D	Nil	Nil			6	Y.
SOUTH INDIA AND OTHER CENTRES																
18,00,000	9,09,109	29,21,613	21,05,246	2,736	Rasoal & Co., Ltd.	55,000	750	Alagappa Textiles (Cochin) Ltd.	5½	10						
71,94,400	51,99,334	2,06,06,794	50,52,372	3,771	Industrial Trust Fund, ..	36,136	1,157	Anam Jahi Mills	70	100	6 0	6 0			12	V.P.W.
46,50,000	1,91,68,743	2,87,22,995	2,34,71,643	2,44,711	Binny & Co. (Madras), Ltd.	46,068		Bangalore Woollen, Cotton and Silk Mills ..	430	100					9	W.
27,00,000	15,50,000	77,25,162	53,72,132	18,199	Birla Brothers, Ltd.	29,936	782	Bengal-Nagpur Cotton Mills ..	10½	100	15 0	25 0	30 0		12	V.P.
15,00,000	1,12,09,588	1,12,05,727	78,65,727	5,50,791	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	10	10	0 8	Nil			12	V.P.
1,78,47,800	1,54,60,697	4,50,39,308	1,14,94,493	8,69,003	Binny & Co. (Madras), Ltd. ..	1,20,356	2,744	Buckingham & Carnatic ..	70N	10	0 4	Nil			6,12	H.P.V
20,00,000	20,00,406	34,17,820	19,76,634	8,55,087	Petrex, Leslie & Co., Ltd. ..	37,576		Cambodia Mills	131½	100	3 0	3 0	3 0		6	V.
14,99,229	4,75,000	42,54,384	15,27,237		Malabar Industrial Syndicate	11,700		Cannanore Spg. & Wvg. ..	11	10	0 8	10 0	0 8		12	V.
80,00,000	24,69,773	81,86,118	49,47,814	26,773	Begg, Sutherland & Co., Ltd.	28,796	591	Champdani Textiles	130½	100	1 0	0 12	Nil		12	V.P.
18,00,000	20,60,000	30,85,973	24,65,699	4,614	R. Bhoma Naidu & Co. ..	28,844		Coimbatore Cotton Mills ..	5	5	12 0	12 0			12	V.P.
20,00,000	13,90,000	33,11,361	19,08,703	3,400	T. R. N. Naidu & Co. ..	21,978		Coimbatore Pioneer Mills	275	100	8 0	8 0	8 0		3	V.
89,76,500	4,36,444	1,14,48,334	68,90,850	4,78,905	R. O. B. Naidu & Co. ..	72,188	407	Coimbatore Spg. & Wvg.	218	100	9 0	20 0	25 0		3	V.
46,87,500	61,78,247	2,34,42,659	1,51,56,858	14,071	Tata Industries, Ltd. ..	1,15,188	2,062	Central India	125	50	Nil	10 0	10-0		12	V.
3,38,56,225	2,63,12,465	8,55,97,662	4,42,00,000	1,69,241	B. R. Charat Ram & Co., Ltd.	1,16,636	2,355	Delhi Cloth & General Mills	37½	100	Nil	0 4½	0 12½		6	V.P.
1,00,563										25	0 1	0 1	0 1		6	W.
24,34,800	24,72,758	47,34,037	33,82,512	9,248	M. N. Chettiar & Sons ..	32,164	201	Dhanalakshmi Mills	268	100	9 1 4/5	0 2 4/5	0 1 3/5		6	V.P
63,00,000	53,27,872	1,46,96,492	1,21,71,631	62,577	Begg, Sutherland & Co., Ltd.	53,768	1,198	Elgin Mills	18½	10	20 0	20 0	20 0		6	V.P
48,81,000	33,93,175	98,91,779	65,24,870	37,169	Forbes, Forbes Campbell & Co., Ltd.	72,904	3	Gokak Mills	10	10	1 8	1 0	1 0		12	V.
58,00,000	12,75,743	1,25,73,888	88,01,208	12,371	Govindram Sakseria (Indore)	51,180	1,420	Indore Malwa United ..	216½	100	17 0*	17 0	13 0		8	V.P.
8,90,000	10,65,683	30,91,139	16,77,748	—50,124	C. V. Naidu & Co., Ltd. ..	23,784		Jaisardana Mills	91½	100	6 0	6 0			12	V.
24,00,000	15,75,000	44,03,081	12,00,000	20,004	Kothari & Sons	30,312	200	Kothari Textiles	81cd	50	3 12	4 8	5 0		12	V.
32,00,000	69,52,519	1,42,27,744	1,05,78,587	19,080	Bombay Co., Ltd.	51,972	1,319	Lakshmi Cotton Mfg. ..	124	10	0 12	0 8	0 8		12	V.
33,64,100	44,00,000	1,00,33,685	69,98,848	23,793	C. K. Naidu & Co.	76,960	200	Lakshmi Mills	250	37 8	37 8	37 8	33 12		6	V.
17,82,050									141	50	3 0	3 0	3 0		12	V.P.
1,10,01,488	4,13,81,578	5,66,33,243	3,44,90,463	9,66,800	A. & F. Harvey Ltd. ..	4,43,852		Madura Mills	72	15	3 0	3 0	10 0		12	V.P.
18,00,000	8,13,363	27,72,881	14,02,049	1,14,098	A. L. A. R. S. Chettiar and 2 others.	22,992	100	Maniar Spg. & Wvg. ..	44½	100	3 0	3 0	5 0		3	V.
40,00,000	69,00,000	61,38,483	39,86,352	30,153	W. A. Beardsell & Co., Ltd. ..	25,656	603	Meiyer Industries Ltd. ..	120	100	8 0	8 0	3 0		12	V.
29,80,814	28,14,137	76,14,218	44,82,685	12,036	N. Sirer & Co., Ltd.	39,224	704	Minerva Mills	340	100	12 0	12 0			12	V.
94,91,520	27,24,404	1,41,29,118	78,81,528	—7,44,932	Bansilal Abichand Dadabhoy & Co.	51,340	955	Model Mills (Nagpur) ..	98½	100	5 0	12 0	22 8*		12	V.
30,00,000	52,19,400	1,53,39,272	1,05,91,651	—7,77,190	Indian Textile Syndicate Ltd. ..	58,640	1,834	Mule Mills	138½	250	5 0	7 0*			12	V.
24,31,500	56,39,566	93,23,192	61,37,444	22,997	N. Sirer & Co., Ltd.	49,644	500	Mysore Spg. & Mfg. ..	110N	100	7 0	7 8*	5 0(c)		12	V.
13,61,780	2,58,745	29,42,992	18,27,000	3,986	R. Suryanarayana Rao Esq. Manager	6,000		Mysore Sugar Silk Mills	113½	20					6	V.
82,89,820	85,62,532	1,02,16,296	58,90,719	—39,62,329	J. P. Srivastava & Sons, Ltd. ..	49,676	1,198	New Victoria Mills	4½	10	10 0*	10 0*	8 0*	3 01	12	V.
5,07,095D									14	10	Nil	Nil	Nil		3	V.P.
67,03,800	87,08,000	1,64,48,327	62,62,651	15,819	Industrial Trust Fund ..	57,788	847	Osmanshahi Mills	66	5,000A	3 0	3 0	3 0		3	V.
4,99,000A	7,50,000	33,81,578	18,80,484	551	Bhaghyalakshmi & Co. ..	29,924		Palani Andavar Mills ..	111	100	7 0	4 8			12	V.P.
6,00,000B									157	50A	7 0	12 0			9	V.
13,00,000	8,56,920	32,54,378	16,33,848	4,411	C. B. R. Modaliar & Sons ..	27,990		Pankaja Mills Ltd. ..	75B	11 4	16 0				12	V.
16,81,200A	20,00,000	73,90,455	41,41,878	28,607	A. O. Guruswamy Naidu & Co.	54,864	301	Radhakrishna Mills ..	207½	100					12	V.P.
8,49,200B									111cd	50B	6 0	8 0*	16 0		12	V.
15,00,000	52,25,000	23,50,868	16,48,985	34,422	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	132½	50	3 0	4 0	8 0		12	V.
22,23,375	12,00,000	38,91,593	14,22,264	23,505	Rajalakshmi Development Co. ..	14,864		Rajalakshmi Mills	90	Nil	Nil	Nil			12	V.
60,00,000	62,46,508	98,29,567	35,63,291	—19,39,428	J. P. Srivastava & Sons (Rampur).	53,984	600	Rana Textiles	58	10	0 8				12	V.P.
16,00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Morarka & Co.	86,048	2,234	Sholapoor Spg. & Wvg. ..	1,400	1,000	6 0	6 0	9 0		12	V.P.
									—	100	Nil	Nil			18	V.P.
34,69,700	11,45,000	75,40,039	49,25,631	24,144	H. N. Palleson, Esq.	31,668	292	Sri Krishnarajendra Mills	741	500	Nil					
88,14,800	8,00,246	35,18,906	17,73,000	—2,46,777	Gopaldas Liladhar & Co., Ltd. ..	17,880	440	Shree Sajjan Mills ..	72N	50	4 0*	4 0*	4 8		8	V.
19,47,750O	2,49,73,985	87,38,169	62,02,085	81,22,917	Birla Brothers, Ltd.	36,212	1,242	Suthej Cotton Mills ..	76	100	Nil	Nil	4 0		9	V.
3,00,000D									10	4	4 0	4 0	3 0		12	V.
17,30,000O	2,20,00,000	4,32,93,265	1,56,70,740	2,67,165	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	9	100						
8,97,30,000ve	16,00,000	2,75,11,606	1,00,28,764	123,122	Emsons & Sons (Travancore), Ltd.	9 R		Travancore Rayons ..	9 R	100	Nil	0 8			12	V.
19,94,040	1 79 479	13 34 297	10,43,186	5,321	Meeylas Ramjee & Sons	16,336		Trichinopoly Mills ..	10P.O.	10P.O.	Nil	0-14 2/3			18	V.P.
18,98,470	32,00,000	56,92,298	36,81,499	30,500	R. K. S. Chetty & Brothers	33,704	270	Vasanta Mills	13-7½	10	Nil	0 8			12	V.P.T.
21,00,000	31,99,443	1,38,35,036	1,00,33,390	22,250	Bombay Co., Ltd.	54,280	1,495	Vishnu Cotton	12	10	0 11 1/3	0 8	0 10		12	V.P.T.
32,00,000									213	100	12 0	12 0	11 0	14 2/3	12	V.P.
									125½	100	10 0	4 0	4 0	15 0	12	V.P.
										100				4 0	18	V.P.

*Includes bonus.

ve Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 63,000 shares of Rs. 50 each.

(b) Subject to taxation and workers' bonus.

(e) Paid out of reserves.

X, R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
13,28,000	16,64,000	1,09,25,186	50,37,365	21,554	Perry & Co., Ltd.	Deccan Sugar & Abkhari ..	32½	25	Nil	Nil	Nil		5	V.P.
6,64,000	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	13½	10	Nil	Nil	Nil		5	W.
680,000A	£297,579	£1,225,541	£513,606	£57,290	Parry's Holdings Ltd. ..	East India Distilleries and Sugar	6 8	5	0 8	0 8	8		Y.P.	
£300,000B	9,60,000	11,63,313	11,63,307	4,057	Vittal Maliya, Esq. (Chairman	United Breweries	17	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5			
6,00,000							281	B. £1	Sh. 3	Sh. 4	Sh. 5 4/5		3	W.
							165	75	15 0	15 0	15 0			
CEMENT														
11,57,700A	8,69,857	75,78,758	35,89,342	4,636	Andhra Engineering Co., Ltd.	Andhra Cement Co.	137½cd	A. 100	7 8	10 0*			12	V.P.B.
39,67,430B							13½cd	B. 10	0 12	1 0*				
63,14,600O	11,14,602	18,53,830	7,23,479	1,20,881	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	6 8	O. 10	Nil	Nil			3	V.T.
4,70,976D							15	D. 1					3	V.
42,67,39,333	4,18,90,259	20,42,88,558	7,85,13,157	6,93,281	Cement Agencies Ltd. ..	Associated Cement Companies	175½	100	9 8	9 8	8 8		7	W.
60,00,000O	46,39,155	81,39,445	20,01,691	67,792	Hari Brothers Ltd.	Dalmia Cement (Bharat)¶	14 8	O. 10	0 10	1 0			12	Y.P.B
26,49,798O							3½	O. 2½	0 2½	0 4				
5,00,000D							2	D. 1	Nil	0 1-1/3				
61,84,930O	8,00,000	1,45,26,685	39,60,337	1,15,792	Essen Ltd.	India Cements Ltd.	23½	O. 25	1 4	Nil	1 4		3	V.P
7,50,000D							4½	D. 5	0 4	Nil	0 4			
59,86,000	13,00,000	1,67,86,035	57,49,060	1,62,701	Shree Digvijay Cement ..	Shree Laxmi Agents Ltd. ..	182½	100	6 0	6 0			12	V.P.
75,00,000	20,95,000	1,75,91,085	1,37,82,076	6,448	Martin Burn Ltd.	Sonavalley Portland Cement	7 8	5	0 8	0 6			12	V.
50,00,000	....	1,04,00,351	34,33,980	2,75,554	Essel Ltd. ..

MISCELLANEOUS COMPANIES—Continued.

Paid-up Ordinary Capital Rs	Reserves Rs.	Gross Block Rs	Depreciation Rs	Carried Forward Rs	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
						PAPER								
45,00,000	27,36,841	1,98,78,118	1,27,10,118	1,50,325	Balmer Lawrie & Co.	Bengal Paper Mills	68½	25	1 9	Nil	1 9½		6,12	H.P.T.
80,00,000	33,44,805	1,07,15,561	71,75,830	2,34,328	Andrew Yule & Co., Ltd.	India Paper Pulp	257	100	5 0	4 0	7 0			
85,00,000	16,12,500	1,18,13,367	47,51,061	49,179	B. P. Ramakrishnan Esq.	Mysore Paper Mills	17½	10	1 0*	1 0*	0 12*		3,9	B.
1,46,82,500	1,69,72,408	3,91,23,962	91,37,779	2,47,582	Birla Bros.	Orient Paper	26½	10	1 0	1 0	0 7½		3	V.
50 06,290	78,16,849	1,11,54,742	62,73,807	2,03,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	15½	10	1 0	1 0	0 8		3,9	H.P.T.
80,00,000 / 10,00,000A.	7,02,430	50,37,167	28,55,530	9,798	Bajoria & Co.	Star Paper Mills	13½ / 13½	D. 10 / A. 10	0 12 / 0 4	0 12f / 0 4			6,12	H.P.T
36,00,000A. / 36,04,800B. / 4,97,500P.O.	2,83,01,797	5,11,76,455	3,06,96,855	3,59,432	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	44½ / 44½ / 4½xd	A. 10 / B. 10 / P.O. 2½	1 0 / 1 0* / 0 2	1 0* / 1 0* / 0 2	0 12½ / 0 12½ / 0 2½		3,9	H.P.T.
						PRESSING								
8,00,000	6,12,365	15,78 488	10,90,581	20,403	Andrew Yule & Co.	Calcutta Hydraulic	90	100	5 0	3 0	4 0		6	V.
4,50,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Campercown	89N	100	5 0	4 0	5 0		7	V.
5,00,000	1,55,000	10,91,811	9,30,577	12,962	Andrew Yule & Co	Central Hydraulic	92	100	5 0	4 0	5 0		8	V.
						PROPERTY (AND) LAND								
10, 2,7800.) / 2,00,000D. / 60,00,000 / 94,00,000	7,43,065 / 18,90,038 / 35,56,934	43,46,067 / 84,21,336 / 96,49,123	21,43,279 / 15,00,008 / 1,06,646	96,047 / 350 / 95,202	B. A. Basil, Esq., & others (Directors) / David Sassoon & Co., Ltd. / Andrew Yule & Co.	Humayun Properties / Port Canning Land / Midnapore Zamindary	10½ / 1½ / 11½ / 39	O. 10 / D. 1 / 100	0 8 / Nil / 1 0 / 2 0	0 11½ / 4/3 / 1 8 / 1 8	0 9 3/8 / Nil / 4 0		9 / 4 / 4	V.P. / V. / V.P.
						SAW MILLS AND TIMBER								
13,99,998	28 23,970	19 97 501	8,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	5½	5	0 4	Nil	Nil			
50,00,000 / 42,00,000 / 6,00,000	4,08,84,585	3,05,42,310	1,22,52,525	56,875	Wallace & Co.	Bombay-Burmah Trading Corpn.	459½ / 170	Old 125 / New 50	22 4 / 9 0	15 0 / 6 0	20 0 / 8 0		9	V.
20,00,000	18,15,487	2,00,768 / 18,19,049	1,76,945 / 13,53,015	—5,49,024 / 1,79 568	Jardine Henderson Ltd. / Gillanders Arbuthnot & Co., Ltd.	Bengal Timber Trading / Indian Wood Products	38N / 39½xd	Nil / 10	Nil / 3 0	Nil / 2 8	2 12		5 / 6	V. / V.P.
						SUGAR (U.P. and Bihar)								
14,00,000	13,55,901	38,50,924	27,77,928	23,527	Begg, Sutherland & Co., Ltd.	Bahrampur Sugar	9½	5	Nil	Nil			9	V.
12,00,000A. / 3,00,000B.	29,18,256	49,46,285	33,16,660	15,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	140N / 13½ N.	A. 100 / B. 10	10 0 / 1 0	10-0 / 1-0	0 12 / 10 0			
19,49,050	5,50,000	31,91,657	23,33,812	49,906	Bangar Bros., Ltd.	Belsund Sugar	10½	2½	0 12	1-0	1 0			V
15,00,000	13,85,319	45,47,836	11,37,841	26,084	Cotton Agents Ltd.	Bharat Sugar	19½N	10	1 8	1 4	0 12		4	V
82,00,000	26,79,431	1,35,76,859	88,78,177	61,723	Gladstone Lyall & Co., Ltd.	Carew & Co.	11½	10	Nil	Nil	1 8		9	V.
15,00,000	53,02,981	1,00 12,353	81,52,451	59,696	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	20	10	2 0	2 0	0 12		6	V.P.
18,00,000	32,88,892	67,14,964	50,49,402	26,329	Begg, Sutherland & Co., Ltd.	Champaran Sugar	30 ⅝	10	2 0	1 0	0 12		6	V.P.T.
5,99,452	6,18,562	22,66,286	14,01,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	7½xD N	10	1 0	1 0	1 0		10	V.P.
85,00,000A. / 10,00,000C.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	175N / —	A. 100 / O. 100	12 0* / 12 0*	15 0* / 15 0*			6 / 8	V. / V.T.
16,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	57N / 30N	80 / 40	Nil / Nil	Nil / Nil			6	V.P
7,89,100	23,05,922	29,32,672	17,41,033	64,888	Cotton Agents Ltd.	New India Sugar Mills	34N	10	2 8	Nil			7	V.P.
11,00,000	4,20,000	37,49,397	24,14,065	8,769	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 8	2 8	2 8			
10,87,500 A. / 8,71,875 B.	49,84,457	63,27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mills	220N / 55N	100 / 25	20 0 / 5 0	20 0 / 5 0	20 0 / 5 0		6 / 5	V.P. / V.
77,48,500	52,22,414	1,75,96,483	88,00,000	-36,923	Cotton Agents Ltd.	Oudh Sugar	113N	100	6 0	5 0	5 0		6	V.
12,00,000	12,74 233	28,77,669	19,95,928	-55,000	Nasang Bros. & Co., Ltd.	Punjab Sugar	115N	100	6 0	11 0	11 0			
9,00,000	15,93,919	35,23,095	29,32,249	3,957	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	181xd	10	1 0	10 0	10 0		7	V.P.
8,00,000	6,54,762	25,43,782	21,01,613	24,340	Begg, Sutherland & Co., Ltd.	Ryam Sugar	191N	10	1 0	0 12	0 12		10	V.
11,99,000	17,75,737	38,17,360	22,17,129	13,455	Samastipur Central Sugar	Samastipur	15½	10	1 0	0 8	0 8		10	V.P.
20,00,000	21,68,560	1,08,85,319	57,08,777	5,475	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	17½	10	1 8	1 8	1 8		5	V.P.
9,59,950	61,825	27,77,628	12,85,342	—1,89,266	H. K. Ghosh, Esq., and P. N. Datta, Esq. (Managing Directors)	Sitapore Sugar	3½	10	0 6½	Nil			8	V.P.T.
7,95,462	16,32,940	29,95,970	16,32,168	92,009	Karamchand Thapar & Bros	Shri Sitaram Sugar	13xd	10	1 8	Nil				
9,15,000D. / 4,40,000E.	47,592	27,27,402	11,46,770	—15,90,149	N. K. Jain & Co., Ltd.	South Behar Sugar	1N / D. 2½	O. 10 / D. 2½	Nil / Nil	2 0 / Nil	Nil / Nil		6 / 8	V. / V.T.
8,00,000	20,87,588	83,26,115	50,99,754	48,719	Cotton Agents Ltd.	Upper Ganges Sugar	30N	10	1 8	0 8	2 8		10	V.P.
16,00,000	7,99,778	91,12,369	84,99,851	5,181	James Finlay & Co., Ltd.	United Provinces Sugar	24½	10	1 8	0 8			5 / 9	V.P. / V
						Other Centres								
6,99,750	65,29,871	1,40,80,073	84,87,447	33,628	W. H. Brady & Co., Ltd.	Belagur Company	301	50	16 0	16 0				
30,000	11,90,010	31,68 933	19,76,042	38,000	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	12½	10	1 0	0 10	16 0 / 1 0			
15,93,900	2,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	46N	100	3 0	Nil	Nil		9	V.
28,70,610	14,00,000	26,96,629	18,50,803	4,30,236	India Sugar Agencies Ltd.	India Sugar and Refineries	18½	10	2 8	2 8	1 12		6	Y.P.
33,57,580	42,47,476	41,33,220	19,37,712	3,477	Gowan Bros. (Rampur), Ltd.	Buland Sugar	141N / 135	10 / O.100	0 12 / 7 8	1 0 / 7 8			9	V.P
10,52,200D. / 2,87,190D.	67,50,000	84,86,942	27,56,542	2,346	V. Ramakrishna, Esq.	K. C. P. Ltd.	90	D. 10	10 0	10 0	10 0		10	V.
81,79,280	90,22,871	1,21,03,930	73,11,305	2,28,221	M. S. Swaminathan, Esq. (Managing Director)	Mysore Sugar	53½	10	2 0	2 0	2 0		6	V.P.
50,00,000	47,49,631	1,07,50,631	55,61,246	15,411	Mafatlal, Apte and Kanitkar Ltd.	Phaltan Sugar	120½	50	3 0	3 0	3 0			
16,59,820	28,50,830	53,90,015	26,76,747	20,230	Anderson Wright Ltd.	Ramnagar Cane and Sugar	24½	10	2 0	2 0	2 0		6	V.
20,00,000D. / 4,00,000D.	24,67,171	87,47,627	53,31,89	61,432	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	95N / 7N	O.50 / D.10	9 0 / Nil	9 0 / Nil	3 0 / Nil		8	V.P.T.
19,99,608	46,07,818	45,46,104	19,83,541	3,144	Gowan Bros. (Rampur), Ltd.	Raza Sugar	101N	10	0 12	1 0	Nil		9	V.P.T.
80,00,000	10,37,776	59,76,254	17,87,159	—37,224	Parry & Co., Ltd.	Travancore Sugars	7½	10	Nil	1 0				
1,01,00,000	61,19,890	1,85,70,930	1,04,63,312	1,79,083	Premier Construction Co., Ltd.	Walchandnagar Industries	206½	100	14 0	Nil	Nil		10 / 7	V / V.P
						TRANSPORT								
20,00,000	1,06,42,425	1,33,68,272	13,76,183	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co.	139	100	12 8	10 0	7 8		10	Y.P
1,00,00,000	11,17,773	3,57,24,932	1,50,89,871	89,556	Dinshaw Ltd.	Bharat Line	81	100	3 0	5 0			12	V.
30,00,000	84,35,838	1,83,20,489	63,44,422	1,09,704	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	15⅝	10	1 0	1 0				
						India General Navigation & Rly Co	93	410	8 0	1 0	1 0			
£655,580	£954,756	£3,633,307	£3,454,207	£3,327	Kilburn & Co. Ltd.	India Steamship Co.	7½	10	Nil	Nil			6	V.
2,25,00,000	34,99,233	4,41,60,669	1,52,36,755	1,64,960	Lionel Edwards Ltd	Scindia Steam Navigation Co.	20	20	0 8	0 8	Nil		12	V.P
9,40,19,673	7,83,28,023	14,92,76,428	3,71,00,000	2,72,820	Narottam Morarjee & Co.									
8,40,800O. / 8,10,200P.O.	17,33,073	10,83,408	6,54,056	1,88,899	F. A. Smith, Esq. (Manager)	Walford Transport Ltd.	1½ / 1½	O. 1 / P.O. 1	as 1 3/25 / as 1 9/25	as 1 3/25 / as 1 9/25	0 8		8 / 12	V.T. / V.
						UNCLASSIFIED (Bombay)								
2,40,000	95,000	5,35,957	3,89,000	760	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	600	800	33 0	32 0	32 0		9	V.
15,98,860	2,04,173	2,18,255	80,000	40,555	Parekh Agencies Ltd.	Bombay-Uganda	69½N	80	4 0	5 0			12	V.
15,00,000	1,60,000	25,30,071	13,483	8,047	Dene Sons, Ltd.	Devkaran Nanji Investment Co.	10½	25	0 12	0 12	0 12		3	V.
14,98,840	3,09,622	26,42,753	18,75,000	74,466	Choonilal Manilal Ltd.	Estrela Batteries	35N	50	2 8	Nil	Nil		12	V.
99,99,250	19,07,876	1,27,52,603	....	2,85,005	Premchand Roychand & Sons	Industrial Investment Trust	72½	100	4 8	4 8	4 8		3	V.P.
1,00,00,000	31,25,000	21,31,427	7,78,349	18,107	E. D. Sheppard, Esq. (Mg. Director)	Killick Industries	170	100	10 0	10 0	11 0		12	V.
2,07,00,200A. / 10,00,000B.	5,29,603	2,64,35,763	98,15,035	—13,44,485	Aero-Auto Ltd.	Premier Automobiles	74 / —	A. 100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil	4 0	6	Y.
10,21,200	3,56,603	14,71,107	12,41,107	36,731	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	23	20	1 0	Nil	Nil			
2,75,00,000	75,25,568	8,92,47,116	1,53,96,500	3,28,887	T. Rydin, Esq. (Managing Director)	Western India Match Co.	186½xd	100	11 0*	11 0*	11 0*		6	V.
45,00,000	53,74,847	7,24,608	3,07,108	45,948	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	V.
						Other Centres								
47,50,000	15,00,000	1,88,63,301	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	6½ / 14N	O. 10 / D. 2½	Nil	Nil	Nil		12	V.
2,50,000	40,60,690	31,77,194	21,11,902	2,39,798	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	18½	10	1 4	1 4	1 4		9	V.P.T.
30,00,000	8,25,000	35,74,632	20,11,857	1,17,493	T. Rydin, Esq. (Mg. Director)	Assam Match Co. Ltd.	19½	10	1 4*	1 4*	1 4*		8	V
80,00,000	23,47,883	1,00,29,510	39,87,838	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	4½N / 160	10 / O. 100	0 4 / 30	0 3 1/5	0 3 1/5		12	V
80,00,000C. / 10,00,000P.O.	1,11,62,712	39,55,515	30,55,515	5,43,847	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	— / D. 40	D. 40	6 0*	20 0*			3	V.P.V.
20,00,000	7,99,470	57,53,560	....	1,21,733	Lovelock & Lewis	Birla Investment Ltd.	17½	10	1 4	1 4				
30,64,680	87,09,225	1,02,29,699	36,95,003	1,63,901	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	12½	10	1 4	1 4	1 4		12	V.
3,25,00,000	1,00,32,963	2,69,29,657	2,07,14,167	2,81,142	Sir Robert Menzies	British India Corporation Ltd.	9-¼	10	0 12	1 0	1 0		9	V.P.
1,60,00,000	1,79,00,000	4,83,17,964	3,08,53,134	11,88,891	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	36½	10	0 10	0 8	1 0		3	V.P.T.
51,26,000	53,93,753	1,34,39,918	....	3,13,508	Bird & Co., Ltd.	Eastern Investments Ltd.	170	100	9 0	7 0	1 8		12	V.P.
14,00,000	9,97,000	33,12,243	18,66,225	11,238	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	190	100	20 0	9 0	9 0		12	V.P.T
65,00,000	38,00,000	18,19,106	6,87,885	1,58,072	K. R. Fettes, Esq.	Gillanders Arbuthnot & Co., Ltd.	118	10	10 0	10 0	7 8		12	V.P
30,00,000	11,42,354	68,39,433	29,41,525	1,366	B. P. Byrnihom	Great Eastern Hotel	118	10	10 0	7 8	7 8		3	V.
13,42,800	7,07,964	70,51,010	47,39,868	19,013	Birla Bros., Ltd.	Hind Cycles	258N	250	15 0	7 8	7 8		8	V.
4,96,12,650		3,05,00,214	60,32,719	4,34,999	Birla Bros., Ltd.	Hindustan Motors	100N	100	15 0	5 0	4 4		3	V.
1,60,00,000	36,77,754	3,95,21,557	1,54,14,669	2,94,512	I. W. Cameron, Esq.	Indian Aluminium Co.	8½	10	0 8	0 8			3	V.P.V.
1,52,89,220	1,09,40,904	1,32,67,333	46,27,452	19,70,066	A. R. Driessen, Esq.	Indian Cable	134	100	Nil	Nil	Nil		12	V.
8,27,970	2,38,008	13,79,995	8,39,426	17,480	G. S. Monton & Co. (India), Ltd.	Indian Rubber Manufacturers	26½	10	5 0	Nil	Nil		3	V.P.
8,00,000	52,62,941	31,49,487	7,53,287	5,26,226	G. M. Mashlahy, Esq.	Jardine Henderson	12½	10	1 0	1 0*	1 0*		12	V.P.
6,34,000O. / 66,000D.	3,48,343	6,89,830	4,31,766	8,240	James & Co., Ltd.	Macfarlane & Co.	116 / 2½	100 / D. 5	10 0 / 0 3	7 8	7 8		3 / 3	V.P. / V.P
40,80,000O. / 3,00,000D.	46,58,146	25,22,837	7,33,942	1,07,086	C. L. Baljoria, Esq.	McLeod & Co.	220 / —	O. 100 / D.D. 10	Nil / 7 8	Nil / 10 0			9	V
1,30,95,750	53,14,868	19,97,616	8,95,141	2,52,480	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	23½	10	0 4	0 8				
1,15,00,000	39,01,000	1,56,11,348	39,32,798	13,11,213	H. Chunnell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	20½	10	1 0	1 0			12	V.P.
6,33,235	1,72,468	7,82,942	2,60,837	—71,442	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	—	10	0 4	Nil				
8,56,250	5,55,113	10,40,230	4,40,947	73	C. Chandy, Esq. (Controller)	Mysore Lamp Works	3½	10	1 0	1 0	1 0		9	V.P.
10,00,000	1,20,000	14,23,286	7,19,467	35,598	K. Narayanaswamy, Esq.	Mysore Tobacco	14½	10	Nil	Nil	Nil		3	V.P.
20,00,000	49,41,539	53,81,562	27,19,098	1,75,176	Associated Industrial Development Co., Ltd.		11	10	1 0	1 0	1 0		9	V
						National Insulated Cable	23½	10	0 12	1 0	1 4		3	V.T.
79,97,000	28,68,388	69,70,031	3,78,836	18,62,030	B. N. Elias & Co., Ltd.	National Tobacco Co.	9½	10	Nil	Nil			12	V.
40,00,000	27,00,000	44,15,694	19,71,434	1,31,468	Covenanted Investment Trust Ltd.	Parry & Co.	4½	3	0 4½	0 4½				
8,25,00,000	6,41,684	1,61,45,956	43,79,829	—42,97,067	T. A. Lyktardopulo, Esq.	Rallis (India) Ltd.	39½	100	Nil	Nil	1 0		3	V.P.
1,14,00,000	1,17,70,208	6,94,43,137	3,00,81,612	4,46,951	Sahu Jain Ltd.	Robbat Industries	23½	10	1 4	0 4½			3	V.P.T
40,00,000	93,51,062	1,19,12,218	70,10,822	4,34,527	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17	10	Nil	Nil	Nil		12	V.P.
75,00,000	38,50,000	12,92,398	1,20,563	3,67,879	E. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	14½	10	1 8	1 8	1 8		8	V.P.T.
9,98,380	1,50,000	14,27,407	3,01,599	—1,06,545	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	1 0	1 0			6	V.P.
									Nil	Nil			12	V.

‡ Investments at cost.

§ Excluding goodwill (crores form) Rs. 80 lakhs.

* Includes bonus.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
							ASSAM								
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co. Ltd.	825	Amluckie	600N	100	7 8	25 0	30 0		12	Y.P
2,76,500	4,50,000	7,71 948	3,05,709	31,218	Andrew Yule & Co. Ltd.	312	Ananda (Assam) Tea	44½	10	0 12	1 4	7 8		12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co. Ltd.	420	Ananda Bag	54	10	Nil	2 8	1 8		12	Y.
5,50,000	7,21,416	16,60,355	5,32,872	—75,110	McLeod & Co. Ltd.	513	Baghmari	25½	10	Nil				12	Y.
3,40,000	8,20,000	11,50,416	2,98,096	70,514	Andrew Yule & Co. Ltd.	369	Basmatia	47	10	2 0	2 8			12	Y.
3,30,000	3,70,000	9,24,593	5,59,593	80,009		569	Batell	25½xd	5	0 4	2 0	1 8		12	Y.
3,20,000	3,70,000	9,38,920	2,13,496	61,395	Gillanders Arbuthnot & Co., Ltd.	546	Betjan	65	10	Nil	2 0	1 8		12	Y.
16,50,000	20,60,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd.	3,967	Bishnauth	43½	10	Nil	3 8			12	Y.
6,00,000	2,53,500	10,49,415	2,08,130	61,929	Octavius Steel & Co., Ltd.	485	Bokakhat	22½	10	Nil	Nil	1 0		12	Y.
7,50,000	4,50,000	8,36,160	2,52,708	6,960	McLeod & Co. Ltd.	450	Bormah Jan Tea	23½	10	Nil	0 12	1 0		12	Y.P.T
35,00,000	11,92,045	73,80,473	19,49,496	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	15½	10	1 0	0 8	1 4		6	Y.P
1,20,000	1,95,097	4,60,080	1,69,074	—16,624	McLeod & Co., Ltd	282	Dejoo Valley	53½	10	Nil	1 0			12	Y.
6,00,000	7,97,500	25,17,843	16,06,120	36,972	Jardine Henderson Ltd.	1,220	Dessai & Parbattia	44½	100	10 0	20 0			12	Y
17,53,440	7,04,519	21,43,185	3,42,779	10,336	James Warren & Co., Ltd.	620	Dhekakhat	18½	10	1 0	1 8	0 8		12	Y.
4,68,970	2,70,000	11,71,408	4,34,259	8,732	James Finlay & Co., Ltd.	639	Dhunseri	23½	10	Nil	2 0	1 0		12	Y.P.
4,50,000	3,25,400	6,02,617	2,33,483	16,852	McLeod & Co., Ltd.	458	Dibrugarh	24½	10	Nil	1 0	1 0		12	Y.
2,36,700	4,75,000	8,80,047	4,70,047	43,918	Williamson Magor & Co., Ltd.	625	Dimakusi	70½	10	1 0	4 8	1 0		12	Y.P.
5,60,500	6,05,000	17,90,747	10,40,747	1,14,474	Williamson Magor & Co., Ltd.	615	Duffleghur	46½	10	2 0	4 0	1 0		12	Y.P
10,00,000	4,65,000	21,78,081	8,83,081	38,641	Williamson Magor & Co., Ltd.	1,177	East India Tea	27½	10	0 4	2 8			12	Y.
3,60,000	3,50,000	8,18,664	4,01,797	13,832	L. C. Kanoi, Esq.	407	Gilapukri	44	10	Nil	1 12			12	Y.
3,38,000	3,60,000	13,95,316	6,19,316	79,542	Williamson Magor & Co., Ltd.	546	Gohpur	53	10	1 8	3 0			12	Y.
A.4,94,360 / B.2,40,790	14,22,810	18,09,304	5,63,575	23,354	Octavius Steel & Co., Ltd.	1,393	Grob	34½ / 17½	A.10 / B 5	2 0 / 1 0	3 0 / 1 8	0 12½ / 0 6½		12	Y.
2,00,000	7,00,000	7,04,481	2,29,888	48,032	Andrew Yule & Co., Ltd.	476	Hoograjuli	69	10	1 8	3 0			12	Y.
4,35,000	8,54,216	18,50,196	9,54,270	24,921	Andrew Yule & Co., Ltd.	1,290	Hoolongooree	375N	100	Nil	12 8			12	Y.
7,50,000	5,85,000	13,98,777	2,44,299	58,941	Gillanders Arbuthnot & Co., Ltd.	938	Jutilibari	23½	10	Nil	Nil	1 0		12	Y.
2,40,000	80,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,166	Kingsley-Golaghat (Assam)	360N	100	Nil				12	P.Y.
6,50,000	4,94,133	6,79 844	1,29,844	72,557	Duncan Bros. & Co., Ltd.	1,037	Ledo	31½	10	Nil	2 0			12	Y.
8,00,000	11,40 000	19,48,410	4,74 285	45,524	Octavius Steel & Co., Ltd.	612	Mathoni	24½	10	Nil	1 8	4 8		12	Y.
4,80,000	40,000	8,84,211	84,211	14,238	Duncan Bros. & Co. Ltd.	673	Mohesma	18½	10	Nil	Nil			12	Y.P.
1,50,000	4,47,344	7,54,419	4,05,697	16,982	Kettlewell Bullen & Co., Ltd.	433	Mothola	650N	100	Nil	40 0	15 0		12	Y.
O. 30,000 / P.O.2,00,000	4,05,000	8,98,088	5,22,218	34,889	Andrew Yule & Co., Ltd.	344	Murphulani	39½ / 45	O.10 / P.O.10	2 0 / 2 8	2 0 / 2 8			12	Y.
4,00,000	3,61,274	6,00,328	3,80,669	9,567	S.C. Sen, Esq., Supervising Director	542	Naga Hills	51	10	Nil	3 0	3 8		12	Y.
5,35,000	—	12,11,401	6,78,401	5,053	Shaw Wallace & Co., Ltd.	810	Nazbirwadi	24½	10	Nil	2 8	0 8		12	Y.
3,00,000	1,15,000	5,92,221	1,92,221	21,164	Duncan Bros. & Co., Ltd.	935	New Cinnamollah	255	100	Nil	5 0			12	Y.
2,00,000	5,27,500	7,37,172	2,83,495	45,300	Andrew Yule & Co. Ltd.	353	Rajgarh	43	10	Nil	2 8			12	Y.
6,00,000	2,00,000	17,09,844	6,56,993	16,877	James Finlay & Co., Lt

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
2,00,000	2,35,000	3,76,125	22,948	34,760	Planting Agencies Ltd.	Balmadies Plantations	3 3/8	2	0 3½	0 4	0 4		2	Y.P.T.
17,94,186	16,19,828	30,44,517	3,00,811	1,02,250	Peirce, Leslie & Co., Ltd.	Cochin Malabar	3 7-5½	3	0 9 3/5	0 12	0 12		6	Y.P.
18,00,000	13,78,817	31,25,382	4,43,587	1,38,644	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	16½	10	0 14 2/5	0 4 4/5	2 8		5	Y.P.
47,70,000	57,62,500	1,00,81,036	15,88,295	4,24,565	R. C. Paterson, Esq.	Consolidated Coffee	18	10	1 12 4/5	1 8	1 12		6	Y.P.
4,00,000	3,34,078	5,19,105	46,991	11,406	Associated Planters Ltd.	Cottanad Plantations	14	10	1 8¼	1 8*	1 8		6	Y.P.
18,00,000	6,86,355	22,16,637	4,18,493	57,291	A. V. Thomas & Co., Ltd.	Highland Produce	14	10	1 0	1 4	0 10½		5	Y.P.
4,00,000	10,16,061	10,85,666	1,39,566	11,970	A. V. Thomas & Co., Ltd.	Kalpetta Estates	24½	10	2 0	2 0	2 0		12	Y.P.
4,50,000	11,78,329	9,97,046	2,35,186	14,253	F. Kurian John, Esq.	Malankara Rubber	27	10	3 8	3 8	2 4		4	Y.P.
27,00,000	27,35,000	71,39,275	6,74,802	99,729	A. V. Thomas & Co., Ltd.	Midland Rubber	16½	10	1 8	1 8	1 12*		3	Y.
3,35,000	1,56,000	13,80,323	1,24,260	42,480	A. V. George & Co., Ltd.	Nenmeny Rubber	13½	10	0 10	0 12			3	Y.P.
2,00,000	2,63,714	6,60,783	34,844	8,398	Associated Planters Ltd.	Nilambur Rubber Co.	4-14½	10	1 0	1 0			12	Y.P.T.
19,45,980	24,01,085	37,40,924	10,24,385	69,334	Peirce, Leslie & Co., Ltd.	Ouchterloney Valley Estates	2 0 3½	10	0 3½	0 3½	0 9 3/5		12	Y.P.
13,30,000	6,80,000	39,49,798	3,06,746	54,658	A. V. Thomas & Co., Ltd.	Rajapiri Rubber	15⅝	10	1 8	1 12½	1 12*		10	Y.P.T.
3,66,780	2,50,000	5,94,562	49,313	89,904	Peirce, Leslie & Co., Ltd.	Savanalai Estates Ltd.	26½	10	3 8	3 0	2 8		6	Y.P.
10,00,000	3,09,600	21,81,045	1,32,358	1,227	East India Agencies	Teekoy Rubber (India) Ltd.	9	10	0 14½	0 14 2/5	0 12		11	Y.
2,50,000	2,37,500	5,25,215	24,851	13,303	A. V. George & Co., Ltd.	Thamaraparly Rubber	26 cd	10	2 8	3 0	2 3½		3	Y.P.T.
6,10,200	2,75,003	7,98,048	62,162	17,826	Peirce Leslie & Co., Ltd.	Tirumbadi Rubber Co., Ltd.	1-13½	1	0 4	0 4½	0 13/5		12	Y.P.
6,00,000	46,474	7,49,611	1,11,200	3,744	Espan Thomas, Esq. (Mg. Director)	Travancore Rubber	16½	10	2 0	2 0	2 0		9	Y.
41,00,000	14,29,673	74,86,897	7,65,148	3,28,925	Aspinwall & Co. (Travancore)	Travancore Rubber and Tea Co., Ltd.	10⅛	10	0 9 3/5	1 0	1 8		12	Y.P.
20,00,000	90,000	25,53,508	5,65,978	2,276	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	35½	25	2 8	3 0	3 0		12	Y.P.T.
6,28,580	4,40,670	7,77,154	14,119	21,363	Harrisons & Crossfield Ltd.	Valkundam (Travancore) Rubber	21½	10	2 0	2 0	2 4		12	Y.
1,65,000	87,259	3,50,536	15,684	1,063	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	12	10	Nil	1 7	1 8		12	Y.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	55,00,000	96,99,205	51,47,202	54,436	B. N. Elias & Co., Ltd.	879	Agarpara	13⅞	10	1+1	1+1	⅞f		3,9	H.T.P
12,00,000	27,00,000	45,81,286	32,42,838	54,874	Sasu Jain Ltd.	498	Albion	149	100	8+10	12+12	12f		5,11	H.P.
6,00,000	3,35,000	51,04,592	33,59,395	10,062	McLeod & Co., Ltd.	446	Alexandra	235	100	Nil	Nil+2½	2½f		6,12	H.P.T.
30,00,000	7,35,000	1,17,45,944	90,43,069	61,708	McLeod & Co., Ltd.	1,264	Alliance	180	100	Nil	Nil+5	6f		6,12	H.P.
*19,20,700	82,13,386	2,54,81,317	1,78,90,000	1,47,643	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	215	100	10+10	7½+5	2½+5		3,9	H.P.
40,00,000	40,52,240	1,63,99,837	84,16,116	7,674	Bird & Co., Ltd.	810	Auckland	135	100	5+4	2+2	1+2½		3,9	H.P.
20,00,000	25,93,136	98,25,588	65,19,459	18,759	Jardine Henderson & Co.	184	Bally	959	100	Nil	4+Nil	Nil		3,9	H.P.T.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,889	Barnagore	177½	25	£1	£1	£⅞	sh.2½	3,9	H.P.
28,00,000	35,49,623	89,73,098	49,13,770	1,11,911	Andrew Yule & Co., Ltd.	207	Belvedere	7½+7½	10	7½+7½	7½+7½	5+5		3	Y.P.
45,00,000	56,45,000	55,16,391	29,60,822	2,95,071	Soorajmull Nagarmull	600	Bengal	14 gxd	10	1	1½	1½		6,12	H.P.
91,26,000	2,08,61,400	3,18,53,661	1,29,13,354	1,26,903	Birla Bros., Ltd.	1,373	Birla	19½	10	1	3	1½		6	Y.P.T.
36,00,000	29,62,925	1,11,26,530	71,77,582	1,20,609	Andrew Yule & Co., Ltd.	991	Budge-Budge	183	100	6½+6½	6+4	4+5		3	Y.P.
7,47,380	3,16,924	41,38,590	29,87,611	2,610	Dayaram & Sons	502	Calcutta Jute Mfg	14½ N	10	0+8	Nil	⅞f		4,10	H.P.
18,00,000	32,31,234	77,57,603	40,35,574	78,538	Andrew Yule & Co., Ltd.	516	Caledonian	260	100	6+6	6+6	4+5		6,12	H.P.T
59,16,500	1,01,06,609	1,88,44,627	1,05,04,000	22,542	James Finlay & Co., Ltd.	600	Champdany	164	100	5+4	2+2	Nil+3		5,11	H.
15,95,000	30,14,282	80,62,490	55,81,540	1,37,479	Andrew Yule & Co., Ltd.	298 xd	Cheriot	14½	10	6+6	6+6	6+8		3,9	H.
30,15,000	28,25,000	60,73,514	46,01,290	1,52,253	McLeod & Co., Ltd.	500	Chitavalsah	14½	10	2½+1½	1½+½	1+8		5,11	H.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	16⅝	10	2	Nil			6,12	H.T.P.
31,49,200	62,11,927	1,28,98,802	63,22,413	15,344	Bird & Co., Ltd.	766	Dalhousie	137	100	6+1	1+5			3	Y.P.
28,00,000	44,74,179	74,57,171	46,41,725	1,46,508	Andrew Yule & Co., Ltd.	779	Delta	252	100	10+10	10+10	1+1½		3,9	H.P.
15,00,000	33,25,000	76,36,813	56,35,731	40,839	McLeod & Co., Ltd.	500	Empire	25⅝	10	3+1	2½+½	⅞f		5,11	H.P.
21,00,000	33,28,948	2,70,49,518	1,81,05,210	71,285	Ketlewell Bullen & Co., Ltd.	1,884	Fort Gloster	460 N	100	10+Nil	Nil	Nil		6,12	H.T.P.
14,00,000	13,00,000	82,13,503	49,57,586	5,930	Bangur Bros., Ltd.	1,014	Fort William	380 N	100	Nil	Nil+5	10+10		3,9	H.P.T
24,32,100	2,73,755	2,11,52,730	1,36,01,508	—74,093	Mancoll & Barry Ltd.	1,709	Ganges Mfg.	103½	100	Nil	Nil+Nil	Nil+½		3,9	H.T.P.
10,80,000	28,00,000	71,52,963	48,43,692	—2,640,234	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	990	300	30	15	15		3,9	H.P.
24,00,000	31,83,104	2,20,06,557	1,67,50,294	—41,320	Macneill & Barry Ltd.	1,394	Gourepore	396	100	1½+Nil	Nil+3½	2½+7½		12	Y.
40,00,000	35,66,234	72,95,744	48,50,613	2,255	Bangur Bros., Ltd.	720	Hastings	115 N	10	10	10	10+0		3, 9	H.P.
16,80,000	18,52,626	66,38,235	45,81,416	1,65,858	Gillanders Arbuthnot & Co., Ltd.	1,940	Howrah	42⅛	10	1½	1½	½		3	Y.P.
65,62,500	38,82,162	1,47,23,497	1,06,14,353	3,826	Jardine Henderson Ltd.	2,272	Hukumchand	29⅞	10	1+½	1+½	1⅞		3	Y.P.
52,50,000	20,00,000	2,42,25,884	1,49,73,884	1,64,711	Ramdutt Ramkissendas		India	183	O. 125	3½+3½	3½+3½	Nil+3½		3,9	H.
O. 87,00,000	19,20,045	1,11,31,089	75,39,061	38,601	Mackinnon Mackenzie & Co.	1,076			D. 1	As.8+4	As.8+4	As.		3, 9	H.
D. 30,00,000							Kamarhatty	206	100	8+6	6+3	3+3			
24,00,000	28,34,204	1,36,86,233	1,21,96,305	84,189	Jardine Henderson Ltd.	1,797		170 'B'	100	8+6	6+3	3+3		6,12	H.P.
B. 19,20,000								150	100	6+4	5+2½	2½+2½			
30,00,000	18,14,767	1,31,87,376	98,19,537	62,312	Jardine Henderson Ltd.	1,527	Kankinarrah	1354 'B'	100	6+4	5+2½	2½+2½		6,12	H.P.
B. 24,00,000							Kelvin	313	100	7½+7½	7½+7½	7½+7½			
21,00,000	48,25,000	1,05,38,484	74,86,276	1,19,643	McLeod & Co., Ltd.	703	Khardah	190	100	10+15	10+7½	7½+5		6,12	H.P.
54,00,000	23,83,375	1,68,29,755	1,14,44,627	35,864	Anderson Wright Ltd.	1,530	Kinnison	186	100	10+7	4+5	2+5		3,9	H.P.
48,00,000	1,02,14,684	2,29,23,597	1,08,58,211	9,674	F. W. Heilgers & Co.	1,250	Lansdowne	132	100	7+3	2+5	1+1		3,9	H.P.
24,48,000	48,31,837	1,39,26,497	78,80,252	4,428	Bird & Co., Ltd.	931	Lawrence	145	100	11+4	2+1	1+1		3,9	H.P.
28,00,000	39,56,165	1,14,93,720	63,14,525	12,683	Bird & Co., Ltd.	840	Lothian	410	100	15+15	15+15	15+15		3,9	H.P.
10,00,000	41,51,301	50,99,235	36,06,454	1,538	Andrew Yule & Co., Ltd.	558	Magna	100	100	24+24	24+24	Nil 24		5,11	H.P.
21,45,200	26,14,412	1,92,62,004	1,19,08,316	8,302	Mackinnon Mackenzie & Co.	1,008	Meghalai	111	100	6+Nil	Nil	Nil		3,9	H.
29,98,900	41,13,783	1,72,83,489	94,88,274	—7,08,048	F. W. Heilgers & Co.	815	Naskarpara	14⅞	10	1+1	Nil+½	½f		3,9	H.
20,00,000	15,05,000	28,15,067	16,73,660	3,826	Howrah Trading Co., Ltd.	425	National	31½	10	1+1	1+1	½+1		4,10	H.T.
35,00,000	44,29,324	28,38,765	9,63,390	1,88,126	Andrew Yule & Co., Ltd.	852	Neilkanth Jute	11 xd	10	2+1	1+1	1+1		4,10	H.P.
26,25,000	22,75,000	26,82,794	18,86,219	1,23,399	McLeod & Co., Ltd.	316	New Central	146½	100	10+12	12+12	12f		6,12	H.P.T.
34,13,033	34,13,033	49,75,722	24,95,902	84,459	Saha Jain Ltd.	709	Northbrook	26½	10	1+1	1+1	1f		6,12	H.P.
16,79,880	51,05,498	1,23,66,779	59,31,089	43,570	Bird & Co., Ltd.	567	Nuddea	55½	50	1+Nil	Nil+½	½+½		3, 9	H.P.T.
66,79,500	31,70,094	2,13,09,993	1,38,37,886	33,079	Macneill & Barry Ltd.	1,092	Orient	189 xd	100	1+6	Nil+½	Nil+½		3,9	H.
24,91,000	27,81,049	71,20,511	49,55,472	1,21,195	Andrew Yule & Co., Ltd.	601	Presidency	7½ xd	5	Nil	Nil+½	½+½		3,9	H.
25,00,000	6,23,468	80,72,391	43,77,961	1,03,954	McLeod & Co., Ltd.	400	Rameshwara	8⅞	10	Nil	Nil	Nil		3,11	H.P
30,00,000	1,40,946	28,48,443	7,67,493	—10,89,456	H. P. Birla, Esq.	305	Reliance	14½	10	Nil	Nil	Nil		6,12	H.P.
49,50,000	8,01,373	1,23,46,455	57,04,882	18,873	Jardine Henderson Ltd.	1,276	Samnagur	14½	10	Nil	Nil	Nil		3,9	H.P.
£600,000	£1,093,713	£3,228,258‡		£95,425	Thomas Duff & Co. (India), Ltd.	2,013	Shree Ambica	10½	£1	10½	10½			3,9	H.P.T
30,00,000	13,12,193	1,03,17,335	71,03,045	10,541	Bagaria More & Co., Ltd.	911	Soorah	14½	10	1+1	Nil+½	½f		12	Y.P.
14,00,000	11,08,733	66,05,602	31,22,593	1,66,758	Hindustan Investment Corporation.	401	Standard	17½N	10	Nil	Nil	Nil		3,9	H.P.
25,19,600	47,29,578	1,01,23,059	57,01,018	1,112	Bird & Co., Ltd.	650	Titaghur	150	100	8+1	1+1	1+1		12	Y.P.T.
£600,000	£925,119‡	£992,042		£108,518	Thomas Duff & Co. (India), Ltd.	1,794	Union	14½	£1	10½	10½			3,9	H.P.
35,98,600	85,79,790	1,93,34,618	76,50,486	9,515	Bird & Co., Ltd.	1,326	Victoria	188	100	10+1	1+4	1+5		12	Y.P.
£400,000	£688,035‡	£1,086,826		£1,12,138	Thomas Duff & Co. (India), Ltd.	1,331	Waverley	14	£1	10½	10½			3,9	H.P.T.
2,30,000	4,95,000	55,94,678	37,77,741	35,624	McLeod & Co., Ltd.	465		8⅞	1	Nil	Nil+½	½f		12	Y.P.
														6,12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	20,75,000	83,30,999	56,70,999	21,411	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	23 xd	10	1+1	1+1	1+1		3,9	H.
12,00,000	8,38,299	38,74,352	33,42,552	3,819	Jardine Henderson Ltd.	Bararee Coke	20½	10	3/5+1	7/10+7/10	1+7/10		3,9	H.
4,49,350	70,000	8,49,159	5,37,466	6,07,575	Andrew Yule & Co., Ltd.	Bengal-Bhaudee	49⅞	20	½	½	½		4,12	H.
1,00,00,000	1,27,25,854	5,66,19,576	3,70,80,321	.....	Andrew Yule & Co., Ltd.	Bengal Coal	10½	100	24+20	17½+15	15*+15*		4,10	H.P.
2,25,000	3,10,360	25,37,614	22,43,053	25,529	H. V. Low & Co., Ltd.	Bengal-Nagpur	7	10	½+½	Nil	Nil		6,12	H.P.
15,97,000	3,10,369	25,37,614	22,43,052	13,644	Saha Jain Ltd.	Bhalgora	7⅞	10	½	½			9	
40,00,000	14,81,010	1,30,60,104	68,96,790	—2,17,803	F. W. Heilgers & Co., Ltd.	Bhulanbaraee	14½	10	Nil	Nil	Nil		6	Y.T.P.
7,15,000	14,52,017	72,05,027	36,72,990	—1,36,132	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	14½ N	10	Nil	Nil	Nil		6,12	H.
16,00,000	16,22,936	68,16,454	39,74,841	96,771	F. W. Heilgers & Co., Ltd.	Borree	30	10	1½+1½	1½+1½	1+1		6,12	H.T.
7,50,000	17,27,190	42,04,164	25,72,969	1,87,027	Bird & Co., Ltd.	Burrakur	12½	10	½+½	1+1	1+1		6,12	H.P.
90,92,480	1,71,71,164	4,14,99,400	1,76,35,314	5,907	Hindustan Investment Corpn., Ltd.	Central India	7	10	Nil	½+½	½+½		6,12	H.P.T.
49,97,750		34,31,955	2,57,645	82,768		Central Kurkend	13½	10	Nil	½	½		3	
8,00,000	13,54,302	49,10,414	32,63,954	13,654	F. W. Heilgers & Co., Ltd.	Churia	22	4	½	½+½			6,12	H.
6,00,000	1,43,230	7,25,000k	.....	—1,91,135	Macneill & Barry Ltd.	Dhemo Main	8⅞	10	Nil	Nil	Nil		6,12	H.
16,00,000	1,20,000	50,43,761	27,27,536	463,577	Jardine Henderson Ltd.	East Indian	2⅞	61	54 1/2	2½	Nil		6,12	H.T.
£240,000	£362,496	£344,003	£11,181	411,181	Macneill & Barry Ltd.	Equitable	31⅞	10	2+1½	1+½	2½		4	Y.
29,63,760	71,99,925	3,66,32,799	2,81,14,367	1,85,653	Shatter's Agency Ltd.	Ghusick and Mualia	14½ N	10			½		6,12	H.P.T.
10,00,000	2,11,139	9,72,721	3,23,943	40,234	Killick Industries Ltd.	Hingir-Rampur	40½	50					9	
12,00,000	1,22,000	37,04,970	19,00,221	445	Macneill & Barry Ltd.	Hurriladih	19	10	½+½	½+½	Nil		3	
8,00,000	5,74,000	21,42,381	18,13,083	62,148	Bajnath Trust Ltd.	Jogta Coal	1 3/8 N	10	Nil	½	½f		6	Y.P.
22,00,000	1,08,377	31,70,015	10,56,245	—1,95,248	Andrew Yule & Co., Ltd.	Kalapahari	27⅞	10	1½+1½	1½+1			6,12	H.
3,50,000	4,26,551	14,83,445	6,91,521	.....	Bird & Co., Ltd.	Karanpura Collieries	100	100	Nil	Nil	Nil		12	Y.P.
20,00,000	9,375	26,40,669	2,44,630	3,145	Andrew Yule & Co., Ltd.	Katras Jherriah	40½	10	2+2	Nil	Nil		2,8	H.
5,00,000	13,60,000	44,39,243	34,62,230	91,318	Bewtwala & Co.	Khas Kajora	5⅞	10		2+2	2+2		3	Y.P.
1,38,400	5,72,960	12,85,941	5,72,940	—2,40,234	H. V. Low & Co., Ltd.	Ksardi	7⅞	10	Nil	Nil			1,7	H.
11,00,240	44,314	16,72,961	10,41,843	—41,320	H. V. Low & Co., Ltd.	Lakurka	10⅞	10	Nil	Nil	Nil		6,12	H.
9,00,000	11,86,413	28,69,268	22,97,987	2,255	A. P. Tantia, Esq.	Natira	7½	10					6	Y.
7,48,240	1,50,000	11,58,128	8,95,684	23,298	Amritlal Ojha & Co., Ltd.	New Benodeopur	7⅞	10					4	Y.
7,00,000	26,417	10,33,740	5,20,295	4,560	Andrew Yule & Co., Ltd.	New Beerbhoom	13⅞	10	Nil+½		½+½		6,12	H.
17,76,230	18,91,763	1,16,14,994	85,44,712	2,485	Osmitus Steel & Co. Ltd.	New Manbhoom	9½	10	½	Nil	½+½		3,9	H.
6,00,000	85,000	29,00,087	16,42,360	.....		North West	11⅞ N	10	Nil	Nil	Nil		6,12	H.P.
1,15,000	2,47,693	12,93,355	8,05,952	8,676	Andrew Yule & Co., Ltd.	Ondal	7⅞ N	10	½+½	½+Nil	Nil		3,9	H.
1,57,500							19⅞	10	½+½	½+Nil	Nil			
7,50,000	11,77,362	3,97,666	2,77,666	1,13,650	F. W. Heilgers & Co., Ltd.	Oriental Coal	9½ N	10	½+½	½+½	½+½		3,9	H.
10,00,000	1,10,000	37,18,080	18,07,868	38,140	K. C. Thapar & Bros.	Parasea	9⅞	10	Nil	½			6,12	H.P.
8,34,000	1,32,942	17,23,281	6,78,407	5,418	Deepchand Kheteslall	Punch Valley	23½	10	½+½	½+½			6,12	Y.T.
15,75,000	14,00,000	45,17,541	32,67,541	20,192	Shaw Wallace & Co., Ltd.	Ranegunge	11½	10	Nil	Nil	½+½		6,12	H.P.
23,99,500	17,17,105	1,16,31,468	80,43,780	72,002	N. B. Elias & Co., Ltd.	Rawa	21½	10	½+½	Nil	½+½		3,9	H.
13,50,000	7,88,385	30,74,660	25,05,660	27,848	Shaw Wallace & Co., Ltd.	Samla Collieries	9⅞	10	½+½	1+½			3,9	H.
20,00,000	3,95,008	32,32,218	13,30,500	438	Jalpurna Sons Ltd.	Searsole	12⅞	10	½+½	½+½	½+½		6,12	H.
1,25,000	1,85,000	12,10,180	10,21,382	19,527	Gillanders Arbuthnot & Co., Ltd.	Seebpore	26	7	2+1	½	½		6,12	H.
2,80,000	7,36,598	29,34,340	17,77,135	39,411	Andrew Yule & Co., Ltd.	Sendra	9½ N	10	½+½	½+½	1+1		3	Y.
8,00,000	8,75,468	34,81,786	26,51,462	—1,22,722	F. W. Heilgers & Co., Ltd.			10	Nil	Nil	Nil		12	Y.
63,21,450	15,01,620	3,51,42,502	2,49,62,544	—6,49,301	Industrial Trust Fund (Government of Hyderabad)	Singareni	7½	10					6,12	H.P.
						South Karanpura	11⅞	10		Nil			6,12	H.T.
17,50,000	10,85,425	37,23,394	14,57,868	3,853	Bird & Co., Ltd.	Standard	18⅞	10	½+½	½+½	Nil+½			
8,00,000	14,72,339	1,09,370	24,510	67,398	F. W. Heilgers & Co., Ltd.	Talcher	3½	2½	½+½	½+½	½+½		12	Y.T.
10,00,000	12,958	30,15,423	15,43,501	—3,64,336	Villiers Ltd.	Union	18	10			½+½		2,8	H.
3,50,000	3,65,000	18,61,212	14,05,212	68,861	Williamson Magor & Co., Ltd.	Western Bengal	7½	10	1½+1½	1+½			6,12	H.
40,92,000	21,916	47,68,934	16,41,545	65,727	Hindustan Investment Corpn., Ltd.	West Jamuria	15½	10	½	½	½f		9	Y.
7,88,800	3,57,000	30,89,488	21,36,223	582	Macneill & Barry Ltd.				Nil	Nil	Nil		6,12	H.
													6,12	H.

* Including bonus.

(j) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

(k) Investments.

(s) For seven months ended 31st March, 1954.

PROVISIONAL INCREASE IN STEEL PRICES

TEXT OF GOVERNMENT'S ANNOUNCEMENT

THE retention prices of steel payable to the Tata Iron and Steel Company, Ltd., and the Indian Iron and Steel Company, Ltd., were announced on 20th July, 1953 and 25th March, 1954, respectively. These retention prices were to remain in force up to 31st March, 1955. While announcing the retention price for the Indian Iron and Steel Co., Ltd., the Government expressed the view that the principles of price fixation hitherto followed required revision, that the revised principles should be applied to the industry from 1st April, 1955, and that at that stage the treatment to be accorded to the colliery block of the steel companies, on which the Tariff Commission had submitted a report, could also be appropriately dealt with.

The Government has had under consideration the question of expansion of steel capacity in the country and has agreed that the capacity of the Tata Iron and Steel Co., Ltd., should be expanded by about 500,000 tons of finished steel and that of the Indian Iron and Steel Co., Ltd., by 100,000 tons, and an increase in the finishing capacity of the mills over and above the capacity already planned under their respective expansion programmes. Both the producers, however, have represented that the retention prices fixed for them should be suitably raised to facilitate the implementation of these additional expansion programmes partly from out of their internal savings. The Government has considered these representations and has also reviewed the principles of price fixation hitherto followed, and have decided:

(1) That the major producers of steel should be paid a uniform retention price;

(2) that the uniform retention price to be paid to the Tata Iron and Steel Co., Ltd., and the Indian Iron and Steel Co., Ltd., should be fixed at Rs. 385 per ton, pending enquiry by the Tariff Commission; and

(3) that agreements should be obtained from the two producers that the extra profits made by them, as a result of the present increase in the retention price, will be earmarked specifically for development and expansion and not for any other purpose, except with the express permission of the Government.

The Tariff Commission is now requested to conduct necessary enquiries and to recommend a uniform retention price which should be paid to the major producers, having regard to their current expansion programmes and the additional programmes which they are to undertake. As indicated above, the Government desires that the prices fixed for the two producers should be uniform on the average and where necessary and possible for each comparable product. In order that the introduction of a uniform price may not adversely affect the production and expansion programme of the Indian Iron and Steel Co., Ltd., whose works costs per ton are higher than those of the Tata Iron and Steel Co., Ltd., the uniform price should be fixed on the basis of the costs of production of the Indian Iron and Steel Co., Ltd., the uniform price should also be such as would enable both the producers to obtain a portion of their capital requirements of their current and additional expansion programmes from internal resources and to raise the balance from outside.

The Commission may also recommend the period for which the revised retention price should remain in force, having in view the fact that the emphasis in respect of the present review of prices is on the expansion of the capacity of the respective plants.

As regards the treatment to be accorded to the colliery block of the steel companies, the Government accepts the Commission's recommendations that such block should be treated as an integral part of the steel block and that the steel companies should be allowed to recover their actual cost of raising coal in the price of steel.

MARKET GOSSIP

(*Concluded from page 963*)

taking in assigning cargoes to tramps on time-charter basis, with a view to avoiding delays in turnround of ships, as a result of unsettled labour conditions in Australian and Indian ports. High rates have to be paid, because shipowners now consider it more advantageous to operate on a voyage-to-voyage basis rather than let their vessels out for protracted employment.

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It will be recalled that, early in April, the U.S.-India, Pakistan, Ceylon and Burma Outward Freight Conference announced a surcharge of 35 per cent. on freight and other charges on all cargoes to Calcutta, Bombay and Madras. Subsequently, the Calcutta-Japan Conference also gave notice of a surcharge of 25 per cent. on all cargoes, excluding ores, to and from Calcutta. The Australian Outward Shipping

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	11,36,301	Allahabad Bank	554	100	18 0	18 0	18 0	18 0	12	Y.P.
14,50,000				182	50	9 0	9 0	9 0	9 0		
1,01,000	13,51,000	16,321	Andhra Bank	114	100	6 0	6 0	6 8	7 8	6.12	H.
23,99,000				79	70	3 0	3 0	3 4	3 12		
1,90,00,000	1,28,00,000	2,70,302	Bank of Baroda	99xd	50	6 0	6 0	6 0	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	12½N	25	0 12	0 12	0 12	1 0	12	Y.
3,50,00,000	3,52,00,000	910,851	Bank of India	148¾	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,375	27,15,000	64,703	Bank of Indore	55N	25	3 0	3 0	3 0	3 0	12	Y.
50,00,000	19,00,000	25,128	Bank of Jaipur	28	50	1 8	1 8	1 8	1 8	12	Y.
50,00,000	54,00,000	2,27,018	Bank of Mysore	274	100	16 0	16 0	16 0	16 0	12	Y.
60,47,100	57,21,859	11,240	Bombay State Co-operative Bank	55	50	2 8	2 8	2 8	2 0	6	Y.P.T.
15,00,000	26,00,000	20,774	Canara Bank Ltd.	80	50	4 8	4 8	4 8	4 8	12	P.Y.
7,50,000	10,50,000	6,878	Canara Banking Corporation Ltd.	55	50	5 0	5 0	5 0		12	Y.P.
2,42,11,875	4,00,56,697	17,88,899	Central Bank of India Ltd.	478	25	3 8	3 8	3 0	3 0	12	R.L.Y
62,42,375 'A'				49½	25	3 8	3 8	3 0	3 0		
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co	30½	50	1 12	1 12	2 0	2 0	12	Y.
1,50,00,000	1,00,00,000	1,08,898	Habib Bank (P)	72N	20	4 0	4 0	4 0	4 0	12	Y.
40,00,000	23,50,000	1,12,820	Hind Bank	23½	50	1 0	1 0	1 8	1 8	12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	9½	50	—	—	—		12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	13	50	—	—	—		12	Y.
75,00,000	78,00,000	1,08,750	††Hyderabad State Bank	105N	100	6 0	5 0	5 0	6 0	9	Y.
2,75,00,000	6,85,00,000	84,18,646	Imperial Bank of India	1,690	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000				412½	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000	77,50,000	1,20,785	Indian Bank	178½	100	12 0	12 0	17 0	12 0	6.12	R.L.H.
17,00,000				142	85	10 8	10 8	10 8	10 8		
16,50,000				108	50	7 8	7 8	7 8	7 8		
49,19,675	26,00,000	2,15,589	Indian Overseas Bank	108	100	6 0	6 0	6 0	6 0	6.12	R.L.H.
6,25,000				50	100(A)	7 8	6 0				
5,00,000	6,83,989	1,880	Indo-Commercial Bank	15	25(B)	1 14	1 8			6.12	H.
10,00,000				20	50(C)	3 0	3 0	3 0			
87,50,000	92,50,000	4,99,040	Punjab National Bank	42½	25	1 0	1 8	2 0	3 0	12	Y.
1,00,00,000	21,75,000	93,681	Travancore Bank	14½	25	—	—	0 10	0 12	12	Y.
40,00,000	33,00,000	1,76,874	Union Bank of India	64*	5	0 5½	0 5½	0 5½	0 5½	12	Y.
2,00,00,000	56,50,000	1,06,722	United Commercial Bank	44½	50	2 0	2 0	2 0	2 8	12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,500,000	£5,000,000	£292,910	Chartered Bank of India, Australia and China	£2-4-4½	£1	14†	16†	14†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£5§	£5	6†	7†	8†		12	R.L.Y.
H.K. $20,000,000	HK$128,000,000	H.K. $10,215,256	Hongkong and Shanghai Banking Corporation	$86½	H.K. $125	5*	5*	5*	5*	12	Y.
£17,966,195 'A'	£14,600,500	£616,557	Lloyds Bank	£8-6-9	£5 A	12†	12†	14†	15†	12	R.L.Y.
£1,437,296 'B'				£1-6-8	£1 B	5†	5†	5†	5†	12	R.L.Y.
£375,000 'A'				£4½	A £2½	12†	14†	14†	14†	12	R.L.Y.
£375,000 'B'	£1,750,000	£200,284	Mercantile Bank of India	£4½	B £2½	12†	14†	14†	14†		
£720,000 'C'				—	C £1	12†	14†	14†	14†		
£2,261,568	£8,104,687	£826,266	National Bank of India	£1-3-1½	sh. 12½	16†	16†	16†	15†	12	R.L.Y.

‡ Includes bonus † Less Tax. (P) Pakistan Currency. R-1 = Reserve liability on shares. 11 (A.F. Currency. (I) Interim. * £ pershare free of tax.

DEBENTURES

Amount Rs. or £ *	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR		
19,50,000	6	1st December and 1st June	Carew & Co.	100	1933
4,00,000	5½	1st March and 18th September	Carew & Co. (End mortgage)	95	25th February 1941(c)
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	99½	30th December 1964
10,00,000	6	1st August and 1st February	Savlajcan Sugar	102	27th December 1952-62
10,00,000	4	1st May and 1st November	Savlajcan Sugar (New)	90	1st November 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	102½	1st April 1946-51
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	97½	1st November 1959-64
			COAL		
80,00,000	4½	30th April and 31st October	Bharat Collieries	95½	30th June 1956
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	91½	30th June 1967(a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	99½	14th December 1965(a) ‡
			COTTON		
8,50,000	5½	30th June and 31st December	Essanti Cotton Mills Ltd.	85	30th April 1942
4,00,000	4½	10th May and 10th November	Empat-Nagpur	99	15th November 1949(b)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	102	1st January 1967-72(a)
12,68,000	5½		Jaykrishna Textiles	50½	1st January 1956-60
40,00,000	5	1st June	Tata Mills	101½	 1966-71
			ELECTRICS		
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	95	31st March 1965(a)
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	100½	14th June 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	97½	1st October 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December 1964(a)
2,45,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101	1st January 1976(a)
25,00,000	4	30th June and 31st December	Georgepore Electric Supply Co., Ltd.	87	31st December 1972
15,00,000	5	1st January and 1st July	Rijas (Sherriah) Electric Supply Co., Ltd.	96	30th June 1976(a)
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	99	 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	99	1st October 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	 1955-62
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July 1957-67
47,72,000	4	1st April and 1st October	Tata Power	99½	15th September 1951-55
2,50,000		1st April and 1st October	Tata Power	92½	15th September 1965-70
			ENGINEERING		
5,00,000	6	30th June and 31st December	Britannia Engineering	99	10th December 1958
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	102	1st July 1957-62
£1,146,500	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	£96	31st December 1966 (§§)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	£6	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	101½	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	100½	31st December 1960 (c)
			JUTE		
12,00,000	4½	1st October and 1st April	Agarpara	99½	31st March 1969
6,00,000	5½	30th June and 31st December	Alexandra	100	30th June 1949
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	88½	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta	90	31st July 1959
10,89,000	5	30th June and 31st December	Chitavalah Jute Mills	96	30th June 1966(f)
25,00,000	5	31st March and 30th September	Dalhousie Jute Co.	99	31st March 1964(a)
8,88,000	5	30th June and 31st December	Empire	95	15th July 1966(a)
25,00,000	5½	1st January and 1st July	Hukumchand	97	30th June 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	96½	31st December 1964(a)
25,00,000	5½	30th June and 31st December	Naihati	95	31st March 1967(a)
5,00,000	4	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	85	31st December 1964
8,00,000	6	30th June and 31st December	Presidency	98	30th June 1958
22,00,000	5	31st March and 30th September	Rajahmundry Jute Mills Co., Ltd.	90	5th September 1964(c)
8,00,000	4½	14th March and 14th September	Soorah Jute	96	14th September 1957
12,00,000	4½	30th June and 31st December	Union	95½	30th June 1957
10,00,000	3½	31st January and 31st July	Waverley	88	31st July 1950
			RAILWAYS; STEAMSHIP AND TRAMWAYS		
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	90N	1st July 1956†
£850,000	4½	1st January and 1st July	Calcutta Tramways	£40N	1908 At 108% at any time on 6 months' notice or at par or every seventh year.
£189,363	5	1st April and 1st October		£77½N	1933 1st October
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	90½	1945 31st December 1974 Any time on six months' notice(a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£85½N	1965
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	95	1st September 1963‡
			PLANTING		
10,00,000	5½	30th June and 31st December	Consolidated Coffee	102	1st July 1957-62
5,00,000	6	31st March and 30th September	Nilgiri Tea	100½	1st April 1954-59
4,61,000	5½	30th June	Ouchterlony	104	30th June 1954-59
5,00,000	5	31st March and 30th September	Periakaramalai	100½	31st March 1953-63
1,89,700	5½	31st March and 30th September	Teakay	100	31st March 1949-59
			MISCELLANEOUS		
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	100	30th September 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December 1965
20,00,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	97	30th June 1957
8,00,00,000	5½	1st March and 1st September	Burmah-shell	101½	1st September 1965-69(e)††
21,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1st February 1964
21,54,000	4½	1st July and 1st January	Clive Buildings	89½	1st July 1956
20,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September 1960
1,00,00,000	6	31st March and 30th September	Dalmia Cement Ltd.	90	 1960
1,80,00,000	5	1st January and 1st July	Dunlop Rubber	103	1st January 1971(e)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	104	30th June 1960(e)‡
12,25,000	5	15th March and 15th September	Mettur Chemical Industries	95	 1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	520	30th September 1976(a)
48,00,000		30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	475 (per note)	31st December 1972(a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	1st April 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	98	31st March 1961(a)
1,00,00,000	4	30th June and 31st December	Robtas Industries Ltd.	90½	31st December 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	104½	1st May ... 1968(a) ‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-8-1954 but before 1-8-1957 and 1 per cent premium on or after 1-8-1957. † With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent after 12 years. ‡ Rs. 1,00,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-9-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. §§ Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1946 and ending in 1966 when the balance will be redeemed at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1956 onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1963, on 6th months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 19th May, 1955.

—	Closing quotations 12-5-1955	High	Low	Closing quotations 19-5-1955
TEXTILES	Rs.	Rs.	Rs.	Rs.
Abm. Adv. (100)	131½	—	—	131½
Apollo (2)	2 3/16	2-11½	2-10½	2-11½
B.S. Cotton Mills (100)	29	—	—	29
Bombay Dyeing (250)	461½	463½	458½	460½
Central India (100)	125½	128	122	122
Colaba (100)	38½	38½	38½	38½
Edward Textile (200)	55½	—	—	55½
Elphinstone (50)	260	266½	260	266½
Finlay (100)	40½	40½	40	40
Gokak (100)	247	247	244	245
Ind. Unit. Defd. (1)	217	217	215½	215½
Ind. Unit. Ord. (10)	1-8½	1-8½	1-8½	1-8½
Indore Malwa (100)	11 3/16	11 3/16	10½	10½
Khatau (100)	91½	91½	90	91½
Kohinoor (100)	166½	166½	165½	166½
Lakshmi (250)	312½	313½	309½	312
Madhavdhan (100)	532½	532½	531½	531½
Minerva Mills (100)	95½	—	—	94½
Model Nagpur (250)	138½	—	—	96½
Morarji (100)	218½	139½	138½	138½
Mysore (50)	111½	—	—	218½
National Rayons (100)	200½	114½	111½	114 3/16
New City (100)	144½	206½	200	204½
New Great (100)	185	144½	140½	140½
New Union (10)	30½	166	165	166
Phenix (100)	115	—	—	50½
Podar Mills (100)	158½	118½	115	118½
Sassoon Silk (10)	14½	—	—	18½
Sassoon Spg. (10)	35½	—	—	14½
Sholapur (1,000)	1,400	—	—	50½
Shriniwas (100)	227½	—	—	1,400
Simplex (50)	225½	226½	225	225
Standard (100)	368½	153½	151½	152½
Swadeshi (100)	365	365	361½	363½
Swan (100)	186½	198½	182	183½
Tata Mill (25)	316½	317½	315½	315
Vishnu (100)	50	50½	48½	49½
Western India (1,000)	3,875	128½	121½	128½
		—	—	3,875
BANKS				
Bank of India (50)	143½	149	148	148½
Bank of Baroda (50)	98½	100	97	100
Central (25)	47½	49½	47	47½
Central 'A' (25)	50	50	49	49½
Dena Bank (50)	30½	30½	30½	30½
Imperial (P.Pd.) (500)	1,690	1,695	1,685½	1,695
Imperial (P.Pd.) (125)	412½	418½	412½	418½
Union Bank (5)	42½	42½	45	42½
United Com. (50)	44½	6 3/16	6 3/16	6 3/16
		44½	44½	44½
ELECTRIC COS.				
Ahmedabad (100)	105	105½	104½	105½
Amalgamated (10)	10 1/16	10-1/16	10 1/16	10 1/16
Andhra Valley (1,000)	1,367xd	1,370	1,362½	1,370
Bom. Sub-El. (100)	122½	123½	121	122½
Surat (100)	129½	131½	129½	131½
Tata Hydro (100)	144½	144½	143½	143½
Tata Power (1,000)	1,458½	1,455	1,445	1,452½
INSURANCE COS.				
British India (10)	18½	—	—	18½
Empire of India (100)	675	—	—	675
Ind. Mercantile (200)	45½	45½	45½	45½
Jupiter (15)	8½	—	—	8½
New India (15)	6 1/16	52½	49	49½
Oriental (200)	7,340	7,340	7,250	7,290
Universal (10)	10½	—	—	10½
Vulcan (10)	18½	—	—	18½
STEEL COS.				
Ind. Iron (10)	3 3/16	3 3/16	3 3/16	3 3/16
Tata Steel Ord. (75)	235½	236½	231½	235½
SUGAR COS.				
Belapur (50)	30½	30½	299	301
Bhopal (10)	15	12	12	12
Phaltan (10)	118½	120½	117½	120
Walchand Ind. (100)	204½	206½	203½	205½
CEMENT COS.				
Associated Cm. (100)	178	177½	175½	176½
Digvijay (100)	183	183	182½	182½
MISCELLANEOUS				
Alcock Ashdown (100)	261½	263½	250	255
Bom. Burmah (125)	460	461½	453½	456½
Do. (New) (50)	172½	172½	170	170
Br. B. Petrol (4 sh.)	3-6½	3-6½	3-5½	3-5½
Br. I. Corpn. (5)	8 3/16	9-1/16	8 3/16	8 3/16
C. P. Rly. (100)	90½	—	—	99½
Indian Copper (5 sh.)	3-7/8	3-6½	3-6½	3-6½
Ind. Inv. Tr. (100)	72½	—	—	72½
Kamp (200)	226½	—	—	226½
Killick (100)	170½	170½	168	170
Polson (100)	141½	—	—	135
Port Canning (100)	11½	12	11½	11½
Premier Cos. (20)	160½	161	152½	152xd
Scindia (20)	15-5/16	15-5/16	15-2/16	15-2/16
Shivrajpur (10)	67½	66½	66	66½
Tata Chemicals (10)	14-0/16	14½	13 3/16	14 3/16
Tata Oil (25)	30½	30½	30	30½
W. I. Match. (100)	204 3/16	204 3/16	185	185xd

GOVERNMENT SECURITIES	18-5-55 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	19-5-55 Rs.
2½% 1955	99½	—	3 26	99 3/16
2½% 1960	91 3/16	—	3.95	92
2½% 1962	94½	—	3.79	94½
2½% 1976	92 3/16	—	3.86	92 3/16
3% 1957	88	—	3.91	88
3% 1958	99½	—	3.23	99½
3% 1959-61	99½	—	3.20	99½
3% 1964	97½	3.60	3.42	97½
3% 1962-65	94	—	3.76	94
3% 1966-68	94½	3.88	3.70	94½
3% 1970-75	90 3/16	4.02	3.88	90½
3% 1986 Con. Loan	87½	4.15	3.93	87
4% 1960-70	80½	—	3.72**	80 3/16
4½% 1955-60	101½	3.62	3.82	101 3/16
4½% 1958-68	103½	—	1.71	100½
3½% 1961 N.P. Bonds	99½	3.59	4.18	106½
3½% 1964 N.P. Loan	98½	—	3.50	100
			3.66	98½

BRITISH GOVERNMENT SECURITIES

	18-5-55 £	High £	Low £	18-5-55 £
2½% Brit. Consols	62	62	61½	61½
3% Brit. Transport 1978-88	80½	80½	80½	80½
3% War Loan 1955-59	96½	96½	96 3/16	96 3/16
3½% War Loan 1952	81½	82½	81½	81½
3½% Brit. Iron and Steel 1979-81	89	89½	89	89½
4% Funding 1960-90	97½	—	—	97½

*Current Income. x.d.=Ex-dividend. * Rupee Counterparts.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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MR. NEHRU'S VIEWS ON SOCIALISM AND NATIONALISATION ANALYSED

THE publication of Mr. Jawaharlal Nehru's speech at a recent meeting of the Congress Parliamentary Party in the A.I.C.C. *Economic Review* has been both timely and welcome, in that it gives an insight into Mr. Nehru's mind on socialism and nationalisation. There is, of course, nothing new in what he has said, but whatever he has said clarifies the position further, at least so far as he is concerned. As the issue discussed by him is very important from the point of view of the future of private enterprise, his speech needs to be analysed in these columns.

There are some cynics in this country who feel that Mr. Nehru is cleverly playing the game of a communist, in the sense that he is trying to introduce in this country the essentials of communism by peaceful means. They base this view on the strong emphasis he lays on the public sector. This emphasis means that the State will own and/or effectively control virtually all the key sections of the country's economy. The ultimate outcome of this development will, it is argued, be State domination, one-party rule, and loss of freedom for the people to choose their ways of life and means of living. In short, it will finally end in the loss of democracy. It is not clear from his speech whether Mr. Nehru realises these implications. But it is quite clear that Mr. Nehru is not a communist either in spirit or in thought. His dislike of the system prevailing in Russia, its satellites in East Europe, and China is quite evident. He seems to be aware of the lop-sided development of the economies of communist countries and the difficulties which these countries are facing as a result of following a system of complete State ownership. He has definitely no love for this system and his faith in democratic methods of development stands undiminished.

Does socialism inevitably mean complete nationalisation of every economic activity? In Mr. Nehru's opinion, it does not. He says that the "whole proposition of complete nationalisation is wrong." What is more important to him is complete control. "We should never, as far as possible, waste State money when we have full control," he adds. This means that Mr. Nehru is more for State control than for State ownership and that nationalisation should be on a minimum scale. If this criterion is followed, there is no case for nationalisation of banking and insurance. Both these sectors are amenable to the effective control of the State and are, in fact, under strict control, the degree of such control on insurance being greater than in the case of banking. There are statutory restrictions of a stringent nature on investments of insurance companies, as well as on their expenses. The shareholders' share of net profit is limited by the law. The type of business they can do and the extent to which they can compete among themselves are also regulated by the Government. There can be a no more impressive example of State-controlled activity than insurance.

The position of banks is not dissimilar. All banking companies are subject to the control of the Reserve Bank either directly or indirectly. The Reserve Bank has such wide powers that it can, if it knows the job, effectively force the banks to follow whatever policy the Government lays down. There is, however, no need for any coercion at all, for the banks are prepared to abide by the directives of the Reserve Bank, subject to their obligations to depositors. At no time, to our knowledge, has the Reserve Bank complained of any lack of co-operation from commercial banks in implementing national policies.

Why then does Mr. Nehru talk of nationalisation of banks and insurance companies? There is no answer to this question in his speech. He, of course, does not say that these institutions should be nationalised right now or in the near future. Indeed, in one place, he actually discourages the idea of nationalising banks, as witness the following quotation from his speech:

"Take banking. We want banking to expand tremendously in India. In India, the credit structure has to expand. We do not expect private banks to take much initiative in this; nevertheless, they can. Mostly Government will do it. But, if the Government wanted to do the whole thing by itself, it would be a mighty long time before it would be able to do it because of various obvious considerations. You take banking in England or in European countries. Practically speaking, every village has a bank there. We are hundreds of miles away from those conditions. Now, if you merely prevent others from doing it and take everything, in theory it may be all right, but, in actual result, instead of expansion of banking, there would be destruction of banking. So you must see that, in order to reach the goal you are aiming, what is the best method of doing it, and not get tied up with some theoretical considerations, which you have read in books. You may imagine that we are going towards that goal when you may actually be going against the spirit of dynamism, so essential today for our economy."

Yet in the end he says thus:

"If I may say so—I am giving my personal opinion—I am not interested in acquiring factories. I have said that many times. I do not want to acquire second rate factories from anybody. I am not interested in acquiring factories at all. I am interested at the right time in acquiring banks, insurance companies and mines. I am interested in these, because these are basic things, and again there is the question of time. Take the case of banking, for example. I want to expand banking in India, but I do not want suddenly to take steps in banking which may be theoretically correct, but may actually result in a backward move and come in the way of the expansion of banking. I prefer the private banks to expand than no banks at all. Therefore, I want the private banks so long as I cannot expand rapidly. There is so much room for State banking to expand, then why should I worry about private banks?"

What does all this question mean? It means, when interpreted charitably, that Mr. Nehru is for nationalisation of banks and insurance companies at the right time. Meanwhile, he wants private banks, as well as insurers, to go ahead and expand. But what is the right time? Perhaps, the right time is when the Government feels confident that it can do this job well. No one, however, can say when the Government will feel confident. Will it be two years from now, or ten, or twenty? With this uncertainty hanging like Damocles' sword, which private bank will have the incentive to

Party in England did not try it and does not propose to. Further, once banks and insurance services are nationalised, it is as good as having nationalised the whole business sector and killed democracy as we all know it. Evidently, it was as a result of this realisation that these two services were not included in the Industrial Policy Statement of 1948, which the Government has not yet openly denounced. In contemplating nationalisation of these services, Mr. Nehru is going beyond that statement. If he were to go on changing his Government's policy thus, it would not be conducive to confidence and enthusiasm without which there could be no rapid progress. Now that it has been shown that banks and insurance companies are subject to complete control by the State, he should reconsider this question and give an assurance that there would be no further nationalisation of these institutions.

Mr. Nehru has included mining in the list of industries to be nationalised. Here, he probably has coal in his mind. The coal industry is protected from nationalisation till 1958. If it is the intention of the Government to take over this industry, it is better to say so and end the uncertainty. Every one connected with the industry will then know where one stands. The Government must also decide the basis of compensation payable to owners of collieries. As has been pointed out by us on more than one occasion, the uncertainty created by the Government's policy is impeding the development of coal industry and yet, unless the coal industry is developed, the other industries cannot make much progress. It is unrealistic on the part of the Government to plan for rapid industrialisation without laying down a firm basis for expanding production of coal. Indeed, it is no planning at all, if the policy to be followed in regard to an industry which forms the major source of fuel is left undecided. The Government must at least declare the basis it will adopt for payment of compensation in the event of nationalisation, so that the present colliery owners may go ahead with the implementation of their development plans, fully assured that the money they invest on the plant and machinery which they have to install for keeping their mines in good condition and for washing coal, will be returned to them intact. Any further delay by the Government in this respect will retard the country's economic growth.

A reference to the subject of compensation to nationalised concerns also figures in Mr. Nehru's speech. He is not for any scheme of nationalisation in which there is no provision for "just and equitable compensation." Though he does not seem to regard market value as a test of fair compensation, he feels that compensation paid should be such as would not disturb the confidence of investors and thereby upset progress. There are some who argue that the State should not pay large sums by way of compensation and that the quantum of compensation should be fixed at such a low level as to effect a saving to the Treasury. Rightly describing this argument as a false one, Mr. Nehru remarks: "If you do something which has the effect of stopping the progress which you wish to encourage, that is obviously a wrong move and mere saying that we have saved Rs. 10 lakhs has no meaning to me, because, when you ought to have advanced 100 steps, you could go only two steps." This observation is encouraging. And equally encouraging is his reply to the contention that payment of compensation for nationalised property should be utilised as one of the means for bringing about equality, or for reducing inequality, in the distribution of wealth. Mr. Nehru considers that this is a wrong approach to the problem of reducing inequalities. This objective, in his opinion, should be attained through taxation. In this connection, the following quotation from his speech is worth being recorded in these columns, because it will be a valuable source of reference when the occasion arises:

"Some points have been raised about the differentiation between land and industry, etc. Now, first of all, broadly speaking, one should not imagine that I am merely expressing my views, that giving less compensation is any part of socialism, except one part, that is, we want to reduce inequalities. That I understand. But are you going to reduce inequalities by giving less compensation? The more obvious method is to levy capital taxation and all that. Compensation has nothing to do with that. It is true that compensation, as calculated often, has been very unfair, has been too high and all that, and we shall take care not to give it. What I mean to say is, we must distinguish between the two. This equalising process is something we should aim at. If it is helped occasionally by other processes, we adopt them, but the mere compensation clause does not necessarily equalise. It (compensation) is a complicated thing. You may—I do not know—lay down that compensation to a person who has so much money, who has already got a lot, should be less than others. But, normally speaking, whether it is land or it is a factory or it is a house, one gives compensation which is normally fair, equitable and which is probably—I do not wish to bring the market value of it—but which is normally considered to be the value of it. There is no virtue in not giving it."

The foregoing observations of Mr. Nehru are in refreshing contrast to the views expressed by some Congress men like Mr. Tripathi who are agitating for payment of compensation on the basis of slab system even in regard to industrial property taken over by the State. Nevertheless, the apologetic manner in which Mr. Nehru has defended his principles of compensation is not likely to inspire confidence among investors. That he has yet no firm views on this question is apparent from a remark that he makes later on in the same speech. Observing that the question of compensation is a complicated one and that no uniform principle can be applied, he avers: "I do not want you to pick out any sentence from what I said, as if that is the final opinion in regard to everything." It is regrettable that on so fundamental an issue as compensation Mr. Nehru is still not prepared to take a definite stand. The confidence of investors has already received a severe shock and the share markets have started slowly but steadily sinking. This state of affairs is not conducive to the economic development of the country. The rot must be arrested and confidence restored, if the private sector is to play a significant role in such development. The least that Mr. Nehru can do now is to back up his welcome assurance of fair and equitable compensation by giving a further clear cut assurance that the principle of slab system will not be made applicable to payment of compensation in regard to any industrial and institutional rights taken over by the State. Besides this, he must also advise all his colleagues in the Congress not to confuse and frighten the public by expressing views on this subject that are contrary to those which he has already expressed.

Since Mr. Nehru has eschewed total nationalisation as something undesirable, it is axiomatic that the private sector should be allowed to exist. This he concedes in full measure. "We have to have a private sector," asserts Mr. Nehru, "we really have not got the capacity at the present moment either in personnel or in any other way to take them over." He realises that, if the State were to take over the entire private sector today, the immediate result would be a tremendous loss of production in the country. He then goes on to say:

"I think, there is really no choice before us between having a private sector and allowing it and encouraging it to function, and not having it at all. It is foolish to have a private sector, and then undermine it and prevent it from functioning. There is no point in it. You simply undermine your own policy that way. Whether you should have a private sector or not is another matter. One can discuss it. I think, personally, there is no way out for us, except to have a private sector and even to encourage it. That does not mean I am going to encourage it at the cost of the public sector. The public sector will always be number one and will, I have no doubt, grow at a much faster pace than the other sector, and shall gradually really determine the economy of the country. The rest will have to fit in; even now, we try to make it fit in, in our plan."

It will be worthwhile to pause here for a minute and reflect over Mr. Nehru's observations. Mr. Nehru does not want to abolish the private sector not on grounds of principle but on those of practical considerations. He feels that it will be impossible for the country to get on for several years to come without the private sector, for the simple reason that the State has no personnel. He further feels that the State should not waste its finances on taking over old industries, and that, if the State can get the results of nationalisation through mere control, it will be unnecessary to take over business concerns. But he seems to have no objection to nationalisation on principle. He does not seem to have bothered to consider as to what would happen to democracy, in which he is a firm believer, if the State dominates on the economic front. Too many controls by the State will kill the initiative of the people and progress will be restricted. Too many State-owned undertakings will also have the same result and deprive the people of the benefits of the ingenuity and inventiveness of private *entrepreneurs*. The freedom of the Press, an important pre-requisite for the survival of democracy, will be at stake if the country is dominated by State-owned industrial undertakings. It is common knowledge that, in this modern world, no newspaper can exist without a sizable advertisement revenue. And what certainty is there that, when newspapers have to depend on the advertisements of Government-owned corporations, they will have the freedom to criticise the actions of the party-in-power freely when such criticism is warranted? One would like Mr. Nehru to examine the issue of the public sector *vs.* the private sector from this angle also and not solely from the point of view of practical considerations.

It is, however, gratifying that Mr. Nehru recognises that the private sector must be allowed to exist, that it must be encouraged and that it should be given sufficient freedom to function effectively. It is now left to his lieutenants, at both the Central and State Government levels, to bear this basic policy in mind when they frame and administer economic controls and fiscal measures. But we are sorry to say that, with singular exceptions, there has so far been no evidence that they are doing so. On the contrary, there are more curbs on the private sector today than a year ago. If Mr. Nehru is not to be suspected of running with the hare and hunting with the hound, he should see to it that what he has been saying about the private sector is followed in practice and preached by his party members all over India.

There are, in our view, a few things which the private sector must do on its own initiative to protect itself. These we pin-point below:

In the first place, all sections of private enterprise must strongly believe in the philosophy of this system. They must not run to the Government every now and then for finding a solution to their difficulties. They must themselves try to solve them.

Secondly, they should not seek to stifle competition by soliciting State-control and protection; healthy competition is a basic feature of private enterprise and must be encouraged.

Thirdly, the tendency in the private sector to secure the services of Civil Servants, on a loan basis or otherwise, to run their undertakings is fraught with danger, especially if it is coupled with provision of capital also by the State. It sounds ridiculous that the private sector, which prides itself to be superior to the public sector in administrative talent and which has been saying that Civil Servants are not trained to man efficiently industrial and business undertakings in a competitive market economy, should run after these Civil Servants and try to entice them by offering fat salaries. It should evolve an efficient system for producing trained business administrators to fill the shortage that is arising. If it does not wake up to this need now, it may soon be beaten by the public sector, for the Government is going ahead with its scheme of training I.A.S. candidates for managing commercial undertakings.

Fourthly, the private sector must not slow down its rate of contribution to the economic development of the country, just because of the various uncertainties created by the Government. To do so would be to invite the State to extend its sphere of activity. On the contrary, if the private sector braves all this uncertainty and works vigorously by establishing new industries and expanding the existing ones, the chances of its survival are better. This we realise is easily said but difficult to follow, in the face of heavy taxation and various other impediments. But somehow the private sector must not allow frustration to get the better of it.

A suggestion for this—the final one in our list—is for all sections of the private sector to get together, and meet Mr. Nehru through a few selected representatives of theirs who can talk to him freely and frankly. After all, Mr. Nehru is a very fair-minded person and amenable to reason. These representatives must explain to him their difficulties and their requirements for functioning effectively and efficiently. It is, of course, needless to add that they must go to him well prepared, as also with a determination to set their house in order and to play fair with workers and consumers. We have no doubt that, in the light of what Mr. Nehru has stated on the place of the private sector, such an approach will bear fruit. In any case, nothing will be lost by making an attempt and the best time for it will be after Mr. Nehru completes his proposed visit to Russia. This will also give sufficient time for all the spokesmen of the private sector to meet and discuss the course of action suggested by us.

SHARE MARKETS SLOWLY SINKING

COMPENSATION FOR AIRWAYS—WORLD SUGAR MARKET—TREND OF U.S. ECONOMY

THURSDAY, 5 P.M.

MARKET GOSSIP

TO a Share Market already suffering from fears of nationalisation at inadequate rates of compensation, the statement of Mr. C. D. Deshmukh at Bangalore on Sunday last, that an additional taxation of Rs. 100 crores per annum would have to be imposed from next year for financing the second Five-year Plan, came as a shock. Whether Mr. Deshmukh would be able to raise so much of additional taxation is a moot point. His attempt to raise one-fifth of this amount this year did not succeed, as it met with heavy opposition from both inside and outside Parliament. If still the market reacted bearishly to this statement of Mr. Deshmukh, it is an index of its lack of strength. There is hardly any investment demand. On the contrary, some large-scale individual investors have been liquidating a part of their holding in the shares of companies liable to be nationalised. Professional bulls have lost their enthusiasm for this game, as they do not see any factor that will help them make quick profits. Thus, the Share Market is steadily languishing. Its revival depends upon the attitude of the Government towards the private sector, a question fully discussed in our leading article this week.

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It is significant that the proposed Rs. 6,300-crore second Five-year Plan has made no impression on the Stock Exchange, despite Mr. Deshmukh's hint that a large dose of deficit financing might be necessary for implementing the Plan. Ordinarily, the prospect of such a heavy capital expenditure would have cheered the market. If it has failed to do so now, it may be because of three reasons, namely, (*a*) threat of still heavier taxation, (*b*) fear of nationalisation at low rates of compensation and (*c*) the prominence given to small-scale industries for meeting the increased demand for consumer goods at the expense of established large-scale industries. These very reasons are also responsible for the market not taking any notice of the efforts that are being made by the Commerce and Industry Minister to stimulate exports and to maintain industrial production at a high level. That Mr. T. T. Krishnamachari is very anxious to keep the economy buoyant is evident not only from the provisional increase in steel retention prices last week but also from the prompt manner in which he responded this week to the request of cotton mills to relax the sudden ban on imports of sterling area cotton, as well as to that of the cotton trade which suggested that exports of medium staple, including Jarilla, cotton should be permitted. He has also considerably relaxed the restrictions on exports of oilseeds, oils and oilcake. All this he has done with a view to arresting the downward trend in prices of commodities. To some extent, he has succeeded, in that commodity prices have tended to steady up. But the share market is not in a mood to take notice of these favourable indications.

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At long last, the exact terms of compensation to the shareholders of Air-India Ltd. and Air-India International Ltd., the two airlines under the management of Messrs. Tata Industries Ltd., which were nationalised with effect from 1st August, 1953, have been announced. All points of dispute between the Companies and the Corporations concerned have been resolved, except the one concerning a claim by the Government for deduction of an amount representing employees' leave salaries outstanding on the date of nationalisation. The compensation offered by the Indian Airlines Corporation to Air-India Ltd. amounts to Rs. 1,43,67,780, after deducting Rs. 4,47,567 representing the leave "liability" referred to above. The compensation in the case of Air-India International Ltd. is Rs. 2,76,90,800 after deducting Rs. 7,11,857 representing the leave liability. The Companies have, however, disputed the Government's claim for deduction of amounts representing employees' leave salaries and have referred this point to the special Tribunal under the Air Corporations Act.

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In the meantime, the Companies have agreed to receive the above offer without prejudice to their contention about staff leave salaries. As the offer now stands, the compensation value of a Rs. 100 share of Air-India will be about Rs. 95-12 plus accrued interest (at 3½ per cent. per annum) and before deducting the Company's expenses including cost of liquidation. In the case of Air-India International, it works out to about Rs. 138 plus accrued interest and before deducting the Company's expenses including costs of liquidation. If the Tribunal decides the issue of leave liability in favour of the Companies, then the value of each share of both the Companies will increase by about Rs. 3. It may also be noted that there is a likelihood of the shareholders of Air-India International receiving an additional amount over and above the aforesaid compensation, in case the Company gets an indemnity for the loss sustained by it in its last year of operation. It may be recalled that, under the Agreement of Concessions made between the Company and the Government of India, the Company was to be held indemnified against all losses for the first five years of operation. Unfortunately, the Company made a loss of Rs. 10.5 lakhs in its last year of operation, that is during the seven months from 1st January to 31st July, 1953. The Company has, accordingly, claimed this amount as an indemnity due from the Government. This claim is in dispute with the Government and is, therefore, under correspondence.

A part of the compensation due was payable in cash and the Companies have, accordingly, received 10 per cent. of the compensation in cash. The balance due is expected to be received by the Companies in July, 1955, in five-year bonds of Rs. 100, Rs. 1,000 and Rs. 10,000 in the case of Air-India and of Rs. 100, Rs. 1,000 and Rs. 25,000 in the case of Air-India International, all carrying interest at the rate of 3½ per cent. per annum from 1st August, 1953, the date of nationalisation, and redeemable by the Corporations at their face value after the expiry of five years from the same date. At the last annual general meeting of the Companies, the majority of the shareholders had expressed a preference to receive payment for their shares in cash rather than in Corporation bonds. The Companies, therefore, propose to dispose of the bonds when these are received by offering them to institutional investors and others. They, however, propose to offer some of the bonds to such of the shareholders as may desire to purchase them, and have invited such of them to send their offer, stating the price, the amount in value and denominations of bonds. The offers should be made before 30th June, 1955, failing which they will not be considered. The bonds will be sold cum-interest accrued thereon from 1st August, 1953, and the purchase price quoted should be made on this basis.

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The question which may naturally be exercising the mind of a shareholder who may like to purchase these bonds is, therefore, what price should he offer for these bonds, so that he might not be a loser when the bonds are redeemed on 1st August, 1958. In this connection, the shareholders are told by the management that in the event of the companies selling the bonds to institutional investors and others at an average price lower than that offered by a shareholder, the price which will be payable by such shareholder, if his offer is accepted, shall be such lower average price and not the price offered by him. This means that, if the Companies are able to get higher price for these bonds from institutional investors and others (not being shareholders in pursuance of offers received from them in terms of the Companies' circulars), the shareholders' offer will not be accepted. It looks as though shareholders need not be unduly anxious to take these bonds, for any profit realised by their Companies on the sale of these bonds to institutional investors will be passed on to them. As the rate of interest offered on these bonds is really attractive for a short-dated security, the Companies should be able to dispose of them at a good premium, so that the net compensation per share would be a little more than the figure indicated above.

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Finally, a word must be said in favour of the Government. It is true that as many as 22 months have been taken to settle the details of compensation. But the delay has not meant any loss of income to shareholders, for the Government is paying interest at 3½ per cent. since the date of takeover. It is doubtful whether they would have received any return at all on their investment during these years if the Companies had not been nationalised. In fact, the Government's decision to nationalise these Companies was a windfall to the shareholders, because the market value of their holdings was standing at a heavy discount and there was at that time little chance of their being able to get back the capital intact. The shareholders of Air-India, it may be noted here, had not received any dividend since 1947 and those of Air-India International since 1951. In these circumstances, it must be said that the Government has been quite fair to the shareholders of these Companies and the latter will not be justified in nursing any grouse against the Government.

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The firm trend depicted by the world sugar market in the past few weeks, following considerable buying enquiries from Soviet Russia, Chile, Ceylon and France, has abated somewhat. The price of raw sugar (spot No. 4 world contract) at New York which had registered a distinct improvement from 3.17c. per lb. early this year to 3.41c. on the 16th inst., receded to 3.39c. on Monday last. In fact, "there is," to quote a London report, "some nervousness in the world sugar market at present." This is rather surprising, considering that the supply and demand position in respect of sugar as it exists today "should be sufficient to maintain a price somewhere above current levels." Russia and Japan, it is reported, are interested in purchasing large quantities of Cuban sugar. Some speak of the possibility of as much as 150,000 tons being purchased by Russia. These demands on current supplies of sugar will, as Messrs. C. Czarnikow Ltd., London, the world-famous firm of sugar traders, observe in their latest review, add to the strength of the position.

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What then is the present easiness in the world sugar market due to? Some observers attribute it to the possibilities of changes in the effective free quota supply by the International Sugar Council. This view is based on the fact that the anticipated large purchase of sugar by Russia will absorb the free quota of Cuba fully and, pending further releases, Cuba will be off the list of world free sugar suppliers. That possibility, while constituting an element of strength, also makes it fairly evident that representations will be made at the forthcoming International Sugar Conference by exporting countries for the freeing of further sugar. Quotas are still at 90 per cent. of the basic tonnages of member-countries and the restoration of the remaining 10 per cent. is expected to add about 460,000 tons of sugar to the total quotas. Deducting the East European countries' share, on the assumption that it would not, at any rate, be available before the autumn, the effective increase in free supplies is estimated at 385,000 tons, of which Cuba alone will figure with 225,000 tons. The Dominican Republic and Formosa will have 60,000 tons each.

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The aforesaid possibility has no doubt imparted some easiness to the market. Nevertheless, Messrs. C. Czarnikow Ltd. emphasise that any action which the Council may take at the forthcoming meeting is unlikely to alter the overall figures of supply and demand which, on present indications, should have lent more confidence to the market than has recently been apparent.

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Although somewhat quietly steady during the past few days, the British Gilt-edged market has slumped heavily during the last four or five weeks. Thus, the *Financial Times* index of Government securities which stood at 100.05 on 14th April last has steadily declined to 95.5 on 23rd May, representing a fall of 4½ per cent. over the period. The downward trend is also evident from the behaviour of some of the favourite bonds. 3½ per cent. Conversion Loan, for instance, has come down from £82⅞ in the third week of last month to £81⅝ on the 23rd inst. Similarly, 3 per cent. War Loan, 1955-59 has receded by 2¼ points to £96¼ and 4 per cent. Funding Loan has lost 2½ points to £97½. So also 4 per cent. Victory Bonds which have slumped from £100⅞ to £98⅝. 3½ per cent. Conversion Loan, too, has declined from £82⅞ to £81⅝. 2½ per cent. Consols have moved in sympathy with the general fall and stand ⅝ point lower at £61⅝.

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What is this fall due to? Some time ago, the weakness of the British Gilt-edged market was believed to be due to fears of a further jump in the Bank rate. These fears have, however, since waned, as the behaviour of bill rates in the London market has persuaded the operators to feel that the official policy would not be directed to make money still dearer in the U.K. The recovery of sterling after an earlier fall also strengthened the belief that the Bank rate would not be pushed up further. This has also stimulated an inflow of money for investment in Government stocks in the last few days. Even foreigners, it would appear, are taking the same view, and there have been indications that American investors have also been taking an increasing interest in a number of leading industrial issues. The causes, therefore, for the fall in Gilt-edged values are traced to factors other than the fear of a further increase in the U.K. Bank rate.

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The chief factor responsible for the continued recession in British Government securities was sales by banks in quest of liquidity. But selling of securities was not confined to banks alone. Other selling arose from switching by a few institutions which were changing their view of the market and rearranging the dates of the stocks they held. The market was also adversely affected by the recent weakness in sterling, necessitating the operations of the Exchange Equalisation Fund to prevent it from further weakness. On top of these bearish influences appeared the fear of damage to the economy by the strike wave which was in evidence in several sectors. Dealers were, therefore, naturally inclined to put off purchases until the strike movement was dealt with effectively. This reserved attitude was strengthened further by their desire to await the outcome of the General Elections this week. Above all, long back, the market had anticipated the appearance, this month, of several big loan issues. One was the offer by the Iron and Steel Holding Realisation Agency, consisting of (*a*) 5 million 5½ per cent. cumulative redeemable shares of £1 per cent. at 20*s.* and (*b*) £5 million 4½ per cent. debenture stock, 1974-79, at par. Another issue was by the Dunlop Rubber Company consisting of £12 million 4½ per cent. second debenture-stock, 1972-82, at £97-10 per cent. Both these were oversubscribed. A third offer was by the Land Securities Investment Trust. The Company placed at par £20 million of 4½ per cent. mortgage debenture stocks with a final redemption date in 2005. This too was oversubscribed. With a view to participating in these attractive issues, investors—both institutional and individual—not only held back their purchases, but also unloaded a portion of their holdings in Gilt-edged securities.

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In our customary fortnightly despatch from America, received just before our going to press, our special correspondent describes the latest economic trends in the U.S. as follows:

"Official interpretations of current business conditions, expressed to me in private conversations, is at this time there is no fear that the boom will get out of hand. Projections are that the national products would rise about 2 per cent. in 1955. This is regarded as natural growth rather than anything to be alarmed about. The apprehension over what some economists call 'boomitis' is that the present development does not conform to seasonal patterns. Automobile sales are ahead, consumer borrowing is ahead of previous patterns and the fear in those quarters is the boom will feed on itself as a recession can and an undue overexpansion may set in. It must be remembered, however, that the timing in bringing out new automobile models has been changed and, therefore, the seasonal pattern is not applicable. However, there is a general feeling in informed quarters that the present rate of car building cannot be sustained indefinitely.

"The cloud which still overhangs the automobile industry, steel and associated industries is the question of major strikes this summer which may or may not take care of a possible overproduction. Also, housing no longer conforms to the

(*Continued on next page*)

EQUITIES PUT ON BEARISH TREND

ACTIVITY AT LOW EBB

(From Our Own Correspondents)

BOMBAY, *26th May*

A BEARISH sentiment came to prevail on the Bombay Stock Exchange during the week under review. There was an all-round marking down in values of equities and, barring a few exceptions, the entire list closed this week with fair-sized losses. The market, which had already been listless and looking for some incentives, actually received a damper from the Finance Minister's reference at Bangalore to the possibility of raising additional funds to finance the second Five-year Plan by way of increased taxation to the tune of Rs. 100 crores a year. The Labour Appellate Tribunal's award of an increase of Rs. 5 in pay-scales of superior clerks of textile mills affected sentiment in textile shares. It is stated that this will cost the textile industry in Bombay Rs. 22 lakhs annually as recurring expenditure. These, coupled with the liquidation of some of the States' holdings, weakened the morale of operators. Activity was at a low ebb and fresh interest was lacking due to end-of-account considerations.

At a Press Conference in Bangalore on Sunday last, Mr. C. D. Deshmukh, Union Finance Minister, said that the second Five-year Plan envisaged an expenditure of Rs. 6,300 crores, made up of Rs. 2,000 crores in the private sector, and Rs. 4,300 crores in the public sector. To finance this expenditure, according to him, taxation to the extent of about Rs. 100 crores a year and a larger measure of deficit financing might be necessary. Mr. Deshmukh's above reference to additional taxation, following the Prime Minister's declaration in the previous week that he was interested in acquiring at the right time, banks, insurance and mines, cast a feeling of uncertainty and gloom on the market.

In the steel section, Tata Ordinaries steadied up a little from Rs. 233-8 to Rs. 235 early in the week, but slowly gave way to a low of Rs. 228-4 at the close today. The closing, it may be noted, was the lowest level seen by this scrip since 22nd February this year and compared with a peak of Rs. 246 touched on 25th March last. After an initial hardening from Rs. 33-8 to Rs. 33-13¾, Indian Irons sagged today to Rs. 33-2¼, the lowest since 23rd February. The closing was a fraction better at Rs. 33-3¼.

The textile section fared no better than the steel, thanks to lack of fresh interest and occasional unloading. Bombay Dyeings hardened earlier in the week from Rs. 460-10 to Rs. 463-12, but reacted to Rs. 455-10, the lowest level after the shares were listed *ex*-dividend. Kohinoors, after moving up from Rs. 312 to Rs. 315-8, reacted to Rs. 311. Centurys slipped from Rs. 382-8 to Rs. 376-12. Central Indias lost Rs. 2 to Rs. 123, Gokaks Rs. 4 to Rs. 211-8 and Indu Ordinaries As. 3¼ to Rs. 10-10¼. Finlays were steady at Rs. 245-8. Mysores lost Rs. 2-13 to Rs. 111-4, while New Greats picked up Rs. 5 to Rs. 171, Podars Re. 1-4 to Rs. 160, Simplex Re. 1-8 to Rs. 154 and Svadeshis Re. 1-4 to Rs. 184-8. Shree Niwas were steady at Rs. 235, whereas Standards were marked down by Rs. 5 to Rs. 358-12 and Tatas by Re. 1-4 to Rs. 48.

Barring Imperial Banks, bank shares were quiet. Imperial Fully Paids gathered Rs. 5 to Rs. 1,700 and the Partly Paids Rs. 2-8 to Rs. 416-4. Central Banks shed As. 8 to Rs. 47-4 and their new shares As. 8 to Rs. 49. Bank of Indias shed Rs. 2-8 to Rs. 146. Barodas were held at Rs. 100, as also Punjab Nationals at Rs. 42-4. United Commercials lost a fraction at Rs. 44-4.

Insurance shares ruled easy with losses in leading counters. Orientals moved down from Rs. 7,250 to Rs. 7,200 and New Indias from Rs. 49-12 to Rs. 49. Industrial and Prudentials shed a fraction to Rs. 44. Jupiters, on the other hand, gained As. 6 to Rs. 8-10.

The electricity section was relatively steady with gains in many counters. Ahmedabad Electrics lost As. 5 to Rs. 105, while the new shares moved up by As. 8 to Rs. 51-12. Amalgamated Electrics had business at the unchanged rate of Rs. 10-13½. Bombay Suburbans hardened by Re. 1-4 to Rs. 123-12. Broach Electrics changed hands a fraction higher at Rs. 10-8. Surat Electrics were taken up Rs. 4-6 higher at Rs. 135-10 on excellent working results. Andhra Valleys gained Rs. 6-4 to Rs. 1,376-4, while Tata Hydros shed As. 8 to Rs. 143. Tata Powers lost Rs. 7-8 to Rs. 1,445 as also their new shares to Rs. 1,122-8.

Barring a few selected counters miscellaneous industrials were quiet with narrow movements. Among sugar shares, Belapurs declined to Rs. 300-8, after an initial rise from Rs. 301 to Rs. 302. Phaltans changed hands Re. 1 lower at Rs. 119-8 and Walchandnagars Re. 1-14 lower at Rs. 203-12. Bhopal Sugars were, however, unchanged at Rs. 12-12. Cement shares were a steady feature. A.C.Cs. showed no change on balance at Rs. 175-4, although they had touched earlier in the week Rs. 177-4. Digvijays advanced by Re. 1-8 to Rs. 184-4. In the engineering group, Alcock Ashdowns provided a feature with an impressive rise of Rs. 18-12 to Rs. 273-12 on the stepping up of the dividend from Rs. 10 to Rs. 12-8 per share of Rs. 100. Premier Constructions slumped from Rs. 152-8 to Rs. 146. In the mining group, B.B. Petrols dropped 9 pies to Rs. 3-5, while Indian Coppers improved by As. 2¾ to Rs. 3-11 on hopes of higher dividend. Shivrajpurs were picked up Re. 1 lower at Rs. 65-8. Among other miscellaneous industrials, Bombay Burmahs (old) improved from Rs. 458-2 to Rs. 462-8 before reacting to Rs. 455-10.

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Calcutta Stock Exchange

CALCUTTA, *25th May*

Although trading was cautious, there was a note of liveliness prevailing on the Calcutta Stock Exchange during the week under review. This was because of the buying interest shown to selected counters in all sections. Thus, the orders for 11,500 goods wagons placed on three Calcutta firms kept these counters in the engineering section active. The ordered quantity is equivalent to the raised capacity of these concerns for a year. Coals were featureless, although note was taken of the reports of an easing of the wagon position for transporting coal. In the coming months, greater despatches should help collieries in reducing their stocks.

The situation with regard to unloading and loading in Kidderpore dock has been causing much anxiety to all concerned with the export and import trade of the country. Should the threat of an increase in surcharge on freight rates by certain foreign shipping companies, as well as the counter-threat of the Government of India to prohibit these lines to touch Indian ports, materialise, the setback caused to trade will take a long time to be corrected. In view of this, business in jute and tea shares, the trend wherein is in no small measure dependent on the export trade, was on a cautious note. The time of the year is fast approaching when jute goods would be exported in greater quantities. More attention was paid to miscellaneous industrials, and there were a few features.

Sectionwise, engineering scrips received more attention for the reason already indicated. The three companies on which the Railway Board has placed orders for goods wagons are Messrs. Braithwaite & Co., Messrs. Jessop & Co., and Messrs. Martin Burn & Co., the scrips of which were better at Rs. 24-6, Rs. 37-1 and Rs. 23-12, respectively. The last-mentioned counter subsequently staged a recession to Rs. 23-6. From Rs. 33-10, Indian Irons improved to Rs. 33-14, but closed for the week at Rs. 33-7. Indian Standard Wagons which staged an improvement of Rs. 2 to Rs. 130 were steady. Texmacos recovered from Rs. 17-14 to Rs. 18-7, but reacted to Rs. 18-3. Kumardhubis, after improving from Rs. 12-2 to Rs. 12-5, were firmly held at Rs. 12-2. Burn & Cos. improved by Rs. 3 to Rs. 272.

Textile shares accounted for a fractional rise. Thus, Elgin Mills, at Rs. 18-13, were higher by As. 7 and Cawnpores were better by As. 6 at Rs. 8-8. New Victorias were steady at Re. 1-6. Dunbars rose from Rs. 202 to Rs. 208.

Coal shares ruled steady, though business did not broaden to any noticeable extent. New Beerbhooms were put through at Rs. 19-1, as against Rs. 19 previously, while Burrakurs were unchanged at Rs. 12-10.

Although most of the jute shares were quiet, there were all the same a few selected features. Thus, while Kanknarrahs eased from Rs. 150 to Rs. 146, Albions gathered strength from Rs. 149 to Rs. 158. Nuddeas were unchanged at Rs. 55-4, as were Ganges at Rs. 103. Barnagores receded from Rs. 174 to Rs. 172, recovering yesterday to Rs. 173.

Teas remained at lower levels, which were the cause for an increase in the volume of business. Rajgarhs were dealt with at Rs. 43 at which rate a fractional improvement by As. 4 was recorded. Dhelakhats softened from Rs. 18-13 to Rs. 18-10. Brooke Bonds receded to Rs. 15-4 from Rs. 15-6, and Hoograjulis from Rs. 69 to Rs. 65. Hantaparas were as low as Rs. 318, as against Rs. 335 last week. Hasimaras were marked down from Rs. 44-8 to Rs. 43-14. Bishnauth from Rs. 45 to Rs. 43-14 and Huldibari from Rs. 44-12 to Rs. 40.

Among miscellaneous industrials, Indian Coppers improved to Rs. 3-13 from Rs. 3-9. B.I. Corporations, after giving way from Rs. 9-1 to Rs. 8-14 on profit-taking, steadied up to Rs. 9-3.

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Madras Stock Exchange

MADRAS, *25th May*

The performance of the Madras Stock Exchange turned out to be encouraging this week, in marked contrast to the dull trend noticed last week. Owing to revival of enquiries for tea leaves frm the U.K. at the low levels touched some days ago, sentiment in tea shares improved and the declined noted last week in these shares was arrested and prices tended to look up. This was also partly due to a natural reaction after the recent sharp fall in values. Rumours that the Government of India might shortly reduce the export duty on tea, now at As. 10 per lb., gave an added support to the market. Under the leadership of teas, other plantings too staged a general recovery. Textile and miscellaneous scrips came in for some selective support. As a whole, business done in the market was comparatively better than in the last week and prices, on balance, advanced and thereby registered sizable gains over the week.

In the textile section, Bangalore Woollens declined from Rs. 427-8 to Rs. 425-8. Coimbatore Spinnings receded by Rs. 2 to Rs. 66 and Rajalakshmis by Re. 1 to Rs. 131. Dhanalakshmis, however, put on Re. 1 to Rs. 269. Cambodias were slightly better at Rs. 11-13. Coimbatore Pioneers were quiet at Rs. 218 *cum-div.* and Buckinghams at Rs. 151-8. So also Pankajas at Rs. 55.

Among teas, Blue Mountains rallied an anna and a half to Rs. 3-9-6 and Devasholas As. 4 to Rs. 24-4. Kailas gained As. 2-3 to Rs. 5-3-3 and Peermades As. 8 to Rs. 36-4. Waterfalls advanced by As. 2 to Rs. 3-10. Chandramalais were, however, dull at Rs. 5.

Cochin Malabars, among rubbers, put on As. 4 to Rs. 7-11-6 and Rajagiris As. 2-6 to Rs. 16-3-6. Vaikundams gathered As. 8 to Rs. 22. Thirumbadis were fractionally better at Re. 1-14, while Be Bes were dull at Rs. 4-4 and Midlands at Rs. 16-8.

In the coffee section, Coffee Lands improved from Rs. 16-8 to Rs. 16-12 and Consolidated Coffees from Rs. 18-11¼ to Rs. 19. Puthutotams were higher at Rs. 4-3, as against Rs. 4-1.

Among miscellaneous scrips, Rallis gained Re. 1 to Rs. 40 and Spencers As. 4 to Rs. 17-4. F.A.C.Ts put on an anna to Rs. 5.

MARKET GOSSIP

(Concluded from previous page)

seasonal pattern of the past and, except for some local over-building, is regarded as healthy, although the extremely easy credit terms for mortgages of Government agencies which are dictated by social rather than by economic considerations, do not conform to the general policy of fractionally tighter credit in other segments of the economy.

"The fiscal and credit authorities would like to tighten housing credit, too, so that the building bonanza may be spread over a greater period. The stimulus given by liberal housing legislation last October is considered too great. What can be done about it as a practical matter, remains to be seen. Liberal credit terms are regarded as excellent vote-getting bait in election years and there is an unwillingness in legislative quarters to listen too much to economic realities, as presented by the experts, if election or re-election is at stake. Also, there is no Congressional sentiment for re-instituting consumer credit control, although it is held to be almost imperative in official quarters for preventing conditions in some areas to get out of hand. There is no question that hire-purchase indebtedness has been rising, rather steeply and rather unexpectedly. But there are many factors to be considered. Since the war when savings began to swell, a new psychology has made its appearance on the American scene.

"Many wage-earners in the U.S. have a fairly substantial backlog of savings in the banks and in other forms. In former years, they drew them out to buy capital goods. Today, they prefer to have, say, $4,000 as a nest-egg and they buy their requirements on the instalment plan. It follows that consumer credit figures *per se* are not necessarily a true criterion, since the public could, if it wished, pay their debt in a lump sum.

"The official thought is that any possible slump, caused by strikes or a normal decline in production in steel and autos because of saturation, may be taken up by other industries such as textiles and farming, which, while showing signs of recovery, are still below par. There is considerable room for improvement in some of these areas and a betterment is visible.

"There are no economic distress signals anywhere. Speculation in the securities markets has lessened. Brokers' loans have reached new highs, but this had more to do with the stickiness of some new capital issues than with day-to-day trading. Further, there has been always a considerable lag between action and effect and the recent increase by the Federal Reserve Board in margin requirement from 60 to 70 per cent. has not made itself fully felt in the overall statistics.

"So far as monetary policy is concerned, the United States Treasury will have to borrow about $10,000 million in the last half of the year. It may or may not have a considerable influence on overall credit conditions. No formula has as yet been set how this financing is going to be accomplished. A lot will depend on the international situation, on the atmosphere of a possible East-West conference and on the attitude of confidence or distrust it may create in the public mind. Hence, the official admission is quite logical that the economic symphony will have to be 'played by ear' rather than by hard and fast rules. In such circumstances, it is possible that there may be more frequent changes in re-discount rates, that open market operations of the Federal Reserve system will be co-ordinated with the general aim as well as statutory reserve requirements of member banks. Flexibility is the pass-word.

"The quasi-stability of the world situation at the moment seems also to be reflected in gold sales. Turnover in international markets is estimated at $105 million in April, against $85 million in March and $75 million in February. Total gold sales for the first four months of the year were $350 million, against $370 million for the same period last year, according to *Pick's World Currency Report*. Commenting on Soviet sales, the report says, 'only a modest amount of the new Russian offerings was purchased by British authorities. The remainder was acquired by a British-Swiss banking group.'

"The U.S. political situation also shows no change. There are as many people who say President Eisenhower will run for another term as those who say he will not. Meanwhile, Governor Averell Harriman of New York seems to emerge more and more as a contestant for the White House."

NEWS IN BRIEF

THE next session of the Lok Sabha will commence on Monday, 25th July, 1955, at 11 a.m.

An allotment of Rs. 17 crores for forestry and Rs. 45 crores for soil conservation is expected to be made in the second Five-year Plan.

The U.P. Government has reiterated its determination to maintain the price of wheat at Rs. 10 per maund and to step into the market as soon as the price fell below that level.

The U.P. Government proposes to bring 125,000 acres of land under the Japanese method of cultivation in the next rice season. This is expected to yield an additional 700,000 maunds of rice.

The Vindhya Pradesh Government has finalised proposals to nationalise passenger transport under the second Five-year Plan. Ninety-two passenger buses plying on 45 routes will be affected by this step.

The official estimate of *mesta* (hemp) crop in Madhya Bharat for 1954-55 shows that, while the area under cultivation has remained unaltered at the previous year's level of 16,000 acres, production has declined from 15,000 bales to 14,000 bales.

The Indian railways propose to make an outlay of Rs. 1,480 crores in their second Five-year Plan. This expenditure is more than three and a half times the provision made in the first Five-year Plan. The target expenditure of Rs. 400 crores for the railways in the first Plan is likely to be exceeded by about Rs. 18 crores.

Unemployment in India will be totally mitigated at the end of the third Five-year Plan, according to Mr. Gulzarilal Nanda, Union Minister for Planning, Irrigation and Power. Unemployment would be removed to a great extent at the conclusion of the second Five-year Plan, but it would not be totally mitigated until the end of the third Five-year Plan.

The Railway Board has drawn up plans for a four-fold increase in three years in the number of air-conditioned coaches on Indian railways for which new coaches are being built in the railway workshops in Bombay, Lillooah, Kharagpur and Ajmer. Since the abolition of the first class on Indian railways, there is said to be a noticeable increase in the demand for air-conditioned berths.

The Orissa Government has launched a scheme to extend the area under cotton cultivation to 50,000 acres during the second Five-year Plan. The final forecast of the cotton crop in Orissa for 1954-55 puts the total area under cultivation at 25,200 acres, as against 25,900 acres in the preceding year. The total production has been estimated at 2,186 bales, as against 2,247 bales in the preceding year.

The Government of India sanctioned during April, 1955, a sum of Rs. 36.84 lakhs as loans and subsidies for construction of 1,092 tenements under the Subsidised Industrial Housing Scheme. Of this, the Hyderabad State Government was given a loan of Rs. 17.84 lakhs and an equal amount as subsidy. The rest of the amount was given as loans and subsidies to a cement concern in P.E.P.S.U. and a co-operative housing society in Ahmedabad.

The Government of India has decided to release for export a limited quota of rice bran, paddy bran and rice meal from Saurashtra ports on the first-come-first-served basis to all permissible destinations, other than the Portuguese possessions in India. Licences will be issued subject to a maximum of 50 tons by one party at a time and will be valid for a period of four weeks. Licensing will be stopped as soon as the quota is exhausted or by 30th June, whichever is earlier.

The Mysore Government is reported to have decided to nationalise bus transport both in Bangalore and Mysore cities. The Government will put on the road in Mysore City, its own buses from June next or at least from September next. The nationalisation in Bangalore will be undertaken as soon as possible. The displaced private bus-owners will be allotted other mofussil routes.

The Government of India proposes to recruit foreign technicians to assist small-scale industries in India in their technical problems. The technicians would be recruited for specific industries, such as manufacture of survey instruments, cutlery, surgical instruments, glass goods, engineers' drafting instruments and small hand tools and more secure and advanced types of locks. The Government has already secured the services of two eminent foreigners as experts.

One more State which has decided to apply the co-operative method to the development of sugar industry is Andhra. The Government of this State is considering a proposal for the establishment of two sugar mills on co-operative basis—one at Chittoor and the other at Hindupur, places where sugarcane is being extensively cultivated. Giving this information, Mr. D. Sanjeevaiah, Andhra's Minister for Co-operation, said at Kurnool the other day that each one of the proposed sugar factories required Rs. 40 lakhs as share capital, of which 50 per cent. was expected to be held by the Government, the balance being subscribed by sugarcane growers and merchants.

The provisional figures of foreign sea and airborne trade of India on private and Government accounts during April, 1955 show that the total value of merchandise trade, excluding transit trade of Pakistan, but including that of other land frontier countries, is Rs. 88.80 crores, of which exports account for Rs. 38.65 crores, re-exports for Rs. 42 lakhs (including transit trade Rs. 3 lakhs) and imports for Rs. 49.73 crores (including transit trade Rs. 1 lakh). Exports of currency notes amount to Rs. 44 lakhs, import of gold Rs. 1 lakh and import of currency notes Rs. 1.27 crores. The merchandise import figures are exclusive of the value of certain consignments of Government stores awaiting adjustment. Subject to this deficiency in import figures and to the exclusion of figures for transit trade, the total value of exports (including re-exports) of merchandise, gold and silver fell short of imports by Rs. 10.69 crores.

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From Abroad

France has approached the member-countries of the Colombo Plan for permission to take part in the Plan.

A Ceylon trade delegation, led by the Minister of Commerce, will leave on 8th June on a tour of 14 European countries, with a view to seeking new markets for the Island's produce.

The Ceylon Government has approved of a six-year economic development plan, costing Rs. 210 crores. The Plan envisages full employment through expansion of industries and development of agriculture.

The aggregate net profits of 82 leading Swedish companies, the shares of which are quoted on the Stockholm Stock Exchange, rose by 14.2 per cent. in 1954, that is, from Kr. 524.6 million in 1953 to Kr. 599 million. The dividends went up by 72 per cent. to Kr. 345 million.

Steel production in the U.S. during April this year amounted to 9,006,000 net short tons (2,000 lbs. each) of ingots and castings, bringing the total production during the first four months of 1955 to 38 million tons. Soaring demand this year has caused a rise in steel operations from 83 per cent. of capacity in January to 93 per cent. in April.

Artificial rain-making successfully passed an 18-month test in Puerto Rico. This was disclosed by Dr. Horace R. Beyars, Chairman of the University of Chicago's Department of Meteorology, in his report to the American Meteorological Society last week. The analysis shows that there was only one chance in 50 that the success was luck.

The automobile industry in the U.S. is expected to bring out its four-millionth unit for the current year so far in June. The three-millionth unit was produced in the first week of May. If the four-million mark is reached by about the middle of June as expected, the total output for 1955 at that point will be 1 million units ahead of 1954.

During the first quarter of 1955, about 80 per cent. of the 1,077 companies listed on the New York Stock Exchange paid dividends which aggregated a record of $1,671 million, that is, 9.4 per cent. more than those paid in the corresponding quarter of 1954. This is the thirteenth year in succession in which the dividends during the first quarter have maintained the upward trend.

The Pakistan Embassy in the U.S. presented last week a fashion show featuring dresses, hats, bags and shoes made of burlap (woven from jute) in the latest modes created by the leading designers of the U.S. and Canada. This show was held in co-operation with the Chandler Manufacturing Company, which recently perfected a new process that makes burlap ideal for fashions.

American business turned out an all-time record volume of goods and services in the first three months of this year, according to the U.S. Department of Commerce. The gross national product hit a record annual rate of $370,000 million, due chiefly to new highs in auto purchases and home building. This compared with the previous record rate of $369,000 million set in the second quarter of 1953.

The four major groups of electrical engineering companies of the U.K. propose to build atomic power stations and have, for that purpose, set up active trading and sales organisations. The combined initial capital set aside for the four atomic power groups amounts to about £4 million, but a much larger sum is expected to be spent on development work as the use of atomic power increases.

The Du Pont Company of the U.S. proposes to promote thrift among its workers by contributing 25 cents for each dollar that a worker saves. The Company's contribution will be placed in a trust fund to buy Du Pont Common Stock for the employee, while the employee's savings, to be deducted from his pay roll, will buy U.S. Savings Bonds. The plan is expected to come into operation from 1st September, 1955.

Profits of U.S. companies during the first quarter of 1955 rose to an annual rate of $40,000 million, an increase of $3,200 million, as compared with the fourth quarter of 1954. Profits after taxes were also higher at an annual rate of $20,300 million, having risen from $8,700 million in the closing quarter of 1954. Dividends declined from an annual rate of $10,400 million to $10,000 million, but undistributed profits rose from $8,300 million to $10,300 million.

PERSONAL

SITHU U Aung Soe has been appointed Ambassador of the Union of Burma to India in succession to U Kyin.

Mr. D. P. Mathur, Director of Finance, Railway Board, has been appointed Senior Deputy General Manager of the Central Railway.

Mr. Naval H. Tata, a prominent industrialist of Bombay, left for Geneva on Sunday last to attend a meeting of the I.L.O. Governing Body.

Maulana Abul Kalam Azad, Union Minister for Education, has left for the U.K. on a two month goodwill-*cum*-official tour of Europe and the Middle East.

Mr. C. T. Venugopal, Senior Deputy General Manager of the North-Eastern Railway, has been appointed Director of Finance in the Railway Board.

Mr. P. P. Kapadia, Senior Vice-President of the Western India Automobile Association, Bombay, has been elected President of the Association for the current year.

Sardar Datar Singh, Development Adviser and Additional Secretary, Union Ministry of Home Affairs, left for Rome on Sunday last to attend a meeting of the Co-ordinating Committee of F.A.O.

Mr. Jangbir Singh, Development Commissioner for Small-scale Industries, Union Ministry of Commerce and Industry, left for Geneva last week on a tour of the U.K. and Europe for recruiting technicians to assist small-scale industries in India.

Mr. Kanwar Sain, Chairman of the Central Water and Power Commission, Mr. Hayat, a member of the Commission, and Mr. A. C. Mitra, Chief Irrigation Engineer, U.P., are expected to leave on a 30-day study tour of the Soviet Union next month.

"COMMERCE" 1930

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *31st May*

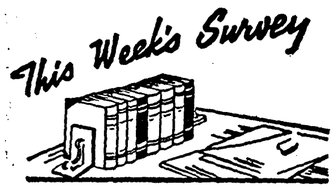
Indian Sugar Industry

India is now passing through a period of agricultural reconstruction, particularly in respect of the sugar industry. Both on the growers' side and on the factory side improvements are being made in Indian sugar. But while these improvements are being effected, it is necessary that the industry should be temporarily protected. It is believed that this matter will soon engage the attention of the Indian Tariff Board. Meanwhile, the import dues on foreign sugar have been increased as a first step towards the establishment of the Indian sugar industry on an improved basis. A very large grant has been made by the Imperial Council of Agricultural Research to the Government of the United Provinces for expanding the sugar section of the Harcourt Butler Technological Institute at Cawnpore into an experimental factory and school for training sugar scholars from all India. This section, which is now on a provincial basis, will be expanded into one on an imperial basis. In future, young men from all the Provinces of India will have facilities for studying the process of the sugar industry of this institute. In addition, a qualified sugar technologist has been appointed by the Imperial Council of Agricultural Research in the person of Mr. J. P. Srivastava who is a Deputy Director in the Industries Department of the United Provinces. India, as is well known, has the largest acreage under sugarcane in the world. Of this acreage over 50 per cent. is to be found in the United Provinces. Mr. Srivastava's duty will be to advise improvement in sugar factory methods and to assist people who desire to start sugar factories in technical details.

The additional protocol to the Argentine-Russia 1953 trade agreement, which was signed last week, provides for the supply of 60,000 tons of linseed oil, 25,000 tons of hides and 5,000 tons of wool by Argentine to Russia. As against these, Russia will deliver 500,000 tons of petroleum and 200,000 tons of iron and steel, besides timber, chemicals, railway materials, etc. The total inter-change envisaged comes to $100 million, as against the previous arrangement for $150 million.

A new continuous coal mining machine, named the Twin Borer, has been developed by the Joy Manufacturing Company. The new machine, it is claimed, can dig and load eight tons of coal a minute. It is equipped with two boring arms and top and bottom saw chains which cut a swatch of coal 12 to 13 feet wide and six to eight feet high. It weighs nearly 80,000 pounds. The Company says that it is ready to begin commercial production of the new machine and is expected to be on the market before the end of August, 1955.

The British Transport Commission and the trade unions concerned have arrived at an agreement for the establishment of an eighteen-member British Railways Productivity Council. The Commission will be represented on the proposed Council by nine members and the trade unions will elect nine members amongst themselves. The Council will initiate proposals for increasing efficiency, including the best use of man-power, and advise the Commission and the unions on how best to apply them. It will also consider and advise on matters referred to it concerning modernisation and re-equipment plan, besides reviewing the working of the joint consultation machinery.



COLONIALISM IN SHIPPING WORLD

IT is, indeed, regrettable that India's opposition to the resolution at the fifteenth biennial Congress of the International Chamber of Commerce (I.C.C.), which has just concluded in Tokyo, seeking a modification of what is vaguely termed as "flag discrimination," was drowned by the steam-roller majority of well-entrenched maritime nations. More so, because India's voice at the Conference reflected the feelings of the underdeveloped maritime nations of Asia and the Far East, which are desirous of developing their merchant navies in accordance with their needs. The discussions at the Conference once again exposed the existence of a clique among the leading maritime nations of the world to maintain the *status quo* at any cost. There was little inclination among them to respect even the modest desires of underdeveloped countries and to share with these countries at least a part of the world trade in shipping. The attitude displayed by the shipowners of developed countries revealed that they have not moved with the times and that they still considered themselves to be the uncrowned kings of the entire shipping world. To quote Sir B. P. Singh Roy, a Director of the India Steamship Company, Ltd., who opposed the resolution, the stand taken by the leading maritime nations of the world was: "We have got settled down to trade and we shall keep it at all costs and make it as difficult as possible for any other line to enter this trade."

The most disquieting feature was the nature of the resolution on flag discrimination adopted by the Conference. Ironically enough, the resolution registered the I.C.C.'s "profound concern" at the "continued increase of flag discrimination," particularly in the form of measures for restricting the routing of cargoes by nations to ships carrying their own flags. As if to strengthen its case, the I.C.C. cited in the memorandum attached to the resolution the recent trade agreements India signed with Egypt, Czechoslovakia, Russia, Yugoslavia, Turkey and Rumania, providing "all facilities to secure that ships of contracting parties carrying as large a proportion as possible of goods exported or imported under the agreement." In other words, the I.C.C. resolution sought to restrict the shippers' choice which had previously been conceded by the very same Chamber. It will be recalled that, when the Greek companies complained in 1949 that fruit from Greece were carried in British ships and no part of it was allowed to Greek shipping, the reply of the I.C.C. was that it was the shippers' choice. Quoting this instance, Sir Singh Roy asked: "If that is accepted, where is the question of flag discrimination if Government, which is a shipper as much as any other shipper, chooses the line by which its goods should be carried?" After all, Governments are entitled to enter into bilateral agreements with certain countries. They have also the right to allot a certain portion of the cargo to national shipping of either country. Surely, it is absurd to level the charge of flag discrimination against this arrangement especially as the bulk of imports and exports of these countries is still carried in non-national lines not connected with the bilateral agreements.

Again, certain leading maritime countries have been discriminating against non-national vessels berthing facilities and priorities in berthing. According to Sir Singh Roy, some companies in London and Liverpool have got exclusive rights for certain specified berths, which means that, when a ship of that company arrives, that berth must be cleared and made ready at once. There is no waiting for that ship, as if the berth was its home. On the other hand, India has not given any such berthing priorities for its domestic shippers. Unless the law "first come first served" is impartially applied to all shipping companies in all ports, as in India, no justice will be done to ships of other nations.

Sir Singh Roy exploded the myth of "freedom of the seas," a phrase frequently used as an infallible and inevitable standard which lesser nations should adopt, but which the maritime powers could conveniently ignore. The existence of a conference which limits its membership, which limits the number of steamers that could ply on the part of some members and which limits the sailings of certain lines are all positive proof that the "freedom of the seas" exists only in the imagination of certain members. Actually, as Sir Singh Roy pertinently pointed out, although colonialism in the political field has ended in many parts of the world and what little exists is on its last leg, in the world of shipping, colonialism by different countries is more firmly established than ever and the vested interests of maritime nations are putting all sorts of obstacles to prevent new-comers entering the field. Ironically enough, the disappearance of colonialism from the Indian sub-continent has led to a strengthening of colonialism in the shipping world. Thus, the partition of India and the attainment of independence by countries such as Burma and Ceylon have been taken advantage of by the well-entrenched shipping companies. One conference, which existed for the whole area, has been broken into different conferences. The U.K. has taken advantage of being a member of all these conferences, while Indian shipping companies, although they have natural, geographical, political and cultural affinities, are denied membership to these conferences. Elucidating this point further, Sir Singh Roy observed as follows:

"The ships of U.K. are members of 40 different maritime conferences. They sail the wide seven seas; they can be members of every conference of the world. To them, the freedom of the seas means that they alone can enjoy membership of every conference existing on the wide seas, but other shipping lines are precluded from being conference members in trades sometimes on routes to and from their own country and often of trades on the routes of their most extensive trade."

Similarly, the Scandinavian countries, the trade of which is infinitesimal, are members of conferences next in number only to the U.K. They restrict membership of other lines, old or new. When this is combined with the fact that no national Indian ship can ply to a Scandinavian port carrying goods from India or taking goods from Scandinavia to India and when it is further coupled with the fact that a Scandinavian ship can directly trade not only from Scandinavian ports but also from wayside ports to India, the illusion of "freedom of the seas" is best illustrated.

It is the sovereign right of every country to develop its shipping according to its needs. In order to ensure such development, it is necessary for the developed countries to limit the interpretation of the term "flag discrimination" and to recognise the rights of underdeveloped countries to take whatever measures they consider appropriate for building up adequate merchant fleets subject to a scrupulous avoidance of discriminatory treatment at ports. There is no reason why reservation of national cargo even up to 50 per cent. for national ships should not be permitted. After all, even this will still leave a generous margin of national trade to be carried in the bottoms of leading maritime countries.

MADRAS CABINET CAUTIONED

The landlords of Madras State are strongly opposed to the proposed fixation of ceilings on lands for ownership and the redistribution of excess land. They are of the view that such a step is unwarranted and, in fact, detrimental to the development of the agricultural sector in the existing circumstances. At a meeting held recently in Mayavaram, the landlords of Tanjore, the rice granary of South India, adopted a resolution opposing the recommendation of the Land Reforms Sub-committee of the Tamilnad Congress Committee (T.N.C.C.) prescribing residential qualification for personal or *pannai* cultivation. The meeting also held that the recommendations of the Sub-committee of the T.N.C.C. for conversion of *warram* (crop-sharing) tenures into lease-tenures of more or less permanent nature would amount to a fresh creation of a larger number of small *zamindaries*, which had been abolished and which is in contravention to the cherished principles of the Congress regarding land tenures. The Conference expressed the opinion that the share of crop due to the *warram* cultivator was already too high, as there had been a substantial increase of such share from 25 per cent. to 40 per cent. since 1947 and any further increase would cripple agriculture and annihilate the smaller landowners, as they had also to bear the cost of land improvement, besides the *kist* and other duties. The consensus of opinion of the landowners was that the Tanjore Tenants and *Pannigals* (Farm Servants) Protection Act, which was in force only in one or two districts, might be extended to other districts as well and given a decent trial for at least a period of 10 years, before deciding to experiment with such dubious reforms as fixing a limit on the land that can be held by an owner. The Conference felt that the fixation of rent for an indefinite period was arbitrary and illegal and therefore suggested that the period should not exceed five years and that, at the end of every five years, the lease could be renewed at the instance of the landowner.

Coming as they do at a time when a Sub-committee of the Madras Cabinet is preparing its report on the future set-up of the landownership and tenure, the views of the Tanjore landlords are valuable. For, if the scheme of land reforms which the Sub-committee is going to recommend is to give a "lead to the whole of India," as the authors claim it would, it should certainly be not one-sided and should hold the scales of justice even between the landlord and the tenant. At a meeting held last week, the Cabinet Sub-committee is said to have arrived at tentative conclusions. The Sub-committee will meet again some time in June to reconsider them and submit a scheme of land reform for the consideration of the Cabinet.

If the scheme of land reforms on the anvil is to be a model for the rest of India, it should boldly avoid the fixation of a ceiling on agricultural lands that can be held by an individual. There is no need for a ceiling at all, for large holdings are not many. The temptation will, therefore, be to fix the ceiling at a low level. If this were to be done and effectively enforced, it would only perpetuate the evil of small farms, low productivity and poor living standards. Then again, there is not enough land in the country to be distributed to all landless labourers. This will aggravate agrarian discontentment, especially as those labourers—and they will be in a majority—who do not get land under the redistribution of excess holdings will feel jealous and fall an easy prey to the false propaganda of the extremist political elements. The whole scheme may, therefore, act as a boomerang on the Congress Party itself, instead of strengthening its hold over the rural masses. Then, there is a danger of more people trying to stick to the easy and traditional occupation of agriculture, because, if land is made freely available, the eagerness to try and find other means of occupation will be less keen. The effect of this will be that the pressure of population on land will increase. The Madras Cabinet will, therefore, do well to ponder over all these points before making up its mind.

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FUEL SHORTAGE IN THE U. K.

It is unfortunate that hardly any efforts are being made by India to take advantage of the fuel shortage in the U.K. and the Continent which is becoming more and more keen. According to latest reports from London, the U.K. has so far imported about 4 million tons, as against 3 million tons during the whole of 1954, and it is estimated that it will have to import another 6 million tons, if it is to tide over the coming winter. There is also a woeful shortage of coal on the Continent. It is estimated that the import of coal by the Continent this year may amount to about 17 million tons, as against approximately 10.5 million tons last year. About 8 million tons have already either been imported or contracted. This leaves about 9 million tons yet to be booked.

India requires to export more coal today than at any time before in order to ensure economic working of its collieries and maintain employment. Although exports of coal at 2.0 million tons in 1954 were slightly better than 1.9 million tons in the preceding year, they were far lower than those in 1952, when exports stood at 3.5 million tons. Indian exports to the U.K. in 1952 were 36,954 tons. Since then there has been no exports to that country. At present, there are large stocks of coal not only in the U.S. but also in India. It is true that a good part of the requirements of coal of the U.K. and the Continent is sought to be met by the U.S. Nevertheless, India should explore all possibilities of availing itself of the opportunity provided by fuel shortage in the U.K. and the Continent to boost its exports.

The future of Indian eonomic development is dependent on the quantum of foreign exchange available to balance its import of capital and other essential goods. Even to maintain the present employment of labour in the collieries at the present levels, export of coal in larger quantities must be made. For, if the collieries are to balance their budgets without retrenching surplus labour, they must increase the rate of their output and this will be possible if additional outlets are found. It is high time that an Export Promotion Council for coal was constituted, with a view to taking advantage of export markets as and when opportunities arise.

BETTERMENT LEVY COLLECTION

The Government of Punjab is examining a proposal to permit landlords to pay betterment levy in land instead of in cash, if they so desired. If this proposal, the first of its kind to be considered by any State Government, were to materialise, it is likely to help resettlement of evicted tenants and landless labourers with less trouble. For it is expected that many landowners who possess land in excess may avail themselves of this mode of payment, which would release extensive tracts of land for the rehabilitation of persons who have no land.

The proposal to accept land in payment of betterment levy is indeed novel. And, as the landlord will have the option to pay in cash or land, there is hardly any justifiable argument against the proposal. Under the new scheme for land reform in the State, awaiting the assent of the Centre, controlled ejectment of tenants in order to enable landowners to reserve 30 acres for self-cultivation is provided for. If ceiling on land were to be approved by the Centre, all land above the ceiling would be acquired. In such a case, the present proposal would go a long way towards helping the landlords to dispose of their excess land. It is estimated that the betterment levy collections in the Punjab alone will aggregate over Rs. 80 crores, to be paid in biannual instalments spread over a period of 15 years, and a substantial portion of this levy, especially in Ferozepur and Hissar Districts, where many big landlords are concentrated, is expected to be paid in land.

PRICES DURING 1954-55

Full details of the trend of prices during 1954-55, which, incidentally, is the penultimate year of the first Five-year Plan, are now available. These reveal that the wholesale prices of commodities exhibited almost a continuous downward trend during the year. Thus, the general price index (Base: August, 1939=100) which stood at 402.6 in April, 1954, declined to 381.3 by July, 1954, and, after recording a slight rise in the two subsequent months, began to fall again to touch a low of 354.2. The average for the whole year was lower at 377.5, as against 397.5 for 1953-54, representing a decline of 5.0 per cent.

A number of factors contributed to the downward trend in prices. The first and foremost of these factors was the substantial improvement in agricultural and industrial production. Mention may also be made of reduction in the selling prices of imported rice, wheat and milo and restrictions on export of groundnut and castor oil. The free flow of coarse grains from surplus States to deficit areas, following removal of regional controls, also exercised a downward pressure. A further momentum to the decline in prices, especially in cities like Bombay and Calcutta, was provided by the removal of the remaining controls on foodgrains. Yet another bearish factor was the liberalisation of imports of several consumer goods, sugar in particular.

Barring manufactures, all the constituent groups in the wholesale price index recorded a decline, as will be seen from the following figures:

(Base: Aug., 1939=100)

	1953-54	1954-55	Percentage fall (—) or rise (+)
Food articles	384.4	339.8	—11.6
Industrial raw materials ..	467.7	436.2	— 6.7
Semi-manufactures ..	359.2	350.3	— 2.5
Manufactures..	367.4	377.4	+ 2.7
Miscellaneous..	686.6	612.4	—10.8

The fall of 11.6 per cent. in the index of food articles during 1954-55 was chiefly the result of substantially lower prices for pulses, the index of which dropped by as much as 37.8 per cent. to 280. The prices of cereals also staged a retreat, the index moving down by 15.5 per cent. to 381. The index of residual group, however, was slightly higher at 291, as against 278. Despite a rise of 3.5 per cent. (to 447) in prices of fibres and of 14 per cent. (to 427) in "others" such as raw hides and skins, lac and rubber, the index of industrial raw materials fell by 6.7 per cent. to 436.2. This was due to the severe fall in the prices of oilseeds and minerals; the index of the former was lower by 26 per cent. at 424 and of the latter by 6 per cent. at 422. In the semi-manufactures group, the index of leather declined by 6.7 per cent. to 376, of vegetable oil by 19 per cent. to 433 and of oilcakes by 12 per cent. to 381. The index of mineral oils was a shade down at 221, as against 224. The index of cotton yarn, on the other hand, registered a small rise of 3 per cent. to 454. Metals also increased by 5 per cent. to 240 and "others" by 11 per cent. to 312. The miscellaneous group which comprises *vanaspati*, spices and condiments, betelnuts, cashewnuts, bricks, tiles and tobacco leaf fell steadily from 707.4 in April, 1954, to 553.3 at the end of March, 1955. The average for the year as a whole was 10.8 per cent. lower at 612.8, as compared with 686.6 in 1953-54.

As already stated, the prices of manufactures proved an exception to the general trend in that they ruled fully firm, their average index for the year under review standing 2.7 per cent. higher at 377.4. This is a clear indication of the rigidity of cost structure in the industries. The sub-group index of textiles as a whole moved narrowly and the average for the year remained higher by 4 per cent. at 421. Jute manufactures witnessed a rising trend and the index at 448 was about 10 per cent. more than the previous year's average of 408. The prices of cotton manufactures ruled 2 per cent. above the index for 1953-54. The index of rayon and silk manufactures increased by 9 per cent. to 469, while that of woollens was 1 per cent. lower at 311. The rise of 1 per cent. in the index of metal products was due to the advance of 1.5 per cent. in the prices of iron and steel manufactures in the month of April, 1954. The sub-group for other manufactures moved around 286; the prices of footwear and cement moved up, while those of tyres and tubes, glass, paints and dyestuffs tended to decline.

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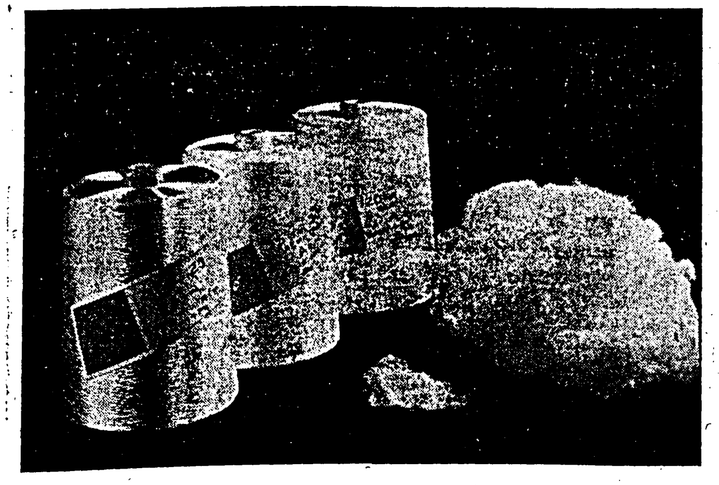

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PATTERN OF FOREIGN TRADE

NEED FOR A WELL-THOUGHT-OUT PLAN

From A Special Correspondent

NEW DELHI, *24th May*

THE discussions at both the Import and Export Advisory Councils during this week-end reveal that the Government of India is now being called upon to tackle a new set of economic problems which are products of the return of normal conditions in the country and which also reflect the country's desire to quicken the pace of economic development in the coming years. There is no longer a scramble for getting licences by the commercial community. Nor is there any complaint about the enormous delay in the issue of permits. On the other hand, there is full appreciation of Government's creditable achievements for having brought about order and regularity in the administration of import and export controls. Even the Minister for Commerce and Industry, Mr. T. T. Krishnamachari, would appear to have been so much satisfied with the progress on this front that he was content to leave the delivery of speeches, etc., to his lieutenants and to remain in the background, taking up a sort of paternal attitude and interfering only to announce the policy of Government on specific questions referred to by members of the Council.

DELHI LETTER

The proceedings at the Import Advisory Councils were initiated by Mr. Nityanand Kanungo, Deputy Minister for Commerce and Industry. The Minister gave some indications of Government's policy in regard to import trade in the coming months and pointed out that the policy of selective liberalisation was being gradually extended in diverse ways to cover a wide sector of the country's import trade. He recounted that 33 new items were added to the liberal licensing schemes, that quota percentages were increased in the case of 40 items, that token quotas were introduced for 19 items, that provision was made for the grant of additional licences to established importers in 13 fresh items and that basic period was extended to include the year 1952-53 for a further 60 items and the year 1953-54 for another 16 items. Mr. Kanungo also stated that, consequent on the increases in import duties with the commencement of the current year, a further measure of liberalisation was announced in respect of 12 items. The doubling of small value licences for a number of items, together with the extension of the operation sphere to new-comers, had brought about considerable stabilisation in the import trade. The Minister was careful enough to utter a note of warning that the continuance of the policy of a progressive and controlled liberalisation was conditioned by the country's ability to augment export earnings. He also suggested that, with the increased tempo of industrialisation, the pattern of India's import trade would be characterised by higher level of imports of industrial raw materials, plant and machinery and some specialised manufactures.

Serving the Consumer

At the end, Mr. Krishnamachari wound up the proceedings and maintained that Government would continue to revise its import policy every half-year so that all interests could be satisfied. Similarly, he justified the canalisation of imports of certain raw materials through agencies approved by Government and restrictions on profit-margins in certain items. This was being done to serve the consumer in various parts of the country properly. Again, the Minister uttered a note of warning to the foreign shipping interests to the effect that, if they carried out their threat to raise freight surcharge on goods carried to India, their ships would not be allowed to touch Indian ports.

In the course of his address to the Export Advisory Council, Mr. D. P. Karmarkar, Minister for Commerce, brought out the salient developments in export trade in recent months. He stated that the rise in the total export trade at Rs. 583 crores in 1954-55, as against Rs. 531 crores in the previous year, was largely due to the phenomenal rise in the price of tea, that further expansion of trade in the three principal commodities, tea, jute goods and cotton cloth, which accounted for nearly 58 per cent. of the total trade, was limited, that there was need for diversifying and broadbasing the pattern of export trade, that there was resumption of export trade in rice, pulses, etc., that exports of oils were showing some improvement, that there was necessity to augment raw cotton exports also, that the quantum of exports of tobacco, cashew kernels, pepper and mica was better and that exports of lac, raw hides and skins and wool recorded an increase both in quantity and value. He emphasised that, in the coming years, India should make a sustained effort to develop export markets in chemicals, cement, electric fans, sewing machines, diesel engines, centrifugal pumps, machine tools, cycles, plastic goods, toilet requisites, sports goods, etc.

Towards the close of the meeting, Mr. Krishnamachari spoke for a few minutes and emphasised the need for planning in trade and suggested that there should be some kind of economic survey every year which could indicate the country's expectations and the limits of its achievements.

The importance of a trade plan to fit in the second Five-year Plan does not require any emphasis in these columns. It is only the availability of adequate foreign exchange resources that will enable the orderly implementation of the second Plan. It is, however, strange that the Panel of Economists has completely omitted this aspect of the problem in its memorandum submitted to the Planning Commission. Perhaps this defect must be attributable to the fact that the Panel is being dominated by theoretical academicians.

Prof. Mahalanobis' Proposals

Prof. P. C. Mahalanobis has, however, devoted some attention to this aspect of the question. In his pamphlet, entitled *Draft Recommendations for the Formulation of the second Five-year Plan*, he observes: "Much larger imports will have to be made of capital goods in the second Plan. The total needs would come to about Rs. 1,200 crores; adding Rs. 400 crores for imports of equipment for replacements, the total requirement would be about Rs. 1,600 crores for imports of capital goods. This must be met partly by increased production of foodgrains, sugar, cotton and petrol; partly through foreign assistance and withdrawal from sterling balances; and by curtailment of non-essential imports and promotion of exports in every possible way." It is gratifying to note that Prof. Mahalanobis has given considerable importance in his pamphlet to the manufacture of heavy machinery in India. For rapid industrialisation, he says, it is essential to fabricate plants and machinery at home. To install a plant for the production of one million tons of steel per year, it is necessary at present to import machinery worth about Rs. 40 or Rs. 45 crores from outside. Provision has been made for investment of Rs. 150 crores to establish large engineering workshops to fabricate machinery needed for producer goods plants. An immediate aim would be to manufacture every year most of the machinery required for installing a one million ton capacity steel plant. An investment of Rs. 40 crores is contemplated for establishment of plants for the manufacture of heavy electrical equipment. The production of machinery for the manufacture of consumer goods (textiles, etc.) must be roughly doubled during the Plan period, and an investment provision of Rs. 50 crores has been made for the purpose. In regard to investment by industries, the learned professor has earmarked a sum of Rs. 240 crores for the manufacture of producer goods, Rs. 425 crores for iron and steel and Rs. 80 crores for synthetic petrol. It may be noted that the President of the Federation of Chambers of Commerce and Industry, Mr. Shantilal Mangaldas, has also stated, in the course of his discussions at the Export Advisory Council, that India would require roughly foreign exchange to the extent of Rs. 300 crores annually for capital goods alone for the implementation of the second Five-year Plan.

The pamphlet on the Second Five-year Plan prepared by the Economic Division, Ministry of Finance and the Economic Division, Planning Commission, under Prof. Anjaria, is also vague in regard to trade plan. In the course of discussion, this pamphlet says: "In the case of important export items such as tea and tobacco, exports must be maintained and increased as far as possible in spite of greater consumption at home. The increase in the production of tobacco from 250 to 300 thousand tons and of tea from 675 to 750 million lbs. is postulated on this basis." It is really surprising as to how the pamphlet has

(*Continued on page* 1055)

U.K'S TRADE BALANCE IN APRIL

SAVING IN FOOD IMPORT BILL

From Our Own Correspondent

LONDON, *21st May*

THE complete break in the tea market has been responsible for saving this country £9 million in the month of April on the average food import bill compared with the monthly average for the first quarter of this year. But maintenance of low tea prices for the rest of the year would not help the trade accounts compared with 1954 to anything like the full extent these figures suggest since the main weight of high tea prices fell only on the first quarter of this year. At present the news about tea in the City looks very contradictory—for, while the market is well and truly down and Mincing Lane is thinking in terms of not paying for shipments from Ceylon more than 1 rupee per lb. (before allowing for export duty of course), the 1954 accounts of Indian and Ceylon tea companies show both cash profits, and dividend rates on average about twice as high as last year. But to balance these gains, which relate, of course, to the past, the companies concerned have to accept some very low estimates for their future earnings and a corresponding slump in share capital values of the order of 40 per cent.

LONDON LETTER

But tea has not been the only April import to show a big saving to the British balance of payments. Other foodstuffs are also down on the month, as compared with the average of the previous three months and contribute to a total saving of some £15 million. Imports in April of basic materials and manufactured goods also showed reductions, but coal moved the other way and reduced the overall gain on imports other than food to the order of some £3 million a month.

Unfortunately the April trade balance cannot take credit for the whole of the monthly saving on imports of £17 million compared with the first quarter of the year since exports are down by £4 million. Nevertheless, the average gain to the trade balance is £14 million which may be taken as a good augury for the trend for the rest of the year.

Interesting Differences

The following table brings out the most interesting differences between April and the first quarter average:—

(In millions of £'s)

	April, 1955	First quarter Monthly Average
Imports:		
Food etc.	120	135
Raw materials	92¼	93¾
Fuels	34¼	31¾
Manufactures	70	73¾
Miscellaneous	1¼	1¾
Total ...	318¼	333
Exports and re-exports ...	255¼	258
Deficit	63	77

April exports really show a better trend than the above figures suggest. Not only has the general group of engineering items, agricultural machinery and tractors and electrical apparatus in particular, been up, but, even more significant, exports to the dollar area are well up. In fact, the improvement all this year in shipments to dollar countries is marked over, 1954. Unfortunately, dollar imports also continue high, and the trade deficit with dollar countries is still running at about twice the level it was a year ago. It is not surprising that the April gain in the trade balance was principally made with the sterling area for which, of course, the reduced tea shipments were responsible.

Another encouraging feature is the upward movement in the gold and dollar reserves. It is too soon yet to say whether the adverse developments of the past six months have been basically changed but, for a single month, April has done its fair share.—*All Rights Reserved.*

U.K. AND FRANCE TO EXCHANGE ATOMIC INFORMATION

Britain's Atomic Energy Authority and the French Atomic Energy Commission have concluded an agreement for the exchange of classified information between the two organisations on a number of subjects relating to development of atomic energy. The Atomic Energy Authority will further help the Atomic Energy Commission by giving advice and by supplying experimental quantities of various materials.

FRAME OF SECOND FIVE-YEAR PLAN

PROF. B. R. SHENOY'S VIEWS ON CERTAIN BASIC CONSIDERATIONS

THE Economists' Panel of the Planning Commission submitted its memorandum on the second Five-year Plan, described as the interim document, to Mr. Chintaman Deshmukh, Chairman of the Panel, on 10th April, 1955. The memorandum sets out the basic considerations relating to the preparation of a Plan-frame. These considerations have been grouped under three heads, namely, (1) size of the Plan, (2) structure and content, and (3) policy and institutional implications of the proposed Plan-frame. There is, it is said, broad consensus of opinion among the members of the Panel with regard to these basic considerations. Prof. B. R. Shenoy, one of the members of the Panel and Director, University School of Social Sciences, Gujarat University, Ahmedabad, has, however, differences of opinion on some points and these have been indicated in a separate note. It is proposed to analyse here the note of dissent of Prof. Shenoy.

To take first the size of the second Five-year Plan. The Plan-frame is built on the basis of a 25 to 27 per cent. increase in national income in five years. The targets of production for several sectors, which correspond to this rise in income, would require a rise in net investment (or savings) from 6.75 per cent. of national income in 1955-56 to 10.95 per cent. in 1960-61. On this basis, there will be a total net investment of Rs. 5,600 crores in five years—Rs. 3,400 crores in the public sector and Rs. 2,200 crores in the private sector. The total development outlay corresponding to the net investment in the public sector would be Rs. 4,300 crores. The Economists' Panel regards this increase in investment as "fairly ambitious" and stresses that "the effort involved in this increase is considerable and will strain the economy a very great deal"!

Rate of Investment Over-ambitious

To Prof. Shenoy, however, the aforesaid emphasis does not sufficiently bring out the risk which such huge investment may involve, unless, of course, foreign assistance is forthcoming on a scale incomparably larger than the one envisaged in the Plan-frame. He considers the proposed rate of investment as "over-ambitious." The size of the Plan-frame, he says, has been unduly inflated, as a result, on the one hand, of an over-optimistic growth in national income which it aims at and, on the other of an unduly high average rate of saving as applied to this assumed growth in income. Elucidating this aspect, he observes:

"Judging from our own recent experience and also the experience of other democratic countries, the available real resources (savings) for development cannot for some time be expected to be of an order that would permit anything like a doubling of the rate of growth in national income. The current rate of savings in India is generally estimated at 7 per cent. or under of the national income. During the past years, it has risen by about 1 per cent. It would be too optimistic to assume that the rate of increase may be accelerated in the next five years. A reduction in the inequalities of income distribution, which is the declared policy of the Government, would tend to reduce overall savings. The consumption of food of the vast masses of the people being both below the national average and below the minimum nutritional standards, it has been estimated that about 50 per cent. of the increase in consumer expenditure is liable to be utilised in India on foodgrains. In conformity with traditional experience, a succession of good harvests which we have experienced may be followed by a couple of years or so of bad or indifferent harvests. In the circumstances, it may not be safe to assume a rate of saving of much higher than 8 per cent. at the end of the next five-year period. The possibility of this conjecture proving too high cannot be ruled out."

Referring to the experience of a few countries, Prof. Shenoy points out: "Statistics of the growth of national income in certain overseas countries show that, in Canada, Switzerland and Germany, the rate of growth in national income generally approximated to the rate of growth experienced in India during the first Five-year Plan. In the U.S.A., the rate of growth was 4.5 per cent. until 1913 and 3 per cent. from 1929 to 1950. Both in *per capita* income and in the capacity to save, we are far behind these countries. It is significant that in the Soviet Union, Poland, Czechoslovakia, Hungary and Bulgaria, the rate of growth in recent years varied between 12 and 16 per cent. This was doubtless rendered possible by totalitarian devices."

In view of these considerations, Prof. Shenoy urges revision of the size of the Plan in such a way as to match the real resources as indicated by the rate of savings. He also emphasises that the estimate of the rate of increase in national income should be adjusted to conform to the investment equivalent to the rate of saving. Otherwise, he warns: "To force a pace of development in excess of the capacity of the available real resources must necessarily involve uncontrolled inflation. In a democratic community, where the masses of the people live close to the margin of subsistence, uncontrolled inflation may prove to be explosive and might undermine the existing order of society. Alternatively, if appropriate physical measures familiar to a communist economy were adopted (in an effort to prevent inflation), we would be writing off, gradually or rapidly, depending upon the exigencies of the Plan, individual liberty and democratic institutions by administrative or legal action."

Deficit Financing

With regard to deficit financing, Prof. Shenoy is one with his colleagues in cautioning against any tendency to be unduly optimistic about the extent to which deficit financing may avert the awkward necessity of a deliberate endeavour to mobilise resources. He agrees that deficit financing can be safely resorted to when (1) a larger money supply is needed as a result of expansion of monetised sector relatively to the non-monetised sector and (2) a larger money supply is needed to keep pace with an increase in the national income. But he cautions that, on these occasions, the deficit financing should be in a limited measure. He characterises, as too excessive the deficit financing at the rate of Rs. 200 crores per annum—or Rs. 1,000 crores in the five-year period—which the Economists' Panel regards as safe and even necessary. In support of this view, he says:

"Even on the assumption of a doubling of the rate of growth of the national income, the demand for the additional cash balances cannot be of an order to justify deficit financing on a scale equivalent to 50-60 per cent. of the money supply. If a third of the central bank money proposed to be put into circulation through deficit financing went to augment the reserves of commercial banks and if they built on it a volume of credit six to seven times, the total money supply at the end of the Plan period may be more than double the money supply at the beginning of the period. This would be clearly inflationary. An increase in the rate of growth of national income from 13 per cent. to 27 per cent. would not require a doubling of the total money supply.

"Deficit financing is essential in an underdeveloped economy to permit full use of the scarce real resources. By the same token, deficit financing should stop severely short of the point at which inflation begins. Inflation does not, on balance, add to the aggregate real resources. It creates wasteful or socially less useful demands on the limited

(*Continued on page* 1055)

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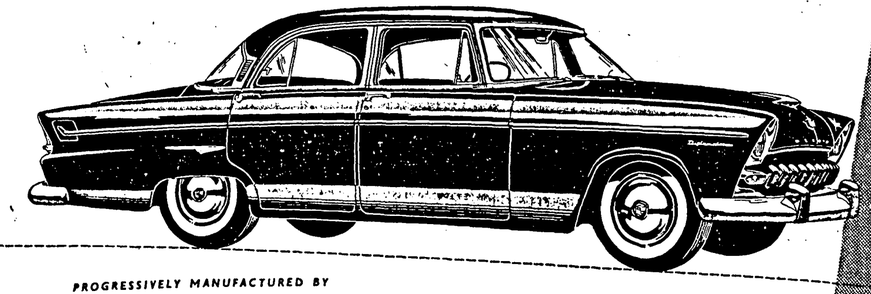

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INDUSTRIAL FINANCE AND COMMERCIAL BANKS

VIEWS OF A BRITISH BANKER

It is well known that British bankers are by tradition strongly opposed to joint-stock commercial banks providing long-term finance to industries. But last week one of them created a sensation in the City by advocating a change in this policy and calling upon the banks to play a bigger role in the financing of industry. This was Sir George Erskine, a Managing Director of Morgan Grenfell & Co., one of the well-known private bankers of London. Sir George made this point in his capacity as President of the Institute of Bankers, London, while addressing the annual meeting of the Institute. Sir George, however, seems to have failed to carry much conviction, if the reaction of the City to his speech is any indication. Nevertheless, Sir George's observations will be read with interest in this country, too, for commercial banking in India is modelled on British banking. Further, a section of industrialists in this country feels that commercial banks in India should play an active role in meeting the long-term credit requirements of industry, as witnessed the volume of evidence tendered in 1953 before the Shroff Committee appointed by the Reserve Bank of India. The idea, however, has been resisted by Indian bankers and recourse is, therefore, being taken to the establishment of special institutions such as State Financial Corporations and the Industrial Credit and Investment Corporation.

Addressing the Institute of Bankers, Sir George maintained that nowadays finance for industry, particularly risk capital, was less readily available than in earlier times. This was in contrast to the needs of industry which would require to increase its rate of capital development, if the potentialities of the second industrial revolution were to be achieved. Sir George's contention was not that there was any marked shortage of finance now for capital development programmes on hand, but that finance would be a limiting factor on capital development in future. "We should," he said, "retard the present circumstances as providing us with temporary respite in which to prepare to deal with the emerging shortage, and not be misled into imagining that no problems exists." By this he meant that the U.K. would, in the future, need a much higher rate of capital formation, if it is to take full advantage of technological advances and the industrial uses of atomic energy and electronics. He, therefore, wanted the commercial banks, which had kept aloof all these days from this field, to think of steps which would enable them to meet the calls for long-term finance by industry in the near future. He suggested three main possible lines of action by which the banks might extend the scope of their accommodation to industries.

Underwriting New Issues

The first line of action suggested by Sir George was assistance in marketing new issues. Although the market machinery for new issues was good, it could be made, he contended, smoother, if further resources could be brought into operation. The banks might participate, he added, directly in sub-underwriting new issues—a business at present largely undertaken by the institutions. For the private sector of industry the banks might act in the same manner as the Government department did for issues of nationalised industries. In other words, they may "take up any slack at the time of issue, carry it for a period, and peddle it out later at an appropriate moment." Further, the banks might make advances to institutions and other investors to assist them in taking up new securities. In this context, he drew the attention of his audience to arrangements in the U.S. where banks made loans to brokers and dealers to enable them to buy and carry new securities, until they could be sold to investors. The period of such loans might vary, he stated, according to the ability of the market to absorb new issues. The banks could also encourage, he added, individual investment by advising personal customers to invest in industry and by assisting them to do so.

Sir George's second main suggestion was that the banks might widen the range of industrial activity which they considered suitable for financing by a bank advance and the period of advances. He admitted that, to some extent, this was already being done, as the banks financed the early stages of a capital development programme until it was considered suitable for a capital issue. Sometimes, this period was indefinite and prolonged, but even these advances were nominally repayable on demand. He asked: "Might the banks not reasonably make term loans, again, following the example of banks in the U.S.?" These were made in the first place, he added, for periods from one to five or more years, often for the purchase of plant and machinery. If the British banks decided to make such loans, perhaps they could be matched, he said, by the acceptance of deposits for a corresponding term, or even by the issue of short or medium-term bonds as was being done in Switzerland. He felt further that the banks might undertake, either directly or through subsidiaries, hire purchase finance for companies buying industrial plant and machinery.

Broaden Investment Policy

The third suggestion of Sir George was that banks should be prepared to broaden their own investment policy, so as to take up and hold new issues of debenture stocks and preference shares and even equities. According to him, at the present level of deposits, £65 million invested in this way would represent only 1 per cent. of the total deposits. Even assuming no further growth in deposits, the banks might invest, he suggested, in industry a net sum of about £30 million each year for 20 years and still have less than 10 per cent. of their assets in this form.

Sir George considered that, of the financial institutions not at present concerned with long-term industrial finance, only the banks had the necessary organisation, and connection and the resources on a large enough scale to deal with the emerging shortage. He reminded the banks that industry's need for ordinary bank advances had been lessened by such developments as (a) integration, (b) preference for other forms of finance, and (c) suitability for internal finance for working capital—the traditional subject for bank advances. He was of the opinion that the earning power of banks as compared with pre-war, seemed to have declined. The yield on investments was less than on advances and the upward pressure of costs had also affected earnings. The banks could do, he declared, with some more profitable outlets for their resources, organisation and energy.

The suggestion that commercial banks should play a bigger role in financing industry is not a new one, but it had not hitherto been advocated so vigorously by a banker as was done by Sir George last week. It has been a subject of controversy both in pre-war and post-war years, but the British banks have remained uninfluenced by it. It does not seem that Sir George, himself a banker, will succeed where others had failed to convert them. City circles argue that his suggestion assumes the existence of a large volume of idle funds with banks, an assumption which will not hold good with any efficient banking system. As usually the funds of banks are usefully employed by them, fresh money for entering new channels should only come from the national savings. Says the *Financial Times*, London: "In the long run, if long-term investment on the basis of credit creation—that is, through inflation—is ruled out, the problem is not one of what type of institution should actually channel funds to industry. It is one of increasing the total of real savings which is a problem about which the banks can do relatively little." More or less a similar opinion was held by Mr. W. G. Edington, Chief General Manager of the Midland Bank, who also addressed the Institute of Bankers last week. Describing the suggestion of Sir George as highly controversial, Mr. Edington said: "The problem of capital investment is essentially one of physical resources. In the simplest form, it devolves upon the difference between national production and national consumption which sets the real savings of the country. As to where these resources will go depends upon fiscal and monetary policies. The main thing is to see that the public sector does not get more than its fair share. Given the right fiscal conditions, a surplus to start with, a fair allocation of it, a free capital market and a flexible monetary policy, funds will be forthcoming, provided the price is right."

Mr. Edington then went on to add that, at the present time, the Central Departments were trying to prevent the banks from doing any more business. Far from the banks having to find more outlets, the Government was doing, he complained, its best to stop them. He asked whether banks should make advances as and when required out of revolving funds or tie money up in equities.

PUNJAB FINANCIAL CORPORATION

The working of the Punjab Financial Corporation during the year ended 31st March, 1955, as compared with that in the previous year, discloses certain interesting trends. Notable among them is the marked fall in the number of loan applications received by the Corporation. In the previous year, as many as 94 applications for an aggregate sum of Rs. 1.23 lakhs had been received. But, during the year under review, their number was only 45, for a total loan of Rs. 39.12 lakhs. Explaining this fall, the second annual report of the Board of Directors of the Corporation observes: "The number of applications received during the initial year of the existence of the Corporation was based on haphazard schemes which were backed with insufficient security. It was obviously not realised by the industrialists that the Corporation, under the State Financial Corporation Act, 1951, from which it derives its charter, was authorised to make advances against the security of tangible assets alone. As the applicants got gradually acquainted with the limitations of mortgage banking, the number of applications, as also aggregate amount of loan applied for, declined in the second year of the functioning of the Corporation. The schemes received by the Corporation during the year under review were comparatively more coherent and practicable and the loan requests for their execution, to a fairly considerable extent, showed more judicious calculations."

That industrialists had, as stated above, gained considerable experience regarding the loan policy of the Corporation is also evident from the fact that, during the year under review, there was an increase in the number of applications sanctioned from 20 to 26, while the number of rejected applications dropped from 40 to 13. The Corporation thus considered 39 applications during 1954-55 of which 26, for an aggregate loan of Rs. 20.77 lakhs, were sanctioned. The 13 applications which were rejected were for a total loan of Rs. 13.1 lakhs. The number of applications lapsed or withdrawn declined from 10 in the previous year to four in 1954-55. The reasons for rejections cover a variety of grounds, such as absence of adequate security, limited scope for expansion, insufficiency of earning capacity to repay the instalments of principal and interest, unsatisfactory financial position, unfavourable credit reports, bad management, etc. At the end of 1954-55, 30 applications for a loan of Rs. 37.8 lakhs were pending consideration.

Since its inception, the Corporation has received 139 applications for an aggregate loan of Rs. 162.26 lakhs. Of these, 46 applications for Rs. 49.29 lakhs were sanctioned and 53 for Rs. 35.97 lakhs rejected. Only 14 applications for a loan of Rs. 16.5 lakhs were withdrawn or allowed to lapse. The actual disbursements amounted to Rs. 24.03 lakhs out of which repayments aggregated Rs. 1.92 lakhs, leaving thus the net amount outstanding at Rs. 22.11 lakhs.

Two of the industrial concerns were able to make substantial improvement in their production and sales and were granted a further loan of Rs. 46,000 on furnishing additional securities.

The industries covered by the loans included hosiery, metal, engineering, textiles, cold storage, utensils, cotton ginning, glass, oil mills, cycle and motor spares, electric goods, wood and machine screws, woollen yarn spinning, etc. Textile manufacturers were the largest recipients of the loans, their share being Rs. 14.95 lakhs out of the total amount of Rs. 49.29 lakhs sanctioned by the Corporation. Woollen yarn producers were second with loans of Rs. 7.1 lakhs. Metal engineering came next with a share of Rs. 5.21 lakhs followed by hosiery producers with Rs. 4.93 lakhs.

The rate of interest charged by the Corporation on the loans granted by it remained unchanged at 7 per cent. per annum for loans below Rs. 2 lakhs and 6½ per cent. per annum for loans of or above Rs. 2 lakhs. The Corporation allowed a rebate of ½ per cent. for prompt repayment of instalments. It is interesting to note that the rebate has found favour with the borrowers, as the facility has been fully availed of by all loanee concerns by paying their instalments of principal and interest on the due dates.

The working of the Corporation during the year under report resulted in a net profit of Rs. 2.39 lakhs. After providing Rs. 90,000 for taxation and Rs. 10,000 for reserves, the balance of Rs. 1.39 lakhs was utilised for payment of dividend. The State Government was called upon to give subvention of Rs. 1.60 lakhs to make up the guaranteed dividend of 3 per cent. per annum. In the previous year, the subvention drawn from the State Government amounted to Rs. 2.08 lakhs.

THE SAURASHTRA FINANCIAL CORPORATION

The Saurashtra Financial Corporation received 17 new applications in the year ended 31st March, 1955. As the year opened with a balance of 16 applications of the previous year, the total number of applications received, since the inception of the Corporation, was 37 for a total loan of Rs. 62.2 lakhs. Of these, 11 applications for a loan of Rs. 15.40 lakhs were sanctioned. Of the remaining, seven were rejected, five were referred to the Small-scale Industries Board, and one was withdrawn. At the end of the year, 13 were pending investigation.

Of the aggregate loan of Rs. 15.40 lakhs sanctioned, a sum of Rs. 5.5 lakhs was granted to only one concern engaged in the manufacture of bakelite powder and bakelite and brass accessories. Two concerns engaged in the production of silicate of soda were given a total loan of Rs. 1.55 lakhs. Two oilseeds crushers together were sanctioned Rs. 1.1 lakh and a paper board manufacturer received Rs. 80,000. One concern producing diesel engines was sanctioned a sum of Rs. 60,000. One cotton ginning company got Rs. 75,000, while another engaged in solvent extraction processing was granted a loan of Rs. 1.5 lakhs. A total loan of Rs. 3.60 lakhs was given to two electric power supplying concerns.

The amount actually disbursed by the Corporation during the year was only Rs. 6.1 lakhs.

The applications sent to the Small-scale Industries Board were for sums below Rs. 20,000 and all of them were those that were in the schedule of industries to which the Board gave loans.

The net profit of the Corporation amounted to Rs. 2.85 lakhs. After allocating Rs. 45,000 for taxation and transferring Rs. 15,000 for reserves, there remains a balance of Rs. 2.25 lakhs. This is proposed to be utilised for payment of the guaranteed dividend at 3½ per cent. per annum for the year under review. The Saurashtra Government has been called upon to give subvention for the balance of Rs. 1.24 lakhs required to meet the dividend liability.

COMMONWEALTH DEVELOPMENT FINANCE COMPANY

The Commonwealth Development Finance Company received, during the (its second) year ended 31st March, 1955, 40 applications for loans. Only two of these were considered to be most suitable for investment through the normal market and institutional channels. Most of the other applications were found to be beyond its terms of reference. The Company has agreed to invest £9.75 million, of which 130,000 has already been repaid.

It may be mentioned here that the Company has to borrow the money it lends, and the recent increases in the British Bank rate have had, it is stated, an adverse effect on the net earnings of the Company and its ability to lend at rates acceptable to Commonwealth borrowers, particularly in countries where rates of interest are currently lower than the U.K. rate. The C.D.F.C. looks to joint-stock banks for the money it puts out on debenture and loan stocks, and these loans will have to be funded by some form of long-term capital in the near future.

In the first two years of its operations, the Company has its investments in several Commonwealth countries. It has invested in Sui Gas Transmission in Pakistan, Electric Supply Commission and South African Industrial Cellulose in South Africa, Industrial Credit and Investment Corporation in India, Chirunder Sugar Estates in Rhodesia, Algaon Union Mines in Canada and Tasman Pulp and Paper in New Zealand.

PLAN FOR EXTENDING RURAL CREDIT IN MADRAS

A phased programme of reorganisation and expansion of agricultural credit and marketing to be included in the second Five-year Plan has been drawn up for the Madras State. The programme aims at enabling co-operative institutions to issue a total credit of Rs. 15 crores annually for meeting roughly 20 per cent. of the credit requirements of the rural areas.

The scheme is designed to provide for the formation of large-sized primary societies, establishment of rural banks and opening of new marketing societies in areas not covered at present. Attention is paid also to strengthen existing agricultural credit societies. The tentative plan contemplates a progressive increase in short-term, medium-term and long-term agricultural credit so that the target of Rs. 15 crores will be reached by the final year of the Plan period.

On the side of agricultural marketing, provision is made for the construction of godowns, and the setting up of processing plants such as rice-hullers, groundnut decorticators, cotton gins, oil mills, etc. Necessary funds both by way of subsidy and loan will be provided for the district co-operative central stores (which will function as marketing societies as well) and the primary marketing societies for enabling them to undertake the construction of warehouses. Provision is also made for starting new training institutes and a co-operative training college in the State.

The aforesaid programme is modelled on the main recommendations of the Rural Credit Survey Committee appointed by the Reserve Bank of India. As such, it is bound to evoke the support of the Central Planning Commission and the authorities in charge of organising expansion of rural credit in the country on an integrated institutional basis.

INVESTMENTS ABROAD BY AMERICAN FIRMS

Direct investment by American firms in foreign countries has been running recently at about $1½ billion a year, but show little tendency to rise. About half of this represents the reinvestment of overseas earnings. Of the other $670 million of net outflow in 1954, $412 million went to Canada and $82 million to Latin American countries. In 1954, American firms risked only $134 million in the whole of Africa, Asia and Australasia and, if the pattern of 1953 continued, three-quarters of this would be from American oil companies.

The investment abroad of private American investors and investment companies rose from a net repatriation of $178 million in 1953 to a net outflow of $262 million in 1954.

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ROLE OF WOOL IN WORLD FIBRE ECONOMY

PROSPECTS APPEAR BASICALLY SOUND

IN view of the growing competition in the world textile fibre trade among the various types of fibres, it will be interesting to take stock of the factors that influence the outlook for wool. The past three decades have witnessed a remarkable development of man-made fibres, mainly rayon and acetate. The world total output of rayon alone is now about 50 per cent. more than wool. The percentage share of wool in the world textile fibre market has gone down from 20 in 1920 to 11 at present, while that of rayon (and acetate) yarn and other man-made fibres now stands at 18 and 2, respectively, as against *nil* in 1920.

After about two decades, rayon is now well-established in the fibre market. A large variety of newer man-made fibres—the so-called "wonder fibres"—has entered the field in recent years. These include terylene, dacron, nylon, acrilon, ardil and vicara. Industries established at considerable capital cost are now producing these fibres in the U.K., the U.S. and on the Continent. The fibres are being used for a multitude of end-uses. Many claims are being made for them, some of which have decided advantages, though they are by no means one-sided. The fibres may in a sense be wonder fibres, but wool is itself a very marvellous fibre. Some of the synthetic fibres are already well established and apparently giving satisfactory performance according to their specific uses, although time alone can tell whether many of the claims made for the properties of synthetic fibres are justified.

Wool Consumption

In one respect at least, it is certain that the claim made on behalf of man-made fibres is not wholly correct. That claim is that the synthetic fibres will drive wool out of the fibre market. Wool is invincible, for the total wool consumption has not only been maintained but actually increased, though the development of other fibres has prevented the rise in wool consumption being as large as it might otherwise have been. How else can one explain, for instance, the steady improvement in world wool production. The quality of wool expected to be actually produced during 1954-55 amounts to 4,450 million lbs. (greasy), as against 4,402 million lbs. in the previous season and 3,821 million lbs. before the war (average for the years 1934-38).

Incidentally, it may be noted that the bulk of the total world wool output—50 per cent., to be precise—is accounted for by crossbred wool. The percentage shares of merino and carpet wools are 30 and 20. Australia is the largest individual wool producing country, its contribution to the world supply of wool being 30 per cent. About three-quarters of the Australian wool clip is merino wool and the balance is crossbred wool. This country accounts for about two-thirds of the world output of merino wool. The other main wool producing countries are New Zealand (nearly all crossbred wool), South Africa (mainly merino), Argentina, Uruguay, and the U.S. The first four countries are exporters of wool and, together with Australia, they account for nearly 60 per cent. of the total world production and for 85 to 90 per cent. of the total world trade in raw wool. The U.S. is a net importer of wool and the Government price support policy there is designed to augment the value of domestic output to at least 300 million lbs. (greasy) per annum, as against the present rate of about 230 million lbs.

Rise in Wool Output

The world wool output, it is calculated by experts, can eventually be raised by about 25 per cent., at an annual rate of probably not more than 2 per cent. With the major part of the long-term increase likely to come from Australia (producing almost exclusively apparel wools), the aggregate rise in world production of apparel wool will be somewhat higher than 25 per cent.

To revert to wool consumption. In recent years, the blending of man-made fibres with wool has produced many types of fabrics and apparel. Blending will continue to be widely practised by textile manufacturers as the normal technique. Although blending has thus reduced the proportion of wool utilised in some textile products, wool is now being used in the manufacture of products for which it was previously considered unsuitable. In fact, it appears that, in many respects, the new fibres are, instead of supplanting wool, widening its use through blending. Indications are that wool consumption will be at least maintained at the present level, or even possibly at a slightly higher rate, although its share in the total fibre consumption will continue to decrease. There is no doubt that the production of other fibres, particularly man-made fibres, will expand and that, with increased economies of larger-scale production, some reduction in their prices may be expected. At the present rate of output, however, the high capital investment in the man-made fibre industry appears to leave little room for a downward revision in prices, thereby limiting the scope for competition with wool.

Publicity and Research

In order to boost consumption of their products, the producers of man-made fibres are engaging in extensive publicity and research programmes. they are supplying textile manufacturers with abundant scientific data covering the composition and performance of the fibres concerned. This is a challenge which has to be met by the wool industry if it is to prevent any marked inroads upon their domain by producers of man-made fibres. The wool industry has already embarked upon an ambitious programme of extensive research covering investigations and observations of wool fibre, its structure and performance, woollen textile manufacture, and techniques of wool production. The Commonwealth Scientific and Industrial Research Organisation, the Universities, the Departments of Agriculture, and the wool industry itself are all working on specific aspects of wool production and utilisation. The achievements of such research over the last decade have been as spectacular in their own way as those of the man-made fibres. Of recent special interest have been the moth-proofing and shrink-proofing of wool, the successful myxamatosis campaign against rabbits, the discoveries in the field of trace element deficiencies and improved methods of pasture control and development.

All things considered, the short- and long-term prospects for wool seem to be basically sound. Nevertheless, it is not unreasonable to anticipate quantitative marketing problems, what with the overall market for fibres steadily expanding, as world population and incomes rise (at least at a rate comparable with the rate at which wool production may be expected to increase). As the Commonwealth Bureau of Agricultural Economics recently stated, "competition from a steadily increasing supply of synthetic fibres is likely to curb any sharp upward movement of wool prices, rather than to provide any obstacles to the absorption of annual wool production."

It is clear from the above account that the future demand for wool will undoubtedly be influenced mainly by its capacity to compete with man-made fibres in the matter of price. The expansion of the wool textile industry in the past was held back not so much by competition from man-made fibres as from the limited supply of wool. But now that wool production has improved, the supply problem is not the main one. The main determining factor is price. If the price of wool is reasonable, as compared with other textile fibres, this animal fibre should be able to hold the field with little difficulty.

COURTAULDS' NEW RESEARCH LABORATORY

The British firm which pioneered the manufacture of textile yarns by the viscose process (rayons) and today claims to be, with its associated companies, the largest producer in the world —Courtaulds Ltd.—has just opened a new research laboratory at Coventry with the aim of improving the properties of existing yarns and discovering new man-made fibres whilst developing better methods of manufacture. Viscose was discovered over 50 years ago by three British chemists. The commercial production of viscose rayon was started by Courtaulds Ltd. at Coventry in 1904. Today about 80 per cent. of the annual world output of over 4,000,000,000 lbs. of man-made fibres is produced by the viscose process. Buildings, equipment and pilot plant at the new laboratory represent one of the major projects in the post-war expansion plan of the firm.

Samples of special fibres are made in the pilot plant. The principal raw material—cellulose in the form of highly refined wood-pulp—is fed in at one end of the plant and is converted, by a series of chemical processes, into cellulose xanthate. This is dissolved to form a thick syrupy liquid, known as viscose, which is finally coagulated and changed back to pure cellulose in fibrous form. The production method is flexible and fibres having a wide variety of properties can be obtained. Apart from trying to develop new fibres with original features, efforts are constantly being made by Courtaulds to improve man-made fibres by giving them more natural qualities so that they can be readily used by conventional spinning and other textile machinery.

"PIRACY" OF BRITISH TEXTILE DESIGNS

Two vital proposals for preventing "piracy" of British textile designs by Japanese firms were put forward by the U.K. textile mission (led by Mr. T. Gray Hill, Chairman of the Manchester Chamber of Commerce Textile Designs and Trade Marks Committee) during its recent visit to Japan. First, Japanese exporters should be obliged to produce a certificate from the printer of the original design, in addition to written permission from the design owner. Secondly, as regards orders from abroad, based on paper design, the Japanese should, when it is impossible to know whether the design is an imitation or original, suspend trading with the foreign buyer, if the design were later discovered to be a copy. The Japanese textile interests are reported to have accepted the second proposal but have not committed themselves on the first. They have, however, agreed to submit the proposal to their constituent organisations. The British delegation regards the first proposal as a vital point.

During the discussions between the representatives of the British and Japanese textile industries, there was full agreement on the basic principle that "copying of an existing textile design which belonged to someone else, whether registered or not, was most undesirable and should not be countenanced." The Japanese representatives explained the steps that Japan had already taken to prevent "piracy" of textile patterns. Particular mention was made of the setting up of a textile colour design centre at Osaka and the adoption of enforcement procedures by the Japanese Cotton Textile Exporters' Association.

EXCISE ON POWERLOOMS

With effect from 18th May, 1953, the scope for the applicability of excise duty on the powerloom industry has been widened by bringing within it weaving units having more than four looms, in addition to the composite units. This decision of the Central Government is a sequel to the recommendation made by the Taxation Enquiry Commission. Accordingly, a duty of Rs. 18 per shift per loom is levied on looms exceeding four but not nine, Rs. 20 in respect of looms exceeding nine but not 24, and Rs. 22-8 on looms exceeding 24.

The above decision has, as is only to be expected, evoked a strong protest from the powerloom cloth producers. The levy, it is pointed out, has been imposed at a time when the industry is facing a critical time. To quote one report: "The industry had to switch over to the production of white cloth, as the output of saris has been reserved for handlooms. Now the excise duty will force several units to close down, with the result that the unemployment situation will further worsen. The industry is not in a position to bear the incidence of excise duty. It is, therefore, urged that the Government should reconsider the position "in order to enable the industry to survive." It is stated that there are nearly 150 factories using powerlooms in Bombay State alone. These are concentrated mainly in Maharashtra and the Deccan, in centres such as Malegaon, Ichalkaranji and Sangli.

EGYPTIAN COTTON

Supplies of cotton in Egypt would appear to be very much more comfortable than as originally forecast. The final official estimate of the Egyptian cotton crop for 1954-55, for instance, places the aggregate output at 7,567,000 cantars, which compares very favourably with 6,917,000 cantars in the previous season, representing an increase of more than 9 per cent. The bulk of the improvement is accounted for by medium-staple cotton. The long and extra long-staple varieties are slightly higher than in the 1953-54 crop.

The rise in cotton supplies as noted above has, however, not been accompanied by a corresponding increase in exports which have actually suffered a sharp fall. Thus, the quantity of cotton exported from Egypt during the period 1st September, 1954, to 30th April, 1955, was only 450,202 bales, as against 679,523 bales in the same period last year. A substantial decline has occurred in the offtake by Lancashire spinners which during the aforesaid period aggregated only 30,791 bales, as against 107,590 bales a year before. The Continental millowners have also reduced their purchases from 355,044 bales to 253,402 bales. The total offtake by India, China and Japan has also been slightly lower at 137,006 bales, as also by the U.S. at 29,003 bales.

JAPAN AND FRANCE CUT COTTON IMPORTS

On Wednesday last week, the Japanese Ministry of Trade announced suspension of allocation of foreign exchange for imports of raw cotton. The measure is intended to reduce raw cotton imports in the current financial year to 1.85 million bales, as against the original estimate of 1.95 million bales. As a result of this decision, the monthly rate of output of cotton yarn is expected to be lowered to about 165,000 bales, as compared with last year's monthly average of 197,000 bales. In order to enforce the decision effectively, the Ministry has limited mills' operation to 16 looms per day with seven holidays per month and has threatened to penalise those units which violate this stipulation by reducing raw cotton allocations to them.

Japan is not the only country which has curtailed imports of cotton. France, too, is said to have decided to reduce cotton imports. It is reported that the U.K. also is contemplating to fix quotas in respect of cotton imports from non-dollar areas.

(Continued on page 1045)

LABOUR PARTY'S COTTON PROGRAMME

LIVERPOOL MARKET COMPLETES A YEAR OF FREE TRADING

From Our Own Correspondent

MANCHESTER, *17th May*

ALTHOUGH Lancashire cotton textile leaders can take little or no positive action towards a solution of the industry's problems until a new Parliament assembles, the rumblings of discontent show few signs of abating. As a matter of policy, with a general election approaching, the trade unions and Labour Party candidates will exploit to the full the undoubtedly serious position existing in Lancashire and the Conservative Government's alleged failure to adopt any effective measures to alleviate the situation. Lancashire has 15 or 16 marginal seats and the industry may well be a vital election issue to those in any way connected with cotton. It is, perhaps, a yardstick of the widespread concern abroad in the industry, however, that the employers, who might logically be expected to hold Conservative sympathies, are keeping attention focussed on Lancashire's problems, whether, by so doing, they embarrass the Conservatives or not.

MANCHESTER LETTER

The Central Committee of the Cotton Spinners and Manufacturers' Association, which represents owners of 1,000 cotton weaving mills, discussed the attitude of the Government towards the cotton industry at a meeting in Manchester last week. The Chairman, Mr. Eric W. Cockcroft, issued a statement afterwards which announced that the Committee was "seriously perturbed" at the present situation. His statement added: "We are deeply disappointed at the complete lack of any Government action with regard to imports of cloth into this country. It must be strongly emphasised that this importation is the basic problem of the industry and was the essential point stressed in all representations to the Government." The Committee announced its intention of summoning another meeting in the near future to consider what further action can be taken.

Policy-making

Policy-making at a time like the present, with an election only a few days away, can be an exhilarating pastime for politicians. Whether the programmes submitted so confidently to an unsuspecting public can, in fact, be carried through by legislation is not always easy to predict. In any case, it is far simpler to submit proposals when freed of the cares of office than to put them into practice at a later date.

Dissatisfaction there may have been among many Lancashire traders with the last Government's attitude towards the complicated problems facing the cotton industry, but it is by no means certain that the measures proposed by the Labour Party would meet with any greater support. The manifesto giving the Socialist policy for cotton may offer protection against unfair competition and assert: "Labour has not written off the cotton industry." But the suggestions put forward do not go into enough detail about how the trade would receive assistance.

The Conservative Government has made it clear that wider economic considerations make it impossible to restrict arrivals of foreign cloth, especially from the Commonwealth, into Britain. The Labour Party proposes the establishment of a trading commission to purchase centrally all imported yarn and piecegoods, with power to restrict the volume of goods arriving on a basis of unfair competition.

Shadowy Long-term Projects

This principle would, perhaps, be supported by spinners and manufacturers, but merchants and finishers would object strongly to interference with their liberty in this way. Later attempts to negotiate with the Indian Government and obtain modifications of G.A.T.T. are shadowy long-term projects.

Socialist doctrine has ever believed in the power of centralised purchasing and it is not surprising that the re-establishment of the Raw Cotton Commission is planned should the Labour Party be returned to power. No inkling is given as to whether private merchants would still be permitted to trade, the main reason for the revival of the Commission being "to revive long-term contracts with Commonwealth cotton growers."

The policy statement regards this as "an essential measure to reduce Lancashire's heavy dependence on American cotton and to ease the problems that American price policy have brought." It is difficult to see how Lancashire, or any other consuming country, can ignore the supplies of cotton always available in the United States or the dominating influence of American cotton prices on the world level of values. The Raw Cotton Commission made a half-hearted attempt to fix its prices without taking notice of producing countries at an early stage in its career, but it soon found it necessary to reflect the variations in New York as a basis for quotations.

A Year of Freedom

Twelve months ago, the reopening of the Liverpool cotton futures market was being heralded with considerable enthusiasm in many sections of the trade and with hidden forebodings in other directions. Considerations of policy were much to the fore in the views expressed as to the success of the venture and even now a good deal of the heat arising from discussions on the market is based on political ideas.

It must be admitted at the outset that the transition to full-scale private trading after so many years of controlled and semi-Government-sponsored purchasing was effected with remarkable smoothness. No one in the trade anticipated that the market would be conducted on a broad basis in its early stages, particularly as it was restricted to an American contract only. Unfortunately, the hope that its influence would widen as the months went by has not been fulfilled and problems confronting raw cotton merchants as well as spinners have multiplied.

It is easy to offer destructive criticism without giving suitable assistance, but it cannot be denied that the Liverpool market, as it now stands, has not lived up to the expectations of those who supported its revival. The narrowness of its scope has reacted against its importance and there has been a tendency to use the New York futures market to a much greater degree.

Liverpool interests will no doubt attribute this trend to the continued basing of yarn prices on futures quotations in New York, but, particularly during the past two or three months, the irregular movement of prices in Liverpool has deterred spinners from operating in the market. It must also be remembered that, since its restoration, the Lancashire cotton trade as a whole has been passing through a phase of declining order books, with the natural disinclination of spinners to build up supplies of raw cotton.

Clearance of Futures Contracts

As an indication of the amount of business recorded in the Liverpool market since its reopening, the following table shows the number of futures contracts cleared by the Liverpool Cotton Clearing Association each month and the daily average of transactions:

(In bales)

		Total	*Daily average*
	1954		
May, June	.. ..	633,400	10,920
July ..	.. ..	553,200	12,573
August	.. ..	450,000	10,714
September	.. ..	569,800	12,950
October	.. ..	382,200	9,100
November	.. ..	503,800	11,405
December	.. ..	485,400	11,032
	1955		
January	.. ..	597,800	14,945
February	.. ..	527,200	13,872
March	.. ..	903,400	19,639
April	.. ..	710,400	18,695

When facilities were offered to cotton spinning firms to obtain membership of the Liverpool Cotton Association, it was suggested that this would result in the bigger combines arranging to import most of their supplies direct. This prophesy has been fully borne out and a fair proportion of the cotton reaching this country is now being obtained without utilising the services of merchants on this side. This, in turn, has kept the quantity of spot stocks much lower than was originally expected and supplies available for spinners at short notice are not at all plentiful.

One of the main complaints voiced by spinners about the revived market has been the absence of a suitable long-staple contract. Talks have taken place in this country and in Egypt on the subject and the establishment of such a contract was promised early this year. The fine spinning trade is still waiting, somewhat impatiently, for action.

It has often been said that it is far easier to destroy than to rebuild, and, certainly, in the case of the Liverpool market, this has been amply illustrated. Among individual spinners, there is much dissatisfaction at what are regarded as the lack of facilities to cover yarn orders effectively. Such a controversial issue clearly leads to conflicting opinions and often strong views. Should political changes occur at the end of this month it is likely that readjustments in cotton purchasing policy will follow. In the meantime, there is by no means unanimity in Lancashire on the question.

Keeping Faith

A great deal of attention is devoted to matters of price when foreign competition is being considered, but there is a tendency in some quarters to overlook the fact that quality standards too are of vital importance. Lancashire traders are sometimes accustomed to assume that local quality goods are automatically the best and their views are coloured accordingly.

Not many months ago, it was reported that firms in New Zealand particularly were complaining about the faults found in Lancashire fabrics and official action was taken through trade organisations. Lately, there has been a revival of such complaints with special emphasis on imperfect shirtings. Individual instances cannot be avoided where sub-standard goods are shipped abroad, but it is extremely discouraging to learn that complaints of this kind are fairly widespread.

More particularly, foreign buyers can now compare local products with goods sent from other countries, including Japan, Germany and the United States. Rivalry between various manufacturing countries is becoming progressively keener and lapses on Lancashire's part will not be forgiven, even in Commonwealth markets, which have common ties with Britain. Many customers in such outlets would be prepared to pay slightly higher prices for British goods, if they could be assured that the quality would be at least equal to those of competing nations. From certain accounts, it would appear that this guarantee no longer holds good.

In the immediate post-war years, Lancashire was flooded with demand from abroad. Every effort was made to raise production and, in the process, some of the labour secured for the mills was not capable of producing cloth up to former standards. Now, however, conditions are so altered that there can be no excuse for passing imperfect fabrics. Trade organisations can do little but urge greater care in this connection and it remains up to the individual firm to keep faith with its customers.

An appeal along these lines was lately made by Mr. W. T. Winterbottom, the newly-elected President of the Textile Institute, when he urged the industry to increase efficiency but not to sacrifice quality. The responsibility of the technologist, he said, was to achieve increased production and better quality simultaneously.

Foreign Yarn Supplies

An interesting feature of trade in cotton yarns produced in this country has been the steadiness of export business procured during the past 15 months. Since the beginning of 1954, the monthly variation in exports of yarn has been extraordinarily narrow, ranging from 2,950,000 lbs. to slightly above 4,000,000 lbs. In the first three months of this year, the variation has been as small as 30,000 lbs., average shipments being just over 3,500,000 lbs. each month. Arrivals of foreign supplies, although highly competitive, have not been on quite the same scale as in the cloth section. To the end of March, they aggregated 3,525,000 lbs.—equivalent to one month's exports from this country.

It is not only in cloth, however, that foreign producers are rivalling Lancashire mills. Latest reports from Egypt, for example, indicate that a drive is being made to achieve larger shipments of yarn overseas. Cotton yarn exports in January this year represented nearly 4½ per cent. of the value of all overseas trade obtained by Egypt, the highest proportion yet achieved. By volume, these shipments of Egyptian yarn were 2,755,000 lbs. not far below the level attained by Lancashire. The productive capacity of the 28 spinning plants in Egypt is estimated at about 145,600,000 lbs. annually, of which about 110,000,000 lbs. are used by the local mills.—*All Rights Reserved.*

THE BRITISH PETROLEUM COMPANY, LIMITED

RECORD SALES IN 1954

LORD STRATHALMOND'S STATEMENT

THE Forty-sixth Annual General Meeting of The British Petroleum Company, Limited, will be held on 9th June in London, England.

The following is an extract from the circulated statement by the Chairman, the Rt. Hon. Lord Strathalmond, C.B.E., LL.D.:

"In accordance with the resolutions approved at the Extraordinary General Meeting of 16th December, 1954, this is your Company's first annual report and accounts to appear under its new name, The British Petroleum Company, Limited.

"The consolidated trading profit and other income for 1954 before providing for depreciation was £75,348,941, as compared with £63,883,828 for 1953. From this figure provision has been made of £30,406,091 for depreciation, the corresponding figure for 1953 being £20,058,243.

"After providing for debenture interest and £19,592,977 for taxation on profits, the amount available for reserves and dividends is £23,962,764, as compared with £24,382,850 for 1953.

"Your Directors have placed £5,550,000 to the general reserve, and have recommended a final dividend on the ordinary stock of 14 per cent., making a total for the year of 15 per cent. on the capital as increased by the capitalisation, last December, of part of the general reserve.

"Total capital expenditure during 1954 was approximately £55,000,000 including the following main items: refineries £32,500,000, tankers £9,000,000, oil exploration interests £4,500,000, marketing interests £8,000,000.

Production

"Crude oil production in Kuwait, Iraq, and Qatar was again increased in 1954, when our off-take from those sources totalled some 36,000,000 tons, as compared with 32,000,000 in 1953. As from 29th October, when the agreement between Iran and the Consortium companies took effect, to the end of 1954, our liftings from Iran were 440,000 tons, about one-third in crude oil and the balance in refined products. Our current liftings from Iran are at the rate of 5,000,000 tons per annum, including 2,000,000 tons of crude oil.

"In the United Kingdom, our crude oil production was 59,000 tons, as compared with 54,600 tons in 1953.

"Exploration operations were increased during the year in the various overseas territories in which we have interests.

Refining

"Our total refinery throughput in 1954, at 24,000,000 tons, was 4,000,000 tons greater than in 1953. Principal contributors to this increase were the new Aden refinery, which came into operation in July, 1954, and the Kent and Hamburg refineries. On 1st February last our new Kwinana refinery in Western Australia was commissioned; that addition, together with the development of our other refining installations and interests, should achieve the figure of 30,000,000 tons which I mentioned last year as our expected total refining capacity by the end of this year.

"In Great Britain, throughput in 1954 of our four refineries totalled 10,563,000 tons, as against 9,327,000 tons in 1953.

"The British Tanker Company's fleet now consists of 148 ships totalling 2,063,000 deadweight tons, as against 142 ships of 1,917,000 deadweight tons at this time last year.

Distribution and Sales

"World demand for petroleum products, excluding Russia and her satellites, increased by about 5 per cent. in 1954, following the same trend as in the previous two years. This world figure would have been greater but for the slight business recession in the United States where the increase was limited to 2 per cent. In the Eastern Hemisphere, wherein lies the bulk of your Company's interests, the increase in oil consumption in a year of generally high business activity was 11 per cent. above the 1953 level, as compared with increases of about 8 per cent. in each of the two preceding years. This gain in Eastern Hemisphere trade, representing some 18 million tons, was matched by increased output of Middle East crude oil—particularly in Kuwait and Saudi Arabia.

"The growth in refinery capacity in the Eastern Hemisphere last year of 24 million tons was more than adequate to cover the increased demand. About half of this increased capacity, including our new refinery at Aden, was situated east of Suez. With the commissioning of Kwinana refinery in Western Australia we have now reached the position where the output of our new refineries east of Suez together with our share of products from Iran has eliminated the long back haul from European refineries that was such an abnormal feature of our operations over the previous two years.

"The Group's sales of crude oil and refined products in 1954 were at a record level of 41 million tons, about one million tons greater than the previous peak figure achieved in 1950, the last year in which we were fully operating in Iran. Sales in 1954 represented an increase of nearly four million tons, or 10½ per cent. over 1953.

Marketing Outlets Increased

"During the year, the Group acquired the marketing interests in Europe and Africa of the Atlantic Refining Company of Philadelphia. This acquisition, in addition to increasing our outlets in certain markets in which we are already established, provided us with an entry to areas new to the B.P. Group including West Africa and Portugal.

"In India, Pakistan, the Middle East, South and East Africa and other markets bordering the Indian Ocean our outlet has continued to expand satisfactorily.

"Our sales of aviation spirit have continued to expand, and the B.P. Aviation Service has again been entrusted with the task of providing in whole or part for the fuelling of many of the major international air lines, the armed services, and other flight operations in the countries covered by its growing network.

"The B.P. International Oil Bunkering Service continued to provide an important part of world bunker supplies.

"Sales of our branded lubricants show a very satisfactory increase compared with 1953, both in this country and overseas, and our largely increased production is all being disposed of through our own marketing outlets.

"In the United Kingdom, the continued upward trend in industrial activity was reflected in a strong demand for petroleum products in 1954. Sales of fuel oil showed a marked expansion and we are being called upon to contribute in an increasing degree to the country's industrial energy requirements.

"The work of our research and development establishments continues to maintain and enhance the Company's reputation for products of the highest quality and performance as well as to keep the B.P. Group abreast of its competitors in the continually evolving techniques of finding, producing, transporting, and refining crude oils."

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Subscribed Capital	„	30,60,750
Paid-up Fund	„	15,30,375
Reserve Fund	„	26,00,000

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INTENSIFYING CANE DEVELOPMENT

SOME USEFUL SUGGESTIONS OF AN EXPERT

ALTHOUGH the Indian sugar industry has had over 20 years of tariff protection, the conditions actually obtaining in the industry are still not so satisfactory as they should be. Not only has the output of white sugar fluctuated rather widely, but the prices of sugar continue to remain at high levels. This unsatisfactory state of affairs is due to the fact that progress in the primary stage of sugar industry—that is, cultivation of cane—has not kept pace with that in the secondary stage—that is, manufacture of sugar—as is evident from the low per-acre yield of sugarcane and the poor sucrose-content in cane. The existence of this state of affairs is a sad commentary on the efficiency of State Governments. While they have not hesitated to collect crores and crores of rupees by way of cess on cane crushed by the factories at a stiff rate, they have displayed little enthusiasm and diligence for bringing about an increase in the quality of cane, as well as in the yield per acre, for which purpose the cess has been imposed.

It is gratifying to find that the Central Government has decided not to tolerate this state of affairs any longer. The Joint Committee of the Development Council for Sugar Industry and the Indian Central Sugarcane Committee (Chairman: Mr. P. A. Gopalkrishnan, I.C.S., Joint Secretary, Union Food and Agriculture Ministry), for instance, proposes to impart more vigour to the cane development operations. At its meeting held in New Delhi recently, the Joint Committee made the following notable recommendations:

(1) Wherever possible, every sugar factory should set up a 200-acre farm for growing sugarcane for seed purposes and for undertaking varietal and manurial trials;

(2) In areas where land is not available for the purpose, factories should encourage and assist progressive growers in maintaining small farms for demonstration and supplying seed;

(3) Government should procure for experimentation and demonstration light agricultural machinery used on sugarcane farms in Australia and other countries; machinery found suitable for use under Indian conditions should be popularised;

(4) transport facilities should be improved by constructing roads in the factory areas;

(5) irrigation facilities should be increased by sinking tube wells;

(6) Government should take steps to maintain *gur* prices at remunerative levels; and

(7) the need for spending the entire cane cess on sugarcane development work should be emphasised on the State Governments.

Mills and Cane Development Work

The above recommendations are based on an interesting and valuable report submitted by Mr. R. C. Srivastava, a well-known sugar expert of India and formerly Director of Indian Institute of Sugar Technology. In this report, Mr. Srivastava has emphasised that, in order to increase production of sugar, the first thing necessary is to step up production of good quality sugarcane. For the achievement of this objective, he suggests that, on the lines of *Shramdan*, the sugar millowners should directly participate in cane development work, especially in their own zones. The sugar mills should maintain complete staff for development work who should work on lines approved by the Cane Development Departments of State Governments. The officers in the employment of the factories, the technical staff, in particular, who remain idle during the off season, must supervise this work; they should not leave it to the inferior staff, such as the *kamdars*. If each factory has a few good agricultural men who constantly go round and supervise the work actually done in the fields, good results, it is pointed out, are sure to follow.

Another important suggestion put forward by Mr. Srivastava relates to the supply of manures and fertilisers—such as oilcakes and ammonium sulphate—to factories at concessional rates. These should be distributed to cane growers where possible as advances to be repaid in the form of cane supplies during the next season. For seed cane, the factories may be helped in purchasing about 200 acres of land each on which they can grow seed cane and also conduct varietal and manurial trials. Where such land cannot be had, the next best thing will be to arrange with some of the bigger and better types of cultivators to grow seed cane under the directions of the factory. This should not be difficult, since seed cane generally yields more profit than ordinary cane.

The implementation of the aforesaid suggestions involves some expenditure. In the present depressed state of the sugar industry, the factories may not be able to find necessary finance. In order to overcome this difficulty, the factories undertaking such work should, it is opined, draw up in advance annual budgets of expenditure and programme of work which must be scrutinised and approved of by the cane development departments. The work should then be financed by the State Governments out of the cane cess revenues subject to two conditions. First, proper accounts must be maintained and these are to be open for inspection by Government inspectors and auditors. Secondly, the total amount paid to any factory should not exceed 50 per cent. of the cess paid by it.

As regards the cane development work carried out by the Governments, the existing system may be confined, as at present, since the total expenditure on it is, after all, very nominal. The Government can help particularly in providing irrigation facilities and in maintaining roads in good condition, as both these are outside the scope of the work of factories. The Governments may concentrate more on development of areas, where cane is grown for *gur* and *khandsari* manufacture.

Transport of Cane

Mr. Srivastava refers next to the problem of transporting cane from the interior fields to the factories. According to him, where two or three sugar mills are situated close to each other, light railways (2-ft. gauge) can be laid down and worked jointly. The usual method of working these railways is to set up weigh-bridges and purchasing centres for cane in the important growing areas in the interior which are not easily accessible from the factories or from railway stations. The cultivators' cane is weighed and paid for at these purchasing centres and loaded directly into waiting trucks of the railways. The locomotive comes at fixed intervals and takes all filled trucks from different purchasing depots direct to the factories. This system is expected to be advantageous to both cultivators and factories. Thus, while the former will get transport almost at their field and will not have to use their own or hired bullock carts, the latter will gain by getting assured supplies of cane and that in a much fresher condition, as the time taken for transporting it will be greatly reduced.

As in the case of cane development work, so also the construction of light railways entail expenditure. The cost of a 20-mile line with trucks and 2 or 3 locomotives is estimated at Rs. 8 to Rs. 10 lakhs. There are not many factories at present which can raise this much capital. The solution proposed by Mr. Srivastava for this difficulty is that the Industrial Finance Corporation should give loans to the factories which can be repaid by them over a period of years.

Mr. Srivastava has put forward an alternative scheme also for ensuring cheap and quick transport of cane to factories, namely, use of tractors and trailers. An idea of the approximate working cost for haulage of cane under this scheme can be had from the following figures:

	Rs.	a.	p.
Working cost per hour, inclusive of cost of tractor, and trailers, and running cost	13	10	0
Cost per mile for carrying 10-ton load, 2 trailers	1	7	5
Cost per mile per maund on the basis of a load of 280 maunds	0	0	1
Cost per mile per maund on the basis of 1 trailer carrying 140 maunds	0	0	2

If this alternative method of transporting cane by using tractors and trailers is followed, it will be cheaper in terms of initial capital cost but slightly more costly in running expenses. An additional advantage of this method will be that, by having a few additional fittings, the tractors can also be used for shunting railway wagons and also for working hoists for loading and unloading sugarcane in the trucks.

The sugarcane transported by light railway or tractors and trailers will be much fresher. Indeed, it is expected to raise the recovery of sugar by 0.5 per cent., which, in turn, will lower the cost of production of sugar. When cane is purchased and paid for in the growing areas in the interior and the means of transport is provided by the factory (in the shape of light railway), the price paid for cane at the purchasing centre can be reduced, according to Mr. Srivastava, below the minimum price fixed by the Central Government to the extent of one pie per maund per mile, subject to a maximum of As. 3. As the expenses of running the light railway are very much lower than this, the net cost of cane to the factory will be less, thereby lowering the cost of sugar manufacture. The cost can further be decreased, avers the expert, by the use of power-driven hoists (by means of small oil engines or by tractors) for loading cane into trucks at the purchasing depots. If suitable chain slings are placed under the cane in the trucks, they will permit quick unloading at the factory by means of another similar hoist. This will, we are told, result in economy at the cane carrier and quick turn-round of trucks. Shunting of cane wagons by means of tractors by making suitable fittings will also go some way towards lowering the cost of sugar manufacture.

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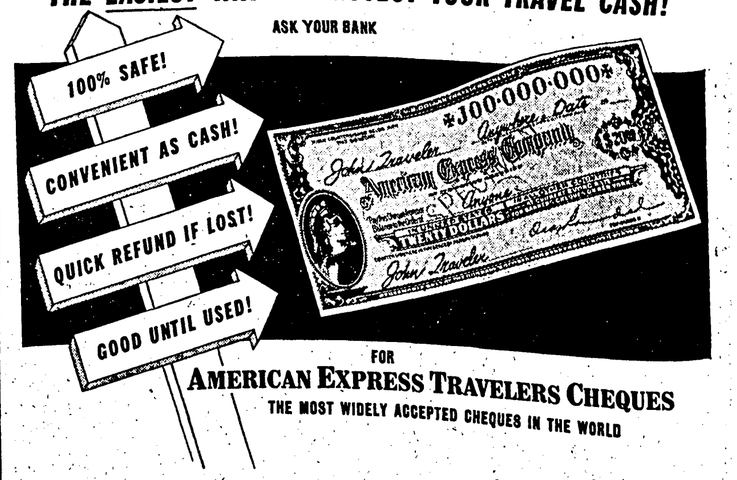

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KORBA COALFIELDS IN M.P.

CENTRE DECIDES TO DEVELOP THEM

THE Government of India has decided to develop the Korba coalfields, situated in Madhya Pradesh, itself. This decision sets at rest all controversy regarding the question whether the exploitation of the Korba coalfields should be undertaken by the private or the public sector and, if the latter, whether by the Central or the State Government. There was at one time a proposal that the State Government should develop the coalfields, while the Central Government could work a section of it (an area of ten miles).

It is not clear whether the present decision of the Central Government represents the first step towards its proposal to nationalise by stages all new coal prospecting and mining. It would, however, appear that the Centre is generally against any proposal relating to development of coalfields by the State Governments, let alone private enterprise, as it is of the view that it would be contrary to the general policy that the Centre should assume responsibility for developing all large industries and industries of national, as distinct from regional, and strategic importance. It is, however, willing to permit the States concerned to hold a third of the shares in the Central enterprises. The development of coalfields will be carried out by the Production Ministry.

The Central Government's move to develop the Korba coalfields as early as possible forms part of the scheme for erecting an integrated iron and steel plant at Bilhai, in co-operation with the U.S.S.R. It is said that the preliminary report of the Soviet experts has stressed the need for immediate development of the Korba coalfields. It is not surprising that the Union Government wants to develop the said coalfields itself. The existing steel producers in the private sector, namely, the Tata Iron and Steel Company, Ltd., and the Indian Iron and Steel Company, Ltd., themselves raise all the coal and coke needed by them. It is but logical, therefore, that the Government has decided that the Bilhai steel project should be self-sufficient in coal. Accordingly, no serious objection can be raised to its move. The only ground on which the Government's wisdom in undertaking this responsibility can be questioned is whether it can do the job efficiently. But this objection holds good in regard to the Government's adventure into the field of steel industry itself. Rightly or wrongly, the Government has decided to go ahead with the establishment of heavy industries on its own account and it is too late now to argue about these things. Nevertheless, one is tempted to pose this question. Burdened as it is already with too many responsibilities, would it not be wise on the part of the Government to entrust the task of raising coal to another agency that knows the job? The agency we have in mind is, of course, the private sector.

It is possible to argue that the Union Government has had plenty of experience in raising coal and that, thanks to the control exercised on the coal industry for well over a decade now, it knows all about coal. But has it obtained proficiency in either of these fields? Complaints against coal control have been numerous; these complaints, it is noteworthy, have emanated not only from producers of coal but also from consumers of this fuel. As for experience in raising coal, it is true that the Government has been operating the collieries belonging to the railways for a long time, but what are the results? Most disappointing, despite the preferential treatment accorded to it by way of allocation of wagons for transport of coal and the like. There was a severe drop in profit in the year 1953-54, the net profit for the year being no more than Rs. 1,35,163, as against Rs. 61,20,802 in the previous year, a drop of Rs. 59,85,639. Nor are their working conditions any better than those found in private collieries. If the Government has any sense of realism and if it really means what it professes, namely, that it does not want to introduce socialism on doctrinaire grounds, it must revise its decision and allow private enterprise to develop the coalfields for it. There is nothing in its Industrial Policy Resolution of 1948 which says that the Government must nationalise the coal industry after 1958. This policy statement lends itself to be stretched like India-rubber in whatever manner one likes.

This latest decision of the Central Government has increased the uncertainty regarding the future of the private sector engaged in this industry. The Government has not yet decided as to what it should do about the ownership of this important basic industry. It is needless to point out that, so long as this uncertainty lasts, an uncertainty heightened by making the question

(*Continued on page* 1029)

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CEYLON GOVERNMENT SUBSIDISES EXPORT OF TEA

NEW BID TO PREVENT FALL IN PRICES

THE Government of Ceylon has introduced a scheme of export subsidy to prevent tea prices from falling below Re. 1.50 per lb. with effect from the auctions which commenced on Monday, the 23rd inst. The broad outlines of the scheme were announced by the Prime Minister of Ceylon, Sir John Kotelawala, at a Press Conference in Colombo last week. The scheme was decided upon by the Government after a meeting which the Prime Minister had with tea producers, traders, shippers, brokers, members of Parliament and Ministers concerned with the tea industry. It appears that this latest scheme also does not enjoy the unanimous support of all the sections of the industry and trade.

Under the scheme, all teas which are catalogued and sold at auction as firsthand tea at a price below Re. 1.50 per lb. will receive, as an export subsidy, the difference between Re. 1.50 and the price realised. In other words, if the price realised was, say, Re. 1.30 per lb., the balance of 20 cents would be made good by the Government by way of subsidy. The Government has, however, decided that such subsidy would be subject to a maximum of 50 cents. Thus, if the price of tea realised falls below Re. 1 per lb., the balance of loss, that is, the loss in excess of 50 cents will have to be borne by producers or traders. Probably, the Ceylon Government feels that the price is not likely to go below Re. 1 per lb. at the auctions.

If any tea remains unsold at auctions, owing to lack of bids, but not due to withdrawals, the Ceylon Tea Controller will buy such teas at his discretion and on valuation. The Prime Minister said that, in view of the improvement in tea market of late, the Government did not expect that the expenditure on the subsidy would be much, nor that it would have to buy up lots of tea. But should the need arise, the Government, he said, would certainly go all out to meet its commitments under the scheme. The scheme is designed to help medium teas which were reported to be selling below costs of production, notwithstanding the Government trading as a measure of price support and restriction of the weekly catalogue at Colombo auctions to 5 million lbs.

This is the second time within four weeks that the Ceylon Government has come forward with a bold step to prevent the Island's tea industry from suffering serious losses on account of the falling prices. It may be recalled that on 27th April last, the Minister for Agriculture, Ceylon, announced the Government's decision to enter the market as a buyer in the interests of tea producers. At the same time, he announced the removal of the then existing quantitative restrictions on the export of tea to London auctions for a period of three months. The Government's latest decision to subsidise the export of tea so soon after its earlier decision to buy in the open market, obviously means that its first step to stem the downward trend in prices was not quite successful, though the subsequent removal of restrictions on tea exports to London has had some effect. It has been officially announced that at the last three weekly auctions in Colombo on 3rd, 10th and 17th May, the Ceylon Government's purchases amounted to no more than 133,000 lbs., 240,000 lbs. and 70,000 lbs., respectively. It is also learned that, following the removal of restrictions on exports to Britain, the Tea Controller of Ceylon issued licences to cover the export of 9 million lbs. between 1st May and 18th May. This compares with the total quantity of 21.3 million lbs. for which export licences to London were issued during the first four months of this year. The monthly totals were: January 3.9 million lbs., February 4.4 million lbs., March 6.2 million lbs. and April 6.8 million lbs. The larger export licences during the first three weeks of May is probably due to larger demand for Ceylon tea on account of the end of the North Indian season and the unattractive quality on offer in London. The quantity of tea that remained unsold in Colombo at the close of the third week of May amounted to 23.5 million lbs., as against 60 million lbs. at one time.

The weakness of the Colombo market, according to Sir John Kotelawala, was due only to one reason, namely, the practically complete absence of Australia, the largest buyer of Ceylonese tea, from the Colombo auctions for a period of nearly six weeks. Australia, it is reported, bought about 60 million lbs. of tea a year from Ceylon through the auctions, or about 1.2 million lbs. on an average per sale. The Prime Minister hopes that it will not be long before Australia re-entered the Ceylon market and bought at reasonable prices the medium teas which are now difficult to sell. As for the London market, the Prime Minister feels that there is every indication that the bottom has been reached and normal buying at reasonable prices will soon be a regular feature there.

The Ceylon Government's latest decision to subsidise export of tea has had a mixed reception in Colombo. Mr. E. W. Kannangara, Chairman of the Lowcountry Products Association, welcomed it, describing it as "the best evolved so far and quite reasonable." Mr. S. Pathmanathan, the previous Chairman of the above Association, however, expressed the view that it would lead to many abuses. Referring to the Prime Minister's hope that the medium teas would really when Australia re-entered the market, Mr. Pathmanathan said that it was too much of a risk to take and too dangerous to await. He added that two months from now, the markets would be flooded with Indian tea crops bearing a lesser export duty than Ceylon teas and that Australia would, therefore, prefer to buy Indian teas. There seems to be considerable force in this contention. But what sounds astonishing is that the Ceylon Government should have decided to give an export subsidy while subjecting the very same to a stiff export duty of Re. 1 per lb. The logic behind this action is incomprehensible.

INDIAN TEA PRODUCERS TO IMPROVE QUALITY

It is understood that the Indian Tea Association, the Indian Tea Planters' Association, Jalpaigurl and other tea producing associations in North East India have issued a special request to all their members to maintain and, where possible, improve the quality of the tea they produce. While in general brokers' reports have shown that standard of North India tea was even better in 1954 than in 1953, the producing Associations consider that it is now even more essential, in view of the lower prices that have recently prevailed in world markets, that particular attention to quality should be paid in the 1955 season, even if it results in some diminution of the total crop produced.

EXPORTS OF INDIAN TEA RISE

The quantity of North Indian tea exported from Calcutta during the month of April, 1955, amounted to about 5.07 million lbs., as compared with 3.92 million lbs. in the corresponding month of 1954. The total exports of North Indian tea during the year ended 31st March, 1955, amounted to 363.32 million lbs., as against 382.74 million lbs. in 1953-54. Shipments of tea from Cochin during the month of April amounted to 4.46 million lbs., as against 4.08 million lbs. in the corresponding month of the previous year, bringing the total shipments from January-April, 1955, to 19.37 million lbs., an increase of 1.86 million lbs. over the same period in 1954.

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CONSUMPTION OF TEA IN U.K. DECLINES

Imports of tea (net) for consumption in Britain during the first quarter of 1955 were about one-eighth less than in the same period of last year. At the end of April, stocks in warehouses stood some 40 per cent. higher than 12 months previously. This is revealed by the May, 1955 statistical summary just issued by the International Tea Committee in London. Thus, the U.K. tea imports (net) for consumption for the first three months of this year aggregated 119.65 million lbs., as compared with 134.88 million lbs. in the corresponding period of 1954, the figure for March, 1955 alone being 37.84 million lbs. as compared with 47.50 million lbs.

The summary quotes the following figures supplied to the International Tea Committee by the Tea Clearing House for stocks in London and provincial warehouses at the close of work on the last Friday in each month:

(In 000's lbs.)

	Stocks in warehouse	Stocks entered for Customs, but not yet received in warehouse
1954		
February	131,483	7,200
March	24,500	115,928
April	132,886	8,800
1955		
February	127,445	21,010
March	22,354	163,851
April	149,968	11,848

Tabulating the average prices fetched in the London auctions, the summary leaves several blank columns for weeks when no auctions were held. The last week of April is recorded as a blank, the last week quoted being that beginning on 18th April. Since the week beginning on 19th April, 1954, is also recorded as a blank, the figures given below are for the average buying bids for the weeks beginning 12th April, 1954; 26th April, 1954; and 18th April, 1955:

	12th April, 1954	26th April, 1954	18th April, 1955
	s. d.	s. d.	s. d.
Northern India..	4 8.6	4 8.6	4 10.2
Southern India..	4 10.3	4 9.2	4 10.3
Pakistan ..	4 7.1	4 6.9	4 7.2
Ceylon	4 11.6	4 11.8	5 2.3

The stocks of tea in the U.K. as on 13th May, 1955, aggregated 169.40 million lbs., an increase of 65.02 million lbs. over those on the corresponding date of 1954. This compares with a high of 180.95 million lbs. as on 22nd April, 1955.

WORLD RUBBER POSITION IN 1955

The International Rubber Study Group has estimated that the world output and consumption of natural rubber during 1955 will almost balance each other. The production is estimated at 1,845,000 tons and consumption at 1,830,000 tons, leaving a small surplus of 15,000 tons. This surplus compares with that of 35,000 tons in 1954, when output of natural rubber amounted to 1,802,500 tons, while consumption was no more than 1,767,500 tons.

The production of synthetic rubber in member countries of the International Rubber Study Group during the current year is estimated at 985,000 tons and consumption at about 955,000 tons, apart from the synthetic rubber produced in non-member countries. The surplus of estimated production over consumption of natural and synthetic rubber together will thus be 45,000 tons, which will be available for absorption into Governmental and commercial stocks.

The Natural Rubber Bureau of the U.S. has predicted that the U.S. consumption of new rubber during 1955 will be a record at 1.4 million long tons, of which natural rubber will account for 600,000 tons or 43 per cent. In 1954, it may be recalled, the consumption of natural rubber in the U.S. amounted to 595,000 tons out of a total of 1.23 million tons. If this consumption of natural rubber is to be maintained in 1956 also, according to the Bureau, its price should be fully competitive. The capacity of the U.S. synthetic rubber, excluding oil-extended rubbers, will reach 1.1 million tons in 1956. According to the U.S. Department of Commerce, the demand for synthetics in the U.S. will amount to 1.01 million tons by 1959, while consumption of natural rubber will decline to 450,000 tons.

RUBBER PRODUCTION IN INDIA

The output of rubber in India during the first four months of 1955 amounted to 5,740 tons, while consumption by manufacturers aggregated 8,911 tons. Stocks with estates and dealers as on 30th April, 1955, were estimated at 3,088 tons, while stocks with manufacturers as on that date were reported to be 2,961 tons. In 1954, it may be recalled, the total production of raw rubber in this country aggregated 21,493 tons and in 1953 it was 21,136 tons. The total consumption in 1954 was 25,487 tons, as against 22,373 tons in 1953.

DISQUIETING POSITION OF JUTE INDUSTRY

EXPORT ADVISORY COUNCIL PAYS LITTLE ATTENTION

PRESS reports on the proceedings of the Export Advisory Council's meeting held at New Delhi on the 22nd inst. do not indicate that the Council viewed the problems facing the jute industry with as much concern as the situation warranted. In fact, according to one version, there was no discussion at all on the present position of this industry, though it is stated that Mr. M. P. Birla, a leading jute millowner, emphasised the need for achieving self-sufficiency in raw jute as early as possible. Alluding to jute goods, he is reported to have stated that production had gone up by 33 per cent. in the last four months, while stocks had started accumulating with the mills. The situation required, according to him, careful watching both by the industry and the Government. In spite of these remarks of Mr. Birla, it is somewhat strange to note that the Council did not feel like going into the problems of the jute industry. Nor was the Council moved by the remarks of Mr. D. P. Karmarkar who, in the course of his address to the Council, clearly pointed out that the scope for further expansion of trade in jute goods, particularly on account of the increasing competition in world markets, was limited.

What is the reason for this indifference of the Council? Perhaps, the Council might have been guided by the official view which, according to Press reports, would appear to entertain an optimistic outlook for the industry. This complacency in Government circles at New Delhi may be traced to three factors, namely, (a) improved supply position of raw jute, (b) higher production and higher exports of jute goods in recent times, and (c) progress of modernisation of jute mills. It is worthwhile examining the position in all these respects to see to what extent official circles are right in coming to the conclusion they have done.

Raw Jute Supplies

To take the first one, namely, raw jute supplies. The official view is that there is now enough raw jute in India to meet the requirements of mills till the arrival of new crop to the market in two months' time. The condition of the new crop is stated to be satisfactory. The high prices for raw jute for some time past have acted as an incentive to farmers to grow more jute. There are, accordingly, expectations of good crop next year. Besides, the arrivals of raw jute in Calcutta and mill stations during the current season are considered, in official circles, to be better than those last year. And, despite the present increased rate of consumption of jute by mills, thanks to working 48 hours a week, instead of 42½ hours, last year, mills are well stocked with raw jute. Again, official circles draw pointed attention to the fact that there does not appear to be any particularly great demand for Pakistan jute at present, partly because there is enough supply of Indian jute and partly because of the price of Pakistan jute being relatively higher, as compared with Indian jute.

Few would disagree with the aforesaid views, attributed to official spokesmen, giving an overall picture of the supply position of raw jute. But they overlook certain practical issues which should be tackled forthwith. Mere abundant supplies of raw jute provide no panacea for the ills of the industry. The quality of jute produced in India is not of the superior type grown in East Pakistan and, if India is to compete on equal terms with other countries producing and exporting jute goods, it must import certain quantities of high grade jute from Pakistan. The latter variety of jute is also required for producing special fabrics in which India has specialised. Then there is the price factor. The cost of producing raw jute varies, it is stated, between Rs. 18 and Rs. 23 a maund, whereas in the Indian market it is quoted as high as Rs. 32 to Rs. 33 a maund. The high price of raw jute has crippled the competitive power of the industry abroad, with the result that it no longer enjoys the world monopoly which it once did. And, lastly, there is the question of inadequate transport facilities for the movement of jute from the jute-growing areas of Assam, West Bengal and Bihar to the mills in Calcutta. Dislocation of transport due to floods has been a hardy annual and so far no notable precautions seem to have been taken by the authorities to remove the bottleneck in the coming season. This bottleneck is found both in river and rail transport. This has encouraged speculation in jute futures which, by raising prices, acts adversely on both production and sales of jute goods. Unless these difficulties are overcome, it will be nothing but complacency to assume that the supply of raw jute has ceased to be a problem.

Output and Exports

Further, New Delhi seems to be feeling that, with higher production and improved exports, "the jute goods industry is now in a fairly satisfactory position." It admits, we are told, the continuation of competition from European manufacturers as well as the new industry in Pakistan, but, at the same time, hopes that the I.J.M.A., with the assistance of Government, will be able to succeed in its campaign for increasing the consumption of jute goods not only in the traditional lines but also by finding out new uses for jute products. In holding these views, the officials seem to be pinning their faith on overall position of output and exports, ignoring again the difficult situation in which the industry is finding itself at present. It is true that exports of jute goods have registered a marked rise from 778,000 tons valued at Rs. 114 crores in 1953-54 to 852,000 tons worth Rs. 124 crores in 1954-55. But this overall improvement should not be allowed to disguise a disquieting trend in stocks with jute mills, since December, 1954, as witness the table below:

	Tons
December 1954	69,729
January 1955	76,579
February 1955	83,102
March 1955	94,473
April 1955	103,354

Stocks Rise

It will be seen that during the five months ended April, 1955, stocks with mills have risen by 47 per cent. This accumulation in stocks has already given rise to rumours of a possible reduction in the hours of work of jute mills. If, unfortunately, the mills were to decide in favour of a reduction in working hours, nothing will be more injurious to their own long-term interest. It may provide a palliative for its present problems, but it will complicate its long-term problems. For it may mean conceding an advantage to the foreign competitor to march forward into the markets traditionally served by India. The remedy for accumulation of unsold stocks lies, therefore, not in curtailing production by reducing hours of work, but in taking steps which will increase the competitive capacity of Indian jute mills. The Government can assist the industry by abolishing the export duty on jute goods. There is no reason why it should not make this concession when it has often declared that it does not look upon export duties as a source of its revenue. The competitive strength which the abolition of export duty releases will certainly be such as to enable the industry to regain its lost market with a broad sweep. Until this is done, the chances of success of the sales campaign of the I.J.M.A. on any appreciable scale will be slender.

Rationalisation?

Another means by which the jute industry can be enabled to strengthen its capacity to compete with its confreres abroad is to facilitate modernisation of its equipment as speedily as physically possible. A Press report claims that, "during the first three months of this year alone, 22 mills were granted licences for importing modern high speed jute mill machinery worth about Rs. 4 crores." It is further reported that "a firm in Calcutta has also started the manufacture of high speed spinning frames (other than sacking weft)." These reports, of course, come as a revelation, for the strong opposition to rationalisation of the jute industry by an influencial section of the Congress Parliamentary Party, ever since a resolution supporting the introduction of rationalisation was passed last year by the Lok Sabha, has given rise to the impression that the Government may not implement this resolution. If the Press report referred to is correct, it seems that there has been a change for the better in the attitude of the Government towards this question. If that is so, the Government will do well to clarify the position by issuing a statement so that all misgivings regarding modernisation of jute industry may be laid to rest.

DUNDEE'S RECORD POSTWAR OUTPUT

With little physical expansion of plants and with but 23 per cent. increase in the labour force employed, the Dundee jute industry in 1954 produced 85 per cent. more than before the war. The record output last year is attributed to the deconcentration of production units after the war, the modernisation programme on which a sum of £6.75m. has been spent and the greater use made of capital equipment through an increase in shift working.

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WORLD OIL SITUATION

SPECTACULAR RISE IN OUTPUT

THE production of petrol and its products has been on the increase in recent years. Thus, the world production of petroleum and natural gas shot up to more than 700 million tons in 1954, a spectacular increase of about 28 million tons above the peak touched in 1953. The Middle East with an increase of 15 million tons and Latin America of 9 million tons were chiefly responsible for most of the rise. The output of East Europe and the U.S.S.R. was up by 7 million tons. Production in North America, however, declined, by 4 million tons. This was apparently due to a decline in the volume of economic activity witnessed in 1953 and 1954. As a result, the share of North America in world production fell below half, for the first time since 1902. The Middle East, which had outstripped Latin America for the first time in 1953, increased its lead over the region by as much as 6 million tons. Consequently, there were a number of significant shifts in the relative importance of several oil producing areas, as indicated below:

*Regional Shares in World Oil Production**

(Percentages of world total)

	1950	1953	1954
North America	53.1	51.2	48.6
Middle East	16.4	18.0	19.4
South America	19.3	17.9	18.5
U.S.S.R. East Europe ..	8.4	9.7	10.3
Others	2.8	3.2	3.2

*Crude petroleum, shale oil and natural gasoline.

According to the United Nations *Monthly Bulletin of Statistics* (March), international trade in petroleum products appears to have risen to a total of about 340 million tons in 1954, of which about 210 million tons were in the form of crude oil and 130 million tons in the form of products. The crude oil trade originated largely in the Middle East (over 110 million tons) and Venezuela (about 75 million tons) and moved chiefly to Western Europe (close to 90 million tons), the Netherlands Antilles (over 40 million tons) and North America (about 45 million tons). The trade in products originated chiefly in the Netherlands Antilles (over 30 million tons), Europe (about 30 million tons), the Middle East and the U.S. (roughly 15 million tons each).

The details of trade in oil in 1954 are not yet available, but it is believed to have been similar to that in 1953, except that quantities involved were generally larger. In 1953, the trade in oil, barring that of Latin America, was largely inter-regional in nature. Latin America's trade consisted of intraregional shipments principally to Netherlands Antilles and shipments to North America. The intraregional trade of the Middle East and other Asian countries consisted chiefly of movements by pipeline from Saudi Arabia to Bahrein (8 million tons) and from Brunei to Sarawak (5 million tons).

About 20 countries were crude petroleum exporters. But close to 90 per cent. of all exports came from four countries. About 30 countries imported crude petroleum but 75 per cent. of the world crude went to six countries as shown below:

Major exporters (Percentage of world exports)		*Major importers* (Percentage of world imports)	
Venezuela	37	Netherlands Antilles	21
Kuwait	21	U.S.	16
Saudi Arabia ..	16	U.K.	13
Iraq†	14	France	12
		Italy	7
		Canada	6
Total ..	88		75

The trade in refined oils in 1953 consisted chiefly of shipments from Latin America, North America and the Middle East to other regions and international shipments within Europe. Three countries in the Carribbean region, namely, the Netherlands Antilles, Venezuela and Trinidad, provided 55 million tons of oil products entering international trade. The remainder came largely from the U.S. (11 million tons), Saudi Arabia and Bahrein (17 million tons) and five European countries (23 million tons).

Imports of oil products were fairly distributed throughout the world in 1953. North America imported 24 million tons of products chiefly from Latin America. Imports of the Western European countries also amounted to 24 million tons, but were obtained largely from European sources. Imports into Asia, outside the Middle East, aggregated nearly 17 million tons, while Africa and Oceania received 11.5 and 7 million tons, respectively. Latin American imports aggregated 21 million tons in 1953. For the first time, Western Europe's imports and exports of petroleum products were approximately equal in 1953.

Combined surpluses of crude and products in Latin America and the Middle East amounted to more than 170 million tons in 1953. Western Europe, with net imports of 81 million tons of crude and products, took the largest share of the oil available in international trade, mostly in the form of crude, while North America absorbed a net total of 54 million tons, the greater part also in the form of crude. Africa's imports, aggregating 12 million tons, consisted almost wholly of products. Net imports of Asia, outside the Middle East, consisted mainly of crude oil and amounted to about 8 million tons.

The shift in the composition of the oil trade from products to crude continued through 1953, largely as a result of a further shift in refining from producing to consuming areas. Western Europe, which produced only 35 million tons of petroleum products in 1950, produced more than 76 million tons in 1953. North American output rose during the same period from 254 to 333 million tons. Output in Latin America, Asia outside the Middle East, Oceania and the U.S.S.R.-East Europe area also increased substantially between 1950 and 1953. In Africa, production remained about constant during this period, while in the Middle East, it fell considerably as a result of the shut-down at the Abadan refinery.

These changes in refinery activity resulted in some redistribution of regional shares in the production of oil products, as indicated below:

Regional Distribution of Refinery Output in 1950 and 1953

(In percentages of world total)

	1950	1953
North America	56.1	55.9
Latin America	16.1	14.2
Western Europe	7.7	12.8
U.S.S.R.—East Europe*	8.7	9.4
Middle East	8.7	4.5
Other Asia	2.4	2.9
Africa	0.2	0.1
Oceania	0.1	0.2

* Estimated on the basis of crude oil supplies.

World consumption of petroleum products in 1953—the latest year for which data are available—appears to have been in the neighbourhood of 580 million tons. Regionally, consumption was distributed as follows* (in percentages of world consumption):

North America	57.1
Western Europe	10.9
U.S.S.R.—East Europe and China Mainland† ..	9.5
Latin America	6.7
Asia outside Middle East	3.2
Middle East	1.5
Africa	1.2
Oceania	1.2
Air and Ocean bunkers	8.7

* Regional percentages exclude bunker loadings.
† Estimated, including bunker loadings.

So far as particular products are concerned, world consumption (including bunker fuels and additions to stocks) appears to have been distributed roughly as indicated below:

Estimated World Consumption of Liquid Fuels, 1953*

	Million tons	*Percentage of world consumption*
Aviation gasoline	11	2.1
Motor gasoline	174	33.1
Kerosene and jet fuel	31	5.9
Distillate fuel oil	115	21.8
Residual fuel oil	184	35.0
Liquefied petroleum gas	11	2.1
Total ..	526	100.0

* Excluding the U.S.S.R., East Europe and China Mainland.

The utilisation of petroleum products is difficult to ascertain in the absence of use data for many countries. A rough estimate of uses can be made on the basis of such use data as are available, if they are, however, coupled with data on consumption of particular products. On this basis, the distribution of end-uses in 1953 appears to have been about as follows:

Estimated World[1] Utilisation of Oil Products, 1953

	Million metric tons	*Percentage of total*
Household[2], etc.	100	19.2
Transport[3]	290	55.8
Air	(20)	(3.8)
Highway	(180)	(34.6)
Rail, pipeline and inland waterway.	(40)	(7.7)
Ocean	(50)	(9.6)
Electric power and gas	20	3.8
Industry[4] and others[5]	110	21.2

[1] *Excluding U.S.S.R., East Europe and China mainland.*
[2] *Including some agricultural use.*
[3] *Including some white oils used for agricultural or military purposes.*
[4] *Refinery use is included.*
[5] *Including fuel oils used for military purposes.*

Mineral oil today provides, 51 per cent. of the world energy requirements, as against 24 per cent. in 1938, and it is forecast by Mr. C. M. Vignoles, Managing Director of Shell-Mex and B.P., that the use of oil as a fuel would continue to rise. It is estimated that the demand for energy in the next 25 years will increase at the rate of 3 per cent. annually and a sizable portion of it will have to be met by liquid fuel. This is because coal is believed to have entered a phase of relative decline, and it is not likely that atomic energy for commercial purposes will be available in large quantities in the near future. Consequently, it has a great part to play in the interim period. According to Mr. Vignoles, oil will have to play an increasing role subsequently also "perhaps as a permanent partner of the old and the new forms of energy."

INDIA'S IRON ORE RESERVES

India's iron ore reserves are estimated at over 21,000 million tons, according to a survey conducted recently by a seven-man expert committee of the U.N. This constitutes nearly one-fourth of the world's reserves, estimated at 84,580 million tons. Of the total reserves, 17,630 million tons are estimated to be hematite ore, 1,670 million tons magnetite and 2,000 million tons limonitite. The iron content of the ore is over 64 per cent., which is comparatively higher than in many other countries. Three-fourths of the reserves in India are located in Bihar and Orissa (8,000 million tons) and Madhya Pradesh (7,000 million tons). The only known deposits in Pakistan are found in Chitral area. They are estimated at 60 million tons (magnetite ore).

The Report further reveals that mankind consumed more than 9,000 million tons of iron ore in the last 100 years, of which more was used during the past 30 years than in the first 70 years. A century ago, iron ore production was not one-tenth of what it is today. Among the 15 underdeveloped countries of the world, India and Mexico are listed as producers of iron ore mainly for internal use. India is the seventh among the countries producing iron ore in the world. Its output in 1951 was 2,378,000 metric tons of iron content. The highest production was that of the U.S. with 60,084,000 metric tons. The world's total iron ore supply that year was 140,681,000 metric tons.

HINDUSTAN STEEL WORKS

The Hindustan Steel Ltd. has decided to work the iron ore deposits in Taldih to meet the requirements of the projected steel works at Rourkela. Investigations on the deposits at Taldih carried out by the Indian Bureau of Mines have shown that the area contains approximately 20 million tons of iron ore of an average iron content of 65 per cent. up to a depth of 66 ft. from the surface. Drilling for proving of iron ore to the south of this area has now begun.

At Rourkela, the layout of sector "B" has been completed and construction of 70 houses is in progress. Many temporary structures, both for office and residence, have been completed. The survey of six more sectors of the township has been carried out. Two firms of architects are preparing the layout of two sectors and planning the houses. Roads for constructional work have been laid out. Wells have been sunk in the bed of the river Koel for water-supply to the construction camp. Water is also being supplied to the old Rourkela town to supplement the supply of water there at the request of the Government of Orissa. This has been a boon for this little town as wells have been drying up on account of an exceptionally hot summer this year.

FREIGHT RATES TO AUSTRALIA AND NEW ZEALAND

Whether or not increases in freight rates are justifiable at the present moment is highly debatable. As in India, freight increases are resented everywhere both by the Government and the trading interests as they would add to costs of imports and exports. The Government of Australia, for instance, has decided to resist the proposal of the Australian Outward Shipping Conference Lines to increase freight rates from the U.K. and the Continent to Australia, with effect from 1st July. The Australian trade and the Government circles fear that the proposed increase in freight would paralyse the country's delicately balanced economy, as it would

(*Continued on page* 1055)

NEW PRODUCTS AND PROCESSES

Radio-Telephone Waves

DIRECT television signals and multi-channel radio-telephone conversation can now be transmitted beyond the horizon for distances up to 200 miles. This discovery made by the Bell Telephone Laboratories, in co-operation with the Massachusetts Institute of Technology, is expected to be a great aid to countries planning television and radio-telephone communication systems.

Sedative for Rheumatism

A chemical works at Zwaagwesteinde, Province of Friesland (the Netherlands), manufactures a new sedative for various rheumatic pains, myalgia, sprains, muscular wrenches, etc. This agent at the same time promotes the process of recovery. It does not irritate the skin, but on the contrary imparts to it an agreeable feeling of suppleness. The sedative has been tested for two years in the neurological clinic of a Netherlands University and has been approved by the Netherlands Government Institute for Pharmaco-Therapeutical Research, Leiden.

Dehydrating Potatoes

The preservation of potatoes by drying is at least 2,000 years old, but the process usually had an adverse effect on their taste and colour. Now, improved methods of dehydration can preserve potatoes so that they retain their original flavour and appearance. Under new processes developed by the U.S. Department of Agriculture (U.S.D.A.), dehydrated potatoes will be marketed as flakes and granules from which mashed potatoes can be made, and as potato puffs and potato-chip bars. Commercial production will begin as soon as equipment and processes which have already passed Department tests are fitted to large-scale industrial production.

Anti-T.B. Drug

Nineteen child health centres in the United States are co-operating in a study to determine whether the drug izoniazid will prevent development of tuberculous meningitis in children with first-infection tuberculosis. Some 1,000 children will be treated with the drug for one year. The possibility that izoniazid might prevent development of tuberculous meningitis was suggested by Dr. Edith Lincoln of Bellevue Hospital, New York. She reported that no child at Bellevue Hospital treated with the drug for primary infection had developed meningitis. Tuberculous meningitis affects the covering of the brain and spinal cord and is the most dreaded of possible complications of primary pulmonary tuberculosis in children.

Brakes Slow Jet Planes in Flight

Brakes for jet planes which go into action while the plane is in flight have been developed by the General Electric Company in the U.S. They are considered of great value because they reduce the space required for jet aircraft landings. The new brake is called a "thrust spoiler." It is mounted in the tailpipe of the jet engine and deflects gas moving backward at high speed before it passes through the jet exhaust nozzle. This reduces the forward thrust of the engine. This not only reduces the normal landing distance of jet aircraft, but also produces a safety factor, since the plane can be flown at reduced speeds without reducing the operating speed of the engine. It is especially important in landings when a pilot may be waved off and told at the last moment to make another approach.

TV Trouble Eliminated

Atmospheric conditions frequently interfere with the broadcasting of television programmes by causing a phenomenon called "fade." This distorts and weakens the pictures on the receivers' screens. The Bell Telephone Laboratories in the United States have now devised a way to avoid this annoying type of interference. When a fade threatens —usually before the viewer is aware that a fade is coming—an electronic watching device sends a warning signal back by wire to a control station. An automatic switching mechanism then promptly transfers the picture to a clear channel. The entire operation takes 1/500 of a second. When the fade ends, the picture is switched back to the original channel.

Lubricating Oils

Lubricating oils for watches, clocks and other fine instruments which constitute one of the essential requirements of the country, are at present imported from foreign countries, although the quantities required are limited. The special features of these oils are that they should possess (i) good oiliness, (ii) low spreading power, (iii) low cold test, (iv) good stability against oxidation and (v) non-corrosive character against ferrous and non-ferrous metals. The oils should be susceptible to small changes of viscosity under wide variations of ambient temperature. Investigations at Technical Development Establishment Laboratories, Kanpur, have shown that these requirements cannot be met by mineral lubricating oils. Formulations have consequently been evolved to meet the requirements by blending together esters of certain organic acids with or without a vegetable oil thickener. The exact blending proportions depend upon the viscosity of the ingredients and the final oil compositions. The materials developed possess all the essential and desirable features of good quality watch oils. The method of production and the equipment are simple: no intricate chemical or technical processes are involved. The process is covered by Indian Patent No. 47273.

SHREE NIWAS COTTON MILLS LIMITED

MR. G. D. SOMANI'S SPEECH AT TWENTIETH ANNUAL GENERAL MEETING

THE urgent need for rehabilitation and modernisation of the Indian textile industry, if it was to maintain and improve its working on a sound basis, was emphasised by Mr. G. D. Somani, M.P., Chairman of the Shree Niwas Cotton Mills Ltd., at the Twentieth Annual General Meeting of its shareholders held in Bombay on 23rd May, 1955. In this connection, Mr. Somani outlined the steps taken by the Shree Niwas Mills towards modernisation of its plant. He also drew the attention of the Government to the serious repercussions which might follow, if it decided to freeze the production of mills at 5,000 million yards, as recommended by the Kanungo Committee.

The following is an extract from Mr. Somani's speech:

"GENTLEMEN,

"I have great pleasure in welcoming you all to the twentieth annual general meeting of the shareholders. The Directors' report and the audited balance-sheet and profit and loss account for the year ended 31st December, 1954, have been in your hands for some time and I shall take the same as read.

"As you must have seen, the profits for the year ended 31st December, 1954, are Rs. 20,80,610, after making a provision of Rs. 6,84,105 for depreciation. It may also be noted in this connection that the award of the Appellate Tribunal had imposed a burden of Rs. 10,28,800 on your Company by way of increased bonus for 1952 and extra dearness allowance with retrospective effect from May, 1953 to December, 1954. This additional liability was partly met by the amount of Rs. 2,69,921 that was carried forward last year and the remaining amount of Rs. 7,58,879 had to be met from the profit of the period under review. I have no doubt that you will find the working results shown under the circumstances as fully satisfactory.

"Your Directors have always followed the policy of modernising the old and worn-out plant and machinery of your mills as far as the resources of the Company have allowed. A new printing plant was added recently and is likely to go into production shortly. The scheme of modernising the ring frame department will be completed shortly, when the conversion materials for the remaining 10 old ring frames are received and replaced. Your Directors have also recently placed an order for 28 additional new ring frames, which, when erected, will add to your spinning department extra 10,204 spindles. I have no doubt that this process of modernisation will enable your Company to run its mills on an efficient and sound basis in the present competition.

"As you are already aware, your Company has taken under its control and management Shree Madhusudan Mills from July, 1953. This mill had been making heavy losses before, but I am glad to report that its working has been making steady progress ever since it came under our management. A lot of repairs and readjustments had to be carried out in the various departments and some new machinery had to be installed to have a balanced working. A new printing plant has also been added and has already started working. Every effort is being made continuously to bring about further improvement in its working.

"I would also like to take this opportunity of informing our shareholders that your Directors have decided to capitalise an amount of Rs. 20 lakhs from the reserve funds of the Company by issuing one ordinary bonus share for every three shares held by our ordinary shareholders and the necessary application in this connection is pending with the Controller of Capital Issues for sanction. As soon as the said sanction is received, your Directors propose to issue the bonus shares in the ratio referred to above, provided there is no new development in Government policy towards the issue of such shares. I am sorry to find that our and similar applications from various other companies are held up by the Government, as the matter is still under their examination. Since the Taxation Enquiry Commission has thoroughly examined the question in all its aspects and have come to the conclusion that such shares are not taxable, I hope the Government of India will be able to come to a favourable decision on this issue at an early date.

"Now coming to the general problems, I would like to refer first to the urgent needs of rehabilitation and modernisation of the industry. It cannot be too strongly emphasised that, if this premier national industry is to maintain and improve its working on a sound basis, then the industry must be allowed to modernise and rehabilitate its outmoded equipment on an extensive scale and steps should be taken to introduce rationalised working by gradual stages to bring about the necessary reduction in the manufacturing costs. I welcome, in this connection, the development rebate of 25 per cent. which the Finance Minister has introduced in his last Budget and I hope this will accelerate the pace of installation of new machinery and plants in many units. The problem, however, is really very gigantic and complicated and I appeal to the Government and the Planning Commission to give their proper attention to solve this issue which is of such vital importance to the future well-being of the industry.

"I would also like to draw attention to the serious repercussions which might follow in future, if the Government ultimately decide to accept the recommendation of the Kanungo Committee to freeze the production of the textile industry at the present level of 5,000 million yards. It can be reasonably assumed that, with an annual increase in our population of about 4½ million people and the expected improvement in the standard of living of our people, there would be a substantial increase in demand for cloth and, if even the normal expansion of our industry is also not to be allowed, then our consumers may have to pay heavily in future for this policy. I hope when the target for the textile industry is fixed under the second Five-year Plan, a realistic approach will be taken to ensure proper supply of our clothing requirements at fair prices."

COAL

(*Concluded from page* 1025)

of compensation in the event of nationalisation a non-justiciable issue, the industry in the hands of the private sector will not be in a position to raise the additional capital required for increasing the output of coal needed for the successful implementation of the second Five-year Plan. It is estimated that, in order to increase the present output of 36.7 million tons to 70 million tons, which is expected to be the demand by 1961, at least about 200 new collieries, each with a production capacity of 10,000 tons a month, will have to be opened, besides removing the restrictions on the opening of new seams and rationalisation of the modes of production. All this requires pre-planning and advance decision to invest heavy sums. This will not be possible so long as the private sector does not know its fate after 1958, when the 10-year period of "no-nationalisation" expires. Is it not high time, therefore, the Government made up its mind on this question?

BRITISH COLLIERY EQUIPMENT FOR INDIA

Shipment to India last week of two 175 h.p. electrically-operated single-drum haulages from the Chesterfield works of a British firm marks the completion of a recent contract for the supply of colliery equipment to the Digwadi and Sijua collieries of the Tata Iron and Steel Company. The contract, valued at over £40,000, concerns a total of five haulages, each over 18 ft. long, 12 ft. wide and 10 ft. high, and each weighing 33 tons. The haulage drums are 8 ft. in diameter and 5 ft. 6 ins. wide, giving a one-inch rope capacity of 1,200 ft. The rope speed is eight miles per hour. The most up-to-date safety features have been incorporated in the haulages, each of which is fitted with a dual brake operating gear. The brakes are automatically applied to the drum.

COAL STATISTICS

The output of coal in collieries in India increased from 3,251,682 tons in February, to 3,304,154 tons in March, 1955, according to official statistics released by the Chief Inspector of Mines in India. Despatches of coal during the month amounted to 2,764,412 tons, as against 2,502,505 tons in the preceding month. Coal stocks at pitheads increased from 3,879,459 tons at the beginning of the month to 3,945,961 tons at the close of the month. During the month under review, 841 collieries were reported to be working with an average daily employment of 351,061 workers. Output per man-shift was estimated at 1.08 tons for miners and loaders, 0.59 ton for all workers underground and in open workings and 0.83 ton for all persons employed including surface workers. The percentage of absenteeism was 14.78. Coke plants at collieries and elsewhere produced 375,454 tons of hard, soft and other kinds of coke during the month and despatched 180,202 tons.

STAFF INSURANCE SCHEME

LIFE OFFICE BODY PLEADS FOR ABOLITION

THE introduction of Staff Insurance Scheme by certain life insurers last year still seems to be a subject of controversy in insurance circles. In a communication recently addressed to the Chairman, Executive Committee, Life Insurance Council, Simla, the Indian Life Insurance Offices Association, Bombay, for instance, pleads strongly for the abolition of the Staff Insurance Scheme by law. The communication was a sequel to the modifications suggested by the Executive Committee of the Insurance Council to the Staff Insurance Scheme on the basis of recommendations of a sub-committee appointed by it in November, 1954. As the recommendations made by this Sub-committee have been summarised in our issue dated 2nd April, 1955 (*vide* page 633), there is no need to refer to them here again in detail. Suffice it to say that the Sub-committee had suggested the following, among others:

(1) Introduction of a slab system prescribing the minimum number of employees to be insured under the scheme.

(2) For the purpose of the scheme, the staff at the head office, each branch office, or each factory should be considered as a separate unit, the staff being sub-divided into factory workers and others.

(3) The scheme should apply only to (a) whole life assurance by limited payments; (b) endowment assurance, (c) children's marriage endowment and educational annuities, and (d) deferred annuities.

(4) The reduction in premium charged under the scheme (as compared with ordinary tables) should not exceed 8 per cent. under assurance plans where the premium-paying period is 10 years or more, and 5 per cent. in other cases, including deferred annuities.

(5) The sum assured under policies issued on the same life should not exceed certain specified limits.

(6) No insurance agent should be employed for the purpose of securing business. No commission or any overriding commission should be paid to the insurance agent, etc.

Objectionable in Principle

Commenting on the foregoing changes, the Indian Life Offices Association observes: "The so-called modifications imposed by your Committee on the business that is written under the Staff Insurance Schemes in no way touch the fundamental aspect and do not remove the evils underlying the writing of business under the said schemes. If anything, they aggravate it further, inasmuch as they make an utterly unwarranted distinction between insurers organised on branch basis and those on chief agency basis, and give an advantage to the former over the latter, as a result of stoppage of payment of any commission to the agents. My Association is convinced that Staff Insurance Schemes are objectionable in principle, adversely affect the interests of insurance agents, insurers and policyholders alike, and are detrimental to the growth of healthy development of life insurance business in the country. My Association strongly urges you to follow the principle accepted by your Executive Committee in the year 1952, that life insurers in the country should adopt the same rate of premium for the same type of benefits offered to all persons enjoying the same standard of living and longevity and that no distinction be made between one citizen of India and another, on grounds other than those that affect his health and habits such as occupation, etc. The so-called benefit to the consumers pleaded in its favour does not stand close scrutiny when examined against the interests of the entire body of policyholders, who, in fact, along with the agents, subsidise, to some extent, the reductions made in favour of the select few employed as salary earners."

Agents Affected

The Association is of the opinion that Staff Insurance Schemes in India are introduced at reduced rates by effecting savings in expenses, mainly by cutting down agents' commission. The reduction thus effected in agents' commission would, in its opinion, be detrimental to the insurance agency profession in the country. In this context, it reminds the Executive Committee of the Life Insurance Council how it directed all those insurers who, in March, 1954, had reduced their rates of life premiums by cutting agents' commission, to raise their rates and restore their agents' commission to the levels which were customarily applicable to them. The Association points out that the principle then enforced by the Committee is equally applicable to the rates reduced under the Staff Insurance Scheme. Continuing, it argues that such schemes would take away from the field of operation a large number of persons who belong to a better class and who do not require much canvassing, and that, as a consequence, the insurance agents would be left with the inferior class of lives for their field of operation. Further, a large portion of policies taken out at higher rates under the ordinary schemes would be converted into paid-up policies to take advantage of the reduced rates under the Staff Insurance Scheme. This would result, it adds, in the insurance agents losing their renewal commission on such business. As the income of the agent in India is already low, the loss of commission on account of the Staff Insurance Scheme would, it avers, retard the growth of the insurance agency profession in the country, which is the backbone of the insurance industry.

Small Insurers

The Association next proceeds to explain how the Staff Insurance Scheme would affect small and medium-sized insurers in the country. The Scheme would induce, it points out, the policyholders in small and medium-sized life offices to have their old policies with higher premium converted into paid-up policies, so that they may take up new policies bearing low premiums under the Staff Insurance Scheme. As these schemes are generally started only by large and well established companies, with country-wide organisations and high-level contacts, the business of Staff Insurance Scheme would become the monopoly of a few companies. Having lost their business owing to large-scale conversion into paid-up policies, the small insurers, even though well managed, would come to grief. As the position of these concerns has already been adversely affected by the recent reduction in rates of premium introduced by several insurers and declarations of higher bonuses, the Staff Insurance Scheme would, the Association contends, result in aggravating their distress.

Apart from adversely affecting the interests of the insurance agents and small and medium-sized insurers, the Staff Insurance Scheme would also, according to the Association, be detrimental to the interests of life insurers and policyholders as a whole. Owing to reduction in premium rates last year, many policyholders converted, as stated already, their old policies with higher rates of premiums into new policies with lower rates. The net effect of this was, remarks the Association, that insurers had to suffer a considerable reduction in renewal premium income without any reduction in their costs. On the contrary, they had to meet higher initial cost resulting from this process of substitution. Now a further reduction under the Staff Insurance Schemes, on these reduced rates, would greatly jeopardise the financial position of all insurers, as the incentives to convert old policies into paid-up ones are greater.

Reduced Rates Not Justifiable

The Association further thinks that the reduction in rates of premium offered under the Staff Insurance Schemes is not justifiable, as the Schemes overestimate the savings in the cost of procuration and servicing of the business. The cost of servicing the business under such Schemes would, it observes, be the same as on ordinary policies, for the simple reason that policies under these Schemes are individually canvassed, covered and serviced. Although premiums under the policies are collected by the employer and remitted to the insurer, individual servicing will have to be done and individual ledger accounts will have to be maintained. Though the business is not canvassed by paying the agents' commission at normal rates, the expenses incurred on supervisory staff such as inspectors, organisers and clerks who actually do the work of canvassing, instead of the agent, raise the actual cost of placing the business. The Association, therefore, declares that such Schemes would, in effect, amount to subsidising a particular class of policyholders at the cost of other policyholders. Consequently, Staff Insurance Schemes create, it says, a situation which would seriously retard the progress of life insurance business.

The Association then goes on to point out that the Staff Insurance Schemes of the nature introduced in India are not in operation anywhere in the world. In the U.K. and the U.S., policies are issued, under Group Insurance Schemes, to employers. They cover the requisite number of employees and premium is paid by the employer or by both the employer and the employee. The amount of insurance on each person is based on some plan which will preclude individual selection. Staff Insurance Schemes in India, on the other hand, have no employers' contribution, and policies are individually canvassed and serviced. Therefore, there is, the Association asserts, no similarity between Staff Insurance Schemes in operation in India and the Group Insurance Schemes in the two countries mentioned above.

Again, under the State Insurance Scheme, some classes of persons will be insured at different rates according as they are (a) employed or not employed, or (b) connected or not connected with firms to whom the Staff Insurance Schemes are offered. This violates, in the opinion of the Association, the principle that there should be uniformity in premium offered to the nationals of the country where the ages and other conditions affecting the acceptability for life insurance are identical.

In view of all these considerations, the Association desires that the Staff Insurance Schemes should be prohibited by law and that any policies issued under rates other than the tabular rates should only be under Group Insurance Schemes defined in section 4 of the Insurance Act.

STATE INSURANCE MEDICAL SERVICES COMMITTEE

The provision made by the Bombay Government for settling disputes between Insurance Medical Practitioners and insured persons under the Employees' State Insurance Medical Benefit Scheme is a welcome step, though it reflects the rather unhappy state of affairs in the administration of the Scheme. Under rule 18 of the Employees' State Insurance (Medical Benefit) Rules, 1954, the Government has set up a committee, known as the Medical Services Committee, to deal with the disputes. The Committee consists of representatives of workers and the medical profession.

The purpose of the Committee is to investigate any complaints referred to it by an insured worker or his representative in case the worker is deceased, regarding the failure of an insurance medical practitioner to render proper treatment to the insured or any other breach of his duties under the terms of service. The Committee will also examine the cases of complaints received from the insurance medical practitioners in respect of the conduct of an insured person, while receiving treatment. The Committee will also investigate any matter relating to the administration of the medical benefit on the discharge of their duties by the practitioners referred to it by the Administrative Medical Officer.

All complaints for investigation should be referred to the Medical Services Committee in writing within six weeks after the event which gave rise to the complaint. The Committee after proper investigation will report to the Surgeon-General who, in his turn, will refer the case to the Regional Officer or the Corporation for action under rule 22(2) of the Medical Benefit Rules. Provision is also made for going in appeal against the decision of the Surgeon-General to the State Government. The aggrieved party should, however, do so within one month from the date of the receipt of the decision. The State Government's verdict in all such appeal cases will be final.

This provision for settling disputes between the insured and insurance medical officers no doubt fills up a lacuna. The success of the medical benefit scheme, however, depends not so much on the settlement of disputes by the Medical Services Committee as on the full co-operation and sympathetic approach of medical practitioners to the workers who fall sick. The success will be judged by the fewer cases that are referred to the Committee.

In this context, it is encouraging to note that the newly formed Employees' State Insurance Scheme Medical Specialists Association, at its inaugural meeting held in Bombay last week, offered its unstinted support to make the Scheme a success. The Association feels that a mutual understanding of problems of the Medical Practitioners' Association and Insured Workers' Association and an interchange of views and suggestions will do much to ensure a smooth running of the scheme.

Presiding over the meeting mentioned above, Dr. B. B. Yodh, a veteran consultant and physician, said that the Scheme was passing through its teething period, but felt confident that the difficulties it was facing would be overcome before long. He stressed the need for building more diagnostic centres which would ensure easy working of the scheme.

UNEMPLOYMENT INSURANCE IN BIHAR

The Bihar Government is reported to be having under consideration the question of introducing unemployment insurance in the State. Under the proposed scheme, funds will be created to give relief to industrial workers during the period of their unemployment. The employers and employees and the Government will, it is stated, contribute to this fund. There is also a proposal to frame a suitable legislation for the enforcement of the proposed unemployment insurance scheme.

In this context, it is stated that the Government of India desires that the system of unemployment insurance should take the place of the present provisions for compensation for lay-off and retrenchment. The Central Government has, therefore, solicited the opinions of State Governments on the matter and the Bihar Government has, it is said, agreed to introduce the unemployment insurance scheme as stated above.

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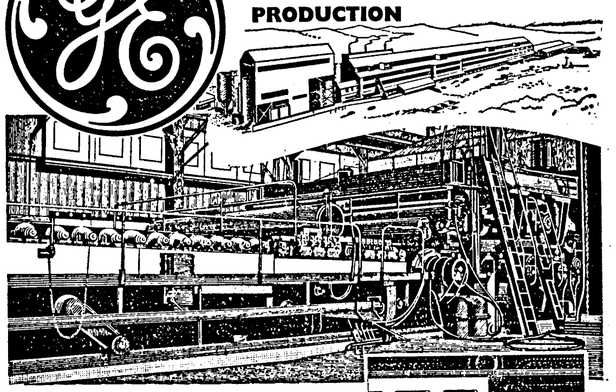
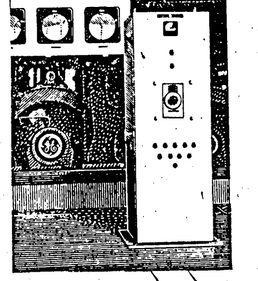
ELECTRONIC CONTROL FOR NEPA NEWSPRINT PRODUCTION

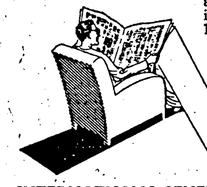


India will soon be able to meet one-third of her requirement of newsprint when the Rs. 6-crore Nepa Mills goes into full production in a few months time. The only one of its kind on the mainland of Asia, six electronic controlled drives of Nepa Mills will turn, abundantly grown *salai* and bamboo of Madhya Pradesh, into useful newsprint playing a very important role in the development of the country's press and literacy.

The quality and production of paper calls for very critical control of the paper machine drive. The G.E. Electronic Amplidyne Control installed at Nepa Mills will enable one operator to co-ordinate all six groups working at the same time. This highly accurate and modern G.E. drive system is being used by leading paper mills in the United States, Canada and Europe.



Using G.E. Electronic Amplidyne drive system, it is estimated that enough paper in a sheet 18 feet wide could be produced in 24 hours to cover the 327 miles from Nepanagar to Bombay.



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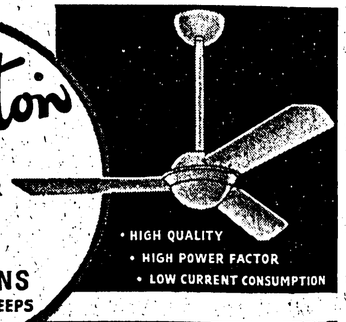


DEVELOPMENT OF SMALL INDUSTRIES

STATE OWNERSHIP AND DIRECTION IMPERATIVE FOR SPEEDY PROGRESS

By R. Dayal

ONE of the functions of a Government dedicated to the task of establishing a Welfare State is to take up those lines of production where private enterprise is either unwilling or tardy to act. This principle occupies a much more solid and fundamental place in the theory of welfare economics than the dogmatic doctrine of State ownership of means of production. Our Government spokesmen, too, have made it clear on many an occasion that their first concern is to increase the total wealth of the nation. That being so, it devolves on Government to step in as owner and producer not in the fields where private enterprise is willing and is capable of more efficient and speedy production, but in the fields where the private sector is disorganised and cannot take up production at the desired speed and standards.

There seems to be an inadequate realisation by Government of the fact that the development of small industries is a much more difficult task than the development of large-scale industries, and that, in terms of the principle stated above, the small sector has a more urgent claim on Government's personnel and investment resources than the large-scale sector. So far as the large-scale industry is concerned, our *entrepreneurs* are well experienced in promoting new undertakings or expanding existing ones. They are resourceful and creditworthy enough to muster the necessary finance. Many of them have business connections abroad and so can get the assistance of foreign manufacturers well established in the lines they wish to promote. They can buy in the foreign countries the necessary technological and managerial skill. In short, there is nothing that Government can do and these *entrepreneurs* cannot do. All that they want is a word of cheer from Government and bits of assistance here and there.

As against this, the task of developing small industries is a formidable one. Their methods of production have to be geared to modern-day conditions—a thing easy to say but extremely difficult to accomplish. As is well known, our small industries have been using age-old methods, which have not changed for generations. They fall far short of meeting the modern demands for efficiency and good quality of the products. The difficulty is that, whereas the quality and variety of products of these industries have stood still for generations, the tastes and standards of the consuming public have made rapid advance, with the result that the products of these industries do not find ready buyers. Similarly, there is a wide gap of generations that separates the outmoded methods of management in these industries and the modern standards of efficient management.

Government Must Take A Direct Part

While in the large-scale sector, we have a class of seasoned *entrepreneurs*, there are very few people, as compared to the number required, who can act as small industrialists and start small undertakings on modern lines. In most of the small industries, methods of production and management have to be changed out of recognition. New lines of production, especially in the fields complementary to large-scale industry, have to be started with pioneering zeal and ability. An important consideration is that, while the large-scale industry can draw upon foreign experience and research, in the case of small industries most of the skill and methods have to spring from the soil. Private individuals or groups of individuals may not be able to achieve substantial results in these directions, unless the Government takes a more direct part in the ownership and organisation of these industries.

This is not to suggest that the Government has not done much to help these industries. Within its broad philosophy of leaving the small-scale sector largely to private enterprise, the Government has, in the past year, acted with commendable vision and energy in trying to foster the welfare of these industries. Instead of sporadic action, it is now attacking the problem on all fronts, namely, raw material supply, designing of products, techniques and equipment, training of personnel, finance and credit, marketing and co-operatives. Indeed, a good basis is being laid for a promising long-term development.

But the vital point is that the various measures, taken by Government on the recommendation of the Ford Foundation's team of experts, are long-term measures which would prove valuable and effective in the long run only. The whole programme, however impressive, is not likely to make its mark on the advancement of actual production in the short run of the next three years or more. Under this programme, research teams would make investigations and surveys of the requirements and deficiencies of existing industries, and explore the possibilities of new ones. Then, more efficient tools and equipment and better designing would be devised at the various institutes of technology and their branches. Problems connected with spreading the use of better equipment and methods among individual industrialists would have to be solved through co-operatives or otherwise. Organisation of successful co-operatives is itself a stupendous task. Questions relating to the provision of easy credit and more efficient marketing would have to be tackled. The co-ordination of the various agencies undertaking these tasks is also a time-consuming business. Inevitably, a good deal of time would elapse before this programme makes an impact on actual production.

Whole Chain has to be Galvanised

But speed is a crucial thing. The development of these industries is a race against time. These small industries are to be the mainstay in India's programme of providing employment to the vast number of people suffering from involuntary idleness. It is highly desirable that the expansion of actual production in these industries should get into full swing without loss of time, lest the unemployment problem should create a politically serious situation.

The measures taken by Government, which are essentially of a long-term nature, might have produced results in the immediate future also, if the problem of these industries were merely a weak link here and there. But, as we know, the whole chain has to be galvanised. These industries have to be lifted from deep-rooted backwardness and entirely new industries have to be set up. Individuals are not educated and trained enough to take up the challenge. If a speedy development of these industries is to be achieved, Government should, instead of spoon-feeding them at every step, give, by actually owning and operating these industries, a practical demonstration of how they can be run as successful enterprises. A network of Government-run workshops belonging to a particular industry would be able to make a concentrated study of and applied research in the problems of that industry. What is envisaged here is a separate corporation for each—or two or three—of important industries, each corporation owning and operating units of the assigned industry or industries at different places in the country. This corporate structure of an individual industry can have within itself an engineering division, an inspection department and procurement and sales sections. This corporate structure would also be able to put to practical use, without delay, the results of research, investigation and surveys conducted by the Institutes of Technology, the Marketing Service Corporation, etc. There does not seem to be any better way than this of making small business establish itself as efficient modern units standing on their own feet in the community.

Means of Understanding Problems

Government ownership and operation of these industries will enable it to see more objectively what problems face those industries. Various steps needed to overcome these difficulties will be devised in direct contact with respective craftsmen and tradesmen. A considerable part of the research in technology and designing will be done at the place of actual production. This will make progress swift and more effective.

It is not suggested that Government should be the sole producer in the industries taken up by it. The idea of State enterprise is that it should serve as a model to private producers. But the model should be sufficiently big. It should serve as a national extension service for small industries and disseminate methods and techniques employed in each of them. The best way of training persons is to make trainees work on up-to-date equipment in successfully-run workshops.

An Illustration

A concrete illustration may be given to bring home the utility of State enterprise in small industries. Suppose we want to develop the dairy-farming industry in this country to produce tinned dairy products for internal consumption as well as for export. This industry, if developed on a nation-wide scale, can become the largest single source of employment. As the knowledge and experience of the equipment and various technical and trade processes of this new industry are lacking in this country, not many people **may be capable and willing** to initiate undertakings in this industry. They must first know which latest equipment and machinery is used, where it is available, within the country or abroad, and which firms deal with it. In the absence of thorough knowledge, they may not get the right type of machinery or they may get machinery of inferior quality at more than competitive prices. These enquiries would take a good deal of time, as also the determination of the size and site for an undertaking. Then they must face the problem of getting trained persons, or training themselves, to operate and maintain the machinery properly and economically. They must also go through the lengthy routine of raising finance. The form in which and the channels through which the products can be marketed is another job requiring specialised knowledge and skill. All these difficulties, which are ordinarily experienced in an old and well-established industry, become extraordinary in the case of new industries. Of the small number of people that may take the initiative, only a few might be able to establish undertakings and fewer still might be able to make a success of their business.

As against this, a corporation for the dairy industry set up by Government will be able to bring into being a network of units in a much smaller time. Such a corporation may depute an officer to study the industry in a foreign country, say, Denmark. The same procedural steps that an individual or a group of individuals may have to go through for the single undertaking, will, in the case of a corporation, be taken on behalf of, say a hundred undertakings that the corporation may propose to start. The development of the industry will be achieved in a much shorter time and with greater economy and success than under small private enterprise.

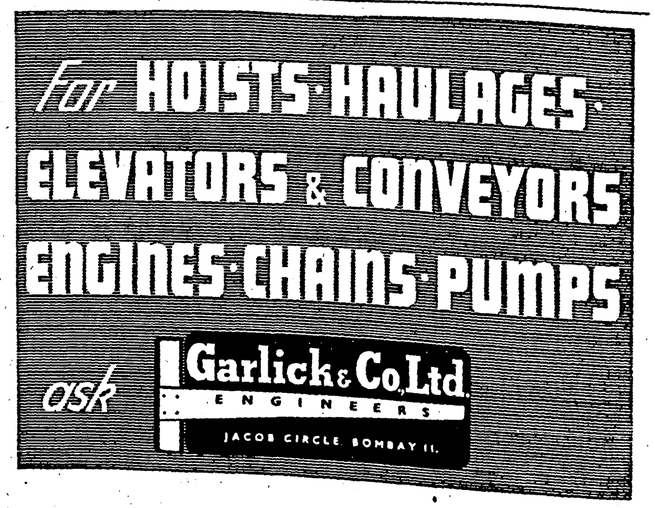
Co-operatives No Solution

It is thus clear that State enterprise, which is not an equal of private enterprise in the large-scale sector, can, however, prove of immense utility and seems almost indispensable for a speedy and effective development of the small-scale sector. Government may say that it is trying to promote and develop these industries through co-operatives, and that, in view of this, State enterprise on a wide scale is not necessary. Co-operatives can, no doubt, be of great service to small industries. But, in view of a record of many failures of these co-operatives, it is doubtful if we can immediately pin much hope on them. The difficulties of small industries are too many to be entrusted immediately to the co-operative system, which in our country is itself immature and shaky. Moreover, as the Ford Team of experts has pointed out in their report on small industries, co-operatives can succeed where they can be of a service agency to fill a need for producing or consuming members. As a rule, no attempt should be made to have co-operators associate in an act of production as members. To try to secure the development of these industries through co-operatives would mean the introduction of another delaying factor besides many others standing in the way of speedy improvement and expansion of these industries. Of course, as soon as it becomes clear that the improved methods of production and marketing innovated in State undertakings have become sufficiently well established to make these small workshops going concerns, Government can withdraw from ownership, handing over the field to individual craftsmen organised into co-operatives which would serve the need of credit, procurement, marketing, etc., but would not interfere with actual production.

Principle Already Accepted

The principle of State enterprise in small industries has already been accepted by Government. Thus, Government has set up a Small Industries Corporation, which, among other activities, would organise production for meeting Government orders. All that is suggested here is that Government should take up production on a wider scale. The test of a mature and progressive small industry is not its ability to supply its products to Government, which will instruct its Departments to buy these products—good or bad. The real test would be when these industries are able to satisfy the consumptive needs and tastes of the public at large, exercising its full freedom of choice and not acting under instruction to patronise these industries. Only when it produces for the public and not merely for Government departments, would Government be able to appreciate the deficiencies of small industries.

It is to be hoped that Government would see the necessity of devoting more of its personnel and finance to the small-scale sector and leave more of the large-scale sector to private enterprise. If the aim is to eliminate poverty and not merely to distribute poverty, a shift of State activity from large-scale industry to the small-scale sector seems imperative.



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SECTION 48 OF THE INCOME-TAX ACT

APPEAL AGAINST REFUSAL OF CLAIM FOR REFUND

By R. K. Dalal, B.Com., F.S.A.A., F.C.A.

A VERY interesting question was recently debated in an appeal before the Appellate Assistant Commissioner as to the admissibility of appeal filed under section 48 of the Indian Income-tax Act. The short facts were that a company had been taxed and, according to the assessee, insufficient credit had been given in the assessment. The appeal was that, on the basis of this insufficiency of credit, a refund was due and hence the decision of appeal against the Income-tax Officer's refusal to grant the refund.

The Appellate Assistant Commissioner contended that the appeal was barred by sub-section (4) of section 48. He argued that, under section 48, no question can be agitated which question had become final and conclusive. To admit the appeal would be tantamount to a revision of assessment which had become final and conclusive under section 23. This led to an interesting discussion as to the scope of section 48, its requirements and the manner of the adjudication of refund, which made an interesting and instructive probe into the complexities of the Income-tax Law.

What is Section 48?

In order to understand the discussion in its proper perspective, let me quote in full section 48:

"(1) If any individual, Hindu undivided family, company, local authority, firm or other association of persons, or any partner of a firm or member of an association, individually satisfies the Income-tax Officer or other authority appointed by the Central Government in this behalf that the amount of tax paid by him or on his behalf or treated as paid on his behalf for any year exceeds the amount with which he is properly chargeable under this Act for that year, he shall be entitled to a refund of any such excess;

"(2) the Appellate Assistant Commissioner, or the Appellate Tribunal in the exercise of their appellate powers, if satisfied to the like effect, shall cause a refund to be made by the Income-tax Officer of any amount found to have been wrongly paid or paid in excess;

"(3) where income of one person is included under any provision of this Act in the total income of any other person, such other person only shall be entitled to a refund under this section in respect of such income;

"(4) nothing in this section shall operate to validate any objection or appeal which is otherwise invalid or to authorise the revision of any assessment or other matter which has become final and conclusive, or the review by any officer of a decision of his own which is subject to appeal or revision, or where any relief is specifically provided elsewhere in this Act, to entitle any person to any relief other or greater than that relief or to entitle any person to claim a refund of tax payable before the commencement of the Indian Income-tax (Amendment) Act, 1939, which he would not be entitled to claim but for the passing of that Act."

Now, section 48(1) states that, if an assessee satisfies the Income-tax Officer that the amount of tax paid by him or on his behalf exceeds the amount with which he is properly chargeable under the Act for that year, he shall be entitled to a refund of any such excess.

Determination of Chargeability

This section contemplates adjudication of the amount properly chargeable and finding the excess by which he is actually charged. Determination of chargeability must result in an adjudication of the assessee's return. For, without a return, either already submitted under section 22 or voluntarily submitted by him along with the application of refund under section 48, the amount of chargeability cannot be ascertained. But chargeability cannot be determined under section 48 but only under section 23. It is, therefore, provided that, if the chargeability is not already ascertained, it shall be ascertained by the Income-tax Officer under section 23, while disposing of the application under section 48. But this leaves a loophole for agitating the question concluded by an order under section 23. Hence sub-section (4) provides expressly that section 48 cannot be utilised for validating any objection or appeal that has become invalid or for revising an assessment that has become final and conclusive. Hence, under section 48, the only question that can be agitated is that of insufficiency of any refund due—not on account of any reduction of the total income or tax computed thereon, but the amount ultimately found payable by reason of credit for tax already paid at source.

It was strongly urged on behalf of the Department that section 48 can operate for giving a refund without going into the question of assessment. On behalf of the assessee, rules 36 and 37 were quoted to show that a refund application under section 48 is not complete unless a return accompanies such an application. Rule 37 provides that, if a return has already been made, a further return is not necessary. From this, it was sought to argue that what section 48(4) prohibits is the readjudication of an assessment already made or appeal that has become already invalid. But it does not bar the assessee the right to agitate any question of refund due to him. The income assessed and the tax determined thereon, it is submitted, cannot be the subject of an appeal under section 48. But the claim for refund of excess tax paid by reason of insufficient credit or omission to give proper credit can always be agitated under an appeal against the Income-tax Officer's order refusing a refund.

Refund Without Making A Return

Allied to this is another subject which I am tempted to discuss. The view seems to prevail in some quarters that a person whose income is exempted from tax by reason of the operation of section 4(3) may apply for a refund under section 48 without making a return or the Income-tax Officer adjudicating thereon on the ground that he was not properly chargeable to tax but has been so charged by tax being deducted at source, and, therefore, a refund is due under section 48.

This seems to me a clear misconception. No refund under section 48 is due to a person until his income is adjudicated under section 23. And that is the reason why rule 36 and rule 37 of the Act provide for a return to accompany such an application for adjudication, unless one has already been adjudicated at the time a refund application is made.

Basis of A Refund

The reason for this is simple. The basis of a refund is the chargeability or non-chargeability of the income of the applicant. And this chargeability has to be determined by a proper adjudication of the return of total income under Chapter IV which deals with "Deduction and Assessment." This is a condition precedent to a refund. Even the opening words of section 48(1) clearly state that what the assessee has to satisfy the Income-tax Officer is that the amount of tax paid by him or on his behalf exceeds the amount with which he is *properly chargeable* under the Act. How is one to satisfy the Income-tax Officer that he has paid tax in excess of what he is properly chargeable under the Act, except by putting in a return and asking the Income-tax Officer to adjudicate thereon? But such adjudication of return can only be made under section 23 and under no other section. And, therefore, the Income-tax Officer cannot grant refund merely on the finding that the income is an income exempted under section 4(3) and, therefore, refund is due under section 48, but the return has to be adjudicated under section 23. Such a view overlooks the function of a return—even a *nil* return. *Nil* return, when adjudicated, carries with it the responsibility that the assessee has made a return of all his income and, if the return is found inadequate or false, it carries with it the liability of penalty or even a prosecution. This is the result of making a return. And this liability would be avoided by the assessee making no return and claiming refund on the evidence only of the fact that the tax that has been deducted on income is exempted under section 4(3).

Orders for Refund

Arising from discussion is also the interesting question whether the Income-tax Officer adjudicating the tax under section 23 can order a refund, if the tax paid at source exceeds the tax properly chargeable on the total income. Such a refund, as a matter of practice, is at present normally given without the intervention of an application for refund under section 48. But does the law permit a refund in the order of assessment? Let us look at the provisions of the Act. Sections 22(1) and (2), under which a return of total income is made, and section 23(3), under which the same is adjudicated, run as follows:

"*Section* 22(1): The Income-tax Officer shall, on or before the 1st day of May in each year, give notice, by publication in the Press and by publication in the prescribed manner, requiring every person whose total income during the previous year exceeded the maximum amount which is not chargeable to income-tax to furnish, within such period not being less than sixty days as may be specified in the notice, a return in the prescribed form and verified in the prescribed manner, setting forth (along with such other particulars as may be required by the notice) his total income and total world income during that year.

"*Section* 22(2): In the case of any person whose total income is, in the Income-tax Officer's opinion, of such an amount as to render such person liable to income-tax, the Income-tax Officer may serve a notice upon him requiring him to furnish, within such period not being less than thirty days as may be specified in the notice, a return in the prescribed form and verified in the prescribed manner setting forth (along with such other particulars as may be provided for in the notice) his total income and total world income during the previous year.

"*Section* 23(3): On the day specified in the notice issued under sub-section (2), or as soon afterwards as may be, the Income-tax Officer, after hearing such evidence as such person may produce and such other evidence as the Income-tax Officer may require, on specified points, shall, by an order in writing, assess the total income of the assessee and determine the sum payable by him on the basis of such assessment."

So, under section 23(3), the Income-tax Officer assesses the total income of the assessee and determines the sum payable by him on the basis of such assessment by an order. The words of this section leave no doubt that the Income-tax Officer's order can only relate to tax payable and not refund of tax already paid. If so, then the order under section 23(3) will only determine the tax payable and leave the assessee to claim a refund of any tax payable by him at source, if the total amount deducted at source exceeds the tax payable by him according to the total income determined by the Income-tax Officer in his order. The assessee can get this refund of the excess only by a refund application, not otherwise. A separate refund order would be strictly necessary. An order determining his total income and tax payable will not legally entitle a claim for refund. It is true that, normally, such refund applications are not called for by the Income-tax Officer, but a refund order is passed on the basis of an order under section 23, where the tax determined is less than the tax already paid, but the section under which refund orders are deemed to be passed must always be section 48 and no other section. Cases may, therefore, arise where the Income-tax Officer refuses to give any refund in an assessment order, unless a refund application under section 48 is adjudicated by him. And, if this application is barred by time, the fact of an order under section 23 computing tax payable will not help.

Thus, a lot of confusion prevails on the true function of certain provisions of the Income-tax Act even in the quarters where you would least expect and, the sooner the Central Board of Revenue issues clear and explicit instructions to its subordinate officers, the better it is for the administration and the public.—*All Rights Reserved.*

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(4) Obtain from your Income-tax Officer an *Exemption* Certificate, in case your total income is below Rs. 4,200.

(5) Refund due to a deceased person can be claimed by his legal heir, executor or administrator.

(6) Apply to the Income-tax Officer, Bombay Refund Circle, if your income is below Rs. 5,000 and you are a resident.

(7) Apply to the Income-tax Officer, Non-Residents' Refund Circle, if you are a Non-resident.

(8) Date of declaration of dividend governs limitation.

(9) The same consideration applies to interest on securities. The date when the tax was deducted at source matters.

(10) Refunds arising out of reductions in your total income consequent on appeal do not require any applications.

(11) The application for refund should be accompanied by a return of your income.

Following the assent of the Union President, the Motor Vehicles Tax (Amendment) Act, 1955 has been published in the Bombay Government *Gazette* dated 6th May, 1955. The Amendment Act enables large-scale organisations operating transport vehicles in the State to pay the tax by lump sum to a single authority based on the number of vehicles used during each calendar month. This will eliminate the necessity for applying for refund of tax in respect of each and every vehicle remaining off the road for one or more calendar months. The procedure of payment of tax and of claiming refund involves considerable labour, cost and inconvenience for them. The Amendment Act also gives relief to small dealers in motor vehicles. Hitherto, they were required to pay a tax of Rs. 500 per annum for seven motor vehicles, even though they might require the general licence in respect of less number of vehicles in any year. Schedule I to the Act has, therefore, been amended, so that tax will have to be paid at the rate of Rs. 100 per vehicle.

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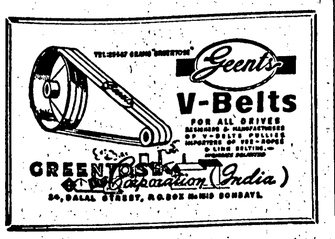

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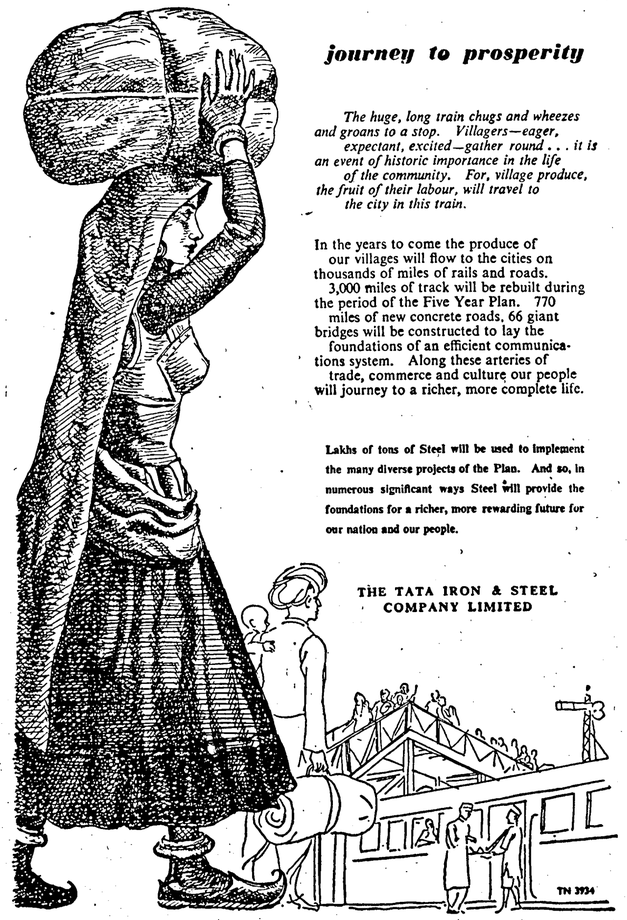

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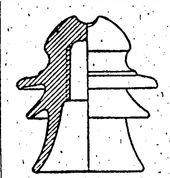

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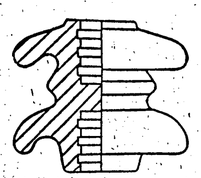


PROBLEMS OF IMPORT AND EXPORT TRADE

BALANCE OF PAYMENTS POSITION SATISFACTORY

THE meetings of the Import Advisory and the Export Advisory Councils are always looked forward to by the mercantile community with considerable interest. For these meetings provide an occasion not only to review the prevailing position of India's foreign trade—both imports and exports—but also to exchange views between the representatives of trade and industry and the Government on problems of trade currently facing the country. The meetings of the two Councils, held at New Delhi last week-end, were true to this description, as will be seen from the following account of their proceedings. The Minister for Commerce and Industry, Mr. T. T. Krishnamachari, presided over the meetings of both the Councils.

The discussions of the Import Advisory Council centred on a number of problems. Some importers expressed uneasiness regarding the threat held out by certain foreign shipping companies of imposing a surcharge of 35 per cent. on all goods to be unloaded by them at Calcutta Bombay and Madras from 1st June next. Another subject discussed related to cotton. The President of the Federation of Indian Chambers of Commerce and Industry complained that some mills had been put to inconvenience because of the recent notification preventing import of all cotton from the sterling area and asked that it should be withdrawn or suitably amended. The difficulties experienced in getting the imported goods cleared from the customs were also voiced at the meeting. A suggestion was made by a member that the actual users of newsprint, even if they were not established importers, should be given import licences on the basis of the quantity used by them in previous years.

Replying to the discussions, Mr. T. T. Krishnamachari touched on the threat of certain foreign shipping companies to impose a surcharge on goods carried to India as stated above, and warned that "if any foreign shipping company carried out its unwarranted threat of raising freight surcharge on goods carried to India, its ships would not be allowed to touch our ports." This decision of the Government might lead, he said, to "temporary inconvenience for six to eight months," but the Government was not going to be cowed down by such threats. For one thing, the Government was willing, he went on to add, to do without the imports carried by these ships rather than give in because India had, after all, some importance in world affairs. For another, it could always encourage imports from countries whose shipping interests did not raise their freight surcharge. He pointed out that India was not the only country to have clearance delays due to labour troubles at the ports. Dock strikes were almost an everyday occurrence in the U.K. these days, and yet no shipping company had so far threatened to raise freight surcharge for goods carried to British ports. He admitted, however, that the situation at the various ports such as Calcutta and Bombay was more or less out of control. But the Government was alive to the problem.

Imports of Cotton

Dealing with the imports of cotton, the Minister stated that the Government would shortly examine the possibility of allowing additional import of Egyptian cotton of 1¼" staple and above. He revealed that the Secretary of his Ministry would shortly proceed to Bombay to hold talks on the subject with the interests concerned. The Minister stated that the Government had to fix some quotas for import of cotton from dollar as well as non-dollar areas. Other countries in the world like Japan and the U.K. were also doing the same thing. So far as non-dollar imports of cotton were concerned, they had reached the quota already fixed, although he recognised that some inconvenience had been caused to individual mills. In India, there was a fairly big cotton crop this year—some 4.6 million bales—which was, he remarked, 350,000 bales more than the crop last year. As a result of the measures which the Government took, the price of cotton now, according to him, was somewhat stable. Replying to the complaint that mills were not consulted before the stoppage of non-dollar cotton, the Minister said that it was not his fault, if they did not buy their requirements earlier.

As regards the difficulties in getting goods cleared quickly at the customs, Mr. Krishnamachari promised that he would arrange a meeting between the Import Advisory Council and the Minister for Revenue and Defence Expenditure, Mr. A. C. Guha, so that importers could get their grievances redressed. He promised that he would issue import licences to users of newsprint on the basis of the quantity used by them.

The Council was addressed by the Deputy Minister for Commerce and Industry, Mr. Nityananda Kanungo. The highlight of his statement was that the policy of selective liberalisation of imports was being gradually extended in diverse ways to cover as wide a sector of the country's import trade as possible. This policy, however, depended, according to him, on the measures taken to increase export earnings, bearing, of course, in mind the demand for foreign exchange for capital goods required under the second Five-year Plan.

As the economy developed and industrialisation proceeded, the pattern of import trade would be characterised, Mr. Kanungo observed, by higher level of imports of industrial raw materials. This trend was seen in the rise in imports of raw materials from Rs. 288 crores in 1953 to Rs. 329 crores in 1954. These imports in 1955 were expected to be, according to him, of the order of about Rs. 340 crores. Proceeding, the Deputy Minister said that the balance of trade in 1954 was adverse to the extent of only Rs. 23.35 crores, whereas in the previous year, it was as high as Rs. 54.26 crores. He was satisfied that the foreign exchange position was satisfactory, as sterling balances, at the end of March, 1955, stood at Rs. 732 crores. Nevertheless, he opined that there was no room for any complacency, because the favourable balance was principally due to the unprecedented rise in the price of tea.

Liberalisation of Import Controls

Mr. Kanungo stated that a number of suggestions for liberalisation of import controls made by the Council had been implemented in the import policy for the current half-year. Apart from extending the policy of liberalisation in diverse ways, 33 new items were added to the liberal licensing schemes. Quota percentages were increased in the case of 40 items, and token quotas were introduced in respect of 19 new items. In the case of 13 items, provision was made for the grant of additional licences to established importers. The basic period was extended to include 1952-53 for a further 60 items and the year 1953-54 for another 16. Although it was not easy to assess the net effect of these measures of liberalisation, he said that, during the last half-year, nearly 10,000 licences of the face value of Rs. 17 crores were issued to newcomers. The liberal licensing scheme covered 134 items and licences against this scheme of the value of Rs. 48 crores were issued during July-December, 1954.

The Minister referred also to the trends in imports of plant and machinery and consumer goods. There was a fall in imports of plant and machinery from Rs. 84 crores in 1953 to Rs. 76 crores in 1954. This was due partly to a fall in prices of machinery and partly to the indigenous industry meeting the requirements of machinery of the country. In the sphere of essential consumer goods, a similar trend was visible as their imports fell from Rs. 188 crores in 1953 to Rs. 159 crores.

Imports Through Approved Agencies

Another feature of the current import policy was the canalisation of imports of certain essential raw materials, through agencies approved by the Government. These related to raw silk, soda ash, caustic soda and soda bicarbonate. Besides, restrictions were imposed on profit margins of certain items as air conditioners, refrigerators and cooking ranges. This was being done, the Minister stated, to ensure a regular supply of raw materials to industries at fair prices.

At the meeting of the Export Advisory Council, most of the members urged that the transport position in the country as a whole, and at the major ports in particular, should be improved if much headway was to be made in the export drive. It was also suggested that the railway freight structure should be so rationalised as to give impetus to exports. Replying to these suggestions, Mr. K. B. Mathur, Member for Transportation in the Railway Board, informed the Council that a committee would shortly be set up to go into the question of railway freights. Meanwhile, he wanted the members to specify the commodities for which grant of a rebate would stimulate exports. He indicated that, in the next three or four months, transport supply would be stepped up by 20 to 30 per cent. He favoured the drawing up of a programme for despatches of exportable commodities as in the case of sugar and coal, so that priority of transport supply could be determined and speculative demands eliminated.

Participating in the discussions, Mr. T. T. Krishnamachari indicated the possibilities of a slight increase in yarn exports quota. He stated that he would consider the question of enhancing the quota for export of raw cotton also in the light of observations made by members. He promised to give favourable consideration to the proposal to send a delegation abroad to promote export of handloom products.

Mr. M. P. Birla emphasised the need for achieving self-sufficiency in raw jute as early as possible. As for jute goods, production had gone up, according to him, by 33 per cent. in the last four months, but stocks had started accumulating. He pointed out that the situation required careful watching by the industry and the Government.

Export Trade Position Reviewed

Mr. D. P. Karmarkar, Minister for Commerce, who initiated the proceedings, gave a rapid survey of Indian exports during 1954-55. He observed that the total value of exports during 1954-55 stood at Rs. 583 crores, as compared with Rs. 531 crores in 1953-54 and Rs. 578 crores in 1952-53. The adverse balance of trade was reduced from Rs. 50 crores in 1953-54 to Rs. 40 crores in 1954-55. The balance of trade with the dollar area registered a further improvement, resulting in a favourable balance of Rs. 21 crores—an increase of Rs. 4 crores over the figure for 1953-54. Sterling balances as a result remained steady even though expenses on imports rose more than the country's export earnings. It was gratifying that this improvement had been made when world prices for several commodities had been falling. Fortunately there were, he said, no significant changes in export prices in the case of our most important export commodities.

There was, however, one disquieting feature in India's export trade. That was the predominance of a few commodities in total exports. Of the increase of Rs. 52 crores in exports during 1954-55, almost the whole of the increase—excepting the small sum of Rs. 7 crores—was, according to Mr. Karmarkar, contributed by tea. What was more, about 58 per cent. of the country's total exports was accounted for by three commodities—tea, cotton piecegoods and jute goods. Exports earnings through tea rose from Rs. 102 crores in 1953-54 to Rs. 147 crores in 1954-55. Similarly, the earnings from jute textiles advanced from Rs. 114 crores to Rs. 124 crores. The total quantity of cotton piecegoods exported increased from 770 million yards to 815 million yards in 1954-55. Mr. Karmarkar stated that the scope for further expansion of trade in these commodities, particularly on account of the increasing competition in world markets, was limited. There was obviously, he stressed, the need for diversifying the export trade.

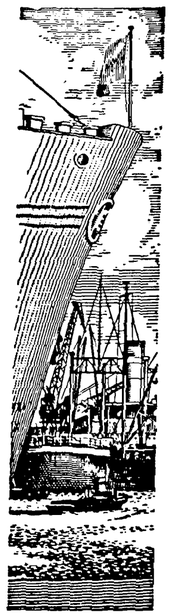
Discussing the prospects for diversification, the Minister for Commerce observed that there had been an increase in the output of light engineering and chemical goods. There was need for developing export markets for these products, especially chemicals, cement, electric fans, sewing machines, diesel engines, centrifugal pumps, machine tools, cycles, plastic goods, toilet requisites, sports goods, etc. The relevant statistics did not, however, show that there had been any increase in exports of these products which, after rising from Rs. 67 crores in 1952-53 to Rs. 70 crores in 1953-54, declined again to Rs. 64 crores in the following year. He opined that there was scope for exports to the Middle East and South-East Asian region and that efforts should be concentrated on taking such active steps as would not only diversify but also expand the country's exports.

PAK-CEYLONESE TRADE

Ceylon and Pakistan signed this week a trade pact here agreeing to accord each other "most favoured nation treatment."

The pact will come into force as soon as it is ratified by both Governments and will remain valid until it is revoked by either Government.

According to an official of the Ceylon Government, the pact does not commit either country to any quantities or commodities but stipulates a large number of items in which there is scope for trade. The commodities stipulated include rice and fertilisers on the Pakistan side and coconut products on the Ceylon side.



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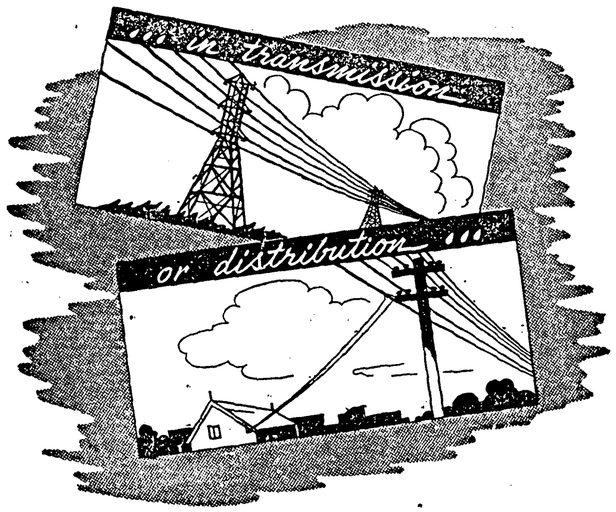

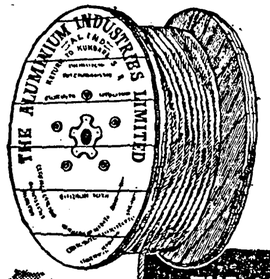

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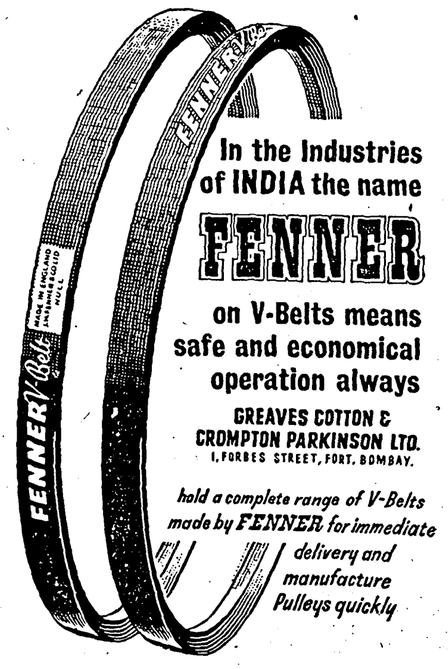

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INDUSTRIAL LABOUR IN INDIA

HAS IT BEEN GIVEN A "FAIR DEAL"?

THE industrial worker occupies an important place in a country's economy. For it is on his efficiency, loyalty and contentment that the progress of industry, in particular, and of the nation, in general, depends. It is, therefore, a matter for gratification that, in recent years, there has been a steady and substantial improvement in the standard of living of the industrial worker all over the world; India has been no exception to this world-wide trend. This improvement is due partly to the activities of such institutions as the International Labour Organisation and partly to the progressive outlook of the employer towards the worker. Employers in many parts of the world now appreciate to a greater degree than in the past the necessity to pay workers a decent wage and to ensure healthy working conditions. In underdeveloped countries like India, a large number of employers are providing either collectively or individually even the basic social services, such as education, medical facilities and housing, not to mention maintenance of workers' towns, which in Western countries are regarded as part of the elementary duties of the State. It must also be acknowledged that the development of trade unions, leading to a strengthening of the collective bargaining capacity of industrial workers, is also one of the important factors which have won for workers better living standards.

Now that the emphasis in the second Five-year Plan is on the development of the industrial sector, there is an urgent need for paying proper attention to win the hearts of industrial workers, to persuade them to give higher production and to agree to introduction of up-to-date machinery without which there can be no further real improvement in their living standards. They must be enabled to see that a rise in their real wages hinges on higher productivity. This is doubtless a delicate problem because of the sensitive human material that is involved. There is, therefore, no denying the fact that a mere economic approach is not sufficient. On the contrary, a psychological approach is what is primarily needed. The days are gone when labour was considered as a unit in a vast statistical mass which could be dealt purely by the law of supply and demand. There has now emerged an era of industrial labour, as opposed to industrial capital.

Income

Viewed against this background, the study of progress of industrial labour in India, made by the Employers' Association, Calcutta, and published in the form of a pamphlet a couple of months ago, is a valuable one. In this publication, the Association has attempted to give an objective assessment of the gains secured by Indian labour both in respect of wages and real income, as compared with the position in 1939. The country's wage structure is also examined from the regional aspect and it is shown that the disparities in wages between the different parts of the country are being steadily reduced. The general conclusion emerging from the study is that the worker is not only better off than ever before but is now able to enjoy a higher standard of living than many others in the society, including certain sections of the middle class.

It is not, of course, contended that the Indian worker has all that he wants or that his standard of living leaves nothing to be desired. Indeed, none, as pointed out by the Association, is more aware than the employers themselves of the need to raise the standard of living of the workers much above the present level. What is, however, sought to be emphasised is that the industry has already done a good deal for the improvement of labour conditions and that there should be a proper appreciation of this on the part of the Government and the public, so that there will be greater readiness to understand the handicaps which now prevent the industry from increasing efficiency and output, which ultimately is the only way by which labour can enjoy more of the good things of life.

At the outset, the study traces the growth of employment. It states that employment of labour in perennial factories, which stood at 1.4 million in 1939, is now over 2.1 million. The bulk of organised labour is employed in major industries, such as cotton and jute textiles, engineering, minerals and metals, chemicals and paper. The cotton textile industry is the biggest employer of labour. Its labour strength in 1954 was as much as 660,000, as against 653,000 in 1952 and 489,000 in 1939. The textile industries, cotton and jute, now account for 48 per cent. of the total industrial labour.

A significant development during the period under review was the increase in perennial factories, accompanied by a fall in seasonal factories. In 1939, for example, about 66 per cent. of the total factories belonged to the perennial categories, but, in the next decade, it went up to over 83 per cent. It is also important to note that the labour force has now become well organised. These two developments have led to a great measure of stability in employment.

Wage Bill

It is true that merely by virtue of the larger employment, there should have been an increase in the wage bill. But, as there has been a more than proportionate increase in money wages, the annual average earnings per worker are definitely higher. The total wage bill of workers employed in perennial factories and drawing wages below Rs. 200 per month was Rs. 232 crores in 1952, as against Rs. 40.75 crores in 1939. The total wage bill for 1953 is estimated at Rs. 237 crores, assuming an average earning of Rs. 1,121 per worker and the number employed 2.11 million.

The average annual earnings of workers in perennial industries in general improved from Rs. 285 in 1939 to Rs. 1,084 in 1952. The earnings of textile workers stood at Rs. 1,122 in 1952 as against Rs. 293.5 in 1939 and engineering workers at Rs. 1,371.3 as compared with Rs. 263.5. The position in respect of the workers in mineral, metal, and chemical industries also discloses similar improvement.

Benefits

While it is abundantly clear that money wages have increased generally and industrial labour has benefited to a greater extent than the rest of society, it is held in certain quarters that, because wage costs expressed as a percentage of total expenses are lower, industrial workers have lost ground and that agriculturists, shareholders and industrialists have gained considerably. The study says that nothing can be farther from the truth. It is not correct to draw any inference from wage costs expressed as a percentage of total expenses in a period when prices for agricultural raw materials have risen considerably. For industries have suffered on account of the rise in replacement costs and there is in effect heavy taxation of profits, even capital, and that profits are rigidly controlled. If, therefore, higher prices have to be paid for raw materials, it is due to factors beyond their control. Raw cotton and raw jute prices, even at the present depressed levels—depressed in relation to the fantastic prices that obtained in 1951-52—are five to six times higher than the pre-war prices, while money wages have risen by four to four and a half times. Naturally, wage costs will be lower expressed as a percentage of total costs. The increase in prices for cash crops is, however, to be "welcomed" in some measure as the agricultural community has benefited somewhat. At the same time, it is necessary to draw attention to the fact that, even with higher prices, the average income of the agriculturist is half, or even lower, that of the industrial worker.

The survey points out that an average factory worker earns as much as Rs. 1,121, as against the *per capita* national income of Rs. 272, that is, four times the national income. This disparity is, however, not noticeable in other countries. In the U.S., for instance, the average annual income of the industrial worker is 196 per cent. of the *per capita* national income, in Canada 277 per cent., in the U.K. 143 per cent., West Germany 195 per cent., New Zealand 151 per cent. and Japan 297 per cent. The survey, however, rightly warns that it is not, perhaps, correct to read too much into these figures, as the smaller disparity in advanced countries is due, to a great extent, to larger remunerative employment and the existence of more earners in a family unit. Nevertheless, it says, that comparison is helpful in drawing pointed attention to the fact that the Indian industrial worker is occupying a rather "privileged" position in the economy of the country. There is scarcely any exaggeration in this conclusion. It is supported not only by the wage levels but also by the various legislations that have been passed, in order to ensure several amenities and security of service which are not available to other sections of the population that are far numerous in number.

Regional Analysis

Making a regional analysis, the study highlights the fact that the States which were very backward in payment of wages to industrial workers in 1939 were able to report better conditions in 1952. Thus, in 1939, Bihar stood rather low in the list with the average annual earnings at Rs. 285.0, as against Rs. 370.4 in Bombay and Rs. 309.4 in Delhi. But in 1953, the picture was different. The earnings in Bihar stood at Rs. 1,474.2 in 1953, as against Rs. 1,346.4 in Bombay and Rs. 1,311.6 in Delhi. In terms of percentages, the increases have been of the order of 417, 264 and 324, respectively. (It may be noted, in this connection, that the Labour Appellate Tribunal recently decided in favour of increasing the dearness allowance of workers numbering about 250,000 in the Bombay cotton mills by 10 per cent. with retrospective effect from May, 1953.)

In Orissa, the average annual earnings of factory workers improved from Rs. 161.8 in 1939 to Rs. 880.8, a rise of 444 per cent. Good performance is reported in the Uttar Pradesh also where the average annual earnings are up by 333 per cent. It is also interesting to note that the textile workers' money wages in the U.P. (Kanpur) are highest, next only to those of Bombay. The minimum wage of a textile worker in Kanpur is Rs. 30 per month; besides, he gets a personal wage at the rate of Rs. 4 and a dearness allowance of Rs. 50 per month. In Madras, the increase in average annual earnings has been from Rs. 175.9 to Rs. 825.0 or 370 per cent.

Seasonal Factories

The workers of seasonal factories too have fared equally well. The average daily number of workers in 1952 was 343,699, that is, 14 per cent. of the total labour force in factories in general. In 1939, this number was 290,823 or 17 per cent.

Seasonal factories have been classified into four groups: (1) processes allied to agriculture, (2) food, except beverages, (3) beverages, and (4) tobacco. The industries included in group I are mainly seasonal. Those in group II are also chiefly seasonal, with the exception, perhaps, of "slaughtering, preparation and preservation of meat, canning and preservation of fruits and vegetables, flour mills, as well as edible oil and hydrogenated oil industries." The average income of workers employed in all these groups of seasonal industries has gone up from Rs. 408.8 in 1950 to Rs. 417.8 in 1951 and Rs. 446 in 1952. The average earnings of a worker in purely seasonal industries may be around Rs. 350 (for a season). The increase would have been more pronounced but for the fact that the sugar industry has not been able to work at full capacity. In the pre-war period, the average was about Rs. 60 a season. Thus, the wage bill of seasonal workers has tended to increase even more strikingly than that of the perennial workers and, at the present moment, it can be roughly estimated at over Rs. 10 crores a year.

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In putting any construction on these figures, however, the study says that it is necessary to bear in mind that the workers are employed seasonally in the rural side and, therefore, for a smaller number of days. A better idea can be had only if the wage rates are taken into consideration. Thus, taking the case of the sugar industry, the minimum wages in the U.P. and Bihar factories have risen from Rs. 11 per month in 1939-40 to Rs. 55 per month in 1953-54 and the benefit of the higher wage has been obtained since 1948-49. Apart from the minimum wage, bonuses related to the quantum of production have been paid. Besides, they are provided with several other amenities. More important is the fact that the seasonal workers are assured of "regular" employment. Either by convention or by regulation, the majority of workers are taken up every year. In fact, in the U.P., it is obligatory on the part of every sugar factory to employ a worker who was engaged in a previous season. Periodical increases in wages are also effected.

Real Earnings

The study further claims that, without any exaggeration again, generally speaking, the real earnings and the social status of the workers have improved so much that they may well excite the envy of many sections of the middle class, such as clerks and teachers, whose economic position "has not only not improved but even became worse." The following table gives the index of real earnings during 1939-53:

Base	1939	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953
1939=100 ..	..	85	85	82	89	95	103	100	103	114	114
1949=100 ..	97	82	82	80	86	92	..	97	100	111	111

Thus, real wages in India in 1953 were 14 per cent. over those in 1939 and 11 per cent. over those in 1951. Facilities like free medical aid, greater leisure, free house (or at nominal rents), etc., in the case of industrial workers drawing below Rs. 200 per month are estimated to have resulted in an additional increase by 5 to 6 per cent. (The adjustment in regard to smaller working hours alone will, it is stated, mean an "increase" of 11 per cent.) In other words, the worker's money wage *plus* "invisible income has raised his real wage by 20 per cent. between 1939 and 1953. If the change in real earnings of a factory worker were to be related to increase in the *per capita* income, it is possible to say that the increase in the real earnings of the former was more than the increase in the *per capita* income in 1939-53. In effect, the real wage of the factory worker has risen faster than the real *per capita* income. In 1953, the real wage stood at 111 (1949=100), as against the level of 106 for the real *per capita* income (1948-49=100) and at 114 (1939=100) (excluding invisible income), as against the level of 101 (approximately) for the real *per capita* income (1939=100). This means that labour gets very much more than its former share of the national income of the country.

Conclusions

Summarising the conclusions of its study, the Association observes:

"It can be reasonably claimed that the industrial worker has been given a fair deal and that, apart from being effectively protected against the impact of inflation, he has been able to enjoy a standard of living much higher than most other sections of society. In the past decade, particularly, money incomes have risen fast and because of the development of new industries and the increase in the stature of old industries, the character of the labour force has undergone a significant change. Average annual earnings have, as a result, tended to increase, both industrywise and regionwise. The smaller number of hours, the better conditions of work and more congenial environments have made employment in factories, plantations and mines worthwhile. The real incomes also have risen appreciably while the supply of essential goods at subsidised prices in times of scarcity was indeed a great advantage. It should be said, however, that only an important beginning has been made. There could be a further sizable increase in the average earnings if absenteeism was less and productivity tended to rise. It has been amply demonstrated by the happenings in other countries that intelligent rationalisation of working methods and elimination of waste could lead to a notable reduction in working expenses and could facilitate the payment of higher wages over a period. It should certainly be possible to effect a gratifying improvement in the money and real incomes over the existing levels, if labour and capital co-operate wholeheartedly and there is an identity of interests."

Notices

IMPERIAL BANK OF INDIA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Principal Register and the Branch Registers of the Imperial Bank of India will be closed for transfer of shares from Thursday the 16th June, 1955, to Thursday the 30th June, 1955, both days inclusive.

In terms of Section 6(1)(*a*) of the State Bank of India Act, 1955, all shares in the capital of the Imperial Bank of India shall be transferred to, and shall vest in, the Reserve Bank of India, free of all trusts, liabilities and encumbrances on the "appointed day" which has been fixed for the 1st July, 1955, by the Government of India Notification No. F.8(8)-F.I./55, dated the 14th May, 1955. Section 9(1) *ibid* provides that every person who immediately before the 1st July, 1955, is registered as a holder of shares in the Imperial Bank of India shall be entitled to compensation in accordance with the provisions contained in the First Schedule.

All purchasers of Imperial Bank of India shares are therefore advised to lodge with the Bank for registration the instruments of transfer in their favour along with the relative share certificates, *not later than the 15th June*, 1955.

S. K. HANDOO,
Managing Director.

BOMBAY, 17*th May*, 1955.

THE SENDRA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-fifth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday the 10th June, 1955, at 10-30 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December, 1954, declaring the Dividend recommended by the Directors, electing Directors and Auditors, and for transacting any other ordinary business of the Company.

The Share Register of the Company will be closed from the 27th May to the 10th June, 1955, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CALCUTTA, 16*th May*, 1955.

THE SENDRA COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 16th May, 1955, a Dividend of 2½ per cent. per annum was recommended to be paid for the half-year ended 31st December, 1954, without any deduction for Income-tax paid by the Company.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

BRIDGE & ROOF COMPANY (INDIA) LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Ordinary General Meeting of the Company a dividend of 15 per cent. per annum for the half-year ended 31st December, 1954.

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

21, NETAJI SUBHAS ROAD,
CALCUTTA, 17*th May*, 1955.

THE PODAR MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fortieth Ordinary General Meeting of the Company will be held at the Registered Office of the Company, Podar Chambers, Parsee Bazar Street, Fort, Bombay, on Tuesday the 21st June, 1955, at 4 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1954.
2. To sanction, if thought fit, the payment of Dividend on the Preference and the Ordinary Shares of the Company.
3. To elect Directors in place of those who retire but are eligible for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will remain closed from Friday the 17th June, 1955, to Thursday the 30th June, 1955 (both days inclusive).

By Order of the Board of Directors,
For PODAR SONS LIMITED,
Managing Agents,
RAMNATH A. PODAR,
Managing Director.

BOMBAY, 21*st May*, 1955.

Note.—The Dividend, when declared, will be payable at the Bank of Jaipur Ltd., Bombay, on and after Friday the 1st July, 1955. Dividend Warrants will be posted to those shareholders whose names stand on the Company's Register on Thursday the 30th June, 1955.

HERCULES INSURANCE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ORDINARY GENERAL MEETING of the shareholders will be held at the Registered Office of the Company, 16, Hare Street, Calcutta, on Thursday the 16th June, 1955, at 3-30 p.m., for the purpose of receiving the Directors' and Auditors' Reports, adopting the Statement of Accounts and Balance Sheet for the year ended 31st December, 1954, declaring a Dividend, electing Directors, electing Auditors and fixing their remuneration and transacting any other business that may properly be transacted at an Ordinary General Meeting.

The Share Transfer Register will be closed from the 6th to the 16th June, 1955, both days inclusive.

By Order of the Board,
G. RAMABADRAN,
Secretary.

CALCUTTA, 23*rd May*, 1955.

Note.—The dividend when declared will be paid only to those shareholders whose names appear on the Company's Register as on the 16th June, 1955.

ALBION JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held at the Registered Office of the Company at 11, Clive Row, Calcutta, on Friday the 17th June, 1955, at 4 p.m., to receive and adopt the Directors' Report and the Audited Accounts for the Half-year ended 30th November, 1954, to declare dividends for the Half-year at Rs. 3-8 per Preference Share and Rs. 6 per Ordinary Share, free of tax, to elect a Director and to appoint Auditors for the current year.

The Share Transfer Books of the Company will remain closed from 10th to 17th June, 1955, both days inclusive.

By Order of the Board,
SAHU JAIN LIMITED,
Managing Agents.

CALCUTTA, 12*th May*, 1955.

BENGAL PAPER MILL'S PROFIT SHRINKS AGAIN

DIVIDEND, HOWEVER, MAINTAINED

A DECLINE of Rs. 1.37 lakhs to Rs. 11.46 lakhs in the gross profit is disclosed by the audited accounts of the Bengal Paper Mill Company, Ltd. (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) for the six months ended 31st December, 1954. This is the second half-year in succession that the Company's earnings have recorded a shrinkage, the drop in gross profit for the previous half-year having been of the order of Rs. 0.81 lakh, that is from Rs. 13.64 lakhs to Rs. 12.83 lakhs. Thus, the decline in the Company's profit for the latest half-year is greater than that noted in the previous six months, bringing the aggregate fall in gross profit for the two half-years to Rs. 2.18 lakhs. The net profit, which had been marked down from Rs. 8.79 lakhs to Rs. 7.72 lakhs in the previous six months, has gone down further to Rs. 6.61 lakhs for the half-year under review.

Notwithstanding the aforesaid decline in the profit, the distribution to shareholders has not been affected, the dividend on the ordinary shares being kept unchanged at 12½ per cent. per annum, a rate which the Directors have been paying from the half-year ended 30th June, 1951, with only a break of two half-years, namely, those ended 31st December, 1952 and 30th June, 1953, when, unfortunately, the Company had suffered losses for reasons beyond its control. The above dividend has been maintained for the half-year under review only after a sum of Rs. 3.25 lakhs had been transferred to the tax contingency reserve, which had received Rs. 4 lakhs six months ago.

The setback in the Company's earnings for the half-year under review may not be a surprise to the Company's shareholders, for they had been prepared for it by the Directors in their report for the previous half-year. It will be recalled that, in the month of June, 1954, the Company had experienced some trouble with its Wagner furnace causing high chemical losses. As this trouble occurred only in the closing month of the previous half-year, the result for that half-year had not been affected very much, but its effect was felt during the half-year under review to a greater extent than in the previous one. The Directors, however, report that the recovery plant has since been working much more efficiently. As in the previous half-year, labour relations during the six months under review were good and the mechanical efficiency of the mill was well maintained.

The following comparative table presents the financial results of the Company for the past four half-years, from which an idea of the Company's progress can be gained:

(In lakhs of rupees)

	For the half-year ended			
	31-12-54	30-6-54	31-12-53	30-6-53
Sale proceeds	89.51	83.09	97.39	46.76
Other income	1.39	0.41	0.58	0.51
Stocks	0.72	3.86	1.90	4.37
Manufacturing and other expenses	76.30	77.63	81.86	53.94
Gross profit (+) or loss (—)	+11.46	+12.83	+18.64	—3.04
Managing Agents' remuneration	0.88	0.89	0.51	0.16
Depreciation	3.97	3.91	4.34	1.53
Taxation	..	0.30	..	..
Net profit (+) or loss (—)	+6.61	+7.72	+8.79	—4.63
Reserves and provisions written back	0.30	..	..	10.38
To reserves	3.25	4.00	4.00	..
Dividends—				
Preference	0.81	0.81	0.81	0.81
Ordinary	2.81 (12½% p.a.)	2.81 (12½% p.a.)	2.81 (12½% p.a.)	..
Carry forward	1.54	1.50	1.40	0.24

The increase of Rs. 1.42 lakhs in sale proceeds does not mean that production during the half-year under review was more; in fact, the output of paper must have been lower as indicated by the fall of Rs. 1.33 lakhs in manufacturing and other expenses. The increase in sale proceeds was obviously due to the decline of Rs. 3.14 lakhs in stocks of paper.

No provision for taxation has been made as in the previous four half-years. In the immediately preceding half-year, however, the Directors had set aside a sum of Rs. 30,000 towards provision for sales tax, but even this provision has now been written back. The tax contingency reserve has been strengthened by the transfer of Rs. 3.25 lakhs from the profit for the half-year under review, bringing it to Rs. 13 lakhs. The Directors say that this reserve still requires to be reinforced.

The Company's paid-up capital, as at the close of the half-year under review, remains unchanged at Rs. 71 lakhs, of which ordinary shares account for Rs. 45 lakhs, 7 per cent. cumulative preference shares (of Rs. 50 each fully paid) for Rs. 2 lakhs, 7 per cent. 'A' cumulative preference shares (of Rs. 100 each fully paid), for Rs. 4 lakhs and 6 per cent. 'B' cumulative redeemable preference shares (of Rs. 100 each) for Rs. 20 lakhs. The ordinary capital is made up of 180,000 shares of Rs. 25 each, of which shares of the face value of Rs. 30 lakhs were issued for consideration other than cash. The reserves and surplus, as on 31st December, 1954, aggregate Rs. 33.16 lakhs. There is a debenture liability of Rs. 5.44 lakhs, secured on land, machinery and plant at Raneegunge and carrying interest at the rate of 4½ per cent. per annum. The current liabilities aggregate Rs. 30.41 lakhs, while provision for taxation stands at Rs. 2.03 lakhs. The gross block of the value of Rs. 199.96 lakhs stands written down to Rs. 58.90 lakhs. The current assets aggregate Rs. 83.14 lakhs and exceed the current liabilities and provision for taxation by an impressive margin of Rs. 50.70 lakhs.

The Rs. 25 paid-up ordinary shares of the Company are being currently quoted at Rs 65 *ex-div.* At this rate and on the basis of the latest dividend, the shares give a yield of 4.8 per cent. per annum, free of income-tax.

SHREE NIWAS COTTON MILLS LTD.

Satisfactory results are disclosed by the audited accounts of the Shree Niwas Cotton Mills Ltd. (Managing Agents: The Marwar Textile (Agency) Ltd., Bombay), for the year ended 31st December, 1954. The gross profit, no doubt, shows a small decline from Rs. 32.77 lakhs to Rs. 30.83 lakhs. But this small setback is due to the incidence of the award of the Labour Appellate Tribunal under which the Company had to provide Rs. 10.29 lakhs towards increased bonus for 1952 and extra dearness allowance with retrospective effect from May, 1953 to December, 1954. It may, therefore, be noted that but for this additional liability, the results for the year under review would have been really very encouraging. The net profit (after providing for depreciation and taxation) is actually higher at Rs. 13.81 lakhs, as compared with that of Rs. 12.70 lakhs for 1953. Consequently, the Directors have been able to repeat the allocation of Rs. 2 lakhs to the reserves, with the change that it is credited during the reporting year to the general reserve, instead of to the renewal and replacement reserve as in the previous year. The dividend on the ordinary shares has been maintained at 14 per cent., to which level it had been raised last year from 12½ per cent. paid for 1952.

The following comparative table giving the salient features of the Company's profit and loss accounts for the past four years, provides an idea of the Company's progress in recent years:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Sale proceeds	369.16	338.12	362.81	401.92
Stocks	106.90	123.56	119.04	114.85
Other income	5.58	2.12	0.49	0.48
Expenses*	343.91	307.47	340.07	246.72
Gross profit	30.83	32.77	23.31	65.68
Managing Agent's remuneration	3.19	2.59	2.90	8.21
Provision for—				
Depreciation	6.84	7.98	9.97	7.42
Taxation	7.00	5.50	2.50	18.00
Net profit	13.81	12.70	7.94	31.98
To reserves	2.00	2.00	..	22.00
Dividends—				
4% preference	0.19	0.19	0.19	0.19
Ordinary	9.40 (14%)	8.40 (14%)	7.50 (12½%)	10.50 (17½%)
Carry forward	1.24	2.70	3.44	2.19

*Approximate.

It will be observed that the rise in sale proceeds is accompanied by an increase of Rs. 3.46 lakhs in "other income" accounted for mainly by the increase of Rs. 1.19 lakhs in processing and mercerising charges and Rs. 2.16 lakhs in interest and dividends. The rise in sale proceeds and "other income" has been more than offset by the increase of Rs. 36.44 lakhs in expenses, of which consumption of cotton, cotton waste, chemicals, stores, etc., account for Rs. 22.89 lakhs, electricity and water consumption for Rs. 1.87 lakhs, brokerage, selling agency commission, etc., for Rs. 1.16 lakhs, and wages and establishment expenses for Rs. 8.62 lakhs.

The Company's paid-up capital amounts to Rs. 64.80 lakhs, as against which the reserves and surplus aggregate Rs. 69.74 lakhs. The provision for taxation stands at Rs. 9.14 lakhs. The current liabilities aggregate Rs. 90.76 lakhs. There has been an addition of Rs. 7.39 lakhs to the gross block during the year, bringing the total value to Rs. 91.26 lakhs. This has been written down to a book value of Rs. 40.54 lakhs. The current assets amount to Rs. 193.90 lakhs, exceeding the current liabilities and provision for taxation by a margin of Rs. 94 lakhs.

In pursuance of its policy of modernising the old and worn-out plant and machinery, the Company has added recently a new printing plant and this is likely to go into production shortly. The scheme of modernising the ring frame department will be completed shortly, when the conversion materials for the remaining 10 old ring frames are received and replaced. The Company has also placed an order for 26 additional new ring frames, which, when erected, will add to the spinning department 10,204 more spindles.

The Company proposes to capitalise a sum of Rs. 20 lakhs from the reserves and issue one ordinary share for every three ordinary shares held. The necessary application for the purpose is pending before the Controller of Capital Issues for sanction. If the sanction is given and the bonus shares issued, will be the fourth occasion when the Company thus capitalises a part of the reserves. In June, 1944, it may be recalled, the Company capitalised a sum of Rs. 4.80 lakhs and issued 4 per cent. tax-free redeemable cumulative preference shares as bonus shares to the then existing ordinary shareholders in the proportion of one preference share for every five ordinary shares. In March, 1948, a sum of Rs. 24 lakhs was capitalised and one ordinary share for every ordinary share was issued as bonus. In February, 1951, for the third time, the Company capitalised Rs. 12 lakhs and issued one ordinary share for every four ordinary shares.

The Rs. 100 fully paid-up ordinary shares are being currently quoted at Rs. 235 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 6.3 per cent. per annum, free of tax.

SURAT ELECTRICITY EARNS RECORD PROFIT

The Directors' report and audited accounts of the Surat Electricity Company Ltd. (Agents: Messrs. Killick Industries Ltd., Bombay) for the year ended 31st December, 1954, make encouraging reading, inasmuch as the Company's sales of energy during the year and the profit have registered a sharp rise over those of the previous year, carrying them to new record levels. Thus, the sales of energy during the year under review amounted to 28.25 million kw.h., as compared with 23.62 million kw.h. for the previous year, representing an increase of 4.63 million kw.h. or 19.6 per cent. The gross profit, which had declined a little from Rs. 8.74 lakhs (for 1952) to Rs. 8.37 lakhs (1953), has jumped up to Rs. 11.06 lakhs. The net profit (after making provisions for Agents' remuneration, depreciation and taxation) amounts to Rs. 5.43 lakhs—also a record—as compared with Rs. 3.79 lakhs for 1953 and Rs. 4.25 lakhs for 1952.

Out of the above profit, the Directors have utilised Rs. 1,751 to write off the new share capital issue expenses, for which purpose a sum of Rs. 1,632 was utilised a year ago. They also propose to transfer Rs. 25,670 to the statutory contingencies reserve, as against Rs. 22,928 set aside last year, Rs. 60,000 to dividend equalisation reserve and Rs. 61,900 to employees' retiring gratuities reserve, both of which had received nothing last year. The dividend on the ordinary shares is being maintained at 7 per cent. per annum for the eleventh year in succession, notwithstanding the substantial increase in equity capital during these years.

The following comparative table gives an idea of the Company's progress during the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Sale proceeds of energy	46.66	40.01	41.72	35.84
Other income	2.65	2.52	2.54	2.19
Cost of energy purchased	21.76	17.96	1.08	..
Other expenses	16.42	16.20	28.53	21.19
Gross profit	11.06	8.37	8.74	6.88
Agents' remuneration	1.15	1.00	1.08	0.75
Depreciation	2.78	2.38	3.14	1.94
Provision for taxation	1.71	1.20	1.82	0.82
Net profit	5.42	3.79	4.25	3.32
New share capital issue expenses	0.02	0.02	0.01	0.01
To reserves	1.47	0.22	1.54	0.08
Dividends—				
5½% Preference	0.82	0.32	0.32	0.32
Ordinary	3.59 (7%)	3.27 (7%)	2.35 (7%)	1.55 (7%)
Carry forward	0.02	0.01	0.06	0.02

There was no change in the basic rate of supply of electricity. The special rebate of 5 per cent. on consumers' bills introduced in September, 1953, was withdrawn in August, 1954. 1,235 new consumers were connected to the mains, bringing the total number to 22,831, an increase of 5.72 per cent. over that at the close of 1953. The continuity of supply to the Company from the Government's thermal station at Utran was satisfactory. The Company's maximum demand on the Grid was 4,900 kw., as against 4,400 kw. in 1953, and it purchased 25.71 million kw.h. of energy, an increase of 4.25 million kw.h. over that in the previous year. Its diesel generating set No. 5, which had been out of commission since 28th February, 1951, was rebuilt with a new half crankshaft and was put on commercial load during the year under review. The maximum demand on the diesel generating plant was 3,370 kw. and the quantity of energy generated was 5.15 million kw.h., as against 4.73 million kw.h. in 1953. The maximum load on the Company's system as a whole was 7,600 kw., as against 6,880 kw. during the previous year.

The Company's reserves and surplus as at the close of the year amount to Rs. 14.19 lakhs, as against a paid-up capital of Rs. 56.24 lakhs. The provision for taxation stands at Rs. 2.79 lakhs and current liabilities aggregate Rs. 30.72 lakhs. The gross block of the value of Rs. 102.68 lakhs has been written down to Rs. 72.22 lakhs. Capital work-in-progress, intangible assets and obsolete and unserviceable assets account for Rs. 1.09 lakhs. The current assets amount to Rs. 30.64 lakhs.

The Rs. 100 fully paid-up ordinary shares are being currently quoted at Rs. 131-8 *cum-div.* On an *ex-div.* basis, the dividend for the year under review gives a yield of 5.5 per cent. per annum, free of income-tax.

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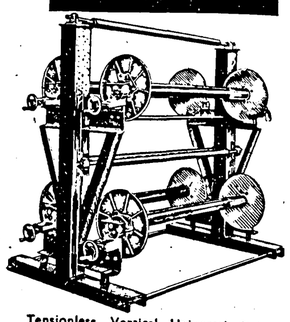

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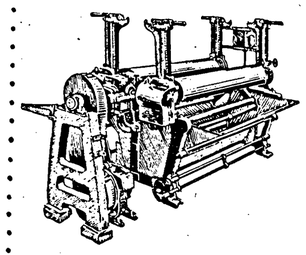

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TR/6

Points From The Chair

Modernisation and Rehabilitation

"IT cannot be too strongly emphasised that, if this premier national industry is to maintain and improve its working on a sound basis, then the industry must be allowed to modernise and rehabilitate its outmoded equipment on an extensive scale and steps should be taken to introduce rationalised working by gradual stages to bring about the necessary reduction in the manufacturing costs. I welcome, in this connection, the development rebate of 25 per cent. which the Finance Minister has introduced in his last budget and I hope this will accelerate the pace of installation of new machinery and plants in many units. The problem, however, is really very gigantic and complicated and I appeal to the Government and the Planning Commission to give their proper attention to solve this issue which is of such vital importance to the future well-being of the industry."

G. D. SOMANI, M.P.,
Shree Niwas Cotton Mills Ltd.

Demand for Fuel Oil

"I drew attention last year to the mounting evidence of difficulty in keeping the balance product by product between market demand and what the refiner can extract from the barrel of crude oil in Eastern Hemisphere operations. Events since then have served to underline the problem. The demand for heavy oils, particularly residual fuel oil, has continued to increase rapidly. High levels of industrial activity and the inability of other fuels to cope with the increasing requirements has led, in Europe, for example, to a rise of about 20 per cent. in fuel oil consumption. Demand is likely to remain high, since oil will probably be called upon to satisfy increasing fuel requirements—in this country, the electricity authorities, gas boards and railways are all planning to use substantial quantities of fuel or diesel oil. The consumption of motor spirit, on the other hand, is generally restricted by heavy taxation, and sales in the Eastern Hemisphere showed an increase of only about 9 per cent., as compared with 13 per cent. for black oils. This artificial restriction of the demand for the lighter fractions, which include motor spirit, continues to present us—and the oil industry in general—with a difficult situation."

LORD STRATHALMOND,
British Petroleum Company Ltd.

Investment Policy in Insurance Business

"Successful investment policy in the insurance business is not to be measured by the outcome of a single year; premiums that are entrusted to us by life policyholders must usually be invested over a period of many years to build up the funds from which claims are paid. There is a continuing need throughout the life of each policy to invest such premium to obtain the best return that is consistent with security, avoiding discernible risks but taking advantage of promising investment opportunities as they arise. We are not alone in the insurance business in giving greater weight in our investment thinking to the long-term expectations of sound industrial ordinary shares, and the prospect of a gradually improving income from them. But in investment policy there can be no pre-conceived or hard and fast line, as recent events have again proved; only by constant watchfulness as conditions change can the maximum security and the best return be secured. We have, too, another responsibility in our investment policies. That is to take our share in directing an important part of the stream of national savings into productive industry. This aim, so essential to the progress of the British economy, is in our view no less to the ultimate advantage of our policyholders also."

THE RT. HON. LORD GLENCONNER,
Northern Assurance Company Limited.

Rural Credit Problem

"I am glad to say that the Government and the Reserve Bank have realised the importance of solving or tackling the rural credit problem. The experts from abroad have been consulted. Department of Investigation and Research of the Reserve Bank have produced a number of reports as to why and how this problem should be tackled. But I am constrained to say that the present proposal, as adumbrated by the Government as well as by the Reserve Bank shows lack of rural touch and outlook. The investigation reports reveal that the problem has not been completely understood. I think the regional commercial banks with sound directorate, who have got the knowledge of local area and the economic conditions of the rural population, will be able to tackle the problem successfully."

H. R. MOHARAY,
Bank of Karnatak Ltd.

Customers are Price-conscious

"...at the present time, with stocks in plentiful supply, customers do not feel the same compulsion to buy. They are free to choose and, what is more to the point, they are becoming more price-conscious and this situation of plentiful stocks and price-resisting customers is a safeguard against rising prices. That leads me to another point, I should like to make. Obviously, quality goods must be more expensive from a purely price point of view. There was a time when quality was the main consideration both at home and abroad and customers bought quality goods realising that it paid them best to buy the best. But now, as I said before, price is becoming more of a consideration and this also applies to the export trade."

SIR RICHARD BURBIDGE,
Harrods Ltd.

COMPANY MEETINGS AND DIVIDENDS

ALEXANDRA JUTE MILLS LTD. Half-yearly General Meeting, Calcutta, 30th May, 1955. Dividend: Rs. 5 per share. Transfer books remain closed from 16th to 30th May, 1955, both days inclusive.

CHITAVALSAH JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 30th May, 1955. Dividend: As. 10 per share. Transfer books remain closed from 16th to 30th May, 1955, both days inclusive.

NELLIMARLA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 30th May, 1955. Dividend: As. 6 per share. Transfer books remain closed from 16th to 30th May, 1955, both days inclusive.

WAVERLEY JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 30th May, 1955. Dividend: As. 4 per share. Transfer books remain closed from 16th to 30th May, 1955, both days inclusive.

BENGAL PAPER MILL CO., LTD. Half-yearly General Meeting, Calcutta, 31st May, 1955. Dividend: Re. 1-9 per share (6½ per cent.). Transfer books remain closed from 20th to 31st May, 1955, both days inclusive.

HIGHLAND PRODUCE CO., LTD. Annual General Meeting, Alleppey, 6th June, 1955. Dividend: Rs. 2-8 per share (includes interim dividend of As. 10 per share). Transfer books will remain closed from 31st May to 6th June, 1955, both days inclusive.

SHREE DIGVLAY CEMENT CO., LTD. Annual General Meeting, Seeka, 6th June, 1955. Dividend: Rs. 8-8 per share, payable on 7th June, 1955. Transfer books remain closed from 16th May to 1st June, 1955, both days inclusive.

INDIA SUGARS AND REFINERIES LTD. Annual General Meeting, Hospet (Bellary Dist.), 6th June, 1955. Dividend: Re. 1-12 per ordinary and "B" ordinary shares, free of income-tax, payable on or after 20th June, 1955. Transfer books will remain closed from 23rd May to 6th June, 1955, both days inclusive.

SENDRA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 10th June, 1955. Dividend: As. 2 per share. Transfer books remain closed from 27th May to 10th June, 1955, both days inclusive.

PUNJAB MINERALS CO., LTD. Annual General Meeting, Calcutta, 10th June, 1955. Dividend: *Nil.* Transfer books remain closed from 27th May to 10th June, 1955, both days inclusive.

ALCOCK ASHDOWN AND CO., LTD. Annual General Meeting, Bombay, 10th June, 1955. Dividend: Rs. 12-8 per share, payable on 13th June, 1955. Transfer books remain closed from 16th May to 4th June, 1955, both days inclusive.

LARSEN AND TOUBRO LTD. Annual General Meeting, Bombay, 15th June, 1955. Dividend: Re. 1 per ordinary share, payable on or after 20th June, 1955. Transfer books will remain closed from 25th May to 18th June, 1955, both days inclusive.

BALMER LAWRIE AND CO., LTD. Annual General Meeting, Calcutta, 1st July, 1955. Transfer books will remain closed from 16th June to 1st July, 1955, both days inclusive.

INDIAN CEMENT CO. (1937) LTD. Annual General Meeting, Bombay, 18th July, 1955. Dividend: Rs. 2-8 per share. Transfer books will remain closed from 3rd to 14th June, 1955, both days inclusive.

INDORE MALWA UNITED MILLS LTD. Dividend of Rs. 6 per share, for the year ended 31st December, 1954, payable on 11th July, 1955. Transfer books will remain closed from 3rd June to 2nd July, 1955, both days inclusive.

SRI BALASUBRAMANIA MILLS LTD. Dividend of Rs. 6 per share (15 per cent.), for the year ended 31st December, 1954. Transfer books remain closed from 26th May to 8th June, 1955, both days inclusive.

NENMENY RUBBER AND PRODUCE CO., LTD. Dividend of Re. 1-8 per share, for the year ended 31st December, 1954. Transfer books will remain closed from 14th to 18th June, 1955, both days inclusive.

THAMARAPALLY RUBBER CO., LTD. Dividend of Rs. 3 per share, for the year ended 31st December, 1954. Transfer books will remain closed from 14th to 18th June, 1955, both days inclusive.

BALANOOR TEA AND RUBBER CO., LTD. Final dividend of Re. 1-8 per share, for the year ended 31st March, 1955. Transfer books will remain closed from 13th to 18th June, 1955, both days inclusive.

DEVON TEA AND PRODUCE CO., LTD. Final dividend of Re. 1-8 per share, for the year ending 31st March, 1955. Transfer books will remain closed from 13th to 18th June, 1955, both days inclusive.

ANDHRA CEMENT CO., LTD. Dividend of Rs. 10 per "A" ordinary share and Re. 1 per "B" ordinary share, for the year ended 31st December, 1954. Transfer books remain closed from 15th to 29th May, 1955, both days inclusive.

MYSORE CHEMICAL MANUFACTURERS LTD. Dividend of Rs. 2 per ordinary share, for the year ended 31st March, 1955. Transfer books remain closed from 28th May to 11th June, 1955, both days inclusive.

COIMBATORE PIONEER MILLS LTD. Final dividend of Rs. 10 per share, for the year ended 31st December, 1954. Transfer books remain closed from 27th May to 9th June, 1955, both days inclusive.

RESULTS OF SOME BIRD-HEILGER GROUP COAL COMPANIES

JANARDANA MILLS' PROFIT HIGHER

Bhulanbararee Coal Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1954.

Raisings and despatches.—84,832 (63,363) tons of coal were raised and 1,02,138 (76,334) tons were despatched compared with 72,941 tons raised and 65,815 tons despatched in the preceding half-year.

The Ropeway continued to work satisfactorily and transported 85,791 tons of sand to the Company's pits. The comparable figure in the previous period was 81,259 tons.

The process of sand getting and sand stowing continues in the nation's best interests, but it must be stressed again that the quantum of compensation by way of subsidy allowed by Government is not and never has been adequate.

Conservation.—While Government's plans for the expansion of the Indian Steel Industry go forward rapidly the plans for providing these same units with coal, a basic commodity, have not advanced at all in the last few years. Pegging of production continues in this coking coal colliery with resultant high costs.

Transport.—The seasonal increase in wagon supplies occurred during the half-year since when there has been the usual decline with stocks of coal accumulating at pit-heads. The locking up of capital is a serious matter in these days of narrow margins, if any, between selling prices and production costs.

Labour.—The directors report that relations with the workmen were on the whole satisfactory. The All-India Industrial Tribunal (Colliery Disputes) hearings which commenced in February, 1954 continue. Rs. 11,384 was received during the period from the Coal Mines Welfare Commission by way of subsidies on account of houses built for Labour.

The profit and loss account, after providing Rs. 33,766 (Rs. 26,270) for depreciation and including the debit balance of Rs. 2,04,456 (Rs. 41,494) brought forward from the previous period, shows a debit balance of Rs. 2,17,803 (Rs. 1,36,897) which the directors propose to carry forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,15,000	Block ...	15,32,037
Reserves ...	14,52,017	Capital expenditure in progress ...	44,789
Liabilities ...	7,28,057	Coal stock ...	73,688
		Stores	1,32,775
		Debts and advances ...	8,25,033
		Investments	64,105
		Cash ...	4,844
		Profit and loss account ...	2,17,803
Rs.	28,95,074	Rs.	28,95,074

Borrea Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1954.

Raisings and despatches.—75,147 (72,733) tons of coal were raised and 78,205 (75,298) tons were despatched compared with 75,768 tons raised and 73,587 tons despatched in the preceding half-year. The pegging target imposed by Government again restricted raisings.

Under the new taxation proposals, the Company will have a taxation saving of Rs. 1,000 for this period under the development rebate scheme. This sum is being taken to a development rebate reserve. The profit and loss account, after providing Rs. 37,410 (Rs. 30,244) for depreciation, Rs. 1,31,160 (Rs. 1,37,839) for taxation, transferring Rs. 6,800 (Rs. 6,000) to tax contingency reserve, Rs. 50,000 (Rs. 30,000) to development reserve, Rs 25,000 (*nil*) to reserve for bad debts, bringing in Rs 10,000 (*nil*) from taxation reserve and including the sum of Rs. 98,663 (Rs. 1,06,183) brought forward from last half-year, shows an available balance of Rs. 1,86,771 (Rs. 2,10,952) which the directors propose to dispose off as follows:—

In paying a dividend on the preference shares at the rate of 6½ per cent. per annum without any deduction for income-tax paid by the Company Rs. 13,000 (Rs. 13,000), in paying a dividend on the ordinary shares at the rate of 20 (20) per cent. per annum without any deduction for income-tax paid by the Company Rs. 75,000 (Rs. 75,000) and in carrying forward Rs. 98,771 (Rs. 1,04,202 after paying a bonus of As. 4 per share which absorbed Rs. 18,750).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,50,000	Block ...	16,31,195
Reserves ...	22,92,190	Capital expenditure in progress ...	2,54,869
Provision for taxation ...	1,34,512	Coal stock ...	37,791
Liabilities ...	5,32,571	Stores ...	1,21,506
Profit and loss account ...	98,771	Debts and advances ...	13,18,943
		Investments ...	7,64,979
		Cash ...	78,761
Rs.	42,08,044	Rs.	42,08,044

Burrakur Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1954.

Raisings and despatches.—5,10,755 (4,71,163) tons of coal were raised and 5,39,960 (4,99,753) tons were despatched compared with 5,15,703 tons raised and 5,02,872 tons despatched in the preceding half-year.

The Loyabad Ropeway continued to work satisfactorily and transported 4,81,558 (4,43,802) tons of sand to the Company's collieries and to other neighbouring collieries. The comparable figure in the previous period was 3,46,186 tons.

Loyabad Coke Plant.—36,726 (29,360) tons of metallurgical coke were manufactured during the period compared with 28,759 (32,428) tons last half-year. Relative despatch figures were 36,767 and 29,855 tons, respectively.

The directors report that the repair programme has now reached the stage where with repairs to only half the total number of ovens completed the Plant is producing more coke than a year ago due to the decrease in carbonisation time. Repairs to the remaining ovens are continuing as rapidly as possible.

A temporary shortage of by-product hard coke which evinced itself during the period under review has led to statements issued from various sources that the existing producers will be unable to meet the country's future demands for this commodity. In support of these statements there have been certain assessments of the extent of the potential demand, which in the directors' opinion have been greatly exaggerated. The directors consider that the existing sources of supply should be able, when working to capacity, to meet in full any demand for by-product coke which may arise within the near future. Consequently and bearing in mind the inherent inelasticity of the industry, it would be a mistake for the authorities to embark upon any scheme for the installation of new coke-oven capacity without first being fully satisfied that overproduction would not ensue. These views, which are fully shared by the other members of the commercial by-product hard coke industry, have been communicated to the Coke Oven Projects Enquiry Committee, whose report is awaited.

A sum of Rs. 16,954 was received during the period from the Coal Mines Welfare Commission by way of subsidies on account of houses built for Labour. Under the new taxation proposals the Company will have a taxation saving of Rs. 20,000 for this period under the development rebate scheme. This sum is being taken to a development rebate reserve.

The profit and loss account, after providing Rs. 4,89,955 (Rs. 3,92,488) for depreciation, Rs. 4,67,365 (Rs. 3,77,366) for taxation, transferring Rs. 65,000 (Rs. 55,000) to tax contingency reserve, Rs. 50,000 (Rs. 50,000) to debenture redemption reserve, Rs. 70,000 (Rs. 50,000) to ropeway rope replacement reserve, Rs. 30,000 (*nil*) to general reserve and including the sum of Rs. 1,49,910 (Rs. 83,552) brought forward from last half-year, shows an available balance of Rs. 5,61,616 (Rs. 4,28,860) which the directors propose to dispose off as undernoted:—

In paying a dividend on the 1st preference shares of 7 per cent. per annum without any deduction for income-tax paid by the Company Rs. 80,493 (Rs. 80,493), in paying a dividend on the 2nd preference shares of 6 per cent. per annum after deduction of income-tax paid by the Company Rs. 9,956 (Rs. 9,956), in paying a dividend on the ordinary shares at the rate of 6¼ (5) per cent. per annum without any deduction for income-tax paid by the Company Rs. 2,84,140 (Rs. 2,27,312) and in carrying forward Rs. 1,87,027 (Rs. 1,11,099).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,18,42,280	Block ...	2,38,64,086
Debentures ...	20,00,000	Capital expenditure in progress ...	2,07,218
Reserves ...	1,73,11,164	Stock-in-trade	15,18,618
Liabilities ...	62,12,979	Stores and spare parts	28,87,075
Profit and loss account ...	1,87,027	Debts, deposits and advances ...	66,87,867
		Investments	19,18,642
		Cash ...	4,69,944
Rs.	3,75,53,450	Rs.	3,75,53,450

Churulia Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1954.

Karanpura Mining Syndicate.—During the half-year ended 31st December, 1954, 66,571 (74,888) tons were raised and 65,780 (68,186) tons were despatched. The Secretaries report that rail movement has become somewhat easier recently but wagon supplies are not yet on a par with the output capacity of the mine.

The managing agents have decided to forego their allowance in respect of the period under review. The profit and loss account after including Rs. 25,618 (Rs. 19,867) brought forward from last half-year shows an available balance of Rs. 18,342 (Rs. 9,056) which the directors propose to dispose of as follows:—

In paying a dividend of 6 (6) pies per share, without any deduction for income-tax paid by the Company Rs. 4,688 (Rs. 4,688) and in carrying forward Rs. 13,654 (Rs. 4,368).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Investments	7,26,037
Reserves ...	1,43,230	Debts and advances ...	39,865
Liabilities ...	10,849	Cash ...	1,831
Profit and loss account ...	13,654		
Rs.	7,67,733	Rs.	7,67,733

Karanpura Development Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1954.

There was the usual seasonal increase in wagon supplies during this period and coal despatches from the Karanpura field improved accordingly. Information regarding the working of the coal industry during the second Five-year Plan indicates that this field is listed as one of the important centres.

Sales of fireclay again improved and the Company's income from the use of its drilling equipment showed satisfactory results. The laboratory continued to do useful work in many spheres.

It is probable that the Company's appeal against the decision of the Patna High Court will be heard by the Supreme Court towards the end of the year.

Raisings and despatches.—During the period under review 3,94,142 (3,99,107) tons of coal were raised and 3,95,633 (3,76,337) tons were despatched. The Argada Colliery has resumed working after serious flooding.

Regarding Scott and Saxby Ltd., a subsidiary company, the managing agents report that although the accounts for 1954 have not yet been finalised it is probable that the figures will show a small profit. Business was booked to capacity particularly in the tea garden areas, but the floods hampered programmes. Future prospects are good and the Company's order book is full for 1955 to date.

As previously on the advice of the Company's lawyers the directors do not recommend the payment of any dividend. For the same reason the managing agents do not propose to draw their commission for the half-year and the amount in question will be carried forward. The profit and loss account after providing Rs. 5,718 (Rs. 1,32,500) for taxation, Rs. 11,648 (Rs. 8,059) for depreciation and transferring Rs. 19,000 (Rs. 31,500) to reserve for bad and doubtful debts and including the sum of Rs. 26,086 (Rs. 72,147) brought forward from last half-year shows an available balance of Rs. 16,731 (Rs. 20,127) which will be carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	31,62,003
Reserves ...	27,12,396	Stock ...	5,403
Provision for taxation ...	24,040	Stores ...	81,512
Liabilities ...	27,38,330	Other assets	20,317
Profit and loss account ...	16,731	Debts, deposits and advances ...	16,68,981
		Investments	25,22,969
		Cash ...	30,312
Rs.	74,91,497	Rs.	74,91,497

Janardana Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. G. Venkatswamy Naidu and Co., Uppilipalayam, Singanallur) submitted the audited accounts of the Company for the year ended 31st December, 1954.

After meeting all working expenses and interest, and after providing Rs. 2,26,182 (Rs. 1,10,357) for depreciation the year's working has resulted in a net profit of Rs. 2,13,246 (Rs. 57,344). Out of this sum, Rs. 5,168 has been expended on charity, leaving a balance of Rs. 2,08,078 (Rs. 57,344). The directors recommend to pay a tax-free dividend of 10 (9) per cent. to the shareholders Rs. 89,000 (Rs. 80-100 after taking Rs. 22,756 from dividend equalisation fund) and to reduce the loss of previous years Rs. 1,19,078 (*nil*).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,90,000	Block ...	14,13,391
Reserves ...	10,65,683	Stock-in-trade	7,37,169
Provision for taxation ...	69,769	Stores ...	1,85,063
Liabilities ...	8,37,156	Debts, deposits and advances ...	4,00,988
		Investments	59,680
		Cash ...	16,193
		Profit and loss account ...	50,124
Rs.	28,62,608	Rs.	28,62,608

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

MONEY COMFORTABLE

(From Our Own Correspondent)

BOMBAY, 25th *May*

Fairly comfortable conditions prevailed in the short-term money market during the week under review. This was not due to any appreciable improvement in the supply of funds, but was the result of a further abatement in the demand for money and the banks had no difficulty in meeting whatever demand there was. In the inter-bank call money sector, borrowers were able to get their requirements at 2½ per cent., as against 3 per cent. in the previous week. There was, however, no change in the short-term deposit rates. Banks offered 3 per cent. for one to six months' money. Ordinarily, at this time of the year, banks are not keen bidders for one to two months' deposits, for the period of their use falls in the slack season. But this year some are inclined to accept them, because they feel that, if the forthcoming Central Government loan were to be kept on tap, as was done last year, firm money conditions might prevail during the slack season, too. It remains to be seen whether this view will find wider acceptance next week.

The results of the Government of India Treasury Bill sales this week do not, however, clearly reflect the comfortable conditions in the short-term money market described above. Thus, while the amount offered, in response to the invitation for Rs. 100 lakhs, at Rs. 155 lakhs, were Rs. 16.25 lakhs more than those in the previous week, the average rate of accepted tenders hardened from Rs. 2-9 per cent. to Rs. 2-9-1 per cent. per annum. Tenders for Rs. 100 lakhs have been invited next week also.

A contraction of Rs. 8.68 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 20th May, 1955. This compares with the small expansion of Rs. 1.83 crores noted in the previous week. Notes held in the Banking Department, on the other hand, are higher by Rs. 8.94 crores, so that there is a net increase of Rs. 26 lakhs in total notes issued. This rise is covered on the assets side by a corresponding expansion in rupee coin. For the second week in succession, deposits of the Central Government show an increase, the rise during the latest week being Rs. 3.30 crores. The downward trend in deposits of other Governments, noted in the previous two weeks, is maintained in the week under review also with a further drop of Rs. 4.25 crores. Deposits of banks have risen by Rs. 2.91 crores. A rise of Rs. 1.51 crores is noted in balances held abroad. There has been no change in loans and advances to Government, while a decline of Rs. 4.06 crores is noted in other loans and advances, of which outstanding loans and advances to Scheduled banks against usance bills account for Rs. 3.38 crores. Fresh borrowings by banks against usance bills during the week amounted to Rs. 5.50 crores.

The consolidated statement of position of the Scheduled banks for the week ended 13th May, 1955, discloses a rise of Rs. 1.10 crores in demand deposits, in contrast to the decline of Rs. 8.08 crores in the previous week. Time deposits have gone up by Rs. 2.29 crores. Inter-bank borrowings reveal a fall of Rs. 88 lakhs, while borrowings from the Reserve Bank show an increase of Rs. 3.51 crores. Borrowings from the Imperial Bank have declined by Rs. 95 lakhs. On the assets side, the rise of Rs. 2.54 crores in advances noted in the previous week, has been followed up by a further increase of Rs. 1.54 crores in the week under review. Inland bills purchased and discounted account for a decline of Rs. 1.55 crores and foreign bills for Rs. 23 lakhs.

Firm conditions continued to prevail in the Gilt-edged market during the week under review also, with the demand for short and medium-dated securities well maintained in the face of a shortage of floating stock. Business put through was, however, very small for want of sellers. 3 per cent. 1957 was in demand at the self-same rate of Rs. 99-8, as also 3 per cent. 1958 at Rs. 99-7. 3 per cent. 1959-61 was well maintained at Rs. 97-12. 3 per cent. 1963-65 was in request and rose by an anna to Rs. 94-3, as also 3 per cent. 1964 to Rs. 94. 3 per cent. 1966-68 was held at the Reserve Bank's selling rate of Rs. 90-14. 3 per cent. 1970-75 was unchanged at Rs. 87-1, the Bank's selling rate. 3 per cent. 1986 Conversion Loan, however, softened a little to Rs. 80-11. 3½ per cent. 1961 National Plan Bond hardened from Rs. 99-13 to Rs. 100, while 3½ per cent. National Plan Loan was done at Rs. 98-12.

In the foreign exchange section, the rupee ruled weaker in terms of the U.S. dollar. Banks' selling rate for ready dollar rose from Rs. 479 to Rs. 480, though it declined today to Rs. 479½ per $100. Similarly, the buying rate, after rising from Rs. 475 to Rs. 475½, closed at Rs. 475¼ per $100. This is again in tune with a similar trend of sterling in terms of the dollar. Thus, in New York, spot sterling was marked down from $2.79 9/16-2.79 11/16 to $2.79-2.79½ on the 20th inst., the lowest level seen since 11th March, but recovered yesterday to $2.79 11/32-2.79 13/32. Three months' forward sterling closed at $2.78-1/16-2.78-3/16, after declining from $2.78½-2.78⅞ to $2.77 11/16-2.77 13/16. Transferable sterling dropped from $2.77¼-2.77⅞ to $2.77⅛-2.77¼.

(Concluded from next column)

In the tanned skins section, prices of sheep were firm and those of goat unchanged. Tanned goat superior tannages were well enquired after and the market was steady to firm. In the London public auctions, tanned sheep skins fifths and inferior selections sold strongly and prices advanced 12 to 18 pence on the sixth day of the sales but closed erratically. Out of 470,000 sheep, 135,000 remained unsold.

MARGIN IN GOLD IMPOSED

(From Our Own Correspondent)

BOMBAY, 25th *May*

After remaining featureless and somewhat subdued during the major part of the week under review, the bullion market experienced a flare up towards the close, with both silver and gold registering sharp increase in prices. The undertone of the silver section was steady with minor fluctuations in prices during the major part of the week, as the bulls were in no mood to relax their hold over the market, despite the imposition of a margin of Rs. 500 per bar from 17th May and reports of large arrivals of unrefined metal. They continued to take heavy carry forward charges from bears, the spread between the forward settlements in *Jeth* and *Ashad* widening from Rs. 5-10 to Rs. 6-8, though today it narrowed down a little to Rs. 6. Towards the close, however, there was a spurt in prices on heavy demand in the ready section, as witness the widening of the premium of ready over the forward from Rs. 3-8 to Rs. 4-8.

The gold section remained subdued in the earlier part of the week, due to slackness of demand and heavier arrivals, as indicated by the narrowing of the premium which ready gold commanded over forward from Rs. 2-6 at the opening of the week to Rs. 1-10 on Saturday. Thereafter, prices ruled steadily, until today when there was actually a flare up on account of heavy demand for ready gold and short-covering. The premium for spot gold again widened to stand at Rs. 2-15 at the close. The strength of spot gold today pushed up the closing price for forward delivery in *Jeth* settlement to Rs. 91-15, that is, to a level above the official starting rate for that settlement, namely, Rs. 91-4. And as this rate was Rs. 2-10 above the closing price for the next succeeding contract, a margin of Rs. 25 per tola on all outstanding purchases was imposed today, in terms of by-law 33-D(1) (a) (i).

Silver for forward delivery in *Jeth* settlement opened at Rs. 159-9 and moved between Rs. 160-6 and Rs. 159-3 before advancing to Rs. 161-5 today. The closing rate was Rs. 161-2. *Ashad* silver moved up from Rs. 153-15 to Rs. 155-2 and *Shravan* silver from Rs. 151-7 to Rs. 152.

Ready silver (.996 Mint), after dipping from Rs. 163-11 to Rs. 162-9 earlier in the week, advanced to Rs. 165-13 today and closed at Rs. 165-10. The floating stocks of silver are reported to be 700 bars. The daily average offtake was 25 bars.

Gold for forward delivery in *Jeth* settlement softened from Rs. 90-10 to Rs. 90-1, only to recover to Rs. 91-15 at the close today. *Ashad* gold moved down from Rs. 88-9 to Rs. 88-1 before hardening to Rs. 89-5 today. Business for *Shravan* gold, which was done at Rs. 87-7 at the close of the previous week, came to be done at a low of Rs. 86-13. It, however, wound up today at Rs. 88-1.

Ready gold moved up from Rs. 92-10 to Rs. 94-14, although it was done lower at Rs. 91-11 during the week. The floating stocks of gold are estimated at 10,000 tolas. The daily average arrivals and offtake were even at 5,000 tolas.

In London, silver prices depicted a soft tone earlier in the week, but regained to stand higher over the week. Spot silver dropped from 78½d. to 78d., but closed better at 78¾d. Similarly, forward silver closed ¼d. better at 78¾d., although it was lower at 77⅞d. also during the week. Gold advanced from £12 10*s.* 7*d.* to £12 11*s.* 2½d., the highest level since 10th March, before closing at £12 10*s.* 11*d.* per fine ounce. In New York, there was a further rise in the price of silver during the week from 89¾ cents to 90¼ cents per fine ounce.

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

	25-5-55	Highest	Lowest	18-5-55
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	94 14	94 15	91 11	92 10
Forward*	91 15	92 0	90 1	90 10
Sovereign	60 8	60 8	60 0	60 0
SILVER				
Ready (.996 fine Mint) ..	165 10	165 13	162 9	163 11
Forward†	161 2	161 15	159 3	159 11
London Silver Ready ..	78¾d.	78¾d.	78d.	78¾d.
London Forward	78¾d.	78¾d.	77¾d.	77¾d.
London Gold	250*s.* 11¼d.	250*s.* 2¼d.	250*s.* 3¼d.	250*s.* 7*d.*
New York Ready	90¼c.	90¼c.	90.16c.	89¼c.

* *July*—7th June settlement.
† *July*—9th June settlement.
N. B.—Foreign bullion prices shown in the above table relates to the previous day.

GOOD OFFTAKE IN KIPS

(From Our Own Correspondent)

MADRAS, 23rd *May*

The kip market ruled steady and arrivals met with good offtake at three to six pies per lb. less than last week. U.K. business was patchy, due to importers trying to buy at low prices. Top marks held steady. Prices in the raw centres also remained firm, due to tanners' buying. Tanned buff calf ordinary quality was in good demand from the U.S.A., but at low prices, and superior quality from the U.K. at 62d., a penny lower than the previous sales. Tanned cow calf superior marks were in good demand. The U.S. buyers were less active in the buff hides section and prices were a shade easy, although they were still one penny above the U.K. buyers' ideas.

(Continued in previous column)

FORWARD COTTON FIRM

(From Our Own Correspondent)

BOMBAY, 25th *May*

The cotton market exhibited a firm trend during the week under review, in distinct contrast to the weak conditions prevailing in the previous week. The firmness was aided principally by the upward revision in the limit of staple length of Indian cotton for all export quotas for the current season from ⅞″ to 25/32″ and free licensing of *Zoda* cotton exports (upto 30,000 bales) announced by the Central Government on Monday last. Rumours regarding the possibility of a reduction in the export duty of Rs. 300 per candy on cotton and removal of duty on cloth exports also imparted strength to the market. As a result, extensive buying activity was so much in evidence that even the bearish factors such as the Government's decision to resume licensing of cotton (1⅛″ staple) imports from non-dollar areas, especially from Egypt, and the report of curtailment of imports of cotton by several countries—Japan, France and the U.K.—were completely overlooked and prices of cotton forged ahead.

The cotton futures market presented buoyant conditions during the first two sessions of the week under review. The improved sentiment was largely the result of (1) fixation of lower room rates —at Rs. 7 "on," as against the previous rates of Rs. 13 "on," (2) application of call options, and (3) support extended by option dealers as well as by prominent bull operators. Consequently, values of cotton moved forward. The trend was somewhat halted on Saturday when, following heavy selling by a couple of prominent speculators, prices staged a retreat. The fall gathered further momentum early on Monday, thanks to high issuance of tenders on that day—amounting to 2,150 bales—and somewhat lenient survey results. Towards the close, however, a marked recovery was in evidence, due to the reasons stated at the outset. Today the market remained steady.

I.C.C. May went off the boards of the E.I.C.A. today. The contract opened the week at Rs. 578 and improved to Rs. 590 on Thursday. Thereafter, it gradually receded and terminated at Rs. 573-8 today. The total tenders against the May contract amounted to 13,550 bales, as against 5,950 bales tendered against the February contract. Of this quantity, 6,150 bales were tendered today. I.C.C. August delivery began the week lower at Rs. 562, as against Rs. 567-12 last week-end, and advanced to Rs. 571-8 on the 20th inst. After receding to Rs. 565-12 on Saturday, it recovered to Rs. 575 today before finishing at Rs. 573-4.

The trend of prices during the week under review is indicated below:

		18-5-55	*High*	*Low*	25-5-55
I.C.C. May ...	Rs.	582	590	573½	573½
I.C.C. August ...	Rs.	567¾	575	562	573¼

Although there was enlarged mill and trade demand for cotton in the spot market, prices did not record any rise. On the contrary, they were maintained more or less at last week's levels. Mill interest was specially focussed on Jaydhar, Laxmi, Jarilla and Vijay. In the export section, Dholleras met with enquiries from the Continent and Bengals from Japan. Among foreign cottons, there was moderate demand for ready lots of Egyptians, Africans and Sudans.

The latest available quotations from the Sewri market are: Bengal *deshi* Rs. 540; Berar Jarillas Rs. 610; Khandesh Rs. 595; Vijay Rs. 540; Oomra *deshi* Rs. 540; Moglai Rs. 520.

The Alexandria cotton market ruled fully steady during the week. Karnak and Giza 30 were on special request, enquiries being mainly from India, Switzerland, Japan, France, Germany and the U.S. There was a further rise in premiums of entitlement currencies, with sterling touching a high of 15-9/16 per cent. The continued firmness is attributed to reduced volume of cotton exports from Alexandria and rumours of the Government selling sterling at 13½ per cent. to import licence holders. Even so, buyers paying fully in sterling for Egyptian cotton can get the very attractive discount of 9-1/8 per cent. Other entitlement currencies are also equally strong with Deutsche marks and U.S. dollars fetching a premium of 15½ per cent. Thanks to attractive discounts, enquiries, particularly from the U.S., have been better.

As was briefly reported last week, the Sudan Gezira Board has reduced the reserve prices for cotton further, as the earlier revision effected for the auction on the 11th inst. failed to break down buyers' resistance. The reduction is to the extent of 75 penny points for G2S, 100 penny points for XG3S, G3S, and XG4S, 65 penny points for XG5S and 125 penny points for all 'L's. The Board has also discontinued weekly auctions to be replaced by daily auctions which commenced on Wednesday last week. Sales by private treaty, too, have been suspended. The unsold stocks of old crop cotton lying with the Board are estimated at 16,740 bales.

In East Africa, the main interest now centres round MWANZA crop, the first auction of which covering 15,000 bales is being held today. The estimate of this crop is placed at 120,000 bales.

Quiet conditions prevailed in the Liverpool cotton futures market during the week under review. In view of continued uncertainty with regard to U.S. official policy for cotton exports during 1955-56, traders did not evince much interest in fresh business. Consequently, prices of cotton eased slightly. The latest available quotations from the futures market are: May-June 32.26*d.*; July-August 31.28*d*; October-November 30.53*d*; December-January 30.42*d.*

Trading in the New York cotton futures market was characterised by liquidation in near deliveries and transfers into new crop positions. Reports of beneficial rains over Eastern belt sections and generally favourable crop conditions

imparted easiness to the market and prices tended to recede.

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

(In cents per lb.)

	24-5-55	17-5-55	10-5-55
Spot	34.80	34.75	35.00
July	34.04	34.11	34.19
October	34.20	34.25	34.15
December	34.22	34.33	34.20
March	34.15	34.28	—

COTTON YARN STEADY

(From Our Own Correspondent)

BOMBAY, 25th *May*

Notwithstanding expectations of larger cotton yarn output, based on the Government's decision to permit imports of cotton of over 1¼" from non-dollar areas, the cotton yarn market presented a fully steady tone during the week under review. This was because the sentiment of the market was hardened by rumours regarding the grant of a further export quota of yarn for giving relief to spinners who had heavy unsold stocks with them. There was, besides, the expectation of better off-take from weaving centres in the coming weeks. These factors, coupled with encouraging advices from importing countries, especially Aden and Hongkong, induced the operators to support the market and prices of yarn, as a consequence, tended to look up.

Among 10 count yarns, Moderns evoked the special attention of traders and spurted by As. 3 to Rs. 13. Podars were fully maintained at Rs. 12-13 and Elphinstones at Rs. 12-8. Among 20s, Maduras advanced by As. 4 to Rs. 17-4, Raghuvamshis were steady at Rs. 16-6. Deals in 40 count yarns were put through at higher levels, Moderns rising from Rs. 25 to Rs. 25-2. Among 60s, Moderns gathered As. 8 to Rs. 61-8. Finlays were steady at Rs. 62 and Raghuvamshis at Rs. 55. Among 80s, Seksarias met with special buying enquiries and rallied a rupee to Rs. 54-4. Finlays and Moderns were unaltered at Rs. 68-8 and Rs. 62-8, respectively. Yarns of 30 counts, however, proved an exception, in that they suffered a decline in prices for want of support. Thus, Maduras receded by As. 3 to Rs. 21. Moderns eased by As. 2 to Rs. 21-2.

In the absence of any encouraging development, the rayon yarn market ruled quiet this week too, as in the previous week, and prices continued their downward march. Rayon yarn (150 deniers) for May contract dropped a rupee to Rs. 731. There was no forward trading in June-July, 1955 fixed delivery and onward contracts at 150 and 120 deniers rayon yarn on cones during the week under review also. In the spot section, 150 Japan and 120 Italy declined by an anna each to Rs. 3-15 and Rs. 4-1, respectively. 150 Italy had six pies to Rs. 3-11. 120 Japan, on the other hand, strengthened by an anna to Rs. 3-13 on buying support. Indigenous yarns also had good enquiries and registered a handsome improvement in prices. National Rayons (120 deniers) Bt. Cones I Grade firmed up by As. 3-3 to Rs. 4-4-6 and II Grade by As. 2 to Rs. 4-2-6. 150D Bt. Cones I and II Grades hardened by 21 pies each to Rs. 3-8-6 and Rs. 3-8, respectively.

Encouraging offtake in consuming centres imparted some strength to the staple fibre yarn section and values which had suffered a fall last week staged a recovery. Staple fibre yarn (40×2) for May delivery rose from Rs. 590 to Rs. 591-8 before finishing at Rs. 590-12. June delivery improved by Re. 1-8 to Rs. 590-8 but ended the week at Rs. 57-12. Among foreign yarns (40×2) in the spot section, Sulcos changed hands 18 pies higher at Rs. 4-9-6. Shincos were fully maintained at Rs. 4-7. Among indigenous yarns, Kohinoors increased by half an anna to Rs. 3-6. New Greats put on 1½ pies to Rs. 3-1-9. Citys were steady at Rs. 3-3-6, Centurys at Rs. 3-1-6 and Sitarams at Rs. 3-2.

The table below gives the prices of art silk staple fibre and cotton yarns quoted today, as compared with those a week before:

	25-5-1955	18-5-1955
	Rs. a.	Rs. a.
Art silk yarn—		
150 D. May	731 0	732 0
120 Japan (per lb.)	3 14	3 13
150 Japan (per lb.)	3 15	4 0
120 Italy (per lb.)	4 1	4 2
150 Italy (per lb.)	3 11	3 11½
Staple fibre yarn—		
40×2 May	590 12	590 0
40×2 June	587 12	589 0
Sulco (per lb.)	4 9½	4 8
New Great (per lb.)	3 1½	3 1½
Cotton yarn (per bundle of 10 lbs.)—		
10s Elphinstone	12 8	12 8
20s Modern	16 2	16 2
20s Madura	21 0	21 3
40s Modern	25 3	25 0
60s Modern	61 8	61 0
80s Seksaria	54 4	53 4

GROUNDNUTS BETTER

(From Our Own Correspondent)

BOMBAY, 25th *May*

The oilseeds market ruled rather quiet early in the week on larger arrivals of oilseeds. Shippers and crushers preferred to be cautious in view of the forthcoming closure of certain minor ports owing to the approaching monsoon. Besides, there was also shortage of storage space in Bombay. Consequently, demand was at a low ebb and prices showed a tendency to decline. But, subsequently, the market put on a cheerful appearance. This was chiefly due to revival of overseas enquiries for groundnut oil at £102 per ton, as against £96 to £97 per ton a fortnight ago and for linseed oil at £98 as against £91 per ton. Prices in the groundnut and linseed sections, therefore, advanced and recorded sizable gains over the week. The castor, *niger* and *kardi* seed sections also moved in sympathy with groundnuts.

In the groundnut section, Bold F.A.Q. improved from Rs. 20-5 to Rs. 20-14. June-July delivery gained As. 9 to Rs. 20-14 and August-September As. 3 to Rs. 21-12. Khandesh quality hardened by As. 6 to Rs. 21-6. Groundnut oil ex-mill gathered an anna to Rs. 11-6. June and July deliveries changed hands at Rs. 11-7 and Rs. 11-9, as against Rs. 11-5 and Rs. 11-6, respectively.

Bold delivery in the linseed section put on Re. 1 to Rs. 23-5. June-July delivery advanced from Rs. 22-1 to Rs. 23-3. Small Sutna rallied As. 14 to Rs. 21-14. Linseed oil gained As. 13 to Rs. 14.

There was very little activity in May delivaries in the castorseed section. After opening at Rs. 69-8, it fluctuated between Rs. 70-8 and Rs. 69-1. The clearing rate was Rs. 70-8. September delivery, which changed hands early in the week at Rs. 74-7, as against Rs. 75-1, closed at Rs. 75-3, the highest and the lowest touched being Rs. 75-15 and Rs. 74-1, respectively. Among spots, Madras quality gained an anna to Rs. 14-7 and Kanpur As. 2 to Rs. 13-8. Castor oil B.S.S. gathered As. 4 to Rs. 9-8. Commercial quality also put on a similar amount to Rs. 8-8.

Among others, *kardi* Bold was better by As. 4 at Rs. 11-8, and June-July delivery by As. 2 at Rs. 11-12. Niger F.A.Q. rallied As. 12 to Rs. 18-4 and Madras quality Re. 1 to Rs. 19-4.

Overseas demand for oilcake is said to be quite encouraging. Trading circles have welcomed the decision of the Government of India to permit export of 5,000 tons of coconut oilcake to all permissible destinations other than the Portuguese possessions in India upto the end of July, 1955. According to a Press note issued by the Joint Chief Controller of Exports, Bombay, on the 19th inst., export will be allowed by the following categories of shippers only:

(1) Crushers of cocoanut, who are able to produce a certificate from the excise authorities to show that they have paid cess during any one of the three years, 1952, 1953 or 1954 or

(2) Shippers who have exported any oil of controlled variety, namely, castor oil, cottonseed oil, groundnut oil, *kardi* seed oil, linseed oil, mustard oil, *niger* seed oil, rape seed oil and salad oil during the period from 1st January, 1949 to 31st December, 1954.

The eligible crushers and shippers should submit the necessary shipping bills along with relevant documentary evidence. The maximum quantity that a crusher or shipper will be allowed to export from all ports is 200 tons, and licences issued will be valid for 15 days only.

Exporters are, however, warned not to enter into long-terms commitments, as the licensing will be stopped as soon as the ceiling is reached.

The Government of India has also decided to release a further quota of 10,000 tons of cottonseed oilcakes, decorticated and undecorticated, for export by all shippers upto the end of August, 1955.

The following table shows the price of oilseeds and oil today, as compared with those at the end of the previous two weeks.

	24-5-1955	18-5-1955	10-5-1955
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	21 6	21 0	21 8
June-July	20 14	20 5	21 10
Linseed—			
Bold Ready (per cwt.)	23 5	22 5	22 7
June-July	23 3	22 1	22 5
Castorseeds—			
May, 1955	70 8	70 0	71 12
September	75 3	75 1	77 8
Madras (per cwt.)	14 7	14 6	14 12
Groundnut oil—			
Ex-mill Ready (per quarter)	11 6	11 5	11 8
Castor Oil—			
Commercial (per quarter)	8 8	8 4	8 4
Linseed Oil—			
Ready	14 0	13 8	13 4

SUGAR QUIET

(From Our Own Correspondent)

BOMBAY, 25th *May*

Influenced by the further release of indigenous sugar for sale in the free market, the sugar market depicted a quiet note during the week under review. Some selling was in evidence and prices of sugar generally tended to look down. The fall would have, perhaps, been marked but for the slow arrival of indigenous sugar into the market—the total for the week being only 4,400 bags, as against 9,600 bags a week before—and good demand from interior centres.

Sugar for *Shravan* delivery dropped As. 6 to Rs. 87-14, but recovered to Rs. 88-2 today. *Jeth* delivery declined by As. 2 to Rs. 83-4.

Among indigenous sugars in the spot section, large grain was quoted at Rs. 93½-Rs. 101, as against Rs. 95-Rs. 102 a week before. Deals in medium grain were put through at Rs. 89-Rs. 93, as compared with Rs. 89-Rs. 94. Small grain was quiet at Rs. 88-8. The prices of foreign sugars were all maintained at last week's levels. Thus, British refined sugar was quoted at Rs. 84-4 per bag of 2 cwts. and Czechoslovakian sugars at Rs. 88-Rs. 90 per 220 lbs. French and German sugars were done at Rs. 82-Rs. 84 and Rs. 80, respectively, per 224 lbs.

As stated at the outset, the Union Food Ministry has announced a further release of indigenous sugar amounting to 50 per cent. of the production in the month of April. The share of sugar mills in South India, including Bombay Deccan, in this release is estimated at approximately 41,000 tons. The Deccan sugar mills have been granted liberal release. As the busy seasonal demand for sugar normally tapers off by about the middle of June and as plenty of stocks of released sugar remain unsold, the sugar factories have become keen sellers around existing prices.

N.B.—The rates for Indian sugars are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

PEPPER BUOYANT

(Messrs. Parekh & Co.)

BOMBAY, 25th *May*

Buoyancy was the highlight of trading in Malabar black pepper during the week in all primary markets. Acute shortage of floating stocks following small arrivals from the interior aided sentiment. Active enquiries from New York for May, June and July shipments fanned the fire. New York is reported to have paid for May shipment, as high as $0.51, while June was placed at as high as $0.50 and $0.50½. With every advance in the prices, growers are becoming more reserved sellers. They refuse to sell, unless at their price. They only sell small quantity even at higher prices, thus making buyers who have sold short more nervous and forcing them to cover at still higher prices. Hereunder we give the statistical position of Malabar black as on the 1st May, 1955, from all available data:

		Tons	Tons
Carry-over from 1953-54		2,000	
Crop during 1954-55		19,000	
			21,000
Export—			
1954	Cwts.		
November	19,605		
December	23,655		
1955			
January	33,552		
February	19,983		
March	26,156		
April (estimated)	44,000		
		8,347	
Plus estimated local consumption during 6 months at the rate of 750 tons per month		4,500	
			12,847
Balance as on 1st May 1955			8,153
Less: India's estimated consumption for 2 months at 750 tons and remaining 4 months at 500 tons			3,500
Less stock generally maintained irrespective of prices by the growers to be carried forward into next season.			1,500
Estimated exportable balance as on 1st May, 1955			3,153

The estimate of pepper whether it be from India, Indonesia or Sarawak, is a matter of guess-work. One's guess is as good as another's. The only reliable data available are the export figures. There is always wide difference between the trade's estimates and those by the Governments. Traders while estimating the crop, like to err on a safer side, while Government having no axe of its own to grind, in almost all cases give out exaggerated figures of production. Following are the comparative figures of estimates of pepper in India, Indonesia and Sarawak:

	Government estimate	*Trade's estimate*
	(In tons)	
India (crop 1954-55)	25,800	19,000
Sarawak (crop 1955)	15,000	10,000
Indonesia (crop 1955)—		
Black	8,000	6,000
White	6,000	5,000

If trade's estimates of crops of pepper in the important countries come out true, the overall picture of supply of pepper to world will be short and prices are likely to go still higher, as world consumption is placed at about 32,000 tons during the coming eight months, while the supply available will be in the neighbourhood of 25,000 tons only.

May and June shipments were done at $0.51½ per lb. C. & F., New York, while July-August-September are sought after at $0.51.

In the delivery section, market showed more liveliness than at any time during the last three to four months. June, July and August deliveries are quoted at Rs. 1,095-1,105, Rs. 1,110-20 and Rs. 1,105-15, respectively.

Following are today's nominal quotations: Ready delivery Rs. 155-60 (as against Rs. 140 a week ago) per Bengal maund, June Rs. 1,095-1,105 (Rs. 1,030-40), July Rs. 1,110-20 (Rs. 1,030-40) and August Rs. 1,105-1,115 (Rs. 1,020-30) per candy of 5¼ cwts.

BETTER DEMAND FOR TEA DUSTS

(Messrs. Forbes, Ewart and Figgis, Ltd.)

COCHIN, 19th *May*

The offerings in dust sale "J" which was held on Tuesday, 17th May, amounted to approximately 415,000 lbs. There was a better general demand. Better liquoring and natural dusts sold well at around last rates. Milled dusts which have been neglected recently sold fairly well at an irregular decline of As. 4 per pound.

London Market.—Stronger demand. Assam B.O.Ps. and orange fannings 2d. to 3d. dearer. Others irregularly 1d. to 2d. higher. Plainest types barely steady.

Colombo Market.—Middle East types strong demand. Dearer. Best quality good demand about last rates. Medium teas neglected. Heavy withdrawals. Quantity five millions.

Calcutta Market.—Dust 10,000 packages. Better general demand. Clean commons and C.T.C. fairly firm to dearer. Nominal internal leaf

670. Few new season's good demand, rest old season's fairly well supported.

Export Quota.—Some business was effected in special licence at 21 pies and in new season's quota at 57 pies.

Forthcoming Auctions.—Sale No. 11 will be held on Tuesday, 31st May, and dust sale "K" will be held on Tuesday, 7th June, 1955.

B. TWILLS DECLINE

(From Our Own Correspondent)

CALCUTTA, 24th *May*

The active conditions which were in evidence a week ago, following good business in both hessians and heavy goods for export, gave way to dull trading during this week, and prices dropped. All the same, shipping during this month is expected to reveal satisfactory results. Conditions in Calcutta port are causing much concern to trade circles and the Government alike. Congestion in the port as a result of difficulties caused by labour troubles is causing harmful delay in both loading and unloading. But for the trouble in the port, jute goods would have attracted more attention. The threat of some foreign shipping companies to increase the surcharge on freight rates for cargo to and from Calcutta, Bombay and Madras ports was a factor which during this week prevented forward business. The Union Commerce Minister has armed himself with a counter-threat, namely, not to allow such ships as would increase the surcharge to touch Indian ports. It is to be hoped that the labour situation in the ports would improve and that the threats and counter-threats do not materialise. If, unfortunately, a deadlock over the surcharge on freight were to develop export industries such as jute, cotton textile, tea, etc., would be facing serious difficulties, and jute mills may be compelled to reduce output drastically.

During this week, news from New York stated that burlap consumption in the United States during April fell by 8 million yards to 71 million yards, while stocks were higher at 258 million yards, as against 254 million yards in March. The stock figure for April consisted of 131 million yards afloat and 127 million yards ready, as against 120 and 134 million yards, respectively, in the month of March. That means the quantity afloat was higher by 7 million yards, which has surprised Calcutta trade circles, as stocks with mills as at the end of April, increased substantially to 103,300 tons from 94,600 tons. However, the fact is that America is having burlap sufficient to last for about eight weeks, and that means that the United States can afford to watch the price situation for some time more.

The week commenced with reports that certain steamers would be delayed. Prior to this, very high levels had been reached in the *fatka* market. This factor coupled with the above reports made bulls to unload their holdings. The weak operators also indulged in profit-taking. In this process, ready 40" 10 oz. hessians gave way to Rs. 44-4 and B. twills to Rs. 116-8 from Rs. 117-2. Forward business was sought, but buyers were difficult to be found due to the uncertainty caused by the proposal of certain foreign shipping companies to increase the surcharge on freight rates by 25 to 30 per cent. as from 1st June. July-September hessians 10 ozs. were pushed down to Rs. 43-12 from Rs. 44-1 and similar B. twills to Rs. 112-8 from Rs. 113-6. Selling pressure continued and business was welcome for delivery up to the end of the year. Apart from some small business in ready goods, there was nothing of note. By Thursday, ready 40" 10 oz. hessians had declined to Rs. 43-10, which was lower by As. 10 compared to the week's opening. July-September goods were lower by almost a point to Rs. 43-4. Ready B. twills at Rs. 114 revealed a fall of Rs. 3-2, and July-September position at Rs. 110 dropped by Rs. 3-6. At this stage, some mills showed anxiety for business, and this was enough for a further pull-down. By the week-end, B. twills had fallen to Rs. 112-8, the recession over the week amounting to Rs. 4-10, and July-September goods at Rs. 108-12 compared with Rs. 113-6 at opening. In the lower level, hessians were not much affected in view of the earlier orders from Argentina. Ready hessians 40" 10 oz. closed for the week at Rs. 43-10, which was lower by As. 10. Yesterday, quotations eased further, and the 10 oz. hessians were lowered to Rs. 43-5, with the eight oz. being priced at Rs. 34-8. Similarly, B. twills also lost to Rs. 112-2 from Rs. 112-8 over the week-end.

Raw jute was also easier; however, the extent of the fall compared to that in jute goods was insignificant. Sellers were reserved. Assam bottoms fell to Rs. 32 from Rs. 33 a maund.

NARROW MOVEMENTS IN BASE METALS

(From Our Own Correspondent)

CALCUTTA, 24th *May*

Prices of base metals were subjected to narrow fluctuations during the week under review, as consumers were reluctant to enter into commitments beyond immediate requirements. Electrolytic copper was quoted at Rs. 255 for most part of the week, but closed lower at Rs. 250. While demand was at a low ebb, stockists took note of the steadiness in the London Metal Exchange, following the report that West Germany would be looking to the London market for about 6,500 tons of copper. Earlier, it had been reported that West Germany had covered her requirements.

On the other hand, there was a report emanating from Washington that the United States would make available 16,000 tons of copper from stockpile to its domestic industries. This was taken as an indication that world prices were unlikely to harden. This was noted in the local market, and the quotation for electrolytic copper gave way to Rs. 250. Lead was done at Rs. 74. Consumers were anticipating a fall in price in view of recent arrivals. Mercury was firm at Rs. 1,235. Electrolytic zinc eased from Rs. 63-8 to Rs. 63. Some quantity changed hands, and the arrival of fresh imports have increased ready stocks. Tin opened at Rs. 497. Moderate business was put through, but the price eased to Rs. 493 following an increase in stocks. However, even the lower level was above replacement cost.

TEAS FOR INTERNAL CONSUMPTION BETTER

(From Our Own Correspondent)

CALCUTTA, 24th *May*

Conditions were better during last week's sale for domestic consumption. There was more general demand and prices recovered. Offerings aggregated 10,756 packages, of which 443 chests were of new season's tea. The small quantity of new tea was in good demand, and a few lots were sold at above valuations. Of the old season's tea, the poorer C.T.C. Assams realised prices above valuations, and the good C.T.Cs. were quoted at firm rates. Clean well-made teas rose fractionally. The quotations were: best Assam C.T.C. Rs. 2-7 to Rs. 2-9, medium Assam grainy dust Rs. 2 to Rs. 2-1, and medium Dooars Re. 1-14-6 to Re. 1-15.

The leaf section also met with good demand, with more attention being shown to the new season's tea which amounted to 174 packages. Old season's tea amounted to 285 packages. The new teas were firm, while the old season's lots were irregularly priced.

HIDES FULLY STEADY

(From Our Own Correspondent)

KANPUR, 23rd *May*

The hides and skins market was devoid of any development during the week under review. In the absence of any inspiring factor, dealers evinced little interest in fresh business. The undertone of the market, however, remained fully steady.

The latest available quotations are: wet salted cow, 1st grade Rs. 360 to Rs. 400, 2nd grade Rs. 320 to Rs. 380 and 3rd grade Rs. 120 to Rs. 320 per score; wet salted buff, 1st grade 1 lb. 10 ozs. and 2nd grade 1 lb. 12 ozs. per rupee; goat skins, 1st grade Rs. 300 and 2nd grade Rs. 250 to Rs. 275 per 100 pieces; sheep skins Rs. 200 to Rs. 225 per 100 pieces.

PEAS PRICES ADVANCE

(From Our Own Correspondent)

HAPUR, 23rd *May*

Foodgrain prices revealed an uncertain trend during the week and earlier losses were made up towards the close. The Union Food Minister has reiterated the Government's decision not to allow the price of wheat to fall below Rs. 10 per maund anywhere in the country. Wheat prices which were quoted above Rs. 10 per maund last week, leading to a virtual suspension of Government purchases, declined to Rs. 9-10 per maund this week under pressure of heavy arrivals (averaging 4,000 maunds daily). Following revival of Government purchases and fall in arrivals to 1,500 maunds daily, the prices again improved to Rs. 9-14 for average quality. Although the State Government is purchasing wheat at the fixed price of Rs. 10 per maund in 56 principal markets in the State, the producers' confidence yet remains to be restored. The steep fall in the red quality wheat prices to as low as Rs. 7-4 per maund in some part of the State is causing concern, but, of late, there has been good demand for wheat from Calcutta and Bihar. Daily arrivals here now average 1,500 maunds and the wheat stock has increased to 25 *khaties*. The coarse grain also recorded a slight fall in prices in line with wheat prices. Gram was today transacted at Rs. 6-4 for *desi* quality and at Rs. 6-12 for Punjab quality. Arrivals of gram from Punjab side having increased, the gram stock has swelled to 8 *khaties*. Barley and *bejhar* prices continued unchanged at almost last week's levels, being quoted at Rs. 5-6 and Rs. 5-2 per maund, respectively, with *bejhar* stocks at 8 *khaties*.

The peas prices which had advanced during last week receded to the previous level of Rs. 5-8 per maund for average quality and of Rs. 6-8 for white quality. With increase of arrivals to 1,500 maunds daily and the outside demand being dormant, the peas stock has increased to 28 *khaties*. *Arhar* prices continued unchanged at Rs. 6-6 per maund and, with arrivals of *arhar* from Madhya Bharat and Gwalior sides, the stock here is estimated at 13 *khaties*. Other pulses continued steady. Peas futures, on the other hand, displayed a steady outlook with prices recording gains in almost all the sections on bull support from east U.P. and on expectations of exports in the near future. Peas *jeth* and *bhadon* are today quoted at Rs. 5-11 and Rs. 5-13, as against Rs. 5-8-3 and Rs. 5-10, respectively on Monday. *Arhar jeth* and *bhadon* also advanced fractionally to be quoted at Rs. 6-8 and Rs. 6-10 today.

LARGER TURNOVER IN SUGAR

(From Our Own Correspondent)

HAPUR, 23rd *May*

A slightly better turnover, following revival of demand for sugar from Saurashtra, Bombay and Madras sides, resulted in better prices of mill delivery sugar during the week under review. Selling pressure seems to have subsided and confidence has revived in the sugar market. The total availability of sugar, which includes an increased production of indigenous sugar, appears to be far higher than the country's requirements. With reports of increased sowings and expectations of bumper cane crop next season, there is very little possibility of any substantial improvement in sugar prices in the near future. The mills on this side of the State are still crushing cane and the latest prevailing rates are: Jaswant Rs. 29-4, Simbhauli Rs. 29-4, Mowana Rs. 29-5, Daurala Rs. 30-8, Amroha and Bijnore Rs. 28-8, Mansoorpur Rs. 31, Rampur Rs. 32; retail Rs. 31-12 and *khandsari* Rs. 21 to Rs. 27 per maund.

Ready *gur* prices drifted lower this week. Outside demand was slack. Arrivals and offtake offset each other at 300 maunds daily. The local stock is now estimated at 90,000 maunds and the latest prices are: Dry quality Rs. 9-10 and kotha wet quality Rs. 9-4 per maund. The stocks of *gur* here this time last year amounted to only 18,000 maunds.

The ready *gur* markets in the South ruled quiet during the week, as daily arrivals fell. In Maharashtra, however, the *gur* stocks are reported to be heavy.

The future *gur* market at Hapur recorded a downward trend and the latest quotations on Monday were: *Gur Asar* Rs. 8-12-9 and *gur phagun* Rs. 8-9-6, as against Rs. 9-1-9 and Rs. 8-14-3 quoted last week-end.

TEXTILES

(Concluded from page 1020)

In view of the foregoing developments, it remains to be seen whether the upward trend in cotton exports from India witnessed so far in the current season will be maintained in the remaining months. Exports of cotton from India during this season (up to 7th May, 1955) aggregated 165,664 bales, as against 112,404 bales in the corresponding period of 1953-54. The destination-wise exports of Indian cotton is indicated below:

(In bales of 400 lbs. each)

	1st Sept. 1954 to 7th May 1955	
	1954/55	1953/54
U.K.	24,971	13,887
Continent	41,024	22,621
Hongkong and China	3,221	251
Japan	77,490	61,190
U.S.A.	17,598	13,003
Other foreign countries	1,360	1,452
Total ...	165,664	112,404

It will be noticed that the total exports have risen by more than 50,000 bales during the current season as compared with those in the previous season. There has been a noticeable increase in the offtake of cotton by Japan, the Continent and the U.K.

STANDARDS FOR HANDLOOM FABRICS

The handloom industry is one of the most important small-scale industries in India. Measures adopted recently by the Government of India to give further impetus to this industry, it is claimed, have enabled the handloom products to attain an important place in the country's economy. Further progress of the handloom industry depends, to a large extent, on the uniformity of quality of material that it can produce for internal consumption and for export. The Handloom Cloth Sectional Committee of the Indian Standards Institution has circulated thirteen draft standard specifications for handloom cotton fabrics covering turkish towels, honeycomb towels, huckaback towels, napkins, tablecloths, dusters, sponge cloth, jaconet cloth, ticking cloth, bandage cloth, china sheeting, floor durries and bed durries.

The draft standards prescribe general requirements of the fabrics, such as quality of yarn, freedom from defects, etc., and specific requirements, such as ends per inch, picks per inch, weight, breaking strength, width and length, colour fastness, and scouring loss. Methods of test for the determination of the above characteristics have also been referred to. The manufacturing particulars and the corresponding samples of handloom fabrics produced in different parts of the country were scrutinised before selecting varieties in each item for the purpose of formulation of standards.

The proportion of the U.K.'s national income spent on textiles, which had made a sharp jump in the Korean war and immediately after the end of rationing, has again fallen to the depressed level of the 1930's. This was revealed by Dr. Mark Abrams, a market research expert, at the annual conference of the Textile Institute in London last week. The amount actually spent on textiles now represents about 7.9 per cent. of the national income, as against 9 per cent. in 1950. According to Dr. Abrams, in spite of the considerable boom during 1954, textiles as a whole have not benefited. The textile trade has not sufficiently appreciated that heavy advertising by an industry as a whole can raise the level of consumption.

At an urgent meeting held at Virudunagar (South India) last week, the Executive of the Madurai, Ramnad and Tinnevelli Districts Cotton Merchants' Association urged the Central Government to permit exports of at least 16,000 bales of cotton grown in the three districts as in the case of Kakinada cotton, 6,000 bales of which were recently allowed to be exported. The plea is put forward on the score that, owing to absence of buying by mills in the region at reasonable prices, a large stock of cotton has accumulated.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	13th May, 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1,331.09	1,329.26	1,325.32	1,228.83
Notes held in Banking Department	35.05	8.52	10.54	15.74	16.76
Foreign Securities	59.50	661.98	661.98	661.98	658.15
Rupee Securities	37.39	553.71	553.71	553.75	421.22
Banking Department					
Deposits of:					
Government of India	14.89	51.93	50.09	55.39	89.12
Other Governments	..	19.24	23.21	24.32	20.74
Balances held abroad	10.06	52.07	58.76	63.35	67.88
SCHEDULED BANKS					
Demand Liabilities	134.86	581.37 (7.55)†	580.95 (8.23)†	591.90 (10.23)†	536.75 (8.13)†
Time Liabilities	102.24	355.89 (1.00)†	358.80 (2.10)†	360.98 (1.67)†	325.50 (1.55)†
Borrowings from Reserve Bank	..	25.50 (23.43)‡	22.29 (29.94)‡	24.91 (23.28)‡	52.69 (29.87)‡
Borrowings from Imperial Bank	..	5.79	6.74	6.04	10.59
Cash in India	6.70	24.88	24.12	25.96	23.64
Balances with Reserve Bank	25.17	45.97	46.21	47.99	42.01
Excess over statutory limits	15.52	9.18	9.49	10.78	8.61
Balances with other banks in current account in India	..	10.91	10.14	11.20	11.47
Money at call and short notice in India	..	13.44	15.16	19.02	11.25
Investments (at book value)	..	244.28	244.78	242.56	222.03
Advances and bills	105.09	626.24	622.62	621.49	581.23*
IMPERIAL BANK					
Deposits	37.76	212.26	215.18	220.37	209.06
Investments	21.99	102.14	102.81	104.07	98.29
Advances	30.35	126.25	127.34	125.86	127.72
Cash	14.69	17.58	17.09	17.05	16.34

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes foreign bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	Week ended 20th May, 1955		Week ended 13th May, 1955	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,57,456	57,97,84,000	2,63,012	59,45,89,000
Calcutta	1,64,438	52,98,50,637	1,62,605	46,99,31,839
Madras	80,297	7,19,90,420	85,005	7,40,95,053
All Centres— 1955	..	..	1,14,82,214	36,45,05,08,000
1954	..	..	3,40,72,000	70,84,29,00,000
Jan., 1955	..	..	29,43,000	6,23,74,00,000
Feb., ,,	..	..	28,78,000	6,20,87,00,000

Reserve Bank of India

Statement of Affairs for the week ended 20th May, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	55,23,16,000
(2) Other Governments	14,99,23,000
(b) Banks	50,57,00,000
(c) Others	22,10,98,000
Bills Payable	4,59,81,000
Other Liabilities	35,97,73,000
Rupees	193,87,99,000

ASSETS	Rs.
Notes	17,45,80,000
Rupee Coin	5,80,000
Subsidiary Coin	5,85,000
Bills Purchased and Discounted—	
(a) Internal	50,55,000
(b) External	..
(c) Government Treasury Bills	10,35,62,000
Balances held abroad*	53,58,34,000
Loans and Advances to Governments	7,90,00,000
Other Loans and Advances	40,46,80,000
Investments	41,37,50,000
Other Assets	29,25,73,000
Rupees	193,87,99,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 80,05,00,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 104,58,00,000.

ISSUE DEPARTMENT

LIABILITIES		Rs.	Rs.
Notes held in the Banking Department	..	17,45,80,000	
Notes in circulation	..	1,322,40,99,000	
Total Notes issued	..	..	1,339,86,79,000
Total Liabilities		..	1,339,86,79,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	661,97,61,000	
Total of A	..	701,99,32,000
B. Rupee Coin	..	104,16,19,000
Government of India Rupee Securities	..	533,71,28,000
Internal Bills of Exchange and other commercial paper	..	....
Total Assets	..	1,339,86,79,000

Ratio of Total of A to Liabilities: 52.393 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 13th May, 1955

(In thousand Rs.)

1. Demand Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India	7,54,894†
(ii) Other demand liabilities	5,75,82,50
2. Time Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India	1,89,54†
(ii) Other time liabilities	3,53,99,46
3. Borrowings in India from the Imperial Bank of India:	
(i) Demand liabilities	5,78,20
(ii) Time liabilities	66
4. Cash in India	24,82,55
5. Balances with the Reserve Bank in India	45,96,75
6. Balances with other banks in current accounts in India	10,91,43
7. Money at call and short notice in India	13,44,29
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	2,44,27,78
9. Advances in India	5,97,50,79
10. Inland Bills purchased and discounted in India	81,17,66
11. Foreign Bills purchased and discounted in India	27,55,86

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

EXCHANGE RATES

		23rd May, 1955	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	s.	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	s.	1-5 1/16	1-5 1/16
Buyers T.T. 10 to 12 months	s.	1-5 1/16	1-5 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	479	479
Buyers T.T.	Rs.	474½	474½
London on New York	$	2.79½-2.79¾	2.79½-2.80
London on Paris	Fcs.	979½-980	980-981
London on Berne	Sw. Fcs.	12.25-12.25½	12.24½-12.24¾
New York on London	$	2.79½-2.79¾	2.79½-2.80

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	*49-'54	378.87	..	10,600	283.9
Pakistan	1949	75.04	..	1,671	222
Burma	1952	18.56	Kyats 3,556	356	188
Ceylon	1952	8.16	..	442	541
Japan	1952	85.80	Y. 5,288,400	7,014	820
Philippines	1952	21.02	Fs. 7,275	1,654	787
New Zealand	1954	2.06	£(N.Z.) 727	969	4,727
Australia	1952	8.15	£(A) 3,531	3,541	4,307
U.K.	1952	50.56	£ 14,719	19,625	3,888
U.S.A.	1952	158.62	$ 308,000	146,780	9,196
Canada	1952	14.72	$ 19,043	8,407	5,688
France	1952	42.55	F.Fr. 10,197,000	14,018	3,321
W. Germany	1952	48.99	Dm. 108,000	11,704	2,389
Italy	1952	47.02	Lr. 8,967,000	6,882	1,463
Norway	1952	3.26	Kr. 16,561	1,152	3,540
Sweden	1952	7.17	Kr. 26,957	4,822	4,772
Netherlands	1952	10.49	Grs. 19,580	2,451	2,336
Denmark	1952	4.37	Kr. 23,484	1,551	3,573
Switzerland	1952	4.88	Sw.Fr. 20,800	3,266	6,854

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, September, 1954.
† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 13th May, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	16,92,79,000
(b) Provincial Governments	3,44,29,000
(c) Banks	12,88,49,000
(d) Others	4,02,08,000
Bills Payable	8,00,000
Other Liabilities	3,24,03,000
Rupees	47,60,30,000

ASSETS	Rs.
Notes	7,92,19,000
Rupee Coin	7,000
Subsidiary Coin	14,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	19,70,000
Loans and Advances to Governments	4,52,00,000
Provincial Governments' Debtor Balances	1,85,88,000
Other Loans and Advances	8,00,75,000
Investments	15,81,00,000
Other Assets	9,19,92,000
Rupees	47,60,30,000

ISSUE DEPARTMENT

LIABILITIES		Rs.	Rs.
Notes held in the Banking Department	..	7,92,19,000	
Notes in circulation	..	245,51,29,000	
Total Notes issued	..	..	253,43,48,000
Total Liabilities	..	..	253,43,48,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion — Silver Bullion	7,91,42,000	
Sterling Securities	40,13,01,000	
Government of India Securities	21,41,41,000	
Issue Notes representing assets receivable from the Reserve Bank of India	29,96,87,000	
B. Rupee Coin	4,28,65,000	
Government of Pakistan Securities	145,47,87,000	
Internal bills of exchange and other commercial paper	....	
		149,76,02,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,94,12,000	
Government of India Securities	79,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets	..	253,43,48,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 40.79 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1-4 Mar., 1946	..	3½
Austria	3rd June, 1952	4	3½
Belgium	29th Oct., 1953	2	2½
Bolivia	20th Sept. 1950	5	6
Canada	15th Feb., 1950	2	1½
Ceylon	11th June, 1954	3	2½
Chile	18th June, 1935	4	4½
Colombia	18th July, 1938	4	4
Costa Rica	1st Feb., 1940	3	4
Denmark	2nd June, 1954	4½	4½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	2
El Salvador	22nd Mar., 1952	4	3
Finland	16th Dec., 1951	7½	4½
France	2nd Dec., 1954	2½	2
Greece	1st Jan., 1954	12	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th Mar., 1952	3½	3½
Italy	6th April, 1950	6½	4
Japan	1st Oct., 1951	5.11	5.84
Mexico	4th June, 1942	4	4½
Netherlands	7th April, 1953	3	3½
New Zealand	26th Nov., 1954	3½	4
Norway	14th Feb., 1952	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Portugal	12th Jan., 1950	3	2½
South Africa	27th Mar., 1952	3½	4
Spain	1st July, 1948	4	3½
Sweden	18th April, 1955	4	1½
Switzerland	26th Nov., 1936	1½	1
Turkey	20th Feb., 1951	3	4½
United Kingdom	24th Feb., 1955	4	3½
U.S.S.R.	1st July 1936	6	4
U.S.A.	19th April, 1954	2	1½
West Germany	30th May, 1954	3½	3

* Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	February, 1954	February, 1955	Eleven months, April to Feb., 1953-54	1954-55
Import Duties:				
Revenue	10.88	12.22	103.66	124.42
Protective	0.45	0.46	5.26	5.77
On surplus disposals	..	—	0.20	0.18
Total import duties	10.88	12.75	108.61	131.33
Export Duties	2.41	4.22	35.56	37.56
Land Customs	0.11	0.12	1.70	1.69
Miscellaneous	0.06	0.10	0.66	1.00
Gross total customs	13.41	17.19	146.53	171.07
Refunds and drawbacks	0.13	0.19	1.77	1.46
Net Customs	13.28	17.00	144.56	169.61
Gross excise	7.50	9.26	84.98	94.38
Refunds	0.08	0.15	0.90	1.70
Net Excise	7.42	9.11	84.08	92.68
Net total of customs and excise†	20.70	26.11	228.64	262.27

† Net Customs plus net Excise.

Imperial Bank of India

Statement of Affairs for the week ended 20th May, 1955

CAPITAL AND LIABILITIES

	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		5,62,50,000
Deposits and other Accounts		6,85,00,000
Borrowings from other Banking Companies Agents		211,50,50,000
Bills Payable		14,50,00,000
Bills for Collection being Bills Receivable as per contra		6,89,94,000
Acceptances, Endorsements and Other Obligations as per contra		39,14,000
Other Liabilities (including Inter-Office Adjustments)		48,000
Total	Rs.	250,25,06,000

PROPERTY AND ASSETS

	Rs.	Rs.
Cash in hand and with Reserve Bank		15,21,62,000
Balances with other Banks		8,39,24,000
Money at Call and Short Notice		56,67,000
INVESTMENTS—		
Government and other Trustee Securities	90,85,41,000	
Other Authorised Investments	11,87,55,000	
		102,23,26,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	90,85,16,000	
Bills Discounted and Purchased	31,95,88,000	
		122,81,04,000
Bills Receivable being Bills for Collections per contra		39,14,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		48,000
Premises less Depreciation	1,80,66,000	
Furniture and Fixtures less Depreciation	46,81,000	
Other Assets (including Inter-Office Adjustments)	2,98,37,000	
Total	Rs.	250,25,06,000

SMALL SAVINGS

POSTAL SAVINGS (In lakhs or rupees)

	National Savings Certificates 5-Year† Outstandings*	5-Year† Receipts	7-Year †† Outstandings*	7-Year †† Receipts	12-Year Outstandings*	12-Year Receipts	Savings Bank Deposits Receipts	Savings Bank Deposits Outstandings*	Cash Certificates Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-Year Treasury Savings Deposit Certificates‡ Receipts	2½% Ten-Year Treasury Savings Deposit Certificates‡ Outstandings*	10-Year National Plan Certificates‡ Receipts	10-Year National Plan Certificates‡ Outstandings*
1952-53	6,83	65	3,26	22,96	84,17	1,18,55	92,05	— 31,07	7,35	25,84			
1953-54	5,91	1,50	4,36	36,54	1,04,35	1,17,37	1,06,29	— 34,20	6,94	33,11			
1954-55	..	..	..	..	..	..	..	..	5,57	37,15			
February 1954	6,02	11	3,99	2,12	1,02,09	9,49	1,01,89	— 32,97	54	21,72			
March ,,	5,91	46	4,36	2,05	1,04,35	16,29	1,04,29	— 32,20	64	22,11			
April ,,	5,81	11	4,29	2,13	1,06,84	10,70	1,07,51	— 34,30	70	22,77			
May ,,	5,71	10	4,21	1,71	1,07,06	10,02	1,07,18	— 34,40	54	23,26	54	34	
June ,,	5,62	9	4,22	1,59	1,08,40	10,45	1,06,22	— 34,57	89	23,61	49	33	
July ,,	5,47	12	4,29	2,27	1,10,18	11,40	1,11,08	— 34,72	46	24,08	76	1,50	
August ,,	5,36	15	4,29	2,17	1,11,82	10,22	1,18,07	— 34,96	60	24,44	56	2,45	
September ,,	5,24	19	4,31	3,44	1,13,76	10,33	1,14,25	— 35,17	46	24,98	1,57	4,05	
October ,,	5,16	11	4,37	1,80	1,15,09	9,96	1,14,98	— 35,34	54	25,42	60	4,65	
November ,,	5,08	12	4,34	2,25	1,16,76	10,24	1,16,31	— 35,51	54	24,94	58	5,22	
December ,,	4,96	11	4,68	2,24	1,18,40	11,56	1,18,56	— 35,69	42	25,23	57	5,79	
January, 1955	4,86	14	4,76	2,48	1,20,23	10,51	1,20,16	— 35,82	40	25,38	54	6,22	
February ,,	4,81	12	4,79	2,27	1,21,88	11,13	1,22,35	— 36,02	47	25,48	45	6,51	
March ,,	..	..	..	..	..	..	..	— 36,19	48	25,57	54	6,72	
									40	25,74	45	6,91	
									47	25,78	..	..	

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
†† Issued from 1st June, 1948. ‡ Issued from 1st February, 1951. ‡ Issued from 1st June, 1948 to 30th June 1955. ‡ Issued from 10th May, 1954.
§ Figures from 1948-49 relate to the Indian Union. Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 15-5-'54	16-4-'55	7-5-'55	14-5-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	89.1	98.5	98.8	98.7
1. Government of India	89.9	90.3	90.5	90.5
2. Indian States	95.7	96.1	96.2	96.2
3. Municipal, Port Trust, etc.	89.2	89.3	89.3	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100.9	100.6	100.8	100.7
1. Electricity	102.0	102.0	102.0	102.1
2. Jute	98.8	98.8	98.8	98.8
3. Plantations	99.6	99.7	99.6	99.6
4. Sugar	100.3	99.0	99.0	99.0
5. Coal	90.5	90.6	90.6	90.6
6. General Engineering	101.0	100.6	100.6	100.6
7. Shipping	102.3	100.2	100.2	100.2
8. Others	100.7	100.6	100.6	100.6
PREFERENCE SHARES	88.1	87.3	88.8	87.8
1. Electricity	94.8	97.7	98.1	97.3
2. Cotton	84.6	78.5	78.7	78.5
3. Jute	87.8	86.1	86.7	86.8
4. Coal	90.1	91.7	92.2	91.8
5. Iron and Steel	92.1	90.2	90.8	90.5
6. Sugar	75.9	84.4	83.8	83.3
7. Paper	87.5	88.2	89.3	89.3
8. Plantations	90.5	97.5	97.9	†98.2
9. Miscellaneous	86.6	84.8	86.1	85.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	103.6	115.7	113.8	113.9
(a) Financial	87.9	87.8	88.1	88.1
1. Banks	86.5	84.7	84.9	85.1
2. Insurance	100.6	106.5	108.1	107.9
3. Investment Trust	78.8	94.1	93.8	88.9
(b) Public Utilities	112.8	114.3	113.8	113.1
1. Electricity	119.3	124.1	122.8	122.1
2. Shipping and other Transport	103.6	98.3	99.1	98.3
3. Railways	87.8	89.1	89.9	89.7
(c) Manufacturing Industries	107.2	118.7	117.8	117.3
1. Cotton, Woollen and Silk	102.6	103.6	104.0	103.8
2. Jute	81.4	99.5	97.4	96.4
3. Iron and Steel	126.8	145.8	142.3	141.7
4. Paper	191.8	225.3	225.1	224.6
5. Cement	126.2	148.8	148.5	147.6
6. General Engineering	187.6	169.9	167.7	168.1
7. Sugar and Breweries	92.2	99.0	97.6	97.4
8. Chemicals	112.2	135.4	131.0	130.0
(d) Non-Manufacturing Industries	111.7	163.5	153.2	148.5
1. Coal	78.8	77.5	77.1	77.3
2. Mining and Oil	161.9	186.7	185.8	184.0
3. Plantations	111.2	204.8	185.3	178.0
(e) Miscellaneous	94.7	98.9	98.1	94.5
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	89.6	90.0	90.1	90.1
2. Calcutta	90.0	90.4	90.6	90.6
3. Madras	90.8	90.8	90.9	91.0
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	100.9	99.1	99.2	99.2
2. Calcutta	101.4	101.8	101.8	101.4
3. Madras	100.0	100.4	100.4	100.4
PREFERENCE SHARES:				
1. Bombay	92.8	91.9	92.4	92.1
2. Calcutta	84.8	83.9	83.6	83.5
3. Madras	90.1	94.8	95.4	95.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	113.4	116.7	115.0	115.4
1. Bombay	95.6	110.5	106.2	107.5
2. Calcutta	101.8	110.3	109.1	108.5
4. Delhi	105.1	118.6	115.8	115.2

Source: Department of Research and Statistics, Reserve Bank of India.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1951	1,071	691,321	2,815,928
1952	962	930,942	3,336,961
1953	772	456,807	2,524,605
1954	840	477,188	2,372,630
January 1953	35	42,353	244,414
February ,,	45	36,477	125,411
March ,,	67	35,321	218,307
April ,,	72	49,123	216,858
May ,,	86	86,017	276,214
June ,,	99	50,337	233,379
July ,,	87	48,066	181,122
August ,,	74	53,053	235,184
September ,,	106	64,983	447,373
October ,,	101	80,311	408,116
November ,,	88	41,431	245,311
December ,,	81	40,790	476,355
January 1954†	84	51,673	385,514
February ,,	86	41,351	344,395
March ,,	91	54,926	321,419
April ,,	101	54,943	307,747
May ,,	90	40,073	218,065
June ,,	83	51,589	205,078
July ,,	123	80,189	377,425
August ,,	79	51,090	332,887
September ,,	97	50,414	353,378
October ,,	85	41,734	276,594
November ,,	62	25,115	139,701
December* ,,	101	54,455	283,763
January 1955	87	47,694(a)	230,851(b)

† Figures for 1954 are provisional. * Revised.
(a) Not known in 2 cases. (b) Not known in 4 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns†	Units generated‡	Units Sold
1948-49	459	4,981.1	3,777.7
1952-53	614	6,801.4	5,134.9
1953-54	648	8,376.3	5,573.7
September 1953	632	576.5	464.1
October ,,	634	583.1	463.7
November ,,	637	568.1	454.7
December ,,	640	603.6	486.9
January 1954	640	589.7	475.0
February ,,	642	541.4	451.6
March ,,	645	606.6	488.5
April ,,	651	613.3	504.4
May ,,	651	639.9	515.5
June ,,	660	629.7	510.3
July ,,	662	633.4	515.5
August ,,	667	635.9	510.5
September ,,	669	647.6	523.3
October ,,	669	626.5	511.6
November ,,	674	656.5	534.8
December ,,	679	653.5	530.0
January 1955	684	666.5	545.2

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	7th May, 1955	30th April 1955	8th May, 1954	March, 1955	March, 1954	Percentage of increase (+) or decrease (−) in Mar., 1955 as compared with Mar., 1954	Financial Year Average 1953-54	1954-55
Food Articles	372.4	374.9	379.5	297.0	371.4	—20.0	334.4	339.8
Cereals	309	314	413	339	429	—21.0	451	381
Pulses	212	212	359	229	362	—36.7	450	280
Other	230	230	305	249	289	—13.4	278	291
Industrial Raw Materials	395.9	393.1	469.7	412.7	482.5	—16.8	467.7	438.2
Fibres	421	425	454	452	447	+ 1.1	452	447
Oil seeds	541	525	527	532	518	—2.1	574	524
Minerals	418	423	440	417	444	— 6.1	449	422
Others	441	445	410	480	405	+18.15	375	427
Semi-Manufactures	328.2	328.8	364.0	333.8	355.	— 6.3	359.2	346.3
Leather	395	396	373	390	388	+ 0.5	403	376
Mineral oils	221	221	221	221	221	—	224	221
Vegetable oils	335	381	510	354	476	—25.6	524	433
Cotton yarn	430*	429	462	440	449	— 2.0	442	454
Metals	236	244	240	242	238	+ 1.7	229	240
Oil cakes	278	300	444	284	415	—31.6	422	351
Others	328	329	304	348	306	+ 8.8	351	312
Manufactured Articles	376.9	376.0R	382.6	376.3	373.9	+ 0.6	367.4	377.3
Textiles	419	418R	429	419	416	+ 0.7	406	418
Jute	436	439	434	468	474	+10.4	408	448
Cotton	411*	411*R	419*	408*	409*	— 0.2	406*	415
Rayon and Silk	510*	484*	562*	463*	499*	— 6.3	411	499*
Woollen	310	310	312	310	312	— 1.0	314	311
Metal products	344	340	340	340	337	+ 0.9	337	340
Others	257	257	259	257	256	+ 0.3	235	255
Miscellaneous	540.0	537.9	591.6	553.3	588.9	—19.4	558.6	612.4
All Commodities	340.7	341.0R	388.1	353.8	394.9	—10.2	397.5	377.4

R=Revised. * Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

Year ended August, 1939=100

	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugarcane	Gur	Tobacco	Raw cotton	Raw jute	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures	Iron and steel
1954																		
January	478	601	222	291	265	545†	570†	289	250†	1177	483†	421	606	425	257	433	397	270
February	456	581	204	265	240	490	549†	284	230	1177	486†	404	596	401	257	437	408	279
March	456	564†	206	237	213	549†	547†	296	239	1177†	479	389	606	377	257	424	409	270
April	456	547

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop		Acreage 1953-54 Final	Acreage 1952-53 Final	Outturn 1953-54 Final	Outturn 1952-53 Final
Rice 2nd	tons	68,502‡	71,224†	21,593‡	23,455†
Wheat	,,	26,098†	24,248†	7,792	7,383
Jowar (2nd)	,,	41,425‡	41,376†	5,993‡	5,535†
Bajra	,,	28,820	26,550	4,246	3,150
Barley	,,	8,190	8,010	2,721	2,849
Maize	,,	9,325‡	9,360†	2,914†	2,994†
Ragi	,,	5,472	5,428	1,564	1,238
Small Millets	,,	13,167	12,431	2,183	1,905
Total cereals	,,	210,555	208,140	55,130	49,108
Gram	,,	178,077	170,854	46,617	38,871
Tur	,,	34,288	32,295	10,513	10,232
Kharif pulses @	,,	14,935‡	15,192†	1,497†	1,543†
Tur (2nd)	,,	5,630‡	5,695†	1,298‡	1,800†
Gram (2nd)	,,	19,577‡	18,229†	4,559‡	4,065†
Other Rabi Pulses*	,,	11,130	11,185	2,075	2,042
Jute	bales	1,273‡	1,196†	3,153‡	3,129†
Cotton (4th)	,,	17,465‡	16,274†	4,069‡	3,648†
Sugarcane (2nd)	tons	3,617‡	3,503†	4,749‡	4,209†
Groundnut	,,	12,647‡	10,869†	8,523‡	8,273†
Linseed	,,	3,369	3,395	355	359
Castorseed	,,	1,273‡	1,375†	112‡	108†
Rape and Mustard Seed	,,	5,373	5,199	826	837
Sesamum (3rd)	,,	5,861‡	6,079†	547‡	534†
Total oilseeds	,,	27,608	27,861	5,591	4,646
Tobacco	,,	890	895	256	241
Black Pepper	,,	219	205	22	22
Ginger	,,	47	46	15	14
Dry Chillies	,,	1,326	1,235	310	254
Potato (2nd)	,,	645	683	1,657	1,694

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* Excluding gram and Tur. @ Excludes Tur.
‡ Relates to 1954-55. † Relates to 1953-54.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During April, 1955	85.7
	Corresponding month, 1954	74.9
	Ten months ended April, 1955	856.1
	Corresponding period, 1954	719.8
Stocks	At the end of April, 1955	103.4
	Corresponding month, 1954	91.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 16th April, 1955	4,665
	Corresponding week, 1954	7,681
	From 1st to 16th April, 1955	113,373
	Corresponding period, 1954	112,104
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 16th April, 1955	8,098
	Corresponding week, 1954	3,611
	From 1st to 16th April, 1955	325,605
	Corresponding period, 1954	359,338
	RAW JUTE	(In 000 bales)
Consumption by Mills†	April, 1955 (In lakh bales)	4.97
	Corresponding month 1954	4.35
	Ten months ended April, 1955	48.50
	Corresponding period, 1954	41.72

* From Calcutta. † Estimated. R—Revised.

IRON AND STEEL PRODUCTION

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953	11,58,000	10,81,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,84,400	10,42,900	7,81,200
December 1953	1,01,400	95,100	71,700
January 1954	1,02,800	99,800	71,400
February ,,	92,700	84,500	63,800
March ,,	94,600	89,700	65,000
April ,,	85,200	77,500	54,900
December ,,	1,05,500	95,000	78,800
January 1955	1,02,500	95,800	72,200
February ,,	98,500	84,500	63,900
March ,,	95,000	88,300	66,100
April ,,	95,100	88,000	66,200
Indian Iron and Steel Co.			
Year ended 31st March, 1953	6,26,710	4,31,460	2,12,940
Do. 31st March, 1954	5,80,020	3,49,930	2,02,440
Do. 31st March, 1955	7,16,949	5,28,240	4,59,062
April 1953	52,210	30,980	19,090
May ,,	57,810	32,850	19,700
June ,,	56,720	32,940	18,020
Three months ended Sept., 1953	63,590	18,350	11,640
,, ,, Dec., 1953	1,81,680	1,18,300	1,05,940
Three months ended Mar., 1954	1,67,750	1,29,510	1,16,940
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
Three months ended Sept., 1954	1,80,018	1,29,741	1,12,861
,, ,, ,, Dec., 1954	1,68,054	1,36,501	1,20,418
,, ,, ,, Mar., 1955	1,65,108	1,48,828	1,18,186

FOREIGN TRADE OF INDIA

Particulars	February, 1954	February, 1955	Eleven months, April to Feb., 1953-54	Eleven months, April to Feb., 1954-55
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	3.61	12.20	91.20	94.26
Raw materials	12.28	16.47	155.17	178.90
Manufactures	22.77	27.70	250.08	276.44
Other items	.84	9	3.63	2.47
Total	39.00*	56.46*	500.03*	547.07*
By land	1.82	2.69	21.42	20.88
Total Imports	40.82	59.15	521.45	567.95
Exports:				
By sea and air—				
Foodstuffs	11.14	17.68	142.31	188.60
Raw materials	8.11	10.01	97.78	102.65
Manufactures	20.18	20.53	229.24	230.60
Other items	.40	.35	4.03	4.42
Total	39.78	49.47	473.36	526.27
By land	.56	.48	6.68	5.18
Total Exports	40.34	49.95	480.04	531.45
Total Re-exports	.41	.40	4.88	4.69
Balance of trade in merchandise	— 46	— 8.81	— 45.69	— 32.08
Balance of transactions in private treasure	..	..	— 9	— 1
Total visible balance of trade	— 46	— 8.82	— 45.78	— 32.10
Imports:‡				
Total C'wealth countries	17.56	23.81	241.02	224.70
Total Foreign countries	21.44	32.65	259.01	312.87
Exports:‡				
Total C'wealth countries	21.86	26.68	245.42	295.67
Total Foreign countries	17.92	22.79	227.94	230.60

* Excludes value of certain specie imports of foodgrains and stores, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (In thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
						Number of Wagons Loaded (In thousands)						
1952-1953	1,168	34,406	123,773	28,539	11,413	2,685	949	171	169	209	169	297
1953-1954	1,179	35,215	129,009	29,865	11,186	2,513	921	154	158	168	190	343
December 1953	93	2,747	10,990	2,476	989	210	59	16	14	18	14	33
January 1954	94	2,781	11,281	2,531	944	202	94	17	20	16	15	32
February ,,	101	3,157	10,313	2,274	1,018	179	76	13	18	14	14	30
March ,,	105	3,325	14,383	3,308	1,018	215	88	17	18	15	16	34
April ,,	106	3,198	9,923	2,275	958	211	83	20	15	15	16	34
May ,,	111	3,437	10,220	2,341	932	215	78	14	15	10	15	32
June ,,	..	..	..	..	909	210	71	10	13	7	18	33
July ,,	..	..	..	..	935	224	76	11	10	7	16	32
August ,,	..	..	..	..	935	245	79	11	9	7	13	34
September ,,	..	..	..	..	914	241	86	11	9	7	11	31
October ,,	..	..	..	..	936	241	85	12	10	10	12	31
November ,,	..	..	..	..	991	226	73	15	12	25	9	34
December ,,	..	..	..	..	1,064	229	70	20	14	21	10	36
January 1955	..	..	..	..	1,082	223	74	20	17	19	15	35

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway.
† Progressive figures.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 12th May, 1955	58,319
	Corresponding week, 1954	51,240
	1st Sept., 1954 to 12th May, 1955	1,368,398
	Corresponding period, 1953-54	1,424,358
Cotton Exports	Week ended 12th May, 1955	14,069
	Corresponding week, 1954	7,494
	1st Sept., 1954 to 12th May, 1955	262,635
	Corresponding period, 1953-54	231,689
Mill Consumption	1st Sept., 1954 to 12th May, 1955	890,421
	Corresponding period, 1953-54	879,330
Stock (with exporters, dealers and mills) in Bombay	On 12th May, 1955	661,960
	Corresponding date, 1954	678,206
Cotton Exports from Bombay (by sea)	During January, 1955	28,186
	1st Sept., to 31st Jan., 1955	128,868
	1st Sept., to 31st Jan., 1954	122,509
Karachi (Pakistan)—		
Receipts	1st Sept., 1954 to 28th April, 1955	1,158,283
	Corresponding period, 1953-54	1,334,928
Exports	1st Sept., 1954 to 28th April, 1955	513,849
	Corresponding period, 1953-54	866,216

Particulars	From 1st Sept., 1954 to 16th May, 1955 Bales	From 1st Sept., 1953 to 16th May, 1954 Bales
From Bombay		
Cotton Exports to—		
United Kingdom	23,417	12,661
Continent	89,505	23,789
Hongkong	3,379	251
China	..	..
Japan	74,986	59,821
U.S.A.	16,103	12,428
Other Countries	1,460	1,452
Total to all foreign countries	158,890	106,850
Coastal Ports	108,397	124,476

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	February, 1955	822,572
Foreign		50,081
Indian	Six months ended Feb., 1955	3,022,925
Foreign		344,791
Indian	Same Period, 1954	1,949,766
Foreign		341,074
Stocks (Mills and Elsewhere)—		
Indian	As on 28th February, 1955	1,161,158
Foreign		185,385
Indian	As on 28th February, 1954	1,032,112
Foreign		146,153
Cotton Pressed in India † (In running bales)	Week ended 6th May, 1955	108,574
	Corresponding week, 1954	94,202
	1st Sept., 1954 to 6th May, 1955	3,105,645
	Corresponding period, 1953-54	3,204,806

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1923	9,05,64,000	1955-60	100½
4 % Bonds	1926-28	68,80,26,000	1960-70	101¼
3 % Loan	1938-39	1,10,17,46,000	1965-65	94½
3 % Loan	1950	80,38,10,000	1964	94
3 % Loan	1948	1,10,11,78,000	1966-68	90½
2½ % V. Loan	1944	1,14,06,59,000	1957	99½
3 % Loan	1945	1,15,08,83,000	1970-75	87½
3 % Loan	1946	1,18,65,64,000	1959-61	97½
2½ % Loan	1951	50,85,53,000	1956	92
2½ % Loan	1946	45,82,07,000	1960	94½
2½ % Loan	1946	57,00,69,000	1961	92
2½ % Loan	1947	14,77,45,000	1972	88
2½ % Loan	1947	72,86,72,000	1962	92½
2½ % Loan	1948	60,48,01,000	1955	99½
2½ % Loan (N.P. Bonds)	1953	75,00,00,000	1961	100
2½% N.P. Loan	1954	156,75,00,000	1964	98½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months' notice. On September, 1966 or later at option of Government after three months' notice.	80⅝
3 % Loan	1946	248,91,90,000		80⅝
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,20,000	1958-68***	108½
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,800	18th Sept. 1955	99½
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	99⅛
3 % Bombay	1944	3,44,00,000	14th Aug. 1957	97½
3 % Bombay	1949	6,00,15,000	1st Aug. 1962	93⅛
3 % Bombay	1950	3,01,87,700	31st July 1960	94½
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98
4 % Bombay	1953	5,00,00,000	15th July 1963	101
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	101⅛
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98½
3½% Cochin	1936	70,00,000	1st June 1956-61	99½
3½% Bowrah Bridge (New)	1926-27	2,31,07,100	1956-66	95½
3 % Madras	1939	1,23,95,600	21st June 1959	94½
3 % Madras	1942	1,23,25,000	18th Sept. 1956	99½
3 % Madras	1943	1,25,10,000	14th Sept. 1957	97½
3 % Madras	1944	1,07,95,000	15th Aug. 1958	97½
3 % Madras	1945	2,78,44,000	14th Sept. 1960	94½
2½% Madras	1946	2,61,77,200	1st Sept. 1961	91½
3 % Madras	1950	4,86,25,400	31st July 1960	94½
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	100½
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100½
3 % Mysore (f)	1930	1,68,44,300	1st Nov. 1955	101½
3 % Mysore (f)	1938	2,95,85,200	1st Dec. 1953-58	101½
3 % Mysore (f)	1936	5,99,72,900	30th April 1956-61	99½
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	99½
4 % Mysore	1953	5,00,00,000	15th July 1963	100-1½
3 % M.P.	1942	50,00,000	18th Sept. 1955	99
3 % M.P.	1943	50,54,200	14th Sept. 1956	98½
3 % M.P.	1944	52,60,800	15th Aug. 1958	97½
3 % M.P.	1949	2,08,00,000	15th Sept. 1964	92½
3 % M.P.	1950	1,00,28,800	31st July 1960	94
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97½
4 % M.P.	1953	1,00,00,000	15th July 1963	100
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1956	98 N
3 % Punjab**	1942	2,85,20,000	18th Sept. 1955	99⅛ N
3 % Punjab**	1943	2,48,78,800	14th Sept. 1956	99 N
3 % Punjab**	1945	2,95,81,800	14th Sept. 1960	97½N
3½% Travancore	1938	50,00,000	16th Aug. 1956	99½
4 % Travancore Cochin	1953	5,00,00,000	15th July 1963	99⅞
3 % U.P.	1936	1,69,89,800	15th Sept. 1961-66	90½
3 % U.P.	1944	3,23,96,800	15th Aug. 1958	97½
3 % U.P.	1945	2,86,81,900	14th Sept. 1960	94½
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	91½
4½% U.P.	1951	2,00,00,000	17th Sept. 1962	98
4 % U.P.	1952	4,11,33,000	1st Aug. 1964	100½
4 % U.P.	1953	5,00,00,000	15th July 1963	100½
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
86,50,000	4	1904	1964	
85,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1909	1969	99½ N
40,00,000	4	1909	1970	100 N
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,85,300	4	1913	1974	
80,00,000	4	1918	1960	D
88,25,000	4	1914	1976	99½ N
10,00,000	4	1915*	1960	100 N
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,28,000	3½	1926*	1960	
85,00,000	3½	1929*	1959	
12,00,000	3½	1930*	1960	
12,60,000	3½	1931*	1960	D
12,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1976	
60,00,000	3½	1938*	1966	
10,00,000	3½	1938*	1960	
7,00,000	3½	1941	1968	
		1941	1971	
CALCUTTA				
Rs.				Rs.
90,34,300	4	1914	1974	
76,90,100	4	1915	1975	99
1,50,00,000	3½	1921	1981	81
68,02,800	4	1921	1981	
1,24,06,300	4	1922	1982	143N
98,21,800	5½	1926	1955-65	101½
99,84,300	5½	1926	1956-66	102
1,49,49,300	5	1926	1956-66	107
1,49,30,000	5	1926	1957-67	102½
80,00,000	4½	1931	1958-68	108
60,00,000	4½	1935	1961	95
25,00,000	3	1935	1965	96
50,00,000	3	1938	1965-68	90
50,00,000	3	1945	2005	74N
50,00,000	3	1946	1976	84
50,00,000	3	1946	1976	84
50,00,000	2½	1947	2006	78N
50,00,000	3	1948	1977	78
50,00,000	3	1949	1978	82½
1,00,00,000	3	1950	1979	86
1,00,00,000	3	1950	1969	96
1,00,00,000	3	1950	1980	81½
50,00,000	3	1950	1960	95½
50,00,000	3	1951	1960	95½
1,50,00,000	3½	1951	1981	87½
50,00,000	4	1952	1962	99½
50,00,000	4	1953	1963	98½
STERLING LOANS				
£902,600	5	1922	1953-58	£87½
£901,000*	5	1924	1954-64	£87½
£885,100	5½	1922	1962	£96
MADRAS				
Rs.				Rs.
81,47,169	3½	1947	1977	
9,88,000	3	1947	1977	
3,00,000	3	1948	1978	
49,00,000	4½	1954	1964	A

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	
30,00,000	4	1901	1961	
50,00,000	4	1902	1962	100
50,00,000	4	1903	1963	
80,00,000	4	1904	1964	
50,00,000	4	1905	1965	
15,00,000	4	1906	1966	97½N
80,00,000	4	1907	1967	
50,00,000	4	1908	1968	
18,00,000	4	1912	1972	
60,00,000	4	1913	1973	
60,00,000	4	1914	1978	97½N
40,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118N
25,00,000	5	1920	1958-80	
25,00,000	5	1926	1956-66	116N
10,00,000	5	1927	1961-70	98N
	5½	1936	1966	
STERLING LOANS				
£856,600	4	1909	1969	£88½N
£333,000	4	1910	1970	£92½N
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	101
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
50,00,000	3½	1935	1965	94
30,00,000	3	1937	1966	90
25,00,000	3	1938	1968	91
80,00,000	3	1938	1968	90
80,00,000	3	1952	1962	99½
80,00,000	4	1952	1962	99½

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,60,000	4	1918-19	1974	99½
20,00,000	4	1919-20	1975	100 N
25,00,000	5	1920	1955	112 N
8,45,500	5	1928	1958	104½
25,21,500	5	1929	1954-59	to
8,25,000	5	1929	1959	105½
2,50,000	5½	1947	1977	86½
4,00,000	5½	1949	1979	86
2,50,000	5½	1950	1980	86½
2,00,000	5½	1952	1964	100½
1,00,000	4	1953	1963	97
1,00,000	4	1952	1964	100½
1,00,000	4	1954	1966	99½
Rs.				Rs.
CALCUTTA				
24,70,000	6	1925	1955	101
36,00,000	6	1926	1956	103
25,00,000	5	1928	1958	108
10,00,000	5	1929	1957	102½
10,00,000	5	1929	1959	102½
33,91,000	5½	1932	1962	108
60,00,000	3½	1935	1965	94
47,50,000	3	1936	1966	90
10,67,700	3	1938	1968	90
16,56,800	4	1939	1958	99
15,56,800	4	1939	1959	99½
15,56,800	4	1939	1958	99½
17,56,400	4½	1940	1960	97
21,10,000	3½	1942	1959	96½
16,49,000	3½	1942	1972	92
16,52,000	3½	1951	1960	97
68,88,000	3½	1951	1961	97½
87,86,000	3½	1951	1966	97½
72,50,000	4½	1953	1963	97½
	4½	1954	1962	98½
71,700	6	1925	1955	101
2,67,800	5	1928	1958	108
15,00,000	3½	1935	1965	101N
15,00,000	3½	1936	1966	100N
	3½	1938	1968	107½N

PREFERENCE SHARES

Company	Amount issued. Rs. or	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	134	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	70N	100
Carew & Co. Ltd. (1st)	8,00,000(b)	1875	6½	Mar. Sept.	100	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	144	100
Deccan Sugar & Abkhari ¹A	7,00,000	1920	7	July Apr.	116½	100
¶East India Distilleries	4,50,000	1897	7	Jan. July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	68	100
Puriahpore Co.	6,00,000	1922	10	Oct. ..	15½	10
Ramnagar Cane	4,00,000	1933-34	6	Aug.	102xd	100
Ravalgaon Sugar	20,00,000	1943	3½	Oct. Apr.	75N	100
South Behar Sugar	3,00,000	1936	7(a)	Oct. ..	161½	100
Travancore	14,99,135	1946	5(c)	Dec. ..	7½	10
Upper Ganges	12,00,000	1932	3	Dec. ..	90N	100
Do.	15,00,000	1944	3(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borera	4,00,000	1896-97	6½	Oct. Apr.	119	100
Burakur (1st)	22,99,800	1901-19	7	Apr. Oct.	124	100
Do. (2nd)	4,50,000	1946	6(a)	.. 8½	10	
Equitable	4,00,000	1895	6	Mar. Sept.	120	100½
Karanpura Collieries	7,50,000	1944	5½(a)	..	70	75(pp)
¶Khas Kajora	1,50,000	1931	5	Mar. Sept.	34N	10½
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Oudal	2,00,000	1898-99	6½	Apr. Oct.	114	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	102	100
Bangalore	6,00,000	1884	6	Jan. July	130	100
Basanti Cotton	1,00,000	1938	6½	Nov. ..	7½	10
Benares Cotton	1,05,200	1919	7	July Jan.	63	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	119	100
Bowreah ¹A	6,00,000	1900	8	Feb. Aug.	135	100
Do. ¹B	6,00,000	1900	7	Feb. Aug.	78	100
Bradbury	14,75,000	1919	7	June Dec.	65	50
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	140	100
Cambodia	1,00,000	1928	7	Apr. ..	125	100
Central India	50,00,000	1912	5	Apr. Oct.	490	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	117½	100
Elgin	11,00,000	1912	6	May Nov.	143	100
Do. ¹B ¹Pref.	4,20,000	1943	5	July Jan.	10½	10
Elphinstone	23,00,000	1919	7(a)	May Nov.	86½	100
Emsaram	20,00,000	1919	7	June Dec.	131	100
Khatau Makanji (2nd)	29,52,500	1947	4	Nov. ..	87	100
Kothari	12,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. ..	230	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January	79½	100
Mudie Mill	30,00,000	1900	6	Jan. July	80½N	100
Mysore Spg.	7,43,050	1944	4½	.. ..	30	30
National Rayon	1,74,64,700	1947	5	.. ..	88½	100
New Great	9,00,000	1913	5½(a)	Mar. ..	185½	200
New Victoria	26,05,500	1920	6	Apr. Oct.	3½	5
Podar Mills	10,00,000	1943	4	Feb. ..	77	100
Rajnishanal	2,00,000	1932	6½	Apr. ..	53	50
Shree Niwas Cotton	4,80,000	1944	4	.. ..	..	100
Shoapoor	32,00,000	1943	3(e)	.. ..	96	100
Swadeshi	15,00,000	1935	5	Apr. Oct.	110xd	100
Swadeshi (Kanpur)	35,00,000	1927	6	June ..	80	100
Vasanta (1st)	3,00,000	1931	6½	Apr. Oct.	117N	100
Do. (2nd)	1,50,000	1938	6	.. ..	108½	100

STOCK & SHARE QUOTATIONS

Abbreviations.—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations. x.d.=Ex-Dividend. c.d.=Cum. Dividend. I=Interim Dividend. f=Dividend for first half of the year.

Shares.—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns "Paid-up Ordinary Capital" and "Paid-up per share."

Accounts.—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and All other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
80,00,000	3,74,976	63,22,382	43,85,372	—2,24,418	Rajputana Textiles (Agencies) Ltd.	47,512	8,981	Apollo Mills	2½	2	0 4(c)	0-4 (c)			12	V.
40,00,000	24,00,000	1,34,85,581	72,25,655	—5,76,311	B. R. Sons, Ltd.	50,596	1,021	B. R. Cotton Mills	29	100	Nil	Nil	Nil		12	V.
80,98,000	2,33,99,019	4,25,75,764	3,54,21,688	52,579	Nowrosjee Wadia & Sons, Ltd.	1,89,680	4,855	Bombay Dyeing & Mfg.	459½	250	20 0	22 8*	20 0		12	V.Y.
10,00,000	27,36,599	55,58,179	48,57,495	2,48,761	Ramnarain Sons, Ltd.	42,008	860	Bradbury Mills	163½	50	10 0	100 0	75 0		12	V.
1,89,42,800	2,27,54,197	2,83,17,250	1,85,13,280	31,32,663	Birla Bros., Ltd.	1,25,936	2,698	Century Spg. & Mfg.	380½	100	20 0	22 0	22 0		3	W.Y.
49,00,000	15,44,490	1,14,09,462	65,52,039	—33,25,720	V. J. Plani (Chairman and Managing Director).	40,668	798	Colaba Land & Mill	55½	100	Nil	Nil	Nil		12	V.
26,00,000	13,33,380	64,51,450	44,36,747	21,158	Cowasjee Jehangir & Co., Ltd.	30,130	680	Cooria Spg. & Wvg.	118½	100	7 8	7 8	7 8		12	V.
16,00,000	25,08,261	64,39,890	50,46,041	38,562	Dinsmoreji Sons, Ltd.	38,304		Dawn Mills	50	50	6 0	6 0			3	Y.
84,00,000	27,75,000	68,55,752	60,72,724	16,489	Furnamal Radhakishan & Co.	50,296	928	Edward Textiles	268½	100	15 0	15 0			12	V.
29,97,750	11,93,292	1,09,90,311	73,99,225	17,949	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	40	50	3 0	Nil	2 8½		12	V.
50,00,000	64,31,875	1,05,11,445	71,58,256	3,90,661	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	190	20	16 0	16 0	16 0		12	V.Y.
11,84,000								Hindoostan Spg. & Wvg. Mills	3,830	1,000	200 0*	225 0*	225 0	40 0½	12	V.
16 000	75,99,589	1,20,85,307	91,11,500	8,850	Thackersey Mooljee & Co.	49,672	1,126		865	250	50 0	56 4*	56 4	10 0½	3	V.Y.
8,00,00,000	1,13,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,38,038	6,278	India United Mills	10⅝	10	Nil	0 10½			12	V.
30,00,000D									1-3½	1D	Nil	0 1				
8,65,000	71,99,043	1,22,31,586	89,59,000	3,351	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	3,830	1,000	200 0*	225 0*	225 0		12	V.
35,000									865	500	100 0	112 8*	112 8	40 0½		
39,85,000	40,24,767	2,15,86,170	1,74,28,945	23,212	Khatau Makanji & Co., Ltd.	84,604	1,513	Khatau Makanji Spg. & Wvg.	167½	100	10 0	10 0	8 0		3	V.Y.
1,00,00,000	1,44,50,000	3,49,59,105	2,46,34,456	12,185	Kilachand Industries Ltd.	1,20,504	1,846	Kohinoor Mills	312½	100	18 0	20 0*	18 0		12	V.
88,80,000A	64,00,782	4,36,527	88,878	6,05,336	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	844	100A	6 4	6 4			4	V.Y.
3,40,000B										20B	1 4	1 4				
87,13,050	39,74,916	1,16,37,317	54,72,963	16,412	N. Sirur & Co., Ltd.	48,676	644	Modern Mills	85N	50	5 0	5 0	5 0		12	V.Y.
31,75,000	37,82,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	218½	100	12 0	12 0	12 0		10	Y.Y.
1,57,71,400	61,70,518	5,74,05,779	1,55,00,000	5,72,076	Chinai & Co., Ltd.			National Rayon Corporation	203	Nil	9 0	10 0	10 0		6	Y.Y.
84,00,000	25,40,685	74,52,403	46,04,752	27,546	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	140½	100	10 0	10 0	10 0		12	V.
80,00,000	15,47,407	89,82,380	81,42,740	12,517	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	173	100	10 0	10 0	7 8		12	V.Y.
12,70,108	36,36,004	42,69,352	13,74,660	423	Mafatlal Chandulal & Co (Bombay), Ltd.	34,100	873	New Union Mills	30½	10	1 4				12	V.
48,00,000	36,07,273	1,42,08,882	91,39,811	30,475	Ramnarain Sons, Ltd.	66,324	1,190	Phoenix Mills	113	100	8 0	8 0			12	V.
40,00,000	43,62,741	24,64,450	22,50,000	8,99,184	Podar Sons, Ltd.	32,600	930	Podar Mills	158½	100	10 0	10 0			12	V.Y.
5,00,000	8,44,062	21,20,749	18,99,340	2,590	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	14½	10	1 4	0 12			3	V.
85,00,000	69,06,474	1,24,27,606	81,47,282	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	35½	10	1 4	1 4			12	V.
60,00,000	1,33,00,061	91,25,908	50,71,284	1,53,662	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills	237½	100	12 8	14 0	14 0		12	V.Y.
42,00,000	38,80,000	80,15,073	68,49,000	21,940	Forbes, Forbes Campbell & Co., Ltd.	29,436	1,274	Simplex Mills	154½	50	15 0(p)	15 0	11 0	4 0½	3	V.
36,00,000	1,22,33,867	1,85,08,331	1,18,85,485	17,128	Mafatlal Gagalbhai & Sons	37,288	1,033	Standard Mills	361½	100	20 0	20 0	20 0		12	V.Y.
1,00,00,000	82,26,542	1,92,83,887	1,02,23,292	43,799	Tata Industries Ltd.	70,764	2,000	Svadeshi Mills	184½	100	16 0	16 0	8 0		12	V.Y.
36,00,000	62,78,465	1,17,42,921	70,22,715	3,59,764	James Finlay & Co., Ltd.	38,828	552	Swan Mills	315	100	30 0	20 0	20 0		12	V.
32,59,438	49,96,589	1,59,55,305	48,92,129	11,417	Tata Industries Ltd.	62,096	1,900	Tata Mills	49½	25	1 0	1 8	2 8		12	V.Y.
18,00,000	62,52,708	98,83,223	76,65,000	4,219	Thackersey Mooljee Sons & Co	54,424	1,181	Western India Spg. & Mfg.	3,875	1,000	200 0*	225 0*	85 0	40 0½	3	Y.P
AHMEDABAD																
83,00,000	25,97,650	96,80,904	55,57,028	5,666	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	131½	100	10 0	10 0*			6	V.P.
10,00,000	90,55,638	89,83,424	65,39,067	7,878	P. M. Nathoomalg & Sons, Ltd.	42,768	912	Arvind Mills	527½	100	20 0*	20 0*	5 0		12	V.Y.
26,25,000	2,23,66,002	1,33,18,915	89,73,000	47,456	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,184	100	25 0	25 0			12	V.P.
90,00,000	58,43,340	79,44,276	56,25,000	3,90,074	Mangaldas & Bros., Ltd.	35,884	884	Ayodya Cloning & Mfg.	370	200	15 0	15 0			12	V.P.
12,00,000	1,08,38,621	82,14,168	66,70,738	55,358	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	607½	100	20 0	20 0*	22 0		12	V.P.
1,24,79,011	1,11,66,203	4,24,88,718	3,07,33,544	16,00,756	Karamchand Premchand Ltd.	1,39,120	2,372	Calico	372	125	18 0	18 0	18 0		12	V.P.
45,00,000	48,45,000	1,05,59,863	72,50,000	6,391	Tribhuvandas Bhoglal & Co., Ltd.	45,936	867	New Commercial Mills	1,105N	750	70 0	70 0			12	V.P.
89,00,000	66,61,702	1,14,89,135	93,35,206	6,387	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	779	125	35 0	35 0	35 0		12	V.P.
3,00,000	61,13,982	46,72,943	31,76,001	700	Jagabhai Bhoglal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	705	100	30 0*	30 0*			12	V.
12,50,000	1,09,22,589	79,71,778	52,25,077	32,522	Lalbhai Dalpatbhai & Co.	31,120	634	Raipur Mfg.	1,026½	100	25 0	17 8			12	V.P.
12,00,000	13,93,067	74,93,069	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	77½	250	Nil				12	V.P.
32,50,000	10,74,825	84,83,940	32,47,803	4,020	Lallubhai Gordhandas Ltd.	33,156	648	Rohit Mills	153½	100	9 0	9 0			12	V.P.
18,90,100	1,90,84,532	1,60,11,912	1,34,25,000	2,52,570	Narottamdas Kalidas & Co.	94,116	1,733	Shri Ambica Mills	393	50	16 0	18 0	20 0		12	V.P.
19,32,500	39,00,194	78,08,018	62,03,800	6,434	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	26,624	720	Shorrock Spg. & Mfg.	460	100	20 0	20 0	25 0*		12	V.
28,00,000	26,43,469	75,32,266	61,24,605	31,806	Ratilaxa Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	536½	400	35 0*	35 0*			12	V.P.
WEST BENGAL																
15,00,000	1,88,479	34,10,729	19,47,810	41,227	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	4½	10	Nil	0 4			12	V.
7,11,200	3,93,249	40,98,098	23,80,978	47,818	Bengal Textile Agency, Ltd.	32,352	936	Bengal Luxmi Cotton Mills	38½	40	2 0	Nil	4 0		12	V.P.P.
6,00,000	22,71,793	80,75,189	51,92,000	—21,82,781	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	375	100	Nil	Nil	Nil		3	Y.
19,00,000	25,17,571	99,37,856	69,83,080	—9,27,405	Kettlewell Bullen & Co., Ltd.	42,944	818	Dhunseri Mills	204	100	Nil	Nil	Nil		6,12	H.P
1,60,00,000	1,98,18,540	3,42,43,338	1,08,56,338	2,15,714	Birla Brothers, Ltd.	70,040	1,990	Kesoram Cotton Mills	26½	20	1 12	1 12	1 12		6,12	R
6,00,000								Mohini Mills	—	25	1 4½				3	V.P
83,96,288	9,78,808	84,54,406	67,06,257	8,188	Chakravarti Sons & Co.	23,484	442			10	0 8½					
19,67,720D	5,75 000	41,85,833	19,32,788	15,666	Hazaresmoll Hoorialall	23,196	795	Rampooria Cotton Mills	12	10					18	V.P.
5,00,000D									3N	1D	Nil	Nil			6	Y.
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,09,109	39,21,613	21,09,246	2,736	Ramal & Co., Ltd.	55,000	[illegible]	Alagappa Textiles (Cochin) Ltd.	5½	10						
71,94,400	31,99,334	2,86,06,796	50,52,572	5,771	Industrial Trust Fund,	36,136	750	Azam Jahi Mills	70	100	6 0	6 0			12	Y.P.D.
46,50,000	1,51,68,745	2,87,22,995	2,24,71,643	2,44,711	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	425	100					9	V
27,00,000	15,50,000	77,25,162	53,72,132	18,199	Birla Brothers, Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	10½	10	15 0	25 0	30 0		12	V.P
15,00,000	1,12,09,588	1,12,05,727	78,65,727	5,50,791	Binny & Co. (Madras), Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	70N	10	8 0	6 0	Nil		6,12	H.P.P
1,78,47,800	1,54,69,697	4,50,39,308	1,14,94,493	2,69,005	Binny & Co. (Madras), Ltd.	1,20,356	2,764	Buckingham & Carnatic	151½	100	3 0	3 0	3 0		3	V.
29 00,000	20,00,406	34,17,820	19,76,634	8,55,087	Petrie, Leslie & Co., Ltd.	37,536		Cambodia Mills	11⅝	10	4 0	10 0	16 0		3	Y.
15,00,000	4,51,500	43,54,797	18,76,141			17,496		Cannanore Spg. & Wvg.	131½	100	12 0	0 12	Nil		12	Y.P.
36,00,000	28,49,773	81,86,118	47,84,818	26,773	Begg, Sutherland & Co., Ltd.	28,796	591	Cosmopore Textiles	84	100	12 0	12 0	20 0		12	V.P
12,00,000	20,60,000	30,85,973	24,65,699	4,614	R. Bheema Naidu & Co.	28,864		Coimbatore Cotton Mills	275	100	9 0	9 0	0 8		3	V.
20,00,000	13,90,000	33,17,361	17,08,703	3,400	T. R. N. Naidu & Co.	21,978		Coimbatore Pioneer Mills	218	100	9 0	20 0	25 0		3	V.
28,75,988	4,36,646	1,14,48,334	68,98,950	4,76,905	E. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	66	100	9 0	15 0	10 0		6	V.
46,87,500	61,78,247	2,34,42,659	1,51,56,858	14,971	Tata Industries, Ltd.	1,15,188	2,062	Central India	125	100	Nil	Nil	37		6	V.P
3,38,36,225	2,63,12,465	8,55,97,662	4,42,00,000	1,69,241	B. R. Charat Ram & Co., Ltd.	1,16,636	2,355	Delhi Cloth & General Mills	37½	25	2 0	2 0	2 0		6	V.P
1,00,363										5	1 2	1 12	2 4			
24,34,800	24,72,758	47,34,037	33,82,512	9,248	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	268	2½	0 12 4/5	0 2 4/5	0 3 3/5		6	V.P
63,00,000	33,27,872	1,46,96,492	1,21,71,631	62,277	Begg, Sutherland & Co., Ltd.	53,768	1,198	Elgin Mills	19	100	20 0	20 0	30 0		12	V.
45,81,000	33,91,175	88,91,779	65,24,878	37,169	Forbes, Forbes Campbell & Co., Ltd.	72,904	3	Gokak Mills	216½	100	17 0*	17 0	13 0		9	V.P
50,00,000	12,95,745	1,25,73,688	88,01,206	12,371	Govindram Sekseria (Indore)	51,180	1,420	Indore Malwa United	93½	100	6 0	6 0			12	V.
8,90,000	10,65,683	30,91,139	16,77,748	—50,124	O. V. Naidu & Co., Ltd.	23,784		Janardana Mills	81Cd	20	2 12	4 8	5 0		12	V.
24,00,000	15,75,000	64,03,081	12,00,000	20,004	Kothari & Sons	30,512	209	Kothari Textiles	12½	10	0 12	0 8	0 12		12	V.
82,00,000	69,32,519	1,42,27,744	1,05,78,587	19,080	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	507½xd	250	37 8	37 8	0 8		6	V.P
33,64,100	44,00,000	1,00,53,685	69,98,849	25,795	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	140½	50	5 0	5 0	33 12		12	V.P.
17,82,050									72	25	2 8	2 8	10 0			
1,75,82,488	4,13,81,878	8,66,33,243	3,44,90,463	9,66,800	A. & F. Harvey Ltd.	4,63,852		Madura Mills	45	15	3 0	3 0	3 0		8	V
18,00,000	4,17,343	27,72,881	16,02,069	1,14,098	A. L. A. R. K. Chettiar and 2 others.	22,992	100	Meenakshi Mills	320	100	12 8	8 0	3 0		12	V
60,00,000	69,00,000	61,36,483	39,86,352	50,153	W. A. Beardsell & Co., Ltd.	25,656	603	Mettur Industries Ltd.	330	100	12 0	12 0			12	V
29,80,884	28,14,157	76,14,218	44,32,685	12,036	N. Sirur & Co., Ltd.	39,200	704	Minerva Mills	98½	100	8 0	12 0	22 8*		3	V
84,91,250	27,24,404	1,61,29,118	78,81,328	—7,44,932	Benatti Arichand Dadabhoy & Co.	51,340	955	Model Mills (Nagpur)	138½	100	7 8	7 0*			12	V
36,00,000	52,19,608	1,33,39,372	1,05,91,681	—1,77,290	Indian Textile Syndicate Ltd.	88,640	1,834	Moir Mills	110½	100	7 8	7 8*	3 8(c)		6	V
84,83,500	56,39,566	95,23,192	61,37,444	22,997	N. Sirur & Co., Ltd	49,644	500	Mysore Spun Silk Mills	32½	10					12	V.P
13,61,780	2,58,745	28,42,992	15,27,000	3,946	R. Sreeyesaraya Rao Esq. Manager	6,000			4½	10	Nil	10 0*	8 8*	3 01	12	V.Y.
22,39,882C	23,62,332	1,02,16,296	58,90,719	—39,62,329	J. P. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills	1½	O. 2½	Nil	Nil	Nil		3	V.
3,07,093D										D 1	Nil	Nil			3	Y.
87,63,900	87,08,000	1,64,48,327	62,62,631	15,819	Industrial Trust Fund	37,788	847	Osmanshahi Mills	66	100	7 0	8 0			12	V.
4,08,800A	7,50,000	33,81,578	18,80,484	551	Bhaghwatikhami & Co.	29,924		Palani Andavar Mills	141	98A	7 8	12 0			9	V.
1,00,000B										75B	11 4	16 0				
15,00,000	8,56,929	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980		Pankaja Mills Ltd.	55	100					12	V.P.
16 81,200A	20,00,000	73,90,455	41,41,878	28,607	A. G. Curumany Naidu & Co.	54,864	301	Radhakrishna Mills	207	100 A	6 0	8 0			12	V.
8,49,200B									111cd	50B	3 0	4 0	16 0			
15,00,000	32,25,000	25,50,864	16,48,985	34,422	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	131	50	Nil	4 0	8 0		12	V.
22,23,375	12,10,000	38,91,595	14,22,264	23,505	Rayalaseema Developments Co.	14,800		Rayalaseema Mills	90	100	6 0	6 0			12	V.P.
60,00,000	62,66,500	98,29,367	35,63,291	—19,59,428	J. P. Srivastava & Sons (Rampur).	33,984	600	Raza Textiles	5½	10	0 8	0 8	9 0		12	V.
16,80,000	1,60,39,518	2,89,27,048	2,04,27,279	—1,50,02,067	Morarka & Co	86,048	2,234	Sholapoor Spg. & Wvg.	1,400	1,000	Nil	Nil			12	V.P.
									300	300	Nil	Nil	Nil			
36,69,700	11,45,000	75,40,039	49,23,631	26,144	H. N. Fallesar, Esq.	31,668	292	Sri Krishnarajendra Mills	74½	50	4 0*	4 0*	4 8		8	V.P
28,14,800	2,00,246	35,18,906	17,73,000	—2,46,777	Gopaldas Liladher & Co., Ltd	17,880	440	Shree Sajjan Mills	72N	100	Nil	Nil	Nil		3	V.
15,00,000	2,49,73,985	87,38,169	62,02,085	31,22,917	Birla Brothers, Ltd.	36,212	1,242	Sutlej Cotton Mills	76	10	4 0	4 0	5 0		8	V.
17,50,000O	2,20,00,000	4,32,93,245	1,56,70,740	2,67,165	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	9	100	Nil	0 8				
1,87,50,000pe	16,00,000	2,75,11,606	1,00,28,764	1123,122	Emcee & Sons (Travancore), Ltd.			Travancore Rayons	9½	10P.O.	Nil	0-14 2/3				
99 84,040	8 79 479	13,36 297	10,45 186	8,321	Mooljee Ranjee & Sons	16,256		Trichinopoly Mills	15½	10	0 8	0 8	0 10		12	V.P.
13 98,670	32,00,000	46,92,295	36,31,459	30,500	B. K. S. Chetty & Brothers	33,704	270	Vasanta Mills	12	10	0 11 1/3	0 11½	0 14 2/3		12	V.Y.P
21 00,000	31,99,443	1,38,23,036	1,00,33,390	22,250	Bon Bay Co., Ltd.	54,280	1,495	Vishnu Cotton	213	100	12 0	12 0	15 0		12	V.
32,00,000									132½	100	10 0	4 0	4 0		12	V.P.

* Includes bonus.

** Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(b) Subject to taxation and workers' bonus.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

(c) Paid out of reserves.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
13,28,000	16,64,000	1,09,25,186	50,37,365	21,554	Parry & Co., Ltd.	Deccan Sugar & Abkhari	32½	25	Nil	Nil	Nil		5	V.P.
6,64,000							13½	10	Nil	Nil	Nil			
16,20,630	15 83,781	23,47 704	11,58,077	16,143	Mr. K. O. Khanna	Dyer Meakin Breweries	6½	5	0 8	0 8			3	V.
680,000A	£897,579	£1,225,541	£513,606	£57,290	Parry's Holdings Ltd.	East India Distilleries and Sugar	17	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5			V.P.
300,000B							28½	B. £1	Sh. 3	Sh. 4	Sh. 5 4/5			
6,00,000	9,60,000	11,63,313	11,63,307	4,037	Vittal Mallya, Esq. (Chairman	United Breweries	165	75	15 0	15 0	15 0		3	V.
CEMENT														
11,37,700A.	8,69,857	75,78,758	45,89,342	4,636	Andhra Engineering Co., Ltd.	Andhra Cement Co.	137½cd	A. 100	7 8	10 0*			12	V.P.D.
39,67,420B.							13½cd	B. 10	0 12	1 0*				
43,14,600C.	11,14,602	18,53,830	7,23,479	4,20,881	Eastern Corporation Ltd.	Assam Bengal Cement	6½	O. 10	Nil	Nil			3	V.H.
4,70,976D.							14	D. 1						
12,67,59,333	4,18,90,259	20,42,88,558	7,85,13,157	6,93,281	Cement Agencies Ltd.	Associated Cement Companies	176	100	9 8	9 8	8 8		7	V.
60,00,000O.							13⅝	O. 10	0 10	1 0				
26,49,798O.	46,39,155	81,39,445	20,01,691	67,792	Hari Brothers Ltd.	Dalmia Cement (Bharat)	2½	O. 2½	0 2½	0 4			12	V.P.H.
5,00,000D.							2	D. 1	Nil	0 1-3/5				
61,84,930O.	8,00,000	1,45,26,685	39,60,537	1,15,792	Essen Ltd.	India Cements Ltd.	23½	O. 25	1 4	Nil	1 4		3	V.P
7,50,000D.							4½	D. 5	0 8	Nil	0 4			
59,84,000	13,00,000	1,67,86,035	51,49,060	1,62,701	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	184½	100	6 0	6 0			12	V.P.
75,00,000	28,95,000	1,75,91,085	1,37,82,076	6,448	Martin Burn Ltd.	Sonevalley Portland Cement	7⅝	5	0 8	0 6			12	V.
50,00,000	....	1,04,00,351	34,33,980	2,75,554	Essel Ltd.	Travancore Cements Ltd.	8	10	0 8	0 8	0 10		12	Y.
CERAMIC; MINING AND QUARRYING														
81,70,655	1,50,000	60,96,114	23,31,090	15,378	S. Lall Bhagat & Co.	Bengal Potteries	3½	8½	0 2½	0 2½			12	V.
10,00,000	22,81,783	56,54,921	32,63,272	8,804	Bird & Co., Ltd.	Biere Stone Lime Co.	43½N	10	0 14	0 14	0 8f		8,9	H.
£914,200	£1,105,500	£1,819,281	£997 797	£76,278	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3-11½	Sh. 2	3d.	2.4d.			12	V.
20,00,000	27,12,396	43,78,754	12,16,751	16 731	Bird & Co., Ltd.	Karanpura Development	10½	10	Nil	Nil	Nil		6,12	H.
4,00,000	2,33,000	8,23,246	4,73,150	2,603	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	8½	10	1 0	0 12	0 8		3	V.
10,00,000	41,78,183	41,65,780	22,96,597	1,39,969	B

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
						PAPER								
45,00,000	31,61,841	1,99,95,468	1,41,05,656	1,53,875	Balmer Lawrie & Co.	Bengal Paper Mills	65xd	25	1 9 Nil	Nil 1 9	1 9 1 9		6,12	H.P.T.
80,00,000	33,44,805	1,07,15,561	71,75,830	2,34,328	Andrew Yule & Co., Ltd.	India Paper Pulp	250	100	5 0 5 0	6 0 6 0	7 0 7 0		3,9	H.
85,00,000	16,12,500	1,18,13,367	47,51,061	49,179	B. P. Ramakrishnan Esq.	Mysore Paper Mills	17½	10	1 0* 1 0	1 0* 1 0	0 7½ 0 7		3	W.
1,46,82,500	1,69,72,408	3,91,23,962	91,37,779	2,47,582	Birla Bros.	Orient Paper	27½	10	1 0 0 12	1 0 0 12	0 8 0 12f		3,9	H.P.T.
80 06,290	78,16,849	1,11,54,742	62,73,807	2,23,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	16½	10	1 0	1 0			6,12	H.P.T
80,00,000 18,00,000A.	7,02,430	50,37,167	28,55,530	9,798	Bajoria & Co.	Star Paper Mills	13½ 13½	O. 10 A. 10	0 4 0 4	0 6 0 6			3,9	H.P.T.
56,00,000A. 56,04,800B. 4,97,500P.O.	2,83,01,797	5,11,76,455	3,06,96,855	3,59,432	F. W. Heilgers & Co., Ltd.	Titaghor Paper Mills Co., Ltd.	44½ 44xd	A. 10 B. 10 P.O. 2½	1 0* 1 0* 1 0 0 2	1 0* 1 0* 1 0* 0 2	0 12½ 0 12½ 0 12½ 0 2½		3,9	H.P
						PRESSING								
8,00,000	6,12,365	15,78,488	10,90,581	20,403	Andrew Yule & Co.	Calcutta Hydraulic	90	100	5 0	5 0	4 0		6	V.
4,30,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	89N	100	7 0	7 0	7 0		7	V.
5,00,000	1,55,000	10,91,811	9,30,377	12,962	Andrew Yule & Co	Central Hydraulic	92	100	5 0	4 0	5 0		6	V.
						PROPERTY AND LAND								
10, 2,780O. 8,00,000D.	7,43,065	43,46,067	21,43,279	96,047	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10½ 1½	O. 10 D. 1	0 8 Nil	0 11½ 0 1/5	0 9 3/5 Nil		9	W.P.
60,00,000	18,90,038	84,21,336	15,00,000	350	David Sassoon & Co., Ltd.	Port Canning Land	11½	100	1 0	1 8	1 8		4	W.
94,00,000	35,56,934	96,49,123	1,06,646	95,262	Andrew Yule & Co.	Midnapore Zamindary	38	100	2 0	1 8	4 0		4	W.P.
						SAW MILLS AND TIMBER								
13,99,998	28 23,970	29 97 501	8,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	5½	3	0 4	Nil	Nil		9	V.
80,00,000 42,00,000	4,08,84,385	3,05,42,310	1,22,52,525	56,875	Wallace & Co.	Bombay-Burmah Trading Corpn.	458 173	Old 125 New 50	22 8 9 0	13 0 6 0	20 0 8 0		3	V.
6,00,000	43	2,00,768	1,76,945	—5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	38N	100	Nil	Nil	Nil		6	V.P.
20,00,000	18 15,487	18,19,049	13,53,015	1,79 568	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	39xd	10	3 0	2 8	2 12		9	V.
						SUGAR (U.P. and Bihar)								
16,08,000	13,55,921	38,50,924	27,77,928	23,527	Begg, Sutherland & Co., Ltd.	Batrampur Sugar	9½	5	Nil	Nil	0 12			W
12,00,000A. 8,00,000B.	29,18,256	49,46,285	33,16,660	15,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	140N 134N	A. 100 B. 10	10 0 1 0	10-0 1-0	10 0 1 0		4	W
19,49,050	5,50,000	31,91,657	23,33 812	49,906	Bangur Bros., Ltd.	Belsund Sugar	9½	74	0 12	0 12	0 12		9	W.
15,00,000	13,85,319	45,47,836	11,37,841	26,084	Cotton Agents Ltd.	Bharat Sugar	19½N	10	1 8	1 8	1 8		6	V.P.
12,00,000	26,79,431	1,35,76,859	88,78,177	61,723	Gladstone Lyall & Co., Ltd.	Carew & Co.	12	10	Nil	Nil	0 12		6	V.P.W.
15,00,000	53,02,981	1,00 12,353	81,32,451	59,696	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	19	10	2 0	2 0	0 12		10	V.P.
18,00,000	33,88,892	67,14,961	30,49,402	24,329	Begg, Sutherland & Co., Ltd.	Champarun Sugar	30½	10	2 0	1 0	1 0		6	V.
5,99,452	6,18,562	22,66,286	14,01,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	7½xd	10	0 8	1 0			8	V.T.
83,00,000A. 10,00,000D.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	173N —	'A' 100 O. 100	12 0* 12 0*	15 0* 15 0*			6	V.P
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	57N 30N	80 40	Nil Nil	Nil Nil			7	V.P.
7,89,100	23,05 922	29,32,672	17,61,033	64,888	Cotton Agents Ltd.	New India Sugar Mills	34½N	10	2 8	2 8	2 8		6	V.P.
11,00,000	4,20,000	37,49,397	24,14,065	8,769	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 8	0 4			3	V.
10,87,500 A. 8,71,875 B.	49,84,457	63,27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mills	220N 55N	100 25	20 0 5 0	20 0 5 0	20 0 5 0		6	V.
77,48,500	52,22,414	1,75,96,483	88,00,000	56,923	Cotton Agents Ltd.	Oudh Sugar	115N	100	6 0	11 0	11 0		7	V.P.
12,00,000	12,74,233	28,77,669	19,95,928	55,000	Narang Bros. & Co., Ltd.	Punjab Sugar	115N	100	6 0	10 0	10 0		10	V.
9,00,000	15,93,919	35,23,093	29,32,249	3,957	Begg, Sutherland & Co., Ltd.	Purbipore Co.	18½xd	10	1 0	1 0	0 12		10	V.P.
8,00,000	6,54,762	25,43,782	21,01,613	24,340	Begg, Sutherland & Co., Ltd.	Ryam Sugar	19½N	10	1 0	0 8	0 8		6	V.P.
11,99,000	17,75,737	38,17,360	22,17,129	13,455		Samastipur Central Sugar	15½	10	1 0	0 8	0 8		4	V.
80,00,000	81,48,560	1,06 85,319	57,08,717	5,475	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	17½	10	1 8	1 8	1 8		8	V.P.T.
9,99,950	61,825	27,77,628	12,85,342	—1,89,266	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	4	10	0 6½	Nil			6	V.
7,95,462	16,32,940	29,95,970	16,32,168	92,009	Karamchand Thapar & Bros	Shri Sitaram Sugar	12xd	10	1 0	2 0*			8	V.T.
9,15,000C. 4,40,000D.	47,992	27,27,402	11,44,770	—15,90,149	N. K. Jain & Co., Ltd.	South Behar Sugar	1N ½N	O. 10 D. 2½	Nil Nil	Nil Nil			10	V.P.
8,00,000	20,87,588	83,26,115	50,99,754	48,719	Cotton Agents Ltd.	Upper Ganges Sugar	30N	10	2 0	1 0	2 8		6	V.P
16,00,000	7,99,778	81,12,369	84,99,851	5,181	James Finlay & Co., Ltd.	United Provinces Sugar	24½	10	1 0	0 8			9	V
						Other Centres								
4,99,750	65,29,871	1,40,80,073	84,87,447	33,628	W. H. Brady & Co., Ltd.	Belapur Company	300½	50	16 0	16 0	16 0		5	V.
50,000	11,90,010	31,68,833	19,76,042	38,000	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	12½	10	1 0	0 10	1 0		12	V
15,93,900	2,45,841	39,19,958	20,01,146	31,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	46N	100	3 0	Nil	Nil		6	V.P.
28,70,610	14,00,000	26,56,629	18,50,803	4,30,236	Irwin Sugar Agencies Ltd.	India Sugar and Refineries	18½	10	2 8	2 8	1 12		9	V.P
33,57,580	42,47,476	41,33,220	19,37,712	3,477	Goyan Bros. (Rampur), Ltd.	Buland Sugar	14½N	10	0 12	1 0			10	V.
10,52,200O. 2,87,190D.	67,50,000	84,86,942	27,56,542	2,346	V. Ramakrishna, Esq.	K. C. P. Ltd.	133 90	O.100 D. 10	7 8 10 0	7 8 10 0	7 8 10 0		6	Y.P.
81,19,280	90,22,871	1,21,03,930	73,11,305	2,28,221	M. S. Swaminathan, Esq. (Managing Director)	Mysore Sugar	53½	10	2 0	2 0	2 0		6	V.
50,00,000	47,49,631	1,07,50,631	55,61,246	15,411	Mafatlal, Apte and Kanthi Ltd.	Phalian Sugar	120½	50	5 0	6 0	8 0		9	V
16,59,820	28,50,830	53,50,015	26,76,747	29,230	Andersch Wright Ltd.	Ram Nagar Cane and Sugar	23½	10	2 0	2 0	1 8		8	V.P.T.
20,00,000O. 4,00,000D.	24,67,171	87,47,627	53,31,85	61,432	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	95N 7N	O.50 D.10	9 0 0 11½	9 0 Nil	9 0 Nil		9	V.P.T.
19,99,800	46,07,818	43,46,104	19,85,541	3,144	Goyan Bros. (Rampur), Ltd.	Rana Sugar	101N	10	0 12	1 0			10	V.
80,00,000	10,37,776	59,76,254	17,87,139	—37,224	Parry & Co., Ltd.	Travancore Sugars	7½	10	Nil	Nil	Nil		7	V.P
1,01,00 000	61,19,890	1,85,70,930	1,04,63,312	1,79,083	Premier Construction Co., Ltd.	Walchandnagar Industries	203½	100	14 0	14 0	16 0		9	V.P.W
						TRANSPORT								
20,00,000	1,08,42,425	1,33,68,272	13,76,183	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co.	139	100	12 8	10 0	7 8		10	V.P
1,00,00,000	11,17,773	3,37,24,932	1,60,89,871	69,556	Dinshaw Ltd.	Bharat Line	81	100	5 0	5 0			12	V.
94,35,838	14,59,838	1,83,20,489	63,44,422	1,09,704	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	15½	10	1 0	1 0	1 0		6	W.
£635,580	£954,756	£5,633,307	£3,454,207	£3,327	Kilburn & Co., Ltd.	India General Navigation & Rly. Co	94	£10	£8.10	Nil			12	V.
2,25,00,000	74,99,223	4,41,60,669	1,52,36,755	1,64,960	Lionel Edwards Ltd.	India Steamship Co.	78	10	0 8	0 8	Nil		12	V.P
9,40,19,673	7,83,28,023	14,92,78,428	3,71,00,000	2,72,820	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	15½	20	0 8	0 12	0 8		6	V.W.
4,40,800O. 6,10,200P.O.	17,33,073	10,83,408	6,54,056	1,88,899	E. A. Smith, Esq., (Manager)	Watford Transport, Ltd.	11 1½	O. 1 P.O. 1	as 1 3/25 as 1 9/25	as 1 3/25 as 1 9/25			12	V.
						UNCLASSIFIED (Bombay)								
2,40,000	95,000	3,35,957	3,89,000	760	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	35 0	32 0	32 0		9	V
15,98,860	2,04,173	2,18,255	80,000	40,555	Parekh Agencies Ltd.	Bombay-Uganda	69½N	50	4 0	5 0			12	V
1,80,000	1,80,000	25,30,071	13,483	8,047	Dana Sons, Ltd.	Darwan Nath Investment Co.	100	25	0 12	0 12	0 12		8	V
14,94,840	3,09,422	26,42,753	18,75,000	74,464	Choonilal Manilal Ltd.	Estrela Batteries	55N	50	2 8	Nil	3 8		3	V.P.
99,99,250	19,07,876	1,27,52,603	....	2,85,005	Premchand Roychand & Sons	Industrial Investment Trust	71½	100	4 8	4 8	4 8		12	V
1,00,00,000	31,25,000	21,31,427	7,78,349	18,107	B. D. Sheppard, Esq. (Mg. Director)	Kilitch Industries	170	100	10 0	10 0	11 0	4 01	6	Y.
8,07,00,200A. 30,00,000B.	5,29,603	2,64,35,763	98,15,035	—13,44,485	Auto-Auto Ltd.	Premier Automobiles	74½ —	A. 100 B. 10	Nil Nil	Nil Nil	Nil Nil		6	V.
10,21,200	3,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	23	20	3 0	Nil	Nil		12	V.
2,75,00,000	75,25,548	2,92,47,116	1,53,96,500	5,28,887	T. Rydin, Esq. (Managing Director)	Western India Match Co.	181½	100	11 0*	11 0*	11 0*		12	V.
45,00,000	53,74,647	7,24,608	3,07,108	45,948	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	V.
						Other Centres								
47,50,000	15,08,008	1,88,63,301	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	6½ 10N	O. 10 D. 2½	Nil	Nil	Nil		8	V.P.T.
2,50,000	40,60,690	31,77,196	21,11,902	2,39,798	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	18½	10	1 4	1 4	1 4		8	V
30,00,000	8 25,000	35,74,632	20,11,857	1,17,493	T. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	19½	10	1 0*	1 4*	1 4*		8	V
28,00,000	83,47,883	1,00,29,510	39,87,830	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	4½N	10	0 4	0 31/5	0 31/5		12	V.
80,00,000O. 80,00,000P.O.	1,11,62,712	59,55,515	30,55,515	5,43,847	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	161 —	100 D. 60	20 0* 6 0*	20 0* 6 0*	3 1/5 6 0*		9	V.P.W
20,00,000	7,99,470	57,33,560		1,21,733	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4			12	V.
36,64,880	87,09,225	1,02,29,699	26,95,009	1,43,901	P. J. P. Parsons, Esq. (Mg. Director)	Britannia Biscuits	12½	10	0 12	0 8	1 4		8	V.P.
2,25,00,000	1,00 82,962	2,69,29,657	2,07,14,167	2,81,142	Sir Robert Menzies	British India Corporation Ltd.	9½	5	0 8	0 8	0 8		3	V.P.T.
1,60,00,000	1,79,00,000	4,83,17,964	3,08,53,134	11,88,891	Cecil Buck, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	36½	10	1 8	1 8	0 1		12	V.P.
31,26,000	53,95,753	1,34,39,918	....	3,13,308	Bird & Co., Ltd.	Indian Rubber Manufacturers	163	100	9 0	9 0	9 0		12	V.P.T.
14,00,000	9,97,000	33,12,243	18,66,225	11,238	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	190	100	20 0 10 0	10 0 10 0	7 8 7 8		12	V.P
35,00,000	18,00,000	18,19,106	6,87,880	1,58,072	K. R. Fettes, Esq.	Gillanders Arbuthnot & Co., Ltd.	11½	10	10 0	10 0	7 8		3	H.
30,00,000	11,42,354	68,39,433	29,41,525	1,366	B. P. R. Syndicate	Great Eastern Hotel	258N	250	15 0	7 8	7 8		3	V.P
12,42,800	7,07,964	70,51 010	47,39,848	19,013	Birla Bros., Ltd.	Hind Cycles	100N	100	8 0	15 0	4 4		3	V.
4,96,12,650		3,05,00,214	60,52,719	4,54,999	Birla Bros., Ltd.	Hindustan Motors	81	10	0 8	0 8			12	V.P.T.
1,60,00,000	36,77,754	3,96,21,357	1,34,14,699	2,96,512	J. W. Cameron, Esq.	Indian Aluminium Co.	15½	100	Nil	Nil	Nil		3	V.P.
1,52,89,220	1,09,40,984	1,32,87,233	46,27,452	19,70,046	A. R. Driessen, Esq.	Indian Cables	27½	10	1 0	Nil	Nil		12	V.P.
8,27,970	8,38,000	15,79,995	8,39,426	17,480	G. S. Meenen & Co. (India), Ltd.	Indian Rubber Manufacturers	17½	10	1 0	1 0*	1 0*		8	V.P.
2,00,00,000	52,62,941	31,49,487	7,53,287	5,26,226	G. M. Mackinlay, Esq.	Jardine Henderson	115	100	10 0	0 12	0 8		3	V.P.
4,34,800O.	3,48,343	6,29,830	4,31,766	2,240	James & Co., Ltd.	Meghalaya & Co.	2½ —	O. 2 D. 2	Nil	0 8	7 8		9	V.P
66,00,000	66,58,146	25,22,837	7,33,942	1,07,084	C. L. Bajoria, Esq.	McLeod & Co.	220	O. 100 D.O. 10	7 8 0 4	10 0 0 4			9	V
3,00,000L. 1,30,95,750	53 14,868	19,97,616	8,95,141	2,32,480	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	23½	10	1 0	1 0	1 0		12	V.P.
1,15,00,000	39,01,000	1,56,11,388	59,32,798	13,11,213	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	20½	10	1 0	1 0*	1 6		9	V.P.
6,35,255	1,72,448	7,82,942	2,60,927	—71,442	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3½	10	1 0	1 0	1 0		3	V.P.
8 56,250	9,59,113	10,40,230	4,40,947	35,598	C. Chandy, Esq. (Controller)	Mysore Lamp Works	5½	Nil	Nil	Nil			12	V.
10,00,000	1,20,000	14,23,286	7,19,467	35,596	K. Narayanaswamy, Esq.	Mysore Tobacco	10½	10	1 0	1 0	1 4		3	V.T.
30,00,000	49,41,539	53,81,562	37,19,098	1,75,176	Associated Industrial Development Co., Ltd.	National Insulated Cable	26½	10	0 12	1 0	1 0		3	V.P.T.
79,97,000	28,68,388	69,70,031	3,78,836	10,62,030	B. N. Elias & Co., Ltd.	National Tobacco Co.	54	10	Nil	Nil	Nil		12	V.P.
40,00,000	27,00,000	44,15,474	19,71,434	1,31,448	Coromandel Investment Trust Ltd.	Parry & Co.	4½	2	0 4½	0 4½			12	V.P.
8,25,000	6,41,664	1,61,45,956	43,79,829	—42,97,067	T. A. Lyttlerlapalo, Esq.	Ralli (India) Ltd.	39½	100	Nil	Nil	Nil		12	V.P.T.
1,14,00,000	1,17,70,208	6,94,43,137	3,00,81,612	4,46,951	Sahu Jain Ltd.	Rohtas Industries	23½	10	1 0	1 4	1 8		8	V.P.
40,00,000	93,51,062	1,19,12,218	70,10,822	4,54,537	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17½	10	1 0	1 4	1 8		10	V.P.T.
75,00,000	38,50,000	12,52,394	3,20,945	5,47,079	R. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	14½	10	1 0	1 0	1 8		6	V.P.
9,98,380	1,50,000	14,27,407	3,01,599	—1,04,545	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	Nil	Nil			12	V.

‡ Investments at cost. * Includes bonus. † Excluding goodwill at cost Rs. 80 lakhs.

‡ Excluding goodwill (written down) Rs. 80 lakhs. † Excluding goodwill at cost Rs. 80 lakhs

‡ Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
							ASSAM								
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co. Ltd.	825	Amluckie	600N	100	7 8	25 0	30 01		12	Y.P.
2,76,500	4,50,000	7,71 948	3,05,709	31,218	Andrew Yule & Co. Ltd.	312	Ananda (Assam) Tea	37½	10	0 12	1 4	7 8½		12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co. Ltd.	420	Ananda Bag	54	10	Nil	2 8	1 8½		12	Y.
3,50,000	7,21 416	16,60,355	5,32,872	—75 110	McLeod & Co. Ltd.	513	Baghmari	25½	10	Nil				12	Y.
3,40,000	8,20,000	9,24,593	5,59,593	80,009	.....	569	Basmatia	47	10	2 0	2 8			12	Y.
3,30,000	3,70,000	9,34,920	2,11,496	61,395	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	65	10	Nil	2 0	1 8½		12	Y.
3,20,000	5,70,000	9,34,920	22,95,169	1,99,547	Williamson Magor & Co., Ltd.	3,967	Bishnauth	43½	10	Nil	3 8			12	Y.
16,50,000	20,60,000	52,30,169	2,08,130	61 929	Octavius Steel & Co., Ltd.	485	Bokakhat	23	10	Nil	Nil	1 0		12	Y.
6,00,000	2,33 500	10,49,416	2,52,708	3,960	McLeod & Co., Ltd.	450	Bormah Jan Tea	20½	10	Nil	0 12	1 0½		12	Y.P.T
7,50 000	4 50 000	8,36,160	19,49,496	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	15½	10	1 0	0 8	1 4		6	Y.P
35,00,000	11,92,045	73,80,473	1,69,074	—16,624	McLeod & Co., Ltd	282	Dejoo Valley	30	10	Nil	1 0			12	Y.
1,20,000	1,75,097	4,60,080	36,977	36,977	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	445	100	10 0	20 0			12	Y.
6,00,000	7,97,500	25,17,843	16,06,120	10,336	James Warren & Co., Ltd.	620	Dhekakhat	18½	10	1 0	1 8	0 8½		12	Y.
17,53,440	7,04,519	21,43,185	4,34,259	8,732	James Finlay & Co., Ltd.	633	Dhunseri	23	10	Nil	2 0	1 0½		12	Y.P.
4,68,970	2,79,000	11,71,408	2,35,483	16,852	McLeod & Co., Ltd.	458	Dibrugarh	24½	10	Nil	1 0	1 0½		12	Y.
4,50,000	3,25,400	8,02,617	4,70,047	43,918	Williamson Magor & Co., Ltd.	625	Dimakusi	70½	10	1 0	4 8	1 0½		12	Y.P.
2,36,700	4,75,000	8,80,047	10,40,747	1,14,476	Williamson Magor & Co., Ltd.	615	Duffla ghur	45½	10	2 0	4 0	1 0½		12	Y.P
2,40,000	6,05,000	17,90,747	8,83,081	38,641	Duncan Bros. & Co., Ltd.	1,177	East India Tea	27	10	0 4	2 8			12	Y.
10,00,000	4,65,000	21,78,081	4,01,797	13,832	L. C. Kanoi, Esq.	407	Gilapukri	44	10	Nil	1 12			12	Y.
3,60,000	3,50,000	8,18,664	6,19,316	79,542	Williamson Magor & Co., Ltd.	546	Gohpur	53	10	1 8	3 0			12	Y
3,38,000	3,60,000	13,95,316						30	A 10	2 0	3 0	0 12½			
A.4,94,360 B.2,40,790	14,22,810	18,09,304	5,63,575	23,354	Octavius Steel & Co., Ltd.	1,393	Grob	19½ 65	B 5 P.O.10	1 0 2 8	1 8 2 8	0 6½ 3 8½		12	Y.
2,00,000	7,00,000	7,04,481	2,29,888	48,032	Andrew Yule & Co., Ltd.	476	Hoogrijuli	10	1 8	3 0	3 8½			12	Y.
4,35,000	8,34 216	18,50,196	9,54,270	24,921	Andrew Yule & Co., Ltd.	1,290	Hoolongoorea	298N	100	Nil	12 8			12	Y.
7,50,000	5,85,000	13,98,777	2,44,259	58,941	Gillanders Arbuthnot & Co., Ltd.	938	Jutibari	23	10	Nil	Nil	1 0½		12	Y.
7,50,000	6,05,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,166	Kingsley-Golaghat (Assam)	360N	100	Nil				12	P.Y.
6,50,000	4,94,133	6,79 844	4,74 285	45,524	Octavius Steel & Co., Ltd.	1,017	Ledo	27½	10	0 4	2 0			12	Y.
8,00,000	11,40 000	19,48,410	84,211	14,238	Duncan Bros. & Co. Ltd.	612	Methoni	24½	10	Nil	1 8	4 8		12	Y.
4,80,000	40,000	8,54,211	4,05,697	10,982	Kettlewell Bullen & Co., Ltd.	673	Mohesma	19	10	Nil	Nil			12	Y.P.
1,50,000	4,47,344	7,54,419			Andrew Yule & Co. Ltd.	433	Mothola	650N	100	Nil	40 0	15 0		12	Y.
O. 50,000 P.O.2,00,000	4,05,000	8,98,088	5,22,218	34,889	Andrew Yule & Co. Ltd.	344	Murphulani	39½ 45	O.10 P.O.10	2 0 2 8	2 0 2 8			12	Y.
4,00,000	3,61,274	6,00,328	3,80,669	9,567	S.C. Sen, Esq., Supervising Director	542	Naga Hills	51	10	Nil	3 0	3 0½		12	Y.
5,35,000		12,71,401	1,92,221	5,053	Shaw Wallace & Co., Ltd.	810	Namburnadi	27½	10	Nil	Nil	0 8½		12	Y.
5,00,000	1,15,000	3

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PLANTING: PRODUCE AND RUBBER														
2,00,000	2,35,000	3,76,125	22,948	34,760	Planting Agencies Ltd.	Balmadies Plantations	3¾	2	0 3½	0 4	0 4		2	Y.P.T.
17,94,186	16,19,828	30,44,517	3,00,811	1,02,250	Peirce, Leslie & Co., Ltd.	Cochin Malabar	7⅞	3	0 9 3/5	0 12	0 12		3	Y.P.
18,00,000	13,78,517	31,25,582	4,43,587	1,58,644	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	16½	10	0 14 2/3	0 44/5	2 8		6	Y.P.
47,70,000	57,62,500	1,00,81,036	15,88,295	4,24,565	R. C. Paterson, Esq.	Consolidated Coffee	18½	10	1 12 4/5	1 8	1 12		3	Y.P.
4,00,000	3,34,078	5,19,105	46,991	11,406	Associated Planters Ltd.	Cottanad Plantations	14½	10	1 8¾	1 8•	1 8		3	Y.P.
18,00,000	6,86,355	22,16,637	4,18,493	57,291	A. V. Thomas & Co., Ltd.	Highland Produce	15½	10	1 0	1 4	0 10½		12	Y.P.
4,00,000	10,16,061	10,85,666	1,39,566	11,970	A. V. Thomas & Co., Ltd.	Kalpetta Estates	24½	10	2 0	2 0	2 0		4	Y.P.
4,50,000	11,78,329	9,97,046	2,35,186	14,253	F. Kurian John, Esq.	Malankara Rubber	27	10	3 8	5 8	2 4		3	Y.P.
27,00,000	27,35,000	#1,39,275	6,74,802	99,729	A. V. Thomas & Co., Ltd.	Midland Rubber	16½	10	1 8	1 8	1 12•		12	Y.
3,35,000	1,56,000	13,80,323	1,24,260	42,480	A. V. George & Co., Ltd.	Nenmeny Rubber	15½	10	0 10	0 12			3	Y.P.
2,00,000	2,63,714	4,60,783	34,844	8,398	Associated Planters Ltd.	Nilambur Rubber Co.	13½	10	1 0	1 0	0 8		12	Y.P.
19,45,980	24,01,085	37,40,924	10,24,385	69,334	Peirce, Leslie & Co., Ltd.	Ouchterloney Valley Estates	5	2	0 3½	0 3½	0 9 3/5		12	Y.P.
13,50,000	6,80,000	39,49,798	3,06,746	54,658	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	16-3½	10	1 8	1 12•	1 12•		10	Y.P.
3,66,780	2,50,000	5,94,562	49,313	89,904	Peirce, Leslie & Co., Ltd.	Savamalai Estates Ltd.	26½	10	3 8	3 0	1 8		6	Y.P.
10,00,000	3,09,000	21,81,045	1,32,358	1,227	East India Agencies	Teekoy Rubber (India) Ltd.	9	10	0 14½	0 14 2/5	0 12		11	Y.
2,50,000	2,37,300	5,25,215	24,851	13,303	A. V. George & Co., Ltd.	Thamarapally Rubber	26½cd	10	2 4	3 0	2 3½		3	Y.P.T.
8,10,200	2,75,005	7,98,048	62,162	17,826	Peirce Leslie & Co., Ltd.	Tirumbadi Rubber Co., Ltd.	1½	1	0 0	0 4½	0 1 3/5		12	Y.P.
6,00,000	46,474	7,49,611	1,11,200	3,744	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	16½	10	2 0	2 0	2 0		9	Y.
41,00,000	14,29,673	74,86,897	7,65,148	3,28,925	Aspinwall & Co. (Travancore)	Travancore Rubber and Tea Co., Ltd.	5½	5	0 9 3/5	1 0	1 0		12	Y.
20,00,000	90,000	25,53,508	3,65,978	2,276	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	35½	25	2 8	3 0	5 0		12	Y.P.T.
6,28,580	4,40,670	7,77,154	14,119	21,363•	Harrisons & Crossfield Ltd	Vaikundam (Travancore) Rubber	22	10	2 0	2 0	2 4		12	Y.
1,65,000	87,259	3,50,536	15,684	1,063	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	12	10	Nil	1 0	1 8		12	Y.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	55,00,000	96,99,205	51,47,202	54,436	B. N. Elias & Co., Ltd.	879	Agarpara	13½	10	1+1	3+1	1¾		3.9	H.P.
12,00,000	27,00,000	45,81,286	32,42,838	34,874	Sahu Jain Ltd.	498	Albion	160	100	8+10	12+1½	12f		5.11	H.P.
6,00,000	9,50,000	51,48,608	35,31,395	94,086	McLeod & Co., Ltd.	446	Alexandra	235	100	Nil	Nil+1½	2½+5		6.12	H.P.T.
30,00,000	7,35,000	1,17,45,964	90,43,069	61,708	McLeod & Co., Ltd.	1,264	Alliance	180	100	10+10	Nil+5	6f		6.12	H.P.
49,20,700	82,13,386	2,54,81,317	1,78,90,000	1,47,643	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	211	100	5+5	7½+5	2½+5		3.9	H.P.
40,00,000	40,52,240	1,63,99,837	84,16,116	7,674	Bird & Co., Ltd.	810	Auckland	135	100	Nil	2+2	1+2½		3.9	H.P.
20,00,000	25,93,136	98,25,588	65,19,459	18,759	Jardine Henderson & Co.	959	Baily	179	100	Nil	4+Nil	N1		3.9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Kerr (Chairman)	1,889	Barnagore	252	100	£1	£1	£2	sh.2½	3	H.P.
28,00,000	35,49,623	89,73,096	49,13,770	1,11,9117	Andrew Yule & Co., Ltd.	820	Belvedere	207	100	7½+7½	7½+7½	3+5		6.12	Y.P.
45,00,000	36,45,000	55,76,391	29,60,822	2,95,071	Soorajmull Nagarmull	600	Bengal	13	10	1	1½	1½		6	H.P.
91,26,000	2,08,61,400	3,18,53,661	1,29,13,354	1,26,903	Birla Bros., Ltd.	1,373	Birla	19	10	5	3	5		3	Y.P.
36,00,000	29,62,925	1,11,26,530	71,77,582	1,20,609	Andrew Yule & Co., Ltd.	991	Budge-Budge	176	100	6½+6½	6+4	4+5		4.10	H.P.
7,47,380	3,16,924	41,38,590	29,87,611	2,810	Dayaram & Sons	502	Calcutta Jute Mfg.	14½N	10	0+8	Nil	1f		6.12	H.P.
18,00,000	32,31,234	77,57,603	40,35,574	78,538	Andrew Yule & Co., Ltd.	616	Caledonian	260	100	6+6	6+6	4+5		5.11	H.P.T.
59,16,400	1,01,06,609	1,88,44,827	1,03,04,000	27,542	James Finlay & Co., Ltd.	600	Champdany	159½	100	7+8	3+3	Nil+3		3.9	H.
15,95,000	30,14,282	80,62,490	55,81,540	1,37,479	Andrew Yule & Co., Ltd.	530	Cheriot	260	100	6+6	6+6	6+8		5.11	H.
30,15,000	28,25,000	60,73,514	46,01,290	1,52,253	McLeod & Co., Ltd.	530	Chitavalsah	14	10	2½+1½	1½+3	3+8		5.11	H.P.
16,00,000	17,00,000	78,04,949	64,24,440	18,847	Shree Krishna Investment Co., Ltd.	989	Clive	16½	10	2	Nil			6.12	H.T.P.
31,49,200	62,11,927	1,28,95,802	63,22,413	15,344	Bird & Co., Ltd.	766	Dalhousie	137	100	6+1	3+3	1+1½		3	Y.P.
28,00,000	44,74,179	74,57,171	46,41,725	1,46,508	Andrew Yule & Co., Ltd.	779	Delta	252	100	10+10	10+10	6+6		3.9	H.P.
15,00,000	33,25,000	76,36,813	36,35,731	56,215	McLeod & Co., Ltd.	500	Empire	25½	10	3+½	3+½	1f		5.11	H.P.
21,00,000	53,28,948	2,70,49,518	1,81,05,210	40,839	Keatley Bullen & Co., Ltd.	1,884	Fort Gloster	460N	100	10+Nil	Nil	Nil		6.12	H.P.T.
14,00,000	13,00,000	82,13,505	49,27,586	71,285	Bangur Bros., Ltd.	1,014	Fort William	380N	100	Nil	Nil+5	10+10		3.9	H.P.T.
24,32,100	2,73,755	2,11,52,730	1,36,01,908	5,930	Macneill & Barry Ltd.	1,709	Ganges Mfg.	102	100	Nil	Nil+Nil	Nil+½		3.9	H.T.P.
10,80,000	28,00,000	71,52,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	925	300	30	15	Nil		3.9	H.P.
24,00,000	31,83,104	2,20,06,557	1,67,50,294	1,56,427	Macneill & Barry Ltd.	1,394	Gourepore	336	100	1½+Nil	Nil+3½	2½+7½		12	Y.
40,00,000	55,68,234	72,95,746	48,50,613	2,95,107	Bangur Bros., Ltd.	1,078	Hastings	115N	100	10	10	10+0		3.9	H.P.
16,80,000	18,52,626	66,38,235	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hoogaly	44½	10	1½	1½	3		3	Y.P.
65,62,500	58,82,162	1,47,23,497	1,06,14,353	1,65,858	Jardine Henderson Ltd.	1,940	Howrah	30½	10	1+½	1+½	1+½		3	Y.P.
52,50,000	20,00,000	2,42,25,884	1,49,75,884	1,4,711	Ramdutt Ramkissendas	2,272	Hukumchand	7½	5	1	1	1		3.9	H.P.
O. 87,00,000	19,20,065	1,11,31,089	75,39,061	38,601	Mackinnon Mackenzie & Co.	1,076	India	183 O.	125	3½+3½	3½+3½	Nil+3½		3	Y.P.T.
D. 30,000								D.	1	As1+1	As1+1	As1+1			
24,00,000 } B. 19,20,000 }	28,34,204	1,36,86,233	1,21,96,305	84,189	Jardine Henderson Ltd.	1,797	Kamarhatty	202	100	8½+6	6+3	3+5		3.9	H.
30,00,000 }								170 'B'	100	8½+6	6+3	3+5			
24,00,000 } B. 19,20,000 }	18,14,767	1,31,87,376	98,19,537	62,312	Jardine Henderson Ltd.	1,527	Kanknarrah	146	100	6+6	5+2½	2½+4		6.12	H.P.
21,00,000	48,25,000	1,05,38,484	74,86,276	1,19,643	McLeod & Co., Ltd.	703	Kelvin	135½ 'B'	100	6+6	5+2½	2½+4			
26,25,000	23,03,375	1,68,29,758	1,14,44,627	35,864	Anderson Wright Ltd.	1,530	Khardah	313	100	7½+7½	7½+7½	10f		6.12	H.P.
48,00,000	1,02,14,684	2,29,23,597	1,08,58,211	29,674	F. W. Heilgers & Co.	1,250	Kinnison	190	100	10+15	10+7½	7½+5		6.12	H.P.
24,48,000	48,31,837	1,39,26,497	78,80,252	1,428	Bird & Co., Ltd.	931	Lansdowne	186	100	10+4	4+4	2+5		3	H.P.
28,00,000	39,56,165	1,14,93,720	67,14,525	12,843	Bird & Co., Ltd.	840	Lawrence	132	100	7+3	2+3	1+1		3.9	H.P.T.
10,00,000	41,51,301	50,99,335	36,06,454	53,755	Andrew Yule & Co., Ltd.	558	Lothian	147	100	11+11	1+1	2+4		3.9	H.P.
81,65,200	26,14,412	1,97,65,002	1,19,08,316	8,502	Mackinnon Mackenzie & Co.	1,008	Magna	410	100	15+15	15+15	15+15		3.9	H.P.
29,98,500	41,12,783	1,72,83,489	94,88,274	—7,08,068	F. W. Heilgers & Co.	815	Naihati	97	100	2½+2½	2½+2½	Nil2½		5.11	H.P.
20,00,000	15,05,000	28,15,067	16,73,660	3,826	Howrah Trading Co., Ltd.	425	Naskarpara	111	100	6+Nil	Nil	Nil		3.9	H.
35,00,000	44,29,126	28,38,765	9,63,300	1,88,126	Andrew Yule & Co., Ltd.	852	National	14½	10	1	Nil+½	1f		3	Y.
26,25,000	22,75,000	26,82,794	19,64,419	1,31,193	McLeod & Co., Ltd.	316	Nellimarla Jute	31½	10	1+1	1+1	1+1		4.10	H.T.
31,50,000	34,13,033	49,75,722	24,95,902	84,459	Sahu Jain Ltd.	709	New Central	11½	10	2+1	1+1	1½+1		4.10	H.P.
16,79,880	31,05,696	1,23,66,779	59,31,089	43,570	Bird & Co., Ltd.	567	Northbrook	160	100	10+12	12+12	12f		6.12	H.P.T.
66,79,500	31,70,094	2,15,09,993	1,38,37,886	33,079	Macneill & Barry Ltd.	1,092	Nuddea	25½	10	1+½	1+½	1+½		6.12	H.P.
24,91,000	27,81,049	71,20,511	49,55,472	1,21,195	Andrew Yule & Co., Ltd.	601	Orient	55½	50	1+Nil	Nil+½	Nil+½		3.9	H.P.T.
25,00,000	6,23,468	80,72,591	63,77,961	1,03,954	McLeod & Co., Ltd.	400	Presidency	189xd	100	5+6	5+6	5+5		3.9	H.
20,00,000	1,40,946	26,48,443	7,67,493	—10,89,456	M. P. Birla, Esq.	305	Rameshwara	6½	5	Nil	Nil+½	1+½		5.11	H.P.
49,50,000	8,01,372	1,23,46,455	57,04,882	18,873	Jardine Henderson Ltd.	1,276	Reliance	8½	10	Nil	Nil	Nil		6.12	H.T.
£600,000	£1,093,713	£1,228,238‡		£95,425	Thomas Duff & Co. (India), Ltd.	2,013	Sammuggur	14½	10	1+1	1+1	Nil1		3.9	H.P.
30,00,000	13,12,193	1,03,17,335	71,03,045	10,341	Bagaria More & Co., Ltd.	911	Shree Ambica	14½	10	1+1	10½	10½		3.9	H.P.T.
14,00,000	11,08,733	66,05,602	31,22,593	1,66,758	Hindustan Investment Corporation.	401	Soorah	17½	10	Nil	Nil+½	1f		12	Y.P.
25,19,500	47,29,578	1,01,23,059	57,01,014	1,112	Bird & Co., Ltd.	650	Standard	150	100	8+1	1+1	0		3.9	H.P.
£600,000	£925,119‡	£992,042	....	£108,510	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	£1	£1	10%	10%	1+1		12	Y.P.T.
25,98,600	85,79,790	1,93,34,618	76,50,486	9,515	Bird & Co., Ltd.	1,326	Union	18½	100	10+1	10%			3.9	H.P.
£400,000	£688,035‡	£1,086,824		£1,12,138	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	£1	£1	10%	1+4	1+5		12	Y.P.
2,50,000	4,95,000	55,94,678	37,77,741	35,624	McLeod & Co., Ltd.	465	Waverley	8½	1	Nil	10%			3.9	H.P.T.
											Nil+½	1f		12	Y.P.
														6.12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	20,75,000	83,30,999	56,70,999	21,411	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	23½xd	10	1+½	1+½	1+½		3.9	H.
12,00,000	8,38,209	34,74,552	35,42,552	20,388	Jardine Henderson Ltd.	Bararee Coke	20½	10	3/5+½	7/10+7/10	8+½		3	H.
4,49,350	70,000	8,49,139	3,37,466	3,819	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	5½N	10	1	1	1		4.10	H.P.
1,00,00,000	1,27,25,854	5,66,19,576	3,70,80,321	6,07,573	Andrew Yule & Co., Ltd.	Bengal Coal	498	200	20+20	17½+15•	15•+7½•		6.12	H.P.
2,25,000	3,10,369	25,37,814	22,43,053	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	10½	10	1+½	Nil	1		9	Y.
15,97,000	3,10,369	25,37,814	22,43,052	25,529	H. V. Low & Co., Ltd.	Bhalgora	1	10					4.10	H.P.
40,00,000	14,81,010	1,30,40,104	68,66,790	13,644	Sahu Jain Ltd.	Bharat Collieries	7½	10	Nil	Nil	Nil		6.12	H.P.
7,15,000	34,52,017	52,05,027	36,72,990	—2,17,803	F. W. Heilgers & Co., Ltd.	Bhulanbarwe	14N	10	1	1	1		9	Y.
16,00,000	16,22,936	68,16,454	39,74,841	—1,36,132	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	14½	10	Nil	Nil	Nil		6.12	Y.T.P.
7,50,000	22,52,190	42,04,164	23,72,969	98,771	F. W. Heilgers & Co., Ltd.	Borrea	30	10	1½+1½*	1½+1½*	1+1		6.12	H.
90,92,480	1,73,11,164	4,14,99,400	1,76,35,314	1,87,077	Bird & Co., Ltd.	Burrakur	12½	10	1+1	1+1	1+1		6.12	H.T.
49,97,750	....	34,81,935	2,51,645	5,907	Hindustan Investment Corpn., Ltd.	Central India	7½	10	Nil	1	1+½		6.12	H.P.
8,00,000	13,54,302	49,10,414	32,43,954	82,748		Central Kurkend	13N	10	Nil	Nil	½		6.12	H.P.T.
6,00,000	1,43,230	7,25,000k		13,654	F. W. Heilgers & Co., Ltd.	Churia	22	4	1+½	1+½	1		3	H.
16,00,000	1,20,000	50,43,761	27,27,536	—1,91,155	Macneill & Barry Ltd.	Dhemo Main	8½	10	1+½	Nil	Nil1		6.12	H.
£240,000	£342,496	£244,003	£11,181	£63,577	Jardine Henderson Ltd.	East Indias	29	£1	3d (1)	2½	2½		6.12	H.
29,63,750	71,99,925	3,00,52,739	2,81,14,367	1,85,453	Macneill & Barry Ltd.	Equitable	30½	10	2+1½	1+½	1		6.12	H.T.
10,00,000	2,11,139	9,72,721	3,23,963	40,284	Bhatter's Agency Ltd.	Ghusick and Muslia	14½N	10	1	1	1		4	Y.
12,00,000	1,22,000	37,04,970	19,00,221	443	Killick Industries Ltd.	Hingir-Rampur	40½	50	3	3	Nil		6.12	H.P.T.
8,00,000	5,75,000	21,42,581	18,13,083	62,148	Macneill & Barry Ltd.	Hurriladih	19	10	2	2	2		3	Y.
22,00,000	1,08,577	31,70,015	10,36,245	—1,95,248	Begrajee Trust Ltd.	Jogta Coal	1½N	10	Nil	1	1f		6	Y.P.
3,50,000	4,26,551	14,85,445	4,91,521	....	Andrew Yule & Co., Ltd.	Kalapahari	27N	10	1½+1½	1½+1			6.12	H.
20,00,000	9,375	26,40,669	2,46,630	3,145	Bird & Co., Ltd.	Karanpura Collieries	100	100	Nil	Nil	Nil		12	Y.P.
5,00,000	13,60,000	44,39,243	34,62,230	91,518	Andrew Yule & Co., Ltd.	Katras Jhariah	5½	10	2+2	2+2	2+2		2.8	H.
1,38,400	5,72,960	12,65,941	5,72,960	—2,40,236	Beriwala & Co.	Khas Kajora	5N	10	Nil	Nil			2	Y.P.
11,00,240	64,314	16,72,961	10,41,563	—41,320	H. V. Low & Co., Ltd.	Kuardi	7N	10	1	Nil	Nil		1.7	H.
9,00,000	11,86,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10	1	1	1		6.12	H.P.
7,48,240	1,50,000	11,58,128	8,95,686	25,998	S. P. Tantia, Esq.	Narira	7½	10	1	1	1		6	Y.
7,00,000	26,617	10,33,740	5,20,295	4,560	Amritlal Ojha & Co., Ltd.	New Bansdeopur	7½N	10	1				4	Y.
17,76,230	18,91,763	1,16,14,994	85,44,712	42,594	Andrew Yule & Co., Ltd.	New Benbhoom	18½	10	Nil+½	1	1+½		6.12	H.
8,00,000	85,000	29,00,087	16,42,360	2,445	Oswalas Steel & Co. Ltd.	New Manbhoom	9½	10	Nil	1+½	1+½		3.9	H.
1,15,000 } 1,57,500 }	2,47,693	12,93,355	8,05,952	8,676	Andrew Yule & Co., Ltd.	North West	14½N 10½N	10	1+½	1+Nil	Nil		4.10	H.P.
7,50,000	11,79,228	3,97,466	2,77,666	1,15,650	F. W. Heilgers & Co., Ltd.	Ondal	7½	10	1+½	1+Nil	Nil		3.9	H.
10,00,000	1,10,000	37,18,080	16,07,868	38,140	K. C. Thapar & Bros.	Oriental Coal	19½	10	1+½	1+½	1+½		3.9	H.
8,34,000	1,32,942	17,23,281	6,78,407	5,618	Deepchand Kabeniali	Parason	9½	10	1	1	1+½		6.12	H.P.
15,75,000	14,00,000	45,17,541	32,67,541	20,192	Shaw Wallace & Co., Ltd.	Penca Valley	22½	10	Nil	1			12	Y.P.
23,99,500	17,17,105	1,16,31,468	80,43,780	72,002	N. B. Elias & Co., Ltd.	Rameygunge	11½	10	1+½	1+½	1+½		6.12	H.P.
13,50,000	7,88,385	30,74,660	25,05,660	27,848	Shaw Wallace & Co., Ltd.	Rewa	20	10	1	1	1		3.9	H.
20,00,000	3,95,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Samla Collieries	6½	10	1+½	1+½	1+½		3.9	H.
1,25,000	1,85,000	12,10,180	10,21,382	19,527	Gillanders Arbuthnot & Co., Ltd.	Searsole	12½	10	1+½	1+½	1		6.12	H.
2,80,000	7,36,598	29,34,340	17,77,135	39,431	Andrew Yule & Co., Ltd.	Seebpore	26½	7	1	1	1		6.12	H.
8,00,000	8,75,448	36,88,766	26,31,662	—1,22,722	F. W. Heilgers & Co., Ltd.	Seadra	9½N	10	2+1	2+½	1+1		3	Y.
63,21,450	15,01,620	3,51,42,502	2,49,62,544	—6,49,301	Industrial Trust Fund (Government of Hyderabad)				Nil	Nil	Nil1		6.12	H.P.
17,50,000	10,85,425	37,23,396	14,57,868	3,853	Bird & Co., Ltd.	Singareni	7½	10	1	Nil			6.12	H.T.
8,00,000	14,72,339	1,09,570	24,510	67,358	F. W. Heilgers & Co., Ltd.	South Karanpura	11½	10	1					
10,00,000	12,500	30,15,423	15,42,501	—3,64,538	Villiers Ltd.	Standard	18½	10	1+½	1+½	Nil+½		12	Y.T.
3,50,000	3,65,000	18,61,212	14,05,212	68,861	Williamson Magor & Co., Ltd.	Tatcher	3½	2½	1	1	1+½		2.8	H.
49,98,000	21,916	47,68,934	16,41,545	45,727	Hindustan Investment Corpn., Ltd.	Union	18	10	1+½	1+½			6.12	H.
7,00,000	3,57,000	50,89,488	21,56,223	582	Macneill & Barry Ltd.	Western Bengal	7½	10	1	1	1		9	Y.
						West Jamuna	15½	10		1½	1f		6.12	H.
									Nil	Nil	Nil1		3	Y.
													6.12	H.

* Including bonus.

(†) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

(k) Investments.

(s) For seven months ended 31st March 1954.

FRAME OF SECOND FIVE-YEAR PLAN

(*Concluded from page 1017*)

savings. Investment gets diverted into luxury trades to meet the demand for their products resulting from inflation incomes. It diverts an undue proportion of savings into urban property and real estate into gold hoards and jewellery and into foreign exchange, as a result of the effort of the savers to protect the value of their savings. The resources available for the Plan would be, as a result, correspondingly less, and overall economic development would be impeded.

"Inflation tends to be self-perpetuating. With the rise in prices and wages, the original estimates of the cost of the project taken in hand will be out of date. More deficit financing would be necessary for the completion. And, as they cannot be left half-finished, there would be a pressure for further deficit financing. At any given moment, the whole of the currently available savings being invested either in the public or in the private sector, or outside the Plan, there would be no idle savings to draw upon. Real resources would have to be drawn into the Plan by force, which would render the distortions and wastages referred to above unavoidable. This takes away from the practical value of the caution that the inflationary situation should be kept under watch. Once inflation begins, it tends to gather momentum and, while it runs its course, we are apt to be more or less helpless witnesses. The best protection against inflation is to prevent it by keeping the investment programme within the available real resources."

In the considered opinion of Prof. Shenoy, the amount of deficit financing and the amount of credit creation should be together limited to the increase in the cash balances. Since the rate of expansion in the balances depends on the rate at which India's national product has risen during the first Five-year Plan, he emphasises the need for a clear study of the magnitude of the credit creation and deficit financing. As a conjucture, however, Prof. Shenoy estimates that an aggregate deficit financing of Rs. 180—Rs. 220 crores for the five years, or an annual rate of Rs. 35—Rs. 44 crores, may be safely undertaken. A part of this, he says, will have to be allocated to the sector and will be matched by equivalent credit creation by the banking system. The total amount of sterling releases during the Five-year period is placed at Rs. 100—Rs. 150 crores by the Plan-frame.

Policy and Institutional Implications

This brings us to Prof. Shenoy's views on certain policy and institutional implications of the Plan-frame. He is unable to agree with the views expressed by his colleagues that "it is only when there is a firm legislative and administrative base that it is possible to think in terms of doubling the rate of progress in the second Plan period, of increasing capital formation, of raising levels of living and of providing the machinery for accelerated development in the future." Prof. Shenoy apprehends that reliance on legislative and administrative measures to augment the rate of savings may, by degrees, undermine the democratic social order, "which would be too high a price to pay for accelerated economic development." In his opinion, such measures should be diverted only to ensuring the specially most effective use of savings. In order to permit accelerated economic development, it would be preferable to supplement domestic savings by foreign capital and foreign aid.

Prof. Shenoy is also unable to agree with his colleagues' recommendation for the amendment of Article 286(3) of the Constitution, in order to permit taxation of articles essential to the life of the community. For, according to him, there is hardly room for a further reduction in the standard of living of the lower-income groups in India. Finance for the Plan, he says, must be raised from the middle and the upper income groups. He feels that such measures of taxation and other devices as would tend to reduce further the consumption of the lower income should be avoided.

Nationalisation

The colleagues of Prof. Shenoy point out that the scarcity of administration and specialised personnel and the necessity of conserving savings for the Plan are factors against extension of nationalisation. But they have no objection for such extension on principle. Prof. Shenoy does not agree with them. He is opposed to the general extension of nationalisation even on principle. Nationalisation, he says, should ordinarily be limited to public utility concerns and concerns involving national security. Otherwise, State intervention should be concerned with the prevention of monopolies or quasi-monopolies. Significantly enough, he adds: "Efficient management of business and industrial concerns in a competitive market economy is a highly specialised function and requires qualities which a civil servant is not required to possess, and, in the ordinary course

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Balance
16,00,000	1,08,00,000	11,36,501	Allahabad Bank	364	100	15 0	15 0	15 0	15 0	12	Y.P
14,50,000				102	50	9 0	9 0	9 0	9 0		
1,01,000				114	100	6 0	6 0	6 8	7 8	6.12	H.
23,99,000	18,51,000	16,821	Andhra Bank	70	70	3 0	3 0	3 4	3 12		
1,00,00,000	1,25,00,000	2,70,302	Bank of Baroda	100	50	6 0	6 0	6 0	6 0	12	Y.
50,00,000	17,00,000	11,798	Bank of Bihaner	122N	25	0 12	0 12	0 12		12	Y.
2,50,00,000	3,52,00,000	910,851	Bank of India	147	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,80,375	27,15,000	64,703	Bank of Indore	58N	25	3 0	3 0	3 0	3 0	12	Y.
80,00,000	10,00,000	25,123	Bank of Jaipur	28	50	1 8	1 8	1 8	2 0	12	Y.
40,00,000	84,00,000	2,27,018	Bank of Mysore	272	100	16 0	16 0	16 0	16 0	12	Y.
60 47,100	57,21,859	11,240	Bombay State Co-operative Bank	55	50	2 8	2 8	2 8	2 0	6	Y.P.T.
15,00,000	25,00,000	20,774	Canara Bank Ltd.	80	50	4 8	4 8	4 8	4 8	12	P.Y.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	55	50	5 0	5 0	5 0		12	Y.P.
2,46,11,875	4,00,56,697	17,58,899	Central Bank of India Ltd.	47½	25	3 8	3 8	3 0	3 0	12	R.L.Y
66,42,875 'A'				49	25	3 8	3 8	3 0	3 0		
50,00,000	28,10,000	1,84,911	Devkaran Nanjee Banking Co	50½	50	1 12	1 12	2 0	2 0	12	Y.
1,50,00,000	1,40,00,000	1,06,996	Habib Bank (F)	72N	20	4 0	4 0	4 0	4 0	12	Y.
50,00,000	22,50,000	1,12,820	Hind Bank	23½	50	1 0	1 0	1 8	1 8	12	Y.
1,25,00,000	15,48,000	16,919	Hindustan Commercial Bank	91	50	—	—	—	—	12	Y.
50,00,000	1,30,000	1,418	Hindustan Mercantile Bank	13	50					12	Y.
75,00,000	78,00,000	1,02,750	††Hyderabad State Bank	105N	100	6 0½	5 0	5 0	6 0	12	Y.
3,75,00,000	6,25,00,000	24,16,646	Imperial Bank of India	1,700	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000				416½	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000				178½	100	12 0	12 0	12 0	12 0		
17,00,000	77,50,000	1,30,785	Indian Bank	142	50	10 8	10 8	10 8	10 8	6.12	R.L.B.
16,00,000				108	60	7 8	7 8	7 8	7 8		
40,19,675	28,00,000	2,15,589	Indian Overseas Bank	104	100	6 0	6 0	6 0	6 0	6.12	R.L.B.
6,25,000				60	100(A)	7 8	6 0				
2,50,000	6,33,939	1,880	Indo-Commercial Bank	16	25(B)	1 14	1 8			6.12	H.
10,00,000				20	50(C)	3 0	3 0	3 0			
57,50,000	92,50,000	4,99,040	Punjab National Bank	42½	20	1 0	1 8	2 0	3 0	12	Y.
1,00,00,000	21,75,000	93,631	Travancore Bank	14½	25	—	—	0 10	0 12	12	Y.
40,00,000	32,00,000	1,75,974	Union Bank of India	64	5	0 5½	0 5½	0 5½	0 5½	12	Y.
2,00,00,000	88,00,000	1,06,725	United Commercial Bank	44½	50	2 0	2 0	2 0	2 8	12	H.

PRINCIPAL EXCHANGE BANKS

Paid-up Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	1951	1952	1953	1954	Accounts Closed	Balance
						Dividend (per cent.)					
£3,500,000	£5,000,000	£292,910	Chartered Bank of India, Australia and China	£2-3-10½	£1	14%	16%	14%	15%	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£0g	£5	6%	7%	5%		12	R.L.Y.
H.K. $20,000,000	HK$128,000,000	H.K. $10,215,256	Hongkong and Shanghai Banking Corporation	£92½	H.K. $125	5*	5*	5*	5*	12	Y.
£17,966,195 'A'	£14,500,500	£516,557	Lloyds Bank	£3-7-9	£5 A	12%	12%	14%	15%	12	R.L.Y.
£1,487,296 'B'				£1-6-8	£1 B	5%	5%	5%	5%	12	R.L.Y.
£875,000 'A'	£1,750,000	£200,284	Mercantile Bank of India	£4½	A £2½	12%	14%	14%	14%	12	R.L.Y.
£875,000 'B'				£4½	B £2½	12%	14%	14%	14%		
£720,000 'C'				—	C £1	12%	14%	14%	14%		
£2,251,875	£8,104,687	£996,266	National Bank of India	£1-3-3	sh. 12½	14%	16%	16%	15%	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-1 = Reserve liability on 1 share. †† U.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR		
10,50,000	6	1st December and 1st June	Carew & Co.	1935 100	1st June 1958
4,00,000	5½	1st March and 1st September	Carew & Co. (2nd mortgage)	1941 95	28th February 1960(s)
6,00,000	5½	30th June and 30th December	Ron nugger Cane & Sugar Co., Ltd.	1936 99½	30th December 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942 102	27th December 1953-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944 90	1st November 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941 102½	1st April 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944 97½	1st November 1959-64
			COAL		
30,00,000	4½	30th April and 31st October	Bharat Collieries	1944 95½	30th June 1956
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947 91½	30th June 1967(s)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953 [90½	14th December 1958(s) ‡
			COTTON		
3 50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942 85	30th April 1956
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897 99	15th November 1956(b)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952 100½	1st January 1967-72(s)
18,68,000	5½		Jaybree Textiles	1949 50½	1st January 1956-59
40,00,000	5	1st June	Tata Mills	101½	1940-71
			ELECTRICS		
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950 98½	31st March 1965(s)
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	100½	14th June 1960
99,28,100	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940 97½	1st October 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949 94	31st December 1965(s)
2,45,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1949 101	31st January 1970(s)
20,00,000	6	30th June and 31st December	Cawnpore Electric Supply Co., Ltd.	1948 87	31st December 1970
15,00,000	5	1st January and 1st July	Sijua (Dherriah) Electric Supply Co., Ltd.	1951 96	30th June 1976(s)
7,56,900	5½	1st January and 1st July	South Madras Electric Supply	1949 99	1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	1953 99	1st October 1964
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	1st July 1962-68
6,93,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July 1957-67
47,75,000	5	1st April and 1st October	Tata Power	1949 99½	15th September 1961-66
2,50,000		1st April and 1st October	Tata Power	92½	15th September 1966-70
			ENGINEERING		
5,00,000	6	30th June and 31st December	Britannia Engineering	1949 [99	10th December 1958
2,00,000	5	30th June and 31st December	Briggs and Kooi (India), Ltd.	1952 99	30th June 1958
50,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1945 102	1st July 1957-62
61,48,800	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1938 [96	31st December 1966 (II)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946 86	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950 101½	1st October 1950-55
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950 106½	31st December 1960 (s)
			JUTE		
12,00,000	4½	1st October and 1st April	Agarpara	1939 99½	31st March 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939 100	30th June 1960
15,00,000	6	31st December and 30th June	Auckland Jute Co., Ltd.	1945 90½	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940 99	30th June 1964
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945 88½	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta	1949 90	31st July 1960
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951 96	30th June 1966*
25,00,000	4½	31st March and 30th September	Dalhousie Jute Co.	1954 99	31st March 1968(s)
8,56,000	5	30th June and 31st December	Empire	1951 85	30th July 1966(s)
25,00,000	3½	1st January and 1st July	Hukumchand	1947 92	30th June 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	1949 94½	31st December 1964(s)
25,00,000	5½	30th June and 31st December	Saihati	1952 98	31st March 1967(s)
5,00,000	4½	14th November and 14th May	Reliance Jute Mills Co., Ltd.	1938 92	14th May 1956
10,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945 86	31st December 1964
8,00,000	4	30th June and 31st December	Presidency	1948 92	30th June 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950 91	8th September 1964(s)
8,00,000	4½	14th March and 14th September	Rossah Jute	1937 90	14th September 1957
12,00,000	5	30th June and 31st December	Union	1937 96½	30th June 1957
10,00,000	5½	31st January and 31st July	Waverley	1925 98	31st July 1960
			RAILWAYS; STEAMSHIP AND TRAMWAYS		
4,50,000	4	1st January and 1st July	Barasat-Baghbat Light Railway	1936 90N	1st July 1956
£250,000	4½	1st January and 1st July	Calcutta Tramways	1908 £40N	At 105% at any time on 6 months' notice or at par or every seventh year.
£189,363	5	1st April and 1st October		1933 £77½N	1st October 1974
6,50,000	3½	30th June an 31st December	Katakhal-Lalabazar Railway	1945 90½	31st December 1959(s)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905 £85½N	Any time on six months' notice(s)
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	95	1st September 1963
			PLANTING		
10,00,000	5½	30th June and 31st December	Consolidated Coffee	102½	1st July 1957-62
5,00,000	5	31st March and 30th September	Nilgiri Tea	100½	1st April 1954-59
4,01,000	5½	30th June	Onchterlony	104	30th June 1958-63
9,00,000	5	31st March and 30th September	Periakaramalai	100½	31st March 1958-63
1,89,700	5½	31st March and 30th September	Teakoy	100	31st March 1949-59
			MISCELLANEOUS		
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946 100	30th September 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948 98	31st December 1963
28,80,000	4½	1st April and 1st October	Associated Hotels of India	1948 86	31st December 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937 97	30th June 1957
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954 101½	1st September 1965-69(s)††
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915 92	1st February 1964
21,54,000	4½	1st July and 1st January	Clive Buildings	1936 89½	1st July 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946 87	15th September 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946 90	 1960
1,80,00,000	5	1st January and 1st July	Dunlop Rubber	1950 102	1st January 1971(s)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954 104	30th June 1969(s)‡
19,25,000	5	15th March and 15th September	Mettar Chemical Industries	1949 95	 1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946 500	30th September 1976(s)
45,00,000		30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947 475 (per note)	31st December 1972(s)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951 90N	1st April 1977
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951 98	31st March 1961(s)
1,00,00,000	5	30th June and 31st December	Rohtas Industries Ltd.	1946 90½	31st December 1969
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953 104½	1st May 1968(s) ‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent. premium after 1-8-1954 but before 1-8-1957 and 1 per cent premium on or after 1-8-1957 ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs 100 per cent after 12 years. † Rs. 1,00,00,000 debentures will be redeemed at par annually by drawing from 1-8-1956. Any debenture outstanding on 1-8-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-8-1964. §§ Redeemable at par at a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1956, onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1963, on 6 months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 26th May, 1955.

—	Closing Quotations 19-5-1955	High	Low	Closing Quotations 26-5-1955
TEXTILES	Rs.	Rs.	Rs.	Rs.
Abm. Adv. (100)	13½	—	—	13½
Apollo (2)	2-11½	2½	2½	2-11½
B.B. Cotton Mills (100)	29	—	—	29
Bombay Dyeing (250)	456½	463½	455	455
Central India (100)	125	125½	123	123
Century Mills (100)	382½	384½	376½	376½
Colaba (100)	55½	—	—	55½
Edward Textile (200)	266½	268½	265½	268½
Elphinstone (50)	40	—	—	40
Finlay (100)	245	245½	245	245½
Gokak (100)	215½	216½	211½	211½
Ind. Unit. Dadd. (1)	1-3½	1-3½	1-3½	1-3½
Ind. Unit. Ord. (10)	10½	10-14½	10½	10-1½
Indore Malwa (100)	91½	93½	91½	92½
Khatau (100)	166½	167½	165	167½
Kohinoor (100)	312½	313½	310½	311
Lakshmi (250)	531½	585	507½	507½
Madhusudan (100)	84½	—	—	84
Minerva Mills (100)	98	—	—	98½
Model Nagpur (250)	188	—	—	188
Morarji (100)	218½	—	—	218½
Mysore (50)	114½	114½	111½	111½
National Rayons (100)	204	205	202½	203
New City (100)	140½	—	—	140½
New Great (100)	166	173	166	171
New Union (10)	80½	—	—	80½
Phenix (100)	118½	119½	115	115
Podar Mills (100)	158½	160	158½	160
Sassoon Silk (10)	14½	—	—	14½
Sassoon Spg. (10)	35½	—	—	35½
Shojaur (1,000)	1,400	—	—	1,400
Shri Ram (100)	235	—	—	235
Simplex (50)	152½	230½	235	154
Standard (100)	363½	160	153½	358½
Swadeshi (100)	183½	365	358½	184½
Swan (100)	316	186	184	315
Tata Mill (25)	49½	—	48	48
Vishnu (100)	132½	135	130	135 ex d
Western India (1,000)	3,875	—	—	3,875
BANKS				
Bank of India (50)	148½	148½	146	146
Bank of Baroda (50)	100	—	—	100
Central (25)	47½	48	47½	47½
Central 'A' (25)	49½	49½	49	49
Iwa Bank (50)	30½	31½	30½	31½
Imperial (F.Pd.) (500)	1,695	1,700	1,695	1,700
Imperial (P.Pd.) (125)	413½	416½	415	416½
Punjab National (25)	42½	—	—	42½
Union Bank (5)	6½	6½	6½	6½
United Com. (50)	44½	44½	44½	44½
ELECTRIC COS.				
Ahmedabad (100)	105½	105½	105	105
Ambitra Valley (1,000)	1,370	10-13½	10-13½	10-13½
Bom. Sub-El. (100)	122½	1,376½	1,370	1,376½
Surat (100)	131½	124½	123½	123½
Tata Hydro (100)	143½	135½	131½	135½
Tata Power (1,000)	1,452½	143	142½	143
		1,452½	1,445	1,445
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	675	—	—	675
Ind. Mercantile (20)	45½	—	—	45½
Jupiter (15)	8½	8½	8½	8½
New India (15)	49½	50	48½	49
Oriental (100)	7,250	7,225	7,200	7,200
Universal (10)	10½	—	—	10½
Vulcan (10)	15½	—	—	15½
STEEL COS.				
Ind. Iron (10)	23½	23 12½	23-2½	23-9½
Tata Steel Ord. (75)	233½	235	229½	229½
SUGAR COS.				
Belapur (50)	301	302	300	300½
Bhopal (10)	12½	—	—	12½
Phaltan (50)	120½	—	—	119½
Walchand Ind. (100)	205½	122½	119½	122½
		206½	203½	203½
CEMENT COS.				
Associated Cts. (100)	175½	177½	174½	175½
Digvijay (100)	182½	184½	182½	184½
MISCELLANEOUS				
Alcock Ashdown (100)	255	—	—	255
Bom. Burmah (125)	458½	277½	259½	273½
Do. (New) (50)	170	462½	455	456½
Br. B. Petrol (4 sh.)	3-5½	175½	171½	171½
Br. L. Corpn. (5)	8-15½	3-6½	3-3	3-0½
C. P. Elr. (100)	99½	9½	8-14½	9½
Indian Copper (2 sh.)	2-8½	99½	97½	97½
Ind. Inv. Tr. (100)	72½	3-12½	3-6½	3-9½
Kamp (100)	226½	—	—	72½
Killick's (100)	170	—	—	226½
Polson (100)	185	—	—	170
Pork Canning (100)	113	137½	135	137½
Premier Cos. (30)	152 xd	11½	11½	11½
Scindia (20)	15-2½	152½	148	149
Shivrajpur (10)	66½	15-5½	15½	15-2½
Tata Chemicals (10)	14½	66½	65½	65½
Tata Oil (25)	14½	14½	13½	13-5½
W. I. Match (100)	185xd	80½	39	39
		185	180½	185

GOVERNMENT SECURITIES	20-5-55 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption
2½% 1955	99½	—	3 30
2½% 1961	92	—	3.95
2½% 1960	94½	—	3.79
2½% 1962	92½	—	3.86
2½% 1972	82	—	3.91
2 % 1957	99½	—	3 23
2 % 1958	99½	—	3.20
2 % 1959-61	97½	3.58	3 42
2 % 1964	84	—	3 70
2 % 1965-68	94	3 86	3 70
2 % 1966-68	90½	4 00	3 88
2 % 1970-72	87½	4.18	3 92
2 % 1964 Com. Loan	80½	—	3 72**
4 % 1960-70	101½	3.60	3 82
4½% 1958-60	100½	—	1 52
4½% 1958-59	108½	3.59	4.18
3½% 1961 N.P. Bonds	100	—	3.50
3½% 1964 N.P. Loan	98½	—	3.56

BRITISH GOVERNMENT SECURITIES	20-5-55 £	High £	Low £	25-5-55 £
2½% Brit. Consols	61½	61½	61½	61½
3 % Brit. Transport 1978-88	80	80½	79½	79½
3% War Loan 1955-59	96½	96½	96½	96½
3% War Loan 1959-69	81½	81½	81½	81½
3½% Brit. Iron and Steel 1979-81	88½	89½	88½	89½
4 % Funding 1960-90	97½	97½	97½	97½

*Current Income. x.d. = Ex-dividend. * Rupee Counterparts.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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TASK BEFORE MR. T. T. KRISHNAMACHARI

THE establishment of a separate Ministry at the Centre to be in charge of State-owned iron and steel undertakings, as well as State-owned foundries, is a step in the right direction. It is an indication of the Government's eagerness to expand the iron and steel industry—the mother of all industries—as quickly and efficiently as possible. This is further evident from its choice of the person to be in charge of this new Ministry. Mr. T. T. Krishnamachari, who holds the new portfolio in addition to Commerce and Industry, has already proved his mettle to the satisfaction of the public. He is recognised as a Minister who knows his job and is capable of running the Ministry in a business-like manner. It was, after all, he who made the Government and the Planning Commission to think in terms of a six-million-ton target for steel. It was he who was mainly responsible for attracting British iron and steel plant manufacturers to India for putting up a steel plant with a capacity of a million tons. He has already done considerable thinking and spade-work for absorbing the additional steel that will be produced. The Prime Minister and his colleagues have done the right thing in asking Mr. Krishnamachari to take over this additional responsibility. What they have done has the full appreciation of the public, in general, and the business community, in particular. This appointment, as well as the success that has attended the working of the Commerce and Industry Ministry during the last three years, clearly shows that an experienced administrator, with all the qualities of a business man, is more suited to be in charge of commercial and economic portfolios of the Government than mere academicians or lawyers. The efficiency of the Congress Party as a ruling power will improve manifold if it can attract into its fold business men of the calibre and experience of Mr. Krishnamachari.

A separate department or Ministry in charge of iron and steel industry is a common feature in most of the industrially developed countries. In Britain, for instance, the Government has constituted a separate body known as the Iron and Steel Board. This Board was set up only two years ago and since then the progress of the British iron and steel industry has been remarkable. The chief function of this Board is to promote "the efficient, economic and adequate supply, under competitive conditions, of iron and steel products." Soon after it came into existence, the Board revised the price structure for iron and steel products and re-drew the development plans by providing higher targets. The Government of India is thus in good company in forming a separate Ministry for iron and steel. But it has not acted in a scientific manner. Its action seems to have been motivated more by a desire to please this Minister or that than by the merits of the case. It is a poor compromise of conflicting demands, which is quite typical of the Congress Party. Mr. Nehru has evidently tried to follow a *via media* designed to satisfy Mr. Krishnamachari's long-standing demand, namely, that responsibility for industrial production, be it under the public sector or the private sector, should be centralised in one ministry and not divided between two or three ministries as has been the case in recent years, without, at the same time, displeasing his other valuable and loyal colleague, Mr. K. C. Reddy, Minister for Production.

The unscientific manner in which the new Ministry has been constituted will be clear from the fact that, although the Ministry will be known as "Ministry of Iron and Steel," only "the Government industrial undertakings for the production of iron and steel" and "Government-owned foundries" will form its charge. It will have nothing to do with the iron and steel units in the private sector. Apparently, these will remain under the control of the Ministry of Commerce and Industry. Yet, the Press note, announcing the President's order constituting the new Ministry, says that the Government of India has decided to constitute a new Ministry for Iron and Steel, "in view of the importance of developing and expanding" this key industry. Surely, if a separate Ministry for developing this industry has been considered necessary, the proper thing to do would be to bring the units in the private sector also under the care of this Ministry. If this anomaly is not conspicuous now, it is because the Minister for Commerce and Industry has been made Minister for Iron and Steel also. But will it be always so? Will it make for co-ordination and smooth working of industry if two different persons happen to be in charge of these two separate ministries?

The influence of personal considerations is further evident from the transfer of all subjects relating to village industries and handicrafts from the Commerce and Industry Ministry to the Production Ministry, a ministry in charge of heavy industries owned by the State. This is a curious combination, indeed. The village industries have been in charge of a Deputy Minister under the Commerce and Industry Ministry, thereby receiving the sole attention of a member. It is not clear whether they will now receive such attention under the Production Ministry. Further, Mr. T. T. Krishnamachari has been trying to place these industries on a sound footing by evolving practical measures, though some of these have not been to the liking of the *Sarvodaya* group which dominates the All-India *Khadi* and Village Industries Board and All-India Handicrafts Board. In Mr. Reddy this group may find a more agreeable Minister, but, if Mr. Reddy were to allow these sentimentalists to dominate his policies, his practical achievements in this sphere would be next to nothing.

It is not clear from the President's order whether village industries include all small industries too. If it does, it will mean that the handlo

Government of India is fully alive to this need, as witness the setting up of a Cabinet Committee of heavy industries, immediately after the constitution of the Ministry of Iron and Steel. The function of this Committee is to bring about co-ordination at all levels in heavy industry in the public sector. The Commerce and Industry Ministry has already under its control all the principal consumers of steel. There is thus full scope for co-ordination of production and consumption of steel.

The task facing Mr. Krishnamachari is heavy. The responsibility for making India self-sufficient in steel as early as possible is now largely his. It is true that he is inheriting two projects for State-owned steel factories which are not perfect in every way. The German project at Rourkela is expected to cost more than necessary. The Russian scheme for putting up a factory at Bhilai has all the disadvantages of a package deal. It may be too late now to set right the basic defects which are going to result in needless inflation of the capital cost of these factories. But, to some extent, their effects can be mitigated by avoidance of waste in the construction of factories, by fabricating as much plant and machinery as possible within the country, by expeditious completion of the projects, and by taking proper care to see that the mistakes made in the other two projects are not repeated in the third project proposed to be implemented with the assistance of British manufacturers.

It is common knowledge that India is well endowed with all the natural resources required for manufacturing steel. It has first class iron ore, enough coking coals, and plenty of manganese, limestone and dolomite deposits. Some of these can be had near the factory site and others not very far from it, so that, if wisely managed, India can produce the cheapest steel in the whole world. Despite this advantage, the growth of steel industry has been slow. One thought that, after independence at least, the steel industry would grow fast and pave the way for establishment of other heavy industries. But, until very recently, the position was no better and expansion was lamentably slow. Steel production in 1952—five years after independence and the peak post-war year—was only 12 per cent. above the 1941 figure, while the production of pig iron was actually below that in 1941. The present Government is largely responsible for this state of affairs. Its threat of nationalisation and parsimonious policy of fixing the return on capital at the unduly low level of 3.5 per cent. net provided no chance for the existing producers to expand their capacity. If proper encouragement had been given, the existing companies could have easily raised the production of steel to 2 million tons by now and that at a much smaller capital cost than what the Government has to incur at present. This is not the only loss to the country. It is something very much more; just think of the avoidable loss of employment caused by inadequate supply of steel and the heavy sums that have already been spent on importing costly foreign steel. All this has been mainly due to the dog-in-the-manger policy of the Government.

There has of late been some realisation among the Government of the folly of its policy and, a few months ago, it decided to allow the Tata Iron and Steel Co., Ltd., and later the Indian Iron and Steel Co., Ltd. also, to expand further. A few weeks ago, it revised its policy of fixing the prices in favour of producers. These are welcome changes in policy, but they are not enough, because their favourable effects have been neutralised by the threat of nationalisation. This threat, coupled with the arbitrary powers vested in Parliament in regard to payment of compensation by the latest amendment to the Constitution, has made it extremely difficult for these Companies to raise the capital they require for expanding their productive capacity. By 1958, when the assurance of "non-nationalisation" to the existing producers expires, the Government will have neither the finance nor the managerial capacity to nationalise the existing iron and steel units. It will still be busy with the job of implementing the projects on hand. Moreover, the Prime Minister himself stated in Madras early this year that it would be a waste of capital to take over the existing factories. Then, why toy with the idea of nationalisation and unnecessarily handicap the progress of the units in the private sector, units which have none of the blemishes usually attributed to private enterprise and the record of which has been creditable all round?

It is argued by those who claim to know the mind of Mr. Nehru and his colleagues that this demand is not reasonable, inasmuch as it requires the present Government to tie the hands of future Parliaments. It is also argued by them that there is not much value in any such assurance, because subsequent Governments may repudiate it. These arguments are not convincing. The assurance can certainly be given by the Congress Party, that is, the party which is in power today and which hopes —a very reasonable hope indeed—to be in power for several decades to come. If this party (which is the Government for all practical purposes) gives the assurance that it would not nationalise the iron and steel units in the private sector, the investors will know where they will stand in future and will, perhaps, strive to keep that party in power. In a democracy, the issues of nationalisation and other broad features of economic policy are the legitimate spheres of political parties and not that of the Government of the day. There will, therefore, be nothing wrong in the Congress Party making its stand clear on this vital issue. It has certainly no obligation to protect the policies and philosophy of its political opponents. It is to be hoped that Mr. Krishnamachari, whom we regard as a man of sturdy common sense, will realise the value of our suggestion and persuade the Prime Minister and his other colleagues in the Congress Party to give up their unrealistic policy towards the steel industry. If he succeeds in this attempt, he will have won half the battle for making the country self-sufficient in steel in less than half a decade.

MR. DESHMUKH ON TAXATION

CERTAIN interesting observations on taxation in the context of the second Five-year Plan now in the making were made by Mr. Deshmukh at a Press Conference held by him in Madras shortly after we went to press last week. They show how his mind is working and what sort of budget he may present in February next. Before proceeding to analyse his remarks, it must be stated that he did not make any dogmatic pronouncements. It is necessary to bear this point in mind, if one is not to get scared by his remarks. He was only saying as to what should be done if certain objectives were to be achieved. Whether the line indicated by him would be followed or not is a question for which no definite answer can be given even by Mr. Deshmukh. Much would depend upon the domestic political, let alone economic, climate. If Parliament thinks like him and if all the State Governments are prepared to follow his directions, then, of course, his ideas will prevail. But, at the moment it looks as though he will not be able to command such all-round support for them. The share market, therefore, need not get unduly panicky over what he said at Bangalore or Madras, though it will be perfectly right if it chooses to remain cautious and play for safety.

The next budgets of the Central and the State Governments will have to be framed in such a way as to implement the second Five-year Plan, because they will cover the first year of that Plan. This will be possible only if the Plan itself is finalised before the end of this year. There is already a note of determination in the speeches of the Prime Minister and others connected with the Plan that it will be done. There is, of course, no reason why it should not be, because the Government has, fortunately for us, no other pressing problems. Nevertheless, it is better not to be so sanguine about it. The States Reorganisation Commission's report will be out just at the time when the Planning Commission is about to finalise its plans. If the Commission puts forward any far-reaching proposals, as it well may, any plan drawn without due regard for its recommendations will be no better than a tentative one, especially from the point of view of raising resources and the fixation of State-wise targets. It is obvious that the Governments of the States that are affected by the Commission's recommendations will not have the heart either to impose additional taxation or to implement the Plan seriously, until the fate of these recommendations is known. Mr. Nehru, of course, can, in view of his universal popularity, postpone giving effect to the Commission's suggestions, but it is extremely doubtful whether even he will be able to succeed in having his way, if Andhra is any indication.

But assuming that the miracle happens and that the States Reorganisation Commission's findings do not disturb the Plan. What then? Mr. Deshmukh says that, after taking into account the available resources for the second Five-year Plan, as it has been framed so far, the Governments—Central and State—will have to raise about Rs. 100 crores per annum through taxation and profits of State-owned enterprises. As profits of the latter are not sizable, practically the whole of this amount will have to be obtained by way of taxation. Can such a large amount of additional taxation be raised? We think that it will be possible to do so, provided (a) the duty on salt is reimposed, (b) prohibition held over for a decade or at least drastically modified to confine the objective of this reform to avoid drunkenness, (c) all further nationalisation, especially of road transport is stopped, and (d) collection of the existing taxes, especially income-tax and sales tax, in both of which there is an enormous amount of evasion is vigorously enforced. To the Congress Party, however, the first three suggestions will not appeal and, to that extent, the realisation of additional taxation, as proposed by Mr. Deshmukh, will not be possible. Most of the methods suggested by the Taxation Enquiry Commission, on which the Union Finance Minister is pinning his hopes, will not work, as they are not politically feasible. A warning to that effect has already been sounded by Dr. B. C. Roy, Chief Minister of Bengal and a veteran Congressman. They can, perhaps, be tried after the next general elections, but by that time two years of the second Five-year Plan will have gone.

Mr. Deshmukh is both right and wrong when he says that the capacity of the country to yield more taxes has not yet been reached. But whether he is right or wrong depends on how he approaches the problem. If the economy is allowed to expand through the vigorous actions of the private sector and if the tax collecting machinery is kept in good order, he and his colleagues in the States will be able to net in a much larger amount than they hope to get now, at the existing rates of taxation. But, if he were to step up the rates of taxation to penal levels, he would kill all incentive to work and more production; the outcome might well be less tax revenue and more tax evasion. Excessive taxation on the private sector, especially at a time when inflation is generated through development expenditure by the public sector, would amount to adding fuel to fire, for it is an economic fact that high level of taxation itself will have an inflationary effect on the economy. It must, however, be conceded that there are, as Mr. Deshmukh pointed out in Madras, several areas in India where sales tax is not being levied or levied at only nominal rates. It should be possible to collect more tax revenue in these areas through sales tax, provided political conditions permit the enforcement of such a levy.

One of the sensible questions put to Mr. Deshmukh at Madras was as to how he hoped to raise additional taxation of the order of Rs. 100 crores per annum when he had to give up many of the proposed levies in the last budget. The reply given by him makes interesting, though not convincing, reading, as will be noted from the following summary of his remarks, as published in the *Hindu* of Madras:

"Mr. Deshmukh said that budgets were related to the implementation of plans in force for the time being and so also was this year's budget related to plans for the current year, which was the closing year of the first Plan. That involved certain responsibilities in the way of raising revenue. The scheme of taxation he introduced was intended to secure those revenues. It was also based on certain assumptions in regard to economic conditions. One of the assumptions was that they would have gone some way towards implementing policy decisions that they had already taken in regard to agricultural prices and that, therefore, the level of agricultural prices would remain more or less stable. Actually, by the time the budget proposals came up for discussion, it was found that implementation of the policy had not gone very far on account of organisational difficulties and that agricultural price levels showed a declining trend. In such circumstances, he thought it was permissible to review the budget proposals for taxation. If agricultural prices were falling, that might be regarded as a sign of some kind of deflationary trend, and, in such conditions, he said, it was permissible to vary one's taxation proposals. One of the recognised steps in meeting such a situation was to give some relief in taxation."

We wonder as to how many of our readers will be impressed by this explanation. It is, to say the least, a very naive one. Agricultural prices had started coming down very much earlier and, even by the time Mr. Deshmukh finalised his proposals, it was evident that the measures he talks of for arresting the downward trend of prices had not succeeded. Mr. Deshmukh would be deluding himself were he to think that he could reintroduce all his original budget proposals if agricultural prices looked up again.

OUTLOOK FOR ROHTAS BRIGHT

PAKISTAN JUTE—WORLD WHEAT POSITION—U.S. TARIFF ON CYCLES—COTTON SUBSIDY

THURSDAY, 5 P.M.

THE share markets are still in a subdued mood, with equities moving within a narrow range. The downward trend noted in the previous weeks has, of course, not proceeded further, and at current levels, there is good resistance to selling pressure. The earlier selling in Tata Ordinaries by some big individual investors has been absorbed, but it remains to be seen whether the market will be able to take delivery of these scrips, if and when they are tendered, without suffering any further fall in value. It is reported that some leading speculators are still having a fairly large oversold position in both iron and steel scrips. If this is true, the technical position of the market is in favour of buyers. This, however, by itself cannot help the market to move forward, unless some fresh favourable factors appear on the scene. Psychologically, both professional speculators and investors are in a depressed mood. They are, therefore, paying little attention to news of the progress of various industries. The textile mills, for instance, especially the leading ones such as Kohinoors and Bombay Dyeings, are doing well. Cloth markets are steady, prices have been well maintained and stocks are not heavy with either the mills or the trade. Further, the cotton textile industry is not one of those earmarked for nationalisation. In view of all these, cotton mill shares should be firm. On the contrary, they have remained quiet throughout the week. The same is true of many other industrial scrips such as engineering, paper, cement and sugar. Nevertheless, investors, instead of going in for these shares, prefer to place their savings in first class preference shares and debentures. Quite a number of them are eagerly waiting for the preference and/or debenture issues of the Stanvac and Burmah-Shell Refinery Companies. But they are unlikely to be offered, until the Government of India completes its borrowing programme.

MARKET GOSSIP

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The storm raised last week by the Commerce and Industry Minister, Port Trust Chairmen and Dock Workers' unions over the foreign shipping companies' notice for levying, with effect from 1st June, 1955, a surcharge of 25 to 35 per cent. on all cargoes imported and exported through Bombay, Madras and Calcutta ports, has affected the domestic shipping companies, too. These companies had decided to raise their rates for coastal trade by 10 per cent. from this month. But they have had to postpone this decision as the Government is not in favour of it. The considerations which had impelled the coastal shipping services to raise their freights were entirely different from those that had induced the overseas companies to propose a surcharge. Besides, what the former had decided to do had already been done by the latter in December last. The contemplated increase in coastal freights was not solely on account of delays in ports, which is the main reason for the surcharge proposed by the foreign companies, but the result of an all-round increase in the cost of their operation. It is a pity that the Government should have chosen to bring pressure on them to defer the notified rise in coastal freights. It is true that all foreign conference lines have now kept in abeyance their threat to impose a surcharge for a fortnight, pending discussions with the Government of India. But they had a good reason for doing so, because, by the deadline given by them for an improvement in port conditions, the congestion in docks had been cleared and no ships were waiting unduly long for unloading or loading their cargo. In the case of coastal services, there was no such ground. It is no wonder that, in the light of these developments, the shares of Scindia Company, the largest operator on the coast, have lost further ground during the week to stand at as low a level as Rs. 14-10, as against Rs. 15-2 a week ago and Rs. 15-12 a month ago.

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The shareholders of the Rohtas Industries Ltd. have every reason to feel happy over the note of confidence which their Chairman, Mr. Shanti Prasad Jain, struck about the outlook for their Company, in his speech at its annual general meeting held the other day, the full text of which is published elsewhere in this issue. Readers will have already noted from our review of the Company's working during the past year (ended 31st October, 1954)—*vide Commerce* dated 14th May, page 944—that the Company has made strident progress, the production in the various units having touched record levels, thanks to the modernisation and extension programmes going ahead at a good pace. The output of cement rose by 17 per cent. to a record level. Paper and board production went up by 30 per cent. and the output of asbestos cement improved by 48 per cent. The *vanaspati* factory was restarted during the year. Only the sugar factory lagged behind, for no fault of the management; supply of cane was not adequate, in spite of the arrangements made for transport by rail. As will be seen from the figures of production for the first five months of the current year given in our aforesaid issue, the trend of production in all the departments of the Company is encouraging.

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The Company's cement factory is claimed to be one of the most economical in the country, barring lime-stone cost. Mr. Jain assured the shareholders that, even in respect of lime-stone cost, efforts were being made to improve the position. He disclosed that extension of transport facilities to new lime-stone quarries had already been undertaken and that the working of the new quarries would be more economical. Notwithstanding the longer transport, the lime-stone is expected to be cheaper. Further, the old kiln has been renovated completely with the result that it is now said to be on par with the new kiln in respect of both clinker production and economy in coal consumption.

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A sum of about Rs. 3 crores is expected to be spent on the extensions to the Company's paper factory. It is gratifying to note from Mr. Jain's speech that when the present extensions are completed, the Rohtas paper factory will rank as the largest modern paper factory in the country. A very wide variety of paper will be produced. It is proposed to manufacture several kinds of fine paper, like bank paper, bond paper, etc., as would match in quality with any of the similar imported varieties, in addition to enlarging the existing production and improving the qualities of boards, poster paper, kraft paper, etc. The present rate of production of the Company's paper factory is about 2,000 tons per month, and it is expected to be increased further. The increased production of paper will naturally call for larger consumption of caustic soda and chlorine. The Company's caustic soda plant is, therefore, being extended to yield a production of 5,000 tons of caustic soda and about 4,500 tons of chlorine. There will, however, be a surplus of over 3,000 tons of caustic soda. Since the Company's caustic soda will be of rayon quality, it will find a ready market at remunerative price. The entire output of chlorine will be consumed by the Company's paper factory itself.

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Mr. Jain feels gratified that, despite certain handicaps regarding transport, lack of adequate assistance in obtaining economic supply of raw materials, the Company has made steady progress. He is optimistic that, given proper facilities, this industrial centre at Dalmianagar would offer a vast scope for further development. With all the measures taken for modernisation and expansion, the prospects for the Company are indeed good and there is every reason to hope that its earnings during the next few years would improve substantially. The Rs. 10 paid-up ordinary shares of the Company are being currently quoted at Rs. 23-9 *ex-div.* On the basis of the dividend (Re. 1-8) paid for the past year, the shares give an attractive yield of 6.4 per cent. per annum, free of tax.

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Keen anxiety is being felt in Calcutta over East Pakistan Government's policy of issuing licences to jute shippers for the new season, 1955-56. Of the hundreds of applications received by the Government for renewal of licences, only 101 applications are reported to have been accepted, whereas rejections so far amount to as many as 154. Although all the applications have not been dealt with, the long list of rejections keeps out a large section of Indian jute traders. The firms to which licences have been denied are accused of having indulged, last year, in certain malpractices such as under-invoicing, undergrading, registration of bogus contracts, etc. It will be recalled, in this connection, that the value of the jute involved in this action taken last year was estimated at £5.4 million and most of the jute was for Britain and the Continent. As the alleged malpractices contravened the provisions of the East Bengal Jute Dealers Registration Act, the Government was justified in cancelling licences, as it did, in December last. This sudden action had the effect of alerting, for the first time, the trade in which irregularity and infringement of rules had almost been universal for decades past. But all this is past history and the majority of the trade has since recognised the grave consequences which would follow any infringement of rules. There is, therefore, no need for the Government to adopt, as it is doing now, a very stiff attitude in granting licences to shippers for the new season.

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The exclusion of a large section of the established jute trade will undoubtedly have adverse repercussions on Pakistan's own economy. It is conducive to the interests of neither the jute grower nor the State. Every year Pakistan exports about 5 million bales of jute. The handling of this huge quantity needs enormous warehousing and baling facilities. Besides, its movement requires a substantial amount of finance. Such of these facilities as were being provided by shippers now prohibited from trading, are by no means inconsiderable. They command considerable finance and own jute godowns and baling presses. These latter are now lost to the trade, unless the Government goes another ill-advised step forward in requisitioning and handing them over to licensed shippers. Even in that event, it is doubtful whether the relatively few licensed shippers will have enough resources—financial and otherwise—to deal with a large jute crop. Again, what guarantee is there against the recurrence of infringement of rules? When only a small section of shippers is entrusted with handling a large volume of jute which is beyond its resources and ability, malpractices are bound to reappear again in different forms. The Pakistan Government will, therefore, do well to take a lenient attitude towards disposing of applications for renewal of licences. This is all the more necessary, because the next crop, from all indications, appears to be a bumper one, being estimated tentatively at between 5.6 and 6 million bales.

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With the approaching end of the current wheat season on 31st July next, it is becoming increasingly clear that the outlook for wheat in world markets is getting rather gloomy. In spite of considerable recovery in world exports of wheat this season, thanks to relatively lower stocks with importing countries, the surplus with the exporting countries has not been reduced to any extent. The carry-over of wheat with the five leading exporting countries alone, for instance, is expected to be of the order of 205.3 million quarters (of 480 lbs. each). Although this quantity is 10.1 million quarters less than the carry-over in 1953-54 it is still about twice the normal requirements of importers which are something like 90 to 100 million quarters. It is thus evident that this very large quantity of export surplus would be sufficient to provide for the next season's normal export requirements without any call on the new crops and still leave a carry-over of 100 million quarters at the end of next season. On top of this, production in exporting countries during the next season also is expected to be heavy. In the circumstances, there seems to be a growing concern among these countries over the problem of selling the next season's crops. The prospects for any appreciable increase in the demand for wheat appear to be dim, for the simple reason that the output of both wheat and other foodgrains is expected to reveal increases in a number of countries and, what is more, some of these have built up stocks and, consequently, do not feel any need for buying more wheat. India, for instance, is looking for another bumper wheat crop and, therefore, may not purchase much wheat this year. Many European countries and Turkey are also expected to have very good crops.

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Among the exporting countries the outlook for the U.S. appears to be very bleak, as the current year is likely to end with a huge surplus of 122 million quarters, or 9 million quarters more than the carry-over a year before. This quantity is so huge that, unless production in the coming years is drastically cut, there is little likelihood of any solution to the problem of surplus wheat. The U.S. authorities have already a definite programme for achieving a greater degree of flexibility in farm production and trade. Support prices are being reduced and made less rigid. For the 1955 harvest, wheat is to be supported at 82½ per cent. of parity, but, if farmers do not agree to marketing quotas, the support price could be reduced to 50 per cent. of parity. Within these two limits, it is considered possible that an increased wheat acreage might be allowed, in return for farmers accepting a price support somewhere between 50 per cent. and 82½ per cent. Besides, the U.S. authorities are also endeavouring to liquidate official stocks by export sales. One of the ways in which the stocks are being reduced is to barter with other countries surplus agricultural commodities in return for strategic materials such as raw silk, mined ores and fertilisers. Thus, in the first ten months of the year ending 30th June, 1955, they contracted sales abroad for surplus commodities worth $211.5 million. Of this, wheat valued at $75 million was exported upto 30th April. This, however, is just a flea-bite, considering the enormous stocks awaiting disposal. At this rate, the U.S. cannot get rid of much of its stocks. It will be interesting to see what they will do there, as all available storage space has been filled up.

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The outlook for rice, however, appears to be somewhat better than that for wheat. According to the Commonwealth Economic Committee's *Rice Bulletin*, the rice crop in 1954-55 is slightly smaller than the record figure of 1953-54. In the first two months of this year, exports from South-East Asia continued to increase, but those from the U.S. and Italy declined. Rice shipments from Burma, Thailand and Indo-China aggregated nearly 440,000 tons, as against 381,000 tons in the corresponding period of 1954 and 317,000 tons in 1953. Imports of rice into the main importing countries in 1954 were slightly better than in 1953, with larger offtake by Japan and India more than offsetting a reduction in that of other countries. Japanese imports reached in that year 1.49 million tons, and was the peak level for the post-war period. India was the second biggest importer, on account of its decision to build up reserves for emergencies. About 1.3 million tons of home-grown rice plus 900,000 tons purchased from Burma were expected to enable the country to have adequate stocks to meet any emergency. At present, India's rice reserve is placed at 1.5 million tons and this permits it to abstain from all purchases of foreign rice this year, even if its rice crop were to be somewhat less than the last year's record outturn. According to the latest reports, the entire stock of Burmese rice purchased by the Government of India under an agreement with the Burmese Government has arrived and the authorities at New Delhi would appear to have decided against importing any more rice during the current year.

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Among other importing countries, the U.K. appears to have purchased 25,400 tons in the first quarter of this year, as compared with 16,300 tons in the same period last year. Indonesia was the world's third biggest importer in 1952. Since then, its imports have fallen drastically, thanks to implementation of plans for attaining self-sufficiency in this cereal. It is, however, expected to buy some foreign rice this year. Malaya, Ceylon, Hongkong and Cuba are the only other countries interested in importing rice.

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The U.S. move to secure higher protection to its cycle industry through tariffs has attracted world-wide attention, because it is regarded as inconsistent with its status as the world's largest

(Continued on page 1099)

SHARE MARKET DULL

UNDERTONE STEADY

(From Our Own Correspondents)

BOMBAY, 2nd June

DULL and featureless conditions marked trading on the Stock Exchange during the week under review shortened by a day due to closure of the market today on account of a Jain festival. During this short working week, activity continued to be on a restricted scale and fluctuations in prices were confined to a narrow range. Early in the week, trading was of a squaring-up nature due to settlement considerations. The new account opened on a steady note, as operators were encouraged by the news of setting up a new Ministry for Iron and Steel under the charge of the Commerce and Industry Minister. Equities made some headway, despite the tendency to book profit at every rise. On Tuesday, however, a sagging trend was in evidence on nervous liquidation by bulls and lack of support. This was attributed to a speech in Bombay by Dr. John Matthai, suggesting the placing of a ceiling on income under the present circumstances and the gearing up of the taxation structure to cover all risks. Indian Irons bore the brunt of this pressure, assisted by discouraging advices from Calcutta. Scattered covering, however, checked a sharp recession. Yesterday, again, the market turned steady on revival of some support induced by second thoughts on Dr. Matthai's suggestions which were construed to contain nothing new. The closing prices were, therefore, above the worst levels of the week. The undertone was slightly steadier than in the last week.

Tata Ordinaries were marked down from Rs. 228-4 to Rs. 227-8, but they revived to Rs. 229 on Monday. After a reaction to Rs. 226-8, they closed better at Rs. 228 on bear covering. Fresh support for this counter was not forthcoming to any marked extent, due to fears of heavy carry-forward charges on account of the closure of the Company's share transfer books from 1st to 29th July, both days inclusive. Indian Irons were depressed, moving down from Rs. 33-3¼ to Rs. 32-7, the lowest level since 15th February last. There was, however, a revival to Rs. 32-11¼ at the close.

Barring a few selected counters, textiles were generally steady. Bombay Dyeings gained ground from Rs. 455 to Rs. 458-12 on Monday. After a dip to Rs. 452-8, they finished at Rs. 455. Kohinoors moved narrowly and gained on balance Re. 1-4 at Rs. 312-4. Centurys put on at the close no more than As. 12 at Rs. 377-8, although the highest level touched during the week was Rs. 379-8. Central Indias were subjected to heavy unloading on unfavourable rumours about the current working of the Company; the shares lost on balance Rs. 5 to Rs. 118. Finlays held their own at Rs. 245-8 and Gokaks at Rs. 211-8. Indu Ordinaries were a shade quiet at Rs. 10-9, while Indore Malwas gained Rs. 2-8 to Rs. 95. Khataus held ground at Rs. 167-8, Lakshmis at Rs. 507-8 and Minervas at Rs. 98-8. Morarjis appreciated by Rs. 3-12 to Rs. 222-8, while New Citys gave way from Rs. 140-12 to Rs. 138-12 and New Greats from Rs. 171 to Rs. 170. Podars lost Re. 1-4 to Rs. 158-12 and Phoenix Rs. 2-8 to Rs. 112-8. Shree Niwas was better at Rs. 223-2 *ex-div.* (div.: Rs. 14), as against Rs. 235 *cum-div.* a week ago. Simplex were unchanged at Rs. 154. Standards moved down by Rs. 5 to Rs. 353-12. Svadeshis were up by Rs. 2-8 at Rs. 187, whereas Tatas were lower by Re. 1-12 at Rs. 46-4. Vishnus changed hands Re. 1-8 higher at Rs. 135.

In the banking section, the outstanding development of the week was the removal of the shares of the Imperial Bank of India from the Stock Exchange list. The shares, which had been on the list for over 33 years, that is, since the formation of the Bank in January, 1921, by the amalgamation of the three Presidency Banks, went off the list on 28th May. The share transfer books of the Bank will remain closed from 16th to 30th June. Prior to the removal from the list, Fully Paid shares were dealt in at Rs. 1,700 and the Partly Paids Rs. 3-12 higher at Rs. 420. The other shares in this section were quiet with fractional losses over the week. Barodas were done As. 12 lower at Rs. 99-4, while Bank of Indias gained As. 8 at Rs. 146-8. Central Banks shed As. 4 to Rs. 47, as also their 'A' shares to Rs. 48-12. Punjab Nationals were a fraction lower at Rs. 42, and United Commercials at Rs. 44.

The insurance section displayed an easy tone with losses in leading counters. Orientals changed hands at Rs. 100 lower at Rs. 7,100. New Indias were picked up Re. 1-8 lower at Rs. 47-8. Indian Mercantiles lost Re. 1-4 to Rs. 44-8.

In the electricity section, most of the counters disclosed a reactionary trend. Ahmedabad Electrics were, however, steady with a fractional gain at Rs. 105-5. Bombay Suburbans were taken up As. 10 lower at Rs. 123-2 and Surat Electrics Re. 1-4 down at Rs. 134-6. Andhra Valleys (old) stood Rs. 3-12 better at Rs. 1,380, while their New shares lost Rs. 3-12 to Rs. 1,062-8. Tata Hydros lost Re. 1-8 to Rs. 141-8 and their New shares Rs. 2 to Rs. 107. Tata Powers were unchanged at Rs. 1,445 while their New shares gained Rs. 17-8 to Rs. 1,140. The Tata Hydro-electric Companies have made the final call on their new shares.

The miscellaneous section was quiet, with select counters showing fair-sized losses. In the sugar group, Belapurs moved in a narrow groove, closing a fraction lower at Rs. 300, as also Bhopal Sugars at Rs. 12-10. Phaltans gained As. 8 to Rs. 120, while Walchandnagar Industries reacted from Rs. 203-12 to Rs. 200. Among cement shares, A.C.C's shed a fraction to Rs. 174-12 and Digvijays Rs. 2 to Rs. 182-4. In the engineering and mining group, Alcocks shed a part of the previous week's gain and closed Rs. 2-8 lower at Rs. 271-4. Jost Engineerings had business Re. 1-8 lower at Rs. 94-8. Larsen and Toubros eased by As. 9 to Rs. 13-4. Premier Constructions lost further ground from Rs. 146 to Rs. 142-8. B.B. Petrols were done at Rs. 3-3 *ex-div.* (div.: As. 2-1½), as against Rs. 3-5 *cum-div.* last week. Indian Coppers were dull at Rs. 3-10. Shivrajpurs held ground at Rs. 65-8. In the shipping and transport group, Scindias slipped from Rs. 15-2½ to Rs. 14-8, before recovering to Rs. 14-10½. Great Eastern Shippings were wanted As. 6 lower at Rs. 15-9. India Steamships were unchanged at Rs. 7-5. Hindustan Motors were As. 2 down at Rs. 8-8. Among other miscellaneous industrials, Bombay Burmahs (old) were steady at Rs. 456-4, while their new shares were taken Rs. 2-8 lower at Rs. 168-12. On abatement of buying, B.I.C's shed As. 4½ to Rs. 8-12. National Rayons attracted attention and jumped up by Rs. 5-12 to Rs. 209 on reports that the Company had sold its production up to December, 1955, at a price slightly higher than market quotations and that the current working was good. Tata Chemicals changed hands As. 1½ lower at Rs. 13-7, while Tata Oils were unchanged at Rs. 39. Wimcos were brought down from Rs. 185 to Rs. 181-4.

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Calcutta Stock Exchange

CALCUTTA, 1st June

Barring tea company scrips which encountered fresh support, the Calcutta Stock Exchange displayed a distinctly easy tendency during the week under review. Traders were greatly disappointed at the Union Finance Minister's statement that there was still scope for additional taxation—direct and indirect—as, for example, inclusion of essential commodities for the levy of sales tax. Besides, fears of nationalisation at low rates of compensation stifled activity in the market. Lack of encouraging reports with regard to the Tata Iron and Steel Company securing a loan from U.S. private investors for further expansion was another unhelpful factor. The cumulative effect of all thess influences was that the longs were somewhat eager to reduce their commitments, while bears were inclined to lose no opportunity to press sales. Equity values, as a consequence, generally tended to look down. As stated at the outset, tea shares evoked good buying enquiries on reports of revival of demand in tea auctions and expectation of still better sales in the coming weeks.

Selling was particularly more pronounced in the engineering section. Indian Irons moved down by As. 13 to Rs. 32-10. Richardson and Cruddas dropped As. 9 to Rs. 17-8. Martin Burns fell by As. 8 to Rs. 22-15. Textile Machinerys suffered a loss of As. 4 to Rs. 17-15. Kumardhubis were neglected at Rs. 12-1.

Jute shares also staged a retreat for want of support even at declines. Budge Budges receded by Rs. 3 to Rs. 172. Nuddeas slipped from Rs. 55-4 to Rs. 54-8 and Nationals from Rs. 33-3 to Rs. 32-11. Chitavalsahs lost As. 8 to Rs. 13-10. Presidencys were done As. 4 lower at Rs. 6-9. Lansdownes changed hands at Rs. 136-8 on Tuesday, as against Rs. 137 on 26th May. New Centrals, on the other hard, came in for special enquiries and rallied Rs. 4 to Rs. 162. There were some buyers today for Agarparas at Rs. 13-8 and Burrakurs at Rs. 12-7. Champdanys were transacted at Rs. 154-8 and Aucklands at Rs. 135.

Coal shares too failed to elicit attention of operators. Bengals eased by a rupee to Rs. 496. Equitables decreased by As. 6 to Rs. 29-6. Burrakurs and Western Bengals were sold As. 3 lower in each case at Rs. 12-7 and Rs. 7-1, respectively. Central Indias lost As. 2 to Rs. 7-6. Sendras were quiet at Rs. 10. New Beerbhooms, however, improved by As. 5 to Rs. 19-6 on buying support. Deals in New Manbhooms were put through at Rs. 8.

Quotations for most of the miscellaneous scrips were easy. Rallis Indias were subjected to heavy selling and slumped by Rs. 2-12 to Rs. 36-12. Calcutta Electrics dropped As. 9 to Rs. 14-13. Rohtas slipped by As. 8 to Rs. 23-9. British India Corporations declined by As. 7 to Rs. 8-12. Among paper mill shares, Shree Gopals and Orient Papers moved down by As. 6 each to Rs. 16-14 and Rs. 26-12, respectively. Titaghurs shed As. 8 to Rs. 43-8. India Paper Pulps, however, met with good investment support and firmed up by Rs. 11 to Rs. 259. India General Navigations retreated by Re. 1-8 to Rs. 91-8. British Burma Petrols lost an anna to Rs. 3-3. Indo-Burma Petrols were quiet at Rs. 133. India Steams gave way from Rs. 7-5 to Rs. 7-3. National Tobaccos were a shade easy at Rs. 9-4. Indian National Airways were quiet at Rs. 4-13. Among sugar shares, Carew & Cos. were done As. 8 lower at Rs. 11-10. Sree Krishna Gyanodayas declined by As. 7 to Rs. 17-2.

Fairly large business was put through in tea shares, with prices recording improvement. Hantaparas elicited special support and advanced by Rs. 5 to Rs. 323. Dhunseris were also well favoured, their quotation rising by Rs. 3-8 to Rs. 27. Bishnauths picked up Rs. 2-2 to Rs. 46. Tezpore hardened by Re. 1-5 to Rs. 31-9 and Hasimaras by Re. 1-12 to Rs. 45. Methonis gathered As. 14 to Rs. 24-8, Brooke Bonds and Jaybirparas rose by As. 6 each to Rs. 15-10 and Rs. 38-10 respectively. Baghmaris were quoted today at Rs. 27, as against Rs. 27-8 on 27th May.

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Madras Stock Exchange

MADRAS, 1st June

Favourites in the Madras Stock Exchange came in generally for some good support during the week under review. This was in evidence particularly in the textile section due to overseas demand for select quality piecegoods. The upward tendency noted last week in the tea section persisted this week also, on prospect of renewed demand for tea leaves from the U.K. Select scrips among rubbers and coffees too met with sustained support. The miscellaneous section also witnessed scattered enquiries. On balance, business done in the market remained restricted and price gains turned out to be moderate. The undertone, however, remained steady.

There were a few notable dividend announcements during the week under report. Of them, mention may be made of the Mettur Industries, which declared a dividend of 35 per cent. for the year ended 31st March, 1955, as against 22½ per cent. for the previous year. Vijayamohini has maintained the dividend of 7½ per cent. for the year ended 31st December, 1954. The Directors of Gokul Rubber and Tea Plantations declared a dividend of 9 per cent. for the year ended 31st December, 1954, as against 6½ per cent. for the previous year.

Among textiles, Anglo-French put on Rs. 2 to Rs. 98 ex-div. and Buckinghams Re. 1-8 to Rs. 153. Bangalore Woollens improved by Re. 1 to Rs. 426. Balasubramanias (Rs. 40 paid up) were higher by Rs. 2 at Rs. 57 *cum-div.* and Lakshmis Rs. 50 paid put by Re. 1 at Rs. 142. Palani Andavar 'A' and 'B' were better by Re. 1-8 each at Rs. 112-8 and Rs. 158-8, respectively. Vijayamohinis were quiet at Rs. 94 *cum-div.* Mettur Industries changed hands at Rs. 350 *cum-div.*, as against Rs. 330.

In the tea section, Coonoor Teas rallied Re. 1 to Rs. 32-8 and Devoshalas As. 12 to Rs. 25. United Nilgiri Teas gathered Rs. 4 to Rs. 279. Highlands, however, lost As. 12 to Rs. 16-4 *cum-div.*, while Nonsuch Teas were quiet at Rs. 31 and Blue Mountains at Rs. 3-9½.

Vaikundams, among rubbers, advanced by Re. 1 to Rs. 23-4 and Rajagiris by As. 4 to Rs. 16-10. Kailas were better by an anna at Rs. 5-4. But Teekays lost As. 3 to Rs. 8-9 and Waterfalls an anna to Rs. 3-12. Malankaras were dull at Rs. 27 and Pullangodes at Rs. 3-12. Gokul Tea and Rubber Plantations were done at Rs. 2 *cum-div.*, as against Re. 1-12.

In the coffee section, Coffee Lands were up by As. 6 at Rs. 17-2, while Consolidated Coffees were unchanged at Rs. 19. Puthuthotams were fractionally better at Rs. 4-3½. Kadur Coffees were, however, colourless at Re. 1-10½.

Among miscellaneous scrips, Bruntons rallied As. 4 to Rs. 8 and Mettur Chemicals an anna to Rs. 8-9. India Cements gained As. 2 at Rs. 23-10. Travancore Cements were also better by a similar amount at Rs. 8-5. But Rallis lost Rs. 2 to finish at Rs. 38.

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The structure and the extent of deposits of manganese ore in Madhya Pradesh (M.P.) are being studied under the Point Four Programme. According to the latest available information, M.P. has a belt of manganese deposits extending over 128 miles in length and 20 miles in width. The deposits are located in Bhandeara, Balaghat, Nagpur and Chhindwara districts. It is estimated that M.P. has 100 million tons of manganese ore, as against a total of only 2.5 million tons in Madras and Mysore and 5 million tons in Bombay. With the completion of the two ferro-manganese plants, one at Tumsar and the other at Ramtek, proposed to be erected under the second Five-year Plan, there will be a sharp fall in the export of raw ore.

NEWS IN BRIEF

A THREE-MAN delegation, representing Japanese leather trade, has arrived in Madras to explore ways and means of developing Indo-Japanese trade in tanned goat and sheep skins.

The Government of India has decided to place next year Rs. 20 crores at the disposal of the State Governments for the development of highways. This is twice the sum provided last year.

A team of the Geological Survey of India which is conducting digging operations in Khairal Patti of Almora District has traced one-mile long lead belt between Chhepani and Belaun Sera. The belt is 600 feet wide and 1,200 feet deep. The percentage of lead in the newly struck belt will be from 6 to 14.

Plans are afoot to increase the sugar output in Madhya Bharat from the present level of 3 lakh maunds to 8 lakh maunds. The Chief Minister of the State has suggested the appointment of a committee consisting of officials and representatives of sugar millowners to recommend measures for achieving the target.

The Railway Ministry has decided to make the railway line between Nagpur and Rourkela a double line, in order to cater to the needs of the Bhilai steel factory. With this, the entire highway from Bombay to Calcutta will be a double line and all the steel factories, Jamshedpur, Rourkela and Bhilai, will be on this Bombay-Calcutta line.

American ghee amounting to 6 million lbs. is among the food gifts to be sent by charitable associations in the U.S. to India for distribution among the poor and the needy in the country. Negotiations are still going on between the U.S. and the Indian Governments, as regards the import of American ghee for commercial purposes.

The Government of India has fixed the price of tea for the purpose of determining the export duty during the month of June at Rs. 2-7-3 per lb., as against Rs. 3-5-6 per lb. for the previous month. At this rate, the export duty on tea, under the sliding scale of duty, will be As. 4 per lb. and represents a 50 per cent. reduction from that in force during May.

The Saurashtra Government has formed a 15-member committee to examine the possibilities of developing the industries in the State through the private sector. The Government has decided to set up two corporations with a capital of Rs. 10 crores each for East Saurashtra and West Saurashtra for the above purpose. The Government also proposes to nationalise the passenger bus transport and for this purpose an experimental scheme with a capital expenditure of Rs. 1.65 crores is under consideration.

The Madhya Bharat Government has announced certain concessions in sales tax with effect from 28th May, with a view to reducing the burden of tax on persons having low income, reducing the impact of tax on goods on which income-tax is paid and removing sales tax difficulties of retailers of general goods. Thus, sales tax will not be charged on shoes, the cost of which does not exceed Rs. 10 per pair. Footwear prepared by the producer himself without using power at any stage of their production, if sold by the producer himself, will be free from sales tax. The rate of sales tax has been halved from Rs. 6-4 to Rs. 3-2 per Rs. 100 on sewing and knitting machines. Such goods on which Madhya Bharat income-tax is paid and on which sales tax is charged on or after 1st April, 1955, if sold during the current financial year, will be free from sales tax.

From Abroad

A number of Australian industries has been given protection or increased protection under the amended tariff schedule approved by the House of Representatives last week.

Steel producers and consumers in West Germany have reached an agreement for increasing the price of steel by an average of 2.3 per cent. The increase is effective from the beginning of June.

The licences of 21 jute shippers, most of whom are Indian business men, have not been renewed by the Pakistan Government for the new season. These business men are alleged to have engaged in irregular practices.

The Australian Government's Commonwealth Shipping Line is now the largest shipowner on the Australian coast, with a fleet of 41 ships and another 19 on order, of which 16 will be built in Australia.

The discount rates of South African Treasury bills have been raised with effect from 1st June. The new discount rates are: 3 months: 2½ per cent. and six months: 2⅝ per cent. These compare with the previous rates of 2-7/16 per cent. and 2½ per cent., respectively.

Six Latin American nations have approved the creation of the International Finance Corporation, according to an announcement by the International Bank for Reconstruction and Development. The nations are: Mexico, Cuba, Panama, Costa Rica, the Dominican Republic, Paraguay and Honduras.

The tea subsidy scheme introduced by the Ceylon Government is reported to have cost the Government Rs. 15 lakhs at last week's auction when the scheme first came into operation. Of this amount, subsidy payments accounted for Rs. 11 lakhs and purchase of unsaleable teas for Rs. 4 lakhs.

The Italian Chamber of Deputies has approved of a measure exempting transactions in unwrought gold from payment of turnover tax. Gold and silver coins imported into Italian territory have also been exempted from the tax. Imports of gold have still to be handled through the Italian exchange control office.

The Iron and Steel Board, U.K., has changed the prices, both upwards and downwards, of certain non-alloy steel wire rods. Though most of the changes are relatively small, they are said to represent the Board's policy of rationalising the price structure. The net effect of these changes on the general level of steel prices will not be significant. The new prices have come into effect from 30th May last.

Tea traders of Ceylon are stated to have decided to limit the weekly catalogues for the Colombo tea auctions of the next three weeks to 6 million lbs. The object of this step is to prevent a surfeit of teas being offered for sale at the auctions and thereby depress prices further. When the export subsidy scheme was announced two weeks ago, it may, however, be noted, the Government said that no limits would be placed on the quantities of tea to be auctioned each week.

An agreement has been reached between the U.S. railway companies and railway conductors (ticket collectors), through the intervention of the American National Mediation Board, thus averting a possible nation-wide strike of railway conductors. The agreement ends a six-year old dispute over the demand of the conductors to be paid on a graduated scale according to the pulling power of locomotives, in place of the existing daily basis. The settlement calls for payments to conductors based on the length of trains, in addition to their regular daily wage.

PERSONAL

MR. Mirza Ismail, a former Dewan of Mysore, left Bombay on Monday this week for Frankfurt, Germany.

Mr. B. N. Banerji, Collector of Customs, Bombay, has been appointed member of the Central Board of Revenue, Delhi. He has been succeeded by Mr. A. V. Venkateswaran, Collector of Central Excise, Bombay.

Prof. B. P. Adarkar, until recently *Charge d' Affaires*, Indian Embassy, Bonn, West Germany, has arrived in India from London. Prof. Adarkar will leave for Hong Kong on 20th June to take up his new appointment as Indian Commissioner in Hong Kong.

Mr. A. D. Wenzel, Managing Director, Firestone Tyre and Rubber Co. of India Ltd., left last week on an extensive overseas tour. Mr. Wenzel will spend some time at Akron, the head office of the Firestone organisation. Before returning to India, he will visit Firestone factories in the U.S. and Europe.

Mr. P. M. Chinai, President of the Indian Merchants' Chamber, and Mr. P. Chentsal Rao, Secretary of the Federation of Indian Chambers of Commerce and Industry, left for Paris last week to make arrangements for the International Industrial Exhibition to be held at Delhi in October this year. Mr. Chinai later on proceeded to Geneva to attend the annual session of the I.L.O. which commenced there on 1st June.

The West German firm, Diemag Civil Engineering Works, has secured a contract valued at about £17 million for a steel plant near Heliean, Egypt, with a capacity of 264,000 tons of crude steel and a rolling mill for 200,000 tons per year. Preparatory construction work has already started. The West German Company will accept shares of the Egyptian steel works for 20 per cent. of the f.o.b. value of machinery and installations. The disposal of these shares within a few years after the plant has started production has been guaranteed.

The Pakistan International Airlines Corporation has just announced new services and developments in its operation. First it has replaced, with effect from the 4th inst., the Dakotas on the Karachi-Delhi route by the more comfortable and faster Convair aircraft. The rates, however, have not been changed. Secondly with effect from the 5th inst., it proposes to increase the Convair services between Karachi and Bombay from three to five times a week. Finally, it proposes to introduce with effect from the 8th inst., three new coach services through Multan. Two of these will operate between Karachi and Lahore and the third between Karachi, Rawalpindi and Peshawar. A special feature of these new services is the reduction in fares.

World oil-refining capacity at the end of 1954 amounted to about 820 million metric tons, thus showing an increase of 53 million metric tons or about 7 per cent. The total refining capacity of the Commonwealth oil refineries as a whole last year was 77 million tons—12 million tons more than in 1953. By far the most important individual countries within the Commonwealth oil refining area are the United Kingdom and Canada, each with just over 29 million tons capacity last year. Other new refineries are now being constructed in India, Australia and elsewhere. Outside the U.S., Western Europe has become the leading area and now has a capacity of 100 million tons, if the U.K. plant is included. The chief refining country is still the U.S., which accounts for over half of the world total at 419 million tons.

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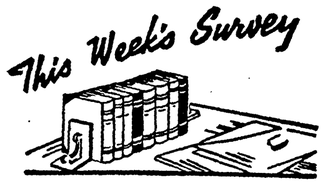

DEVELOPMENT OF MALNAD

IT is but natural that the second All-India Malnad Conference, which met in Mercara last week, should have pleaded for the appointment of a planning committee for the all-round development of the entire Malnad region. For one of the chief reasons why the development of the region has suffered so far is that it is under the rule of more than one State Government. The region referred to stretches from Belgaum in Bombay State to Malabar in Madras State, cutting across at least four States, namely, Bombay, Mysore, Coorg and Madras. But really speaking, it covers the whole area stretching from the mountainous spine of the Western Ghats commencing from Bombay through Wynaad to South Travancore, including spurs, such as the Nilgiris, the Palnis and the Annamalais. Be that as it may, since it is the duty of every State through which the Malnad area stretches to develop the region, no State is willing to carry the baby. The result is that this lovely stretch of territory, full of potentialities for agricultural and industrial development, persists to be a backward area. The natural resources of the region, which include timber, sandalwood, pepper, cardamom, coffee, rubber, tea and cashewnuts, have been producers of foreign exchange. Consequently, if the region were to play its part in the economic development of India as a whole, it should be developed as one integrated unit to the extent possible. The Planning Committee should, as suggested by the Conference, be under the chairmanship of a member of the Planning Commission and include representatives of Coorg, Travancore-Cochin, Madras, Mysore and Bombay as members. It is to be hoped that the Government of India will constitute such a body at an early date.

It is no wonder that the Conference expressed concern at the lack of transport facilities and urged the Union Government to undertake the construction of a number of important railway lines, a network of roads and a major port between Goa and Cochin. Provision of adequate transport facilities is the first requisite for the development of Malnad. Without road and rail transport, little can be done to exploit the natural advantages offered by this area for the benefit of the country as a whole. It is high time that the demand for linking Mysore with Coorg and Tellicherry, Shorannur with Nilambur through Wynaad and Hubli with Dharwar by rail were fulfilled. So also the construction of a network of roads connecting outlying areas with the Malnad region and the hinterland with the coast. The construction of a major port between Bombay and Goa will only add to quicken the pace of development of the region. The constitution of marketing boards will also help marketing of the plantation products in such a way as would benefit not only the producer but also the consumer.

An important factor obstructing the development of Malnad is the lack of requisite power supply. Consequently, the Conference dealt with this aspect also. Ironically enough, although many rivers originate and flow through Malnad and are favourable for developing large quantities of hydel power, the Malnad can boast of very few of such power projects. Despite this, the Conference has put forth only a modest demand that the Barapoie Hydro-electric Project which would generate 18,000 kw. of power, besides irrigating 30,000 acres, should be included in the second Five-year Plan.

The Conference requested the Union Government not to levy the proposed income-tax on any portion of income from coffee and to popularise drinking of Indian coffee in India and abroad by setting up suitable agencies. This stress on coffee shows how important the produce is to the economy of Malnad. The employment potential of coffee and other plantations is quite high and, as such, the development of these crops in this area should be accorded the highest priority.

RAILWAY FREIGHT RATES

Mr. Shanti Prasad Jain pleaded, in the course of his address to the twenty-second ordinary general meeting of the Rohtas Industries Ltd., held at Dalmianagar recently, for a revision of the railway freight structure. He held that the present freight structure, evolved as far back as in October, 1948, had a number of glaring defects, which restricted the growth of industries in general. The recent 10 per cent. increase in freight on movement of goods within the first 300 miles had, he asserted, "apart from pushing up transportation cost of raw materials and finished goods, cut at the root of regional development." Besides, he averred that the present classification of goods for freight purposes was not based on scientific foundations. Speaking on the effect of the present freight structure on the development of the chemical industry, he remarked:

"With the present high freight structure of salt in comparison with coal, the alkali industry, wherein coal, lime-stone and salt are important raw materials, is proposed to be established largely near salt centres, and not near coal areas. With a comparable freight structure for coal and salt, the industry would have developed in both the areas. Natural advantages possessed by Bihar and Bengal have been set at naught by the Railway Ministry by their inequitous freight structure, putting other raw materials, howsoever basic for industries, generally at a disadvantage with coal. It is very desirable that freight rate on salt and coal should be comparable. If a rational freight is fixed for salt, coal empties could be conveniently utilised for this movement."

That there is need for the revision of the railway freight structure is hardly disputable, but whether it should be on lines suggested by Mr. Jain is a matter to be decided by experts. Even the Government of India is convinced of the need for a revision of rates, as witness its decision to constitute a special committee to enquire into the present freight structure and suggest measures needed to alter it. The freight charged by railways for bulk carriage of goods, such as coal, for instance, is far lower than that charged by coastal ships, with the result that it is practically impossible for shippers to compete with rail. The Government of India has decided to constitute a shipping committee also to enquire into the problem of rail-ship competition. It is to be hoped that the two committees scheduled to be constituted shortly, will work in co-operation with each other. The revision of the freight structure is all the more urgent now, because the success of the second Five-year Plan, with a large degree of emphasis on industrial development, will depend not only on the availability of adequate transport facilities but also on the existence of a proper structure of freight rates.

DR. B. C. ROY ON SECOND PLAN

An important pronouncement which Mr. Nehru made at a Press conference in New Delhi on Tuesday last was that the National Development Council had generally approved the approach to planning as contained in the Plan-frame prepared by Prof. P. C. Mahalanobis and others and endorsed the views of the Economists' Panel. This pronouncement should not, however, be taken as the final indication of the shape of the second Five-year Plan. For the Planning Commission will have to consider in detail, besides the three papers submitted by the Statistical Institute, the Economics Divisions of the Finance Ministry and Planning Commission, and the Panel of Economists, the several ideas and suggestions offered by individuals and associations of industry and trade. Dr. B. C. Roy, Chief Minister of West Bengal, has already aired his views on the second Plan in the daily Press.

The daily Press version of Dr. Roy's formula reveals that it differs from the aforesaid three papers even in the matter of approach. At the very outset, Dr. Roy dubs the whole statistical-mechanical approach as being basically unwise, unsuitable and, perhaps, dangerous. He lays particular stress on the assessment of (1) our current available surplus resources—material and human—which can be straightaway utilised for further growth, and (2) our current capacity for the organisational effort required for promoting such growth. "What matters is," to quote him, "not what are potential reserves but what is the extent of the existing resources and our ability to utilise them within the period of the second Five-year Plan." Dr. Roy also dismisses the common production programme enunciated in the Plan-frame—under this programme, the surplus production from agriculture and small-scale consumer goods will be controlled and rationed to meet the increased demand of consumer goods by wage earners—as being hardly feasible in this country. He gives three reasons for holding this view. First, the excess from small-scale and hand industries will be poor in quality and small in quantity. Secondly, they will not satisfy the demands of wage earners. Thirdly, the agricultural surplus will have to meet the increased demand of the villagers and they will not offer them for sale, unless they get something in return which they value; heavy capital or producers goods will not satisfy them. Dr. Roy, therefore, opines that we should plan for the needs of villagers for their village enterprises, the need for raw materials, improved tools, equipment, cheap power, etc. It is only then we can, he argues, estimate the supplies which will be needed of coal, iron and steel, yarn, machinery for making tools, irrigation facilities and so on. Such supplies will have an assured market. We can then calculate our targets for heavy industries. In other words, Dr. Roy's formula boils down to this:

We should plan for (1) increased production in agriculture and small-scale industries, (2) increased consumer goods for the use of larger number of workers engaged in making capital goods, construction work, transport, electricity, etc., and (3) fuller use of the present installed capacity for consumer goods; the scheme may be expanded to put in new installations in due course.

A specific issue on which Dr. Roy does not agree with planners, including Mr. C. D. Deshmukh, India's Finance Minister, relates to taxation. The Economists' Panel, it may be noted, has endorsed the recommendation of the Taxation Enquiry Commission to the effect that Article 286(3) of the Constitution will have to be amended in order to remove the present exemption of articles "essential to the life of the community" from the scope of State sales tax. It also considers that measures designed to secure a practical ceiling on income through a steepening of taxes on income and wealth (including estate duties) as an imperative necessity. Speaking in Madras the other day, Mr. Deshmukh stated that there was still scope for additional taxation—direct or indirect—as, for example, inclusion of essential commodities for the levy of sales tax. This view has, however, been stoutly opposed by Dr. Roy who categorically maintains that there is no room whatever for further taxation, much less to attempt taxing essential supplies like food products. Significantly enough, he remarks: "So far as State subjects are concerned, it is almost impossible to increase the sources of taxation much less to attempt tax on essential supplies like food products. The level of our standard of living left after meeting the essential requirements is very narrow. If we take away a part of them for investment in schemes which will only bear fruit for direct consumption after some interval, the present standard of living will be further depressed. Therefore, there cannot be a curtailment of present consumption which is already very low. It may be possible to get increased receipts of taxation, if we can tap the higher income groups. But our present structure of taxation of these groups leaves little scope for them to bear any further burden."

Dr. Roy has a few interesting observations to make on what is called "consumable wealth." Alluding to the increase in national income from Rs. 9,190 crores in 1950-51 to Rs. 10,800 crores in 1955-56, he points out that it cannot be overlooked that this increase is not in the form of directly consumable wealth, for a considerable portion has been in the shape of dams, factories and other capital investments which will have time to express themselves in a rise in the standard of living. According to him, a part has to be set aside for maintenance of capital previously installed and a part for the consumption requirements of increased population. Only the remaining portion will represent the net addition to wealth available for direct consumption.

BHILAI STEEL PLANT

The preliminary work for the execution of the Bhilai Steel Project (Madhya Pradesh) seems to be in full swing. The Geological Survey of India has carried out a contour survey of approximately 25 sq. miles of land around the proposed factory site. The State Government has organised boring and trenching operations to provide the necessary geological data. The Engineering College at Jabalpur and the Central Laboratory at Poona have been carrying out the necessary tests. The sampling and analysis of the essential raw materials are nearing completion. The site for the steel plant is very near the Shivnath and Kharun Rivers, both tributaries of the Mahanadi. The plant alone will cover some 26 square miles, this, together with the township of 20,000 modern houses, may occupy an area of about 100 square miles.

It would appear that the Russians want to execute the project as quickly and efficiently as possible and show to the world that the communist countries could deliver goods better and at a cheaper rate than their democratic counterparts. Thus, they seem to be determined to challenge the supremacy of industrial democracy. It remains to be seen how the German counterparts who are to erect the Rourkela steel plant and the British who propose to erect another steel plant for the Government of India will emerge from the competition.

The Bhilai steel plant is expected to go into full production in December, 1959; a considerable part of it, including the two blast furnaces, will be ready a year earlier. The plant will have an initial capacity of one million tons of ingots to be rolled into about 750,000 tons of rolled products. The plant will be designed with a view to eventual expansion up to a capacity of one million tons of rolled products. Construction work of the plant will commence after the approval of the detailed project report by the Government of India, which is expected to be submitted by the Russian experts by December this year.

U. S. INVESTMENTS IN PAKISTAN

The pace of economic development in Pakistan will be greatly accelerated in the coming years, following the provision of U.S. Government guarantees for American private investments in business enterprises in Pakistan. An agreement to provide this guarantee was signed between the Governments of the two countries in Washington on Thursday the 26th ultimo. The agreement was effected by an exchange of notes between Mr. George V. Allen, Assistant Secretary of State for Near Eastern, South Asian and African Affairs, and Syed Amjad Ali, Pakistan's Ambassador in the U.S. Pakistan thus becomes the first country in the Asian region, bordered by Turkey on one side and Thailand on the other, to sign such a pact with the U.S., and the twenty-fifth country to co-operate in the programme for facilitating the flow of U.S. private capital to foreign countries, first established in 1948.

The agreement provides for guarantees to American investors against loss from inconvertibility of foreign currency earnings into dollars or from expropriation. The guarantees are administered by the U.S. Foreign Operations Administration, but all guaranteed investments must be approved of by both the U.S. and Pakistan Governments. There will, however, be no interference in the operation of the business involved. Announcing these details, the U.S. State Department observes: "The United States plans to draw the attention of U.S. business to opportunities for investment and development in Pakistan and is prepared to consider making guarantees to any person of new investments for the establishment, expansion, modernisation or development of enterprises in that country (Pakistan)."

The aforesaid agreement is of great importance in view of the need for large capital investment in Pakistan. An assessment of the extent of foreign capital invested in Pakistan, recently made by the U.S. Department of Commerce, revealed that there was little U.S. private investment in the country, thanks largely to the disturbing trends in Pakistan's economy and political system. Now that the U.S. Government has assured guarantees for American private investments, U.S. business and industrial leaders may be expected to evince much interest in participating in Pakistan's industrial development.

The extent to which these expectations will be fulfilled will depend, of course, on the economic and fiscal policies of the powers-that-be in Pakistan. Indications are that Pakistan is taking all possible measures to encourage foreign investments in the country. Mention, for instance, may be made of guarantees covering equitable compensation to foreign investment in the event of nationalisation and permission for foreign capital to hold up to 60 per cent. of the total investment in enterprises other than public utilities.

I. L. O. CONFERENCE

The most important subject scheduled for discussion by the thirty-eighth session of the International Labour Organisation (I.L.O.), which began at Geneva on the 1st inst., is the all familiar one of labour-management relations. Mr. David A. Morse, Director General of the I.L.O., has, in his annual report, called on the representatives of Governments, employers and workers "to formulate a programme of work for the I.L.O., which would assist countries in all degrees of industrial development to solve problems of industrial and human relations." He is of the view that good industrial relations cannot be attained through legislation but will depend in the long run on the efforts of the two most interested parties, namely, the employers and the workers. Proceeding, he says:

"Widening recognition that rising productivity is essential for raising standards of material prosperity has been responsible for a perceptible shift of emphasis in labour-management relations 'towards collective thinking rather than conflicting bargaining.' For, in the last analysis, efforts to develop higher productivity depend very largely on improved co-operation within industry between management and the various categories of workers concerned and their organisations. This is, perhaps, the most urgent and important single area requiring joint endeavour in the years to come."

One thing that clearly emerges from the above quotation is that the promotion of healthy industrial relations depends on a number of factors. It is true that adequate wages and satisfactory conditions of work are essential for good industrial relations, but they alone are not enough. Similarly, the mere fact that employers and workers agree to bargain collectively is not sufficient to ensure better industrial relations. Everything depends on the attitude of both the employers and employees towards the problems in dispute. This involves a psychological approach to the problems concerned. That depends again on the growth of a healthy trade union movement free from political influences.

The Conference will also discuss new international standards relating to vocational rehabilitation of disabled workers. The proposed recommendation seeks to cover all disabled persons, irrespective of their origin and nature of their disability, so long as they can be prepared for, and have reasonable prospects of, securing and retaining suitable employment. The main object of the development of vocational rehabilitation, according to the draft resolution, should be:

(1) to demonstrate and develop the working qualities of disabled persons;

(2) to promote in the fullest measure possible suitable employment opportunities for them; and

(3) to overcome, in respect of training or employment, discrimination against disabled persons not related to their working capacity.

Another subject scheduled for discussion is protection of migrant workers in underdeveloped countries. The proposed recommendation lays down, as a general policy, the principle that "every effort should be made to assure the migrant workers the same or as favourable working and living conditions as those provided by law or in practice to other workers engaged in the same employment." It also provides for a standard of protection as regards housing, wages, admission to skilled jobs, trade union activities, social security, etc.

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NEW MINISTRY FOR STEEL INDUSTRY

IMPLICATIONS ANALYSED

From A Special Correspondent

NEW DELHI, 31st May

AT long last, Mr. T. T. Krishnamachari, Minister for Commerce and Industry has been able to succeed in the stand he had taken in January last regarding the control and development of iron and steel industry. His success has come in the form of a Government announcement this week, which states that "in view of the importance of developing and expanding the iron and steel industry, the Government of India have decided to constitute a new Ministry of Iron and Steel." This new Ministry will be under the additional charge of Mr. Krishnamachari who will hereafter administer the working of the Hindustan Steel Factory, Rourkela, the Bilhai Steel Factory, Madhya Pradesh, and the proposed Durgapur Steel Factory, West Bengal.

DELHI LETTER

Besides, the Minister will also look after the development of the steel industry in the private sector. The Tatas have, for the past few days, been in New York, negotiating with the U.S. Export-Import Bank for a sizable loan for financing their proposed expansion scheme under which they are to produce about 2 million tons steel ingots. The Indian Iron and Steel Company, Ltd., Calcutta, has also been gradually increasing its production of pig iron and steel and, after the completion of the present plan, it might embark on a further programme of expansion to about one million tons of steel. The Mysore Iron and Steel Company, Ltd., Bhadravati, has also got approved from the Planning Commission a proposal to expand its production at a cost of Rs. 12 crores. This concern is expected to step up its steel production to about one lakh tons, concentrating its attention on the manufacture of special steel, stainless steel, etc.

Expansion Plans

As matters stand at present, all the expansion plans are expected to be completed before the expiration of the second Five-year Plan. It is possible that both Rourkela and Bilhai plants might come into full production before the end of 1959, that is, in another four years' time. The progress of work in regard to both these factories has been going on smoothly. The township in Rourkela is now under construction. Arrangements are being made for the regular supply of iron ore and its transport to the plant site. Within a few months' time, tenders will be called for the requisite plant and machinery to be installed at the factory. In regard to the Bilhai Steel Plant, the Russian Chief Engineer, along with some six technical experts, will be shortly arriving in New Delhi. It is stated that important units of the steel plant like blast furnaces, open hearths and coke ovens are expected to be completed by the end of 1958. Although the agreement with Russia provides for the erection of two blast furnaces, the Bilhai Plant may eventually have three furnaces since the Russian experts now feel that three blast furnaces would be more economical for operation.

The creation of a new Ministry for stepping up steel production in the country will have some definite advantages. The unity of purpose and control will enable the country to accelerate the pace of expansion and to hit the target earlier. Again, the concentration of administrative functions under a single Ministry will enable Government to have a close supervision in regard to cost of erection and other charges of the various factories. Further, this step will enable the Government to pool its resources, particularly in undertaking the manufacture of such types of tools and machinery within the country itself and thereby effect some savings in foreign exchange. The Government can also establish a close liaison between the steel industry and the possible consumers of this metal, namely, the railways, heavy and light engineering industries, machinery manufacturers, the automobile, shipbuilding and other industries. In other words, the Industry sector of the Commerce and Industry Ministry will have to plan carefully in such a manner as to enable the different heavy industries to absorb the various end products turned out from the old and new steel factories. There should not be any accumulation of stocks of steel due to the inability of heavy industries to absorb them. It is, therefore, necessary that there should be a simultaneous development of a number of heavy engineering industries which would be ready to absorb the additional steel produced in the country. It is possible that, during the next one or two years, there will be more imports of steel.

In order to co-ordinate the development of heavy industries at all levels, the Government of India has now constituted a Cabinet Committee for heavy industries. A Committee of Secretaries to deal with this co-ordination is also being constituted to keep in close touch with all developments in the field of heavy industry and report progress to the Cabinet Committee of heavy industry. In view of the constitution of these two committees, the Steel and the Production Committee of the Cabinet will hereafter be discontinued.

Speedy Development

That the Government is very anxious to bring about a speedy development of the iron and steel industry, as also heavy industries, is evident from the fact that, besides creating a new Ministry for Iron and Steel, the chairmanship of the Heavy Industry Committee will be held by the Prime Minister himself. Likewise, the Co-ordination Committee at the Secretary level will be held by that veteran administrator, Mr. N. R. Pillai. The total investment in iron and steel industry during the second Plan period is now computed at Rs. 425 crores. A similar sum is expected to be spent on the development of heavy industries in the public and private sectors.

It is expected that the Government will be following a specific line of policy in regard to the development of heavy industries. According to the pamphlet on *The Second Five-year Plan—A Tentative Framework*, the development of heavy capital goods industries has followed in the wake of a rapid advance in consumer goods industries in most countries. But it is not an uneconomic proposition to give priority to the development of heavy industries and to try and reverse the historical process, within limits. It is also suggested that the major effort in the development of basic capital goods industries must come from the public sector. That is necessary, if the State is to have command over means of production in strategic sectors. Also, private enterprise is not likely to be able to provide the large capital requirements of such industries. The pamphlet in question visualises that, in the next 10 or 15 years, India may have to step up its capacity of steel production to 10 to 20 million tons. Since a large part of the profits in organised industries is made in consumer goods industries, steps must be taken, says the pamphlet, to direct a larger flow of private investment into basic industries by suitable tax and credit measures and by making a stricter use of the powers to control capital issues and imports and by licensing of new enterprises.

The development of heavy industries would require fuller exploitation of our mineral resources, extension of transport facilities and a rapid expansion in the number of trained personnel in the country. The pamphlet adds that the basic strategy in the second Plan must be to invest large sums in the development of basic industries, transport and mining at one end and to economise as much as possible in the capital requirements for other sectors without restricting the supply of consumer goods.

In this connection, it may be of interest to note the opinion of Prof. Mahalanobis. He says: "In order to make available large capital resources for investment and national development and to facilitate the implementation of the Plan, Government will be prepared to enter into such activities as banking, insurance, foreign trade or internal trade in selected commodities. Government would also promote enterprises in partnership with the private sector, so that, although Government would hold a controlling share, initiative can be left to private management subject to policy decisions by Government."

These extracts from the pamphlet will show how the trend of thought is moving in high circles of Government. Since Mr. Krishnamachari is a realist and has considerable insight into business management and administration, it is likely that he will try to strike a *via media*, particularly in the establishment of a number of heavy industries through the use of his pet National Industrial Development Corporation. In the coming months, this institution is expected to adorn the mantle of entrepreneurship by starting a number of big industries in co-operation with the private sector.

VOICE OF DEMOCRACY

MORE FREEDOM FOR PRIVATE ENTERPRISE

From Our Own Correspondent

LONDON, 27th May

YESTERDAY was one of those days, when, about once in five years, democracy in this country ticks. On that day, one was conscious that Government was in suspense: right up to that day, the outgoing Government remained the Government, Ministers attended their offices, and policy continued as before, but that was the day when the electorate were deciding whether they should carry on or whether men with different ideas should be called in.

LONDON LETTER

And yesterday, when the electorate had the choice, it spoke with certainty. It is true that only three out of four voters bothered to go to the polls, but it is a good election when four out of five go and exceptional when any larger number attend. The fact that only three out of four went was, in itself eloquent. It meant that many of the so-called floating voters whom politicians have been trying so hard to attract decided that they did not sufficiently dislike the present Government to vote against it and they were not sufficiently attracted by the Labour Party to want to vote for them. They were prepared to let the others decide, and the nature of the British balance of voting power is such that a lower poll usually means a lower poll of the Left, of those who are attracted by radical ideas when radical ideas seem to be what the country needs.

So the swing of about 2 per cent. of the electorate in favour of the Government's policy which is going to give the Government a substantially increased majority indicates that the general temper of people is that things are going well enough, there is every chance of their continuing to do so under the guidance of the present Government, and that they do not really feel that the Opposition have enough to offer to make the excitement and risk of change worthwhile.

Election Campaign on Television

A good deal has been said in this country about the conducting of the election campaign on television. This is probably the only campaign which will be conducted in quite the same way since there is a monopoly organisation. By the time the next election comes round, commercial television is likely to be in full swing and we are more likely then to get the typical election meeting reproduced on viewers' screens right through the country with local as well as national candidates appearing. But, at this election, the Conservatives certainly made a better job of the new medium and it may well have helped them substantially by confirming in the minds of millions of viewers that they were better off in the hands of the present Government than by risking the uncertainties of a new one whose prospective members showed up so indifferently on the screens.

The other interesting point is that foreign policy failed to become an election issue. There were no stunts of any kind and the Government conveyed the impression that they were doing all that was possible for peace and that their opponents had nothing to add on this issue.

With a substantially increased Conservative majority (incidentally, it is only the second time in the history of democratic elections in this country that the pendulum has swung three moves the same way—the elections of 1950, 1951 and 1955) and the likelihood of a return to power in five years' time being very remote—unless all the laws governing voters' behaviour are to be broken—the Government will now go firmly ahead for the next five years on its policy of controlling the country's economy internally and externally on as light a rein as possible. Their testing time will come only if there is an external, followed by an internal, economic crisis and, since they will not have the fear of imminent election in front of them, they will be able to go ahead boldly on their own brand of freedom for private enterprise.—*All Rights Reserved.*

FUTURES TRADING IN COTTON

MONOPOLY BY ONE CENTRE DISCOURAGED BY FORWARD MARKETS COMMISSION

A BRIEF reference to the report of the Forward Markets Commission on the recognition of associations in respect of forward contracts in cotton and the Government of India's decision thereon was made in this journal two weeks ago—*vide* page 972. The report, the full text of which was released to the Press only towards the close of last week, was submitted to the Government early in March last—it is dated 3rd March, 1955—and, within two months, on 12th May, 1955, to be precise, the latter announced its decision. Thus, the Government has been fairly quick in making up its mind on this subject.

The Commission has prefaced its report by indicating the three types of contracts through which the forward market functions, *namely*, non-transferable specific delivery contract, transferable specific delivery contract, and hedge or futures contract. These contracts differ from one another in regard to conditions of delivery and mode of payment. Explaining these differences, the Commission says:

"In non-transferable specific delivery contracts, delivery is a common feature. The goods have to be of a specified quality and have to be delivered in a specified quantity at a specified destination for a specified price. This type of contract resembles the ready contract, except that the delivery takes place after a longer period. In the case of transferable specific delivery contracts, delivery takes place between the first seller and the last buyer, and it has to conform to the same detailed specifications as in the case of the non-transferable contracts. Hedge or futures contracts, on the other hand, do not visualise actual delivery at all, except in a residual sense, and are entered into in terms of a 'basis' quality.

"The settlement in the non-transferable specific delivery contracts takes place through the payment of the actual value of the goods by the buyer to the seller. The futures contracts and the transferable specific delivery contracts in so far as the intermediate buyers and sellers are concerned are, however, settled by the payment of differences between the buyer and seller.

"The transferable specific delivery contract thus occupies a position intermediate between the non-transferable specific delivery contract and the futures contract. It has points of resemblance to both. It is, however, treated on a par with the futures contract under the Forward Contracts (Regulation) Act."

Centres for Futures Trading

The Commission proceeds next to a brief study of the technique of futures trading, role of speculator, payment of differences, basis of contract, tenderable varieties, days and points of delivery, sellers' option, spot and futures prices and dangers of futures trading. It then addresses itself to the controversy as to whether there should be only one centre for futures trading in any commodity or a number of different centres. The most important conclusion arrived at by the Commission is that facilities for futures trading should be provided at a number of different centres located in the principal regions of the country. For it considers that a single centre is not likely to serve adequately the needs of different areas and of different varieties of a product. In support of this view, the Commission gives the following reasons:

(1) The facilities of transport and means of communication, such as telephone and the radio, are not yet properly developed in different parts of the country and have not yet achieved the necessary degree of efficiency; movement of stocks from centres of production to those of consumption in the same region, or from the surplus region to the deficit region, is generally slow and sluggish;

(2) the collection of economic intelligence and its dissemination throughout the countryside through various agencies is not yet organised on satisfactory lines and much of the relevant information has yet to be collected;

(3) the credit, insurance and warehousing facilities leave much to be desired and are often non-existent;

(4) the proportion of illiteracy is high, the producers are not vigilant and the small traders are inadequately organised; and

(5) the spirit of co-operation among different interests has yet to develop and a sense of responsibility still remains to be fostered.

In view of all these handicaps, the Commission points out that it would be unwise to leave the fortunes of the countryside spread over distant regions entirely into the hands of a single centre of hedge trading, howsoever well it is regulated. For, according to it, a single centre is likely to arrogate to itself too much authority by the very fact of its singleness and prove less responsive to regulation. It is prone to brush aside too lightly the complaints of weaker interests and distant areas. The Commission, therefore, favours the establishment of a number of judiciously located centres in the more important producing and consuming areas. Such a system has, in its opinion, five distinct advantages. First, the system will, apart from providing hedging facilities near at hand, educate the mofussil areas in the technique of hedging and the forecasting of price variations. Secondly, it will encourage local interests to co-operate with each other in safeguarding the interests of their locality. Thirdly, the new centres will be more responsive to advice and submit willingly and even cheerfully to regulation, although it is true that they have to be carefully nursed by the regulating authorities. Fourthly, the transactions at such centres will be in small quantities and are less liable to produce violent jerks and jolts. Finally, the existence of many centres will assist the regulating authority in experimenting with different techniques of regulation and evolve suitable techniques for individual centres.

The Commission imposes a vital obligation on a centre which is selected for the establishment of futures market, namely, that every effort must be made to look to the convenience of the other competing centres in the region and provide them with all facilities. Delivery against the contract should be permitted at all important producing centres and facilities for survey and arbitration of disputes should also be provided on the spot. The entire crop grown in the region must be made tenderable at the centre and the tendering differences should be fixed in a manner which would cause no hardships and involve no discrimination.

Selection of Associations

The Commission refers next to the selection of associations for recognition to conduct the futures market. It emphasises that the successful working of a futures market depends mainly on the existence of a representative association possessing the necessary experience and resources and capable of discharging its duties in an impartial and responsible manner. The suitability of an association, it further emphasises, has to be judged in the light of various factors such as the basis of its incorporation, the size and composition of its membership, the terms and conditions of the contracts conducted by it, the procedures laid down by it for trading, the length of its experience, and the reputation that it has built up. The associations should be incorporated, as far as possible, under the Registration of Societies Act or section 26 of the Indian Companies Act. The membership of the association should be open to all persons genuinely interested in trading in the commodity and having the financial resources necessary for engaging therein. The method of selection to the board of directors should be so devised as to secure a fair representation for the different interests reflected in the membership.

This brings us to the procedure of trading as indicated by the Commission. "The procedure," according to the report, "should be adjusted to the nature of the commodity, the local environment and the requirements of the market. The basis of the contract should be laid down in such a way that it would represent fairly the production of the neighbourhood and the varieties traded in the market. The varieties tenderable should include, as far as possible, all the indigenous varieties produced, so that no stockists remain without the protection of hedging facilities. The unit of contract should be so fixed as would be within the means of the operators. The number and duration of contracts should be adjusted to the seasonal character of the production of the commodity, so that hedging facilities might be available continuously throughout the year. The opening of the contracts should be so timed as to provide an indication of the prospective prices before, during and after the sowing and harvesting operations. The closing of the contracts should be timed to coincide with the movement of the crop, so that delivery can be given, if required. The duration of the contracts should not be unduly long lest speculative forces should distort the trend of prices. The different contracts should be spread evenly over the year and the duration of each should be timed on the basis of the marketable supplies likely to be available at the delivery period. The contracts should be negotiated in a spacious, well-designed ring, equipped with cabins and telephone facilities for the members. The transactions should be restricted to specified hours of business and stringent action taken to prevent business being transacted outside the official hours. The contracts should invariably be reduced to writing. The settlement of contracts should be effected through a clearing house, administered by an independent agency, preferably a bank. The settlement should be effected every week and, in special cases, at more frequent intervals. The facilities for survey should be organised, preferably through expert and independent surveyors on the permanent staff of the association. The machinery for arbitration of disputes should be so devised as would give a full and fair hearing to the parties, bring to bear an expert and disinterested judgment on the issues and result in a speedy award."

Futures Trading in Cotton

It is in the light of these general principles that the Forward Markets Commission has examined the issue relating to the futures trading in cotton. At the outset, the Commission opines that futures trading is essential for cotton. Enumerating the factors which render cotton quite suitable for futures trading, it observes:

"The supply of cotton and the demand for it are adequate to support a futures market. The crop is large and stocks also have, therefore, to be stored in large quanties by the dealers. The textile mills, which are the principal consumers, constitute the largest single industry in the country. The production is spread over a number of regions. The mills are, to some extent, concentrated in the Bombay State, but are also to be found in other regions. The exports of raw cotton and finished goods are substantial and have an important place in the foreign trade of the country. There are a large number of experienced persons familiar with the technique of hedging and they are anxious to make use of the facilities offered."

The Commission received 30 applications from all the important cotton-growing States, except Madras which produces about 260,000 bales of cotton annually, representing about 6.6 per cent. of the total production. The applications have been grouped under four regions: (1) *Northern Region* (12 applications)—States of Punjab, P.E.P.S.U., Rajasthan, U.P., Ajmer, Delhi, Vindhya Pradesh, Himachal Pradesh and Bilaspur; (2) *Central Region* (9 applications)—Madhya Pradesh, Madhya Bharat, Bhopal, West and East Khandesh, Ahmednagar, Sholapur, Poona and Satara North districts of Bombay State, and the Aurangabad, Bhir, Parbhani, Nanded, Adilabad, Osmanabad, Bidar, Karimnagar, and Medak districts of Hyderabad State; (3) *Southern Region* (8 applications)—Kolhapur, Satara South, Belgaum, Bijapur and Dharwar districts of Bombay State, the Gulbarga and Raichur districts of Hyderabad State, and the States of Mysore, Travancore-Cochin, Madras and Andhra; (4) *Bombay City* (1 application).

The Commission has found it difficult to choose for recognition any of the centres in the Northern Region for the opening of futures market. It is said that there is no centre which is located in the midst of the main producing area and which satisfies the other requirements for the location of a futures market. The question of selection of a centre is also rendered difficult until the precise pattern of cotton production, following the construction of the Bhakra-Nangal Project, unfolds itself. The benefits of irrigation resulting from the Project will accrue mainly to the southern parts of the States of Punjab and P.E.P.S.U. and to the Ganganagar District of Rajasthan. The relative importance of the different districts in the

(*Continued on page* 1089)

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CORRESPONDENTS ALL OVER THE WORLD

ALL-ROUND EXPANSION IN BANKING

DOWNWARD TREND IN DEPOSITS REVERSED

THE progress of banking in India during 1954 was characterised by all-round improvement. A large turnover, resulting from expanding resources and greater economic activity in the country was, in fact, the outstanding feature of this development. The expansion in overall economic activity is common knowledge by now. Production, both agricultural and industrial, touched record levels. The index of agricultural production rose from 102 for 1952-53 to 113.5 for 1953-54, the chief factor responsible for the rise being foodgrains, the production of which exceeded the Five-year Plan target by about 4.4 million tons. In industry also the rising trend in production, witnessed in the last three years, was maintained, a rise of 81 per cent. being registered in 1954 over the level of 1953. The average index number of industrial production for 1954 stood at 146.3 as against 135.3 for 1953. The expansion in production was accompanied by a larger level of foreign trade. There was, besides, increased activity in the inland trade, too, thanks to the resumption of private trading in foodgrains, following the complete withdrawal of controls on these. The effects of the increasing tempo of economic development during 1954 on the banking system and credit trends are lucidly explained in the latest *Annual Report on the Trend and Progress of Banking in India*, just released by the Reserve Bank of India. As readers are aware, this annual survey by the Reserve Bank is a statutory obligation under section 36(2) of the Banking Companies Act, 1949. The Bank describes the past year as one of orderly economic expansion, with credit policy remaining broadly unchanged.

Money Supply

Thanks to the overall economic expansion as noted above, there was a rise in money supply. During 1954, the volume of money supply rose, according to the *Report*, by Rs. 129 crores, as compared with a smaller rise of Rs. 33 crores in 1953 and a decline in 1952. This increase was made up of a rise of Rs. 66 crores in currency in circulation and Rs. 63 crores in deposit money. Two factors accounted for the total increase in the money supply, namely, (*a*) the budgetary deficits, and (*b*) increase in the level of bank credit. A point to be noted is that, despite the increase in money supply, prices of commodities registered a downward trend. Thus, the general index of wholesale prices went down by 6.5 per cent. during the year, whereas, in the previous year, it had risen by 4.8 per cent.

The external payments position in 1954 showed a nominal surplus of Rs. 3.7 crores, as compared with a large surplus of Rs. 58.7 crores in 1953. The decline in the surplus relatively to that in 1953 was due to liberalisation of imports in the year under review. The export situation, however, registered an improvement over the year and the level of foreign trade, as stated earlier, was generally above that in 1953.

Bank Credit

The higher level of economic activity witnessed in 1954 was reflected in bank credit trends. Bank credit recorded an expansion of Rs. 57 crores in 1954, as against a fall of Rs. 66 crores in 1952 and Rs. 10 crores in 1953. The expansion of bank credit in the busy season of 1953-54 was larger, at Rs. 112 crores, than in the busy season of 1952-53 at Rs. 86 crores. Further, in the slack season of 1954, which was relatively short, the contraction in bank credit was less than two-thirds of the preceding seasonal outgo and was indicative of the continuance of a measure of demand for bank credit in the slack season. Commenting on these trends, the *Report* says: "Though the credit demands were at a higher level in 1954 and though the credit contraction in the slack season was not commensurate with the seasonal expansion in 1953-54, there was no reason to believe that speculative influences were significantly at work, the expansion in bank credit is to be related to the sustained increase in production and business activity, though with a generally declining wholesale price levels." These remarks mean that the health of the overall economy was generally good.

Borrowings

In order to meet the increased credit needs of the country, the banking system had to find additional resources during the year. Although there was an impressive rise in deposits, the banks had to supplement their resources by borrowing from the Reserve Bank to a much greater extent than in previous years. Their total borrowing [under sections 17(4a) and 17(4c)] of the Reserve Bank rose from Rs. 195.42 crores in 1953 to Rs. 336.22 crores in 1954. Of this increase of Rs. 130.8 crores, borrowings under the Bill Market Scheme [section 17(4c)] accounted for Rs. 81.68 crores and those against Government securities under section 17(4a) for Rs. 59.12 crores, as indicated by the table below:

(In crores of rupees)

Year	Section 17(4a) (against Government securities)	Section 17(4c) (against usance bills)	Total
1952	164.25	81.45	245.70
1953	129.58	65.84	195.42
1954	188.70	147.52	336.22
1955 (1st January to 15th April) ...	67.70	60.64	128.34

The most striking feature disclosed by the above figures is the sharp increase in borrowings under the Bill Market Scheme. At about Rs. 148 crores, the borrowings in 1954 were more than double the amount borrowed under the Scheme in 1953. This rise is partly due to the extension, in mid-1953, of these facilities to banks with deposit liabilities of Rs. 5 crores each or more. It may be noted that the Shroff Committee had recommended in May, 1954, the extension of the Scheme to all Scheduled banks with deposits of Rs. 1 crore and above. The Reserve Bank, however, went a step further and extended it in July, 1954, to all Scheduled banks in possession of a licence granted by it irrespective of the size of their deposits. In addition, the minimum limit of advances under the Scheme was lowered from Rs. 25 lakhs to Rs. 10 lakhs and the minimum amount of each individual bill was also fixed lower at Rs. 50,000. The effect of this liberalisation on the Reserve Bank's advances to the banking system was not felt during the year under review, as it took place in the slack season. There is, however, no doubt that the Scheme has become quite popular with banks.

In addition to financial accommodation under these two sections mentioned above, the Reserve Bank discounted Treasury Bills held by Scheduled banks to the tune of Rs. 19 crores.

Deposits

Deposits continued, as stated early, to be the main source of funds with banks to meet their increasing credit requirements. The total deposits of all Scheduled banks rose from Rs. 832 crores as at the end of 1953 to Rs. 923 crores a year later, a rise of Rs. 91 crores. Nearly two-thirds of the increase occurred under demand deposits which rose over the year by Rs. 56 crores, the balance Rs. 35 crores being accounted for by time deposits. The exact amount of time and demand deposits at the end of 1954 was Rs. 464.6 crores and Rs. 298.8 crores, as against Rs. 417.6 crores and Rs. 266.7 crores, respectively, a year before. Saving deposits amounting to Rs. 146.5 crores, as against Rs. 138.8 crores, accounted for about the same proportion of total deposits, as they did in 1953, and nearly three-fifths of savings deposits were in the nature of demand liabilities.

A class-wise analysis of deposits shows that Rs. 80 crores of the total increase of Rs. 91 crores was the share of Indian Scheduled banks, Rs. 11 crores being that of Exchange banks. Even this expansion was due mainly to a spurt of Rs. 7 crores in their deposits during November, 1954. These figures show that Exchange banks have not succeeded, to any significant extent, in getting deposits in India.

In the case of Non-scheduled banks, the deposit liabilities showed a small rise of Rs. 5 crores to Rs. 65 crores, though the number of reporting banks was less.

Commenting on the increase in deposit liabilities, the *Report* makes certain interesting remarks which need to be underlined. "The rising trend in deposits confirms," it says, "the observation made in the *Report* for 1953 that the post-Partition decline in deposits has been arrested; in fact, a phase of deposit expansion related, in the main, to the rising tempo of Government outlay under the Five-year Plan seems to have begun."

Investments

Another notable trend of banking in India was that banks were in a position to invest a greater volume of their resources in earning assets. Both advances and investments went up over the year. Advances rose from Rs. 517 crores to Rs. 573 crores. The increase is noteworthy following, as it does, declines in the previous two years. The ratio of advances to deposits of banks as a whole, however, was almost unchanged over the year. The generally comfortable position in which the banks were placed was also reflected in the large increase in their excess balances with the Reserve Bank. The average cash ratio of Scheduled banks was higher at 9.4 per cent. as against 9.1 per cent. in 1953. The increased borrowing facilities offered by the Reserve Bank enabled banks to work on lower cash ratios than might have been otherwise necessary.

Data collected by the Reserve Bank disclose that commercial advances rose by 11.2 per cent. and industrial advances by 14.7 per cent. These totals conceal significant variations in the behaviour of advances to individual industries. Cotton, other textiles, sugar and engineering were the main industries which contributed to the expansion in industrial advances, while iron and steel industries registered a decline. The main increase in commercial advances is accounted for by wholesalers in agricultural commodities.

The trends of investments in securities also indicate greater utilisation of resources in the earning assets. Over the year, the rise in investments in Government securities of all banks amounted to Rs. 14 crores, the increase in the case of Indian Scheduled banks alone being Rs. 12 crores. From April upto November, 1954, the rise in investments was steady, the largest increases taking place during July to September, reflecting, perhaps, the subscription by Indian Scheduled banks to the issue of the National Plan Loan. Other investments fluctuated within a narrow range of Rs. 23-25 crores and over the year, registered a small increase of Rs. 1.6 crores.

Profits

The profit and loss accounts of 18 large Indian Scheduled banks reveal that, during 1954, their gross earnings rose by Rs. 2.6 crores to Rs. 31.2 crores, over two-thirds of the rise being accounted for by the rise in interest and discount earned. The rise in total expenses was somewhat lower at Rs. 2.2 crores, more than half of which was made up by an increase in interest paid on deposits and borrowings. Consequently, net profits went up by Rs. 40 lakhs to Rs. 5.3 crores, in contrast to a fall in the preceding two years. During the year, the number of offices of banks recorded a further decline of one as compared with a fall of 19 in 1953. This decline was made up of a net *increase* of 73 offices in the case of Indian Scheduled banks and of a *fall* of 74 offices in the case of Non-scheduled banks. The number of offices of Exchange banks remained unchanged at 65.

A review of the administrative measures taken by the Reserve Bank of India reveals that the Bank inspected 227 banks in the year, of which 26 were Scheduled banks. By the end of the year, the first round of inspections of practically all reporting banks was completed. A little over half of the inspections carried out during the year was for the purpose of considering the eligibility of banks for the grant of a licence to carry on banking business in India. All the inspections carried out during the year of Scheduled banks and 72 of those in respect of Non-scheduled banks were re-inspections conducted mainly for the purpose of reviewing the financial position of these banks and the progress made by them in improving their affairs. In this connection, says the *Report*: "It would be difficult to exaggerate the value of these inspections which have enabled the Reserve Bank to watch closely the working and practices of all banking companies and to apply, where necessary, timely and effective remedial measures. They have certainly been the most important factor that has contributed to the greater stability of the banking system." The *Report* also explains the procedure in connection with licensing of banks and mentions that the slow progress in this regard is due to the Reserve Bank's anxiety to safeguard the interests of the depositors and to give as many banks as possible a fair chance to qualify for a licence.

A brief mention is also made to the steps taken by the Reserve Bank to assist co-operative credit institutions and augmenting industrial credit facilities. Drawing attention to the role of banking in the process of development, it observes that, while credit expansion to meet the growing needs of the economy would be permitted and encouraged, the Reserve Bank would necessarily have to keep the situation under observation to prevent undue credit inflation to ensure the goal of development with stability.

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SOME PROBLEMS OF STATE FINANCIAL CORPORATIONS

Such of the State Financial Corporations as have come into existence are still in their earlier stage. Some of them were started last year, while others have been working for only a little over a year. The experience gained by these Corporations in this short period and the data available with them are hardly sufficient to assess their usefulness to the different types of industries in the land. But an idea of the difficulties facing them is provided by the speeches of the Chairmen of the Financial Corporations of three States, namely, Bombay, Hyderabad and West Bengal. It would appear from these speeches that thanks to these difficulties, the Corporations have not been in a position to help industries as much as they could, in spite of their eagerness to do so.

One chief reason why the Corporations have not been able to make much headway in granting loans, according to Mr. B. M. Birla, Chairman of the State Financial Corporation of West Bengal, is the unhelpful tax structure in the country which does not enable the man who borrows to pay back the loan. Speaking at the annual meeting of the Corporation held at Calcutta recently, he said: "If with the best of intentions, the borrower is not able to repay the loan, there must be something wrong somewhere. At present, as the borrower is not certain that he will be able to earn enough to repay the loan, he is not anxious to come forward and to take the risk." He added that, during the year under review, very few people, considering the vast needs of the State, came forward for loans from the Corporation. And those who came forward did not have any resources to fulfil the conditions of the grant of loans by the Corporation. Apart from poverty and lack of resources to venture and to take risks in starting industrial undertakings, there was, he said, a growing unwillingness to take risks due to the expectation of inadequate return. He doubted if borrowers belonging to proprietorship and partnership firms would be able to repay the loan, even with the best of intentions, within a reasonable time, out of their profits after meeting the taxation liabilities at the existing levels. He pointed out that both the Government and public leaders who emphasised that small and medium industries should be encouraged through State Financial Corporations, overlooked the fundamental fact that the Corporations could help only if there were borrowers who were willing to take risk. Mr. Birla urged those responsible to consider carefully this vital aspect of the problem of industrial finance, namely, without suitable conditions for the people to venture and take risks, the Financial Corporations were left without much scope to function.

The problems of small and medium-sized industries figured prominently also in the address delivered by Mr. Purushottam Kanji, Chairman, the Bombay State Financial Corporation, at the annual meeting of this body held last week. He opined that there was an urgent need for enquiring into the existing conditions of the various groups of industries in this sector. Some industries, he said, were working below their installed capacity, some were engaged in fierce competition in their struggle for survival and some others were in need of rehabilitation. He wanted the agencies set up by the Government to look after the welfare of these industries, to devise practical measures for removing the difficulties facing them. This would create, he said, confidence among all *entrepreneurs* and provide a congenial atmosphere for developing new enterprises. He took care to add that co-ordination in their programmes of production in order to avoid wasteful competition was absolutely necessary.

It is interesting to note from Mr. Kanji's speech that, with a view to giving information regarding the working of the Corporation, as widely as possible, among industrialists, the Bombay State Financial Corporation is preparing brochures in English and in regional languages for distribution. It has also sent full particulars regarding its terms and conditions for loans to the Director of Industries, Bombay, so that he may circulate them among those industrialists who have been granted licences for expansion of existing units or for the development of new ones in the Bombay State. This should enable the intending borrowers to comply with the requirements of the Corporation and prevent unnecessary correspondence and delays.

Explaining the circumstances in which the Bombay State Financial Corporation has had to provide working capital to some of the borrowers, Mr. Kanji said:

"Some industrial concerns have asked for accommodation partly for financing their programme of expansion and partly for financing their current requirements. The last of these requirements is perhaps due to conditions which have arisen of late and especially during the past two years. During the war and thereafter, the margin of profit for manufacturing concerns was sufficiently high to enable medium and small-scale concerns to finance purchase of raw materials and goods in process and, with the sellers' market, they obtained payment for their finished products on delivery. After the recession in 1952, many of these concerns suffered losses because the prices of their finished goods fell faster than their costs of production which included high prices of raw materials. Thus their own resources for working capital were considerably diminished. These concerns were, therefore, in need of working capital with which to buy raw materials and to finance goods in process as well as stock-in-trade. It seems that this type of financial requirement has gradually grown acute during the past two years because, with the return of the buyers' market, small industrial concerns have not only to compete on the price factor but are required to sell their goods on credit which sometimes extends from three to six months. In these circumstances, it is natural that medium and small-scale concerns require much larger amount of working capital in order to maintain stocks of raw materials, finance goods in process and meet other obligations.

"Therefore, in response to requests from industrial concerns, especially of the small-scale type, the Board, with the approval of Government, decided to advance loans for working capital. But I should like to make it clear that there is an essential difference between the loans given by the Corporation for working capital and those given as short-term credit or cash-credit arrangement by commercial banks. The Corporation advances loans on the security of fixed assets, while commercial banks usually advance loans on the pledge or hypothecation of raw materials and in some cases against finished products. The Corporation, therefore, avoids overlapping of security with commercial banks and permits a borrowing concern to pledge its goods to banks in order to obtain finance in addition to the loan taken from the Corporation. You will see that the Corporation has tried to meet the two types of financial requirements of medium and small-scale industrial concerns in the State."

It will be noted from the above extract that the Corporation claims to provide working capital without making any inroads on the sphere of commercial banks.

Another problem which seems to be causing concern to the various State Financial Corporations is the heavy burden of taxation on their finances. Both Mr. Kanji and Mr. Pannalal Pitti, Chairman of the Hyderabad State Financial Corporation, have dwelt on this subject at considerable length. The observations of Mr. Pitti on this subject are particularly noteworthy. He advocated that the Central Government should exempt the State Financial Corporations from payment of income-tax and corporation tax for the initial period of five years. It may be noted that the Corporations have to pay a minimum guaranteed dividend at the rate of 3½ per cent. per annum, free of tax, to their shareholders, whereas most of them charge about 6 to 6½ per cent. or slightly more on their loans and advances. There is, therefore, only a very small margin between the amount of interest earned and the amount of guaranteed dividend payable to shareholders. Since they have to pay seven annas in the rupee by way of income-tax on their net profit, they have to approach the State Governments for subvention every year until both the capital and the volume of their business increase sufficiently to yield revenue to pay the full amount of dividend, and what is more, all advances made by

(*Continued on page* 1099)

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TEXTILE INDUSTRIES IN ITALY

ROLE OF ARTIFICIAL AND SYNTHETIC FIBRES

TEXTILE industries play a vital role in the economy of Italy. Besides meeting the major part of the clothing requirements of the country's population and providing employment to as many as 650,000 workers, these industries earn for the country a considerable amount of foreign exchange. Out of the total value of Italian exports amounting to 930 million lire during the calendar year 1953, nearly 20 per cent. was accounted for by textile products, the actual value being 185.5 million lire.

The cotton textile industry is the largest in the textile group and gives employment to about a quarter of a million workers. Italy accounts for 4.5 per cent. of the world's aggregate spindleage of nearly 130 million. The actual productive potential of the spinning section is estimated at 5.8 million spinning spindles and 1.1 million doubling spindles, the number of firms engaged in spinning being 161. The spindles are represented almost wholly by the ring system. The share of Italy in the world's total loomage is larger than that of spindles, being 5.5 per cent.—138,000 looms out of the total of 2,730,000 looms.

Italy is one of the countries which have been most adversely affected by the growing competition in international cotton textile trade. An indication of this is provided by the slump in exports of cotton cloth and yarn in recent years. During the calendar year 1954, for instance, Italy exported not more than 10,828 tons (metric) of piecegoods, as against 14,902 tons in 1953, 17,208 tons in 1952 and 37,164 tons in 1951. Similarly, exports of cotton yarn were lower at 13,422 tons, as compared with 13,503 tons, 21,534 tons and 33,831 tons, in the three preceding years, respectively. The performance on the production front has also been none too happy, although the output during 1954 was somewhat higher than in 1953. The quantity of yarn actually produced declined from 191,236 tons in 1951 to 173,266 tons in 1952 and 163,740 tons in 1953, but recovered slightly to 166,876 tons in 1954. Similarly, piecegoods output receded from 123,399 tons in 1951 to 111,452 tons and 107,860 tons in the following two years, respectively, but rose to 115,063 tons in 1954.

Artificial Fibres

Manufacture of artificial fibres has now come to play a prominent role in the home and export markets of Italy. The industry has up-to-date equipment and is developing its own indigenous raw materials. During 1954, rayon output amounted to 139 million lbs., representing about 7 per cent. of the world total of 1,991 million lbs. Staple fibre production in the same year reached 145 million lbs., or 6 per cent. of the aggregate world production of 2,372 million lbs. Besides cellulose fibres, Italy produces non-cellulose fibres, that is, fibres derived from casein, polyamides and polyvinyls. The total output of all these during 1954 was 18 million lbs., or 4 per cent. of the world total of 441 million lbs.

The artificial fibres industry of Italy is said to be continuously alive to the importance of its export trade. As much as half of the production of artificial fibres is being exported. During the year under review, Italy exported 77 million lbs. (56 per cent. of production) of rayon yarn and piecegoods and 71 million lbs. (48 per cent.) of staple fibre and manufactured goods. The high proportion of fibres exported, it is said, has left its mark on the economic conditions in the industry, inasmuch as the prices in the home market are usually higher than export prices in the various producer countries. This policy of adopting prices to the market at home or abroad is shaped by a number of factors. In the course of an article contributed to *Italy—A Financial Times Survey*, Prof. Libero Lenti of the Pavia University, for instance, alludes to the following factors: "In the first place, the cost of production is always taken into account, particularly the cost of the raw materials used. Secondly, in view of the high degree of competition within the industry, attention is also paid to the prices of natural fibres. Thirdly, price discriminations also occur as a result of Government concessions, designed to improve the national balance of payments. Indeed, this particular problem of the balance of payments has led to the adoption in some countries of measures restricting the import of natural fibres, with a view to creating economic conditions more favourable to the use of artificial fibres."

According to Prof. Libero Lenti, the technical progress in the field of cellulose production has been accompanied by an improvement in the output of staple fibre and yarn. Italy is the first country in Europe to build up plants with a continuous production cycle enabling the fibre to be produced in one operation. Progress has also been made with regard to the final shape in which these yarns are supplied, so as to make them more attractive, both technically and economically, to consumers. The production of rayon cake with a minium number of knots and better handling qualities has arisen. Cones have been made heavier, and both viscose rayon and acetate rayon are now supplied on weavers' or knitters' beams so as to make them suitable for either weaving or knitting purposes. Finally, there has been considerable progress in the manufacture of spun-dyed staple fibre yarns. As regards the intrinsic qualities of the fibres, the continuous improvement in the tenacity of rayon and staple, both moist and dry, the increasing fineness of gauge, and other advances must be borne in mind. This has made it possible to extend the use of these fibres into fields where natural fibres previously held sway.

Non-cellulose Fibres

Similarly, progress has been made with non-cellulose fibres. Outstanding among these is the casein fibre, Merinova, which can be used either on its own or mixed with wool. If mixed with very harsh and rough types of wool, it reduces those deficiencies and produces materials which have lost most of their initial harshness. This fibre can be spun-dyed. Polyamide fibres, such as nylon and lilion, have also shown both quantitative and qualitative improvement.

In addition, another polyamide fibre known as Rilsan, whose polymer is extracted from castor oil, is about to be produced commercially. This fibre, because of its special characteristics, can well take its place among the large number of synthetic fibres now in existence. It is a filament of very low specific weight, with a particularly pleasant feel and a silky appearance which distinguish it clearly from other polyamide fibres.

Silk Industry

Thanks to the progress in the artificial and synthetic textile industry in Italy, as in the rest of the world, the silk industry has been adversely effected. This is indicated by the marked decline in the output of raw silk. The annual rate of output, which at times in the inter-war period, amounted to 10 million lbs., has dropped to 3.3 million lbs. now. Cocoons, the raw material, are scarce, since the changes that have taken place in Italian agriculture has made it less easy to breed silkworms now. Apart from these difficulties, consumption generally has shifted to other fibres. As a result, silk is being used only for luxury purposes today. Since the development of the rayon industry has adversely affected the natural silk industry even in countries like Italy which enjoy natural facilities and considerable skill for producing cocoon silk, it is not surprising that the natural silk industry in India, where it has not been so well developed, has been languishing for some years now. It remains to be seen whether, one of these days this industry, too, will share the fate of the indigo industry which has completely ceased to exist, owing to the development of chemical dyes.

Developments in Wool

The woollen sector of the Italian textile industry which experienced a slump in 1952 has since staged a recovery, the chief contributory factor being the stability in prices. The year 1953 witnessed a normal level of production. In addition to woollen yarns and tissues, Italy produces knitted goods, including socks and underwear, jerseys and dress materials. Generally speaking, wool textile exports from Italy consist mainly of articles in the medium and low-priced ranges which are made up largely from shoddy, wool wastes and new fibres. Exports of fine woollens and worsteds meet with keen competition from other European countries.

During 1954, exports of pure and mixed wool cloth were substantially higher at 18,633 tons, which compare favourably with 15,684 tons in the previous year. The whole of this rise was accounted for by larger offtake by European markets. Shipments to Asia and Africa remained more or less at the level of 1953, while those to North America suffered a marked setback. Among the buyers of Italian wool textiles, Western Germany took about a third of the total (6,152 tons). The U.K. purchased 2,830 tons, India 1,174 tons and South Africa 1,170 tons.

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CLOTH EXPORTS

The Cotton Textiles Export Promotion Council proposes to send, in the near future, a delegation to Burma, Siam, Indonesia, Malaya and Ceylon with a view to exploring the possibilities of augmenting exports of cloth from India to these countries. This was disclosed by Mr. Neville N. Wadia, Chairman of the Council, when he addressed the Council's first annual general meeting held in Bombay on Thursday last week. This is a wise decision for two reasons. First, the area which will be covered by the delegation consists of countries with large populations which have not developed their textile industries sufficiently to meet all their needs. Secondly, the area offers a natural market for India's low-priced varieties of cloth, because their standards of living are comparatively low. It will be worthwhile making a determined attempt to develop India's export trade in cloth with these countries.

Besides the aforesaid move, the Council, we are told, has drawn up a programme for establishing offices in overseas countries and the staff for this purpose is now being selected. According to Mr. Wadia, the Council proposes to open offices immediately in the U.K., Indonesia, and West Africa and later in Iran, Iraq and other Persian Gulf countries, Burma, East Africa, Rhodesia, Aden, Abyssinia, Sudan, Saudi Arabia, Singapore, Malaya, Hongkong, Ceylon, Australia, New Zealand, Canada and Pakistan. It also proposes to partake in some exhibitions abroad and the Indian Industries Fair in New Delhi, besides drawing up a programme for publicity overseas. Indeed, "every endeavour," to quote Mr. Wadia, "will be made to publicise our activities, as well as the ITEX scheme, throughout the world."

The review of the recent trends in cloth exports from India, made by Mr. Wadia, reveals that there was a substantial decline in exports during the first quarter of 1955. But this setback was shared by India's main competitors also, particularly Japan and the U.K., as the following figures show:

(In million yards)

	First quarter		Percentage fall
	1954	1955	
India	232.92	190.22	18
Japan	334.05	251.75	25
U.K.	176.75	165.23	7

Mr. Wadia attributed the decline in the trade of all major textile exporting countries to a general slackening of demand in overseas markets. He, however, felt that the downward trend in exports from India had come to a halt; shipments of cloth during April, 1955, were equal to the monthly average for 1954. Nevertheless, Mr. Wadia, rightly warned against any tendency to sit back complacently. He observed: "The work that this Council can do becomes all the more important and all of us must strive to stem the tide and to do everything possible to reach the target of 1,000 million yards."

U.K. WOOL STOCKS INCREASE

Stocks of wool in the United Kingdom at the end of March are estimated at 255,800,000 lbs. (clean weight) by the Wool Industry Bureau of Statistics. This represents an increase of 12,000,000 lbs. on the position a year earlier. Although the March figure was only 500,000 lbs. above that at the end of February, commercial stocks were higher, because stocks of British wool in the hands of the British Wool Marketing Board showed a decrease of 5,000,000 lbs. The increase of 12,000,000 lbs in 12 months was accounted for by 7,000,000 lbs. of merino wool and 5,000,000 lbs. of other varieties. Stocks of tops in the United Kingdom as on 31st March were 50,000,000 lbs., an increase of some 1,400,000 lbs. on the previous month's figure.

Orders have been received from Sweden for the first Dutch-made cotton spinning machine which, it is stated, costs about half the price of its Swiss counterpart and considerably less than German machines.

LABOUR LOSSES IN MILLS SUBSTANTIAL

COTTON PIECEGOODS EXPORTS SLUMP

From A Special Correspondent

MANCHESTER, 24th *May*

MANCHESTER LETTER

NO surprise has been caused within the Lancashire cotton industry at the substantial labour losses which have been suffered in spinning and weaving during the last few weeks. In view of the adverse circumstances surrounding employment, the operatives cannot be blamed for seeking jobs elsewhere or deciding to leave the industry for the time being. So far, the drain of manpower has not reached the magnitude encountered three years ago, when net losses of more than 1,000 a week were being experienced in the spinning section alone. The average fall in available labour, however, is in excess of 1,000 in spinning and weaving combined each week and may yet become substantially worse. Nothing has happened to halt the drift, and immediate prospects do not give any indication of improvement.

Labour losses over the producing end of the industry show that manpower has declined by over 10,000 as compared with the position 12 months ago, but the major part of this setback has occurred in the first quarter of this year, following the extended short-time which came into operation at the Christmas holiday period. Employers are faced with very awkward problems when deciding what action to take when output exceeds demand by such a substantial margin. A point is reached when accumulation of stocks is no longer economic, and yet, when machinery is stopped, wastage of operatives must be expected.

Recruitment of Juveniles

In addition to the dwindling numbers of workers employed in cotton and rayon mills, the high average age of the remaining operatives causes a good deal of concern. Recruitment of juveniles, which was a favourable feature of the trade in the years up to 1952, suffered a sharp setback during the recession which then occurred. Slowly, the proportion of school-leavers in the Lancashire towns joining the cotton trade had been re-established until at the end of last year when it was little below the 1951 figure. Now, however, conditions are such that a further disturbance in this rate of recruitment must be faced, with its consequent effect on the future of the trade.

Lancashire's cotton industry has an unfortunate record for providing continuity of employment over the past 40 years. The ups and downs of trade have deterred many parents from encouraging their children to take up careers in the industry. Recruitment after the last war was stimulated by higher wages, better conditions and the keen demand for goods which lasted for nearly a decade. Unhappily, existing prospects are so obscure that there is no longer the same confidence among entrants, who are apt to pass the mills by when looking out for new jobs.

Terms of trade again moved against Britain's cotton industry in April when earnings were down and imports continued their rising trend. Over the first four months of the year, shipments of cotton goods earned £37,000,000 but raw material supplies entering the country alone cost over £40,000,000 and imports of cotton goods were valued at a further £9,461,000.

Excluding November last year, when the dock strike affected shipments, exports of cotton piecegoods last month were the lowest since August, 1952. The volume sent abroad was only 45,842,000 square yards, their value being less than £6,000,000. This brought the total for the first four months of the year to 211,289,000 square yards, as compared with 236,117,000 square yards 12 months ago.

Nor can any comfort be obtained from the extent of yarn sales abroad. Shipments in April at 3,129,358 lbs., worth £1,325,368, were more than 400,000 lbs. below the average in the first quarter of the year. For the four months, aggregate exports of yarn were 13,862,902 lbs., as compared with 15,098,041 lbs. in the corresponding period in 1954.

Merchants and Eastern Trade

Increased opportunities for exports of Lancashire textiles to the Middle East are referred to in the Annual Report of the Cotton and Rayon Merchants' Association. The new-found prosperity of these areas, due to the expansion of the oil business, was expected to result in an increased demand for imported goods. The influx of more and more employees of the oil companies and of associated concerns in itself should create some demand for higher class goods of Western manufacture.

The report says that, in view of the potentialitles of these markets, the Executive of the Association has appointed a representative to a panel set up by the Federation of British Industries to study the situation and to endeavour to establish the conditions required for export enterprise. Referring to the operation of the Anglo-Japanese Sterling Payments Agreement, the report says that the increase in Japanese textile shipments to vulnerable Commonwealth and Empire countries has been serious from Lancashire's viewpoint. Last year, Japanese exports of cotton cloth rose to 1,278 million square yards, as compared with 914 million square yards in the previous year. Of this increase, 30 per cent. found its way into the United Kingdom, Australia, British West Africa, Singapore and Aden.

Changes Wanted

"Remarkable and revolutionary" changes are urgently needed in Lancashire mills, if the industry is to survive, Mr. John Buckley, President of the Textile Officials' Association, told the annual conference. There must be changes in the field of leadership, personal relations, productivity and automatic machinery. Mr. Buckley said: "Unless we evolve new techniques and new markets, the position of the Lancashire textile industry seems bleak. We must ask ourselves if we can put our house in order. We cannot expect the Government of the day to do this, whatever its convictions." But the Government could obviously assist in the development of new overseas markets at present starved of textiles.

"There must be a new approach made in our industry on similar lines to other industries which show improvement. There is no need to be afraid of production committees where healthy criticisms can be made to the benefit of the industry. Many mills, if they are to continue producing, must have changes in plant and equipment."

Cotton Complaints

Whereas the British cotton manufacturing industry built up its reputation for the production of quality goods which could be trusted, American cotton growers established a similar reputation for the high grade of the fibre they produced. In the light of present-day trends, however, both are having to look to their laurels.

An indication of the attitude of Lancashire spinners towards supplies of cotton from the United States has been given by Mr. Fred Napper, a Vice-president of the Master Spinners' Federation, in an article assessing the viewpoint of local millowners. In contrast with the situation before the war when American supplies were supreme, the mills in Lancashire have latterly been forced to use outside growths due to wartime exigencies and subsequent exchange difficulties. Spinners, Mr. Napper says, have had to use their ingenuity by blending different cottons and it is now probably true to say that there is hardly a local mill producing yarns purely from American cotton.

Countries which formerly contributed only minor quantities of the raw material to consumers were quick to recognise the new situation and it is noticeable that many have concentrated on improved modern packing methods. These, Mr. Napper alleges, have been neglected by many American shippers. Proceeding, he observes: "The artificial umbrella of the American support price system has enabled growers in other countries to undersell the United States shipper. Spinners producing yarns to meet the requirements of their customers are not willing to switch to more costly American cotton, particularly in these days of acute and specialised competition."

Referring to the dangers of mechanical harvesting, Mr. Napper says that this may bring additional trash in the bales or uneven distribution of trash throughout a single bale. A recent survey undertaken by the Spinners' Federation among users of American cotton has shown that there were serious complaints about bad bale covers, which showed up in striking contrast to those used for some outside growths. Several mills reported receiving shipments containing not merely an occasional false packed bale but quite a high proportion of them. Another complaint, he adds, is that some shippers have not observed strict adherence to the shipping dates given in their contracts. This is liable to cause the mills considerable embarrassment, as the large spot stocks formerly available for the trade are no longer in existence.—*All Rights Reserved.*

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ANNUAL MEETING OF ROHTAS INDUSTRIES LIMITED

MR. S. P. JAIN ON IMPEDIMENTS TO INDUSTRIAL PROGRESS

FAITH IN NATION'S PROSPERITY EXPRESSED

THE Twenty-second Annual General Meeting of Rohtas Industries Ltd. was held at Dalmianagar, Bihar, on 18th May, 1955. Addressing the shareholders of the Company, Mr. Shanti Prasad Jain, Chairman, referred in brief to the steady progress achieved by the various units of the Company, despite many handicaps. He also added that, with proper facilities, this industrial centre at Dalmianagar promised a vast scope for further development. Mr. Shanti Prasad next dealt with the general problems relating to the industrial development of India and drew attention to the various impediments, such as increase in freight rates, amendment to section 23A of the Income-tax Act, rising wage structure, etc. Notwithstanding the impediments, the nation, he said, had set its pace firmly on the road to progress and prosperity and he had no doubt that our future was brighter and our destinies surer.

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

"GENTLEMEN,

"I have pleasure in welcoming you to the twenty-second ordinary general meeting. The audited accounts of your Company for the year ended 31st October, 1954, together with the Directors' report are already in your hands. With your permission, I shall take them as read.

"I am sure you will all share with me the confident feeling that the Company is making steady improvement year by year. The total sales proceeds during the year have increased by Rs. 1.3 crores over the previous year and production of the various units is the highest on record and greater efficiency has been registered. Cement output has increased by about 17 per cent. Paper and board production has gone up by 30 per cent. The asbestos cement output has improved by 48 per cent. The *Vanaspati* factory was restarted. Only the sugar factory working declined, because adequate supply of cane was not available, in spite of the arrangement made for rail transport by the construction of a 16-mile railway line from Dalmianagar to Nasriganj. The factory, however, refined imported raw sugar and results in this direction were satisfactory.

Expansion of Paper Factory

"The estimated expenditure on the paper factory extensions would be about Rs. 3 crores. The number of new paper machines that have been ordered is now three; and from information so far available regarding expansion programmes of other paper factories, it appears that, after completion of present extensions, your factory will emerge as the largest modern paper factory in the country. We shall be producing a very wide variety of paper. Besides continuing to produce larger quantities and better qualities of boards—duplex, triplex, art and other quality boards—poster paper, kraft paper and pressings, etc., we shall be producing several such varieties of fine paper like bank paper, bond paper, etc., as would match in quality with any of similar imported varieties. Emphasis will continue to be kept on quality of all varieties of our paper. The benefits of extension are already in evidence. The rate of production of your paper factory is now about 2,000 tons per month and it is hoped that very shortly there will be further improvement in this direction. To meet the increased demands of pulp-bleaching for enhanced production, your caustic soda plant is also being extended to yield a production of 5,000 tons of caustic soda and about 4,500 tons of chlorine. More than 3,000 tons of caustic soda will be surplus and will be available for sale. Since our caustic soda will be of rayon quality, it will find a ready market at remunerative price. All the chlorine will be consumed by the paper factory.

Cement Factory

"The shareholders are aware that except in the matter of lime-stone cost, our cement factory at Dalmianagar is one of the most economical in the country. Efforts are being made to improve the position in this direction. Extension of transport facilities to new lime-stone quarries has already been undertaken. Working of the new quarries will be more economical. In spite of longer transport of lime-stone from new quarries, it is hoped that because of the quarrying advantages, lime-stone delivered to the cement factory will, on the whole, work out cheaper. Of the two cement kilns at Dalmianagar, the old one has been producing 500 tons of clinker per day as against 550 tons produced by the new kiln with less coal consumption. Renovations to the old kiln recently completed place it at par with the new kiln both in the matter of clinker production and economy in coal consumption.

"It is a matter for gratification to me that, notwithstanding certain handicaps regarding transport and lack of adequate assistance in obtaining economic supply of raw materials, the various units at Dalmianagar have achieved steady progress. It is clear that, with proper facilities, this industrial centre promises a vast scope for further development.

Railway Transport and Freight Rate

"A very important question is that of railway transport and freight rate. With industrial and economic development in the country the need grows for greater transport facilities; and railways have not only to provide additional transport by construction of new lines in areas which are not accessible but also to make movement of raw materials and finished products economical to the industry and trade. The rate-structure has, of course, to be framed in such a manner as to be paying for the railways to carry the traffic; but what is equally important is to see that the freight structure enables regional and broadbased development of industries. Unfortunately, the Indian railways have not shown adequate appreciation of this aspect of the problem. The freight structure was revised as a result of a departmental study on 1st October, 1948. The rates were steepened so much that industry and trade were very adversely affected. The classification of goods has also not been made on appropriate scientific basis. It has been found in many cases that it is anomalous and the description of goods is complicated and even overlapping. The Railway Minister in his budget speech has agreed to appoint a special committee to look into this question of freight. At the same time, he announced certain increases in the freight rates. I do not follow why this precipitate increase in freight rates should have been made while announcing the constitution of a committee to examine the very subject. The upward revision could have certainly awaited the committee's findings. The 10 per cent. increase of freight for movement within the first 300 miles will, apart from pushing up the transportation cost of raw materials and finished goods, cut at the root of plans for regional development.

"I am sure the railways will not have to lose their income by adopting a reclassification of the goods and adjusting the freight rates in a manner as to assist national development. On the contrary, I feel that by a scientific reclassification of goods and appropriate freight rate, the railways will be able to earn larger revenues through increased volume of traffic and will achieve further gain through the resulting development in the country.

Chemical Industry

"The chemical industry is one which has vast scope for development and an appropriate freight structure will undoubtedly help. For our caustic soda plant, at present the railway freight for salt works out to Rs. 30 per ton against the cost of Sambhar Lake salt at Rs. 17 per ton. With the present high freight structure of salt in comparison to coal, alkali industry, wherein coal, lime-stone and salt are important raw materials, is proposed to be established largely near salt centres and not near coal areas. With comparable freight structure of coal and salt, the industry would have developed in both the areas. Natural advantages possessed by Bihar and Bengal have been set at naught by the Railway Ministry by its inequitous freight structure, putting other raw materials, howsoever basic for industries, generally at a disadvantage with coal. It is very desirable that freight rate on salt and coal should be comparable. If a rational freight is fixed for salt, coal empties could be conveniently utilised for this movement.

"Further, caustic soda industry by the electrolysis process is not being developed in the country because of the difficulty of disposal of chlorine and its products. With improved consumption of chlorine products, such as hydrochloric acid, liquid chlorine, etc., it will be possible to manufacture caustic soda by the electrolysis process. In India, we have yet to develop fullest use of chlorine products for manufacture of disinfectants, insecticides, etc., and for purification purposes. For increase in agricultural production, use of insecticides is almost as important as use of fertilisers. As such, chlorine and its products, particularly insecticides etc., along with their raw materials should be given the same freight classification as fertilisers. Again, sulphuric acid is an essential raw material for manufacture of superphosphates, another important fertiliser. A large number of small units are manufacturing sulphuric acid with imported sulphur. It is possible to manufacture sulphuric acid at a few centres in the country with indigenous raw materials like pyrites and from the process of smelting ores of copper, zinc, etc. This process of manufacturing sulphuric acid will save the country from depending upon foreign imports of sulphur. It will, however, entail long-distance transport of sulphuric acid. The very heavy freight that is levied on sulphuric acid is deterrent to large-scale development of the sulphuric acid industry based on indigenous raw materials. The movement of a commodity that is a raw material must understandably be allowed in a lower class than the finished product.

"Since the question of railway freight is of vital importance, especially in the present context of big-scale developments in the country, it requires urgent attention. The Planning Commission is making a study of the transport requirements and of the co-ordination of rail and road transport, etc. I would urge that in combination with the committee for freight structure appointed by the Railway Ministry, the Planning Commission should make an expeditious examination of the freight rate and also of the development of new lines to link undeveloped areas and permit exploitation of the vast mineral and forest wealth for industrial purposes.

Extension of Railway Lines

"In the last few months, the Railway Minister has made several pronouncements regarding expansion of new railway lines. His estimates started with a figure of 1,500 miles of new railway lines and, it appears now, they have come up to about 5,000 miles. From the way these figures are being worked out or announced, it would seem that the figure of 5,000 miles of new railway lines is considered quite a stupendous one. The limiting factor must be physical considerations and not financial resources that the Railway Ministry can have at its command. When considered in the light of the development achieved during the period when the railways were privately managed and were much smaller in stature, this figure of 5,000 miles contemplated for the second Five-year Plan appears a very tame affair. The extension of railway mileage during the ten-year periods of 1873 to 1883, 1883 to 1893, and 1893 to 1903 was to the extent of 83.4 per cent., 76.7 per cent. and 46 per cent.—the respective mileage expansion being 4,750, 8,000 and 8,500 miles. Between 1903 and 1913 too the expansion was of the order of 8,000 miles. With larger resources and increased number of technical personnel, it should be possible for the Railway Ministry to do a job in 1956-61 which should be comparable with former achievements when neither there was freedom nor any National Plan as such. In this connection, I would like to refer to the construction of the Barwadih-Chirmuri line which was undertaken immediately after the cessation of hostilities, but was abandoned subsequently. This line will open up large inaccessible forests in the old Sirguja and Rewa State areas and will place within reach large quantities of raw materials for our expanding paper industry. From the revenue point of view too, it will be an economic line for the railways. Extensive earthwork already done will be useful in completing the construction earlier. I request the Railway Ministry and the Planning Commission to give this matter their early consideration.

"In the working of companies there are certain wider issues which may be pertinently referred to in this speech. The second Five-year Plan is being put to shape and it is acknowledged that development has to be in a big way. The private industrial sector can and will play its effective part in this development, provided its health is not impaired by a liberal nature of ill-advised injections, as happens to be the case now. It is most important that the private industrial sector be left with resources to play its part. Recent trends in Government policy are, however, such as to divert resources from the private industrial sector to the public sector, while all the time the role of this sector in national economic development is acknowledged. The amendment made to section 23A of the Income-tax Act by the Finance Act, 1955, is a measure of serious import. The modification has the effect of bringing within the scope of the section many of the public limited industrial concerns and compel frittering away of their resources.

"It will be of interest in this connection to examine an analysis of dividends and reserves of companies. An analysis of the results of important industrial undertakings clearly shows that there has always been an attempt to plough back as much as possible into the various businesses concerned and utilise the available sums for rehabilitation and further development as the case may be. A study of the working of 90 companies conducted by the Employers' Association, Calcutta, shows that for five years in succession the percentage of profits ploughed back worked out to more than 40, while the average for the whole of 1948-53 is high at 49.3. In 1949-50, nearly 61 per cent. of the disposable profits were ploughed back, in 1948-49, 55 per cent. and in 1951-52, 51 per cent. The private industrial sector has been endeavouring its best to conserve its funds for expansion and development so as to be able to play its part in the national scheme. The Shroff Committee and its offshoot, the Handoo Committee, made certain recommendations regarding development of resources of the private sector. These recommendations are still under consideration of the Government and the Reserve Bank of India. They must do something positive and substantial enough to help the private sector to do the job which will be assigned to it in the next Five-year Plan.

The Coming Plan

"Development of industrial centres and greater attention to industries are declared to be the objectives of our second Five-year Plan. The language in which this second Five-year Plan is being talked over and the epithets of 'big', 'mighty' and 'bold', etc., that are being used for it, show that something really big is coming up. Whether this coming plan would really be large enough and of a pattern that would accommodate legitimate industrial aspirations of the country or not is, to me, still a moot question. My request to the Planning Commission is that they should assess the results of the first Five-year Plan, not so much by higher increases in industrial and agricultural production that have taken place, but by the actual fruits reaped by the society and by the precise jobs and additional channels released by the Plan. Far from minimising the achievements of the first Five-year Plan, my intention is to focus attention of the Planning Commission on certain realities of the situation which, if taken into account, will bring within the field of the second Five-year Plan a much wider arena of highly beneficial national activity and will obviate pin-pricks unnecessarily and indiscreetly being taken recourse to through various enactments, proposals and public pronouncements which go contrary to national interests or which are not in conformity with the objectives set forth. It needs be seen by those who ought to, that the progress which the nation has made is not due to the swash-buckling of certain theorists who demand credit for achievements not of their making. Actually their restraint and refraining would have brought better results. Their bravado reminds one of the ant which finding itself in the company of an elephant crossing a bridge, spoke to the elephant: 'Did you see, brother, how tremendous is our weight? Sure, we did shake the bridge.'

True Meaning of Socialistic Pattern

"Our planners sometimes forget that 'money' is just a form of accumulated physical labour usefully employed by human intelligence, technique and organising ability. I am purposely using these two words—'technique' and 'organising ability'—because we see in this world that the same amount of human labour and effort do not produce the same amount of wealth in each case. It is the technique and organising ability of a few who are leaders and pioneers in society that produce wealth in geometrical progression. We find that in various countries living standard is not so much dependent on physical labour and effort as on technical efficiency and organising ability. It is, in fact, immaterial to what particular type of socio-political pattern an independent country subscribed so long as it retains its initiative and lets the technical efficiency and organising abilities possessed by its leaders in the economic field to have thier full play for greater and greater good of larger and larger number of persons. Socialistic pattern envisages, first of all, that there will be no person in society who will not have at least the minimum required for a normal healthy living. It does not, and should not, mean that there will be no scope for persons with a better technical knowledge, higher organising ability and more vigorous initiative in various fields to attain a higher level of aspirations and living. Endowed with human qualities and capabilities not inferior to any in the world, why should not our people generally have the best in life as may be obtaining or be obtainable? Why must we necessarily think of patterns pertaining to particular countries where there is equalisation of negations rather than social distribution of fruits of achievements acquired by the best initiative of individual geniuses. Romantic platitudes do not constitute practical politics. Even in Russia there exist levels of living, more pronounced than in democratic countries, which were conceded to by Stalin but not thought of by Marx and Engles. Let us have a socialistic pattern by all means, but let us fill this concept with a meaning suited to our own genius and capable of leading the country to a glorious future bereft of ills obvious in others' ideologies.

Small Industries

"It is desirable and necessary that we should develop our small-scale and cottage industries as one line of industrial advancement. There we can utilise the accumulated ability and dexterity of our craftsmen and artisans acquired through generations. But to think that such development can be had only through Governmental agency or through workers' co-operatives alone without the guidance of persons who possess marketing and organising skill is erroneous. All such organising and technical leadership, of course, has to be co-ordinated to serve social ends. That is important. But if the people who carry on this vitally important job of co-ordination at industrial levels are called 'bloodsuckers,' as is the wont in some quarters to call them, then surely it means that neither we have proper appreciation of our objectives nor do we understand the role of various elements in a functional dynamic economy.

"For some time now we have had the experience of working of co-operatives in this country. So far as the idea and ideals are concerned, it is a good venture. But in the absence of persons with proper vision and spirit, co-operatives like the cane co-operative societies do not carry us far. The executives of the cane co-operative societies are such paid men as work in a set-up and atmosphere and with motives not congenial to the prosperity of the sugar industry. Working of co-operatives has to be reviewed and revitalised.

Price-support for Agricultural Produce

"A demand has been voiced that the Government should undertake a policy of price support for agricultural produce, based probably on the American pattern. Such a policy is outside the present resources of the Government. Total resources of the Government are a fraction of the total agricultural produce of the country. The losses that the Government will suffer will be heavy and will ultimately fall on society. The Government can only help smoothening the process by providing increased credit, better storage and transport facilities.

"The country's economy has, of late, been adjusting itself from higher price levels of the war and post-war periods to lower price levels. In this process of adjustment there appear certain surpluses at one time and shortages at the other, which is bound to happen in any process of such a change-over. Yet, on the whole, our economy remains expanding, progressive and healthy. Not only do the increased agricultural and industrial productions find markets, need for further increase continues to be felt. We should continue our efforts towards increased production which should be taken due care of by increased consumption. Of course, in the matter of consumption we have to strive for conditions where the producers of the very commodities—rural population, artisans and craftsmen—also become consumers of such produce or products. Increased employment must let loose increasing purchasing power for consumption of increased production. Our production targets have to be realistic and our production selective. We have to concentrate on production of such consumer goods as have a ready demand and as are within the reach of general consumers. This is an important lesson for those responsible for developing cottage industries. Strangulation of certain economic activities in order to fetch high prices for certain other products is not only unhealthy from the economic point of view but defeats the very purpose of raising the living standard when such products, because of their high prices, remain beyond the reach of those at the lowest economic level in society. Palliatives can only be short-lived. They cannot take the place of lasting remedies. Cottage industries and small-scale industries have to be given greater attention, but success in that sphere is not to be achieved at the sacrifice of other useful economic activities having a direct bearing on peoples' speedier or earlier betterment. The disequilibrium between the agricultural and industrial prices that has exhibited itself in the process of change-over from high-price economy to low-price economy needs careful study and examination. A large number of industrial products, like cotton textiles, jute textiles, sugar, *vanaspati*, etc., depend greatly on agricultural raw material. Prices of these products will adjust according to agricultural price-level.

Wage Factor

"In the industrial sector, where production is based purely on mineral and forest resources, the wage factor is the most important element in the price structure. It is because of the rising wage structure that the prices in such sectors are resisting a downward trend. In fact, in some cases, as in the case of steel which is the basic material for such a large number of engineering industries, there is an upward tendency. It is very doubtful, looks almost impossible, if the wage structure as it obtains in these industries, at present, will allow the prices of industrial production to come down to any appreciable extent. At least one thing is apparently urgently called for. With the lower agricultural prices, demand for higher wages in the industrial sector should cease, because the benefit of lower agricultural prices does mean a higher real wage to the worker. I congratulate our Central Labour Minister, Mr. Khandubhai Desai, on his recent speech to the Indian National Textile Workers Federation advising the industrial worker to wait for further increases in his income until his counterpart, the agricultural worker, comes somewhere near his level.

"Normally, with larger industrial plants and better technical efficiency in the utilisation of raw materials, industrial prices should have, in due course, adjusted themselves at lower levels, if the wage structure would have been allowed to adjust itself to the cost of living index. The Government too wants to have its additional imposts on the industry by way of cesses, excise duties, larger royalties on minerals and forests resources, extensive sales tax and other taxes in one form or another. These factors, naturally, tend to increase industrial prices and hopes of reduction recede.

Nation on Road to Progress

"Whatever the impediments, a virile nation like India, which has survived through hundreds of years of adversities and dependence, has now set its pace firmly on the road to progress and prosperity. It is bound to occupy its front position among the nations of the world. The great strides that our country has taken during these seven years of independence in the direction of political stability, international prestige and economic advancement furnish clear indications that our future is brighter and our destinies surer. That is not a small thing for a nation to be proud of.

"Whether it is in the matter of big development or heavy industries or small-scale and cottage industries or rural credits, the Directors and the executive personnel of your company will continue to render their best co-operation, because they feel that all these activities are in line with their objectives and it is in the fulfilment of these that their own success and prosperity lie.

"I convey your thanks to the executives, the staff and the workers for their efforts in maintaining the progressive trends of your Company."

HANDLING BULK CARGOES OF SUGAR

ADVANTAGES AND SAVING IN COST

HANDLING of sugar cargo on a bulk basis is largely a development of recent origin. It gained considerable momentum during the war and the immediate post-war years, when there was a shortage of jute bags. Another factor that gave stimulus to this movement was shortage of manpower and high level of wages in Western countries, as well as in Australia. Although the supply position of jute goods has eased considerably, movement of sugar in bulk seems to have come to stay. Nevertheless, India must continue to strive for a revival of the extensive use of jute bags in moving sugar from the producer to the consumer, because in the jute industry it has a large stake. In this context, it would not be out of place to refer in these columns to an interesting article "Handling Sugar in Bulk" contributed to a recent issue of the *Financial Times*, London, by one of its correspondents, as it shows the magnitude of the problem facing the jute industry.

Prior to the Second World War, it will be recalled, the major portion of the world's raw sugar supplies was being stored and carried in sacks or other containers. The capacity of each of these varied between 200 and 300 lbs. of sugar; this quantity had to be manhandled at various stages of loading and unloading before being finally sent to the refinery. The aggregate world supply of jute bags has not been sufficient to meet the growing demands for the same since the war, so much so that the bulk handling of sugar, without any form of outer package, has tended to become common. The Americans were the first in this field and the Hawaiian Sugar Producers' Association pioneered the setting up of bulk storage facilities, in order to make easy shipment overseas possible. Out of the total annual sugar output of about one million tons in Hawaii, as much as 75 per cent. is shipped in bulk. The lead of Hawaii has been followed by the sugar industry in the West Indies. During 1954, for instance, arrangements had been made by which about two-thirds of the raw sugar supplies in this island were lifted by Messrs. Tate and Lyle Ltd. in bulk.

Unloading of bulk sugar at a British port dates back to 1949 only. The method then adopted was to bring small single-deck and some larger vessels with two decks to unloading berths at Dagenham and to discharge their cargo, in the same way as coal, into lighters by means of grabs. The lighters carried the sugar to the Plaistow and Thamas refineries where there are special facilities permitting direct unloading. Special equipment for bulk discharge is now in operation at Liverpool at the Huskisson Dock which was built for Messrs. Tate and Lyle Ltd. at an estimated cost of £800,000 (a little under Rs. 1.07 crores).

A More Recent Development

A more recent development in the handling is the design, by Captain F. H. Formby, A.I.N.A., Technical Director of the Athel Line, of a special type of ship for carrying raw sugar in bulk. The ship has only a single deck with large centre holds like smooth boxes to prevent fouling of the grabs and allowing the latter to reach any part of the hold. Another special feature of this new type of ship is its pretty big size—9,500 tons (deadweight)—while the single-deck vessels used previously were all much smaller. The design of the ship is such that it can equally well be used for carrying in bulk other commodities such as grain or iron ore, as also timber, with deck cargoes.

Two ships of this type were launched some time in March last and it is planned to have a fleet of six vessels in all, three of which will come into commission this year and three in the coming year. The capital cost of the scheme is estimated at £4.8 million (Rs. 6.4 crores).

The aforesaid type of ships marks a distinct improvement over some of the ships which are currently being utilised as bulk sugar carriers and which are said to have not proved particularly suitable. There is, for instance, no need for employing in the new carriers, as in the case of 'tween deck ships used, special machinery for bringing sugar from the wings of the hold within the reach of the grabs. For these new carriers have, as already stated, only one deck with large centre holds like smooth boxes to prevent fouling of grabs and allowing the latter to reach any part of the hold.

The capital costs involved in the organisation of bulk handling of sugar are no doubt high, but there are many advantages in it, such as saving in recurring expenditure. Although no exact estimate is made of the likely savings—this, it is said, is not possible until efficient equipment is used throughout the operation—the *Financial Times* correspondent has given a rough idea of the probable saving that would result if sugar were handled in bulk. According to the correspondent, first of all, there will be a saving on containers. The cost of a 2-cwt. sack in February this year was 2s. 3d. (Re. 1-8); but the price of sacks fluctuates and they have been known to cost as much as 5s. 4d. (about Rs. 3-9) each in recent years. To put a cargo of raw sugar in sacks will, in the case of one of the new vessels, cost approximately £11,000 (Rs. 1,46,667), although this will not be a dead loss, for sacks have a residual value once they are finished with at unloading end.

The saving in cost, if handled in bulk, will, it is claimed, be fairly large. At the loading end, perhaps only half of the labour used for stowing sacks will be required. What is more, the rate of discharge from the specially designed ships will be at least 2,000 tons—rising up to 4,000 tons—a day, as against 700-1,000 tons of bagged sugar. It is thus evident that the ships will have a far quicker turnround and make more voyages each year.

The handling of sugar in bulk in every stage has been found so valuable and useful that it is now being extended even to refined sugar. Many consumers in several places, it is said, are receiving sugar in bulk from road tankers.

CANE DEVELOPMENT IN P.E.P.S.U.

The Central Sugarcane Board is reported to have approved of a comprehensive scheme of cane development for P.E.P.S.U. under the second Five-year Plan. The capital outlay of the scheme is estimated at Rs. 4.5 lakhs, of which 50 per cent. will be contributed by the Central Board. Details regarding the actual implementation of the scheme are not available. From the reports appearing in the daily Press, it is gathered that the scheme envisages, besides an increase in the area sown to sugarcane, replacement of old varieties by new improved ones and intensification of manuring through compost-making.

The need for intensifying cane development in this State will be clear from the fact that the progress made so far in the field of cane culture has been none too satisfactory. Not only is the yield of cane per acre very low but the sucrose content also is considerably poor. Indeed, both these fall short of even the all-India averages. Thus, the per-acre yield of sugarcane grown in P.E.P.S.U.—on the basis of the All-India second estimate of sugarcane crop, 1954-55—comes to not more than 12.3 tons, as against the average of 13.1 tons for the whole of India. The area actually sown to cane is 69,000 acres and the output anticipated is 848,000 tons. Similarly, the percentage recovery from P.E.P.S.U. cane may be placed at 8.66 (1953-54), which compares unfavourably with the all-India average of 10.08.

The importance of intensifying cane development in P.E.P.S.U. also arises from the need to ensure adequate supplies of quality cane to both the sugar mills already in existence and the two new ones proposed to be established at Sirhind under the second Five-year Plan. There are at present two sugar mills in P.E.P.S.U.—the Jagatjit Sugar Mills Co., Ltd., Phagwara, and the Malwa Sugar Mills Co., Ltd., Dhuri—with a daily cane-crushing capacity of 850 tons and 1,000-1,200 tons, respectively.

"INDIAN SUGAR" ANNUAL NUMBER

With the publication of the *Annual* (Editor: Mr. J. S. Mehta, Indian Sugar Mills' Association, 23-B, Netaji Subhas Road, Calcutta. Price: Rs. 3), *Indian Sugar* has completed four years of useful existence, since the Association took it over. Like the previous volumes in the series, the *Annual* under review is an authoritative compendium of the developments on the Indian sugar front. It covers a wide range of subjects connected with both primary stage—cultivation of cane—and the secondary stage—manufacture of sugar—of the sugar industry. It also covers subjects dealing with confectionery and other subsidiary industries such as power alcohol and food yeast production.

All these subjects have been examined and discussed by persons who are experts in the line and who can speak with authority. Mention, for instance, may be made of two articles—one on the financial structure of the sugar mill industry by Mr. A. K. Sur, Economist, Calcutta Stock Exchange, and the other on stiffening of filter press cloth by Prof. J. M. Saha, Director of the Indian Institute of Sugar Technology, Kanpur. There is another interesting article on clarification of cane juice with a new flocculating agent. Mist spraying of cane—a simple and effective means for minimising sugar losses between harvest and milling—forms the subject matter of yet another interesting article.

The utility of the *Annual* has been further enhanced by the reproduction of the review of the world sugar position in the past four years by the F. O. Licht's Sugar Information Service and an analysis of the trend in world sugar market during 1954 by Messrs. C. Czarnikow Ltd. Also incorporated in the *Annual* are the revised statistical tables relating to the different aspects of sugar industry.

WASHING HIGH-GRADE COAL

GOVERNMENT TO SUBSIDISE?

WASHING and blending of high-grade coal received prominent attention at a recent meeting of the representatives of collieries producing coking coal and the Planning Commission. It would appear that the consensus of opinion at the Conference was that the demand for coking coal for metallurgical and other essential purposes at the end of the second Five-year Plan would be of the order of 14 million tons and that this should be secured by washing and blending high-grade coal. The Planning Commission is also reported to have conveyed the Centre's desire to subsidise washing of coal for coking purposes on a no-profit-no-loss basis.

All grades of coal below grade II and all seams below No. 10 are considered as non-coking coal, while selected grades A and B and grade I and II are regarded as coking coal. The aggregate output of A and B grades in 1954 was 7.21 million tons, grade I coal 3.66 million tons and grade II coal 2.75 million tons, the total of all these four varieties being 13.62 million tons. Although grade I and grade II are not at present used for metallurgical purposes because of their higher ash-content, they are considered as capable of being converted into superior grades through beneficiation and blending with the superior grades. They can themselves be used for making hard coke for metallurgical purposes but are not so used because it would be uneconomical and because sizable reserves of high-grade coal are still available. Grade I and grade II coking coals are, therefore, bound to assume more importance and will, perhaps, be the main source of supplies, to the iron and steel industry after beneficiation, as the reserves of higher grades of metallurgical coal gradually get depleted.

Assuming that correct methods of mining are employed and waste is eliminated, India has, according to official estimates, reserves of 2,000 million tons of high-grade and coking coal which should last, if consumption were restricted to use in iron and steel and other metal manufacturing industries alone, for a period of about 650 years. But India is using coking coal today for ordinary furnace and railway purposes, for domestic fuel and also for some industrial uses to the extent of 10 to 12 million tons per annum. Consumption of coking coal for purely metallurgical coal purposes is, however, only about 3 million tons. If the high-grade reserves are used for non-metallurgical purposes also at the present rate, they will get depleted in about 160 years.

Recent Experiments

Recent experiments conducted at the Fuel Research Institute and private industrial concerns like Tatas show that India's second grade coal is capable of improvement to first grade of coal through washing and blending. It is expected that the percentage of recovery by washing may be roughly 80 per cent. in the case of selected B and about 65 per cent. in the case of grade I and II, but the actual recovery will depend upon the ash content of the coal washed.

The Central Government's readiness to subsidise washing of the extent of the loss incurred by washeries is, indeed, welcome. It is, however, not clear whether it would encourage the setting up of central washeries by groups of collieries. It will be recalled that the Washeries Committee recommended coal preparation under a central authority in a centrally situated plant, as it felt that only a centrally situated plant, designed to wash large tonnages of different varieties of coal, would be economical. All indications are that the Government is reluctant to undertake the construction of any central washeries at its own cost.

It is expected that, on beneficiation, the output of coking coal suitable for metallurgical and other essential purposes from the present rate of production will be about 11 million tons, as against an estimated demand of about 14 million tons. Consequently, even the output of coking coal, which was 13.65 million tons in 1954, will have to be increased. The cost of developing coking coal mines and setting up washeries is estimated at as much as Rs. 30 crores. How is this large sum to be raised, especially when the investment market is dry, is the question. Moreover, in view of the Government's undecided policy regarding nationalisation of coal and the uncertainty about the quantum of compensation caused by the further amendment to the Constitution, private enterprise has hardly any incentive to invest in this vital industry.

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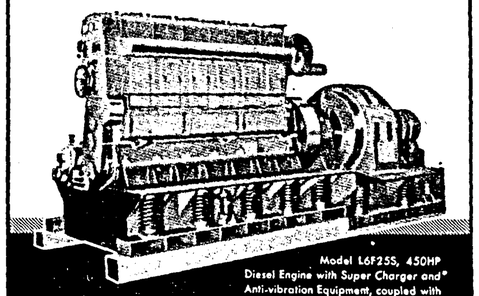
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FUTURE OF TEA INDUSTRY

QUALITY TEA HAS GOOD PROSPECTS OF FETCHING SATISFACTORY PRICES

THE tea markets both in India and in London have lately shown some signs of steadiness. In fact, when sales were re-opened in London last week, Indian teas were in demand and slightly higher prices were fetched by quality teas. This improvement in the markets seems to be the cumulative result of the various measures adopted by the producing countries to arrest the distressing fall in prices. Restricted offerings for sale, a call for regulation of crop by the tea planters' associations of North India, the closure of the London market for a few weeks, the Ceylon Government's entry into the market as a buyer, its offer of price-subsidy in case the price of tea were to fall below Rs. 1.50 per lb. and the removal of quantitative restrictions on the export of quality teas to the London market were among the important steps taken to check the downward trend. The intervening period gave the growers and blenders an opportunity to reduce their stocks; for the recent decline in prices is traced more to the loss of confidence of retailers who had bought at high prices than to consumer resistance.

Any assessment of the future trend of tea prices based on the latest improvement in market trend is impossible. However, producers of quality tea will have no cause for anxiety and they can command a fair price at a premium over that which producers of common tea can get. This aspect was stressed by Mr. W. S. S. Mackay, Chairman of the Kannan Devan Planters' Association, in the course of his address at the annual meeting of the Association held last week at Munnar, Travancore-Cochin State. Referring to tea prices and their future, Mr. Mackay said that the bewildering oscillations of the market presented a situation unique in the tea trade. From record prices of 8s. per lb. for the best marks sold on the London auctions a few months ago, values wavered and fell rapidly to levels even below the cost of production. Again prices rose and hopes of stability revived. "Today, we are again faced with dropping prices," he observed, "and only really satisfactory prices are being paid for well made quality tea. We cannot influence prices, but we believe that much harm was done by the unrealistic rise in prices, followed by a rapid and even more alarming decline." Mr. Mackay added that there was, however, one gratifying probability of the producers of quality tea continuing to get a fair price or, at any rate, a premium over the manufacturers of common tea. "Speaking in general terms," he continued, "we have no great cause for anxiety, provided we keep on producing the teas for which the hills of Travancore became famous many years ago."

The fall in tea prices has brought to the fore other problems to planters. The export duty on tea is one of them. Though the present sliding scale system of export duty is welcomed by the planters as an improvement, in principle, over the past method of arbitrary fixation, the incidence of the duty is considered heavy in a falling market. Referring to this, Mr. Mackay observed in his speech:

"The export duty for this month (May) is fixed at As. 8 on the basis of a price for April of Rs. 3-3-6, as compared with the first duty rate on the new system of As. 10, on the basis of a price of Rs. 4-3 as announced on 1st March.

"If we were to obtain Rs. 3-8 or more per lb. for our teas, we should have few grounds for complaint about the rates fixed, but it is very evident that we are not to continue to obtain the inflated prices which obtained at the beginning of this year. Should the London auction average be Rs. 2-8-6, the expense of payment of duty at the 6-anna rate, plus charges for shipping, marine insurance, London brokerage and sale charges, is approximately As. 10.

"This only leaves Re. 1-14-6 to cover ex-warehouse costs, which will entail many estates in working at a loss once the expenses imposed by the Plantation Labour Act are taken into account."

Another problem which has assumed great significance in the light of fall in prices is the implementation of the Plantation Labour Act. Mr. Mackay availed himself of the opportunity provided by the annual meeting of the Kannan Devan Planters' Association to utter a note of warning about the crippling effect of the legislation. "A short time ago, the prosperity of the tea industry was such that some felt that the implementation of the Plantation Labour Act would not be so bad as first predicted," Mr. Mackay pointed out, "yet today many estates are selling tea at below cost of production and some may be threatened with acute financial difficulties." He feared that the implementation of this Act without mutual understanding and real co-operation between Government and employers could present a crippling blow to a large section of the industry.

Describing the Plantation Labour Act as the biggest single step taken by legislation to deal with the conditions of service of workers, for which it was necessary for the Government to prepare draft model rules for the guidance of States, Mr. Mackay complained that employers in South India were almost entirely ignored, or denied the right to explain local conditions and difficulties and put forward their case for amendments or alterations where these appeared absolutely necessary. It is stated that, in earlier discussions between the Government and the employers, it seemed clear that, in respect of major points, reasonable time would be given for the implementation of the requirements of the Act. Mr. Mackay, however, expressed surprise that, without due consultation with those bodies which represent employers in Travancore-Cochin State, the Government should have submitted draft rules for that State without study of the peculiar circumstances in the State. A sub-committee of the U.P.A.S.I. would appear to have been set up to study this matter and this committee has appealed for suitable modifications, agreeable to both sides. Mr. Mackay was not opposed to the implementation of the Plantation Labour Act. What he said was that, to be sound and truly beneficial, an Act of this nature should be imposed slowly, steadily and at a pace amenable to proper consolidation.

TEA INDUSTRY AND EXPORT DUTY

Writing from Coonoor, our Plantation Correspondent says:

"'A burdensome duty on tea means the destruction of the goose that lays the golden egg,' says a contemporary writer. The course of events in the tea industry over the past few months may justify this statement in the near future. The rapid recession in prices that has occurred in the principal markets of the world shows that, sooner or later, the tea industry will have to begin to think of various reliefs in order that its economic position may not be too seriously affected. When a crisis overtook the industry in 1952, there was a widespread demand for some reduction in the prevailing rates of export duty, but no such reduction was granted by Government. Nevertheless, due to a favourable turn in demand the industry's economic position slowly started to improve, and by the end of 1953, the industry had recovered the position that it had lost for two years.

"This improvement continued for several months of 1954, but, in October of that year, the Government decided to raise the export duty by 3 annas a lb. The increase, however, was easily absorbed, owing to the strong demand for tea in the overseas markets. Early in 1955, the Government ordered a further increase of 3 annas in the duty, making it amount to 10 annas a lb. Contrary to previous experience, however, this increase was not easily absorbed in spite of the prevailing high price of tea, and, in fact, the effect of the increase was to reduce the market price of tea by an equivalent amount. That was a sure indication of resistance from buyers. The continued downward trend of tea prices since March this year clearly shows that the incidence of export duty should be examined carefully. The fixation of the new slab rates of duty, with 12 annas as the maximum rate, since 1st March, 1955, has not improved the situation by any means.

"As has been pointed out ere now, the main defect of the slab system of levy is that it does not permit of prompt adjustments when the market for tea is falling. As against this, however, we are told that the system might benefit the industry when tea prices start recovering. It is unnecessary to discuss the merits of this argument for the present. But, in the present falling market, the main question is whether the floor rate of 4 annas a lb. will have to be levied if tea prices go down to 1952 levels. Supposing the price went down to, say, Re. 1 a lb., should the 4 anna duty still be paid? This is a matter which requires attention since the new slab system presupposes that the tea industry should at all times be subject to a minimum levy of 4 annas by export duty."

JUTE CULTIVATION IN U.P.

EMPHASIS LAID ON QUALITY

THE Government of Uttar Pradesh appears to be making a determined bid to place the State on the jute map of India, by encouraging cultivation of jute on scientific lines. According to the Jute Development Officer of U.P., sowing of jute in the State, which began in last March-April, was completed on 34,400 acres. In this area, as many as 695 acres were brought under the system of line-sowing. Thus, the target of 500 acres fixed for line-sowing this season has been exceeded by 195 acres.

Considerable progress is also reported to have been made in experiments relating to quality cultivation of jute. Out of 10 *Capsularis* subvention trials, nine are stated to be progressing well. Besides, out of 13 manurial trials of the *Capsularis* variety, as many as 11 were sown till April last. Under the double-cropping experiments, jute and paddy were sown in accordance with the instructions of the Jute Agricultural Research Institute and the germination of jute crop is reported to be good. The other experiment with jute and wheat is expected to be launched with the first shower next month. These experiments in double-cropping are being conducted at Tamkohi Road, Deoria District.

Work, however, has not commenced on the construction of new retting tanks. The programme drawn for the current year to boost jute cultivation in the State provides for constructing 150 such tanks. Selection of sites for these tanks has yet to be made.

Meanwhile, the pilot survey scheme launched some time ago to investigate the economics of jute growing is, it is learned, progressing rapidly. Under this scheme, work is being done in 35 select jute centres. During the last three months, the jute grading party worked in 54 villages and completed grading of about 203 maunds of jute and 19 maunds of *mesta* fibre.

The area sown to jute and the total output of raw jute in U.P. have varied considerably during the last four or five years. This is evident from the table below:

Year	Area Acres	Yield Bales
1951-52	67,900	102,900
1952-53	80,000	164,600
1953-54	27,000	56,000
1954-55	34,000	70,000
1955-56*	34,400	—

*Estimated.

It will be seen from the table above that the acreage registered a fall of 66 per cent. in 1953-54. This fall is in line with the general downward trend in acreage under the crop in the country as a whole. In 1952-53, the area devoted to jute in the whole of India was 1.83 million acres. But in 1953-54 the area dropped to 1.19 million acres. This drop was in the main due to a heavy decline in the prices of raw jute, following the cessation of Korean hostilities. It will be interesting to recall here the observations made on this decline by the Jute Enquiry Commission. It said: "When prices began falling in 1952, it was mainly after the sowing season, so that the acreage was not materially affected and the yield also proved to be even higher than in the year previous. Since then the raw jute market has felt the jute impact of the slump in the jute goods market. The latter affected seriously prices of hessians as well as sackings, and not even the drastic reductions in the export duty from time to time could suffice to boost the prices. During the period of decline, prices of raw jute fell to the lowest levels, touching in the beginning of the 1952 season, Rs. 10 to Rs. 15 in the interior of U.P., Rs. 13 in Orissa and even lower figures for *bimli* and *mesta*. Though the prices began to recover before the end of the 1952-53 jute season, the psychological effect of the earlier fall was accentuated to the same degree, as in the converse experience of the boom at the beginning of the 1951-52 season."

Since 1954-55, there has been an increase in the area under jute in U.P. It is, however, still premature to say whether the improvement will persist in the coming season. For the Centre has been insisting on the States to limit the expansion in acreage to areas which are only best suited to the cultivation of jute. This principle is being followed in all the States. It is, therefore, unlikely that the area under jute in U.P. would go up to as high as 80,000 acres sown in 1952-53, as a large part of this area is not suitable for growing jute economically.

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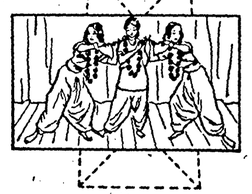
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EUROPEAN COAL AND STEEL COMMUNITY

ENCOURAGING DEVELOPMENTS IN 1954-55

THE year 1954-55 (12th April, 1954, to 10th April, 1955) was one of outstanding developments to the European Coal and Steel Community. The most important of them was the establishment of the common market for special steels. As a result, the common market came to cover all the products that are within the Community's jurisdiction. The next important event was the agreement among all the Community's six member-States, namely, Belgium, France, Germany, Luxembourg, Italy and the Netherlands to set up in three stages from 1st May, 1955, to 1st May, 1957, "international through rates" ending all extra charges on Community freight crossing frontiers in the six-nation area.

Further, the High Authority fixed its policy on the future of the Ruhr coal-selling agency early in 1955 and informed the interested parties of the reforms which would be necessary if anti-cartel prosecution by the Authority were to be avoided. Besides this, the High Authority provided help for workers in all cases where problems of labour resettlement arose from modernisation programmes hastened or caused by the opening of the common market. Workers' resettlement programmes are under way in mines and in steel plants in the centre and south of France and have been approved in principle for workers in the Italian steel industries and in the mines of Borinage coalfield of southern Belgium. Another important development was the Agreement of Association signed between the U.K. and the Community on 21st December, 1954. This agreement is regarded as a model for future relations between the U.K. and future European integrated communities.

The common European market developed steadily throughout the year as a new and distinct unit. The existence of the common market free from customs duties, quotas, exchange controls and transport discriminations, which helped to maintain production during the recession of 1953, restrained prices in the boom of 1954. Evidently, this was due to the greater stability provided by a large market. In part, it was due to rules of fair trading, requiring the publication of prices and forbidding discriminations, the system being backed by a mechanism of inspection of books with fines for violation of the rules. According to the third general report on the activities of the Community, the year 1954 was the first normal year of functioning of the common market and the institutions of the Community.

The importance of the common market is evident from the fact that it serves an area of 449,000 sq. miles covered by the Community (including the Saar). It has a population of 160,000,000, as many as there are in the United States. The active working population of 74,000,000 is greater than that of the United States. The Community produced in 1954 a record of 43.8 million metric tons of steel and the post-war peak of 241.7 million metric tons of coal. It shares with Russia the world's second place in the output of these products. There are 914 enterprises, of which 447 are colliery companies. As many as 204 plants produce pig iron and steel and 107 are iron ore mining concerns. The following tables give the output of coal and steel of the Community in 1954, as compared with a number of other important producing States of the world and the percentage of 1954 in comparison with the previous maximum:

Production of Coal and Steel

(In millions of tons)

COAL

	1952	1953	1954	Percentage of 1954 in comparison with previous maximum
Community	238.9	237	241.7	— 0.3 (1938)
United Kingdom ..	280.1	227.8	228.1	—22.1 (1913)
United States ..	458.1	438.2	378.2	—39.2 (1947)
Soviet Union	250	248	267	+ 7.7 (1953)
Eastern Europe ..	110.4	115	119.3	+ 3.7 (1953)
Other Countries ..	228.4	236.5	250	..

STEEL

	1952	1953	1954	Percentage of 1954 in comparison with previous maximum
Community	41.8	39.7	43.8	+ 4.7 (1952)
United Kingdom ..	16.7	17.9	18.8	+ 5.2 (1953)
United States ..	84.5	101.3	80.1	—20.9 (1953)
Soviet Union	34.4	37.9	41	+ 8.2 (1953)
Eastern Europe ..	10.3	12	13.3	+10.8 (1953)
Japan	7	7.7	7.8	+ 1.3 (1953)
Other Countries ..	16.8	18.5	18.2	— 1.6 (1953)

The reality of the common market, still in its initial stages, is shown by the growth of trade between the countries of the Community. As compared with 1952, steel trade in 1954 doubled and coal trade was up by 26 per cent. These proportions apply not to marginal quantities but to exchanges amounting to a quarter of total trade between the six countries. The trade across the frontiers in 1954, as compared with that in 1953 and 1952, was as follows:—

(In million tons)

	1952	1953	1954
Steel	2.1	2.8	4.2
Coal	24.3	27.0	30.6

Internal growth in trade was not obtained at the expense of trade with third countries. The imports and exports of steel and coal in 1954, as compared with those in 1953 and 1952, were as follows:

(In million tons)

	1952	1953	1954
Steel:			
Imports	0.8	0.9	1.0
Exports	6.6	6.6	6.7
Coal:			
Imports	22.3	13.8	13.9
Exports	9.6	10.2	13.4

In order to cope with shortages of scrap experienced by the common market, the High Authority, in agreement with the Council of Ministers, decided on 28th March to tighten control over the distribution of imported scrap. By directing to places where demand most required them, the High Authority has been able to refrain from imposing new controls on scrap within the common market. The policy of the High Authority is to overcome scrap shortages in the long run by encouraging the use, wherever practicable, of pig iron.

In 1954, the High Authority began discussions with member-States to whittle away administrative obstacles, which subsisted, despite the ending of customs duties, quotas, current restrictions, etc. As a result, licences in most countries have been replaced by simple declaration forms for the benefit of national statistical and exchange bureaus. Similarly, only a few of the administrative costs which had to be reimbursed to Government agencies by producers shipping goods across a frontier still subsist. The High Authority now aims at persuading member-countries to agree on a single customs declaration valid throughout the common market, instead of the multiple forms still required to establish that Community goods can pass duty-free over all frontiers.

The object of setting up of "international through rates" by stages from 1st May, 1955, to 1st May, 1957, is to end all extra charges levied on freight carried across frontiers. These charges add, on the average, 25 per cent. to the total cost of freight. They have been handicapping across-frontier traffic in the common market. The total of excess charges to be ended amounts to about £6 million.

The High Authority agreed during the year under review to five minor joint selling agreements, which were too small to enable the firms involved to determine prices or restrict competition. The aim of High Authority policy is to eliminate simultaneously the cartel obstacles to the common market in coal in Belgium, France and Germany.

The High Authority has authorised seven concentrations scattered through most of the Community and none of which results in a merger of over 2 million tons production a year —considerably less than that of the largest firm existing in the Community when the common market was established. The High Authority's policy is to encourage concentrations which lead to a lowering in production costs as long as the companies to which they give rise cannot restrict competition or establish themselves in an artificially privileged position.

The loans already made to Community firms by the High Authority, out of the $100 million U.S. loan, amount to $64,400,000 for the following purposes:

	$
Modernisation of coal mines and collieries	23,310,000
Power stations	26,890,000
Iron ore mines	14,200,000

In addition, $10,000,000 have been earmarked for thermal power stations in Belgium.

The participation of the High Authority in projects has varied between 20 and 30 per cent., the average being 22 per cent. The High Authority received requests for loans amounting to $157,000,000, much more than its available funds. The High Authority loans were made for the most part at 4.1 per cent. interest repayable in 25 years, terms which are much more favourable than at present usual on the European capital market.

The High Authority had earmarked $25,000,000 of the American loan to help stimulate miners' housing programmes. But financial complications have led it to seek equivalent funds in the Community countries. The balance of the American loan will shortly be lent out to Community firms for industrial investment.

The social aim of the Community is to equalise living standards upwards in an expanding European economy, and some steps were taken in this direction during the year under review. The High Authority initiated two workers' resettlement schemes in France, started miners' housing projects and brought about an agreement between member-countries in order to enable skilled workers to obtain jobs anywhere on the common market free from all national restrictions.

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ISOCYANATE CHEMISTRY

About 15 years ago, a German chemist, Professor Otto Bayer, surprised the chemical world with the announcement that he had succeeded in finding a new way of using the simple products of the chemistry of coal to make new types of materials with many different and interesting properties. At that time two fundamental roads towards the same goal were already known. One of these had already been found before the First World War by Leo Henrik Baekeland and had led to the synthetic resin "bakelite" which has become known all over the world and which, for almost 20 years, was the shining example of the plastics. The second was found at the end of the 1920's and had presented us with the multitude of vinyl plastics. The new road found by Prof. Bayer was fundamentally different from the two older ones. This was in so far an advantage that it opened up entirely new possibilities. But it also had a disadvantage, because it made it necessary to carry out extensive development work, and even to work out entirely new processing methods, all of which required a great deal of time. The war and post-war years delayed this work considerably, but the development work was resumed again a few years ago. The so-called isocyanate chemistry has grown bigger and bigger and it is surprising to see how many new technical possibilities have been found in this chemical reaction which was found in painstaking laboratory work and extended through the years.

One of the most interesting products of this development work is a material which is, on the one hand, as elastic as rubber but, on the other hand, is completely resistant to oils and petrol, resistant to aging in the highest degree and characterised by excellent mechanical qualities. Gear and friction wheels which run without making any noise and work with practically no wear are among the products made therefrom. Large high-pressure packings can be made of this material without the use of any fabric whatever. A cup sleeve for a heavy forging press with a wall thickness of 0.313" and a diameter of almost 27½" may be taken as an example. Pulleys, sheaves, rollers, bumpers, clutch sets and discs are now being made of this new material in all applications where a long service life is desired. An interesting new development is a flat belt with teeth which is made of this material and is intended mainly for sewing machines, where the tension is taken up by a steel braid which is embedded. In the production work, tolerances in length of up to 0.004" can be maintained without effort, and an angle accuracy of 15 minutes is achieved in practical work. Gear couplings in which the individual tooth flanks have been covered with the new plastic by a coating

(Continued on page 1099)

NEW PRODUCTS AND PROCESSES

Storage Battery

A STORAGE battery no larger than a postage stamp and about ¼ inch thick has been developed by Yardney Electric Corporation of New York. Believed to be the smallest rechargeable battery in the world, the tiny cell weighs one-sixth of an ounce. Zinc and silver electrodes are used in the battery, which has one-fourth the ampere-hour capacity of a regular battery that is 16 times bigger. It is expected that the battery will be used in portable communications equipment and electric wrist watches, and may "revolutionise" some photography and model airplane equipment. The battery could, it is stated, operate an electric-powered watch for more than a year without recharging.

Plastic Foam

A plastic foam which promises to reduce the cost of constructing some parts of boats and airplanes by as much as 50 per cent. has been developed by the Bakelite Company of New York, a U.S. chemical concern. The new lightweight material is produced by bonding together thousands of tiny hollow spheres made of phenolic resin. A phenolic, epoxy or polyester resin is used as the bonding material. The finished product has a cellular structure similar to that of wood and, like wood, the plastic foam can be drilled, sawed or machined. Designed to be used in structures, such as boat hulls and airplane wings as a filler or reinforcer, the plastic foam also has properties that make it useful as an insulating material in air conditioners and refrigerators.

Electronic Camera Photographs Planets

Scientists at Johns Hopkins University in Baltimore, Maryland, have perfected a new electronic camera which virtually "sees in the dark" and promises to revolutionise the study of planets. The camera has already photographed Mars under poor atmospheric conditions and has made some of the best pictures so far obtained of the planet. The electronic camera takes a picture like an ordinary camera and translates the picture into electrical impulses or signals. Before changing the impulses back to a picture, the camera greatly amplifies the impulses. This means that a picture can be seen several thousand times brighter than an ordinary camera picture. It is expected that the new camera will soon take pictures of details on Mars that have never before been observed.

Atom Product Used in New Stomach Test

Vitamin B-12, made radioactive by using a peaceful product of atomic energy, is being used in the United States in a new test to determine the presence or absence of acidity in the stomach. The vitamin is irradiated by Cobalt 60, produced in a nuclear reactor. The test is used primarily to determine if patients have pernicious anemia. Pernicious anemia patients do not have normal acid in their stomach and in addition they do not produce a substance, called "intrinsic factor," which is needed to absorb Vitamin B-12. When normal persons are given the radioactive vitamin, it can be detected in their system, but this is not the case with pernicious anemia patients. Thus, the test may show whether patients have pernicious anemia or some other condition, such perhaps as stomach cancer. The test was developed and is being used by Dr. Lloyd D. MacLean of the University of Minnesota Medical School at Minneapolis, Minnesota.

Sewage Pump

The first electric motor-driven raw sewage pump was recently installed at Newark Bay Pumping Station of the Passaic Valley Sewerage Commissioners, U.S. The new pump, manufactured by Worthington Corporation, is handling 135 to 150 million gallons of sewage daily under the plant's present head conditions. A similar pump is being manufactured at Worthington's Harrison, N.J. Works and will be installed in the near future. Prior to the installation of the new electric motor-driven pump, all of the plant's pumps were of the steam engine-driven type. The new pump, along with the similar unit under construction, are the first two pumps in the plant's programme of renovation and electrification. The Newark Bay Pumping Station, located on the outskirts of Newark, N.J., handles sewage from 26 surrounding municipalities with its total pumping capacity of approximately 400 million gallons a day. Work on the plant's new programme is under direction of Chief Engineer Seymour A. Lubetkin and the consulting engineering firm of Bogert and Childs.

Building Crane With Unusual Hoisting Speed

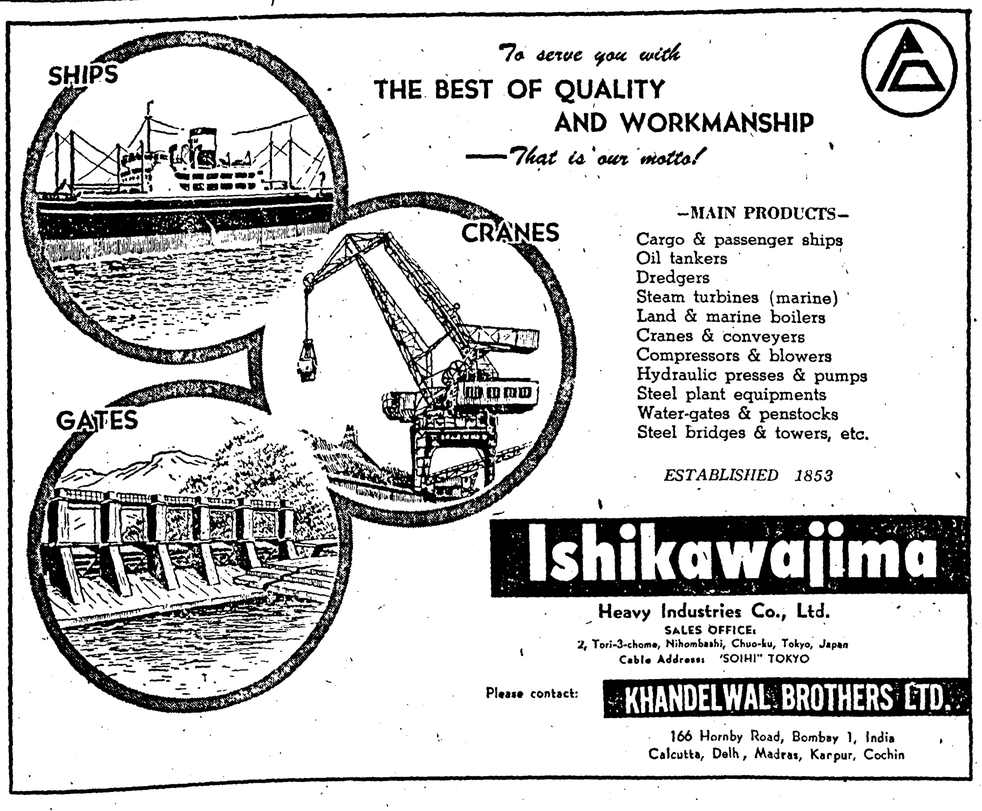
A novel crane for building purposes, the first all-Swedish unit of its kind, has recently been put on the market by AB Malcus Holmquist, of Halmstad. Having a hoisting speed of 40 metres (131 ft.) per minute for loads up to 1.1 tons at a radius of 17 metres (56 ft.) and an elevation of 16.75 metres (55 ft.), it is claimed to be one of the speediest-working cranes ever to be built. The designing of the new crane was preceded by large-scale market research among Swedish contractors in order to find out what properties were required for a unit of this type. The sturdy welded steel structure has a low centre of gravity and high dynamic stability, thanks to 16-ton cast-iron counterweights. It is equipped with two hoisting blocks, the inner block working on a radius of 10 metres for a load of 2 tons and a hoisting speed of 20 metres per minute. For easy revolving, the hooks are provided with cased-in SKF axial bearings. The bogie platform, which has wheels of cast steel, is dimensioned for 2.8-metre tracks. Both hoisting and revolving machinery have elastic coupling with brake disk. The lower bars of the crane beam serve as rails for the hoisting carriage, which makes it possible to pick up and dump the load at any point within the crane's working area. The operator's cabin is electrically heated. The new 30-ton crane, which can be mounted on the working site in one day, is shortly to come into series production at the Malcus Holmquist factories. It has undergone a series of exhaustive tests and has been found to work satisfactorily even in severe snowstorms.

Coloured Aluminium Skyscrapers

Coloured, aluminium-clad skyscrapers are in prospect for America. The Aluminium Company of America (Alcoa) is going to cover Pittsburgh's newest skyscraper in blue aluminium. Last year, the Company used coloured sheets for the first time on its own sales office building in Cincinnati, a combination of blue and gold, Alcoa hopes that the new Pittsburgh structure, the 16-storey Pennsylvania State Office Building, will set a style. The rainbow-hued metal is suitable for churches, schools and even homes, the company says. Ordinary silver-appearing structural aluminium is in wide use. Last year, in a demonstration of the economy in labour costs which structural aluminium offers, the bare beams of an entire New York skyscraper were clad with exterior aluminium walls in just nine and one-half hours. The coloured sheets are slightly more expensive than the glistening silver ones, but Alcoa believes the added beauty offsets any price difference. As to the tinting process, the Company reveals only that "oxidised metal is impregnated with colour," the colour is not coated on the aluminium.

Tetracycline

Tetracycline, the newest addition to the family of broad spectrum antibiotics, is fulfilling the promise of its early clinical trials. Widespread experience with the new drug confirms its high safety and effectiveness; these factors, combined with tetracycline's ability to diffuse readily through body tissues, indicate that its recent discovery marks a significant milestone in the conquest of infectious disease. The antibiotic, also known as polycycline and bristacycline, has shown itself effective against a wide variety of disease-causing organisms. North American physicians, for example, report striking results with bristacycline in eradicating the diverse bacteria responsible for acne and other troublesome types of skin disease.



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INDIAN INSURANCE INSTITUTE

SILVER JUBILEE CELEBRATED

THE celebration of the silver jubilee of the Insurance Institute, Calcutta, on the 14th ultimo, is undoubtedly an event of significance in the history of Indian insurance. Started 25 years ago by Mr. Surendranath Tagore, founder President, the Institute has had the distinction of having had some of the eminent insurers, such as Sir Nilaratna Sircar, Mr. Nalini Ranjan Sarker, Mr. A. C. Sen, Mr. J. C. Ghosh Dastidar, Mr. S. P. Bose and Mr. S. C. Roy as its Presidents. It was founded at a time when Indian insurers were struggling hard to find a place for themselves in the insurance market which was itself limited in scope, with foreign insurers dominating this limited field. Insurance legislation as it existed then left much to be desired. The legitimate claims of the indigenous insurers did not find favour with the administration. The insurers were generally inexperienced and had to contend with the ignorance of the public regarding insurance and its significance. It was in such circumstances, that the Institute was formed in order to provide, to quote Mr. S. C. Roy, President of the Institute, who presided over the silver jubilee celebrations, "a forum where all those interested in insurance could gather, discuss its problems, and devise and implement measures to foster its development on sound lines. The Indian Insurance Institute was the pioneer of the institute movement in our country and its activities cover a wide field."

Mr. S. C. Roy gave, in the course of his address, certain figures to show how the Indian insurance industry has grown since the inception of the Institute in 1930. The new life insurance sold by all insurers in that year was Rs. 27.5 crores. Of this, Indian insurers wrote just Rs. 15.75 crores. The total amount of life insurance in force was Rs. 154.5 crores, of which Rs. 84.75 crores, comprising 513,955 policies, were insured with Indian companies. In 1953, the latest year for which official figures are available, the total amount of life insurance in force amounted to Rs. 961.89 crores, of which assurances for Rs. 829.29 crores were with Indian insurers. During the same year, Indian companies wrote a life business of Rs. 137.46 crores and non-Indian offices of Rs. 17.03 crores. During the last quarter of a century, the life business transacted by Indian insurers, had, according Mr. Roy, increased more than tenfold.

A similar change has occurred in the field of general insurance also. In 1930, Indian insurers were just entering the field. But, in 1953, their global net premium income from non-life business was Rs. 15.06 crores. Of this sum, premiums written in India accounted for Rs. 6.77 crores which was about 50 per cent. of the total general premiums written in India. Said Mr. Roy: "Many factors have contributed to the change in the fortunes of Indian insurance. Among these must be counted the services rendered by the Institute, through publicity and propaganda and its educational activities—creating conditions for the growth of indigenous industry." Few would dispute this claim of Mr. Roy for the Institute. It certainly has to its credit 25 years of useful service to the industry. The activities covered a varied field. Thus the active part it assumed in shaping the insurance legislation in India, organisation of publicity for spreading the gospel of insurance, educating the public in regard to principles of insurance through lectures and special courses for students appearing for examination of the Indian Life Assurance Offices Association, formation of field workers' organisations under the auspices and publication of authoritative pamphlets on insurance problems are some of the principal activities of the Institute.

Commenting on the role of insurance in achieving the objective of establishing a socialistic pattern of society in India, Mr. Roy seemed to be convinced that insurance offered "the safest and surest means of establishing socialistic pattern, perhaps not without a lot of sweat, but certainly without blood and tears." If this idea was understood properly by the people, there would, Mr. Roy observed, not be "any need for expropriation, class war and the regimentation of bodies and souls" or for "the State to embark on economic enterprises of dubious value." He drew attention to the fact that the existence of a number of companies ensured progressive efficiency and expansion of the service of insurance. He, therefore, saw little reason to think that nationalisation of existing companies, either wholesale or piecemeal, would make for either economic efficiency or expansion of the service. He emphasised that the socialistic pattern did not consist of merely taking away extra money in the hands of the people or transferring undertakings from the private to the public sector. It involved the much harder work of ensuring equal amenities for all along with a rising standard of living. There was quite a lot that Government could do, he stressed, in this respect without laying hands on the insurance industry.

NATIONALISATION OF INSURANCE WILL BE INOPPORTUNE

Speaking as the chief guest at the annual conference of the Insurance Club of Patna, held in that city a fortnight ago, Mr. B. K. Setalvad, General Manager of "The Ruby General," commented on a number of live-wire topics engaging the minds of insurers today. Although Mr. Setalvad prefaced his speech by saying that the views expressed by him were his own, they deserve to be noted, as they have a close bearing on the future development of insurance in India.

Of the topics dealt with by Mr. Setalvad the contemplated nationalisation of insurance figured prominently. It could not have been otherwise, in view of the fact that persons in high positions, both in Government and in the Congress Party, seem to be of the view that insurance is a fit subject for nationalisation. The Prime Minister himself stated recently that he was for acquiring, at the right time, banks, insurance companies and mines. It is, therefore, not at all surprising that this subject should be the burning topic of the day, compelling every insurer to think whether it would be in the ultimate interests of the nation to bring insurance under the State ownership and management. Mr. Setalvad for his part, and rightly in our opinion, feels that, with the controls and restrictions placed on insurers, there is no need for nationalisation at all. He says that, when the Insurance Act was amended, he thought that that was the end of Government interference with the industry's day-to-day activities. For the amendments, including as they do, (a) restrictions on the investment of insurance funds, (b) prohibition of interlocking of funds of insurance and banking companies, (c) limitations of expenses, and (d) prevention of cornering of control over insurance companies, were so harsh that there was nothing left for further control. But now it seemed to him that the Government was not satisfied with all these blanket controls, as it was keen on nationalising insurance. He said: "As it is, with the introduction of further rules and regulations, limitation of acquisition cost, limitation of expense ratio, submission of various statements relating to appointments, outstanding premiums, bad debts, investments, etc., we are already governed 90 per cent. by the Controller of Insurance, Government of India. Besides, in the balance of 10 per cent. whipsnade freedom allowed to us, we are left with practically no authority in matters of general interest to the insurance industry as a whole."

Mr. Setalvad then referred to the working of the National Health Insurance Act in Great Britain. This was, he said, the most ambitious piece of social insurance legislation ever carried through in any country. No previous measure had directly affected so large a number of persons, involved so great a cost and made such demands upon the British administration. With all this, it was a conspicuous failure, according to the Report of the Fabian Society. The observation in the Report quoted by Mr. Setalvad reads thus: "By insurance premium, the State is abstracting from each, out of their cupboards, one loaf of bread every week, thereby starving them still further into illness. In order to pay for their doctoring and sickness benefit during their illness which the State has thus helped to create." In Germany also, the system of sickness insurance was, Mr. Setalvad added, a failure even in the direction in which it had not been anticipated. He, therefore, remarked: "If we learn any lesson from the experience of other countries, it is this that economic planning and full employment should precede any scheme of social security to make it a success." Consequently, the only alternative was, according to him, co-existence of the private and the public sectors. If, however, the Government felt that the country's interests would be served better through nationalisation, it should be done at a later date and "not now." With due humility, I submit," he said, "the time to nationalise insurance is not now—the time to nationalise insurance will not be for quite some time to come. The heavens will not fall, if we wait till such time comes."

Availing himself of the opportunity afforded by the Conference, Mr. Setalvad referred to the dangers facing small and medium-sized insurance companies as a result of staff insurance schemes. He thought that the schemes would hasten the closure of a large number of small and medium-sized companies, at a time when they were just beginning to stand on their feet. He thought that this type of underwriting was no "insurance" at all in any sense of the word and was a complete misnomer. He considered that it was an attempt to reduce life premiums to make it impossible for small business to enter the field. Besides, it hit the life insurance agent who was responsible for enabling the companies to underwrite large business every year, by denying him the commission that was his. He appealed to the leaders of Indian insurance to reconsider their step in the matter of staff insurance scheme and remedy the harm already done by not allowing it to spread any further.

CROP INSURANCE FOR INDIA?

Apropos the reference to the crop insurance scheme last week in these columns, it is understood that the Government of India is considering a proposal for the introduction of a crop insurance scheme in the country to safeguard the interests of cultivators against the vagaries of nature. Information to this effect was, in fact, given by Dr. R. Ahmed, Minister for Agriculture, West Bengal, while speaking at the silver jubilee celebrations of the Indian Insurance Institute, to which reference is made on this page. Dr. Ahmed opined that insurance business had a bright future in India, but insurers should also pay attention to agriculturists who formed the bulk of the country's population. He advised them to make arrangements for having crops on fields insured against all sorts of the vagaries of nature. Such a step would not only be progressive and conducive to the greater interest of the country but would also prove, he said, to be remunerative in future.

It is, however, doubtful whether private insurers could undertake the stupendous work of underwriting crops on fields. For one thing, it requires enormous resources which private insurers do not have. For another, it needs a well trained technical staff, the maintenance of which they cannot afford. Any scheme of crop insurance should, therefore, be the sphere of the State which already maintains a department connected with the development of agriculture. This department, with its personnel trained in methods of scientific agriculture and with the assistance of staff having special training abroad in actuarial science relating to crop insurance, can take up the work of organising such schemes in India under a carefully evolved phased programme. It is to be hoped that this subject will receive the attention of our planners who are now considering a draft scheme for the development of agriculture in the second Five-year Plan.

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United States Government Securities and Securities Guaranteed by the Government	2,414,191,925.87
Federal Agency Securities	167,123,060.20
State, County, and Municipal Securities	565,439,454.38
Other Securities	114,137,926.86
Stock in Federal Reserve Bank	10,500,000.00
Loans Guaranteed or Insured by the United States Government or its Agencies	1,230,573,393.30
Other Loans and Discounts	2,812,738,751.23
Accrued Interest and Accounts Receivable	38,266,946.53
Bank Premises, Furniture, Fixtures, and Safe Deposit Vaults	74,421,807.25
Other Real Estate Owned	1,802,647.53
Customers' Liability on Account of Letters of Credit and Acceptances, and on Endorsed Bills and Notes	275,838,505.00
Other Resources	1,796,351.47
TOTAL RESOURCES	$9,163,355,289.49

LIABILITIES

Capital	$150,000,000.00	
Surplus	200,000,000.00	
Undivided Profits	111,140,888.22	
Reserves	5,453,800.10	
TOTAL CAPITAL FUNDS		$466,594,688.32
Reserve for Possible Loan Losses		62,618,458.13
DEPOSITS: Demand	$4,192,360,317.72	
DEPOSITS: Savings and Time	4,078,174,433.42	8,270,534,751.14
Liability for Letters of Credit and as Acceptor of and Endorser on Acceptances, Bills, and Notes		278,554,052.31
Reserve for Interest Received in Advance		30,660,665.08
Reserve for Interest, Taxes, etc.		54,390,674.69
TOTAL LIABILITIES		$9,163,353,289.49

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United States Government Obligations, direct and fully guaranteed	28,[illegible]
Other Securities	10,[illegible]
Loans and Discounts	86,[illegible]
Accrued Interest	324,[illegible]
Customers' Liability on account of Letters of Credit and Acceptances, and on Endorsed Bills and Notes	45,[illegible]
Other Resources	397,[illegible]
TOTAL RESOURCES	$188,496,334.06

LIABILITIES

Capital	$ 16,[illegible]
Surplus	3,[illegible]
Undivided Profits	10,[illegible]
TOTAL CAPITAL FUNDS	$ 29,[illegible]
Reserve for Possible Loan Losses	[illegible]
Deposits	128,[illegible]
Liability for Letters of Credit and as Acceptor of and Endorser on Acceptances, Bills and Notes	45,[illegible]
Reserve for Interest Received in Advance	[illegible]
Reserve for Interest, Taxes, etc.	[illegible]
TOTAL LIABILITIES	$188,496,334.06

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NEW PUBLICATIONS

British Public Finances. By Ursula K. Hicks. Published by Oxford University Press, London. Price : 6s. net.

NO better teacher of Public Finance than Ursula K. Hicks could be found to deal with the various stages of growth of Government finance in Britain during the last three-quarters of a century in a popular and intelligent way. The author traces, in six well marked out chapters, the origin and establishment of the Welfare State and the impact of world wars on the social and economic development of the British economy.

In the first two chapters, the author deals with the expenditure side, special reference being made to the development of education, social security, and capital investment by public authorities, particularly on housing. The third chapter deals with the methods of adapting the tax structure to the needs of expenditure and the effects of high income taxes on personal incentive and savings and on the ability of industry to develop. The story of the 2d. temporary tax on incomes is, indeed, interesting. Dealing with the redistribution of income through taxation (positive and negative) and social service expenditure, the whole of which accrues to the poor, the author states that "whatever the exact balance in the average of the lower income groups may be, we can be pretty certain that they make no net contribution to the enormously increased tax bill of recent years." The redistribution of income through public finance is described as the leading characteristic of the Welfare State.

A whole chapter has been devoted to a discussion on budget balance and national balance. What strikes one is the development of budget as an instrument of control in the modern economy; this is related to the machinery of planning and social accounting as they have been developed since 1940. The author concludes that "the justification of these rather detailed reforms is the predominant role which public finance must henceforward play as an instrument of policy. Even if it should prove both practicable and desirable to restore credit policy to something of its former importance as an instrument of stability, the size which public sectors have attained in modern economies and the subtleties of the fiscal instrument which modern economic analysis has revealed, alike assure that fiscal policy must in future be the senior partner."

The last chapter examines the impact of debt management on the economy, in the light of the control over money and capital markets which a £26,000 million national debt implies. The Dalton experiment in cheap money and the causes for its failure are discussed at length. The causes listed are, mainly, the pressure of external events such as fuel crisis and convertibility and the political uneasiness to which they gave rise, and the substantial gap between the short-term (controlled) rates and the long-term rates. The Dalton experiment in its later stages was, in the opinion of the author, unique as a sustained attempt to force markets in the opposite direction to that in which they were naturally tending and to do so by the use of debt management alone. The story of British finances as revealed here is that it has passed from a phase, in which the aim was to achieve national stability entirely by credit control, through one in which an attempt was made to throw the whole responsibility on public finance and finally to one in which the way is open for a proper use of both instruments in an informed and integrated policy.

Company Direction. By John Seymour. Published by *Macdonald & Evans, Ltd.*, 8 John Street, Bedford Row, London, W.C. 1. Price : 25s. net.

In this book, Mr. John Seymour has departed from the usual textbook style on company law and accountancy and concentrated on the dynamic and practical parts of a director's duties. His central theme is that direction and management of a company are complementary processes and that successful management is largely dependent on its effective direction. The author has, therefore, endeavoured to examine what is unique in the function of directing and industrial enterprise and to consider how direction interacts with management.

The present edition is the result of the author's close contacts with manufacturing industry, which has he says, provided him with firsthand knowledge of many companies and sufficient acquaintance with the main details of each to suggest the reasons for the measure of success they have attained. Proceeding, he observes:

"This work has been mainly in concerns which, though of medium size, are still large enough to throw up a rich variety of problems of direction and administration. Such companies together form an important sector of our industrial economy, and the value of this book will in all probability lie in connection with this class of enterprise. There are in Great Britain a relatively small number of very large businesses which have peculiar and very difficult problems of both direction and management. I cannot speak with any great experience of such corporations, and it is possible that what is said here may not be immediately applicable to them."

The book contains many references to practical situations in company management. Although it is concerned with the direction of manufacturing concerns primarily, much of Mr. Seymour's advice is applicable generally to the duties of directors of all types of trading companies.

This book is valuable chiefly to numbers of young men who are coming forward to sit for the first time on a board of directors. It is true, as Mr. Seymour says, that some of the work of directors can, by means of technique, be reduced to a matter of routine. But most of the problems which the directors have to handle are definitely those which do not fit into routine. In fact, it is difficult questions that go to the directors for decision. No business can be created without courage and it is the board which must maintain the "series of acts of courage which are needed to continue the enterprise." Mr. Seymour's book will help the new directors to grasp the nature of their duties more quickly. Even experienced directors, who wish to re-evaluate their functions, will find the book quite useful. Considering that the Companies Bill, awaiting consideration by the Indian Parliament, imposes many restrictions on the management of joint-stock enterprises, there is certainly need for training many men to take up the direction of such enterprise. In this context, this book is bound to prove a valuable guide.

Ceylon—Overseas Economic Survey. By C. E. Thorogood, U. K. Trade Commissioner in Ceylon. Publishers : Her Majesty's Stationery Office, London. Price : 4s. net.

Opportunities for exporters to take an increasing share in supplying Ceylon's needs of more imported manufactures and equipment for its secondary industries are outlined in the volume on Ceylon, the latest addition to the series of Overseas Economic Surveys published by Her Majesty's Stationery Office for the Board of Trade.

Mr. C. E. Thorogood, United Kingdom Trade Commissioner in Ceylon, the author of the Survey, who looks back over three and a half years of varying conditions in Ceylon, says that the Government are "exploring every possible means of diversifying the island's economy." The main problem is to provide the growing population with a higher standard of living with a sufficiency of nutritious food, clothing, and various consumer goods which the country does not at present manufacture, as well as capital goods for development purposes.

A statement by Sir John Kotelawala of his Government's policy for the attraction of foreign capital and enterprise is quoted at length by the author of the Survey, who adds that the attractiveness of Ceylon as a field for investment may well be conditioned by another of the Government's objectives, the "Ceylonisation" of trade—the greater employment of Ceylon nationals in existing concerns and the reservation of certain sections of import/export trade to Ceylon firms. Rules defining the conditions that must be satisfied by individuals, partnerships and companies if they are to qualify for recognition as Ceylonese firms are reproduced in the Survey.

Ceylon, Mr. Thorogood writes, still has to look abroad for the bulk of her consumer and capital goods, and for much of her food. Imports of lighter consumer goods have inclined downwards lately, but imports of machinery, electrical apparatus, vehicles and iron and steel manufactures have remained high or increased. Cotton yarns and manufactures still constitute the biggest single item, in spite of a fall since 1951. The United Kingdom is still the principal source of overseas purchases in the aggregate. Its share of Ceylon's import trade rose steadily in 1948-52 and remains encouraging "in view of the threat of increased competition from European countries and Japan."

Mr. Thorogood reviews the various irrigation projects that in one way or another invite the constructive attention of British industry. He also examines comprehensively Ceylon's own resources, legislation and administration, communication, and communal and social problems.

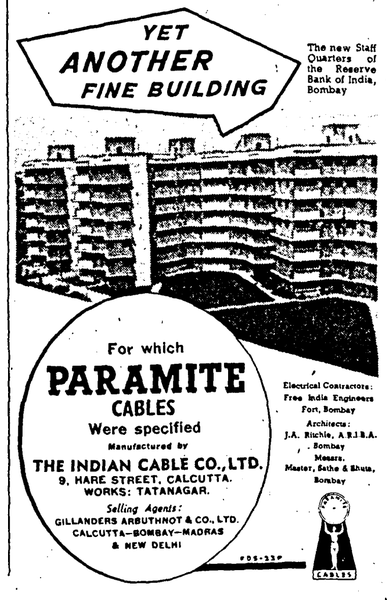
The Structure of the British Electricity Supply Industry. By Dr. V. V. Ramanadham. Published by Kamath & Co., Ltd., Management Consultants, Mangalore-1. Price : Rs. 10.

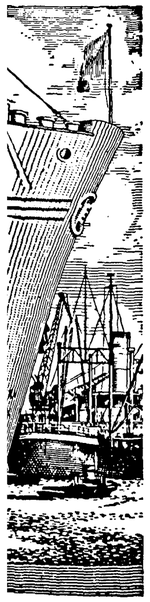
This is an abridged version of Dr. V. V. Ramanadham's thesis on the structure of British Electricity Supply Industry before and after nationalisation, approved for the Ph.D. degree by the University of London, in 1951. Dr. Ramanadham has examined the economic aspects of this important nationalised industry. He has analysed the available cost and supply data and weighed the considerations which, from the standpoint of production cost, determine the optimum scale and location of generating stations, taking into account the improved opportunities for mutual help provided by the development of the national transmission grid. He has first dealt with the policies and plans of the Central Authority. He has then marshalled the statistical evidence concerning the demands to be met by the system of distribution operated by the Area Boards. Finally, he has considered the meaning and significance of co-ordination of fuel and power policy of the Minister of Fuel and Power.

Dr. Ramanadham has surveyed this vast and complicated field in a manner which has won the admiration of Prof. Sir Arnold Plant of the London School of Economics and Political Science. In his foreword to the report, the latter observes:

"His book displays his skill in marshalling masses of statistical material, the subtlety of his analysis of the economic factors relevant in the making of policy, and his powers of lucid exposition in a field in which technology too frequently obscures understanding. In my view, this study establishes his position as an authoritative economic guide in a highly technical field. His book provides a valuable introduction to the informative annual reports of the British Electricity Authority and of the Area Boards, which have now completed six years of activity."

The book is of great value to those interested in the study of economics of electricity supply industry. Present-day conditions in the sphere of electricity industry give this book a new significance. As in the U.K., electricity industry is being nationalised in many States in India. From this point of view, the author's study of the U.K's nationalised electricity industry should prove useful to those connected with the management of State-owned electricity enterprises in India.





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TANGANYIKA TERRITORY: Tanga, Dar-es-salaam, Mwanza, Lindi, Moshi, Mtwara, Mikindani (Sub-Branch), Bukoba
KENYA: Mombasa, Nairobi, Delamere Avenue, Nairobi, Thika, Nakuru, Naivasha (Sub-Branch to Nakuru), Kisumu, Eldoret, Kericho, Sotik (Sub-Branch to Kericho)
UGANDA: Jinja, Port Portal, Kampala, Masaka, Mbale, Tororo, Soroti, Mbarara

Current Deposit Accounts are opened and Fixed Deposits received on terms which may be ascertained on application.
The Bank issues Letters of Credit and Travellers Cheques and it offers every facility for the conduct of all classes of Banking and Exchange business with the principal commercial centres throughout the world.
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Bombay Branch:
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G. R. WEST, *Manager.*

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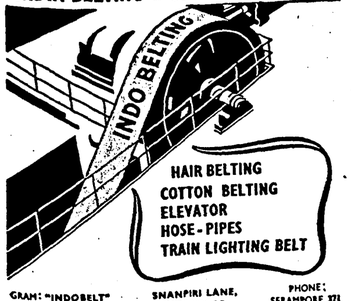

HAIR BELTING
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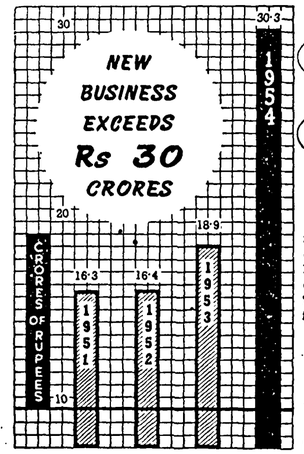
GRAM: "INDOBELT" SERAMPORE
SNANPIRI LANE, SERAMPORE.
PHONE: SERAMPORE 371



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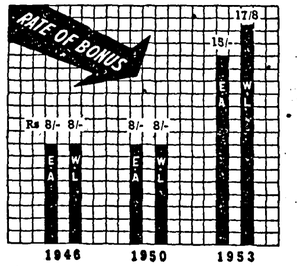

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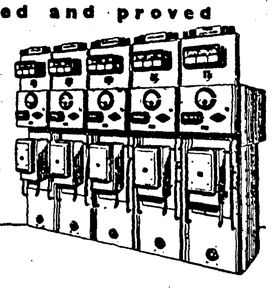

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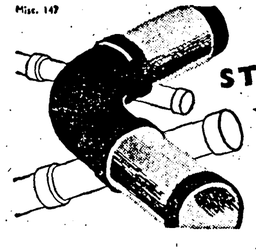
Misc. 147



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(A Dalmia Product)
DALMIA CEMENT (BHARAT) LIMITED
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INDIA'S TRADE IN TOBACCO

COMPETITION AFFECTS EXPORTS

TOBACCO occupies a fairly prominent place in the Indian economy. Its contribution to the upkeep of the economy is remarkable indeed. Being the largest earner of excise revenues, it heads the list of excisable commodities that contribute to the country's exchequers. Among the exportable commodities, it holds eighth rank. As a producer of tobacco, India is the third biggest country, next to the U.S. and China. In spite of such important position which it holds, no comprehensive statistical data on the various aspects of the trade in tobacco have so far been made available in a compact form. This void has now been filled by the *Statistical Monograph on Tobacco Trade in India* (1950-54), compiled by the Indian Central Tobacco Committee, Madras. This monograph is divided into two parts, namely, (1) a review of the tobacco trade in India and (2) a series of statistical tables, giving trade figures. Besides, the review gives an account of the world tobacco trade with special reference to India's foreign trade in unmanufactured tobacco and also of Indian shipments to the various trade belts of Africa, Asia, British Isles, Europe and Oceania. To those engaged in tobacco cultivation and trade, the monograph gives a fund of valuable and useful information.

The output of tobacco in India averages 550 million lbs. per annum. The area sown to this crop forms only 0.34 per cent. of the total cultivated areas and the annual output constitutes about 0.24 per cent. of India's total annual agricultural production. In terms of actual value, the annual realisation from tobacco to the cultivators is estimated at about Rs. 32 crores. About 15 per cent. of the total produce of Indian tobacco is exported annually and the earnings in different foreign currencies amount to the equivalent of Rs. 16 crores. About 60 countries in the world either import Indian tobacco directly or consume it indirectly.

The products manufactured in India out of tobacco are mainly cigarettes, cigars, cheroots, *bidis*, snuff, chewing and *hookah* tobaccos. Excepting cigarettes, which are manufactured in factories, other products are produced mostly on a cottage basis. The cigarette industry is consuming about 54 million lbs. of raw tobacco and is concentrated in West Bengal, Bombay and Hyderabad. The number of units engaged in the manufacture of cigarettes is 18 and they account for 20,000 million cigarettes. Besides, there is a large-scale factory producing cigars and cheroots in Dindigal, Madras.

The cigar and cheroot and snuff industry is concentrated mainly in Madras and Andhra States, while the *bidi* industry is found not only in these States but also in Bombay, Madhya Pradesh and Bihar. The chewing industry is confined mostly to Bombay and U.P. The entire tobacco industry employs, directly and indirectly, about 10 million persons.

World Tobacco Exports

The world production of tobacco is estimated at 7,500 million lbs. Only about a fifth of this enters world trade. The greater part of the crop is consumed by the major producing countries themselves, namely, the U.S., China and India, etc. The table below gives the trend of tobacco (unmanufactured) exports from important tobacco trading countries in the four years ended 1953:

(In million lbs.)

	1950	1951	1952	1953
U. S.	478	522	396	516
Turkey	111	127	126	148
Greece	57	60	91	106
S. Rhodesia	69	67	88	81
India	104	116	85	72
Brazil	81	66	67	50
Cuba	32	48	46	37
Indonesia	23	28	23	33
Dominican Republic	32	35	34	33
Canada	23	29	33	28
Algeria	24	30	24	26
Philippines	8	13	26	26
Nyasaland	24	27	21	26
Italy	21	17	17	24
Others	60	115	83	82
Total	1,172	1,304	1,170	1,290

From the table above, it is evident that the U.S. is the largest tobacco exporter. Since the Second World War, Turkey has been the second biggest exporter. India ranked third in 1950 and 1951, but, during the years 1952 and 1953, Greece and Southern Rhodesia excelled India. In the later year, India held the fifth rank. Prior to 1950, tobacco exports from Brazil were quite substantial; subsequently, owing to competition from other countries and to foreign exchange difficulties, the exports declined. Exports of unmanufactured tobacco were maintained at more or less a steady level by the Dominican Republic, Cuba, Algeria and Canada. There was, however, a marked improvement in the exports from the Philippines from 13 million lbs. in 1951 to 26 million lbs. in 1952 and 1953. In the Far East, exports from Indonesia which were steady at 28 million lbs. rose to 33 million lbs. in 1953.

Flue-cured virginia tobacco used in the cigarette manufacturing industry is the principal variety in the international tobacco trade. The U.S., India, S. Rhodesia and Canada are the leading exporters of this type of tobacco, as will be seen from the following table.

(In million lbs.)

	1950	1951	1952	1953
U. S.	384	434	319	442
India	53	58	60	60
S. Rhodesia	89	68	85	84
Canada	20	28	37	27
Nyasaland	2	3	2	2

More than one half of the production of 100 million lbs. of Indian virginia tobacco is exported annually to the U.K., the U.S.S.R., Sweden, Pakistan, the Netherlands, Kenya, Japan, Irish Republic, Indonesia, Hongkong, W. Germany, China, Ceylon. The U.K. is the largest buyer of this variety of tobacco. Of the total imports into the U.K., about 50 per cent. is of U.S. origin, 20 per cent. is from the Federation of Rhodesia and Nyasaland, 15 per cent. from India and 10 per cent. from Canada.

Another variety of tobacco which enters world trade is turkish or oriental tobacco. The U.S. offers the largest market for this variety. West Germany and the U.K. buy the bulk of the remainder. Exports of this tobacco from Greece to the U.S. and W. Germany vacillated considerably in the post-war period.

Sales to African Belt

The total quantity of Indian tobacco purchased by the African belt during 1954 amounted to 3.8 million lbs. valued at Rs. 48 lakhs, as compared with 2.4 million lbs. valued at Rs. 45 lakhs in 1953, and 3.9 million lbs. worth Rs. 62 lakhs in 1952. This belt—consisting of Algeria, Egypt, Anglo-Egyptian Sudan, Somaliland, Kenya, Tanganyika, Nyasaland, Rhodesia, Mozambique, South West Africa, Nigeria, Malta, and Gozo, Mauritius and Dependencies—is interested mostly in cheap flue-cured virginia tobacco and *hookah* tobacco. Of late, Egypt has shown considerable interest in high and medium grades of Indian flue-cured virginia variety. It is stated that, on account of competition from S. Rhodesia and Tanganyika, it would be difficult to make much headway into this belt. But the problems of the area are worth being studied by the Central Tobacco Committee in order to meet the competition effectively.

In the pre-war period, Afghanistan, and Aden and Dependencies used to import Indian *bidi* tobacco and *hookah* tobacco. The peak imports were in the year 1954, when 6.5 million lbs. valued at Rs. 35 lakhs were purchased by these countries. At present, they are interested in flue-cured virginia tobacco, if available economically. The possibility of larger intake of Indian *bidi* and *hookah* tobaccos by these countries also deserves further study.

China's Offtake

China and Japan, among other Asian countries, account for most of the increase in India's exports of tobacco in recent years. Till recently, China occasionally purchased Indian tobacco through Hongkong. In 1954, however, thanks to the efforts of the delegation sent by the Government of India to China, a deal for the sale of 4.5 million lbs. of tobacco to China was put through. That country purchased a further 9 million lbs. of flue-cured tobacco from India. The revival of trade between India and Japan, after World War II, brightened the prospects for selling Indian sun-cured country tobacco to Japan. The country is evincing interest in flue-cured variety also. In 1954, 5.8 million lbs. of tobacco were purchased by Japan, as against 10 million lbs. in 1953 and 14.6 million lbs. in 1952.

Pakistan usually imports *bidi* tobacco but there has been a decline in the volume of offtake, Ceylon, Malaya and Singapore purchase Indian *bidis*.

Indian exports of tobacco to Australia and New Zealand are negligible. They amounted to 5 lakh lbs. valued at Rs. 14 lakhs in 1954.

As already mentioned, in Europe, the British Isles and Ireland play an important part in the Indian tobacco exports. The bulk of Indian exports to the U.K. consists of flue-cured virginia tobacco. India is facing competition in the U.K. market mainly from the U.S., S. Rhodesia, Canada, and Nyasaland. The U.S. occupies the foremost rank as the supplier of leaf tobacco to the U.K., Rhodesia and India come next.

About 23 per cent. of the total Indian tobacco exports went to the Continental countries of Europe in 1950. The percentage rose to 26 in 1951. However, it dropped to 15 in 1952, 10 in 1953 and 9 in 1954. Efforts are at present being made, it is stated, to recover the lost ground in the region.

Exports of Indian tobacco to foreign countries are chiefly made through the ports of Madras, including Kakinada and Vishakapatnam, these ports accounting for about 89 per cent. of the total.

In 1954, as many as 3.8 million lbs. of manufactured tobacco valued at Rs. 114 lakhs were exported abroad from India, as against 3.0 million lbs. worth Rs. 107 lakhs in the preceding year. The main customers were Pakistan, Ceylon, Singapore and Malaya. The varieties of manufactured products included cigarettes, cigars and *bidis*.

Inland Trade

Of the total output of 550 million lbs. of tobacco, about 80 to 90 million lbs. are exported every year. The balance enters the home trade, since the bulk of it is consumed locally. During 1953-54, 237 million lbs. of tobacco were traded inter-State by rail and river.

Although India is practically self-sufficient in tobacco, it imports some small quantities of virginia tobacco from America for blending purposes, so as to cater to the taste of those who are used to such. Cigar wrapper tobacco is also imported in limited quantities. Unmanufactured tobacco imported in 1954, amounted to 2.07 million lbs. as compared with 2.9 million lbs. in 1953 and 5.2 million lbs. in 1952.

Besides unmanufactured tobacco, India imports manufactured tobacco products to a limited extent. Such imports aggregated 156,000 lbs. in 1954, as compared with 180,000 lbs. in 1953 and 93,000 lbs. in 1952. Out of the total tobacco products imported into India, cigarettes occupy a prominent place.

Tobacco in India is subject to excise duty as it is in other countries. The total excise collections on this commodity in 1953-54 come to Rs. 32.7 crores. In addition, it contributes about Rs. 6 lakhs by way of cess at the rate of ¼ per cent. *ad valorem*.

SHELLAC INDUSTRY IN BIHAR

A concrete instance of how slowly bureaucracy *moves is provided* by the unduly long time taken by the Bihar Government to implement the recommendations of the Bihar Shellac Enquiry Committee. This Committee, it will be recalled, was appointed as far back as 1952 by the State Government, following the severe slump which hit the shellac industry in the State that year. It completed its deliberations and submitted its report in October, 1953. It is more than a year and a half now, and we are told that the State Government has just taken up for consideration the Committee's recommendations.

In the meantime, the industry has pulled on and, fortunately, nothing untoward has taken place. Prices of T. N. Pure Shellac are today standing at about Rs. 134 a maund. This compares with Rs. 194 a maund on the eve of the slump in March, 1952. During the slump that year, it dropped to as low as Rs. 68 per maund. That was in December, 1952. It was to rescue the industry from the effects of the slump that the Committee referred to above was appointed and as its recommendations have been dealt with in detail in *Commerce* dated 24th October, 1953, there is no need to recall them here. But suffice it to say that the recommendations included, among others, (1) ban on export of stick lac, (2) creation of a separate division in the State Forest Department to be in charge of lac development, (3) grant of substantial loan to lac growers, (4) organisation of lac growers' co-operatives, (5) formation of a syndicate by manufacturing units, (6) introduction of licensing of manufactures, (7) establishment of industries such as micanite, oil-cloth, moulding powders, etc., for encouraging domestic consumption of shellac, (8) application of Forward Contract Regulation Act, (9) fixation of minimum and maximum prices of shellac, and (10) the reconstitution of the Central Lac Cess Committee into a central Regulation Board with the States of Bihar, Madhya Pradesh, and West Bengal having direct representation on it.

It is reported that the State Government has consulted the Government of India regarding the various recommendations. It is expected that, with the assistance of the Centre, the Bihar Government will initiate some major steps for the rehabilitation of the shellac industry in the State.

Notices

THE INDORE MALWA UNITED MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 48th Ordinary General Meeting of the Shareholders of The Indore Malwa United Mills, Ltd., will be held at the Mill Premises, Indore, on Saturday the 25th June, 1955, at 3-30 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the audited Balance-Sheet and Profit and Loss Account for the year ended 31st December, 1954.
2. To declare a Dividend.
3. To confirm the contributions as set forth in the Directors' Report.
4. To elect Directors in place of Shri Sitaram Shivnandrai Parasrampuria and Shri Chandmal Lachhmandas, who retire by rotation, but are eligible for re-election.
5. To appoint Auditors for the current year, i.e., for the year 1955, and to fix their remuneration.

The Share Transfer Books of the Company will remain closed from Friday the 3rd June, 1955, to Saturday the 2nd July, 1955, both days inclusive.

By Order of the Board,
GOVINDRAM SEKSARIA (Indore),
Managing and Selling Agents.

N.B.—The Dividend, when sanctioned, will be made payable on and after the 11th July, 1955, to those shareholders whose names stand on the Register of the Company on the 3rd June, 1955, at the Office of the Company, Mill Premises, Indore, upon presentation of Dividend Warrants, which will be posted to each shareholder to his last given address.

THE INDORE MALWA UNITED MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Indore Malwa United Mills, Ltd., will be held at the Mill Premises, Indore, on Saturday, the 25th day of June, 1955 at 4 p.m., or immediately after the proceedings of the 48th Ordinary General Meeting are over, whichever time is later, for the purpose of considering, and if thought fit, passing, with or without modification, the following Resolutions:—

As Ordinary Resolutions

1. "RESOLVED THAT the resignation tendered by Messrs. Govindram Seksaria (Indore), by their letter dated the 4th day of May, 1955, to the Board of Directors of the Company from their office as the Selling Agents of the Company as from the 1st day of July, 1955, without claiming any compensation from the Company and the acceptance thereof by the said Board be and the same is hereby approved."
2. "RESOLVED THAT Messrs. Satyanarayan Sitaram Agarwal, Shrimati Pushpadevi Shrikishan Poddar, Sajjangopal Sitaram Poddar, Ramgopal Sitaram Poddar, Shyamsunder Badridass Seksaria and Ratanlal Madanlal Seksaria, all carrying on business in the firm, name and style of Messrs. Madhya Bharat Textile Agents, Indore (to the benefit of which partnership Shri Rajkumar Seksaria and Shri Nandkumar Seksaria, both minors under the age of 18 years, are admitted) be and they are appointed the Selling Agents of the Company for the period and upon the terms and conditions contained in the Draft Agreement made between the Company of the one part and the said Messrs. Satyanarayan Sitaram Agarwal, Shrimati Pushpadevi Shrikishan Poddar, Sajjangopal Sitaram Poddar, Ramgopal Sitaram Poddar, Shyamsunder Badridass Seksaria and Ratanlal Madanlal Seksaria of the other part submitted to this meeting and for the purpose of identification initialled by the Chairman of the Board of Directors."

As a Special Resolution

'RESOLVED THAT the following Articles of the Articles of Association of the Company be and they are hereby amended as follows:—

1. (*a*) Delete the words "and Selling Agents" after the words "Managing Agents" in the marginal note and the interpretation of "Managing Agents and Selling Agents" in Article 3.

(*b*) Delete the words "and Selling Agents" after the words "Managing Agents" in line 2 of Article 29.

(*c*) Delete the words "and Selling Agents" after the words "Managing Agents" in line 2 of Article 30.

(*d*) Delete the words "and Selling Agents" after the words "Managing Agents" in line 2 of Article 48.

(*e*) Delete the words "and Selling Agents" after the words "Managing Agents" in line 2 of Article 58.

(*f*) Delete the words "and Selling Agents" after the words "Managing Agents" in the heading VIII and the marginal note of Article 82.

(*g*) Delete the words "and Selling Agents" after the words "Managing Agents" appearing in lines 3, 9, 13, 19, 27, 33 and 34 of Article 82.

(*h*) Delete the words "and (*c*) a Selling Agency Commission (which is not to be *del credere*) at the rate of 1½ per cent. on the gross sale proceeds of the goods and other articles manufactured and sold by the Company" between the words "or other special accounts" and "such remuneration to commence" appearing in lines 23, 24 and 25 and the words "including the Selling Agency Commission" between the words "annual Commission" and "such average" appearing in line 35 of Article 82.

(*i*) Delete the words "and Selling Agents" after the words "Managing Agents" in the marginal note and line 2 of Article 83.

(*j*) Delete the words "and Selling" after the word "Managing" appearing in line 10 of Article 83.

(*k*) Delete the words "and Selling Agents" after the words "Managing Agents" appearing in line 2 of Article 97.

(*l*) Delete the words "and Selling Agents" appearing after the words "Managing Agents" in line 2 of Article 102.

(*m*) Delete the words "and Selling Agents" after the words "Managing Agents" in line 6 of Clause XXVII and line 2 of Clause XXVIII of Article 103.

(*n*) Delete the words "or Selling Agents" after the words "Managing Agents" appearing in line 1 of Article 104 and "and Selling Agents" after the words "Managing Agents" in the marginal note to Article 104.

(*o*) Delete the words "and Selling Agents" after the words "Managing Agents" appearing in lines 3 and 4 of Article 116.

(*p*) Delete the words "and Selling Agents" after the words "Managing Agents" appearing in line 1 of Article 117.

(*q*) For the words "Firm of the Managing and Selling Agents" appearing in lines 1 and 2 of Article 146 substitute the words "respective firms of the Managing Agents and the Selling Agents."'

2. Delete Article 84 and substitute the following therefor:—

"The minimum number of Directors shall be four and the maximum number shall be seven including the *Ex-Officio* Directors to be appointed by the Managing Agents."

By Order of the Board,
GOVINDRAM SEKSARIA (Indore),
Managing and Selling Agents.

DATED 18*th May*, 1955.

THE EMPIRE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighty-fifth Ordinary General Meeting of the Shareholders of THE EMPIRE JUTE COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Tuesday, the 21st June, 1955, at 3-0 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 31st December, 1954.
(2) To declare Dividends.
(3) To elect a Director. Mr. J. H. Methold retires by rotation and, being eligible, offers himself for re-election.
(4) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 7th to 21st June, 1955, both days inclusive.

By Order of the Board,
Per Pro McLEOD & Co., LTD.,
W. URE,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 31*st May*, 1955.

Note.—Payment of the proposed dividends, if declared, will be made on or after 28th June, 1955, only to those members whose names are registered in the Books of the Company on the 21st June, 1955, or to their Mandatees.

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

THE PHOENIX MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fiftieth Ordinary General Meeting of the Shareholders of the Company will be held on Monday the 20th June, 1955, at 4-00 p.m. (S.T.) at the Registered Office of the Company, Imperial Bank Building, Bank Street, Fort, Bombay, to transact the following business:

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st December, 1954.
2. To declare a Dividend.
3. To elect two Directors in place of those who retire by rotation, but, being eligible, offer themselves for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

By Order of the Board,
For RAMNARAIN SONS LIMITED,
(Sd.) RAMNIWAS RAMNARAIN,
Director,
Agents.

BOMBAY, 23*rd May*, 1955.

N.B.—The Dividend, if sanctioned, will be made payable at the Company's Registered Office, Imperial Bank Building, Bank Street, Bombay, on and after Monday the 27th June, 1955, to those Shareholders whose names stand on the Register on Wednesday the 27th April, 1955, to whom Dividend Warrants will be posted at their registered addresses. Intimation of any change of address should be given to the Company immediately.

THE TATA IRON AND STEEL COMPANY, LIMITED

NOTICE

THE TRANSFER BOOKS OF THE COMPANY will be closed from Friday the 1st July to Friday the 29th July, 1955, both days inclusive.

The dividends for the year ended 31st March, 1955, when sanctioned, will be made payable to those shareholders whose names stand on the Share Registers of the Company on Friday the 29th July, 1955.

By Order of the Directors,
TATA INDUSTRIES LTD.,
Managing Agents,
J. J. GHANDY,
Director.

BOMBAY, 27*th May*, 1955.

RESULTS OF SOME McLEOD GROUP JUTE COMPANIES IMPRESSIVE

ALEXANDRA AND PRESIDENCY EARN RECORD PROFITS

THE six months ended 31st December, 1954, witnessed somewhat better trading conditions in jute goods than those in some of the previous half-years, with the result that the working hours of jute mills were increased. Many jute mills were able to take good advantage of the prevailing conditions and reap substantially higher profits than those earned in some of the previous half-years. Normal labour conditions also contributed to the successful operations. Nevertheless, the operational success of the mills, as seen from their profits, was not equally encouraging in all cases. This is evidently due to the fact that trading conditions were still difficult. *The audited accounts of four of the* companies (namely, the Alexandra Jute Mills Ltd., the Chitavalsah Jute Mills Co., Ltd., the Nellimarla Jute Mills Co., Ltd., and the Presidency Jute Mills Co., Ltd.) under the management of Messrs. McLeod & Co., Ltd., for the half-year ended 31st December, 1954, bear ample witness to this state of affairs.

The most encouraging performance is provided by the Alexandra Jute, the gross profit of which has advanced to Rs. 9.34 lakhs from Rs. 1.81 lakhs for the previous half-year and Rs. 5.83 lakhs for the corresponding six months of 1953. This profit is probably a record in the history of the Company. The Chitavalsah Jute reports a gross profit of Rs. 8.24 lakhs for the half-year under review, as compared with that of Rs. 4.33 lakhs for the previous six months and Rs. 5.40 lakhs for the half-year ended 31st December, 1953. The Nellimarla Jute has earned a gross profit of Rs. 3.84 lakhs, which is only fractionally better than that (Rs. 3.56 lakhs) for the previous half-year. As compared with that for the corresponding six months of 1953, the profit for the half-year under review actually represents a decline of Rs. 2.63 lakhs. The gross profit of the Presidency Jute amounts to a record of Rs. 7.19 lakhs, *as against* Rs. 1.28 lakhs and Rs. 5.11 lakhs for the previous two half-years under comparison, respectively.

The net profit (after providing for depreciation and taxation) of the Alexandra Jute amounts to Rs. 5.60 lakhs, as compared with Rs. 0.26 lakh and Rs. 3.52 lakhs for the six months ended 30th June, 1954 and the half-year ended 31st December, 1953, respectively. The Chitavalsah has earned a net profit of Rs. 3.22 lakhs, as against Rs. 1.30 lakhs and Rs. 1.29 lakhs for the previous two half-years, respectively. The net profit of the Nellimarla has risen slightly to Rs. 1.21 lakhs from Rs. 1.10 lakhs for the immediately previous six months, but it represents a drop of Rs. 1.47 lakhs from that for the half-year ended 31st December, 1953. The Presidency Jute's net profit, at Rs. 3.17 lakhs, compares very favourably with that of Rs. 0.29 lakh for the previous six months, though it is a shade less than that of Rs. 3.32 lakhs for the corresponding half-year of 1953. It may, however, be noted that both Alexandra and Presidency had not provided anything for taxation in the previous two half-years.

All of them, except the Nellimarla Jute, have been able to set aside something to the reserves. The Alexandra has transferred Rs. 4.40 lakhs to the reserve for machinery renewals and the Chitavalsah Rs. 50,000 for a similar purpose. The Presidency has, in addition to putting by Rs. 1 lakh to the above reserve, *strengthened the general* reserve by Rs. 25,000, while none of the four companies had added anything to any of the reserves six months ago.

Dividend Record

The dividend on ordinary shares of the Alexandra Jute, after being maintained for the previous two half-years at 5 per cent. per annum, has been doubled to 10 per cent. per annum; the Directors have thus restored it to the level paid for the half-year ended 30th June, 1951, after which the Company had remained off the dividend list for four half-years. The dividend on the Chitavalsah shares has been raised to 12½ per cent. per annum from 10 per cent. per annum paid for the previous two half-years. The dividend of the Nellimarla has been maintained at 7½ per cent. per annum for the third half-year in succession. The Presidency Jute has raised the dividend to 7½ per cent. per annum from 5 per cent. per annum paid for the previous two half-years, after remaining off the dividend list for three successive half-years.

It may be noted, in this connection, that Chitavalsah has thus earned the distinction of having maintained an unbroken dividend record for twenty-six half years, that is from the half-year ended 30th June, 1952. The Nellimarla Jute has established a longer record; it has consistently paid a dividend from the half-year ended 30th June, 1941. During the long period of enviable record, the Chitavalsah had distributed the highest dividend of 90 per cent. per annum for the half-year ended 31st December, 1951, followed by a free scrip issue of two shares for one in December, 1953. The performance of the Nellimarla, in this respect, has been even more impressive; for it paid a record dividend of 100 per cent. per annum for the six months ended 31st December, 1951, and distributed a capital bonus of five shares for every two shares in December, 1953.

The salient features of the Companies' profit and loss accounts for the past four half-years are compared in the table appended at the foot of this page, which, studied against the following observations of the Directors in their reports, will give a clear idea of the Companies' progress. The Directors say:

"During the period under review the labour relations were normal. Somewhat better, though still difficult trading conditions obtained throughout the period. Raw jute prices increased steadily at the close of the half-year, because of the anticipated shortage resultant from the flooding and damage previously reported. There was an improvement in heavy goods prices, but this was largely offset by the marked increase in the price of cuttings."

In accordance with the Main and Supplementary Working Time Agreements of the Indian Jute Mills Association, the working hours were 45 per week as from 12th July, 1954, and 48 per week as from 18th October, 1954. However, due to a re-allocation of loom hours on a group basis and the purchase of loom hours, the Alexandra Jute and the Presidency Jute worked 48 hours per week with 12½ per cent. of their total looms sealed up from 12th July, 1954 and 27th September, 1954, respectively. Thereafter, the Alexandra Jute worked 96 hours per week on a double-shift basis, working 250 looms each shift, increasing to 350 looms per shift on 18th October, 1954. The Presidency Jute also commenced working 96 hours per week on a double-shift basis from 27th September, working 230 looms each shift increasing to 300 looms per shift on 18th October, 1954.

Balance-sheets

The latest balance-sheet of the Alexandra Jute shows that, as against a paid-up capital of Rs. 15 lakhs, the reserves and surplus aggregate Rs. 10.44 lakhs. The debenture liability amounts to Rs. 6 lakhs. The current liabilities and provision for taxation aggregate Rs. 33.72 lakhs. The gross block of the value of Rs. 51.49 lakhs has been written down to Rs. 16.17 lakhs. *The current assets amount* to Rs. 48.99 lakhs and exceed the current liabilities and provision for taxation by Rs. 15.27 lakhs.

The reserves and surplus of the Chitavalsah Jute amount to Rs. 29.77 lakhs, as against a paid-up capital of Rs. 35.15 lakhs. The debenture liability stands at Rs. 10.69 lakhs. The current liabilities and provision for taxation aggregate Rs. 19.93 lakhs. The value of the gross block is Rs. 60.73 lakhs, the book value of the same being Rs. 14.72 lakhs. The current assets amounting to Rs. 80.82 lakhs exceed the current liabilities and taxation by a huge margin.

The paid-up capital of the Nellimarla Jute is Rs. 31.25 lakhs, while reserves and surplus aggregate Rs. 24.06 lakhs. There is a mortgage liability of Rs. 5 lakhs. The current liabilities and taxation amount to Rs. 12.72 lakhs. The gross block of the value of Rs. 26.83 lakhs stands written down to Rs. 7.18 lakhs. The current assets amount to Rs. 65.85 lakhs, of which cash balance alone, at Rs. 19.84 lakhs, more than adequately cover the current liabilities and taxation.

The reserves and surplus of the Presidency Jute amount to Rs. 7.27 lakhs against a paid-up capital of Rs. 25 lakhs. The mortgage liability amounts to Rs. 8 lakhs. The current liabilities and provision for taxation stand at Rs. 17.41 lakhs. The gross block of the value of Rs. 80.73 lakhs has been written down to Rs. 16.95 lakhs. The current assets aggregate Rs. 40.74 lakhs and exceed the current liabilities and provision for taxation by Rs. 23.33 lakhs.

The Alexandra and the Presidency Jute Mills propose to modernise a section of the mills. Orders have been placed for the modernisation of sacking weft department and partial modernisation of the sacking warp department of the Alexandra Mill with *sliver spinning machinery at a cost of about* Rs. 9.5 lakhs and for the modernisation of the sacking weft department of the Presidency Jute Mill with *sliver spinning machinery* at a cost of about Rs. 4.5 lakhs. The installation of the machinery is likely to be completed early in 1956.

The Rs. 100 paid-up ordinary shares of the Alexandra are being currently quoted at Rs. 235 *ex-div.*, the Rs. 10 paid-up shares of the Chitavalsah and Nellimarla at Rs. 13-12 *ex-div.* and Rs. 11-14 *ex-div.*, respectively, and Rs. 5 paid-up shares of the Presidency at Rs. 6-13 *ex-div.* At these rates and on the basis of the latest dividends, the yields on the shares are 4.25 per cent. per annum, 9.1 per cent. per annum, 6.3 per cent. per annum and 5.5 per cent. per annum, respectively.

I.C.I. (INDIA) LTD.

A more liberal import policy improved the opportunities of trade with India and, in spite of intense competition, sales of Imperial Chemical Industries' products showed an increase over those for 1953, states the Company's annual report for 1954, just issued in London. The total turnover of Imperial Chemical Industries (India) Ltd. was only a little below the record figure for 1952, and there were particularly satisfactory increases in sales of alkalis, dyestuffs, pharmaceuticals, and plastic products.

The report says that the Company *has always* taken a keen interest in the industrial development of India, and, through frequent visits of technical staff, it keeps under constant review the possibilities of economic local manufacture.

Apart from the operations of Imperial Chemical Industries (India) Ltd. in the mixing and processing of dyestuffs and in the manufacture of "Alkathene" film from imported granules, the Company's subsidiary—the Alkali and Chemical Corporation of India Ltd.—has, for some years, operated successfully near Calcutta, and its products now include chlorine, caustic soda, benzene hexachloride and "Gammexane" formulations, and paints.

According to the report, mention was made last year of the agreement reached in 1953 with the Government of India for the formation of a new company, Indian Explosives Ltd., to manufacture commercial blasting explosives in India. "Much progress was made," says the report, "in the preparatory work for this project, and it is hoped that negotiations over the site with the Government of Bihar will shortly be concluded, so that building can begin."

Proceeding, the report says: "Agreement was reached between the Company and Atul Products Ltd., an Indian company already engaged in the manufacture of certain dyestuffs, for the establishment of a joint company to manufacture jade greens on a portion of the Atul factory site at Bulsar, Bombay State. The Company will provide technical information and advice, and the factory is expected to be in production by the end of 1955."

Turning to Pakistan, the report notes that the continuing restrictions on imports imposed by the Pakistani Government made it a rather difficult year for traders. In the circumstances, it is particularly satisfactory that I.C.I. (Pakistan) Ltd. increased its sales turnover to a figure which almost equalled the record sales of 1952.

The Khewra Soda Company Ltd., in which I.C.I. holds a 70 per cent. interest, had another successful year and achieved a record level of production of soda ash, which met the entire requirements of West Pakistan and part of those of East Pakistan. The question of extending this plant in order to meet the growing demand is under consideration.

	ALEXANDRA				CHITAVALSAH				NELLIMARLA				PRESIDENCY			
	For the half-year ended				For the half-year ended				For the half-year ended				For the half-year ended			
	31-12-54	30-6-54	31-12-53	30-6-53	31-12-54	30-6-54	31-12-53	30-6-53	31-12-54	30-6-54	31-12-53	30-6-53	31-12-54	30-6-54	31-12-53	30-6-53
Sale proceeds	79.40	45.89	56.40	48.98	71.05	66.13	68.51	64.40	45.22	44.63	42.25	44.38	56.39	34.17	41.78	34.11
Stocks	9.00	7.29	4.32	4.92	9.82	12.42	12.82	16.07	8.53	10.20	13.28	11.60	7.79	5.27	4.54	4.17
Expenses	72.34	47.20	50.06	44.77	80.82	62.11	60.86	65.38	40.40	39.18	38.13	38.21	51.88	33.64	37.25	30.94
Gross profit	9.34	1.81	5.83	8.07	8.24	4.33	5.40	7.70	3.84	3.56	6.47	5.13	7.19	1.28	5.11	3.86
Managing Agents' remuneration	0.97	0.40	0.71	0.50	1.43	1.14	1.30	1.08	0.90	0.87	1.02	0.85	1.14	0.63	0.88	0.83
Depreciation	1.92	1.15	1.60	1.52	1.16	1.02	1.35	1.25	0.78	0.78	0.96	0.88	1.17	0.36	0.91	0.91
Taxation	0.85	..	..	..	2.43	0.87	1.45	5.37*	0.95	0.80	1.80	..	1.70	0.29	3.32	2.13
Net profit	5.60	0.26	3.52	1.05	3.22	1.30	1.29	1.87	1.21	1.10	2.68	3.60*	3.17	..	..	..
E.P.T. refund (net)	..	..	0.59	..	..	..	..	..	..	..	..	..	..	..	..	..
Provisions or over-provisions written back	0.25	..	..	..	..	0.30	1.22	..	..	0.05	0.84	..	..	0.25	..	..
Transfer from reserves	..	..	..	..	0.50	..	6.60	..	..	..	4.00	1.00	..	..	0.75	..
To reserves	4.40	..	1.80	..	..	..	9.85	..	..	..	5.50	..	1.25	..	..	..
Dividends—																
Preference	0.31	0.31	1.26	..	0.17	0.17	0.17	0.17	0.15	0.15	0.15	0.15	..	..	..	..
Ordinary	0.30 (10% p.a.)	0.15 (5% p.a.)	0.15 (5% p.a.)	..	1.88 (12½% p.a.)	1.51 (10% p.a.)	1.51 (10% p.a.)†	0.26 (25% p.a.	0.98 (7½% p.a.)	0.98 (7½% p.a.)	0.98 (7½% p.a.)‡	0.75 (20% p.a.)	0.94 (7½% p.a.)	0.62 (5% p.a.)	0.62 (5% p.a.)	..
Carry forward	0.94	0.10	0.31	—0.59	1.62	0.86	0.94	1.06	1.31	1.23	1.21	0.32	1.04	0.06	0.14	—1.80

* Before providing Rs. 5.83 lakhs in the case of Chitavalsah and Rs. 4.62 lakhs in the case of Nellimarla for bonus and dearness allowance for previous years as per Industrial Tribunal Award.
† On the increased capital of Rs. 30.10 lakhs raised by the capitalisation of Rs. 20.10 lakhs out of reserve fund.
‡ On the increased capital of Rs. 26.25 lakhs raised by the capitalisation of Rs. 18.75 lakhs out of the reserve fund.

MINERVA MILL SUFFERS LOSS

EFFECT OF LABOUR AWARD

THE working of the Minerva Mills Ltd. (Managing Agents: Messrs. N. Sirur & Co., Ltd., Bombay) during the year ended 31st December, 1954, has resulted in a loss of Rs. 1.55 lakhs, in distinct contrast to the gross profit of Rs. 6.39 lakhs for the previous year, to which level it had risen from Rs. 0.85 lakh for 1952. The aforesaid loss has swelled to Rs. 3.96 lakhs by the provision of Rs. 2.41 lakhs for depreciation, which has, however, been more than made good by drawing a sum of Rs. 5.45 lakhs from the reserve fund. The Directors have not passed over the dividend either. They propose to distribute a dividend of 5 per cent., as against a distribution of 7 per cent., made up of a dividend of 6 per cent. and a bonus of 1 per cent., for 1953. It may be recalled that the distribution to shareholders was raised last year from a dividend of 5 per cent. paid for 1952 by enhancing the dividend part of it by 1 per cent. and paying a bonus of 1 per cent. This additional dividend and bonus have now been withheld for the year under review, thus restoring the dividend to the 1952 level.

This is the first time in many years that the Company has suffered a loss and even this is not the result of the year's trading. It is due to the payment of an extra sum of Rs. 8.25 lakhs on account of wages and dearness allowance in respect of the two years from last January, 1953, to 31st December, 1954, in terms of the Consent Award of the Industrial Tribunal, Bangalore. But for this additional burden, therefore, the year's trading would have actually shown a profit of Rs. 6.70 lakhs, which would have been the highest since 1949.

The following comparative table provides an idea of the Company's progress in recent years:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Sale proceeds	127.76	145.24	131.47	133.26
Stocks of cloth and yarn	32.00	24.74	36.17	27.78
Cotton, stores, etc., consumed	87.80	85.65	99.06	108.07
Wages and other expenses*	50.03	42.56	39.56	34.91
Gross profit (+) or loss (—)	—1.55	+6.39	+0.85	+2.43
Managing Agents' commission	..	0.66	0.09	..
Depreciation	2.41	2.54	1.08	0.60
Taxation	..	0.26	0.18	0.10
Net profit (+) or loss (—)	—3.96	+1.93	—0.50	+1.73
To provision for bad and doubtful debts	0.04	..	..	..
Transfer from reserves and provisions written back	5.45	2.02	..	..
Dividend	1.48 (D. 5%)	2.07 (D. 6% +D. 1%)	1.48 (D. 5%)	1.78 (D. 6%)
Carry forward	0.09	0.12	0.26	0.25

* Includes Rs. 8.25 lakhs being the wages and extra dearness allowance for the period from 1st January, 1953 to 31st December, 1954, in terms of the Consent Award of the Industrial Tribunal, Bangalore.

It will be noted from the foregoing table that the Company's profit trend has been irregular, evidently due to the uncertain marketing conditions, as indicated by the wavering nature of sale proceeds. Wages and expenses other than consumption of cotton and stores have, on the other hand, been mounting up, with the result that the Company has not been able to plough back anything, let alone assure a steady return to shareholders. As a matter of fact, the Company has not strengthened its reserve fund since 1949. On the other hand, it has withdrawn a sum of Rs. 7.45 lakhs from the reserve fund in the course of the last three years; the last occasion when it did so was two years ago when it nearly suffered a loss.

The Company's paid-up capital remains unchanged at Rs. 29.81 lakhs, of which Rs. 4.93 lakhs represent the sum capitalised out of the reserve fund in 1948. The reserves and surplus aggregate Rs. 19.57 lakhs, of which reserve fund accounts for Rs. 17.08 lakhs, investment reserve for Rs. 90,000 and labour colony fund for Rs. 1.46 lakhs. The current liabilities and provision for taxation aggregate Rs. 98.65 lakhs, of which secured loans from banks constitute Rs. 45.15 lakhs, having risen from Rs. 25.38 lakhs, and unsecured loans Rs. 17.69 lakhs, a decline of Rs. 1.57 lakhs. A substantial part of the unsecured loans—Rs. 13.49 lakhs to be precise—represents fixed deposits. The gross block of the value of Rs. 84.14 lakhs, including an addition of Rs. 8.40 lakhs during the year, has been written down to Rs. 37.31 lakhs. The current assets aggregate Rs. 110.72 lakhs.

The Rs. 100 paid-up shares of the Company are being currently quoted at Rs. 98-8 *cum-div.* On an *ex-div.* basis, the latest dividend provides a yield of 5.34 per cent. per annum, free of tax.

Points From The Chair

Technique and Organising Ability

"OUR planners sometimes forget that 'money' is just a form of accumulated physical labour usefully employed by human intelligence, technique and organising ability. I am purposely using these two words—'technique' and 'organising ability'—because we see in this world that the same amount of human labour and effort do not produce the same amount of wealth in each case. It is the technique and organising ability of a few who are leaders and pioneers in society that produce wealth in geometrial progression. We find that in various countries *living standard is not so much* dependent on physical labour and effort as on technical efficiency and organising ability. It is, in *fact, immaterial to what particular type of socio-*political pattern an independent country subscribed, so long as it retains its initiative and lets the technical efficiency and organising abilities possessed by its leaders in economic field to have their full play for greater and greater good of larger and larger number of persons."

SHANTI PRASAD JAIN,
Rhotas Industries Ltd.

Japanese Shipping

"In my address last year I referred to the increasing participation of Japanese shipping in world trades. I regret to have to report that the rapid expansion of Japanese shipping continues to be a source of concern. It is apparent that the policy of the Japanese Government has been to use its shipping as an instrument of commercial policy. Japanese lines have entered specific trades and, by their competition and conduct, have brought down the rates of freight in those trades to uneconomic levels. I am aware that this is a matter of concern to certain established Japanese shipping companies, with whom we have had friendly relations dating back for many years. I appreciate that Japan, like this country, needs—and has the right to expect—to operate a *mercantile marine. I do not feel, how*ever, that the extensive aid being given by the Japanese Government to their shipping, without *regard to the need for shipping to pay its way,* is in the best commercial interests of Japan. I sincerely trust that those in authority in Japan will come to appreciate that a commercial and shipping policy based on orderly progress and friendship will prove of more lasting benefit than a policy of hasty and aggressive expansion."

SIR WILLIAM C. CURRIE, G.B.E.,
Peninsular & Oriental Steam Navigation Co.

Price of Copper

"It is generally accepted that wide fluctuations in the price of copper are not in the interests of anyone—producers, fabricators or final consumers—and the problem exercising the minds of many people recently has been how to introduce a greater degree of stability into the copper market. It is not an easy question, but some points are clear. The first is that the price at present being obtained by copper producers is an unhealthy one and can only lead in time to an ever-increasing substitution of copper by other materials. The second point is that it is wholly unfair that fabricators, like ourselves, should have to bear so much of the risk of fluctuation in prices, for, whilst fabricators must always have enough metal to keep their factories running, customers naturally tend to hold off when prices are high and to buy when prices are lower. The position is equally unsatisfactory from the customers' aspect in the difficulty they must have in planning any major scheme involving a substantial amount of copper when they have little, if any, idea of the prices they may have to pay ultimately for the metal."

W. H. MCFADZEAN, C.A.,
British Insulated Callender's Cables Ltd.

Competition from Synthetic Rubber

"The Government-owned synthetic plants in the U.S.A. have recently been sold to leading rubber, chemical, and oil companies. The new owners of the plants are so far offering their products for sale at about the price level ruling before the transfer. We must expect to see private enterprise improve the synthetics and to some extent probably cheapen them. The plantations can produce cheaply too; this Company has shown in the last few years how keenly we can compete. It must be our business by well-directed research to put ourselves in a position also to offer our rubber in forms more attractive to special users."

SIR ERIC MACFADYEN,
Lanadron Rubber Estates, Ltd.

Marine Insurance in the U.K.

"In the shipbuilding industry in 1954, British yards have launched the highest tonnage since 1930, and no less than eight ships of 20,000 tons and upwards have gone down the slipways. However, in spite of the considerable number of new ships that are going into service, many obsolete vessels still remain in commission, which are a potentially heavier risk to the underwriter, and more firmness by the market in agreeing to insure these vessels on restricted conditions only would lead to a healthier state all round. The cargo business rates have been further reduced during the past year, owing to intense competition. Claims arising from extraneous risks continue to absorb a large proportion of the premium, with the result that, at the low levels now prevailing, the amount left is inadequate to meet losses arising from fire and perils of the sea."

LT.-COL. JOHN LESLIE,
Commercial Union Assurance Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

KYANG TEA SEED CO., LTD. Annual General Meeting, Calcutta 8th June, 1955. Transfer books remain closed from 2nd to 8th June, 1955, both days inclusive.

SENDRA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 10th June, 1955. Dividend: As. 2 per share. Transfer books remain closed from 27th May to 10th June, 1955, both days inclusive.

BRIDGE AND ROOF CO. (INDIA) LTD. Half-yearly General Meeting, Calcutta, 10th June, 1955. Dividend: As. 12 per share. Transfer books remain closed from 3rd to 10th June, 1955, both days inclusive.

MYSORE CHEMICAL MANUFACTURERS LTD. Annual General Meeting, Bangalore, 11th June, 1955. Dividend: Rs. 2 per share, payable after 11th June, 1955. Transfer books remain closed from 28th May to 11th June, 1955, both days inclusive.

MINERVA MILLS LTD. Annual General Meeting, Bombay, 15th June, 1955. Dividend: Rs. 5 per share, payable on and after 22nd June, 1955. Transfer books remain closed from 20th May to 14th June, 1955, both days inclusive.

BENGAL BHATDEE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 16th June, 1955. Dividend: As. 2 per share. Transfer books will remain closed from 9th to 16th June, 1955, both days inclusive.

BHARAT LINE LTD. Annual General Meeting, Bhavnagar, 16th June, 1955. Transfer books remain closed from 16th May to 14th June, 1955, both days inclusive.

ALBION JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 17th June, 1955. Dividend: Rs. 6 per share. Transfer books will remain closed from 10th to 17th June, 1955, both days inclusive.

NENMENY RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Kottayam, 18th June, 1955. Dividend: Re. 1-8 per share. Transfer books will remain closed from 14th to 18th June, 1955, both days inclusive.

THAMARAPALLY RUBBER CO., LTD. Annual General Meeting, Kottayam, 18th June, 1955. Dividend: Rs. 3 per share. Transfer books will remain closed from 14th to 18th June, 1955, both days inclusive.

PHŒNIX MILLS LTD. Annual General Meeting, Bombay, 20th June, 1955. Dividend: Rs. 8 per share, payable on 27th June, 1955.

PODAR MILLS LTD. Annual General Meeting, Bombay, 21st June, 1955. Dividend: Rs. 10 per share. Transfer books will remain closed from 17th to 30th June, 1955, both days inclusive.

DAWN MILLS LTD. Annual General Meeting, Bombay, 21st June, 1955. Dividend: Rs. 6 per share, payable on 28th June, 1955.

TEXTILE MACHINERY CORPORATION LTD. Annual General Meeting, Calcutta, 24th June, 1955. Transfer books will remain closed from 11th to 24th June, 1955, both days inclusive.

EDWARD TEXTILES LTD. Annual General Meeting, Bombay, 9th July, 1955. Transfer books will remain closed from 11th June to 9th July, 1955, both days inclusive.

HIGHLAND PRODUCE CO., LTD. Dividend of Rs. 2-8 per share, for the year ended 31st December, 1954.

COMPANY REGISTRATIONS

ELDEE VELVET AND SILK MILLS LTD. (First Director: Mr. L. D. Nayar.) Business: Cotton and silk mercers, velvet makers, etc. Authorised capital: Rs. 20,00,000. Private company. Address: Delisle Road, Bombay.

FAR EASTERN AGENCIES LTD. (First Director: Mr. S. K. Dutta.) Business: Importers and exporters. Authorised capital: Rs. 10,00,000. Public company. Address: P—14, Mission Row Extension, Calcutta.

NIRMAL TRADING CO., LTD. First Director: Mr. Prahladdas Mundhra.) Business: Dealers in paddy, rice, etc. Authorised capital: Rs. 10,00,000. Public company. Address: 9, Jagmohan Mullick Lane, Calcutta.

AGRO-INDUSTRIAL CORPORATION LTD. (First Director: Mr. Appasaheb Tulajaramrao Nimbalkar.) Business: Manufacturers and dealers in *gur*, sugar, all sorts of agricultural products, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Kolhapur, Laxmipuri, Kolhapur.

LIZA HILL TEA ESTATE LTD. (First Director: Mr. Reba Bhawmick.) Business: Planters, cultivators of tea, etc. Authorised capital: Rs. 5,00,000. Private company. Address: East Road, Jadavpur, Calcutta—32.

HIGHLAND PRODUCE DOUBLES DIVIDEND

MYSORE CHEMICALS' PROFIT HIGHER

Highland Produce Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. A. V. Thomas and Co., Ltd., Alleppey) submit the audited accounts of the Company for the year ended 31st December, 1954.

The tea crop secured during the year amounted to 10,13,270 (9,11,800) pounds, of which Pasuparal Estate accounted for 4,16,270 (4,02,700) pounds and Carady Goody Estate 5,97,000 (5,09,100) pounds. Thus the tea crop harvested was quite satisfactory.

Cardamom.—The cardamom crop harvested during the year was 10,700 (6,385) lbs.

Cost of Production.—The f.o.b. cost for the year was Rs. 1-0-5 against an estimate of Rs. 1-1-6 per lb. and the all-in cost was Rs. 1-12-4 per lb. as against last year's figure of Rs. 1-9-9. The net average price realised was Rs. 2-3-8 as against Rs. 1-12-3 for 1953.

The net profit for the year amounted to Rs. 6,64,629 (Rs. 3,19,494) after providing for depreciation on buildings, machinery, etc., and after reserving a sum of Rs. 4,75,000 (Rs. 1,90,000) for taxation. This profit together with the previous year's carry forward of Rs. 57,291 (Rs. 80,796) makes a total of Rs. 7,21,920 (Rs. 4,00,291). Out of this, Rs. 18,000 (Rs. 18,000) towards preference dividend for the year and Rs. 1,12,500 (Rs. 90,000) as interim dividend of 6¼ (5) per cent. on the ordinary shares on account of 1954 amounting in all to Rs. 1,30,500 (Rs. 1,08,000) have already been paid, leaving a balance of Rs. 5,91,420 (Rs. 2,92,291) available for distribution which the directors recommend be disposed of as under:—

By payment of 18¾ (7½) per cent. final dividend on ordinary shares (making 25 (12½) per cent. for the year), Rs. 3,37,500 (Rs. 1,35,000), by transfer to dividend equalisation fund (making in all Rs. 2,50,000) Rs. 1,00,000 (*nil*), employees welfare fund Rs. 50,000 (*nil*), by transfer to general reserve fund (making in all Rs. 4,80,542-8-0) Rs. 50,000 (Rs. 1,00,000) and carry forward Rs. 53,920 (Rs. 57,291).

Crop estimate for 1955:—

	Tea. lbs.	Cardamom. lbs.
Pasuparai	3,75,000	—
Carady Goody	5,50,000	10,000
Total	9,25,000	10,000

The tea prices appear to have reached the peak in 1954, but in 1955 there has been a steady and serious drop in the prices obtained at the auctions generally.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,00,000	Block ...	18,20,518
Reserves ...	7,95,543	Stock-in-trade ...	3,30,381
Provision for taxation ...	4,75,409	Stores and spares ...	1,10,572
Liabilities ...	1,80,241	Other assets ...	33,595
Profit and loss account ...	5,91,420	Debts, deposits and advances ...	1,43,138
		Investments ...	2,53,118
		Cash ...	14,51,291
Rs.	41,42,613	Rs.	41,42,613

Mysore Chemical Manufactures, Ltd.

The directors of the above Company (Managing Agents: Messrs. Krishna and Co., Ltd., Bangalore) submit the audited accounts of the Company for the year ended 31st March, 1955.

After providing a sum of Rs. 47,174 (Rs. 32,680) for depreciation and Rs. 98,264 (Rs. 48,898) for taxes (Rs. 92,000 (Rs. 43,000) for income-tax and Rs. 6,264 (Rs. 5,898) for sales tax) and writing off Rs. 28,781 (*nil*) being the loss on the sale of investments out of the current year's profits, the net profit of the Company amounts to Rs. 83,086 (Rs. 64,626) which, together with the balance of Rs. 57,514 (Rs. 42,388) brought forward from last year's account makes up a total of Rs. 1,40,600 (Rs. 1,07,014) which the directors propose to dispose of as follows:—

In payment of a dividend of 6 per cent. per annum for the year under report on 20,000, 4 per cent. cumulative preference shares free of income-tax Rs. 12,000 (Rs. 12,000), in payment of a dividend of 20 (12½) per cent. per annum for the year under report on 30,000 ordinary shares, free of income-tax Rs. 60,000 (Rs. 37,500) and in carrying forward to next year's account Rs. 68,600 (Rs. 57,514).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	1,96,461
Reserves ...	4,00,000	Stock-in-trade ...	81,494
Provision for taxation ...	1,08,199	Stores ...	1,61,897
Liabilities ...	1,11,348	Other assets	33,992
Profit and loss account ...	1,40,600	Debts, deposits and advances ...	1,97,568
		Cash ...	5,88,735
Rs.	12,60,147	Rs.	12,60,147

Thamarapally Rubber Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. George and Co., Ltd., Kottayam) submit the audited accounts of the Company for the year ended 31st December, 1954.

The area under mature rubber is 467.00 acres and coconut, cashew, etc., is 67.78 acres. Both Thamarapally and Maliyakal Estates are reported to be in good condition.

Crop and prices.—The rubber crop secured during the year was 2,29,775 (2,39,123) lbs. at 51.99 (52.96) cents against an estimate of 2,25,000 lbs. at 60 cents per pound. The crop estimated for 1955 is 2,28,000 lbs. at 62.94 cents per pound. The rubber crop was sold at an average price of 127.37 (124.70) cents per pound.

The net profit, after providing for depreciation, taxes, managing agents' remuneration, etc., is Rs. 82,288 (Rs. 91,040). To this has to be added the balance from last year of Rs. 13,303 (Rs. 41,669) making a total of Rs. 95,590 (Rs. 1,32,709) from which is deducted dividend on preference shares for 1954, paid in February, 1955 Rs. 4,875 (Rs. 6,906). The directors now recommend the payment of a dividend of 30 (30) per cent. on the ordinary shares Rs. 75,000 (Rs. 75,000) leaving a balance of Rs. 15,715 (Rs. 13,303 after setting apart Rs. 37,500 to dividend equalisation fund) to be carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,25,000	Block ...	5,01,692
Reserves ...	2,37,500	Stock-in-trade ...	45,747
Provision for taxation ...	55,405	Stores and spare parts	4,366
Liabilities ...	17,481	Other assets	160
Profit and loss account ...	95,590	Advances ...	1,495
		Cash ...	1,77,516
Rs.	7,30,976	Rs.	7,30,976

Nenmeny Rubber and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. George and Co., Ltd., Kottayam) submit the audited accounts of the Company for the year ended 31st December, 1954.

The area under mature rubber is 1,316.35 acres, immature rubber 50.00 acres, tea 11.00 acres and coconut 25.50 acres. 86.55 acres of immature rubber in Eldorado Estate was brought under tapping in 1954.

Crop and prices.—The rubber crop secured during the year was 5,18,364 (5,36,211) lbs. at 78.78 (75.45) cents against an estimate of 5,60,000 lbs. at 89.95 cents per pound. The shortfall in crop is due to the unfavourable weather conditions and the complete stoppage of tapping on Sundays. The crop estimated for 1955 is 5,60,000 lbs. at 89.77 cents per pound. The average price realised was 134.84 (125.25) cents per pound. A portion of the crop was sold as sole crepe.

The net profit after providing for taxes, managing agents' remuneration, etc., is Rs. 1,16,915 (Rs. 1,07,227) to this has to be added the balance from last year of Rs. 42,480 (Rs. 31,378), making a total of Rs. 1,59,396 (Rs. 1,38,605) from which is deducted preference dividend for 1954 paid in February 1955, Rs. 21,000 (Rs. 21,000), leaving a sum of Rs. 1,38,396 (Rs. 1,17,605). The directors now recommend 15 (7½) per cent. dividend on the ordinary shares Rs. 50,250 (Rs. 25,125) and transfer to debenture redemption reserve Rs. 75,000 (Rs. 50,000), leaving a balance of Rs. 13,146 (Rs. 42,480) to be carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,35,000	Block ...	12,86,191
Debentures ...	3,50,000	Stock-in-trade ...	2,79,063
Reserves ...	2,06,000	Stores and spares ...	33,197
Provision for taxation ...	75,001	Other assets	15,578
Liabilities ...	2,11,492	Debts, deposits and advances ...	18,197
Profit and loss account ...	1,59,396	Cash ...	4,663
Rs.	16,36,889	Rs.	16,36,889

THE INDIAN

OVERSEAS BANK LTD.

MADRAS

We have pleasure in announcing that a Branch of the Bank will be opened in Hong Kong on 9th June 1955.

C. P. DORAIKANNU,

General Manager.

Sendra Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1954.

Coal raised and sold.—Raisings for the period 1st July, 1954 to 6th October, 1954 inclusive (i.e., prior to the transfer of the colliery) totalled 33,927 (67,480) tons. By arrangement with the purchasers the Company continued to dispose of their remaining coal stocks throughout the period under review, and 66,748 tons of coal were sold, compared with 61,059 tons during the preceding half-year.

Colliery.—As approved by the resolution passed at the extraordinary general meeting held on 30th November, 1954, the Company's colliery has been sold to Messrs. Hind Shippers, Ltd. The directors report that the transfer of the property, particularly as regards the labour force, proceeded smoothly. It is expected that completion of the deed of sale—at present awaiting the formal approval of the authorities—will be effected shortly.

Karanpura Mining Syndicate.—During the half-year ended 31st December, 1954, 66,571 (74,888) tons were raised and 65,780 (68,186) tons were despatched.

The secretaries report that rail movement has become somewhat easier recently but wagon supplies are not yet on a par with the output capacity of the mine.

The profit and loss account, after providing Rs. 15,008 (Rs. 14,089) for taxation and including the debit balance of Rs. 1,22,722 (Rs. 1,59,849) brought forward from last half-year, shows an available balance of Rs. 48,443 (debit of balance of Rs. 2,06,478) which it is proposed to dispose of as follows:—

In paying a dividend on the ordinary shares at the rate of 2½ (*nil*) per cent. per annum without any deduction for income-tax paid by the Company Rs. 10,000 (*nil*) and in carrying forward Rs. 38,443 (debit of Rs. 2,06,478).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	23,624
Debentures	2,00,000	Coal stock	81,611
Reserves ...	5,60,754	Stores ...	4,765
Provision for taxation ...	15,000	Debts and advances ...	17,64,933
Liabilities ...	4,48,523	Investments	1,77,074
Profit and loss account ...	38,443	Cash ...	10,713
Rs.	20,62,720	Rs.	20,62,720

Futwah-Islampur Light Railway Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st March, 1954.

The gross earnings for the half-year were Rs. 2,33,409 (Rs. 2,04,350) which is Rs. 29,059 (Rs. 13,511 less) more than the earnings of the corresponding period ended 31st March, 1953. There are increases of Rs. 18,168 (decrease of Rs. 24,513) under coaching and Rs. 10,805 (Rs. 10,714) under goods. The working expenses for the half-year were Rs. 3,44,590 (Rs. 3,45,785) which is Rs. 1,195 (Rs. 91,210 more) less than the figure for the corresponding period ended 31st March, 1953. There was a deficit of Rs. 1,11,181 (Rs. 1,41,435) in net earnings.

The net profit for the year was Rs. 11,456 (Rs. 11,442) to which was added the balance brought forward of Rs. 4,231 (Rs. 4,090), making a total of Rs. 15,687 (Rs. 15,532).

The directors paid Re. 0-15-9.6 (Re. 0-15-9) per share representing a dividend at the rate of 3½ (3¼) per cent. per annum for the half-year less tax Rs. 11,353 (Rs. 11,318) and carried forward Rs. 4,334 (Rs. 4,214).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,49,900	Block ...	15,83,943
Reserves ...	1,67,842	Stores ...	17,885
Provision for taxation ...	17,570	Other assets	4,24,900
Liabilities ...	11,70,153	Debts, deposits and advances ...	3,29,773
Net revenue account ...	15,687	Investments	84,205
		Cash ...	78,446
Rs.	25,21,152	Rs.	25,21,152

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

MONEY STEADY

(From Our Own Correspondent)

BOMBAY, 1st *June*

Conditions in the short-term money market remained steady during the week under review, with no further appreciable improvement in the supply of funds. There was no keen demand for money either; however, the available funds were fully usable. Consequently, the money rates remained largely unchanged at the previous week's levels. Inter-bank call money was done at 2½ per cent. among the Exchange banks and big Indian banks, though stray transactions were reported at 2¼ per cent. also after clearing hours. Business among the smaller Indian banks was put through at 2½ per cent. House money continued to fetch 3 per cent., as also short-term deposits for 1 to 6 months.

Offers to this week's sale of Government of India three months' Treasury Bills disclosed a notable rise at Rs. 229.50 lakhs, as against Rs. 155 lakhs in the previous week. The average rate of accepted tenders, which had gone up by one pie to Rs. 2-9-1 per cent. per annum last week, declined to Rs. 2-9 per cent. per annum this week.

The Reserve Bank of India's statement for the week ended 27th May, 1955, discloses no notable features. The notes in circulation have contracted by Rs. 6.32 crores and this is the second week in succession for which there has been a decline in this portfolio, the aggregate fall for the two weeks being Rs. 15 crores. Notes held in the Banking Department are up by Rs. 6.58 crores, the net rise in total notes issued (Rs. 26 lakhs) being covered on the assets side by a similar increase in rupee coin. In the Banking Department, the deposits of the Central Government show a small decline of Rs. 60 lakhs and those of other Governments Rs. 83 lakhs. There has been a fall of Rs. 1.41 crores in deposits of banks. On the assets side, balances held abroad are down by Rs. 5.12 crores. Loans and advances are unchanged, but other loans and advances have gone down by Rs. 4.69 crores, of which advances to Scheduled banks against usance bills account for Rs. 4.48 crores. Though there have been fresh borrowings by banks against usance bills to the extent of Rs. 4.38 crores during the week, the outstanding borrowings have been reduced by Rs. 4.48 crores.

A further improvement in the deposits of Scheduled banks is shown by the statement for the week ended 20th May, 1955. Demand deposits account for an increase of Rs. 4.74 crores and time deposits for Rs. 1.44 crores. Inter-bank borrowings also have risen by Rs. 1.97 crores. Borrowings from the Reserve Bank and the Imperial Bank have, on the other hand, declined by Rs. 3.84 crores and Rs. 67 lakhs, respectively.' A drop of Rs. 4.18 crores is noted in advances and of Rs. 85 lakhs in inland bills purchased and discounted. Foreign bills purchased and discounted have, however, gone up by Rs. 1.38 crores. Investments are almost unchanged. Cash on hand and balances with the Reserve Bank are together higher by Rs. 2.12 crores. Balances with other banks in current account have declined by Rs. 68 lakhs, while money at call and short notice have risen by Rs. 2.67 crores.

The Gilt-edged market appeared to be well groomed during the week under review, to receive the new Government of India loan, an announcement regarding which is expected at any time now. There was a further rise in the official selling price of two securities during the week. Thus, the Reserve Bank put up its rate for 3 per cent. 1966-68 by As. 2 to Rs. 91, and for 3 per cent. 1970-75 by an anna to Rs. 87-2. There were buyers for most of the securities, but, due to paucity of sellers, the volume of business was small. 3 per cent. 1957 had business at Rs. 99-8¼. 3 per cent. 1958 had buyers at Rs. 99-7. 3 per cent. 1959-61 picked up As. 2 to Rs. 97-14. 3 per cent. 1963-65 was quoted today at Rs. 94-1 *ex-voucher*, as against Rs. 94-3 a week ago. 3 per cent. 1964 was wanted an anna better at Rs. 94-1 due to proximity of interest payment. 3 per cent. 1966-68 was in request at Rs. 90-15½, though the official price was Rs. 91. 3 per cent. 1970-75 was in demand at Rs. 87-1½. 3 per cent. 1986 Conversion Loan was depressed, with sellers predominating. It was on offer at Rs. 80-8, as against Rs. 80-11 a week ago. 3½ per cent. 1961 National Plan Bond was quoted at Rs. 99-14 *ex-voucher*. 3½ per cent. National Plan Loan 1964 was unchanged at Rs. 98-12.

In the foreign exchange section, the most outstanding development of the week was the reported decision of the Reserve Bank to allow free trading in all currencies, with the exception of the pound sterling, the U.S. and Canadian dollars and the Pakistani rupee, with effect from the 15th inst. No official announcement has, however, been made. There was no change in the rupee-U.S. dollar exchange rate. Sterling, however, ruled weak in terms of the dollar with a further drop in values. Thus, in New York, spot sterling moved down from $2.79 11/32-2.79 13/32 to $2.79 3/16-2.79 5/16, forward sterling (three months) from $2.78 1/16-2.78 3/16 to $2.77¼-2.78 and transferable sterling from $2.77 1/8-2.77½ to $2.77 1/16-2.77 3/16.

HIDES QUIET

(From Our Own Correspondent)

MADRAS, 30th *May*

Due to *Ramzan* holidays, the hides market in Madras remained quiet during the week. Arrivals were small and offtake meagre. U.K. buyers were testing the market with lower prices, but shippers did not fall in with importers' idea of prices. Tanners are of the view that there is no need to take lower prices in view of the strength in the raw section.

In the tanned skins section also, the market was quiet. There were a few enquiries from Japan for lining sheep and from the Continent for superior tanned goat at last prices.

FORWARD BULLION DULL

(From Our Own Correspondent)

BOMBAY, 1st *June*

The forward section of the bullion market ruled dull during the week under review, with price fluctuations confined to a narrow range. The undertone, however, remained steady. The notable development of the week was a slight weakening of the ready section in both the metals. The waning demand due to approaching end of the busy season and the heavy arrivals of unrefined silver were the main factors responsible for the weakness of this section. Thus, the premium which ready silver (Mint) commanded over the forward (*Jeth* settlement) narrowed from Rs. 4-8 at the close of last week to Rs. 1-4 today and that of ready gold from Rs. 3 to Rs. 2-2.

Silver for forward delivery in *Jeth* settlement reacted early in the week from Rs. 161-2 to Rs. 159-12, due to slackening of bullish enthusiasm on reports of heavy arrivals of *kutcha* silver and the widening backwardation charges. There was, however, a slow recovery to Rs. 160-12 on Monday this week on rumours of the formation of bull syndicate. After receding to Rs. 160-5 yesterday, forward silver revived to close at Rs. 161-3, today. *Ashad* silver moved down from Rs. 155-2 to Rs. 153-8, before coming up to close at Rs. 154-12. *Shravan* silver reacted from Rs. 152 to Rs. 151-3, but recovered to Rs. 152-9 at the close.

Ready silver (.996 Mint) slumped from Rs. 165-10 to Rs. 161-12, but gathered strength at the close to Rs. 162-7. The floating stocks of silver are estimated at 700 bars. The daily average offtake was 15 bars.

Gold for forward delivery in *Jeth* settlement lost ground in the earlier part of the week from Rs. 92-8 to Rs. 90-12, sentiment having been affected by the decline in offtake in the ready section and by rumours that gold on behalf of a former princely State might be offered through official sources. These rumours having proved false later on, it improved to Rs. 92-2 today, the shortage of Kolar gold stocks further assisting the trend. *Ashad* gold declined from Rs. 89-14 to Rs. 88-7, but improved to Rs. 89-2 at the close. After a reaction from Rs. 88-6 to Rs. 87, *Shravan* gold gathered strength to Rs. 87-9 at the close today.

Ready gold opened at Rs. 95-7, but fell back to Rs. 92-12 on slackening demand and larger arrivals. Thereafter, there was a good recovery to Rs. 94-4 today, before closing at Rs. 93-15. The floating stocks of gold are reported to be 10,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was 2,500 tolas on an average.

In London, silver prices were unchanged at 78¼d. for spot and 78¼d. for forward. Gold reacted from £12 10s. 11d. to £12 10s. 9½d., but the loss was more than made good when it closed yesterday at £12 10s. 11½d. In New York, the price of silver was raised from 90½c. to 90¾c. the highest level in the last thirty-five years.

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

	1-6-55	Highest	Lowest	25-5-55
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	93 15	95 8	92 12	94 14
Forward*	91 13	92 8	90 12	91 15
Sovereign	60 8	60 12	60 6	60 8
SILVER				
Ready (.996 fine Mint) ..	162 7	165 3	161 12	165 10
Forward†	161 3	161 4	159 12	161 2
London Silver Ready ..	78¼d.	—	—	78¼d.
London Forward	78¼d.	—	—	78¼d.
London Gold	£50.11¼d.	£50.11¼d.	£50. 9½d.	£50. 11d.
New York Ready	90¼c.	90¾c.	90½c.	90¾c.

* *Jeth*—7th June settlement.
† *Jeth*—9th June settlement.
N. B.—Foreign bullion prices shown in the above table relates to the previous day.

TEAS ACTIVE

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, 26th *May*

There has been no sale in Cochin this week, sale 11 having been postponed until 31st May. The market has been rather more active during the week with unsold teas from sales 8, 9 and 10 moving steadily at market rates. Heavy rains during the past 10 days will affect crops in all districts, unless a period of sunny days is experienced.

London Market:—Sale of 23rd May—Better tone. Good tea considerably dearer. Commons about 1d. up.

Sale of 24th May—Good demand. Best sorts 3d. to 4d. dearer. Mediums irregular. Commons firmer.

Colombo Market:—Good demand. Middle East and best quality teas fannings firm, except tip brokens with poor leaf and liquor declined 20 cents. Fewer withdrawals.

Calcutta Market:—No sale this week.

Export Quota:—1955-56 quota stands at 60 pies buyers with sellers scarce. Transactions have practically concluded in special licence as they expire on 31st May.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:

"*Sale* 11:—Approximately 1,600,000 lbs. Strong general demand all grades, particularly from internal buyers. Prices have advanced irregularly As. 2. Well made black leaf very strong and considerably dearer. Poor and stalky descriptions about one anna dearer."

COTTON LOSES EARLY GAINS

(From Our Own Correspondent)

BOMBAY, 1st *June*

With the I.C.C. May Contract having gone off the boards of the East India Cotton Association on Wednesday last, trading in the cotton futures market this week was confined only to August delivery. A notable feature of the trading was that the sentiment of operators was somewhat bright till two days ago on expectations of a steady trend in cotton prices in the ensuing weeks, thanks to three important considerations. First, the operators felt that there would be a broadening of enquiries among overseas interests in Indian cotton, owing to liberalisation in the Government of India's export policy announced last week. There were already indications of Liverpool enquiring about certain varieties of Indian cotton. Cotton circles also envisaged better prospects of business from Hong Kong, Shanghai, Spain, Italy and Australia. Secondly, it was rumoured that the Union Government had already made up its mind with regard to reduction in export duty on cotton and an announcement to that effect was considered imminent. Thirdly, there were possibilities of the grant of a further export quota for cotton yarn.

After exhibiting a firm trend during the first three sessions of the week under review, the cotton futures market staged a setback on Monday which persisted practically till the close today. The initial firmness was aided by reports of very good offtake in the piecegoods market and encouraging advices from the spot section. In addition, reports of bullish fervour in upcountry cotton markets, particularly in Punjab, and hopes of a reduction in export duty on cotton also influenced the sentiment of the market favourably. Buying support ensued, as a consequence, and prices registered a distinct improvement. The upward trend was, however, halted on Monday when, on account of disappointment over the delayed announcement regarding the export duty, the market experienced a reaction. The reaction became more pronounced today, following nervous liquidation and short selling, and prices continued their downward march. Much of the earlier gains was lost, but the closing quotation today was higher than that at the end of last week.

I.C.C. August opened the week at Rs. 577, as against Rs. 573-4 last week-end. It gradually improved to Rs. 584-8 on Saturday, but receded to Rs. 573-3 today before finishing at Rs. 577-8.

In the spot section, there was revival of mill and trade demand. Jarillas, Surtis, Vijays, Morvis and Wagads were particularly sought after. Among exportable styles, Zoda cotton and old lots of Bengals met with enquiries. C.P. 1 and 11 varieties were also favoured. There were rumours that some business in Vijays had been done with Hong Kong. The samples of this variety are understood to have been approved by the *ad hoc* Committee. Traders are now awaiting response from abroad. In the foreign section, ready Africans were in moderate demand. Jinja cotton evoked some mill interest. Sudan "S" cotton attracted a few buyers. Egyptians and Americans were practically neglected.

The latest available quotations from the Sewri market are: Bengal *deshi* Rs. 540; Berar Jarillas Rs. 605; Khandesh Rs. 390; Vijay Rs. 765; Oomra *deshi* Rs. 540; Moglai Rs. 520.

At Alexandria, there was moderate spot demand for all varieties of cotton. Medium grades of Karnak for May-June delivery also evoked buying enquiries. Spain is reported to have purchased 2,600 bales of Karnak. Entitlement premiums have eased slightly, with U.S. dollars fetching 13½ per cent., sterling 10 per cent. and Deutschemarks 12 per cent. The new crop Egyptian cotton has been making satisfactory progress. Sowings, it is said, are 10 to 15 days earlier than those last year and the area under cotton cultivation is larger by 10 to 15 per cent.

With a view to making cotton readily available to "potential" buyers, the Sudan Gezira Board has decided to hold auctions for all unsold lots, each day from Tuesday to Saturday, instead of once every week. The bid can be for a minimum of 100 bales and at a price not below the reserve price. All the better grades of "S" cottons having been sold out, the grades now available are G2S and lower. At the auctions held on the 20th and 21st inst., 750 bales G2S, 300 bales XG3S, 1,479 bales G3S, 1,500 bales XG4S, 1,550 bales G4S, 900 bales XG5S, and 2,100 bales G5S were sold. Among "L" cottons, only 200 bales G3L were sold.

The Liverpool cotton futures market ruled quiet during the week under review also. The volume of transactions was very much limited, as operators preferred to await the announcement of the U.S. official policy for cotton exports in the ensuing season. There was, however, some selling in evidence against trade purchase of Nigerian cotton. Prices tended to look down, light hedge selling offsetting purchases on account of mill fixing. The fall would have been more marked but for American buying and trade fixing on Friday last, in which there were only light offerings. The latest available quotations from the Liverpool futures market are: July-August 31.23d; October-November 30.34d; December-January 30.20d.

The easy trend depicted by the New York cotton futures market last week gathered further momentum this week. There were liquidation and offerings by New Orleans, reflecting improved cotton crop outlook, following recent rains, together with continued uncertainty over U.S. cotton export policy for the next season. Values eased in late dealings under scattered liquidation, coupled with selling in May credited partly to foreign interests.

The U.S. Department of Agriculture has set up an eight-man committee consisting of 5 shippers and 3 producers to advise the Department on the ways and means of making effective the cotton

export programme which the Department is to submit to the Committee. Available indications are that direct subsidies or sales at world prices may not form a part of the proposed plan designed to liquidate the U.S. cotton surplus. Speaking at Mississippi last week, the Assistant Secretary of State, Mr. Samuel Waugh, made it abundantly clear that the Administration's policy was to protect the economies of the friendly nations which depended chiefly on cotton and other agricultural products for export income. Notwithstanding this assurance, opinion among informed quarters persists that there may be indirect subsidies through extension of the scope of Public Law 480 which will have provided for export of some 500,000 bales of cotton by the end of this season. Multiple country deals, such as those recently concluded between Pakistan and Japan, may also become a regular feature. The long-term plan may include lower farm prices and efforts at expanding the present scope of Public Law 480.

The Board of Directors of the New York Cotton Exchange (N.Y.C.E.) has adopted several changes in its contract for the future delivery of cotton. The changes proposed are: (1) New contract will provide for basis staple of 1", whereas the current contracts are basis 15/16" staple; (2) cotton upto minimum 29/32" staple will be tenderable; this will eliminate delivery of 7/8" cotton, which is permissible at present; (3) premium for 1 1/32" cotton will be increased to 100 per cent. of the commercial differences over 1" quoted at the designated markets, while in the case of 1 1/16" and longer staple cotton, the full premium for 1 1/32"+75 per cent. of the difference between 1 1/32" and 1 1/16" will be allowed; (4) micronaire test reading of 3.5 will be required. The changes, if approved by the members of the N.Y.C.E., will become effective beginning with the October 1956 contract. The Board of Directors of the New Orleans and Memphis Cotton Exchanges have approved a new futures contract on similar lines.

The final estimate of the American cotton crop for 1954-55 has just been issued by the U.S. Department of Agriculture. The area sown to cotton is placed at 19.79 million acres and production at 13.68 million bales (500 lbs. each) from a harvested acreage of 19.25 million acres. These figures compare with a production of 16.47 million bales from a harvested acreage of 24.34 million acres in the previous season. The yield per acre is estimated at 341 lbs.—a record—as against the previous record of 324 lbs. in 1953-54.

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

(In cents per lb.)

	31-5-55	24-5-55	17-5-55
Spot	34.65	34.80	34.75
July	33.86	34.04	34.11
October	34.02	34.20	34.25
December	34.08	34.22	34.33
March	33.95	34.15	34.28

SUGAR RISES SLIGHTLY

(From Our Own Correspondent)

BOMBAY, 1st June

Paucity of indigenous sugar stocks, thanks to reduced arrivals following booking restrictions to Wadi Bunder, imparted much steadiness to the sugar market during the week under review. There was a fair amount of buying enquiry and prices of sugar were fully maintained. Arrivals of indigenous sugar during the week aggregated only 3,100 bags, as against 4,400 bags a week before and 9,600 bags two weeks before.

In the spot section, medium grain indigenous sugar hardened by As. 8 to Rs. 89½-Rs. 93½. Large grain was fully steady at Rs. 93½-Rs. 101. The values of foreign sugars were throughout maintained at the last week's levels. British refined sugar being quoted at Rs. 84-4 (2 cwts.), French sugar at Rs. 82-Rs. 84 (224 lbs.) and German sugar at Rs. 80 (224 lbs.). There was no business in Czechoslovakian sugar, as stocks had been practically exhausted.

Sugar for *Jeth* delivery met with buying support and improved by As. 3 to Rs. 83-7. *Shravan* delivery was also favoured As. 2 higher at Rs. 88-4.

It is reported that the Regional Directorate (Food), Bombay, is still having an unsold stock of 50,000 tons of imported sugar. Two more shiploads of British refined sugar—amounting to 16,000 tons—are being discharged in Bombay harbour.

N.B.—The rates for Indian sugars are inclusive of sales tax, while those for foreign sugars are exclusive of the tax.

COTTON YARN BEARISH

(From Our Own Correspondent)

BOMBAY, 1st June

A distinctly bearish trend was in evidence in the cotton yarn market during the week under review. Traders were greatly intrigued by the imposition of excise duty on weaving units having more than four cotton powerlooms, in addition to the composite units. The incidence of the duty was considered to be unduly heavy—Rs. 18 per shift per loom on looms exceeding four but not nine, Rs. 20 in respect of looms exceeding nine but not 24, and Rs. 22-8 on looms exceeding 24. In fact, there were reports that several powerlooms had already curtailed production and some had even closed down, since they were unable to bear the incidence. These reports, coupled with the expectation that resumption of non-dollar cotton imports would result in higher output of finer count yarns, let loose a wave of selling and cotton yarn prices suffered a recession. Even hopes of early grant of an additional export quota for cotton yarn failed to provide a fillip to the market. The market was closed today on account of *Ekadashi*.

Coarse count yarns were the worst to suffer in the recession. Thus, among 10s, Moderns dropped As. 4 to Rs. 12-12. Podars lost an anna to Rs. 12-12. Elphinstones were neglected at Rs. 12-8. Among 20s, Moderns and Raghuvamshis declined by As. 2 each to Rs. 16 and Rs. 16-4, respectively. Maduras shed an anna to Rs. 17-3. A fall of As. 2 to Rs 21 in the quotation for Moderns was the feature of trading in 30s. Deals in 40 counts were put through at lower levels, Gokaks being marked down by As. 12 to Rs. 24-4 and Seksarias by As. 2 to Rs. 22-4. Finer counts were no exception. Among 60s, Moderns gave way from Rs. 61-8 to Rs. 61-4. Elphinstones lost As. 2 to Rs. 48-8. Yarns of 80 counts were quiet, Finlays being quoted at Rs. 68-8 and Moderns at Rs. 62-8.

Listless conditions prevailed in the rayon yarn market this week. Despite better offtake in fabrics market, operators were extremely cautious in their dealings, as they preferred to watch the trend of demand for yarn in the coming weeks, as also the import policy for the second half of this year. Turnover was, therefore, greatly restricted and, over the week, rayon yarn prices were a shade easy. In the forward section, 150D May contract terminated at Rs. 730, as against Rs. 731, last week-end. Among spot imported yarns, 120 Italy declined by an anna to Rs. 4. 120 Japan and 150 Italy lost half an anna each to Rs. 3-13-6 and Rs. 3-10-6, respectively. 150 Japan was quiet at Rs. 3-15. Following the reported booking of orders by National Rayon Corporation for delivery in October-November-December, yarns produced by this Company suffered losses. 150 Bt. cones I and II grade fell by 15 pies each to Rs. 3-7-3 and Rs. 3-6-9, respectively. 120 Bt. cones I grade lost an anna to Rs. 4-3-6 and IL grade eased by six pies to Rs. 4-2.

In sympathy with the general trend and following reduced offtake by consuming centres, the staple fibre yarn section ruled easy. Some selling was in evidence and values generally drifted lower. An exception to the general trend was provided by imported yarns (40×2) which recorded handsome improvement on good buying support. Staple fibre yarn (40×2) for May delivery terminated yesterday at Rs. 587-8, that is, Rs. 3-4 lower than a week ago. June contract receded by As. 12 to Rs. 587. In the spot section (40×2), New Greats and Citys lost three pies each to Rs. 3-3-3 and Rs. 3-1-6, respectively. Sitarams also lost a like amount to Rs. 3-1-9. As already stated, foreign yarns (40×2) found supporters. Suicos picked up As. 2-6 to Rs. 4-12. Shincos strengthened by As. 2 to Rs. 4-9.

The table below gives the prices of art silk staple fibre and cotton yarns quoted yesterday, as compared with those six days before:

	31-5-1955	25-5-1955
	Rs. a.	Rs. a.
Art silk yarn—		
150 D. May	730 0	731 0
120 Japan (per lb.) ..	3 13½	3 14
150 Japan (per lb.) ..	3 15	3 15
120 Italy (per lb.) ..	4 0	4 1
150 Italy (per lb.) ..	3 10½	3 11
Staple fibre yarn—		
40 x 2 May ..	587 8	590 12
40 x 2 June ..	587 0	587 12
Suico (per lb.) ..	4 12	4 9½
New Great (per lb.) ..	3 1½	3 1½
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern ..	12 12	13 0
20s Raghuvamshi ..	16 4	16 6
30s Madura ..	21 0	21 0
40s Gokak ..	24 4	25 0
60s Modern ..	61 4	61 8
80s Finlay ..	68 8	68 8

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 1st June

The oilseeds market ruled distinctly easy during the week under review. In fact, there was a general wave of selling pressure, which gathered momentum as the week advanced. Consequently, prices declined and substantial losses were recorded during the week. The easiness in the groundnut section was due to exhaustion of quotas in groundnut oil and in the linseed section to fears of the imposition of an export duty of Rs. 50 per ton on linseed oil. The approaching maturity of June-July contracts in both these sections further induced some selling pressure. The castorseed section also ruled easy, despite some encouraging overseas advices from the Continent, the U.K., and the U.S. This was presumably due to lack of shipping space for export. As a result, business done in the market was limited to a narrow level. The undertone, however, was steady.

Fresh arrivals of groundnut summer crop have already commenced in parts of South Arcot in Madras and heavy arrivals are expected by the end of this month. This factor had a restraining influence on operators in the groundnut section. As a result, groundnut Bold ready declined from Rs. 20-14 to Rs. 19-14. August-September delivery receded from Rs. 21-12 to Rs. 20-13. Khandesh quality disclosed a loss of As. 12 at Rs. 20-10. Groundnut oil ready eased from Rs. 11-6 to Rs. 11-1. June delivery changed hands at Rs. 11-1, as against Rs. 11-7 and July delivery at Rs. 11-2, as against Rs. 11-9.

In the linseed section, Bold ready declined from Rs. 23-5 to Rs. 22-8. June-July delivery receded from Rs. 23-3 to Rs. 22-6 and August-September from Rs. 23-2 to Rs. 22-7. Small Sutna disclosed a loss of As. 10 at Rs. 21-4. Linseed oil was virtually dull at Rs. 14. The oil was quoted in the U.K. and the Continent quiet at £98.

In the castorseed section, September delivery opened the week at Rs. 75-11, as against Rs. 75-3. After fluctuating between Rs. 75-12 and Rs. 73-10, it closed at Rs. 73-14. The due rate for May, 1955, delivery was Rs. 70. About 2,300 candies were tendered for delivery against this contract which went off the board on 31st May. Among spots Madras quality suffered a loss of As. 9 to Rs. 13-14, and Kanpur As. 8 to Rs. 13. Castoroil, Commercial quality, eased from Rs. 8-8 to Rs. 8-4 and First Pressure from Rs. 9-8 to Rs. 9-5.

The margin system, recently approved by the Forward Markets Commission came into effect in respect of September, 1955 contract as from the 1st inst.

Among others, *kardi* Bold ready ruled colourless at Rs. 11-8 and *niger* Madras quality at Rs. 19-4.

Advices for oilcake from the U.K. and the Continent continue to be encouraging. Shippers welcomed the release of a further quota of 25,000 tons of groundnut oilcake (expeller variety) for export by eligible shippers up to the end of June, 1955, announced by the Joint Chief Controller of Exports, Bombay, on 26th May. The licensing procedure will remain as hitherto. It may be noted that the initial ceiling of 25,000 tons released for export some time back has already been exhausted.

The following table shows the price of oilseeds and oil today, as compared with those at the end of the previous two weeks.

	1-6-1955	24-5-1955	18-5-1955
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	20 10	21 6	21 0
June-July	19 12	20 14	20 5
Linseed—			
Bold Ready (per cwt.) ..	22 8	23 5	22 5
June-July	22 6	23 3	22 1
Castorseeds—			
September	73 14	75 3	75 1
Madras (per cwt.)	13 14	14 7	14 6
Groundnut oil—			
Ex-mill Ready (per quarter) ..	11 1	11 6	11 5
Castor Oil—			
Commercial (per quarter) ..	8 4	8 8	8 4
Linseed Oil—			
Ready	14 0	14 0	13 8

PEPPER QUIET

(Messrs. Parekh & Co.)

BOMBAY, 1st June

Influenced by the reactionary fall in the spot pepper at New York from $0.54 to $0.50, Malabar black during the week, after touching new high levels of Rs. 1,250 in recent months, went down to Rs. 1,187½ at Alleppey. But the fall proved short-lived and prices steadied up between Rs. 1,225 and Rs. 1,250 with undertone firm on enquiries from exporters who were constantly buying. With thinning down of arrivals there was absence of selling pressure from growers. Spot in New York went up from the lowest of $0.39 to $0.54. Named steamers sailing during May and June were placed at as high as $0.52½ to $0.52. Sarawak and Lampong also showed sympathetic sharp rise and improved from $0.43 to $0.49 and $0.46 to $0.52, respectively, under pressure of New York buying and short covering. Shortage of contracts in Bombay proved a sustaining factor for Malabar pepper at all primary markets, though there was absence of enquiry from New York, where working week days were shortened owing to Memorial Holiday. News of Sarawak underselling Malabar has so far failed to affect our market as most of the exporters are bullishly inclined. They think that New York shall have to buy Malabar pepper for their fall requirements as shipments from Singapore, Sarawak and Lampong during May and June will not be enough for replacement by the dealers in view of the approaching autumn season. With such healthy statistical position of pepper, as it is today, a section of the trade anticipates some kind of bull manipulation in New York either by dealers or by speculators some time in July or August, as has happened during the past years. If so, prices of Malabar are likely to go still higher.

At the time of writing, the market is a little quiet, and June shipment is quoted at $0.50½, July at $0.50 and August/Sept/October all at the self same rate of $0.49. Garbled at Cochin, after touching the highest at Rs. 217, is now quoted at Rs. 205. Ungarbled is nominally quoted at Rs. 1,200 to Rs. 1,212½.

Following are today's nominal quotations:—Ready delivery Rs. 157 (as against Rs. 155-60) per Bengal maund, June Rs. 1,080-90 (Rs. 1,095-1,105), July Rs. 1,090-1,100 (Rs. 1,110-20) and August Rs. 1,080-90 (Rs. 1,105-1,115) per candy of 5¼ cwts.

RAW JUTE WEAK

(From Our Own Correspondent)

CALCUTTA, 31st May

Conditions in the raw jute market remained depressed throughout the week. On continued selling pressure, prices drifted downwards and, on balance, revealed substantial losses. Assam bottoms, for instance, which stood at Rs. 30-8 per maund on 25th May, came down to Rs. 27-8 today. The decline is attributed to the prospects of a very large jute crop both in India and Pakistan in the coming season. Trade circles pitch the crop at 6 million bales for Pakistan and 4 million bales for India. Those dealers who had gone long in recent weeks in anticipation of realising higher prices were, as a result, reported to be liquidating their stocks, while mills, fairly well-stocked, evinced no interest in making purchases of raw jute even at lower levels. Part of this hesitancy on their part was also due to lack of buying support in the jute goods section.

In the jute goods market, uninteresting conditions prevailed till yesterday. Buying interest subsided, following lack of orders from abroad. Prices of both hessians and B. twills declined on selling pressure by weak holders as well as by speculators. As a result, 40"×10 oz. hessians which were ruling at about Rs. 42-9 on the 25th inst. receded to Rs. 42 per 100 yards yesterday. Similarly, B. twills staged a descent from Rs. 110-4 per 100 bags to Rs. 109-2. At the low levels, some buying by shippers attracted short-covering. As a consequence, hessians gained As. 10 to Rs. 42-10 and B. twills Re. 1-14 to Rs. 111 today. The undertone of the market remained steady on expectation of an improvement in the position of jute goods stocks with mills.

It is reported that the East Pakistan Government has started issuing licences to jute shippers for the new season. Although all the applications have not been disposed off, so far only 101 licences have been renewed, while as many as 154 have been cancelled. It is expected that these heavy cancellations would affect adversely the handling of the coming crop in East Bengal.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, 29th May

Conditions in the hides and skins market were fully steady during the week under review too. Arrivals from local butcheries were less, because, this being the period of intense heat of summer, less meat is consumed. Fresh arrivals of dead cow were quite up to expectations. The main purchasers were the local tanners and some Madras dealers.

The latest available quotations are: Wet salted cow 1st grade Rs. 380 to Rs. 400, 2nd grade Rs. 280 to Rs. 320 and 3rd grade Rs. 140 per score; wet salted buff 1st grade 1 lb. 9 ozs., 2nd grade 1 lb. 12 ozs. and 3rd grade 1 lb. 14 ozs. per rupee; goat 1st grade Rs. 300 and 2nd grade Rs. 250 to Rs. 275 per 100 pieces; sheep 1st grade Rs. 250 and 2nd grade Rs. 200 to Rs. 225 per 100 pieces.

LINSEED FIRM

(Messrs. A. Bradley & Co.)

CALCUTTA, 30th May

A further advance in prices of linseed has been recorded during the past week, owing to an improved demand for linseed oil. Upcountry markets are steady and, although goods have been reaching this centre on a fair scale, supply has been short of the demand from crushers. A fair turnover has been recorded, chiefly for forward positions. In the oil section, prices have firmed up as a result of an acute shortage of goods; in addition, enquiries from shippers are brisk. The latest quotations are as follows:—Ready June Rs. 16 and June/July Rs. 16-4 per maund.

WHEAT PRICES DECLINE

(From Our Own Correspondent)

HAPUR, 30th May

Foodgrain prices continued an uncertain tone during the week. After a temporary improvement, wheat prices again declined. Opening at Rs. 9-14 for *dara* quality on Monday last, the price of wheat improved to Rs. 10-2 per maund in mid-session on resumption of Government purchases at the price fixed, namely, Rs. 10 per maund, but on account of pressure of arrivals averaging 5,000 maunds daily and slack outside demand, the prices eased to Rs. 9-10 for *dara* quality quoted today. The Government's agents are purchasing wheat, but the quantity offered to them for sale by the producers is not very heavy. In order to tone up wheat prices in the country, the Government of India has decided to license freely for export wheat products, whether manufactured out of imported wheat or indigenous wheat. The daily arrivals here average 4,000 to 5,000 maunds of wheat and the local stock has swelled to 48 *khaties*. The rice prices, on the other hand, recorded an all-round improvement in all the sections, due to shortage of local stocks and good demand for the marriage season. The fine quality was quoted at Rs. 27 per maund and coarse quality Rs. 13 per maund.

The coarse grain prices recorded a steady tone during the week. Gram was transacted at last week's level at Rs. 6-4 for local quality and Rs. 6-10 for Punjab quality. Barley and *bejhar* improved by As. 4 to Rs. 5-8 and Rs. 5-6 per maund, respectively quoted today. The *bejhar* stock is estimated at 8 *khaties*. Peas prices continued unchanged at Rs. 5-8 for green quality and Rs. 6-8 for white quality. With moderate demand and want of loading facilities and arrivals averaging 1,200 maunds, the peas stock here has increased to 38 *khaties*. *Arhar* prices improved by As. 2 to Rs. 6-8, with stocks estimated at 18 *khaties*. Pulses futures recorded an appreciable fall in prices, due to bear pressure from east U.P. Peas *jeth* and *bhadon* were quoted at Rs. 5-4 and Rs. 5-6, as against Rs. 5-11 and Rs. 5-13 quoted last week. *Arhar* futures also declined by about As. 4. *Jeth* and *bhadon* being quoted today at Rs. 6-5 and Rs. 6-7, respectively.

SUGAR DULL

(From Our Own Correspondent)

HAPUR, 30th May

The sugar prices ruled dull and featureless during the week under review although there was some improved demand from Saurashtra and Madras side. Prices are not likely to improve substantially, because the total availability of sugar is now expected to be higher than the total requirements of the country. Output of the sugar factories is reported to have reached 15 lakh tons by the end of the last month and, with the pace of production on the increase, the earlier anticipations that the current season's total production would be over 16 lakh tons have been strengthened. The latest mill delivery rates here are: Jaswant Rs. 29-2, Simbhauli Rs. 29-4, Mowana Rs. 29-4, Daurala Rs. 30, Amroha Rs. 28-8, Bijnore Rs. 28-8, Mansoorpur Rs. 31 and Rampur Rs. 32, retail Rs. 31 and *khandsari* Rs. 21 to Rs. 27 per maund.

Ready *gur* prices further drifted to lower levels on slack outside demand and abnormal daily arrivals of about 400 maunds. The daily offtake is from Rajasthan and Gujerat side. The current prices are Rs. 9-8 for dry quality and Rs. 9 for koths quality and the stock here is estimated at 85,000 maunds.

The forward section of *gur* also recorded a slight fall during the week under report, in consonance with the ready section, as also on account of bear pressure following reports of increased sowings for the next season. *Gur Asar* and *Phagun* are today quoted at Rs. 8-10 and Rs. 8-1 respectively, as against Rs. 8-12-9 and Rs. 8-9-6 quoted last week.

Notices

THE NEW INDIA ASSURANCE COMPANY, LIMITED

BOMBAY

NOTICE TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Thirty-sixth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, New India Assurance Building, Mahatma Gandhi Road, Fort, Bombay, on Wednesday the 29th June, 1955, at 4-30 p.m. (S.T.).

(1) To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1954.
(2) To declare a Dividend.
(3) To elect three Directors in place of Mr. A. D. Shroff, Mr. Ramniwas Ramnarain and Mr. Kasturbhai Lalbhai who retire by rotation but are eligible for re-election and offer themselves accordingly.
(4) To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company are closed from 23rd day of May, 1955, to 21st day of June, 1955 (both days inclusive).

By Order of the Board,
B. K. SHAH,
General Manager.

BOMBAY, 26th May, 1955.

N.B.—The Dividend when sanctioned at the General Meeting will be payable to those Shareholders whose names stand registered on the Company's Registers on the 21st May, 1955. It will be payable at the Central Bank of India Limited, Bombay, for six months on and after the 1st July, 1955, and thereafter at the Registered Office of the Company.

CHANGE OF ADDRESS should be notified without delay.

IMPERIAL BANK OF INDIA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Principal Register and the Branch Registers of the Imperial Bank of India will be closed for transfer of shares from Thursday the 16th June, 1955, to Thursday the 30th June, 1955, both days inclusive.

In terms of Section 6(1)(a) of the State Bank of India Act, 1955, all shares in the capital of the Imperial Bank of India shall be transferred to, and shall vest in, the Reserve Bank of India, free of all trusts, liabilities and encumbrances on the "appointed day" which has been fixed for the 1st July, 1955, by the Government of India Notification No. F.8(8)-F.I./55, dated the 14th May, 1955. Section 9(1) ibid provides that every person who immediately before the 1st July, 1955, is registered as a holder of shares in the Imperial Bank of India shall be entitled to compensation in accordance with the provisions contained in the First Schedule.

All purchasers of Imperial Bank of India shares are therefore advised to lodge with the Bank for registration the instruments of transfer in their favour along with the relative share certificates, *not later than the 15th June, 1955.*

S. K. HANDOO,
Managing Director.

BOMBAY, 17th May, 1955.

FUTURE TRADING IN COTTON

(Concluded from page 1065)

region in the production of cotton will, therefore, undergo considerable change as a consequence of the completion of the Project. The relative importance of the centres from which applications for recognition have been received will also change correspondingly. It is likely that, in the context of the new situation, a centre different from the centres visualised at present might appear to be most suitable for the region. In view of all these considerations, the Commission feels that the choice of a centre for the region has to be postponed until the new set-up of economic forces becomes clear and an association, more representative of the different concerned interests, comes forward to take up the responsibilities of running a futures market.

With regard to the Central Region, the Committee has favoured the establishment of two cotton futures markets at Indore in the northern part, at Akola in the central part, at Ahmedabad in the western part. The markets at these centres may be opened by about August, 1955, so as to provide hedge facilities for the February-March 1956 delivery. It has, however, deferred the question of opening a futures market in the southern part. The Commission considers the applicant association at Akola, namely, the Madhya Pradesh Commercial Exchange Ltd., to be suitable for recognition but would like to await, in respect of Indore, an application from the new association proposed to be constituted jointly by the applicant associations from Indore and Ujjain. The West India Cotton Association, Ahmedabad, is also considered suitable for the purpose of recognition under the Forward Contracts (Regulation) Act, 1952.

In regard to the Southern Region, the Commission observes that the volume of production and consumption of cotton fully justifies the location of a futures market in the region. But it has not received any application for recognition from the concerned associations from this region, nor does there appear to have been any local tradition, of futures trading in cotton. The Commission has, therefore, come to the conclusion that, while there is need for developing a futures market in the region in due course, it has to await the development of public opinion and the establishment of representative associations which can be entrusted with the task.

Futures Market in Bombay City

As regards Bombay City, the Commission considers it necessary to have a futures market, taking into account the importance of the City as a consuming centre and a terminal market and the long experience and tradition of futures trading. Even after the establishment of futures markets in cotton at other centres, the importance of the market in Bombay City is expected to be maintained undiminished. To quote the Commission: "In view of the considerable experience of Bombay in the field, the large volume of transactions that take place there and the extensive resources of the local dealers, the Bombay market would guide and influence the behaviour of the other futures markets in the country." The Commission wants recognition for the East India Cotton Association (E.I.C.A.), Bombay. The E.I.C.A. is a non-profit-making public limited company. It has been conducting trading in cotton, including futures trading, since its establishment in 1922. The Association was recognised by the Government of Bombay under the Bombay Cotton Contracts Acts of 1922 and 1932 and the Bombay Forward Contracts Control Act, 1947. The application of section 15 of the Forward Contracts (Regulation) Act, 1952 to cotton repealed the provisions of the Bombay Forward Contracts Control Act, 1947, in so far as they related to cotton, but the recognition of the East India Cotton Association has been temporarily saved under section 29 of the Act. The Association has recently effected certain amendments to its constitution and bylaws at the instance of the Commission.

In addition to the futures markets at Bombay, Akola, Indore and Ahmedabad, the Commission feels that it may be desirable to establish cotton futures market in due course at two or three more centres. According to it, the first centre should be in the Northern Region, the second in the Southern Region and the third in the area consisting of the northern and central districts of Hyderabad State and the adjoining districts of Bombay State. The precise location of the centres may be decided later. The opening of the centres may be timed in the light of the experience of the working of the four centres being established immediately and the use made of the facilities provided by them.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	20th May, 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation.	172.87	1,822.41	1,831.09	1,816.14	1,815.56
Notes held in Banking Department ..	35.06	17.46	8.52	25.45	30.31
Foreign Securities ..	59.80	661.98	661.98	661.98	608.15
Rupee Securities ..	37.39	533.71	533.71	533.75	421.22
Banking Department					
Deposits of:					
Government of India	14.89	55.23	51.93	55.11	97.59
Other Governments.	..	14.99	19.24	30.42	20.11
Balances held abroad	10.06	58.58	52.07	58.23	61.80
SCHEDULED BANKS					
Demand Liabilities .	124.36	587.78	581.37	551.06	541.85
		(9.22)†	(7.55)†	(9.13)†	(8.03)†
Time Liabilities ..	102.24	337.63	335.59	38.214	328.95
		(2.20)†	(1.90)†	(2.17)†	(1.46)†
Borrowings from Reserve Bank ..	..	31.96	25.50	26.49	45.65
		(30.05)‡	(38.43)‡	(24.76)‡	(25.87)‡
Borrowings from Imperial Bank ..	..	5.12	5.79	4.48	9.32
Cash in India ..	6.70	34.32	34.88	34.55	33.04
Balances with Reserve Bank ..	25.17	48.69	45.97	46.13	42.93
Excess over statutory limits	15.52	11.45	9.18	8.94	9.29
Balances with other banks in current accounts in India .	..	10.23	10.91	10.54	10.87
Money at call and short notice in India ..	..	16.11	18.44	15.66	11.78
Investments (at book value) ..	..	344.29	344.28	342.69	324.28
Advances and bills .	105.09	622.60	626.24	623.54	579.58
IMPERIAL BANK					
Deposits ..	87.76	211.60	212.26	218.96	209.38
Investments ..	31.99	102.23	102.14	103.85	92.98
Advances ..	30.85	122.31	126.25	125.05	126.07
Cash ..	14.69	19.48	17.68	18.01	17.07

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes foreign bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	Week ended 27th May, 1955 Number of Cheques	Amount Rs.	Week ended 20th May, 1955 Number of Cheques	Amount Rs.
Bombay ..	2,21,287	49,55,90,000	2,57,456	57,07,84,000
Calcutta ..	1,35,544	47,01,39,718	1,54,488	52,93,50,637
Madras ..	71,854	6,59,59,877	80,297	7,19,90,428
All Centres—				
1953 ..	..	..	1,14,83,214	28,45,06,08,000
1954 ..	..	..	2,40,72,000	70,64,29,00,000
Jan., 1955 ..	..	..	29,43,000	6,23,74,00,000
Feb., ,, ..	..	..	28,78,000	6,20,87,00,000

Reserve Bank of India

Statement of Affairs for the week ended 27th May, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up ..		5,00,00,000
Reserve Fund ..		5,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government ..		54,63,48,000
(2) Other Governments ..		14,16,68,000
(b) Banks ..		49,46,31,000
(c) Others ..		21,77,25,000
Bills Payable ..		4,86,35,000
Other Liabilities ..		36,58,01,000
Rupees ..		191,48,09,000

ASSETS	Rs.	Rs.
Notes ..		24,03,32,000
Rupee Coin ..		9,15,000
Subsidiary Coin ..		6,13,000
Bills Purchased and Discounted—		
(a) Internal ..		49,05,000
(b) External ..		—
(c) Government Treasury Bills ..		10,73,94,000
Balances held abroad* ..		45,45,51,000
Loans and Advances to Governments ..		80,00,000
Other Loans and Advances ..		35,77,65,000
Investments ..		41,78,73,000
Other Assets ..		29,24,30,000
Rupees ..		191,48,09,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 25,57,00,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.
(2) The total amount of advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 106,96,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department ..	24,03,32,000	
Notes in circulation ..	1,816,09,14,000	
Total Notes issued ..		1840,12,46,000
Total Liabilities ..	.....	1840,12,46,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India ..	40,01,71,000	
(b) Held outside India	..	
Foreign Securities ..	661,97,61,000	
Total of A ..		701,99,32,000
B. Rupee Coin ..		104,41,86,000
Government of India Rupee Securities ..		583,71,28,000
Internal Bills of Exchange and other commercial paper ..	....	....
Total Assets ..	.....	1840,12,46,000

Ratio of Total of A to Liabilities: 52.383 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 20th May, 1955

	Rs.
1. Demand Liabilities in India :	
(i) Borrowings from Banks other than the Imperial Bank of India ..	9,21,55,000†
(ii) Other demand liabilities ..	578,56,46,000
2. Time Liabilities in India :	
(i) Borrowings from banks other than the Imperial Bank of India ..	2,19,54,000†
(ii) Other time liabilities ..	335,43,58,000
3. Borrowings in India from the Imperial Bank of India :	
(i) Demand liabilities ..	5,11,63,000
(ii) Time liabilities ..	58,000
4. Cash in India ..	34,32,18,000
5. Balances with the Reserve Bank in India ..	48,58,74,000
6. Balances with other banks in current accounts in India ..	10,23,11,000
7. Money at call and short notice in India ..	16,11,33,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	344,28,94,000
9. Advances in India ..	503,32,79,000
10. Inland Bills purchased and discounted in India	80,32,89,000
11. Foreign Bills purchased and discounted in India ..	38,94,02,000

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

EXCHANGE RATES

	31st May, 1955	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot. s.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months .. s.	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months .. s.	1-4 15/16	1-4 15/16
Buyers T.T. 10 to 12 months .. s.	1-5 1/16	1-5 1/16
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	4791/4	479
Buyers T.T. .. Rs.	474 1/4	474 1/4
London on New York .. $	2.79-2.79 1/4	2.79 1/4-2.80
London on Paris .. Fcs.	9791-980	9792-980
London on Berne .. Sw. Frs.	12.25-12.25 1/4	12.25-12.26 1/4
New York on London .. $	2.79 1/4-2.79 1/2	2.79 1/4-2.80 1/4

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India† ..	'53-'54	372.37	..	10,600	283.9
Pakistan ..	1949	75.04	..	1,671	223
Burma ..	1952	18.86	Kyats 3,556	356	188
Ceylon ..	1952	8.16	..	443	541
Japan ..	1952	86.50	Y. 5,283,400	7,014	820
Philippines ..	1953	21.02	Ps. 7,875	1,564	787
New Zealand ..	1952	2.06	£ (N.Z.) 727	969	4,757
Australia ..	1952	9.13	£ (A) 3,521	3,841	4,207
U.K. ..	1952	50.86	£ 14,719	19,925	3,868
U.S.A. ..	1953	159.63	$ 308,000	146,790	4,594
Canada ..	1952	14.76	$ 19,043	8,407	5,688
France ..	1952	42.55	Fr. 10,197,000	14,015	3,291
W. Germany ..	1948	46.99	Dm. 108,000	11,706	2,389
Italy ..	1952	47.02	Lr. 5,967,000	6,832	1,453
Norway ..	1952	3.26	Kr. 16,841	1,182	3,269
Sweden ..	1952	7.17	Kr. 34,967	2,422	4,773
Netherlands ..	1952	10.49	Grs. 19,860	3,451	2,196
Denmark ..	1952	4.37	Kr. 23,454	1,541	3,723
Switzerland ..	1952	4.88	Sw.Fr. 20,800	2,268	4,684

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, September, 1954.
† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 20th May, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up ..	3,00,00,000
Reserve Fund ..	3,00,00,000
Deposits :—	
(a) Central Government ..	13,12,80,000
(b) Provincial Governments ..	4,70,19,000
(c) Banks ..	12,34,41,000
(d) Others ..	4,22,12,000
Bills Payable ..	18,03,000
Other Liabilities ..	8,12,27,000
Rupees ..	44,69,76,000

ASSETS	Rs.
Notes ..	8,53,86,000
Rupee Coin ..	6,000
Subsidiary Coin ..	14,000
Bills Purchased and Discounted :—	
(a) Internal ..	....
(b) External ..	....
(c) Government Treasury Bills ..	9,15,000
Loans and Advances to Governments ..	4,50,00,000
Provincial Governments' Debtor Balances ..	6,08,45,000
Other Loans and Advances ..	19,05,84,000
Investments ..	8,69,26,000
Other Assets ..	....
Rupees ..	44,69,76,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department ..	8,53,86,000	
Notes in circulation ..	244,81,54,000	
Total Notes issued ..		253,40,00,000
Total Liabilities ..		253,40,00,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion ..	7,91,42,000	
Silver Bullion ..	..	
Sterling Securities ..	40,18,01,000	
Government of India Securities ..	21,41,41,000	
India Notes representing assets receivable from the Reserve Bank of India ..	29,96,87,000	
B. Rupee Coin ..	4,25,17,000	99,42,71,000
Government of Pakistan Securities ..	145,47,37,000	
Internal bills of exchange and other commercial paper ..	....	
		149,72,54,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	3,56,12,000	
Government of India Securities ..	70,10,000	
Rupee Coin ..	29,31,000	
		4,24,75,000
Total Assets ..		253,40,00,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 40.80 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina ..	1st Mar., 1936	..	3½
Austria ..	3rd June, 1954	4	3½
Belgium ..	29th Oct., 1953	3	2½
Bolivia ..	30th Sept. 1950	6	6
Canada ..	15th Feb., 1954	2	1½
Ceylon ..	11th June, 1954	3	2½
Chile ..	18th June, 1955	4	4½
Colombia ..	18th July, 1952	5	4
Costa Rica ..	1st Feb., 1950	5	4
Denmark ..	22nd June, 1954	4½	4
Ecuador ..	19th May, 1948	7	10
Egypt ..	16th Nov., 1952	3½	3
El Salvador ..	22nd Mar., 1950	4	3
Finland ..	16th Dec., 1951	7½	8½
France ..	2nd Dec., 1954	3½	3
Greece ..	1st Jan., 1954	12	10
India ..	15th Nov., 1951	3	3½
Indonesia ..	1st April, 1948	4	3
Ireland ..	25th Mar., 1952	3½	3½
Italy ..	6th April, 1950	4½	4
Japan ..	1st Oct., 1951	5.11	5.84
Mexico ..	4th June, 1942	4	4½
Netherlands ..	7th April, 1952	3	2½
New Zealand ..	25th Nov., 1954	3½	4
Norway ..	14th Feb., 1955	2½	3½
Pakistan ..	1st July, 1948	3	3
Peru ..	18th Nov., 1947	5	6
Portugal ..	12th Jan., 1944	3	2½
South Africa ..	27th Mar., 1952	3½	4
Spain ..	29 July, 1954	4	3½
Sweden ..	18th April, 1955	2½	3½
Switzerland ..	30th Nov., 1954	1	1½
Turkey ..	26th Feb., 1951	4	5
United Kingdom ..	24th Feb., 1955	3½	4½
U.S.S.R. ..	1st July, 1950	2	1
U.S.A. ..	16th April, 1954*	1½	1½
West Germany ..	30th May, 1954	3½	3

* Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	March, 1954	March, 1955	Twelve months, April to March, 1953-54	Twelve months, April to March, 1954-55
Import Duties :				
Revenue ..	11.27	12.54	118.92	136.98
Protective ..	0.59	9.47	6.15	7.24
On surplus disposals ..	0.02	..	0.21	0.14
Total import duties ..	11.88	13.01	120.28	144.36
Export Duties ..	2.49	2.94	35.51	41.39
Land Customs ..	0.12	0.12	1.82	1.81
Miscellaneous ..	0.06	0.08	0.72	0.07
Gross total customs ..	14.55	17.15	161.33	188.63
Refunds and drawbacks Net Customs ..	0.19	0.88	1.96	1.88
Gross excise ..	14.36	16.77	159.37	186.80
Refunds ..	8.89	12.83	94.00	106.62
Net Excise ..	0.07	0.27	0.99	1.98
Net total of customs and excise† ..	5.42	12.05	93.01	104.64
	23.18	28.82	252.33	291.44

† Net Customs plus net Excise.

Imperial Bank of India

Statement of Affairs for the week ending 27th May, 1955

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid ..	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares ..	5,62,50,000	
Reserve Fund and other Reserves ..		6,85,00,000
Deposits and other Accounts ..		210,44,88,000
Borrowings from other Banking Companies Agents		13,00,00,000
Bills Payable ..		7,58,49,000
Bills for Collection being Bills Receivable as per contra ..		39,48,000
Acceptances, Endorsements and Other Obligations as per contra ..		48,000
Other Liabilities (including Inter-Office Adjustments) ..		2,53,18,000
Total ..	Rs.	245,93,71,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		12,56,41,000
Balances with other Banks ..		2,22,28,000
Money at Call and Short Notice ..		1,13,89,000
INVESTMENTS—		
Government and other Trustee Securities ..	90,49,22,000	
Other Authorised Investments ..	11,37,85,000	
		101,87,07,000
Advances—		
Loans, Cash Credits and Overdrafts, etc. ..	89,40,97,000	
Bills Discounted and Purchased ..	31,88,89,000	
		121,26,86,000
Bills Receivable being Bills for Collections as per contra ..		39,48,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		48,000
Premises less Depreciation ..		1,30,67,000
Furniture and Fixtures less Depreciation ..		38,66,000
Other Assets (including Inter-Office Adjustments) ..		8,30,27,000
Total ..	Rs.	245,93,71,000

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 22-5-'54	23-4-'55	14-5-'55	21-5-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES ..	90.1	90.5	90.7	88.7
1. Government of India ..	89.9	90.4	90.5	90.6
2. Indian States ..	95.7	97.1	96.2	96.2
3. Municipal, Port Trust, etc.	89.1	89.3	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS ..	100.9	100.6	100.7	100.7
1. Electricity ..	101.9	102.0	102.1	102.3
2. Jute ..	98.8	98.8	98.8	98.8
3. Plantations ..	99.6	99.7	99.6	99.5
4. Sugar ..	100.8	99.0	99.0	90.6
5. Cotton ..	90.6	90.6	90.6	100.6
6. General Engineering ..	101.0	100.6	100.5	100.2
7. Shipping ..	102.3	100.2	100.2	100.6
8. Others ..	100.7	100.6	100.6	100.6
PREFERENCE SHARES ..	98.9	97.8	97.8	97.4
1. Electricity ..	95.5	97.7	97.2	96.3
2. Cotton ..	84.3	78.4	78.5	78.4
3. Jute ..	87.7	86.2	86.8	86.7
4. Coal ..	89.5	91.8	91.8	92.2
5. Iron and Steel ..	91.9	90.1	90.6	90.3
6. Sugar ..	70.4	84.1	83.8	83.3
7. Paper ..	85.6	88.2	89.3	88.9
8. Plantations ..	90.7	97.7	98.2	98.2
9. Miscellaneous ..	86.6	86.1	85.9	85.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	103.5	115.1	113.0	112.4
(a) Financial ..	87.3	88.3	88.1	88.1
1. Banks ..	85.8	85.0	85.1	85.2
2. Insurance ..	100.6	107.7	107.9	107.1
3. Investment Trust ..	79.1	94.9	88.9	88.6
(b) Public Utilities ..	112.7	114.8	113.8	112.9
1. Electricity ..	119.0	123.9	122.1	122.2
2. Shipping and other Transport ..	104.7	98.9	98.8	97.7
3. Tramways ..	87.9	89.7	89.7	88.9
(c) Manufacturing Industries.	106.8	118.3	117.3	116.9
1. Cotton, Woollen and Silk ..	102.5	115.1	113.0	112.4
2. Jute ..	80.4	88.8	96.4	95.6
3. Iron and Steel ..	126.2	144.2	141.7	141.6
4. Paper ..	189.7	225.6	224.6	223.0
5. Cement ..	125.2	148.5	147.6	146.4
6. General Engineering.	187.7	169.4	168.1	167.7
7. Sugar and Breweries.	92.4	99.6	97.4	96.7
8. Chemicals ..	129.4	131.0	130.0	129.6
d) Non-Manufacturing Industries ..	113.5	181.0	149.5	146.9
1. Coal ..	78.4	77.5	77.3	77.5
2. Mining and Oil ..	163.3	186.2	184.0	180.7
3. Plantations ..	114.1	200.1	178.0	174.1
e) Miscellaneous ..	94.4	95.6	94.5	94.4
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.6	90.0	90.1	90.2
1. Bombay ..	90.1	90.5	90.6	90.6
2. Calcutta ..	90.8	90.8	91.0	91.0
3. Madras ..				
DEBENTURES OF INDUSTRIAL CONCERNS:	100.9	99.2	99.2	99.2
1. Bombay ..	101.8	101.8	101.4	101.5
2. Calcutta ..	100.9	100.4	100.4	100.4
3. Madras ..				
PREFERENCE SHARES:	92.3	91.8	92.1	91.7
1. Bombay ..	84.6	83.4	83.5	83.4
2. Calcutta ..	90.5	91.4	95.4	95.6
3. Madras ..				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	113.0	116.6	115.4	115.1
1. Bombay ..	95.5	109.0	107.5	106.9
2. Calcutta ..	101.6	110.0	108.5	108.2
3. Madras ..	105.0	116.5	115.2	115.3
4. Delhi ..				

Source: Department of Research and Statistics, Reserve Bank of India.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1951 ..	1,071	691,321	2,815,928
1952 ..	963	809,242	3,386,061
1953 ..	772	466,507	2,342,808
1954 ..	840	477,135	2,372,630
January 1953 ..	85	42,358	244,414
February ,, ..	45	26,477	128,411
March ,, ..	67	36,521	218,853
April ,, ..	73	49,138	276,214
May ,, ..	88	38,617	252,279
June ,, ..	99	50,357	252,279
July ,, ..	87	48,064	181,122
August ,, ..	74	52,063	225,154
September ,, ..	106	44,958	497,573
October ,, ..	101	50,311	402,116
November ,, ..	88	41,481	345,211
December ,, ..	81	40,790	475,853
January 1954† ..	84	51,978	355,514
February ,, ..	88	41,351	344,295
March ,, ..	91	34,908	331,419
April ,, ..	101	34,953	207,247
May ,, ..	80	40,078	216,063
June ,, ..	83	51,589	305,075
July ,, ..	122	50,189	277,429
August ,, ..	79	51,090	325,857
September ,, ..	97	50,414	353,578
October ,, ..	88	41,724	276,994
November ,, ..	62	35,115	239,701
December ,, ..	101	34,435	262,763
January 1955 ..	87	47,694(a)	320,651(b)

† Figures for 1954 are provisional.
(a) Not known in 2 cases.
* Revised.
(b) Not known in 4 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Units Sold
1948-49 ..	469	4,681.1	3,777.7
1952-53 ..	616	6,201.4	5,124.3
1953-54 ..	645	6,576.8	5,572.7
September 1953 ..	632	576.5	464.1
October ,, ..	634	588.1	466.7
November ,, ..	637	568.1	458.1
December ,, ..	640	608.6	486.9
January 1954 ..	640	589.7	473.0
February ,, ..	643	551.4	451.4
March ,, ..	648	599.4	483.5
April ,, ..	651	612.3	504.4
May ,, ..	650	633.9	515.9
June ,, ..	658	632.4	510.3
July ,, ..	667	638.5	516.6
August ,, ..	669	647.6	511.1
September ,, ..	669	639.5	515.5
October ,, ..	674	656.5	534.6
November ,, ..	679	653.5	558.9
December ,, ..	684	668.5	545.3
January 1955 ..	..	..	..

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	14th May, 1955	7th May, 1955	15th May, 1954	April, 1955	April, 1954	Percentage of increase (+) or decrease (—) in April, 1955 as compared with April, 1954	Financial Year Average 1953-54	1954-55
Food Articles ..	276.5	272.4	370.3	283.6	381.6	—25.7	384.4	339.8
Cereals ..	316	309	414	327	426	— 8.2	451	381
Pulses ..	222	212	364	217	361	—40.0	450	280
Other ..	230	230	305	235	313	—24.9	278	291
Industrial Raw Materials ..	383.9	386.9	462.2	397.4	472.1	—15.8	467.7	436.2
Fibres ..	419	421	450	435	459	— 5.2	432	447
Oil seeds ..	343	341	518	323	524	—38.4	574	424
Minerals ..	412	418	424	414	451	— 9.2	449	422
Others ..	420	441	393	461	397	+16.1	375	427
Semi-Manufactures ..	328.3	328.2	362.4	327.8	362.4	— 9.5	359.2	350.3
Leather ..	402	393	374	393	378	+ 4.0	403	376
Mineral oils ..	221	221	221	221	221	..	224	221
Vegetable oils ..	342	335	498	330	507	—34.9	524	433
Cotton Yarn ..	427	430*	432	432	458	—5.7	442	454
Metals ..	244	244	240	244	240	+ 1.7	229	240
Oil cakes ..	273	278	436	286	430	—33.5	433	331
Others ..	323	325	304	320	306	+ 7.5	281	312
Manufactured Articles ..	377.5	376.9	380.9	377.1	380.9	— 1.0	367.4	377.3
Textiles ..	420	419	425	421	427	— 1.4	405	421
Jute ..	435	425	424	452	433	+ 4.4	408	443
Cotton ..	411*	411*	410*	411*	410*	— 1.2	406*	415
Rayon and Silk ..	510*	510*	520*	484*	550*	—12.0	431*	469*
Woollen ..	310	310	318	310	318	— 1.0	314	311
Metal products ..	344	344	344	340	340	..	337	340
Others ..	287	287	289	287	288	— 0.3	285	286
Miscellaneous ..	542.9	540.6	690.4	541.2	707.4	—23.5	686.6	612.4
All Commodities ..	342.2	340.7	398.8	348.2	402.6	—14.3	397.5	377.4

* Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

Year ended August, 1939=100

	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw cotton	Raw jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures†	Iron and steel
1954																		
January ..	478	501	222	291	365	545†	570†	289	250†	1177	483†	421	606	425	357	422	397	270
February ..	486	581	204	265	340	490	569†	294	239	1177	486†	404	596	401	357	437	403	270
March ..	486	564†	205	237	313	549†	547†	296	239	1177†	479	389	606	377	357	434	409	270
April ..	486	547	206	222	321	558†	520	314	238	..	476†	417	611	350	357	433	416	274
May ..	487	469	197	208	303	527†	537	305	238†	..	469†	407	589	339	357	434	419	274
June ..	459	419	179	224	293	528	542	296	269†	1051†	450†	374	536	356	357	440	419	274
July ..	473†	423	193	237	254	556†	541†	300	274	990†	448†	338	534	350	357	433	418	274
August ..	486	444	191	242	293	525	542†	301	279†	943†	447†	351	452	359	357	429	416	274
September ..	488	454	173	256	356†	497	542†	305	277†	907†	447†	359	457	345	357	456	415	274
October ..	483	478	146	213	254	496	541†	301	280†	899†	453†	400	450	339	357	451	415	274
November ..	448	481	148	232	285	475	556†	300	195	919	486†	441	404	329	357	459	415	274
December ..	424	458	147	206	303	651	556†	278	176	882	454†	465	400	329	357	451	412	274
1955																		
January ..	399	498	186	208	200	506	575	270	160	840†	438†	492	376†	335	357	455	411	274
February ..	401	502†	117	202	205	744†	583	275	144	770†	427†	547	370	331	357	477	410	274

†Estimated

WORKING CLASS COST OF LIVING INDICES

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras	Delhi	Ajmer	Gauhati	Jamshedpur	Jubbulpore
	Base (1949=100)	Base June (1934=100)	Base July (1927=100)	Base January (1928=100)	Base (1949=100)	Base (1949=100)	Base August (1939=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Acreage 1953-54 Final	Acreage 1952-53 Final	Outturn 1953-54 Final	Outturn 1952-53 Final
Rice 2nd .. .. tons	68,502‡	71,224†	21,593‡	23,455†
Wheat .. .. .. ,,	26,098	24,295	7,792	7,383
Jowar (2nd) .. .. ,,	41,425‡	41,376†	5,926‡	5,534†
Bajra .. .. .. ,,	27,350‡	30,094†	3,555‡	4,459†
Barley .. .. .. ,,	8,190*	8,010	2,721	2,849
Maize .. .. .. ,,	9,325‡	9,390†	2,944‡	2,964†
Ragi .. .. .. ,,	5,747‡	5,741†	1,778‡	1,810†
Small Millets .. .. ,,	13,167	12,431	2,183	1,905
Total cereals .. .. ,,	210,365	203,140	56,150	49,105
Kharif .. .. .. ,,	176,077	170,864	45,617	38,871
Rabi .. .. .. ,,	34,288	32,295	10,518	10,232
Kharif pulses @ .. .. ,,	14,935‡	15,102†	1,497‡	1,543†
Tur (2nd) .. .. .. ,,	5,630‡	5,605†	1,798‡	1,800†
Gram (2nd) .. .. .. ,,	19,577‡	18,220†	4,559‡	4,095†
Other Rabi Pulses* .. ,,	11,130	11,126	2,075	2,043
Jute .. .. .. bales	1,273‡	1,196†	3,153‡	3,129†
Cotton (4th) .. .. ,,	17,465‡	16,224†	4,089‡	3,886†
Sugarcane (2nd) .. tons	5,417‡	5,503†	4,749‡	4,299†
Groundnut .. .. .. ,,	12,647‡	10,669†	3,623‡	3,573†
Linseed .. .. .. ,,	3,369	3,395	355	359
Castorseed .. .. .. ,,	1,272‡	1,375†	1122	1087
Rape and Mustard Seed .. ,,	5,373	5,199	826	837
Sesamum (3rd) .. .. ,,	5,861‡	6,079†	567‡	534†
Total oilseeds .. .. ,,	27,598	27,661	5,591	4,546
Tobacco .. .. .. ,,	890	895	256	241
Black Pepper .. .. ,,	209	205	22	22
Ginger .. .. .. ,,	47	46	15	14
Dry Chillies .. .. ,,	1,326	1,235	310	284
Potato (2nd) .. .. ,,	645	633	1,657	1,699

Source: Ministry of Food and Agriculture.

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

* Excluding gram and Tur. @ Excludes Tur.

‡ Relates to 1954-55. † Relates to 1953-54.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During April, 1955	85 7
	Corresponding month, 1954 ..	74 9
	Ten months ended April 1955 ..	836 1
	Corresponding period, 1954 ..	719 8
Stocks	At the end of April, 1955 ..	103.4
	Corresponding month, 1954 ..	91.4
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 23rd April, 1955	3.777
	Corresponding week 1954 ..	3.136
	From 1st to 23rd April, 1955 ..	117.155
	Corresponding period, 1954 ..	115.240
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 23rd April, 1955	6.470
	Corresponding week 1954 ..	1.068
	From 1st to 23rd April, 1955 ..	832.075
	Corresponding period, 1954 ..	590.406
	RAW JUTE	(In 000 bales)
Consumption by Mills† ..	April, 1955 (in lakh bales) ..	4.97
	Corresponding month 1954 ..	4.85
	Ten months ended April, 1955 ..	48.50
	Corresponding period, 1954 ..	41.72

* From Calcutta. † Estimated. R = Revised.

IRON AND STEEL PRODUCTION

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953 ..	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954 ..	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955 ..	11,84,400	10,42,900	7,81,200
December 1953	1,01,400	95,100	71,700
January 1954	1,02,800	99,900	71,400
February ,, ...	92,700	84,500	63,300
March ,, ...	94,600	89,700	65,000
April ,, ...	88,200	77,500	54,800
December ,, ...	1,05,600	95,000	78,800
January 1955	1,02,800	95,800	72,200
February ,, ...	98,500	84,500	63,900
March ,, ...	95,000	89,300	66,100
April ,, ...	95,100	88,000	66,200
Indian Iron and Steel Co.			
Year ended 31st March 1953 ..	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954 ..	5,80,020	3,49,930	2,92,440
Do. 31st March, 1955 ..	7,15,949	5,23,240	4,59,063
April 1953	52,210	30,980	19,090
May ,, ...	57,810	32,850	19,700
June ,, ...	36,780	23,940	15,020
Three months ended Sept., 1953.	1,46,800	86,850	51,840
,, ,, ,, Dec., 1953	1,81,830	1,15,300	1,06,940
Three months ended Mar., 1954	1,87,750	1,28,810	1,16,940
Three months ended June, 1954	1,92,770	1,17,570	1,07,480
Three months ended Sept., 1954.	1,80,018	1,29,741	1,19,461
,, ,, ,, Dec., 1954	1,86,058	1,36,401	1,20,818
,, ,, ,, Mar., 1955	1,65,108	1,48,828	1,18,186

OVERALL BALANCE OF TRADE OF INDIA March, 1955†

Particulars	March, 1954	March, 1955	Eleven months, April to March 1953-54	Eleven months, April to March 1954-55
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
1. Trade in merchandise— (a) Exports	46.10	46.50	525.81	578.03
(b) Re-exports ..	47	77	4.85	5.46
Less—Transit trade ..	..	3	4	43
Net re-exports ..	47	74	4.81	5.03
Total exports ..	46.57	47.24	530.62	583.06
2. Imports	50.61	57.68	580.79	636.29
Less—Transit trade ..	1	7	13	18
Net imports ..	50.60	57.61	580.67	636.11
Balance of trade in merchandise	—4.03	—10.37	—50.05	—53.05
Balance of trade in gold and silver	..	—1	—8	—3
Total overall visible balance of trade	—4.03	—10.38	—50.13	—53.08

† Total values of foreign trade of India by all routes (i.e. sea, air and land).

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (in thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1952-1953 ..	1,168	24,406	128,773	28,539	11,413	2,635	949	171	169	209	169	297
1953-1954 ..	1,179	25,215	129,009	29,365	11,186	2,513	921	154	168	168	190	343
December 1953 ..	93	2,747	10,990	2,476	959	210	59	16	14	18	14	33
January 1954 ..	94	2.781	11,281	2,531	944	202	94	17	20	16	15	32
February ,, ..	101	2,157	10,318	2,274	1,018	179	76	18	16	14	14	30
March ,, ..	106	2,325	14,588	3,308	1,018	215	83	17	18	18	16	34
April ,, ..	106	2,198	9,923	2,275	953	211	88	20	15	10	15	34
May ,, ..	111	2,437	10,220	2,341	952	215	78	14	16	10	15	34
June ,, ..	..	..	..	..	909	210	71	10	13	7	13	32
July ,, ..	..	..	..	..	935	234	76	11	10	7	16	35
August ,, ..	..	..	..	..	935	245	79	11	9	7	18	34
September ,, ..	..	..	..	..	914	241	66	11	9	7	11	31
October ,, ..	..	..	..	..	936	241	65	13	10	12	13	31
November ,, ..	..	..	..	..	991	226	73	15	13	19	15	33
December ,, ..	..	..	..	..	1,064	229	70	20	14	21	10	36
January 1955 ..	..	..	..	..	1,082	223	74	20	17	19	15	35

Equated to M. G. Wagons (1 B. G. = 2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway.
† Progressive figures.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 26th May, 1955 ..	58,813
	Corresponding week, 1954 ..	65,851
	1st Sept., 1954 to 26th May, 1955	1,484,835
	Corresponding period, 1953-54 ..	1,550,864
Cotton Exports ..	Week ended 26th May, 1955 ..	9,563
	Corresponding week, 1954 ..	2,547
	1st Sept., 1954 to 26th May, 1955	281,760
	Corresponding period, 1953-54 ..	239,844
Mill Consumption ..	1st Sept., 1954 to 26th May, 1955	940,093
	Corresponding period, 1953-54 ..	930,784
Stock (with exporters, dealers and mills) in Bombay	On 26th May, 1955 ..	698,400
	Corresponding date, 1954 ..	717,040
Cotton Exports from Bombay (by sea)	During February, 1955 ..	82,522
	1st Sept., to 28th Feb., 1955 ..	161,207
	1st Sept., to 28th Feb., 1954 ..	153,221
Karachi (Pakistan)—		
Receipts	1st Sept., 1954 to 12th May, 1955	1,182,091
	Corresponding period, 1953-54 ..	1,339,147
Exports	1st Sept., 1954 to 12th May, 1955	591,246
	Corresponding period, 1953-54 ..	897,890

Particulars	Period	From 1st Sept., 1954 to 30th May, 1955 Bales	From 1st Sept., 1953 to 30th May, 1954 Bales
From Bombay			
Cotton Exports to— United Kingdom	..	25,989	13,056
Continent	..	43,949	23,338
Hongkong	..	3,879	293
China	..		
Japan	..	79,633	60,948
U.S.A.	..	16,880	12,805
Other Countries ..	..	1,621	1,553
Total to all foreign countries ..	..	171,856	111,779
Coastal Ports	..	117,041	132,484
	Period		Quantity (Bale of 400 lbs.)
Consumption of Cotton— Indian	February, 1955		322,573
Foreign			50,051
Indian	Six months ended Feb., 1955		2,022,955
Foreign			344,791
Indian	Same Period, 1954 ..		1,949,766
Foreign			341,074
Stores (Mills and Elsewhere)— Indian	As on 28th February, 1955 ..		1,161,158
Foreign			185,886
Indian	As on 28th February, 1954 ..		1,032,112
Foreign			146,158
Cotton Pressed in India † (in running bales)	Week ended 20th May, 1955		77,823
	Corresponding week, 1954 ..		69,817
	1st Sept., 1954 to 20th May, 1955		3,834,087
	Corresponding period, 1953-54 ..		3,374,668

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,84,000	1955-60	100¾
4 % Bonds	1926-28	68,30,26,000	1960-70	101
4 % Loan	1935-39	1,16,17,46,000	1965-65	94
3½% Loan	1950	80,83,10,000	1964	94
3 % Loan	1948	1,10,11,78,000	1966-68	91
2½% Y. Loan	1944	1,14,06,89,000	1957	99
2½% Loan	1945	1,15,05,83,000	1970-75	87
2½% Loan	1945	1,13,66,84,000	1959-61	97
2½% Loan	1951	50,58,68,000	1958	99
2½% Loan	1946	45,03,07,000	1950	94
2½% Loan	1946	57,00,69,000	1961	92
2½% Loan	1946	14,77,46,000	1976	82
2½% Loan	1947	76,86,72,000	1962	92
2½% Loan	1948	60,45,01,000	1955	99
2½% Loan (N.P. Bonds)	1953	75,00,00,000	1961	99
2½% N.P. Loan	1954	156,75,00,000	1964	98
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,03,36,000	At option of Government after three months' notice.	80
3 % Loan	1946	248,91,90,000	On September, 1966 or later at option of Government after three months' notice.	80
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,88,20,000	1958-68**	108
PROVINCIAL LOANS				
3 % Bombay	1942	2,54,23,800	18th Sept. 1955	99
3 % Bombay	1949	3,50,00,000	14th Sept. 1956	99
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	98
3 % Bombay	1949	6,00,18,000	1st Aug. 1959	98
3 % Bombay	1950	3,01,87,700	31st July 1960	94
4½% Bombay	1951	3,04,06,900	17th Sept. 1962	98
4 % Bombay	1953	5,00,00,000	15th July 1963	101
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	101
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-56	98
4½% Cochin	1936	70,09,000	1st June 1958-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95
3 % Madras	1949	1,22,95,600	21st June 1959	95
3 % Madras	1942	1,23,25,000	18th Sept. 1955	99
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98
3 % Madras	1945	2,79,44,000	14th Sept. 1960	95
2½% Madras	1946	3,81,77,200	1st Sept. 1961	91
3 % Madras	1950	4,88,25,400	31st July 1960	95
3½% Madras	1951	3,01,49,800	17th Sept. 1962	98
4 % Madras	1952	5,00,00,000	15th July 1963	101
4 % Madras	1952	6,24,81,200	1st Aug. 1964	101
3 % Mysore(f)	1930	1,68,44,300	1st Nov. 1955	100
3 % Mysore(f)	1938	2,95,85,200	1st Dec. 1955-58	101
3 % Mysore	1926	5,99,72,900	30th April 1956-61	99
3 % Mysore	1947	8,58,05,700	25th Jan. 1958	99
4 % Mysore	1953	3,00,00,000	15th July 1963	100
3 % M.P.	1942	50,00,000	18th Sept. 1955	99
3 % M.P.	1943	50,54,200	14th Sept. 1956	98
3 % M.P.	1944	52,69,800	15th Aug. 1958	98
3 % M.P.	1948	2,08,00,000	15th Sept. 1964	94
3 % M.P.	1950	1,00,28,800	31st July 1960	94
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	98
4 % M.P.	1953	1,00,00,000	14th July 1963	100
3 % Punjab**	1938-44	2,48,87,200	15th Aug. 1958	98
3 % Punjab**	1942	2,85,20,000	16th Sept. 1955	99
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99
3 % Punjab**	1945	2,96,81,600	14th Sept. 1960	97
3½% Travancore	1936	50,00,000	16th Aug. 1956	99
4 % Travancore-Cochin	1953	9,00,00,000	15th July 1963	100
3 % U.P.	1936	1,69,39,800	15th Sept. 1961-66	90
3 % U.P.	1940	3,22,96,500	15th Aug. 1958	98
3 % U.P.	1945	2,26,21,900	14th Sept. 1960	94
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	91
3½% U.P.	1951	2,00,00,000	17th Sept. 1962	98
4 % U.P.	1952	4,11,23,000	1st Aug. 1964	100
4 % U.P.	1953	5,00,00,000	15th July 1963	100
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 36,50,000	4	1904	1964	Rs.
35,00,000	4	1905	1965	
15,00,000	4	1906	1966	
45,00,000	4	1907	1968	
75,00,000	4	1908	1968	99½ N
40,00,000	4	1909	1970	
35,00,000	4	1910	1971	
1,10,00,000	4	1911	1972	
14,25,000	4	1912	1973	
80,00,000	4	1913*	1960	D
88,25,000	4	1914	1974	99½ N
10,00,000	4	1915*	1960	100 N
55,00,000	4	1916*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	4	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
18,50,000	3½	1932*	1962	
24,50,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs. 90,24,200	4	1914	1974	Rs.
76,90,100	4	1916	1975	99
1,50,00,000C	3½†	1921	1981	96
66,02,800C	3½†	1921	1981	81
1,24,06,900	4	1922	1982	144 N
96,21,600	5½	1925	1955-65	101½
99,34,500B	5	1926	1956-66	101
1,49,49,500B	5	1927	1956-66	101
1,49,30,000	5	1927	1957-67	101½
80,00,000	4½	1931	1958-68	108
80,00,000	3½	1932	1961	96
25,00,000	3½	1935	1965	96
50,00,000	3	1938	1968-88	90
50,00,000	3	1945	2000	74 N
50,00,000	3	1948	1976	84
50,00,000	3	1949	1979	84
50,00,000	3	1946	2000	78½ N
50,00,000	2½	1947	1977	78
50,00,000	3	1948	1978	82½
50,00,000	3	1949	1979	86
80,00,000C	3	1949	1959	96
1,00,00,000	3	1950	1980	81½
1,00,00,000	3	1950	1960	96½
50,00,000	3	1950	1960	95
1,50,00,000	3	1951	1981	81
50,00,000	4	1952	1962	97½
50,00,000	4	1953	1963	99
		1958	1988	96½
STERLING LOANS				
£892,600	5	1928	1958-68	£87
£901,000	5	1924	1954-64	£87
£885,100	5½	1928	1962	£96
MADRAS				
Rs. 81,47,100	3½	1947	1977	Rs.
9,86,000	3	1947	1977	
3,00,000	3	1949	1979	A
45,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 50,00,000	4	1899	1959	Rs.
30,00,000	4	1900	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½ N
25,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½ N
25,00,000	5	1916	1976	
65,00,000	6	1920	1957-70	118 N
25,00,000	6	1920	1955-80	
25,00,000	4	1926	1956-86	115 N
10,00,000	4½	1927	1961-70	96 N
		1936	1960	
STERLING LOANS				
£866,600	4	1909	1959	£95½
£888,100	4	1910	1970	£95½
CALCUTTA				
Rs. 50,00,000	6	1925	1955	101
25,00,000	5½	1926	1959	107
35,00,000	4	1894	1964	97
30,00,000	3½	1935	1965	94
50,00,000	3	1936	1966	90
30,00,000	3	1937	1968	91
80,00,000	4	1938	1963-68	99½
	4	1952	1963	99½

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,60,000	4	1913-15	1974	99 N
20,00,000	4	1918-19	1958	100 N
10,00,000	5	1920	1980	113 N
25,00,000	5	1928	1958	104½
8,45,500	5	1929	1954-59	101
8,21,500	5	1929	1959	102½
8,25,00,000	3½	1947	1977	86½
2,50,00,000	3½	1949	1979	84
4,00,00,000	3½	1950	1958	92½
2,50,00,000	3	1952	1964	100
2,00,00,000	3	1953	1965	97½
1,50,00,000	4	1953	1963	100
1,00,00,000†	4	1954	1966	100
Rs.				Rs
CALCUTTA				
24,70,000	6	1925	1955	101
36,00,000	5	1928	1958	108
25,00,000	5	1929	1957	107½
25,00,000	5	1929	1958	107½
10,00,000	5½	1928	1958	108
33,91,000	5	1928	1958	94
60,00,000	3	1936	1966	90
47,50,000	3	1938	1968	90
10,67,700	3	1939	1969	90
15,84,900	4	1939	1958	99½
15,56,800	4	1939	1958	99½
15,56,800	4	1940	1957	99½
17,84,400	3½	1942	1959	96½
21,10,000	3½	1942	1972	97
15,49,000	3½	1943	1960	97
16,88,000	3½	1951	1961	97½
66,84,000	3½	1951	1966	97½
87,86,000	4	1958	1963	99½
72,50,000	4½	1954	1979	100
MADRAS				Rs
71,700	6	1925	1955	100 N
2,07,300	6	1922	1958	101 N
15,00,000	3½	1931	1961	107 N
15,00,000	3½	1932	1962	107 N

ABBREVIATIONS.

A—Held by Government of India. B—Taken up by Imperial Bank of India. C—Held by Commissioners.
(f) Income-tax free. * Loans held entirely by the Trustees. **Quotations in Pak. Currency. D—Domestic Loan not marketable.
† Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st April, 1955. ***Rupee Counterparts.
‡ Rate of interest reduced from 4½ to 4 per cent. with effect from 1st April, 1955. ‡‡ Interest free in first 12 years. ‡‡‡ Interest free for first 7 years.

N—Nominal.

PREFERENCE SHARES

Company	Amount issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	134	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	100	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	144	100
Deccan Sugar & Abkhari* &	7,00,000	1920	7	July Apr.	116½	100
¶East India Distilleries ..	£200,000	1897	7	Jan. July	17½	£1
Gwalior Sugar	4,75,000(c)	1940	7B	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec.	68	100
Portalbpore Co.	6,00,000	1922	10	Oct. ..	15½	10
Ramnagger Cane	4,00,000	1933-38	6	Aug. ..	102xd	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	161½	100
Travancore	14,99,135	1946	5(c)	Dec. ..	78	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borron	4,00,000	1896-97	6½	Oct. Apr	119	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	124	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	120	100§
Karanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	70	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept	3½N	10g
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Oudal	2,00,000	1898-99	6½	Apr. Oct.	114	100
COTTON						
Ahmedabad Advance ..	10,00,000	1939	5	Apr. Oct.	102	100
Bangalore	6,00,000	1884	6	Jan. July	130	100
Broach Cotton	5,00,000	1938	6½	Nov. ..	7½	10
Broaras Cotton	1,05,200	1919	7	July Jan.	63	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	119	100
Bowrah	6,00,000	1900	8	Feb. Aug.	135	100
Do. A	6,00,000	1900	7	Feb. Aug.	78	100
Broadbery	14,75,000	1919	7	June Dec.	65	50
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	140	100
Cambodias	1,00,000	1922	7	Apr. ..	125	100
Central India	30,00,000	1912	5	Apr. Oct.	300	500
Coimbatore Pioneer ..	1,00,000	1935	6½	Nov. ..	117xd	100
Elgin	11,00,000	1912	8	May Nov.	143	100
Do. B Pref.	4,20,000	1943	5	July Jan.	10½	10
Hightstone	25,00,000	1919	7(a)	May Nov.	86½	100
Kisnram	20,00,000	1919	7	June Dec.	131	100
Khatau Makanji (2nd) ..	29,52,500	1947	4	Nov. ..	87	100
Kothari's	12,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. ..	230	250
Morarjee Gooculdas Spg. & Wvg	17,15,000	1947	4½	January ..	79½	100
Muir Mill	30,00,000	1900	6	Jan. July	80½N	100
Mysore Spg.	7,45,050	1944	4½	.. ..	30	30
National Rayon	1,74,54,700	1947	3	.. ..	87	100
New Great	8,00,000	1913	5½(a)	Mar. ..	185½	200
New Victoria	26,05,500	1920	8	Apr. Oct.	3½	5
Podar Mills	10,00,000	1943	4	Feb. ..	77	100
Rajlakshmi	2,00,000	1932	6½	Apr. ..	54

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. F=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and All value items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the amounts are closed half-yearly, dividends are shown separately for the respective half-years

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
80,00,000	3,74,976	63,22,382	43,85,372	—2,24,486	Rajputana Textiles (Agencies) Ltd.	47,512	3,981	Apollo Mills	2-11½	8	0 4(o)	0-4 (c)			12	W.
40,00,000	84,00,000	1,34,85,581	72,25,655	—5,76,311	B. R. Sons, Ltd.	50,596	1,021	B. R. Cotton Mills	29	100	Nil	Nil	Nil		12	V.P.
30,98,000	2,33,99,019	4,22,72,764	3,24,21,688	52,579	Nowrosjee Wadia & Sons, Ltd.	1,89,360	4,255	Bombay Dyeing & Mfg.	455	850	0 0	22 8*	20 0		3	V.
10,00,000	27,36,359	55,58,179	48,57,495	2,48,761	Ramnarain Sons, Ltd.	42,008	860	Bradbury Mills	170‡	50	100 0	100 0	75 0		3	V.P.
1,09,42,800	2,27,54,107	2,83,17,250	1,85,13,280	31,32,663	Birla Bros., Ltd.	1,25,936	2,698	Century Srg. & Mfg.	377½	100	20 0	22 0	22 0		12	W.
49,00,000	15,44,690	1,16,09,462	65,52,039	—33,25,720	V. J. Plisai (Chairman and Managing Director)	40,668	798	Colaba Land & Mill	55‡	100	Nil	Nil	Nil		12	V.
86,00,000	13,33,380	64,51,450	44,36,747	21,158	Cowasjee Jehangir & Co., Ltd.	30,130	660	Coorla Srg. & Wvg.	118½	50	6 8	7 8	7 8		3	V.
16,00,000	25,08,261	64,39,890	30,46,041	38,562	Ramnarain Sons, Ltd.	38,304		Dawn Mills	90	50	6 6	6 0			12	V.
14,00,000	27,75,000	68,35,752	60,73,724	16,489	Poreomal Radhakishen & Co.	50,296	928	Edward Textiles	268‡	500	15 0	15 0			12	V.
29,97,750	11,93,292	1,09,90,3	78,99,228	17,599	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	50	50	3 0	Nil	2 8		12	V.P.
50,00,000	64,31,875	1,05,11,445	71,58,296	3,90,661	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	245‡	100	20 0	16 0	16 0		12	V.
11,84,000	75,99,589	1,20,85,307	91,11,580	8,850	Thackersey Mooljee & Co.	49,672	1,126	Hindoostan Spg. & Wvg. Mills	3,825	1,000	200 0*	225 0*	225 0	40 0‡	3	V.P.
16,000									865	250	50 0	56 4*	56 4	10 0‡		
8,00,00,000	1,13,27,885	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,38,036	6,278	India United Mills	10½	10	Nil	0 10			12	V.
80,00,000									1 4	1D	Nil	0 1				
8,65,000	71,99,043	1,22,31,586	83,99,000	3,531	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	5,830	1,000	200 0*	225 0*	225 0	40 0‡	3	V.P.
55,000									865N	500	100 0	112 8*	112 8			
89,85,000	40,24,767	2,15,86,170	1,74,28,945	23,212	Khatau Makanji & Co., Ltd.	84,604	1,513	Khatau Makanji Spg. & Wvg.	167½	100	10 0	10 0	8 0		6	V.P.
1,00,00,000	1,44,50,000	3,49,59,105	2,46,94,456	12,185	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	312½	100	15 0	20 0*	18 0		12	V.
88,80,000 A	64,00,782	4,36,527	88 878	6,08,534	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	782	100A	6 4	4 4			6	V.P.
8,60,000 B									—	80B	1 1	4 4				
82,13,050	39,74,916	1,14,37,317	54,72,963	16,432	N. Sirur & Co., Ltd.	48,676	664	Modern Mills	85N	50	5 0	5 0	5 0		10	V.T.
81,75,000	37,62,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	66,352	1,042	Nowrosjee Cocoidas Spg. & Wvg.	22½	100	12 0	12 0	14 0		6	V.P.
1,37,71,400	61,70,318	5,74,04,779	1,55,00,000	5,72,076	Chinai & Co., Ltd.			National Rayon Corporation	209	100	Nil	9 0	10 0		12	V.P.
84,00,000	25,60,685	74,52,403	46,04,752	27,546	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	138‡	100	10 0	10 0	10 0		12	V.
19,00,000	13,47,407	89,82,380	61,42,740	12,717	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	170	100	10 0	10 0	7 8		12	V.P.
18,70,100	36,36,004	42,69,352	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd.	34,100	873	New Union Mills	30½	10	1 4				12	V.
48,00,000	36,07,273	1,42,08,882	91,39,811	30,475	Ramnarain Sons, Ltd.	66,324	1,190	Phoenix Mills	117½	100	8 0	8 0			12	V.
40,00,000	43,62,741	24,64,450	22,50,000	8,99,184	Podar Sons, Ltd.	32,600	930	Podar Mills	158‡	100	10 0	10 0			12	V.
5,00,000	8,44,000	21,20,749	18,99,340	2,590	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	14‡	10	1 4	0 12			12	V.
88,00,000	69,06,474	1,24,22,606	66,47,282	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Samoon Spg. & Wvg.	14‡	10	1 4	1 4			12	V.
60,00,000	1,33,00,061	91,25,908	50,71,284	1,53,662	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills	223xd	100	12 8	14 0	14 0		12	V.
42,00,000	38,80,000	80,15,073	68,69,000	21,940	Forbes, Forbes Campbell & Co., Ltd.			Simplex Mills	29,436	1,274	15 0(p)	15 0	11 0	6 0‡	3	V
55,00,000	1,22,33,867	1,85,08,331	1,18,85,485	17,128	Mafatlal Gagalbhai & Sons	57,788	1,633	Standard Mills	353½	100	20 0	20 0	20 0		12	V.P.
1,00,00,000	82,26,342	1,92,83,887	1,02,23,292	43,799	Tata Industries Ltd.	70,764	2,000	Svadeshi Mills	187	100	16 0	16 0	8 0		12	V.P.
36,00,000	62,78,465	1,17,42,921	70,22,715	3,39,764	James Finlay & Co., Ltd.	38,828	552	Swan Mills	315	100	30 0	20 0	20 0		12	V.
32,59,438	40,96,589	1,59,55,305	48,92,129	11,417	Tata Industries Ltd.	62,096	1,800	Tata Mills	465	25	1 0	1 8	2 8		12	V.
18,00,000	62,35,708	98,83,223	74,65,800	4,819	Thackersey Mooljee Sons & Co	34,424	1,181	Western India Spg. & Mfg.	3,875	1,000	200 0*	225 0*	25 0	40 0‡	3	V.P.

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
33,00,000	25,97,630	96,80,904	35,57,028	5,660	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	131½	100	10 0	10 0*	5 0		8	V.
10,00,000	30,33,638	89,83,424	65,39,067	7,878	P. M. Hariheesing & Sons, Ltd.	42,768	812	Arvind Mills	330	100	20 0*	20 0*			12	V.P.
26,25,000	2,23,86,002	1,33,18,915	88,73,000	47,546	Narottam Lalbhai & Co.	62,448	1,216	Arvindas Ginning & Mfg.	1,155	100	25 0	25 0			12	V.P.
20,00,000	38,43,340	79,44,276	56,25,000	3,90,074	Mangaldas & Bros., Ltd.	35,184	884	Atyadeva Ginning & Mfg.	370	100	15 0	15 0			12	V.
12,00,000	1,08,38,621	32,14,168	60,70,738	33,358	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	595	100	22 0	22 0*	22 0		12	V.P.
1,24,79,011	1,11,66,203	4,24,88,718	3,07,53,344	16,00,736	Karamchand Premchand Ltd.	1,39,120	2,372	Calico	356½	125	18 0	18 0	18 0		12	V.P.
45,00,000	48,43,000	1,05,59,843	72,90,000	6,391	Tricumlal Bhagilal & Co., Ltd.	45,836	867	New Commercial Mills	992N	750	70 0	70 0			12	V.P.
89,00,000	66,61,702	1,14,89,135	91,35,306	6,387	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	730	125	35 0	35 0*	35 0		12	V.P.
3,00,000	61,15,982	46,72,745	31,76,001	760	Jagabhai Bhagilal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	705	100	30 0*	30 0*			12	V.
12,50,000	1,09,22,589	79,71,728	52,25,077	32,522	Lalbhai Dalpatbhai & Co.	31,120	634	Raipur Mfg.	1,026‡	100	25 0	17 8			12	V.P.
18,00,000	13,91,067	74,95,049	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	77‡	250	Nil				12	V.P.
32,50,000	10,74,825	84,83,940	52,67,803	4,020	Lalubhai Gordhandas Ltd.	33,136	648	Rohit Mills	131½	100	8 0	9 0			12	V.P.
88,98,150	1,50,84,558	1,60,18,812	1,34,25,000	2,52,570	Harivallabhdas Kalidas & Co.	79,116	1,753	Shri Ambica Mills	380½	50	16 0	18 0	20 0		12	V.P.
19,22,500	59,00,194	78,08,018	62,03,800	6,434	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	450	100	20 0	20 0	25 0*		12	V.
28,00,000	26,43,469	75,32,266	61,24,605	31,806	Haridas Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	336½	100	35 0*	35 0*			12	V.

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
15,00,000	1,88,479	84,10,729	19,47,810	41,227	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	4 8	10	Nil	0 4			12	
7,11,280	3,93,369	40,98,098	23,80,978	47,818	Bengal Textile Agency, Ltd.	32,352	936	Bengal Laxmi Cotton Mills	40N	100	3 0	Nil	4 0		18	V.P.
6,00,000	22,71,793	80,75,189	81,52,000	—21,82,781	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	375	100	Nil	Nil	Nil		6,12	V.P.
19,00,000	23,17,771	99,37,856	69,83,080	—9,27,405	Kettlewell Bullen & Co., Ltd.	42,944	818	Dunlop Mills	14	10	1 4				12	V.
1,60,00,000	1,98,18,540	3,42,43,338	1,08,56,338	8,15,714	Birla Brothers, Ltd.	70,040	1,990	Kesoram Cotton Mills	131XR	50	1 12	1 12	1 12		6,12	H.
6,00,000	9,73,808	84,54,400	67,04,257	8,188	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	25	1 4				3	V.P.
93,96,288										10	1 4					
19,47,750	5,75,000	41,85,833	19,32,788	15,666	Harrisonmull Biscuitmill	23,196	795	Rampoorea Cotton Mills	12	10	0 8	0 8			12	V.P.
5,00,000 D									3N	1D	Nil	Nil				

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
18,00,000	9,09,109	29,21,613	21,05,246	2,736	Ramaiah & Co., Ltd.	55,000		Alagappa Textiles (Cochin) Ltd.	51	10						
71,94,400	31,99,334	2,06,04,796	30,52,372	3,771	Industrial Trust Fund	36,136	750	Aram Jahi Mills	82	100	6 0	6 0			12	V.P.F.
40,30,000	1,91,68,745	2,87,22,995	2,24,71,643	2,44,711	Binny & Co. (Madras), Ltd.	40,048	1,157	Bangalore Woollen, Cotton and Silk Mills	426	100	15 0	25 0	30 0		12	V.
22,00,000	15,50,000	77,25,162	53,72,132	18,199		29,936	782	Bengal-Nagpur Cotton Mills	10½	10	1 0	1 0	Nil		12	V.P.
15,00,000	1,12,09,588	1,12,05,727	78,65,727	5,50,791	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	70N	10	0 4	Nil			6,12	H.P.T.
1,78,47,800	1,54,69,697	4,50,39,308	1,14,94,493	1,69,086	Binny & Co. (Madras), Ltd.	1,20,356	2,744	Buckingham & Carnatic	152	100	3 0	3 0	3 0		9	V.
20,00,000	20,00,406	34,17,820	19,76,634	8,55,087	Parrys, Leslie & Co., Ltd.	37,336	1,020	Cambodia Mills	118	10	1 0	10 0	10 0		12	V.P.F.
15,00,000	4,51,500	43,54,797	18,76,141		K. Damodaran, Esq.	17,496		Cannanore Spg. & Wvg.	131½	10	1 0	0 12	Nil		12	V.P.
30,00,000	26,49,773	81,86,118	47,84,818	26,773	Begg, Sutherland & Co., Ltd.	28,794	591	Cauvery Textiles	8½	100	12 0	12 0	20 0		3	V.
12,00,000	20,60,000	30,83,973	24,65,699	4,614	R. Eleeman Naidu & Co.	28,864		Coimbatore Cotton Mills	27½	100	9 0	9 0	9 0		3	V.
80,00,000	13,90,000	33,17,981	17,08,703	3,400	T. R. N. Naidu & Co.	21,978		Coimbatore Pioneer Mills	218cd	100	9 0	20 0	25 0		12	V.
80,75,000	4,34,444	1,48,234	48,90,064	4,76,905	R. G. R. Naidu & Co.	17,188	407	Coimbatore Spg. & Wvg.	66	50	9 0	15 0	10-0*		6	V.P.
48,81,500	61,78,247	2,34,42,459	1,51,56,858	14,071	Tata Industries, Ltd.	1,13,188	2,062	Central India	118	100	Nil	Nil	Nil		12	V.
3,38,36,225	2,63,12,465	8,55,97,662	4,42,00,000	1,69,241	B. R. Charat Ram & Co., Ltd.	1,16,636	2,355	Delhi Cloth & General Mills	37	2	2 0	2 0	2 0		6	V.
1,00,543									2½	15	1 4/5	0 2 4/5	0 3 3/5		6	V.P
84,34,800	24,72,758	47,34,037	33,82,512	9,248	M. N. Chettiar & Sons	52,164	201	Dhanalakshmi Mills	269	100	0 1	0 2	0 3		6	V.P
63,00,000	35,27,872	1,46,96,492	1,21,71,631	62,277	Begg, Sutherland & Co., Ltd.	53,768	1,198	Elgin Mills	18	20	20 0	20 0	30 0		12	V.
48,81,000	33,91,175	88,91,779	65,24,878	37,169	Forbes, Forbes Campbell & Co., Ltd.			Gokak Mills	18	10	1 8	1 0	1 0		9	V.P.
50,00,000	12,75,743	1,25,73,688	88,01,206	12,371	Govindram Sekseria (Indore)	72,904	3	Indore Malwa United	211½	100	17 0*	17 0	13 0		12	V.
8,90,000	10,65,683	30,91,139	16,77,743	—50,124	O. V. Naidu & Co., Ltd.	31,180	1,420	Jasdanda Mills	95	100	6 0	6 0			12	V.
24,00,000	15,75,600	64,03,081	12,00,000	20,004	Kothari & Sons	23,784		Kothari Textiles	75	50	3 12	4 8	5 0		12	V.
32,00,000	69,32,519	1,42,27,744	1,05,78,587	19,080	Bombay Co., Ltd.	30,512	200	Lakshmi Cotton Mfg.	12½	10	0 12	0 8	0 8		6	V.P.
33,44,100	44,00,000	1,00,33,685	69,98,848	23,793	G. K. Naidu & Co.	31,972	1,219	Lakshmi Mills	507½	250	37 8	37 8	33 12		12	V.P.
17,82,050									142	50	3 0	3 0	10 0			
1,73,81,480	4,13,81,878	8,66,33,243	3,44,90,463	9,66,800	A. & P. Harvey Ltd.	63,852		Madura Mills	72	25	2 8	2 8	3 0		3	V.
18,00,000	4,17,863	27,72,881	16,02,069	1,14,098	A. L. A. R. R. Chettiar and 2 others	22,992	100	Malabar Spg. & Wvg.	45½	15	3 0	3 0	3 0			
60,00,000	69,00,000	62,41,446	41,60,235	143,408	W. A. Beardsell & Co., Ltd.	25,656	603	Meenakshi Mills Ltd.	120	100	8 0	8 0	8 0		12	V.
99,80,184	19,47,903	84,13,677	46,82,134	6,399	N. Sirur & Co., Ltd.	39,200	704	Meenakshi Mills	347cd	100	12 8	12 8	22 8*	35 0	12	V.
94,91,850	27,24,404	1,61,29,118	78,81,328	—7,44,932	Ramnial Abirchand Dudabhoy & Co.	31,340	955	Model Mills (Nagpur)	98½	100	5 0	7 0*	5 0(c)		12	V.
30,00,000	62,19,660	1,59,38,372	1,05,91,651	—9,77,290	Indian Textile Syndicate Ltd.	58,440	1,254	Mills Mills	138½	250	7 8	7 8*	5 0(c)		12	V.
84,83,500	56,92,566	95,25,192	61,27,444	22,597	N. Sirur & Co., Ltd.	49,644	500	Mysore Spg. & Mfg.	115N	100					6	V.
13,61,780	8,58,745	29,42,992	15,27,000	3,986	R. Suryanarayana Rao Esq. Manager	6,000		Mysore Sugar Silk Mills	17½	50	10 0*	10 0*	8 0*	3 0‡	12	V.P.
22,39,887	25,42,532	1,02,16,296	58,90,719	—39,62,329	J. P. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills	4	10	Nil	Nil	Nil		3	V.
3,07,095 D									1½	1	Nil	Nil				
87,03,800	87,08,000	1,64,48,327	62,62,651	15,819	Industrial Trust Fund	37,788	847	Osmanabad Mills	—	25	1 4	1 4			12	V.P.
4,00,000 A	7,50,000	33,81,578	18,80,484	551	Bhagkyalakshmi & Co.	29,924		Palani Andavar Mills	65	100	7 0	4 0			3	V
6,00,000 B									112½	50A	7 8	12 0				
18,00,000	8,56,929	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980		Pankaja Mills Ltd.	158½	25B	12 0	12 0			12	V.P.
16,81,200 A	20,00,000	73,90,455	41,41,878	28,607	A. G. Germany Naidu & Co.	54,864	301	Rajalakshmi Mills	53	100	11 4	16 0			12	V.
8,49,200 B									207½	100 A	6 0	8 0*	16 0			
15,00,000	82,25,000	25,50,868	16,48,985	26,422	R. R. Naidu & Sons	25,968		Rajalakshmi Mills	100	50B	5 0	6 0	8 0		18	V.P.
22,23,375	12,10,000	38,91,595	14,22,264	23,505	Rayalaseema Development Co.	14,800		Rayalaseema Mills	131	50	Nil	0 8			12	V.P.
60,00,000	62,44,508	98,29,567	35,63,291	—19,39,428	J. P. Srivastava & Sons (Rampur).	33,984	600	Raza Textiles	90	100	6 0	6 0	9 0		12	V.
									3-5½	10	1 0	Nil			12	V.P.
16,00,000	1,60,39,516	2,89,27,048	2,04,27,278	—1,50,02,067	Morarka & Co.	84,048	2,234	Shahpoor Spg. & Wvg.	1,400	1,000	Nil	Nil			12	
96,69,700	11,45,000	75,40,039	49,25,631	26,144	H. N. Palkeram, Esq.	31,668	292	Sri Krishnarajendra Mills	83cd	500	Nil	Nil	Nil		3	V.
28,14,800	2,00,246	25,18,906	17,73,008	—2,46,377	Gopaldas Lindsay & Co., Ltd.	17,880	440	Shree Rajkus Mills	72N	50	4 0*	4 0*	4 8		3	V.
15,00,000	2,49,73,945	87,38,169	62,02,085	51,22,917	Birla Brothers, Ltd.	36,212	1,242	Sudeni Cotton Mills	76 X	10	4 0	Nil	Nil		3	V
17,30,000 C	8,20,000,000	4,32,93,265	1,56,70,740	2,67,165	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	88	100	Nil					
1,07,30,000 F									9	100 O	0 8					
99,84,040	16,00,000	2,73,11,606	1,00,28,764	1123,122	Escorts & Sons (Tarnaranan), Ltd.			Tarnaranan Rayons	13½	10	0-14 2½				12	V.P.
18 98,578	8 79 479	13,26,297	10,43,186	5,521	Mooljee Ramjee & Sons	16,536		Trichinopoly Mills	16	10	Nil		0 10		12	V.P.
21,00,000	82,00,000	56,92,298	98,81,459	30,500	R. K. S. Chetty & Brothers	33,904	270	Vasanta Mills	213	100	0 11 1/5	0 11	0 14 2/5		12	V.
32,00,000	31,59,443	1,38,33,036	1,00,33,598	22,250	Bombay Co., Ltd.	34,280	1,495	Vishnu Cotton	135	100	12 0	12 0	8 0		12	V.P.

* Includes bonus.

† Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(b) Subject to taxation and workers' bonus.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X, R.—Ex-Right.

(c) Paid out of reserves.

MISCELLANEOUS COMPANIES

BREWERIES AND DISTILLERIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
13,28,000	16,64,000	1,09,25,186	50,37,365	21,554	Parry & Co., Ltd.	Deccan Sugar & Abkhari	32	25	Nil	Nil	Nil		5	V.P.
6,64,000							13½	R. 10	Nil	Nil	Nil			
16,20,630	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6½	5	0 8	0 8			3	V.
680,000 A	£897,579	£1,225,541	£513,606	£57,290	Parry's Holdings Ltd.	East India Distilleries and Sugar	17	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5			V.P.
630,000 B							24½	R. £1	Rs. 2	Rs. 4	Rs. 3 4/5			
6,00,000	9,60,000	11,63,313	11,63,307	4,057	Vittal Mallya, Esq. (Chairman	United Breweries	165	75	15 0	15 0	15 0		3	V.

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
11,57,700 A	8,69,857	75,78,758	45,89,342	4,636	Andhra Engineering Co., Ltd.	Andhra Cement Co.	130xd	A. 100	7 8	10 0*			12	V.P.U.
39,67,420 B							13xd	B. 10	0 12	1 0*				
43,14,600 O	11,14,602	18,53,830	7,23,479	1,20,881	Eastern Corporation Ltd.	Assam Bengal Cement	6½	O. 10	Nil	Nil			3	V.U.
4,70,976 D							2½	D. 1						
32,67,50,313	4,18,90,259	20,42,88,558	7,85,13,157	6,93,281	Cement Agencies Ltd.	Associated Cement Companies	174½	100	9 8	9 8	8 8		7	V.
60,00,0000.							14	O. 10	0 10	1 0				
86,49,798 O.	46,39,155	81,39,445	20,01,691	67,792	Harl Brothers Ltd.	Dalmia Cement (Bharat)	34	D. 2	0 2½	0 4			12	V.P.U.
3,00,000 D.							2	1	Nil	0 1-3/5				
61,84,930 O.	8,00,000	1,45,26,685	39,60,537	1,15,792	Rees Ltd.	India Cements Ltd.	23½	O. 25	1 4	Nil	1 4		3	V.P.
7,50,000 D.							5	D. 5	0 4	Nil	0 4			
59,84,000	13,00,000	1,67,86,035	51,49,060	1,62,701	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	182

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
						PAPER								
45,00,000	31,61,841	1,99,95,468	1,41,05,656	1,53,875	Balmer Lawrie & Co.	Bengal Paper Mills	65xd	25	Nil / 1 9	Nil / 1 9	1 9 / 7 0		6,12	H.P.T.
80,00,000	33,44,805	1,07,15,561	71,75,830	2,34,328	Andrew Yule & Co., Ltd.	India Paper Pulp	262	100	5 0 / 5 0	6 0 / 6 0	7 0 / 7 0		3,9	H.
25,00,000	16,12,500	1,18,13,367	47,51 061	49,179	B. P. Ramakrishnan Esq.	Mysore Paper Mills	17½	10	1 0* / 1 0	1 0* / 0 12*	0 12* / 0 12*		5	W.
1,46,82,500	1,69,72,408	3,91,23,962	91,37,779	2,47,582	Birla Bros.	Orient Paper	26⅛	10	1 0 / 1 0	1 0 / 0 12	0 12 / 0 8		3,9	H.P.T.
80 06,290	78,16,849	1,11,54,742	62,73,807	2,33,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	16½	10	0 12 / 0 12	0 12 / 0 12†			6,12	H.P.T
80,00,000 / 10,80,600A.	7,02,430	50,37,167	28,55,530	9,798	Bajoria & Co.	Star Paper Mills	13⅛ / 13⅛	O. 10 / A. 10	0 4 / 0 4	0 6 / 0 6			3,9	H.P.T.
56,00,000A. / 66,04,800B. / 6,37,500P.O.	2,83,01,797	5,11,76,455	3,06,96,855	3,59,432	F. W. Heilgers & Co., Ltd.	Titaghar Paper Mills Co., Ltd.	43½ / 43½ / 4½xd	A. 10 / B. 10 / P.O. 2½	1 0 / 1 0 / 0 0	1 0* / 1 0* / 1 0*	0 12 / 0 12 / 0 12	0 12 / 0 12 / 0 12	3,9	H.P
						PRESSING								
8,00,000	6,12,363	15,78 488	10,90,581	20,403	Andrew Yule & Co.,	Calcutta Hydraulic	90	100	5 0	5 0	4 0		6	V.
4,30,000	1,00,000	6,89,526	4,73,036	2,354	Dyne & Sons	Camperdown	89N	100	7 0	7 0	8 0		7	V.
5,00,000	1,55,000	10,91,811	9,30,377	12,962	Andrew Yule & Co	Central Hydraulic	92	100	5 0	4 0	5 0		6	V.
						PROPERTY AND LAND								
10,00,780O. / 8,00,000D.	7,43,065	43,46,067	21,43,279	96,047	S. A. Basil, Esq., & others (Directors)	Humayun Properties	11 / 1½	O. 10 / D. 1	0 8 / Nil	0 11½ / 0 9 3/8	0 9 3/8 / Nil		9	V.P.
60,00,000	18,90,038	84,21,356	15,00,000	350	David Sassoon & Co., Ltd.	Port Canning Land	11½	100	1 0	1 8	1 8		4	V.
84,00,000	35,56,934	96,49,123	1,06,646	93,262	Andrew Yule & Co.	Midnapore Zamindary	38	100	2 0	1 8	4 0		4	V.P.
						SAW MILLS AND TIMBER								
13,99,998	28 23,970	19 97 501	8,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	5½		0 4	Nil	Nil		9	V.
80,00,000 / 42,00,000	4,08,84,385	3,05,42,310	1,22,52,525	56,875	Wallace & Co.	Bombay-Burmah Trading Corpn.	456½ / 168½	Old 125 / New 50	22 8 / 9 0	15 0 / 6 0	20 0 / 8 0		5	V.
6,00,000	....	2,00,768	1,76,945	—5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	41N	100	Nil	Nil	Nil		6	V.P.
20,00,000	18 15,487	18,19,049	13,53,015	1,79 568	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	38½xd	10	3 0	2 8	2 12		9	V.
						SUGAR (U.P. and Bihar)								
14,00,000	13,55,903	38,50,924	27,77,928	23,527	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	9½	5	Nil	Nil	0 12			V
12,00,000A. / 3,00,000B.	29,18,356	49,46,285	33,16,660	15,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	145N / 13½N	A. 100 / B. 10	10 0 / 1 0	10 0 / 1 0	10 0 / 1 0		4	V
19,49,050	5,50,000	31 91 657	23 33 812	49 906	Bangur Bros., Ltd.	Belsund Sugar	7½	7½	0 12	0 12	0 12		9	V.
15,00,000	13 85 319	45,47,836	11 37,841	26,084	Cotton Agents Ltd.	Bharat Sugar	20N	10	1 8	1 8	1 8		6	V.P.
52,00,000	26,79,431	1,35,76,859	88,78,177	61,723	Gladstone Lyall & Co., Ltd.	Carew & Co.	11½	10	Nil	Nil	0 12		6	V.P.W.
15,00,000	55,02,981	1,00 12,353	81,32,451	59,696	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	39½	10	2 0	2 0	0 12		10	V.P.
18,00,000	53,88,892	67,14,964	50,49,402	24,329	Begg, Sutherland & Co., Ltd.	Champaran Sugar	31	10	2 0	1 0	1 0		6	V.
5,99,452	6,18,562	22,64,286	14,01,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	71xdN	10	0 8	1 0			8	V.T.
85,00,000A. / 10,00,000O.	33,25,000	69,93,552	45,50,000	1,08,699	Backhirj & Co., Ltd.	Hindustan Sugar Mills	113N / —	'A' 100 / O. 100	12 0* / 12 0*	15 0* / 15 0*			6	V.P
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	57N	10	Nil	Nil			7	V.P.
7 89,100	23,05 922	29 32,672	17,61,033	64,888	Cotton Agents Ltd.	New India Sugar Mills	30N	40	Nil	Nil				
11,00,000	4,20,000	37,49,397	24,14,065	8,769	Karamchand Thapar & Bros., Ltd.	New Savan	35N	10	2 8	2 8	2 8		6	V.P.
10,87,500 A. / 2,71 875 B.	49,84,457	63,27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mills	61 / 220N / 35N	10 / 100 / 25	0 8 / 20 0 / 3 0	0 4 / 20 0 / 3 0	20 0 / 3 0		5	V.
77,48,500	52,22,414	1,75,96,483	88 00,006	56,923	Cotton Agents Ltd.	Oudh Sugar	115N	100	6 0	11 0	11 0		6	V.
12,00,000	12,74 233	28,77 669	19 95 928	55,000	Narang Bros. & Co., Ltd.	Punjab Sugar	118N	100	6 0	10 0	10 0		7	V.P.
25,00,000	25,93,919	55,21,005	29,32,249	3,957	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	18½	10	1 0	1 0	0 12		10	V.
8,00,000	6,54,762	25,43,782	21,01,613	24,340	Begg, Sutherland & Co., Ltd.	Ryam Sugar	191N	10	1 0	0 8	0 8		10	V.P.
11,99,000	17,75,737	38 17,360	22 17 129	13,455		Samastipur Central Sugar	15	10	1 0	0 8	0 8		6	V.P.
80,00,000	81,48,560	1,08 83 319	57,08,717	5,475	Babu Jain Ltd.	Shree Krishna Gyanodey Sugar	17½	10	1 8	1 8	1 8		6	V.
9,99,950	61,825	27,77,628	12,85,342	—1,89,266	H. K. Ghosh, Esq., and R. N. Datta, Esq., (Managing Directors)	Shiahgore Sugar	4½	10	0 6½	Nil			6	V.
7,55,462	16,32,940	29,93,970	16,32,168	92,009	Karamchand Thapar & Bros	Shri Sitaram Sugar	13xd	10	3 0	2 0*			8	V.P.
9,15,000O. / 4,40,000D.	47,592	27,27,402	11,46,770	—15,90,149	N. K. Jain & Co. Ltd.	South Behar Sugar	1N / 4N	O. 10 / D. 2½	Nil / Nil	Nil / Nil			10	V.P.
8,00,000	20,87,588	83,26,115	50,99,754	48,719	Cotton Agents Ltd.	Upper Ganges Sugar	30N	10	2 0	0 8	2 8		5	V.P
16,00,000	7,59,778	31,12,369	24,99,851	5,181	James Finlay & Co., Ltd.	United Provinces Sugar	24½	10	1 8	0 8			9	V
						Other Centres								
6,99,750	65,29,871	1,40,80,073	84,87,447	33,628	W. H. Brady & Co., Ltd.	Peirce Company	300	50	16 0	16 0	16 0		3	V.
20,000	11,50,010	31,68,833	19,76,042	38,000	A. H. Bhiwandiwalla & Co.	Bhorat Sugar Industries Ltd.	12½	10	1 0	0 10	1 0		9	V.P.
15,93,900	2,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Cawnpur Sugar	46N	100	5 0	Nil	Nil		6	V.P.
28,70,610	14,00,000	26,96,629	18,50,803	4,30,236	India Sugar Agencies Ltd.	India Sugar and Refineries	18½xd	10	2 8	2 8	1 12		9	V.P
33,57,980	42,47,476	41,33,220	19,37,712	3,477	Gowan Bros. (Rangpur), Ltd.	Eulund Sugar	14½N	10	0 12	1 0			10	V.
10,52,200O. / 2,87,190D.	67,50,000	84,86,942	27,56,542	2,346	V. Ramakrishna, Esq.	K. C. P. Ltd.	153 / 100	O.100 / D. 10	7 8 / 10 0	7 8 / 10 0	7 8 / 10 0		6	V.P
81,79,260	90,22,871	1,21,03,930	73,11,305	2,28,221	M. S. Swaminathan, Esq. (Managing Director)	Mysore Sugar	53½	10	2 0	2 0	2 0		6	V
30,00,000	47,49,631	1,07,50,631	55,61,246	15,411	Mafatlal, Apte and Kantilal Ltd.	Ellaiam Sugar	120	50	5 0	5 0	8 0		9	V
16,99,820	28,50,830	53,90,015	26,76,747	20,230	Anderson Wright Ltd.	Ramnagar Cane and Sugar	23½	10	2 0	2 0	1 8		8	V.P.
20,00,000O. / 4,00,000D.	24,67,171	87,47,627	53,31,89	61,432	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	93N / 7N	O.50 / D.10	9 0 / 0 12½	Nil / Nil	Nil / Nil		9	V.P.T.
19,99,600	46,07,818	45,46,104	19,83,541	3,144	Govan Bros. (Rampur), Ltd.	Rara Sugar	101N	10	0 12	1 0			10	V.
80,00,000	10,37,776	59 76,254	17,87,159	—32,224	Parry & Co., Ltd.	Travancore Sugars	7½	10	Nil	Nil	Nil		7	V.P
1,01,00,000	61,19,890	1,85,70,930	1,04,63,312	1,79,083	Premier Construction Co., Ltd.	Walchandnagar Industries	200	100	14 0	14 0	16 0		9	V.P.V
						TRANSPORT								
20,00,000	1,08,42,425	1,33,68,272	13,76,183	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co.	143	100	12 8	10 0	7 8		10	V.P
1,00,00,000	11,67,690	4 65,14 760	1,80 06 587	89,648	Dinshaw Ltd.	Bharat Line	83	100	5 0	5 0	5 0		12	V.
50,00,000	94,35,838	1,83,20,489	63,44,422	1,09,704	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	15⅛	10	1 0	1 0	1 0		6	V.
6653,580	6954,756	85,633,307	43,454,207	43,327	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	95	410	Rs.10	Nil			12	V.P
8,25,00,000	74,99,233	4,41,60,669	1,52,36,755	1,64,960	Lionel Edwards Ltd	India Steamship Co.	7½	10	0 0	0 8	Nil		12	V.P
9,40,19,673	7,83,28,023	14,92,76,428	8,71,00,000	2,72,820	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	14-10½	20	0 8	0 12			4	V.W.
8,40,8000A. / 8,10,200P.O.	17,33,073	10,83,408	6,54,056	1,88,899	E. A. Smith, Esq., (Manager)	Walford Transport: Ltd.	18 / 18	O. 1 / P.O. 1	as 1 3/25 / as 1 9/25	as 1 3/25 / as 1 9/25			12	V.
						UNCLASSIFIED (Bombay)								
2,40,000	95,000	5,35,957	3,89,000	760	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	33 8	32 0	32 0		9	V.
13,98,860	2,04,173	2,18,255	80,000	40,555	Parekh Agencies Ltd.	Bombay-Uganda	72N	80	4 0	3 0			9	V.
25,00,000	1,00,000	25,74 281B	2,294	3,394	Dean Sons, Ltd.	Devkaran Nanji Investment Co.	10½	25	0 12	0 12	0 12		12	V.
14,98,840	8,09,422	26,42,753	18,75,000	74,466	Choonilal Manilal Ltd.	Esiaria Estates Co.	35N	50	2 0	Nil	3 0		12	V.
69,99,250	19,07,876	1,37,52,603B	....	2,85,005	Premchand Roychand & Sons	Industrial Investment Trust	72	100	8 8	4 8	4 8	0 12	3	V.P.
1,00,00,000	31,25,000	21,31,427	7,78,349	18,107	E. D. Sheppard, Esq. (Mg. Director)	Killick Industries	163	100	10 0	10 0	11 0	4 01	6	V.
2,07,00,200A. / 10,00,000B.	5,29,603	2,64,35,763	98,13,035	—13,44,485	Auto-Auto Ltd.	Premier Automobiles	75	A. 100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil		6	V.
10,31,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	23	20	3 0				12	V.
2,75,00,000	75,25,548	8,92,47,116	1,53,96,500	8,28,887	T. Rydin, Esq. (Managing Director)	Western India Match Co.	18½	100	11 0*	11 0*	11 0*		12	V.
45,00,000	53,74,847	7,24,608	3,07,108	45,948	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	V.
						Other Centres								
47,50,000 / 2,50,000	15,00,000	1,88,63,301	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	6½ / 2N	O. 10 / D. 2½	Nil	Nil	Nil		9	V.P.T
30,00,000	40,60,690	31,77,196	21,11,902	2,39,798	Turner Morrison & Co., Ltd.	Angslo Brea., Ltd.	17½	10	1 4	1 4	1 4		8	V
80,00,000	8 25,000	35,74,632	20,11,837	1,17,493	T. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	39½xd	10	1 4*	1 4*	1 4*		8	V.
20,00,000	23,47,883	1,00,29,510	59,87,838	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	41N	10	0 4*	0 31/8	0 31/8		3	V.P.W
80,00,000O. / 1,11,62,712		59,55,515	30,55,513	5,43,847	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	161	O. 100 / D. 40	20 0* / 6 0*	20 0* / 6 0*			12	V.
20,00,000	7,99,470		57,53,560B	1,21,753	Lovelock & Lewis	Birla Investment Ltd.	158	10	1 4	1 4	1 4		9	V.P.
80,64,480	87,09,273	1,02,29,699	26,93,003	1,63,501	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	127	10	2 8	2 8	1 0		3	V.P.T.
3,25,00,000	1,00 82,962	2,69,29,657	2,07,14,167	2,81 142	Sir Robert Mazeke	British India Corporation Ltd.	84	5	0 10	0 8	1 0		3	V.P.T.
1,60,00,000	1,79,00,000	4,81,37,964	3,08,53,134	11,88,891	Cecil Suck, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	35½	10	1 8	1 8	1 8		12	V.P.T.
31,26,000	53,95,753	1,34,39,918B	....	3,13,308	Bird & Co., Ltd.	Eastern Investments Ltd.	162	100	10 0	9 0	9 0		12	V.P.
14,00,000	9,97,000	33,12,243	18,66,225	11,238	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	189	20	20 0	10 0	7 8		3	V.
65,00,000	38,00,000	18,19,106	6,87,885	1,58,072	K. R. Fettes, Esq.	Gillanders Arbuthnot & Co., Ltd.	11½	10	0 10	0 10	7 8		9	H.
80,00,000	11,42,354	48,29,433	29,41,525	1,366	B. P. R. Syndicate	Great Eastern Hotel	258N	250	15 0	7 8	7 8		3	V.P
12,42,800	7,07,944	70,51,010	47,39,846	19,013	Birla Bros., Ltd.	Hind Cycles	100N	100	8 0	8 0	4 0		3	V.
4,96,12,650		3,03,00,214	60,52,719	4,34,999	Birla Bros., Ltd.	Hindustan Motors	8½	10	Nil	Nil			12	V.P.T.
1,60,00,000	36,77,754	3,96,21,357	1,54,14,699	2,96,512	J. W. Cameron, Esq.	Indian Aluminium Co.	149½	100	5 0	Nil	Nil		3	V.P.
1,92,89,220	1,09,40,984	1,32,87,233	46,27,452	19,70,064	A. R. Dricsen, Esq.	Indian Cables	26½	10	1 0	1 0*	1 0*		12	V.P.
8,27,970	5,38,000	15,79,995	8,39,426	17,480	G. S. Moutton & Co. (India), Ltd.	Indian Rubber Manufacturers	12½	10	1 0	0 12	0 8		3	V.P.
2,00,00,000	52,62,941	31,49,487	7,33,287	5,26,226	G. M. Mackinlay, Esq.	Jardine Henderson	116	100	10 0	7 8	7 8		3	V.P
6,54,000O. / 3,48,543	3,48,543	6,39,830	4,31,766	8,240	James & Co., Ltd.	Macfarlane & Co.	2½ / D. 1	O. 1 / D. 1	Nil	Nil			9	V
66,00,000 / 40,80,000O.	66,88,146	25,22,837	7,33,942	1,07,086	C. L. Baljoris, Esq.	McLeod & Co.	212N	O. 100 / D.O. 10	7 8 / 0 4	10 0% / 0 8			12	V.P.
5,00,000D.	53 14,868	19,97,616	8,95,141	2,52,480	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	23½	10	1 0	0 8			3	V.P.
1,30,95,750	39,01,000	1,56,11,388	59,32,798	13,11,213	H. Chowell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	20½	10	1 0	1 0	1 6		9	V.P.
1,15,00,000	7,72,448	7,82,542	2,60,987	—71,442	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	5½	10	1 0	1 0	1 0		3	V.P.
6,55,255	9,55,113	10,40,250	4,40,947	73	G. Chandy, Esq. (Controller)	Mysore Lamp Works	14½	10	Nil	Nil			12	V.P.
6,56,250	1,20,000	14,23,286	7,19,467	35,598	K. Narayanaswamy, Esq.	Mysore Tobacco	11½	10	1 0	1 0	1 4		3	V.P.
20,00,000	49,41,539	53,81,562	37,19,098	1,75,176	Associated Industries Development Co., Ltd.	National Insulated Cable	24½	10	0 12	1 0	1 0		3	V.P.T.
79,97,000	28,68,388	69,70,031	3,78,836	18,02,030	B. N. Elias & Co., Ltd.	National Tobacco Co.	9½	10	Nil	Nil			12	V.P.
40,00,000	27,00,000	44,15,474	19,71,434	3,31,468	Coromandel Investment Trust Ltd.	Parry & Co.	4½	2	0 4½	0 4½			12	V.P.T.
2,25,00,000	4,41,684	1,81,43,956	43,79,829	—42,97,067	T. A. Lyktatopulo, Esq.	Rallis (India) Ltd.	37½	100	Nil	Nil	N		12	V.P.
1,14,00,000	1,17,70,308	6,94,43,137	3,00,81,612	2,33,953	Babu Jain Ltd.	Rohtas Industries	13½	10	1 0	1 4	1 8		8	V.P.T.
40,00,000	93,21,062	3,19,12,218	70,10,822	4,34,537	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17½cd	10	1 0	1 0	1 8		10	V.P.T.
75,00,000	38,50,000	12,92,394§	3,20,565	8,67,879	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	14½	10	1 0	1 0	1 8		3	V.
9,58,380	1,50,000	14,27,407	3,01,599	—1,06,545	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	Nil	Nil			12	V.

‡ Investments at cost. * Includes bonus. † Excluding goodwill at cost Rs.50 lakhs.

§ Excluding goodwill (written down) Rs.80 lakhs. ‖ Excluding Rs.1,49,00,000 which represent shares in the firm of Shaw Wallace & Co

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
							ASSAM								
4,45,700	6,11,774	9,59,057	4,78,317	....	McLeod & Co. Ltd.	825	Amluckie	550N	100	7 8	23 0	50 0		12	Y.P.
2,76,500	4,50,000	7,71,948	3,05,709	31,218	Andrew Yule & Co. Ltd.	312	Ananda (Assam) Tea	39	10	0 12	1 4	7 8		12	Y.
3,30,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co. Ltd.	420	Ananda Bari	46	10	Nil	2 8	1 8		12	Y.
3,50,000	7,21,416	16,60,355	5,32,872	—75 110	McLeod & Co. Ltd.	513	Baghmari	27½	10	Nil				12	Y.
3,40,000	8,20,000	11,50,416	2,98,096	70,514	Andrew Yule & Co. Ltd.	369	Basmatia	40	10	2 0	2 8			12	Y.
3,30,000	3,70,000	9,24,593	5,59,593	80,009	....	366	Batel	23xd	5	0 4	2 0	1 8		12	Y.
3,20,000	5,70,000	9,38,920	2,13,496	61,395	Gillanders Arbuthnot & Co., Ltd.	366	Betjan	44	10	Nil	2 0	1 8		12	Y.
16,50,000	20,60,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd.	3,967	Bethnauth	46	10	Nil	3 8			12	Y.
6,00,000	2,53,500	10,49,416	2,08,130	61 929	Octavius Steel & Co., Ltd.	485	Bokakhat	23	10	Nil	Nil			12	Y.
7,50,000	4,50,000	8,36,140	2,52,708	5,960	McLeod & Co., Ltd.	450	Bormah Jan Tea	20½	10	Nil	0 12	1 0		12	Y.P.T
35,00,000	11,92,045	73,60,473	19,49,496	26,092	Brook Bond India Ltd.	2,634	Brooke Bond	15½	10	1 0	0 8	1 4		6	V.P
1,20,000	1,95,097	4,60,080	1,69,074	—16,624	McLeod & Co., Ltd.	282	Dejoo Valley	40	10	Nil	1 0			12	Y.
6,00,000	7,97,500	25,17,843	16,06,120	36,977	Jardine Henderson Ltd.	1,220	Dessai & Parbottia	40½	100	10 0	20 0			12	Y.
87,53,440	7,04,519	21,43,185	3,42,779	10,336	James Warren & Co., Ltd.	620	Dibrakhat	19	10	1 0	1 8	0 8		12	Y.
4,68,970	2,70,000	11,71,408	4,34,259	8,732	James Finlay & Co., Ltd.	633	Dhunseri	24½	10	Nil	1 0	1 0		12	Y.P.
4 50,000	3,25,400	9,02,617	2,35,483	16,852	McLeod & Co., Ltd.	458	Dibrugarh	26½	10	Nil	1 0	1 0		12	Y.
2,36,700	4,75,000	8,80,047	4,70,047	43,918	Williamson Magor & Co., Ltd.	625	Dimakusi	66	10	1 0	4 8	1 0		12	Y.P.
5,60,500	6,03,000	17,90,747	10,40,747	1,14,478	Williamson Magor & Co., Ltd.	615	Duffla Bum	49	10	2 0	4 0	1 0		12	Y.
10,00,000	4,65,000	21,78,081	8,83,081	38,641	L. C. Kanoi, Esq.	1,177	East India Tea	27½	10	0 4	2 8			12	Y.
3,60,000	3,50,000	8,18,664	4,01,797	13,832	Williamson Magor & Co., Ltd.	407	Gilapukri	42	10	Nil	1 12			12	Y.
3,38,000	5,60,000	13,93,316	4,19,316	79,542	Williamson Magor & Co., Ltd.	546	Gohpur	45½	10	1 8	3 0			12	Y.
4,94,360 / B.2,40,790	14,22,810	18,09,304	5,63,575	23,354	Octavius Steel & Co., Ltd.	1,393	Grob	36½	A 10	2 0	3 0	0 12½		12	Y.
2,00,000	7,00,000	7,04,481	2,29,888	48,032	Andrew Yule & Co. Ltd.	476	Hoograjuli	18½	B 5	1 0	1 8	0 8½		12	Y.
2,35,000	8,34 216	18,50,196	9,81 270	24,921	Andrew Yule & Co., Ltd.	1,290	Hoolungooree	66	10	1 8	3 0	3 8½		12	Y.
7,50 000	5,85,000	13,98,777	2,44,299	58,941	Gillanders Arbuthnot & Co., Ltd.	938	Jutiliba	29½	10	Nil	Nil	1 0½		12	Y.
2,40,000	80,000	11,45,811	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,166	Kingsley-Oolaghat (Assam)	360N	100	Nil				12	P.Y.
6,50,000	4,94,133	6,79 844	1,29,844	72,557	Duncan Bros. & Co., Ltd.	1,037	Ledo	26½	10	Nil	2 0			12	Y.
8,00,000	11,40 000	19,48,410	4,74 285	43,524	Octavius Steel & Co., Ltd.	612	Mathoni	23½	10	Nil	1 8	1 8		12	Y.P.
4,80,000	40,000	8,56,212	84,211	14,238	Duncan Bros. & Co., Ltd.	673	Mohoeena	19½	10	Nil	Nil			12	Y.
1,50,000	4,47,344	7,54,419	4,05,697	16,982	Kettlewell Bullen & Co., Ltd.	433	Mohola	650N	100	Nil	40 0	15 0		12	Y.
O. 50,000 / P.O.2,00,000	4,05,000	8,98,088	5,22,218	34,889	Andrew Yule & Co., Ltd.	344	Murphulani	37 / 42	O.10 / P.O.10	2 0 / 2 8	2 0 / 2 0			12	Y.
4,00 000	3,61,274	6,00,328	3,80,669	9,947	S.C. Sen, Esq., Supervising Director	542	Naga Hills	44½	10	Nil	3 0	3 0		12	Y.
3,35,000	....	12,71,401	6,78,401	3,053	Shaw Wallace & Co., Ltd.	810	Nanburnadi	26½	10	Nil	Nil	0 8		12	Y.
3,00,000	1,15,000	3,92,221	1,92,221	21,164	Duncan Bros. & Co., Ltd.	935	New Chinatollah	215	100	Nil	5 0			12	Y.
2,00,000	5,27,500	7,37,

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00,000	2,35,000	3,76,125	22,948	34,760	Planting Agencies Ltd.	Balmadies Plantations	3 11/16	2	0 3½	0 4	0 4		2	Y.P.T.
17,94,186	16,19,828	30,44,517	3,00,811	1,02,250	Peirce, Leslie & Co., Ltd.	Cochin Malabar	7-10½	3	0 9 3/5	0 12	0 12		5	Y.P.
18,00,000	13,78,817	31,25,582	4,43,587	1,58,644	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	17½	10	0 14 2/5	0 4 4/5	2 8		6	Y.P.
47,70,000	57,62,500	1,00,81,036	15,88,295	4,24,545	R. C. Paterson, Esq.	Consolidated Coffee	19	10	1 12 4/5	1 8	1 12		6	Y.P.
4,00,000	3,34,078	5,19,103	46,991	11,406	Associated Planters Ltd.	Cottanad Plantations	14½	10	1 8 4/5	1 8	1 8		3	Y.P.
18,00,000	9,95,543	22,72,370	4,51,852	53,922	A. V. Thomas & Co., Ltd.	Highland Produce	16 1/16cd	10	1 0	1 4	2 8		12	Y.P.
4,00,000	10,16,061	10,85,966	1,39,566	11,970	A. V. Thomas & Co., Ltd.	Kalpetta Estates	24½	10	2 0	2 0	2 0		4	Y.P.
4,50,000	11,78,329	9,97,046	2,35,186	14,253	P. Kurian John, Esq.	Malankara Rubber	27	10	3 8	5 8	2 4		3	Y.
27,00,000	27,35,000	71,39,275	6,74,802	99,729	A. V. Thomas & Co., Ltd.	Midland Rubber	16½	10	1 8	1 8	1 12*		3	Y.P.
3,35,000	2,81,000	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd.	Nenmeny Rubber	15 3/16cd	10	0 10	0 12	1 8		12	Y.P.T.
2,00,000	2,63,714	4,60,783	34,844	8,398	Associated Planters Ltd.	Nilambur Rubber Co.	13	10	1 0	1 0			12	Y.P.
19,45,980	24,01,085	37,40,924	10,24,385	69,334	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates	5½	2	0 3½	0 3½	0 9 3/5		10	Y.P.T.
13,50,000	6,80,000	39,49,798	3,06,746	54,458	A. V. Thomas & Co., Ltd.	Rangiri Rubber	16-7½	10	1 3	1 12*	1 12*		6	Y.P.
3,66,780	2,50,000	5,94,562	49,313	89,904	Peirce, Leslie & Co., Ltd.	Savamalai Estates Ltd.	26½	10	3 8	3 0	2 8		11	Y.
10,00,000	3,09,600	21,81,045	1,32,358	1,227	East India Agencies	Teekoy Rubber (India) Ltd.	9 5/8	10	0 14½	0 14 2/5	0 12		3	Y.P.T.
2,50,000	2,37,500	5,29,518	27,825	15,715	A. V. George & Co., Ltd.	Thamarapally Estates	26½cd	10	2 3	2 0	3 0		12	Y.P.
8,10,200	2,75,005	7,98,048	62,162	17,826	Peirce Leslie & Co., Ltd.	Tirumbadi Rubber Co., Ltd.	1-14½	1	0 4	0 4½	0 1 3/5		9	Y.
6,00,000	46,474	7,49,611	1,11,200	3,744	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	16½	10	2 0	2 0	2 0		12	Y.
41,00,000	14,29,673	74,86,897	7,65,148	3,28,925	Aspinwall & Co. (Travancore)	Travancore Rubber and Tea Co., Ltd.	10½	10	0 9 3/5	1 0	1 8		12	Y.P.T.
20,00,000	90,000	25,53,508	5,65,978	2,276	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	30xd	25	2 8	3 0	3 0		12	Y.
6,28,580	4,40,670	7,77,154	14,119	21,363	Harrisons & Crossfield Ltd.	Vaikundam (Travancore) Rubber	23½	10	2 0	2 0	2 4		12	Y.
1,65,000	87,259	3,50,536	15,684	1,063	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	12	10	*Nil*	1 0	1 8		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs	Accounts Closed	Reference
60,00,000	55,00,000	96,99,205	51,47,202	54,436	B. N. Elias & Co., Ltd.	879	Agarpara	13 5/8	10	1+1	¼+¼	¼		3, 9	H.T.P.
12,00,000	27,00,000	45,81,286	32,42,838	54,874	Sahu Jain Ltd.	498	Albion	160	100	8+10	12+12	12r		11, 11	H.P.
6,00,000	9,50,000	51,48,608	35,31,395	94,089	McLeod & Co., Ltd.	446	Alexandra	215xd	100	*Nil*	*Nil*+2½	2½+5		6, 12	H.P.T.
30,00,000	7,35,000	11,19,594	90,43,069	61,708	McLeod & Co., Ltd.	1,264	Alliance	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*		6, 12	H.P.
49,20,700	82,13,386	2,54,81,317	1,78,90,000	1,47,643	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	210	100	10+10	7½+5	2½+5		3, 9	H.P.
40,00,000	40,52,240	1,63,98,837	84,16,116	7,674	Bird & Co., Ltd.	810	Auckland	13 3/8	100	5+4	2+2	1+2½		3, 9	H.P.T.
20,00,000	25,93,136	98,25,588	65,19,459	18,739	Jardine Henderson & Co.	959	Bally	178	100	*Nil*	4+*Nil*	*Nil*		3, 9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,889	Barnagore	172	£5	£1	£1	£½	sh.2½	3	Y.P.
28,00,000	35,49,623	89,73,096	49,13,770	1,11,9117	Andrew Yule & Co., Ltd.	820	Belvedere	206	100	7½+7½	7½+7½	5+5		6, 12	H.P.
45,00,000	36,45,000	55,76,391	29,60,822	2,95,071	Soorajmull Nagarmull	600	Bengal	13½	10	1	1¼	1½		9	Y.P.T.
91,26,000	2,08,61,400	3,18,53,861	1,29,13,354	1,26,903	Birla Bros., Ltd.	1,373	Birla	19 5/8	10	3	3	3		3	Y.P.
36,00,000	29,62,925	1,11,26,530	71,77,582	1,20,609	Andrew Yule & Co., Ltd.	991	Budge-Budge	175	100	6+6½	6+4	4+5		4, 10	H.P.
7,47,380	3,16,924	41,38,590	29,87,611	2,610	Dayaram & Sons	502	Calcutta Jute Mfg.	14 1/4 N	10	0+4	*Nil*	1½		6, 12	H.P.T.
18,00,000	52,31,234	77,57,603	40,35,574	78,538	Andrew Yule & Co., Ltd.	616	Caledonian	255	100	6+6	6+6	4+3		3, 11	H.
59,16,400	1,01,06,609	1,88,44,427	1,05,04,000	22,542	James Finlay & Co., Ltd.	600	Champdany	160	100	7+8	3+3	*Nil*+3		3, 9	H.
15,95,000	30,14,282	80,62,390	55,81,340	1,37,479	Andrew Yule & Co., Ltd.	530	Chetput	270xd	100	6+6	6+6	6+8		5, 11	H.P.
30,15,000	28,25,000	60,73,514	46,01,290	1,52,253	McLeod & Co., Ltd.	500	Chitavalsah	13 3/8	10	2½+1½	1½+½	1+8		6, 12	H.T.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	669	Clive	16½	10	2	*Nil*				Y.P.
31,49,200	62,11,927	1,28,95,802	63,22,413	15,344	Bird & Co., Ltd.	766	Dalhousie	138	100	6+1	1+3	1+1½		3, 9	H.P.
28,00,000	44,74,179	74,57,171	46,41,725	1,46,508	Andrew Yule & Co., Ltd.	779	Delta	245	100	10+10	10+10	4+4		5, 11	H.P.
15,00,000	33,25,000	76,36,813	56,35,731	5e,215	McLeod & Co., Ltd.	500	Empire	25	10	3+3	3+½	½r		6, 12	H.T.P.
21,00,000	53,28,948	2,70,49,518	1,81,05,210	40,839	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	450N	100	7½+*Nil*	*Nil*	*Nil*		3, 9	H.P.T.
14,00,000	13,00,000	82,13,505	49,27,586	71,285	Bangur Bros., Ltd.	1,014	Fort William	370	100	*Nil*	*Nil*+5	10+10		3, 9	H.T.P.
24,32,100	2,73,755	2,11,52,730	1,36,01,908	5,930	Macneill & Barry Ltd.	1,709	Ganges Mfg.	101	100	*Nil*	*Nil*+*Nil*	*Nil*+½		3, 9	H.P.
10,80,000	28,00,000	71,52,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	925	300	30	15	*Nil*		12	Y.
24,00,000	31,83,104	2,20,06,557	1,67,50,294	1,56,427	Macneill & Barry Ltd.	1,394	Gourepore	333½	100	1½+*Nil*	*Nil*+3½	2½+7½		3, 9	H.P.
40,00,000	55,66,234	72,95,746	48,50,613	2,93,107	Bangur Bros., Ltd.	1,078	Hastings	115N	100	10	10	10+0		3	Y.P.
16,80,000	18,52,626	66,38,235	45,11,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hoogaly	42½	10	½	½	½		3	Y.P.
45,62,500	58,82,162	1,47,23,497	1,06,14,353	1,65,858	Jardine Henderson Ltd.	1,940	Howrah	29½	10	1+½	1+½	1+½		3, 9	H.P.
52,50,000	20,00,000	2,42,25,884	1,49,75,884	1,84,711	Ramdutt Ramkissendas	2,272	Hukumchand	31 7/8	5	3	3	2		3	Y.P.T.
O. 87,00,000	19,20,065	1,11,31,089	75,39,061	38,601	Mackinnon Mackenzie & Co.	1,076	India	189	O. 125	3½+3½	3½+3½	*Nil*+3½			
D. 30,000								—	D. 1	A.+½+½	A.+½+½	A.+½		3, 9	H.
24,00,000	28,34,204	1,36,86,233	1,21,96,305	84,189	Jardine Henderson Ltd.	1,797	Kamarhatty	200½	100	8++6	6+3	3+3		6, 12	H.P.
B. 19,20,000								160	'B' 100	8++6	6+3	3+3			
30,00,000	18,14,767	1,31,87,376	98,19,537	62,312	Jardine Henderson Ltd.	1,527	Kankinarrah	145	100	4+4	3+2½	2½+4		6, 12	H.P.
B. 24,00,000								134	'B' 100	6+4	3+2½	2½+4			
21,00,000	48,25,000	1,05,38,484	74,86,276	1,19,643	McLeod & Co., Ltd.	703	Kelvin	315	100	7½+7½	7½+7½	10r		6, 12	H.P.
24,00,000	23,83,373	1,68,29,755	1,14,44,627	35,864	Anderson Wright Ltd.	1,530	Khardah	192xd	100	10+13	10+7½	7½+5		3, 9	H.P.
48,00,000	1,02,14,684	2,29,23,597	1,08,38,211	29,674	F. W. Heilgers & Co.	1,250	Kinnison	177	100	10+7	4+3	2+5		3, 9	H.P.T.
24,48,000	48,31,837	1,39,26,497	78,80,252	4,424	Bird & Co., Ltd.	931	Lansdowne	136½	100	7+3	2+3	1+1		3, 9	H.P.
28,00,000	59,56,165	1,14,93,720	63,14,525	12,683	Bird & Co., Ltd.	840	Lawrence	152	100	11+4	2+3	2+2		3, 9	H.P.
10,00,000	41,51,301	50,99,335	36,04,454	53,755	Andrew Yule & Co., Ltd.	558	Lothian	410	100	15+15	15+15	15+15		5, 11	H.P.
81,65,200	26,14,412	1,92,62,004	1,19,08,318	8,502	Mackinnon Mackenzie & Co.	1,008	Magna	95	100	2½+2½	2½+2½	*Nil*+2½		3, 9	H.P.
29,99,900	41,13,783	1,72,83,489	94,88,274	—7,08,068	F. W. Heilgers & Co.	815	Naihati	112	100	6+*Nil*	*Nil*	*Nil*		3, 9	H.
20,00,000	15,05,000	28,15,067	16,73,660	3,826	Howrah Trading Co., Ltd.	425	Naskarpara	14	10	3+½	*Nil*+½	½r		4, 10	H.T.
35,00,000	44,29,326	28,38,765	9,63,390	1,88,126	Andrew Yule & Co., Ltd.	852	National	32½	10	1+1	1+1	1+1		4, 10	H.P.
26,25,000	22,75,000	26,82,794	19,64,419	1,31,993	McLeod & Co., Ltd.	316	Nellimarla Jute	11½xd	10	2+2	1+1	1+1		6, 12	H.P.T.
31,50,000	34,13,033	49,75,722	24,95,902	84,459	Sahu Jain Ltd.	709	New Central	155	100	10+12	12+12	½r		6, 12	Y.P.
16,79,880	51,05,694	1,23,66,779	59,31,089	43,570	Bird & Co., Ltd.	567	Northbrook	25½	10	1+½	1+½	1+½		6, 12	H.P.T.
66,79,500	31,70,094	1,19,06,993	1,38,37,886	33,079	Macneill & Barry Ltd.	1,092	Nuddea	55½	50	1+*Nil*	*Nil*+½	*Nil*+½		3, 9	H.
24,91,000	27,81,049	71,20,511	49,35,472	1,21,195	Andrew Yule & Co., Ltd.	601	Orient	177	100	4+6	4+4	5+2		3, 9	H.P.
25,00,000	6,23,468	80,72,591	63,77,961	1,03,954	McLeod & Co., Ltd.	400	Presidency	6½xd	5	*Nil*	*Nil*+½	½+½		5, 11	H.T.
20,00,000	1,40,948	20,48,443	7,67,493	—10,89,456	F. W. Birks, Esq.	305	Rameshwaram	8	10	*Nil*	*Nil*	*Nil*		6, 12	H.P.
49,50,000	8,01,372	1,23,46,455	57,04,882	18,873	Jardine Henderson Ltd.	1,276	Reliance	14½	10	*Nil*	½+½	*Nil*		3, 9	H.P.T.
£600,000	£1,093,713	£1,228,258‡		£95,425	Thomas Duff & Co. (India), Ltd.	2,013	Sarangpur	14	£1	10%	10%			3, 9	Y.P.
30,00,000	13,12,193	1,03,17,335	71,03,045	10,341	Begraj More & Co., Ltd.	911	Shree Ambica	14½	10	1+1	*Nil*+½	½r		12	H.P.
14,00,000	11,08,733	66,05,602	31,22,993	1,66,758	Hindustan Investment Corporation.	401	Soorah	16N	10	*Nil*	½			3, 9	Y.P.T.
25,19,600	47,29,578	1,01,23,059	37,01,016	1,112	Bird & Co., Ltd.	450	Standard	150	100	8+1	1+1	1+1		6, 12	H.P.
£600,000	£925,119‡	£993,042		£108,510	Thomas Duff & Co. (India), Ltd.	1,794	Tiagbar	14	£1	10%	10%			3, 9	H.P.
35,98,600	85,79,790	1,93,34,018	76,30,486	9,515	Bird & Co., Ltd.	1,326	Union	185	100	10+1	1+4	1+5		12	Y.P.
£400,000	£688,035‡	£1,086,826		£1,12,138	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	14	£1	10%	10%			3, 9	H.P.T.
2,50,000	4,95,000	55,94,878	37,77,741	35,624	McLeod & Co., Ltd.	465	Waverley	7½xd	1	*Nil*	*Nil*+½	½r		12	Y.P.
														6, 12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	20,75,000	83,30,999	56,70,999	21,411	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	22½	10	½+½	½+½	½+½		3, 9	H.
12,00,000	8,38,299	38,74,552	35,42,552	20,386	Jardine Henderson Ltd.	Bararee Coke	20½	10	3½+½	7/10+7/10	½+7/10		3, 9	H.
4,49,350	70,000	8,49,139	5,40,946	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhaidos	51N	10	½	½	½		4, 12	H.
1,00,00,000	1,77,25,854	5,66,19,576	3,70,80,321	6,07,575	Andrew Yule & Co., Ltd.	Bengal Coal	492	200	20+20	17½+15*	15*+15*		4, 10	H.P.
2,75,000	5,10,369	25,37,614	22,43,053	.....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	11½	10	½+½	*Nil*	*Nil*		6, 12	H.P.
13,97,000	5,10,369	25,37,614	22,43,032	25,529	H. V. Low & Co., Ltd.	Bhalgora	6½	10	½				9	H.
40,00,000	14,81,010	1,30,40,104	84,66,790	13,644	Sahu Jain Ltd.	Bharat Collieries	7½	10	½	*Nil*	½		6	Y.T.P.
7,15,000	14,52,017	52,05,027	34,72,990	—2,17,803	F. W. Heilgers & Co., Ltd.	Bhulanbararee	14N	10	½ *Nil*	*Nil*	*Nil*		6, 12	H.
16,00,000	16,22,946	68,16,454	39,74,841	—1,36,132	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	15½	10	*Nil*				6, 12	H.T.
2,50,000	22,92,190	42,04,164	25,72,969	98,771	F. W. Heilgers & Co., Ltd.	Borera	29½xd	10	1½+1½*	1½+1½*	1+1		6, 12	H.P.
90,92,480	1,73,11,164	4,14,99,400	1,76,35,314	1,87,027	Bird & Co., Ltd.	Burrakur	12½	10	½+½	1+1	1+½		6, 12	H.P.T.
49,97,750	.....	34,81,955	2,57,645	5,907	Hindustan Investment Corpn., Ltd.	Central India	7½	10	*Nil*	½	½		6, 12	Y.
8,00,000	13,54,302	49,10,414	32,63,954	82,768		Central Kurkend	13N	10	½	½	½		3	H.
6,00,000	1,43,240	7,25,000‡		13,654	F. W. Heilgers & Co., Ltd.	Churia	22xd	4	½+½	½+½	½+½		6, 12	H.
16,00,000	1,20,000	50,63,761	27,27,536	—1,91,155	Macneill & Barry Ltd.	Dhemo Main	8½	10	*Nil*	*Nil*	*Nil*		6, 12	H.T.
£240,000	£342,495	£244,003	£11,181	£63,577	Jardine Henderson Ltd.	East Indian	25½	£1	3 1/0	2½	2½		6, 12	H.
29,83,740	71,99,925	3,66,52,739	2,81,14,367	1,85,653	Macneill & Barry Ltd.	Equitable	29½	10	2+1½	1+½	½+½		4	H.P.T.
10,00,000	2,11,139	9,72,721	3,23,963	40,284	Bhatter's Agency Ltd.	Ghusick and Muslia	15N	10	½	½	½		6, 12	Y.
12,00,000	1,22,000	37,04,970	15,00,221	645	Kilpick Industries Ltd.	Hingu-Rampur	40½	50	½	½			3	Y.P.
9,00,000	5,75,000	21,42,581	18,13,043	62,148	Macneill & Barry Ltd.	Hurriladih	19	10	½+½	½+½	*Nil*		6	H.
22,00,000	1,08,477	31,70,015	10,56,245	—1,95,248	Bajpaie Trust Ltd.	Jogta Coal	1 1/8N	10	*Nil*	½	½		6, 12	Y.P.
3,50,000	4,26,551	14,85,445	9,91,521	.....	Andrew Yule & Co., Ltd.	Kalapahari	27N	10	1½+1½	1½+1	*Nil*		12	H.
20,00,000	9,375	26,40,699	2,46,930	3,145	Bird & Co., Ltd.	Kalipura Collieries	97	100	*Nil*	*Nil*	*Nil*		2, 8	Y.P.
5,00,000	13,60,000	44,39,243	34,62,230	91,518	Andrew Yule & Co., Ltd.	Katras Jhariah	52½	10	2+2	2+2	2+2		2	H.
1,38,400	3,72,960	12,85,941	3,72,940	—2,40,236	Begraj & Co.	Khas Kajora	5N	10	*Nil*	*Nil*	*Nil*		1, 7	H.P.
11,00,240	64,314	16,72,961	10,41,863	—41,320	H. V. Low & Co., Ltd.	Kuardi	5N	10	½	*Nil*			6, 12	H.P.
9,00,000	11,86,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10	½	½	*Nil*		6	Y.
7,48,240	1,50,000	11,58,128	8,95,686	25,598	R. P. Tanti, Esq.	Navin	7½	10	½	½			4	H.
7,00,000	26,617	10,33,740	5,20,295	4,560	Amritlal Ojha & Co., Ltd.	New Bansdeoperi	7½N	10	½	½	½+½		6, 12	H.
17,76,230	18,91,763	1,16,14,994	85,44,712	42,594	Andrew Yule & Co., Ltd.	New Brewbhoom	19½	10	*Nil*+½	½	½+½		3, 9	H.P.
6,00,000	85,000	29,00,087	16,42,360	2,485	Oswalas Steel & Co. Ltd.	New Manbhoom	8½	10	*Nil*	½	½+½		4, 10	H.
1,15,000 } 1,57,500 }	2,47,693	12,93,355	8,05,952	8,676	Andrew Yule & Co., Ltd.	North West	14 1/8N 10½N	10 7½	½+½ ½+½	½+*Nil* ½+*Nil*	*Nil* *Nil*		3, 9	H.
7,50,000	11,79,228	3,97,666	2,77,666	1,15,650	F. W. Heilgers & Co., Ltd.	Ondal	18½xd	10	½+½	½+*Nil*	*Nil*			
10,00,000	1,10,000	37,18,080	16,07,868	38,140	K. C. Thapar & Bros.	Oriental Coal	9½N	10	½+½	½	½+½		6, 12	H.P.
8,34,000	1,32,942	17,23,281	6,78,407	5,618	Deepchand Kishenlall	Parasea	5½	10	*Nil*	½			12	Y.T.
17,75,000	14,00,000	45,17,541	32,67,541	20,192	Shaw Wallace & Co., Ltd.	Pench Valley	23	10	½+½	½+½	½+½		6, 12	H.P.
23,99,500	17,17,105	1,16,31,468	80,43,780	72,002	N. B. Elias & Co., Ltd.	Raneegunge	11½	10	*Nil*	*Nil*	½+½		3, 9	H.
13,50,000	7,88,385	30,74,660	25,05,660	27,848	Shaw Wallace & Co., Ltd.	Rewa	19	10	½+½	1+1	1+1		3, 9	H.
20,00,000	3,95,008	32,32,218	13,30,300	438	Jaipuria Sons Ltd.	Samla Collieries	9½	10	½+½	½+½			6, 12	H.
1,25,000	1,85,000	12,10,180	10,21,382	19,527	Gillanders Arbuthnot & Co., Ltd.	Searsole	12N	2½	½	½			6, 12	Y.
2,80,000	7,36,598	29,34,340	17,77,135	39,411	Andrew Yule & Co., Ltd.	Seebpore	26	2	2+1	½+½	½		1	H.P.
8,00,000	5,60,754	52,491	28,867	38,443	F. W. Heilgers & Co., Ltd.	Sendra	10xdN	10	*Nil*	*Nil*	1+1 *Nil*+½		6, 12	H.T.
63,21,450	15,01,620	3,51,42,502	2,49,62,544	—6,49,301	Industrial Trust Fund (Government of Hyderabad)								6, 12	
17,50,000	10,85,425	37,23,396	14,57,868	3,853	Bird & Co., Ltd.	Singareni	7½	10	½	*Nil*				Y.T.
8,00,000	14,72,339	1,09,570	24,510	67,358	F. W. Heilgers & Co., Ltd.	South Karanpura	11½	10	½+½	½+½			12	H.
10,00,000	12,990	30,13,421	15,43,501	—3,64,536	Villiers Ltd.	Standard	17½xd	10	½+½	½+½	*Nil*+½		2, 8	H.
3,50,000	3,65,000	18,61,212	14,05,212	68,861	Williamson Magor & Co., Ltd.	Talcher	3½	2½	½	½	½+½		6, 12	Y.
49,98,000	21,916	47,68,934	16,41,545	45,727	Hindustan Investment Corpn., Ltd.	Union	18	10	1½+1½	1+½	½r		9	H.
7,00,000	3,57,000	30,89,488	21,36,223	582	Macneill & Barry Ltd.	West Jamuria	14½	10	½	½	½ *Nil*†		6, 12	Y.
													3	H.
													6, 12	H.

* Including bonus.

(§ Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

(h) Investments.

(*) For seven months ended 31st March, 1954.

MARKET GOSSIP

(*Concluded from page 1059*)

creditor nation and with its oft-repeated desire for liberalisation of restrictions on world trade. The final outcome of this move is, therefore, awaited with interest all over the world. The latest reports from Washington reveal the interesting fact that the U.S. Tariff Commission's recommendations for higher tariffs, which have not yet been accepted by the President, are not unanimous. Only three out of five members of the Commission are in favour of higher tariffs, as they found, as a result of enquiry, evidence of injury to the cycle industry from excessive imports. They have, accordingly, recommended that the duty on all imported cycles should be increased to 22½ per cent., as against the present rate of 7½ per cent. on most British machines. This opinion has not, however, been shared by the two other Commissioners who hold entirely different views. One of them thinks that the injury which the U.S. cycle industry has suffered to some extent is due mainly to imports of heavy balloon tyre American type bicycles which Britain does not manufacture. He, therefore, considers an increase in duty on balloon tyre machines and lightweight English type machines to 22½ per cent. and 15 per cent., respectively, as quite sufficient. The other member of the Commission does not want any modification at all in the present tariff policy covering cycle imports. "No sufficient reason," he observes, "exists for the recommendation to the President that concessions on cycles be modified or withdrawn. The deterioration in the position of the domestic bicycle industry is not to be measured by the extent of the increase in imports." This Commissioner goes even to the extent of saying that the escape clause in the Trade Agreements Act has never been intended to protect domestic producers from the consequences of being less astute than importers in judging the preference of American consumers.

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While the U.S. cycle industry's application for higher protection is thus hanging fire, another industry is likely to receive a certain measure of protection against foreign exports. Thus, a New York message claims that the U.S. Department of Agriculture has almost decided to extend the Sugar Act in such a way as to provide for an increased quota to indigenous industry and that an official announcement is expected shortly. This move, we are told, is a sequel to the plea that has persistently been put forward by domestic sugar interests. The move, it is said, will adversely affect all the countries which supply sugar to the U.S., particularly Cuba, which accounts for more than a third of the sugar consumed in the U.S. It would appear that the Agricultural Department's move is contrary to the policy of the State Department which has all along been urging the undesirability of interfering with the U.S. outlets for Cuba and other countries.

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The fog of uncertainty over the U.S. cotton export policy for the ensuing (1955-56) season is likely to be cleared in the next four week's time—by 1st July next to be precise—when Mr. Benson, U.S. Secretary of Agriculture, is expected to make an announcement. In the meantime, Mr. Benson has set up an eight-man cotton export advisory committee, comprising producers, exporters and textile makers, to help him decide whether to subsidise cotton sales abroad in the marketing year beginning from 1st August, 1955. Pending the recommendations of this Committee and the U.S. Government's decision thereon, speculation is once again rife as to whether the U.S. would accelerate sales of surplus stock of cotton on world markets by offering them at competitive prices. Although the U.S. Agriculture Secretary seems to be personally not in favour of subsidising cotton exports, he will, cotton circles feel, be compelled by the cotton producing interests to agree to

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	11,36,801	Allahabad Bank	364	100	18 0	18 0	18 0	18 0	12	Y.P.
14,50,000				102	50	9 0	9 0	9 0	9 0		
1,01,000	13,51,000	16,921	Andhra Bank	114	100	6 0	6 0	6 8	7 8	6.12	H.
23,90,000				79	70	3 0	3 0	3 4	3 12		
1,80,00,000	1,25,00,000	2,70,302	Bank of Baroda	99½	50	6 0	6 0	6 0	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bihar	138N	25	0 12	0 12	0 12	—	12	Y.
2,50,00,000	3,12,00,000	910,481	Bank of India	146½	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,80,375	27,15,000	64,708	Bank of Indore	55N	25	3 0	3 0	3 0	3 0	12	Y.
50,00,000	10,00,000	25,128	Bank of Jaipur	23	50	1 8	1 8	1 8	2 0	12	Y.
50,00,000	84,00,000	2,27,018	Bank of Mysore	272½	100	16 0	16 0	16 0	16 0	12	Y.
60 47,100	57,21,559	11,240	Bombay State Co-operative Bank	55	50	2 8	2 8	2 8	2 8	6	Y.P.T.
15,00,000	26,00,000	80,774	Canara Bank Ltd.	80	50	4 8	4 8	4 8	4 8	12	P.Y.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	55	50	5 0	5 0	5 0	—	12	Y.P.
2,92,11,875	4,00,56,697	17,58,599	Central Bank of India Ltd.	47	25	3 8	3 8	3 0	3 0	12	R.L.Y
82,42,375 'A'				40½	25	3 8	3 8	3 0	3 0		
50,00,000	25,10,000	1,64,911	Devkaran Nanjee Banking Co	82½	50	1 12	1 12	2 0	2 0	12	Y.
1,50,00,000	1,10,00,000	1,06,895	Delhi Bank (F)	72N	20	4 0	4 0	4 0	4 0	12	Y.
50,00,000	22,50,000	1,12,890	Hind Bank	25	50	1 0	1 0	1 8	1 8	12	Y.
1,25,00,000	15,48,000	16,919	Hindustan Commercial Bank	9½	50	—	—	—	—	12	Y
50,00,000	1,80,000	1,412	Hindustan Mercantile Bank	12½	50	—	—			12	Y.
75,00,000	75,00,000	1,08,750	††Hyderabad State Bank	108N	100	6 0	5 0	5 0	6 0	9	Y.
3,75,00,000	6,85,00,000	84,18,646	Imperial Bank of India	1,700	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000				420	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000				176½	100	12 0	12 0	12 0	12 0		
17,00,000	77,50,000	1,30,785	Indian Bank	142	85	10 3½	10 3½	10 3½	10 3½	6.12	R.L.H.
16,80,000				104	60	7 3½	7 3½	7 3½	7 3½		
49,19,875	26,00,000	2,16,589	Indian Overseas Bank	104	100	6 0	6 0	6 0	6 0	6.12	R.L.H.
6,25,000				50	100(A)	7 8	6 0				
2,50,000	6,32,039	1,380	Indo-Commercial Bank	15	25(B)	1 14	1 8			6.12	H.
10,00,000				20	50(C)	2 0	2 0	2 0			
87,50,000	92,50,000	4,99,040	Punjab National Bank	42	25	1 0	1 8	2 0	3 0	12	Y.
1,00,00,000	21,75,000	98,681	Travancore Bank	14½	25	—	—	0 10	1 0	12	Y.
40,00,000	35,00,000	1,75,974	Union Bank of India	69	5	0 5½	0 5½	0 5½	0 5½	12	Y.
2,00,00,000	86,00,000	1,08,725	United Commercial Bank	44	50	2 0	2 0	2 0	2 8	12	H.

PRINCIPAL EXCHANGE BANKS

£2,500,000	£5,000,000	£392,910	Chartered Bank of India, Australia and China	£2-4-1½	£1	14†	16†	14†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6½	£5	6†	7†	3†		12	R.L.Y.
H.K. $20,000,000	H.K.$128,000,000	H.K. $10,215,256	Hongkong and Shanghai Banking Corporation	£92½	H.K. $125	5*	5*	5*	5*	12	Y.
£17,866,195 'A'	£14,500,500	£516,557	Lloyds Bank	£5-7-9	£6 A	13†	12†	14†	15†	12	R.L.Y.
£1,437,246 'B'				£1-6-3	£1 B	5†	5†	5†	5†	12	R.L.Y.
£875,000 'A'				£4⅝	A £2½	12†	14†	14†	14†	12	R.L.Y.
£375,000 'B'				£4⅝	B £2½	12†	14†	14†	14†		
£720,000 'C'				—	C £1	12†	14†	14†	14†		
£2,951,562	£3,104,687	£876,266	National Bank of India		£1-3-3	sh. 12½	16†	16†	16†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. †† O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June 1958
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	95	28th February 1960(c)
6,00,000	5½	30th June and 30th December	Raw Sugar Cane & Sugar Co., Ltd.	99½	30th December 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	102	27th December 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	90	1st November 1956-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	102½	1st April 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	97½	1st November 1959-64
COAL					
30,00,000	4½	30th April and 31st October	Bharat Collieries	95½	30th June 1958
30,00,000	4½	30th June and 31st December	Burrakur Coal Co.	91½	30th June 1957(a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	99½	14th December 1956(a)
COTTON					
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	95	30th April 1958
4,00,000	4½	10th May and 10th November	Bengal Nagpur	99	15th November 1956(b)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	104½	1st January 1957-72(e)
18,68,000	5½	1st January and 1st July	Jaybhire Textiles	80N	1st January 1956-59
40,00,000	5	1st June	Tata Mills	101½	1956-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	85½	31st March 1965(e)
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	100½	14th June 1960
99,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	97½	1st October 1959
18,00,000	4½	30th June and 31st December	Bombay Electric Light and Power Co., Ltd.	94	31st December 1956(c)
2,45,01,500	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101	1st January 1976(e)
25,00,000	4	30th June and 31st December	Graverpore Electric Supply Co., Ltd.	87	31st December 1970
15,00,000	5	1st January and 1st July	Rijna (Jherriah) Electric Supply Co., Ltd.	96	30th June 1976(e)
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	99	1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	99	1st October 1964
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July 1957-67
47,78,000	5	1st April and 1st October	Tata Power	99½	15th September 1961-65
8,50,000		1st April and 1st October	Tata Power	92½	15th September 1963-70
ENGINEERING					
5,00,000	6	30th June and 31st December	Britannia Engineering	109	10th December 1958
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June 1965
20,00,000	5½	15th September and 15th March	Indian Home Pipe (2nd mortgage)	102	1st July 1957-62
21,10,000	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	106	31st December 1966 (ii)
10,00,000	4	31st May and 30th November	Kumarchubi Engineering Works Ltd.	66	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	101½	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	100½	31st December 1960 (a)
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	99½	31st March 1960
6,00,000	5½	30th June and 31st December	Alexandra	100	30th June 1949
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June 1955
10,00,000	5	30th June and 31st December	Bengal Jute Mill Co., Ltd.	88½	30th June 1960
5,00,000	5	31st January and 31st July	Calcutta	90	31st July 1959
10,00,000	5	30th June and 31st December	Chitavalsa Jute Mills	96	30th June 1960
25,00,000	4	31st March and 30th September	Dalhousie Jute Co.	99	31st March 1959(e)
8,56,000	5	30th June and 31st December	Empire	95	15th July 1966(e)
25,00,000	3½	1st January and 1st July	Hukumchand	92	30th June 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	94½	31st December 1964(e)
25,00,000	5½	30th June and 31st December	Naihati	98½	31st March 1967(e)
5,00,000	4½	14th November and 14th May	Kelliwarra Jute Mills Co., Ltd.	93	14th May 1956
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	88.	31st December 1964
5,00,000	4	30th June and 31st December	Presidency	92	30th June 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	91	8th September 1960(e)
8,00,000	4½	14th March and 14th September	Rossmah Jute	96	14th September 1957
12,00,000	4½	30th June and 31st December	Union	96½	30th June 1957
10,00,000	3½	31st January and 31st July	Waverley	88	31st July 1960
RAILWAYS & STEAMSHIP AND TRAMWAYS					
4,50,000	6	1st January and 1st July	Barasat-Basirhat Light Railway	90N	1st July 1954
£350,000	4½	1st January and 1st July	Calcutta Tramways	560N	1909 At 105% at any time on 6 months' notice or at par or every seventh year.
£139,363	5	1st April and 1st October		£77½N	1933
6,50,000	3½	30th June an 31st December	Katakhal-Lalabazar Railway	90½	1st October 1976 31st December 1959(e)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£35½N	1905 Any time on six months' notice.(e)
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	95	1st September, 1963
PLANTING					
10,00,000	5½	30th June and 31st December	Consolidated Coffee	102	1st July 1957-63
5,00,000	6	31st March and 30th September	Nilgiri Tea	100½	1st April 1954-56
4,61,000	5½	30th June	Onchatchery	104	30th June 1956-59
9,00,000	5	31st March and 30th September	Periakaramalai	100½	31st March 1952-63
1,89,700	5½	31st March and 30th September	Teekoy	100	31st March 1949-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	100	30th September 1965
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December 1965
26,80,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	97	30th June 1957
8,00,00,000	5½	1st March and 1st September	Burmah-shell	101½	1st September 1965-69(e)†
21,00,000	5½	1st February and 1st August	Chowringhee Properties	93	1st February 1964
21,24,000	4½	1st July and 1st January	Clive Buildings	89½	1st July 1956
20,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	90	1960
1,50,00,000	5	1st January and 1st July	Dunlop Rubber	102	1st January 1971(e)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	104	30th June 1969(e)‡
10,25,000	5	15th March and 15th September	Mettur Chemical Industries	96	1964
29,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	520	30th September 1976(e)
45,00,000		30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	475 (per note)	31st December 1971(e)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	1st April 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	96	31st March 1961(e)
1,00,00,000	4	30th June and 31st December	Robtas Industries Ltd.	90½	31st December 1960
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	104½	1st May 1968(e) ‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium after 1-8-1954 but before 1-8-1957 and 1 per cent. premium on or after 1-8-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent after 13 years. † Rs. 1,00,00,000 debentures with be redeemed at par annually by drawing from 1-6-1956. Any debenture outstanding on 1-6-1960 will be redeemed on that date with option to redeem all debentures at 101 per cent on 1-6-1964. §§ Redeemable cost of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1966, onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1963, on 6th months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 1st June, 1955.

—	Closing quotations 25-5-1955	High	Low	Closing quotations 1-6-1955
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	13½	—	—	13½
Apollo (2)	2-11½	2-11½	2 3/8	2-11½
B.B. Cotton Mills (100)	29	—	—	29
Bombay Dyeing (250)	455	458½	452½	455
Central India (100)	123	124	115½	118
Century Mills (100)	376½	379½	375	377½
Colaba (100)	55½	56½	55	55
Edward Textile (200)	628½	—	—	206½
Elphinstone (50)	50	—	—	40
Finlay (100)	245½	245½	245	245½
Gokal (100)	211½	212	206½	211½
Ind. Unitd. Defd. (1)	1-3½	1-3½	1-2½	1½
Ind. Unitd. Ord. (10)	10-10½	10½	10½	10½
Indore Malwa (100)	92½	93½	93½	95
Khatau (100)	167½	—	—	167½
Kohinoor (100)	311	313½	310	312½
Lakshmi (250)	507xd	—	—	507x
Madhusudhan (100)	84½	84½	78½	78½
Minerva Mills (100)	98½	—	—	98½
Model Nagpur (250)	138½	—	—	138½
Morarji (100)	218½	222½	218½	222½
Mysore (50)	111½	—	—	111½
National Rayons (100)	209½	209½	201½	209
New City (100)	140½	140½	138½	138½
New Great (100)	171	171	169	170
New Union (10)	30½	—	—	30½
Phoenix (100)	115	115	110	112½
Podar Mills (100)	160	160	158½	158½
Sassoon Spg. (10)	14½	14½	—	14½
Shahjahan (1,000)	35½	—	—	35½
Shriniwas (100)	1,400	—	—	1,400
Simplex (50)	235	235	223½	223½xd
Standard (100)	154	155½	152½	154
Svadeshi (100)	358½	357½	352½	358½
Swan (100)	187½	187½	184½	187
Tata Mill (25)	315	—	—	315
Vishnu (100)	48	48½	46	46½
Western India (1,000)	135½xd	—	—	135
	3,575	—	—	3,575
BANKS				
Bank of India (50)	146	146½	146	146½
Bank of Baroda (50)	100	99½	97½	99½
Central (25)	47½	47½	47	47
Central 'A' (25)	49	49	48½	48½
Dena Bank (50)	31½	32½	31½	32½
Imperial (F.Pd.) (500)	1,700	—	—	1,700
Imperial (P.Pd.) (125)	416½	420	416½	420
Punjab National (25)	42½	42½	42	42
Union Bank (5)	6½	6 3/8	6 3/8	6 3/8
United Com. (50)	44½	44½	43½	44
ELECTRIC COS.				
Ahmedabad (100)	105	105½	104 3/8	105½
Amalgamated (10)	10-12½	—	—	10-12½
Andhra Valley (1,000)	1,375½	1,382½	1,375	1,380
Bom. Sub-XL (100)	123½	123½	122½	123½
Surat (100)	135½	135½	134½	134½
Tata Hydro (100)	143	143	141	141½
Tata Power (1,000)	1,445	1,447½	1,442½	1,445
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	675	—	—	675
Ind. Mercantile (20)	45½	—	—	44½
Jupiter (15)	8½	—	—	8½
New India (15)	49	48½	47½	47½
Oriental (200)	7,200	—	—	7,100
Universal (10)	10½	7,210	7,100	10½
Vulcan (10)	15½	—	—	15½
STEEL COS.				
Ind. Iron (10)	33-3½	33½	33 3/8	32-11½
Tata Steel Ord. (78)	228½	229	226½	228
SUGAR COS.				
Belapur (50)	300½	301	300	300
Bhopal (10)	12½	12½	12½	12½
Dhafian (50)	119½	121	119	120
Walchand Ind. (100)	203½	202½	200	200
CEMENT COS.				
Associated Cm. (100)	175½	175	173½	174½
Digvijay (100)	184½	182½	181	182½
MISCELLANEOUS				
Alcock Ashdown (100)	273½	275	271½	271½
Bom. Burmah (125)	455½	457½	453½	456½
Do. (New) (50)	171½	171½	168½	168½
Br. B. Petrol (4 sh.)	3 1/8	3-5½	3-2½	3 3/8
Br. I. Corpn. (5)	9-0½	9½	8-11½	8½
C. P. Rly. (100)	97	—	—	97
Indian Copper (Rs.)	3 3/8	3-11½	3½	3½
Ind. Inv. Tr. (100)	72	—	—	72
Kemp (300)	220½	—	—	220½
Kilachs (100)	170	170	163	163
Polson (100)	137½	—	—	137½
Port Canning (100)	11½	—	—	11½
Premier Cos. (50)	146	148	141½	142½
Scindia (20)	15-2½	15½	14½	14-10½
Shirpur (10)	65½	65½	65	65½
Tata Chemicals (10)	13-5½	13½	13½	13½
Tata Oil (25)	89	89	88½	89
W. L. Match. (100)	185	184½	180	181½

GOVERNMENT SECURITIES	27-5-55 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	2-6-55 Rs.
2½% 1955	99 3/8	—	3.44	99 3/8
2½% 1961	92	—	3.95	92
2½% 1960	94½	—	3.79	94½
2½% 1968	92 3/8	—	3.86	92 3/8
2½% 1976	89	—	3.91	89
3% 1957	99½	—	3.23	99½
3% 1958	99½	—	3.20	99½
3% 1959-61	97½	3.58	3.40	97 3/8
3% 1964	94	—	3.73	94 3/8
3% 1963-65	94½	3.86	3.72	94 3/8
3% 1966-68	90½	4.00	3.86	91
3% 1970-75	87½	4.15	3.91	87½
3% 1986 Con. Loan	80½	—	3.72**	80½
4% 1960-70	101 3/8	3.60	3.82	101 3/8
4½% 1958-60	100½	—	1.85	100½
4½% 1958-60*	108½	3.59	4.18	109½
2½% 1961 N.P. Bonds	100	—	3.52	99½
2½% 1964 N.P. Loan	98½	—	3.56	98½

BRITISH GOVERNMENT SECURITIES	27-5-55 £	High £	Low £	1-6-55 £
2½% Brit. Consols	61½	61½	60½	60½xd
3% Brit. Transport 1978-88	79 3/8	79 3/8	79	79½
3% War Loan 1955-59	96½	96½	96½	96½
3½% War Loan 1952	81½	81½	81	81½
4% Brit. Iron and Steel 1976-81	89½	89½	89½	89½
4% Funding 1960-90	97½	97½	97½	97½

*Current Income. x.d.—Ex-dividend. ** Rupee Counterparts.

COMMERCE

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

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WANTED—A NEW APPROACH BY EMPLOYERS

FOR some time now, the Congress Party in India has been propagating a new economic philosophy. Vague though this philosophy is, despite the torrent of words that has flowed from many leading Congress men by way of explanation, one thing is clear. The State will, under this philosophy, dominate over all forms of economic activity. Private enterprise and initiative will be at a discount. The State will determine how much one should earn, save and hold as property. It will tell the people what type of education they should have, what type of industries they should start, how much land they can keep, with whom they can insure and bank and at what cost, what type of cloth they should wear (mill-made, handloom, or *khadi*), what type of oil they should use for cooking (village *ghani* oil or factory pressed oil), whether they should get their paddy pounded in a rice mill or by hand, and whether they should get their wheat ground into flour in a flour mill or by hand in the ordinary household grinding stones, as used to be done during the days of our great-grandmothers. This may or may not be consistent with democracy. That is a question about which one can go on arguing endlessly. But all this is inherent in an economy planned for bringing about a socialistic pattern of society.

What is the attitude of our business men towards this new philosophy? Some of them have, of course, loudly protested against it. They have argued that a socialist Welfare State is not practicable for an underdeveloped country severely lacking in capital and managerial talent. Some, however, are taking it stoically, for they feel that the change in the offing is inevitable and cannot be stopped. They admit that many of the things which the Congress Party has been saying as necessary, such, for instance, as nationalisation of banking and insurance, socialisation of co-operative movement and fixation of ceiling on land, are not necessary for raising the living standards of the people and that, on the contrary, they may do more harm than good to the country. Yet, they are doing nothing to avert this trend.

If private enterprise in industry, trade and finance, as distinct from private enterprise in agriculture and cottage industries, is to survive the onslaught of neo-socialists in this country, it must not only preach but actually practise a philosophy which will appeal to the public now under the spell of the propaganda for a socialistic pattern of society. It must prove that it exists not merely for itself but for the welfare of the people as a whole. It must lay down a code of conduct for all business men, ensure a high degree of managerial efficiency, and maintain happy and friendly relations with its employees. All these three prerequisites are, of course, of equal importance. But we propose to confine ourselves in this issue to the last one, for it is more important than the rest. In a democratic economy, where workers in factories and offices are highly organised, or rapidly organising themselves by forming trade unions, and are getting conscious of their rights, failure to maintain satisfactory employee relations will jeopardise the position of private enterprise, since discontented employees will, sooner or later, allow themselves to be brought under the influence of professional politicians who will, of necessity, be left-wingers. Even those whose leanings are not towards the left will be inclined to move more and more towards the left, in order to keep themselves in power, because the factory and office workers are more vocal than agricultural workers and a force to be reckoned with. This is precisely what has been happening in India during the past few years.

Unfortunately, employers in India, barring a few exceptions, have not been following a progressive policy in keeping with the changing times. It is a fact that almost every one of the amenities which industrial workers are now enjoying—reduced working hours, overtime payment, holidays with pay, provident fund, sickness benefits, cash bonuses, etc.—have had to be forced on them through legislation and adjudicators' awards. Although it is the employers who are footing the cost of these amenities, the credit for securing all these has invariably gone to professional politicians and union leaders, with employers being labelled as diehards and exploiters. In other words, though employers pay, they are not able to call the tune. Is it not high time then that they changed their attitude towards their employees and followed a more forward-looking policy which will earn for them the goodwill of their employees and eliminate politicians from trade unions? They should draw a lesson from what is being done by employers in other democratic countries for fighting the philosophy of socialists. Recently, when the Labour Party in Britain advocated nationalisation of the chemical industry, the Chairman of I.C.I., Dr. Alexander Fleck, gave six main reasons why nationalisation was not desirable. One of these was satisfactory relations with employees. He pointed out with justifiable pride that, since 1926, his company has been free from any serious industrial dispute. Some of the other reasons given by him were: (a) fair dealing with customers, (b) efficiency in production, (c) conservative financial policy which enabled the company to bring about great expansion of productive capacity, and (d) significant contribution to export trade and human happiness.

It is true that amenities to workers and a decent wage will largely be governed by the general level of national income. An employer cannot pay more than what the market for his products can bear. But, subject to this rule, he should honestly endeavour to keep his workers well content. It should be his aim to follow such modes of production and marketing as will enable him to pay a decent wage to his workers. Further, in an economy where the public sector threatens to dominate, he should follow a standard which will make his workers feel convinced that the private sector is far superior to the public sector. In this context, it is necessary to draw his attention to a new revolution in company ownership which is steadily gaining ground in the U.K. and the U.S. We mean the employee-shareholding schemes. Employers in India should seriously consider whether they, too, should not make a beginning in this direction. In one of our earlier issues, we drew attention to the fact that, in most of the State-owned undertakings in India, the Government has given representation to workers on the boards of these undertakings by nominating trade union leaders and that, sooner or later, labour leaders would make a demand for similar representation on the directorates of joint-stock companies in the private sector, too. Indeed, some of them have already started voicing this demand. A few economists also have extended their support to it. Dr. B. N. Ganguli, of the Delhi School of Economics, for instance, says, in a paper on planning, that "workers' participation in industrial management is essential, if only because centralisation of power and responsibility is an inherent evil of large-scale industrial organisation." It will be wise on the part of employers to forestall such a demand by judicious action. They must think of a workable scheme which will effectively meet this ambition of workers and, at the same time, scotch the move for nationalisation of private undertakings. In fine, employers in India must carry their workers with them, if the Government's pressure for nationalisation and more stringent controls is to be successfully resisted. The policy of giving an opportunity to employees to become shareholders may prove useful for this purpose.

The idea of worker-shareholdings is not new. It is fairly well established in the U.S. and is being fostered in the U.K. In both the countries, various types of employee-investment schemes are in vogue and have the approval of the Governments. It is very interesting to find that, in the U.K., where the idea has come into practice only recently, the Conservative Government has been more sympathetic to it than the Labour Government. Apparently, the Conservative Party, which has expressed itself in favour of a property-owning democracy, finds in this idea a means whereby workers can be encouraged to save and become partners of industrial and financial undertakings where they work. It is heartening to find that the shareholders of even those British companies which have introduced schemes for workers' participation in equity capital have reconciled themselves to this idea in good spirit. Evidently, they have the common sense to appreciate that the alternative to it may be dispossession of their holdings by a Socialist Government.

It will not be out of place here if we briefly describe some of the employee-shareholding schemes in Britain, inasmuch as joint-stock companies in India are modelled on the British system. Our task in this direction is facilitated by a recent article in the *Investors' Chronicle*, London, which has itself warmly commended these schemes. It seems that there are three ways in which workers' participation in ownership of undertakings is being encouraged in Britain. First, there is participation in equity capital by giving a part of the rights issue to workers. The second is the creation of a special class of worker-share. And the third is purchases of existing ordinary shares at market price through the Stock Exchange and their allocation

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to workers. The last mentioned method, however, has two disadvantages, in that (a) brokerage and other expenses have to be incurred and (b) persistent purchases year after year may artificially inflate the market value of shares. But these defects could be overcome if purchases were made judiciously over a period and accumulated in a special trust formed on behalf of employees. In all cases, the cost of shares is met by workers themselves either from their bonuses or from their regular savings.

Quite a number of the companies in Britain trying these schemes are well-known giants. They include Associated Electrical Industries, Colvilles Steel, Rugby Portland Cement, Imperial Chemical Industries, Joseph Lucas, Barclays Bank, the famous Yorkshire woollen manufacturers, J. T. and J. Taylor, and the large department store, the John Lewis Partnership. The Associated Electrical Industries' scheme is an example of direct investment method. A part of its new issue of £10.3 million, all in ordinary shares, was offered to the employees on the same bonus terms as those offered to shareholders. The Company even gave financial facilities to its workers to take up their share of the offer, as well as any portion not taken up by shareholders. One of the conditions made by the Company was that employees must hold their shares for at least three years.

When Colvilles Steel was denationalised in January last, its employees were given a chance to subscribe to the capital at the same rate at which the scrip was offered to the public and in multiples of 50, 100, 150 or 200 shares. The Company arranged for special loan facilities for its employees to subscribe to these shares. Repayment terms were easy. They were threepence weekly per share deducted from wages or salary over 104 weeks. While no interest was charged on the loan, dividends would be regularly credited to the workers' account. Thus, for a weekly deduction from earnings of 26s. over two years, a worker could buy 100 shares at 26s. each, with full right to dividends. The balance of the loan is repayable in cash or by sale of the shares at any time or immediately a subscriber leaves the Colville Group. It is true that, under this scheme, the workers got shares at the same price at which they were offered to the general public. But they received interest-free financial assistance and almost full allotment in the face of heavy oversubscription.

The aforesaid two schemes are of this year. Last year, two leading companies hit the headlines by announcing novel schemes which were the talk of the world. These were the Rugby Portland Cement and Imperial Chemical Industries. The I.C.I. scheme, as described by our London correspondent in our issue of 29th May, 1954, is as follows:

"The exact form of the proposal to share profits is to issue bonus shares to the employees in the ratio of one per cent. of their annual earnings less tax for every one per cent. by which the dividend exceeds five per cent.; the payment to be made after deduction of tax in the same way as if the bonus were wages. Where the sum provided is not enough to purchase a minimum of 25 £1 shares, then it is put aside in a fund until it is sufficient for this purpose. The shares will be provided by the Company by creating new issues but these will be offered to the employers' trustees at market prices. After allotment, the employee is left free to do whatever he wishes with them, that is, to sell them and spend the proceeds, if he wants. For its part, the Company expects to have the payments rank as allowable expenses for income-tax in exactly the same way as if they were wages. That is why the scheme is essentially one for paying additional wages *pro rata* to the increase in profits, but paying these wages initially in the form of shares. If an employee is not particularly interested in remaining a shareholder in I.C.I., he can sell the shares and the test of whether or not the scheme is achieving its purpose can only be judged by the percentage of retention of shares by the employees."

The chief merit of the I.C.I. proposal is that the employees are given shares without any strings attached. It is a straightforward increase in income to match a given level of profits. Since I.C.I. is a company from which one can expect relatively stable dividends, there is not the danger from which other schemes suffer, namely, a loss in the income of the employee in case there are not sufficient profits to maintain the dividend. Another feature of the scheme is that I.C.I. will be steadily increasing its equity capital while the scheme operates. The only condition attached for allotting these shares to workers is that they must be adults and have at least 2½ years' service to their credit. It is said that there are 112,000 employees, the number of eligible workers being placed at about 100,000.

Under the Rugby Portland scheme, announced in October last, employees and shareholders, as groups, were each offered *at par* 500,000 "A" 1s. ordinary shares. But these were non-voting and without right to surplus assets in a winding-up. About 1,200 employees were given the right to apply and allotments were made according to status and salary, with a minimum of 250 shares each. Although all employees were entitled to shares, discretion was exercised in allotment to Directors who are all paid. Out of 500,000 shares, the Directors received only 30,000 and the Chairman gave up his right in favour of the workers. A notable feature of this scheme is the worker-incentive element in it. Thus, the "A" shares do not share in profits until the group net is at least £900,000 and the gross dividend paid on the ordinary capital is £300,000. But, once the conditions for "A" profit-sharing are fulfilled, the shares rank for £70,000 *plus* 20 per cent. of the excess over £900,000, with a maximum of 12½ per cent. of net profit.

An underlying feature of all these schemes is that they constitute a form of employees' participation in the prosperity of companies. As mentioned earlier, the schemes are not confined only to giant industrial and trading concerns. Barclays Bank has also encouraged employee shareholding for a number of years. We shall examine, in our next issue, the feasibility and desirability of applying these schemes to joint-stock companies in this country.

EUROPEAN ECONOMY

IT is a matter of considerable interest to this country that European economy, more particularly Western European economy, should be in a state of good health, for this region constitutes an important market for India as well as a supplier of a wide range of goods. The post-war economic recovery of this region, aided though it was by generous American aid, has been an encouraging factor from the Indian point of view. Progress has not, of course, been uniform. Nor is it to be expected. Comprising as it does countries the economies of which were damaged in varying degrees by the war, and the internal momentum for growth and expansion differed in strength from country to country, it is hardly surprising that some countries should have made more rapid headway than the rest.

In the last two or three years, however, progress has been commendably rapid. But a matter for concern is that this might have been accomplished or could be maintained only through a sacrifice of monetary stability. In other words, the risk of inflation is a potential danger even in these highly developed countries no less than it is in underdeveloped countries with ambitious plans for development. How real is this danger in Europe? In what country is it a more imminent danger? To these questions, as well as to the wider question of the trends in European economy, the latest issue of the *Economic Bulletin for Europe*, prepared by the Research and Planning Division of the Economic Commission for Europe (E.C.E.), has addressed itself.

The E.C.E. *Bulletin* observes that, in the early months of 1955, the economic upswing continued unabated in virtually all countries of Western Europe. A "pronounced" investment boom gave a further stimulus to the production of industrial equipment after the slackening in the coal and steel industries in the beginning of 1954. A factor that must have lent some strength to this general upswing (the only exception being the textile sector) is the revival of activity in the U.S. from October, 1954. European production recorded sizable improvement in 1954. This seems to have been accompanied, according to the *Bulletin*, by a considerable rise in profits, even though prices remained fairly stable, "because of the better utilisation of capacity and because the upswing had not yet been reflected in major wage increases." Of late, however, the boom in durable consumer goods, which was noticed in 1954, is beginning to level off. The *Bulletin* adds: "Sales of durable goods do not any longer seem to be advancing faster than sales of textiles and, in some countries, sales of motor vehicles showed a rather unfavourable development in January and February, as compared with those of previous years." Although the export trade in textiles suffered a setback, it did not prevent a continuation of the general expansion of the trade of continental European countries towards the end of 1954 and in the first months of 1955. Britain, however, was at a double disadvantage *vis-a-vis* Continental Europe. It faced a dock strike in 1954. Also, its import prices commenced rising in the autumn of 1954 and the volume of imports increased faster than exports. This factor, coupled with the deterioration in the payments position of some of the other sterling area countries and some capital transactions, led to a setback in the balance of payments position of the sterling area towards the end of 1954.

Summing up the position of the European economy in the winter of 1954-55, the *Bulletin* characterises it as one of "quantity boom." Explaining this phrase, it says that it is derived from the German concept of *Mengenkonjunktur* and is used to describe the phase of an upswing during which supply elasticities are sufficient to permit an expansion of the volume of production, without appreciable effect on prices and wages. Apart from some rise in freight rates and in prices of certain basic materials, mainly in the investment goods sector, there is nothing in the price situation to warrant the concern about inflationary trends that is being felt in certain countries. This concern is partly traced to the price situation in the U.K. which has been somewhat less stable than that of most other countries. It is also due to a general feeling that price stability cannot last for much longer, in view of the consideration that improved employment situation and high profits have made labour less and less inclined to show restraint in wage demands.

That it is difficult for labour in the context of full employment, to resist the temptation to ask for more and more wages, irrespective of the relation of that demand to man-hour productivity, is evident from the latest railway and dock strikes in the U.K., which are, at least ostensibly, designed to secure higher wages. In the U.K., prices have been rising of late; in April, 1955, the index number of prices of all articles (base: 1938=100) was 332.3, as against 325.3 in 1954 (average) and 323.5 in 1953 (average). The railway and dock strikes will certainly affect adversely the course of industrial production and would consequently have an inflationary effect on prices. Indeed, the *Bulletin* warns against such a contingency. It emphasises that the very high level of employment in the U.K. has resulted in a "considerable pressure on wages and it may prove increasingly difficult to maintain stable selling prices, the more so since many firms have probably passed the optimum level of utilisation of capacity and increasing expenditure on overtime also adds to industrial costs." It then goes on to point out that the recent measures taken to reduce imports into some of the traditional British markets underline the need for the U.K. to strengthen its export position in other and more competitive markets. The continuing dock and railway strikes are certainly not calculated to serve this purpose. If they are persisted in, they are bound to inflict a serious damage on the British economy.

Discussing the wider question of maintaining a high level of economic activity in Europe, the *Bulletin* has stressed the vital need for commercial policies to be oriented towards raising imports or towards granting credits to some countries both in and outside Europe which have been attempting to reduce their imports. It warns: "Otherwise, there is the danger that a continued accumulation of currency reserves in some countries, accompanied by further expansion of economic activity in others, will stop the expansion of intra-European trade and thereby weaken, or even interrupt, the economic upswing in Western Europe."

The *Bulletin's* exposition of the importance of intra-European trade deserves notice. This trade, it is pointed out, is the more "crucial," since the prospects of relief in the form of increased exports to overseas countries are uncertain. Normally, the continuation of an American upswing might be expected to swell the export earnings of the raw-material-producing countries and thereby pave the way for increased exports from Europe to these countries. But such repercussions on European trade are felt only after a long time. Also, some of these countries have adopted import restrictions. These restrictions, experience shows, are never promptly lifted even when economic conditions in the importing countries improve. It is for this reason that the *Bulletin* emphasises the need for improving and extending the volume and area of intra-European trade.

SHARE MARKETS START LOOKING UP

INDIA REFUSES TO GUARANTEE AMERICAN INVESTMENTS—FAVOURITISM IN CIVIL AVIATION

THURSDAY, 5 P.M.

THERE has been a slight improvement in the trend of all share markets. In Bombay, the downward trend in Tata Steel shares seems to have been checked. The closing rate for this scrip is about Rs. 3 higher than the lowest level touched earlier in the week, though, over the week, there is no net gain. In contrast to this, Indian Irons have actually gained a fraction of a rupee, owing to short-covering and some fresh buying. The main reason for Tata Steels not having made a sizable recovery is the prospect of heavy *badli* rate which the bulls would have to pay in the next settlement owing to closure of share transfer books. This prospect has been acting as a deterrent to bulls. As regards the other section, textiles have staged a handsome rise, due chiefly to bear covering in Bombay Dyeings and Kohinoors. It looks as though the operators are now inclined to view the outlook for textiles rather optimistically. Among miscellaneous shares, there have been quiet a few bright spots. Of these, mention may be made of Bombay Burmahs, Belapurs, National Rayons, Indian Coppers and A.C.Cs. In the Calcutta and Madras markets, too, activity has broadened, tea, textiles, engineering, cements and a number of miscellaneous scrips evoking a fair amount of buying support.

MARKET GOSSIP

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The aforesaid improvement is based on (a) encouraging reports about the results of working of industries so far during the current year and chances of satisfactory progress in the coming months, and (b) good dividend announcements and expectations. The spurt in textile shares, in particular, has stemmed from the former factor. In the case of Bombay Dyeing, there is an additional reason, namely, renewed rumours that the Company has received, or is about to receive, the Government's permission for introducing automatic looms and working an extra shift. Tea shares have gone up, because of the feeling that the worst is over in the world tea markets. This feeling has been engendered by (1) the satisfactory prices realised in the first export auction of the new season at Calcutta, (2) the cut in export duty on tea, (3) the arrest of further fall in prices of tea in the London market, (4) the measures now being taken by tea gardens to pluck only quality tea, and (5) the growing realisation that, though stocks of tea in London may be large, the statistical position, taking the world as a whole, is sound, and that the fall in tea shares in recent months had been overdone. The sudden jump of Rs. 15 per share by Bombay Burmahs (old) in a couple of days is in tune with this revised view of the outlook for tea shares. But operators attribute it to another ground also. They say that the Company, coming under section 23A of the Income-tax Act, will choose to pay a higher dividend for 1954-55, as has been done by the Mettur Industries, Madras.

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The handsome rise in sugar scrips is not surprising to us, because there was no reason at all for their fall during the past few days. We have always maintained that, though the prices realised by the Deccan factories in the current season are lower than those in the preceding season, their profits will be satisfactory in view of higher production. Some said that the downward drift in Belapurs was a reflection of the market's disappointment caused by the Government's procrastination over the Company's application for the issue of bonus shares. If that were so, a rise of over Rs. 11 since Saturday when a low of Rs. 299 was touched, should mean that the Company must have received the Government's permission for offering a bonus scrip to its shareholders. But we understand that till this evening no communication has been received by the Company. It is true that, at times, the market receives advance information. Whether that is so in this case is, however, beyond our ken. The absence of a similar spurt in the case of scrips of other companies such as Calico Mills and Bangalore Woollen Mills, which have also applied to the Government for permission to issue bonus shares, indicates that the Government has not yet made up its mind. This is just a surmise.

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Indian Coppers have staged, during the week, an impressive rise from Rs. 3-10 to Rs. 4-6-6; at one time, yesterday they stood at a higher level of Rs. 4-7-3, a level not witnessed for some years past. The chief reason for this improvement is the Company's decision to step up the return to shareholders for 1954 to as high as 25 per cent. from a mere 10 per cent. for 1953. The proposed distribution is made up of a dividend of 15 per cent. and a bonus of 10 per cent. and, at the ex-dividend rate of Rs. 4-2, gives a yield of 8 per cent., free of income-tax. A subsidiary reason for the improvement in the value of this share is the possibility of the scrip being included in the list for forward trading on the Calcutta Stock Exchange. According to knowledgeable circles, the Company's financial results for 1954 and the short-range outlook for it are bright. For several months now, this scrip has been a favourite among both investors and speculators on expectations of higher dividend. But the distribution of 25 per cent. exceeds even the most optimistic expectation. It will be interesting to note, in this connection, that, after touching a high of Rs. 7-2 in the early post-war boom (1946), these shares had touched a low of Re. 1-10 in 1949. If those who had bought these during the boom had the patience to wait and averaged their holdings even at about Rs. 2-8, they would have more than recouped their losses. Here is an instance to show that, over a period, investors in first class equities do not generally suffer a capital loss.

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A note of optimism characterises the speech delivered by Mr. Kasturbhai Lalbhai at the annual meeting of the National Rayon Corporation Ltd. held today, in his capacity as its chairman. The full text of his speech is published elsewhere in this issue. It will be seen therefrom that, although the practice of bulk sale of the Company's production to the Association of Silk and Art Silk Mills could not be continued this year, it has had no difficulty in disposing of its products. Indeed, it has been successful in making forward sale of its production upto the end of the year. The Company is following an enterprising policy of expanding its production for which there is plenty of scope in the country. It is endeavouring to reduce its dependency on foreign countries for raw materials. For a long time to come, of course, it will have to depend on foreign sources for the supply of the main raw material, namely, wood-pulp. But it can achieve self-sufficiency in regard to chemicals within a few years. The postponement of the proposed increase in shipping freights for an indefinite period has averted the danger of a significant increase in the cost of the Company's raw material. There are, however, two adverse factors, but neither of them is serious. One is the unfair competition by some of the Continental manufacturers and the other the tight power supply position. The Government is aware of both the issues and can be trusted to come to the rescue of the Company in the event of its getting into trouble.

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Although there is every prospect of the National Rayon making better profits in the coming years, the Board of Directors has decided to follow a cautious policy in regard to payment of dividend. The Directors have candidly told the shareholders that it is not their intention to pay a dividend of more than 10 per cent. for a few years to come. They have also given good reasons for pursuing this wise policy. There is no doubt that a certain amount of self-restraint in this respect in the initial years of a company is admittedly in the long-term interest of shareholders themselves. At the meeting, some shareholders took objection to this part of the Chairman's speech and pleaded for its deletion. The Chairman was, however, firm and turned down the suggestion. Those who objected to this particular passage contended that there was no necessity for the Chairman to make a categorical announcement that there would be no increase in the dividend for a few more years. But what is wrong in the Chairman taking the shareholders into his confidence? This may not have suited the convenience of some speculators on the Stock Exchange who may have gone long. The Chairman is not concerned with them. His obligation is to his genuine shareholders. Mr. Kasturbhai was perfectly right in revealing to the public the Board's mind on this important question, for he has thereby provided a check to the unhealthy speculation that had revived, once again, in the Company's ordinary shares, a few weeks ago.

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In the course of the debate in Parliament on the Air Corporation Act, 1953, under which the private air transport services of India were nationalised, an assurance was sought from the Government on behalf of the small shareholders of the air companies that the compensation received by the companies would not be utilised by the management for any other business, risky or otherwise. This assurance was sought, because it was feared that the managements with large controlling interests might, without distributing the same to the shareholders, use it for other businesses, as had happened in some cases of nationalisation of public utility companies in the past. The Minister for Communications, it would appear, gave the above assurance and said that the interests of the small shareholders would be protected. It is, however, now reported that Airways (India) Ltd., a Calcutta company taken over by the Government of India, has been given a licence to operate a regular transport service between Calcutta and the Andaman Islands. While the other air companies which have received compensation have already taken steps to distribute the same to the shareholders, or are about to do so, it is surprising that Airways (India) Ltd. alone should have been permitted to operate the above service, contrary to the assurance given by the Communications Minister. That apart, how is it that, when the entire civil aviation, both internal and external, has been nationalised, a private operator has been allowed to carry on this trade? Strange, indeed, are the ways of our Government!

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A decision that may have considerable influence on the course of foreign investments in this country is the reported rejection by the Government of India of the U.S. proposal for a treaty guaranteeing American investments in India. The proposal envisaged arbitration to determine the quantum of compensation for American undertakings in the event of their nationalisation. Had this arrangement been accepted, it would have meant a powerful stimulus for the inflow of foreign capital. After all, foreign investors would naturally like to be assured that no unilateral decision on compensation would be taken by the Government in this country. It would have allayed possible fears lurking in the minds of potential investors that the Government in this country might fix an unduly low rate of compensation for foreign-owned properties which might be taken over by the State. It is true that Mr. Nehru has repeatedly given the assurance that reasonable compensation would be paid, and that, so far as foreign assets were concerned, there could be no question of their acquisition by the State without payment of compensation. These, as far as they go, ought to be reassuring to foreign investors. But such reassurances cannot possibly go very far. For, as Sir Kenneth B. Harper, Chairman of the Burmah Oil Company, Ltd., pointed out, in the course of his statement to the shareholders, the Government of India "have been as good as their word but Governments change." Indeed, this is a view which we have expressed often enough. Although the present Government could be relied upon to act in good faith, one cannot say that of its possible successors. This is the reason why the Government should be really chary of claiming powers which are open to grave abuse by succeeding Governments. To this category of powers belongs the recent amendment of the Constitution, which abolishes the citizens' right to take the question of compensation to the courts and vests the powers for deciding the issue in the legislature.

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Technically, the Government's rejection of the U.S. proposal for arbitration to decide compensation issue may be correct. For it would be too much to expect the Government to grant to foreign investors a right which is denied to the nationals of this country. Indeed, this is the ground on which the Government of India is reported to have rejected the proposal. But there is something to be said for the consideration that, since the inflow of foreign capital is to India's advantage, there is nothing inherently wrong about making special arrangements with a few foreign countries for deciding the issue of compensation. After all, the Government's intention is to be fair and just in payment of compensation. Why, then, need it fear arbitration? In this respect, Pakistan, as we pointed out last week (*vide* page 1063), has acted wisely in concluding such arrangements with the U.S. Incidentally, the fact that the Government has been compelled to reject arbitration proposal made by the U.S. on the ground that such facilities are not available to Indians shows that its prior denial of these facilities to Indians is itself wrong. The Government, in fact, ought to grant such facilities to Indian nationals, too, if it wants them to save and invest in concerns floated by the private sector.

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The stage is being set for the resumption of trading in the Alexandria futures market with effect from 1st August next. It would appear that the system of trading will be modelled on that in the Liverpool Cotton Exchange. If so, the market would incorporate the same safeguards as the Liverpool Cotton Exchange, especially in regard to exchange control, clearing system, security in contracts and measures to prevent undesirable speculation. The Alexandria market, it is stated, will have two contracts, long and medium-stapled contracts, based on Karnak and Ashmouni, respectively. Revealing this, the Egyptian Finance Minister, Mr. A. K. Kaisunny, is reported to have said that the Government, which would continue the existing arrangements to buy and sell cotton for the current season, had already disposed of some 4 million kantars out of the estimated crop of 7.7 million kantars. He also revealed that the Government was studying the question of straddling operations between Alexandria and Liverpool in readiness for the opening of the forward market.

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Although the Egyptian Government is thus contemplating the grant of facilities for straddling operations between the Alexandria cotton market and the Liverpool cotton market, the authorities in this country have turned down the request of Indian cotton and textile interests for facilities to participate in the Liverpool Cotton Exchange. The main ground on which it has been rejected is stated to be the danger of abuse of that facility for clandestine transfer of funds from India. This suggests that the Government has no faith in its own people. Apart from this fact, it may be noted that the problem is not peculiar to this country. In the U.K., the Bank of England has created the machinery of the "Market Executive" to keep a watch over transactions involving transfer of foreign exchange. Surely, it should be possible to set up similar machinery in India. Again, it must be remembered that an unscrupulous Indian trader could not possibly indulge in unauthorised transfer of funds without the assistance of his counterpart in the U.K. And it is extremely unlikely that the British trader would agree to such an arrangement when the detection of the crime involves a fine of £2,000 and also carries the risk of expulsion from the trade altogether. It remains to be seen whether the imminent reopening of the Alexandria market, the institution of facilities for straddling operations between Liverpool and Alexandria and the world-wide trend towards the restoration of free marketing facilities will induce the Government later on to review more favourably the question of linking Bombay's cotton trade with the British and Egyptian futures markets in cotton.

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The decline in foodgrain prices which, not very long ago, caused considerable concern to the Government and the agriculturists, appears to have been arrested. Most foodgrain markets report a steady trend. The Government's decision to appoint purchasing agents for purposes of buying wheat in the event of its price reaching the floor of Rs. 10 per maund has had a salutary effect. The agents have not had much work to do for the

(*Continued on page* 1147)

EQUITIES RULE BETTER

SPURT IN SUGAR SHARES

(From Our Own Correspondents)

BOMBAY, *9th June*

AFTER remaining subdued during the early part of the week under review, the Stock Exchange displayed some steadiness, with modest gains spread over almost the entire list. The early quietness was attributed to the weakness of steels which encountered sizable liquidation. Support was utterly lacking and activity was much restricted. Subsequently, however, values forged ahead on replacement buying at low levels and consequent emergence of heavy short-covering. As the week progressed, there was a further improvement in sentiment. Press messages from the U.S. that the negotiations between the Directors of the Tata Iron and Steel Company and the Export-Import Bank and others for a loan to the Company for its expansion programme were proceeding satisfactorily restored confidence. Other helpful factors, such as reports of good offtake of cloth in the domestic market, anticipations of favourable results of sugar companies, particularly in the Deccan area, on account of expected bumper output for the current year, encouraging corporate news from some miscellaneous companies and higher advices from Calcutta were all cumulatively responsible for sustaining the sentiment till the close. Quotations though below the best were higher than those at the end of last week.

In the steel section, Tata Ordinaries were marked down early in the week from Rs. 228 to Rs. 225-12 on sizable liquidation. Later on, values gained ground to touch a high of Rs. 229-4 before profit-taking pruned top gains, on fears of heavy carry-forward charges in tomorrow's settlement, due to closing of transfer books, and the shares closed at Rs. 228. Indian Irons crept up from Rs. 32-11½ to Rs. 33-4, but finished at Rs. 33-1½.

Activity in the textiles section was highlighted by the smart rise in Bombay Dyeings on favourable rumours regarding rationalisation. After an early setback from Rs. 455 to Rs. 452-8, the shares jumped to Rs. 466-4; at the close they were done at Rs. 465. Kohinoors gathered strength from Rs. 312-4 to Rs. 317. Centurys moved up from Rs. 377-8 to Rs. 380-4, but the closing was lower at Rs. 378-8. Central Indias gained over the week Rs. 2 at Rs. 120, Gokaks Rs. 2½ at Rs. 214 and Indu Ordinaries As. 2½ to Rs. 10-11½. New Greats advanced by Rs. 2 to Rs. 172. Shree Niwas, however, lost Rs. 3-2 to Rs. 220. Simplex moved within very narrow range and gained a fraction to Rs. 154-8. Standards hardened by Rs. 6-4 to Rs. 360. Svadeshis picked up Rs. 6 to Rs. 193 and Tata Mills Rs. 4-4 to Rs. 50-8. Bradburys had business, Rs. 16-14 higher at Rs. 182-8, while Phœnix remained unchanged at Rs. 112-8.

Barring Central Banks, which were firm, bank shares ruled dull and quiet. Centrals gathered Re. 1-4 to Rs. 48-4 and their new shares Re. 1 to Rs. 49-8. Barodas declined by Re. 1-8 to Rs. 97-12. Bank of Indias were quietly steady at Rs. 146-4.

Insurance shares were steady, with New Indias returning to favour on encouraging results. The shares were in request and rose by Rs. 2-8 to Rs. 50. Orientals were done Rs. 10 higher at Rs. 7,110. Indian Mercantiles were picked up As. 4 better at Rs. 44-12. British India Generals gained an anna to Rs. 13-11.

Electricity shares presented a mixed pattern. Selective issues received moderate support and gained small ground. Ahmedabad Electrics continued to be in favour and rose by Re. 1-4 to Rs. 106-9 and their new shares Re. 1 to Rs. 52-4. Amalgamated Electrics were a fraction better at Rs. 10-14. Bombay Suburbans, after rising from Rs. 123-2 to Rs. 124-1, shed the earlier gain to close at Rs. 123-2, while their new shares shed As. 10 to Rs. 118-2. Surat Electrics disclosed no change at Rs. 134-6. Tata Hydros gained As. 8 to Rs. 142. Tata Powers were lower by Rs. 5 at Rs. 1,440 and their new shares by Rs. 10 at Rs. 1,130. Andhra Valleys eased from Rs. 1,380 to Rs. 1,362-8, before closing better at Rs. 1,366-4.

Activity in the miscellaneous section was marked by several outstanding features. Sugars, Bombay Burmahs and Indian Coppers were prominent among the counters which attracted a good deal of attention. In the sugar group, Belapurs spurted from Rs. 300 to Rs. 310, Walchandnagars by Rs. 8-2 to Rs. 208-2, and Phaltans Rs. 4-4 to Rs. 724-4. Bhopal Sugars put on an anna to Rs. 12-11. Cement shares were very steady, A.C.C. improving from Rs. 174-12 to Rs. 177 before closing at Rs. 176-4. Digvijays were quoted at Rs. 176 *ex-div.*, as against Rs. 182-4 *cum div.* (dividend: Rs. 8-8). Shipping and transport shares were unimpressive, though the undertone was fairly steady. Scindias moved between Rs. 14-7 and Rs. 14-13½ and closed at Rs. 14-11. Great Easterns were unchanged at Rs. 15-9. India Steamships were dull at Rs. 7-4. Hindustan Motors were done an anna better at Rs. 8-9. Engineering and mining shares shaped well. Alcocks gathered Re. 1-14 to Rs. 273-2. Premier Constructions moved up by Rs. 2-8 to Rs. 145. Larsen and Toubros added As. 2 to Rs. 13-6. Shivrajpurs gained Re. 1 to Rs. 66-8. Indian Coppers were in the limelight with a sharp jump from Rs. 3-10 to Rs. 4-6½, following the declaration of a higher dividend of 15 per cent. for 1954 (as against 10 per cent. for 1953) and a bonus of 10 per cent., and the enlistment of the shares in the forward list on the Calcutta Stock Exchange. B.B. Petrols looked up from Rs. 3-3 to Rs. 3-4½. Among miscellaneous industrials, Bombay Burmahs received speculative attention in expectation of higher dividend and rose from Rs. 456-4 to Rs. 471-14. National Rayons advanced from Rs. 239 to Rs. 214 but, on profit-taking, fell to Rs. 210-4.

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Calcutta Stock Exchange

CALCUTTA, *8th June*

Although trading on the Calcutta Stock Exchange continued on a cautious note, the recent decline in values of favourite counters induced some support, and prices registered fractional gains. The cut in export duty on tea and prospects of higher dividends of a number of jute and engineering companies contributed to the improvement. Reports that Mr. J. R. D. Tata, who is now negotiating a loan in Washington for the expansion of the Tata Iron and Steel Company, Ltd., may succeed in his efforts was also considered as a helpful factor. The volume of business done, however, remained restricted, as operators were generally not inclined to enter into fresh commitments owing to fears of higher taxes on industries for meeting the enlarged outlay on the second Five-year Plan.

A steadier trend was in evidence in jutes on expectations of better working results for the current accounting period, on account of decline in prices of raw jute, thanks to a bumper crop next season. Kinnisons spurted to Rs. 191 from Rs. 177, and Nationals recovered to Rs. 33-1 from Rs. 32-11. Champdanys at Rs. 161 were stronger by Rs. 6-8, Anglo-Indias being steady at Rs. 212. At Rs. 13-10 Agarparas received moderate attention, and at Rs. 14-11 Reliances were fractionally better. Megnas at Rs. 96 improved by Re. 1. Naihattis recovered to Rs. 116 from Rs. 111, Lawrences to Rs. 158 from Rs. 146, and Dalhousies to Rs. 144 from Rs. 137. Alliances were put through at the higher rate of Rs. 171 and Kamarhatties at Rs. 204. Howrahs were firm at Rs. 30-3.

The export drive that the Government is shortly to launch in an attempt to improve the country's foreign exchange position, it was felt, would improve working results of cotton mills. Accordingly, cotton mill shares evoked interest and values moved up a bit. Thus Elgin Mills were taken to Rs. 19-10 from Rs. 19-1. Dunbars were steady at Rs. 206 as were Bowreahs at Rs. 343. From Rs. 13-2 Kesorams rose to Rs. 13-7.

Coal shares were shown more than ordinary attention, and Burrakurs improved to Rs. 13-3 from Rs. 12-7. From Rs. 51, Khatra Jherriahs picked up to Rs. 54-11, while equitables at Rs. 29-10 were better by As. 4. Standards were raised to Rs. 18-6 from Rs. 17-12. Raneegunges came to business at Rs. 10-10 and East Indians at Rs. 28-7.

In the engineering section also, there were features. Texmacos, which will shortly be included in the forward list, were dealt with at Rs. 18-8 *cum. div.* and at Rs. 17-9 *ex-div.* Strong support was forthcoming to Richardson Cruddas which were taken to Rs. 18 from Rs. 17-10. Jessop & Cos., with which the Government has placed an order for more wagons, were steady at Rs. 36-8. Indian Irons opened at Rs. 32-12 and steadily rose to close today at Rs. 33-2. The higher level was well maintained. On the other hand, shares that gave way on profit-taking included Braithwaites at Rs. 24-4 and Burns at Rs. 267.

One of the strong features among miscellaneous industrials was provided in the steady rise to Rs. 4-8 from Rs. 3-10 in Indian Coppers following highly satisfactory working results enabling the directors to raise the dividend for the year ended December, 1954, to 15 per cent. and payment of a bonus of 10 per cent. Rohtas Industries, which are also likely to be included in the forward list, hardened to Rs. 25 from Rs. 23-9. Indian Cables improved from Rs. 26-12 to Rs. 27-13, and Metal Boxes from Rs. 20-13 to Rs. 21-1.

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Madras Stock Exchange

MADRAS, *8th June*

Cheerful conditions prevailed on the Madras Stock Exchange during the week under review. The operators were somewhat inclined to be optimistic, thanks to a number of favourable influences. Thus, reports of encouraging performance of several textile and planting companies hardened their sentiment. Textile scrips were specially in the limelight, owing to reports of good offtake of piecegoods in the domestic markets. Tea shares evoked good buying enquiries on news of revival of demand in tea auctions and expectation of still better sales in the coming weeks. Coffee shares also elicited support, induced by higher prices for coffee following the release of an additional quota of 200 tons for export. Miscellaneous company scrips, too, attracted buying enquiries. The sugar section was fully steady. There was, therefore, a broadening of activity in the market and equity values moved upwards, with popular counters recording sizable gains. The undertone of the market was firm.

In the textile section, Dhanalakshmis and Radhakrishnas rallied Rs. 7-8 each to Rs. 275 and Rs. 215, respectively. Coimbatore Cottons advanced by Rs. 5 to Rs. 280. Lakshmis gained a like amount to Rs. 154. Rajalakshmis spurted by Rs. 4 to Rs. 135, Buckinghams by Rs. 3-8 to Rs. 161 and Metturs by Rs. 2-8 to Rs. 362-8 *cum-div.* Rangavilas rose by a rupee to Rs. 72. Coimbatore Spinnings were better by As. 8 at Rs. 70-8. Cambodias were fully maintained at Rs. 12-2, Maduras at Rs. 45-6, and Vasantas at Rs. 213.

The volume of transactions in the planting section was quite considerable. Among tea shares, United Nilgiris picked up Rs. 6 to Rs. 287. Peermades were done Rs. 2 higher at Rs. 39. Peninsulars increased by Re. 1-6 to Rs. 17. Devasholas and Nonsuch Teas hardened by a rupee each to Rs. 26 *cum-div.* and Rs. 32-12, respectively. Parksides and Twyfords finished As. 12 higher, the former at Rs. 22, and the latter at Rs. 24-4. Coorg Teas improved by As. 7-6 to Rs. 8-10. Highland Produce were done at Rs. 15-6 *ex-div.*, as against Rs. 16-8 *cum-div.* Among rubber shares, Vaikundams were on special request and hardened by a rupee to Rs. 24-4. Rajagiri's were up by As. 13 at Rs. 17-7. Be Bes advanced by As. 11-6 to Rs. 8-6, Malankaras by As. 8 to Rs. 27-8, Kailas by As. 6 to Rs. 5-10, Cochin Malabars by As. 5-6 to Rs. 8 and Teekoys by As. 3 to Rs. 8-12. Among coffee shares, Consolidated Coffees rose by As. 5 to Rs. 19-5. Coffee Lands went up by As. 4 to Rs. 12-6. Shevaroys were higher by 18 pies at Re. 1-10.

In the miscellaneous section, F.A.C.T. attracted good buyers and changed hands As. 14 higher at Rs. 5-13. Andhra Cements moved up by As. 8 to Rs. 130-8 *ex-div.*

STOCK EXCHANGE REFORM

It was a pertinent and wholesome point that Mr. Chunilal B. Mehta, President of the Indian Stock Exchange Ltd., emphasised when he said, in the course of his speech at the annual meeting of the Exchange held in Bombay last week-end, that stock exchanges, under proper supervision and control, should be allowed to function freely on the lines of similar institutions in foreign countries. By doing so, the common man would, Mr. Mehta observed, be induced and encouraged to participate in fresh capital formation "which is a dire need of the country at present." In this connection, he commended the Securities Contracts (Regulation) Bill, 1954, as one which would open a new chapter in the history of stock exchange trading in India. In his opinion, the Bill was sufficiently comprehensive and was by far an improvement over the Bombay Securities Contracts Control Act, 1925, in that it contained several additional clauses which seemed necessary. Several clauses of the Bill had been framed on right lines on the basis of past experience and on lines of laws prevailing in other markets. In particular, Mr. Mehta welcomed four important features of the Bill, namely, (1) appointment of Government nominees on the governing body of stock exchanges, (2) enforcement of rules for adoption by stock exchanges, (3) licensing of dealers who are not members of any stock exchange, and (4) imposition of a limit on the life of a blank transfer by denying rights of dividend, bonus, etc., to non-registered shareholders.

Mr. Mehta would appear to feel that the future of the private sector in India is quite bright. He said that the Government fully appreciated that the future of private investments in India would depend on the confidence which the private sector enjoyed with the Government and the useful contribution which the sector made towards the objective of the plan. Indeed, he observed that the recent pronouncements of the Prime Minister were in "keeping with the spirit to foster and encourage the private sector and make it more effectively serve the national interests." It is true that Mr. Nehru's recent speeches are somewhat reassuring. Nevertheless, it is difficult to share Mr. Mehta's views that the Government fully appreciates the role of private enterprise. For, as we observed only two weeks ago in the course of an editorial on Mr. Nehru's views on socialism and nationalisation, there has, with singular exceptions, so far been no evidence that Mr. Nehru's lieutenants, at both the Central and State Government levels, have borne the basic policy in mind while framing and administering economic controls and fiscal measures. On the contrary, there are more curbs on the private sector today than a year before.

Notice

NEW INDIA INVESTMENT CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighteenth Ordinary General Meeting of the shareholders of New India Investment Corporation Ltd. will be held at the Registered office of the Company at 9, Brabourne Road, Calcutta, at 4 p.m. on Tuesday the 28th June, 1955, for the purpose of receiving the Directors' Report, passing the Audited Accounts for the year ended 31st December, 1954, declaring dividends recommended by the Directors, electing Directors, appointing Auditors and for transacting any other ordinary business of the Company.

The Share Transfer Register of the Company will be closed from 20th June to 28th June, 1955, both days inclusive.

By Order of the Board,

RAMDUTT RAMKISSENDASS,
Secretaries.

9, BRABOURNE ROAD,
CALCUTTA, *2nd June*, 1955.

(Please note that dividends will be posted to Registered shareholders and no claim will be entertained on shares held on blank transfer.)

NEWS IN BRIEF

THE Government of India has made a gift of 5,000 tons of rice to Cambodia to help that country tide over its rice deficit. The whole of this quantity will be delivered at Bombay, from where the Cambodian Government will arrange to have it transported to Cambodia.

A modern factory to manufacture baby food in India will shortly be set up by the Kaira District Milk Supply Association at Anand, near Bombay, at a cost of about Rs. 40 lakhs. This venture will receive assistance from F.A.O., W.H.O., and U.N.I.C.E.F.

The postponed trade talks between India and Pakistan are expected to be held in Karachi in the middle of July. The objects of the talks is probably to make a fresh trade agreement between the two countries. The present trade agreement between the two in respect of coal and jute is valid till August, 1956.

The Government of Madras has proposed to investigate the possibilities of organising co-operative farming societies of different types in the State. A special Deputy Registrar will undertake a tour of select districts of the State and also visit Bombay and U.P. to study the working of co-operative farming societies in these States.

Successful investigations carried out at the Central Glass and Ceramic Research Institute have rendered possible the production of artificial teeth from dental porcelain in India. The dental porcelain is made from washed china-clay, felspar, quartz and nepheline syenitex. The invention is expected to have good commercial prospects.

A proposal to construct a 7,000-mile long super-international roadway between the East and Europe has been put forward to the United Nations Organisation by Alliance International of Tourism, the parent body of all automobile associations. The Governments of all countries through which the road will pass have agreed to bear the cost of its construction within their respective boundaries.

The U.P. State Government proposes to open warehouses, attached to the co-operative seed stores, to store agricultural produce, so that farmers can have the bargaining capacity. Under this scheme, the Government will pay 60 to 70 per cent. of the market value of stored produce to the peasants and the balance will be paid after realisation. The scheme which was tried in Naini Tal District of the State is said to have been successful.

The Union Government has exempted red lead, white lead, zinc oxide and lead-zinc oxide from the whole of the excise duty leviable thereon under the Central Excise and Salt Act, provided the Collector of Central Excise is satisfied that such goods are intended for use in the manufacture of plates of electric storage batteries and the usual procedure is followed in the matter of obtaining remission of duty leviable on such goods.

Researches conducted by agricultural scientists in India have proved that all vines can be made to yield sweet grapes and that the sugar content can be raised from the normal low level of 9 bruggs to 25 bruggs by improved methods of cultivation. They have produced on an experimental basis a record yield of 30 tons of grapes per acre each time twice a year in the Bhari variety, in contrast to the normal yield of 3 to 6 tons per acre in one annual crop in other parts of the world.

The nineteenth annual session of the Indian Roads Congress will be held at Srinagar from 18th to 25th June, 1955. Besides discussion of papers relating to improvement of roads, there will be inspection of works and roads in the State, particularly of the Banihal Tunnel. A technical engineering exhibition, in which various engineering firms and public works departments of States are expected to participate, would be arranged at the time of the session.

The All-India Tobacco Employees' Federation, at its second annual conference held in Hyderabad last week, adopted a resolution opposing the employers' move to introduce rationalisation in the tobacco industry. It expressed itself against any form of rationalisation, including introduction of labour-saving devices, as such steps, it was feared, would result in retrenchment and closure of avenues of employment. It suggested, on the other hand, the setting up of additional units of production and sale and creation of more avenues of employment.

The question of developing the flax industry in Periyapatna taluk, Mysore, has been seriously taken up by the State Government. The task of developing the industry had been entrusted to a private company, but the progress does not appear to be satisfactory. The Government proposes, therefore, to examine, with the help of experts, the possibility of running the industry on an economic basis, should the Company fail to proceed with the scheme. Later on, the Government will consider the question of entrusting it to the private sector or undertake it itself. The Company, it is stated, has approached the Government with a request for the liberalisation of the conditions of its contract with the Government.

The West Coast-India-Pakistan-United States Shipping Conference and the India-Pakistan-Ceylon-Burma Outward Freight Conference, the two organisations which were to have levied a 35 per cent. surcharge on freight exported at Bombay and the freight imported at Bombay, Calcutta, and Madras, respectively, with effect from 1st June, have decided to defer the levy until 15th June. The decision to impose the surcharge was taken on account of the "delay in loading cargo at Bombay, Calcutta and Madras." The Conferences deferred the levy at the request of Indian officials at the Indian Consulate in New York. Other Conference lines participating in India's foreign trade have also done so.

The Mysore Government has decided to call for information from the public in regard to decentralisation of industries in the State, so as to make the people feel that they had a hand in the shaping of the Government industrial policy. The proposals from the public will be examined by the Industries Department and its experts and such of them as are feasible will be included in the second Five-year Plan. The information to be asked for from the public are: (1) possibilities of development of industries, small, medium and big; (2) raw materials for such industries available in their area; (3) whether the private sector would undertake it and, if so, what help they expected from the Government and, if it was by the public sector, what help the people proposed to give the Government.

The Integral Coach Factory at Perambur will commence production early in October next. The factory is expected to go into full production by 1960 with an annual output of 350 coaches. It is expected to assemble 20 coaches in the first year, 100 in the second, 200 in the third and 300 in the fourth, beginning from October this year. In the first year, apart from assembly work, the factory will start manufacture of parts and components for attaining the target of 100 coaches in the second year. By the time the final target is reached the parts and components will all be almost indigenous. With the attainment of full production, there will be a saving of the foreign exchange to the tune of about Rs. 4 to Rs. 5 crores per annum. When completed, the factory, costing over Rs. 7.3 crores, will be the largest in Asia and one of the largest in the world, providing employment to over 4,000 workers.

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From Abroad

The U.S. consumption of petroleum products is expected to reach about 9.1 million barrels per day by 1959, as compared with the present rate of 7.7 million barrels a day.

An international wool textile research conference will be held in Australia from 22nd August to 9th September this year to discuss techniques and recent developments in the wool textile industry.

The Government of Japan signed on the 7th inst. the protocol of terms of accession to the General Agreement on Tariffs and Trade after conducting negotiations with seventeen countries for a period of nine weeks.

The Norwegian Government proposes to ask Parliament to approve proposals for raising the maximum dividend payable by companies on shares from 5 to 6 per cent. The Government proposes that the new maximum dividend rate should be effective from 1st July, 1955.

Over 500 delegates from 35 nations are participating in the two-week long Congress of International Standardisation Organisation (I.S.O.) which opened in Stockholm on the 6th inst. This is the third general assembly of the nine-year-old I.S.O., the two previous ones have been held in Paris and New York.

Australia has accepted the revised G.A.T.T. which Britain has also approved. Though Australia does not like G.A.T.T., it does not wish to withdraw from it, as it will mean "introducing unknown and unpredictable factors" in its relations with nations with which it conducts most of its trade.

The Norwegian Government is considering ways of reducing domestic paper consumption so as to meet the heavy demand for paper abroad. Consumption of paper and cardboard in Norway has more than doubled since before the war—210,000 tons in May, 1954, as compared with less than 100,000 tons in 1939.

A two-day conference of 100 representatives of the U.K., Pakistan and Indian shipping conference lines began in London on the 7th inst. to discuss the future of freight rates to and from the Indian continent. The main agenda of the meeting was the earlier proposal to raise the freight rates by 35 per cent. to cover the "additional expenses incidental to shipping delays in Indian ports."

The Swedish Match Company reports that the decline in match exports which was noticeable in 1952 and 1953 continued in 1954, when the volume of exports dropped by 8 per cent., while prices remained fairly stable. The decrease is attributable to both competition from other exporters and import restrictions, and also to the establishment of local match factories in different countries.

The Canadian Government is likely to approve of a scheme of subsidy to the Canadian deep-sea merchant fleet before the end of this year. The subsidy may be in the form of a flat sum per annum for the operation of each modern and efficient ship on the Canadian registry. The subsidy may not be given to more than 30 or 35 ships and the cost may be about $3 million per annum. The Government is also not likely to require the ships to be built in Canada.

A new Constellation service will be introduced by the B.O.A.C. between London and Singapore on the 16th June. The service, operating once weekly in each direction, will be 15 per cent. faster than previous schedules, including stops at Frankfurt, Damascus, Basra, Karachi, Delhi and Bangkok. Under this service, Delhi to Bangkok will be one big hop. The B.O.A.C. Constellations will provide first class service only. They will leave Delhi for Singapore on Thursdays and for London on Fridays.

The Oslo City Council has agreed to the proposals for raising old age pensions, whereby single persons from 1st July will receive £145 a year and couples £234 a year. Minimum old age pensions are laid down by Parliament, but local authorities can supplement these in their own districts. In Oslo, old age pensions are the highest in Norway. The minimum old age pensions laid down by Parliament in April and applicable from 1st July this year are £84 for single persons and £126 for couples.

The Pan American World Airways has decided to go ahead with its plan to reduce transatlantic air cargo rates by an average of 30 per cent. with effect from 1st July. The plan was approved by the International Air Transport Association last March. Under the new rate structure, reductions on some commodities will be as much as 47 per cent. in monetary terms. In addition, the airline is reducing the hundreds of specific cargo categories between the U.S., Europe and the Middle East to only 32 categories.

Under a project agreement signed between Pakistan and the U.S., the latter has agreed to make available during the calendar year 1955, a sum of Rs. 24 lakhs ($725,000) to the Pakistan International Airlines Corporation for launching a broad training programme for P.I.A.C. personnel. The P.I.A.C. will contribute about Rs. 4 lakhs ($121,212). The U.S. assistance forms part of the overall plan envisaging a total expenditure of Rs. 83 lakhs ($2.5 million) by the U.S. over the three-year period. The assistance is provided under the Foreign Specification Administration's aid programme.

PERSONAL

MR. Jawaharlal Nehru, Prime Minister of India, left for Prague on the 5th inst., *en route* to Moscow on a goodwill tour of Russia, Eastern Europe and the Middle East.

Mr. R. S. Mani, I.C.S., at present Joint Secretary, Union Ministry of External Affairs, has been appointed Ambassador of India to Iraq.

Mr. M. D. Bhatt, I.C.S., until recently Chairman of the Tariff Commission, has been appointed Chairman of the Film Censor Board.

Mr. Said Hasan, Secretary, Pakistan's Ministry of Economic Affairs, has been elected Chairman of the U.N. Technical Assistance Committee for the year 1955-56.

Dr. John Matthai, Vice-Chancellor, University of Bombay and former Finance Minister of India, has been appointed Chairman of the State Bank of India. Mr. Valkunth Lal Mehta, former Minister for Finance, Bombay, has been appointed Vice-Chairman of the Bank.

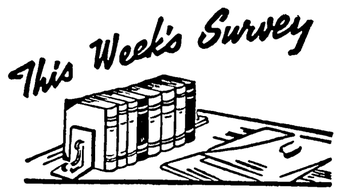
"COMMERCE" 1930

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *14th June*

World's Gold Output

The estimated gold production of the world during the last few years has shown but a comparatively small increase. This slow rate of progression, which amounts to an average of £500,000 per annum, is the more regrettable in view of the present abnormal economic position of the world. It has been estimated that in 1924 gold production totalled £81,000,000, against £83,500,000 for 1929. Of this total, the British Empire was responsible last year for 71.4 per cent., according to a calculation made by Mr. Joseph Kitchin, Assistant Managing Director of the Union Corporation, Limited, whereas in 1924 the British proportion was 69.1 per cent. The only countries which appeared to be making a substantial contribution to the world's increase during the last few years are the Transvaal and the Dominion of Canada, and more particularly the Province of Ontario. West Africa is slowly expanding its gold output and the time should not be far distant when Australia should regain some of the ground lost in past years. In view of the world's present needs, surely further production of the precious metal is of paramount importance. Here is a metal, unlike tin, copper, lead and zinc, where no untoward consequences will follow overproduction. Hence, all the more reason why prospecting for gold should be uppermost in the thought of mining engineers.



AGRICULTURAL CROPS

INDIA'S agricultural sector has not lagged behind the industrial in its contribution to the improvement in national economy. Rather, it can show an even brighter record than industry. It is true that it owes much of its progress to the past two good monsoons. Even so, credit is due to India's agricultural administration no less than to this country's sturdy peasantry that, both in extending the land under cultivation and in adopting superior cultural practices, they have displayed commendable enthusiasm. The *Krishi Pandits*, indeed, deserve special praise, for, by their untiring labour, they have established new record yields for many agricultural crops. The result is that, in not a few commodities—rice, for instance—India is not merely self-sufficient, in contrast to its state of deplorable dependence on imports only a few years ago, but in the happy position of possessing a surplus even for export.

At a recent Press Conference in New Delhi early this week, the Union Minister for Agriculture, Dr. Punjabrao Deshmukh, reviewed briefly the impressive record of India's progress on the agricultural front. The story is well worth telling. And Dr. Deshmukh told it well indeed, though he carefully refrained from adorning it. Among India's foodcrops, wheat has recorded, as compared with last year, a 12 per cent. rise in output to 7.9 million tons in 1954-55, the target for 1955-56 being 8.1 million tons. Between 1953-54 and 1954-55, rice output, however, fell from 27.2 million tons to 24.2 million tons. But this is mainly due to the decline in area from 77.0 million acres to 74.4 million acres. The target for 1955-56 for rice is 27.2 million tons on 80 million acres. The Japanese method of paddy cultivation, which was adopted in 1953 on 400,100 acres, resulted in an additional production of 197,000 tons of paddy at the rate of 13.35 maunds per acre. In 1954, about 1.2 million acres were brought under this method of cultivation. About 75,000 demonstration plots were laid on the Government farms and on cultivators' fields. The success of this method provided an incentive for extending it to other crops like *jowar*, *bajra*, wheat and cotton. Specific campaigns for increasing production of coconut and arecanut have been initiated. The output of groundnut has already recorded a rise. In 1954-55, it was 3,823,000 tons from an area of 12.6 million acres, as against 3,573,000 tons from an area of 10.8 million acres in 1953-54.

The record of sugarcane crop and sugar output has been even more encouraging. The production of sugarcane this year was 56 million tons, as against 46 million tons last year. The per-acre yield has gone up by 20 per cent. The output of sugarcane, as Dr. Deshmukh pointed out, would have been still higher but for the damage caused by floods in Bihar and East U.P. While the normal development work carried on in factory areas was there, much of the "revolutionary" progress was attributable to the drive for larger output launched last year for intensive manuring of sugarcane crop during the monsoon period. The campaign is being repeated this year and is intended to cover 0.7 million acres. Although sugarcane acreage is likely to remain the same as last year, namely, 3.6 million, the yield is expected to go up by 20 per cent. to 60 million tons. The target set for sugarcane under the first Plan would thus be reached. If this progress were maintained, it might not be difficult to reach the target of 77 million tons, provisionally set for the second Plan.

The output of sugar in the current (1954-55) season is expected to establish a record this year. The industry is likely to produce about 1.6 million tons, the largest ever produced in India; the previous record was 1.5 million tons registered in 1951-52. Already, that is, up to 31st May, India has produced 1,567,000 tons, that is, about 600,000 tons or 60 per cent. more than last year. This, together with imports, is expected to result in a large surplus of 800,000 tons by end of the sugar year, that is, the year ending 31st October next. Dr. Deshmukh revealed that two more sugar factories would go into production next year, each with a productive capacity varying from 800 to 1,000 tons per day. The target set for sugar under the first Plan (about 1.50 million tons) is thus being exceeded. If this rate were maintained it should not be difficult to reach the combined target of 6.7 million tons for sugar, *gur* and *khandsari* set under the second Plan.

CEMENT INDUSTRY

Among Indian industries, the cement industry has established a record of which any industry could be proud. In the immediate post-Partition year, the output was no more than 1.6 million tons. It is now over 4.35 million tons. Creditable as this record undoubtedly is, the industry will be called upon to make further progress in the next few years, for the provisional target set for it in the second Five-year Plan is 10 million tons. Mr. G. D. Somani, one of the leading spokesmen of the industry, is convinced that the target is not beyond the reach of the cement industry. At the annual meeting of the Shree Digvijay Cement Company, Ltd., held this week, Mr. Somani averred that the industry is "capable of achieving this ambitious target."

Only, he rightly emphasised that the Government, on its part, should realise the "imperative need for allowing the industry to plough back adequate resources required for expansion of its productive capacity." Citing the example of the steel industry which had been granted an increase in prices in order to help it build funds for expansion purposes, Mr. Somani expressed the hope that similar facilities would be made available to the cement industry too. This seems a perfectly valid request. After all, if the Government chooses to control the fortunes of an industry through regulation on the prices of its products, it is certainly reasonable that the Government should also bear a certain share of the responsibility for the expansion of that industry.

Finance is, however, only one aspect of the problem of reaching the target for cement output. There are certain physical handicaps, of which the lack of prompt and adequate supply of transport facilities is the most irksome. The economics of cement production demands that the raw materials of the industry, including fuel, coal, should reach the site of the cement factory regularly and that the finished products are transported equally regularly. Transport is thus particularly vital to the economic operation of a cement factory. And recent experience of industries has been that the railways are unequal to the task of efficient, speedy and prompt transport. The Digvijay Cement has had more than its share of transport difficulties. Despite some improvement in the situation during recent months, the factory, it would appear, has to operate under transport conditions that are "far from satisfactory." If this is the position now, it should be much more difficult in the near future when the management implements its plans for doubling the output.

Yet another handicap for this factory is that, while the recent relief in freight granted for long-distance traffic avails it little since it has to market its products in its own neighbourhood, the increase in freight on short-distance (150 to 300 miles) traffic involves an additional burden. It is to be hoped that this problem will receive the attention of the authorities. In this connection, Mr. Somani welcomed the decision of the Railway Minister to appoint a committee to examine the present freight structure. As regards the wider problem of providing more adequate transport facilities for industries, it is becoming increasingly clear that it cannot be solved, unless the Government implements a bold and imaginative policy for expansion of railway transport.

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EXCISE ON POWERLOOMS

Much anxiety is expressed by owners of cotton powerlooms with regard to the future prospects for their industry, following the imposition, with effect from 18th May, 1955, of an excise duty on weaving units having more than four looms, in addition to that imposed on composite units. The incidence of the duty is considered to be unduly heavy—Rs. 18 per shift per loom on looms exceeding four but not nine, Rs. 20 in respect of looms exceeding nine but not 24, and Rs. 22-8 on looms exceeding 24. In fact, there have been reports that several powerlooms have already curtailed production and some have even closed down, since they are unable to bear the incidence of the duty. In the State of Mysore alone, for instance, nearly 800 powerlooms out of the 2,471 in existence, it is stated, have closed down completely. Vigorous representations have accordingly been made by powerloom owners all over India to the Union Government urging the latter to withdraw the excise levy. The Government of Mysore also is believed to have decided to recommend to the Centre at least to raise the exemption limit for purposes of excise levy from 4 to 24 looms, as in the case of silk powerlooms.

The plea for the revision of excise duty on the powerloom sector of the cotton textile industry seems to be justified. For the powerloom sector (having more than five looms) does not enjoy, unlike the handloom sector, any special treatment in the form of reservation of production, exemption of octroi duty and the like. Nor are they in a position to compete with composite mills, thanks to the smallness of their size, lack of marketing facilities, inadequate capital and high cost of production. That there is no exaggeration in this statement will be evident from the following extract of the Textile Enquiry Committee's report:

"The larger powerloom units often come under the provisions of the Factory Act and, in some cases, as, for example, Ichalkaranji, are subject to even a statutory minimum wage. Despite these handicaps, whereby the non-domestic powerloom units are placed on the same or similar footing as the organised large-scale industry, there is still a predominance of units having between 6 and 20 looms. On this scale of operation, the benefits of large-scale organisation are not available to these units. For instance, the preparatory processes of winding, warping and sizing are still done in the case of these units, which might be called medium-sized, on near-primitive equipment at a very much higher cost, both in wages and in efficiency, than would be the case in the larger unit with, say, 50 looms or more. These medium-sized units, obviously, have to concentrate on the production of varieties which do not need elaborate finishing or they would have to sell their product at a lower price than they would get, if the product were properly finished. In the alternative, these units would have to depend on outside agencies at considerable expense for the finishing of their product for sale."

Drawing attention to all these aspects, the powerloom owners point out that their production costs are higher than those of the mills. The average cost of manufacturing one yard of *dhoti* (80s warp, 60s weft, 64 reeds, 50 picks and 50" width) is estimated at Re. 1-3-4, as against Re. 1-3-1 for composite mills (and Re. 1-4-9 for duty-free handlooms). In view of all this, it is feared that the excise levy will ultimately spell the ruin of powerlooms. Next to composite mills, the powerlooms are capable of playing a vital and efficient role in the country's textile economy. It is bad enough that composite mills should be prevented from expanding their capacity. But it is worse that the powerlooms should be made to bear a burden that allows them no choice but to close down.

CAPITAL ISSUES

During the 10 months from April 1954 to January 1955, 988 companies with a total authorised capital of Rs. 192 crores, were registered in India, as compared with 984 companies with a total authorised capital of Rs. 39 crores during 1953-54. The largest single company floated during 1954-55 was the Industrial Credit and Investment Corporation of India, with its authorised capital of Rs. 25 crores.

The net increase in the paid-up capital of companies during the 10 months, under reference was Rs. 37.91 crores, as compared with Rs. 23.25 crores in the preceding year.

While, on the one hand, there is an increase in the number of limited companies, as many as 426 companies with a paid-up capital of Rs. 3.52 crores went into liquidation in the past fiscal year, as compared with the 452 with a paid-up capital of Rs. 2.35 crores in 1953-54.

AMERICAN LETTER

ROBUST OPTIMISM ABOUT FUTURE

SIGNIFICANCE OF THE DEMAND FOR GUARANTEED WAGE

From Our Special Correspondent

NEW YORK, *3rd June*

THE business outlook for the rest of the year is still excellent. Leading banks and economists predict that 1955 may turn out to be the best year in American business history. These suggestions are based on high personal income, greater corporate profits, steady savings which provide the wherewithal of capital expansion, better dividends and confidence in the future.

Even the tension between the East and the West shows signs of dissolving. Russia's apparent willingness to consider a four-power conference has given a big lift to business and financial psychology, although it still remains to be seen if the Kremlin goes through with these plans and if anything is going to be accomplished in the end. The optimists in America seem to see a better than 50-50 chance in this respect. Some recent events support this belief.

Germany became sovereign and a full-fledged member of the North Atlantic Treaty Organisation and Moscow did not do very much about it. The Kremlin is now courting Marshal Tito of Yugoslavia, its former enemy, and both political and trade negotiations are under way. It adds to the general impression that enmity rather than hostility is the byword of the Soviets these days. The turbulent Far Eastern situation has quietened down as well, although Indo-China and Formosa still remain question marks.

Domestic and foreign business is doing better every day under these conditions. Operations in the steel industry have reached 97 per cent. of capacity, for example. Automobile output and sales have likewise been at record levels.

Guaranteed Wage

Under such favourable conditions, it is very difficult to see what could be gained in the long run by either the unions or by management in forcing the annual guaranteed wage issue to a point where a really prolonged strike may ensue. The same question will be faced later this year by the steel industry and auto and steel are, of course, interrelated.

At stake are millions of individuals' pocket books, corporate earnings and dividends and, indeed, the overall economic health of the nation. All indications are that both sides in the annual guaranteed wage controversy are fully aware of the implications.

The guaranteed wage is a national challenge. There are those who insist that it would wreck business and industry since nobody can guarantee the future or consumer buying habits on which production depends.

On the other side are those who say that a semblance of a guaranteed wage in whatever diluted form may add stability to the American economy, just as Federal Deposit Insurance of bank deposits, old age pensions as well as corporation retirement plans have created some sense of security, besides assuring the means of paying rents, grocery bills and insurance policies. In a wider sense, the so-called guaranteed annual wage, apparently, would be an adaptation for the blue collar worker of the less formalised arrangements in the white collar industries where a guaranteed annual wage has been a near reality for several years.

The stock market has reflected the stability of the U.S. economy. Speculative excesses seem to have diminished and price changes have been relatively moderate, but on the firm side. The market is supported by excellent earnings and dividends by corporations and by very good prospects, unless prolonged strikes may mar the outlook.

Monetary Policy

Monetary policy here and abroad has contributed a good deal to this overall stability. It has endeavoured to anticipate economic development. Sometimes this has been very successful. In fact, in the last 18 months, it has been quite successful, although misjudgment, because of lagging information, cannot be ruled out.

The victory of the British Conservative Party in its decisiveness brings up the question of convertibility of currencies. It was generally held that the Churchill-Eden Government was unwilling to move in this direction before the general elections showed the temper of the people. Many European countries are anxious to go ahead in steps toward greater convertibility and there may be some indications in the near future that Whitehall intends to act.

Loan to Italy

The International Bank for Reconstruction and Development has authorised a $70 million loan to Italy for development of the poverty-stricken south of the country. The loan is unusual in that it is designed to furnish the major part of the money in lira and other currencies and only a small part in dollars. The Bank of America, San Francisco, is participating in the deal to the extent of $5 million. The loan was authorised for various projects which had been investigated beforehand by the World Bank because of the limited amount of capital accumulation in Italy.

Another loan was made to Spain by a group of New York banks and the World Commerce Corporation for $30 million to stabilise the Peseta and get that country back on a more efficient operating basis.

In most of these transactions and in the thinking behind it, American banking has taken a decisive lead and support, backed by the far-sighted policy that a healthy economy, in whatever part of the world, is an antidote to Communism.

All this emphasises the relative status of well-being and health in the U.S. and the confidence which is held for the future. Even the pessimists concede there is very little to worry about.—*All Rights Reserved.*

AGREEMENT WITH FORD WORKERS

The C.I.O. United Auto Workers Union (U.A.W.) and the Ford Motor Company reached on the 7th inst., agreement on a new three-year contract containing a company guarantee of pay for periods workers are laid off.

The contract also grants the workers higher pay, higher pensions and better hospitalisation insurance. It was expected to bring an immediate end to a strike of 70,000 of Ford's 140,500 employees.

The U.A.W. President, Mr. Walter Reuther, said the agreement is "one of the most historic and largest contracts" ever negotiated by the U.A.W. and noted that it "marks the first time in the history of the industry that a company ever has taken steps to protect laid off workers from the industry's seasonal layoffs by supplementing their unemployment compensation with company paid benefits." Mr. Reuther said the contract contains the principle of the Guaranteed Annual Wage. The Company official, Mr. John S. Bugas, called the supplemental benefit plan an "important road to improved security of our employees." The contract grants workers a package increase amounting to 20 cents an hour. The automobile industry worker in the U.S. earns an average of about $2.10 an hour.

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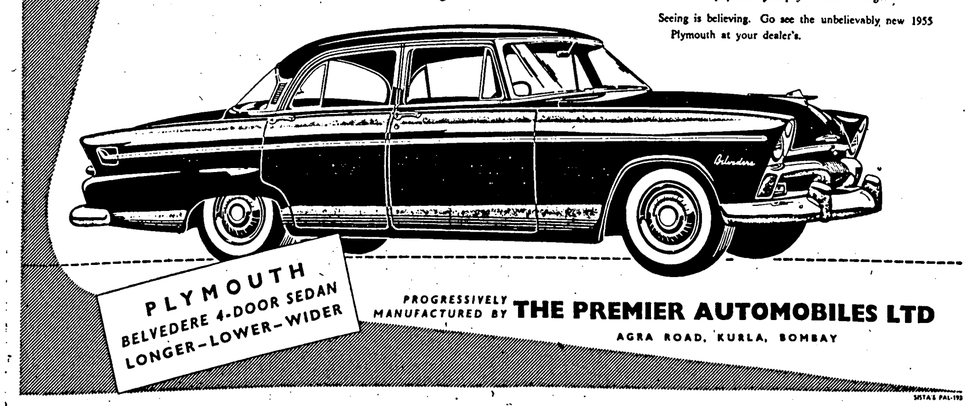

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MORE TAXES INEVITABLE IF SECOND PLAN IS TO SUCCEED

From A Special Correspondent

NEW DELHI, *7th June*

THE Planning Commission is now busy collecting comprehensive data before finalising the draft of the second Plan. Since finance happens to be the crux of the whole Plan, the Commission has sent a circular to the Chief Ministers of States to undertake a review of the recommendations of the Taxation Enquiry Commission on the States' and local finances and send memoranda, showing the possibilities of raising additional resources for financing the second Five-year Plan. It has also asked the Chief Ministers to make suggestions for augmentation of Central revenues, as also for the intensification of savings, including schemes for compulsory savings, if necessary.

DELHI LETTER

The plan-frame of the second Plan is being estimated at Rs. 5,600 crores being made up of Rs. 3,400 crores for the public sector and Rs. 2,200 crores for the private sector. This sum excludes Rs. 900 crores being the cost of carry-over of many of the schemes that are now being implemented and which will be completed during the early part of the second Plan. It is assumed that the public sectors outlay on the Plan will increase from Rs. 600 crores or so in 1955-56 (the latest estimated figure according to the Vice-Chairman, Mr. V. T. Krishnamachari, is Rs. 710 crores) to Rs. 1,100 crores in 1960-61, that is, by about 80 per cent., in order to make up a total of Rs. 4,300 crores over the Plan period.

Prof. Mahalanobis has estimated the total Government expenditure for the second Plan at Rs. 8,800 crores, which is split thus: development expenditure under the Plan Rs. 4,300 crores; development expenditure outside the Plan Rs. 1,100 crores; and non-development expenditure (defence and civil administration) Rs. 3,400 crores. The question is how a total Government outlay of Rs. 8,800 crores (Rs. 4,500 crores outside the Plan and Rs. 4,300 crores within the Plan) is to be financed. Assuming that the Government takes some 8.5 per cent. of national income in taxes and in non-tax revenue as has been the case on an average over the past four or five years (7 per cent. in taxes and about 1.5 per cent. in non-tax revenue), the total revenue receipts would amount to about Rs. 5,200 crores. Borrowing from the public may possibly yield (net) another Rs. 1,000 crores (about Rs. 600 crores from loans and Rs. 400 crores from small savings). Contribution from railways may be put at Rs. 200 crores over five years. The budgetary position of the Government over the second Plan will, therefore, reveal a deficit of Rs. 2,400 crores. A credit of Rs. 400 crores has been taken for foreign assistance, excluding Rs. 100 crores of foreign assistance envisaged for the private sector.

Of the remaining gap of Rs. 2,000 crores, it is assumed that created money can be resorted to to the extent of Rs. 1,000 to Rs. 1,200 crores by the Government. Allowance can also be made for credit creation by banks for the needs of the private sector, say, Rs. 400 crores or so, bringing total credit creation to Rs. 1,400 to Rs. 1,600 crores. A part of this credit would be withdrawn from the system as the accumulated sterling balances are used up, say, to the extent of Rs. 150 crores. Even then, the total money supply in the economy might increase by about Rs. 1,300 crores during the second Plan. It is suggested that a large money supply in this country will be needed as the monetised sector expands relatively to the non-monetised sector. Even then, with a 25 to 27 per cent. increase in national income, an increase in money sipply by some Rs. 1,300 crores on a base of some Rs. 2,000 crores is regarded as a sort of outside limit, as the maximum limit to which it can be carried.

The planners are, therefore, of the opinion that deficit financing by Government must be restricted to some Rs. 1,000 to Rs. 1,200 crores and that efforts should be made to raise at least Rs. 800 crores by higher taxation or compulsory borrowings or through increased profit on Government enterprises. In fact, a combination of all these will be called for. In this connection, the pamphlet on the *Second Five Year Plan—A Tentative Framework*, observes: "If additional Government profits are to be raised, it might be necessary for the State to enter into the field of trading or production of consumer goods. The scope for such expansion of State activity into profit-making ventures will have to be carefully examined. Alternatively, taxation in the country will have to be raised from 7 per cent. of national income to 9 or 10 per cent. of national income by 1960-61. An increase in taxation from 7 to 9 per cent. or even 10 per cent. of national income cannot be regarded as excessive if our aim is to have a bolder plan which requires an increase in the savings of the community from 6 to 10 per cent. of national income. But it should be borne in mind that some tax adjustments will be necessary even to maintain the existing level of tax receipts at 7 per cent. of national income."

It may, therefore, be taken for granted that both the Central and State Governments will embark on additional taxation in order to finance the second Five-year Plan. What forms this additional tax burden will take will be decided in the coming months. So far as the Centre is concerned, there is restricted scope for raising additional taxation. In the sphere of direct taxation, income-tax, super-tax, surcharges, etc., are sufficiently high and steep, so that they cannot be increased further. The customs revenue is not likely to increase substantially, in view of the fact that most of the imported manufactured goods will be gradually replaced by indigenous manufactured goods. The only scope for the Centre is the imposition of more excise duties, although the higher level of industrial production will augment the total yield of income and corporation taxes to a sizable extent. In the case of Central excise duties, Government cannot go on expanding the sphere and range without first creating conditions conducive to increased consumption of indigenous manufactured goods within the country. That the Central Government had to retrace its steps by reducing or even abolishing some of the new imposts in this sphere during the latest budget session goes to prove that it has to adopt a cautious and go-slow policy in the coming years. In other words, it has recognised the principle that the imposition of new excise duties should not retard the consumption of products on which the duties are levied.

In these circumstances, it is the State Governments that have to bear the brunt of raising increased taxation in the coming years for purposes of financing the second Five-year Plan. During the first Plan period, the record of the States in this respect is not satisfactory. It will be recalled that, under the first Plan, the States were required to raise Rs. 232 crores by way of additional taxation—and some economies in non-development expenditure. In the first three years, the estimated yield from additional taxation worked out to Rs. 29 crores. About two-thirds of this amount was raised by five States, namely, Bombay, U.P., Madras, Madhya Bharat and Travancore-Cochin. For 1954-55, the yield from additional taxes imposed in the preceding three years and the new ones added in that year was placed at about Rs. 27 crores. For 1955-56 a sum of Rs. 30 crores may be estimated in this connection, the total being Rs. 86 crores for the Five-year period. It may be mentioned that the transfer of some Rs. 80 crores over the Plan period from the Centre to the States has correspondingly relieved the States of raising the amount of funds on their own. In addition, the loan receipts of States are expected to bring in about Rs. 50 crores more than the total envisaged in the Plan and, in consequence, the financing of the Plan by the States has not been difficult, especially during the later stages of the Plan period.

During the past one or two years, some State Governments have, of course, been making efforts to broadbase their tax structure. In their budgets for 1953-56, a number of States introduced many new taxes. Madras, for instance, proposed a surcharge of two annas in a rupee on land revenue, while Mysore announced the introduction of agricultural income-tax on plantations and some lucrative commercial crops. P.E.P.S.U. proposed a tax on passengers and goods carried on road in motor vehicles, higher sales tax on luxury goods and a betterment tax on urban lands. Himachel Pradesh announced a few new taxes such as a single point sales tax, betterment levy on irrigated lands, road cess, etc. A notable feature in regard to the imposition of new taxes has been the recognition by many States that people who benefit from development schemes should pay back to the State a part of that benefit by way of taxes and services. States like Orissa, Hyderabad, Travancore-Cochin introduced betterment taxes. Hyderabad also imposed a development cess and lowered the agricultural income-tax exemption limit.

(*Continued on page* 1147)

TRADE UNIONS AT WAR

HOW LONG WILL IT LAST?

From Our Own Correspondent

LONDON, *4th June*

SO the dreaded rail-strike has come at last and, if the temper of the strikers is anything to go by, they could stay out for the six weeks their financial reserves are estimated to last. But the trade union movement as a whole is too conscious of the way it is being called into question by the community to accept the inevitability of a long-drawn-out battle. The dockers, striking 20,000 strong in seven ports, are joined by a majority of the engine drivers and firemen in the second great inter-union war of this year. The Trades Unions Congress is desperately trying to make the four unions see sense—but, in each case, the smaller union will not give way on its principles. In the docks, the issue is the right of a new union of dockers and stevedores to contract with the port employers, resisted by the older Transport and General Workers' Union. On the railways, the issue is the right of the skilled drivers and firemen to negotiate higher rates of pay with the employers, resisted by the National Union of Railwaymen which maintains that both Unions must negotiate together. The employers are helpless—if they concede higher pay to the skilled men, the N.U.R. will demand increases for all their members and if these are not granted they will strike. So one Union or the other will strike anyway (as in the docks) and the entire economy of the country will suffer grievous injury.

LONDON LETTER

Your Correspondent has just visited the great industrial regions of Tyneside and the Clyde to judge just what that injury is amounting to. In the first place, the strike is not complete since a proportion of the drivers do not belong to the striking union. The milk trains and the mails and a skeleton passenger and goods service is maintained. The most obvious impact of the strike has been on the daily passenger traffic in and out of the big cities, notably, London. Around London, every available vehicle has been pressed into service and a fearful congestion caused in the City. Elsewhere, the position is not so difficult as people live near their work. On Tyneside, a high proportion of the drivers are working and there has been very litle dislocation. In Scotland, few trains are running but the local passenger services in the Glasgow area are less affected.

But it is in the impact on the heavy industries that the seriousness of the strike is gradually making itself felt. First—coal: nearly four million tons move every week, and move by rail. The stoppage of this movement is congesting the mines and they are just starting to cut down production. The gas, electricity, iron and steel and engineering industries carry from three to four weeks' stocks of fuel and they will not be affected from this cause for some time. But the iron and steel industry moves its bulk production by rail, and, without transport, congestion at the works will also force a halt. At some plants in the Glasgow region, workers are being laid off already and, after the end of this week, the position will be generally serious.

Tyneside and the Clyde are the chief shipbuilding areas and the shipyards are already feeling the shortage of steel deliveries. It is generally expected that shipyard work will slow down substantially within a week, by which time many yards will close altogether except for minor repairs where material can be brought by road. Engineering, building and other steel-using industries are going to find themselves in a similar plight.

The Government have, ever since the strike threat earlier this year, been prepared with the necessary legislation—now put into force—giving them emergency powers to maintain essential supplies and services. Food supplies will be maintained, but more than powers will be necessary if the heavy industries are to be kept moving. Nothing short of the use of troops to run the trains will serve and that would be regarded as strike breaking. The Government might be incurring a risk of having the N.U.R. strike against the use of troops! Yet it will be salutary to have this *reductio ad absurdum* brought to the notice of the unions. Are the latter to say that, because *they* (the unions) cannot agree either about pay differentials or about the conduct of pay negotiations, that workers in all sorts of other industries are to be made idle, that the national economy is to be brought to a standstill? Clearly this inter-union war cannot be carried so far—but can a Conservative Government get the co-operation of the Labour opposition and of the T.U.C. to stop it? Will the trades unions-members of the T.U.C. accept action military or legislative that curbs the power of unions to withhold their labour? What is really lacking is a wage policy of Labour and the Unions: both shirked the issue under a Labour Government—are they prepared to accept it now?—*All Rights Reserved.*

THE SECOND FIVE-YEAR PLAN

MAIN OBJECTIVES OUTLINED

THE final draft of the second Five-year Plan is expected to be published by the Planning Commission by November next. This draft plan will be circulated for public opinion and the final plan will be drawn up some time before the end of March, 1956. This was disclosed by Mr. C. D. Deshmukh, Union Finance Minister, in the course of his opening speech at the meeting of the Economists' Panel held in New Delhi on Friday last week. At this meeting, the Panel discussed the list of papers drawn up by Dr. D. R. Gadgil for allocation to the members for the preparation of working papers. The list included about 30 subjects covering practically all the aspects of the second Plan—taxation and fiscal policy, employment, land reforms, agricultural development, irrigation and power, deficit financing, etc. It was decided that all the working papers should be ready before 15th September, 1955. At the end of these studies and discussions, the Economists' Panel will prepare a memorandum embodying its conclusions on the various questions dealt with by it. The Panel is scheduled to meet early in October.

While brisk activity is thus going on in regard to the preparation of the draft of the second Plan, an outline of it, setting out the broad objectives and tentative targets, was released last month after it was considered by the Standing Committee of the National Development Council. This outline, entitled *The Second Five-Year Plan—a Tentative Framework*, was prepared by the Economic Divisions of the Finance Ministry and Planning Commission, in consultation with the Central Statistical Organisation and the Indian Statistical Institute. Inasmuch as the targets for achievement in the second Plan period have to be worked out in the light of the main objectives in view, we reproduce below the relevant extracts from the aforesaid publication for the benefit of those readers who may not have access to it.

Basic Industries

The main objectives of the second Plan may be set down in general terms as (1) a sizable increase in national income so as to raise the level of living in the country, (2) rapid industrialisation, with particular emphasis on the development of basic industries, (3) fuller employment, and (4) social justice. These objectives are interrelated. The level of living in the country cannot be raised without a sustained increase in production and investment. In order to facilitate greater capital formation in the country, it is necessary to develop the basic industries producing steel, coal, electricity, heavy chemicals and machinery. But, in a poor country where consumption standards are already too low, higher investment and development of basic industries cannot be made to depend on a curtailment of consumption even in the initial stages. An attempt must, therefore, be made to increase both consumption and investment simultaneously by harnessing such resources as are unemployed or unutilised at present.

The economic development of the country must conform to the broad social objectives in hand. The development of a socialistic pattern of society has already been enunciated as a basic objective before the country. In formulating the second Plan, emphasis must be placed on extension of public ownership or control over the strategic means of production, greater equality of opportunities, bridging of the gap between the haves and the have-nots, and protection and enhancement of the well-being of the weak and unorganised sections of society. Men do not give of their best in the absence of a secure and fair share in the fruits of their labour; and achievement of social justice is a necessary condition for releasing the productive energies of the people.

The objectives outlined above cannot be achieved fully in a matter of five or ten years. In the short run, it may not be possible to reconcile fully the claims of greater production, fuller employment, and a wider capital and industrial base for further progress. Such conflict as arises between different objectives in the short run must be resolved in keeping with the dictates of social justice and the need for raising standards of life at the lower levels. In planning for a given period ahead, the basic task is to define as precisely as possible the advance to be made in each desirable line and to ensure an optimum fulfilment of all the objectives.

National Income and Standard of Living

The first Five-year Plan contained an illustrative model of development over a period of some 27 years. According to that model, India's national income could be doubled in some 22 years, per *capita* income doubled in about 27 years, and per *capita* consumption increased by roughly 70 per cent. in a little more than five Plan periods (that is, between 1950-51 and 1977). The increase in national income by the end of the first Plan is likely to be greater than was anticipated and may amount to about 15 per cent. over the five years. The national income of India increased by some 15 per cent. in real terms during the five years 1948-49 to 1953-54. During the first three years of the first Plan, the increase was of the order of 12.5 per cent. Even when allowance is made for the provisional character of the estimate for 1953-54 and for favourable monsoons, it is reasonable to expect a 15 per cent. increase in national income over the first Plan period. For the second Plan, therefore, we may well aspire to an increase in national income higher than 15 per cent., say, 25 to 27 per cent. in five years or 5 per cent. per annum as a first approximation.

An increase in national income of about 5 per cent. every year in the second Plan is by no means unrealistic or ambitious. A rate of increase in national income of 3 per cent. per annum has been achieved over a period of years without any attempt at planning in countries already advanced industrially. In recent years, the socialist countries in Eastern Europe have achieved a rate of increase of some 12 to 16 per cent. in national income every year, as will be seen from the table below:

Growth in National Income in Selected Countries

Country	Period	Rate of growth (Annual Average in per cent.)
U. S. A.	1869-78-1904-13	4.5
	1869-78-1929	4.0
	1899-1906-1929	3.2
	1929-1950	3.0
Canada	1903-29	2.6
Switzerland	1890-1929	2.7
Germany	1876-1913	2.8
Japan	1887-1913	3.0
	1914-1930	6.7
	1914-1937	6.7
Australia	1901-03-1928-29	3.2
	1901-03-1947-48	2.5
Soviet Union	1928-37 (Official)	16
	1949-53 ,,	15
Poland	1947-53 ,,	14.5
Czechoslovakia	1948-53 ,,	12
Hungary	1952-53 ,,	12
Bulgaria	1952-53 ,,	16

In the light of this experience, the target of a 5 per cent. per annum increase in national income for the second Five-year Plan must be regarded as a minimum to aim at. With effort and organisation, it can probably be improved upon. On this basis, it should be possible to advance the long-term targets outlined in the first Plan by some four to five years, or even more. An increase in national income of 5 per cent. per annum would permit both a sizable improvement in the level of living in the country and an increase in the rate of investment. If investment is stepped up from roughly 7 per cent. of national income at present to about 11 per cent. of national income by the end of the second Plan, total consumption should increase roughly by 20 per cent. and *per capita* consumption by 12 to 13 per cent. by the end of the second Plan.

The first Five-year Plan aimed, as a first step, at restoring the pre-war levels of consumption of the basic necessaries of life in the country. There has been a significant increase in the consumption of foodgrains, cloth and other items in recent years and the damage done by war and the Partition is all but repaired. However, the standards of nutrition, clothing, health, housing and education in the country are still inadequate.

Level of Living

The minimum requirements of cereals in a balanced diet are estimated by the Nutrition Advisory Committee as 14 oz. per adult per day. The average consumption of cereals in the country has increased from less than 13 oz. per adult per day in 1950-51 to nearly 15 oz. in 1953-54. The availability of pulses and grams still falls short of minimum nutritional requirements—2.5 oz., as against 3 oz. per adult per day. The consumption of a large number of people, however, is below the average level in the country; and the demand for foodgrains is certain to increase if purchasing power is increased at the lower levels. Thus, quite apart from the requirements of a growing population, the production of foodgrains needs to be increased in the second Plan. In the case of other foods such as milk, ghee, meat, fish, eggs, fats, fruits, vegetables and sugar, the present level of consumption falls far short of minimum requirements. In planning for a higher standard of living, special attention must be devoted in the second Plan to animal husbandry, fisheries, poultry-farming, vegetable gardening and other branches of food production. How much advance in these directions can be secured within the next five years is a matter for detailed examination. The average consumption of cotton cloth in India is now back to the pre-war standard of 15 yards per person. The Textile Enquiry Committee has recommended an increase in consumption of cotton cloth to 18 yards per person by 1960. This modest objective must be achieved in the second Plan.

The supply of houses in the urban areas would increase from some 10.2 million in 1950-51 to 11.5 to 12.0 million by the end of the first Plan. Broadly, provision has to be made in the second Plan for the construction of an additional 3.0 million houses in the urban areas. The housing problem in rural areas is not as acute as in urban areas. But an effort must be made through the National Extension Service and similar agencies to improve housing conditions in rural areas as well. As regards education, of the total population of children between 6 and 14, only 23 per cent. went to school in 1939-40 and some 32 per cent. in 1950-51. It is expected that this proportion would increase to 40 per cent. by the end of the first Plan. A considerable expansion to a proportion of, say, 60 per cent. in primary education facilities must, therefore, be achieved in the second Plan. Similarly, the provision of hospitals, doctors, nurses and sanitation facilities in the country is far from adequate and a substantial increase in health and medical facilities during the second Plan must be assured. An increase in national product by some 25 per cent. would be required to ensure the increase in the level of living as envisaged above.

Industrialisation is a means, not an end. But, considering the need for initiating the process of sustained and more rapid progress in subsequent Plans, it becomes almost an objective in itself. From the long-term point of view, it is necessary to make a rapid advance in those sectors where the potentialities for further growth and the indirect benefits to other sectors are the greatest. It was with this end in view that the first Plan laid great emphasis on the development of irrigation and power in the country. In the second Plan, a high priority must be accorded to the development of basic industries such as those producing iron and steel, machinery, electrical equipment and heavy chemicals. The development of these industries in the first Plan has not come up, by and large, to expectations. This deficiency must be made good in the second Plan. It is only by developing basic industries that a secure foundation for capital formation can be laid and the country made more and more independent of imports of vitally needed plant and equipment.

Careful Planning

A country which seeks rapid development cannot rely on the export of food and raw materials for satisfying the major part of its increasing requirements of capital goods. Nor can a comparative late comer in the field of industrialisation hope for a sizable expansion in the exports of manufactured consumer goods. The hinterland of countries with an industrial vacuum is disappearing day by day and countries placed in more or less the same position as we are naturally anxious to develop industries themselves. Our natural resources put us at no serious disadvantage in the development of basic industries; and such deficiencies of capital or skill as we have can be removed by careful planning. In both these respects, assistance from more developed countries would be welcome. The emphasis on the development of basic industries, therefore, is not in disregard of the possibilities of international exchange.

The major effort in the development of basic capital goods industries must come from the public sector. This is necessary if the State is to have command over means of production in strategic sectors. Also, private enterprise is not likely to be able to provide the large capital requirements of such industries. Schemes for setting up iron and steel plants and an electrical equipment plant in the public sector are already under way, and the possibility of taking up new schemes in this field must be further explored. Special attention needs to be given to the production of machinery to be employed in other producer goods industries and to the production of synthetic petrol. Presumably, it would be necessary to expand steel capacity to 10 or 20 million tons in the next 10 or 15 years. It would be desirable, therefore, to try and fabricate as much of the steel-making machinery as possible at home. Similarly, the development of synthetic petrol in the country would reduce imports and serve as nucleus for the development of several other industries.

The private sector must also be encouraged to invest predominantly in the producer goods industries. A number of such industries, such as cement, chemicals and iron and steel is at present largely in private hands. However, a large part of the profits in organised industries is made in consumer goods industries. Steps must, therefore, be taken to direct a larger flow of private investment into basic industries by suitable tax and credit measures, by making a stricter use of the powers to control capital issues and imports, and by licensing of new enterprises.

The development of heavy industries would require fuller exploitation of our mineral resources, extension of transport facilities and a rapid expansion in the number of trained personnel in the country. Concrete schemes for scientific training, mineral development and transport must, therefore, be worked out in advance of the projects for heavy industries. The need for extensive surveys to discover additional mineral resources in the country can be hardly exaggerated. At the same time, steps must be taken to conserve such scarce resources as high-grade coal and to develop domestic substitutes for minerals such as copper in which we are deficient. Where necessary, arrangements can be made with foreign countries to make up the gap in skilled personnel in the country by practical training abroad.

The Basic Strategy

The basic strategy in the second Plan must, therefore, be to invest large sums in the development of basic industries, transport and mining at one end and to economise as much as possible in the capital requirements for other sectors without restricting the supply of consumer goods. This strategy requires all-out efforts for the maximum utilisation of capacity in existing industries and for the development of additional production in the capital-light or small-scale sector of industries. Since a large part of the additional demand for consumer goods would be directed against food, attention must be paid to the adoption of schemes which would increase productivity in agriculture quickly and at less capital cost.

A great deal of unused capacity exists at present in organised industries. This should be drawn upon as fully as possible. It is also possible to expand production on the basis of existing equipment by working additional shifts. A detailed survey of unused capacity in different industries should, therefore, be undertaken as soon as possible and steps should be taken to ensure the fullest use of existing capacity before setting up new units.

The extensive development of small-scale industries in the second Plan is essential for a number of reasons. Apart from releasing scarce capital resources for the basic industries, they would provide greater employment and incomes for a

(*Continued on page* 1147)

U.S. FOREIGN ECONOMIC AID

DEMOCRATS SUPPORT PRESIDENT

THE three-day debate held last week on President Eisenhower's Foreign Aid Bill in the United States Senate has ended in victory for the Administration. The Bill provides for a global aid programme of $3,408 million. Approved by 59 votes to 18, its passage is a notable instance of a proposal sponsored by a Republican President receiving preponderant Democratic support. Although a number of cuts were proposed by several senators including Republicans, they were defeated by Democratic supporters who argued that any substantial cuts in the total funds would weaken President Eisenhower's position in the projected four-power conference to be held somewhere in Europe next month.

The Bill is principally designed to check communist aggression and subversion by strengthening the armies and internal economies of the allies and friends of the U.S. The funds for aid-items included in the Bill are (1) $1,278 million worth of military material such as tanks and planes for U.S. allies, (2) $317.2 million for the armed forces mostly in Korea, Formosa, Indo-China and Pakistan, (3) $1,000 million for defence support to enable U.S. allies to maintain their military forces necessary in the cold war, (4) $165 million for long-range economic assistance, (5) $172 million for technical co-operation between the U.S. and individual allies and the U.N. Technical Co-operation fund and (6) $475 million for other purposes.

Out of the $3,530 million asked by President Eisenhower, the Senate Foreign Relations Committee, which scrutinised the programme before being sent to the Senate, voted for only $3,408 million but stated that the previous authorisations of $122 million would, in total, add up to the President's request of $3,530 million.

Of particular interest to underdeveloped countries is the provision included in the Bill for a special $200 million fund for regional economic development in Asia. The use of this fund is subject to certain restrictions recommended by the Senate Foreign Relations Committee. Thus, it would have to be "pledged not necessarily spent" within the next three years. Secondly, half of it would have to be in the form of loans, and thirdly, not more than one quarter of it should go to any one country. Besides this, a sum of $85 million has been requested for economic development and technical co-operation in India.

Two days after the Senate had given its approval to the President's Bill came the report of the Hoover Commission set up by Congress to study ways of saving foreign aid funds and to recommend reorganisation where necessary. This Commission seems to be even more critical of the Administration's programme and policy than some of the individual Republicans. In its report to the Congress, the Commission has urged that no funds be made available for manufacturing or for establishing large industrial development in Africa and Asia, "with the possible exception of Japan." It has further advocated the end of economic aid to the ten original European Charter members of the North Atlantic Treaty Organisation including Britain and France, but not Greece, Turkey or West Germany. It has recommended that no economic aid should be given for projects where private capital is available and that all economic aid should be contingent on good faith efforts of the receiving country to improve the climate for private investment. In cases where countries are not able to repay loans granted to them, it is said that outright grants should be made to such countries.

Commenting on the aid to Asian-African countries, the Commission observes: "The fundamental need of many of the countries in the Asian-African area is increased food supplies. Therefore, sound irrigation projects and introduction of improved agricultural methods are justification for U.S. Aid Programmes." It remains to be seen to what extent these recommendations will influence U.S. foreign economic policy in future.

Meanwhile, the proposed assistance to India has been warmly supported by officials and several senators. Senator Hubert Humphrey, Democrat member of the Foreign Relations Committee, for instance, said that it was vitally important that India's ambitious Five-year Plan to raise living standards of people should succeed. He told his colleagues that India's democratic efforts to raise itself economically were being watched and compared by their Asian countries with those of Chinese communists and that a U.S. University study showed India was ahead of China in economic development. He advised them not to let their feelings be influenced by their differences of opinion over India's foreign policy but to remember the fact that U.S. money invested in India was producing constructive results. Speaking on an earlier occasion, Mr. John Foster Dulles, U.S. Secretary of State, said, in the course of his defence of the aid to India before the Senate Foreign Relations Committee, thus: "It is important that India be helped in making its Five-year Plan succeed, as India is attempting to demonstrate that its people's economic conditions can be improved by means other than communism." He added that it would be short-sighted not to help in the development of the Indian plan to demonstrate an ability of a free society against that of the neighbouring society of Communist China. He was convinced that the Indian Prime Minister had been waging a very bitter and successful campaign, against the communist within his own country.

While the proposed $85 million aid is for the U.S. fiscal year 1955-56, India has just concluded another four agreements with the U.S. Government for receiving financial assistance to implement certain specified projects. These agreements cover a total assistance of $7.7 million (or over Rs. 3.6 crores). The Government of India's share of expenditure on these four projects will be Rs. 55.4 lakhs. One of the four projects relates to the purchase of steel from abroad of 38,145 tons. The steel may be used for industrial purposes and for railroad replacements, rehabilitation and expansion programmes, as well as for development projects. The U.S. Government will contribute $6.8 million, India's share being Rs. 30 lakhs. For another project, the U.S. will contribute $465,000. This project covers survey of water resources and minor irrigation works. India's contribution to this project amounts to Rs. 25 lakhs. Under another scheme of assistance in home science, education and research, a sum of $100,000 has been provided, India's share being Rs. 40,000. The fourth subject is intended for aid to technical educational institutions. The U.S. assistance for this purpose is $300,000 and will be used for procuring the services of specialists to the Indian Institute of Science and the Bengal Engineering Colleges.

PILOT SCHEMES FOR RURAL CREDIT

Brisk action is being initiated by several State Governments for reorganising rural credit on an integrated institutional basis, as envisaged by the Rural Credit Survey Committee of the Reserve Bank of India. For the present it is confined to certain pilot co-operative credit schemes to be introduced in selected areas, where co-operation has made considerable progress. These schemes are based on a tentative overall national plan on co-operation drawn by the Centre. This plan is stated to have laid down that the membership in the agricultural credit societies should be increased from the existing five million to 15 million during the second Five-year Plan. It envisages an increase in the long-term loans to agriculturists through land mortgage credit societies from Rs. 3 crores to Rs. 25 crores and in the short-term credit from the present Rs. 30 crores to Rs. 150 crores by the end of 1960-61. According to it, co-operatives should provide 50 per cent. of rural credit in 15 years' time. The State Governments have been requested to draw up their respective programmes on those targets, having regard to their resources, their administrative machinery and the relative progress of the co-operative movement. It is in pursuance of this directive that the States of Bombay, Madras and Andhra have drawn up pilot schemes, as stated at the outset.

In the Bombay State, the pilot scheme will be introduced from 1st July next in three districts, namely, Broach, East Khandesh and Dharwar. These districts have made considerable progress in co-operative credit and have been selected as the proving ground for the new schemes. In these districts, about 35 per cent. of the credit needs are now being met by co-operative societies, as against the Bombay State average of 16 per cent. and the country's average of 3 per cent. A feature of the scheme is that all small credit co-operatives in the three districts will be asked to amalgamate into "economic societies." This is evidently intended to make them financially strong enough to employ adequately paid and trained staff, a prerequisite for improving the efficiency of co-operation. Each society will have a share capital of Rs. 25,000. Of this the Bombay Government will subscribe Rs. 11,000 repayable in five years. The State Government will not, however, claim controlling interest. This should set at rest the fears expressed earlier by leading co-operators in the States that participation by the State Government by way of contribution to share capital would result in the movement becoming a purely bureaucratic agency.

The quantum of credit to the farmer will be based not on his capacity to repay or on the value of his land, but on crop values. It is expected to cover not only the estimated expenses for raising the crop but also his personal maintenance costs. It is, in effect, designed to save the grower from going to the moneylender or to the bank, or even to the Government for getting a *taccavi* loan. The farmer will be asked to deliver the entire crop he produces to the society which will market the crop. But it is doubtful whether compulsion to hand over the crop will help retain the loyalty of the farmer to the society. Where he is in a position to market his crop at a price higher than that assured by the society, he should have the liberty to do so after consultation with his society.

Under the scheme, the State Government will lend to rural societies to enable them build godowns to stock the crop.

The pilot scheme, with modifications if any in the light of experience gained in the three districts, will be introduced all over the State next year.

The Madras Government also has drawn up a scheme for dispensing rural credit modelled on the recommendations of the Rural Credit Survey Committee. Since an outline of this has been given in *Commerce* dated 28th May, 1955, there is no need to describe the scheme once again here. But a further decision since taken by the Government must be mentioned in this context. According to Mr. A. B. Shetty, Minister for Co-operation, the State Government has approved of a scheme for the organisation of 25 rural banks. Of these, sanction has already been granted for opening 19 banks; four of these have, in fact, started functioning in South Canara, Coimbatore, Tirunelveli and Madurai Districts. All the 25 banks, we are told, will be started by the end of June this year. It is stated that the establishment of these banks is in addition to the extension of co-operative societies.

The State will participate in the rural credit service of co-operatives both in regard to marketing and warehousing, but the extent of such participation is yet to be decided. From Press reports it is gathered that the State prefers to have a "direct voice in the management of the co-operatives." It is believed that, as a result of such State participation, there would be greater supervision of these bodies and that the people would have greater confidence in them. This view is completely opposed to the attitude of the Bombay Government (which, as stated already, does not propose to have a controlling voice in the management of societies) and all accepted principles of co-operation.

As regards Andhra, the State Government's present scheme is confined to the constitution of two funds: (a) the State Co-operative Development Fund and (b) the State Agricultural (Guarantee and Relief) Fund in connection with its scheme for co-operative agricultural credit under the second Five-year Plan. It is expected that the finance will be provided from these funds up to 25 per cent. by way of contribution towards the share capital of marketing societies and grant of loans for construction of godowns, etc. The Government of India and the Reserve Bank are considering, it is learned, the possibility of providing funds to meet the balances of 75 per cent. of the cost of the programmes. It may be noted that similar funds have recently been created by the Reserve Bank of India.

STERLING AREA GOLD RESERVES

The sterling area gold and dollar reserves at the end of May last stood at $2,686 million, the same as those at the end of the previous month. In April, they had improved by $19 million, after falling by $14 million in March and $82 million in February, this year.

During May, receipts from the U.S. under defence aid amounted to $18 million. Besides, the area received a total of $31 million in gold or dollars from the European Payments Union in settlement of the April surplus, with the Union. But Britain had to pay off $2 million towards old debts to the creditors of the Union. Consequently, the net inflow from the E.P.U. to the U.K. during May was $29 million.

Trade and currency movements, other than the two factors above, however, involved an outflow of $47 million in May, thus resulting in no change in the total gold and dollar reserves of the sterling area at the end of May.

On the provisional figures for May, the U.K. had a surplus of $8 million with the E.P.U., the U.K. has now reached a stage where it had almost no unfunded debt with the E.P.U. countries. It might be mentioned, in this connection, that from the start of the E.P.U. to the end of April, 1955, there was a total accounting deficit, including the gold which had been paid, of $563.5 million. Half of that amount was paid in gold, so that the remaining "book debt" stood at $282 million or £100 million. Of this, payment of £90 million was settled last year under the new arrangement. The unfunded debt stood, as a result, at £10 million. As the E.P.U. is to receive this month £4 million, out of the April surplus of £8 million, the unfunded debt of £10 million will be brought down to £6 million. If this debt is wiped out by continuing monthly surpluses, Britain will then have to extend credit to the E.P.U. Having freed itself from this debt, the U.K. will then be in a relatively better position to build up reserves more rapidly than at present.

The heavy outflow of $47 million from the U.K. on trade and currency movements, outside those under U.S. defence aid and E.P.U. transactions, is in part attributed to operations of a capital nature stimulated by general elections uncertainties and labour troubles in May. It is believed that a temporary fall in confidence in sterling due to these uncertainties resulted in a tendency (a) for foreign countries to delay purchases of sterling during most part of May and (b) for short-term funds to move away from London, even though interest rates in that centre were higher than those in many other parts of the free world.

FINANCE FOR SMALL-SCALE INDUSTRY*

PROBLEM CAN BE MORE EASILY SOLVED IF INDUSTRIES ARE PROPERLY ORGANISED

By R. S. Bhatt

MANAGING DIRECTOR, BOMBAY STATE FINANCIAL CORPORATION

FOR a long time, the sector of small-scale industries was in comparative obscurity. Public attention on its importance in our economy was focussed when the Committee on Finance for the Private Sector pointed out that, according to the broad estimates made by the National Income Committee, "the value of net output of small enterprises in 1951 was of the order of Rs. 910 crores, while that of the factory establishments was around Rs. 550 crores. The number of workers in small enterprises was about 11.5 million, as against 3 million workers in factory establishments." This category, of course, included cottage industries. But, assuming that small industries that are not village or cottage industries constitute one-third of the total, their contribution to output and employment appears to be substantial. Further, a number of small units which come under the Factories Act are probably included in the National Income Committee's definition of "factory establishments." On the whole, therefore, it would be safe to assume that the net value of output of small industries was of the order of Rs. 350 crores in 1950-51.

On the one hand, demarcating its sphere from the medium and large-scale industry, the small-scale unit is defined as an undertaking having assets upto Rs. 5 lakhs and employing labour upto 50 persons with power or 100 persons without power. On the other hand, the borderline between the small-scale and cottage industry is vague. Geographically, small industrial units are located all over the country, though it would appear that they are fairly well concentrated in industrial centres like Bombay, Calcutta, Ahmedabad, Kanpur, etc. Small industries are engaged in three types of activities:

(1) Those producing goods in competition with larger units;

(2) those supplying spare parts or semi-manufactured and intermediary materials to large units; and

(3) those producing goods mainly in competition with imported goods.

Ownership

The ownership of small industry usually vests in a few shareholders, or partners or even a single proprietor. Sometimes, the owner is a technical man or financier or both. The small-scale industry, therefore, is largely dependent upon the initiative and enterprise of the individual *entrepreneur*.

The growth of small industries in India in pre-war days was largely governed by market conditions. Quite a good number of these small undertakings came into existence during the war and post-war period, when there were shortages of consumer goods and spare parts and intermediate materials. There was a sellers' market and the small producers were able to dispose of their products at a fair margin of profit. After the war, some of them have been given tariff protection and some have already consolidated their position. But, with the return of the buyers' market, many of them have been experiencing difficulties and recent investigations have shown that one of the principal difficulties is the lack of finance.

Capital Requirements

Usually, the capital requirements of small-scale industry consist of (a) equity capital, (b) loan capital, and (c) working capital. The proportion between these three types of capital would depend upon the size and the nature of manufacturing activity of an individual unit. Equity capital, which is risk capital, is usually provided by promoters. In some cases, the promoters supplement their own resources by taking short- or medium-term deposits from their relations and friends. A major portion of this initial capital is utilised for buying equipment and the balance for working capital. But it is found from experience that a large number of small-scale units are undercapitalised, and it is extremely difficult to raise equity capital from the market because Indian investors are not generally interested in small enterprises. There is at present no financial agency which provides equity capital for small concerns. The risk capital has, therefore, to be provided by promoters themselves.

Small-scale industries need medium- and long-term capital to acquire fixed assets for purposes of expansion, renovation or modernisation. If there is adequate security, an industrial unit may ordinarily be in a position to raise loan capital from financial institutions. Indian commercial banks, however, are generally not interested in giving medium- and long-term credit to small industries. This policy is in keeping with the requirements of commercial banks which do not make long-term advances. Further, the official policy has also been to discourage commercial banks from going into this type of business. Under the State Aid to Industries Rules, Governments in various States grant loans to small concerns. But assistance from this source has been of a limited nature. In Bombay State, there are industrial co-operative banks which render assistance to their members but this does not go very far. There has, therefore, been a need to establish institutions which would meet the requirements of long-term and medium-term finance to medium- and small-scale units. The first institution to be set up for financing industrial expansion and development in the country immediately after the war was the Industrial Finance Corporation of India. The Industrial Finance Corporation of India was meant largely to cater to the requirements of large-scale industries and its activities were restricted only to public limited companies and registered co-operative societies. For financing small-scale industries under all forms of management, including partnership firms and individual proprietors, there were long-standing suggestions for establishing industrial banks with a network of branches. The Bombay Provincial Industries Committee in 1947 had recommended the establishment of State Financial Corporations. Accordingly the State Financial Corporations Act was enacted in 1951. There are already eight State Financial Corporations in India, functioning for over a year now and two more have come into being recently.

Main Object

The main object of these institutions is to provide medium- and long-term credit for purposes of expansion of the existing units and development of new ones. In the past two years, there have been signs of an increase in the tempo of industrial development. In 1954, 110 licences were issued by the Central Government for the establishment of new undertakings, while 226 licences were granted for the expansion of existing undertakings and taking up of new lines of manufacture. Many small- and medium-scale units have already approached these Corporations and the demand is likely to increase as the pace of industrial development is accelerated.

There is a third type of requirement of medium and small-scale industries, namely, working capital. This type of finance is usually provided by commercial banks, because the advances are for a short-term and are made against the security of raw materials, stores and stock-in-trade which are realisable assets. Enquiries have shown that, with few exceptions, commercial banks do not favour advances, even of a short-term nature, to medium- and small-scale concerns. There are various reasons for this attitude which we need not go into at present, but the fact remains that small-scale and medium-scale concerns are not in a position to avail themselves of the facilities offered by commercial banks. Many of these units, therefore, have to turn to alternative sources of finance and this is mainly provided by shroffs and private

*A talk given at the Rotary Club of Bombay on 31st May, 1955.

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moneylenders. This finance is in the form of *hundies*, renewable at stated periods and carrying rates of interest ranging from 6 per cent. to 12 per cent. and in some cases even higher. The needs of small business for working capital have increased during the past two years. After the recession in 1952, many of these concerns suffered losses, because the prices of their finished goods fell faster than their costs of production which included high prices of raw materials. Thus, their own resources for working capital were considerably diminished. These concerns were, therefore, in need of working capital with which to buy raw materials and to finance goods in process as well as stock-in-trade. It seems that this type of financial requirement has gradually grown acute during the past two years, because with the return of the buyer's market, small industrial concerns have not only to compete on the price factor but are required to sell their goods on credit which sometimes extends from three to six months. In these circumstances, it seems natural that small-scale concerns require a considerably large amount of working capital, in order to maintain stocks of raw materials, finance goods in process and meet other obligations.

No Overlapping With Commercial Banks

In response to the request from small- and medium-scale concerns, the Bombay State Financial Corporation has modified its policy and is now giving accommodation for working capital. But it should be made clear that there is an essential difference between the loans given by the Corporation for working capital and those given as short-term credit or cash-credit arrangement by commercial banks. The Corporation advances loans on the security of fixed assets, while commercial banks usually advance loans on the pledge or hypothecation of raw materials and in some cases against finished products, though they secure a negative lien on fixed assets of the borrower. The Corporation, therefore, avoids overlapping of security with commercial banks and permits a borrowing concern to pledge its goods to banks in order to obtain finance in addition to the loan taken from the Corporation. It will be seen that the Corporation thus tries to meet two types of financial requirements of small-scale industrial concerns in Bombay State.

Under the Act, the State Financial Corporations are authorised to grant loans to and subscribe to debentures of industrial concerns on sufficient security. Further, they may guarantee loans floated in the public market; and they may underwrite issue of shares, stocks and debentures for a period not exceeding 20 years. The maximum amount of an advance to a single industrial concern is fixed at 10 per cent. of its capital, not exceeding Rs. 10 lakhs. As regards the terms of advance, the Bombay State Financial Corporation grants loans at 6 per cent. per annum, for periods which are determined according to specific requirements in each case but not exceeding 10 years. The amount of loan is about 50 per cent. of the net value of the fixed assets offered in security. I may add that the Corporation is liable to pay income-tax and super-tax like any joint-stock company. The dividend on the shares of the Corporation having been guaranteed at 3½ per cent. by the State Government, it has to be paid free of income-tax to the shareholders.

Considerations for Granting Loans

The Corporation takes into account the overall position of a borrowing concern as well as of the industry to which it belongs and if, after assessing the financial soundness and earning prospects of the unit, it is convinced that the financial assistance given would be employed fruitfully, it grants the accommodation. As the recent report of the Bombay State Financial Corporation shows, it has sanctioned loans over Rs. 68 lakhs in the past year and has assisted existing units for expansion as well as for the establishment of new ones.

Besides the facilities provided by the Corporation, the Government of Bombay has now formulated a new scheme, under which loans are given to small industries upto Rs. 75,000 and in exceptional cases upto Rs. 1 lakh on more liberal terms under the State Aid to Industries Rules and a provision of Rs. 50 lakhs has been made in the current year's budget for this purpose.

I may now show the other side of the medal. On the borrower's side, a unit is required to offer adequate security. It should show that the net value of assets given as security is properly determined and there is a consistent record of earnings and prospect of improving it. A lending institution would, in the first instance, require to study the financial position of a borrowing concern from its accounts during the past four or five years. Now, the peculiarity of small industrial concerns is that their accounts are not audited and some of them do not follow the generally accepted accounting practices. In a partnership or proprietary concern, for instance, the partners or proprietors do not keep their personal accounts separate from their business accounts. When the prices are high, they earn a good margin of profit, but, before distributing it, they make no provision by way of reserve which they can resort to in lean times. Some concerns do not even make provision for depreciation of their fixed assets like plant and machinery. Now a lending institution, the resources of which are derived from public or private savings and is thus responsible to its investors or depositors, must satisfy itself that the net value of security offered is adequate, a concern has prospect of utilising it fruitfully and the borrowing party is creditworthy. Without such an assessment and without applying usual criteria for lending, a credit institution would not be in a position to consider a request for financial accommodation.

The problems of credit and finance for small industries, if they are to be solved, should be tackled, as the Ford Foundation Team of international experts pointed out, as a part of the whole programme. They are a part of the vast complex in which the problems of material production, quality control, finance, marketing, etc., are vitally inter-related. Lack of finance is not always the cause, but in many cases the result of difficulties in other respects. I may be permitted to touch briefly upon a few of them.

Haphazard Growth

In the past, the growth of small-scale units was somewhat haphazard and it is no exaggeration to say that many of the present difficulties are attributable to the mushroom growth of small units. For instance, in the pharmaceutical industry, which is of comparatively recent growth, out of the total number of 1,643 manufacturers, 1,563 were small-scale manufacturers. Of these, 261 covered almost all the important small-scale manufacturers, the remaining factories being mostly very small. As the Pharmaceutical Inquiry Committee pointed out, the small units were working at a very small margin of profit due to the existing cut-throat competition. Very few of them had any resources to equip themselves better or buy raw materials of standard quality. It would, therefore, appear that there are far too many small units producing all types of pharmaceutical preparations some of which are not of standard quality. Consequently, there has developed a strong consumer's resistance against Indian products. Secondly, it is imperative to bring about adjustment in the production programme between large-scale, small-scale and cottage-scale units within an industry, as, for instance, in the cotton textile and engineering industries. Generally, for a large country like India it would be a sound policy to organise our industries on a decentralised basis in order to provide employment, reduce cost of production and eliminate unnecessary use of transport. In this process, in the initial stages, the cost of production among small units may be high and consumers may not resist slightly higher prices for a temporary period for goods which are necessities of life, like cloth. But as the Textile Inquiry Committee pointed out, "low income consumer cannot for any length of time go on paying a high price for a product manufactured on a tool of production which could be made more efficient." Ultimately, the price factor must prevail and disparities in costs for the same type of goods between the large-scale, small-scale and cottage-scale type of units should be eliminated as far as possible. Thirdly, many small units in the engineering and chemical groups of industries are working below their installed capacity.

Taking the small-scale units engaged in producing spare parts or semi-manufactured or intermediate materials utilised by large-scale units, there are, for instance, in Bombay and Ahmedabad a large number of engineering workshops of various sizes, producing goods required by the cotton textile and other industries. There is no doubt great scope for these ancillary industries which can be systematically developed in the mechanical and allied industries to cater to the requirements of large-scale industries on a profitable basis. Thus, a horizontal structure of large groups of industries can be built up. But this would require a great deal of co-ordination in production programmes, technical efficiency and business integrity between large and small units.

As a result of the recommendations of the International Team of Experts sponsored by the Ford Foundation, the Central Government have established special institutions to assist small industries. Four Small Industries Service Institutes have been set up of which one is located in Bombay, for assisting small industries in improving their technique of production and management, in securing proper raw materials, in marketing their goods and in promoting patterns of development calculated to make small-scale industries ancilliary to large-scale industries by bringing about co-ordination of production programmes. A Small Industries Corporation has been set up for the servicing of small industry in the field of Government indents for all its purchases from industry. A marketing service corporation will be established soon.

In addition, the Central Government have already set up institutions for the development of *khadi* and village industries as well as handloom industry and given assistance for the development of handicrafts and specific small-scale industries.

Future Development

With regard to future development, the policy of the Central Government is to "diversify the pattern of industry and to develop as much as possible medium and small-scale industry." There is no doubt that, for a balanced industrial development, these second and third line industries should be strengthened. In the tentative framework for the second Five-year Plan, which is under discussion, rapid industrial development is envisaged. The broad aims appear to be that high priority should be given to the development of basic industries and that, for meeting additional demand for consumer goods, efforts should be made for maximum utilisation of capacity in existing industries and for the development of additional production in the small-scale sector of industries. Thus, in the next plan, the development of small industries assumes a special importance. On the one hand, this policy releases scarce capital resources for setting up basic industries and, on the other, it provides greater employment and incomes for a large number of persons employed in small enterprises. In the tentative estimates for investment in industries and mining in the second Five-year Plan, there is a provision of Rs. 100 crores for factory consumer goods industries and Rs. 200 crores for small-scale and village industries. These are substantial outlays. In order to absorb them, it will be necessary to prepare a broad programme of industrial development, indicating specially the categories of industries which may be developed on small- and cottage-scale basis. Then a list of small and cottage-scale industries should be prepared region-wise, having regard to the availability of raw materials, technical skill, managerial and business ability, capital resources and marketing. If this material is made available, the small *entrepreneurs* would be in a position to know the special advantages which particular industries enjoy for development in different regions. This would guide and assist them in pursuing specific projects of industrial development.

Swadeshi Spirit Needed

The problem of starting a small industry is fraught with many difficulties. With small resources, the individual *entrepreneur* is not in a position to purchase land and buildings of his own. If, therefore, trading estates with necessary services are created they would go a long way to provide suitable locations for development of these industries. For the growth of the small-scale industry, however, a dynamic approach is required. On the one hand, the spirit of *swadeshi* should be revived and, on the other, an all-out effort should be made to promote the growth of small units by providing suitable incentives and facilities. It poses a challenge for organising our efforts on a nation-wide scale for providing necessary raw materials, efficient equipment, technical training, managerial personnel, finance and marketing arrangements. It is not known how the resources under the second Plan will be channelled and what pattern of organisation and management the small-scale industries would adopt. There is no doubt that the small-scale industry will remain in what is known as the "private sector" and there is immense scope for an individual *entrepreneur* with sufficient initiative and drive. Perhaps, the future form of organisation may be on co-operative lines and financial resources may be channelled through State-sponsored agencies. But, as I have mentioned at the outset, the small-scale industry depends on the initiative and enterprise of individual *enterpreneurs*. We hope that people with these qualities will come forward to assist the development of small industries in the next Five-year Plan.

SLIGHT REVIVAL IN DEMAND FOR COTTON GOODS

RE-EQUIPMENT PLANS OF MILLS

From A Special Correspondent

MANCHESTER, 31st *May*

MANCHESTER LETTER

WHILE the holidays in the mill towns comprising the Lancashire cotton industry are still some weeks away, most of the larger distributing centres around the Manchester area are having their usual Whitsunside break which lasts for most of the current week. This year, it comes at a time when trade has noticeably slackened and prospects for the industry are by no means encouraging. For nearly twelve months, business has been relatively poor, in view of the unwillingness of buyers to operate at all freely. So much uncertainty has arisen over the future of cotton prices, as well as the disconcerting factors surrounding imports of foreign cloth and the effect of purchase tax on textiles at home, that the order books held by spinners and manufacturers have steadily declined and labour has been leaving the mills in large numbers.

At the time of writing, however, there have been signs of a very slight revival in demand. The tariff concessions granted by the Indian Government have stimulated more interest in Lancashire goods, while, at the same time, home trade sales have tended to broaden, in view of the better weather conditions encountered. Many distributors had allowed supplies to run down during this slack trading period and they have now reached a point where replenishments are needed. As a result, a fair general enquiry has been recorded covering many different styles of cloth from light summer dresswear to heavy goods for industrial purposes.

While immediate prospects cannot be regarded as entirely satisfactory, the trade has the opportunity of quick revival, as goods can be offered on very short delivery terms. An announcement as to American cotton price policy in the near future would go a long way towards removing obstacles to freer trading.

Weavers' Views

With Government help and the application of new ideas and determination, the future for the Lancashire cotton industry need not be bleak, the Amalgamated Weavers' Association, the largest of the cotton trade unions, says in its annual report. "Given a fair chance, the industry," the Association observes, "need not contract as much as some thing to be inevitable. Quality still counts for something and there are still markets to be won, if the will and determination exists to win them." According to it, the North American market is not an easy one, but it is there, open to attack. Now that it is as difficult to sell in the sterling market as in the dollar, perhaps a new incentive would arise. "Our designers and stylists, packers and publicists, all have a part to play. Given the abolition of purchase tax we have not got a bad hand and it should be played strongly. Government assistance is needed but should not be taken as an invitation to sit happily upon the home market." The Association points to the need for increased efficiency in most mills and the scope for re-equipment. Financial reserves are high and should be used in the right way.

East African Trade

Lancashire should command "a good business" in the export of better quality printed cotton goods to the East African territories because of the steadily growing purchasing power of the natives. This was the view which Mr. G. T. Dow-Smith, the United Kingdom Senior Trade Commissioner in East Africa, expressed during a visit to Manchester. Provided Lancashire prices remained competitive with those of Continental countries and Japan, he saw no reason why her exports should lose ground.

Mr. Dow-Smith was beginning a three-day visit to the Manchester Chamber of Commerce for talks with exporters to the East African territories. He said that big capital development schemes, including railways, harbours and roads, were under way in the territories. British engineering firms had already succeeded in obtaining a large share of the work undertaken by the Government, and there was possibly export scope for such goods as excavating equipment, road-making machinery and vehicles.

Spinners and Raw Cotton

Changes in the financial arrangements of Crosses and Heatons Ltd., the Bolton spinning combine, as a result of the liquidation of the Raw Cotton Commission and the revival of free trading in raw cotton, are referred to in the annual report of the Chairman, Colonel B. W. Heaton. A sum of £100,000 has been transferred to stock and contingencies reserve, he tells stockholders, making this reserve £300,000. "Since the cover scheme facilities of the Raw Cotton Commission have been withdrawn," he adds, "we have been exposed to risks which are beyond our control, as futures contracts based on American cotton either on Liverpool or New York are not an adequate hedge for long-stapled cottons. It is to cover this contingency that this reserve has been created."

Stock in trade at the end of March, according to Col. Heaton, was £335,822 greater, due to carrying of more raw cotton and finished yarn stocks. To quote him: "Since the closure of the Commission's cover scheme and the reversion to free buying, we have been compelled to carry sufficient raw cotton stocks to ensure our qualities. Whereas these stocks were previously carried and financed by the Commission, we now have to bear the cost ourselves."

Commenting on trade conditions, Col. Heaton says that, during the last eight months of the year under review, trade was restricted and customers only bought from hand to mouth. Order books had been much reduced and competition in all export markets had been very severe.

Fabrics Display

An important future for woven cotton fabrics in what he termed "the highest fashion field" has been forecast by Sir Raymond Streat, Chairman of the Cotton Board. Speaking at the opening of a new exhibition at the Board's Colour, Design and Style Centre devoted to woven cotton dress fabrics, Sir Raymond said that the public was frequently being reminded at the present time of the basic problems facing the cotton industry; this publicity tended to mask progress being made in other directions of which the new exhibition was a significant token. The exhibition typified the creative forces which were more virile today in Lancashire than ever before.

Fabrics designed by students of the Royal College of Art are a feature of the exhibition which also includes a collection of woven cottons from France, Switzerland and Italy. Sir Raymond said that the exhibition showed that there was much liveliness in the Continental textile industries in the field of woven designs, but it also showed a very lively creative sense in the coming generation in this country and proved that the Royal College of Art was doing something really significant.

Modernisation Setback

Some concern is being felt in the Lancashire cotton trade that the slack conditions which have prevailed for a year past may hamper the trend of re-equipment of the mills. Mr. Lewis Wright, Secretary of the Weavers' Amalgamation, recently asserted that dwindling orders and growing unemployment had compelled some Lancashire mills to scrap their modernisation plans. "Short-time working is increasing and weaving firms who were contemplating fairly large reorganisation have now dropped these programmes," he said after a meeting of the United Textile Factory Workers' Association.

This view was confirmed in a statement made by Mr. Joseph Hollas, Chairman of a large Bolton group of weaving mills. He said that the Company's mill developments consisted mainly of the installation of automatic looms, adding: "The present lull in the trade is causing us to go more cautiously with ordering new machinery." Turning to competition from imported Indian cloth, Mr. Hollas stated that this had continued during the past year on an even more marked degree. Duty-free supplies of cloth from India in the first quarter of this year amounted to over 72,000,000 square yards. "This," he commented, "is sufficient to keep 100 weaving mills of average size in Lancashire running."—*All Rights Reserved.*

RAW WOOL EXPORT FROM INDIA

The Government of India has decided to release a further quantity of raw wool for export up to the end of September, 1955. Details of the licensing procedure are being notified by the export trade controllers at the ports concerned.

The Pakistani Government has decided to permit export against licences of a portion of cotton yarn manufactured by Pakistani textile mills in order to enable cotton textiles to explore and develop foreign markets, it is officially disclosed. It has already permitted export of a portion of production of all textile mills in the country.

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TREND OF TEXTILE OUTPUT UPWARDS

SETBACK TO MILL CLOTH EXPORTS

THE distinct improvement in the production of cotton mill piecegoods witnessed during 1954 has been well maintained so far in the current calendar year. The quantity of cloth actually produced during the first four months of 1955, for instance, amounted to 1,686 million yards, which compares very favourably with 1,661 million yards in the previous four months and 1,647 million yards in the corresponding period of 1954. In other words, the average monthly rate of output comes to more than 421 million yards, as against 416 million yards for 1954. If this rate of production is maintained during the rest of the year, the aggregate mill output of cloth for the whole of 1955 will be as high as 5,052 million yards—an all-time record—exceeding the actual production in the previous year by 59 million yards. The estimated output will surpass the production target of 4,779 million yards fixed by the Planning Commission for 1955-56 by 273 million yards. It will also exceed the rated capacity of 4,922 million yards by 130 million yards. It is said that the improvement in cloth output would be greater still if the production control, particularly the restriction on the manufacture of *dhotis*, were removed.

The assumption that production in the remaining months of the current year will be maintained has, however, to be qualified. The mills in Kanpur which account for 5 per cent. of the total output have remained closed, practically completely, for the past forty-five days on account of workers' strike. It remains to be seen whether this loss of output can be made up in the coming months.

Yarn Output

The encouraging trend of cloth output during the four months ended April, 1955 followed a sizable increase in yarn output, the quantity actually produced being 525 million lbs., as against 508 million lbs. a year before. It was, however, lower by 6 million lbs., as compared with the total for the period September-December, 1954. The average monthly rate of output is 131 million lbs., as against 130 million lbs. in 1954. Assuming that this trend will be maintained in the subsequent months, the total output for the entire year may be estimated at 1,572 million lbs., which represents a rise of 10 million lbs. over the quantity produced in 1954. This figure falls short of the Planning Commission's target of 1,640 million lbs. and the actual installed capacity of 1,775 million lbs. by 68 million lbs. and 203 million lbs., respectively.

Thanks to the improvement in yarn output, the supply of yarn available to the handloom and powerloom sectors is quite comfortable. During the first four months of this year, the surplus yarn available for sale to the handloom and powerloom sectors (as also for export) with the mills amounted to 173 million lbs., as against 168 million lbs. in the same period last year. This figure is arrived at on the basis that the mills consume on an average 67 per cent. of the yarn produced by them for weaving cloth. Reflecting such a position, the production of handloom cloth in 1955 is expected to be maintained at the previous year's level of 1,330 million yards. Incidentally, the target for this sector for 1955-56 is 1,700 million yards.

The trend of cloth and yarn output—month by month—during the period under review, as compared with the corresponding period of 1954, is indicated below:

(Cloth in million yards; yarn in million lbs.)

	Cloth		Yarn	
	1954	1955	1954	1955
January	418	437	132	135
February	398	402	122	125
March	405	429	125	135
April	426	418	129	130
Total ..	1,647	1,686	508	525

In contrast with the impressive performance on the production front, India's export trade in cotton piecegoods would appear to have received a setback. During the first four months of 1955, about 282.4 million yards were passed for shipment, as against 312.5 million yards in the corresponding period of last year. Actual exports in the first quarter of the current year amounted to 190.22 million yards, as compared with 212.00 million yards in the previous quarter and 232.92 million yards a year before. The setback to cloth exports has gathered further momentum in the past few weeks. The quantity of piecegoods passed for shipment from the port of Bombay in the first fortnight of May is placed at 34.00 million yards, as against 37.6 million yards and 35.3 million yards in the two previous fortnights, respectively.

Variety-wise Exports

The decline in exports of cloth piecegoods during the period January-April, 1955, as noted above, was accounted for entirely by coarse and fine varieties. The quantity of coarse cloth passed for shipment in that period was not more than 49.0 million yards, which compares unfavourably with 77.4 million yards a year before. It must, however, be noted, in this connection, that, since the reduction in the export duty on coarse cloth (from 10 per cent. to 6¼ per cent.) announced on 28th February last by the Union Finance Minister in his budget statement for 1955-56, exports of this category of cloth seem to have recovered. During the month of April, 1955, about 16.4 million yards were passed for shipment, as against 7.8 million yards in February, 1955. But the quantity is very much lower than the 21.7 million yards passed for shipment in January, 1954. Fine varieties alone accounted for a fall in exports, the quantity passed for shipment during the first four months of the current year being 11.3 million yards, as against 34.6 million yards in the same period last year. There was practically no change in shipments of superfine counts which aggregated 7.8 million yards, as against 7.6 million yards. Exports of medium cloth, on the other hand, continued their upward march, the quantity passed for shipment advancing from 192.9 million yards to 215.0 million yards.

A comparative statement relating to exports of different categories of cloth in the first four months of the current and previous calendar years is furnished below:

(In million yards)

	Total	Coarse	Medium	Fine	Superfine
1954					
January	81.0	21.7	49.3	8.4	1.6
February	82.8	18.6	52.3	10.2	1.7
March	78.7	19.5	47.7	9.3	2.1
April	70.0	17.5	43.6	6.7	2.2
Total ..	312.5	77.4	192.9	34.6	7.6
1955					
January	63.9	9.5	51.2	2.3	0.9
February	69.5	7.8	59.0	1.4	1.3
March	72.8*	14.6	53.0	2.8	2.4
April	76.2	16.4	51.8	4.8	3.2
Total ..	282.4	48.3	215.0	11.3	7.8

A recent review of the conditions in some of the export markets for Indian cloth reveals that only meagre business is possible with Hong Kong, owing to difficulty experienced in securing ocean freight. Demand from Ceylon and Persian Gulf ports has been only moderate. No deals have been put through recently with Burma on account of non-issue of import licences in that country. Similarly, Australia has not evinced any interest in purchasing Indian cloth of late. Demand from West Africa is reported to have tapered off, except for negligible bookings for immediate needs in grey bafts, domestic cloth, coatings and dyed poplin. There are also no active enquiries from Iraq. Business with Iran too is limited. The only countries which are at present somewhat interested in buying Indian cotton piecegoods are said to be Singapore, Indonesia, the U.K., Saudi Arabia, East Africa, Sudan and Aden.

Outlook for Exports

It is against this background that one should assess the outlook for cloth exports in the coming months. The biggest obstacle to the expanding export trade in cloth is the growing competition from other textile exporting countries, especially Japan. The latest reports from Japan indicate that, consequent on decline in prices, there has been a rush of orders for cloth from various countries, including the U.K. and the Middle East, while the South-East Asian countries are holding off due either to import restrictions or slack conditions of market in these countries. Japan is expected to augment the export trade promotion budget considerably from 310 million yen (£305,000) to 1,000 million yen (£986,000) in the fiscal year 1955-56. Much larger sums, it is said, will thus be spent on overseas publicity, subsidies for international fair, travel agencies, the Overseas Trade Promotion Association and for improving export designs and encouraging exports of textile goods. To quote one report: "In particular Japan will try to develop new markets and to expand sales in existing markets for better quality textiles." From all this, it looks as though India's exports of mill cloth during the current year will be lower than those (898 million yards) in 1954, unless fresh steps are taken without any further delay to increase the competitive capacity of Indian textiles.

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WORLD TRADE IN WOOL TOPS

The most striking feature of the world trade in wool tops during the last three years is that not only has the downward trend in trade which persisted throughout the period 1928 to 1951 been reversed but there has actually been a marked improvement. World exports of wool tops, which had steadily dropped from 127 million lbs. in 1928 to an average of 120 million lbs. in 1934-38 and to 106 million lbs. in 1946-51, spurted to an average of 158 million lbs. for the years 1952 to 1954, representing a rise of 25 per cent. as compared with 1928, according to a special article published in the International Wool Secretariat's *Wool Digest*.

According to the article, today, as before the war, three countries together account for more than 80 per cent. of the total world exports of wool tops. But these countries have not been the same throughout the period. The position of the third largest exporter has shifted from Germany to Belgium and then to Uruguay, while France, the largest pre-war exporter, has changed places with the U.K. Nor have these changes occurred as a result of only minor shift in trade. Germany exported 18 per cent. of the total in 1928 but only 2 per cent. in 1934-38 and 3 per cent. after the war. Uruguay was not an exporter of wool tops before the war and its present trade involves a differential exchange trade which, in effect, subsidises wool top exports. Exports from France fell from nearly half the total before the war to about a quarter, in contrast to the U.K., the percentage share of which increased from 27 in 1928 to 37 in 1934-38 and 41 in 1954. They have, however, recovered since 1951 and this may foreshadow a further alteration in the relative position of wool tops, yarn and cloth exported from France. Australia and South Africa together accounted for 5 per cent. of the wool top exports during 1954.

Several interesting changes have also occurred in the markets for wool tops. In this respect, the decline in importance of the market in Europe is especially notable. In 1928, Europe took 73 per cent. of the total world wool top exports, but, in 1938, the share had fallen to 56 per cent. and since the war it has remained at roughly the figure it was last year, namely, 47 per cent.

COMFORT OF SUMMER CLOTHING

The scientists working at the Technical Development Establishment, Kanpur, have evolved an index which will enable the comfort of summer clothing to be evaluated. The index is assessed on the basis of skin temperature and calculated by measuring the average drop in skin temperature of the human body (but not the arms and legs) in terms of degrees after exposure for six minutes at a high air temperature to a streamlined flow of air travelling at 300 ft. per minute. The index, it is claimed, is more efficient than previous indices based on factors such as the measurement of the effect of strikingly different types of clothing on body comfort. In experiments with subjects wearing muslin *kurtas*, cellular bush shirts, and gaberdine bush shirts, a fall of 4.0°F., 2.3°F. and 1.8°F. was recorded, respectively, thus showing that muslin is the most comfortable and effective form of clothing under hot weather conditions.

The Union Government has decided to license freely for export hand-printed cotton *saris* meant for domestic consumption till the end of December, 1955.

NATIONAL RAYON CORPORATION LIMITED

PRODUCTION SOLD UPTO THE YEAR-END

CHAIRMAN, MR. KASTURBHAI LALBHAI'S SPEECH AT ANNUAL GENERAL MEETING

THE Eighth Annual General Meeting of the National Rayon Corporation Ltd. was held at Bombay on 9th June, 1955. Addressing the shareholders, Mr. Kasturbhai Lalbhai, Chairman of the Company, referred to the proposed expansion programme, with a view to duplicating the present productive capacity by stages, for which the necessary licence had been obtained from the Central Government. In this context, Mr. Kasturbhai expressed his concern over the serious handicap experienced by all industrial concerns, as a result of power shortage and inadequate transport facilities. Adequate power supply and transport facilities were, he said, essential pre-requisites to industrial expansion and should be provided quite ahead of the industrialisation. He also viewed with concern the possibility of an increase in manufacturing cost, if the threatened increase in freight rates by shipping companies materialised.

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

"I have pleasure in welcoming you to this eighth annual general meeting of the Company and present to you for adoption the Directors' report and the audited statement of accounts for the year ended 31st December, 1954, which, with your permission, may be taken as read.

"Sir Purshotamdas Thakurdas, Chairman of our Company from its inception, resigned on 11th April, 1955, and the Board accepted his resignation with deep regret as already reported. I am glad, however, to inform the shareholders that, though he has resigned from the Company, he has assured us that he would be readily available for advice and guidance whenever needed. I take this opportunity of wishing him many more years of useful and happy life. I may also inform you that the Directors have decided to place his portrait in the board room in appreciation of his contribution to the progress of this Company.

"I also regret to inform you that Mr. F. W. Mattinson, the Company's Consultant and former Vice-President of Messrs. Skenandoa Rayon Corporation, died in Utica, New York, on 27th April, 1955. You may be aware that the Company used to invite Mr. Mattinson for routine consultation and expert advice almost every year right from the day we started manufacturing rayon yarn at the plant. This year also he was expected to be here in January, but, as ill-luck would have it, when the invitation reached him, he was hospitalised and he was destined not to return. The success that the Company obtained in manufacturing rayon yarn of good quality right from the start is mainly due to his efforts. He assisted in training the Company's technical personnel in America and imparting to them the 'know-how' of manufacturing rayon yarn. In him the Company has lost a sincere friend and a competent technician. I trust you will all join me in paying our tribute to his services.

Gross Profit

"Coming to the working results of the year, you may have noticed that the year's working has resulted in a gross profit of Rs. 1,08,69,604. Better results during the year were due to higher production consequent upon the working of additional spinning frames and slightly better prices for its finished products, while the raw materials were obtained at about the same price as last year.

"You may be aware that, till the end of last year, a major portion of the Company's output used to be sold by way of bulk sales to the Associations of the Silk and Art Silk Mills. This arrangement could not be continued since last year. The Company has been able, however, to dispose of its entire production for forward deliveries ahead of the actual manufacturing periods and, as on date, the Company's products have been sold upto the end of the year without experiencing any difficulty.

"The Government of India continues to follow the policy of permitting imports only to the extent of deficit requirements of the country. I cannot help, however, making a reference to the very unhealthy competition that most of the manufacturers on the Continent have resorted to since last year. While maintaining fairly high prices in their home market, they are offering rayon yarn in the export markets in standard qualities like 150 and 120 deniers at 18 to 40 pence per lb. less. This policy is likely to harm the indigenous manufacturers. It is to be hoped that our Government will keep a watchful eye on this development.

Expansion Programme

"As already referred to in the Directors' report, the expansion of the Company's rayon plant is progressing according to schedule and the new machines purchased are expected to go into production shortly to increase the productive capacity of the rayon plant by about 30 per cent. The Company proposes to embark upon further expansion programmes of its rayon plant, with the object of duplicating its present productive capacity by stages. Towards this end, the Company has already obtained licences from the Central Government under the Industries Development and Regulations Act. Orders for the proposed caustic soda chlorine plant are being placed. This plant is expected to go into production early in 1957. With the establishment of a caustic soda plant, the Company will be manufacturing one more important raw material for which uptil now we had to depend upon imports from foreign countries.

"In this context, I cannot but express concern regarding the serious handicap that all industrial establishments have been experiencing due to shortage of power and inadequate transport facilities. There is still considerable backlog of power demand to be met in Bombay over and above the power required to remove the staggering arrangements in vogue in the textile mills. This situation, therefore, needs radical improvement at the hands of the appropriate Government departments.

Supply of Wagons

"The other bottleneck from which industries are suffering is the unsatisfactory supply of wagons by the railways for carrying of coal, important raw materials and finished products. As regards wagons allocated for coal alone, the Company has been losing about 30 per cent. of its quota in view of the inability of the railways to supply the necessary wagons. Though in this matter, the Commissioners of Coal both of the State and at the Centre have been helping us out by granting special *ad hoc* quotas and allowing us to build up reasonable stocks, we cannot help expressing our concern at the transport situation as it is developing in this country. I am afraid, unless some drastic steps are taken to improve the transport problem, the country will come to a standstill as far as industrial expansion programme is concerned.

"Guaranteed and adequate supply of power and transport arrangements are essential prerequisites before anyone can think of industrial expansions. I am afraid, failing provision of these facilities quite ahead of industrialisation, the country will witness a phenomenon where an industrial plant would be lying idle for want of either power or transport facilities.

Freight Rates

"The proposed increase in freight rates announced by the principal shipping companies is also a matter of concern. It is a known fact that, at present, the Company depends largely on the imported raw materials for operating its plant. Additional freight that the Company would be called upon to pay if the threatened increase of 35 per cent. is imposed, would be considerably adding to the manufacturing cost. What is a matter for concern is that the threatened increase is stated to be due to the difficulties experienced by steamer companies in getting timely turnover of their steamers at the principal docks where sometimes delays of discharging or loading of cargoes are very great. This state of affairs is really very regrettable. It is, however, gratifying that, following this threat, the Port Trust authorities have endeavoured to clear the docks and the Government have also intervened and are endeavouring their utmost to persuade the steamer companies to refrain from imposing any such surcharge which, if done, is bound to disrupt the import and export trade of this country.

Dividend

"Your Board of Directors, after very careful consideration, have come to the conclusion that, both in the interest of the shareholders, and the Company, it is desirable to maintain dividend at one rate and alter it only when a higher rate is justified and the Company's profits permit. As you are aware, the Company has a large programme to fulfil and naturally it is desirable to finance a part of the programme from the profits of the Company rather than from the borrowings. Besides, the Company will be called upon to pay large amount of taxes in the years to come. Taking all these factors into consideration, we have decided to recommend Rs. 10 as dividend on ordinary shares and maintain it for a few years to come. I hope this policy of the Board will meet with your approval.

"It is gratifying that the Government has accepted the recommendations of the Taxation Enquiry Commission in the matter of giving development rebate to new industries which I am sure will help to accelerate industrial expansion. The recent announcement exempting rayon grade wood-pulp from payment of import duty will help expansion of rayon manufacturing and staple fibre industries. With reference to the relief to be given to the shareholders in respect of their investment in new industries, I suppose Government will take steps in the next year's budget. The relief given under the present section 15C(4) has remained a dead letter for reasons already explained in the Chairman's speech last year. I trust the Government will accept the recommendations of the Taxation Commission in this behalf and effect the necessary amendment so as to make the concession really effective.

Debentures Oversubscribed

"I have already referred in the Directors' report to the Company's decision to issue 5½ per cent. debentures for a total sum of Rs. 1,50,00,000, with a view to meeting a part of the expenses of the proposed expansion of the rayon plant and the establishment of the caustic soda chlorine plant. I am glad to inform you that the issue which was offered to the public was oversubscribed by about 100 per cent. necessitating closing of the subscription list on the opening day. I take this opportunity to thank the investing public for the confidence shown by them in this Company.

"It is gratifying to report that the relations between the management and labour have remained cordial and it has been possible for the Company to settle all the matters in dispute amicably by way of bipartite negotiations with representative union of workers resulting in a series of agreements. Even matters pending before the Labour Appellate Tribunal for the last two years have been settled amicably. The union in return has promised to maintain industrial peace for a minimum period of three years.

Rayon Plant to be Fabricated

"We have already reported to you that the new sulphuric acid plant was engineered entirely by our own technical staff and barring such standard equipments as motors, control equipments, pipes and fittings, etc., a major portion of the remaining part was fabricated locally. We are now in the process of expanding our rayon plant and increasing the capacities of the carbon-bi-sulphide plant, water works, etc., and we are also in the process of putting up a new caustic soda chlorine plant. I am glad to inform you that the engineering of all these plants will be done by our own technical staff at the factory and it is our ambition that gradually we should be able to fabricate almost the complete rayon yarn plant excepting for standard equipments which may be either procured locally or imported from abroad.

"I am sure I am voicing the feelings of every one of you when I say that the results obtained for the working of this year as also the progress made by the Company uptil now have been largely due to the loyalty of the workers and the ability of our technical and administrative staff."

RAISING EFFICIENCY OF SUGAR MILLS

KANPUR INSTITUTE OF TECHNOLOGY TO BE EXPANDED

THE latest move of Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, to impart more vigour and impetus to the implementation of schemes of sugar technology is highly commendable. Speaking on the occasion of his first official visit to the Indian Institute of Sugar Technology, Kanpur, last week, Mr. Jain stated that the Government of India had made good provision for setting up a new building for the Institute. He further revealed that there were also certain matters under consideration for making allocations for equipment, etc., and for enlarging the staff. Indeed, he said that the future of the Institute was in the melting pot, not in the sense that it was going to be dissolved, but in the sense that its shortcomings and weaknesses would be examined and it would be strengthened and reoriented so as to play a useful role in the country's economy.

These observations of Mr. Jain are certainly very reassuring. In the present context of the supreme need for enhancing the technical efficiency of the sugar industry, the part played by the Kanpur Institute of Sugar Technology is of great importance. It is this Institute which is primarily responsible for ensuring progress on the technological side of the sugar industry. Since its inception in 1936, the Institute has been doing valuable work by way of undertaking technological research, training of technical personnel, and doing advisory work in regard to statistical and technical matters pertaining to the industry. It has also conducted experiments relating to sugar chemistry, sugar technology and sugar engineering. In all this work, the methods of overcoming practical difficulties faced by factories in processing have been studied and experimented upon. Wherever means are found to overcome such difficulties, they are publicised for the benefit of factories. The Institute has also done valuable research work for the economic utilisation of the by-products, namely, molasses, press mud and bagasse. In order to examine the actual working of the factories and investigate their difficulties on the spot and render suitable technical assistance the staff of the Institute is deputed to the factories. The Institute has paid attention to the *khandsari* sector of the sugar industry too. Crushers and furnaces used in the manufacture of this type of sugar have been improved and the process of production modified so as to increase the efficiency of extraction of juice, resulting in higher recovery.

More Intensive Research Needed

Thanks largely to all this research work, the efficiency of the sugar industry has gone up considerably. In fact, it is claimed by sugar technologists that, on the whole, the efficiency of the Indian factories compares favourably with that of factories in the more advanced sugar producing countries. This is no doubt a very creditable achievement. But it should not lead to complacency, for there is still a vast field which needs further and more intensive research. In view of the importance of sugar to the country as its second largest industry, and also in view of the continuous need for progress in the technological field, the research and development wing of the Institute should be strengthened. It is also imperative to ensure that the results of research undertaken actually reach the manufacturers at the factory without delay.

All these aspects were duly stressed by the Food and Agriculture Minister last week. High quality research, the Minister said, was going to play an important part in the development of the sugar industry—indeed, of any other industry—inasmuch as the foundation of all progress was based on the formulation of new methods—technological, mechanical and administrative. He did not think that any industry or set of industries could do without high quality of research. At the same time, Mr. Jain did well to warn against research scholars and specialists "creating a sort of shell round them and living in a world of their own." Indicating that his interest lay in how he could make results of research available to the industry and thereby benefit the nation, Mr. Jain told the technologists of Kanpur Institute. "I have formed some idea, I am going to examine it in Delhi, of course, in consultation with your Director and certain other sections of the sugar and *gur* industry, and I would like to work out a scheme whereby the contract between you (sugar technologists) and the industry is made more intimate; you will benefit from the practical experience of the industry and the industry will benefit from your advice."

This approach of Mr. Jain is undoubtedly correct. After all, fundamental research into the problems of sugar industry, it must be admitted, would lose much of its importance if it were confined mainly to the laboratory. There must be free and speedy flow of knowledge from the laboratories to the factories. It is only then that one can expect a high level of efficiency in the industry and a reduction in the cost of sugar to suit the pocket of the common man.

RENTS FOR LANDS LEASED TO SUGAR MILLS

Of much interest to the sugar industry in the Bombay Deccan is the award of the Collector of Ahmednagar with regard to the rent of lands leased out to the Maharashtra Sugar Mills in the Tilak Nagar for growing sugarcane. The salient features of the award are: (1) Since the present rentals are inadequate, they must be raised to Rs. 50 per acre in the case of flow irrigation and Rs. 35 per acre in respect of lift irrigation of "caneable" lands; (2) all the lands leased out to the Company are not "caneable" and the rent for the land not used for growing cane should be Rs. 25 per acre; (3) the Company should give back lands to such of those lessors as have no land for personal cultivation, the unit per lessor being 3 acres; (4) the period of the lease should be 30 years.

The above award followed the agitation by the landlords (lessors) for an increase in the agreed rent of the lands leased out to the Maharashtra Sugar Mills and for restoration of lands on the expiration of the present duration of the leases. As the attempts to settle the matter amicably were unsuccessful, the Government of Bombay appointed the Collector of Ahmednagar as an arbitrator to mediate between the parties and to settle the main issues involved.

The contention of the landlords was that the lands leased out to the Company should be restored after their expiration or, in the alternative, three classes of lands should be restored, namely, landowners who are left without any lands for cultivation, poor and middle class landowners, and self-cultivator landlords. The Company should, it was argued, continue only the leases of absentee landlords and of those who had sufficient lands of their own for self-cultivation with due rise in the rent. On the other hand, the management of the Company stated that the Company's existing land position was very critical, as the land at its disposal for sugarcane plantation was only 50 per cent. of its requirements. In brief, the Company's points of view were: (1) to keep sufficient caneable lands with it, (2) fixation of reasonable rent for land under flow and lift irrigation, (3) fixation of the lease period for a sufficiently long time and (4) fixation of land rentals in accordance with the quality of the soil with reference to the land revenue. Incidentally, the Company is at present holding an area of 10,480 acres of land on lease, of which, 8,197 acres are caneable lands.

CO-OPERATIVE SUGAR MILL AT BARDOLI

The implementation of schemes for establishing co-operative mills in Bombay State is reported to be progressing fairly well. It is expected that several factories will commence production of sugar by the end of next year. One of them is the factory proposed to be erected at Bardoli. The capital outlay of this factory is estimated at Rs. 65 lakhs. The Industrial Finance Corporation of India is understood to have agreed to grant a loan of Rs. 40 lakhs. The Bombay Government has agreed to invest Rs. 10 lakhs in the venture. About 1,140 farmers, presently growing plantains on their lands, have already subscribed over Rs. 8 lakhs by way of share capital and another sum of Rs. 7 lakhs is to be collected shortly.

The Bardoli sugar factory will have a daily cane crushing capacity of 800 tons. Machinery and equipment worth Rs. 55 lakhs are to be imported from Germany and Czechoslovakia. Nearly 3,000 acres of land spread over an area of 20 miles will be brought under sugarcane cultivation. The aggregate value of the cane output is estimated at Rs. 45 lakhs per annum.

At a meeting held in Lucknow recently, the General Council of the Indian National Sugar Mills Workers' Federation urged the Central Government to extend the Employees' Provident Fund Act, 1952 to the sugar industry. This Act, it will be recalled, is now applied only to six industries—cement, cigarette, engineering, iron and steel, paper and textiles. Under the Act, the contribution of employers and employees to the Provident Fund is fixed at 6¼ per cent. of the basic wages and dearness allowance payable to employees. The Council also urged the U.P. Government to refer to adjudication issues relating to retaining allowances, sick leave, casual leave and bonus for the sugar season 1954-55.

The scheme for the manufacture of confectionery and other *gur* products from *neera*, evolved by one Mr. N. Venkatayya, has met with the approval of the Andhra Cabinet Sub-committee. The Committee has recommended the implementation of the scheme as an experimental measure in some places in the State and throughout the State later, if found essential. It has also favoured extension of the State Government's *neera* scheme and establishment of a few more ex-tapper co-operative societies.

The sugarcane growers of North Arcot District (Madras) are now busy promoting a sugar mill on co-operative basis. They have already collected some funds for the purpose. As there has arisen some difficulty in securing the requisite share capital of Rs. 10 lakhs, the cane growers have suggested to the State Government that the co-operative societies in the district be permitted to contribute their surplus fund towards the share capital of the proposed sugar mill. This suggestion is, at present, under the consideration of the Registrar of Co-operative Societies.

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DURGAPUR COKE OVEN PLANT

CENTRE ACCEPTS SCHEME

WITH the acceptance by the Government of India of the West Bengal Government's proposal for setting up a coke oven plant, the country may be said to have marched a step forward towards achieving self-sufficiency in hard coke. The acceptance is a sequel to the recommendations made by the Coke Oven Projects Enquiry Committee appointed by the Planning Commission in November last to assess the economic prospects for setting up another coke oven plant in the country. The terms of reference to the Committee (*vide Commerce* dated 4th December, 1954, page 1099) included, among others, the assessment of demand for and supply of coke in the next five years, the examination of plans of existing producers of coke, the indication of the size of a new coke oven plant if there was scope for its establishment, and of the prospects for by-products recovery from such an oven, the investigation into the scope for a thermal plant as an adjunct to the coke oven plant, if set up at Durgapur, and the possibilities of ultilising coke oven gas for improving the economics of operation of the coke oven plant, etc. Having examined all these issues, the Committee, which was presided over by Mr. D. C. Driver, President of the Coal Consumers' Association, Calcutta, submitted its interim report in March, 1955, and the final report on 7th May last. The recommendations of the Committee, just released, throw interesting light on the prospects for setting up the plant at Durgapur as proposed by the West Bengal Government.

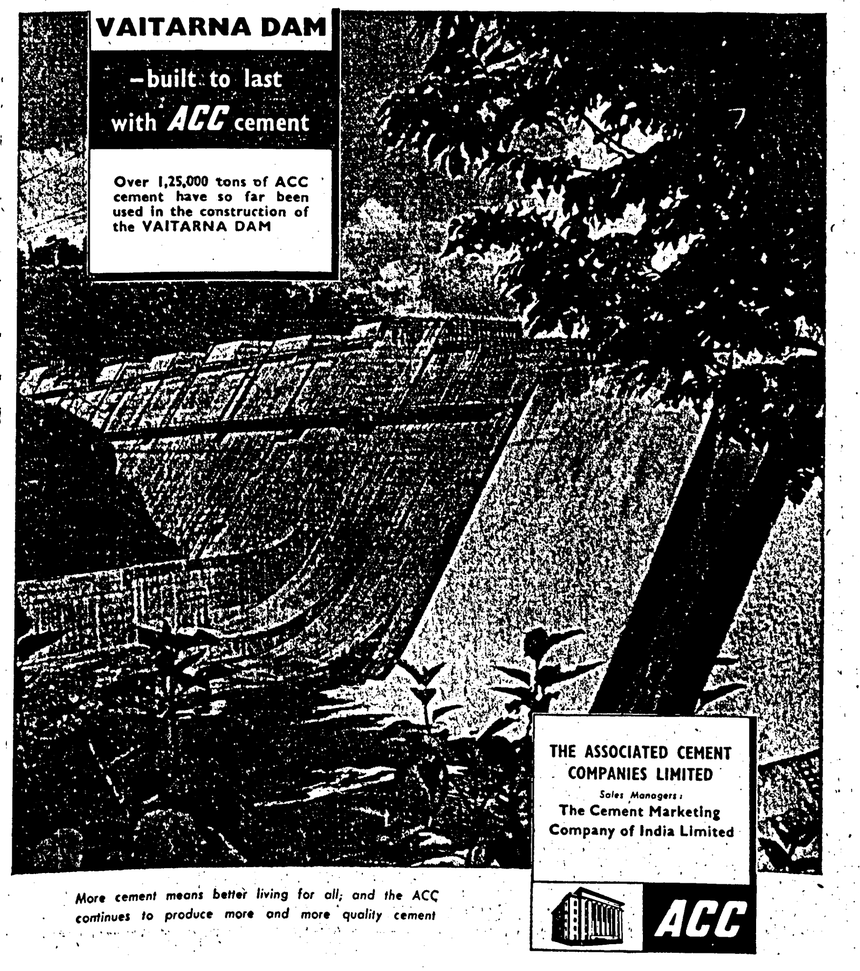
The Coke Oven Projects Enquiry Committee estimates the demand for hard coke by 1960, exclusive of the requirements of the steel works and other subsidiaries, as well as of the Sindri Fertiliser Factory, at 875,000 tons. Of this, the demand for sized coke would be 831,000 tons. The increase in demand is expected to arise mainly from foundries, the Mysore Iron and Steel Works, Bhadravati, and soda ash, sugar, calcium carbide and ferro-manganese industries. Of the total demand, 100,000 to 110,000 tons of the hard sized coke should contain phosphorus not exceeding 0.05 per cent. and ash below 20 per cent. for the manufacture of ferro-manganese and ferro-alloys production. Another 15,000 to 20,000 tons of coke should possess phosphorus not exceeding 0.03 per cent. and ash below 12 per cent. for the production of calcium carbide, sodium sulphide and special castings.

On the supply side, the Committee does not expect any supplies to the market from the Sindri Fertiliser Factory and the Steel Works at Jamshedpur. But the Indian Iron and Steel Company is expected to supply sized coke in quantities varying between 66,000 tons in 1955 and 44,000 tons in 1960 but nothing in 1959.

The Committee's investigation into the renovation programmes of existing foundries reveals that the four private cokeries will be raising their capacity to 307,000 tons of hard coke. The share of sized coke in this total is estimated at 269,500 tons. To this is added the supplies of about 27,600 tons by the Giridih Coke Ovens. Thus, the total availability of sized coke, from all the existing sources, is expected to be 341,100 tons. Including supplies of sized bee-hive coke, estimated at 105,000 tons in 1960, the total domestic supplies of sized coke would be 446,000 tons, as against the total demand, as estimated at the outset, of 831,000 tons. The deficit in supplies of sized coke would thus amount to 384,900 tons. Of this deficit, 250,000 to 270,000 tons are sized coal of normal grade, the rest being of special grades.

After thus establishing the need for additional production of sized coal, the Committee proceeds to consider the question of locating the site for setting up a plant at Durgapur. In examining this issue, the Committee has precluded itself from studying several aspects of the different coalfields and their coal and making comparative merits and demerits of each location in these fields. This is because the volume of work and the investigation that would be involved would take a considerably longer period than at the disposal of the Committee. It has, therefore, confined its enquiry to the issue of locating the plant at Durgapur. Its examination of the several aspects relating to Durgapur reveals the existence of (a) facilities for quick transport towards Calcutta side from a four-track railway system soon to be electrified, (b) cheaper railway freight for coke as compared with freight from Jharia, etc., (c) future availability of water transport through Durgapur canal towards Calcutta and places in between, (d) cheap land, (e) water supplies, and (f) a developed colony. It further shows that Durgapur is also favourably situated in respect of availability of coal and power and the market. The Committee is, therefore, of the opinion that,

(*Continued on page* 1133)



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CEYLON REDUCES EXPORT DUTY ON TEA

EXPORT SUBSIDY SCHEME GIVEN UP

THE Government of Ceylon is reported to have decided to effect a 50 per cent. cut in export duty on tea from Re. 1 to 50 cents per lb. Though no official announcement has been made at the time of writing (Tuesday, the 7th inst.), it is stated that the reduction will be operative from the 8th inst. Consequent on the aforesaid cut in export duty, the Government's earlier scheme to subsidise export of tea has been withdrawn. This scheme of subsidy, it may be recalled, was introduced only as recently as on 23rd May, under which all teas which were catalogued and sold at auction as first-hand tea at a price below Re. 1.50 per lb. would receive, as an export subsidy, the difference between Re. 1.50 and the price realised, subject to a maximum of 50 cents.

The scheme of subsidising export of tea did not find favour with a section of the tea industry of Ceylon. It may be recalled that Mr. S. Pathmanathan, former Chairman of the Low-country Products Association, expressed the view that the subsidy scheme would lead to many abuses. He also foresaw that, within two months, the tea markets would be flooded with Indian teas bearing lower export duty than Ceylon teas and that consumers of Ceylon tea, mainly Australia, would switch over to Indian teas. That apart, as we ourselves pointed out ere now, the idea of subsidising exports, while subjecting the same to a stiff export duty of Re. 1 per lb. is ridiculous. What the Government has now decided to do was inevitable.

In giving up the scheme of subsidy within two weeks of its introduction, the Ceylon Government must have found it very costly. For it was reported last week that, even on the first day of the operation of the scheme, it cost the Government Rs. 15 lakhs. Of this amount, payment of subsidy accounted for Rs. 11 lakhs and cost of purchasing unsaleable teas for Rs. 4 lakhs. The Prime Minister had expected that, in view of the improvement in tea market of late, the expenditure on the subsidy would not be much and that it would not have to buy up lots of tea. He assured that should the need arise, the Government would certainly go all out to meet its commitments under the scheme. The aforesaid expenditure from the public Exchequer on the scheme in the first auction itself clearly showed that the scheme was not a little costly and that the Prime Minister's expectation would be belied. At the time of introducing the subsidy scheme, the Government must have thought that it could more than make good the cost of subsidising export and purchasing unsold teas by the levy of high export duty on larger exports consequent on the removal of export restrictions for a period of three months from 27th April. In fact, the Tea Controller of Ceylon issued export licences to the tune of 9 million lbs. between 1st and 18th May; this quantity compared with the total quantity of 21.3 million lbs. for which export licences were issued during the first four months of 1955. The heavy cost of subsidy involved at the very first auction might have shown that ultimately the Government was suffering a heavy loss. Otherwise, there was no reason for withdrawing the subsidy. For there has been no such sharp improvement in prices as to render subsidising by the Government unnecessary. Anyway, it is gratifying to note that the Government has realised its folly before it was too late.

The reduction in export duty by the Ceylon Government closely follows the Government of India's action last week reducing the export duty on Indian tea from As. 8 to As. 4 per lb. with effect from 1st June. The last occasion on which the Ceylon Government reduced the export duty was on 22nd April, when the duty was cut from Re. 1.30 to Re. 1 per lb., thus restoring it to the level which had prevailed before 21st January when it had been raised to Re. 1.30 per lb. The export duty on Ceylon tea had for some time past remained well above that on Indian tea. Early in January last, when India raised the export duty from As. 7 to As. 10 per lb. with effect from 7th January, the export duty on Ceylon tea had stood at Re. 1 per lb., thus commanding a premium of As. 6. This difference widened further when the Ceylon Government raised it to Re. 1.30 per lb. on 21st January. When the Ceylon duty was reduced to Re. 1 per lb. on 22nd April, the Indian duty was As. 8 The reduction from 1st June to As. 4 of the Indian duty again accentuated the difference. It is, therefore, not surprising that Ceylon finally decided to reduce the wide gap, if not close it altogether. Notwithstanding the latest reduction, the export duty on Ceylon tea is still higher by a quarter of a rupee. With this 50 per cent. cut in export duty, the Government certainly cannot afford to continue the costly subsidy scheme also.

The reduction in export duty by India and Ceylon may not have any direct effect on improving prices at auction. It may, however, help the producers who bear the burden of export duty, to realise a larger proportion of the auction price actually received by them. (The export duty is paid by producers and the difference between the auction price and the export duty is retained by them). To the extent the duty is reduced, therefore, the hardship on producers as a result of the fall in tea prices is alleviated.

Nothwithstanding the cut in export duty by the two main producing countries, much attention is being paid to avert the repetition of the 1952 depression in the tea market. One of the leading firms of tea brokers, Messrs. A. W. Figgis of Calcutta, has urged the producers in North India to keep ready the machinery for speedy restriction of output. It is of the view that the best form of restricting crop is to concentrate on better quality production. In order to ensure that only the best quality is turned out, the firm has suggested the adoption of a scheme for compulsory destruction of some residual teas. This would lead to a loss of 10 to 15 million lbs. of completely unwanted tea. The firm urges that producers should try to restore confidence to tea markets by the end of July at the latest. The flow of tea should be so phased as to eliminate undue market fluctuations. A similar suggestion was recently made by Messrs. Carritt Moran and Co., Ltd., another leading firm of tea brokers. This firm said that, if production in India were restricted by more careful plucking and manufacture, buyers would obtain the confidence they required that stocks were not to be permitted to become unduly large. To this end, it would seem, the firm added, that crops from India and Ceylon this year should be no larger and preferably rather smaller than last year.

FINANCING ASSAM TEA INDUSTRY

Tea is the most important industry of the Assam State and is also well organised. Its contribution to the country's foreign exchange earnings makes it occupy a unique place in the national economy. It is, therefore, not surprising that this industry accounted for the largest number of enquiries for accommodation from the Assam Financial Corporation during the period ended 31st March, 1955. Out of the 59 enquiries for loans from industrial concerns received by the Corporation, 14 were from the tea industry. The actual number of applications for accommodation received from the tea industry was, however, only four and the amount of loan applied for was Rs. 3.15 lakhs. Though the tea industry accounted for the largest number of applications, the total amount applied for by it was not the highest. But none of the loan applications from tea companies was sanctioned during the period under review. Of the four applications, two (for a total sum of Rs. 1.85 lakhs) were deferred for fulfilment of certain conditions and two others (for Rs. 1.30 lakhs) were held up for want of information or pending enquiry.

Despite the leading place it occupies in the industrial field of Assam, the number of applications for loans was small and the amount sought for is low. One reason for this, according to the latest Directors' report of the Corporation, is that, because tea prices were at peak levels during the period under review, there was not much urge on the part of even the smaller units in the industry to seek medium and long-term advances for capital expenditure. Another reason for this state of affairs is: "most of the tea gardens obtain their working capital from commercial banks against hypothecation of their tea crop and export rights and some of the banks insist on the deposit of title deeds or an undertaking not to encumber the fixed assets while granting accommodation against the hypothecation of tea crop. Even though some of the gardens may like to avail of accommodation from the Corporation for their requirements of block capital, they are apprehensive of their bankers restricting or altogether stopping the seasonal accommodation against hypothecation of tea crop for their requirements of working capital." The Board has, however, since decided to provide, in deserving cases, working capital in addition to block capital.

Out of the total quantity of 4,000 tons of coffee originally permitted by the India Government for export to places outside India during the current year, 2,650 tons had been sold by the Indian Coffee Board to registered dealers by means of closed auctions and most of this quantity has been exported. A further quantity of 200 tons has been released this week for sale to the registered dealers to enable them to export outside.

GUNNY DESPATCHES

INTERNAL OFFTAKE IMPROVES

GUNNY despatches from jute mills in India during April, 1955—the latest month for which official figures have just been released—amounted to 76,000 tons. Although this quantity is the same as that in April, 1954, it is about 700 tons lower than the despatches in March, 1955. This small setback is accounted for by minor declines in both exports and internal consumption. With the despatches in the month under review, the total for the first 10 months of the current season aggregated 814,500 tons, representing a rise of 7.1 per cent. over the total despatches in the corresponding period of 1953-54, at 759,700 tons. The improvement in the total mill despatches was shared by exports as well as by internal consumption. The exports rose from 657,400 tons in the 10-month period of 1953-54 to 709,100 tons in the corresponding period of the current season. Similarly, the offtake for internal consumption improved from 102,300 tons to 105,400 tons in the period under review. The table below shows at a glance, the trends of despatches for exports and internal consumption during each of the 10 months of 1954-55, as compared with the corresponding months of 1953-54.

Despatches of Gunnies

(In 000 tons)

	1954-55			1953-54		
	Exports	Internal con-sumption	Total	Exports	Internal con-sumption	Total
July ..	80.2	7.1	87.4	67.0	9.7	76.7
August ..	80.9	7.8	88.7	63.1	8.7	71.8
September ..	71.3	9.4	80.7	80.6	9.3	89.9
October ..	64.8	7.4	72.2	72.0	9.8	81.8
November ..	79.6	9.9	89.5	62.6	10.7	73.3
December ..	79.4	12.5	91.9	63.3	13.2	75.5
January ..	64.5	12.1	76.6	68.0	10.5	83.5
February ..	62.2	12.5	74.8	59.6	8.5	68.1
March ..	63.2	13.5	76.7	67.2	10.9	78.1
April ..	62.8	13.2	76.0	65.0	11.0	76.0
Total ..	709.1	105.4	814.5	657.4	102.3	759.7

A striking feature disclosed by the table above is that, since January, 1954, there has been a marked decline in exports of gunnies from India. The main reason for this is the lack of interest of U.S. buyers in the Indian market owing to high prices of jute goods. Reluctance to support jute goods at high prices is reflected in the figures of the U.S. hessian stocks and consumption. Thus, during the first ten months of 1954-55, U.S. consumption of burlap was only 665,000 million yards which is 35 million yards lower than that in the period of 1953-54. U.S. stocks of hessians, on the other hand, rose from 183 million yards to 258 million yards.

Home Demand

The table above further reveals considerable improvement in the offtake of jute goods for internal consumption. The monthly offtake which used to be of the order of 10,000 yards has, during each of the five months ended April, 1955, been above the 12,000-ton mark. A part of this increase may be attributed to the demand for gunnies arising out of the significant increase in both industrial and agricultural output in the country during the last three years.

Full details of despatches for May, 1955, will be available only after some time. But, according to press reports, it would appear that shipments of jute goods in the month were better than those in the preceding two months. Hessian shipments amounted to 30,659 tons in May, as against 23,695 tons in April and 25,944 tons in March this year. The performance of sackings would appear to be far better than that of hessians. Sacking shipments in May are reported to be 45,266 tons, which compare with 32,047 tons and 25,944 tons in the two preceding months, respectively. This improvement in exports should bring considerable relief to the mills. For it should have gone a long way towards reducing the stocks of finished goods with them at the end of May. It may be noted, in this connection, that, at the end of April, 1955, the stocks had gone up to as high as 103,300 tons. The heavy accumulation of unsold stocks had created anxiety among the mills and for a while there was even talk that the mills were contemplating reduction in their weekly working hours. This possibility should, for the present, recede to the background, now that the stocks with the mills are expected to be lower than in April. But this may prove to be only a passing phase. It is just likely that the increase in shipments last month merely reflects the improvement in the labour situation in the docks at Calcutta.

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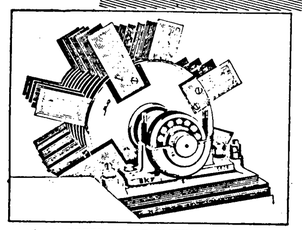
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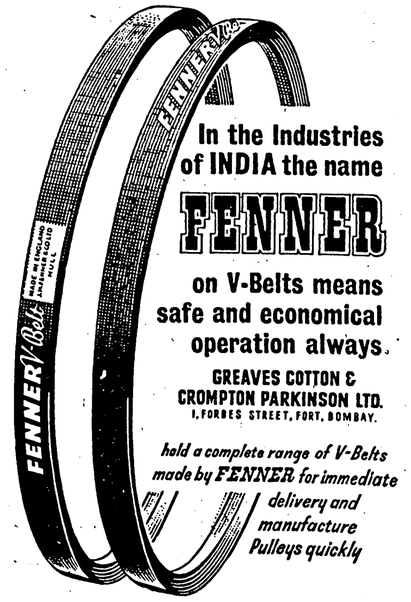

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INDIA'S IRON AND STEEL INDUSTRY—I

POST-WAR PROBLEMS AND PLANS FOR EXPANSION

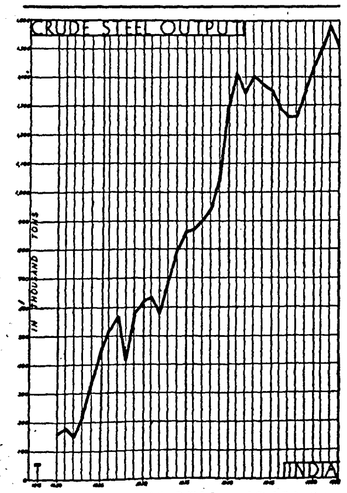
[India's plans for raising production of steel are receiving world-wide attention. Several countries have come forward with proposals for assisting this country in the implementation of its ambitious projects. These include not only the major steel producers such as the U.S., the U.K., W. Germany and Russia, but also minor producers such as Austria and France. All these countries must have obviously studied the potentialities of making steel in India. That the British iron and steel industry has made such a study is evident from a detailed article published by the British Iron and Steel Federation in the last February issue of its Monthly Statistical Bulletin. A brief reference to this study was made in our issue of 2nd April, 1955, vide page 628. We are now publishing, with due acknowledgment to the Federation, the full text of the article in two instalments, as it gives a connected account of all the basic facts of the industry and as such will serve as a useful source of reference. The first instalment appears on these pages, while the second will figure in our next issue.

*The Survey is up to date and comprehensive, in the preparation of which the British Federation must have spent considerable time and energy. It describes India's existing iron and steel industry, its plans and problems and summarises the various proposals for new capacity to bring steel production eventually upto 6 million tons a year.—*ED.]

THE foundation of India's present iron and steel industry was not laid until 1872, since when development has been steady, although slow judged by Western standards. Characteristic of the Indian industry is the fact that pig iron output has always surpassed that of steel. This is mainly due to the relatively large iron foundry industry, and also to the conventional use of a low scrap ratio in the open hearth charge—this being necessitated by the scarcity of scrap which is usual in underdeveloped countries. Another characteristic of the Indian industry has been a surplus of pig iron for export, although in the last two or three years this has almost disappeared.

The Indian Government of the immediate post-war years had high hopes of rapidly expanding the country's economy. However, by the time the Planning Commission had made its report in 1951, the first optimism had subsided, for the overwhelming difficulty—lack of capital—had become all too obvious. The Commission's report emphasised the importance of steel production, pointing out that nothing was holding up India's industrial development more than the acute shortage of steel. The report stressed that, with ore resources* of such high Fe content and situated so near to coking coal supplies, no country was more suited to steel-making; but it concluded nevertheless that financial obstacles would prevent any large immediate expansion.

A Five-year Plan was eventually formulated having regard to the resources at India's disposal, and based on the Planning Commission's suggestion that steel output should reach 1,650,000 tons by 1957-58. Since then a second Five-year Plan has been formulated, envisaging an ingot production of 6 million tons by 1962. More recently, Mr. K. C. Reddy, Minister of Production, has declared that there is no reason why India should not think in terms of 10 million tons for its third Five-year Plan.



By Courtesy of the British Iron and Steel Federation

*India's raw material resources are reviewed in Appendix I, which will be published in our next issue.—ED.

In the years immediately following World War II, demand for steel was greater than supply, this being further aggravated by the Korean war. India, a country which has habitually relied upon some imports of steel, suffered acutely from this shortage. With no steel-exporting nations as her near neighbours, India has always had to import from distant countries, involving transport over thousands of miles. In the post-war years of high freight rates and scarce foreign exchange, India has used this adverse situation to support the argument for self-sufficiency in steelmaking.

With home demand over the past nine years far in excess of supply, the Indian Government found it necessary to operate an allocation scheme,† together with price controls. Consequently, it is difficult to give any accurate estimate of what current demand would be in a free market. Various estimates have been made since 1946 by a number of different bodies, both Indian and international; the best is probably that of the Indian Government itself, which estimated that 1957 finished steel requirements in a free market would be in the region of 2.7 million tons. The capacity of the main producers of finished steel is at present just over 1 million tons, whilst the actual production trend in the post-war years is shown in the graph on the opposite page.

Finished Steel Available

It must be mentioned that the 1953 decline was largely due to labour troubles at the Burnpur works of the Indian Iron and Steel Company. The otherwise steady increase is what might be expected in a country where steel consumption per head of population is low and where, for both economic and nationalistic reasons, production is being fostered. To supplement home production, India has made efforts in recent years to increase her imports, but with little success, owing to world shortage and her lack of foreign exchange. As steel exports are negligible, the graph also gives an idea of total steel availabilities in India.

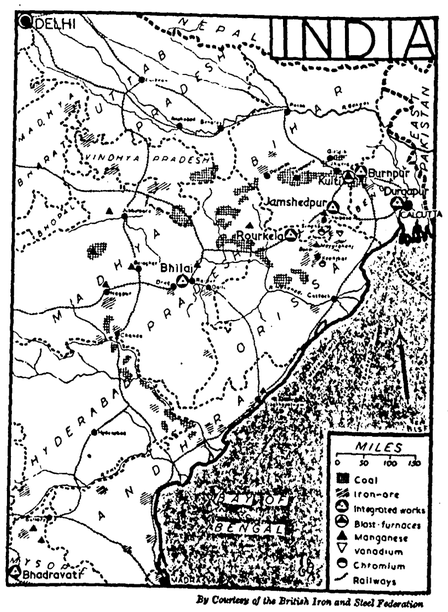
†As there are no statistics of consumption by industry, the Government allocations may be of interest; they are given in the following table:

(Thousand tons)

	1952	1953
Government—		
Defence and Railways	167	150
Government Development Schemes (including Housing and Community Schemes)	153	223
Housing Schemes for displaced persons	24	26
Private—		
Industrial Maintenance and Packing	106	92
Steel Processing Industries ...	287	313
Private Industrial Development Schemes	58	49
Agriculture	133	115
Plus ...		42*
The Indian States	119	87
Plus ...		42*
	1,047	1,139
Plus ...	50**	150**
	1,097	1,289

*Estimated tonnage of bars, rods and light structurals to consumers without permits from period II/1953.

**Estimated availability of heavy structurals and heavy rails which are outside the regular allotments since period IV/1952.



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Policy of Nationalisation

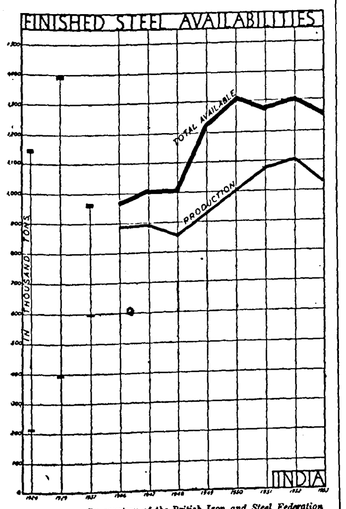
In 1948, the Government declared that their ultimate intention was to nationalise the iron and steel industry, but that no immediate action was to be taken and the position would be next reviewed in 1958. The immediate effect of such a statement was obviously to add to the industry's difficulty in obtaining further capital from either the home market or overseas.

Nevertheless, in 1950, a panel of Government experts compiled a list of industries which they advised the Government to make State monopolies. This list, whilst it included the railways and manufacture of arms and ammunition, mentioned only *new* undertakings as far as iron and steel was concerned. Reference to this subject in the first Indian Five-year Plan (1951-56) published in 1952, was, however, vague—stating that "in planning, the role that the State will have to play will be a crucial one. While his need not involve complete nationalisation of the means of production or elimination of private agencies in agriculture, business and industry, it does mean a progressive widening of the public sector and a reorientation of the private sector to the needs of a planned economy." The steel industry is therefore officially regarded as one for whose further development "the State is responsible, except to the extent that the co-operation of private enterprise is from time to time considered necessary."

Capital Shortage

It may be said that much of the equipment in the existing industry needs modernising. The strain of war-time demand certainly subjected plant and equipment to abnormal wear and tear, but the companies are reproached with not having kept pace with technological progress in pre-war years. In any case, these firms after the war had insufficient capital for the required large-scale modernisation and expansion.

The Indian Government has been faced with the same difficulty—and India's tardiness in establishing a State steelworks has been largely due to lack of finance. The financial aspect, however, represents only one side of the problem. Another difficulty in the years up to 1952 has been to find plant makers who were in a position to supply new equipment and to modernise older plant. Since the war, plant makers have been so occupied in replacing and renewing equipment in their own countries, and in those able to pay promptly, that markets



By courtesy of the British Iron and Steel Federation

such as India have had very little attention. Today, however, the whole situation has changed, for not only has India found the necessary finance, but plant makers are now seeking orders in a very competitive market.

Financial Aid

Part of the finance required for expansion in the private sector has been made available by the Government, both directly through loans, and indirectly by raising retention prices (explained later) and also by insisting that special depreciation allowances be set apart and used for implementing a programme of plant renewal, replacement and extension.

The steel companies themselves, from their current rate of operation, could allow no more than £22.4 million for expansion and replacements over the five-year period, yet it is estimated that a further £31.4 million was necessary. "This amount is so large," reported the Planning Commission, "that it will have to be mobilised from more than one source by and with the assistance of the State." The Government has come to the aid of the companies, and in the case of Tatas has granted a loan of £7.5 million for raising finished steel capacity from the present annual level of 780,000 tons of 931,000 tons by 1957-58. The Indian Iron and Steel Company, besides a large increase in pig iron capacity, is to increase annual finished steel potential from 350,000 tons to about 700,000 tons by the end of 1957, and has received from the Government a repayable advance of £7.5 million and an ordinary loan of £2.15 million. This is in addition to the £3.75 million previously granted and to the £11.25 million from the World Bank, which is being guaranteed by the Government. The Mysore Iron and Steel Company, has received a loan of £300,000, whilst other Government commitments for loans to steel development schemes amount to some £3 million.

Changes in Company Structure

Government financial assistance has not been granted without these companies agreeing to some fundamental changes in their structure. It was Government pressure which brought about the amalgamation of the Steel Corporation of Bengal with the Indian Iron and Steel Company on 1st January, 1953, a step which was certainly desirable on the grounds of efficiency. The Government has also secured participation in the direction of the companies by having its own nominees functioning as directors. Tata's long-standing proposal to convert its deferred shares into ordinary units was also supported by the Government and this resulted in shareholders accepting the scheme.

Whilst the expansion and modernisation programmes of the existing steel companies were being agreed, the possibilities of the long-discussed new State plant were also under discussion. An offer from a Japanese group suggesting Indo-Japanese co-operation in setting up a new steel plant was seriously considered, but negotiations broke down on Indian insistence that all control and management should remain in their hands. Nevertheless, the Japanese negotiations served one useful purpose, for they led to offers of assistance in establishing a new steel plant being received from various plant-making firms in several parts of the world.

German Plant

The Indian Government finally came to an agreement with the German concern Krupp-Demag A.G. (with whom they signed an agreement in Bonn in August 1953) to plan a steelworks at Rourkela in Orissa. Originally, the plant was to have an initial annual ingot capacity of 500,000 tons with provision for doubling that potential within three or four years, but it has now been made clear that the project is to be revised immediately to 1 million tons. Contracts, however, will not necessarily go to Germany, but will depend upon what offers are received from other countries. The Germans expected that the initial 500,000-ton capacity would be working within a period of four years, provided the ancilliary facilities, such as railways, water and electricity were available.

A company—The Hindustan Steel Company—has been formed with an authorised capital of £75 million to implement the agreement. The total capital cost of the initial project is estimated at £53.3 million, of which Krupp-Demag is to supply as a loan about £7 million. The balance of the share capital will be found by the Government of India. The German investment will be for a definite period of 10 years with the possibility of an extension. In this connection the Krupp concern has secured a credit of £4.3 million for a total of eight years—Frankfurt Export Credit Institute covering the first four years, whilst the Federal Government has agreed to step in and cover the period 1957-61.

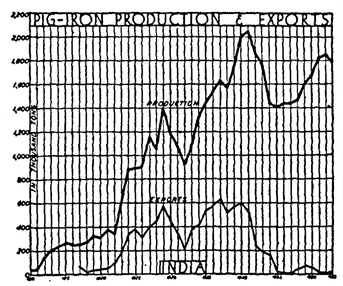
Russian Plant

Recently the Indian Government has signed an agreement with the Soviet Union to build a plant with a capacity of a million tons at Bhilai in Madhya Pradesh; this is, however, subject to ratification. Full cost of the project is estimated at £75 million, which will include the development of the site and building of the township. Of this amount, the Soviet Union will supply about £33 million of plant, machinery and equipment (excluding a sinter plant), all f.o.b. Black Sea or Baltic port, the amount to be repayable in rupees in 12 annual instalments at the very low rate of 2½ per cent. interest. If the agreement goes through, the works will from the outset be entirely controlled by the Indian Government. Whilst this will be the second steel plant established in India with foreign assistance, it will be the first major project outside the Communist bloc to be financially aided and constructed by the Soviet Union.

British Proposals

The Indian Government's policy of insisting that new undertakings in the iron and steel industry must be predominantly State-owned recently led to the failure of negotiations between the Metallurgical Equipment Export Company (M.E.E.Co.) of London and a group of Indian industrialists for building and operating a privately-owned steelworks at Durgapur in West Bengal. The British proposals, however, were then submitted direct to the Indian Government for consideration, backed by an indication from the British Government that financial assistance on a long-term credit basis would be available through the Export Credit Guarantee Department for a State-sponsored development exactly as it would be for a privately-owned enterprise. The offer has been "accepted in principle," and in view of Mr. Nehru's statement that both the Russian and the British offer may finally be taken up, it is likely to constitute the fifth large steelworks in the India of tomorrow.

(To be continued)



N.B.—Exports for years after 1924 are for 12 months to 31st March.

By courtesy of the British Iron and Steel Federation

NEW PRODUCTS AND PROCESSES

Portable Irrigation

AN irrigation system, based upon the use of plastic piping and which can be moved to any part of a farm or orchard is a new agricultural development in Australia. The units comprise two tubes of heavy gauge, unbreakable, heat-resisting plastic, which have jet sprays incorporated at regular intervals throughout their lengths. In the same manner as a fireman's hose is used, the plastic tubing is wound round a specially constructed reel. This can be hooked on to the back of a tractor. After being attached directly to the water main, the tubing turns out freely from the reel behind the tractor, and is laid down the centre of the area to be irrigated. When water is turned on, the jet sprays distribute it over considerable areas, the tubing being supplied in 400 feet lengths. After use, the tubing can be re-wound automatically, so that the tractor need not be driven over the soaked sections. The tubing, which is made by the Victorian company, Mobile Industrial Equipment Pty. Ltd., of Whitehorse Road, Nunawading (Australia), has the jet sprays at 20 feet intervals, and 400 feet will irrigate one acre of orchard.

Brown Coal Used for Cement Making

Manufacture of cement with the use of brown coal by the vertical kiln method has been successfully pioneered in Traralgon, Victoria (Australia). The low-grade fuel has been very much cheaper than that required for the rotary kiln technique, which uses black coal from New South Wales. Ground limestone, clay and fuel are formed together into small pellets or nodules, which are then burnt in a vertical kiln. The economy is based on the fact that the wet-process rotary kiln requires twice as much heat as a modern vertical kiln. Tests carried out in Government laboratories indicate that the strength of the cement from the Traralgon plant is well above that required by the Australian Bureau of Standards. Traralgon is 100 miles south-east of Melbourne, and the plant was built in ten months at a cost of just over £A300,000.

New Passenger Train

A new lightweight, high-speed passenger train being built for two American railroads is on display in New York. The train comes in three car units which are completely reversible. The cars are reported to be 50 per cent. lighter than conventional passenger coaches, and can seat 84 to 96 passengers. They are cheaper than standard coaches and the builders predict maintenance costs may be only one-fourth as much as with standard cars.

Ultrasonic Waves Prevent Honey Crystallation

Crystallation of honey, which causes large losses, can be prevented with ultrasonic waves, according to Dr. Socrates A. Kaloyereas of Louisiana State University's agricultural experiment station. Dr. Kaloyereas reports that honey treated with ultrasonic waves and stored for one to four weeks at temperatures from 40 degrees below zero Fahrenheit to plus 102 degrees Fahrenheit showed no signs of crystallising. Untreated samples of honey similarly exposed showed signs of crystallising and spoiling.

Seeing Through Steel

U.S. scientists and engineers have developed an inspection tool, which can "see" through steel seven inches thick, thus making available another use of atomic energy. The unit, which uses radio-active cobalt 60, has been named "Isoscope." The "Isoscope" requires only one-third the exposure time of a million volt X-ray unit used for inspection purposes. The unit was developed by the Babcock and Wilcox Company in Barberton, Ohio.

New Plastic for Tropic Packing

The Imperial Chemical Industries of Australia and New Zealand Ltd. (I.C.I.A.N.Z.) is now producing a transparent plastic film known as the "Visqueen" brand of polythene, and which in the United States is used extensively for packaging. The film is transparent, tough, durable and waterproof, with a soft waxy appearance, which makes it ideal for all methods of packaging. During World War II, the Visking Corporation of Chicago (U.S.) developed from polythene this special packaging material to protect arms and equipment against tropical humidity. By agreement, the Australian company is using the Visking patents and processes. The film can be made into packages to hold practically any type of liquid. In addition, it also "breathes" because of a special property of selective gas transmission which allows oxygen in and carbon dioxide out. Its water vapour transmission rate is extremely low.

Radio-equipped Lawnmowers

Grasscutting at London Airport has been planned like a military operation. Six giant tractor-drawn lawnmowers, each able to cut a swath 16 ft. wide, are to be fitted with two-way wireless to solve the problem of keeping the 1,100 acres of grass evenly cut, while aircraft from all over the world come and go at the rate of 400 a day. The manufacturers of the lawnmowers believe that by using wireless they have eliminated the possibility of accidents. "The tractors," they say, "work at a speed of 6 m.p.h., and that gives them plenty of time to get out of the way after a warning." What happens to the tons of grass cut every day? Most of it is processed and used as cattle food.

TAXATION ON GENERAL INSURANCE

GOVERNMENT URGED TO IMPLEMENT MATTHAI COMMISSION'S RECOMMENDATIONS

SOME concern is expressed by general insurers over the continued uncertainty in regard to the Government's decision relating to the Taxation Enquiry Commission's recommendations on the subject of taxation of general insurance offices. Naturally enough, the Commission's suggestions for the reform of the law relating to such taxation were widely welcomed by general insurers at the time they were published. It was then believed that the Government would not long delay their implementation. But it now looks as though the Government has not fully made up its mind to implement them. In any case, the delay is sufficiently long to justify the concern that is felt by the insurers.

Indeed, the delay is the more surprising because the Government has readily accepted certain other important recommendations of the Commission. Thus, it has implemented the Commission's recommendation for raising the maximum amount for abatement in respect of insurance premium and provident fund contribution to one-fifth of the total income subject to a maximum of Rs. 16,000 for Hindu undivided families and Rs. 8,000 for other assessees. It is not clear why the Government has found it necessary to delay the announcement of its decisions on the Commission's recommendations in respect of taxation of profits of general offices. It would appear that the Indian Insurance Companies Association has represented to the Government requesting early action on the Commission's suggestions for tax relief.

From the point of view of general insurers, the Commission's chief recommendation, it may be recalled, relates to the provision of reserves for unexpired risks. The companies are now allowed to set aside as reserves for unexpired risks upto 50 per cent. of the current year's premium income in respect of fire and miscellaneous insurance and 100 per cent. for marine insurance. Representations were made to the Taxation Enquiry Commission suggesting that Indian insurance companies should be enabled to attain a sound financial position by affording them necessary facilities to build up adequate reserves which would improve their competitive capacity and help them play their proper role in the future economy of the country. The Commission was impressed by these arguments. It agreed that general insurance in India was still in an "early stage" of development and needed "encouragement" for building up reserves. It accordingly recommended that the companies should be allowed to add 5 per cent. of their annual premium to the reserve every year, free of tax, until they reach 75 per cent. of annual premiums in respect of fire and miscellaneous business and 150 per cent. in respect of marine and aviation bulk business.

General insurers will appreciate an early announcement by the Government of its decision accepting the Commission's recommendations. In this connection, it is pointed out that the balance-sheets of insurance companies for 1954 are in the course of preparation at present. Many of these companies would like to provide for reserves in their revenue account on the revised basis recommended by the Taxation Enquiry Commission. They will be encouraged to do so if the Government specifically accepts the Commission's recommendations and the Central Board of Revenue issues necessary instructions to the income-tax authorities directing them to permit insurers to provide for reserves in accordance with the Commission's suggestions.

Yet another aspect of the Commission's recommendations, on which insurers would appreciate early action by the Government, relates to the question of taxation of treaties and other reinsurances placed outside India. General insurers have already represented to the Government how reinsurance is indispensable to the day-to-day operations of insurance companies and that any attempt at taxing the profits earned by foreign offices under reinsurance arrangements with Indian companies would seriously jeopardise the cause of Indian insurers in the international insurance market. Examining this problem, the Commission said that it was "impressed" by the consideration that such taxation would make foreign reinsurance companies reluctant to accept reinsurance from India. It added: "In the interests of general insurance business being built up in India, we would suggest that the best policy would be not to apply the interpretation that a business connection arises in such transactions." It, however, felt that no amendment of the law was necessary to bring about the result which could be secured by the issue of suitable executive instructions. This issue is of vital concern to the future of general insurance in India. For, if the Government's tax policy is so designed as to discourage the co-operation of well-established foreign insurers with Indian insurers, it is the latter, not the former, that will be the losers thereby. The continued uncertainty about the taxation of profits arising from reinsurance contracts is bound to curtail the freedom and initiative of Indian general insurers in placing, as well as obtaining, reinsurance contracts in the world's leading insurance markets. It is, therefore, to be hoped that the Government will clarify the position, specifically accepting the Commission's recommendations on the subject.

HERCULES INSURANCE

The report and accounts of the Hercules Insurance Company, Ltd. (Manager and Underwriter: Mr. E. K. Srinivasan, Calcutta), disclose that the Company has had another year of satisfactory working. Although premium income of this general insurance office in 1954 at Rs. 46 lakhs shows a slight fall as compared with the previous year when it was Rs. 49.24 lakhs, the underwriting profit for 1954 was actually higher at Rs. 8.87 lakhs, as against Rs. 8.51 lakhs in 1953. The Directors have recommended an increased dividend of Rs. 2 per share on the Rs. 10 paid-up share of the Company, as against Re. 1-8 paid last year. The increase in dividend is particularly noteworthy, because it is paid on the new capital which, through the capitalisation of reserves, stands at Rs. 24 lakhs, as against Rs. 12 lakhs at the end of 1953.

The fall in premium income, to which a reference was made at the outset, is due to a setback in the Company's Indian business. Thus, the premium income from the business done in India declined from Rs. 22.41 lakhs in 1953 to Rs. 19.10 lakhs in 1954, whereas the income from the Company's foreign portfolio has shown a small increase from Rs. 26.82 lakhs to Rs. 26.89 lakhs. The fall in premium income has been shared by the fire and accident departments. In the fire department, the premium income declined from Rs. 34.98 lakhs to Rs. 33.17 lakhs, while in the accident department it was lower at Rs. 6.30 lakhs, as against Rs. 8.06 lakhs. In the marine department, however, it was somewhat higher at Rs. 6.52 lakhs.

The mainstay of the Company is its fire department which yielded an underwriting profit of Rs. 6.87 lakhs, as against Rs. 6.05 lakhs in 1953. The accident department yielded Rs. 1.31 lakhs, as compared with Rs. 1.85 lakhs and the marine department Rs. 69,946, as against Rs. 61,420. In 1954, the income derived from interest and dividend aggregated Rs. 3.14 lakhs, as against Rs. 3.03 lakhs in the previous year. The underwriting profit in the three departments, together with interest and dividends and income from other sources, makes in all Rs. 12.21 lakhs. After providing Rs. 5.20 lakhs for taxation, the disposable balance of the year, including the amount brought forward from last year, is Rs. 10.15 lakhs. The Directors have transferred Rs. 2 lakhs to general reserve, as against Rs. 4 lakhs last year. The payment of the recommended dividend of Rs. 2 per share absorbs Rs. 4.80 lakhs, leaving a balance of Rs. 3.35 lakhs to be carried forward.

The financial position of the Company continues to be very strong. Besides a capital of Rs. 24 lakhs, the Company has reserves and funds aggregating Rs. 51.82 lakhs, inclusive of fire fund Rs. 16.59 lakhs, accident fund Rs. 3.15 lakhs and marine fund Rs. 6.52 lakhs.

FIRE LOSSES IN COTTON FACTORIES

The losses due to fires in cotton ginning and pressing factories, it is stated, are assuming serious proportions in certain centres. Since cotton in these factories is generally insured against fire, the insurers have had to pay, in recent years, large claims running into several lakhs of rupees. What is more regrettable about these losses is that many of them can be traced to avoidable causes. A serious and frequent cause of fire is stated to be sparks from railway engines. Because many of the factories are situated in the vicinity of railway stations and cotton is stocked in the compounds of the factories, even a single spark from a steam engine, it is stated, is sufficient to set ablaze the unprotected cotton stocks.

It would appear that, if the railway authorities installed spark arresters in these engines, there would be less chance of occurrence of such fire losses. On a former occasion, when the insurers took up this matter with the railway authorities, they were informed that, as there was a proposal to replace all steam engines by diesel engines, it was unnecessary to consider the question of installation of spark arresters. Since then, the proposal is stated to have been dropped. In any case, it seems clear that, since railway engines are a source of sparks, which either cause, or might conceivably cause, fires in the cotton pressing and ginning factories situated in the neighbourhood of railway stations, the authorities would do well to reconsider the question of installation of spark arresters. Such arresters, we are told, are an inexpensive and simple device. If this is correct, the authorities should be particularly sympathetic to the suggestion for adopting such devices. They will do well to appreciate the fact that these losses, irrespective of whether they are paid for or not, are a national waste.

INTEREST YIELD IN U.S.

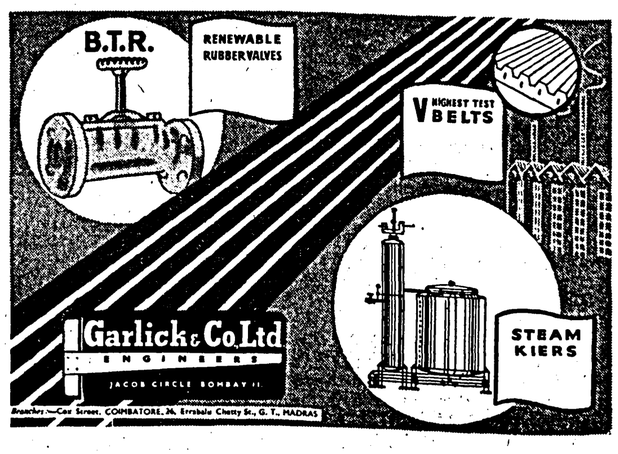
The net rate of interest earned on invested funds of U.S. life companies, according to the American Institute of Life Insurance, rose in 1954 to the highest level in the last 15 years. The net rate earned by the companies in 1954 was 3.46 per cent. before Federal income-taxes and 3.24 per cent. after such taxes, as against 3.36 per cent. and 3.15 per cent., respectively, in 1953. The before-tax rate, it is stated, was higher than in any year since 1939 when it was 3.54 per cent.; and after-tax rate was higher than in any year since 1942 when it was 3.36 per cent.

In 1954, the U.S. life companies had a gross investment income of $2,750 million. The increased investment earnings, resulting from the higher yields and increase in the total volume of investments, have been a factor in recent advances in policy bonuses, last year's bonuses to policyholders being $396.6 million greater than in 1947.

"ACT OF GOD"

The position of an insurer *vis-a-vis* losses arising from an act of God was explained by Mr. R. Olaf Hambro, Governor of the London Assurance, in the course of his annual statement to shareholders, circulated along with the report and accounts for 1954. He said:

"It is often said, ignorantly, that, since loss or damage has occurred through an act of God, no claim will fall on the insurer. This misconception probably originated in connection with liability claims where a man accused by his neighbour of negligence may sometimes plead both on his own behalf and on behalf of his insurance company that, since the event which led to loss or damage was an act of God, the accusation of negligence cannot lie against him. Should he succeed in this defence, his insurer also would be relieved of all responsibility. Outside the field of third party liability, however, where it is a question of the sufferer claiming compensation from his own insurance company, the defence of 'act of God' would be quite irrelevant and there are many events properly described as acts of God which can be covered by insurance, and for which the insurer must pay."



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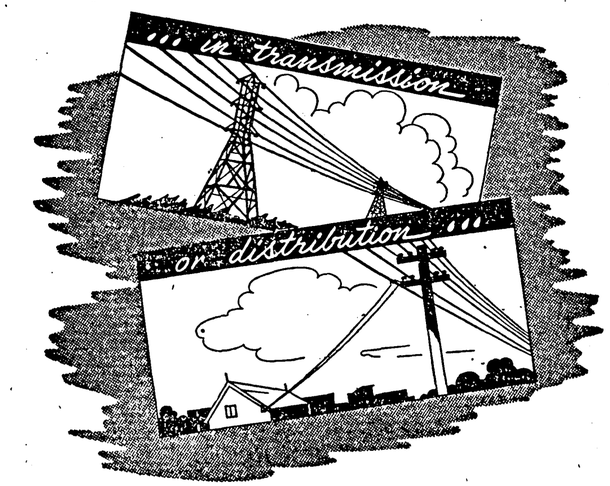

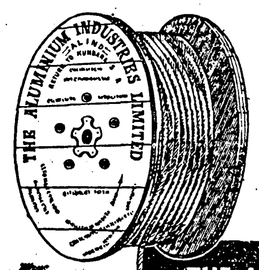

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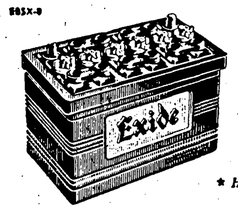

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ANDHRA CEMENT COMPANY, LTD.

MR. RAVIKANT D. SHAH'S SPEECH AT THE SEVENTEENTH ANNUAL MEETING

PRODUCTION CAPACITY TO BE EXPANDED

ADDRESSING the Seventeenth Annual General Meeting of the shareholders of the Andhra Cement Company, Ltd., held at Madras on 28th May, 1955, Mr. Ravikant D. Shah, Chairman of the Meeting disclosed that the Directors had decided to expand the Company's capacity from 300 to 500 tons and a licence had already been obtained for that purpose. This decision had been taken not only in view of the growing demand for cement but also with a view to bringing the cost of production and solving the problem of surplus labour. Speaking in general, Mr. Shah emphasised the need for close collaboration between the public and the private sectors of industry. A wholehearted co-operation of free enterprise, he submitted, would play a decisive part in the enrichment of the national economy. This required a favourable climate, but he found a discouraging atmosphere.

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

"GENTLEMEN,

"I have great pleasure in extending to you a hearty welcome to this seventeenth annual general meeting of our Company.

"The Directors' report and the audited accounts of the Company for the year ended 31st December, 1954, have already been circulated to you and with your kind permission, I will take them as read.

"We are all happy to note a slight, yet distinct, improvement in the international situation. The progress towards easing of tension is slow, but promising. Ever since the Bandung Conference hopes for world peace have brightened and there are reasonably promising indications for constructive achievements resulting from efforts by peace-loving leaders who have been often misunderstood. The part played by our country, or rather our Prime Minister, Sri Nehru, in those efforts is highly appreciated and heartily blessed by peace-loving peoples throughout the world. To us his efforts are particularly important, inasmuch as world peace is very essential for planned and speedy development of underdeveloped countries like ours.

"Nearer home, the recent Nehru-Ali talks at Delhi, though indecisive, have given hopes for better neighbourly relations and indications are not wanting to suggest that both India and Pakistan have realised the need to create better climate for peaceful co-existence, greater co-operation in matters of trade, travel and minority affairs and above all friendly relations aimed at co-prosperity. With full faith in our leaders, we can look to the future with hope.

Economic Progress

"On the economic front we are slowly, but steadily, advancing. The first Plan has taken the country a big step forward towards its economic objectives. The great river valley and irrigation projects have made a substantial contribution to the solution of the food problem. There has been steady increase in industrial production. The fact that there is no decrease in incidence of unemployment or of noticeable upturn in standard of living does not mean that there is no improvement. The real cause for this position is the fast increasing population. The greatest achievement of the first Plan has been that the people have become planning conscious and are realising more and more the advantages of co-operative effort, and we are encouraged to embark upon a more ambitious second Plan. Lessons learnt through mistakes, and information and experience gained during the first Plan will be availed of in framing and executing the second Plan.

"Our Government has adopted a policy to bring about socialistic pattern of society and there is no wonder, therefore, that Government would undertake major projects for the speedy development of the country's resources. It is also recognised that there would be a strategic control on private enterprise for planned and co-ordinated development. All the same, the need for close collaboration between the public and private sectors cannot be ignored. Wholehearted co-operation of free enterprise, I submit, will play a decisive part in the enrichment of the national economy.

"But this requires a favourable climate, whereas what we find is a discouraging climate. Unnecessary, vague and inconsistent references to the Avadi resolution, regarding socialistic pattern of society, by several leaders, the Fourth Amendment to the Constitution, making the issue of compensation unjusticiable, the Company Law Amendment Bill, the debate in the Lok Sabha on the State Bank Bill, the uncertainties regarding nationalisation, the labour opposition to rationalisation, etc., certainly create disturbing effect on the psychology of the investing public and adversely affect capital formation. Sometimes an impression is created as if the private sector is on probation and the risk capital has no chances of reasonable award.

Future of Private Sector

"I have said this just to show how imperative it is to avoid creating a discouraging climate. At the same time, I am not inclined to believe that Government is deliberately planning the destruction of private enterprise. I would refer to the Government-backed Industrial Finance Corporation and Industrial Credit and Investment Corporation for credit facilities to the private sector and the development rebate amounting to 25 per cent. of the cost of all new plant and machinery installed for business purpose, which is a very important concession. Our Prime Minister has also very often said that the Government desires the continued existence of the private sector. At the same time, it should not be forgotten that the private sector has few chances of survival, if it fails to fulfil public needs.

"I would now briefly refer to the affairs of our Company. The year under review has shown further small improvement both in production and sales. One of our two plants is fairly old, yet the production has been maintained at full capacity. You would naturally like to know why the profits are lower. As already indicated in the Directors' report, the cost has gone up. You may be aware that, whereas our selling price is fixed, several items of cost are beyond our control. As a small unit we have certain disadvantages in buying our packing materials at favourable rates. Coal was dearer, due to poor quality, and electricity was dearer, due to surcharge by the Government thermal station. Labour bill compared to output has also gone up. We have some surplus labour and we have to manage with it for the sake of industrial peace.

Capacity to be Raised

"Since the selling price is controlled, the only field where we can do something to earn better profits is cost of production. But we have now reached a stage where cheaper cost through higher production is not possible unless we expand our capacity. There is good demand for cement and it would grow further. The target for cement in the second Plan has been fixed at 10 million tons. Taking all these into consideration, your Directors have decided to expand the capacity of your Company. We have already obtained a licence for expanding our daily capacity from 300 to 500 tons. We are now planning to have the expansion completed as early as possible. Expansion of the sidings at factory is already undertaken; better lifting at quarries is being provided for and it is hoped that railways would meet our additional requirements for moving in raw materials and moving out cement. We have already arranged for higher capacity crushing and packing. The proposed expansion would also help us solve the problem of surplus labour.

Adequate Depreciation

"There has been a big cut in the provision for depreciation compared with last year. In this connection, I would draw your attention to the provision made for rehabilitation and expansion fund amounting to Rs. 2,15,798. When you take this into consideration, I assure you that depreciation is adequately looked after.

"Labour-management relations have been satisfactory during the year, but at some cost. We have been always tackling labour demands in a spirit of accommodation, of course, within our limitations. We have during the year met some of their demands. With lower profits we have recommended the same percentage of bonus (25 per cent. of basic earnings). I am sure our labour friends would appreciate the spirit and work with greater co-operation and higher efficiency leading to industrial peace and increased output so essential for co-prosperity for themselves and the shareholders.

"Our subsidiary, Andhra Cement Construction Co., Ltd., has made a small beginning and in due course it would have its due share in major works planned in the State of Andhra. It is moving very cautiously and I hope the current year would show satisfactory results.

Outlook

"I know you would like me to say something about the future. Well, so far as production is concerned it is being maintained at last year's level. We are trying to economise our cost where possible. I can assure you that your Directors are devoting sufficient care for the balanced development of your Company, keeping in mind always the welfare and well-being of the workers and the interests of the shareholders. Our objective is more cement, better cement, cheaper cement. When I say cheaper cement, I mean lower cost of production through higher efficiency on the part of labour and on our part too.

"With these words, gentlemen, I now beg to move this resolution:

"'Resolved that the following statement, pursuant to section 132-A of the Indian Companies Act, may be treated as forming part of the balance-sheet:

'Andhra Cement Construction Company, Limited, Vijayawada, is a subsidiary Company of this Company registered in Indian Union. Andhra Cement Construction Company, Limited has earned profits for the period ended 31st December, 1954. The profits of the subsidiary Company have been carried forward in the accounts of that Company and such profits have not been taken into account of the Holding Company in arriving at the profits of this Company'

and that the audited balance-sheet and profit and loss account for the year ended 31st December, 1954, together with the Directors' report and the statement pursuant to section 132 (A) of the Indian Companies Act, be and are hereby adopted.'"

The Government of India has set up an *ad hoc* committee to consider the working conditions of labour in the building and construction industry in the country. The Committee, which will be tripartite in character, will also consider the working of the fair wage clause and labour regulations in contracts of construction work of the Central and State Governments, special amenities for women workers and the adoption of an advisory guide. Besides, the Committee will examine the question of the enforcement of labour standards in the industry.

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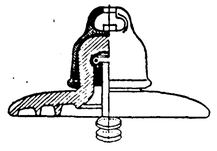

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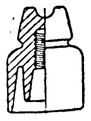

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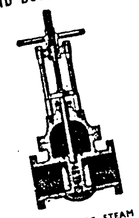

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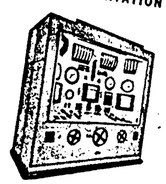

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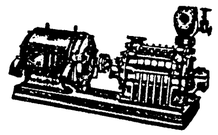

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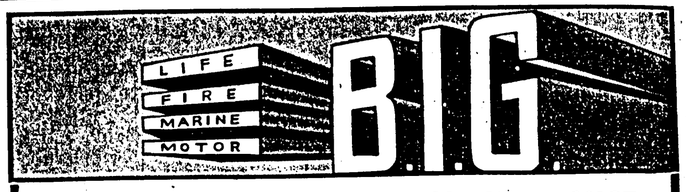

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SHREE DIGVIJAY CEMENT COMPANY, LIMITED

MR. G. D. SOMANI'S SPEECH AT TENTH ANNUAL GENERAL MEETING

PROMPT MEASURES FOR EXPANDING RAILWAY TRANSPORT FACILITIES URGED

THE inadequacy of railway transport facilities to meet the growing needs of the expanding industrial sector of Saurashtra was brought to the notice of the Railway Board by Mr. G. D. Somani, M.P., Chairman of Shree Digvijay Cement Company, Ltd., in the course of his address to the shareholders of the Company at their Tenth Annual General Meeting held at Sika (Jamnagar) on 6th June, 1955. Mr. Somani made a reference to the above problem in view of the Company's ambitious expansion programme. He doubted whether the Company's requirements of additional railway wagons, when its second plant goes into production next year, would be met, because even its present needs were yet to be satisfied. Mr. Somani also stressed the urgency for introducing a scientific and rational freight rate structure.

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

"GENTLEMEN,

"I have great pleasure in welcoming you all to the tenth annual general meeting of the shareholders of the Company and placing before you for adoption the audited balance-sheet and profit and loss account of the Company for the period ended 31st December, 1954. The Directors' report and the accounts have been in your hands for some time and I propose with your consent to take the same as read.

"The profits for the year under review have been Rs. 23,71,008-2, after making a provision of Rs. 18,00,000 for depreciation. Your Company has still arrears of approximately Rs. 18,70,000 for depreciation and thus, if provision is made to cover this outstanding amount, there is a net surplus of only Rs. 5,00,000.

"Last year's production of clinker and cement was 211,015 tons and 236,268 tons, respectively, while the despatches during the period were 240,767 tons. I hope the results shown in the face of transport difficulties which the Company had to face will be regarded as fully satisfactory.

Extension Plans

"As you must have seen from the Directors' report, an order for the second extension plant of an additional annual capacity of about 2 lakh tons has been placed during the period. You will please appreciate that within five years of the period of starting the factory, it has been possible for your Company to complete its first extension plant to double the original capacity and then embark upon its second extension to double the extended capacity. It should be realised that the Company, ever since its inception, has been working under tremendous handicaps and, therefore, its progress under the difficult circumstances may be regarded as remarkable.

"The financial obligations which the ambitious extension plans have imposed upon the Company are really heavy. The second extension plant will entail much higher capital outlay as compared with the first one, due to higher capacity. Moreover, this tremendous increase in capacity will involve much larger handling of raw materials and finished product. It has, therefore, become unavoidably necessary to arrange the handling and transport by mechanisation, so that this heavy daily turnover could be handled expeditiously and economically and, accordingly, besides the order for the actual second extension plant, the Company has either placed or has under active negotiation various other orders for working its limestone quarries and the sea-sand deposits. This ambitious programme of additional new plant and machinery will involve a huge capital outlay and hence your Directors have been following a conservative policy in distributing dividend, so that the Company's liquid resources could be utilised in implementing the vast programme of expansion. This policy of expansion and modernisation will place the Company in a much better position in the long run and I have, therefore, no doubt this programme will have your full support.

"I would like to draw the attention of the Railway Board to the difficulties that your Company still continues to face in the matter of securing adequate railway wagons for the transport of raw materials, coal and cement. I must acknowledge that the position has shown gradual improvement throughout, but the fact remains that the railway transport facilities are still far from satisfactory. We accepted some time ago, on the initiative of the Railway Board, an arrangement to store our coal stocks at Viramgam dump, but even this arrangement has not worked satisfactorily.

"Apart from the present tight position of the supply of railway wagons, I am more worried about the future, when, with the second extension plant expected to go into production some time during the middle of next year, our requirements of railway wagons will be almost doubled. When we have to struggle so hard even for meeting our present requirements, we are naturally apprehensive of the tremendous difficulties that we may have to face when our second extension plant goes into production. We are continuously making representations and I hope the Railway Board will take suitable measures promptly to improve railway facilities in Saurashtra region, so that the increasing needs of the expanding industrial sector of Saurashtra may be adequately met. In this connection, I would strongly urge upon the Railway Board to link this area with the broad-gauge system, so that there may be permanent improvement.

Railway Freight Rates

"The question of introducing a scientific and rational freight rate structure is of vital importance to the industrial development of the country. Railway freight charges have, unfortunately been going up year by year and no attention has so far been paid by the Railway Board to the series of representations made by various industrial organisations from time to time in the matter. Indeed, the last increase in freight rates between 150 and 300 miles have further imposed heavy additional burden on the cement industry.

"Cement distribution is controlled by Government and factories are required generally to sell their product within their own economic zone which mostly lies within 300 miles from the factory. Therefore, while the small relief given to the long-distance traffic will not in any way benefit the cement industry, it has to bear the additional burden imposed on the traffic moving between 150 and 300 miles. I, however, welcome the decision of the Railway Minister to appoint a Committee to examine the present freight rate structure and I hope the whole structure will be carefully examined, so that the same may be scientifically revised to suit the developmental needs of your expanding Company.

"The production of cement has been steadily increasing year by year. The remarkable progress made by the industry will be evident from the fact, that, while the total production was only 1,591,098 tons in 1948, the same has gone upto 4,367,871 tons in 1954. Still more ambitious expansion of the industry is envisaged under the second Five-year Plan and a target of 10 million tons has been already set for the industry. The country is embarking upon a dynamic programme of development in the second Five-year Plan and the consumption of cement is bound to increase further progressively year by year.

"The industry is capable of achieving this ambitious target, as it has already shown by its remarkable progress during the first Five-year Plan period. I would like to draw the attention of the Government to the imperative need for allowing the industry to plough back adequate resources required for expansion of its productive capacity. The Government have recently allowed the steel industry an increase in prices to build funds for expansion purposes. It is to be hoped that the Government will allow the cement industry also to build up adequate resources to enable various units to carry out their expansion and development programmes.

Favourable Conditions Needed

"If the primary objective of raising the standard of living of our people substantially and eliminating the serious menace of growing unemployment is to be achieved within a reasonably short period, then favourable conditions will have to be created under which the talent, experience and resources of all sections of our people will be fully utilised for completing this gigantic task of building a new India. We have, as a matter of fact, to fight poverty and unemployment on a war-time basis and as in cases of war or national emergency, all our resources, human and material, must be harnessed for achieving our national goal as quickly as possible. When such gigantic task lies ahead, there is no room for any controversy and the widest possible scope should be given for peoples' creative energies and resources to be utilised in constructive and productive channels. It is, therefore, regrettable that at such a historical period, we are engaged in frittering our energies in fruitless controversies and in creating conditions which might come in the way of accelerating the pace of economic development. Plans are being made to extend the public sector even beyond its capacity and its present limitations and deficiencies, due to lack of adequate administrative and technical personnel of the right calibre and various other factors, are being ignored. On the other hand, conditions are being created under which it will be extremely difficult for the private industrial sector to play its due and proper role in expanding the productive capacity of the country. The private industrial sector is really capable of doing much more than the place that is being assigned to it in the second Five-year Plan now under formulation and, given the necessary scope and incentive, private enterprise can play a very vital role in promoting economic development of the country."

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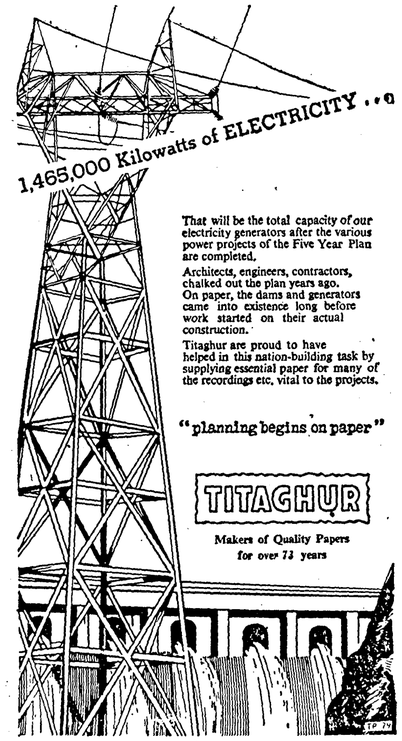

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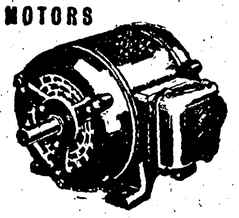

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WORLD INDUSTRIAL PRODUCTION MAINTAINED

INCREASE IN OUTPUT OF RAW MATERIALS

WORLD industrial production during 1954 was precisely the same as in 1953, the relative index figure remaining unchanged at 137. The high level of output from mines and factories of the world, excluding the U.S.S.R., China and Eastern Europe, was maintained, despite a fall in output to the tune of 7 per cent. in the U.S. and 2 per cent. in Canada. The marked decline in these two countries was, however, offset by increases in output in Western Europe and Latin America. The table below giving the percentage of increase in production over that of the preceding year and the index figures for 1953 and 1952, reveals, at a glance, the trends of production in the world and in the different countries during each of the three years ended 1954:

*Growth of Industrial Production**

(Mining and manufacturing only)

	Percentage of increase over the previous year			Index 1948=100	
	1952	1953	1954	1953	1954
World	2	7	..	137	137
Western Europe ..	..	6	9	148	161
Austria	1	2	14	185	211
Belgium	—3	..	8	113	122
Canada	3	6	—2	126	123
Denmark	—4	4	5	119	126
France	4	—8	9	126	138
W. Germany	7	7	12	258	289
India	10	5	6	124	132
Italy	8	10	9	163	178
Japan	10	23	6	264	300
Netherlands	—1	12	8	143	154
Norway	1	4	6	139	147
Sweden	—2	..	3	111	115
U.K.	—4	6	7	122	130
U.S.	3	8	—7	129	120

* Figures exclude U.S.S.R., China and Eastern Europe.

The most important gains in production, as revealed in the table above, are stated to be, according to the *U.N. Monthly Bulletin of Statistics* (April 1955), in those countries whose economies were capable of turning out substantial quantities of durable consumer goods, such as passenger cars, household appliances and other metal consuming products. Production of chemicals rose rather prominently not only in Western Europe, but also in the rest of the world. As production began to accelerate in North America towards the end of the year, the index of world production reached the highest point which had not been attained earlier.

North America

In the U.S., mining and manufacturing output declined, as stated at the outset, by 7 per cent. in 1954, as compared with that of the previous year. The 1954 index would have been lower still, had there not been a marked increase in the output in the last quarter of the year. This was able to make up, to a certain extent, the fall of 9 per cent. witnessed during the first nine months of the year, as compared with that during the same period of 1953. Activity in the last quarter was particularly strong in the chemical industry which reached a new record in the period. In the other spheres of manufacture, transportation equipment, though higher than in any year, except in 1953, declined from 185 per cent. in 1948 to 171 per cent. in 1954. Production of trucks was 25 per cent. lower than in 1953. The output in textile mills declined by 9 per cent., the fall being marked in woollen goods. There was, however, no change in the output of food and beverages.

Another feature of U.S. industrial production was the decline in the number of workers employed in manufacturing industries. Although the index of employment in manufacturing showed that there were no more production workers in 1954 than in 1948, the output was 23 per cent. higher in 1954 than in 1948. The last quarter of 1954 had the highest production of manufactures while the first quarter had the highest level of employment in manufacturing.

Mining activity in the U.S. in 1954 was 4 per cent. lower than in 1953. This was due to a decline of 14 per cent. and 20 per cent. in coal and metal mining, respectively.

In Canada, the total output declined by 2 per cent. in 1954, as compared with that in the preceding year. But marked increases were seen in mining activity, nickel and petroleum being the chief contributors. In manufacturing, output was slightly higher despite a fall of 15 per cent. in textiles. Moderate gains were recorded by food and paper industries. Durable manufactures, however, reported a decrease of 8 per cent. But only a small increase was seen in production of electricity and gas.

Every country in Western Europe reported substantial increases in output in 1954 over the corresponding figures for the previous year. The tempo of production was high in the second and third quarters. In the U.K., however, factory output in the last quarter was 6 per cent. more than in the same period of 1953 and 39 per cent. greater than in 1948. This was due principally to increases in motor vehicles, chemicals and paper and printing industries. Among those industries in which the output did not increase as much as the total were textiles, ferrous metals and food and beverages. There was also a record level of employment in manufacturing in 1954. Mining in the U.K. did not expand as greatly as manufacturing. Coal production in the last quarter of 1954 was a million metric tons lower than in the corresponding period of 1953.

In France, the output in 1954 was 9 per cent. larger than in 1953. French factories increased their output more than did mines and quarries. Chemicals rose by 16 per cent., metal products, machinery and transport equipment by 7 per cent., motor cars by 19 per cent. and commercial vehicles by 26 per cent. over the corresponding figures for 1953.

West Germany

In West Germany, the volume of production during 1954 rose at an increasing rate, reaching a level of 12 per cent. greater than during the previous year. Employment also rose 6 per cent. higher in plants and factories than in 1953. The rate of increase was higher in export industries such as machinery, transport equipment, electrical goods, etc. Production of passenger cars, for instance, was 40 per cent. higher than in 1953. Striking gains were witnessed in steel and chemical industries. As a result of increased production, exports rose by 25 per cent. in 1954.

Among the other countries of Europe, the output in Italian factories was 9 per cent. higher than that in 1953. In Austria it was 10 per cent. above the 1953 figure, and a similar increase was seen in the factories of the Netherlands. In Belgium, Denmark, Norway and Sweden, the increases were, however, below the regional average. The Scandinavian economies did not gain as rapidly as their Southern neighbours.

Japan

In Japan, the output for the year was 7 per cent. above that of 1953, which had, in turn, been 21 per cent. above the output of 1952. The decline began in the second quarter of 1954 and continued till production in the last quarter was no higher than that of the same period of 1953. The textile industry was the first of the major sectors to weaken, but this was overcome by the end of 1954. Metal and metal production also was lower in 1954.

In India, industrial enterprises produced approximately 6 per cent. more in 1954 than in 1953. Gains were greater in the production of iron, steel and machinery than in the production of cotton textiles, which was only slightly above 1953 levels for the first ten months of the year.

There was also considerable increases in the production of important industrial raw materials in 1954. The table below shows the trend of production of these in each of the five years ended 1954:

World Production of Raw Materials and Electricity

(In million metric tons)

	1950	1951	1952	1953	1954
Coal	1,816	1,876	1,844	1,852	1,987
Crude petroleum ..	484.5	550	575.7	605.2	627.2
Cement	122.1	136.2	144.2	158.3	169.0
Pig-iron	112.9	126.3	125.3	138.4	136.1
Crude steel	161.0	178.1	175.0	194.2	180.1
Copper	2,285	2,387	2,410	2,474	2,485
Zinc	1,827	1,939	2,003	2,083	2,113
Lead	1,544	1,492	1,627	1,646	1,726
Tin	176	170	171	184	185
Aluminium	1,311	1,600	1,809	2,138	2,456
Rubber (Natural) ..	1,890	1,916	1,819	1,753	1,832
Electricity	858	954	1,022	1,115	1,197

It will be seen from the above figures that there was a rise of 12 per cent. over the figure for 1953 in the output of aluminium. This metal ranked fourth behind copper, lead and zinc in 1948. In 1954, production had increased by 118 per cent. over that of 1948. In view of the relative lightness of the metal when compared with other non-ferrous metals, it is estimated that, in terms of actual usage, the volume of aluminium produced in the world has exceeded the combined volume of copper, lead and zinc in each of the last two years. Owing to U.S. output, the 1954 world production of iron and steel was down by 9 per cent. and 7 per cent. respectively, from the 1953 levels. The production of crude petroleum, however, rose by 4 per cent., despite a fall of 2 per cent. in the U.S. output.

CALCIUM CHLORIDE INDUSTRY

FALL IN COSTS RENDERS PROTECTION UNNECESSARY

THANKS to eight years of continued tariff protection, the calcium chloride industry has reached a stage of development where continuance of further protection is considered not necessary. According to the Tariff Commission, the fair ex-works price of indigenous calcium chloride is less than the landed costs, without duty, of imported calcium chloride. The Commission which investigated the claims of this industry for protection in September last has, therefore, recommended that protection to it should not be continued beyond 31st December, 1955. The Government has accepted this recommendation.

There are at present two units manufacturing calcium chloride in India. One of them, the Pioneer Magnesia Works Ltd., produces calcium chloride from bitterns, obtained from the Government salt works at Kharaghoda. The other one, the Dhrangadhra Chemical Works Ltd., uses the effluent of its soda ash plant in the manufacture of calcium chloride. The Pioneer Magnesia Works has been granted by the Government a fresh lease for 25 years from January, 1954, to use all the bitterns remaining after the extraction of salt from the brine in the salt pans at the Government salt works at Kharaghoda. The Company has to pay a royalty at the rate of 2½ per cent. on the ex-works selling price of magnesium chloride and magnesium sulphate and 1 per cent. on the price of other products of the Company. The Company is manufacturing magnesium chloride and calcium chloride and is investigating the possibility of producing Epsom salt from magnesium hydroxide recovered in the process of manufacturing calcium chloride. The present rated capacity of this factory is about 1,000 tons, but its actual production in 1954 was 359 tons, as compared with 369 tons in 1953 and 193 tons in 1952.

About 120 tons of calcium chloride in the form of effluent are available daily with the Dhrangadhra Chemical Works. Most of this effluent is at present allowed to go waste. Only a part of this is being utilised in the manufacture of calcium chloride. The Company's rated capacity of this chemical is 1,125 tons per annum. But its actual production in 1954 was 165 tons, as against 364 tons in the preceding year.

The demand for calcium chloride in the country is estimated at 950 tons. This is likely to increase to 1,100 tons per year in the course of the next three years. As against this, the rated capacity of the two units is 2,125 tons per annum. The country can, therefore, be self-sufficient in this chemical.

As regards the quality of the indigenous calcium chloride, the information supplied to the Commission reveals that such is generally satisfactory. It is admitted, however, that the colour of calcium chloride manufactured by the Pioneer Magnesia Works was blackish, but the producer has, according to the Commission, given the assurance that precautions would be taken to avoid deterioration in colour in future. The Indian Standards Institution has not yet evolved standard specifications for calcium chloride produced in the country. The Commission has, therefore, recommended that steps should be taken by the Institution to formulate standard specifications for the indigenous calcium chloride in consultation with the industry as early as possible.

The cost data, as compiled by the Commission, reveal that the actual cost of production amounted to Rs. 14.86 per cwt. in the case of Pioneer Magnesia Works, and at Rs. 9.54 per cwt. in the case of Dhrangadhra Chemical Works. The fair ex-works price, calculated on the basis of these costs, remains unchanged in the case of the former at Rs. 14.86 per cwt. while it is slightly lower at Rs. 8.66 per cwt. of calcium chloride produced by the Dhrangadhra Chemical Works. For sale of the chemical to port towns, the Commission has estimated the disadvantage on account of railway freight at Rs. 2 per cwt. and this sum has been added to the fair ex-works price of the indigenous calcium chloride. For the purpose of comparison with the c.i.f. price of imported calcium chloride, the Commission has adopted the fair ex-works price of the Dhrangadhra Chemical Works Ltd. Several reasons are given in support of this choice. First, the cost of production of this unit is much lower than that of the Pioneer Magnesia Works Ltd. Secondly, this latter firm is expected to be in a position to effect a reduction in its costs, following the implementation of plans for reorganis-

(*Continued on page 1133*)

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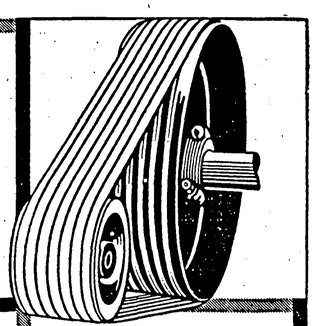

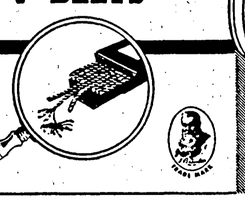

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Notices

IMPERIAL BANK OF INDIA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Principal Register and the Branch Registers of the Imperial Bank of India will be closed for transfer of shares from Thursday the 16th June, 1955, to Thursday the 30th June, 1955, both days inclusive.

In terms of Section 6(1)(*a*) of the State Bank of India Act, 1955, all shares in the capital of the Imperial Bank of India shall be transferred to, and shall vest in, the Reserve Bank of India, free of all trusts, liabilities and encumbrances on the "appointed day" which has been fixed for the 1st July, 1955, by the Government of India Notification No. F.8(8)-F.I./55, dated the 14th May, 1955. Section 9(1) *ibid* provides that every person who immediately before the 1st July, 1955, is registered as a holder of shares in the Imperial Bank of India shall be entitled to compensation in accordance with the provisions contained in the First Schedule.

All purchasers of Imperial Bank of India shares are therefore advised to lodge with the Bank for registration the instruments of transfer in their favour along with the relative share certificates, *not later than the 15th June, 1955.*

S. K. HANDOO,
Managing Director.

BOMBAY, *17th May*, 1955.

SHAW WALLACE AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninth Ordinary General Meeting of the Members will be held at the Registered Office of the Company, 4, Bankshall Street, Calcutta, on Wednesday, 29th June, 1955, at 3 p.m., for the following purposes:

(1) To receive and adopt the Directors' Report and Audited Accounts for the year ended 31st December, 1954.
(2) To declare a Dividend on the Ordinary Shares.
(3) To elect Directors.
(4) To appoint Auditors and to fix their remuneration.

The Transfer Register of the Company's Ordinary Shares will be closed from 20th June to 29th June, 1955, both days inclusive.

By Order of the Board,
R. H. D. CAMPBELL,
Managing Director.

4, BANKSHALL STREET,
CALCUTTA, *1st June*, 1955.

THE BURDWAN CUTWA RAILWAY COMPANY, LIMITED

THE FORTY-EIGHTH ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Friday the 24th June, 1955, at 4-15 p.m., to transact the following business:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st March, 1954.
2. To declare a Dividend.
3. To elect Directors.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 15th to 24th June, 1955, both days inclusive.

By Order of the Board,
MCLEOD & CO., LTD.,
C. L. BAJORIA,
Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *6th June*, 1955.

Note.—Payment of the proposed dividend, if declared, will be made on or after 8th July, 1955, to those members whose names are registered in the Books of the Company on 24th June, 1955, or to their Mandatees.

Applications for warrants will not be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE AHMADPUR KATWA RAILWAY COMPANY, LIMITED

THE FORTY-SEVENTH ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Friday the 24th June, 1955, at 4-20 p.m., to transact the following business:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st March, 1954.
2. To declare a Dividend.
3. To elect Directors.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 15th to 24th June, 1955, both days inclusive.

By Order of the Board,
MCLEOD & CO., LTD.,
C. L. BAJORIA,
Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *6th June*, 1955.

Note.—Payment of the proposed dividend, if declared, will be made on or after 8th July, 1955, to those members whose names are registered in the Books of the Company on 24th June, 1955, or to their Mandatees.

Applications for warrants will not be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE BANKURA DAMOODAR RIVER RAILWAY COMPANY, LIMITED

THE FORTY-EIGHTH ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Friday the 24th June, 1955, at 4-25 p.m., to transact the following business:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st March, 1954.
2. To declare a Dividend.
3. To elect Directors.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 15th to 24th June, 1955, both days inclusive.

By Order of the Board,
MCLEOD & CO., LTD.,
C. L. BAJORIA,
Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *6th June*, 1955.

Note.—Payment of the proposed dividend, if declared, will be made on or after 8th July, 1955, to those members whose names are registered in the Books of the Company on 24th June, 1955, or to their Mandatees.

Applications for warrants will not be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

CALCUTTA GAS COMPANY (PROPRIETARY) LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Seventh Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at No. 8, Dalhousie Square East, Calcutta, on Tuesday the 28th June, 1955, at 4-30 p.m., for the purpose of receiving and passing the Directors' Report, Audited Accounts for the year ended 30th September, 1954, and declaring the Dividend recommended by the Directors, electing Directors, appointing Auditors, and for transacting any other business that may be brought forward.

The Share Transfer Register of the Company will be closed from the 20th June, 1955 to 28th June, 1955, both days inclusive.

By Order of the Board,
For & on behalf of
CALCUTTA GAS COMPANY (PROPRIETARY) LTD.,
SOORAJMULL NAGARMULL,
Secretaries.

8, DALHOUSIE SQUARE EAST,
CALCUTTA 1, *31st May*, 1955.

THE KALIGHAT FALTA RAILWAY COMPANY, LIMITED

THE FORTY-SIXTH ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Friday the 24th June, 1955, at 4-30 p.m., to transact the following business:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st March, 1954.
2. To declare a Dividend.
3. To elect a Director.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 15th to 24th June, 1955, both days inclusive.

By Order of the Board,
MCLEOD & CO., LTD.,
C. L. BAJORIA,
Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *6th June*, 1955.

Note.—Payment of the proposed dividend, if declared, will be made on or after 8th July, 1955, to those members whose names are registered in the Books of the Company on 24th June, 1955, or to their Mandatees.

Applications for warrants will not be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE KATAKHAL LALA BAZAR RAILWAY COMPANY, LIMITED

THE FORTY-FOURTH ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Friday the 24th June, 1955, at 4-35 p.m., to transact the following business:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st March, 1954.
2. To declare a Dividend.
3. To elect a Director.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 15th to 24th June, 1955, both days inclusive.

By Order of the Board,
MCLEOD & CO., LTD.,
C. L. BAJORIA,
Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *6th June*, 1955.

Note.—Payment of the proposed dividend, if declared, will be made on or after 8th July, 1955, to those members whose names are registered in the Books of the Company on 24th June, 1955, or to their Mandatees.

Applications for warrants will not be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE RAMPOORIA PROPERTIES LTD.

NOTICE IS HEREBY GIVEN THAT THE Seventh Annual Ordinary General Meeting of the Shareholders of THE RAMPOORIA PROPERTIES LIMITED will be held at its Registered Office, 148, Cotton Street, Calcutta, on Monday the 11th July, 1955, at 2 p.m.

Your presence is requested.

By Order of the Board of Directors,
NATHMULL RAMPURIA,
Director.

AGENDA

1. To receive and consider the Directors' Report for the year ended 31st March, 1954.
2. To receive and consider the Audited Accounts for the year ending 31st March, 1954.
3. To declare Dividend.
4. To elect Directors.
5. To elect Auditors and to fix their remuneration.
6. Miscellaneous.

The Share Transfer Register will remain closed from 27th June, 1955, to 11th July, 1955, both days inclusive.

148, COTTON STREET,
CALCUTTA, 2nd June, 1955.

Notices

ALLIANCE JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Twentieth Ordinary General Meeting of the Shareholders of ALLIANCE JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 27th June, 1955, at 3 p.m. for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report, and to pass the Accounts for the half-year ended 31st December, 1954.
(2) To declare Dividends.

The Share Transfer Books of the Company will be closed from 13th to 27th June, 1955, both days inclusive.

By Order of the Board,
Per Pro MCLEOD & CO., LTD.,
W. URE,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *6th June*, 1955.

Note.—Payment of the proposed dividends, if declared, will be made on or after 4th July, 1955, only to those members whose names are registered in the books of the Company on the 27th June, 1955, or to their Mandatees.

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

THE FORT WILLIAM JUTE COMPANY LIMITED

NOTICE

THE HALF-YEARLY ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 14, Netaji Subhas Road, Calcutta, on Monday the 27th June, 1955, at 3-30 p.m. for the following purposes:—

(1) To receive and adopt the Directors' Report and the Audited Accounts for the half-year ended 31st March, 1955.
(2) To declare Dividends.
(3) To elect a Director.
(4) To appoint Auditors.
(5) To transact any other ordinary business of the Company.

The Share Transfer Books of the Company will be closed from 14th June to 27th June, 1955, both days inclusive.

By Order of the Board,
Per Pro BANGUR BROTHERS LTD.,
(Sd.) B. G. BANGUR,
Managing Agents.

CALCUTTA, 31*st May*, 1955.

THE OSMANSHAHI MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-second Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, 159, Gunfoundry Road, Hyderabad-Dn., on Tuesday the 28th day of June, 1955, at 10-30 a.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 30th September, 1954.
2. To appoint Directors in place of those who retire from the Board under Articles Nos. 93 and 101 of the Company's Articles of Association and being eligible, offer themselves for re-election.
3. To appoint Auditors for the current year and to fix their remuneration.
4. To transact any other business the Chairman may bring before the Meeting.

NOTICE is also hereby given that the Transfer Books of the Company will be closed from the 20th day of June, 1955, to the 2nd day of July, 1955, both days inclusive.

By Order of the Board,
C. S. TYABJEE,
Managing Agent,
FOR THE INDUSTRIAL TRUST FUND,
GOVERNMENT OF HYDERABAD,
Secretaries, Treasurers & Agents,
The Osmanshahi Mills Ltd.

23rd *April*, 1955.

THE AZAM JAHI MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-fourth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, 159, Gunfoundry Road, Hyderabad-Dn., on Tuesday the 28th day of June, 1955, at 4-00 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 30th September, 1954.
2. To appoint Directors in place of those who retire from the Board under Article 102 of the Company's Articles of Association and being eligible, offer themselves for re-election.
3. To appoint Auditors for the current year and to fix their remuneration.
4. To transact any other business the Chairman may bring before the Meeting.

NOTICE is also hereby given that the Transfer Books of the Company will be closed from the 20th day of June, 1955, to the 2nd day of July, 1955, both days inclusive.

By Order of the Board,
C. S. TYABJEE,
Managing Agent,
FOR THE INDUSTRIAL TRUST FUND,
GOVERNMENT OF HYDERABAD,
Secretaries, Treasurers & Agents,
The Azam Jahi Mills Ltd.

23rd *April*, 1955.

1954-55

THE SIMPLEX MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-third Ordinary General Meeting of Shareholders of The Simplex Mills Company Limited, will be held at the Registered Office of the Company, Forbes Building, Home Street, Fort, Bombay, on Tuesday the 5th July, 1955, at 5-0 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and Audited Statements of Account for the year ended 31st March, 1955.
(2) To sanction the declaration of a Dividend.
(3) To elect Directors in place of those who retire from office under the Articles of Association of the Company but are eligible for re-election.
(4) To appoint Auditors for the coming year and fix their remuneration.

The Transfer Books of the Company will remain closed, as previously advertised, from the 17th day of June, 1955, to the 1st day of July, 1955, both days inclusive.

By Order of the Board,
FORBES, FORBES CAMPBELL & CO., LTD.,
Agents.

BOMBAY, 31*st May*, 1955.

Note.—The Dividend when sanctioned will be made payable free of income-tax, at the Chartered Bank of India, Australia and China, Bombay, on and after July 12th to those shareholders holding Fully Paid and Consolidated Shares of Rs. 50 each whose names stand on the Register on the 1st July, 1955, to whom Dividend Warrants will be posted, and in the case of holders of Fractional Shares, upon presentation to the Company of their Fractional Certificates.

THE INDO-BURMA PETROLEUM COMPANY, LIMITED

(Originally Incorporated in Burma)
Registered in India under Ordinance
No. LIV of 1942.

NOTICE IS HEREBY GIVEN THAT THE Preference Share Transfer Registers of the Company will be closed from the 20th June, 1955, to 1st July, 1955, both days inclusive, for the purpose of preparing Dividend Warrants in respect of the dividend for the half-year ending 30th June, 1955, payable on the 2nd July, 1955.

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

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, 3rd *June*, 1955.

SRI KRISHNARAJENDRA MILLS LIMITED, MYSORE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-fifth Ordinary General Meeting of the Shareholders of Sri Krishnarajendra Mills, Ltd., will be held at the Registered Office of the Company, Bangalore Road, Mysore, on Saturday the 25th June, 1955 at 3 p.m., to transact the following business:—

1. To adopt the Directors' Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 1955.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors for the current year (1st April, 1955 to 31st March, 1956) and to fix their remuneration.
5. To pass the Resolution separately circulated to all the shareholders.

The Share Transfer Books of the Company will be closed from 14th June, 1955 to 26th June, 1955, both days inclusive.

By Order of the Board,
L. KANDASWAMY,
General Manager.

MYSORE, 27*th May*, 1955.

N.B.—(1) The final dividend when declared, will be made payable at the Bank of Mysore, Ltd., Mysore, on and after 11th July, 1955. The dividend warrants will be posted to those shareholders whose names stand on the Register of Members of the Company on 14th June, 1955.

(2) Under Article 123 of the Company's Articles of Association, notice of candidature for the office of the director is to be left at the Registered Office of the Company in writing at least seven days before the date of the Meeting, viz., before 3 p.m., on 18th June, 1955.

(3) Shareholders are requested to immediately advise the Company of any change in their address.

THE DAWN MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-second Ordinary General Meeting of the Shareholders of the Company will be held on Tuesday the 21st June, 1955, at 4-30 p.m. (S.T.), at the Registered Office of the Company, Imperial Bank Building, Bank Street, Bombay, to transact the following business:

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st December, 1954.
2. To declare a Dividend.
3. To confirm the appointment of a new Director.
4. To elect two Directors in place of those who retire by rotation, but, being eligible, offer themselves for re-election.
5. To appoint Auditors for the current year and fix their remuneration.

By Order of the Board,
For RAMNARAIN SONS LIMITED,
RAMNIWAS RAMNARAIN,
Director,
Agents.

BOMBAY, 23rd *May*, 1955.

N.B.—The Dividend, if sanctioned, will be made payable at the Company's Registered Office, Imperial Bank Building, Bank Street, Bombay, on and after Tuesday the 28th June, 1955, to those Shareholders whose names stand on the Register on Wednesday the 27th April, 1955, to whom Dividend Warrants will be posted at their registered addresses. Intimation of any change of address should be given to the Company immediately.

SMALL DROP IN PROFIT OF BHARAT LINE

INCOME SUBSTANTIALLY HIGHER, DESPITE REDUCTIONS IN FREIGHT RATES

THE downward trend in the earnings of the Bharat Line Ltd. (Managing Agents: Messrs. Dinshaw Ltd., Bhavnagar), witnessed in 1953 for the first time in the history of the Company, continued in the following year also, namely, the year ended 31st December, 1954. Thus, the Company's gross profit, which had been marked down from the record level of Rs. 53.99 lakhs for 1952 to Rs. 42.71 lakhs for 1953, has shrunk further to Rs. 37.28 lakhs for the year under review. This decline in 1954 was not unexpected, for the Directors had already indicated in their report for the previous year that, "in view of the persistent demand for further reductions in freight rates and in the absence of any counterbalancing factors," a further fall in earnings and profits in the coming year was to be expected. It is, however, comforting to note that the shrinkage in profit for 1954 is less than half of that which occurred in the previous year, so that the distribution to the shareholders has not been affected. The dividend is proposed to be maintained at 5 per cent.; this is the third year in succession for which the dividend is being repeated, after it had been raised from 4 per cent. paid for 1951.

The following comparative table shows the Company's progress since 1951:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Freight earnings	256.64	214.97	205.95	162.24
Charter hire and other income..	6.19	8.00	7.11	7.21
Expenses	225.55	180.26	158.86	120.70
Gross profit	37.28	42.71	53.99	43.75
Managing Agents' remuneration.	2.03	2.09	4.40	2.59
Depreciation	30.05	34.51	45.17	35.86
Provision for taxation	..	..	..	1.00
Net profit	5.20	5.11	4.42	3.80
Dividend	5.00 (5%)	5.00 (5%)	5.00 (5%)	4.00 (4%)
Carry forward	0.20	0.69	0.59	1.17

Despite the reductions in rates, the earnings by way of freight have gone up by Rs. 41.67 lakhs, thus maintaining the upward trend in this item since the inception of the Company. This is mainly due to the operation of additional ships—the Company, it may be noted here, acquired three cargo ships during the year. This sharp rise in freight earnings has been more than offset by the increase of Rs. 45.29 lakhs in expenses, of which coal, fuel, oil, stores and victualling account for Rs. 7.81 lakhs, marine dues, light dues and customs charges for Rs. 5.38 lakhs, stevedoring charges, etc., for Rs. 11.46 lakhs, hire of chartered steamers for Rs. 9.97 lakhs, repairs, survey expenses and dry dock charges for Rs. 3.74 lakhs, agency fees, brokerage and commission for Rs. 2.27 lakhs and establishment charges for Rs. 1.14 lakhs. Thus, there has been an increase in expenses in almost all directions. The Directors report that the great delays at loading and discharging ports and high maintenance costs, noted in the previous year, continued unabated in the year under review also. It will thus be seen that, had it not been for the operation of three additional cargo ships, the Company's profit would have been affected considerably.

The Company entered, during the year under review, the Persian Gulf-India-Burma trade, having arranged to acquire four ships for this purpose. It acquired, as already stated, three cargo ships during the year. The fourth ship, which will be arranged for during the current year, will not, however, be a purely cargo ship. The Directors consider it necessary to have a passenger-*cum*-cargo ship to meet the requirements of this trade. It is gratifying to note from the Directors' latest report that the Company has succeeded in attracting a fair measure of support from the shippers in this trade, under conditions of competition. The Directors are happy that their efforts at securing an undertaking with the principal interests concerned have met with sympathetic response and are hopeful that they will be able to report satisfactory results at the next opportunity.

The latest balance-sheet of the Company shows that the paid-up capital remains unchanged at Rs. 1 crore. There are no reserves, except a fleet replacement reserve of Rs. 16.68 lakhs. This reserve was created last year by providing Rs. 11.18 lakhs (subject to tax), being the profit on sale of a ship. The Company's assessment for the year 1953 was finalised during 1954 and income-tax amounting to Rs. 4.50 lakhs was paid. After debiting this to the fleet replacement reserve, there was a balance of Rs. 6.68 lakhs to the credit of this account. An addition of Rs. 10 lakhs was made to this account during the year under review, being the amount received from the underwriters in respect of the loss of a ship. The current liabilities and provision for taxation account for Rs. 246.95 lakhs, of which borrowings from the Government of India secured by mortgage of seven ships amount to Rs. 152.87 lakhs. The gross block stands at Rs. 463.15 lakhs, of which fleet represents Rs. 452.69 lakhs. There has been an addition of Rs. 154.95 lakhs, after deducting the cost (Rs. 10.89 lakhs) of one ship grounded during the year. A sum of Rs. 180.07 lakhs has been built up in the depreciation account, after adjustment of Rs. 10.89 lakhs for the loss of the ship grounded. The current assets (excluding deferred revenue expenditure amounting to Rs. 5.31 lakhs) aggregate Rs. 74.13 lakhs.

A redeeming feature of the otherwise difficult operating conditions to which the Directors make a reference in their latest report, is the end of the downward trend in freight rates. The Directors observe that there are indications that the freight rates will now see an upward trend and hope that they will reach a satisfactory level in the coming years. The Directors are obviously referring to the decision of the Indian Coastal Conference reached early in the year to raise the freight rates on general cargo by 10 per cent. from 1st June. The Conference has, however, since decided to postpone the increase indefinitely, in view of the controversy between the overseas shipping companies and the Government over the former's decision to impose a surcharge of 35 per cent. on freight rates.

ANDHRA CEMENT'S PROFIT LOWER

After three years of successive rise to a record level of Rs. 21.89 lakhs, the gross profit of the Andhra Cement Company, Ltd. (Managing Agents: The Andhra Engineering Company, Ltd., Madras), for the year ended 31st December, 1954, has suffered a decline of Rs. 3.56 lakhs to Rs. 18.33 lakhs. This recession has very nearly wiped out the improvement noted in 1953, so that the profit for the year under review is no better than that for 1952. The net profit (after providing for Managing Agents' remuneration, depreciation and taxation) is, however, higher by Rs. 2.56 lakhs at Rs. 7.66 lakhs, mainly due to a substantial cut in the provision for depreciation. The bulk of this increase—Rs. 2.16 lakhs to be precise—has been transferred to the rehabilitation and expansion fund. The distribution to ordinary shareholders has been maintained at 10 per cent.—made up of a dividend of 7½ per cent. and a bonus of 2½ per cent.—to which level it had been raised last year from 7½ per cent. paid for 1951 and 1952 by paying a bonus of 2½ per cent. The distribution has been maintained because, in the opinion of the Directors, the average returns to the shareholders in the past had been inadequate.

The Company's progress in recent years can be judged from the salient features of its profit and loss accounts for the past four years given in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Sale proceeds	99.23	94.01	71.50	51.08
Stocks	5.84	7.40	14.82	8.51
Expenses	75.39	72.27	58.27	37.56
Gross profit	18.88	21.89	18.31	18.99
Managing Agents' remuneration.	1.17	1.34	1.49	1.09
Depreciation	8.50	10.00	10.00	7.76
Taxation	6.00	5.45	0.75	..
Net profit	7.66	5.10	6.07	5.16
Reserves	2.16	..	2.15	1.16
Dividends—				
6 per cent. Preference ..	0.15	0.15	0.15	0.15
Ordinary	5.12 (D. 7½% + B. 2½%)	5.12 (D. 7½% + B. 2½%)	4.68 (D. 7½%)	3.85 (D. 7½%)
Carry forward	0.37	0.03	0.20	0.25

The Directors report that production and despatches during the year under review were higher than those in the previous year. The gross profit is lower, mainly due to increased labour charges, higher cost of raw materials and reduction in packing allowance, permitted by the Government, even though the cost of these packing materials continued to be high. The addition of Rs. 2.16 lakhs to the rehabilitation and expansion fund is in pursuance of the directive of the Government of India, whereby out of the price of Rs. 71 per ton for neat cement fixed by the Government, a sum of Rs. 2 per ton of cement sold should be set aside for the purpose of rehabilitation and expansion. This scheme came into force on 8th February, 1954, and the amount so contributed having been completely spent on expansion programme, has since been withdrawn from the fund.

In view of the considerable demand for cement and with a view to bringing down the cost of production, the Directors have decided to increase the production, by raising the capacity of the factory from 300 to 500 tons a day. The necessary permission and licence having been obtained, steps are being taken to install the machinery as early as possible. The area in which the Company's factory is situated contains adequate deposits of the essential raw material, limestone, and the Directors expect that adequate supplies of other materials also would be assured, with the co-operation of the Union and State Governments and the railways.

The latest balance-sheet of the Company shows that the reserves and surplus aggregate Rs. 11.12 lakhs, as against a paid-up capital of Rs. 53.76 lakhs. The gross block of the value of Rs. 79.90 lakhs has been written down to Rs. 40.58 lakhs. The current assets amount to Rs. 54.03 lakhs, exceeding the current liabilities and provision for taxation, at Rs. 29.73 lakhs, by a wide margin of Rs. 24.30 lakhs.

PAN AMERICAN AIRWAYS

The Directors of the Pan American World Airways Inc., have declared a dividend of 20 cents per share payable 17th June, 1955, to stockholders of record at the close of business on 27th May, 1955. This is the forty-second dividend paid by Pan American. Dividend payments have been made each year since 1941.

LARSEN AND TOUBRO'S PROFIT EXPANDS

OUTLOOK PROMISING

THE year ended 31st March, 1955, has turned out to be another period of successful activity for Messrs. Larsen and Toubro Ltd. (Managing Agents: L. & T. Management Ltd., Bombay). The Company has recorded an all-round improvement in its results. Its turnover for the year constitutes a fresh record in its history. Its direct sales rose from Rs. 192.16 lakhs to Rs. 209.44 lakhs, thus maintaining the upward trend in this respect since its inception; indirect sales also increased from Rs. 60 lakhs to Rs. 105 lakhs. The gross profit amounts to Rs. 16.01 lakhs and represents a rise of Rs. 0.95 lakh over the year, thus more than making good the decline of Rs. 0.43 lakh noted in the previous year. The gross profit for the year under review also constitutes a record, exceeding its previous best of Rs. 15.49 lakhs earned for 1952-53 by a comfortable margin.

The net profit (after providing for depreciation and taxation) shows an increase from Rs. 6.84 lakhs to Rs. 7.09 lakhs, a fresh record. The dividend on ordinary shares is proposed to be maintained at 10 per cent. for the sixth consecutive year, after making a welcome addition of Rs. 2.75 lakhs to the general reserve, which had received Rs. 2.25 lakhs a year ago.

The following comparative table provides a good idea of the Company's progress in recent years:

(In lakhs of rupees)

	For the year ended 31st March			
	1955	1954	1953	1952
Sale proceeds	209.44	192.16	162.80	139.65
Other income	11.30	13.47	8.95	9.17
Cost of sales	155.75	146.02	113.66	99.38
Other expenses	47.99	44.55	43.00	34.99
Gross profit	16.01	15.06	15.49	15.23
Managing Agents' commission..	1.84	1.29	1.28	1.21
Depreciation	2.57	2.11	2.76	2.52
Taxation	5.00	5.00	5.45	5.25
Net profit	7.09	6.84	6.05	5.80
Goodwill written off ..	..	..	0.95	2.15
Commission and brokerage on issue of shares written off ..	..	0.10	0.43	..
Deferred expenditure written off	..	0.48	..	..
General reserve	2.75	2.25	1.00	..
Dividends—				
5 per cent. Preference ..	0.75	0.65	0.65	0.64
Ordinary	3.50 (10%)	3.20 (10%)	3.20 (10%)	2.99 (10%)
Carry forward	0.25	0.16	0.12	0.26

The successful results obtained for the year under review are due to the substantial increase in sales of "caterpillar" earthmoving machinery and allied equipment, as also the tube-well drilling equipment. The extensive service and spare parts organisation of the Company and prompt deliveries are stated to have been helpful factors in promoting sales. The Company has also obtained a contract from the Bombay Government for drilling tube-wells in North Gujerat, with its own staff and equipment. This contract is at present under execution.

The Company's balance-sheet as on 31st March, 1955, shows that the paid-up capital is unchanged at Rs. 50 lakhs. The reserves and surplus aggregate Rs. 6.25 lakhs. The provision for taxation amounts to Rs. 21.40 lakhs and current liabilities aggregate Rs. 109.17 lakhs. The gross block of the value of Rs. 25.88 lakhs has been written down to a book value of Rs. 12.42 lakhs. The current assets amount to Rs. 174.40 lakhs and cover the current liabilities and provision for taxation by a large margin of Rs. 43.83 lakhs. Of the current assets, stocks and work-in-progress account for Rs. 76.28 lakhs and book debts (unsecured) for Rs. 70.81 lakhs.

The outlook for the current year is good and the Directors continue to view the future with confidence, as will be seen from the following extract from their latest report:

"Though competition is keen, there was a noticeable tendency, during the last months of the past year, for prices to become firmer and overseas deliveries more protracted. The Company enters 1955-56 with a well-balanced stock, both of machines and spare parts, and is thus well equipped to meet the situation should it further develop. The growing confidence of industrialists and contractors has resulted in large orders now under execution, and important enquiries. This, seen together with an unprecedented activity in the public sector, during the tail end of the first Five-year Plan, and the bold planning for the next five years, indicates that the Company's sales will continue to grow and its services being required on an increasing scale. The Directors consequently continue to view the future with confidence."

The Company's ordinary shares are being currently quoted at Rs. 13-4 *cum-div.* On an *ex-div.* basis, the shares give a yield of 8.2 per cent. per annum, free of tax.

PROFIT OF INDORE MALWA DOWN

DIVIDEND, HOWEVER, MAINTAINED

A SUBSTANTIAL decline in the earnings of the Indore Malwa United Mills, Ltd. [Managing Agents: Messrs. Govindram Seksaria (Indore), Indore] is disclosed by the Company's audited accounts for the year ended 31st December, 1954. The gross profit, for instance, which had gone up from Rs. 11.20 lakhs for 1952 to Rs. 16.82 lakhs for 1953, has suffered a recession to Rs. 6.78 lakhs for the year under review. Thus, the improvement in profit noted in the previous year has been more than wiped out, so that the profit for 1954 is the lowest for the past three years. After providing for Managing Agents' commission and reducing substantially the provision for depreciation from Rs. 12.01 lakhs to Rs. 3.16 lakhs, the net profit amounts to Rs. 2.94 lakhs, which is a shade lower than that (Rs. 3.10 lakhs) for 1953.

The aforesaid provision for depreciation represents the amount written off the accrued depreciation for 1953. In other words, the Company has still arrears of depreciation to be provided for. No provision for taxation has, therefore, been made. No allocation to reserves has also been possible on account of the low level of profit. In fact, the Company has had no occasion to strengthen its reserves at all since 1945, consequent on the series of poor results. The dividend is, however, proposed to be maintained at 6 per cent. and this is the third consecutive year for which this dividend is being repeated, after it was raised from 5 per cent. paid for 1951.

Commenting on the trading conditions which prevailed during the year under review and the factors responsible for the reduction in profit, the Directors observe:

"During the year under report, cloth production in the country registered a further improvement, as compared with that in the previous year, exceeding the target set in the first Five-year Plan two years before time. This impressive performance is all the more remarkable, because the industry had to fight growing competition in world trade in textiles, on the one hand, and a series of handicaps, such as production control, heavy tax imposts and vagaries of Government policy, on the other. This achievement was mainly possible due to comfortable raw cotton position, absence of any labour strike of magnitude, some improvement in the transport situation, and the removal of all controls on prices and distribution of all varieties of cloth. As a result of the availability of plentiful supplies of cloth, however, the trade conditions remained slack during the year, more especially in the first half and that too for coarse and medium styles. There was a tendency for the demand for traditional lines to shrink in the domestic market. Exports of cloth, though increased, due to free licensing, the prices had to be reduced to meet overseas competition. Owing to a large output of cotton, the supply position during the year was more satisfactory than during the previous year, but, on account of depleted stock position, the prices of good varieties hardened during the early part of the season. The mills had also low stock of cotton in hand, and had to purchase at the then prevailing higher prices. The above adverse factors, coupled with increased cost of production on account of surplus labour and increased labour welfare expenses, are mainly responsible for lower profits."

The following table compares the salient features of the profit and loss accounts for the past four years, from which an idea of the Company's progress can be had.

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Sale proceeds (net) ..	261.98	253.59	262.58	277.01
Cotton, stores, etc., consumed..	158.93	137.87	160.59	182.90
Other expenses	96.68	99.80	91.50	88.22
Gross profit	6.78	16.82	11.20	6.59
Agents' commission ..	0.68	1.71	1.12	0.66
Depreciation	3.16	12.01	7.12	..
Taxation	..	..	..	..
Net profit	2.94	3.10	2.96	5.93
Dividend	3.00 (6%)	3.00 (6%)	3.00 (6%)	2.50 (5%)
Carry forward	0.06	0.12	0.08	0.07

The Company's paid-up capital amounts to Rs. 50 lakhs, of which Rs. 30 lakhs represent the amount capitalised out of the reserve fund in September, 1948. This transfer from the reserves has not been replaced at all. On the other hand, a further sum of Rs. 4.50 lakhs was drawn from the dividend legislation fund to supplement the profit for 1947 and to pay the dividend for 1948. The reserves and surplus, therefore, stand depleted at Rs. 3.16 lakhs. The provision for taxation amounts to Rs. 16.37 lakhs. The current liabilities aggregate Rs. 107.45 lakhs. The gross block of the value of Rs. 129.36 lakhs has been written down to Rs. 26.33 lakhs. The current assets amount to Rs. 134.37 lakhs and more than adequately cover the current liabilities and provision for taxation.

COMPANY MEETINGS AND DIVIDENDS

DEVKARAN NANJEE INVESTMENT CO., LTD. Annual General Meeting, Bombay, 16th June, 1955. Dividend: As. 12 per share. Transfer books remain closed from 2nd to 16th June, 1955, both days inclusive.

BHARAT LINE LTD. Annual General Meeting, Bhavnagar, 16th June, 1955. Dividend: Rs. 5 per share. Transfer books remain closed from 16th May to 14th June, 1955, both days inclusive.

ALBION JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 17th June, 1955. Dividend: Rs. 6 per share. Transfer books remain closed from 10th to 17th June, 1955, both days inclusive.

EMPIRE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 21st June, 1955. Dividend: As. 12 per share. Transfer books remain closed from 7th to 21st June, 1955, both days inclusive.

SIRSILK LTD. Annual General Meeting, Hyderabad-Dn., 21st June, 1955. Dividend: *Nil*. Transfer books remain closed from 1st to 20th June, 1955, both days inclusive.

BENGAL-NAGPUR COAL CO., LTD. Half-yearly General Meeting, Calcutta, 23rd June, 1955. Dividend: *Nil*. Transfer books will remain closed from 15th to 23rd June, 1955, both days inclusive.

CALCUTTA ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, London, 23rd June, 1955. Dividend: 6 per cent. for the year (includes interim dividend of 3 per cent. already paid).

AHMADPUR-KATWA RAILWAY CO., LTD. Annual General Meeting, Calcutta, 24th June, 1955. Dividend: Rs. 2-11 per share, less income-tax, payable on 8th July, 1955. Transfer books will remain closed from 15th to 24th June, 1955, both days inclusive.

KALIGHAT-FALTA RAILWAY CO., LTD. Annual General Meeting, Calcutta, 24th June, 1955. Dividend: Rs. 2-11 per share, less income-tax payable on 8th July, 1955. Transfer books will remain closed from 15th to 24th June, 1955, both days inclusive.

TEXTILE MACHINERY CORPORATION LTD. Annual General Meeting, Calcutta, 24th June, 1955. Dividend: Re. 1 per share. Transfer books remain closed from 11th to 24th June, 1955, both days inclusive.

INDORE MALWA UNITED MILLS LTD. Annual General Meeting, Indore, 25th June, 1955. Dividend: Rs. 6 per share, payable on 11th July, 1955. Transfer books remain closed from 3rd June to 2nd July, 1955, both days inclusive.

SRI KRISHNARAJENDRA MILLS LTD. Annual General Meeting, Bangalore Road, Mysore, 25th June, 1955. Dividend: Rs. 3 per share (final), payable on and after 11th July, 1955. Transfer books will remain closed from 14th to 26th June, 1955, both days inclusive.

RAMPOORIA COTTON MILLS LTD. Annual General Meeting, Calcutta, 27th June, 1955. Transfer books will remain closed from 14th to 27th June, 1955, both days inclusive.

SIMPLEX MILLS CO., LTD. Annual General Meeting, Bombay, 5th July, 1955. Dividend: Rs. 6 per share (final), payable on 12th July, 1955. Transfer books will remain closed from 17th June to 1st July, 1955, both days inclusive.

EDWARD TEXTILES LTD. Annual General Meeting, Bombay, 9th July, 1955. Transfer books remain closed from 11th June to 9th July, 1955, both days inclusive.

UNITED PROVINCES SUGAR CO., LTD. Dividend of Re. 1-4 per share, for the year ended 30th September, 1954.

COMPANY REGISTRATIONS

GOPAL CHANDRA PAUL AND BROTHERS LTD. (First Director: Mr. K. Paul.) Business: Wholesale and retail dealers in all sorts of umbrellas, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 6, Khongrapatty Street, Calcutta-7.

PAUL BROTHERS (UMBRELLA) LTD. (First Director: Mr. K. Paul.) Business: Manufacturers of umbrellas. Authorised capital: Rs. 10,00,000. Private company. Address: 6, Khongrapatty Street, Calcutta-7.

MOHANLAL GOUTAM LTD. (First Director: Mr. M. L. Mukerjee.) Business: Sellers, importers, exporters and dealers in merchandise, etc. Authorised capital: Rs. 3,00,000. Private company. Address: 14, Gurusadaya Road, Calcutta.

KANKARTOLA COLLIERIES LTD. (First Director: Mr. Satkari Banerjee.) Business: Colliery proprietors, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Nandi, P.O. Nandi, Burdwan.

GOOD LUCK LTD. (First Director: Mr. M. L. Jhunjhunwala.) Business: General merchants Authorised capital Rs. 20,00,000. Public company. Address: 12, Syed Sally Lane, Calcutta.

HOWRAH WOOD AND GENERAL INDUSTRIES LTD. (First Director: Mr. A. N. Khan.) Business: Manufacturers and dealers in furniture, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 93, Deshpran Sashmal Road, Howrah.

COAL

(*Concluded from page 1117*)

taking the deficit into account, the Durgapur site is suitable for the location of the plant proposed by the West Bengal Government with a capacity of 292,950 tons of sized coke over 1" per annum.

The Durgapur Scheme consists of the setting up of (*a*) coke oven plant capable of handling 1,300 tons of coal and coke breeze per day (1,235 tons of coal and 65 tons of coke breeze), (*b*) auxiliary plants for the recovery of by-products from coke oven gas (ammonia sulphuric acid, coal-tar, crude benzol and its rectified products) and (*c*) a coal-tar distillation plant with a daily input of 50 tons of coal-tar.

The fixed capital investment on the three sections is estimated at Rs. 5.25 crores. The requirements of working capital are placed at Rs. 35 lakhs. The total credits from the sale of different products mentioned above are expected to be Rs. 193.61 lakhs, as against the manufacturing expenses and provisions for depreciation and interest on working capital estimated at Rs. 157.9 lakhs. The operating results are expected to show a return of 6.8 per cent. over the capital investment of Rs. 525 lakhs. The above return, however, excludes interest on fixed capital.

In view of the proposed establishment of a 30,000 kw. thermal power plant by the Damodar Valley Corporation, the Committee feels that the contemplated new coke oven plant would not lead to any growth of load in the Bengal Bihar power grid area. It considers that it would be difficult now to say whether there would be any surplus gas to be transported to either Chittaranjan or to Calcutta, as the future prospects of demand for gas in the Durgapur area itself are considered to be bright. The question of deciding the form of organisation and management for the project has been left to the State Government itself.

COAL OUTPUT IN APRIL, 1955

The output of coal in collieries in India during the month of April, 1955, was lower at 3,233,135 tons, as against 3,305,967 tons in the previous month, according to official statistics released by the Chief Inspector of Mines. Despatches of coal also were lower at 2,693,664 tons, as against 2,765,120 tons. Coal stocks at pitheads thus increased from 3,960,697 tons at the beginning of the month to 4,062,157 tons towards the close.

During the month under review, 841 collieries were reported to be working with an average daily employment of 344,559 workers. Output per man-shift is estimated at 1.08 tons for miners and loaders, 0.59 ton for all workers underground and in open workings and 0.37 ton for all persons employed including surface workers. The percentage of absenteeism was of the order of 14.24.

COMMERCE & INDUSTRY

(*Concluded from page 1128*)

ing its works, including the installation of a new plant for using magnesium hydroxide, in the manufacture of Epsom salt. Thirdly, the Commission thinks—quite rightly in our opinion—that, as already there is a unit manufacturing calcium chloride at a much lower cost and as it has a capacity to meet the entire requirements of this country, it would not be fair to consumers that they should be required to bear the burden of protection based on the higher cost of production of another unit. Lastly, it rightly believes that the demand for calcium chloride will be stimulated, if the selling price is based on the lower cost of production. It is needless to add that this stimulus to demand will provide added fillip to the Magnesia Works for raising its production and thus also to effect reduction in costs. On these considerations, the Commission has estimated the fair ex-works price at (Rs. 8-10-6+ Rs. 2) Rs. 10-10-6 per cwt.

Owing to the ban imposed on imports, it was not possible to obtain c.i.f. prices of recent consignments of calcium chloride imported into the country. The Commission, therefore, obtained the c.i.f. prices based on the latest f.o.b. quotations in the U.K. from the Imperial Chemical Industries (India) Ltd. and the High Commission of India in the U.K. Calculated on the basis, the c.i.f. price of calcium chloride (solid-fused grade 72-75 per cent.) works out to Rs. 13-3-10 per cwt. Adding clearing charges of As. 8 per cwt. the landed costs, without duty, amount to Rs. 13-11-10 per cwt. or Rs. 3-1-4 per cwt. higher than the estimated fair ex-works price of Rs. 10-10-6 per cwt. Consequently, the Commission has, as stated at the outset, felt that there was no case for further continuance of protection to the calcium chloride industry beyond 31st December, 1955, when the present period of protection to the industry is due to expire.

METTUR INDUSTRIES RAISE DIVIDEND UNDER SECTION 23-A

BRIDGE AND ROOF TO EXPAND PRODUCTION

Mettur Industries Ltd.

THE directors of the above Company (Managing Agents: Messrs. W. A. Beardsell & Co. Ltd., Madras) submit the audited accounts of the Company for the year ended 31st March, 1955.

The net profit available for distribution after providing for depreciation and reserving for taxation Rs. 13,50,000 (Rs. 9,20,000) and taking into account the amount of Rs. 50,153 (Rs. 77,484) brought forward from 1954, amounts to Rs. 22,43,408 (Rs. 20,50,153 including Rs. 6,81,214 being excess profits tax refund). The directors recommend the payment of a dividend of 35 per cent. (22½ per cent. including a special bonus of 10 per cent.) free of tax amounting to Rs. 21,00,000 (Rs. 13,50,000) leaving a balance to be carried forward of Rs. 1,43,408 (Rs. 50,153 after setting aside Rs. 6,00,000 to fixed assets replacement reserve and Rs. 50,000 to dividend equalisation reserve).

With the passing of the Finance Act of 1955 certain amendments have been made to Section 23-A of the Income-tax Act. As a result, the Company, at present, is obliged to distribute as dividend the whole of its assessable income after providing for taxation. The directors, therefore, have no alternative but to recommend a dividend of 35 (22½) per cent, free of income-tax.

For the first time in recent years, the Mill's working has not been affected by power cuts and the fact that the Mill has been able to work full-time during the year is reflected in the improved turnover and higher net profit.

The distribution organisation of wholesalers and retailers has again functioned smoothly. The retail prices of the Company's cloths have remained unchanged during the year and the keen demand has continued throughout South India.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	60,00,000	Block ...	20,81,211
Reserves ...	69,00,000	Stock-in-trade	16,91,451
Provision for taxation ...	5,03,099	Stores and spare parts	13,56,252
Liabilities ...	36,13,655	Loose tools, etc. ...	53,603
Profit and loss account ...	1,43,408	Debts, deposits and advances ...	8,48,503
		Investments	72,12,637
		Cash ...	39,16,505
Rs.	1,71,60,162	Rs.	1,71,60,162

Bridge & Roof Co. (India) Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st December, 1954.

The profit for the half-year, after providing for debenture interest, depreciation and taxation, was Rs. 1,87,448 (Rs. 1,89,926) to which was added the balance brought forward of Rs. 1,09,624 (Rs. 91,661), making a total of Rs. 2,97,072 (Rs. 3,36,195 including a sum of Rs. 54,608 relating to preceding half-years). Out of the above sum the directors have set aside Rs. 1,00,000 (Rs. 1,50,000) to general reserve. This leaves a balance of Rs. 1,97,072 (Rs. 1,86,195), at the credit of profit and loss account, which the directors disposed off as follows:—

Paid a dividend at the rate of 15 (15) per cent. per annum absorbing Rs. 90,000 (Rs. 90,000) and carried forward Rs. 1,07,072 (Rs. 96,195).

The value of work completed during the half-year was the highest ever achieved, severely taxing the Company's capital, reserves and finances, which had to be supplemented from time to time by bank loans.

To assist in meeting the heavy demand for Structurals created by the second Five-year Plan the Company will have to expand production still further. This expansion will require expenditure on capital account and the financing of additional stocks, work in progress and debtors. The directors have accordingly recommended no increase in the dividend as it is in their view essential to build up the resources of the Company.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	10,43,300
Debentures ...	2,00,000	Stock ...	12,24,994
Reserves ...	14,80,000	Work-in-progress ...	21,75,893
Provision for taxation ...	3,97,469	Goods-in-transit ...	53,880
Liabilities ...	42,27,868	Debts, deposits and advances ...	28,62,886
Profit and loss account ...	1,07,072	Investments ...	93,092
		Cash ...	1,58,364
Rs.	76,12,409	Rs.	76,12,409

Empire Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1954.

The profit for the half-year, after providing for depreciation Rs. 1,22,000 (Rs. 1,00,000) and taxation Rs. 1,83,000 (Rs. 1,35,000) amounts to Rs. 2,49,245 (Rs. 1,64,573 after providing Rs. 25,000 for doubtful debts) to which must be added the credit balance brought forward from the previous half-year of Rs. 56,215 (Rs. 57,631) and provision for doubtful debts written back Rs. 25,000 (*nil*) making a total of Rs. 3,30,460 (Rs. 2,22,204). From this amount the directors have transferred to general reserve account Rs. 50,000 (Rs. 50,000), leaving an available balance of Rs. 2,80,460 (Rs. 1,72,204) out of which the directors recommend dividend on 10,000 preference shares at 7 per cent. per annum for the half-year ended 31st December, 1954, or Rs. 3-8 per share Rs. 35,000 (Rs. 35,000) and a dividend on 1,50,000 ordinary shares at 15 (10) per cent. per annum for the half-year ended 31st December, 1954, or As. 12 (As. 8) per share Rs. 1,12,500 (Rs. 75,000), leaving to be carried forward Rs. 1,32,960 (Rs. 62,204).

Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 31st December, 1954, have been valued at market rates.

In accordance with the main and supplementary working time agreements of the Indian Jute Mills' Association, working hours were 45 per week as from 12th July, 1954 and 48 hours per week as from 18th October, 1954. Due to a reallocation of loom hours on a group basis and the purchase of loom hours, your mills worked 48 hours per week with 12½ per cent. of their total looms sealed.

Orders have been placed for the partial modernisation of the mill with sliver spinning machinery and at present the sacking weft sliver spinning machinery is under installation.

Somewhat better though still difficult trading conditions obtained throughout the period. Raw jute prices increased steadily at the close of the half-year because of the anticipated shortage resultant from the flooding and damage previously reported. There was an improvement in heavy goods prices but this was largely offset by the marked increase in the price of cuttings.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Block ...	20,41,589
Debentures ...	8,86,000	Stocks ...	23,28,117
Reserves ...	33,50,000	Stores ...	8,76,132
Provision for taxation ...	6,72,742	Debts, deposits and advances ...	15,03,024
Liabilities ...	9,50,423	Investments	9,17,206
Profit and loss account ...	1,32,960	Cash ...	8,26,037
Rs.	84,92,125	Rs.	84,92,125

Albion Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November, 1954.

The half-year's working after writing off depreciation shows a profit of Rs. 5,54,631 (Rs. 5,80,976). The following appropriations have been made:—Provision for taxation Rs. 2,40,000 (Rs. 1,70,000) and transfer to general reserve Rs. 1,00,000 (Rs. 5,96,609). After adding the balance brought forward from the last account of Rs. 54,874 (Rs. 4,42,186) there is an available sum of Rs. 2,69,504 (Rs. 2,56,553). The directors recommend payment of dividends (free of income-tax) for the half-year ended November, 1954 to the shareholders as on 17th June, 1955, on 9,000 preference shares at Rs. 3-8 each Rs. 31,500 (Rs. 31,500) and on 24,000 ordinary shares at Rs. 6 (Rs. 12) each Rs. 1,44,000 (Rs. 1,44,000), leaving a balance to be carried forward of Rs. 94,004 (Rs. 81,053).

Shipments of modern sliver spinning machinery have already commenced. Installation would be in full swing in the ensuing half-year, and modernisation programme and electrification of the mills are expected to be completed early next year.

The mills worked 42½ hours per week upto 10th July, 1954. Working hours were increased to 45 hours a week from 12th July, 1954, and again to 48 hours per week from 18th October, 1954.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33,00,000	Block ...	13,70,169
Reserves ...	16,00,000	Stocks ...	47,51,253
Provision for taxation ...	2,62,097	Stores and spare parts	10,57,938
Liabilities ...	38,14,127	Debts, deposits and advances ...	14,86,118
Profit and loss account ...	2,69,504	Investments	50,780
		Cash ...	5,29,470
Rs.	92,45,728	Rs.	92,45,728

Bengal-Nagpur Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1954.

After providing Rs. 16,025 (Rs. 10,164) for depreciation there remains a balance of Rs. 24,518 (Rs. 27,128 after transferring Rs. 4,284 to capital reserve, to the debit of profit and loss account. Rs. 15,750 (*nil*) has been transferred from the general reserve and the directors recommend that preference dividend for the half-years ending 30th June, 1953, 31st December, 1953, 30th June, 1954, and 31st December, 1954, be paid out of it.

During the half-year the raising contractor gave notice of withdrawal from the contract and raisings ceased on 3rd December, 1954, when the contractors' notice expired. Approximately 20,000 tons remained to be worked in the Colliery's 3 pit and arrangements are being made for the extraction of this remaining coal. A plan for future mining operations at the colliery is at present under consideration by the Board.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,37,500	Block ...	2,77,282
Reserves* ...	4,96,231	Stock of coal	31,903
Provision for taxation ...	11,935	Stores ...	243
Liabilities ...	1,09,050	Debts, deposits and advances ...	6,38,637
		Cash ...	6,651
Rs.	9,54,716	Rs.	9,54,716

*Reserves are shown after deducting Rs. 24,518 being profit and loss account debit balance.

Standard Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heligers and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1954.

Labour.—The appeals by the Company and the workmen against the award of the Industrial Tribunal in connection with the closing of the colliery in 1951 have not yet been taken up by the Appellate Tribunal.

The profit and loss account, after providing Rs. 1,000 (Rs. 1,00,000) for depreciation, Rs. 49,992 (Rs. 94,168) for taxation, transferring Rs. 12,000 (*nil*) from taxation reserve and including the sum of Rs. 59,039 (Rs. 87,018) brought forward from last half-year, shows an available balance of Rs. 1,27,358 (Rs. 1,64,141) which the directors propose to dispose of as follows:—

In paying a dividend at the rate of 15 (20) per cent. per annum without any deduction for income-tax paid by the Company Rs. 60,000 (Rs. 80,000) and in carrying forward Rs. 67,358 (Rs. 84,141).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	1,45,060
Reserves ...	14,72,339	Investments	18,29,312
Provision for taxation ...	1,14,684	Debts, deposits and advances ...	6,90,004
Liabilities ...	2,20,388	Cash ...	10,393
Profit and loss account ...	67,358		
Rs.	26,74,769	Rs.	26,74,769

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

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TATA HYDRO-ELECTRIC COMPANIES MAKE FINAL CALL

The Tata Hydro-Electric Power Supply Company, Ltd., The Tata Power Company, Ltd., and The Andhra Valley Power Supply Company, Ltd. (Managing Agents: Tata Hydro-Electric Agencies Ltd., Bombay), have made the final calls of Rs. 25, Rs. 250 and Rs. 250 per share, respectively, on their new ordinary shares. It may be recalled that, in August, 1953, all the three Companies raised fresh capital by the issue of new shares for the purpose of providing a part of the funds required for installing the thermal plants at Trombay. The total cost of the project was then estimated at Rs. 13 crores, of which the three Companies among themselves were to contribute Rs. 3 crores by the issue of new shares. The final call on the shares will bring in Rs. 75 lakhs, the balance of Rs. 2.25 crores having been received by the earlier calls.

TREASURY BILL RATE DECLINES

(From Our Own Correspondent)

BOMBAY, 8th June

The short-term money market remained featureless during the week under review, with both supply and demand being of a limited nature. There was, however, no change in the money rates. Activity in the inter-bank call money section was smaller and the rate was stagnant at 2½ per cent. There were some enquiries at 2¼ per cent., but lenders were not eager to do business at that rate. Short-term deposits were still keenly bid at 3 per cent. for 1 to 6 months.

There was a further improvement in the offerings to the three months' Government of India Treasury Bill sales this week. The amount offered against an invitation for Rs. 100 lakhs was Rs. 273.75 lakhs, as against Rs. 229.50 lakhs in the previous week and Rs. 155 lakhs two weeks ago. The average rate of accepted tenders which had declined from Rs. 2-9-1 per cent. to Rs. 2-9-0 per cent. per annum last week, dropped a little further to Rs. 2-8-8 per cent. per annum this week.

After two weeks of successive decline to the extent of Rs. 15 crores in the aggregate, notes in circulation have gone up by Rs. 8.86 crores during the week ended 3rd June, 1955. Disclosing this, the Reserve Bank statement for that week shows a fall of Rs. 9.73 crores in notes held in the Banking Department. Total notes issued have gone down by Rs. 87 lakhs, and this decline is covered by a similar fall in rupee coin. There has been a contraction of Rs. 9.93 crores in foreign securities and a similar rise in rupee securities. In the Banking Department, deposits of the Central Government have declined by Rs. 2.43 crores, while those of other Governments have gone up by Rs. 58 lakhs. Deposits of banks show a fall of Rs. 2.74 crores. Balances held abroad are higher by Rs. 11.57 crores. Loans and advances other than to Governments have recorded a fall of Rs. 6.38 crores, mainly accounted for by the repayments to the extent of Rs. 6.43 crores by Scheduled banks of advances against usance bills. There have been fresh borrowings to the tune of Rs. 6.85 crores during the week by the banks against these bills. Investments are lower by Rs. 1.04 crores.

A further rise of Rs. 5.28 crores in demand deposits of Scheduled banks is disclosed by the statement for the week ended 27th May, 1955. Time deposits show a negligible rise. No notable variation is seen in inter-bank borrowings, while a decline of Rs. 4.78 crores is noted in borrowings from the Reserve Bank and of Rs. 39 lakhs in those from the Imperial Bank. Advances, which had dropped by Rs. 4.18 crores in the previous week, have gone down further by Rs. 3.20 crores during the week under review. Inland bills purchased and discounted are up by Rs. 73 lakhs, while foreign bills are lower by Rs. 28 lakhs. Investments are almost unchanged, as also total cash. Balances with other banks in current account are higher by Rs. 20 lakhs, while no notable change is seen in money at call.

The Gilt-edged market remained steady during the week under review with buyers in almost all securities. There was no change in the official selling price of securities during the week. 3 per cent. 1957 was wanted at Rs. 99-8, but there was no change in the rate. 3 per cent. 1958 had enquiries change in the rate. 3 per cent. 1959-61 was in demand an at Rs. 99-7. 3 per cent. 1959-61 was in demand an anna better at Rs. 97-15. 3 per cent. 1963-65 was marked down by an anna to Rs. 94 and there were buyers at that level. 3 per cent. 1964 was wanted at Rs. 94-1, while 3 per cent. 1966-68 was stagnant at Rs. 91. 3 per cent. 1970-75 was, however, an offer at Rs. 87-2. 3 per cent. 1986 Conversion Loan changed hands an anna better at Rs. 80-9. 3½ per cent. 1961 shed an anna to Rs. 99-13, but attracted buyers at that level. 3½ per cent. 1964 was unchanged at Rs. 88-12. There was very keen demand for 4 per cent. loans of State Governments at higher levels. 4 per cent. 1963 and 1964 Bombay were both in demand at Rs. 101-5, as against Rs. 101 and Rs. 101-1, respectively, a week ago. 4 per cent. 1963 and 1964 Madras were in request As. 4 higher at Rs. 101-2.

In the foreign exchange section, there was no change, on balance, in the rupee-U.S. dollar exchange rates, the banks selling rate for ready dollars being Rs. 479½ per $100 and the buying rate Rs. 475½ per $100. However, the selling rate moved between Rs. 479 and Rs. 480 per $100 and the buying rate between Rs. 475 and Rs. 475¾ per $100. Sterling, on the other hand, disclosed a fractional gain in terms of the dollar. Thus, the New York spot sterling was marked up from $2.79-3/16-2.79-5/16 to $78-3/8-2.79⅛, three months forward from $2.77-7/8-2.78 to $2.77-15/16-2.78-1/16 and transferable sterling from $2.77-1/16-2.77-3/16 to $2.77-1/8-2.77-1/4.

HIDES FULLY STEADY

(From Our Own Correspondent)

KANPUR, 5th June

During the week under review, conditions in the hides and skins markets were in major respects, similar to those prevailing in the previous week. New arrivals during the week, though a bit smaller than the general average, were quite according to the expectations of the summer season. The main purchasers were the local tanners. Madras dealers were lukewarm. There was particularly strong demand for wet salted buff and cow. The undertone of the market was fully steady.

The latest available quotations are: Wet salted cow, 1st grade Rs. 360 to Rs. 400, 2nd grade Rs. 260 to Rs. 280 and 3rd grade Rs. 120 to Rs. 140 per score; wet salted buff, 1st grade 1 lb. 9 ozs., 2nd grade 1 lb. 12 ozs. and 3rd grade 2 lbs. per rupee; goat, 1st grade Rs. 275 to Rs. 300 and 2nd grade Rs. 200 per 100 pieces; sheep, 1st grade Rs. 250 and 2nd grade Rs. 200 per 100 pieces.

SELLERS PAY HEAVY CARRY FORWARD CHARGES IN BULLION

(From Our Own Correspondent)

BOMBAY, 8th June

Trading on the Bullion Exchange during the week under review was marked by aggressive bullishness in *Jeth* settlement of the forward section which matured during the week. As the settlement drew nearer, prices advanced briskly on firm bull grip and frantic short covering. Notwithstanding the enforcement of a margin of Rs. 2,500 per bar of silver, under section 33 D(1)(a) (i), on their outstanding purchases in *Jeth* settlement, the bulls were able to tighten their grip over the market. With virtually all the floating stocks of silver in their hands and with an upper hand in gold also, the bulls began to squeeze the sellers by exacting heavy backwardation charges. The backwardation charge (*Jeth* to *Ashad* settlement) in silver widened from Rs. 6-8 to as much as Rs. 9-2 and in gold from Rs. 2-12 to Rs. 3-2.

The heavy backwardation charges exacted by the bulls caused a stir in the market and a requisition signed by more than 50 members was sent to the Board of the Bullion Association urging the postponement of the *Jeth* delivery by 5 days. The members also asked the Board to take effective measures to check the recurrent squeezes. A meeting of the Board was held yesterday, but before it could take any decision, a mutual understanding was reached between the members of the opposite camps, under which the bulls agreed not to ask for a backwardation of more than Rs. 9 in silver. Following this understanding, the suggestion for extension of the *Jeth* settlement was withdrawn. The settlement also passed off smoothly.

After remaining dull, early in the week, forward silver in *Jeth* settlement firmed up to Rs. 162 on Saturday, as against last week's closing of Rs. 161-3, on keen buying by bulls, despite heavy arrivals of *kutcha* silver attracted by heavy backwardation charges. As this rate, at the close of that day, stood above the official starting rate (Rs. 161-9) for that settlement and as the closing rate for the next succeeding contract on that day was more than Rs. 3 below this, the bulls were obliged to pay a margin of Rs. 2,500 per bar on their outstanding purchases in *Jeth* settlement. Despite this, forward silver for this settlement forged ahead to Rs. 164-3 before the settlement ran out at Rs. 164 on the 7th inst. *Ashad* and *Shravan* silver ruled steady with narrow movements, the former closing at Rs. 154-13 and the latter at Rs. 152-4, as against last week's closing of Rs. 154-10 and Rs. 152-4, respectively.

Ready silver (.996 Mint) opened at Rs. 162-7 and advanced to Rs. 164-15, before closing at Rs. 157-13. The floating stocks of silver are reported to be 700 bars. The daily average offtake was 15 bars.

Gold for forward delivery in *Jeth* settlement advanced from Rs. 91-13 to Rs. 93-3, before the settlement ran out at Rs. 93-1. *Ashad* gold hardened from Rs. 89-2 to Rs. 90-12 and closed at Rs. 90-9. *Shravan* ready gold moved up from Rs. 87-14 to Rs. 88-12. The floating stocks of gold are estimated at 10,000 tolas. The daily average arrivals were 4,000 tolas and the offtake was 3,500 tolas on an average.

In London, silver price was unchanged at 78¼d. for spot and 78¼d. for forward. After an initial decline from £12 10s. 11½d. to £12 10s. 10d., gold firmed up to £12 11s. In New York, the price of silver was marked down from 90½c. to 90¼c. per fine ounce.

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

	8-6-55	Highest	Lowest	1-6-55
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	94 1	94 2	92 4	93 15
Forward*	90 9	90 10	88 15	91 13
Sovereign	61 0	61 0	60 8	60 8
SILVER				
Ready (.996 fine Mint) ..	157 13	164 15	157 10	162 7
Forward†	154 13	155 12	154 10	161 8
London Silver Ready ..	78¼d.	—	—	78¼d.
London Forward	78¼d.	—	—	78¼d.
London Gold	251s. 0d.	251s. 0d.	250s. 10d.	250s. 11½d.
New York Ready	90½c.	90½c.	90½c.	90½c.

* *Ashad*—5th July settlement.
† *Ashad*—8th July settlement.
N. B.—Foreign bullion prices shown in the above table relates to the previous day.

BASE METALS MOVE NARROWLY

(From Our Own Correspondent)

CALCUTTA, 7th June

Prices of base metals fluctuated within narrow limits during the week under review. Consumers were interested in fair tonnages, but were reluctant to purchase when prices got moving up. This kept prices down. Higher advices were received from London and New York, but locally electrolytic copper was better only by two points at Rs. 250. On the other hand, the price for the ready metal on the London Metal Exchange went up by as much as £10 per ton mainly encouraged by the Railwaymen's and dock labourers' strikes. The higher level was thought here as a temporary phase, but it would persist if the labour trouble facing Britain was not ended. Electrolytic zinc was in moderate demand, and improved from Rs. 64-8 to Rs. 65. Tin opened at Rs. 483, and moved down to Rs. 476-8, which is much below the replacement cost. Such a recession was due to expectations of imminent arrivals. Offerings were less. Stockists expected return of steadier conditions in the near future, in view of higher advices from the Far Eastern markets. Lead closed at Rs. 73-8, as against an opening of Rs. 74-8. The weakness reflected supply in abundance.

COTTON MOVES UP

(From Our Own Correspondent)

BOMBAY, 8th June

Although narrow fluctuations characterised the trading in the forward section of the local cotton market during the earlier part of the week under review, there was a slight improvement in values towards the close. The change in sentiment is attributed to moderate demand in the ready market and more particularly to renewed rumours about the possibility of a cut in export duty on cotton. Mill demand for ready cotton in such styles as Vijay, Jarilla and Surti has been encouraging. So has been the offtake in the piece-goods market where moderate demand for popular varieties has been reported. The two large uncertainties that still remain are: the Government's decision on export duty and the imminent monsoon. It is only when they are cleared that any definite trend is likely to be established.

Opening the week at Rs. 577½, the same rate as the one at which it closed in the previous week, I.C.C. August fluctuated, in the first three days of the week, between Rs. 577½ and Rs. 571½ before it closed at Rs. 574¾ on the 4th inst. The second half of the week witnessed a steady trend, the contract moving up to Rs. 579½ on 7th inst. and still further to Rs. 580¾ today (the highest level reached during the week). Profit-taking at this level depressed prices so that the contract finished weak at Rs. 578¾, showing a meagre gain of Re. 1-4 per candy over the week.

The following is the trend of prices during the week under review:

	Opening	High	Low	Closing
I.C.C. August ...	Rs. 577½	580¾	571½	578¾

In the spot section, there was good enquiry from mill interests for Vijay and Jarillas. Sporadic export demand was reported in Vijay and Zoda cotton. The following are the latest available quotations from the Sewri market: Bengal *deshi* Rs. 560; Berar Jarillas Rs. 605; Khandesh Rs. 590-600; Vijay Rs. 765; Oomra *deshi* Rs. 550; Moglai Rs. 520.

The members of the Hedge Contract Committee, set up by the East India Cotton Association to examine the question of amending the current contract, are understood to favour a change in the present basis of the contract, namely, 23/32" staple. They are stated to be generally in favour of a basis of 13/16". Such revision, it is held, would benefit producers and traders of medium and long-staple cotton. The question of evolving two hedge contracts will probably not find general support, in view of the reported disinclination of the Forward Markets Commission to permit trading in more than one hedge contract.

The Reserve Bank of India, it is learnt, has rejected the plea of the Bombay Millowners' Association for exchange facilities to mills in order to enable them to participate in the Liverpool futures market. The authorities of the Bank, it is stated, are of the view that such facilities are likely to be misused for unlawful transfer of funds from India to overseas countries.

Despite the absence of any keen demand from overseas buyers, the Pakistan cotton market witnessed a firm trend in prices. This is attributed to the bull grip over the market. N.T. July contract improved over the week from Rs. 67-5 to Rs. 70-2 and N.T. January from Rs. 65-5 to Rs. 66. The following is the list of latest available quotations from the Karachi market: Sind *deshi* Rs. 58; Punjab *deshi* Rs. 53; Punjab R.G. Rs. 69-2; S.G. Rs. 74-2; N.T.R.G. Rs. 73-2; 289F R.G. Rs. 73-2.

In the Alexandria market, enquiries for Karnak from the U.S. and India were reported. The U.K. is said to have evinced some interest in Ashmouni. In order to facilitate trade with Eastern Europe, the Egyptian Government has decided to guarantee, within the limits of £E.10 million, the collection of payment for cotton exported to Russia, East Germany, Czechoslovakia, Hungary and Poland.

The final official estimate for Egyptian cotton for the 1954-55 season places the crop at 7,746,260 kantars against 7,081,869 kantars in the previous season. The estimate points out that long-staple varieties (above 1⅜ inches) accounted for 2,563,243 kantars, other long-staple varieties (above 1½" and below 1⅜") including Giza 30 and Dandara, for 1,979,313 kantars, medium-staple varieties, including Ashmouni, for 3,024,592 kantars and cotton waste for 179,112 kantars.

The Sudan Gizira Board sold in all 17,346 bales of cotton during the auctions held on 25th, 26th, 27th and 28th May, 1955. The Board has notified reserve prices (per 100 lbs. ex-Port Sudan) for D.G. 62, 3B and 3C at 1,000 piastres, 955 piastres and 890 piastres respectively.

Trade fixing was mainly responsible for the steady trend in the Liverpool cotton market this week. Business, however, remained restricted. The latest available quotations are: July-August 31.12; October-November 30.20; December-January 30.05; March-April 29.94.

The members of the New York Cotton Exchange, it is stated, have approved of the new contract with basis Middling 1" tenderable up to 3/32" off and 1/16" on for staple. The "on" allowance for 1/32" and "off" allowance for 1/32", 1/16" and 3/32" have been fixed at full premium over and full discount under 1". Trading in the October, 1956 contract under new conditions of trading commenced on 1st June.

The American Department of Agriculture has estimated the supply of raw cotton in the U.S. at 23.5 million bales of 478 lbs. each, in the 1954-55 season, as against 22.1 million bales in the 1953-54 season. The offtake in the current season is placed at 12.8 million bales, including domestic mill consumption of 8.8 million bales and exports of 4 million bales. The carryover on 1st August, 1955, is placed at 10.7 million bales.

The firm trend which was witnessed in the New York cotton market during the earlier part of the week, gave way towards the close of the

week. The market eased under pressure of liquidation by commission houses and New Orleans operators. Thus, the July contract which was quoted at 33.86 cents on 31st May, moved up to 33.98 cents on 3rd inst. but reacted subsequently, so that it came to be quoted at 33.83 cents on 7th inst.

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

(In cents per lb.)

	7-6-55	31-5-55	24-5-55
Spot	34.65	34.65	34.80
July	33.83	33.86	34.04
October	33.98	34.02	34.20
December	34.02	34.08	34.22
March	33.95	33.95	34.15
May	34.01	—	—
July	33.21	—	—
October	32.75	—	—

SUGAR FULLY STEADY

(From Our Own Correspondent)

BOMBAY, 8th June

The upward trend in prices witnessed in the sugar market last week gathered further momentum during the week under review, thanks to good buying support in the face of paucity of indigenous sugar stocks, occasioned by transport bottleneck. Stocks of French and Czechoslovakia sugars also had been practically exhausted. Even the statement of the Minister for Agriculture to the effect that sugar production during 1954-55 would be an all-time record of 1.6 million tons and that there would be a carryover of as much as 800,000 tons at the end of the season failed to have an adverse effect on the sentiment of the market.

In the spot section, large grain indigenous sugar strengthened from Rs. 93½—Rs. 101 to Rs. 97—Rs. 102 per bag. Medium grain spurted by As. 8 to Rs. 90—Rs. 94. Among imported sugars, British refined sugar was fully maintained at Rs. 84-4 per bag of 2 cwts. and German sugar at Rs. 80 per 224 lbs.

In the forward section, *Shravan* delivery hardened by As. 8 to Rs. 88-12 per bag. *Jeth* delivery was squared up at Rs. 83-8, as against Rs. 83-7 last week end.

An inexplicable feature of the market is that, while the profit margin available to dealers on sales of imported sugar in sound bags is exceptionally slim, the Union Food Ministry is getting good prices at the auctions for sugar even if it is in slack, torn and damaged bags. At the auction held today, for instance, damaged British refined sugar was bid at Rs. 29-8, and slack and torn German sugar at Rs. 29 per maund, as against the Government issue price of Rs. 30-8 and Rs. 29-8, respectively.

Sugar traders are somewhat surprised at the Union Agriculture Minister's statement about the heavy carryover of sugar at the end of the season. They do not understand as to how the Minister arrived at the figure of 800,000 tons. It may be that the Government has not re-sold the undelivered portion of the foreign sugar bought by it and that the whole of it will arrive in India after the monsoon. But the present trend of offtake is good and consumption may not be as low as was reckoned a few months ago.

N.B.—The rates for Indian sugars are inclusive of sales tax, while those for foreign sugars are exclusive of the tax.

RAYON YARN EASY

(From Our Own Correspondent)

BOMBAY, 8th June

There was practically no business in the forward section of the rayon yarn market during the week under review, thanks to scarcity of supplies of 150 deniers tenderable quality yarns and fears of sellers being squeezed. June delivery was nominally quoted at Rs. 730. The spot section presented an easy trend owing to three bearish factors. First, increased supplies of yarn are made available by indigenous manufacturers. Secondly, arrivals of imported yarns have been larger in recent weeks; the quantity that actually arrived in the port of Bombay during the month of May is estimated at 2.67 million lbs., as against 2.32 million lbs. in the previous month. Thirdly, inward clearance of goods at the docks have improved considerably. All these factors induced some selling and rayon yarn prices tended to come down. 120 Italy was subjected to considerable selling pressure and dropped As. 5-6 to Rs. 3-11-6 on Monday, but recovered to Rs. 3-13, following support at lower levels. 150 Italy shed 18 pies to Rs. 3-9-0. 150 Japan lost an anna to Rs. 3-14. 120 Japan was quiet at Rs. 3-13-6. Among indigenous yarns, National Rayons 120 Bt. Cone I and II grades declined by half an anna each to Rs. 4-3-6 and Rs. 4-2, respectively. 150 Bt. Cone I grade was lower by three pies at Rs. 3-7-3.

In contrast with rayon yarns, the staple fibre yarn section exhibited fully steady conditions, owing to good enquiries from consuming centres and, as a consequence, prices recorded a rise. Staple fibre yarn (40×2) for June delivery moved up from Rs. 587 to Rs. 591-8 today before finishing at Rs. 590-8. In the spot section, Kohinoors increased by half an anna to Rs. 3-5. Sitarams gained 3 pies to Rs. 3-1-9. Citys were fully steady at Rs. 3-3-4, New Greats at Rs. 3-1-6 and Seksarias at Rs. 3-0-7½. Among foreign yarns, Suicos spurted by an anna to Rs. 4-13. Shincos were throughout maintained at last week's level of Rs. 4-9.

Activity in the cotton yarn market was very much restricted this week. Enquiries from consuming interests, particularly from the powerloom sector, continued to be slack. Traders showed little interest in fresh business, as they preferred to watch the trend of powerloom goods market in the context of the imposition of excise duty on weaving units having more than four cotton powerlooms. Consequently, prices moved narrowly, the general tendency being downwards. Among 10s, Podars eased by an anna to Rs. 12-11. Moderns were quiet at Rs. 12-12 and Elphinstones at Rs. 12-8. Deals in 39 count yarns were put through at lower rates, Maduras declining by As. 4 to Rs. 20-12 and Moderns by As. 2 to Rs. 20-14. Among 40s, Seksarias dropped As. 12 to Rs. 21-8. Moderns retreated from Rs. 25-4 to Rs. 25. Among 60s, Finlays receded by Re. 1 to Rs. 61. Moderns lost As. 4 to Rs. 61. Cotton yarns of 20 and 80 counts, on the other hand, were steady. Among the former, Seksarias were done at Rs. 15, Raghuvamshis at Rs. 16-4 and Maduras at Rs. 17-3. Among 80s, Finlays were unaltered at Rs. 68-8, as also Moderns at Rs. 62-8.

The table below gives the prices of art silk staple fibre and cotton yarns quoted today, as compared with those eight days before:

	8-6-1955	31-5-1955
	Rs. a.	Rs. a.
Art silk yarn—		
100 D. June	730 0	730 0
120 Japan (per lb.)	3 13½	3 13½
150 Japan (per lb.)	3 14	3 15
120 Italy (per lb.)	3 13	4 0
150 Italy (per lb.)	3 9	3 10½
Staple fibre yarn—		
40×2 June	590 8	587 0
Shinco (per lb.)	4 13	4 12
New Great (per lb.)	3 1½	3 1½
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	12 12	12 12
20s Raghuvamshi	16 4	16 4
20s Madura	20 12	21 0
40s Seksaria	21 8	22 4
60s Modern	61 0	61 4
80s Finlay	68 8	68 8

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 8th June

After a prolonged spell of dull and easy conditions, the oilseeds market sprang into activity during the week under review, with brisk business in the oil section. The chief factor which provided impetus to the market was the extension of the free licensing policy for export of castorseed and linseed oils up to the end of December next. This measure has been widely welcomed by traders. It will be recalled that, despite keen overseas enquiries for the oils, shippers were hitherto extremely cautious to enlarge their commitments, thanks to difficulty in obtaining freight space for quick delivery. Now that shipment period has been extended, deals for export purposes are expected to register improvement. There are already reports of sizable business—amounting to 2,200 tons of castor oil, for July-August—having been done recently with the U.S. by some shippers at As. 7-3 per lb. (c.i.f.) for commercial quality and at As. 7-10 per lb. for 1st quality. The firmness in oil prices attracted widespread buying enquiries for castorseed and linseed, resulting in a marked improvement in prices. In sympathy with these, groundnuts, kardiseeds and nigerseeds ruled strong, their quotations today being higher than those at the end of last week.

After remaining dull in the earlier part of the week, castorseed for September delivery came into the limelight in the latter half. The delivery opened the week easy at Rs. 73-2, as against Rs. 74-2 on Wednesday last. After receding to Rs. 72-10 on the 3rd inst., it staged an impressive rise thereafter, following bull support and short covering, to touch a high of Rs. 77-8 before finishing at Rs. 76-12. The net gain over the week was Rs. 3-10. In the ready section, F.A.Q. was favoured most, its price advancing by Re. 1-14 to Rs. 14-8. Madras quality also met with buying support and hardened by As. 12 to Rs. 14-10. Kanpur improved from Rs. 13 to Rs. 13-8. Castor oil 1st Pressure strengthened by As. 5 to Rs. 9, commercial quality by As. 4 to Rs. 8-8 and B.S.S. by As. 3 to Rs. 9-8.

As already stated, the Government of India has extended the free licensing of exports of castor oil up to the end of December next. Export licences will be granted on presentation of shipping bills by two categories of shippers, namely, (1) established shippers who have already established their basic year exports of castor oil, effected by them during any of the calendar years 1951, 1952, or 1953 and (2) non-established shippers dealing in the trade of vegetable oils and oilseeds and having a minimum turnover of over Rs. 25,000 in any of the three years 1951, 1952 or 1953. Exports of castor oil by "others," however, will not be allowed.

In the linseed section, August-September registered a handsome rise of Re. 1-6 to Rs. 23-12. June-July rallied Re. 1-3 to Rs. 23-11. Indore quality were higher by Re. 1-5 at Rs. 23-12 and Bold ready by Re. 1 at Rs. 23-8. Kanpur quality was better at Rs. 22-4, as against Rs. 21-4, although, at the time of writing this report, this variety was somewhat neglected. Linseed oil ready moved up by As. 8 to Rs. 14-8.

It is reported that overseas demand for linseed oil, especially from the U.K., is excellent. Buyers are prepared to purchase oil at £103 per ton. To what extent will the extension of the shipping period help exporters to do further business in linseed oil will depend on the supply position which is said to be scarce at present. Incidentally, about 25,000 to 26,000 tons of oil—which, in terms of linseed, amount to 70,000 tons—are reported to have been exported so far in the current season.

The groundnut section ruled strong, following covering in oil by shippers against previous commitments as a result of improved freight position. The improvement in prices of groundnut in the U.K. from £100 per ton to £105 per ton in the past few days also strengthened the sentiment. Prices, however, could not move up appreciably, owing to exhaustion of most of the export quotas for groundnut oil. Bold F.A.Q. gathered As. 8 to Rs. 20-6. June-July picked up As. 10 to Rs. 20-6 and August-September As. 9 to Rs. 21-6. Coromandel ready and Khandesh rose by As. 10 each to Rs. 21-2 and Rs. 21-4, respectively. Groundnut oil *ex*-mill increased by As. 6 to Rs. 11-7 on Monday, but receded to Rs. 11-5 today. Railway receipt was better by As. 3 at Rs. 11-5. June improved from Rs. 11-1 to Rs. 11-5-6 and July from Rs. 11-2 to Rs. 11-5-6. August was quoted today at Rs. 11-7-6, as against Rs. 11-4 on Thursday last.

Kardiseeds evoked good buying enquiries, Bold ready advancing by Re. 1 to Rs. 12-8 and June-July by As. 12 to Rs. 12-8. Nigerseeds, however, were quiet. F.A.Q. and Madras were quoted each As. 4 lower at Rs. 18-8 and Rs. 19, respectively.

Export business in oilcakes continued to be quite brisk. The U.K. and Continental interests recently purchased a sizable quantity of groundnut oilcake at about Rs. 507 per ton (c.i.f.). There are overseas buyers for kardiseed oilcake at Rs. 227 and for nigerseed oilcake at Rs. 331 per ton (c.i.f.).

The following table shows the price of oilseeds and oil today, as compared with those at the end of the previous two weeks.

	8-6-1955	1-6-1955	24-5-1955
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	21 4	20 10	21 6
June-July	20 6	19 12	20 14
Linseed—			
Bold Ready (per cwt.) ..	23 8	22 8	23 5
June-July	23 11	22 6	23 3
Castorseeds—			
September	76 12	73 14	75 3
Madras (per cwt.)	14 10	13 14	14 7
Groundnut oil—			
Ex-mill Ready (per quarter) ..	11 5	11 1	11 6
Castor Oil—			
Commercial (per quarter) ..	8 8	8 4	8 8
Linseed Oil—			
Ready	14 8	14 0	14 0

PEPPER MOVES UP

(Messrs. Parekh & Co.)

BOMBAY, 8th June

During the earlier part of the week, the sentiment in Malabar black pepper appeared depressed in view of the absence of enquiries from New York for more than a week and under pressure of sales by bears. Prices at primary centres slipped back to as low as Rs. 1,125. But these rates proved nominal, for immediately on the appearance of buyers, growers put up their prices and refused to sell anything below Rs. 1,175. After a small sale at the rate, they again raised their price to Rs. 1,187½-1,200. In view of the tight statistical position of Malabar black, growers are getting stiffer day by day, in spite of exporters trying to bear the market and absence of large enquiries.

Locally there was a scarcity of contracts and a small buying was enough to scare away sellers who seemed to be trying to depress the market, simply for making purchases at a later date in a declining market.

New York after touching $0.54 for spot, reacted to $0.49, and is now reported to have improved to $0.52 with buyers for shipment during the first half of June at $0.51.

It is learned that the Reserve Bank of India has decided to allow from 15th June free trading in some currencies like those of Australia, New Zealand, Belgium, Denmark, France, Holland, Norway, Sweden, Portugal, West Germany, Hongkong, Singapore, etc. with the exception of the pound sterling, the U.S.A. and Canadian dollars and Pakistan rupee. The pepper trade has so far not fully grasped all the implications of this measure. Some among the trade think that this might afford an opening in the near future for some international trading houses to do "commodity shunting," thus giving them an opportunity to make profit both in the exchange business and in the commodity.

June shipment after having gone down to $0.49 improved to $0.51 and July from $0.48½ to $0.50½. At the time of writing there is a scarcity of sellers both in the A.S.T.A. and delivery. In the delivery section, July improved from Rs. 1,045 to Rs. 1,105 and August from Rs. 1,040 to Rs. 1,100.

Following are today's nominal quotations: Ready delivery Rs. 155 (as against Rs. 157 a week ago) per Bengal maund, July Rs. 1,100-10 (Rs. 1,090-1,100), and August Rs. 1,095-1,105 (Rs. 1,080-90), per candy of 5¾ cwts.

TEA PRICES IMPROVE

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 2nd June

Following the three-week gap in export auctions in Cochin, Sale No. 11 was held on Tuesday 31st May. Some 1,600,000 lbs. were on offer and quality was well maintained, in view of the season of production. There were still some useful highgrown teas on offer. The sale opened to a strong general demand for all grades. However, the activity was mainly confined to internal buyers and exporters were fairly quiet. Poorer sorts and stalky teas were sold at rates which were about one anna dearer, but medium and good medium teas were well supported and were irregularly As. 2 dearer. Best liquoring highgrowns met with some competition and were As. 2 to As. 3 dearer. Whole leaf grades were very well supported. Black leaf Middle East types were in strong demand and

must be quoted considerably dearer. The following were the quotations:—

	1955	1954
	Rs. a. p.	Rs. a. p.
Low-grown Travancore B.O.P.	1 10 6	2 7 6
Medium Travancore B.O.P. ...	1 11 6	2 8 0
Anamallais B.O.P.	2 1 0	2 10 0
Best liquoring Nilgiri B.O.P.	2 6 0	2 14 0
Well made black leaf O.P. ...	2 13 6	2 12 6

London Market.—No sale this week.

Colombo Market—Sale of 30th May.—More general interest at dearer rates. Liquoring broken teas and fannings 20 cents dearer. Plain sorts and stalks 10 cents dearer. Good dusts active. Poor sorts weak.

Sale of 31st May.—Middle East sorts considerably lower, owing to shipping difficulties. Stalky sorts easier. Poorer mediums steady. Good mediums and best quality strong enquiry and much dearer.

Calcutta Market.—No sale this week.

Export Quota.—At the end of last week, there was a stronger demand and business was done at 34 pies. The market has now eased and there are buyers at 66 pies with sellers at 72 pies.

Export Duty.—The Government of India has announced a reduction in export duty from the present level of As. 8 per lb. to As. 4 per lb.

Forthcoming Auctions.—Sale No. 12 will be held on Tuesday, 14th June.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:—

"*Dust Sale K.*—4,30,000 lbs. Excited general demand. Prices have advanced for low and low medium As. 6 to As. 8, medium and best As. 4 to As. 6."

RAW JUTE EASY

(From Our Own Correspondent)

CALCUTTA, 7th June

Foreign buyers of jute goods preferred to sit tight without entering into commitments. This was naturally reflected in prices giving way and in weak holders turning out as nervous sellers during the week under report. However, the industry was not at all alarmed by the lack of buying by foreign consumers. After the recent purchases of hessians for export to Argentina, no substantial business with overseas buyers has been done. However, if the quantities bought for internal consumption and those taken by shippers and speculators driblets are added, they should compare well with the rate of production. What should be noted is that ever since the completion of the deals for export to the Argentina, there had been no heavy purchases which could reduce stocks further.

However, business is anticipated. The time of the year is fast approaching when the United States should commence purchasing for replenishing its stocks. In view of the satisfactory shipments of both hessians and heavy goods during the month of May, it is expected that the month-end stock figures would reveal sizable declines. During May, jute goods amounting to 69,455 tons were licensed for export, and utilising unexpired licences actual exports were more than 76,000 tons. Sacking goods exported reached the highly satisfactory figure of 45,266 tons, which was higher by 13,219 tons compared to the previous month. Hessian exported were as much as 30,659 tons as against 23,695 tons in April and 25,944 tons in March.

Ready B. twills were being quoted last Tuesday at Rs. 109-4, and July-September goods at Rs. 107-8. No genuine business was forthcoming even at these lower levels, and nervous speculators began to unload. This pushed down the price to Rs. 107 and to Rs. 105-12 respectively. There were clear indications in the market that overseas buyers desired to see how far prices were being taken down. Unfortunately, there had been no comparative decline in the prices of raw jute. The mills, therefore, could not do simultaneous business in the raw material as well as the finished products at a profit. Considering the very favourable reports of the jute crop in both Pakistan and India and the definite anticipations of the crops surpassing all estimates, raw jute should have declined unhesitatingly. However, this had not been so.

After reaching the lower levels earlier mentioned, B. twills made an attempt at partial recovery which was assisted by local short-covering. The ready position improved to Rs. 107-12 from Rs. 107 and the forward to Rs. 106-12 from Rs. 105-12. At this stage, a fight between bulls and bears developed, and there were more sellers at higher levels. This coupled with anticipations of early business for export forced a recovery, with ready B. twills improving to Rs. 108-8 by the week-end and the July-September goods to Rs. 107-12. An easier trend was in evidence yesterday, and the ready goods were lower at Rs. 108-4. In the hessian section, the movement in both directions was limited to fractions. Ready hessians 40" 10 oz. at first gave way to Rs. 42-3 from Rs. 42-7 but soon recovered to Rs. 42-9. By the week-end, the price touched Rs. 42-12 which, however, should not be considered a higher level in view of the higher prices for raw jute. Reports from the United States indicated that burlap manufacturers there were in no hurry to purchase hessians and that, with the expectation of a bumper jute crop in India and Pakistan, they naturally desired to enter into commitments only to the extent of their immediate requirements. Yesterday, in sympathy with an easier heavy goods section, 40" 10 oz. hessians also was lower at Rs. 42-10, with the eight oz. quoting at Rs. 34-2 f.a.s. and Rs. 37-6 f.o.b.

Raw jute was also easy. However, judging from the nature of bumper crop expected in East Bengal, the declines should have been more pronounced. This was not so because the difficulties in getting East Bengal jute have growingly increased during recent months, and it is highly necessary that these should be removed. It is expected that the forthcoming Indo-Pakistani trade talks would deal with this matter, and the market is eagerly looking forward to these talks. The latest quotations of raw jute are appended below:

	Old Crop Mid. Bottoms		New Crop Mid. Bottoms	
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Pakistani:				
Northern	31 8	27 8	31 8	27 8
District ...	32 8	28 8	32 0	28 0
Indian:				
Northern	30 8	27 8	29 0	26 0
Assam Upper	30 0	27 0	28 8	25 8
Assam Lower	30 8	27 8	29 0	26 0

DEMAND FOR TEA STRONG

(From Our Own Correspondent)

CALCUTTA, 7th June

The 1955-56 season's first tea export auction was held yesterday. There was a strong demand, and, in spite of this, prices were held at levels, considered fair to both buyers and sellers. If prices remain at these levels, then the British housewife would remain content. Offerings yesterday aggregated 19,000 packages. Many of the lots on offer were taken by buyers for internal consumption, as quotations were considered attractive to the internal market in view of the current price for the export quota, viz., As. 5¼. The strongest feature was well-made black B.P. teas and whole leaf grades, prices of which were raised As. 2 above brokers' valuations. Stylish Dooar teas were firm, and, among Darjeelings, superior teas were sold at above valuations. A number of plainer lots of Darjeelings had to be withdrawn, as they did not attract buyers' attention. Fannings were easy and lost by 1 to 2 annas. The rates were: plain B.P. Re. 1-14, and plain pekoe Rs. 2-8 to Rs. 2-10.

KIPS DECLINE

(From Our Own Correspondent)

MADRAS, 6th June

Trading in kips with the U.K. was sporadic due to Whitsun holidays and dock and railway strike in the U.K. Arrivals of kips were on the usual scale and clearance moderate. Prices in the local bazaar were easier by six pies per lb. for ordinary qualities of cow hides and three pies for buff hides. Tanned cow calf and buff calf ruled steady. The U.S.A. showed some interest in buff calf skins.

COTTON PRODUCTION PROSPECTS

RECORD CARRYOVER STOCKS PREDICTED

AN analysis of the free world cotton statistics for the 1954-55 season brings out the very significant fact that the overall decline in output has in no way affected adversely the supply of cotton. Rather, the supply is now placed higher at 47.1 million bales of 478 lbs. each, as against 45.8 million bales in the 1953-54 season, although production is estimated to have fallen from 30.3 million bales to 28.7 million bales in the current season. The reason for this increase in supply must be sought in the heavy carryover stocks brought into the current season—some 18.4 million bales on 1st August, 1954, as compared with 15.5 million bales on the same date in 1953.

A further probe into the statistics reveals that the cotton producing countries outside the U.S. are beginning to play an important part in world cotton economy. Between 1953-54 and 1954-55, the U.S. cotton crop was reduced by 2.8 million bales. But the overall output declined only by 1.6 million bales. This is because the countries, outside the U.S., increased their production by over one million bales. The following table gives the acreage under cotton, yield and output of cotton in the U.S. and in the major and minor cotton producing countries in 1949-50 to 1953-54 (average), 1953-54 and 1954-55:

Cotton Statistics

	1949-50 to 1953-54 Av.	1953-54	1954-55(a)
	(In millions of acres)		
ACREAGE.			
U. S.	24.5	24.3	19.2
Other Countries	38.0	39.8	42.0
Major (b)	33.0	34.1	35.9
Minor	5.0	5.7	6.1
Free World Total	62.5	64.1	61.2
	(Pounds per acre)		
YIELD.			
U. S.	233	324	339
Other Countries	161	167	171
Major (b)	165	170	174
Minor	134	149	158
Free World Total	209	226	224
	(In million bales)*		
PRODUCTION			
U. S.	14.5	16.4	13.6
Other Countries	12.8	15.9	15.1
Major (b)	11.4	12.1	13.1
Minor	1.4	1.8	2.0
Free World Total	27.3	30.3	28.7

(a) Estimated. (b) Mexico, India, Pakistan, Turkey, Syria, Egypt, Sudan, Uganda, Belgian Congo, Brazil, Argentina, and Peru.
* Bales of 478 lbs. each.

Free world production, this season, as the table above shows, is placed at 28.7 million bales. This is likely to be in excess of offtake—that is, consumption, net trade with communist countries and cotton destroyed—by some 800,000 bales. Taking into account cotton afloat, the free world carryover on 1st August, 1955, it is predicted, should rise to over 19 million bales as against 18.4 million bales on 1st August, 1954 and 15.5 million bales on 1st August, 1953. The volume of carryover stocks at the end of the current season, it is stated, is likely to be the largest, since 1946. Stocks in the U.S. are expected to rise to over 10.5 million bales while aggregate stocks in other countries may decline slightly from last season.

Prospects for 1955-56

The prospects for cotton production in 1955-56 are still uncertain. Discussing them, the International Cotton Advisory Committee, Washington, observes, in its May issue of *Cotton*, that, so far as the U.S. is concerned, the farmers are likely to "plant near to their allotment"—namely, 18.1 million acres. For production the determining factor in this country will be the yield. Farmers are expected to concentrate production on the best land and plant and fertiliser intensively. Using minimum and maximum yields by States obtained in the past ten years, the possible range of production in the U.S., it is stated, extends all the way from 8.3 to 11.6 million bales. Using average yields, production would be 10.3 million bales; a "workable" figure would be about 10.5 million bales.

In almost all countries outside the U.S., cotton production will be unrestricted. This fact, it is stated, makes it "more difficult to arrive at any estimate of total acreage." Prospects, however, are for a further net increase in planted acreage. During the 1954-55 season, major increases in acreage occurred in India, Brazil and Egypt. Land under cotton in these countries increased by 1.7 million acres out of a total increase of 2.2 millions outside the U.S. In India, the incentive to increase acreage next season, it is felt, may be "affected by the steep fall in cotton prices in recent months and the emphasis may now shift towards quality and more intensive cultivation." In Egypt, it is expected that there will be some relaxation in 1955-56 of the acreage controls. Preliminary indications are that acreage could rise to over 1.8 million acres for the coming crop.

Acreage was reduced in 1954-55 in the major cotton producing countries—Pakistan, Turkey and Mexico. Reports indicate that this trend may be reversed. The Committee says that there is "almost certain to be some increase in acreage in Mexico with more cotton grown under irrigation." Efforts are continually being made in Pakistan to increase cotton production. Again, everything seems set for a significant increase in acreage in Turkey. Among other cotton producing countries, Sudan and Uganda have steadily increased the land under cotton. This is true of Africa too. Acreage in Peru has been on significantly higher level in recent years, though it is doubtful if acreage could be expanded at the same rates as in past seasons. Summing up the position in major producing countries, the Committee observes: "Given normal weather conditions, therefore, the possibility is that there could be a further net increase in cotton acreage in the major producing countries next season."

Minor Countries

As regards minor cotton producing countries, the total acreage under cotton has increased by nearly 50 per cent. over the last six years and in 1954-55, it is estimated to have been in excess of 6 million acres. In many of these countries, according to the Committee, cotton is a "firmly entrenched, well established, industry." Thus, in the Central American countries—Nicargua, Guatemala, and El Salvador—this season's production of nearly 300,000 bales represents a five-fold increase over the 1950-51 season. Smaller increases in acreage and production have taken place in the minor cotton producing countries of Asia and Africa.

Discussing the influence of yield on cotton output, the Committee notes that net increases in yield per acre outside the U.S. have contributed in only a small way to the increase in overall production in the last four years though, of course, fluctuations in yield in several of the individual countries were far more significant. The net increase in yield in the major producing countries in 1954-55 amounted to only 4 pounds per acre and in the minor countries, 9 pounds per acre. Among the major countries, Mexico recorded a "phenomenal" rise in production by over half a million bales which was entirely a function of higher yield arising mainly out of increased production in irrigated areas. In Pakistan, too, yield increased and was above the average of recent years. In Egypt, Uganda, Brazil and Argentina yields declined in 1954-55 and were under the recent average. In India, however, it was above the average. Apart from Mexico, fluctuations in yield caused a net decrease in aggregate production in the major countries this season. Among minor cotton producing countries, yields in the smaller North American countries were at or near record levels this season. In view of the fact that aggregate production in these countries represents only some 7 to 8 per cent. of the free world total, variations in production will have only a relatively minor effect on the overall supply position.

To sum up, available information foreshadows the possibility of some further increase in aggregate free world production outside the U.S. next season but this might only partly offset the expected reduction in the U.S. Assuming a 10.5 million bale crop in the U.S. and combining acreage potential and average yields in other countries, the chances are there would be a "significant" reduction in free world production next season, with a somewhat smaller decline in total supply as a result of the expected increase in the carryover stocks at the end of the current season. This estimate, the Committee has taken care to emphasise, is purely tentative, for much will depend upon weather and other unpredictable factors of nature.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (Pre-war)	27th May, 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,316.09	1,322.41	1,301.77	1,202.92
Notes held in Banking Department	25.05	24.03	17.46	31.22	48.23
Foreign Securities	50.50	661.98	661.98	661.98	588.15
Rupee Securities	97.29	533.71	533.71	533.75	421.22
Banking Department					
Deposits of:					
Government of India	14.89	54.63	55.23	51.02	101.08
Other Governments	..	14.17	14.99	25.00	20.55
Balances held abroad	10.08	48.49	53.58	53.19	63.00
SCHEDULED BANKS					
Demand Liabilities	184.26	592.68 (8.84)†	587.78 (9.22)†	590.89 (9.59)†	543.23 (8.83)†
Time Liabilities	102.24	388.17 (2.67)†	387.63 (2.20)†	383.70 (2.20)†	329.64 (1.66)†
Borrowings from Reserve Bank	..	27.18 (25.57)‡	21.95 (30.05)‡	26.92 (24.84)‡	37.29 (21.27)‡
Borrowings from Imperial Bank	..	4.73	5.12	4.97	9.17
Cash in India	6.70	35.31	34.52	34.13	32.73
Balances with Reserve Bank	25.17	47.54	48.59	46.61	41.12
Excess over statutory limits	15.52	10.15	11.45	10.42	7.37
Balances with other banks in current account in India	..	10.44	10.23	10.16	10.80
Money at call and short notice in India	..	16.17	16.11	17.13	12.91
Investments (at book value)	..	344.34	344.29	344.40	324.05
Advances and bills	105.09	610.82	622.60	623.90	572.58
IMPERIAL BANK					
Deposits	57.76	210.45	211.60	217.09	209.40
Investments	31.99	101.87	102.23	103.52	93.02
Advances	30.55	121.27	123.3[illegible]	125.95	124.21
Cash	14.69	16.10	19.48	17.56	16.66

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	Week ended 3rd June, 1955		Week ended 27th May, 1955	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,53,701	56,79,57,000	2,21,287	49,55,90,000
Calcutta	1,54,192	60,35,50,588	1,35,344	47,01,39,716
Madras	82,413	8,09,58,276	71,854	6,59,59,877
All Centres—				
1953	..	..	1,14,82,214	26,45,05,08,000
1954	..	..	2,40,72,000	70,64,29,00,000
Jan., 1955	..	..	29,43,000	6,23,74,00,000
Feb., "	..	..	28,78,000	6,20,97,00,000
March, "	..	..	32,91,000	7,42,59,00,000

Reserve Bank of India

Statement of Affairs for the week ended 3rd June, 1955

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	52,20,52,000
(2) Other Governments	14,75,10,000
(b) Banks	45,72,44,000
(c) Others	21,87,61,000
Bills Payable	4,63,21,000
Other Liabilities	27,15,54,000
Rupees	187,34,72,000

Assets	Rs.
Notes	14,30,06,000
Rupee Coin	4,83,000
Subsidiary Coin	5,80,000
Bills Purchased and Discounted—	
(a) Internal	51,90,000
(b) External	—
(c) Government Treasury Bills	11,72,62,000
Balances held abroad*	60,03,85,000
Loans and Advances to Governments	80,00,000
Other Loans and Advances	29,89,99,000
Investments	40,74,25,000
Other Assets	29,72,52,000
Rupees	187,34,72,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 19,14,00,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 115,81,00,000.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	14,30,06,000	
Notes in circulation	1324,95,10,000	
Total Notes issued	..	1339,25,16,000
Total Liabilities	....	1339,25,16,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	652,04,02,000	
Total of A	..	692,05,73,000
B. Rupee Coin	..	103,54,56,000
Government of India Rupee Securities	..	543,64,87,000
Internal Bills of Exchange and other commercial paper	....	..
Total Assets	....	1339,25,16,000

Ratio of Total of A to Liabilities: 51.675 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 27th May, 1955

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India	8,83,62,000†
(ii) Other demand liabilities	583,34,66,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India	2,66,54,000†
(ii) Other time liabilities	385,50,18,000
3. Borrowings in India from the Imperial Bank of India:	
(i) Demand liabilities	4,72,54,000
(ii) Time liabilities	58,000
4. Cash in India	35,81,75,000
5. Balances with the Reserve Bank in India	47,53,66,000
6. Balances with other banks in current account in India	10,43,69,000
7. Money at call and short notice in India	16,16,61,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	344,83,96,000
9. Advances in India	600,12,42,000
10. Inland Bills purchased and discounted in India	81,03,41,000
11. Foreign Bills purchased and discounted in India	33,66,21,000

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

EXCHANGE RATES

	8th June, 1955	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot. s.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months " s.	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months " s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months " s.	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	480	479 1/4
Buyers T.T. .. Rs.	474 3/4	474 1/4
London on New York .. $	2.79-2.79 1/4	2.79-2.79 1/4
London on Paris .. Fcs.	979-979 1/4	979 1/4-980
London on Berne .. Sw. Frs.	12.23-12.23 1/4	12.23-12 23 1/4
New York on London .. $	2.79 1/4-2.79 1/4	2.79 1/4-2.79 1/4

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	'53-'54	372.87	..	10,500	283.9
Pakistan	1949	75.04	..	1,571	222
Burma	1952	18.86	Kyats 3,556	356	188
Ceylon	1952	8.16	..	442	541
Japan	1953	85.50	Y. 5,223,400	7,014	820
Philippines	1952	21.02	Ps. 7,875	1,654	787
New Zealand	1952	2.05	£(N.Z.) 727	969	4,727
Australia	1952	9.13	£(A) 3,521	3,561	4,207
U.K.	1952	50.86	£ 14,719	19,625	3,865
U.S.A.	1952	159.63	$ 305,000	146,790	9,198
Canada	1952	14.75	$ 19,043	8,407	5,698
France	1952	42.55	F.Fr. 10,197,900	14,018	3,321
W. Germany	1952	48.99	Dm. 108,000	11,705	2,389
Italy	1952	47.02	Lr. 6,997,000	6,825	1,451
Norway	1952	3.56	Kr. 16,861	1,332	3,869
Sweden	1952	7.17	Kr. 26,957	2,422	4,772
Netherlands	1952	10.49	Grs. 19,260	2,451	2,336
Denmark	1952	4.27	Kr. 23,484	3,551	3,572
Switzerland	1953	4.88	Sw.Fr. 20,800	3,258	4,684

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, September, 1954.
† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 27th May, 1955

BANKING DEPARTMENT

Liabilities	Rs.
Capital, paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	12,42,02,000
(b) Provincial Governments	4,31,48,000
(c) Banks	13,98,03,000
(d) Others	3,98,15,000
Bills Payable	45,09,000
Other Liabilities	4,38,25,000
Rupees	45,48,02,000

Assets	Rs.
Notes	9,21,87,000
Rupee Coin	8,000
Subsidiary Coin	14,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	..
(c) Government Treasury Bills	9,15,000
Loans and Advances to Governments	4,98,00,000
Provincial Governments' Debtor Balances	..
Other Loans and Advances	4,96,50,000
Investments	16,19,50,000
Other Assets	10,01,58,000
Rupees	45,48,02,000

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	9,21,87,000	
Notes in circulation	244,12,82,000	
Total Notes issued	..	253,34,69,000
Total Liabilities	..	253,34,69,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	7,01,42,000	
Silver Bullion	..	
Sterling Securities	40,13,01,000	
Government of India Securities	21,41,41,000	
India Notes representing assets receivable from the Reserve Bank of India	29,96,87,000	
B. Rupee Coin	4,19,86,000	99,42,71,000
Government of Pakistan Securities	145,47,87,000	
Internal bills of exchange and other commercial paper	....	
Rupee Coin	..	149,67,22,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,08,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets	..	253,34,69,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 40.80 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	14 Mar., 1936	..	3½
Austria	3rd June, 1954	4	3½
Belgium	29th Oct., 1953	3	2½
Bolivia	30th Sept. 1950	5	6
Canada	15th Feb., 1955	2	1½
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1952	4	4½
Colombia	18th July, 1923	5	4
Costa Rica	1st Feb., 1950	3	4
Denmark	22nd June, 1954	4½	4½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	23rd Mar., 1950	4	3
Finland	16th Dec., 1951	7½	5½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1954	12	10
India	15th Nov., 1951	3	2½
Indonesia	1st April, 1946	4	3
Ireland	25th Mar., 1953	3½	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Mexico	4th June, 1942	4	4½
Netherlands	7th April, 1953	3	2½
New Zealand	26th Nov., 1954	3½	4
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	18th Nov., 1947	5	6
Portugal	13th Jan., 1944	3	2½
South Africa	27th Mar., 1952	3½	4
Spain	1st July, 1954	4	3½
Sweden	18th April, 1955	2½	3½
Switzerland	25th Nov., 1936	4	1½
Turkey	20th Feb., 1951	3	5
United Kingdom	24th Feb., 1955	3½	4½
U.S.S.R.	1st July, 1936	8	4
U.S.A.	16th April, 1954*	1½	1
West Germany	5th May, 1954	3½	3

* Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	March, 1954	March, 1955	Twelve months, April to March, 1953-54	1954-55
Import Duties:				
Revenue	11.27	12.54	113.92	136.98
Protective	0.59	0.47	6.15	7.24
On surplus disposals	0.02	—	0.21	0.14
Total import duties	11.88	13.01	120.28	144.36
Export Duties	2.49	3.94	38.51	41.39
Land Customs	0.12	0.12	1.62	1.81
Miscellaneous	0.06	0.06	0.72	0.07
Gross total customs	14.55	17.15	161.33	188.63
Refunds and drawbacks	0.19	0.38	1.96	1.83
Net Customs	14.36	16.77	159.37	186.80
Gross excise	8.89	12.32	94.00	106.62
Refunds	0.07	0.27	0.99	1.98
Net Excise	8.82	12.05	93.01	104.64
Net total of customs and excise†	23.18	28.82	252.38	291.44

† Net Customs plus net Excise.

Imperial Bank of India

Statement of Affairs for the week ended 3rd June, 1955

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders—Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		6,85,00,000
Deposits and other Accounts		210,38,68,000
Borrowings from other Banking Companies Agents		7,50,00,000
Bills Payable		5,55,21,000
Bills for Collection being Bills Receivable as per contra		45,10,000
Acceptances, Endorsements and Other Obligations as per contra		62,000
Other Liabilities (including Inter-Office Adjustments)		5,97,21,000
Total .. Rs.		242,52,82,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		8,34,68,000
Balances with other Banks		8,16,04,000
Money at Call and Short Notice		1,93,83,000
Investments—		
Government and other Trustee Securities	90,29,24,000	
Other Authorised Investments	11,21,45,000	
		101,50,72,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	88,99,12,000	
Bills Discounted and Purchased	32,94,96,000	
		121,94,08,000
Bills Receivable being Bills for Collections per contra		45,10,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		62,000
Premises less Depreciation		1,28,87,000
Furniture and Fixtures less Depreciation		44,30,000
Other Assets (including Inter-Office Adjustments)		3,54,58,000
Total .. Rs.		242,52,82,000

SMALL SAVINGS

POSTAL SAVINGS‖ (In lakhs of rupees)

	National Savings Certificates 5-Year† Outstandings*	5-Year† Receipts	7-Year †† Outstandings*	7-Year †† Receipts	12-Year Receipts	12-Year Outstandings*	Savings Bank Deposits Receipts	Savings Bank Deposits Outstandings*	Cash Certificates Defence Savings Certificates and Defence Savings Bank Deposits Outstandings*	Receipts	2½% Ten-Year Treasury Savings Deposit Certificates ‡ Outstandings*	Receipts	10-Year National Plan Certificates ‡ Outstandings*
1952-53	6.63	66	3.24	22.66	84.17	1,16.35	97.08	— 31.07	7.55	25.54	..	..	..
1953-54	5.91	1,80	4.26	26.54	1,04.88	1,17.97	1,06.29	— 24.20	6.94	22.11	..	..	..
1954-55	4.71	1,61	4.98	27.26	1,24.66	1,30.51	1,27.55	— 26.33	5.57	37.19	7.40E	7.38	..
March 1954	5.91	46	4.26	3.06	1,04.88	16.29	1,06.29	..	..	..	..	..	..
April "	5.71	11	4.20	2.18	1,05.94	10.70	1,07.51	— 24.20	44	12.11	..	..	..
May "	5.71	10	4.21	1.71	1,07.05	10.08	1,07.13	— 24.40	70	32.77	..	..	..
June "	5.62	9	4.22	1.88	1,08.40	10.46	1,08.22	— 24.57	54	32.26	84	24	..
July "	5.47	12	4.29	2.57	1,10.18	11.40	1,11.02	— 24.72	30	25.01	49	23	..
August "	5.36	15	4.39	2.17	1,11.88	10.23	1,18.07	— 24.96	46	34.08	76	1.59	..
September "	5.24	19	4.51	2.44	1,13.76	10.32	1,14.25	— 25.17	46	34.44	89	2.63	..
October "	5.18	11	4.57	1.90	1,15.09	8.04	1,14.94	— 25.41	54	34.94	1.57	4.05	..
November "	5.08	12	4.54	2.25	1,16.76	10.34	1,16.31	— 25.83	42	35.39	60	4.68	..
December "	4.98	11	4.68	2.34	1,18.40	11.36	1,18.56	— 25.87	38	35.84	58	5.28	..
January, 1955	4.88	14	4.76	2.48	1,20.28	10.51	1,20.10	— 26.03	40	35.98	57	5.79	..
February "	4.81	12	4.79	2.27	1,21.88	11.18	1,22.28	— 26.19	48	36.37	54	6.32	..
March "	4.71	25	4.98	3.41	1,24.66	15.05	1,27.55	— 26.33	40	36.74	48	6.81	..
April "	..	..	..	..	..	..	..	— 26.33	47	37.15	58	7.38	..
									45	37.55	..	..	..

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
‖ Figures from 1948-49 relate to the Indian Union. Outstandings do not include Indian Union's share of the pre-partition liabilities. repayments, however, include those from the pre-partition holdings of Indian investors. E-Relating to eleven months from May, 1954
90th June 1953. †† Issued from 1st June, 1948. § Issued from 1st February, 1951. ‡ Issued from 1st June, 1948 to

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 29-5-'54	30-4-'55	21-5-'55	28-5-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.1	99.6	99.7	99.8
1. Government of India	89.9	90.4	90.6	90.6
2. Indian States	95.7	96.1	96.2	96.2
3. Municipal, Port Trust, etc.	89.1	89.8	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	101.0	100.6	100.7	100.7
1. Electricity	102.0	102.0	102.3	102.3
2. Jute	98.8	98.8	98.8	98.8
3. Plantations	99.6	99.6	99.6	99.1
4. Sugar	100.3	99.0	90.6	99.0
5. Coal	90.6	90.6	100.6	90.6
6. General Engineering	101.0	100.6	100.2	100.6
7. Shipping	102.8	100.8	100.8	100.6
8. Others	100.7	100.8	100.6	100.6
PREFERENCE SHARES	88.1	87.8	87.8	87.6
1. Electricity	95.0	97.9	96.3	96.1
2. Cotton	84.8	78.5	78.4	78.7
3. Jute	88.2	86.5	86.7	86.7
4. Coal	89.7	92.0	92.2	92.2
5. Iron and Steel	92.1	90.6	90.8	90.1
6. Sugar	76.4	83.3	83.5	83.5
7. Paper	81.8	88.8	88.9	88.8
8. Plantations	91.3	97.9	98.2	98.1
9. Miscellaneous	86.6	86.1	85.8	85.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	104.3	114.7	112.4	112.3
(a) Financial	87.5	82.2	83.1	83.0
1. Banks	85.9	84.8	85.2	85.2
2. Insurance	101.0	107.1	106.8	106.8
3. Investment Trust	79.5	93.0	88.6	88.9
(b) Public Utilities	112.6	114.2	112.8	113.0
1. Electricity	113.7	123.5	122.2	122.6
2. Shipping and other Transport	105.2	99.0	97.7	97.2
3. Railways	91.8	87.9	88.9	88.5
(c) Manufacturing Industries	107.4	118.9	116.9	116.6
1. Cotton, Woollen and Silk	102.6	103.6	103.7	103.7
2. Jute	80.9	98.4	95.6	95.1
3. Iron and Steel	127.5	143.2	141.6	139.9
4. Paper	191.4	225.6	223.0	224.9
5. Cement	126.7	148.7	145.4	145.6
6. General Engineering	189.1	168.5	167.7	168.8
7. Sugar and Breweries	93.7	97.5	96.7	96.3
8. Chemicals	113.0	130.4	129.6	129.7
(d) Non-Manufacturing Industries	117.8	158.3	148.9	147.2
1. Coal	79.7	76.6	77.5	77.8
2. Mining and Oil	168.3	183.2	180.7	181.6
3. Plantations	120.1	196.4	174.1	147.3
(e) Miscellaneous	84.2	86.8	84.4	84.0
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.6	90.1	90.2	90.3
1. Bombay	90.0	90.5	90.6	90.6
2. Calcutta	90.6	90.9	91.0	91.1
3. Madras				
DEBENTURES OF INDUSTRIAL CONCERNS:	100.0	99.2	99.2	99.2
1. Bombay	101.5	101.3	101.5	101.5
2. Calcutta	100.0	100.5	100.4	100.3
3. Madras				
PREFERENCE SHARES:	92.9	92.2	91.7	91.9
1. Bombay	84.6	83.4	83.4	83.5
2. Calcutta	90.5	95.4	95.0	95.5
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	112.5	116.4	115.1	114.6
1. Bombay	96.5	109.8	106.9	106.7
2. Calcutta	102.5	109.9	106.3	105.8
3. Madras	105.4	116.0	115.3	115.0

Source: Department of Research and Statistics, Reserve Bank of India.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes ‖	Number of workers involved.	Number of man-days lost.
1951	1,071	691,321	3,815,022
1952	963	809,242	3,336,951
1953	772	466,507	3,352,935
1954	840	477,183	3,373,630
January 1953	55	43,352	244,414
February "	45	24,477	138,411
March "	67	35,231	216,207
April "	72	49,133	315,853
May "	53	35,617	276,219
June "	99	50,357	255,278
July "	87	49,066	191,122
August "	74	53,083	225,154
September "	106	44,863	447,272
October "	101	40,121	402,116
November "	98	41,431	345,311
December "	81	40,780	479,853
January 1954	84	51,972	425,514
February "	85	41,861	344,295
March "	91	34,302	331,419
April "	101	54,563	307,247
May "	80	40,078	214,062
June "	83	21,589	205,078
July "	122	30,189	217,428
August "	79	51,000	323,867
September "	97	50,414	363,875
October "	88	41,724	276,294
November "	62	25,118	139,701
December "	101	54,455	262,763
January* 1955†	95	49,038	229,807
February "	90	39,281(a)	175,820(b)
March "	99	60,337	340,090

† Figures for 1955 are provisional. * Revised.
(a) Not known in 1 case. (b) Not known in 5 cases.
‖ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns	Units generated‡	Units Sold
1952-53	614	6,201.4	5,134.3
1953-54	645	5,676.5	5,573.7
October 1953	634	583.1	468.7
November "	637	563.1	445.7
December "	640	608.6	456.5
January 1954	640	589.7	479.0
February "	643	551.4	451.4
March "	651	593.6	483.5
April "	645	618.3	504.4
May "	651	639.9	515.5
June "	660	629.4	510.3
July "	663	633.4	515.5
August "	667	635.0	510.5
September "	669	647.6	523.3
October "	669	656.8	511.6
November "	674	656.5	534.6
December "	679	683.5	558.0
January 1955	684	668.5	545.3
February "	685	623.7	521.3

*Excluding railway, military and factory power stations. Bhola Power station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
As the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	21st May, 1955	14th May, 1955	22nd May, 1954	April, 1955	April, 1954	Percentage of increase (+) or decrease (—) in April, 1955 as compared with April, 1954	Financial Year Average 1953-54	1954-55
Food Articles	279.2	276.5	360.3	283.6	381.6	—25.7	384.4	339.8
Cereals	312	316	404	327	426	— 8.2	451	381
Pulses	216	222	341	217	381	—43.0	450	290
Other	244	230	299*	235	313	—24.9	278	291
Industrial Raw Materials	399.6	397.1 R	462.8	397.4	472.1	—15.8	467.7	418.2
Fibres	431	425 R	451	435	459	— 5.3	452	447
Oil seeds	341	343	503	328	524	—38 4	574	424
Minerals	417	413	450	414	451	— 9.2	449	428
Others	418	420	392	461	397	+16.1	375	427
Semi-Manufactures	330.6	328.3	362.1	327.8	362.4	— 9.5	319.2	350 3
Leather	400	402	374	393	373	+ 4.0	403	376
Mineral oils	221	221	221	221	221	—	224	221
Vegetable oils	347	342	492	330	507	—34.9	442	433
Cotton yarn	426	427	453	433	458	—5.7	442	454
Metals	244	244	240	244	240	+ 1.7	229	240
Oil cakes	205	278	441	286	430	—33.5	438	351
Others	327	323	304	329	306	+ 7.5	291	312
Manufactured Articles	376.8	377 5	379.4	377.1	380.9	— 1.0	367.4	377.3
Textiles	419	420	424	421	427	— 1.4	406	421
Jute	433	435	453	452	453	+ 4.4	408*	448
Cotton	411*	411*	419*	411*	416*	— 1.2	416*	409*
Rayon and Silk	503*	510*	491*	454*	550*	—12.0	314	311
Woollen	310	310	318	310	312	— 1.0	337	340
Metal products	343	344	340.	340	340	—	237	250
Others	287	287	289	287	288	— 0.3	255	230
Miscellaneous	547.0	542.9	687.1	541.2	707.4	—23.5	626.6	612.4
All Commodities	344.5	342 8R.	393.2	345.2	402.8	—14.3	397.5	377.4

R=Revised. * Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

Year ended August, 1939=100

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw cotton	Raw jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures†	Iron and steel
1954																		
January	478	601	223	291	365	545†	570†	289	350†	1177	483†	421	506	425	357	422	307	270
February	486	581	204	255	340	490	540†	294	330	1177	436†	404	596	401	357	437	403	276
March	496	564†	206	237	313	549†	547†	296	339	1177†	429	389	606	377	357	437	409	270
April	498	547	206	223	321	582†	520	314	358

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop		Acreage 1954-55 Final	Acreage 1953-54 Final	Outturn 1954-55 Final	Outturn 1953-54 Final
Rice (2nd)	tons	68,602	71,224	21,593	23,455
Wheat	,,	26,098‡	24,285†	7,792‡	7,383†
Jowar (2nd)	,,	41,425	41,376	5,998	5,535
Bajra	,,	27,350	30,094	3,555	4,459
Barley	,,	8,190‡	8,010†	2,721‡	2,649†
Maize	,,	9,325	9,360	2,944	2,964
Ragi	,,	5,747	5,741	1,778	1,819
Small Millets	,,	13,167‡	12,431†	2,183‡	1,905†
Total cereals	tons	210,360‡	203,149†	50,130‡	49,105†
Kharif	,,	176,077‡	170,854†	45,617‡	38,871†
Rabi	,,	34,284‡	32,295†	10,513‡	10,232†
Kharif Pulses@	tons	14,035	15,192	1,497	1,543
Tur (2nd)	,,	5,630	5,695	1,798	1,809
Gram (2nd)	,,	19,577	18,229	4,559	4,095
Other Rabi Pulses*	,,	11,130‡	11,185†	2,075‡	2,042†
Jute	bales	1,273	1,196	3,153	3,129
Cotton (4th)	,,	17,465	16,224	4,089	3,686
Sugarcane (2nd)	tons	3,617	3,568	4,749	4,299
Groundnut	tons	12,647	10,869	3,823	3,573
Linseed	,,	3,369‡	3,395†	355‡	359†
Castorseed	,,	1,273	1,375	112	108
Rape and Mustard Seed	,,	5,373‡	5,199†	826‡	837†
Sesamum (3rd)	,,	5,861	6,079	567	534
Total oilseeds	tons	27,523‡	27,017†	5,591‡	4,561†
Tobacco	tons	890‡	893†	205‡	241†
Black Pepper	,,	209‡	205†	22‡	22†
Ginger	,,	47‡	46†	15‡	14†
Dry Chillies	,,	1,326‡	1,235†	310‡	284†
Potato (2nd)	,,	645	633	1,657	1,668

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* Excluding Gram and Tur. @ Excludes Tur.
‡ Relates to 1953-54. † Relates to 1952-53.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During April, 1955	85 7
	Corresponding month, 1954	74.9
	Ten months ended April, 1955	836.1
	Corresponding period, 1954	719.3
Stocks	At the end of April, 1955	103.4
	Corresponding month, 1954	91.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 30th April, 1955	12.155
	Corresponding week, 1954	12.593
	From 1st to 30th April, 1955	129.310
	Corresponding period, 1954	127.883
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 30th April, 1955	19.945
	Corresponding week, 1954	34.165
	From 1st to 30th April, 1955	352.020
	Corresponding period, 1954	424.571
	RAW JUTE	(In 000 bales)
Consumption by Mills†	April, 1955 (in lakh bales)	4.97
	Corresponding month, 1954	4.85
	Ten months ended April, 1955	48.50
	Corresponding period, 1954	41.72

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (in tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,90,000
Do. 31st March, 1955	11,84,400	10,42,900	7,81,200
January 1954	1,02,800	99,800	71,400
February ,,	92,700	84,500	63,300
March ,,	94,600	89,700	65,000
April ,,	88,200	77,500	54,900
May ,,	89,100	80,800	56,200
January 1955	1,02,500	95,800	72,200
February ,,	93,500	84,500	63,900
March ,,	95,000	89,800	66,100
April ,,	95,100	88,000	66,200
May ,,	94,200	87,600	65,600
Indian Iron and Steel Co.			
Year ended 31st March, 1953	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954	5,80,020	3,49,920	2,92,440
Do. 31st March, 1955	7,15,949	5,28,240	4,59,098
April 1955	52,810	30,980	19,000
May ,,	57,810	32,850	19,700
June ,,	56,730	23,940	13,020
Three months ended Sept., 1953	63,890	15,850	11,540
,, ,, Dec., 1953	1,81,650	1,15,300	1,06,940
Three months ended Mar., 1954	1,87,750	1,22,810	1,16,940
Three months ended June, 1954	1,52,770	1,17,070	1,07,480
Three months ended Sept., 1954	1,80,018	1,29,741	1,12,861
,, ,, ,, Dec., 1954	1,88,058	1,34,801	1,20,814
,, ,, ,, Mar., 1955	1,65,108	1,48,522	1,18,136

OVERALL BALANCE OF TRADE OF INDIA March, 1955†

Particulars	March, 1954 Rs. (lakhs)	March, 1955 Rs. (lakhs)	Twelve months, April to March 1953-54 Rs. (lakhs)	Twelve months, April to March 1954-55 Rs. (lakhs)
1. Trade in merchandise— (a) Exports	46.10	46.50	525.81	578.03
(b) Re-exports	47	77	4.85	5.46
Less—Transit trade	..	3	4	43
Net re-exports	47	74	4.81	5.03
Total exports	46.57	47.24	530.62	583.06
2. Imports	50.61	57.68	580.79	636.29
Less—Transit trade	1	7	12	18
Net imports	50.60	57.61	580.67	636.11
Balance of trade in merchandise	—4.03	—10.37	—50.05	—53.05
Balance of trade in gold and silver	..	— 1	—8	—3
Total overall visible balance of trade	—4.03	—10.38	—50.13	—53.08

† Total values of foreign trade of India by all routes (i.e. air and land).

• RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (in thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1952-1953	1,168	24,406	128,778	28,839	11,413	2,835	949	171	169	209	169	297
1953-1954	1,179	25,215	129,009	29,345	11,186	2,913	921	154	158	168	190	348
January 1954	94	2,781	11,281	2,531	944	202	94	17	20	16	15	32
February ,,	101	2,157	10,313	2,274	924	179	76	13	16	14	14	30
March ,,	106	2,325	14,393	2,508	1,112	215	82	17	18	12	16	34
April ,,	108	2,196	9,923	2,275	953	211	88	20	15	10	16	34
May ,,	111	2,437	10,220	2,341	982	215	78	14	15	10	13	32
June ,,	..	..	..	..	909	210	71	10	13	7	16	32
July ,,	..	..	..	..	935	224	76	11	10	7	13	34
August ,,	..	..	..	..	925	245	79	11	9	7	11	31
September ,,	..	..	..	..	914	241	66	11	9	12	12	31
October ,,	..	..	..	..	934	241	65	12	10	12	15	32
November ,,	..	..	..	..	991	226	73	15	13	25	9	24
December ,,	..	..	..	..	1,064	229	70	20	14	21	10	36
January 1955	..	..	..	..	1,062	223	74	20	17	19	15	35
February ,,	..	..	..	..	1,021	209	72	18	16	15	15	33

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway.
† Progressive figures.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 2nd June, 1955	59,596
	Corresponding week, 1954	67,555
	1st Sept., 1954 to 2nd June, 1955	1,544,431
	Corresponding period, 1953-54	1,617,919
Cotton Exports	Week ended 2nd June, 1955	15,330
	Corresponding week, 1954	5,937
	1st Sept., 1954 to 2nd June, 1955	297,090
	Corresponding period, 1953-54	246,331
Mill Consumption	1st Sept., 1954 to 2nd June, 1955	954,690
	Corresponding period, 1953-54	955,284
Stock (with exporters, dealers and mills) in Bombay	On 2nd June, 1955	722,418
	Corresponding date, 1954	739,988
Cotton Exports from Bombay (by sea)	During February, 1955	82,522
	1st Sept., to 28th Feb., 1955	161,207
	1st Sept., to 28th Feb., 1954	153,521
Karachi (Pakistan)—		
Receipts	1st Sept., 1954 to 26th May, 1955	1,200,062
	Corresponding period, 1953-54	1,344,468
Exports	1st Sept., 1954 to 26th May, 1955	617,014
	Corresponding period, 1953-54	919,485

Particulars	Period	From 1st Sept., 1954 to 6th June, 1955 Bales	From 1st Sept., 1953 to 6th June, 1954 Bales
From Bombay			
Cotton Exports to— United Kingdom		27,801	13,636
Continent		44,669	23,919
Hongkong		8,857	293
China		..	..
Japan		82,190	60,948
U.S.A.		16,624	12,505
Other Countries		1,339	1,552
Total to all foreign countries		176,780	112,903
Coastal Ports		120,182	136,848
Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)	
Indian	February, 1955	322,578	
Foreign		50,051	
Indian	Six months ended Feb., 1955	2,023,925	
Foreign		344,791	
Indian	Same Period, 1954	1,949,766	
Foreign		341,074	
Stocks (Mills and Elsewhere)—			
Indian	As on 28th February, 1955	1,161,158	
Foreign		185,885	
Indian	As on 28th February, 1954	1,032,113	
Foreign		148,153	
Cotton Pressed in India † (In running bales)	Week ended 27th May, 1955	58,487	
	Corresponding week, 1954	49,737	
	1st Sept., 1954 to 27th May, 1955	3,415,021	
	Corresponding period, 1953-54	3,435,442	

† Incomplete

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	100⅛
4 % Bonds	1928-29	63,30,26,000	1960-70	101¼
3 % Loan	1938-39	1,16,17,46,000	1968-65	94
3 % Loan	1950	80,32,10,000	1964	94½
3 % Loan	1949	1,10,11,78,000	1966-68	91
2½% V. Loan	1944	1,14,06,89,000	1957	99⅞
2½% Loan	1945	1,15,06,83,000	1970-75	87¼
2½% Loan	1946	1,18,56,84,000	1959-61	97⅞
2½% Loan	1951	50,85,63,000	1958	99
2½% Loan	1946	45,58,07,000	1960	95
2½% Loan	1948	57,00,89,000	1961	92
2½% Loan	1946	14,77,48,000	1976	88
2½% Loan	1947	78,86,72,000	1962	95⅞
2½% Loan	1948	60,45,01,000	1965	90½
3½% Loan (N.P. Bonds)	1952	75,00,00,000	1961	99⅞
3½% N.P. Loan	1954	156,75,00,000	1964	98½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	80¼
3 % Loan	1946	248,91,90,000		80⅛
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,20,000	1958-68***	108⅞
PROVINCIAL LOANS				
3 % Bombay	1942	2,54,23,800	18th Sept. 1955	99½
3 % Bombay	1943	2,50,00,000	14th Sept. 1956	99⅞
3 % Bombay	1944	2,44,00,000	15th Aug. 1958	98½
3 % Bombay	1949	6,00,15,000	1st Aug. 1962	98⅞
3 % Bombay	1950	2,01,67,700	21st July 1960	94½
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98½
3½% Bombay	1953	5,00,00,000	15th July 1963	101⅛
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	101⅞
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98½
3½% Cochin	1936	70,09,000	1st June 1956-61	99½
3½% Travancore Bridge (New)	1936-37	2,31,07,100	1956-66	95½
3 % Madras	1939	1,22,95,800	21st June 1959	96
3 % Madras	1942	1,23,25,000	18th Sept. 1955	99⅞
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99½
3 % Madras	1944	1,07,96,000	15th Aug. 1958	98½
3 % Madras	1945	2,78,44,000	14th Sept. 1956	95½
2½% Madras	1946	2,21,77,200	1st Sept. 1961	92½
3 % Madras	1950	4,38,25,400	21st July 1960	95½
3½% Madras	1951	3,01,49,800	17th Sept. 1962	98½
4 % Madras	1953	5,00,00,000	15th July 1963	101½
4 % Madras	1952	5,24,81,200	1st Aug. 1964	101⅞
5 % Mysore (*f*)	1930	1,68,44,300	1st Nov. 1955	100⅞
3 % Mysore (*f*)	1933	2,96,86,200	1st Dec. 1958-48	101½
3 % Mysore (*f*)	1936	2,99,72,900	30th April 1956-61	99½
3 % Mysore	1947	3,06,06,700	25th Jan. 1958	99½
4 % Mysore	1953	3,00,00,000	15th July 1963	100-4⅞
3 % M.P.	1942	50,00,000	18th Sept. 1955	99½
3 % M.P.	1943	50,54,300	14th Sept. 1956	98⅞
3 % M.P.	1944	52,69,800	15th Aug. 1958	97½
3 % M.P.	1946	2,08,00,000	15th Sept. 1964	92½
3 % M.P.	1950	1,01,44,700	21st July 1960	94½
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98½
4 % M.P.	1953	1,02,18,100	15th July 1963	100
3 % Punjab**	1935-44	2,49,87,200	15th Aug. 1958	98 N
3 % Punjab**	1942	2,25,20,000	18th Sept. 1955	99⅞ N
3 % Punjab**	1943	2,46,78,300	14th Sept. 1956	99 N
3 % Punjab**	1945	2,95,81,600	17th Sept. 1960	97⅞ N
3½% Travancore	1936	50,00,000	16th Aug. 1956	96½
4 % Travancore-Cochin	1953	3,00,00,000	15th July 1963	100½
3 % U.P.	1936	1,57,42,500	15th Sept. 1961-66	90½
3 % U.P.	1944	3,02,24,500	15th Aug. 1958	97½
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	94½
2½% U.P.	1946	2,20,93,600	1st Sept. 1961	91½
3½% U.P.	1951	1,94,11,700	17th Sept. 1962	98½
4 % U.P.	1952	6,11,45,200	1st Aug. 1964	100⅞
4 % U.P.	1953	5,65,15,500	15th July 1963	100⅞
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98½
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 26,50,000	4	1904	1964	Rs.
85,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99⅞ N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,56,378	4	1913*	1960	D
80,00,000	4	1914	1974	100⅛ N
88,25,000	4	1914	1978	100 N
10,00,000	4	1915*	1960	
15,00,000	3	1916*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,38,000	5½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
18,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1965	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1966	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs. 90,54,800	4	1914	1974	Rs. 99
76,90,100	4	1918	1978	99
1,50,00,000C	3½†	1921	1981	81
66,08,300C	6½	1921	1981	144N
1,24,06,300	5	1925	1985-85	101½
98,21,600	5½	1926	1956-86	108
99,54,500B	5	1926	1956-86	101½
1,49,49,500B	5	1927	1957-87	102½
1,49,80,000	5	1928	1958-88	108
80,00,000	4½	1931	1991	95
50,00,000	3	1935	1965	96
25,00,000	3	1938	1968-68	90
50,00,000	3	1945	2005	74N
50,00,000	3	1945	1975	84
50,00,000	3	1946	1976	84
50,00,000	3	1946	2006	78N
50,00,000	2½	1947	1977	78
50,00,000	3	1948	1978	82½
50,00,000	3	1949	1959	96
1,00,00,000	3	1949	1969	96
50,00,000C	3	1950	1960	81½
1,00,00,000	3	1950	1960	95½
1,00,00,000	3	1950	1960	95½
50,00,000	3	1951	1961	81
1,50,00,000	2½	1951	1961	97½
50,00,000	3	1952	1962	99½
50,00,000	4	1952	1962	96⅞
STERLING LOANS				
£892,600	5	1922	1952-52	£87½
£901,000	5	1924	1954-64	£87½
£838,100	5½	1922	1962	£96
MADRAS				
Rs. 81,47,100	3½	1947	1977	Rs.
9,58,000	3	1947	1977	
3,00,000	3	1949	1979	A
45,00,000	4½	1954	1964	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 50,00,000	4	1899	1959	Rs. 100
30,00,000	4	1901	1961	
30,00,000	4	1903	1963	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97⅞N
20,00,000	4	1906	1966	
18,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118N
66,00,000	5	1920	1955-80	
25,00,000	5	1926	1956-86	118N
25,00,000	4	1927	1961-79	98N
10,00,000	5½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95½
£888,000	4	1910	1970	£95½
Rs. **CALCUTTA** Rs.				
50,00,000	6	1925	1955	101
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99⅞
35,00,000	3½	1935	1965	94
80,00,000	3	1937	1967	91
50,00,000	3	1938	1968-68	90
80,00,000	4	1952	1962	99⅞

MUNICIPAL LOANS

Rs.		BOMBAY		Rs.
20,50,000	4	1913-15	1974	99⅞
20,00,000	5	1913-15	1955	100⅛
10,00,000	5	1920	1980	113N
25,00,000	5	1928	1958	104⅞
50,00,000	3	1929	1958-59	90
26,21,500	5	1929	1959	105⅞
8,25,000,000	3½	1947	1977	86⅞
2,50,00,000	3½	1949	1979	86
4,00,00,000	3	1952	1964	92⅞
2,50,00,000	4	1952	1964	100⅞
2,00,00,000	3½	1951	1966	97⅞
1,80,00,000	3½(a)	1952	1965	100⅞
1,00,00,000†	4	1952	1964	100⅞
1,00,00,000†	4	1954	1966	100
Rs.		CALCUTTA		Rs.
84,70,000	6	1925	1955	101
86,00,000	5	1928	1958	108
25,00,000	5	1929	1957	105⅞
25,00,000	5	1929	1958	108⅞
10,00,000	5½	1929	1958	108
83,91,000	3½	1935	1965	94
60,00,000	3	1936	1966	90
50,00,000	3	1936	1966	90
10,67,700	3	1938	1968	90
15,56,800	4	1939	1959	99⅞
15,56,800	4	1939	1959	99⅞
15,56,800	4	1940	1957	99⅞
17,84,400	3½	1942	1972	96⅞
21,10,000	3½	1942	1972	95
16,49,000	3½	1951	1961	97
16,83,000	3½	1951	1961	97⅞
66,88,000	3½	1951	1966	97
87,36,000	4	1952	1962	99⅞
72,50,000	4½	1954	1979	100
Rs.		MADRAS		Rs.
71,700	6	1925	1955	100N
2,67,300	6	1925	1955	101N
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

ABBREVIATIONS

A—Held by Government of India. B—Taken up by Imperial Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. N—Nominal.
(*f*) Income-tax free. * Loans held entirely by the Trustees. **Quotations in Pak. Currency. ***Repay Counterparts.
† Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June, 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1954. j—Interest free to first 12 years. l—Interest free for first 7 years

PREFERENCE SHARES

Company.	Amount issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	134	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	10,00,000(b)	1875	6½	Mar. Sept.	100	100
Cawnpore Sugar Works	8,00,000	1905-24	5	Feb. Aug.	144	100
Deccan Sugar & Abkhari* A	7,00,000	1928	7	July Apr.	116½	100
¶East India Distilleries	£300,000	1897	7	Jan. July	17⅞	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	68	100
Do. (Non-redeem.)	3,00,000	1940	7B	Dec. ..	68	100
Parbhoe Co.	4,00,000	1922	10	Oct. ..	15½	10
Ramnagar Cane	4,00,000	1933-34	6	Aug. ..	102xd	100
Ravalgaon Sugar	90,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	3,00,000	1936	7(a)	Oct. ..	161½	100
Travancore	42,99,850	1946	3(c)	Dec. ..	7½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borna	4,00,000	1896-97	6½	Oct. Apr.	119	100
Burmah (1st)	82,99,800	1901-19	7	Apr. Oct.	124	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	120	100½
Karanpura Collieries	7,50,000	1946	5½(a)	.. ..	70	75(pp)
††Khas Kujara	1,93,000	1931	5	Mar. Sept.	3½N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Oudal	8,00,000	1898-99	6½	Apr. Oct.	114	100
COTTON						
Ahmedabad Advance	10,00,800	1939	5	Apr. Oct.	102	100
Bangalore	4,00,000	1934	6	Jan. July	130	100
Berand Cotton	3,00,000	1938	6½	Nov. ..	7½	10
Benares Cotton	1,05,200	1919	7	July Jan.	63	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	119	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	135	100
Do. 'B'	4,00,000	1900	7	Feb. Aug.	78	100
Bradbury	14,75,000	1919	7	June Dec.	65	20
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	140	100
Cambodia	1,00,000	1928	7	Apr. ..	125	100
Central India	50,00,000	1912	5	Apr. Oct.	300	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	117½xd	100
Elgin	11,00,000	1912	6	May Nov.	143	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10½	10
Hightonson	25,00,000	1919	7(a)	May Nov.	86½	100
Kaisaria	20,00,000	1919	7	June Dec.	131	100
Khatau Makanji (2nd)	29,92,500	1947	4	Nov. ..	87	100
Kothari's	12,00,000	1937	6	Nov. ..	10⅞	10
Lakshmi Cotton (Secondary)	16,00,000	1896	3(a)	.. ..	230	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January ..	79½	100
Muir Mill	30,00,000	1900	4	Jan. July	80½N	100
Mysore Spg.	7,45,050	1944	4½	.. ..	30	20
National Rayon	1,74,64,700	1947	5	.. ..	87½	100
New Great	8,00,000	1913	5½(a)	Mar. ..	185½	200
New Victoria	26,03,500	1920	5	Apr. Oct.	3½	5
Podar Mills	10,00,000	1945	4	Feb. ..	77	100
Rajalakshmi	2,00,000	1932	6½	Apr. ..	34	30
Shree Nivas Cotton	40,00,000	1944	4	.. ..	..	100
Sholapoor	32,00,000	1943	3(c)	.. ..	96	100
Swadeshi (Kanpur)	15,00,000	1935	5	Apr. Oct.	110	100
Swadeshi (Kanpur)	35,00,000	1927	4	June ..	80	100
Vasanta (1st)	3,00,000	1931	6½	Apr. Oct.	115	100
Do. (2nd)	1,50,000	1938	5	.. ..	107	100
Vishan	15,46,500	1908	7(a)	Apr. ..	532	500
ELECTRICS						
Andhra Valley Power Supply	49,34,000	1917	7(a)	May Nov.	1,175	1,000
Calcutta Electric	£1,900,000	1909-11	5(c)	June Dec.	12½	£1
Pocon Electric	4,00,000	1935	7(a)	June Dec.	111½

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N—Nominal quotations. x.d.=Ex-Dividend. x.c.=Cum. Dividend. I=Interim Dividend. f=Dividend for first half of the year

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and All other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors & Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs	Dividend Per Ordinary Share 1952 Rs. s.	1953 Rs. s.	1954 Rs. s.	1955 Rs. s.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
68,80,000	3,74,976	63,22,382	43,05,372	−2,24,488	Rajputana Textiles (Agencies) Ltd	47,552	8,981	Apollo Mills	2–11½	8	0 4(c)	0–4 (c)			12	Y.
40,00,000	24,00,000	1,34,85,581	72,25,655	−5,76,311	B. R. Sons, Ltd.	50,596	1,021	B. R. Cotton Mills	25½	100	Nil	Nil	Nil			Y.P.T.
80,98,000	2,33,99,019	4,25,75,764	3,54,21,688	52,579	Wessing Wadia & Sons, Ltd. ..	1,89,680	4,855	Bombay Dyeing & Mfg.	457½	850	20 0	22 8*	20 0		12	Y.
10,00,000	27,36,359	55,58,179	48,57,495	2,48,761	Ramniranjan Sons, Ltd.	42,008	860	Bradbury Mills	50	100	0 0	100 0	75 0		3	Y.P.
1,09,42,800	2,27,54,197	2,83,17,250	1,85,13,280	31,32,663	Birla Bros., Ltd.	1,25,936	2,698	Century Spg. & Mfg. ..	379	100	20 0	22 0	22 0		12	Y.
49,00,000	13,44,690	1,16,09,462	65,52,039	−33,25,720	V. J. Pitani (Chairman and Managing Director)	40,668	798	Colaba Land & Mill ..	54½	100	Nil	Nil	Nil		12	Y
26,00,000	13,33,380	64,51,450	44,36,747	21,158	Cowasjee Jehangir & Co., Ltd. ..	30,130	680	Coorla Spg. & Wvg. ..	118½	100	7 8	7 8	7 8		3	Y
16,00,000	23,08,261	64,39,890	50,46,041	38,562	Ramnarain Sons, Ltd. ..	38,304	928	Dawn Mills	90	50	6 0	6 0			12	Y
84,00,000	27,75,000	68,55,752	60,73,724	16,489	Purannmal Radhakishen & Co.	50,296	886	Edward Textiles	268½	100	15 0	15 0			12	Y.P
89,97,750	11,93,292	1,09,90,311	73,99,225	17,999	K. D. Jalan, Esq. (Chairman)	43,376	784	Elphinstone Spg. & Wvg.	40	50	3 0	Nil	2 8½		12	Y.
50,00,000	64,31,875	1,05,11,445	71,38,296	3,90,661	James Finlay & Co., Ltd. ..	46,072	1,126	Finlay Mills	245	100	20 0	16 0	16 0		12	Y.
11,84,000	75,99,589	1,20,85,307	91,11,500	8,850	Thackersey Mooljee & Co. ..	49,672	1,126	Hindoostan Spg. & Wvg. Mills	3,825 / 865	1,000 / 250	200 0* / 50 0	225 0* / 56 4*	40 0 / 56 4	40 0 / 10 0	3	Y.P
8,00,00,000									10–10½	10	Nil	0 10½				
50,00,000D	1,13,27,883	4,58,17,844	3,07,00,000	−16,61,890	Agarwal & Co.	2,38,030	6,278	India United Mills ..	1½	10	Nil	0 1½			12	Y.
8,45,000	71,59,043	1,22,31,586	83,59,000	3,551	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	3,830 / 865	1,000 / 300	200 0* / 100 0	225 0* / 112 8*	225 0 / 112 8	40 0	3	Y P
35,000									165	100	10 0	10 0	8 0		6	Y.P
59,85,000	40,24,767	2,15,86,170	1,74,28,945	23,212	Khatau Makanji & Co., Ltd. ..	84,604	1,513	Khatau Makanji Spg. & Wvg.	316½	100	18 0	20 0*	18 0		12	Y.
1,90,00,000	1,44,50,000	3,49,59,105	2,46,94,426	12,185	Kilachand Industries Ltd. ..	1,20,504	1,846	Kohinoor Mills	782	100A	6 4	6 4			6	Y.P.
88,80,000A	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	—	20B	1 4	1 4			12	Y.
3,60,000B									85N	80	5 0	5 0	5 0		10	Y.T
22,13,050	39,74,916	1,14,37,317	54,72,963	16,412	N. Sirur & Co., Ltd.	48,676	644	Modern Mills	222½	100	12 0	12 0	14 0		6	Y.P
51,75,000	32,62,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	210½	100	Nil	9 0	10 0		12	Y.P.
1,57,71,400	61,70,518	5,74,05,779	1,55,00,000	3,72,076	Chinai & Co., Ltd.			National Mayoo Corporation	141½	100	10 0	10 0	10 0		12	Y
24,00,000	25,60,685	74,52,403	46,04,752	27,546	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg.	171	100	10 0	10 0	7 8		12	Y.P
80,00,000	13,47,407	89,82,380	61,42,740	12,517	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg.								
12,70,100	36,36,004	42,69,552	13,76,640	423	Mafatlal Chandulal & Co. (Bombay), Ltd.	34,100	873	New Union Mills	30½	10	1 4				12	Y.
48,00,000	36,07,273	1,42,08,882	91,59,811	30,475	Ramnarain Sons, Ltd. ..	66,324	1,190	Phoenix Mills	112½	100	8 0	8 0			12	Y.
40,00,000	43,62,741	24,64,450	22,40,000	8,99,184	Podar Sons, Ltd.	32,690	930	Podar Mills	159½	100	10 0	10 0			12	Y.P.
5,00,000	8,44,062	21,20,749	18,99,340	2,590	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	14½	10	1 4	0 12			12	Y.
25,00,000	69,06,474	1,24,22,606	81,47,282	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg. ..	36½	10	1 4	1 4			12	Y.
40,00,000	1,33,00,061	91,25,908	50,71,284	1,53,662	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills ..	220	100	12 8	14 0	14 0		12	Y.P.
42,00,000	38,80,000	80,15,073	68,69,000	21,940	Forbes, Forbes Campbell & Co., Ltd.	79,436	1,274	Simplex Mills	154½	50	15 0(c)	15 0	11 0	4 0	3	Y.
56,00,000	1,22,33,867	1,85,78,331	1,10,85,485	17,128	Mafatlal Gagalbhai & Sons	57,288	1,653	Standard Mills	358½	100	20 0	20 0	20 0		12	Y.P.
1,00,00,000	82,26,342	1,92,83,887	1,02,23,297	43,799	Tata Industries Ltd.	70,764	2,000	Svadeshi Mills	191	100	16 0	16 0	8 0		12	Y.
36,00,000	62,78,465	1,17,42,921	70,72,715	3,59,764	James Finlay & Co., Ltd. ..	38,828	552	Swan Mills	315	100	30 0	20 0	20 0		12	Y.
32,59,438	49,96,589	1,59,55,305	48,92,129	11,417	Tata Industries Ltd.	62,096	1,800	Tata Mills	491	25	1 0	1 8*	2 8		12	Y.P.
12,00,000	62,53,708	98,83,223	74,65,660	4,219	Thackersey Mooljee Sons & Co.	54,424	1,181	Western India Spg. & Mfg.	3,875	1,000	200 0*	225 0*	25 0	40 0	3	Y.P
AHMEDABAD																
33,00,000	25,97,650	96,80,904	55,57,028	5,668	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	131½	100	10 0	10 0*	5 0		6	Y.P.
10,00,000	90,53,638	89,83,424	65,39,067	7,878	P. M. Hutheesing & Sons, Ltd.	42,798	912	Arvind Mills	327½	100	25 0	25 0*			12	Y.P.
26,25,000	2,23,86,002	1,33,18,915	89,73,000	47,546	Narottam Lalbhai & Co. ..	47,448	1,216	Arvindas Ginning & Mfg.	1,158	100	25 0	25 0			12	Y.P.
90,00,000	38,45,000	79,44,276	56,25,000	3,90,074	Mangaldas & Bros., Ltd. ..	37,368	884	Aryodaya Ginning & Mfg.	350	200	15 0	15 0			12	Y.P.
12,00,000	1,08,38,621	82,14,168	66,70,738	33,358	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	500	100	22 0	22 0*	22 0		12	Y.P.
1,24,79,011	1,11,66,203	4,24,88,718	3,07,53,344	16,00,736	Karamchand Premchand Ltd.	1,39,120	2,372	Calico	359	125	18 0	18 0	18 0		12	Y.P.
45,00,000	48,45,000	1,05,59,863	72,50,000	6,391	Vicumlal Bhagilal & Co., Ltd.	45,836	867	New Commercial Mills ..	961½N	750	70 0	70 0			12	Y.P.
39,00,000	66,61,702	1,14,89,135	91,35,306	6,387	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	728	125	35 0	35 0	35 0		12	V.
5,00,000	61,15,982	46,72,745	31,76,001	980	Jagabhai Bhogilal Ranavaty & Co., Ltd.	24,840	572	Nutan Mills	318½	100	30 0*	30 0*			12	Y.P
12,50,000	1,29,50,589	79,71,738	32,52,277	32,522	Lalbhai Dalpatbhai & Co. ..	31,120	634	Raipur Mfg.	1,020½	100	25 0	17 8			12	Y.P.
12,00,000	13,93,067	74,95,869	39,47,450	−13,90,510	Mangaldas Girdhardas Parekh Ltd.	47,320	1,095	Ranapur Spg., Wvg. & Mfg.	250N	250	Nil				12	Y.P
32,50,000	16,74,225	84,83,940	52,47,803	4,020	Lalubhai Gordhandas Ltd. ..	33,156	648	Rohit Mills	160	100	9 0	9 0			12	Y.P.
88,90,150	1,90,84,538	1,60,18,812	1,34,25,000	2,52,570	Harivallabhdas Kalidas & Co.	94,116	1,733	Shri Ambika Mills	379	50	16 0	18 0	20 0		12	Y.P.
19,52,500	59,00,194	78,08,018	62,03,800	6,434	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	460	100	20 0	20 0	25 0*		12	V
28,00,000	24,43,088	1,03,76,340	68,35,291	32,764	Raridas Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	536½	400	35 0*	35 0*	35 0*		12	V.P.
WEST BENGAL																
15,00,000	1,88,479	34,10,729	19,47,810	41,227	Calcutta Agency, Ltd. ..	13,044	356	Basanti Cotton Mills ..	4⅝	10	Nil	0 4			12	Y.P.
7 11,280	3,95,369	40,98,098	23,80,978	47,818	Bengal Textile Agency, Ltd.	32,352	936	Bengal Lucknow Cotton Mills	40½	40	3 0	Nil	4 0		3	Y.
6,00,000	22,71,793	80,75,189	51,52,000	−21,82,784	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	375	100	Nil	Nil	Nil		6,12	h.r
19 00 000	25,17,571	99,37,856	68,83,080	−9,27,405	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	204	100	Nil	Nil	Nil		6,12	P.
1,60,00,000	1,98,18,540	3,42,43,338	1,08 56,338	2,15,714	Birla Brothers, Ltd.	70,040	1,990	Kesoram Cotton Mills ..	13½XR	100	1 12	1 12	1 12		3	Y.
6,00,000	9,75,000	84,54,400	67,06,257	8,158	Chakravarti Sons & Co. ..	23,484	442	Mohini Mills	—	25	1 8				12	Y.P.
83,96,298									—	10	0 8					
19,47,750	5,75 000	41,85,833	19,32,788	15,666	Hazaresmal Essenlall	23,196	795	Rampooria Cotton Mills ..	12 / 3N	10	0 8½	0 8			6	Y.
5,00,000D										10D	Nil	Nil				
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,09,109	59,21,613	21,03,246	2,736	Ramaiah & Co., Ltd.	55,000	—	Alagappa Textiles (Cochin) Ltd.	5½	10					12	Y.P.
71,94,400	51,99,334	2,04,06,796	50,52,372	2,771	Industrial Trust Fund, ...	36,134	750	Azam Jahi Mills	68	100	6 0	6 0			9	Y
40,50,000	1,51,68,745	2,87,22,953	2,24,71,643	2,44,711	Binny & Co. (Madras), Ltd. ..	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills ..	440	100	15 0	25 0	30 0		12	V.P.
27,00,000	15,50,000	77,25,162	53,72,132	18,199		29,936	782	Bengal-Nagpur Cotton Mills	9⅛	10	0 8	0 4			6,12	H.P.
15,00,000	1,12,09,588	1,12,05,727	78,65,727	5,50,791	Binny & Co. (Madras), Ltd.	1,20,356	2,744	Birla Cotton Spg. & Wvg. Delhi	70N	10	9 4	Nil	0 3		3	V.
1,78,47,840	1,54,69,697	4,50,39,300	1,14,94,493	2,09,005	Binny & Co. (Madras), Ltd.	37,536		Buckingham & Carnatic ..	137½	100	4 0	10 0	10 0		12	Y.P.
20 00,000	20,00,406	34,17,820	19,76,634	8,55,087	Peirce, Leslie & Co., Ltd. ..	17,496		Cambodia Mills	124	10	1 0	0 12	Nil		12	Y.P.
15,00,000	4,51,500	43,54,797	18,76,141		K. Damodaram, Esq.	28,796	591	Coimbatore Spg. & Wvg.	133½	100	12 0	12 0	10 0		3	Y.
30,00,000	26,49,773	51,86,118	47,44,815	26,773	Begg, Sutherland & Co., Ltd.	28,864		Cawnpore Textiles ..	8½	5	0 9	0 9	0 8		3	Y.
12,00,000	20 60,000	30,85,973	24,65,699	4,614	R. Bheema Naidu & Co. ..	21,978		Coimbatore Cotton Mills ..	275	100	9 0	20 0	25 0		12	Y.
20,00,000	13,90,000	33,17,341	17,08,703	3,400	T. R. N. Naidu & Co. ..	72,188	407	Coimbatore Pioneer Mills ..	220cd	100	9 0	15 0*	10–0d		6	Y.P.
20,76,900	4,36,646	1,14,42,334	68,90,050	4,79,905	R. G. Naidu & Co.	72,188		Coimbatore Spg. & Wvg. ..	70	50	Nil	Nil	3F		6	V.P
46,87,500	61,78,247	2,34,42,639	1,51,56,858	14,071	Tata Industries, Ltd.	1,15,188	2,062	Central India	120	100	2 0	3 0	2 0		6	V.P
3,38,36,225	2,63,12,465	8,55,97,662	4,42,00,000	1,69,241	B. R. Charat Ram & Co., Ltd.	1,16,636	2,355	Delhi Cloth & General Mills	37	25	1 0	1 12	2 4		6	V.P
1,00,563									4½	2	0 1 4/5	0 2 4/5	0 3 3/5			
24,34,800	24,72,758	47,34,037	33,82,512	9,248	M. N. Chettiar & Sons ..	32,164	201	Dhanalakshmi Mills	268½	100	20 0	20 0	30 0		12	V.
63,00,000	33,27,872	1,46,96,492	1,21,71,631	62,277	Begg, Sutherland & Co., Ltd.	53,768	1,198	Elgin Mills	192	10	1 8	1 0	1 0		9	V.
48,81,000	33,91,175	88,91,779	65,24,070	37,169	Forbes, Forbes Campbell & Co., Ltd.	72,904	3	Gokak Mills	214½	100	17 0*	17 0	13 0		12	V.
					Govindram Sakseria (Indore)	51,180	1,420	Indore Malwa United ..	95	100	6 0	6 0	6 0		12	V.
50,00,000	3,09,654	1,29,35,712	1,03,03,420	6,150	G. V. Naidu & Co., Ltd. ..	23,784		Janardana Mills	75	50	3 12	4 8	5 0		12	V.P.
8,90,000	10 65 683	30,91,139	16,77,748	−50,124	Kothari & Sons	30,512	200	Kothari Textiles	12½	10	0 12	0 8	0 8		6	V.P.
24,00,000	15,75,000	64,03,081	12,00,000	20,004	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg. ..	507½	250	37 8	37 8	33 12		12	V.P.
82,00,000	69,32,519	1,42,27,744	1,05,78,587	19,080					146	50	5 0	5 0	10 0			
35,64,100	44,00,000	1,00,53,645	69,98,848	25,793	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	74	25	2 8	2 8	5 0		3	V.
17,52,050								Madura Mills	458	13	3 0	0 0	3 0		12	V.
1,75,82,480	4,13,81,878	3,66,33,243	3,44,90,463	9,66,800	A. & F. Harvey Ltd. ..	4,63,852		Malabar Spg. & Wvg. ..	120	100	8 0	8 0	8 0		12	V.
12,00,000	4,17,363	27,72,881	16,02,069	1,14,098	A. L. A. R. S. Chettiar and 2 others	22,592	100	Mettur Industries Ltd. ..	360cd	100	12 8	12 8			12	V.
60,00,000	69,00,000	62,41,446	41,60,233	143,408	W. A. Beardsell & Co., Ltd. ..	25,656	603	Minerva Mills	98½	100	5 0	7 0*	22 8*	35 0	3	V.
29,80,184	19,47,903	84,13,677	46,82,134	9,399	N. Sirur & Co., Ltd.	39,200	704	Model Mills (Nagpur) ..	138½	100	5 0	5 0	5 0	5 0(c)	12	V.
94,91,850	27,24,404	1,61,29,118	78,81,328	−7,44,932	Banalial Abirchand Dadabhoy & Co.	51,340	955	Mulk Mills	115N	100	7 8	7 8*	3 0	5 0(c)	6	V.P.
38,00,000	52,19,000	1,31,39,272	1,05,91,451	−7,77,390	Indian Textile Syndicate Ltd.	88,440	1,834	Mysore Spg. & Mfg. ..	111½	50	10 0*	10 0*	8 8*	3 01	12	V.P.
84,83,500	56,99,566	93,25,192	91,37,444	22,997	N. Sirur & Co., Ltd.	49,644	500	Mysore Spun Silk Mills	4	10	Nil	Nil	Nil		3	Y
13,61,780	2,58,745	29,42,992	15,27,000	3,586	R. Sayanarayana Rao Esq. Manager	6,000		New Victoria Mills	1⅛	10	0. 2½	Nil	Nil		12	V.P.
22,89,467	85,62,532	1,02,16,296	58,90,719	−39 62,329	J. P. Srivastava & Sons, Ltd.	49,676	1,198	Nowrosjee Wadia & Sons, Ltd.	—	D. 10	Nil	Nil				
3,07,095D									70	100	7 0	4 0			9	V.
87,03,800	87,08,000	1,64,48,327	62,62,651	15,819	Industrial Trust Fund	37,788	847	Osmanshahi Mills	112½	50A	7 8	12 0			12	V.P.
4,00,800A									158½	75B	11 4	18 0				
4,00,000B	7,50,000	33,81,578	18,80,484	551	Bhagbhalakshmi & Co. ..	29,924		Palani Andavar Mills ..	53	100					12	V.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980		Parkaja Mills Ltd.	207½	100A	6 0	8 0	16 0		12	V.
16 11,200A	20,00,000	73,90,455	41,41,878	28,607	A. G. Gurusamy Naidu & Co.	54,864	301	Radhakrishna Mills ..	103	50B	3 0	6 0	8 0		12	V.
8,49,260B									131	50	Nil	7 0	2 8		12	V.P.
15,00,000	92,25,000	25,50,868	16,48,985	34,422	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	90	100	6 0	6 0	9 0		12	V.P.
22,23,375	12,10,000	38,91,595	14,22,264	23,505	Rayalaseema Development Co.	14,800	600	Rayalaseema Mills	5–5½	100	Nil	Nil			12	V.
60,00,000	62,46,508	98,29,567	35,63,291	−19,39 428	J. P. Srivastava & Sons (Rampur).	33,584		Rana Textiles	1,400	1,000						
10,00,000	1,60,39,316	2,89,27,048	2,04,27,279	−1,50,02,067	Morarka & Co.	86,048	2,234	Shahpoor Spg. & Wvg. ..	300	300	Nil	Nil	Nil		8	V.P.
									87cd	50	4 0*	4 0*	4 8	5 0	5	V.
36,68,700	16,63,628	71,75,918	51,35,889	27,871	H. N. Palleger, Esq.	31,668	292	Sri Krishnarajendra Mills ..	72N	100	Nil	Nil	Nil		9	V.
59,14,800	2,66,244	35,16,906	17,73,000	−2,46,777	Gopaldas Liladhar & Co., Ltd. ..	17,880	440	Shree Sajjan Mills	76N	10	4 0	4 0	5 0		3	V.
15,00,000	2,49,73,985	87,38,169	62,02,085	31,22,917	Birla Brothers, Ltd.	36,212	1,242	Sutlej Cotton Mills								
17,50,000O	2,20,00,000	4,32,93,265	1,56,70,740	2,67,165	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	8⅞	10O	Nil	0 8			12	V.P.
8,57,50,000Y									9	10P.O.	Nil	0–14 2/5				
99 84 040	16,00,000	2,75,11 606	1,00,28,764	1123,122	Emcee & Sons (Travancore), Ltd.			Travancore Rayons	14⅞	10	Nil	0 8	0 10		12	V.P.T.
13 98,470	8 79 479	13 36 297	10 45 186	8,521	Mooljee Ramjee & Sons	16,256	290	Trichinopoly Mills	12	10	0 11 1/5	0 11½	0 14 2/5		12	V.P.
18 98,470	92,00,000	56,92 295	*6,81,499	30,500	R. R. S. Chetty & Brothers	33,704	1,495	Vasavas Mills	213	100	12 0	12 0	13 0		12	V.P.
21,00,000	32,00,000	1,38,35,036	1,00,33,390	22,250	Bombay Co., Ltd.	54,280		Vishnu Cotton	137½	100	10 0	4 0	4 0		12	
32,80,080	31,99,443															

* Includes bonus.

** Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(b) Subject to taxation and workers' bonus.

(p) Interim dividend of Rs. 3 per share was paid on 42,000 shares of Rs. 50 each: final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X, R.=Ex-Right.

(c) Paid out of reserves.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. s.	1953 Rs. s.	1954 Rs. s.	1955 Rs. s.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
13,28,000	16,64,000	1,09,25,186	50,37,365	21,554	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	32	25	Nil	Nil	Nil		5	V.P.
6,64,000							13½	10	Nil	Nil	Nil			
16,20,630	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	6½	5	0 8	0 8			3	V.
480,000A	£897,579	£1,225,541	£513,606	£57,290	Parry's Holdings Ltd.	East India Distilleries and Sugar	17	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5			V.P.
£300,000B							28½	B. £1	Sh. 3	Sh. 4	Sh. 5 4/5			
6,00,000	9,60,000	11,63,313	11,63,307	4,057	Vittal Mallya, Esq. (Chairman	United Breweries	165	75	15 0	15 0	15 0		3	V.
CEMENT														
11,37,700A	10,85,516	79,90,234	39,32,658	26,623	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	130½	A. 100	7 8	10 0*	10 0		12	V.P.H.
39,79,020B							13xd	B. 10	0 12	1 0*	1 0			
4,3,14,600A	13,13,132	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	6½	O. 10	Nil	Nil	Nil		3	V.P.
4,70,976D							2½	D. 1						
12,67,39,335	4,18,90,259	20,42,88,558	7,85,13,157	6,93,281	Cement Agencies Ltd.	Associated Cement Companies	176½	100	9 8	9 8	8 8		7	V.
60,00,000O.							14	O. 10	0 10	1 0				
26,49,798O.	46,39,155	81,39,445	20,01,691	67,792	Hari Brothers Ltd.	Dalmia Cement (Bharat)	3⅞	O. 2½	0 2½	0 4			12	V.P.H.
5,00,000D.							2	D. 1	Nil	0 1-3/5				
61,84 930O.	8,00,000	1,45,26,685	39,60,537	1,15,792	Essen Ltd.	India Cements Ltd.	23½	O. 25	1 4	Nil	1 4		3	V.P
7,50,000D.							4½	D. 5	0 4	Nil	0 4			
59,86,000	13,00,000	1,67,86,035	51,49,060	1,62,701	Shree Laxmi Agents Ltd.	Shree Digvijay Cement ..	175xd	100	6 0	6 0			12	V.P.
75,00,000	20,95,000

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	31,61,841	1,99,95,468	1,41,05,656	1,53,875	Balmer Lawrie & Co.	Bengal Paper Mills	63½	25	1 9 Nil	Nil 1 9	1 9 1 9		6,12	H.P.T.
80,00,000	33,44,805	1,07,15,561	71,75,830	2,34,328	Andrew Yule & Co., Ltd.	India Paper Pulp	265	100	5 0 5 0	6 0 6 0	7 0 7 0		3,9	H.
85,00,000	16,12,508	1,18,13,367	47,51,061	49,179	B. P. Ramakrishnan Esq.	Mysore Paper Mills	17½	10	1 0*	1 0*	0 12*		3	W.
1,46,82,500	1,69,72,408	3,91,23,962	91,37,779	8,47,582	Birla Bros.	Orient Paper	27	10	1 0 1 0	1 0 1 0	0 7½ 0 8½		3,9	H.P.T.
90 06,290	78,16,849	1,11,54,742	42,73,807	8,33,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	16½	10	0 12 0 12	0 12f			6,12	H.P.T
80,00,000 18,00,000A.	7,02,430	50,37,167	28,55,530	9,798	Bajoria & Co.	Star Paper Mills	13½ 13½	O. 10 A. 10	0 4 0 4	0 6 0 6			3,9	H.P.T.
56,00,000A. 86,04,800B. 4,37,500F.O.	2,83,01,797	5,11,76,455	3,06,96,855	3,59,432	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	43½	A. 10	1 0* 1 0*	1 0* 1 0*	0 12½ 0 12½		3,9	H.P.
							41xd	P.O. 2½	0 2	0 2	0 2½			
PRESSING														
8,00,000	6,12,365	15,78,488	10,90,581	20,403	Andrew Yule & Co.	Calcutta Hydraulic	90	100	5 0	5 0	4 0		6	V.
4,30,000	1,60,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	89N	100	7 0	7 0			7	V.
5,00,000	1,55,000	10,91,811	9,30,377	12,962	Andrew Yule & Co.	Central Hydraulic	92	100	5 0	4 0	5 0		8	V.
PROPERTY AND LAND														
18,12,780O. 8,08,000D.	7,43,065	43,46,067	21,43,279	96,047	S. A. Basil, Esq., & others (Directors)	Humayun Properties	11	O. 10	0 8	0 11½	0 9 3/5		9	V.P.
60,00,000	18,90,038	84,21,356	15,00,000	350	David Sassoon & Co., Ltd.	Port Canning Land	11½	100	1 0	1 0	1 0		4	V
84,00,000	35,56,934	96,49,123	1,06,646	95,282	Andrew Yule & Co.	Midnapore Zamindary	36½	100	2 0	1 8	4 0		4	V.P.
SAW MILLS AND TIMBER														
13,99,998	28,23,970	19,97,901	8,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	4½	5	0 4	Nil	Nil		9	V.
80,00,000 42,00,000	4,08,84,385	3,05,42,310	1,22,52,525	56,875	Wallace & Co	Bombay-Burmah Trading Corpn.	47½ 175½	Old 125 New 50	22 8 9 0	15 0 6 0	30 0 8 0		5	V.
6,00,000		2,80,768	1,76,945	—5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	41N	100	Nil	Nil			6	V.P.
20,00,000	18 15,487	18,19,049	13,53,015	1,79 568	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	51½	10	3 0	2 8	2 12		9	V.
SUGAR (U.P. and Bihar)														
14,00,000	13,55,901	38,50,924	27,77,928	23,527	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	9½	5	Nil	Nil	0 12		7	V
12,00,000A. 8,00,000B.	29,18,356	49,46,285	23,16,668	15,30,000	Narang Bros. & Co., Ltd.	East Sugar	145N 133½N	A. 100 B. 10	10 0 1 0	10-0 1-0	10 0 1 0		4	V
19,49,050	5,50,000	31,91,657	23,35,812	49,906	Bangur Bros., Ltd.	Belsund Sugar	10	7½	0 12	0 12	0 12		9	V.
15,00,000	13,85,319	46,47,836	11,37,841	26,084	Cotton Agents Ltd.	Bharat Sugar	20N	10	1 8	1 8	1 8		6	V.P.
32,00,000	24,79,431	1,35,76,859	88,78,177	61,723	Gladstone Lyall & Co., Ltd.	Carew & Co.	118	10	Nil	Nil	0 12		6	V.P.
18,00,000	53,02,981	1,00 12,353	81,32,451	59,696	Begg, Sutherland & Co., Ltd.	Champaran Sugar	20½	10	2 0	2 0	0 12		10	V.
18,00,000	33,88,892	67,14,964	50,49,402	24,329	Begg, Sutherland & Co., Ltd.	Deoria Sugar	30½	10	2 0	1 0	1 0		6	V.
5,99,452	8,18,562	22,06,286	14,01,142	42,955	Karamchand Thapar & Bros.	Karamchand Thapar & Bros.	71xdN	10	0 8	1 0			8	V.T.
83,00,000A. 10,00,000O.	83,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mill's	175N O. 100	'A' 100 O. 100	12 0* 12 0*	15 0* 15 0*			6	V.P.
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	37N 30N	80 40	Nil Nil	Nil Nil			7	V.P.
7,89,100	23,05,922	29,32,672	17,61,033	64,828	Cotton Agents Ltd.	New India Sugar Mills	35N	10	2 8	2 8	2 8		6	V.P.
11,00,000	4,20,000	37,49,397	84,14,045	8,769	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 8	0 4			3	V.
60,87,500 A. 2,71,875 B.	49,84,457	63,27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mills	820N 55N	100 25	20 0 5 0	20 0 5 0	20 0 5 0		6	V.
77,48,500	52,22,414	1,75,96,433	81,00,000	36,923	Cotton Agents Ltd.	Oudh Sugar	115N	100	6 0	11 0	11 0		7	V.P.
12,00,000	13,74,233	28,77,669	19,95,928	55,000	Narang Bros. & Co., Ltd.	Punjab Sugar	118N	100	6 0	10 0	10 0		10	V.
9,00,000	15,95,919	35,23,095	29,32,249	3,957	Begg, Sutherland & Co., Ltd.	Purabpore Co.	18½	10	1 0	1 0	0 12		10	V.P.
8,00,000	6,54,762	25,43,782	81,01,615	84,340	Begg, Sutherland & Co., Ltd.	Ryam Sugar	19½N	10	1 0	1 0	0 8		9	V.P.
11,99,000	17,75,737	38,17,360	22,17,129	13,455		Samastipur Central Sugar	33½	10	1 0	0 8	0 8		6	V.
80,00,000	81,48,560	1,06,85,319	37,06,777	3,475	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	17½	10	1 8	1 8	1 8		8	V.P.T.
9,99,950	61,825	27,77,828	12,85,342	—1,89,266	H. E. Ghosh, Esq., and R. N. Dutta, Esq. (Managing Directors)	Bilaipore Sugar	4½	10	0 6½	Nil			6	V.
7,95,462	16,32,940	29,95,970	16,32,168	92,009	Karamchand Thapar & Bros	Shri Sitaram Sugar	83xd	10	1 0	2 0*			8	G.T.
9,15,000O. 4,40,000D.	47,592	27,27,402	11,46,770	—15,90,149	N. K. Jain & Co., Ltd.	South Behar Sugar	O. 10 D. 2½N	O. 10 D. 2½	Nil Nil	Nil Nil			10	V.P.
8,00,000	20,87,588	83,26,115	30,99,754	48,719	Cotton Agents Ltd.	Upper Ganges Sugar	30N	10	2 0	0 8	2 8		6	V.P
16,00,000	7,99,778	81,12,368	84,99,851	5,181	James Finlay & Co., Ltd.	United Provinces Sugar	24	10	1 0	0 8			9	V
Other Centres														
6,99,750	65,29,871	1,40,80,073	84,87,447	33,628	W. H. Brady & Co., Ltd.	Belagur Company	304½	50	16 0	16 0	16 0		9	V.
30,000	11,50,010	31,68,833	19,76,042	38,000	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	12½	10	1 0	0 10	1 0		9	V.P.
15,93,500	2,45,841	39,19,958	80,01,146	51,593	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	44N	100	3 0	Nil	Nil		6	V.P.
28,70,610	14,00,000	26,96,429	18,50,803	4,30,236	India Sugar Agencies Ltd.	India Sugar and Refineries	16xd	10	2 8	2 8	1 12		9	V.P
33,57,580 10,52,200O. 2,87,190D.	42,47,476	41,33,220	19,37,712	3,477	Goven Bros. (Rampur), Ltd.	Buland Sugar	14½N 133 O.100	10 O.100	0 12 7 8	1 0 7 8	7 8		10	Y
	67,50,000	84,86,942	27,56,542	2,346	V. Ramakrishna, Esq.	K. C. P. Ltd.	100	D. 10	10 0	10 0	10 0		6	V.P.
11,79,246	90,22,871	1,21,03,930	73,11,303	2,28,221	M. S. Swaminathan, Esq. (Managing Director)	Mysore Sugar	53½	10	2 0	2 0	2 0		6	V
50,00,000	47,49,631	1,07,30,631	53,61,246	15,411	Mafatlal, Apte and Kasdiwi Ltd.	Phaltan Sugar	121	50	5 0	6 0	5 0		8	V
16,59,820	28,50,830	53,90 015	26,76,747	29,230	Anderson Wright Ltd.	Rampur Cane and Sugar	34	10	2 0	1 8	1 0		8	V.P.T.
80,00,000O. 6,00,000D.	24,67,171	87,47,627	53,31,89	61,432	Walchand & Co. Ltd.	Revelganj Sugar Farm	95N O.50	O.50	7 0 Nil	Nil	3 0		9	V.P.T.
19,39,408	46,07,818	43,46,104	19,83,541	3,144	Goven Bros. (Rampur), Ltd.	Rana Sugar	D.10 10½N	D.10 10	0 11½ 1 0	Nil 1 0	Nil		10	V
30,00,000	10,37,770	59,76,254	37,87,199	—97,224	Parry & Co., Ltd.	Travancore Sugars	7½	10	Nil	Nil	Nil		7	V.P
1,01,00,000	61,19,890	1,85,70,930	1,04,63,312	1,79,083	Walchandnagar Industries	Walchandnagar Industries	203½	100	14 0	14 0	16 0		9	V.P.
TRANSPORT														
20,00,000	1,08,42,425	1,33,68,272	13,76,183	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co.	143	100	12 8	10 0	7 8		10	V
1,00,00,000	16,67,690	4,65,14,760	1,80,06,587	89,648	Dinshaw Ltd.	Bharat Line	81	100	5 0	5 0	5 0		12	V
30,00,000	94,35,838	1,83,20,489	63,44,422	1,09,704	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	15½	10	1 0	1 0	1 0		4	
6655,580	6954 756	65,633,307	23,454,207	43,327	Kilburn & Co. Ltd.	India General Navigation & Rly. Co.	91½	416	33.10	Nil			4	V.P
2,25,00,000	74,99,233	4,41,60,669	1,52,36,755	1,64,960	Lionel Edwards Ltd.	India Steamship Co.	7½	10	0 8	0 8	Nil		3	V.P.
9,40,19,673	7,43,28,025	14,92,76,428	3,71,00,000	2,72,820	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	14—11½	50	6 0	6 12	0 8		6	V.
8,40,000O. 8,10,200F.O.	17,53,079	10,83,408	6,54,056	1,88,899	E. A. Smith, Esq., (Manager)	Welford Transport Ltd.	O. 1 F.O. 1	as 1 3/25 as 1 9/25	as 1 3/25 as 1 9/25				12	V.
UNCLASSIFIED (Bombay)														
8,40,000	95,000	5,35,957	3,89,000	760	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	600	500	35 0	32 0	32 0		9	V
15,98,860	2,64,173	2,18,255	80,000	40,555	Parekh Agencies Ltd.	Bombay-Uganda	72N	80	4 0	5 0			12	V
25,00,000	1,00,000	25,74,281	9,294	3,394	Dene Sons, Ltd.	Devkaran Nanji Investment Co.	108	25	0 12	0 12	0 12	0 12	3	V
14,98,840	3,09,422	26,42,753	18,75,000	74,464	Chocolitti Mantid Ltd.	Estrela Batteries	39N	25	2 8	2 8	1 8		3	V.P.
19 99,250	19,07,876	1,27,52,603	....	2,85,005	Premchand Roychand & Sons	Industrial Investment Trust	72	100	4 8	4 8	4 8		12	V
1,00,00,000	31,25,000	21,31,427	7,78,349	18,107	E. D. Sheppard, Esq. (Mg. Director)	Killick Industries	157	100	10 0	10 0	11 0	4 0	6	V.
2,07,00,200A. 80,00,000B.	5,29,603	2,64,35,763	98,15,035	—13,44,485	Auto-Auto Ltd.	Premier Automobiles	78½	A. 100 B. 10	Nil Nil	Nil Nil	Nil Nil		6	V.
10,21,200	5,56,605	14,71,107	12,41,107	36,753	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	23	20	3 0				12	V
2,75,00,000	75,25,548	8,92,47,116	1,53,96,500	5,28,887	T. Ryelie, Esq. (Managing Director)	Western India Match Co.	181½	100	11 0*	11 0*	11 0*		12	V
45,00,000	53,74,847	7,24,608	3,07,108	45,948	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	V
Other Centres														
47,50,000	15,00,000	1,88,63,301	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	64 2N	O. 10 D. 2½	Nil	Nil.	Nil		9	V.P.T.
2,50,000	40,60,690	31,77,196	21,11,902	2,39,798	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	18½	10	1 4	1 4	1 4		8	V
30,00,000	8,25,000	35,74,632	20,11,857	1,17,493	T. Ryelie, Esq. (Mg. Director)	Assam Match Co., Ltd.	19½xd	10	1 4*	1 4*	1 4*		9	V
18,00,000	23,47,883	1,00,29,510	39,87,838	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	41N	10	0 4	0 3 1/5	0 3 1/5		3	V.P.
80,00,000O. 10,00,000F.O.	1,11,42,712	59,58,515	30,55,515	5,43,847	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	160 O. 100 D. 40	20 O. 100 D. 40	20 0* 6 0*	20 0* 6 0*			12	V
20,00,000	7,99,470	57,53,360		1,21,733	Loveleck & Lewis	Birds Investment Ltd.	18½	10	1 4	1 4	1 4		9	V
30,64,680	37,09,225	1,02,29,699	86,55,003	1,63,901	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	123	10	2 12	0 8	1 0		3	V.P.
3,25,00,000	1,00,82,962	2,69,29,657	2,07,14,167	2,81,142	Sir Robert Menzies	British India Corporation Ltd.	8-13½	3	0 10	0 8	0 1		12	V.P.
1,60,00,000	1,79,00,000	4,83,17,964	3,08,33,134	11,88,891	Cecil Stark, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	36	10	1 8	1 8	1 8		12	V.P.
51,26,000	53,95,753	1,34,39,918	....	3,13,308	Bird & Co., Ltd.	Eastern Investments Ltd.	162	100	7 0	9 0	9 0		12	V.P
14,00,000	9,97,000	33,12,243	18,66,225	11,238	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	189	100	20 0 10 0	10 0 10 0	7 8 7 8		8 9	H
65,00,000	38,00,000	18,19,106	6,87,885	1,58,072	K. R. Fettes, Esq.	Gillanders Arbuthnot & Co., Ltd.	11½	10	1 0	1 0	1 0		3	V.P
30,00,000	11,42,354	81,59,433	39,41,525	1,366	B. P. R. Syndicate	Great Eastern Hotel	258N	250	15 0	15 0	4 4		3	V
12,42,800	7,07,564	70,51,010	47,19,868	19,013	Birla Bros., Ltd.	Hind Cycles	100N	100	8 0	8 0			12	V.P.T.
4,96,12,650		3,05,00,214	60,52,719	4,54,999	Birla Bros., Ltd.	Hindustan Motors	9½	10	Nil	Nil	Nil		3	V.P.
1,60,00,000	36,37,754	3,96,21,557	1,34,14,699	2,98,512	J. W. Cameron, Esq.	Indian Aluminium Co.	149	100	5 0	Nil	Nil		12	V.P.
1,52,99,220	1,09,40,984	1,32,87,233	46,27,452	19,70,066	A. R. Driessen, Esq.	Indian Rubber Manufacturers	27	10	1 0	1 0*	1 0*		3	V.P.
8,27,970	2,34,000	15,79,995	8,39,426	17,480	G. S. Mounton & Co. (India), Ltd.	Jardine Henderson	12½	10	1 0	0 12	0 8		3	V.P.
8,00,00,000	52,62,941	31,49,487	7,33,287	5,26,226	G. M. Mackinlay, Esq.		114	100	10 0	7 8	7 8		3	V
6,34,000O. 66,000D.	3,68,343	6,59,830	4,31,766	2,240	James & Co., Ltd.	Macfarlane & Co.	2½ O. 5 D. 1	O. 5 D. 1	Nil	Nil			9	V
40,00,000O. 5,00,000D.	66,58,146	25,22,837	7,33,942	1,07,086	C. L. Bajoria, Esq.	McLeod & Co.	212N O. 100 D.O. 10	7 8 0 4 0 4	10 0* 0 8				12	V.P.
1,30,95,750	53 14,868	19,97,616	8,95,141	2,57,480	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	22½	10	1 6	1 6	1 6		9	V.P.
1,15,00,000	39,01,000	1,56,11,388	39,32,798	13,11,213	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	20½	10	1 0	1 0	1 0		9	V.P.
6,35,255	1,53,858	7,81,449	2,60,987	—1,55,239	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3½	10	Nil	Nil	Nil		12	V
6,56,250	9,55,111	10,40,230	4,40,947	73	O. Chandy, Esq. (Coworker)	Mysore Lamp Works	14½	10	1 0	1 0	1 0		3	V.P.
10,00,000	1,20,000	14,21,286	7,19,467	35,579	K. Narayanaswamy, Esq.	Mysore Tobacco	11½	10	1 0	1 0	1 4		3	V.T.
20,00,000	49,41,739	53,81,362	37,19,098	1,75,176	Associated Industrial Development Co., Ltd.	National Insulated Cable	24½	10	0 12	1 0	1 0		3	V.P.T.
				18,62,030	B. N. Elias & Co., Ltd.	National Tobacco Co.	9½	10	1 0	Nil			12	V.P.
19,97,000	28,68,388	69,70,051	3,78,836	1,31,468	Coromandel Investment Trust Ltd.	Parry & Co.	4—14½	2	0 4½	0 4½			12	V.P.
40,00,000	27,00,000	44,13,494	19,71,434	—42,97,067	T. A. Lykiardopulo, Esq.	Rallis (India) Ltd.	36	100	Nil	Nil	Nil		12	V.P.
8,25,00,000	6 41,684	1,61,45,956	43,79,829	4,44,951	Babu Jain Ltd.	Rohtas Industries	23½	10	1 0	1 4	1 8		10	V.P.
1,14,00,000	1,17,70,208	6,94,43,137	3,00,81,612	4,54,737	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17xd	10	1 0	1 0	1 8		6	V.P.
40,08,000	93,41,062	1,19,12,218	70,10,822	3,67,879	K. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	14½	10	1 0	1 0			12	V.
95,00,000	38,50,008	12,92,304	3,20,365	—1,06,545	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	Nil	Nil			12	V.
9,98,380	1,50,000	14,27,407	3,81,599											

‖ Investments at cost. * Includes bonus.

‡ Excluding goodwill (written down) Rs. 80 lakhs.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517		McLeod & Co. Ltd.	825	Amluckie	550N	100	7 8	25 0	30 0		12	Y.P.
2,76,300	4,50,000	7,71,948	3,03,058	31,218	Andrew Yule & Co. Ltd.	312	Ananda (Assam) Tea	39	10	0 12	1 4	2 8		12	Y.
3,50,000	6,43,250	10,47,044	5,32,872	72,998	Gillanders Arbuthnot & Co. Ltd.	420	Ananda Bag	45½	10	Nil	2 8	1 8		12	Y.
5,50,000	7,21,416	16,60,355	2,98,096	—75,110	McLeod & Co. Ltd.	513	Baghmari	27½	10	Nil				12	Y.
3,40,000	8,20,000	11,50,416	5,59,593	70,514	Andrew Yule & Co. Ltd.	369	Basmatia	41½	10	2 0	2 8			12	Y.
3,30,000	3,70,000	9,24,593	2,13,496	80,009	....	569	Betali	23xd	5	0 8	2 0	1 8		12	Y.
3,20,000	5,70,000	9,38,920	22,95,169	61,393	Gillanders Arbuthnot & Co., Ltd.	366	Betjan	44	10	Nil	2 0	1 8		12	Y.
16,50,000	20,60,000	52,30,169	2,08,130	1,99,547	Williamson Magor & Co., Ltd.	3,967	Bishnauth	45	10	Nil	3 8			12	Y.
6,00,000	2,53,500	10,49,416	2,52,708	61,929	Octavius Steel & Co., Ltd.	485	Bokakhat	23	10	Nil	Nil	1 0		12	Y.P.T.
7,50,000	4,50,000	8,36,160	3,09,496	5,960	McLeod & Co., Ltd.	450	Bormah Jan Tea	20½	10	Nil	0 12	1 0		12	Y.P.
35,00,000	11,92,045	73,80,473	1,69,074	26,092	Jardine Henderson Ltd.	1,220	Brooke Bond	15½	10	1 0	0 8	1 4		6	V.P.
1,20,000	1,95,097	4,60,080	16,06,120	36,977	James Warren & Co., Ltd.	2,834	Brooke Bond India Ltd.	40	10	Nil	1 0			12	Y.
6,00,000	7,97,500	21,43,185	3,42,719	10,336	James Finlay & Co., Ltd.	282	Dejoo Valley	46½	100	10 0	20 0			12	Y.
17,53,440	7,04,519	11,71,408	4,34,259	8,732	McLeod & Co., Ltd.	1,220	Dessai & Parbuttia	402½	100	10 0	20 0			12	Y.
4,68,970	2,70,000	2,35,483	16,852	11,825	Williamson Magor & Co., Ltd.	620	Dheukhat	19½	10	1 0	1 8	0 8		12	Y.
4,50,000	3,25,000	8,02,617	4,70,047	43,918	Williamson Magor & Co., Ltd.	633	Dhunseri	21½	10	1 8	3 0	3 8		12	Y.P.
2,36,700	4,75,000	8,80,047	1,14,476	38,641	Williamson Magor & Co., Ltd.	458	Dibrugarh	25	10	Nil	1 0	1 0		12	Y
15,60,500	6,05,000	17,90,747	8,83,081	13,832	L. C. Kanoi, Esq.	625	Dimakusi	66	10	1 0	4 8	1 0		12	Y.P
10,00,000	4,65,000	8,18,664	4,01,797	39,542	Williamson Magor & Co., Ltd.	615	Duffaghur	50½	10	2 0	4 0	1 0		12	Y.
3,60,000	3,50,000	5,90,000	6,19,316			1,177	East India Tea	28½	10	0 4	2 8			12	Y.
3,38,000	5,60,000	13,95,316		23,356	Octavius Steel & Co., Ltd.	407	Gillapukri	42	10	Nil	1 12			12	Y
A.4,94,360 B.2,40,790	14,22,810	18,09,304	5,63,575	48,032	Andrew Yule & Co., Ltd.	546	Gohpur	46½	10	1 8	3 0			12	Y.
2,00,000	7,00,000	7,04,481	2,29,888	24,921	Andrew Yule & Co., Ltd.	476	Hoograjuli	37½	A.10	2 0	3 0	0 12½			
4,35,000	8,54,216	13,98,777	2,44,299	58,941	Gillanders Arbuthnot & Co., Ltd.	1,290	Hoolungooree	18½	B.5	1 0	1 8	0 6½		12	Y.
7,50,000	5,85,000	8,20,851	5,393	72,557	Shaw Wallace & Co., Ltd.	938	Jutlibari	66	10	1 8	3 0	3 8		12	Y.
2,40,000	80,000	11,45,851	1,29,844	45,324	Duncan Bros. & Co., Ltd.	1,166	Kingsley-Golaghat (Assam)	299N	100	Nil	Nil			12	Y.
6,50,000	4,54,133	19,48,410	4,74,285	14,238	Octavius Steel & Co., Ltd.	1,037	Ledo	23½	10	Nil	Nil			12	Y.
8,00,000	11,40,000	8,84,211	4,04,111	16,982	Duncan Bros. & Co. Ltd.	612	Methoni	26	10	2 0				12	Y.
4,80,000	40,000	7,54,419	4,05,697	34,889	Kettlewell Bullen & Co., Ltd.	673	Mohesma	24½	10	1 8	3 0			12	Y.P.
1,50,000	4,47,344	3,22,218			Andrew Yule & Co., Ltd.	433	Mothola	19½	10	Nil	Nil			12	Y.
O. 50,000 P.O.2,00,000	4,05,000	8,98,088	3,80,669	9,367	S.C. Sen, Esq., Supervising Director	344	Murphulani	650N	100	40 0	15 0			12	Y.
4,00,000	3,61,274	6,00,328	6,78,401	3,051	Shaw Wallace & Co., Ltd.	542	Naga Hills	O.10	O.10	2 0				12	Y.
5,35,000	—	12,11,401	1,92,221	21,164	Duncan Bros. & Co., Ltd.	810	Nambirmadi	37	10	2 8	3 0			12	Y.
5,00,000	1,15,000	5,92,221	2,83,495	45,300	Andrew Yule & Co. Ltd.	935	New Cinnamullah	26½	10	Nil	0 8½			12	Y.
2,00,000	5,27,500	7,37,172	8,56,992	16,877	James Finlay & Co., Ltd.	213	Nilgiri	43	100	Nil	2 8			12	Y.

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00,000	2,35,000	3,76,125	22,948	34,760	Planting Agencies Ltd.	Balmadies Plantations	3 8/8	2	0 3½	0 4	0 4		2	Y.P.T.
17,94,186	16,19,828	30,44,517	3,00,811	1,02,250	Peirce, Leslie & Co., Ltd.	Cochin Malabar	8	3	0 9 3/5	0 12	0 12		5	Y.P.
18,00,000	13,78,817	31,25,582	4,43,587	1,58,644	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	17½	10	0 14 2/5	0 4 4/5	2 8		6	Y.P.
47,70,000	57,62,500	1,00,81,036	15,88,295	4,24,565	R. C. Paterson, Esq.	Consolidated Coffee	19½	10	1 12 4/5	1 8	1 12		6	Y.P.
4,00,000	3,34,078	5,19,105	46,991	11,406	Associated Planters Ltd.	Cottanad Plantations	14½	10	1 4*	1 8*	1 8		3	Y.P.
18,00,000	9,95,343	22,72,370	4,51,852	53,920	A. V. Thomas & Co., Ltd.	Highland Produce	15¾xd	10	1 0	1 4	2 8		12	Y.P.
4,00,000	10,16,061	10,83,666	1,39,566	11,970	A. V. Thomas & Co., Ltd.	Kalpetta Estates	24½	10	2 0	2 0	2 0		4	Y.P.
4,50,000	11,78,329	9,97,046	2,35,186	14,253	P. Kurian John, Esq.	Malankara Rubber	27½	10	3 8	5 8	2 4		3	Y.
27,00,000	27,35,000	71,39,275	6,74,802	99,729	A. V. Thomas & Co., Ltd.	Midland Rubber	17½	10	1 8	1 8	1 12*		3	Y.P.
3,35,000	2,81,000	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd.	Nenmeny Rubber	15¾cd	10	0 10	0 12	1 8		12	Y.P.T.
2,00,000	2,63,714	6,60,783	54,844	8,398	Associated Planters Ltd.	Nilambur Rubber Co.	13½	10	1 0	1 0			12	Y.P.
19,45,980	24,01,083	37,40,924	10,24,385	69,334	Peirce, Leslie & Co., Ltd.	Ouchterloney Valley Estates	5-3½	2	0 0 3½	0 3½	0 9 3/5		10	Y.P.T.
13,50,000	6,80,000	39,49,798	3,06,746	54,638	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	16½	10	1 8	1 12*	1 12*		6	Y.P.
3,66,780	2,50,000	5,94,562	49,313	89,904	Peirce, Leslie & Co., Ltd.	Savamalai Estates Ltd.	26½	10	3 0	0 0	2 8		11	Y.
10,00,000	3,09,600	21,81,045	1,32,358	1,227	East India Agencies	Teakoy Rubber (India) Ltd.	8½	10	0 14½	0 14 2/5	0 12		3	Y.P.T.
2,50,000	2,37,300	5,29,518	27,825	15,715	A. V. George & Co., Ltd.	Thamarapally Rubber	27¼cd	10	2 6	3 0	3 0		12	Y.P.
8,10,200	2,75,005	7,98,048	62,162	17,826	Peirce Leslie & Co., Ltd.	Tirumbadi Rubber Co., Ltd.	1-14½	1	0 4	0 4½	0 13/5		9	Y.
6,00,000	46,474	7,49,611	1,11,200	3,744	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	18½	10	2 0	2 0	2 0		12	Y.
41,00,000	14,29,673	74,86,897	7,65,148	3,28,925	Aspinwall & Co. (Travancore)	Travancore Rubber and Tea Co., Ltd.	10½	10	0 9 3/5	1 0	1 8		12	Y.P.T.
20,00,000	90,000	25,53,508	5,65,978	2,276	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	31½xd	25	2 8	3 0	5 0		12	Y.
6,28,580	4,40,670	7,71,154	14,119	21,363	Harrison & Crossfield Ltd.	Vaikundam (Travancore) Rubber	24½	10	2 0	2 0	2 4		12	Y.
1,63,000	87,259	3,50,536	15,684	1,063	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	12	10	*Nil*	1 0	1 8		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs	Accounts Closed	Reference
60,00,000	55,00,000	96,99,205	51,47,202	54,436	B. N. Elias & Co., Ltd.	879	Agarpara	13½	10	1+1	1+1	1f		3,9	H.T.P.
24,00,000	16,00,000	46,24,881	12,54,712	94,004	Babu Jain Ltd.	498	Albion	160	100	8+10	12+12	12+6		5,11	H.P.
6,00,000	9,50,000	51,48,608	35,31,395	94,086	McLeod & Co., Ltd.	446	Alexandra	205	100	*Nil*	*Nil*+2½	2½+5		6,12	H.P.T.
30,00,000	7,35,000	1,17,45,944	90,43,069	61,708	McLeod & Co., Ltd.	1,264	Alliance	174	100	*Nil*	*Nil*+5	5f		6,12	H.P.
49,20,700	82,13,386	2,54,81,317	1,78,90,000	1,47,643	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	212	100	10+10	7½+5	2½+5		3,9	H.P.
40,00,000	40,52,240	1,61,99,837	84,16,116	7,674	Bird & Co., Ltd.	810	Auckland	135	100	5+4	2+2	1+2½		3,9	H.P.T.
20,00,000	25,93,136	98,21,588	65,19,459	18,759	Jardine Henderson & Co.	959	Bally	178	100	*Nil*	4+*Nil*	*Nil*		3,9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,889	Barnagore	172	£5	£1	£1	£1	sh.2½	3	Y.P.
28,00,000	35,49,623	89,73,096	49,13,770	1,11,9117	Andrew Yule & Co., Ltd.	820	Belvedere	206	100	7½+7½	7½+7½	5+5		6,12	H.P.
45,00,000	36,45,000	55,76,391	29,60,822	2,95,071	Rosenmall Nagarmull	600	Bengal	13½	10	3	1½	1½		6	Y.P.T.
91,26,000	2,05,61,400	3,18,53,461	1,29,13,354	1,24,903	Birla Bros., Ltd.	1,373	Birla	19½	10	3	1	1		3	Y.P.
36,00,000	29,42,925	1,11,26,530	71,77,582	1,20,609	Andrew Yule & Co., Ltd.	991	Budge-Budge	175	100	6½+6½	6+4	4+5		4,10	H.P.
7,47,180	3,14,924	41,38,590	29,87,611	2,610	Dayaram & Sons	502	Calcutta Jute Mfg.	14½N	10	0+8	*Nil*	1f		6,12	H.P.T.
18,00,000	52,31,234	77,37,960	40,35,574	78,538	Andrew Yule & Co., Ltd.	616	Caledonia	246	100	6+6	6+6	4+5		5,11	H.
59,16,400	1,01,06,609	1,88,44,627	1,05,04,000	23,542	James Finlay & Co., Ltd.	600	Champdany	158	100	7+8	3+3	*Nil*+3		3,9	H.
13,95,000	30,14,282	80,62,490	55,81,540	1,37,479	Andrew Yule & Co., Ltd.	530	Chiertole	270	100	6+6	6+6	6+8		5,11	H.P.
30,15,000	28,25,000	60,73,510	46,01,290	1,52,253	McLeod & Co., Ltd.	500	Chitavalsah	13½	10	2½+1½	1½+½	1+½		6,12	H.T.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	16½	10	2	*Nil*			3	Y.P.
31,49,200	62,11,927	1,28,98,802	63,22,413	15,344	Bird & Co., Ltd.	766	Dalhousie	144	100	6+1	1+3	1+1½		3,9	H.P.
28,00,000	44,74,179	74,57,171	46,41,725	1,46,508	Andrew Yule & Co., Ltd.	779	Delta	238	100	10+10	10+10	6+6		5,11	H.P.
15,00,000	33,50,000	77,97,149	37,55,560	1,32,960	McLeod & Co., Ltd.	500	Empire	25	10	3+½	1+½	1+½		6,12	H.T.P.
21,00,000	53,28,948	2,70,49,518	1,81,05,210	46,839	Ketulwell Bullee & Co., Ltd.	1,884	Fort Gloster	451N	100	10+*Nil*	*Nil*	*Nil*		3,9	H.P.T.
14,00,000	13,00,000	82,13,505	49,27,586	71,285	Bangur Bros., Ltd.	1,014	Fort William	379	100	*Nil*	*Nil*+3	10+10		3,9	H.T.P.
24,32,100	2,73,755	2,11,52,730	1,36,01,908	5,930	Macneill & Barry Ltd.	1,709	Ganges Mfg.	101	100	*Nil*	*Nil*+*Nil*	*Nil*+4		3,9	H.P.
10,80,000	28,00,000	71,52,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	925	300	30	15	*Nil*		3,9	H.
24,00,000	31,83,104	2,20,06,557	1,67,50,294	1,56,427	Macneill & Barry Ltd.	1,394	Gourepore	336½	100	12+*Nil*	*Nil*+38	24+75		12	Y.
40,00,000	55,68,234	72,91,746	48,50,613	2,95,107	Bangur Bros., Ltd.	1,078	Hastings	115N	100	10	10	10+6		3,9	H.P.
16,80,000	18,52,626	66,38,235	43,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	41½	10	1½	1½			3	Y.P.
63,62,500	58,82,162	1,47,23,497	1,06,14,355	1,65,858	Jardine Henderson Ltd.	1,940	Howrah	30	10	1+½	1+½	1+½		3,9	Y.P.
52,50,000	20,00,000	2,42,25,884	1,49,75,884	1,64,711	Ramdutt Ramkissendas	2,272	Hukumchand	31½	75	3	1½	1½		3,9	H.P.
O. 87,00,000	19,20,065	1,11,31,089	75,39,061	38,601	Mackinnon Mackenzie & Co.	1,076	India	188	O. 125	3½+3½	3½+3½	*Nil*+3½		3	Y.P.T.
D. 30,000									D.	As. 8+8	As. 8+8	As. 8			
24,00,000	28,34,204	1,36,86,233	1,21,94,303	84,189	Jardine Henderson Ltd.	1,797	Kamarhatty	202½	100	8+6	6+3	3+3		3, 9	H.
R. 19,20,000								166	'B' 100	8½+6	6+3	3+3		6,12	H.P.
30,00,000	18,14,767	1,31,87,376	98,19,537	62,312	Jardine Henderson Ltd.	1,527	Kankinarrah	145	100	4+4	5+2½	2½+4			
R. 24,00,000								134	'B' 100	6+4	5+2½	2½+4		6,12	H.P.
21,00,000	48,25,000	1,05,38,484	74,86,276	1,19,643	McLeod & Co., Ltd.	703	Kelvin	313	100	7½+7½	7½+7½	10f		6,12	H.P.
54,00,000	23,83,375	1,38,25,755	1,14,44,627	33,844	Anderson Wright Ltd.	1,530	Khardah	192xd	100	10+15	10+7½	7½+5		3,9	H.P.
48,00,000	1,02,14,684	2,29,23,597	1,08,38,211	29,674	F. W. Heilgers & Co.	1,250	Kinnison	188	100	10+7	10+7½	2+5		5,9	H.P.T.
24,48,000	48,31,837	1,39,26,497	78,80,252	4,428	Bird & Co., Ltd.	931	Lansdowne	339½	100	7+3	2+5	1+1		3,9	H.P.
28,00,000	39,56,145	1,14,91,720	63,14,525	12,660	Bird & Co., Ltd.	840	Lawrence	153	100	11+4	3+3	2+4		3,9	H.P.
10,00,000	41,51,301	50,99,335	36,04,454	53,755	Andrew Yule & Co., Ltd.	558	Lothian	400	100	15+15	15+15	15+15		5,11	H.P.
81,65,200	26,14,412	1,92,62,004	1,19,08,316	8,902	Mackinnon Mackenzie & Co.	1,008	Megna	95½	100	2½+2½	2½+2½	*Nil*2½		3,9	H.
29,98,900	41,13,783	1,72,83,489	94,88,274	—7,08,004	F. W. Heilgers & Co.	815	Nuddiah	117	100	6+*Nil*	*Nil*	*Nil*		3,9	H.
20,00,000	15,05,000	28,19,087	16,13,660	3,126	Howrah Trading Co., Ltd.	425	Naskarpara	14	10	1+½	*Nil*+½	1f		4,10	H.T.
35,00,000	44,29,326	28,38,765	9,63,390	1,88,126	Andrew Yule & Co., Ltd.	852	National	32½	10	1+½	1	1+1		4,10	H.
26,25,000	22,75,000	26,82,794	19,64,419	1,31,993	McLeod & Co., Ltd.	316	Nellimarla Jute	11½	10	2+1	1+1	1+½		6,12	H.T.P.
31,50,000	34,13,033	49,53,722	24,93,902	84,459	Babu Jain Ltd.	709	New Central	149	100	10+12	12+12	2f		6,12	H.P.
16,79,880	31,05,696	1,23,66,779	39,31,089	43,570	Bird & Co., Ltd.	587	Northbrook	25½	10	1+½	1+½	1+½		3,9	H.P.T.
46,79,500	31,70,094	2,13,09,993	1,38,37,486	33,079	Macneill & Barry Ltd.	1,092	Nuddea	57	50	1+*Nil*	*Nil*+3	*Nil*+3		3,9	H.
24,91,000	27,81,049	71,20,511	49,35,472	1,21,119	Andrew Yule & Co., Ltd.	601	Orient	177	100	1+½	4+6	3+5		12	H.
25,00,000	6,23,468	80,72,591	63,77,961	1,03,954	McLeod & Co., Ltd.	400	Presidency	6½xd	5	*Nil*	*Nil*+½	1+½		3,11	H.P.
20,00,000	1,40,946	26,48,443	7,67,493	—10,89,456	M. P. Birla, Esq.	305	Rameshwara	8	10	*Nil*	*Nil*	*Nil*		4,12	H.T.
49,50,000	8,01,277	1,23,46,455	57,04,882	18,871	Jardine Henderson Ltd.	1,276	Reliance	14½	10	*Nil*	1+½	*Nil*		3,9	H.
£600,000	£1,093,713	£1,228,258‡		£95,425	Thomas Duff & Co. (India), Ltd.	2,013	Samnaggur	10½	10	1½	10%‡	*Nil*‡		3,9	H.P.T.
30,00,000	13,12,193	1,03,17,332	71,03,045	10,341	Begaria More & Co., Ltd.	911	Shree Ambica	14½	10	1+½	*Nil*+½	1f		12	Y.P.
14,00,000	11,58,733	66,05,601	31,22,393	1,66,758	Hindusthan Investment Corporation	401	Soorah	16N	10	*Nil*	1	1		3,9	H.P.
23,19,600	47,29,578	1,01,23,059	37,01,014	1,112	Bird & Co., Ltd.	650	Standard	150	100	8+1	1+½	1+1		12	Y.P.T.
£600,000	£925,119‡	£992,042		£109,510	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	14	41	10%	10%			3,9	H.P.
35,98,600	85,79,990	1,93,34,618	96,30,486	2,515	Bird & Co., Ltd.	1,326	Union	192	100	10+1	1+4	1+5		12	Y.P.
£600,000	£688,035	£1,086,826		£1,12,138	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	14	41	10%	10%c			3,9	H.P.T.
2,50,000	4,95,000	35,94,678	37,77,741	35,624	McLeod & Co., Ltd.	465	Waverley	7½xd	1	*Nil*	*Nil*+½	1f		12	Y.P.
														6,12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	20,75,000	83,30,999	56,70,999	21,411	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	22½	10	1+½	1+½	1+½		3,9	H.
12,00,000	8,38,299	38,74,552	35,42,552	20,386	Jardine Henderson Ltd.	Bararee Coke	20½	10	1½+½	7/10+7/10	1+7/10		3,9	H.
4,49,350	70,000	8,49,159	5,40,946	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	3½N	10	3	1½	1½		3,9	H.
1,00,00,000	1,27,25,854	5,66,19,576	3,70,80,321	6,07,575	Andrew Yule & Co., Ltd.	Bengal Coal	498	200	20+20	17½+13•	15+13•		6,12	H.
12,00,000	4,96,331	25,34,815	22,37,553	.....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	11½	10	1+½	*Nil*	*Nil*		4,12	H.P.
15,97,000	5,10,369	25,37,614	22,43,052	25,529	H. V. Low & Co., Ltd.	Bhalgora	6½	10	1				6,12	H.P.
40,00,000	14,81,010	1,30,40,104	58,66,790	13,644	Babu Jain Ltd.	Bharat Collieries	8½	10	1	1	1		9	
14,52,017	7,15,000	52,05,027	34,72,990	—2,17,803	F. W. Heilgers & Co., Ltd.	Bhulanabeswar	14½N	10	1½	*Nil*	*Nil*		6	Y.T.P.
16,00,000	16,22,936	68,16,454	39,74,841	—1,36,132	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgar	15½	10	*Nil*	1			6,12	H.
7,50,000	22,92,190	42,04,164	25,72,969	94,771	F. W. Heilgers & Co., Ltd.	Borren	25½xd	10	1½+1½•	1½+1½•	1+1		6,12	H.P.
90,92,480	1,73,11,164	4,14,99,400	1,76,35,314	1,87,027	Bird & Co., Ltd.	Burrakar	12½	10	1½	1½	1½		6,12	H.P.
49,97,750	.....	34,81,955	2,57,645	5,907	Hindustan Investment Corpn., Ltd.	Central India	7½	10	*Nil*	1	1		6,12	H.P.T.
8,00,000	13,54,302	49,10,414	32,43,954	82,768		Central Kurkend	13N	10	*Nil*	½	½		3	Y.
6,00,000	1,43,230	7,25,000§		13,654	F. W. Heilgers & Co., Ltd.	Charia	21xd	5	2½+½	*Nil*	*Nil*		6,12	H.
16,00,000	1,20,000	50,65,761	27,27,536	—1,91,135	Macneill & Barry Ltd.	Dhemo Main	8½	10	1½+½	*Nil*	1½+½		6,12	Y.
£240,000	£244,003	£44,003	£11,181	£65,577	Jardine Henderson Ltd.	East Indian	28½	£1	2½(i)	2½	*Nil*		6,12	Y.
29,43,760	71,99,925	3,64,32,729	2,81,14,367	1,83,653	Macneill & Barry Ltd.	Bagdubla	29½	10	2+1½	1+½	1		3	Y.P.
10,00,000	2,11,139	9,72,721	3,23,949	40,284	Shaw's Agency Ltd.	Ghusick and Muslia	15N	10	3	1	1		6,12	H.P.T.
12,00,000	1,22,000	37,04,970	19,00,221	445	Killick Industries Ltd.	Hingir-Rampur	40½	30	3		*Nil*		3	H.
8,00,000	5,75,000	21,42,581	18,13,081	62,148	Macneill & Barry Ltd.	Herriladih	19	10	2½	3+½	1f		3	Y.P.
22,00,000	1,08,777	31,78,013	10,56,345	—1,93,240	Begaria Trust Ltd.	Jogta Coal	13½N	10	1½				6,12	Y.
3,50,000	4,26,551	14,85,445	8,91,521	.....	Andrew Yule & Co., Ltd.	Kalapahari	27½	10	1½+1½	1½+1	*Nil*		12	H.
80,00,000	9,375	26,40,669	2,46,638	3,145	Bird & Co., Ltd.	Karanpura Collieries	97	100	*Nil*	*Nil*	*Nil*		2,8	H.
3,00,000	13,60,000	44,39,243	34,62,230	91,135	Andrew Yule & Co., Ltd.	Katras Jherriah	54½	10	2 + 2	2 + 2	2 + 2		6,12	Y.P.
1,34,400	5,72,960	12,85,941	5,72,940	—2,40,236	Switwala & Co.	Khas Kajora	5N	10	*Nil*	*Nil*			1,7	H.
11,00,240	64,314	16,72,961	10,41,663	—41,320	H. V. Low & Co., Ltd.	Kusunda	5N	10	1	*Nil*	*Nil*		6,12	H.P.
9,00,000	11,86,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	8N	10	1	1	1		6	H.
7,48,240	1,30,000	11,58,128	8,95,684	25,598	S. P. Tasin, Esq.	Narira	7½	10	1	1	1		4	H.
7,00,000	26,617	10,33,740	3,20,295	4,560	Amritlal Ojha & Co., Ltd.	New Benadesper	7½N	10	1				6,12	H.
17,76,220	18,91,763	1,16,14,994	15,44,712	42,994	Andrew Yule & Co., Ltd.	New Beerbhoom	19½	10	*Nil*+½	1+½	1+½		3,9	H.
6,00,000	85,000	29,00,087	16,42,360	2,485	Cheviots Sons & Co., Ltd.	New Manbhoom	7½	10	*Nil*	1	1+½		4,10	H.P.
1,15,000	2,47,693	12,93,355	8,03,952	8,676	Andrew Yule & Co., Ltd.	North West	14½N	10	1+½	1+½	*Nil*		3,9	H.
1,57,500							10½N	10	1½	1+*Nil*	*Nil*			
7,50,000	11,79,228	3,97,668	2,77,666	1,15,650	F. W. Heilgers & Co., Ltd.	Ondal	19½xd	10	1+½	1+*Nil*	*Nil*		3,9	H.
10,00,000	1,10,000	37,18,080	16,07,868	38,140	K. C. Thapar & Bros.	Oriental Coal	9½N	10	1+½	1+1	1+½		6,12	H.P.
8,34,000	1,32,942	17,23,281	6,78,407	5,618	Dwepchand Khaitanlall	Parasea	10	10	1				12	Y.
15,75,000	14,00,000	41,17,541	32,47,341	20,927	Shaw Wallace & Co., Ltd.	Peach Valley	23	10	1½	1½	1½		6,12	H.P.
21,99,300	19,17,105	1,17,91,823	82,02,105	47,209	N. B. Elias & Co., Ltd.	Raneegunge	11½	10	½	½	½+½		3,9	H.
13,50,000	7,88,385	30,74,660	25,05,660	27,848	Shaw Wallace & Co., Ltd.	Rewa	19	10	1	1	1+½		3,9	H.
20,00,000	3,95,008	52,32,218	13,30,500	438	Jaipuria Bros. Ltd.	Samla Collieries	9½	10	1	1+½			6,12	H.
1,25,000	1,85,000	12,10,130	12,10,130	19,527	Gillanders Arbuthnot & Co., Ltd.	Searsole	12½	2½	1	½			6,12	Y.
2,80,000	7,36,598	29,34,340	17,77,135	39,411	Andrew Yule & Co., Ltd.	Seebpore	26	7	2+1	1+½	1+½		6	
8,00,000	5,60,754	52,491	28,867	38,443	F. W. Heilgers & Co., Ltd.	Sendra	10½	10	*Nil*	*Nil*	*Nil*+½		6,12	H.T.
63,21,450	15,01,620	3,51,42,302	2,49,82,544	—6,49,301	Industrial Trust Fund (Government of Hyderabad)	Singareni	7½	10	1	*Nil*			4,12	
17,50,000	10,83,425	37,23,396	14,27,868	3,853	Bird & Co., Ltd.	South Karanpura	11½	10	1½	1			12	Y.T.
8,00,000	14,72,399	1,49,770	24,310	67,358	F. W. Heilgers & Co., Ltd.	Standard	8½	10	1+1	1+1	*Nil*+½		2,8	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,336	Villiers Ltd.	Talcher	3½	2½	1+1	1+1	1+½		6,12	H.
3,50,000	3,65,000	18,61,212	14,05,212	68,061	Williamson Magor & Co., Ltd.	Union	17½	10					9	Y.
49,98,000	21,916	47,68,934	18,41,545	65,777	Hindustan Investment Corpn., Ltd.	Western Bengal	7½	10	1½+1½	1+½	1f		6,12	H.
7,00,000	3,57,000	30,89,488	21,36,223	582	Macneill & Barry Ltd.	West Jamuria	14½	10	*Nil*	*Nil*	*Nil*f		6,12	H.

* Including bonus.

(§) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,70,000 shares are bonus shares.

(i) Investments.

(c) For seven months ended 31st March, 1954.

MARKET GOSSIP

(*Concluded from page 1103*)

simple reason that, in all but a few isolated markets, wheat price has been held at above the floor level. It would appear that even in those few centres, where prices were found to have pierced the floor, the main reason for the decline in prices was the absence of transport facilities. Some traditional low-price areas are to be found in Part B States. In these areas, the Government, according to the Union Minister for Food and Agriculture, Mr. Ajit Prasad Jain, has decided to inject more purchasing power by undertaking developmental works such as roads, transport and minor irrigation. He, however, added that any abrupt and artificial rise in prices in these areas would disrupt the region's economy, for people in these areas are accustomed to only a low level of prices for almost all necessaries of life. Also, the Government was expediting the implementation of the Rural Credit Survey Committee's recommendations for setting up co-operative processing plants, warehouses, and for encouraging co-operative marketing and extension of rural credit. The Government, he further revealed, was considering the question of extending price support policy to rice and other agricultural crops as well and had already extended it to gram which would be supported at a level of Rs. 6 per maund.

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In this context, the outcome of the labours of the Committee (Chairman Mr. M. V. Krishnappa, the Deputy Minister for Food and Agriculture) set up by the Government yesterday to investigate the variation in prices of agricultural commodities will be awaited with interest. It will examine the causes of inter-State and inter-regional disparities in prices, study price trends and suggest measures for achieving stability in prices. It is not clear whether the Committee will consider the question of disparity in the price trends of agricultural commodities and manufactured goods also. This subject aroused considerable interest in Parliament recently. There is a growing volume of public opinion that, while prices of manufactured goods remain at a high level, thanks to the rigidity of the cost structure, agricultural commodities have tended to decline. It is argued that while the fall in agricultural price reduces the income of the farmer, he has had no relief in so far as his expenditure on the goods he buys is concerned. There is, in our opinion, considerable confused thinking on this subject. The argument referred to, for instance, is based on comparison of price levels, with only one or two previous years. If a longer period is taken into account, it will be seen that the disparity between the prices of agricultural commodities and those of manufactured goods is not so wide as is being made out. Further, it must not be forgotten that a major portion of rural population consists of landless labourers who have received considerable relief as a result of fall in prices of food and other edible products. The savings of the labourer is now able to make in his food bill has enabled him to buy other necessaries of life, as, for instance, cloth. The fact that there has been no perceptible accumulation of consumer manufactured goods even in the face of higher production seems to support this contention. In any case, this Committee will do well to examine this aspect of the problem too, so that there may be no mis-leading presentation of the trend and pattern of price structure in the country.

THE SECOND FIVE-YEAR PLAN

(*Concluded from page 1109*)

large number of persons organised in small enterprises. Measures to encourage and protect small-scale and village industries should, therefore, be an integral part of the second Plan. But one must not lose sight of the fact that, with increasing income, the pattern of consumption is liable to change fairly quickly and the output of consumer goods must be adapted to this changing pattern. Cottage and small-scale industries must not be thought of in terms merely of traditional techniques and traditional types of products.

Needless to say that, a great deal of effort and organisation will be required for resuscitating small-scale industries. Should these not be forthcoming, the emphasis on capital-saving methods may well land us between two stools—the large-scale capital-using methods may get discouraged without other methods filling in the gap. We may thus have the worst of both the worlds. The consequence of this would be inflation or non-fulfilment of the investment planned.

It should also be borne in mind that, with

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	11,36,301	Allahabad Bank	264	100	18 0	18 0	18 0	18 0	12	Y.P.
14,50,000				182	50	9 0	9 0	9 0	9 0		
1,01,000				114	100	6 0	6 0	6 0	7 8		
23,99,000	12,51,000	16,821	Andhra Bank	79	70	3 0	3 0	3 4	3 12	6.12	H.
1,90,00,000	1,28,00,000	2,70,802	Bank of Baroda	98	50	6 0½	6 0	6 0½	6 0½	12	Y.
40,00,000	11,00,000	11,796	Bank of Bikaner	13½N	25	0 12	0 12	0 12	0 12	12	Y.
2,50,00,000	3,52,00,000	910,851	Bank of India	146½	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
16,80,275	27,15,000	64,703	Bank of Indore	68N	25	2 0½	2 0	2 0	2 0	12	Y.
50,00,000	10,00,000	25,128	Bank of Jaipur	23	50	1 8	1 8	1 8	2 0	12	Y.
50,00,000	24,00,000	2,27,018	Bank of Mysore	272½	100	14 0	16 0	16 0	16 0	12	Y.
60,47,100	57,21,859	11,240	Bombay State Co-operative Bank	55	50	2 8	2 8	2 8	2 0	6	Y.P.T.
15,00,000	26,00,000	20,774	Canara Bank Ltd.	80	50	4 8	4 8	4 8	4 8	12	P.Y
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	85	50	5 0	5 0	5 0		12	Y.P.
2,42,11,875	4,00,55,697	17,88,899	Central Bank of India Ltd.	43	25	2 8	2 8	2 0	2 0	12	R.L.Y
52,42,375 'A'				40½	25	2 8	2 8	2 0	2 0		
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co	82½	50	1 12	1 12	2 0	2 0	12	Y.
1,50,00,000	1,00,00,000	1,06,896	Habib Bank (F)	72N	20	4 0	4 0	4 0	4 0	12	Y.
50,00,000	23,50,000	1,12,820	Hind Bank	23	50	1 0	1 0	1 8	1 8	12	Y.
1,25,00,000	15,42,000	16,919	Hindustan Commercial Bank	9½	50	—	—		—	12	Y.
50,00,000	1,80,000	1,412	Hindustan Mercantile Bank	12½	50		—			12	Y.
75,00,000	76,00,000	1,08,750	††Hyderabad State Bank	108N	100	6 0½	5 0	5 0	6 0½	9	Y.
3,75,00,000	6,85,00,000	34,18,646	Imperial Bank of India	1,300	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000				420	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000				175½	100	12 0	12 0	12 0	12 0		
17,00,000	77,50,000	1,30,785	Indian Bank	145½	85	10 8½	10 8½	10 8½	10 8½	6.12	R.L.H.
16,80,000				105½	60	7 3½	7 3½	7 3½	7 3½		
49,19,675	26,00,000	2,15,839	Indian Overseas Bank	105	100	6 0	6 0	6 0	6 0	6.12	R.L.H.
6,25,000				50	100(A)	7 8	6 0				
2,50,000	6,83,989	1,880	Indo-Commercial Bank	16	25(B)	1 14	1 8			6.12	H.
10,00,000				20	50(C)	3 0	3 0	3 0			
57,50,000	92,50,000	4,99,040	Punjab National Bank	42½	25	1 0	1 8	2 0	3 0	12	Y.
1,00,00,000	21,75,000	98,631	Travancore Bank	14½	25	—	—	0 10	0 12	12	Y.
40,00,000	33,00,000	1,78,874	Union Bank of India	6½	5	0 5½	0 5½	0 5½	0 5½	12	Y.
2,00,00,000	84,50,000	1,06,725	United Commercial Bank	43½	50	2 0	2 0	2 0	2 8	12	H.
PRINCIPAL EXCHANGE BANKS						Dividend (per cent.)					
£5,500,000	£5,000,000	£202,910	Chartered Bank of India, Australia and China	£2-4-3	£1	14½	16½	14½	16½	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£5½	£5	6½	7½	8½		12	R.L.Y.
H.K. $20,000,000	HK$128,000,000	H.K. $10,215,256	Hongkong and Shanghai Banking Corporation	£92½	H.K. $125	5*	5*	5*	5*	12	Y.
£17,966,195 'A'	£14,500,500	£516,557	Lloyds Bank	£3-6-9	£5 A	12½	12½	14½	15½	12	R.L.Y.
£1,437,296 'B'				£1-6-3	£1 B	5½	5½	5½	5½	12	R.L.Y.
£375,000 'A'	£1,750,000	£200,284	Mercantile Bank of India	£4½	A £2½	12½	14½	14½	14½	12	R.L.Y.
£375,000 'B'				£4½	B £2½	12½	14½	14½	14½		
£720,000 'C'				—	C £1	12½	14½	14½	14½		
£2,561,568	£3,104,687	£326,266	National Bank of India	£1-3-9	£1	sh 12½	16½	16½	16½	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. †† O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June 1963
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	95	15th February 1960(c)
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	99½	30th December 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	102	27th December 1962-65
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	90	1st November 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	102½	1st April 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	97½	1st November 1959-64
COAL					
30,00,000	4½	30th April and 31st October	Bharat Collieries	95½	30th June 1956
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	91½	30th June 1957(a)
60,00,000	5½	15th June and 15th December	Equitable Coal Co.	99½	15th December 1958(a)
COTTON					
3,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April 1960
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	89	15th November 1956(b)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	100½	1st January 1967-72(a)
18,00,000	5½	1st June	Jaykisher Textiles	80N	1st January 1964-66
40,00,000	5		Tata Mills	101½	1966-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd	105½	31st March 1965(a)
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	100½	14th June 1960
99,29,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	97½	1st October 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December 1964(a)
2,45,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101	1st January 1970(a)
25,00,000	4	30th June and 31st December	Goenpore Electric Supply Co., Ltd.	87	31st December 1970
15,00,000	5	1st January and 1st July	Hubli (Dharwar) Electric Supply Co., Ltd.	94	30th June 1976(a)
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	99	1957-62
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	99	1st October 1964
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	1956-62
6,63,900	4½	1st April and 1st October	South Madras Electric Supply	94	1st July 1957-67
47,75,000	4	1st April and 1st October	Tata Power	99½	15th September 1951-55
8,50,000		1st April and 1st October	Tata Power	92½	15th September 1966-70
ENGINEERING					
5,00,000	6	30th June and 31st December	Britannia Engineering	99	10th December 1958
2,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June 1958
80,00,000	5½	15th September and 15th March	Indian Home Pipe (2nd mortgage)	102	1st July 1957-62
21,146,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	104	31st December 1958 (ii)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	86	31st May 1957
1,50,00,000	5	1st April and 1st October	Tata Locomotive	100½	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	100	31st December 1960 (a)
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	99½	31st March 1969
6,00,000	5½	30th June and 31st December	Alexander	100	30th June 1959
19,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June 1956†
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	85½	30th June 1958
9,00,000	5	31st January and 31st July	Calcutta	90	31st July 1959
10,89,000	5	30th June and 31st December	Chitavalsah Jute Mills	96	30th June 1966†
25,00,000	5½	31st March and 30th September	Dalhousie Jute Co.	99	31st March 1959(a)
8,56,000	5	30th June and 31st December	Empire	95	31st December 1962(a)
25,00,000	3½	1st January and 1st July	Hukumchand	92	30th June 1957
25,00,000	3	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	94½	31st December 1956(a)
25,00,000	5½	30th June and 31st December	Nalhati	98½	31st December 1952
5,00,000	4	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	92	14th May 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	85	31st December 1964
8,00,000	6	30th June and 31st December	Presidency	98	30th June 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	91	5th September 1965†
8,00,000	4½	14th March and 14th September	Sorah Jute	96	14th September 1957
18,00,000	4½	30th June and 31st December	Union	96½	30th June 1957
10,00,000	3½	31st January and 31st July	Waverley	88	31st July 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	90N	1st July 1956†
£250,000	4½	1st January and 1st July	Calcutta Tramways	£60N	At 105% at any time on 6 months' notice or at par or every seventh year. 1909
£189,363	5	1st April and 1st October		£77½N	1st October 1923
6,50,000	3½	30th June an 31st December	Katakhal-Lalabazar Railway	90½	31st December 1956(a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£55½N	Any time on six months' notice(a)
6,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	95	1st September 1963
PLANTING					
10,00,000	5½	30th June and 31st December	Consolidated Coffee	102	1st July 1957-62
6,00,000	6	31st March and 30th September	Kluciri Tea	100½	1st April 1954-59
4,61,000	5½	30th June	Ouchterlony	104	30th June 1954-59
9,00,000	5	31st March and 30th September	Periakaramalai	100½	31st March 1958-63
1,50,700	5½	31st March and 30th September	Teckoy	100	31st March 1948-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	100	30th September 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December 1964
28,80,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	97	30th June 1957
8,00,00,000	5½	1st March and 1st September	Burmah-shell	101½	1st September 1955-69(a)††
21,00,000	5½	1st February and 1st August	Chowringhee Properties	95	1st February 1964
21,54,000	4½	1st July and 1st January	Clive Buildings	89½	1st July 1956
20,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	90	1969
1,20,00,000	5	1st January and 1st July	Dunlop Rubber	102	1st January 1971(a)††
8,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	104	30th June 1969(a)‡
10,25,000	5	15th March and 15th September	Mettur Chemical Industries	95	1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	820	30th September 1976(a)
48,00,000		30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	475	31st December 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	90N (per note)	1st April 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	98	31st March 1961(a)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	90½	31st December 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	104½	1st May 1968(a) ‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at 1 per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12 years. † Rs. 1,80,00,000 debentures will be redeemed at par annually by drawing from 1-9-1955. Any debentures outstanding on 1-6-1960 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. †† Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1954, onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1958, on 6th months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 9th June, 1955.

—	Closing quotations 1-6-1955	High	Low	Closing quotations 9-6-1955
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	131½	—	—	131½
Apollo (£)	2-11½	2-11½	2⅜	2-11½
B.B. Cotton Mills (100)	29	30	29½	29½
Bombay Dyeing (250)	455	466½	452½	465
Central India (100)	118	121½	116½	120
Century Mills (100)	377½	380½	375	376½
Colaba (100)	55	—	—	—
Edward Textile (£00)	208½	—	—	208½
Elphinstone (50)	40	—	—	40
Finlay (100)	245½	245½	245	245
Gokak (100)	211½	214½	211	214
Ind. Untd. Defd. (1)	1½	1½	1-2½	1½
Ind. Untd. Ord. (10)	10⅜	10-11½	10-6½	10-11½
Indore Malwa (100)	95	95	94½	95
Khatau (100)	167½	169½	165½	165½
Kohinoor (100)	312½	317½	310½	317
Lakshmi (250)	507½	—	—	507½
Madhusudhan (100)	78½	—	—	78½
Minerva Mills (100)	98½	—	—	98½
Model Nagpur (250)	135½	—	—	135½
Morarji (100)	22½	—	—	22½
Mysore (50)	11½	—	—	11½
National Rayons (100)	209	214	207½	210½
New City (100)	139½	139½	138½	138½
New Great (100)	170	172	169	172
New Union (10)	30½	—	—	30½
Phoenix (100)	112½	112½	107½	112½
Podar Mills (100)	158½	159½	158½	159½
Sassoon Silk (10)	14½	—	—	14½
Sassoon Spg. (10)	30½	—	—	30½
Sholapur (1,000)	1,400	—	—	1,400
Shri Ram (100)	223½xd	221½	220	220
Simplex (50)	164	165	163½	164½
Standard (100)	353½	361½	352½	360
Swadeshi (100)	187	193½	186	193
Swan (100)	315	—	—	315
Tata Mill (25)	46½	50½	46	50½
Vishnu (100)	135	137½	135	137½
Western India (1,000)	3,875	—	—	3,875
BANKS				
Bank of India (50)	146½	146½	146	146½
Bank of Baroda (50)	99½	99½	97½	97½
Central (25)	47	47	47	46½
Central 'A' (25)	48½	48½	46½	49½
Iran Bank (50)	32½	—	—	32½
Imperial (P.Pd.) (500)	1,700	—	—	—
Imperial (P.Pd.) (125)	420	—	—	—
Punjab National (25)	42	—	—	42½
Union Bank (5)	6⅜	6½	6⅜	6½
United Com. (50)	44½	43½	43½	43½
ELECTRIC COS.				
Ahmedabad (100)	105⅜	106⅜	105⅜	106⅜
Amalgamated (10)	10-12½	10½	10½	10½
Andhra Valley (1,000)	1,380	1,350	1,302½	1,305½
Bom. Sub-El. (100)	123½	124⅜	123½	123½
Surat (100)	134½	—	—	134½
Tata Hydro (100)	141½	142½	141½	142
Tata Power (1,000)	1,445	1,445	1,425	1,440
INSURANCE COS.				
British India (10)	18½	—	—	18½
Empire of India (100)	675	—	44½	44½
Ind. Mercantile (20)	44½	44½	—	44½
Jupiter (15)	8½	—	—	8½
New India (15)	47½	50½	46½	50½
Oriental (100)	7,100	7,110	7,100	7,110
Universal (10)	10½	—	—	10½
Vulcan (10)	19½	—	—	19½
STEEL COS.				
Ind. Iron (10)	32-11½	33½	32⅜	33-1½
Tata Steel Ord. (75)	228	229½	226½	229
SUGAR COS.				
Belapur (50)	300	310	299	310
Bhopal (10)	12½	12⅜	12½	12⅜
Phaltan (50)	120	124½	119	124½
Walchand Ind. (100)	100	108½	107½	108½
CEMENT COS.				
Associated Cts. (100)	174½	177	174½	176½
Digvijay (100)	182½	182½	178½	176xd
MISCELLANEOUS				
Alcock Ashdown (100)	271½	275	267½	273½
Bom. Burmah (125)	456½	475	452½	471½
Do. (New) (50)	166½	174½	167½	173½
Br. B. Petrol (4 sh.)	3⅜xd	3⅜	3-2½	3-4½
Br. I. Corpn. (5)	8½	8½	8⅜	8⅜
C. P. Ry. (100)	97	97	96½	96½
Indian Copper (Sh.)	3½	4-7½	3½	4-6½
Ind. Inv. Tr. (100)	72	—	—	72
Kemp (200)	220½	—	—	201½
Killick (100)	158	162	154½	159½
Polson (100)	137½	—	—	137½
Port Canning (100)	11½	—	—	11½
Premier Cos. (50)	142½	145½	140½	145
Scindia (20)	14-10½	14-13½	14⅜	14⅜
Shivrajpur (10)	6½	6½	6½	6½
Tata Chemicals (10)	13⅜	13½	12⅜	13⅜
Tata Oil (25)	39	40½	38½	40½
W. I. Match. (100)	181½	182½	178½	181½

GOVERNMENT SECURITIES	3-6-55 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	9-6-55 Rs.
2½% 1955	99⅜	—	3.48	99⅜
2½% 1961	92½	—	3.98	92½
2½% 1960	95	—	3.98	95
2½% 1962	92⅜	—	3.96	92⅜
2½% 1964	88	—	3.91	88
2 3/4% 1957	99½	—	3.23	99½
2 3/4% 1958	99⅜	—	3.18	99⅜
2 3/4% 1959-61	97	3.54	3.34	97⅜
3% 1964	94½	—	3.77	94½
3% 1963-65	94	3.85	3.72	94
3% 1966-68	91	3.98	3.86	90½
3% 1970-75	87½	4.13	3.91	87½
3% 1986 Cons. Loan	80½	—	3.73xd	80⅜
4% 1960-70	101⅜	3.60	3.83	101⅜
4½% 1955-60	100½	—	1.20	100½
4½% 1958-68	103½	3.59	4.18	103½
2½% 1961 N.P. Bonds	99⅜	—	3.54	99⅜
2½% 1964 N.P. Loan	98½	—	3.56	98½

BRITISH GOVERNMENT SECURITIES

	3-6-55 £	High £	Low £	8-6-55 £
2½% Brit. Consols	60½	60½	60½	60½
3% Brit. Transport 1978-88	79	79½	79	79½
3% War Loan 1955-59	96½	96½	96⅜	96⅜
3½% War Loan 1952	81	81½	80½	81
3½% Brit. Iron and Steel 1976-81	80½	80½	80½	80½
4% Funding 1960-90	97½	97½	97½	97½

*Current Income. x.d.—Ex-dividend. * Rupee Counterparts.

COMMERCE

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

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EMPLOYEE-SHAREHOLDERS

THE attention of readers was drawn in these columns last week to a revolution in company ownership that is steadily gaining ground in the U.K. and the U.S. It was shown that this was a part of the move by enlightened employers in these democratic countries to preserve democracy and that it had the support of the respective Governments. By enabling the employees to become shareholders of companies, the employers achieve the twin objectives of instilling among workers greater sense of responsibility for rendering efficient service and spreading the ownership of companies over a large number of people, thereby meeting the criticism that the country's productive machinery is owned by a handful of individuals. We stated in our last issue that employers in India, too, should emulate the example of their confreres in Britain, and proposed to discuss this week the feasibility and desirability of applying employee-shareholding schemes to joint-stock companies in this country. Hence the reference to that subject again.

But before we proceed to discuss the issues raised by us, we should like to refer to two latest developments in Britain since we wrote last week. One is the statement made by Sir Anthony Eden, Prime Minister of Britain, and the other is the introduction of employee-shareholding scheme by Rolls Royce, the world-famous manufacturers of motor cars, aero-engines, etc., whose assistance the Government of India has been seeking for making aircraft in this country. To take the latter first. Rolls Royce has been having a limited form of employee-shares since 1920. But the Directors of the Company have now decided to terminate this scheme and replace it by a larger and more flexible one. Under the present scheme, less than 2.5 per cent. of the capital is held by the employees. It is now proposed to enable employees to hold 10 per cent. of the Company's issued capital. With this end in view, the Directors have decided to create £600,000 worth of workers' shares of 10s. each to be converted, when fully paid, into Ordinary stock. The shares will be issued at par. They will rank *pari passu* with the Ordinary stock for dividends and on voting. They will share in any capitalisation of reserves through the issue of more employees' shares; in this respect, the scheme differs from the earlier one, under which employee-shares received bonus issues in Ordinary stock. On liquidation, they will have *pari passu* rights with Ordinary stock. They will, however, have only restricted transfer rights, in that they may not be sold except to trustees of employees, who will buy them at par, and they will revert to the trustees on the employee leaving the firm. This restriction on sale will, of course, prevent the employees getting the benefit of the market value of the Company's share. But this disadvantage is offset by the advantage an employee gets by paying only par value for a scrip commanding a high premium. Further, he will receive the same rate of dividend as the holders of Ordinary stock. This means that he will get a higher return than an investor who buys the Ordinary scrip of his Company on the Stock Exchange. Another important point is that the holders of the present employees' stocks receive, in market terms, if not in income, a big windfall.

A couple of days before Rolls Royce announced its new scheme of workers' ownership, Sir Anthony Eden made a significant observation in his first main speech made in the new Parliament, so that it formed an important policy statement. As a keynote of Government's policy for an ever-rising prosperity, Sir Anthony stressed its intention to encourage all forms of profit-sharing and co-partnership and to pursue the aim of property-owning democracy. It was the Government's desire, said Sir Anthony, that all those working in industry should have an increasing share, directly or indirectly, in the rising prosperity of their own industry. The British Prime Minister hoped and believed that profit-sharing in its various forms had come to stay. This remark of Sir Anthony, as the head of a Conservative Government, is a striking evidence of the welcome transformation in the outlook of a party generally regarded as representing the diehards and capitalist exploiters.

To revert to the idea of applying employee-shareholding schemes to companies in India. The first question to be answered is whether there is need for it. We have already answered the question in a way in our last issue. The implementation of such schemes in all the big joint-stock companies will serve to answer the criticism that industries in India are owned and dominated by a few capitalists. Indeed, by encouraging employees to become shareholders, private enterprise will definitely strengthen the chances of its existence now being threatened by the communists and socialists. The number of people having investments in industrial and commercial concerns will register a substantial increase. In other words, it will mean an expansion in the ranks of property-owners, without which democracy cannot subsist. Only when people have some stake will they be interested in saving and safeguarding the right to hold property which is now being vehemently attacked by a section of politicians.

There are also other considerations which go to show that the idea advocated by us is eminently desirable. From the employees' angle, it will help promote friendly relations between workers and employers. If the former are admitted to the ranks of shareholders, they may shed many of the suspicions they have about management, because one or two of their own representatives will be on the Board or be actively associated with management and these representatives can ensure that no waste or inefficiency takes place on the management side. Again, the presence of employee-shareholders will itself act as a check on managements that are prone to indulge in unsound or undesirable trading practices. It may thus lead to an improvement in the character of joint-stock company management. Another advantage will be a rise in the efficiency of workers themselves. Once they become shareholders with an investment of a size which is substantial as compared with their earnings, they will have at least the psychological urge to do their best for the welfare of their company. All this, of course, presupposes that employees get a decent real wage. If any employer were to think that, by making his employees shareholders in his company, he could pay lower wages, he would be wrong. An attempt of that sort would defeat the fundamental object of such schemes.

The greatest advantage in introducing employee-shareholding schemes is that they will serve as an effective antidote to the cry for nationalisation and the demand for restrictions on dividends emanating from workers' representatives. The workers will then realise better that, if they supported State-ownership, they would become the vassals of a vast bureaucracy, instead of remaining as free workers with rights of co-partnership in their concerns. The introduction of such schemes may help managements to get the workers' approval even for modernisation of their plant and machinery, because it will be easy to convince the workers that they will also share in the prosperity of their industry.

The second question to be answered is whether employees would be willing to accept the schemes referred to. It may be argued that, with most of the workers not being sufficiently educated, it will be difficult to convince them of the advantages of the schemes. There may be some force in this contention, but the difficulty posed is not unsurmountable. With the help of trade unions, it should be possible to bring round the workers. Some may say that trade union leaders, most of whom are left-wingers, themselves will not give their consent. In all countries which introduced profit-sharing schemes, there was always a certain amount of opposition from trade union leaders, because they feared that such schemes were a clever device by employers to reduce their influence over workers. These fears, however, turned out to be baseless. Similarly, it would not be surprising if trade union leaders in this country, too, were to give a cold reception to employee-share schemes in the initial stages. But it should be possible to overcome their opposition by assuring them that these schemes are not meant to divide the ranks of workers or to prevent the growth of trade unions on healthy lines and by inviting their attention to the active support being given by trade union leaders in other countries to similar schemes.

The third question is: from where will the employees find the necessary money for subscribing to the shares of companies in which they work? Almost every one of the successful concerns, whether big or small, has been paying substantial sums to its workers by way of annual or bi-annual bonuses. This is in addition to fairly decent wages, social security benefits, provident fund and gratuity contributions. Surely, it should be possible for the employees to devote a part of these bonus payments for investing in the shares of companies created on the lines followed by Colville Steel, I.C.I. or Rolls Royce. If these sums are found inadequate, the companies can give financial assistance on easy terms, as has been done by some of the British companies.

It may be interesting to note, in this connection, that, for 1953-54, the Tata Iron and Steel Company, Ltd., distributed no less than Rs. 103

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lakhs by way of bonus to their workers. Similarly, the Indian Iron and Steel Company, Ltd., distributed Rs. 69 lakhs and the Associated Cement Companies, Ltd., Rs. 37.54 lakhs. Early this year, all the profit-making Bombay mills put together paid out about Rs. 3 crores by way of additional dearness allowance and bonus for 1952. One mill alone—the Bombay Dyeing, we believe—gave away something like a quarter of a crore of rupees. These rough statistics will give one a broad idea of the large sums which are annually distributed to workers. It is common knowledge that, invariably, a large part of these lump-sum cash payments is squandered away by the recipients. The workers will suffer no great hardship, especially in view of the fall in prices of goods during recent months, if they set apart, for a few years, the major portion of these cash receipts for investment in the shares of their corporations. By doing so, they will be helping not only themselves but also the nation as a whole which is in need of savings for rapid industrialisation. The return on these investments, they will do well to note, will be substantially larger than that on national savings certificates. The latter are, of course, more safe, but it should not be difficult to evolve a scheme for workers' shares the capital value of which can be maintained. Moreover, in an expanding economy, investments in equities of established companies are most unlikely to suffer capital depreciation.

There are several categories of companies which can introduce employee-shares with profit to themselves. Companies facing the threat of nationalisation, companies requiring additional capital for expansion, companies that fall under Section 23A of the Income-tax Act and have, therefore, to pay either penal tax to the Government or high dividends to its shareholders, and companies with large reserves which are thinking of issuing bonus shares—these are a few categories that occur to our mind as quite suitable for taking their employees as shareholders. Banking and insurance companies, which are earmarked for nationalisation at some future date, can proceed with the implementation of the scheme straightaway. Most of their employees are highly educated and belong to the middle class which knows the value of savings and investment. A very large number of banks is undercapitalised, in the sense that their capital bases are relatively small as compared with their deposit liabilities, which have once again started rising, and can bear a fair-sized expansion. The same is true of insurance companies also.

Quite a number of companies paying large sums by way of bonus falls under the category which requires additional capital for expansion and some of which have taken, or intend taking big amounts, by way of loan, from the Government. These include such well-known companies as the T.I.S.Co., I.I.S.Co., A.C.C., National Rayons, and several electricity undertakings, the shares of which are considered as blue chips by investors. Also belonging to this category are the shipping companies and several engineering ventures. All these companies can get a part of their capital needs by issuing employee-shares. The companies taking loan capital from the Government will, in our opinion, be well advised to make their employees shareholders and utilise the subscriptions received from them for reducing their indebtedness to the Government. Managements of Section 23A companies can broad-base the list of shareholders by trusting their workers and allocating to them a part of their holdings on favourable terms, instead of declaring high dividends, the result of which will be to evoke the envy of workers. The companies that wish to issue bonus shares should also seriously consider the advisability of issuing additional capital to their employees on favourable terms; they can use the additional capital, together with their surplus resources, either for expanding or modernising their works or for starting side lines which will provide additional employment.

It is to be hoped that the Government will not view the idea advocated in these columns in a hostile spirit. On the contrary, it should welcome the idea and extend its support by actively canvassing for its adoption, inasmuch as it is fully in keeping with the socialistic pattern of society which it wants to see firmly established in the country. There may be certain legal impediments to the implementation of this idea; these should be removed by making suitable provisions in the Company Law, now being revised by Parliament. We suggest that the few business men who have been fortunate enough to get elected to the present Parliament should themselves take the initiative in this matter by moving necessary amendments to the relevant sections of the Company Law Bill, when it comes up for discussion in the forthcoming session of the Lok Sabha and thereby bring credit to their community as the authors of a desirable reform.

DOCK LABOUR

THE Bombay dock labour has been weighed in the scales and found wanting. It was placed in the dock before the one-man Industrial Tribunal (Mr. M. N. Meher, President of the Bombay Industrial Court), appointed by the Government of India to adjudicate disputes relating to the Bombay docks. And the Tribunal's impartial verdict has gone against dock labour in some respects. It has held that there is strong evidence to show that the Bombay dock workers have been going "slow" and that they have sometimes resorted to an "intensified" go-slow policy. The verdict was not, of course, unexpected. But it does not, on that account, lessen the gravity of the problem. The plain fact is that dock labour, in Bombay and in many other Indian ports, has been shockingly irresponsible. The Tribunal's verdict is important, not so much for its revelations—for they are hardly revelations—as for the fact that even so impartial a body as the Tribunal has not been able to find any justification for the dock labour's deplorable attitude towards its work.

The unrest in the docks has been a depressing theme in the speeches of the chairmen of Indian shipping companies. Dr. A. Ramaswami Mudaliar, Chairman of the Indian Steamship Co., Ltd., described the "go-slow" tactics of Indian dock labour as the "most distressing" aspect of the labour situation in the ports. After recalling the Prime Minister's famous and stirring phrase "aram haram hai"—"idleness is sacrilegious"—Dr. Mudaliar averred that, if his attention were drawn to the situation at the major ports, he would be "shocked at the extent to which this evil practice of idleness is prevalent." The mild Mr. Dharamsey M. Khatau, Chairman of the Scindia Steam Navigation Co., Ltd., pointed to the fact that the output of dock labour "has been deteriorating continuously."

The facts of the dock labour output speak so loudly for themselves that no vivid description is necessary. The Chairman of the Bharat Line Ltd., Mr. C. R. Srinivasan, whose speech at the annual meeting of the Company held this week appears elsewhere in this issue, has brought together some revealing statistics on dock labour output. A reference to these figures will show that, whereas, in 1951, for handling 1,000 tons of cargo, 20.79 gangs were employed at a cost of Rs. 52 per gang and the work was completed in 3.01 days, in 1954, the same workload required 31.74 gangs, costing Rs. 72 per gang, and it took 4.88 days to complete the work. Other studies have confirmed these findings. Even conservative estimates place the output of dock labour at 30 per cent. below the 1951 levels.

The fall in dock labour output, a sad trend in itself, is particularly deplorable, because it has occurred in the face of improvement in the wages and other amenities for dock workers. It all started with the decasualisation of dock labour—introduced in Bombay in 1952, in Calcutta in October, 1953, and in Madras in 1954—and the assurance of minimum wages and grant of other facilities, such as attendance fees and leave. Dock labour's response to improvement in their working conditions is a sad commentary on labour discipline in this country, and serves only to curb the enthusiasm of those who are anxious to improve workers' conditions.

A fall in dock labour's output, more than a similar fall in the output of any other section of labour, has a special national significance. Dock labour holds the keys to a nation's trade doors. If it plays foul, the country may well lose its position in the world economic map. This is the ultimate damage. But the more immediate sufferers are the shipping companies and the shippers. The "slowness of labour," as Mr. Srinivasan points out, causes "needless" detention to ships. The maintenance cost of a medium-size ship is about Rs. 4,000-Rs. 5,000 per day. The Bharat Line alone has suffered a detention cost of Rs. 8 to Rs. 9 lakhs, which is sufficient to keep in operation an 8,000-d.w.t. ship for a period of nearly six months. There is invisible loss, too, for immobilisation of a ship means the loss of its earning power.

For shippers, a ship in "forced" detention means endless difficulties. A shipper who is committed to fulfil a contract at a particular time, may not be able to send his goods promptly enough. An importer is handicapped, for he is unable to get, promptly enough, the goods he needs. But this does not exhaust the list of shippers' difficulties. There is always the threat of an increase in freight rates. The shipping companies, when they are faced with the increase in the costs of operations, are compelled to pass on the increase to their customers. The recent "surcharge" controversy owes its origin directly to labour troubles in docks. Shipping companies felt that they would be justified in raising the freights by 30 to 35 per cent. Fortunately, they have held their hand, thanks to the firm attitude adopted by the Commerce and Industry Minister, Mr. T. T. Krishnamachari. But even he admitted that the position in the Calcutta and Bombay ports was not happy; he added: "Sooner or later, we must see that the goods are landed and cleared quickly." Mr. Krishnamachari's protest against the proposal for a rise in freight rates was based on the ground that the companies were applying it only to India, and not to all countries where there was dock labour trouble. But the fact that the threat of an increase in freight rates has not been carried out does not minimise the gravity of the dock labour situation. Rather, this fact should inspire better and more determined efforts at finding a remedy for the malady.

The need for finding the right solution for the problem—and finding it, promptly enough—arises from the consideration that, if the situation persists, it might mean additional investments on ports and ships, that is, over and above those now contemplated. If ships are idle, or slow in turn-round, it may mean that the target for shipping will have to be revised upwards. Clearly, a shipping target is fixed on the basis that all the shipping space will be economically used. If space were "wasted"—to keep a ship idle is equivalent to waste of space—it would mean that more ships would be needed. Again, if there were congestion in ports, it would mean that port facilities would have to be augmented. In either case, it would be an avoidable expenditure of capital—and that, at a time when the country cannot afford to waste its capital resources. For this reason, the report of the high-powered Dock Labour Enquiry Committee, which has been appointed to go into the labour situation in the docks, is being awaited with great interest.

But no solution is likely to be found which does not undo the mischief that has been wrought by decasualisation. This is not to suggest that labour is not entitled to security of employment, or to a decent wage. Only, dock labour, like any other section of labour, must be prepared to accept responsibility for carrying out a certain volume of work. In other words, wages, as Mr. Srinivasan insists, must be related to productivity. In fact, workers' own interests, as he rightly points out, stand to be "better served with an incentive bonus for extra work." Since it is the time-rate system that has led to such trouble in the docks, it seems clearly necessary to replace it by the piece-rate system, or some variation of the system that will relate wages to work.

The Tribunal, to which a reference has been made at the outset, agrees with the Bombay Port Trust that the time-rate system of payment has resulted in slowing down work. Accordingly, it has processed piece-rates on the basis of an increased time-rate and has fixed piece-rates for various categories of workers. Adequate safeguards have, however, been laid down for the benefit of workers. Thus, payment would be made at the time-rate, if labour were rendered idle on account of circumstances beyond their control. Workers reaching 90 per cent. of the datum-line would be entitled to payment at not less than the time-rate. For production in excess of the datum-line, payment would be at double the usual rates. There is thus scope for the workers to earn additional income by stepping up their output. The Tribunal has directed the appointment of a committee, consisting of an equal number of representatives of employers and employees and an independent chairman to administer the piece-rate system.

The award is, on the whole, an eminently satisfactory document. Its approach is severely practical. Its suggestions are inspired by the desire to see that, while the workers earn more wages, the dock situation readily improves. It is, therefore, surprising—or is it not?—that the workers should resent it and want to appeal against it. Whether they win the appeal or not, it is a different issue. But one thing seems clear: It is hard to imagine, much less to devise, a more workable scheme for resolving the deadlock in the docks than the one evolved by the Tribunal.

T.E.L.CO. SHARES TO BE LISTED ON THE STOCK EXCHANGE

CALTEX—OILSEEDS—E. COTTON—WORLD SUGAR

THURSDAY, 5 P.M.

THE shares of the Tata Locomotive and Engineering Company, Ltd., were very much in the limelight this week. They jumped up to Rs. 142 from Rs. 128 a week ago and Rs. 125 two weeks back, though they are currently being quoted at Rs. 136-8. The sudden spurt in these shares is attributed to expectations of a maiden dividend for the year ended 31st March, 1955. Though there are no reliable indications of that possibility as yet, it is confidently expected that the Company's results for the past year would make encouraging reading. It is also averred by knowledgeable sources that the Company's prospects for the next few years at least are bright. For, in addition to the heavy orders which the Company has already undertaken in respect of the motor truck and foundry projects which will keep it busy for the next three or four years, the orders for 100 locomotives which the Government of India has decided to place with the Company will certainly improve its earning capacity, though the net return on the locomotive business is not attractive enough.

MARKET GOSSIP

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In this context, one may wonder why the shares of such an important and growing industrial concern have not yet found a place on the Stock Exchange list. There is, of course, an explanation for it, but what many of our readers will be interested to know is that the prospects for this scrip being listed on the Exchange in the near future are distinctly bright. According to well-informed sources, all the preliminaries required to be done before placing the shares on the official list are being attended to expeditiously. It may be recalled, in this connection, that the question was raised by some shareholders at the last annual general meeting of the Company and the Chairman told them that an application had already been made to the Stock Exchange in this regard, that negotiations were being carried on with the Stock Exchange authorities for this purpose and that, as soon as the talks concluded successfully, steps would be taken to have them included in the list. It would appear that the difficulty in getting the shares listed then was that certain conditions under the Stock Exchange rules and regulations could not be fulfilled. This difficulty has now been overcome and the Stock Exchange authorities have agreed to have the shares listed. But what is holding this up is the necessity for making certain changes in the Articles of Association of the Company. This requires the shareholders' approval. To call a special meeting of shareholders for this purpose alone would mean considerable expenditure to the Company. Probably, the opportunity provided by the forthcoming annual general meeting of the Company may be availed of by the Directors to complete the necessary formalities. It may, however, be noted that, although the shares are not officially listed, they are already enjoying a wide market. The advantage of having the shares on the list will be that reliable and authoritative quotations for the shares can be had and investors can operate on this counter with more freedom and security. Since this scrip is getting popular, there is every justification for its inclusion in the forward list. It is to be hoped that the Stock Exchange authorities will do the needful in this direction.

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The Caltex Oil Refining (India), Ltd., which will own and run the third oil refinery at Visakhapatnam on the east coast of India, proposes to raise capital in India by the issue of debentures to the tune of Rs. 2 crores for financing its refinery project. The terms of the issue will be the same as those offered by Burmah-Shell and Standard-Vacuum. Thus, the debentures will carry interest at the rate of 5½ per cent. per annum (taxable). Out of the above sum, Rs. 1 crore will be placed in the Bombay market and Rs. 1 crore in Calcutta. The issue is expected to be offered to the public some time in August, after the Central Government puts through its borrowing programme.

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Now that the Forward Markets Commission has completed the task of reorganising futures trading in raw cotton, the biggest of all cash crops in India, it is busy tackling the problem of futures trading in oils and oilseeds, another important commercial crop. It held valuable discussions this week with the local traders interested in these commodities. The issues facing the Commission are no less complex than those it had to solve in cotton. As compared with the king of textile fibres, it may have received fewer claims from associations for recognition to conduct forward trading in oilseeds. But that does not render its task any the easier, for, unlike cotton—a single commodity—there are more than half a dozen different oilseeds and as many oils to boot. It can, of course, very conveniently eliminate some of the minor oils and oilseeds such as nigerseed and kardiseed and their oils. It is, however, doubtful whether the Commission can so lightly treat rapeseed and mustard-seed, though it can do so with the oils extracted from these seeds. The claims of Calcutta for futures trading in these seeds, if any, will be hard to resist. Bombay, of course, has no claim for these two seeds, for they do not come under its province. We do not think that any of the Bombay associations will have advanced a claim for them, though they are by no means strangers to these seeds. Bombay has a reputation for speculating successfully even in commodities not known to it from Adam.

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If the minor oilseeds and oils are left out, there are four major seeds and oils eligible for futures trading. These are, in the order of their importance, groundnut, cottonseed, linseed and castorseed and the respective oils. At present, futures trading is allowed in castorseed and that, too, only in Bombay. Having permitted this greasy oilseed to enjoy the facility of hedge trading even when other seeds were denied it, there can be no question of the Commission disqualifying it for this privilege now. As regards the others, the Commission will have to decide whether futures trading should be allowed in all of them. It will also have to decide whether such trading should be allowed in only one centre or in more than one and whether one exchange will do for all the oilseeds chosen to have the facility of hedge trading or whether there should be separate exchanges even in one centre for each one of them. The most important consideration that will have to be taken into account for deciding the latter question is whether there will be sufficient number of operators specialising in only one oilseed and whether they will be in a position to run an association economically. The next important issue to be decided is whether there should be a separate futures market in Bombay devoted solely to oils. A significant section of oilseed crushers and consumers has been urging the need for such a market, while another section has been opposing it. The latter feels that the only oil which needs hedging facility is groundnut oil, that for the sake of this one commodity it is not worthwhile having a separate association, and that it could very well be entrusted to the care of the Bombay Oilseeds Exchange Ltd.

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As regards futures trading outside Bombay City, the Commission will find it difficult to resist the claims of Saurashtra and the Southern States. It may find it easy to concede the demand of Saurashtra for having a futures ring in Rajkot, for there may be no serious competitors in the neighbourhood. But so far as the Southern States are concerned, there must be at least three rivals, Hyderabad, Adoni and Madras, with very little to choose between them. It is just likely that, on investigation, none of these places will disclose the existence of rich experience and strongly rooted tradition in hedge trading, one of the important criteria applied by the Commission for judging the claim for conducting a futures market successfully. Nevertheless, for more than one reason, the Southern region will, we believe, have to be granted a hedge market, at least for groundnuts. Since Hyderabad and Adoni are not very far from Bombay, the obvious choice seems to be Madras City.

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The era of shortages in oils and fats was, as readers are aware, over several months ago. This does not mean that there is no scope for improvement in world consumption of oils and fats, for, if living standards in the underdeveloped countries improve, it would lead to larger consumption. Be that as it may, it is encouraging to note that, in 1954, world production of oils and fats rose by 1.2 million tons to 25.6 million tons. An analysis of world trends in output and export availabilities of oils and fats was made by Mr. J. C. A. Faure of Unilever in his address at the recent annual meeting of the International Association of Seed Crushers. He said that the largest increases in oils and fats output occurred in Western Europe which accounted for an increase of 420,000 tons, and India and Pakistan which together accounted for an increase of 240,000 tons. To the increase in world output of oils and fats, liquid edible oils contributed the largest share; there was an increase of 680,000 tons in their production. The output of coconut, palm and palm kernel oil increased by 230,000 tons, of mineral fats, including butter, by 180,000 tons. World exports improved by 750,000 tons to a new peak of 6.3 million tons. This rise was made possible largely by the shipment of cottonseed oil and linseed oil from the accumulated stocks in the U.S. and Argentina. Only rough estimates of world consumption are available. World consumption, according to Mr. Faure, rose by about 800,000 tons, of which Western Europe accounted for 200,000 tons and the U.S. and India for 100,000 tons each. On this basis, the increase in world production exceeded world consumption by roughly 400,000 tons.

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The rise in world production of oils and fats this year is again expected to match the increase in world demand for these commodities. Thus, production is expected to go up by 370,000 tons. The increase in world demand, arising from growth in population, is placed at 300,000 tons of oils and fats each year. This year, the higher output of soyabeans, coconut oil, butter and lard is expected to offset the fall in cottonseed oil and olive oil. The supplies available for export are expected to be somewhat smaller at 100,000 tons, since accumulated stocks in exporting countries have been largely liquidated. But, even at this slightly lower level, supplies, it is stated, are sufficient to meet world import requirements. The U.S. is sure to emerge as a bigger exporter of cottonseed oil this year. An important development from the point of view of world markets for oils and fats is that the artificial distinction between dollar and non-dollar markets has disappeared. This is attributed to the willingness of the American Government to offer its surplus of liquid oils competitively in world markets and to the relaxation of restrictions on dollar oils in importing countries. The disappearance of the division between the dollar and non-dollar markets, according to Mr. Faure, has led to a better balance in world supplies of oils and fats and should serve to stabilise world prices of these commodities.

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The Egyptian Government's decision to reopen, with effect from the beginning of next cotton season, the Alexandria futures market, to which a reference was made in these columns last week, has been welcomed in many quarters, both in Egypt and in overseas countries. It may be recalled that forward trading in Alexandria was suspended in May 1940, and was resumed only in May 1948. But the market did not function satisfactorily, subject as it was to manipulations from interested quarters. Even some high Government officials, it was alleged, were involved in the corrupt practices which finally undermined the morale of the market. Perhaps, more than any other factor, the main cause for the failure was its isolation. The price-trend in the market could have no relation with the New York market, for currency considerations prevented any such link-up. Nor could it be related to Liverpool where the cotton exchange still remained closed. There was no extensive domestic market for cotton, either. Under these conditions, it is hardly surprising that the market did not function well enough. Government intervention too was not always helpful. Rather it was more irksome than constructive. The market was eventually closed in November, 1952.

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The prospects for the successful functioning of the Alexandria futures market are now perhaps brighter than formerly. The fact that it is proposed to link the market with the Liverpool cotton market will help minimise the chances of excessive speculation in Alexandria. The Egyptian Government, as we stated last week, is at present studying details of straddling between Liverpool and Alexandria. In Liverpool, the reopening of the Alexandria cotton market has been hailed as a "constructive and welcome development." This is because it will pave the way for introducing a long-staple cotton contract in that market. When the Liverpool futures market was reopened in May, 1954, only an American cotton contract was permitted. Indeed, it was criticised on the ground that a broader basis had not been permitted. But, in the absence of the futures market at Alexandria, the Liverpool authorities could not reinstate an Egyptian cotton contract of the kind that functioned in pre-war years. It was, however, made clear that such a contract would be restored as soon as possible. In August, 1954, the Liverpool Cotton Association issued a statement to the effect that a Liverpool long-staple contract would begin operating this spring. It is now believed that the Association will initiate an Egyptian cotton contract simultaneously with the reopening of the Alexandria market.

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A delegation of officials from Egypt, it is stated, will shortly go to the U.K. to study the methods of control on exchange operations, connected with hedge trading in cotton, evolved by that country. The futures market authorities, it is further stated, are preparing new regulations whereby brokers' capital will be increased from £10,000 to £15,000 each and capital per member from £30,000 to £50,000. Dealers will have to pay a deposit of 15 per cent. of the value of contract as previously. Again, clearing arrangements will take place daily, instead of weekly, in order to facilitate prompt payment of price differences.

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For some days past, the world sugar market has been ruling rather weak, in striking contrast to the firm trend witnessed towards the close of April and early May last. Raw sugar (Spot No. 4 World Contract) is now quoted in New York at 3.30 cents per lb., as against 3.41 cents a month before. The present quiet trend is the outcome of two factors. First, Brazil has been a persistent seller of sugar in the world market, thanks to the acute shortage of foreign exchange it is experiencing. This country has already sold about 450,000 tons of sugar—a quantity which is nearly three times its effective quota of 157,000 tons under the International Sugar Agreement—at rather less than the world price. Secondly, supplies of "free" sugar in the market have improved considerably, following the decisions taken by the International Sugar Council at its recent meeting held in London. Thus, the Council has redistributed export quotas amounting to 372,000 tons, of which the additional allocations to Cuba alone account for 193,000 tons. The Council has also released the participating countries with a basic export tonnage of over 75,000 from the obligation (under the Agreement) not to export more than 80 per cent. of their initial export quotas before the end of August next. By taking these decisions, the Council has, it must be noted, avoided the possibility of restoring the remaining 10 per cent.—444,500 tons—of the total quotas.

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Close on the heels of export quota readjustments, the Cuban Sugar Stabilisation Institute has approved of the sale of 120,000 tons of refined sugar to Russia at 4.20 cents per lb. (f.o.b.). Russia, it will be recalled, had been negotiating with Cuba for some time for a bulk supply of sugar. The price which Cuba has now accepted is considered to be rather low in relation to current raw sugar market values. Nevertheless, there is no gainsaying the fact that, but for the Cuban-Russian deal, the fall in world sugar prices would have been more pronounced than now. It is reported that France is on the point of concluding a novel barter deal with Cuba, under which it will build a tunnel under

(Continued on page 1199)

STOCK EXCHANGES RULE FIRM

VOLUME OF BUSINESS EXPANDS

(From Our Own Correspondents)

BOMBAY, 16*th June*

BUOYANT conditions were witnessed on the Stock Exchange during the week under review. The upward trend noted in the previous week gathered sizable momentum this week, on keen buying enquiries and heavy short-covering under the lead of steels and textiles. At higher levels there was a hesitancy to follow the rise, and closing quotations were, therefore, a shade below the week's highest levels. Nevertheless, the undertone remained firm. The volume of business also disclosed a notable enlargement. A feature of the week's trading was the recovery in the cash section, which was taken as a sign of return of confidence among investors.

The return to India this week of Mr. J. R. D. Tata, Chairman, the Tata Iron and Steel Co., Ltd., and his statement to the Press that he was hopeful of getting the required loan were construed as favourable indicators. The serious efforts made to promote exports of Indian cloth and the decision taken by the Cotton Textiles Export Promotion Council to send a trade delegation to South-East Asia for this purpose were duly noted. Further, expectations of favourable corporate results from industrial companies in the miscellaneous section, such as Bombay Burmah, Tata Chemical, Tata Locomotive, Premier Automobile, Hindustan Motors, etc., stimulated buying interest in the market.

In the steel section, Tata Ordinaries gained good ground, advancing from Rs. 228 to Rs. 234-12, the highest level touched since 20th May, but dropped a rupee to Rs. 233-12 at the close. Indian Irons gathered strength to move up from Rs. 33-1½ to Rs. 33-15, the best level seen in the last six weeks. After reacting to Rs. 33-10, they closed at Rs. 33-14.

Trading in textile shares was dominated by Bombay Dyeings and Kohinoors. The former rallied from Rs. 465 to Rs. 473-12, but finished at Rs. 470-10. The latter appreciated from Rs. 317 to Rs. 325 and wound-up at Rs. 324-8. Centurys advanced from Rs. 378-8 to Rs. 384-8, but profit-taking erased a part of the gain and the closing was, therefore, lower at Rs. 381-12. Central Indias provided a contrary trend with a decline of Rs. 4 to Rs. 116. Finlays picked up Rs. 5 to Rs. 250, Gokaks Rs. 5 to Rs. 219 and Indore Malwas Rs. 3-12 to Rs. 98-12. Indu Ordinaries were lower by As. 2½ at Rs. 10-9. New Greats moved up by Rs. 3 to Rs. 175, Phœnix by Rs. 5 to Rs. 117-8 and Shree Niwas by Rs. 3-12 to Rs. 223-12. Simplex were taken up from Rs 154-8 to Rs. 158-8, but the closing was lower at Rs. 156-8 on account of disappointing results. Standards appreciated by Rs. 7½ to Rs. 367-8 and Svadeshis by Rs. 7 to Rs. 200. Swans gained Re. 1-4 to Rs. 316-4. Tata Mills Re. 1-4 to Rs. 51-12 and Vishnus Rs. 2-8 to Rs. 140.

Banks were featureless and the tendency was quiet. Barodas continued to be on offer and lost Rs. 2-4 to Rs. 95-8. Centrals gained a fraction to Rs. 48-12 and their New shares to Rs. 50-4. Bank of Indias were steady at Rs. 146-4. Punjab Nationals changed hands at Rs. 42-8 and Union Banks at Rs. 6-6. United Commercials were unchanged at Rs. 43-8.

Insurance shares were active and transactions were done even at higher rates. Orientals gained Rs. 100 to Rs. 7,210. New Indias were, however, a fraction down at Rs. 49-4. But British India Generals were done a rupee higher at Rs. 14-10, following the stepping up of the dividend from Re. 1 to Re. 1-2 per share. Indian Mercantiles changed hands As. 4 higher at Rs. 45. Vulcans were in demand and put on Re. 1-1 to Rs. 16-5. Jupiters were lower by As. 6 at Rs. 8-4.

Electricity shares were generally steady, with an improvement in many counters, particularly in Tata Hydro group shares. Ahmedabad Electrics, after moving up to Rs. 106-14, closed at last week's price of Rs. 106-9. Amalgamated Electrics were steady at Rs. 10-15½. Bombay Suburbans improved by Rs. 2-3 to Rs. 125-5. Surat Electrics, on the other hand, shed Rs. 3-2 to Rs. 131-4. Tata Hydros rose from Rs. 142 to Rs. 145-8 and their New shares from Rs. 107 to Rs. 110, Tata Powers from Rs. 1,440 to Rs. 1,480 and their New shares from Rs. 1,130 to Rs. 1,165. Andhra Valley gained Rs. 18-12 to Rs. 1,385 and Andhra Valleys (New) Rs. 7-8 to Rs. 1,070.

In the miscellaneous section, sugar shares were steady. Belapurs recorded a rise from Rs. 310 to Rs. 315-8, but reacted to close at Rs. 311. Phaltans gained Re. 1-12 to Rs. 126. Walchandnagars disclosed no change at Rs. 208-2. Cement shares were cheerful, A.C.C. firming up from Rs. 176-4 to Rs. 181, before closing at Rs. 178-12. Digvijays were taken up Rs. 3 higher at Rs. 179. In the shipping and transport group, Scindias rose from Rs. 14-11 to Rs. 15-4½, but closed at Rs. 14-14. India Steamships moved up from Rs. 7-4 to Rs. 7-7½ and Bharat Lines from Rs. 82 to Rs. 84. Hindustan Motors were done up to Rs. 9-1, as against Rs. 8-9½. Premier Automobiles were better at Rs. 81, as against Rs. 79. Tata Locomotives shot up from Rs. 128 to Rs. 142, before closing at Rs. 136-8. Among engineering and mining shares, Alcocks were lower at Rs. 255 *ex-div.*, as against Rs. 273-2 *cum-div.* (div. Rs. 12-8). Premier Constructions showed a rise of Re. 1-8 to Rs. 146-8. Josts' Engineerings gained Re. 1-8 to Rs. 96. Shivrajpurs picked up Rs. 2-8 to Rs. 69, Indian Coppers As. 2½ to Rs. 4-9 and B.B. Petrols as much as As. 7 to Rs. 3-11½.

In the miscellaneous Industrial group, Bombay Burmahs continued to be influenced by rumours about higher interim dividend, their old shares rising from Rs 471-14 to Rs. 483-2, before finishing at Rs. 479-6. Their New shares gained on balance Rs. 3-12 to Rs. 177-8. National Rayons closed at Rs. 198-8 *ex-div.*, after touching Rs. 204-4 *ex-div.*, as against Rs. 210-4 *cum-div.* (div. Rs. 10). Killick Industries added Re. 1-8 to Rs. 161, Tata Chemicals As. 6 to Rs. 13-15, Tata Oils Re. 1-12 to Rs. 42 and Wimcos Rs. 3-2 to Rs. 184-6.

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Calcutta Stock Exchange

CALCUTTA, 15*th June*

The Calcutta Stock Exchange witnessed active trading with an increase in the volume of transactions, during the week under review. Tea shares registered attractive gains, and reports of a reduced crop as at the end of May and of the possibility of an improvement in quality were noted with enthusiasm. Jutes also encountered moderate support, as, with the definite possibility of a higher jute crop and the consequent expectation of a fall in prices of raw jute, the outlook for mills has improved. Shares of sugar mills were steady, as the likely increase in output this season, despite lower prices, would improve the working results of mills. As usual, engineerings and miscellaneous industrials claimed a good portion of the activity and in conformity with the general trend, added gains. A good deal of speculative attention was paid to shares which were considered as probables for inclusion in the forward list, a decision on which will be taken by the Stock Exchange authorities before the end of this week. Generally, the improved prospects for industries, the products of which will receive more widespread attention during the Indian Industries Fair this cold weather and may result in opening up of new markets, gave strength to both investors and operators.

Among cotton textiles, Muir Mills were taken from Rs. 112 to Rs. 113-8, and Kesorams spurted from Rs. 13-7 to Rs. 14-11. Cawnpores were unchanged at Rs. 8-9, but Elgin Mills receded from Rs. 19-9 to Rs. 19-4.

In the coal section, interest was at a low ebb, in view of the uncertain prospects for the industry, but New Beerbhooms were a specially attractive feature for the rise from Rs. 19-12 to Rs. 20-14. Burrakurs continued to be in moderate demand and were done at Rs. 13-4. Equitables were raised from Rs. 29-10 to Rs. 30.

Enquiries for jute shares widened, and several rises were recorded. Howrahs were a feature and, on expectations of being included in the forward list, were taken from Rs. 30-6 to Rs. 32-3, before quoting today at Rs. 31-12. Nationals rose from Rs. 33 to Rs. 33-8, and Birlas gained strength from Rs. 19-4 to Rs. 20-4. Barnagores firmed up from Rs. 172 to Rs. 177-8, while Lansdownes receded from Rs. 142 to Rs. 139. Ganges had buyers at Rs. 101-8. Anglo-Indias hardened from Rs. 212 to Rs. 223, Alliances, which receive a dividend of 6 per cent. (same) for the six months ended December last, from Rs. 171 to Rs. 173. Fort Williams were quiet at Rs. 373 *ex-div.* (div. Rs. 10).

Engineering shares recorded moderate gains. Indian Irons were taken from Rs. 33-1 to Rs. 33-15. Texmacos registered a further improvement from Rs. 18-6 to Rs. 19-4. Richardson and Cruddas were maintained at Rs. 18, and Kumardhubis were sought at Rs. 12-4.

Selected miscellaneous industrials gained further strength. Indian Coppers continued to be in good demand and rose to Rs. 4-11, before receding today to Rs. 4-9. Rohtas Industries changed hands and, with the support of enthusiastic buyers, improved from Rs. 24-14 to Rs. 26-6. Dunlop Rubbers, at Rs. 37, disclose a gain of one point, while F. & C. Oslers were unchanged at Rs. 16-2. British Burma Petroleums were pushed up from Rs. 3-3 to Rs. 3-11. At Rs. 274, India Pulps were better by Rs. 9. Titaghur Papers hardened from Rs. 43-12 to Rs. 44-7.

Tea shares added attractive gains for reasons already stated. Gungarams were higher by as much as Rs. 42 at Rs. 442. Ledos hardened from Rs. 26 to Rs. 30-4. Brooke Bonds from Rs. 15-12 to Rs. 17-7, and East Indias from Rs. 28-2 to Rs. 30-2. Dhelakhats were steady at Rs. 20-4.

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Madras Stock Exchange

MADRAS, 15*th June*

The Madras Stock Exchange displayed a cheerful note this week too, thanks to reports of encouraging performance of several companies. Demand broadened on prospects of higher dividends already announced, as well as expected. Renewed buying enquiries were in evidence in the textile section on hopes of enlarged export orders for piecegoods from overseas countries, especially from South-East Asia. These hopes are likely to materialise, in view of the latest move of the Textiles Export Promotion Council to send a textile mission to the latter region. Tea shares also continued to be in the limelight, the sentiment of traders being influenced favourably by higher auction prices for tea in Colombo, Cochin and Calcutta. The flurry of buying in these shares was attributed to calculations about corporate profits for 1954 in the case of established exporters. Tea and coffee company scrips also met with good buying support. Bank, insurance, electric and sugar shares were all fully steady. The miscellaneous section ruled strong, the attention of traders being focussed on popular counters.

Bangalore Woollens led the textile section this week, their quotations firming up by an impressive amount of Rs. 25 to Rs. 465. Krishnarajendras elicited considerable support and rallied Rs. 8 to Rs. 95 *cum-div.* Metturs spurted by Rs. 2-8 to Rs. 365 *cum-div.* Coimbatore Cottons and Dhanalakshmis recorded a rise of Rs. 2 each to Rs. 282 and Rs. 277, respectively. Rajapalayams hardened by Re. 1 to Rs. 81. Loyals gathered As. 12 to Rs. 31 and Cambodias As. 7 to Rs. 12-9. Balasubramanias were done at Rs. 51 *ex-div.*, as against Rs. 57 *cum-div.* Buckinghams were fully steady at Rs. 161, Janardhanas at Rs. 75, Kotharis at Rs. 12-4, Pankajas at Rs. 53 and Radhakrishnas at Rs. 216. Despite a higher dividend of 12 per cent. for 1954 (as against 7½ per cent. for 1953), Ranga Vilas, however, failed to elicit support and receded by a rupee to Rs. 71. Lakshmis also dropped Rs. 3 to Rs. 151 and Rajalakshmis Rs. 2 to Rs. 133.

In the planting section, tea shares came in for good business and handsome gains were recorded. United Nilgiris picked up Rs. 3 to Rs. 290. Devasholas strengthened by Rs. 2-8 to Rs. 28-8 *cum-div.* Nonsuch Teas increased by Re. 1-12 to Rs. 34-8 and Parksides by Re. 1-4 to Rs. 23-4. Peninsulars finished As. 14 higher at Rs. 17-14. Peermades rose by As. 12 to Rs. 39-4. Among rubber shares, Malankaras were in special request, their quotation advancing by As. 12 to Rs. 28-4. Vaikundams moved up by As. 8 to Rs. 24-12 and Rajagiris by As. 7 to Rs. 17-6. Midlands improved by As. 6 to Rs. 17-12. Cochin Malabars gained As. 5½ to Rs. 8-5½. Thirumbadis, Be Bes and Teekoys changed hands each As. 2 higher at Rs. 2-0½, Rs. 4-7 and Rs. 8-14, respectively. The improvement in Thirumbadis followed announcement of an increased dividend (17½ per cent.) for the year ended March, 1955, as against 15 per cent. for the previous year. Among coffee shares, Consolidated Coffees registered a gain of As. 9 to Rs. 19-14.

Buying in the miscellaneous section was of a selective nature. Mysore Tobaccos were sought at Rs. 11-12, as against Rs. 11-4. India Cements advanced by As. 4 to Rs. 23-14. Mysore Papers gained a like amount to Rs. 17-14. Travancore Cements, Mettur Chemicals and Aluminium Industries gathered As. 2 each to Rs. 8-8, Rs. 8-13 and Rs. 19, respectively. Spencers were steady at last week's level of Rs. 17-4 *cum-div.* Mysore Chem. Fers, were done at Rs. 18-9 *ex-div.*, as against Rs. 20-8 *cum-div.* Announcement of a higher dividend of 7½ per cent. for 1954 (as against 5½ per cent. for the previous year) by the Directors of the Indian Steel Rolling Mills Ltd. failed to induce support for the shares of this Company which were unaltered at Rs. 13.

Notices

THE TWYFORD TEA COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fortieth Annual General Meeting of the Shareholders will be held at the Registered Office of the Company at Kottayam, on Thursday the Fourteenth July, 1955, at 11 a.m., to receive the Directors' Report and Accounts for the year ended 31st December, 1954, to declare a Dividend, to elect Directors, to elect Auditors and to fix their remuneration, and to transact any other ordinary business of the Company.

The Transfer Books of the Company will be closed from 9th July to 21st July, 1955, both days inclusive.

By Order of the Board,
PARKINS LIMITED,
Managing Agents.

KOTTAYAM, 13*th June*, 1955.

THE HAILEYBURIA TEA ESTATES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-second Annual General Meeting of the Shareholders will be held at the Registered Office of the Company at Kottayam, on Friday the Fifteenth July, 1955, at 11 a.m., to receive the Directors' Report and Accounts for the year ended 31st December, 1954, to declare a Dividend, to elect a Director, to elect Auditors and to fix their remuneration, and to transact any other ordinary business of the Company.

The Transfer Books of the Company will be closed from 9th July to 22nd July, 1955, both days inclusive.

By Order of the Board,
PARKINS LIMITED,
Managing Agents.

KOTTAYAM, 13*th June*, 1955.

NEWS IN BRIEF

A FERTILISER factory will be set up at Itarsi to improve the economic condition of the area.

The area under tobacco during 1954-55 was over 838,000 acres, as against 818,000 acres during 1953-54, showing an increase of about 2.4 per cent.

India has today telephones at 0.7 telephone per thousand of population, as against 0.2 in 1939, while the aim is to raise the figure to 1.25 by the end of 1961.

A sugar mill will soon be set up in Assam at a cost of Rs. 2 crores. It will be the biggest industrial enterprise in the State and will be run on co-operative basis.

The Government of India has decided to continue free licensing for export of tapioca flour and starch to all permissible destinations till the end of December, 1955.

The Prohibition Enquiry Commission set up by the Planning Commission to study the various aspects of Prohibition is expected to submit its report to the Commission by the end of July.

The Government of India has raised the maximum individual quota for export of square mesh mosquito nets/nettings during the current half-year from 30,000 yards to 50,000 yards. The other conditions and terms of licensing will remain the same.

The number of new co-operative societies started under the Community Projects, Community Development and N.E.S. schemes up to September, 1954, was 4,747. The number of new members enrolled in co-operative societies during the same period was 184,254.

The Madras Cabinet has agreed to the general principles relating to land reforms recommended by the four-man Cabinet Sub-committee. The proposals of the Madras Government in this regard will be finalised after consulting the Planning Commission.

Members of the Employees' Provident Fund will be allowed interest at 3½ per cent. on their accumulations in the Fund for the year 1955-56. A recommendation made to this effect by the Central Board of Trustees of the Employees' Provident Fund has been accepted by the Government of India.

The estimated total output of iron ore mines in India increased to 380,702 tons in April, from 369,584 tons in March, 1955. Returns received from 66 mines during the month show despatches amounting to 251,626 tons to the iron and steel plants and 41,353 tons to the export market. The reported stocks at the end of the month amounted to 1,064,599 tons.

According to the revised estimates issued by the Indian Lac Cess Committee, the *Baisakhi* lac crop in India for the year 1955 is expected to be 794,000 maunds, as against the preliminary estimates of 749,000 maunds and the previous year's final estimates of 600,000 maunds. The normal yield for this crop, based on the average of ten years preceding 1955, is 710,000 maunds.

The Government of Mysore is making a representation to the Government of India, urging the claims of Bangalore for the location of the proposed State-owned heavy electrical equipment factory. Five foreign firms, one each from the U.S., the U.K., Belgium, Czechoslovakia and West Germany, have offered to co-operate with India in the establishment of the above factory. The offers are being studied by a committee of eleven experts, who may hold discussions with the foreign firms before arriving at a decision.

The Madhya Pradesh Government has under consideration a proposal to send a team of officials and non-officials to study the working of cottage industries in Japan, in view of the fact that a prominent place has been given to cottage industries in the second Five-year Plan. The State Government proposes to start a number of polytechnics for training of artisans. It has also a proposal to start industrial colonies, pioneer units of production in village industries, and industrial estates to facilitate the growth of groups of industries.

In pursuance of the Government of India's decision to purchase gram at railhead *mandis* at Rs. 6 per maund, if prices pierce that level, about 64,300 tons of gram are expected to be purchased on Government account during the current season. The same machinery as at present exists for implementing the price support policy in regard to wheat, the quantity of wheat purchased on Government account will be utilised and the same procedure will be followed. Under the price support scheme for wheat last was about 43,000 tons.

The second Five-year Plan is expected to allocate Rs. 80 crores for the development of shipping. An increase of tonnage from 600,000 to one million, including additions and replacements, is anticipated during the second Plan period. The Government is trying to secure the participation of some private companies in the establishment of a second Shipping Corporation with headquarters in Calcutta. The formation of this Corporation will give an impetus both to the expansion of tonnage as well as overseas trade in Indian bottoms. An outlay of Rs. 26 crores had been provided for shipping under the first Five-year Plan. It is expected that the planned target of expansion of a little over 2 lakh tons to 6 lakh tons will be realised by the end of the current year.

The eight-member committee appointed by the Government of India to enquire into the diamond industry started its deliberations at Panna in Vindhya Pradesh last week. The Chairman of the Committee, Dr. C. S. Pichamuthu, together with other members visited some of the more important diamond mining areas, as well as cutting and polishing establishments, and interviewed several officials and non-officials who are connected with the industry. A few sub-committees were set up to go into the details of some of the aspects of the industry like security measures, marketing, the present system of mining procedure and the setting up of co-operative mining. The Committee has invited information and views from the public on any aspects of the industry which would assist it in its work.

An agreement has been reached between the 70,000-strong Ahmedabad Textile Labour Association and the Commercial Mill, Ahmedabad, for the grant of bonus to its workers for the year 1953. The mill has agreed to pay 15 per cent. of the pay drawn by every worker, clerk, watchman and technician in 1953 as bonus. The Ahmedabad Textile Labour Association had originally negotiated with the Ahmedabad Millowners' Association for the grant of bonus to the workers for the year 1953. But, when the negotiations failed, the Association served notices individually on the mills and later the matter was referred to the Conciliation Officer. But the management of the Commercial Mill subsequently negotiated with the Association and reached a settlement. The cases relating to other mills are pending before the Conciliation Officer.

The Ministry of Iron and Steel has come into being with effect from the 15th inst., in terms of the Presidential order promulgated on 2nd May, 1955. Mr. T. T. Krishnamachari, Minister for Commerce and Industry, is also the Minister for Iron and Steel. Mr. S. Bhoothalingam, I.C.S., has been appointed Secretary of the Ministry. He will also continue to be the Secretary of the Ministry of Commerce and Industry until Mr. H. V. R. Iengar, I.C.S., returns from leave. The new Ministry is in charge of Government industrial undertakings for the production of iron and steel and Government-owned foundries. The iron and steel projects in the public sector at present are the Rourkela Steel Project in Orissa and the Bhilai Steel Project in Madhya Pradesh. The Government-owned foundry is at Nahan in Himachal Pradesh. With effect from the 15th inst., village industries (including the All-India Khadi and Village Industries Board), handicrafts (including the All-India Handicrafts Board) and the All-India Silk Board have come under the Ministry of Production.

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From Abroad

The Pakistan Jute Board has decided to maintain the minimum price for jute next season at £80 per ton as the basis for export firsts.

The Iraq Government Development Board will engage 50 British engineers to enable it to proceed with its £59 million full-scale programme for highways and bridges within the next five years.

The Colombian Coffee Federation has contracted with Japanese shipyards a deal worth $12 million for the construction of four 10,000-ton freighters. Payment will be made with coffee in 1956.

The Australian Government's decision to accept the revised G.A.T.T. and the proposed agreement on the Organisation for Trade Co-operation has been approved by both Houses of the Australian Parliament.

The U.S. Agricultural Department has forecast a wheat crop of 845 million bushels for 1955. It is the smallest crop since 1943 and is 13 per cent. lower than last year's production of 970 million bushels.

The shipping lines in the U.K. and Continent-Bombay and Calcutta Conference which met in London last week have decided to defer the question of imposing a surcharge of 35 per cent. on freights to Bombay and Calcutta, in view of the improvement noted in the above two ports.

The Pan-American World Airways has concluded a $60-million financing arrangement with 18 insurance companies for its development plans. The Company has on order $110 million of new flight equipment. Repayments by the Company will begin in 1966 and will be completed by 1980.

The Senate Banking Committee of the U.S. has approved of the Bill authorising the participation of the U.S. in the new International Finance Corporation which is being established by the World Bank under United Nations' auspices. The Bill authorises the payment of $35,168,000 as the U.S. subscription to the I.F.C.

The production of raw sugar in Australia during 1955 would be limited to about 1.17 million tons, according to the Chairman of the Colonial Sugar Refining Company, as the present home market, together with Australia's share of overseas markets under the Agreements, is not capable of absorbing continued unrestricted production.

An agreement has recently been concluded in Kabul, under which Czechoslovakia has undertaken to erect a cement works near Kabul. The cement plant will be entirely equipped with Czechoslovak machinery. As soon as the plants begin production, they will be handed over to the Afghanistan cement corporations. The Czechoslovak experts will also train Afghans to run the plants.

PERSONAL

MR. M. K. Kidwai, *Charge d'Affaires*, Legation of India, Jedda, has been appointed Minister of India to Saudi Arabia.

Mr. Naval H. Tata, Member of the Governing Body of the I.L.O., arrived from Geneva last week.

Mr. V. K. R. Menon, Director of the Indian branch of the I.L.O., New Delhi, left for Geneva last week to attend the thirty-eighth annual general conference of the I.L.O.

Mr. J. R. D. Tata, Chairman of the Tata Iron and Steel Co., Ltd., who had been to the U.S. for negotiating a loan for the Company's expansion programme, returned to Bombay on Tuesday this week.

Mr. M. M. Philips, Director-General of Posts and Telegraphs, returned to New Delhi last week after attending a meeting of the Executive and Liaison Committee of the Universal Postal Union at Lugano.

Mr. Allen Myra, General Superintendent, Standard-Vacuum Refining Company, has assumed charge as Managing Director of the Company, in place of Mr. William A. Williams, who is proceeding to the U.K. for re-assignment.

Mr. A. F. Dubash, Planning Manager (Traffic), Air-India International Corporation, left for Palma (Spain) last week-end to attend a meeting of the Rates, Charges and Schedules Committee of the International Air Transport Association.

Mr. N. K. Misra, Chairman of the Railway Service Commission, whose services have been placed by the Union Railway Ministry at the disposal of the Sudan Government, has been appointed General Manager of the Sudanese Railways for one year.

M. Rene Mayer, former French Prime Minister, has been appointed President of the European Coal and Steel Pool's High Authority, in succession to M. Jean Monnet, who was the High Authority's first President and who had resigned his post.

"COMMERCE" 1930

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 21*st June*

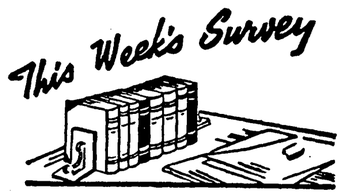
Rubber's New Low Level

The week opened with plantation rubber quoted at a fraction less than 6d. per pound. The declension—a repetition of the experience of 1922 prior to the introduction of restriction—emphasises anew the hard lot of shareholders of rubber producing companies. They produce a commodity, of which the consumption, subject from time to time to temporary checks, is on the whole expanding steadily. Yet they are fortunate, if their companies are able to remain solvent, for it is estimated that a large number cannot sell at under 8d. per pound, except at a loss. To some extent, the existing situation must tend to effect its own cure, for it renders any deliberate expansion of production unlikely. Indeed, estimates for the present year put the output below the 1929 figure and, in view of the very large measure of agreement to the suggested Sunday tapping holiday, there is likely to be a substantial reduction. This view is borne out so far by experience, shipments having shown a steadily declining tendency since the beginning of the year, while the total for the first four months (partly dependent upon estimates) is put some 10,000 tons below that of last year. The time has been long looked forward to when consumption would overtake production, and it was hoped by some authorities that so desirable a point will be reached this year.

The U.S. Government has suffered a loss of over $563.96 million in supporting farm prices during the first ten months of the current fiscal year ending 30th June. This compares with a loss of $419.45 million in the corresponding period of the previous fiscal year. The U.S. Agricultural Department's investment in price support loans and farm products has gone up to more than $1,000 million in a year.

The President of the U.S. has offered financial aid and technical facilities to all free nations of the world for developing atomic energy for the benefit of mankind. He will ask the Congress to agree to meet half the cost of providing atomic reactors for research to friendly countries and to furnish the nuclear material needed to fuel them. Countries taking advantage of this project will also, within the limits of security, be given training in the technological processes of construction and operation of the reactors for peaceful purposes.

A supplementary agreement between the U.S. and Switzerland has been signed in Geneva, giving the Swiss new tariff concessions under the U.S.-Swiss trade agreement of 1936, as compensation for the increase in the tariff rate on watches made last year. Under the agreement, tariffs on some 18 products, the yearly import of which by the U.S. is estimated at 50 million Swiss Francs, have been reduced on an average by 44 per cent. This is the first time that the U.S. has agreed to grant tariff concessions as compensation for the application of escape clause. The concessions would be continued, even if the watch tariff is reduced in the future, but the Swiss will have to grant in turn new concessions to the U.S.



RAIL-SHIP CO-ORDINATION

THE Government has now implemented the promise made by the Minister for Transport and Railways, in the course of the Parliamentary debate on the Railway Budget, that a committee would be set up to go into the question of co-ordination of railways and coastal shipping. The Committee, the formation of which was announced this week, will consist of: Mr. N. S. Lokur, Chairman, Railway Rates Tribunal, as Chairman, and Mr. B. R. Patel, Director-General of Shipping, Mr. S. R. Kalyanaraman, Director of Traffic, Ministry of Railways, Mr. P. Das, M.P., and Mr. M. Govinda Reddy, M.P., as members. It will examine the reasonableness of freight charged by coastal shipping with reference to its costs of operation and the existing pattern of trade movements within the country of commodities which could suitably move by sea. It will suggest measures to ensure effective co-ordination between railways and coastal shipping with a view to promoting movement of such goods by sea with particular reference to (a) the need for promoting coastal shipping on sound lines, (b) the need for avoiding overlapping between the two forms of transport, and (c) the possibility of extending through booking arrangements between railways and shipping for movements by combined rail-sea route, wherever possible. It will also advise whether any standing machinery should be set up for considering all problems concerning rail-shipping co-ordination or allocation of traffic between the two forms of transport. It is expected to submit its report in six months.

Announcing the formation of the Committee, the official resolution says that the Government has had under consideration for some time the question of co-ordinating the development of railways and coastal shipping so as to ensure harmonious development of the two forms of transport and the avoidance of all wasteful competition between them. A study group, which was constituted in December, 1953, to go into the wider question of planning the transport industry as a whole, has, it is stated, also studied this aspect of transport and made certain tentative suggestions. Another study group, namely, the *ad hoc* sub-committee of the Consultative Committee of shipowners, which was appointed to examine the shipping target for the second Five-year Plan, has also emphasised the importance of promoting the necessary co-ordination of rail and sea transport. The Government Resolution reiterates that the Government, on its part, has already accepted, as a matter of policy, that there should be an adequate and efficient coastal fleet capable of fully catering to the needs of the country. The Government, it is further stated, feels that it is necessary and desirable that the question of rationalisation and co-ordination of cargo movement by railways and coastal shipping should be examined urgently both in view of the large increase in the demand for transport facilities which is anticipated as a result of the various development schemes and also in view of the large investments proposed by the railways, ports and the shipping industry under the second Five-year Plan.

The appointment of the Committee will, therefore, be widely welcomed. Surely, it is to the advantage of national economy that both the railways and the ships should be enabled to operate economically, so that the two sectors may have no reason to regard each other as rivals in the carriage of traffic. A factor which underlines the need for co-ordination is the inability of the railways to absorb at present all the traffic that is offered to it. If co-ordination can result in some relief to the railways it is all to the good. Only, the means of achieving it in a way that is satisfactory to all the interests concerned are not easy to discover or to implement. The carriage of coal is a typical instance. Coal is being carried by the railways, it is alleged, at a rate that is below their costs of operation. If the railways were to charge what they ought to charge for carrying it, the ships would be able to quote competitive rates for transporting coal. This would enable ships to participate profitably in the carriage of coal, thereby releasing more wagons for transporting other commodities. But, then, the question will also have to be considered from the point of view of consumers of coal who cannot afford an abrupt upward revision of coal freights which would throw their production costs out of gear.

LAC INDUSTRY

The deliberations of the two-day session of the Lac Conference, which concluded at Simla on Saturday last, the speeches made on the occasion and the decisions taken there have all served to emphasise the valuable role which lac plays in the country's economy. Lac—a complex product which results from the biological interaction between the sap of trees and the lac insect—is a source of subsidiary income to a large number of cultivators in Bihar, Madhya Pradesh, Orissa, Vindhya Pradesh and Assam. In many areas, cultivation of lac is an important source of income to the backward tribes. What is more, lac is one of the major earners of foreign exchange for India, the average annual value of exports during the last nine years being nearly Rs. 10 crores. The story of lac's material contribution to the progress of science and industry was lucidly analysed by Dr. Punjabrao Deshmukh, Union Minister for Agriculture, who presided over the Conference. Gramophone records, Dr. Deshmukh said, became possible as early as 1897 because of lac. Before the advent of synthetic dyes, lac was a very important source of natural dye, which, along with lac itself, brightened many a home. The electrical industry owed a debt to this natural insulating material. The beauty of furniture was dependent, to a large extent, on a coating of shellac. Thus, lac and its processed goods—seedlac and shellac—Dr. Deshmukh stated, were still the most valuable resin, judging from the multifarious uses to which they are put.

It is, indeed, deplorable that the production of so important a commodity as lac, especially Kusum lac which is the best commercial variety, should have suffered a severe setback in recent years. The total quantity of lac actually produced during 1953-54 was only 654,000 maunds, which compares very unfavourably with 1,152,500 maunds in 1952-53 and 1,296,000 maunds in 1951-52. The estimate of the Bysakhi lac crop for the year 1955 is, however, placed higher at 794,000 maunds. The setback to lac production is attributed mainly to reckless speculative activity resulting in violent fluctuations in prices, the other reasons being failure of crops due to seasonal factors and shortage of sticklac.

The rise in prices has affected adversely the quantum of exports. Thus, exports during 1954-55 were lower at 726,300 maunds, as against 732,000 maunds in the previous year, though the value was substantially higher at Rs. 10.5 crores, as against Rs. 6.7 crores. If the violent fluctuations in prices were to persist, India is bound to lose a considerable share in the world lac market, what with increasing competition from some countries and stiff competition from synthetic substitutes. The imposition of a complete ban on speculation in lac under the Forward Markets Regulation Act was, therefore, a step in the right direction. An equally welcome move on the part of the Government is to set up an Export Promotion Council for shellac.

Simultaneously with the implementation of a workable scheme for promoting exports of shellac, measures should be devised to step up internal consumption which, at present, is at a very low level, being only 5 to 8 per cent. of the aggregate output. The Simla Conference did well, therefore, to discuss this problem. From the details of the discusssions made available, it is gathered that gramophone records, paint and varnishes, oil-cloth, sealing wax, rubber mixing, adhesive and cement are some of the industrial products which offer opportunities for larger utilisation of lac. The use of shellac as a coating for pottery has great potentialities. Incidentally, the All-India Khadi and Village Industries Board is already giving training in this direction at its village pottery training centre near Belgaum.

It is in conformity with the export trade and expanded internal consumption that measures should, as Dr. Deshmukh rightly stressed, be devised to stabilise lac production. Keeping this aspect in view, the Government of India has provisionally fixed the production target for lac under the second Five-year Plan at 1.7 million maunds, which represents a rise of 42 per cent. as compared with the anticipated output of 1.2 million maunds at the end of the first Plan period. In other words, the scheme envisages an increase of 100,000 maunds of lac per year during the second Plan period.

The several proposals which the Union Food and Agriculture Ministry has drawn up for achieving the aforesaid target were considered at the Simla Conference. The decisions taken at the Conference include (1) establishment of 50 new brood farms in the lac-producing States in order to ensure a steady supply of brood lac to all parts of the country, (2) imparting of technical knowledge of lac cultivation to villagers, and (3) organisation of a lac extension service in the producing States. Bihar, which normally accounts for nearly 60 per cent. of the total lac production, will have 20 brood farms and Madhya Pradesh 10 farms and the remaining 10 farms will be in U.P., Vindhya Pradesh, Orissa, Assam and West Bengal. The lac-producing States have been asked to carry out a survey of the idle host plants in different areas, with a view to bringing them under cultivation. The total expenditure proposed to be provided for lac work in the second Plan is Rs. 50 lakhs. The other notable decisions taken at the Conference relate to the (a) establishment of warehouses and of a few air-conditioned godowns for the storage of lac and organisation of co-operative societies of lac-growers; (b) enforcement of quality control at manufacturing and export stages; (c) organisation of separate forest divisions for stepping up lac cultivation; and (d) provision of marketing facilities for lac growers. These decisions, it is to be hoped, will be translated into action without delay, for on their implementation depends the prosperity of lac industry.

ROAD DEVELOPMENT

The pace of road development during the second Five-year Plan period would be greatly accelerated, if the schemes now being scrutinised by the Union Government were approved by the Planning Commission. The estimated total capital outlay for the development of the country's arteries, the national highways and the important link roads between States is placed at as high as Rs. 93 crores, which represents a rise of more than 72 per cent., as compared with the provision of Rs. 54 crores made in the first Five-year plan. The increase in outlay would be even more impressive—244 per cent., to be precise—if the amount expected to be actually spent in the first Plan period, namely, Rs. 27 crores, were taken as the basis of comparison. Nevertheless, it must be admitted that road development has suffered a great deal through past neglect. Accordingly, the Government can never be too generous in its expenditure on such development.

With the estimated outlay of Rs. 93 crores, roads account for about 1.7 per cent. of the aggregate net investment of Rs. 5,600 crores, as contemplated in the Plan-frame prepared jointly by the Economic Divisions of the Finance Ministry and the Planning Commission in consultation with the Central Statistical Organisation and the Indian Statistical Institute. The provision for road development represents over 10.3 per cent. of the sum of Rs. 900 crores earmarked for transport and communications as a whole. The targets for road development fixed in the Plan-frame are given below:

(Thousands of miles)

	1950-51	1953-54	1955-56*	1960-61*
National highways ...	11.9	12.2	12.5	17.5
State roads	17.6	—	20.0	35.0

*Estimate.

It will be seen from these figures that the Plan-frame envisages an expansion of 5,000 miles of national highways and 15,000 miles of State roads during the second Plan period. The importance of roads needs no special emphasis, for they are, as is well known, labour intensive and facilitate development of trade and industry. It is common knowledge that development of roads is one of the essential pre-conditions for rapid industrial and agricultural progress. Indeed, road development forms a crucial link in the scheme not only for bringing about a balanced development of the country's economy but also for endowing it with the capacity for self-propelling and accelerated growth.

It will be worthwhile to review here the progress so far achieved in the implementation of the schemes already prepared for road development. The programme for road development in the first Five-year Plan provides for construction of 1,250 miles of missing links in national highways, improvement of 6,000 miles of sections of existing highways and erection of 75 new major bridges. It is claimed that the progress made in respect of works taken in hand has been satisfactory and that the target in respect of improved works has been exceeded. This is attributed to three important factors, namely, expansion of programmes, economy in the execution of works and

implementation of certain types of improvement works out of maintenance grant. During the first four years of the Plan, about Rs. 18 crores were spent on road development. An important feature of the road programme is that, in order to assist the balanced development of all classes of roads, the Centre has recently agreed to give grants to States for the development of roads other than national highways which are of inter-State or economic importance. Grants are also given by the Centre from the Road Fund Reserve for the development of village roads. The approved programme for bridges provides for the construction of about 200 bridges (big and small) at a total estimated cost of Rs. 22 crores. But so far only about 25 major bridges costing Rs. 3 crores have already been completed. Ten new bridges costing Rs. 1 crore are said to be in advanced stages of construction.

EXCISE DUTY ON POWERLOOMS

The President of the Maharatta Chamber of Commerce, Poona, Mr. R. G. Vijayakar, put forward a convincing case for the withdrawal of excise duty on cloth produced by units having more than four powerlooms, in the course of his speech at the annual meeting of the Chamber held on Tuesday this week. He contended, in support of his plea, that the cost of production of cloth woven in powerloom factories was about 22 to 25 per cent. higher than that produced by composite mills and only about 7 per cent. less than that of handlooms. Even before the introduction of the excise levy, the powerlooms were finding it difficult to sell their cloth in competition with the handlooms which with the rebate of As. 1¼ in a rupee given on the sale of their products, over and above the exemption from octroi duty and sales and general tax and concession in railway transport charges, were in a definitely advantageous position. Further, the powerlooms were dependent for supply of yarn on outside sources and were not able to get yarn in the form in which it could be woven straight on the loom. And what is more, they did not get yarn of the quality used by composite mills, and hence were not able always to produce cloth of a quality comparable to that of cloth manufactured by composite mills. And, even where it was comparable, consumers' prejudice adversely affected the sale of these fabrics. Mr. Vijayakar, therefore, pointed out that the new Central excise duty made it even more difficult for powerloom units to compete with either the handlooms or the composite mills.

The arguments thus put forward by Mr. Vijayakar seem to have made no marked impression on Mr. A. C. Guha, Union Minister for Revenue and Defence Expenditure, who inaugurated the meeting of the Chamber. For, he said that Mr. Vijayakar's apprehensions regarding powerloom units were not quite justifiable. He mentioned that the duty leviable on powerloom products was about 15 to 30 per cent. lower than that on textile mills. Further, there was a restriction on production of *dhotis* and *saris* by composite mills, whereas no such restriction was placed on powerlooms. The stocks lying on 18th May had been exempted from the excise. These were, he said, significant concessions to the powerlooms and he opined that powerloom units were even now in a good competitive position with the products of composite mills. Besides, the Government's concern was, he averred, to give protection to handlooms which were weaker units as compared with the powerloom units and, as such, it would not be fair, he said, to put these two on the same level. He stated that, in reimposing this duty on powerlooms, the Government had really treated the powerlooms as an intermediary step between the handloom and the composite mills.

It is, however, gratifying to note that the Government has since decided, according to Mr. Guha, to reduce substantially the present licence fee of Rs. 100 per year for powerlooms. Mr. Guha revealed that the Government proposed to levy only a nominal licence fee of Re. 1 for units with less than 10 looms, of Rs. 5 for units having looms between 10 and 24 and Rs. 10 for units with 25 and 99 looms. Those who had already paid the full amount of Rs. 100 would, he said, be entitled to get a refund. This gesture of goodwill certainly reflects the anxiety of the Government to help the powerlooms. But, with all this goodwill, it is doubtful whether the powerlooms, which suffer from the disadvantages of both the handlooms and the composite mills, will be able to hold their own in competition with them. The fact that a number of powerloom units in Bombay and Mysore States have suspended operations indicate their inability to withstand such competition.

LAND REFORMS FOR EAST AFRICA

For two important reasons, the report of the Royal Commission on Land and Population in East Africa, just published in London, will evoke more than ordinary interest in India. First, the conditions obtaining in the agricultural sector of East Africa's economy resemble, to some extent, those in this country, so that there is something that India can learn from the report. Secondly, the three East African territories—Kenya, Tanganyika and Uganda—account for a good share of India's foreign trade, the average annual turnover being of the order of Rs. 34 crores.

In its report, the Royal Commission—the Commission was set up in 1953 with Sir Hugh Dow as Chairman—has examined the question of the increase in population in East Africa, with particular reference to the congestion of population on land in certain localities. On the basis of such a study, the Commission has recommended adoption of several measures necessary to achieve an improved standard of living, including introduction of capital to enable peasant farming to expand. The chief conclusion which the Commission has arrived at and which is of special significance to India in the present context of the greater and greater incursion of the State into the economic activity is that a free economy is invaluable for the development of East Africa. This emphasis on free economy, according to the Commission, is "not because of political prejudice but because East Africa needs—and a free economy can create—fresh capital and expanding credit." It does not, of course, suggest that the Government should cease to exert a guiding influence. What it does suggest is that the Government should now deliberately subject the economy to the operation of the market. Indeed, the Commission maintains that it is only through the resort to such policy that the land can be properly used and the market can be expanded in one of the poorest regions in the Commonwealth.

The land reforms for Africa proposed by the Dow Commission, it is claimed, are widespread and radical. The Commission believes that the hope for the future lies in the bringing down of the barriers which preserve a past attempt at equilibrium. The two specific and far-reaching proposals put forward by it are: (1) Abandonment of the old tribal and family tenures in favour of individual ownership of land, and (2) a general sweeping away of vested interests, controls and fiscal measures which stand in the way of economic change. In this connection, it advocates the establishment in each territory of Land Development Boards which should be divorced from sectional and interested controls; these Boards must act as the main agents of agricultural development. While carrying out the aforesaid reforms, the existing rights should, the Dow Commission emphasises—the planners in India will do well to take note of this—not be arbitrarily disturbed and that land should be disposed of by the Government only by the established legal process and after adjudication and registration.

Besides considering the basic problems of land tenure and settlement, economic conditions and population problems, the Commission has also reviewed health and education, water-supplies, transport, urban development, immigration, and the whole history and function of agrarian administration. In the considered opinion of the Commission, the various trade regulations and restrictions should be removed. Access to external capital, it is stated, will be necessary for some years to come.

DEVELOPMENT OF SMALL INDUSTRIES

CENTRE MAKING EARNEST ATTEMPTS

From A Special Correspondent

NEW DELHI, 14th June

CONSIDERABLE emphasis is now being laid on the development of cottage and small-scale industries, with a view to providing greater employment during the second Five-year Plan. Since the main objective of the planners is to create employment opportunities to about 10 to 12 million people in the next five years, it is their hope that the small-scale and other labour-intensive industries would absorb more than six million people. Although there is general agreement from the self-styled political-cum-economic experts to the ordinary citizen about the potentialities of these industries for absorbing the idle manpower and educated classes, the difficulty until now, from the point of view of Government, is the lack of proper organisation to bring about quick results. The Commerce and Industry Ministry has been trying to rectify this lacunæ, but the progress at the beginning can only be gradual.

DELHI LETTER

There has been a notion among many that the present Minister for Commerce and Industry, Mr. T. T. Krishnamachari, is a friend of capitalists and supporter of large-scale industries, but few know that, ever since his assumption of office, the expenditure on cottage and small-scale industries has gone up enormously mainly because of his efforts. In the four years ended 1952-53, for instance, the total expenditure on these industries hardly amounted to Rs. 50 lakhs. But, in 1953-54, a year after this gentleman became the Minister, it was marked up to Rs. 5.8 crores; and, in 1954-55, the sanctioned expenditure was as high as Rs. 11 crores. Apart from direct grants, loans and technical help to these industries, the Government has also resorted to other forms of encouragement, among which mention may be made of reservation of production spheres between the handloom and mills, regulation and restriction in regard to the installation of new looms, establishment of large tanneries or footwear units, relief to small-scale units in regard to excise duties, etc.

All these have doubtless helped stabilisation of cottage and small-scale industries during the last one or two years, but it is now being realised that something more concrete should be done, in order to stimulate the expansion of these industries in the coming years. It is against this background that one should view the constitution of a separate committee by the Planning Commission to draft a suitable plan for the expansion of the village and small-scale industries as an integral part of the second Five-year Plan. The draft plan should have the following objective:

The bulk of the increased production during the Plan period of consumer goods in common demand has to be provided by the village and small-scale industries. Employment provided by these industries should progressively increase. Production and marketing should be organised, in the main, on co-operative lines. This committee is being manned by five people, namely, Professors D. G. Karve and D. R. Gadgil, Mr. V. L. Mehta, a former Finance Minister of Bombay, Mr. V. Nanjappa, I.C.S., Textile Commissioner, and Dr. Malhotra, Deputy Secretary, Planning. In the plan-frame, a sum of Rs. 200 crores has been allocated towards the village and small-scale industries. When it was brought to the attention of the Prime Minister that this sum was totally inadequate to tackle the problem, the Prime Minister replied that more money would be allocated in case it was found necessary.

The plan-frame pamphlet on the second Five-year Plan says that, if employment is to be maximised, labour-intensive methods of production have to be preferred. Further, a poor country as a whole cannot be run on the basis of up-to-date capital-intensive methods for the simple reason that there is not that much surplus of savings for investment to go around. Since one of the main objectives is to develop basic industries in the second Plan, the protection and encouragement of small-scale industries assumes greater importance as a means of preserving a balance between the supply and demand for consumer goods, quite apart from their employment potential. Granted the need for encouraging and protecting small-scale and village industries, how far should this process be carried? The protection of small-scale industries also implies a redistribution of income within the community. The limit to such protection and encouragement—apart from considerations of export and the feasibility of the requisite organisational effort—must be prescribed in the light of the broad social objective of protecting and promoting the level of living at lower levels in preference to raising of standards at a higher level.

In the first week of July, the Small-scale Industries Board will be meeting at Bangalore. When it met in New Delhi mid-April last, the plan-frame was not before the public and, hence, it could not discuss the place of small-scale industries in the second Five-year Plan. Again, on account of the recent changes in the allotment of portfolios, the village industries sector is being shifted to the Production Ministry, while the small-scale industries section will continue to be administered by the Commerce and Industry Ministry. This will necessitate a re-allocation of funds earmarked for small and cottage industries between the two sections.

When the Small-scale Industries Board was first constituted in January last, it was proposed to set up four Regional Institutes and also a Small-scale Industries Corporation, primarily for arranging the production of goods against Government contracts. The Minister at that time characterised the Regional Institutes as thinking cells. It was then decided to approach the development of small-scale industries from different angles. The decisions were as follows:

In regard to widely dispersed industries such as carpentry, blacksmithy, pottery, etc., better tools and equipment are to be provided. Model workshops are also to be established for imparting to workmen better technique in respect of these industries. Further, central workshops are to be set up for undertaking operations that cannot be done by individual small units economically. New industries are to be started in groups through Government assistance. Industrial estates where a number of inter-dependent small-scale units, are to be established in several parts of the country, so that goods and services of one unit may be used by other units, thereby keeping the cost of production down to the minimum.

Although the four Regional Institutes have been set up, the difficulty of manning them has now become a serious bottleneck. The President of the Small-scale Industries Board is now touring foreign countries, in order to select some personnel and equipment for these Institutes. Even the construction of building for housing them has yet to be undertaken and this means that it will be another two years before these Institutes are able to commence their work. Meanwhile, the Central Government has directed all the State Governments to prepare detailed schemes for the establishment of a number of small-scale industries in their respective territories.

Some States have already submitted a few schemes to the Central Government on the following lines:

(i) service schemes such as for establishment and continuance of training, demonstration, model workshops, etc. (ii) schemes for establishment of common facility workshops, industrial groups, pilot plants which may be run departmentally in the initial stages and transferred to co-operative management later, (iii) schemes for assisting industrial co-operatives of small artisans and workers, (iv) proposals for establishment of industrial estates and (v) schemes for assisting individual units through loans, etc.

The Central Government, on its part, has already commenced the preparation of detailed draft schemes for a number of industries. The drafts include, for instance, a list of machines and tools that could be used by individual carpenters' units, a demonstration and training workshop, etc. In the case of blacksmithy, for example, the scheme gives indications of the lines on which the blacksmith could develop such things as repair machine shops, fitting shops and sheet metal work, etc.

Similar schemes are being prepared for a model pottery unit, leather tanning, leather footwear, etc. In regard to the leather footwear industry, a model scheme is being prepared in consultation with a German expert who has come to India to advise Government on the development of footwear industry. Similarly, a Swiss expert has come to advise the Government for encouraging the growth of small glassware manufacturing units at different centres. There is also a proposal to send some intelligent workers on deputation to foreign countries abroad for training in small factories. Again, a scheme may be introduced to train technical officers and place their services at the disposal of State Governments. Under this scheme, about 200 fresh graduates from technical colleges and institutions may be recruited by the Development Commissioner for training for one year.

The implementation of all these schemes will take time and, perhaps, the momentum will be felt only after two or three years. It is suggested that model workshops, pilot plants, industrial groups and industrial estates should be established in those places where there are power facilities and also in areas where the people have become more conscious on account of the operation of community projects and National Extension Service schemes. Some of these schemes can be started immediately, so that the Government may gain experience and learn from initial mistakes.

TEXTILE DELEGATION TO S.-E. ASIA

A trade delegation, consisting of leading representatives of the Indian cotton mill industry and the textile export trade, will make a study tour of Burma, Thailand, Malaya, Indonesia and Ceylon. This delegation is sponsored by the Cotton Textiles Export Promotion Council and will leave India by the third week of June. The members of the delegation consist of Mr. Chinoobhai C. Javeri (leader), President of the All India Exporters' Association, Bombay; Mr. Arvind Narottam, Director, Ashok Mills, Ahmedabad, nominated by the Ahmedabad Millowners' Association; Mr. M. N. Savani, Vice-President of the Africa and Overseas Exporters' Chamber; Mr. T. P. Barat, Director, Bombay Dyeing and Manufacturing Co., Ltd., and ex-Textile Commissioner to the Government of India, nominated by the Millowners' Association, Bombay; and Mr. P. K. Nagersheth, Secretary, Cotton Textiles Export Promotion Council, Bombay.

The delegation will make an on-the-spot study of these markets, assess the extent of their requirements of cotton textiles, study consumer preferences in the wake of changing dress habits and investigate other incidental problems vital to the promotion of export of Indian cotton textiles. The members will meet leading chambers of commerce, visit local textile markets and have discussions with Government officials.

The delegation will leave Bombay on the 25th June, 1955, and cover the five countries of the South-East Asia in a period of four weeks. The itinerary includes 7 days' stay in Rangoon, 4 days in Bangkok, 9 days in Indonesia, 5 days in Singapore and 4 days in Ceylon.

AND NOW
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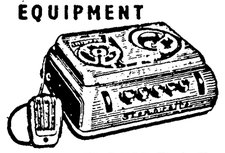

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CONVERTIBILITY PROSPECTS

MR. BUTLER HOLDS THE KEY

From Our Own Correspondent

LONDON, 11th June

WHILE this country was in the throes of electioneering, the O.E.E.C. Secretariat was busily continuing work on its bule-print for convertibility. And now that Mr. Butler has a much stronger backing in the House, there is little doubt that he will be considering how soon he can support a move to take Western-European currencies a further stage to "looking the dollar in the face."

LONDON LETTER

There is now general agreement that the European Payments Union will have to be wound-up and its part taken by the European Fund, equivalent, on a local scale, to the International Monetary Fund. But the policy-making body will be the Organisation for European Economic Co-operation, which looks like enjoying an indefinite lease of life.

As for the "Fund" it will (like its international counterpart) discuss the effects of exchange rate policies on the trade of the member countries and make recommendations as necessary. Obviously, it will also form the immediate ground for discussions between Finance Ministers of the problems that will show themselves after convertibility. There is a very proper appreciation that what is at stake in the move towards convertibility is the *trade* of the member countries; hence the care taken to ensure that the effects of convertibility on trade can be appreciated rapidly and steps taken to counter adverse developments.

But what can such steps be? Not a move *back* to inconvertibility, for the West European countries, once having agreed *together* to make their currencies convertible, will not *together* move back—exchange control will become a matter for individual countries. Therefore, if convertible currencies dislocate trade, the remedy will be to move exchange rates. This conclusion is the more inescapable, in that the countries concerned have agreed that trade liberalisation must be their main objective. Quotas are to go on being whittled away (a drive is beginning now to free entirely all foodstuffs and agricultural produce) and it is not apparently intended that members should clap on quotas or raise their G.A.T.T. tariff levels the moment they find their currencies under pressure.

But there will be a half-way house towards moving exchange rates. Countries will be able to draw on the European Fund *provided* they can show they are in a balance of payments difficulty. The I.M.F. has shown, however, how rigid are the limits of drawing on a central Fund (because, of course, the "debtor" country is drawing on the reserves provided by the "creditors") and it must follow that any heavy adverse balances will need to be met by other means.

It is still questionable, however, whether member countries will in practice accept a regime of fluctuating exchanges. Within the sterling area, the traditional remedy for an adverse balance is import restriction, and, in spite of the lip-service paid to liberalisation, it would not be surprising if liberalisation proved an earlier casualty than the rate of exchange.

Thus, convertibility can easily become a hindrance rather than a help to trade, in spite of all the theoretical work being done in Paris on intra-European co-operation. But the strong countries (which include the United Kingdom) are all bent on moving towards dollar-freedom and Mr. Butler is as anxious as anyone to achieve this, provided he can be sure that this country's balance of payments at the time of the change is strong enough to avoid any fiasco.

As soon as Mr. Butler feels he can take the plunge, we are likely to have convertibility (in concert with—it is hoped—all the O.E.E.C. countries) but *not* freedom to buy dollar goods, *not* freedom for all capital movements. But it will look like convertibility and, gradually, the restrictions on dollar purchases will no doubt be lifted. There is really no reason, indeed, why the first stage should not be entered on very soon.—*All Rights Reserved.*

AMERICAN NOTES

PROFIT-SHARING IN U.S. INDUSTRY

TREND SHOWS EXPANSION

AMERICAN workers, to an increasing degree, are acquiring a direct stake in the prosperity of many of the nation's industrial enterprises through the growth of profit-sharing plans. Last year, nearly 8,000 corporate profit-sharing plans were reported on file with the U.S. Treasury Department, as compared with 6,000 in 1953 and only 549 a decade ago. Today, there are more than 100 firms which do nothing but offer advice to companies setting up profit-sharing programmes. It is estimated that about 1,875,000 American workers are now covered by such programmes. For many of them, the benefits of profit sharing have proved substantial. A survey by the *Wall Street Journal* in 1954 listed the following examples:

At De Luxe Check Printers of Chicago, Illinois, some of the workers due to retire in the next 10 years will draw pensions from profit-sharing funds greater than their last annual pay while working.

Employees of E. G. Shinner and Company, operating a chain of meat markets in the mid-west, accumulated so much under profit-sharing schemes that they bought out the company in 1953. Since then, the employee-owners report they have "built up a very sizable reserve, paid a $1-per-share dividend, at the same time paying the highest rate of wages in the history of the industry."

The Reader's Digest, a publishing firm, paid out $1,200,000 in cash bonuses last year to 1,200 employees, in payments ranging from $548 per worker to $25,000.

And Sears, Roebuck and Company, prominent mail-order house and retail-store chain, has contributed since 1916 more than $500,000,000 into a profit-sharing fund for its 120,000 employees.

Profit-sharing plans take many forms. Company distributions range all the way from 5 to 50 per cent. of profits. For the employees, the shares amount to anywhere from 5 to 100 per cent. of annual pay, with a representative share around 10 to 12 per cent.

Methods of distribution vary. Some payments are made in cash. Others are put into trust funds, payable when the employee retires or leaves the company, either in periodic payments or in a lump sum. Some plans combine both forms—cash and deferred payments.

Employers who favour profit sharing report that it results in high employee morale, increased productivity and reduced labour turnover. They say that it gives the workers a sense of partnership in the company, prompting them to take better care of the equipment, avoid waste and initiate new ways of improving operations and reducing costs.

Others oppose it on the ground that profit-sharing plans provide for a sharing of profits but make no provision for sharing losses. They also cite the fact that, since all workers receive an equal percentage of the profits, the efficient worker receives no greater reward than the inefficient worker.

Historically, unions have been lukewarm toward profit sharing, because they believed that, originally, it was designed to discourage union organisation, and because they suspected that it might be used by employers as a substitute for higher wages. However, the trend appears to be changing, as more and more plans are set up through labour-management negotiation and co-operation.

The growth of profit sharing has been most pronounced among successful companies in highly competitive industries. The roster of corporations with active profit-sharing plans includes such industrial leaders as Procter and Gamble, Sears, Roebuck and Company, the Bank of America, Eastman Kodak Company, Jewel Tea Company, R. H. Macy and Company, Time, Inc., Container Corporation of America, Bell and Howell Company, Zenith Radio Corporation, Motorola, Inc., and Rand McNally and Company.

One of the reasons frequently cited for the growth of profit-sharing plans in the last two decades was the adoption by the U.S. Congress of tax legislation permitting corporations to treat as a business expense payments into a profit-sharing fund, provided such payments were within specified limits and the trust was set up to meet certain specifications.

An equally important reason, according to John W. Leslie, Chicago industrialist and advocate of profit sharing, is the changing concept of the responsibilities of management which now views the modern corporation "as a trusteeship with balanced duties and obligations to owners, employees, customers and the public."

Simultaneously, says Mr. Leslie, there has been a change in the relationship between managers and employees—a trend in management "from centralised to decentralised authority, from paternalism to team leadership, and from the treatment of the employee as an automaton to treatment as a fellow creature."

PAKISTAN NOTES

BALANCE OF PAYMENTS

SWEDISH TECHNICAL AID

THE fourth quarter of 1954 witnessed a distinct improvement in Pakistan's balance of payments position. In that quarter, Pakistan enjoyed a surplus balance of Rs. 2.7 crores, as against a wide deficit of Rs. 10.8 crores in the previous quarter. The improvement was due mainly to a marked rise in earnings from exports, particularly jute, and partly to a fall in payments for imports. Thus, the total receipts during the quarter under review amounted to Rs. 35 crores, which are Rs. 12.28 crores more than what were derived three months before. The aggregated payments, on the other hand, were lower at Rs. 32.30 crores, as against Rs. 33.52 crores, of which private imports accounted for Rs. 19.40 crores, showing a fall of Rs. 1.63 crores over the previous quarter. Out of the rise of Rs. 12.25 crores in export earnings, jute alone contributed as much as Rs. 9.84 crores. Receipts on account of cotton, however, dropped from Rs. 6.81 crores to Rs. 5.11 crores.

The figures relating to the area-wise trade reveal that the payments position with the dollar area during the three months ended December, 1954, was appreciably better, thanks to enlarged exports to the United States. In contrast to the deficit of Rs. 30 lakhs during July-September, 1954, Pakistan had a surplus of Rs. 1.05 crores with that country in the quarter under review. There was also improvement in the payments position with the U.K. and India, the deficit declining from Rs. 8.75 crores and Rs. 1.05 crores to Rs. 7.10 crores and Rs. 30 lakhs, respectively.

Reflecting the improvement in the balance of payments position, the foreign assets of Pakistan as at 31st December, 1954, stood substantially higher at Rs. 91.64 crores, which compare very favourably with Rs. 79.08 crores on 1st October, 1954. But, as compared with the high level of Rs. 150.52 crores at the beginning of 1952, the foreign assets were still lower by nearly Rs. 60 crores. Be that as it may, the improvement in the Pakistan balance of payments position, it would appear, has not been maintained in the current calendar year, as witness the decline, albeit small, in foreign assets to Rs. 91.52 crores as at 27th May, 1955. It will be interesting to note, in this connection, what the Commercial Correspondent of the *Pakistan Economist* says in the course of an article on the "Vagaries of Karachi Stock Exchange." The correspondent observes: "As regards the export of manufactured goods from Pakistan, its prospects are not bright, unless we are able to improve the quality and design of our products and offer them at competitive prices in the world market... with the present rate of Pakistan rupee, we are at a disadvantage as compared to India and other advanced countries."

An agreement providing for technical assistance by Sweden to Pakistan on a bilateral basis was signed in Karachi on the 4th inst. by the Swedish Minister to Pakistan and the Secretary to the Pakistan Ministry of Economic Affairs. The agreement provides for the establishment of a Swedish-Pakistani Institute of Technology in the Landhi area outside Karachi. The Institute will train foremen, instructors and small-scale *entrepreneurs* in selected fields and thereby contribute to the development of small-scale industries. It will simultaneously impart to the trainees some knowledge of production economics, so that, at the end of the training, the trainees may be able to set up small manufacturing units of their own.

The above agreement is the outcome of the visit of a mission of Swedish experts to Pakistan some time ago, in order to explore the scope and extent of Swedish technical assistance to Pakistan. The Government of Sweden had set aside 649,000 kronors (about Rs. 4 lakhs) in each of the two years 1953-54 and 1954-55. Further provisions of similar amounts are expected to be made in the next three years.

O.E.E.C. REVIEWS PLANS FOR CONVERTIBILITY

FUTURE OF E.P.U. ALMOST DECIDED

THE meetings of the Ministerial Council of the Organisation for European Economic Co-operation (O.E.E.C.) held last week at Paris have once again given rise to talks on the possibility of establishing convertibility of currencies in Western Europe. It will be recalled that about this time last year, it looked as though Britain, West Germany, Holland and Belgium were on the point of taking a final decision on convertibility. It was reported that final touches to the contemplated scheme of convertibility were to be given at the annual meeting of the International Monetary Fund held in the autumn of last year. Nothing of the kind, however, happened; for Britain was reticent to take up the question at the meeting, as by that time sterling had tended to weaken. In the absence of Britain's lead, other European countries which favoured early convertibility were helpless and the whole question receded to the background.

Although so far no information on the decisions reached at the Paris meeting of the O.E.E.C. Council is available, from reports in the international Press it is gathered that the Council had to deal with a number of problems on which there were a wide variety of differing viewpoints. The future of the European Payments Union, the establishment of a European Fund, the type of clearing system to be adopted in the event of convertibility coming to fruition, and the rates of exchange at which currencies should be converted were the principal issues on which opinions appeared to be sharply divided.

Britain's views on the future of the E.P.U. seem to have not found favour with a number of Continental countries, including France and Italy. Britain desires the complete elimination of the E.P.U., once convertibility is established. It may be noted that the agreement on the E.P.U., extended a year ago, is due to expire at the end of this month. It was, therefore, found necessary to reach an understanding on the future of the E.P.U. or on the organisation that should take its place. During the discussions at the meeting attention was concentrated on the "termination clause" in the proposed agreement which provided for closing down the E.P.U. after the currencies were made convertible. Britain argued that, as the place of the E.P.U. would be taken by a European Fund, the E.P.U. would have no further task to perform. It pointed out that this Fund would assume the responsibility for providing short-term credit to the needy countries—a function at present being carried on by the E.P.U. As regards the other important function of the Union, namely, facilitating automatic clearing payments in a number of European currencies once a month, it was stated that this could be performed just as well, if not better, by the central banks. Since the major part of the task of providing multilateral clearing of payments would have to be done by sterling, the retention of the E.P.U., it was stated, would serve no purpose.

Plea for E.P.U.

Some of the Continental countries, especially those which are not in a position to embark on currency convertibility, however, seemed to feel that the E.P.U.'s compensation role should continue in some form, so as to preserve the principle of European co-operation which under the E.P.U. had worked so well. They feared that the channels of trade would become distorted if the compensation system were discontinued. They appeared to doubt whether sterling was capable of doing the work of the E.P.U., while the proposed European Fund, on the constitution of which the Council of Ministers were still undecided, was too ill-defined to warrant their confidence.

A reconcilation between these two opposing sets of opinions is, however, considered not impossible. It is felt that the temporary prolongation of the E.P.U. will certainly be voted, possibly for a year, but on the condition that it may be terminated at any date by a majority vote of the members in favour of the new clearing system and the Fund.

There were also different shades of opinion on the various aspects of the European Fund. According to the recommendations of the Managing Board of the E.P.U., the Fund is to have a capital of about $550 million. This is intended to support the weaker currencies. Under the scheme, the international clearing function of the Union, as stated already, would revert, when currencies were convertible, to the mechanism of international banking. Member-countries are required to make an initial contribution of $148 million (followed later by another $123 million) to the Fund. It is expected that the U.S. would not object to the transfer of its $271 million from the E.P.U. funds to the new European Fund. As to the constitution of the Board of the Fund, a major divergence of opinion between creditor and debtor countries is considered possible. It is expected that some debtor countries may raise objections to some of the features of the Fund, for the simple reason of striking certain bargains. The countries, however, seem to agree that two-year credits should be the maximum and that the Fund should be set up for three years with the option to renew it for a further period at the end of the first year.

Clearing Mechanism

Another issue on which considerable controversy took place at the Paris meeting was the technique of a clearing mechanism after the exit of the E.P.U. The U.K. Government is opposed to both the multilateral clearing system and the introduction of fixed rates of exchange. It considers that the multilateral clearing system will impede trade and is unlikely to be workable in practice. It favours direct settlements of trade account between central banks. Several European countries, including Germany, however, advocate the multilateral clearing scheme. According to this scheme, the E.P.U. should not vanish completely with the day of convertibility, but should live on in a reduced form, engaged in arranging short-term clearances once or twice a month, technically through the Bank for International Settlements in Basle—even after 100 per cent. payment in gold or dollars is introduced. In this context, attention is drawn to the agreement reached within the O.E.E.C. countries to the effect that the O.E.E.C. trade rules should be fully maintained even after convertibility. German financial experts believe that this agreement has cleared one obstacle to convertibility to be achieved "some time within 30th June, 1955 to 30th June, 1956." The German view on convertibility is that, in its initial phase, it would be restricted to current payments. The free movement of capital would be excluded. Controls over both inflow and outflow of capital would be maintained at least in the beginning, both for reasons of balance of payments situation and for fear of sudden rush movements at times of high political tension. For this purpose, the fixed rates of exchange are, in the opinion of German experts, the best.

Britain, however, attaches great importance to the principle of fluctuating exchange rates within an agreed range. It is of the view that it would be extremely difficult to embark on convertibility for a currency, so exposed to international strains as sterling, without some widening of the present narrow margin for movement allowed on either side of the parity of $2.80 to the £. This view has found the support of a few other countries. These latter believe that a 6 per cent. margin (3 per cent. above and 3 per cent. below parity) would be helpful. Some commercial banks prefer the operating margin to be at 5 per cent. instead of 6 per cent. But this is considered to be too broad by European creditor countries who point out that such wide margin of fluctuation would need the permission of the I.M.F. The Bank Deutscher Lander, for instance, objects to broad margins as a device which, in the long run, would be self-defeating.

With a view to bringing a reconciliation between the divergent views, the Paris meeting is reported to have accepted the Dutch proposal to set up a European "watch-dog" committee of top Government officials as a safeguard against fluctuating rates and to co-ordinate various financial policies. The Council decided, it is reported, to entrust the task of developing the Dutch proposal to the Secretariat of the Council. It is considered possible that the E.P.U. Managing Board will, as a result, be instructed to complete the details of the Dutch proposal by the end of July next at the latest.

Is Convertibility Imminent?

The move towards convertibility as indicated by the proceedings of the Council above raises an important question: Is convertibility of European currencies imminent? According to Herr Blucher, West German Vice-Chancellor, who represents Germany at the O.E.E.C. meetings, a final decision on the date of convertibility may be taken in October next. He said that the decision rested, in the final analysis, with Mr. Butler. He insisted that no steps should be taken without the consent of Britain. He imagined the prospect of a decision by about 1st or 15th October, when the balance of payments situation of Britain during the crucial autumn months would be fairly clear. Mr. Butler is, however, very cautious in his remarks on convertibility. He stated at Paris last week that "very considerable progress" towards wider free trade had been made in recent months. He told the Press that there was no question of rushing into convertibility but the prospects ahead were good. Convertibility was approaching, he said, but no definite move had been made, "because the time was not opportune." He pointed out that the immediate aim was to furnish the machinery to meet the situation that would arise when certain member-countries decided on convertibility. It may be added here that the countries keen on convertibility today are Britain, West Germany, Scandinavia, Belgium, the Netherlands, Luxemburg and, possibly, Austria and Portugal.

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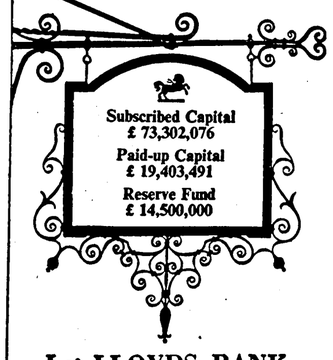

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T.-C. FINANCIAL CORPORATION

The Travancore-Cochin Financial Corporation received during the year ended 31st March, 1955, 37 applications for a total loan of Rs. 57.37 lakhs. Of these, 22 applications for Rs. 37.15 lakhs were sanctioned. Actual disbursements of the loans sanctioned amounted to Rs. 22.90 lakhs. As the first loan was disbursed in May, 1954, repayments would only start from this year. At the end of the year, 14 applications were pending consideration, while one was rejected.

Industry-wise distribution of applications for loans was as follows:

Industries	No. of units	Loans granted
		(Rs. lakhs)
Textile mills	2	10.10
Cashewnut	5	12.34
Rubber	5	18.20
Tile works and saw mills	6	4.28
Oil mills	6	4.49
Coir industry	4	3.45
Vegetable oil mills	1	2.50
Fertiliser	2	2.74
Jewellery	1	0.50
Tyre retreading	1	0.18
Confectionery	2	0.50
Plastics	1	0.99
Match	1	0.10
Total	37	57.37

The profit earned by the Corporation during the year under review amounted to Rs. 3.70 lakhs. After payment of taxes and making provision for reserves, there remained a balance of Rs. 2.01 crores. It was proposed to utilise this sum for payment of guaranteed dividend to shareholders. The State Government was requested to give subvention of Rs. 1.48 lakhs to make up the guaranteed dividend at 3¼ per cent. per annum.

SWEDEN'S NEW MONETARY POLICY

INTEREST RATES STEPPED UP

ON 19th April, 1955, the official bank rate in Sweden was raised from 2¾ to 3¾ per cent. —the highest level since 1932. At the same time, the issue of a long-term Government loan was announced at 4½ per cent., that is, at a rate 0.6-0.7 per cent. above the current market rate for gilt-edged securities. Since then, the banks and savings banks have also raised their interest rates by, generally, 1 per cent., so that an all-round rise in interest rates has become a fact.

This far-reaching use of the interest rate as a weapon of economic policy came as a surprise to most people. The Swedish price level had remained virtually stable since the middle of 1952, showing only a slight tendency to rise in recent months. At the end of March, the Riksbank's and the commercial banks' foreign exchange reserves totalled Kr. 2,430 million, or Kr. 28 million more than in March last year. As in Great Britain, the raising of interest rates has, therefore, been a preventive measure intended to counteract the threatening inflationary tendencies, resulting mainly from considerable wage increases.

Pressure for Wage Increases

The risk of a new wave of wage increases had already become apparent when the negotiations for the 1955 contracts were opened last autumn. The year 1954 had been a favourable one for Swedish industry. Generally speaking, the marketing conditions had been good, production was again rising after the slow-down in 1953 and industrial investment continued on an extensive scale. The demand for labour was keen and in some fields exceeded the supply. The result was strong pressure exerted by workers for higher wages, while, at the same time, employers were both willing and able to grant increases.

At this stage, the Government sought to put a brake on economic activities by measures to curtail the supply of funds on the capital market. A Government loan was issued in October at an interest rate of 4 per cent., i.e., ½ per cent. higher than the current rate on the market. This loan was very heavily subscribed and substantial sums were thus withdrawn from the market. The budget for 1955-56 also foreshadowed greater stringency. At the beginning of this year, a 12 per cent. duty was imposed on industrial investments in buildings and machinery and also a 10 per cent. levy on car purchases. Nevertheless, these measures had no appreciable effect on the course of the wage negotiations, which are by now concluded in most sectors. As a result, the general level of income is expected to go up this year by about 10 per cent. At the beginning of April, when a substantial rise in wages had already become a fact, the Minister of Finance presented a proposal to introduce compulsory saving. This was to be effected by a 10 per cent. addition to the income-tax, repayable in 1958. It was believed that by this means Kr. 1,300 million could be withdrawn in the course of 18 months. However, the proposal aroused strong opposition and had to be abandoned.

Rise in Bank Credit

Thus it had proved impossible to tackle the problem of inflation from the consumer's end by directly absorbing a part of the surplus purchasing power. The idea of compulsory saving had been rejected, and both a general purchase tax and a higher rate of personal income-tax were considered to be politically impracticable. In this situation, the Government decided to try to check the expansion with the aid of credit policy. Hitherto, it had sought to bring about stringent credit conditions mainly by voluntary restrictions on the part of the banks. In spite of these restrictions, however, bank credit continued to rise. During 1954, the commercial banks' advances rose by 12 per cent. and they continued to increase during the first quarter of this year.

There is no doubt that the new policy may be capable of putting a brake on the expansion of credit. When borrowers have to pay 6 per cent. or even more for their bank credits, part of the demand for credit is bound to fall off. At the same time, the banks have to count upon greater strains on the deposits side. The new Government loan, with its 4½ per cent. interest, is an attractive investment not only for institutional investors but also for the general public, who will in all probability use some of their bank balances for buying these bonds. The banks' deposits have already shown a slower rise than their advances—the increase between March, 1954 and March, 1955, was only 5 per cent. as against 9 per cent. in the case of the advances—and the liquidity position has gradually deteriorated. Within the framework of the current voluntary credit restrictions, every bank has undertaken to maintain a certain liquidity quota, that is, specific ratio between its liquid assets (cash, Government securities and claims on other banks) and its deposits. In spite of the restraint imposed on their credit accommodation, the majority of banks have had difficulty in maintaining these ratios.

The Riksbank has announced that, if the banks fail to reach the agreed liquidity quotas before the 1st August, the so-called emergency law governing the banks' cash reserves will come into operation. This law empowers the Riksbank whenever necessary to prescribe that up to 50 per cent. of the banks' deposits must be kept in the form of liquid assets. The banks, which are anxious to avoid any such development, may be expected to apply a highly restrictive credit policy within the next few months.

Other Measures

The Government, however, will probably not stop at this tightening-up credit policy but are expected to propose certain supplementary measures in other sectors. Thus, it is proposed to encourage voluntary saving by paying certain premiums. It has also been hinted in official quarters that the national tax on corporations will be raised from 40 to 50 per cent., implying that the combined national and municipal taxation of profits will rise from about 47 to about 56 per cent. Finally, the possibility of higher taxes on tobacco and spirits has been mentioned in this connection.

The new economic policy would have had a more powerful effect had it been introduced earlier. Now the wage increases are already an accomplished fact, as are also certain price increases, that is, the higher food prices. However, the measures now taken will undoubtedly limit any supplementary increase in wages over and above the contractual level and keep the inevitable rise in prices within as narrow limits as possible. A cumulative inflationary process may thus be avoided and a more balanced situation reached in face of next autumn's wage negotiations.—*Index*—the Monthly Economic Review of Svenska Handelsbanken.

WORLD BANK'S LOAN TO ITALY

The International Bank for Reconstruction and Development (World Bank) has approved of a loan in various currencies equivalent to $70 million to Italy. The loan is intended to finance projects for increasing agricultural production, industrial output and electric power in Southern Italy. The borrowing concern is a Government agency which, since 1950, has been charged with the administration of a comprehensive programme for raising depressed standards of living.

The main feature of the loan is the participation by the Bank of America, without the World Bank's guarantee, to the extent of $5 million. This amount represents the first five maturities falling due semi-annually from 15th July, 1958, to 15th July, 1960.

The loan is for a term of 20 years and carries interest at 4¾ per cent. including the 1 per cent. statutory commission charged by the Bank. It is guaranteed by the Government of Italy.

This is the largest development loan the World Bank has made in Europe. The Bank has also granted two other loans to Italy, each amounting to $10 million.

HONGKONG AND SHANGHAI BANKING CORPORATION

The Hongkong and Shanghai Banking Corporation, Hong Kong, has filed an application with the State Banking Department, San Francisco, California, for permission to establish its subsidiary, The Hongkong and Shanghai Banking Corporation (California), as a State Bank incorporated under the laws of California. It is expected that the necessary permission will shortly be forthcoming, and that the newly incorporated bank will be opened in the near future.

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INDIA'S FOREIGN TRADE IN RAW WOOL

EXPORTS DURING 1954 AGGREGATE 29 MILLION LBS.

As an earner of foreign exchange, raw wool plays quite an important role in India's export trade. The average annual value of raw wool exported from India comes to about Rs. 8 to Rs. 9 crores. In the list of raw materials and produce and articles mainly unmanufactured, raw wool occupies the sixth place, the value of its exports (excluding re-exports) representing more than 7 per cent. of the aggregate exports of such merchandise. During 1954, the quantity of wool actually shipped amounted to as much as 29 million lbs. (actual weight), as against 23 million lbs. in the previous year, a rise of over 26 per cent. The bulk of the improvement in exports was accounted for by the U.S., the off-take of which during the year under review was 9.57 million lbs., which compares favourably with 4.71 million lbs. in 1953. Similarly, the U.K. bought a larger quantity, namely, 17.43 million lbs., as against 10.57 million lbs. Purchases by West Germany, the Netherlands and France were also higher at 580,000 lbs., 185,000 lbs. and 309,000 lbs., respectively. Australia took 622,000 lbs., Belgium 210,000 lbs. and Canada 156,000 lbs.

The upward trend in exports of raw wool has been well maintained in the current calendar year also. During the first quarter of the year, exports aggregated 8.78 million lbs., as against 6.38 million lbs. in the preceding quarter and 4.72 million lbs. in the corresponding quarter of 1954. On this basis, the total exports for the whole of 1955 may be estimated at about 35 million lbs. Incidentally, it may be noted that the Government of India has decided to release a further quantity of raw wool for export up to the end of September, 1955. Details of the licensing procedure are being notified by the Export Trade Controllers at the ports concerned.

Re-exports of raw wool from India, however, received a setback during 1954, despite a marked increase of 50 per cent. in the intake of the U.K. The quantity actually re-exported amounted to 5.1 million lbs., as against 5.36 million lbs. in 1953 or a drop of about 5 per cent. This may be the result of China taking away a large part of the Tibetean wool, the exportable surplus of which was being exported through India before Tibet came under the occupation of Communist China. It is significant that the fall in re-exports was mainly accounted for by Czechoslovakia, a communist State which took only 689,241 lbs. in 1954, as compared with 1.39 million lbs. in 1953. As already stated, the quantity going to the U.K. improved considerably, from 1.27 million lbs. to nearly 2 million lbs. A large part of the raw wool re-exported from India went to Belgium (1.1 million lbs.), Hungary (735,000 lbs.) and the Netherlands (397,000 lbs.).

Raw Wool Imports Fall

While the export trade in home-grown raw wool was quite encouraging, imports of wool registered a decline. During 1954, sea-borne imports of raw wool into India aggregated 3.0 million lbs., as against 4.5 million lbs. in 1953. The fall would appear to have been somewhat halted during 1955, the total imports in the first quarter of the year being 661,847 lbs., as against 553,316 lbs. in the preceding quarter. But, as compared with the imports a year before, the figure is lower by 349,355 lbs. The fall in imports of raw wool during the year under review was more pronounced in the case of Australia, one of the chief supplying countries. India took from this country only 1.13 million lbs., as against 1.84 million lbs. Receipts from New Zealand were lower at 848,000 lbs., as against 1.10 million lbs., as also from the U.K. which receded from 1.40 million lbs. to 1.02 million lbs.

Imports of wool tops into India, on the other hand, were larger, the quantity that actually arrived in 1954 being 11.01 million lbs., which compares favourably with 9.36 million lbs. in 1953, or a rise of 17 per cent. Of this quantity, the share of the U.K. was 10.25 million lbs. (8.97 million lbs. in 1953), the balance being accounted for by Australia and France. Imports of wool yarn also were larger, being 4.0 million lbs., as against 1.88 million lbs. The main increases were in supplies from Italy which more than trebled, from 824,000 lbs. to 2.87 million lbs. Japan, too, sent a little more, from 360,000 lbs. to 580,000 lbs. The offtake of U.K. yarn by India, however, was slightly smaller at 436,000 lbs., as against 456,000 lbs. The increase of 2.1 million lbs. in wool yarn imports during 1954 was accounted for mainly by worsted yarn for weaving, the imports of which advanced from 1.34 million lbs. to 3.29 million lbs. Imports of other yarns were also a little higher at 497,000 lbs., as against 277,000 lbs., while those of knitting yarn declined from 264,000 lbs. to 214,000 lbs.

Imports of Tissues

Despite a rise of 171,000 linear yards to 1.37 million yards in the import of mixed wool piecegoods, the total import of tissues during 1954 were lower at 2.57 million yards, as against 2.61 million yards (excluding wool shoddy cloth imports during January-March, 1953, the figures of which are not available for the previous year). The decline was due to a reduction in imports of woollen and worsted piecegoods, from 807,000 yards to 416,000 yards. Imports of shoddy cloth amounted to 783,000 yards. The fall in wool tissue imports would have been more marked but for the grant of enlarged import quotas for the fourth quarter of 1954. During the quarter, India imported 1.28 million yards of tissues, as against 583,000 yards three months before. Italy was the largest supplier of woollen tissues to India during 1954, the quantity that this country actually exported to India being 1.95 million yards, followed by the U.K. with 495,000 yards.

In the case of carpets and floor rugs, the quantity improved during 1954 was less, being 18,000 lbs., as against 36,000 lbs. in 1953. By contrast, imports of blankets and rugs improved from 404,000 lbs. to 735,000 lbs., representing a rise of 80 per cent.

CLOTH EXPORTS TO PERSIAN GULF PORTS

The past few months have witnessed a distinct setback in India's exports of cotton textiles to the Persian Gulf markets. During the three months ended March, 1955, exports of cloth to these markets amounted to a bare 3.46 million yards, as against 9.42 million yards in the corresponding period of 1954. What is this setback due to? Is there any scope for expanding India's export trade in the Persian Gulf markets? If so, what are the measures that should be adopted? For answers to these posers, one has only to peruse the interesting survey made by the Cotton Textiles Export Promotion Council in the course of an article published in the latest issue of the *Texprocil Bulletin*.

At the very outset, the Council points to the growing competition in the cotton textile markets of the Persian Gulf. Japan, Poland, Mexico, Hong Kong, Italy, the U.K., etc., it says, vie with one another for an increased share of the markets. Analysing some of the factors that have been acting against India and in favour of Japan and other competitors, the Council points to the efficient sales technique of the latter. According to it, high pressure sales promotion is the essence of Japan and other European countries' success. In the case of Japan, for instance, the manufacturers and exporters have prepared a comprehensive shop list of cotton textiles. Customers are merely to cable a certain number from the list to get quotations and specifications. Another sales secret to which India's competitors attach great importance is the ultimate satisfaction and appeal to the consumer. It is not enough to see that goods reach destinations, but "brand" appeal must be created so that the importer will find it easy to move the goods. It is also felt that Indian exporters and mills should help create appeal for their goods in these markets through more attractive sample booklets, folders, etc., as the Japanese manufacturers do. At present, very little attention, it is said, is being paid to these aspects.

The other handicaps in the way of an expanding export trade in the Persian Gulf markets to which the Council has drawn attention are:

(1) There are no "on-the-spot" studies made by Indian mills and exporters with a view to studying local needs, tastes, etc.;

(2) Indian mills do not accept export orders for less than 20,000 to 25,000 yards, unlike their confreres in Japan which book orders even for small lots of 3,000 to 5,000 yards;

(3) the designs and colours of Indian piecegoods are unimaginative and do not meet with the local consumers' likes;

(4) Indian goods are not so highly finished and do not bear such attractive appearance as those supplied by Japan and other competitors;

(5) packing of Indian textiles is deplored by most overseas importers;

(6) complaints have been made that, when it comes to delays, the exporters blame the mills and controversies are created, with the result that importers get tired of such dealings;

(7) there is great difficulty in securing shipping space easily and shipments are thereby delayed and freight rates exorbitant;

(8) sometimes, goods damaged at production point are despatched which greatly annoys buyers; and

(9) there is no system of "in-transit" consignments.

If the foregoing defects are remedied, India can, the Council feels, bid for a much higher share—amounting to about 45 million yards—in the textile markets of the Persian Gulf. "What is needed is," to quote it, "improvement in sales technique and quality of supplies."

As a means of studying the comparable qualities and competitive prices of textiles reaching the Persian Gulf markets from other sources, the Council has secured a number of shipment samples manufactured by Japan and Poland which are available for inspection by mills and exporters. The scrutiny of these samples and the comments on the same received from the importers there reveal that Japan offers more varieties of bed-ticking and these are of better finish. Japanese longcloth is of comparatively superior finish. The monopoly that India had in this variety is being lost rapidly, because Japan is able to offer better variety and wide assortment at competitive prices. The position is the same in respect of voiles. Japan is offering improved designs and good colours at more competitive prices. The samples of Polish cloth received by the Council also reveal the same trend. Although the qualities of these are the same as good Indian flannelettes, the range of colours and designs offered by Poland is superior and prices competitive. Among the other Polish varieties received are printed chintz (sateen finish), which are superior to Indian stuff, in both design and finish; at the same time, prices are competitive. The British blanket cloth sold in the Persian Gulf markets is finer than Indian qualities. The demand for such qualities is increasing.

WORLD WOOL CONSUMPTION

World wool consumption in the first quarter of 1955 was about 3 per cent. higher than in the previous three months, according to the Commonwealth Economic Committee. The outstanding feature was the sharp improvement in consumption in the United States, which rose by 13 per cent. to reach the highest level for the past 18 months. The quantity of wool used in Canada rose by about 16 per cent. and was more than 30 per cent. higher than in the corresponding period of last year. The United Kingdom consumption also rose—by 7 per cent.—and was the largest for two years. In Belgium and the Netherlands, there was a slight increase. In a number of the important West European countries, particularly Germany and Italy, however, there were substantial declines. Japanese consumption also showed a fall of 2 per cent. and was 7 per cent. lower than a year earlier. Australia, too, used about 4 per cent. less wool, the lowest for 12 months. Aggregate consumption in the 11 major consuming countries amounted to 427 million lbs. (clean), as compared with 416 million lbs. in October—December, 1954.

NOTICE

THE HONGKONG AND SHANGHAI BANKING CORPORATION

The Board of Directors of The Hongkong and Shanghai Banking Corporation, Hong Kong, has pleasure in announcing that an application has been filed with the State Banking Department, San Francisco, California, for permission to establish its subsidiary, The Hongkong and Shanghai Banking Corporation (California), as a State Bank incorporated under the laws of California. It is anticipated that the necessary permission will shortly be forthcoming and the newly incorporated bank opened in the near future.

EFFECT OF RAIL AND DOCK STRIKES ON COTTON INDUSTRY

VIGOROUS DRIVE TO INCREASE EXPORTS TO AUSTRALIA

From Our Special Correspondent

MANCHESTER, *7th June*

MANCHESTER LETTER

Attention throughout Britain has been centred on the drastic effect of the labour disturbances on the railways and in the docks. There is much speculation as to the length of the strikes and how the industrial life of the nation will suffer as a result of the transport hold-ups.

From the local angle it was perhaps fortunate that the rail strike, if it had to come, should have been called to coincide with the traditional Whitsun holiday, which curtails the distribution of goods in Lancashire textile centres. Yet the long-term effect of the worst outbreak of industrial strife for nearly thirty years will clearly bring trouble in its train for cotton as well as every other trade in Britain.

Ultimate Damage

Whatever the rights or wrongs of the grievances involved both on the railways and the docks, there can be no question about the ultimate damage caused to the nation's economy by such disastrous interference with the flow of output and services. Much of the movement of supplies within the cotton industry is nowadays carried out by road transport, but such a widespread dislocation of distribution is bound to have its repercussions in numerous directions.

The cotton industry's record for industrial disturbance is one which can be envied by many another trade. It is well over twenty years since there was a dispute which even threatened a large stoppage of output from the mills due to labour unrest. Unfortunately, the distribution of cotton goods has been indirectly hampered on more than one occasion in recent years by the action of other workers, especially in the docks.

Export progress achieved by Lancashire mills has been unsatisfactory for several months. The industry can ill afford any further interference with the flow of shipments abroad at such a critical stage in its history. Echoing the Prime Minister's words on the resumption of negotiations: "The quicker, the better."

Now that the Government has been returned to power with an increased majority it is possible to assess the outlook so far as British industry is concerned with at least one of the obscurities removed. For those engaged in the cotton trade the election provided some interesting contrasts. Whereas the mill towns had been expected to play an important part in deciding the contest, there was no strong movement to substantiate the Government's policy or to reject it.

It is now the turn of trade leaders to carry out their announced intention of returning to the fray. Both on the vexed topic of purchase tax on textiles and the even more controversial matter of foreign cloth imports, the main organisations of the industry have declared their intention to approach the new Government, whatever its political shade.

In view of the mandate which has been given by the country, the Chancellor of the Exchequer and the President of the Board of Trade will be on firm ground if they refuse to reverse their policy decisions, leaving the industry to fend for itself. In any event, constant changes in purchase tax will only persist in creating uncertainty, although its complete abolition would be universally agreeable.

No fresh arguments can be put forward on the need to curb arrivals of foreign cloth. The situation is already well established and the damage has been done. To introduce certain restrictive measures would cause this country to transgress the terms of the General Agreement on Tariffs and Trade and in some quarters moves are afoot to try and obtain some revision of the Ottawa Agreement to assist Lancashire's cause. Lack of confidence over the future trend of raw material rates is still the main cause of the industry's present troubles. If the result of the election had brought a complete change in political power there would have been further uncertainties to be overcome. It must now be assumed that the existing position will persist for some time to come.

Australian Trade Drive

A vigorous drive to boost exports of Lancashire textiles to Australia—leading overseas market of the United Kingdom cotton industry with a £15,000,000-pounds-a-year "shopping bill"—is planned by the Cotton Board.

Under the banner "Always Buy British Cottons," the Board this year aims to widen the campaign initiated last year with the addition of sales drives in Tasmania and New Zealand.

Nearly 130 key stores in metropolitan areas and an estimated 1,500 shops and stores throughout the Commonwealth will join in the campaign this year. British "Cotton Weeks" will be held in all five States of Australia and in Tasmania between August and October.

Suggestions that the time is opportune for scrapping some of the older Lancashire mills and concentrating production in the most modern units were described as "quite impracticable" in the quarterly report of the Operative Spinners' Amalgamation.

In support of this policy it had been suggested that technicians and operatives would not suffer as they would be found employment at other mills which would be able to run double shifts as a result of the reduction in running units. The Secretary, Mr. Schofield, states that this would mean redundancy among considerable numbers of mule spinners and their assistants, the majority of whom had spent the whole of their working lives in this branch of spinning. Surely it was not expected, he said, that men should accept employment in another department at a wage of two-thirds or less than they normally earned.

Manpower in Lancashire mills has dropped by 15,000 in 12 months, figures given by the Cotton Board have revealed. At the end of April, the Board stated, the cotton labour force stood at 275,740 compared with a figure a year ago of 290,620. In the month to 30th April, the weaving sheds alone lost 1,360 full-time and 120 part-time operatives.

The cotton labour force is now made up in this way—weaving 137,070 (compared with 141,870 12 months ago), spinning 107,630 (114,490), doubling 23,950 (27,060), waste spinning 7,090 (7,200).

In the four weeks to the end of April, the Cotton Board states, production of cotton, rayon and mixture cloth averaged 48,320,000 yards weekly. Easter holidays restricted the yield. Production in the previous month averaged 54,520,000 yards weekly and in the same week last year the weekly average was 53,510,000 yards.

Import Position

Although imports of cotton grey cloth into the United Kingdom in April were slightly lower than in the first quarter, they remained distinctly higher than the average monthly figure recorded last year. In the first four months of 1955 nearly 112,000,000 square yards of foreign cloth has arrived in this country, including 51,000,000 yards from India and almost 33,000,000 yards from Japan. Comparative figures for 1954 were 38,000,000 yards from India and less than 3,000,000 yards from Japan.

Another significant development has been the continued rise in shipments from Hong Kong, which amounted to some 5,500,000 square yards in April, bringing the four-monthly total to over 18,500,000 square yards—slightly more than was received from that Colony in the whole of 1954.

The proportion of foreign grey cloth reaching Britain last year represented a little more than one-third of total exports of cotton fabric from this country. By the end of April the ratio had exceeded one half of corresponding shipments abroad.

Even the merchanting community, which stands to gain from trading in such goods, cannot stand idly by and observe such a development without protest. The annual report of the Cotton and Rayon Merchants' Association refers to the problem in realistic terms. The grey cloth sectional report, while recognising that imported cloth makes a contribution to Lancashire's export trade in the form of re-exports, expresses anxiety that there is no machinery available by which the flow of imported piecegoods into the home market can be regulated.

Despite the sharp increase in imports of grey cloth, foreign goods of other types have not shown an equally rising trend. At the end of April imports of finished cotton cloth were slightly lower than at the same time a year previously, being 11,731,000 square yards against 11,868,000 yards. Yarn shipments from abroad have increased from 3,627,000 lbs. to 4,886,000 lbs.

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FUTURES TRADING IN COTTON

FORWARD MARKETS COMMISSION'S VIEWS ON CLAIMS OF CENTRES ANALYSED

IN our issue, dated 4th June, 1955, we summarised the main recommendations of the report of the Forward Markets Commission on the recognition of associations in respect of forward contracts in cotton. Considerations of space, however, prevented a fuller presentation of the Commission's assessment of the importance of the different cotton-growing regions to the country's cotton economy and its discussion of the validity of the claims made by different towns for recognition as centres for forward trading in cotton. This part of the Commission's Report, which is summarised in this article, will show that the Commission has been guided in its choice of centres by certain very relevant considerations.

Assuming that there is need for more than one centre for forward trading in cotton, the Commission is certainly right in insisting that the centre, chosen for this purpose, should possess rail and road connections with different producing markets and consuming centres and command a large proportion of the crop grown in the region. Other pertinent considerations are: (1) pressure of important consuming interests, such as processors, manufacturers and exporters, (2) availability of credit, warehousing and insurance facilities, and (3) tradition and experience in forward trading. In assessing the importance of each cotton-growing region, the Commission has taken into account such factors as area under cotton, production of cotton in general, and tenderable varieties, in particular, and consumption of cotton. From this point of view, the Commission has, as we pointed out in our previous issue, divided the country into four regions—Northern, Central, Southern and Bombay City.

The Northern region consists of the States of Punjab, P.E.P.S.U., Rajasthan, Uttar Pradesh, Ajmer, Delhi, Vindhya Pradesh, Himachal Pradesh and Bilaspur. With about 15 lakh acres under cotton, the region's acreage accounts for 9 per cent. of the total area under cotton in the country. In 1953-54, it produced 7.9 lakh bales, amounting to about 20 per cent. of the total output of cotton in the country. The prospect for cotton cultivation in the region is held bright due to the construction of the Bhakra-Nangal Dam. It is estimated that, after the completion of the dam, cotton production in the region may eventually increase to about 16 lakh bales. At present, the Punjab and P.E.P.S.U. account for about 70 per cent. of the region's production. Short-staple varieties account for about 55 per cent., medium-staple Rajasthan American and U.P. American varieties for about 5 per cent. and long-staple Punjab American variety for about 40 per cent. of the production of this region. The entire production of American varieties is tenderable against the Indian Cotton Contract of the East India Cotton Association (E.I.C.A.), Bombay. The region is also important from the point of view of cotton consumption. It has 40 textile mills, which, in 1953-54, consumed 6.3 lakh bales (or about 13.7 per cent. of total consumption in the country), of which the region's varieties accounted for 43 per cent. Considering the present production and consumption of cotton in the region and the prospect of a substantial rise in production, the Commission is of the view that there is a case for the location of a futures market in the region.

The Commission had received 12 applications from ten centres for recognition for purposes of forward trading in cotton from this region. The centres are: Abhor, Amritsar and Ludhiana (Punjab); Barnala and Dhuri (P.E.P.S.U.); Ganjanagar, Gulabpura and Jaipur (Rajasthan); Bewar (Ajmer State) and Delhi. In discussing the rival claims of the centres, the Commission points to some deficiency or other in each centre. Further, the pattern of production, which would follow the construction of the Bhakra-Nangal Dam, is stated to be uncertain. In these circumstances, the Commission has come to the conclusion that the "choice of a centre for this region has to be postponed, until the new set-up of economic forces becomes clear, and an association, more representative of the different concerned interests in the region comes forward to take up the responsibilities of running a futures market."

The Central region consists of Madhya Pradesh, Madhya Bharat and Bhopal, West Khandesh, East Khandesh, Ahmednagar, Sholapur, Poona and Satara, North Districts of Bombay State and the Aurangabad, Bhir, Parbhani, Nanded, Adilabad, Osmanabad, Bidar, Karimnagar, and Medak districts of Hyderabad State. It is the biggest cotton-producing region in India. The total area under cotton in the region in 1953-54 was about 86.5 lakh acres constituting about 49 per cent. of the total area under cotton in the country. The output of cotton was 16 lakh bales or about 40 per cent. of the total production of cotton in India. The short-staple Oomra variety accounted for about 26 per cent. of the total production of cotton in the region. The medium-staple varieties of Jarilla and Malvi are the principal varieties grown in the region, accounting for about 50 per cent. of the total production in the region. The long-staple Buri American, Parbhani American and Gaorani varieties form about 24 per cent. of the total production. Of the varieties grown in the Central region, Oomras and Malvi with a staple length less than 24/32" are not tenderable against the Indian Cotton Contract at the East India Cotton Association, Bombay. Thus, approximately 31 per cent. of the production in the region is not tenderable at the E.I.C.A. The rest of the production is tenderable.

As compared with production, the consumption of cotton in the region is small. In 1953-54 there were about 44 cotton textile mills in the region, which consumed about 6.6 lakh bales of cotton or about 14 per cent. of the total mill consumption in the country. The consumption included indigenously grown varieties of the region to the extent of about 75 per cent.

From this region, the Commission received nine applications from seven centres, namely, Ujjain, and Indore in Madhya Bharat; Khamgaon, Akola and Amravati in Madhya Pradesh; and Jalna and Nanded in Hyderabad. Two applications were received from Ujjain and Jalna each. The Commission felt that two futures markets for cotton should be opened for the present in the Central region, one in the central part of the region, at Akola, and the other in the northern part of the region, at Indore. In the southern part of the region, no futures market for cotton need be opened at present, but the question may be reconsidered later.

The Western region covers the Gujarat districts of Bombay State, Saurashtra and Kutch. During 1953-54, the area under cotton in this region was about 30 lakh acres. In the all-India acreage under cotton, the share of the region is about 17 per cent. The production of cotton in the region during the year 1953-54 was of the order of 874,000 bales or about 22 per cent. of the overall production in the country. The production of cotton in the region has been increasing in keeping with the increase in the production in the country.

The short-staple variety of Mathia accounts for only about 5 per cent. of the cotton production in the region, the medium-staple varieties of Dholleras, Kalyan and Broach Vijay account for about 75 per cent. and the long-staple variety of Surti accounts for about 20 per cent. The varieties of Vijay, Surti and Kalyan, representing about 75 per cent. of the production in the region, are tenderable against the Indian Cotton Contract at the East India Cotton Association, Bombay. The other two varieties, that is, Dholleras and Mathia, grown in Saurashtra and Kutch, are not so tenderable. These together constitute nearly 25 per cent. of the total production of the region.

In 1953-54, the 106 mills of this region consumed about 850,000 bales or about 19 per cent. of the all-India consumption. Out of the total consumption in the region, while the mills in the Gujarat districts accounted for about 785,000 bales, the mills in Saurashtra absorbed about 65,000 bales only. A little more than 35 per cent. of the consumption in the region comprised foreign cotton, most of which is consumed by mills in Ahmedabad. The indigenous varieties account for about 40 per cent. of the consumption of cotton in the region.

The eight applications for recognition received from this region were from associations situated in seven different centres, namely, Ahmedabad, Botad, Dhrangadhra, Manavdar, Morvi, Surendranagar and Veraval. Two applications have been received from Dhrangadhra. The Commission came to the conclusion that the most suitable location for a centre for futures trading in the Western region would be at Ahmedabad.

The Southern region consists of the Kolhapur, Satara South, Belgaum, Bijapur and Dharwar districts of the Bombay State, the Gulbarga and Raichur districts of the Hyderabad State and the States of Mysore, Travancore-Cochin, Madras and Andhra. During 1953-54, the area under cotton in this region was about 38 lakh acres, representing about 22 per cent. of the all-India area under

(Continued on page 1199)

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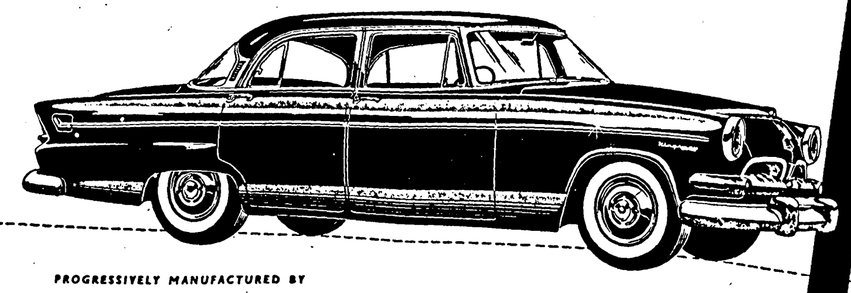

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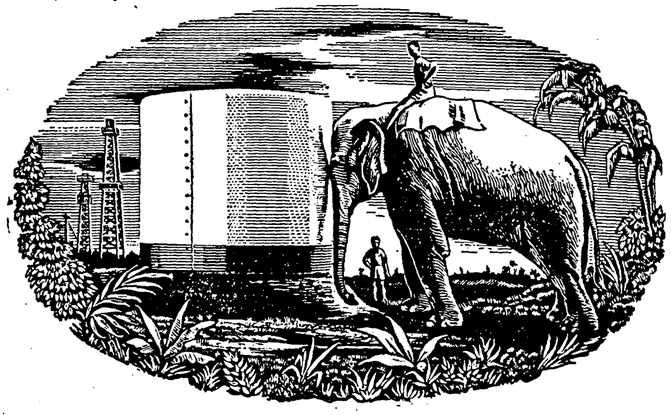

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DEVELOPMENT WORK IN SUGAR INDUSTRY

STRESS LAID ON SELF-HELP AMONG MILLS

IT was only last week that we referred in these columns to the welcome move of Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, to impart more vigour and impetus to the implementation of schemes of sugar technology. We stated then that, although the efficiency of the Indian sugar mills compared favourably with that of mills in the more advanced sugar-producing countries, it should not lead to complacency, for there was still a vast field which needed further and more intensive research. This point has been stressed by no less a person than Mr. R. C. Srivastava, a well-known sugar expert of India and a former Director of the Indian Institute of Sugar Technology, Kanpur. In the course of his note on improving Indian sugar industry, submitted to the Development Council for Sugar Industry some time ago—his suggestions relating to cane development as contained in this note have been analysed in our issue dated 28th May, 1955—Mr. Srivastava, for instance, observes that, despite drawbacks such as high price of machinery and uncertain and long periods of delivery, every effort should be made to increase efficiency of our factories.

In the considered opinion of Mr. Srivastava, there is still a large trade in spare parts for sugar machinery and also in complete units of machinery for additions and alterations. In order to meet this demand, it will be desirable to encourage manufacture of sugar machinery in India. There are no doubt a few concerns engaged in this work, but their work is spasmodic. Nearly ten years have elapsed since the Technical Committee, which scrutinises and reports on all applications for extension to plants of sugar factories, passed a resolution on recommending to the Government that all factories be allowed to extend their milling plants to 17 or 18 rollers, preceded by two sets of cane-cutting knives, and to make additions to their boiling house plants to balance with this. If this recommendation had been accepted and implemented, the efficiency of the Indian sugar factories, it is said, would have risen considerably.

Quality of Sugar

Mr. Srivastava also emphasises the need for improving the quality of sugar manufactured in India. He urges that special attention should be paid to the clarification of cane juice and the pan boiling and curing processes. According to him, the new process evolved by Prof. J. M. Saha, Director of the Indian Institute of Sugar Technology, Kanpur, deserves wider publicity and must be tried in as many sugar factories as possible. The process is economically sound and gives sugar of a very good quality. Even for factories following the ordinary processes, it will be very helpful if the Technical Officers of the Kanpur Institute make a rule of visiting sugar factories without waiting for being called or being paid their fees. The objects of their visits should be not to scrutinise the work of the factory staff but to give them advice and make suggestions for improvement. Mr. Srivastava has not gone into wider technical details concerning improvement of the quality of sugar. He has, however, made particular mention of the rise in quality which results from a properly regulated scale of price differentials for different qualities of sugar.

In order to guide and co-ordinate the working of the aforesaid schemes, as also those relating to cane development, Mr. Srivastava suggests that there should be a senior Development Officer possessing considerable experience of the sugar industry. He may be a whole-time officer or part-time officer as a consultant, and may be imported if necessary. It will be of advantage if he is stationed at the Kanpur Institute and is given full help and co-operation by the Institute. But the Institute has itself been a truncated body, a large part of its staff having been removed. As a result, its work has lost much of its value. Alluding to this aspect, Mr. Srivastava points out that, for properly helping in the development work, most of the staff will have to be restored; in fact, a little additional staff may have to be provided. The advantages which the Institute provides for their work are not likely to be available elsewhere, because the Institute can accord very good laboratory and library facilities, besides making available services of Technical Officers who have had long experience of visiting and advising the sugar factories all over India. Important statistical work will also have to be done for the development section such as that pertaining to raising the yield of cane, lowering the cost of production of sugar, and compiling and tabulating the technical data on the working of sugar factories.

In this connection, Mr. Srivastava lays particular stress on the fact that the machinery set up for the development work must be of an elastic nature and not too much bound up by rigid rules and regulations. For it should be realised that, as work of improvement progresses, more defects and difficulties are likely to come to light, and remedies will have to be found for these also.

Expenditure

The completion of the development work indicated above is expected to take about five years. The overall expenditure during the period is not considered large as compared with the foreign exchange spent on imports of sugar, the losses suffered by cane growers and labourers, and the expenditure incurred in shifting sugar factories from areas which are at present not having enough supplies of sugarcane to areas where supplies are abundant.

In conclusion, Mr. Srivastava calls upon the sugar industry to try to help itself to a greater extent, instead of depending on Government assistance for everything. He commends to all the industrialists the book entitled *Can Industry Govern Itself?* which, he says, describes how the sugar industries of a large number of countries have organised themselves for self-help. Countries, we are told, have experimental stations run by the industry which help both the factories and the cane growers. To quote Mr. Srivastava: "We must remember that the sugar industry has to see to the interests not only of its capitalists and shareholders but also of the cane grower, the labourer and the consumer of sugar."

NEW GIANT SUGAR MILL FOR WEST INDIES

Central Palma, on the eastern end of Cuba, will soon have a huge new sugar mill in operation. The mill is expected to set new standards for grinding efficiency in this greatest of sugar-producing areas. The new 18-roll tandem mill, built by Farrel-Birmingham Company, was purchased by Cuban Dominican Sales Corporation, subsidiary of West Indies Sugar Corporation; which specified Worthington steam turbines and remote centralised controls for driving and controlling the mills. Each of the six three-roll mills has its own turbine drive, capable of developing up to 900 horsepower. Individual mill speeds can be collectively or separately controlled by push-button from a master panel, permitting instantaneous variations in mill speeds for most efficient performance under varying conditions. Mills may be stopped and started by push-button from this remote control panel. Power transmitted from the steam turbines to the mill rolls has four steps of speed reduction. The new mill contains two sets of cane knives and a unique magnet arrangement, designed and developed by Farrel-Birmingham. The sugarcane after passing through the second knife set, is considerably thinned out and, at this point, the magnet removes any metal scrap which could damage the cane crushing rolls. This latest mill, it is claimed, reflects the positive trend toward the modern method of utilising steam turbines for driving mills over the older steam engine method.

MOLASSES DISPOSAL IN U.P.

The Government of Uttar Pradesh has relaxed the restrictions on the distribution of molasses. Accordingly, sugar factories are now free to dispose of molasses which remains with them after other purposes have been met but at the rate fixed by the Government, namely, As. 3-6 per maund. Any price realised in excess of this rate must be deposited with the Government. The mills are also required to give preference to co-operative institutions.

The above decision, it is said, is a sequel to the record production of sugar in the current season, resulting in the accumulation of heavy stocks of molasses with the mills. Hitherto, the Government used to invite tenders for the purchase of molasses left over after supplies to distilleries for the manufacture of alcohol, including power alcohol. Even during normal years, this system proved cumbersome and there were difficulties in obtaining the requisite supplies of molasses from the sugar factories. This handicap has since been removed with the restoration of freedom to sugar mills for disposing of molasses.

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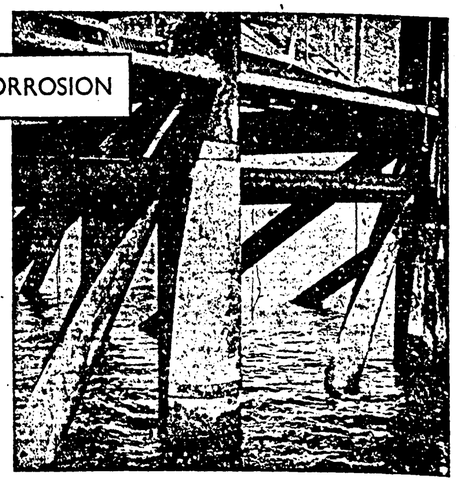

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OUTLOOK FOR NATURAL RUBBER

RUSSIA ENTERS LONDON RUBBER MARKET

IN recent weeks, there has been a notable recovery in the world price of natural rubber. On the London Rubber Exchange, for instance, the price of spot rubber touched last week 31½d. per lb., having risen from 25d. at the end of April last, and was only a fraction less than the peak level of 31⅝d. per lb. for the current year so far touched in January. The strength of the rubber price, as reflected in the above quotation, is attributed to a good demand for near supplies of the commodity, following the labour unrest in the U.K. and Singapore. The main contributing influence has, however, been the re-entry of Russia and Poland in the market. Russia has entered the London rubber market after a lapse of 2½ years. It has been buying mostly in London and some quantities have been bought in Amsterdam also.

Russia is stated to be buying spot and near supplies of only top grade rubber which is not easily available and stocks of which are low. Another feature of Russia's buying policy has been that it is flexible and does not follow sharp rise in prices. The Russians are also reported to have rejected damp and mouldy bales at the appropriate discount. This selective buying of the best grade rubber by Russia is interpreted in some quarters to mean that the purchases are for replacing the country's strategic stock, the old rubber from which is being released for consumption. Another explanation offered for the Russian buying is that the country has once again diverted its attention to the development of heavy industry from the emphasis on consumer goods. This has led to an increase in consumption of rubber by that country. The larger attention paid to the development of consumer goods in recent years is said to be responsible for the decline in imports by Russia and the Iron Curtain countries during the last two years. In 1954, the imports by these countries dropped to 120,000 tons, the lowest level for six years, as compared with 143,000 tons in 1953 and 197,000 tons in 1952.

Offtake by Russia

The re-entry of Russia into the London market has, therefore, given rise to optimistic hopes about the future of natural rubber. It is expected that Russia and other Iron Curtain countries would buy this year about 170,000 tons, the average offtake per annum for the six years prior to 1954. The increase in offtake by Russia will more than wipe out the small surplus of 15,000 tons of natural rubber forecast for this year by the International Rubber Study Group, provided that the consumption by the United States remains at the present level. In fact, the two main uncertain factors, in the assessment of the prospects for natural rubber during 1955, were the extent of American consumption and buying by Russia and China. Even otherwise, it was expected that the consumption of natural rubber would more or less balance the production and this expectation has since been confirmed by the figures of estimates released by the International Rubber Study Group, which places the world production at 1,845,000 tons and consumption at 1,830,000 tons. The position has now been rendered more clear with the entry of Russia in the rubber market. Moreover, the rapid recovery of the European economy, which had mainly contributed to the strength of natural rubber during 1954, does not show any sign of slackening and the consumption by the European countries is expected to keep pace with the tempo of their industrial recovery.

So far as American consumption of natural rubber during the current year is concerned, there is no reason to believe that it would fall below that of 1954, because the strikes that resulted in the closure of rubber factories in America during the past year are not expected to intervene as a serious factor. So far this year, the consumption of natural rubber has been well maintained, despite the fact that the price of natural rubber is rising and synthetic rubber has a price advantage over the natural. An explanation for this may be the reported technical difficulties which have impeded manufacturers of tubeless tyres from switching over wholly from natural rubber to synthetic. Further, there are also reports that the new marketing structure for synthetic rubber manufactured by private enterprise has not yet been evolved. These two factors may check increased consumption of synthetic rubber, but these difficulties can be expected to be removed eventually and natural rubber will once again face the challenge of synthetic rubber, unless technical developments in the production of natural rubber give it a definite advantage over synthetic in terms of quality.

The main producers of natural rubber seem to have already realised this, as witnessed the experiments which are now being carried on in Malaya and Indonesia not only to increase the yield per acre of natural rubber substantially, so as to reduce the cost of production, but also to incorporate certain physical features in natural rubber which would enable it to meet the advances in synthetic rubber. The Malayan Government has also announced its own new scheme of rehabilitation, in preference to those submitted by the Rubber Producers' Council and the Mudie Mission. Under the Government scheme, direct assistance to estates would be given by paying half the assumed average cost of replanting ($800 per acre) for a period of eleven years from 1st January, 1953. These grants would also be available for approved new planting or for replanting with alternative crops. Small holders will also get assistance, for the total funds set aside by the Government for the eleven-year scheme (estimated at a minimum of $280 million) would be shared between estates and small holders in the ratio of their production, namely, 3 to 2. This assistance would supplement the existing scheme for replanting among small holders, which is financed by a replanting cess of 4½ cents per lb. and which provides grants that have been raised from $400 to $500 per acre. The variable replanting cess paid by both estates and small holders would be abolished, because it is found to be too small to be of any real use.

TEA CONSUMPTION IN U.S.

During the year 1954, the U.S. imported 115.7 million lbs. of tea, as compared with 105 million lbs. in 1953, or a rise of 10.2 per cent. Retail sales moved up by 7.7 per cent. to 83.4 million lbs. and total sales rose by 8.4 per cent. to 112 million lbs. Disclosing this, the Annual Report of the Tea Council of the U.S.A. Inc., for 1954, says that this was the third successive year to show a substantial gain in home consumption. The report adds: "It is now clear that a definite trend towards tea has been established. Our joint campaign has finally scored a breakthrough." It, however, points out that it is important to remember that the unfavourable publicity attending the rapidly rising coffee prices in the spring of 1954 undoubtedly brought about some conversions to tea—either temporary or, as is likely in a substantial number of cases, permanent.

In January, 1954, when the public outcry against high prices of coffee occurred, sensing that the situation might offer special opportunities, the Tea Council took speedy steps to accelerate the already established trend in consumption of tea. It, however, decided that it should not use the high price of coffee, nor the comparative economy of tea, as the main thrust of its effort, but should continue, on the whole, to put forward tea's merits along the same lines as before. The report observes that the Council did not believe that economy in itself was the primary motive in the choice of tea as a beverage. It did not also think it was sound selling to try to make capital out of coffee's plight.

The Tea Council's report also contains a note on what the future holds for tea. Though the year 1954 ended with an increase of 9 million lbs. to a record high of 112 million lbs. in consumption, the Council points out that "it will be harder to achieve gains" in 1955 for two reasons. First, it will not "get the same 'assist' from high coffee prices," because coffee prices are coming down and tea prices have risen. Secondly, competition for the beverage market is growing at a fast rate. Giving a few examples of this growing competition, the report says that the U.S. coffee trade is making increasing efforts to recapture and expand its market. The Pan American Coffee Bureau proposes to launch a $4.25-million annual campaign. The milk industry has increased the budget for its campaign by 12 per cent. to $4.5 million and the soft drink industry, which had never before been organised nor had carried on a campaign, proposes to launch one, costing $3 to $4 million per annum, to meet the competition of other beverages, such as tea, coffee, beer and fruit juices. Though these campaigns will have an influence on tea, the Council says that the potential for future growth is great and that this potential can be converted into a reality only by very hard work in continuing the joint effort of tea trade and producing countries.

The North Indian tea crop up to the end of May was almost 3 million lbs. below last year's and 5.3 million lbs. below the average of the last three years. The Indian Tea Association estimates the crop at the end of May at 51.8 million lbs. against 54.8 million lbs. last year—a decline of 5.4 per cent. Thus the excess of 25 per cent. reported at the end of April has been wiped out, and this year's crop promises to be adjusted nearer to likely demand. It is expected that similar restriction is being effected in South India and Ceylon.

JUTE MANUFACTURES IN MAY

OUTPUT AND STOCKS LOWER

THE stocks of jute goods held by mills at the end of May last aggregated 94,895 tons. They represent a fall of 7.7 per cent., as compared with those at the end of the preceding month. The fall was not unexpected, in view of the improvement in the shipments of these goods from the Calcutta port in the month under review. Apart from increased offtake during the month, the decline in stocks is also due, to some extent, to a fall in production, as we shall presently show. A noteworthy feature of the fall in stocks is that it is mainly due to a sharp drop in the stocks of sackings from 62,879 tons to 53,114 tons or nearly 16 per cent. Stocks of hessians, on the other hand, rose from 39,021 tons in April to 40,596 tons in the month under review, reflecting thereby relatively lower despatches in hessians.

The table below shows at a glance the stock position of the three varieties of jute goods, as at the end of May, 1955, as compared with those at the end of the two preceding months as also at the close of May, 1954:

Jute Goods Stock

(In tons)

	As on 31st May, 1955	As on 30th April, 1955	As on 31st Mar., 1955	As on 31st May, 1954
CIVIL:				
Hessian	40,429	38,776	33,762	34,455
Sacking	52,708	62,559	58,853	49 698
Others	1,185	1,488	1,565	1,601
Total	94,322	1,02,823	94,179	85,754
GOVERNMENT:				
Hessian	167	245	237	392
Sacking	406	320	209	299
Others	Nil	Nil	Nil	1
Total	573	565	446	692
Grand total	94,895	1,03,388	94,625	86,446

It is seen that hessian stocks account for as much as 43 per cent. of the total stocks of jute goods held by mills. This high percentage, however, should cause no concern, as upward trend of stocks has been checked and demand is once again picking up. As regards sackings, the stocks at 53,114 tons represent nearly 55 per cent. of the total and from the trend of orders that are being received from overseas buyers for small quantities now and then, during the last few weeks, one can expect a further decline in them. The improvement in shipping position should enable the mills to accelerate the pace of despatches this month.

The downward trend in output witnessed in April last continued during the month under review also, even though it was longer by a day. In March, 1955, the production of jute manufactures aggregated 89,258 tons. It declined to 85,691 tons in April and still further to 81,768 tons in May, despite the fact that the mills worked 48 hours a week. The decline may be explained by the fact that the conditions prevailing in both raw jute and jute goods were not conducive to increased production.

The table below shows the output of the various types of jute goods during each of the three months ended May, 1955, as also during May, 1954:

Jute Production

(In tons)

	May, 1955	April, 1955	Mar., 1955	May, 1954
CIVIL:				
Hessian	32,075	33,777	34,766	25,861
Sacking	46,108	49,185	50,834	39,483
Others	3,448	3,576	3,638	2 877
Total	81,631	85,686	89,238	71,176
GOVERNMENT:				
Hessian	14	8	10	124
Sacking	133	152	10	24
Others	Nil	Nil	Nil	9
Total	147	155	20	157
Grand total	81,768	85,691	89,258	71,333

The output of hessians in the month under review was 700 tons lower at 32,089 tons, and that in sackings, at 46,236 tons, was lower by as much as 3,100 tons. Other varieties declined from 3,576 tons in April to 3,443 tons in May.

With production in May, the total quantity of goods manufactured in the first eleven months of the jute season, 1954-55, amounted to 917,926 tons, as against 790,679 tons in the same period of the preceding season. Consumption of raw jute during the period, calculated on the basis of production, may be put at 5.3 million bales, as compared with 4.6 million bales in the first eleven months of the 1953-54 season. Availability of more jute, increase in the working hours per week, and a relatively better offtake of jute goods for export as well as for internal consumption were principally responsible for the improvement in the output of jute goods in the current season.

INDIA'S IRON AND STEEL INDUSTRY—II

EXPANSION PROPOSALS ANALYSED—RAW MATERIAL RESOURCES REVIEWED

THE following is the second and final instalment of the article on India's iron and steel industry, published in the British Iron and Steel Federation's *Monthly Statistical Bulletin*. In this instalment, the authors have outlined the expansion plans of the three existing producers, namely, the Tata Iron and Steel Company, Ltd., the Indian Iron and Steel Company, Ltd., and the Mysore Iron and Steel Works, besides giving a brief account of India's raw material resources required by the industry. The first instalment was published on pages 1120-21 of our last issue:

The Tata Iron and Steel Company at present dominates the Indian iron and steel industry, and produces over 65 per cent. of the country's output of pig iron and over 70 per cent. of the output of crude steel. The foundation of this company in 1907 marked the turning point in the development of the industry, for, while there had been numerous small-scale attempts to install iron and steel plants, lack of capital and the use of poor quality ores had prevented their successful operation, the sole exception being the Bengal Iron Company.

The site chosen for Tata's plant was Jamshedpur (then called Sakchi), 157 miles west of Calcutta, near the confluence of two rivers and not far from the iron-ore deposits of Mayurbhanj (which had just been discovered) and the coking coals of Jharia.

Mining Concession

At the time of its inception, Tata took a mining concession in Mayurbhanj State and established the Gorumahisani mine (61 per cent. Fe), whilst in 1923 the Badampahar (57 per cent. Fe) and Sulaipat (68 per cent. Fe) mines were opened. In 1917, the deposits at Noamundi (60/67 per cent. Fe) in Singhbhum and in the Keonjhar State were discovered and construction of a railway from Chaibasa to the main line made the use of these ores a practical proposition.

The first pig iron was produced by Tata in 1911, the steel furnaces commencing production in the following year. Today, the company has a share capital of over £13 million with provision for depreciation of about twice that amount, the gross fixed capital expenditure being over £38 million. It is a fully integrated steelworks, owning coal mines, iron and manganese ore mines, limestone quarries and dolomite deposits, as well as other raw material properties. The company is one of the five firms outside North America, Europe and the U.S.S.R. having a capacity of over one million tons of pig iron as well as over a million tons of crude steel.

Use of Fuel

Since the early years, efficiency in the use of fuel in the blast furnaces has greatly increased, and in this respect the following figures are of interest:

Consumption of Raw Material per ton of Pig Iron Produced

(Tons)

	1914-15	1924-25	1944-45	1953-54
Ore	1.597	1.645	1.657	1.669
Coke	1.125	1.208	0.952	0.813
Flux	0.493	0.618	0.456	0 360

It is difficult to compare labour productivity over the years, but figures supplied by the company comparing the year 1939-40 with 1953-54 reveal that, while the average annual income of employees at Jamshedpur rose by 187 per cent., the average labour cost per ton of finished steel increased by as much as 253 per cent., whilst the average output per employee of finished products at Jamshedpur decreased by 20 per cent. Output of finished products in the years in question was roughly the same. The present size and extent of the plant can be gauged from Table I which gives details of capacity and production.

As India's steel production was insufficient to meet her needs, Tata was already considering the possibility of expansion in the 1930s. Outbreak of the second World War, however, made any major expansion impossible, whilst war-time demand necessitated all plant being worked to full capacity, which inevitably resulted in heavy wear and tear of equipment. With the end of hostilities, lack of capital prevented immediate large-scale modernisation and expansion. By 1951, however, the company had drawn up a programme for the period 1951-52 to 1957-58 involving a total expenditure of nearly £32 million, of which approximately £9 million goes to increase steel capacity from the present 780,000 tons to 931,000 tons. The following are the main points of the plan:

(*a*) The first project to be completed was the replacing of the old 1923 Wilputte battery of coke ovens by a fourth battery of Simon Carves ovens.

(*b*) Rebuilding of the 850 tons-per-day "D" blast furnace has also been completed, increasing its capacity to 1,000 tons per day.

(*c*) To increase finished steel capacity to 931,000 tons per annum, ingot capacity is to be stepped up to 1,344,000 tons. This is to be achieved by remodelling No. 3 melting shop, which, when completed, will consist of five basic open-hearth furnaces each of 165 tons capacity, two Bessemer converters and two hot metal mixers, giving an annual production of 564,000 ingot tons. The five smaller furnaces in No. 1 melting shop are to be dismantled, whilst the three 130-ton open hearths are to be retained for producing bottom-poured steel (for the wheel, tyre and axle plant) also high silicon steel, etc.

(*d*) In the rolling department, the blooming mill is to be modernised by putting in new roller tables, and installing new electrical equipment and controls. The annual capacity of the plate mill is to be increased from 70,000 to 100,000 tons by introducing a new roughing stand with tilting tables, and other improvements. The 28-in. billet mill is to be improved to enable it to roll slabs suitable for a new skelp mill which is to be installed. The skelp mill will supply a Fretz-Moon tube mill of the Indian Tube Company—a firm jointly owned by Tata and Stewarts and Lloyds (Tata and associates having 60 per cent. of the share capital). The equipment will produce welded tubes of ½-in. to 3-in. nominal bore and have an annual capacity of 80,030 tons, which is expected to meet the country's entire demand for these sizes and types of tube. The mill is scheduled to come into operation at the beginning of 1956.

Latest reports indicate that the Government has authorised further expansion of the order of 750,000 ingot tons, which will add some 500,000 tons to the firm's production of heavy structurals and heavy rails.

Indian Iron and Steel

The history of the Indian Iron and Steel Company, Ltd., the second largest producer in the country, is somewhat complex, resulting from a number of amalgamations. It starts with the Bengal Iron Company, which, towards the end of the last century, was the first concern to make a success of pig iron production in India. The company's works was at Kulti (142 miles west of Calcutta), and whilst its production of pig iron steadily increased, it also produced considerable tonnages of ferro-manganese for export. A new concern—the Indian Iron and Steel Company—entered the industry in 1922 with a plant (Hirapur Works) at Burnpur (120 miles from Calcutta); blast furnace capacity was 350,000 tons per annum, and the

TABLE: I

Tata Iron and Steel Company, Ltd.

Coke Oven and Blast Furnace Section

4 Batteries of Simon Carves ovens (totalling 216 ovens)

Blast Furnaces:	*No.*	*Daily output* Tons	*Hearth diameter* Ft.	In.	*Date built*
	A	1,000	22	6	December 17th, 1939
	B	800	20	6	April 27th, 1928
	C	800	20	6	January 15th, 1924
	D	1,000	22	6	June 1st, 1954
	E	850*	17	6	May 19th, 1936

* This furnace, also built for ferro-manganese production, has a capacity of 160 tons per day of ferro-manganese.

Steel Melting Shops

No. 1 Melting Shop:
3 × 70-ton o.h. (Basic)
2 × 90-ton o.h. (Basic)
3 × 130-ton o.h. (Basic)
2 × 54-ton Heroult Electric furnaces

No. 2 Melting Shop:
(Duplexing)
3 × 25-ton Bessemer (Acid)
2 × 250-ton Tilting o.h. (Basic)
1 × 200-ton Tilting o.h. (Basic)
1 × 1300-ton Mixer

No. 3 Melting Shop:
1 × 25-ton Bessemer (Acid)
1 × 50-ton Tilting o.h. (Basic)
1 × 50-ton Tilting o.h. (Acid)
1 × 1300-ton Mixer

Rolling Mills

40-in. Rev. Blooming and Slabbing Mill
35-in. Roughing Mill
25-in. Rail and Structural Mill
Continuous Sheet Bar and Billet Mill with 6 × 24-in. Roughing Stands and 6 × 18-in. Finishing Stands
28-in. Three high Billet Mill
Morgan Bar Mill with 6 × 14-in. Roughing Stands, 4 × 12-in. Finishing Stands, 2 × 16-in. Bar Mills, 1 × 10-in. Bar Mill
96-in. Plate Mill (One Roughing and one Finishing Stand in tandem)
Sheet Mills (with annealing and galvanising equipment)
Wheel, tyre and axle plant
Sleeper Plant

Statistics

Annual capacity:	Coke	1,260,000 tons
	Pig iron	1,300,000 tons
	Crude Steel	1,100,000 tons
	Finished Steel	780,000 tons

Production	Year ending 31st March 1950-51	1951-52	1952-53	1953-54
	'000 tons	'000 tons	'000 tons	'000 tons
Iron-ore	8,018	8,147	8,063	1,963
Coal	1,114	1,390	1,342	1,434
Coke	978	910	891	990
Pig iron	1,118	1,129	1,153	1,150
Steel ingots	1,061	1,057	1,061	1,067
Rolled steel	784	799	790	780
of which:				
Semis for sale	194	200	199	182
Rails and fishplates	64	61	68	80
Heavy structurals	73	67	70	67
Bars and light structurals	202	207	190	185
Plates	63	73	70	66
Sheets	149	158	155	154
Sleepers and Sleeper Bars	16	16	20	21
Wheels, tyres and axles	18	22	23	23

TABLE: II

The Indian Iron and Steel Co., Ltd.

Coke Ovens and Blast Furnaces Section

Kulti .. *Coke Ovens:* 4 Batteries
Blast Furnaces: one 11 ft. 4 in. hearth diameter, one 14 ft. 6 in. hearth diameter } 675 tons per day

Burnpur .. *Coke Ovens:* 2 Batteries of 40 ovens each
1 Battery of 72 ovens, commissioned in February 1950

(All Simon Carves)

Blast Furnaces:	*No.*	*Daily output* Tons	*Date first commissioned*
	1	700	November 10th, 1922
	2	700	January 7th, 1924

(Both furnaces have been relined five times since first commissioned)

Steel Melting Shops

Burnpur .. 3 × 225-ton Tilting o.h. (Basic)
1 × 90-ton o.h. (Basic)
2 × 25-ton Bessemer (Acid) (for duplexing)
1 × 900-ton inactive Mixer
1 × 600-ton Tilting active Mixer

Rolling Mills

Burnpur .. 40-in. Blooming Mill
34-in. Heavy Section Mill
18-in. Light Section and Rail Mill
8 Stand Morgan Continuous Sheet Bar and Billet Mill
Sheet Mills

Statistics

Annual capacities:	Pig iron	Burnpur Works	600,000
		Kulti Works	250,000
			750,000 tons
	Crude steel		450/500,000 tons
	Finished steel		350,000 tons

Production	Year ending 31st March 1951-52	1952-53	1953-54
Coke	595,641	595,968	724,619
Pig iron	694,100	626,974	579,440
	Calendar Year 1951	1952	
Steel	352,866	409,438	347,861
Rolled Products* of which† :	254,070	311,859	291,747
Bars	33,207	33,214	24,441
Structurals	49,741	57,022	54,033
Black Sheets	28,108	60,934	23,587
Galvanised Sheets	36,062	45,410	21,888
Rails	11,005	27,847	38,307
Blooms and Slabs	2,727	2,651	2,160
Billets	74,184	75,160	107,149

* Saleable products. † Products despatched.

plant confined itself to the production of pig iron, the bulk of which was exported. In 1936, after a long period of negotiations, the Bengal Iron Company and the Indian Iron and Steel Company were amalgamated under the name of the latter.

In 1939, another company, the Steel Corporation of Bengal, was established and built a steelworks at Burnpur (Napuria Works), adjacent to the works of the Indian Iron and Steel Company, with which it had close connections and from which it obtained the necessary pig iron. As already stated elsewhere, these two companies—the Indian Iron and Steel Company and the Steel Corporation of Bengal—were amalgamated on 1st January, 1953, again under the title of the Indian Iron and Steel Company. The company therefore has three works, two of which adjoin at Burnpur and together are now known as the Burnpur Works; the other plant is at Kulti. Details of capacities and production of the company are given in Table II.

The company also owns ore mines in Gua and Manoharpur, and three collieries in the Jharia and Raniganj coalfield which feed both the blast furnace plants. At present, Burnpur blast furnaces supply the main pig iron requirements of the steelworks, whilst the foundry pig produced at the Kulti works supplies material for the 70,000/80,000 tons of iron castings produced annually at this works, the bulk of the balance being sold locally.

It is proposed to increase the firm's annual iron-making capacity from the present 750,000 tons to 1,400,000/1,600,000 tons, thus making the company the largest iron producer in the country. Annual finished steel capacity will be stepped up to 650,000/750,000 tons from the present 350,000 tons. The expansion naturally involves many changes to existing facilities, the major ones being as follows:

(a) The increased pig iron output will require some 8,000 tons of ore daily and, to meet this need, large-scale mechanisation of extraction, handling, etc., will be carried out at the Gua and Manoharpur mines.

(b) Daily coal throughput of the coke ovens is to be increased to 6,000 tons by adding two 72-oven batteries of Simon Carves ovens at Burnpur.

(c) The blast furnace section at Burnpur is to be expanded by addition of two 1,200 ton-per-day furnaces, together with the necessary ancillary equipment. The furnaces at Kulti are to be rebuilt and modernised.

(d) A second melting shop is to be built consisting of two 200-ton basic open hearths, and the Duplex process will be adopted, whilst the existing shop will concentrate on normal open-hearth practice. The combined annual capacity will then be approximately 870,000 tons.

(e) The existing rolling mills are capable of processing the increased steel production, though it will be necessary to provide additional re-heating and finishing facilities. Present generating capacity will also be expanded.

Mysore Iron and Steel

The Mysore Iron and Steel Company is situated at Bhadravati in the south of India, on the banks of the River Bhadra. Before World War I, the Mysore Government, anxious to utilise the mineral and timber resources of the State, decided to establish an iron industry; construction of the works began in 1918, and production commenced in 1923. The ore, with a 60 per cent. iron content, is obtained from Kemmangundi Hill, some twenty-four miles away, while charcoal is used as a fuel. In 1936, a small steel plant was added to ensure the more economic operation of the concern, whilst since the war the plant has expanded and electric pig-iron furnaces have been added. Details of the plant are given in Table III.

TABLE: III

Mysore Iron and Steel Company

Ironmaking Facilities

1 × 80-ton per day charcoal furnace built in 1923
The furnace was originally built with a daily capacity of 60 tons but was enlarged in 1928. Hearth diameter 8 ft.

2 × 100-ton per day electric furnaces (Tyland Hole) built in 1951-52

Steel Melting Shops

2 × 25-ton open hearth furnaces (Basic)
1 electric arc furnace

Rolling Mills

20-in. roughing mill consisting of 3 × 2-high stands
12-in. light section mill consisting of 5 × 2-high stands

Statistics

Annual Capacities:	
Charcoal pig iron	28,000 tons
Electric pig iron	75,000 tons
Crude steel	34,500 tons
Rolling mills (both mills)	130,000 tons

Production	1951	1952
Charcoal pig iron	24,516	26,109
Crude steel	26,403	24,337
Rolled products	27,000	

At present, the addition of the two new electric pig-iron furnaces means that the company is producing more pig than it can use, and difficulties in disposing of the surplus result in considerable stockpiles. It is hoped that this position will be rectified, however, with the installation of a Bessemer-electric duplex plant and a light structural mill. A new centrifugal cast iron pipe plant costing £340,000 is also to be installed, which will enable an annual production of 17,000 tons of 3-12-inch pipes and 5,500 tons of larger pipes up to 30 inches diameter as against current output of only 9,000 tons. Two 20-25-ton are furnaces will be put in for electric steel production, whilst in the more distant future a third electric pig-iron furnace is envisaged.

For the second Five-year Plan, the Indian Government is at present considering Mysore's £4.9 million scheme for the production of stainless steels, wire and wire products. The plan would necessitate a further Government loan, but if authorised, which is very possible, it would be the first plant of its kind in the country.

Tinplate Production

The only tinplate producer in the country—the Tinplate Company of India Ltd.—is owned jointly by Tata and the Burma Oil Company. Founded in 1920, it has its works at Golmuri some three miles east of Jamshedpur. The plant comprises six mills, each having a roughing and finishing stand arranged on either side of a 1,000-h.p. motor, and fifteen Abercarn-type (double sweep) tinning machines, whilst the works has its own sulphuric acid plant. Tinplate production rose from about 20,000 tons in 1924 to 46,633 tons in 1938, and by 1954 it exceeded 65,000 tons.

At present, finishing facilities are larger than rolling capacity, so that some 12,000 tons of sheets, together with all tin bar requirements, have to be obtained annually from Jamshedpur. In order to balance the equipment, a further rolling mill is in process of installation, but will not come into operation until the last quarter of 1955; this will increase annual sheet output by 10,000 tons.

An official Government Commission has estimated the present Indian annual demand for tinplate at 75,000 tons, made up as follows:

	Tons
Oil Companies	34,000
Metal Box Co.	14,000
Tea Industry	1,000
Vegetable fat (ghee) manufacturers	12,500
Miscellaneous	13,500
Total ...	75,000

The Re-rollers

The re-rolling industry was founded in the 1920s, when several enterprising scrap merchants decided that re-rolling would be more profitable than merely selling scrap abroad. The development of the industry in its early stages owes much to the encouragement it received from the Government acting upon the advice of the Indian Tariff Board's report of 1934. Unfortunately, the growth of the industry was unplanned and the number of plants increased out of all proportion to the scrap availabilities. In 1942 the Government decided that it would be expedient to control further entrants into the industry, and required all re-rollers established before September 1941, to join the existing Steel Re-Rolling Mills Association of India. Membership of the Association suddenly leaped from forty to about one hundred and has since increased to 143, mainly as a result of the merger of the princely States.

The capacity of these re-rollers is believed to be as high as 700,000 tons per annum, but production (excluding four works classed as A1 re-rollers) is only around 100,000 tons per annum. Of the 143 re-rollers, as many as 120 rely almost exclusively upon scrap materials, the chronic shortage of which has always presented a serious problem. At present, no works is able to obtain more than 50 per cent. of the raw materials required for one-shift working. Re-rollers based on billets or semis were also, until very recently, faced with similar problems of supply of raw materials, but their position has greatly eased and will further improve now the steelmaking expansion plan is under way. Only a very few of the re-rollers have electric furnaces of their own.

An Important Part

The Tariff Commission reported in 1952 that "the re-rolling industry occupies an important place in the economy of the country" and that it should be encouraged, and efforts made to supply the mills with sufficient raw materials for a two-shift basis. The Commission also reported, however, that it did not consider efficiency was possible with such a large number of units.

Nevertheless, despite the tendency in India to emphasise the need of integrated steelworks, there are now indications that the Government are beginning to realise that re-rollers can make a very real contribution to the national economy without requiring large additions to their capital or large purchases of foreign equipment.

Foundries in India are small and number some two thousand, drawing their supplies from various sources, but mainly from the Kulti furnaces of the Indian Iron and Steel Company. At present the foundries are suffering from a shortage of iron supplies, but it is hoped that the proposed expansion of the Indian Iron and Steel Company will greatly improve the position.

Whilst the final plans for construction of the first State-owned plant—the Rourkela Plant of the Hindustan Steel Company—are by no means settled, it was decided at the very beginning that the works should specialise in flat products and thereby give an impetus to a number of engineering industries, such as wagon construction and shipbuilding. As already mentioned, the plant will be situated at Rourkela in Orissa on the banks of the River Brahmani, so there will be no water problem. As yet, nothing is known of the details of the ultimate extension of the plant to 1 million ingot tons, but, in the initial stage, the works was to have only a small standby power station of 7,800 kW for emergency purposes, and would normally rely on power supplied from Hirakud.

A team of geologists from the Bureau of Mines is at present preparing a report on the ore deposits of Taldih, from which it is hoped the new plant will be supplied. Coal is to come from the Kargali and Jharia fields, probably in the proportion of 75 per cent. and 25 per cent. respectively, the Fuel Research Institute having already ascertained that such a mixture would be suitable for metallurgical coking purposes. The coal will, however, have to be washed before coking, and the Government is examining the question of establishing a washery at Kargali.

Bhilai Plant

Full details of this plant will not become available until September/October of this year, when, under the agreement, the Soviet Union are to present the final project report for acceptance or rejection—for the Indian Government retain the right to reject the scheme. Nevertheless—as mentioned above—it is known that the plant is planned to have a capacity of a million ingot tons, producing some 750,000 tons of rolled products, and that it is hoped eventually to expand it to a million tons of finished steel. The plant is to be in operation by the end of 1959, although certain departments, including three batteries of coke ovens, two blast furnaces and two open hearths, are to be ready by December 1958. According to the current agreement, the annual capacities of rolled products will eventually be:

100,000 tons rails
175,000 tons heavy structurals
90,000 tons sleeper bars and crossing sleepers
235,000 tons merchant bars
150,000 tons billets

and between 100,000 and 300,000 tons of foundry pig.

Durgapur Plant

The British proposals, which the Indian Government have accepted in principle, are for the construction of an integrated steelworks with an annual capacity of 920,000 ingot tons, representing some 700,000 tons of rolled products. The plant is expected to produce medium and light structurals, medium and light rails, sections, flats and wire rod. Whilst no final decision has yet been made by the Indian Government on the actual site, current reports indicate that it is almost certain to be Durgapur, near Calcutta. Apart from the advantage of a location conveniently near to one of its principal markets, a plant at Durgapur would have easy rail access to the ore and coal deposits of Bihar and Orissa, whilst the nearby River Hooghly would ensure adequate water supply and also cheap transport by sea-going vessels to Southern India.

A fourth State steel plant has recently been mentioned by Mr. K. C. Reddy, Minister of Production. He suggested that a pilot plant should first be installed in Southern India based upon the use of lignite, large deposits of which have recently been discovered at Neivell in Madras State; and that, if successful, a large plant should be built. No mention, however, has been made of any foreign technical or financial aid for such a project, although both French and Czechoslovak interests have recently indicated that they would be interested in building a steel plant in India.

Costs and Prices

It has been shown that India is well situated for the production of iron and steel. From reports available, it would appear that the Jamshedpur works is the most efficient in the country. The Company owns its own raw material sources, which are relatively near the works. The ore used is high grade (well over 50 per cent. Fe), and coke consumption per ton of iron produced is in the region of 16-17 cwts.* With these advantages, pig iron production costs are probably the lowest in the world. The steelworks thus begin with a good cost advantage over competitors, whether at home or abroad.

The average annual income of an Indian steelworker—around £150-£180—is very low in comparison with that of European steelworkers, but living costs are also much lower. Whilst it might be true to say that real wages are relatively below those in Europe, it is also probably equally true that the total wage costs represent about the same percentage of total costs as in Europe, owing to the much higher labour force employed.

Under the steel pricing system, each of the main Indian producers (Tata, I.I. & S.C. and Mysore†) receives *retention prices* for the products. The Government fixes these prices periodically, being guided by reports of the Tariff Commission; the prices fixed are ex-works and are based upon costs—which for this purpose include gross return on fixed capital, depreciation, etc. *Selling prices*, on the other hand, are the prices at which home or foreign steel can be purchased in India. The Government are also responsible for fixing these prices, which are computed on the basis of the retention prices plus a surcharge which is adjusted from time to time. The surcharge is paid into an Equalisation Fund used by the Government to offset the higher cost of imported steel. In other words, the Equalisation Fund is, as its name suggests, a fund to level up home and imported prices and thereby create standard steel prices for the whole country. Most of these selling prices are quoted f.o.r. Calcutta, Bombay or Madras, and consumers have to pay the freight charge from these ports even though Indian steel is delivered from Indian works. The accompanying table shows the differences between the selling prices and the retention prices allotted to Tata.

Schedule of Prices for Indian Steel Products (Tested)

(Per ton)

	July 1st, 1949		July 1st, 1952		July 1st, 1954	
	Tata's retention prices Ex-works	Selling prices f.o.r. port	Tata's retention prices Ex-works	Selling prices f.o.r. port	Tata's retention prices Ex-works	Selling prices f.o.r. port
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Basic pig iron	6 6 0	7 8 6	8 8 0	9 10 6	8 8 0	11 0 6
Steel products:						
Billets	14 5 0	18 7 6	17 2 0	19 10 0	17 12 6	22 19 0
Structurals	18 0 0	26 12 6	23 2 0	28 2 6	24 1 6	33 0 0
Heavy rails	17 5 0	24 1 6	21 7 6	25 11 6	22 7 0	30 16 6
Bars	18 13 6	27 4 6	22 5 6	28 14 6	23 3 6	33 7 6
Plates	20 9 6	29 0 6	24 7 6	30 10 6	25 13 0	38 0 6
Hot-rolled sheets	22 13 0	31 5 6	27 0 0	32 15 6	28 5 6	39 3 0
Galvanized corrugated sheets	31 11 6	35 11 6	49 1 0	44 12 6	42 9 0	49 17 6

Whilst the Equalisation Fund was intended to level up imported and home prices, in practice imports have been small in comparison with domestic production. Hence only a small part of the fund has been used for subsidising imports, so that there is a large accumulated surplus in the fund. Despite much criticism, it has been announced that the Government intend to use this surplus as a loan to the steel industry.

Conclusions

The foregoing analysis shows that India's main problem in the post-war period has been financial, resulting to some extent from political changes. Not only have the capital needs of the steel industry been overshadowed by the Government's large demand on the very limited internal capital market, but the industry has been further harassed by the threat of nationalisation and, as pointed out recently by the chairman of Tata's, also by the Government policy restricting steel retention prices to a level calculated to yield a net return of only 3½ per cent. on new capital expenditure.

The result of this policy can be seen from production statistics. Steel production in 1952—the peak post-war year—was only 12 per cent. above the 1941 figure, whilst pig iron output is still below that recorded in 1941. This compares very unfavourably with other under-developed steelmaking countries such as Brazil, Mexico and China. Nevertheless, the vast projects put forward in the past year have shown that the Government is now alive to India's urgent need for steel. If all goes according to plan—and there is no reason to believe otherwise—then by 1960-65 India will have made very definite progress in the industrial field, with the possibility of a further advance in the more distant future. It will, however, be another three or four years before any large-scale increase in India's steel production can materialise.

APPENDIX

Raw Materials

Iron Ore

India's present-day problems in developing her steel industry do not spring from any lack of raw materials, for she has some of the richest iron ore deposits in the world, many of which have not, as yet been surveyed. As long ago as 1920, it was estimated‡ that, within a rectangle 400 miles (east to west) by 200 miles, having Calcutta at its north-east corner, there would be some 20,000 million tons of high grade ore available. Even today, after repeated surveying, no complete statement can be given of ore reserves, although the table A, recording ore of over 60 per cent. Fe, does give some idea of the vastness of even the high-grade deposits.

The largest known deposits are in the Bihar and Orissa districts, although reserves in other parts may yet prove to be of equal magnitude. As coal is also found in Bihar and Orissa, it is not surprising that the major steel industry is situated in this region. This in turn accounts for the fact that more geological surveying has been carried out in this vicinity than in any other part of India.

The relative importance of the various deposits according to output can be seen from the following production statistics:

Iron-ore Output

(Thousand tons)

	1951	1952	1953
Singhbhum (Bihar)	1,765	1,958	1,918
Mayurbhanj (Orissa)	1,060	1,084	1,666
Keonjhar (Orissa)	778	618	
Bellary	31	142	77
Other	38	124	184
Total ..	3,657	3,926	3,845

1952 production was the highest ever recorded, and exports reached 811,600 tons, rising to more than a million tons in the following year. Iron-ore exports are being encouraged by the Government, and trade agreements including this material have recently been concluded with Austria, Norway, Poland and Rumania. It remains to be seen, however, whether these markets will be of a permanent nature, since transport costs are very high.

Coal

Whilst probable reserves of coal have been put at upwards of 35,000 million tons, the proved reserves are estimated at 4,520 million tons, of which just over 1,000 million tons are of good coking quality. In 1952, the Indian Production Minister reported that, at the present rate of output, known reserves of metallurgical coal would last for only 80 years, if no measures were taken to conserve them and if no new reserves were discovered. Nevertheless, developments in both washing and blending of Indian coals for coking purposes may well result in extending this period to over 150 years. The good coking coals are found in the Jharia, Raniganj, Bokaro and Giridih fields, all of which are in Bihar and Bengal. It is in the vicinity of the Raniganj deposits that the Burnpur and Kulti furnaces of the Indian Iron and Steel Co. have been built, the Tata plant at Jamshedpur being situated between the Mayurbhanj (50 miles) and the Jharia coking coal field (100 miles).

TABLE A

Iron-ore Reserves

Deposits of 60 per cent. Fe and over

(Million tons)

	Geological Survey Estimates	Probable
1. Hematite Ores:		
Bihar and Orissa:		
Singhbhum	1,047	
Keonjhar	953	
Bonai	648	
Mayurbhanj	17	
	2,700	6,000
Madhya Pradesh:		
Lohara	20	
Pipalgaon	2	
Asola-Dewalgaon	2	
Dalli-Rajhara hills	120	
Bailadila	610	
Rowghat, etc.	740	
Jubbulpore (different grades)	54	
	1,550	3,000
Bombay:		
Goa-Ratnagiri	7	
Hyderabad	36	
Madras, Andhra and Mysore:		
Veldurti (Kurnool)	7	
Mysore	120	1,000
Sandur (Bellary)	130	250
Total Hematite Ores	4,550	12,250
2. Magnetite Ores:		
Madras, Andhra and Mysore:		
Salem-Trichinopoly	205	1,000
Mysore	130	200
Bihar and Orissa:		
Singhbhum-Mayurbhanj (Ti-V Ores) ..	2	
Palamau	1	
Simla States (Himachal):		
Mandi	25	
Total Magnetite Ores ..	463	1,200
3. Limonite Spathic Ores:		
Bengal:		
Raniganj Coalfield		500

Coal and Coke Production

(Thousand tons)

	1951	1952	1953
Coal:			
Bengal	9,645.6	10,858.4	10,226.8
Bihar	18,888.8	19,290.8	19,011.8
Vindhya Pradesh	743.9	798.2	878.6
Madhya Pradesh	3,684.4	3,908.	3,528.8
Eastern States Agency ..			490.0
Orissa	1,269.2	1,434.2	1,351.1
Hyderabad	499.1	538.8	517.6
Other			
Total ..	34,430.5	36,301.9	35,979.2
Coke	3,337.7	3,396.1	3,535.4

Other Minerals

Whilst U.S.S.R. is the world's largest producer of *manganese* ore, India is the principal exporter. Indian production is almost entirely determined by foreign demand, since the country's own requirements usually amount to no more than 100,000 tons annually, whilst the current export rate is over a million and a quarter tons per annum. The Central Provinces account for more than 75 per cent. of total output, whilst other producing areas are Bombay, Bihar, Orissa and Madras. Mining operations are easy and cheap due to open-cast working, but rail hauls to Bombay and Calcutta are long and expensive. Although most of the Bihar deposits are of no economic value, it is interesting to note that deposits are found in the Singhbhum iron-ore district and also at Chaibasa, which is very near Jamshedpur. The district of Singhbhum is also of particular interest, for it is here that some of the most important *chrome* ore deposits in India are to be found, whilst there are also occurrences of *wolfram* in the area, although, at present, they are not considered to be of any economic significance. *Chromite* is also found in Keonjhar in Orissa and in Mysore.

NEW U.K. ATOMIC REACTOR WILL SPEED TESTING OF FUELS

Work has started in Britain on the construction of a new type of nuclear reactor that will reduce from one year to 10 days the time needed to test fuels and materials for the U.K.'s atomic power programme. This was revealed by Sir John Cockcroft, Director of the U.K. Atomic Energy Research Establishment at Harwell, in a London lecture to the Institution of Civil Engineers.

Speaking of the experimental high-power "fast breeder" reactor which is being built in the North of Scotland, Sir John said that, while it was a "nuclear physicist's dream," it was also, to some extent, an "engineer's nightmare," since the required rate of extraction of heat from a very small core of material was perhaps a hundred times as great as in the most highly rated boiler.

It was possible that the new water-moderated reactors would give the heat equivalent of 100,000 tons of coal from one ton of uranium, and he looked forward to the time when the same amount of uranium would give the heat equivalent of 1,000,000 tons of coal.

Sir John gave detailed statistics of the cost of generating electricity at the first atomic power station to be built for the Central Electricity Authority, and estimated that it would be as low as 0.6d. per unit, even if the uranium remaining in the "ash" was not reused. It was believed possible, however, to use the fuel several times in a nuclear power station. A *Financial Times* editorial says that "at this stage the cost of electricity produced by nuclear power would be far below that of electricity produced by coal-burning generating stations."

*Comparative figure for the Indian Iron and Steel Company would be over 20 cwts.

†Retention prices for Mysore are the highest, and those for Tata the lowest, among the three producers.

‡C. P. Perin, *Recent Developments in the Iron and Steel Industry of India*. Trans-American Iron and Steel Institute, 1920, p. 12.

NEW INDIA'S LIFE BUSINESS IN 1954 AGGREGATES RS. 43.42 CRORES

IMPRESSIVE RISE IN GENERAL PREMIUM INCOME

LAST year, the New India Assurance Company, Ltd. (General Manager: Mr. B. K. Shah, Bombay), hit the headlines in the financial Press by its sudden decision to reduce life premium rates which led to not a little controversy. Since then, most life offices have, grudgingly maybe, followed the lead of the New India. As far as the originator of the premium controversy is concerned, there is no doubt that the policy has been fully justified by the trend of its new business. It has established for 1954 a record level of new life business which is undoubtedly one of the most impressive of its kind in the history of Indian insurance. The New India is in a position to offer facilities for all types of life and general insurance and figures quoted later in the review will provide ample proof of the statement that the facilities provided by the Company are gaining ever-increasing recognition. This has further strengthened the Company's financial position and also enabled the management to recommend a higher dividend of Rs. 2-8 per share on the Rs. 15 paid-up shares, as against Rs. 2 paid last year.

In 1954, the New India's new life business reached a record total of Rs. 43.42 crores, having risen from Rs. 19.90 crores in 1953. The increase in new life business is thus of the order of Rs. 23.52 crores. A part of this high level of new life business must, however, have been of the replacement variety induced by the reduction in premium rates. In this connection, it is significant that, while new business in 1954 aggregated as much as Rs. 43.42 crores, total business in force increased from Rs. 95.17 crores at the end of 1953 to Rs. 125.29 crores at the end of 1954—or by only Rs. 30.12 crores. Having established record levels of new life business, the management should now aim at consolidation, in order that impressive gains are not lost through lapses or other causes. We have no doubt that this aspect of the problem is being kept under constant scrutiny by the management.

Life Department

Net premium income in the life department improved from Rs. 4.74 crores in 1953 to Rs. 5.62 crores in 1954. Last year, claims aggregated Rs. 84.82 lakhs and commission and expenses Rs. 1.78 crores as against Rs. 79.55 lakhs and Rs. 1.32 crores in 1953. The growing operations of the Company are reflected in the slight increase in expense ratio which has risen from 28.1 per cent. to 31.9 per cent. It is, however, noteworthy that the renewal expense ratio, calculated after allowing for lower expenses on special plans and staff insurance scheme business, has gone down from 14.2 per cent. to 12.2 per cent. The life assurance fund at the end of 1954 rose, again, by more than Rs. 3 crores, to Rs. 23.92 crores.

There has been an all-round increase in the premium income of the fire, miscellaneous and marine departments. The total premium income from the three departments rose by Rs. 46.9 lakhs to Rs. 4.37 crores in 1954. This increase has been shared by all the three departments. Thus, in 1954, the premium income of the fire department improved by Rs. 16.99 lakhs to Rs. 2.50 crores, that of the miscellaneous department by Rs. 13.18 lakhs to Rs. 85.52 lakhs and that of the marine department by Rs. 16.73 lakhs to Rs. 1.01 crore. Again, the increase in the premium income is shared by the Company's Indian as well as foreign business, the former having gone up from Rs. 86.57 lakhs in 1953 to Rs. 91.23 lakhs in 1954 and the latter from Rs. 3.03 crores in 1953 to Rs. 3.45 crores in 1954.

The claims experience in each of the three departments is more favourable than in the year 1953. Thus, in the fire department, it was 36.1 per cent. in 1954 as against 43.1 per cent. in 1953, in the miscellaneous department 49.8 per cent. as against 51.2 per cent. and in the marine department 74.1 per cent. as against 88.4 per

It will be seen from the table below that, in all the three departments, additional reserves —that is, reserves over and above the customary levels of around 40 per cent. in the fire and miscellaneous departments and 100 per cent. in the marine department—have been maintained at substantially high levels. The underwriting profit in the fire department has risen from Rs. 26.93 lakhs in 1953 to Rs. 35.36 lakhs in 1954, while that in the miscellaneous department has declined from Rs. 12.68 lakhs to Rs. 9.36 lakhs. The marine department shows a deficit of Rs. 14.12 lakhs. But it must be remembered that the Directors have not only maintained the reserves for unexpired risks at 100 per cent. of premium income, but also created an additional reserve of Rs. 41 lakhs.

After taking credit for Rs. 30.61 lakhs from the general department accounts, Rs. 3.88 lakhs from the shareholders' life profit account and bringing forward Rs. 92,926 from the previous year's accounts and making certain other sundry adjustments, there remains a sum of Rs. 44.51 lakhs. Out of this, the Directors have transferred Rs. 13 lakhs to reserve for taxation, Rs. 10 lakhs to general reserve and Rs. 3 lakhs to dividend equalisation fund. The payment of the recommended dividend of Rs. 2-8 per share will absorb Rs. 17.80 lakhs, leaving a balance of Rs. 71,250 to be carried forward to the current year's accounts.

As a result of the year's operations, the total funds of the Company have increased by Rs. 3.94 crores. The financial position of the Company continues to remain strong. Apart from the capital of Rs. 1.07 crores, the Company's reserves and funds aggregate Rs. 29.32 crores, inclusive of fire fund of Rs. 1.68 crores, miscellaneous fund of Rs. 62 lakhs, marine fund of Rs. 1.42 crores and life fund of Rs. 23.92 crores.

The following table will demonstrate the remarkable progress achieved by the Company, in its general departments, during the last three years:

(Rs. in lakhs)

	1954	1953	1952
Fire Department.			
Net premiums	250.81	233.82	229.23
Net claims	90.36	100.50	88.30
Commission and expenses ..	119.91	105.59	106.79
Reserve	105.00	98.00	98.00
	(41.9 p.c.)	(42 p.c.)	(41.7 p.c.)
Additional reserve..	63.00	61.00	59.00
Profit	35.36	26.93	33.39
Miscellaneous.			
Net premiums	85.53	72.34	65.52
Net claims	42.62	37.04	34.17
Commission and expenses ..	23.16	19.71	19.23
Reserve	34.50	29.00	27.00
	(40.3 p.c.)	(40.1 p.c.)	(41.2 p.c.)
Additional reserve..	27.50	26.00	24.00
Profit	9.36	12.68	8.17
Marine.			
Net premiums	100.70	83.97	91.15
Net claims	74.61	74.21	64.85
Commission and expenses ..	27.29	18.79	22.42
Reserve	100.75	84.00	91.00
	(100 p.c.)	(100 p.c.)	(99.8 p.c.)
Additional reserve	41.00	41.00	41.00
Profit(+) or loss(—)	—14.12	+1.33	+0.31

(*Concluded from next column*)

present national difficulties serve to remind us that the country's economy must inevitably have its ups and downs and dividends on ordinary shares must also be expected to fluctuate. To suggest, therefore, that any of the appreciation existing at a point of time might be distributed would clearly be imprudent. Such a course would be tantamount to taking credit for future income which may not in fact be received. The only sound procedure is to take credit for such dividends as are in fact received year by year. In this way the distributions made to policyholders and shareholders will benefit from our profitable investment in ordinary shares."

These words bring out, briefly and yet succinctly and clearly the essential elements of a sound investment policy for insurers.

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ROLE OF INSURANCE IN NATIONAL LIFE

A BRITISH CHAIRMAN'S VIEWS

AMONG the many organisations which owe their continued prosperity to the British genius for hard work and perseverance, mention deserves to be made of the leading insurance office, the Prudential Assurance Company Ltd. The immense progress which the office has made is reflected in the fact that the sums assured and bonuses in force, at the end of 1954, in the Company's ordinary and industrial life branches, exceed £2,000 million, while its life premium income amount to over £90 millions. In 1954, the general branch premium income exceeded £12 million. The Chairman of the Company, Sir Frank Morgan, made, in the course of his address at the annual meeting of the Company, a few interesting observations, worthy of notice, on the role of assurances and on the objectives of a sound investment policy.

After referring to the progress of the life business of the Prudential, Sir Frank Morgan said:

"These figures are a measure of the extent to which our policyholders, here and overseas, have made voluntary provision for the future—provision which is not only to the advantage of their families and themselves but to the undoubted benefit of the communities in which they live. At the same time, our business strengthens the national economy by the diversion of many millions of pounds from current consumption to savings, the importance of which has perhaps never been greater than it is today.... When it is borne in mind that all these savings through life assurances are an aggregate of a vast number of individual payments, that in many cases their saving would not have been effected in any other way and that it regularly provides very large sums for investment, to the benefit of the policyholders and the nation, we can fairly claim that our business performs unique functions and is an indispensable factor in our national life."

After referring to the fact that, with a view to strengthening the Company's valuation bases, the management had written up ordinary shares by £8 million and freehold properties and ground rents by £3 million, Sir Frank pointed out that the real growth in the Company's funds during 1954 was £51 million and the main items in which this increase had been invested were: £7 million in British Government securities, £14½ million in debenture-stocks, £5½ million in preference shares and £18½ million in ordinary shares. He said that, as compared with the previous year, they had invested substantially greater amounts in the three latter groups and considerably less in British Government securities. He added: "This changed pattern of our investment is a reflection of the increasing demands made by industry on the capital market during 1954, particularly in the latter half of the year, and the indications are that this trend will continue during the current year."

The gross rates of interest earned by the Company's Life funds during 1954 were £5 1s. 8d. per cent. in the ordinary branch and £5 1s. 5d. per cent. in the industrial branch, showing, as compared with 1953, increase of 4s. 10d. per cent. and 3s. 6d. per cent., respectively. Had it not been for the writing up of assets the increases in these yields over the year would have been greater, namely, 5s. 10d. per cent. in the ordinary branch and 5s. 8d. per cent. in the industrial branch.

By writing up its assets by £11 million, the Company has in no sense distributed this amount. What has really been done is to increase the value placed upon the assets in the balance-sheet in order to match a corresponding increase in the figures at which the life assurance funds are stated on the liabilities side of the balance-sheet. It might be asked why some part of this appreciation could not be treated as a surplus and distributed. Discussing this question, in relation to the wider issues of a sound investment policy for insurers, Sir Frank said:

"The primary aim of our investment policy must be to secure interest income and not to seek capital profits as such. Premiums are calculated on the basis that they can be invested to earn an assumed rate of interest throughout the duration of the policies and the contracts cannot be met unless this is achieved. In the case of fixed interest securities carrying contractual interest payments, and in many instances contractual capital payments, it should be clear that so long as we receive these sums the investments are fulfilling the purpose for which they were bought and that we are very little concerned with intervening fluctuations in market values.

"With ordinary shares the dividends receivable are subject to the economic and industrial risks inherent in the businesses concerned. During 1954, with the rise in national prosperity, dividends on ordinary shares generally have been increasing, and the extra income accruing in this way will have a beneficial effect on the Company. The

(*Continued in previous column*)

DEVELOPMENT OF AGRICULTURE

PHYSICAL AND FINANCIAL TARGETS

THE three-day conference of State Secretaries for Agriculture and officials of the Union Food and Agriculture Ministry, held at New Delhi at the end of last month, had by no means an easy task before it. Apart from fixing physical and financial targets for each State, it had to scrutinise as many as 34 proposals for the development of agriculture during the second Plan period. These proposals included schemes for forestry, dairying, animal husbandry, minor irrigation, tube-wells, soil conservation, rural credit, co-operation, agricultural extension and reclamation of new land, tenancy reform, settlement of landless labourers, etc. While these schemes needed enormous sums for their effective implementation, the resources available, as envisaged in the plan-frame, were no more than Rs. 650 crores. In determining the break-up targets for individual States, the Conference had to bear in mind the extent of resources at the disposal of each State, the administrative machinery and the trained personnel available with each of them and the relative progress of each State economically. Judged from its various decisions, it may be said that the Conference has tried to tackle the issues in a realistic manner.

The financial targets for the second Five-year Plan for the whole country has been fixed at Rs. 650 crores. Of these, the Centre is expected to assume responsibility for schemes costing Rs. 43 crores. Both the Centre and the State Governments are jointly to participate in projects involving an expenditure of Rs. 515 crores. The balance of Rs. 92 crores is to be spent by the State Governments themselves on schemes to be carried out by them on their own initiative and with their own resources. The break-up figures for each State are yet to be decided.

Targets Raised

In fixing the physical targets under the first Five-year Plan, the planners had to take into consideration the need for achieving self-sufficiency in a number of agricultural commodities such as foodgrains, cotton, oils, sugar, etc., in order to eliminate dependence on foreign countries for their supply. Thanks to the increase in the output of most of these commodities during the past two years, the targets were reached far ahead of time. Consequently, under the second Plan, the targets are related not to cover deficits as in the first but to enhance physical output with a view to raising the standard of living of the people. The fixation of higher output is necessitated by such factors as (a) the growing population, (b) rising incomes resulting in more consumption of food, (c) low nutrition standards among the bulk of the people, (d) limited cultivable area, (e) uncertain monsoons and (f) additional demand for raw materials from growing industries as well as from exporters. The additional targets for the various agricultural commodities approved by the Conference are given in the table below:—

	Targets under first Plan	*Targets to be reached by 1960-61*
Cereals (in million tons) ...	55.0	63.5
Pulses (in million tons) ...	10.0	11.5
Sugarcane (in million tons) ...	6.1	7.7
Jute (in million bales)	4.0	5.0
Cotton (in million bales) ...	4.2	5.5
Oil seeds (in million tons) ...	5.5	7.0
Pepper (in 000 tons)	22.0	36.0
Cashewnuts (in 000 tons) ...	60.0	80.0
Lac (in million maunds) ...	1.2	1.7

On the basis of the targets in the table above, the Central Ministry had drawn up a tentative State-wise break-up for each State according to its performance, in the first Plan period, but the State representatives preferred to examine the figures and to inform the Centre later about their final decision. The overall additional targets are within reasonable limits and could be reached, provided the States follow realistic agricultural policies. Provision of adequate finance, for instance, is a fundamental prerequisite for establishing research stations, seed-breeding farms and soil conservation programmes. The Secretaries' Conference was, however, of the opinion that finances for some of the proposals were not as much as was needed.

It is gratifying to note that the Conference was fully alive to the pressing need for having trained personnel for agricultural Extension Service. It is stated that aproximately 38,000 village level workers will be needed to meet the requirements of National Extension Blocks by 1960-61. The 48 Extension Training Centres started under the first Plan have a capacity to train only 25,000 of such workers. The gap is proposed to be filled up by starting additional centres as well as by expanding existing ones. The States have agreed to take up a part of the programme a year ahead, in order to make available, in time, the quantum of personnel needed for Extension Service.

Milk Production

Since milk is imperative in building up human health, the stress laid at the Conference on starting co-operative milk unions, milk creameries, milk drying plants and cattle colonies was quite appropriate. So also the various schemes of the States and the Centre for development of fisheries approved by the Conference.

The provision of Rs. 50 crores in the plan-frame for the rehabilitation of landless agricultural labourers was also discussed by the Conference. It was felt that the information regarding the total number of families to be resettled and the total area available for the purpose was essential before the scheme could be finalised. Further consideration of the question was, therefore, deferred. It could be tackled effectively after the results of the land census now undertaken by the various State Governments are published.

Quite essential is the recommendation of the Secretaries that compulsory quality control should be instituted on agricultural commodities exported from the country. For only then it is possible to maintain a high reputation for supplying quality goods. The commodities to which quality control, has to be applied are hemp, tobacco, wool, bristles and goat hair, raw goat skins, lac plantation and forest produce, leather, vegetable oils and oilseeds, hand-picked groundnuts, fruits, vegetable products and *jeera*.

It must, however, be stated that no permanent results can be achieved unless State Governments effect consolidation of holdings quickly. For the advantages of large-scale farming which would result therefrom will certainly help achieve the proposed physical targets. Closely connected with this question is the issue relating to tenancy reforms. This latter question also must be tackled without delay in order to derive beneficial results on the agricultural front.

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THE SECOND FIVE-YEAR PLAN—II

DETAILS OF TENTATIVE TARGETS

IN our last issue—*vide* page 1109—we outlined the main objectives of the second Five-year Plan, as enunciated by the Economic Divisions of the Finance Ministry and the Planning Commission in their working paper entitled *The Second Five-Year Plan—A Tentative Framework.* With a view to achieving these main objectives, the authors of this paper have fixed tentative targets to be reached during the second Plan period. We reproduce below the relevant extracts from the said paper:

The development of the economy envisaged for a given period ahead must satisfy three requirements. First, it must conform to the basic objectives of social policy. Secondly, the growth of different sectors of the economy must be balanced in the sense that the requirements of each sector in terms of men, machines and materials must be forthcoming in right quantities at the right time, and the products and services of each sector must be promptly and fully utilised so as to promote the growth of other sectors of the economy. Thirdly, the particular pattern of development envisaged must represent an optimum or an economically efficient choice from among the various alternatives available.

If the criteria just outlined are to be satisfied in formulating a plan, we have to take into account the socially desirable norms of consumption in certain specified fields such as health and education, the pattern of consumer demand; the scope for international exchange, the interdependence of different industries, alternative methods of production available in different sectors, and the feasibility of mobilising certain intangible factors such as inventiveness and enterprise. In addition, we must proceed from a proper assessment of such resources of manpower, capacity or minerals and land as are un-utilised or under-utilised to begin with. It is clear that the formulation of a plan in detail requires supplementing of existing statistical knowledge on a number of points, and such knowledge will grow if the preparation of the plan is taken in hand in terms of a frame tentatively thought out with the help of existing information and of broad judgments.

Order of Magnitudes

The tentative targets for the second Plan as outlined in this paper are fixed, as far as possible, with reference to available data and in the light of our experience in recent years. In some cases, policy pronouncements already made have been accepted as a starting point. Complete consistency cannot be claimed for them at this stage. The purpose of the tentative framework given here is not to present a set of targets or a statement of the material or monetary requirements which must be treated as given, but to present the broad order of magnitudes involved in reaching defined objectives and thereby to initiate the process which would culminate in the formulation of the Plan. Planning is a continuous process of reviewing and revising the tasks to be performed in the light of experience gained and after consultation at various levels. Initial assumptions can be modified in the light of further experience, as the Plan comes into operation. Meanwhile, a tentative outline of the tasks to be performed in the next Plan may throw some light on the decisions to be made by giving a rough measure of the effort involved in various directions for arriving at a desired set of results.

It is not possible at this stage to indicate the phasing of the Plan annually over the five-year period. Targets are set for the final year of the Plan (1960-61) and these are compared with our performance over the first Plan. It would be necessary in the next few months to work out the annual phasing of the Plan. If the Plan falls to gather momentum in the early stages, or is thrown out of gear as a result of bottlenecks, the tempo of development in later years is also likely to be retarded. Considering the falling price trends and the unemployment situation, a fresh momentum must be given to the development effort at the very start.

Outline in Real Terms

The outline of the second Plan given in this chapter is essentially in real terms, inasmuch as targets are expressed in quantities and magnitudes such as investment and national income are expressed at constant prices. In a money economy, the financial aspect of the Plan is inseparable from the physical aspect. Incomes are generated in the process of production and supplies are utilised through market operations. Balanced development requires that supply and demand are balanced in money and real terms. Thus, aggregate incomes must equal aggregate expenditure, savings must match investment, and the supply and demand for individual goods and services must equal in terms of money so as to avoid any inflationary rise in prices or an undesirable shift in relative prices. The gap in the requirements of technical and managerial personnel for the fulfilment of the targets outlined must be filled early and the Plan itself must provide for creating such resources of skilled personnel and administrative cadres as are needed for its fulfilment. Administrative and financial arrangements also must come for review in this connection.

The provisional targets for production of important commodities and services are given in the following table:

	1950-51	1953-54	1955-56 (Estimates)	1960-61
Agriculture—				
Foodgrains (m. tons)	50.0	65.7	66.0	76.0
Other food items (index)	—	—	100	125
Cotton (m. bales)	2.9	3.9	4.2	5.8
Sugarcane (m. tons raw gur)	5.6	4.6	5.0	7.5
Oilseeds (m. tons)	5.1	5.6	5.6	7.0
Tobacco (th. tons)	258	256	250	300
Tea (m. lbs.)	607	675	675	750
Irrigation (m. acres)	50	58	70	100
N.E.S. and Community projects (blocks)	—	479	1,200	5,600
Industries—				
Pig iron (for foundries m. tons)	—	—	0.35	1.8
Finished steel (m. tons)	1.1	1.1	1.3	5.0
Cement (m. tons)	2.7	4.0	4.8	10.0
Aluminium (th. tons)	3.7	3.8	4.0	40.0
Fertilisers (index)	—	—	100	400
Heavy chemicals (index)	—	—	100	800
Synthetic petrol (m. tons)	nil	nil	nil	0.30
Cotton textiles (m. yds.) mill.	3,718	4,908	5,000	5,500
Handloom and powerloom	742	1,200	1,600	3,200
Woollen manufactures (m. lbs.)	13	19.6	20	25
Sugar (m. tons)	1.1	1.1	1.4	2.1
Soap (th. tons)—				
Large-scale	106	76	85	120
Small-scale	—	—	28	40
Footwear (m. pairs)—				
Large-scale	5.2	5.7	6.0	7.0
Small-scale	—	—	80.0	100.0
Vegetable oil (m. tons)	1.2	1.4	1.5	3.0
Electrical goods (index)	—	—	100	166
Bicycles (thousands)	101	290	500	1,000
Sewing machines (thousands)	33	68	90	150
Metalware (small-scale; index)	—	—	100	133
Minerals—				
Coal (m. tons)	32	36	37	60
Iron ore (m. tons)	3	4	4	13
Mica (cwts.)	162	—	150	200
Manganese (m. tons)	1	2	2	3.5
Transport and Power—				
Shipping (tonnage th.)	391	525	610	—
Railway (mileage)	—	—	34,500	37,500
Roads (th. miles):				
National highways	11.9	12.2	12.5	17.5
State roads	17.6	—	20.0	35.0
Electricity (m. kw.h. capacity)	2.3	2.8	3.5	6.0
Social Services—				
Hospital beds (thousands)	107	112	125	250
Doctors (registered)—thousands	—	65	70	90
Urban houses (lakhs)	101	—	120	150
Education (% of total children 6—14 going to school).	32	—	40	60

Despite the general emphasis on industries in the second Plan, we cannot afford to relax in our efforts to increase agricultural productivity, in view of our increasing population, growing incomes, limited area, uncertain monsoons and low nutritional standards. It would also be necessary to provide for the raw materials needed in industries and for exports (or replacement of imports).

With a 20-per cent. increase in total consumption over the second Plan, the consumption of *foodgrains* may well increase by some 15 per cent. It would also be reasonable to expect a shift in favour of superior foodgrains such as pulses and wheat, as against millets, and, to some extent, from grains to other nutritional or protective foods. In terms of quantity, the consumption of foodgrains is likely to increase less rapidly than the consumption of other commodities. On this basis, an increase in the production of foodgrains from 66 to 76 million tons or so should ensure the maintenance of self-sufficiency on an average at slightly higher standards of consumption. In the case of other foods such as milk, ghee, meat, fish, eggs and vegetables, demand is likely to be more income-elastic, and a provision of a 25 per cent. increase in production is, therefore, made. In the case of milk, meat and eggs, however, detailed schemes will have to be worked out if production is to increase on the scale indicated. If this is not feasible, a more liberal provision must be made for the supply of additional foodgrains.

The increase in the output of *cotton* from 4.2 million bales to 5.8 million bales is related to the production of cotton textiles and it is assumed that the country would reduce its net imports of cotton substantially by 1960-61. The total yield of *sugarcane* would increase from some 5 million tons (raw *gur*) to 7.5 million tons. The demand for sugar is highly income-elastic; and we are currently importing large amounts of sugar. We have been self-sufficient in the supply of sugar in the past, and it is not unreasonable to expect that we would revert to that position in the second Plan. The production of *oilseeds* is expected to increase from 5.6 to 7 million tons largely in response to domestic demand. In the case of important export items such as *tea* and *tobacco*, exports must be maintained and increased as far as possible, in spite of greater consumption at home. The increase in the production of tobacco from 250 to 300 thousand tons and of tea from 675 to 750 million lbs. is postulated on this basis.

Apart from the important commercial crops like cotton and tobacco, attention must also be paid to others which have been hitherto of only marginal significance. Some of the marginal items like wool are bound to increase in demand at home and have good export prospects. Wool also has special significance from the point of view of providing employment in some of the poorer areas such as Rajasthan, Saurashtra and Jammu and Kashmir.

The lines on which efforts must be made to raise agricultural production are already clearly established. In order to achieve the targets outlined above, the total *irrigated area* in the country must be increased from 70 to 100 million acres. Special attention must be given to flood-control. The extension of *N.E.S. Blocks and Community Projects* to cover the entire country by the end of the second Plan is already contemplated; and the Rural Credit Survey has indicated the role of credit, marketing and warehousing facilities as the spearhead of rural uplift. Apart from this, the policy of ensuring an adequate return to agriculturists and the speedy implementation of a well-defined scheme of land reforms have already been emphasised.

Industrial and Mineral Development

The development of basic industries in the country has been emphasised as one of the major objectives of the second Plan. The targets set in this field are somewhat generous in the sense that provision is made for a number of possibilities which remain to be explored fully. Since our endeavour in this field is to develop in new lines, it is necessary to indicate, however tentatively, some concrete possibilities which are desirable in themselves. Detailed projects must be worked out before any of these possibilities are taken up for implementation.

The production of *steel* in the country can be raised to five million tons and steel capacity to six million tons by the end of the Plan by expanding the capacity of existing plants and by setting up three new steel plants in the public sector. It may be necessary, however, to prepare the market for this steel by developing other industries on the basis of imported steel in the early stages. If steel production is to expand further in subsequent plans, it would be desirable to set up a number of plants for producing the machine-tools required for fabricating the equipment in steel plants and in other producer goods industries.

Similarly, the production of *heavy electrical equipment* such as generators and turbines must be started in order to make the country self-sufficient in the growing requirements arising from rapid electrification of the country. We have already made a beginning with the production of *railway rolling stock* in the country, and the railways have a big plan for expansion and re-equipment. The production of locomotives, wagons and coaches in the country can be increased by working existing equipment to full capacity on a multi-shift basis. In view of these considerations, it is not unreasonable to plan for a sizable increase in the production of railway equipment in the country.

There is considerable unutilised capacity in the existing units producing agricultural implements, diesel engines, light engineering goods, and machinery for textile, sugar and other consumer goods. The scope for import substitution is also great in this field; and doubling of output, therefore, may be appropriate.

The *fertiliser* target assumes "three more Sindris." On an average, a threefold increase in the output of *heavy chemicals* is envisaged. Plans for the production of 300,000 tons of *synthetic petrol* have been on the anvil; and this target is included, in view of the need for economising on imports and for the development of associated chemical industries. The increase in the production of *aluminium* is envisaged in order to make up for the shortage of copper in the country and to meet the requirements of electrification. The output of 40,000 tons proposed represents a doubling of the target (capacity) proposed in the first Plan. Since production of aluminium has lagged far behind the Plan so far, a considerable effort would be needed to realise the target set here.

The production of *coal* and *iron-ore* is related to the needs of other sectors. In the case of *mica* and *manganese*, allowance is made for increased consumption at home and for somewhat higher exports.

The targets for manufactured consumer goods are fixed with reference to the increase in demand resulting from a 25 to 27 per cent. increase in national income or a 20 per cent. increase in total consumption. Some allowance is made for increased exports, and production by cottage and village industries is expected to increase substantially.

The production of mill-made *cotton cloth* is expected to increase from 5,000 million yards to 5,500 million yards, and that of handlooms and small power looms from 1,600 million yards to 3,200 million yards. This would provide for a domestic consumption of 18 yards per person per year, while allowing for additional exports of some 500 million yards by the end of the Plan. In the case of *sugar*, an increase in production from 1.4 to 2.1 million tons will make the country self-sufficient while allowing for a sizable increase in total consumption. The targets for *vegetable oils* and *footwear* are based on similar considerations.

In the case of the newer industries producing *electrical goods, bicycles, sewing machines* and *glassware*, where there is some excess capacity and where export prospects are good, increases in production ranging from 60 to 100 per cent. and even more can be expected.

Transport and Power

Development of power and transport are essential preconditions for rapid industrial progress. The first Five-year Plan outlined a long-term programme for the development of power resources in the country over a period of 15 to 20 years. It was expected that installed capacity for the generation of *electricity* would increase from 2.3 to 3.5 million kw.h. over the first Plan. In view of the programme for rapid industrialisation envisaged here, this capacity must be increased to 6 million kw.h. by the end of the second Plan.

In the case of *railways* there is a considerable lag in the development of both goods and passenger traffic. However, the railways already have a tentative plan of expansion and re-equipment of some Rs. 800 crores. This plan, which calls for an addition of 3,000 miles of railway lines, among other things, may be accepted as the first approximation to the task in the second Plan.

The long-term development of *roads* in the country has already been outlined in the Nagpur Plan. An expansion of road building in the second Plan is desirable from the point of view of providing both employment and the basic amenities of life in the rural areas. It is reasonable, therefore,

to plan for an expansion of national highways from about 12.5 to 17.5 thousand miles and of State roads from about 20 to 35 thousand miles.

Social Services

The provision of basic services and amenities such as schools, hospitals, housing, water-works, drainage and parks must respond primarily to the expression of popular needs. It is in this sphere that "planning from below" has real significance. The district plans under preparation now should give a fair measure of popular aspirations in this field. The extent to which social services can be expanded in the second Plan is primarily a function of such local initiative and popular participation as we are able to elicit by leadership and organisation. The extension of social services must also keep step with the increase in the productive power of the community. Considering the prevailing low standards of health, education, housing, etc., to which attention has been drawn earlier, the targets set here appear to be a sort of minimum to be aimed at. It has also been emphasised that, apart from increasing the basic amenities and services of life, steps must be taken to make them available to a large proportion of the people irrespective of their means.

Investment and Priorities in the Plan

In the first Five-year Plan, two concepts were used to denote the size of the Plan, namely, net investment and developmental expenditure. Thus, the net investment in the public sector was expected to be of the order of Rs. 1,600 to Rs. 1,700 crores, whereas the developmental expenditure which includes outlay of a capital as well as current nature was initially estimated at Rs. 2,069 crores. Since outlay on the Plan included only a portion of the outlay on certain developmental heads such as health and education, an additional concept of total developmental outlay (as distinguished from that included in the Plan) has also been used at times to indicate the size of the Plan. In the case of 42 organised industries in the private and the public sector, the first Plan considered the requirements of gross rather than net investment, inasmuch as allowance was made for part of depreciation, replacement and modernisation. Similarly, the requirements of working capital were taken account of in the case of industries, but not for other sectors.

For the purposes of this paper, we speak of 'net investment' when referring to the economy as a whole. If our idea in assessing the 'investment cost' of a plan of certain size and character is to measure the effort of saving that is involved, it is more logical to consider gross income and gross investment. The entire gross product of the economy is, strictly speaking, available for consumption or investment. The allowance to be made for depreciation is in many cases notional, in the sense that, except in the case of repairs, maintenance or replacements, no real resources are, in fact, required currently against the estimated amount of depreciation. Replacement itself is seldom a mere substitution of one machine or building by another of the same type. Nonetheless, since our national income statistics are expressed in net output terms, it may be convenient to relate them to net investment.

Non-monetised Investment

Non-monetised investment is not included in investment. In a predominantly rural community of self-supporting persons, a significant amount of investment must be done by the application of personal labour and by using locally available materials. With the efforts to mobilise voluntary labour for various nation-building activities such as flood-control, investment in non-money terms must play an important part. It is also illogical not to include such investment when the income generating from it is included in national output. In view, however, of the highly conjectural nature of the imputed value of such investment, it is proposed to disregard it at this stage.

As regards investment in working capital, that is, in stocks of goods and services waiting to be consumed or to be utilised in production, it is clear that any additional requirements here are indistinguishable from the requirements of the fixed capital. Both require "savings" in real and financial terms. As the Rural Credit Survey amply points out, provision of short-term capital has as much relevance to production as that of long-term capital. Indeed, unless increments in stocks of all goods are included in investment, it would be difficult to justify the inclusion of residential houses in investment. Construction of a house is investment not because it resembles a producer good more than a consumer good but because it represents a net addition to the stock of houses.

Although it is more meaningful to speak of net investment when referring to the economy as a whole, it is useful to retain the concept of developmental expenditure in speaking of the public sector. As long as we use more than one concept to indicate the size of the Plan in the public sector, it would be essential to recast Government budgets in a manner which would make explicit the magnitudes of all these concepts. Thus, net capital formation through the budget, total developmental outlay and the outlay on the Plan must be all readily ascertainable from the budget statements.

The total amount of net investments required for achieving the targets outlined above may be estimated at about Rs. 5,600 crores. This estimate is made up by aggregating, wherever possible, the capital requirements of the individual targets. However, this procedure cannot be adopted uniformly for two reasons. The targets do not cover all the items of production. And in several important sectors, particularly in agriculture, investment is multi-purpose in the sense that only a complex of products can be related to a complex of investment.

Again, it is not as if all the investment in the community is strictly required for the achievement of the targets set. Residential construction, stockpiling and investment in gold and precious metals can take place irrespective of the requirements of the targets sought to be achieved. It is as well, therefore, to be clear in our minds as to how much allowance we make for such investment.

A tentative breakdown of the net investment of Rs. 5,600 crores may be given as follows:

	(In crores of rupees)	Percentage of total
Agriculture and community development (including irrigation and flood control)	950	17.1
Power	500	8.9
Transport and communications	900	16.1
Industries and mining (incl. small-scale)	1,400	25.0
Construction (houses, shops, schools, hospitals, etc.)	1,350	24.0
Stocks and miscellaneous	500	8.9
Total	5,600	100.0

Strictly comparable figures for the economy as a whole are not available for the first Five-year Plan. But total net investment in the first Plan was originally envisaged to be of the order of Rs. 3,500 to Rs. 3,600 crores. The provision made for aggregate investment in the second Plan, therefore, is about 55 per cent. higher than that in the first Plan. As regards the pattern of investment, the major emphasis is on industries and mining. A detailed breakdown of the investment of Rs. 1,400 crores in industries and mining (public and private) is given below:

	(In crores of rupees)	Percentage
Iron and steel	423	30.4
Synthetic petrol	80	5.7
Heavy machinery to fabricate plants for steel and producer goods	150	10.7
Heavy electrical equipment	40	2.9
Machinery for agriculture and consumer goods industries	50	3.6
Existing State enterprises (expansion)	50	3.6
Cement	50	3.6
Chemicals and drugs	50	3.6
Fertilisers	100	7.1
Aluminium	30	2.1
Minerals and prospecting	75	5.4
Factory consumer goods	100	7.1
Small-scale and village industries	200	14.3
Total	1,400	100.0

The provision made for industries and mining here corresponds to the targets outlined earlier. The major part of investment is devoted to basic industries and it is assumed that existing enterprises would work to full capacity on a multi-shift basis wherever possible. A generous provision of Rs. 200 crores is made for small-scale and village industries, in view of the considerations outlined earlier.

It may be useful to relate these magnitudes to developmental outlay as conceived in the first Plan. For this purpose, we may assume that, out of the total net investment of Rs. 5,600 crores, some Rs. 3,400 crores would be organised through Government's budgetary and other operations and the remaining Rs. 2,200 crores or so would represent private investment from private sources. Needless to say, this is only a tentative breakdown.

The developmental expenditure under the Plan in the public sector, corresponding to the net investment of Rs. 3,400 crores, might amount to roughly Rs. 4,300 crores. This figure is roughly comparable to the outlay of Rs. 2,069 crores initially proposed for the first Plan. In addition to capital formation proper, a part of the current expenditure on nation-building activities, such as health, and education, has also to be included in the Plan in the public sector.

Outlay in Public Sector

A tentative breakdown of the Plan outlay of Rs. 4,300 crores in the public sector might be as follows:

(In crores of rupees)

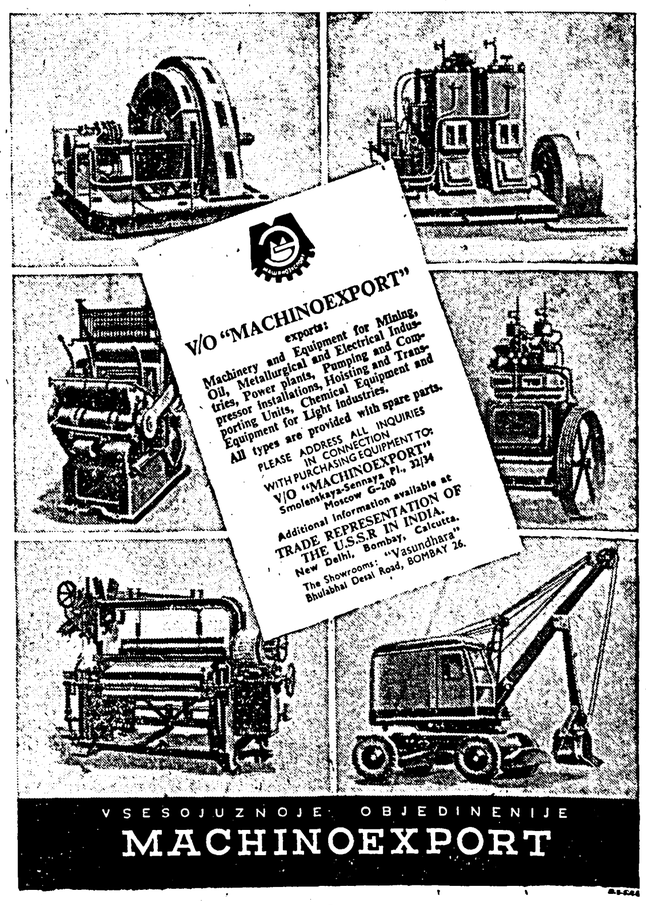
	Second Plan				First Plan	
	Investment outlay	Current outlay	Total outlay	Percentage	Percentage	Total outlay
Agriculture, irrigation and community development	750	200	950	22		
Power	450	..	450	10.5		
			1,400	32	44	990
Transport and communications	850	100	950	22	24	536
Industry and minerals	1,000	100	1,100	26	8	178
Construction and social services	250	500	750	17	24	544
Stocks	100	..	100	2	..	..
Total	3,400	900	4,300	100	100	2,248

A considerable shift in favour of industries and mining is thus envisaged in the Plan for the public sector. Nonetheless, the actual expenditure on all other sectors, such as social services, agriculture and transport, in the second Plan, as proposed here, is significantly greater than in the first Plan. The total Plan outlay in the public sector (Rs. 4,300 crores) is roughly double the outlay envisaged in the first Plan (Rs. 2,248 crores).

The total net investment of Rs. 2,200 crores in the private sector might be distributed roughly as follows:

(In crores of rupees)

Construction	1,100
Industry, mining, power and transport	500
Agriculture and allied pursuits	200
Working capital in trade and industry and miscellaneous	400
Total	2,200



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FINANCIAL RESOURCES FOR SECOND FIVE-YEAR PLAN

RISE OF RS. 1,300 CRORES IN MONEY SUPPLY ENVISAGED

ON the previous pages of this issue, we have published the provisional targets fixed for the second Five-year Plan. The financial resources needed for hitting these targets, the manner in which they can be mobilised and the foreign exchange requirements of the Plan are indicated in the following extracts from the outline of the Plan prepared by the Economic Divisions of the Finance Ministry and the Planning Commission.

There are two distinct aspects to the question of raising financial resources needed for the Plan. First, the savings needed for the capital formation envisaged must be available in the aggregate. Secondly, the financial resources must be available and utilised by each sector and for each purpose in accordance with the priorities set in the Plan. This second aspect requires a policy of directioning investment.

If net investment of the order of Rs. 5,600 crores is to be realised over the next Plan period, savings of the same order must be forthcoming. With increased incomes, the volume of savings is bound to increase. For initiating a process of higher investment and higher incomes by fuller utilisation of unemployed and underutilised resources, it is not necessary that savings come first and only these are invested later. Credit has to be taken in advance for the additional savings that are likely to arise, as incomes and investment increase. Some initial credit creation, therefore, is an essential part of a development programme. Nonetheless, if planned investments are to be realised without generating serious inflationary pressures, the initial credit creation must be limited with reference to what savings are likely to be available, or can be created by suitable policy measures.

An investment programme of Rs. 5,600 crores for the second Plan cannot be carried through without a considerable increase in the rate of savings in the community. Assuming that sterling balances can be drawn down by some Rs. 100 to Rs. 150 crores and foreign assistance of the order of Rs. 500 crores is available during the second Plan, domestic savings of the order of Rs. 5,000 crores must be available. The Taxation Enquiry Commission (T.E.C.) has estimated that total savings in India in 1953-54 and total net investment (at home and abroad) amounted to some 7 per cent. of national income. Their concept of net investment is not strictly comparable to the one used here in arriving at the net investment of Rs. 5,600 crores for the second Plan. Thus, unlike the T.E.C., we have excluded non-monetised investment. At the same time, we have made some allowance for investment in stocks and in small enterprises which have been disregarded by the T.E.C. Again, a sizable increase in public investment is expected for the last two years of the first Plan. On the other hand, the T.E.C's estimate of net investment abroad of Rs. 70 crores in 1953-54 must be regarded as rather exceptional. Normally, we should expect a deficit in our current balance of payments (not taking credit for donations), with the result that the total investment in the country must be higher than domestic savings. Taking these considerations into account, it is reasonable to expect that, comparable to the figure of Rs. 5,600 crores for the second Plan, net investment in the country in 1955-56 would be of the order of 6.75 per cent. of national income and corresponding domestic savings of some 6 per cent. of national income. On this basis, the growth in investment and savings over the second Plan would have to be somewhat as follows:

(In crores of rupees)

	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	2nd Plan 1956-57 to 1960-61
National income	10,800	11,800	11,825	12,875	13,000	13,700	62,200
Net investment	730	810	930	1,060	1,300	1,600	5,600
Domestic savings	650	680	800	930	1,170	1,370	4,950
Foreign resources	80	130	130	130	130	130	650

The phasing over the five years of savings and investments given above is intended to be illustrative. The essential point is that, in order to achieve a total investment of Rs. 5,600 crores, the rate of investment must increase from 6.75 per cent. of national income in 1955-56 to 11 per cent. of national income in 1960-61, and domestic savings from 6 to 10 per cent. over the same period. If foreign resources are not available on the scale envisaged, the savings effort at home would have to be correspondingly greater.

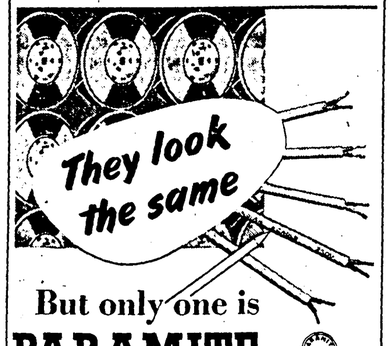
Whether an increase in the rate of domestic savings from 6 per cent. in the beginning of the next Plan period to 10 per cent. by 1960-61 is likely to take place in response to a voluntary increase in savings resulting from additional incomes cannot be judged in advance. The increase in savings envisaged here is not very large in relation to the rates achieved in other countries. But, considering the current low rate of saving and the large margin of unsatisfied needs, it may be assumed that savings of the order required would not be forthcoming without special and persistent effort at restricting consumption through fiscal and other devices.

In an underdeveloped economy, where there are idle resources, increased investment need not imply a reduction in current consumption. It would, however, imply austerity, that is, preparedness to hold down consumption, especially of luxuries, in the face of rising incomes. A check on the consumption of non-essential commodities, domestic as well as imported, is necessary in order to release additional resources for the production of essential goods. Shortages of essential goods are dealt with better in this way than by direct limitation of consumption. However, if resources released through restriction of luxury consumption are not of much use for increasing the supplies of essential goods, controls over consumption of essentials would become unavoidable. The question of controls must, in other words, be judged in terms of the particular real resources, which are in short supply. Foreign exchange resources have to be conserved with particular care, in that they can be converted into whatever commodities became scarce within the country. In the present world situation in regard to food and cotton, one can hope that a plan of the magnitude contemplated can be seen through without having to impose controls on necessaries like food and cloth.

Up to a point, the emergence of some inflationary pressures or a sellers' market is necessary, since our objective is to push ahead as far as possible in the direction of utilising our resources. Essentially, inflationary pressures—or insufficiency of savings—arise as a result of inelastic supplies of goods against which people direct their demand. The elasticity of supply is not equally great in the case of all commodities. With effort and organisation, it can be altered favourably at least in selected sectors. If we are to stop at the first bottleneck in supplies for fear of a rise in prices in that sector, even though supplies in other sectors are elastic to some extent, we are likely to stop short of the full potential for expansion of the economy. We have to be prepared to "tackle" short supplies in some commodities. Whether in doing so, we would be able to prevent a general and cumulative rise in prices depends, obviously, upon the measure of shortage and the organisational efficiency in dealing with it. In an expanding economy, the sufficiency of savings cannot be predicted in advance, but, since the overall effort suggested is not excessive and is required for making an impact on employment, the practical problem is one of watching overall economic trends and of correcting, through fiscal and other measures, any shortages in resources in particular sectors as they rise.

Resources For The Public Sector

From the standpoint of finding resources for the public sector, it is necessary to consider not only the outlay on the Plan but total outlay. Expenditure outside the Plan has an obvious significance to the realistic appraisal of the financing of the Plan. The outlay on the Plan in the public sector includes, first of all, all expenditure which results in the creation of new capital assets (directly in the public or indirectly in the private sector). In addition, it should include that part of the current expenditure on specific developmental heads which represents an increase over the level reached at the end of the first Plan. This would give a clear idea of the "lift" we are giving to the developmental effort during the next Plan. This is the concept which has been kept in mind in this paper in arriving at the Plan outlay of Rs. 4,300 crores.



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An alternative would be to include all expenditure under specified developmental heads in the Plan, leaving out only expenditure on non-developmental items like Defence and Civil Administration. Although this would inflate the Plan figures, it would facilitate a more realistic appraisal of the Plan and its financing by ruling out the possibility of shifting of expenditure as from one sub-category to the other within the broad category of developmental heads. It would also enable a quicker review of the progress under the Plan from the budget itself. On the other hand, by confining the scope of the Plan to the schemes deemed more essential to further effort, we are better able to scrutinise them. The best course in the circumstances would, therefore, be to highlight both the total expenditure under specified developmental heads and the outlay on the Plan. As a rough approximation, the budgetary position of the Centre and the States combined may be outlined as follows:

(In crores of rupees—estimates)

	1955-56	1960-61	Over second Plan 1956-57 to 1960-61
Outside the Plan—			
Non-developmental	825	725	3,400
Developmental	200	225	1,100
Sub-total	825	950	4,500
On the Plan	600	1,100	4,300
Total ..	1,425	2,050	8,800

The estimated outlay of the Centre and the State Governments combined for 1955-56 is based on the budget proposals for the year, as far as possible, and on the revised budget figures for 1954-55. However, in view of the difficulties in combining the figures for the Centre and the States and in apportioning the development outlay, within and outside the Plan, the estimates must be taken only as roughly indicative of the magnitudes involved.

It is assumed that public outlay on the Plan will increase from Rs. 600 crores or so in 1955-56 to Rs. 1,100 crores in 1960-61, that is, by about 80 per cent., in order to make up a total of Rs. 4,300 crores over the Plan period. Expenditure outside the Plan is assumed to increase by 15 per cent. over the five years or by Rs. 25 crores every year. The total outlay on developmental heads is envisaged to be of the order of Rs. 5,400 crores—Rs. 4,300 crores in the Plan and Rs. 1,100 crores outside the Plan.

The question is how a total Government outlay of Rs. 8,800 crores (Rs. 4,500 crores outside the Plan and Rs. 4,300 crores on the Plan) is to be financed. Assuming that the Government takes some 8.5 per cent. of national income in taxes and in non-tax revenue as has been the case on an average over the past four or five years (7 per cent. in taxes and about 1.5 per cent. in non-tax revenue) the total revenue receipts would amount to about Rs. 5,200 crores. Borrowing from the public may possibly yield (net) another Rs. 1,000 crores (about Rs. 600 crores from loans and Rs. 400 crores from small savings). Contribution from railways may be put at Rs. 200 crores over five years. The budgetary position of the Government over the second Plan might, therefore, look somewhat as follows:

	(In crores of rupees)
Expenditure:	
On the Plan	4,300
Outside the Plan	4,500
	8,800
Receipts:	
On revenue account	
From railways	5,200
Loans from the people	200
	1,000
Deficit	6,400
	2,400

As against the gap or deficit of Rs. 2,400 crores, we may take credit for some Rs. 400 crores of foreign assistance. (In addition, foreign assistance of Rs. 100 crores is envisaged for the private sector.) Over the first Plan, foreign assistance utilised in the public sector is likely to be of the order of Rs. 250 crores. Thus, we are assuming a 60 per cent. increase in the amount of external assistance utilised by the public sector. The remaining gap of Rs. 2,000 crores cannot be filled up by deficit financing or creation of money. As a first approximation, we may assume that such money creation can be resorted to to the extent of Rs. 1,000 to Rs. 1,200 crores by the Government. Allowance must also be made for credit creation by banks for the needs of the private sector, say, Rs. 400 crores or so, bringing total credit creation to Rs. 1,400 to Rs. 1,600 crores. A part of this credit would be withdrawn from the system, as we use up our accumulated sterling balances. We have made an allowance earlier for a decline in our foreign exchange reserves by some Rs. 150 crores. Even then, total money supply in the economy might increase by some Rs. 1,300 crores during the second Plan. We have argued earlier that credit creation is essential to development and that some price rises may well occur in an economy trying to reach to the full limit of its resources. In India, a larger money supply will be needed as the monetised sector expands relatively to the non-monetised sector. Even then, with a 25 to 27 per cent. increase in national income, an increase in money supply by some Rs. 1,300 crores on a base of some Rs. 2,000 crores must be regarded as a sort of outside limit.

If, then, for the reasons just stated deficit financing by the Government must be restricted to some Rs. 1,000 to Rs. 1,200 crores, it would be necessary to raise at least Rs. 800 crores by increased taxation, or by compulsory borrowings, or through increased profit of Government enterprises. In fact, a combination of all these will be called for. If additional Government profits are to be raised, it might be necessary for the State to enter into the field of trading or production of consumer goods. The scope for such expansion of State activity into profit-making ventures will have to be carefully examined. Alternatively, taxation in the country will have to be raised from some 7 per cent. of national income to 9 or 10 per cent. of national income by 1960-61. An increase in taxation from 7 to 9 or even 10 per cent. of national income cannot be regarded as excessive, if our aim is to have a bolder Plan which requires an increase in the savings of the community from 6 to 10 per cent. of national income. But it should be borne in mind that some tax adjustments will be necessary even to maintain the existing level of tax receipts at 7 per cent. of national income.

The foregoing discussion of the resources for the public sector has been in terms of the receipts and expenditures of the Centre and the States combined. A survey of the financial position of individual States during the second Plan will have to be prepared separately.

Resources For The Private Sector

Of the total investment of Rs. 2,200 crores in the private sector, Rs. 1,100 crores are envisaged in construction, Rs. 500 crores in industry, mining and transport, Rs. 200 crores in agriculture, and, Rs. 400 crores in working capital in trade and industry and in residual items. The Taxation Enquiry Commission has estimated that net investment in organised enterprises (public limited and private limited companies) and in private transport amounted to Rs. 75 crores in 1953-54. Correspondingly, corporate savings and new subscription to capital of companies together have also been put at Rs. 75 crores for that year. This investment is roughly comparable to the provision made here for an investment of Rs. 500 crores in industries, mining and transport in the private sector for the next Plan period. An increase in the rate of such investment from Rs. 75 crores in 1953-54 to an average of Rs. 100 crores over the next Plan may be regarded as feasible, particularly in view of the larger profits that are likely to arise in organised industries if unutilised capacity is put to full use. The more important problem would be to ensure a proper allocation of the investment in the private organised sector of industries. Apart from capital issues control and export and import controls, a differential tax policy might be needed in this context. Where necessary, arrangements may be made for loans or planned increases in prices for realising important investments in this sector.

The requirements of working capital for industry and trade can be met without much difficulty through bank accommodation. We have made allowance for an increase of some Rs. 400 crores in bank credit earlier in arriving at total credit creation in the economy. Indeed, with deficit financing of Rs. 1,000 to Rs. 1,200 crores in the public sector, the problem may well be one of preventing excessive bank accommodation.

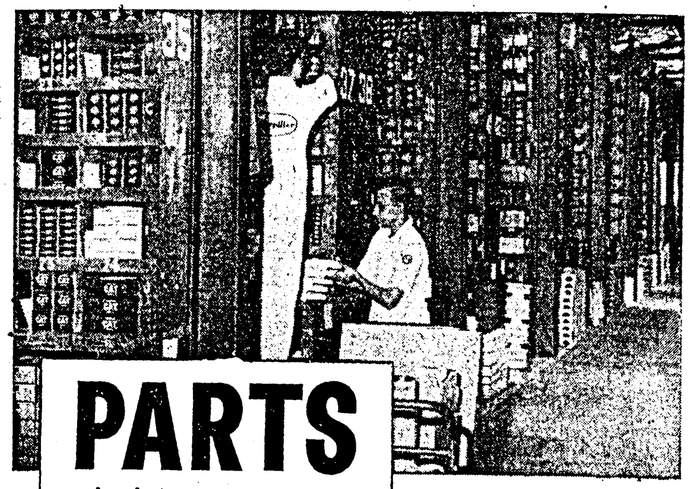
Of the net investment in the private sector of Rs. 2,200 crores, about one-half is envisaged to be in construction. This implies private construction activity of the order of Rs. 220 crores per year on an average in the next Plan period. Private monetised construction at present may be estimated at about Rs. 150 to Rs. 160 crores per year. The source of savings for construction activity cannot be indicated. Nor can it be asserted that the increase in construction activity envisaged would, in fact, be realised. If aggregate savings are inadequate, there is no knowing where this shortage would impinge. As long as investment in the high priority part of the private sector is assured, any shortfall in the availability of resources for other purposes would not seriously retard the tempo of development.

Balance Of Payments

A close analysis of the balance of payments position for the second Plan period has yet to be made. Considering the type and structure of our exports, it is doubtful if a large increase in earnings can be secured, at least in the earlier years of the Plan. In the targets indicated, provision has been made for larger exports of cotton textiles, tea, mica, manganese and some of the newer products like sewing machines, electrical goods, etc. However, in view of the increasing competition in some export items, it might be safe not to assume any significant increase in export earnings. The balance would turn mainly on imports.

Of the total investment of Rs. 5,600 crores, about Rs. 2,500 crores will be of a kind that makes little demand on foreign exchange. For the rest, that is, about Rs. 3,000 crores of investment in irrigation and power, communications, industries, railways, etc., if we assume the imported component at 33 to 40 per cent. (as a very rough average), the import requirements would work out at between Rs. 1,000 and Rs. 1,200 crores. To this, we may add Rs. 400 crores or so as imports needed for replacement.

Total imports of capital goods over the second Plan period may thus amount to Rs. 1,400 to Rs. 1,600 crores. At present, these imports are of the order of Rs. 100 crores a year. Since the overall external account is more or less in balance, it may be assumed that we could finance Rs. 500 crores worth of machinery and equipment imports from current earnings. The problem then would be to find foreign exchange resources of the order of Rs. 1,000 crores. Allowing for a saving of foreign exchange of some Rs. 200 crores on petrol, raw cotton, sugar and similar items where domestic production is expected to increase, there would still be a problem of finding Rs. 800 crores of foreign exchange. The foreign exchange assets held by the Reserve Bank can, perhaps, be drawn down by Rs. 100 to Rs. 150 crores during the next Plan period (that is, from the present level of Rs. 730 crores to Rs. 550 or Rs. 600 crores, after making an allowance of a decline of Rs. 30 crores or so in the last year of the first Plan). This leaves a balance of Rs. 650-700 crores. If Rs. 500 crores of this could be met by way of external assistance, there will still be need for economising on imports and for promotion of exports. Since the reducible element in our imports is small, there is a correspondingly greater need for increasing exports.



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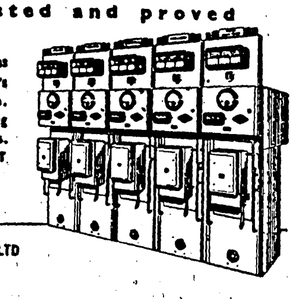

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ANNUAL MEETING OF THE BHARAT LINE LIMITED

DAMAGE CAUSED BY DOCK LABOUR UNREST TO COMMUNITY

MR. C. R. SRINIVASAN ON FINANCE FOR SHIPPING

ADDRESSING the Ninth Ordinary General Meeting of the shareholders of the Bharat Line Ltd., held on Thursday the 16th June, 1955, at Bhavnagar, the Chairman of the Company, Mr. C. R. Srinivasan, deplored the introduction of labour decasualisation scheme in ports and adduced statistical evidence to show how productivity per worker had declined. He urged that wages of the workers should be related to output of work and pointed out that labour's interests would be better served by an incentive bonus for extra work. He suggested that, if shipping had to make more rapid progress, it was necessary for the Government to be more realistic in its loan and aid policy towards Indian shipping and also to adopt such measures as were calculated to secure for the country's shipping industry an increasingly larger share of overseas trade.

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

"GENTLEMEN,

"It gives me great pleasure to welcome you to the ninth ordinary general meeting of the Company. The Directors' report and the audited balance-sheet and profit and loss statement have been in your hands for some time now. I trust I have your permission to take them as read.

Company's Fleet

"A complete list of the ships owned by the Company with their gross registered and dead-weight tonnage has been appended to the Directors' report for your information. The 14 ships listed amount to a gross registered tonnage of 64,516 tons and a dead-weight tonnage of 98,595 tons. Shareholders are aware of the loss of the s.s. *Bharatbala* in the Gulf of Cambay last year. The ship has not been replaced yet, though the insured value has been collected in due course and credited to the fleet replacement account. You will be glad to hear that the ship, s.s. *Bharatkhand*, has after all been transferred to the Indian Registry. The ship s.s. *Bharatratna*, built for us at the Vizag Shipyard, was delivered to us in July last. Three ships, s.s. *Bharatbhushan*, s.s. *Bharatkesari*, and s.s. *Bharatdeepak*, were acquired last year to meet, in part, the requirements of the Persian Gulf trade and a fourth ship, a passenger-*cum*-cargo one, we expect to acquire if possible, or charter if necessary, to complete our initial requirements for this trade. The second oldest ship in our fleet, the s.s. *Bharatmata*, has been sold for scrap value as it had become uneconomical in running and a new ship will replace it in due course. Following the policy initiated last year, insurance cover for our entire fleet has been placed with Indian interests and we are glad to learn that a progressively higher percentage is being retained in Indian hands.

Company's Finance

"The investment cost of the ships owned by the Company amounts to Rs. 4,52,69,369-15, as you will see from the balance-sheet. The issued, subscribed and paid-up capital of the Company being only one crore of rupees, you will naturally be interested to learn how finance for the additional investment has been found. The accounts will show that we have accumulated a sum of Rs. 1,80,06,587 in our depreciation fund, besides a sum of Rs. 16,67,690-7-10, to the credit our fleet replacement account. We have also borrowed from the Government of India a sum of Rs. 1,52,78,333, under the ship loan scheme. It is from these sources that necessary finance has been found. The question of broadening the capital structure of the Company has engaged our attention from time to time, but in the present condition of the share market, any sober appraisal of large-scale equity issues, on merit, is not to be expected and, until the climate is recovered, the wiser course would be to meet our needs from alternative sources. Fortunately, our Government, equally aware of these conditions and at the same time anxious that progress should not be halted on this account, has made loan funds readily available on reasonable terms. Welcome as it is, it can only serve to a limited extent and for a limited period. In its own interests and in the service of national economy the industry must stand on its own legs. The Government may perhaps render more help indirectly than even directly, if doubts and misgivings, induced in the private sector by recent developments, are authoritatively set at rest.

Company's Earnings

"The Company earned as freight and charter hire Rs. 2,61,80,933-6-5, during the year under report. In 1953, it amounted to Rs. 2,22,27,900-15-4 and in 1952, Rs. 2,12,79,907-7-6. This progressive increase in our earnings is largely due to the increase in our tonnage and the increasing share in the volume of business we handle. Heartening as this fact is, what is depressing to record is a progressive fall in our gross profits. In 1952, these amounted to Rs. 49,59,304-8-11; in 1953, it was Rs. 39,61,844-15-3; in 1954, it has come down to Rs. 35,25,403-8-9. Partly this is accounted for by fall in freight rates; largely, however, it is attributable to rising operation costs; and in this the main contributory is labour.

Labour Problems

"In the new economy that Free India is seeking to build up, labour is assured of its proper share in the fruits of endeavour and enterprise. A spate of labour legislation has been placed on the Statute Book to evidence this sympathy and goodwill and though its administration has often been irritating and vexatious, the desire to better the lot of labour has been widely and willingly accepted. It is unfortunate, however, that some, at any rate, of those who claim to speak for labour have shown no appreciation of the broader implications of the claims they advance. A short-sighted attempt to hold industry to ransom is not in the interests of either labour or the community as a whole. They forget that in the last analysis it is the community that pays for goods and services, and the assertion of rights without acceptance of obligations will progressively deplete the goodwill of the community. Discerning leaders of labour cannot have missed signs of the revulsion of feeling that is setting in. In the preparation of the second Five-year Plan, with emphasis on the industrial sector, a new concept is being canvassed, that of creating a national labour force. Presumably, it is not lack of labour that has germinated this idea, but the lack of discipline and responsibility that marks organised industrial labour today. Labour would be wise to see the writing on the wall and fall into step to protect free enterprise. No employer is interested these days in sweated labour, nor in denying labour proper working conditions, fair wages and reasonable amenities of service. But the pseudo-leaders of labour are not content to leave well alone; and in the conditions they have brought about today, it is not so much labour as capital that calls aloud for protection at the hands of Government.

"With your permission I should like to deal a little more fully with the situation as it has developed in the labour sector in so far as it concerns the shipping industry. Apart from labour legislation of a general character, which affects the shipping industry also, the recent introduction of labour decasualisation scheme, involving payment without work to dockyard labour, not merely imposes a direct burden on the industry but indirectly has exposed it to a vicious train of reactions of infinite consequence to the community. If pay can be had without work, it acts as a provocation to ask for more and more pay for less and less work: the go-slow movement has gathered a new momentum in consequence. The incidence of this new force that has invaded labour ranks may be gathered from the comparative figures for the years 1951 to 1954 for the Port of Bombay that I place before you:

Statistics of Cargo Handled at Bombay

Year	Cargo handled	Gangs employed	No. of days
1951	1,24,296	2,584	3.40
1952	96,338	2,193	3.84
1953	82,134	2,619	4.05
1954	90,519	2,874	4.42

"Proportionately for handling 1,000 tons, the statistics would be:

Year	Gangs employed	No. of days	Cost per gang Rs. a. p.
1951	20.79	3.01	52 0 0
1952	22.76	3.98	57 10 0
1953	31.88	4.93	72 0 0
1954	31.74	4.88	72 0 0

"Taking 1951 as 100, the above figures work out to:

	Gangs employed	No. of days
1951	100.00	100.00
1952	109.47	132.22
1953	153.34	163.78
1954	152.67	162.12

"It will be seen that whereas for handling 1,000 tons of cargo 20.79 gangs were employed at a cost of Rs. 52 per gang and the work was completed in 3.01 days in 1951, the same work load required 31.74 gangs costing Rs. 72 per gang and the work was completed in 4.88 days in 1954!

"And that is only part of the penalty that the shipping industry is called upon to bear in the service of labour interests. The greater loss comes from the needless detention of ships at ports due to slackness of labour. The standing charges of a medium size ship comprehending wages, fuel, maintenance, insurance, etc., average to between 4 and 5 thousand rupees per day, and every day's detention not merely adds to expenses but denies also opportunities for further earnings. I have had statements prepared to estimate the loss sustained by us on our fleet on this account and you will be amazed to hear that the total detention cost equals in value the full-time operation of an 8,000 d.w.t. ship for a period of 179 days, or nearly six months. The maintenance cost of the ship for this period would be between Rs. 8 and Rs. 9 lakhs. This represents the direct loss. The indirect loss is that during this period what might normally have been earned on freight is also lost. Does labour stand to gain anything by imposing this loss on the shipping company? It does not, and that is the tragedy of it!

"And that is not all: detention of ships at ports leads in turn to congestion, with ships waiting outside for berths. The gravity of the situation as it has developed in the major ports of India may be gathered from the fact that foreign shipping interests had notified shippers that a surcharge of 35 per cent. would be levied with effect from 1st June, if conditions did not substantially improve. Naturally, this has provoked a storm of protest from the interests affected and the Government's hands have geen forced to meet a threat with a counter-threat. However the position finally resolves itself, the point I desire to stress in this context is the price that the community may be called upon to pay for pampering a small section of labour, unconscious and unmindful of their own long-term interests. It is time that Government realises its larger responsibility to the country and by legislation or otherwise takes proper and necessary steps to correct the mischief before it places our economy beyond repair. Wages of labour must be related to output of work and labour's interests stand to be better served with an incentive bonus for extra work. With labour costs rising and stevedoring charges keeping pace with them, the outlook before the shipping industry is bleak indeed. I wish Government, anxious as they are, I know, to help the shipping industry, will take serious notice of the position and act quickly.

Company's Progress

"It is to the credit of the Board and even more to the watch and ward kept by the management that the progress of the Company has been steady and sustained. We have an acknowledged place in the coastal trade and, as I indicated last year, we have entered the adjacent trade by opening a regular service to the Persian Gulf. A growing volume of business is being attracted to our service and the fact that the Government of India is behind us in this adventure has helped to create the climate for fruitful negotiations with the interests which had established a virtual monopoly of this trade. In all probability, we shall reach an understanding with them presently and the element of competition implicit in the situation may resolve itself into one of co-operation, ensuring a firm footing for the Company in this trade. We have already acquired and put into this service three cargo ships, s.s. *Bharatbhushan*, s.s. *Bharatdeepak* and s.s. *Bharatkesari*, and, if the understanding we seek with the established interests comes off, it may be possible for us to charter one of their passenger-*cum*-cargo ships until we are able to acquire a ship of our own to fill the gap. We would have been happy to have this ship built for us at the Vizag Shipyard, but their existing commitments, we are afraid, would make it impossible for them to build and deliver a ship to our specifications within a reasonable time. Once we consolidate our position in the Persian Gulf trade, it may be possible, perhaps even necessary, for us to explore the possibilities of further adventure in the adjacent trades. Beyond stating that this matter is engaging our serious attention it is not possible at the moment to state in what direction our attention is turning. It is not our intention to expand too rapidly either and find ourselves in Queer Street amidst the many uncertainties that prevail today. These uncertainties are bound to resolve themselves in time, and by way of a pointer I may say that the fall in freight rates has been arrested and a heartening improvement in the position has begun to assert itself.

State Aid to Shipping

"In assessing the prospects of further progress and future expansion it would be just as well to stress that the pivotal point on which the whole thing turns is the extent to which our Government is consciously and continuously prepared to help Indian shipping. Their interest and concern have been demonstrably established in the past when they proceeded to reserve coastal trade to Indian ships. That passed without raising a ripple from competitive shipping interests because it is now widely recognised that coastal trade is the preserve of the nationals of the country. Increasing participation of Indian shipping in the adjacent and ocean trades, however, is not so easily achieved as the way is blocked by multi-conference arrangements designed to maintain the hold of the 'haves' against the encroachments of the 'have-nots.' The way can only be opened by the Government asserting itself to protect the interests of our flag. It can be done in a variety of ways, and the history of shipping development elsewhere provides illuminating examples of how it was done. Whatever is attempted by way of flag protection will no doubt be interpreted by established interests as flag discrimination. The controversy that raged in the Victorian period between free trade and protection may be cited by way of illustration. But it did not prevent any country from establishing its trade interests against competitive interests.

"The speeches made in the course of budget debate in both Houses of Parliament provide ample indication of popular expectations on the subject and the Government should feel reassured in pursuing a forward and fruitful policy. This is not merely a matter of fixing a tonnage target for the second Five-year Plan and estimating the funds necessary to finance additional tonnage. The first Five-year Plan set the target at 600,000 tons g.r.t. The second Five-year Plan takes the target to 1,055,000 tons g.r.t. Indian shipping interests were also consulted in fixing this target and finding ways and means. Obviously, the additional tonnage is not intended to cover only our coastal needs. Beyond the existing tonnage earmarked for the purpose, coastal trade can only absorb a fraction of the additional tonnage to cover our expanding needs; the greater part is intended progressively to cater to adjacent trades and ocean trades. That is necessary if a balanced economy is to be achieved. The time has arrived, therefore, when the Government must bestow serious thought on the ways and means to secure a fair share in these trades and they would be wise to consult informed Indian interests on the subject. In the second Five-year Plan it is expected that our imports from foreign countries for capital goods, etc., would be of the order of Rs. 300 crores per year and, on the scale of industrial development that we contemplate during the second planning period, a sizable export market will have to be built up. Both ways, therefore, we have sufficient bargaining counters in our hands for promoting the interests of our flag in these two trades.

"I have indicated earlier some of the steps which the Government may straightaway take to reassure shipping interests in the country and recharge them with enthusiasm. I have laid particular stress on the need to rationalise labour charges. A great deal more remains to be done. As our economy expands under intensive planning, transport may easily develop into a bottleneck. Congestion on road and railway transport must be relieved by diversion of heavy traffic to water transport. The limited facilities now available for shipbuilding in the country should also expand with our needs and require-

(Continued on page 1199)

INDIAN TRADE AND GENERAL INSURANCE COMPANY, LIMITED

FRESH RECORD IN NET PREMIUM INCOME

THE Eleventh Annual General Meeting of the Indian Trade and General Insurance Company, Ltd., will be held at Calcutta on 25th June, 1955. In a statement accompanying the report, accounts and balance-sheet of the Indian Trade and General Insurance Co., Ltd., for the year ended 31st December, 1954, to be submitted at the above meeting, the Managing Director, Lala Karam Chand Thapar, reports that the net premium income of the Company has reached a fresh record of Rs. 57,19,597, an increase of Rs. 5,52,451 over the figure for the previous year.

The fire department had a very good year, the net premiums totalling Rs. 27,67,331, as against Rs. 25,97,027 in the previous year, and the claims ratio showing a reduction from 46.4 per cent. to 39.5 per cent. Commissions and expenses of management, at 45.6 per cent., compare favourably with the average expense ratio of the British Tariff Offices conducting world-wide business. After increasing the reserve for unexpired risks by Rs. 1,10,667 to Rs. 13,58,015, a sum of Rs. 3,25,415 has been transferred to the profit and loss account.

The marine department came through a difficult year creditably, the net premiums amounting to Rs. 18,80,133, as compared to Rs. 16,57,458 in the previous year. An exceptionally large number of total losses and general average losses resulted in an increase in the claims ratio from 53.6 per cent. in 1953 to 60.1 per cent. in 1954, but commissions and expenses of management came down from 29.4 per cent. to 26.9 per cent. The reserve for unexpired risks has been further strengthened by Rs. 3,66,153 and now stands at Rs. 16,92,120, more than double the reserve maintained two years ago.

In the miscellaneous department, although the net premiums went up from Rs. 9,03,662 in 1953 to Rs. 10,63,133 in 1954, the claims ratio rose from 45.3 per cent. to 63.9 per cent., mainly due to heavy motor claims in certain overseas territories, where the Company had started writing direct business. On the other hand, commissions and expenses of management, at 39.9 per cent., show a reduction compared to the figure of 42.8 per cent. in the previous year. The reserve for unexpired risks has been increased by Rs. 79,736 to Rs. 5,31,567.

The balance-sheet position has again been strengthened, the reserve for unexpired liabilities now amounting to Rs. 35,81,702 and the book value of investments totalling Rs. 43,79,139, an increase of Rs. 2,69,875 over the figure for the previous year. The funds of the Company now stand at Rs. 66,37,298 and the total assets at Rs. 87,18,937. The Company has, therefore, emerged from a year, which has not been without its difficulties, with strengthened resources, and has definitely established itself in the very forefront of the leading Indian companies.

It is proposed to maintain the dividend, as in the previous year, at Re. 1-8 per share and the amount provided for this purpose is more than doubly covered by the investment income of the Company.

Abridged Balance-sheet as at 31st December, 1954

LIABILITIES	Rs.	ASSETS	Rs.
Creditors ...	12,57,569	Cash in bank ...	7,49,073
Taxation ...	87,500	Debtors ...	32,50,649
Underwriting reserves ...	44,05,772	Investments (market-able) ...	44,35,937
Current liabilities ...	57,50,841	Current assets	84,35,659
Provisions ...	4,60,885	Furniture and fixtures ...	1,81,076
Capital ...	24,00,000	Motor cars and stationery	1,02,202
Profit and loss account ...	1,07,211		
	Rs. 87,18,937		Rs. 87,18,937

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MARKETING OF HAND-MADE PRODUCTS

PROBLEM OF HIGH COSTS AND LOW PROFITS

THE second Five-year Plan proposes to increase employment opportunities for about 12 million persons. This is sought to be achieved by developing, in the main, small-scale and cottage industries. For this purpose a Small-scale Industries Board and a Small-scale Industries Corporation have already been established. Four multi-purpose regional service institutions and their branches are in the process of organisation. The Central Government has placed a sum of Rs. 17 crores for giving loans and grants-in-aid to the industries for the current year. Among others, it is proposed to lay strong foundations for expanding industries such as—to mention a few—carpentry, smithy, shoe-making, utensil manufacture, *bidi*-making, etc. Plans are being evolved for organising production and distribution of these products on a scientific basis. This work will be facilitated, to a large extent, by having precise information on the nature of markets for these products, their quality, prices, etc. Such a market surely will enable the administration in charge of the development work to get production adjusted to the needs and the tastes of the consumer. Knowledge of market requirements is obtained by large-scale industrial houses by conducting marketing surveys. For small industries and cottage products, however, there has so far been no comprehensive market surveys. A beginning in this direction has, however, been made by the Bureau of Industrial Statistics, Calcutta. The Bureau has, under the directorship of Mr. T. Ghose and at the instance of the Union Ministry of Commerce and Industry, conducted a market survey of about 80 products in West Bengal. A brochure, entitled *Survey of Retail Markets: West Bengal*, published by the Bureau recently, furnishes very valuable information. This study is only of a limited nature, in that it covers a limited area and a limited number of manufactured goods. But it can be taken as a good model for similar studies in other parts of India.

The Bureau's *Survey* covers both seller and buyer surveys conducted concurrently in each market, in respect of 80 products, of which as many as 78 are hand-made and 2 factory-made. These products are grouped under ten heads, namely, agricultural tools, cutlery and fishing hooks, brass and bell-metal utensils, galvanised iron buckets, pottery and jugs, ropes and cords, fibre mats and baskets, leather sandals and shoes, dolls and toys and jewellery. The area covered by the *Survey* comprises (1) Calcutta, (2) certain urban centres other than Calcutta, and (3) certain selected rural centres in the Damodar Valley Zone of West Bengal.

The object of the *Survey* was to estimate the market position of the various hand-made products both from the point of view of sellers and buyers and to utilise the data for taking a decision on the extent to which technical help was necessary for small and village industries.

The *Survey* confirms that the buyer's market has definitely set in and that the supply of goods exceeds the demand, the sale being greatly influenced by the buyer's choice. A point of note revealed by its findings is that the buyer's market is more prominent in the outstation urban centres than in Calcutta. It is stated that price-cutting competition has already started in spades, cutlery products, galvanised iron buckets, brass and bell-metal utensils and dolls and toys. As for others such as fishing hooks, cord mats and jewellery, the position is normal.

Another significant finding of the *Survey* that confirms the existing public belief is that the production costs of hand-made articles are generally higher, the profit-margin is very low and that transport and other charges enhance their cost, as they are generally located in local areas. This is stated to be the reason why hand-made products do not usually reach distant markets, excepting a few items which have special demands in special markets. The *Survey* emphasises, in this context, that, for better and wider markets, standardised hand-made articles must be produced at a reasonably low cost. This is, however, not possible without mechanisation of cottage units and provision of modern know-how as well as finance.

The *Survey* discloses another notable feature relevant to marketing, namely, most of the hand-made products are supplied by individual producers and not by middlemen who play an important part in the distribution of manufactured articles. The *Survey*, therefore, lays stress on the need for marketing organisations to operate on the basis of "earn as you produce."

The major portion of articles for sale is procured through direct purchases by dealers. But these dealers have to invest a considerable amount of money for procuring the goods, though in many cases, "payment after sale" is also in vogue.

Lower prices of articles, higher purchasing power of buyers, improvement in quality, new design and better finish, protection against substitutes, additional capital for dealers to increase their holding capacity, free trade with Pakistan, etc., have been suggested as possible means to boost sales of hand-made products. Pottery dealers want protection against substitutes. Dealers in wooden and earthen dolls and toys complain about competition from plastic toys and want protection. Again, brass and bell-metal industries have a grouse against aluminium and enamelware substitutes. It is evident that these demands for protection against substitutes are a serious problem which needs to be tackled first. The *Survey* says that it is not possible to give protection against substitutes. What is most important is, according to it, the reorientation of quality design, finish, etc., of products which are too old and too obsolete to stand modern innovations. Producers of hand-made articles must keep pace, it avers, with the oft-changing consumers' choice.

A study of wholesale and retail prices of different articles reveals that the price of a factory-made spade is definitely cheaper than the one made by hand. The price of a hand-made spade is dearer in Calcutta than in outstation markets. A sickle is cheaper in the outstation market than in Calcutta. Higher cost of production seems to be the explanation for the difference in prices, besides the cost of transport. Most of the cutlery products are dearer in Calcutta than in outstations. This is due to size, quality and higher transport charges of the product for sale in Calcutta. But the retail price of a razor blade is the same both in Calcutta and in outstation markets.

Most of the buyers are stated to be satisfied with the quality, durability, etc., of hand-made products. Almost all of them, however, want a reduction in prices ranging from 24 per cent. to 38 per cent. Buyers' ability to pay being limited, current prices of hand-made products pinch the majority of them. The *Survey*, therefore, observes that, in order to maintain the economic health of the country, the demand for lower prices should be met through lowering the cost of production. This is possible, according to it, by reorganisation and provision of technical assistance at the producers' end. It suggests that, before taking such a step, it is essential to have a thorough survey of small and village industries, on the one hand, and a country-wide demand survey, on the other. "It is futile to equip small producers with modern equipments and technical know-how without *a priori* knowledge of their real difficulties as also the demand of their products." This is a piece of valuable advice which merits the prompt attention of the Small-scale Industries Board.

PLANNING FOR COTTAGE INDUSTRIES

The Planning Commission has set up a small committee of five persons for preparing a draft plan for the development of small-scale and village industries for inclusion in the second Five-year Plan. The Committee consists of: Prof. D. G. Karve (Chairman), Prof. D. R. Gadgil, Mr. V. L. Mehta and Mr. V. Nanjappa, Textile Commissioner, Bombay (members), and Dr. D. K. Malhotra, Deputy Secretary, Planning Commission (Secretary).

The terms of reference to the Committee are to prepare, in the light of the provision made in the draft plan-frame for village and small-scale industries and in the light of recommendations on the same subject made in the memorandum submitted by the panel of economists, a scheme of industry-wise and wherever possible, State-wise utilisation of resources to be earmarked for the purpose of development of these industries, as an integral part of the second Five-year Plan. The scheme should be prepared with particular reference to the following objectives:

(i) The bulk of the increased production during the plan period of consumer goods in common demand has to be provided by the village and small-scale industries;

(ii) employment provided by these industries should progressively increase; and

(iii) production and marketing in these industries are organised, in the main, on co-operative lines.

The Committee has by no means an easy task before it. Its scheme should be confined to the limits set by the plan-frame. It may be noted that the plan-frame has earmarked Rs. 200 crores for the development of small-scale and cottage industries. This is intended to enable the industry to provide greater employment and incomes for a large number of persons. The draft plan suggests that measures to encourage and protect these industries should be an integral part of the second Plan. The planners are conscious that a great deal of effort and organisation will be required for resuscitating small-scale industries.

The attempts so far made at developing cottage industries have brought in their wake a conflict between small and large-scale industries, as consumption goods are produced in both factories and cottages. In the case of cloth, for instance, handlooms are assigned by a system of excises and subsidies and by reservation of fields of production. A bitter controversy has centred round this kind of artificial stimulus to small units. The Economists who dealt with this problem, have stated that the principles of reservation may not be so easily applicable to all industries, but have felt that a comparatively stable relation between prices of hand and machine products could be maintained only through excises and subsidies. If the efficacy of these fiscal measures is found to be doubtful, they say that other measures may be adopted to implement a common production programme. In any case, the organisation of increased production through hand industry will, they aver, require considerable effort in distribution of supplies, of technical and financial assistance to the dispersed producers and the collection and sale of their products. They have laid stress on organisational effort in the Plan period in order to bring about increased production through cottage industries.

In view of the importance attached to the problem of increasing production through cottage industries, the five-man committee now appointed by the Planning Commission will have to devise measures calculated to enable village and small industries to produce the bulk of the consumer goods in common demand. It should also enumerate the category of goods covered by the term "consumer goods in common demand." Wherever such goods are produced in both factories and cottages, the Committee should examine how far the latter could be made not only to produce more goods but also to increase the number of persons that can be employed by them. In doing so, the Committee will have to bear in mind the capacity of consumers to pay for the products of cottage industries. In this connection, the Committee would do well to take note of the findings of a survey conducted by the Bureau of Industrial Statistics, Calcutta, briefly reviewed on this page.

INDIA'S NEGLECT OF EAST AFRICAN MARKETS

Despite a number of advantages India enjoys in the East African markets, its share in the total trade of this area appears to be almost negligible. Indian population in the area comprising Tanganyika, Kenya, and Uganda is about 170,000, and this small section controls nearly 70 to 80 per cent. of the total trade there. The wholesale and retail trades are mainly in the hands of Indians. But the share of Indian merchandise in the trade is hardly 6 to 7 per cent., with the exception of Uganda where export of cotton forms 29 per cent. of the total trade and is in the hands of Indians. This negligible share of India in the total trade of East African countries is attributed to many factors. For long, it has been the complaints of Indian settlers in East Africa that Indian exporters and industrialists have been indifferent to the need for developing the immense trading opportunities in the area and even now there seems to be no change in the position there. This is the gist of a comprehensive note prepared by Mr. M. P. Shah, Editor, *The Indian Exporter and Indian Importer*, Bombay, setting out the impressions of his tour of the area, early this year, with the object of studying the market conditions there. The causes mentioned by him for the failure of Indian trade to make headway in the region merit the attention of the Minister in charge of Export Promotion, Mr. D. P. Karmarkar, as also other organisations and industries interested in the trade.

Mr. Shah's study reveals that East Africa holds enormous scope for the sale of Indian leather goods. Many Calcutta firms are stated to be exporting these goods, but the manner in which these firms are executing the orders does not seem to enhance the reputation of Indian goods. The length of the leather pieces, for instance, does not tally with the invoiced measurement and, invariably falls short of the stipulated specification. Again, even where the goods are graded, the pieces sent are usually a grade lower than that mentioned in the invoice. Packing is always defective. Leather suit-cases are found with nail scratches, and locks neither open nor close easily. Screws are not tight. More or less the same complaints are made in respect of footwear.

There is also a good market for cement and sanitary hardware. India can deliver the goods earlier than Continental countries and in many cases, the articles are competitive. Yet, owing to lack of information and publicity, the market remains unexploited. In the case of cement, the steamer companies have, we are told, stipulated that they would not lift cement cargo, if it is less than 1,400 tons and that on their return journey they must be assured of cargo. This stipulation is stated to be a great deterrent to the development of cement trade in the region.

Steel furniture, office equipment, and other manufactures seems to have suffered owing to lack of publicity and distribution of catalogues. A great difficulty in the development of this trade is stated to be inadequate shipping facilities. These difficulties are also responsible for the negligible share in the East African trade of Indian motor cars and spares, electrical goods and equipment, pharmaceutical products and other preparations and sundry consumer goods. Most of this trade is in the hands of Japanese and British traders who have established their organisations to study the conditions of the market and supply goods according to the needs of consumers.

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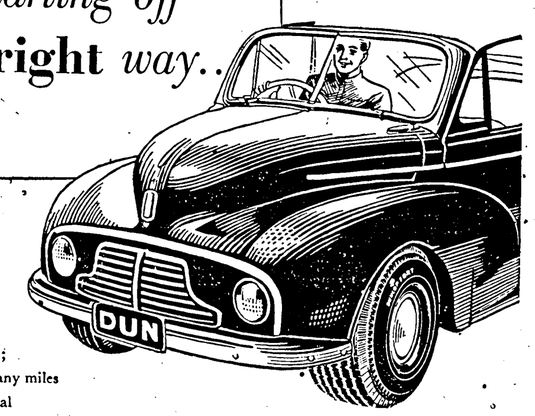

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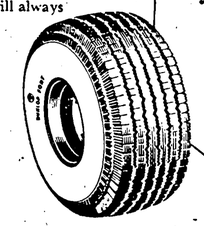
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GOOD PERFORMANCE BY CALCUTTA ELECTRIC SUPPLY CORPORATION

SHARP RISE IN SALES AND REVENUE

THE 12 months ended 31st December, 1954, proved to be another year of substantial progress for the Calcutta Electric Supply Corporation Ltd. (Agent in India: Mr. I. A. Macpherson, Calcutta). In fact, the operations during the year resulted in record results in the history of the Company, barring, of course, the four years 1941-44, the reports for which were not published due to war-time restriction. Thus, the sales of energy, which had crossed the 1,000 million unit-mark in 1953 (to 1,013 million units), grew to touch a new peak of 1,099.4 million units in the year under review, thus keeping up the upward trend since 1947. The gross revenue, which had been steadily rising since 1946 and touched about £5 million in 1953, improved further to £5.29 million in 1954. It will be interesting to note that the gross revenue of the Company has more than doubled in the course of the past one decade, from £2.46 million in 1945 to £5.29 million in 1954.

The gross profit of the Company for the year under review amounts to £1.9 million, as compared with £1.6 million for 1953, thus establising a new high level. The provision for depreciation on the scale provided under the Electricity (Supply) Act, 1948, has been raised from £710,984 to £748,485. A provision of £95,000 for taxation has also been made, as against *nil* in the previous year. For several years past, the Company had been relieved of a taxation charge on account of the initial depreciation allowances arising from large post-war capital expenditure. The U.K. allowances that had been carried forward from the previous years have now been fully absorbed and have been taken into account in the computation of the taxation charge for 1954. Out of the net profit of £1,056,748 (as against £906,517), the allocation to debenture sinking fund absorbs £112,702, as compared with £106,903 in the previous year, retiring gratuity fund gets £35,000 (same as last year), and contingency reserve fund £70,978 (as against £68,918). A sum of £192,223, representing one-fifth of the total of the special appropriations permitted by the Government of West Bengal during the four years 1949 to 1952, has been set aside to a special reserve in implementation of the Company's arrangement with the State Government. This reserve is for the purpose of meeting any deficiency in future reasonable returns allowed under the Electricity (Supply) Act, or, if not required for that purpose, for the benefit of consumers in such manner as the Government may direct. This is the second of the five annual appropriations of this nature which fall to be made from the net revenue. Incidentally, the Directors point out that the clear profit of the Company for 1954 does not exceed the reasonable return. In view of the considerable capital expenditure on distribution which will have to be incurred during the next two years for augmenting the Company's supply within its licensed area with current from the Damodar Valley Corporation, the Directors have deemed it advisable to allocate a sum of £300,000 to the "net-revenue special appropriation" account. The dividend on the 5 per cent. preference stock absorbs £95,000 and that on the ordinary stock, maintained at 6 per cent. (actual), £255,758, leaving a surplus of £152,818 to be carried forward, as against £157,731 brought in.

The following comparative table shows the progress of the Company during the last three years:

(In thousands of £'s sterling)

	For the year ended 31st December			
	1954	1953	1952	1951
Sale proceeds of current	5,212	4,919	4,705	4,288
Other income	79	77	69	62
Cost of fuel, wages and other expenses of generation, distribution, etc.	2,648	2,458	2,390	2,140
Other expenses	743	925	704	592
Gross profit	1,900	1,617	1,680	1,618
Depreciation	748	711	698	519
Taxation	95			1
Net profit	1,057	906	982	1,098
To reserves	806	559	640	640
Dividends—				
5 per cent. preference	95	95	95	95
Ordinary	256	256	256	256
	(6%)	(6%)	(6%)	(6%)
Carry forward	152	158	161	170

The sharp rise of 86.4 million units in sales of energy during 1954 is attributed to the all-round demand for more power. The growth of residential houses in the suburbs of Calcutta City, due to congestion in the City, and the increasing popularity of electricity appliances among the middle class, accounted for an expansion in demand for domestic and commercial load. The increase in working hours of jute mills and the larger industrial production in textile mills, steel works, engineering and aluminium works and chemical works accounted for a larger demand for industrial high tension power. Public lighting also called for an increase in consumption, following the opening of many new roads in Calcutta City and developments in adjoining municipalities. A marked improvement in demand in the field of traction was also noted, because there was no suspension of tram services during the year, as in 1953, the frequency of service was raised on some of the routes and the number of cars in commission was also increased. Further, there was more demand for power in bulk supplies, mainly from the North Calcutta grid of the West Bengal Government which has been expanding its area of supply.

The increase in cost of fuel, wages and other expenses of generation, distribution, etc., is due to the larger consumption of fuel, increases in rates of overtime paid to non-factory workers during the latter part of the year and greater expansion in the Company's operations. The fall in "other expenses" is accounted for by the decline in interest charges and absence of any provision similar to that made last year for employees' bonuses in respect of former years.

The balance-sheet of the Company, as on 31st December, 1954, shows a very satisfactory financial position. The paid-up capital of £6.16 million is supplemented by reserves and surplus aggregating £6.78 million. The outstanding liability on account of the 5 per cent. debenture stock (1970) is £4.44 million. The provision for taxation stands at £89,000. The current liabilities aggregate £3.20 million. The expenditure on capital account during the year amounted to £907,700 (almost the whole of which represents extensions and improvements to distribution system) bringing the gross value of the block account to £27.99 million. This has been written down to a book value of £18.83 million. The current assets amount to £1.60 million and the cost of issue of debentures still to be written off is £250,057.

The £1 paid-up ordinary stocks are being currently quoted on the Calcutta Stock Exchange at Rs. 15, at which rate and on the basis of the latest dividend, the yield works out to 5.3 per cent. per annum.

SIRSILK LTD.

The working of Sirsilk Ltd. (Managing Agents: Messrs. Birla Brothers Ltd., Hyderabad-Deccan), during the year ended 30th September, 1954, has resulted in a loss of Rs. 16.22 lakhs, without providing for depreciation. This is the first year in which regular production of acetate yarn commenced after the inception of the Company, in 1946. The construction and erection work of the factory was completed upto the spinning section during the year under review and the cellulose acetate plant, including acetic acid plant, acetone plant and spinning sections went into regular production towards the close of the year. But before a continuous production could be achieved, according to the Directors, many machines had to be re-erected, damaged and rusted parts had to be replaced and processes modified, which contributed to the aforesaid loss.

The Company would appear to have faced some initial difficulty in selling its production of acetate yarn. The acetate yarn is being manufactured, for the first time, in India by Sirsilk Ltd. "Its consumption in the past being negligible," the Directors point out in their report, "the manufacturers of fabrics were neither acquainted with the methods of processing the yarn for manufacture of varied types of cloth nor conversant with uses of the acetate for producing elegant designs." It would appear that considerable difficulties had to be faced in popularising it, as the consumers were in the beginning "very slow and reluctant to take it." The Directors, however, add that the initial difficulties have since been overcome and that the market has recognised the finer qualities of the yarn and fabrics made therefrom. They, therefore, expect the demand for acetate yarn to increase gradually.

The Company's accounts show that the expenses during construction from 1st October, 1953 to 30th April, 1954, amounting to Rs. 15.93 lakhs, have been capitalised. Besides, there have been fresh additions to the block account to the extent of Rs. 14.73 lakhs bringing the total cost of the gross block to Rs. 498.57 lakhs. During the year under review, the Company repaid a loan of Rs. 62.49 lakhs to the Government of Hyderabad and the balance still payable to the State Government as on 30th September, 1954, is Rs. 288.08 lakhs, besides the accrued interest of Rs. 50.17 lakhs thereon. Unsecured loans under clean cash credit account with the Hyderabad State Bank amount to Rs. 44.32 lakhs.

The Company entered into a new agreement on 10th July, 1954 with Messrs. Lansil Ltd. of Lancaster, England, cancelling all other agreements in force on that date. Under the old agreements, the Company had earmarked 15,555 fully paid-up ordinary shares of O.S. Rs. 100 each for allotment and had also agreed, in principle, to allot further an equal number of fully paid-up shares to Messrs. Lansil Ltd., besides other payments. In view of the new agreement, however, the Company has been absolved from the above liabilities and has to pay only a sum of £50,000 in instalments to Messrs. Lansil Ltd., subject to the approval of the Reserve Bank of India, for which an application has already been made.

SRI KRISHNARAJENDRA MILL EARNS HIGHER PROFIT

Encouraging results are disclosed by the audited accounts of the Sri Krishnarajendra Mills Ltd. (Managing Director and Chairman: Mr. H. N. Pallegar, I.A.S. Mysore) for the year ended 31st March, 1955. Not only has the upward trend in profit noted in the previous two years been maintained but the profit has nearly doubled itself. Thus, the gross profit, which has risen from Rs. 6.66 lakhs for 1951-52 to Rs. 9.20 lakhs for 1953-54, has advanced to as much as Rs. 17.78 lakhs for the year under review. It must, however, be mentioned here that the major portion of this improvement is the result of revaluation of stocks of cotton, yarn, cloth, hosiery and socks. We find that a sum of Rs. 5.60 lakhs held as margin for valuation of stocks in previous years has been utilised to inflate the value of closing stocks. After making allowance for this adjustment, it is seen that the gross profit has risen by Rs. 2.98 lakhs on account of trading operations. Even this performance must be regarded as creditable in view of the "acute competition in the buyers' market." It may be recalled that, at the last annual general meeting of the Company, the Chairman struck a cautious note saying that "of late, buyers have become very discriminating and really selective regarding price and quality, and it is becoming more and more difficult to sell the Mills' products at attractive prices in the increasingly competitive trading conditions that are obtaining at present."

Following the encouraging performance, the Directors have stepped up the dividend by 1 per cent. to 10 per cent. per annum. This is the third consecutive year for which the distribution to shareholders has been raised. A good part of the expansion in profit has been utilised to strengthen the reserves. This they have done by creating a cotton price fluctuation reserve, with an initial credit of Rs. 2.35 lakhs from the year's profit. They have also enriched the dividend equalisation reserve by Rs. 30,000, to which a sum of Rs. 20,000 had been added last year. The former allocation is only as it should be, because the improvement in net profit is largely the result of revaluation of stock-in-trade, as already indicated.

The following comparative table shows the Company's progress during the past three years:

(In lakhs of rupees)

	For the year ended 31st March			
	1955	1954	1953	1952
Sale proceeds	97.52	88.05	85.39	78.31
Stocks	34.71	23.11	22.65	26.21
Expenses*	80.74	80.63	80.45	72.34
Profit	17.78	9.20	6.75	6.66
Provision for—				
Depreciation	6.00	4.32	3.10	1.80
Taxation	5.44	1.12	1.00	2.00
Net profit	6.34	3.76	2.65	2.86
To reserves	2.65	0.48	0.74	0.81
Dividend	3.67	3.30	2.94	2.20
	(D. 10%)	(D. 9%)	(D. 8% + B.3%)	(D. 4½% + B.1½%)
Carry forward	0.28	0.26	0.25	0.27

* Approximate.

The stocks as at the end of the year under review include Rs. 5.60 lakhs held as margin for valuation in stock in previous years. Of the provision of Rs. 5.44 lakhs for taxation, provision for the year under review accounts for only Rs. 2.12 lakhs and the balance represents extra provision for previous years.

The balance-sheet of the Company as on 31st March, 1955, shows that the paid-up capital of Rs. 36.70 lakhs is supplemented by reserves and surplus aggregating Rs. 16.92 lakhs. Provision for taxation stands at Rs. 2.12 lakhs. Current liabilities amount to Rs. 23.73 lakhs. The gross block of the value of Rs. 71.76 lakhs has been written down to Rs. 20.40 lakhs. The current assets amounting to Rs. 59.07 lakhs exceed the current liabilities and provision for taxation by a handsome margin of Rs. 33.22 lakhs.

The Rs. 50 fully paid-up shares of the Company are being currently quoted on the Madras Stock Exchange at Rs. 69 *cum-div.* On an *ex-div.* annum free of tax.

A joint-stock company with an authorised capital of Rs. 10 lakhs is proposed to be established by the Mysore State Government to start a fruit canning industry in the State.

The paid-up capital of the Company will be Rs. 4.5 lakhs, of which the Government investment will be Rs. 2 lakhs. A committee has been set up to select a suitable site for the industry which will be located outside Bangalore.

VICTORIA MILL SHOWS SATISFACTORY RESULTS

DIVIDEND WELL MAINTAINED

THE audited accounts of the Victoria Mills Ltd., Bombay (Secretaries, Treasurers and Agents: Messrs. Mangaldas Mehta & Co., Ltd., Bombay) for the year ended 31st December, 1954, show that the trading results for the year have been satisfactory. The gross profit (before providing for Agents' commission, depreciation and taxation) amounts to Rs. 16.45 lakhs, which, as compared with that for the previous year, represents a small decline of Rs. 1.79 lakhs. Though the fall in profit is in consonance with the general trend of profits of textile mills in Bombay, it must be noted that, in the case of the Victoria Mills, it is comparatively very much smaller than in those of many other mills. Even this recession is not the result of actual trading, but is on account of the additional bonus for 1952 and extra dearness allowance for the years 1953 and 1954 which the Company, along with other mills, had to pay under the award of the Labour Appellate Tribunal. The dividend on ordinary shares has, however, been maintained at 15 per cent. and this is the fourth year in succession for which this dividend is being paid, after it had been raised from 12½ per cent. paid for 1949 and 1950.

The salient features of the Company's working results for the year under review are presented against the background of those for the previous three years in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Sale proceeds (net)	205.03	205.78	195.20	209.02
Other income	2.34	2.19	3.94	2.80
Cotton consumed	95.98	96.14	101.29	109.74
Expenses	94.99	98.59	80.09	75.91
Gross profit	16.45	18.24	17.76	26.17
Agents' commission	5.91	6.23	5.59	6.15
Provision for—				
Depreciation	6.00	4.50	4.00	3.50
Taxation	2.00	1.00	7.00	10.00
Net profit	2.54	6.51	1.17	6.52
To reserves		1.00		2.50
To charity account	0.10	0.10	0.10	0.10
Dividends—				
4 per cent. preference	0.82	0.32	0.32	0.32
Ordinary	2.40	2.40	2.40	2.40
	(15%)	(15%)	(15%)	(15%)
Carry forward	2.58	2.91	0.32	1.37

It will be noted that the net sale proceeds of cloth, yarn and waste for the year under review have been nearly maintained at the previous year's level, despite the fall in prices of cloth. Though the downward trend in the cost of cotton consumed by the Company during the previous two years continued in the year under review also, the extent of decline was almost negligible. The increase in other expenses was much less than that noted in previous years. Whatever increase there was, was mainly accounted for by the rise of Rs. 3.49 lakhs in salaries and wages, which, in turn, was due to the extra payment of Rs. 5.50 lakhs on account of additional bonus for 1952 and dear food allowance for 1953 and 1954 as per the award of the Labour Appellate Tribunal. The actual profit on account of trading would, therefore, have been much higher than that for 1953 but for this additional expense.

The provision for depreciation has been increased by Rs. 1.50 lakhs to Rs. 6 lakhs, consequent on the substantial addition to the block account during the year. The allocation to taxation has also been raised by Rs. 1 lakh. As a result of these increases, the net profit is lower by nearly Rs. 4 lakhs, at Rs. 2.54 lakhs. The Directors, therefore, have not been able to strengthen the reserve fund, which had received last year a sum of Rs. 1 lakh out of the profit for 1953. This, however, does not matter much, because the Company's reserves are already at an impressive level.

The reserves and surplus of the Company as on 31st December, 1954, aggregate Rs. 32.22 lakhs, as against a paid-up capital of Rs. 24 lakhs. The provision for taxation stands at Rs. 15.54 lakhs and current liabilities amount to Rs. 32.62 lakhs. There has been an addition of Rs. 15.03 lakhs to the gross block during the year, bringing the total value up to the end of the year to Rs. 61.35 lakhs. Of this addition, machinery accounts for Rs. 13.24 lakhs and land and buildings for Rs. 1.77 lakhs. This is in keeping with the policy of the management to renovate and replace the old machinery. As against the gross value of block, the depreciation fund built up amounts to Rs. 37.76 lakhs. The current assets aggregate Rs. 80.79 lakhs (of which cash balances alone account for Rs. 20.48 lakhs) and cover the current liabilities and provision for taxation by a wide margin of Rs. 32.63 lakhs.

The Directors have a desire to capitalise a part of the Company's reserves and to issue bonus shares. They are, however, awaiting the results of applications submitted to the Government of India by other companies. As soon as the Government gives consent to other companies to augment their capital, the Directors of the Victoria Mills propose to take up the matter. It may be noted, in this connection, that the Company had capitalised as much as Rs. 20 lakhs out of its reserves during the years 1942 to 1949. Of this, Rs. 12 lakhs were distributed to ordinary shareholders in the form of ordinary shares and Rs. 8 lakhs in the form of preference shares. In fact, the entire preference capital had been raised by capitalisation of reserves.

Points From The Chair

No Room for Controversy

"IF the primary objective of raising the standard of living of our people substantially and eliminating the serious menace of growing unemployment is to be achieved within a reasonably short period, then favourable conditions will have to be created under which the talent, experience and resources of all sections of our people will be fully utilised for completing this gigantic task of building of a new India. We have, as a matter of fact, to fight poverty and unemployment on a war-time basis and, as in cases of war or national emergency, all our resources, human and material, must be harnessed for achieving our national goal as quickly as possible. When such gigantic task lies ahead, there is no room for any controversy and widest possible scope should be given for peoples' creative energies and resources to be utilised in constructive and productive channels. It is, therefore, regrettable that, at such a historical period, we are engaged in frittering our energies in fruitless controversies and in creating conditions which might come in the way of accelerating the pace of economic development."

G. D. SOMANI, M.P.,
Shree Digvijay Cement Co., Ltd.

Discouraging Climate for Private Sector

"Unnecessary, vague and inconsistent references to the Avadi resolution, regarding socialistic pattern of society, by several leaders, the Fourth Amendment to the Constitution, making the issue of compensation unjusticiable, the Company Law Amendment Bill, the debate in the Lok Sabha on the State Bank Bill, the uncertainties regarding nationalisation, the labour opposition to rationalisation, etc., certainly create disturbing effect on the psychology of the investing public and adversely affect capital formation. Sometimes, an impression is created as if the private sector is on probation and the risk capital has no chances of reasonable award. I have said this just to show how imperative it is to avoid creating a discouraging climate. At the same time, I am not inclined to believe that Government is deliberately planning the destruction of private enterprise. I would refer to the Government-backed Industrial Finance Corporation and Industrial Credit and Investment Corporation for credit facilities to the private sector and the development rebate amounting to 25 per cent. of the cost of all new plant and machinery installed for business purpose, which is a very important concession. Our Prime Minister has also very often said that the Government desires the continued existence of the private sector. At the same time, it should not be forgotten that the private sector has few chances of survival, if it fails to fulfil public needs."

RAVIKANT D. SHAH,
Andhra Cement Co., Ltd.

Handicap to Industries

"I cannot but express concern regarding the serious handicap that all industrial establishments have been experiencing due to shortage of power and inadequate transport facilities. There is still considerable backlog of power demand to be met in Bombay over and above the power required to remove the staggering arrangements in vogue in the textile mills. This situation, therefore, needs improvement at the hands of the appropriate Government departments. The other bottleneck from which industries are suffering is the unsatisfactory supply of wagons by the railways for carrying of coal, important raw materials and finished products. As regards wagons allocated for coal alone, the Company has been losing about 30 per cent. of its quota, in view of the inability of the railways to supply the necessary wagons. Though in this matter the Commissioners of Coal, both of the State and at the Centre, have been helping us out by granting special *ad hoc* quotas and allowing us to build up reasonable stocks, we cannot help expressing our concern at the transport situation as it is developing in this country."

KASTURBHAI LALBHAI,
National Rayon Corporation Ltd.

Home Service Insurance in the U.K.

"The 'home service' insurance industry continues to play an important part in the economic life of the country. Some £150 millions a year in premiums are being collected, and policyholders' funds are increasing at a rate of over £40 millions a year. These are real savings and are an important factor in the nation's effort to keep a check on inflation. In addition, some part of the £30 odd millions paid out on maturing endowment claims each year to policyholders, whose thrift has reaped these returns, will no doubt be retained by them in some form of savings."

J. A. JEFFERSON,
Britannic Assurance Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

NEW CINNATOLLIAH TEA CO., LTD. Annual General Meeting, Calcutta, 21st June, 1955. Dividend: Rs. 10 per share. Transfer books remain closed from 13th to 21st June, 1955, both days inclusive.

UPPER GANGES VALLEY ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 23rd June, 1955. Dividend: As. 7 per share. Transfer books remain closed from 17th to 23rd June, 1955, both days inclusive.

BAREILLY ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 23rd June, 1955. Dividend: As. 8 per share. Transfer books remain closed from 17th to 23rd June, 1955, both days inclusive.

SAUGOR ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 23rd June, 1955. Dividend: As. 4 per share. Transfer books remain closed from 17th to 23rd June, 1955, both days inclusive.

PUSSIMBING TEA CO., LTD. Annual General Meeting, Calcutta, 24th June, 1955. Dividend: Re. 1 per share. Transfer books remain closed from 18th to 24th June, 1955, both days inclusive.

BURDWAN CUTWA RAILWAY CO., LTD. Annual General Meeting, Calcutta, 24th June, 1955. Transfer books remain closed from 15th to 24th June, 1955, both days inclusive.

BANKURA DAMOODAR RIVER RAILWAY CO., LTD. Annual General Meeting, Calcutta, 24th June, 1955. Transfer books remain closed from 15th to 24th June, 1955, both days inclusive.

KATAKHAL LALA BAZAR RAILWAY CO., LTD. Annual General Meeting, Calcutta, 24th June, 1955. Transfer books remain closed from 15th to 24th June, 1955, both days inclusive.

KAMANI ENGINEERING CORPORATION LTD. Annual General Meeting, Bombay, 24th June, 1955. Transfer books remain closed from 15th to 24th June, 1955, both days inclusive.

VIJAYA MILLS LTD. Annual General Meeting, Ahmedabad, 25th June, 1955. Dividend: Rs. 35 per share (includes bonus of Rs. 13 per share). Transfer books remain closed from 13th June to 3rd July, 1955, both days inclusive.

FORT WILLIAM JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 27th June, 1955. Dividend: Rs. 10 per share. Transfer books remain closed from 14th to 27th June, 1955, both days inclusive.

ALLIANCE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 27th June, 1955. Transfer books remain closed from 13th to 27th June, 1955, both days inclusive.

CALCUTTA GAS CO. (PROPRIETARY) LTD. Annual General Meeting, Calcutta, 28th June, 1955. Transfer books will remain closed from 20th to 28th June, 1955, both days inclusive.

AZAM JAHI MILLS LTD. Annual General Meeting, Hyderabad-Dn., 28th June, 1955. Transfer books will remain closed from 20th June to 2nd July, 1955, both days inclusive.

OSMANSHAHI MILLS LTD. Annual General Meeting, Hyderabad-Dn., 28th June, 1955. Transfer books will remain closed from 20th June to 2nd July, 1955, both days inclusive.

WALFORD TRANSPORT LTD. Annual General Meeting, Calcutta, 29th June, 1955. Dividend: 11 per cent. on preferred ordinary shares and 12 per cent. on ordinary shares. Transfer books will remain closed from 21st to 29th June, 1955, both days inclusive.

SHAW WALLACE & CO., LTD. Annual General Meeting, Calcutta, 29th June, 1955. Dividend: Re. 1-4 per share. Transfer books will remain closed from 20th to 29th June, 1955, both days inclusive.

PULLANGODE RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Calvetty, Fort, Cochin, 4th July, 1955. Dividend: As. 5-3/5 (17¼ per cent.) per share. Transfer books will remain closed from 21st June to 6th July, 1955, both days inclusive.

METAL BOX CO. OF INDIA LTD. Annual General Meeting, Calcutta, 14th July, 1955. Dividend: Re. 1-4 per share (includes interim dividend of As. 8 already paid).

COMPANY REGISTRATIONS

COMMERCIAL PRINTING PRESS LTD. (First Director: Mr. Jehangir Dossabhoy Choksi.) Business: Printers, publishers, commercial artists and advertising agents. Authorised capital: Rs. 1,00,00,000. Private company. Address: Bombay House, 24, Bruce Street, Fort, Bombay.

CALICO DYEING AND PRINTING MILLS LTD. (First Director: Mr. Dhananjay Manilal Parekh.) Business: Dyeing, printing, bleaching and processing of all kinds of cloth like cotton, silk, artificial silk, etc. Authorised capital: Rs. 25,00,000. Private company. Address: Industrial Estates, 41E, Parel Chawl Road, Bombay 12.

NARMADA FARMS LTD. (First Director: Mr. K. J. Somaiya.) Business: To take over, acquire and purchase lands, estates or any other properties, etc. Authorised capital: Rs. 25,00,000. Private company. Address: Fazalbhoy Building, Mahatma Gandhi Road, Fort, Bombay.

RACEK INDUSTRIES LTD. (First Director: Mr. Walter Leopard Racek.) Business: Manufacturers, dealers, exporters and importers of all kinds of kerosene lighting, heating and cooking appliances. Authorised capital: Rs. 5,00,000. Private company. Address: C/o F. Racek & Co., Ltd., Sreeji Bhuwan, Lohar Street, Bombay 2.

WAGON SHORTAGE AFFECTS REWA COAL

DUNCAN BROTHERS TEA GROUP REPORTS BETTER RESULTS

Rewa Coalfields Ltd.

THE directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1954.

The Company's profit for the half-year after the inclusion of Rs. 25,293 (Rs. 26,964) brought forward is Rs. 1,52,350 (Rs. 3,56,232). And after making provision for taxation Rs. 45,000 (Rs. 1,43,384) there remains a sum of Rs. 1,07,350 (Rs. 2,12,848). Out of this amount the directors have recommended payment of a dividend at the rate of 12½ (20) per cent. per annum free of income-tax, absorbing Rs. 84,375 (Rs. 1,35,000) leaving to be carried forward Rs. 22,975 (Rs. 27,848).

Output and despatches of steam and other grades of coal for the last three half-years are as follows:—

Half-year ended.	*Raisings.* Tons.	*Despatches.* Tons.
31st December, 1954 ...	1,58,272	1,52,840
30th June, 1954 ...	1,61,005	1,60,064
31st December, 1953 ...	1,59,034	1,57,021

Wagons continued to be in short supply throughout the period under review and in consequence both Burhar and Umaria Collieries operated on restricted production. There has been no improvement in the transport position since the close of the half-year and heavy stocks particularly of small coal have accumulated at both collieries.

Good progress has been made in the development and fitting out of the new mine at Amlai, but the construction of the siding by the Railway Authorities is still awaited. A start in production must necessarily await the installation of the new siding.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,50,000	Block ...	7,99,000
Reserves ...	8,03,385	Stock of coal	1,47,060
Provision for taxation ...	3,95,000	Stores ...	4,65,410
Liabilities ...	16,26,470	Debts, deposits and advances ...	16,25,720
Profit and loss account ...	22,975	Investments ...	2,83,415
		Cash ...	8,77,225
Rs.	41,97,830	Rs.	41,97,830

Seeyok Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts for the year ended 31st December, 1954.

The accounts disclose a profit of Rs. 2,00,084 (Rs. 48,216). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 1,81,697 (Rs. 56,071), of which the directors have transferred Rs. 82,500 (Rs. 20,000) to revenue reserve and Rs. 35,000 (Rs. 10,000) to buildings and machinery reserve. The directors recommend a dividend of 15 (2½) per cent. leaving Rs. 19,197 (Rs. 18,571) to be carried forward.

The tea crop was 2,221 maunds as compared with 2,056 maunds in 1953. The average selling price was Rs. 3-5-3 per lb. against Rs. 2-7-1 per lb. in the previous year. Planted area remains at 389.32 acres.

Estimates for 1955 provide for a crop of 2,000 maunds at an outlay of Rs. 3,95,300, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	2,60,000
Reserves ...	1,96,302	Stores and supplies ...	13,741
Provision for taxation ...	48,397	Tea sales receivable ...	1,89,056
Liabilities ...	1,02,173	Advances and deposits ...	20,685
Profit and loss account ...	19,197	Cash ...	1,82,587
Rs.	6,66,069	Rs.	6,66,069

Poobong Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1954.

The accounts disclose a profit of Rs. 1,80,965 (Rs. 22,051). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 1,32,089 (Rs. 30,328), of which the directors have transferred Rs. 32,000 (Rs. 10,000) to revenue reserve and Rs. 45,000 (Rs. 5,000) to buildings and machinery reserve. The directors recommend a dividend of 15 (2½) per cent. leaving Rs. 10,089 (Rs. 7,828) to be carried forward.

The tea crop weighed out at 2,109 maunds as compared with 1,845 maunds in 1953 and the average selling price was Rs. 3-6-5 per lb. as against Rs. 2-3-9 per lb. in the previous year. Planted area remains at 500.43 acres.

Estimates for 1955 provide for a crop of 2,200 maunds at an outlay of Rs. 4,06,930 including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	2,85,000
Reserves ...	3,73,387	Stores and supplies ...	21,906
Provision for taxation ...	71,548	Tea sales receivable ...	1,47,140
Liabilities ...	86,605	Advances and deposits ...	19,176
Profit and loss account ...	10,089	Investments	1,30,276
		Cash ...	2,38,131
Rs.	8,41,629	Rs.	8,41,629

New Cinnatolliah Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1954.

The accounts disclose a profit of Rs. 3,97,483 (Rs. 2,00,667). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 3,17,913 (Rs. 1,61,164), of which the directors have transferred Rs. 1,00,000 (Rs. 75,000) to revenue reserve, Rs. 1,30,000 (Rs. 40,000) to buildings and machinery reserve and Rs. 15,000 (*nil*) to hall reserve. The directors recommend a dividend of 10 (5) per cent. leaving Rs. 22,913 (Rs. 21,164) to be carried forward.

The tea crop weighed out at 4,807 maunds as compared with 4,707 maunds in 1953. The average selling price was Rs. 3-1-8 per lb. compared with Rs. 2-3-3 per lb. in the previous year. Planted area is now 937 acres.

Estimates for 1955 provide for a crop of 5,300 maunds at an outlay of Rs. 8,27,200 including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	4,00,000
Reserves ...	3,60,000	Stores and supplies	40,864
Provision for taxation ...	1,10,383	Tea sales receivable ...	6,71,707
Liabilities ...	2,17,706	Advances and deposits ...	18,487
Profit and loss account ...	22,913	Cash ...	79,944
Rs.	12,11,002	Rs.	12,11,002

Pussimbing Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Davenport & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1954.

Although hail damage was not experienced, weather conditions were adverse, with drought early in the season and practically continuous rain throughout the monsoon, causing widespread blister blight. A crop of 1,58,740 (1,03,418) pounds of tea was made.

The total net average sale price including cost of export rights sold, was As. 58.67 (As. 38.44) and the total working cost per pound of tea produced was As. 35.98 (As. 39.78).

The gross profit for the year is Rs. 2,16,234 (Rs. 32,156), out of which the directors have provided Rs. 33,037 (*nil*) for taxation, Rs. 14,339 (Rs. 10,000) for depreciation and replacements, Rs. 10,000 (*nil*) for renewals and additions reserve and Rs. 17,200 (Rs. 6,303) for reserve for staff expenses. Allowing for these and the other expenses, there is a net profit for the year of Rs. 1,42,391 (Rs. 17,703) and a final balance on this account of Rs. 1,39,169 (debit of Rs. 33,222), out of which the cumulative preference dividends for the years 1951, 1952, 1953 and 1954 and an interim dividend of 5 (*nil*) per cent. on the ordinary shares, absorbing in all Rs. 67,650 (*nil*) were paid on the 18th April, 1954. The directors propose to deal with the remaining balance of Rs. 41,519 (debit of Rs. 33,222) as follows:—

Pay a final dividend of 5 (5) per cent. on the ordinary shares (making 10 (5) per cent. for the year) Rs. 10,250 (*nil*) and carry forward to 1955 Rs. 31,269 (debit of Rs. 33,222).

Estimates for 1955 are based on a crop of 2,000 maunds of tea at a cost of Rs. 3,66,512. In addition capital expenditure of Rs. 24,000 will be incurred on two tea sifters and a land rover.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,10,000	Block ...	4,20,500
Reserves ...	2,24,733	Stores and supplies ...	44,961
Provision for taxation ...	43,694	Stock of 1954 crop ...	57,185
Liabilities ...	34,959	Deposits and advances ...	67,692
Profit and loss account ...	1,09,169	Investments	1,928
		Cash ...	2,30,289
Rs.	8,22,555	Rs.	8,22,555

Balanoor Tea and Rubber Co., Ltd.

The directors of the above Company (Managing Agents: Young India Agencies Ltd., Madras) submit the audited accounts of the Company for the year ended 31st March, 1955.

The Company's working for the period under review shows a profit of Rs. 5,58,184 (Rs. 2,54,420) to which is added the balance brought forward from last year of Rs. 9,199 (Rs. 32,070), making a total of Rs. 5,67,383 (Rs. 2,86,489). After deducting dividend on preference shares at 7½ per cent. per annum paid Rs. 18,750 (Rs. 18,750), interim dividend at 10 (*nil*) per cent. on ordinary shares paid Rs. 82,491 (*nil*) and 10 (10) per cent. of the net profit to managing agents Rs. 55,618 (Rs. 25,441), there is a balance of Rs. 4,10,324 (Rs. 2,42,298). From this amount, the directors recommend to pay a final dividend of 10 (12½) per cent. plus bonus of 5 (6¼) per cent. on ordinary shares absorbing Rs. 1,23,741 (Rs. 1,03,125), to transfer to taxation reserve Rs. 2,26,110 (Rs. 30,000), to transfer to reserve fund Rs. 25,000 (Rs. 1,00,000) and to carry forward to next year Rs. 35,473 (Rs. 9,173).

The acreage of the estates is tea mature 579.00 acres, coffee immature 27.00 acres, coffee mature 645.00 acres, rubber 179.40 acres and reserve and minor crops 480.10 acres.

Crop and Estimate.—Tea crop during the year was 4,21,344 lbs. as against previous year's crop of 3,79,245 lbs. All in cost of tea was 112 (125.5) cts. per lb. and the average sale price realised 218 (177.4) cts. Estimate for the next year is 3,90,000 lbs. Coffee crop was 783 cwts. against previous year's crop of 1,432½ cwts. Estimate for next year is placed at 2,240 cwts. Rubber crop was 32,312 lbs. against previous year's crop of 34,615 lbs. Estimate for the next year is placed at 34,000 lbs. The Company's estates are well maintained.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,74,910	Block ...	11,04,535
Reserves ...	5,85,090	Stock on hand	1,58,179
Provision for taxation ...	43,890	Stores on hand	1,08,573
Liabilities ...	61,849	Debts, deposits and advances ...	1,17,871
Profit and loss account ...	4,84,892	Investments	22,282
		Cash ...	7,39,191
Rs.	22,50,631	Rs.	22,50,631

Devon Tea and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Young India Agencies Ltd., Madras) submit the audited accounts of the Company for the year ended 31st March, 1955.

The Company's working for the period under review shows a profit of Rs. 3,19,329 (Rs. 1,48,194) to which is added the balance brought forward from last year of Rs. 22,821 (Rs. 26,935), making a total of Rs. 3,42,150 (Rs. 1,75,129). From this amount is deducted dividend on preference shares at 7½ per cent. per annum paid Rs. 15,000 (Rs. 15,000), interim dividend of 10 (*nil*) per cent. on ordinary shares paid Rs. 29,996 (*nil*) and 10 (10) per cent. of the net profit to managing agents Rs. 31,932 (Rs. 14,819), leaving a balance of Rs. 2,65,221 (Rs. 1,45,310). The directors recommend to pay a final dividend of 10 (12½) per cent. plus a bonus of 5 (*nil*) per cent. on ordinary shares Rs. 44,996 (Rs. 37,500), to transfer to taxation reserve Rs. 1,11,983 (*nil*), to transfer to reserve fund Rs. 50,000 (Rs. 50,000), leaving a balance of Rs. 58,242 (Rs. 22,810) which the directors recommend be carried forward to next year.

The acreage of the estates is tea mature 450.00 acres, tea immature 15.00 acres, coffee 511.54 acres and reserve and minor crops 911.40 acres.

Crop and Estimate.—Tea crop during the year was 2,53,177 lbs. as against previous year's crop of 2,22,243 lbs. All in cost of tea was 112 (128.2) cts. per lb. and the average sale price realised 216 (175.0) cts. Estimate for the next year is 2,30,000 lbs. Coffee crop was 343 cwts. against previous year's crop of 929 cwts. Estimate for the next year is placed at 1,300 cwts. The Company's estates are well maintained.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	4,99,960	Block ...	5,79,823
Reserves ...	3,55,040	Stock of tea and coffee	1,29,457
Provision for taxation ...	38,017	Stores on hand	64,016
Liabilities ...	71,147	Debts, deposits and advances ...	1,02,966
Profit and loss account ...	3,12,154	Investments	13,258
		Cash ...	3,86,796
Rs.	12,76,318	Rs.	12,76,318

Raneegunge Coal Association Ltd.

The directors of the above Company (Managing Agents: Messrs. B. N. Elias & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1954.

Coal raisings, despatches and stocks

	Half-year ended 30-9-53 Tons.	*Half-year ended* 31-3-54 Tons.	*Half-year ended* 30-9-54 Tons.
Raisings ...	1,43,490	1,85,944	1,72,761
Despatches ...	1,55,592	1,58,323	1,70,086
Stocks ...	9,691	37,282	39,956

Raisings for the half-year showed a decrease of 13,183 tons as compared to the previous half-year. The drop in raisings was due to the Company having to bring its output in line with the target set by Government under the Conservation Act. Despatches increased by 11,763 tons over the previous half-year, but we were unable to dispose

of the entire output or to reduce the carryover of stocks. Stocks therefore increased slightly over the previous half-year.

Coke Manufacture.—The Company manufactured during the half-year under review 2,662 tons of beehive hard coke. This is a slight increase over the previous half-year. 3,640 tons were despatched and 238 tons remain in stock. Precautions taken to protect the collieries during the Monsoon were quite satisfactory.

Labour.—Relationship with labour has been satisfactory during the period under review. However, most Coal Companies are now under Tribunal to consider demands from workers for higher wages and added amenities. The Company is also a party to this dispute. Government's decision in this matter will not be known for some time. It is, therefore, not possible to assess the effects of any award that may be issued by Government at this stage.

The Company's profit for the half-year after inclusion of Rs. 72,002 (debit of Rs. 97,825) brought forward is Rs. 3,07,197 (Rs. 27,432) and after making provision for taxation Rs. 1,00,000 (*nil*) there remains a balance of Rs. 2,07,197 (Rs. 27,432) from this balance the directors have placed machinery replacement and development reserve Rs. 1,00,000 (*nil*) and recommend the payment of a dividend of As. 4 (*nil*) per share absorbing Rs. 59,988 (*nil*) leaving a balance to be carried forward Rs. 47,209 (Rs. 27,432).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	23,99,500	Block ...	35,89,718
Reserves ...	18,17,105	Stock of coal	5,15,457
Provision for taxation ...	2,00,000	Stores ...	6,11,341
Liabilities ...	21,59,837	Debts and advances ...	18,72,420
Profit and loss account ...	47,209	Investments	8,158
		Cash ...	26,557
Rs.	66,23,651	Rs.	66,23,651

Vijaya Mills Co., Ltd., Ahmedabad

The directors of the above Company (Agents: Messrs. Haridas Achratlal and Co., Ltd., Ahmedabad) submit the audited accounts of the Company for the year ended 31st December, 1954.

During the year, the Company made a profit of Rs. 8,65,562 (Rs. 8,37,853) to which is added the last year's balance of Rs. 31,806 (Rs. 16,259), making a total of Rs. 8,97,368 (Rs. 8,54,112). After deducting donations made to the public charitable institutions amounting to Rs. 4,604 (Rs. 5,306), there is an available sum of Rs. 8,92,764 (Rs. 8,48,806) from which the directors recommend the following allocations:—

To machinery and building depreciation fund account Rs. 8,00,000 (Rs. 8,00,000), to dividend equalisation fund account Rs. 50,000 (*nil*), to charity fund account Rs. 10,000 (Rs. 10,000) and to carry forward to next year's account Rs. 32,764 (Rs. 31,806). The directors recommend to transfer a sum of Rs. 2,71,600 (Rs. 2,71,600) from the reserve fund of the Company for the payment of dividend as under:—

To payment of income-tax free, interest on 3,500 second cumulative preference shares of Rs. 100 each at 4 per cent. for the year 1954 Rs. 14,000 (Rs. 14,000), to payment of subject to income-tax, interest on 2,800 third cumulative preference shares of Rs. 100 each at 4½ per cent. for the year 1954 Rs. 12,600 (Rs. 12,600) and to payment of dividend at Rs. 22 (Rs. 22) and bonus at Rs. 13 (Rs. 13), making the total of Rs. 35 (Rs. 35) per share, both income-tax free on 7,000 ordinary shares of Rs. 400 each for the year 1954 Rs. 2,45,000 (Rs. 2,45,000).

During the year under report there was no marked change in the cost of production. Cotton prices were almost steady. But the cloth prices especially in the last six months of the year showed a downward tendency, because the buying capacity of the public was reduced. Taking the above factors into account, the working of the Company will be found satisfactory.

Company's machinery, buildings, cotton, cloth, stores, etc., have been insured against fire. Profit and standing charges insurances have been covered. Only a small risk has been carried by the Company.

The mill has worked for two shifts during the year. There are 36,176 ring spindles and 780 looms along with the necessary processing plants.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	34,30,000	Block ...	1,03,76,340
Reserves ...	29,08,088	Stock-in-trade	44,65,796
Depreciation fund ...	60,35,291	Stores ...	9,28,024
Provision for taxation ...	6,40,917	Debts and advances ...	30,74,042
Liabilities ...	59,18,793	Investments	8,13,834
Profit and loss account ...	8,92,764	Cash ...	1,67,817
Rs.	1,98,25,853	Rs.	1,98,25,853

Mysore Glass and Enamel Works Ltd.

The directors of the above Company (Managing Agents: The Ogale Glass Works Ltd., Bangalore) submit the audited accounts of the Company for the year ended 31st March, 1955.

The profit and loss account discloses a net working loss of Rs. 83,797 (profit of Rs. 871) without provision for depreciation on the fixed assets of the Company.

The saleable production of glass in tons and the value realised therefor, during the past three years, was as follows:—

Year	*Tons*	*Value realised* Rs.
1952-53 (15 months)	457	7,79,500
1953-54	464	6,37,500
1954-55	447	5,45,000

This shows how steep is the fall in the prices, while raw materials, labour and other charges are rising, besides the unhelpful attitude of the labour in improving the production and bringing down wastages. In the total cost of production, raw materials, fuel and packing charges form about 45 per cent. and labour about 45 per cent. and there is hardly any scope for economy even as a last resort.

There is a possibility of filling the present gap between monthly production and expenses by withdrawing all the *ex-gratia* payments and amenities so far liberally given to workers (without touching their basic wages and dearness allowance) and the management and staff also making similar sacrifices. Negotiations with the Labour Association are going on for the past 2 months without any tangible results. The works, shall, therefore be closed taking all the consequences thereon, if the workers persist in their present attitude. This step should have been taken much earlier, but the managing agents made a last effort to increase production and bring down the wastages by negotiating with the workers and having failed in their attempt, apprised the Board of the situation rather late in the year.

The industry, as a whole, has been caught in a vicious circle created by rising costs and unhealthy internal competition and unless the manufacturers and the Government make an all-out effort to break this vicious circle, the fate of the industry will be doomed.

The progress of the ampoule making section has been blocked for various reasons, the chief amongst them being lower production capacity of the machine imported and the heavy customs duty at 66⅔ per cent. charged on the imported glass tubing. With this sad experience in mind and taking into consideration the falling prices of articles like glass syringes, thermometers, glass-shells, and other adverse circumstances, the directors have come to the conclusion that the manufacture of any new articles should not be undertaken and the Company involved in further financial risks, at present.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,33,255	Block ...	5,20,462
Reserves ...	1,53,858	Stock-in-trade and goods-in-process	68,456
Liabilities ...	3,78,504	Live-stock, tools, etc. ...	5,477
		Raw materials	75,046
		Stores ...	57,928
		Other assets	24,292
		Debts and advances ...	43,317
		Investments	1,83,713
		Cash ...	33,687
		Profit and loss account ...	1,55,239
Rs.	11,67,617	Rs.	11,67,617

Pullangode Rubber and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Aspinwall and Co., Ltd., Calvetty, Fort, Cochin) submit the audited accounts of the Company for the year ended 31st March, 1955.

The net profit for the year amounted to Rs. 1,84,471 as compared with Rs. 1,87,689 for the previous year. The necessary provisions for depreciation on buildings and machinery have been made, while unsold rubber on the date of closing has been valued on the basis of control rates. The provision of Rs. 86,850 for agricultural income-tax, which the directors made in the previous year's accounts has been written back and in consequence the profit and loss account carry forward from the previous year of Rs. 63,253 has been increased to Rs. 1,50,103. The Madras Plantations Agricultural Income-tax Act, 1955, came into force with effect from 1st April, 1955 and therefore the agricultural income liable to be taxed will be the income for the season 1954-55. The directors have, therefore, in order to provide for this liability, made a provision in the accounts of Rs. 98,395. The profit earned by the Company was Rs. 1,84,471 as against Rs. 1,87,689 in the previous year, and Rs. 3,05,313 for the year ended 31st March, 1953.

Crops and Costs.—Against an estimate of 6,00,000 lbs., the crop harvested amounted to 6,23,000 (6,05,000) lbs., which is a record crop, in spite of very adverse conditions experienced during the latter part of the year. Estate expenditure worked out at 77.69 (73.19) cents per lb.

The visiting agent reports that the Company's property is in good order and under careful management. It is estimated that the crop for 1955-56 will be 6,00,000 lbs. at an estate expenditure of 87.23 cents per lb.

With the addition of Rs. 1,50,103 carried forward in profit and loss account and after deduction of preference dividend paid, the balance in profit and loss account amounts to Rs. 3,25,574 (Rs. 1,87,689) which the directors recommend be disposed of as follows:—

By payment of a first and final dividend of 17½ (15) per cent. on ordinary share capital Rs. 1,92,500 (Rs. 1,65,000), by transfer to rubber rehabilitation reserve Rs. 42,500 (Rs. 42,500) and by carry forward in profit and loss account Rs. 90,574 (Rs. 1,50,103).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,50,000	Block ...	13,77,672
Reserves ...	2,36,176	Stock-in-trade	1,02,472
Provision for taxation ...	1,08,727	Stores and spare parts	22,536
Liabilities ...	97,963	Rubber nursery ...	3,400
Profit and loss account ...	3,25,574	Debts and advances ...	30,021
		Investments	2,03,101
		Cash ...	2,79,238
Rs.	20,18,440	Rs.	20,18,440

Ahmadpur-Katwa Railway Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March, 1954.

The total capital outlay on final heads remains the same as at the close of the previous year, viz., Rs. 20,77,071.

The capital subscribed by shareholders, amounts to Rs. 17,24,000 and the gross capital outlay, inclusive of suspense heads to Rs. 20,87,698, the balance being met by means of temporary loans from the Government of India and also from revenue account. The Government of India granted a temporary loan of Rs. 3,00,000 from the revenue reserve fund to repay the 3½ per cent. debentures of the same amount which were redeemed on 28th October, 1952. Claim for Rs. 1,00,000 only was received and paid upto 31st March, 1954.

The gross earnings for the year amounted to Rs. 5,36,733 while the working expenses totalled Rs. 5,09,220 as compared with Rs. 4,99,621 and Rs. 4,54,015 respectively, for the previous year. The net earnings of Rs. 27,533 (Rs. 45,606) have been carried to net revenue account. Under this account, after including share transfer fees and meeting the interest payable on loan from Government and other charges there is a surplus of Rs. 16,800 (Rs. 35,116) which to make up the amount required for the guaranteed interest at 3½ per cent. on share capital of Rs. 17,24,000 calls for a total subsidy of Rs. 43,540 (Rs. 25,224) to be recovered from the Government of India in terms of the agreement. As, however, super tax is not allowed as an item of working expenses and the reserve fund has been depleted, the directors are able to recommend payment of a dividend at the rate of Rs. 2-11 (Rs. 2-11) only per share (less income-tax) for the year ended 31st March, 1954, the deficit of Rs. 40 (*nil*) only being met from reserve. Additional income-tax aggregating Rs. 50 on revised assessments for the years 1948-49 to 1950-51 and 1952-53 is payable and is being debited to reserve.

Working Expenses.—Compared with the previous year the total working expenses show a net increase of Rs. 55,205 (decrease of Rs. 1,996) which is mainly due to unavoidable urgent work and includes heavy repairs to carriages and renewal of sleepers.

Coaching.—The receipts under this head amounted to Rs. 4,27,027 for the carriage of 897,534 passengers as compared with Rs. 4,16,052 and 852,926 pasengers for the previous year. The feeder bus service from Ganutia helped as before in contributing to the traffic earnings.

Goods—Earnings from this source totalled Rs. 99,257 for 792,085 maunds of goods as against Rs. 64,283 for 538,864 maunds for the previous year, the increase being mainly due to movements of greater quantity of Government programmed traffic.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	17,24,000	Block ...	20,68,816
Debentures	2,00,000	Stores ...	10,627
Reserve fund	8,082	Other assets	8,255
Provision for taxation ...	2,138	Debts, deposits and advances ...	74,031
Liabilities ...	6,40,467	Investments	1,26,108
		Cash ...	2,86,850
Rs.	25,74,687	Rs.	25,74,687

Bengal Bhatdee Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1954.

After providing Rs. 3,500 (Rs. 3,500) for depreciation, and Rs. 8,400 (Rs. 4,000) for taxation, there is a balance of Rs. 10,568 (Rs. 9,172) at the credit of profit and loss account from which the directors recommend payment of a dividend of As. 2 (As. 2) per share absorbing Rs. 5,617 (Rs. 5,617), leaving to be carried forward Rs. 4,951 (Rs. 3,555).

Raisings for the half-year were Rs. 39,979 (Rs. 39,910) tons as compared with 42,417 tons in the previous half-year and despatches were 43,693 (39,837) tons as against 36,251 tons.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,49,350	Block ...	3,08,193
Reserves ...	70,000	Debts, deposits and advances ...	1,88,677
Provision for taxation ...	24,017	Cash ...	2,24,303
Liabilities ...	1,72,855		
Profit and loss account ...	4,951		
Rs.	7,21,173	Rs.	7,21,173

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

Notices

THE KELVIN JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-fifth Ordinary General Meeting of the Shareholders of THE KELVIN JUTE COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Wednesday the 6th July, 1955, at 4-15 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 31st December, 1954.

(2) To declare Dividends.

(3) To elect Directors. Messrs. C. L. Bajoria and H. D. Kitching retire by rotation and, being eligible, offer themselves for re-election.

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

The Share Transfer Books of the Company will be closed from 22nd June to 6th July, 1955, both days inclusive.

By Order of the Board,
Per Pro McLEOD & Co., LTD.,
W. URE,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *15th June*, 1955.

Note.—Payment of the proposed dividends, if declared, will be made on or after 13th July, 1955, only to those members whose names are registered in the Books of the Company on the 6th July, 1955, or to their Mandatees.

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

THE METAL BOX COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-second Annual Ordinary General Meeting of the Company will be held at 59C, Chowringhee Road, Calcutta, on Thursday the 14th day of July, 1955, at 4 p.m., for the following purposes:—

1. To receive the Report of the Directors, the Statement of Accounts for the year ended 31st March, 1955, and the Report of the Auditors thereon.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other ordinary business of the Company.

The Ordinary Share Register of the Company will be closed from 1st to 14th July, 1955, both days inclusive.

By Order of the Board,
F. P. GILBERT,
Secretary.

59C, CHOWRINGHEE ROAD,
CALCUTTA, *10th June*, 1955.

SHREE GOPAL PAPER MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE next Ordinary General Meeting of the Shareholders of the Company will be held at its Registered Office at 5, Royal Exchange Place, Calcutta, on 28th June, 1955, at 3 p.m., for the purpose of adopting and passing the audited accounts of the Company for the period ended 31st December, 1954, declaring dividend, electing Directors and appointing Auditors.

The Share Transfer Books of the Company will be closed from 20th June to 28th June, 1955 (both days inclusive).

By Order of the Board,
KARAM CHAND THAPAR & BROS. LTD.,
Managing Agents.

5, ROYAL EXCHANGE PLACE,
CALCUTTA, *10th June*, 1955.

THE PULLANGODE RUBBER AND PRODUCE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twelfth Annual General Meeting of the Shareholders will be held at the Registered Office of the Company at 11 a.m. on Monday the 4th July, 1955, for the following purposes:—

1. To receive and consider the Report of the Directors, Accounts and Balance Sheet for the year ended 31st March, 1955.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors.
5. To transact any other competent business which may be brought before the meeting.

The Transfer Books of the Company will be closed from the 21st June, 1955 to the 6th July, 1955, both days inclusive.

(The Board will recommend to the meeting that a first and final dividend of 17½ per cent. be declared for immediate payment on the Ordinary Share capital).

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

FORT COCHIN,
7th June, 1955.

THE FORT GLOSTER JUTE MANUFACTURING COMPANY, LTD.

THE FOLLOWING DIVIDENDS WERE recommended to be paid by the Board of Directors for the half-year ended 31st March, 1955, without any deduction for Income-tax payable by the Company.

Rs. 3-8 per share on 7 per cent. Preference Shares,

Rs. 2-8 per share on 5 per cent. Preference Shares,

Rs. 10 per share on Ordinary Shares.

The Share Transfer Books of the Company will be closed from the 2nd July to 15th July, 1955, both days inclusive.

By Order of the Board,
KETTLEWELL BULLEN & CO., Ltd.,
Managing Agents.

CALCUTTA, *9th June*, 1955.

THE CALCUTTA TRAMWAYS COMPANY, LIMITED

(Incorporated in England)

NOTICE IS HEREBY GIVEN THAT THE Preference Shares Transfer Books will be closed from the 17th to 30th June, 1955 (both days inclusive) for the preparation of Dividend Warrants in respect of the Interim Dividend of 2½ per cent., less Income-tax, payable on the 1st July, 1955, on account of the profits for the year ending 31st December, 1955.

By Order of the Board,
A. SMITH,
Acting Agent.

P-4, MISSION ROW EXTENSION,
CALCUTTA, *6th June*, 1955.

BALMER LAWRIE & COMPANY LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Ordinary General Meeting of the Company a dividend of 8 per cent. for the year ended 31st December, 1954.

By Order of the Board,
BALMER LAWRIE & CO., LTD.,
O. T. JENKINS,
Director.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *7th June*, 1955.

INDIAN COPPER CORPORATION LIMITED

(Incorporated in England)

DIVIDEND No. 27.

NOTICE IS HEREBY GIVEN THAT AT THE Thirty-first Ordinary General Meeting to be held at the Royal Exchange Hall, Royal Exchange, Calcutta, on Wednesday the 17th August, 1955, at 11-30 a.m., the Directors will recommend payment of a Dividend (No. 27) for the year ended 31st December, 1954, of 15 per cent. and Bonus of 10 per cent. (6 pence, i.e., annas 5 pies 4 per unit of stock) free of Income-tax payable by the Company. Subject to confirmation of Members, the Dividend will be paid on the 31st August, 1955, to all Members registered in the books of the Company at close of business on the 1st July, 1955.

The Transfer Books will be closed from the 2nd July to the 21st July, 1955, both days inclusive.

The nett profit for the year ended 31st December, 1954, was £263,987 (against £74,600 for previous year), after providing £100,000 for Depreciation (£90,000 last year), £264,395 for Taxation (against £171,382), £150,000 for General Reserve (against £75,000) and £120,000 on other accounts (against nil). With £76,278 brought in from 1953, there is an available balance of £340,265 (against £167,698). After providing £228,550 for proposed Dividend of 15 per cent. and Bonus of 10 per cent. free of Income-tax payable by the Company (10 per cent. free of tax last year—£91,420), the balance carried forward is £111,715 (against £76,278 brought in from previous year).

By Order of the Board,
G. A. CARVER,
Secretary.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, *8th June*, 1955.

THE HOOGHLY FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighty-eighth Ordinary General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Bankshall Street, Calcutta, at 4 p.m. on Wednesday the 22nd June, 1955, for the following purposes:—

(1) To receive the Directors' Report and the Audited Accounts for the half-year ended 31st December, 1954.

(2) To declare a Dividend.

(3) To elect Directors.

(4) To appoint Auditors.

The Transfer Register will be closed from the 17th June, to the 24th June, 1955, both days inclusive.

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

CALCUTTA, *2nd June*, 1955.

THE TRAVANCORE RUBBER AND TEA COMPANY, LIMITED

(Incorporated in Travancore)

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 30th June, 1955, to the registered holders as at that date half-yearly interest due on Preference Shares at the rate of 6 per cent. per annum.

Preference Share Transfer Books will be closed from 26th June to 30th June, 1955, both days inclusive.

By Order of the Board,
ASPINWALL & CO. (TRAVANCORE) LTD.,
Managing Agents.

PATHIRAPPALLY, *6th June*, 1955.

Notices

INDUSTRIAL FINANCE CORPORATION OF INDIA

NOTICE

TENDERS ARE INVITED FOR THE PURchase of the undermentioned properties belonging to the Link Industries Ltd., Khaleeli Mansions, Mount Road, Madras-2, in one lot. The said properties are mortgaged in favour of the Industrial Finance Corporation of India and are to be sold by the latter in exercise of the powers conferred on it by the Indenture of Mortgage dated the 27th July, 1949, and by law.

PROPERTIES TO BE SOLD

Factory Premises known as the Link Industries Ltd., situate in Venbakkam Village, on the Grand South Trunk Road, at the outskirts of the Town of Chingleput in Chingleput Sub-District, Chingleput District, about 36 miles from Madras City, consisting of 5 acres and 30 cents of freehold land, the factory and other buildings and structures together with the plant and machinery for the manufacture of zip fasteners and coloured aluminium (anodised) fancy articles, etc., therein.

All the covers containing the tenders should be superscribed 'Tender for the purchase of properties of the Link Industries Ltd.' and sent by Registered Post Acknowledgment Due addressed to the Managing Director, Industrial Finance Corporation of India, so as to reach him on or before 11th July, 1955, and the receipt of the tender will be acknowledged by regular receipts. For particulars of properties, conditions of sale and inspection of properties, please apply to the Corporation.

The Corporation is not bound to accept any or the highest tender.

Dated the 11th June, 1955.

H. V. VENKATA SUBBIAH,
Managing Director,
Industrial Finance Corporation of India.

U.S. HOSPITAL BUILDING,
KEELING ROAD,
POST BOX No. 363,
NEW DELHI.

THE DHEMO MAIN COLLIERIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixty-third Ordinary General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Wednesday the 29th June, 1955, at 3-10 p.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 31st December, 1954.
2. To elect Directors.
3. To appoint Auditors and fix their remuneration.
4. To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 23rd to 29th June, 1955, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *13th June*, 1955.

BURN AND COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has sanctioned payment of the Dividend on 6 per cent. and 7 per cent. Preference Shares of the Company for the half-year ending 30th June, 1955. Payment will be made on or after the 9th July, 1955, to those shareholders whose names appear on the Company's Registers on the 30th June, 1955, or in accordance with their instructions.

By Order of the Board,
MARTIN BURN LTD.,
Managing Agents.

12, MISSION ROW,
CALCUTTA, *16th June*, 1955.

THE EQUITABLE COAL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Twentieth Ordinary General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Wednesday the 29th June, 1955, at 3-30 p.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 31st December, 1954.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 23rd to 29th June, 1955, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *13th June*, 1955.

THE HURRILADIH COAL COMPANY LIMITED

NOTICE

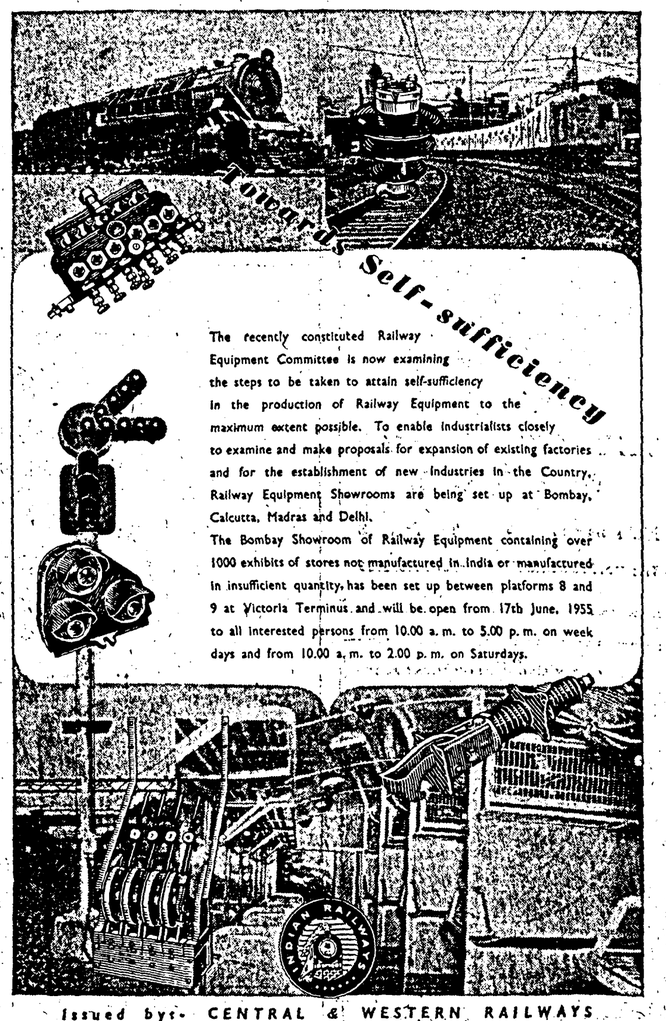
NOTICE IS HEREBY GIVEN THAT THE Eighty-eighth Ordinary General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Wednesday the 29th June, 1955, at 3-00 p.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 31st December, 1954.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 23rd to 29th June, 1955, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *13th June*, 1955.



The Bank of India, Ltd.

ESTABLISHED 7th SEPTEMBER, 1906.

CAPITAL SUBSCRIBED .. .. Rs. 5,00,00,000
CAPITAL PAID-UP .. .. Rs. 2,50,00,000
RESERVE FUND .. .. Rs. 3,12,00,000

Head Office:
MAHATMA GANDHI ROAD, FORT, BOMBAY.

BRANCHES IN INDIA

AHMEDABAD, Bhadra (Main Office), Ellis Bridge, Gandhi Road, Manek Chowk, Station Branch
AMRITSAR
BOMBAY, Andheri, Bandra, Bullion Exchange, Colaba, Kalbadevi, Malabar Hill
BHUJ (Kutch)
CALCUTTA, 23-B, Netaji Subhas Road (Main Office), Bara Bazar, Chowringhee Square
COIMBATORE
DELHI
GANDHIDHAM (Kutch)
HYDERABAD (Deccan)
JAMSHEDPUR
JUNAGADH
KOZHIKODE (Late Calicut)
MADRAS
NAGPUR, Kingsway, Itwari Bazar
NEW DELHI
PALANPUR
POONA, POONA CITY
RAJKOT
SURAT
SHOLAPUR
VERAVAL

FOREIGN BRANCHES:
LONDON—17, Moorgate, London, E.C.2.
ADEN. JINJA. KAMPALA. KARACHI. MOMBASA. NAIROBI. OSAKA. SINGAPORE. TOKYO.

DIRECTORS
SIR COWASJEE JEHANGIR, Baronet, G.B.E., K.C.I.E. (Chairman).
Mr. AMBALAL SARABHAI.
SIR JOSEPH KAY, K.B.E.
Mr. DINSHA K. DAJI.
Mr. RAMNIWAS RAMNARAIN.
Mr. BHAGVANDAS CHUNILAL MEHTA.
Mr. KRISHNARAJ M. D. THACKERSEY.
Mr. A. D. SHROFF.
Mr. MADANMOHAN MANGALDAS.

Current Deposit Accounts.—Except at certain places interest is allowed on daily balances from Rs. 500 to Rs. 1,00,000 at ½ per cent. per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year.

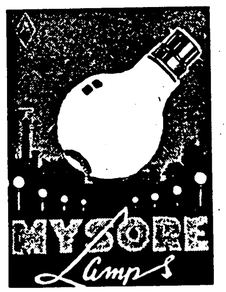
Fixed, Short and Savings Bank Deposits received on favourable terms. Rates on application.

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

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

General Banking Business transacted.

D. R. THOM, *General Manager.*



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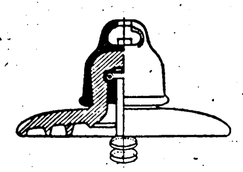

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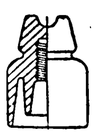

MONEY EASY

(From Our Own Correspondent)

BOMBAY, *15th June*

A slackening of demand for money and an inflow of funds brought about distinctly easy conditions in the money market during the week under review. With the relaxation of the seasonal pressure for funds banks were not keen borrowers of call money, with the result that there was a drop in the inter-bank rate among the Exchange banks and big Indian banks from 2¾ per cent. to 2½ per cent. and that among the smaller Indian banks from 3 per cent. to 2¾ per cent. Short-term deposits were taken at 3 per cent. for one to six months, though banks were a little hesitant to pay that rate for one month.

In consonance with the trend described above, there was a further decline in the Government of India Treasury Bill rate during the week, the average rate of accepted tenders being Rs. 2-8-5 per cent. per annum, as against Rs. 2-8-8 per cent. per annum last week. This is the third consecutive week when the rate has shown a drop. The rising trend in offerings noted in the previous two weeks, was not, however, maintained this week, the amount tendered recording a fall from Rs. 273.75 lakhs last week to Rs. 248.75 lakhs.

An expansion of Rs. 6.33 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 10th June, 1955. This rise follows an increase of Rs. 8.86 crores in the previous week. Notes held in the Banking Department show a decline of Rs. 6.07 crores and the consequent small rise in total notes issued is covered by a similar increase in rupee coin. In the Banking Department, the Central Government's deposits have gone up by Rs. 3.15 crores, while those of other Governments have dropped by Rs. 3.17 crores. Deposits of banks are higher by Rs. 2.22 crores. On the assets side, balances held abroad have risen by Rs. 6.07 crores. Loans and advances to Governments show a small increase of Rs. 56 lakhs and other loans and advances Rs. 23 lakhs. The rise in the latter is mainly accounted for by the increase of Rs. 43 lakhs in advances to Scheduled banks against usance bills. French borrowings by banks against these bills during the week amounted to Rs. 5.20 crores. Government Treasury Bills purchased and discounted disclose an increase of Rs. 1.91 crores.

The Scheduled banks' statement for the week ended 3rd June, 1955, shows a decline of Rs. 2.43 crores in demand deposits and a rise of Rs. 2.79 crores in time deposits. Inter-bank borrowings are also higher by Rs. 1.19 crores, while borrowings from the Reserve Bank have declined by Rs. 6.56 crores. Borrowings from the Imperial Bank are almost unchanged. A small rise of Rs. 59 lakhs is noted in advances, after two weeks of successive fall. Inland bills purchased and discounted have declined by Rs. 1.11 crores, while foreign bills have gone up by Rs. 95 lakhs. Cash on hand and balances with the Reserve Bank have together risen by Rs. 1.40 crores, balances with other banks in current account by Rs. 12 lakhs and money at call and short notice by Rs. 63 lakhs.

The Gilt-edged market presented firm conditions during the week under review, with keen buying enquiries and all-round rise in prices. The Reserve Bank of India stepped up on Friday last its selling price of 3 per cent. 1966-68 and 3½ per cent. 1964 by As. 2 to Rs. 91-2 and Rs. 98-14, respectively, and this action gave additional strength to the market. By a notification dated 10th June, 1955, the Government of India announced its decision to repay at par the whole of the 4½ per cent. 1955-60 loan on 15th September, 1955, with all interest due up to date. Interest will not accrue on the loan from and after 15th September, 1955. This loan was issued in 1928 at Rs. 94 per cent. and the outstanding amount is Rs. 9,05,64,000. It is currently being quoted at Rs. 100-12. The Government of India has not yet announced the terms and date of issue of its new loan. Presumably it is awaiting the closing of half-yearly accounts of banks, lest it should inconvenience the banks.

To revert to the trend of prices. 3 per cent. 1957 had buyers at Rs. 99-9½. 3 per cent. 1958 changed hands an anna higher at Rs. 99-8. 3 per cent. 1959-61 was in demand an anna better at Rs. 98. 3 per cent. 1963-65 rose sharply by As. 4 to Rs. 94-4 with persistent enquiries at the higher level. 3 per cent. 1964 attracted attention and gathered an anna to Rs. 94-3 due to proximity of voucher. 3 per cent. 1966-68 was wanted at the official selling price of Rs. 91-2. 3 per cent. 1970-75 was unchanged at Rs. 87-2, but was in demand. After the good support received in the previous week, 3 per cent. 1986 Conversion Loan was a shade easy, dropping an anna to Rs. 80-8. 3½ per cent. 1961 gained an anna to Rs. 99-14 and was on offer at that rate. 3½ per cent. 1964 was better at Rs. 98-14 due to the raising of the official selling price. 4 per cent. State Government and Bombay Municipal loans were in keen demand.

In the foreign exchange section, there was no change in the rupee-U.S. dollar rate, the banks selling rate being Rs. 479½ per $100 and buying rate Rs. 475½ per $100. Sterling, however, suffered a slight recession in terms of the U.S. dollar early in the week, but made headway later on. Thus, in New York, spot sterling, after being marked down from $2.79⅜—2.79½ to $2.79¼—2.79½, gathered strength to $2.79⅝—2.79¾ yesterday. Three months forward dropped from $2.77-5/16—2.78-1/16 to $2.77-11/16—2.77-13/16, before recouping to $2.77½—2.78. Transferable sterling closed yesterday at $2.77-3/16—2.77-5/16, as against $2.77½—2.77¾ a week ago.

BULLS PAY MARGIN IN GOLD

(From Our Own Correspondent)

BOMBAY, *15th June*

The bullion market ruled steady during the week under review, with an improvement in the prices of both the metals. Early in the week, there was an initial reactionary trend on reports that the leading bull had transferred a substantial part of his purchases in silver from *Ashad* to *Shravan* settlement at a backwardation charge of Rs. 3. This news, coupled with the expectation that the demand would slacken with the onset of the monsoon, caused a sharp drop in silver. Gold also declined in sympathy, but a sharp fall was averted by good demand in the ready section.

As the week progressed, signs of renewed strength were visible on bull manipulations, following good demand in the ready section. Frantic covering by bears also paved the way for a smart recovery. While the upward trend in gold was sustained by persistent offtake by Madras and Delhi, silver attracted profit-taking at the higher level. The closing rate for silver was, therefore, below the best level, while the yellow metal finished at the highest level for the week.

As the closing rate today in forward gold for *Ashad* settlement was above the official starting rate of Rs. 91-4 for that settlement and as it was more than Re. 1-8 above the closing rate for the next forward contract, the bulls were obliged to pay a margin of Rs. 35 per tola on their purchases in gold in *Ashad* settlement.

Silver for forward delivery in *Ashad* opened at Rs. 154-10 and suddenly dropped to Rs. 153-5. A smart recovery, however, set in and a high of Rs. 156-5 was touched yesterday. Realising pressure at the bulge brought it down to Rs. 155-8 at the close today. *Shravan* silver, after dropping from Rs. 152-4 to Rs. 151-1, came up to Rs. 155-9, but ended at Rs. 154-10.

Ready silver (.996 Mint) advanced from Rs. 157-13 to Rs. 158-13 and finished a shade lower at Rs. 158-8. The floating stocks of silver are placed at 1,400 bars. The daily average offtake was 25 to 30 bars.

Gold for forward delivery in *Ashad* settlement reacted early in the week from Rs. 90-9 to Rs. 89-10, but gained good ground before closing at Rs. 91-11. *Shravan* gold hardened from Rs. 88-12 to Rs. 89-11, although it had touched a low of Rs. 88 early in the week.

Ready gold moved up from Rs. 93-8 to Rs. 95, the premium over the forward rate for *Ashad* settlement being well maintained at Rs. 3-6. The floating stocks of gold are reported to be 10,000 tolas. The daily average arrivals and offtake balanced each other at 3,500 tolas.

In London, the price of silver and gold declined during the week. Spot silver was marked down from 78¼d. to 77⅞d. and forward from 78¼d. to 77⅞d. per fine ounce. Gold weakened from £12 11s. to £12 10s. 10½d. New York also witnessed a recession in silver. Messrs. Handy Harman reducing their official buying price twice during the week from 90½c. to 89½c. and again to 89¼c. per fine ounce.

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

	15-6-55	Highest	Lowest	8-6-55
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	95 0	95 1	92 14	94 1
Forward*	91 11	91 12	89 10	90 9
Sovereign	60 14	61 0	61 0	61 0
SILVER				
Ready (.996 fine Mint) ..	158 8	158 13	155 14	157 13
Forward†	155 8	156 5	153 5	154 13
London Silver Ready ..	77¾d.	78¼d.	77¾d.	78¼d.
London Forward	77¾d.	77¾d.	77¾d.	78¼d.
London Gold	250s.10½d.	250s.11½d.	250s.10½d.	251s. 0d.
New York Ready	89½c.	89¾c.	89¼c.	90¼c.

* *Ashad*—5th July settlement.
† *Ashad*—6th July settlement.
N. B.—Foreign bullion prices shown in the above table relates to the previous day.

BASE METALS ADVANCE

(From Our Own Correspondent)

CALCUTTA, *14th June*

An improvement in prices of base metals was a feature of the trading in the metal market during the week under review. Consumers were not inclined to support the higher prices, and business was limited to meet immediate needs. From Rs. 248, electrolytic copper gained to Rs. 250. The price was maintained at the higher level, despite the wide fluctuations either way reported on the London Metal Exchange. This was due to the local tightness in supply. There was some demand for scrap. Clean wire scrap improved from Rs. 192 to Rs. 195, mixed scrap being unchanged at Rs. 182. Tin recovered from Rs. 476 to Rs. 486, and thus reached the replacement cost. There were reports of fresh arrivals, despite which the price regained to the replacement level. Some quantity changed hands, but stockists, encouraged by the higher advices from both London and Singapore, were reserved. Electrolytic zinc closed at Rs. 64-8 which was also the opening rate. During mid-week, the rate touched a high of Rs. 65. However, the quantity that changed hands was insignificant, as consumers were expecting prices to fall following fresh arrivals during the week. Lead was quiet at Rs. 72. Consumers kept away from buying, as supplies in the market had increased in view of recent arrivals.

COTTON MOVES DOWN

(From Our Own Correspondent)

BOMBAY, *15th June*

In the absence of any encouraging factor, the forward section of the cotton market witnessed a distinctly easier trend during the major part of the week under review. Initially, the market remained steady, thanks to good spot advices. But this proved short-lived. Among the factors responsible for the easier trend, mention deserves to be made of the fact that expectations of a cut in export duty, held for some time now, did not materialise. The offtake in the cloth market was not very encouraging either. The only helpful factor was the appearance of China on the market as a buyer of Indian cotton. It would, however, appear that the Chinese demand for cotton has been somewhat less than what it had been expected to be. The cumulative effect of these factors was liquidation by tired bulls, resulting in a fall in values.

Little is yet known about the magnitude of the Chinese demand for cotton. Chinese representatives, it is stated, are negotiating with the Indian authorities at New Delhi for a quota of about 25,000 bales. But they are reported to insist on certain special terms. Thus, the quality and weight of Indian cotton bought by China will be decided by the Chinese Commodity Testing Bureau, the decision of which will have to be accepted as final. It remains to be seen whether a quota will be granted to China on these terms.

A welcome report from Tokyo avers that the Government of Japan has released sterling exchange to certain non-spinning mills for purchase of 50,000 bales of Indian cotton. Since the allocation has been made only to non-spinning mills, it is considered that Japan will buy only short-staple varieties.

Apart from the activity connected with the offer of Indian cotton to China, the demand for cotton for export purposes was somewhat limited. There were, however, some inquiries by shippers for Vijay, lower Jarillas, *Deshi* varieties and Zoda cotton. Some export business with the U.K., Continent and Hongkong has been reported.

I.C.C. August opened the week at Rs. 579 and moved up to Rs. 582½ on the following day. Liquidation by nervous bulls and selling pressure depressed prices, so that, on the 11th inst., it declined to Rs. 580. Since then, the downward movement has gained momentum. Today the contract touched the lowest level for the week at Rs. 571 and closed a shade higher at Rs. 571½. The following is the trend of prices in the forward section of the cotton market during the week under review:

	Opening	High	Low	Closing
I.C.C. August ...	Rs. 579	582½	571	571½

The ready section of the cotton market was also somewhat easier. Mill demand was restricted to Vijay, Punjab staple style and Jayadhar. The following are the latest available quotations from the Sewri cotton market:

Bengal *deshi* Rs. 530—Rs. 540; Berar Jarillas Rs. 600; Khandesh Rs. 575; Vijay Rs. 750; Oomra *deshi* Rs. 560; Moglai Rs. 500.

The Saurashtra Cotton Control Bill has received the assent of the President. It regulates cultivation of cotton, and prohibits mixing of prohibited varieties and of possession or use of, or trade in, the prohibited variety of cotton in any part of the State.

Steady conditions were witnessed in the Karachi cotton market during the week under review. On some mill demand and export enquiries, prices tended to look up. N.T.R.G. July improved to Rs. 71-4, as against Rs. 70 last week and N.T.R.G. January to Rs. 67-12, as compared with Rs. 66. In pursuance of the Pakistan-U.S. agreement, concluded in March this year, for sale of about 31 million dollars worth of surplus agricultural produce, the U.S. Agricultural Department is reported to have issued authorisation to Pakistan to buy 5,000 bales of cotton valued at one million dollars.

The following are the latest available quotations from the Karachi cotton market:

Sind *deshi* Rs. 58; Punjab *deshi* Rs. 53; 4F. roller Rs. 66-2; 4F. S.G. Rs. 71-2; Punjab roller Rs. 70-2; S.G. Rs. 75-2; 289F. N.T. roller Rs. 74-2; Sind S.G. Rs. 79-2; 289F. Punjab roller Rs. 75-2; S.G. Rs. 80-2.

The Sudan Gezira Board has in all sold about 24,326 bales in its auctions held from 31st May to 4th June. The approximate quantity of cotton harvested this season is stated to consist of 118,813 bales of 'S' cotton and 136,574 bales of 'L' cotton.

The final estimate of the Uganda crop for the current season is placed at 295,000 bales. The Lint Marketing Board, it is stated, has successfully marketed this entire quantity.

Good demand from the U.S., India, Poland and certain other countries of the Continent for Egyptian cotton has been reported from the Alexandria cotton market. Fully good and good Karnak and Gezira 30 were in demand. Entitlement premiums have remained practically unchanged. The Egyptian Government has decided to permit the reopening of the Alexandria futures market at the end of the current season. In this connection, it is learned that the first contract to be traded in will be for December delivery.

Some buying on U.S. private account and trade support at lower levels were the two principal factors that were responsible for a steady trend in the Liverpool Cotton Exchange. Operators were inclined to interpret the U.S. buying as indicating less likelihood of export subsidy in that country. Turnover was, however, reported to be somewhat limited. The following are the latest available quotations from the Liverpool cotton market:

July-August 31.17d.; October-November 30.33d.; December-January 30.16d. and March-April 30.04d.

Weather reports from the U.S. aver that weather conditions in the cotton-growing regions are excellent. Light insect infestation has, however, been reported. But control measures have been applied. The new crop in the U.S. appears to have made a favourable start, but, with the planted acreage estimated to be only round 17.3 million acres, any adverse development in the critical growing period will have more than normal significance.

The latest estimate of the supply of cotton in the U.S. places it at 23,528,000 bales of 500 lbs. each, made up of carryover stocks of 9,728,000 bales, crop of 13,650,000 bales and imports of 150,000 bales. Included in this supply are the stocks held by the Commodity Credit Corporation which, as on 27th May, 1955, held about 8.32 million bales. Thus, "free" supplies are of the order of 15.2 million bales. Distribution prospects, it is stated, appear around 12.5 million bales, made up of domestic consumption of 8.8 million bales and exports of 3.7 million bales. On the basis of this estimate, the end-season carry-over would be 2.9 million bales of "free" cotton or a total of 11 million bales.

The New York cotton market advanced on trade buying, mostly for mill account, together with commission house and local demand. Some buying in new crops was based on price considerations, but traders were generally inclined to await Washington developments. The July 1956 contract, which is the last contract where 7/8" cotton can be tendered, has been showing weakness and is quoting 50 points below the July contract. The October 1956 contract, which was 43 points above July at the commencement of trading on 1st June, is now about 60 points below July.

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

(In cents per lb.)

	14-6-55	7-6-55	31-5-55
Spot	34.65	34.65	34.65
July	34.00	33.83	33.86
October	34.17	33.98	34.02
December	34.26	34.02	34.08
March	34.19	33.95	33.95
May	34.29	34.01	—
July	33.50	33.21	—
October	33.02	32.75	—

SUGAR EASY

(*From Our Own Correspondent*)

BOMBAY, 15th *June*

The sugar market depicted an easy trend during the week under review, in distinct contrast to the fully steady note witnessed in the previous two weeks. There was some selling induced by expectations of heavy arrivals of indigenous sugar during the coming weeks, following resumption of booking to Wadi Bunder and anticipation of the usual monthly release of sugar for sale in the free market early next week. There was slackness in demand also, the pre-monsoon buying having come to an end. Consequently, prices of sugar tended to look down. Arrivals of indigenous sugar into the market during the week aggregated 8,600 bags.

In the *spot section*, large grain indigenous sugar was done at rates varying from Rs. 93-Rs. 100 per bag, as against Rs. 97-Rs. 102 a week before. Medium grain was easy at Rs. 91; last week, it was quoted at Rs. 90-Rs. 94. Among foreign sugar, British refined sugar receded by As. 4 to Rs. 84 per 2 cwts. German sugar lost As. 4 to Rs. 79-14 per 2 cwts.

In the *forward section*, *Shravan* delivery declined by As. 4 to Rs. 88-8.

N.B.—The rates for Indian sugars are inclusive of sales tax, while those for foreign sugars are exclusive of the tax.

STAPLE FIBRE YARN FIRM

(*From Our Own Correspondent*)

BOMBAY, 15th *June*

A notable event of the week under review in the rayon yarn market was the decision taken by the Bombay Yarn Merchants Association and Exchange Ltd. to resume, with effect from the 24th inst., trading by way of fixed delivery contract in 120 dull cones Snia rayon yarn. Trading will be for August and October 1955 fixed delivery and onwards. After the settlement for August delivery is over, contracts for December delivery may be entered into. Yarns of 120 denier dull cones of Snia mark 1st and 2nd qualities will be tenderable at par, while the goods of 3rd quality will be tenderable at a discount of an anna per lb. A case having a packing of 180 to 220 lbs. shall be made tenderable. The unit in the transactions shall be of 5 cases. The transactions will be quoted at the Exchange per case of 200 lbs. The members who have to take delivery of the goods will have to make payment in the Association at the rate of 200 lbs. a case. The seller and the buyer shall have to adjust their accounts amongst themselves of the difference in weights. The brokerage will be allowed at the rate of As. 10 per case. The by-laws pertaining to the transactions of fixed delivery contracts of 150D rayon yarn and 40/2 staple fibre yarn shall be made applicable to the above transactions with regard to the clearing system, delivery of goods, survey of goods, margin system, slips of statement, time of business, etc.

The forward section of the rayon yarn market which was inactive last week came in for some business this week. Following reports of better offtake in consuming centres, operators were somewhat inclined towards enlarging their buying commitments and, prices, as a result, registered a rise. 150D June contract was today quoted at Rs. 733, a rise of Rs. 2 as compared with the quotation in the previous week. Spot prices of foreign rayon yarn were fully maintained throughout the week. 120 Japan was done at Rs. 3-13-6, 150 Japan at Rs. 3-14, 120 Italy at Rs. 3-13 and 150 Italy at Rs. 3-9. Among indigenous yarns, National Rayons 150 Bt. cones 1st and 2nd grades rallied 18 pies each to Rs. 3-9 and Rs. 3-8-3, respectively. 120 Bt. cones 1st grade were maintained at last week's level of Rs. 4-4.

Thanks to persistent enquiries from consuming centres, the staple fibre yarn section exhibited a firm trend during the week under review, and prices, therefore, rose further. Staple fibre yarn (40×2) for June delivery rallied Rs. 5-8 to Rs. 596 today, before closing at Rs. 595-8. July delivery was quoted today at Rs. 593-8. Among foreign yarns (40×2) in the ready section, Shincos moved up by As. 2-8 to Rs. 4-11-6. Suikos gathered half an anna to Rs. 4-13-6. Among indigenous yarns, Kohinoors gained six pies to Rs. 3-5. New Greats were better by 3 pies at Rs. 3-1-9.

The cotton yarn market presented a distinctly bearish trend this week. Owing to pressure of sales at lower rates by some mills, shrinkage in offtake and in consuming centres and easy advices from cotton market, traders were busy lightening their commitments. Consequently, cotton yarn prices staged a retreat. Among 10s, Elphinstones were subjected to considerable selling pressure and were hammered down by As. 8 to Rs. 12. Moderns dropped As. 4 to Rs. 12-8. Podars lost an anna to Rs. 12-10. Among 20s, Moderns slipped by As. 4 to Rs. 15-12. Raghuvamshis and Seksarias were each an anna lower at Rs. 16-3 and Rs. 14-15, respectively. Among 30s Moderns receded by As. 6 to Rs. 20-8. Maduras were quiet at Rs. 20-12. Deals in 40 count yarns were put through at lower prices, Gokaks losing Re. 1 to Rs. 23-4 and Seksarias As. 4 to Rs. 21-4. Among 60s, Elphinstones declined by As. 4 to Rs. 48-4. Finlays and Moderns were quiet at Rs. 61. Among 80s, Moderns eased by As. 4 to Rs. 62-4. Finlays were unaltered at Rs. 68-8.

The table below gives the prices of art silk staple fibre and cotton yarns quoted today, as compared with those a week before:

	15-6-1955	8-6-1955
	Rs. a.	Rs. a.
Art silk yarn—		
150 D. June	733 0	730 0
120 Japan (per lb.)	3 13½	3 15½
150 Japan (per lb.)	3 14	3 14
120 Italy (per lb.)	3 13	3 13
150 Italy (per lb.)	3 9	3 9
Staple fibre yarn—		
40 × 2 June	595 8	590 8
40 × 2 July	593 8	—
Sulsco (per lb.)	4 11½	4 9
New Great (per lb.)	3 1½	3 1½
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	12 3	12 12
20s Raghuvamshi	16 3	16 4
30s Madura	20 12	20 12
40s Seksaria	21 4	21 8
60s Elphinstone	48 4	48 8
80s Finlay	68 8	68 8

OILSEEDS RISE FURTHER

(*From Our Own Correspondent*)

BOMBAY, 15th *June*

Before these lines appear in print, the Forward Markets Commission will have received the views of the oilseeds and oil interests on the question of establishing a regulated market in Bombay. This question was discussed by the Commission yesterday with the representatives of six trade bodies which had applied for recognition of their respective associations for forward trading in either oilseeds or oils. The opinions expressed by the representatives, it is reported, were wide and varied. Thus, some thought that it was necessary to recognise only one association, while a few others favoured separate associations for each type of oilseeds. Opinions also differed as to whether there should be only one association for both oilseeds and oils or a separate body for each. In view of these conflicting claims, the Commission urged the representatives to approach the problem realistically in the general interests of the trade and submit their views on the 16th inst.

The oilseeds market was relatively more active during the week under review. The improved trend witnessed last week gathered further strength and values continued their upward march. Groundnuts met with renewed buying support, under the stimulus of a number of favourable factors such as good enquiries for oil from overseas buyers and *vanaspati* manufacturers, paucity of arrivals owing to shortage of wagon supplies and firm advices from interior markets. The expectation of an early grant of an additional export quota for groundnut oil also influenced the sentiment favourably. Castor seeds also ruled strong, on reports that two tankers had already been chartered for the export of an aggregate quantity of 5,000 tons of oil. The U.S. interests were prepared to buy Indian castor oil even at higher prices, the latest rate offered for commercial quality being about As. 7-4 per lb., as against As. 7-3 a week before. The linseed section, too, provided a bright spot, thanks to covering by shippers against their previous commitments in oil. The overseas demand for oil was excellent, the latest rate offered being Rs. 1,373 per ton (£103). *Niger* seed also was well favoured. *Kardi* seed, however, proved an exception and was a shade easy, due to lack of follow-up support.

As stated already, groundnuts evoked good attention of operators and prices recorded an improvement. Coromandal ready and Khandesh quality were on special request and their quotations, as a result, rose by As. 6 each to Rs. 21-6 and Rs. 21-10, respectively. Bold F.A.Q. hardened by As. 4 to Rs. 20-10. June-July was fully maintained at Rs. 20-8, as also August-September at Rs. 21-6. Groundnut oil July rose by an anna and a half to Rs. 11-7. August improved by an anna to Rs. 11-8-6. June was better by six pies at Rs. 11-5-6. Railway receipt was fully steady at Rs. 11-5.

In the linseed section, Bold ready spurted by As. 8 to Rs. 24. June-July hardened from Rs. 23-11 to Rs. 23-15 and August-September from Rs. 23-12 to Rs. 23-15. Indore quality gathered As. 9 to Rs. 24-4. Linseed oil ready strengthened by As. 4 to Rs. 14-12.

In the castor seeds section, September delivery, which had gone down from Rs. 77-8 last week-end to Rs. 75-14 on Friday on account of covering by shippers at lower levels, recovered to Rs. 77-2 on the 11th inst. before finishing the week at Rs. 76-4. Deals in Kanpur quality were put through at Rs. 13-12, as against Rs. 13-8. F.A.Q. was fully steady throughout the week at Rs. 13-12, as against Rs. 14-8 last week, but spurted to Rs. 14-8 today. Madras quality was done at Rs. 14-10, same as last week. Castor oil B.S.S. picked up As. 2 to Rs. 9-10. First Pressure and Commercial were steady at Rs. 9 and Rs. 8-8, respectively.

Niger seed F.A.Q. were demanded by several traders and their price advanced by a rupee to Rs. 19-8. Madras quality also had buyers As. 8 higher at Rs. 19-8. *Kardi* seeds were somewhat quiet, ready bold and June-July being both quoted at Rs. 12-4, as against Rs. 12-8.

The following table shows the price of oilseeds and oil today, as compared with those at the end of the previous two weeks.

	15-6-1955	8-6-1955	1-6-1955
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	21 10	21 4	20 10
June-July	20 8	20 6	19 13
Linseed—			
Bold Ready (per cwt.) ..	24 0	23 8	22 8
June-July	23 15	23 11	22 6
Castorseeds—			
September	76 4	76 12	72 14
Madras (per cwt.)	14 10	14 10	13 14
Groundnut oil—			
Ex-mill Ready (per quarter) ..	11 7	11 5	11 3
Castor Oil—			
Commercial (per quarter) ..	8 8	8 8	8 4
Linseed Oil—			
Ready	14 12	14 8	14 0

PEPPER HARDENS AT ALLEPPEY

(*Messrs. Parekh & Co.*)

BOMBAY, 15th *June*

After a spell of narrow movements, Malabar black pepper during the week tended to harden induced by the general strike in Singapore. At Alleppey, the rate, after touching Rs. 1,145, improved to Rs. 1,175, while garbled at Cochin went up from Rs. 195 to Rs. 202½. If the Singapore situation deteriorates it is felt that the U.S. will have to switch over to India for meeting her immediate requirements, as shipments from sources like Kuching and Djakarta take longer time to reach New York. The U.S. is said to have paid $0.50 per lb. for June shipment from India. At the time of writing, however, market is quiet in sympathy with New York where buyers are reported offering for June shipment at $0.47½ per lb. Alleppey is down to Rs. 1,156½ and Cochin to Rs. 197½.

It is believed here that though Continental countries can afford to wait, the U.S. cannot wait longer in view of its approaching autumn and small stock position. The present U.S. purchases are patchy and selective. New York dealers buy for a day and then withdraw asking concession in price. Then again, after waiting for some time when they feel that sellers are stiff, they come in as buyers. They play thus a game of hide and seek. This they can do during the present dull season, but from July onwards, they cannot wait any longer, as otherwise there will be shortage of spot goods.

Growers in India are stiff sellers. When there is no buying for a couple of days, they reduce their price in order to attract buyers. But, immediately on their appearance, growers push up their quotations. Indian exporters, therefore, fear to go short. The talk of convertibility of sterling is also one of long long forward sales, as in case of convertibility, they do not know the level of cross rate to be fixed.

Following are today's nominal quotations: Ready delivery Rs. 150 (as against Rs. 155 a week ago) per Bengal maund, July Rs. 1,070-80 (Rs. 1,100-10) and August Rs. 1,060-70 (Rs. 1,095-1,105) per candy of 5¼ cwts.

DEMAND FOR DUSTS BROADENS

(*Messrs. Forbes, Ewart and Figgis Ltd.*)

COCHIN, 9th *June*

Approximately 430,000 lbs. were on offer in dust sale "K" which was held on Tuesday, 7th June. From the outset there was an excited general demand for all types of dust. The demand increased as the sale progressed and buyers competed keenly. Major advances were registered in the prices of low and low medium dusts including milled descriptions, and Medium types and best liquoring dusts were well supported and advanced by As. 4 to As. 8 per lb.

London Market—Sale of 6th June.—Irregular market. Best ½d. to 3½d. dearer. Stalky kinds easier.

Sale of 7th June.—Irregular market. Better sorts dearer.

Colombo Market—Sale of Monday, 6th June.—Good demand. Rates unchanged.

Tuesday's sale.—The export sale due to be held on Tuesday, 7th June, was postponed pending official notification of a reduction in the export duty to 50 cents from the present level of Re. 1. The reduction was due to take effect from midnight 7th June, but no official notification has been received.

Calcutta Market—Export.—The first sale of the season got off to a promising start. Brokens sold at about valuations. Fannings were rather neglected, owing to absence of U.K. support, but whole leaf grades were very strong.

Internal.—Dust 6,000 new 2,350 old. Fair demand. Strongest feature C.T.C. and Darjeelings. Leaf 400 new 400 old. Fair demand, mainly non-exportable.

Export Quota.—There has been an easier tendency and business has been done at 60 piles. There are still buyers at this figure.

Forthcoming Auctions.—Dust sale "L" will be held on Tuesday, 21st June.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:

"*Sale* 12.—1,950,000 lbs. Good demand at about last rates, but mediums occasionally easier. Whole leaf very strong and dearer. Internal operators predominate."

NARROW FLUCTUATIONS IN JUTE GOODS

(*From Our Own Correspondent*)

CALCUTTA, 14th *June*

There was moderate activity in the jute goods market during the week under review, but most of this was the result of covering on expectations of demand from overseas buyers, as well as speculative buying. The announcement on Tuesday last of the stock figures of mills as at the end of May evidently pleased all sections of the market, and prices recovered very satisfactorily. According to these figures, there was more than a satisfactory decline in heavy goods, which took the stock down to 53,100 tons from 62,900 tons. On the other hand, hessians increased by 1,600 tons to 40,600 tons. The overall decline was of the order of 8,500 tons. There is no anxiety in the increase in hessian stocks, as plenty of hessians is required for the Argentine order for shipment between July and September. Irrespective of the increase in hessian stocks, it is stated that shipment of hessians during May had improved to 129.8 million yards from 111.3 million yards. The increase was shared by the United States, Canada, Australia, and Argentina and Montevideo.

On Tuesday last, ready B. twills gained to Rs. 109 from Rs. 108-8 following the good statistical position of heavy goods revealed on that day. The next day, there was a further improvement to Rs. 109-2, and mills were sellers. The higher prices were not supported by foreign buyers, and when covering demand was satisfied prices dropped. The ready position lost to Re. 107-12, and at Rs. 106-12 the July-September goods were lower by Re. 1-8. The decline continued on Friday also, and took the prices to Rs. 105-8 and to Rs. 105 respectively. Over the week-end, some business was done, and ready goods were steady at Rs. 106-10. Yesterday, there was a further improvement to Rs. 107. Indications were available that more quantities would be shipped to certain Far Eastern countries. Foreign buyers refrained from entering into any large commitments, as they expected that as and when the new crop commenced reaching mills, there would be a further drop in prices of both the raw material and finished products.

In contrast with the trend in heavy goods, the fluctuations in the prices of hessians were narrow. Demand was at a low ebb. But stockists were confident that good demand was in the offing. From Rs. 43-5, hessian 40" 10 oz. improved to Rs. 43-12. There was a fall to Rs. 42-4 on account of selling pressure but when this subsided there was a recovery to Rs. 42-11. Forward goods were priced one to two annas lower than ready goods. With the improvement in B. twills yesterday, the 10 oz. hessians were also one anna better at Rs. 42-12. The 8 oz. hessians were priced at Rs. 34-6.

Mills showed interest in offers of the old crop and, at firm prices, bought some quantity. Assam bottoms old crop was nominally quoted at Rs. 27-8. The firm tendency in quotations was due to the fall in stocks of jute goods, and the expectation that mills would require more raw jute. Mills were, however, reluctant to enter into fresh forward deals in new crop. As higher crop became a reality, prices would drop further to the benefit of the industry. The following are the latest quotations and are almost unchanged compared to those of a week ago:

	Middles	Bottoms
	Rs. a.	Rs. a.
Pakistani:		
Northern	31 0	27 0
District	31 8	27 8
Indian:		
Northern	30 0	27 0
Assam Upper ...	29 8	26 8
Assam Lower ...	30 0	27 0
Dalsee	31 0	28 0
Murshidabad ...	29 0	26 0
Western	28 8	25 8
Jungli	28 8	25 8
Uttar Pradesh ...	28 8	25 8
Orissa	30 8	27 8
Dalsee mesta ...	28 0	25 0
Bimli f.a.q.	25 8	

Pucca bales first marks ready Rs. 172-8 per bale.

TEA ACTIVE

(*From Our Own Correspondent*)

CALCUTTA, 14th *June*

Internal buyers were again active during yesday's export auctions. Offerings aggregated 18,500 chests. There was strong demand, and prices gained fractionally. Well-made Darjeelings possessing quality were paid keen attention, while the plainer liquoring teas eased to quote below valuations. Whole-leaf grades were in good demand, with stylish B.P.Es. being pushed to the forefront. Prices of clean black brokens gained by half to one anna, and those of fannings by As. 1½. The quotations were: clean pekoe Rs. 2-8 to Rs. 2-10, and clean B.P. Re. 1-14-6.

There was fair demand at lower levels during last week's internal sale. Dusts offered amounted to 6,350 packages, of which 2,350 packages were the old season's tea. The feature was provided by the prices for C.T.C. Assams and Darjeelings rising above brokers' valuations, following keen competition. All other teas were below valuations.

Quotations were nominal and were: best Assam C.T.C. Rs. 2-10, and medium Dooars Re. 1-12 to Re. 1-13.

Offerings of dusts consisted of 400 packages each of the old and the new seasons' teas. Demand was fair.

LINSEED FIRM

(*Messrs. A. Bradley and Co.*)

CALCUTTA, 13th *June*

The linseed market remained firm during the week and activity was scarce. Sellers were very reserved, owing to poor arrivals and scanty offerings from the centres. There were keen offerings from crushers for both ready and forward delivery, but the daily turnover was small. The oil market was firm with good enquiries from both local and overseas buyers. Sellers were rather reserved.

Latest quotations are: June Rs. 16-3 and July-August Rs. 16-8 per maund.

PRICE SUPPORT FOR GRAM

(*From Our Own Correspondent*)

HAPUR, 13th *June*

The foodgrain market ruled quiet to firm during the week and it appears that the scheme of price support to wheat by the Union Government (at Rs. 10 per maund in markets where prices tend to fall below that level) has resulted in stabilising wheat prices in the country. The overall food position in the country has been described by Mr. Ajit Prasad Jain, Union Food Minister, as "very very comfortable," having achieved self-sufficiency in wheat and with large stock of surplus rice. There is now no question of importing foodgrains; in fact, efforts are being made to export rice.

At Hapur, wheat prices have improved to Rs. 10 per maund for average quality and fine farm quality was transacted at Rs. 11-4 per maund. Daily arrivals average 3,000-4,000 maunds and, as outside demand was slack, the local stock has swelled to 90 *khaties* of 800 maunds each.

The Government of India has decided to give price support for gram also and the Government will enter the market as buyer, as and when necessary, if gram prices tend to fall below Rs. 6 per maund. About 64,300 tons of gram are expected to be purchased on Government account under the scheme. The Union Food Minister has declared that the Government of India, if need arises, would extend its price support policy to rice also at the next harvest, "on the basis of parity price of wheat."

Gram prices recorded some gains, following the aforesaid announcement. Gram for local quality is now transacted at Rs. 6-4 and Punjab quality at Rs. 6-14 per maund. The stock position of gram continues unchanged, being 6 *khaties*. Prices of other coarse grains also recorded fractional gains to Rs. 5-8 per maund for barley and Rs. 5-7 for *bejhar*, and the *bejhar* stock has now increased to 11 *khaties*. Despite loading restrictions and increasing stocks, ready peas prices recorded sizable gains during the week and peas *dara* quality is now quoted at Rs. 5-12 and white quality at Rs. 6-12 per maund. Daily arrivals now average upto 2,000 maunds and the stock is 60 *khaties*. *Arhar* prices also advanced in sympathy with peas and are now quoted at Rs. 6-14 per maund and stocks have gone upto 30 *khaties*. Other pulses also ruled quietly steady.

The pulses future section, too, advanced in consonance with the ready section and peas and *arhar bhadon* are today quoted at Rs. 5-12-6 and Rs. 7-2-3, as against Rs. 5-11-3 and Rs. 6-14-6, respectively, on the 6th inst.

SUGAR DULL

(*From Our Own Correspondent*)

HAPUR, 13th *June*

Stagnant conditions prevailed in the sugar market during the week under review. Trading was on a small scale, in spite of increased demand from Saurashtra, Rajasthan and Madhya Bharat. Price movements were within fractional limits. Dr. Punjabrao Deshmukh, Union Agriculture Minister, has informed that the total sugar production this year will reach an all-time record of over 1.6 million tons, representing an increase of over 60 per cent. over last year's production of 1.0 million tons and, at the beginning of the next sugar season on 1st November, the carryover of sugar was expected to be over 800,000 tons. The all-India consumption of sugar is estimated at 1.6 to 1.7 million tons, as against 1.8 million tons last year. The *khandsari* production is also expected to go up to about 250,000 tons. The prevailing rates for mill delivery sugar are: Jaswant Rs. 29, Simbhaull Rs. 29-3, Mowana Rs. 29-4, Daurala Rs. 30, Amroha and Bijnore Rs. 28-6, Mensoorpur Rs. 30-4, Rampur Rs. 31, retail Rs. 31-4 and *khandsari* Rs. 22 to Rs. 27 per maund.

Ready *gur* prices recorded an appreciable fall during the week to Rs. 9-6 per maund for dry quality and to Rs. 9 per maund for *kotha* quality. Arrivals this year have been abnormally high, at an average of 1,000 maunds and were even 3,000 maunds today. As the offtake too is very substantial mainly to Gujerat and Rajasthan, the local stock has gone down to 70,000 maunds. There have been reports of heavy stocks in nearby small markets and this alone is a very depressing factor.

Gur future, on the other hand, moved within very narrow limits. Opening at Rs. 8-13-9 and Rs. 8-4-3 *ascr* and *phagun* deliveries are today quoted at Rs. 9-0-9 and Rs. 8-3-9, respectively.

MYSORE CHEMICAL MANUFACTURERS LTD.

SEVENTEENTH ANNUAL MEETING

THE Seventeenth Annual General Meeting of the shareholders of the Mysore Chemical Manufacturers Ltd. was held at Bangalore on 11th June, 1955. Addressing the shareholders, Mr. H. F. Marker, Chairman of the Company, referred to the Company's successful working during the year ended 31st March, 1955, and indicated that new lines of production had been developed.

The following are extracts from Mr. Marker's speech:

"GENTLEMEN,

"Before asking you to adopt the report and the accounts, I wish to review briefly the working of the Company during the year under report. During the year, the total sales of our products amounted to nearly Rs. 17 lakhs, resulting in a net profit of Rs. 1,11,867-0-7, the loss of Rs. 28,780-15-6 incurred by selling our 4 per cent. Mysore Government Bonds shown in the profit and loss account having been provided for in the carried forward amount of the previous year. The higher sales and profits have been possible because of the larger production of copper sulphate which was carried on without any break at our Chikbanavar Works. It is also due to the quality of our material being appreciated by the actual users and it is expected that the demand would be even higher during the coming year.

"I am glad to report that we have successfully prepared a new copper fungicide in our works, similar to Cupravit and Cuprokylt, which is mainly copper oxychloride and contains nearly double the copper content of copper sulphate and can be used for spraying and dusting without addition of lime and other fixatives. We hope to make this new material available in large quantities during the next spraying season.

"Another new development during the year has been the successful introduction of iron-free sulphate of alumina which is used mainly for dyeing purposes. Our product is of the requisite standard of purity and the sales are expected to reach a high level during the current year. Another of our products, crystal alum, is also proving very popular and is manufactured on a large scale at our Belagula Works."

STRONG DEMAND FOR GOAT HIDES

(*From Our Own Correspondent*)

KANPUR, 11th *June*

During the week under review, the conditions of the hides and skins market were rather indifferent. Fresh arrivals and overall offtake were less than the weekly averages usual for this period of the year. Smaller volume of fresh arrivals was specially noteworthy in reference to fresh goat, buff or sheep from the butcheries, local or otherwise. The local tanners were the main purchasers. The Madras dealers were responsible for heavy purchases of goats of all categories.

The latest quotations are: Wet salted cow, 1st grade Rs. 360, 2nd grade Rs. 280 and 3rd grade Rs. 120 per score; wet salted buff, 1st grade 1 lb. 10 ozs., 2nd grade 1 lb. 12 ozs. and 3rd grade 1 lb. 9 ozs. per rupee; goat, 1st grade Rs. 275 and 2nd grade Rs. 250 per 100 pieces; sheep, Rs. 200 to Rs. 250 per 100 pieces.

KIPS DECLINE SLIGHTLY

(*From Our Own Correspondent*)

MADRAS, 14th *June*

Arrivals of kips have been on the usual scale and clearance of shippers moderate. Prices are a shade easy, due to shippers' inability to sell to U.K. factors at last prices. The U.K. dressers, in their turn, do not find it profitable to buy kips at current levels for their trade, nor E.I. tanners are able to buy raw stocks at U.K. tanned parity. Demand for superior tannages has continued for light weight cow hides and 1½/2 and 2/2½ lbs. cow calf. Tanned buff hides market has declined by six pies per lb.

In the tanned skins section, prices of ordinary sheep skins have advanced slightly, due to good clearance by shippers probably for shipment to Japan. Tanned goat skins market is steady.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	3rd June, 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1,324.95	1,316.09	1,329.26	1,211.54
Notes held in Banking Department	35.05	14.30	24.03	10.54	33.90
Foreign Securities	59.50	652.04	651.98	651.98	688.15
Rupee Securities	37.39	543.65	538.71	533.71	421.22
Banking Department					
Deposits of:					
Government of India	14.89	52.21	54.63	50.09	108.89
Other Governments	..	14.75	14.17	23.21	19.54
Balances held abroad	10.08	60.03	48.46	48.76	62.35
SCHEDULED BANKS					
Demand Liabilities	134.36	591.01	592.63	580.95	539.45
		(9.58)†	(8.34)†	(8.23)†	(8.31)†
Time Liabilities	102.24	391.40	388.17	383.80	329.62
Borrowings from Reserve Bank	..	(3.11)†	(3.67)†	(2.10)†	(1.65)†
		20.62	27.16	32.29	34.81
		(19.14)‡	(25.57)‡	(29.94)‡	(15.90)‡
Borrowings from Imperial Bank	..	4.78	4.78	6.74	9.44
Cash in India	6.70	35.02	35.31	34.12	33.42
Balances with Reserve Bank	25.17	49.24	47.54	46.21	41.60
Excess over statutory limits	15.52	11.87	10.15	9.49	8.04
Balances with other banks in current account in India	..	10.56	10.44	10.14	9.91
Money at call and short notice in India	..	16.79.	16.17	15.16	12.18
Investments (at book value)	..	344.49	344.84	344.73	326.31
Advances and bills	105.09	520.26	619.32	625.49	572.39
IMPERIAL BANK					
Deposits	57.76	210.34	210.45	215.13	209.60
Investments	51.99	101.51	101.87	102.51	92.72
Advances	30.35	121.34	121.27	127.34	124.25
Cash	14.69	12.01	16.10	17.09	13.04

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	Week ended 10th June, 1955		Week ended 3rd June, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,54,794	54,54,76,000	2,53,701	56,79,57,000
Calcutta	1,44,925	47,11,84,679	1,54,122	66,35,50,588
Madras	80,969	7,29,39,880	82,413	8,09,58,276
All Centres—1955	..	..	1,14,58,214	26,45,05,03,000
1954	..	..	3,40,72,000	70,64,29,00,000
Jan., 1955	..	..	29,43,000	6,23,74,00,000
Feb., ,,	..	..	28,75,000	6,20,77,00,000
March, ,,	..	..	32,91,000	7,42,59,00,000

Reserve Bank of India

Statement of Affairs for the week ended 10th June, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	55,35,44,000
(2) Other Governments	11,53,23,000
(b) Banks	48,94,90,000
(c) Others	21,68,48,000
Bills Payable	4,17,26,000
Other Liabilities	35,10,78,000
Rupees	189,85,09,000

ASSETS	Rs.
Notes	8,22,66,000
Rupee Coin	4,20,000
Subsidiary Coin	6,68,000
Bills Purchased and Discounted—	
(a) Internal	45,90,000
(b) External	.....
(c) Government Treasury Bills	15,63,24,000
Balances held abroad*	66,10,55,000
Loans and Advances to Governments	1,36,00,000
Other Loans and Advances	29,63,33,000
Investments	40,51,59,000
Other Assets	29,80,59,000
Rupees	189,85,09,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 19,57,00,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 121,01,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,22,66,000	
Notes in circulation	133,27,76,000	
Total Notes issued		1339,50,42,000
Total Liabilities		1339,50,42,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion:		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	652,04,02,000	
Total of A		692,05,73,000
B. Rupee Coin		103,79,82,000
Government of India Rupee Securities		543,64,87,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1339,50,42,000

Ratio of Total of A to Liabilities: 51.665 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 3rd June, 1955

	Rs.
1. Demand Liabilities in India	
(i) Borrowings from banks other than the Imperial Bank of India	9,58,47,000†
(ii) Other demand liabilities	581,42,03,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India	3,10,52,000†
(ii) Other time liabilities	388,29,04,000
3. Borrowings in India from the Imperial Bank of India:	
(i) Demand liabilities	4,77,74,000
(ii) Time liabilities	58,000
4. Cash in India	35,01,55,000
5. Balances with the Reserve Bank in India	49,28,75,000
6. Balances with other banks in current account in India	10,55,58,000
7. Money at call and short notice in India	16,79,40,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	344,49,18,000
9. Advances in India	500,72,01,000
10. Inland Bills purchased and discounted in India	79,92,71,000
11. Foreign Bills purchased and discounted in India	29,61,22,000

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

EXCHANGE RATES

	15th June, 1955	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	1-5 13/16	1-5 13/16
Buyers T.T. spot to six months	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	480	480
Buyers T.T. .. Rs.	474½	474½
London on New York .. $	2.792–2.792½	2.79–2.79½
London on Paris .. Fcs.	979–979½	979–979½
London on Berne .. Sw. Frs.	12.23½–12.24½	12.23–12.23½
New York on London .. $	2.792–2.792½	2.792–2.79½

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India†	'53-'54	372.87	..	10,600	283.9
Pakistan	1949	75.04	..	1,671	222
Burma	1952	18.85	Kyats 3,556	356	188
Ceylon	1952	8.16	..	442	541
Japan	1952	85.50	Y. 5,222,400	7,014	820
Philippines	1947	21.02	P's. 7,875	1,654	787
New Zealand	1952	2.05	£(N.Z.) 727	969	4,727
Australia	1952	9.18	£(A) 2,521	2,541	4,207
U.K.	1952	50.56	£ 14,719	19,625	3,588
U.S.A.	1952	159.63	$ 305,000	146,780	9,196
Canada	1952	14.78	$ 19,045	8,607	5,858
France	1952	42.85	Fr. 10,197,000	14,018	3,281
W. Germany	1952	48.99	Dm. 108,000	11,705	2,389
Italy	1952	47.02	Lr. 8,967,000	6,822	1,453
Norway	1952	3.32	Kr. 16,561	1,112	3,350
Sweden	1952	7.17	Kr. 34,957	2,422	4,772
Netherlands	1952	10.49	Grs. 19,260	2,451	2,336
Denmark	1952	4.37	Kr. 23,454	1,561	3,573
Switzerland	1952	4.88	Sw.Fr. 20,800	2,386	4,884

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nations Monthly Bulletin of Statistics, September, 1954.
† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 27th May, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	12,42,92,000
(b) Provincial Governments	4,31,48,000
(c) Banks	12,93,38,000
(d) Others	2,93,15,000
Bills Payable	45,09,000
Other Liabilities	4,33,25,000
Rupees	45,48,92,000

ASSETS	Rs.
Notes	9,21,87,000
Rupee Coin	5,000
Subsidiary Coin	14,000
Bills Purchased and Discounted:—	
(a) Internal	.....
(b) External	.....
(c) Government Treasury Bills	9,15,000
Loans and Advances to Governments	4,98,00,000
Provincial Governments' Debtor Balances	.....
Other Loans and Advances	4,96,80,000
Investments	16,19,50,000
Other Assets	10,01,58,000
Rupees	45,48,92,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,21,87,000	
Notes in circulation	244,12,82,000	
Total Notes issued		253,34,69,000
Total Liabilities		253,34,69,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion:		
Silver Bullion	7,91,42,000	
Sterling Securities	40,13,01,000	
Government of India Securities	21,41,41,000	
India Notes representing assets receivable from the Reserve Bank of India	29,96,87,000	
B. Rupee Coin	4,19,86,000	99,42,71,000
Government of Pakistan Securities	145,47,87,000	
Internal bills of exchange and other commercial paper	....	149,67,22,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,13,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	4,24,75,000
Total Assets		253,34,69,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 40.50 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	2½
Austria	3rd June, 1954	4	3½
Belgium	29th Oct., 1953	3	2½
Bolivia	30th Sept. 1950	5	6
Canada	15th Feb., 1955	2	1½
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	6	4
Costa Rica	1st Feb., 1950	5	4
Denmark	22nd June, 1954	4	3½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1953	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	16th Dec., 1951	7½	5½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1954	12	10
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th Mar., 1952	3½	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Mexico	4th June, 1942	4	3½
Netherlands	7th April, 1953	3	2½
New Zealand	26th Nov., 1954	3½	4
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	3	6
Peru	12th Nov., 1947	5	6
Portugal	12th Jan., 1944	3	2½
South Africa	27th Mar., 1953	3½	4
Spain	1st Oct., 1954	4	3½
Sweden	18th April, 1954	2½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	25th Feb., 1951	3	2
United Kingdom	24th Feb., 1955	4	4½
U.S.S.R.	1st July, 1936	2	1
U.S.A.	16th April, 1954*	1½	1½
West Germany	8th May, 1954	3½	3

* Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	March, 1954	March, 1955	Twelve months, April to March, 1953-54	Twelve months, April to March, 1954-55
Import Duties:				
Revenue	11.27	12.54	113.92	136.08
Protective	0.59	0.47	6.16	7.24
On surplus disposals	0.02	—	0.21	0.14
Total import duties	11.88	13.01	120.28	144.36
Export Duties	2.49	3.94	38.51	41.39
Land Customs	0.12	0.12	1.82	1.81
Miscellaneous	0.06	0.06	0.72	0.07
Gross total customs	14.55	17.15	161.33	188.63
Refunds and drawbacks	0.19	0.38	1.96	1.83
Net Customs	14.36	16.77	159.37	186.80
Excise duty	8.89	12.25	94.00	106.02
Refunds	0.07	0.27	0.99	1.08
Net Excise	8·82	12.05	93.01	104.94
Net total of customs and excise†	23.18	28.82	252.38	291.44

† Net Customs plus net Excise.

Imperial Bank of India

Statement of Affairs for the week ended 10th June, 1955

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		3,35,00,000
Deposits and other Accounts		205,61,33,000
Borrowings from other Banking Companies Agents		10,50 00,000
Bills for Collection being Bills Receivable as per contra		6,54,12,000
Acceptances, Endorsements and Other Obligations as per contra		46,66,000
Other Liabilities (including Inter-Office Adjustments)		69,000
Total		5,41,74,000
Total	Rs.	243,52,03,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		12,18,66,000
Balances with other Banks		3,35,25,000
Money at Call and Short Notice		1,80,00,000
INVESTMENTS—		
Government and other Trustee Securities	69,68,56,000	
Other Authorised Investments	11,21,45,000	
		110,90,04,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	88,40,60,000	
Bills Discounted and Purchased	31,06,19,000	
Bills Receivable being Bills for Collections per contra		119,46,79,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		46,66,000
Premises less Depreciation		63,000
Furniture and Fixtures less Depreciation		1,25,04,000
Other Assets (including Inter-Office Adjustments)		44,50,000
		2,80,58,000
Total	Rs.	243,52,03,000

SMALL SAVINGS

(In lakhs of rupees)

	National Savings Certificates 5-Year† Outstandings*	5-Year† Receipts	7-Year †† Outstandings*	7-Year †† Receipts	12-Year Outstandings*	12-Year Receipts	POSTAL SAVINGS Savings Bank Deposits Receipts	Savings Bank Deposits Outstandings*	Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-year Treasury Savings Deposit Certificates § Receipts	2½% Ten-year Treasury Savings Deposit Certificates § Outstandings	10-Year National Plan Certificates ‡ Receipts	10-Year National Plan Certificates ‡ Outstanding*
1952-53	6,83	46	3,26	22,86	54,17	1,12,55	92,08	— 31,07	7,55	25,64	..	..	..
1953-54	5,91	1,60	4,26	26,54	1,04,88	1,17,37	1,06,29	— 34,30	6,84	33,11	..	..	..
1954-55	4,71	1,61	4,98	27,26	1,24,56	1,30,31	1,27,55	— 36,33	5,57	37,15	7,40E	7,33	..
March 1954	5,91	46	4,26	3,06	1,04,26	16,29	1,06,29	— 34,30	44	32,11	..	..	..
April ,,	5,81	11	4,29	2,12	1,05,84	10,70	1,07,51	— 34,40	70	32,17	..	..	..
May ,,	5,71	10	4,21	1,71	1,07,05	10,08	1,07,13	— 34,57	54	32,26	54	54	..
June ,,	5,62	9	4,22	1,89	1,06,40	10,43	1,06,22	— 34,72	84	33,31	89	2,43	..
July ,,	5,47	12	4,29	2,27	1,10,16	11,40	1,11,02	— 34,96	46	34,08	76	1,56	..
August ,,	5,34	15	4,29	2,17	1,11,88	10,23	1,12,07	— 35,17	46	34,44	39	2,48	..
September ,,	5,24	10	4,51	2,44	1,18,76	10,32	1,14,22	— 35,34	46	34,94	1,37	4,05	..
October ,,	5,16	11	4,57	1,90	1,18,08	9,94	14,96	— 35,51	43	35,33	60	4,45	..
November ,,	5,08	12	4,54	2,25	1,16,76	10,24	1,16,31	— 35,69	57	35,84	55	5,22	..
December ,,	4,98	11	4,46	2,34	1,18,40	11,36	1,15,56	— 35,87	40	36,26	57	5,79	..
January, 1955	4,88	14	4,76	2,45	1,20,28	10,51	1,20,10	— 36,08	48	36,87	54	6,33	..
February ,,	4,81	12	4,79	2,27	1,21 88	11,12	1,22,28	— 36,19	40	36,74	43	6 31	..
March ,,	4,71	25	4,98	3,41	1,24,56	15,05	1,27,55	— 36,33	47	37,15	58	7,38	..
April ,,	..	..	..	..	..	..	..	..	45	37,55	..	..	..

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947. † Issued from 1st June, 1948 to 30th June 1952. †† Issued from 1st June, 1948. § Issued from 1st February, 1951. ‡ Issued from 10th May, 1954. E—Relating to eleven months from May, 1954. ** Figures from 1948-49 relate to the Indian Union. Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 5-6-'54	7-5-'55	23-5-'55	4-6-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.1	90.6	90.8	90.8
1. Government of India	90.0	90.5	90.6	90.6
2. Indian States	95.7	96.2	96.2	96.3
DEBENTURES OF INDUSTRIAL CONCERNS	100.8	100.6	100.7	100.5
1. Electricity	101.9	102.0	102.3	101.9
2. Jute	98.8	98.8	98.8	98.8
3. Plantations	99.6	99.6	99.1	99 1
4. Sugar	100.3	99.0	99.0	99.0
5. Cotton	90.6	90.6	90.6	90.6
6. General Engineering	101.0	100.6	100.6	100.6
7. Shipping	102.3	100.3	100.3	100.2
8. Others	100.7	100.6	100.6	100.7
PREFERENCE SHARES	88.2	88.0	87.6	87.6
1. Electricity	94.4	98.1	98.1	96.1
2. Jute	85.0	78.7	78.7	78.8
3. Cotton	88.5	86.7	86.7	86.9
4. Sugar	89.7	92.2	92.2	92.2
5. Cement	90.8	90.1	90.1	90.1
6. Iron and Steel	76.4	83.3	83.3	83.3
7. Paper	81.8	88.8	88.8	88.9
8. Plantations	91.3	97.9	98.1	98.1
9. Miscellaneous	86.7	86.1	85.8	85.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	104.9	113.8	113.3	111.9
(a) Financial	87.7	88.1	88.0	87 7
1. Banks	86.1	84.9	85.3	85.0
2. Insurance	106.1	106.3	106.3	105.0
3. Investment Trust	79.9	90.3	88 9	89.1
(b) Public Utilities	112.4	113 8	113.9	112.5
1. Electricity	118.5	122.8	122.6	122.4
2. Shipping and other Transport	106.8	99.1	97.2	95.7
3. Railways	91.3	89.9	88.5	88 5
(c) Manufacturing Industries	107.7	117.8	116.6	116.0
1. Cotton, Woollen and Silk	103.3	104 0	103.7	103.8
2. Jute	80.8	97.4	95.1	95.2
3. Iron and Steel	127.4	142 3	139.9	137.8
4. Paper	193.7	225 1	224.8	221.6
5. Cement	129.9	145.5	145.6	144.6
6. General Engineering	158.9	167.7	168.3	166 8
7. Sugar and Breweries	96.7	97.6	95.3	95.9
8. Chemicals	115.7	131.0	129.7	129.2
d) Non-Manufacturing Industries	131.6	153.2	147.2	148 1
1. Coal	80.2	77.1	77.8	77.7
2. Mining and Oil	175.3	185.2	181.5	180.5
3. Plantations	124.5	165.3	147.3	176 6
e). Miscellaneous	94.8	95.1	94.9	93.0
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.7	90 1	90.3	90.2
1. Bombay	90.0	90.6	90.6	90.7
2. Calcutta	90.4	90.9	91.1	91.1
3. Madras				
DEBENTURES OF INDUSTRIAL CONCERNS:	100.9	99.2	99.2	99.2
1. Bombay	101.4	101.3	101 5	101.2
2. Calcutta	100.0	100.4	100.2	100 2
3. Madras				
PREFERENCE SHARES:	92.8	92.4	91.9	91.4
1. Bombay	84.9	83.6	83.5	83.5
2. Calcutta	90.7	96.4	95.5	95.5
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	113.5	116.0	114.9	113.5
1. Bombay	97.4	108 2	106.7	106.4
2. Calcutta	103.4	109.4	109.6	109.2
3. Madras	105.9	115.8	115.0	114.3
4. Delhi				

Source: Department of Research and Statistics, Reserve Bank of India.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost.
1951	1,071	691,821	3,818,923
1952	968	809,248	3,336,951
1953	772	456,807	3,352,603
1954	840	477,168	3,373,630
January 1953	53	42,353	244,414
February ,,	44	26,477	128,411
March ,,	67	36,221	315,597
April ,,	73	49,132	218,853
May ,,	88	58,617	276,216
June ,,	99	60,357	253,279
July ,,	67	45,066	131,123
August ,,	74	53,083	225,154
September ,,	106	64,568	447,276
October ,,	101	80,811	402,116
November ,,	88	41,431	245,211
December ,,	81	40,780	473,352
January 1954	84	51,872	235,514
February ,,	86	41,551	244,295
March ,,	91	34,302	231,419
April ,,	101	54,968	207,247
May ,,	80	40,078	218,062
June ,,	82	91,589	205,078
July ,,	122	80,159	277,492
August ,,	79	51,090	232,687
September ,,	97	50,414	248,576
October ,,	88	41,724	276,294
November ,,	62	25,113	139,701
December ,,	101	54,455	253,763
January* 1955†	95	49,038	225,507
February ,,	90	33,581(a)	176,820(b)
March ,,	99	60,337	310,090

† Figures for 1955 are provisional. * Revised.
(a) Not known in 1 case. (b) Not known in 5 cases.
§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated§	Units Sold
1953-54	614	6,201.4	5,124.3
1954-55	648	6,576.6	5,573.7
October 1953	634	553.1	468.7
November ,,	637	563.1	455.7
December ,,	640	608.6	486.9
January 1954	640	590.7	478.0
February ,,	643	551.4	451.4
March ,,	645	568.6	458.5
April ,,	651	618.3	504.4
May ,,	651	639.9	516.5
June ,,	660	639.4	510.3
July ,,	663	633.4	515.8
August ,,	667	635.0	510.5
September ,,	669	647.6	523.3
October ,,	669	658.5	531.6
November ,,	674	656.5	534.6
December ,,	679	653.5	533.0
January 1955	684	663.5	545.3
February ,,	685	623.7	521.8

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	28th May, 1955	21st May, 1955	29th May, 1954	April, 1955	April, 1954	Percentage of increase (+) or decrease (—) in April, 1955 as compared with April, 1954	Financial Year Average 1953-54	1954-55
Food Articles	276.2	278.2	357.2	283.6	361.6	—20.7	384.4	339.8
Cereals	308	312	403	327	426	— 8.3	451	381
Pulses	214	216	332	217	381	—43.0	450	280
Other	242*	244	293	235	313	—24.9	278	291
Industrial Raw Materials	389.9	399.9	455.4	397.4	472.1	—15.8	467.7.	436.2
Fibres	411	431	441	435	459	— 5.2	432	447
Oil seeds	341	341	499	323	524	—38.4	574	454
Minerals	415	417	454	414	451	— 9.2	449	422
Other	419	418	393	461	397	+16.1	375	427
Semi-Manufactures	331.4	330.8	359.7	327.8	382.4	— 9.5	359.2	350 3
Leather	401	400	373	393	378	+ 4.0	403	376
Mineral oils	221	221	221	221	221	—	224	221
Vegetable oils	353	347	469	330	507	—34.9	534	433
Cotton yarn	424	426	403*	432	458	—15.7	442	454*
Metals	244	244	240	244	240	+ 1.7	229	240
Oil cakes	310	305	436	286	430	—33.5	488	381
Others	328	327	303	329	306	+ 7.5	281	312
Manufactured Articles	373 9	374.7R	378.6	377.1	380.9	— 1.0	367.4	377.3
Textiles	413	415R	424	421	427	— 1.4	406	421
Jute	421	433	433	452	433	+ 4.4	408	448
Cotton	406*	406*R	419*	418*	418*	— 1.2	406*	415
Rayon and Silk	503*	503*	491*	484*	550*	—12.0	431*	469*
Woollen	310	310	313	310	313	— 1.0	314	311
Metal products	343	343	340	340	340	—	337	340
Others	286	286R	290	287	288	— 0.3	285	286
Miscellaneous	548.8	547.6	683 2	541.2	707.4	—23.5	686.6	612.4
All Commodities	341.0	343.9R	390.4	346.2	402.6	—14.3	397.5	377.4

R=Revised. * Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

Year ended August, 1939=100

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw cotton	Raw jute	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures†	Iron and steel
1954																		
January	475	601	222	291	365	545†	570†	339	250†	1177	453†	451	606	425	357	453	397	270
February	486	581	204	265	340	490	549†	294	230	1177	498†	404	596	401	357	437	403	270
March	486	564†	204	237	313	549†	547†	296	230	1177†	479

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop	Forecast	Unit	Acreage 1954–55	Acreage 1953–54	Outturn 1954–55	Outturn 1953–54
Rice	final	tons	74,424	77,032	24,800	27,561
Wheat	2nd	,,	25,851	24,523	7,000	7,005
Jowar	2nd	,,	41,425	41,476	5,998	5,585
Bajra	final	,,	27,350	30,094	3,565	4,459
Barley	final	,,	5,950	7,770	2,482	2,833
Maize	final	,,	9,325	9,360	2,944	2,904
Ragi	final	,,	5,747	5,741	1,778	1,819
Small millets ..	4th	,,	..	12,167	..	2,183
Total cereals ..	final	tons	..	210,363	..	50,149
Kharif ,, ..	final	,,	..	176,077	..	45,617
Rabi ,, ..	final	,,	..	34,286	..	10,513
Kharif pulses§ ..	final	tons	14,935	15,192	1,407	1,544
Tur	2nd	,,	5,630	5,695	1,798	1,809
Gram	2nd	,,	19,677	18,229	4,559	4,095
Jute	final	bales	1,278	1,196	3,153	3,129
Cotton	4th	,,	17,465	16,824	4,009	3,605
Sugarcane ..	2nd	tons	3,617	3,503	4,749	4,200
Groundnut ..	final	tons	12,547	10,569	3,522	3,573
Linseed	final	,,	..	2,269	..	255
Castorseed ..	final	,,	1,278	1,278	112	108
Rape and Mustard seed ..	final	,,	..	5,378	..	826
Sesamum	3rd	,,	5,861	6,079	567	534
Tobacco.. ..	final	tons	..	590	..	2,5
Black pepper ..	final	,,	208	207	26	24
Ginger	final	,,	..	47	..	15
Dry chillies ..	final	,,	..	1,326	..	310
Potato	2nd	,,	645	633	1,657	1,698

Source: Ministry of Food and Agriculture.

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

@ Excludes Tur.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During May, 1955 ..	81.8
	Corresponding month, 1954 ..	71.3
	Eleven months ended May, 1955 ..	917.9
	Corresponding period, 1954 ..	790.7
Stocks	At the end of May, 1955 ..	84.0
	Corresponding month, 1954 ..	86.4
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 7th May, 1955 ..	19,304
	Corresponding week, 1954 ..	9,721
	From 1st to 7th May, 1955 ..	148,514
	Corresponding period, 1954 ..	137,554
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 7th May, 1955 ..	54,310
	Corresponding week, 1954 ..	40,476
	From 1st to 7th May, 1955 ..	406,880
	Corresponding period, 1954 ..	405,047
	RAW JUTE	(In 000 bales)
Consumption by Mills† ..	May, 1955 (in lakh bales) ..	4.74
	Corresponding month, 1954 ..	4.14
	Eleven months ended May, 1955 ..	53.34
	Corresponding period, 1954 ..	45.86

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953 ..	11,56,000	10,61,909	7,91,800
Do. 31st March, 1954 ..	11,54,000	10,70,208	7,80,000
Do. 31st March, 1955 ..	11,34,400	10,42,908	7,81,208
January 1954	1,02,800	99,808	71,408
February ,, ...	92,708	84,508	63,800
March ,, ...	94,908	89,708	64,008
April ,, ...	83,208	77,808	54,800
May ,, ...	89,100	80,800	56,200
January 1955	1,02,500	95,800	72,208
February ,, ...	98,500	84,408	63,900
March ,, ...	95,000	89,800	66,108
April ,, ...	88,108	83,000	60,200
May ,, ...	94,300	87,500	65,000
Indian Iron and Steel Co.			
Year ended 31st March, 1953 ..	6,26,710	4,31,409	3,12,940
Do. 31st March, 1954 ..	5,80,038	3,49,936	2,92,440
Do. 31st March, 1955 ..	7,18,948	5,35,246	4,50,068
April 1953	52,210	30,908	19,000
May ,, ...	57,510	35,450	19,700
June ,, ...	54,720	22,940	18,020
Three months ended Sept., 1953	52,990	18,256	11,640
Three months ended Dec., 1953	1,31,280	1,18,300	1,05,940
Three months ended Mar., 1954	1,57,750	1,25,510	1,16,940
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
Three months ended Sept., 1954	1,80,018	1,29,741	1,12,941
,, ,, ,, Dec., 1954	1,82,058	1,26,801	1,26,816
,, ,, ,, Mar., 1955	1,84,108	1,49,838	1,18,138

OVERALL BALANCE OF TRADE OF INDIA March, 1955†

Particulars	March, 1954 Rs. (lakhs)	March, 1955 Rs. (lakhs)	Twelve months, April to March 1953–54 Rs. (lakhs)	Twelve months, April to March 1954–55 Rs. (lakhs)
1. Trade in merchandise— (a) Exports	46,10	46,50	525,81	578,08
b) Re-exports	47	77	4,86	5,46
Less—Transit trade ..	..	3	4	43
Net re-exports ..	47	74	4,81	5,03
Total exports	46,57	47,24	530,62	583,08
2. Imports	50,61	57,66	590,79	636,32
Less—Transit trade ..	1	7	13	18
Net imports	50,60	57,61	590,67	636,11
Balance of trade in merchandise	—4,03	—10,37	—59,95	—53,03
Balance of trade in gold and silver	..	—1	—8	—8
Total overall visible balance of trade	—4,03	—10,38	—60,13	—53,08

† Total values of foreign trade of India by all routes (air and land).

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (In thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1952–1953 ..	1,166	34,406	128,773	28,539	11,413	2,635	949	171	169	208	169	297
1953–1954 ..	1,179	35,215	129,009	29,358	11,186	2,513	921	154	158	168	190	343
January 1954 ..	94	2,781	11,281	2,531	944	202	94	17	20	16	15	32
February ,, ..	101	3,157	10,212	2,374	924	179	76	13	16	14	14	30
March ,, ..	106	3,325	14,343	3,208	1,118	218	83	17	18	12	14	34
April ,, ..	106	3,196	9,923	2,275	953	211	83	20	15	12	16	34
May ,, ..	111	3,437	10,220	2,341	932	215	78	14	15	10	15	34
June ,, ..	..	..	..	..	909	210	71	10	13	9	12	32
July ,, ..	..	..	..	..	925	224	76	11	10	7	16	32
August ,, ..	..	..	..	..	935	245	79	11	9	7	13	34
September ,, ..	..	..	..	..	914	241	86	11	9	7	13	31
October ,, ..	..	..	..	..	934	241	85	13	10	12	12	31
November ,, ..	..	..	..	..	991	226	78	15	13	19	15	32
December ,, ..	..	..	..	..	1,064	220	70	20	14	21	10	34
January 1955 ..	..	..	..	..	1,068	222	74	20	17	19	15	35
February ,, ..	..	..	..	..	1,021	209	72	18	16	15	15	33

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway.
† Progressive figures.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 9th June, 1955 ..	56,700
	Corresponding week, 1954 ..	51,777
	1st Sept., 1954 to 9th June, 1955 ..	1,603,131
	Corresponding period, 1953–54 ..	1,059,711
Cotton Exports ..	Week ended 9th June, 1955 ..	11,265
	Corresponding week, 1954 ..	2,357
	1st Sept., 1954 to 9th June, 1955 ..	308,855
	Corresponding period, 1953–54 ..	260,188
Mill Consumption (Estimated) ..	1st Sept., 1954 to 9th June, 1955..	979,190
	Corresponding period, 1953–54 ..	979,784
Stock (with exporters, dealers and mills) in Bombay (Estimated)..	On 9th June, 1955 ..	751,802
	Corresponding date, 1954 ..	739,557
Cotton Exports from Bombay (by sea)	During February, 1955 ..	22,522
	1st Sept., to 28th Feb., 1955 ..	141,207
	1st Sept., to 28th Feb., 1954 ..	158,221
Karachi (Pakistan)—		
Receipts	1st Sept., 1954 to 2nd June, 1955	1,202,916
	Corresponding period, 1953–54 ..	1,245,553
Exports	1st Sept., 1954 to 2nd June, 1955	687,689
	Corresponding period, 1953–54 ..	828,660

Particulars	From 1st Sept., 1954 to 13th June, 1955 Bales	From 1st Sept., 1953 to 13th June, 1954 Bales
From Bombay		
Cotton Shipments to— United Kingdom ..	29,008	12,696
Continent ..	48,684	24,490
Hongkong ..	4,804	293
China	28,859	61,063
Japan	16,701	12,805
U.S.A.	1,729	1,858
Other Countries ..	128,290	113,189
Total to all foreign countries ..	189,764	189,189
Coastal Ports		

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	March, 1955 ..	350,124
Foreign		51,149
Indian	Seven months ended March, 1955	2,372,049
Foreign		355,940
Indian	Same Period, 1954 ..	2,254,605
Foreign		399,897
Stocks (Mills and Elsewhere)—		
Indian	As on 31st March, 1955 ..	1,346,432
Foreign		145,804
Indian	As on 31st March 1954 ..	1,168,280
Foreign		162,890
Cotton Pressed in India † (In running bales)	Week ended 3rd June, 1955 ..	16,472
	Corresponding week, 1954 ..	56,459
	1st Sept., 1954 to 3rd June, 1955 ..	3,572,237
	Corresponding period, 1953–54 ..	3,486,911

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs
TERMINABLE LOANS				
4½% Loan	1925	9,06,64,000	1955–60	100⅝
4 % Bonds	1926–32	63,30,26,000	1960–70	101⅜
3 % Loan	1935–39	1,16,17,46,000	1963–68	94⅜
2½% Loan	1939	80,32,10,000	1964	79⅜
3 % Loan	1943	1,10,11,78,000	1966–68	91⅜
2 % Y. Loan	1944	1,14,06,86,000	1967	99⅜
3 % Loan	1945	1,15,08,58,000	1970–75	87⅜
2½% Loan	1945	1,18,65,84,000	1959–61	96
2½% Loan	1951	50,85,53,000	1955	99⅜
2½% Loan	1946	48,53,07,000	1960	95
2½% Loan	1946	57,00,89,000	1961	92⅜
2½% Loan	1946	14,77,48,000	1976	82
2½% Loan	1947	75,84,72,000	1962	92⅜
2½% Loan	1948	80,49,01,000	1958	99⅜
3½% Loan (N.P. Bonds)	1952	75,00,00,000	1961	90⅜
3½% N.P. Loan	1954	158,78,000,000	1964	96⅜
NON-TERMINABLE LOANS				
2 % Loan	1896–97	8,93,26,000	At option of Government after three months' notice. On September, 1966 or later at option of Government after three months' notice.	80⅜
2 % Loan	1946	248,91,90,000		80⅜
REPATRIATE STERLING LOANS				
4½% Loan	1925	5,56,20,000	1955–65***	108⅜
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,22,000	15th Sept. 1955	99⅜
3 % Bombay	1943	3,50,00,000	15th Sept. 1956	99⅜
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	98⅜
3 % Bombay	1949	6,00,18,000	15th Aug. 1962	94⅜
3 % Bombay	1950	3,01,87,700	21st July 1960	94⅜
2½% Bombay	1951	3,04,06,800	17th Sept. 1962	88
2½% Bombay	1953	5,00,00,000	15th July 1963	91⅜
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	101⅜
3 % Cochin	1945	1,00,09,000	16th Dec. 1955–56	96⅜
2½% Cochin	1936	70,00,000	1st June 1956–61	90⅜
3½% Howrah Bridge (New)	1936–37	2,31,07,100	1956–66	95⅜
3 % Madras	1939	1,22,98,000	21st June 1949	96
3 % Madras	1942	1,23,25,000	15th Sept. 1954	99⅜
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98⅜
3 % Madras	1944	1,07,98,000	15th Aug. 1958	95⅜
3 % Madras	1946	2,76,44,000	14th Sept. 1960	94⅜
2½% Madras	1946	3,51,77,200	1st Sept. 1961	92⅜
2½% Madras	1950	4,38,25,400	21st July 1960	95⅜
2½% Madras	1951	3,91,48,800	15th Sept. 1962	89⅜
4 % Madras	1952	5,00,00,000	15th July 1963	101⅜
4 % Madras	1953	5,24,81,300	1st Aug. 1964	101⅜
3 % Mysore (I)	1930	1,55,44,300	1st Nov. 1955	100⅜
3 % Mysore (I)	1938	2,98,28,200	1st Dec. 1953–55	101
3 % Mysore (I)	1938	5,98,72,900	20th April 1956–61	96⅜
3 % Mysore	1947	5,06,06,700	15th Jan. 1958	90⅜
4 % Mysore	1952	3,00,78,000	15th July 1963	100–2⅜
3 % M.P.	1942	50,00,000	18th Sept. 1955	99⅜
3 % M.P.	1943	50,54,300	14th Sept. 1956	98
3 % M.P.	1944	56,80,800	15th Aug. 1958	95
3 % M.P.	1946	2,08,00,000	15th Sept. 1964	92⅜
3 % M.P.	1950	1,01,44,700	21st July 1960	94⅜
2½% M.P.	1951	1,02,15,100	17th Sept. 1962	88⅜
4 % M.P.	1953	1,02,18,100	15th July 1963	100⅜
3 % Punjab**	1942–44	3,49,37,300	15th Aug. 1958	96⅜
3 % Punjab**	1942	3,86,50,000	15th Sept. 1958	96½⅜
3 % Punjab**	1943	2,46,78,300	14th Sept. 1956	99⅜
3 % Punjab**	1945	2,96,81,600	14th Sept. 1960	97½⅜
4 % Travancore-Cochin	1952	50,00,000	16th Aug. 1963	99⅜
4 % Travancore-Cochin	1953	3,00,09,000	15th July 1963	100⅜
3 % U.P.	1936	1,57,42,000	15th Sept. 1961–66	90⅜
3 % U.P.	1944	3,02,34,500	14th Aug. 1958	96⅜
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	94⅜
2½% U.P.	1946	2,30,93,600	1st Sept. 1961	91⅜
2½% U.P.	1951	1,94,11,700	17th Sept. 1962	86⅜
4 % U.P.	1952	4,11,45,200	1st Aug. 1964	100⅜
4 % U.P.	1953	5,05,15,500	15th July 1963	100⅜
3½% W. Bengal	1941	1,75,80,000	17th Sept. 1962	90⅜
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅜
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅜

PORT TRUST LOANS

Amount	Year of Issue	Repayable	Market quotation
BOMBAY			
Rs.			Rs.
56,50,000	1904	1964	
35,00,000	1906	1966	
15,00,000	1908	1967	
44,00,000	1909	1968	
75,00,000	1909	1968	89⅜
40,00,000	1909	1970	
56,00,000	1910	1971	
75,00,000	1912	1973	
1,10,00,000	1913	1972	
14,86,876	1914	1960	D
80,00,000	1913	1974	100⅜ N
88,25,000	1914	1975	100 N
10,00,000	1914	1960	
55,00,000	1915*	1960	
61,61,000	1922*	1960	
11,51,000	1924*	1960	
10,25,000	2½ 1926*	1960	
24,00,000	2½ 1929*	1959	
12,12,000	2½ 1930*	1960	
12,50,000	2½ 1931*	1961	
12,50,000	2½ 1932*	1962	
24,26,000	2½ 1935*	1975	
15,00,000	2½ 1936*	1966	
45,04,000	2½ 1938*	1966	
10,00,000	2½ 1939*	1966	
7,00,000	2½ 1941	1971	
CALCUTTA			
Rs.			Rs.
90,24,200	4 1916	1974	
72,80,100	4 1921	1975	
1,60,00,000C	2½ 1921	1981	
98,02,300C	6½ 1921	1951	
1,34,05,900	5 1925	1965–68	144⅜
98,21,600	5½ 1928	1965–68	101⅜
99,54,200B	5 1928	1965–68	108
1,49,49,500B	5 1927	1957–67	102⅜
80,00,000	5 1925	1965–68	108
80,00,000	3½ 1931	1991	96
75,00,000	3½ 1935	1975	74N
80,00,000	3 1946	1979	84
40,00,000	3 1948	2000	78½N
32,00,000	2½ 1947	1977	72
80,00,000	3 1945	1978	82⅜
1,00,00,000	3 1949	1959	96
1,00,00,000†	4 1949	1969	96
80,00,000	3 1950	1960	81⅜
1,00,00,000	3 1950	1965	86⅜
80,00,000	3 1951	1961	81
1,00,00,000	4 1952	1962	97⅜
80,00,000	4 1953	1963	99⅜
	4 1954	1963	98⅜

STERLING LOANS

£692,000	5 1922	1952–62	
£801,000	5 1924	1954–64	£87⅜
£535,100	5½ 1926	1962	£87
			£86

MADRAS

Rs.			Rs.
41,17,100	3½ 1947	1977	
2,00,000	3 1947	1977	
3,00,000	3 1949	1979	
45,00,000	4½ 1954	1964	A

IMPR. TRUST LOANS

Amount Sanctioned	Year of Issue	Repayable	Market quotation
BOMBAY			
Rs.			Rs.
50,00,000	4 1899	1959	100
20,00,000	4 1901	1961	
80,00,000	4 1906	1966	
50,00,000	4 1908	1968	
30,00,000	4 1909	1964	
50,00,000	4 1908	1968	
25,00,000	4 1908	1968	
15,00,000	4 1908	1968	
30,00,000	4 1908	1967	
25,00,000	4 1908	1968	
18,00,000	4 1912	1972	
40,00,000	4 1914	1973	
25,00,000	4 1914	1973	97½N
40,00,000	4 1916	1976	
66,00,000	5 1919	1947–79	113N
25,00,000	5 1920	1955–80	
25,00,000	5 1926	1956–80	115N
10,00,000	5 1927	1961–70	96N
	5½ 1936	1966	
STERLING LOANS			
£666,666	4 1909	1959	£64⅜
£333,000	4 1910	1970	£59½
CALCUTTA			
Rs.			Rs.
40,00,000	6 1925	1955	101
25,00,000	5½ 1926	1956	107
50,00,000	4 1924	1964	99⅜
30,00,000	5½ 1925	1965	94
50,00,000	5 1927	1966	96
30,00,000	3 1928	1968	91
80,00,000	4 1926	1962–66	99
80,00,000	4 1928	1962	99⅜

MUNICIPAL LOANS

Rs.			Rs.
BOMBAY			
30,00,000	4 1912–13	1974	100
30,00,000	4 1913–14	1974	100 N
30,00,000	4 1920	1959	1 12N
5,45,500	5 1929	1965	105½
28,21,800	5 1929	1964–69	104
8,25,000	5 1929	1968	108⅜
2,50,000	3½ 1939	1977	86⅜
4,00,000	3½ 1949	1979	86
2,50,000	3½ 1950	1964	92⅜
5,00,000	3½ 1951	1964	100⅜
1,90,000	4 1952	1964	97⅜
1,00,00,000†	4 1953	1963	100⅜
1,00,00,000†	4 1954	1964	100⅜
			100⅜
CALCUTTA			Rs
24,00,000	6 1925	1955	101
36,00,000	5 1928	1965	100
25,00,000	5 1929	1965	102⅜
25,00,000	5 1929	1965	102⅜
10,00,000	5 1929	1965	106⅜
22,91,000	3½ 1935	1965	100⅜
25,00,000	3 1938	1968	94
47,50,000	3 1938	1968	90
10,87,700	3 1938	1968	90
15,87,500	3 1938	1968	90
15,00,000	4 1939	1956	99⅜
15,54,800	4 1940	1964	94⅜
17,94,400	4 1940	1967	94⅜
21,10,000	3½ 1943	1956	94⅜
15,49,000	3½ 1943	1966	94⅜
15,49,000	3½ 1951	1972	99⅜
98,86,000	3½ 1951	1966	97½
87,86,000	4 1951	1961	97⅜
72,86,000	4 1952	1962	97⅜
	4½ 1954	1964	99⅜
			100⅜
MADRAS			Rs.
71,708	6 1925	1955	106N
2,97,308	6 1926	1956	101N
15,00,000	3½ 1941	1961	101N
15,00,000	3½ 1951	1971	107N
	3½ 1952	1962	107⅜N

ABBREVIATIONS

A—Held by Government of India B—Taken up by Imperial Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable
(f) Income-tax free * Loans held entirely by the Trustees. ** Quotations in Pak. Currency. *** Repay. Counterparts.
† Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June, 1954.
‡ Rate of interest reduced from 4½ to 4 per cent. with effect from 1st April, 1954. ‡‡ Interest free in first 12 years, 1% interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	134	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	70N	100
Carew & Co.	10,00,000	1905–24	5	Feb. Aug.	104	100
Cawnpore Sugar Works	7,00,000	1920	7	July Apr.	116⅜	100
Deccan Sugar & Abkari 'A'	£200,000	1897	7	Jan. July	17⅜	£1
¶East India Distillery	6,75,000(c)	1940	7B	Dec. ..	66	10
Gwalior Sugar	5,00,000	1940	7B	Dec. ..	66	10
Do. (Non-redeem.)	6,00,000	1922	10	Oct. ..	15⅜	10
Puritabpore Co.	4,00,000	1933–36	6	Aug. ..	102xd	100
Ramnagar Cane	20,00,000	1943	5½	Oct. Apr.	75N	100
Ravalgaon Sugar	5,00,000	1946	7(a)	Oct. ..	151⅜	100
South Behar Sugar ..	14,99,135	1946	5(c)	Dec. ..	7⅜	10
Travancore	12,00,000	1932	5	Dec. ..	90N	100
Upper Gangos	10,00,000	1946	5(a)	Dec. ..	70N	100
Do.						
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	118	100
Borrea	4,00,000	1886–97	6½	Oct. Apr.	119	100
Burrakur (1st)	22,99,800	1901–19	7	Apr. Oct.	123	100
Do. (2nd)	4,50,000	1946	5(a)	.. ..	8	10
Equitable	7,50,000	1895	6	Mar. Sept.	120	100⅜
Karanpura Collieries ..	1,98,000	1931	5	Mar. Sept.	7⅜	75(pp)
††Khas Kajora	2,00,000	1921	7	Jan. July	13	10
New Beerbhoom	2,00,000	1895–99	6½	Apr. Oct.	118	100
Ondal						
COTTON						
Ahmedabad Advance ..	10,00,000	1939	5	Apr. Oct.	102	100
Bangalore	6,00,000	1884	6	Jan. July	130	100
Basauti Cotton	5,00,000	1938	6½	Nov. ..	7⅜	10
Benares Cotton	1,05,200	1919	7	July Jan.	63	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	119	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	135	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	78	100
Bradbury	14,75,000	1919	7	June Dec.	65	50
Buckingham & Carnatic	21,30,300	1920	7½	Jan. July	140	100
Cambodias	1,00,000	1923	7	Apr. ..	125	100
Central India	50,00,000	1912	5	Apr. Oct.	500	500
Coimbatore Pioneer ..	1,00,000	1935	6½	Nov. ..	117xd	100
Elgin	11,00,000	1912	8	May Nov.	143	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10⅜	10
Elphinstone	29,00,000	1919	7(a)	May Nov.	86	100
Kesoram	20,00,000	1919	7	June Dec.	131	100
Khatau Makanji (Ind) ..	29,92,500	1947	4	Nov. ..	87	100
Kothari	12,00,000	1937	6	Nov. ..	10⅜	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. ..	230	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January ..	70⅜	100
Muir Mill	30,00,000	1900	6	Jan. July	80N	100
Mysore Spg.	7,45,050	1944	4½	.. ..	30	50
National Rayon	5,00,000	1918	5½(a)	Mar. ..	88⅜xd	100
New Great	26,05,500	1920	6	Apr. Oct.	8⅜	5
New Victoria	10,00,000	1943	4	Feb. ..	77	100
Podar Mills	2,00,000	1932	6½	Apr. ..	54	50
Rajalakshmi	4,00,000	1944	4	.. ..	..	100
Shree Niwas Cotton ..	22,00,000	1943	5(e)	.. ..	96	100
Sholapoor	15,00,000	1935	5	Apr. Oct.	110	100
Swadeshi	25,00,000	1927	6	June ..	80	100
Swadeshi (Kanpur) ..	3,00,000	1931	6½	Apr. Oct.	113	100
Vasanta (1st)	1,50,000	1936	6	.. ..	107	100
Do. (2nd)	15,86,500	1908	7(a)	Apr. ..	582	500

STOCK & SHARE QUOTATIONS

Abbreviations:—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=No quotations. x.d.=Ex-Dividend. c.d.=Cum. Dividend. I=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, (in All other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed Spindles	Number Installed Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs	Dividend Per Ordinary Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
89,00,000	3,74,976	63,22,382	43,05,273	—2,24,480	Rajnagans Textiles (Agencies) Ltd.	47,512	1,981	Apollo Mills	2-12½	5	0 6(a)	0-4 (c)				
40,00,000	84,00,000	1,34,85,581	72,25,655	—3,76,311	R. S. Sons, Ltd. ..	51,396	1,021	B. R. Cotton Mills	31½	100	Nil	Nil	Nil		12	Y.
30,96,000	2,33,59,019	4,25,75,764	3,54,21,688	52,579	Nowrosjee Wadia & Sons, Ltd. ..	1,89,680	4,855	Bombay Dyeing & Mfg.	471½	250	20 0	22 0*	20 0			Y.P.D.
10,00,000	27,56,159	42,55,176	48,57,095	2,42,561	Ramanrao Sons, Ltd. ..	42,008	840	Bradbury Mills	150	50	10 0	100 0	75 0		12	Y.
1,09,42,800	2,57,54,197	2,81,17,250	1,85,13,280	31,52,663	Birla Bros., Ltd.	1,23,936	2,698	Cromptn Syg. & Mfg. ..	381½	100	20 0	22 0	22 0		3	Y.P.
40,00,000	15,44,650	1,14,09,462	65,52,039	—33,25,720	V. J. Pilani (Chairman and Managing Director)										12	Y.
16,00,000	13,33,380	64,51,490	44,36,747	21,158	Cowasjee Jehangir & Co., Ltd. ..	40,668	798	Colaba Land & Mill	54½	100	Nil	Nil	Nil			
16,00,000	25,08,261	64,39,890	30,46,041	38,562	Ramanrao Sons, Ltd. ..	30,130	680	Coorla Syg. & Wvg.	118½	100	7 8	7 8	7 8		3	Y.
34,00,000	27,75,000	68,55,752	60,72,724	16,489	Premchand Roychand & Co. ..	38,304	..	Dawn Mills	90	30	6 0	6 0			12	Y.
29,97,750	11,93,292	1,09,90,311	73,99,226	17,999	K. D. Jalan, Esq. (Chairman)	50,296	928	Edward Textiles	267½	100	12 0	15 0	8 0		12	Y.
50,00,000	64,31,873	1,05,11,445	71,58,296	3,90,661	James Finlay & Co., Ltd. ..	46,072	784	Elphinstone Spg. & Wvg.	40	30	3 0	Nil	2 81		12	Y.
11,84,000									250	100	20 0	16 0	16 0		12	Y.P.
30,000	75,99,589	1,20,85,307	91,11,900	8,850	Thackersey Mooljee & Co. ..	49,672	1,126	Hindoostan Spg. & Wvg. Mills	3,825	1,000	200 0*	225 0*	225 0	40 0f	12	
5,00,00,000C	1,13,27,883	4,58,17,844	3,07,00,008	—16,61,890	Agarwal & Co.	2,38,038	6,278	India United Mills	865	250	50 0	56 4*	56 4	10 0f	3	Y.P.
5,65,000									10½	10	Nil	0 10				
35,000									1½	1D	Nil	0 1				
99,85,000	71,99,843	1,22,31,586	83,39,800	3,551	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	3,850	1,000	200 0*	225 0*	225 0		12	Y.
1,00,00,000									865N	500	100 0	112 8*	112 8	40 0f		
1,00,00,000	40,24,767	2,15,86,170	1,74,28,945	23,212	Khatau Makanji & Co., Ltd. ..	54,604	1,513	Khatau Makanji Spg. & Wvg.	165	100	10 0	10 0	8 0		3	Y.P.
1,00,00,000	1,44,30,800	3,49,59,105	2,46,94,446	12,185	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	324	100	18 0	20 0*	18 0		6	Y.
88,10,000A	64,00,782	4,36,527	88,878	6,08,336	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	782	100A	6 4	6 4			12	Y.
5,60,000B									—	50B	1 4	1 4				
27,15,000	39,74,916	1,14,37,317	54,72,963	16,412	N. Sirur & Co., Ltd. ..	48,676	644	Modern Mills	85N	50	3 0	3 0	5 0		6	Y.P.
21,75,000	32,62,000	1,54,11,154	1,47,72,041	1,09,579	Premnal & Sons	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	222½	100	12 0	12 0	14 0		10	Y.P.
1,57,71,400	61,70,318	5,74,03,779	1,55,08,000	8,72,076	Chinai & Co., Ltd.			National Rayon Corporation	201½	100	Nil	9 0	10 0		12	Y.P.
84,00,000	25,40,685	74,52,403	46,04,752	27,546	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	138½	100	10 0	10 0	10 0		12	Y.P.
90,00,000	15,47,407	89,82,280	61,42,746	12,517	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	177	100	10 0	10 0	7 8		12	Y.P.
12,78,180	34,76,004	42,46,552	13,74,688	423	Mafatlal Chandulal & Co (Bombay), Ltd.										12	Y.P.
48,00,000	36,07,273	1,42,08,882	91,39,811	30,475	Ramanrao Sons, Ltd. ..	54,100	873	New Union Mills	304	10	1 4				12	Y.
40,00,000	43,62,741	24,64,450	22,30,080	8,99,184	Podar Sons, Ltd.	66,324	1,190	Phoenix Mills	117½	100	8 0	8 0			12	Y.
5,00,000	8,44,062	21,29,749	18,99,340	2,990	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	14½	10	1 4	0 12			12	Y.
25,00,000	69,06,474	1,24,22,606	81,47,282	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg. ..	51	10	1 4	1 4			12	Y.
68,00,000	1,33,00,061	91,25,908	50,71,284	1,53,662	Marwar Textiles (Agency) Ltd. ..	66,836	1,640	Shree Nivas Cotton Mills ..	225	100	12 0	14 0	14 0		12	Y.
42,00,000	38,80,000	80,13,073	68,69,000	21,940	Forbes, Forbes Campbell & Co., Ltd. ..	29,436	1,274	Simplex Mills	158½	30	15 0(p)	15 0	11 0	4 0f	3	
56,00,000	1,22,33,867	1,85,08,331	1,10,85,485	17,128	Mafatlal Gagalbhai & Sons ..	57,288	1,633	Standard Mills	369½	100	20 0	20 0	20 0		12	Y.
1,00,00,000	82,26,342	1,92,83,887	1,02,23,295	43,799	Tata Industries Ltd.	70,764	2,000	Swadeshi Mills	206½	100	16 0	16 0	8 0		12	Y.
36,00,000	62,78,465	1,17,42,921	70,72,715	3,39,764	James Finlay & Co., Ltd. ..	38,828	552	Sven Mills	353	100	30 0	20 0	5 0		12	Y.P.
32,59,438	49,96,589	1,59,55,305	48,92,129	11,417	Tata Industries Ltd.	62,096	1,800	Tata Mills	523	25	1 0	1 0	20 0		12	Y.P.
12,00,000	62,35,706	98,33,223	74,65,000	4,819	Thackersey Mooljee Sons & Co. ..	54,424	1,181	Western India Spg. & Mfg. ..	3,875	1,000	200 0*	225 0*	85 0	40 0f	3	Y.P.
AHMEDABAD																
33,00,000	25,97,630	96,80,804	55,27,028	5,660	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	130½	100	18 0	10 0*	5 0			
10,00,000	30,33,638	89,83,424	65,39,067	7,878	P. M. Buchowalla & Sons, Ltd. ..	42,768	912	Arvind Mills	527½	100	20 0*	20 0			6	
26,25,000	2,23,86,002	1,33,18,913	89,73,000	47,564	Narottam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	1,172	100	25 0	25 0			12	Y.P.
80,00,000	38,43,340	79,44,276	56,25,000	3,90,074	Mangaldas & Bros., Ltd. ..	35,884	840	Bradbury Ginning & Mfg	350	200	35 0	35 0			12	Y.P.
12,00,000	1,06,38,621	82,14,168	66,70,738	33,358	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	590	100	22 0	35 0*			12	Y.P.
1,24,79,011	1,11,66,203	4,24,88,718	3,07,53,344	16,00,756	Karamchand Premchand Ltd. ..	1,39,120	2,372	Calico	364	125	18 0	22 0*	22 0		12	Y.P.
45,00,000	48,45,000	1,05,39,843	72,50,000	6,391	Tribhovandas & Co., Ltd. ..	49,836	867	New Commercial Mills ..	961N	750	70 0	18 0	18 0		12	Y.P.
99,00,000	66,61,702	1,14,89,135	91,35,306	6,387	Mafatlal Chandulal & Co., Ltd. ..	51,152	864	New Shorrock Spg. & Wvg.	741	125	35 0	35 0	35 0		12	Y.P.
5,00,000	61,15,962	46,72,745	31,76,001	700	Jagabhai Bhogilal Nanavaty & Co., Ltd. ..	24,840	572	Natna Mills	318½	100	30 0*	20 0*			12	Y.
12,50,000	1,09,22,589	79,71,738	52,25,077	32,572	Lalbhai Dalpatbhai & Co. ..	31,128	634	Raipur Mfg.	1,020	100	25 0	25 0			12	Y.P.
12,00,000	13,93,067	74,95,009	39,67,450	—13,50,810	Mangaldas Girdharda Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	250N	250	Nil				12	Y.P.
22,50,000	14,79,325	84,83,940	52,47,803	1,26,000	Lalbhai Gordhandas Ltd. ..	33,156	648	Rohit Mills	163½	100	12 0	9 0			12	Y.P.
68,98,150	1,90,84,538	1,60,18,812	1,54,25,100	2,52,570	Harivallabhdas Kakkar & Co. ..	94,116	1,733	Shri Ambica Mills	384	50	16 0	18 0	20 0		12	Y.P.
19,57,508	59,00,194	78,08,018	62,03,800	6,434	Mafatlal Chandulal & Co. (Ahmedabad), Ltd. ..	36,624	720	Shorrock Spg. & Mfg. ..	460	100	20 0	20 0	25 0*		12	Y.P.
28,00,000	26,96,488	1,03,76,340	68,35,291	32,764	Haridas Achratlal & Co., Ltd. ..	36,176	780	Vijaya Mills	534½	400	35 0*	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	1,88,479	34,10,729	19,47,810	41,227	Calcutta Agency, Ltd. ..	15,044	356	Bazaul Cotton Mills	44	10	Nil	0 4			12	Y.P.
7,11,288	3,95,349	40,98,098	23,80,978	47,818	Bengal Textile Agency, Ltd. ..	32,352	936	Bengal Lucmi Cotton Mills ..	25½N	40	3 0	Nil	4 0		12	Y.P.
6,00,000	22,71,793	80,75,189	51,52,000	—21,82,781	Kettlewell Bullen & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills ..	142	100	Nil	Nil	Nil		3	Y.P.
19,00,000	25,17,371	99,37,856	69,83,080	—9,27,405	Kettlewell Bullen & Co., Ltd. ..	42,944	318	Dunbar Mills	206	100	Nil	Nil	Nil		12	Y.P.
1,60,00,000	1,98,18,340	3,42,43,338	1,08,56,338	2,13,714	Birla Brothers, Ltd.	70,040	1,990	Kanoria Cotton Mills ..	14DXR	30	1 12	1 12			6,12	H.Y.
6,00,000	9,75,000	84,54,400	67,04,257	8,158	Chakravarti Sons & Co. ..	23,484	442	Mohini Mills	13	4	0 8				12	Y.P.
83,94,288									10	10	0 8					
19,47,7300	5,75 000	41,85,833	19,32,788	15,666	Harareen all Hosrialli ..	23,196	793	Ramgoria Cotton Mills ..	12	10	0 8				12	Y.P.
5,00,000D									4N	10D	Nil	Nil				
SOUTH INDIA AND OTHER CENTRES																
18,00,000	9,09,109	39,21,613	21,09,244	2,736	Rasmi & Co., Ltd.	55,000	750	Alagappa Textiles (Cochin) Ltd.	4½	10						
11,94,400	31,99,334	2,86,06,796	30,52,372	3,571	Industrial Trust Fund, ...	36,136	1,157	Assam Jute Mills	70	100	6 0	6 0			12	Y.P.D.
40,30,000	1,91,68,745	2,87,22,995	2,24,71,643	2,44,711	Binny & Co. (Madras), Ltd. ..	48,068		Bangalore Woollen, Cotton and Silk Mills	465	100	15 0	25 0			9	Y.
27,00,000	15,50,000	77,25,162	53,72,132	18,199		29,936	782	Bengal-Nagpur Cotton Mills.	9½	10	0 8	0 4	30 0		12	Y.P.
15,00,000	1,12,09,588	1,12,05,727	78,65,727	5,50,791	Birla Brothers, Ltd.	39,896	992	Birla Cotton Spg. & Wvg. Delhi	70N	10	0 8	0 8	Nil			
1,78,47,800	1,54,69,697	4,50,39,308	1,14,94,493	8,69,005	Binny & Co. (Madras), Ltd. ..	1,20,356	2,744	Buckingham & Carnatic ..	161½	100	4 0	3 0	3 0		6,12	H.P.Y.
20,00,000	20,00,406	34,17,820	19,76,634	8,55,087	Petrex, India & Co., Ltd. ..	37,534	..	Cambodia Mills	125	10	10 0	10 0	10 0		12	Y.
7,50,000	4,31,500	43,54,797	18,76,141		K. Ramnarain, Esq. ..	17,494	..	Channaroy Spg. & Wvg. ..	133½	100	0 12	0 12	Nil		12	Y.P.
16,00,000	24,49,773	81,86,118	47,84,818	26,773	Begg, Sutherland & Co., Ltd. ..	28,794	591	Cocanada Textiles	4½	5	0 0	1 0	20 0		12	Y.P.
18,00,000	20,60,000	36,85,973	24,65,609	3,614	R. Thomas Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	280	100	9 0	9 0	9 0		12	Y.P.
20,00,000	13,90,000	33,17,341	17,08,703	3,400	T. R. N. Naidu & Co.	21,978	..	Coimbatore Pioneer Mills ..	211xd	100	9 0	20 0	25 0		3	Y.
28,78,908	4,36,546	1,14,48,334	68,90,860	4,79,905	R. G. S. Naidu & Co.	72,181	407	Coimbatore Spg. & Wvg. ..	70	50	Nil	Nil	10 0*		12	Y.
48,57,500	61,78,247	2,84,42,659	1,31,56,858	8,40,491	Tata Industries, Ltd.	1,15,188	2,062	Central India	121	100	10 0	Nil	37 0		3	Y.P.
9,38,36,225																
1,00,563	2,63,12,465	8,55,97,662	4,42,00,000	1,69,241	B. R. Chenat Ram & Co., Ltd. ..	1,16,636	2,355	Delhi Cloth & General Mills..	37½	25	2 0	3 0	2 4		6	Y.
34,34,800	84,92,758	47,34,037	33,52,212	9,248	M. N. Chenier & Sons	32,164	201	Dhanalakshmi Mills	275	100	2 0	2 0	2 4/3		12	Y.P.
43,00,000	21,77,872	1,46,96,492	1,21,71,631	62,277	Begg, Sutherland & Co., Ltd. ..	33,768	1,198	Elgin Mills	19½	10	2 0	2 0	3 0/3		9	Y.P.
48,81,000	33,51,175	88,91,779	65,24,870	37,169	Forbes, Forbes Campbell & Co., Ltd. ..						1 0	1 0	1 0			
50,00,000	3,09,654	1,29,35,712	1,03,03,420	6,150	Govindram Sakseria (Indore)	72,904	3	Gokak Mills	214½	100	17 0*	17 0	6 0		12	Y.
8,90,000	10,65,683	30,91,139	16,77,748	—30,124	G. V. Naidu & Co., Ltd. ..	51,180	1,420	Indore Malwa United ..	98½	100	6 0	6 0	6 0		12	Y.
24,00,000	15,25,000	64,03,081	12,00,000	20,004	Kothari & Sons	23,784	..	Jasardaa Mills	75	30	3 12	4 8	6 0		12	Y.
12,00,000	69,12,519	1,42,27,744	1,03,78,587	19,080	Bombay Co., Ltd.	30,512	200	Kothari Textiles	12½	10	0 12	0 8	1 0		12	Y.
35,64,100	44,00,000	1,00,53,685	69,98,148	25,793	G. K. Naidu & Co.	51,972	1,219	Lakshmi Cotton Mfg. ..	507½	250	37 0	8 0	8 0		12	Y.P.
17,82,950									15½	20	1 0	2 0	2 0			
1,78,82,400	4,13,81,878	8,66,33,243	5,44,90,463	9,66,800	A. & F. Harvey Ltd.	76,960	200	Lakshmi Mills	75½	25	3 0	3 12	3 12		12	Y.P.
12,00,000	4,13,363	27,72,881	16,02,069	1,14,098	A. L. A. R. S. Chettiar and 2 others.	43,852	..	Madura Mills	45½	15	1 0	1 0	1 0			
60,00,000	69,00,000	62,41,446	41,60,233	143,408	W. A. Boardoni & Co., Ltd. ..	22,992	100	Maidur Spg. & Wvg. ..	120	100	8 0	8 0	8 0		3	Y.
39,90,884	19,47,903	84,13,677	44,82,134	9,399	Benakal Abdulsaed Dodabhoy & Co.	36502	603	Mettur Industries Ltd. ..	365cd	100	12 0	12 0	8 0			
94,91,850	27,24,404	1,61,29,118	78,91,528	—7,44,952	Indian Textile Syndicate Ltd. ..	25,656	704	Minerva Mills	98½	100	5 0	12 0	12 0		12	Y.
50,00,000	52,19,000	1,31,39,272	1,05,31,651	—7,77,290	N. Sirur & Co., Ltd.	39,200	955	Model Mills (Nagpur) ..	138½	100	7 0	7 0*	5 0(c)	35 0	12	Y.
24,83,300	56,59,546	95,25,192	61,37,444	22,997	R. Suryanarayana Rao Esq. Manager	51,340	1,834	Mysore Mills	113½N	100	7 8	7 8*	5 0(c)		12	Y.
13,61,780	2,58,745	28,42,992	15,27,000	3,946		88,640	500	Mysore Spg. & Mfg. ..	111½	100	10 0*	10 0*	8 0*	3 0f	12	Y.P.
22,99,887C									30	10	Nil	Nil	Nil		6	Y.
1,07,095D	23,62,572	1,02,16,296	38,90,719	—39,62,329	J. P. Srivastava & Sons, Ltd. ..	49,676	1,198	New Victoria Mills	4	10	0 4				12	Y.P.
57,03,800	87,08,000	1,64,48,327	62,62,651	15,819	Industrial Trust Fund	37,788	847	Carnanshai Mills	1½	D. 2½	Nil	Nil	Nil		3	Y.
4,00,000A	7,50,000	33,81,578	18,80,484	551	Bhagbhakshari & Co.	29,924	..	Palani Andavar Mills ..	65	100	7 0	4 0			12	Y.P.
6,00,000B									112½	50A	3 0	3 0				
15,00,000	8,56,928	33,56,378	16,33,848	4,411	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills Ltd	158½	75B	11 4	12 0	22 8*		9	Y.
16,11,200A									30	100		8 0	8 0			
3,49,200B	20,00,000	73,90,455	41,41,978	28,607	A. G. Caramsey Naidu & Co. ..	54,864	301	Radhakrishna Mills	216	100A	6 0	8 0			12	Y.P.
									300	50B	3 0	4 0	16 0			
15,00,000	32,25,000	25,30,866	14,46,915	34,422	R. R. Naidu & Sons	25,896	..	Rajahshmi Mills	30	Nil	0 8	7 8	8 0		12	Y.
22,23,375	12,10,000	38,91,595	14,22,264	23,505	Rayalaseema Development Co. ..	14,800	600	Rayalaseema Mills	133	100	6 0	6 0	5 0		12	Y.
60,00,000	62,64,508	98,29,567	55 63,291	—19,59,428	J. P. Srivastava & Sons (Rampur).	33,984	..	Ruxa Textiles	6-3½	10	Nil	Nil	9 0		12	Y.
16 00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Morarka & Co	86,048	2,234	Shahpoor Spg. & Wvg. ..	1,400	1,000	Nil	Nil			12	Y.
									500	500						
86,69,704	16,63,628	71,75,918	51,35,889	27,871	H. N. Palkeyar, Esq.	31,668	292	Sri Krishnarajendra Mills ..	95cd	50	4 0*	4 0*			12	Y.P.
30,14,800	2,00,246	35,18,906	17,73,000	—2,46,777	Gopaldas Liladher & Co., Ltd. ..	27,899	640	Shree Sajjan Mills	72N	100	Nil	Nil				
18,00,000	2,49,73,985	87,38,169	62,02,085	31,22,917	Birla Brothers, Ltd.	36,212	1,242	Sutlej Cotton Mills	76K	10	4 0	Nil	3 0		3	Y.
17,30,000C	2,20,00,000	4,32,93,265	1,56,70,740	2,67,165	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur).	8½	10D	Nil				9	Y.
4,27,50,000D									9	10F.O.	Nil					
99 84,000	16,00,000	2,75,11,616	1,00,28,764	1223,122	Jaccaria & Sons (Travancore), Ltd.			Travancore Rayons	14½	10	0-14	2/5				
13 96,470	6 79,479	13,36,797	10,45,186	2,321	Moolaa Ramjee & Sons	16,256	..	Trichinopoly Mills	12	10	0 11	1/5	0 10		12	Y.P.
21,00,000	57,00,000	56,92,293	38,81,499	30,500	R. K. S. Chetty & Brothers	33,704	270	Vasavee Mills	213	100	12 0	12 0	0 14 2/5		12	Y.P.D.
22,00,000	31,99,443	1,38,35,036	1,00,33,390	22,250	Bon Bay Co., Ltd.	54,280	1,495	Vishnu Cotton	138½	100	10 0	4 0	13 0		12	Y.P.
													4 0		12	Y.

* Includes bonus.

** Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(a) Subject to taxation and workers' bonus.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 30 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 30 each. X. R.=Ex-Right.

(c) Paid out of reserves.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
13,28,000	16,00,000	1,09,25,186	30,37,365	21,554	Parry & Co., Ltd.	Deccan Sugar & Abkhari	31½	25	Nil	Nil	Nil		5	Y.P.
6,64,000	17,11,569	24,69,631	12,75,708	13,708	Mr. K. G. Khaitan	Dyer Meakin Breweries	13	10	Nil	Nil	Nil		5	Y
16,20,630	1077,579	£1,225,541	£513,606	657,290	Parry's Holdings Ltd.	East India Distillerie and Sugar ..	64	5	0 8	0 8	0 8		5	Y.P
480,000A							17	A 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5			
4300,000B	8,00,000	11,63,313	11,63,307	4,037	Vitaal Mallya, Esq. (Chairman	United Breweries	28½	B. 61	Sh. 5	Sh. 4	Sh. 5 4/5		5	V
6,00,000							165	75	15 0	15 0	15 0			
CEMENT														
11,27,700A.	10,85,516	79,90,234	39,32,658	26,623	Andhra Engineering Co., Ltd.	Andhra Cement Co.	130½xd	A. 100	7 8	10 0*	10 0		12	Y.P.N.
39,79,030B.							12½	B. 10	0 12	1 0*	1 0			
43,14,600O	11,15,132	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	6½	O. 10	Nil	Nil	Nil		5	Y.T.
4,70,976D.	4,14,98,259	20,42,88,558	7,85,13,157	6,93,281	Cement Agencies Ltd.	Associated Cement Companies	1½	D. 5					7	V
12,87,39,333							184	100	9 8	9 8	8 8			
60,00,000O.	46,98,155	81,39,445	20,01,881	47,792	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	13½	O. 10	0 10	1 0			12	Y.P.V
86,49,798O.							3½	O. 2½	0 2½	0 5				
3,00,000D.	1,00,000	1,45,26,685	39,60,537	1,15,792	Eason Ltd.	India Cements Ltd.	2	D. 1	Nil	0 1-3/5				
61,24,930O.							23½	O. 25	1 4	Nil	1 4		3.	V.P
7,50,000D.	13,00,000	1,67,86,035	51,49,060	1,62,701	Shree Laxmi Agents Ltd. ..	Shree Digvijay Cement	4½	D. 5	0 4	Nil	0 4			
39,86,000	20,93,000	1,75,91,085	1,37,82,076	6,448	Martin Burn Ltd.	Bonavilley Portland Cement ..	179

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs	Reserves Rs.	Gross Block Rs	Depreciation Rs	Carried Forward Rs	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs	Dividend per Share 1952 Rs. a	1953 Rs. a	1954 Rs. a	1955 Rs. a	Accounts Closed	Reference
						PAPER								
45,80,000	31,61,841	1,99,95,468	1,41,05,656	1,53,875	Balmer Lawrie & Co.	Bengal Paper Mills	64½	25	Nil	Nil	1 9		6,12	H.F.T.
80,00,000	32,44,805	1,07,15,561	71,75,830	2,34,328	Andrew Yule & Co., Ltd.	India Paper Pulp	274	100	5 0	6 0	7 0		3,9	"
85,00,000	16,12,500	1,18,13,367	47,51 061	49,179	B. P. Ramakrishnan Esq.	Mysore Paper Mills	17½	10	1 0*	1 0*	0 12*		3	"
1,46,82,500	1,69,72,408	3,91,23,962	91,37,779	2,47,382	Birla Bros	Orient Paper	27½	10	1 0	1 0	0 7½		3,9	H.F.T.
30,96,290	98,16,849	1,28,42,714	75,84,970	3,23,451	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	16½	10	0 12	0 12½	0 12½		6,12	H.F.T
80,00,000 / 10,80,000A.	6,52,694	53,19,789	29,44,824	6,038	Baloria & Co.	Star Paper Mills	13½ / 13½	O. 10 / A. 10	0 8 / 0 8	0 12 / 0 12	0 8 / 0 8		3,9	H.F.T
36,00,000A. / 36,94,900B. / 4,37,500P.O.	2,83,01,797	5,11,76,455	3,06,96,855	3,59,432	P. W. Heilgers & Co., Ltd.	Titaghar Paper Mills Co., Ltd.	44½ / 44½ / 5½	A. 10 / B. 10 / P.O. 2½	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	0 14 / 0 12 / 0 2		3,9	H.F.
						PRESSING								
8,00,000	6,12,365	13,78 488	10,90,581	20,403	Andrew Yule & Co.	Calcutta Hydraulic	90	100	5 0	3 0	4 0		6	W.
4,30,000	1,00,000	8,89,526	4,73,056	2,354	Pyne & Sons	Campercown	69½	100	7 0	7 0	7 0		8	W.
5,00,000	1,55,000	10,91,811	9,30,377	12,962	Andrew Yule & Co	Central Hydraulic	92	100	5 0	4 0	5 0		8	W.
						PROPERTY AND LAND								
10, 2,780O. / 8,08,000D.	7,43,065	43 46,067	21,43,279	96,047	B. A. Basil, Esq., & others (Directors)	Humayun Properties	11 / 5½	C. 10 / A. 1	1 8 / Nil	0 11½ / 0 4/5	0 9 3/5 / Nil		9	V.P
60,00,000	18,90,038	84,21,336	15,00,000	350	David Sassoon & Co., Ltd.	Port Canning Land	11½	100	1 0	1 8	1 8		4	V
84,00,000	35,56,934	96,49,123	1,06,846	95,262	Andrew Yule & Co.	Midnapore Zamindary	37	100	2 0	1 8	4 0		4	V.P.
						SAW MILLS AND TIMBER								
13,99,998	28 23,970	29 97 501	8,95,801	—4,17,492	Bird & Co	Assam Saw Mills	4½	5	Nil	Nil	Nil		9	W.
30,00,000 / 42,00,000	4,08,84,385	3,05,42,310	122,52,525	56,875	Wallace & Co	Bombay-Burmah Trading Corpn.	48½ / 175½	Old 125 / New 50	22 8 / 9 0	15 0 / 8 0	70 0 / 8 0		5	W.
4,00,000	...	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	41½	100	Nil	Nil	Nil		6	V.P.
20,00,000	18 15,487	18 19,049	13 53 015	1,79 568	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	38½	10	3 0	2 8	2 12		9	W.
						SUGAR (U.P. and Bihar)								
14,00,000	13,55,903	38,50,924	27,77,928	23,527	Begg, Sutherland & Co., Ltd.	Pakrampur Sugar	9½	5	Nil	Nil	0 12		8	
12,00,000 A. / 2,00,000B.	29,18,356	49,46,285	33,16,660	15,50,000	Narung Bros. & Co., Ltd	Rasti Sugar	168½ / 134½	A. 100 / B. 10	10 0 / 1 0	10-0 / 1 0	10 0 / 1 0		4	W
19,49,050	5,50,000	31 91 657	23,33 812	49,906	Bangur Bros., Ltd.	Belsund Sugar	10½	74	0 12	0 12	0 12		9	W.
15,00,000	13,85,319	45,97,836	11 37,641	26,084	Cotton Agents Ltd.	Bharat Sugar	20½	10	1 8	1 8	1 8		6	V.P
32,00,000	26,79,431	1,35,76,899	88,78,177	61,723	Gladstone Lyall & Co., Ltd.	Carew & Co.	11	10	Nil	Nil	0 12		6	V.P.T
15,00,000	53,02,981	1,00 12,353	81,32,451	59,996	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	20½	10	2 0	2 0	0 12		10	V.P
18,00,000	33,88,893	45,14,944	50,49,407	24,329	Begg, Sutherland & Co., Ltd.	Champarun Sugar	30½	10	2 0	1 0	1 0		9	
5,99,452	6,18,562	24,58,530	15,33,747	48,204	Karamchand Thapar & Bros.	Deoria Sugar	71½dN	10	0 8	1 0	0 12		8	V.T.
35,00,000A. / 10,00,000D.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	115½ / —	A. 100 / O. 100	12 0* / 12 0*	13 0* / 13 0*			6	V.P
18,00,000	8,62,508	73,26,508	36 33,242	29 748	Kilachand Devchand & Co.	Kesar Sugar	57½ / 30½	90 / 40	Nil / Nil	Nil / Nil			7	V.P
7,89,100	23,03,922	29 92 672	17 61 033	64,888	Cotton Agents Ltd.	New India Sugar Mills	35½	10	2 8	2 8	2 8		6	V.P
11,00,000	4,20,000	42,21,460	24,87,558	4,135	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 8	0 8	0 4		5	V
10,97,500 A. / 2,71,875 B.	49,84,457	63,27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mills	320½ / 55½	100 / 25	20 0 / 5 0	20 0 / 5 0	20 0 / 5 0			V.
77,48,500	52,22,414	1,75,96,483	88 00,000	36,923	Cotton Agents Ltd.	Oudh Sugar	115½	100	6 0	8 0	11 0		7	V.P
12,80,000	12,74,233	28,77,669	19 95,928	55,060	Bangur Bros. & Co., Ltd.	Punjab Sugar	115½	100	6 0	10 0	10 0		10	V.
9,00,000	15,03,919	35,23,005	29,32,249	3,997	Begg, Sutherland & Co., Ltd.	Purnea Sugar Co.	18½	10	1 0	1 0	0 12		10	V.P
8,00,000	6,54,762	25,43,782	21,01,613	24,340	Begg, Sutherland & Co., Ltd.	Ryam Sugar	19½N	10	1 0	0 8	0 8		6	V.P
11,99,060	17,75,737	38,17,360	22 17,129	13,455	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	13½	10	1 0	0 8	0 8		6	V
60,00,008	21,48,260	1,06 83,319	57,08,717	5,475	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	17½	10	1 8	1 8	1 8		8	V.P.T.
8,99,750	61,825	27,77,628	12,83,342	—1,89,266	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	10	0 8½	Nil	Nil			6	V.
7,95,462	18,82,940	31,60,735	17,68,603	1,06,227	Karamchand Thapar & Bros	Shri Sitaram Sugar	13½	10	1 0	2 0½	1 8*		8	V.T
9,15,000A. / 4,40,000D.	47,992	27,27,402	11,44,770	—15,98,149	N. K. Jain & Co., Ltd.	South Behar Sugar	1½ / 8½N	O. 10 / D. 2½	Nil / Nil	Nil / Nil			10	V.J
8,00,000	20,87,588	83 26,115	50 99,754	48,719	Cotton Agents Ltd.	Upper Ganges Sugar	30½	10	2 0	0 8	2 8		6	V.P
13,00,000	7,69,778	32,06,650	25,98,846	39,061	James Finlay & Co. Ltd.	United Provinces Sugar	24½	10	1 4	0 8	1 4		9	V
						Other Centres								
6,99,750	65 29 871	1 40,80,073	84,87,447	33,628	P. N. Brady & Co., Ltd.	Ponglur Company	312½	50	16 0	16 0	16 0		3	W.
50,000	11 90,010	31,68 833	19,76,042	38,000	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	12½	10	1 0	0 10	1 0		3	V.P.
15,93,900	2,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	46½	100	3 0	Nil	Nil		4	V.J
28,70,610	14,00,000	26,96,629	16,50,803	4,30,236	Birla Sugar Agencies Ltd.	India Sugar and Refineries	16½d	10	2 8	2 8	1 12		3	V.P
33,57,580	42,47,476	41,33,220	19,37,712	3,477	Cowen Bros. (Rampur), Ltd.	Buland Sugar	141½	10	0 12	1 0			10	
10,52,200O. / 2,87,190D / 11,96,270	67,50,000	84,86,942	27,56,542	2,546	V. Ramakrishna, Esq.	K. C. P. Ltd.	O.16½ / D. 100	7 / 10	7 8 / 10 0	7 8 / 10 0	7 8 / 10 0		4	V.P
	90,22,871	1 21,03,930	73,11,305	2,28,221	M. S. Swaminathan, Esq. (Managing Director)	Mysore Sugar	53½	10	2 0	2 0	2 0		8	V
50,00,000	47,49,631	1,07,50,631	55,61,246	15,411	Mafatlal, Apte and Kanitkal Ltd.	Phaltan Sugar	127½	50	3 0	4 0	4 0		5	V.J.T.
11,99,970	28,50,830	53,90,015	26,76,747	29,230	Andersen Wright Ltd.	Ram Nagger Cane and Sugar	23½	10	2 0	2 0	1 8		6	V.J.T.
20,00,000O. / 4,00,000D.	24,67,171	87,47,627	53,31,89	61,432	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	O.93½ / D.10½	O.50 / D.10	Nil / Nil	Nil / Nil			9	V.J.T.
19,99,400	46,07,818	43,46,104	19,83,541	3,144	Gowan Bros. (Rampur), Ltd.	Rana Sugar	10½N	10	0 12	1 0			7	V
10,00,010	10,37,776	90 76,254	17,87,159	—32,224	Parry & Co., Ltd	Travancore Sugars	9½	10	Nil	Nil	Nil		7	V.J
1,01,00,000	61,19,890	1,83,70,930	1,04,43,312	1,79,083	Premier Construction Co., Ltd.	Walchandnagar Industries	210	100	14 0	14 0	16 0		9	V.P.o.
						TRANSPORT								
20,00,000	1,06,42,424	1,33,68,272	13,76,183	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co.	143	100	12 8	10 8	7 8		10	V.P
1,00,000	16,67 690	4 65,14,760	1 80 06,587	89,648	Dinshaw Ltd.	Bharat Line	82	100	5 0	3 0	5 0		12	W
50,00,000	24,35,838	1,83,20,489	63,44,422	1,09,704	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	15½	10	1 0	1 0	1 0		6	W
6655,580	4954 756	85,633,307	43,454,207	43,327	Kilburn & Co., Ltd.	India General Navigation & Rly. Co	95½	410	8 10	Nil	1 0		4	V.J
8,25,00,000	74,59,233	4,41,60,669	1,52,36,735	64,560	Lionel Edwards Ltd	India Steamship Co.	7-7½	10	0 4	0 8	Nil		3	V.J
9,40,19,673	7,83,28,023	14,93,76,428	3,71,00,000	8,72,920	Nanabhai Moraje & Co.	Scindia Steam Navigation Co.	15-14½	50	0 8	0 12	0 8		3	V.J
4,40,000O. / 2,10,200P.O.	18,53,194	11,38,000	6,80,211	1,34,123	E. A. Smith, Esq., (Manager)	Watford Transport Ltd.	1½ / 1½	O. 1 / P.O. 1	as 1 3/25 / as 1 9/25	as 1 3/25 / as 1 9/25	1 23/25 / 1 19/25		12	V.
						UNCLASSIFIED (Bombay)								
2,40,000	95,000	5,35,957	3,89,000	760	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	35 0	32 0	32 0		9	V
2,98,860	2,04,173	2,16,235	80,000	40,555	Peirce Leslie & Co.	Bombay-Uganda	72½	60	4 0	3 0			8	V
25,00,000	1,00,000	25 74 018	9 294	3,394	Ernest Saxton & Co.	Dawkins & Co. (1948) Investment Co.	90½	25	0 12	0 12	0 12	0 12	3	V.J
24,98,840	3,09,472	26,42,753	18,75,000	74,466	Choonilal Manilal Ltd.	Estrela Batteries	35½	10	2 8	Nil			3	V.J
19,99,250	19,07,876	1 27,52,603B	....	2,85,005	Pranchand Raychand & Sons	Industrial Investment Trust	72½	100	4 8	4 8	4 8		12	V
1,00,00,000	31,25,000	21,31,427	7,78,349	18,107	E. D. Sheppard, Esq. (Mg. Director)	Killick Industries	157	100	10 0	10 0	11 0	4 01		V
8,07,00,200A. / 10,00,000B.	5,29,603	2,64,35,763	98,13,033	—13,44,485	Acro-Auto Ltd	Premier Automobiles	81 / —	A. 100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil		6	V.
10,21,200	9,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	23	20	3 6				12	V
2,75,000	75,25,548	2,92 47,116	1,53,96,500	5,28,887	T. Ryder, Esq. (Managing Director)	Western India Match Co.	104½	100	11 0*	11 0*	11 0*		12	V
45,00,000	53,74,847	7,24,608	3,07,108	45,948	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	V
						Other Centres								
47,50,000	15,00,000	1,88,63,301	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	6½ / 2½	O. 10 / D. 2½	Nil / Nil	Nil / Nil	Nil /		3	Y.P.T
2,50,000	40 60,690	31,77,194	21,11,902	2,39,798	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	18½	10	1 4	1 4	1 4		8	V
30,00,000	8 25,000	35,74,632	20 11,857	1,17,493	T. Ryder, Esq. (Mg. Director)	Assam Match Co., Ltd.	19½d	10	1 4*	1 4*	1 4*		12	V
38,80,000	23,47,883	1,00 29,510	39,87,838	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	48½N	10	0 4	0 3 1/3	0 3 1/3		3	Y.P.T
20,00,000	1,11,62,712	59,53,515	30 55,515	5,43,847	O T Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	161½	O. 100 / O. 40	20 0* / 6 0*	20 0* / 6 0*			12	V.
10,00,000F.O.	7 99 470	57,53,560H		1,21,733	Lovelock & Lewis	Birds Investment Ltd.	18½	10	1 4	1 4	1 4		9	V.P
20,00,000	97,09,225	1,02,29,699	26,93,003	1,63,901	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	12½	10	0 12	0 12	1 0		9	V.J.T.
30,24,480	1,00 82,962	2,69,29 657	2,07,14,167	2,81 142	Sir Robert Menzies	British India Corporation Ltd.	8½	3	0 10	0 8	0 3		12	V.P.
5,25,00,000	1,79,00,000	4,83,72,564	3,08,33,134	11,38,891	Cecil Black, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	37	10	1 8	1 8	1 8		12	V.P.R.
1,60,00,000	53,95,753	1,34,39 918H		3,13,308	Bird & Co., Ltd.	Eastern Investments Ltd.	162	100	5 0	5 0	5 0		12	V.P
31,20,000	9,97,000	33,12,245	18,66,225	11,238	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	190	100	20 0	10 0	7 8		8	H.
14,00,000		18,19,106	6,87,885	1,58,072	K. R. Fettes Esq.	Gillanders Arbuthnot & Co., Ltd.	31½	10	0 8	0 8	0 8		9	V
65,00,000	38,00,000	48,39,433	29,41,525	1,348	B. P. R. Syndicate	Gimbi Eastern Hotel	258½	15	1 0	7 8	7 8		3	V.P
30,00,000	11 42,354	70,51,010	47 39,868	19,013	Birla Bros., Ltd.	Hind Cycles	100N	100	5 0	5 0	4 4		3	V
12,42,800	7,07,964	3,05,00,214	60,52,719	4,54,999	Birla Bros., Ltd.	Hindustan Motors	9	10	Nil	Nil			3	V.P.T.
3,96,12,650	36,77,754	1,07,81,557	1,54,14,609	2,96,512	J. W. Cameron, Esq.	Indian Aluminium Co.	149	100	5 0	Nil	Nil		12	V.P.
1,60,00,000	1,09,40,984	1,56,03,371	44,27,452	19,70,066	A. R. Driessen Esq.	Indian Cables	27½	10	1 0	1 0*	1 0*		3	V.P
1,32,89,220	5,38,000	15,79,995	3,39,426	17,480	G. S. Monson & Co. (India), Ltd.	Indian Rubber Manufacturers	12½	10	1 0	0 12	0 8		3	V.P
8,27,970	52,62,941	31,49,487	7,53,387	5,26,226	G. M. Mackinlay, Esq	Jardine Henderson	114	100	10 0	7 8	7 8		3	V.P
2,00,00,000	3,48,843	6,09,830	4,51,766	2,240	James & Co., Ltd.	Macfarlane & Co.	2½ / 2½	O. 3 / D. 1	Nil / Nil				3	V
34,00,000O. / 46,00,000D.	66,88,146	75,22,837	7,33,942	1,07,086	C. L. Bajoria, Esq.	McLeod & Co.	212½ / 22½	O. 100 / D.O. 10	7 8 / 0 8	10 0 / 0 8			12	V.P.
5,00,000D.	53 14,868	19,97,616	8,95,141	2,52,480	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	22½	10	1 6	1 6	1 6		9	V.P
1,30,95,750	59,01,000	1,56,71,385	59,32,794	18,11,213	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	22½	10	1 8	1 8	1 8		3	V.P.
1,15,00,000	1,53,858	7,81,449	2,60,987	—1,35,239	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3½	10	Nil	Nil	Nil		12	V.P
6,35,255	9 55 112	10,40,230	4,40,947	73	G. Chandy, Esq. (Controller)	Mysore Lamp Works	14½	10	1 0	1 0	0 12		12	V.J
6,36,250	1,20,000	14,23,286	7,19,487	35,298	K. Narayanaswamy, Esq.	Mysore Tobacco	3½	10	1 0	1 0	1 4		3	V.J.
10,00,000	49,41,339	53,81,562	37,19,098	1,75,176	Associated Industrial Development Co., Ltd.	National Insulated Cable	24	10	0 12	1 0	1 0		10	V.P.
20,00,000					B. N. Elias & Co., Ltd.	National Tobacco Co.	9½	10	Nil	Nil			3	V.P.
79,97,000	28,68,388	69,70,031	3,78,838	18,02,030	Coromandel Investment Trust Ltd.	Parry & Co.	4½	2	0 4½	0 4½			12	V.J.T
38,00,000	27,00,000	44,15,474	19,71,434	1,31,468	T. A. Lykindopulo, Esq.	Raffia (India) Ltd.	35½	100	Nil	Nil	Nil		13	V.J.T
2,25,00,000	6 41,684	1 61,43,956	43,79,829	—42,97,067	Robert Jardine & Co.	Robins Industries	26½	10	1 0	1 4			10	V.P.T.
1,14,00,000	1,17,70,208	1 64,41,117	3,00,81,812	4,46,951	Sahu Jain Ltd.	Spencer & Co., Ltd.	191½d	10	1 8	1 8	1 8		6	V.P.
40,00,000	93,51,062	1,19,12,218	70,10,022	4,54,337	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	13½	10	1 0	1 0			4	V.P.
5,00,000	38,50,000	12,92,394	3,20,545	5,67,879	R. H. D. Campbell, Esq.	Travancore Ogale Glass	3½	10	Nil	Nil	Nil		12	V.P.
9,58,590	1,50,000	14,56,835§	3,40,446	—2,16,050	Ogale Bros., Ltd.								12	V.

‖ Investments at cost. * Includes bonus. † Excluding goodwill as cost Rs 2,90 lakhs.
§ Excluding goodwill (written down) Rs. 30 lakhs. ‖ Excluding Rs.1,49,00,000 which represents shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
							ASSAM								
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co. Ltd.	825	Amluckie	525N	100	7 8	25 0	30 0		12	Y.P.
2,76,500	4,50,000	7,71 948	3,05,709	31,218	Andrew Yule & Co. Ltd.	312	Ananda (Assam) Tea	39	10	0 12	1 4	7 8		12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co. Ltd.	420	Ananda Bag	46½	10	Nil	2 8	1 8		12	Y.
5,50,000	7,21,416	16,60,353	5,32,872	—75,110	McLeod & Co. Ltd.	513	Baghmari	29½	10	Nil				12	Y.
3,40,000	8,20,000	11,50,416	2,98,096	70,314	Andrew Yule & Co. Ltd.	369	Baamatia	45½	10	2 0	2 8			12	Y.
3,30,000	3,70,000	9,24,593	5,59,593	80,009	....	566	Betjai	23xd	5	0 4	2 0	1 8		12	Y.
3,20,000	5,70,000	9,39,920	2,13,496	61,395	Gillanders Arbuthnot & Co., Ltd.	367	Bahmanik	47	10	Nil	3 8			12	Y.
16,50,000	20,60,000	52,30,169	22,93,169	1,99,547	Williamson Magor & Co., Ltd.	3,567	Bokakhat	23	10	Nil	Nil	1 0		12	Y.
4,00,000	2,53,500	10,49,416	2,08,130	61,929	Octavius Steel & Co., Ltd.	485	Bormah Jan Tea	20½	10	Nil	12 12	1 0		13	Y.T.P.
7,50,000	4,50,000	8,36,160	2,52,708	3,960	McLeod & Co., Ltd.	450	Brooke Bond	17½	10	1 0	0 8	1 4		6	Y.P.
35,00,000	31,92,045	73,80,473	19,49,496	26,092	Brook Bond India Ltd.	2,854	Brooke Bond	40	10	Nil	1 0			12	Y.
1,20,000	1,95,997	4,60,080	1,69,074	—16,624	McLeod & Co., Ltd	282	Dejoo Valley	40½	100	10 0	20 0			12	Y.
6,00,000	7,97,500	25,17,843	16,06,120	36,971	Jardine Henderson Ltd.	1,220	Dessai & Parbattia	21½	10	1 0	1 8	0 8		12	Y.
17,53,440	7,04,519	21,43,183	3,42,779	10,336	James Warren & Co., Ltd.	620	Dibeakhat	30½	10	Nil	2 0	1 0		12	Y.P.
4,68,970	2,70,000	11,71,408	4,54,259	8,732	James Finlay & Co., Ltd.	633	Dhunseri	26½	10	Nil	1 0	1 0		12	Y.
4,50,000	3,25,400	6,02,817	2,35,483	16,832	McLeod & Co., Ltd.	458	Dibrugarh	66	10	1 0	4 8	1 0		12	Y.P.
2,36,700	4,75,000	8,80,047	4,70,047	43,918	Williamson Magor & Co., Ltd.	625	Dimakusi	50½	10	2 0	4 8	1 0		12	Y.P
5,60,500	6,05,000	17,90,747	10,40,747	1,14,476	Williamson Magor & Co., Ltd.	615	Duffla Bum	30½	10	0 4	2 8			12	Y.
10,00,000	4,85,000	21,78,081	8,83,081	38,641	Williamson Magor & Co., Ltd.	1,177	East India Tea	42	10	Nil	1 12			12	Y.
3,60,000	3,50,000	8,18,664	4,01,797	13,832	L. C. Kanoi, Esq.	407	Gillapukri	46½	10	1 8	1 0			12	Y.
3,38,000	3,60,000	13,95,316	6,19,316	79,542	Williamson Magor & Co., Ltd.	546	Gohpur	37½	A. 10	2 0	3 0	0 12½		12	Y.
14,94,360 / B.2,40,790	14,22,810	18,09,304	5,63,575	23,354	Octavius Steel & Co., Ltd.	1,393	Grob	18½ / 8.5	B.5 /	1 0 / 1 8	1 8 /	0 6½ / 3 8½		12	Y.
2,00,000	7,00,000	7,04,481	2,29,888	48,032	Andrew Yule & Co. Ltd.	476	Hoograhil	60	10	1 8	3 0			12	Y.
4,35,000	8,54,216	18,50,196	9,84,270	24,921	Andrew Yule & Co. Ltd.	1,290	Hoolungooree	299N	100	Nil	12 8			12	Y.
7,50,000	5,85,000	13,98,777	2,44,299	58,941	Gillanders Arbuthnot & Co., Ltd.	938	Jutlibari	23½	10	Nil	Nil	1 0		12	Y.
2,60,000	2,65,000	11,47,520	6,37,520	6,193	G. D. Kothari, Esq.	1,166	Kingsley-Golaghat (Assam)	360N	100	Nil	Nil			12	P.Y.
6,50,000	4,94,133	6,79,844	1,29,844	72,557	Duncan Bros. & Co., Ltd.	1,037	Ledo	30½	10	Nil	2 0			12	Y.
8,00,000	11,40 000	19,48,410	4,74 285	45,524	Octavius Steel & Co., Ltd.	612	Mothoal	24	10	Nil	1 8	4 8		12	Y.
4,00,000	40,000	8,84,211	84,211	14,238	Duncan Bros. & Co. Ltd.	673	Mohesna	19½	10	Nil	Nil			12	Y.P.
1,50,000	4,47,344	7,54,419	4,05,697	16,982	Kettlewell Bullen & Co., Ltd.	433	Nahabola	650N	100	Nil	40 0	15 0		12	Y.
O. 30,000 / P.O. 2,00,000	4,05,000	8,98,088	3,22,218	34,889	Andrew Yule & Co., Ltd.	344	Murphulani	37 / 42	O.10 / P.O.10	2 0 / 2 8	2 0 / 2 8			12	Y.
4,00,000	3,61,274	6,00,328	3,80,669	9,567	S.C. Sen, Esq., Supervising Director	542	Naga Hills	44½	10	Nil	3 0	3 0		12	Y.
5,35,000	—	12,71,401	6,70,401	5,053	Shaw Wallace & Co. Ltd.	810	Namburnadi	26½	10	Nil	Nil	0 8		12	Y.
5,00,000	3,60,000	5,94,477	1,94,447	22,913	Duncan Bros. & Co., Ltd.	937	New Cinnatolliah	215	100	Nil	5 0	10 0		12	Y.
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TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
2,00,000	2,35,000	3,76,125	22,948	34,760	Planting Agencies Ltd.	Belmadies Plantations	3½	2	0 3½	0 4	0 4		2	Y.P.T.
17,94,186	16,19,828	30,44,517	3,00,811	1,02,250	Petrce, Leslie & Co., Ltd.	Cochin Malabar	8½	3	0 9 3/5	0 12	0 12		5	Y.P.
18,00,000	13,78,817	31,25,382	4,43,589	1,58,644	Cama Coffee Estates (Secretaries)	Coffee Lands and Industries	17½	10	0 14 2/5	0 4 4/5	2 8		6	Y.P.
47,70,000	57,62,500	1,00,81,036	15,88,295	4,24,565	R. C. Paterson, Esq.	Consolidated Coffee	19½	10	1 12 4/5	1 8	1 12		6	Y.P.
4,00,000	3,34,078	5,19,105	46,991	11,406	Associated Planters Ltd.	Cottanad Plantations	14½	10	1 8*	1 8*	1 8		3	Y.P.
18,00,000	9,95,563	22,72,370	4,51,852	53,920	A. V. Thomas & Co., Ltd.	Highland Produce	23½xd	10	1 0	1 4	2 8		12	Y.
4,00,000	10,16,061	10,85,666	1,39,566	11,970	A. V. Thomas & Co., Ltd.	Kalpetta Estates	25½	10	2 0	2 0	2 0		4	Y.P
4,50,000	11,78,329	9,97,046	2,35,186	14,253	P. Kurian John, Esq.	Malankara Rubber	28½	10	3 8	5 8	2 4		3	Y.
27,00,000	27,75,000	71,39,275	6,74,802	99,729	A. V. Thomas & Co., Ltd.	Midland Rubber	37½	10	1 8	1 8	1 12*		3	Y.P.
3,75,000	2,81,000	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd.	Nenmeny Rubber	17cd	10	0 10	0 12	1 8		12	Y.P.T.
2,00,000	2,63,714	4,60,783	34,844	8,398	Associated Planters Ltd.	Nilambur Rubber Co.	13½	10	1 0	1 0			12	Y.P.
19,45,980	24,01,085	37,40,924	10,24,385	69,354	Petrce, Leslie & Co., Ltd.	Ouchulonay Tea and Rubber Estates	5-4½	2	0 3½	0 3½	0 9 3/5		10	Y.P.T.
13,50,000	6,80,000	39,49,798	3,06,746	54,658	A. V. Thomas & Co., Ltd.	Rangiri Rubber	17½	10	1 8	1 12*	1 12*		6	Y.P.
3,66,780	2,50,000	5,94,562	49,313	89,904	Petrce, Leslie & Co., Ltd.	Savamalai Estates Ltd.	26½	10	3 8	3 0	2 8		11	Y.
10,00,000	3,09,600	21,81,043	1,32,358	1,227	East India Agencies	Teekoy Rubber (India) Ltd.	8½	10	0 14½	0 14 2/5	0 12		3	Y.P.T.
2,50,000	2,37,500	5,29,518	27,825	15,715	A. V. George & Co., Ltd.	Thamarapally Rubber	27½cd	10	2 8	3 0	3 0		12	Y.P.
6,10,200	2,75,005	7,98,048	62,162	17,826	Petree Leslie & Co., Ltd.	Tirumbadi Rubber Co., Ltd.	2	1	0 4	0 4½	0 1 3/5		9	Y.
6,00,000	46,474	7,49,611	1,11,200	3,744	Espan Thomas, Esq. (Mg. Director)	Travancore Rubber	18½	10	1 0	2 0	2 0		12	Y.
41,00,000	14,29,673	74,86,897	7,65,148	3,28,925	Aspinwall & Co. (Travancore)	Travancore Rubber and Tea Co., Ltd.	11-15½	10	0 9 3/5	1 0	1 8		12	Y.P.T.
20,00,000	90,000	25,53,308	3,65,978	2,276	P. T. Thomas, Esq. (Mg. Direct or)	Tropical Plantations Co.	31½	25	2 8	3 0	3 0		12	Y.
6,28,580	4,40,000	7,77,154	14,119	21,363	Harrisons & Crossfield Ltd.	Valkundam (Travancore) Rubber	24½	10	2 0	2 0	2 0		12	Y.
1,45,000	87,259	3,50,536	15,684	1,063	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	12½	10	Nil	1 0	1 8		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	55,00,000	96,99,205	51,47,202	54,436	B. N. Elias & Co., Ltd.	879	Agarpara	13½	10	1+1	1+½	1f		3, 9	H.T.P.
24,00,000	16,00,000	46,24,981	32,54,712	94,004	Babu Jain Ltd.	498	Albion	150½	100	8+10	10+12	12+6		5, 11	H.P.
6,00,000	9,50,000	51,48,608	35,31,395	94,086	McLeod & Co., Ltd.	446	Alexandra	215xd	100	Nil	Nil+2½	2½+5		6, 12	H.P.
30,00,000	9,84,130	1,17,45,964	91,71,069	2,55,797	McLeod & Co., Ltd.	1,264	Alliance	173½	100	Nil	Nil+5	6+6		6, 12	H.P.
49,20,700	82,12,386	2,31,81,317	1,78,90,000	1,47,643	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	217	100	10+10	7½+5	2½+5		3, 9	H.P.
40,00,000	40,52,240	1,63,99,137	84,16,116	7,674	Bird & Co., Ltd.	810	Auckland	140	100	5+5	2+2½	1+2½		3, 9	H.P.T.
20,00,000	25,93,136	98,25,588	45,19,459	18,759	Jardine Henderson & Co.	959	Baly	187	100	Nil	4+Nil	Nil		3, 9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,189	Barasapore	177½	£5	£1	£1	£3	sh.2½	3, 9	Y.P.
22,00,000	35,49,823	89,73,096	49,13,770	1,19,9117	Andrew Yule & Co., Ltd.	820	Belvedere	203	100	7½+7½	7½+7½	5+5		6, 12	H.P.
45,00,000	36,45,000	35,16,391	29,60,822	2,95,071	Booraimull Nagarmull	600	Bengal	13½	10	1	1½	1½		6	Y.P.T.
91,26,000	2,08,61,000	3,18,53,461	1,29,13,354	1,26,903	Birla Bros., Ltd.	1,373	Birla	20½	10	3	3	3		3	Y.P.
36,00,000	39,42,925	1,11,26,350	71,77,582	1,20,609	Andrew Yule & Co., Ltd.	991	Budge-Budge	176	100	6½+6½	6+4	4+5		4, 10	H.P.
7,47,380	3,16,924	41,38,390	29,87,611	2,610	Dayaram & Sons	302	Calcutta Jute Mfg.	14½N	10	0+8	Nil	1f		6, 12	H.P.T.
18,00,000	32,51,234	77,37,603	40,35,574	78,538	Andrew Yule & Co., Ltd.	416	Caledonian	247	100	6+6	6+6	4+5		5, 11	H.
59,16,400	1,01,06,609	1,88,44,627	1,05,04,000	22,542	James Finlay & Co., Ltd.	600	Champdany	160	100	7+8	3+3	Nil+3		3, 9	H.
15,95,000	30,14,282	80,62,490	55,81,540	1,37,479	Andrew Yule & Co., Ltd.	530	Cheviot	270	100	6+6	6+6	6+8		5, 11	H.P.
30,15,000	28,25,000	60,73,516	46,01,290	1,52,233	McLeod & Co., Ltd.	500	Chiravalah	14	10	2½+1½	1½+½	½+8		6, 12	H.T.P.
16,00,000	17,00,000	2	78,04,949	66,24,460	Shree Krishna Investment Co., Ltd.	969	Clive	16½	10	2	Nil	Nil		3	Y.P.
31,49,200	62,11,927	1,28,98,802	63,22,413	15,344	Bird & Co., Ltd.	766	Dalhousie	142	100	6+1	1+3	1+1½		3, 9	H.P.
28,00,000	44,74,179	74,57,171	46,41,725	1,46,508	Andrew Yule & Co., Ltd.	779	Delta	210	100	10+10	10+10	6+6		5, 11	H.P.
15,00,000	33,50,000	77,97,149	57,55,560	1,32,960	McLeod & Co., Ltd.	500	Empire	23½xd	10	1+1	1+1	1+8		6, 12	H.T.P.
21,00,000	53,28,948	2,70,49,518	1,81,05,210	40,839	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	450N	100	10+Nil	Nil	Nil		3, 9	H.P.T.
14,00,000	17,00,000	82,42,725	51,52,401	1,10,453	Bangur Bros., Ltd.	1,014	Fort William	375xd	100	Nil	Nil+5	10+10	10f	3, 9	H.T.P.
24,32,100	2,73,755	2,11,52,730	1,34,01,900	2,930	Macneill & Barry Ltd.	1,709	Ganges Mfg.	100	100	Nil	Nil+Nil	Nil+½		3, 9	H.P.
10,80,000	28,00,000	71,52,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	881	300	50	15	Nil		12	Y.
24,00,000	31,83,104	2,20,06,357	1,67,50,294	1,56,427	Macneill & Barry Ltd.	1,394	Gourepore	356½	100	1½+Nil	Nil+3½	2½+7½		3, 9	H.P.
40,00,000	35,68,234	72,95,744	48,50,413	2,95,107	Bangur Bros. Ltd.	1,078	Hastings	115N	100	10	7½	10+6		3	Y.P.
16,80,000	18,52,626	66,38,235	45,81,416	52,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	37½	10	1½	1½	1		3	Y.P.
63,62,500	58,82,162	1,47,29,493	1,06,41,553	3,748	Jardine Henderson Ltd.	1,940	Howrah	18½	10	1+½	1+½	1+½		3, 9	H.P.
52,50,000	30,00,000	2,42,25,884	1,49,75,884	1,64,711	Ramdutt Ramkissendas	2,272	Hukumchand	30½	75	3	3	3		3	Y.P.T.
O. 87,00,000	19,20,065	1,11,31,089	75,39,061	38,601	Mackinnon Mackenzie & Co.	1,076	India	178½	O. 125	3½+3½	3½+3½	Nil+3½		3, 9	H.
D. 30,000				—				—	D. 1	As.1+4	As.1+4	As. 1			
24,00,000	28,34,204	1,36,86,233	1,21,94,305	84,189	Jardine Henderson Ltd.	1,797	Kamarhatty	202	100	8+8	6+3	3+3		6, 12	H.P.
B. 19,20,000								177	B 100	8+6	6+3	3+3			
30,00,000	18,14,767	1,31,87,376	98,19,537	62,312	Jardine Henderson Ltd.	1,527	Kankinarrah	147	100	6+4	5+3½	2½+4		6, 12	H.P.
24,00,000								132	B 100	6+4	5+2½	2½+4			
21,00,000	48,25,000	1,05,38,484	74,84,276	1,19,643	McLeod & Co., Ltd.	703	Kelvin	320	100	7½+7½	7½+7½	5+5		6, 12	H.P.
54,00,000	23,83,375	1,68,29,753	1,14,44,627	35,864	Anderson Wright Ltd.	1,336	Khardah	191½	100	10+15	10+15	7½+5		3, 9	H.P.
48,00,000	1,02,14,684	2,29,23,597	1,08,38,211	29,674	F. W. Heilgers & Co.	1,250	Kinnison	192	100	10+7	4+5	2+5		3, 9	H.P.T.
24,48,000	48,31,837	1,30,26,497	78,80,253	4,428	Bird & Co., Ltd.	931	Lansdowne	142	100	7+7	2+5	1+1		3, 9	H.P.
28,00,000	39,56,145	1,14,93,720	63,14,525	12,683	Bird & Co., Ltd.	840	Lawrence	159	100	11+7	3+3	2+4		3, 9	H.P.
10,00,000	41,51,301	50,99,333	38,06,454	33,755	Andrew Yule & Co., Ltd.	550	Lothian	408	100	15+15	15+15	15+15		5, 11	H.P.
84,48,240	26,14,412	1,97,62,000	1,19,08,316	8,592	Mackinnon Mackenzie & Co.	1,008	Magna	96	100	24½+2½	24½+2½	Nil+2½		3, 9	H.
29,98,900	41,13,783	1,72,83,489	94,88,274	—7,08,068	F. W. Heilgers & Co.	815	Nuddea	117	100	6+Nil	Nil	Nil		3, 9	H.
20,00,000	13,05,000	28,15,067	18,73,660	3,826	Howrah Trading Co., Ltd.	425	Naskarpara	14½	10	2+½	Nil+½	½f		4, 10	H.T.
35,00,000	44,29,326	38,38,763	9,61,390	1,88,126	Andrew Yule & Co., Ltd.	852	National	33½	10	1+1	1+1	1+1		4, 10	H.
26,25,000	22,75,000	26,82,794	19,64,419	1,31,193	McLeod & Co., Ltd.	516	Nellimarla Jute	31½	10	2+2	1+½	1+½		6, 12	H.P.T.
31,50,000	34,13,033	49,75,722	24,95,903	84,459	Sahu Jain Ltd.	709	New Central	149	100	10+12	12+12	12f		6, 12	H.P.
16,79,880	31,05,694	1,23,66,779	59,31,080	43,359	Bird & Co., Ltd.	567	Northbrook	25½	10	1+4	2+2	1+½		3, 9	H.P.T.
66,79,500	31,70,094	2,15,09,993	1,38,37,886	33,079	Macneill & Barry Ltd.	1,092	Nuddea	56	50	1+Nil	Nil+½	Nil+½		3, 9	H.
24,91,000	27,81,049	71,20,511	49,35,472	1,21,195	Andrew Yule & Co., Ltd.	601	Orient	180	100	1+6	6+6	5+5		5, 11	H.P.
25,00,000	6,23,468	80,72,591	63,77,961	1,03,954	McLeod & Co., Ltd.	400	Presidency	4½	5	Nil	Nil+½	1+½		6, 12	H.T.
20,00,000	1,40,946	26,48,443	7,67,493	—10,89,456	M. P. Birla, Esq.	305	Rameshwara	8½	10	Nil	Nil	Nil		3, 9	H.P.
49,50,000	8,01,572	1,23,46,453	57,04,882	18,873	Jardine Henderson Ltd.	1,276	Reliance	14½	10	Nil	1+½	Nil		3, 9	H.P.T
£600,000	£1,093,713	£1,228,275‡		£95,425	Thomas Duff & Co. (India), Ltd.	2,013	Samnaggar	13½	10	1½	10½			3	Y.P.
90,00,000	13,12,193	1,03,17,335	71,03,045	10,341	Begaria More & Co., Ltd.	911	Shree Ambica	14½	10	1½	Nil+½	½f		3, 9	H.P.
14,00,000	11,08,733	66,05,602	31,22,593	1,66,758	Hindustan Investment Corporation.	401	Soorah	16N	10	Nil	½			12	Y.P.T.
25,19,600	47,29,578	1,01,23,059	57,01,016	1,112	Bird & Co., Ltd.	950	Standard	150	100	1+1	1+1	1+1		3, 9	H.P.
£600,000	£925,119‡	£992,042		£108,510	Thomas Duff & Co. (India), Ltd.	1,794	Titagharr	13½	41	10½	10½			12	Y.P.
£5,98,600	£5,79,790	1,93,34,618	76,50,486	9,515	Bird & Co., Ltd.	1,326	Union	19½	100	10+1	1+4	1+5		3, 9	H.P.T.
£400,000	£688,035‡	£1,086,824		£1,12,138	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	13½	41	10½	10½			12	Y.P.
2,50,000	4,95,000	55,94,678	37,77,741	35,624	McLeod & Co., Ltd.	465	Waverley	7½xd	1	Nil	Nil+½	½f		6, 12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	20,75,000	33,30,999	56,70,999	21,411	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	22½	10	½+½	½+½	½+½		3, 9	H.
12,00,000	8,38,299	38,74,552	35,42,552	20,366	Jardine Henderson Ltd.	Baruree Coke	20½	10	3/3+[illegible]	7/10+7/10	½+7/10		3, 9	H.
4,49,350	70,000	3,49,139	3,40,946	4,951	Andrew Yule & Co., Ltd.	Bengal-Bharidee	24½xD	10	Nil	Nil	½+½		6, 12	H.
1,00,00,000	1,77,23,854	5,66,19,576	3,70,80,321	6,07,575	Andrew Yule & Co., Ltd.	Bengal Coal	498	200	20+20*	17½+15*	15+15*		4, 10	H.P.
2,25,000	4,96,231	25,34,835	22,57,353	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	116	10	½+½	Nil	Nil		6, 12	H.P.
15,97,000	4,73,358	37,70,192	22,77,364	13,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10					9	Y.
40,00,000	14,81,010	1,30,40,104	68,46,790	13,644	Saha Jain Ltd.	Bharat Collieries	7½	10	½	½	½		3	Y.T.P.
7,15,000	14,52,017	52,05,027	36,72,990	—2,17,803	F. W. Heilgers & Co., Ltd.	Bhulanbarree	14N	10	½ Nil	Nil	Nil		6, 12	H.
16,00,000	16,22,934	68,14,454	39,74,841	—4,31,132	Anderson Wright (Ramgarh), Ltd.	Bokaro Ramgur	151N	10	Nil				6, 12	H.T.
7,50,000	22,92,190	42,06,164	25,72,969	98,771	F. W. Heilgers & Co., Ltd.	Borree	29½	10	1½+1½*	1½+1½*	1+1		6, 12	H.P.
90,92,480	1,73,11,164	4,14,99,400	1,76,35,314	1,87,027	Bird & Co., Ltd.	Burrakur	13½	10	½+½	½+½	½+½		6, 12	H.P.T.
49,97,750	..	34,81,953	2,57,645	5,907	Hindustan Investment Corpn., Ltd.	Central India	7½	10	Nil	½	½		3	Y.
8,00,000	13,54,302	49,10,414	33,43,954	82,768		Central Kurkend	11N	10	Nil	½+½	½+½		6, 12	H.
6,00,000	1,43,230	7,25,000k		13,654	F. W. Heilgers & Co., Ltd.	Churia	2½	4	½+½	½+½	½+½		6, 12	H.
16,00,000	1,20,000	50,63,761	27,27,336	—1,39,155	Macneill & Barry Ltd.	Dhemo Main	8½	10	Nil	Nil	Nil		6, 12	H.T.
6,240,000	£342,496	£244,003	£11,181	£43,377	Jardine Henderson Ltd.	East Indian	29½	£1	1½	2½	2½		4	Y.
29,63,760	71,99,925	3,66,52,739	2,81,14,367	1,85,651	Macneill & Barry Ltd.	Equitable	29½	10	2+1½	1+½	½		6, 12	H.P.T.
18,00,000	2,11,139	9,72,721	3,23,963	40,284	Bhatter's Agency Ltd.	Ghusick and Munlie	15N	10					3	Y.
12,00,000	1,22,000	37,04,970	19,06,221	445	Kilpick Industries Ltd.	Hingir-Rampur	40½	50	½	½	Nil		6	Y.P.
8,00,000	5,75,000	21,42,581	18,13,063	62,148	Macneill & Barry Ltd.	Hurriladih	19	10	½+½	½+½	½f		6, 12	H.
22,00,000	1,08,577	31,78,015	10,56,245	—1,95,248	Bajoria Trust Ltd.	Jorea Coal	12½N	10	Nil	Nil	Nil		12	Y.P.
1,38,400	4,26,551	14,85,445	8,91,521	....	Andrew Yule & Co., Ltd.	Kalapahari	13½	10	Nil	Nil	Nil		2, 8	H.
90,00,000	9,375	26,40,649	2,46,630	3,145	Bird & Co., Ltd.	Karanpura Collieries	97	100	Nil	Nil	Nil		2	Y.P.
5,00,000	13,60,000	44,39,243	34,61,230	91,318	Andrew Yule & Co., Ltd.	Kasna Jherriah	55½	10	2+2	2+2	2+2		1, 7	H.
1,38,400	5,72,960	12,85,941	5,72,960	—2,40,336	Berlands & Co.	Khas Kajora	4½	10	Nil	Nil	Nil		2, 8	H.P.
11,00,240	64,314	16,72,961	10,41,863	—41,320	H. V. Low & Co., Ltd.	Kusardi	4½N	10	½	Nil	Nil		6, 12	Y.P.
9,00,000	11,86,413	28,69,268	22,91,987	2,353	H. V. Low & Co., Ltd.	Lakurka	18N	10	½	Nil			6	Y.
7,48,240	1,50,000	11,58,128	8,95,686	23,598	S. P. Textile, Esq.	Navira	7½	10	½	½	½		4	Y.
7,00,000	26,617	10,33,740	5,20,295	4,360	Amritlal Ojha & Co., Ltd.	New Bansdeopur	7½N	10	½	½			6, 12	H.
17,76,230	18,91,783	1,16,14,994	85,44,712	42,594	Andrew Yule & Co., Ltd.	New Beerbhoom	20½	10	Nil+½	½+½	½+½		3, 9	H.
8,00,000	85,000	29,00,087	16,42,360	2,485	Octavius Steel & Co. Ltd.	New Manbhoom	8½	10	Nil	Nil	Nil		4, 10	H.P.
1,15,000	2,47,693	12,93,355	8,05,952	8,676	Andrew Yule & Co., Ltd.	North West	18N	10	½+½	½+Nil	Nil		3, 9	H.
1,57,500							12½	7½	½+½	½+Nil	Nil			
7,50,000	11,79,228	3,97,668	2,77,666	1,15,650	F. W. Heilgers & Co., Ltd.	Ondal	18½N	10	½+½	½+½	½+½		6, 12	H.P.
18,00,000	1,10,000	37,18,080	16,07,868	38,140	K. C. Thapar & Bros.	Oriental Coal	9½N	10	½	½			12	Y.T.
8,36,000	1,32,942	17,23,281	8,78,407	5,618	Deepchand Khaberiall	Parasea	9½	10	Nil	½			6, 12	H.P.
15,75,000	14,00,000	45,11,541	32,67,541	20,192	Shaw Wallace & Co., Ltd.	Pench Valley	22½	10	½+½	½+½	½+½		3, 9	H.
23,99,500	19,17,105	1,17,91,823	82,07,105	47,209	N. B. Elias & Co., Ltd.	Raneegunge	10½	10	Nil	Nil	Nil		6, 12	H.
13,50,000	8,03,385	34,83,214	26,84,214	22,975	Shaw Wallace & Co., Ltd.	Rewa	18½xd	10	½+½	½+½	½+½		6, 12	H.
30,00,000	3,95,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Samla Collieries	9½	10	½+½	½+½			6, 12	Y.
1,25,000	1,85,000	12,10,180	10,21,382	19,527	Gillanders Arbuthnot & Co., Ltd.	Searsole	12½	25	½+½	½+½	½		3	H.
2,40,000	7,36,598	29,34,340	17,77,135	39,411	Andrew Yule & Co., Ltd.	Seebpore	26½xd	7	2+1	3+½	1+1		6, 12	H.P.
8,00,000	5,60,754	52,491	28,867	38,443	F. W. Heilgers & Co., Ltd.	Sendra	10½xd	10	Nil	Nil	Nil+½		6, 12	H.T.
63,21,450	15,01,620	3,51,42,502	2,49,62,544	—6,49,301	Industrial Trust Fund (Government of Hyderabad)									
17,50,000	10,85,425	37,23,396	14,57,868	3,853	Bird & Co., Ltd.	Singareni	7½	10	½	Nil			12	Y.T.
8,00,000	14,72,339	1,00,570	24,310	67,358	F. W. Heilgers & Co., Ltd.	South Karanpura	11½	10	½+½	½+½	Nil+½		2, 8	H.
10,00,000	12,950	30,15,423	18,43,301	—3,64,336	Villiers Ltd.	Staudard	18½xd	10	½+½	½+½	½+½		6, 12	H.
3,50,000	3,65,000	18,61,212	14,00,532	64,861	Williamson Magor & Co., Ltd.	Talcher	2½	25					9	Y.
49,98,000	21,916	47,68,934	16,41,545	65,727	Hindustan Investment Corpn., Ltd.	Union	17½	10	½+½	½+½	½f		6, 12	H.
7,80,000	3,57,000	50,89,488	21,36,225	582	Macneill & Barry Ltd.	Western Bengal	7½	10	½	½	½		6	Y.
						West Jamuria	14½	10	Nil	Nil	Nil†		6, 12	H.

* Including bonus.

† Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

(L) Investments.

(A) For seven months ended 31st March, 1954.

MARKET GOSSIP

(*Concluded from page 1151*)

Havana Bay and take 400,000 tons of raw sugar in payment over the next two years.

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To revert to the Council's decision to re-allocate export quotas. Commenting on this decision, the London *Economist* points out that the quantity re-allocated may prove to be no more than the actual shortfall, ignoring the defection of Brazil, and several exporters may be unable to take advantage of the withdrawal of restrictions on shipments before 31st August next. The *Economist* is rather inclined to believe that, with six months of the year still to run, the Council cannot hope to strike more than a rough balance between supply and demand. The prospects of success will, according to it, turn largely on the size of the European beet crop and on whether any further extraordinary demands are made on the market. According to the latest review of E. D. and F. Man, London, due to the late start and continued cold weather in most European countries, conditions do not augur well for a large beet crop. It is, however, impossible to forecast at this stage, with any degree of accuracy, the beet sugar output, as much depends upon weather conditions during the coming months.

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Meanwhile, the future of the International Sugar Agreement has, once again, become obscure. Brazil is reported to have threatened to withdraw from the Agreement. Britain, too, is said to be contemplating to introduce free trading in sugar. It is stated that the present Government is not in favour of continuing the existing agreements when they expire. According to one source, the British Government might return sugar to the trade, freeing it completely from all controls by 1st January next.

COTTON

(*Concluded from page 1162*)

cotton. The production of cotton in the region in that year was about seven lakh bales, or about 17 per cent. of the overall production of cotton in the country.

Many varieties with different staple lengths are produced in the region. The short-staple variety of Mungari accounts for only about 6 per cent. of the total production in the region. The medium-staple varieties of Westerns, Northerns, Warrangals, Coconadas, Comptas ordinary and Tinnevellis account for about 20 per cent. and the long-staple varieties of Jayadhar, Laxmi, Parbhani American, Madras American and Mysore American account for about 74 per cent. of the production. All major varieties in the region, except the Mungari, Warrangal, Coconadas and Nadam varieties which constitute only about 8 per cent. of the total production of the region, are tenderable against the Indian Cotton Contract of the E.I.C.A., Bombay.

The region is important from the point of view of the consumption of cotton also. There are in all 112 cotton textile mills in the region. In 1953-54, the mills consumed 896,000 bales of cotton, that is, about 19.5 per cent. of the all-India consumption by mills during that year.

The volume of production and consumption of cotton in the region fully justify the location of a futures market in cotton in this region. The Commission, however, did not receive any application for recognition from the concerned associations from this region, nor does there appear to have been any local tradition of futures trading in cotton. The Commission, therefore, came to the conclusion that, while there was need for developing a futures market in the region in due course, it had to await the development of public opinion and the establishment of representative associations which could be entrusted with the task.

Bombay City is the biggest cotton consuming centre in the country. There are in all 65 textile mills in the City, which, in 1953-54, consumed about 12.5 lakh bales of cotton or 27 per cent. of the total cotton consumed by the mills in India. Out of this, the varieties imported from foreign countries amounted to about 2.6 lakh bales or 20 per cent. of the total, the remainder being made up of Indian cotton. The Indian cotton consumed consisted of short-staple varieties to the extent of about 5 per cent., medium-staple varieties to the extent of about 70 per cent. and long-staple varieties to the extent of about 23 per cent. The varieties of Jarilla and Broach Vijay accounted for about 50 per cent. and 12 per cent., respectively, of the Indian cotton consumed. Jarilla is imported from Madhya Pradesh and the Deccan districts of the Bombay State, while Vijay is imported from the Gujarat districts of

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	11,86,201	Allahabad Bank	350	100	18 0	18 0	16 0	02 16 0	12	Y.P
14,50,000				180	50	9 0	9 0	9 0	09 0		
1,01,000	13,51,000	16,821	Andhra Bank	114	100	6 0	6 0	6 8	7 8	6.12	H.
23,00,000				79	70	3 0	3 0	3 4	3 12		
1,80,00,000	1,28,00,000	2,70,802	Bank of Baroda	97	50	6 0	6 0	6 0	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	138N	25	0 12	0 12	0 12	—	12	Y.
3,50,00,000	2,52,00,000	910,651	Bank of India	146	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,20,375	27,15,000	64,703	Bank of Indore	55N	25	3 0	3 0	3 0	3 0	12	Y.
10,00,000	10,00,000	25,128	Bank of Jaipur	28	50	1 8	1 8	1 8	2 0	12	Y.
50,00,000	54,00,000	2,27,018	Bank of Mysore	272	100	16 0	16 0	16 0	16 0	12	Y.
60,47,100	57,21,859	11,240	Bombay State Co-operative Bank	55N	50	2 8	2 8	2 8	2 0	6	Y.P.T.
15,00,000	24,00,000	20,774	Canara Bank Ltd.	80	50	4 8	4 8	4 8	4 8	12	P.Y
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	85	50	5 0	5 0	5 0	5 0	12	Y.P
2,62,11,875	4,00,56,697	17,58,599	Central Bank of India Ltd.	49	25	2 8	2 8	2 0	2 0	12	R.L.Y
52,42,375 'A'				50	25	3 8	3 8	3 0	3 0		
60,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co	82	50	1 12	1 12	2 0	2 0	12	Y.
1,50,00,000	1,00,00,000	1,06,895	Habib Bank (F)	72N	20	4 0	4 0	4 0	4 0	12	Y.
50,00,000	23,50,000	1,12,830	Hind Bank	22	50	1 0	1 0	1 8	1 8	12	Y.
1,25,00,000	15,42,000	16,919	Hindustan Commercial Bank	9½	50	—	—	—	—	12	Y.
50,00,000	1,80,000	1,412	Hindustan Mercantile Bank	12½	50	—	—			12	Y.
75,00,000	78,00,000	1,03,750	††Hyderabad State Bank	90N	100	6 0	5 0	5 0	6 0	12	Y.
3,75,00,000	6,35,00,000	34,18,646	Imperial Bank of India	1,700	500	50 0	50 0	50 0	50 0	6.12	R.L.H.
1,87,50,000				420	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000	77,50,000	1,30,785	Indian Bank	177½	100	12 0	12 0	12 0	12 0	12	R.L.Y.
17,00,000				146½	85	10 3½	10 3½	10 3½	10 3½	6.12	R.L.H.
16,80,000				106½	60	7 3½	7 3½	7 3½	7 3½		
49,19,675	26,00,000	2,15,539	Indian Overseas Bank	106½	100	6 0	6 0	6 0	6 0	6.12	R.L.H.
4,25,000				50	100(A)	7 8	6 0				
2,50,000	6,33,939	1,380	Indo-Commercial Bank	15	25(B)	1 14	1 8			6.12	H.
10,00,000				20	50(C)	2 0	2 0	2 0			
57,50,000	92,50,000	4,99,040	Punjab National Bank	42½	25	1 0	1 8	2 0	2 0	12	Y.
1,00,00,000	21,75,000	93,681	Travancore Bank	14½	25	—	—	1 0	0 12	12	Y.
40,00,000	33,00,000	1,75,674	Union Bank of India	6½	5	0 5½	0 5½	0 5½	0 5½	12	Y.
2,00,00,000	84,50,000	1,08,725	United Commercial Bank	43½	50	2 0	2 0	2 0	2 8	12	H.

PRINCIPAL EXCHANGE BANKS

(Dividend (per cent.))

£3,500,000	£5,000,000	£392,910	Chartered Bank of India, Australia and China	£2-4-9	£1	14†	16†	14†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6½	£5	6†	7†	8†		12	R.L.Y.
H.K. $20,000,000	HK $128,000,000	H.K. $10,215,256	Hongkong and Shanghai Banking Corporation	£94½	H.K. $125	5*	5*	5*	5*	12	Y.
£17,966,192 'A'	£14,500,500	£516,557	Lloyds Bank	£5-7-6	£5 A	12†	12†	14†	15†	12	R.L.Y.
£1,437,296 'B'				£1-6-3	£1 B	5†	5†	5†	5†		
£375,000 'A'	£1,750,000	£200,284	Mercantile Bank of India	£4	A £2½	12†	14†	14†	14†	12	R.L.Y.
£375,000 'B'				£4	B £2½	12†	14†	14†	14†		
£720,000 'C'				—	C £1	12†	14†	14†	14†		
£2,861,563	£3,104,687	£826,266	National Bank of India	£1-3-8	sh. 12½	14†	14†	16†	16†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. B-L = Reserve liability on shares. †† U.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June 1962
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	95	28th February 1960(e)
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	99½	30th December 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	102	27th December 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	90	1st November 1956-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	102½	1st April 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	97½	1st November 1959-64
COAL					
30,00,000	4½	30th April and 31st October	Bharat Collieries	95½	30th June 1958
30,00,000	4½	30th June and 31st December	Burrakur Coal Co.	91½	30th June 1965(a)
50,00,000	5½	15th June and 16th December	Equitable Coal Co.	99½	14th December 1958(e) ‡
COTTON					
3,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April 1962
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	99	15th November 1956(b)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	100½	1st January 1957-72(e)
12,65,000	5½		Jaykay Textiles	80N	1st January 1956-61
40,00,000	5	1st June	Tata Mills	102	1st June 1966-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd	95½	31st March 1961(e)
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	100½	14th June 1960
96,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	97½	1st October 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December 1964(e)
2,45,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101	1st January 1970(e)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	87	31st December 1970
15,00,000	5	1st January and 1st July	Sijua (Jharsuk) Electric Supply Co., Ltd.	96	30th June 1970(e)
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	99	— 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	99	1st October 1964
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	— 1962-68
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July 1957-67
47,78,000	4	1st April and 1st October	Tata Power	99½	15th September 1961-65
2,50,000		1st April and 1st October	Tata Power	92½	15th September 1962-70
ENGINEERING					
5,00,000	6	30th June and 31st December	Britannia Engineering	99	10th December 1958
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	102	1st July 1957-62
21,46,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	106	31st December 1966 (§§)
10,00,000	4	31st May and 30th November	Kanardiuol Engineering Works Ltd.	96	31st May 1967
1,50,00,000	5	1st April and 1st October	Tata Locomotive	101½	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	100½	31st December 1960 (e)
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	99½	31st March 1969
6,00,000	5½	30th June and 31st December	Alexandra	100	30th June 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	97	30th June 1958
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	85½	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta	90	31st July 1959
10,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	96	30th June 1964
25,00,000	5½	31st March and 30th September	Dalhousie Jute Co.	99	31st March 1969(e)
8,86,000	5	30th June and 31st December	Empire	96	16th July 1966(e)
25,00,000	5½	1st January and 1st July	Hukumchand	92	30th June 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	96	31st December 1964(e)
25,00,000	5½	30th June and 31st December	Naihati	88	31st March 1967(e)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May 1958
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	88	31st December 1964
8,00,000	4	30th June and 31st December	Presidency	93	30th June 1958
25,00,000	5	31st March and 30th September	Raliaram Jute Mills Co., Ltd.	91	8th September 1966(
8,00,000	4½	14th March and 14th September	Sorath Jute	96	14th September 1967
12,00,000	4½	30th June and 31st December	Union	96½	30th June 1957
10,00,000	5½	31st January and 31st July	Waverley	88	31st July 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	90N	1st July 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	£60N	At 105% at any time on 6 months' notice or at par or every seventh year.
£189,363	5	1st April and 1st October		£77½N	1st October 1974
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	90½	31st December 1959(e)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£85½N	Any time on six months' notice.(e)
5,00,000,000	4½	1st March and 1st September	Scindia Steam Navigation	95	1st September 1962
PLANTING					
10,00,000	5½	30th June and 31st December	Consolidated Coffee	102	1st July 1957-62
5,00,000	6	31st March and 30th September	Nilgiri Tea	100½	1st April 1954-58
4,61,000	5½	30th June	Ouchterlony	104	30th June 1954-59
9,00,000	5	31st March and 30th September	Peermadamalai	100½	31st March 1958-62
1,89,700	5½	31st March and 30th September	Teekoy	100	31st March 1948-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	100	30th September 1962
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December 1963
26,80,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December 1962
4,80,500	4½	30th June and 31st December	Bengal Paper Mills	97	30th June 1967
8,00,000	5½	1st March and 1st September	Burmah-shell	102½	1st September 1955-69(e)†
21,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1st February 1964
21,54,000	4½	1st July and 1st January	Clive Buildings	89½	1st July 1956
20,00,000	4	15th March and 15th September	Dalhousie Properties	67	15th September 1960
1,00,00,000	5	31st March and 30th September	Dalmia Cement Ltd.	90	1st January 1969
1,50,00,000	5	1st January and 1st July	Dunlop Rubber	102	1st January 1971(e)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	104	30th June 1969(e)‡
1,00,00,000	5½	15th March and 15th September	Mettur Chemical Industries	95	1954 1964
19,25,000	5	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	520	30th September 1976(e)
39,57,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	475	31st December 1972(e)
48,00,000				(per note)	
		1st April and 1st October	Macneill and Barry Ltd.	90N	1st April 1971
75,00,000	5	31st March	Orient Paper Mills Ltd.	96	31st March 1961(e)
1,00,00,000	5½	30th June and 31st December	Robtas Industries Ltd.	90½	31st December 1959
1,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	104½	1st May 1966(e) ‡‡
4,00,00,000					

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at par on any date after 1-4-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. † With option to redeem at Rs. 101½ per cent. after 10 years or at Rs. 100-8 per cent after 13 years. ‡ Rs. 1,80,00,000 debentures with option to redeem at par annually by drawing from 1-9-1956. Any debenture outstanding on 1-9-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. ‡‡ Redeemable be redeemed at par annually by drawing lots of 11 per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. §§ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964, onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1962, on 6th months' notice. †† (Option to repay at par on 6 months' notice, on or after 1st January, 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 16th June, 1955.

—	Closing quotations 9-6-1955	High	Low	Closing quotations 16-6-1955
TEXTILES	Rs.	Rs.	Rs.	Rs.
Abm. Adv. (100)	131½	131½	130½	130½
Apollo (2)	2-11½	2 15/16	2-11½	2-12½
B.B. Cotton Mills (100)	25½	31½	25½	31½
Bombay Dyeing (250)	465	473½	466½	470½
Central India (100)	120	123	115	116
Century Mills (100)	378½	384½	378½	381½
Colaba (100)	55	—	—	55
Edward Textile (200)	268½	268½	267½	267½
Elphinstone (50)	40	—	—	40
Finlay (100)	245	250½	245	250
Gokak (100)	214	219	215	219
Ind. Untd. Deld. (1)	1 1/16	1 1/16	1-3/32	1-4/32
Ind. Untd. Ord. (10)	10-11½	11½	10 15/16	10 15/16
Indore Malwa (100)	95	98½	95	98½
Khatau (100)	165½	—	—	165½
Kohinoor (100)	317	325	317½	324½
Lakshmi (250)	507½	—	—	507½
Madhusudhan (100)	78½	—	—	78½
Minerva Mills (100)	98½	—	—	98½
Model Nagpur (250)	138½	138½	136½	138½
Morarji (100)	222½	223½	222½	223½
National Rayons (100)	111½	—	—	111½
New City (100)	210½	204½	197	198½xd
New Great (100)	138 15/16	—	—	138 15/16
New Union (10)	172	177	172	175
Phoenix (100)	30½	—	—	30½
Podar Mills (100)	112½	117½	112½	117½
Rajkot Silk (10)	159½	160	159½	160
Sassoon Eng. (10)	14½	15	14½	15
Sholapur (1,000)	85½	—	—	85½
Shrinivas (100)	1,400	—	—	1,400
Simplex (50)	220	226½	221½	223½
Standard (100)	154½	158½	154½	156½
Swadeshi (100)	300	370	305	307½
Swan (100)	193	208½	193	200
Tata Mill (25)	315	316½	315	316½
Vishnu (100)	50½	58½	50	51½
Western India (1,000)	137½	140	137½	140
	3,875	—	—	3,875
BANKS				
Bank of India (50)	146½	146½	146	146½
Bank of Baroda (50)	97½	97½	95½	96½
Central (25)	48½	49½	48	48½
Central 'A' (25)	94½	95½	49½	50½
Dena Bank (50)	52½	52½	42½	42½
Punjab National (25)	42½	—	42½	42½
Union Bank (5)	6½	6½	6½	6½
United Com. (50)	43½	43½	43½	43½
ELECTRIC COS.				
Ahmedabad (100)	106½	107½	106½	106½
Amalgamated (10)	10 1/16	10-15/16	10 1/16	10-15/16
Andhra Valley (1,000)	3,365	3,365	3,365	3,365
Bom. Sub-El. (100)	128½	129½	128½	129½
Surat (100)	134½	134½	131½	131½
Tata Hydro (100)	142	146½	142	145½
Tata Power (1,000)	1,440	1,500	1,440	1,480
INSURANCE COS.				
British India (10)	13½	14½	13½	14½
Empire of India (100)	675	—	—	675
Ind. Mercantile (50)	44½	45	44½	45
Jupiter (15)	8½	8½	8½	8½
New India (10)	50	50½	49	49½
Oriental (200)	7,110	7,210	7,110	7,210
Universal (10)	10½	—	—	10½
Vulcan (10)	16½	16½	16½	16½
STEEL COS.				
Ind. Iron (10)	33-14	33 15/16	33-14	33½
Tata Steel Ord. (78)	228	234½	228½	233½
SUGAR COS.				
Belapur (50)	310	315½	310½	311
Bhopal (100)	12 15/16	—	—	12 15/16
Phaltan (50)	124½	130	124	129
Walchand Ind. (100)	206½	215	207½	208½
CEMENT COS.				
Associated Cns. (100)	176½	181	176½	176½
Digvijay (100)	176xd	180	176	179
MISCELLANEOUS				
Alcock Ashdown (100)	278½	273½	255	255xd
Bom. Burmah (125)	471½	488½	471½	479½
Do. (New) (50)	178½	177½	173½	177½
Br. B. Petrol (2 sh.)	8-4½	8-14½	8 1/16	8-13½
Br. I. Corpn. (5)	9½	9-14½	9 1/16	9-13½
C. P. Rly. (100)	4-6½	97	96½	97
Indian Copper (2 sh.)	73	4-11½	4 1/16	4 1/16
Ind. Inv. Tr. (100)	201½	72½	72	72½
Kamp (200)	159½	—	—	201½
Killick (100)	167	167	161	161
Poison (100)	137½	—	—	137½
Port Canning (100)	14½	—	—	11½
Premier Cos. (50)	140½	140½	140½	140½
Scindia (20)	14 1/16	14 1/16	14 1/16	14 1/16
Sirpur Paper (10)	66½	69	66½	69
Tata Chemicals (10)	13 1/16	13½	13 1/16	13 1/16
Tata Oil (25)	40½	43½	39½	43
W. L. Match. (100)	181½	185	180½	184½

GOVERNMENT SECURITIES	10-6-55 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	16-6-55 Rs.
2½% 1955	99 9/16	—	—	99 9/16
2½% 1960	92½	—	3.62	92½
2½% 1962	95	—	3.93	95
2½% 1964	92 9/16	—	3.86	92 9/16
2½% 1966	92	—	3.86	92
2½% 1968	90½	—	3.91	90½
2½% 1959-62	99 3/16	—	3.18	99 3/16
3% 1964	97 9/16	3.53	3.18	97 9/16
3% 1963-65	94½	—	3.37	94½
3% 1966-68	94½	3.57	3.77	94½
3% 1970-75	91½	3.98	3.70	91½
4% 1960 Con. Loan	87 9/16	4.18	3.86	87 9/16
4% 1960-70	89½	—	3.91	89½
4% 1964-69	101 9/16	3.60	3.72*e	101 9/16
4% 1955-60*	100½	—	3.82	100½
3½% 1961 N.P. Bonds	108½	3.59	1.42	108½
3½% 1964 N.P. Loan	105½	—	4.18	105½
	99½	—	3.54	99½
	98½	—	3.65	98½

BRITISH GOVERNMENT SECURITIES

	9-6-55 £	High £	Low £	15-6-55 £
2½% Brit. Consols	60½	—	—	60½
3% Brit. Transport 1978-88	79½	79½	79	79½
3% War Loan 1955-59	96½	—	—	96½
3½% Brit. Iron and Steel 1979-81	81½	81½	81½	81½
4% Funding 1960-90	89½	89½	89½	89½
	97½	—	—	97½

* Current Income. x.d. = Ex-dividend. * Rupee Counterparts.

COMMERCE

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

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ASSISTANCE TO SHIPPING

A FACT that clearly emerges from the speeches delivered at the annual general meeting of the Indian National Steamship Owners' Association, held on Tuesday this week, by its President, Mr. Pratapsingh Shoorji Vallabhdas, and its distinguished guest, Mr. Lal Bahadur Shastri, Minister for Railways and Transport, is that expansion of Indian shipping is virtually dependent upon the assistance of Government. The cost of ships is so high, the labour in the ports is so difficult to handle, the competition for cargo from well-established foreign shipping companies is so keen, the leeway to make up is so large, thanks to decades of neglect, and the period within which such has to be done is so short that, without Government co-operation, sympathy and active help, the private sector, in the realm of which shipping still resides, can do precious little for bringing about a rapid growth of our infant shipping. If all the forms of assistance which Mr. Vallabhdas listed in his speech were to be given by the State, the role of the Government in shipping will be that of a father in a typical Indian household, the role of the private sector being that of a mother. The Government has to provide the bulk of capital, cargo and even ships; it has to enforce discipline among the workers in ports; and it has to fight with the foreign shipping giants in order to get a place for our shipping in world trade. With all this provided, the private sector, for its part, will select and train the personnel to man the ships and handle the complicated task of employing the ships economically. For the present, there is, to carry our metaphor further, complete agreement between father and mother, and the entire household is working in harmony, born of perfect understanding. It is to be hoped that this happy state of affairs will continue for many years to come, so that the growth of infant shipping to the stage of strong and sound manhood may not be impeded. One cannot, however, blindly shut one's eyes to the risk of separation, for there are persons in the party-in-power who are bent upon bringing about estrangement by demanding nationalisation, especially in fields where the State has already developed a stake.

The dependence of shipowners on the Government for developing their business seems pathetic, indeed. Some idea of this was given by Mr. Vallabhdas in his speech. Even to fulfil the modest target of a net addition of 445,000 tons gross in the second Five-year Plan, the capital required is estimated at Rs. 80 crores. Of this, the private sector can provide, according to the Study Group (composed of representatives of shipowners) which suggested the target, only Rs. 10 crores. The balance, we are told, has to be provided by the Government by way of loans. The Government has already been advancing money to shipowners, besides contributing to the capital of the Eastern Shipping Corporation owned by it jointly with the Scindia Company in the proportion of 3:1. Out of Rs. 23.3 crores which it agreed to lend in 1953, actual disbursements and firm commitments up to date amount to Rs. 20 crores and the balance of Rs. 3.3 crores is expected to be taken up before long. These loans have been made on fairly easy terms, in regard to both period of repayment and rate of interest. Thus, the rate of interest charged is 4.5 per cent. on loans for developing coastal trade and 2.5 per cent. on those for expanding overseas trade. The period of repayment varies between 10 and 12 years. The basis of loan is related to the cost of ships; at present, it is about 75 per cent. While gratefully acknowledging this form of assistance, all shipowners are of the view that the terms and conditions of loan are still onerous and require further liberalisation, if the pace of development is to be quickened. They want (a) the amount of loan to be raised to 90 per cent. of the cost of the vessel, (b) the existing rates of interest to be halved, and (c) the repayment of capital to commence from the sixth year of the loan and to be completed within 15 years therefrom or three-fourths of the normal age of the ship. They also want the Government to purchase suitable ships and charter them to shipping companies on bare boat terms. Besides, they want the Government to reserve all its cargo, as well as cargo under its influence, for Indian ships to the extent they can carry. The Government, they say, should also use its influence and good offices to enable the companies to get admission to the various overseas shipping conferences.

This overwhelming dependence on Government is, of course, not the seeking of shipowners. It is the outcome of circumstances almost all of which are beyond their control. In the first place, the capital market is not in a position to provide equity capital for Indian shipping. Its inability is due to two causes: (1) The quantum of risk capital available is itself of a very limited nature. And (2) the little capital that is available is chary of finding a haven in shipping business, because shipping has not proved to be a profitable proposition in recent years. Secondly, the expansion envisaged requires so large an amount of capital that the whole of it cannot be found by existing shipping companies. The Government has, therefore, to provide a good part of it. Thirdly, the competition offered by the advanced maritime countries on the high seas is so strong that it cannot be met except with the protection given by the State. Finally, the productivity of port labour has gone down to such an extent that Indian shipping is at a definite disadvantage as compared with its competitors.

While shipping has undoubtedly a strong case for Government assistance in various forms, the wisdom of depending on the Government to such a large extent as indicated above at a time when private enterprise is at a discount is open to question. To the credit of Mr. Lal Bahadur Shastri, however, it must be said that he has been quite sympathetic to the needs and aspirations of Indian shipping and that he is quite prepared to assist this industry to the maximum extent he can. He has promised to consider all their suggestions and, if his performance during the past one or two years is any indication, there is no doubt that he will keep his promise. But the question is whether it is advisable to strain his spirit of accommodation to an extent that may be embarrassing to him in his party or Parliament. A more prudent course for the industry would be to put forward proposals which will enable it to stand on its own feet.

It is not suggested here that all the forms of assistance advocated by Mr. Vallabhdas are not justifiable. The demand for Government-financed and/or Government-controlled cargoes and the plea for Government help to enter the various conferences are legitimate and have been conceded by the Transport Minister. But whether the same can be said of the demand for the Government buying ships and leasing them to the companies, or of the one for loans up to 90 per cent. of the cost of ships, is open to question. It sounds rather ridiculous for private enterprise to confront the Government with such demands. In such a case, one may turn round and ask the private sector: "If the State is to give you practically all the capital you need, buy ships and give cargo and, in some cases, even personnel to manage your business, why should you be there at all? Why should not the State itself run the whole show?" In posing this question, we do not wish to be misunderstood by shipowners. Such questions are bound to be raised by the critics of the private sector of whom there are many in the Government itself. Our object in drawing the attention of shipowners to this aspect is to warn them that they are treading on dangerous grounds. Apart from political considerations, over-dependence on Government is not in the interest of either the shipowners themselves or the taxpayer. If the Government were to give 90 per cent. of capital as loan at very low rates of interest, it might not be conducive to efficiency and economy among the shipping companies.

What is the alternative? A healthy alternative, in our opinion, will be for shipowners to insist on the Government to create conditions that will enable them to raise their own capital both in the domestic and in foreign markets.

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This means, in short, that the Government must make it possible for shipping companies to operate profitably and to pay decent dividends. It also means that the shipping companies must not place sentiment before business, as some of them do in regard to tramp shipping, for instance. They must resort to all legitimate means of enhancing their profit. In all the maritime democratic countries, shipping is given special tax concessions. It is a fiscal practice universally followed and endorsed even by the Royal Taxation Commission in Britain which submitted its final report only a fortnight ago. After the war Germany, Japan and Italy gave liberal tax concessions to shipping companies and the result has been an impressive rise in the size of their mercantile marine. One advantage of helping shipping through tax concessions will be that they will encourage and enable new *entrepreneurs* to enter the field and boost expansion. This will not happen freely, if loans on easy terms are given to shipowners, because, while tax concessions operate automatically, loans can be had only through negotiation and persuasion, a method that may lead to corruption and favouritism in the Government. Entry of new *entrepreneurs* or even the possibility of such a development will keep the existing shipowners on their toes. It is significant that, even though there is need and scope for more shipping and the Government has been offering loans on fairly liberal terms, no new big shipping company has come into being in recent years.

Tax concessions alone are, of course, not sufficient. Almost every shipping company will need loan capital of varying degree and extent. This the companies should be enabled to obtain from the market, instead of being directly provided by the Government. If the shipping companies function profitably, pay a reasonable rate of dividend and are well managed, the traditional institutional investors will be willing to provide loan capital. A ship is a floating asset which usually earns from the day it is put on stream. It is, therefore, a first class collateral for any lending institution. If the needs of loan capital are more than the capacity of the domestic market, they can be satisfied by borrowing from either the World Bank or the proposed International Finance Corporation or from some of the well-known foreign capital markets. It is the duty of the Government to help the shipping companies to obtain finance from such sources. It is only when the companies know and feel the cost of borrowed money will they have the incentive to operate efficiently and enterprisingly.

The profitability of a ship depends on its turnround. If it lies idle, it loses heavily. In this context, the Government can render valuable assistance. It is primarily the responsibility of the Government to ensure a high level of productivity in ports. This will be possible only if the labour employed in the docks are hard-working and disciplined. The equipments in ports must also be up to date. The handling facilities at the docks, including the installation of mechanical appliances for loading and unloading bulk cargo, must be improved.

The profitability of shipping can also be improved by giving it protection against competition from the world's leading maritime countries. Nascent shipping has a right to expect such protection from the Government on the same ground on which such land-based industries as steel, textile and sugar are given protection in their early stages. As shipping is a floating industry, it cannot, of course, be given protection through the traditional tariff walls of varying heights, as is being done in the case of other industries. The only practical way of extending protection to it is through State subsidy. Where such subsidy has to be given, it will be better to do so through an impartial body like the Tariff Commission. Further, in order to safeguard the interests of the taxpayer, it will be necessary for the State to keep a periodical check over the operations of shipping corporations so long as subsidies are continued.

KOLAR GOLD MINES

THE relations between the Mysore State Government and the Kolar Gold Field Mining Companies in the State are not as happy as either party would desire. Both the Government and the Companies have, in the recent past, indulged in a controversy, the most technical of its kind known in this country. After all, the gold mines at Kolar are the only rich and substantial mines in India, so that there are no standards or models from which one could judge the validity either of the allegations that have been made by the Government or of the defence by the Companies. Even so, it is certainly regrettable that the Government of Mysore should have felt that the only alternative to prolongation of controversy is the nationalisation of gold mining industry in the State. The Chief Minister of Mysore, Mr. K. Hanumanthaiya, revealed that the State Government was inclined in favour of nationalisation of the gold mining industry. The Government of India, too, he claimed, had been "very helpful and sympathetic in the matter of implementing the opinion of the Government and the people of Mysore."

The Kolar gold mining companies are not only one of the oldest of their kind but also technically one of the most efficient. They work what is described as the world's deepest gold mines. After 60 years of sporadic exploration by Europeans, the first successful prospecting for gold in the State was made in 1871 by one M. F. Lavelle. The present operating companies, Messrs. John Taylor and Sons, Ltd., London, took over the management of the mines in the beginning of the present century. In 1935, an agreement was reached between the Government of Mysore and the four mining companies to renew their lease for a further period of 30 years from March, 1940 on certain conditions. According to this agreement, the companies have the right to work the mines up to 1970. At present, only three gold mines are operating, namely, the Mysore mine, the Nandydroog mine and the Champion Reef mine; the fourth mine, the Oorgaum mine, was closed in October, 1953. In 1940, the gold duty was imposed. The duty was removed in 1949, after protracted negotiations and an agreement was concluded between the Government and the Companies, whereby 75 per cent. of the net surplus has to be paid to the Mysore Government, in addition to royalty and additional royalty.

The present dispute between the Government and the Companies has arisen out of the implementation of the Agreement. The Government's contention has been that the Companies have not abided by the terms of the Agreement and that they have violated some of its terms. A committee (Chairman: Mr. H. Siddaveerappa, Minister for Home and Industries, Government of Mysore) was appointed in 1954 to review the working of the Agreement. This Committee, the report of which was published in February, 1955, virtually endorsed the views of the Government spokesmen which had been expressed prior to the appointment of the Committee. It charged the Companies with having honoured the Agreement "more in the breach than in the observance." Some of its specific criticisms were: (1) Working costs had been unduly inflated; (2) Indianisation of staff had not been satisfactorily carried out; (3) the Companies had failed, even when funds were available, to contribute to the depreciation development expenditure upto 15 per cent. of working costs in terms of the Agreement; (4) the over-valuation of assets, coupled with the transfer of disproportionate and unwarranted liabilities to rupee companies at the time of their formation (in December, 1950), had handicapped the new companies at the very start and had affected adversely their resources. The Committee deplored that, whereas the State Government's total income from royalty, gold duty and contributions (exclusive of income-tax) from 1881 to 1953 was Rs. 16.43 crores, the shareholders had earned by way of dividends Rs. 34.50 crores during this period. The Committee recommended that the royalty, computed as a percentage of the sale proceeds, should be increased from 5 per cent. (in terms of the 1949 Agreement) to 10 per cent.

The Companies' contention, by way of reply to the foregoing charges, is that it is wrong for the Government to get the Agreement reviewed by a Committee wholly of officials. They flatly deny the allegations of avoidable increase in working costs and of tardy progress in Indianisation. Their contention is that nearly 90 per cent. of the increase in costs between 1945 and 1952 was due to reasons over which the Companies had no control and the remaining 10 per cent. was due to the grant of allowances to staff. They argue that the Committee's admission that the increases in output far outweighed the rate of increases in expenditure between the years 1949-52 is proof of the technical progress and increased efficiency achieved by the management. As regards Indianisation, the Companies point out that, out of 229 convenanted posts, Indians now hold about 137 posts (93 technical posts and 44 non-technical posts). Of the 29 key posts listed, 8 are held by Indians and the remaining non-Indians are "highly technical men of long service, ranging from 20 years and upwards." As regards the Committee's allegation that considerations of seniority had been overlooked, the Companies contend that, in the interests of efficiency and discipline, they cannot accept seniority as the sole criterion for promotion. They point out that "suppression of senior men with long service is not unknown in Government service."

The chief grievance of the Government is that, whereas its annual income from the mines was about Rs. 20.6 lakhs in the pre-war years, the average income received in the years 1952 and 1953 increased by a mere 12½ per cent. to Rs. 23.2 lakhs. The Government had expected to derive a much larger income at the time the Agreement was negotiated. The Companies point out in reply that, if the Government's expectations have not been fulfilled, it is because gold prices have declined. If the price had remained at Rs. 300 per ounce, the level at which it remained at the time of the negotiation of the Agreement, the Government would have received in 1952 a total of Rs. 74 lakhs. But the prices declined until they fell to Rs. 228 per ounce in 1953. Again, income-tax is now payable to the Government of India, whereas, at the time of the repeal of the gold duty, it was payable to the Mysore Government. The State Government, it may be noted, receives compensation for this loss from the Central Government. The management of the gold mining companies regret that the Committee has not taken these factors into account. Nor has the Committee realised that the Government has benefited through the sale of power, water, timber, etc., and through the indirect benefit derived from the revenue of the industry circulating in the State, to say nothing of the employment it provides and the income the Government derives through direct and indirect taxation of the employees of the Companies.

The impression seems inescapable that the Committee, in its understandable anxiety to recommend measures that would augment the revenues of the State, has either ignored or accorded insufficient recognition to the fall in gold prices and the indirect benefit that should accrue to the State through the continuance, as well as possible expansion, of the Companies' activities. In any case, it is certainly unfair that the Agreement between the Companies and the Government should have been peremptorily reviewed by a Committee consisting wholly of Government spokesmen, especially because the Agreement specifically provides for arbitration in case of disputes. What is even more surprising is that the Government should now think that even the revision of the Agreement, on the lines recommended by the Committee, is not a sufficient remedy for the situation, and that nothing less than wholesale nationalisation is the only solution. This attitude gives rise to the impression that the *ex-parte* enquiry was just a show and a prelude to implement the Government's pre-conceived decision to nationalise the mines. The recent amendment to Article 31 of the Constitution has evidently encouraged it to go ahead.

Before snapping the connections with one of the oldest of gold mining experts in the country and the only gold mining company, that is, before taking the irrevocable step of nationalisation, the State Government, as well as the Central Government, will, perhaps, do well to examine whether some workable alternative to State ownership cannot be found. It should not be difficult to increase the Indian ownership of the companies, if it is in a minority as it seems to be. The State Government, the workers of mines and Indian investors could together hold the majority of shares, the foreign interests retaining a fair proportion. The present management could be retained as Secretaries and Treasurers. If this were done, it would serve a double purpose. In the first place, Indian interests would have larger control over the working of the industry. Incidentally, it would enable the Companies to get the capital they need for expansion. Secondly, the services of the present management, which has guided the fortunes of this highly technical industry for close upon half a century, would be retained for the benefit of the industry. So far as the Mysore Government is concerned, it has a creditable record of successful working of joint-stock companies in partnership with private investors. For the foreign gold mining experts, such a solution would mean the continuation of profitable association with this country. Only, it would require some psychological readjustments, as well as some organisational changes. But they would be in keeping with the spirit of the times and, at any rate not beyond the British genius for adjustment.

NATIONALISATION OF INSURANCE BEFORE NEXT ELECTIONS?

STATE BANK SHARES—MR. SHROFF'S SPEECH —U.S. COTTON—I.M.F. ON CONVERTIBILITY

THURSDAY, 5 P.M.

TRADING in the share market is colourless; the trend is quietly steady and the turnover is mostly of a jobbing nature. After looking up during the past fortnight, the market is somewhat hesitant. Here and there, however, some bright spots are seen, thanks to encouraging reports about individual companies. Particular mention may be made of Bombay Burmahs, A.C.C., and automobile shares. Some of the big industrialists say that there is no cause for pessimism. They argue that all existing industries are faring well, with a few exceptions, as, for instance, coal. Banks and insurance companies, too, have been working satisfactorily. They further point out that almost every one of the big Indian business houses are either starting new ventures or expanding the existing ones. Tatas, for instance, are expanding their iron and steel factory and enthusiastically going ahead with the T.E.L.Co. Birlas are expanding their paper mills and going in for chemicals, rayons, and heavy engineering on a big scale. Dalmia-Jains, too, are expanding their paper, cement and chemical works. Somanis propose to put up a big paper mill somewhere in Karnatak. Kilachands have concluded a deal with Dow-Chemicals for producing an important raw material for plastics. Kasturbhais are expanding their Atul factory. Khataus also are said to have a plan for establishing a large-scale industry. Several other schemes relating to sugar, printing, engineering and a number of miscellaneous industries are also daily reported from the various parts of the country. If prospects for business are bad or highly uncertain, why are these projects coming up?, ask these industrialists.

MARKET GOSSIP

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While all this is true, the fact remains that investors are still shy and those who want fresh capital think in terms of not equity capital but preference shares or debentures. This is because of the uncertain economic policy of the Government and the frightening statements that are being made by politicians in power. That the Government is actively assisting several industries in the private sector cannot be denied. But, at the same time, it must be conceded that it is following policies which threaten to restrict the activities of large-scale industries in the not distant future. Look at the fate of the W.I.M.Co. The encouragement given to cottage match factories has reduced the market for this Company and its shares once considered to be a blue chip, are standing at such a low level that they are giving a yield of 6 per cent. This may be the fate of many other consumer goods industries during the second Five-year Plan period, when they may be subjected to heavy handicaps, in order to boost cottage and small industries. High discriminating excise duties are being proposed for many of them. One will know more on this subject when the various committees, which have been appointed to suggest ways and means of improving the employment potential of these industries, submit their plans. It is significant that there are hardly any practical business men on any of these Committees, whereas they include quite a few faddists, with pronounced bias in favour of cottage industries. The strong canvassing now going on in favour of *Amber Charka* (hand-operated spindle) may ultimately affect the purely spinning mills which have hitherto been free from the deleterious effects of reservation of markets for handlooms. For a time, the scarcity of yarn created by any such restriction in favour of *charka* may lead to a boom in the yarn market, but the Government may not let the spinning mills get away with it.

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There are reasons to feel that the Congress Party is quite serious about its desire for nationalisation of insurance. This may figure as its trump card for the next General Elections, due to be held early in 1957. In other words, the right time to nationalise insurance, referred to by Mr. Nehru, will be the last quarter of 1956. So, the threat of nationalising insurance is not an empty one. Many, including this journal, have been wondering as to what is there for the Government to gain by nationalising such a closely controlled activity as insurance. This curiosity drove us to seek an explanation from quarters that ought to know. The rationale given by this source sounds quite plausible. It is this: Insurance is a business which provides opportunities for employing thousands of free-lancers as field workers who can do many other jobs also. The Government, it is said, would like to utilise these field workers to work as its agents in every nook and corner of the country. They can be employed, for instance, to sell small-saving bonds, to do propaganda for the Government Five-year Plan, to look after the co-operatives, etc. An uncharitable critic remarked, when he heard this news, that, if insurance is nationalised, it will provide a first class avenue for finding jobs for the Congress Party men and for building up a volunteer force that will come quite handy for the party-in-power at the time of elections. When asked, as to what made him jump to this conclusion, he promptly replied that it was based on his recent study of the way in which co-operatives were now being run in certain districts of Gujarat.

Although there is only a week more for the Imperial Bank of India to be taken over by the State Bank of India, details of compensation payable to shareholders of the former bank have not been made public up to the time of writing. An announcement, however, is expected any moment now. The compensation will be in cash up to Rs. 10,000 and the balance will be either in Government bonds or shares of the State Bank of India. Those who do not wish to exercise their right to receive payment in cash up to the specified limit may take the compensation in shares or bonds. It is not known whether the Government bonds will be in 3½ per cent. 1964 National Plan Loan, of which the Reserve Bank has plenty, or in the proposed new loan. It is, however, reliably learned that the shares of the State Bank will be offered at par in units of Rs. 100 each and not at a high premium, as was being speculated in certain quarters. This means that it is not the intention of the State Bank authorities to pay any high dividend on the share capital, at any rate not in the initial years. Since no premium is proposed to be collected on the shares, it is obvious that they will not declare big dividends. On the basis of current market ideas for first class scrips, one can venture to forecast that the dividend may be anything between 4 and 5 per cent. per annum, tax-free. In so far as we can make out, the promoters of the State Bank of India, namely, the Reserve Bank, do not propose to give any idea of the probable dividend. Shrewd finance brokers are of the view that it will be advantageous to take compensation in the shares of the State Bank rather than in Government bonds, for even on the basis of 4 per cent. tax-free, the shares, which have been declared as a trustee security and which are a degree higher than a blue chip, form a more remunerative investment than the 3½ per cent. Government loan. Further, they are of the opinion that, after a few years, the State Bank may declare higher dividends.

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The president of a stock exchange, more than of any other body or organisation, has unusual opportunities for a close study of the market mechanism. Since stock exchange represents the barometer of the markets, it is small surprise that the observations of the president of that exchange merit attention. And when he happens to be at once so painstaking an analyst and so persuasive a speaker as Mr. K. R. P. Shroff, the President of the Bombay Stock Exchange—or to give this body its quaint, old-fashioned name, the Native Share and Stock Brokers' Association—his views acquire an additional significance. In his customary address, at the annual meeting of the Exchange, this week, Mr. Shroff was again at his best and showed that he was, as he always is, worth listening to.

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Mr. Shroff prefaced his address with a review of the market trends—the rise in economic activity and in money supply, the success of the Government's borrowing programme and of the new issues market, and the generally satisfactory trends in different sections of the stock market. He declared that the unbroken decline in stock market prices, which characterised an earlier period, had now ended. The imbalance caused by inflation had corrected itself. He added: "This process of adjustment is one of the major factors in the remarkable improvement observed during the years in the conditions ruling in the stock market and its present resistance to any headlong fall." He forecast that, in the context of a strong and healthy economy, the favourable trend could be maintained and reinforced. But he rightly insisted that the forecast depended for its fulfilment on the adoption of "reasonable" economic policies and of a system of taxation of personal incomes, particularly those of the middle class, that would leave a margin for savings and investment.

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It is heartening to see Mr. Shroff taking up the cause of the long neglected, fast disappearing middle class. But he had special reasons for emphasising the importance of this class. Despite all the shocks to which the class has been subject in the recent inflationary era, it is still an important factor as a source of investment. He quoted from the study covering 54 representative companies, made by the Indian Chamber of Commerce, which showed that 97 per cent. of the shareholding population individually held shares of the aggregate value of less than Rs. 10,000 each. The Reserve Bank study of the subject, based on data collected from income-tax assessment records, shows that 59.5 per cent. of the shareholders are people having incomes below Rs. 8,000 annually. These studies, he recognised, were admittedly tentative. But they pointed to one central fact, namely, that it is the middle class which saves and invests its savings in stocks and shares. And yet, it is this investor who is the target of a three-pronged attack—through heavy taxation, unjustifiable labour awards and threats of nationalisation of industries.

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The subsequent portions of Mr. Shroff's illuminating address were devoted to a critical evaluation of this "three-pronged" attack. Referring to the "attack" made on the investor by tax authorities, he deprecated the facile view, held in many quarters and recently emphasised by the Taxation Enquiry Commission, that consumption should be restrained, if not actually restricted, in order that savings might be increased. Mr. Shroff admitted that, at a given point of time, "income is equal to consumption *plus* saving." But, there were dangers in excessive curtailment of consumption. Such restriction did not always lead to saving and larger investment. In this connection, he pointed out that "rice, wheat and cloth, which are not consumed, are not transformed by some miracle into capital goods." On the contrary, reduced consumption, by slowing down the production process, might reduce real national income, and lead to decline in the rate and quantum of savings and investment. He pointed out that it was not an accident that the "rate of savings as well as investment activity in the stock market should have shown such visible signs of improvement in the period under review, of which the most outstanding characteristics were rising production, plentiful supplies and freedom of consumption from shackles of control."

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Proceeding, Mr. Shroff quoted from the Reserve Bank study which revealed that the corporate enterprises are making a genuine effort at savings. The study, based on an analysis of 757 joint-stock companies, shows that, of the total gross profits, taxation absorbs 30 per cent., retained savings account for 46 per cent., leaving a balance of 24 per cent. for distribution as dividend. He regretted that this "very act of moderation" in the distribution of profits among shareholders had been made the subject of tax. He cited, in this connection, the recent amendment to section 2(6A) of the Indian Income-tax Act, whereby, on the liquidation of a company, all its retained earnings would be chargeable to tax in the hands of the shareholders, as if that were dividend earned by them in that single year. He said that this amounted to a tax on capital, since retained profits, spread on plant and machinery over a number of years, are capital. He remarked that it was all the more surprising that such "injustice should be perpetuated when the Taxation Enquiry Commission itself declares, and rightly, that bonus shares should not be taxed as dividend."

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After referring to labour awards which sometimes expressed views contrary to equity and common sense—he particularly cited the recent award of the Madhya Pradesh Industrial Court in the dispute involving the cotton mills and their workers (subsequently set aside by the Appellate Tribunal) —Mr. Shroff examined the problem of exercise of so-called "police" or "regulatory" powers of the State. He referred to the amendment to Article 31 of the Constitution which now clearly provides that, when property is acquired by the State, Parliament alone will fix the compensation and such compensation cannot be called into question in any court of law. He deplored that in order not to fall a prey to a totalitarian way of life, we should resort to totalitarian methods of confiscation and abridgment of guarantees in the "national" interest, thereby subverting the rule of law. Examining the dangers implicit in the unrestricted expansion of the State into the economic sphere, Mr. Shroff said:

"Power, whether political or economic, corrupts. Absolute power, implicit in the combination of political and economic authority, will corrupt absolutely. Those who urge the obliteration of the private sector and laud the enlargement of the public sector scarcely seem aware of this new peril. It has been suggested that, in contrast to the private sector, the policy and administration in the public sector will be entrusted to disinterested public servants on whose activities will 'beat the light of publicity far fiercer than any that has ever beat on a throne.' But there is little doubt that the protection and choice available to the man-in-the-street under a system of competitive prices, such as a private proprietor or business concern might charge under competitive conditions for the use of property or supply of goods and services, will in time fade away. In practice—as has been the experience of most Western countries where the gilt has worn off the gingerbread of socialism—the plea of public service and public interest will be used to cover a multitude of sins and the power to charge what the traffic will bear will be wielded in the same manner as the taxing authority of the State itself—without, however, any of the checks resembling parliamentary and ministerial responsibility to the elected representatives of the people. The arbitrariness of Government organisations and the unsuitability and inefficiency of Government machinery, operating under the cover of monopoly rates and charges and indifferent to consumers' preferences, will lead to concealed waste of public funds amounting to the imposition of a heavy fine on the community. The facile assumption that, because an industry is in the public sector, it is run in the interest of the country, is wholly unwarranted. We cannot forget that controls, rationing and regulations in the economic sphere have in the recent past produced results exactly the opposite of those intended. We have all heard the familiar charges that the private sector means exploitation, a direct giveaway to predatory interests, robbing the people of their heritage and the like—as if the private sector were free to do as it liked and what it liked, fastening its tentacles on the property of the people and milking the public with exorbitant rates and charges, with the sole object of piling up huge profits and distributing large returns. One could hardly get from all this the impression that the companies are, in fact, subject to the strictest kind of regulation in almost everything they do, and that through its multiple tax demands, the Government is the principal partner in whatever profits that are earned but not in the losses that also accrue. As the Planning Commission has recognised, 'there is no such thing under present conditions as completely unregulated and free private enterprise.' Companies in the private sector are not 'private' in the sense of being free from public taxation, regulation and control, as are those

(Continued on page 1241)

TRADING IN SHARES DULL

PRICE MOVEMENTS NARROW

(From Our Own Correspondents)

BOMBAY, *23rd June*

BARRING some sustained support to selective scrips, which covered fresh ground, trading on the Stock Exchange as a whole this week was a dull affair. Fresh buying interest was at a low ebb and price fluctuations were confined to a narrow range. Lack of follow-up support and mild realising pressure brought down prices to a modest extent; but at lower levels buying enquiries and short-covering emerged and acted as a check on further recession. The undertone was, however, fairly steady, in the absence of any discouraging factors, and better advices from Calcutta contributed to the steadiness. The uninteresting performance of the market during the week under review, after two weeks of sustained bullish activity, showed that operators were very cautious in enlarging their commitments at higher levels. Further, end-of-account considerations also restricted activity.

In the steel section, Tata Ordinaries, after an initial mild hardening from Rs. 233-12 to Rs. 234-12, reacted to Rs. 231-8, but renewed support restored them to Rs. 232-8. Indian Irons gave way from Rs. 33-14 to Rs. 33-6, but recouped to Rs. 33-10½ on keen Calcutta buying.

Textiles were featureless and most of the counters disclosed small losses over the week. Bombay Dyeings were marked down from Rs. 470-10 to Rs. 465, but revival of rumours about commencement of third shift in the mills brought fresh support to lift the shares to Rs. 470 at the close. Similarly, Kohinoors moved down in the earlier part of the week from Rs. 324-8 to Rs. 321-8, but came up to Rs. 325-12 before finishing at Rs. 324-4. Century's lost ground from Rs. 381-12 to Rs. 379-4. Ahmedabad Advances shed Rs. 3-2 to Rs. 127-8. Central Indias lost a rupee to Rs. 115. Finlays declined from Rs. 250 to Rs. 248-8. Gokaks finished a rupee lower at Rs. 217-8, while Indu Ordinaries attracted attention and added As. 9½ to Rs. 11-2½. Indore Malwas had transactions Re. 1-14 lower at Rs. 96-14. Khataus were held at Rs. 165-10, Morarjees reacted sharply from Rs. 223-12 to Rs. 215. Buying enquiries were noted in New Citys which pushed up the shares from Rs. 138-7 to Rs. 141-14. New Greats were depressed from Rs. 175 to Rs. 170, but spurted at the close to Rs. 174. Phœnix were done a shade better at Rs. 118-2. Shree Niwas were unchanged at Rs. 223-12. After going down from Rs. 156-8 to Rs. 154, Simplex recovered to Rs. 156. Standards changed hands at the close at Rs. 367-8, showing no change over the week. Svadeshis lost Re. 1-4 to Rs. 198-12, Tatas were done a fraction lower at Rs. 51-8, while Vishnus were taken up at the self-same rate of Rs. 140.

Bank shares were quiet with sellers in most counters. Barodas were a fraction lower at Rs. 95-4. Centrals were on offer and shed Re. 1-8 to Rs. 47-4 and their New shares Re. 1-4 to Rs. 49. Bank of Indias shaded off to Rs. 146. Punjab Nationals were, however, a rupee better at Rs. 43-8, while United Commercials disclosed no variation at Rs. 43-8.

Electricity shares were unimpressive with the tendency quiet. Ahmedabad Electrics were maintained at Rs. 106-9, while Amalgamated Electrics were a fraction higher at Rs. 11-1. Bombay Suburbans shed As. 5 to Rs. 125. Surat Electrics were done at Rs. 127-8 *ex-div.*, as against Rs. 131-4 *cum-div.* (div. Rs. 4-8) Tata Hydros changed hands a rupee lower at Rs. 144-8, while their New shares were held at Rs. 110. Tata Powers (Old) declined by Rs. 5 to Rs. 1,475, whereas Tata Powers (New) were maintained at Rs. 1,165. Andhra Valleys had transactions Rs. 10 lower at Rs. 1,375, but their New shares gained Rs. 2-8 to Rs. 1,072-8.

Insurance shares were featureless and business passing was very small. New Indias were dull at Rs. 49. Orientals were unchanged at Rs. 7,210. British India Generals, however, picked up As. 6 to Rs. 15 and Indian Mercantiles As. 8 to Rs. 45-8. Industrial and Prudentials stayed at Rs. 44 and Vulcans at Rs. 16-5.

In the miscellaneous section, the sugar group was steady. Belapurs met with heavy profit-taking earlier in the week, dropping from Rs. 311 to Rs. 306, but renewed support lifted them up to Rs. 312 at the close. Phaltans gained As. 8 to Rs. 126-8 and Walchandnagars As. 10 to Rs. 208-12. Cement shares also displayed a steady tone with prices well held around last week's closing rates. A.C.C. finished at Rs. 179-4 and Digvijays at Rs. 179. Among shipping and transport shares, Scindias slipped from Rs. 14-14 to Rs. 14-8½, but gained ground to Rs. 14-12. Great Easterns stood unchanged at Rs. 15-9, while India Steamships stood on balance As. 2 better at Rs. 7-10. Bharat Lines were marked down from Rs. 84 to Rs. 81. Hindustan Motors were steady at Rs. 9-1. Premier Automobiles were quoted at Rs. 81. Tata Locomotives had buyers at Rs. 136.

Among engineering and mining shares, Alcocks were marked up by Re. 1-4 to Rs. 256-4. Larsen and Toubros were done at Rs. 12-10 *ex-div.*, as against Rs. 13-6 *cum-div.* a week ago. Jost's Engineerings were unchanged at Rs. 96. Premier Constructions were quiet at Rs. 146. Shivrajpurs were a shade lower at Rs. 68-12. Indian Coppers continued to be in demand and gathered As. 1½ to Rs. 4-10½. B.B. Petrols gained an anna to Rs. 3-12½. Among miscellaneous industrials, Bombay Burmahs staged a jump from Rs. 479-6 to Rs. 489-6 early in the week, but reacted to Rs. 484-6 at the close. B.I.Cs picked up As. 3 to Rs. 9-0½. National Rayons moved down from Rs. 198-8 to Rs. 195-12, but gathered strength to Rs. 197-4. Killick Industries were steady at Rs. 160-8. Polsons rebounded from Rs. 137-8 to Rs. 141-4. Tata Chemicals were steady at Rs. 13-15½ and Tata Oils at Rs. 42. Wimcos closed with a fractional gain at Rs. 185.

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Calcutta Stock Exchange

CALCUTTA, *22nd June*

The Calcutta Stock Exchange was again active this week, and buyers concentrated their attention on several counters, which were found to be attractive on yield considerations. Naturally, transactions showed an increase. This improvement is likely to receive a temporary setback, if the anticipated loan of the Centre is floated. For, in the event of subscriptions to the new loan market funds usually get diverted, and the Stock markets will be left with relatively limited resources. In the meantime, the late improvement in quotations has been mainly due to industrial progress, as reflected in the improved working results of several companies, recently published. It was also due to the inclusion of scrips of Texmaco and Indian Copper in the forward list of the Stock Exchange, and these two shares attracted considerable attention. With this, the forward list now covers six scrips. The other four are Burrakurs, Howrahs, Orient Papers and Indian Irons. There was no session on Monday on account of the solar eclipse.

Sectionwise, coal shares pulled their weight in conformity with the general trend, although the prospects for the coal industry are far from cheerful in the face of higher output costs and nationalisation possibility. Burrakurs were steady at Rs. 13-4 and today gained to Rs. 13-6. New Beerbhooms were higher at Rs. 21-1, but today receded to Rs. 20-14. Central Indias were raised to Rs. 8 from Rs. 7-9. Pench Valleys at Rs. 23-1 put on As. 5, while East Indias were quiet at Rs. 28-10.

Jutes attracted more attention and prices gained. Birlas were one of the favourites of buyers, and were better at Rs. 20-10, as against Rs. 20-2 earlier. At Rs. 102 Ganges were raised by Rs. 2, while Barnagores recovered to Rs. 177 from Rs. 172. Kinnisons were unchanged at Rs. 191-8, but Nuddeas hardened from Rs. 54-12 to Rs. 56. Belvederes were, on the other hand, pushed back from Rs. 203 to Rs. 200. Chitavalsahs staged a recovery from Rs. 14 to Rs. 14-7. Howrahs were transacted at Rs. 31-8 and Nationals were quoted at Rs. 33-13.

In the engineering section, Texmacos were a special favourite and were raised to Rs. 20-14 from Rs. 19-2. Indian Irons were steady, and at one time, were higher at Rs. 34 as against Rs. 33-10 earlier. Subsequently, the rate gave way to close yesterday at Rs. 33-6, today regaining to Rs. 33-10. Marshalls met with good support this week, and spurted to Rs. 7 from Rs. 6-11. From Rs. 12-5, Kumardhubis improved to Rs. 12-8, while Indian Galvanizings were bought at Rs. 23-2 as against Rs. 23 earlier.

There were several features in teas, and the more prominent ones are indicated below:

QUOTATION

	As on 15th June		Latest		Gain	
	Rs.	a.	Rs.	a.	Rs.	a.
Hantapara	350	0	366	0	16	0
Banarhat	573	0	585	0	12	0
Teloijan	32	0	33	10	1	10
Dhunseri	30	6	34	8	4	2
Jutlibari	25	8	28	10	3	2
Tukvar	15	0	18	8	3	8
Gairhatta	325	0	385	0	55	0
Roopcherra	21	6	23	8	2	2
Tezpore	34	4	37	12	3	8
Bishnauth	47	2	48	8	1	6
Dhelakhat	21	2	22	0	0	14
Bormahjan	21	12	24	0	2	4
Betjan	50	12	53	0	2	4

Miscellaneous industrials were sought at higher levels. Indo-Burma Petroleums were very active, and were taken to Rs. 146 from Rs. 134-8. Dunlop Rubbers were another feature for the rise to Rs. 38 from Rs. 37. Indian Coppers were held steady at Rs. 4-10. The earlier report that Rohtas Industries were also likely to be included in the forward list had made these shares very active. But, when these rumours did not materialise, a downtrend set in, and took the rate to Rs. 25-10 from Rs. 27-2. Indian Cables eased to Rs. 27-2 from Rs. 27-9, while B.I. Corporations were unchanged at Rs. 8-13.

Among sugars, Carew & Cos. were in good demand, and moved to Rs. 11-13 from Rs. 10. Ramnugger Canes improved to Rs. 24-13 from Rs. 23-12.

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Madras Stock Exchange

MADRAS, *22nd June*

The firm trend on the Madras Stock Exchange persisted for the third week in succession. Induced by continued keen buying enquiries, most scrips recorded handsome gains. Conditions were particularly buoyant in the planting section, with tea shares in good favour. This was due to persistent firmness in tea prices following excellent demand and reports of highly encouraging performance of some tea companies. There was also sustained demand for rubber shares. Coffee shares, too, were well sought after. Although activity in the textile section was relatively subdued, values generally tended to look up. Sugar shares were steady, as also bank, insurance and electric shares. Transactions put through in the miscellaneous section were lower than those a week before, but prices of most of the shares were fully maintained.

There were a few notable dividend announcements this week. The Directors of the Chandramalai Estates Ltd. have recommended an interim dividend of 20 per cent. on the ordinary shares for the year 1955-56, which compares very favourably with a total of 20 per cent. for the previous year. The other dividend announcements are: Emerald Valley Estates Ltd.—final dividend of 17½ per cent. on ordinary shares for the year 1954, bringing the total to 35 per cent., as against 30 per cent. for 1953; Mlamallay Tea Estates Ltd.—75 per cent. on ordinary shares for the year ended 31st March, 1955, as against 20 per cent. for the previous year; Haileyburia Tea Estates Ltd. and Twyford Tea Co. Ltd.—final dividend of 15 per cent. on ordinary shares for the year 1954, bringing the total dividend to 30 per cent., as against 25 per cent. for 1953; Indian Steel Rolling Mills Ltd.—7½ per cent. (as against 5½ per cent.) for 1953 on ordinary shares for the year 1954; Ranga Vilas Mills Ltd.—12 per cent. on ordinary shares for 1954, same as for the previous year.

Rubber shares in the planting section evoked good buying enquiries and registered handsome gains. Malankaras spurted by Re. 1-4 to Rs. 29-8. Vaikundams and Rajagiris put on As. 12 each to Rs. 25-8 and Rs. 18-2, respectively. Midlands changed hands As. 8 higher at Rs. 18-4. Cochin Malabars gathered As. 6-6 to Rs. 8-12. Travancore Rubbers rose by As. 4 to Rs. 19-2 and Pullangodes by As. 3 to Rs. 3-14 *cum-div.* Among tea shares, Nelliampattys received special buying support and strengthened by As. 11-6 to Rs. 3-14. Parksides increased by As. 4 to Rs. 23-8. Peninsulars gained a like amount to Rs. 18-2. Nilgiri Teas were up by As. 2 at Rs. 13-4. Among coffee shares, Blue Mountains hardened by As. 3 to Rs. 3-15. Consolidated Coffees were steady at Rs. 19-4.

The shares of Vasanta Mills Ltd. led the textile section this week, their quotation firming up by Rs. 9 to Rs. 222. Coimbatore Spinnings, Pankajas and Radhakrishnas recorded a rise of Rs. 2 each to close at Rs. 72, Rs. 55 and Rs. 218, respectively. Cambodias picked up As. 4 to Rs. 12-13. Janardhanas were fully maintained at Rs. 75, Rajalakshmis at Rs. 133, Trichinopolys at Rs. 12, Bangalore Woollens at Rs. 465 and Buckinghams at Rs. 161. Ranga Vilas, however, lacked support and fell by Rs. 2 to Rs. 69. Lakshmis were also neglected at Rs. 149-8, as against Rs. 151.

In the miscellaneous section, cement shares evoked good attention. Andhra Cements rallied As. 8 to Rs. 131. India Cements moved up by As. 2 to Rs. 24. Dalmias were firm, though the closing quotation was the same as in the last week at Rs. 13-14. Among other shares, India Steel Rollings were done at Rs. 13 *cum-div.* Mettur Chemicals gained an anna to Rs. 18-14. Mysore Chemicals and Fertilisers, Parrys and Ralis were all maintained at the last week's levels of Rs. 10-7, Rs. 4-14 and Rs. 38, respectively.

Notice

THE BENGAL POTTERIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-third Ordinary General Meeting of the Bengal Potteries Limited, will be held at the Registered Office of the Company, 45, Tangra Road, Calcutta, on Friday the 8th July, 1955, at 4 p.m., to transact the following items of business:—

(1) To receive and adopt the Directors' Report, the audited Balance Sheet and the Profit and Loss Account for the year ended 31st December, 1954.

(2) To declare Dividend.

(3) To elect Directors.

(4) To appoint Auditors for the current year.

The Share Transfer Register of the Company will be closed from 2nd July, 1955, to 27th July, 1955, both days inclusive.

By Order of the Board of Directors,

S. LALL BHAGAT & CO.,
Managing Agents.

45, TANGRA ROAD,
CALCUTTA, *20th June, 1955.*

NEWS IN BRIEF

THE Government of India has decided to continue free licensing of export of kyanite ore till the end of this year.

The Union Railway Ministry has signed an agreement with a Czechoslovakian firm for supply of 2,050 goods wagons. The delivery of the wagons is expected to commence towards the end of 1956.

Final touches are being given to the scheme for the expansion of steel output from 25,000 tons to 100,000 tons at the Mysore Iron and Steel Works, Bhadravati, at a cost of Rs. 12 crores, in the light of the American experts' report to the Government of India.

The revenue to the Government of India from estate duty since October, 1953, when it came into effect, till the end of 1954 amounted to only Rs. 4.56 crores, as against the estimated income of Rs. 8 crores per year. The above revenue, however, is in respect of non-agricultural property. The yield from agricultural property is not yet known.

The object of the proposed land reform in Madras, according to the State Minister for Public Health, is broadly to put a ceiling on landholdings and ensure a fair share of produce for tenants. There would be, in due course, a ceiling on all personal incomes, so that the owners of land might not feel that they had been singled out for this reform.

The Major Liners' Conference, London, has raised the freight charges for Indian iron and manganese ores by 5s. per ton with effect from the 17th inst. With this increase, the total increase in freight rates for iron and manganese ores during the past six months comes to 35s. bringing the rate to 95s. per ton on iron ore and 100s. per ton on manganese ore.

The Government of India has relaxed certain conditions regarding export of iron and manganese ore in transit through the Portuguese Port of Marmugoa. The condition of production of sales contract as a prerequisite for grant of export licences will not be insisted for the movement of iron and manganese ore to Marmugoa for export to overseas destinations.

The Government of India has decided to release a quota of 20,000 tons of kardiseed and nigerseed (combined) for export outside India upto the end of December, 1955, subject to a maximum of 250 tons of kardiseed and nigerseed together to any one shipper from all the ports. Export of nigerseed oil and kardiseed oil will continue to be licensed freely up to the end of December, 1955.

At a meeting of the Chairman of the Coal Board with the representatives of the Indian Mining Association and Federation and the Colliery-owners' Association held last week at Calcutta, the amalgamation of small collieries into up-to-date ones, capable of fulfilling the standards of the second Five-year Plan, was agreed in principle. A committee will soon be set up to study the position in Raniganje and Jharia and work out definite proposals in this connection.

The Panna diamond mines in Rajasthan, said to be one of the richest in the world, will be developed with the help of Russian experts. A private firm has secured the services of Russians to exploit the mines. They are setting up a plant capable of processing 10,000 tons of diamond-bearing rock per day. The present plant has a capacity of processing only 500 tons. The estimated value of the yield is over Rs. 1 crore per annum and the mines are said to be rich enough to be exploited for at least 50 years.

The Ninth Congress of the International Society of Sugarcane Technologists will be held in New Delhi from 27th January to 4th February, 1956. The Union Minister for Food and Agriculture, Mr. Ajit Prasad Jain, is likely to inaugurate the Congress. Dr. D. R. Narang has been elected Chairman of the Congress, Mr. N. J. King (Australia) as Vice-Chairman and Mr. T. Prasad as Secretary and Treasurer. About 1,000 delegates, including 500 from India, are expected to attend the session.

The Government of Travancore-Cochin has published a notification in the State *Gazette*, giving a list of employers of 736 estates and their workmen represented by 34 labour unions as parties to the disputes which have been referred to a Special Industrial Tribunal for adjudication. The Tribunal consists of Mr. P. K. Subramania Iyer, retired Judge of the High Court of Travancore-Cochin. There are 23 issues referred for adjudication to the Tribunal, dealing with wages, bonus, conditions of service, amenities, etc.

The Central Board of Revenue is reported to be examining the question whether any revision of Rule 8 of the Indian Income-tax Rules relating to depreciation allowance on buildings, machinery, etc., is necessary, particularly in regard to the enumeration and classification of the various types of assets eligible for such allowances and also the rates of allowance prescribed for each type of asset. The Board is stated to be collecting statistics with regard to the effect of the latest technical improvements in the manufacture of plant, machinery, etc., on the life of the respective type of assets. It is also gathering information on the effect of the latest technical and other developments in the running of business, in general, on the life of the assets used in particular businesses, professions, etc. The Board has also called for the views of business men on these points.

A four-man committee will be set up by the Union Transport Ministry, in consultation with the Planning Commission, to examine a scheme to deepen the sea between India and Ceylon, so as to permit the passage of ocean-going vessels from the Arabian Sea to the Bay of Bengal. The scheme, called the *Sethusamudram* scheme, is expected to cost Rs. 4 crores. At present, only boats and other small craft can cross the sea between India and Ceylon and large ships have to go round the island of Ceylon. If the scheme is put through, the coastal ships coming from the Arabian Sea to Madras, Visakhapatnam or Calcutta will save an ocean journey of 300 miles. Incidental advantages of the scheme are: (1) the problem of sea erosion at Dhanushkodi will be solved to a large extent, because, as part of the scheme, certain protection measures will have to be taken, (2) the port of Tuticorin will be developed, and (3) work for the displaced persons from Ceylon will be found.

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From Abroad

Italy requires investments aggregating 2,000 milliard lire (£1,142 million) during the next 10 years for the development of the country's oil resources to meet its demand for oil.

The U.K. Government has introduced in Parliament a Bill seeking to authorise Britain to take part in the International Finance Corporation. The British Government's subscription to the Corporation's capital will be $14.4 million.

A British firm of shipbuilders has secured a £1-million contract for a powerful dredger from the Calcutta Port Commissioners. The contract has been secured in the face of keen competition from Japanese and European shipbuilders.

Prices of pig iron have been raised in Germany by 2.3 per cent., with effect from the 15th inst. This follows the recent increase in the price of rolling mill products. A similar rise is expected for open-cast steel and cast iron.

Civil servants in China will be paid their salaries in the form of food, clothing, housing and other daily necessities, instead of in cash, from 1st July next. Government employees who may suffer from the change will be given subsidies of money from welfare funds.

The supply of tea in Britain is to be referred to the Monopolies Commission, which investigates allegations of monopoly in industries. This follows the comments made inside and outside Parliament, as a result of the rapid rise in prices of tea early this year. The Opposition complained that huge profits were being made at the expense of the public. The price of tea has, however, since fallen.

A newsprint famine within ten years is envisaged by the British Vice-President of the International Federation of Newspaper Publishers, unless other means of supply are devised. Addressing the final session of the three-day Congress of the Federation held at Berne last week, he said that the demand would increase to an alarming extent because of the rapid increase in education in the backward countries of Asia.

The World Bank has approved a 25-year loan of $15.9 million to the Colombian National Railroads. The loan is for the purpose of financing a 190-mile extension of the Magdalena Valley railroad. The Bank of America National Trust and Savings Association is also participating in the loan, without the World Bank's guarantee, to the extent of $866,000. The World Bank has so far granted loans to Colombia to the extent of $94.7 million.

The Government of India has agreed to grant the Assam Oil Company, a subsidiary of Burmah-Shell, a prospecting licence for a period of 20 years. The licence will be renewable for a further period of 20 years at the option of the Indian rupee company, which is to be incorporated in India. All unworked licences at present held by the Assam Oil Company will be transferred to the rupee company. The Government of India will hold one-third of the equity capital of the Company.

Locomotive drivers and motormen in Britain, whose claim for pay increase was the cause of the recent nation-wide railway strike, have been awarded a rise of between 1s. and 3s. a week, by Lord Justice Morris, the referee appointed in the dispute after the strike was called. The British Transport Commission and the Railwaymen's Union, the parties to the dispute, agreed in advance to accept the referee's findings immediately and without question. Railway firemen, who also participated in the strike, were not given any increase.

Complete mechanical equipment for an iron-ore crusher installation will be delivered to the Indian Iron and Steel Co., Ltd., India, by a firm of Swedish specialists in this field. The order is worth about Kr. 4 million (£276,000). The delivery will include two jaw-crushers of the largest type built by the firm and provided with huge S.K.F. roller bearings. The plant will have a crushing capacity of 3,300,000 tons of iron ore per annum and can crush lumps of ore measuring about one cubic metre, into pieces of 75-100 millimetres suitable for the blast-furnace process.

An agreement has been signed between the Foreign Operations Administration, U.S., the Pan-American Airways and Turkish State Airlines for the development of the airline industry of Turkey. Under the agreement, Pan-American Airways will provide technical assistance for three years and train Turkish aviation personnel to operate the airline with the most modern techniques both in the air and on the ground. The F.O.A. will finance 70 per cent. of the cost of the project, the balance of 30 per cent. being borne by the Turkish Government.

PERSONAL

MR. R. S. Mani, I.C.S., Ambassador-designate of India to Iraq, has been concurrently appointed Minister of India to Jordan.

Mrs. Alva Myrdal, Head of the Department for Social Questions of the U.N.E.S.C.O., has been appointed Minister of Sweden in India.

Dr. Gianfrance Farinelli, the erstwhile Italian Vice-Consul in Buenos Aires, has been appointed Italian Consul in Bombay, *vice* Dr. V. Bolasco.

Prof. P. C. Mahalanobis, Statistical Adviser to the Government of India, left last week for Rio de Janeiro to attend the twenty-ninth session of the International Statistical Institute.

Dr. A. Ramaswami Mudaliar, Chairman of the India Steamship Co., Ltd., Calcutta, has been appointed Chairman of the Committee set up by the Government of India to examine the freight structure on railways.

Dr. Punjabrao S. Deshmukh, Union Minister for Agriculture, left last week on a four-week tour of the Scandinavian countries, to study advanced methods of mechanired deep-sea fishing and co-operative canning and marketing.

Mr. John Baker Hollister, a partner of the law firm of Taft, Stettinius and Hollister, has been appointed Director of the International Co-operation Administration, U.S., which has been formed to take over most of the functions of the Foreign Operations Administration and is scheduled to commence operations on 1st July.

"COMMERCE" 1930

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *28th June*

The Insurance Year

Detailed review of insurance matters during the past year will be found in the "Insurance Supplement" published in conjunction with this week's issue. The year has been undeniably one of considerable difficulty for the British insurance companies, for while life insurance, in its endeavour to obtain new business, was severely handicapped by the reduced prosperity of all classes of the insuring and investing public, the low level of security values involved appreciable depreciations in assets; and, since the commencement of the current year, the Chancellor of the Exchequer has altered the rebate of income-tax permitted on premiums in a manner inimical to the interests of policyholders. He has, moreover, introduced legislation against single-premium policyholders; he has increased the income-tax rate, thus reducing net interest earnings and by so doing has played havoc with valuation surpluses. Exceptionally heavy claims against fire insurance in the United Kingdom—the estimated losses from fire being something like 36 per cent. higher in 1929 than in 1928—were duplicated to some extent in America and on the Continent of Europe; and, in accident insurance, the amazing increase in the number of motor-car claims has been conspicuous as a disturbing feature. In the marine section, underwriters have been almost overwhelmed by a succession of storm disasters.

The Pakistan Government has decided to issue licences for the full quota of 1.6 million acres under jute cultivation. The decision has been taken after reviewing the position of jute cultivation during the season. Last season closed, according to official sources, without any carry-over stocks of jute and it is decided that the quota for this year will be of the order of 5.5 million bales. Licences issued so far cover nearly 1.1 million acres corresponding to a crop of about 3.9 million bales. It is estimated that the crop available at the end of the season will be approximately 5.5 million bales.

The U.S. Senate approved last week President Eisenhower's reciprocal trade programme extending the President's powers to negotiate trade treaties for a period of three years. The measure gives the President the power, until 30th June, 1958, to reduce tariffs up to a total of 15 per cent. at the rate of five per cent. a year, subject only to the qualification that such reductions shall not result in substantial injury to American industry. President Eisenhower had asked for the legislation as a major policy measure designed to expand international trade and strengthen the economies of both the United States and other free nations.

More than 300 delegates from 22 countries on five continents have already registered for the International Advertising Conference to be held in Zurich, Switzerland, on 28th, 29th and 30th July this year. The Conference, sponsored by the International Advertising Association, in co-operation with the Swiss Advertising Association, will hold talks and panel discussions covering new developments in "Advertising in World Markets." Agency operations, market and media research and the planning and budgeting of overseas advertising campaigns are among the topics to be covered by the U.S., European and other authorities on advertising abroad.

RAILWAY FREIGHTS

As a target of criticism, the railway freight structure is next only to the shortage of wagons. The business community in this country has criticised the structure as being unfair to certain categories of goods, and the procedure for rectifying the anomalies in the structure as being painfully slow. In the last railway budget, the Minister for Transport and Railways had to bow to public opinion and modify some of his original proposals for a revision of freight structure. In the course of the debate, he, however, promised that he would consider the question of appointing a committee to examine the structure of railway freights.

Such a committee has now been appointed. The Chairman of the Committee will be Dr. A. Ramaswami Mudaliar, and the other members are: Mr. T. N. Singh, M.P., Mr. D. K. Barooach, M.P., Mr. I. S. Puri, ex-Financial Commissioner for Railways, Mr. V. P. Bhandarkar, ex-Member, Transportation, Railway Board, Mr. L. K. Jha, Joint Secretary, Ministry of Commerce and Industry, and Mr. A. K. Basu, General Manager, Eastern Railway. The Committee will review the present railway freight rate structure and suggest modifications therein, bearing in mind the needs of developmental economy and the necessity for maintaining the financial stability of the railways. It will examine whether the statutory provisions dealing with the responsibility of railways as carriers need any modification, and if such modification is needed, whether any adjustment in freight rates is warranted. It will also consider what changes, if any, are needed in the existing constitution, jurisdiction and rules of procedure of the Railway Rates Tribunal, so that the Tribunal might be a more effective and expeditious instrument for adjudication of railway freight matters at a reasonable cost to the litigant. The Committee, it is stated, is not expeced to undertake the cumbersome task of going into the classification of individual items unless the interests concerned allege anomalies and ask for adjustment. The Committee will, however, be expected to review the principles of classification and suggest changes in the overall structure in the light of the changes that have taken place or that are likely to take place in the field of trade, commerce and industry.

Trade and industrial interests have now an opportunity to place their views, suggestions and demands before the Committee. The previous revision of freight structure, which was effected in October, 1948, followed detailed investigations conducted by a departmental committee during the years 1945 to 1948. Since then, many changes have taken place. Adjustments have had to be made as a result of Partition. Many industries have expanded production, and are expected to expand further. Again, many new industries are bound to be started in the next few years. Above all, there is the restoration of normal trading conditions, which has followed the decontrol of certain commodities, notably foodgrains. These changes underline the need for a fresh examination of the freight structure. Already, the task of examining the freight structure in coastal shipping has been entrusted to the Rail-Ship Co-ordination Committee. The two Committees will thus together cover two important sectors of transport—railways and shipping.

ONE MORE RAILWAY ZONE

There will be, with effect from 1st August next, seven railway zones, instead of the present six. This increase in the number of zones is the result of the Government of India's decision to divide the Eastern Railway into two separate zones—the Eastern Railway comprising the old E.B. Railway section up to Moghalserai, including the Sealdah Division, and the South-Eastern Railway comprising the old B.N. Railway section. The headquarters of both the proposed zones will be at Calcutta. An announcement to this effect was made by Mr. Lal Bahadur Shastri, Union Railway Minister, at a Press Conference in New Delhi on Thursday last week.

The aforesaid move of the Government is a sequel to the impact of the vast developments envisaged in the second Five-year Plan. During this Plan period, goods traffic is expected to increase by 50 per cent. and passenger train-miles by 30 per cent., as against the normal rise of 12-15 per cent. and 7-10 per cent., respectively, over a five-year period. Three new steel factories, each producing about one million tons of steel per annum, will be set up, besides the expansion of the two existing ones. A number of ancillary industries will inevitably follow these projects. All these will naturally require considerable expansion in rail facilities.

The main brunt of the developments will fall on the Eastern Railway which serves an area rich in mineral resources. The development of heavy industries is, therefore, mainly concentrated in its jurisdiction. As an indication of the extent of the expected growth of traffic, it will be interesting to mention the anticipated increase in the output of certain key industries under the second Plan. Coal despatches will rise from 37 million to 58 million tons, iron ores from 5 million to 22 million tons, and iron and steel (excluding imports) from 1.8 million to 6.8 million tons. The net increase in traffic on the Eastern Railway, as compared with the tonnage currently handled, is estimated at 75 per cent. As it is, the administrative machinery on this Railway is considerably strained; this Railway has the heaviest work-load amounting to 215—assuming the old G.I.P. Railway figure as 100—as against 98 on the Western Railway, 109 on the North-Eastern Railway, 118 each on the Northern and Central Railways, and 127 on the Southern Railway. It accounts for 48 per cent. of the aggregate originating tonnage and over 33 per cent. of the wagons loaded, as well as ton-miles, on Indian railways. The passenger train-miles and passenger-miles are also the heaviest, being 23.1 per cent. and 19.3 per cent., respectively, of the total. With the prospective developments, the work-load will, according to Mr. Lal Bahadur Shastri, become unmanageable. Considering this, as also the need for executing the development programmes with speed, economy and efficiency and without any setback to the day-to-day operational output, the proposed division of the Eastern Railway into two workable units is, indeed, a rearrangement carried out with considerable foresight.

The impact of the second Plan on other zonal railways will be felt to a varying degree. Experience indicated, Mr. Shastri revealed, the necessity for certain adjustments within the existing organisational set-up of some of these zones. Such changes, we are told, will be carried out as and when they are required. Meanwhile, it is proposed immediately to post a Regional Superintendent in overall charge of the Pandu region of the N.E. Railway with fairly wide powers to settle on the spot many of the local problems which now have to be referred to Gorakhpur. It is also proposed to transfer to Gorakhpur the work of some of the N.E. Railway offices which, as a matter of expediency, have been functioning in Calcutta.

The latter proposal has, however, been stoutly opposed by a section of Calcutta's commercial circles, on the score that the proposal will cause great inconvenience to trade and industry in Calcutta which are vitally interested in the movement of traffic over the N.E. Railway. The Railway Minister had sought to justify the proposal by stating that the location of two headquarters in Calcutta will facilitate the absorption of the staff and accommodation released by the N.E. Railway. Alluding to this, Mr. G. Basu, President of the Bengal Chamber of Commerce, points out that the consideration, though important, is not the only point which the Minister has to take into account. According to Mr. Basu, he has also to look to the convenience of the trading public which, in the absence of the liasion offices, would have to suffer tremendous handicaps in their relations with the N.E. Railway.

PLAN FOR ROADS

"There is grave danger that, while we produce goods, we cannot transport them easily." These words of Mr. Nehru, contained in his message to the nineteenth session of the Indian Roads Congress held at Srinagar on Sunday last, admirably sum up the crux of the problem of road development. Roads and road transport constitute one of the essential pre-conditions for economic progress. Indeed, road development, as was stated in this journal only last week, forms a crucial link in any system of economic planning not merely for bringing about a balanced development of the country's economy but also for endowing it with the capacity for self-propelling and accelerated growth.

Viewed thus, the Planning Commission has, indeed, done well to approve—albeit tentatively—of a much bolder scheme of road development during the second Five-year Plan period than what was incorporated in the first Plan. An idea of the magnitude of the scheme was furnished by Mr. H. P. Mathrani, Joint Secretary to the Union Ministry of Transport and Consulting Engineer (Road Development), Government of India, who presided over the Congress. The proposed scheme, we are told, is likely to provide for a total central expenditure of Rs. 125 crores on road development—the figure cited by Mr. O. V. Alagesan, Deputy Minister for Railways and Transport, in Madras recently was Rs. 93 crores—as against Rs. 60 crores earmarked in the first Plan. Of this amount, (1) national highways account for Rs. 60 crores, (2) roads like the West Coast road for the development of which the Centre has agreed to give financial assistance and other roads of special economic and inter-State importance for Rs. 44 crores, and (3) roads for which grants from the Central Road Fund will be given for Rs. 22 crores. In addition to Central expenditure, the State Governments are expected to incur Rs. 225 crores on roads, which represents a rise of Rs. 135 crores as compared with the first Plan.

The aggregate capital outlay on development of roads in the second Plan—Central and States—thus comes to as much as Rs. 350 crores, as against Rs. 150 crores in the first Plan, or a rise of over 233 per cent. The outlay is no doubt quite substantial and indicates the anxiety of the authorities to intensify the tempo of road-building activity. But one wonders if the whole of this expenditure will, in fact, be incurred. For the progress in the implementation of the road development programme in the first Plan period is none too happy. The provision amounted to Rs. 60 crores. But now it looks as though a sum less than one-half of the amount provided—Rs. 27 crores, to be precise—is all that may actually be spent by the end of 1955-56. This is certainly disquieting and the road engineers will do well to take due note of it while formulating proposals for road development in the second Plan period.

It is certainly encouraging to be told that the Nagpur Plan targets are likely to be reached at least before the end of the second Five-year Plan. It is true that, if road development had received all the attention it deserved, it should have been possible to reach those targets earlier. But even delayed fulfilment is better than non-fulfilment. The Nagpur Plan provided for increasing the length of hard surfaced roads from 88,000 miles to about 123,000 miles and the earthen roads from 132,000 miles to 208,000 miles. At the commencement of the first Five-year Plan, the country had 97,000 miles of hard surfaced roads and 147,000 miles of unsurfaced roads. The Plan provides for an additional of 10,000 miles of hard surfaced roads and 20,000 miles of unsurfaced roads. Thus, at the end of the Plan period, it is expected that there will be 107,000 miles of hard surfaced roads and 167,000 miles of unsurfaced roads. Referring to the prospects in the second Plan, Mr. Mathrani said:

"Possibly, at the rate now envisaged, the Nagpur Plan targets in respect of length of roads, metalled and unmetalled, will be nearly reached in the second Five-year Plan. Targets in respects of bridges may, however, take one more Plan to attain. The stage will then be set for bolder planning and greater achievement in the years to follow."

Another important aspect which deserves the most careful attention of road engineers is the need to ensure that the country gets the best out of the enormous money proposed to be spent on roads. This, as Mr. Mathrani rightly stressed, can be done by improving standards and specifications, so that the construction cost is lowered and the life of structures increased. To quote him: "These improvements have to be based on research—research inside the laboratory, followed by experiments on models and then by trials on the field scale."

While the need for the construction of more and better roads is imperative, it is equally important that roads built should remain free from haphazard growth of buildings (called "ribbon development") and from encroachments. This aspect was ably stressed by Mr. Mathrani. Urging the revision of the present highway laws and enactment of new highway laws, he observed:

"A beginning has been made in respect of the latter in some States, but we must step up the progress, as, otherwise, there is risk of our beautiful new roads being ruined, particularly near towns and cities, by the unregulated growth of buildings along them. At present, road engineers have no powers to get encroachments within highway limits removed. All that they can do is to request the local revenue authorities to do so. In this respect, our experience is sad, with the result that encroachments are increasing and the highways being built at tremendous cost are being spoiled. Indeed, the present system is working so adversely against road interests that new legislation giving necessary powers to the road authorities to remove encroachments should have preceded our embarking on large road development programmes."

Coming as they do from an expert road engineer, these observations acquire considerable force. Surely, the need for enacting appropriate highway laws cannot be stressed too strongly, if we wish to derive the maximum benefit from the roads.

DEVELOPMENT OF MINERAL WEALTH

The Union Government seems to be keen on making amends for its lapses in mineral development policy during the first Plan period. The low priority given to minerals and prospecting in the first Five-year Plan indicated neither a sense of urgency nor of foresight on the part of the planners. Not only did the first Plan lack a vigorous programme for exploring new hidden wealth, but the sum allotted to the work was as low as Rs. 1 crore only. It is, therefore, very encouraging to hear from Mr. K. D. Malaviya, Minister for Natural Resources, that the Government proposes to spend another Rs. 3 crores during the remaining period of the first Plan. In addition, a bold bid is made by earmarking a sum of Rs. 75 crores in the second Five-year Plan for mining and prospecting. The breakdown of this amount is not yet available. It is, therefore, difficult to say whether the sum of Rs. 75 crores in the second Plan is strictly comparable with Rs. 4 crores in the first Plan.

Explaining the reason for setting apart such a large sum, Mr. Malaviya said at a Press conference in New Delhi that the need for a greater assessment of the natural resources of the country was being strongly felt with the shift in emphasis on industrialisation in the second Five-year Plan. He added that, while the knowledge of the mineral wealth of the country was limited, the development of mineral resources was the very basis of national development. It was, therefore, felt that vigorous attempts at the exploration of oil and other mineral wealth was necessary.

Mr. Malaviya's analysis of the lines on which development will be pursued by the Government makes interesting reading. They will be a projection, in certain cases, of what is being done already. The Ministry has already started geophysical exploration work for oil in Rajasthan and Saurashtra. Although the results achieved so far have not been encouraging, vigorous efforts at oil search there will be continued. A scheme for search for oil in the submontanous regions, extending from Assam in the east to Srinagar in the West, is being planned. Co-operation is being received from international agencies like the Technical Co-operative Administration. A new scheme involving about Rs. 6 crores is ready for work on oil exploration in about half a dozen new areas. In order to ensure development of mining on systematic and scientific lines, the Indian Bureau of Mines and Geological Survey of India will be strengthened by way of both adequate financial resources and technical equipment. It is also proposed to expand the Indian School of Mines at Dhanbad, with a view to meeting the additional requirements of technical personnel. The Natural Resources Ministry will set up shortly a suitable organisation for the exploitation or prospecting of oil as well as other minerals in as wide a range as possible. For this purpose, the Ministry is examining the possibility of obtaining technical experts, equipment and know-how from all available sources inside and outside the country.

The Government appears to be willing to consider schemes from any private party for exploiting mineral resources other than oil. If past experience is any guide, few schemes will be placed before the Government by private parties. Because the Government's mining policy is hardly conducive to encourage private enterprise. For the period of mining leases fixed at 20 years is inadequate, in that it will not be sufficient to enable the parties to obtain a fair return on the capital invested in this risky business. In other parts of the free world, the period of licence is usually for as many as 100 years. Again, under the recent amendment to the Constitution, the Government has the right to cancel any mineral right at short notice albeit on payment of compensation; but for the quantum of compensation, the holder of licence is entirely at the mercy of the Legislature, with no recourse to a court of law. Further, the royalties charged are exorbitant. Income-tax structure is unsuited. The risks involved in mining operations being heavy, they do not permit taking up new exploration schemes. Unless, therefore, proper safeguards are provided and a long tenure is assured, the chances of private enterprise venturing in this field are bleak.

The Government's move to reserve for itself the prospecting of new oilfields is devoid of realism. As everyone knows, the Government is lacking in know-how and in technical personnel. For this it seems to be relying on Russian experts, although there are already three oil refineries in the country, equipped with money, personnel, resources and vast experience in oil prospecting. They are well suited to undertake work on oil exploration over a wide area and can be expected to take up the work, provided the necessary encouragement is given them. It is stated that an agreement is being finalised with the Assam Oil Co. for exploiting the oilfield discovered near Naharkatya in Assam. It is further reported that an agreement has been reached with Stanvac for a joint exploration for petroleum in the West Bengal basin. Details of these agreements are not known. Nevertheless, they are quite welcome, for oil prospecting is a field in which friendly foreign co-operation is necessary to augment the country's meagre resources and technical know-how. And it is prudent to have such agreements with companies belong to democratic countries rather than with Governments of countries subject to authoritarian rule.

BURMA WELCOMES FOREIGN CAPITAL

From an attitude of suspicion and distrust of foreign capital, one country after another in the South-East Asian region is beginning slowly to recognise the need for an inflow of such capital. Nearly all countries in this region have one common political factor. They have all been freed from foreign domination only a few years ago. Perhaps this explains their suspicion of all things foreign, including capital. They have also one common economic feature, shortage of domestic capital. Apparently, the desire to achieve economic progress and the fear that extremist political forces will gain ascendancy in the event of any failure to make rapid progress are getting the better of the earlier suspicion of foreign capital. In any case, it is significant that, for some time past, both Pakistan and Ceylon have been proclaiming from the house-tops that foreign capital is welcome. And surprisingly enough, Burma, with a strong socialist Government, has announced its policy welcoming foreign capital. An official statement on the subject says that every field is open to private interest, whether foreign or domestic, excepting major public utilities and munitions manufacture. Enterprises for extraction of natural resources may be conducted by private foreign concerns in partnership or under contract with the Government. The statement affirms that the Government recognises the contribution which private enterprise, foreign or domestic, can make to the economic and social progress of the country.

The Government of Burma, according to the statement, will offer guarantees against nationalisation for an agreed period which normally will not be less than ten years. Further, the Government will pay fair and equitable compensation in the event of nationalisation and make foreign exchange available for import of necessary raw material, repairs and replacement of equipment. The Government will render protection and support to industry by tariff or other means and, in case of foreign investments, permit remittances of current earnings or dividends and allow repatriation of capital itself over a reasonable period. It, however, expects from foreign investments maximum employment opportunities to Burmese citizens.

It remains to be seen whether this shift in the Government's attitude towards private enterprise and foreign capital will induce overseas countries to invest more freely in Burma. But there is no doubt that Burma offers an excellent field for investment, for it has many untapped natural resources. Further, law and order have been restored over wide areas and the present Government is firmly settled in office. Whether the Burma Government's statement of policy induces the flow of foreign capital or not, the change itself is symptomatic of what may well be called a world-wide swing to the right. Such a swing seems particularly necessary in the South-East Asian region. For this region lacks capital resources which it cannot obtain without giving reasonable guarantees for capital, domestic as well as foreign.

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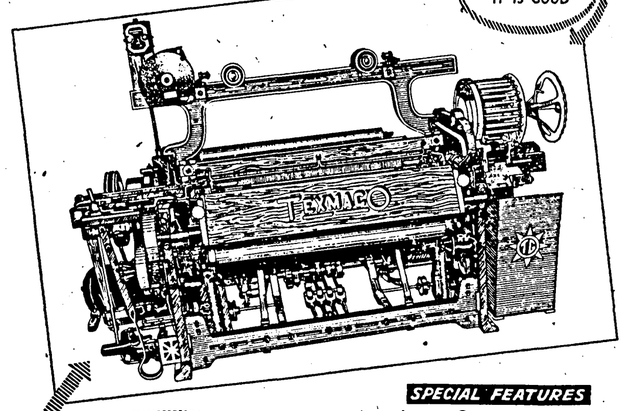

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T-R/5 CE

FOREIGN EXCHANGE NEEDS FOR SECOND FIVE-YEAR PLAN

EXPORT PROMOTION REQUIRES CAREFUL PREPARATION

From A Special Correspondent

NEW DELHI, 21st *June*

DELHI LETTER

WHILE the Prime Minister is busy in Soviet Russia touring important industrial centres and seeing personally the tremendous progress achieved by that country during the post-war period in the expansion of many key industries, the Planning Commission and some important Ministries are greatly occupied in discussing and formulating broad details of the second Plan. It is being conceded that the kingpin of the Plan is the ability of the country to procure adequate foreign exchange resources, in order to import essential capital goods and industrial raw materials in furtherance of the Plan. The pamphlet on the *Second Five-year Plan* prepared by Government has estimated that the total imports of capital goods would amount to Rs. 1,400 to Rs. 1,600 crores. The framers have not taken into account the necessity for increased imports of certain industrial raw materials such as non-ferrous metals and iron and steel, particularly during the initial years of the Plan. While imports of machinery during the first Plan are estimated at about Rs. 500 crores, those of iron and steel and non-ferrous metals are placed at about Rs. 250 crores.

The Planning Commission's present estimate is that, even after making an allowance of Rs. 500 crores by way of external assistance, there will still be need for economising on imports and for promotion of exports. Since the reducible element in India's imports is small, there is a correspondingly greater need for increasing exports. Export promotion should, therefore, form an important item in augmenting the exchange resources of the country with a view to financing the second Plan.

Liberal Export Policy

The Commerce and Industry Ministry has already begun to follow a liberal policy in regard to exports. Only during this week, it has announced liberalisation in respect of a number of commodities such as pulses other than gram, wheat bran, cane jaggery and jaggery powder, gram and gram flour, kardi seed and niger seed cakes, groundnut oilcake expeller variety, etc. There are few restrictions on exports at present. Again, exports are being encouraged through the organisation of Export Promotion Councils, introduction of quality control, sending out trade delegations to foreign countries, participation in exhibitions, etc.

Despite these, there is still an absence of taking a long-term view of the country's export trade and shaping its economy in such a way as to expand its trade in a number of directions. Generally speaking, the pattern of India's trade in the coming years will be more or less similar to that of the U.S.A. Although some Government spokesmen have been reiterating from time to time that India should export more manufactured goods in preference to raw materials or semi-processed goods, they have failed to take into account the fact that a fully developed India will be in a position to export both manufactured goods and a substantial quantity of raw materials or processed goods. The possibility of increased exports of some food articles and industrial raw materials will become greater following higher production of these goods as a result of improved irrigation facilities and better agricultural practices. The Government should from now on concentrate its attention on the production of such goods and industrial raw materials as will have a good export demand in the coming years.

Trade Deficit

In the pre-war period, India generally used to experience a favourable trade balance, whereas, during the last few years, it has been incurring a moderate deficit both in its sea- and air-borne trade and land-frontier trade. The average imports have been varying between Rs. 600 and Rs. 700 crores a year, while its exports have been standing below Rs. 600 crores. The deficit in its external trade is being made good as a result of receipts from abroad through World Bank Loans, external aid from the U.S.A. and other countries, etc. Granting that India will be able to stabilise its export trade at a higher level during the coming years, it will be possible for it to shape the pattern of import trade in such a way as to secure more capital goods and important industrial raw materials.

Imports

For the entire first Plan period, imports of foodgrains may be put at Rs. 540 crores, the figure for the first four years alone being Rs. 516 crores. In case the Government makes a determined effort not to import foodgrains during the second Plan period, offsetting the surplus production in a favourable monsoon year against the deficit caused by failure of rains in some other year or years, it can save nearly Rs. 500 crores of the valuable foreign exchange resources. Another item in which India can effect some savings in its exchange resources is mineral oils, the average annual imports of which amount to around four million tons. In case India were to install expeditiously synthetic petrol plant or plants, it can hope to save about Rs. 20 to Rs. 25 crores of foreign exchange. Yet another item is long-staple cotton. Here also India can reduce its imports by about 200,000 bales by intensifying the cultivation of better staple cotton within the country itself. Small amounts of foreign exchange can be saved through reduced imports of a number of manufactured goods such as chemicals, drugs and medicines, dyes and colours, paper and pasteboard, vehicles, staple yarn, etc., through increased indigenous output. In all these, a saving of about Rs. 15 crores can be effected. Apart from foodgrains, total savings from other items may be estimated at Rs. 50 crores which could be diverted to the purchase of much needed capital goods and machinery, as also steel and non-ferrous metals. In other words, a sum of Rs. 150 crores per annum will be available for diversion, which means that about Rs. 750 crores could be utilised for purchases of essential goods during the second Plan. If this sum were to be supplemented by about Rs. 500 crores by way of external help through loans, grants, etc., India may have sufficient foreign exchange resources to finance industrial expansion programme, provided its export trade is stabilised at least at the present high level. Due allowance is made here for the higher imports of steel and non-ferrous metals which might go up to Rs. 500 crores during the entire second Plan period as against Rs. 250 crores during the first Plan.

There should be room, however, for adjustability or manœuvrability in the financing of of the Plan and for this purpose, there should be careful thinking and planning in regard to the country's export trade. First of all, the Government should take note of items which could figure prominently in the export trade in the coming years and try to augment their production within the country, so that a greater quantum may be made available to the export markets. The three big exchange earners at present are tea, jute goods and cotton cloth. These apart, other important items of export are raw cotton, pepper, cashew kernels, manganese, vegetable oils, lac, mica, raw and semi-tanned hides and skins.

Exports

In regard to exports, the Government must, first of all, protect and stabilise the trade in the major items of export, namely, jute goods, cotton cloth and tea. While every effort should be made to meet the possible competition from Pakistan in jute goods, the Government should encourage the production of quality cotton goods at competitive prices. As regards tea, India appears to be losing the race compared with Ceylon. While India has been able to augment its exports from 337 million lbs. in 1939 to 440 million lbs. in 1954—an increase of about 23 per cent.—Ceylon has been able to step up its exports from 228 million lbs. to 356 million lbs. during this period—a rise of about 55 per cent. It is, therefore, extremely urgent that India should be able to compete with Ceylon in the coming years.

There are a number of commodities with possibilities for increased exports. India has already been trying to recover its lost trade in res-

(*Continued on page* 1237)

BALANCE OF PAYMENTS

CONCERN OVER LONG-TERM PROSPECTS

From Our Own Correspondent

LONDON, 18*th June*

LONDON LETTER

WHEN this week the Opposition attacked the Government on the Queen's Speech for failing to protect the country's economy—failing to "achieve full employment, stable prices, peace in industry, and an adequate surplus in our overseas payments"—they drew from Mr. Butler, the Chancellor of the Exchequer, more than a political rejoinder. They drew a confession that the Chancellor was worried about the long-term prospects for the balance of payments, that he held that the greatest responsibility lay with organised labour, but that he saw no clear way out of the coming problem. Mr. Butler was, in fact, attempting an honest economic analysis and it will be a pity, if the dangers which he sees are buried in the rough and tumble of political debate.

It was easy to show that the Government's economic policy was giving good results at present—unemployment as low as 1 per cent. of the working population, a high Bank Rate and credit restriction apparently checking the rate of increase in imports without affecting exports or finance to essential industry, sterling strong and so forth. The Chancellor could say that as regards the present balance of payments he was satisfied and considered that the 4½ per cent. Bank Rate of February had justified itself. But there satisfaction stopped. In 1953 there was an overall payments surplus of over £200 million (including defence aid), in 1954 of £160 million, but it would be very difficult to achieve a similar surplus this year.

The rail strike, now over, had not proved as great a danger as previously feared. The credit for this went (though the Government hardly admitted as much) to the nationalised British Railways organisation, which was able by rapid redistribution of loco-men from the non-striking union, to keep far more heavy goods moving than had been generally expected. Thus no industries had been shut down because of the strike, coal production had been maintained and supplies had been delivered to users. The dock strike, which still affects 40 per cent. of employees, is a different matter. Mr. Butler saw in this not the transient effects of export goods held up at the ports, but the permanent effects of reduced production for export and the inflationary effect of maintained money incomes with less goods on which to spend them. The economic reasoning behind this is more abstruse than is normally permissible in a Government spokesman, but Mr. Butler is an unrepentant intellectual and never afraid of involved reasoning! He considers that industry has, as a result of the dock strike, been living partly on stocks and so piling up cash balances (though, on the other hand, total bankers' deposits have fallen 2 per cent. in the three months since the raising of the Bank Rate). But is this more than a transient effect too? Presumably the stocks will be replaced. But Mr. Butler seemed to imply that production for the internal market had dropped and fewer goods would be available against unchanged money incomes—though against this net earnings of industry must have been less, so it is doubtful how much strength there is in this point.

Looking further ahead, the Chancellor saw higher overseas defence expenditure, a higher import bill for feeding stuffs (consequent on the success of the Government's agricultural expansion programme), a loss of coal exports (due to strikes) and, on the other side, nothing making for higher exports. The recipe is an old one, but nonetheless true for that. Money incomes could not go on being increased, unless productivity increased as well and costs were reduced.

The Opposition could only look askance at this conclusion of the Chancellor. It sounded like a call to action against labour. But was not his basic contention true? The unions were excessively concerned with earnings—not with costs. But the Opposition has no answer to the problem either. They can only accuse the Government of being too tender to investors (refusing to tax capital gains, for instance). In practice, of course, things may not turn out as gloomily as the Chancellor fears and we must hope this will be the case, for, though he points out the weakness of this country's overseas balance in prospect, he cannot suggest how the remedy can be achieved.—*All Rights Reserved.*

LABOUR RELATIONS IN NATIONALISED INDUSTRY

LESSONS TO BE DRAWN FROM BRITAIN

By "Rudderbar"

WITH the exception of Russia and China, from whom little authentic information regarding management-labour relations and allied problems reaches the outside world, Great Britain provides the best, if not the only, shop window in which can be viewed the fruits, now perhaps a trifle fly-blown, of socialist planning and policy. It is not proposed here to deal with socialism or a socialistic pattern of society in its broader aspects. That is a highly controversial topic and, quite obviously, outside the scope of a short article. It is proposed only to discuss some of the problems which have arisen, the repercussions of which are continually affecting the community as a whole, of labour in nationalised industry.

There can be no doubt that the persistent recurrence of strikes, threats of strikes, go-slows and stoppages in the nationalised industries in Britain pose, both for politicians and trade unions, problems of a very serious nature. There is no doubt either that these events have materially shaken the faith of the general public in the much vaunted benefits of nationalisation as a policy. It was, of course, the fond belief of the Socialist Party that nationalisation would, *ipso facto*, lead to an era of good labour relations and maximum output. It was argued that the worker, relieved of exploitation by the "bosses" and imbued with a sense of pride in his capacity as an employee of the State, would work as never before.

Labour Becomes Less Responsible

These beliefs, rooted as they were in poor psychology, have, so far as the public is concerned, long been shattered, though doubtless they are still tenets of faith amongst the more woolly-minded. This is not, however, necessarily to say that nationalisation *per se* tends to lower efficiency. The British railways would seem, possibly, to support such a view, but, on the other hand, the efficiency of British Overseas Airways, to name one of many nationalised undertakings, has never seriously been called in question, save, of course, from the point of view of the economics of operation. What is clearly lacking, however, and this is very curious in view of socialist theory, is that sense of responsibility which the average worker in private enterprise feels towards his firm and his co-employees and, not to put it too high, the salutary sense of fear that failure of the enterprise will see him out of a job.

In these circumstances, his attitude towards a stoppage of work, either official or unofficial, but particularly the latter, is entirely different to that of a man employed in private industry. In theory, of course, strike action is the result of a decision of a union or a majority of workers in an industry, irrespective of the numbers of firms or employers concerned. It makes no difference in theory, therefore, whether the employer is a single nationalised monopoly or a number of independent firms. In practice, however, the unofficial strike, that is to say one contrary to the wishes of the management of the union, is far more easily engineered and far more common in the nationalised industries than in those operated by private enterprise. Whilst the nationalised worker, then, feels he has little to fear from the consequences of an unofficial strike, union leaders, on the other hand, are far less inclined to support strikes in nationalised units. Such strikes, as they are well aware, tend to undermine the labour theory that nationalisation creates efficiency in the industry and contentment amongst the workers. It is in this peculiar atmosphere that the unofficial strike naturally thrives.

A Curious Feature

It is a curious feature of the post-war era and the ever-growing number of unofficial strikes which have occurred that, whereas formerly labour unrest had always been associated with periods of unemployment, these have flourished during one of the most prosperous periods of labour's history, both from the point of view of full employment as well as of high wages. One of the conclusions which must inevitably be drawn from this phenomena is that powerful nationalised industries and particularly where those command, as they do, the basic resources on which all other industry depends, have, in constantly exercising their respective labour demands to the full, acted as a permanent incentive to wage demands in all other industries.

The Skilled vs. the Unskilled

Another feature of nationalisation under the Socialist Government of 1945, was the deliberate policy of levelling up the unskilled workers' wages in relation to those of the skilled, and of countenancing the employment of large numbers of redundant and, in many cases, workshy, men. British Railways is, perhaps, the best example of this state of affairs. As I write, Britain is in the grip of a railway strike of unprecedented magnitude which, however short it may eventually prove to be, is bound to inflict very grave damage on the economy of the country, impose heavy losses on industry of every description and entail great hardship for the public in general. This strike, however ill-conceived, however irresponsible and however disastrous, is the direct and logical outcome of the policy to which I have above referred.

Seventy thousand footplate men have at long last vented their sense of grievance at the lack of recognition of their skill and the heavy responsibility which they carry in the performance of their duty. That the present Government, when faced with the threat of a national transport stoppage in January last, struck a disastrous bargain with the N.U.R. and, not to put too fine a point on it, surrendered to the demands then made in a most pusillanimous manner, doubtless aggravates the position today. It does not, however, alter the basic cause of the trouble; it merely underlines the difficulty of resisting the demands of a strong nationalised monopoly industry, which, at the dictates of an infinitesimal minority, can virtually hold the nation to ransom.

That the footplate men have a genuine case, the following example will serve to illustrate: before the recent settlement to which I have referred above, the wages of a porter were £6 10*s.* per week. This means that a great many of them earn, with tips, as much as an engine driver. After the settlement demanded by the N.U.R., in which wholesale wage increases were sanctioned, the porter will presumably be even better off *vis-a-vis* the skilled worker than before.

Whatever be the rights and wrongs of the present strike, it is a clear example of the calamity which organised labour can bring upon the State, for which the general public has not only to pay but which it is powerless to avert. It can be argued that private industry, as in 1926, is equally capable of holding the country to ransom. Although such an argument cannot be entirely refuted, in the circumstances of Britain today, as I have endeavoured to show in the course of this article, it is the basic nationalised industries which are acting as an incentive to all other industries in the matter of wage demands.

Dangers Obvious

The extent of nationalisation in India is, at present, comparatively small. Nor is labour, either in State-owned or private industry, yet organised to the extent of labour in Great Britain. The policy of the Government of India, however, is towards a socialistic pattern of society, with the accent heavily on the public sector of industry. Recently, air transport was nationalised. For nearly 18 months, labour relations in the domestic corporation were soured by the somewhat bureaucratic methods employed by the management in its dealings with the union. At length, after much futile negotiation, which did nothing to smooth ruffled feathers, the Minister himself intervened, gave the union a hearing and, in fact, conceded a large number of the demands made. This was, naturally, all to the good, and it is perhaps ungracious to voice any doubts. Nevertheless, when we read in the Press that I.A.C. is reported to be planning health resorts for its employees (*vide* the *Indian Express* of 14th April, 1955) and has introduced certain other features not enjoyed by workers elsewhere, some doubts inevitably creep in.

There is, of course, nothing wrong with health resorts, tubercular clinics and other amenities for workers. Indeed, these are highly desirable objectives which, it is hoped, the Welfare State will be able to provide for all, in course of time but to create conditions of employment (I do not refer to scales of wages which must always rule higher in specialised and highly technical walks of life, such as aviation) in one branch of nationalised industry which cannot for financial or other reasons be extended to other branches, will create widespread dissatisfaction and eventually unfulfillable and embarrassing demands. The dangers of this are all too obvious and require no emphasis. The particular case to which I have referred may or may not be based on fact, and, in any event, is not of great importance. What does seem to be of importance, however, is that advantage should be taken of the lessons so painfully acquired by Britain in this vital aspect of nationalisation, and that those same lessons should not have to be learnt here the hard way. There is already an appreciable public sector. Railways, air transport, shipbuilding, road transport and many other activities employ a very considerable number of men. It is not too soon to give this problem very serious consideration and, even if it is, better too soon than too late.—*All Rights Reserved.*

WHAT EXTRA FOR SKILL?

Writing under the above heading in a recent issue of the *News Chronicle*, London, Mr. Oscar R. Hobson, City Editor of this daily, observes as follows:

"A very interesting article in the current *Economist* examines the highly topical question of wage "differentials" in the wider setting of history. It yields some lessons which are worth pondering on even amid the turmoil of industrial strife to which the age-old conflict between "skilled" and "unskilled" workers has now given rise. The *Economist* quotes figures giving time wage rates of skilled workers in building, shipbuilding, engineering and railways as percentages of those earned by unskilled workers in 1885 and subsequent years up to and including 1954 (April). These show very clearly that, over the past 70 years, there has been a persistent trend against the skilled and in favour of the unskilled worker.

"In the building trade, for example, skilled workers received in 1885 more than half as much again (57 per cent. more) as unskilled and on the railways nearly twice (that is, 198 per cent.) as much. Now, however, the "differential" in favour of the skilled man has fallen to only 14 per cent. in the building trade and 28 per cent. on the railways—with intermediate figures for engineering and shipbuilding workers.

"Clearly some strong and persistent force or forces have been at work depressing the premiums earnable by skill. One may suppose that the main such force is the advance of mechanisation and mass production techniques which have reduced the scope for craftsmanship.

"The records show, however, that the decline in the differentials has not been evenly paced and has been interrupted by one recovery. From 1885 to 1914 the retreat of the skilled was very gradual—in the building trade his differential fell only from 57 to 50 per cent., and on the railways from 98 to 84. Then came World War I, with a plunge to 20 per cent. in building and 35 per cent. in railways. Then from 1919 the recovery—to 34 per cent. for building by 1922 and 40 per cent. for railways. Then again the slow retreat, till 1939 (with the exception that railway skilled workers made a further recovery between 1930 and 1939). Then World War II and an acceleration of the decline to the figures already quoted.

"War in both cases dealt a grievous blow to the skilled man. After the first war, he made a partial come-back. This time, so far, he has made none. Some wonder that he is now tempted to fight back! He has failed so far, because inflation and its concomitant over-full employment, have remained with us.

"Yet, is it basically true that skill is worth less than it was? We need it as much or more than ever at the highest level. Industry cries out daily for more trained scientists. Is it not needed at levels below the summit? It is impossible to believe that it is not. And if so, skill must have its reasonable reward or it will surely not be forthcoming.

"One is tempted to wonder whether history will not regard these disputes over differentials, infuriating though they are for those who watch and suffer on the side lines, as in the nature of a crusade. Or perhaps, from another aspect, history will regard what is now happening as a nemesis for our persistence, long after there was any plausible excuse for it, in the folly and fraud of inflation.

"Are we face to face with an exposure of the perpetual motion delusion—the delusion that a nicely graded rate of monetary inflation can give perpetual boom and full employment? Well, history will, in due course, deliver its judgment."

RURAL CREDIT STRUCTURE IN INDIA

DIFFERENT ASPECTS ANALYSED

THOSE engaged in the administration of the institutional system of integrated rural credit to be introduced shortly all over the country can put to good use the conclusions of the Committee of Direction, All-India Rural Credit Survey, embodied in a *Summary of the Survey Report* just released by the Reserve Bank of India. The *Summary* gives an analytical insight into the present rural credit structure in India. It covers data relating to a number of aspects of farm credit. These include the debt position of rural families, nature of their borrowings and expenditure, capital formation, utilisation of savings, current farm business, credit requirements of farms, creditworthiness and the role of various credit agencies in rural finance.

The *Survey, Report* mentioned above is Volume I of the three volumes comprising the Report on All-India Rural Credit Survey to which numerous references were made in these columns ere now. Volume II, known as *The General Report*, contains the recommendations of the Committee of Direction appointed by the Reserve Bank of India. This was published in December last. Volume III is the *Technical Report* which gives a description of the technique of the survey and the various statistical statements prepared from the data collected in the course of the rural credit survey. Volumes I and II are yet to be published.

The information provided in the *Summary of the Survey Report* relates to rural families in 600 villages of the 75 districts covered by the rural credit survey conducted in 1951-53. The data pertain to the position as existed in that year.

The *Survey Report* reveals that the level of rural debt was higher among cultivators than among non-cultivators. The level of debt at the beginning of the survey year was, in many districts, quite low, but it rose considerably during the year. This was partly due to the fall in prices during the latter half of the survey year and partly to the relatively large incidence of drought, famine and inclement seasonal conditions in the survey region.

A study of the measure of outstanding debt shows considerable variation in the debt from Rs. 29 per family in Koraput to about Rs. 1,200 per family in Bhatinda. The district averages show some concentration in the range of Rs. 100 to Rs. 300 per family. For non-cultivators, the measure of outstanding debt varied from Rs. 4 per family in Koraput to over Rs. 800 per family in Bhatinda, whereas for cultivators the variation was from about Rs. 60 per family in Sitapur to more than Rs. 1,300 per family in Bhatinda. The district data show that average debt of less than Rs. 300 per family was recorded in about 51 per cent. of the districts in the case of cultivators and in about 93 per cent. of the districts in the case of non-cultivators. Again, the debt per indebted cultivating family varied from Rs. 140 in Hazaribag to Rs. 2,100 in Bhatinda, the corresponding figures in the case of non-cultivating family being Rs. 31 in Koraput and Rs. 1,200 in Sirohi. As compared with the level of debt which prevailed when investigations by the Provincial Banking Enquiry Committees were made, the real burden of debt during the year covered by the Rural Credit Survey was generally found to be less.

Borrowing was resorted to by a larger proportion of families among cultivators than among non-cultivators. Again, the level of borrowing was higher among the former group than among the latter. For all the 75 districts put together, about 50 per cent. of the total borrowings was for family expenditure, slightly more than 25 per cent. for capital expenditure on farms and the balance of about 25 per cent. for current expenditure on farms, non-farm business, and others. Less than one-fifth of the total borrowings among a selected sample of cultivators was repaid. Borrowings-in-kind by cultivators were resorted to in about 20 districts, to a significant extent. Repayments were generally small in size as compared with the level of borrowings. They were particularly poor in certain districts.

Expenditure on "family account" included items such as construction and repairs of residential houses, clothing, shoes, utensils, etc., death, marriage and other ceremonies, and medical, educational and litigation expenses, but excluded expenditure on current consumption. A part of the expenditure was met out of current income, past savings and borrowings. About one-fourth of the recorded expenditure on family account was financed from borrowings.

A notable feature revealed by the *Survey* is that investments in the Government of India's small savings schemes such as National Savings Certificates, etc., accounted for only a very small proportion of the total expenditure of the cultivator on capital investment account. Purchase of land and livestock was the most important items for which capital investment expenditure in agriculture was incurred.

Data relating to expenditure on gross capital formation reveal that such expenditure by rural families was about Rs. 420 crores in the survey year for the whole country. Of this, about Rs. 250 crores were on items of capital expenditure in agriculture, excluding purchase of land and livestock, and Rs. 170 crores on construction and repairs of houses and other structures. Gross savings were probably channelled in four main directions, namely, capital expenditure in agriculture, excluding land and livestock purchase, repayment of old debts, construction and repairs of houses and lending funds to others.

Information relating to farm business operations, based on data from some selected cultivators, shows that the value of gross produce was about Rs. 600 or less per year per family for nearly half the cultivators in the country. Cash expenditure on farms accounted for more than 60 per cent. of the total farm expenditure in the cash crop regions. Cash receipts from sale of crops and fodder and cash wages constituted the most important items in the total cash farm receipts of the cultivators.

A study of operations of different credit agencies reveals that 3 per cent. of the total borrowing by cultivating families was from Government and another 3 per cent. from co-operative agencies. The balance of 94 per cent. was provided by professional and agricultural moneylenders. A similar pattern is revealed by figures relating to total outstandings. Slightly less than 4 per cent. of the debt of cultivators was due to the Government, an equal amount to co-operatives and commercial banks jointly. The remainder was owed to private credit agencies. Co-operatives supplied about 11 per cent. of the total borrowings for short-time agricultural purposes and about 9 per cent. of the borrowings for repayment of debt. For all non-agricultural and consumption purposes, more than 95 per cent. of the total borrowings were from private credit agencies. The Government supplied about 6 per cent. of the total borrowings for long-term agricultural purposes. Relatively larger proportions of the borrowings of the large cultivators were from institutional agencies as compared to the borrowings of the smaller cultivators. "Relatives" accounted for 14 per cent. of the total amount borrowed by cultivators.

Particulars are also given regarding the nature of loans to cultivators by the various credit agencies. Government loans were generally of small size in most districts. They were either for land reclamation or for rehabilitation on the security of immovable property. Larger cultivators appeared to be in a better position to take advantage of Government finance. Co-operative societies advanced loans mostly for two common purposes, namely, (a) current farm expenditure and (b) purchase of livestock. The low proportion of co-operative credit to poor farmers is a notable feature of lending by these agencies. And this is attributed to the same reasons as in the case of Government. Co-operatives and Governments in most States demand security of immovable property. Loans are restricted to specific purposes, whereas poor farmers need finance for current consumption. In a few instances, however, co-operative effort is stated to have been quite successful, as in the crop loan scheme in Bombay, sugarcane supply unions in U.P. and the cotton sales by co-operatives in Gujerat. The private credit agencies consisted of professional moneylenders, indigenous bankers, agriculturist moneylenders, landlords, relatives and commercial banks. The data collected in respect of these agencies show that legislation has been powerless to control operations of these agencies. There is clear evidence, it is stated, of a general disregard by these agencies throughout the country of legal regulations relating to rates of interest chargeable by them.

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ASSAM FINANCIAL CORPORATION

The Assam Financial Corporation received during the period ended 31st March, 1955, 14 applications from various concerns for a total loan of Rs. 23.35 lakhs. Of these, eight applications, involving a sum of Rs. 8.85 lakhs, were examined by the Board of Directors of the Corporation. The Board sanctioned only three (of the eight) applications, amounting to Rs. 3.15 lakhs. Of these three, one electric supply company received a loan of Rs. 2.5 lakhs, one saw mill was granted Rs. 50,000 and a furniture-making firm got Rs. 15,000.

The number of applications rejected was two, one from a furniture-making firm for Rs. 2 lakhs and another from an oil mill requesting a loan of Rs. 80,000. Besides, three applications were kept in abeyance till fulfilment of certain conditions.

Soon after the Corporation was established some Indian-owned tea gardens approached it for financial accommodation. Doubts having arisen whether the Corporation could lend to tea gardens, the question was referred to the Industrial Financial Corporation of India. The latter obtained the opinion of the Ministry of Law of the Union Government. On the basis of this opinion, it was decided that tea gardens having processing and manufacturing equipment would be eligible for accommodation from the State Corporation, irrespective of the purpose for which the amount of loan was to be utilised.

The rate of interest charged by the Corporation is stated to be not less than 6½ per cent. per annum with a rebate of ½ per cent. for prompt payment of interest and instalments on loans.

The working of the Corporation during the period ended 31st March, 1955, resulted in a net profit of Rs. 38,545. After transferring Rs. 5,000 to the reserve fund and Rs. 15,000 for taxes, the balance of Rs. 18,545 was proposed to be utilised for payment of the guaranteed dividend at 3½ per cent. per annum to its shareholders. As the sum payable on this account amounted to Rs. 1.04 lakhs, the State Government was requested to give subvention for the balance of Rs. 85,612.

REDEMPTION OF WORLD BANK BOND ISSUE IN CANADA

The International Bank for Reconstruction and Development will redeem Can. $13,600,000 outstanding of its 4 per cent. 10-year Canadian Dollar Bonds of 1952 on 1st August, 1955, at 101½ and accrued interest. The bonds—these are a part of an original issue of Can. $15,000,000 sold in February 1952—have a stated maturity date of 1st February, 1962. Payment on redemption will be made at any agency of the Bank of Canada in Canada. Commenting on the redemption, Mr. Eugene R. Black, President of the Bank, points out that the 4 per cent. 10-year Bonds, though favourably regarded in Canada, have not fully reflected the improvement in the market there, because of the ceiling imposed on their market price by the call price of the issue. Consequently, the Bank has decided to call the bonds for redemption.

Three World Bank bond issues aggregating Can. $53,600,000 are currently outstanding in Canadian dollars. The 4 per cent. 10-year Bonds to be redeemed were the first to be offered in the Canadian market. Subsequently, an issue of Can. $25,000,000 3¾ per cent. 15-year Bonds was offered at 99½ on 17th June, 1954. More recently, an offering of Can. $15,000,000 3¾ per cent. 10-year Bonds was made at 99 on 21st March, 1955.

Discussing the market for the Bank's bonds in Canada, Mr. Black says that "World Bank bonds have won rapidly increasing acceptance among Canadian institutions and private investors based on a growing recognition of their strength and of the Bank's record of successful operations. All of the Bank's Canadian issues are currently selling above par." Referring to the Bank's record for the current fiscal year ending 30th June, 1955, Mr. Black discloses that "the Bank will have made loans of more than $400,000,000—a new high—and earnings will have reached a new peak of about $24,000,000 for the period." Total loans made by the Bank since it began operations in 1946 aggregate about $2,300,000,000. In addition to Canada, the Bank has sold its issues in Great Britain, the United States, Switzerland and the Netherlands. The total of its bonds now outstanding amounts to the equivalent of $851,590,000.

RURAL BANKING IN INDONESIA

TRAVELLING BANKS—A UNIQUE FEATURE

By Peter Diebold

SENIOR AGRICULTURAL ADVISER, NATIONAL PLANNING BUREAU OF INDONESIA, DJAKARTA

WITHOUT ever leaving his village, an Indonesian farmer living in a remote rural area has easy access to banking facilities—something that most farmers in East and West Asia do not have. Available in the village are a rice bank that lends rice to tide him over until his new harvest and a village (*desa*) bank that makes small short-term cash loans. And each month a travelling bank (*rombongan*) that handles larger, long-term cash loans is sent around by the nearest branch of the People's Bank, or Bank Rakjat Indonesia (B.I.R.).

The idea of rural credit institutions is firmly established in Indonesia. The first such institutions date back to the turn of the century, when a Dutch official named De Wolff promoted the founding of savings banks and rice banks. The savings banks were located in small towns out of reach to most villagers.

But the rice banks did serve the small villages; and several years later came the village banks themselves, which dealt in cash. The number of rice banks, 250 at the start, had swollen to 12,424 by 1913, but shrank to half that by 1926, and to 3,635 by November, 1954. While half the rice banks were closing, 3,418 new village banks were opening, and by November, 1954, there were 4,567.

The B.I.R. is responsible for almost all this far-flung system of farm credit. It controls and administers the local institutions—the village banks, the rice banks, and the credit co-operatives (where there is no co-operative bank of a higher order)—that extend small credits to the village people. And its 112 local branches make larger loans to individuals and organisations—generally for amounts of not less than 250 rupiah (about $20) (one U.S. dollar=11.40 rupiah) and for periods of not less than two months. Of the total loans of about 40 million dollars granted by the B.I.R. in 1953, 21 per cent. was lent in rural areas. People living in the regency capital or nearby get their loans direct from the branch bank. Most of the rural areas, however, are serviced by the travelling banks, which function as departments of the branch banks.

Travelling Bank

The average travelling bank has a cashier, a book-keeper, and two clerks, and its equipment consists of a station wagon and a cash register. Once a month, it visits the various villages on its route. The bank is parked at some central point of the village, and banking takes place often in the mayor's house, sometimes in a store, and occasionally at a stand in the central market place. Before the war, a specially equipped truck with a cash register and counter was used, and banking took place inside the truck itself.

The travelling bank is not a substitute for the village banks; it does not extend small short-term credits, but, like the B.I.R. branch bank itself, concentrates on larger, longer-term loans, usually from about $90 to about $260, and sometimes as much as $900 to one person. Loans are on a 10-month or seasonal—that is, six-month—basis, at 12 per cent. interest per annum. Each month the borrower repays one-tenth of the loan *plus* one-tenth of the interest rate calculated on a system of compounded rates. The B.I.R. officials estimate that only about two-fifths of the loans made by the travelling banks are for agricultural purposes such as farm-building construction or the purchase of livestock, fertiliser, and the like. The rest go not to agriculturists but to traders of craftsmen setting up buildings or godowns.

In order to observe the functioning of a travelling bank, I visited the one that calls at Leuviliang, one of the larger villages in Bogor Regency. Leuviliang is the capital of a sub-district and the seat of a *tjamat* (township officer). The travelling bank was operated at the *tjamat's* office, where the bank staff worked at tables set up on a covered porch. From 8 a.m. till 1 p.m., they collected payments on loans, and from 1 to 4 p.m. they made new loans. At the time of my visit, Leuviliang had 223 borrowers with seasonal loans amounting to 66,524 rupiah (nearly $6,000). More than half the borrowers were traders and craftsmen, although this is one of the most prosperous agricultural districts, having year-round irrigation with two wet rice crops and one dry *poloowidjo* non-rice crop).

Village banks are set up to serve a different sort of need—that for smaller credits on a short-term basis. Under the rules of the B.I.R., no village bank can lend more than 250 rupiah (about $20) to an individual. Loans are made for 10 weeks. During this period, the borrower pays back weekly instalments of one-tenth of the loan, and after having repaid the tenth instalment, pays an eleventh as interest. In some banks a twelfth instalment is required from the borrower; this is considered a forced loan, and the bank returns it without interest after a year. To be able to borrow from the village bank, a villager must be investigated and approved by the Commissie Bank Desa, a committee of five villagers elected by the community. The Commissie must be present on the day when loans are issued and repaid. Each of its members receives for his services 2½ per cent. of the loans repaid, but not more than 120 rupiah a month (about $10).

In 1953, the village banks lent over 13 million dollars, as compared with 2½ million dollars in 1951 and 12.4 million dollars in 1938. However, in terms of the present purchasing power of money, the 1938 total is considerably above that for 1953.

In order to observe the functioning of a village bank, I visited the one in Simplak, a town of a little more than 3,000 people near Boro. This bank can be considered typical of those in Java's more prosperous areas, where a village contains a high percentage of so-called small traders.

In the Simplak bank, loans are made and repaid on one day each week, from 8 a.m. to about 1 p.m. For the first half of the banking day, loans are repaid; for the second half, new loans are made. The operations I observed took place at the house of the village head. Around a large table on the open porch were seated five members of the Commissie, the book-keeper, the village head, and, on this occasion, the supervisor of the B.I.R. As each borrower repaid one-tenth of his loan, the credit slip he carried was stamped and an entry made by the book-keeper in the books of the bank. Shortly before the end of the repayment period, $197 had been collected; by the end of the banking day, $178 of this had been given out in new loans. Of the 213 borrowers in the village, only three absented themselves; these were small traders who had to be out of the village for business reasons.

Rate of Interest High

The Simplak bank was founded in December, 1951, with a loan of 3,000 rupiah ($263) from the B.I.R. Considering the high rate of interest charged, it is not surprising that, within two and a half years, the Bank has been able to repay this initial fund. In addition, it now has outstanding loans amounting to 16,500 rupiah (about $1,450), which means a total earning of over $1,700. On the basis of these observations, the village banks are operating on a sound financial basis. Their earnings, however, are going to the communities rather than to individuals; and the communities' use of these earnings may be on a less sound financial basis. For example, the village head of Simplak wanted to invest bank earnings in a bank building which did not appear really necessary, and which would divert from more productive investments the money earned by the bank.

Most borrowers from the village bank do not seem discouraged by the high interest rate charged—104 per cent. in terms of annual interest. Their nonchalance may be due partly to long experience with usurers' interest rates, which are usually from 260 to 520 per cent. a year. Even the usurers' rates, since they are always expressed in weekly terms (i.e., from 5 to

(*Continued on page 1237*)

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COTTON TEXTILE INDUSTRY IN SECOND FIVE-YEAR PLAN

NEED FOR HIGHER TARGET FOR MILLS

By A Special Correspondent

THE draft second Five-year Plan will be placed before the public within the next few months to elicit suggestions for its improvement. It is proposed to discuss here what place should be assigned in the Plan to the cotton textile industry which, after agriculture, holds a position of very great importance in the national economy. Inevitably, any blue-print for this industry must give prominence to production and consumption.

The prospects for the cotton textile industry are, indeed, bright. The nation is engaged in the great task of overcoming poverty and unemployment which have so long darkened the lives of our people. Though the first Five-year Plan has yielded no spectacular results, it has certainly contributed to the solution of the intractable food problem. There has also been a slight improvement in the clothing standards of the community. The present *per capita* consumption of 15 yards of cloth, though still below the pre-war level of 16 yards, marks an improvement over that of previous years.

It is reasonable to expect that, as the nation's economic progress gathers greater momentum under the second Plan, there will be an appreciable improvement both in the living and consumption standards of the community. But it is difficult to say what portion of the increased income will be spent on cloth. Experts have differed widely in assessing the potential demand for this commodity.

Per Capita Consumption

With its penchant for ambitious projects, the Bombay Plan envisaged a *per capita* consumption of 32 yards, while the Post-war Planning Committee, Textiles, was more modest with 18 yards. Suggestions were made to the Working Party for the Cotton Textile Industry, which reported in 1952, that cloth consumption should "really be 25 yards *per capita*" and that "any estimate below 20 yards by the year 1955-56 would really be inadequate and unreasonable."

The Textile Enquiry Committee, 1954, otherwise known as the Kanungo Committee, is of the opinion that the rate of cloth consumption will rise to 18 yards per head by 1960. The Union Minister for Commerce and Industry gives an extra two yards to the consumer on the ground that the solution of the food problem has contributed to the greater material well-being of the comman man. The Federation of Indian Chambers of Commerce and Industry has arrived at the figure of 22 yards.

Howsoever divergent these estimates might be, they establish the fact that the consumer is well on the road to the attainment of higher clothing standards. But is the proposed allocation of the increased demand for textiles between the mill and non-mill sectors of the industry just and practicable? The draft outline of the second Five-year Plan has assigned production targets of 5,500 million yards to the mill industry and 3,200 million yards to the non-mill sector, while the targets recommended by the Kanungo Committee are 5,000 million yards and 3,200 million yards, respectively.

The arguments put forward by the Kanungo Committee in support of these figures call for careful examination. On the assumption that the population of India will be 400 million by 1960 and that the *per capita* consumption of cloth will increase to 18 yards, the Committee estimates that the total cloth requirements by the end of that period will be 7,200 million yards. The industry will have to produce another 1,000 million yards for export. Thus, the total output of cotton textiles will be 8,200 million yards a year.

Will It Be Able To Deliver The Goods?

According to the Committee, handloom and powerloom production amounts to 1,400 million yards and 200 million yards respectively. The present output, including the 5,000 million yards of mill cloth, thus amounts to 6,600 million yards. The Committee rightly feels that the bulk of exports should come from the mill sector, but this results in only 4,000 million yards of mill cloth becoming available for domestic use. With mill output sealed off at the present level of about 5,000 million yards, the entire additional demand is recommended to be annexed by the handlooms and cottage powerlooms.

The questions that arise in this connection are: (a) Will the non-mill sector be able to double its present production of 1,600 million yards to 3,200 million yards within five years? (b) Are the various measures suggested by the Committee for realising this objective feasible? and (c) Will the goal of higher consumption be attained by depriving the mill industry of the advantages of mass production?

The Committee believes that it will be possible for the non-mill sector to raise its output to 3,200 million yards by converting the handlooms into efficient instruments of production. The *modus operandi* suggested by it may be briefly described here. The Committee feels that the handloom industry can well turn out 1,600 million yards of cloth a year with only 9 lakhs of ordinary handlooms by working for 300 days a year. This will mean that, out of 12 lakh active handlooms, 3 lakhs will be rendered idle.

In order to produce the extra 1,600 million yards of cloth, the Committee recommends thus:

> "An improved type of the so-called semi-automatic handloom will produce 20 to 24 yards a day (of 8 hours) and a powerloom will produce 30 or more yards per shift. An extra 2.13 lakh improved handlooms/powerlooms working one shift a day (and producing an average of 25 yards a day) for 300 days a year will be required to manufacture the extra 1,600 million yards."

The conversion plan involves an estimated expenditure of Rs. 12.00 crores or Rs. 2 crores a year.

The Committee is, in fact, anxious that the handloom sector should be rid of the incubus of inefficient and useless machines and that it should go over to improved types. It, therefore, suggests that the remaining 9 lakh active handlooms should be brought within the scope of the conversion scheme, the whole process being completed within a period of 15 to 20 years. Some 50,000 old type looms should, however, be retained in order to manufacture "special fabrics with an intricate body design."

Man Behind The Loom Important

Large sums of money are involved in this scheme, but finance is not the chief consideration as the Government is determined to give maximum help to all labour-intensive small and cottage industries. In fact, the whole edifice of the Kanungo Committee's proposals rests on how smoothly and effectively its conversion project is carried out. To quote its Report:

> "After very careful consideration, the Committee has come to what, in its opinion, is an irresistible conclusion, namely, that at a pace at which there will not be too drastic a disturbance of the economic and social fabric, the handloom industry has to be made technically more efficient by converting the handloom either into a semi-automatic loom and/or into a powerloom, as power becomes available more generally in the areas where the handloom industry is widely prevalent."

Evidently, this view has the support of the Union Minister for Commerce and Industry. Addressing the reconstituted All-India Handloom Board at its first meeting in November 1954, Mr. Krishnamachari urged that it was wrong to regard the handloom as more important than the weaver. "I want you," he declared, "to think of the human being behind the handloom—not merely the machine by itself. We do not want to maintain inefficient and useless machines irrespective of the men behind them."

Indeed, it is the considered opinion of all forward-looking persons that sentimental attachment to outdated modes of production is misguided. The Report on Small Industries in India by the International Planning Team of the Ford Foundation contains this candid observation:

> "Without modernisation, Indian industries which cling to obsolete equipment are condemned to mediocrity and eventual elimination. Only by adopting efficient methods of production, as soon and as widely as possible, can small and village industry take advantage of the good opportunity it now has to lay a basis for a promising long-term development."

What Progress?

It will be most useful if detailed information can be made available about the progress, if any, that has been made in the direction of modernising the handloom sector. The latest brochure entitled *Indian Handloom Development Schemes*, 1953-55, issued by the All-India Handloom Board, does not throw much light on this important subject. It says that, on the recommendation of the Handloom Board, the Government has sanctioned schemes for converting 32,632 throw-shuttle looms into fly-shuttle looms during 1953-54 and 1954-55 at a cost of Rs. 8.6 lakhs and for providing take-up motion attachments for 29,625 looms at a cost of Rs. 14.8 lakhs.

Unfortunately, the booklet does not say how many of these sanctioned schemes have already been implemented and whether any organised attempts are being made to ensure that the Kanungo Committee's recommendation for converting 3 lakhs of old type handlooms into improved varieties within the prescribed period is duly carried out. It is quite possible that the Government itself is not enthusiastic about the conversion scheme, as it involves unemployment which is against its policy. Probably, this is one of the reasons why the Government's reactions to the Committee's proposals have been withheld from the public.

What is more certain, however, is the lack of enthusiasm among the spokesmen of the handloom industry for the modernisation scheme. One such leader, who is also a member of the All-India Handloom Board, has called in question some of the basic statistics contained in the Kanungo Committee's Report. For instance, he claims that each handloom provides employment for a minimum of 2.5 workers and not to 1.25 persons, as "wrongly" stated by the Committee.

Stating that the "entire range of calculations made by the Committee is vitiated by such glaring fallacies," he attacks the conversion scheme in these trenchant words:

> "In the name of improvements to the handloom and increase in production, the Committee suggests its radical conversion into powerloom—as ruthless in nature as a religious conversion."

If, as a result of the likely failure of the conversion scheme, the production target assigned to the non-mill sector does not materialise, it will be extremely difficult to cater to the increased demand for cloth. Such a situation will arise because the Kanungo Committee wants mill output to be "stabilised" at the level of 5,000 million yards. Cloth shortage in the country will inevitably boost prices, thereby causing undeserved hardship to the consumer. It may also adversely affect exports, as any serious shortfall in domestic supplies may necessitate the imposition of stringent restrictions on exports. Should this happen, it will be a serious blow to our export trade in textiles, built up after years of ceaseless effort. A setback to exports will involve loss of foreign exchange which the nation wants so badly for importing capital equipment.

Handicaps on Mills

There is absolutely no reason why such a situation should be created when the country has a well-established and competently organised industry capable of fully meeting the nation's clothing requirements and its export commitments. But this premier national industry is being prevented from playing its role effectively by imposing a series of restrictions and burdens on it. These disabilities are best summed up in the words of an official document issued on 16th December, 1954. To quote this Memorandum, published by the Government of India:

> "In the beginning, certain lines such as coloured *saris*, *lungis*, *sarongs*, etc., were reserved for the handloom industry, and production of *dhotis* by mills was restricted to a percentage of their previous production by way of a penal excise duty. Installation of new looms in the mill industry is not allowed. The Textile Enquiry Committee, whose work has been completed recently, has recommended that all further expansion of cloth production should be reserved for small-scale industries. No licences are being given for the expansion by the mill industry of garment-making and printing of cloth."

The list is by no means exhaustive. Since 1952 an additional excise duty on mill cloth is being collected to rehabilitate the handloom and *khadi* industries. The yield from this source will be approximately Rs. 7½ crores in the current year. The Centre has also given the States a sum of Rs. 95 lakhs to be used as rebate on sales of handloom fabrics. These are large concessions, the aim of which is not only to put these small-scale industries on their feet, but also to establish an artificial price parity for the goods of the two sectors.

In fact, the planners have made no bones about it. To quote the "plan-frame" of the second Five-year Plan, as reported in the Press:

> "It is recognised that the price of hand-made goods would be often higher than the price of factory-made goods of comparable quality. Appropriate excise duties (which would be selective) would be imposed on factory products to maintain desired price parities with hand-made goods in such cases."

The mill industry does not grudge making legitimate sacrifices for the revival of handlooms. Such sacrifices are made with the full realisation that, in an over-populated country like India, there is a great need for small and cottage industries which are ideally suited for giving employment to a larger number of people than factories can afford. But it is necessary to strike a judicious balance between the two sectors so that both might live and prosper together.

Vexed Question

Dealing with this vexed question, the Union Minister for Commerce and Industry made the following useful observations, while addressing the fifth meeting of the Central Advisory Council of Industries last August:

> "A mere sentimental emphasis on the importance of cottage and small-scale industries without an economic appraisal of their social cost and their contribution to the future well-being of the people of this country is, I think, wrong."

It is clear from this discussion that the crux of the problem is how to stimulate higher consumption. Whether or not the non-mill sector will be able to achieve one hundred per cent. increase in its present production within the short period of five years, it is almost certain that the policy of reserving to it the entire additional demand for textiles will make it extremely difficult to reduce cloth prices.

Today, the *per capita* consumption of cloth in the country is 15 yards, of which about 11 yards come from mills and the balance from the non-mill sector. That is to say, over 70 per cent. of the total demand for cotton fabrics in the country is met by the mill industry. If the Kanungo Committee's recommendations are accepted and if its anticipations regarding the *per capita* consumption in 1960 come true, the position will be that the consumer will have to buy 10 yards of mill cloth and 8 yards of handloom cloth. This means that the share of the latter in clothing the nation will rise to about 45 per cent., while that of mills will decline to about 55 per cent. There will be a slight variation in the percentage—60 per cent. for the mills and 40 per cent. for the handlooms—if we place the *per capita* consumption at 20 yards on the basis of the production targets laid down in the draft second Five-year Plan.

By freezing mill production at a level very much below the country's need, by establishing an artificial price parity for the products of the two sectors, and by making the issue of modernisation and rationalisation dependent on labour's volition, the mill industry is being deprived of the advantages of efficient and economical production. In consequence, it is unable to make any substantial changes in its cost structure. These handicaps of the mill industry are, however, advantageous to the handloom sector. With mill cloth regulating the market price, there is no need to offer handloom fabrics at economic prices. Nor need there be any apprehension about their disposal, for the simple reason that only a limited quantity of mill cloth will be made available to the consumer.

Consumer Neglected

Unfortunately, in this scheme of things the consumer's interests, which, after all, are paramount, are apt to be forgotten. Only three years ago the Union Minister for Commerce and Industry made these observations:

> "It seems that consumers all over India want mill cloth which is cheaper. We cannot ignore the consumer's interest, which is the primary one with which we are concerned. We cannot ignore it, particularly at a time when he wants more cloth, and we cannot reject this aspect of the question and accept a narrower view."

What then should be done to eliminate the conflict of interests between the two sectors and to promote the good of the industry as a whole? First, there should be no "stabilisation" of mill production at any arbitrary level. In the years to come, there is bound to be an increase in the demand for cloth due to the growth of the population at the rate of 4½ millions a year and to a steady rise in the community's standard of living. Cheapening of cloth prices by adopting rationalised methods of production, for which a plea will be presently made, will further broaden the demand for this article of necessity.

It would, therefore, be wise to keep the production targets flexible as a safeguard against any shortage of cloth supplies in the country. If this is not done, we are likely to revert to the era of controls and of siege economy. Since, however, targets have got to be indicated in the second Plan, the present ratio of 3 to 1 in regard to mill and handloom production should be retained. The draft Plan envisages an output of 8,700 million yards of cloth from the two sectors. Twenty-five per cent. of this production, namely, some 2,200 million yards, may be earmarked for handlooms. This would mean that the present output of 1,600 million yards by the non-mill sector should be increased by 600 million yards by the end of the second Plan period. This allocation appears to be far more realistic than the Kanungo Committee's recommendation for a hundred per cent. increase in handloom production in five years.

Handlooms Must Be Modernised

Secondly, energetic steps should be taken to modernise the handloom industry on the lines of the conversion scheme recommended by the Kanungo Committee. As the Committee has rightly pointed out, "the pure and simple handloom is and must be a relatively inefficient tool of production" for the manufacture of ordinary fabrics, as distinct from cloths of elaborate design. The wages of the thousands of workers engaged in this backward industry are low and will remain so, thus condemning a large section of the community to a permanently depressed life. In modernisation alone lies the salvation of the weaver.

Modernisation of Mills

Lastly, the rehabilitation and modernisation of the mill industry must be undertaken by shedding all hesitations and prejudices against this healthy and essential reform. There has been a lamentable lack of realism in the approach of the policy-makers to this question, as the following quotations will make it abundantly clear. In the first Five-year Plan, the Planning Commission says thus:

> "The progress of rationalisation should at the same time be facilitated so as to reduce costs. Musters should be standardised and workloads fixed to this end. Side by side, working conditions should be made uniform. Fresh recruitment should be stopped and vacancies caused by death and retirement should not be filled."

In other words, the Planning Commission has no objection to the reduction of redundant labour force through natural wastage.

The resolution on rationalisation, passed by Parliament in September 1954, makes no advance whatsoever on this unnecessarily cautious policy. The resolution reads thus:

> "The House is of opinion that rationalisation of the textile and jute industries, where it is necessary in the country's interests, must be encouraged, but the implementation of such schemes should be so regulated as to cause the least amount of displacement of labour in those industries, providing reasonable facilities for the employment of such displaced labour."

The Kanungo Committee, which studied the rationalisation issue, was impressed by its need, particularly for the purpose of imparting greater competitive power to Indian cloth in foreign markets. It accordingly recommended the replacement of plain looms with automatic looms at the rate of 5,000 looms a year "so that one half of the existing loomage may be converted into automatic looms over a period of 20 years."

The Committee, however cancelled out its own recommendation by saving that rationalisation should be undertaken "in consultation and agreement with labour, or at least according to principles which Government after a full consideration of the matter may lay down." This lukewarm support of the Committee for rationalisation is hardly surprising if it is remembered that even on the question of converting uneconomic mills into viable units by putting up more looms, its attitude was most unhelpful.

Thus, the absence of a firm policy on rationalisation has turned the issue into a deadlock. Having secured the right of veto, labour is loth to surrender this weapon. It has no great interest in the method of natural wastage, even though its spokesmen are pledged to its implementation. In fact, "rationalisation without tears" has become a meaningless slogan, because the very principle of rationalisation is being bitterly assailed. The prolonged strike at Kanpur provides conclusive proof of the determination on the part of at least one section of labour leadership to fight rationalisation tooth and nail.

No Enemy of Labour

And yet if a long-range view is taken, rationalisation will not be found to be the enemy of labour. Much of the machinery now in use in many of the mills is old and worn out. The Working Party for the Cotton Textile Industry has furnished some useful information regarding the state of the industry's productive equipment. A survey of 111 mills, situated in different parts of the country, has revealed that 45,393 looms were installed prior to 1910, 23,375 looms during 1910-25 and 23,130 looms after 1925.

The following comparison of the productivity of Indian textile workers with that of their counterparts in other textile producing countries will be found instructive.

Countries	No. of spindles handled by one operative	No. of looms handled by one operative
United States	1,500—2,100	60 automatic
Japan	1,600—2,000	{30-40 automatic 14-15 ordinary
Britain	800	6 ordinary
India	350*	2* ordinary

* Average.

The issue is simple. With such a debilitated equipment and with such low standards of work, would it be possible to maintain a high degree of efficiency in the industry? Can India expect to export 1,000 million yards of cloth annually and maintain shipments at that level in the face of growing competition in a steadily shrinking world market? Lastly, will not employment opportunities decline if the industry is not in good health?

Rationalisation should, therefore, be looked upon as a beneficent instrument for reducing costs and prices when alone it will be possible to stimulate higher production, consumption and employment. By minding new and more machines, the worker will earn higher wages and thus raise his standard of living. With the probable increase in the demand for cloth in the coming years, the industry may have to expand production. In that event, it may become possible to adopt improved methods of production without having recourse to retrenchment. It is only in such favourable circumstances that the volume of employment in the industry can be maintained at the present high level.

Benefits To Others

Lastly, a vigorous policy of machinery modernisation will give a great fillip to the textile machinery manufacturing industry in the country. Thanks to the Government's solicitude, the machinery manufacturing industry is gradually coming into its own. The estimated rehabilitation requirements of the cotton textile mill industry, in the shape of renewals and new equipment, are valued at Rs. 300 crores. With a steady flow of orders for plant and machinery, the textile machinery industry, which has at present a capital investment of Rs. 5 crores, will receive the necessary incentive to expand its activities. The development of such an important industry will be a national asset.

The conclusions that emerge from this survey may be briefly set down here:

(1) There is no inherent conflict of interests between the mill and the non-mill sectors of the cotton textile industry and so all measures taken on the basis of this assumption should be reconsidered.

(2) The production targets for the two sectors should be flexible and should be determined strictly in terms of the ability of each sector to fulfil its assignment.

(3) All oppressive restrictions on the mill industry should be removed so that it may continue to serve the nation by producing cheap and durable cloth and by earning valuable foreign exchange through exports.

(4) Reforms like rationalisation and modernisation should be boldly undertaken by recognising their abiding value to the nation.

(5) Lastly, it must be remembered that, being second in importance only to agriculture, a healthy and vigorous textile industry becomes a tower of strength to the national economy.

The following quotation from the Report on Small Industries in India by the International Planning Team of the Ford Foundation makes a fitting conclusion to the present discussion:

> "The Indian market is one of the largest potential domestic markets in the world. If this market is fully developed in both the cities and the villages, it can stimulate perhaps the greatest industrial revolution ever seen, and make India one of the foremost producing and consuming areas in the world."

All our energies must be bent on realising this glorious objective.

WORLD COTTON TEXTILE POSITION

PRODUCTION AND EXPORTS RECEDE

THE international trade in cotton textiles is expected to suffer a recession during the current calendar year, according to a forecast of the Japan Cotton Spinners' Association (J.C.S.A.), made in the course of an interesting article published in its latest quarterly report. After surveying the developments in the domestic and foreign cotton textile scene, the Association observes that the world cotton yarn and piecegoods trade (and production), which had continued to keep up high levels during last year, has, since the start of 1955, been showing a strong tendency to decline. Indeed, it points out that the world cotton textile trade, which had followed an upward path since 1953, "has struck the ceiling for the time being and even started to drop." The aggregate exports of cotton piecegoods from the nine principal producing countries—Japan, the U.K., the U.S., India, France, Italy, Belgium, Western Germany and the Netherlands—during the first quarter of 1955, for instance, are estimated at less than 1,100 million square yards, which compare unfavourably with 1,240 million square yards in the previous quarter (that is, October-December, 1954), or a drop of more than 11 per cent. On this basis, the total exports for the whole of 1955 may be estimated at 4,400 million square yards, as against nearly 5,000 million square yards in 1954. The fall in piecegoods exports from India during the quarter under review as compared with the previous quarter was of the order of 22 million yards, the quantity shipped being 190.22 million yards, as against 212.00 million yards.

The setback to the cotton goods trade is attributed to slackness in both domestic demand and export business of Japan and the West European countries. The downward tendency is expected to become further pronounced and export rivalry intensified in the coming months. This view is based on three factors, namely, (1) stricter import restrictions in various countries, (2) efforts on the part of leading cotton goods producing countries to sustain their export levels, and (3) the entry of minor textile producing countries into the world export business.

In view of the aforesaid disquieting trend in the world cotton textile trade, the J.C.S.A. asserts that the Japanese cotton spinners and weavers should direct "energetic efforts" to promote export trade in cotton products, while adjusting the demand-supply situation by means of the mill operation curtailment. At the same time, it urges the Government to adopt "effective measures for boosting exports of cotton piecegoods." These words of the Japanese Cotton Spinners' Association apply with equal force to cotton textile interests and the powers-that-be in our own country. It was only two weeks ago that it was pointed out in these columns that India's exports of mill cloth during the current year would be lower than those (898 million yards) in 1954, unless fresh steps were taken without any further delay to increase the competitive capacity of Indian textiles. Viewed thus, the forthcoming visit of the Indian textile trade delegation to Burma, Thailand, Malaya, Indonesia and Ceylon—these are some of the most important adjacent markets for Indian cotton piecegoods—will be quite timely. The delegation which is leaving Bombay today will make an on-the-spot study of the market, assess the extent of their requirements of cotton textiles, study consumer preferences in the wake of changing dress habits and investigate other incidental problems vital to the promotion of exports.

To revert to the J.C.S.A.'s survey of the world cotton yarn and piecegoods market during the three months ended March, 1955. There are two outstanding developments of this period to which the J.C.S.A. has made particular reference. First, the prices of British cotton yarns registered a decline. Secondly, the dual prices of Japanese yarns for export and domestic trade disappeared.

Thanks to reduction in offtake—domestic and foreign—the production of cotton textiles in the aforesaid nine countries began to slide downwards with the advent of the new year (1955). During the first quarter of the year, not more than 6,830 million square yards of cloth came off the looms in those countries, a drop of almost 100 million square yards as compared with the October-December quarter of 1954. It is recalled that total cotton goods output in the nine countries during 1954 amounted approximately to 27,000 million square yards, setting a new high record in the entire history of the world's cotton industry. In India, however, the performance on the production front during the quarter under review was quite encouraging, the quantity of mill cloth actually produced being 1,268 million yards, as against 1,245 million yards three months before. But the upward trend has been checked in the last two months, the estimated production of cloth declining from 429 million yards in March, 1955 to 418 million yards in April and 401 million yards in May.

It will be interesting to note, in this connection, that production of cotton textiles in Japan recorded a distinct improvement during the month of April, 1955. The output of fabrics in that month is estimated by the Ministry of International Trade and Industry at 341.63 million square yards, which represents a rise of 6 per cent. over the previous month. The rise in cloth production followed an increase of 7 per cent. to 206,600 bales in the output of yarn, the number of spindles that worked being 7,838,000. As compared with March, the operation rate advanced from 90.8 per cent. to 97.7 per cent. The market for yarn, however, was depressed and trading was inactive, raising the stocks as at the end of April by 5 per cent. to about 62,000 bales. Owing to depressed market, stocks of fabrics were also higher by 10 per cent. at 146.50 million square yards.

WORLD TEXTILE TALKS

A six-day conference of 80 delegates from the textile industries of 15 countries will commence at Ostend in Belgium on Friday next week. An announcement to this effect has been made by the International Federation of Cotton and Allied Textile Industries. The conference is at the invitation of the Belgian Cotton Spinners' and Weavers' Association and the Ghent Cotton Exchange. Observers from the U.S. are expected to attend the conference. Besides the meeting of the Committee of Management, meetings will also be held of the Federation's joint Egyptian cotton, raw cotton merchants, European affairs and international liaison committees. Considerable trade interest, it is said, attaches to the discussions among raw cotton interests, in view of the Egyptian Government's decision to reopen the Alexandria futures market with effect from the beginning of the ensuing cotton season.

(Concluded from next column)

FUTURE OF COTTON

CAN IT FACE COMPETITION FROM MAN-MADE FIBRES?

THE increase in the production and consumption of man-made apparel fibres has underlined the need for the producers of cotton, the natural fibre, to become more than merely academically conscious of the importance of promoting the uses of cotton. The consumption of cotton has no doubt increased in recent years. So has that of synthetic apparel fibres. Indeed, the consumption of synthetic fibres has advanced far more rapidly than that of cotton. But it is heartening to note that cotton men in the U.S. are not greatly perturbed by this trend, and that they believe that the natural fibre will be able to hold its own against the the synthetics. At the recent annual session of the American Cotton Congress, Mr. Burris C. Jackson, Chairman, declared that a "magic valley of opportunity" lay before the cotton industry.

Although cotton's position as a apparel fibre has not been seriously threatened, there is no doubt that its consumption has risen less rapidly than the increase in world population. Between 1938-39 and 1953-54, the consumption of cotton increased from 6,370,000 tons to 7,250,000 tons, whereas that of man-made fibres increased from 632,000 tons to 2,054,000 tons. The average *per capita* consumption of natural fibres in the 1934-38 period was 8.5 kg. (average) but it declined to 8.4 kg. in 1953; over the same period, the *per capita* consumption of man-made fibres rose from 0.3 kg. to 0.8 kg. Again, in the 1934-38 period, cotton accounted for 80 per cent. of apparel fibre consumption, wool for 12 per cent. and man-made fibres for 8 per cent.; in 1953, the consumption of cotton and wool declined to 69 per cent. and 11 per cent., respectively, whereas that of man-made fibres increased to 20 per cent.

These facts suggest that there is a tendency for synthetic fibres, particularly rayon, to invade the realm of cotton. In the ultimate analysis, the determining factors are, of course, price and quality. So far as price is concerned, cotton is at a disadvantage. Since its production cannot be as neatly planned as that of rayon and other synthetics to match the size of the market, its prices are subject to wider fluctuations than those of rayon. As regards quality, cotton does enjoy certain unique features which give it a pre-eminent position as a textile fibre.

The superior characteristics of cotton include, as Mr. Jackson himself pointed out, launderability, absorbency, strength, durability, resistance to heat and adaptability to dyes. Its versatility, he added, is so great that it can be made into fabrics with great warmth or into others which cannot be matched for coolness and comfort. He pointed out that with special finishes, one kind of cotton print cloth can be transferred into one of 20 different kinds of effects, pique, taffeta, crepe and many others.

But the quality of man-made fibres too is being improved through research. Mr. Jackson said, referring to the U.S., "today, cotton, besides rayon, faces its major competitors—orlon, nylon, dacron, dynel, acrilan, saran, vicara, fibreglass and paper. The research and promotion programmes of the synthetic producers are many times greater than those which disturbed us back in the thirties." He, however, noted that, in the face of all this competition, cotton's total domestic market (that is, in the U.S.) had expanded by 50 per cent. in the last 15 years. He added: "We have an unswerving faith in our product and are working intelligently and unceasingly to improve and promote it."

Since it is research that has enabled the man-made fibres to replace cotton in certain spheres, it is again research and promotional programme that can help cotton hold its own against its rivals. Attention to this aspect of the cotton problem was called by Mr. W. R. Blake, Vice-President of the U.S. National Cotton Council, at the Cotton Congress. He said:

"In 1953, I reported to you that a single development in rayon research had cost us our biggest market—500,000 bales a year for tyre cord.... We were researched out of a market which, over the last three years, would have amounted to a million and a half bales. If cotton could have held this single market, the present surplus would be less by almost a fourth and growers would not be facing nearly so bad a problem in present and prospective acreage controls."

Mr. Blake revealed that the Council would shortly establish market research and sales promotion programmes abroad. He emphasised that cotton had to meet competition on three big fronts—quality, promotion and price—and that research had an all-important bearing on each one. Research had to be used to develop new

(Continued in previous column)

CONTROVERSY OVER FUTURE SIZE OF TEXTILE INDUSTRY

TRADING IN LONG-STAPLE COTTON CONTRACT LIKELY TO BE RESUMED

By A Special Correspondent

MANCHESTER, 14th June

SPECULATION over the future size of the cotton industry in the U.K. has been a constant subject for controversy in recent years no less than in the past. It is generally accepted that the time has come when a contraction in the purely physical size of the trade is inevitable, yet without necessarily involving further curtailment of productive capacity.

MANCHESTER LETTER

Commenting on the imported cloth problem, Mr. J. F. Simpson, Chairman of the Cotton and Rayon Merchants' Association, said at the annual meeting: "It is quite impossible to develop a profitable export trade when the home market is being undermined. Merchants have no confidence to produce, not knowing how much greater the volume of importation may become as a result of unrestricted entry of goods from the low-cost producing countries. As a result, we have entered into a further period of contraction in the industry, which is already reaching a point that will cause it to be too small a size to provide the strategic needs of the country in the event of war or increased international tension."

Export Markets

More and more, prominent figures in the trade are linking this need for the maintenance of a stable industry at home with the ability to compete in export markets. Mr. A. N. de Thier, Chairman of Balstone, Cooke and Rayonese, Ltd., the manufacturing and merchant business, declared in his annual statement that purchase tax had ruined Lancashire's world-wide export reputation for quality goods. European and American competitors were taking its place in export markets, while at the same time India and Japan were killing trade in the coarser and cheaper lines.

On the assumption that Lancashire would have to face a shrinking overseas market and high tariff walls, Mr. de Thier said he felt with other trade leaders that more mergers of important firms and a contraction in the number of small mills and merchanting houses was a practical suggestion.

The union attitude, however, is so far antagonistic. Mr. Charles Schofield, for the Operative Spinners' Amalgamation, has described the scrapping of older mills and the concentration of production in the most modern units as "quite impracticable." He contends that a considerable number of mule spinners and their assistants would suffer redundancy in consequence, despite assurances that technicians and operatives would be found employment at other mills.

Shortening order books and the prevailing uncertainty are affecting recruitment of young workers to the Lancashire cotton industry. Only 11.1 per cent. of all the Easter school-leavers in the principal Lancashire mill towns entered the cotton industry. The comparable figure for last year was 14.5 per cent. and the highest Easter intake in post-war years was 16.9 per cent., recorded in 1951.

A Cotton Board spokesman said that the smaller recruitment figures were almost certainly due to present conditions in the industry. "Recruitment seems to react quickly to the state of trade but, happily, it appears to pick up quite quickly when trade improves."

Long-staple Cotton Contract

Raw cotton traders in Liverpool and Manchester have welcomed the decision of the Egyptian Government to reopen cotton futures trading in Alexandria in September. The development was regarded as a favourable move which should assist the fine spinning trade in Lancashire to obtain greater protection against price fluctuations.

Ever since the reopening of the Liverpool cotton futures market in May, 1954, there have been complaints from users of the finer types of cotton that the reliance on a single American contract placed them at a disadvantage when endeavouring to secure cover against price movements. According to a statement made by the Liverpool Cotton Association it will now be possible to reopen futures trading in long-staple cotton simultaneously with the re-establishment of the Alexandria futures market.

Describing the decision of the Egyptian Government as "a most constructive and welcome development," the Liverpool Cotton Association said it would provide Lancashire and other consumers with much needed hedging facilities for Egyptian type cotton. The Directors of the Association are shortly to decide their course of action. A draft long-staple futures contract has already been prepared but, the Association pointed out, many technical details will have to be quickly settled if a simultaneous reopening of the two markets in September is to be achieved.

It has also been announced that a delegation from Egypt would arrive in Liverpool towards the end of the month to discuss further details. This follows the visit paid to Egypt last November by leading representatives of the Liverpool Cotton Association who urged the reopening of the Alexandria market. At that time the difficulty of starting futures trading in a long-staple contract in Liverpool without a reasonably free marketing system in Egypt was pointed out.

Raw cotton traders in Liverpool are very gratified that their arguments in favour of reviving futures operations in Alexandria have been accepted and that the same trading safeguards as Liverpool are to be introduced.

On behalf of the spinning trade, Mr. C. Henniker Heaton, Director of the Master Spinners' Federation, described the action of the Egyptian Government as a welcome development which should create more favourable trading opportunities for Lancashire spinners of high quality yarns.

Hopes that the Lancashire textile industry will now be able to expand its exports to India as a result of the cut in tariffs were expressed by Mr. E. A. Midgley, United Kingdom Trade Commissioner at New Delhi, when he began a three-day visit this week for discussions with exporting firms in the Lancashire area.

"This pretty substantial reduction in duty should create opportunities for Lancashire," he said. The British textile team which recently visited India did a very good job and it was to be hoped that their efforts would bear fruit in better sales of Lancashire textiles in the Indian market.

Speaking at the Manchester Chamber of Commerce, Mr. Midgley said India was determined to industrialise and her second Five-year Plan, now about to be launched, would put the emphasis on industrial expansion.

Considerable success had already attended India's industrialisation efforts and developments in this field included the production of textile machinery, including spinning frames, carding machines, looms and textile accessories. "India is now starting to make a fair amount of textile machinery," added Mr. Midgley.

But Britain was holding its position as the predominant exporter to India with sales running at more than £100 million a year. India's economy was now changing from the production of consumer goods to producer goods and if British firms could adapt themselves to this gradual change there was no reason at all why they should not retain their position in the Indian market.

Group Buys Towel Mills

Further expansion in activities of Fine Spinners and Doublers Ltd., the Lancashire textile combine, is foreshadowed by the acquisition of W. M. Christy and Sons, Ltd., the old-established Manchester towel manufacturing firm.

An offer to purchase the whole of the £115,000 issued capital of Christys has been accepted by over 90 per cent. of the holders. The Fine Spinners group plan to continue production of high quality towels on the machinery owned by W. M. Christy and Sons, the mills of which contain 20,000 ring spindles, 1,800 doubling spindles and 540 looms. The firm was constituted in 1874 and has for many years been noted for quality towel manufacture.—*All Rights Reserved.*

A reference to export trade and the U.S. cotton policy has been made by Mr. W. H. Marr, Chairman of James Finlay & Co., Ltd. in the course of his statement, accompanying the report and accounts of the Company for the year 1954. Referring to the Company's mills in the U.K., he says:

"Our sales have been mainly in the home market. Competition from other manufacturing countries is making export business very difficult, and the uncertainty that exists as to what America may do with her huge surplus cotton stocks has a dampening effect on consuming markets and causes more or less hand-to-mouth purchasing both of cotton and of cotton fabrics. To date this year our sales, except for towels, have been reasonably satisfactory and, in the absence of any unforeseen events and with the abolition of Purchase Tax, I am hopeful that a year hence I may be able to report favourably on the working for the current year."

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SUGAR INDUSTRY IN MADHYA BHARAT

STEPPING UP OF CANE SUPPLIES URGED

DESPITE the repeated stress laid on the need for the maximum utilisation of the sugar industry's installed capacity, the progress actually achieved by the sugar mills in Madhya Bharat is none too encouraging. An indication of this is provided by the wide gap that still persists between installed capacity and actual output. The production of sugar in the current (1954-55) season, for instance, is estimated at not more than 280,000 maunds, as against the capacity amounting to 800,000 maunds. Such a low level of output is the result of poor crushing operations following inadequate supply of cane. Thus, during the season under review, the five sugar mills of Madhya Bharat together crushed about 310 million maunds of cane, which represent a bare 37 per cent. of the annual installed crushing capacity of 8.2 million maunds. The duration of the crushing season was very short, being only 50 days.

An explanation for this poor performance is provided by the Madhya Bharat Sugar Mills' Association in a communication addressed to the Chief Minister of the State. The chief factor responsible for the low level of crushing operations by factories is the inadequate supplies of cane. This, in turn, is due to frequent droughts, lack of irrigation facilities to cane growers and paucity of necessary roads for moving cane from fields to factories. The Association has, therefore, urged the State Government to launch a scheme for both intensive and extensive cultivation of sugarcane and to ensure adequate facilities for transport of cane. Otherwise, the sugar mills and the cane growers will, it warns, ever remain at stake. Emphasising our well-known slogan that sugar is produced in the fields and not in the factories, it points out that cultivation of good quality cane to the extent required by the factories, namely, 8.2 million maunds, would mean a payment of about Rs. 1.25 crores to farmers and production of 800,000 maunds of sugar which would make the State self-sufficient, not to speak of the contributions to the State exchequer by way of excise duty, sales tax, etc.

Irrigation Facilities

The Association has drawn the special attention of the authorities to the need for better irrigation facilities and makes the following observations:

" . . . the maximum crush by all the factories together achieved was only 5.50 million maunds of cane in 1948-49, while the total crushing figure is down at 2.17 million maunds in 1952-53 for the five factories, which means that, when the supplies were at the lowest, all the factories crushed only one-fourth of the total installed capacity of 8.22 million maunds. Sugarcane is a crop which needs water all the year round and, to provide adequate supplies of cane to the factories to keep them working, like the sugar factories in U.P., Bihar and other States for at least 120 days, increased irrigation facilities are most imperative. No good will come out of any fertiliser scheme, Community Project, seed improvement scheme, model farms, etc., if the cane grower cannot be assured of water for his crop, especially in the dry summers. Irrigation schemes are already before the Government since long, but we regret to say that, under the Five-year Plan, when by now 75 per cent. of the money which ought to have been spent on them, only 32 per cent. has been spent so far and very little, indeed, in the sugarcane zones. Existing irrigation schemes should be improved and new ones provided for where necessary."

In this connection, the Association has put forward three specific suggestions. First, bunds should be built along small rivers and *nalas*. Such bunds will keep in storage huge quantities of water which will be available to the farmers for growing sugarcane (as also other crops). Secondly, existing wells should be repaired and deepened and new ones constructed. The sugar mills have been informed that the sinking of tube-wells is not possible, because the soil is strong. This difficulty can, however, be got over, if power-boring machines which cut through rocks are acquired. Tube-wells can irrigate very large areas and do not dry up in summer. They have proved a great success in Uttar Pradesh and other parts. Some trial bores can be made in factory areas. Thirdly, pumping sets must be supplied to the cane growers who have no canal irrigation and who grow more than 4/5 *bighas* of cane every year.

The plea of the Madhya Bharat Sugar Mills' Association for provision of increased irrigation facilities is fully justified, considering that irrigation is the most important problem in the hot and dry areas such as Madhya Bharat. Good standing crops of cane, we are told, wither away in hundreds of acres from hot sun and dry wind. This state of affairs is likely to kill the sugarcane crop and with it the sugar industry as well. As the Agriculture Commissioner to the Government of India has rightly stated, in a letter written to the Director of Agriculture, Madhya Bharat, in the agricultural development plans for the State, highest priority should be given to increasing supplies of water in the sugar factory zones. The existing supply of water must also be raised by tapping catchment areas in other *nalas* to store water to the maximum extent during monsoon months for utilisation in the *rabi* and sugarcane seasons.

"Takavi" Loans

The Madhya Bharat Sugar Mills' Association also wants the Government to advance *takavi* loans for purchase of tractor implements, seed-cane, bullocks, and fertilisers and manures. According to it, the present rules and procedure for granting these loans are very rigid and there is a great deal of red-tapism. The delay, it is suggested, can be avoided, if loans are given to cultivators through the sugar mills. This suggestion is based on three considerations. First, the cane growers will get the loans in time and not have to run from official to official. Secondly, the factories are in a better position to see that loans given to cultivators are utilised for the purpose and are repaid in time. And thirdly, because of delays and the urgent need of cultivators, the co-operatives are exploiting the situation; they are advancing loans at exorbitantly high rates of interest—as much as 9 per cent. in some cases.

Besides irrigation facilities and *takavi* loans, the Association urges the necessity for the construction of *pucca* roads from fields to the factories. As regards the provision of improved and good variety seeds, it considers that the cultivator being ignorant to make the right choice, the distribution by the Government on loan basis is desirable. It is suggested that this distribution, too, should be through the factories to selected farmers. Along with seed, a liberal supply of fertilisers and manures is equally important for raising cane yields and improving quality. The Association further suggests introduction of Community Projects in the areas round about the sugar factories and reduction of areas devoted to opium cultivation which lie near to the factories. Another important suggestion put forward relates to the reduction in railway freight on cane. In support of this plea, it observes:

"Rail-borne cane is very costly to the sugar factories in Madhya Bharat, as the same has got to be transported from long distances and dries up in transit. The existing freight charges on sugar-cane traffic are nearly 300 times those prevailing in 1947-48. The transport charges, in some cases, come to as much as As. 10 per maund, as against which a rebate of only As. 2 per maund is allowed by the Government in rail cane price and the rest has to be borne by the factories. It is, therefore, most imperative that the other railway authorities should be requested to reduce the freight rates for Madhya Bharat as a special case or the Central Government should allow more rebate on rail cane, so that the production cost of sugar in Madhya Bharat may not be very high and uneconomic."

Tax Relief

Turning to the manufacturing side of the sugar industry, the Association points to the heavy incidence of sales tax on sugar, which in Madhya Bharat is 12 pies per rupee, as against six pies in U.P. and no sales tax at all on sugar in the neighbouring States of Rajasthan and Bhopal. This, it is said, encourages smuggling of sugar into Madhya Bharat, resulting in loss of revenue to the Government and creating difficulties for the sale of sugar by the mills. It is accordingly urged that the sales tax on sugar be reduced to six pies per rupee. Another important suggestion made by the Association relates to the imposition of a ban on manufacture of *gur* by power-crushers in the factory areas.

Proceeding, the Association requests the State Government to recommend to the Centre that the factories in the State be allowed to sell the 25 per cent. stock of sugar in the free market. Now that stocks of imported sugar lying with the Government are heavy, reservation of 25 per cent. of output is considered to be unnecessary and will only result in loss to factories on account of blocking up of capital and downward trend in prices. The Association also appeals to the State Government not to implement its proposal of establishing a new factory in the Morena area until supplies of cane become more than what are actually required by the existing factories.

Considering the useful role which the sugar industry plays in the economy of Madhya Bharat, the Government should carefully examine all the proposals put forward by the Association and implement them in right earnest. The sugar industry is the second largest industry in the State with the interests of a vast number of agriculturists inextricably involved in it and providing gainful employment to as many as 5,000 workers. The industry also contributes substantially to the Governments—Central and State—in the form of sales tax, cane cess, income-tax, land revenue and excise duty.

CO-OPERATIVE SUGAR MILL AT DEODALI

Of the 12 co-operative sugar mills proposed to be set up in Bombay State in the next few years, one has taken concrete shape. The foundation-stone of the *Rahuri Sahkari Sakhar Karkhana* at Deodali in the Ahmednagar District was laid on Saturday last by Mr. B. S. Hiray, Minister for Revenue and Agriculture, Government of Bombay. This factory has been sponsored by the agriculturists of Rahuri who have already collected Rs. 7.5 lakhs and are trying to collect another Rs. 2.5 lakhs. The State Government will invest Rs. 10 lakhs and the Bombay State Financial Corporation will lend Rs. 40,000. The factory, it is said, commands 3,000 acres of sugarcane plantation from 40 villages. It is expected to go into production next year. The rate of sugar output is estimated at 1,100 bags per day.

In the course of his speech on the occasion, Mr. Hiray stated that the agriculturists had accepted the challenge to start industries on a co-operative basis and the Government had also full faith in the ability of agriculturists. He pointed out that the proposed factory would repay the agriculturists' share amount "within a couple of years." Characterising the co-operative sugar mills as a definite step towards the goal of the socialistic pattern of society, Mr. Hiray said that the profits of the 12 co-operative sugar factories to be started in Bombay would go to 2,400 peasants, instead of to 12 capitalists.

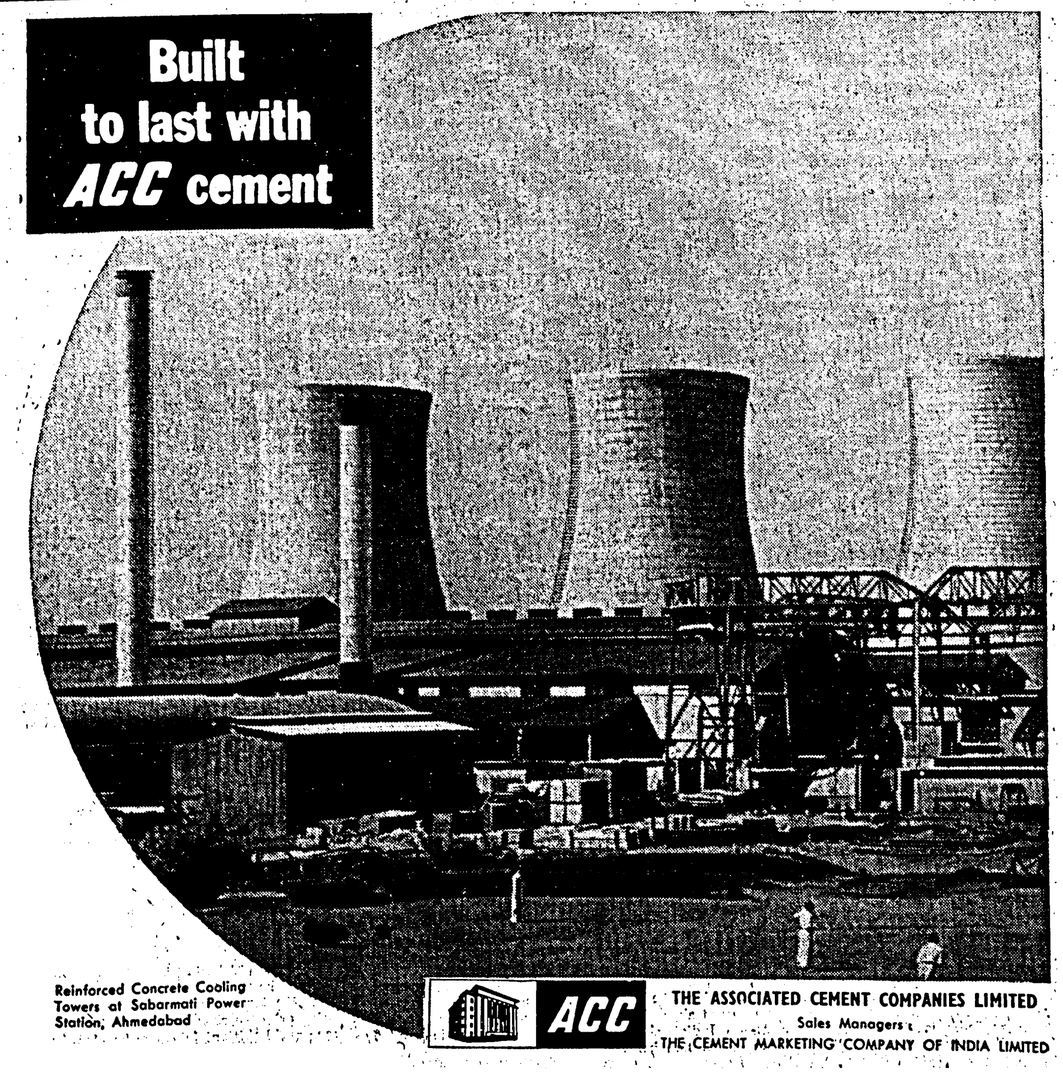
RED ROT OF SUGARCANE

A careful examination of sugarcane setts before planting helps to keep down red rot, according to the Indian Council of Agricultural Research. Cane should be taken from plots specially raised and from where diseased clumps have been removed and destroyed, as a first step towards raising a disease-free crop. Before planting, the cut ends of the cane should be examined, and those showing even a trace of reddening should be rejected.

The field in which cane is planted should also be free of red rot infection. In order to ensure this, agricultural experts recommend that all trash and cane stubbles of the previous crop should be carefully removed and a rotation followed in which cane is not grown for two years subsequent to any serious red rot infection. If some canes are still found infected with the disease, the entire clumps containing the diseased canes should be removed and burnt. If infection is heavy and occurs early, then the field should be ploughed up and the setts and stubbles burnt. The field must be either kept fallow or sown with some other crop. If, however, infection comes late in the season, the crop should be cut and crushed as early as possible. In both the cases, the field should not be planted with cane for some time.

The reservation of a well-drained piece of land for growing sugarcane for seed material is being recommended, largely as a means of getting disease-free crops, by the Indian Council of Agricultural Research. On such a plot, carefully selected seed material should be planted and observed frequently for the appearance of diseases like red rot, smut and other diseases of cane. Whenever a disease is noticed, the affected clump should be removed and destroyed. The quality of seed can also be improved by giving the seed nursery special manurial and cultural treatment. Experience has shown that seed material from such nurseries is superior to that from ordinary fields, and gives a better germination and an even stand of the crop.

The five-man sugar delegation deputed by the Central Government to Australia and Indonesia will be leaving India this week. The delegation is expected to spend about five weeks in all in these countries studying the various steps taken for the proper development of the sugar industry and seeing how far these measures can be applied to India for tackling the problem confronting its sugar industry. The delegation is led by Mr. P. A. Gopalkrishnan, Joint Secretary to the Union Ministry of Food and Agriculture and Chairman of the Development Council for Sugar Industry. The other members of the delegation are: Sardar Lal Singh, M.P., Mr. Madhav Lal N. Pittie and Mr. S. S. Kanoria. Mr. K. P. Jain, Deputy Director (Sugar), is the Secretary of the delegation.



MARKETING OF WORLD COFFEE

LATIN-AMERICAN PRODUCERS' MOVE TO STABILISE PRICES

AT a meeting held in New York recently, the coffee producers of Latin America are reported to have reached an agreement, subject to the approval of their respective Governments, on a scheme for regulating coffee export quotas of producing countries. The object of the scheme is to stabilise the world market in this commodity. According to the scheme, Brazil would be allowed to export 15.35 million bags during the year 1955-56 (beginning on 1st July) and Colombia 5.65 million bags, while fourteen other countries would share the export of 5.25 million bags. The surplus coffee remaining in these countries, it is stated, will be held in reserve until world demand increases. Among these countries, Brazil and Colombia, with their substantial reserve stocks, will have priority in meeting the new demand. It is expected that the Governments of Latin-American countries would approve of the scheme by the end of this month.

According to the June issue of the *Comercio Exteriro de Mexico*, a monthly publication of the Banco Nacional de Commercio Exterior, S.A., the eighth regular general assembly of the Central American-Mexican Coffee Federation (FEDECAME) which met in San Juan, Puerto Rico, in April last adopted unanimously a draft resolution, by which all the fourteen member-countries of the FEDECAME bound themselves to recommend to their Governments the establishment of an agency devoted to stabilise the prices of coffee and prevent violent fluctuations, which upset their production programmes and their economies in general. Besides regulating the surplus stocks, the assembly also assigned the International Coffee Bureau with the task of promoting coffee consumption, making studies of an economic-agricultural character, giving technical assistance and granting financial assistance.

It is not known whether the meeting of the Latin-American coffee producers in New York was independent of the meeting of the FEDECAME at San Juan or a sequel to it. Be that as it may, it is clear that the main coffee producing countries of the world are now taking steps to stabilise the world coffee market. The move on the part of these countries has been spurred by the substantial increase in world production and the steep fall in prices during the latter half of 1954. Further, fears are held that there would be a plentiful world supply of coffee during 1955-56. Brazil's crop is estimated at 17 million bags. The new plantings of the past years are now yielding good crop and the frost affected plants of last year have recovered. This crop, together with the present stock of 5 million bags, may bring about a decline in prices of grave consequence to the economic and political life of the countries for which coffee is the main source of dollar income. For example, coffee accounted for, in terms of value, 95 per cent. of Colombia's exports during 1953, 86 per cent. for El Salvador, 77 per cent. for Guatemala, 68 per cent. for Brazil and 66 per cent. for Haiti. In the case of Mexico, coffee represented only 16 per cent. of its total exports, but it is the second item on the list of its general exports. Any decline in coffee prices will, therefore, affect a very large sector of Mexico's economy as well. For the Latin-American countries as a whole, coffee accounts for 25 per cent. of the value of their total exports. In 1954, it formed 42 per cent. of the U.S. imports from all the Latin-American countries. It thus represents the main source of dollar income for many countries. The earnest attempts that are being made by these countries to stabilise coffee prices is, therefore, quite understandable.

If the scheme is officially accepted, it is likely to be extended and elaborated. The success of the scheme will depend on the effectiveness of the measures envisaged to encourage world consumption. It will also depend on the attitude of other producing countries in Africa and Asia and that of consuming countries, mainly the U.S. It would appear that the Latin-American producers expect some degree of support and co-operation from these quarters. A large measure of co-operation and support is sought from the U.S. which buys more than 60 per cent. of the coffee exported by the world.

So far as India is concerned, it is a relatively small producer, but it still enjoys an important and advantageous position in the world coffee trade on account of the excellent flavour and quality of its coffee. During 1954, it produced a record quantity of 29,500 tons. This, together with carry-over of 7,600 tons from the previous season, made a total supply of over 37,000 tons, the highest quantity in any one year in the history of the Indian coffee industry. The Government permitted a total export of over 10,000 tons during the year which earned over Rs. 7.5 crores, an amount more than the value realised on the sales of 21,450 tons in the internal market. The low price realised on internal sales is due to Government control over distribution and prices. Coffee is the only agricultural commodity to be marketed in India through a statutory board. The Government fixes the prices and the Board arranges marketing within the country at these prices. The quantity and the channels through which the distribution is to be made are also fixed by the Government. The quantum of export is also regulated so as to make available ample supplies to consumers in India at the lowest price possible. A good part of the difference between the world price and the controlled price for domestic consumption is skimmed off by the Government by levying a stiff export duty. India had a large surplus of over 15,000 tons above the home requirement during 1954, which was a year when world price of coffee advanced to over 3½ times the price fixed by the Government of India for internal consumption. The large crop, coupled with the profit made on exports, enabled the producers to more than make good the loss arising from the subsidy to internal consumers.

The prosperous year enjoyed by Indian coffee growers is not expected to be repeated. The current year's output is estimated at no more than 24,000 tons, with the result that the cost of production per ton will be higher, because there has been no fall in expenses. On the contrary, expenses have remained on the high side owing to the increase in wage bill. Taxation, too, has gone up. There has been a precipitous fall in the world price of coffee, the latest quotation from New York for Santos No. 2 being 60 cents per lb. as against 90 cents a year ago and an average of 110.3 cents for 1954. In keeping with this fall, the Government of India has, of course, reduced the export duty on coffee from Rs. 1,250 to Rs. 420 per ton. The subsidy to internal consumers payable by the producer has also been reduced to As. 2. Nevertheless, the profit-margin on exports has gone down to such an extent that the aggregate profits of producers in 1955 will be appreciably down. Viewed against this background, the move made by Latin-American countries to stabilise the price of coffee appears to be a beneficial one for this country.

WORLD CONSUMPTION OF RUBBER

The output of natural rubber in the world during April, 1955 amounted to 132,500 tons, bringing the total for the first four months of the current year to 570,000 tons, according to figures released by the International Rubber Study Group. Consumption in April was 155,000 tons and for the first four months 620,000 tons. Thus, during the first four months of 1955, consumption of natural rubber exceeded production by 50,000 tons. Stocks on 30th April aggregated 775,000 tons, which represented a decline of 65,000 tons from those at the beginning of the year, and were made up of 230,000 tons in producing areas, 370,000 tons (excluding Government-held stocks) in consuming areas and 175,000 tons afloat.

World production and consumption of synthetic rubber during the period January-April, 1955, balanced each other at 327,500 tons. Stocks as on 30th April, were 167,500 tons, a drop of 7,500 tons since 1st January.

(Concluded from next column)

1.5 million bales. But it remains to be seen how far Pakistan will be in a position to increase its exports to other countries. That depends on several factors such as the prices of jute goods in world markets, competition from substitutes such as cotton and paper bags and the ability of jute manufacture outside India to absorb Pakistan jute. At present, the world consumption of raw jute, including India, is estimated at about 9.5 million to 10 million bales. Of this, India's share varies between 5.5 million and 6 million bales.

JUTE ARRIVALS

MILLS USE MORE DOMESTIC FIBRE

FOR the past seven or eight weeks, there has been a growing feeling of optimism that till the arrival of the new jute crop, Indian jute mills need have no anxiety about the supply of raw material. This feeling has been borne out by arrivals of raw jute in Calcutta and mill stations during May, 1955. The arrival aggregated 311,000 bales of which 209,000 bales were of Indian origin and 102,000 bales of Pakistani jute. The total arrivals for the eleven months ended May, 1955, amounted to 5,300,000 bales, as compared with 4,896,000 bales in the same period of the preceding season, namely, 1953-54. The table below gives the trend of raw jute arrivals from Indian, as well as Pakistan sources during the first eleven months of the four seasons ended 1954-55:

Imports of Raw Jute into Calcutta and Mill Stations
(In 000's bales)

July to May	India	Pakistan	Total
1951-52	3,046	1,776	4,820
1952-53	3,805	1,213	5,018
1953-54	3,517	1,379	4,896
1954-55	4,262	1,138	5,300

Two broad trends in the arrival of raw jute into Calcutta and mill stations are revealed by the figures in the table above. First, raw jute supplies from Indian sources have registered a steady increase from 3.0 million bales in 1951-52 to 4.2 million bales in 1954-55, the setback witnessed in 1953-54 being an exception. Secondly, the reverse has been the case with the supplies of raw jute from Pakistan. Thus, arrivals from that country have slowly declined from 1.7 million bales in 1951-52 to 1.1 million bales in 1954-55, though there was a slight improvement in 1953-54. These distinctly opposite trends are due to the different raw jute policies followed by the Governments of the two countries during the past few years. Thus, the desire to be independent of raw jute supplies from Pakistan to the extent practicable made the Government of India encourage cultivation of raw jute in the States suitable for growing this crop on a scientific basis. The first Five-year Plan fixed a target of 4.0 million bales to be reached by 1955-56. Although this target was exceeded in 1952-53 when the crop amounted to 4.62 million bales, it was purely on account of the inducement provided to the grower by the abnormally high prices of raw jute. Accordingly, the performance in that year cannot be taken as normal and must be left out of account. Taking the subsequent years for study, it is seen that the progress made is not unsatisfactory and that the target is likely to be very nearly hit in 1955-56. The crop in 1953-54 was 3.12 million bales; it improved to 3.5 million bales in 1954-55. Current forecasts of the crop in 1955-56 are optimistic and envisage a substantially bigger output than in the season now drawing to a close. It must be mentioned, in passing, that, in laying stress on the need for increased production of jute, India is not unmindful of the fact that it will have to depend upon Pakistan for a sizable supply of superior quality fine jute. India's aim is not to attain self-sufficiency at any cost but only self-reliance.

While thus India followed a policy of expanding production of raw jute, Pakistan took strong measures for curtailing production mainly with a view to boosting the price of raw jute. Further, it wanted to reduce its dependence on India. It, therefore, adjusted its export policy for raw jute in such a way as to increase its exports to the U.K., the Continent and other parts of the world. In the result, the quantities despatched to India gradually declined while those sent to other areas registered a marked improvement as will be evident from the table below:

(In million bales)

	Exports from Pakistan to India	Exports from Pakistan to World
1948-49	3.9	1.7
1949-50	1.6	1.7
1950-51	2.5	4.2
1951-52	1.6	3.2
1952-53	1.5	3.7
1953-54	1.3	3.7

The trends disclosed by the table above are likely to be maintained in the coming years also. With the target for raw jute fixed at 5 million bales to be reached by 1960-61, India's requirements of Pakistani jute may be placed at about

(Continued in previous column)

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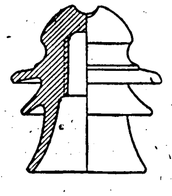

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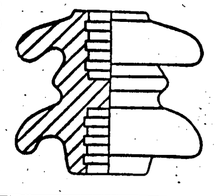

BRITISH INSULATED CALLENDER'S CABLES LIMITED

GROUP TURNOVER MAINTAINED TRADING PROFIT LOWER

MR. W. H. MCFADZEAN'S STATEMENT

THE Tenth Annual General Meeting of British Insulated Callender's Cables Limited was held on 14th June in London, England.

The following is an extract from the statement by the Chairman and Managing Director, Mr. W. H. McFadzean, C.A.

"Immediately after our annual meeting last June, Sir Alexander Roger, at his own request, relinquished the chairmanship and was unanimously appointed our first Honorary President.

"On Sir Alexander's retirement, the Board did me the great honour of electing me Chairman, and it will certainly be my constant endeavour, with the assured loyalty and support of all my colleagues, to justify the confidence placed in me.

"Following my appointment as Chairman, Mr. D. W. Aldridge was elected Deputy Chairman and, at the request of my colleagues, I accepted the position of Managing Director.

"Although the turnover of the Group has been maintained in total, profit on trading has fallen by £981,494 to £7,362,580, almost wholly due to lower profit rates. Many factors have contributed, but the two most important have been the uneven load and intensified competition.

"The falling off in demand in the first part of 1954 largely applied to home business, but the competition thus engendered was even more intensive throughout the whole year in export markets.

"Following the fall in trading profit one would have expected a decreased charge for taxation. This charge is, however, little altered at the immense sum of £2,736,162, as the benefit of the decreased tax payable this year following the lower profits, has, from a comparative point of view, been offset by the special credits brought into the 1953 accounts from (a) excess profits levy refund, and (b) the release of taxation provisions made in earlier years following settlement on several major outstanding points.

"Total assets now amount to almost £65,000,000 with reserves of one and one-half times the issued capital.

Copper

"As one of the largest fabricators of copper in the world the B.I.C.C. Group are vitally concerned with the supply and price of that metal. The supply position in this country during 1954 was normal, but the price increased substantially over the year and there were many wide fluctuations from day to day.

"The problem of introducing greater stability into the copper market is continuing to receive the active consideration of many parties. I hope in the interests of the country and the industry an early solution will be found.

"At home, we have fully maintained the overall level of business done with the various nationalised industries and the numerous industrial concerns and individuals who have all been our good customers for so many years.

"Conditions in the export field are certainly difficult, for in addition to competition, import into many countries is restricted through shortage of finance and/or the development of local manufacture. We are, however, making every endeavour to overcome all difficulties and more and more are attacking overseas markets by a Group effort.

"As stockholders know, our interest in overseas markets is a dual one, as, in addition to exports from this country, we have many substantial investments in manufacturing companies abroad.

"In Australia, all the companies in which we are interested, with one exception, showed improved results for 1954 and we are now starting to obtain the benefits of establishing B.I.C.C. (Australia) Pty. Ltd. to co-ordinate many of our activities there.

"Our new Canadian company, Phillips Electrical Company (1953) Ltd., had an extremely difficult year, for although turnover was maintained, competition was even fiercer than is usual in that country.

"The Indian Cable Company had another successful year, although profits were lower, mainly due to difficulties regarding copper supplies and lower profit rates.

"Although smaller than the three investments just mentioned, our holdings in manufacturing companies in New Zealand and South Africa—both of which had successful years—are of importance to us. In Pakistan, we look forward to the early start of operations in the factory in which we and certain other companies in this country are interested together with Pakistan nationals.

"During 1954, we made an important new investment overseas when we undertook to subscribe one-third (£1,000,000) of the ordinary capital of Ndola Copper Refineries Limited, the remaining two-thirds being subscribed by Roan Antelope Copper Mines Ltd.

"More and more products previously manufactured in Britain are being manufactured overseas and your Board are convinced that their policy is right in taking substantial financial and other interests in such overseas companies, and operating in growing partnership with the nationals of the countries concerned. But it must be emphasised that this is essentially a long-term policy, the full benefits of which will only accrue gradually.

Some Interesting Orders

"From Australia the Electricity Commission of New South Wales have ordered a further 17 miles of 132,000-volt 3-core impregnated gas pressure cable, a gratifying follow-on to the recently commissioned Rozelle-Homebush 132,000-volt contract which we carried out last year. In Queensland, we are supplying some 31 miles of aluminium sheathed I.P. cable to Brisbane City Council. This extensive development of their 33,000-volt network represents a bold engineering use of the technical and economic advantages to be obtained with our latest high-voltage cable techniques.

"In India, we have received an order for the supply and installation of some 9½ miles of 3-core 110,000-volt I.P. cable for the Tata Power Company in Bombay—the first pressure cable and highest voltage cable ever to be installed underground in India.

"We are supplying Portugal with their first 33,000-volt I.P. cables, and an 8-mile feeder is being laid for the Lisbon Tramways.

"In Porto Alegre, Brazil, we have just completed the first I.P. cable system to be laid in South America, while in Canada the Hydro Electric Power Commission of Ontario awarded us a contract for 115,000-volt oil-filled cables. A repeat order has since been received from this Canadian Authority.

"From New Zealand we received a contract for the supply and supervision of installation of 82½ miles of 4-tube coaxial cable.

Railway Electrification

"The B.I.C.C. Group, and in particular the Parent Company and our Construction Company, has played a leading part in the electrification of the world's railways.

"Electrification of many more of the railways of the world is only a matter of time. Increasing loads and traffic, public demand for clean, fast transport, together with the necessity for economy in operation and conservation of fuel supplies, all point to this conclusion.

"As a Group engaged in a field which is becoming more and more technical, we place tremendous importance on research and development. 1954 has witnessed a further expansion of our activities under both these heads.

"Intensive research work has continued into the basic properties of some of our most important raw materials with promising results.

"Further progress has been made in the direct extrusion of aluminium.

"One of the most interesting series of techniques on which marked progress has been made is that resulting from the establishment of a laboratory for radio activity studies. Some of the revolutionary developments achieved in this sphere have already been introduced with advantage into our production processes.

"We have made a good start to 1955 and, in the absence of exceptional happenings, I feel we can look forward to a satisfactory year."

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NEW PRODUCTS AND PROCESSES

Preparation for Asphalt Road Construction

A CHEMICAL works (Chemische Fabriek F. Bloemink, Abeelenlaan 12, Bennebroek, Holland), has developed a preparation which opens up the possibility of working up bituminous binders in road construction also during wet weather and with wet stone chippings. Moreover, this agent retains its preventive effect against the influence of water when the road carpet is in use. The preparation can be applied undiluted or in a solution of, preferably, creosote oil. If undiluted, 1.5 to 2 per cent. of the preparation is added to the binder within six hours before spraying takes place. In the other case, two procedures can be distinguished: pretreatment of the mineral aggregate with a 5 per cent. solution or vaporisation of such a solution over the freshly laid tar or bitumen coat. In the pre-treatment about 4 litres (0.9 gal.) of the solution is mixed with 1 ton of chippings; in the case of vaporisation, 3.6 litres (0.8 gal.) is sufficient for treating a surface area of 100 sq. metres (1,075 sq. ft.). In both cases very good adhesion is obtained with various types of aggregate. The preparation has been tested by the Road Research Laboratory at Harmondsworth, Middlesex, and, on the strength of the results, has been included in the list of *surface active-agents for use in surface dressing.*

Welding Lamps

An incandescent lamp factory (Philips' Gloeilampenfabrieken N.V., Eindhoven, Holland) produces a lamp which is specially suitable for use in welding, during which process it frequently happens that glowing metal particles flying about hit the glass wall of a lamp, causing breakage. The globe of this special welding lamp is provided with a transparent silicon lacquer, which, so to speak, smothers the welding sparks in the surface coat and prevents them from touching the glass wall. It is, therefore, possible to install adequate, local lighting also close to the welding site. The lamps are supplied in capacities of 60 and 100 watts, in reinforced designs. For welding operations in boilers and the like, for which special specifications apply as regards the maximum voltage for portable lamps, welding lamps are made in the same capacities, but for 24 volts.

Ultra High-speed Photography

While the use of image converter tubes as shutters for ultra high-speed cameras is now an established practice, circuit limitations have in the past fixed the lower limit of exposure at about 30×10^{-9} seconds. In this type of system, the image of the object to be photographed is focused on the sensitive photo-cathode of the tube. A duplicate image can then be made to appear at the opposite end of the tube when an electric current is applied. To photograph fast transient phenomena, the tube is switched on by voltage pulses synchronised with the phenomena, the actual photographic record being made by an ordinary camera at the viewing end of the tube. A co-axial pulsing system developed by Mullard Ltd., (Century House, Shaftesbury Avenue, London, W.C. 2) is said to enable the exposure time to be reduced ten times, that is, to 3×10^{-9} seconds.

Oil Refining Catalyst

A new, cheaper and more efficient catalyst for oil refining has been developed out of kaolin by its researchers, claims the Minerals and Chemicals Corporation of America. The catalyst has already been placed on the market by the Company. The Company has set on foot a programme of developing from plentiful natural resources low-cost substitutes for often costly synthetic chemicals. It owns substantial deposits of kaolin in Georgia, and envisages that catalysts from the material can replace silica gell, which sells for about $300 a ton. Two developments were neqessary before the step could be taken. A method of purifying the kaolin had to be worked out, and then of converting it into pellet form. The pelletised kaolin has now been used in refineries incorporating the so-called Houdry process. Houdry owns patents on kaolin as well as other types of catalysts, and Minerals and Chemicals has taken out licences in connection with its new application. Capacity for the new catalyst is now being completed, with the construction of a $5 million factory. This should be finished by the autumn. The Company is building a new research centre, at a cost of about $1 million. Previously the Company was developing its kaolin resources for paper coating processes.

Synthetic Diamonds

Following the recent announcement by the General Electric Company of a process for the making of synthetic diamonds, a Swiss biophysicist and a Puerto Rican chemist are now reported by a leading New York newspaper to have had similar success. The biophysicist is Dr. Leandro Tomarkin, and the chemist is Mr. Mario Vilella. Their experiments have been conducted over the past five years in a barn at Spring Valley, N.Y. Their company, the Vitron Research Corporation, has one patent approved and five pending. The patent is for a mobile furnace used in the production process with a 300-ton hydraulic press, it is reported. The furnace consists of a cylindrical aluminium tube, in which carbon for treatment is placed. It is lined with heat-resisting powder. There is a terminal for the introduction of electricity that provides the heat. Pressure is applied of 250,000 lbs. per square inch, while temperatures of 6,000 degrees are also applied. Diamonds produced are said to range from one-hundredth to one-three hundredth of a carat. The producers of them hope to be able to sell industrial diamonds within two years for between $1 and $1.75 a carat, compared with a current U.S. price for natural industrial diamonds of $2.75 to $3.75 a carat.

UNITED INDIA LIFE ASSURANCE COMPANY, LIMITED

MR. N. RAMA RAO ON THREAT OF NATIONALISATION

IN moving the adoption of the accounts for 1954 of the United India Life Assurance Company, Ltd., the Chairman, Mr. N. Rama Rao, B.A., B.L., referred to the phenomenal increase in the prosperity of the Company on all fronts during the year with new policies issued amounting to Rs. 5.30 crores as against Rs. 3.80 crores in the previous year, the first year's premium income to Rs. 27.75 lakhs as against Rs. 21.48 lakhs, renewal premium to Rs. 1.13 crores as against Rs. 1.01 crores. Income from interest amounted to Rs. 31.89 lakhs as against Rs. 23.73 lakhs, the life assurance fund to Rs. 8.77 crores as against Rs. 6.49 crores and the expense ratio decreased to 14.75 per cent. as against 15.51 per cent. in the previous year.

Reduction in Premium

The great increase in new business was in the main responsible for such gratifying results and this increase in new business was due to the reduction in premium rates brought out by the Company along with others in March, 1954. Expansion of new business and its spread to additional sector of the public has more than silenced the critics who were sceptical of the wisdom of the reduction. To some extent, the phenomenal increase in new business of Indian insurers was due to the re-entry of old business at new rates of premium. But so far as the United India was concerned, such increase was a genuine one, not the result of any artificial process of rewriting old business.

Staff Insurance Scheme

Along with the reduction in premium, vigorous pursuit of what has come to be known as staff insurance scheme has made substantial contribution to the increase of new business by bringing in persons who would not have otherwise been persuaded to effect the protection to their dependants which they did. Controversy over the wisdom of staff insurance is still active and it has been objected to on the grounds: (1) it cuts the agents; (2) it discriminates between policyholders; and (3) smaller insurers are placed at a disadvantage in competition for such business. The Executive Committee of the Life Insurance Council is still considering the matter but Mr. Rama Rao saw no objection to the same. Not only that but it was bound to enlarge the scope of life assurance among office and industrial workers.

Future of Life Assurance—Rural Uplift

With the rapid development of the economy of the country under the successive Plans, Mr. Rama Rao said, the scope for the spread of life assurance in the country was very great, with improvement not only in quantity but also in quality. In extending the market and in extending the services and increasing the urge to save for the future, trained life assurance men could and must play a worthy part. The need for their services would be particularly great in rural areas where life assurance had not yet spread. The Five-year Plans with the Community Projects and National Extension Board were also directed to give a new orientation to village life, the backbone of our country for ages. It is necessary, Mr. Rama Rao felt, that life assurance companies should have a plan to cope with this new need and new opportunities that will arise as the rural areas regain their prosperity.

Group Insurance and Group Pension

With the rapid development of industrialisation there will be demand in urban areas for what is known as group insurance under which employers effect policies on the lives of all their employees for the benefit of the employees with or without contribution from the employees. In the United Kingdom and more so in the United States quite a big share of new business underwritten in villages is of such type. Without going into further details, Mr. Rama Rao was of opinion that here was a field which promised great scope for expansion.

Nationalisation

It was impossible, Mr. Rama Rao felt, to conclude any survey of the present trend of life assurance in India, without referring to the threat of nationalisation which was being freely discussed. It was known that this matter was being considered at the departmental level and the Prime Minister recently announced that the nationalisation of banks, mines and insurance would be considered at the proper time. Mr. Rama Rao wondered what could be the purpose of nationalisation. The efficiency of insurance service depends on the keenness of healthy competition and its success depends on the initiative and drive in its day-to-day working. Could a Government department under its official institution, its standardised methods and its inseparable nexus with red tape, ever be expected to do this satisfactorily? So long as there was no complaint that could be urged against private enterprise, it would be inexpedient to nationalise the insurance industry in the country.

Satisfactory Results of Latest Valuation

Before concluding, Mr. Rama Rao referred to the valuation that was done as at 31st December, 1954, the results of which were just then available. The report would soon be circulated to the shareholders but it was permissible for him to say that the results were so satisfactory that the Actuary recommended grant of bonus at the following rates:

Rs. 17 per thousand per annum on whole life policies and Rs. 15 per thousand per annum on endowment policies.

These rates of bonus were substantially higher than those declared within the recent past and it was a matter of gratification for him that these results were possible with strict adherence to all the considerations which characterised their previous valuations specially with regard to the maintenance of the rate of bonus in future valuations.

CONVERSION OF "ORIENTAL" INTO A MUTUAL OFFICE

SHAREHOLDERS APPROVE SCHEME

As readers of *Commerce* are no doubt aware, the management of the "Oriental"—or to give the Company its full name, the Oriental Government Security Life Assurance Company, Ltd.—the pioneer insurance office in the country, has been making strenuous efforts to convert the Company into a mutual office. The Scheme for mutualisation of the Company was approved at the extraordinary general meeting of shareholders of the Company, held on 15th June, 1955. The next step in the evolution of the Company into a mutual office is to obtain, as provided in section 6C of the Insurance Act, 1938, the consent of the Central Government for the Scheme. When such approval is obtained, the Scheme will come into effect. The section, however, provides that an aggrieved person, who may be either a policyholder or a shareholder, may, within 90 days of the sanction of the Scheme, prefer an appeal to the High Court, the decision of which will be final and binding on all the persons concerned. It remains to be seen whether the Scheme will be challenged by any person. When the Scheme was in a formative stage, some policyholders had protested to the Union Finance Minister informally against it. They had even formed themselves into an action committee, but not much has been heard from these quarters in recent months. Whether they are lying low pending the Government's formal sanction of the Scheme or have given up the fight as being useless is a question for which time alone can provide the answer.

Briefly, the Scheme provides that the Mutual Company should issue to the holders of 3,000 shares of the face value of Rs. 200 each of the present Company, 3,000 debentures of the face value of Rs. 8,800 each with interest at the rate of 4 per cent. per annum. Thus, every shareholder of the Company will receive one debenture in the Mutual Company for every one share held by him. The face value of Rs. 8,800 fixed for each debenture, according to the Directors, represents a "proper and equitable" figure as between the shareholders, on the one hand, and the policyholders, on the other. This figure, it has been stated, has been arrived at by capitalising at a fair rate of interest the approximate dividend which the shares would earn in future out of the 7½ per cent. of the annual surpluses which are likely to be disclosed from time to time at future triennial valuations of the Company. Further, in arriving at the figure, the Directors have taken into account the business written by the Company at present, "its future likely prospects" and all other relevant factors.

Limited by Guarantee

Since a mutual company is one in which only and all the policyholders have to be members, the Scheme provides that all the policyholders of the present Company, as well as the policyholders of the Mutual Company, will become members of the latter Company. Again, as a mutual company is one that is limited by guarantee, the policyholders of the Oriental Mutual will give a guarantee to the extent of a nominal figure of one rupee. The Scheme further provides that, until the debentures have been redeemed, the debenture-holders will have the right to elect debenture-holders' directors to the Board of the Mutual Company. The number of such directors will, at the outset, be five out of a board of 12 directors, but will go on dwindling until all the debentures are paid off.

Commending the resolution for conversion of the Oriental from a shareholders' concern into a mutual office to the acceptance of the shareholders at their extraordinary meeting, Sir Cowasjee Jehangir, Bart., Chairman of the Company, averred that it was but "appropriate" that a purely life insurance company should, at some appropriate point of time, belong to the policyholders only and be solely managed by them. He added that he did not, however, suggest that the share capital did not perform any function. Such capital was necessary in some stages of the company's life, for, "if anything untoward happens to the company before a sufficiently large number of persons have effected policies with the Company and contributed to the funds of the Company, it is the share capital that provides the guarantee for solvency and creates the confidence in the institution for the incoming new policyholders as also the existing ones."

The importance of the share capital of an insurance company generally diminishes in proportion to its growth. Explaining this aspect of the financial structure of a company, Sir Cowasjee said:

"As and when a life insurance company grows in size, the functions performed by the share capital, although very important and indispensable, gradually diminish. For instance, in the case of your own Company, going back to the figures disclosed by the valuation as at 31st December, 1951, as the latest figures relating to the valuation as at 31st December, 1954, are not yet in hand, the policy liabilities amounted to the figure of approximately Rs. 60 crores, whereas the value of the assets of the life assurance fund amounted to approximately Rs. 63 crores, providing a comfortable margin of Rs. 3 crores. This shows the very large cushion provided by the life assurance fund itself against any chance of the shareholders being called upon to defray any amount to put the Company in a position of solvency."

Proceeding, Sir Cowasjee observed that, in economically advanced countries, institutions comparable to the Oriental took similar steps, in accordance with the laws of their respective countries, and converted themselves into mutual companies. He added that the Directors felt that a stage had been reached when the share capital of the Company should be paid off and the Company converted into one which the policyholders alone managed. He reiterated that, in arriving at the value of each share, "strict equity" between the claims of policyholders and those of the shareholders had been maintained. He further stated that the policyholders' directors, who had given "very great" consideration to the Scheme, were satisfied that it was fair both to the policyholders and the shareholders.

Cynics May Not Agree

The argument advanced by Sir Cowasjee for justifying the conversion of the Company into a mutual office sounds novel to us but very convincing nonetheless. This is a unique example of the shareholders of a very successful concern, with bright prospects ahead, voluntarily giving up their right of ownership in favour of those who were being served by them. In making this comment, we are quite conscious of the reception it will have at the hands of a cynic. And, in this case, there are quite a few cynics. The cynics will no doubt jeer at our remark. For they consider the whole move as a clever device on the part of the Directors and the influential shareholders of the Company to safeguard their interests in view of the serious threat of nationalisation of insurance companies. A cynic, of course, can never be convinced, but, unfortunately for us and the Directors of the Company, the present circumstances are such that to a layman the cynic's explanation may sound more convincing than the one offered by Sir Cowasjee.

When the Scheme comes into effect, the ranks of mutual insurers in India will have been greatly strengthened, because of the large magnitude of the Oriental's business. It may be noted, in this connection, that, out of the total life business in force of Rs. 962 crores at the end of 1953, the share of the Oriental was as much as Rs. 207 crores or 21 per cent. If the business in force belonging to Indian life offices alone is taken into account, the share of the Oriental is as much as 25 per cent. Incidentally, the Oriental's conversion might inspire many other insurance companies also to join the ranks of mutual companies. It remains to be seen whether such a trend will induce the Government and certain political groups to refrain from harping upon the advantages of State-ownership of insurance.

BRITISH INDIA GENERAL

An increase of Rs. 3.43 lakhs in the net premium income of the general departments in 1954, as compared with the previous year, is disclosed by the report and accounts of the British India General Insurance Co., Ltd. (General Manager: Mr. M. S. Dastur, Bombay) for the year ended 31st December, 1954. A noteworthy feature of the Company's working is that all the three departments, namely, the fire, the marine and the accident and general, participated in the increase in net premium income. The new life business increased from Rs. 72.01 lakhs in 1953 to Rs. 97.82 lakhs in 1954. The improvement in the activities of the Company has encouraged the Directors to recommend a slightly higher dividend of Re. 1-2 per share or 11¼ per cent. as against Re. 1 per share or 10 per cent. paid last year.

The British India General is a composite office, transacting life as well as general business. Its branches are located in all principal towns in India and Pakistan and it has either branches or representatives in Malaya, Burma, Ceylon, Egypt, East Africa, France and the U.K. It has a growing foreign business which, in 1954, brought Rs. 29.53 lakhs of net premium income to its general departments, as against Rs. 26.04 lakhs in the previous year.

The fire section continues to be the mainstay of the general department. The net premium income in this section amounted to Rs. 33.56 lakhs, as against Rs. 32.77 lakhs in 1953, while net losses amounted to Rs. 10.60 lakhs (31.59 per cent.) as against Rs. 11.04 lakhs (30.70 per cent.) in 1953. Besides the customary allocation of 40 per cent. of the net premium income, an additional reserve of Rs. 4.20 lakhs, as against Rs. 4.10 lakhs last year, has been provided. The underwriting profit in the fire department amounted to Rs. 3.71 lakhs, as against Rs. 3.79 lakhs in 1954.

In the marine section, the net premium income improved from Rs. 6.14 lakhs to Rs. 6.87 lakhs. Claims paid and outstanding, were slightly higher at Rs. 3.90 lakhs, as compared with Rs. 3.30 lakhs disbursed in 1953. Reserves for unexpired risks have been provided at 40 per cent. of net premium income. Additional reserve accounts for Rs. 4.46 lakhs, as compared with Rs. 3.99 lakhs in 1953.

The net premium income in the accident and general departments moved up from Rs. 18.97 lakhs in 1953 to Rs. 20.88 lakhs in 1954. Claims, paid and outstanding, increased by Rs. 1.17 lakhs to Rs. 8.57 lakhs. Besides the 40 per cent. reserve for unexpired risks, an additional reserve to the tune of Rs. 2.92 lakhs has been created.

New life business, as already stated, advanced from Rs. 72.01 lakhs to Rs. 97.82 lakhs. The total life business in force, at the end of 1954, was Rs. 2.51 crores which brought a net premium income of Rs. 12.24 lakhs. The net interest yield improved from 3.33 per cent. to 3.43 per cent. The total business in force at the end of 1954 in the Company's closed life account was Rs. 53.08 lakhs.

The underwriting profits in the Company's general department, together with income from interest and dividends (Rs. 1.76 lakhs) and other sources, yielded a total of Rs. 6.58 lakhs. After providing for certain expenses (not applicable to any particular account) and certain other sundry expenses, the balance available for appropriation is Rs. 6.06 lakhs, which together with Rs. 1.24 lakhs brought in, amounts to Rs. 7.30 lakhs. Provision has been made for taxation (Rs. 2.15 lakhs), reserve for bad and doubtful debts (Rs. 40,000), life assurance current revenue account (Rs. 25,000), general reserve (Rs. 50,000), exchange reserve (Rs. 5,000), reserve for equalisation of dividend (Rs. 25,000) and contingencies reserve (Rs. 62,500). The payment of the dividend at Re. 1-2 per share (11¼ per cent.) will absorb Rs. 2.25 lakhs, leaving Rs. 82,590 to be carried forward.

The Company's financial position is strong. Besides a capital of Rs. 20 lakhs, it has reserves and funds aggregating Rs. 1.11 crore, of which fire fund accounts for Rs. 17.62 lakhs, marine fund for Rs. 7.21 lakhs, accident fund for Rs. 11.28 lakhs, life fund (closed account) for Rs. 30.37 lakhs and life fund (current account) for Rs. 24.92 lakhs.

INDIAN TRADE AND GENERAL

By adopting a policy of conservative underwriting and building up of reserves, the Indian Trade and General Insurance Company, Ltd. (General Manager: Mr. T. M. Sturgess, Calcutta), has been able to show a creditable record of progress over the 11-year period since its inception in 1944. During the year ended 31st December, 1954, the net premium income of this general insurance office advanced to Rs. 57.11 lakhs, from Rs. 51.58 lakhs in the previous year. The Directors have recommended the maintenance of the return to shareholders at 3¾ per cent.

The Company has been consistently strengthening its reserves and funds year by year as the following table, setting forth its progress over the 1944-54 period, will show:

(Rs. in lakhs)

	Net Premiums	Reserves	Funds	Total assets
1944	2.81	1.47	25.45	26.60
1945	4.60	2.72	28.26	28.82
1946	8.18	4.02	29.59	33.87
1947	12.07	7.47	31.59	38.70
1948	15.55	10.43	34.55	45.47
1949	21.12	14.04	38.15	50.75
1950	24.66	15.50	39.58	56.58
1951	29.50	19.81	43.02	68.03
1952	40.53	28.12	53.13	77.92
1953	51.58	35.22	60.22	82.33
1954	57	45.30	66.37	87.19

In the fire department, the net premium income advanced from Rs. 25.97 lakhs to Rs. 27.67 lakhs. Net claims, paid and outstanding, amounted to Rs. 10.92 lakhs or 39.5 per cent. of the premium income as against 46.4 per cent. in 1953. This welcome reduction in the loss ratio, it is stated, was entirely accounted for by the greatly improved experience of the Company's Indian business. The Chairman of the Company, Mr. Karam Chand Thapar, observes, in the course of his statement accompanying the report and accounts, that, in view of the number of fires reported in the first few months of the current year, it is unlikely that the favourable experience, witnessed in 1954, will be repeated in 1955. Commission and expenses amounted to Rs. 12.63 lakhs. The reserves for unexpired risks has been maintained at 50 per cent. level. The underwriting profit amounted to Rs. 3.25 lakhs as against Rs. 2.47 lakhs in the previous year.

The net premium income in the marine department moved up from Rs. 16.57 lakhs in 1953 to Rs. 18.80 lakhs in 1954. The loss ratio in this department was higher at 60.1 per cent., as against 53.6 per cent. in 1953. Commission and expenses, at Rs. 5.06 lakhs (26.9 per cent.), were, however, lower than in 1953 when they amounted to Rs. 4.87 lakhs (29.4 per cent.). The reserve in this department has been maintained at 90 per cent. level. It

(Continued on page 1233)

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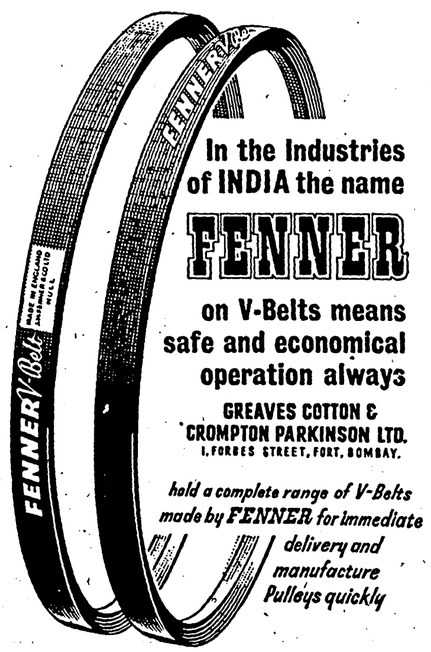

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PRIVATE LIMITED COMPANIES

A CASE FOR THEIR ENCOURAGEMENT

By R. A. P. Misra, M.I.Prod.E. (London), A.F.R.Ae.S.

MANAGING DIRECTOR, INDIAN WILD-BARFIELD CO., LTD.

IN a relatively undeveloped country like India, the financial resources of the Governments, both Union and States, must be greatly increased if they are to provide a decent standard of such primary necessities as good roads, education, communications, irrigation, power, canals, etc. The welfare State will cost even more and that not merely in terms of finance as this will have to be backed by goods and services if an inflationary situation is to be avoided. Amongst thoughtful people, whatever their polico-economic views, there is no divergence of opinion about the objective of greater economic development, which will lead to greater employment and an improved standard of life for the people.

From here onwards, there is a divergence of opinion as to the best and quickest method of achieving this desirable state of affairs. The protagonists of private enterprise maintain that a rapid rate of economic progress would follow, if the State were to create conditions in which private enterprise could develop with confidence in its future and not be regarded as a nuisance to be tolerated until it can be conveniently absorbed by the State. The advocates of the public sector maintain (and they are often more vocal) that private enterprise has been tried and found wanting and at least in this country it cannot by itself achieve the rate of economic progress that is desirable. Whether this criticism is justified or not, or whether the rate of economic progress aimed at is practical are matters of opinion. It is, however, a fact that there has been an increase of approximately 40 per cent. in the industrial production during the last five years and most of it has come from the private sector. The rate of economic progress envisaged in the first Five-year Plan by the Planning Commission also aimed at a fairly modest target and this has been substantially met.

The Taxation Enquiry Commission's report is now published. There can be no doubt that this monumental work which will form the basis of Indian taxation policy during the years to come is the result of much conscientious labour by the eminent members of this Commission. Whatever opinions one may hold about the various recommendations made by the Commission, all who are interested in the economic progress of this country owe the members and staff a debt of gratitude for a fine job of work done. The planning, the execution of the enquiry and the logical clarity with which the report is presented, with a summary of the conclusions reached and recommendations made, deserve high praise. In fact, we can all justifiably feel proud that a job of this magnitude was done with such efficiency and speed with an all-Indian personnel without any outside help.

Incentive Aspect

One cannot, however, help feeling, after studying the section dealing with the taxation of private limited companies (section XI, Vol. II), that the Commission's recommendations appear to be influenced more by the desirability of reducing the disposable income of wealthy shareholders, than by the need for encouraging the formation of small and medium size industrial and commercial units for which this form of organisation is particularly suited. Although, in fairness to the Commission, it must be stated that they have tried to encourage the formation of small public companies, it will be difficult to do this for reasons stated later. The Finance Minister has also lost no time in giving effect to some of the recommendations made for tightening up section 23A provisions governing these companies and other companies in which the public are not substantially interested. In some respects, Mr. C. D. Deshmukh has gone even beyond the recommendations of the Commission. This has been undoubtedly done with the idea of catching the big fish in the net of super-tax, which in the past cleverly escaped by retaining the profits in the company. It would not be true to say that the private limited company system has not been used, in a few cases, by wealthy individuals as a device for reducing their super-tax liability. But at the same time it would be true to say that, in guarding against one possibility which might arise only in a few cases, the law has now been altered in such a manner as to adversely effect the growth of a large number of small and medium genuine enterprises. In other words, the net cast out to catch the big fish has also caught within its meshes a lot of small fry. It will be idle to deny that a great gulf does not exist between the rich and the poor in this country but this is a feature of all industrially undeveloped economies and is not something peculiar to India. As industrial and economic development takes place this gap will tend to narrow, as it has in other industrially advanced countries like the U.S.A. and the U.K. It is not that our rich are so rich, as compared with other countries with a free economy, but that our poor are so miserably poor which makes for this striking contrast. It would surely be a more laudable objective to improve the living standards of the poorest section of our population than to liquidate the rich by subjecting them to extremely severe taxation.

According to 1952-53 income-tax returns, there were only 550 assessees in India in the top super-tax group, with net incomes over Rs. 5,000 *per month*. The total tax demanded from them amounted to approximately Rs. 11 crores, assuming an effective rate of taxation of about 70 per cent. of their income. This only gives them a net income of about Rs. 4.25 crores. Those who enthusiastically talk about eliminating the rich altogether should realise that this income, equally distributed amongst our population of about 36 crores, will mean an increase of about two annas per head per year, which will not materially benefit even the poorest of our citizens. This, of course, leaves out the super-tax payers in the lower brackets, but even if this income is completely expropriated, and distributed amongst the population, it would not make a material difference to the *per capita* income. It may, perhaps, mean an addition of another five to six annas per year. So much for the alleged advantages of eliminating the rich by taxation. Whatever other advantages and disadvantages this may bring, it would certainly not materially help the industrial or economic development of this country; the opposite is more likely.

The Private Limited Company

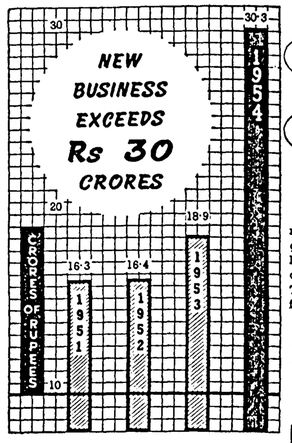
What it is or should be?

(1) It is a device to be used for the systematic pursuits of a small or medium-scale industrial or commercial enterprise.

(2) It is often used by a man with initiative, a new idea or an invention, to develop it. If, as often happens, he does not have the necessary financial resources to commercially exploit it himself, he may approach friends or acquaintances with resources who may be willing to back him up by investments of amounts which limit their liability to the amount of their investment.

(3) Such ventures would otherwise be conducted as partnerships or proprietary concerns, but both these forms of business organisations have certain features which act as a disincentive to investment and enterprise. Proprietary concerns require a good deal of capital and credit is not easily available, unless complete security can be provided to the creditor, and that too sometimes at uneconomic rates of interest. Partnerships are even worse, as, unless they are entered into between persons who can always amicably work together during a lifetime, there is the added risk of the partners falling out, often leading to the ruination of the business. It sometimes happens that the working partner who has provided the idea and the technical know-how is elbowed out by an unscrupulous financial partner or *vice versa*. All this leads to a great deal of instability in Indian business which is not a desirable state of affairs.

There are many industrial and commercial enterprises, which are too small to warrant their conversion into public limited companies, as their capital requirements and scale of operations are comparatively small, and can be met without public subscription. By extending the principle of limited liability to such undertakings, the formation and systematic running of relatively small units is considerably facilitated. A public limited company has to comply with a large number of legal requirements which are necessary to protect the interest of the investing public. In order to conform to all these requirements, and to deal with the share transfers, which are always taking place when the shares of a company are quoted on the stock exchanges, it will be necessary to have a staff which a small company cannot easily afford. It is, therefore, only right that the business of running a private limited company should not be made unneces-



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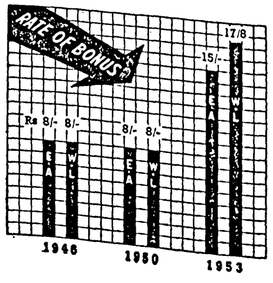

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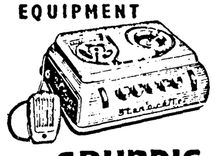

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sarily complicated. There are already enough complications by way of sales tax, inter-State sales tax, labour legislation, local regulations, etc., to make the job of running a company almost a nightmare with the limited staff which such a business can afford to employ. The Government should not add to their difficulties by following an unrealistic tax policy.

Many Real Benefits

There are many real benefits which will accrue not only to the country's economy but also to the Union and State Governments by encouraging the private limited form of business organisation. Apart from increased business stability due to the perpetual life of a company, the legal requirements ensure that accounts are properly kept and audited and all taxes are more easily realised by the authorities than from individuals and partnerships. Comparative figures show that income and corporation taxes paid by *limited companies increased in a much* higher proportion over the war years than from the non-incorporated section of business and industry. Since rates on personal incomes increased much more steeply during these years than on corporate incomes, it is obvious that evasion in the unincorporated sector must have been on a much larger scale. In making this statement, it is assumed that prosperity in terms of money incomes induced by the inflationary conditions of the war and its aftermath was evenly distributed over the two sectors, a not unreasonable assumption.

Our Income-tax Department is now undoubtedly much more energetic and efficient than it ever was in the past but it is recognised that there is considerable room for improvement in many directions. Encouragement of the corporate sector will enable substantial revenues to be collected without increasing the cost of collection unduly.

The treatment of the private limited company in India should be on the same lines as in the U.K., where there is no equivalent of our section 23A, and these companies are allowed to adjust their dividends according to the profits and, generally, to follow a stable conservative policy. They are encouraged to build up reserves of undistributed profits which are ploughed back in the business. In order to encourage this, tax reductions are provided on retained profits. There is no limit on reserves which may be built up to the legitimate needs of each business. In practice, this amounts to the directors deciding the amount of the reserves as they are the only people who are supposed to know the legitimate needs of the business and the I.T.O. has little say in the matter.

View of an Australian Economist

It is the opinion of at least one eminent Australian economist that incentive for investment in productive enterprise begins to suffer if the rates of personal taxation increases beyond 25 per cent. of the gross income even in the highest income groups. He is of the opinion that general rate of income- and super-tax should not go beyond 15 per cent. even for the relatively well-to-do section of the taxpayers, say, those having a gross income of Rs. 1 lakh per year. The present rates in India are much higher than these.

There is no doubt that our Union Government are anxious to step up the pace of economic development of this country, and are willing to explore all avenues of development. That is why they are trying to develop a mixed economy, with a public and a private sector. They should, however, realise that, in order to make the donkey walk, you can either use a stick or dangle a carrot in front of its nose. In the case of private enterprise at any rate, the carrot in the shape of tax inducements is much more effective in encouraging progress in a forward direction, than the stick of penal taxation or dire threats of nationalisation.

It is a truism that the only way to make anybody do anything well is to make them want to do it, by offering various forms of inducements. In the private enterprise system, the inducement of monetary rewards is used, and its language is more universally understood, as recent reports of black marketing even in Russia would seem to indicate. This is not to say that other incentives for work and service do not exist such as the ideal of service to the community, but, in order to be effective, this needs some form of constant recognition. It is also unwise to carry the appeal to idealism too far, as one cannot buy food or pay the house rent with it, no matter how desirable it may be.

Since constructive suggestions are always considered desirable, the following steps, if implemented within a reasonable period of time, will initiate such a rapid progress in the private sector that our Government will be more than satisfied with the investment in this sector during the second Five-year Plan.

(1) The present high rates of income and super-taxes on personal incomes which appear to be a war-time legacy, should be gradually reduced, at the rate of about 5 per cent. per year. The 5 per cent. surcharge should be abolished forthwith. This process should be continued till the effective rates for gross incomes of Rs. 1 lakh per year is reduced to about 25 per cent. and on the highest income to about 50 per cent. The present high rates which are the highest in the world, with the exception of the U.K., encourage evasion on a large scale and, with more reasonable rates, the assessees will have less inducement to conceal income. These high rates not only tend to discourage investment in corporate productive enterprises, but encourage speculation, gambling, hoarding of bullion and other less desirable forms of economic activity where profits can be more easily hidden.

(2) Rates of corporate taxes should also be gradually brought down in line with personal rates, so that this form of business organisation does not become unattractive as an investment.

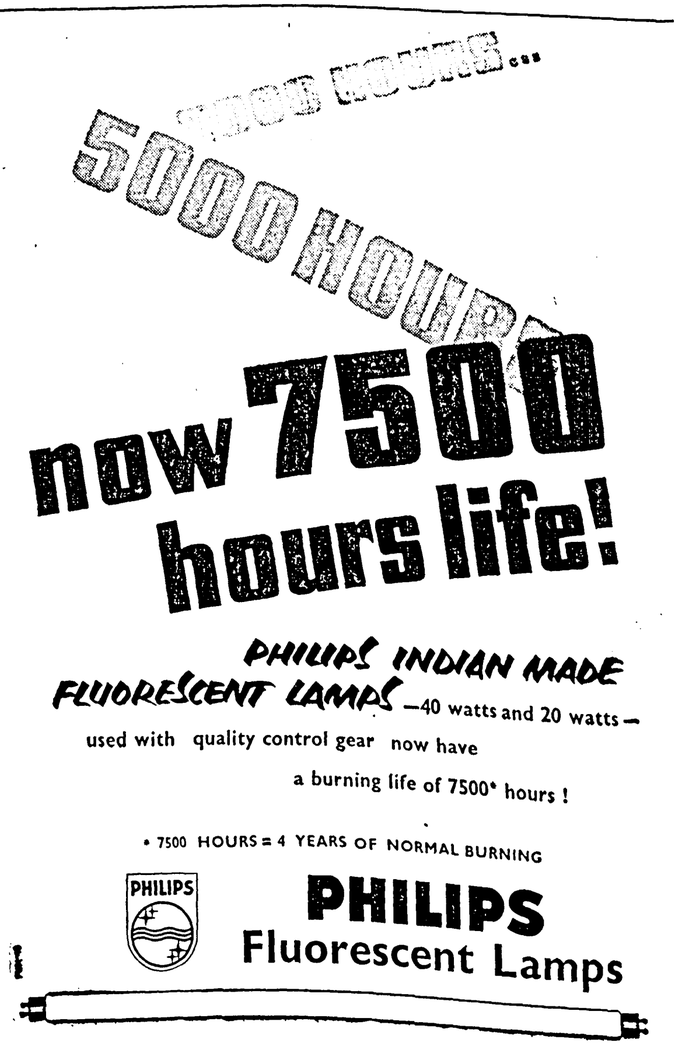
(3) The present discriminatory treatment of private and public limited companies in the matter of corporation tax and section 23A must be partly removed. If section 23A cannot be dropped altogether its provisions should be altered to allow 60 per cent. of the taxed profits to be put to reserve and only insist on the declaration of 40 per cent. as dividends. Incidentally, this section does serve one purpose, which was probably never intended by its framers, and that is that it protects the minority shareholders against the tyranny of the majority shareholders, who, for their own reasons, may not wish to declare any dividends or insufficient dividends even when profits justify it.

(4) To help the small private limited company, the corporation tax rebate recommended in paragraph 55, page 169 of the Taxation Commission Report, Volume II, should be extended to them also which is at present restricted to public companies. The new recommendations, if accepted, will reduce corporation tax to one anna per rupee on the first Rs. 25,000 of the total income and two annas nine pies on the balance. The only companies to which this concession could have been of material benefit are the small private limited companies, and these have been left out of its purview at present.

Abuse to be Prevented

(5) In order to avoid flagrant abuse of the facilities granted to the private limited companies, there should be a limit on its size, and no company of this type should be allowed to be registered with an authorised capital of more than Rs. 5 lakhs. Reserves up to a maximum of 200 per cent. of the paid-up capital may be allowed. When the private limited company's capital and reserves reach Rs. 15 lakhs it should be compulsorily converted into a public limited company but this should only be done after giving the company a free opportunity to capitalise its reserve through a bonus issue of shares.

The author realises that these suggestions will be regarded by some as practically revolutionary, particularly in view of the recommendations of the Taxation Enquiry Commission. Although these recommendations contain some small incentives to the private sector, they are, on the whole, designed to increase the share of the State in the total national income. In a democracy, however, every citizen is free to say his piece and try to persuade public and legislative opinion. Fortunately, democratic legislation is a matter of trial and error and policies can always be reversed if they do not produce the desired result. May we long retain this freedom to make a free choice of our policies! So, it is up to private enterprise to present its case where it has a case. It should also conduct itself in accordance with a code of commercial and moral ethics, so that in time it will come to be looked upon as a beneficial factor in the life of the country.



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MANUFACTURE OF AMMONIUM CHLORIDE

F.A.C.T. SETS UP NEW PLANT

THE new ammonium chloride plant of the Fertilisers and Chemicals Travancore, Ltd. (F.A.C.T.), which went into production on the 4th inst., has taken the country a step forward in the direction of achieving self-sufficiency in this important chemical. The plant is the first of its kind to be erected in India. With a capacity of 8,000 tons a year, it will be able to meet not only all the country's current requirements of ammonium chloride but also its potential future demand. India is importing, at present, all its needs of ammonium chloride amounting to about 4,000 to 5,000 tons a year from abroad. By the addition of a new plant for the manufacture of this chemical, the F.A.C.T. has undoubtedly—as was emphasised by Mr. Panampally Govinda Menon, Chief Minister, Travancore-Cochin, who inaugurated the plant—enhanced its utility to the national economy.

Ammonium chloride is one of the oldest chemicals discovered by man. It was known to the Egyptians in the fourth century B.C. They recovered it from the burning of animal refuse. In the eighteenth century, Joseph Pristly isolated ammonia by heating a mixture of "sal ammoniac" and lime. Different processes are adopted for the manufacture of ammonium chloride. In some countries, large quantities are also recovered as a by-product in the ammonia soda process followed in the manufacture of soda ash. Direct neutralisation of synthetic ammonia with synthetic hydrochloride acid is the process adopted by the F.A.C.T. The availability of synthetic ammonia from the factory and of hydrochloric acid from the neighbouring plant of the Travancore-Cochin Chemicals Ltd. has rendered it possible for the F.A.C.T. to produce ammonium chloride of the highest purity. The two gases are continuously fed into saturators where they react to form ammonium chloride. The saturators are operated under vacuum, and the heat of reaction is utilised for evaporation, causing the crystals to separate themselves. The crystals are centrifuged and bagged, the mother liquor being returned to the insulators.

In appearance, ammonium chloride is a white crystalline salt which sublimes at high temperatures. Marketed as crystals, compressed bars or pellets, it finds widespread application, making its way even to remote villages as a flux for tinning domestic utensils.

Uses of Ammonium Chloride

Ammonium chloride is put to a number of uses. It is an important constituent in the manufacture of dry cells, accounting for a consumption of 1,500 tons a year in India. At present, three major units are engaged in the manufacture of dry cells. Ammonium chloride is used as a cleaning agent and a flux in the galvanising of steel sheets and structures. With the expansion of steel industry in the country, consumption of this chemical is bound to increase substantially. The chemical is also used as a fertiliser, since it supplies 26 per cent. of nitrogen to rejuvenate the soil. It can be used for all crops, barring those that are susceptible to the presence of chloride. It finds useful application in textile printing, leather tanning, fermentation, ice manufacture, urea formaldehyde resins and water purification carried on by municipal bodies.

The ammonium chloride plant of the F.A.C.T. has been erected at a cost of Rs. 10 lakhs. It was designed and supplied by Krebs & Co., Zurich, Switzerland, a well-known firm of chemical engineers and designers. Equipped with the most modern machinery, this new plant incorporates in itself, it is stated, all the latest developments in this field. The erection and commissioning, including some minor design changes, were made by the F.A.C.T. personnel.

The manufacture of ammonium chloride by the F.A.C.T. adds another important chemical to the already impressive list of products turned out by this second largest fertiliser factory next to Sindri. The factory is located at Eloor, Alwaye, on the banks of the river Periyar. It is 20 miles by water from the port of Cochin and a similar distance from the Malayattur forests which supply the principal raw material, firewood. Planned primarily as a unit for the manufacture of ammonium sulphate, the factory has since diversified its activity far beyond its original concept. Along with other neighbours, namely, Travancore-Cochins Ltd., Travancore Titanium Products Ltd. and Travancore Rayons Ltd., the factory constitutes "an industrial complex of national importance." A brief account here of the products manufactured by this unit will not, therefore, be out of place.

The F.A.C.T. came into being at a time when there was acute food shortage in the country. The factory was planned, erected and commissioned during 1944-47. Ammonium sulphate was the first fertiliser produced by it. A later product was superphosphate and this was followed by a host of others. Commercial production of ammonium sulphate commenced in August, 1948. Since then, well over 2.5 lakh tons of fertilisers have been manufactured and distributed to improve the food position of the country. As the second Five-year Plan envisages a 200 per cent. increase in nitrogenous fertiliser production, it can be confidently asserted that the F.A.C.T. will have a more vital role to play in the years ahead. The planning and execution of this project was rendered possible by the active assistance of the State Governments of Travancore-Cochin and Madras and the facilities provided by the Central Government. A little over 75 per cent. of the paid-up capital of the company is State-held, the balance being owned by private interests.

Ammonia

Ammonia is one of the chemicals manufactured by the F.A.C.T. It is a chemical compound, containing the elements of nitrogen and hydrogen in the ratio of 1 : 3. At atmospheric temperature, it is a colourless gas with a sharp odour. It is used in the manufacture of ammonium sulphate, ammonium chloride, ammonium phosphate, ammonium nitrate and other ammonium compounds. It is also widely used in refrigeration, preservation of rubber latex and rayon manufacture. The plant capacity is 40 tons a day.

Ammonium sulphate is another product of the F.A.C.T. It is a crystalline salt containing about 21 per cent. nitrogen, and the most widely used fertiliser in the world and is particularly suited to conditions in India. Its increased consumption has resulted in increased production of food in the country. The plant set up by the F.A.C.T. has a rated capacity of 150 tons a day. Sulphuric acid is another basic chemical manufactured by the F.A.C.T. The plant has a capacity of 150 tons a day. Although erected for the manufacture of ammonium sulphate and superphosphate, the plant supplies large quantities of the acid to Travancore Rayons Ltd. and Titanium Products Ltd.

The superphosphate plant of the F.A.C.T. has a rated capacity of 100 tons a day. Superphosphate is a free flowing powdery material containing 16 to 18 per cent. water-soluble phosphoric acid.

Carbon-di-oxide is another chemical recovered in this factory, primarily as an intermediate product for the manufacture of ammonium sulphate by the Merseberg process. It is also marketed for the aerated water and cashewnut canning industries. Another possible large-scale use is in the manufacture of 'dry ice' to be used as a portable refrigerant.

It is stated that the central laboratories attached to each plant keep a strict watch over the purity of the various constituents going into the process, as well that of the final products. The factory had at its inception about a dozen foreign technicians. They have been since replaced by Indian personnel. There are on its rolls about 1,500 employees of all categories.

TOWARDS SELF-SUFFICIENCY IN ARECANUT

Areca is an article of daily consumption in India. Its use has both religious and social significance, but, unfortunately, little attempt has been made to collect reliable data regarding consumption, production and distribution of this commodity. Even the Indian Central Arecanut Committee would appear to have no reliable statistics. This is evident from the remarks of Mr. P. A. Gopalakrishnan, Joint Secretary, Ministry of Agriculture and Food, Government of India, in his address at the meeting of the Committee held at Bangalore a fortnight ago. He said that internal production of areca at present was estimated at 2.2 million maunds and the deficit at about 1 million maunds. But he candidly admitted that these were not based upon any scientific statistical data but merely represented rough estimates based on the average yield of areca trees in the different regions of the country. As regards imports of arecanut, the position is, however, clear, for statistics are available through customs figures. In 1954-55, the volume of imports amounted to 794,000 maunds, as against 900,000 maunds in the previous year. The principal countries from such arecanuts were imported are Ceylon, East Pakistan and Singapore. The decline in imports in Imports in 1954-55 is attributed to increased domestic production and higher import duty on arecanuts from As. 9 to Re. 1 per lb. in 1954-55. It is, however, difficult to assess the relative shares of these factors in the fall in imports. The Government has since reduced the import duty to As. 12 per lb. Owing to the general fall in agricultural prices it remains to be seen whether imports of arecanuts would go up to the previous year's level. But India, according to Mr. Gopalakrishnan, has got to import a large quantity from outside, till improved methods of cultivation of arecanuts make the country self-sufficient.

It is the responsibility of the Central Arecanut Committee to initiate measures for achieving self-sufficiency. Some of the decisions taken at its last meeting at Bangalore indicate that the Committee is alive to the need for making the country self-sufficient. The Committee decided to request all State Governments to draw up comprehensive schemes for bringing more area under arecanut and to increase production in the existing areas. In order to formulate a co-ordinated scheme for experimentation in ryots' gardens to determine the manurial and cultural requirements of arecanut crop, it was decided to set up a sub-committee. It sanctioned schemes for a crop-cutting survey of arecanut in Travancore-Cochin and for research on better utilisation of the by-products of arecanut in the laboratories of the Forest Research Institute, Dehra Dun, the Leather Research Institute, Madras, and the Universities of Travancore-Cochin, besides sanctioning a pilot scheme to estimate the cost of cultivation of arecanut in a few representative tracts and a scheme for marketing survey. It was also agreed that by systematic propaganda for better cultivation, manuring, prevention of diseases and by giving the requisite help for irrigation of the crop, the yield should be increased by about a third of the present production. This responsibility was entrusted to the Areca Development Officers in each State who should devote their exclusive attention to the improvement work. The Committee further decided to request all State Governments to exempt the first sale of arecanuts from sales tax.

INDO-BRITISH TRADE IN JAN-APRIL, 1955

The upward trend in the total volume of trade between India and the U.K. witnessed in the first three months of the current calendar year continued to prevail till the end of April. During the four months, the overall trade aggregated £110.9 million, as compared with £89.4 million in the same period last year. These figures include the total volume of exports, re-exports and imports between the two countries.

During the four-month period, shipments of Indian merchandise to the U.K. aggregated £66.8 million, as against £50.3 million in the same period last year. Britain sent, in turn, goods worth £43.8 million as against £39.0 million. The table below gives at a glance the trade between India and the U.K. during the year 1954 as also during the four months of January to April, 1955, and the corresponding period of 1954.

Principal Exports and Imports

(In £000's)

	Year 1954	4 months January-April 1954	4 months January-April 1955
Total All Exports	**114,907**	**39,015**	**43,856**
Of which :—			
Machinery other than electric.	23,151	9,860	10,391
Electric machinery, apparatus and appliances	14,836	5,207	5,510
Chemicals	15,152	4,872	5,504
Road vehicles and aircraft	9,863	3,987	8,405
Total All Imports	**148,595**	**50,316**	**66,871**
Of which :—			
Tea	70,963	24,961	44,114
Leather and manufactures and dressed furs	13,271	5,088	4,305
Cotton yarns and woven fabrics	6,355	2,079	2,053
Miscellaneous textile manufactures	16,444	7,136	6,465

Out of the total imports into the U.K. from India of £66.8 million, as much as £40.1 million or 60 per cent. were on account of tea, the quantity of the commodity shipped being 1.17 million cwts. Britain's total tea imports during the period amounted to 1.9 million cwts., of which 133,380 cwts. came from non-Commonwealth countries.

Textile manufactures were the next biggest item after tea imported by the U.K. from India. During the four months, India despatched textiles worth £6.5 million. This included jute piecegoods also. This was followed by leather manufactures and dressed furs worth £4.3 million.

India sent to the U.K. £2.6 million worth of cotton yarns and woven fabrics and 13.8 million lbs. of raw cotton at £1.1 million.

Among the goods which India imported from the U.K., non-electric machinery headed the list. During the four months, January-April, 1955, such imports reached a total of 532,999 cwts. valued at £10.4 million. This included 93,082 cwts. of textile machinery valued at £2.2 million, 83,409 cwts. of power producing boiler house plant, steam engine and internal combustion engines.

Imports of electrical machinery, apparatus and appliances into India reached a total value of £5.5 million. These included 24,903 cwts. of generating plant (£857,000), 54,108 cwts. of converting and switching gear (£1.4 million).

Among vehicles imported from the U.K., 5,910 tons of railway stock were worth £3.5 million. Among these were 1,814 tons of locomotives valued at £709,000. Road vehicles and aircraft of the value of £3.5 millions were also purchased by India. Of this, 645 road chassis were worth (£710,000).

The next largest group of Britain's exports to India during the four-month period was chemicals valued at £5.5 million.

In the field of textiles, Britain's exports to India of wool products aggregated £2.09 million including 4.05 million lbs. of tops. Cotton yarns and woven fabrics amounted to £610,000.

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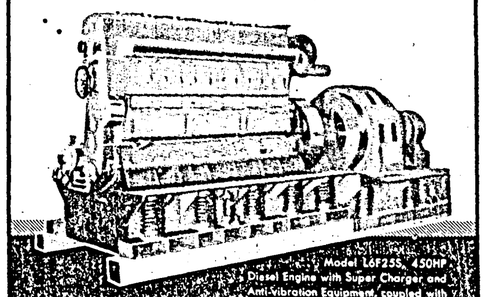

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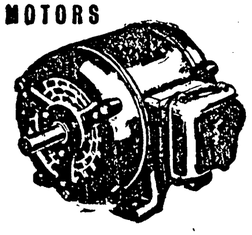
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LAND REFORMS IN INDIA

BOMBAY AND MADRAS SCHEMES

ALTHOUGH the first step towards land reforms was initiated some years ago with the abolition of *zamindaris*, no positive progress has since been made in evolving and implementing a practical land policy. Here and there, of course, certain laws, as, for instance, the one relating to ceiling on land holdings in Hyderabad, have been passed, but there is yet to be a co-ordinated policy for the country as a whole. There are still serious differences of opinion among the leaders of the Congress Party on certain vital issues, more especially on ceiling on land holdings. The confusion that exists in the ruling party is evident from the appointment of more and more committees by the Planning Commission, even though five long-years have passed since the draft of the first Five-year Plan was drawn up. It was only recently that the Planning Commission set up a panel for tackling the problem of land reform. This Panel, which met for the first time early this month, has constituted four sub-committees to make recommendations on (*a*) tenancy reform, (*b*) size of holdings, (*c*) problems of reorganisation and (*b*) *bhoodan*.

While thus a firm policy has yet to be laid down by the Planning Commission and the Government of India, certain State Governments are going ahead with their preparations for introducing far-reaching land reforms. The Bombay Government, for instance, has published a draft Bill seeking to amend the Bombay Tenancy and Agricultural Lands Act, 1948, for eliciting public opinion. The Madras Government, too, has made certain moves, though they are not as firm as the step taken by the Bombay Government. The Cabinet Sub-Committee of the Madras Government, appointed to go into the recommendations of the proposals put forward by the Land Reforms Sub-Committee of the Tamilnad Congress Working Committee and suggest a draft scheme, has submitted its report to the Cabinet. This report is still confidential and nothing is known about its contents, though it was considered at a meeting of the Madras Cabinet last week. Meanwhile, the report of the Tamilnad Congress Sub-Committee has been released to the public.

The difference between the steps taken in Madras and Bombay is that, whereas the Government of the latter State has made up its mind in regard to the details of its land reform, that of the former State has not. The Bombay Government is trying to elicit public opinion on what it wants to do. The fact that a draft Bill has been published shows that the Bombay Cabinet has reached definite conclusions. In the case of Madras, what is published is the report of the State Congress Party. It is not known to what extent the Madras Government itself is in agreement with this report. Nevertheless, an analysis of both the schemes will be useful.

Ceilings on Landholdings

A ceiling on landholdings is envisaged in both the schemes. The Bombay Bill stipulates that no person, in future, whether as occupant or tenant, would be allowed to hold land in excess of 48 acres of *jirayat* land or 24 acres of seasonally Irrigated or paddy or rice land or 12 acres of perennially irrigated land. This ceiling does not, however, affect the existing holdings. While thus in Bombay ceiling is specified on three types of land, namely, *jirayat*, seasonally irrigated and perennially irrigated, the Madras measure proposes ceilings in respect only two types of lands, namely, wet and dry. A "resident landowner" in Madras can, under this proposal, cultivate personally, if he wants to, a holding of 25 wet standard acres or 75 dry standard acres or an appropriate holding of wet and dry lands computed on the basis of one wet standard acre for every three dry standard acres. The ceilings will be double in the case of a resident landowner of an undivided family.

The limits specified in the Madras Congress Land Reform Committee report apply only to landowners whose personally cultivated holdings in the concerned village or villages in the agricultural year 1954-55 exceeded them. They do not apply also to holdings which happen to be a well-knit compact and integrated farm, involving large capital investment or farm buildings, mechanical appliances, improved cattle breeds, mixed farming, advanced techniques of cultivation, etc. Whether a particular farm answers this description or not would be decided by a specially constituted Board. The ceilings are not also applicable to grazing lands for cattle, as well as to holdings of topes (groves) growing coconut, casuarina, mango or other fruit-bearing trees. But if these topes are irrigated by seasonal or perennial water resources, they are covered by separate proposals. Similar provisions exist in the Bombay scheme too. Thus leases of land granted for the benefit of any industrial or commercial undertaking other than a co-operative society or granted to any body of persons otherwise specified are exempt from the provisions of certain sections. But the Government will have powers to regulate them.

In will be interesting to refer, in this context, to some of the observations made in the course of a minute of dissent appended by Mr. K. G. Sivaswamy to the T.N.C.C. main report. He says the term "resident landowner" should include residents in an area beyond a village, as distances shrink with greater facilities of communication. Regarding ceilings, he says that they should not be applicable to large-scale farmers. This suggestion is sound, in that it is conducive to increasing agricultural output through intensive and modern methods of cultivation. However, he is opposed to marking out, once and for all, big estates. There should be, he says, a provision for exempting big farms whenever they come into existence at a future date. This suggestion provides for making the scheme more flexible, instead of being rigid.

Minimum Wages

Under the Madras Congress Committee's Scheme, if the area under personal cultivation of a landholder—owning more than the maximum holding—was less than the limit proposed, he would not be able to resume land from his tenant for the purpose of reaching the ceiling for personal cultivation, except under certain conditions. "Personal cultivation" has been defined as cultivation by the "resident landowner" himself with the assistance of one or more members of his family or cultivation by labour hired for daily or monthly wages and not for any share in the crop. The schedule attached to the report fixes the minimum wages payable by the landowner. Here, the Sub-committee appears to be rather very ambitious. The monthly wages is fixed at Rs. 30 for a farm servant employed during an agricultural year. Part of this is payable in kind. Grain worth Rs. 20 is to be paid every month. Of the balance of Rs. 10, Rs. 5 are to be paid every month, the balance should be credited to a fund which is to be used for payment in two instalments of Rs. 30 each, once on *Divali* and again on *Pongal*. Where a servant and his landowner agree to continue the contract for a minimum period of 15 years, the owner has to take out a 15-year endowment insurance policy in his servant's name for an appropriate amount involving the payment of an annual premium not exceeding Rs. 20. For casual workers the minimum wage is fixed at Rs. 1-4 per day for males and at As. 12 for women.

The wage levels proposed by the Sub-committee are no doubt reasonable from the point of view of the worker. Nor are they higher than those prevailing in many parts of Tamil Nad at present. Indeed, as a minimum to be aimed at, the rates prescribed are fair indeed. But the question is whether such statutory levels can be enforced during periods when prices of agricultural commodities decline owing to a slump or when drought or other adverse conditions due to nature affects the fortunes of farmers. The vagaries of agricultural income are well known. It will not, therefore, be logically correct to lay down statutory minimum wages for agricultural workers, however desirable they may be from the social point of view, unless the farm-owners are guaranteed a minimum price for the crops they raise and protection against crop failures.

Where a landowner in Madras has all or a part of his lands cultivated by tenants, he shall have, according to the Congress Sub-committee, the right to resume the land only under certain conditions. Thus, he cannot exercise the use of this right during 1955-58. If after 1st April, 1958, he wishes to use the right of resumption, he should do so within three years. At the end of this period, if he fails to do so, his rights would automatically lapse. On the other hand, if he exercises his right, then the total of the resumed land plus the holdings which he is cultivating should not exceed the limit. The land resumed should be used for *bona fide* personal cultivation. These provisions are applicable to absentee landlords also.

In the Bombay scheme provision has been made for consolidation of holdings by means of fixing a minimum for holdings which is also considered to be an economic holding. The minima proposed are 16 acres for *jirayat* land, 8 acres for seasonally irrigated or paddy or rice land, and 4 acres for perennially irrigated land. A man who holds land below this specified area would be allowed to acquire enough land to make up the economic holding and would also be protected from eviction by the landlord in the event of his acquiring the land for his own cultivation or for a non-agricultural purpose.

Again, the Bombay Bill seeks automatically to give the tiller the right to own the land he is tilling. Thus, on and with effect from 1st April, 1957, to be known as "Tiller's Day," every tenant, whether permanent, protected or otherwise, shall be deemed to have purchased from the landlord the land held by him as a tenant, provided he cultivates the land personally and his total holding does not exceed the ceiling. The purchase price in the case of a permanent tenant shall not be less than 30 times or exceed 100 times the assessment. In the case of other tenants, the limits would be 50 and 100 times the assessment, respectively. Disputes would be referred to tribunals but the Government itself would be an appellate authority in the settlement of disputes. Purchase price can be paid in a lump sum or in instalments not exceeding ten with simple interest at the rate of 4½ per cent. to be spread over a maximum period of 12 years. If the tenant is unwilling to purchase the land, the Collector can evict him and surrender the land to the landlord, if he holds less than the ceiling area. Failing that, the land may be given to another landlord or a landless person. All lands purchased by tenants shall be non-transferable during a period of five years from the date of purchase.

Grounds for Eviction

While thus in Bombay the ownership is proposed to be vested in the cultivating tenant, in Madras the proposal seeks to deprive the landholder of his rights to evict the tenant. This is done by specifying the grounds on which a tenant can be evicted. These are: (*a*) Failure to pay the rent in full before 30th April every year, (*b*) use of land for a non-agricultural purpose, (*c*) sub-letting it to another person, (*d*) partitioning or alienating his cultivation rights or mortgaging his rights and (*e*) obstructing the division of produce at the thrashing floor. The tenant, however, has the right to purchase the landowner's interest in the concerned holding whenever the latter decides to sell it, at prices agreed upon between the parties concerned. If the tenant fails to purchase it within six months of the owner's notice, the landowner shall be free to sell it to any other person. The Sub-committee has left it to the State Government to examine the possibilities of transferring the landowner's interests in their holdings to the concerned tenants under a suitably evolved tenant purchasing programme financed by a tenant purchase fund. In Bombay, on the contrary, the price and the methods of payment for the land are, as stated already, fixed by Government. No financial arrangement is proposed for assisting the tenant to make the purchase.

The Madras proposals, however, contain two detailed schedules fixing the fair-rent rates for the *waram* and fixed tenancies respectively. They also envisage the establishment of a Land Management Corporation with two divisions, namely, one for the management of all lands belonging to temples, *mutts*, mosques, etc., and the other for the management of such lands as are left uncultivated by their owners.

It is evident from the foregoing that both the schemes have their own advantages and drawbacks. For instance, the Madras Congress Party's proposal is fair to the landowner in that it does not seek to deprive him of his right on the ownership of land as the Bombay scheme does. The landowner, however, loses his right to evict the tenant. Further, the scheme fixes the proportion of the share in the produce each should get. This imparts rigidity; instead, it would be better for the State to fix a maximum and a minimum, allowing the parties to bargain the shares of each in the produce. Again, the automatic conferment of ownership rights on the tenant, irrespective of the tenant's wish, is tantamount to expropriation and thus does injustice to the landowner. The Madras scheme, on the contrary, is reasonable in that the rights are not alienated till the tenant purchases the land. There is, however, one desirable feature in the Bombay proposal, namely, the fixation of floors to holdings. This is a step in the right direction.

WESTERN INDIA LIFE INSURANCE COMPANY, LIMITED

DR. M. N. AGASHE ON CUT IN PREMIUM RATES

ADDRESSING the Forty-first Annual Meeting of the shareholders of the Western India Life Insurance Company, Ltd., held at Satara on Sunday, 19th June, 1955, Dr. M. N. Agashe, Chairman of the Company, referred to the impressive increase in the Company's new life business from Rs. 2.76 crores in 1953 to Rs. 4.7 crores in 1954. This "splendid achievement," he said, was made possible not only by the untiring efforts of the Western India's field staff but by certain other factors. Among the latter, he called attention to the reduction in premium rates, increase in bonus and introduction of staff insurance schemes by some leading insurers. He stressed that the Western India had effected only a nominal cut in premium rates and that this factor guaranteed comparatively higher bonus to its policyholders. He declared that the Western India was not in the least disturbed by these "events and storms"—he was referring to the "rate war" in insurance—and could remain "cool and quiet" and carry on its business in its "usual way."

The following are extracts from Dr. Agashe's speech:

"I feel great pleasure in welcoming you all to this annual general meeting of the shareholders. The audited accounts and the report of your Directors for the year 1954 are already with you and I take it that you have acquainted yourself with their salient features and have noted the progress made by our Company during the last year.

"I must make mention of one of the saddest events that occurred not only in the life of this institution but in the history of Satara and Maharashtra. Our revered R. G. Alias Bhausaheb Soman, who was elected as the President of our Company after the sad demise of Mr. Annasaheb Chirmule in 1951, passed away in the month of February this year. His sudden departure from amongst us has created a void in our midst and we are deprived of his valuable advice, which it was our privilege to have from time to time. Mr. Bhausaheb was one of our founder-Directors and a golden link between the old and new generations. He was an astute politician, an eminent lawyer and a good social reformer. He was the President of the Legislative Council, Bombay, where he made a name for himself. He will be remembered by us all for a very long time.

New Business

"When we met last time a year ago, I had taken a review of the conditions, then prevailing in the country and had referred to the question of general unemployment and the sad plight of the middle class which is generally the backbone of our business. Though there does not appear to be any marked improvement in that quarter, I am glad to say that the new business of our Company has gone up, from Rs. 2 crores and 76 lakhs for 1953 to nearly Rs. 4 crores and 7 lakhs for 1954. This is a splendid achievement of which every one of us should be proud. It is also a matter of further satisfaction that we could achieve all this at a moderate cost.

"Now the point that is before us is what is this rise in business due to?

"These were mainly three in number: (1) reduction in premium rates, (2) increase in bonus, and (3) introduction of staff insurance schemes by some leading insurance offices in India.

"Now the point before us is how far we are affected by these storms and whether the rate reduction in our premiums is in any way likely to affect our Company's stability. I am going to give here the same answer which I have given on many occasions when a question was asked whether the new amendments to the Insurance Act affected us in any way. I am glad to declare that not only we were not in the least disturbed by these events and storms but we could remain cool and quiet and carry on our business in our usual way. We had, of course, to adjust ourselves according to the situation but it did not disturb us in any way.

"If you just take a comparative survey of the reduction in rates made by various companies, you will observe that whereas some companies in some cases reduced their rates considerably, our reduction was nominal. You can thus consider how little the Western India's renewal premium income is likely to suffer in comparison and realise that this factor alone can guarantee comparatively higher bonus to our policyholders in future. Those who can consider the question from this angle can immediately see a bright future for the Western. To say anything beyond this, would amount to self-praise.

Business Prospects

"Having thus said what I had to say about the business of last year, a question naturally arises whether we would be able to maintain the level of business that we have reached last year and whether we could show any appreciable increase in business in the current as well as in the succeeding years. Though there are no temptations like those of last year and though business under the Estate Duty Plan may not be so lucrative as like last year, I have every hope that we shall strive our utmost to fight against the odds and try to maintain our tradition of booking increasing business from year to year.

"On going through the figures of our annual report, it will be seen that, as a result of the year's working, a sum of over Rs. 64 lakhs has been added to our life insurance fund which now stands at more than Rs. 6 crores and 96 lakhs.

"It is satisfactory to note that our net interest yield leaves sufficient margin over the rate assumed in the valuation. Similarly, our gross expense ratio of 25.48 per cent. for 1954 is also satisfactory in comparison to the average expense ratio of all companies together for the year 1953. These features only confirm that we have maintained our great tradition of the past.

"During the year 1954, payments over Rs. 32 lakhs were made by us by way of death and maturity claims. It is a gratifying feature that our experience in respect of death claims was satisfactory during the year under review which speaks eloquently of the great care exercised by the Directors in the selection of business.

Twelfth Valuation

"You are already aware of the results of our twelfth valuation as at the end of 1953. I am proud to state that though stringent conditions prevailed in the country during the last three years, we have been able to show quite satisfactory results in the twelfth valuation. The rate of interest assumed in the valuation is at 3 per cent. although the actual average net yield of interest during the intervaluation period was 4.41 per cent. Ample provision has been made to allow for future expenses for the current business. It is also gratifying to note that we have been able to declare a reversionary bonus of Rs. 15 per thousand per annum for whole life with profits and Rs. 12 per thousand per annum for endowment with profits policies. This shows that the Company's financial position is well maintained and it is most sound.

"The net interest yield for 1954 is 3.72 per cent. against 4.43 per cent. in 1953. While the gross interest yield for 1954 is 4.69 per cent. against 4.50 per cent. in 1953. This apparently anomalous position is entirely due to the incidence of the item of income-tax.

"The net interest yield will not show such fluctuations if the refunds were obtained from the Government at more regular intervals than at present.

Our Buildings

"In my last speech, I had made a special mention of our new magnificent building at Poona, the opening ceremony of which took place at the hands of the Vice-President, Dr. Radhakrishnan. In addition to this new building at Poona, we have now our own new buildings at Kolhapur and Delhi. We have purchased a new building at Delhi just adjacent to our present building. Now we have a magnificent building in the capital of India and it is hoped that this will give new impetus to our new business from that part.

"I pray God to have his blessings on us and lead our Company from prosperity to prosperity."

Notices

THE INDIAN GALVANIZING COMPANY (1926) LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming General Meeting of the Shareholders of the Company dividends in respect of the year ended 31st December, 1954, as follows:—

(*a*) Dividend on Cumulative Preference Shares at 6 per cent. (subject to deduction of Indian Income-tax).

(*b*) Dividend on Ordinary Shares at 4 per cent. free of Income-tax.

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

21, NETAJI SUBHAS ROAD,
CALCUTTA.

THE GANESH FLOUR MILLS COMPANY, LIMITED, DELHI

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 63RD ORDINARY GENERAL MEETING of the Shareholders of the Company will be held at the Registered Office of the Company at Subzimandi, Delhi, on Friday the 15th July, 1955, at 6 p.m., to transact the following business:—

(A) To receive Directors' Report and pass Audited Accounts for the year ended 30th September, 1954.

(B) To elect Directors in place of L. Rang Behari Lall and L. Satya Narain Gupta who retire by rotation and offer themselves for re-election.

(C) To appoint Auditors and fix their remuneration.

The Transfer Register of the Company will remain closed from 2nd July to 15th July, 1955 (both days inclusive).

By Order of Directors,
KIRPA NARAIN,
Manager.

DELHI, 13*th June*, 1955.

MINERVA MILLS, LIMITED

NOTICE OF 20th DIVIDEND

NOTICE IS HEREBY GIVEN THAT A DIVIdend of Rs. 5 per share of Rs. 100 for the year ended 31st December, 1954, sanctioned by the shareholders at the Thirty-fifth Ordinary General Meeting held on the 15th June, 1955, is made payable at the Imperial Bank of India, Bombay, on and after Wednesday the 22nd June, 1955, to those Shareholders whose names stood on the Register of Members on the 20th May, 1955, and who have paid all dues to the Company whether in respect of calls on their shares, interest thereon or otherwise.

By Order of the Board,
N. SIRUR & Co., LTD.,
Managing Agents,
V. N. CHANDAVARKAR,
Managing Director.

Registered Office:—
TEMPLE BAR BUILDING,
70, FORBES STREET, FORT,
BOMBAY, 15*th June*, 1955.

THE EQUITABLE COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE payment of Interest for the period from 1st January to 30th June, 1955, on the 5½ per cent. Registered Debenture Stock 1963-68 of the Company will be made on 1st July, 1955, to those Stockholders whose names appear on the Company's Register on 30th June, 1955, or in accordance with their instructions.

FOR THE EQUITABLE COAL CO., LTD.,
MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, 14*th June*, 1955.

TEXMACO MAKES STRIDENT PROGRESS

PROFIT MORE THAN DOUBLES IN THREE YEARS

THE impressive rise in the market value of the ordinary shares of the Textile Machinery Corporation (Managing Agents: Messrs. Birla Brothers, Ltd., Calcutta) on the Calcutta Stock Exchange during the past two weeks—from Rs. 17-15 at the beginning of the month to Rs. 19-10 *ex-div.* at present (17th inst.)—is attributed partly to the excellent results achieved by the Company during the year ended 31st December, 1954, and partly to the expectation that the shares would be placed on the forward list of the Exchange. This expectation has since become an accomplished fact with the decision of the authorities to promote the shares to the forward list. The audited accounts of the Company for the past year reveal that the appreciation in the value of its shares was not unjustified. For the gross profit has jumped up by Rs. 6.47 lakhs to Rs. 26.62 lakhs, a fresh record in the history of the Company. With this rise, the upward trend in profit noted since 1950 has been maintained. What is more, the profit has more than doubled itself during the past three years (in 1951, the gross profit was Rs. 12.76 lakhs).

In consonance with the aforesaid trend in profit, the Directors have stepped up the dividend on ordinary shares from 7½ per cent. paid for 1953 to 10 per cent. for the year under review. This is the third consecutive year when the dividend has been raised. After the lapse of a year in 1950, the distribution to ordinary shareholders was resumed with a dividend of 2½ per cent. for 1951 and for each of the following three years it has been stepped up by 2½ per cent. The distribution for 1954 is thus four times that made for 1951. It must, however, be noted that the higher disbursement to shareholders is being made without being accompanied by any allocation to reserves. In fact, it is several years now since the Company set apart something for the rainy day. It is to be hoped that, having stepped up the dividend now to a very decent level, the Directors would follow a steady dividend policy and build up reserves.

The following comparative table clearly brings out the good progress in the working of the Company during the past three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
	£	£	£	£
Sale proceeds	141.53	87.69*	103.09	83.38
Closing stocks	18.13	22.65	16.76	38.87
Manufacturing expenses ..	91.20	55.13	46.49	53.71
Other expenses	21.68	19.94	20.70	20.05
Gross profit	26.62	20.15	15.39	12.76
Managing Agents' commission	2.18	..	..	..
Provision for—				
Depreciation	15.00	12.50	12.00	7.50
Taxation	0.13	..	..	0.75
Net profit	9.32	7.65	3.39	4.51
Debenture issue expenses written off	..	0.69	..	0.50
To reserves	..	0.05†	..	..
Dividends—				
6½ per cent. Preference ..	2.20	2.20	2.20	0.55
Ordinary	6.00 (10%)	4.50 (7½%)	3.00 (5%)	1.50 (2½%)
Carry forward	1.48	0.36	0.15	1.96

* Net value.

† Provision for bad and doubtful debts.

The Directors report that there was a substantial improvement in sales. A notable feature of the sales in the textile machinery division was the booking of certain bulk orders from some of the foremost textile mills in India; this reflects their confidence in the Company's capacity for supplying quality goods.

In the boiler and heavy engineering division, the production of industrial boilers is said to have been maintained at a satisfactory level during the year. Last year, the Company undertook the manufacture of railway wagons for the Government of India and soon established itself as one of the regular suppliers of wagons for the Indian railways. The Railway Board has placed repeat orders with the Company for wagons. The Board has also placed orders for locomotive boilers; work on this, taken in hand during the latter half of the year, is said to be progressing satisfactorily. In 1953, the Company secured orders for the welded type of fabricated sluice gates for the Rupar Dam and penstock liners for the Hirakud Project. These works are now nearing completion. The work done by the Company on the Sindri coke oven by-products plant is said to have received commendation from the authorities concerned. The steel foundry equipment ordered by the Company from Germany has arrived and its erection is in progress.

The Company's balance-sheet as on 31st December, 1954, shows that the reserves and surplus aggregate no more than Rs. 6.16 lakhs, as against a paid-up capital of Rs. 100 lakhs. The debenture capital, together with accrued interest thereon, amounts to Rs. 40.04 lakhs. There is no provision for taxation, the small amount of Rs. 10,292 standing to the credit of this account at the close of 1953 has been adjusted partially towards payment of tax for the assessment year 1949-50, the balance being provided out of the profit for 1954. The current liabilities aggregate Rs. 67.05 lakhs. There has been an addition of Rs. 11.27 lakhs to the gross block during the year, bringing the total value of the block account to Rs. 155.63 lakhs. As against this, the provision for depreciation built up is Rs. 70.12 lakhs. The current assets amount to Rs. 167.74 lakhs, exceeding the current liabilities by a large margin.

The Rs. 10 fully paid-up shares are being currently quoted at Rs. 19-10 *ex-div.* On the basis of the latest dividend, the shares give a yield of 5.1 per cent. per annum, free of tax.

SHAW WALLACE EARNS BUMPER PROFIT

The prosperity of the tea industry during 1954 and the securing of the agency for procurement of rice and paddy for the West Bengal Government have been mainly responsible for the bumper profit earned by Messrs. Shaw Wallace & Co., Ltd. (Chairman and Managing Director: Mr. R. H. D. Campbell, Calcutta), during the year ended 31st December, 1954. The gross profit (before providing for Directors' remuneration) amounts to Rs. 50.97 lakhs, representing an increase of Rs. 22.93 lakhs over that for 1953. The profit for the year under review is a record in the history of the Company and exceeds the previous best of Rs. 40.92 lakhs earned in 1948, the second year of its working after it was converted into a public limited concern. (The Company was incorporated only in 1946 as a private concern and in the following year the shares were offered to the public.)

After providing for Directors' remuneration, depreciation and taxation, the net profit amounts to Rs. 19.15 lakhs, an increase of Rs. 4.72 lakhs over that for 1953. The net profit is not, however, a record one, on account of the substantial increase in the provision for taxation from Rs. 7.60 lakhs to Rs. 20.18 lakhs. After setting aside Rs. 4 lakhs for contingencies, which had received nothing in the previous year, the Directors have strengthened the general reserve by Rs. 4 lakhs, thus doubling the allocation made a year ago, and the investment reserve by Rs. 2.50 lakhs, as against Rs. 1.50 lakhs. The dividend on ordinary shares has been stepped up to 12½ per cent. from 10 per cent. paid for the previous seven years.

The following comparative table, presenting the salient features of the Company's profit and loss account for the past four years, gives an idea of its progress.

(In lakhs of rupees)

	For the year ended 31st December			
	1954	1953	1952	1951
Sale proceeds	48.92	38.81	40.15	49.81
Agency and other commissions and allowances	62.87	45.54	45.07	43.72
Other income	12.34	7.48	6.77	17.97
Stocks	8.50	7.89	10.12	6.61
Expenses	73.29	61.57	73.10	72.33
Gross profit	50.97	28.04	28.39	39.48
Directors' remuneration ..	6.61	4.94	4.93	5.40
Provision for—				
Depreciation	1.03	1.08	1.13	1.01
Taxation	20.18	7.60	6.92	12.84
Net profit	19.15	14.43	15.41	20.18
To contingencies	4.00	..	..	..
To reserves	6.50	3.50	4.50	8.50
Dividends—				
6% preference	3.32	3.32	3.32	3.32
Ordinary	9.37 (12½%)	7.50 (10%)	7.50 (10%)	7.50 (10%)
Carry forward	3.64	3.93	3.57	3.48

The latest balance-sheet of the Company shows that the reserves and surplus aggregate Rs. 52.64 lakhs (including the provision for contingencies set aside from the year's profit), as against a paid-up capital of Rs. 150 lakhs, of which 6 per cent. taxable cumulative preference shares account for Rs. 75 lakhs and ordinary shares for Rs. 75 lakhs. The provision for taxation amounts to Rs. 16 lakhs and the current liabilities aggregate Rs. 98.24 lakhs. The gross block of the value of Rs. 9.78 lakhs has been written down to Rs. 6.31 lakhs. The Company's investment in the firm of Shaw Wallace & Co. (including Rs. 39.63 lakhs paid for goodwill), together with the amount due from it on current account, aggregates Rs. 179.96 lakhs. Investments (at cost) in joint-stock companies amount to Rs. 29.83 lakhs and current assets Rs. 97.37 lakhs.

As regards the outlook for the current year, the Directors point out that, in view of the improved food position, the procurement agency for the West Bengal Government is not likely to be repeated in 1955. "Since the close of the year to date," they add, "business continues at a satisfactory level, although it is anticipated that the final 1955 profits will not be as high as 1954."

The Rs. 10 paid-up shares are being currently quoted at Rs. 14-2 *ex-div.* At this rate and on the basis of the latest dividend, the yield on the shares works out to 8.85 per cent. per annum, free of tax.

EQUITABLE COAL'S PROFIT LOWER

DIVIDEND MAINTAINED

A SETBACK in earnings is disclosed by the audited accounts of the Equitable Coal Company, Ltd. (Managing Agents: Messrs. Macneill and Barry Ltd., Calcutta) for the half-year ended 31st December, 1954. The gross profit has declined from Rs. 9.23 lakhs for the six months ended 30th June, 1954, to Rs. 6.87 lakhs for the half-year under review. It, however, compares favourably with that of Rs. 5.27 lakhs earned in the corresponding half-year of 1953. With the above-noted drop in profit, the improvement noted in the previous half-year has to a large extent been offset and the downward trend in the Company's earnings since the half-year ended 30th June, 1952, has almost reasserted itself. Thus, the gross profit has dwindled from no less than Rs. 37.92 lakhs to Rs. 6.87 lakhs, all in the short period of five half-years.

No provision for depreciation has been made, for which a sum of Rs. 5 lakhs had been set aside in the previous half-year. The Directors are satisfied that the provision so far made for this purpose in the Company's accounts is adequate. No provision for taxation also has been made, as in the previous three half-years. The net profit, after making provision for Managing Agents' remuneration, amounts to Rs. 3.51 lakhs, which is better than that for either of the previous two half-years, namely, Rs. 1.07 lakhs for the half-year ended 30th June, 1954, and Rs. 1.87 lakhs for the corresponding six months of 1953. Out of this net profit, a sum of Rs. 1.18 lakh has been utilised to write off debenture issue expenses. While a sum of Rs. 20,000 had been provided for cesses, no such provision has been made out of the profit for the half-year under review. The dividend on ordinary shares has been maintained at 15 per cent. per annum, to which level it had been reduced successively, from 30 per cent. per annum paid for the six months ended 31st December, 1952, to 20 per cent. per annum for the next half-year and 17½ per cent. per annum for the following six months. It may be noted here that, in the previous half-year, the Directors supplemented the net profit with Rs. 1.66 lakhs, being the provision for taxation and reserve for doubtful debts no longer required, before paying a dividend of 15 per cent. per annum.

The following comparative table brings out clearly the progress of the Company's working during the past three half-years:

(In lakhs of rupees)

	For the half-year ended			
	31-12-54	30-6-54	31-12-53	30-6-53
Sale proceeds of coal	158.11	163.89	164.21	196.00
Other income	1.36	1.84	2.02	2.88
Stocks	15.89	21.49	10.02	27.99
Expenses (including coal purchased)	147.01	158.08	156.00	193.94
Gross profit	6.87	9.23	5.27	10.29
Managing Agents' remuneration	3.36	3.16	3.40	3.21
Provision for—				
Depreciation	..	5.00	..	5.00
Taxation	..	..	..	..
Net profit	3.51	1.07	1.87	2.08
Debenture issue expenses written off	1.18	..	..	..
Provision for cesses	..	0.20	..	..
To reserves	..	..	0.61	0.11
Reserves and provisions written back	..	1.00	0.60	2.00
Dividends—				
6 per cent. preference ..	0.12	0.12	0.12	0.12
Ordinary	2.22 (15% p.a.)	2.22 (15% p.a.)	2.50 (17½% p.a.)	2.96 (20% p.a.)
Directors' commission on dividends	0.14	0.14	0.16	0.18
Carry forward	1.70	1.80	1.81	2.82
Raisings .. .. .. (tons)	802,218	819,882	805,211	836,000
Despatches .. .. .. (tons)	861,241	790,922	848,104	781,800
Stocks .. .. .. (tons)	105,357	152,108	128,859	171,782

The decline in raisings of coal during the half-year under review is seasonal and is always noticeable during the second half of each year. The Directors, however, observe that full advantage was taken of the better wagon supplies experienced during this period and stocks were reduced considerably.

Commenting on the general conditions which prevailed during the half-year under review, the Directors observe as follows:

"Good relations between labour and management continued throughout the period. The All-India Industrial Tribunal (Colliery Disputes) appointed by Government to deal with certain disputes which have arisen with the industry's labour reached no conclusions during the half-year. The small margin between production costs, which continues to rise, and the controlled selling prices, fixed by Government, makes it imperative that, if increased emoluments are to be given to labour, the price of coal should also be increased. Coal prices, indeed, already require revision, in the light of existing costs."

Though the Company has not been able to make any worthwhile contribution to the reserves during the last four half-years, the

reserves and surplus as on 31st December, 1954, stand at the impressive level of Rs. 73.52 lakhs (as against a paid-up capital of Rs. 33.64 lakhs), thanks to the allocations made during the days of prosperity. The debenture liability, together with interest accrued thereon, amounts to Rs. 51.38 lakhs. The provision for taxation and cesses stands at Rs. 14.50 lakhs and the current liabilities aggregate Rs. 145.97 lakhs. There has been an addition of Rs. 11.82 lakhs to the gross block, bringing the total value to Rs. 377.77 lakhs. This has been well written down to Rs. 96.63 lakhs. The current assets (including investments in joint-stock companies and subsidiary) amount to Rs. 222.38 lakhs, exceeding the current liabilities and provision for taxation and cesses by Rs. 61.91 lakhs.

During the half-year under review, a new sand-gathering plant and aerial ropeway were put into operation at Ranipur colliery. This will enable raisings of the Dishergarh seam to be increased. The Directors point out that further expenditure will be required to lay a new siding to handle this expected increased output.

The Rs. 10 paid-up ordinary shares of the Company are being currently quoted at Rs. 30-4 *cum-div.* On an *ex-div.* basis, the shares offer a yield of 5.1 per cent. per annum.

NEW COMPANIES REGISTERED

Eighty-eight new companies limited by shares with a total authorised capital of Rs. 15.36 crores have been registered during the month of February, 1955. This brings the total number of companies registered during the period of 11 months in the fiscal year 1954-55 to 1,076, with an authorised capital of Rs. 207.48 crores. During the corresponding period last year, 1,087 companies with a total authorised capital of Rs. 43.65 crores were registered.

The largest flotation during February, 1955, was the Caltex Oil Refinery of India Ltd. (Bombay) with an authorised capital of Rs. 6 crores. This company ranks as the fifth largest flotation during the first 11 months of the fiscal year 1954-55.

Forty-six companies limited by shares with a total paid-up capital of Rs. 28 lakhs have either gone into liquidation, finally dissolved or become defunct, during the month of February, 1955. During the corresponding period last year 41 companies with a capital of Rs. 9 lakhs went into liquidation or became defunct. During the period of 11 months, i.e., from April, 1954 to February, 1955, 472 companies with a total paid-up capital of Rs. 3.8 crores ceased to work, while during the corresponding period in the fiscal year 1953-54, 493 companies with a total paid-up capital of Rs. 2.44 crores went into liquidation.

Net increase in the paid-up capital of the companies reported during the month of February, 1955, has been of the order of Rs. 1.83 crores, as against Rs. 1.43 crores during the corresponding period last year. The cumulative net increase in the paid-up capital of companies during the first 11 months of 1954-55 is Rs. 39.75 crores, as against Rs. 33.68 crores during the corresponding period of the fiscal year 1953-54.

Individual Americans continue predominant among holders of stocks in American corporations. Furthermore, although individual stockholders constitute a relatively small fraction of the population of the United States, most Americans have an indirect stake in the stock market through investments by insurance companies, savings banks, investment trusts, and pension and personal funds. This is reported in a study of the dynamic role of the stock market in the expanding U.S. economy, issued by the Senate Banking and Currency Committee.

The report estimates the market value of the outstanding capital stocks of all American business corporations at about $318,000 million at the end of 1954. Of this, individuals held total stocks estimated at $196,400 million. Other countries held an estimated $5,000 million of stocks in U.S. businesses.

INSURANCE

(*Concluded from page 1222*)

may be noted, in this connection, that the Company's marine reserves have been increased by as much as Rs. 8.70 lakhs in the last two years. The working of the department, however, resulted in a loss of Rs. 1.13 lakhs.

In the miscellaneous department, the net premium income advanced from Rs. 9.04 lakhs to Rs. 10.63 lakhs in 1954. Net claims also rose, somewhat sharply, from Rs. 4.09 lakhs (45.3 per cent.) to Rs. 6.80 lakhs (63.9 per cent.). The increase in loss ratio, it is stated, is largely due to heavy motor claims in certain foreign territories where the Company operates. It is gratifying to note that steps have been taken to correct this position. After maintaining the reserve for unexpired liabilities, the working of the department has shown a loss of Rs. 1.44 lakhs.

The profit from the fire department (Rs. 3.25 lakhs), together with income from interest and other sources, make in all Rs. 4.02 lakhs. After meeting the losses in the marine and miscellaneous sections and other expenses, the balance available for appropriation is Rs. 1.32 lakhs, which, together with Rs. 9.747 brought forward from the 1953 accounts, makes Rs. 1.41 lakhs. The provision for taxation absorbs Rs. 34,169 and payment of the recommended dividend Rs. 90,000, leaving a balance of Rs. 17,211 to be carried forward to the current year's accounts.

Apart from the capital of Rs. 24 lakhs, the Company has reserves and funds aggregating Rs. 41.30 lakhs, inclusive of fire fund Rs. 13.58 lakhs), marine fund (Rs. 16.92 lakhs) and miscellaneous fund (Rs. 5.32 lakhs).

Points From The Chair

Business Prospects

"HAVING thus said what I had to say about the business of last year, a question naturally arises whether we would be able to maintain the level of business that we have reached last year and whether we could show any appreciable increase in business in the current as well as in the succeeding years. Though there are no temptations like those of last year and though business under the Estate Duty Plan may not be so lucrative as like the last year, I have every hope that we shall strive our utmost to fight against the odds and try to maintain our tradition of booking increasing business from year to year."

DR. M. N. AGASHE,
Western India Life Insurance Co., Ltd.

Prospects for Manganese

"There is at present a good demand for our ore, but at prices lower than those obtainable in 1952 and 1953, when market conditions were exceptionally advantageous. Another factor which has to be taken into account, when one considers the future, is the opening up of other manganese areas in various parts of the world, which will no doubt compete in course of time with ore supplies from existing sources. But, on the other hand, it has to be borne in mind that the steel production in the world is continually expanding. So far as I can see at the moment, and provided that nothing unforeseen arises, I think that the prospects for the current year's trading are not unsatisfactory."

H. R. HOLMES,
Central Provinces Manganese Ore Co., Ltd.

General Outlook for Tea Fair

"At the time of writing this statement, I feel it would be unwise to attempt to forecast the trend of the market for the current season, because the North India season has scarcely commenced and the quantities of exports which may be released by producing countries are still unknown. I think, however, that the general outlook for tea is fair, provided always that growers maintain a good standard of production. The high prices ruling last year resulted in some coarse plucking towards the end of the season and it is to be hoped the lessons of the reception that these teas are receiving now from buyers and the recent crisis of 1952 will not be forgotten. I think there is no doubt that world consumption of tea is increasing and there is every evidence of increased demand in India, but the future of the industry must depend largely on the steps taken to produce good sound teas or, in other words, not to push up yields at the expense of quality."

W. H. MARR,
Consolidated Tea and Lands Co., Ltd.

New Zealand's Economy

"Secondary industries continue to expand under the stimulus of a high demand for almost all types of goods. The general picture is one of prosperity, but it cannot be too often emphasised that with its high volume of overseas trade and its high and rigid internal cost structure, New Zealand is very vulnerable to changes in the value of its exports upon which the standard of living depends. The Reserve Bank has recently emphasised that the Dominion must concentrate increasingly on improving its competitive position, which entails research into new methods of efficient production, more attention to quality, packaging and advertising, adaptability in production to meet any changes in market conditions and consumers' preferences, but it is also vital that the country's competitive position should not be undermined by inflation. Unfortunately, signs of inflation are still present, one indication of an overloaded economy being the continued shortage of labour, to which my predecessor referred last year. Moreover, retail prices have continued to rise in the absence of any rise in the price index for imported goods, and the pressure on the Dominion's overseas reserves is considerable."

ARTHUR H. ENSOR,
National Bank of New Zealand.

State Aid to Shipping

"In assessing the prospects of further progress and future expansion it would be just as well to stress that the pivotal point on which the whole thing turns is the extent to which our Government is consciously and continuously prepared to help Indian shipping. Their interest and concern have been demonstrably established in the past when they proceeded to reserve coastal trade to Indian ships. That passed without raising a ripple from competitive shipping interests because it is now widely recognised that coastal trade is the preserve of the nationals of the country. Increasing participation of Indian shipping in the adjacent and ocean trades, however, is not so easily achieved as the way is blocked by multi-conference arrangements designed to maintain the hold of the 'haves' against the encroachments of the 'have-nots.' The way can only be opened by the Government asserting itself to protect the interests of our flag. It can be done in a variety of ways, and the history of shipping development elsewhere provides illuminating examples of how it was done. Whatever is attempted by way of flag protection will no doubt be interpreted by established interests as flag discrimination. The controversy that raged in the Victorian period between free trade and protection may be cited by way of illustration. But it did not prevent any country from establishing its trade interests against competitive interests."

C. R. SRINIVASAN,
Bharat Line Ltd.

COMPANY MEETINGS AND DIVIDENDS

BULAND SUGAR CO., LTD. Annual General Meeting, Rah-e-Raza, Rampur, 28th June, 1955. Dividend: Re. 1 per share. Transfer books remain closed from 20th June to 2nd July, 1955, both days inclusive.

SHREE GOPAL PAPER MILLS LTD. Half-yearly General Meeting, Calcutta, 28th June, 1955. Transfer books remain closed from 20th to 28th June, 1955, both days inclusive.

RAZA SUGAR CO., LTD. Annual General Meeting, Rah-e-Raza, Rampur, 29th June, 1955. Dividend: As. 12 per share. Transfer books remain closed from 20th June to 2nd July, 1955, both days inclusive.

EQUITABLE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 29th June, 1955. Transfer books remain closed from 23rd to 29th June, 1955, both days inclusive.

DHEMO MAIN COLLIERIES LTD. Half-yearly General Meeting, Calcutta, 29th June, 1955. Transfer books remain closed from 23rd to 29th June, 1955, both days inclusive.

HURRILADIH COAL CO., LTD. Half-yearly General Meeting, Calcutta, 29th June, 1955. Transfer books remain closed from 23rd to 29th June, 1955, both days inclusive.

WEST JAMURIA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 29th June, 1955. Transfer books remain closed from 23rd to 29th June, 1955, both days inclusive.

KELVIN JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 6th July, 1955. Transfer books remain closed from 22nd June to 6th July, 1955, both days inclusive.

DHELAKHAT TEA CO., LTD. Annual General Meeting, Calcutta, 7th July, 1955. Dividend: Rs. 2 per share. Transfer books will remain closed from 1st to 8th July, 1955, both days inclusive.

BRITISH INDIA ELECTRIC CONSTRUCTION CO., LTD. Half-yearly General Meeting, Calcutta, 8th July, 1955. Transfer books will remain closed from 1st to 8th July, 1955, both days inclusive.

TWYFORD TEA CO., LTD. Annual General Meeting, Kottayam, 14th July, 1955. Dividend: Rs. 2-8 per share (includes interim dividend of Re. 1 per share). Transfer books will remain closed from 9th to 22nd July, 1955, both days inclusive.

PARASEA COLLIERIES LTD. Half-yearly General Meeting, Calcutta, 14th July, 1955. Transfer books will remain closed from 7th to 14th July, 1955, both days inclusive.

METAL BOX CO. OF INDIA LTD. Annual General Meeting, Calcutta, 14th July, 1955. Dividend: Re. 1-4 per share (includes interim dividend of As. 8 already paid). Transfer books will remain closed from 1st to 14th July, 1955, both days inclusive.

HAILEYBURIA TEA ESTATES LTD. Annual General Meeting, Kottayam, 15th July, 1955. Dividend: Rs. 2-8 per share (includes interim dividend of Re. 1 per share). Transfer books will remain closed from 9th to 21st July, 1955, both days inclusive.

HOOGHLY FLOUR MILLS CO., LTD. Dividend of Re. 1-4 per share for the half-year ended 31st December, 1954.

INDIAN GALVANIZING CO. (1926) LTD. Dividend of As. 6-2/5 per share, free of income-tax, on ordinary shares, for the year ended 31st December, 1954.

BISRA STONE LIME CO., LTD. Dividend of As. 14 per share, for the half-year ended 30th September, 1954.

SRI RANGA VILAS GINNING, SPINNING AND WEAVING MILLS LTD. Dividend: Rs. 6 per share, for the year ended 31st December, 1954. Transfer books remain closed from 16th June to 13th July, 1955, both days inclusive.

INDIAN STEEL ROLLING MILLS LTD. Dividend of As. 12 per share, for the year ended 31st December, 1954. Transfer books remain closed from 23rd June to 6th July, 1955, both days inclusive.

MLAMALLAY TEA ESTATES LTD. Dividend of Rs. 18-12 per share, for the year ended 31st March, 1955. Transfer books remain closed from 27th June to 4th July, 1955, both days inclusive.

COMPANY REGISTRATIONS

KHIRA STEEL WORKS LTD. (First Director: Mr. B. J. Khira.) Business: Manufacture of steel furniture and other articles of iron or steel, etc. Authorised capital: Rs. 25,00,000. Private company. Address: Kothare Building, Sandhurst Bridge, Bombay 7.

LOTUS INDUSTRIES LTD. (First Director: Mr. A. M. S. Hameed.) Business: Importers and exporters of all kinds of goods, etc. Authorised capital: Rs. 10,00,000. Public company. Address: 22, Zakaria Street, Calcutta.

ASSOCIATED COMMERCIAL AND MANUFACTURING ENTERPRISES LTD. (First Director: Mr. Ramnik K. Vithlani.) Business: Manufacture, purchase, import, sell, hire, operate or otherwise dispose of or use plant, machinery, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Peoples Building, Sir Pherozeshah Mehta Road, Fort, Bombay.

G. DAS (JUTE AND GUNNY) LTD. (First Director: Mr. G. D. Kothari.) Business: Brokers in jute, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 8, Royal Exchange Place, Calcutta.

RASH BEHARY SEN (1897) LTD. (First Director: Mr. S. K. Sen.) Business: Traders, dealers and order suppliers of glasswares, enamelware, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 190/191, Old China Bazar Street, Calcutta.

U.P. SUGAR SHOWS BETTER RESULTS

GIELLE TEA RETURNS TO DIVIDEND LIST AFTER A LAPSE OF THREE YEARS

United Provinces Sugar Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. James Finlay and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th September, 1954.

The profit on sugar account amounts to Rs. 4,22,423 (Rs. 1,60,370) and sale proceeds of motor car and scrap Rs. 6,826 (Rs. 8,521), making a total of Rs. 4,29,249 (Rs. 2,01,927). After deducting the loss on estates account of Rs. 5,369 (Rs. 1,93,250), the profit for the year amounts to Rs. 423,880 (loss of Rs. 8,677). From this sum has been deducted provision for Central and State taxation Rs. 1,90,000 (Rs. 80,000), leaving a balance of Rs. 2,33,880 (debit of Rs. 1,04,358). To which falls to be added the credit balance brought forward from last year of Rs. 5,181 (credit of Rs. 36,665), leaving a balance available for distribution of Rs. 2,39,061 (Rs. 85,181 including Rs. 85,000 transferred from reserve for E.P.T. deposit and Rs. 67,875 transferred from general reserve). Out of this the directors recommend payment of a dividend of 12½ (5) per cent. for the year to 30th September, 1954, absorbing Rs. 2,00,000 (Rs. 80,000), leaving a balance to be carried forward to credit of profit and loss account of Rs. 39,061 (Rs. 5,181). Depreciation provided at the usual rates absorbed Rs. 71,194, while expenditure during the year on new batteries and wiring amounting to Rs. 9,959 was written off in accordance with the usual practice. Full provision has been made in the accounts for Central and State taxation.

Crushing operations commenced on 7th December, 1953, and concluded on 24th March, 1954. The cane crushed and sugar produced was 18,96,330 maunds and 1,90,573 maunds respectively as compared with 25,24,444 maunds and 2,44,069 maunds in 1953. The yield percentage was 10.05 (9.67). The results for the year can be considered as quite satisfactory when compared with those of the previous season and this in spite of the difficulties encountered in regard to flooding and price agitation by cane growers to which reference was made in last year's report.

The minimum cane price, cane cess and cane co-operative societies' commission remained the same as in the previous year. Government control over the sale of sugar continued throughout the year, but satisfactory prices were obtained for the stocks released for free sale.

A bonus at the rate of 2½ annas per maund of sugar produced and amounting to Rs. 29,777 was paid to workers under the terms of the Government of Uttar Pradesh, Labour (A) Department Order, dated 10th January, 1955.

A new steel chimney accounted for the major portion of the expenditure. The small loss resulting from the Company's farming operations during the year was partly attributable to floods. A new tractor was purchased during the year in replacement of a worn out machine.

Season 1954-55 *Prospects.*—This season's crush at 24,83,996 maunds has been satisfactory and the recovery at 10.16 per cent. slightly better than that in season 1953-54. The results, should, therefore, be satisfactory unless the position is materially affected by the recent 50 per cent. increase in the excise duty, the surplus sugar stocks in the country and the fall in sugar consumption. Prospects for the season from the Company's farming operations seem fairly good.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	16,00,000	Block ...	6,07,804
Reserves ...	7,99,778	Stocks and stores ...	13,50,615
Provision for taxation ...	2,55,623	Debts, deposits and advances ...	10,49,252
Liabilities ...	6,99,495	Cash ...	3,86,286
Profit and loss account ...	39,061		
Rs.	33,93,957	Rs.	33,93,957

Gielle Tea Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Davenport and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1954.

Despite a severe drought early in the season a crop of 2,84,204 (2,45,013) pounds of tea was made and this was sold in the auctions at favourable rates. The net average sale price was As. 49.13 (As. 37.02) and the total working cost per pound of tea produced was As. 28.64 (As. 27.07).

The gross profit for the year is Rs. 3,48,539 (Rs. 1,48,725) out of which the directors have allowed Rs. 62,015 (*nil*) for taxation and Rs. 28,564 (Rs. 25,713) for depreciation, and they have allocated Rs. 90,000 (Rs. 10,000) to renewals and additions reserve. Allowing for these and the other adjustments shown there is a net profit of Rs. 1,65,758 (Rs. 1,01,668). The preference dividends for the years 1952, 1953 and 1954 and an interim dividend of 10 (*nil*) per cent. on the ordinary shares were paid on the 2nd May, 1955, absorbing in all Rs. 56,000 and there remains a final balance on this account of Rs. 1,29,350 (Rs. 36,592) which the directors propose to deal with as follows:—

Transfer to staff reserve Rs. 12,500 (Rs. 5,000), transfer to general reserve Rs. 50,000 (*nil*), pay a final dividend of 15 (*nil*) per cent. on the ordinary shares absorbing Rs. 30,000 (*nil*) and to carry forward to 1955 Rs. 36,850 (Rs. 19,592).

Estimates for 1955 are based on a crop of 3,350 maunds at a total cost of Rs. 5,32,264 equal to As. 31.78 per pound of tea. In addition some Rs. 32,250 will be spent on improvement to factory buildings, labour houses and a tractor and trailer.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	4,00,000	Block ...	5,13,500
Reserves ...	2,81,825	Stores and supplies ...	40,902
Provision for taxation ...	71,760	Stock of 1954 crop ...	1,30,045
Liabilities ...	1,11,483	Debts and advances ..	35,124
Profit and loss account ...	1,85,350	Investments	2,716
		Cash ...	3,28,131
Rs.	10,50,418	Rs.	10,50,418

Nagaisuree Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1954.

The accounts disclose a profit of Rs. 13,50,639 (Rs. 9,04,843). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 10,39,227 (Rs. 6,99,278), of which the directors have transferred Rs. 3,25,000 (Rs. 1,79,000) to revenue reserve and Rs. 2,50,000 (Rs. 2,00,000) to buildings and machinery reserve. An interim dividend of 5 (*nil*) per cent. was paid on 23rd November, 1954 leaving Rs. 4,16,227 now to be dealt with. It is proposed to pay a final dividend of 35 (25) per cent. and to carry forward Rs. 80,227 (Rs. 80,278).

Tea crop was 14,619 maunds as compared with 13,169 maunds in 1953. The average selling price was Rs. 2-12-5 per lb. as against Rs. 2-1-10 per lb. in the previous year. Planted area remained at 1,124.90 acres.

Estimates for 1955 provide for a crop of 12,000 maunds at an outlay of Rs. 16,02,860, including inland freight and sale charges.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	9,60,000	Block ...	9,60,000
Reserves ...	12,80,223	Stores and supplies ...	32,733
Provision for taxation ...	5,78,832	Tea sales receivable	19,25,764
Liabilities ...	9,79,532	Advances and deposits ...	73,736
Profit and loss account ...	80,227	Investments	4,68,660
		Cash ...	4,17,921
Rs.	38,78,814	Rs.	38,78,814

Okayti Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1954.

The accounts disclose a profit on the season's working of Rs. 1,95,358 (Rs. 45,994). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 1,51,018 (Rs. 23,948) of which the directors have transferred Rs. 40,000 (Rs. 5,000) to revenue reserve, Rs. 45,000 (Rs. 5,000) to buildings and machinery reserve, and Rs. 10,000 (Rs. 2,500) to hail reserve. Dividends on the preference shares for seasons 1953 and 1954 and an interim dividend of 5 (*nil*) per cent. on the ordinary shares were paid on 28th March, 1955, leaving Rs. 44,018 (Rs. 4,448) now to be dealt with. It is proposed to pay a final dividend of 32½ (*nil*) per cent. on the ordinary shares and to carry forward Rs. 11,518 (Rs. 4,448).

Tea crop weighed out at 2,264 maunds as compared with 2,250 maunds estimated and 2,045 maunds in 1953. The average selling price was Rs. 3-7-3 per lb. as against Rs. 2-8-2 per lb. in the previous year. Planted area remains at 505 acres.

Estimates for 1955 provide for a crop of 2,250 maunds at an outlay of Rs. 4,68,670, including inland freight and sale charges.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	1,50,000	Block ...	1,50,000
Reserves ...	1,07,500	Stores and supplies ...	13,149
Provision for taxation ...	55,348	Tea sales receivable	2,00,582
Liabilities ...	90,725	Advances and deposits ...	27,748
Profit and loss account ...	11,518	Cash ...	23,612
Rs.	4,15,091	Rs.	4,15,091

Phaskowa Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1954.

The accounts disclose a profit of Rs. 2,61,189 (Rs. 1,72,835). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 2,45,127 (Rs. 1,81,356), of which the directors have transferred Rs. 75,000 (Rs. 1,00,000) to revenue reserve and Rs. 65,000 (Rs. 25,000) to buildings and machinery reserve. The directors recommend that a dividend of 30 (10) per cent. be declared at the annual meeting, leaving Rs. 30,127 (Rs. 31,356) to be carried forward.

Tea crop was 3,201 maunds as compared with 3,150 maunds in 1953. The average selling price was Rs. 2-10-0 per lb. as against Rs. 2-0-4 per lb. in the previous year. Planted area remains at 347.62 acres.

Estimates for 1955 provide for a crop of 3,000 maunds at an outlay of approximately Rs. 4,28,910, including inland freight and sale charges.

Accounts in brief are as under:—

LIABILITIES	Rs	ASSETS	Rs.
Capital ...	2,50,000	Block ..	2,30,000
Reserves ...	2,79,541	Stores and supplies ...	17,780
Provision for taxation ...	68,037	Tea sales receivable ...	4,27,445
Liabilities ...	1,57,952	Quota and production rights receivable	23,792
Profit and loss account ...	30,127	Advances and deposits ...	19,817
		Investments	100
		Cash ..	66,723
Rs.	7,85,657	Rs.	7,85,657

Walford Transport Ltd.

The directors of the above Company (Manager: Mr. R. R. Aiyer, Calcutta) submit the annual accounts of the Company for the year ended December, 1954.

After writing off Rs. 55,020 (Rs. 37,957) for depreciation, and setting aside Rs. 1,15,703 (*nil*) for taxes, the available profit for the year is Rs. 3,58,141 (Rs. 2,15,622) including Rs. 1,38,899 (Rs. 1,96,536) carried forward from the last account. It is recommended that this sum be dealt with as follows:—

By payment of a dividend of 11 (8½) per cent. per annum on 2,10,200 preferred ordinary shares, absorbing Rs. 23,122 (Rs. 17,867), payment of a dividend of 12 (7) per cent. per annum on 8,40,800 ordinary shares, absorbing Rs. 1,00,896 (Rs. 58,856), transfer to contingency reserve of Rs. 1,00,000 (*nil*), thereby bringing it to Rs. 6,00,000 Rs. 1,00,000 (*nil*) and to carry forward Rs. 1,34,123 (Rs. 1,38,899).

With the revised policy of the Government of India as it related to the manufacture of automobiles in the country, major changes previously forecast took shape during the year. Many automobile dealers were left without franchises and this Company was one which was partially affected. During the year under review, General Motors (India), Ltd. whose franchise was valuable, ceased operations. It was, however, possible to maintain a reasonable volume on account of bulk Chevrolet vehicle releases as a result of closing down of the plant. This source has since completely dried up and the Company, foreseeing what would happen, took up additional franchises for Studebaker trucks and station wagons for West Bengal and DeSoto and Fiat vehicles for the State of Assam. However, with the limited supplies the Company gets, it is anticipated that the earning capacity during 1955 will be restricted. It would thus appear prudent to provide for as large a reserve and carry forward balance as possible to the 1955 accounts.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	10,51,000	Block ...	4,57,789
Reserves ...	17,53,194	Stock ...	23,47,573
Provision for taxation ...	1,25,703	Goods-in-transit ...	1,58,294
Liabilities ...	8,65,039	Stores ...	15,231
Profit and loss account ...	3,58,141	Work-in-progress ...	23,509
		Debts, deposits and advances ...	9,07,892
		Investments	26,800
		Cash ...	2,15,989
Rs.	41,53,077	Rs.	41,53,077

Alcock, Ashdown & Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Turner Morrison and Co., Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1954.

Adequate provision has been made in the profit and loss account for depreciation, employees' gratuities, income-tax and super-tax. After giving effect to the above provisions and transfer, the profit and loss account show a profit of Rs. 4,71,218 (Rs. 3,33,802) to which must be added the carry forward from last year of Rs. 82,377 (Rs. 82,796), making a total of Rs. 5,53,596 (Rs. 4,16,597) available for disposal. The directors paid a dividend at the rate of 12½ (10) per cent. per annum (free of income-tax) Rs. 4,17,775 (Rs. 3,34,220) and carried forward to next account Rs. 1,35,821 (Rs. 82,377).

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	33,42,200	Block ...	17,06,292
Reserves ...	44,16,374	Stock-in-trade	15,43,460
Provision for taxation ...	23,82,057	Work-in-progress ...	51,22,577
Liabilities ...	64,20,378	Debts, deposits and advances ...	59,96,377
Profit and loss account ...	5,53,595	Investments	9,70,955
		Cash ...	17,74,943
Rs.	1,71,14,604	Rs.	1,71,14,604

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

MONEY COMFORTABLE

(From Our Own Correspondent)

BOMBAY, 22nd June

The short-term money market continued to experience easy conditions during the week under review also. Though a few banks continued to be good borrowers, the available supplies were more than adequate to meet their requirements. As in the past week, inter-bank call money fetched no more than 2½ per cent. among Exchange banks and big Indian banks; indeed occasional business was put through even at 2¼ per cent. for overnight funds. The rate among the smaller Indian banks remained unchanged 2¾ per cent. Short-term deposits were taken up at 3 per cent. for one to six months.

The aforesaid comfortable conditions were duly reflected in the results of this week's sale of three months' Government of India Treasury Bills. The total amount offered was higher than in the previous week and the rate declined further. Thus, the offerings aggregated Rs. 277 lakhs, as compared with Rs. 248.75 lakhs in the preceding week. The average rate of accepted tenders declined from Rs. 2-8-5 to Rs. 2-8-2 per cent. per annum.

After two weeks of successive expansion by an aggregate amount of Rs. 15.19 crores, notes in circulation contracted by Rs. 10.05 crores during the week ended 17th June, 1955. Disclosing this, the Reserve Bank's statement for that week shows a rise of Rs. 10.82 crores in notes held in the Banking Department. The resultant increase of Rs. 77 lakhs in the total notes is covered by a similar rise in rupee coin. In the Banking Department, an increase of Rs. 1.79 crores is noted in deposits of the Central Government, Rs. 21 lakhs in those of other Governments and Rs. 93 lakhs in those of banks. On the assets side, there has been a drop of Rs. 1.51 crores in balances held abroad. Loans and advances to Governments show a decline of Rs. 31 lakhs and other loans and advances Rs. 1.02 crores. The fall in the latter is mainly due to a decrease of Rs. 1.18 crores in advances to Scheduled banks against usance bills. Fresh borrowings against usance bills during the week amount to Rs. 3.70 crores. Investments disclose a fall of Rs. 1.47 crores.

No notable variations are disclosed by the consolidated statement of position of Scheduled banks for the week ended 10th June, 1955, as compared with that for the previous week. Demand deposits are higher by no more than Rs. 82 lakhs and time deposits by Rs. 1.51 crores. Inter-bank borrowings are also higher by Rs. 31 lakhs. Borrowings from the Reserve Bank show a small drop of Rs. 22 lakhs and those from the Imperial Bank Rs. 56 lakhs. An increase of Rs. 36 lakhs is seen in advances, while inland bills purchased and discounted have gone down by Rs. 2.95 crores. Foreign bills are, however, up by Rs. 19 lakhs. Investments have gone up by only Rs. 38 lakhs. Cash on hand and balances with the Reserve Bank are together lower by Rs. 99 lakhs and balances with other banks in current account by Rs. 10 lakhs. Money at call and short notice shows an increase of Rs. 76 lakhs.

The Gilt-edged market continued to rule firm during the week under review, with buyers over in most of the short and medium-dated securities. In the absence of sellers, turnover, however, was restricted. Up to the time of writing, no indication is available of the terms of the forthcoming loan of the Central Government. The general expectation of the market now is that it will be a 12-year loan at an issue price of Rs. 98 per cent. Earlier expectations were that it will be a 10-year loan having an issue price of Rs. 98-8.

3 per cent. 1957 hardened by As. 2 to Rs. 99-11 and there were buyers even at that level. 3 per cent. 1958 was unchanged at Rs. 99-8, but was in good request. 3 per cent. 1959-61 was wanted at Rs. 98. 3 per cent. 1963-65 dropped to Rs. 94-2. 3 per cent. 1964 was in demand at Rs. 94-2 *ex-voucher*. 3 per cent. 1966-68 gained an anna to Rs. 91-3. 3 per cent. 1970-75 had buyers at Rs. 87-2. 3 per cent. 1986 Conversion Loan gathered an anna to Rs. 89-9, at which level there were sellers. 3½ per cent. 1961 was maintained at Rs. 99-14. 3½ per cent. 1964 had transactions at Rs. 98-14.

In the foreign exchange section, the rupee disclosed some weakness in terms of the U.S. dollar, the banks' selling rate for ready dollar having gone up from Rs. 479¾ to Rs. 480¼ per $100 and the buying rate from Rs. 475¼ to Rs. 476 per $100. This in tune with a similar trend displayed by sterling in terms of the U.S. dollar. Thus, in New York, spot sterling gave way from $2.79¾-2.79½ to $2.78¾. Three months forward also dropped from $2.77¼-2.78 to $2.77.5/16-2.77.7/16 and transferable sterling from $2.77.3/16-2.77.5-16 to $2.77½-2.77¼.

DEMAND FOR HIDES BRISK

(From Our Own Correspondent)

KANPUR, 19th June

During the week under review, the hides and skins market ruled steady, although supply position was slightly easier. There was brisk demand for high grade cow and buff. Madras dealers were lukewarm. Messrs. Cooper Allens headed the local tanners who were the main purchasers. Fresh arrivals were quite considerable.

The latest quotations are: Wet salted cow 1st grade Rs. 360, 2nd grade Rs. 280 and 3rd grade Rs. 120 per score; wet salted buff 1st grade 1 lb. 12 ozs. and 2nd grade 1 lb. 14 ozs. per rupee; goat 1st grade Rs. 250 to Rs. 275 and 2nd grade Rs. 200 to Rs. 225 per 100 pieces; sheep Rs. 200 per 100 pieces.

SPURT IN BULLION

(From Our Own Correspondent)

BOMBAY, 22nd June

A sudden spurt in prices of both silver and gold in the last two days was the outstanding feature of trading in the bullion market during the week under review. The flare-up in prices was due to a large demand for gold from Madras, Calcutta and Delhi and good offtake in silver, which in turn encouraged bull manipulations and heavy bear covering. During the earlier part of the week, the market ruled quiet with a slight fall in prices, thanks to waning demand in the ready section and easier advices from upcountry centres.

The clause under which bulls had to deposit margin on their outstanding purchases in gold in the *Ashad* settlement on Wednesday last week (15th inst.) became inoperative the following day, as the closing price fell below the starting rate (Rs. 91-4) for that settlement, although it was more than Re. 1-8 above the closing rate for the next settlement. However, when *Ashad* gold stood at Rs. 92 at the close of business yesterday and was over Re. 1-8 above the closing rate for *Shravan* settlement, the bulls were once again obliged to deposit a margin of Rs. 25 per tola on their outstanding purchases in *Ashad* settlement.

Silver for forward delivery in *Ashad* settlement opened at Rs. 155-14 and dropped to Rs. 155-1 on Saturday. A smart recovery, however, set in after mid-week and a high of Rs. 157-4 was touched before closing at Rs. 156-13. *Shravan* silver declined from Rs. 155-1 to Rs. 154-1, but gained ground to Rs. 155-14.

Ready silver (.996 Mint) closed a shade lower at Rs. 158-0, after touching a low of Rs. 156-5 during the week. The floating stocks of silver are estimated at 900 bars. The daily average offtake was 25 bars.

Gold for forward delivery in *Ashad* settlement declined from last week's closing of Rs. 91-11 to Rs. 90-10, but recovered to Rs. 92-9 today, before closing at Rs. 92-4. *Shravan* gold was marked up from Rs. 89-11 to Rs. 90-5.

Ready gold, after slipping down from Rs. 95 to Rs. 92-14, made good the fall and closed at Rs. 94-10. The floating stocks of gold are reported to be 15,000 tolas. The daily average arrivals were 3,000 tolas; the offtake also was of that order, on an average.

In London, there was a further decline in the price of silver during the week. Spot silver moved down from 77¾d. to 77¼d. and forward from 77¾d. to 76¾d. per fine ounce. Gold, on the other hand, hardened, from £12 10s. 10½d. to £12 11s. 3½d., thus more than making good the recession in the previous week. This is the highest level to be seen since 7th March last. In New York, silver was unchanged at 89½c. per fine ounce.

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

	22-6-55	Highest	Lowest	15-6-55
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	94 10	95 0	92 14	95 0
Forward*	92 4	92 9	90 10	91 11
Sovereign	60 12	61 0	60 8	60 14
SILVER				
Ready (.996 fine Mint) ..	158 0	158 8	156 5	158 8
Forward†	156 13	157 4	155 1	155 8
London Silver Ready ..	77¼d.	77¼d.	77¼d.	77¼d.
London Forward	76¾d.	77¼d.	76¾d.	77¼d.
London Gold	£12s. 3½d.	£12s. 3½d.	£12s.10½d.	£12s.10½d.
New York Ready	89½c.	—	—	89½c.

* *Ashad*—5th July settlement.
† *Ashad*—6th July settlement.
N. B.—Foreign bullion prices shown in the above table relates to the previous day.

EXPORT TEA IN STRONG DEMAND

(From Our Own Correspondent)

CALCUTTA, 21st June

Strong and active demand pushed up sizably the prices of tea that was offered for export sale during yesterday's auctions. Offerings aggregated 19,500 chests. Good support was given to the few plain liquoring Assams, the tippy B.O.Ps. of which were raised to sell As. 4 to As. 8 above brokers' valuations. However, Dooars tea with inferior leaf appearance was easy. Darjeelings received a good demand, and prices rose above valuations. Prices of well-made whole-leaf grades regained by As. 2 to As. 4. The quotations were: Plain B.P. Rs. 2, plain black pekoe Rs. 2-11, to Rs. 2-12 (nominal), medium Assam B.P. Rs. 2-1 to Rs. 2-2, best C.T.C. Assam B.P. Rs. 2-6 to Rs. 2-7. (Nominal).

With the above strong conditions in the export market, the price of export quotas also rose. Rights changed hands at As. 6½ to As. 6¾ but sellers were asking As. 7 a lb.

There was no dust sale last week, as the quantity was not sufficient. Leaf grades offered for internal consumption amounted to 1,449 packages and 178 packages of old and new seasons' teas, respectively. Conditions were firmer and prices were lower. There were withdrawals.

LINSEED FIRM

(Messrs. A. Bradley & Co.)

CALCUTTA, 20th June

The linseed market ruled firm during the week and trading was small. Sellers were very reserved, owing to poor arrivals and absence of selling orders from upcountry. There were fairly keen enquiries from crushers for ready and forward delivery, but only small lots changed hands. The oil market was very firm; sellers were reserved despite better prices offered by shippers.

Latest quotations are: June-July Rs. 16-8 and August Rs. 16-12 per maund.

COTTON STEADY

(From Our Own Correspondent)

BOMBAY, 22nd June

Although there was a distinct improvement in sentiment in the forward section of the local cotton market, towards the close of the week under review, the general trend in the earlier part of the week was downward. Many factors contributed to the earlier weakness. In the first place, the expectations of an announcement regarding the reduction in export duty did not materialise. Secondly, the reports from the interior, especially from the Saurashtra region, and from the spot market continued to be bearish. Thirdly, the market was rocked by rumours that the Government would reduce the floor prices for the 1955-56 crop by Rs. 50. The net effect of these factors was to depress the price of futures. Towards the close of the week, however, the contract gathered some strength, thanks to good speculation support at lower levels, induced by mill demand for spot cotton.

In view of the more encouraging reports of the current crop outturn from certain regions, some trade quarters are now inclined to revise upwards the total crop estimate for the current season. It is now placed at 49½ lakh bales (commercial crop) or 52.2 lakh bales of total crop. Mill consumption of Indian cotton in the first seven months of the 1954-55 season aggregated 23.7 lakhs bales. Assuming that this rate is maintained during the rest of the season and also allowing for some reduced consumption in Kanpur arising out of the strike situation in the mills in this region, some trade estimates place the mill consumption this season at 41 lakh bales. Allowing for exports of 2½ lakh bales till the end of August, the total disappearance is estimated at 43½ lakh bales. This should leave a surplus of about 6 lakh bales in the current crop. This surplus, however, according to some trade circles, will consist mostly of inferior cotton. If this calculation turns out to be correct, the prices of good quality stocks are expected to improve as the season draws to a close.

I.C.C. August opened the week at Rs. 568½ or Rs. 3 lower than the previous close of Rs. 571½ and moved up, on the following day, to Rs. 574¼, the highest level of the week. Speculative selling depressed prices, so that the contract moved down to a low of Rs. 566½ on 20th inst. This trend gained further momentum on the following day when the contract touched Rs. 566, the lowest level for the week. Although the lowest level was repeated today there was good support just before the close, bringing about a smart recovery in value. The earlier losses were wiped out and the contract closed steady at Rs. 573, that is, with a gain of Rs. 4-8 over the week.

The following is the trend of prices in the forward section during the week under review:

	Up	High	Low	Closing
I.C.C. August ..	Rs. 568½	574¼	566	573

Moderate activity was witnessed in the spot market where good business was reported in Vijay, Surti, Kalyan, Hubli and Jayadhar. The foreign section was dull since import licensing has been stopped for the time being. The following are the latest available quotations from the Sewri market:

Bengal Deshi Rs. 530-40; Berar Jarillas Rs. 600; Khandesh Rs. 575; Vijay Rs. 750; Oomra *Deshi* Rs. 525; Moglai Rs. 460.

Steady conditions were witnessed in the Karachi cotton market during the week under review. In the forward market, profit-taking at higher levels led to fractional losses, though the undertone remained firm. N.T. July was quoted at Rs. 70-5 as against Rs. 71-4 last week and N.T. January Rs. 67-5 as against Rs. 67-12. The latest available quotations from the Karachi market are:

Sind *deshi* Rs. 58; Punjab *deshi* Rs. 53; 4F. Punjab R.G. Rs. 66-11; S.G. Rs. 71-11 to Rs. 73-11; L.S.S. Punjab R.G. Rs. 70-11; S.G. Rs. 75-11; N.T. R.G. Rs. 75-11; S.G. Rs. 80-11; 289 Punjab R. G. Rs. 76-3; S.G. Rs. 81-3.

In Africa, the Sudan Gezira Board sold 8,903 bales in the auction held on four different days during the week ended 11th June. In recent weeks, certain communist countries have evinced keen interest in Sudan cotton. Czechoslovakia is reported to have bought 10,000 bales, almost entirely of 'L' cotton, under a trade agreement involving sugar and cotton. Similar deals are expected to be concluded with Sudan by a few other communist countries.

Forward trading in Alexandria, as already stated in these columns, is expected to commence with effect from 1st September. The Egyptian Cotton Commission, it is stated, will take over all unsold stocks as on 31st August at 1954-55 buying prices. Exports from 1st September to 8th June (1954-55) aggregated 554,513 bales (or 4,047,945 cantars), as against 834,703 bales (or 6,093,332 cantars) during the same period last year. These included 264,799 bales Karnak, 151,347 bales Giza 30, 123,539 bales Ashmouni and 14,065 bales Menoufi.

In the Alexandria cotton market, there was good demand for certain grades of Karnak reported to be in short supply. Prices for these grades, therefore, advanced sharply. Enquiry for Giza 30 was moderate, and Ashmounis were generally neglected.

In the Liverpool cotton market there was a steady improvement in prices, thanks to a fair volume of American buying and some trade fixing. The latest available quotations from Liverpool are: July-August, 31.46d.; October-November 30.68d.; December-January 30.42d. and March-April 30.21d.

The New York Cotton Exchange reported modest gains over this week. This is attributed to less favourable weather reports. Cool weather in the main cotton belt and rains in certain sections, it is stated, have delayed chopping operations and promoted insect activity. The upward trend in prices

was assisted by commission house buying and short-covering.

Mills' consumption of cotton from 1st August to 28th May, 1954-55, aggregated 7.4 million bales or 145,000 bales higher than in the corresponding period in 1953-54.

The uncertainty over the cotton export policy of the U.S. Government still continues. The chief question, of course, is that of the grant of a subsidy. The members of the Cotton Export Advisory Committee, which has been appointed by the Government to examine the export position and suggest measures for improving export trade, are said to be divided on proposals to increase exports.

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

(In cents per lb.)

	21-6-55	14-6-55	7-6-55
Spot	35.00	34.85	34.65
July	34.25	34.00	33.83
October	34.22	34.17	33.98
December	34.26	34.26	34.02
March	34.23	34.19	33.95
May	34.28	34.29	34.01
July	33.63	33.50	33.21
October	33.05	33.02	32.75

COTTON YARN EASY

(From Our Own Correspondent)

BOMBAY, 22nd June

The staple fibre yarn market presented a firm trend during the week under review. Enquiries from consuming centres continued to be quite encouraging. There was, therefore, an all-round improvement in values. Staple fibre yarn (40×2) for June delivery, for instance, gradually moved up from Rs. 595-8 to Rs. 598 before finishing at Rs. 597-8. July delivery was higher at Rs. 595-8 today, as against Rs. 593-8. Both indigenous and foreign yarns (40×2) in the spot section recorded a rise in prices. Among the former, Citys advanced by As. 2 to Rs. 3-5-3. New Greats spurted by nine pies to Rs. 3-2-6. Kohinoors and Seksarias gathered half an anna each to Rs. 3-5-6 and Rs. 3-1, respectively. Among foreign yarns, Suicos gained six pies to Rs. 4-14. Shincos rose by a like amount to Rs. 4-12.

Thanks to scarcity of stocks, the spot prices of rayon yarn ruled strong. 120 Japan picked up 15 pies to Rs. 3-14-9. 120 Italy was sought an anna higher at Rs. 3-12. 150 Japan increased by six pies to Rs. 3-14-6. 150 Italy was fully steady at Rs. 3-9. Among indigenous yarns, National Rayons 120 Bt. cones 2nd grade rose by three pies to Rs. 4-0-6. 150 Bt. cones 1st and 2nd grades were fully maintained at last week's levels of Rs. 3-9 and Rs. 3-8-3, respectively. In the forward section, 150 June which had gone up by Rs. 3 last week receded to Rs. 732 for want of follow-up support.

Conditions in the cotton yarn market were easy. The easiness was due to rumours regarding imposition of excise duty on hosiery goods and of closure of several powerloom factories, notwithstanding reduction in the licence fee. There was, therefore, some selling and prices drifted lower. Among 10s, Podars and Elphinstones receded by As. 2 each to Rs. 12-8 and Rs. 11-14, respectively. Among 20s, Centurys declined from Rs. 15-4 to Rs. 15-2. Raghuvamshis lost an anna to Rs. 16-2. Deals in 40 count yarns were put through at reduced rates, Moderns, Gokaks and Seksarias losing As. 4 each to Rs. 24-12, Rs. 23 and Rs. 21, respectively. Among 60s, Finlays fell by a rupee to Rs. 60. Raghuvamshis decreased by As. 4 to Rs. 55. Elphinstones were easy at Rs. 48-3, as against Rs. 48-4. Among 80s, Finlays went down by a rupee to Rs. 67-8. Yarns of 30 counts, however, were fully steady, Maduras being quoted at Rs. 20-12 and Moderns at Rs. 20-8.

The table below gives the prices of art silk staple fibre and cotton yarns quoted today, as compared with those a week before:

	22-6-1955	15-6-1955
	Rs. a.	Rs. a.
Art silk yarn—		
150 D. June	732 0	733 0
120 Japan (per lb.) ..	3 14½	3 13½
150 Japan (per lb.) ..	3 14½	3 14
120 Italy (per lb.) ..	3 12	3 13
150 Italy (per lb.) ..	3 9	3 9
Staple fibre yarn—		
40 x 2 June ..	597 8	595 8
40 x 2 July ..	595 8	593 8
Shinco (per lb.) ..	4 12	4 11½
New Great (per lb.) ..	3 2½	3 1½
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar ..	12 8	12 10
20s Raghuvamshi ..	16 2	16 3
20s Madura ..	20 12	20 12
40s Seksaria ..	21 0	21 4
60s Elphinstone ..	48 8	48 4
80s Finlay ..	67 8	68 8

OILSEEDS FORCE AHEAD

(From Our Own Correspondent)

BOMBAY, 22nd June

Last week's firm trend in the oilseeds market persisted this week also. The firmness emerged as a result of fresh support and renewed short covering. The castorseeds section was particularly active, thanks to considerable buying enquiries inspired by reports that the U.S. was eager to secure supplies of Indian castor oil even by chartering tankers, in view of the uncertainty regarding levy of 35 per cent. surcharge on freight. The volume of transactions put through in the linseed section was quite large, the chief driving force being the rush of shippers who had booked freight heavily by chartering tankers to fill with linseed oil in the absence of fresh export quota for groundnut oil. The sentiment was also influenced favourably by reduced arrivals from growing centres in the face of keen demand from crushers. In sympathy with castorseeds and linseed, coupled with withdrawal of selling pressure due to firm advices from upcountry centres, the groundnut section also ruled buoyant. Trading in *kardi* seeds and *niger* seeds was very brisk, the interest of operators having been whipped up by (a) the release of an overall export quota of 20,000 tons of these seeds (combined) which would be licensed freely but subject to a maximum of 250 tons per shipper, and (b) the decision to continue the free licensing of exports of *niger* seed oil and *kardi* seed oil up to the end of December next. The undertone of the market was fully firm and prices forged ahead, touching new high levels in the recent upward trend.

Under the impetus of considerable bull support, castorseeds September delivery moved up to touch a high of Rs. 81-14 today, as against Rs. 76-4 last week-end. Madras quality rallied As. 12 to Rs. 15-6. Kanpur advanced by As. 10 to Rs. 14-6. The firmness in seeds prices followed a swift rise in the quotations for castor oil. Induced by reports of business with the U.K. at £88 per ton, B.S.S. recorded a rise of As. 11 to Rs. 10-5. First pressure and commercial hardened by a rupee each to Rs. 10 and Rs. 9-8, respectively.

In the groundnut section, June-July was in special request, its quotation increasing by Re. 1-4 to Rs. 21-10. Bold F.A.Q. rose by a rupee to Rs. 21-10. Coromandal ready and Khandesh quality picked up As. 12 each to Rs. 22 and Rs. 22-6, respectively. August-September was bid at Rs. 22, as against Rs. 21-6 a week before. Groundnut oil ex-mill strengthened from Rs. 11-7 to Rs. 11-14. Railway receipt put on As. 8 to Rs. 11-13. June delivery rose by As. 7-6 to Rs. 11-13. July and August deliveries finished As. 7 higher, the former at Rs. 11-14 and the latter at Rs. 12.

Traders are somewhat intrigued at the delay in the release of a fresh export quota for groundnut oil. It is reported that there are no unutilised quotas, while the U.K. and Continental interests have been keen buyers of Indian groundnut oil. The Bombay Oilseeds Exchange Ltd. has sent a telegram to the Chief Controller of Exports urging the Government to announce its export policy for groundnut oil at the earliest.

Linseed Bold ready evoked good attention of operators and strengthened by As. 8 to Rs. 24-8. June-July and August-September were both higher at Rs. 24-8, as against Rs. 23-15. Indore quality improved by As. 3 to Rs. 24-8. Linseed oil ready was done As. 8 higher at Rs. 15-4.

Among other oilseeds, *kardi* seed June-July delivery met with special buying support and advanced by Re. 1-2 to Rs. 13-6. Ready Bold gained a rupee to Rs. 13-4. *Niger* seed Madras quality gathered Re. 1-2 to Rs. 20-10 and F.A.Q. Re. 1 to Rs. 20-8.

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

	22-6-1955	15-6-1955	8-6-1955
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.) ..	22 6	21 10	21 4
June-July ..	21 10	20 6	20 6
Linseed—			
Bold Ready (per cwt.) ..	24 8	24 0	23 8
June-July ..	24 8	23 15	23 11
Castorseeds—			
September ..	81 14	76 4	76 12
Madras (per cwt.) ..	15 6	14 10	14 10
Groundnut oil—			
Ex-mill Ready (per quarter) ..	11 14	11 7	11 5
Castor Oil—			
Commercial (per quarter) ..	9 8	8 8	8 8
Linseed Oil—			
Ready ..	15 14	14 12	14 8

SUGAR QUIET

(From Our Own Correspondent)

BOMBAY, 22nd June

Quiet conditions prevailed in the sugar market during the week under review. There was a fall in the ex-mill quotations for sugar in Kanpur and Bombay Deccan area, following further release of sugar for sale in the free market. The sentiment of operators was also affected by larger arrivals of indigenous sugar into the market, aggregating 17,700 bags, as against 8,600 bags in the previous week.

In the forward section, *Shravan* delivery declined by As. 2 to Rs. 88-6 per bag. In the spot section, medium grain sugar was quoted at Rs. 90-91, as against Rs. 91 last week. Large grain remained unaltered at Rs. 93-Rs. 100. Deals in small grain sugar were put through at Rs. 88. Among foreign sugars, British refined sugar and German sugar were quiet at Rs. 84 and Rs. 79-14, per 2 cwts., respectively.

The Union Food Ministry has announced a further release of sugar for sale in the free market, bringing the total release from the current season's production to about 65 per cent. The share of Bombay Deccan mills in the additional release is estimated at 8,000 tons. The offtake of sugar from the Deccan area has so far been fairly good. The unsold released stocks in this area are not considered to be substantial enough to meet the local demand, as also the demand from the interior, Gujerat, Madhya Pradesh and Hyderabad sides. Transport bottleneck continues to be a problem and movement of sugar is still very slow. The stocks of imported sugar lying with the Regional Directorate (Food), Bombay, it is reported, have been depleted; these are now estimated at 4,000 tons.

N.B.—The rates for Indian sugars are inclusive of sales tax, while those for foreign sugars are exclusive of the tax.

PEPPER STEADY

(Messrs. Parekh & Co.)

BOMBAY, 22nd June

Despite slow demand from the U.S. during the week, all primary markets were steadily held, the highest and the lowest at Alleppey being Rs. 1,175 and Rs. 1,150 respectively. There appears no anxiety on the part of the growers to press sales on an unwilling market as they think that the present restricted buying by New York dealers is likely to create some shortage of spot in the coming months which fact may ultimately induce aggressive buying from the U.S. for covering its autumn requirements.

In spite of new crop arrivals, Sarawak is reported to be very steady. The Continent which was out of the market for some time seems now to have entered the market, though enquiries are slow. If such enquiries are enlarged, Sarawak may show improvement and such improvements are likely to have their reflections on other supplying markets. At the time of writing, however, there is some liquidation of tired longs in Bombay and there are sellers for June and July shipments at $0.49 and $0.48½ respectively. At Alleppey there are sellers at Rs. 1,137½.

In the delivery section there is a marked fall in prices owing to liquidation by weak holders and pressure of sales by bears. July and August deliveries are quoted at Rs. 1,035-45.

New York after paying for afloat at $0.50½ is now reported asking $0.49. Selling pressure of unsold consignments is reported to be responsible for the present fall of 2 cents in spot.

Following are today's nominal quotations:—Ready delivery Rs. 150 (as against Rs. 150 a week ago) per Bengal maund. July Rs. 1,035-45 (Rs. 1,070-80), August Rs. 1,035-45 (Rs. 1,060-70) and September Rs. 1,020-30 per candy of 5½ cwts.

QUALITY OF TEA ON OFFER FALLS

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 16th June

Approximately 1,950,000 lbs. were on offer in sale No. 12 which was held on Tuesday, 14th June. Quality showed a falling away from the previous auction and there were a number of "rush" teas on offer of poor leaf appearance. These types do not find ready buyers and we cannot stress too strongly the necessity for making clean teas of good appearance. There was a good demand which originated mainly from internal buyers. However, low medium teas and those of poor leaf appearance were irregularly one anna easier. Medium teas of good leaf appearance, suitable for the Middle East, sold well at rates which were often dearer. Best liquoring teas were irregularly easier with buyers following quality. Fannings of all types met with a good demand and there was keen competition for whole leaf grades and prices for these types advanced. The following are the quotations:—

	1955	1954
	Rs. a. p.	Rs. a. p.
Low grown Travancore B.O.P.	1 9 6	2 9 0
Medium Travancore B.O.P. ...	1 11 0	2 10 0
Anamallais B.O.P.	2 0 0	2 13 6
Best liquoring Nilgiri B.O.P. ...	2 3 0	3 6 0
Well made black leaf O.P. ...	2 14 6	2 12 6

London Market—*Sale of 13th June.*—Best sorts 2d. dearer. Mediums and clean plain ½d. dearer. Stalky fibrous teas poor demand, barely steady.

Sale of 14th June.—Tuesday's Ceylon and South Indian market irregular. Fannings and best liquoring strong to dearer with broken grades and low medium descriptions generally rather easier.

Colombo Market.—*Sale of 13th June.*—Good general demand. Firm rates. Best liquoring sorts dearer, particularly fannings.

Sale of 14th June.—Active. Generally dearer, particularly Gulf and fannings.

Calcutta Market.—*Export.*—18,400 packages. Fairly general demand. Prices mostly firm to slightly dearer.

Internal.—Leaf 1,449 new season and 178 old season. Fair but irregular demand. Some withdrawals.

Export Quota.—The market has hardened slightly and there are buyers in Calcutta at 66 pies. Business has been done at 63 pies.

Forthcoming Auctions.—Sale No. 13 will be held on Tuesday, 28th June.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:

"*Dust Sale L*:—460,000 lbs. Less demand. Very irregular. Prices approximately As. 6 easier."

RAW JUTE FIRM

(From Our Own Correspondent)

CALCUTTA, 21st June

Bear-covering was a feature in the jute goods market during the week under review. Prices recovered slightly on moderate support from foreign buyers. Heavy goods led the market. The recovery in heavy goods was relating more pronounced than in hessians. This trend, of course, reflected the current statistical position of the respective sections. Foreign buyers were in the market and purchased moderate quantities at lower levels. Trade circles learned with satisfaction that the Indian Jute Mills' Association was considering the question of sending delegations to Australia and New Zealand, and China and other Far Eastern countries, in order to find out the possibility of exploring new markets for Indian jute goods. The countries mentioned have been good markets for heavy goods, but excepting perhaps in the case of Australia and New Zealand, no information is at present available about the packing problems facing the other countries. When once direct contact is made by the jute industry with importers and consumers in other countries, it is felt that the goodwill thus created would result in an increase in the offtake by these countries. What the jute mills require now is an increase in consumption of their production.

Mr. M. P. Birla, who announced last Friday that the question of despatching the delegations was under consideration, stated that at the request of the Government of India a sub-committee of all those directly concerned was preparing a constitution for a well-regulated futures market for jute goods. As and when the draft was ready, it would be forwarded, he said, to the Forward Markets Commission and the Government of India for their acceptance.

During the month of May, there is reason to believe that shipping will be satisfactory; but as in April, heavy goods are on the lead. Their stock as at the end of the current month will record a further reduction. In hessians, on the other hand, shipments are not so much as to reduce stocks, although buyers for export to the United States had been active during this week and took fair quantities. It is expected that in the coming weeks, as shipping to Argentina commences, hessians will regain their liveliness. Mills are looking forward for the new jute crop, which is bound to reduce prices.

Ready B. twills opened steady at Rs. 107-8, and stockists made good use of the reports coming from Assam, which anticipated that floods are likely to damage the jute crop there. At this time, bears intervened and managed to take the rate down to Rs. 105-4. July-September, delivery at Rs. 104-12, was lower by Re. 1-12. At lower levels, covering took place, and the price for the ready position soon gained to close at Rs. 108-8 for the week-end. Yesterday, there was profit-taking and the rate lost to Rs. 108. Ready hessians 40" 10 oz. fluctuated between Rs. 42-11 and Rs. 42-7 and closed yesterday at Rs. 42-8.

Firm conditions were in evidence in the raw jute market. There was only little of the old crop offers, although it is believed that a moderate quantity is held back. Old crop Assam bottoms rose to Rs. 28 from Rs. 27-8.

METALS FIRM

(From Our Own Correspondent)

CALCUTTA, 21st June

Although business transacted in the metal market during the week under review was extremely limited, prices remained firm. This was so because advices from overseas markets indicated confidence among stock-holders. The railway strike in the United Kingdom ended, but consumers of base metals all over the world cannot but be concerned with the threatened strikes in some of the units of the copper industry in the United States. For this reason, consumers in the U.S. were interested in more quantities than actually required by them. This caused prices to rise, and, in conformity, the price in Calcutta for electrolytic copper was higher at Rs. 250, as compared with the opening quotation of Rs. 248. The report that Bombay was quoting a lower price following fresh imports was not reflected on the local quotation, in view of the international trend. Another firm spot was provided in tin, which gained from Rs. 484-8 to Rs. 488. This was in line with higher advices from Singapore where support was given by heavy buying for European countries. This has resulted in Calcutta rates being below the replacement level. Electrolytic zinc was transacted at Rs. 65. Lead at one time declined to Rs. 72 from Rs. 71, but was able to close yesterday at Rs. 72.

KIPS FULLY STEADY

(From Our Own Correspondent)

MADRAS, 20th June

The kip market was remarkably steady this week, despite U.K. buyers' resistance to prices at origin. Arrivals met with good clearance and Madras prices ruled 1d. to 2d. above U.K. importers' level of prices. If this trend were to persist, prices locally would ease to some extent. Shipment business was patchy. Arrivals of cow calf were small and prices ruled very firm in consequence. The buff hides market was slightly easy, while bull calf was steady.

In the tanned skins section, prices of goat and sheep were unchanged. Arrivals were moderate and clearances fair.

GRAM MOVES UP

(From Our Own Correspondent)

HAPUR, 20th June

Foodgrain prices ruled steady to firm during the week. While prices for average quality wheat advanced by As. 4 to Rs. 10-4 per maund, fine farm quality was transacted as high as Rs. 12 per maund at Hapur. Government purchases in markets where wheat average quality was quoted below Rs. 10 were continued and it is estimated that purchases on Government account so far aggregated about 50,000 tons—mostly in the States of U.P. and Punjab. Daily arrivals here averaged for most part of the week at 3,000 to 4,000 maunds and fine quality wheat was in request from Gujerat. Arrivals today were hardly 1,000 maunds, due to solar eclipse, and the wheat stock here is now about 107 *khaties* of 800 maunds each. Prices for red quality wheat are far below the Government purchase price of Rs. 10 per maund in Bundelkhand, being quoted at about Rs. 6-8 per maund, and the Union Government has been urged to extend its price support policy to red wheat also.

The Government of India's decision to give price support to gram prices also coupled with the State Government having arranged to purchase gram at Rs. 6 per maund in 51 *mandis* situated at railheads, has resulted in recording a steady outlook in gram prices which are now quoted at Rs. 6-8 for local quality and at Rs. 7 per maund for Punjab quality and gram stock here is estimated at 8 *khaties*. Prices of barley and *bejhar* also advanced fractionally during the week to Rs. 5-12 and Rs. 5-8 per maund, respectively, today. Ready peas prices continued steady at Rs. 5-12 for green quality and Rs. 6-12 for white quality and, with poor offtake during the week, the peas stock has swelled to 75 *khaties*, the average daily arrivals being 1,000 maunds. *Arhar* prices found support from Madhya Pradesh operators on continued dry weather and advanced by As. 10 per maund to Rs. 7-8 per maund with stocks estimated at 35 *khaties*. Other pulses also recorded fractional gains all round in line with peas and *arhar*.

Pulses futures also ruled firm during last week in line with the ready section and, although future markets were closed today due to solar eclipse, Saturday's closing quotations were: Peas *bhadon* Rs. 5-15-9, *arhar bhadon* Rs. 7-9-9, as against Rs. 5-12-4½ and Rs. 7-2-3 quoted last week-end.

SUGAR RULES DULL

(From Our Own Correspondent)

HAPUR, 20th June

Stagnant conditions prevailed in the sugar market during the week under review and prices remained unchanged at last week's levels. Booking by railways was restricted and Madhya Bharat and Saurashtra were the only purchasers with negligible quantities. Traders were not willing to go in for long commitments, in view of an expected fall in prices, as the supply position is reported to be very easy on account of heavy increase in indigenous sugar production of the season. The latest prevailing rates for mill delivery prices were: Jaswant Rs. 29-2, Simbhauli Rs. 29-3, Mowana Rs. 29-4, Daurala Rs. 30, Amroha Rs. 28-8, Bijnore Rs. 28-8, Daurala Rs. 31, Mansoorpur Rs. 31-4, Rampur Rs. 31-8, retail Rs. 31-8, *khandsari* Rs. 22 to Rs. 27 per maund.

Despite good outside demand and heavy offtake averaging 8 to 10 wagons a day, ready *gur* prices were a shade easy, due to heavy stock position estimated at 65,000 maunds here. The latest Government of India's decision to license export of cane *jaggery* and cane *jaggery* powder freely without any quantitative restrictions up to the end of the year failed to cheer up the market, as exports in the last few months have been poor. *Gur* dry is now quoted at Rs. 9-8 per maund and *kotha* quality at Rs. 9 per maund. The *gur* markets in the South also ruled dull last week. At Baramati (Poona), the season has come to a close. Daily arrivals average 25 to 30 cart-loads and offtake 3,000 to 4,000 *behalas* and stock is estimated at 3½ *behalas*. Prices range between Rs. 9 and Rs. 11-8. In Akloze (Sholapur), the stock is 80,000 *behalas* and prices range between Rs. 8 and Rs. 10-8. In Ankapalli, daily arrivals average 15,000 *behalas* and the rates are Bilticut Rs. 8 to Rs. 10. The demand is from Assam, Calcutta and Madras sides, but the wagons supply position is not satisfactory. In Kolhapur, there are also loading restrictions and the demand is from Bombay and Gujerat sides.

The future markets at Hapur ruled uneven during the week. While prices for *asar* delivery declined in line with weak position in the ready section, prices for *phagun* delivery advanced due to continued want of rains. Opening at Rs. 9-0-9 and Rs. 8-5-9 for *asar* and *phagun* delivery on Monday last, the respective quotations on Saturday were Rs. 8-14-6 and Rs. 8-8-9.

BANKING

(Concluded from page 1211)

10 per cent. per week), do not look so high to the unsophisticated borrower as they really are. However, although the village bank's interest rates appear to be no burden to the small trader, they are much too high for the farmer, and make it difficult for him to accumulate savings for the improvement of his farm. This disadvantage to the functioning of the village bank is recognised by the Government, which is encouraging the transformation of village banks into credit co-operatives.

Rice Bank

The rice bank, unlike the travelling bank and the village bank, makes few loans in cash. Its chief function is to lend rice to the rural population during the critical period before the new harvest, when stocks of food have been exhausted. Because the rice bank needs storage buildings and godowns, which have to be maintained and inspected, it requires a larger investment than the village bank, and its administration is much more difficult and costly. Nevertheless, its importance as a source of credit to the rural people and especially the farmer, although decreasing, is still considerable.

The B.I.R. and the local institutions under its control are still the major components of Indonesia's farm credit system. However, it is the policy of the Indonesian Government, as well as of the farmers' associations, to make a shift in emphasis, from Government control to co-operative control. At the end of 1953, there were 8,108 co-operatives in Indonesia; most of them were founded as credit institutions that later took on other activities such as co-operative marketing, co-operative buying, and the like. Of the total, only 2,390 were co-operatives handling credit only. Membership in 1953 numbered 1,409,735; personal savings amounted to nearly 7.9 million dollars, less than 1 per cent. of it from non-members.

Co-operatives

The credit operations of the co-operative bank closely resemble those of the village bank. Interest rates are the same, and loans are paid back in weekly instalments of 10 per cent. with one additional instalment as interest and another as forced savings. Seasonal credit is granted to farmers at 2 per cent. a month, repayment of the loan in full being required at the end of the period. What chiefly distinguishes the credit co-operative from the village bank is the fact that most of the profits go back to the borrowers.

On the institutional side, judging from the number and broad distribution of banks and co-operatives, Indonesian farmers appear well served, especially when compared with farmers of other Asian countries. But on the basis of the type and quality of service rendered, the picture is much darker. High interest rates make long-term loans for productive purposes such as farm improvement or purchase of equipment and fertiliser too costly to be remunerative to the farmer. Consequently, loans are mainly either short-term loans for consumption purposes, to tide the borrower over financial difficulties, or, more often, commodity loans to small traders and peddlers of village products. The Indonesian Government is at present considering proposals to encourage farm loans that will lead to improved agricultural practices. Fortunately, there are thousands of rural banks that will be able, with relatively few adjustments, to finance effectively any forthcoming programme for agricultural credit.

DELHI LETTER

(Concluded from page 1208)

pect of fine rice, pulses and other food articles. About Rs. 25 to Rs. 30 crores can be expected from export of these items. Coffee is another item which was able to make a valuable contribution to India's foreign exchange during the last two years. With increased area and intensive cultivation, a target of about 25,000 tons per annum should be fixed for coffee in the next Plan. Similarly, it is possible to increase considerably the quantum of export trade in vegetable oils, tobacco, leather goods, pepper, cashew kernels, coir goods, etc. In the pre-war period, India was able to send about 500,000 tons (in terms of oil) of groundnut, linseed and castorseed. With increased irrigation facilities, particularly minor irrigation works, it is likely that, in the coming years, production of oilseeds in the country will increase. Making due allowance for higher consumption, the Government should have a target of about 2.5 lakh tons. There is great scope for the expansion of trade in cashew kernels, pepper and other West Coast products.

Wherever there are possibilities of increasing export trade in agricultural produce or semi-processed goods out of such produce, the Commerce and Industry Ministry should work closely with the Agricultural Ministry and see to it that the production of such goods as are in demand in the export markets is stepped up appreciably. In raw cotton, the demand for short-staple cotton has been remaining somewhat subdued during the last three or four years and the Government will have to allow slightly higher staples for export purposes. It has already done so a few weeks ago. During the second Plan, an export target of about five lakh bales should be fixed for raw cotton. Efforts are being made to set up ferro-manganese plant which will enable the country to send ferro-manganese instead of manganese ore at present.

In the years immediately following the termination of the war and also after the outbreak of the Korean War, the Government was following a fairly rigid export policy, with a view to preventing the inflationary trend and making available as large supplies as possible for internal consumption. But the position has changed and is changing fast. Substantial surpluses are disclosed by a number of commodities and they should be disposed of when the going is good. The administrative section of the Commerce Ministry, dealing with export promotion, should be active and strengthen India's export trade in such a manner as to earn sufficient foreign resources for facilitating the orderly implementation of the second Plan. It can do this only if it formulates a trade plan and invites suggestions from the commercial community concerned.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (Pre-war)	10th June, 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation.	172.87	1,331.28	1,324.95	1,331.09	1,208.60
Notes held in Banking Department ..	25.05	8.23	14.30	8.52	36.71
Foreign Securities ..	59.50	652.04	652.04	661.98	588.15
Rupee Securities ..	37.39	543.65	543.65	558.71	421.22
Banking Department					
Deposits of:					
Government of India	14.89	55.35	52.21	51.98	106.63
Other Governments	..	11.58	14.75	19.24	15.41
Balances held abroad	10.08	66.11	60.03	52.07	62.47
SCHEDULED BANKS					
Demand Liabilities .	134.36	592.19	591.01	581.37	543.80
		(9.95)†	(9.58)†	(7.55)†	(9.58)†
Time Liabilities ..	102.24	803.06	801.40	785.60	639.04
		(3.26)‡	(3.11)‡	(1.90)‡	(1.56)‡
Borrowings from Reserve Bank ..	..	20.40	20.62	25.80	32.78
		(19.57)‡	(19.14)‡	(33.43)‡	(21.23)‡
Borrowings from Imperial Bank ..	..	4.22	4.78	5.79	7.09
Cash in India ..	6.70	34.61	35.02	34.83	35.19
Balances with Reserve Bank ..	25.17	48.64	49.24	45.97	42.23
Excess over statutory limits	15.52	11.17	11.87	9.18	8.45
Balances with other banks in current account in India .	..	10.45	10.56	10.91	10.86
Money at call and short notice in India ..	..	17.75	16.79	13.44	15.49
Investments (at book value) ..	..	344.87	344.49	344.28	327.81
Advances and bills .	105.09	617.87	620.26	626.24	561.18
IMPERIAL BANK					
Deposits ..	37.78	208.61	210.34	212.26	207.72
Investments ..	31.92	110.00	101.51	102.14	92.68
Advances ..	30.35	119.47	121.84	126.25	122.42
Cash ..	14.69	15.54	12.01	17.68	17.78

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	Week ended 17th June, 1955		Week ended 10th June, 1955	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,56,079	38,80,72,000	2,54,794	54,54,76,000
Calcutta ..	1,56,383	55,68,45,197	1,44,925	47,11,54,679
Madras ..	79,494	8,38,29,076	80,969	7,29,89,884
All Centres—				
1955 ..	..	..	1,14,82,214	26,45,05,03,000
1954 ..	..	..	2,40,76,000	70,64,79,00,000
Jan., 1955 ..	..	..	22,43,000	6,22,74,00,000
Feb., ,, ..	..	..	23,78,000	6,20,87,00,000
March, ,, ..	..	..	22,91,000	7,42,59,00,000

Reserve Bank of India

Statement of Affairs for the week ended 17th June, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up ..	5,00,00,000
Reserve Fund ..	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government ..	57,14,95,000
(2) Other Governments ..	11,79,29,000
(b) Banks ..	49,88,28,000
(c) Others ..	22,15,23,000
Bills Payable ..	5,78,50,000
Other Liabilities ..	38,49,46,000
Rupees ..	196,25,71,000

ASSETS	Rs.
Notes ..	19,04,54,000
Rupee Coin ..	8,20,000
Subsidiary Coin ..	7,16,000
Bills Purchased and Discounted—	
(a) Internal ..	40,80,000
(b) External ..	—
(c) Government Treasury Bills ..	13,61,59,000
Balances held abroad* ..	64,59,61,000
Loans and Advances to Governments ..	1,05,00,000
Other Loans and Advances ..	25,61,41,000
Investments ..	29,04,33,000
Other Assets ..	29,72,77,000
Rupees ..	196,25,71,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 18,39,00,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 124,71,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department ..	19,04,54,000	
Notes in circulation ..	1321,22,98,000	
Total Notes issued ..		1340,27,52,000
Total Liabilities ..	....	1340,27,52,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India ..	40,01,71,000	
(b) Held outside India		
Foreign Securities ..	652,04,02,000	
Total of A ..		692,05,73,000
B. Rupee Coin ..		104,57,73,000
Government of India Rupee Securities ..		543,64,06,000
Internal Bills of Exchange and other commercial paper ..	....	....
Total Assets ..	....	1340,27,52,000

Ratio of Note of A to Liabilities: 51.635 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 10th June, 1955

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India † ..	9,94,51,000
(ii) Other demand liabilities ..	5,82,24,44,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India † ..	3,25,52,000
(ii) Other time liabilities ..	3,80,50,34,000
3. Borrowings in India from the Imperial Bank of India:	
(i) Demand liabilities ..	4,21,00,000
(ii) Time liabilities ..	....
4. Cash in India ..	34,61,32,000
5. Balances with the Reserve Bank in India ..	48,84,47,000
6. Balances with other banks in current account in India ..	10,45,09,000
7. Money at call and short notice in India ..	17,75,06,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	3,44,57,21,000
9. Advances in India ..	5,01,08,50,000
10. Inland Bills purchased and discounted in India	76,97,99,000
11. Foreign Bills purchased and discounted in India ..	29,80,01,000

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

EXCHANGE RATES

		22nd June, 1955	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot.	s.	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months ..	s.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months ..	s.	1-6¼	1-6¼
Buyers T.T. 10 to 12 months ..	s.	1-6¼	1-6¼
Bombay on New York—			
Sellers T.T. D.D. ..	Rs.	480½	480
Buyers T.T. ..	Rs.	474½	474½
London on New York ..	$	2.791-2.79⅛ 4/5	2.791-2.79⅛
London on Paris ..	Fcs.	979-979½	979-979½
London on Berne ..	Sw. Fcs.	12.22-12.22½	12.23-12.24½
New York on London ..	$	2.79⅛-2.79⅛	2.79⅛-2.79⅛

NATIONAL INCOME*

Country	Year	Population (in millions)†	National income (in millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India† ..	'53-'54	372.27	..	10,500	283.9
Pakistan ..	1949	75.04	..	1,671	223
Burma ..	1952	18.86	Kyats 2,554	256	135
Ceylon ..	1952	8.16	..	443	541
Japan ..	1952	85.50	Y. 5,222,400	7,014	820
Philippines ..	1952	21.02	Ps. 7,875	1,654	787
New Zealand ..	1952	2.05	£(N.Z.) 737	969	4,737
Australia ..	1952	8.15	£(A) 3,581	3,841	4,207
U.K. ..	1952	50.86	£ 14,719	19,625	3,858
U.S.A. ..	1952	159.63	$ 305,000	146,790	9,196
Canada ..	1952	14.78	$ 19,043	8,407	5,688
France ..	1952	42.55	F.Fr. 10,197,000	14,018	3,221
W. Germany ..	1952	48.99	Dm. 108,000	11,708	2,389
Italy	1952	47.02	Lr. 6,947,000	6,383	1,453
Norway ..	1952	3.36	Kr. 16,861	1,122	3,869
Sweden ..	1952	7.17	Kr. 34,957	3,422	4,772
Netherlands ..	1952	10.49	Grs. 19,850	3,451	1,833
Denmark ..	1952	4.37	Kr. 22,484	1,551	3,572
Switzerland ..	1952	4.85	Sw.Fr. 20,800	2,288	4,684

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nations Monthly Bulletin of Statistics, September, 1954.

† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 10th June, 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up ..	3,00,00,000
Reserve Fund ..	3,00,00,000
Deposits:—	
(a) Central Government ..	7,78,05,000
(b) Provincial Governments ..	2,87,97,000
(c) Banks ..	15,19,89,000
(d) Others ..	4,54,80,000
Bills Payable ..	51,19,000
Other Liabilities ..	4,02,48,000
Rupees ..	40,64,83,000

ASSETS	Rs.
Notes ..	7,67,73,000
Rupee Coin ..	7,000
Subsidiary Coin ..	10,000
Bills Purchased and Discounted:—	
(a) Internal ..	....
(b) External ..	—
(c) Government Treasury Bills ..	9,15,000
Loans and Advances to Governments	3,65,00,000
Provincial Governments' Debtor Balances	74,15,000
Other Loans and Advances ..	2,74,35,000
Investments ..	18,87,72,000
Other Assets ..	8,86,06,000
Rupees ..	40,64,83,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department ..	7,67,73,000	
Notes in circulation ..	245,66,91,000	
Total Notes issued ..		253,34,64,000
Total Liabilities ..		253,34,64,000

ASSETS	Rs.	Rs.
I. A Gold Coin and Bullion ..	7,91,42,000	
Silver Bullion ..		
Sterling Securities ..	40,13,01,000	
Government of India Securities ..	21,41,41,000	
India Notes representing assets receivable from the Reserve Bank of India	29,96,47,000	
B. Rupee Coin ..	4,20,21,000	
Government of Pakistan Securities ..	145,47,87,000	
Internal bills of exchange and other commercial paper	....	
		99,42,31,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion ..	19,08,000	
Sterling Securities ..	3,06,13,000	
Government of India Securities ..	70,10,000	
Rupee Coin ..	29,31,000	
		4,24,75,000
Total Assets ..		253,34,64,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 40·80 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina ..	1st Mar., 1946	..	3½
Austria ..	3rd June, 1954	4	3½
Belgium ..	28th Oct., 1953	3	2½
Bolivia ..	30th Sept. 1950	6	6
Canada ..	15th Feb., 1955	2	1½
Ceylon ..	11th June, 1954	3	2½
Chile ..	13th June, 1935	4	4½
Colombia ..	18th July, 1952	5	4
Costa Rica ..	1st Feb., 1950	3	4
Denmark ..	2nd June, 1954	4½	5½
Ecuador ..	13th May, 1948	7	10
Egypt ..	15th Nov., 1952	3½	3
El Salvador ..	22nd Mar., 1950	4	3
France ..	16th Dec., 1951	7½	5½
Greece ..	2nd Dec., 1954	3½	3
India ..	1st Jan., 1954	12	10
Indonesia ..	15th Nov., 1951	3	3½
Ireland ..	1st April, 1946	4	3
Italy ..	25th Mar., 1953	3½	3½
Japan ..	6th April, 1950	4½	4
Mexico ..	1st Oct., 1951	5.11	5.84
Netherlands ..	4th June, 1954	4	4½
New Zealand ..	7th April, 1953	3	3½
Norway ..	26th Nov., 1954	3½	4
Pakistan ..	14th Feb., 1955	2½	3½
Peru ..	1st July, 1948	5	3
Portugal ..	13th Nov., 1947	5	6
South Africa ..	13th Jan., 1944	3	3½
Spain ..	27th May, 1952	4½	4
Sweden ..	1st July, 1954	4	3½
Switzerland ..	16th April, 1955	2½	3½
Turkey ..	26th Dec., 1950	4	1½
United Kingdom ..	25th Feb., 1951	2	3
U.S.S.R. ..	24th Feb., 1955	3½	4½
U.S.A. ..	1st July, 1954	3	2½
West Germany ..	16th April, 1954*	4½	4
	8th May, 1954	3½	3

* Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	March, 1954	March, 1955	Twelve months, April to March, 1953-54	Twelve months, April to March, 1954-55
Import Duties:				
Revenue ..	11.27	13.54	113.92	126.98
Protective ..	0.59	0.47	6.15	7.24
On surplus disposals	0.02	..	0.24	0.14
Total import duties	11.88	13.01	120.31	144.36
Export Duties ..	2.49	2.94	38.51	41.89
Land Customs ..	0.12	0.12	1.82	1.81
Miscellaneous ..	0.06	0.08	0.72	1.07
Gross total customs	14.55	17.15	161.35	188.93
Refunds and drawbacks	0.19	0.38	1.96	1.52
Net Customs ..	14.36	16.77	159.40	186.80
Gross excise ..	9.08	12.22	94.87	106.63
Refunds ..	0.08	0.27	0.98	1.98
Net Excise ..	8.94	12.05	93.89	104.64
Net total of customs and excises† ..	23.30	28.82	253.29	291.44

† Net Customs plus net Excise.

Imperial Bank of India

Statement of Affairs for the week ended 17th June, 1955

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid ..	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves ..		6,35,00,000
Deposits and other Accounts ..		207,66,49,000
Borrowings from other Banking Companies Agents		9,50,00,000
Bills Payable ..		6,50,03,000
Bills for Collection being Bills Receivable as per contra ..		49,62,000
Acceptances, Endorsements and Other Obligations as per contra ..		69,000
Other Liabilities (including Inter-Office Adjustments)		5,64,28,000
Total .. Rs.		241,79,21,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		13,72,11,000
Balances with other Banks ..		8,54,72,000
Money at Call and Short Notice ..		1,45,07,000
Investments—		
Government and other Trustee Securities ..	89,59,92,000	
Other Authorised Investments ..	11,07,05,000	
		100,66,97,000
Advances—		
Loans, Cash Credits and Overdrafts, etc. ..	55,55,82,000	
Bills Discounted and Purchased ..	30,91,90,000	
		116,57,72,000
Bills Receivable being Bills for Collection as per contra ..		49,62,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		1,38,94,000
Premises less Depreciation ..		44,56,000
Furniture and Fixtures less Depreciation ..		2,57,21,000
Other Assets (including Inter-Office Adjustments)		
Total .. Rs.		241,79,21,000

Source: Department of Research and Statistics, Reserve Bank of India.

SMALL SAVINGS

POSTAL SAVINGS (In lakhs of rupees)

	National Savings Certificates 5-Year† Outstandings*	5-Year† Receipts	7-Year †† Outstandings*	7-Year †† Receipts	12-Year Outstandings*	12-Year Receipts	Savings Bank Deposits Receipts	Savings Bank Deposits Outstandings*	Cash Certificates Series Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	21/2% Ten-year Treasury Savings Deposit Certificates ‡ Receipts	21/2% Ten-year Treasury Savings Deposit Certificates ‡ Outstandings*	10-Year National Plan Certificates ‡ Receipts	10-Year National Plan Certificates ‡ Outstandings*
1953-54 ..	6.83	46	3.96	22.06	84.17	1,18.35	92.08	— 31.07	7.25	35.84	..	..	..
1954-55 ..	5.91	1.40	4.38	36.54	1,04.38	1,17.27	1,06.29	— 34.20	6.24	32.11	..	..	..
1954-55 ..	4.71	1.61	4.95	27.26	1,24.66	1,20.31	1,27.35	— 36.33	5.57	37.15	7.40R	7.35	..
March 1954 ..	5.91	44	4.36	3.05	1,04.38	16.29	1,06.29	— 34.20	..	32.11	..	..	..
April ,, ..	5.31	11	4.20	2.13	1,06.94	10.70	1,07.51	— 34.40	44	32.11	..	..	..
May ,, ..	5.71	10	4.21	1.71	1,07.06	10.02	1,07.13	— 34.40	70	32.77	..	..	..
June ,, ..	5.52	9	4.22	1.90	1,06.40	10.43	1,06.22	— 34.78	84	32.26	34	34	..
July ,, ..	5.47	12	4.29	2.37	1,10.18	11.40	1,11.05	— 34.96	89	33.31	49	33	..
August ,, ..	5.34	15	4.29	2.17	1,11.85	10.22	1,12.07	— 34.97	46	34.08	76	1.59	..
September ,, ..	5.24	10	4.31	2.44	1,13.76	10.22	1,14.22	— 35.17	46	34.44	30	9.45	..
October ,, ..	5.16	11	4.37	1.90	1,15.09	8.94	1,14.90	— 35.36	54	34.94	1.57	4.05	..
November ,, ..	5.06	12	4.64	2.25	1,16.76	10.24	1,16.21	— 35.51	42	35.33	60	4.65	..
December ,, ..	4.96	11	4.65	3.34	1,18.40	11.36	1,18.56	— 35.57	37	35.64	58	5.22	..
January, 1955 ..	4.88	14	4.76	2.45	1,20.23	10.51	1,20.10	— 36.08	40	35.95	57	5.79	..
February ,, ..	4.81	12	4.79	2.27	1,21.88	11.18	1,22.28	— 36.19	48	36.27	54	6.32	..
March ,, ..	4.71	25	4.98	3.41	1,24.66	15.05	1,27.35	— 36.33	40	36.74	48	6.81	..
April ,, ..	..	..	..	..	..	..	..	..	47	37.18	58	7.35	..
									45	37.55			

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947. † Issued from 1st June, 1948 to 20th June 1953. †† Issued from 1st June, 1948. ‡ Issued from 1st February, 1951. ‡ Issued from 1st June, 1948 to 10th May, 1954. R Figures from 1945-46 relate to the Indian Union. Outstandings do not include Indian Union's share at the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors. E—Relating to eleven months from May, 1954

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 12-6-'54	14-5-'55	4-6-'55	11-6-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES ..	90.2	90.7	90.8	90.8
1. Government of India ..	90.0	90.5	90.6	90.6
2. Indian States ..	95.7	96.2	96.3	96.4
3. Municipal, Port Trust, etc.	89.1	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS ..	100.9	100.7	100.5	100.8
1. Electricity ..	101.8	102.1	101.9	101.8
2. Jute ..	98.8	98.8	98.8	98.8
3. Plantations ..	99.6	99.6	99.1	99.1
4. Sugar ..	100.2	99.0	99.0	99.0
5. Coal ..	90.5	90.6	90.6	90.6
6. General Engineering ..	101.0	100.6	100.6	100.6
7. Shipping ..	102.2	100.2	100.2	100.5
8. Others ..	100.7	100.6	100.7	100.7
PREFERENCE SHARES ..	88.5	87.8	87.6	87.5
1. Electricity ..	94.2	97.3	96.1	96.3
2. Cotton ..	85.6	78.5	78.9	78.9
3. Jute ..	88.1	86.8	86.9	87.0
4. Coal ..	89.2	91.8	92.2	92.2
5. Ironand Steel ..	93.6	90.5	90.1	90.0
6. Sugar ..	75.4	83.2	83.3	83.3
7. Paper ..	81.8	89.3	88.9	88.7
8. Plantations ..	91.8	98.2	98.1	98.2
9. Miscellaneous ..	86.8	85.0	85.7	85.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	106.2	113.0	111.9	112.5
a) Financial ..	88.0	87.1	87.7	87.8
1. Banks ..	86.1	85.1	85.0	84.9
2. Insurance ..	102.6	107.9	105.0	105.3
3. Investment Trust ..	82.3	88.9	89.1	87.8
(b) Public Utilities ..	113.1	113.1	112.5	112.4
1. Electricity ..	118.6	122.1	122.4	122.3
2. Shipping and other Transport ..	106.6	98.3	97.5	95.7
3. Railways ..	86.0	89.7	88.5	88.9
(c) Manufacturing Industries.	109.4	117.3	116.0	116.8
1. Cotton, Woollen and Silk ..	104.0	103.8	103.8	104.9
2. Jute ..	88.7	96.4	95.2	95.5
3. Iron and Steel ..	132.0	141.7	137.3	138.7
4. Paper ..	195.4	224.6	221.6	221.4
5. Cement ..	123.9	147.6	144.6	145.8
6. General Engineering.	140.9	156.1	156.8	156.9
7. Sugar and Breweries.	95.8	97.4	95.9	96.5
8. Chemicals ..	114.8	130.0	129.2	130.3
d) Non-Manufacturing Industries ..	123.7	149.5	148.1	150.5
1. Coal ..	80.6	77.2	77.7	77.9
2. Mining and Oil ..	177.9	184.0	180.5	183.3
3. Plantations ..	127.2	178.0	176.6	178.0
4. Miscellaneous ..	95.5	94.5	93.0	93.4
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.7	90.1	90.2	90.3
1. Bombay ..	90.1	90.6	90.7	90.7
2. Calcutta ..	90.5	91.0	91.1	91.1
3. Madras ..				
DEBENTURES OF INDUSTRIAL CONCERNS:	100.9	99.2	99.2	99.3
1. Bombay ..	101.3	101.4	101.2	101.1
2. Calcutta ..	100.0	100.4	100.2	100.2
3. Madras ..				
PREFERENCE SHARES:	95.8	92.1	91.4	91.4
1. Bombay ..	84.9	83.5	83.5	83.3
2. Calcutta ..	90.8	95.4	95.5	95.5
3. Madras ..				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	114.7	115.4	113.5	113.9
1. Bombay ..	99.0	107.1	106.4	106.7
2. Calcutta ..	108.9	108.5	109.2	111.0
3. Madras ..	107.4	115.2	114.2	115.8
4. Delhi ..				

Source: Department of Research and Statistics, Reserve Bank of India.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost.
1951	1,071	691,221	8,818,928
1952	963	800,242	8,336,061
1953	772	466,007	3,352,009
1954	840	477,189	3,373,630
January 1953 ..	55	42,832	244,414
February ,, ..	48	26,477	123,411
March ,, ..	67	58,221	216,207
April ,, ..	72	49,132	218,853
May ,, ..	88	38,617	276,216
June ,, ..	99	80,857	252,379
July ,, ..	87	45,094	181,123
August ,, ..	74	53,063	225,164
September ,, ..	106	44,868	427,378
October ,, ..	101	80,211	402,116
November ,, ..	88	41,431	349,211
December ,, ..	81	40,780	476,852
January 1954 ..	84	51,978	325,514
February ,, ..	88	41,861	244,296
March ,, ..	81	34,928	331,419
April ,, ..	101	34,962	207,247
May ,, ..	80	40,078	216,092
June ,, ..	82	51,849	305,078
July ,, ..	123	80,189	277,492
August ,, ..	79	51,090	352,887
September ,, ..	97	50,414	348,576
October ,, ..	88	41,724	276,294
November ,, ..	62	25,115	139,701
December* ,, ..	101	54,455	258,763
January* 1955†	95	49,088	322,807
February ,, ..	90	88,291(a)	176,829(b)
March ,, ..	99	60,357	340,090

† Figures for 1955 are provisional. * Revised.
(a) Not known in 1 case. (b) Not known in 5 cases.
§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Units Sold
1952-53	614	6,301.4	5,194.3
1953-54	642	5,876.5	5,572.7
October 1953	634	553.1	466.7
November ,, ..	637	543.1	455.7
December ,, ..	640	503.6	456.9
January 1954 ..	640	509.7	478.0
February ,, ..	642	451.4	451.4
March ,, ..	643	503.6	453.5
April ,, ..	651	513.3	504.4
May ,, ..	654	529.4	515.5
June ,, ..	660	529.4	515.5
July ,, ..	663	533.4	510.5
August ,, ..	667	535.0	510.5
September ,, ..	669	547.6	523.3
October ,, ..	669	556.5	511.6
November ,, ..	674	554.5	524.6
December ,, ..	679	563.5	558.0
January 1955	684	565.5	545.2
February ,, ..	685	523.7	521.8

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	4th June, 1955	28th May, 1955	5th June, 1954	May, 1955	May, 1954	Percentage of increase (+) or decrease (−) in May, 1955 as compared with May, 1954	Financial Year Average 1953-54	1954-55
Food Articles	276.7	278.2	348.1	276.1	386.2	—24.6	354.4	339.8
Cereals	309	308	385	311	410	—24.1	451	381
Pulses	210	214	355	216	355	—39.2	450	280
Other	242*	242*	301	236	301	—21.6	275	291
Industrial Raw Materials ..	386.9	389.6	451.3	396.4	464.6	—14.7	467.7	438.2
Fibres	404	411	440	424	452	— 6.2	452	447
Oil seeds	344	341	435	341	515	—33.8	574	424
Minerals	415	415	453	416	440	— 5.5	449	422
Others	415	419	395	424	398	+ 6.5	375	427
Semi-Manufactures	330.4	331.4	356.9	329.6	362.6	— 9.1	359.2	350.3
Leather	392*	401	370	400	374	+ 7.0	403	376
Mineral oils	221	221	221	221	221	—	224	221
Vegetable oils	351	353	436	344	436	—20.6	534	435*
Cotton yarn	424	424	461	427	463	— 7.8	442	454
Metals	244.	244	240	244	240	+ 1.7	229	240
Oil cakes	309	312	438	291	445	—34.6	433	381
Others	329	323	303	323	304	+ 7.9	281	312
Manufactured Articles ..

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop	Forecast	Unit	Acreage 1954-55	Acreage 1953-54	Outturn 1954-55	Outturn 1953-54
Rice	final	tons	74,424	77,032	24,209	27,561
Wheat	2nd	,,	25,851	24,623	7,909	7,026
Jowar	2nd	,,	41,425	41,376	5,098	5,535
Bajra	final	,,	27,350	30,094	3,355	4,459
Barley	2nd	,,	8,280	7,770	2,483	2,303
Maize	final	,,	9,325	9,360	2,944	2,964
Ragi	final	,,	5,747	5,741	1,778	1,819
Small millets	final	,,	...	13,167	..	2,183
Total cereals	final	tons	..	210,365	..	56,130
Kharif ,,	final	,,	..	176,077	..	45,617
Rabi ,,	final	,,	..	34,288	..	10,513
Kharif pulses(a)	final	tons	14,665	15,192	1,437	1,343
Tur	2nd	,,	5,630	5,605	1,795	1,869
Gram	2nd	,,	19,577	18,229	4,599	4,095
Jute	final	bales	1,273	1,196	3,153	3,129
Cotton	4th	,,	17,465	16,224	4,089	3,586
Sugarcane	2nd	tons	3,617	3,293	4,749	4,299
Groundnut	final	tons	12,947	10,809	3,523	3,075
Linseed	final	,,	...	3,389	..	355
Castorseed	final	,,	1,273	1,373	112	108
Rape and Mustard seed*	final	,,	...	5,373	..	826
Sesamum	3rd	,,	5,861	6,079	567	534
Tobacco	final	tons	..	890	..	236
Black pepper	final	,,	268	207	26	24
Ginger	final	,,	44	45	13	14
Dry chillies	final	,,	...	1,326	..	310
Potato	2nd	,,	645	633	1,657	1,698

Source: Ministry of Food and Agriculture.

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

@ Excludes Tur.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During May, 1955	81.8
	Corresponding month, 1954	71.3
	Eleven months ended May, 1955	917.9
	Corresponding period, 1954	790.7
Stocks	As the end of May, 1955	94.9
	Corresponding month, 1954	86.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 14th May, 1955	17,142
	Corresponding week, 1954	3,875
	From 1st to 14th May, 1955	165,756
	Corresponding period, 1954	141,429
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 14th May, 1955	20,174
	Corresponding week, 1954	12,473
	From 1st to 14th May, 1955	426,504
	Corresponding period, 1954	477,529
	RAW JUTE	(In 000 bales)
Consumption by Mills†	May, 1955 (in lakh bales)	4.74
	Corresponding month, 1954	4.14
	Eleven months ended May, 1955	55.24
	Corresponding period, 1954	45.86

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1955	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,34,400	10,42,900	7,81,200
January 1954	1,02,800	99,800	71,400
February ,, ,,	92,700	84,500	63,500
March ,, ,,	94,500	89,700	65,000
April ,, ,,	83,200	77,500	54,800
May ,, ,,	89,100	80,800	56,200
January 1955	1,02,500	95,800	72,200
February ,, ,,	93,500	84,500	63,900
March ,, ,,	95,000	89,300	66,100
April ,, ,,	95,100	85,000	66,200
May ,, ,,	94,200	87,500	65,600
Indian Iron and Steel Co.			
Year ended 31st March, 1955	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954	5,80,020	3,49,980	2,92,440
Do. 31st March, 1955	7,15,949	5,28,240	4,59,098
April 1953	52,210	30,980	19,090
May ,, ,,	57,810	32,850	19,700
June ,, ,,	56,720	32,940	19,080
Three months ended Sept., 1953	68,390	18,850	11,640
,, ,, Dec., 1953	1,81,680	1,18,300	1,06,940
Three months ended Mar., 1954	1,87,740	1,23,510	1,16,940
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
Three months ended Sept., 1954	1,80,018	1,29,741	1,18,861
,, ,, ,, Dec., 1954	1,88,033	1,36,801	1,20,816
,, ,, ,, Mar., 1955	1,65,108	1,43,828	1,18,136

FOREIGN TRADE OF INDIA

Particulars	March, 1954 (Rs. lakhs)	March, 1955 (Rs. lakhs)	Twelve months, April to March, 1953-54 (Rs. lakhs)	Twelve months, April to March, 1954-55 (Rs. lakhs)
Imports:				
By sea and air—				
Foodstuffs	2.55	11.10	93.75	116.08
Raw materials	21.45	13.42	176.62	187.33
Manufactures	24.74	20.11	274.7	304.49
Other items	3.5	23	3.98	2.70
Total	49.69*	52.86*	549.12*	610.60*
By land	1.51	2.51	22.93	23.39
Total Imports	50.60	55.37	572.05	633.99
Exports:				
By sea and air—				
Foodstuffs	10.20	9.81	152.49	108.60
Raw materials	9.86	15.79	107.22	118.33
Manufactures	24.85	20.06	253.33	250.65
Other items	41	28	4.66	4.72
Total	45.32	45.94	518.85	572.30
By land	78	56	7.46	5.73
Total Exports	46.10	46.50	525.81	578.03
Total Re-exports	..	..	..	..
Balance of trade in merchandise	— 4.03	— 10.87	— 50.05	— 55.05
Balance of transactions in private treasure	..	— 1	— 8	— 3
Total visible balance of trade	— 4.03	— 10.38	— 50.13	— 55.08
Imports ‡:				
Total C'wealth countries	21.39	20.99	262.42	261.54
Total Foreign countries	27.70	31.87	286.70	349.26
Exports ‡:				
Total C'wealth countries	23.75	22.68	260.23	318.69
Total Foreign countries	21.57	23.82	249.12	253.61

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

‡ Excludes Trade by Land.

RAILWAY TRAFFIC ‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (in thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
						Number of Wagons Loaded (In thousands)						
1952-1953	1,168	84,406	128,773	28,539	11,413	2,635	949	171	169	209	169	297
1953-1954	1,179	85,215	129,009	29,365	11,186	2,513	921	154	158	168	190	343
January 1954	94	2,781	11,281	2,531	944	202	94	17	20	16	15	32
February ,, ,,	101	3,157	10,313	2,274	924	179	76	13	16	14	14	30
March ,, ,,	105	3,325	14,383	3,398	1,112	215	83	17	18	12	16	34
April ,, ,,	196	3,198	9,923	2,275	953	211	83	20	15	10	15	34
May ,, ,,	111	3,437	10,220	2,341	952	215	78	14	15	10	13	32
June ,, ,,	..	..	..	..	909	210	71	10	13	7	13	32
July ,, ,,	..	..	..	..	935	234	76	11	10	7	16	32
August ,, ,,	..	..	..	..	935	245	79	11	9	7	13	34
September ,, ,,	..	..	..	..	914	241	66	11	9	7	11	31
October ,, ,,	..	..	..	..	936	241	65	13	10	12	12	31
November ,, ,,	..	..	..	..	991	226	73	15	13	19	15	33
December ,, ,,	..	..	..	..	1,064	229	70	20	14	25	9	34
January 1955	..	..	..	..	1,082	223	74	20	17	21	10	35
February ,, ,,	..	..	..	..	1,021	209	72	18	16	15	15	33

Equated to M. G. Wagons (1 B. G. = ⅔ M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway.

† Progressive figures.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 16th June, 1955	88,849
	Corresponding week, 1954	40,931
	1st Sept., 1954 to 16th June, 1955	1,601,980
	Corresponding period, 1953-54	1,711,837
Cotton Exports	Week ended 16th June, 195	6,289
	Corresponding week, 1954	4,088
	1st Sept., 1954 to 16th June, 1955	314,644
	Corresponding period, 1953-54	254,876
Mill Consumption (Estimated)	1st Sept., 1954 to 16th June, 1955	1,003,600
	Corresponding period, 1953-54	995,830
Stock (with exporters, dealers and mills) in Bombay (Estimated)	On 16th June, 1955	804,053
	Corresponding date 1954	755,595
Cotton Exports from Bombay (by sea)	During February, 1955	82,522
	1st Sept., to 28th Feb., 1955	161,207
	1st Sept., to 28th Feb., 1954	153,221
Karachi (Pakistan)—		
Receipts	1st Sept., 1954 to 9th June, 1955	1,206,399
	Corresponding period, 1953-54	1,347,513
Exports	1st Sept., 1954 to 9th June, 1955	658,070
	Corresponding period, 1953-54	930,651

Particulars	From 1st Sept., 1954 to 20th June, 1955 Bales	From 1st Sept., 1953 to 20th June, 1954 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom	29,003	13,686
Continent	49,992	25,091
Hongkong	5,751	
China	..	293
Japan	84,374	61,734
U.S.A.	16,723	12,505
Other Countries	1,739	1,552
Total to all foreign countries	187,483	114,861
Coastal Ports	132,841	143,809

Particulars	Period	Quantity (Bale of 400 lbs.)
Consumption of Cotton—		
Indian Foreign	March, 1955	350,124
Indian Foreign	Seven months ended March, 1955	2,373,049
Indian Foreign	Same Period 1954	305,940
		2,264,605
Stocks (Mills and Elsewhere—		
Indian Foreign	As on 31st March, 1955	1,346,432
Indian Foreign	As on 31st March 1954	145,804
		1,166,529
	Week ended 10th June, 1955	168,890
	Corresponding week, 1954	13,844
Cotton Pressed in India † (in running bales)	1st Sept., 1954 to 10th June, 1955	47,160
	Corresponding period, 1953-54	3,890,874
		3,630,071

† Incomplete

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	100⅛
4% Bonds	1926-32	63,80,26,000	1960-70	101 9/16
3% Loan	1938-39	1,16,17,46,000	1968-65	94 5/8
3% Loan	1939	80,33,10,000	1954	94
3% Loan	1942	1,10,11,78,000	1966-68	91 A
3% V. Loan	1944	1,14,06,89,000	1957	99⅛
2½% Loan	1945	1,15,05,83,000	1970-75	87⅛
2½% Loan	1946	1,18,65,64,000	1959-61	98
2½% Loan	1951	50,35,63,000	1958	99⅛
2½% Loan	1946	45,63,07,000	1950	95
2½% Loan	1946	57,00,59,000	1961	92⅛
2½% Loan	1946	14,77,48,000	1976	82
2½% Loan	1947	75,86,72,000	1952	92 9/16
2½% Loan	1948	40,45,01,000	1955	99 9/16
2½% Loan (N.P. Bonds)	1952	75,00,00,000	1961	99⅛
2½% N.P. Loan	1954	156,75,00,000	1964	98⅛
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,98,36,000	At option of Government after three months' notice. On September, 1956 or later at option of Government after three months' notice.	80⅛
3% Loan	1946	248,91,90,000		80⅛
REPATRIATE STERLING LOANS				
4½% Loan	1928	5,85,20,000	1958-68***	103⅛
PROVINCIAL LOANS				
3% Bombay	1942	3,54,23,300	18th Sept. 1955	99 9/16
3½% Bombay	1943	3,50,00,000	14th Sept. 1956	99⅛
3% Bombay	1944	3,44,00,000	15th Aug. 1958	98⅛
3% Bombay	1949	6,00,15,000	1st Aug. 1962	93 5/8
3% Bombay	1950	3,01,87,700	31st July 1960	94⅛
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98⅛
3% Bombay	1952	5,00,00,000	15th July 1963	101
4% Bombay	1952	3,66,72,700	1st Aug. 1964	101⅛
3% Cochin	1945	1,00,00,000	16th Dec. 1955-58	98⅛
3½% Cochin	1936	70,09,000	1st June 1956-61	99⅛
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95⅛
3% Madras	1939	1,22,95,600	21st June 1959	96
3% Madras	1942	1,23,25,000	18th Sept. 1956	99 9/16
3% Madras	1943	1,25,10,000	14th Sept. 1956	99⅛
3% Madras	1944	1,07,95,000	16th Aug. 1958	98⅛
3% Madras	1945	2,79,44,000	14th Sept. 1960	95⅛
2½% Madras	1946	3,81,77,200	1st Sept. 1961	92⅛
3% Madras	1950	4,88,25,400	31st July 1956	95⅛
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98⅛
4% Madras	1952	5,00,00,000	15th July 1963	101 5/16
4% Madras	1952	5,24,81,200	1st Aug. 1964	101 5/16
5% Mysore (f)	1930	1,63,44,300	1st Nov. 1955	100 9/16
4% Mysore (f)	1938	2,95,85,200	1st Dec. 1958-68	101⅛
3% Mysore (f)	1938	5,99,72,900	30th April 1956-61	99⅛
3% Mysore	1947	5,08,05,700	25th Jan. 1958	99 9/16
4% Mysore	1948	3,00,00,000	15th July 1963	100⅛
3% M.P.	1942	50,00,000	18th Sept. 1955	99⅛
3% M.P.	1943	50,54,200	14th Sept. 1956	99
3% M.P.	1944	52,68,800	15th Aug. 1958	97⅛
3% M.P.	1948	2,08,00,000	15th Sept. 1964	92⅛
3% M.P.	1950	1,01,44,700	31st July 1960	94⅛
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98⅛
4% M.P.	1952	1,02,18,100	15th July 1963	100⅛
3% Punjab**	1938-44	3,49,87,200	15th Aug. 1958	98 N
3% Punjab**	1942	2,85,20,000	18th Sept. 1955	99 9/16 N
3% Punjab**	1943	2,46,78,200	14th Sept. 1956	99 N
3% Punjab**	1945	2,95,81,600	14th Sept. 1960	97⅛ N
3½% Travancore	1938	50,00,000	16th Aug. 1956	99⅛
4% Travancore-Cochin	1953	3,00,00,000	15th July 1963	100⅛
3% U.P.	1936	1,57,42,600	15th Sept. 1961-66	90⅛
3% U.P.	1944	3,02,24,500	15th Aug. 1958	98
3% U.P.	1945	2,17,89,700	14th Sept. 1960	94⅛
2½% U.P.	1946	2,20,93,600	1st Sept. 1961	91⅛
3½% U.P.	1951	1,94,11,700	17th Sept. 1962	98⅛
4% U.P.	1952	6,11,45,200	1st Aug. 1964	100⅛
4% U.P.	1953	5,65,15,500	15th July 1963	100⅛
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅛
4% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4% W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,00,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99⅛ N
40,00,000	4	1909	1970	
26,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,85,876	4	1913*	1960	D
80,00,000	4	1913	1974	100⅛ N
88,25,000	4	1914	1975	100 N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,28,000	3½	1926*	1960	
35,00,000	3½	1928*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
18,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1966	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
20,24,300	4	1914	1974	
76,90,100	4	1919	1979	99
1,50,00,000C	5††	1921	1981	99
68,08,300C	5†	1921	1981	81
1,24,06,300	5	1925	1985-88	144 N
98,21,600	5½	1926	1985-88	101⅛
99,84,500B	5	1926	1956-66	102
1,49,49,500B	5	1927	1957-67	101⅛
1,49,80,000	5	1928	1958-68	102⅛
80,00,000	4½	1931	1991	95
60,00,000	4½	1938	1965	96
25,00,000	3	1938	1963-68	90
50,00,000	3	1945	2005	74 N
50,00,000	3	1946	1976	84
50,00,000	3	1946	1976	84
50,00,000	3	1946	2006	78 N
50,00,000	3	1947	1977	78
50,00,000	3	1948	1978	82⅛
1,00,00,000	3	1949	1959	96
50,00,000C	3	1949	1959	96
1,00,00,000	3	1950	1960	81⅛
1,00,00,000	3	1950	1960	95⅛
50,00,000	3	1950	1960	95⅛
1,50,00,000	3	1951	1981	81
50,00,000	4	1951	1961	97⅛
50,00,000	4	1952	1962	99⅛
		1953	1963	98⅛
STERLING LOANS				
£892,800	5	1928	1958-68	£87⅛
£901,000	5	1924	1954-64	£87
£885,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
31,47,169	3½	1947	1977	
2,88,000	3	1947	1977	
3,00,000	3	1948	1978	
45,00,000C	4½	1954	1984	A

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
60,00,000	4	1902	1962	
50,00,000	4	1903	1963	
30,00,000	4	1904	1964	
20,00,000	4	1905	1965	97⅛ N
15,00,000	4	1906	1966	
30,00,000	4	1907	1967	
25,00,000	4	1908	1968	
18,00,000	4	1912	1972	
10,00,000	4	1913	1973	
25,00,000	4	1914	1974	97⅛
40,00,000	5	1916	1976	
66,00,000	6	1919	1957-79	118 N
25,00,000	6	1920	1955-80	
25,00,000	6	1926	1956-86	118 N
10,00,000	4½	1927	1961-70	98 N
		1936	1956	
STERLING LOANS				
£566,600	4	1909	1969	£95⅛
£333,100	4	1910	1970	£95⅛
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	101
25,00,000	5½	1929	1959	107
50,00,000	4	1924	1964	99⅛
35,00,000	4½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1967	91
20,00,000	3	1938	1968	90
50,00,000	4	1952	1962	99⅛
MADRAS				
Rs.				Rs.
71,700	6	1925	1955	100 N
2,67,300	6	1922	1955	101 N
15,00,000	4½	1951	1961	107 N
15,00,000	3½	1952	1962	107⅛ N

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,60,000	4	1913-15	1974	100
30,00,000	4	1913-15	1955	100 N
30,00,000	4	1920	1980	115 N
25,00,000	5	1924	1954	105⅛
5,45,500	5	1929	1954-59	to
26,47,500	5	1929	1959	109⅛
8,25,000	3½	1947	1977	85⅛
2,50,000	3½	1949	1979	86
2,50,000	3½	1950	1965	97⅛
2,00,000	3½	1951	1964	101⅛
1,50,000	3½	1951	1966	97⅛
1,00,00,000†	4	1953	1963	100⅛
1,00,00,000†	4	1954	1964	100⅛
1,00,00,000†	4	1954	1966	100⅛
CALCUTTA				
Rs.				Rs.
84,70,000	6	1925	1955	101
86,00,000	5	1926	1958	105
25,00,000	5	1927	1957	105⅛
25,00,000	5	1929	1958	105⅛
10,00,000	5½	1932	1962	108
33,91,000	5½	1933	1963	108
60,00,000	3	1936	1966	90
47,50,000	3	1938	1968	90
10,67,700	3	1938	1958	90
15,56,800	4	1939	1958	99⅛
15,56,800	4	1939	1958	99⅛
15,56,800	4	1940	1957	99⅛
17,64,400	3½	1942	1959	98⅛
21,10,000	3½	1942	1972	98
15,49,000	3½	1951	1960	97
18,32,000	3½	1951	1961	97⅛
66,88,000	3½	1951	1962	97⅛
57,56,000	3½	1952	1962	99⅛
72,50,000	4½	1954	1979	100
MADRAS				
Rs.				Rs.
2,67,300	6	1922	1955	101 N
15,00,000	3½	1951	1961	107 N
15,00,000	3½	1952	1962	107⅛ N

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	134	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	104	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	144	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	116⅛	100
¶East India Distilleries	£200,000	1897	7	Jan. July	17⅛	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	66	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	66	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	16	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	106	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	14,99,135	1946	5(c)	Dec. ..	7⅛	10
Upper Gangos	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1945	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	118	100
Borrea	4,00,000	1895-97	6½	Oct. Apr.	119	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	123	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8	10
Equitable	4,00,000	1895	6	Mar. Sept.	120	100⅛
Karanpura Collieries	7,50,000	1946	5½(a)	.. ..	72	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	2N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Ondal	2,00,000	1895-99	6½	Apr. Oct.	113	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	102	100
Bangalore	6,00,000	1884	6	Jan. July	130	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	7⅛	10
Benares Cotton	1,65,200	1919	7	July Jan.	63	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	119	100
Bowrah 'A'	6,00,000	1900	8	Feb. Aug.	135	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	73	100
Bradbury	14,75,000	1919	7	June Dec.	65	50
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	140	100
Cambodias	1,00,000	1926	7	Apr. ..	125	100
Central India	50,00,000	1912	5	Apr. Oct.	49⅛	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	117xd	100
Elgin	11,00,000	1912	8	May Nov.	143	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10⅛	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	86	100
Kesoram	20,00,000	1919	7	June Dec.	131	100
Khatau Makanji (2nd)	24,92,500	1947	4	Nov. ..	87	100
Kothari	12,00,000	1937	6	Nov. ..	10⅛	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. ..	230	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1942	4½	January ..	79⅛	100
Muir Mill	30,00,000	1900	6	Jan. July	80⅛N	100
Mysore Spg.	7,45,050	1944	4½	.. ..	80	50
National Rayon	1,74,64,700	1947	5	.. ..	83xd	100
New Great	8,00,000	1913	5½(a)	Mar. ..	185⅛	200
New Victoria	26,05,500	1920	6	Apr. Oct.	2⅛	5
Podar Mills	10,00,000	1943	4	Feb. ..	77	100
Rajalakshmi	2,00,000	1932	6½	Apr. ..	54	50
Shree Niwas Cotton	4,80,000	1944	4	.. ..	..	100
Sholapour	32,00,000	1943	3(c)	.. ..	96	100
Svadesh

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which class their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	3,74,976	63,22,382	43,05,372	—2,24,486	Rajputana Textiles (Agencies) Ltd.	47,512	8,081	Apollo Mills	2¾	2	0 4(c)	0-4 (c)			12	Y.
40,00,000	24,00,000	1,34,85,681	72,23,655	—5,76,311	B. R. Sons, Ltd.	50,596	1,021	B. R. Cotton Mills	31½	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
50,98,000	2,33,99,019	4,29,75,764	3,54,21,688	52,579	Nowrosjee Wadia & Sons, Ltd.	1,89,660	4,850	Bombay Dyeing & Mfg.	470½	250	20 0	22 8*	20 0		12	Y.
10,00,000	27,36,559	55,58,170	43,57,495	2,48,761	Ramnarain Sons, Ltd.	42,098	860	Bradbury Mills	183	50	100 0	100 0	100 0		3	Y.P.
1,09,42,800	2,27,64,197	2,84,17,250	1,35,13,258	31,32,603	Birla Bros., Ltd.	1,25,936	2,693	Century Spg. & Mfg.	370½	100	20 0	22 0	22 0		12	Y.
49,00,000	15,44,690	1,16,09,462	65,52,939	—33,25,720	V. J. Pilani (Chairman and Managing Director)	40,668	708	Colaba Land & Mill	55½	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	13,33,386	64,51,450	44,36,747	21,158	Cowasjee Jehangir & Co., Ltd.	30,130	690	Coorla Spg. & Wvg.	118½	100	7 8	7 8	7 8		3	Y.
16,00,000	25,08,261	64,39,890	50,46,041	38,562	Ramnarain Sons, Ltd.	38,304		Dawn Mills	90	50	6 0	6 0			12	Y.
34,00,000	27,75,000	68,55,752	60,73,724	16,489	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	26¾	200	15 0	15 0			12	Y.
29,97,750	11,93,229	1,00,90,317	73,09,225	17,999	K. D. Jalan, Esq. (Chairman)	43,376	856	Elphinstone Spg. & Wvg.	40	50	3 0	*Nil*	2 8½		12	Y.P.
50,00,000	64,31,875	1,05,11,445	71,58,296	3,90,661	James Finlay & Co., Ltd.	40,072	784	Finlay Mills	248½	100	20 0	16 0	16 0		12	Y.
11,84,000 } 16,000 }	75,09,589	1,20,85,307	91,11,500	8,850	Thackersey Mooljee & Co.	40,672	1,126	Hindoostan Spg. & Wvg. Mills	3,825 / 865	1,000 / 250	200 0* / 50 0	225 0* / 56 4*	225 0 / 56 4	40 0‡ / 10 0‡	3	Y.P.
2,90,00,000 } 50,00,000D } 8,65,000 } 85,000 }	1,13,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,38,030	6,278	India United Mills	11-3/4 / 3,530	10 / 100	*Nil* / *Nil*	0 10 / 0 1			12	Y.
	71,99,043	1,22,31,586	83,59,006	3,651	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	865N	500	100 0	225 0* / 112 8*	225 0 / 112 8	40 0‡	3	Y.P.
59,85,000	40,24,767	2,15,86,170	1,74,28,945	23,212	Khatau Makanji & Co., Ltd.	84,604	1,513	Khatau Makanji Spg. & Wvg.	165½	100	10 0	10 0	8 0		6	Y.P.
1,00,00,000	1,44,50,000	3,49,59,105	2,46,94,456	12,158	Kilachand Industries Ltd.	1,20,904	1,840	Kohinoor Mills	323½	100	18 0	20 0*	18 0		12	Y.
25,20,000A } 3,60,000B }	64,00,782	4,36,527	88,878	6,03,530	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	78‡ / —	100A / 20	6 4 / 1 4	6 4 / 1 4			6	Y.P.
22,13,050	39,74,016	1,14,37,317	54,72,963	16,412	N. Sirur & Co., Ltd.	48,676	644	Modern Mills	85N	50	5 0	5 0	5 0		10	Y.T.
51,75,000	32,62,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	215	100	12 0	12 0	14 0		6	Y.P.
1,57,71,400	61,70,518	5,74,05,779	1,55,00,000	5,72,078	Chinai & Co., Ltd.			National Rayon Corporation	196½	100	*Nil*	9 0	10 0		12	Y.P.
24,00,000	25,00,683	74,52,403	46,04,752	27,546	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	141½	100	10 0	10 0	10 0		12	Y.
30,00,000	15,47,407	89,62,350	61,42,740	12,517	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	172	100	10 0	10 0	7 8		12	Y.P.
12,70,100	36,36,004	42,09,552	13,76,689	423	Matatlal Chandulal & Co., (Bombay), Ltd.	34,100	873	New Union Mills	30½	10	1 4				12	Y.
48,00,000	36,07,273	1,42,08,882	91,50,811	30,476	Ramnarain Sons, Ltd.	66,324	1,190	Phoenix Mills	118½	100	8 0	8 0			12	Y.
40,00,000	43,62,741	24,64,450	22,50,000	2,99,184	Podar Mills	32,600	930	Podar Mills	159½	100	10 0	10 0			12	Y.P.
5,00,000	8,44,062	21,20,749	18,99,340	2,596	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	15	10	1 4	0 12			12	Y.
25,00,000	69,06,474	1,24,22,606	81,47,282	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	35½	10	1 4	1 4			12	Y.
60,00,000	1,33,00,061	91,25,908	50,71,284	1,53,062	Marwar Textiles (Agency) Ltd.	66,336	1,640	Shree Niwas Cotton Mills	223½	100	12 8	14 0	14 0		12	Y.P.
42,00,000	35,75,550	93,88,962	71,00,000	15,898	Forbes, Forbes Campbell & Co. Ltd.	85,180	1,276	Shapley Mills	136	50	15 0(p)	15 0	11 0	10 0	3	Y.
56,00,000	1,22,33,867	1,85,08,331	1,10,85,485	17,128	Mafatlal Gagalbhai & Sons	57,238	1,633	Standard Mills	367½	100	20 0	20 0	20 0		12	Y.P.
1,00,00,000	82,26,342	1,92,83,887	1,02,23,292	43,799	Tata Industries Ltd.	70,764	2,000	Svadeshi Mills	198½	100	16 0	16 0	8 0		12	Y.P.
30,00,000	62,78,465	1,17,42,921	70,22,715	3,59,764	James Finlay & Co., Ltd.	38,828	552	Swan Mills	316½	100	30 0	20 0	20 0		12	Y.
32,59,438	49,96,589	1,59,55,805	43,92,129	11,417	Tata Industries Ltd.	62,096	1,800	Tata Mills	51½	25	1 0	1 8	2 8		12	Y.T.
12,00,000	62,55,708	98,83,223	74,65,000,	4,219	Thackersey Mooljee Sons & Co.	54,424	1,181	Western India Spg. & Mfg.	3,875	1,000	200 0*	225 0*	25 0	40 0‡	3	Y.P.
AHMEDABAD																
53,00,000	25,97,650	96,80,004	55,57,029	5,860	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	127½	100	10 0	10 0*	5 0		6	Y.P.
10,00,000	90,53,938	89,83,424	65,39,467	7,876	P. M. Hutheesing & Sons, Ltd.	42,768	912	Arvind Mills	527½	100	20 0*	20 0*			12	Y.P.
26,27,000	2,23,86,062	1,33,18,915	89,73,000	47,540	Narottam Lalbhai & Co.	62,448	1,216	Arvindas Spinning & Mfg.	1,163	100	25 0	25 0			12	Y.P.
20,00,000	35,43,340	79,41,276	56,25,000	3,90,074	Mangaldas & Bros., Ltd.	35,804	884	Ajendraya Spinning & Mfg.	355	200	15 0	25 0			12	Y.P.
12,00,000	1,08,36,022	1,11,66,166	60,70,738	65,858	Lalbhai Dalpatbhai & Co.	82,14,166	914	Asoka Mills	590	100	22 0	22 0*	22 0		12	Y.P.
1,24,79,011	11,06,203	4,24,88,718	3,07,53,344	16,00,756	Karamchand Premchand Ltd.	1,39,120	2,372	Calico	364½	125	18 0	18 0	18 0		12	Y.P.
45,00,000	48,45,000	1,05,59,863	72,50,000	6,391	Tricontal Bhoglal & Co., Ltd.	45,836	867	New Commercial Mills	601N	750	70 0	70 0			12	Y.P.
89,00,000	66,61,702	1,14,89,133	91,35,308	6,397	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	737	125	35 0	35 0	35 0		12	Y.
5,00,000	61,15,982	46,72,745	31,76,001	700	Jayabhai Bhoglal Nanavaty & Co., Ltd.	21,840	572	Nutan Mills	318½	100	30 0*	30 0*			12	Y.P.
12,50,000	1,09,22,589	79,71,738	52,25,077	32,522	Lalbhai Dalpatbhai & Co.	31,120	634	Raipur Mfg.	1,026½	100	25 0	17 8			12	Y.P.
22,00,000	13,93,067	74,95,009	39,67,450	—39,90,510	Mangaldas Girdharadas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	260N	250	*Nil*				12	Y.P.
32,50,000	16,74,425	84,83,940	52,67,803	4,020	Lalbhai Gordhandas Ltd.	33,156	648	Rohit Mills	165	100	9 0	9 0			12	Y.P.
25,94,150	1,90,54,538	1,60,18,812	1,34,23,000	2,52,570	Harivallabhdas Kalidas & Co.	94,116	1,733	Shri Ambica Mills	386	50	16 0	18 0	20 0		12	Y.P.
19,52,500	59,00,194	78,08,018	62,03,800	6,434	Mafatlal Chandulal & Co., (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	460	100	20 0	20 0	25 0*		12	Y.
23,00,000	26,06,488	1,03,76,340	68,35,291	32,764	Haridas Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	536½	400	35 0*	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	1,88,479	84,10,729	19,47,810	41,227	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	5½	10	*Nil*	0 4			12	Y.P.T.
7,11,250	3,95,399	40,05,099	23,80,978	47,816	Bengal Textile Agency, Ltd.	32,352	936	Bengal Luxmi Cotton Mills	40N	40	3 0	*Nil*	4 0		3	Y.
6,00,000	22,71,793	80,25,189	51,52,000	—21,82,781	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowrah Cotton Mills	342	100	*Nil*	*Nil*	*Nil*		6-12	H.P.
19,00,000	25,17,571	99,37,856	69,83,080	—9,27,405	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunlop Mills	206	100	*Nil*	*Nil*	*Nil*		6-12	H.
1,60,00,000	1,98,15,540	3,42,43,338	1,98,66,338	2,15,714	Birla Brothers, Ltd.	70,040	1,990	Kesoram Cotton Mills	14½	20	1 12	1 12	1 12		3	Y.P.
6,00,000 } 83,96,288 }	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	— / 12	25 / 10	1 4 / 0 8				12	Y.P.
19,47,500 } 5,00,000D }	5,75,000	41,85,833	19,32,788	15,666	Hazareemull Heeralall	23,196	795	Rampooria Cotton Mills	4N	10	0 8 / *Nil*	0 8 / *Nil*			6	Y.
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,09,109	59,21,613	21,03,246	2,730	Ramlal & Co., Ltd.	55,000		Alagappa Textiles (Cochin) Ltd.	4½	10						
O.S. 71,94,400	44,03,207	2,10,91,209	50,60,013		Industrial Trust Fund	36,136	750	Azam Jahi Mills	70	100	6 0	6 0	*Nil*		12	Y.P.T.
40,50,000	1,91,86,745	2,87,22,995	2,24,71,643	2,44,711	Binny & Co. (Madras), Ltd.	40,068	1,157	Banalore Woollen, Cotton and Silk Mills	465	100	15 0	25 0	30 0		9	Y.
27,00,000	15,50,000	77,25,162	53,72,132	18,199		20,936	782	Bengal-Nagpur Cotton Mills	9⅛	10	0 8	0 4	*Nil* f		12	Y.P.
15,00,000	1,12,09,588	1,12,05,727	78,65,727	5,50,791	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg., Delhi	70N	10	3 0	3 0	3 0		12	Y.
1,78,47,800	1,54,09,097	4,50,39,368	1,14,94,493	2,69,065	Binny & Co. (Madras), Ltd.	1,20,356	2,744	Buckingham & Carnatic	161	100	4 0	10 0	10 0		8	Y.
20,00,000	20,00,000	34,17,820	19,76,834	8,55,087	Peirce, Leslie & Co., Ltd.	37,536		Cambodia Mills	124	100	1 0	0 12	*Nil*		12	Y.T.
15,00,000	4,51,500	43,54,797	18,76,141		K. Damodaran, Esq.	17,496	135	Cannanore Spg. & Wvg.	135	100	12 0	12 0	20 0		12	Y.P.
30,00,000	26,49,772	51,85,118	47,84,815	26,773	Begg, Sutherland & Co., Ltd.	25,796	591	Cawnpore Textiles	8½	5	0 9	0 9	0 8		3	Y.
12,00,000	20,00,000	30,85,973	24,65,996	4,614	R. Bheema Naidu & Co.	28,864		Coimbatore Cotton Mills	282	100	9 0	20 0	25 0		3	Y.
20,00,000	13,90,000	33,17,361	17,05,703	3,400	T. R. N. Naidu & Co.	21,978		Coimbatore Pioneer Mills	208½	100	9 0	15 0	10 0f		12	Y.
20,76,900	4,36,640	1,14,45,234	69,30,050	4,76,905	K. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	71	50	*Nil*	*Nil*	2f 0		6	Y.P.
46,87,500	64,76,247	2,34,42,659	1,51,56,858	14,071	Tata Industries, Ltd.	1,15,188	2,062	Central India	113½	100	2 0	5 0	2 0		6	Y.
3,38,36,225 } 1,90,503 }	2,63,12,465	8,55,97,662	4,42,00,000	1,69,241	B. R. Charat Ram & Co., Ltd.	1,16,636	2,355	Delhi Cloth & General Mills	87½	100	22 0	22 0	12 0		6	Y.P.
24,34,800	24,72,758	47,34,037	33,82,512	9,248	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	286	100	0 1 4/5	0 2 4/5	0 3 3/5		6	Y.P.
63,00,000	53,27,822	1,46,96,492	1,21,71,631	62,277	Begg, Sutherland & Co., Ltd.	53,768	1,198	Elgin Mills	18½	10	1 8	1 0	1 0		12	Y.
48,81,000	33,91,175	88,91,779	65,24,070	87,169	Forbes, Forbes Campbell & Co., Ltd.	72,904	3	Gokak Mills	217	100	17 0*	17 0	13 0		9	Y.P.
50,00,000	3,09,654	1,29,35,712	1,03,03,420	6,150	Govindram Seksaria (Indore)	51,180	1,420	Indore Malwa United	97½	100	6 0	6 0	6 0		12	Y.
8,00,000	10,05,683	30,91,139	16,77,748	—50,124	G. V. Naidu & Co., Ltd.	23,764		Janardana Mills	75	50	8 12	4 8	5 0		12	Y.
24,00,000	15,75,000	64,05,981	12,00,000	20,004	Kothari & Sons	30,512	200	Kothari Textiles	12½	10	0 12	0 8	0 8		12	Y.
32,00,000	69,32,619	1,42,27,744	1,05,78,587	19,080	Bombay Co., Ltd.	61,972	1,219	Lakshmi Cotton Mfg.	507½	250	37 8	37 8	33 12		6	Y.P.
35,64,100	44,00,000	1,00,53,685	69,98,843	25,703	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	149½	50	6 0	5 0	10 0		12	Y.P.
17,82,050	4,13,81,878	5,66,33,243	3,44,00,463	9,66,800	A. & F. Harvey Ltd.	4,63,852		Madura Mills	75½	25	2 8	2 8	5 0		8	Y.
75,02,400	4,17,363	27,72,881	16,02,969	1,14,095	A. L. A. R. S. Chettiar and 2 others	22,592	100	Malabar Spg. & Wvg.	45½	15	3 0	8 0	3 0		12	Y.
12,00,000	69,00,000	62,41,448	41,60,335	1,43,408	W. A. Beardsell & Co., Ltd.	25,656	603	Metkar Industries Ltd.	129	200	8 0	8 0			12	Y.
60,00,000	19,47,003	84,13,677	46,82,134	9,399	N. Sirur & Co., Ltd.	39,200	704	Minerva Mills	367½	100	8 0	12 8	22 8*	35 0	3	Y.
29,80,854	27,44,404	1,61,29,118	78,81,628	—7,44,932	Banalini Akhrchand Dadabhoy & Co.	51,840	955	Model Mills (Nagpur)	138½	250	7 8	7 8*	5 0		12	Y.
94,91,850	52,19,000	1,53,39,272	1,05,91,651	—7,77,200	Indian Textile Syndicate Ltd.	88,640	1,884	Muir Mills	113½	100			5 0(c)		6	Y.
30,00,000	55,50,566	95,25,192	61,37,444	22,997	N. Sirur & Co., Ltd.	49,644	600	Mysore Spg. & Mfg.	114½	50	10 0*	10 0*	8 8*	8 01	12	Y.P.
13,61,760	2,58,745	29,42,992	15,27,000	3,986	K. Suryanarayana Rao, Esq. Manager	6,000		Mysore Sugar Mills	4	10	*Nil*	*Nil*	*Nil*		2	Y.
22,89,8820	25,62,532	1,02,16,296	58,90,719	—39,62,329	J. P. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills	0. 2½ / D. 1	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*			8	Y.
3,07,095D	57,72,270	1,68,63,562	62,58,093	....	Industrial Trust Fund	37,788	847	Osmanshahi Mills	65	100	7 0	4 0	*Nil*		12	Y.P.
87,14,300					Bhaghyalakshmi & Co.	29,924		Palani Andavar Mills	112½	60A	8 12	8 12			9	Y.
4,00,000A } 6,00,000B }	7,50,000	33,81,578	18,80,484	551	Bhaghyalakshmi & Co.	27,980		Pankaja Mills Ltd.	158½	75B	11 4	18 0			12	Y.P.
15,00,000	8,56,020	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	54,864	301	Radhakrishna Mills	53	100					9	Y.
16,81,200A } 8,49,200B }	20,00,000	73,90,455	41,41,878	28,607	A. G. Gurusamy Naidu & Co.	25,896		Rajalakshmi Mills	218 / 109	100A / 50B	6 0 / 3 0	8 0 / 4 0	16 0 / 8 0		12	Y.
15,00,000	32,25,000	25,50,868	16,48,985	34,422	R. R. Naidu & Sons	14,800		Rayalaseema Mills	133½	50	*Nil*	7 8			12	Y.P.
22,23,375	12,10,000	38,91,595	14,22,264	23,505	Rayalaseema Development Co.	33,984	600	Raza Textiles	90	100	6 0	6 0	9 0		12	Y.
60,00,000	62,66,508	98,29,567	35,63,291	—19,99,425	J. P. Srivastava & Sons (Rampur)	86,048	2,234	Sholapoor Spg. & Wvg.	6-3/4 / 1,400	10 / 1,000	*Nil* / *Nil*	*Nil* / *Nil*	*Nil*		12	Y.P.
18,00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Morarka & Co.	31,668	292	Sri Krishnarajendra Mills	90½	50	4 0*	4 0*	4 8	5 0	3	Y.P.
36,69,700	16,63,628	71,75,918	51,85,889	27,871	H. N. Pallegar, Esq.	17,880	440	Shree Sajjan Mills	72N	100	*Nil*	4 0	5 0		8	Y.
26,14,800	2,00,246	85,18,906	17,73,000	—2,46,777	Gopaldas Liladhar & Co., Ltd.	36,212	1,242	Sutlej Cotton Mills	76N	100	4 0	4 0	5 0		3	Y.
15,00,000	2,49,73,935	87,38,169	62,02,068	31,22,917	Birla Brothers, Ltd.	1,12,216	2,077	Swadeshi Cotton (Kanpur)	8½ / 9	100. / 100.D.	*Nil* / *Nil*	0 8 / 0-14 2/5			12	Y.P.
17,50,000 O. } 1,57,50,000P }	2,20,00,000	4,32,03,265	1,56,70,740	2,67,165	Jalpuria Brothers			Travancore Rayons	14½	10	*Nil*	0 8	0 10		12	Y.P.
99,84,040	16,00,000	2,75,11,606	1,00,23,764	1,23,122	Emcefe & Sons (Travancore), Ltd.	16,256		Trichinopoly Mills	12	10	0 11 1/5	0 11 1/5	0 14 2/5		12	Y.P.
13,05,670	8,79,479	13,36,207	10,45,186	8,321	Mooljee Ramjee & Sons	33,704	270	Vasanta Mills	222	100	12 0	12 0	16 0		12	Y.
21,00,000	32,00,000	50,92,295	36,81,499	30,500	K. K. S. Chetty & Brothers	54,280	1,495	Vishnu Cotton	140	100	10 0	4 0	4 0		12	Y.P.
32,00,000	31,99,443	1,38,35,036	1,00,33,300	22,250	Bombay Co., Ltd.											

* Includes bonus.

** Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(b) Subject to taxation and workers' bonus.

(c) Paid out of reserves.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the incr ase capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000 } 6,64,000 }	16,64,000	1,09,25,186	50,37,365	21,554	Parry & Co., Ltd.	Deccan Sugar & Abkhari	31½ / 13½	25 / 10	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*		3	W.P.
16,20,630	17,21,569	24,69,631	12,75,708	13,708	Mr. K. G. Khanna	Dyer Meakin Breweries	6½	5	0 8	0 8	0 8		3	W.
£80,000A } £300,000B }	£897,579	£1,225,541	£513,606	£57,290	Parry's Holdings Ltd.	East India Distilleries and Sugar	17 / 28½	A. 16sh / B. £1	Sh. 3 / Sh. 3	Sh. 1 3/5 / Sh. 4	Sh. 1 3/5 / Sh. 5 4/5		3	W.P.
4,00,000	9,60,000	11,63,313	11,63,307	4,057	Vittal Mallya, Esq. (Chairman	United Breweries	165	75	15 0	15 0	15 0		3	W.
CEMENT														
11,37,700A. } 39,79,020B. } 43,14,600C. } 4,70,976D. }	10,85,516	79,90,234	39,32,658	26,623	Andhra Engineering Co., Ltd.	Andhra Cement Co.	13½ / 13⅛ / 6⅛ / 1	A. 100 / B. 10 / C. 10 / D. 1	7 8 / 0 12 / *Nil* /	10 0* / 1 0* / *Nil* /	10 0 / 1 0 / *Nil* /		12	Y.P.N.
12,67,39,333	4,18,90,259	20,42,88,558	7,85,13,157	6,93,281	Eastern Corporation Ltd.	Assam Bengal Cement							3	Y.N.
60,00,000O. } 26,49,798D. } 3,00,000D. } 61,84 9300. } 7,50,000D. }	13,13,132	18,78,393	7,89,496	2,19,891	Associated Cement Companies	Dalmia Cement (Bharat)‡	179	100	9 8	9 8	8 8		7	W.
	46,39,155	81,39,445	20,01,691	67,792	Hari Brothers Ltd.	India Cements Ltd.	14½ / 24 / 4-3/4	O. 25 / D. 1 / O. 25 / D. 5	8 10 / 0 2½ / *Nil* / 0 8	1 0 / 0 4 / 0 1-3/5 / *Nil*	1 0 / 0 4 / *Nil* / 0 4		12	Y.P.N.
	8,00,000	1,45,26,685	39,60,537	1,15,792	Essen Ltd.								3	W.P.
59,84,000	13,00,000	1,67,86,035	51,49,060	1,62,701	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	178½	100	6 0	6 0	6 0		12	W.P.
75,00,000	20,95,000	1,75,91,085	1,37,82,076	6,448	Martin Burn Ltd.	Sonevalley Portland Cement	8	5	0 8	0 6			12	W.
50,00,000	....	1,04,00,351	34,33,980	2,75,554	Essel Ltd.	Travancore Cements Ltd.	9	10	0 8	0 8	0 10		12	Y.
CERAMIC; MINING AND QUARRYING														
81,70,655	1,50,000	60,96,114	23,31,090	15,378	S. Lall Bhagat & Co.	Bengal Potteries	3½	2½	0 3½	0 2½			12	W.
10,00,000	22,81,783	56,54,921	32,63,272	8,804	Bird & Co., Ltd.	Biara Stone Lime Co.	43⅛N	10	0 14	0 14			3, 9	H.
£914,200	£1,105,500	£1,839,281	£997,797	£76,278	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4-10½	Sh. 2	2d.	2.4d.			12	Y.
20,00,000	27,12,396	43,78,754	12,16,751	16,731	Bird & Co., Ltd.	Karanpura Development	16½	10	*Nil*	*Nil*	*Nil*		6, 12	H.
4,00,000	2,33,000	8,23,246	4,73,150	,503	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	8½	10	1 0	0 12	0 8		3	W.
10,00,000	41,78,183

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	31,61,841	1,99,95,468	1,41,05,656	1,53,875	Balmer Lawrie & Co.	Bengal Paper Mills	64½	25	1 9 / Nil	Nil / 1 9	1 9 / 1 9		6,12	H.P.T.
80,00,000	33,44,805	1,07,15,561	71,75,830	2,34,328	Andrew Yule & Co., Ltd.	India Paper Pulp	270	100	5 0	6 0	7 8		3,9	H
85,00,000	16,12,500	1,18,13,367	47,51,061	49,179	B. P. Ramakrishnan Esq.	Mysore Paper Mills	18½	10	1 0*	1 0*	0 12*		3	W.
1,46,82,500	1,69,72,408	3,91,23,962	91,37,779	2,47,582	Birla Bros.	Orient Paper	28½	10	1 0	1 0	0 7½		3,9	H.P.T.
80,06,290	98,16,849	1,28,42,714	75,84,970	3,23,451	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	16½xd	10	0 12 / 0 12	0 12 / 0 12	0 12t		6,12	H.P.T
80,00,000 / 10,90,000A.	6,52,694	53,19,789	29,44,824	6,038	Bajoria & Co.	Star Paper Mills	13½ / 13½	O. 10 / A. 10	0 8 / 0 8	0 12 / 0 12	0 8 / 0 8		3,9	H.P.T.
56,00,000A. / 36,04,800B. / 4,87,500P.S.	2,83,01,797	5,11,76,455	3,06,96,855	3,59,432	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	44½ / 44½ / 5½	A. 10 / B. 10 / P.O. 2½	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	0 12* / 0 12* / 0 2		3,9	H.P
PRESSING														
8,00,000	6,12,365	15,78,488	10,90,581	20,403	Andrew Yule & Co.	Calcutta Hydraulic	90	100	5 0	5 0	4 8		6	V.
4,50,000	1,00,000	6,88,526	4,73,056	2,354	Pyne & Sons	Camperdown	89N	100	7 8	7 0	5 0		7	V.
3,00,000	1,55,000	10,91,811	9,30,377	12,962	Andrew Yule & Co.	Central Hydraulic	92	100	5 0	4 0	5 0		6	V.
PROPERTY AND LAND														
10,52,780O. / 8,00,000D.	7,43,065	43,46,067	21,43,279	96,047	S. A. Basil, Esq., & others (Directors)	Humayun Properties	11 / 1½	O. 10 / D. 1	0 8 / Nil	0 11½ / 0 4½	0 9 3/5 / Nil		9	V.P.
60,00,000	18,90,038	84,21,336	15,00,000	350	David Sassoon & Co., Ltd.	Port Canning Land	11½	100	1 0	1 8	1 8		4	V
94,00,000	35,36,934	96,49,123	1,06,646	95,262	Andrew Yule & Co.	Midnapore Zamindary	37	100	2 0	1 8	4 0		8	V.P.
SAW MILLS AND TIMBER														
13,99,998	28,23,970	29,97,501	8,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	5½	5	0 4	Nil	Nil		9	V.
80,00,000 / 42,00,000	4,08,84,385	3,05,42,310	1,22,52,525	56,875	Wallace & Co.	Bombay-Burmah Trading Corpn.	457½ / 181½	Old 125 / New 50	22 8 / 9 0	15 0 / 6 0	20 0 / 8 0		5	V.
6,00,000	....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	41N	100	Nil	Nil	Nil		6	V.P.
20,00,000	18 15,487	18,19,049	13,53,015	1,79 568	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	38½	10	3 0	2 8	2 12		9	V.
SUGAR (U.P. and Bihar)														
14,00,000	13,55,903	38,50,924	27,77,928	23,527	Begg, Sutherland & Co., Ltd.	Bahrampur Sugar	9½	5	Nil	Nil	0 12			V
12,00,000A. / 8,00,000B.	29,18,356	49,46,285	33,16,660	15,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	14½ / 13½N	A. 100 / B. 10	10 8 / 1 0	10-0 / 1-0	10 0 / 1 0		6	V
19,49,050	5,50,000	31,91,657	23,33 812	49,906	Bangur Bros., Ltd.	Belsund Sugar	16½	7½	0 12	0 12	0 12		9	V.
15,00,000	13,85,319	45,47,836	11,37,841	26,084	Cotton Agents Ltd.	Bharat Sugar	20N	10	1 8	1 8	1 8		6	V.P.
32,00,000	26,79,431	1,35,76,859	88,78,177	61,723	Gladstone Lyall & Co., Ltd.	Carew & Co.	11½	10	Nil	Nil	0 12		6	V.P.S.
15,00,000	53,02,981	1,00 12,353	81,32,451	39,696	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	20½	10	2 0	2 0	0 12		10	V.P.
18,00,000	32,88,892	67,14,964	50,49,402	24,329	Begg, Sutherland & Co., Ltd.	Champaran Sugar	30½	10	2 0	1 0	1 0		6	V.
5,99,452	6,18,562	24,58,530	15,33,747	48,204	Karamchand Thapar & Bros.	Deoria Sugar	7½xD	10	0 8	1 0	0 12		8	V.T.
85,00,000A. / 10,00,000C.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mill's	113N / 57N	'A' 100 / O. 100	12 0* / 12 0*	15 0* / 15 0*			6	V.P
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	30N	40	Nil	Nil			7	V.P.
7,89,100	23,05,922	29 32,672	17,61,033	64,888	Cotton Agents Ltd.	New India Sugar Mills	35N	10	2 8	2 8	2 8		6	V.P.
11,00,000	4,20,000	42,21,480	24,87,558	4,135	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 8	0 4	0 4		5	V.
10,87,500 A. / 2,71,875 B.	49,84,457	63,27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mills	220N / 55N	100 / 25	20 0 / 5 0	20 0 / 5 0	20 0 / 5 0		5	V.
77,48,500	52,22,414	1,75,96,483	88,00,000	36,923	Cooth Sugar	Cooth Sugar	115N	100	6 0	11 0	11 0		7	V.P
12,00,000	12,74,233	28,77,669	19,93,928	.5,908	Narang Bros. & Co., Ltd.	Punjab Sugar	115N	100	6 0	10 0	10 0		10	V.
9,00,000	15,93,919	35,23,095	29,32,249	3,957	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	18½	10	1 0	1 0	0 12		10	V.P.
8,00,000	6,54,762	25,43,782	21,01,613	24,340	Begg, Sutherland & Co., Ltd.	Ryam Sugar	19½N	10	1 0	0 8	0 8		6	S.P
11,99,000	17,75,737	38,17,360	22,17,129	13,455	Samastipur Central Sugar	Samastipur Central Sugar	14	10	1 0	0 8	0 8		6	V
20,00,000	21,88,560	1,08,85,319	57,08,717	5,475	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	17½	10	1 8	1 8	1 8		8	Y.P.T
9,99,950	61,825	27,77,628	12,85,342	—1,89,266	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	4½	10	0 6½	Nil	Nil		6	V.
7,95,462	18,82,940	31,60,735	17,68,003	1,06,227	Karamchand Thapar & Bros	Shri Sitaram Sugar	13xd	10	1 0	2 0*	1 8*		8	C.T
9,15,000O. / 4,40,000D.	47,592	27,27,402	11,46,770	—15,90,149	N. K. Jain & Co., Ltd.	South Behar Sugar	1N / 3N	O. 10 / D. 2½	Nil / Nil	Nil / Nil			10	V.P
8,00,000	20,87,588	83,26,115	50,59,754	48,719	Cotton Agents Ltd	Upper Ganges Sugar	30N	10	2 0	1 8	2 8		6	V.P
16,00,000	7,99,778	32,06,650	25,58,846	39,061	James Finlay & Co., Ltd.	United Provinces Sugar	24½	10	1 8	0 8	1 4		9	V
Other Centres														
6,99,750	65,29,871	1,40,80,073	84,87,447	33,628	W. H. Brady & Co., Ltd.	Belapur Company	312	50	16 0	16 0	16 0			
50,000	11,90,010	31,68,833	19,76,042	38,000	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	12½	10	1 0	0 10	1 0		9	V.
15,93,900	2,45,841	39,19,958	20,01,146	51,593	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	46N	100	3 0	Nil	Nil		9	Y.P.
28,70,610	14,00,000	26,96,629	18,50,803	4,30,236	India Sugar Agencies Ltd.	India Sugar and Refineries	16½d	10	2 8	2 8	1 12		9	V.P
33,57,620	41,27,060	41,95 605	20,73,418	1,403	Goyen Bros. (Rampur), Ltd.	Buland Sugar	14½N	10	0 12	1 0	1 0		10	V.
10,52,200O. / 2,87,190D.	67,50,000	84,86,942	27,56,542	2,346	V. Ramakrishna, Esq.	K. C. P. Ltd.	135 / 100	O.100 / D. 10	7 8 / 10 0	7 8 / 10 0	7 8 / 10 0		6	Y.P
81,79,240	90,22,871	1,21,03,930	73,11,305	2,28,221	M. S. Swaminathan, Esq. (Managing Director)	Mysore Sugar	53½	10	2 0	2 0	2 0		6	V
50,00,000	47,49,631	1,07,50,631	55,61,246	15,411	Mafatlal, Apte and Kasliwal Ltd.	Phaltan Sugar	127	50	8 0	6 0	8 0		9	V
14,59,820	28,50,830	53,90,015	26,76,747	20,230	Anderson Wright Ltd.	Rampugger Cane and Sugar	24½	10	2 0	2 0	1 8		8	Y.P.T.
80,00,000O. / 4,00,000D.	24,67,171	87,47,627	53,31,89	61,432	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	95N / 10½N	O.50 / D.10	9 0 / 0 11½	Nil / Nil	2 0 / Nil		9	V.P.T.
19,99,600	44,88,457	47,06,689	21,73,694	4,635	Govan Bros. (Rampur), Ltd.	Raza Sugar	135	O.100	7 8	7 8	7 8		10	V.
80,00,000	10,37,776	39,76,254	17,87,159	—32,224	Parry & Co., Ltd.	Travancore Sugars	7½	10	Nil	Nil	0 12		7	V.P
1,01,00,000	61,19,890	1,85,70,930	1,04,63,312	1,79,083	Premier Construction Co., Ltd.	Walchandnagar Industries	206½	100	14 0	14 0	16 0		9	V.P.S
TRANSPORT														
20,00,000	1,08,42,425	1,33,68,272	13,76,183	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co.	143	100	12 8	10 0	7 8			
1,00,00,000	16,67,690	4,65,14,760	1,80,06,587	89,648	Dinshaw Ltd.	Bharat Line	77½d	100	5 0	5 0	5 0		10	V.P
50,00,000	24,35,838	1,83,20,489	63,44,422	1,09,704	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	15½	10	1 0	1 0	1 0		12	V
£655,580	4,94,756	£5,633,307	£3,454,207	£3,327	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	95½	410	5h.10	Nil			4	W.
$25,00,000	741,99,233	4,41,60,669	1,52,36,755	1,64,960	Lionel Edwards Ltd	India Steamship Co.	7½	10	0 8	0 8	Nil		12	V.P
$40,19,873	7,83,28,023	14,92,76,428	3,71,00,000	2,72,820	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	14-11½	20	0 8	0 12	0 8		3	V.P.
£40,800O. / £10,200P.O.	18,53,194	11,38,000	6,80,211	1,34,123	R. R. Aiyer, Esq., (Manager)	Watford Transport Ltd.	1½ / 1½	O. 1 / P.O. 1	as 1 3/25 / as 1 9/25	as 1 3/25 / as 1 9/25	1 23/25 / 1 19/25		12	V.
UNCLASSIFIED (Bombay)														
2,40,000	95,000	5,35,957	3,89,000	760	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	600	500	35 0	32 0	32 0		9	V
13,98,860	2,04,173	2,18,255	80,000	40,555	Parekh Agencies Ltd.	Bombay-Uganda	72N	80	4 0	5 0			9	V
25,00,000	1,00,000	25,74,218	9,294	3,594	Dens Sons, Ltd.	Devkaran Nanji Investment Co.	91xd	25	9 12	0 12	0 12	0 12	3	V
14,98,840	3,09,622	26,42,753	18,75,000	74,466	Choonilal Maulal Ltd.	Estrela Batteries	35N	50	2 0	Nil	2 0		3	V.P
99,99,250	19,07,876	1,27,52,603	....	2,85,005	Premchand Roychand & Sons	Industrial Investment Trust	72½	100	4 8	4 8	4 8		12	V
1,00,00,000	31,25,000	21,31,427	7,78,349	18,107	E. D. Sheppard, Esq. (Mg. Director)	Killick Industries	160	100	10 0	10 0	11 0	4 0	6	Y.
8,07,00,200A. / 10,00,000B.	5,29,603	2,64,35,763	98,15,035	—13,44,485	Aero-Auto Ltd.	Premier Automobiles	81 / —	A. 100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil		6	V.
19,21,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	23	20	3 0	3 0	3 0		12	V
8,75,00,000	75,25,568	8,92,47,116	1,53,96,500	5,28,887	T. Rydin, Esq. (Managing Director)	Western India Match Co.	186½	100	11 0*	11 0*	11 0*		12	V
45,00,000	53,74,847	7,24,608	3,07,108	45,948	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	V.
Other Centres														
47,50,000	15,00,000	1,88,63,301	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	6½ / 2N	O. 10 / D. 2½	Nil	Nil	Nil		9	V.P.T.
2,50,000	40,60,690	31,77,196	21,11,902	2,39,798	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	19	10	1 4	1 4	1 4		8	V
30,00,000	8,25,000	33,74,632	20,11,857	1,17,493	T. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	19½xd	10	1 4*	1 4*	1 4*		12	V
50,00,000	23,47,883	1,00,29,510	59,87,830	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	41N	10	0 4	0 3 1/5	0 3 1/5		12	V.P.T.
80,01,400	62,94,263	65,81,988	32,21,988	1,49,717	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	151½	100	20 0*	20 0*	13 0		3	V.
20,00,000	7,99,470	57,53,560	....	1,21,733	Lovelock & Lewis	Birla Investment Ltd.	18½	10	1 4	1 4	1 4		12	V.
30,64,680	37,09,225	1,02,29,699	26,93,003	1,63,961	P. J. P. Parsons, Esq. (Mg. Director)	Britannia Biscuits	12½	10	0 12	0 8	1 0		3	V.P.
8,25,00,000	1,00,82,962	2,69,29,657	2,07,14,167	2,81,142	Sir Robert Menzies	British India Corporation Ltd.	9-0½	5	0 10	0 8	1 0		3	Y.P.T.
1,60,00,000	1,79,00,000	4,83,17,964	3,08,53,134	11,88,891	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	38	10	1 8	1 8	0 12		12	V.P.
51,26,000	53,95,753	1,34,39,918	....	3,13,308	Bird & Co., Ltd.	Eastern Investments Ltd.	162	100	9 8	9 0	1 8		12	V.P.T.
14,00,000	9,97,000	33,12,243	18,66,225	11,238	MacNeill & Barry Ltd.	Gangee Rope Co., Ltd.	190	100	20 0	10 0	7 8		12	V.P
65,00,000	38,00,000	18,19,106	6,87,883	1,58,072	K. R. Fettes, Esq.	Gillanders Arbuthnot & Co., Ltd.	11½	10	10 0	10 0	7 8		3	H
80,00,000	11,42,354	4,99,433	29,41,525	1,368	B. P. R. Syndicate	Great Eastern Hotel	258½	10	10 0	7 8	7 8		9	V.P
12,42,800	7,07,544	70,51,010	47,39,868	19,013	Birla Bros., Ltd.	Hind Cycles	100N	250	13 0	15 0	4 4		3	V.P
4,96,12,650	36,77,754	3,05,00,214	40,52,719	4,54,999	Birla Bros., Ltd.	Hindustan Motors	9½	100	0 8	0 8			3	V.P.T.
1,60,00,000	1,09,40,984	3,96,21,357	1,54,14,699	2,96,512	J. W. Cameron, Esq.	Indian Aluminium Co.	151	10	Nil	Nil	Nil		3	V.
1,52,89,220	8,27,570	1,32,87,233	48,27,452	19,70,066	A. R. Driessen, Esq.	Indian Cables	27	100	5 0	Nil	Nil		3	V.P.
2,00,00,000	52,62,941	15,79,995	8,39,426	17,480	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers	12½	10	1 0	1 0*	1 0*		3	V.P.
6,34,000O. / 66,900D.	3,48,343	31,49,487	7,53,287	5,26,226	G. M. Mackinlay, Esq.	Jardine Henderson	111	100	10 0	0 12	0 8		3	V.P.
40,80,000O. / 5,00,000D.	6,09,830	4,31,766	2,240	1,07,086	James & Co., Ltd.	Macfarlane & Co.	2½ / —	O. 1 / D. 1	Nil	Nil	7 8		3	V.
1,30,95,750	33,14,868	19,97,616	8,95,141	2,52,480	C. L. Bajoria, Esq.	McLeod & Co.	212N	O. 100 / D.O. 10	7 8 / —	10 0 / 0 4			8	V.
3,15,00,000	39,01,000	1,56,11,388	59,32,798	13,11,213	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	22½	10	1 4	1 4*	1 6		12	V.P.
6,35,255	7,53,858	7,81,449	2,60,957	—1,55,239	H. Chiswell Jones, Esq. (Chairman)	Mercantile Bank of India, Ltd.	22	10	1 0	1 0*	1 0		9	V.P.
6,56,250	9,55,113	10,40,250	4,40,947	73	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3½	10	Nil	Nil	Nil		3	V
10,00,000	1,20,000	14,23,286	7,19,467	35,958	G. Chandy, Esq. (Controller)	Mysore Lamp Works	11½	10	1 0	1 0	1 0		12	V.P.
80,00,000	49,41,539	53,81,562	37,19,098	1,75,176	M. S. Swaminathan, Esq. (Managing Director)	Mysore Tobacco	14	10	1 0	1 0	1 4		3	V.T.
79,97,000	28,68,388	69,70,031	3,78,836	10,62,030	Associated Industries Development Co.	National Insulated Cable	23½	10	0 12	1 0	1 0		3	V.P.T.
40,00,000	27,00,000	44,15,474	19,71,434	1,31,468	B. N. Elias & Co., Ltd.	National Tobacco Co.	10	10	2 0	2 0	2 0		6	V
6,41,684	1,61,456	61,45,956	43,79,829	—42,97,067	Coromandel Investment Trust Ltd.	Parry & Co.	50	50	8 0	6 0	8 0		9	V
8,25,00,000	1,17,70,208	6,94,43,137	3,00,81,612	4,46,951	T. A. Lykiardopulo, Esq.	Rallis (India) Ltd.	4½	10	2 0	2 0	1 8		8	V.P.T.
1,14,00,000	93,51,062	1,19,12,218	70,10,822	4,54,257	Behe Jain Ltd.	Rohtas Industries	35½	100	Nil	Nil	0 4½		12	V.P.T.
60,00,000	49,00,000	13,88,865	4,16,784	3,63,651	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	25½	10	1 0	1 0	Nil		8	V.P.
9,84,330	1,50,000	14,56,835	3,40,446	—2,06,050	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	16½	10	1 8	1 4	1 8		10	V.P.
					Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	1 0	1 0	1 4		4	V.P.
									Nil	Nil	Nil		12	V.

‡ Investments at cost.

§ Excluding goodwill (written down) Rs. 30 lakhs.

* Includes bonus.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co. Ltd.	825	Amluckie	525N	100	7 8	25 0	30 0		12	Y.P.
2,76,500	4,50,000	7,71,948	3,05,709	31,218	Andrew Yule & Co. Ltd.	312	Ananda (Assam) Tea	41	10	0 12	1 4	7 8		12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co. Ltd.	420	Ananda Bag	48½	10	Nil	2 8	1 8		12	Y.
3,50,000	7,21,416	16,60,335	5,32,872	—75,110	McLeod & Co. Ltd.	513	Baghmari	30½	10	Nil	Nil			12	Y.
3,40,000	8,20,000	11,50,416	2,98,096	70,514	Andrew Yule & Co. Ltd.	369	Bamunia	45	10	2 0	2 8			12	Y.
3,30,000	3,70,000	9,24,593	5,59,593	80,009	....	569	Bateli	25	5	0 4	2 0	1 8		12	Y.
3,20,000	5,70,000	9,38,920	2,13,496	61,395	Gillanders Arbuthnot & Co., Ltd.	546	Betjan	54	10	Nil	2 0	1 8		12	Y.
16,50,000	20,60,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd.	3,967	Bhanasih	47½	10	Nil	3 8			12	Y.
4,00,000	2,53,500	10,49,416	2,08,130	61,929	Octavius Steel & Co., Ltd.	485	Bokakhat	23½	10	Nil	Nil	1 0		12	Y.
7,50,000	4,50,000	8,36,160	2,52,708	5,960	McLeod & Co., Ltd.	430	Bormah Jan Tea	24½	10	0 12	1 0	1 0		12	Y.P.T
35,00,000	11,92,045	73,80,473	19,49,496	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	17½	10	1 0	0 8	1 4		6	Y.P.
1,20,000	1,95,097	4,60,080	1,69,074	—16,624	McLeod & Co., Ltd	282	Dejoo Valley	40	10	Nil	1 0			12	Y.
4,00,000	7,97,500	23,17,843	16,06,120	34,977	Jardine Henderson Ltd.	1,220	Dessai & Parbattia	400	100	10 0	20 0			12	Y.
17,53,440	7,04,519	21,43,185	3,42,779	10,336	James Warren & Co., Ltd.	620	Dhenkhat	22	10	1 0	1 8	0 8		12	Y.
4,68,970	2,70,000	11,71,408	4,34,259	8,732	James Finlay & Co., Ltd.	633	Dhunseri	34½	10	Nil	2 0	1 0		12	Y.P.
4 50,000	3,25,400	6,02,617	2,35,483	16,852	McLeod & Co., Ltd.	458	Dibrugarh	27	10	Nil	1 0	1 0		12	Y.
2,36,700	4,75,000	8,80,047	4,70,047	43,918	Williamson Magor & Co., Ltd.	625	Dimakusi	66	10	1 0	4 8	1 0		12	Y.P.
3,60,500	6,05,000	17,90,747	10,40,747	1,14,474	Williamson Magor & Co., Ltd.	615	Duffla gbur	52	10	2 0	4 0	1 0		12	Y.P
10,00,000	4,65,000	21,78,081	8,83,081	38,641	Williamson Magor & Co., Ltd.	1,177	East India Tea	32½	10	0 4	2 8			12	Y.
3,60,000	3,50,000	8,18,664	4,01,797	13,832	L. C. Kanoi, Esq.	407	Gillapukri	42	10	Nil	1 12			12	Y.
3,38,000	5,60,000	13,93,316	6,19,316	79,542	Williamson Magor & Co., Ltd.	546	Gohpur	48½	10	1 8	3 0			12	Y.
A.4,94,360 / B.2,40,790	14,22,810	18,09,304	5,63,575	23,354	Octavius Steel & Co., Ltd.	1,393	Grob	38½ / 20½	A 10 / B 5	2 0 / 1 0	3 0 / 1 8	0 12½ / 0 6½		12	Y.
2,00,000	7,00,000	7,04,481	2,29,888	48,032	Andrew Yule & Co., Ltd.	476	Hoograjuli	75	10	1 8	3 0	3 8		12	Y.
4,35,000	8,54,216	18,50,196	9,84,270	24,921	Andrew Yule & Co., Ltd.	1,290	Hoolongooree	332	100	Nil	12 8			12	Y.
7,50,000	5,85,000	13,98,777	2,44,299	58,941	Gillanders Arbuthnot & Co., Ltd.	938	Jutilbari	28½	10	Nil	Nil	1 0		12	Y.
2,40,000	2,65,000	11,47,520	4,37,520	6,193	G. D. Kothari, Esq.	1,166	Kingsley-Golaghat (Assam)	360N	100	Nil	Nil			12	P.Y.
6,50,000	4,94,133	6,79 844	1,29,844	72,557	Duncan Bros. & Co., Ltd.	1,037	Ledo	30½	10	Nil	2 0			12	Y.
8,00,000	11,40 000	19,48,410	4,74,285	45,524	Octavius Steel & Co., Ltd.	612	Mathoni	25½	10	Nil	1 8	4 8		12	Y.
4,80,000	40,000	8,84,211	84,211	14,238	Duncan Bros. & Co. Ltd.	973	Mohoma	22½	10	Nil	Nil			12	Y.P.
1,50,000	4,47,344	7,54,419	4,05,697	16,982	Kettlewell Bullen & Co., Ltd.	433	Mothola	650N	100	Nil	40 0	15 0		12	Y.
O. 50,000 / P.O.2,00,000	4,05,000	8,98,088	5,22,218	34,889	Andrew Yule & Co., Ltd.	344	Murphulani	37 / 42	O.10 / P.O.10	2 0 / 2 8	2 0 / 2 8			12	Y.
4,00,000	3,61,274	6,00,328	3,80,669	9,567	S.C. Sen, Esq., Supervising Director	542	Naga Hills	47	10	Nil	3 0	3 0		12	Y.
5,35,000	—	12,71,401	6,78,401	5,033	Shaw Wallace & Co., Ltd.	810	Namburnadi	26½	10	Nil	Nil	0 8		12	Y.
3,00,000	3,60,000	5,94,477	1,34,447	22,913	Duncan Bros. & Co., Ltd.	937	New Chumtah	185xdN	100	Nil	5 0	10 0		12	Y.
3,00,000	5,27,500	7,37,172	2,83,495	45,300	Andrew Yule & Co., Ltd.	353	Raigarh	46

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
						PLANTING; PRODUCE AND RUBBER								
2,00,000	2,35,000	3,76,125	22,948	34,760	Planting Agencies Ltd.	Balmadies Plantations	3 3/8	2	0 3½	0 4	0 4		2	Y.P.T.
17,94,186	16,19,828	30,44,517	3,00,811	1,02,250	Peirce, Leslie & Co., Ltd.	Cochin Malabar	3 7/8	3	0 9 3/5	0 12	0 12		3	Y.P.
18,00,000	13,78,817	31,25,582	4,43,587	1,56,644	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	13 7/8	10	0 14 2/5	0 4 4/5	2 8		6	Y.P.
47,70,000	57,62,500	1,00,81,036	15,88,295	4,24,565	R. C. Paterson, Esq.	Consolidated Coffee	19½	10	1 12 4/5	1 8	1 12		6	Y.P.
4,00,000	3,34,078	5,19,105	46,991	11,406	Associated Planters Ltd.	Cottanad Plantations	14½	10	1 8*	1 8*	1 8		3	Y.P.
18,00,000	9,95,543	22,72,370	4,51,852	53,930	A. V. Thomas & Co., Ltd.	Highland Produce	15½	10	1 0	1 8	2 8		12	Y.P.
4,00,000	10,16,061	10,85,666	1,39,566	11,970	A. V. Thomas & Co., Ltd.	Kalpetta Estates	25½	10	2 0	2 0	2 0		4	Y.P.
4,50,000	11,78,329	9,97,046	2,35,186	14,253	F. Kurian John, Esq.	Malankara Rubber	28½	10	3 8	5 8	2 4		3	Y.
27,00,000	27,35,000	71,39,275	6,74,802	99,729	A. V. Thomas & Co., Ltd.	Midland Rubber	38	10	1 8	1 8	1 12*		3	Y.P.
3,35,000	2,81,000	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd.	Neenvey Rubber	17½d	10	0 10	0 12	1 8		12	Y.P.T.
2,00,000	2,63,714	6,60,783	34,844	8,398	Associated Planters Ltd.	Nilambur Rubber Co.	13½	10	1 0	1 0			12	Y.P.
19,45,980	24,01,085	37,40,924	10,24,385	69,384	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates	5-5½	2	0 3½	0 3½	0 9 3/5		10	Y.P.T.
13,50,000	6,80,000	39,49,798	3,06,746	54,858	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	17½	10	1 8	1 12*	1 12*		6	Y.P.
3,66,780	2,50,000	5,94,562	49,313	89,904	Peirce, Leslie & Co., Ltd.	Travancore Rubber (India) Ltd.	26½	10	3 8	3 8	2 8		11	Y.
10,00,000	3,09,500	21,81,045	1,32,358	1,227	East India Agencies	Thamarapally Rubber	9½	10	0 14½	0 14 2/5	0 12		3	Y.P.T.
2,50,000	2,37,500	5,29,518	27,825	15,715	A. V. George & Co., Ltd.	Tirumbadi Rubber Co., Ltd.	24½d	10	2 8	3 0	3 0		12	Y.P.
8,10,200	2,75,005	7,98,048	62,162	17,826	Peirce Leslie & Co., Ltd.	Travancore Rubber	2	1	0 4	0 4§	0 13/5		9	Y.
6,00,000	46,474	7,49,611	1,11,200	3,744	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber and Tea Co., Ltd.	10½	10	2 0	2 0	2 0		12	Y.
41,00,000	14,29,673	74,86,897	7,65,148	3,28,925	Aspinwall & Co. (Travancore)	Tropical Plantations Co.	11½	10	0 9 3/5	1 0	1 8		12	Y.P.T.
20,00,000	90,000	25,53,508	5,65,978	2,276	F. T. Thomas, Esq. (Mg. Director)	Vaikundam (Travancore) Rubber	33½	25	2 8	3 0	5 0		12	Y.
6,28,580	4,40,670	7,77,154	14,119	21,363	Harrisons & Crosfield Ltd.	Woodland Estates	25½	10	2 0	2 0	2 4		12	Y.
1,65,000	87,239	3,50,536	15,684	1,063	M. K. Thomas, Esq. (Mg. Director)		12½	10	*Nil*	1 0	1 8		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	55,00,000	96,99,205	51,47,202	54,436	B. N. Elias & Co., Ltd.	879	Agarpara	13½	10	1+1	1+1	1f		3,9	H.T.P.
24,00,000	16,00,000	46,24,881	32,54,712	94,004	Sahu Jain Ltd.	498	Albion	150½	100	8+10	12+12	12+6		5,11	H.P.
6,00,000	9,50,000	51,48,608	35,31,395	94,086	McLeod & Co., Ltd.	446	Alexandra	315xd	100	*Nil*	*Nil*+2½	2½+5		6,12	H.P.T.
30,00,000	9,84,130	1,17,45,964	91,71,069	2,55,797	McLeod & Co., Ltd.	1,264	Alliance	173½	100	*Nil*	*Nil*	6+6		6,12	H.P.
40,21,700	82,13,386	2,54,81,317	1,78,90,000	1,47,643	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	219	100	10+10	7½+5	2½+5		3,9	H.P.
40,00,000	40,52,240	1,63,[illegible]9,837	84,16,116	7,674	Bird & Co., Ltd.	940	Auckland	140	100	5+4	2+2	2+2½		3,9	H.P.T.
20,00,000	25,93,136	[illegible]08,25,588	65,19,459	18,739	Jardine Henderson & Co.	188	Bally	59	100	*Nil*	4+*Nil*	*Nil*		3,9	H.P.
42,75,000	£639,470	£1,112,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,889	Barnagore	178	£5	£1	£1	£1	sh.2½	3	Y.P.
28,00,000	55,49,623	89,73,096	49,13,770	1,11,9117	Andrew Yule & Co., Ltd.	820	Belsieve	202	100	7½+7½	7½+7½	5+5		6,12	H.P.
45,00,000	36,45,000	55,76,391	29,60,822	2,95,071	Soorajmull Nagarmull	600	Bengal	14½	10	1	1	1½		6	Y.P.T.
91,26,000	2,08,01,400	3,18,53,961	1,29,13,354	1,26,903	Birla Bros., Ltd.	1,373	Birla	20½	10	3	3	1		3	Y.P.
36,00,000	29,62,923	1,11,26,530	71,77,582	1,20,609	Andrew Yule & Co., Ltd.	591	Budge-Budge	180	100	6½+6½	6+4	4+5		4,10	H.P.
7,47,380	3,16,924	41,38,590	29,87,611	2,610	Dayaram & Sons	302	Calcutta Jute Mfg.	143N	10	0+8	*Nil*	1f		6,12	H.P.T.
18,00,000	52,31,236	77,57,603	* 40,35,574	78,538	Andrew Yule & Co., Ltd.	616	Caledonian	247	100	6+6	6+6	4+5		5,11	H.
59,16,400	1,01,06,609	1,88,44,627	1,05,04,000	22,542	James Finlay & Co., Ltd.	600	Champdany	262	100	7+8	3+3	*Nil*+3		3,9	H.
15,95,000	* 30,14,282	80,62,490	55,81,540	1,37,479	Andrew Yule & Co., Ltd.	530	Cheriot	270	100	6+6	6+6	6+8		5,11	H.P.
30,15,000	28,25,000	40,73,514	46,01,290	1,32,253	McLeod & Co., Ltd.	500	Chitavalsah	14½	10	2½+1½	1½+½	½+½		6,12	H.T.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	16½	10	2	*Nil*			3	Y.P.
31,49,200	62,11,927	1,28,98,802	83,22,413	15,344	Bird & Co., Ltd.	766	Dalhousie	141	100	6+1	1+½	1+1½		3,9	H.P.
28,00,000	44,74,179	74,57,171	46,41,725	1,46,508	Andrew Yule & Co., Ltd.	236	Delta	100+10	10+10	10+10	6+6	5+5		5,11	H.P.
15,00,000	33,50,000	77,97,149	57,55,560	1,32,960	McLeod & Co., Ltd.	509	Empire	23½xd	10	1½+½	3+½	½+½		6,12	H.T.P.
21,00,000	59,65,047	2,69,44,515	1,84,93,231	1,66,650	Keiloweil Bullen & Co., Ltd.	1,884	Fort Gloster	450N	100	10+*Nil*	*Nil*	*Nil*	10f	3,9	H.P.T.
14,00,000	17,00,000	81,12,729	31,52,401	1,10,463	Bangur Bros., Ltd.	1,014	Fort William	373xd	100	*Nil*	*Nil*+5	10+10	10f	3,9	H.P.T.
24,32,100	2,73,755	2,11,52,730	1,36,01,908	5,930	Macneill & Barry Ltd.	1,079	Gauripur Mfg.	101½	100	*Nil*	*Nil*+*Nil*	*Nil*+½		3,9	H.P.
10,40,000	28,00,000	71,52,965	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	881	300	30	15	*Nil*		12	Y.
24,00,000	31,83,104	2,20,06,557	1,67,30,294	1,36,427	Macneill & Barry Ltd.	1,394	Gourepore	336½	100	1½+*Nil*	*Nil*+3½	2½+7½		3,9	H.P.
40,00,000	55,64,234	72,95,746	48,50,613	2,95,107	Bangur Bros., Ltd.	1,078	Hastings	115N	100	10	10	10+0		3	Y.P.
16,80,000	18,52,626	66,38,235	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	43	Hoogaly	10	10	1	1½	1f		3	Y.P.
65,62,500	58,82,162	1,47,23,497	1,06,14,353	1,65,858	Jardine Henderson Ltd.	1,940	Howrah	31½	10	1+½	1+½	1½+½		3,9	H.P.
22,50,000	20,00,000	2,42,25,884	1,49,75,884	1,64,711	Ramdutt Ramkisendas	2,272	Hukumchand	31½	10	3	3	3		3	Y.P.T.
O. 87,00,000 } D. 30,000 }	19,20,065	1,11,31,089	75,39,061	38,601	Mackinnon Mackenzie & Co.	1,076	India	178½	O. 125	3½+3½	3½+3½	*Nil*+3½		3,9	H.
24,00,000 } B. 19,20,000 }	28,34,204	1,36,86,233	1,21,96,305	84,189	Jardine Henderson Ltd.	1,797	Kamarhatty	202	D. 100	As ¾+¾	As ¾+¾	As ¾			
30,60,000 } B. 24,00,000 }	18,14,767	1,31,87,376	98,19,537	62,312	Jardine Henderson Ltd.	1,527	Kankinarrah	174	'B' 100	8½+6	6+3	3+3½		6,12	H.P.
24,00,000	48,25,000	1,05,38,484	74,86,276	1,19,643	McLeod & Co., Ltd.	703	Kelvin	147	100	8+6	5+3	3+3½			
21,00,000	23,83,375	1,68,29,755	1,14,44,627	35,864	Anderson Wright Ltd.	1,530	Khardah	132	'B' 100	6+4	5+2½	2½+4		6,12	H.P.
54,00,000	1,02,14,694	2,29,23,597	1,08,38,211	29,674	F. W. Heilgers & Co.	1,250	Kinnison	320	100	7+7½	7½+7½	7½+5		3,9	H.P.T.
24,48,000	48,31,837	1,39,26,497	78,80,252	4,428	Bird & Co., Ltd.	931	Lansdowne	191½	100	10+15	10+7½	7½+5		3,9	H.P.
28,00,000	59,56,165	1,14,93,720	63,14,525	12,681	Bird & Co., Ltd.	840	Lawrence	191½	100	7+7	4+5	2+5		3,9	H.P.
10,00,000	41,51,301	50,99,335	36,06,454	53,755	Andrew Yule & Co., Ltd.	858	Lothian	140	100	11+4	2+3	2+4		3,9	H.P.
81,65,200	26,14,412	1,92,62,004	1,19,08,316	2,502	Mackinnon Mackenzie & Co.	1,008	Megna	159	100	15+15	15+15	15+15		3,9	H.P.
29,98,900	41,13,783	1,72,83,489	94,88,274	—7,08,068	F. W. Heilgers & Co.	815	Naihati	96	100	2½+2½	2½+2½	*Nil*2½		3,11	H.P.
20,00,000	15,05,000	28,15,067	16,73,660	3,826	Howrah Trading Co., Ltd.	117	Narkanda	100	100	6+*Nil*	*Nil*	*Nil*		3,9	H.
35,00,000	44,29,326	28,38,765	9,63,390	1,88,126	Andrew Yule & Co., Ltd.	425	Nuddea	33½	10	½+½	*Nil*+½	½		3,9	H.
26,25,000	22,75,000	26,82,794	19,64,419	10,341	McLeod & Co., Ltd.	852	National	14½	10	1+½	1+½	1+1		4,10	H.T.
34,31,033	11,08,733	66,05,602	31,22,593	1,66,758	Sahu Jain Ltd.	516	Nellimarla Jute	12½	10	2+1	1+½	1+½		4,10	H.P.
25,19,600	47,29,578	1,01,23,059	57,01,016	1,112	Bird & Co., Ltd.	709	New Central	149	100	10+12	12+12	12f		6,12	H.P.T.
£600,000	£925,119‡	£992,042		£108,510	Thomas Duff & Co. (India), Ltd.	567	Northbrook	25	10	1+½	1+½			6,12	H.P.
35,98,600	85,79,704	1,93,34,618	76,50,486	9,515	Bird & Co., Ltd.	1,092	Nuddea	56	50	1+*Nil*	*Nil*+½	*Nil*+½		3,9	H.P.T.
£400,000	£688,035‡	£1,086,826		£1,12,138	Thomas Duff & Co. (India), Ltd.	601	Orient	183	100	1+6	6+6	5+5		3,9	H.
2,50,000	4,95,000	55,94,678	37,77,741	35,624	McLeod & Co., Ltd.	400	Presidency	7	5	*Nil*	*Nil*+½	½+½		3,11	H.P.
						305	Rameshwara	9	10	*Nil*	*Nil*	*Nil*		6,12	H.T.
						1,276	Reliance	14½	10	*Nil*	½+½	*Nil*		3,9	H.P.
						2,013	Sammugur	13½	10	61	10½			3,9	H.P.T
						911	Shree Ambica	14½	10	1+½	*Nil*+½	½		12	Y.P.
						401	Soorah	16½	10	*Nil*	½			3,9	H.P.
						650	Standard	149	100	8+1	1+1	1		12	Y.P.T.
						1,794	Titaghur	13½	£1	10%	10%	1+1		3,9	H.P.
						1,326	Union	196	100	10+1	1+4	1+5		12	Y.P.
						1,331	Victoria	13½	£1	10%	10%			3,9	H.P.T.
						465	Waverley	7½xd	*Nil*	*Nil*	*Nil*+½	½		12	Y.P.
														6,12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	20,75,000	83,30,999	56,70,999	21,411	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	22½	10	½+½	½+½	½+½		3,9	H.
12,00,000	8,38,299	38,74,552	35,42,552	20,386	Jardine Henderson Ltd.	Bararee Coke	20½	10	3/5+½	7/10+7/10	½+½		3,9	H.
4,49,350	70,000	8,49,359	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	51xdN	10	+	+	7/10+7/10		6,12	H.
1,00,00,000	1,27,25,854	5,66,19,576	3,70,80,321	6,07,573	Andrew Yule & Co., Ltd.	Bengal-Nagpur	498	200	20+20*	17½+15*	15*+15*		4,10	H.P.
2,25,000	4,96,231	25,34,835	22,57,553		H. V. Low & Co., Ltd.	Bhalgora	11½	10	½+½	*Nil*	½+½		6,12	H.P.
15,97,000	4,73,358	37,70,192	22,77,364	13,498	Sahu Jain Ltd.	Bharat Collieries	9½	10	½	½	½		6,12	H.P.
40,00,000	14,81,010	1,30,60,104	66,66,790	13,644	F. W. Heilgers & Co., Ltd.	Bhulanbararee	14N	10	*Nil*	*Nil*	½		9	Y.
7,15,000	14,52,017	52,05,027	36,72,900	—2,17,803	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	15½N	10	*Nil*f		½+½		6	Y.T.P.
16,00,000	16,32,936	68,16,454	39,74,841	—1,36,132	F. W. Heilgers & Co., Ltd.	Borree	25½	10	1½*+1½*	1½*+1½*	1+1		6,12	H.
7,50,000	22,92,190	42,04,164	25,72,969	98,771	Bird & Co., Ltd.	Burraker	13½	10	½+½	½+½	½+½		6,12	H.T.
90,92,480	1,73,11,164	4,14,99,400	1,76,35,514	1,87,027	Hindustan Investment Corpn., Ltd.	Central India	7½	10	*Nil*	*Nil*	½		6,12	H.P.
49,97,750		34,81,955	2,57,645	5,907		Central Kurkend	11½	10	*Nil*	½	½		6,12	H.P.T.
8,00,000	13,54,302	49,10,414	32,43,954	82,768	F. W. Heilgers & Co., Ltd.	Churia	2½	4	½	½	½		3	Y.
6,00,000	1,43,230	7,25,000k		13,654	Macneill & Barry Ltd.	Dhemo Main	8½	10	½+½	½+½	½+½		6,12	H.
16,00,000	1,20,000	52,11,181	28,09,363	—3,14,080	Jardine Henderson Ltd.	East Indian	28½	10	1½(c)	*Nil*	*Nil*		6,12	H.
£240,000	£362,496	£244,003	£11,181	£43,577	Macneill & Barry Ltd.	Equitable	30	10	2+1½	2½	2½		6,12	H.T.
29,63,760	71,82,078	3,77,77,191	2,81,14,367	1,70,033	Bhatter's Agency Ltd.	Ghusick and Mualia	15N	10		1+½	½+½		4	Y.
10,00,000	2,11,139	9,72,721	3,23,963	40,284	Kilick Industries Ltd.	Hingir-Rampur	40½	50	½	½	½		6,12	H.P.T.
12,00,000	1,22,000	37,04,970	19,00,221	445	Macneill & Barry Ltd.	Hurriladih	19	10	½	½	*Nil*		3	Y.
9,00,000	6,25,000	21,49,503	18,44,144	61,879	Bajpaie Trust Ltd.	Jogta Coal	1½N	10	*Nil*	½+½	½+½		6	Y.P.
22,00,000	1,08,577	31,40,015	10,34,245	—1,95,548	Andrew Yule & Co., Ltd.	Kalapahari	23N	10	1½+1½	1½+1			6,12	H.
3,50,000	4,26,551	14,85,445	6,51,521	3,145	Bird & Co., Ltd.	Karanpura Collieries	97	100	*Nil*	*Nil*	*Nil*		12	Y.P.
20,00,000	9,375	26,40,689	24,66,638	1,03,480	Andrew Yule & Co., Ltd.	Katras Jherriah	55½	10	2+2	2+2	*Nil*		2,8	H.
5,00,000	14,60,000	44,82,789	35,33,491	—2,40,236	Beriwala & Co.	Khas Kajora	4N	10	*Nil*	*Nil*	2+2	2–8f	2	Y.P.
1,36,400	5,72,960	12,85,941	3,72,960	—41,520	H. V. Low & Co., Ltd.	Kuardi	4½	10		*Nil*			1,7	H.
11,00,240	64,314	16,72,961	10,41,863	2,255	H. V. Low & Co., Ltd.	Lakurka	19N	10	½	½	*Nil*		6,12	H.P.
9,00,000	11,86,413	28,69,288	22,97,987	25,598	B. P. Tantia, Esq.	Narira	7½	10	½	½	½		6	Y.
7,46,240	1,50,000	11,58,128	8,95,686	4,560	Agnitullah Olha & Co., Ltd.	New Bamdeoper	7½N	10	½	½			4	Y.
7,00,000	26,617	10,33,740	5,20,295	42,594	Andrew Yule & Co., Ltd.	New Beerbhoom	21½	10	*Nil*+½	½+½	½+½		6,12	H.
17,76,230	18,91,763	1,16,14,994	85,44,712	2,485	Octavius Steel & Co. Ltd.	New Manbhoom	8½	10	*Nil*	*Nil*	*Nil*		3,9	H.
6,00,000	85,000	29,00,087	16,42,360	8,676	Andrew Yule & Co., Ltd.	North West	1½N	10	½+½	½+*Nil*	*Nil*		4,10	H.P.
1,15,000 } 1,57,500 }	2,47,693	12,93,355	8,05,952				13½	7½	½+½	½+*Nil*	*Nil*		3,9	H.
7,50,000	11,79,228	3,97,666	2,77,666	1,15,650	F. W. Heilgers & Co., Ltd.	Ondal	18½N	10	½	½	*Nil*			
10,00,000	1,10,000	37,18,080	16,07,868	38,140	K. C. Thapar & Bros.	Oriental Coal	9½N	10	½	½	½+½		3,9	H.
8,34,000	1,32,942	17,23,281	6,78,407	5,618	Deepchand Kishenlall	Parasea	9½	10	*Nil*	½			6,12	H.P.
15,75,000	14,00,000	45,17,541	32,67,541	20,192	Shaw Wallace & Co., Ltd.	Pench Valley	22½	10	½	½	½+½		12	Y.T.
23,99,500	19,17,105	1,17,91,823	82,02,105	47,209	N. B. Elias & Co., Ltd.	Ranegunge	30½	10	½	½	½+½		6,12	H.P.
13,50,000	8,03,385	34,83,214	26,84,214	22,975	Shaw Wallace & Co., Ltd.	Rewa	19½	10	*Nil*	*Nil*	½+½		3,9	H.
20,00,000	3,93,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Samla Collieries	9	10	½+½	½	½+½		3,9	H.
1,25,000	1,85,000	12,10,180	10,21,382	19,527	Gillanders Arbuthnot & Co., Ltd.	Searsole	12N	2½	½+½	½+½	½		6,12	H.
2,60,000	7,36,598	29,34,340	17,77,135	59,411	Andrew Yule & Co., Ltd.	Seebpore	26½	7	2+½	½+½	½		6,12	H.
8,00,000	5,60,754	52,491	28,867	38,443	F. W. Heilgers & Co., Ltd.	Sendra	10½xd	10	*Nil*	*Nil*	1+1		1	Y.
63,21,450	12,01,620	3,51,42,502	2,49,62,544	—6,49,301	Industrial Trust Fund (Government of Hyderabad)	Sinaereni	7½	10	½	*Nil*	*Nil*+½		6,12	H.P.
						South Karanpura	11½	10	½+½	½+½			6,12	H.T.
17,50,000	10,85,425	37,23,396	14,57,868	3,853	Bird & Co., Ltd.	Stanlaird	20½	10	½+½	½+½	*Nil*+½		12	Y.T.
8,00,000	14,72,339	1,69,570	24,510	67,358	F. W. Heilgers & Co., Ltd.	Talcher	4	2½	½	½	½+½		2,8	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,336	Witten Ltd.	Union	17½	10	1½+1½	1+½	½		6,12	H.
3,90,000	3,65,000	18,61,212	14,05,212	68,861	Williamson Magor & Co., Ltd.	Western Bengal	7½	10	½		½f		9	Y.
49,98,000	21,916	47,68,914	16,41,545	45,727	Hindustan Investment Corpn., Ltd.	West Jamuria	13½	10	*Nil*	½	½		6,12	H.
7,00,000	2,86,043	51,95,051	22,01,602	971	Macneill & Barry Ltd.				½	*Nil*	*Nil*		3	Y.
													6,12	H.

* Including bonus.

(a) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-12 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

(k) Investments.

(c) For seven months ended 31st March, 1954.

MARKET GOSSIP

(*Concluded from page 1203*)

which are financed directly from the public fisc. About the only thing which is 'private' about the private sector is that it is financed from the earnings and savings of the private citizens and it is these earnings and savings of the middle-class investors that are now under ruthless attack."

This is an admirable exposition of the relative worth of private and public enterprise. If Mr. Shroff is suspicious of the signs of the growing might of the State and of those who advocate such growth and development, he is at least in good company. For, Gandhiji, whom he approvingly quoted, held a similar view. Gandhiji said:

"I look upon an increase in the power of the State with the greatest fear, because, while apparently doing good by minimising exploitation, it does the greatest harm to mankind by destroying individuality which lies at the root of all progress."

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Although Indian cotton markets are insulated from the world centres for the marketing of cotton, they cannot be altogether oblivious to things happening around them. For one thing, India is a net importer of cotton. Secondly, it is an exporter of cotton goods. As an exporting country, India has enjoyed for the past several years the advantage of comparatively low-priced cotton. But this advantage must gradually disappear, if and when the margin between world cotton prices and Indian cotton prices becomes reduced. World cotton markets are, at present, cautious, thanks to the uncertainty of the U.S. export policy. Many remedies continue to be suggested for the disposal of the U.S. cotton surplus. The Cotton Export Advisory Committee, set up by the U.S. Secretary of Agriculture, Mr. Ezra T. Benson, has not, however, been able to formulate a new export programme. Some reports from the U.S. suggest the possibility of the Government-owned surplus cotton being sold to foreign buyers below the domestic support price. No definite announcement has been made so far. Mr. James A. McConnel, Assistant Secretary, confirmed that the Government was convinced that something must be done promptly to restore American cotton exports. He explained, however, that the Government did not intend to dump huge amounts of surplus cotton on world markets which would inevitably lead to retaliatory measures by other cotton-producing nations. Nevertheless, the objective was to step up exports to about five million bales a year, or about a million and a quarter more than those now anticipated for the current crop year ending 31st July next.

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Meanwhile, a concrete long-term plan for stimulating exports of cotton and cotton goods from the U.S. has been announced by the Department of Agriculture and the National Cotton Council. It calls for U.S. research and marketing specialists from the Cotton Council to be permanently stationed abroad, in countries yet to be decided, so that they can work with national textile industry groups in the various countries. These specialists will advise the local textile industries on American mass-production methods, with the aim of reducing production costs. Also, they will train personnel in market research. The Plan also envisages the sending of European textile experts to the U.S. Thus, there will be mutual exchange of ideas. It is emphasised, in this connection, that, if the quantity of cotton used in Britain, the Netherlands, France, Italy and Germany could be increased by only 10 per cent., it would increase the demand by about 500,000 bales and "increase the opportunity for U.S. cotton exports."

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Some financial experts in Europe strongly believe that convertibility of currencies would be achieved some time in 1956. But all indications go to show that the return to convertibility will still remain a distant goal. In the case of Britain, at any rate, there is no reason to expect that the move towards convertibility is imminent. This is evident from the cautious optimism of the British Chancellor of the Exchequer, Mr. R. A. Butler. He said a fortnight ago that there was no question of rushing into convertibility, though in his view, the prospects ahead were good. More or less similar views are expressed by the International Monetary Fund. The Fund's sixth annual report on exchange restrictions, released early this week, says that the progress towards convertibility has so far been gradual and "mainly by means of numerous relatively small measures of relaxation" of exchange restrictions. These relaxations have generally taken the form of greater freedom granted to residents in making payments to non-dollar countries. Non-residents have been provided with facilities not only to transfer funds between non-dollar countries but also to convert inconvertible currencies into dollars. This conversion has, however, not generally been possible at rates within 1 per cent. of parity, but only at rates involving a higher discount from the official exchange rate. But a relieving feature is that in providing these facilities for increased convertibility, the countries have relied more on monetary and fiscal measures than on restrictions on foreign trade and payments—restrictions which would hamper progress towards convertibility. The Fund avers that the momentum towards convertibility exists today in many leading trading countries and that there is a marked trend towards multilateralism and freedom from restrictions.

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The steady movement towards convertibility as noted above has been rendered possible by the underlying improvement in the economic situation of the free world. Higher levels of income and output, improvement in efficiency of export industries in the main trading countries and an expanded volume of international trade are cited as factors

FINANCE CORPORATIONS IN U.K.

By JOHN KINGSLEY

TWO company reports of more than usual interest have recently been issued in Britain. The companies are the Finance Corporation for

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	11,86,801	Allahabad Bank	260	100	18 0	18 0	18 0	18 0	12	Y.P.
14,50,000				150	50	8 0	8 0	8 0	8 0		
1,01,000	13,51,000	16,321	Andhra Bank	114	100	6 0	6 0	6 8	7 8	6.12	H.
22,99,000				79	70	3 0	3 0	3 4	3 12		
1,80,00,000	1,28,00,000	2,70,302	Bank of Baroda	95	50	6 0	6 0	6 0	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	18¾N	25	0 12	0 12	0 12	—	12	Y.
3,50,00,000	3,52,00,000	910,851	Bank of India	146	50	7 0	7 0	7 0	7 0	6.12	R.I.Y.
15,30,375	27,15,000	64,703	Bank of Indore	55N	25	3 0	3 0	3 0	3 0	12	Y.
50,00,000	10,00,000	25,123	Bank of Jaipur	28	50	1 8	1 8	1 8	2 0	12	Y.
50,00,000	84,00,000	2,27,018	Bank of Mysore	32½	100	16 0	16 0	16 0	16 0	12	Y.
60,47,100	57,21,859	11,240	Bombay State Co-operative Bank	55N	50	2 8	2 8	2 8	2 0	6	Y.P.T.
15,00,000	25,00,000	20,774	Canara Bank Ltd.	80	50	4 8	4 8	4 8	4 8	12	F.Y
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	85	50	5 0	5 0	5 0	—	12	Y.P.
2,62,11,875	4,00,56,697	17,88,899	Central Bank of India Ltd.	47½	25	3 8	3 8	3 0	3 0	12	R.I.Y
58,42,375 'A'				49	25	3 8	3 8	3 0	3 0		
80,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co	31½	50	1 12	1 12	2 0	2 0	12	Y.
1,50,00,000	1,50,00,000	1,05,895	Habib Bank (F)	72N	20	4 0	4 0	4 0	4 0	12	Y.
90,00,000	23,50,000	1,12,820	Hind Bank	23	50	1 0	1 0	1 8	1 8	12	Y.
1,25,00,000	15,48,000	16,919	Hindustan Commercial Bank	9½	50	—	—	—	—	12	Y
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	—	50	—				12	Y.
75,00,000	76,00,000	1,03,750	†‡Hyderabad State Bank	90N	100	6 0	5 0	5 0	6 0	9	Y.
2,75,00,000	6,25,00,000	84,18,646	Imperial Bank of India	1,700	500	80 0	80 0	80 0	80 0	6.12	R.I.H.
1,87,50,000				420	125	20 0	20 0	20 0	20 0	6.12	R.I.H.
24,00,000	71,50,000	1,30,785	Indian Bank	177½	100	12 0	12 0	12 0	12 0	12	R.I.H.
17,00,000				146½	85	10 3¾	10 3¾	10 3¾	10 3¾	6.12	
16,80,000				108½	60	7 3¾	7 3¾	7 3¾	7 3¾		
49,19,075	26,00,000	2,15,589	Indian Overseas Bank	106½	100	6 0	6 0	6 0	6 0	6.12	R.I.H.
6,25,000	6,23,939	1,280	Indo-Commercial Bank	80	100(A)	7 8	6 0			6.12	H.
2,50,000				16	25(B)	1 14	1 8				
10,00,000				20	50(C)	3 0	3 0	3 0			
87,50,000	92,50,000	4,99,040	Punjab National Bank	42½	25	1 0	1 8	2 0	2 0	12	Y.
1,00,00,000	21,75,000	98,631	Travancore Bank	14½	25	—	—	0 10	0 12	12	Y.
40,00,000	33,00,000	1,73,874	Union Bank of India	5	5	0 5½	0 5½	0 5½	0 5½	12	Y.
2,00,00,000	36,50,000	1,08,725	United Commercial Bank	43½	50	2 0	2 0	2 0	2 8	12	B.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,500,000	£5,000,000	£292,910	Chartered Bank of India, Australia and China	£2-4-9	£1	14†	16†	14†	15†	12	R.I.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£5½	£5	6†	7†	8†		12	R.I.Y.
H.K. $20,000,000	HK $128,000,000	H.K. $10,215,256	Hongkong and Shanghai Banking Corporation	£94½	H.K. $125	5*	5*	5*	5*	12	Y.
$17,966,195 'A'	£14,500,000	£516,557	Lloyds Bank	£3-8-6	£5 A	12†	12†	14†	15†	12	R.I.Y.
£1,487,296 'B'				£1-6-3	£1 B	5†	5†	5†	5†	12	M.I.Y.
£375,000 'A'				£4½	A £2½	12†	14†	14†	14†	12	R.I.Y.
£375,000 'B'	£1,750,000	£200,284	Mercantile Bank of India	£4½	B £2½	12†	14†	14†	14†		
£720,000 'C'				—	C £1	12†	14†	14†	14†		
£2,951,583	£3,104,687	£326,266	National Bank of India	—	£1-3-3	sh. 12†	16†	16†	16†	12	R.I.Y.

‡ Includes bonus. † Less Tax. (E) Pakistan Currency. R-I = Reserve liability on shares. †† U.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR		
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June .. 1968
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	95	18th February .. 1966(c)
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Rewalgaon Sugar	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Rewalgaon Sugar (New)	90	1st November .. 1958-62
20,00,000	6	1st May and 1st November	Walchandnagar Industries	102½	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	97½	1st November .. 1959-64
			COAL		
30,00,000	4½	30th April and 31st October	Bharat Collieries	95½	30th June .. 1956
30,00,000	4½	30th June and 31st December	Burrakur Coal Co.	91½	30th June .. 1965(a)
30,00,000	5½	15th June and 15th December	Equitable Coal Co.	99½	14th December .. 1958(a) ‡
			COTTON		
3,50,000	5½	30th June and 31st December	Essanti Cotton Mills Ltd.	85	30th April .. 196
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	99	15th November .. 1956(b)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	100½	1st January .. 1967-72(a)
12,65,000	5½		Jaykay Textiles	90½	1st January .. 1956-58
40,00,000	5	1st June	Tata Mills	102	 1966-72
			ELECTRICS		
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	96	31st March .. 1968(a)
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	100½	14th June .. 1966
82,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	37½	1st October .. 1956
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	91	31st December .. 1964(c)
3,44,01,600	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101	1st January .. 1970(a)
25,00,000	4	30th June and 31st December	Gwalior Electric Supply Co., Ltd.	87	31st December .. 1970
15,00,000	5	1st January and 1st July	Sjua (Cherrish) Electric Supply Co., Ltd.	96	30th June .. 1976(a)
7,56,250	5½	1st January and 1st July	South Madras Electric Supply	99	 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	99	1st October .. 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	 1955-68
6,63,600	4½	1st April and 1st October	South Madras Electric Supply	96	1st July .. 1957-67
47,72,000	4	1st April and 1st October	Tata Power	99½	15th September .. 1951-55
2,50,000	-	1st April and 1st October	Tata Power	92½	15th September .. 1965-70
			ENGINEERING		
5,00,000	6	30th June and 31st December	Britannia Engineering	99	10th December .. 1958
5,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Mumia Pipe (2nd mortgage)	102	1st July .. 1957-62
51,148,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	86	31st December .. 1964 (§§)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	86	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	101½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	100½	31st December .. 1966 (c)
			JUTE		
12,00,000	4½	1st October and 1st April	Agarpara	99½	31st March .. 1969
4,00,000	5½	30th June and 31st December	Alexandra	100	30th June .. 1960
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December .. 1960
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	95½	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	90	31st July .. 1960
10,00,000	5	30th June and 31st December	Chitavalsa Jute Mills	96	30th June .. 1960
25,00,000	5½	31st March and 30th September	Dalhousie Jute Co.	99	31st March .. 1960
5,64,000	5	30th June and 31st December	Empire	95	15th July .. 1960(a)
25,00,000	5½	1st January and 1st July	Hukumchand	92	30th June .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	96	31st December .. 1964(c)
25,00,000	5½	30th June and 31st December	Kelhati	96	31st March .. 1967(a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	98	14th May .. 1956(a)
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	88	31st December .. 1964
5,00,000	6	30th June and 31st December	Presidency	98	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	91	5th September .. 1958†
5,00,000	4½	14th March and 14th September	Seorah Jute	96	14th September .. 1957
15,00,000	4½	30th June and 31st December	Union	96½	30th June .. 1957
10,00,000	5½	31st January and 31st July	Waverley	88	31st July† .. 1960
			RAILWAYS; STEAMSHIP AND TRAMWAYS		
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	90N	1st July .. 1956†
£350,000	4½	1st January and 1st July	Calcutta Tramways	£60N	At 105 at any time on 6 months' notice or at par on every seventh year.
£189,362	5	1st April and 1st October		£77½N	1st October .. 1972
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	90½	31st December .. 1958(c)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£85½N	Any time on six months' notice.(a)
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	95	1st September .. 1962
			PLANTING		
10,00,000	5½	30th June and 31st December	Consolidated Coffee	102	1st July .. 1957-62
5,00,000	6	31st March and 30th September	Bigiri Tea	100½	1st April .. 1957-62
4,61,000	5½	30th June	Cinchoriony	104	30th June .. 1954-59
9,00,000	5	31st March and 30th September	Periakaramalai	100½	31st March .. 1953-58
1,89,700	5½	31st March and 30th September	Teakay	102	31st March .. 1948-59
			MISCELLANEOUS		
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	106	30th September .. 1958
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December .. 1962
26,00,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December .. 1962
4,80,500	4½	30th June and 31st December	Bengal Paper Mills	97	30th June .. 1957
8,00,00,000	5½	1st March and 1st September	Burmah-shell	102½	1st September .. 1955-62(c)†
21,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1st February .. 1964
31,54,000	4½	1st July and 1st January	Clive Buildings	89½	1st July .. 1956
20,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September .. 1960
1,00,00,000	5	31st March and 30th September	Dalmia Cement Ltd.	90	 1960
1,20,00,000	5	1st January and 1st July	Dunlop Rubber	102	1st January .. 1960
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	104	30th June .. 1957(a)††
10,24,000	5	15th March and 15th September	Mettur Chemical Industries	98	.... 1960(c)‡
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	520	30th September .. 1964
48,00,000		30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	475 (per note)	31st December .. 1973(a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	1st April .. 1961
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	98	31st March .. 1971
1,00,00,000	5	30th June and 31st December	Rohtas Industries Ltd.	90½	31st December .. 1961(c)
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	104½	1st May .. 1968(a) ‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at 1 per cent premium after 1-8-1957 and 1 per cent. premium on or after 1-8-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,60,00,000 debentures will be redeemed at par annually by drawing from 1-8-1956. Any debenture outstanding on 1-8-1960 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-8-1964. §§ Redeemable out of a cumulative sinking fund of 11 per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1946, onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1963, on six months' notice. ‡‡ Option to repay at par on 6 months' notice, on or after 1st January, 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 23rd June, 1955.

—	Closing quotations 16-6-1955	High	Low	Closing quotations 23-6-1955
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	130½	130½	127½	127½
Apollo (2)	2-12½	2-13½	2½	2½
B.B. Cotton Mills (100)	31½	—	—	31½
Bombay Dyeing (250)	470½	471½	465	470
Central India (100)	116	117	111½	115
Century Mills (100)	381½	382½	377½	379½
Colaba (100)	55	55½	55	55½
Edward Textile (200)	267½	270	266½	268½
Elphinstone (50)	40	—	—	40
Finlay (100)	250	251	248½	248½
Gokak (100)	219	220	215½	217½
Ind. Unit. Defd. (1)	1-4½	1-5½	1½	1½
Ind. Unit. Ord. (10)	10½	11½	10½	11-2½
Indore Malwa (100)	98½	97½	96½	96½
Khatau (100)	165½	—	—	165½
Kohinoor (100)	324½	325½	321½	324½
Lakshmi (250)	507½	—	—	507½
Madhusudhan (100)	78½	—	—	78½
Minerva Mills (100)	98½	—	—	98½
Model Nagpur (250)	138½	138½	137½	138½
Mosarji (100)	223½	223½	213½	215
Mysore (50)	111½	111½	111½	111½
National Rayons (100)	198xd	199½	195½	197½
New City (100)	138¾	—	—	141½
New Great (100)	175	177	170	174
New Union (10)	30½	—	—	30½
Phenix (100)	117½	118½	116½	118½
Podar Mills (100)	160	160½	159½	159½
Sassoon Silk (10)	15	—	—	15
Sassoon Spg. (10)	35½	—	—	35½
Sholapur (1,000)	1,400	—	—	1,400
Shrinivas (100)	223½	223½	223½	223½
Simplex (50)	158½	159½	154	156
Standard (100)	367½	369½	365	367½
Swadeshi (100)	200	200	196	198½
Swan (100)	316½	—	—	316½
Tata Mill (75)	51½	52½	51	51½
Vishnu (100)	140	—	—	140
Western India (1,000)	3,875	—	—	3,875
BANKS				
Bank of India (50)	146½	146½	145½	145
Bank of Baroda (50)	95½	96	95	95½
Central (25)	48½	48½	47	47½
Central 'A' (25)	50½	49½	49	49
Dena Bank (50)	32½	32½	31½	31½
Punjab National (25)	42½	43½	42½	43½
Union Bank (5)	6½	6½	6 3/16	6½
United Com. (50)	43½	43½	43	43½
ELECTRIC COS.				
Ahmedabad (100)	106 3/16	106½	106½	106 3/16
Amalgamated (10)	10-15½	11 1/16	11	11 3/16
Andhra Valley (1,000)	1,885	1,875½	1,875½	1,875
Bom. Sub-Kl. (100)	122 3/16	122 3/16	122	122
Surat (100)	131½	—	—	127½xd
Tata Hydro (100)	146½	146	144½	144½
Tata Power (1,000)	1,480	1,480	1,472½	1,479
INSURANCE COS.				
British India (10)	14½	—	—	15
Empire of India (100)	675	15	14½	675
Ind. Mercantile (50)	45	—	—	45½
Jupiter (15)	8½	45½	45	8½
New India (15)	49½	8½	8½	49
Oriental (200)	7,210	49½	48½	7,210
Universal (10)	10½	7,210	7,200	10½
Vulcan (10)	16 3/16	—	—	16 3/16
STEEL COS.				
Ind. Iron (10)	33½	—	—	33-10½
Tata Steel Ord. (75)	233½	34-14	33½	232½
		234½	231½	
SUGAR COS.				
Belapur (50)	311	—	—	312
Bhopal (10)	12 3/16	312½	300	12 3/16
Phaltan (50)	126	—	—	126
Walchand Ind. (100)	208½	127½	124½	126½
		209½	206	206½
CEMENT COS.				
Associated Cm. (100)	178½	—	—	—
Digvijay (100)	179	179½	177½	179½
		179	178½	179
MISCELLANEOUS				
Alcock Ashdown (100)	255xd	—	—	—
Bom. Burmah (124)	479½	257½	255	256½
Do. (New) (50)	177½	480½	475½	480½
Br. B. Petrol (4 sh.)	3-11½	182½	177½	182½
Br. I. Corpn. (5)	3-12½	3-12½	3-8½	3-12½
C. P. Rly. (100)	97	94	84	9-0½
Indian Copper (Rsh.)	4 3/16	—	—	97
Ind. Iron Pr. (100)	72½	4-10½	4½	4-10½
Kamp (100)	201½	—	—	72½
Kilacha (100)	161	—	—	201½
Polson (100)	137½	161½	160	160½
Port Canning (100)	11½	141½	137½	141½
Premier Cm. (50)	146½	—	—	11½
Sofacia (20)	14½	148	145	146
Shivrajpur (10)	69	14-14½	14-8½	14½
Tata Chemicals (10)	13 3/16	70	68½	68½
Tata Oil (24)	42	14½	13 15/16	13-15½
W. I. Match (100)	184½	43½	40½	42
		186½	185	185

GOVERNMENT SECURITIES	17-6-55 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	23-6-55 Rs.
2½% 1955	99 3/16	—	3.69	99 3/16
2½% 1961	92½	—	3.93	92½
2½% 1960	95	—	3.66	95
2½% 1962	99 3/16	—	3.86	99 3/16
2½% 1964	82	—	4.01	82
2½% 1966	99½	—	3.15	99½
2½% 1966-81	99½	—	3.18	99½
3% 1959	98	3.50	3.27	98
3% 1962-65	94½	3.86	3.77	94½
3% 1966-86	94 3/16	3.98	3.70	94 3/16
3% 1970-75	91½	3.98	3.87	91½
3% 1964 Con. Loan	87½	4.18	3.91	87½
4% 1960-70	80½	—	3.72**	80½
4½% 1958-60	101 3/16	3.60	3.82	101 3/16
4½% 1958-60**	100½	—	1.56	100½
2½% 1961 N.P. Bonds	108½	3.59	4.18	108½
2½% 1964 N.P. Loan	99½	—	3.54	99½
	95½	—	3.65	95½

BRITISH GOVERNMENT SECURITIES	17-6-55 £	High £	Low £	22-6-55 £
2½% Brit. Consols	60	60½	60	60
3% Brit. Transport 1978-88	89 3/16	89½	89 3/16	89 3/16
2½% War Loan 1955-59	96 3/16	96 3/16	96½	96½
3½% War Loan 1952	80½	81	80½	80½
4% Brit. Iron and Steel 1979-81	78½	78 15/16	78½	78½
4% Funding 1960-90	97½	97 15/16	97½	97 9/16

* Current Income. x.d. = Ex-dividend. * Rupee Counterparts.

THE PUNJAB NATIONAL BANK

★ ★ ★ DIAMOND JUBILEE ★ ★ ★

SECRETARIAT LIBRARY 25 JUN

SIXTY YEARS OF DEVOTED SERVICE TO INDIA

History of Punjab National Bank Limited

ONE of India's foremost and the oldest banking institutions, the Punjab National Bank Ltd., celebrated its Diamond Jubilee on 12th April, 1955, on the completion of 60 years of existence. The steady growth in its organisational and financial strength, on the one hand, and progressive expansion over the large sub-continent, on the other, testify to the vision, integrity and courage of its early founders. From a modest beginning at Lahore, with a total capital investment of no more than Rs. 20,000, the Punjab National Bank today has 313 branches scattered all over the sub-continent, employs 6,356 persons, accounting for a monthly establishment expenditure of Rs. 11 lakhs. Its deposits and working capital today exceed Rs. 80 and Rs. 100 crores, respectively, and one out of every five of the 28 lakhs constituents of all banks in India belongs to it. The history of the Punjab National Bank, the first among the Indian banks to celebrate its successful completion of 60 years, proves beyond doubt that, given the right type of operative conditions and the right personnel, an Indian bank can function as effectively as any other in the world.

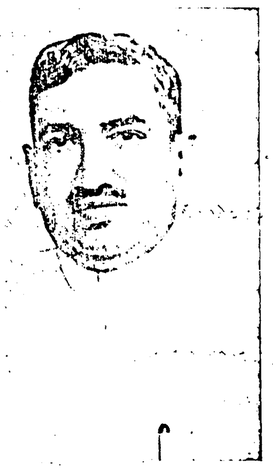
The Background

With foreign interests dominating the economic and the political life of the people towards the close of the last century, there was a growing awareness that the prosperity of the country depended on the successful creation of reliable, efficient and progressive economic and political institutions. The desire to have a purely Indian banking institution organised on Western lines stemmed from a strong desire to participate in the rising tempo of economic and commercial activities. The growth of the canal colonies in the Punjab, on the one hand, and the rapidly expanding economic activity, on the other, led to many attempts to set up credit institutions. But, owing to a number of difficulties and also a desire for quick profits, many of the early ventures failed. The success of the Punjab National Bank is due wholly to the foresight and integrity of its early founders. Associated closely with practically every important contemporary movement in the Province, Sardar Dyal Singh Majithia, the first Chairman of the Punjab National Bank (1895-1900), set the example of indefatigable industry, selfless service and cautious investment for his successors to emulate. Much of the success of the Bank must be attributed to the qualities of the men who guided its activities during the early period.

The history of the Punjab National Bank is best studied against the broader background of India's banking history. The flotation of the Bank synchronised with widespread social and political awakening among the people. Soon after its establishment, the Bank came under the influence of the *swadeshi* movement, which began during the early years of the present century. Under the zealous and selfless industry of its first Chairman, the Bank progressively became popular in the Province and steadily grew in strength from its early beginnings, its paid-up capital rising from the humble Rs. 20,090 to Rs. 62,590 by the end of June, 1896, and deposits with the Bank amounting to Rs. 3,46,046. Fortified by this support and confident that their zealous care of the depositor and solicitude for the economy would ensure their success, the Directors observed in one of their reports that: "We may look forward to a day when the Punjab National Bank will be regarded as a first-class bank and a useful institution for the trade and prosperity of the country."

From the day the Bank commenced its operations, that is, on 12th April, 1895, up to the end of 1900, the Bank followed a cautious policy, with a view to creating the maximum confidence among the depositors. It was during the chairmanship of Lala Lal Chand, a Judge of the Punjab Chief Court and the first President the Hindu Mahasabha, that the Bank opened its first branch at Rawalpindi. The integrity, judgment and zeal of the Chairman, on the one hand, and the dynamic enthusiasm of Lala Har Krishen Lal, Secretary of the Bank, on the other, enabled the Bank to move progressively from strength to strength. The *swadeshi* movement initiated around this period not only called into existence many of the present leading banks in India but enabled the Punjab National Bank to consolidate its position and expand further.

The period 1900-13 may be described as the first expansionist phase of the Bank. It raised its paid-up capital from Rs. 1,60,000 to Rs. 10,00,000, its total reserve increasing during the period from Rs. 25,000 to Rs. 10,00,000. Its deposits in June, 1913, amounted to Rs. 1,63,71,733, as against Rs. 12,91,341 in 1900. In 1906, the Bank opened a branch in Bombay, the first Indian bank to do so. With the expansion of India's internal and external trade in the wake of commercialisation of agriculture, development of transport, etc., the Punjab National Bank opened branches at the important trading centres, having, by the end of 1913, 22 in all.



SHRI SHANTI PRASAD JAIN
Chairman of the Board of Directors

The expansionist phase of the Punjab National Bank which coincided with the establishment of a large number of small banks was followed by one of India's worst banking crises. The period 1914-18 was one of anxiety and tribulations to most of the banking institutions in the country. A number of small banks, which had mushroomed during the period, failed one after another, threatening older and better managed institutions. Large-scale failure of small banks, involving large sums of paid-up capital and deposits, affected the working of most of the institutions. But the judicious policy of the Punjab National during the earlier periods, as well as the confidence with which it met the crisis, won for it a tribute from the Punjab Provincial Industrial Committee. "Survival of the Punjab National Bank", said this Committee, "showed that the purely Indian directorate and staff were capable of steering a bank through circumstances as trying as ever any financial institution had to face." The Financial Commissioner of the Punjab commented that the survival of the Bank was due to its having chosen its investments wisely. Although the deposits with the Bank declined during the period by about Rs. 30 lakhs, the confidence of the investing public in the Bank continued unshaken and the issue of 5,000 shares of the nominal value of Rs. 5,00,000 issued at par in February, 1914, was oversubscribed to the extent of Rs. 11 lakhs.

The outbreak of World War I, soon after the banking crisis, imposed a heavy burden on the Bank. The steep fall in the value of Government securities necessitated the creation of a special reserve fund to offset such losses. It was only after 1917 that conditions returned to normal and the Bank resumed its steady upward progress. After 1917, the deposits with the Bank increased rapidly from Rs. 1.10 crores in 1917 to Rs. 3.09 crores in 1920. Over the first 25 years of its life, the Bank paid an average dividend of 9 per cent., a convincing index of its financial success.

Period of Prosperity

The period from 1917-26 was a period of unprecedented prosperity for the Bank. Dr. Hiralal, a distinguished representative of the medical profession and a worthy successor to the earlier distinguished chairmen, initiated a policy of expansion to provide larger banking facilities to the growing urban areas. A man of unusual skill and foresight, Dr. Hiralal saw not only the scope available for such expansion but also the right means to consolidate the expansion so initiated. At the time of its Silver Jubilee in 1920, the Bank decided to open additional branches all over the country, establish agency connections with the U.K. as a part of its foreign exchange business and also raise its authorised capital from Rs. 50 lakhs to Rs. 1 crore. It was in 1920 that the Bank acquired the imposing building at the Mall, Lahore, for its headquarters.

The change in the Bank's policy synchronised with the period of increasing industrial activity. The recommendation of the Fiscal Commission to grant discriminating protection, as well as that of the Industrial Commission suggesting changes in Government's economic policy, led to the expansion of existing industries.

This change in Government's policy enabled the Bank to play an ever-increasing role in the economic development of the country. This period was also distinguished for the men who guided the activities of the Bank. Succeeding Dr. Hiralal, Lala Dhanpat Rai, a leading lawyer of Lahore, took over the chairmanship of the Bank and obtained for the Bank the services of Shri Purushottamdas Tandon, who later became the President of the Indian National Congress, as Secretary and Chief Manager at the head office. Again it was during this period that Lala Lajpat Rai, the "Lion of the Punjab," was associated with the Bank and added not only lustre to the institution but was a great asset in times of stress. The period 1920-24 was important not

only to the history of the Bank but to the development of Indian banking as well. The amalgamation of the Presidency Banks into the Imperial Bank was followed by rapid expansion of banks in the country. Following its Silver Jubilee in 1920, the Bank went from strength to strength. The deposits with the Bank more than doubled from Rs. 3.09 crores in 1920 to Rs. 7.85 crores in 1926 and the number of its branches increased to 41 by 1926.

Of greater significance to the assessment of the Bank's importance in the country was the rise in the percentage share of the Punjab National Bank in the total bank deposits. In 1926, the deposits with the Punjab National Bank accounted for 13.1 per cent. of the entire deposits of the country. The sound organisation, prudent policy, cautious investment and above all its efficient management were the main causes for this impressive performance. The increased volume of business and judicious investments enabled the Bank to declare, in 1921, a dividend of 15 per cent.

Great Depression

The period of prosperity, however, was followed by the Great Depression of 1929-31. With the steep fall in exports, growing weakness of exchange, political instability, the marked decline in the values of Government securities and the prices of all commodities, the banking institutions in the country faced a progressive increase in their daily difficulties, and the Punjab National Bank also found its business fast shrinking. As a result of bank failures one after another during the period of 1926-36, involving a total loss of Rs. 2 crores in paid-up capital alone, and the steep decline in the value of Government securities, necessitating the Government to borrow at 7 per cent. per annum, there was little scope for any large banking business. Following these difficulties, the Bank did not declare any dividend in 1931 but utilised its profits to write off bad and doubtful debts. The Bank weathered the economic storm under the able guidance of Lala Mulk Raj Bhalla, a genius in banking finance. In addition to his courage and vigour, Lala Bhalla had the ability to undertake a realistic policy to cut down expenditure in all directions and to initiate policies that would build up the Bank's strength. Dr. Maharaj Krishna Kapur, who took over the chairmanship of the Bank during 1931-37, guided the Bank to consolidate its position step by step during the following period. The establishment of the Reserve Bank in 1934 was an additional cause for further expansion. On the eve of the world war in 1939, the Bank had not only completely recovered from the effects of the depression but had acquired considerable strength, increasing the number of its branches to 69 and its deposits to Rs. 7.15 crores. With a view to acquiring further strength, it did not, however, raise its dividend beyond the modest level of 6 per cent.

The rapid expansion of money supply during the period of the war, on the one hand, and the enormous increase in the movement of commodities within and without owing to the establishment of a large number of industries that were set up in the country on the other, the period 1939-46 saw the phenomenal expansion in the assets as well as the business of most banks in the country. During this period, the deposits with the Punjab National Bank increased from Rs. 7.15 crores in 1939 to Rs. 62 crores in 1946. Its advances increased to Rs. 26 crores from a relatively negligible figure of Rs. 4.34 crores in 1939, and its investment in gilt-edged stood at Rs. 34.52 crores in 1946, as against Rs. 1.55 crores in 1939.

During the period of the war the Punjab National Bank embarked upon a tremendous territorial expansion, having in 1946 not less than 281 branches scattered all over the country. This tremendous increase in activities was presided over by Rao Bahadur Dewan Badri Das during 1939-42 and by Lala Yodh Raj in 1943. Lala

SHRI B. N. PURI
General Manager

Yodh Raj, who joined the Bank in its ranks in 1926, rose to this honoured position by his ability, industry and capacity. For over ten years, he worked for the consolidation of the Bank, ably smoothening the difficulties presented by the Partition, and retired in 1953 from the chairmanship after seeing it rise to its present stature.

Partition and After

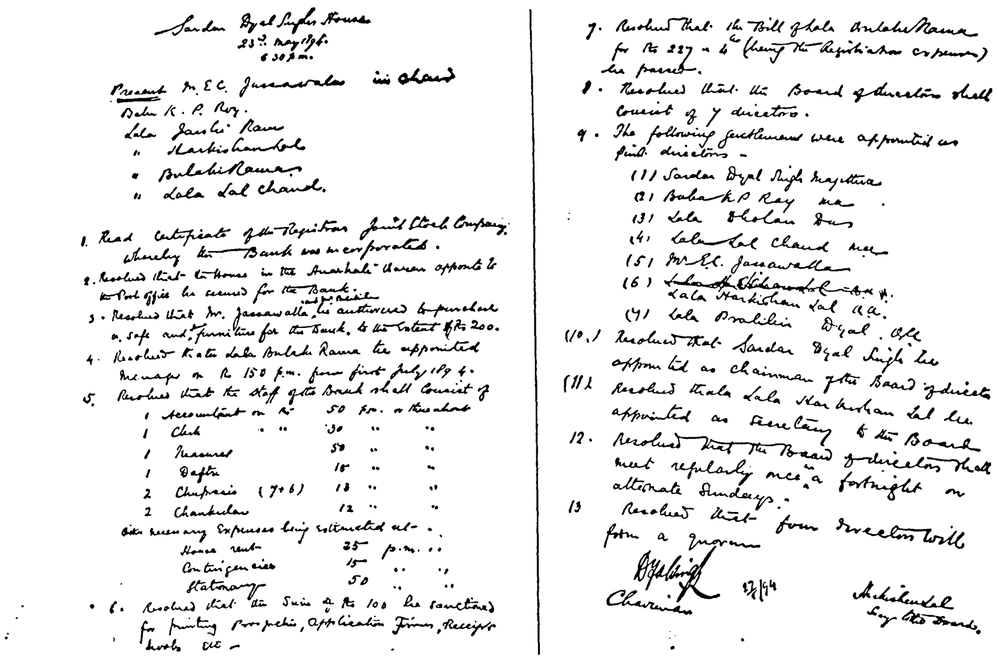
The partition of the country exposed the Bank to enormous difficulties due partly to the location of its headquarters at Lahore and partly to having 91 of its best developed branches in the area now comprising Pakistan. The Bank had decided to shift its headquarters to Delhi just before the Partition to be able to serve the country better from a central place and had already shifted many of its valuable documents, Government securities and jewellery to Delhi along with the necessary staff. Still the compulsory closure of many of its branches in Pakistan necessitated by the Partition, the burden of payments to the staff marooned in the branches in Pakistan, the need to meet the continous withdrawal of refugees in India in addition to the indirect effects of a series of bank failures in 1949 singly and collectively imposed on the Bank an enormous burden. As a result, the deposits with the Bank declined from Rs. 62 crores in 1946 to Rs. 42 crores in 1949, and the volume of business had also declined with the closure of its best branches in Pakistan, affecting the earning capacity of the Bank.

After surmounting the aforesaid difficult period, the Punjab National Bank took over the assets and liabilities of the Bharat Bank, Ltd., in 1951 which had a large network of branches. The Directorate of the Bank was strengthened by taking in Shri Shriyans Prasad Jain, Shri Kamalnayan Bajaj and Shri Chiranjilal Bajoria, three distinguished industrialists from the developed urban areas of the country. The deposits with the Bank steadily increased to Rs. 58 crores in 1952. Shri Shriyans Prasad Jain took over the chairmanship in 1953 and, with Shri B. N. Puri, who had by then risen to the position of Secretary from an unpaid apprentice in 1926, as the General Manager, launched on another phase of expansion. In about a year's time, both of them had infused into the organisation a new spirit and had completely altered the management-employee relations to one of mutual trust. In 1954, with the Bank on the ascending wave, Shri Shriyans Prasad Jain handed over the reins to Shri Shanti Prasad Jain, the present Chairman.

The present General Board consists of:—

Shri Shanti Prasad Jain,
Dr. Maharaj Krishna Kapur,
Shri Chiranjilal Bajoria,
Shri Kamalnayan Bajaj,
Lala Jaswant Rai Churamani,
Pandit J. N. Bhan,
Shri Keshab Chandar and
Shri Shital Prasad Jain.

Proceedings of the First Meeting of Board of Directors



Sardar Dyal Singh House
23rd May 1894
6.30 p.m.

Present Mr. E. C. Jassawalla in chair
Babu K. P. Roy.
Lala Jaishi Ram
" Harkishen Lal
" Bulaki Rama
" Lala Lal Chand.

1. Read certificate of the Registrar Joint Stock Company whereby the Bank was incorporated.
2. Resolved that two rooms in the Anarkali Unreserved apply to the Post Office be secured for the Bank.
3. Resolved that Mr. Jassawalla be authorised to purchase a safe and furniture for the Bank, to the extent of Rs. 200.
4. Resolved that Lala Bulaki Rama be appointed Manager on Rs 150 p.m. from first July 1894.
5. Resolved that the staff of the Board shall consist of

1 Accountant on Rs	50	p.m.	in the start
1 Clerk " "	30	"	"
1 Messenger	20	"	"
1 Daftri	15	"	"
2 Chaprasis (7+6)	13	"	"
2 Chankidars	12	"	"

Other necessary expenses being estimated at—

House rent	25	p.m.	"
Contingencies	15	"	"
Stationery	50	"	"

6. Resolved that the sum of Rs 100 be sanctioned for printing prospectus, Application forms, Receipt books etc —
7. Resolved that the bill of Lala Anlaki Rama for Rs 227-4-6 (being the registration expenses) be passed.
8. Resolved that the Board of Directors shall consist of 7 directors.
9. The following gentlemen were appointed as first directors —
   (1) Sardar Dyal Singh Majithia
   (2) Babu K P Roy
   (3) Lala Dhokan Das
   (4) Lala Lal Chand
   (5) Mr E. C. Jassawalla
   (6) ~~Lala Jaishi Ram~~ Lala Harkishan Lal
   (7) Lala Bhalchin Dyal.
10. Resolved that Sardar Dyal Singh be appointed as chairman of the Board of Directors
11. Resolved that Lala Harkishan Lal be appointed as secretary of the Board
12. Resolved that the Board of Directors shall meet regularly once in a fortnight on alternate Sundays.
13. Resolved that four Directors will form a quorum

Chairman 23/5/94 Secretary to the Board.

All are men distinguished in their respective fields. Shri S. P. Jain has already made his impress on the Bank's policy, gearing it to play its part in the national scheme. His chairmanship of the Bank synchronises with a new dynamic phase in the country's economic development and with his abundant experience in matters relating to industry and finance, the Bank is admirably set for a vital and inspiring role. The ripe experience and able guidance of Dr. Maharaj Krishna Kapur, who has been connected with the Bank from 1917, are of inestimable value to the Board. Shri Chiranjilal Bajoria, partner of Messrs. Soorajmal Nagarmal and head of Messrs. McLeod & Co., Ltd., Calcutta, is connected with jute, tea and engineering industries. Shri Kamalnayan Bajaj, in keeping with the traditions of his family, has undergone imprisonment as a political fighter. He takes keen interest in social and political movements in the country and is connected with the sugar and electrical industries and the cotton trade. Shri Jaswant Rai was an educationist, who turned to business and made a success of it. He has a philosophical bent of mind and devotes himself to cultural and welfare activities. He has a thorough grasp of the intricacies of business. Shri J. N. Bhan is a shrewd business man, with an intimate knowledge of the shipping, non-ferrous and other industries; he was President of the Non-ferrous Metals Manufacturers Association, Calcutta. Shri Keshab Chandar has wide experience in foreign trade and is a prominent figure in commercial, social and political circles in the Punjab. He is keenly interested in sports. Shri Shital Prasad is the Financial Director of the Sahu-Jain Group. He is an invaluable asset to the Board because of his grasp of finance and his knowledge in the working of various industries. The Bank's administration is inspired by the team-spirit of these eight Directors, who are all imbued with the single-minded purpose of improving the service of the Bank to the community and fostering the Bank's strength, popularity and prestige. In this, the General Board is very ably supported by the various Local Boards and Advisory Committees which consist of influential and respected personalities. The General Manager, Shri B. N. Puri, is undoubtedly a live-wire. It is his drive and tact that make effective fulfilment of the Bank's policy possible. In him, the staff at the head office and in the branch offices find a vigorous and understanding head. Shri Puri's geniality and accessibility have contributed to the building up of a tradition of happy co-ordination and well-disciplined work at all levels in the Bank's administration. The General Manager has able adjutants in the trio of Assistant Secretaries, Shri R. L. Tuli, Shri P. R. Mehta and Shri A. S. Puri; Shri S. L. Varma, Superintendent, Central Office, and the District Managers, Shri Harkishen Lal Bedi, Shri Ram Pratap Chopra and Shri Somesh Chandra Trikha, as also Shri Sita Ram Mohindroo, who co-ordinate the work between the head office and the vast network of branches.

Outlook

Former President of the Federation of Indian Chambers of Commerce and Industry, associate of the leading chambers of commerce and industrial organisations, and Chairman of the Sahu-Jain Industries, the present Chairman of the Punjab National Bank, Shri Shanti Prasad Jain, is a man of extensive experience in finance, industry and commerce. Under his dynamic leadership tempered by his extensive knowledge, the Bank is at present considering a number of development schemes to enable it to participate increasingly in internal trade, and foreign exchange business. Schemes of expansion in overseas areas are also under active consideration. To keep the Bank supplied with the right type of personnel, the Bank today has a Staff Training School was a comprehensive syllabus. In spite of contrary trends in the labour world, it redounds to the credit of the Bank management that the employer-employee relations are cordial and that every effort is being made by the management to relieve the staff of the drudgery involved in complicated calculations, additions and multiplications inevitable in the working of a bank by introducing modern electric machines.

Solidly founded, ably stewarded, and manned by a contented and zealous staff, the Punjab National Bank continues its service to the nation, acquiring in growing measure the support and confidence of the public. On this memorable occasion, we wish it all success.

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Today, after sixty years of fruitful service we have a working capital of Rs. 100, 00, 00, 000.

Through its network of 313 branch offices the Bank is today linked with the country's industrial progress and trade expansion, playing its rightful part in the building up of New India. On the proud and historic occasion of its Diamond Jubilee, the management pledges the Bank's continued service in keeping with its traditions, to constituents and the country.

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RURAL CREDIT AND COMMERCIAL BANKS

FINANCING OF AGRICULTURAL PRODUCTION NOT WITHIN THEIR SCOPE

By Prof. R. N. Chopra, D. A. V. College, Jullundur City

"INDIA lives in villages" is not merely a platitude; it is a realism and agriculture is the backbone of her economic life. Any attempt to raise the living standards of the people without affecting considerable improvements in rural economy will be futile. But the historical analysis of agricultural development in all advanced countries shows that an integrated system of credit is the very foundation of agricultural development and prosperity. Hence the importance that is being attached to rural credit in India.

India is essentially rural and rural India is virtually the cultivator. "Credit," says an old French proverb, "supports the cultivator as the hangman's rope supports the hanged." It is, therefore, to his needs that we have to cater. It becomes a problem when it can not be obtained, or when it can be had, it must be in such a form that or the whole, it does more harm than good. It is the twofold problem of "inadequacy and unsuitability" that is perenially presented by agricultural credit in India.

Rural credit is a vast complex jigsaw puzzle. It is fundamentally different from industrial finance. While industries have shown a marked tendency towards increasing concentration and large-scale production, agriculture has continued to be "small-scale, scattered, isolated, individualistic and relatively unorganised." Operations are longer in their cycle, results are dependent on the vagaries of nature and the produce are perishable. The farmer cannot modify or diversify his production in case of variation in prices once the main step of sowing has been taken. The price of his produce is not fixed by him but imposed on him. Yield on capital is, therefore, uncertain. A low rate of interest—lower than the one usually charged—is the essential condition of a satisfactory scheme of rural credit. It is because of these special characteristics that the normal channels of finance do not serve the agricultural needs.

Sources of Need

The cultivator's need for credit arises in a number of different ways. In the course of his business, he requires short-term finances to meet current production needs—such as seeds, manures, expenses of transplantation, payment of land revenue, etc. This should be available to him at short notice, spread over nine months or so and repayable only after the harvest is sold. Medium-term loan is needed for purchase of live stock, agricultural implements, etc., for a period of one to three years. He may have to borrow long-term for permanent investments in land or costly equipment. The same gradation may arise in connection with family expenditure—current consumption needs, emergencies such as sickness or special occasions like marriage, etc. Credit for these diverse purposes for varying lengths of time has to be made available to the farmer at reasonable rates of interest. Total annual credit needs have been estimated at about Rs. 800 crores.

These credit needs are satisfied from different sources. According to the *Rural Credit Survey*, made by the Gorwala Committee, private credit agencies (excluding commercial banks)—professional moneylenders, agriculturists moneylenders, the *zamindars*, friends and relatives—account for 93 per cent. of the total borrowed by the cultivators. The private moneylender, in spite of his various drawbacks, is still the main supplier of rural finance—70 per cent. of the total. Government and co-operatives account for only 6 per cent., this being equally divided between the two. Commercial bank credit to the cultivators direct and indirect probably does not exceed one per cent. It is only with the last that we are concerned for the present.

Two Aspects

There are two aspects of this problem. Credit for agricultural production and financing of the marketing of agricultural commodities. This distinction is particularly important in a discussion of the role of commercial banks in rural credit and it will be convenient to treat them separately.

The Banking Enquiry Committee's remarks made in 1931 that "the banks do not look upon agricultural finance as part of their general business and play little direct part in the supply of credit to the agriculturist," still hold true. Statistical data reveals that advances of banks for agricultural production constitute less than 4 per cent. of their total advances. The figures as on 30th June, 1951, for all reporting banks were Rs. 18.3 crores for agricultural production as against a total of Rs. 627.6 crores. On the borrower's side, the credit obtained by the cultivator was less than one per cent. of his total borrowings. Even this small assistance was not uniformally distributed. It was confined only to a few districts. In four out of every five districts, covered by the *Survey*, it was practically non-existent. Moreover, it was only the bigger agriculturist who was able to secure loans from the banks; the medium and the small cultivators did not enter the picture at all. Nor are the commercial banks of any significance as lenders to co-operatives. In 1951-52, in the co-operatives' total working capital of Rs. 36.72 crores, the share of the commercial banks amounted to Rs. 2.51 crores only—that is, less than 7 per cent. of the total. Lest even this small figure may give a misleading impression, it is relevant to disclose that the bulk of this accommodation was provided to one State co-operative bank for the procurement of foodgrains more or less under the directions of the Government.

It is amply clear from what has been stated above that the commercial banks contribute little, either directly or indirectly, towards the credit needs of the farmer *in regard to production*. This non-participation in rural financing in any considerable measure or this lack of interest can largely be attributed to two factors.

Reasons for not Financing Production

The commercial banks usually grant short-term credit. The period ranges from one week to three months, while the shortest agricultural needs are for a period longer than this. Even the short-term loans taken for current agricultural production cannot be paid before the harvesting and the sale of the crop. This normally takes twelve or fifteen months. The banks find that they cannot provide funds for this long period and the proposition, therefore, is uninteresting to them.

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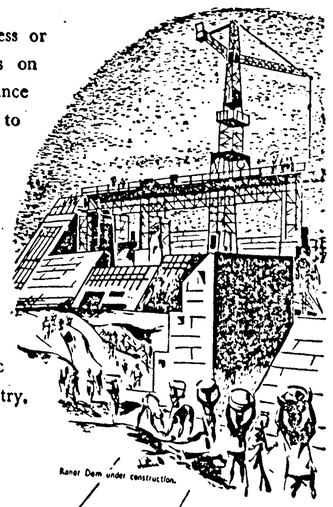
In any field of activity, the success or failure of an enterprise depends on human endeavour — the perseverance and industry that man devotes to the execution of a given task.

In the field of industry, the vast and extensive activities of Sahu Jain Ltd., are the result of years of planned endeavour and demonstrate that the efforts of man combined with money and materials build up the economic strength and prosperity of the country.



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Secondly, the security that the farmer can offer is not acceptable to the bank. Land is the principal security they can offer. Banks have generally a preference for personal security and for security in the shape of goods in their custody as against immovable property. Further, land cannot be readily sold, price is uncertain and there is always the danger of title being in dispute. The movable and the liquid assets are also unsuitable. Crop is subject to risk of flood, drought, fire, etc. Price fluctuations are too frequent and often considerable. The livestock as a security involves too much botheration.

Besides these two specific factors, it may be remembered that the commercial banking system in India is organised on the English pattern to do a strictly commercial banking business. It is not designed for agricultural finance, whether long-term or short-term. This is the experience not only in India but in several other countries also, where agriculture predominates. The Department of Economic Affairs of the United Nations has reported, "the banking system is adjusted to meet the credit needs of large industrial concerns and commercial enterprises, and of agricultural production in so far as it is organised in large estates or plantations. The greater part of agricultural production, however, is in the hands of individuals or families conducting relatively small independent enterprises with very limited capital."

Not Much Hope

From this it may safely be concluded that there is not much hope for a broader participation by commercial banks in agricultural production in the near future. Chances become all the more bleak once we consider that an acceleration in the pace of industrialisation is bound to increase commercial activity, probably enough to absorb all the loanable funds the banks will be able to provide. It does not mean that nothing can be done. Persuasion by the Reserve Bank of India may possibly lead to some of them into the farm-loan field. It will, of course, take time to demonstrate that they are safe loans. Mr. Chester C. Davis, Consultant to the Ford Foundation, has suggested "that a start might be made by encouraging banks which have or will establish branches at market centres where real progress in increasing production has been made to use local deposits for productive loans in the community." Scheduled banks, however, do not seem to be interested in establishing more branches. The Rural Credit Survey Committee is also not very optimistic when it says "that the claims put forward by commercial banking interest in the context of agricultural credit trend to be greatly exaggerated.

Coming to the second aspect of the problem, that is, financing agricultural commodities, we find that the commercial banks have played "a less insignificant, even an appreciable," part. During 1950-51, the banks advanced Rs. 105.7 crores for wholesale trade in agricultural commodities. This accounted for 16.8 per cent. of their total advances. This is the field in which there is plenty of scope for the banks to expand their activities and acquire considerably greater importance. Their potentialities have, unfortunately, not been fully exploited. The main hinderances have been lack of good and adequate storage and absence of co-ordinated marketing agencies. It is obvious that the private financing of commodity movement from the farm to the processor and the seller can hardly become general without these facilities. The banking practice also justifies it. A large portion of the credit given was in respect of four commodities—cotton, jute, oilseeds and sugar—as these are of major commercial importance and relatively well stored and their marketing, better organised.

Crux of the Problem

The State Governments have, no doubt, from time to time, enacted legislation to encourage the construction of warehouses but these have only remained on paper. Nothing concrete has come out of them. The Government have to play an active part. Their sponsorship and at least partial financing will be needed to get the development under way. The Rural Credit Survey Committee seems conscious of the magnitude and the urgency of the problem. They have recommended the constitution of a National Co-operative Development and Warehousing Board, with the Minister for Food and Agriculture as its Chairman, and an All-India Warehousing Corporation. The latter is required to have an authorised share capital of Rs. 20 crores—the issued and paid-up share capital being Rs. 10 crores, out of which Rs. 4 crores will be subscribed by the Government of India. Its main functions will be to acquire and build godowns and warehouuses, run licensed warehouses and manage regulated markets at important centres.

With a well-organised system of sale storage and orderly marketing as indicated above, there is no reason why commercial banks should not participate in this sphere of rural credit to a much greater extent than they are doing at present. This is, in fact, the credit operation to which they are accustomed. It is not only in the interest of the banks but also their duty to expand their activities in the rural areas. They have to counteract the criticism of the Survey Report that the commercial banks' interest in the rural area is only for the purpose of getting deposits from those areas through branches, mobile banks, etc., and not for financing either agriculture or cottage industry.

To sum up, the interest of commercial banks in agriculture lies not so much in production as in marketing. As things stand, it is quite improbable that the banks will play any significant part in relieving the credit needs of the actual farmer or the cultivator, but they can contribute more liberally towards the marketing of agricultural produce, if the necessary facilities are provided to them and they show some initiative and enterprise.

A Well Deserved Tribute

Warmly congratulating the Punjab National Bank on the completion of 60 years of useful service to India, Dr. B. Pattabhi Sitaramayya, Governor, Madhya Pradesh, says:

"Little do the public understand today what difficulties the founders of this Bank had to encounter in starting it 60 years ago. The three Presidency Banks of Bombay, Madras and Bengal held the field in those days as a monopoly and to add to these there were the National Bank, the Mercantile Bank of India, Lloyds Bank and, later, the Chartered Bank of India, Australia and China. In Madras, there was a bank called Arbuthnott Ltd. which broke about 1908. The three Presidency Banks as they were called—the Bank of Madras, Bombay and Calcutta (Bengal)—were incorporated each under its own special Act. These were later reconstituted into one bank called the Imperial Bank of India—with the Madras, Bombay and Bengal branches—some time in 1919. Other branches came later. The old shareholders were given highly favourable terms for having their shares transferred to the Imperial Bank of India.

"Sixty years ago, when the Punjab National Bank was founded, I was a lad of 15. But 34 years ago, that is, in 1923, I started the Andhra Bank Ltd., and I know fully the attitude of the Imperial Bank towards any little banking institution that was raising its head. Indeed, my first attempt to start a bank was made in 1915 when I founded the Kistna District Co-operative Bank, but, as it was a co-operative concern, I did not personally and directly come into conflict with the Imperial Bank, though, in the matter of an overdraft for the whole co-operative movement in Madras Presidency, the Imperial Bank and we co-operators came to grips in 1926. In presiding over the Provincial Co-operative Conference that year, I criticised the hesitation of the Imperial Bank in giving an overdraft of a few lakhs—about 50—to the 26 district co-operative banks in the Province on the security of the unlimited liability of as many crores of rupees worth of property belonging to the rural societies.

"I started the Andhra Bank in Masulipatam in 1923. The Imperial Bank had in that town advanced a loan of Rs. 1,25,000 to a *sowcar* who very nearly failed; I helped him to clear his debts and pay off his creditor cent per cent with interest by acting as trustee to his estate. The local Agent, who was thus helped by me to get out of a bad scrape, promised to help me if I ever needed any. I wanted an overdraft for my Andhra Bank of just Rs. 50,000 on the additional individual security of the 16 Directors of the Bank who possessed property easily worth as many (50) lakhs. The head office in Madras turned it down, it was said. When I saw the head office myself, I was asked whether I was not a non-co-operator and, if so, how the Imperial Bank could allow me an overdraft. If that was the only objection, I said, I would resign my Managing Directorship and handed him my quarter sheet of resignation paper. 'I am the only sinner, now the way is clear,' I said. 'Oh, no. Don't say that,' he replied. 'You have said it,' I rejoined.

(*Continued on page viii*)

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Progress of Joint-Stock Banking in India

PUNJAB NATIONAL KEEPS STEP WITH IT

By Dr. V. Sundara Rajan

SENIOR LECTURER IN ECONOMICS, THE M.B. UNIVERSITY, BARODA

BANKING on modern lines began in India with the foundation of the Agency Houses at Calcutta and Bombay in the eighteenth century. They combined trading with banking, they also issued notes. Most of them failed during the crisis of 1829-32.

The Presidency Banks of Bengal (1806), Bombay (1840) and Madras (1843) were "destined to play a great part in the history of Indian banking." The three Banks had a close connection with the Government which not only subscribed part of the capital but also had a share in the management. They were allowed the privilege of note issue, but, between 1839 and 1862, the maximum amount of note issue was fixed by law.

After the crisis of 1832, when the Agency Houses and their associated banks failed, banking activity proceeded with moderate zeal. Out of 12 banks launched between 1833 and 1860, half the number failed. Every one of them was a European enterprise. Some of them were mere frauds made possible largely by the laxity of the law. The Exchange Banks came into existence during this period. The Oriental Banking Corporation was established in 1842; others followed—the Chartered Bank of India, Australia and China, the Mercantile Bank of India, etc., were established between 1845 and 1853.

Prior to 1860, there was no law giving legal sanction to limited liability. In the absence of this privilege, the banks were forced by the logic of facts, to act with an extra amount of caution and hesitation when making advances or investments. Act VII of 1860 conferred this privilege on banks and opened a new chapter in the history of banking in India.

Until 1861, banks in India enjoyed, with or without restriction, powers of note issue. The Paper Currency Act of 1861 vested the right of note issue in the Government. This acted as a brake on the growth of banking in the country. In the early stages of banking development, the currency note rather than the cheque proved the most powerful factor in accelerating the growth of banking and banking habits. The growth of our banking system without any prolonged experience or historical stimulus of competitive note issues is, indeed, a distinguishing mark of banking in India as compared with other countries.

Indian joint-stock banks are of relatively recent origin. The earliest bank of this description was the Bank of Upper India, founded in 1863. The Allahabad Bank was established in 1865 and the Alliance Bank of Simla in 1874. These banks, however, could hardly be classed as exclusively Indian, since they were under European management. The Oudh Commercial Bank, founded in 1881, and *The Punjab National Bank in 1895, were the outcome of Indian enterprise and were under Indian management. The latter—the Punjab National Bank, started with a capital of Rs. 20,000, has come to occupy the second position among the joint-stock banks of the country.* By 1900, the number of Indian joint-stock banks with capital and reserves of five lakhs and over had increased to nine.

The slow progress of banking in India, as Dr. Muranjan observes, was but a reflection of the almost stationary conditions in the latter half of the nineteenth century. The fluctuations in the exchange rate and the course of prices were obviously ill-suited to stimulate the growth of banking in a backward country like India.

The picture of Indian banking in 1900 was as follows:

	Number	Paid-up capital and reserves (In crores of Rs.)	Deposits (In crores of Rs.)
Presidency banks	3	5.5	15.68
Exchange banks ..	8	1.57	10.50
Indian joint-stock banks (A Class)	9	1.27	8.00

1900-1913

Till 1906, the Presidency and Exchange banks maintained their accustomed lead in general growth. Between 1900 and 1906, the Presidency and Exchange banks added Rs. 15 and Rs. 8 crores, respectively, to their deposits, while the Indian joint-stock banks added Rs. 3½ crores only. The growth of the national movement with its slogan of "Swadeshi" gave a fillip to Indian banking. Thanks to it, the number of Indian joint-stock banks with capital and reserve of Rs. 5 lakhs and over was nearly doubled during the period 1906 to 1913 and they added to their deposits Rs. 11 crores, as against Rs. 9 crores of the Presidency Banks and Rs. 13 crores of the Exchange Banks. The number of smaller banks which sprang up during this period was much larger. It is to this period that some of the existing important joint-stock banks belong, namely, the Bank of India (1906), the Indian Bank (1907), the Bank of Baroda (1908), the Central Bank of India (1911) and the Bank of Mysore (1913). The Exchange Banks had increased to 12 in number with capital and reserve of £37.8 million.

Bank Failures 1913-17

Unfortunately, the business of many of these banks was so unsafe and speculative in character and their cash holdings low in proportion to their liabilities that a banking crisis seemed inevitable. The failure of the People's Bank in 1913 saw the beginning of the crash and, in the course of one year, 1913-14, as many as 55 banks went into liquidation.

The financial crisis of 1913-14 shook the Indian banks to their roots and a large number of them which were started as a result of the Swadeshi movement had to close. But The Punjab National Bank, one of the "Big Five" today, remained unaffected and emerged out of the crisis as strong as ever. The bank failures did considerable harm to the banking business, in particular, and to the industrial and commercial development of the country, in general. But there were certain good effects as well. They removed the weak spots in Indian banking and emphasised the need for a reform of the banking system in the country.

After the setback in 1913-14, the deposits of joint-stock banks increased greatly until it reached the record figure of Rs. 80 crores in 1921, after which there was a sharp decline, especially marked in the year 1923, when the deposits of all Indian joint-stock banks declined to Rs. 48 crores. This by itself was a sign of the weakness of the banking system in the face of difficulties. Banks with capital and reserve of less than Rs. 5 lakhs had also begun to operate in the present century and their number had increased from 23 in 1913 to 38 in 1921. During the period of banking crisis, the position and progress of Indian joint-stock banks of this class appear very remarkable. Between 1913 and 1921 their gain in deposits was Rs. 175 lakhs.

After the war period and by 1922, it was felt necessary to increase the authorised capital of the Punjab National Bank to the present figure of Rs. 1 crore. The idea was to inspire greater confidence in the depositing public and, consequently, to provide further funds for loans and advances.

The period 1913-24 was a critical period for joint-stock banking in India. Within five years, 1913-17, as many as 87 banks with a paid-up capital of Rs. 178 lakhs went into liquidation. The bank failures during 1918 to 1925 do not compare with the seriousness of those of 1913 to 1917, but the fact that they numbered 91 and involved a paid-up capital of Rs. 5.13 crores was serious enough. Of the bank failures in this period, the failure of the Alliance Bank of Simla was the most serious.

The Imperial Bank of India

An important development in banking was the amalgamation in 1921 of the three Presidency Banks into one bank, known as the Imperial Bank of India. The Bank started with an authorised capital of Rs. 11,25 lakhs divided into 225,000 shares of Rs. 500 each, all of which were subscribed but of which 75,000 shares were fully paid up and 150,000 shares were partly paid up at the rate of Rs. 125 each. The Bank had an initial reserve fund of Rs. 3,75 lakhs. The Imperial Bank became a semi-central bank, being charged with certain functions admittedly appropriate to a central bank, such as being the banker's bank and acting as the Government banker.

The Imperial Bank of India fulfilled its obligation to open 100 branches by 1926. With the coming into existence of the Imperial Bank, there was keen competition between the Imperial Bank and the Indian joint-stock banks. In 1926, after the creation of its 100 statutory branches, the Imperial Bank had 169 branches. Between 1916 and 1926, the branches of Indian joint-stock banks increased from 228 to 484. In the next decade, the Indian joint-stock banks embarked on a vigorous policy of creation of new branches, which accounted for 502 out of 512 new branches which appeared in the years 1930-36. The total number of branches of Indian joint-stock banks had grown to 1,185. The Exchange Banks, which had been powerful rivals before, steadily lost their position. Only 45 in 1916, the branches of those banks increased to 77 in 1926 and to 99 in 1936.

In 1930, there were 84 joint-stock banks of which 30 had a paid-up capital and reserve of Rs. 5 lakhs and over; and 54 had a paid-up capital and reserve of from Rs. 1 lakh to Rs. 5 lakhs. The deposits of the bigger banks showed a tendency to rise. The gain of the smaller banks was Rs. 2 crores in the decade between 1920 and 1930.

Bank failures, however, though on the decline, were not yet things of the past. The world-wide depression in trade and industry which began in the autumn of 1929 could not but affect the position of banks in the country. During the period 1926-30, 66 banks failed with a paid-up capital of Rs. 79 lakhs or about 7 per cent. of the total paid-up capital and reserve of all banks. *The Punjab National Bank, thanks to the foresight and sound policy pursued by its management, faced the crisis with confidence and courage.*

The Central Banking Enquiry Committee, in its report published in 1931, made important recommendations to ensure the sound and orderly growth of banking in India.

The establishment of the Reserve Bank in 1935 was an event of great importance and heralded a new era in the history of Indian banking. The Bank was organised as a shareholders' bank having a fully paid up share capital of Rs. 5,00,00,000 divided into shares of Rs. 100 each. Under the provisions of the Reserve Bank of India (Transfer to Public Ownership) Act of 1948, the Bank was nationalised, the Government of India acquiring the entire share capital of the Bank against compensation to shareholders.

The Reserve Bank of India was constituted as a Central Bank to regulate the issue of bank notes and the keeping of reserves, with a view to securing monetary stability and generally to "operate the currency and credit system of the country to its advantage." The Reserve Bank has thus the sole right to issue bank notes in India, the assets of which, consisting of gold coin, gold bullion, foreign securities, rupee coin and rupee securities, are kept distinct from those of the banking department. The Bank has, in fact, maintained a higher rate of reserve than that prescribed by law, that is, 40 per cent. consisting of gold coin, gold bullion and foreign securities. The Reserve Bank's next important function is to regulate the banking and credit system of the country. Every Scheduled Bank has to maintain with the Reserve Bank a minimum balance equal to 5 per cent. of its demand liabilities and 2 per cent. of its time liabilities. "The accumulation of these balances with the Reserve Bank places it in a position to use them freely in emergencies to support the Scheduled Banks whenever they seek its assistance as a lender of the last resort." The Bank extends credit to Scheduled Banks and State Co-operative Banks through the grant of short-term accommodation against eligible securities and rediscount of eligible bills. The Bank extends the benefit of its advice and guidance to non-Scheduled Banks and in times of emergency the Bank is authorised to grant financial assistance to them. The Reserve Bank is required by the Act to provide assistance to agriculture on the usual central banking principles.

As the central bank of India, the Bank carries on the banking transactions of the Government and other operations including the provision of ways and means advances to the Central and State Governments and the management of their public debt.

The total deposits of all banks in India amounted to Rs. 257 crores in 1936. The share of Indian joint-stock banks was 40 per cent., as compared with 30 per cent. in the case of the Imperial Bank of India and 29 per cent. in the case of the Exchange Banks. A noteworthy feature is the large concentration of resources in the hands of a few banks. Till very recently, the Imperial Bank of India, 18 Exchange Banks and the "Big Five" Indian joint stock banks (namely, the Bank of India, the Central Bank of India, the Allahabad Bank, the Bank of Baroda and the *Punjab National Bank*) held among them 90 per cent. of the deposit resources of the country. Taking into consideration the deposits of Indian joint-stock banks (A and B classes only), the

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extend their

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on the occasion of their

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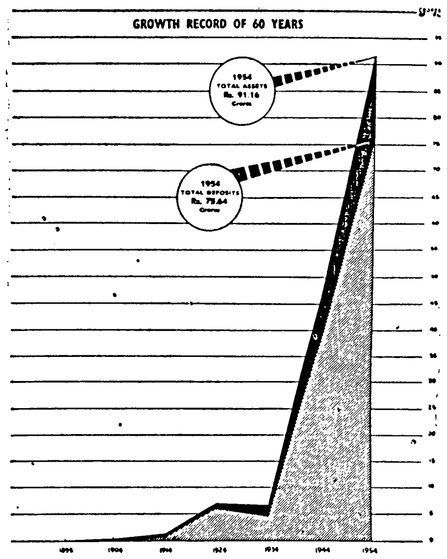

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FOR

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share of the "Big Five" was 75 per cent. in 1930 but declined to 69 per cent. in 1939.

During the period of the Second World War, the number of Scheduled Banks increased. Their number rose from 54 in 1937-38 to 96 in 1946-47. Between 1938 and 1946 banks with capital and reserves exceeding Rs. 1 lakh rose from 120 to 198. Banks having paid-up capital and reserves between Rs. 50,000 and Rs. 1 lakh increased from 112 to 135 and those with less than Rs. 50,000 fell from 400 to 216 during the same period.

In 1938, there were only 1,471 banking offices in India. Their number increased to 5,266 in 1946. But the development of banking facilities was mainly confined to the larger towns and cities. The total demand and time liabilities of the Scheduled banks in India rose from Rs. 245.68 crores in 1939 to Rs. 1,020.34 crores in 1946.

A few large commercial banks like the Bharat Bank, the Bank of Jaipur and the United Commercial Bank were floated in 1943. In addition to the newly-started large banks, some of the non-scheduled old ones became scheduled by an increase of capital and/or reserves.

The first setback to the war-time expansion came with the partition of India. There was a severe strain on the banking structure in the country. The working of banks in the Punjab and Bengal was greatly affected. *The Punjab National Bank transferred the head office of the Bank from Lahore to Delhi. It had to leave about 100 branches in West Punjab, N.W.F.P., and Sind out of a total of over 280. The Bank opened new branches in other parts of the country and continued its activities in spite of the losses it had to suffer.*

The second blow dealt to Indian banking was in West Bengal. This led to suspension of payment by three Scheduled banks in 1950—the Nath Bank, the Bank of Hindusthan and the Pioneer Bank. This created a feeling of insecurity and led to heavy withdrawals of funds from other banks too. These failures would have resulted in a much worse crisis, perhaps a major crisis, if the Reserve Bank had not rendered timely assistance. An outcome of such developments was the amalgamation of weak banks. The banking edifice was, however, essentially sound and on the whole stood the strain well enough but, in order to fill the gaps, which had been a source of weakness, long contemplated legislation was at last enacted.

Banking in India had been regulated through stray pieces of legislation before the Banking Companies Act of 1949. The Central Banking Enquiry Committee (1931) proposed a comprehensive Bank Act and the Indian Companies Act (1913) was amended in 1936 with a separate chapter on banking. In 1946, ordinances were issued to control branch expansion and to allow inspection of banks by the Reserve Bank. It was not till 1949, however, that a comprehensive law to regulate banking activities was passed. Banks are now required to secure a license from the Reserve Bank of India for carrying on banking business. The powers given to the Reserve Bank under the Act have ensured the growth of banking enterprise under its fostering care and guidance. In 1950, the Banking Companies Act was amended to correct faults which came to light in its working.

The position of Scheduled banks is shown below:

(In crores of rupees)

Year	Number	Number of branches	Time liabilities	Demand liabilities	Cash and balances with the Reserve Bank	Advances
1938-39 ..	53	1,123	108	130	23	121
1945-46 ..	91	4,115	260	655	125	301
1953-54 ..	89	2,701 (1952-53)	328	527	77	494

The progress of non-Scheduled banks is shown in the following table:

(In lakhs of rupees)

Year	No. of reporting banks	Total deposits	Cash in hand and with Reserve Bank	Percentage of 4 to 3
1	2	3	4	5
1939	669	16	1.1	6.9
1949	858	40	4	9.0
1953	896	52	4	7.7

The expectation that the establishment of the Reserve Bank will stimulate banking enterprise as much as it is in the power of a central bank to do so, has not been entirely unfulfilled. The growth of organised banking was regarded as gratifying by the foreign experts in 1931 and at the end of two more decades since then, can still be regarded as gratifying.

The last two decades on the whole have witnessed steady progress in banking, though this has not been without some setbacks. An impetus to rapid development came during World War II, when inflation increased money incomes in the hands of the people. In the post-war period, there has been a reaction, but this is rather in the nature of an inevitable corrective to the earlier expansion, which in some respects was indiscriminate. The adjustments now being accomplished, partly through the recent legislation governing banking companies and the supervisory powers given to the Reserve Bank, should enable the banking system to strengthen itself to play a larger role than in the past in the country's economic progress, without undue disturbance of economic stability.

(*Concluded from page v*)

To make a long story short, on my renewal of my application as advised by him, I got the same old reply that the business would not suit the Bank. We remained where we were.

"When I started this (Andhra) Bank in 1923, the local Agent of the Imperial Bank would not allow the local merchants to take shares, much less to become Directors, still less to become the Managing Director or the Secretary, and least of all, to have transactions with the new Bank. Shortly afterwards the Imperial Bank's dues were repaid by loans taken from my Bank. We had to fight our way every step and every inch.

"The Englishman, always a shrewd businessman, saw 'the moon in the candle and the sun in the hurricane lamp.' He would not take the smallest risk in business. He takes time by the forelock. It was in the midst of such conditions that the Punjab National Bank was started with a capital of Rs. 20,000 that it grew, prospered, met with its own trials in the Partition, survived them all and is today in the van of progress of banking institutions and is the second biggest joint-stock banking institution serving the country with 312 offices. The Punjab has all along been noted for its banking and insurance companies and produced men like Har Kishen Lal, Lala Lajpat Rai, Sardar Dayal Singh Majithia, Shri Meherchand Mahajan and Purushottamdas Tandon. This Bank is one of the biggest subscribers to the National Plan Loan and has contributed liberally to the various Development loans floated by the Madhya Pradesh Government. Its deposits have reached Rs. 75 crores on 31st December, 1954. Its total assets exceed Rs. 90 crores. It publishes a pretty little monthly which attracts readers from all grades of society and all professions and callings by its sparkling wit and its original notes and comments. The Bank ranks second amongst the Big Five banks of India.

"Public institutions have only a beginning and no end. They are *nithyajeevis*—not merely *Chiranjeevis*. May the Bank aspire to be the Bankers' Bank, taking under its wings the young institutions that must spring into existence with the march of time in *Swaraj* India."

HEARTIEST GREETINGS
AND
BEST WISHES
FOR
THE CONTINUED GROWTH
AND
PROSPERITY
OF
THE PUNJAB NATIONAL BANK LIMITED
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HAMBURGER KREDITBANK
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